

January 31, 2024

FY 2023 Nine-Month Financial Results
April 1, 2023 - December 31, 2023

Fujitsu Limited

Consolidated Financial Results for the Nine months Ended December 31, 2023

[Prepared on the basis of International Financial Reporting Standards]

January 31, 2024

Company name : Fujitsu Limited
 Stock exchange listings : Tokyo, Nagoya
 Code number: : 6702
 URL: : <https://www.fujitsu.com/>
 Representative: : Takahito Tokita, President and Representative Director
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 Scheduled filing date of statutory financial report: : February 5, 2024
 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, 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 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 2023 (4/1/23-12/31/23) | 2,642,722 | 0.2 | 48,089 | -72.2 | 60,971 | -70.2 | 35,087 | -74.9 |
| 9 Months FY 2022 (4/1/22-12/31/22) | 2,636,735 | 3.7 | 173,285 | 18.1 | 204,633 | 29.2 | 139,560 | -5.2 |

| | Profit for the period attributable to owners of the parent | | Total comprehensive income for the period | |
|---------------------------------------|--|------------|---|------------|
| | | Change (%) | | Change (%) |
| 9 Months FY 2023 (4/1/23-12/31/23) | 26,084 | -76.9 | 75,123 | -37.6 |
| 9 Months FY 2022 (4/1/22-12/31/22) | 112,749 | -9.3 | 120,425 | -33.3 |

(Yen)

| | Earnings per share | |
|---------------------------------------|--------------------|---------|
| | Basic | Diluted |
| 9 Months FY 2023 (4/1/23-12/31/23) | 138.45 | 138.26 |
| 9 Months FY 2022 (4/1/22-12/31/22) | 575.46 | 574.66 |

(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, 2023 | 3,230,151 | 1,761,703 | 1,603,345 | 49.6% |
| March 31, 2023 | 3,265,579 | 1,736,823 | 1,586,835 | 48.6% |

2. Dividends per Share (Ordinary Shares)

(Yen)

| | Dividends per share | | | | |
|------------------|---------------------|--------|----|----------|-----------|
| | 1Q | 2Q | 3Q | Year-end | Full year |
| FY2022 | - | 120.00 | - | 120.00 | 240.00 |
| FY2023 | - | 130.00 | - | | |
| FY2023(Forecast) | | | | 130.00 | 260.00 |

Note: Revision of the latest dividends forecast: None

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 | 3,810,000 | 2.6 | 250,000 | -25.5 | 208,000 | -3.3 | 1,103.98 |

Note: Revision of the latest consolidated earnings forecast: Yes

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 December 31, 2023 | 207,110,845 |
| | As of March 31, 2023 | 207,001,821 |
| 2. Treasury stock held at end of period | As of December 31, 2023 | 18,666,325 |
| | As of March 31, 2023 | 18,661,673 |
| 3. Average number of shares during period | 9 Months FY 2023 | 188,398,258 |
| | 9 Months FY 2022 | 195,929,217 |

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 | FY2022 | 3Q FY2023 |
| | | (As of March 31, 2023) | (As of December 31, 2023) |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 355,901 | 363,836 |
| Trade receivables | | 927,849 | 572,440 |
| Other receivables | | 84,766 | 106,689 |
| Contract assets | | 125,442 | 292,439 |
| Inventories | | 337,008 | 376,685 |
| Others | | 86,858 | 110,654 |
| Subtotal | | <u>1,917,824</u> | <u>1,822,743</u> |
| Assets held for sale | | — | 12,337 |
| Total current assets | | <u>1,917,824</u> | <u>1,835,080</u> |
| Non-current assets | | | |
| Property, plant and equipment, net of accumulated depreciation | | 572,172 | 594,706 |
| Goodwill | | 55,132 | 104,023 |
| Intangible assets | | 146,264 | 170,044 |
| Investments accounted for using the equity method | | 155,594 | 154,776 |
| Other investments | | 195,463 | 132,091 |
| Retirement benefit assets | | 81,883 | 100,376 |
| Deferred tax assets | | 73,310 | 59,251 |
| Others | | 67,937 | 79,804 |
| Total non-current assets | | <u>1,347,755</u> | <u>1,395,071</u> |
| Total assets | | <u>3,265,579</u> | <u>3,230,151</u> |
| Liabilities and equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade payables | | 463,730 | 399,663 |
| Other payables | | 367,399 | 312,518 |
| Contract liabilities | | 194,455 | 210,522 |
| Short-term borrowings, current portion of long-term debt and lease obligations | | 103,577 | 128,980 |
| Accrued income taxes | | 85,079 | 12,292 |
| Provisions | | 35,015 | 53,941 |
| Others | | 27,201 | 43,241 |
| Subtotal | | <u>1,276,456</u> | <u>1,161,157</u> |
| Liabilities directly associated with assets held for sale | | — | 46,122 |
| Total current liabilities | | <u>1,276,456</u> | <u>1,207,279</u> |
| Non-current liabilities | | | |
| Long-term debt and lease obligations | | 107,598 | 105,451 |
| Retirement benefit liabilities | | 95,388 | 103,036 |
| Provisions | | 20,654 | 19,760 |
| Deferred tax liabilities | | 5,612 | 6,090 |
| Others | | 23,048 | 26,832 |
| Total non-current liabilities | | <u>252,300</u> | <u>261,169</u> |
| Total liabilities | | <u>1,528,756</u> | <u>1,468,448</u> |
| Equity | | | |
| Share capital | | 324,625 | 325,638 |
| Capital surplus | | 242,512 | 240,404 |
| Treasury stock, at cost | | -277,702 | -277,789 |
| Retained earnings | | 1,226,595 | 1,252,520 |
| Other components of equity | | 70,805 | 62,572 |
| Total equity attributable to owners of the parent | | <u>1,586,835</u> | <u>1,603,345</u> |
| Non-controlling interests | | 149,988 | 158,358 |
| Total equity | | <u>1,736,823</u> | <u>1,761,703</u> |
| Total liabilities and equity | | <u>3,265,579</u> | <u>3,230,151</u> |

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) | |
|---|-------|--|--|
| | Notes | 9 Months FY2022 (For the nine months ended December 31, 2022) | 9 Months FY2023 (For the nine months ended December 31, 2023) |
| Revenue | | 2,636,735 | 2,642,722 |
| Cost of sales | | -1,858,804 | -1,856,368 |
| Gross profit | | 777,931 | 786,354 |
| Selling, general and administrative expenses | | -643,193 | -678,982 |
| Other income | | 65,255 | 22,815 |
| Other expenses | | -26,708 | -82,098 |
| Operating profit | | 173,285 | 48,089 |
| Financial income | | 13,276 | 10,420 |
| Financial expenses | | -3,812 | -4,637 |
| Income from investments accounted for using the equity method, net | | 21,884 | 7,099 |
| Profit for the period before income taxes | | 204,633 | 60,971 |
| Income tax expenses | | -65,073 | -25,884 |
| Profit for the period | | 139,560 | 35,087 |
| Profit for the period attributable to: | | | |
| Owners of the parent | | 112,749 | 26,084 |
| Non-controlling interests | | 26,811 | 9,003 |
| Total | | 139,560 | 35,087 |
| Earning per share | | | |
| Basic earnings per share (Yen) | | 575.46 | 138.45 |
| Diluted earnings per share (Yen) | | 574.66 | 138.26 |

| 【Nine Months Condensed Consolidated Statement of Comprehensive Income】 | | (Millions of yen) | |
|--|-------|--|--|
| | Notes | 9 Months FY2022 (For the nine months ended December 31, 2022) | 9 Months FY2023 (For the nine months ended December 31, 2023) |
| Profit for the period | | 139,560 | 35,087 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Financial assets measured at fair value through other comprehensive income | | -1,686 | 26,391 |
| Remeasurement of defined benefit plans | | -12,658 | -2,004 |
| Share of other comprehensive income of investments accounted for using the equity method | | 179 | 396 |
| | | -14,165 | 24,783 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation adjustments | | -5,319 | 14,119 |
| Cash flow hedges | | 403 | -15 |
| Share of other comprehensive income of investments accounted for using the equity method | | -54 | 1,149 |
| | | -4,970 | 15,253 |
| Total other comprehensive income for the period, net of taxes | | -19,135 | 40,036 |
| Total comprehensive income for the period | | 120,425 | 75,123 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 92,340 | 64,790 |
| Non-controlling interests | | 28,085 | 10,333 |
| Total | | 120,425 | 75,123 |

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

(Millions of yen)

| | Notes | 3Q FY2022 (For the three-month ended December 31, 2022) | 3Q FY2023 (For the three-month ended December 31, 2023) |
|--|-------|--|--|
| Revenue | | 931,424 | 930,825 |
| Cost of sales | | -652,753 | -638,870 |
| Gross profit | | 278,671 | 291,955 |
| Selling, general and administrative expenses | | -215,668 | -229,690 |
| Other income | | 17,673 | 8,349 |
| Other expenses | | -8,360 | -67,305 |
| Operating profit | | 72,316 | 3,309 |
| Financial income | | 3,337 | 2,189 |
| Financial expenses | | -6,083 | -4,863 |
| Income from investments accounted for using the equity method, net | | 4,413 | 141 |
| Profit for the period before income taxes | | 73,983 | 776 |
| Income tax expenses | | -26,401 | -9,631 |
| Profit for the period | | 47,582 | -8,855 |
| Profit for the period attributable to: | | | |
| Owners of the parent | | 40,768 | -11,728 |
| Non-controlling interests | | 6,814 | 2,873 |
| Total | | 47,582 | -8,855 |
| Earning per share | | | |
| Basic earnings per share (Yen) | | 209.39 | -62.24 |
| Diluted earnings per share (Yen) | | 209.16 | -62.24 |

【Third-Quarter Condensed Consolidated Statement of Comprehensive Income】

(Millions of yen)

| | Notes | 3Q FY2022 (For the three-month ended December 31, 2022) | 3Q FY2023 (For the three-month ended December 31, 2023) |
|--|-------|--|--|
| Profit for the period | | 47,582 | -8,855 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Financial assets measured at fair value through other comprehensive income | | 2,725 | -1,705 |
| Remeasurement of defined benefit plans | | -18,210 | -17,653 |
| Share of other comprehensive income of investments accounted for using the equity method | | 92 | 210 |
| | | -15,393 | -19,148 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Foreign currency translation adjustments | | -11,724 | -6,565 |
| Cash flow hedges | | 352 | 60 |
| Share of other comprehensive income of investments accounted for using the equity method | | -1,467 | -1,596 |
| | | -12,839 | -8,101 |
| Total other comprehensive income for the period, net of taxes | | -28,232 | -27,249 |
| Total comprehensive income for the period | | 19,350 | -36,104 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 12,802 | -38,596 |
| Non-controlling interests | | 6,548 | 2,492 |
| Total | | 19,350 | -36,104 |

3. Condensed Consolidated Statement of Changes in Equity

Nine Months FY2022 (For the nine months period ended December 31, 2022)

| Notes | Equity attributable to owners of the parent | | | | | | (Millions of yen) | |
|---|---|-----------------|-------------------------|-------------------|----------------------------|------------------|---------------------------|------------------|
| | Share capital | Capital surplus | Treasury stock, at cost | Retained earnings | Other components of equity | Total | Non-controlling interests | Total equity |
| 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 | — | — | — | 112,749 | — | 112,749 | 26,811 | 139,560 |
| Other comprehensive income | — | — | — | — | -20,409 | -20,409 | 1,274 | -19,135 |
| Total comprehensive income for the period | — | — | — | 112,749 | -20,409 | 92,340 | 28,085 | 120,425 |
| Purchase of treasury stock | — | — | -70,057 | — | — | -70,057 | — | -70,057 |
| Disposal of treasury stock | — | 0 | 1 | — | — | 1 | — | 1 |
| Share-based payment transactions | — | 1,042 | 1,296 | — | — | 2,338 | — | 2,338 |
| Dividends paid | — | — | — | -45,210 | — | -45,210 | -4,498 | -49,708 |
| Transfer to retained earnings | — | — | — | -5,200 | 5,200 | — | — | — |
| Acquisition (disposal) of non-controlling interests | — | -56 | — | — | — | -56 | -1,453 | -1,509 |
| Changes in ownership interests in subsidiaries | — | 648 | — | -721 | 73 | — | -103 | -103 |
| Others | — | -3,011 | — | 2,992 | — | -19 | 88 | 69 |
| Balance at December 31, 2022 | 324,625 | 241,671 | -197,657 | 1,153,039 | 48,372 | 1,570,050 | 147,155 | 1,717,205 |

Nine Months FY2023 (For the nine months period ended December 31, 2023)

| Notes | Equity attributable to owners of the parent | | | | | | (Millions of yen) | |
|---|---|-----------------|-------------------------|-------------------|----------------------------|------------------|---------------------------|------------------|
| | Share capital | Capital surplus | Treasury stock, at cost | Retained earnings | Other components of equity | Total | Non-controlling interests | Total equity |
| Balance at April 1, 2023 | 324,625 | 242,512 | -277,702 | 1,226,595 | 70,805 | 1,586,835 | 149,988 | 1,736,823 |
| Profit for the period | — | — | — | 26,084 | — | 26,084 | 9,003 | 35,087 |
| Other comprehensive income | — | — | — | — | 38,706 | 38,706 | 1,330 | 40,036 |
| Total comprehensive income for the period | — | — | — | 26,084 | 38,706 | 64,790 | 10,333 | 75,123 |
| Purchase of treasury stock | — | — | -88 | — | — | -88 | — | -88 |
| Disposal of treasury stock | — | 0 | 1 | — | — | 1 | — | 1 |
| Share-based payment transactions | 1,013 | 136 | — | — | — | 1,149 | — | 1,149 |
| Dividends paid | — | — | — | -47,098 | — | -47,098 | -5,085 | -52,183 |
| Transfer to retained earnings | — | — | — | 46,939 | -46,939 | — | — | — |
| Acquisition (disposal) of non-controlling interests | — | -2,241 | — | — | — | -2,241 | -500 | -2,741 |
| Changes in ownership interests in subsidiaries | — | — | — | — | — | — | 3,559 | 3,559 |
| Others | — | -3 | — | — | — | -3 | 63 | 60 |
| Balance at December 31, 2023 | 325,638 | 240,404 | -277,789 | 1,252,520 | 62,572 | 1,603,345 | 158,358 | 1,761,703 |

4. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

| | Notes | 9 Months FY2022 (For the nine months ended December 31, 2022) | 9 Months FY2023 (For the nine months ended December 31, 2023) |
|---|-------|--|--|
| <i>Cash flows from operating activities</i> | | | |
| Profit for the period before income taxes | | 204,633 | 60,971 |
| Depreciation, amortization and impairment loss | | 130,298 | 126,635 |
| Increase (decrease) in provisions | | -5,730 | 17,488 |
| Increase (decrease) in net defined benefit liability | | -13,260 | -9,660 |
| Interest and dividend income | | -4,159 | -8,011 |
| Interest charges | | 2,874 | 3,792 |
| Income from investments accounted for using the equity method, net | | -21,884 | -7,099 |
| (Gain) loss on sales of subsidiaries' stock | | -39,153 | -114 |
| (Increase) decrease in trade receivables | | 243,110 | 362,965 |
| (Increase) decrease in contract assets | | -134,918 | -162,984 |
| (Increase) decrease in inventories | | -119,515 | -36,926 |
| Increase (decrease) in trade payables | | -17,892 | -64,802 |
| Increase (decrease) in contract liabilities | | 27,351 | 10,952 |
| Other, net | | -127,641 | -780 |
| Cash generated from operations | | <u>124,114</u> | <u>292,427</u> |
| Interest received | | 1,606 | 3,947 |
| Dividends received | | 7,003 | 11,793 |
| Interest paid | | -2,857 | -3,762 |
| Income taxes paid | | -52,925 | -151,414 |
| Net cash provided by operating activities | | <u>76,941</u> | <u>152,991</u> |
| <i>Cash flows from investing activities</i> | | | |
| Purchases of property, plant, equipment, and intangible assets | | -115,694 | -142,599 |
| Proceeds from sales and redemption of investment securities | | 34,532 | 106,300 |
| Purchase of investment securities | | -26,702 | -8,802 |
| Net proceeds from sale of subsidiaries, equity method associates and business | | 81,455 | 2,437 |
| Payments for acquisition of subsidiaries | | -10,160 | -42,645 |
| Other, net | | 9,300 | 1,849 |
| Net cash used in investing activities | | <u>-27,269</u> | <u>-83,460</u> |
| <i>Cash flows from financing activities</i> | | | |
| Increase (decrease) in short-term borrowings | | 10,979 | 24,756 |
| Proceeds from long-term debt and issuance of bonds | | 1,285 | 276 |
| Repayment of long-term debt and bonds | | -20,094 | -1,491 |
| Payment of lease obligation | | -45,502 | -39,312 |
| Purchase of treasury stock | | -70,057 | -88 |
| Dividends paid to owners of the parent | | -45,210 | -47,098 |
| Other, net | | -1,551 | -6,590 |
| Net cash used in financing activities | | <u>-170,150</u> | <u>-69,547</u> |
| Net increase (decrease) in cash and cash equivalents | | <u>-120,478</u> | <u>-16</u> |
| Cash and cash equivalents at beginning of period | | <u>484,020</u> | <u>355,901</u> |
| Effect of exchange rate changes on cash and cash equivalents | | <u>5,186</u> | <u>8,494</u> |
| Cash and cash equivalents at end of period | | <u>368,728</u> | <u>364,379</u> |

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern
None.

2. Notice Regarding Conclusion of Agreement on Shares of a Consolidated Subsidiary of Fujitsu Limited (SHINKO ELECTRIC INDUSTRIES CO., LTD.)

In the meeting of its board of directors held on December 12, 2023, Fujitsu Limited resolved to approve a basic transaction agreement (hereinafter the “Basic Transaction Agreement”) with JICC-04, Ltd. (hereinafter the “Tender Offeror”), whose outstanding shares are held entirely by JIC Capital, Ltd., a wholly owned subsidiary of Japan Investment Corporation, regarding the series of transactions aimed at taking the shares of SHINKO ELECTRIC INDUSTRIES CO., LTD. (hereinafter “SHINKO”) private (hereinafter the transactions shall be collectively referred to as the “Transactions”). The Transactions involve (i) The non-application to the tender offer by Tender Offeror for the common shares of SHINKO (hereinafter the shares, the “Shares of SHINKO,” and the tender offer, the “Tender Offer”); (ii) Procedures for the share consolidation (hereinafter the “Share Consolidation”) to be conducted by SHINKO to make Fujitsu and the Tender Offeror the only shareholders of SHINKO if the Tender Offeror is not able to acquire all of the Shares of SHINKO (excluding the Shares of SHINKO held by Fujitsu (hereinafter the “Fujitsu Sale Shares”) and the treasury shares held by SHINKO) through the Tender Offer; (iii) The provision of funds to SHINKO by the Tender Offeror, and a decrease in the amounts of the stated capital, capital reserve, and retained earnings reserve of SHINKO for the purpose of procuring funds and a distributable amount necessary for conducting SHINKO’s acquisition of the Fujitsu Sale Shares; and (iv) The transfer of the Fujitsu Sale Shares as Fujitsu agrees to the share repurchases of SHINKO (hereinafter the “Share Transfer”). The Basic Transaction Agreement has been concluded.

(1) Reason for the Transfer

Fujitsu pursues its corporate activities to realize its purpose: to “make the world more sustainable by building trust in society through innovation,” and for this, Fujitsu has set forth four key strategies that were addressed in the Medium-Term Management Plan (FY2023 to FY2025) announced on May 24, 2023. The four strategies are: “Business Model and Portfolio Strategy,” “Customer Success/Regional Strategy,” “Technology Strategy,” and “People Strategy.” The Share Transfer is intended to accelerate portfolio transformation efforts in line with the “Business Model and Portfolio Strategy,” and Fujitsu intends to further enhance its corporate value by allocating the cash assets acquired through the Share Transfer to investments in growth areas such as Service Solutions centered on highly profitable cloud and digital services, including Fujitsu Uvance, and to shareholder returns.

(2) Name of the subsidiary to which shares will be transferred
SHINKO ELECTRIC INDUSTRIES CO., LTD.

(3) Schedule

| | |
|---|--|
| Date of Resolution by the Board of Directors | December 12, 2023 |
| Date of Conclusion of the Basic Transaction Agreement | December 12, 2023 |
| Period of the Tender Offer | Because the Tender Offer is expected to require a certain period of time for necessary procedures and actions based on foreign competition laws and investment regulatory laws, etc., the commencement date of the Tender Offer is expected to be in late August 2024 by the Tender Offeror, but the commencement date of the Tender Offer is affected by the period required for procedures by foreign competition authorities and authorities having jurisdiction over investment regulatory laws, etc. The Tender Offer period is expected to be 20 business days |
| Share Consolidation | Scheduled to be implemented after completion of settlement of the Tender Offer |
| Share Transfer | Scheduled to be implemented after the completion of the Share Consolidation |

(4) Name of the Subsidiary and Business Description

- ① Name of the Subsidiary: SHINKO ELECTRIC INDUSTRIES CO., LTD.
- ② Business Description: Development, manufacturing, and sales of products based on semiconductor packaging technologies
- ③ Relationship with Fujitsu: Between Fujitsu and SHINKO, there are transactions related to the delivery of SHINKO's products to Fujitsu. There are no other noteworthy business relationships.

(5) Outline of the Transfer, Including Legal Formalities
Transfer of Shares for Cash

(6) Number of Shares to Be Transferred, Transfer Price, and Status of Shares Held before and after Transfer

| | |
|---------------------------------------|--|
| Number of Shares Held before Transfer | 67,587,024 shares (Note 1) (Number of voting rights: 675,870) (Percentage of voting rights held: 50.03%) |
| Number of Shares to Be Transferred | 67,587,024 shares (Number of voting rights: 675,870) |
| Transfer Price | 285.1 billion yen (Note 2) |
| Number of Shares Held after Transfer | 0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%) |

(Note 1) The number of shares to be transferred as a result of the Share Transfer will be the number of the Fujitsu Sale Shares less the number of shares to be purchased by the Tender Offeror as fractional shares as a result of the Share Consolidation.

(Note 2) The total transfer price for the Share Transfer is expected to be the amount obtained by multiplying the Share Transfer Value by the number of the Fujitsu Sale Shares less the number of shares to be purchased by the Tender Offeror as fractional shares as a result of the Share Consolidation. Please note that the amount stated above is a reference value calculated by multiplying the Share Transfer Value by the number of the Fujitsu Sale Shares.

(7) Future outlook

In accordance with Fujitsu's decision to transfer all of Fujitsu Sale Shares subject to the completion of the Tender Offer and based on the Basic Transaction Agreement, Fujitsu will classify the business of SHINKO and its subsidiaries as discontinued operations in the consolidated financial results for the fiscal year ending March 31, 2025, and will record the profit or loss resulting from the business and other operations of SHINKO as profit (loss) before income taxes from discontinued operations.

The impact on Fujitsu's non-consolidated and consolidated financial results for the fiscal year ending March 31, 2025 if the Share Transfer is executed in the fiscal year ending March 31, 2025, subject to the consummation of the Tender Offer is as follows:

• Impact on the consolidated financial results

Fujitsu expects to record approximately 150.0 billion yen as gain on sales of subsidiaries' and affiliates' stocks (profit before income taxes from discontinued operations).

Fujitsu expects that the Share Transfer will not have an impact on its financial results for the fiscal year ending March 31, 2024.

(8) Classification of Segment Information Disclosures

Device Solutions

3. Major Subsequent Events

Stock Split and Partial Changes to the Articles of Incorporation

At a Board of Directors Meeting held on January 31, 2024, Fujitsu Limited (hereinafter "Fujitsu") resolved to institute a stock split and partially change its articles of incorporation in accordance with the stock split as follows.

(1) Purpose of the stock split

The purpose is to improve the liquidity of Fujitsu's shares and further expand its investor base by reducing the investment unit..

(2) Overview of the stock split

① Method of stock split

Fujitsu will carry out a stock split on the record date of March 31, 2024 (Sun.) (effectively March 29, 2024 (Fri.) due to the shareholder registry administrator's holiday on March 31, 2024), at a ratio of ten (10) shares for one (1) share of Fujitsu's common stock held by shareholders listed or recorded in the shareholder registry as of the end of that day.

② Number of shares to be increased with the stock split

| | |
|---|----------------------|
| Total number of shares outstanding before the stock split | 207,110,845 shares |
| Number of shares to be increased with the stock split | 1,863,997,605 shares |
| Total number of shares outstanding after the stock split | 2,071,108,450 shares |
| Total number of authorized shares after the stock split | 5,000,000,000 shares |

③ Schedule of stock split

| | |
|--------------------------------------|-----------------------------------|
| Date of public notice of record date | March 15, 2024 (Fri.) (Scheduled) |
| Record date | March 31, 2024 (Sun.) |
| Effective date | April 1, 2024 (Mon.) |

(3) Information and Impact on Each Unit of Shares

| | 9 Months FY 2022 (For the nine months ended December 31, 2022) | 9 Months FY 2023 (For the nine months ended December 31, 2023) |
|---|--|--|
| Quarterly net profit per share | 57.55 yen | 13.85 yen |
| Diluted quarterly earnings per share | 57.47 yen | 13.83 yen |

(4) Partial change to the Articles of Incorporation

① Reason for the change

In accordance with the stock split, the total number of authorized shares as stipulated in Article 6 of Fujitsu's Articles of Incorporation will be changed effective April 1, 2024 by resolution of the Board of Directors in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act.

② Details of the change

The details of the change are as follows.

(Underlined words indicate change)

| Current Articles of Incorporation | Articles of Incorporation after change |
|---|---|
| Article 6 (Total Number of Authorized Shares) The total number of authorized shares that may be issued by the Company shall be <u>five hundred million (500,000,000)</u> . | Article 6 (Total Number of Authorized Shares) The total number of authorized shares that may be issued by the Company shall be five billion (5,000,000,000). |

③ Schedule for the change

Date of resolution by Board of Directors: January 31, 2024 (Wed.)
Effective date: April 1, 2024 (Mon.)

(5) Others

① Year-end dividend for the fiscal year ending March 31, 2024

Since the stock split is effective as of April 1, 2024, the year-end dividend for the fiscal year ending March 31, 2024, with a record date of March 31, 2024, will be paid on the shares before the stock split. The dividend forecast for the fiscal year ending March 31, 2024 remains unchanged and the year-end dividend per share is planned to be 130 yen as previously announced.

② Adjustment to the total number of stocks to be allocated under the stock remuneration plan

In accordance with the stock split, the total number of shares of Fujitsu's common stock to be allocated to eligible directors under the following stock remuneration plan will be adjusted from April 1, 2024 according to the split ratio. The details after adjustment are as follows

| | Before adjustment | After adjustment |
|--|-------------------------------|--------------------------------|
| Performance-based stock compensation for directors | Within 75,000 shares per year | Within 750,000 shares per year |
| Restricted stock units for independent directors | Within 6,000 shares per year | Within 60,000 shares per year |

③ Changes in the amount of stated capital

There will be no change in the amount of stated capital as a result of the stock split