

2Q
FY2020

October 27, 2020



shaping tomorrow with you

Consolidated Financial Results

Fujitsu Limited

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- 1 . Financial Results for 1H FY2020
 - 2 . Earnings Forecast for FY2020

1. Financial Results for 1H FY2020

Financial Results [2Q]

(Billions of yen)

		2Q FY2019 (Actual)	2Q FY2020 (Actual)	Change	Impact of COVID-19	Excl. Impact of COVID-19
Excl. restructuring and special items	Revenue	956.8	820.7	-136.1	-49.3	-86.8
	OPPL	67.2	45.8	-21.3	-16.0	-5.3
	[Operating Profit Margin]	[7.0%]	[5.6%]	[-1.4%]		
Impact of restructuring *1	Revenue	33.1	8.3	-24.8		
	OPPL	-2.5	-1.0	1.5		
Special items *2	Revenue	-	-	-		
	OPPL	3.0	-4.8	-7.8		
Total	Revenue	990.0	829.0	-160.9	-49.3	-111.6
	OPPL	67.6	39.9	-27.7	-16.0	-11.6
	[Operating Profit Margin]	[6.8%]	[4.8%]	[-2.0%]		

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

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

1. Financial Results
for 1H FY2020

Consolidated PL [2Q]



(Billions of yen)

	FY2019 (Actual)		FY2020 (Actual)				Impact of COVID-19
	1Q	2Q	1Q	2Q	Change	(%)	
Revenue	838.7	990.0	802.7	829.0	-160.9	-16.3	-49.3
Operating Profit	3.3	67.6	22.2	39.9	-27.7	-40.9	-16.0
[Operating Profit Margin]	[0.4%]	[6.8%]	[2.8%]	[4.8%]	[-2.0%]		
Financial income (expenses), etc	2.8	6.8	3.6	2.0	-4.7	-69.5	
Profit for the Period Before Income Taxes	6.2	74.5	25.9	42.0	-32.4	-43.6	
Profit for the Period Attributable to Owners of the Parent	7.0	56.5	18.1	28.9	-27.6	-48.8	

Exchange Rate

U.S. dollar / Yen	110	107	108	106	-1	-0.9
Euro / Yen	123	119	118	124	5	4.2
British pound / Yen	141	132	134	137	5	3.8
Euro / U.S. dollar	1.12	1.11	1.10	1.17	0.06	5.4

■ Revenue

- Excl. special items and restructuring
 - Impact of COVID-19 -49.3 billion yen - Negative impact, primarily in Technology Solutions
 - Excluding the impact of COVID-19 -86.8 billion yen - Big decline in Ubiquitous Solutions from the unusually high demand in the previous year
- Impact of restructuring -24.8 billion yen - Restructuring of device business as well as North America and Europe

■ OPPL

- Excl. special items and restructuring
 - Impact of COVID-19 -16.0 billion yen - Negative impact, primarily in Solutions/Services and International Regions Excluding Japan
 - Excluding the impact of COVID-19 -5.3 billion yen - Operating profit declined because of the large revenue decline in Ubiquitous Solutions
- Impact of restructuring +1.5 billion yen - Restructuring of device business as well as North America and Europe
- Special items -7.8 billion yen
 - Actual FY20: -4.8 billion yen from restructuring of production facilities in System Platforms
 - Actual FY19: +3.0 billion yen from gain on reversal of reserves related to the restructuring of businesses in Europe

■ Financial income (expenses), etc.

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

1. Financial Results
for 1H FY2020

Financial Results [1H]



(Billions of yen)

		1H FY2019 (Actual)	1H FY2020 (Actual)	Change	Impact of COVID-19	Excl. Impact of COVID-19
Excl. restructuring and special items	Revenue	1,758.6	1,612.7	-145.9	-85.1	-60.7
	OPPL	78.6	69.2	-9.4	-28.1	18.7
	[Operating Profit Margin]	[4.5%]	[4.3%]	[-0.2%]		
Impact of restructuring *1	Revenue	70.1	19.1	-50.9		
	OPPL	-4.5	-2.1	2.4		
Special items *2	Revenue	-	-	-		
	OPPL	-3.0	-4.8	-1.8		
Total	Revenue	1,828.7	1,631.8	-196.9	-85.1	-111.7
	OPPL	71.0	62.2	-8.8	-28.1	19.3
	[Operating Profit Margin]	[3.9%]	[3.8%]	[-0.1%]		

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

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

1. Financial Results
for 1H FY2020

Consolidated PL [1H]



(Billions of yen)

	1H FY2019 (Actual)	1H FY2020 (Actual)	Change		Impact of COVID-19
				(%)	
Revenue	1,828.7	1,631.8	-196.9	-10.8	-85.1
Operating Profit	71.0	62.2	-8.8	-12.4	-28.1
[Operating Profit Margin]	[3.9%]	[3.8%]	[-0.1%]		
Financial income (expenses), etc	9.7	5.7	-3.9	-40.8	
Profit for the Period Before Income Taxes	80.8	68.0	-12.7	-15.8	
Profit for the Period Attributable to Owners of the Parent	63.6	47.1	-16.5	-26.0	

Exchange Rate

U.S. dollar / Yen	109	107	-2	-1.8
Euro / Yen	121	121	-	-
British pound / Yen	137	135	-2	-1.5
Euro / U.S. dollar	1.12	1.13	0.01	0.9

■ Revenue

- Excl. special items and restructuring

Impact of COVID-19	-85.1 billion yen	- Negative impact, primarily in Technology Solutions
Excluding the impact of COVID-19	-60.7 billion yen	- Decline of around 100 billion yen in Ubiquitous Solutions from the unusually high demand in the previous year

- Impact of restructuring

	-50.9 billion yen	- Restructuring of device business as well as North America and Europe
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■ OPPL

- Excl. special items and restructuring

Impact of COVID-19	-28.1 billion yen	- Negative impact, primarily in Technology Solutions
Excluding the impact of COVID-19	+18.7 billion yen	- Able to cover the impact of the big decline in PC revenues and increase profit <ul style="list-style-type: none"> - Profitability improvement in Solutions/Services and Devices - Reduction in operating expenses

- Impact of restructuring

	+2.4 billion yen	- Restructuring of device business as well as North America and Europe
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- Special items

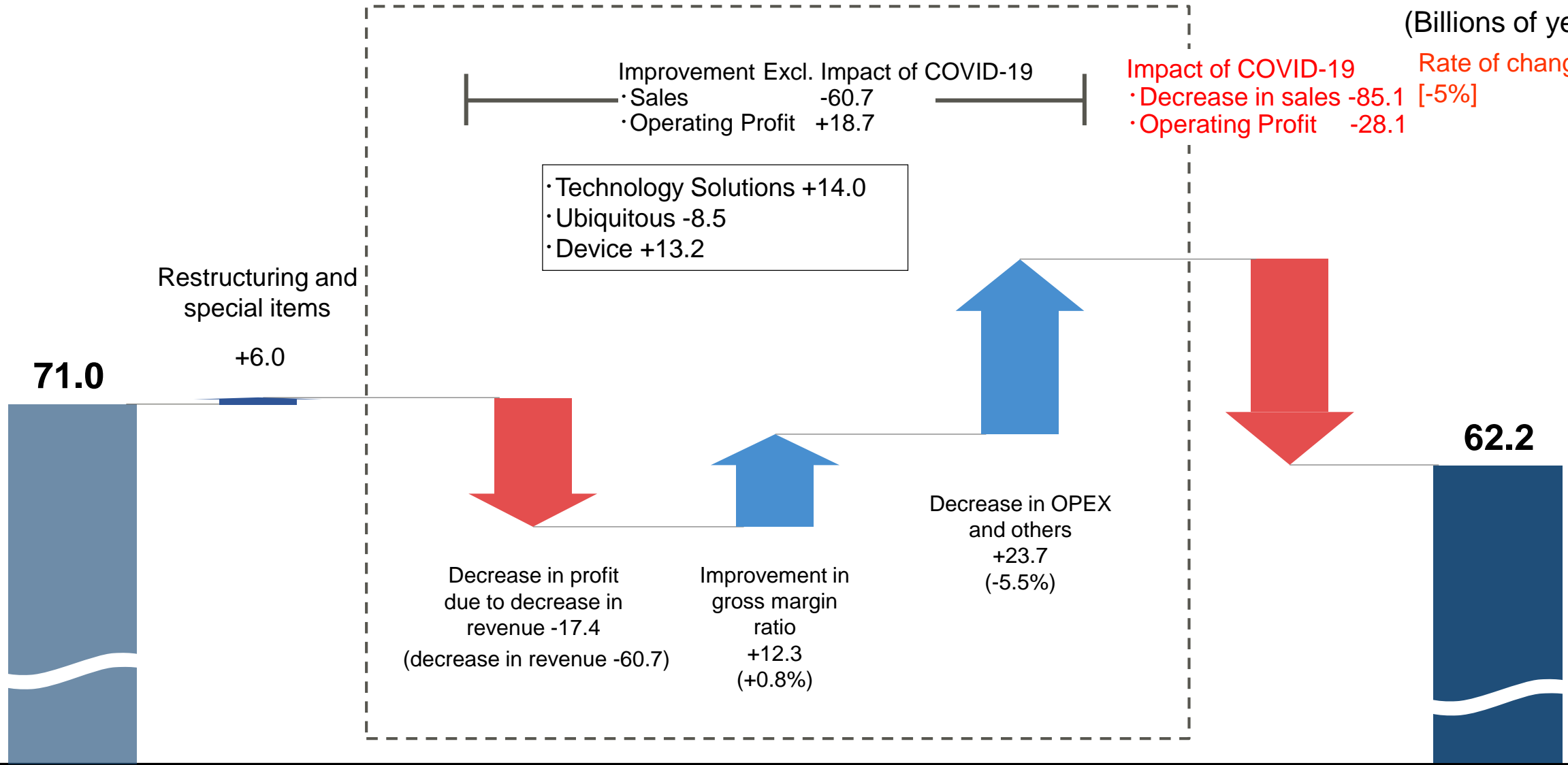
	-1.8 billion yen	- Actual FY20: -4.8 billion yen from restructuring of production facilities in System Platforms
		- Actual FY19: -3.0 billion yen from restructuring of device businesses

■ Financial income (expenses), etc.

- | | | |
|--|------------------|---|
| | -3.9 billion yen | - Decline primarily from lower income from equity in earnings of affiliates related to Ubiquitous Solutions |
|--|------------------|---|

Factors Behind Change in Operating Profit

(Billions of yen)



1H FY2019

1H 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 (Recoil from the previous year's special demand)

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

	1H FY2020 (Actual)	Change	(Billions of yen)	
			Impact of COVID-19	Excl. Impact of COVID-19
Excl. restructuring and special items	1,612.7	-145.9	-85.1	-60.7
Technology Solutions	1,361.1	-94.0	-100.2	6.2
Solutions/Services	795.5	-76.6	-60.8	-15.7
System Platforms	291.7	3.0	-23.1	26.1
International Regions Excluding Japan	318.6	-21.0	-13.7	-7.2
Common	-44.8	0.6	-2.5	3.1
Ubiquitous Solutions	154.7	-81.7	20.3	-102.0
Device Solutions	138.6	6.1	-5.3	11.4
Inter-segment Elimination	-41.8	23.6	-	23.6

**Impact of COVID-19 Revenue: Decline of 85.1 billion yen ... Negative Factors: -138.1 billion yen,
Positive Factors: +52.9 billion yen**

- **Impact per Market**

Private Enterprise: [Manufacturing & Distribution]	Significant impact due to postponements of project implementations, particularly in manufacturing and automotive
Finance & Retail:	While there has been some impact on retail, the impact has been relatively light
Japan Business Group: [Local Government & Healthcare]	Significant impact due to postponements of project implementations and a freeze on new business deals for healthcare and local government projects, while business deal activity for small and medium-sized customers has also been suspended.
Public & Social Infrastructure:	Limited impact
International Regions Excluding Japan:	Significant impact due to severe lockdowns, primarily in Europe

- **New Demand**

- Expansion of PC sales and infrastructure projects related to remote work, including telecommuting
- Solutions aimed at automating and improving the efficiency of call centers
 - (Future) Key words arising in business negotiations are digitalization, contactless, and unstaffed

Gross Profit Margin Improved by 0.8%

Solutions/Services

- Ongoing improvements in costs for maintenance and operations services
- Improvement in project profitability due to strengthened assurance process, including upstream processes

Reduction in Operating Expenses: Improvement of 23.7 billion yen ... 5.5% reduction over the previous year

- Improving the efficiency of general expenses: 11.0 billion yen
- Other : 12.7 billion yen – Increased development efficiency in System Platforms, among other factors

Business Model Transformation Outside Japan → According to Plan

<Progress Status>

- **Reorganization of product business in Europe** ... Manufacturing at the factory location in Augsburg has ceased, the transfer to EMS and the concentration of R&D functionality have been completed
- **Exiting from Low Profitability Countries in Europe** ... Of the initial planned 23 countries, exit has been completed in 20 of them. In the remaining three countries, we are in the final stages of signing contracts (MBOs, business sales, closures, etc.)
- **Reorganization of Business in North America (Rethinking our Business Portfolio)** ... Stop selling H/W products (mainly servers), negotiations on the transfer of some businesses are under way and to be completed as planned by the end of the year.

Overall orders in Japan (Fujitsu Limited only)

Industries	FY2019(Actual)				FY2020(Actual)			Excl. Orders For PC 1H
	1Q	2Q	1H	2H	1Q	2Q	1H	
Private Enterprise [Manufacturing & Distribution]	108%	113%	111%	103%	93%	85%	89%	91%
Finance & Retail	106%	131%	118%	94%	89%	84%	86%	90%
JAPAN [Local Government & Healthcare]	132%	118%	125%	88%	79%	85%	82%	88%
Public & Social Infrastructure	109%	86%	98%	103%	109%	96%	103%	102%
Total	114%	109%	112%	98%	93%	88%	91%	94%
[Excl. Orders For PC]	[110%]	[106%]	[108%]	[97%]	[98%]	[89%]	[94%]	

1. Financial Results
for 1H FY2020

Business Segment Information[1H]



(Billions of yen)

		1H FY2019 (Actual)	Special items/ restructuring	1H FY2020 (Actual)	Special items/ restructuring	Change	Excl. Special items	Special items/ restructuring	Impact of COVID-19
Revenue	Technology Solutions	1,484.2	29.0	1,377.4	16.3	-106.7	-94.0	-12.7	-100.2
	Ubiquitous Solutions	241.4	4.9	157.6	2.8	-83.8	-81.7	-2.0	20.3
	Device Solutions	168.6	36.1	138.6	-	-30.0	6.1	-36.1	-5.3
	Inter-segment Elimination	-65.5	-	-41.8	-	23.6	23.6	-	-
	Total	1,828.7	70.1	1,631.8	19.1	-196.9	-145.9	-50.9	-85.1
OPPL	Technology Solutions	63.8	-1.3	42.3	-5.9	-21.5	-16.8	-4.6	-30.9
	Ubiquitous Solutions	14.0	0.5	8.7	-0.9	-5.2	-3.6	-1.5	4.8
	Device Solutions	-6.8	-6.8	11.1	-	17.9	11.1	6.8	-2.0
	Total	71.0	-7.5	62.2	-6.9	-8.8	-9.4	0.6	-28.1

Technology Solutions

(Billions of yen)

Technology Solutions	1H FY2019 (Actual)	1H FY2020 (Actual)	Change		
					(%)
Revenue	1,484.2	1,377.4	[-100.2]	-106.7	-7.2
Operating profit	63.8	42.3	[-30.9]	-21.5	-33.7
[Operating profit margin]	[4.3%]	[3.1%]		[-1.2%]	

Revenue (breakdown)

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

Japan	1,045.9	985.9	-59.9	-5.7
Outside Japan	438.3	391.5	-46.8	-10.7

[Revenue]

Revenue fell significantly due to the impact of COVID-19 and restructuring.

Impact of COVID-19: -100.2 billion yen

Impact of business restructuring: -12.7 billion yen

Excluding the above effects: +6.2 billion yen

[Operating Profit]

Profit decreased due to large revenue decrease by COVID-19. Excluding COVID-19, profit increased significantly.

Impact of COVID-19: -30.9 billion yen

Impact of business restructuring: +1.4 billion yen

Impact of special items: -6.1 billion yen

Excluding the above effects: +14.0 billion yen

Technology Solutions (Solutions/Services)

(Billions of yen)

Solutions/ Services	1H FY2019 (Actual)	1H FY2020 (Actual)	Change		
					(%)
Revenue	872.2	795.5	[-60.8]	-76.6	-8.8
Operating profit	61.5	54.2	[-19.7]	-7.3	-11.9
[Operating profit margin]	[7.1%]	[6.8%]		[-0.3%]	

[] Figures in parentheses 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, due to a major healthcare project recorded last year that did not recur this year, as well as a drop in hardware-related business, such as PC deployment support services.

[Operating Profit]

Profit decreased due to large revenue decrease from COVID-19. Excluding COVID-19, profit increased due to ongoing improvements in cost prices and reductions in expenses. Impact of COVID-19: -19.7 billion yen
Excluding the above effect: +12.4 billion yen

Technology Solutions (System Platforms)

(Billions of yen)

System Platforms	1H FY2019 (Actual)	1H FY2020 (Actual)	Change		
					(%)
Revenue	288.7	291.7	[-23.1]	3.0	1.0
System Products	198.6	192.0	[-24.6]	-6.5	-3.3
Network Products	90.1	99.7	[1.5]	9.6	10.7
Operating profit	9.8	7.3	[-5.8]	-2.5	-25.9
[Operating profit margin]	[3.4%]	[2.5%]		[-0.9%]	

Revenue (breakdown)

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

Japan	229.8	238.0	8.2	3.6
Outside Japan	58.9	53.6	-5.2	-8.8

[Revenue]

(System Products)

Despite higher revenue from the Supercomputer Fugaku, revenue fell significantly due to the impact of COVID-19

(Network Products)

Revenue rose on higher demand for 5G base stations

[Operating Profit]

In addition to the impact of COVID-19, profit decreased due to impact of special items, but otherwise increased.

Impact of COVID-19: -5.8 billion yen

Impact of special items: -4.6 billion yen

Excluding the above effects: +7.9 billion yen

This was due to the effects of higher revenue in Network Products and increased efficiency in development expenses

Technology Solutions (International Regions Excluding Japan)

(Billions of yen)

International Regions Excluding Japan	1H FY2019 (Actual)	1H FY2020 (Actual)	Change		
					(%)
Revenue	368.7	334.9	[-13.7]	-33.8	-9.2
Operating profit	2.8	-0.8	[-3.7]	-3.7	-
[Operating profit margin]	[0.8%]	[-0.3%]		[-1.1%]	

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

[Revenue]

Excluding special items and restructuring, COVID-19 had a significant impact on revenue.

Impact of COVID-19: -13.7 billion yen

Impact of business restructuring: -12.7 billion yen – exit from unprofitable countries in Europe and the product business in North America

Excluding the above effects: -7.2 billion yen – due to foreign exchange impacts and continued weak sales in the product business in Europe

[Operating Profit]

Profit decreased primarily by COVID-19.

Impact of COVID-19: -3.7 billion yen

Impact of business restructuring: +1.4 billion yen

Impact of special items: -1.4 billion yen

Excluding the above effects: In line with the previous year

Technology Solutions (Common)

(Billions of yen)

Common	1H FY2019 (Actual)	1H FY2020 (Actual)	Change
Operating profit	-10.4	-18.3	-7.8

- Impact of COVID-19: -1.6 billion yen
- In addition to investments in stronger networks and enhanced security measures accompanying the acceleration of Work Life Shift, expenses also increased for One ERP, which standardizes management, business processes, data, and IT, to achieve internal digital transformation

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



For Growth

Contributing to customers' business growth

For Stability

Contributing to customers' business stability

Revenue

(Billions of yen)

	FY2018 (Actual)		FY2019 (Actual)		1H FY2020 (Actual)		Change	
		composition ratio(%)		composition ratio(%)		composition ratio(%)		composition ratio(%)
Growth Rate			112%		105%			
For Growth	880.0	28	987.9	31	459.1	33	23.5	4
Growth Rate			98%		88%			
For Stability	2,281.2	72	2,225.0	69	918.3	67	-130.2	-4
Growth Rate			102%		93%		[-100.2]	
Technology Solutions	3,161.2	100	3,212.9	100	1,377.4	100	-106.7	-

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

Ubiquitous Solutions

(Billions of yen)

Ubiquitous Solutions	1H FY2019 (Actual)	1H FY2020 (Actual)	Change		
					(%)
Revenue	241.4	157.6	[20.3]	-83.8	-34.7
Operating profit	14.0	8.7	[4.8]	-5.2	-37.2
[Operating profit margin]	[5.8%]	[5.6%]		[-0.2%]	

[Revenue]

Revenue fell significantly compared to the previous year, as last year saw significant one-time demand for replacement devices due to the end of support for Windows 7 and the increase in the consumption tax, and this demand did not recur this year.

[Operating Profit]

Operating profit declined due to the impact of lower revenue.

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

Japan	173.4	103.5	-69.9	-40.3
Outside Japan	67.9	54.0	-13.8	-20.4

Device Solutions

(Billions of yen)

Device Solutions	1H FY2019 (Actual)	1H FY2020 (Actual)	Change		
				(%)	
Revenue	168.6	138.6	[-5.3]	-30.0	-17.8
Operating profit	-6.8	11.1	[-2.0]	17.9	-
[Operating profit margin]	[-4.0%]	[8.0%]		[12.0%]	

Revenue (breakdown)

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

Japan	68.3	34.6	-33.7	-49.3
Outside Japan	100.2	103.9	3.7	3.7

[Revenue]

Revenue rose by 4.6%, excluding special items and restructuring, despite the impact of COVID-19.
Impact of business restructuring: Revenue reduced by 36.1 billion yen – Due to the exclusion of the Mie semiconductor plant from the consolidated results from the third quarter of fiscal 2019

[Operating Profit]

Impact of business restructuring: +0.8 billion yen
Impact of special items: +6.0 billion yen
Excluding special items and restructuring: +11.1 billion yen – due to the effects of higher revenue from electronic components and improved profitability

Cash Flows

(Billions of yen)

	1H FY2019 (Actual)	1H FY2020 (Actual)	Change
I Cash flows from operating activities	115.2	156.9	41.7
II Cash flows from investing activities	-47.8	-44.1	3.6
I + II Free Cash Flow	67.3	112.7	45.4
III Cash flows from financing activities	-58.7	-75.5	-16.7
IV Cash and Cash Equivalents at End of Period	423.9	493.1	69.1

[Cash flows from operating activities]

- In addition to increased asset efficiency, including lower inventories, cash flows also improved due to reduced outflows related to structural transformation

[Cash flows from investing activities]

- Same level investments the previous year, primarily in Services in Japan

Assets, Liabilities and Equity

(Billions of yen)

	Year-end FY2019	End of 2Q FY2020	Change
Total Assets	3,187.4	2,989.4	-197.9
Total Liabilities	1,839.0	1,633.7	-205.2
Total Equity	1,348.4	1,355.7	7.2
Total Equity Attributable to Owners of the Parent	1,240.9	1,267.6	26.6

Reference: Financial Indices

Interest-bearing Loans	405.5	365.4	-40.1
(Net Interest-bearing Loans)	(-46.2)	(-125.6)	(-79.3)
D/E Ratio (Times)	0.33	0.29	-0.04
Equity Attributable to Owners of the Parent Ratio (%)	38.9	42.4	3.5

Return to shareholders

Dividend (Per Share)	(Yen)		
	FY2019	FY2020	Change
End of First Half	80	100	20
End of Fiscal Year	100	[100]	-
Annual	180	[200]	20

Figures in brackets [] are forecasts.

2. Earnings Forecast for FY2020

2.Earnings Forecast for FY2020

Financial Forecast



(Billions of yen)

	FY2019 (Actual)	FY2020(Forecast)		Change	(%)	Impact of COVID-19
		Current Forecast	Change vs. Previous Forecast			
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%	-	-
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Business Segment Information

(Billions of yen)

		FY2019 (Actual)	FY2020(Forecast)		Change	Change (%)	Impact of COVID-19
			Current Forecast	Change vs. Previous Forecast			
Revenue	Technology Solutions	3,212.9	3,090.0	-	-122.9	-3.8	-131.0
	Ubiquitous Solutions	455.2	319.0	-	-136.2	-29.9	30.0
	Device Solutions	308.4	280.0	-	-28.4	-9.2	-9.0
	Inter-segment Elimination	-118.8	-79.0	-	39.8	-	-
	Total	3,857.7	3,610.0	-	-247.7	-6.4	-110.0
OPPL	Technology Solutions	187.9	188.0	-	-	-	-40.0
	Ubiquitous Solutions	26.7	8.0	-	-18.7	-70.1	6.0
	Device Solutions	-3.2	16.0	-	19.2	-	-4.0
	Total	211.4	212.0	-	0.5	0.2	-38.0

2.Earnings Forecast
for FY2020

Business Segment Information

Breakdown of Technology Solutions



(Billions of yen)

		FY2019 (Actual)	FY2020(Forecast)		Change		Impact of COVID-19
			Current Forecast	Change vs. Previous Forecast		(%)	
Revenue	Technology Solutions	3,212.9	3,090.0	-	-122.9	-3.8	-131.0
	Solutions/Services	1,883.0	1,810.0	-	-73.0	-3.9	-78.0
	System Platforms	647.0	725.0	-	77.9	12.0	-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	188.0	-	-	-	-40.0
	Solutions/Services	179.5	181.0	-	1.4	0.8	-28.0
	System Platforms	27.4	45.0	-5.0	17.5	63.7	-1.0
	International Regions Excluding Japan	3.8	9.0	-	5.1	131.8	-9.0
	Common	-22.9	-47.0	5.0	-24.0	-	-2.0

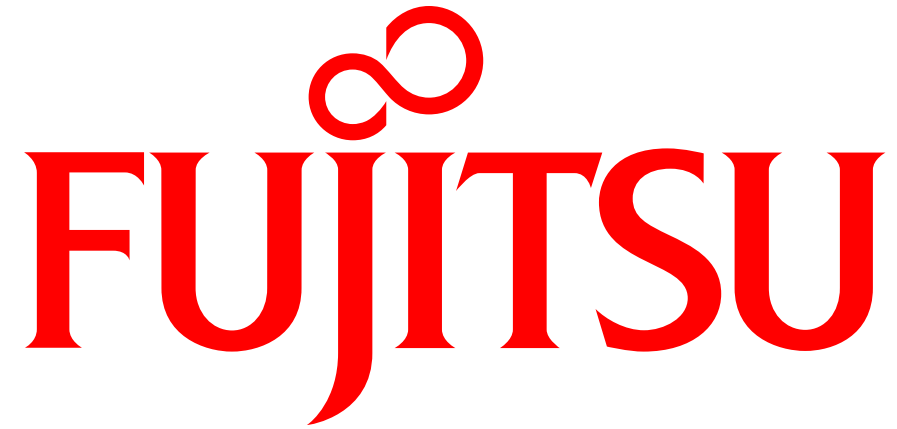
Cash Flows



Free Cash Flow

(Billions of yen)

	FY2019 (Actual)	FY2020 (Forecast)	Change vs. Previous Forecast
Free Cash Flow	233.0	170.0	-



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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[2Q]

(Billions of yen)

		2Q FY2019 (Actual)	Special items/ restructuring	2Q FY2020 (Actual)	Special items/ restructuring	Change	Excl. Special items	Special items/ restructuring	Impact of COVID-19
Revenue	Technology Solutions	807.1	13.5	698.3	6.9	-108.7	-102.2	-6.5	-62.6
	Ubiquitous Solutions	138.4	1.4	83.7	1.3	-54.7	-54.6	-	16.0
	Device Solutions	85.2	18.2	70.3	-	-14.9	3.3	-18.2	-2.6
	Inter-segment Elimination	-40.8	-	-23.3	-	17.5	17.5	-	-
	Total	990.0	33.1	829.0	8.3	-160.9	-136.1	-24.8	-49.3
OPPL	Technology Solutions	56.2	-	29.6	-5.0	-26.6	-21.6	-4.9	-16.9
	Ubiquitous Solutions	10.4	0.7	4.5	-0.8	-5.8	-4.2	-1.6	1.9
	Device Solutions	0.9	-0.2	5.7	-	4.7	4.5	0.2	-1.0
	Total	67.6	0.4	39.9	-5.8	-27.7	-21.3	-6.3	-16.0

Business Segment Information

[Quarterly Breakdown of Results]

(Billions of yen)

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

Two Business Areas for Value Creation (Technology Solutions)

For Growth/For Stability: Composition of Businesses

For Growth	<ul style="list-style-type: none"> • SI Development (New / Modernization / Upgrades)
	<ul style="list-style-type: none"> • Cloud Services Related <ul style="list-style-type: none"> IaaS / SaaS Cloud Integration Applications (Applications run in the cloud) Software (Software run in the cloud)
	<ul style="list-style-type: none"> • Cybersecurity-Related Services
	<ul style="list-style-type: none"> • Consulting Services
	<ul style="list-style-type: none"> • Advanced Products: HPC, 5G Network-Related
For Stability	<ul style="list-style-type: none"> • System Maintenance and Operations Services • Conventional (On Premise) Applications • Application Maintenance Services (On Premise) • System Platforms <ul style="list-style-type: none"> Legacy Processor-Related Legacy Network-Related

Two Business Areas for Value Creation (Technology Solutions)

(Billions of yen)

		FY2019 (Actual)			1H FY2020 (Actual)			Change		
		For Growth	For Stability	Total	For Growth	For Stability	Total	For Growth	For Stability	Total
Technology Solutions	Growth Rate				105%	88%	93%			
	Revenue	987.9	2,225.0	3,212.9	459.1	918.3	1,377.4	23.5	-130.2	-106.7
	composition ratio	[31%]	[69%]	[100%]	[33%]	[67%]	[100%]	[4%]	[-4%]	[-%]
Solutions/ Services	Growth Rate				95%	88%	91%			
	Revenue	816.2	1,066.8	1,883.0	360.2	435.3	795.5	-17.7	-58.9	-76.6
	composition ratio	[43%]	[57%]	[100%]	[45%]	[55%]	[100%]	[2%]	[-2%]	[-%]
System Platforms	Growth Rate				207%	83%	101%			
	Revenue	136.5	510.5	647.0	85.0	206.7	291.7	44.0	-41.0	3.0
	composition ratio	[21%]	[79%]	[100%]	[29%]	[71%]	[100%]	[15%]	[-15%]	[-%]
International Regions Excluding Japan	Growth Rate				83%	91%	91%			
	Revenue	35.2	731.1	766.3	14.0	320.9	334.9	-2.9	-30.9	-33.8
	composition ratio	[5%]	[95%]	[100%]	[4%]	[96%]	[100%]	[-1%]	[1%]	[-%]
Common	Revenue	-	-83.5	-83.5	-	-44.8	-44.8	-	0.6	0.6
	composition ratio	[-%]	[100%]	[100%]	[-%]	[100%]	[100%]	[-%]	[-%]	[-%]

Business Segment Information

[Revenue Breakdown-In and Outside Japan 2Q]

(Billions of yen)

		2Q FY2019 (Actual)	2Q FY2020 (Actual)	Change	(%)
Technology Solutions	Revenue	807.1	698.3	-108.7	-13.5
	Japan	589.0	503.1	-85.8	-14.6
	Outside Japan	218.0	195.1	-22.9	-10.5
Solutions/ Services	Revenue	483.4	418.7	-64.7	-13.4
	Japan	473.0	408.4	-64.5	-13.7
	Outside Japan	10.4	10.3	-0.1	-1.3
System Platforms	Revenue	166.4	140.0	-26.3	-15.9
	Japan	136.3	110.0	-26.2	-19.3
	Outside Japan	30.1	29.9	-0.1	-0.4
International Regions Excluding Japan	Revenue	182.4	163.8	-18.6	-10.2
	Japan	0.3	-	-0.3	-79.0
	Outside Japan	182.0	163.7	-18.3	-10.1
Common	Revenue	-25.2	-24.3	0.9	-
Ubiquitous Solutions	Revenue	138.4	83.7	-54.7	-39.5
	Japan	107.0	56.4	-50.5	-47.2
	Outside Japan	31.4	27.2	-4.2	-13.4
Device Solutions	Revenue	85.2	70.3	-14.9	-17.5
	Japan	35.1	18.0	-17.1	-48.8
	Outside Japan	50.0	52.3	2.2	4.5
Inter-segment Elimination	Revenue	-40.8	-23.3	17.5	-
Total	Revenue	990.0	829.0	-160.9	-16.3
	Japan	692.4	555.9	-136.5	-19.7
	Outside Japan	297.5	273.1	-24.4	-8.2

Ratio of Revenue Outside Japan

30.1%

32.9%

2.8%

Business Segment Information

[Revenue Breakdown-In and Outside Japan 1H]

(Billions of yen)

		1H FY2019 (Actual)	1H FY2020 (Actual)	Change	(%)
Technology Solutions	Revenue	1,484.2	1,377.4	-106.7	-7.2
	Japan	1,045.9	985.9	-59.9	-5.7
	Outside Japan	438.3	391.5	-46.8	-10.7
Solutions/ Services	Revenue	872.2	795.5	-76.6	-8.8
	Japan	851.9	778.7	-73.1	-8.6
	Outside Japan	20.3	16.8	-3.4	-17.0
System Platforms	Revenue	288.7	291.7	3.0	1.0
	Japan	229.8	238.0	8.2	3.6
	Outside Japan	58.9	53.6	-5.2	-8.8
International Regions Excluding Japan	Revenue	368.7	334.9	-33.8	-9.2
	Japan	0.7	0.2	-0.4	-70.3
	Outside Japan	368.0	334.7	-33.3	-9.1
Common	Revenue	-45.4	-44.8	0.6	-
Ubiquitous Solutions	Revenue	241.4	157.6	-83.8	-34.7
	Japan	173.4	103.5	-69.9	-40.3
	Outside Japan	67.9	54.0	-13.8	-20.4
Device Solutions	Revenue	168.6	138.6	-30.0	-17.8
	Japan	68.3	34.6	-33.7	-49.3
	Outside Japan	100.2	103.9	3.7	3.7
Inter-segment Elimination	Revenue	-65.5	-41.8	23.6	-
Total	Revenue	1,828.7	1,631.8	-196.9	-10.8
	Japan	1,226.2	1,085.8	-140.4	-11.5
	Outside Japan	602.4	546.0	-56.4	-9.4

Ratio of Revenue Outside Japan 32.9% 33.5% 0.6%

Breakdown of International Regions Excluding Japan

(Billions of yen)

		2Q FY2019 (Actual)	2Q FY2020 (Actual)	Change	1H FY2019 (Actual)	1H FY2020 (Actual)	Change
International Regions Excluding Japan	Revenue	182.4	163.8	-18.6	368.7	334.9	-33.8
	Operating Profit	3.4	2.9	-0.5	2.8	-0.8	-3.7
NWE [Northern & Western Europe]	Revenue	80.4	76.4	-4.0	166.5	154.8	-11.6
	Operating Profit	0.8	-0.6	-1.5	0.2	-3.3	-3.5
CEE [Central & Eastern Europe]	Revenue	43.3	38.4	-4.8	82.9	79.4	-3.5
	Operating Profit	3.7	0.1	-3.5	5.2	-0.1	-5.3
Americas	Revenue	16.7	12.8	-3.8	34.2	27.5	-6.6
	Operating Profit	-3.0	1.3	4.4	-4.8	-	4.9
Asia	Revenue	21.2	18.9	-2.2	41.5	35.7	-5.7
	Operating Profit	0.6	0.4	-0.1	0.6	0.6	-
Oceania	Revenue	17.7	17.3	-0.4	37.1	36.9	-0.2
	Operating Profit	0.2	0.5	0.3	0.3	0.8	0.5
Others	Revenue	2.9	-0.2	-3.2	6.3	0.3	-5.9
	Operating Profit	0.9	0.9	-	1.2	1.0	-0.2

Note: Revenue includes Inter-region revenue.

Assumption used for FY2020 Forecasts

1. Exchange Rates (Average) and Impact of Fluctuation

	FY2019 (Actual)	FY2020			Impact of Exchange Rate Fluctuation 2H (Forecast)*
		1H (Actual)	2H (Forecast)	Change vs. Previous Forecast	
U.S. dollar / Yen	109	107	105	-	-0.1 Billion yen
Euro / Yen	121	121	120	-	0.1 Billion yen
British pound / Yen	138	135	140	-	0.0 Billion yen
Euro / U.S. dollar	1.11	1.13	1.10	-	-0.8 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)

	1H		Full year		Change vs. Previous Forecast
	FY2019 (Actual)	FY2020 (Actual)	FY2019 (Actual)	FY2020 (Forecast)	
Technology Solutions	27.4	19.5	53.8	67.0	-
Ubiquitous Solutions	-	0.1	0.2	0.5	-
Device Solutions	26.7	17.2	42.4	42.5	-
Capital Expenditures	54.2	36.8	96.4	110.0	-
Depreciation	45.5	35.3	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	60.6	56.0	123.3	120.0	-
[As % of Revenue]	[3.3%]	[3.4%]	[3.2%]	[3.3%]	-