FY2021 Financial Results

FUJITSU

Management Direction Update



Takahito Tokita

CEO & CDXO

Fujitsu Limited

April 28, 2022

© 2022 Fujitsu Limited

FUJITSU

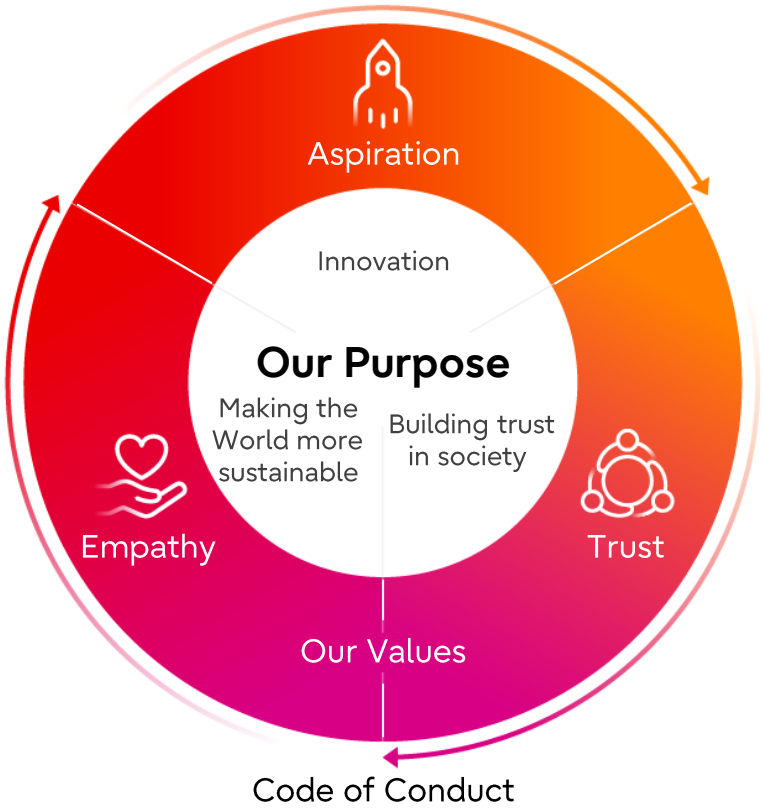
Our Purpose

Make the world more sustainable by building trust in society through innovation.



© 2022 Fujitsu Limited

Fujitsu Way



Three elements of the Fujitsu Way

FUJITSU

Our Purpose		**Our purpose is to make the world more sustainable by building trust in society through innovation.**
Our Values	Aspiration	• Set ambitious targets and act with agility. • Embrace diversity and create original ideas. • Stay curious and learn from failures and experiences. • Deliver positive impact through human centric innovation.
	Trust	• Honor promises and exceed expectations. • Act with ethics, transparency and integrity. • Work autonomously and unite for common goals. • Contribute to a trusted society using technology.
	Empathy	• Strive for customers' success and their sustainable growth. • Listen to all people and act for the needs of our planet. • Work together to solve global challenges. • Generate shared value for our people, customers, partners, community and shareholders.
Code of Conduct		• We respect human rights. • We comply with all laws and regulations. • We act with fairness in our business dealings. • We protect and respect intellectual property. • We maintain confidentiality. • We do not use our position in our organization for personal gain.

© 2022 Fujitsu Limited

FY2021 Results and Initiatives for FY2022 and Beyond



© 2022 Fujitsu Limited

Summary of FY2021 Financial Results

FUJITSU

Consolidated operating profit, excluding the impact of restructuring, is 275.6 Billion yen (operating profit margin 7.7%), increased by 10%+ compared to the previous year

(Unit: Billions of yen)

Consolidated	2020 (Actual)	2021 (Actual)	Variance
Revenue	3,589.7	**3,586.8**	▲ 2.8
Operating Profit (Excl. restructuring)	247.3	**275.6**	28.2
Operating Profit Margin (Excl. restructuring)	6.9%	**7.7%**	0.8%
Operating Profit	266.3	**219.2**	▲ 47.1
Operating Profit Margin	7.4%	**6.1%**	▲ 1.3%
Profit for the Period	202.7	**182.6**	▲ 20.0
EPS (Yen)	1,013.8	**924.2**	▲ 89.6
Technology Solutions			
Revenue	3,087.7	**3,056.3**	▲ 31.3
Operating Profit (Excl. restructuring)	200.6	**193.9**	▲ 6.7
Operating Profit Margin (Excl. restructuring)	6.5%	**6.3%**	▲ 0.2%
Special Items(Business model transformation)	▲7.4	**▲58.9**	▲ 51.5
Operating Profit	193.2	**135.0**	▲ 58.2
Operating Profit Margin	6.3%	**4.4%**	▲ 1.9%

© 2022 Fujitsu Limited

Priority Issues in Achieving Our Purpose

FUJITSU

Creating value through “For Growth” and “For Stability” initiatives that contribute to our customers’ businesses

Self-transformation through further implementation of internal DX initiatives



- Rebuilding our global business strategy
- Strengthening issue resolution capability in Japan
- Contributing to greater business stability of our customers’ businesses
- Becoming our customers’ DX partner of choice

- Enforcing data-driven management
- DX talent development and productivity improvement
- Fully participatory, ecosystem-based DX promotion

For Growth : Digital (DX, Modernization)

For Stability : Conventional IT (Maintenance and operations of systems, provision of products)

© 2022 Fujitsu Limited

Creating Value for Customers



01
Reforming our global business strategy

02
Strengthening issue resolution capability in Japan

03
Contributing to greater business stability

04
Becoming our customers' DX partner of choice

© 2022 Fujitsu Limited

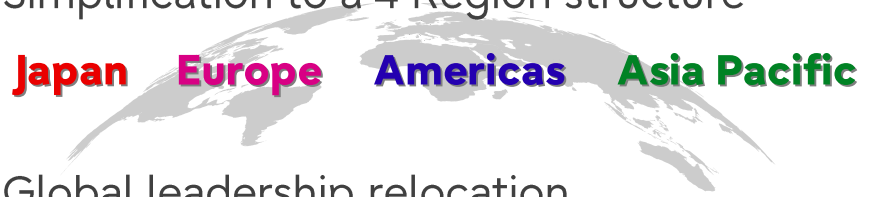
01 Reforming Our Global Business Strategy

FUJITSU

Transforming Our Business Structure

- Structural transformation of Region business (Americas, Europe)

- Simplification to a 4 Region structure



- Global leadership relocation

Enhancing Our Offerings

- Expanded global offerings
- Enhanced presales functions of GDCs*

- Enhance cross-regional collaboration for greater customer value creation and accelerated modernization
- Full-scale launch of Fujitsu Uvance

Fujitsu uvance

* GDC: Global Delivery Center

Initiatives in FY2021

FY2022 and Beyond

© 2022 Fujitsu Limited

02 Strengthening Issue Resolution Capability in Japan

FUJITSU

Strengthening our solutions business, expanding ecosystem

- Established Fujitsu Japan Limited, shifted to be the solutions business
- Partnerships for a sustainable digital society
  - (NTT, Kawasaki City, KDDI etc.)
- Promote DX as the underlying foundation system for society
- Approach centered on resolving societal issues and creating possibilities, e.g. Digital Garden City Nation concept

Enhancing employee development and customer engagement

- Reskilling of 8,000 Business Producers* completed
- Opened up new customer points of contact through digital sales
- Transform the style of business engagement and deals by enhancing consulting capability
- Strengthen approaches to C-suite and lines of business

* Business Producers: Transformed sales staff who address management/social issues through DX

Initiatives in FY2021

FY2022 and Beyond

© 2022 Fujitsu Limited

03 Contributing to Greater Business Stability

FUJITSU

Improving SI business deals and increasing quality, strengthening risk management

- Detection and advanced prevention of issues using AI and data insight
- Established Information Security Unit with HQ dedicated CISO*

* CISO: Chief Information Security Officer

- Increase sophistication of preventative inspections, data-based approach
- Dedicated CISO in all Regions to deploy global security strategy with proactive application and consistency in risk management

Further use of GDCs for global standardized development

- Significantly greater efficiency in resource assignment
- Strengthened GDC to become an organization of 20,000+ people

- Standardize streamlined delivery models and automate operations to provide higher value services
- Doubled effort to support globalization of Japanese customers through JGG**/GDC alignment

** JGG : Japan Global Gateway

Initiatives in FY2021

FY2022 and Beyond

© 2022 Fujitsu Limited

04 Becoming Our Customers' DX Partner of Choice

FUJITSU

Strengthen "Customer Success" to resolve management issues/issues in society

- Trained Account General Managers who will work alongside customers to resolve issues
- Adjusted product portfolio from a market-focused perspective

- Strengthen support for "Customer Success," the realization of customers' transformation
- Strengthen offerings supporting customers in their sustainability management requirements and resolving issues experienced in society

Ridgelinez: Strengthen approaches based on DX/management issues

- Growth in orders continued to be strong, 120%+ year on year
- Implemented flexible approach to employee management to maximize performance

- Broaden experience in addressing customers' business issues by combining the strengths of Principals
- Accelerate sophisticated management approach using digital tools, e.g. dashboards

* Ridgelinez: Fujitsu's subsidiary offering DX consulting

Initiatives in FY2021

FY2022 and Beyond

© 2022 Fujitsu Limited

04 Becoming Our Customers' DX Partner of Choice

FUJITSU

Working with customers to deliver digital transformation, bringing together strong technology and know-how



Daiwa House Industry Co., Ltd.

- Understanding the financial situation in real time and speeding up decision-making
- Shift to higher-added-value operations through automation



Botanical Water Technologies LTD.

- Securing traceability within a circular supply chain



Orbis

- Co-designing brand and experience based on service vision
- Agile development pursuing a better customer experience

© 2022 Fujitsu Limited

Internal Transformation



01
Enforcing data-driven management

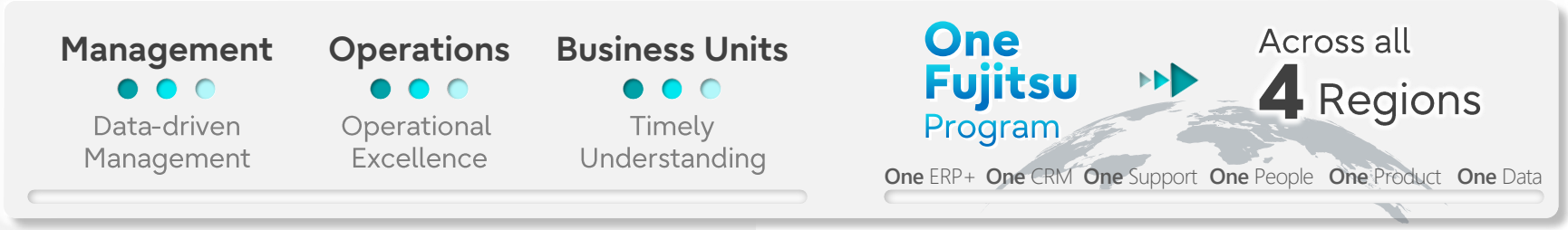
02
DX talent development and productivity improvement

03
Fully participatory, ecosystem-based DX promotion

© 2022 Fujitsu Limited

01 Enforcing Data-Driven Management

Shifting from results-based management to data-based predictive management



Expanded use of the data analysis platform (Palantir)

- Started utilizing management dashboard
- Established Data Analytics Center

Initiatives in FY2021

Launch of One CRM (from Apr. 2022)

Integrate pipeline management at a global level

Launch of One ERP+

(Live in the UK&I from Apr. 2022)

Integrate company-wide ERP, data-driven 3-axis management

(Service Lines/Regions/Industries)

* UK&I: UK and Ireland

FY2022 and Beyond

© 2022 Fujitsu Limited

02 DX Talent Development and Productivity Improvement

FUJITSU

Organizational design　Resource management
Position-based HR system　Supporting learning and growth

Complete change in HR management model

Initiatives in FY2021

- Increased employee mobility by expanding job postings
- Strengthened role-based compensation system

FY2022 and Beyond

- Implement global postings
- Promote use of Connect, our globally-shared evaluation system
- Expand application of position-based HR system to support employees' aspirations

Shaping systems and environments to improve productivity and creativity

Work Life Shift 2.0

Smart Working
Borderless Office
Culture Change

Initiatives in FY2021

- Implemented cutting-edge technology internally
- Support for self-directed career shaping to support employees' life needs

FY2022 and Beyond

- Expand worldwide borderless office
- Increase employee connection, empathy and trust through data-driven approach, e.g. employee feedback analysis, to improve psychological safety, creativity and productivity.

© 2022 Fujitsu Limited

03 Fully Participatory, Ecosystem-based DX Promotion

FUJITRA (Fujitsu transformation)

- Expanded “Purpose Carving” to all employees globally
- Expanded system of DX Officers globally to drive unit-by-unit DX

- Deepen 30 DX frameworks
- Improve mindsets and corporate culture to achieve DX promotion indicators

VOICE program

- Trialed and utilized internally (1,200+ times), template approach, shared with customers for adoption

- Enhanced insight through use of combined AI and behavioral analysis technology
- Transform from a culture of reporting to a culture focused on customers, conversations and understanding

Fujitsu Innovation Circuit

- Launched “Intrapreneur” training program

- Expand the number of participants
- Business creation support (systems, resources)

Learning ▶ Implementation ▶ Commercialization

Initiatives in FY2021

FY2022 and Beyond

© 2022 Fujitsu Limited

Key Initiatives for Sustainable Growth



© 2022 Fujitsu Limited

Sustainability Initiatives

FUJITSU

Contributing to the sustainable growth of our customers, people, and society

Society and the Environment



- Human Rights/Diversity
  Expanding the training program to 130,000 employees around the globe
- Post-carbon/Renewable energy
- Resource circulation
- Biodiversity

Solutions to Society Issues

Supply Chains



- Checking suppliers and partners
  Procurement by suppliers and partners conforms to required standards
- Promoting diversity
- Optimal procurement of renewable energy
- Reduce greenhouse gas emissions

Supply Chain Diversification

Wellbeing



- Support and promote employee wellbeing and their family's considerations
  (March 2022)
  Becoming a global leading company, e.g. headache prevention program
- Contributing to local communities

Global Policies and Standards

© 2022 Fujitsu Limited

Fujitsu uvance

FUJITSU

Announced as a new global brand in October 2021 with 7 key focus areas

Launched dedicated units in April 2022, initially starting with 1,000+ employees and diverse global leadership

Making the world more sustainable through Seven Key Focus Areas

Vertical Areas

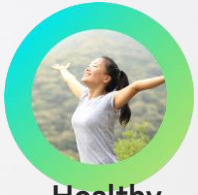
Four cross-industries



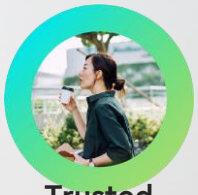
Sustainable Manufacturing



Consumer Experience



Healthy Living



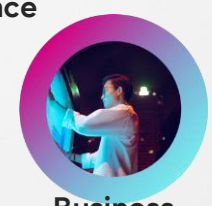
Trusted Society

Horizontal Areas

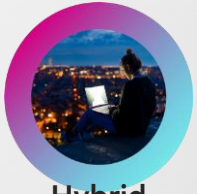
Three enablers supporting cross-industries



Digital Shifts



Business Applications



Hybrid IT

Key Technologies



Computing



Network



AI



Data & Security



Converging Technologies

© 2022 Fujitsu Limited

5 Key Technologies

Developing and applying technologies to address societal issues



Bringing new value from data that transcends boundaries

Sophisticated decision-making from a new perspective, leveraging leading technical know-how

Varieties of Data

Large Volumes of Data

Data Lakes

Simulations

AI

Data Analysis

Supercomputers

Quantum-inspired Computing

Quantum Computers

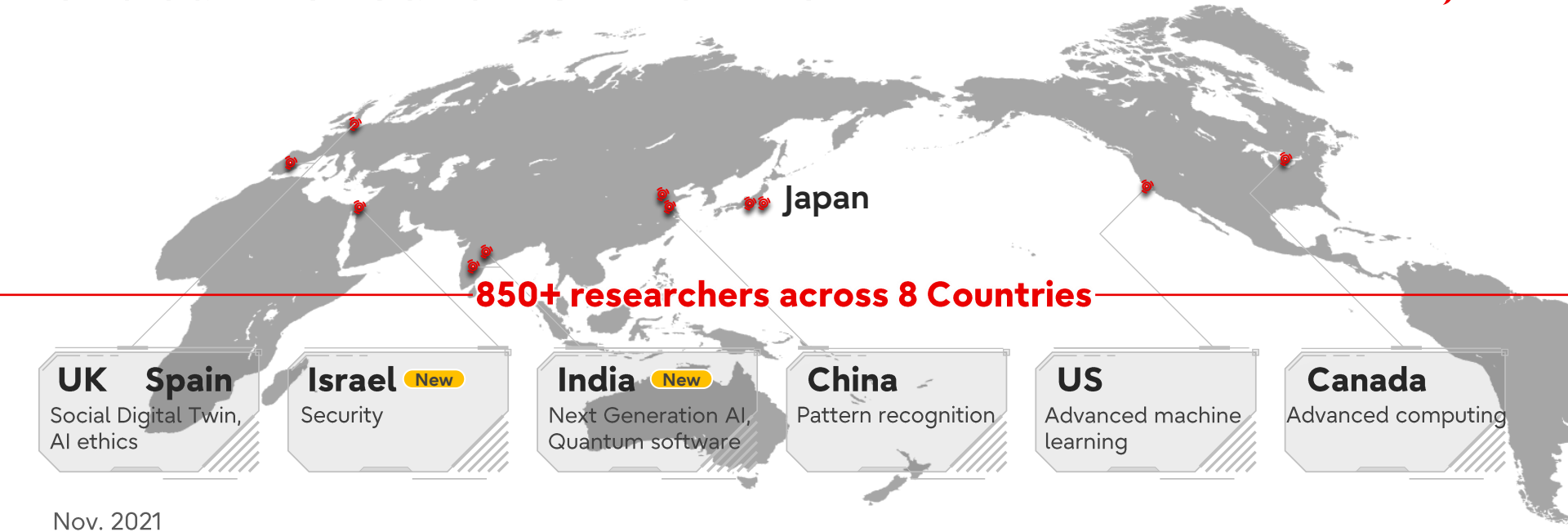
Massive computing power and ultra-low power consumption

5 Key Technologies

- Converging Technologies
- Data & Security
- AI
- Network
- Computing

© 2022 Fujitsu Limited

Global Research Structure



Nov. 2021

Fujitsu and Ben-Gurion University embark on joint research at new center in Israel for precise and secure AI

Apr. 2022

Fujitsu launches new research center in India, embarking on joint R&D with leading Indian universities to accelerate innovation in AI and machine learning

© 2022 Fujitsu Limited

FY2022 Management Goals



© 2022 Fujitsu Limited

Fujitsu's Approach to Management Goals

Management Based on Our Purpose

Financial Indicators

- Growth
- Earnings and capability

Non-Financial Indicators

- Society and customers
- Employees, organization, and culture



Human Rights and DE&I | Wellbeing | Environment | Compliance | Supply Chain | Occupational Health and Safety | Community

GRB(Global Responsible Business) 7 issues

Stable contributions over the long term

⇄

Creation of growth opportunities

Making the world more sustainable

SUSTAINABLE DEVELOPMENT GOALS ESG

© 2022 Fujitsu Limited

Financial Forecast for FY2022

Seek to fully execute initiatives continued from the prior fiscal year as well additional initiatives starting this fiscal year, while also growing revenues and profits for the entire company and Technology Solutions

(Billions of yen)

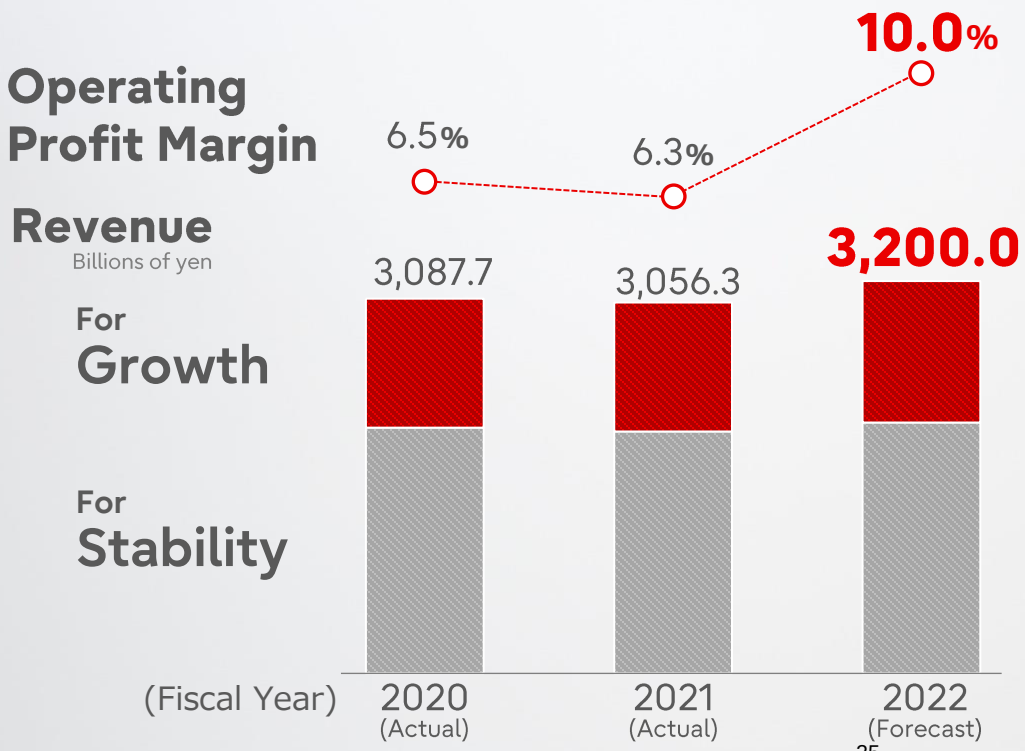
Consolidated	2021 (Actual)	2022 (Forecast)	Variance
Revenue	3,586.8	3,720.0	133.1
Operating Profit (Excl. restructuring)	275.6	390.0	114.3
Operating Profit Margin (Excl. restructuring)	7.7%	10.5%	2.8%
Operating Profit	219.2	400.0	180.7
Operating Profit Margin	6.1%	10.8%	4.7%
Profit for the Period	182.6	280.0	97.3
Technology Solutions			
Revenue	3,056.3	3,200.0	143.6
Operating Profit (Excl. restructuring)	193.9	320.0	126.0
Operating Profit Margin (Excl. restructuring)	6.3%	10.0%	3.7%
Special Items(Business model transformation)	▲58.9	10.0	68.9
Operating Profit	135.0	330.0	194.9
Operating Profit Margin	4.4%	10.3%	5.9%

© 2022 Fujitsu Limited

Initiatives to Achieve FY2022 Management Goals

FUJITSU

Target Technology Solutions growth, achieving 3.2 trillion yen revenue and 10% operating profit margin for FY2022



Expanding Revenue

- Continued strengthening of services business
- Expand business in resolving customers' management issues
- Launch and driving Fujitsu Uvance

Improving Profitability

- Improvement of productivity through utilization of GDC/JGG, standardization and automation
- Curb unprofitable projects through quality/risk management

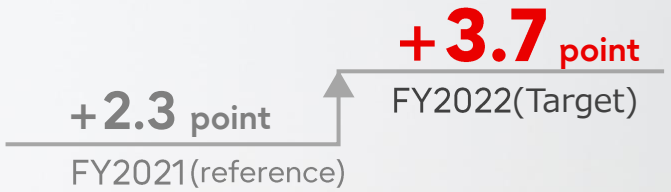
© 2022 Fujitsu Limited

Initiatives to Achieve Management Goals by FY2022

FUJITSU

Non-Financial Indicators

Client Net Promoter Score



Employee Engagement

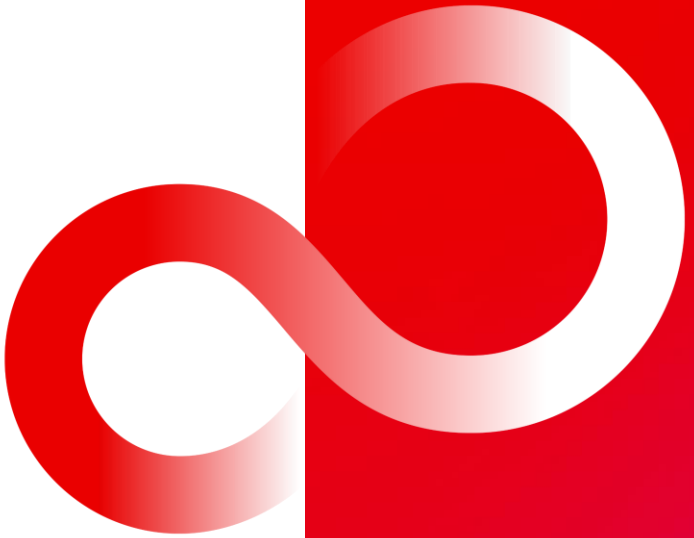


DX Promotion Indicator



© 2022 Fujitsu Limited

Thank you



FUJITSU

Cautionary Statement

These materials may contain forward-looking statements that are based on management's current information, views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors listed below.

- General economic and market conditions in key markets (Particularly in Japan, Europe, North America, Oceania, and Asia, including China)
- Fluctuations in exchange rates or interest rates
- Fluctuations in capital markets
- Intensifying price competition
- Changes in market positioning due to competition in R&D
- Changes in the environment for the procurement of parts and components
- Changes in competitive relationships relating to collaborations, alliances and technical provisions
- Risks related to public regulations, public policy and tax matters
- Risks related to product or services defects
- Potential emergence of unprofitable projects
- Risks related to R&D investments, capital expenditures, business acquisitions, business restructuring, etc.
- Risks related to natural disasters and unforeseen events
- Changes in accounting policies