

**Summary Translation of Question & Answer Session for
FY 2025 Financial Results and Medium-Term Management Plan Summary Briefing**

Date: April 28, 2026
Location: Live-streamed from Boardroom A on the 20th Floor of Fujitsu Technology Park
Presenter: Takahito Tokita, Representative Director, CEO
Takeshi Isobe, Representative Director, CFO

Questioner A

Q1: I would like to ask a question about the environment for orders in Service Solutions. Fourth quarter orders declined compared to the prior year, but what was the level of orders excluding large-scale projects? Is your current environment for orders experiencing any particular changes in trends due to quarterly fluctuations, or any impact from the situation in the Middle East? In addition, the sub-segments of Service Solutions have been changed, but what are the main areas that will contribute to your revenue growth in fiscal 2026?

A1 (Isobe): Excluding large-scale projects, orders grew by 7% in the fourth quarter. On an annual basis, they were up 8%. On a quarterly basis, they were up 5% in the first quarter, 8% in the second quarter, 11% in the third quarter, and 7% in the fourth quarter. We felt that demand remained strong throughout the entire year, without any major fluctuations. Our system engineers' workload also increased significantly. Overall, demand in fiscal 2025 was strong across all industries. As a result, our order backlog has also grown, and we believe that nearly all areas of our business will continue to expand in fiscal 2026 as well.

As for the uncertainty regarding the conflict in the Middle East, we have not experienced any significant effects emerging as a broader trend. Given the nature of our business, we do not expect to see much of a direct impact on our company itself, as I am sure you understand. We do, however, believe that some of our customers will certainly be affected by the situation, depending on their industry or business model. Among our customers that are likely to experience a particularly strong impact, we are starting to see a trend in which some of them are shrinking or postponing their IT investments in fields including system upgrade projects, such as maintenance and operations. With regard to digital transformation and transformation-related investments, however, we are hearing from individual customers that they intend to continue such efforts with the same momentum as before. Since these are areas that we are focusing on as well, even if our maintenance and operations projects are slightly scaled back overall, we believe that we can deliver value to our customers by fully supporting their transformation-related investments. We believe the enhancement of supply chain resilience is an offering that is precisely tailored to the current trends to address societal issues. Although there is a possibility that international tensions may rise, as of this point in time, the outlook is still uncertain, and there has been no significant impact on our relationships with our customers so far. Regarding future trends, we intend to carefully assess world affairs, check on our customers' situations, and proceed with business while making sure to hedge against risks.

Q2: Page 6 of the materials from CEO Tokita's presentation mentions shifting from a man-hour based business to a value- and outcome-based model. I believe you have already incorporated this change into Uvance's pricing model, but as generative AI becomes more widespread, I

believe this business model shift will become extremely important. What is the current status of the pricing model shift, and what kind of response has there been?

A2 (Tokita): The fact that Uvance and Modernization are accounting for an increasingly high proportion of revenue in Service Solutions is a very positive sign. Depending on the industry or sector, there may be some customers that still request estimates based on our conventional person-month model. However, as cloud computing and AI services gradually become more widely adopted throughout society, we believe we will see shifts in customer mindsets and changes in the content of business transactions, which will also drive this transition. As CFO Takeshi Isobe explained, up until now, we have operated under a man-hour based business model, with a strong emphasis on system integration services. As a result, we have long managed our business under a highly risky structure in which revenue was heavily concentrated in the fourth quarter, as I am sure you are all aware. We believe that achieving a more even distribution of revenue across quarters is extremely important for improving the quality of our management, although it is a gradual process. In fiscal 2025, Uvance accounted for around 30% of revenue in Service Solutions, but we hope to raise that proportion to 50% in the next few years, and beyond that to 70%. Regarding the shift away from a man-hour based model, which we have done with the consent of customers, we feel that we are making substantial progress and producing sufficient results. There is still plenty of room for further improvement in our pricing model, which outlines our approach for how we provide various technologies. In the future, however, I would like to consider an approach in which we charge customers based on factors such as the workload of our personnel and the amount of data required to provide such technologies.

Q3: How is the impact of rising memory chip prices negatively reflected in your forecast for fiscal 2026?

Q3 (Isobe): Prices are rising not only for memory chips, but also for CPUs and hard disks. In addition to the significant increase in prices, procurement is becoming more difficult, and lead times are lengthening due to the supply-demand imbalance. Procurement lead time vary depending on the component, but to give one example, CPUs and memory chips that previously took three months to obtain now take five to six months. In fact, procurement is proving to be more of a challenge for us than the rising prices. We are working to address this by procuring components as early as possible, and conversely, with regard to customer inquiries, we are requesting that customers also place their orders as early as possible. Regarding prices, our basic approach is to pass price increases onto our selling prices. As component prices are rising at an extremely rapid pace, it will be a struggle to pass the entire amount of increase onto our selling price. However, we are adjusting our method for preparing estimates and the timing for receiving orders, and we are maintaining close communication with customers as we proceed with passing on price increases. If too much is passed on in the form of higher prices, there is a risk that customers will postpone investments. We will address such cases by thoroughly communicating with our customers, including offering proposals that support the shift from on-premise systems to cloud-based systems. As a result, we are expecting a decline in revenue in Hardware Solutions in fiscal 2026, but we expect our standard server and storage business to remain at a level on par with fiscal 2025. One of the reasons why we are projecting lower revenue and profit in Hardware Solutions is because we are trying to move away from our previous business model, in which we would provide third-party products and system integration as a set to customers. We are now narrowing down the third-

party products that we handle. Another factor behind the expected revenue decrease is that we are scaling back our operations as we restructure our Fujitsu Frontech business, including exiting various businesses and selling businesses to other companies. Therefore, our forecast for lower revenue in Hardware Solutions is a part of our business restructuring, and not a result of the market environment. Returning to the original question, while it is necessary to pay close attention to memory chips and CPUs, we believe we can manage the situation primarily by passing on price increases to customers, although it is somewhat of a balancing act. Going forward, we intend to adapt to changes in the business environment while remaining firmly aware of risks.

Questioner B

Q1: Your revenue growth is supported in part by growth in your modernization business for legacy infrastructure, but is there a chance that this will end at some point? Please tell us your thoughts about when growth might level off.

A1 (Tokita): There is no change from our previous explanations. We think this business will peak in 2028 or 2029. Still, however, the form and substance of the modernization business will continue to evolve. Up until now, legacy architecture was replaced by open source systems and cloud-based modernization, from now on I think that modernization will focus on replacing legacy applications with AI agents. Our modernization business will evolve in accordance with these trends. And this modernization will, of course, be driven by AI.

Q2: The gross margin in your Service Solutions business has improved by 2 percentage points per year. For fiscal 2026, you also expect the adjusted operating profit margin to increase by 2 percentage points. Do you consider this to be a challenging target to achieve, a reasonable target, or an easy target? Please also tell us the factors you expect to be behind the improvements. Will it be improvements in the mix of Uvance business, or higher pricing with higher value delivered? Or will it be because higher use of AI will lead to greater productivity improvements?

A2 (Isobe): We think the target level is reasonable. Our hope is that we could improve it even more and further accelerate our progress. In terms of the factors we expect to be behind the improvement, there will, of course, be more Uvance offerings, and the offering mix will change, with a higher mix of recurring revenues, but the main impact will be from productivity improvements in the delivery of services. For the past 2 or 3 years, we have made progress on the offshoring of resources, enhancing our Global Delivery Centers, and promoting standardization with the Japan Global Gateway, but those improvements are starting to level off. Instead, we are starting to see major improvements from the use of AI-based delivery platforms. In fiscal 2025, among all of our projects, about 75% used AI at least in a small way. Still, even if we say AI was used, if we look at the average use across a project's entire processes, it has only been around 3 or 4%. There are cases in which usage is high, and cases in which usage is low. Of course we want to use AI, and we want to quickly expand the usage of AI to around 90% of our projects. In the first quarter of fiscal 2025, this ratio was just 10%. At the same time, we think we can gradually raise the usage ratio on all of the processes from around 3.5% to around 7.5%, so we have incorporated that assumption into our forecast. I think we mentioned that, in using the Takane-based AI-driven development platform that we recently announced, there were cases in which we achieved 100-fold productivity gains. If we can apply that to even more projects, we should be able to achieve significant gains in productivity. It is that hypothesis that we have raised as a

challenge to our project teams. An annual improvement of 2 percentage points in our gross margin is something we can achieve if we do our best in the measurements which we are already working on. Of course, in actuality, I would like it to be higher, but we are not yet at that point, so our forecast is for a more realistic level.

Q3: You said AI usage among your projects was 10% in the first quarter of fiscal 2025, but if you start fiscal 2026 at the level you ended fiscal 2025, at 75%, is it possible that, once we see the results for the first quarter, we might see indications that you could exceed your profit margin improvements for the full year of fiscal 2026?

A3 (Isobe): It is a bit too early to tell. After all, our baseline is that AI is only being applied to around 3.5% of all processes, and there is no longer a strong momentum for offshoring. To a certain extent, you could say that we are reducing our offshoring resources, so there is a bit of a tradeoff there. Because of that, the impact that we see at that point is unlikely to be that strong. Once we can fully implement an AI-driven development platform, we expect to be able to show extremely significant improvements. Unfortunately, however, I do not think we will be there at the end of the first quarter.

Q4: For fiscal 2026, you are expecting a significant decline in revenue outside of Japan for Service Solutions. Could you explain more about the backdrop to this? Will this decline continue in the future, or will it bottom out in fiscal 2026 and then begin to rebound in fiscal 2027?

A4 (Isobe): We believe it will bottom out this fiscal year. Through fiscal 2025, we closed businesses in low-profitability countries in the APAC region as well as a datacenter business in Oceania that had poor profitability, so we have continued to implement structural reforms, but there are no further major items, so we think it will bottom out.

Q5: So are we to understand that there is not a general slowdown in in the momentum of your business?

A5 (Isobe): Yes. It is not the case that there is a slowdown in the momentum of our business.

Questioner C

Q1: Revenue in Uvance exceeded 700 billion yen in fiscal 2025, so now you are poised to realistically achieve 1 trillion yen in revenue in the future. How many years do you think it will take?

A1 (Isobe): We are projecting revenue of 840 billion yen for fiscal 2026, so I would like to say that we can achieve 1 trillion yen in the following year of fiscal 2027. At the very least, we should be able to achieve that level in fiscal 2028.

Q2: You think you can achieve that level in fiscal 2028?

A2 (Isobe): Yes, we think we certainly can achieve it in fiscal 2028.

Q3: NEC has announced that it seeks to have BluStellar revenue of 1.3 trillion yen in fiscal 2030. Are you confident that you can achieve at least that level of revenue for Uvance in fiscal 2030?

A3 (Isobe): We should be able to discuss this in greater detail next month when we present our next Medium- to Long-Term Management Plan, but we plan to achieve at least 1.5 trillion yen in Uvance revenue by then. By fiscal 2030, we want to achieve at least double our current level of 700 billion yen. As I mentioned, we would like revenue from Uvance to comprise half of the revenue of Service Solutions, and the question is whether we can achieve that in fiscal 2029, fiscal 2030, or fiscal 2031, but we are assuming that, in fiscal 2030, that it will be around half of the overall sales of Service Solutions, and will be around 1.5 trillion yen.

Q3: *Within those revenues, will revenue in the Vertical areas increase? I think we can expect the Vertical areas to differentiate themselves, but please tell us your thoughts about the driver of growth toward 1.5 trillion yen in revenue and the relative ratios of the Vertical and Horizontal areas.*

A3 (Isobe): We think the biggest increase will be in the Vertical areas. Up until now, in terms of the Vertical and Horizontal areas, we described the Vertical areas as cross-industry areas that address societal issues. From fiscal 2026, however, on top of that, we want to launch offerings that are more tailored to specific industries. In fiscal 2025, we systematized an offering tailored to the finance industry called Uvance for Finance, an example in which we were targeting customers in the finance industry. Even if the Vertical areas include cross-industry solutions, we also want to provide solutions tailored to specific industries in Uvance. Internally, we are calling it Uvance Edge, but we also will have solutions that are more closely aligned with the industries of customers. In that sense, we want to accelerate our business in the Vertical areas. In terms of relative ratios, we will give you details in the future, but by growing the Vertical areas, we will achieve both value and profitability.

Q4: *I would like to ask CEO Takahito Tokita about the exits of non-core businesses you have carried out so far and what you will seek to do in the future. In addition to SHINKO ELECTRIC, you have exited other businesses that have touchpoints with consumers, such as GENERAL and FDK, but I am wondering if you have any concerns about losing that touchpoint with consumers. I would also like to ask about what kind of technology company you seek for Fujitsu to become and what policies you will follow in terms of investments and business decisions.*

A4 (Tokita): First, regarding touchpoints with consumers, for many years Fujitsu has grown as a B-to-B organization. In terms of my personal approach to management, as exemplified by Uvance, and because Fujitsu seeks to be a company that takes responsibility for addressing solutions for societal issues, I am apprehensive about diluting our connections with society. Technology companies are organizations that have their customers use technology, but it is very important to collaborate with the customers using that technology. Even up to now, even though Fujitsu is not involved in consumer businesses, we have designed our business to collaborate with customers, including customers in the transportation industry and retailing industry, for example. That approach will not change in the future. As a technology company, Fujitsu has manufacturing capabilities, such as for building supercomputers, but we would like to collaborate with companies

whose core business is manufacturing, such as to expand our business in physical AI. There is no change to our policy of collaborating and building business ecosystems with customers, including B-to-C customers that have points of contact with society and consumers.

Regarding the approach of technology companies, as technology advances, it is especially important to consider how to choose that technology and bring different technologies together. There is now a lot of focus on AI, but the technologies that drive AI, such as computing capabilities, communications, and networks, are also essential. Rather than just the technology that plays the central role, it is also important to keep an eye on peripheral technologies, and either invest in them on your own or create alliances with companies that have strengths in those areas. By doing so, I want to work on acquiring expertise in those technologies.

On the other hand, even up until now, Fujitsu has determined that it will not become actively involved in technologies that have become commoditized, and we do not intend to change our approach. Over the coming decade, we will focus our investments on extremely high level technologies, such as the most advanced parts of cutting-edge technologies, including the data processing and communication platforms in society that drive AI, and we will build Service Solutions based on those technologies. On a different occasion we can talk about how Fujitsu seeks to be vertically integrated, but we are focused on being a technology company that provides services with infrastructure and technological sovereignty that can only be achieved by Fujitsu.

Q5: In your earlier comments about diluting touchpoints with society, even if you focus on advanced technologies, you could have chosen the option just to license the air conditioning business, for example, retaining the brand name. Should we understand that the choice to completely exit the business is because of your policy of not getting involved in commoditized technologies in order to focus on advanced technologies?

A5 (Tokita): To be honest, I do not think it makes sense to invest capital in all kinds of things just to retain touchpoints with society. It may be a harsh way of putting things, but one must obviously consider how far removed noncore businesses are from one's core business, and rather than invest in, or have capital allocated to those areas, I think the obvious choice is to allocate it to one's more important business areas. Please understand, within those areas, we take a very clear approach to selection and concentration.

Questioner D

Q1: I would like to ask about your human resources. I believe that, as you work to move away from the man-hour based business model, the use of AI will further accelerate these efforts. From a medium- to long-term outlook, as enhancing your human resources portfolio is positioned as an issue you will tackle, I would like to ask you about your thoughts regarding your recruitment policy and the scale of your workforce going forward. Do you believe your current trajectory is sufficient, or should it be reviewed? Or, if you are currently working on changing your policy, could you please share with us the specifics of this new policy?

A1 (Tokita): As we announced two years ago, as of April 1, 2026, Fujitsu has stopped the practice of batch hiring new graduates in Japan. Instead, we have made a major pivot to a job-based human resources system for recruitment, and have significantly expanded paid internships for new

graduates. We have not yet reached the stage in which I am able to share the impact of these efforts with you, but there has been a significant reduction in the actual number of employees hired. The talent who have joined Fujitsu are individuals with a high degree of technical expertise in such areas as AI, quantum computing, and network, and have completed doctoral programs. Until now, we have engaged in the practice of hiring around 1,000 new graduates per year, but with this job-based human resources system, we have been able to focus on the recruitment of talent with experience that is closely related to the areas and technological components that we regard as important in our core business. We would like to continue this style of recruitment going forward.

Q2: Does this mean that, rather than reducing the number of people hired, you are instead hiring human resources that there is a need for, which has ultimately resulted in a decrease in the number of people hired?

A2 (Tokita): Yes, this has ultimately resulted in a decrease in the number of people recruited.

Q3: I would like to ask about the medium- to long-term impact of AI. Right now, we are seeing the impact of the Anthropropic shock and the market's reaction to it, but could you please tell us how you view the current changes and developments in AI technology trends? In addition, although I am sure that it would not be possible to predict what technology will be like 10 years from now, could you please tell us what sort of irreplaceable intrinsic value proposition Service Solutions will have as AI continues to advance?

A3 (Tokita): We feel that the advancements in AI and the speed at which they have spread throughout society, as exemplified by generative AI in recent years, have been faster and more vigorous than with any other technology to date. I am sure that all of you also perceive this to be the case as well. We now believe that we have no option but to think that this AI-driven society will expand even further in the near future. In IT, disparities in IT literacy and the digital divide have frequently been discussed over the past few years. The disparities that AI will generate, however, also unfortunately carry the concern that a considerable gap will be created between those who use AI and those who do not. It goes without saying that Fujitsu, as a technology company, must continue to hold to our principle of creating beneficial technology and making that technology available to everyone. But we believe that, realistically, it would be incredibly difficult to go against the changes brought about by AI and the disparities created from this, which may have aspects that are, in a sense, negative. In this sense, we believe that it would be incredibly dangerous to make AI our main focus. The principle that we uphold is simply a human-centric approach that puts people first. We therefore intend to proactively utilize AI that contributes to the expansion of human capabilities, and to broaden its usage based on our belief that it will improve society. In addition, through forming connections with people who share this view or sympathize with it, we aim to lead society in the correct direction. Although I am not of the belief that it would be appropriate to simply refer to this as the death of existing applications, we do believe it is possible that such a thing could actually occur. It is based on this belief that Fujitsu, as a technology company, is tackling the issue of AI. Although it is difficult to picture what sort of technologies will exist 10 years from now, Fujitsu's current road map for the next 10 years shows that AI will evolve even further, the amount of data utilized by AI will significantly grow, and the computing power needed to analyze this data will dramatically increase. As such, Fujitsu will proactively invest in the infrastructure technologies that support the expanded capabilities of technology that

will accompany this. We have already announced that we will use AI-powered processors, including FUJITSU-MONAKA, and will develop inference processors, and we believe that these technologies of Fujitsu will become key technological components of the AI-driven society to come.

Q4: Does that mean that, going forward, you will focus on the areas of infrastructure that support AI?

A4 (Tokita): Fujitsu will, of course, continue to exist as not only an infrastructure company, but also as a company that offers service solutions that are rooted in that infrastructure. We believe that these processors will be used in all manners of things, and the computing capabilities to support this will be needed for data centers as well as edge computing. At the same time, in regard to how the everyday lives of people will change in such a world, Fujitsu will place our offerings to support these changes at the center of our business from the perspectives of both services and software.

Questioner E

Q1: Your forecast shows that revenue from outside of Japan in Service Solutions will decline by 11% in fiscal 2026. Despite this, are you projecting a continued improvement in profitability and an increase in operating profit?

A1 (Isobe): We forecast that revenue outside of Japan will decrease, so we are projecting revenue to decline in fiscal 2026. In fiscal 2025, the adjusted operating profit margin improved to 5.9% from the positive effects of the business restructuring that took place up to this point, and we expect that the adjusted operating profit margin will improve slightly in fiscal 2026 again. With the extent that revenue is expected to fall, however, we believe that there will be a slight decline in operating profit.

Q2: You mentioned that the 240 billion yen in total shareholder returns projected for fiscal 2026 will use a portion of the cash flow from fiscal 2025. If you do not have asset recycling this fiscal year, will shareholder returns remain at this level in fiscal 2027, or is there a possibility that it will decrease? Or are you prioritizing the trends in the total amount?

A2 (Isobe): The background of why the allocation for fiscal 2026 is projected to be greater than the base cash flow is because the total cash flow generated in fiscal 2025 was more than we anticipated. We do not intend to set aside this surplus of cash as cash on hand.

For shareholder returns, we anticipate that profit will increase and we plan to pursue a stable increase in dividends, not greatly affected by volatility in profits. We will implement share buybacks in a balanced manner for individual fiscal years if such things as one-time growth investments occur. This is just an example, but if we were to make an acquisition of around 1,000 billion yen, then it is possible that we may lower the amount of share buybacks for a single fiscal year. This would, however, only be a one-time fluctuation, and not a decline in our share buyback trend. If profits strongly increase, rather than to just use this profit to build up our retained earnings or cash position, our policy is to increase our dividends, as well as our share buybacks.

In terms of priority, our first consideration will be dividends, and our second will be growth investments. If an opportunity to make better growth investments were to present itself, then we will allocate capital toward it. If there is not such an opportunity, then we will allocate the capital to shareholder returns. Growth investments will develop and generate future capital, so we believe that, when viewed over the span of a certain period of time, the scale of shareholder returns will increase in accordance with increases in profit.

Currently, our ROE has risen to 15%, but we aim to achieve ROE of over 20%. Please understand that this means that, as profit picks up, we will implement share buybacks to a certain extent while also allocating capital with a focus on raising capital efficiency.

Questioner F

Q1: I would like to ask CEO Takahito Tokita about the growth of Fujitsu's offerings business. In response to a prior question, you answered that you do not believe it is appropriate to say that we are seeing the death of specialized applications. However, I believe that, with the emergence of highly autonomous AI agents, such as Anthropic's Claude Cowork agents, there will be a significant revision of the role of business SaaS, and the menu of offerings will be reorganized to center on recurring SaaS. As the use of AI agents expands, how will your offerings business grow going forward?

A1 (Tokita): I mentioned the death of applications earlier, but we understand that is not something that will immediately occur. Regardless, it is an undeniable fact that the applications that can take the place of SaaS, as well as the architecture and technologies that will form them, are undergoing a rapid transformation or evolving. In addition, applications that up until now could only be developed by certain specific developers or were representative of SaaS, can now be made by users themselves. It is also true that this is rapidly spreading. In Fujitsu as well, the use of similar technologies to develop applications on one's own is becoming widespread among our employees and departments. The number of AI agents used within Fujitsu is also increasing by the day. We do not believe that organizations and their business units that stick with the architecture and applications that have existed up until now will grow or evolve. Just like the divide between those who use AI and those who do not, we are taking this into consideration as we use incredibly cutting-edge technology to develop solutions that will support the operations and growth of customers. At the same time, for customers that have not yet reached this stage or existing applications that still play vital roles, maintenance of these applications as well as figuring out how to modernize them will be important. We believe this will be a completely different type of service than the modernization business that has existed up until now, and will also take on this sort of business as well.

Questioner G

Q1: Please tell us about the breakdown of business between the regions of Japan and outside of Japan in the new sub-segments in Service Solutions, Enterprise and Public, as well as the breakdown by sector.

A1 (Isobe): As shown in page 47 of the presentation materials, out of the revenue for fiscal 2025, approximately 160 billion yen came from Enterprise and approximately 410 billion yen came from Public. This distribution ratio is largely on par with an average year. In terms of a breakdown by

sector, although we disclose the growth rate for orders by industry, the sense of scale for each industry is not shown, so we will review making a separate disclosure of this information.

Q2: Please tell us your approach to partnering with Anthropic and other AI businesses.

A2 (Tokita): As I previously mentioned, our approach is not to always stick with our own technologies and products. Our approach is for Fujitsu to offer the technologies necessary for customers to grow and succeed. As such, I cannot give you any specific details at the current point in time, but the possibility of collaborating or forming alliances with other technology companies or AI development companies is naturally one of the options at our disposal.

Questioner H

Q1: Regarding your defense-related business, I think we will hear more details at your next briefing on the new Medium- to Long-Term Management Plan, but to the extent you can comment about it, how will you grow your defense-related business over the medium-term horizon, and what sort of business will Fujitsu perform?

A1 (Tokita): Rather than just Japan, Fujitsu also performs defense-related business in the UK and Australia. Particularly in Japan, we are mainly involved in information platforms, such as for communications and the cloud, such as Command and Control systems or logistics platform systems for Japan's Self-Defense Force. And we do not just provide software. We also provide hardware, such as the sensors in Japan's maritime patrol aircraft, as we have already publicly announced. We also recently announced that we are providing the power supply units for the SPY-7 radar produced by Lockheed Martin. With major changes in the international situation and rising national security issues, we think our defense-related business will become even more important. We are also the only company in Japan with supercomputer capabilities and other technologies to develop advanced hardware. Advanced technologies, such as AI and, in the future, quantum computing technology, will be essential for national defense. Under these circumstances, we believe that Fujitsu will play an even bigger role going forward. I cannot get into the specifics, but we are in close communication with defense officials in discussing such issues as how we will work together in the next phase of national security or how Japan, the UK, and Australia can contribute to global stability. Regardless, technology will make a major contribution to this area, and Fujitsu has significant capabilities, including in technological sovereignty, giving us a very unique presence.

Questioner I

Q1: It seems that higher prices for memory will have a significant impact on your Hardware Solutions business. To the extent possible, could you please tell us how high you assume prices will go, and what are your assumptions regarding volume?

A1 (Isobe): Regarding how high memory prices will go, we think the level will be close to what research institutions are indicating. Regarding how higher prices for memory and CPUs will affect prices of servers and storage, we think prices will go up 1.2 or 1.3-fold in fiscal 2026. Now prices of PCs are also going up, so I think consumer PC prices will rise, and PC prices for business are now going up by 10-30%, including from Fujitsu, so we think prices will rise in a similar structure.

Q2: Should we understand that you assume that server prices will rise by around 30% during fiscal 2026?

A2 (Isobe): Yes.

Q3: Regarding generative AI, in your discussions with customers, please tell us if you sense any changes, such as in the structure of contracts or whether customers are bringing work in house.

A3 (Tokita): Regarding the evolution of technology today, we have been very excited about these developments, and customer interest is also very high. It comes up in my communications with customers all of the time. In particular, in my previous discussions with customers about digital transformation or green transformation, we would discuss the role technology would play and whether customers should bring this work in house on their own. I get the sense that customers are bringing more work inhouse, and customers who want to bring work inhouse also ask for Fujitsu's help in launching initiatives and providing continued support, and because these are ongoing initiatives, the volume of requests to Fujitsu is also increasing at the same time.