

January 27, 2022

FY 2021 Nine-Month Financial Results
April 1, 2021 - December 31, 2021

Fujitsu Limited

Consolidated Financial Results for the Nine months Ended December 31, 2021

[Prepared on the basis of International Financial Reporting Standards]

January 27, 2022

Company name : Fujitsu Limited
 Stock exchange listings : Tokyo, Nagoya
 Code number: : 6702
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 Representative: : Takahito Tokita, President and Representative Director
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 Scheduled filing date of statutory financial report: : February 3, 2022
 Scheduled dividend payment date: : -
 Supplementary material: : Yes
 Financial results meeting: : Yes (for media and analysts)

1. Consolidated Results for the Nine months Ended December 31, 2021

(Monetary amounts are rounded to the nearest million yen.)

(1) Consolidated financial results

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

(Millions of yen)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
		Change (%)		Change (%)		Change (%)		Change (%)
9 Months FY 2021 (4/1/21-12/31/21)	2,543,537	0.7	146,668	- 5.8	158,422	-3.4	147,255	21.3
9 Months FY 2020 (4/1/20-12/31/20)	2,526,200	-8.2	155,740	28.2	164,080	21.9	121,419	22.8

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		Change (%)		Change (%)
9 Months FY 2021 (4/1/21-12/31/21)	124,283	8.6	180,582	27.5
9 Months FY 2020 (4/1/20-12/31/20)	114,398	14.5	141,624	31.4

(Yen)

	Earnings per share	
	Basic	Diluted
9 Months FY 2021 (4/1/21-12/31/21)	627.51	626.81
9 Months FY 2020 (4/1/20-12/31/20)	571.25	570.83

(2) Consolidated financial position

(Millions of yen)

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
December 31, 2021	3,115,599	1,642,426	1,525,545	49.0%
March 31, 2021	3,190,206	1,546,905	1,450,139	45.5%

2. Dividends per Share (Ordinary Shares)

(Yen)

	Dividends per share				
	1Q	2Q	3Q	Year-end	Full year
FY2020	-	100.00	-	100.00	200.00
FY2021	-	110.00	-		
FY2021(Forecast)				110.00	220.00

Note: Revision of the latest dividends forecast: None

3. Consolidated Earnings Forecast for FY2021

(The percentage figures represent the percentage of increase or decrease against the previous year.)

(Millions of yen, except per share data)

	Revenue		Operating profit		Profit for the year attributable to owners of the parent		Basic earnings per share
		Change (%)		Change (%)		Change (%)	
FY2021	3,630,000	1.1	275,000	3.3	205,000	1.1	1,036.49

Note: Revision of the latest consolidated earnings forecast: None

4. Other Information

(1) Significant changes to subsidiaries in the current reporting period

(Changes to specified subsidiaries resulting from changes in scope of consolidation): No

(2) Changes in accounting policies and accounting estimates

1. Changes in accounting policies required by IFRS: None

2. Changes arising from factors other than 1: None

3. Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

1. Number of issued shares at end of period	As of December 31, 2021	207,001,821
	As of March 31, 2021	207,001,821
2. Treasury stock held at end of period	As of December 31, 2021	10,044,094
	As of March 31, 2021	8,002,339
3. Average number of shares during period	9 Months FY 2021	198,058,442
	9 Months FY 2020	200,260,395

Notes

1. This financial report is not subject to quarterly review

2. Precautions on usage of earnings projections

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 due 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

For information regarding the assumptions used to prepare these projections, please refer to the supplemental explanation materials (Presentation Material).

Financial Tables

1. Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Notes	FY2020	3Q FY2021
		(As of March 31, 2021)	(As of December 31, 2021)
Assets			
Current assets			
Cash and cash equivalents		481,832	427,654
Trade receivables		859,930	537,339
Other receivables		48,769	72,098
Inventories		237,013	336,647
Others		233,333	379,210
Subtotal		1,860,877	1,752,948
Assets held for sale		12,215	3,441
Total current assets		1,873,092	1,756,389
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		569,593	575,940
Goodwill		41,239	41,614
Intangible assets		120,459	129,349
Investments accounted for using the equity method		154,396	159,283
Other investments		176,891	173,049
Deferred tax assets		76,661	81,956
Others		177,875	198,019
Total non-current assets		1,317,114	1,359,210
Total assets		3,190,206	3,115,599
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		468,139	441,098
Other payables		358,425	278,024
Short-term borrowings, current portion of long-term debt and lease obligations		174,268	158,577
Accrued income taxes		32,183	23,856
Provisions		60,680	39,213
Others		194,757	217,163
Subtotal		1,288,452	1,157,931
Liabilities directly associated with assets held for sale		1,045	—
Total current liabilities		1,289,497	1,157,931
Non-current liabilities			
Long-term debt and lease obligations		142,057	134,342
Retirement benefit liabilities		149,994	117,663
Provisions		26,615	22,320
Deferred tax liabilities		8,451	15,173
Others		26,687	25,744
Total non-current liabilities		353,804	315,242
Total liabilities		1,643,301	1,473,173
Equity			
Share capital		324,625	324,625
Capital surplus		241,254	243,932
Treasury stock, at cost		-79,495	-120,592
Retained earnings		909,139	1,023,576
Other components of equity		54,616	54,004
Total equity attributable to owners of the parent		1,450,139	1,525,545
Non-controlling interests		96,766	116,881
Total equity		1,546,905	1,642,426
Total liabilities and equity		3,190,206	3,115,599

2. Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

【Nine Months Condensed Consolidated Statement of Profit or Loss】		(Millions of yen, except per share data)	
	Notes	9 Months FY2020 (For the nine months ended December 31, 2020)	9 Months FY2021 (For the nine months ended December 31, 2021)
Revenue		2,526,200	2,543,537
Cost of sales		-1,785,347	-1,774,451
Gross profit		740,853	769,086
Selling, general and administrative expenses		-612,114	-641,451
Other income		39,464	31,152
Other expenses		-12,463	-12,119
Operating profit		155,740	146,668
Financial income		4,633	5,528
Financial expenses		-2,990	-3,067
Income from investments accounted for using the equity method, net		6,697	9,293
Profit for the period before income taxes		164,080	158,422
Income tax expenses		-42,661	-11,167
Profit for the period		121,419	147,255
Profit for the period attributable to:			
Owners of the parent		114,398	124,283
Non-controlling interests		7,021	22,972
Total		121,419	147,255
Earning per share			
Basic earnings per share (Yen)		571.25	627.51
Diluted earnings per share (Yen)		570.83	626.81

【Nine Months Condensed Consolidated Statement of Comprehensive Income】		(Millions of yen)	
	Notes	9 Months FY2020 (For the nine months ended December 31, 2020)	9 Months FY2021 (For the nine months ended December 31, 2021)
Profit for the period		121,419	147,255
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		26,212	120
Remeasurement of defined benefit plans		-15,324	26,997
Share of other comprehensive income of investments accounted for using the equity method		190	-49
		11,078	27,068
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		7,530	5,616
Cash flow hedges		-21	186
Share of other comprehensive income of investments accounted for using the equity method		1,618	457
		9,127	6,259
Total other comprehensive income for the period, net of taxes		20,205	33,327
Total comprehensive income for the period		141,624	180,582
Total comprehensive income attributable to:			
Owners of the parent		134,255	156,954
Non-controlling interests		7,369	23,628
Total		141,624	180,582

【Third-Quarter Condensed Consolidated Statement of Profit or Loss】

(Millions of yen, except per share data)

	Notes	3Q FY2020 (For the three-month ended December 31, 2020)	3Q FY2021 (For the three-month ended December 31, 2021)
Revenue		894,363	880,526
Cost of sales		-626,244	-614,776
Gross profit		268,119	265,750
Selling, general and administrative expenses		-204,100	-211,588
Other income		31,915	15,927
Other expenses		-2,442	-4,904
Operating profit		93,492	65,185
Financial income		1,227	1,640
Financial expenses		-1,517	-719
Income from investments accounted for using the equity method, net		2,860	2,804
Profit for the period before income taxes		96,062	68,910
Income tax expenses		-24,840	11,301
Profit for the period		71,222	80,211
Profit for the period attributable to:			
Owners of the parent		67,270	71,344
Non-controlling interests		3,952	8,867
Total		71,222	80,211
Earning per share			
Basic earnings per share (Yen)		335.89	361.60
Diluted earnings per share (Yen)		335.66	361.26

【Third-Quarter Condensed Consolidated Statement of Comprehensive Income】

(Millions of yen)

	Notes	3Q FY2020 (For the three-month ended December 31, 2020)	3Q FY2021 (For the three-month ended December 31, 2021)
Profit for the period		71,222	80,211
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		13,113	-3,953
Remeasurement of defined benefit plans		9,001	19,830
Share of other comprehensive income of investments accounted for using the equity method		78	-91
		22,192	15,786
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		3,143	7,649
Cash flow hedges		—	132
Share of other comprehensive income of investments accounted for using the equity method		805	866
		3,948	8,647
Total other comprehensive income for the period, net of taxes		26,140	24,433
Total comprehensive income for the period		97,362	104,644
Total comprehensive income attributable to:			
Owners of the parent		93,238	95,250
Non-controlling interests		4,124	9,394
Total		97,362	104,644

3. Condensed Consolidated Statement of Changes in Equity

【Nine Months FY2020 (For the nine months period ended December 31, 2020)】

(Millions of yen)

Notes	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock, at cost	Retained earnings	Other components of equity	Total		
Balance at April 1, 2020	324,625	237,654	-59,614	735,920	2,371	1,240,956	107,479	1,348,435
Profit for the period				114,398		114,398	7,021	121,419
Other comprehensive income					19,857	19,857	348	20,205
Total comprehensive income for the period	—	—	—	114,398	19,857	134,255	7,369	141,624
Purchase of treasury stock			-97			-97		-97
Disposal of treasury stock		2	3			5		5
Share-based payment transactions		755	257			1,012		1,012
Dividends paid				-40,052		-40,052	-2,489	-42,541
Transfer to retained earnings				-14,432	14,432	—		—
Acquisition (disposal) of non-controlling interests		4,951				4,951	-22,700	-17,749
Others		-546		-117	-1	-664	1,362	698
Balance at December 31, 2020	324,625	242,816	-59,451	795,717	36,659	1,340,366	91,021	1,431,387

【Nine Months FY2021 (For the nine months period ended December 31, 2021)】

(Millions of yen)

Notes	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock, at cost	Retained earnings	Other components of equity	Total		
Balance at April 1, 2021	324,625	241,254	-79,495	909,139	54,616	1,450,139	96,766	1,546,905
Profit for the period				124,283		124,283	22,972	147,255
Other comprehensive income					32,671	32,671	656	33,327
Total comprehensive income for the period	—	—	—	124,283	32,671	156,954	23,628	180,582
Purchase of treasury stock			-41,859			-41,859		-41,859
Disposal of treasury stock						—		—
Share-based payment transactions		1,567	762			2,329		2,329
Dividends paid				-41,680		-41,680	-3,303	-44,983
Transfer to retained earnings				33,279	-33,279	—		—
Acquisition (disposal) of non-controlling interests		-339				-339	339	—
Others		1,450		-1,445	-4	1	-549	-548
Balance at December 31, 2021	324,625	243,932	-120,592	1,023,576	54,004	1,525,545	116,881	1,642,426

4. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

Notes	9 Months FY2020 (For the nine months ended December 31, 2020)	9 Months FY2021 (For the nine months ended December 31, 2021)
<i>Cash flows from operating activities</i>		
Profit for the period before income taxes	164,080	158,422
Depreciation, amortization and impairment loss	125,333	134,480
Increase (decrease) in provisions	-8,453	-23,092
Increase (decrease) in net defined benefit liability	-20,593	-20,334
Interest and dividend income	-3,365	-3,200
Interest charges	2,342	2,039
Income from investments accounted for using the equity method, net	-6,697	-9,293
(Gain) loss on sales of subsidiaries' stock	-26,645	-9,581
(Increase) decrease in trade receivables	319,804	323,530
(Increase) decrease in inventories	-42,578	-98,984
Increase (decrease) in trade payables	-43,636	-28,774
Other, net	-181,680	-183,551
Cash generated from operations	277,912	241,662
Interest received	985	781
Dividends received	4,310	7,302
Interest paid	-2,398	-2,051
Income taxes paid	-81,380	-53,255
Net cash provided by operating activities	199,429	194,439
<i>Cash flows from investing activities</i>		
Purchases of property, plant, equipment, and intangible assets	-92,087	-106,644
Proceeds from sales of investment securities	3,972	14,099
Net proceeds from sale of subsidiaries and business	41,685	16,156
Collection of loans receivable	11,677	421
Decrease (increase) in short-term investment	-8,197	-16,497
Other, net	1,689	7,424
Net cash used in investing activities	-41,261	-85,041
<i>Cash flows from financing activities</i>		
Increase (decrease) in short-term borrowings	14,752	21,880
Proceeds from long-term debt and issuance of bonds	463	68
Repayment of long-term debt and bonds	-55,173	-53,067
Payment of lease obligation	-54,944	-52,489
Purchase of treasury stock	-97	-41,859
Dividends paid to owners of the parent	-40,052	-41,680
Acquisition of non-controlling interests	-13,184	-
Other, net	1,346	1,934
Net cash used in financing activities	-146,889	-165,213
Net increase (decrease) in cash and cash equivalents	11,279	-55,815
Cash and cash equivalents at beginning of period	453,036	481,833
Effect of exchange rate changes on cash and cash equivalents	4,686	1,636
Cash and cash equivalents at end of period	469,001	427,654

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.