

Notice Regarding the Recording of Non-Operating Income and Income Taxes-Deferred Due to the Liquidation of North American Subsidiary of Fujitsu Limited

Tokyo, December 23, 2021 — Fujitsu Limited (hereinafter Fujitsu) announced that it has made a resolution at its Board of Directors meeting held today, that Fujitsu will restructure its North American subsidiaries and consequently liquidate parts of its North American subsidiaries. As a result of this decision, Fujitsu expects to record non-operating income and income taxes-deferred due to the liquidation of Fujitsu America, Inc. (hereinafter “FAI”), a US consolidated Subsidiary of Fujitsu, on a non-consolidated basis for the fiscal year ending March 2022.

1. Overview of the Restructuring

Established in 2009, FAI, together with several of its subsidiaries, has been providing IT services and selling and maintaining hardware products as Fujitsu's North American base of operations.

FAI has been working on the restructuring of its business structure since fiscal 2019 in response to rapid changes in the North American market and the technology sector. Specifically, FAI has been working to streamline highly competitive hardware-related businesses and concentrate on IT services business.

In order to pursue synergies by integrating management resources that have been dispersed among multiple subsidiaries in the United States, Fujitsu has further been considering the option of restructuring its North American subsidiaries. The purpose of this restructuring is to reduce the number of subsidiaries by liquidating parts of its subsidiaries and to align the management structure with the capital structure.

Fujitsu will carry out the above mentioned restructuring of its North American subsidiaries as the final step of the restructuring process, following the completed restructuring of FAI's business structure. Specifically, Fujitsu will consolidate its service business in North America by transferring FAI's service business in the United States and shares of FAI's subsidiaries to the newly integrated company, and liquidate FAI and parts of its subsidiaries. After the completion of the business integration, the newly integrated company will be renamed to “Fujitsu North America, Inc.”, and will restart as a specialized service company for North America.

2. Schedule of the Restructuring

Date of resolution by Board of Directors:	December 23, 2021 (today)
Date commencement of the restructuring process:	December 23, 2021 (today)
Date completion of the restructuring process:	April 1, 2022 (scheduled)

3. Impact of the restructuring on earnings

- Impact on non-consolidated financial results

As a result of the improvement in the financial condition of FAI, the reversal of allowance for losses on business of affiliated companies, which was recorded in the non-consolidated financial statements, is recorded as non-operating income. In addition, the effect of the decrease in tax expenses is recorded as income taxes-deferred, as the investment loss on FAI, which has been recorded as loss, is expected to be included for tax purposes. In the fiscal year ending March 2022, Fujitsu expects to record a total net income of approximately 50 billion yen.

- Impact on the consolidated financial results

The impact on the consolidated financial results for the fiscal year ending March 2022 has been omitted as it is immaterial

(applicable to the criteria for immateriality).

There are no revisions to the consolidated earnings forecasts announced on October 27, 2021.

Note: The impact of the foregoing is based on information currently available to Fujitsu. Actual results may differ materially from projections due to various factors.

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About Fujitsu

Fujitsu is the leading Japanese information and communication technology (ICT) company offering a full range of technology products, solutions and services. Approximately 126,000 Fujitsu people support customers in more than 100 countries. We use our experience and the power of ICT to shape the future of society with our customers. Fujitsu Limited (TSE:6702) reported consolidated revenues of 3.6 trillion yen (US\$34 billion) for the fiscal year ended March 31, 2021.

For more information, please see www.fujitsu.com