

January 31, 2023

FY 2022 Nine-Month Financial Results
April 1, 2022 - December 31, 2022

Fujitsu Limited

Consolidated Financial Results for the Nine months Ended December 31, 2022

[Prepared on the basis of International Financial Reporting Standards]

January 31, 2023

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: : February 3, 2023
 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, 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 (%)
9 Months FY 2022 (4/1/22-12/31/22)	2,636,735	3.7	173,285	18.1	204,633	29.2	139,560	-5.2
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

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		Change (%)		Change (%)
9 Months FY 2022 (4/1/22-12/31/22)	112,749	-9.3	120,425	-33.3
9 Months FY 2021 (4/1/21-12/31/21)	124,283	8.6	180,582	27.5

(Yen)

	Earnings per share	
	Basic	Diluted
9 Months FY 2022 (4/1/22-12/31/22)	575.46	574.66
9 Months FY 2021 (4/1/21-12/31/21)	627.51	626.81

(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, 2022	3,133,142	1,717,205	1,570,050	50.1%
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	3,750,000	4.5	375,000	71.1	255,000	39.6	1,306.77

Note: Revision of the latest consolidated earnings forecast: Yes

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, 2022	207,001,821
	As of March 31, 2022	207,001,821
2. Treasury stock held at end of period	As of December 31, 2022	14,240,218
	As of March 31, 2022	10,488,990
3. Average number of shares during period	9 Months FY 2022	195,929,217
	9 Months FY 2021	198,058,442

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 (As of March 31, 2022)	3Q FY2022 (As of December 31, 2022)
Assets			
Current assets			
Cash and cash equivalents		484,020	368,728
Trade receivables		878,473	615,535
Other receivables		62,327	76,096
Contract assets		116,357	251,322
Inventories		309,829	402,800
Others		90,823	101,259
Total current assets		1,941,829	1,815,740
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		571,168	555,101
Goodwill		47,487	54,565
Intangible assets		133,856	140,802
Investments accounted for using the equity method		166,126	148,761
Other investments		170,105	179,802
Retirement benefit assets		139,543	107,689
Deferred tax assets		99,838	64,115
Others		61,857	66,567
Total non-current assets		1,389,980	1,317,402
Total assets		3,331,809	3,133,142
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		470,237	436,592
Other payables		403,873	293,501
Contract liabilities		166,926	187,459
Short-term borrowings, current portion of long-term debt and lease obligations		168,766	152,865
Accrued income taxes		34,610	18,506
Provisions		42,851	36,508
Others		33,472	40,443
Total current liabilities		1,320,735	1,165,874
Non-current liabilities			
Long-term debt and lease obligations		116,553	108,468
Retirement benefit liabilities		115,972	90,900
Provisions		21,416	21,741
Deferred tax liabilities		15,305	6,347
Others		26,079	22,607
Total non-current liabilities		295,325	250,063
Total liabilities		1,616,060	1,415,937
Equity			
Share capital		324,625	324,625
Capital surplus		243,048	241,671
Treasury stock, at cost		-128,897	-197,657
Retained earnings		1,088,429	1,153,039
Other components of equity		63,508	48,372
Total equity attributable to owners of the parent		1,590,713	1,570,050
Non-controlling interests		125,036	147,155
Total equity		1,715,749	1,717,205
Total liabilities and equity		3,331,809	3,133,142

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 FY2021 (For the nine months ended December 31, 2021)	9 Months FY2022 (For the nine months ended December 31, 2022)
Revenue		2,543,537	2,636,735
Cost of sales		-1,774,451	-1,858,804
Gross profit		769,086	777,931
Selling, general and administrative expenses		-641,451	-643,193
Other income		31,152	65,255
Other expenses		-12,119	-26,708
Operating profit		146,668	173,285
Financial income		5,528	13,276
Financial expenses		-3,067	-3,812
Income from investments accounted for using the equity method, net		9,293	21,884
Profit for the period before income taxes		158,422	204,633
Income tax expenses		-11,167	-65,073
Profit for the period		147,255	139,560
Profit for the period attributable to:			
Owners of the parent		124,283	112,749
Non-controlling interests		22,972	26,811
Total		147,255	139,560
Earning per share			
Basic earnings per share (Yen)		627.51	575.46
Diluted earnings per share (Yen)		626.81	574.66

【Nine Months Condensed Consolidated Statement of Comprehensive Income】		(Millions of yen)	
	Notes	9 Months FY2021 (For the nine months ended December 31, 2021)	9 Months FY2022 (For the nine months ended December 31, 2022)
Profit for the period		147,255	139,560
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		120	-1,686
Remeasurement of defined benefit plans		26,997	-12,658
Share of other comprehensive income of investments accounted for using the equity method		-49	179
		27,068	-14,165
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		5,616	-5,319
Cash flow hedges		186	403
Share of other comprehensive income of investments accounted for using the equity method		457	-54
		6,259	-4,970
Total other comprehensive income for the period, net of taxes		33,327	-19,135
Total comprehensive income for the period		180,582	120,425
Total comprehensive income attributable to:			
Owners of the parent		156,954	92,340
Non-controlling interests		23,628	28,085
Total		180,582	120,425

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

(Millions of yen, except per share data)

	Notes	3Q FY2021 (For the three-month ended December 31, 2021)	3Q FY2022 (For the three-month ended December 31, 2022)
Revenue		880,526	931,424
Cost of sales		-614,776	-652,753
Gross profit		265,750	278,671
Selling, general and administrative expenses		-211,588	-215,668
Other income		15,927	17,673
Other expenses		-4,904	-8,360
Operating profit		65,185	72,316
Financial income		1,640	3,337
Financial expenses		-719	-6,083
Income from investments accounted for using the equity method, net		2,804	4,413
Profit for the period before income taxes		68,910	73,983
Income tax expenses		11,301	-26,401
Profit for the period		80,211	47,582
Profit for the period attributable to:			
Owners of the parent		71,344	40,768
Non-controlling interests		8,867	6,814
Total		80,211	47,582
Earning per share			
Basic earnings per share (Yen)		361.60	209.39
Diluted earnings per share (Yen)		361.26	209.16

【Third-Quarter Condensed Consolidated Statement of Comprehensive Income】

(Millions of yen)

	Notes	3Q FY2021 (For the three-month ended December 31, 2021)	3Q FY2022 (For the three-month ended December 31, 2022)
Profit for the period		80,211	47,582
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		-3,953	2,725
Remeasurement of defined benefit plans		19,830	-18,210
Share of other comprehensive income of investments accounted for using the equity method		-91	92
		15,786	-15,393
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		7,649	-11,724
Cash flow hedges		132	352
Share of other comprehensive income of investments accounted for using the equity method		866	-1,467
		8,647	-12,839
Total other comprehensive income for the period, net of taxes		24,433	-28,232
Total comprehensive income for the period		104,644	19,350
Total comprehensive income attributable to:			
Owners of the parent		95,250	12,802
Non-controlling interests		9,394	6,548
Total		104,644	19,350

3. Condensed Consolidated Statement of Changes in Equity

【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
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	—		—
Others		1,111		-1,445	-4	-338	-210	-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

【Nine Months FY2022 (For the nine months period ended December 31, 2022)】

(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				112,749		112,749	26,811	139,560
Other comprehensive income					-20,409	-20,409	1,274	-19,135
Total comprehensive income for the period	—	—	—	112,749	-20,409	92,340	28,085	120,425
Purchase of treasury stock			-70,057			-70,057		-70,057
Disposal of treasury stock		0	1			1		1
Share-based payment transactions		1,042	1,296			2,338		2,338
Dividends paid				-45,210		-45,210	-4,498	-49,708
Transfer to retained earnings				-5,200	5,200	—		—
Others		-2,419		2,271	73	-75	-1,468	-1,543
Balance at December 31, 2022	324,625	241,671	-197,657	1,153,039	48,372	1,570,050	147,155	1,717,205

4. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

Notes	9 Months FY2021 (For the nine months ended December 31, 2021)	9 Months FY2022 (For the nine months ended December 31, 2022)
<i>Cash flows from operating activities</i>		
Profit for the period before income taxes	158,422	204,633
Depreciation, amortization and impairment loss	134,480	130,298
Increase (decrease) in provisions	-23,092	-5,730
Increase (decrease) in net defined benefit liability	-20,334	-13,260
Interest and dividend income	-3,200	-4,159
Interest charges	2,039	2,874
Income from investments accounted for using the equity method, net	-9,293	-21,884
(Gain) loss on sales of subsidiaries' stock	-9,581	-39,153
(Increase) decrease in trade receivables	323,530	243,110
(Increase) decrease in contract assets	-128,244	-134,918
(Increase) decrease in inventories	-98,984	-119,515
Increase (decrease) in trade payables	-28,774	-17,892
Increase (decrease) in contract liabilities	7,444	27,351
Other, net	-62,751	-127,641
Cash generated from operations	<u>241,662</u>	<u>124,114</u>
Interest received	781	1,606
Dividends received	7,302	7,003
Interest paid	-2,051	-2,857
Income taxes paid	-53,255	-52,925
Net cash provided by operating activities	<u>194,439</u>	<u>76,941</u>
<i>Cash flows from investing activities</i>		
Purchases of property, plant, equipment, and intangible assets	-106,644	-115,694
Proceeds from sales and redemption of investment securities	14,099	34,532
Purchase of investment securities	-2,264	-26,702
Net proceeds from sale of subsidiaries, equity method associates and business	16,156	81,455
Decrease (increase) in short-term investment	-16,497	1,899
Proceeds from acquisition of subsidiaries' stock resulting in change in scope of consolidation	-1,531	-10,160
Other, net	11,640	7,401
Net cash used in investing activities	<u>-85,041</u>	<u>-27,269</u>
<i>Cash flows from financing activities</i>		
Increase (decrease) in short-term borrowings	21,880	10,979
Proceeds from long-term debt and issuance of bonds	68	1,285
Repayment of long-term debt and bonds	-53,067	-20,094
Payment of lease obligation	-52,489	-45,502
Purchase of treasury stock	-41,859	-70,057
Dividends paid to owners of the parent	-41,680	-45,210
Other, net	1,934	-1,551
Net cash used in financing activities	<u>-165,213</u>	<u>-170,150</u>
Net increase (decrease) in cash and cash equivalents	<u>-55,815</u>	<u>-120,478</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>1,636</u>	<u>5,186</u>
Cash and cash equivalents at end of period	<u>427,654</u>	<u>368,728</u>

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.