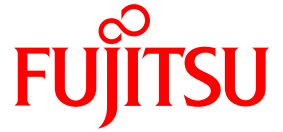


**1Q
FY2020**

July 30, 2020



shaping tomorrow with you

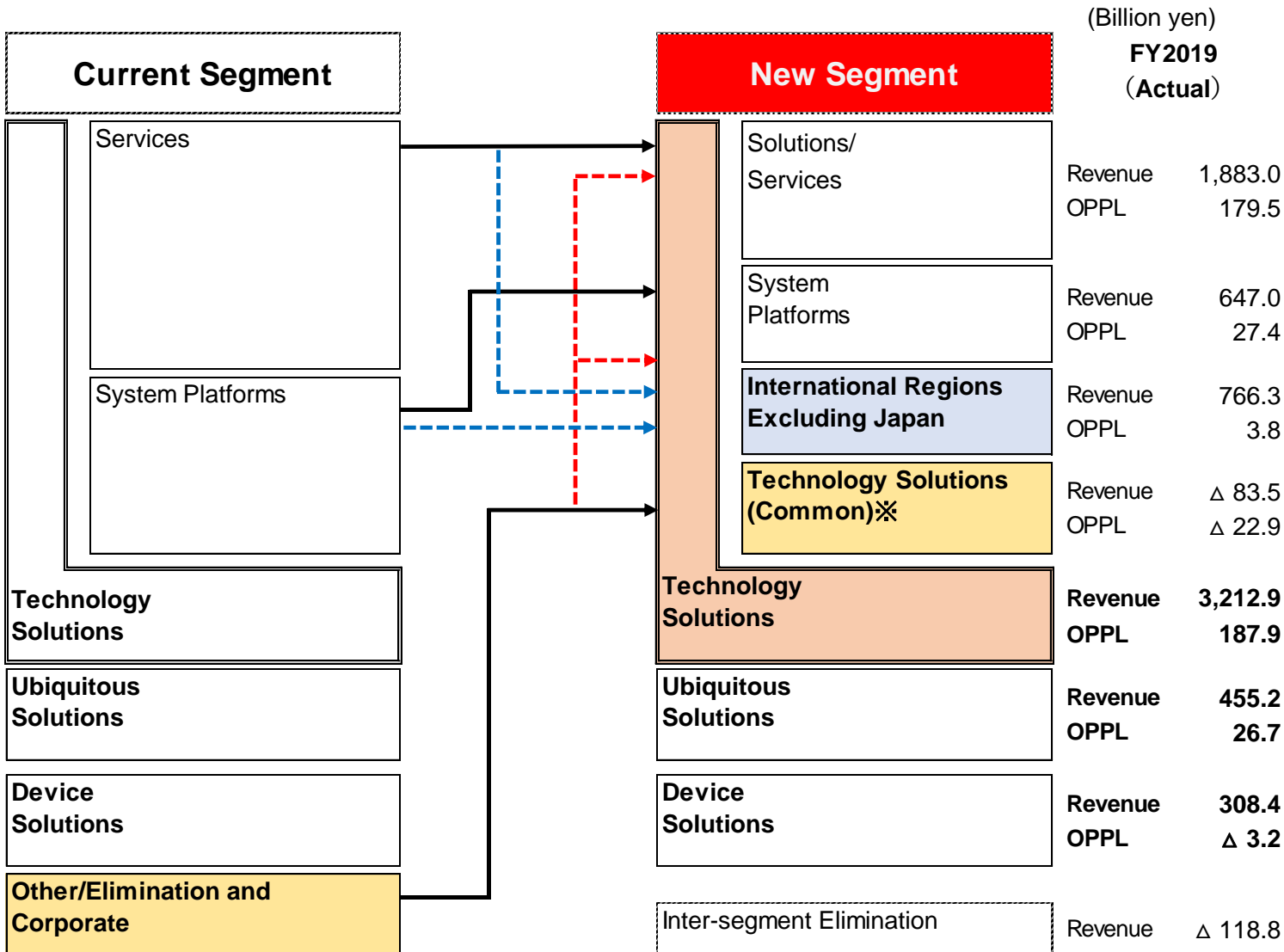
Consolidated Financial Results

Fujitsu Limited

-
- 1 . Financial Results for 1Q FY2020
 - 2 . Earnings Forecast for FY2020
 - 3 . Capital Allocation Policy

1. Financial Results for 1Q FY2020

Changes to Business Segments



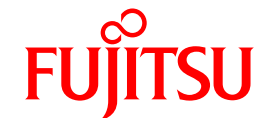
● **Management Targets < FY2022 >**
Technology Solutions
Revenue 3,500.0 billion yen
OPPL(%) 10%

※ **Breakdown of Technology Solutions (Common)**

- Labs···Basic research expenses
- Olympics and Paralympics, etc.
- Consolidation adjustment of OPPL

1. Financial Results
for 1Q FY2020

Consolidated PL [1Q]



(Billions of yen)

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

Exchange Rate

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

■ Revenue

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

■ OPPL Increased by 18.8 billion yen

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

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

-In line with the previous year

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

1. Financial Results
for 1Q FY2020

Financial Results [1Q]



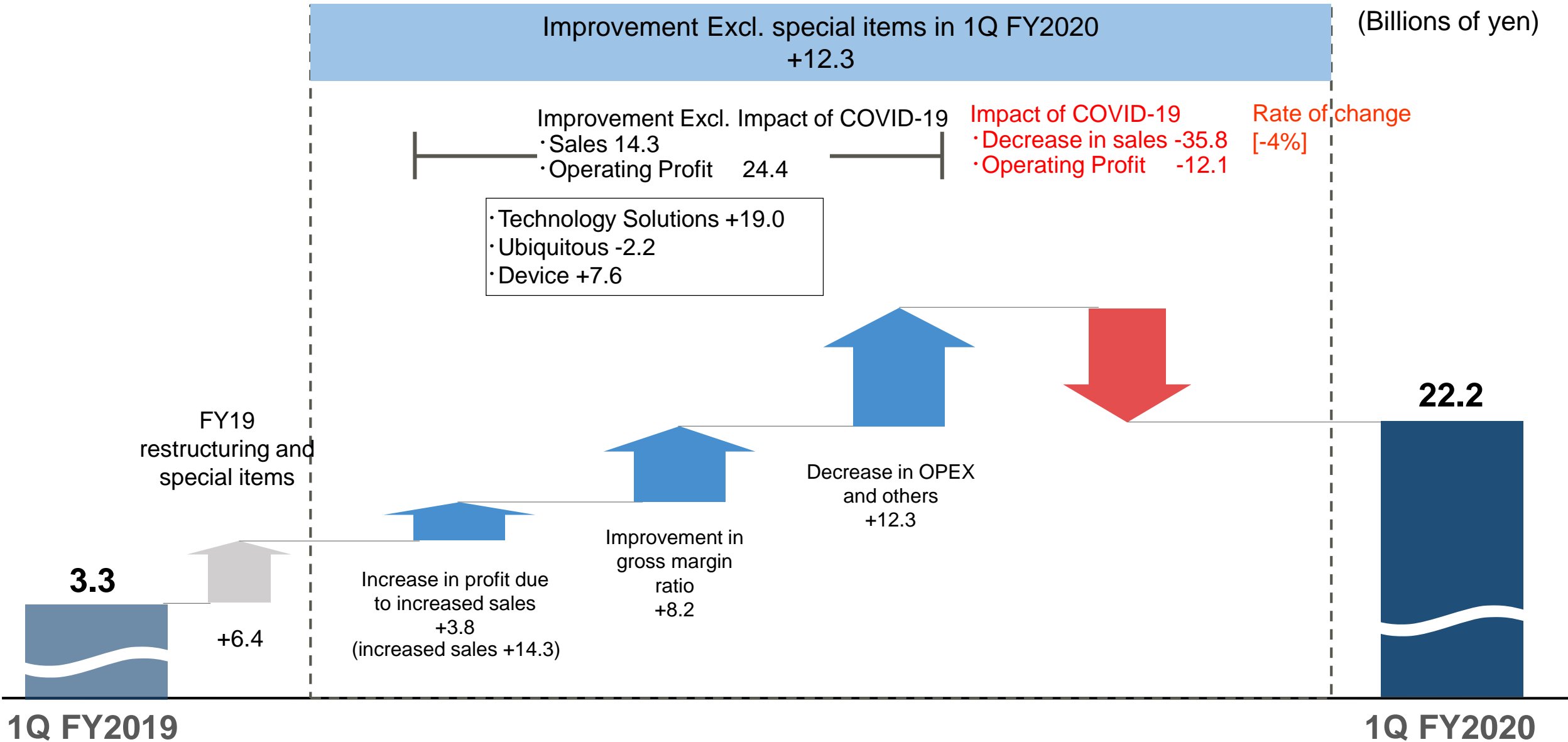
(Billions of yen)

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

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

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

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



Revenue by segments

Breakdown of change vs LY

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

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

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

(Billions of yen)

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

Overall orders in Japan (Fujitsu Limited only)



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

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

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

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

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

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

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

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

Business Segment Information[1Q]

(Billions of yen)

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

Technology Solutions

(Billions of yen)

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

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

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

[Operating Profit] Increased by 5.0 billion yen

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

Revenue (breakdown)

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

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

Technology Solutions (Solutions/Services)

(Billions of yen)

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

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

[Revenue]

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

[Operating Profit]

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

Technology Solutions (System Platforms)

(Billions of yen)

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

[Revenue]

(System Products)

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

(Network Products)

Demand increased for 5G base stations.

[Operating Profit]

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

Revenue (breakdown)

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

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

Technology Solutions (International Regions Excluding Japan)

(Billions of yen)

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

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

[Revenue]

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

[Operating Profit]

Profits fell primarily due to the impact of lower revenue.

Ubiquitous Solutions

(Billions of yen)

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

[Revenue]

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

[Operating Profit]

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

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

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

Device Solutions

(Billions of yen)

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

Revenue (breakdown)

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

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

[Revenue]

Impact of business restructuring: -14.3 billion yen

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

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

[Operating Profit]

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

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

Impact of business model transformation expenses: +6.4 billion yen

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

Cash Flows

(Billions of yen)

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

[Cash flows from operating activities]

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

[Cash flows from investing activities]

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

Assets, Liabilities and Equity

(Billions of yen)

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

Reference: Financial Indices

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

2. Earnings Forecast for FY2020

Assumptions
about
the External
Environment

Economic activity bottomed out in Q1 due to the impact of COVID-19, will gradually recover in Q2 and Q3.
Business activity will fully reopen in Q4, but conditions will not fully normalize by the end of the fiscal year.

Impacts on
Fujitsu's
Business
(Assumed)

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

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

(Billions of yen)

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

Exchange Rate

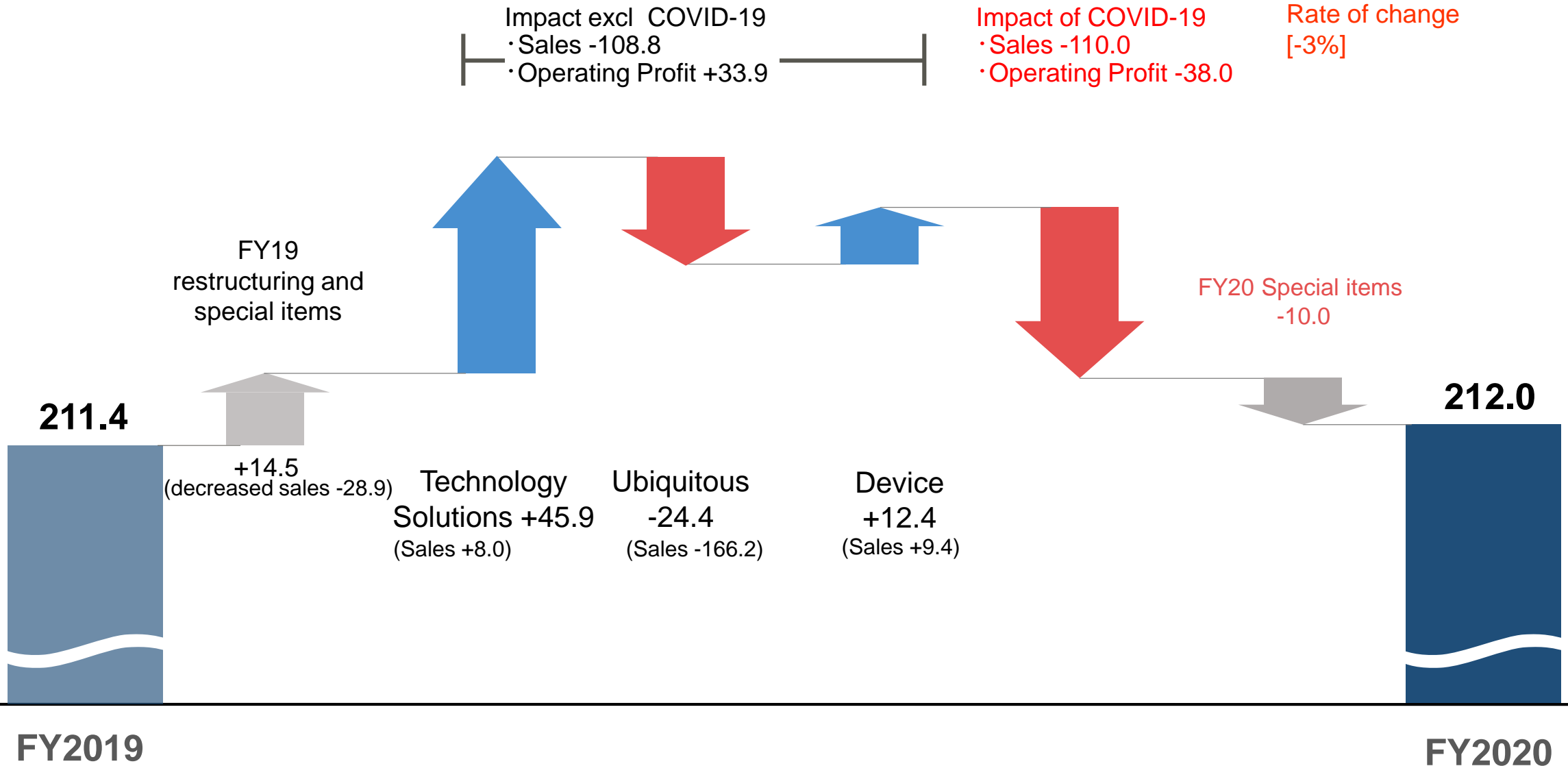
| | | | | |
|---------------------|------|------|-------|------|
| U.S. dollar / Yen | 109 | 105 | -4 | -3.7 |
| Euro / Yen | 121 | 120 | -1 | -0.8 |
| British pound / Yen | 138 | 140 | 2 | 1.4 |
| Euro / U.S. dollar | 1.11 | 1.10 | -0.01 | -0.9 |

| | | | | |
|--------------------------------|-------|-------|---|--|
| Ratio of Revenue Outside Japan | 31.8% | 31.8% | - | |
|--------------------------------|-------|-------|---|--|

Factors Behind Change in Operating Profit (FY2019 → FY2020)



(Billions of yen)



■ Revenue

- Excluding the impact of COVID-19:

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

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

- Excluding special items and restructuring:

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

| | |
|--|-------------------|
| - Impact of special factors in FY2019 not recurring: | +13.7 billion yen |
| - Business model transformation expenses in FY2020: | -10.0 billion yen |

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

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

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

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

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

• Reductions and delays in ICT investment

Japan

Manufacturing, distribution, and healthcare projects all saw significant impacts

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

Outside Japan

Heavily influenced by strict lockdowns.

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

Stagnant business deal activity

Business deal activity with SMEs has stagnated

⇒ Expect that the impact will be concentrated in 1H, assuming normalization in 2H and beyond

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

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

Business deals related to remote work

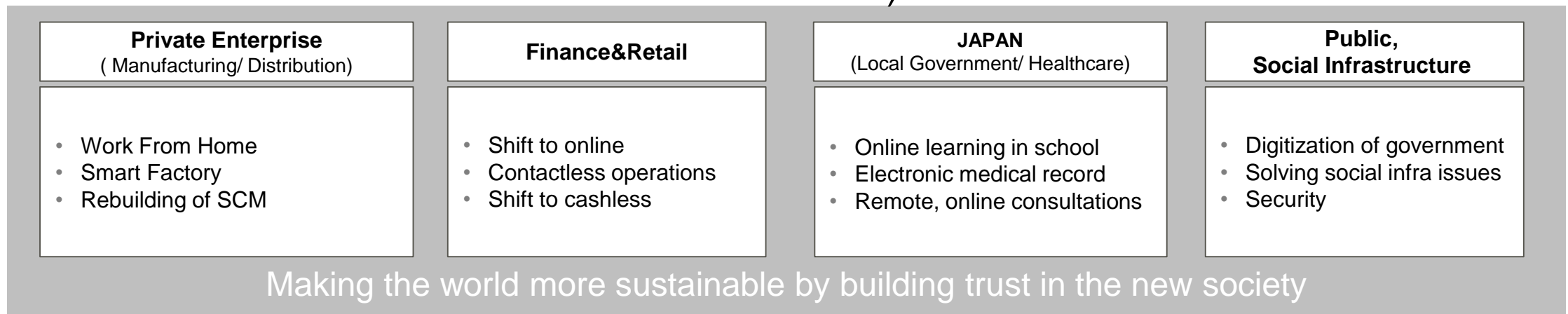
Business deals related to digitization, contactless and staff-less service.

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

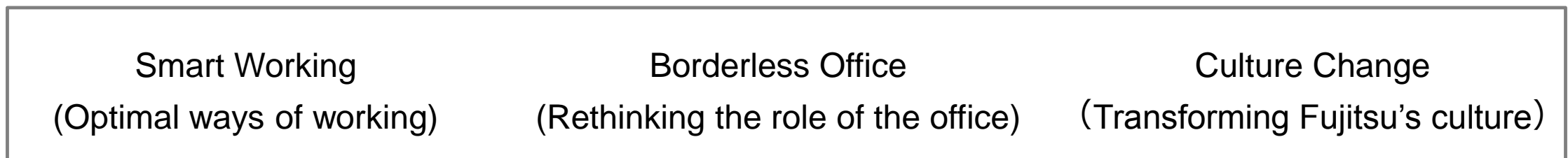
• Delivery delays in the fourth quarter of last year were resolved in the first quarter.

New Demand and Work Style Reform in Accordance with Societal Changes

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



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



Business Segment Information

(Billions of yen)

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

2.Earnings Forecast
for FY2020

Business Segment Information



(Billions of yen)

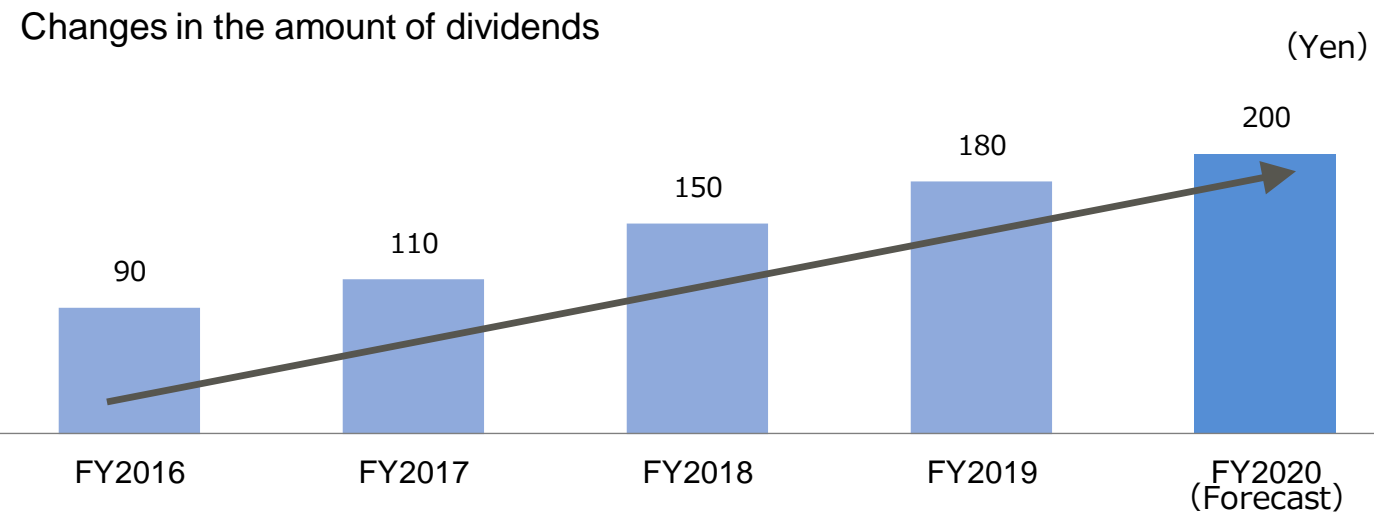
| | | FY2019 (Actual) | FY2020 (Forecast) | Change | Excl. Impact of COVID-19 | Impact of COVID-19 | |
|------------------------------|--|--------------------|----------------------|---------------|-----------------------------|-----------------------|---|
| | | | | | | | |
| Device Solutions | Revenue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

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

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

Dividends (Yen)

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

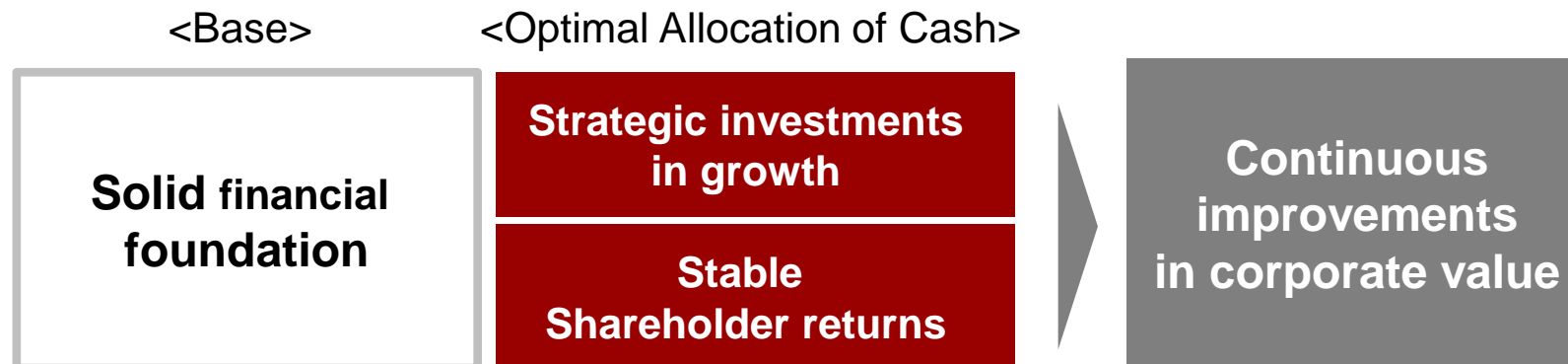


3. Capital Allocation Policy

I. Direction of Financial Strategy

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

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



II. Capital Allocation Policy

Next Five Years
(FY20-24)

- (1) Cash flow: Generate over 1 trillion yen in free cash flow over the next 5 years
- (2) Allocation: Optimally allocate cash to growth investments and shareholder returns

(1) Generating Stable Cash Flow

(2) concept of allocation



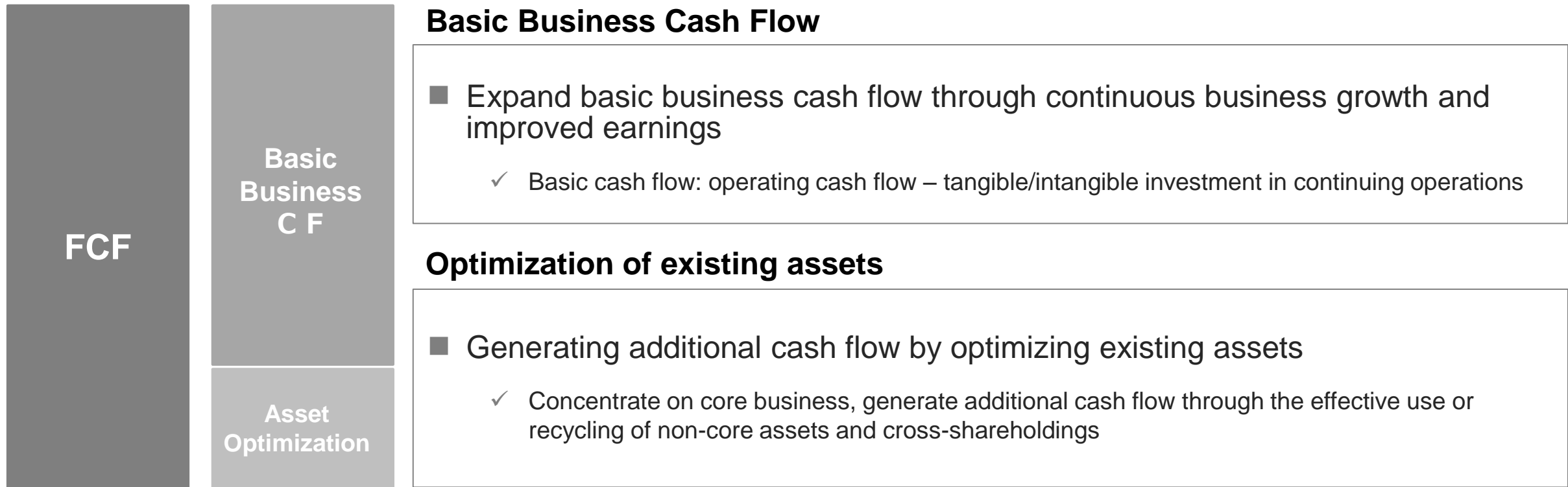
Solid Financial Foundation
No need for additional cash anytime soon



Over 1 trillion yen

(1) Generating Stable Cash Flow

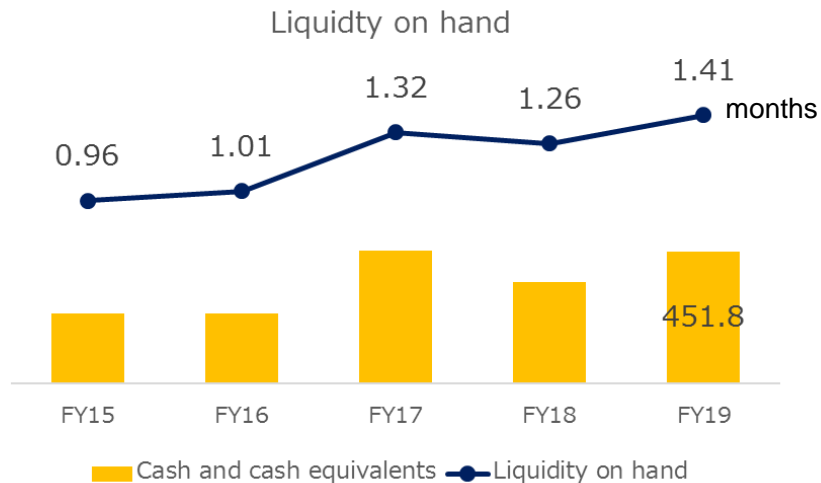
In addition to generate cash flow from business growth, will optimize existing assets
 Generate over 1 trillion yen in free cash flow over the next 5 years (FY20-24)



Maintaining a Solid Financial Foundation

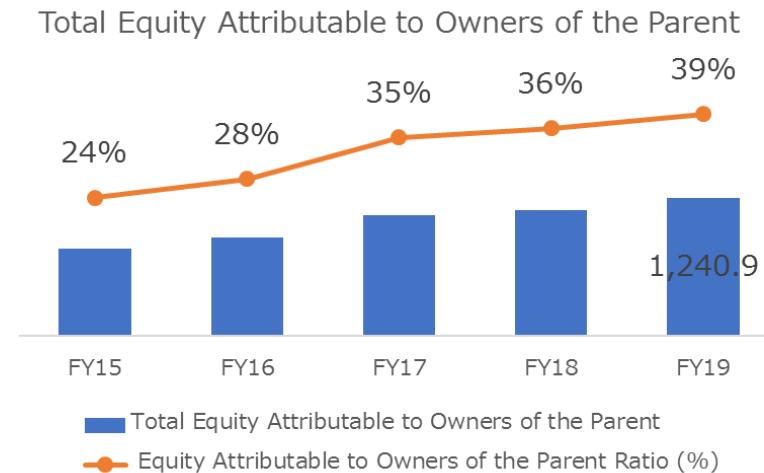
Currently achieving stability in liquidity on hand and total equity attributable to owners of the parent.
 Going forward, make further improvements by such measures as increasing the capital efficiency

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



FY19(Actual)

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

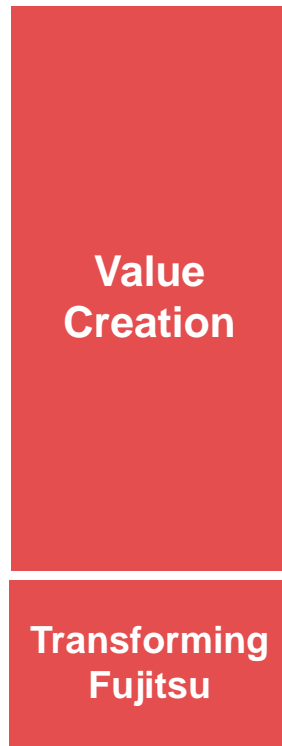


FY19(Actual)

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

Strategic Investments in Growth

To create value for customers and society, and to transform Fujitsu into a DX company, will actively implement necessary investments (500-600 billion yen over 5 years)



Investments in Value Creation

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

Investments in Transforming Fujitsu

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

Stable Shareholder Returns

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

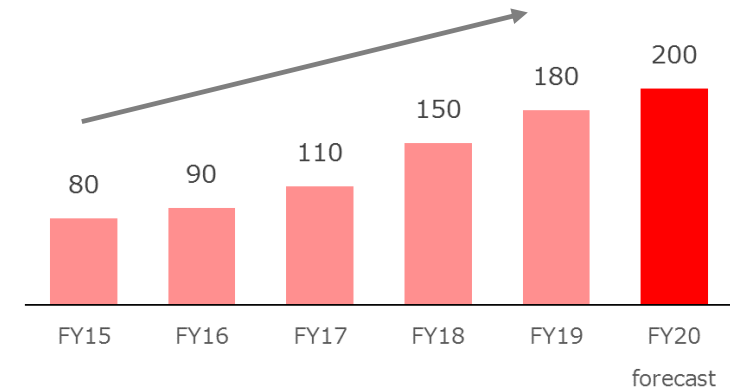
Dividends

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

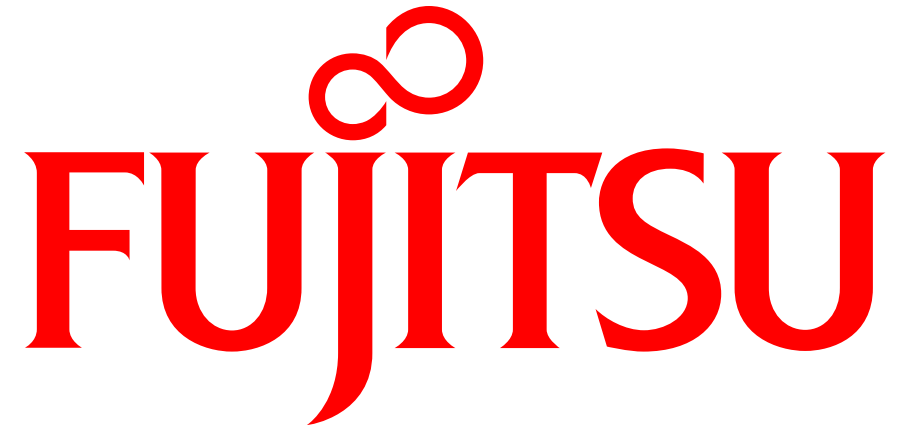
Share Repurchases

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

Trend in dividends (yen)



- Enhance business growth and profitability, achieve financial targets of increasing sales and improving the operating margin.
- Focus on EPS in terms of capital efficiency, and aim for sustainable growth in EPS going forward.



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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

Supplementary

Business Segment Information

[Quarterly Breakdown of Results]

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

Business Segment Information

[Revenue Breakdown-In and Outside Japan 1Q]

(Billions of yen)

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

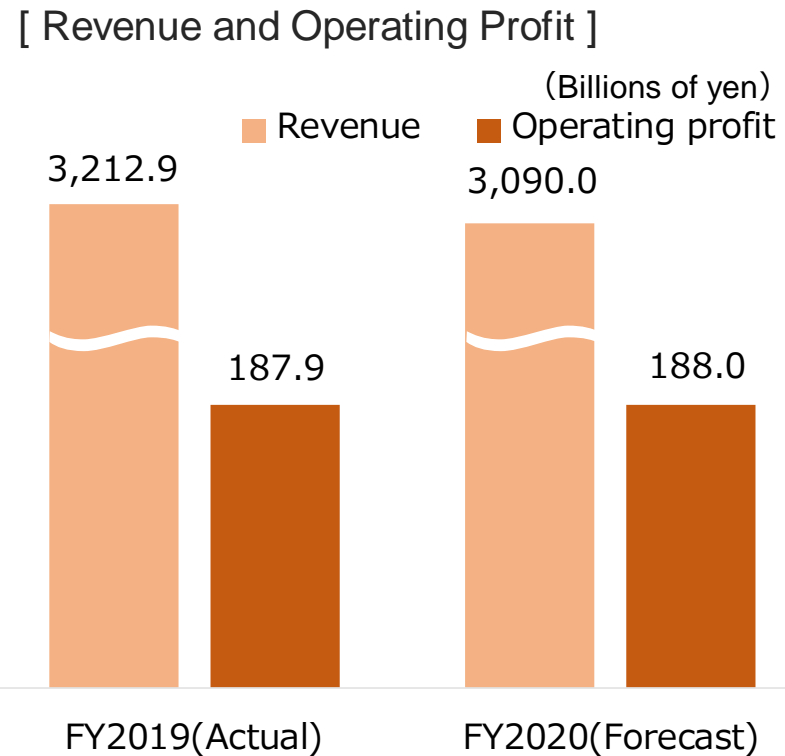
Breakdown of International Regions Excluding Japan

(Billions of yen)

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

Note: Revenue includes Inter-region revenue.

Technology Solutions



(Billions of yen)

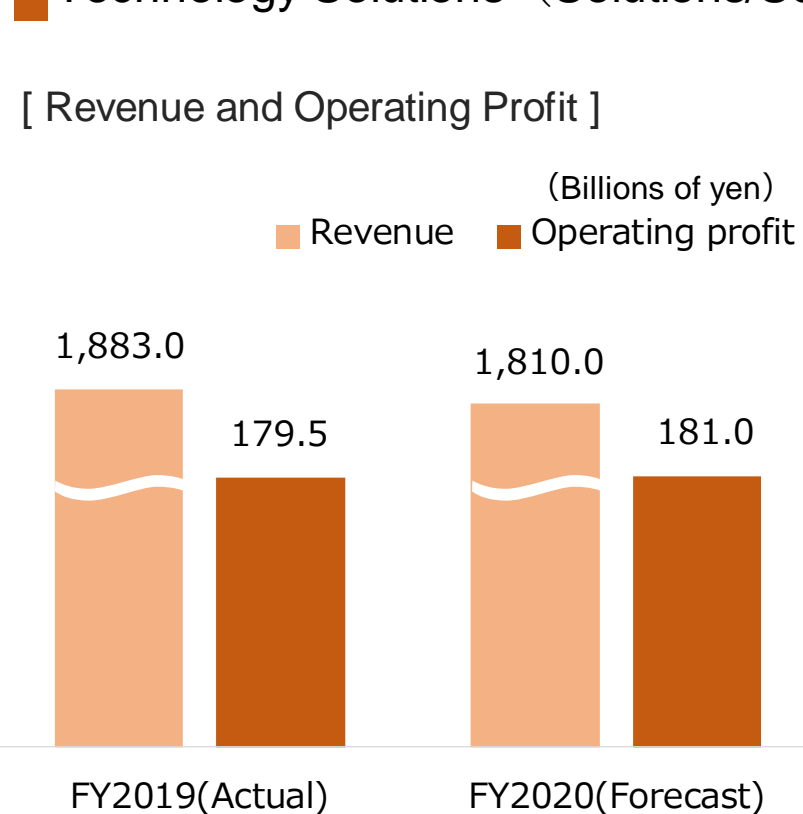
| Technology Solutions | FY2019 (Actual) | FY2020 (Forecast) | Change | | |
|---------------------------|-----------------|-------------------|----------|--------|------|
| | | | (%) | (%) | |
| Revenue | 3,212.9 | 3,090.0 | [-131.0] | -122.9 | -3.8 |
| Operating profit | 187.9 | 188.0 | [-40.0] | - | - |
| [Operating profit margin] | [5.8%] | [6.1%] | | [0.3%] | |

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

(Billions of yen)

| | FY2019 (Actual) | FY2020 (Forecast) | Impact of COVID-19 | Excl. Impact of COVID-19 |
|---------|-----------------|-------------------|--------------------|--------------------------|
| Revenue | 3,212.9 | 3,090.0 | -131.0 | 3,221.0 |
| OPPL | 187.9 | 188.0 | -40.0 | 228.0 |
| % | [5.8%] | [6.1%] | | [7.1%] |

Technology Solutions (Solutions/Services)



(Billions of yen)

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

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

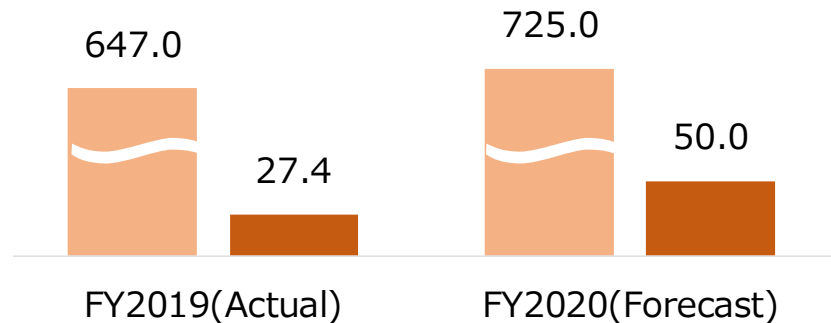
- Despite the impact of lower revenue due to COVID-19, operating profit is expected to increase due to ongoing improvements in profitability and enhanced efficiency in operating expenses.

Technology Solutions (System Platforms)

(Billions of yen)

[Revenue and Operating Profit]

(Billions of yen)
■ Revenue ■ Operating profit



| System Platforms | FY2019 (Actual) | FY2020 (Forecast) | Change | |
|---------------------------|-----------------|-------------------|------------|--------|
| | | | (Absolute) | (%) |
| Revenue | 647.0 | 725.0 | [-10.0] | 77.9 |
| System Products | 440.1 | 485.0 | [-21.0] | 44.8 |
| Network Products | 206.8 | 240.0 | [11.0] | 33.1 |
| Operating profit | 27.4 | 50.0 | [-1.0] | 22.5 |
| [Operating profit margin] | [4.2%] | [6.9%] | | [2.7%] |

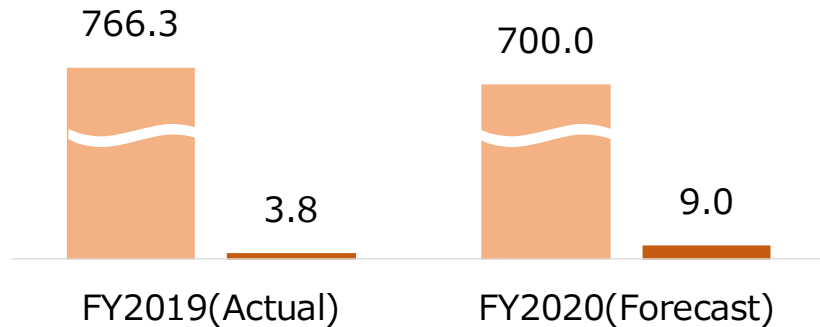
[] Figures in parentheses indicate the Impact of COVID-19

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

Technology Solutions (International Regions Excluding Japan)

[Revenue and Operating Profit]

(Billions of yen)
■ Revenue ■ Operating profit



(Billions of yen)

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

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

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

Technology Solutions (Common)

(Billions of yen)

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

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

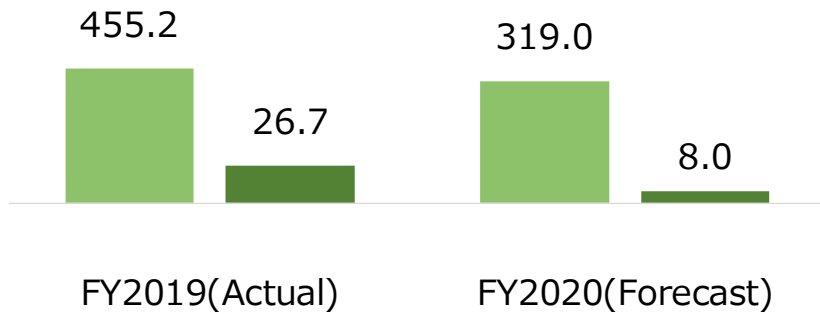
- Expenses are expected to increase due to investments for internal digital transformation.

Ubiquitous Solutions

(単位：億円)

[Revenue and Operating Profit]

(Billions of yen)
■ Revenue ■ Operating profit



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

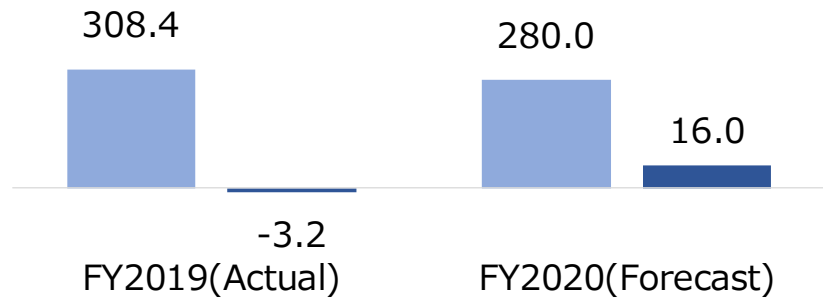
[] Figures in parentheses indicate the Impact of COVID-19

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

Device Solutions

[Revenue and Operating Profit]

(Billions of yen)
■ Revenue ■ Operating profit



(Billions of yen)

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

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

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

Assumption used for FY2020 Forecasts

1. Exchange Rates (Average) and Impact of Fluctuation

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

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

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

Assumption used for FY2020 Forecasts

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

(Billions of yen)

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

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

3. R&D Expenses

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