

# **FY 2019 Financial Results Announcement**

**May 14, 2020**

## **Toward the Creation of a Sustainable Society**

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# 1. Response to COVID-19

# 1. (1)

# Fujitsu's Policy on the Response to COVID-19 FUJITSU

**We are working hard to fulfill our responsibilities to society and implement business continuity measures while also working to prevent the spread of the virus, prioritizing the safety of the lives of our stakeholders, including our customers, suppliers, employees and their families, and our local communities**

# 1. (2)

## Examples of Responses to COVID-19



### In Japan



CHORDSHIP AI chatbot provided to local governments and healthcare institutions



Free computer programming teaching materials for elementary schools



Free access to virtual desktop services (V-DaaS) for remote workers



Free access to a database of scientific and technical papers for researchers

### Outside Japan



Deployed IT infrastructure for a temporary hospital in Spain

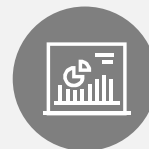


Initiated evaluation of a drug discovery platform in UK  
(Joint development with POLARISqb)

### Internal



Basic policy of working from home



Established a COVID-19 portal site



# 1. (3)

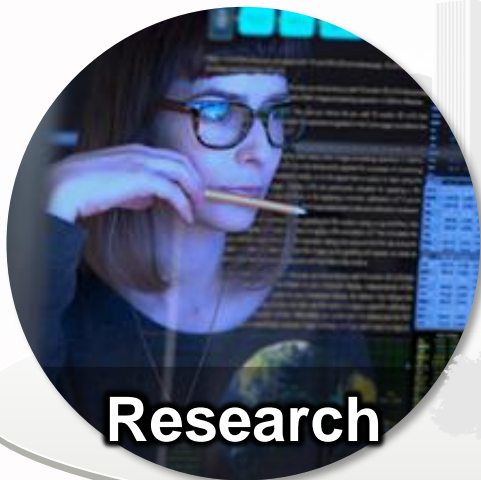
## Fujitsu's Role in the Changing Society After COVID-19

- As society moves increasingly online, Fujitsu is using its understanding of a wide range of industries and its digital technology to build new ways of living centered on people and data



# 1. (4)

## Examples of Utilizing Fujitsu's Digital Technology to Respond to Changes in Society



### Research

- Accelerating the drug discovery process with the Digital Annealer (Joint research with PeptiDream)
- Structural prediction using supercomputers



### Healthcare

- Reducing the risk of infection in healthcare institutions (online healthcare, etc.)
- Increasing the efficiency of healthcare using AI



### Public Sector

- Greater security and reliability through government systems using government cloud services
- Shifting to smart government services

## **2. FY 2019 Results and Ongoing Initiatives**

## 2. (1) | Fujitsu's Future Direction



\* Digital transformation (DX): Utilizing digital technologies and data to deliver innovative services and transform business processes.



# Fujitsu's Purpose



**Our purpose is to build trust in all parts of society through innovation, and to create a sustainable world.**



## 2. (3) Steps to Achieve Our Purpose

- We will achieve our purpose by transforming ourselves and creating new value

While embracing diversity and empathizing with people's issues, we will further enhance our necessary technologies and capabilities.

### Internal Transformation



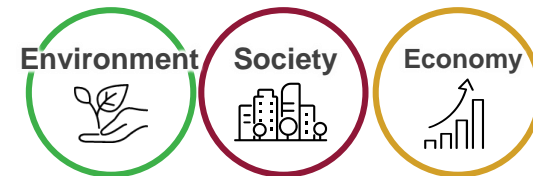
### Value Creation



With a focus on people, by bringing together data and things, we will generate innovation and create value for our customers and society.

### Building Trust in All Parts of Society

### Making the World More Sustainable



## 2. (4) Financial Results



### ■ Increase in revenue and profit in Technology Solutions

(billions of yen)

	2018	2019	Variance
Revenue	3,952.4	3,857.7	△94.6
Operating Profit	130.2	211.4	+81.2
Operating Profit Margin	3.3%	5.5%	+2.2%
Profit for the Year	104.5	160.0	+55.4

### Technology Solutions\*

Revenue	3,123.7	3,163.2	+39.5
Operating Profit Margin	4.4%	5.9%	+1.5%

\*Operating profit margin of Technology Solutions plus Other/Elimination and Corporate

## 2. (5) Major Achievements and Topics in FY 2019



### ■ Major Achievements

#### Business in Japan

- Expanded service business revenue in a wide range of industries, including manufacturing, distribution, and the public sector
- Improved profit margins with steady progress in major projects, primarily from government agencies and local governments

#### Business Outside Japan

- Reformed hardware production structure, concentrating business to profitable entities
- Unified our global delivery structure

#### Internal

- Enhanced talent management and hiring systems: started implementation of job-based HR system, hiring high-skilled personnel

### ■ Topics

- Demonstrated world-leading power conservation capabilities with the Fugaku supercomputer
- Launched Ridgelinez as the new company to drive Fujitsu's digital transformation business
- Collaboration Lab to be built to demonstrate 5G solutions



## 2. (6)

# Enhanced Issue Resolution Capabilities under the New Structure



- Contributing to the creation of a new society through new organizations responsible for analyzing trends in society and technology, researching cutting-edge technology, and promoting DX business

### Driving Digital Transformation



#### Ridgelinez

Supporting DX with the optimal technology for customers, working to truly and fundamentally resolve issues facing our customers, including management and business issues, from a customer centric perspective

### Enhancing Think Tank Capabilities



#### Fujitsu Future Studies Center

Supporting the formulation and implementation of medium-to-long term strategy for the Fujitsu Group by comprehensively investigating and analyzing trends in cutting-edge technology and international affairs

### Contributing to the Resolution of Issues in Japanese Society

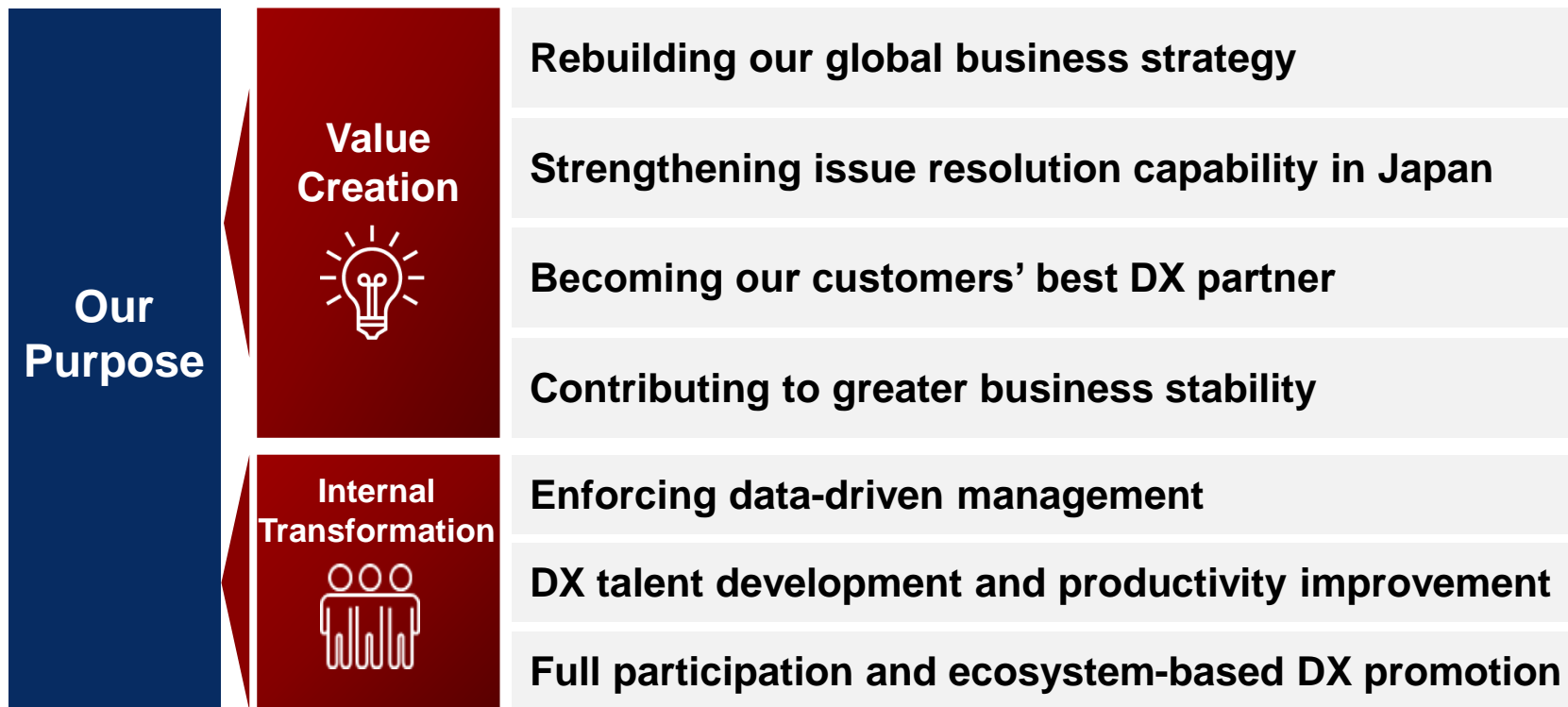


#### New Dedicated Company for Japan

Strongly promoting the modernization and digital transformation of customer systems, while also contributing to the creation of a sustainable society through efforts to address increasingly complex social issues

## 2. (7) | Ongoing Initiatives

### ■ Continuing our efforts toward internal transformation and creating value for customers



- We will refrain at this time from announcing our financial forecast for FY 2020 and our management direction progress review.
- Impact of COVID-19 to be announced as soon as we can make a reasonable estimate.
- We continue to make every effort towards achieving the growth measures in FY 2020 and beyond.



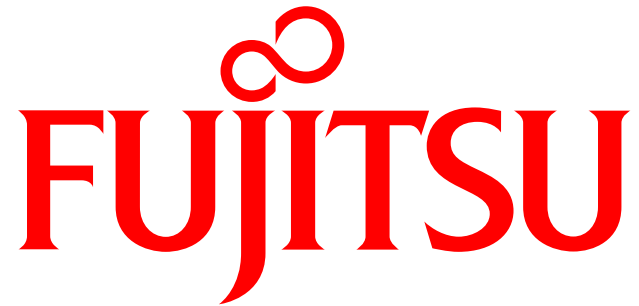
## 2. (9)

# Towards the Creation of a Sustainable Society



**Build trust in all parts of society through innovation towards the creation of a more sustainable world**





shaping tomorrow with you

## Cautionary Statement

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

- General economic and market conditions in key markets (Particularly in Japan, Europe, North America, 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