

April 27, 2023

FY 2022 Full-Year Financial Results
April 1, 2022 - March 31, 2023

Fujitsu Limited

Consolidated Financial Results for the full year Ended March 31, 2023

[Prepared on the basis of International Financial Reporting Standards]

April 27, 2023

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

Scheduled annual shareholders' meeting date : June 26, 2023
 Scheduled dividend payment date : June 5, 2023
 Scheduled filing date of statutory financial report : June 26, 2023
 Supplementary material : Yes
 Financial results meeting : Yes (for media and analysts)

1. Consolidated Results for the Full-Year Ended March 31, 2023

(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 previous year.)

(Millions of yen)

| | Revenue | | Operating profit | | Profit before income taxes | | Profit for the year | |
|-----------------------------|-----------|------------|------------------|------------|----------------------------|------------|---------------------|------------|
| | | Change (%) | | Change (%) | | Change (%) | | Change (%) |
| FY 2022 (4/1/22-3/31/23) | 3,713,767 | 3.5 | 335,614 | 53.1 | 371,876 | 55.0 | 244,865 | 14.9 |
| FY 2021 (4/1/21-3/31/22) | 3,586,839 | -0.1 | 219,201 | -17.7 | 239,986 | -17.8 | 213,141 | -0.2 |

| | Profit for the year attributable to owners of the parent | | Total comprehensive income for the year | |
|-----------------------------|--|------------|---|------------|
| | | Change (%) | | Change (%) |
| FY 2022 (4/1/22-3/31/23) | 215,182 | 17.8 | 219,344 | -16.6 |
| FY 2021 (4/1/21-3/31/22) | 182,691 | -9.9 | 263,094 | -5.1 |

| | Earnings per share(Yen) | | Return on Equity Attributable to Owners of the Parent (%) | Ratio of Profit before Income Taxes to Total Assets (%) | Ratio of Operating Profit to Revenue (%) |
|-----------------------------|-------------------------|----------|---|---|--|
| | Basic | Diluted | | | |
| FY 2022 (4/1/22-3/31/23) | 1,107.63 | 1,105.41 | 13.5 | 11.3 | 9.0 |
| FY 2021 (4/1/21-3/31/22) | 924.21 | 922.97 | 12.0 | 7.4 | 6.1 |

[Reference] Income from investments accounted for using the equity method: FY2022: 28,037 million yen FY2021: 13,853 million yen

(2) Consolidated financial position

(Millions of yen, except per share data)

| | Total assets | Total equity | Equity attributable to owners of the parent | Equity attributable to owners of the parent ratio | Equity per Share Attributable to Owners of the Parent |
|----------------|--------------|--------------|---|---|---|
| March 31, 2023 | 3,265,579 | 1,736,823 | 1,586,835 | 48.6% | 8,425.37 |
| March 31, 2022 | 3,331,809 | 1,715,749 | 1,590,713 | 47.7% | 8,094.70 |

(3) Consolidated Cash Flows

(Millions of yen)

| | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at End of Year |
|-----------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| FY 2022 (4/1/22-3/31/23) | 220,329 | -42,809 | -313,585 | 355,901 |
| FY 2021 (4/1/21-3/31/22) | 248,347 | -59,267 | -193,685 | 484,020 |

2. Dividends per Share (Ordinary Shares)

| | Dividends per share(Yen) | | | | | Total Amount of Dividends (Millions of yen) | Dividend Payout Ratio (%) | Ratio of Dividends to Net Assets (%) |
|------------------|--------------------------|--------|----|----------|-----------|---|---------------------------|--------------------------------------|
| | 1Q | 2Q | 3Q | Year-end | Full year | | | |
| FY2021 | - | 110.00 | - | 110.00 | 220.00 | 43,397 | 23.8 | 2.9 |
| FY2022 | - | 120.00 | - | 120.00 | 240.00 | 46,195 | 21.7 | 2.9 |
| FY2023(Forecast) | | 130.00 | | 130.00 | 260.00 | | 23.2 | |

3. Consolidated Earnings Forecast for FY2023

(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 (%) | |
| FY2023 | 3,860,000 | 3.9 | 340,000 | 1.3 | 218,000 | 1.3 | 1,122.13 |

The effect of the purchase of treasury stock decided at Board of Directors Meeting held on April 27, 2023 is not included in the calculation of "Basic earnings per share".

4. Other Information

(1) Significant changes to subsidiaries in the current fiscal year

(Changes to specified subsidiaries resulting from changes in scope of consolidation): None

(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 March 31, 2023 | 207,001,821 |
| | As of March 31, 2022 | 207,001,821 |
| 2. Treasury stock held at end of period | As of March 31, 2023 | 18,661,673 |
| | As of March 31, 2022 | 10,488,990 |
| 3. Average number of shares during period | Full-Year FY 2022 | 194,273,139 |
| | Full-Year FY 2021 | 197,672,167 |

(Reference Information) Summary of FY2022 Full-Year Separate Financial Results

(Monetary amounts less than one million yen are rounded down.)

Separate Results for the Full-Year Ended March 31, 2023

(1) Separate Financial Results

(Millions of yen)

| | Net Sales | | Operating Income | | Ordinary income | | Net Income(Loss) | |
|-----------------------------|-----------|------------|------------------|------------|-----------------|------------|------------------|------------|
| | | Change (%) | | Change (%) | | Change (%) | | Change (%) |
| FY 2022 (4/1/22-3/31/23) | 1,804,001 | 3.5 | 103,737 | 16.4 | 143,566 | - 12.0 | 179,277 | -10.9 |
| FY 2021 (4/1/21-3/31/22) | 1,742,360 | -11.6 | 89,135 | - 16.2 | 163,066 | 13.7 | 201,143 | 27.2 |

(Yen)

| | Net Income (Loss) per Common Share-Basic |
|-----------------------------|--|
| FY 2022 (4/1/22-3/31/23) | 922.80 |
| FY 2021 (4/1/21-3/31/22) | 1,017.56 |

(2) Separate Financial Position

(Millions of yen, except per share data)

| | Total assets | Net Assets | Owners' Equity Ratio (%) | Net Assets per Share |
|----------------|--------------|------------|--------------------------|----------------------|
| March 31, 2023 | 1,892,051 | 1,116,916 | 59.0 | 5,930.31 |
| March 31, 2022 | 1,904,118 | 1,112,726 | 58.4 | 5,662.36 |

[Reference] Owners' Equity: March 31, 2023; 1,116,916 million yen March 31, 2022; 1,112,726 million yen

Notes

1. This financial report is not subject to audits by certified public accountants or auditing corporations.

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. Consolidated Statement of Financial Position

(Millions of yen)

| | Notes | FY2021 (As of March 31, 2022) | FY2022 (As of March 31, 2023) |
|---|-------|----------------------------------|----------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 484,020 | 355,901 |
| Trade receivables | | 878,473 | 927,849 |
| Other receivables | | 62,327 | 84,766 |
| Contract assets | | 116,357 | 125,442 |
| Inventories | | 309,829 | 337,008 |
| Others | | 90,823 | 86,858 |
| Total current assets | | 1,941,829 | 1,917,824 |
| Non-current assets | | | |
| Property, plant and equipment, net of accumulated depreciation | | 571,168 | 572,172 |
| Goodwill | | 47,487 | 55,132 |
| Intangible assets | | 133,856 | 146,264 |
| Investments accounted for using the equity method | | 166,126 | 155,594 |
| Other investments | | 170,105 | 195,463 |
| Retirement benefit assets | | 139,543 | 81,883 |
| Deferred tax assets | | 99,838 | 73,310 |
| Others | | 61,857 | 67,937 |
| Total non-current assets | | 1,389,980 | 1,347,755 |
| Total assets | | 3,331,809 | 3,265,579 |
| Liabilities and equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade payables | | 470,237 | 463,730 |
| Other payables | | 403,873 | 367,399 |
| Contract liabilities | | 166,926 | 194,455 |
| Short-term borrowings, current portion of long-term debt and lease obligations | | 168,766 | 103,577 |
| Accrued income taxes | | 34,610 | 85,079 |
| Provisions | | 42,851 | 35,015 |
| Others | | 33,472 | 27,201 |
| Total current liabilities | | 1,320,735 | 1,276,456 |
| Non-current liabilities | | | |
| Long-term debt and lease obligations | | 116,553 | 107,598 |
| Retirement benefit liabilities | | 115,972 | 95,388 |
| Provisions | | 21,416 | 20,654 |
| Deferred tax liabilities | | 15,305 | 5,612 |
| Others | | 26,079 | 23,048 |
| Total non-current liabilities | | 295,325 | 252,300 |
| Total liabilities | | 1,616,060 | 1,528,756 |
| Equity | | | |
| Share capital | | 324,625 | 324,625 |
| Capital surplus | | 243,048 | 242,512 |
| Treasury stock, at cost | | -128,897 | -277,702 |
| Retained earnings | | 1,088,429 | 1,226,595 |
| Other components of equity | | 63,508 | 70,805 |
| Total equity attributable to owners of the parent | | 1,590,713 | 1,586,835 |
| Non-controlling interests | | 125,036 | 149,988 |
| Total equity | | 1,715,749 | 1,736,823 |
| Total liabilities and equity | | 3,331,809 | 3,265,579 |

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

【Full-Year Consolidated Statement of Profit or Loss】

(Millions of yen, except per share data)

| | Notes | FY2021 (For the full-year ended March 31, 2022) | FY2022 (For the full-year ended March 31, 2023) |
|--|-------|--|--|
| Revenue | | 3,586,839 | 3,713,767 |
| Cost of sales | | -2,468,188 | -2,569,685 |
| Gross profit | | 1,118,651 | 1,144,082 |
| Selling, general and administrative expenses | | -852,775 | -852,974 |
| Other income | | 39,807 | 85,411 |
| Other expenses | | -86,482 | -40,905 |
| Operating profit | | 219,201 | 335,614 |
| Financial income | | 11,475 | 15,087 |
| Financial expenses | | -4,543 | -6,862 |
| Income from investments accounted for using the equity method, net | | 13,853 | 28,037 |
| Profit for the year before income taxes | | 239,986 | 371,876 |
| Income tax expenses | | -26,845 | -127,011 |
| Profit for the year | | 213,141 | 244,865 |
| Profit for the year attributable to: | | | |
| Owners of the parent | | 182,691 | 215,182 |
| Non-controlling interests | | 30,450 | 29,683 |
| Total | | 213,141 | 244,865 |
| Earning per share | 5-3 | | |
| Basic earnings per share (Yen) | | 924.21 | 1,107.63 |
| Diluted earnings per share (Yen) | | 922.97 | 1,105.41 |

【Full-Year Consolidated Statement of Comprehensive Income】

(Millions of yen)

| | Notes | FY2021 (For the full-year ended March 31, 2022) | FY2022 (For the full-year ended March 31, 2023) |
|--|-------|--|--|
| Profit for the year | | 213,141 | 244,865 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Financial assets measured at fair value through other comprehensive income | | -294 | 17,770 |
| Remeasurement of defined benefit plans | | 33,001 | -41,784 |
| Share of other comprehensive income of investments accounted for using the equity method | | -51 | 122 |
| | | 32,656 | -23,892 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation adjustments | | 14,721 | -2,771 |
| Cash flow hedges | | -173 | 412 |
| Share of other comprehensive income of investments accounted for using the equity method | | 2,749 | 730 |
| | | 17,297 | -1,629 |
| Total other comprehensive income for the year, net of taxes | | 49,953 | -25,521 |
| Total comprehensive income for the year | | 263,094 | 219,344 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 231,311 | 188,329 |
| Non-controlling interests | | 31,783 | 31,015 |
| Total | | 263,094 | 219,344 |

3. 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 year | — | — | — | 182,691 | — | 182,691 | 30,450 | 213,141 |
| Other comprehensive income | — | — | — | — | 48,620 | 48,620 | 1,333 | 49,953 |
| Total comprehensive income for the year | — | — | — | 182,691 | 48,620 | 231,311 | 31,783 | 263,094 |
| Purchase of treasury stock | — | — | -50,164 | — | — | -50,164 | — | -50,164 |
| Disposal of treasury stock | — | 0 | 0 | — | — | 0 | — | 0 |
| Share-based payment transactions | — | 683 | 762 | — | — | 1,445 | — | 1,445 |
| Dividends paid | — | — | — | -41,680 | — | -41,680 | -3,303 | -44,983 |
| Transfer to retained earnings | — | — | — | 39,724 | -39,724 | — | — | — |
| Others | — | 1,111 | — | -1,445 | -4 | -338 | -210 | -548 |
| Balance at March 31, 2022 | 324,625 | 243,048 | -128,897 | 1,088,429 | 63,508 | 1,590,713 | 125,036 | 1,715,749 |
| Profit for the year | — | — | — | 215,182 | — | 215,182 | 29,683 | 244,865 |
| Other comprehensive income | — | — | — | — | -26,853 | -26,853 | 1,332 | -25,521 |
| Total comprehensive income for the year | — | — | — | 215,182 | -26,853 | 188,329 | 31,015 | 219,344 |
| Purchase of treasury stock | — | — | -150,103 | — | — | -150,103 | — | -150,103 |
| Disposal of treasury stock | — | 1 | 2 | — | — | 3 | — | 3 |
| Share-based payment transactions | — | 1,858 | 1,296 | — | — | 3,154 | — | 3,154 |
| Dividends paid | — | — | — | -45,210 | — | -45,210 | -4,571 | -49,781 |
| Transfer to retained earnings | — | — | — | -34,077 | 34,077 | — | — | — |
| Others | — | -2,395 | — | 2,271 | 73 | -51 | -1,492 | -1,543 |
| Balance at March 31, 2023 | 324,625 | 242,512 | -277,702 | 1,226,595 | 70,805 | 1,586,835 | 149,988 | 1,736,823 |

4. Consolidated Statements of Cash Flows

| | (Millions of yen) | |
|--|---|---|
| | FY2021 | FY2022 |
| | Notes (For the full-year ended March 31, 2022) | (For the full-year ended March 31, 2023) |
| <i>Cash flows from operating activities</i> | | |
| Profit for the year before income taxes | 239,986 | 371,876 |
| Depreciation, amortization and impairment loss | 186,376 | 179,228 |
| Increase (decrease) in provisions | -21,207 | -8,852 |
| Increase (decrease) in net defined benefit liability | -26,156 | -19,034 |
| Interest and dividend income | -3,580 | -6,037 |
| Interest charges | 2,955 | 3,958 |
| Income from investments accounted for using the equity method, net | -13,853 | -28,037 |
| (Gain) loss on sales of subsidiaries' stock | -9,747 | -39,158 |
| (Increase) decrease in trade receivables | -8,694 | -65,320 |
| (Increase) decrease in contract assets | -12,621 | -8,690 |
| (Increase) decrease in inventories | -69,201 | -51,939 |
| Increase (decrease) in trade payables | -7,261 | 5,659 |
| Increase (decrease) in contract liabilities | 831 | 32,798 |
| Other, net | 41,245 | -92,972 |
| Cash generated from operations | 299,073 | 273,480 |
| Interest received | 1,049 | 2,658 |
| Dividends received | 7,402 | 7,081 |
| Interest paid | -2,994 | -3,984 |
| Income taxes paid | -56,183 | -58,906 |
| Net cash provided by operating activities | 248,347 | 220,329 |
| <i>Cash flows from investing activities</i> | | |
| Purchases of property, plant, equipment, and intangible assets | -143,251 | -168,098 |
| Proceeds from sales of property, plant and equipment | 11,661 | 15,580 |
| Proceeds from sales and redemption of investment securities | 21,343 | 46,244 |
| Purchase of investment securities | -10,102 | -27,624 |
| Net proceeds from sale of subsidiaries, equity method associates and business | 16,322 | 88,049 |
| Decrease (increase) in short-term investment | 42,826 | 8,804 |
| Proceeds from acquisition of subsidiaries' stock resulting in change in scope of consolidation | -5,858 | -9,824 |
| Other, net | 7,792 | 4,060 |
| Net cash used in investing activities | -59,267 | -42,809 |
| <i>Cash flows from financing activities</i> | | |
| Increase (decrease) in short-term borrowings | 15,668 | -25,502 |
| Proceeds from long-term debt and issuance of bonds | 135 | 2,268 |
| Repayment of long-term debt and bonds | -53,423 | -35,298 |
| Payment of lease obligation | -62,328 | -58,566 |
| Purchase of treasury stock | -50,164 | -150,103 |
| Dividends paid to owners of the parent | -41,680 | -45,210 |
| Other, net | -1,893 | -1,174 |
| Net cash used in financing activities | -193,685 | -313,585 |
| Net increase (decrease) in cash and cash equivalents | -4,605 | -136,065 |
| Cash and cash equivalents at beginning of year | 481,833 | 484,020 |
| Effect of exchange rate changes on cash and cash equivalents | 6,792 | 7,946 |
| Cash and cash equivalents at end of year | 484,020 | 355,901 |

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.

2. Segment Information

Please refer to the supplemental explanation materials (Presentation Material).

3. Earnings per Share

Calculation basis for basic earnings per share and diluted earnings per share

Basic Earnings per Share

| | | FY2021 (For full-year ended March 31, 2022) | FY2022 (For full-year ended March 31, 2023) |
|--|--------------------|---|---|
| Profit for the year, attributable to ordinary equity holders of the parent | Millions of yen | 182,691 | 215,182 |
| Weighted average number of ordinary shares - basic | Thousands of share | 197,672 | 194,273 |
| Earnings per shares | yen | 924.21 | 1,107.63 |

Diluted Earnings per Share

| | | FY2021 (For full-year ended March 31, 2022) | FY2022 (For full-year ended March 31, 2023) |
|--|--------------------|---|---|
| Profit for the year, attributable to ordinary equity holders of the parent | Millions of yen | 182,691 | 215,182 |
| Profit used to calculate diluted earnings per share | Millions of yen | 182,691 | 215,182 |
| Weighted average number of ordinary shares - basic | Thousands of share | 197,672 | 194,273 |
| Contingently issuable shares | Thousands of share | 265 | 389 |
| Weighted average number of ordinary shares - diluted | Thousands of share | 197,937 | 194,662 |
| Diluted earnings per share | yen | 922.27 | 1,105.41 |

4. Major Subsequent Events

Repurchase of Our Own Shares

At the Board of Directors meeting held on April 27, 2023, our company resolved to repurchase its own shares pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and the Articles of Incorporation of our company.

(1) Reason for Acquisition of Treasury Stock

In order to enhance shareholder returns and improve capital efficiency by comprehensively taking into account the business environment and other factors, in light of improvements in financial conditions such as the expansion of profit and cash flow for FY2022 and FY2023.

(2) Details of Matters Concerning the Repurchase of Shares

- Type of shares to be repurchased: Common stock
- Total number of shares to be repurchased: Up to 12,000,000 shares
(6.37% of total shares issued, excluding treasury stock)
- Aggregate amount of repurchases: 150 billion yen (maximum limit)
- Repurchase period: May 1, 2023 - March 29, 2024
- Repurchase Method : Purchase by means of market trades on the Tokyo Stock Exchange (including purchases by means of market trades based on a discretionary investment contract with securities firms and through share repurchases made outside of trading hours [ToSTNet-3])

Note: There is also the possibility that a portion or all of the repurchases may not occur because of sudden changes in the business environment, a large increase in the demand for funds, or because of insider trading restrictions.

(For reference) Status of treasury stock holdings as of March 31, 2023

| | |
|---|--------------------|
| Total number of shares issued (including holdings of treasury stock): | 207,001,821 shares |
| Holdings of treasury stock: | 18,661,673 shares |

Basic Approach to the Selection of Accounting Standards

As of fiscal 2014 Fujitsu has adopted International Financial Reporting Standards (IFRS) for the preparation of consolidated financial statements, for the purpose of having a single, uniform accounting standard for Group companies and improving comparability of the company's financial information in the world's capital markets.