

**1Q
FY2020**

July 30, 2020



shaping tomorrow with you

Consolidated Financial Results

Fujitsu Limited

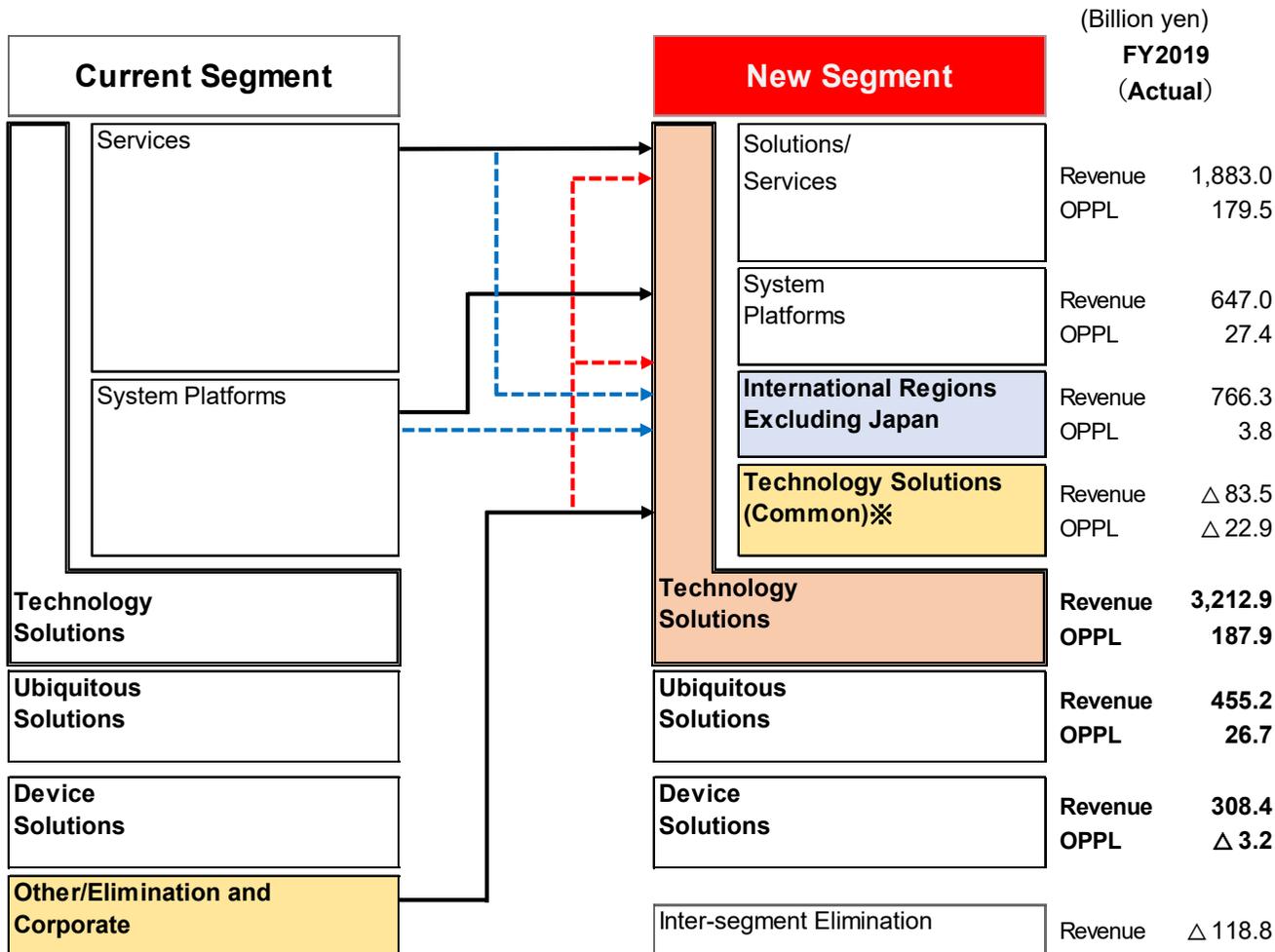
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1. Financial Results for 1Q FY2020

Changes to Business Segments



● **Management Targets < FY2022 >**
Technology Solutions
Revenue **3,500.0 billion yen**
OPPL(%) **10%**

- ※ **Breakdown of Technology Solutions (Common)**
- Labs…Basic research expenses
 - Olympics and Paralympics, etc.
 - Consolidation adjustment of OPPL

1. Financial Results
for 1Q FY2020

Consolidated PL [1Q]



(Billions of yen)

	1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change		Impact of COVID-19
				(%)	
Revenue	838.7	802.7	-35.9	-4.3	-35.8
Operating Profit	3.3	22.2	18.8	558.0	-12.1
[Operating Profit Margin]	[0.4%]	[2.8%]	[2.4%]		
Financial income (expenses), etc	2.8	3.6	0.8	27.8	
Profit for the Period Before Income Taxes	6.2	25.9	19.6	314.4	
Profit for the Period Attributable to Owners of the Parent	7.0	18.1	11.0	156.2	

Exchange Rate

U.S. dollar / Yen	110	108	-2	-1.8
Euro / Yen	123	118	-5	-4.1
British pound / Yen	141	134	-7	-5.0
Euro / U.S. dollar	1.12	1.10	-0.02	-1.8

■ Revenue

- | | | |
|-------------------------------------|-------------------|---|
| • Excluding the impact of COVID-19: | +14.3 billion yen | -The revenue increase in System Platforms exceeded the fall off in Ubiquitous Solutions from the unusually high revenue the previous year |
| • Impact of COVID-19: | -35.8 billion yen | -Primarily impacting Technology Solutions |
| • Impact of restructuring: | -14.3 billion yen | -Revenue excluded from the consolidated results due to the reorganization of the device business |

■ OPPL Increased by 18.8 billion yen

- | | | |
|--|-------------------|--|
| • Excl. special items and restructuring: | +12.3 billion yen | -Despite the impact of COVID-19, improvements continued in profitability and expense efficiency |
| • Impact of restructuring: | +0.4 billion yen | -Profits excluded from consolidated results due to the reorganization of the device business |
| • Special items: | +6.0 billion yen | -Expenses incurred last year in the restructuring of the device business did not recur this year |

■ Financial income (expenses), etc. Increased by 0.8 billion yen

-In line with the previous year

■ Profit for the Period Attributable to Owners of the Parent Increased by 11.0 billion yen

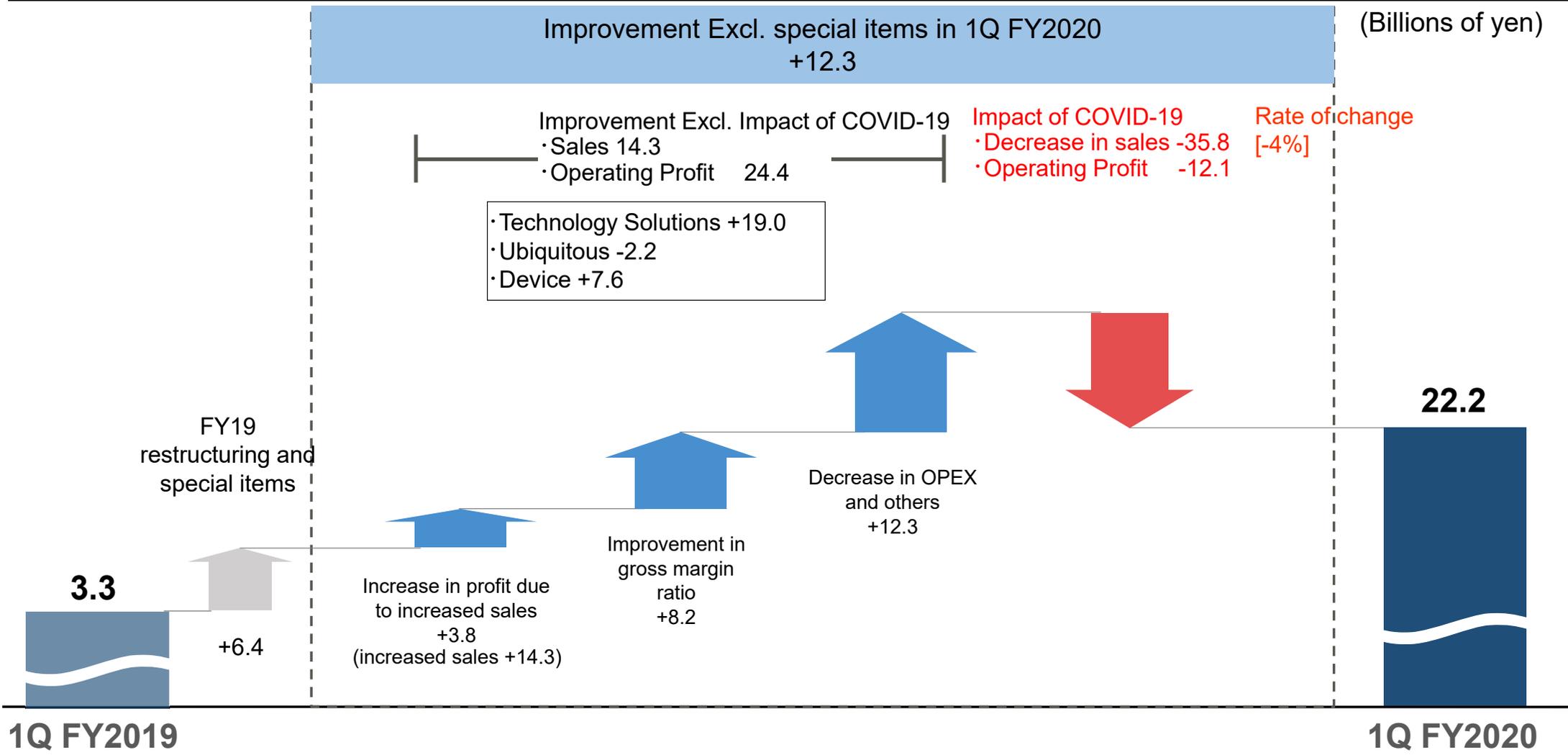
(Billions of yen)

		1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change	(%)	Impact of COVID-19
Excl. restructuring and special items	Revenue	824.3	802.7	-21.5	-2.6	-35.8
	OPPL	9.8	22.2	12.3	125.5	-12.1
	[Operating Profit Margin]	[1.2%]	[2.8%]	[1.6%]		
Impact of restructuring *1	Revenue	14.3	-	-14.3	-	
	OPPL	-0.4	-	0.4	-	
Special items *2	Revenue	-	-	-	-	
	OPPL	-6.0	-	6.0	-	
Total	Revenue	838.7	802.7	-35.9	-4.3	-35.8
	OPPL	3.3	22.2	18.8	558.0	-12.1
	[Operating Profit Margin]	[0.4%]	[2.8%]	[2.4%]		

*1 Impact of businesses excluded from consolidation due to restructuring : Semiconductor Mie plant(Q3 FY19)

*2 One-time Profit/Loss from Business Model Transformation expenses("BMT expenses").

Factors Behind Change in Operating Profit (1Q FY2019 → 1Q FY2020)



Revenue by segments



Breakdown of change vs LY

Positive impact excl COVID-19 : System Platforms(Super computer "Fugaku" and 5G base station)

Negative impact excl COVID-19 : Ubiquitous Solutions(Backlash from the previous year's special demand)

Impact of COVID-19 : Revenue decreased mainly in Technology Solutions

	1Q FY2020 (Actual)	Change	(Billions of yen)	
			Excl. Impact of COVID-19	Impact of COVID-19
Excl. restructuring and special items	802.7	-21.5	14.3	-35.8
Technology Solutions	679.1	1.9	39.6	-37.6
Solutions/Services	376.8	-11.9	7.1	-19.0
System Platforms	151.7	29.4	42.7	-13.3
International Regions Excluding Japan	171.0	-15.2	-11.6	-3.6
Common	-20.5	-0.2	1.3	-1.6
Ubiquitous Solutions	73.8	-29.0	-33.4	4.3
Device Solutions	68.3	-0.6	1.9	-2.6
Inter-segment Elimination	-18.5	6.1	6.1	-

Overall orders in Japan (Fujitsu Limited only)



Industries	FY2019(Actual)					1Q FY2020 (Actual)
	1Q	2Q	3Q	4Q	Total	
Total	115%	122%	98%	100%	109%	91%
[Excl. Orders For PC]	[110%]	[122%]	[93%]	[99%]	[106%]	[97%]
Private Enterprise [Manufacturing & Distribution]	108%	113%	103%	104%	107%	93%
Finance & Retail	106%	131%	93%	94%	105%	89%
JAPAN [Local Government & Healthcare]	132%	118%	100%	78%	108%	79%
Public & Social Infrastructure	109%	86%	94%	111%	100%	109%
Others	128%	290%	115%	108%	152%	77%

■ Impact of COVID-19: Revenue: -35.8 billion yen, OPPL: -12.1 billion yen.

The impact of Corona Virus only includes the impact on sales/gross profit.

Operating expenses are not included in the impact of coronavirus. It is difficult to distinguish them from normal increases and decreases as we were already promoting teleworking before the coronavirus

Negative Factors: Revenue: -65.5 billion yen, OPPL: -22.0 billion yen

- **Review of project implementation timing**
Japan:
Manufacturing, distribution, and healthcare projects all saw significant impacts
Outside Japan:
Heavily influenced by strict lockdowns.
- **Stagnant business deal activity**
Business deal activity with SMEs and other small scale clients has stagnated
- **Supply chain impact relatively light**
It has been recovering since April and has essentially returned to normal.

Positive Factors: Revenue: 29.6 billion yen, OPPL: 9.9 billion yen

- **Response to new demand**
PCs and infrastructure equipment related to remote work and others.
Solutions focused on automation and greater call center efficiencies
- **Delays due to supply chain problems in the fourth quarter of last year were resolved in the first quarter.**

Business Segment Information[1Q]



(Billions of yen)

		1Q FY2019 (Actual)	Special items/ restructuring	1Q FY2020 (Actual)	Special items/ restructuring	Change	Excl. Special items	Special items/ restructuring	Impact of COVID-19
Revenue	Technology Solutions	677.1	-	679.1	-	1.9	1.9	-	-37.6
	Ubiquitous Solutions	102.9	-	73.8	-	-29.0	-29.0	-	4.3
	Device Solutions	83.4	14.3	68.3	-	-15.0	-0.6	-14.3	-2.6
	Inter-segment Elimination	-24.7	-	-18.5	-	6.1	6.1	-	-
	Total	838.7	14.3	802.7	-	-35.9	-21.5	-14.3	-35.8
OPPL	Technology Solutions	7.5	-	12.6	-	5.0	5.0	-	-13.9
	Ubiquitous Solutions	3.5	-	4.2	-	0.6	0.6	-	2.8
	Device Solutions	-7.7	-6.4	5.3	-	13.1	6.6	6.4	-1.0
	Total	3.3	-6.4	22.2	-	18.8	12.3	6.4	-12.1

Technology Solutions

(Billions of yen)

Technology Solutions	1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change		
					(%)
Revenue	677.1	679.1	[-37.6]	1.9	0.3
Operating profit	7.5	12.6	[-13.9]	5.0	66.8
[Operating profit margin]	[1.1%]	[1.9%]		[0.8%]	

[Revenue] Slight increase in revenue over the same period last year

Although revenue in System Products increased, overall revenue increased only slightly due the impact of COVID-19.

[Operating Profit] Increased by 5.0 billion yen

Profits rose due to improving profitability and greater efficiency in operating expenses.

Revenue (breakdown) []Figures in parentheses indicate the Impact of COVID-19

Japan	456.8	482.7	25.8	5.7
Outside Japan	220.2	196.4	-23.8	-10.8

Technology Solutions (Solutions/Services)

(Billions of yen)

Solutions/ Services	1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change		
					(%)
Revenue	388.7	376.8	[-19.0]	-11.9	-3.1
Operating profit	18.0	17.8	[-7.5]	-0.2	-1.5
[Operating profit margin]	[4.6%]	[4.7%]		[0.1%]	

[] Figures in parentheses indicate the Impact of COVID-19

[Revenue]

Despite higher public sector revenue, revenue fell compared to the previous year due to a significant impact from COVID-19, especially in manufacturing, distribution and healthcare.

[Operating Profit]

Despite the effects of lower revenue, the segment was able to secure profits in line with the previous year, due to improved profitability from an increase in software sales, and efficiency in operating expenses.

Technology Solutions (System Platforms)

(Billions of yen)

System Platforms	1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change		
					(%)
Revenue	122.3	151.7	[-13.3]	29.4	24.0
System Products	84.1	105.9	[-9.8]	21.7	25.9
Network Products	38.1	45.8	[-3.4]	7.6	20.0
Operating profit	-6.4	5.0	[-4.6]	11.5	-
[Operating profit margin]	[-5.3%]	[3.3%]		[8.6%]	

[Revenue]

(System Products)

Revenue rose due to higher mainframe deals and the shipment of the Supercomputer Fugaku.

(Network Products)

Demand increased for 5G base stations.

[Operating Profit]

Operating profit increased in both System Products and Network Products. In addition to the impacts of increased revenue and an improvement in the product mix, profits also rose due to efficiency in operating expenses.

Revenue (breakdown) []Figures in parentheses indicate the Impact of COVID-19

Japan	93.5	128.0	34.4	36.9
Outside Japan	28.7	23.7	-5.0	-17.7

Technology Solutions (International Regions Excluding Japan)

(Billions of yen)

International Regions Excluding Japan	1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change		
					(%)
Revenue	186.2	171.0	[-3.6]	-15.2	-8.2
Operating profit	-0.5	-3.7	[-0.8]	-3.2	-
[Operating profit margin]	[-0.3%]	[-2.2%]		[-1.9%]	

[] Figures in parentheses indicate the Impact of COVID-19

[Revenue]

In addition to the effects of COVID-19, primarily in Europe and Asia, as well as the ongoing strong yen against the euro and the pound, revenue also fell due to the impact of exiting from unprofitable countries in Europe and product business in North America.

[Operating Profit]

Profits fell primarily due to the impact of lower revenue.

Ubiquitous Solutions

(Billions of yen)

Ubiquitous Solutions	1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change		
					(%)
Revenue	102.9	73.8	[4.3]	-29.0	-28.2
Operating profit	3.5	4.2	[2.8]	0.6	18.1
[Operating profit margin]	[3.5%]	[5.7%]		[2.2%]	

[Revenue]

Revenue fell relative to the previous year due to higher demand last year for replacements for Windows 7.

[Operating Profit]

Despite the impact of lower revenue, operating profit rose due to an increase in the proportion of high-end models, and improved profitability with the effort of maintaining existing sales price.

Revenue (breakdown) []Figures in parentheses indicate the Impact of COVID-19

Japan	66.4	47.0	-19.4	-29.2
Outside Japan	36.4	26.8	-9.6	-26.4

Device Solutions

(Billions of yen)

Device Solutions	1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change		
					(%)
Revenue	83.4	68.3	[-2.6]	-15.0	-18.1
Operating profit	-7.7	5.3	[-1.0]	13.1	-
[Operating profit margin]	[-9.3%]	[7.9%]		[17.2%]	

Revenue (breakdown) []Figures in parentheses indicate the Impact of COVID-19

Japan	33.1	16.6	-16.5	-49.8
Outside Japan	50.2	51.6	1.4	2.9

[Revenue]

Impact of business restructuring: -14.3 billion yen

The semiconductor plant in Mie was excluded from the consolidated results beginning with the third quarter of FY2019.

Excluding the above, revenue was in line with the previous year.

[Operating Profit]

Excluding restructuring and special items, operating profit increased by 6.6 billion yen

This increase is due to increased demand for highly profitable electronic components

Impact of business model transformation expenses: +6.4 billion yen

Business model transformation expenses recorded in the first quarter of FY2019 that did not recur this year: 6.0 billion yen
Profits excluded from the consolidated results due to business restructuring: 0.4 billion yen

Cash Flows



(Billions of yen)

	1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change
I Cash flows from operating activities	116.3	148.8	32.5
II Cash flows from investing activities	-10.7	-10.0	0.7
I + II Free Cash Flow	105.6	138.8	33.2
III Cash flows from financing activities	-55.4	-23.8	31.5
IV Cash and Cash Equivalents at End of Period	466.5	569.6	103.1

[Cash flows from operating activities]

In addition to higher profits from business, excluding restructuring and special items, cash flow improved significantly due to ongoing reductions in inventories.

[Cash flows from investing activities]

Invested a similar amount to the previous year, primarily in Services in Japan.

Assets, Liabilities and Equity

(Billions of yen)

	Year-end FY2019	End of 1Q FY2020	Change
Total Assets	3,187.4	2,985.0	-202.3
Total Liabilities	1,839.0	1,641.5	-197.4
Total Equity	1,348.4	1,343.5	-4.8
Total Equity Attributable to Owners of the Parent	1,240.9	1,234.8	-6.0

Reference: Financial Indices

Interest-bearing Loans	405.5	409.2	3.6
(Net Interest-bearing Loans)	(-46.2)	(-159.6)	(-113.4)
D/E Ratio (Times)	0.33	0.33	-
Equity Attributable to Owners of the Parent Ratio (%)	38.9	41.4	2.5

2. Earnings Forecast for FY2020

Assumptions for Fiscal 2020



Assumptions about the External Environment	<p>Economic activity bottomed out in Q1 due to the impact of COVID-19, will gradually recover in Q2 and Q3. Business activity will fully reopen in Q4, but conditions will not fully normalize by the end of the fiscal year.</p>	
Impacts on Fujitsu's Business (Assumed)	Private Enterprise (Manufacturing/Distribution)	Orders will be stagnant in the first half because of ICT spending constraints and delays, and, although we can expect a recovery in 2H, a full recovery isn't expected until FY2021.
	Finance&Retail	We can expect business discussions around the new normal, such as staffless or contactless service, but orders will be stagnant in the first half. Finance will recover in the second half, but the recovery in retailing will be weak.
	JAPAN (Local Government/Healthcare)	First-half activity is associated with the emergency measures, can expect orders in the second half stemming from the new normal. There are many uncertainties in the healthcare sector, and expect severe conditions this fiscal year.
	Public, Social Infrastructure	Overall impact is minimal. Expect orders for digitization of government and 5G.
	Outside Japan	Although there are differences in countries and regions, it is expected to be difficult to recover by the end of the fiscal year due to the impact of strict lockdown.

*Our business is subject to lengthy, large-scale projects that tend to have a delayed impact on our P/L.

2.Earnings Forecast
for FY2020

Financial Forecast



(Billions of yen)

	FY2019 (Actual)	FY2020 (Forecast)	Change		Impact of COVID-19
				(%)	
Revenue	3,857.7	3,610.0	-247.7	-6.4	-110.0
Operating Profit	211.4	212.0	0.5	0.2	-38.0
[Operating Profit Margin]	[5.5%]	[5.9%]	[0.4%]		
Profit for the Year Attributable to Owners of the Parent	160.0	160.0	-	-	

Exchange Rate

U.S. dollar / Yen	109	105	-4	-3.7
Euro / Yen	121	120	-1	-0.8
British pound / Yen	138	140	2	1.4
Euro / U.S. dollar	1.11	1.10	-0.01	-0.9

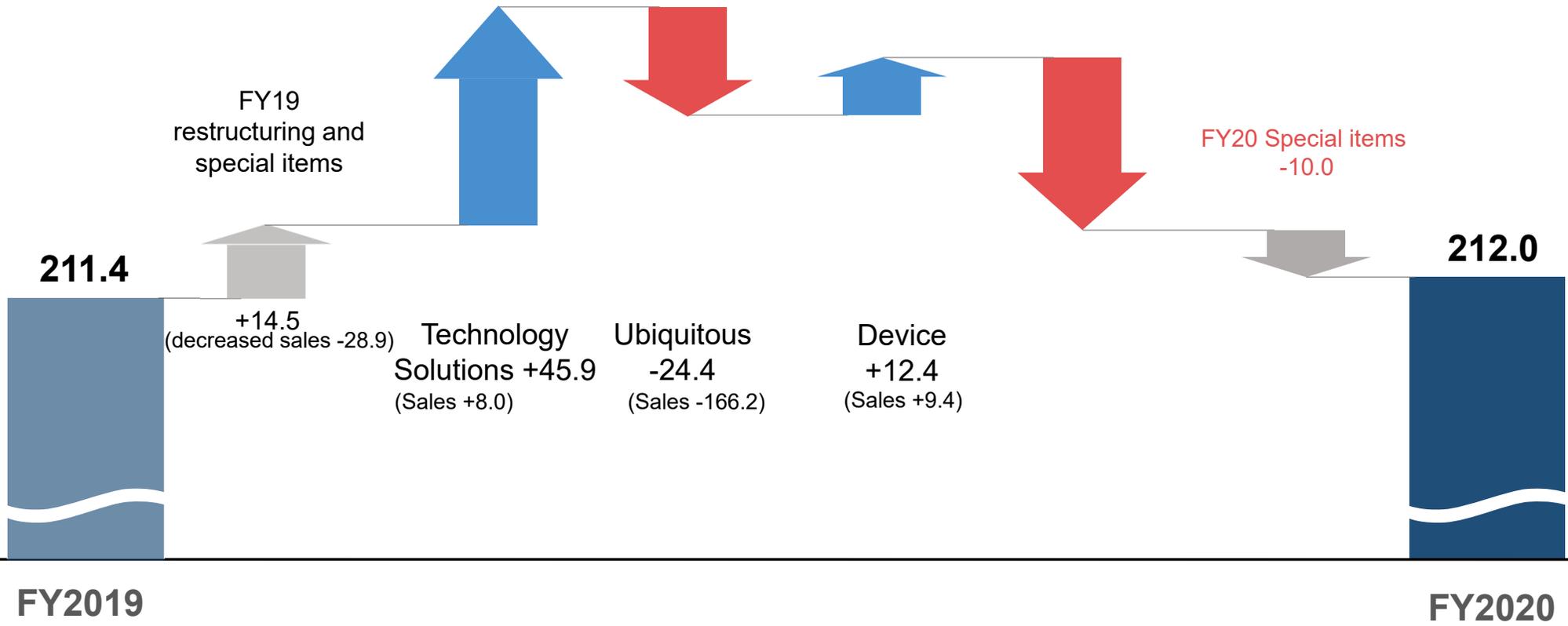
Ratio of Revenue Outside Japan	31.8%	31.8%	-	
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Factors Behind Change in Operating Profit (FY2019 → FY2020)



(Billions of yen)

Impact excl COVID-19 ·Sales -108.8 ·Operating Profit +33.9	—	Impact of COVID-19 ·Sales -110.0 ·Operating Profit -38.0	Rate of change [-3%]
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Financial Forecast (YoY)

■ Revenue

- Excluding the impact of COVID-19:

Technology Solutions:	+8.0 billion yen	-Increased revenue due to increased demand for 5G base stations, among other factors
Ubiquitous Solutions, etc.:	-116.9 billion yen	-Fall in revenue relative to the previous year due to special demand in the previous year
- Impact of COVID-19: -110.0 billion yen
- Impact of restructuring: -28.9 billion yen
- business -Impacts will primarily occur within Technology Solutions
- -Revenue excluded from consolidated results due to the restructuring of the device business

■ OPPL **In line with the previous year**

- Excluding special items and restructuring:

Technology Solutions:	+5.9 billion yen	-Despite the impact of COVID-19, operating profit will increase due to improved profitability and greater efficiency with expenses
Ubiquitous Solutions, etc.	-10.0 billion yen	-Operating profit will fall primarily due to the revenue from special demand last year in Ubiquitous Solutions that will not recur this year
- Impact of restructuring: +0.8 billion yen
- business -Profits excluded from the consolidated results due to the restructuring of the device business
- Special items: +3.7 billion yen
- - Impact of special factors in FY2019 not recurring: +13.7 billion yen
- - Business model transformation expenses in FY2020: -10.0 billion yen

■ Profit for the Period **Attributable to Owners of the Parent** **-In line with the previous year**

■ Impact of COVID-19: Revenue: -110.0 billion yen, OPPL: -38.0 billion yen.

The impact of COVID-19 only includes the impact on sales/gross profit.

Operating expenses are not included in the impact of coronavirus. It is difficult to distinguish them from normal increases and decreases as we were already promoting teleworking before the coronavirus

Negative Factors: Revenue: -178.0 billion yen, OPPL: -60.0 billion yen

• Reductions and delays in ICT investment

Japan

Manufacturing, distribution, and healthcare projects all saw significant impacts

⇒A recovery from Q4 is expected, but a full-scale recovery is expected from the next fiscal year.

Outside Japan

Heavily influenced by strict lockdowns.

⇒The situation will remain severe by Q4, and recovery is expected from the next fiscal year.

Stagnant business deal activity

Business deal activity with SMEs has stagnated
⇒Expect that the impact will be concentrated in 1H, assuming normalization in 2H and beyond

Positive Factors: Revenue: 68.0 billion yen, OPPL: 22.0 billion yen

• Increase in business deals aimed at adapting to the new normal

Business deals related to remote work

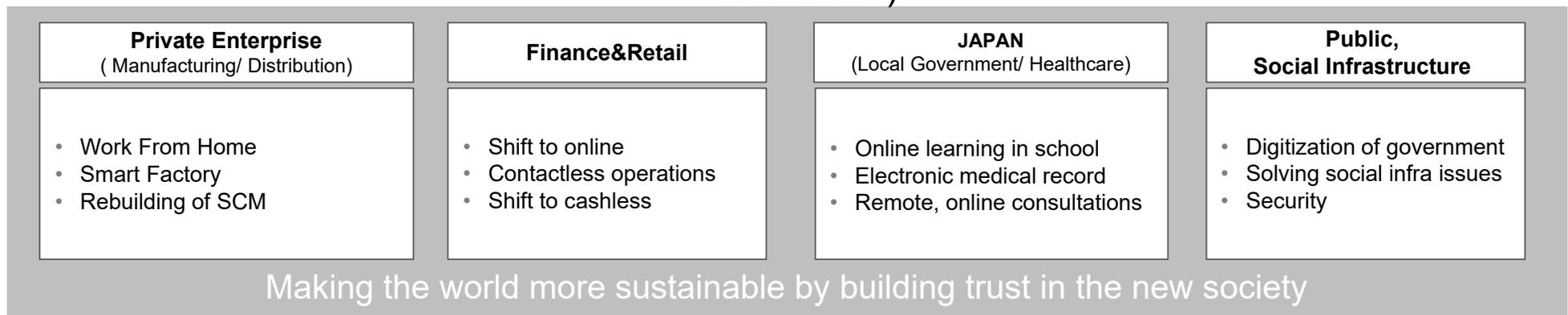
Business deals related to digitization, contactless and staff-less service.

• Support for emergency measures by public and local government and accelerating digital transformation of government administrative agency.

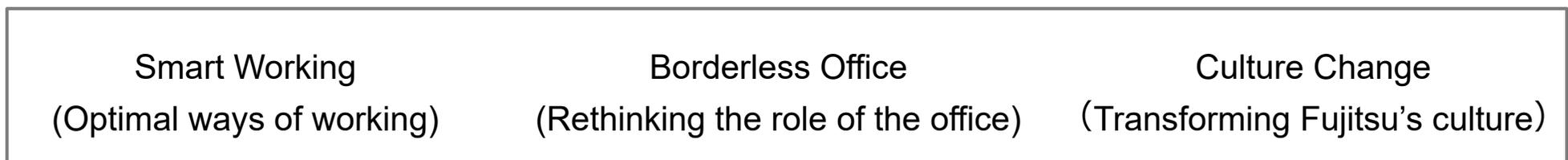
• Delivery delays in the fourth quarter of last year were resolved in the first quarter.

New Demand and Work Style Reform in Accordance with Societal Changes

Reimagining business in the era of the new normal (digitization, labor saving, remote work, contactless)



Work Life Shift: New ways of working to enable higher productivity and innovation, even in a new environment



2.Earnings Forecast
for FY2020

Business Segment Information



(Billions of yen)

		FY2019 (Actual)	FY2020 (Forecast)	Change	Excl. Impact of COVID-19	Impact of COVID-19	
Technology Solutions	Revenue	3,212.9	3,090.0	-122.9	8.0	-131.0	<ul style="list-style-type: none"> · Revenue <ul style="list-style-type: none"> ⊕ Demand increased for 5G base stations ⊖ Impact of business withdraw in outside Japan · OPPL <ul style="list-style-type: none"> ⊕ Improved profitability in Solutions/Services ⊕ Higher revenue in System Platforms ⊕ Efficiency in operating expense
	Excl. restructuring and special items	192.0	198.0	5.9	45.9	-40.0	
	%	[6.0%]	[6.4%]	[0.4%]			
	restructuring and special items	-4.0	-10.0	-5.9	-5.9	-	
	OPPL	187.9	188.0	-	40.0	-40.0	
Ubiquitous Solutions	Revenue	455.2	319.0	-136.2	-166.2	30.0	<ul style="list-style-type: none"> · Revenue <ul style="list-style-type: none"> ⊖ Sales in last year was strong due to replacement of Windows7. · OPPL <ul style="list-style-type: none"> ⊖ Impact of revenue decrease
	Excl. restructuring and special items	26.4	8.0	-18.4	-24.4	6.0	
	%	[5.8%]	[2.5%]	[-3.3%]			
	restructuring and special items	0.3	-	-0.3	-0.3	-	
	OPPL	26.7	8.0	-18.7	-24.7	6.0	

2.Earnings Forecast
for FY2020

Business Segment Information



(Billions of yen)

		FY2019 (Actual)	FY2020 (Forecast)	Change	Excl. Impact of COVID-19	Impact of COVID-19	
Device Solutions	Revenue	308.4	280.0	-28.4	-19.4	-9.0	<ul style="list-style-type: none"> · Revenue ⊖ Impact of business restructuring -28.9 billion yen ⊕ Higher revenue in electronic components · OPPL ⊕ Higher revenue and improved profitability
	Excl. restructuring and special items	7.5	16.0	8.4	12.4	-4.0	
	%	[2.5%]	[5.7%]	[3.2%]			
	restructuring and special items	-10.8	-	10.8	10.8	-	
	OPPL	-3.2	16.0	19.2	23.2	-4.0	
Inter-segment Elimination	Revenue	-118.8	-79.0	39.8	39.8	-	
Total	Revenue	3,857.7	3,610.0	-247.7	-137.7	-110.0	
	Excl. restructuring and special items	226.0	222.0	-4.0	33.9	-38.0	
	%	[5.9%]	[6.1%]	[0.2%]			
	restructuring and special items	-14.5	-10.0	4.5	4.5	-	
	OPPL	211.4	212.0	0.5	38.5	-38.0	

Cash Flows

Free Cash Flow	(Billions of yen)	
	FY2019 (Actual)	FY2020 (Forecast)
Free Cash Flow	233.0	170.0

- One-time inflows in FY2019 (Semiconductor plant in Mie, others): About 60.0 billion yen

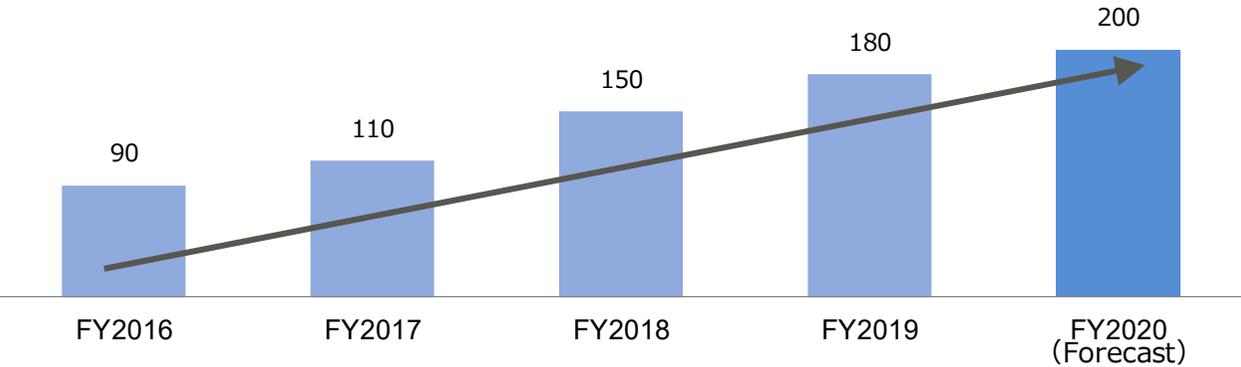
Return to shareholders



Dividends (Yen)

	FY2019 (Actual)	FY2020 (Forecast)	Change
End of First Half	80	100	20
End of Fiscal Year	100	100	-
Annual	180	200	20

Changes in the amount of dividends (Yen)



3. Capital Allocation Policy

I. Direction of Financial Strategy

With a solid financial foundation as a base, optimally allocate cash for sustainable improvements in corporate value

Base	<ul style="list-style-type: none"> ■ Maintain a solid financial foundation appropriate to a company supporting social infrastructure (Sustainability that can easily withstand short-term changes in the business environment)
Direction	<ul style="list-style-type: none"> ■ Business growth and strategic investments in growth leading to greater capital efficiency ■ Stable and sustainable improvements in shareholder returns in line with the stage of growth in business and profits

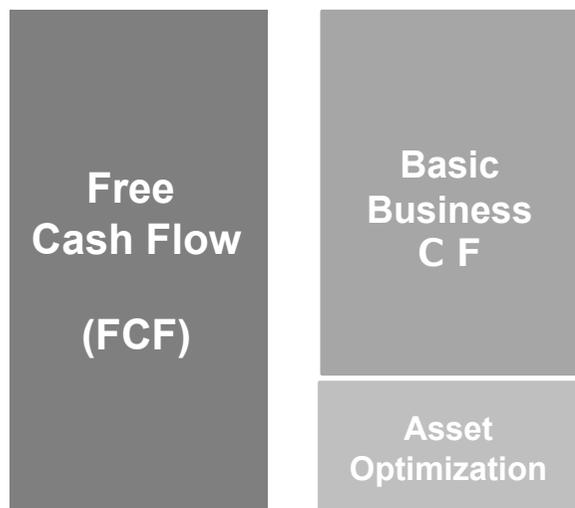


II. Capital Allocation Policy

Next 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

(1) Generating Stable Cash Flow



(2) concept of allocation

**Solid
Financial Foundation**
No need for
additional cash anytime soon

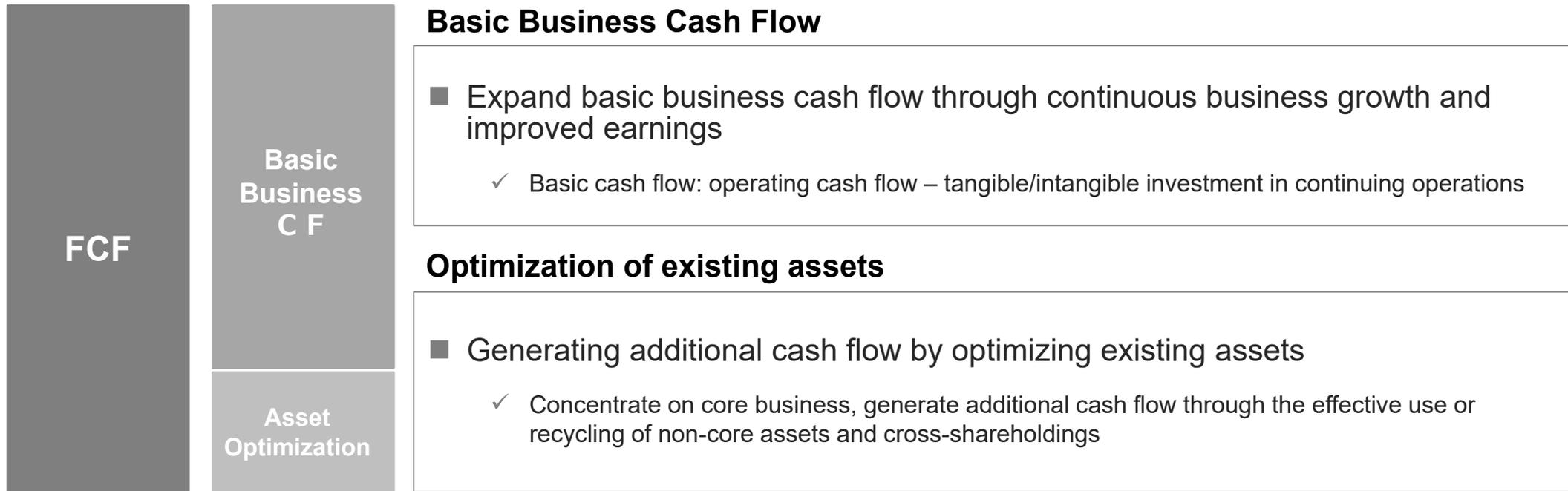


Over 1 trillion yen

(1) Generating Stable Cash Flow



In addition to generate cash flow from business growth, will optimize existing assets
 Generate over 1 trillion yen in free cash flow over the next 5 years (FY20-24)

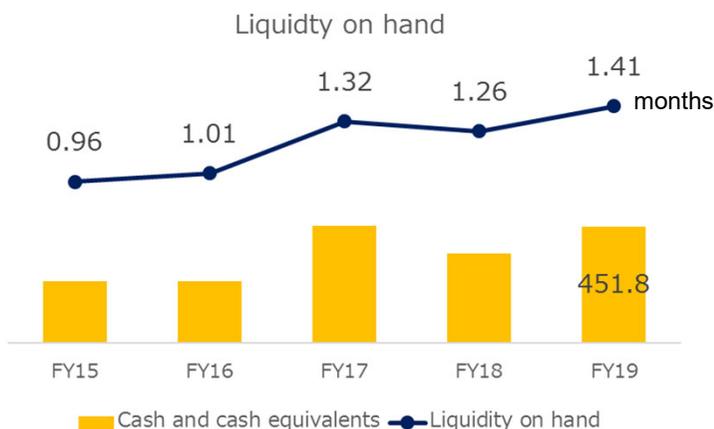


(2) Concept of Capital Allocation

Maintaining a Solid Financial Foundation

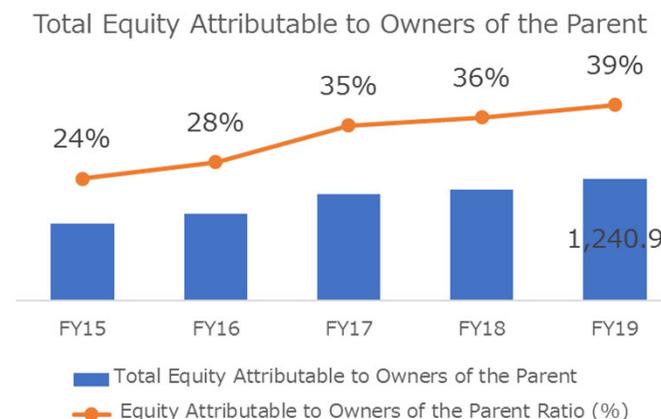
Currently achieving stability in liquidity on hand and total equity attributable to owners of the parent.
 Going forward, make further improvements by such measures as increasing the capital efficiency

(No need for additional cash anytime soon, but take full consideration of capital requirement)



FY19(Actual)

Cash and cash equivalents 451.8 billion yen
 Liquidity on hand 1.41 month

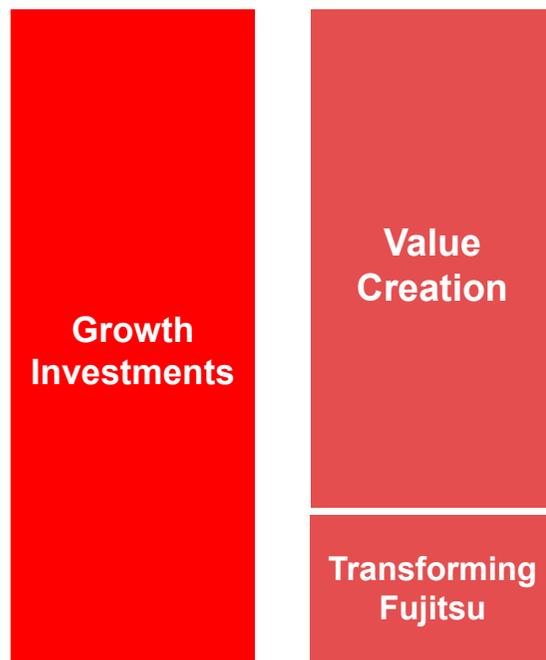


FY19(Actual)

Total Equity Attributable to Owners of the Parent 1,240.9 billion yen
 Equity Attributable to Owners of the Parent Ratio (%) 38.9%

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 services and offerings
 - Technology development
 - Solutions development
 - Business efficiencies
- Acquisitions, alliances with key partners, venture capital investments
- Strategic investments in DX business for future opportunities

Investments in Transforming Fujitsu

- Recruiting highly-skilled talent (consulting, services)
- Internal enhancements (reskilling, internal systems)

Stable Shareholder Returns

Stable shareholder returns over the medium and long term
in line with the stage of growth in business and profits

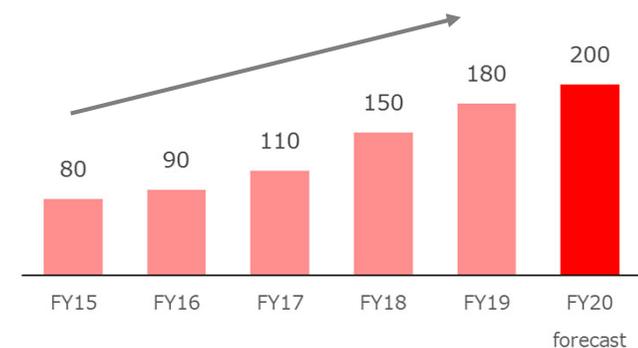
Dividends

- Stable dividend increases based on the sustainable growth in Fujitsu's business

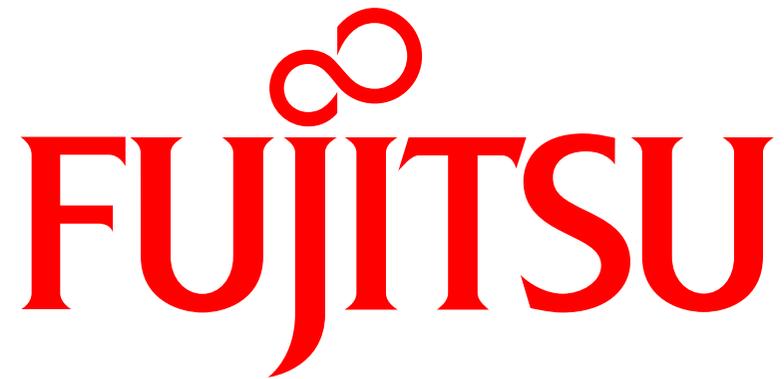
Share Repurchases

- Agile approach to share repurchases funded from long-term retained earnings (Responding to changes in demand for funds)

Trend in dividends (yen)



- 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.



shaping tomorrow with 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

Supplementary

(Supplementary)
Financial Results
for 1Q FY2020

Business Segment Information [Quarterly Breakdown of Results]



		FY2019 (Actual)				(Billions of yen)
						FY2020 (Actual)
		1Q	2Q	3Q	4Q	1Q
Technology Solutions	Revenue	677.1	807.1	770.0	958.5	679.1
	OPPL	7.5	56.2	40.9	83.1	12.6
Solutions/ Services	Revenue	388.7	483.4	444.4	566.3	376.8
	OPPL	18.0	43.4	38.4	79.5	17.8
System Platforms	Revenue	122.3	166.4	141.0	217.2	151.7
	OPPL	-6.4	16.3	4.8	12.7	5.0
International Regions Excluding Japan	Revenue	186.2	182.4	203.2	194.3	171.0
	OPPL	-0.5	3.4	-1.2	2.2	-3.7
Common	Revenue	-20.2	-25.2	-18.8	-19.2	-20.5
	OPPL	-3.5	-6.9	-1.1	-11.3	-6.4
Ubiquitous Solutions	Revenue	102.9	138.4	111.4	102.4	73.8
	OPPL	3.5	10.4	8.8	3.9	4.2
Device Solutions	Revenue	83.4	85.2	71.5	68.2	68.3
	OPPL	-7.7	0.9	0.6	2.9	5.3
Inter-segment Elimination	Revenue	-24.7	-40.8	-29.8	-23.4	-18.5
Total	Revenue	838.7	990.0	923.2	1,105.7	802.7
	OPPL	3.3	67.6	50.4	90.0	22.2

Business Segment Information

[Revenue Breakdown-In and Outside Japan 1Q]



(Billions of yen)

		1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change	(%)
Technology Solutions	Revenue	677.1	679.1	1.9	0.3
	Japan	456.8	482.7	25.8	5.7
	Outside Japan	220.2	196.4	-23.8	-10.8
Solutions/ Services	Revenue	388.7	376.8	-11.9	-3.1
	Japan	378.9	370.3	-8.6	-2.3
	Outside Japan	9.8	6.5	-3.3	-33.6
System Platforms	Revenue	122.3	151.7	29.4	24.0
	Japan	93.5	128.0	34.4	36.9
	Outside Japan	28.7	23.7	-5.0	-17.7
International Regions Excluding Japan	Revenue	186.2	171.0	-15.2	-8.2
	Japan	0.3	0.1	-0.1	-59.2
	Outside Japan	185.9	170.9	-15.0	-8.1
Common	Revenue	-20.2	-20.5	-0.2	-
Ubiquitous Solutions	Revenue	102.9	73.8	-29.0	-28.2
	Japan	66.4	47.0	-19.4	-29.2
	Outside Japan	36.4	26.8	-9.6	-26.4
Device Solutions	Revenue	83.4	68.3	-15.0	-18.1
	Japan	33.1	16.6	-16.5	-49.8
	Outside Japan	50.2	51.6	1.4	2.9
Inter-segment Elimination	Revenue	-24.7	-18.5	6.1	-
Total	Revenue	838.7	802.7	-35.9	-4.3
	Japan	533.7	529.8	-3.8	-0.7
	Outside Japan	304.9	272.8	-32.0	-10.5
Ratio of Revenue Outside Japan		36.4%	34.0%	-2.4%	

Breakdown of International Regions Excluding Japan



(Billions of yen)

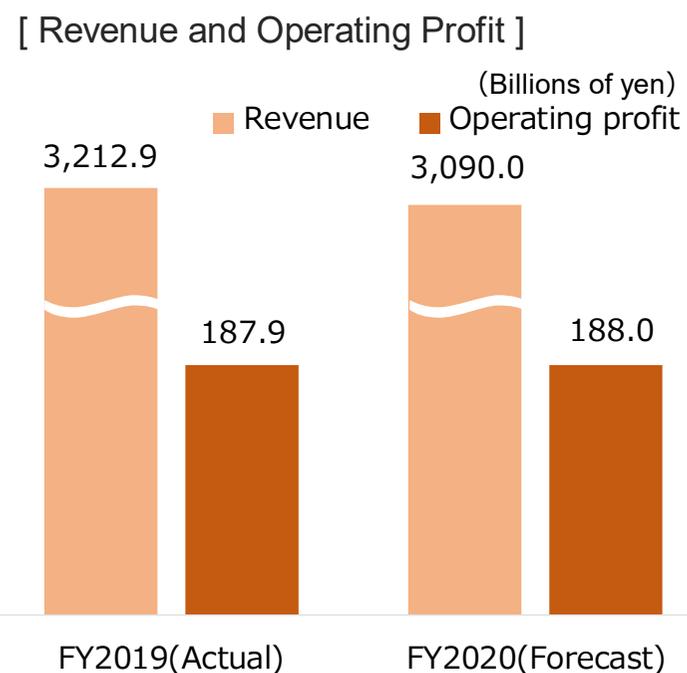
		1Q FY2019 (Actual)	1Q FY2020 (Actual)	Change
International Regions Excluding Japan	Revenue	186.2	171.0	-15.2
	Operating Profit	-0.5	-3.7	-3.2
NWE [Northern & Western Europe]	Revenue	86.0	78.4	-7.6
	Operating Profit	-0.6	-2.7	-2.0
CEE [Central & Eastern Europe]	Revenue	39.6	40.9	1.3
	Operating Profit	1.4	-0.3	-1.8
Americas	Revenue	17.5	14.6	-2.8
	Operating Profit	-1.7	-1.3	0.4
Asia	Revenue	20.3	16.7	-3.5
	Operating Profit	-	0.2	0.1
Oceania	Revenue	19.4	19.5	0.1
	Operating Profit	0.1	0.3	0.2
Others	Revenue	3.3	0.6	-2.7
	Operating Profit	0.2	-	-0.2

Note: Revenue includes Inter-region revenue.

Business Segment Information



Technology Solutions



(Billions of yen)

Technology Solutions	FY2019 (Actual)	FY2020 (Forecast)	Change	
			(Absolute)	(%)
Revenue	3,212.9	3,090.0	[-131.0]	-3.8
Operating profit	187.9	188.0	[-40.0]	-
[Operating profit margin]	[5.8%]	[6.1%]	[0.3%]	

[] Figures in parentheses indicate the Impact of COVID-19

(Billions of yen)

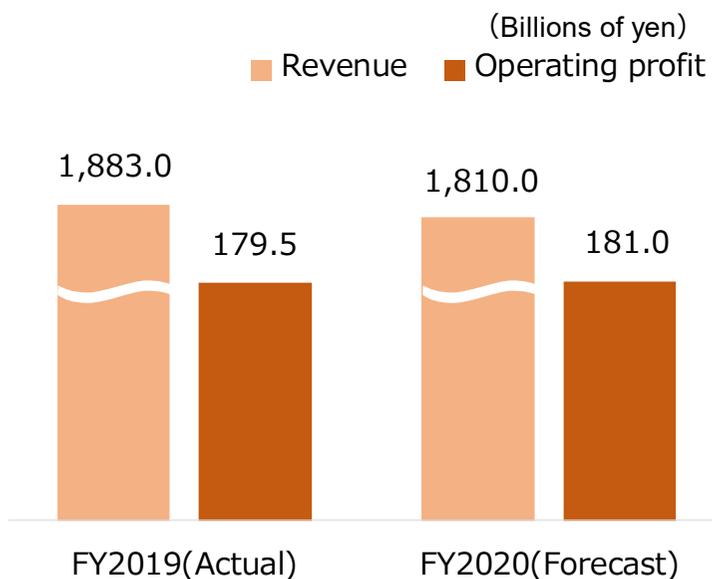
	FY2019 (Actual)	FY2020 (Forecast)	Impact of COVID-19	Excl. Impact of COVID-19
Revenue	3,212.9	3,090.0	-131.0	3,221.0
OPPL %	[5.8%]	[6.1%]	-40.0	[7.1%]

Business Segment Information

Technology Solutions (Solutions/Services)

(Billions of yen)

[Revenue and Operating Profit]



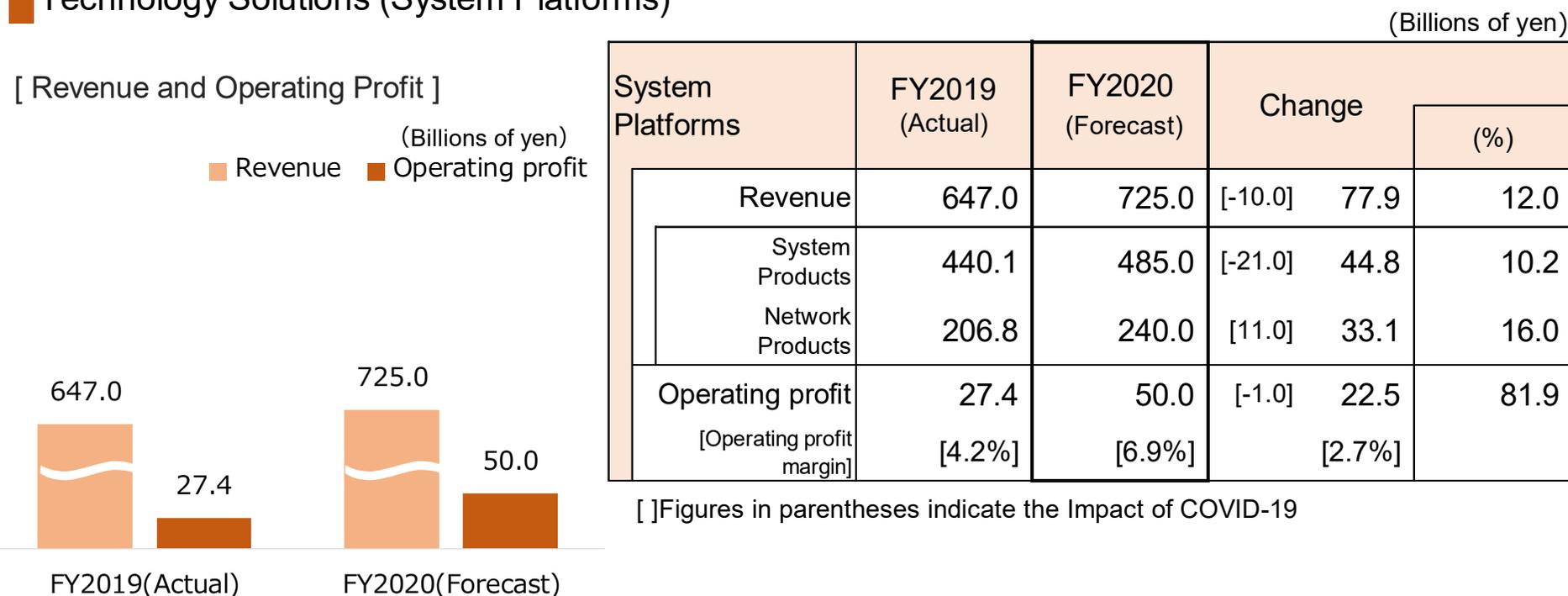
Solutions/ Services	FY2019 (Actual)	FY2020 (Forecast)	Change	
				(%)
Revenue	1,883.0	1,810.0	[-78.0] -73.0	-3.9
Operating profit	179.5	181.0	[-28.0] 1.4	0.8
[Operating profit margin]	[9.5%]	[10.0%]	[0.5%]	

[] Figures in parentheses indicate the Impact of COVID-19

- Despite the impact of lower revenue due to COVID-19, operating profit is expected to increase due to ongoing improvements in profitability and enhanced efficiency in operating expenses.

Business Segment Information

Technology Solutions (System Platforms)



- In addition to higher demand for 5G base stations, operating profit is expected to increase due to improved efficiency in operating expenses.

Business Segment Information



Technology Solutions (International Regions Excluding Japan)

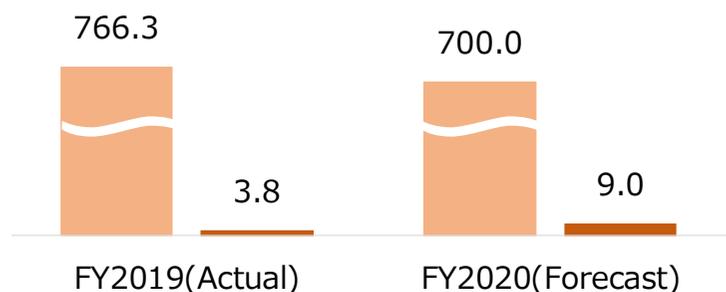
(Billions of yen)

[Revenue and Operating Profit]

(Billions of yen)
■ Revenue ■ Operating profit

International Regions Excluding Japan	FY2019 (Actual)	FY2020 (Forecast)	Change		[%]
			Change	(%)	
Revenue	766.3	700.0	[-39.0]	-66.3	-8.7
Operating profit	3.8	9.0	[-9.0]	5.1	131.8
[Operating profit margin]	[0.5%]	[1.3%]		[0.8%]	

[] Figures in parentheses indicate the Impact of COVID-19



- Revenue is expected to fall due to the impact of COVID-19 as well as the impact of withdrawing from certain businesses.
- Despite the significant impact of COVID-19, operating profit is expected to increase due to lower business model transformation expenses, improved profitability, and greater efficiency in expenses.

Technology Solutions (Common)

(Billions of yen)

Common	FY2019 (Actual)	FY2020 (Forecast)	Change
Excl. Special items	-32.6	-42.0	[-2.0] -9.3
Special items	9.6	-10.0	-19.6
Operating profit	-22.9	-52.0	[-2.0] -29.0

[] Figures in parentheses indicate the Impact of COVID-19

- Expenses are expected to increase due to investments for internal digital transformation.

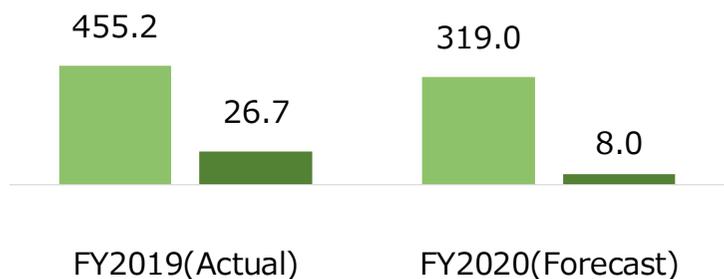
Business Segment Information

Ubiquitous Solutions

(単位：億円)

[Revenue and Operating Profit]

(Billions of yen)
■ Revenue ■ Operating profit



Ubiquitous Solutions	FY2019 (Actual)	FY2020 (Forecast)	Change	
				(%)
Revenue	455.2	319.0	[30.0] -136.2	-29.9
Operating profit	26.7	8.0	[6.0] -18.7	-70.1
[Operating profit margin]	[5.9%]	[2.5%]	[-3.4%]	

[] Figures in parentheses indicate the Impact of COVID-19

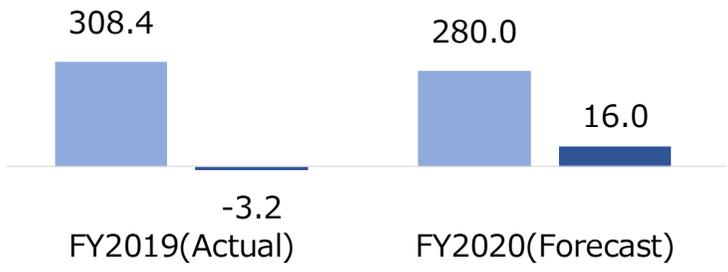
- Profits are expected to fall relative to the previous year when there was a higher demand for the replacements of Windows 7.

Business Segment Information



Device Solutions

[Revenue and Operating Profit]
(Billions of yen)
■ Revenue ■ Operating profit



(Billions of yen)

Device Solutions	FY2019 (Actual)	FY2020 (Forecast)	Change		
					(%)
Revenue	308.4	280.0	[-9.0]	-28.4	-9.2
Operating profit	-3.2	16.0	[-4.0]	19.2	-
[Operating profit margin]	[-1.1%]	[5.7%]		[6.8%]	

[] Figures in parentheses indicate the Impact of COVID-19

- In addition to a recovery in demand for electronic components and improvements in profitability, profits are expected to increase due to a reduced level of business model transformation expenses relative to the previous year.

Assumption used for FY2020 Forecasts

1. Exchange Rates (Average) and Impact of Fluctuation

	FY2019 (Actual)	FY2020		Impact of Exchange Rate Fluctuation 2Q/3Q/4Q (Forecast)*
		1Q (Actual)	2Q/3Q/4Q (Forecast)	
U.S. dollar / Yen	109	108	105	-0.1 Billion yen
Euro / Yen	121	118	120	0.1 Billion yen
British pound / Yen	138	134	140	0.0 Billion yen
Euro / U.S. dollar	1.11	1.10	1.10	-1.1 Billion yen

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

Impact of 0.01 dollar fluctuation on operating profit (euro depreciation).

Assumption used for FY2020 Forecasts

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

(Billions of yen)

	1Q		Full year	
	1Q FY2019 (Actual)	1Q FY2020 (Actual)	FY2019 (Actual)	FY2020 (Forecast)
Technology Solutions	13.1	9.6	53.8	67.0
Ubiquitous Solutions	0.0	0.0	0.2	0.5
Device Solutions	15.0	7.8	42.4	42.5
Capital Expenditures	28.2	17.5	96.4	110.0
Depreciation	22.9	17.5	84.5	90.0

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

3. R&D Expenses

R&D Expenses	30.8	27.7	123.3	120.0
[As % of Revenue]	[3.7%]	[3.5%]	[3.2%]	[3.3%]