

Message from the CFO



Under Management Vision 2035, we will strengthen our cash generation capability and achieve sustainable increases in corporate value by optimally allocating capital to business growth investments and expanded shareholder returns.

Takeshi Isobe

Representative Director
Corporate Vice President
CFO

Adjusted operating profit reaches another record high

In fiscal 2025, consolidated revenue totaled ¥3,502.9 billion, down 1.3% year on year, while adjusted operating profit rose 27.1% year on year to ¥390.5 billion, representing a substantial increase. Adjusted operating profit reached a record high for the fourth consecutive fiscal year, continuing a trend starting in fiscal 2022, the fiscal year immediately preceding the previous medium-term plan, while the adjusted operating profit margin also improved by approximately 4 percentage points compared with fiscal 2022, to 11.2%. In addition to strong earnings from our core business, profit on the sale of businesses including SHINKO ELECTRIC INDUSTRIES and Fujitsu General contributed to unadjusted profit for the year attributable to owners of the parent, which rose ¥229.6 billion year on year to ¥449.4 billion, another record high.

The strong performance of our core business was driven by Service Solutions, particularly Uvance and modernization. Revenue from Uvance increased 46.9%

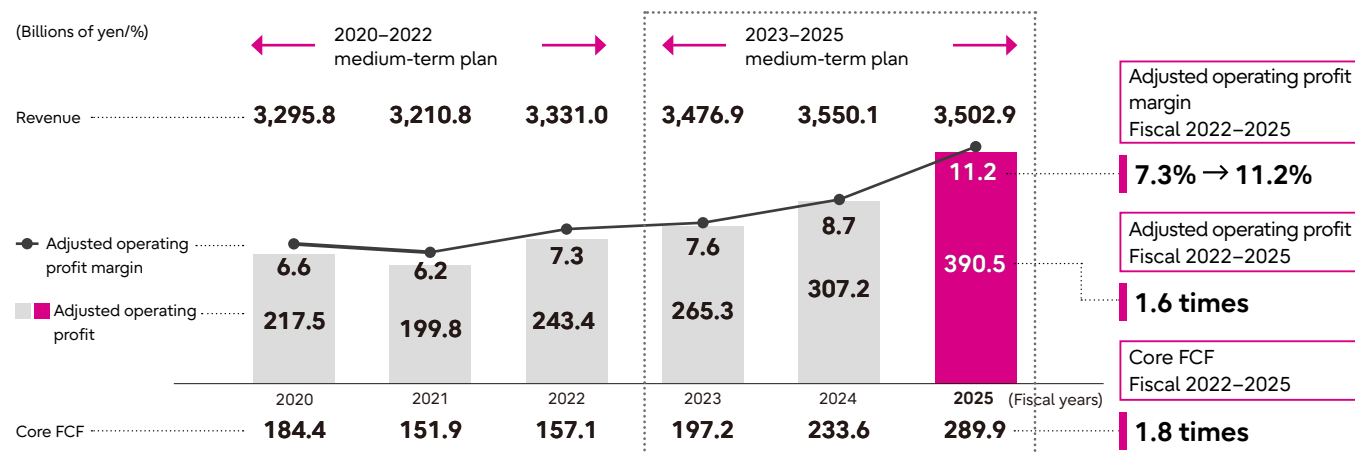
*1 Ordinary free cash flow, excluding one-time cash inflows or outflows from such activities as business restructurings, structural reforms, and acquisitions or divestitures
*2 Cash flows including free cash flow before growth investments and lease expenses

year on year to ¥709.3 billion, exceeding our target of ¥700.0 billion, and revenue from modernization grew 32.0% year on year to ¥392.1 billion, substantially surpassing our forecast of ¥330.0 billion. Profitability also continued to improve steadily. Initiatives such as the standardization and automation of development processes and the promotion of value-based pricing proved effective, pushing up the gross profit margin in Service Solutions by approximately two percentage points each year throughout the previous medium-term plan.

Alongside our earnings growth, improvements in capital efficiency also strengthened our cash generation capability. In fiscal 2025, core free cash flow (core FCF)^{*1} increased to 1.8 times the fiscal 2022 level, while base cash flows,^{*2} which serve as the source of funds for capital allocation and include one-time cash flows associated with business restructuring and other activities, totaled ¥1,349.1 billion over the three-year period of the previous medium-term plan.

In terms of capital allocation, we allocated

Consolidated financial results (progress of adjusted operating profit)

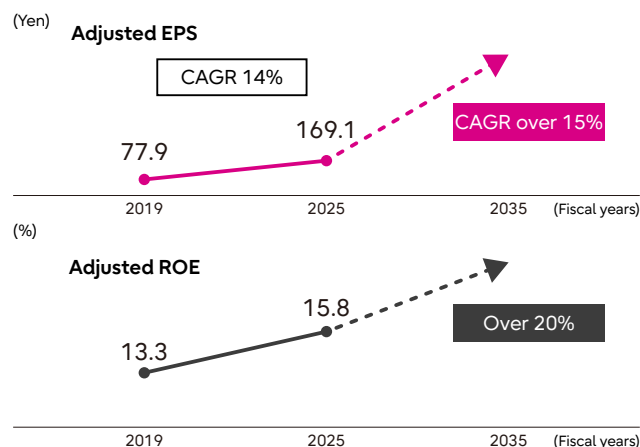


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approximately ¥670.0 billion to business growth investments and approximately ¥640.0 billion to shareholder returns. Our business growth investments included not only investments directly linked to expanding businesses such as Uvance, modernization, and consulting, which are central to our portfolio transformation, but also proactive investments in research and development for advanced technologies such as quantum computing, AI, and next-generation processors, as well as strengthening our management foundation and security. For shareholder returns, we significantly increased total returns through stable dividend increases and flexible share buybacks.

Our confidence in Fujitsu's ability to secure future growth stems not only from our achievement of financial targets, but also from the strength of our business portfolio. We intend to earn the confidence of capital markets by demonstrating through tangible results that we can sustain the strong growth envisioned in Management Vision 2035.

Adjusted EPS / Adjusted ROE*



* Calculated based on adjusted profit excluding one-time factors

Value creation and sustainable growth toward 2035

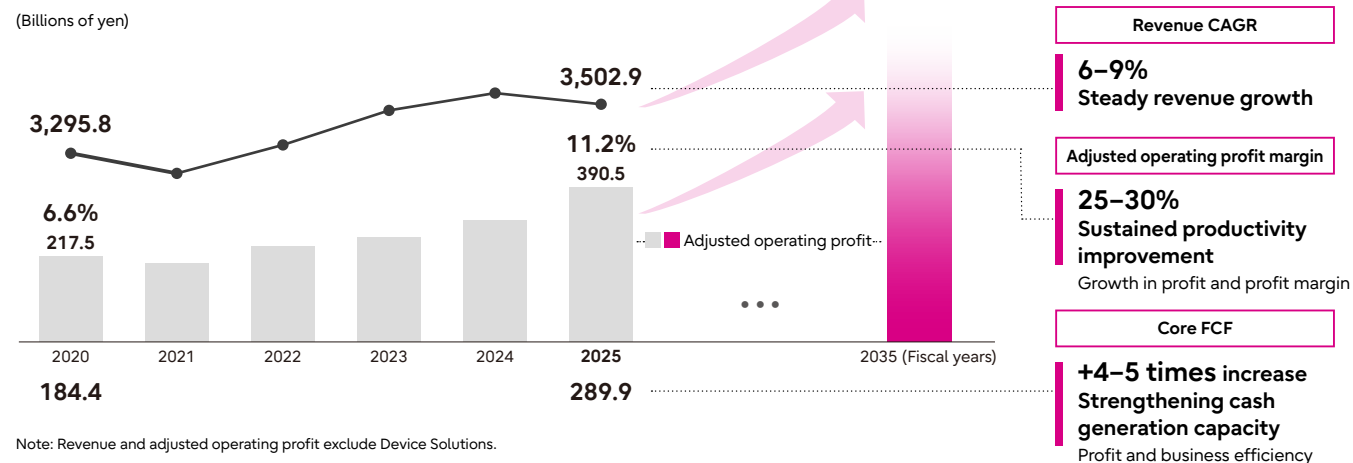
Management Vision 2035 identifies two growth strategies: technology-powered business creation and the further expansion and evolution of Service Solutions. Over the next decade, we aim to achieve financial KPIs of over 15% CAGR in adjusted EPS and adjusted ROE of over 20%. We also target revenue CAGR of 6–9% and an adjusted operating profit margin of 25–30%, supported by sustained improvements in productivity.

Within Service Solutions, our primary growth driver, Uvance, is expected to increase as a share of revenue from 30% in fiscal 2025 to more than 70%, while we anticipate that modernization will continue to contribute more than 10%. The expansion of Uvance revenue to more than ¥700.0 billion under the previous medium-term plan reflects customers' strong recognition of the capabilities of our offerings and their ability to address customers' management challenges. We have also strengthened our ability to identify offerings with strong

market potential and translate development investments into reliable returns. By leveraging our ability to implement technology in real-world business environments, a particular strength of Fujitsu, we are confident that Uvance will continue to serve as the core driver of an expanding revenue base over the next decade.

We also plan to improve the gross profit margin of Service Solutions by two percentage points or more every year through fiscal 2035. We will further accelerate the standardization and automation of development processes—which contributed to gross profit margin improvement under the previous medium-term plan—through AI-driven initiatives. Looking ahead, we will expand autonomous system development using multi-AI agents, more than doubling service delivery productivity compared with fiscal 2025. At the same time, we will accelerate the transition away from the conventional person-month billing model toward value-based pricing, while also reviewing our employee evaluation system to support that transition.

Business growth outlook (consolidated)



Note: Revenue and adjusted operating profit exclude Device Solutions.

Message from the CFO

Creating ¥3 trillion in new businesses

To foster the creation of technology-powered business, we plan to invest approximately ¥3 trillion over the next 10 years. By 2035, we estimate the AI services market will be worth approximately ¥200 trillion. Of this amount, we anticipate that new business domains will account for approximately ¥30 trillion. We aim to secure a 10% share of this emerging market, equivalent to ¥3 trillion in new revenue. This target is based on two considerations: the scale of business required to generate an appropriate return on our investments, and the market share we believe we must achieve in areas where we have a competitive advantage.

Our business creation efforts will focus on three domains: Sovereign Platform, Physical AI, and Intelligent Society. We plan to release our next-generation CPU, FUJITSU-MONAKA, in fiscal 2027, while continuing to advance initiatives in areas such as quantum computing and Physical AI. At the same time, we are steadily expanding our global ecosystem of partners. By reinvesting the cash generated through the continued

expansion of Service Solutions, we will realize a growth scenario in which these new business domains begin generating significant revenue from around fiscal 2030.

Enhancing cash generation capability and increasing corporate value through optimal capital allocation

By expanding our earnings base, improving productivity, and creating new businesses, we aim to increase core FCF in fiscal 2035 to four to five times the fiscal 2025 level. Supported by this stronger cash generation capability, we will further expand both business growth investments and shareholder returns.

If I were to put our business growth investments in order of priority, I would probably place expanding Service Solutions—the source of our cash generation capability—first, followed by investments in new business creation. In both cases, speed is essential. While maintaining sound financial discipline, we will emphasize speed, making effective use of financial leverage

whenever appropriate. When making investments, generating returns above our weighted average cost of capital (WACC) is the minimum requirement, but it is by no means sufficient. We intend to demonstrate sustained, robust business growth through tangible results so that shareholders and investors recognize us as a genuine growth company.

Our basic approach to shareholder returns remains unchanged: delivering stable dividend increases commensurate with profit levels while executing flexible share buybacks. Although annual buyback levels may fluctuate depending on funding requirements in a given fiscal year, we will continue expanding total shareholder returns, using a total payout ratio of approximately 60% as our benchmark.

By steadily advancing both business growth investments and expanded shareholder returns, we are committed to achieving our financial KPIs through business growth and optimal capital allocation, thereby delivering sustainable increases in corporate value.

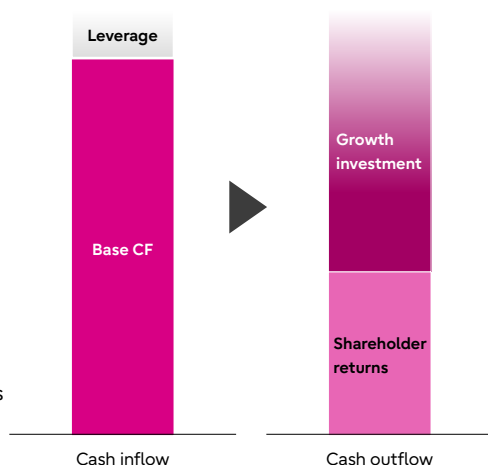
Capital allocation

Leverage for business growth

- Financing for growth acceleration
- Balancing financial soundness and capital efficiency

Strengthening cash generation capacity

- Expanding the revenue base and improving productivity
- Creating new business domains
- Improving business and capital efficiency



Proactive investment for business growth

- Further expansion and evolution of Service Solutions
- Technology-powered business creation [ROIC management aligned with the nature of each investment]

Expanding shareholder returns

- Stable dividend increases commensurate with profit levels
- Flexible share buybacks with a focus on improving capital efficiency [Expanding the return base and improving capital efficiency]

Shareholder returns

(Billions of yen)

