

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	:	Kunihiko 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.