

July 29, 2022

FY 2022 First Quarter Financial Results
April 1, 2022 - June 30, 2022

Fujitsu Limited

Consolidated Financial Results for the First-Quarter Ended June 30, 2022

[Prepared on the basis of International Financial Reporting Standards]

July 29, 2022

Company name : Fujitsu Limited
 Stock exchange listings : Tokyo, Nagoya
 Code number: : 6702
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 Scheduled filing date of statutory financial report: : August 2, 2022
 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, 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 (%)
1Q FY 2022 (4/1/22-6/30/22)	818,862	2.1	25,602	- 24.1	38,339	-3.2	27,336	-7.5
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

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		Change (%)		Change (%)
1Q FY 2022 (4/1/22-6/30/22)	17,283	-28.5	46,286	5.4
1Q FY 2021 (4/1/21-6/30/21)	24,165	33.0	43,901	183.5

(Yen)

	Earnings per share	
	Basic	Diluted
1Q FY 2022 (4/1/22-6/30/22)	87.95	87.83
1Q FY 2021 (4/1/21-6/30/21)	121.60	121.47

(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, 2022	3,187,482	1,737,894	1,604,835	50.3%
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	-				
FY2022(Forecast)		120.00	-	120.00	240.00

Note: Revision of the latest consolidated earnings forecast: No

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	1,424.85

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, 2022	207,001,821
	As of March 31, 2022	207,001,821
2. Treasury stock held at end of period	As of June 30, 2022	10,490,474
	As of March 31, 2022	10,488,990
3. Average number of shares during period	1Q FY 2022	196,511,715
	1Q FY 2021	198,733,117

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	1Q FY2022
		(As of March 31, 2022)	(As of June 30, 2022)
Assets			
Current assets			
Cash and cash equivalents		484,020	472,737
Trade receivables		878,473	543,630
Other receivables		62,327	61,868
Contract assets		116,357	163,240
Inventories		309,829	358,627
Others		90,823	103,898
Subtotal		1,941,829	1,704,000
Assets held for sale		—	90,545
Total current assets		1,941,829	1,794,545
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		571,168	570,871
Goodwill		47,487	49,128
Intangible assets		133,856	134,190
Investments accounted for using the equity method		166,126	172,550
Other investments		170,105	183,360
Retirement benefit assets		139,543	137,980
Deferred tax assets		99,838	87,186
Others		61,857	57,672
Total non-current assets		1,389,980	1,392,937
Total assets		3,331,809	3,187,482
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		470,237	422,751
Other payables		403,873	280,979
Contract liabilities		166,926	193,484
Short-term borrowings, current portion of long-term debt and lease obligations		168,766	136,385
Accrued income taxes		34,610	13,865
Provisions		42,851	39,364
Others		33,472	53,739
Subtotal		1,320,735	1,140,567
Liabilities directly associated with assets held for sale		—	37,481
Total current liabilities		1,320,735	1,178,048
Non-current liabilities			
Long-term debt and lease obligations		116,553	116,018
Retirement benefit liabilities		115,972	98,709
Provisions		21,416	21,411
Deferred tax liabilities		15,305	11,242
Others		26,079	24,160
Total non-current liabilities		295,325	271,540
Total liabilities		1,616,060	1,449,588
Equity			
Share capital		324,625	324,625
Capital surplus		243,048	243,950
Treasury stock, at cost		-128,897	-128,925
Retained earnings		1,088,429	1,094,837
Other components of equity		63,508	70,348
Total equity attributable to owners of the parent		1,590,713	1,604,835
Non-controlling interests		125,036	133,059
Total equity		1,715,749	1,737,894
Total liabilities and equity		3,331,809	3,187,482

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

【First-Quarter Condensed Consolidated Statement of Profit or Loss】		(Millions of yen, except per share data)	
	Notes	1Q FY2021 (For the three-month ended June 30, 2021)	1Q FY2022 (For the three-month ended June 30, 2022)
Revenue		801,980	818,862
Cost of sales		-555,979	-580,747
Gross profit		246,001	238,115
Selling, general and administrative expenses		-214,152	-211,801
Other income		5,662	4,086
Other expenses		-3,772	-4,798
Operating profit		33,739	25,602
Financial income		2,898	8,564
Financial expenses		-784	-1,062
Income from investments accounted for using the equity method, net		3,742	5,235
Profit for the period before income taxes		39,595	38,339
Income tax expenses		-10,057	-11,003
Profit for the period		29,538	27,336
Profit for the period attributable to:			
Owners of the parent		24,165	17,283
Non-controlling interests		5,373	10,053
Total		29,538	27,336
Earning per share			
Basic earnings per share (Yen)		121.60	87.95
Diluted earnings per share (Yen)		121.47	87.83

【First-Quarter Condensed Consolidated Statement of Comprehensive Income】		(Millions of yen)	
	Notes	1Q FY2021 (For the three-month ended June 30, 2021)	1Q FY2022 (For the three-month ended June 30, 2022)
Profit for the period		29,538	27,336
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		6,438	-4,199
Remeasurement of defined benefit plans		7,278	10,686
Share of other comprehensive income of investments accounted for using the equity method		40	30
		13,756	6,517
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		249	10,937
Cash flow hedges		202	230
Share of other comprehensive income of investments accounted for using the equity method		156	1,266
		607	12,433
Total other comprehensive income for the period, net of taxes		14,363	18,950
Total comprehensive income for the period		43,901	46,286
Total comprehensive income attributable to:			
Owners of the parent		38,358	34,864
Non-controlling interests		5,543	11,422
Total		43,901	46,286

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				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
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

(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				17,283		17,283	10,053	27,336
Other comprehensive income					17,581	17,581	1,369	18,950
Total comprehensive income for the period	—	—	—	17,283	17,581	34,864	11,422	46,286
Purchase of treasury stock			-28			-28		-28
Share-based payment transactions		863				863		863
Dividends paid				-21,616		-21,616	-2,316	-23,932
Transfer to retained earnings				10,741	-10,741	—		—
Others		39				39	-1,083	-1,044
Balance at June 30, 2022	324,625	243,950	-128,925	1,094,837	70,348	1,604,835	133,059	1,737,894

4. Condensed Consolidated Statements of Cash Flows

	(Millions of yen)	
	1Q FY2021 (For the three- month ended June 30, 2021)	1Q FY2022 (For the three- month ended June 30, 2022)
Cash flows from operating activities		
Profit for the period before income taxes	39,595	38,339
Depreciation, amortization and impairment loss	44,295	44,683
Increase (decrease) in provisions	-11,644	-4,144
Increase (decrease) in net defined benefit liability	-9,932	-4,177
Interest and dividend income	-1,987	-2,174
Interest charges	673	842
Income from investments accounted for using the equity method, net	-3,742	-5,235
(Increase) decrease in trade receivables	373,305	327,241
(Increase) decrease in contract assets	-50,474	-45,814
(Increase) decrease in inventories	-36,519	-69,406
Increase (decrease) in trade payables	-80,133	-43,873
Increase (decrease) in contract liabilities	18,508	30,010
Other, net	-69,301	-116,657
Cash generated from operations	212,644	149,635
Interest received	215	341
Dividends received	2,693	2,708
Interest paid	-676	-815
Income taxes paid	-22,859	-27,227
Net cash provided by operating activities	192,017	124,642
Cash flows from investing activities		
Purchases of property, plant, equipment, and intangible assets	-32,269	-40,855
Proceeds from sales of investment securities	9,575	1,417
Purchase of investment securities	-1,813	-20,445
Net proceeds from sale of subsidiaries and business	7,058	-9
Collection of loans receivable	43	113
Decrease (increase) in short-term investment	-10,325	151
Other, net	-1,291	1,167
Net cash used in investing activities	-29,022	-58,461
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	10,448	-30,573
Proceeds from long-term debt and issuance of bonds	67	—
Repayment of long-term debt and bonds	-30,192	-70
Payment of lease obligation	-18,266	-13,325
Purchase of treasury stock	-10,100	-28
Dividends paid to owners of the parent	-19,899	-21,616
Other, net	-1,053	-3,014
Net cash used in financing activities	-68,995	-68,626
Net increase (decrease) in cash and cash equivalents	94,000	-2,445
Cash and cash equivalents at beginning of period	481,833	484,020
Effect of exchange rate changes on cash and cash equivalents	672	8,922
Cash and cash equivalents at end of period	576,505	490,497

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.