

October 27, 2022

FY 2022 First-Half Financial Results
April 1, 2022- September 30, 2022

Fujitsu Limited

Consolidated Financial Results for the First-Half Ended September 30, 2022

[Prepared on the basis of International Financial Reporting Standards]

October 27, 2022

Company name : Fujitsu Limited
 Stock exchange listings : Tokyo, Nagoya
 Code number: : 6702
 URL: : <https://www.fujitsu.com/global/>
 Representative: : Takahito Tokita, President and Representative Director
 Contact person: : Kunihiko Nomoto,
 Head of Public and Investor Relations Division
 Tel. +81 3 6252 2175

Scheduled filing date of statutory financial report: : November 2, 2022
 Scheduled dividend payment date: : November 30, 2022
 Supplementary material: : Yes
 Financial results meeting: : Yes (for media and analysts)

1. Consolidated Results for the First-Half Ended September 30, 2022

(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 (%)
1H FY 2022 (4/1/22-9/30/22)	1,705,311	2.5	100,969	23.9	130,650	46.0	91,978	37.2
1H FY 2021 (4/1/21-9/30/21)	1,663,011	1.9	81,483	30.9	89,512	31.6	67,044	33.6

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		Change (%)		Change (%)
1H FY 2022 (4/1/22-9/30/22)	71,981	36.0	101,075	33.1
1H FY 2021 (4/1/21-9/30/21)	52,939	12.3	75,938	71.6

(Yen)

	Earnings per share	
	Basic	Diluted
1H FY 2022 (4/1/22-9/30/22)	366.23	365.74
1H FY 2021 (4/1/21-9/30/21)	266.78	266.48

(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
September 30, 2022	3,223,976	1,793,460	1,650,374	51.2%
March 31, 2022	3,331,809	1,715,749	1,590,713	47.7%

2. Dividends per Share (Ordinary Shares)

(Yen)

	Dividends per share				
	1Q	2Q	3Q	Year-end	Full year
FY2021	-	110.00	-	110.00	220.00
FY2022	-	120.00	-	-	-
FY2022(Forecast)	-	-	-	120.00	240.00

Note: Revision of the latest dividends forecast: None

3. Consolidated Earnings Forecast for FY2022

(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 (%)	
FY2022	3,720,000	3.7	400,000	82.5	280,000	53.3	1,424.35

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 September 30, 2022	207,001,821
	As of March 31, 2022	207,001,821
2. Treasury stock held at end of period	As of September 30, 2022	10,386,424
	As of March 31, 2022	10,488,990
3. Average number of shares during period	1H FY 2022	196,546,227
	1H FY 2021	198,437,784

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	FY2021	2Q FY2022
		(As of March 31, 2022)	(As of September 30, 2022)
Assets			
Current assets			
Cash and cash equivalents		484,020	457,574
Trade receivables		878,473	596,469
Other receivables		62,327	73,323
Contract assets		116,357	202,977
Inventories		309,829	392,236
Others		90,823	101,222
Subtotal		1,941,829	1,823,801
Assets held for sale		—	26,391
Total current assets		1,941,829	1,850,192
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		571,168	564,836
Goodwill		47,487	55,066
Intangible assets		133,856	135,173
Investments accounted for using the equity method		166,126	172,928
Other investments		170,105	170,536
Retirement benefit assets		139,543	125,821
Deferred tax assets		99,838	91,463
Others		61,857	57,961
Total non-current assets		1,389,980	1,373,784
Total assets		3,331,809	3,223,976
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		470,237	430,258
Other payables		403,873	306,487
Contract liabilities		166,926	191,663
Short-term borrowings, current portion of long-term debt and lease obligations		168,766	134,428
Accrued income taxes		34,610	36,711
Provisions		42,851	40,674
Others		33,472	31,143
Total current liabilities		1,320,735	1,171,364
Non-current liabilities			
Long-term debt and lease obligations		116,553	109,268
Retirement benefit liabilities		115,972	92,372
Provisions		21,416	21,797
Deferred tax liabilities		15,305	10,968
Others		26,079	24,747
Total non-current liabilities		295,325	259,152
Total liabilities		1,616,060	1,430,516
Equity			
Share capital		324,625	324,625
Capital surplus		243,048	244,365
Treasury stock, at cost		-128,897	-127,653
Retained earnings		1,088,429	1,150,909
Other components of equity		63,508	58,128
Total equity attributable to owners of the parent		1,590,713	1,650,374
Non-controlling interests		125,036	143,086
Total equity		1,715,749	1,793,460
Total liabilities and equity		3,331,809	3,223,976

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

【First-Half Condensed Consolidated Statement of Profit or Loss】

(Millions of yen, except per share data)

	Notes	1H FY2021 (For the first-half ended September 30, 2021)	1H FY2022 (For the first-half ended September 30, 2022)
Revenue		1,663,011	1,705,311
Cost of sales		-1,159,675	-1,206,051
Gross profit		503,336	499,260
Selling, general and administrative expenses		-429,863	-427,525
Other income		15,225	47,582
Other expenses		-7,215	-18,348
Operating profit		81,483	100,969
Financial income		3,888	14,293
Financial expenses		-2,348	-2,083
Income from investments accounted for using the equity method, net		6,489	17,471
Profit for the period before income taxes		89,512	130,650
Income tax expenses		-22,468	-38,672
Profit for the period		67,044	91,978
Profit for the period attributable to:			
Owners of the parent		52,939	71,981
Non-controlling interests		14,105	19,997
Total		67,044	91,978
Earning per share			
Basic earnings per share (Yen)		266.78	366.23
Diluted earnings per share (Yen)		266.48	365.74

【First-Half Condensed Consolidated Statement of Comprehensive Income】

(Millions of yen)

	Notes	1H FY2021 (For the first-half ended September 30, 2021)	1H FY2022 (For the first-half ended September 30, 2022)
Profit for the period		67,044	91,978
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		4,073	-4,411
Remeasurement of defined benefit plans		7,167	5,552
Share of other comprehensive income of investments accounted for using the equity method		42	87
		11,282	1,228
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		-2,033	6,405
Cash flow hedges		54	51
Share of other comprehensive income of investments accounted for using the equity method		-409	1,413
		-2,388	7,869
Total other comprehensive income for the period, net of taxes		8,894	9,097
Total comprehensive income for the period		75,938	101,075
Total comprehensive income attributable to:			
Owners of the parent		61,704	79,538
Non-controlling interests		14,234	21,537
Total		75,938	101,075

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

(Millions of yen, except per share data)

	Notes	2Q FY2021	2Q FY2022
		(For the three-month ended September 30, 2021)	(For the three-month ended September 30, 2022)
Revenue		861,031	886,449
Cost of sales		-603,696	-625,304
Gross profit		257,335	261,145
Selling, general and administrative expenses		-215,711	-215,724
Other income		9,563	43,496
Other expenses		-3,443	-13,550
Operating profit		47,744	75,367
Financial income		990	5,729
Financial expenses		-1,564	-1,021
Income from investments accounted for using the equity method, net		2,747	12,236
Profit for the period before income taxes		49,917	92,311
Income tax expenses		-12,411	-27,669
Profit for the period		37,506	64,642
Profit for the period attributable to:			
Owners of the parent		28,774	54,698
Non-controlling interests		8,732	9,944
Total		37,506	64,642
Earning per share			
Basic earnings per share (Yen)		145.22	278.25
Diluted earnings per share (Yen)		145.07	277.90

【Second-Quarter Condensed Consolidated Statement of Comprehensive Income】

(Millions of yen)

	Notes	2Q FY2021	2Q FY2022
		(For the three-month ended September 30, 2021)	(For the three-month ended September 30, 2022)
Profit for the period		37,506	64,642
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		-2,365	-212
Remeasurement of defined benefit plans		-111	-5,134
Share of other comprehensive income of investments accounted for using the equity method		2	57
		-2,474	-5,289
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		-2,282	-4,532
Cash flow hedges		-148	-179
Share of other comprehensive income of investments accounted for using the equity method		-565	147
		-2,995	-4,564
Total other comprehensive income for the period, net of taxes		-5,469	-9,853
Total comprehensive income for the period		32,037	54,789
Total comprehensive income attributable to:			
Owners of the parent		23,346	44,674
Non-controlling interests		8,691	10,115
Total		32,037	54,789

3. Condensed Consolidated Statement of Changes in Equity

(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				52,939		52,939	14,105	67,044
Other comprehensive income					8,765	8,765	129	8,894
Total comprehensive income for the period	—	—	—	52,939	8,765	61,704	14,234	75,938
Purchase of treasury stock			-20,853			-20,853		-20,853
Share-based payment transactions		755	762			1,517		1,517
Dividends paid				-19,899		-19,899	-1,656	-21,555
Transfer to retained earnings				13,541	-13,541	—		—
Others		-545		211	-4	-338	-205	-543
Balance at September 30, 2021	324,625	241,464	-99,586	955,931	49,836	1,472,270	109,139	1,581,409

(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, 2022	324,625	243,048	-128,897	1,088,429	63,508	1,590,713	125,036	1,715,749
Profit for the period				71,981		71,981	19,997	91,978
Other comprehensive income					7,557	7,557	1,540	9,097
Total comprehensive income for the period	—	—	—	71,981	7,557	79,538	21,537	101,075
Purchase of treasury stock			-53			-53		-53
Disposal of treasury stock		0	1			1		1
Share-based payment transactions		475	1,296			1,771		1,771
Dividends paid				-21,616		-21,616	-2,389	-24,005
Transfer to retained earnings				13,010	-13,010	—		—
Others		842		-895	73	20	-1,098	-1,078
Balance at September 30, 2022	324,625	244,365	-127,653	1,150,909	58,128	1,650,374	143,086	1,793,460

4. Condensed Consolidated Statements of Cash Flows

	(Millions of yen)	
	1H FY2021	1H FY2022
	Notes (For the first-half ended September 30, 2021)	(For the first-half ended September 30, 2022)
<i>Cash flows from operating activities</i>		
Profit for the period before income taxes	89,512	130,650
Depreciation, amortization and impairment loss	89,597	87,354
Increase (decrease) in provisions	-18,917	-2,612
Increase (decrease) in net defined benefit liability	-16,086	-8,403
Interest and dividend income	-2,450	-2,968
Interest charges	1,361	1,760
Income from investments accounted for using the equity method, net	-6,489	-17,471
(Gain) loss on sales of subsidiaries' stock	-2,436	-38,616
(Increase) decrease in trade receivables	299,510	275,723
(Increase) decrease in contract assets	-82,055	-85,375
(Increase) decrease in inventories	-61,526	-104,580
Increase (decrease) in trade payables	-36,916	-35,835
Increase (decrease) in contract liabilities	6,256	29,961
Other, net	-60,938	-117,618
Cash generated from operations	<u>198,423</u>	<u>111,970</u>
Interest received	555	900
Dividends received	3,852	3,499
Interest paid	-1,402	-1,797
Income taxes paid	-29,425	-26,783
Net cash provided by operating activities	<u>172,003</u>	<u>87,789</u>
<i>Cash flows from investing activities</i>		
Purchases of property, plant, equipment, and intangible assets	-68,280	-75,650
Proceeds from sales of investment securities	13,570	15,847
Purchase of investment securities	-1,929	-21,979
Net proceeds from sale of subsidiaries and business	9,362	47,090
Decrease (increase) in short-term investment	-21,131	1,280
Proceeds from acquisition of subsidiaries' stock resulting in change in scope of consolidation	-1,531	-10,243
Other, net	1,996	3,165
Net cash used in investing activities	<u>-67,943</u>	<u>-40,490</u>
<i>Cash flows from financing activities</i>		
Increase (decrease) in short-term borrowings	8,160	-10,814
Proceeds from long-term debt and issuance of bonds	68	47
Repayment of long-term debt and bonds	-43,009	-20,094
Payment of lease obligation	-34,796	-31,662
Purchase of treasury stock	-20,853	-53
Dividends paid to owners of the parent	-19,899	-21,616
Other, net	1,095	748
Net cash used in financing activities	<u>-109,234</u>	<u>-83,444</u>
Net increase (decrease) in cash and cash equivalents	<u>-5,174</u>	<u>-36,145</u>
Cash and cash equivalents at beginning of period	<u>481,833</u>	<u>484,020</u>
Effect of exchange rate changes on cash and cash equivalents	<u>-468</u>	<u>9,699</u>
Cash and cash equivalents at end of period	<u>476,191</u>	<u>457,574</u>

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.