FY2021

Consolidated Financial Results

April 28, 2022
Fujitsu Limited

FY21 Financial Highlights

FUJITSU

Results Summary

Operating profit, excluding special items, was 275.6 billion yen (an operating profit margin of 7.7%), an increase of more than 10% vs LY

1. Incoming Orders (Services-related, vs LY): Japan +**3**%, NWE +**9**%, CEE +**3**%, Americas +**19**%
2. Gross Margin: **31.2**%, an improvement of **1.1**% vs LY
3. Strategic Growth Investments FY2020 **40.0** billion yen -> FY2021 **85.0** billion yen, a significant increase

Human Resource Measures to Accelerate Transformation into a DX Company

As part of a series of measures to help employees shape their careers and to put the appropriate people in the appropriate roles, we are expanding the program to support those taking on the challenge of a new career outside of the Fujitsu Group

65.0 billion yen was recorded as a one-time expense in FY2021

2

Please turn to page 2, which presents highlights of our financial results.
Although the business environment remained difficult due to the ongoing COVID-19 pandemic and the negative impact of the semiconductor shortage, operating profit excluding special items was 275.6 billion yen, and our operating profit margin was 7.7%. Our operating profit increased by over 10% from the prior year.

There are three points I would like to point out about our results excluding special items.
The first is that orders both from Japan and regions excluding Japan relating to system integration and services increased. Services orders from regions excluding Japan, in particular, significantly increased.

Second, our gross margin increased by 1.1 percentage points over the prior year, to 31.2%. In addition to an improvement in the profitability of solutions and services, this positive development was achieved against a backdrop of strong demand for electronic components.

Third, we were proactively making growth investments. We enhanced both new investments for value creation and investments in internal transformation, increasing both compared to the prior year.

Next is an initiative to accelerate our transformation into a DX company.
As part of our policies to promote new career formation for employees and measures to appoint the right persons to the right positions, we expanded the support system for employees who want to take on the challenge of a new career outside of the Fujitsu Group for a limited time.
As a result, we recorded a one-time expense of 65.0 billion yen in fiscal 2021.

Those are the highlights of today's presentation.

Contents

1. Financial Results for FY2021

1.Financial Results for FY2021

Consolidated PL

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(Billions of yen)

		FY2020 (Actual)	FY2021 (Actual)	Change	(%)	Change vs. Mar forecast
Excl. Special items	Revenue	**3,589.7**	**3,586.8**	**-2.8**	**-0.1**	**-43.1**
	Impact of restructuring *1	35.1	-	-35.1	-	-
	[Excl. restructuring]	3,554.5	3,586.8	32.3	0.9	-43.1
	OPPL	**247.3**	**275.6**	**28.2**	**11.4**	**0.6**
	[Operating Profit Margin]	[6.9%]	[7.7%]	[0.8%]		[0.1%]
Special items (One-time Profit/Loss) *2	Revenue	-	-	-	-	-
	OPPL	18.9	-56.4	-75.4	-	8.5
Total	**Revenue**	**3,589.7**	**3,586.8**	**-2.8**	**-0.1**	**-43.1**
	OPPL	**266.3**	**219.2**	**-47.1**	**-17.7**	**9.2**
	[Operating Profit Margin]	**[7.4%]**	**[6.1%]**	**[-1.3%]**		**[0.3%]**
	PAT *3	**202.7**	**182.6**	**-20.0**	**-9.9**	**22.6**

*1 Restructured businesses: low profitability countries in Europe, product business in North America, mobile phone retail store business.

*2 One-time Profit/Loss from restructuring and business transfers、purchase price allocation relating to M&A

*3 Profit for the Year Attributable to Owners of the Parent

5

This outlines our financial results for fiscal 2021.
On top are our financial results excluding special items.
Revenue was 3,586.8 billion yen, down 2.8 billion yen from last year. Excluding the impact of business restructurings, revenue increased by 32.3 billion yen, or 0.9%. The increase was driven by our network products business and electronic components.

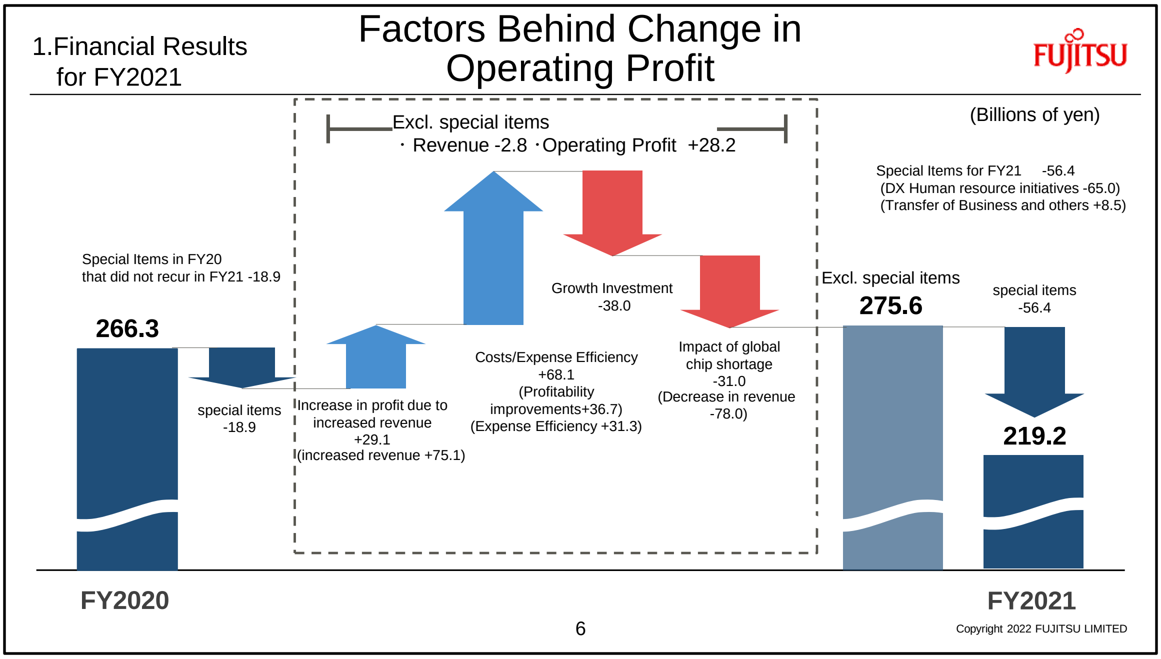
Operating profit was 275.6 billion yen, up 28.2 billion yen from the prior year. The improvement was due to improved profitability in Technology Solutions and the impact of higher revenue from electronic components.

Next is special items. This is where we record one-time gains or losses from business restructurings or the sales of businesses. In fiscal 2021, there was a loss of 56.4 billion yen, representing a deterioration of 75.4 billion yen from the prior year. This decrease is mainly due to the fact that the previous year's gains from the sale of the mobile retail store business did not recur in fiscal 2021, as well as expenses of $65 billion yen incurred in the fourth quarter relating to our human resources policies.

On the bottom of the slide you can see our consolidated figures. Operating profit was 219.2 billion yen, a 47.1 billion yen decline from the prior year due to the significant negative impact of special items in fiscal 2021.

Profit for the year was 182.6 billion yen, down 20.0 billion yen from the prior year.

On the far right are comparisons with the forecast we announced in March. Revenue fell short by 43.1 billion yen, in part because of network-related projects that have been postponed into the next period, but operating profit improved by 9.2 billion yen, and profit for the year improved by 22.6 billion yen.



I will now comment on the factors behind changes in operating profit in fiscal 2021 compared to the prior year.

On the far left of the slide you can see our operating profit for fiscal 2020, which was 266.3 billion yen.
I will use this as the starting point for explaining changes from the prior year.

The first downward arrow shows a negative impact of 18.9 billion yen due to gains from special items in the last fiscal year that did not recur this year.

The remaining factors from here are increases or decreases excluding the impact of restructuring and special items. The first upward arrow shows a positive impact of 29.1 billion yen from higher revenue. The network products business posted higher revenue, primarily from 5G base stations in North America, and Device Solutions posted higher revenue from electronic components due to a higher demand for semiconductors.

The next upward arrow shows a positive impact of 68.1 billion yen from greater efficiencies in costs and expenses. Costs improved by 36.7 billion yen. In addition to profitability improvements in Technology Solutions, there was a significant improvement in electronic components stemming from the impact of higher capacity utilization against a backdrop of very strong demand.
Cost efficiency improved by 31.3 billion yen. In addition to greater efficiencies in existing development work and productivity improvements from transforming the ways we work, there were also improvements from the sale of idle assets.

The third arrow, pointing downward, shows a negative impact of 38.0 billion yen from an increase in growth investments, as we proactively expanded these investments.

The last downward arrow shows a negative impact of 31.0 billion yen stemming from delays in procuring component supplies. In addition to the negative impact on revenue of 78.0 billion yen due to a lower sales volume, there was also a negative impact from higher costs, and while we tried to pass these on in higher prices, these were outweighed by the negative factors.

These were the changes in operating profit excluding special items. In total, operating profit in our core business increased by 28.2 billion yen.

Adding everything together, operating profit excluding special items was 275.6 billion yen.
When we include the last downward arrow of the decrease of 56.4 billion yen in special items, we get a total operating profit of 219.2 billion yen for fiscal 2021.

Revenue by Segments (Excl. restructuring)

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(Billions of yen)

	FY2020 (Actual)	FY2021 (Actual)	Change	Impact of global chip shortage
Excl. restructuring	**3,554.5**	**3,586.8**	**32.3**	**-78.0**
Technology Solutions	**3,071.7**	**3,056.3**	**-15.3**	**-68.1**
Solutions/Services	1,883.6	1,840.5	-43.1	-35.3
System Platforms	633.7	617.5	-16.2	-25.8
System Products	432.6	384.7	-47.9	-22.1
Network Products	201.1	232.8	31.6	-3.6
International Regions Excluding Japan	707.6	729.3	21.7	-23.3
Common	-153.3	-131.0	22.2	16.4
Ubiquitous Solutions	**299.9**	**237.1**	**-62.8**	**-9.9**
Device Solutions	**293.8**	**375.9**	**82.1**	**-**
Inter-segment Elimination	-110.9	-82.6	28.3	-

Now I will provide some additional information about the arrows inside the dotted-line box in the waterfall chart. This page shows actual increases and decreases in revenue excluding the impact of business restructuring.

Revenue in Technology Solutions declined by 15.3 billion yen from the prior year.
This amount includes the negative impact from delays in component supplies. Excluding that impact, revenue increased by 2%.

Revenue from Solutions and Services declined by 43.1 billion yen.
Services revenue, including from systems development, continued to be strong.
On the other hand, in addition to semiconductor shortages, there was a drop-off in large-scale projects from the higher levels of the prior year, and there was weakness in business that is integrated with hardware, primarily from local government customers, educational institutions, and medium-sized businesses.

In System Platforms, revenue declined by 16.2 billion yen. This amount includes a negative impact of 25.8 billion yen due to delays in component supplies. There was a drop-off stemming from supercomputer-related revenue in the prior year that did not recur this year, but these were covered by higher overall revenue elsewhere, primarily from 5G base stations in our network products business.

In international regions excluding Japan, revenue increased by 21.7 billion yen.
In addition to higher revenue from the Services business in Northern and Western Europe as well as in North America, there was a positive foreign exchange impact from the weaker yen.

In Ubiquitous Solutions, revenue declined by 62.8 billion yen in comparison with the prior year, when there was strong remote work-related demand as well as revenue from the GIGA School Project.

In Device Solutions, revenue increased by 82.1 billion yen. In line with the increase in demand for semiconductors, revenue from electronic components was very strong.

1.Financial Results for FY2021

Overall Orders in Japan (Fujitsu Limited and Fujitsu Japan Limited)

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	FY2021(Actual)					[SI / Services]
	1Q	2Q	3Q	4Q	Total	
Private Enterprise [Manufacturing & Distribution]	91%	101%	101%	102%	99%	[102%]
Finance＆Retail	109%	95%	105%	104%	103%	[109%]
Japan Region ［Government & Social infrastructure & Others］	91%	120%	89%	91%	96%	[105%]
Fujitsu Japan [Local government & Healthcare & Educational institutions & Small and medium enterprise］	93%	91%	88%	87%	90%	[92%]
Total	93%	102%	95%	95%	97%	
［SI / Services］	[98%]	[109%]	[106%]	[101%]	[103%]	
［PC］	[73%]	[71%]	[87%]	[79%]	[77%]	
［Server / Network and Others］	[93%]	[89%]	[70%]	[84%]	[83%]	

8

This slide shows the status of orders in Japan. In my explanation, I will comment on the fourth quarter and full year for each customer segment.

First is the Enterprise segment.
Orders for the fourth quarter were up 2% from the previous year, while orders for the full year were down by 1%.
In the fourth quarter, we received a large-scale order for a mission-critical upgrade project in the mobility field, making for a strong fourth quarter trend in orders, continuing from the third quarter. For customers, as well, there was a strong demand for DX projects despite shortages in semiconductor supplies and high prices for raw materials.

Next is Finance and Retail.
Orders increased by 4% in the fourth quarter and rose 3% for the full year. In the fourth quarter, large-scale deals began to accumulate, primarily in financial services. For the full year, there was an increase in DX-related investment projects, including in the retail sector.

Next is the Japan Region.
Orders fell by 9% in the fourth quarter and also declined by 4% for the full year. This segment includes mainly orders from government ministries and agencies, and telecom carriers. In the fourth quarter of the prior year, there were large-scale orders from government ministries and agencies, as well as from telecom carriers, and the drop-off resulted in a decline in full-year orders.

Next is Fujitsu Japan.
Orders in the fourth quarter declined by 13%, and declined by 10% for the full year, ending the year at a low level.
Orders from local governments were weak both in the fourth quarter and for the full year. The movement toward system standardization is still weak, but we have higher expectations for fiscal 2022.
Orders from the healthcare sector were essentially unchanged from the prior year. The sector continues to be strongly affected by COVID, but there is a strong need for digitization, and progress is being made in recovering projects that had been postponed.
Orders from educational institutions were down because of the drop-off in orders from last year's GIGA School project.
Small and medium-sized enterprises have been impacted by component supply shortages as well as a surge in resource prices, and the overall recovery has leveled off.

At the bottom of the slide we show orders by product or service category within the totals for the major sectors. System integration and services orders increased by 3% for the full year. Overall, while we cannot call it a strong recovery, even if we look at the major industry sectors in the top section, with the exception of Fujitsu Japan, there is a clear recovery trend from the prior year.

Overall Orders in International Regions Excluding Japan

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	FY2021(Actual)				
	1Q	2Q	3Q	4Q	Total
NWE	103%	95%	64%	137%	97%
Services	108%	88%	80%	156%	109%
Products	93%	120%	42%	89%	71%
CEE	127%	115%	87%	79%	99%
Services	120%	123%	96%	83%	103%
Products	129%	112%	84%	78%	98%
Americas [Services]	94%	118%	155%	112%	119%
Asia	133%	117%	111%	123%	121%
Oceania	102%	71%	94%	73%	83%

Next is the status of orders for regions excluding Japan.
I will comment on the fourth quarter and full year for each region.

NWE
Orders were up 37% in the fourth quarter and down 3% for the full year.
Continuing from the prior year, we received orders for mission-critical system upgrades from government ministries and agencies in the UK.
Orders for system integration and services have been strong, up 9% for the full year.

CEE
Orders were down 21% in the fourth quarter and down 1% for the full year.
Orders were strong in the first half of the fiscal year, mainly for PCs and outsourcing services, but they lost steam in the second half. Hardware products, in particular, were heavily impacted by component supply problems. Orders for Services rose 3%.

Americas
Orders in the fourth quarter were up 12%, and up 19% for the full year.
In North America, we have exited the hardware product business and are focusing on the Services business. The structural reforms have come to an end for now, and the Services business is beginning to grow.

Asia
Orders in the fourth quarter were up 23%, and up 21% for the full year.
For the full year, we have seen strong growth, mainly in Singapore, Taiwan, Thailand, and Vietnam.

Oceania
Orders were down 27% in the fourth quarter and down 17% for the full year.
Orders declined compared to the prior year due to a drop-off from large-scale orders in the second and fourth quarters of the prior year, but there is strong demand for services aimed at utilizing data, and our pipeline for fiscal 2022 and beyond is expanding.

We are seeing a recovery in our Services business, both in Japan and regions excluding Japan, and the launch of global offerings, such as the Work Life Shift program, are also contributing to this trend. For further increases in fiscal 2022 and beyond, we will be proactive in making investments.

Costs/Expense Efficiency

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Gross Margin(Ratio) : +36.7 billion yen, +31.2%(+1.1% vs LY)

・Trends in gross margin ratio

	FY2019	FY2020	FY2021
Total	29.1%	30.1%	31.2%

・Solutions & Services ↗ … Changes in System development, delivery and support operations (Agile development, Japan Global Gateway, remote maintenance)

・System Platforms ↗ … Improved relative to the previous year, due to decline in supercomputers relative to last year

・International region excludnig Japan ↗ … Secured major services contracts
Improvements due to progress in structural transformation in North America

・Device Solutions ↗ … Ongoing operational improvements due to increased overall demand led to a major increase

Expense Efficiency : +31.3 billion yen… Development efficiency, effects of workstyle transformation, sale of idle facilities, etc.

(OPEX excluding growth investments, and other income and expenses)

This shows the efficiency improvements in costs and expenses.

Our gross profit improved by 36.7 billion yen, and our gross margin, excluding special items, was 31.2%, an increase of 1.1 percentage points from the prior year.

In Technology Solutions, we made productivity improvements by transforming our systems development work, such as by further expanding the use of agile development, by transforming our delivery of services, such as through the use of our Japan Global Gateway, and by transforming our support services, such as through an expansion of our remote maintenance work. Outside of Japan, as well, in addition to winning services projects with high profitability in the UK, we were able to make progress in North America over the prior year in advancing structural reforms.

Device Solutions also made significant advances through improvements in capacity utilization due to higher demand.

Next, in expense efficiencies, there was an improvement of 31.3 billion yen from a concentration on existing development projects and offshore development, productivity improvements from transformations in the way we work, and the sale of idle assets.

Growth Investments

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Growth Investments : 85.0 billion yen, +45.0 billion yen vs LY

	FY2020	FY2021	vs LY
Investments for value creation	31.0	35.0	4.0
Investments for our own transformation	9.0	50.0	41.0
Total	40.0	85.0	45.0
(OPEX)	(15.0)	(53.0)	(38.0)
(CAPEX)	(25.0)	(32.0)	(7.0)

Major Items

・Investments for value creation

Global offering development, service delivery transformation

(Japan Global Gateway, GDC enhancements)

New business creation (6G, smart cities, next-generation processors)

Business Producer transformation

・Investments for our own transformation

Internal DX investments (One Fujitsu), Work Life Shift

Major Effects in FY2021

・Cost efficiency improvements due to expanded use of offshoring	9.0	Japan Global Gateway, enhanced GDCs
・Increased sales and profits from global offerings:	9.0	Sales growth due to enhanced offerings
・Increased efficiency of expenses due to Work Life Shift	2.0	Borderless office optimizations
Total	20.0	

Growth investments were 85.0 billion yen in total. This was an increase of 45.0 billion yen from the prior year.

Growth investments fall into the two categories of value creation investments, which accounted for 35.0 billion yen, and internal transformation investments, which amounted to 50.0 billion yen.

For investments in value creation, we invested in the development of global offerings to drive the expansion of our Services business and enhancements to our Japan Global Gateway to establish our new services delivery model. By expanding the development work handled by our Global Delivery Centers through the standardization of development and maintenance work and handling more work internally, we are increasing both quality and profitability.

For investments in internal transformation, in addition to promoting Work Life Shift for the wellbeing of employees and employee training programs, we are making continuous investments in One Fujitsu as a platform for data-driven management. If we make progress in increasing the sophistication of our data-driven management, we will gain an understanding of financial data with unprecedented levels of detail, speed, and ease, which we expect to enable further efficiencies and effectiveness in management decision-making.

The results of these growth investments are beginning to materialize. Here we show the major categories, but just from these major areas we are seeing efficiencies of 9.0 billion yen from the use of the Japan Global Gateway and the GDCs, 9.0 billion yen from global offerings, and 2.0 billion yen from the use of borderless offices, so we have roughly 20.0 billion yen in improvements in profits in fiscal 2021.

We will continue to advance these initiatives to further expand the benefits in fiscal 2022 and beyond.

Global Chip Shortage

Impact of the global chip shortage: Revenue -78.0 billion yen, Profit -31.0 billion yen

・Impacts from the global delays in supplies of components based on semiconductors continued in the fourth quarter

1. Impact on sales delays	・Solutions & Services	-35.3 billion yen(Hardware-based business, scanners)
	・System Platforms	-25.8 billion (x86 servers, etc.)
	・International Regions Excluding Japan	-23.3 billion (x86 servers, etc.)
2. Impacts of increased costs	・Increased component procurement prices	
	・Costs of design changes using substitute parts	
	・Costs of air freight shipping	
3. Passing on costs in prices	・Conducted price revisions primarily centered on component cost increases (Average 10% increase centered on increased costs for x86 servers and optional products)	

Next, I will comment on the impact of delays in component supplies. These resulted in a negative impact on revenue of 78.0 billion yen and a negative impact on operating profit of 31.0 billion yen.

In addition to postponements of sales due to delays in procuring components, there was also a major negative impact from the increase in the prices of components.

We tried to change our procurement channels, switch to other components, and pass on our higher costs in the form of higher prices, but these measures were not sufficient to overcome the obstacles we faced.

Regarding the status of component shortages, from the end of the second half into the third quarter, there were frequent cases where component vendors did not keep their commitments, which expanded the scope of the problem.
The negative impact in the fourth quarter was also large, but the types of components in short supply is narrowing. In addition, the effort to raise prices and pass along cost increases is slowly having a positive impact on profits.

Component supply problems are continuing, and we expect the impact will persist at least until the third quarter of fiscal 2022, but we anticipate that the global demand-supply imbalance will moderate in the second half of the fiscal year, leading to improvements. We also think the impact of passing along higher costs in higher prices will materialize, so we anticipate that we can reduce the negative impact in fiscal 2022 compared to fiscal 2021.

Human resource initiatives bolster Fujitsu's status as DX leader

■Rolling out various human resource measures to accelerate transformation into a DX company with a sense of urgency

1. Transformation into Business Producers
Conducted reskilling/skill change training for all sales positions at Group companies in Japan, about 8,000 people total, in order to transform them from traditional salespeople to business producers responsible for creating business across industry boundaries

2. Optimal allocation of personnel to ensure the appropriate person in the appropriate position
The position-based HR system was applied to manager-level employees to ensure rapid personnel allocation, and Group-wide job postings were implemented to enable employees to take on the challenge of a different role internally at their own initiative (Results for FY2021: About 2,700 people)

3. Expanded the Self-Producer Support System for a limited time
The Self-Producer Support System for employees who want to take on the challenge of a new career outside the Fujitsu Group had been expanded for a limited time as a measure to accelerate the optimization of personnel allocation

[Impact on Operating Profit/Loss]

FY2021	-65.0 billion	Special increase in retirement payments, as well as transition support services
FY2022	+30.0 billion	Impact of reduction in human resource expenses

I will now comment on the human resources policies we implemented in fiscal 2021 to accelerate our digital transformation.

The first policy is the nurturing of business producers. To transform our existing salesforce into business producers who can generate business on a cross-industry basis, transcending industry boundaries, we took roughly 8,000 employees across our entire salesforce among Fujitsu Group companies in Japan and gave them training to enhance or change their skills and made their skills visible.

The second policy intends to enable us to allocate the right persons to the right positions. In order to be able to quickly assign the necessary talent, we instituted a position-based human resources management system for managerial-level employees. We additionally implemented a group-wide job posting system in which employees can apply to take on new job positions on their own initiative.
In fiscal 2022 we are extending the position-based human resources management system beyond managerial-level employees to all regular employees.

The third policy aims to support employees who wish to pursue a career change outside of the Fujitsu Group as part of our policies to enable us to accelerate the allocation of the right people to the right positions. To support such employees, we have expanded the support system for employees who wish to pursue this change on their own for a limited time. We recorded 65.0 billion yen in expenses for this program in fiscal 2021.
For fiscal 2022, the impact on the reduction in personnel expenses from this program is expected to be around 30.0 billion yen.

Business Segment Information

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(Billions of yen)

		FY2020 (Actual)	Excl. Special items	Special items	FY2021 (Actual)	Excl. Special items	Special items	Change	Excl. Special items	[Intel Impact of global chip shortage]	Special items
Technology Solutions	Revenue	3,087.7	3,087.7	-	3,056.3	3,056.3	-	-31.3	-31.3	[-68.1]	-
	OPPL	193.2	200.6	-7.4	135.0	193.9	-58.9	-58.2	-6.7	[-30.6]	-51.5
Ubiquitous Solutions	Revenue	319.0	319.0	-	237.1	237.1	-	-81.9	-81.9	[-9.9]	-
	OPPL	43.2	16.8	26.3	5.8	5.8	-	-37.3	-10.9	[-0.4]	-26.3
Device Solutions	Revenue	293.8	293.8	-	375.9	375.9	-	82.1	82.1	[-]	-
	OPPL	29.8	29.8	-	78.3	75.8	2.4	48.5	46.0	[-]	2.4
Inter-segment Elimination	Revenue	-110.9	-110.9	-	-82.6	-82.6	-	28.3	28.3	[-]	-
Total	Revenue	3,589.7	3,589.7	-	3,586.8	3,586.8	-	-2.8	-2.8	[-78.0]	-
	OPPL	266.3	247.3	18.9	219.2	275.6	-56.4	-47.1	28.2	[-31.0]	-75.4

Business Segment Information

FUJITSU

Technology Solutions

(Billions of yen)

Technology Solutions	FY2020 (Actual)	FY2021 (Actual)	Change	(%)
Revenue	3,087.7	3,056.3	-31.3	-1.0
Operating profit	193.2	135.0	-58.2	-30.2
[Operating profit margin]	[6.3%]	[4.4%]	[-1.9%]	

Revenue (breakdown)

Japan	2,237.6	2,131.2	-106.4	-4.8
Outside Japan	850.1	925.1	75.0	8.8

[Revenue]
Revenue was significantly impacted by component procurement delays. If this impact is excluded, revenue increased by 2%

Excluding Special items -31.3 billion
(Increased volume +52.7 billion)
(Component procurement delays -68.1 billion)
(Restructuring -16.0 billion)

[Operating Profit]
Profit improvements continued with the effects of increased revenue and improvements in business efficiency, but growth investments aimed at expanding DX and component procurement delays caused reduced profits

Excluding Special items -6.7 billion
(Increased volume/efficiency +61.9 billion)
(Growth investments -38.0 billion)
(Component procurement delays -30.6 billion)
Special Items -51.5 billion

I will now discuss our results by segment, primarily in relation to last year’s results. Since I earlier explained about revenue, here I will mainly comment on operating profit.
First is Technology Solutions.

Operating profit was 135.0 billion yen, down 6.7 billion yen from last year, excluding special items.

I will explain the reasons behind these results in each sub-segment.

Business Segment Information

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Technology Solutions (Solutions/Services)

(Billions of yen)

Solutions/ Services	FY2020 (Actual)	FY2021 (Actual)	Change	(%)
Revenue	1,883.6	1,840.5	-43.1	-2.3
Operating profit	190.7	188.7	-1.9	-1.0
[Operating profit margin]	[10.1%]	[10.3%]	[0.2%]	

[Revenue]
Excluding the impact of component procurement delays, revenue was more or less in line with the previous year
Hardware-based business continued to be weak, while services continued to be strong

Excluding Special items -43.1 billion
(Volume decrease -7.8 billion)
(Component supply delays -35.3 billion)

[Operating Profit]
Profit improvements continued with greater efficiency in expenses and other profitability improvements, but profits fell due to growth investments in expanding DX and the impact of component procurement delays

Excluding Special items -4.4 billion
(Volume/efficiency +21.0 billion)
(Growth investments - 17.0 billion)
(Component supply delays -8.4 billion)
Special items +2.5 billion

Solutions and Services.

Operating profit was 188.7 billion yen, down 1.9 billion yen from the prior year. We made progress in improving profits through greater expense efficiencies and improved profitability, but operating profit was slightly lower than in the prior year because of higher growth investments and the impact of component supply delays.

1.Financial Results for FY2021

Business Segment Information

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Technology Solutions (System Platforms)

(Billions of yen)

System Platforms	FY2020 (Actual)	FY2021 (Actual)	Change	(%)
Revenue	633.7	617.5	-16.2	-2.6
System Products	432.6	384.7	-47.9	-11.1
Network Products	201.1	232.8	31.6	15.8
Operating profit	38.8	56.6	17.8	46.0
[Operating profit margin]	[6.1%]	[9.2%]	[3.1%]	

Revenue (breakdown)

	FY2020 (Actual)	FY2021 (Actual)	Change	(%)
Japan	505.3	416.5	-88.7	-17.6
Outside Japan	128.4	200.9	72.5	56.5

[Revenue]
(System Products)
In addition to component supply delays, revenue fell due to supercomputer revenue recorded last year that did not recur this year

(Network Products)
Revenue rose significantly in North America

[Operating Profit]
(-) Component supply delays, impact of reduced revenue
(+) Efficiency in expenses, profitability improvements, effects of increased revenue in Network Products

Excluding Special items	+12.3 billion
(Volume/efficiency	+27.6 billion)
(Component supply delays	-15.3 billion)
Special items	+5.5 billion

17

System Platforms.

Operating profit was 56.6 billion yen, up 17.8 billion yen from the prior year.
Despite the negative impact of the delayed supply of components, operating profit increased due to cost efficiency improvements, including higher revenue from network products and a decrease in the burden of business model transformation costs associated with the restructuring of plants in Japan in the previous year.

1.Financial Results for FY2021

Business Segment Information

FUJITSU

Technology Solutions（International Regions Excluding Japan）

（Billions of yen）

International Regions Excluding Japan	FY2020 (Actual)	FY2021 (Actual)	Change	(%)
Revenue	723.7	729.3	5.6	0.8
Operating profit	11.6	23.9	12.3	106.2
[Operating profit margin]	[1.6%]	[3.3%]	[1.7%]	

Breakdown of OPPL in International Regions Excluding Japan

NWE	5.3	7.9	2.5	47.2
CEE	5.4	7.5	2.0	37.6
Americas	-5.4	0.6	6.1	0.0
Asia	2.6	2.7	0.1	6.6

[Revenue]
Revenue rose, due in part to the effects of the cheap yen on foreign exchange

[Operating Profit]
Profitability improvements are ongoing, and all regions are now in the black

International Regions Excluding Japan.

Operating profit was 23.9 billion yen, up 12.3 billion yen from the prior year.
There were one-time gains, including the impact of foreign exchange and gains on the sales of subsidiaries, but we were able to report profits in every region. We see this as the result of increases in revenue and profit, although we do not consider the levels to be sufficient. We will continue to pursue an expansion of our services business and improvements in profitability.

Business Segment Information

FUJITSU

Technology Solutions（Common）

(Billions of yen)

Common	FY2020 (Actual)	FY2021 (Actual)	Change
Excl. Special items	-47.8	-70.0	-22.1
Special items	-	-64.3	-64.3
Operating profit	-47.8	-134.4	-86.5

Actively Implementing Growth Investments Aimed at Transforming Ourselves

Actual results: 28.0 billion, up 22.0 billion vs LY
- Internal DX investments aimed at achieving data-driven management (One Fujitsu, etc.)
- Work Life Shift (transforming the ways we work)
  - Rethinking office environments
  - Building secure network environments

Remote work is taking root at all locations, forms of work where employees don’t depend on their location are ongoing

Reallocation and renovation of facilities in Japan – Reduce the number of offices by 1/3 compared to March 2020

Office floor space reduced by 20% compared to end of March 2020 -> optimization to around 50% by the end of FY2022

Increased comfort, ensuring social distancing -> Office area per person expanded by a factor of 1.2

19

This shows the shared expenses of Technology Solutions.

Excluding special items, common operating expenses were 70.0 billion yen, an increase of 22.1 billion yen in expenses from the prior year.
Growth investments were 28.0 billion yen, up 22.0 billion yen from the prior year.
This includes investments in internal transformation such as internal DX and transformations in the way we work.
We will pursue One ERP for data-driven management and transformations in the way we work, and promote Work Life Shift to increase wellbeing and productivity.

1.Financial Results for FY2021

Two Business Areas for Value Creation [Technology Solutions]

FUJITSU

(Billions of yen)

		FY2020 (Actual)			FY2021 (Actual)			Change		
		For Growth	For Stability	Total	For Growth	For Stability	Total	For Growth	For Stability	Total
Technology Solutions	Growth Rate				100%	98%	99%			
	Revenue	1,049.9	2,037.8	3,087.7	1,050.8	2,005.5	3,056.3	0.9	-32.2	-31.3
	composition ratio	[34%]	[66%]	[100%]	[34%]	[66%]	[100%]			
Solutions/ Services	Growth Rate				102%	94%	98%			
	Revenue	851.8	1,031.8	1,883.6	867.7	972.8	1,840.5	15.9	-59.0	-43.1
	composition ratio	[45%]	[55%]	[100%]	[47%]	[53%]	[100%]			
System Platforms	Growth Rate				85%	102%	97%			
	Revenue	166.0	467.7	633.7	141.5	476.0	617.5	-24.5	8.3	-16.2
	composition ratio	[26%]	[74%]	[100%]	[23%]	[77%]	[100%]			
International Regions Excluding Japan	Growth Rate				130%	99%	101%			
	Revenue	32.1	691.6	723.7	41.7	687.6	729.3	9.6	-4.0	5.6
	composition ratio	[4%]	[96%]	[100%]	[6%]	[94%]	[100%]			
Common	Revenue	-	-153.3	-153.3	-	-131.0	-131.0	-	22.2	22.2
	composition ratio	[-%]	[100%]	[100%]	[-%]	[100%]	[100%]			

∗ Cloud operation and maintenance services, which used to be classified as For Stability, have been reclassified as For Growth, and 61.0 billion yen of actual results in FY 2020 have also been reclassified.

20

This shows revenue results in the two areas of value creation in Technology Solutions: For Growth and For Stability.

Full-year revenue in For Growth was 1,050.8 billion yen, essentially unchanged from the prior year.

Revenue from solutions and services increased by 2%. Revenue from regions excluding Japan increased by 30%.
Revenue from Services is expanding, including the impact from global offerings.
Revenue from System Platforms was down 15%. Even though revenue in regions excluding Japan from 5G base stations increased over the prior year, it was not sufficient to make up the difference due to the drop-off in revenue from the Fugaku supercomputer from the prior year.

On the other hand, revenue from For Stability was 2,005.5 billion yen, down 2% from the prior year.
The impact of delays in component supplies had a significant negative impact on results.

As noted on the bottom of the table, we have made partial revisions to prior results. In system operations maintenance services, all revenues were previously classified as For Stability, but as cloud-related services were also included in that amount, those revenues have been reclassified as For Growth. Actual results for fiscal 2020 have also been revised in accordance with this reclassification.

1.Financial Results for FY2021

Business Segment Information

FUJITSU

Ubiquitous Solutions

(Billions of yen)

Ubiquitous Solutions	FY2020 (Actual)	FY2021 (Actual)	Change	(%)
Revenue	319.0	237.1	-81.9	-25.7
Operating profit	43.2	5.8	-37.3	-86.4
[Operating profit margin]	[13.6%]	[2.5%]	[-11.1%]	
Revenue (breakdown)				
Japan	209.0	129.6	-79.3	-38.0
Outside Japan	109.9	107.4	-2.5	-2.3

[Revenue]
Revenue fell relative to last year, due to the extraordinary demand last year relating to remote working and the GIGA School project

Excluding Special items	-81.9 billion
(Reduced volume	-52.9 billion)
(Component supply delays	-9.9 billion)
(Restructuring	-19.1 billion)

[Operating Profit]
Operating profit fell by -25.4 billion yen vs LY because profits from the sale of businesses last year did not recur. In addition to that, operating profit also fell due to the negative impact of lower revenue.

Excluding Special items	-10.9 billion
(Reduced volume, etc.	-10.5 billion)
(Component supply delays	-0.4 billion)
Special items	-26.3 billion

Ubiquitous Solutions.

Operating profit was 5.8 billion yen, down 37.3 billion yen from the prior year.
Profits from the sale of businesses recorded last year that did not recur this year led to a drop in operating profit of 25.4 billion yen. Beyond that, operating profit was also impacted by lower revenue.

Business Segment Information

FUJITSU

Device Solutions

(Billions of yen)

Device Solutions	FY2020 (Actual)	FY2021 (Actual)	Change	(%)
Revenue	293.8	375.9	82.1	27.9
Operating profit	29.8	78.3	48.5	162.8
[Operating profit margin]	[10.1%]	[20.8%]	[10.7%]	
Revenue (breakdown)				
Japan	75.8	87.0	11.1	14.7
Outside Japan	217.9	288.9	70.9	32.6

[Revenue]
The trend in revenue from electronic components continues to be strong in line with the rise in demand for semiconductors

[Operating Profit]
Significant increase in operating profit because of the impact of higher revenue and ongoing operational improvements

Device Solutions.

Operating profit was 78.3 billion yen, an increase of 48.5 billion yen from the prior year.
In addition to the effects of higher revenue, profitability also significantly improved due to improvements in capacity utilization.

Cash Flow

FUJITSU

(Billions of yen)

	Cash Flow Statement			Base Cash Flow		Allocation					
						Growth Investment		Shareholder Return		Others	
	FY20	FY21	vs LY	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21
Operating Cash Flow	307.9	248.3	-59.6	322.9	301.3	-15.0	-53.0	–	–	–	–
Investing Cash Flow	-71.5	-59.2	12.2	-63.8	-27.2	-7.7	-32.0	–	–	–	–
Free Cash Flow	236.3	**189.0**	**-47.3**	259.1	274.1	-22.7	-85.0	–	–	–	–
Financing Cash Flow	-219.6	-193.6	25.9	-68.1*1	-62.3*1	-17.3*2	–	-60.0	-93.5	-74.3	-37.9
				191.0	**211.8**	-40.0	**-85.0**	-60.0	**-93.5**	-74.3	-37.9
				(vs LY)	(20.8)		(-45.0)		(-33.5)		(36.4)

*1 Payment of lease obligation *2 Purchase of Fujitsu Frontech shares

- Base Cash Flow = FCF - Payment of lease obligations + Growth Investment
  211.8 billion yen (+20.8 billion yen vs LY) : Increased cash generating capacity due to increased profits in business
- Growth Investment 85.0 billion yen (+45.0 billion yen vs LY) : Aggressive investment for value creation and internal transformation
- Shareholder Return 93.5 billion yen (+33.5 billion yen vs LY) : Increase shareholder return in line with cash flow levels

This is slide explains our cash flow. The table on the left shows the cash flow statement. Free cash flow was 189.0 billion yen, down 47.3 billion yen from the prior year. Although cash flow increased from the expansion of profits excluding one-off items, increasing growth investments led to this fiscal year's decline.

The table on the right shows the elements of the cash flow.
First there is the base cash flow, which shows the cash generated by business operations and by optimization of assets. Base cash flow shows free cash flow prior to growth investments and add in lease payments, so it is the source of allocations to growth investment and shareholder return.

Base cash flow was 211.8 billion yen, an increase of 20.8 billion yen from the prior year. Cash generation capacity is steadily increasing. Against a backdrop of an increase in base cash flow, we significantly increased both growth investments and shareholder return, as shown on the right.

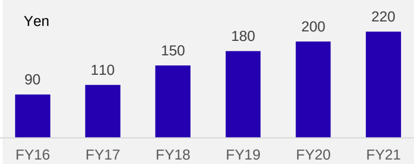
Returns to Shareholders

FUJITSU

■ Dividend : Stable and steady increase in dividends

Per Share	FY2019 (Actual)	FY2020 (Actual)	FY2021 (Actual)
End of First Half	80 Yen	100 Yen	110 Yen
End of Fiscal Year	100 Yen	100 Yen	110 Yen
Annual	180 Yen	200 Yen	220 Yen

Increase in dividends for 6 consecutive years



■ Share Repurchase: Expand flexibly

50.0 billion yen (+30.0 billion vs LY)

2,548,500 Shares

■ Total Payout Amount

(Billions of yen)

	FY2019 (Actual)	FY2020 (Actual)	FY2021 (Actual)
Dividends	36.2	39.9	43.3
Share repurchase*	30.1	20.1	50.1
Total payout amount	**66.3**	**60.0**	**93.5**
Total payout ratio	41%	30%	51%

* Including acquisition of shares not constituting a full unit

This is the status of shareholder return.

Dividends per share were 220 yen for the full year, an increase of 20 yen over the previous year. In line with our policy of steadily increasing returns, this is the 6th consecutive year of increased dividends.

Share repurchase amounted to 50.0 billion yen, an increase of 30.0 billion yen over the previous year. In line with the increase in cash flow, we are flexibly conducting share repurchases.

Total payout, including both dividends and share repurchase, amounted to 93.5 billion yen, a significant increase from the prior year.

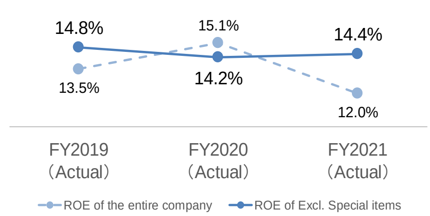
Assets, Liabilities and Equity

FUJITSU

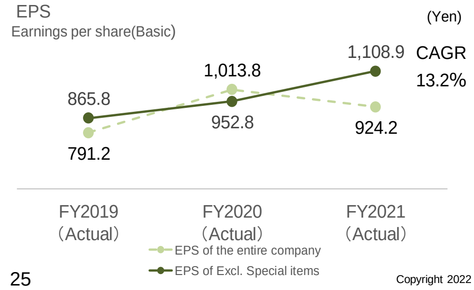
(Billions of yen)

	Year-end FY2020	Year-end FY2021	Change
Total Assets	3,190.2	3,331.8	141.6
Total Liabilities	1,643.3	1,616.0	-27.2
Total Equity	1,546.9	1,715.7	168.8
Total Equity Attributable to Owners of the Parent	1,450.1	1,590.7	140.5
Equity Attributable to Owners of the Parent Ratio (%)	45.5	47.7	2.2

ROE
Return on Equity Attributable to Owners of the Parent



EPS
Earnings per share(Basic)



25

This is the status of Assets, Liabilities, and Equity.

As of the end of fiscal 2021, total equity was 1,590.7 billion yen.
This represents an increase of 140.5 billion from the end of the previous fiscal year, primarily from increased profits.

Changes in ROE and EPS are shown below the table. When excluding one-time profits, special items, and restructuring, ROE is at 14.4%, and EPS is growing steadily in line with the expansion of the profit base. CAGR for 2019 to 2021 is 13.2%. This trend exceeds our financial target of a CAGR of 12%, excluding special items.

2. Earnings Forecast for FY2022

2.Earnings Forecast for FY2022

Financial Forecast

FUJITSU

(Billions of yen)

		FY2021 (Actual)	FY2022 (Forecast)	Change	(%)
Excl. Special items	Revenue	**3,586.8**	**3,720.0**	**133.1**	**3.7**
	Impact of restructuring *1	80.0	-	-80.0	-
	[Excl. restructuring]	3,506.8	3,720.0	213.1	6.1
	OPPL	**275.6**	**390.0**	**114.3**	**41.5**
	[Operating Profit Margin]	[7.7%]	[10.5%]	[2.8%]	
Special items (One-time Profit/loss) *2	Revenue	-	-	-	-
	OPPL	-56.4	10.0	66.4	-
Total	**Revenue**	**3,586.8**	**3,720.0**	**133.1**	**3.7**
	OPPL	**219.2**	**400.0**	**180.7**	**82.5**
	[Operating Profit Margin]	**[6.1%]**	**[10.8%]**	**[4.7%]**	
	PAT *3	**182.6**	**280.0**	**97.3**	**53.3**

*1 Restructured businesses: PFU: Figures from 2Q to 4Q 2021 are included in the restructuring business.
*2 One-time Profit/Loss from restructuring and business transfers、purchase price allocation relating to M&A
*3 Profit for the Year Attributable to Owners of the Parent

27

This is our results forecast for fiscal 2022.

We are forecasting revenue of 3,720.0 billion yen, an increase of 6.1%, excluding the impact of the business reorganization announced today.

Excluding special items, we are forecasting operating profit of 390.0 billion yen, a profit margin of 10.5%, which is an increase of 114.3 billion yen from the prior year.
Special items will add a further 10.0 billion yen, which includes both the expected profits from the sale of the business and other expected business structure transformation expenses. This would be an improvement of 66.4 billion yen over the prior year.
This results in a total operating profit of 400.0 billion yen and an operating profit margin of 10.8%, an increase of 180.7 billion yen over the prior year.

Profit for the period is projected to be 280.0 billion yen, an increase of 97.3 billion yen from the prior year.

These forecasts for both operating profit and profit for the period will be our highest ever results.

2.Earnings Forecast for FY2022

Business Segment Information

FUJITSU

(Billions of yen)

		FY2021 (Actual)	FY2022 (Forecast)	Change	
Technology Solutions	Revenue	3,056.3	3,200.0	143.6	· **Revenue: 8% Growth excl. restructuring** ⊕ DX business expansion · **OPPL** ⊕ Impact of increased revenue ⊕ Improvements in profitability ⊕ Expense Efficiency ⊕ Effects of DX human resources measures ⊕ One time loss will not recur in fiscal 2022 ⊖ Higher Growth Investment
	[Excl. restructuring]	[2,976.3]	[3,200.0]	[223.6]	
	Excl. Special items	**193.9**	**320.0**	**126.0**	
	%	**[6.3%]**	**[10.0%]**	**[3.7%]**	
	special items	-58.9	10.0	68.9	
	OPPL	135.0	330.0	194.9	
	%	**[4.4%]**	**[10.3%]**	**[5.9%]**	
Ubiquitous Solutions	Revenue	237.1	230.0	-7.1	· **Revenue** Almost same as the previous year · **OPPL** ⊖ Higher cost due to the yen's depreciation
	Excl. special items	**5.8**	**-**	**-5.8**	
	%	**[2.5%]**	**[-%]**	**[-2.5%]**	
	special items	-	-	-	
	OPPL	5.8	-	-5.8	
	%	**[2.5%]**	**[-%]**	**[-2.5%]**	

28

I will now explain the breakdown by segment on pages 28 and 29. First, Technology Solutions.

We are forecasting revenue of 3,200.0 billion yen. Excluding special items and restructuring, this is an increase of 8%, as we expect not only an average growth of the market, but also a recovery in component supply impacts and steady growth in DX.

Excluding special items, we forecast operating profit of 320.0 billion yen and an operating profit margin of 10%. In addition to the effects of increased revenue and efficiency with costs and expenses, there will also be the impact of reduced fixed expenses accompanying human resource measures, resulting in a growth of 126.0 billion yen over the previous year. I will speak more about the breakdown of that figure in a moment.

The 10.0 billion yen in special items two row below incorporates multiple items. Among others, this includes both the forecasted profits relating to the sale of businesses and business structure transformation expenses..

Next, Ubiquitous Solutions.
We are forecasting revenue of 230.0 billion yen, and operating profit at the break-even level, with lower profits due to increased component costs caused by the weak yen.

2.Earnings Forecast for FY2022

Business Segment Information

FUJITSU

(Billions of yen)

		FY2021 (Actual)	FY2022 (Forecast)	Change	
Device Solutions	Revenue	375.9	390.0	14.0	・ **Revenue** ⊕ High levels of demand for electronic components ⊖ Lower sales of optical component products ・ **OPPL** ⊖ Increase in depreciation due to increased investment ⊖ Impact of lower sales of optical component products
	Excl. special items	**75.8**	**70.0**	**-5.8**	
	%	**[20.2%]**	**[17.9%]**	**[-2.3%]**	
	special items	2.4	-	-2.4	
	OPPL	78.3	70.0	-8.3	
	%	**[20.8%]**	**[17.9%]**	**[-2.9%]**	
Inter-segment Elimination	Revenue	-82.6	-100.0	-17.3	
Total	Revenue	3,586.8	3,720.0	133.1	
	Excl. special items	**275.6**	**390.0**	**114.3**	
	%	**[7.7%]**	**[10.5%]**	**[2.8%]**	
	special items	-56.4	10.0	66.4	
	OPPL	219.2	400.0	180.7	
	%	**[6.1%]**	**[10.8%]**	**[4.7%]**	

This is Device Solutions.

For revenue we are forecasting 390.0 billion yen, with an operating profit of 70.0 billion yen. While we assume that strong demand for semiconductor packages will continue for some time, this forecast reflects not only the fact that special items last year will not recur this year, but also lower profits due to the impact of lower revenue for optical components.

Business Segment Information Breakdown of Technology Solutions

(Billions of yen)

		FY2021 (Actual)	Excl. Special items	Special items	FY2022 (Forecast)	Excl. Special items	Special items	Change	Excl. Special items	Special items
Technology Solutions	Revenue	3,056.3	3,056.3	-	3,200.0	3,200.0	-	143.6	143.6	-
	OPPL	135.0	193.9	-58.9	330.0	320.0	10.0	194.9	126.0	68.9
Solutions/ Services	Revenue	1,840.5	1,840.5	-	1,860.0	1,860.0	-	19.4	19.4	-
	OPPL	188.7	186.2	2.5	265.0	265.0	-	76.2	78.7	-2.5
System Products	Revenue	384.7	384.7	-	430.0	430.0	-	45.2	45.2	-
Network Products	Revenue	232.8	232.8	-	250.0	250.0	-	17.1	17.1	-
System Platforms	Revenue	617.5	617.5	-	680.0	680.0	-	62.4	62.4	-
	OPPL	56.6	56.1	0.5	90.0	90.0	-	33.3	33.8	-0.5
International Regions Excluding Japan	Revenue	729.3	729.3	-	800.0	800.0	-	70.6	70.6	-
	OPPL	23.9	21.5	2.4	30.0	30.0	-	6.0	8.4	-2.4
Common	Revenue	-131.0	-131.0	-	-140.0	-140.0	-	-8.9	-8.9	-
	OPPL	-134.4	-70.0	-64.3	-55.0	-65.0	10.0	79.4	5.0	74.3

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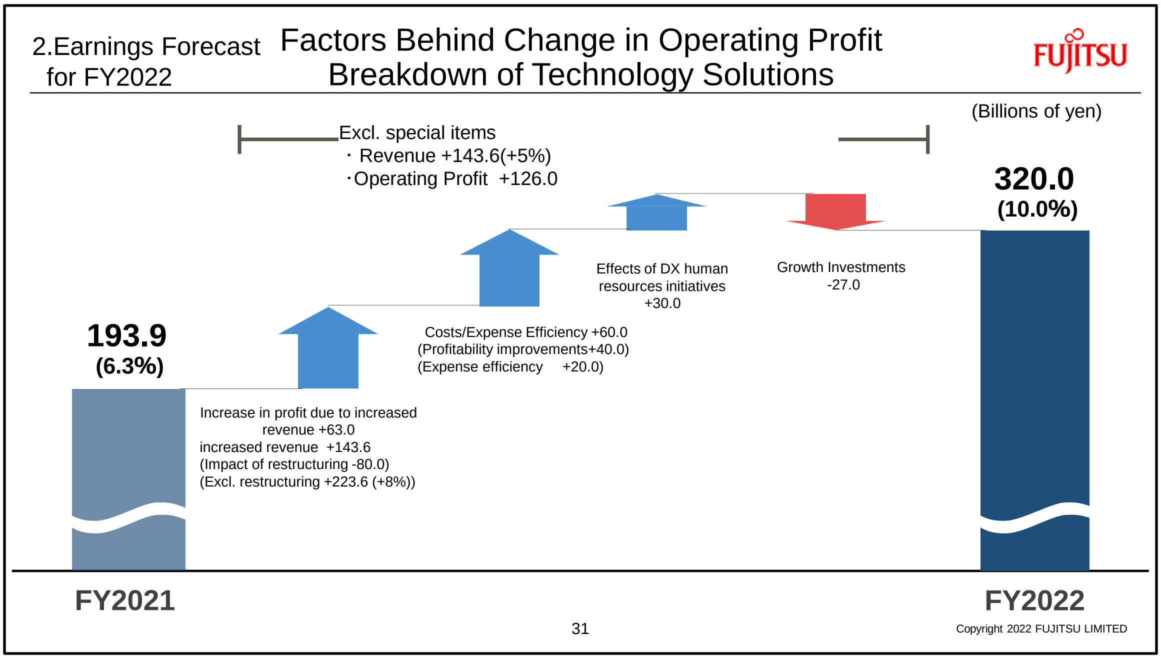


On page 31, I would like to give some supplementary information about the factors behind the increase in profits in Technology Solutions.

On the far left side of the slide, you see our operating profit of 193.9 billion yen and operating profit margin of 6.3% for fiscal 2021. We will use this as our starting point to discuss the increases and decreases from last year.

The first upward-facing arrow represents an increase in profits of 63.0 billion yen due to 143.6 billion yen in increased revenue, a growth of 8% in actual revenue, excluding the impact of restructuring.

The details are shown on the next page, but we have already rolled out the various measures we will use to increase revenue in fiscal 2021. By properly turning these measures into results, we will achieve a base increase in revenue of 6%. In addition to this, we expect the launch of Fujitsu Uvance will add another 1% to revenue, and a further 1% increase will come from a reduction in the negative impact of component supply delays, making for a total forecast of 8% growth.

The second upward-facing arrow represents 60.0 billion yen in increased operating profit from greater efficiency in costs and expenses. We will double the volume of GDC and JGG-related work in our business in Japan. This delivery transformation measure will lead to both cost reductions and improved quality. We also believe that the transformation will be able to contribute to limiting unprofitable projects by preventing problems in advance. In addition, with regard to expenses, we are also expecting improvements in profitability from factors such as the effects of forward-looking investments, such as the expansion of the borderless office.

The third upward-facing arrow represents a reduction in expenses of 30.0 billion yen from the effects of our measures to nurture DX talent .

The final downward facing arrow shows our planned 27.0 billion yen increase in growth investments. I will explain more about this in a few moments.

On the far right side of the slide, we see the final total of operating profit of 320,0 billion yen and an operating profit margin of 10% for fiscal 2022. As we continue to expand our business, improve our profitability, and conduct growth investments in a balanced way, we will be able to achieve our targets.

Path to Achieving Technology Solutions Goals

FUJITSU

Expand Revenue Excluding restructuring, **+8%** growth vs LY

1. Global Business Strategy (+6%) — Rebuilding regional businesses, expanding global offerings, transforming into business producers jointly work out solutions for customers' management issues, enhancing early-stage support for value creation and modernization
2. Fujitsu Uvance (+1%) — 7 Key Focus Areas for achieving a sustainable world
3. Recovery from the global chip shortage (+1%) — Recovering delayed projects, passing on costs (Revenue reduction: FY21: About -70.0 billion -> FY22: -40.0 billion

Costs/Expense Efficiency 60.0 billion (Profitability improvements +40.0 billion, Expense efficiency: +20.0 billion)

1. Use of GDCs/JGG — Double collaboration with GDCs/JGG, improved productivity through automation and delivery model standardization
2. Improving the quality and substance of SI contracts — Enhanced quality/risk management, predictive trouble prevention using AI and data
3. Effects of forward-looking investments — Further expanding the borderless office, transforming the ways we work, becoming business producers

2.Earnings Forecast
for FY2022

FUJITSU

Growth Investment Actively invest in sustainable corporate value growth

(Billions of yen)

	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Forcast)	Change	
Growth Investment	**40.0**	**85.0**	**120.0**	**35.0**	
[OPEX]	[15.0]	[53.0]	[80.0]	[27.0]	
[CAPEX]	[25.0]	[32.0]	[40.0]	[8.0]	
Investments for Value Creation	31.0	35.0	60.0	25.0	
・Global Offerings Development	2.0	9.0	30.0	21.0	Fujitsu Uvance、Global offering development
・Service Delivery Transformation	1.0	7.0	9.0	2.0	Japan Global Gateway, GDC enhancements
・New business creation	6.0	12.0	14.0	2.0	Global base station、5G/6G、Smart city
・Others	22.0	7.0	7.0	-	M&A、CVC、reskilling to business producer
Investments for our own transformation	9.0	50.0	60.0	10.0	
・Internal DX investments	6.0	29.0	46.0	17.0	One Fujitsu Project、Security enhancement、
・Work Life Shift	3.0	21.0	14.0	-7.0	Infrastructure enhancement、Human resource development Borderless office (optimum arrangement of offices)

These are the growth investments I touched on a bit earlier.

We will be stepping on the gas in fiscal 2022 even more than in fiscal 2021, and we are planning around 120.0 billion yen in investments.

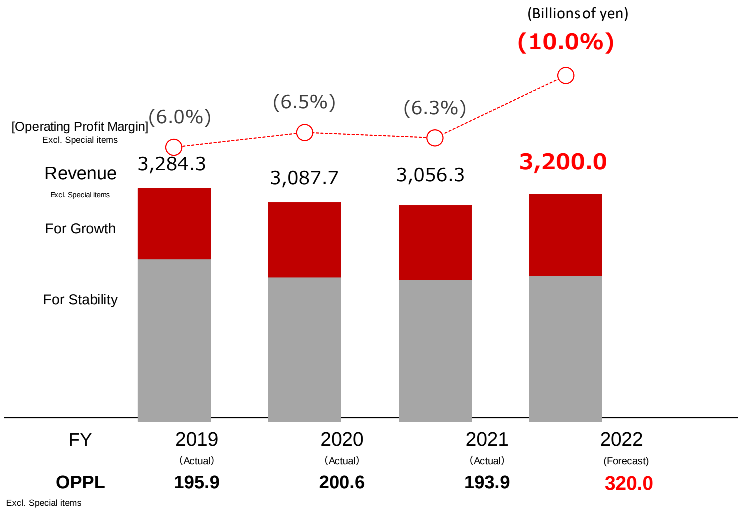
Investments in value creation amount to 60.0 billion yen. We will be actively conducting investments in sustainable growth, including developing global offerings aimed at setting up the Fujitsu Uvance business, investing in the Japan Global Gateway to establish its service delivery model, and investing in creating new businesses.

Investments in internal transformation amount to 60.0 billion yen. We will continue to move forward with projects such as One Fujitsu, our data-driven management platform, security enhancements, optimizing the allocation of business facilities, and transforming the ways our employees work.

These investments also include many projects that are related to increasing revenue and improving profitability for fiscal 2022, as I explained earlier. These are indispensable for our continued future growth, and we will be proactive in carrying them out.

2.Earnings Forecast for FY2022 Path to Achieving Technology Solutions Goals

FUJITSU



Factors Behind Changes in Operating Prof

(billions of yen)

	FY2020 →FY2021	FY2021 →FY2022
[ ]is the changes in sales	(△ 31.3)	(143.6)
Changes in sales	-10.9	63.0
Costs/Expense Efficiency	42.2	60.0
Human resource initiatives	-	30.0
Growth investment(Expense)	-38.0	-27.0
Total	-6.7	126.0

34

This is our path to achieving our financial targets for fiscal 2022.

This is a plan that calls for a significant jump up in profits, but the table on the right shows it broken down by factors. The biggest point is the increase in revenue, and we will thoroughly execute on this point.

Of course there are also significant positives due to greater efficiency in costs and expenses, but in addition to our existing efforts, this also includes the effects of growth investments, such as the expansion of offshoring and greater efficiency in offices, so it is a level that we can sufficiently deliver.

Unfortunately, we will not achieve the revenue target of 3,500.0 billion yen laid out in the medium-term plan, and we expect to achieve this target with a delay of one year. However, I believe that if we thoroughly deliver on the results of the measures we have enacted up to now, we will definitely be able to achieve the target of an operating profit margin of 10%.

Cash Flows

FUJITSU

(Billions of yen)

	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Forecast)	vs LY
Free Cash Flows	236.3	189.0	**280.0**	**91.0**
(Base Cash Flows*)	(191.0)	(211.8)	**(340.0)**	**(128.2)**

*Base Cash Flows = FCF - Payment of lease obligation + Growth Investment

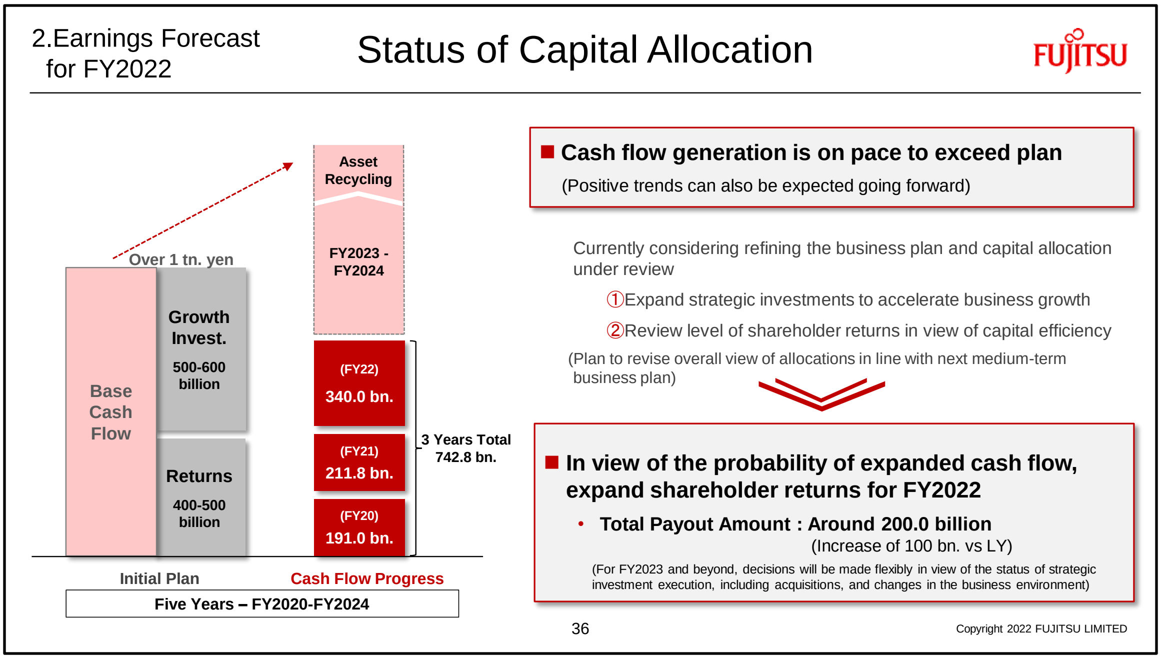
(742.8 billion yen for 3 Years)

- **Free cash flow increased by 91.0 billion due to sales growth and increased profit-based growth**

Page 35 is our forecast for cash flow.

We forecast free cash flow of 280.0 billion yen, an increase of 91.0 billion yen from the previous year. We expect the increase will come from revenue growth and the increase in our profit base.

In addition, base cash flow, which will be our capital to be allocated in our capital allocation, will be 340.0 billion yen, an increase of about 130.0 billion yen, creating about 740.0 billion yen in cash during these three years.



I would like to explain about our plan for capital allocation.

The capital allocation plans we have presented previously are shown in the figure on the very bottom left of the slide. Our plan was to generate over 1 trillion yen of cash flow for five years and allocate that to growth investment and shareholder return at about a 60:40 ratio.

Now, however, we have progressed from that plan, as the base cash flow that is the source of the allocation is expected to be about 740.0 billion yen over the three years through the end of fiscal 2022, so we are on a pace to exceed our initial assumptions. We expect this strong trend to continue through fiscal 2023 and beyond and anticipate that we will also be able to add the recycling of retained assets, so there is a significant probability that the base cash flow created over these five years will significantly exceed the 1 trillion yen in our initial assumptions.

Taking this into account, we are considering rethinking our allocations as a whole, including expanding strategic investments to accelerate the growth of businesses, and reviewing the level of shareholder return while remaining conscious of capital efficiency. We plan to update our overall picture of capital allocation aligned with the next medium-term plan.

Having said that, in light of this probability of increased cash flow, we have significantly rethought our level of shareholder return in advance of updating the overall plan. We will expand our total amount of shareholder return for fiscal 2022 by 100.0 billion yen from the previous year, to a total of 200.0 billion yen scale.

Regarding fiscal 2023 and beyond, though, we will handle things flexibly, in light of the overall allocation plan, such as an expansion in strategic investments.

2.Earnings Forecast for FY2022

Returns to Shareholders

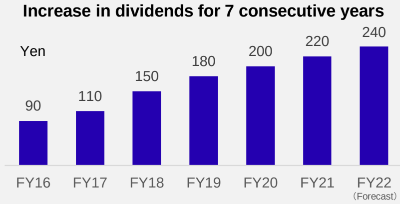
FUJITSU

■ Increase total payout to 200 billion in fiscal 2022

■ Dividend : Stable and steady increase in dividends

Per Share	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Forecast)
End of First Half	100 Yen	110 Yen	120 Yen
End of Fiscal Year	100 Yen	110 Yen	120 Yen
Annual	200 Yen	220 Yen	240 Yen

Increase in dividends for 7 consecutive years



■ Share Repurchase

In the light of capital efficiency,
share repurchase is the main focus of enhanced returns

150.0 billion yen（+100.0 billion vs LY）

Repurchase period: May 2, 2022 – March 31, 2023

■ Total Payout Amount

(Billions of yen)

	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Forecast)
Dividends	39.9	43.3	45.5
Share repurchase*	20.1	50.1	150.0
Total payout amount	**60.0**	**93.5**	**195.5**
Total payout ratio	30%	51%	70%

* Including acquisition of shares not constituting a full unit

37

Now, I would like to give some details on the shareholder returns I just mentioned.

First, for dividends, we are planning on dividends per share of 240 yen for the year, an increase of 20 yen from the previous year in accordance with our policy of keeping dividends stable. This will mean an increase in dividends for seven years in a row.

On the right side of the slide you can see the planned share repurchase. The core of our enhanced shareholder return will be handled through share repurchase, with an awareness of capital efficiency, and we have set the amount of share repurchase at 150.0 billion yen for fiscal 2022. This will be three times larger than the 50 billion yen implemented in fiscal 21.

As a result, we plan to expand shareholder return to about 200.0 billion yen.

2.Earnings Forecast for FY2022

Toward Sustainable Enhancement of Corporate Value

FUJITSU

Financial Targets

• Revenue in Technology Solutions	**3.2 trillion**	Company-wide	3.7 trillion
• Operating profit margin in TS	**10% (320.0 billion)**	Company-wide	400.0 billion
• EPS CAGR (FY20-FY24)	**12%**		

Non-Financial KPIs

• Customer NPS — vs FY21 base **+ 3.7 Points**

	FY19 (Actual)	FY20 (Actual)	FY21 (Actual)	FY22 (Target)
• Employee engagement	63	68	67	**75**
• DX Promotion Indices	1.9	2.4	3.2	**3.5**

Capital Allocation

	FY2020	FY2021	FY2022
• Base cash flow	191.0 billion	211.8 billion	**340.0 billion**
• Growth investment	40.0 billion	85.0 billion	**120.0 billion**
• Shareholder return	60.0 billion	93.5 billion	**200.0 billion**

38

This is the last page, a summary of our targets for fiscal 2022.

Based on our financial and non-financial targets, we will expand our cash flow creation capability by growing our businesses, and by optimally allocating the cash flow generated through business growth to growth investment and shareholder return, we will generate further business growth and increase corporate value.

We have set our sights high, and we will work hard to properly achieve our targets for fiscal 2022, so I ask for your continued understanding and support.

This concludes my presentation. Thank you for your attention.

Thank you

FUJITSU

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

Supplementary

Consolidated PL

FUJITSU

(Billions of yen)

	FY2020 (Actual)	FY2021 (Actual)	Change	(%)	Change vs. Mar forecast
Revenue	3,589.7	3,586.8	-2.8	-0.1	-43.1
Operating Profit	266.3	219.2	-47.1	-17.7	9.2
[Operating Profit Margin]	[7.4%]	[6.1%]	[-1.3%]		[0.3%]
Financial income (expenses), etc	25.5	20.7	-4.7	-18.6	
Profit for the Year Before Income Taxes	291.8	239.9	-51.8	-17.8	
Profit for the Year Attributable to Owners of the Parent	202.7	182.6	-20.0	-9.9	22.6

Exchange Rate

Exchange Rate	FY2020	FY2021	Change	(%)	Change vs. Mar forecast
U.S. dollar / Yen	106	112	6	5.7	7
Euro / Yen	124	131	7	5.6	11
British pound / Yen	139	154	15	10.8	14

(Supplementary)
Financial Results
for FY2021

Business Segment Information [Quarterly Breakdown of Results]

FUJITSU

(Billions of yen)

		FY2020 (Actual)				FY2021 (Actual)			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Technology Solutions	Revenue	683.5	709.5	765.9	928.7	687.0	725.7	738.1	905.4
	OPPL	13.3	31.0	53.5	95.3	17.0	24.1	40.2	53.5
Solutions/ Services	Revenue	394.1	444.7	458.0	586.5	398.6	446.7	437.5	557.4
	OPPL	18.6	38.2	42.6	91.2	20.1	36.5	38.2	93.8
System Platforms	Revenue	146.9	133.5	161.6	191.6	140.8	145.8	144.2	186.6
	OPPL	4.9	1.8	11.5	20.5	7.9	7.8	5.8	35.0
International Regions Excluding Japan	Revenue	171.0	163.8	192.4	196.2	177.2	169.4	192.3	190.4
	OPPL	-3.7	2.9	8.6	3.8	2.2	2.8	11.6	7.1
Common	Revenue	-28.6	-32.6	-46.2	-45.8	-29.6	-36.3	-35.9	-29.1
	OPPL	-6.4	-11.8	-9.2	-20.3	-13.3	-23.0	-15.4	-82.5
Ubiquitous Solutions	Revenue	72.6	80.6	80.2	85.4	53.8	62.7	60.8	59.6
	OPPL	3.5	3.1	29.7	6.7	1.6	3.4	0.6	0.1
Device Solutions	Revenue	68.3	70.3	75.5	79.6	81.0	94.1	101.7	98.9
	OPPL	5.3	5.7	10.2	8.4	15.1	20.1	24.2	18.8
Inter-segment Elimination	Revenue	-21.7	-31.4	-27.3	-30.4	-20.0	-21.7	-20.2	-20.6
Total	Revenue	802.7	829.0	894.3	1,063.5	801.9	861.0	880.5	1,043.3
	OPPL	22.2	39.9	93.4	110.5	33.7	47.7	65.1	72.5

(Supplementary) Financial Results for FY2021

Business Segment Information [Revenue Breakdown-In and Outside Japan]

FUJITSU

(Billions of yen)

		FY2020 (Actual)	FY2021 (Actual)	Change	(%)
Technology Solutions	Revenue	3,087.7	3,056.3	-31.3	-1.0
	Japan	2,237.6	2,131.2	-106.4	-4.8
	Outside Japan	850.1	925.1	75.0	8.8
Solutions/ Services	Revenue	1,883.6	1,840.5	-43.1	-2.3
	Japan	1,842.8	1,795.1	-47.7	-2.6
	Outside Japan	40.7	45.3	4.6	11.4
System Platforms	Revenue	633.7	617.5	-16.2	-2.6
	Japan	505.3	416.5	-88.7	-17.6
	Outside Japan	128.4	200.9	72.5	56.5
International Regions Excluding Japan	Revenue	723.7	729.3	5.6	0.8
	Japan	0.4	0.6	0.1	37.9
	Outside Japan	723.2	728.7	5.4	0.8
Common	Revenue	-153.3	-131.0	22.2	-
Ubiquitous Solutions	Revenue	319.0	237.1	-81.9	-25.7
	Japan	209.0	129.6	-79.3	-38.0
	Outside Japan	109.9	107.4	-2.5	-2.3
Device Solutions	Revenue	293.8	375.9	82.1	27.9
	Japan	75.8	87.0	11.1	14.7
	Outside Japan	217.9	288.9	70.9	32.6
Inter-segment Elimination	Revenue	-110.9	-82.6	28.3	-
Total	Revenue	3,589.7	3,586.8	-2.8	-0.1
	Japan	2,417.6	2,269.8	-147.7	-6.1
	Outside Japan	1,172.0	1,316.9	144.8	12.4
Ratio of Revenue Outside Japan		32.7%	36.7%	4.0%	

(Supplementary) Financial Results for FY2021

Breakdown of International Regions Excluding Japan

FUJITSU

(Billions of yen)

		FY2020 (Actual)	FY2021 (Actual)	Change	Impact of restructuring [Revenue]
International Regions Excluding Japan	Revenue	723.7	729.3	5.6	-16.0
	Operating Profit	11.6	23.9	12.3	
NWE [Northern & Western Europe]	Revenue	347.8	362.7	14.8	-
	Operating Profit	5.3	7.9	2.5	
CEE [Central & Eastern Europe]	Revenue	170.4	169.0	-1.4	-
	Operating Profit	5.4	7.5	2.0	
Americas	Revenue	50.7	39.1	-11.5	-15.0
	Operating Profit	-5.4	0.6	6.1	
Asia	Revenue	79.8	83.4	3.5	-
	Operating Profit	2.6	2.7	0.1	
Oceania	Revenue	74.3	79.7	5.4	-
	Operating Profit	1.7	3.9	2.2	
Others	Revenue	0.4	-4.7	-5.2	-0.9
	Operating Profit	1.8	1.0	-0.8	

Note: Revenue includes Inter-region revenue.

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45

Changes in Financial Indicators

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(Billions of yen)

	FY2019 (Actual)	FY2020 (Actual)	FY2021 (Actual)
Interest-bearing Loans	405.5	316.3	285.3
(Net Interest-bearing Loans)	(-46.2)	(-165.5)	(-198.7)
D/E Ratio (Times)	0.33	0.22	0.18
Equity Attributable to Owners of the Parent Ratio (%)	38.9	45.5	47.7
ROE(%) *1	13.5	15.1	12.0
EPS(Yen)*2	791.20	1,013.78	924.21

*1 Return on Equity Attributable to Owners of the Parent (%)

*2 Earnings per share(Basic)

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Assumption used for FY2022 Forecasts

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1. Exchange Rates（Average） and Impact of Fluctuation

	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Forecast)	Impact of Exchange Rate Fluctuation FY2022 (Forecast)*
U.S. dollar / Yen	106	112	115	-1.2 Billion yen
Euro / Yen	124	131	130	0.0 Billion yen
British pound / Yen	139	154	155	0.0 Billion yen

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

Assumption used for FY2022 Forecasts

FUJITSU

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

(Billions of yen)

	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Forecast)
Technology Solutions	46.6	46.4	50.0
Ubiquitous Solutions	0.2	0.0	0.0
Device Solutions	40.7	42.5	90.0
Capital Expenditures	87.5	88.9	140.0
Depreciation	76.0	89.5	100.0

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

3. R&D Expenses

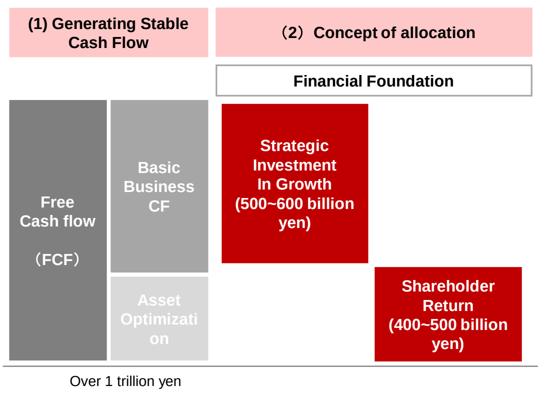
	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Forecast)
R&D Expenses	113.8	105.3	105.0
[As % of Revenue]	[3.2%]	[2.9%]	[2.8%]

Capital Allocation Policy

FUJITSU

Capital Allocation Policy（Announced in July 2020, April 2021）

Five Years (FY20-24)	(1) Cash flow: Generate over 1 trillion yen in free cash flow over the next 5 years (2) Allocation: Optimally allocate cash to growth investments and shareholder returns



※ Basic Business CF = FCF in Cash Flow Statements － Payment of lease obligation + Strategic Investments in Growth

Execution of Strategic Investments in Growth

To create value for customers and society, and to transform Fujitsu into a DX company, will actively implement necessary investments (500-600 billion yen over 5 years)

- Investments in Value Creation
- Investments in Transforming Fujitsu

Stable Shareholder Return

Stable shareholder return over the medium to long term commensurate with the growth stage of business and profit
(400 to 500 billion yen over 5 years)

- Dividends：Stable dividend increases based on the sustainable growth in Fujitsu's business
- Share Repurchases：Agile approach to share repurchases funded from long-term retained earnings (Responding to changes in demand for funds)

- Enhance business growth and profitability, achieve financial targets of increasing sales and improving the operating margin.
- Focus on EPS in terms of capital efficiency, and aim for sustainable growth in EPS going forward.（FY20-24 EPS CAGR 12%）