Management Direction Update

Takahito Tokita
CEO & CDXO
Fujitsu Limited

April 28, 2022
Our Purpose

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

Our purpose is to make the world more sustainable by building trust in society through innovation.

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.
FY2021 Results and Initiatives for FY2022 and Beyond
## Summary of FY2021 Financial Results

Consolidated operating profit, excluding the impact of restructuring, is 275.6 Billion yen (operating profit margin 7.7%), increased by 10%+ compared to the previous year.

*(Unit: Billions of yen)*

<table>
<thead>
<tr>
<th></th>
<th>2020 (Actual)</th>
<th>2021 (Actual)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,589.7</td>
<td>3,586.8</td>
<td>▲ 2.8</td>
</tr>
<tr>
<td>Operating Profit (Excl. restructuring)</td>
<td>247.3</td>
<td>275.6</td>
<td>▲ 28.2</td>
</tr>
<tr>
<td>Operating Profit Margin (Excl. restructuring)</td>
<td>6.9%</td>
<td>7.7%</td>
<td>▲ 0.8%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>266.3</td>
<td>219.2</td>
<td>▲ 47.1</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>7.4%</td>
<td>6.1%</td>
<td>▲ 1.3%</td>
</tr>
<tr>
<td>Profit for the Period</td>
<td>202.7</td>
<td>182.6</td>
<td>▲ 20.0</td>
</tr>
<tr>
<td>EPS (Yen)</td>
<td>1,013.8</td>
<td>924.2</td>
<td>▲ 89.6</td>
</tr>
</tbody>
</table>

### Technology Solutions

<table>
<thead>
<tr>
<th></th>
<th>2020 (Actual)</th>
<th>2021 (Actual)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,087.7</td>
<td>3,056.3</td>
<td>▲ 31.3</td>
</tr>
<tr>
<td>Operating Profit (Excl. restructuring)</td>
<td>200.6</td>
<td>193.9</td>
<td>▲ 6.7</td>
</tr>
<tr>
<td>Operating Profit Margin (Excl. restructuring)</td>
<td>6.5%</td>
<td>6.3%</td>
<td>▲ 0.2%</td>
</tr>
<tr>
<td>Special Items(Business model transformation)</td>
<td>▲7.4</td>
<td>▲58.9</td>
<td>▲ 51.5</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>193.2</td>
<td>135.0</td>
<td>▲ 58.2</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>6.3%</td>
<td>4.4%</td>
<td>▲ 1.9%</td>
</tr>
</tbody>
</table>
Priority Issues in Achieving Our Purpose

Creating value through “For Growth” and “For Stability” initiatives that contribute to our customers’ businesses

Self-transformation through further implementation of internal DX initiatives

Our Purpose

Value Creation

Internal Transformation

For Growth

For Stability

Internal DX

- Rebuilding our global business strategy
- Strengthening issue resolution capability in Japan
- Contributing to greater business stability of our customers’ businesses
- Becoming our customers’ DX partner of choice
- Enforcing data-driven management
- DX talent development and productivity improvement
- Fully participatory, ecosystem-based DX promotion

For Growth : Digital (DX, Modernization)
For Stability : Conventional IT (Maintenance and operations of systems, provision of products)
Creating Value for Customers

01 Reforming our global business strategy

02 Strengthening issue resolution capability in Japan

03 Contributing to greater business stability

04 Becoming our customers’ DX partner of choice
Reforming Our Global Business Strategy

Transforming Our Business Structure

• Structural transformation of Region business (Americas, Europe)
  • Simplification to a 4 Region structure
    Japan  Europe  Americas  Asia Pacific
  • Global leadership relocation

Enhancing Our Offerings

• Expanded global offerings
• Enhanced presales functions of GDCs*
  • Enhance cross-regional collaboration for greater customer value creation and accelerated modernization
  • Full-scale launch of Fujitsu Uvance

* GDC: Global Delivery Center

Initiatives in FY2021

FY2022 and Beyond
02 Strengthening Issue Resolution Capability in Japan

Strengthening our solutions business, expanding ecosystem

• Established Fujitsu Japan Limited, shifted to be the solutions business
• Partnerships for a sustainable digital society - (NTT, Kawasaki City, KDDI etc.)
• Promote DX as the underlying foundation system for society
• Approach centered on resolving societal issues and creating possibilities, e.g. Digital Garden City Nation concept

Enhancing employee development and customer engagement

• Reskilling of 8,000 Business Producers* completed
• Opened up new customer points of contact through digital sales
• Transform the style of business engagement and deals by enhancing consulting capability
• Strengthen approaches to C-suite and lines of business

* Business Producers: Transformed sales staff who address management/social issues through DX
Contributing to Greater Business Stability

Improving SI business deals and increasing quality, strengthening risk management

- Detection and advanced prevention of issues using AI and data insight
- Established Information Security Unit with HQ dedicated CISO*

* CISO: Chief Information Security Officer

Further use of GDCs for global standardized development

- Significantly greater efficiency in resource assignment
- Strengthened GDC to become an organization of 20,000+ people
- Increase sophistication of preventative inspections, data-based approach
- Dedicated CISO in all Regions to deploy global security strategy with proactive application and consistency in risk management
- Standardize streamlined delivery models and automate operations to provide higher value services
- Doubled effort to support globalization of Japanese customers through JGG**/GDC alignment

** JGG : Japan Global Gateway

Initiatives in FY2021

FY2022 and Beyond
Becoming Our Customers’ DX Partner of Choice

Strengthen “Customer Success” to resolve management issues/issues in society

- Trained Account General Managers who will work alongside customers to resolve issues
- Adjusted product portfolio from a market-focused perspective
- Strengthen support for “Customer Success,” the realization of customers’ transformation
- Strengthen offerings supporting customers in their sustainability management requirements and resolving issues experienced in society

Ridgelinez: Strengthen approaches based on DX/management issues

- Growth in orders continued to be strong, 120%+ year on year
- Implemented flexible approach to employee management to maximize performance
- Broaden experience in addressing customers’ business issues by combining the strengths of Principals
- Accelerate sophisticated management approach using digital tools, e.g. dashboards

* Ridgelinez: Fujitsu’s subsidiary offering DX consulting

Initiatives in FY2021

FY2022 and Beyond
Becoming Our Customers’ DX Partner of Choice

Working with customers to deliver digital transformation, bringing together strong technology and know-how

- **Updated Management Platform to Enhance Global Management**
  - Daiwa House Industry Co., Ltd.
    - Understanding the financial situation in real time and speeding up decision-making
    - Shift to higher-added-value operations through automation

- **Safe and Secure Water Trading Platform**
  - Botanical Water Technologies LTD.
    - Securing traceability within a circular supply chain

- **Personalized Skincare Service**
  - Orbis
    - Co-designing brand and experience based on service vision
    - Agile development pursuing a better customer experience
01 Enforcing data-driven management
02 DX talent development and productivity improvement
03 Fully participatory, ecosystem-based DX promotion
01 Enforcing Data-Driven Management

Shifting from results-based management to data-based predictive management

**Expanded use of the data analysis platform** *(Palantir)*

- Started utilizing management dashboard
- Established Data Analytics Center

**Launch of One CRM** *(from Apr. 2022)*
Integrate pipeline management at a global level

**Launch of One ERP+** *(Live in the UK&I from Apr. 2022)*
Integrate company-wide ERP, data-driven 3-axis management
(Service Lines/Regions/Industries)

Initiatives in FY2021

FY2022 and Beyond

*UK&I: UK and Ireland*
DX Talent Development and Productivity Improvement

Complete change in HR management model

- Increased employee mobility by expanding job postings
- Strengthened role-based compensation system
- Implement global postings
- Promote use of Connect, our globally-shared evaluation system
- Expand application of position-based HR system to support employees’ aspirations

Shaping systems and environments to improve productivity and creativity

- Implemented cutting-edge technology internally
- Support for self-directed career shaping to support employees’ life needs
- Expand worldwide borderless office
- Increase employee connection, empathy and trust through data-driven approach, e.g. employee feedback analysis, to improve psychological safety, creativity and productivity.

Initiatives in FY2021

FY2022 and Beyond
03 Fully Participatory, Ecosystem-based DX Promotion

FUJITRA (Fujitsu transformation)

- Expanded “Purpose Carving” to all employees globally
- Expanded system of DX Officers globally to drive unit-by-unit DX

VOICE program

- Trialed and utilized internally (1,200+ times), template approach, shared with customers for adoption

Fujitsu Innovation Circuit

- Launched “Intrapreneur” training program

Initiatives in FY2021

- Deepen 30 DX frameworks
- Improve mindsets and corporate culture to achieve DX promotion indicators

- Enhanced insight through use of combined AI and behavioral analysis technology
- Transform from a culture of reporting to a culture focused on customers, conversations and understanding

- Expand the number of participants
- Business creation support (systems, resources)

FY2022 and Beyond
Key Initiatives for Sustainable Growth
Sustainability Initiatives
Contributing to the sustainable growth of our customers, people, and society

Society and the Environment
- Human Rights/Diversity
  Expanding the training program to 130,000 employees around the globe
- Post-carbon/Renewable energy
- Resource circulation
- Biodiversity

Supply Chains
- Checking suppliers and partners
  Procurement by suppliers and partners conforms to required standards
- Promoting diversity
- Optimal procurement of renewable energy
- Reduce greenhouse gas emissions

Wellbeing
- Support and promote employee wellbeing and their family’s considerations
  (March 2022)
  Becoming a global leading company, e.g., headache prevention program
- Contributing to local communities

Solutions to Society Issues
Supply Chain Diversification
Global Policies and Standards
Announced as a new global brand in October 2021 with 7 key focus areas

Launched dedicated units in April 2022, initially starting with 1,000+ employees and diverse global leadership

Making the world more sustainable through Seven Key Focus Areas

**Vertical Areas**
Four cross-industries

- Sustainable Manufacturing
- Consumer Experience
- Healthy Living
- Trusted Society

**Horizontal Areas**
Three enablers supporting cross-industries

- Digital Shifts
- Business Applications
- Hybrid IT

**Key Technologies**

- Computing
- Network
- AI
- Data & Security
- Converging Technologies
5 Key Technologies
Developing and applying technologies to address societal issues

- Converging Technologies
- Data & Security
- AI
- Network
- Computing

Varieties of Data
Large Volumes of Data
Data Lakes

Bringing new value from data that transcends boundaries

Sophisticated decision-making from a new perspective, leveraging leading technical know-how

Supercomputers
Quantum-inspired Computing
Quantum Computers

Massive computing power and ultra-low power consumption
Global Research Structure

850+ researchers across 8 Countries

UK: Social Digital Twin, AI ethics
Spain: Security
Israel: (New) Next Generation AI, Quantum software
India: (New) Next Generation AI, Quantum software
China: Pattern recognition
US: Advanced machine learning
Canada: Advanced computing

Nov. 2021
Fujitsu and Ben-Gurion University embark on joint research at new center in Israel for precise and secure AI

Apr. 2022
Fujitsu launches new research center in India, embarking on joint R&D with leading Indian universities to accelerate innovation in AI and machine learning
FY2022
Management Goals
# Fujitsu’s Approach to Management Goals

## Management Based on Our Purpose

<table>
<thead>
<tr>
<th>Financial Indicators</th>
<th>Non-Financial Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>Society and customers</td>
</tr>
<tr>
<td>Earnings and capability</td>
<td>Employees, organization, and culture</td>
</tr>
</tbody>
</table>

**Making the world more sustainable**

Stable contributions over the long term

Creation of growth opportunities

**GRB (Global Responsible Business) 7 issues**

- Human Rights and DE&I
- Wellbeing
- Environment
- Compliance
- Supply Chain
- Occupational Health and Safety
- Community
# Financial Forecast for FY2022

Seek to fully execute initiatives continued from the prior fiscal year as well additional initiatives starting this fiscal year, while also growing revenues and profits for the entire company and Technology Solutions.

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Technology Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 (Actual)</td>
<td>2022 (Forecast)</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,586.8</td>
<td>3,720.0</td>
</tr>
<tr>
<td>Operating Profit (Excl. restructuring)</td>
<td>275.6</td>
<td>390.0</td>
</tr>
<tr>
<td>Operating Profit Margin (Excl. restructuring)</td>
<td>7.7%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>219.2</td>
<td>400.0</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>6.1%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Profit for the Period</td>
<td>182.6</td>
<td>280.0</td>
</tr>
</tbody>
</table>
Initiatives to Achieve FY2022 Management Goals

Target Technology Solutions growth, achieving 3.2 trillion yen revenue and 10% operating profit margin for FY2022

Expanding Revenue
- Continued strengthening of services business
- Expand business in resolving customers’ management issues
- Launch and driving Fujitsu Uvance

Improving Profitability
- Improvement of productivity through utilization of GDC/JGG, standardization and automation
- Curb unprofitable projects through quality/risk management

Revenue (Billions of yen)
- For Growth
  - 2020 (Actual): 3,087.7
  - 2021 (Actual): 3,056.3
  - 2022 (Forecast): 3,200.0

Operating Profit Margin
- 2020 (Actual): 6.5%
- 2021 (Actual): 6.3%
- 2022 (Forecast): 10.0%
Initiatives to Achieve Management Goals by FY2022

Non-Financial Indicators

Client Net Promoter Score

- FY2021 (reference): 63
- FY2022 (Target): 68
- Change: +2.3 point

Employee Engagement

- FY2019 (Actual): 63
- FY2020 (Actual): 68
- FY2021 (Actual): 67
- FY2022 (Target): 75

DX Promotion Indicator

- FY2019 (Actual): 1.9
- FY2020 (Actual): 2.4
- FY2021 (Actual): 3.2
- FY2022 (Target): 3.5
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