

January 31, 2018

FY 2017 Nine-Month Financial Results
April 1, 2017 – December 31, 2017

Fujitsu Limited

Consolidated Financial Results for the Nine months Ended December 31, 2017

[Prepared on the basis of International Financial Reporting Standards]

January 31, 2018

Company name : Fujitsu Limited
 Stock exchange listings : Tokyo, Nagoya
 Code number: : 6702
 URL: : <http://www.fujitsu.com/global/>
 Representative: : Tatsuya Tanaka, President and Representative Director
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 Scheduled filing date of statutory financial report: : February 2, 2018
 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, 2017

(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 2017 (4/1/17-12/31/17) | 2,926,372 | -0.1 | 38,529 | -29.3 | 72,395 | 22.1 | 62,795 | 64.0 |
| 9 Months FY 2016 (4/1/16-12/31/16) | 2,928,679 | - | 54,473 | - | 59,297 | - | 38,295 | - |

| | Profit for the period attributable to owners of the parent | | Total comprehensive income for the period | |
|---------------------------------------|--|------------|---|------------|
| | | Change (%) | | Change (%) |
| 9 Months FY 2017 (4/1/17-12/31/17) | 55,430 | 71.9 | 144,575 | 177.0 |
| 9 Months FY 2016 (4/1/16-12/31/16) | 32,237 | - | 52,194 | - |

(Yen)

| | Earnings per share | |
|---------------------------------------|--------------------|---------|
| | Basic | Diluted |
| 9 Months FY 2017 (4/1/17-12/31/17) | 27.03 | 27.03 |
| 9 Months FY 2016 (4/1/16-12/31/16) | 15.58 | 15.58 |

From the first quarter of 2017, the Fujitsu Group classifies FUJITSU TEN Limited under “discontinued operations.” In the Condensed Consolidated Statement of Profit or Loss, the profit from discontinued operations is therefore presented separately from the figures for continuing operations. Accordingly, the figures for revenue, operating profit, and profit before income taxes are all from continuing operations. Because the figures presented for the first 9 Months of fiscal 2016 have been modified in the same way, figures for the percentage change versus the same period in the previous fiscal year are not presented for revenue, operating profit, or profit before income taxes.

(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, 2017 | 2,982,429 | 1,119,931 | 994,898 | 33.4% |
| March 31, 2017 | 3,191,498 | 1,019,202 | 881,292 | 27.6% |

2. Dividends per Share (Ordinary Shares)

(Yen)

| | Dividends per share | | | | |
|------------------|---------------------|------|----|----------|-----------|
| | 1Q | 2Q | 3Q | Year-end | Full year |
| FY2016 | - | 4.00 | - | 5.00 | 9.00 |
| FY2017 | - | 5.00 | - | | |
| FY2017(Forecast) | | | | 6.00 | 11.00 |

Note: Revision of the latest dividends forecast: None

3. Consolidated Earnings Forecast for FY2017

(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 period attributable to owners of the parent | | Basic earnings per share |
|--------|-----------|------------|------------------|------------|--|------------|--------------------------|
| | | Change (%) | | Change (%) | | Change (%) | |
| FY2017 | 4,100,000 | -0.8 | 185,000 | 57.5 | 145,000 | 63.9 | 70.72 |

Note: Revision of the latest consolidated earnings forecast: None

As with (1) Consolidated financial results, the figures for revenue and operating profit are all from continuing operations. Likewise, for the percentage change versus the previous period, figures are presented for the percentage change from the previous period's revenue and operating profit from continuing operations.

4. Other Information

(1) Significant changes to subsidiaries in the current reporting period

(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 December 31, 2017 | 2,070,018,213 |
| | As of March 31, 2017 | 2,070,018,213 |
| 2. Treasury stock held at end of period | As of December 31, 2017 | 19,650,834 |
| | As of March 31, 2017 | 19,540,434 |
| 3. Average number of shares during period | 9 Months FY 2017 | 2,050,420,415 |
| | 9 Months FY 2016 | 2,068,804,965 |

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, and Asia, including China)
- Rapid changes in the high-technology market (particularly semiconductors, PCs, etc.)
- 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 | FY2016 (As of March 31, 2017) | 3Q FY2017 (As of December 31, 2017) |
|--|-------|----------------------------------|--|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 380,695 | 388,773 |
| Trade receivables | | 999,238 | 825,565 |
| Other receivables | | 66,849 | 74,885 |
| Inventories | | 293,163 | 289,719 |
| Others | | 79,052 | 96,948 |
| Subtotal | | 1,818,997 | 1,675,890 |
| Assets held for sale | | 23,408 | 77,044 |
| Total current assets | | 1,842,405 | 1,752,934 |
| Non-current assets | | | |
| Property, plant and equipment, net of accumulated depreciation | | 596,649 | 534,698 |
| Goodwill | | 41,237 | 44,824 |
| Intangible assets | | 153,974 | 133,177 |
| Investments accounted for using the equity method | | 109,854 | 113,180 |
| Other investments | | 181,970 | 170,926 |
| Deferred tax assets | | 132,591 | 112,186 |
| Others | | 132,818 | 120,504 |
| Total non-current assets | | 1,349,093 | 1,229,495 |
| Total assets | | 3,191,498 | 2,982,429 |
| Liabilities and equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade payables | | 617,706 | 501,783 |
| Other payables | | 382,894 | 305,810 |
| Short-term borrowings, current portion of long-term debt and lease obligations | | 130,788 | 203,955 |
| Accrued income taxes | | 21,740 | 3,666 |
| Provisions | | 75,047 | 47,393 |
| Others | | 191,803 | 192,072 |
| Subtotal | | 1,419,978 | 1,254,679 |
| Liabilities directly associated with assets held for sale | | 12,014 | 26,778 |
| Total current liabilities | | 1,431,992 | 1,281,457 |
| Non-current liabilities | | | |
| Long-term debt and lease obligations | | 354,304 | 278,096 |
| Retirement benefit liabilities | | 309,031 | 234,463 |
| Provisions | | 31,363 | 31,684 |
| Deferred tax liabilities | | 4,788 | 3,167 |
| Others | | 40,818 | 33,631 |
| Total non-current liabilities | | 740,304 | 581,041 |
| Total liabilities | | 2,172,296 | 1,862,498 |
| Equity | | | |
| Share capital | | 324,625 | 324,625 |
| Capital surplus | | 231,640 | 231,855 |
| Treasury stock, at cost | | -12,502 | -12,593 |
| Retained earnings | | 265,893 | 382,548 |
| Other components of equity | | 71,636 | 68,463 |
| Total equity attributable to owners of the parent | | 881,292 | 994,898 |
| Non-controlling interests | | 137,910 | 125,033 |
| Total equity | | 1,019,202 | 1,119,931 |
| Total liabilities and equity | | 3,191,498 | 2,982,429 |

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 FY2016 (For the nine months ended December 31, 2016) | 9 Months FY2017 (For the nine months ended December 31, 2017) |
| Continuing Operations | | | |
| Revenue | | 2,928,679 | 2,926,372 |
| Cost of sales | | -2,120,959 | -2,144,188 |
| Gross profit | | 807,720 | 782,184 |
| Selling, general and administrative expenses | | -745,385 | -750,730 |
| Other income (expenses) | | -7,862 | 7,075 |
| Operating profit | | 54,473 | 38,529 |
| Financial income | | 6,244 | 35,459 |
| Financial expenses | | -4,154 | -4,054 |
| Income from investments accounted for using the equity method, net | | 2,734 | 2,461 |
| Profit for the period from continuing operations before income taxes | | 59,297 | 72,395 |
| Income tax expenses | | -26,760 | -18,831 |
| Profit for the period from continuing operations | | 32,537 | 53,564 |
| Discontinued operations | | | |
| Profit for the period from discontinued operations | | 5,758 | 9,231 |
| Profit for the period | | 38,295 | 62,795 |
| Profit for the period attributable to: | | | |
| Owners of the parent | | 32,237 | 55,430 |
| Non-controlling interests | | 6,058 | 7,365 |
| Total | | 38,295 | 62,795 |
| Earning per share | | | |
| Basic earnings per share (Yen) | | 15.58 | 27.03 |
| Diluted earnings per share (Yen) | | 15.58 | 27.03 |
| Earning per share from continuing operations | | | |
| Basic earnings per share (Yen) | | 13.93 | 23.61 |
| Diluted earnings per share (Yen) | | 13.93 | 23.61 |

| 【Nine Months Condensed Consolidated Statement of Comprehensive Income】 | | (Millions of yen) | |
|---|-------|--|--|
| | Notes | 9 Months FY2016 (For the nine months ended December 31, 2016) | 9 Months FY2017 (For the nine months ended December 31, 2017) |
| Profit for the period | | 38,295 | 62,795 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plans | | 14,738 | 83,862 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation adjustments | | -14,331 | 3,758 |
| Cash flow hedges | | 51 | -13 |
| Available-for-sale financial assets | | 16,490 | -7,105 |
| Share of other comprehensive income of investments accounted for using the equity method | | -3,049 | 1,278 |
| | | -839 | -2,082 |
| Total other comprehensive income for the period, net of taxes | | 13,899 | 81,780 |
| Total comprehensive income for the period | | 52,194 | 144,575 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 45,652 | 134,381 |
| Non-controlling interests | | 6,542 | 10,194 |
| Total | | 52,194 | 144,575 |

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

(Millions of yen, except per share data)

| Notes | 3Q FY2016 (For the three-month ended December 31, 2016) | 3Q FY2017 (For the three-month ended December 31, 2017) |
|---|--|--|
| Continuing Operations | | |
| Revenue | 1,020,822 | 1,003,132 |
| Cost of sales | -732,935 | -741,851 |
| Gross profit | 287,887 | 261,281 |
| Selling, general and administrative expenses | -247,820 | -250,343 |
| Other income (expenses) | -5,693 | -411 |
| Operating profit | 34,374 | 10,527 |
| Financial income | 6,458 | 3,623 |
| Financial expenses | -1,376 | -1,487 |
| Income from investments accounted for using the equity method, net | -765 | 393 |
| Profit for the period from continuing operations before income taxes | 38,691 | 13,056 |
| Income tax expenses | -16,898 | -4,154 |
| Profit for the period from continuing operations | 21,793 | 8,902 |
| Discontinued operations | | |
| Profit for the period from discontinued operations | 2,392 | 6,412 |
| Profit for the period | 24,185 | 15,314 |
| Profit for the period attributable to: | | |
| Owners of the parent | 20,376 | 11,958 |
| Non-controlling interests | 3,809 | 3,356 |
| Total | 24,185 | 15,314 |
| Earning per share | | |
| Basic earnings per share (Yen) | 9.85 | 5.83 |
| Diluted earnings per share (Yen) | 9.85 | 5.83 |
| Earning per share from continuing operations | | |
| Basic earnings per share (Yen) | 9.15 | 3.13 |
| Diluted earnings per share (Yen) | 9.15 | 3.13 |

【Third-Quarter Condensed Consolidated Statement of Comprehensive Income】

(Millions of yen)

| Notes | 3Q FY2016 (For the three-month ended December 31, 2016) | 3Q FY2017 (For the three-month ended December 31, 2017) |
|--|--|--|
| Profit for the period | 24,185 | 15,314 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of defined benefit plans | 40,273 | 45,495 |
| Items that may be reclassified subsequently to profit or loss | | |
| Foreign currency translation adjustments | 19,451 | -280 |
| Cash flow hedges | -118 | -49 |
| Available-for-sale financial assets | 15,180 | 7,344 |
| Share of other comprehensive income of investments accounted for using the equity method | 2,108 | 1,108 |
| | 36,621 | 8,123 |
| Total other comprehensive income for the period, net of taxes | 76,894 | 53,618 |
| Total comprehensive income for the period | 101,079 | 68,932 |
| Total comprehensive income attributable to: | | |
| Owners of the parent | 92,932 | 64,683 |
| Non-controlling interests | 8,147 | 4,249 |
| Total | 101,079 | 68,932 |

3. Condensed Consolidated Statement of Changes in Equity

【9 Months FY2016 (For the nine months period ended December 31, 2016)】

(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, 2016 | 324,625 | 233,896 | -627 | 155,930 | 68,958 | 782,782 | 143,458 | 926,240 |
| Profit for the period | | | | 32,237 | | 32,237 | 6,058 | 38,295 |
| Other comprehensive income | | | | | 13,415 | 13,415 | 484 | 13,899 |
| Total comprehensive income for the period | — | — | — | 32,237 | 13,415 | 45,652 | 6,542 | 52,194 |
| Purchase of treasury stock | | | -36 | | | -36 | -2 | -38 |
| Disposal of treasury stock | | | 2 | | | 2 | | 2 |
| Dividends paid | | | | -16,550 | | -16,550 | -2,851 | -19,401 |
| Transfer to retained earnings | | | | 13,346 | -13,346 | — | | — |
| Acquisition (disposal) of non-controlling interests | | -2,251 | | | | -2,251 | -10,544 | -12,795 |
| Balance at December 31, 2016 | 324,625 | 231,645 | -661 | 184,963 | 69,027 | 809,599 | 136,603 | 946,202 |

【9 Months FY2017 (For the nine months period ended December 31, 2017)】

(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, 2017 | 324,625 | 231,640 | -12,502 | 265,893 | 71,636 | 881,292 | 137,910 | 1,019,202 |
| Profit for the period | | | | 55,430 | | 55,430 | 7,365 | 62,795 |
| Other comprehensive income | | | | | 78,951 | 78,951 | 2,829 | 81,780 |
| Total comprehensive income for the period | — | — | — | 55,430 | 78,951 | 134,381 | 10,194 | 144,575 |
| Purchase of treasury stock | | | -92 | | | -92 | -2 | -94 |
| Disposal of treasury stock | | | 1 | | | 1 | | 1 |
| Dividends paid | | | | -20,504 | | -20,504 | -4,787 | -25,291 |
| Transfer to retained earnings | | | | 82,124 | -82,124 | — | | — |
| Acquisition (disposal) of non-controlling interests | | -180 | | | | -180 | -371 | -551 |
| Changes in ownership interests in subsidiaries | | 395 | | -395 | | — | -17,911 | -17,911 |
| Balance at December 31, 2017 | 324,625 | 231,855 | -12,593 | 382,548 | 68,463 | 994,898 | 125,033 | 1,119,931 |

4. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

| Notes | 9 Months FY2016 (For the nine months ended December 31, 2016) | 9 Months FY2017 (For the nine months ended December 31, 2017) |
|--|--|--|
| <i>Cash flows from operating activities</i> | | |
| Profit for the period from continuing operations before income taxes | 59,297 | 72,395 |
| Depreciation, amortization and impairment loss | 130,791 | 124,805 |
| Increase (decrease) in provisions | -8,247 | -21,803 |
| Increase (decrease) in net defined benefit liability | -5,542 | -7,056 |
| Interest and dividend income | -4,506 | -4,821 |
| Interest charges | 3,307 | 3,244 |
| Equity in earnings of affiliates, net | -2,758 | -2,477 |
| (Increase) decrease in trade receivables | 75,099 | 115,245 |
| (Increase) decrease in inventories | -65,198 | -58,190 |
| Increase (decrease) in trade payables | -21,813 | -66,073 |
| Other, net | -41,959 | -51,301 |
| Cash generated from operations | 118,471 | 103,968 |
| Interest received | 1,150 | 1,440 |
| Dividends received | 5,232 | 4,971 |
| Interest paid | -3,575 | -3,507 |
| Income taxes paid | -27,077 | -35,966 |
| Net cash provided by operating activities | 94,201 | 70,906 |
| <i>Cash flows from investing activities</i> | | |
| Purchases of property, plant, equipment, and intangible assets | -144,119 | -98,665 |
| Proceeds from sale of available-for-sale financial assets | 2,497 | 35,109 |
| Net proceeds from sale of subsidiaries and business | — | 5,232 |
| Collection of loans receivable | 2,989 | 21,787 |
| Other, net | 7,634 | -1,021 |
| Net cash used in investing activities | -130,999 | -37,558 |
| <i>Cash flows from financing activities</i> | | |
| Increase (decrease) in short-term borrowings | 136,956 | 24,162 |
| Proceeds from long-term debt and issuance of bonds | 12,397 | 819 |
| Repayment of long-term debt and bonds | -67,354 | -21,932 |
| Payment of lease obligation | -10,480 | -9,474 |
| Purchase of treasury stock | -36 | -92 |
| Dividends paid to owners of the parent | -16,550 | -20,504 |
| Acquisition of non-controlling interests | -12,932 | -577 |
| Other, net | -3,027 | -4,774 |
| Net cash provided by (used in) financing activities | 38,974 | -32,372 |
| Net increase (decrease) in cash and cash equivalents | 2,176 | 976 |
| Cash and cash equivalents at beginning of period | 380,810 | 383,969 |
| Effect of exchange rate changes on cash and cash equivalents | -2,068 | 3,966 |
| Cash and cash equivalents at end of period | 380,918 | 388,911 |

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.