

April 28, 2022

FY 2021 Full-Year Financial Results
April 1, 2021 - March 31, 2022

Fujitsu Limited

Consolidated Financial Results for the full year Ended March 31, 2022

[Prepared on the basis of International Financial Reporting Standards]

April 28, 2022

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	:	Kunihiko Nomoto, Head of Public and Investor Relations Division Tel. +81 3 6252 2175
Scheduled annual shareholders' meeting date	:	June 27, 2022
Scheduled dividend payment date	:	June 6, 2022
Scheduled filing date of statutory financial report	:	June 27, 2022
Supplementary material	:	Yes
Financial results meeting	:	Yes (for media and analysts)

1. Consolidated Results for the Full-Year Ended March 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 previous year.)

(Millions of yen)

	Revenue		Operating profit		Profit before income taxes		Profit for the year	
		Change (%)		Change (%)		Change (%)		Change (%)
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
FY 2020 (4/1/20-3/31/21)	3,589,702	-6.9	266,324	25.9	291,855	27.7	213,523	33.2

	Profit for the year attributable to owners of the parent		Total comprehensive income for the year	
		Change (%)		Change (%)
FY 2021 (4/1/21-3/31/22)	182,691	-9.9	263,094	-5.1
FY 2020 (4/1/20-3/31/21)	202,700	26.7	277,091	62.7

	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 2021 (4/1/21-3/31/22)	924.21	922.97	12.0	7.4	6.1
FY 2020 (4/1/20-3/31/21)	1,013.78	1,012.63	15.1	9.2	7.4

[Reference] Income from investments accounted for using the equity method: FY2021: 13,853 million yen FY2020: 15,326 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, 2022	3,331,809	1,715,749	1,590,713	47.7%	8,094.70
March 31, 2021	3,190,206	1,546,905	1,450,139	45.5%	7,287.15

(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 2021 (4/1/21-3/31/22)	248,347	-59,267	-193,685	484,020
FY 2020 (4/1/20-3/31/21)	307,947	-71,561	-219,626	481,833

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			
FY2020	-	100.00	-	100.00	200.00	39,927	19.7	3.0
FY2021	-	110.00	-	110.00	220.00	43,397	23.8	2.9
FY2022(Forecast)	-	120.00	-	120.00	240.00		16.8	

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	1,424.84

The effect of the purchase of treasury stock decided at Board of Directors Meeting held on April 28, 2022 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, 2022	207,001,821
	As of March 31, 2021	207,001,821
2. Treasury stock held at end of period	As of March 31, 2022	10,488,990
	As of March 31, 2021	8,002,339
3. Average number of shares during period	Full-Year FY 2021	197,672,167
	Full-Year FY 2020	199,945,412

(Reference Information) Summary of FY2021 Full-Year Separate Financial Results

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

Separate Results for the Full-Year Ended March 31, 2022

(1) Separate Financial Results

(Millions of yen)

	Net Sales		Operating Income		Ordinary income		Net Income(Loss)	
		Change (%)		Change (%)		Change (%)		Change (%)
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
FY 2020 (4/1/20-3/31/21)	1,970,684	-5.8	106,376	- 5.2	143,367	-20.9	158,121	-13.2

(Yen)

	Net Income (Loss) per Common Share-Basic
FY 2021 (4/1/21-3/31/22)	1,017.56
FY 2020 (4/1/20-3/31/21)	790.82

(2) Separate Financial Position

(Millions of yen, except per share data)

	Total assets	Net Assets	Owners' Equity Ratio (%)	Net Assets per Share
March 31, 2022	1,904,118	1,112,726	58.4	5,662.36
March 31, 2021	1,950,670	1,030,919	52.8	5,180.51

[Reference] Owners' Equity: March 31, 2022; 1,112,726 million yen March 31, 2021; 1,030,919 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	FY2020	FY2021
		(As of March 31, 2021)	(As of March 31, 2022)
Assets			
Current assets			
Cash and cash equivalents		481,832	484,020
Trade receivables		859,930	878,473
Other receivables		48,769	62,327
Contract assets		101,941	116,357
Inventories		237,013	309,829
Others		131,392	90,823
Subtotal		<u>1,860,877</u>	<u>1,941,829</u>
Assets held for sale		12,215	—
Total current assets		<u>1,873,092</u>	<u>1,941,829</u>
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		569,593	571,168
Goodwill		41,239	47,487
Intangible assets		120,459	133,856
Investments accounted for using the equity method		154,396	166,126
Other investments		176,891	170,105
Retirement benefit assets		110,797	139,543
Deferred tax assets		76,661	99,838
Others		67,078	61,857
Total non-current assets		<u>1,317,114</u>	<u>1,389,980</u>
Total assets		<u>3,190,206</u>	<u>3,331,809</u>
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		468,139	470,237
Other payables		358,425	403,873
Contract liabilities		162,577	166,926
Short-term borrowings, current portion of long-term debt and lease obligations		174,268	168,766
Accrued income taxes		32,183	34,610
Provisions		60,680	42,851
Others		32,180	33,472
Subtotal		<u>1,288,452</u>	<u>1,320,735</u>
Liabilities directly associated with assets held for sale		1,045	—
Total current liabilities		<u>1,289,497</u>	<u>1,320,735</u>
Non-current liabilities			
Long-term debt and lease obligations		142,057	116,553
Retirement benefit liabilities		149,994	115,972
Provisions		26,615	21,416
Deferred tax liabilities		8,451	15,305
Others		26,687	26,079
Total non-current liabilities		<u>353,804</u>	<u>295,325</u>
Total liabilities		<u>1,643,301</u>	<u>1,616,060</u>
Equity			
Share capital		324,625	324,625
Capital surplus		241,254	243,048
Treasury stock, at cost		-79,495	-128,897
Retained earnings		909,139	1,088,429
Other components of equity		54,616	63,508
Total equity attributable to owners of the parent		<u>1,450,139</u>	<u>1,590,713</u>
Non-controlling interests		96,766	125,036
Total equity		<u>1,546,905</u>	<u>1,715,749</u>
Total liabilities and equity		<u>3,190,206</u>	<u>3,331,809</u>

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	FY2020 (For the full-year ended March 31, 2021)	FY2021 (For the full-year ended March 31, 2022)
Revenue		3,589,702	3,586,839
Cost of sales		-2,509,454	-2,468,188
Gross profit		1,080,248	1,118,651
Selling, general and administrative expenses		-834,519	-852,775
Other income		46,748	39,807
Other expenses		-26,153	-86,482
Operating profit		266,324	219,201
Financial income		14,200	11,475
Financial expenses		-3,995	-4,543
Income from investments accounted for using the equity method, net		15,326	13,853
Profit for the year before income taxes		291,855	239,986
Income tax expenses		-78,332	-26,845
Profit for the year		213,523	213,141
Profit for the year attributable to:			
Owners of the parent		202,700	182,691
Non-controlling interests		10,823	30,450
Total		213,523	213,141
Earning per share	5-3		
Basic earnings per share (Yen)		1,013.78	924.21
Diluted earnings per share (Yen)		1,012.63	922.97

【Full-Year Consolidated Statement of Comprehensive Income】

(Millions of yen)

	Notes	FY2020 (For the full-year ended March 31, 2021)	FY2021 (For the full-year ended March 31, 2022)
Profit for the year		213,523	213,141
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		30,994	-294
Remeasurement of defined benefit plans		7,804	33,001
Share of other comprehensive income of investments accounted for using the equity method		312	-51
		39,110	32,656
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		22,022	14,721
Cash flow hedges		-266	-173
Share of other comprehensive income of investments accounted for using the equity method		2,702	2,749
		24,458	17,297
Total other comprehensive income for the year, net of taxes		63,568	49,953
Total comprehensive income for the year		277,091	263,094
Total comprehensive income attributable to:			
Owners of the parent		264,945	231,311
Non-controlling interests		12,146	31,783
Total		277,091	263,094

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, 2020	324,625	237,654	-59,614	735,920	2,371	1,240,956	107,479	1,348,435
Profit for the year				202,700		202,700	10,823	213,523
Other comprehensive income					62,245	62,245	1,323	63,568
Total comprehensive income for the year	—	—	—	202,700	62,245	264,945	12,146	277,091
Purchase of treasury stock			-20,141			-20,141		-20,141
Disposal of treasury stock		1	3			4		4
Share-based payment transactions		1,284	257			1,541		1,541
Dividends paid				-40,052		-40,052	-2,489	-42,541
Transfer to retained earnings				9,996	-9,996	—		—
Acquisition (disposal) of non-controlling interests		3,064				3,064	-20,810	-17,746
Others		-749		575	-4	-178	440	262
Balance at March 31, 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	—		—
Acquisition (disposal) of non-controlling interests		-339				-339	339	—
Others		1,450		-1,445	-4	1	-549	-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

4. Consolidated Statements of Cash Flows

(Millions of yen)

	FY2020	FY2021
Notes	(For the full-year ended March 31, 2021)	(For the full-year ended March 31, 2022)
<i>Cash flows from operating activities</i>		
Profit for the year before income taxes	291,855	239,986
Depreciation, amortization and impairment loss	175,828	186,376
Increase (decrease) in provisions	-1,252	-21,207
Increase (decrease) in net defined benefit liability	-31,822	-26,156
Interest and dividend income	-3,783	-3,580
Interest charges	3,047	2,955
Income from investments accounted for using the equity method, net	-15,326	-13,853
(Gain) loss on sales of subsidiaries' stock	-26,645	-9,747
(Increase) decrease in trade receivables	27,804	-8,694
(Increase) decrease in contract assets	-5,880	-12,621
(Increase) decrease in inventories	3,511	-69,201
Increase (decrease) in trade payables	-18,215	-7,261
Increase (decrease) in contract liabilities	-2,682	831
Other, net	-7,238	41,245
Cash generated from operations	<u>389,202</u>	<u>299,073</u>
Interest received	1,238	1,049
Dividends received	4,424	7,402
Interest paid	-3,128	-2,994
Income taxes paid	-83,789	-56,183
Net cash provided by operating activities	<u>307,947</u>	<u>248,347</u>
<i>Cash flows from investing activities</i>		
Purchases of property, plant, equipment, and intangible assets	-128,771	-143,251
Proceeds from sales of investment securities	9,343	21,343
Net proceeds from sale of subsidiaries and business	42,743	16,322
Collection of loans receivable	12,189	2,980
Decrease (increase) in short-term investment	-4,577	42,826
Other, net	-2,488	513
Net cash used in investing activities	<u>-71,561</u>	<u>-59,267</u>
<i>Cash flows from financing activities</i>		
Increase (decrease) in short-term borrowings	7,840	15,668
Proceeds from long-term debt and issuance of bonds	545	135
Repayment of long-term debt and bonds	-80,373	-53,423
Payment of lease obligation	-68,103	-62,328
Purchase of treasury stock	-20,141	-50,164
Dividends paid to owners of the parent	-40,052	-41,680
Acquisition of non-controlling interests	-17,577	-
Other, net	-1,765	-1,893
Net cash used in financing activities	<u>-219,626</u>	<u>-193,685</u>
Net increase (decrease) in cash and cash equivalents	<u>16,760</u>	<u>-4,605</u>
Cash and cash equivalents at beginning of year	<u>453,036</u>	<u>481,833</u>
Effect of exchange rate changes on cash and cash equivalents	<u>12,037</u>	<u>6,792</u>
Cash and cash equivalents at end of year	<u>481,833</u>	<u>484,020</u>

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

		FY2020 (For full-year ended March 31, 2021)	FY2021 (For full-year ended March 31, 2022)
Profit for the year, attributable to ordinary equity holders of the parent	Millions of yen	202,700	182,691
Weighted average number of ordinary shares - basic	Thousands of share	199,945	197,672
Earnings per shares	yen	1,013.78	924.21

Diluted Earnings per Share

		FY2020 (For full-year ended March 31, 2021)	FY2021 (For full-year ended March 31, 2022)
Profit for the year, attributable to ordinary equity holders of the parent	Millions of yen	202,700	182,691
Adjustment related to dilutive securities issued by subsidiaries and affiliates	Millions of yen	—	—
Profit used to calculate diluted earnings per share	Millions of yen	202,700	182,691
Weighted average number of ordinary shares - basic	Thousands of share	199,945	197,672
Contingently issuable shares	Thousands of share	226	265
Weighted average number of ordinary shares - diluted	Thousands of share	200,171	197,937
Diluted earnings per share	yen	1,012.63	922.27

4. Major Subsequent Events

Repurchase of Our Own Shares

At the Board of Directors meeting held on April 28, 2022, 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 the current consolidated fiscal year and the following consolidated fiscal year.

(2) Details of Matters Concerning the Repurchase

- Type of shares to be repurchased: Common stock
- Total number of shares to be repurchased: Up to 12 million shares
(6.11% of total shares outstanding excluding treasury stock)
- Aggregate repurchase price: 150 billion yen (maximum limit)
- Repurchase period: May 2, 2022 - March 31, 2023

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.