

July 29, 2021

FY 2021 First Quarter Financial Results
April 1, 2021 - June 30, 2021

Fujitsu Limited

Consolidated Financial Results for the First-Quarter Ended June 30, 2021

[Prepared on the basis of International Financial Reporting Standards]

July 29, 2021

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 Stock exchange listings : Tokyo, Nagoya
 Code number: : 6702
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Scheduled filing date of statutory financial report: : August 3, 2021
 Scheduled dividend payment date: : -
 Supplementary material: : Yes
 Financial results meeting: : Yes (for media and analysts)

1. Consolidated Results for the First-Quarter Ended June 30, 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 (%)
1Q FY 2021 (4/1/21-6/30/21)	801,980	-0.1	33,739	51.5	39,595	52.6	29,538	54.2
1Q FY 2020 (4/1/20-6/30/20)	802,793	-4.3	22,273	558.0	25,951	314.4	19,152	244.0

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		Change (%)		Change (%)
1Q FY 2021 (4/1/21-6/30/21)	24,165	33.0	43,901	183.5
1Q FY 2020 (4/1/20-6/30/20)	18,176	156.2	15,487	-

(Yen)

	Earnings per share	
	Basic	Diluted
1Q FY 2021 (4/1/21-6/30/21)	121.60	121.47
1Q FY 2020 (4/1/20-6/30/20)	90.77	90.72

(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 (%)
June 30, 2021	3,033,844	1,559,585	1,458,821	48.1%
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	-	-	-	-	-
FY2021(Forecast)	-	110.00	-	110.00	220.00

Note: Revision of the latest consolidated earnings forecast: No

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	1,032.63

Note: Revision of the latest consolidated earnings forecast: No

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 June 30, 2021	207,001,821
	As of March 31, 2021	207,001,821
2. Treasury stock held at end of period	As of June 30, 2021	8,550,597
	As of March 31, 2021	8,002,339
3. Average number of shares during period	1Q FY 2021	198,733,117
	1Q FY 2020	200,246,583

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. Consolidated Statement of Financial Position

(Millions of yen)

	Notes	FY2020 (As of March 31, 2021)	1Q FY2021 (As of June 30, 2021)
Assets			
Current assets			
Cash and cash equivalents		481,832	576,466
Trade receivables		859,930	487,181
Other receivables		48,769	49,215
Inventories		237,013	273,818
Others		233,333	306,540
Subtotal		1,860,877	1,693,220
Assets held for sale		12,215	4,309
Total current assets		1,873,092	1,697,529
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		569,593	588,266
Goodwill		41,239	42,422
Intangible assets		120,459	121,323
Investments accounted for using the equity method		154,396	157,048
Other investments		176,891	186,351
Deferred tax assets		76,661	65,057
Others		177,875	175,848
Total non-current assets		1,317,114	1,336,315
Total assets		3,190,206	3,033,844
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		468,139	388,762
Other payables		358,425	274,063
Short-term borrowings, current portion of long-term debt and lease obligations		174,268	150,722
Accrued income taxes		32,183	14,682
Provisions		60,680	52,374
Others		194,757	234,796
Subtotal		1,288,452	1,115,399
Liabilities directly associated with assets held for sale		1,045	1,999
Total current liabilities		1,289,497	1,117,398
Non-current liabilities			
Long-term debt and lease obligations		142,057	162,286
Retirement benefit liabilities		149,994	132,635
Provisions		26,615	24,942
Deferred tax liabilities		8,451	11,100
Others		26,687	25,898
Total non-current liabilities		353,804	356,861
Total liabilities		1,643,301	1,474,259
Equity			
Share capital		324,625	324,625
Capital surplus		241,254	241,471
Treasury stock, at cost		-79,495	-89,595
Retained earnings		909,139	926,786
Other components of equity		54,616	55,534
Total equity attributable to owners of the parent		1,450,139	1,458,821
Non-controlling interests		96,766	100,764
Total equity		1,546,905	1,559,585
Total liabilities and equity		3,190,206	3,033,844

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

	Notes	(Millions of yen, except per share data)	
		1Q FY2020 (For the three-month ended June 30, 2020)	1Q FY2021 (For the three-month ended June 30, 2021)
【First-Quarter Condensed Consolidated Statement of Profit or Loss】			
Revenue		802,793	801,980
Cost of sales		-578,933	-555,979
Gross profit		223,860	246,001
Selling, general and administrative expenses		-202,600	-214,152
Other income		4,900	5,662
Other expenses		-3,887	-3,772
Operating profit		22,273	33,739
Financial income		3,213	2,898
Financial expenses		-1,091	-784
Income from investments accounted for using the equity method, net		1,556	3,742
Profit for the period before income taxes		25,951	39,595
Income tax expenses		-6,799	-10,057
Profit for the period		19,152	29,538
Profit for the period attributable to:			
Owners of the parent		18,176	24,165
Non-controlling interests		976	5,373
Total		19,152	29,538
Earning per share			
Basic earnings per share (Yen)		90.77	121.60
Diluted earnings per share (Yen)		90.72	121.47

	Notes	(Millions of yen)	
		1Q FY2020 (For the three-month ended June 30, 2020)	1Q FY2021 (For the three-month ended June 30, 2021)
【First-Quarter Condensed Consolidated Statement of Comprehensive Income】			
Profit for the period		19,152	29,538
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		7,096	6,438
Remeasurement of defined benefit plans		-14,103	7,278
Share of other comprehensive income of investments accounted for using the equity method		81	40
		-6,926	13,756
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		2,167	249
Cash flow hedges		-22	202
Share of other comprehensive income of investments accounted for using the equity method		1,116	156
		3,261	607
Total other comprehensive income for the period, net of taxes		-3,665	14,363
Total comprehensive income for the period		15,487	43,901
Total comprehensive income attributable to:			
Owners of the parent		14,285	38,358
Non-controlling interests		1,202	5,543
Total		15,487	43,901

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, 2020	324,625	237,654	-59,614	735,920	2,371	1,240,956	107,479	1,348,435
Profit for the period				18,176		18,176	976	19,152
Other comprehensive income					-3,891	-3,891	226	-3,665
Total comprehensive income for the period	—	—	—	18,176	-3,891	14,285	1,202	15,487
Purchase of treasury stock			-22			-22		-22
Disposal of treasury stock		1	1			2		2
Share-based payment transactions		307				307		307
Dividends paid				-20,024		-20,024	-1,317	-21,341
Transfer to retained earnings				-13,070	13,070	—		—
Others		-121		-515		-636	1,329	693
Balance at June 30, 2020	324,625	237,841	-59,635	720,487	11,550	1,234,868	108,693	1,343,561

(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				24,165		24,165	5,373	29,538
Other comprehensive income					14,193	14,193	170	14,363
Total comprehensive income for the period	—	—	—	24,165	14,193	38,358	5,543	43,901
Purchase of treasury stock			-10,100			-10,100		-10,100
Disposal of treasury stock						—		—
Share-based payment transactions		661				661		661
Dividends paid				-19,899		-19,899	-1,564	-21,463
Transfer to retained earnings				13,271	-13,271	—		—
Others		-444		110	-4	-338	19	-319
Balance at June 30, 2021	324,625	241,471	-89,595	926,786	55,534	1,458,821	100,764	1,559,585

4. Condensed Consolidated Statements of Cash Flows

	Notes	1Q FY2020 (For the three- month ended June 30, 2020)	1Q FY2021 (For the three- month ended June 30, 2021)
(Millions of yen)			
<i>Cash flows from operating activities</i>			
Profit for the period before income taxes		25,951	39,595
Depreciation, amortization and impairment loss		40,791	44,295
Increase (decrease) in provisions		-4,353	-11,644
Increase (decrease) in net defined benefit liability		-6,162	-9,932
Interest and dividend income		-2,048	-1,987
Interest charges		818	673
Income from investments accounted for using the equity method, net		-1,556	-3,742
(Gain) loss on sales of subsidiaries' stock		—	169
(Increase) decrease in trade receivables		345,109	373,305
(Increase) decrease in inventories		-11,783	-36,519
Increase (decrease) in trade payables		-82,751	-80,133
Other, net		-113,516	-101,436
Cash generated from operations		190,500	212,644
Interest received		317	215
Dividends received		2,454	2,693
Interest paid		-792	-676
Income taxes paid		-43,580	-22,859
Net cash provided by operating activities		148,899	192,017
<i>Cash flows from investing activities</i>			
Purchases of property, plant, equipment, and intangible assets		-26,225	-32,269
Proceeds from sales of investment securities		2,844	9,575
Net proceeds from sale of subsidiaries and business		9,530	7,058
Collection of loans receivable		11,089	43
Decrease (increase) in short-term investment		-4,900	-10,325
Other, net		-2,345	-3,104
Net cash used in investing activities		-10,007	-29,022
<i>Cash flows from financing activities</i>			
Increase (decrease) in short-term borrowings		14,620	10,448
Proceeds from long-term debt and issuance of bonds		132	67
Repayment of long-term debt and bonds		-48	-30,192
Payment of lease obligation		-16,866	-18,266
Purchase of treasury stock		-22	-10,100
Dividends paid to owners of the parent		-20,024	-19,899
Other, net		-1,623	-1,053
Net cash used in financing activities		-23,831	-68,995
Net increase (decrease) in cash and cash equivalents		115,061	94,000
Cash and cash equivalents at beginning of period		453,036	481,833
Effect of exchange rate changes on cash and cash equivalents		1,586	672
Cash and cash equivalents at end of period		569,683	576,505

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.