FUJITSU

shaping tomorrow with you

3Q FY2020

Consolidated Financial Results

January 28, 2021

Fujitsu Limited

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1. Financial Results for 3Q FY2020

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Financial Results [3Q]

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・While revenue excluding restructuring and special items saw some impact from COVID-19, the results were more or less in line with the previous year, while operating profit saw a significant increase due to improvements in profitability.

(Billions of yen)

		3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change	Impact of COVID-19	Excl. Impact of COVID-19
Excl. restructuring and special items	Revenue	**894.0**	**884.3**	**-9.7**	**-20.1**	**10.3**
	OPPL	**50.7**	**68.6**	**17.8**	**-8.8**	**26.7**
	[Operating Profit Margin]	[5.7%]	[7.8%]	[2.1%]	[-0.8%]	[2.9%]
Impact of restructuring *1	Revenue	29.1	10.0	-19.1		
	OPPL	-0.4	-0.5	-0.1		
Special items *2	Revenue	-	-	-		
	OPPL	0.1	25.4	25.2		
Total	**Revenue**	**923.2**	**894.3**	**-28.9**	**-20.1**	**-8.7**
	OPPL	**50.4**	**93.4**	**43.0**	**-8.8**	**51.9**
	[Operating Profit Margin]	**[5.5%]**	**[10.5%]**	**[5.0%]**		

*1 Restructured businesses: product business in North America, low profitability countries in Europe, mobile phone retail store business, device business (printed circuit board).

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

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Consolidated PL [3Q]

(Billions of yen)

	3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change	(%)	Impact of COVID-19
Revenue	923.2	894.3	-28.9	-3.1	-20.1
Operating Profit	50.4	93.4	43.0	85.5	-8.8
[Operating Profit Margin]	[5.5%]	[10.5%]	[5.0%]		
Financial income (expenses), etc	3.3	2.5	-0.8	-23.9	
Profit for the Period Before Income Taxes	53.7	96.0	42.2	78.6	
Profit for the Period Attributable to Owners of the Parent	36.2	67.2	31.0	85.6	

Exchange Rate

U.S. dollar / Yen	109	105	-4	-3.7
Euro / Yen	120	125	5	4.2
British pound / Yen	140	138	-2	-1.4
Euro / U.S. dollar	1.11	1.19	0.08	7.2

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Consolidated PL [3Q] (QoQ)

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■ Revenue

• Excl. special items and restructuring		
Impact of COVID-19	-20.1 billion yen	- Negative impact, primarily in Technology Solutions
Excluding the impact of COVID-19	+10.3 billion yen	- The fall-off in revenue from the unusually high demand in Ubiquitous Solutions the previous year was absorbed by higher revenue from 5G base stations and electronic components
• Impact of restructuring	-19.1 billion yen	- The impact of restructuring of businesses in North America and Europe, the sale of the mobile phone retail store business, and the restructuring of the device business

■ OPPL

• Excl. special items and restructuring		
Impact of COVID-19	-8.8 billion yen	- Negative impact, primarily in Solutions/Services and International Regions excluding Japan
Excluding the impact of COVID-19	+26.7 billion yen	- In addition to improvements in profitability in both Services in Japan and in International Regions excluding Japan, sales volumes for 5G base stations also increased
• Special items	+25.2 billion yen	- Actual FY20: 25.4 billion yen from the sale of the mobile phone retail store business - Actual FY19: 0.1 billion yen (Sale of businesses: 7.3 billion yen Business model transformation expenses: -7.1 billion yen)

■ Profit for the Period Attributable to Owners of the Parent

+31.0 billion yen	- Significant increase due to the recording of a special item in addition to an increase in profits excluding special items and restructuring.

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Financial Results [9 Months]

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- While results were affected by the negative impact on revenue due to COVID-19, as well as the fall off in revenue relative to the exceptional high demand in Ubiquitous Solutions last year, improvements in profitability exceeded these factors, so operating profit increased, excluding restructuring and special items
- With the sale of the mobile phone retail store business, profit also increased from special items.

(Billions of yen)

		9 Months FY2019 (Actual)	9 Months FY2020 (Actual)	Change	Impact of COVID-19	Excl. Impact of COVID-19
Excl. restructuring and special items	Revenue	**2,631.6**	**2,482.6**	**-148.9**	**-105.2**	**-43.6**
	OPPL	**128.9**	**137.2**	**8.3**	**-37.0**	**45.3**
	[Operating Profit Margin]	[4.9%]	[5.5%]	[0.6%]	[-1.2%]	[1.8%]
Impact of restructuring *1	Revenue	120.3	43.5	-76.8		
	OPPL	-4.6	-2.0	2.5		
Special items *2	Revenue	-	-	-		
	OPPL	-2.8	20.5	23.4		
Total	**Revenue**	**2,752.0**	**2,526.2**	**-225.8**	**-105.2**	**-120.5**
	OPPL	**121.4**	**155.7**	**34.2**	**-37.0**	**71.2**
	[Operating Profit Margin]	**[4.4%]**	**[6.2%]**	**[1.8%]**		

*1 Restructured businesses: product business in North America, low profitability countries in Europe, mobile phone retail store business, device business (Semiconductor Mie plant, etc.).

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

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Consolidated PL [9 Months]

(Billions of yen)

	9 Months FY2019 (Actual)	9 Months FY2020 (Actual)	Change	(%)	Impact of COVID-19
Revenue	2,752.0	2,526.2	-225.8	-8.2	-105.2
Operating Profit	121.4	155.7	34.2	28.2	-37.0
[Operating Profit Margin]	[4.4%]	[6.2%]	[1.8%]		
Financial income (expenses), etc	13.1	8.3	-4.7	-36.4	
Profit for the Period Before Income Taxes	134.5	164.0	29.4	21.9	
Profit for the Period Attributable to Owners of the Parent	99.9	114.3	14.4	14.5	

Exchange Rate

U.S. dollar / Yen	109	106	-3	-2.8
Euro / Yen	121	122	1	0.8
British pound / Yen	138	136	-2	-1.4
Euro / U.S. dollar	1.11	1.15	0.04	3.6

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Consolidated PL (vs LY – 9 Months)

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■ Revenue

• Excl. special items and restructuring		
Impact of COVID-19	-105.2 billion yen	- Negative impact, primarily in Technology Solutions
Excluding the impact of COVID-19	-43.6 billion yen	- Decline of around 120 billion yen in Ubiquitous Solutions relative to the unusually high demand in the previous year, offset by an increase of 80 billion yen, primarily due to higher sales volume in 5G base stations and electronic components
• Impact of restructuring	-76.8 billion yen	- The impact of restructuring of businesses in North America and Europe, the sale of the mobile phone retail store business, and the restructuring of the device business

■ OPPL

• Excl. special items and restructuring		
Impact of COVID-19	-37.0 billion yen	- Negative impact, primarily in Technology Solutions
Excluding the impact of COVID-19	+45.3 billion yen	- Able to cover the impact of the big decline in PC revenues and increase profit In addition to improvements in profitability in both Services in Japan and in International Regions excluding Japan, sales volumes for 5G base stations also increased
• Impact of restructuring	+2.5 billion yen	- Impact of the restructuring of the device business, the restructuring of businesses in North America and Europe, and the sale of the mobile phone retail store business
• Special items	+23.4 billion yen	- Actual FY20: -4.8 billion yen in business model transformation expenses (restructuring factories in Japan, etc.) +25.4 billion yen from the sale of the mobile phone retail store business - Actual FY19: -2.8 billion yen in profits from the sale of businesses and business model transformation expenses

■ Financial income (expenses), etc.

-4.7 billion yen	- Decline primarily from lower income from equity in earnings of affiliates related to Ubiquitous Solutions

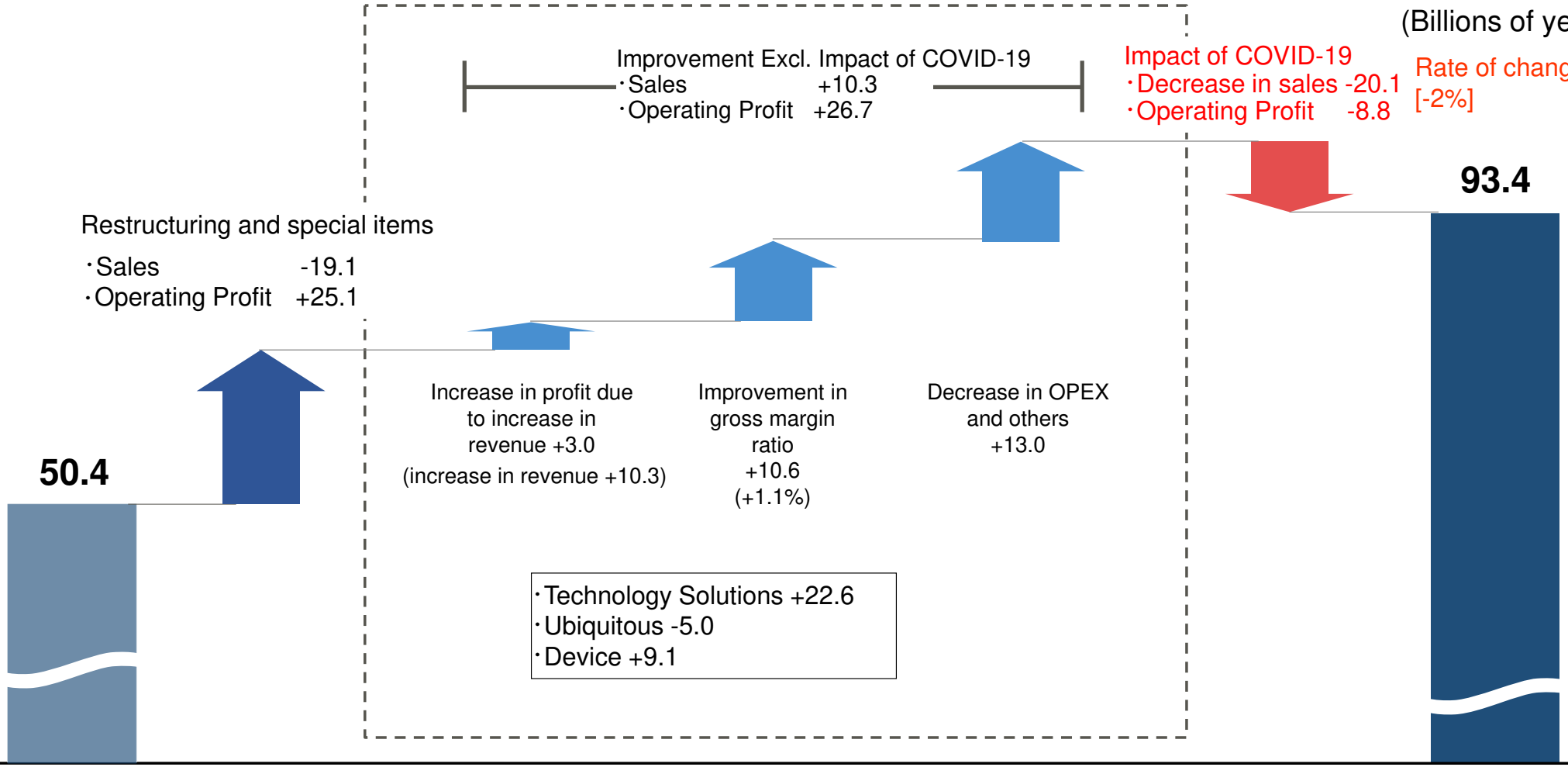
■ Profit for the Period Attributable to Owners of the Parent

+14.4 billion yen

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Factors Behind Change in Operating Profit

(Billions of yen)



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Revenue by Segments

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Breakdown of change vs LY

Positive impact excl COVID-19 : System Platforms (5G base station), Device Solutions
Negative impact excl COVID-19 : Ubiquitous Solutions (Recoil from the previous year's special demand)
Impact of COVID-19 : Revenue decreased mainly in Technology Solutions

(Billions of yen)

	3Q FY2020 (Actual)	Change	Breakdown of Change	
			Excl. Impact of COVID-19	Impact of COVID-19
Excl. restructuring and special items	**884.3**	**-9.7**	**10.3**	**-20.1**
Technology Solutions	**747.7**	**-8.6**	**13.2**	**-21.8**
Solutions/Services	427.2	-17.1	-5.6	-11.5
System Platforms	169.7	28.6	29.5	-0.8
International Regions Excluding Japan	186.7	-2.8	5.7	-8.6
Common	-36.0	-17.2	-16.4	-0.8
Ubiquitous Solutions	**79.8**	**-19.1**	**-23.2**	**4.0**
Device Solutions	**75.5**	**7.0**	**9.3**	**-2.3**
Inter-segment Elimination	-18.8	11.0	11.0	-

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Impact of COVID-19 (Revenue)

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Impact of COVID-19

- **Impact on 3Q: Revenue -20.1 billion yen (Impact of reduced revenue -2%)**

  Negative impact:-37.4 billion yen -Cancellation or delay of contracts

  Positive impact:+17.3 billion yen-New demand, recovery of delayed contracts

[Trends in Impact Scale]

(Billions of yen)

	1Q	2Q	3Q	9 Months
Revenue impact	-35.8	-49.3	-20.1	-105.2
Impact of reduced revenue (%)	-4%	-5%	-2%	-4%

-> The impact of reduced revenue has been trending down since the first half

- **New Demand**

Rethinking ways of working	-Increases in deployments of PCs and infrastructure for telecommuting and other forms of remote work
	-Electronic storage solutions for invoices and receipts
Contactless/unmanned solutions	-Solutions for unmanned reception using AI
	-Automation of quality inspection in factories

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Profitability Improvement
Reduction in Operating Expenses

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Gross margin ratio … Improvement by 1.1%

	1Q	2Q	3Q	9 Months
Gross margin ratio	28.5%	30.6%	30.5%	29.9%
vs LY	0.6%	0.8%	1.1%	0.8%

- Solutions/services: Improvement in profitability continued from the first half
- System Platforms: Improved due to the impact of product mix
- Device Solutions: Increased sales led to recovery of fixed costs.

Effect of reduced operating expenses +13.0 billion yen

(Billions of yen)

	1Q	2Q	3Q	9 Months
OPEX	199.1	201.7	198.6	599.5
vs LY	-9.9	-13.5	-13.0	-36.5

- General expenses: 6.0 billion yen — Continuing efficiency improvements from the first half (Cumulative 17.0 billion yen)
- R&D expenses: 3.5 billion yen — Efficient development of system platforms, etc.
- Others: 3.5 billion yen — Increase and decrease in one-shot items

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Reference: Work Life Shift

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Implemented

- ✓ Elimination of core time
- ✓ Reevaluating temporary remote postings for employees
- ✓ Remote working in response to family circumstances
- ✓ Smart Working bonuses
- ✓ Distribution of company-supplied smartphones

- ✓ Shift to free office addresses
- ✓ Expanded places to work
  - HUB Offices (Collaborate)
  - Satellite Offices (Connect)
  - Home & Shared Offices (Concentrate)

- ✓ Started 1-on-1 meetings
- ✓ Implemented self stress checks
- ✓ VOICE: A system to gather feedback from employees and apply it to future activities

Work Life Shift Progress Status

✓ **Achieved a flexible and more efficient way of working**

※Employees on flex-time systems without specified core times: 94%

Supporting flexible ways of working through systems and the environment

✓ **Employees can freely choose between expanded places to work**

※350 shared offices (about 10,000 seats)

※Trends in rates of commuting to offices

During the state of emergency (Apr-May) 10%

2Q~3Q **Around 20%**

✓ **Created a new corporate culture, increased productivity**

※Use of the VOICE platform

※Percentage of employees whose productivity is unchanged or improved: 75%

(Internal WLS survey, conducted in November 2020)

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Overall orders in Japan (Fujitsu Limited only)

Industries	FY2020(Actual)					
	1Q	2Q	3Q	[Excl. Orders For PC]	9 Months	[Excl. Orders For PC]
Private Enterprise [Manufacturing & Distribution]	93%	85%	93%	[95%]	89%	[91%]
Finance＆Retail	89%	84%	100%	[102%]	90%	[94%]
JAPAN [Local Government & Healthcare]	79%	85%	101%	[98%]	87%	[90%]
Public ＆ Social Infrastructure	109%	96%	127%	[131%]	110%	[110%]
Total	93%	88%	106%		95%	
[Excl. Orders For PC]	[98%]	[89%]	[109%]		[98%]	

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Business Segment Information[3Q]

(Billions of yen)

		3Q FY2019 (Actual)	Special items/ restructuring	3Q FY2020 (Actual)	Special items/ restructuring	Change	Excl. Special items	Special items/ restructuring	Impact of COVID-19
Revenue	Technology Solutions	770.0	13.6	753.5	5.7	-16.5	-8.6	-7.9	-21.8
	Ubiquitous Solutions	111.4	12.5	84.1	4.2	-27.3	-19.1	-8.2	4.0
	Device Solutions	71.5	3.0	75.5	-	3.9	7.0	-3.0	-2.3
	Inter-segment Elimination	-29.8	-	-18.8	-	11.0	11.0	-	-
	Total	923.2	29.1	894.3	10.0	-28.9	-9.7	-19.1	-20.1
OPPL	Technology Solutions	40.9	1.1	52.3	-0.4	11.4	13.0	-1.6	-9.5
	Ubiquitous Solutions	8.8	-	30.9	25.3	22.0	-3.2	25.2	1.8
	Device Solutions	0.6	-1.5	10.2	-	9.5	8.0	1.5	-1.1
	Total	50.4	-0.3	93.4	24.8	43.0	17.8	25.1	-8.8

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Business Segment Information[3Q]

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Technology Solutions

(Billions of yen)

Technology Solutions	3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change		(%)
Revenue	770.0	753.5	[-21.8]	-16.5	-2.1
Operating profit	40.9	52.3	[-9.5]	11.4	28.0
[Operating profit margin]	[5.3%]	[7.0%]		[1.7%]	

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

Revenue (breakdown)				
Japan	531.8	530.9	-0.9	-0.2
Outside Japan	238.1	222.5	-15.6	-6.6

[Revenue]
Revenue fell significantly due to the impact of COVID-19 and restructuring.
Impact of COVID-19: -21.8 billion yen
Impact of business restructuring: -7.9 billion yen
Excluding the above effects: +13.2 billion yen

[Operating Profit]
Despite the impact of reduced revenue due to COVID-19, profit increased significantly due to improvements in profitability and increased sales volume in Network Products
Impact of COVID-19: -9.5 billion yen
Impact of business restructuring: +0.2 billion yen
Impact of special items: -1.8 billion yen
Excluding the above effects: +22.6 billion yen

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Business Segment Information[3Q]

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Technology Solutions（Solutions/Services）

(Billions of yen)

Solutions/ Services	3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change		(%)
Revenue	444.4	427.2	[-11.5]	-17.1	-3.9
Operating profit	38.4	40.9	[-5.5]	2.5	6.7
[Operating profit margin]	[8.6%]	[9.6%]		[1.0%]	

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

[Revenue]
Revenue fell significantly due to the impact of COVID-19. Even excluding the impact of COVID-19, revenue fell, as there was a drop in hardware-related business, such as PC deployment support services.

[Operating Profit]
Cost improvements and expense reduction efforts were able to overcome the impact of COVID-19, resulting in higher profits.

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Business Segment Information[3Q]

Technology Solutions (System Platforms)

(Billions of yen)

System Platforms	3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change		Change (%)
Revenue	141.0	169.7	[-0.8]	28.6	20.3
System Products	94.3	104.5	[-1.7]	10.1	10.8
Network Products	46.7	65.2	[0.9]	18.5	39.6
Operating profit	4.8	11.9	[-1.2]	7.1	147.4
[Operating profit margin]	[3.4%]	[7.0%]		[3.6%]	

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

Revenue (breakdown)				
Japan	111.9	134.6	22.6	20.2
Outside Japan	29.1	35.1	6.0	20.7

[Revenue]
(System Products)
Impact of changes in sales channels due to the closure of a factory in Europe: +12.0 billion yen
Impact of COVID-19: -1.7 billion yen
Excluding this impact, the results were more or less in line with the previous year
(Network Products)
Revenue rose, primarily in 5G base stations

[Operating Profit]
Profits rose due to the effects of higher revenue in Network Products, as well as greater efficiency in development expenses

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Business Segment Information[3Q]

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Technology Solutions（International Regions Excluding Japan）

(Billions of yen)

International Regions Excluding Japan	3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change		(%)
Revenue	203.2	192.4	[-8.6]	-10.8	-5.3
Operating profit	-1.2	8.6	[-2.5]	9.8	-
[Operating profit margin]	[-0.6%]	[4.5%]		[5.1%]	

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

[Revenue]
Excluding the negative revenue impact of COVID-19 and business restructuring, revenue rose by 3%
Impact of business restructuring: -7.9 billion yen
-> Low profitability countries in Europe, the product business in North America
Impact of COVID-19: -8.6 billion yen
Excluding the above factors: +5.7 billion yen
-> Secured major public sector contracts in Europe, etc.

[Operating Profit]
Special items: +5.5 billion yen (BM transformation expenses in North America recorded in the previous year did not recur this year)
Business restructuring: +0.2 billion yen
Impact of COVID-19: -2.5 billion yen
Excluding the above factors: +6.6 billion yen
-> Ongoing improvements in profitability and efficiency in expenses

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Business Segment Information[3Q]

Technology Solutions（Common）

(Billions of yen)

Common	3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change
Excl. Special items	-8.4	-9.2	-0.7
Special items	7.3	-	-7.3
Operating profit	-1.1	-9.2	-8.0

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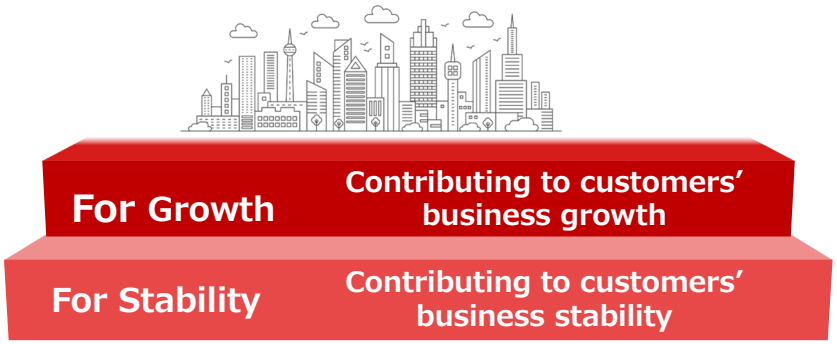
Two Business Areas for Value Creation (Technology Solutions)

■ **For Growth** … **Digital（DX、Modernization）**

The digital domain which encompasses areas of business opportunity for our customers

■ **For Stability** … **Traditional IT（Maintenance and operation of systems and sales of hardware products）**

The business domain which contributes to the stable operation of customer IT platforms and improves quality



Revenue

(Billions of yen)

	3Q FY2019 (Actual)	composition ratio(%)	3Q FY2020 (Actual)	composition ratio(%)	Change	composition ratio(%)	9 Months FY2019 (Actual)	composition ratio(%)	9 Months FY2020 (Actual)	composition ratio(%)	Change	composition ratio(%)
Growth Rate			104%						105%			
For Growth	227.1	29	236.7	31	9.6	2	662.8	29	695.8	33	33.0	4
Growth Rate			95%						90%			
For Stability	542.9	71	516.8	69	-26.1	-2	1,591.5	71	1,435.1	67	-156.3	-4
Growth Rate			98%		[-21.8]				95%		[-122.0]	
Technology Solutions	770.0	100	753.5	100	-16.5	-	2,254.3	100	2,130.9	100	-123.3	-

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

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Business Segment Information[3Q]

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Ubiquitous Solutions

(Billions of yen)

Ubiquitous Solutions	3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change		(%)
Revenue	111.4	84.1	[4.0]	-27.3	-24.5
Excl. Special items	8.8	5.4	[1.8]	-3.3	-38.3
Special items	-	25.4		25.4	-
Operating profit	8.8	30.9	[1.8]	22.0	249.4
[Operating profit margin]	[7.9%]	[36.7%]		[28.8%]	

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

Revenue (breakdown)				
Japan	75.7	55.1	-20.5	-27.2
Outside Japan	35.7	28.9	-6.7	-18.9

[Revenue]
Business restructuring: -8.8 billion yen
-> Impact of excluding the mobile phone retail store business from the consolidated results
Even excluding restructuring and special items, revenue fell significantly relative to last year, due to the extraordinary demand last year related to the end of service for Windows 7, which did not recur this year.

[Operating Profit]
One-time profits relating to the sale of businesses were +25.4 billion yen
Excluding restructuring and special items, profits fell due to the significant impact of lower revenue.

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Business Segment Information[3Q]

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Device Solutions

(Billions of yen)

Device Solutions	3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change		Change (%)
Revenue	71.5	75.5	[-2.3]	3.9	5.6
Operating profit	0.6	10.2	[-1.1]	9.5	-
[Operating profit margin]	[0.9%]	[13.5%]		[12.6%]	
Revenue (breakdown)		[ ]Figures in brackets indicate the Impact of COVID-19			
Japan	23.5	19.8		-3.7	-15.7
Outside Japan	47.9	55.6		7.6	16.1

[Revenue]
Business restructuring: -3.0 billion yen
Excluding special items and restructuring, revenue rose 10.2%, primarily in electronic components

[Operating Profit]
Impact of special items: +1.6 billion yen
Excluding special items and restructuring: +8.0 billion yen
-> Due to the effects of higher revenue in electronic components and improved profitability

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Cash Flows

(Billions of yen)

	9 Months FY2019 (Actual)	9 Months FY2020 (Actual)	Change
Ⅰ Cash flows from operating activities	216.7	199.4	-17.3
Ⅱ Cash flows from investing activities	-44.5	-41.2	3.2
Ⅰ+Ⅱ Free Cash Flow	172.2	158.1	-14.0
Ⅲ Cash flows from financing activities	-83.4	-146.8	-63.4
Ⅳ Cash and Cash Equivalents at End of Period	505.1	469.0	-36.1

[Cash flows from operating activities]
- Outflows increased by 17.3 billion over the previous year, due in part to an increased tax burden on the previous year's profits

[Cash flows from investing activities]
- Same level investments the previous year, primarily in Services in Japan

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Assets, Liabilities and Equity

(Billions of yen)

	Year-end FY2019	End of 3Q FY2020	Change
Total Assets	3,187.4	3,030.5	-156.8
Total Liabilities	1,839.0	1,599.1	-239.8
Total Equity	1,348.4	1,431.3	82.9
Total Equity Attributable to Owners of the Parent	1,240.9	1,340.3	99.4

Reference: Financial Indices

Interest-bearing Loans	405.5	345.5	-60.0
(Net Interest-bearing Loans)	(-46.2)	(-121.9)	(-75.6)

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2. Earnings Forecast for FY2020

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Financial Forecast

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(Billions of yen)

	FY2019 (Actual)	FY2020(Forecast) Current Forecast	FY2020(Forecast) Change vs. Previous Forecast	Change	Change (%)	Impact of COVID-19
Revenue	3,857.7	3,610.0	-	-247.7	-6.4	-120.0
Operating Profit	211.4	237.0	25.0	25.5	12.1	-41.0
[Operating Profit Margin]	[5.5%]	[6.6%]	[0.7%]	[1.1%]		
Profit for the Year Attributable to Owners of the Parent	160.0	177.0	17.0	16.9	10.6	

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%	32.1%	0.3%	0.3%	

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Business Segment Information

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(Billions of yen)

		FY2019 (Actual)	FY2020(Forecast)			Change		Impact of COVID-19
			Current Forecast	Change vs. Previous Forecast			(%)	
				Special Items	Excl.Special Items			
Revenue	Technology Solutions	3,212.9	3,080.0	-	-10.0	-132.9	-4.1	-141.0
	Ubiquitous Solutions	455.2	319.0	-	-	-136.2	-29.9	30.0
	Device Solutions	308.4	290.0	-	10.0	-18.4	-6.0	-9.0
	Inter-segment Elimination	-118.8	-79.0	-	-	39.8	-	-
	Total	3,857.7	3,610.0	-	-	-247.7	-6.4	-120.0
OPPL	Technology Solutions	187.9	178.0	-5.0	-5.0	-9.9	-5.3	-43.0
	Ubiquitous Solutions	26.7	38.0	25.0	5.0	11.2	41.8	6.0
	Device Solutions	-3.2	21.0	-	5.0	24.2	-	-4.0
	Total	211.4	237.0	20.0	5.0	25.5	12.1	-41.0

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Business Segment Information

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Excluding Special Items and Restructuring

Revenue: No change to consolidated totals

<By Segment>

Technology Solutions	-10.0 billion yen	Factoring in continued COVID-19 impacts in 4Q
Device Solutions	+10.0 billion yen	Factoring increased demand for electronic components

Operating Profit: Consolidated total +5.0 billion yen

<By Segment>

Technology Solutions	-5.0 billion yen	In addition to COVID-19 impacts, strategic investments are being brought forward
Ubiquitous Solutions	+5.0 billion yen	Improvements in profitability due to improvements in unit sales prices
Device Solutions	+5.0 billion yen	Increased demand for electronic components

Special Items

Operating Profit: Consolidated total +20.0 billion

Technology Solutions	-5.0 billion yen	Bringing forward business model transformation expenses
Ubiquitous Solutions	+25.0 billion yen	Profits from the sale of the mobile phone retail store business

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Business Segment Information
Breakdown of Technology Solutions

(Billions of yen)

		FY2019 (Actual)	FY2020(Forecast)			Change		
			Current Forecast	Change vs. Previous Forecast			(%)	Impact of COVID-19
				Special Items	Excl.Special Items			
Revenue	Technology Solutions	3,212.9	3,080.0	-	-10.0	-132.9	-4.1	-141.0
	Solutions/Services	1,883.0	1,800.0	-	-10.0	-83.0	-4.4	-88.0
	System Platforms	647.0	725.0	-	-	77.9	12.0	-10.0
	System Products	440.1	485.0	-	-	44.8	10.2	-20.0
	Network Products	206.8	240.0	-	-	33.1	16.0	10.0
	International Regions Excluding Japan	766.3	700.0	-	-	-66.3	-8.7	-39.0
	Common	-83.5	-145.0	-	-	-61.4	-	-4.0
OPPL	Technology Solutions	187.9	178.0	-5.0	-5.0	-9.9	-5.3	-43.0
	Solutions/Services	179.5	176.0	-	-5.0	-3.5	-2.0	-31.0
	System Platforms	27.4	45.0	-	-	17.5	63.7	-1.0
	International Regions Excluding Japan	3.8	9.0	-	-	5.1	131.8	-9.0
	Common	-22.9	-52.0	-5.0	-	-29.0	-	-2.0

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Business Segment Information
Breakdown of Technology Solutions

(Billions of yen)

		FY2019 (Actual)	Excl. Impact of COVID-19	Impact of COVID-19	FY2020 (Forecast)
Excl. restructuring and special items	Revenue	**3,158.3**	**3,205.3**	**-152.2**	**3,053.1**
	OPPL	**197.7**	**243.8**	**-47.4**	**196.4**
	[Operating Profit Margin]	[6.3%]	[7.6%]		[6.4%]
Impact of restructuring *1	Revenue	54.5	26.8	-	26.8
	OPPL	-5.7	-3.4	-	-3.4
Special items *2	Revenue	-	-	-	-
	OPPL	-4.0	-15.0	-	-15.0
Total	**Revenue**	**3,212.9**	**3,232.2**	**-152.2**	**3,080.0**
	OPPL	**187.9**	**225.4**	**-47.4**	**178.0**
	[Operating Profit Margin]	**[5.8%]**	**[7.0%]**		**[5.8%]**

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

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

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Cash Flows

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Free Cash Flow

(Billions of yen)

	FY2018 (Actual)	FY2019 (Actual)	FY2020 (Forecast)	Change vs. Previous Forecast
Free Cash Flow	103.5	233.0	200.0	30.0

- FY 2019 Impact of the sale of businesses (Mie semiconductor plant, others) and the sale of shares held in cross-shareholding arrangements: About 60.0 billion yen
- FY 2020 Impact of the sale of businesses (Mobile phone retail store business, others): About 30.0 billion yen

-> Excluding the above factors, free cash flow for both FY19 and FY20 was about 170.0 billion yen

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Returns to Shareholders

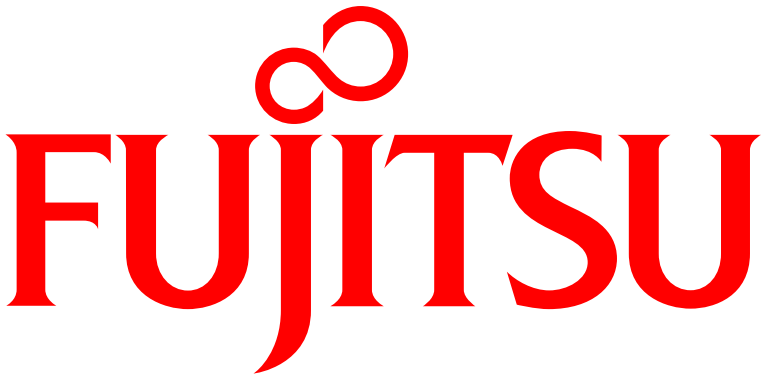
Stock Buybacks: **Execution status of the stock buyback program established last year**

Amount of shares purchased: February 3, 2020 through February 2, 2021: 50.0 billion yen

Status of Stock Buybacks

FY 2019 4Q	30.0 billion yen
FY 2020 4Q (planned)	20.0 billion yen

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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

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Supplementary

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(Supplementary)
Financial Results
for 3Q FY2020

Business Segment Information [9 Months]

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(Billions of yen)

		9 Months FY2019 (Actual)	Special items/ restructuring	9 Months FY2020 (Actual)	Special items/ restructuring	Change	Excl. Special items	Special items/ restructuring	Impact of COVID-19
Revenue	Technology Solutions	2,254.3	42.7	2,130.9	22.0	-123.3	-102.6	-20.6	-122.0
	Ubiquitous Solutions	352.8	38.5	241.7	21.4	-111.1	-94.1	-17.0	24.4
	Device Solutions	240.1	39.1	214.1	-	-26.0	13.1	-39.1	-7.6
	Inter-segment Elimination	-95.3	-	-60.6	-	34.6	34.6	-	-
	Total	2,752.0	120.3	2,526.2	43.5	-225.8	-148.9	-76.8	-105.2
OPPL	Technology Solutions	104.7	-0.2	94.6	-6.4	-10.0	-3.7	-6.2	-40.4
	Ubiquitous Solutions	22.8	1.0	39.6	24.9	16.8	-7.0	23.9	6.6
	Device Solutions	-6.1	-8.3	21.3	-	27.4	19.1	8.3	-3.2
	Total	121.4	-7.4	155.7	18.4	34.2	8.3	25.9	-37.0

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Financial Results
for 3Q FY2020

Business Segment Information [Quarterly Breakdown of Results]

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(Billions of yen)

		FY2019 (Actual)				FY2020 (Actual)		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q
Technology Solutions	Revenue	677.1	807.1	770.0	958.5	679.1	698.3	753.5
	OPPL	7.5	56.2	40.9	83.1	12.6	29.6	52.3
Solutions/ Services	Revenue	388.7	483.4	444.4	566.3	376.8	418.7	427.2
	OPPL	18.0	43.4	38.4	79.5	17.8	36.4	40.9
System Platforms	Revenue	122.3	166.4	141.0	217.2	151.7	140.0	169.7
	OPPL	-6.4	16.3	4.8	12.7	5.0	2.2	11.9
International Regions Excluding Japan	Revenue	186.2	182.4	203.2	194.3	171.0	163.8	192.4
	OPPL	-0.5	3.4	-1.2	2.2	-3.7	2.9	8.6
Common	Revenue	-20.2	-25.2	-18.8	-19.2	-20.5	-24.3	-36.0
	OPPL	-3.5	-6.9	-1.1	-11.3	-6.4	-11.8	-9.2
Ubiquitous Solutions	Revenue	102.9	138.4	111.4	102.4	73.8	83.7	84.1
	OPPL	3.5	10.4	8.8	3.9	4.2	4.5	30.9
Device Solutions	Revenue	83.4	85.2	71.5	68.2	68.3	70.3	75.5
	OPPL	-7.7	0.9	0.6	2.9	5.3	5.7	10.2
Inter-segment Elimination	Revenue	-24.7	-40.8	-29.8	-23.4	-18.5	-23.3	-18.8
Total	Revenue	838.7	990.0	923.2	1,105.7	802.7	829.0	894.3
	OPPL	3.3	67.6	50.4	90.0	22.2	39.9	93.4

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Two Business Areas for Value Creation (Technology Solutions)

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For Growth/For Stability: Composition of Businesses

For Growth	• SI Development (New / Modernization / Upgrades)
	• Cloud Services Related IaaS / SaaS Cloud Integration Applications (Applications run in the cloud) Software (Software run in the cloud)
	• Cybersecurity-Related Services
	• Consulting Services
	• Advanced Products: HPC, 5G Network-Related
For Stability	• System Maintenance and Operations Services • Conventional (On Premise) Applications • Application Maintenance Services (On Premise) • System Platforms Legacy Processor-Related Legacy Network-Related

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(Supplementary)
Financial Results
for 3Q FY2020

Two Business Areas for Value Creation (Technology Solutions 9 Months)

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(Billions of yen)

		9 Months FY2019 (Actual)			9 Months FY2020 (Actual)			Change		
		For Growth	For Stability	Total	For Growth	For Stability	Total	For Growth	For Stability	Total
Technology Solutions	Growth Rate				105%	90%	95%			
	Revenue	662.8	1,591.5	2,254.3	695.8	1,435.1	2,130.9	33.0	-156.3	-123.3
	composition ratio	[29%]	[71%]	[100%]	[33%]	[67%]	[100%]	[4%]	[-4%]	[-%]
Solutions/ Services	Growth Rate				95%	91%	93%			
	Revenue	574.4	742.2	1,316.6	547.9	674.9	1,222.8	-26.5	-67.3	-93.8
	composition ratio	[44%]	[56%]	[100%]	[45%]	[55%]	[100%]	[1%]	[-1%]	[-%]
System Platforms	Growth Rate				201%	91%	107%			
	Revenue	62.5	367.3	429.8	125.7	335.8	461.5	63.2	-31.5	31.7
	composition ratio	[15%]	[85%]	[100%]	[27%]	[73%]	[100%]	[12%]	[-12%]	[-%]
International Regions Excluding Japan	Growth Rate				86%	92%	92%			
	Revenue	25.9	546.1	572.0	22.3	505.1	527.4	-3.6	-41.0	-44.6
	composition ratio	[5%]	[95%]	[100%]	[4%]	[96%]	[100%]	[-1%]	[1%]	[-%]
Common	Revenue	-	-64.2	-64.2	-	-80.8	-80.8	-	-16.6	-16.6
	composition ratio	[-%]	[100%]	[100%]	[-%]	[100%]	[100%]	[-%]	[-%]	[-%]

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(Supplementary)
Financial Results
for 3Q FY2020

Business Segment Information
[Revenue Breakdown-In and Outside Japan 3Q]

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(Billions of yen)

		3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change	(%)
Technology Solutions	Revenue	770.0	753.5	-16.5	-2.1
	Japan	531.8	530.9	-0.9	-0.2
	Outside Japan	238.1	222.5	-15.6	-6.6
Solutions/ Services	Revenue	444.4	427.2	-17.1	-3.9
	Japan	433.1	416.5	-16.6	-3.8
	Outside Japan	11.3	10.7	-0.5	-4.8
System Platforms	Revenue	141.0	169.7	28.6	20.3
	Japan	111.9	134.6	22.6	20.2
	Outside Japan	29.1	35.1	6.0	20.7
International Regions Excluding Japan	Revenue	203.2	192.4	-10.8	-5.3
	Japan	0.2	-	-0.1	-54.8
	Outside Japan	203.0	192.3	-10.6	-5.3
Common	Revenue	-18.8	-36.0	-17.2	-
Ubiquitous Solutions	Revenue	111.4	84.1	-27.3	-24.5
	Japan	75.7	55.1	-20.5	-27.2
	Outside Japan	35.7	28.9	-6.7	-18.9
Device Solutions	Revenue	71.5	75.5	3.9	5.6
	Japan	23.5	19.8	-3.7	-15.7
	Outside Japan	47.9	55.6	7.6	16.1
Inter-segment Elimination	Revenue	-29.8	-18.8	11.0	-
Total	Revenue	923.2	894.3	-28.9	-3.1
	Japan	603.9	588.4	-15.4	-2.6
	Outside Japan	319.3	305.9	-13.4	-4.2
Ratio of Revenue Outside Japan		34.6%	34.2%	-0.4%	

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(Supplementary)
Financial Results
for 3Q FY2020

Business Segment Information [Revenue Breakdown-In and Outside Japan 9Months]

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(Billions of yen)

		9 Months FY2019 (Actual)	9 Months FY2020 (Actual)	Change	(%)
Technology Solutions	Revenue	2,254.3	2,130.9	-123.3	-5.5
	Japan	1,577.7	1,516.8	-60.9	-3.9
	Outside Japan	676.5	614.1	-62.4	-9.2
Solutions/ Services	Revenue	1,316.6	1,222.8	-93.8	-7.1
	Japan	1,285.0	1,195.2	-89.8	-7.0
	Outside Japan	31.6	27.6	-3.9	-12.6
System Platforms	Revenue	429.8	461.5	31.7	7.4
	Japan	341.8	372.6	30.8	9.0
	Outside Japan	88.0	88.8	0.8	0.9
International Regions Excluding Japan	Revenue	572.0	527.4	-44.6	-7.8
	Japan	0.9	0.3	-0.6	-66.6
	Outside Japan	571.1	527.1	-44.0	-7.7
Common	Revenue	-64.2	-80.8	-16.6	-
Ubiquitous Solutions	Revenue	352.8	241.7	-111.1	-31.5
	Japan	249.1	158.6	-90.5	-36.3
	Outside Japan	103.6	83.0	-20.5	-19.9
Device Solutions	Revenue	240.1	214.1	-26.0	-10.8
	Japan	91.9	54.5	-37.4	-40.7
	Outside Japan	148.2	159.6	11.4	7.7
Inter-segment Elimination	Revenue	-95.3	-60.6	34.6	-
Total	Revenue	2,752.0	2,526.2	-225.8	-8.2
	Japan	1,830.1	1,674.2	-155.9	-8.5
	Outside Japan	921.8	851.9	-69.8	-7.6
Ratio of Revenue Outside Japan		33.5%	33.7%	0.2%	

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(Supplementary)
Financial Results
for 3Q FY2020

Breakdown of International Regions Excluding Japan

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(Billions of yen)

		3Q FY2019 (Actual)	3Q FY2020 (Actual)	Change		9 Months FY2019 (Actual)	9 Months FY2020 (Actual)	Change	
				Special items/ restructuring	Excl. Special items/restructuring			Special items/ restructuring	Excl. Special items/restructuring
International Regions Excluding Japan	Revenue	203.2	192.4	-7.9	-2.8	572.0	527.4	-20.6	-23.9
	Operating Profit	-1.2	8.6	5.7	4.1	1.6	7.7	5.7	0.3
NWE [Northern & Western Europe]	Revenue	91.9	92.3	-	0.4	258.4	247.2	-	-11.2
	Operating Profit	1.6	4.7	-	3.0	1.9	1.4	-	-0.4
CEE [Central & Eastern Europe]	Revenue	47.4	49.2	-	1.7	130.4	128.6	-	-1.7
	Operating Profit	3.6	2.8	-	-0.8	8.9	2.7	-1.8	-4.4
Americas	Revenue	16.5	11.9	-4.1	-0.4	50.7	39.4	-8.3	-2.9
	Operating Profit	-7.8	-0.7	5.8	1.2	-12.7	-0.7	8.7	3.1
Asia	Revenue	23.3	20.7	-	-2.5	64.8	56.5	-	-8.2
	Operating Profit	0.7	0.7	-	-	1.4	1.4	-	-
Oceania	Revenue	19.9	17.9	-	-1.9	57.0	54.8	-	-2.2
	Operating Profit	0.4	0.4	-	-	0.8	1.3	-	0.5
Others	Revenue	4.1	0.2	-3.7	-0.1	10.4	0.6	-12.3	2.5
	Operating Profit	-	0.5	-	0.6	1.3	1.5	-1.2	1.5

Note: Revenue includes Inter-region revenue.

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Assumption used for FY2020 Forecasts

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1. Exchange Rates（Average）and Impact of Fluctuation

	FY2019 (Actual)	FY2020			Impact of Exchange Rate Fluctuation 4Q (Forecast)*
		9 Months (Actual)	4Q (Forecast)	Change vs. Previous Forecast	
U.S. dollar / Yen	109	106	105	-	-0.1 Billion yen
Euro / Yen	121	122	120	-	0.0 Billion yen
British pound / Yen	138	136	140	-	0.0 Billion yen
Euro / U.S. dollar	1.11	1.15	1.10	-	-0.4 Billion yen

* Impact of 1 yen fluctuation on operating profit (yen appreciation).
Impact of 0.01 dollar fluctuation on operating profit (euro depreciation).

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(Supplementary)
Earnings Forecast
for FY2020

Assumption used for FY2020 Forecasts

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

(Billions of yen)

	9 Months		Full year		Change vs. Previous Forecast
	FY2019 (Actual)	FY2020 (Actual)	FY2019 (Actual)	FY2020 (Forecast)	
Technology Solutions	37.5	29.6	53.8	67.0	-
Ubiquitous Solutions	0.1	0.1	0.2	0.5	-
Device Solutions	32.6	27.2	42.4	42.5	-
Capital Expenditures	70.4	57.0	96.4	110.0	-
Depreciation	65.0	55.0	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	90.4	83.8	123.3	120.0	-
[As % of Revenue]	[3.3%]	[3.3%]	[3.2%]	[3.3%]	-

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