January 28, 2021

FY 2020 Nine-Month Financial Results

April 1, 2020 - December 31, 2020

Fujitsu Limited

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Consolidated Financial Results for the Nine months Ended December 31, 2020

[Prepared on the basis of International Financial Reporting Standards]

January 28, 2021

Company name	:	Fujitsu Limited
Stock exchange listings	:	Tokyo, Nagoya
Code number:	:	6702
URL:	:	https://www.fujitsu.com/global/
Representative:	:	Takahito Tokita, President and Representative Director
Contact person:	:	Isamu Yamamori, Corporate Executive Officer, SVP, Head of Public and Investor Relations Division Tel. +81 3 6252 2175
Scheduled filing date of statutory financial report:	:	February 3, 2021
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, 2020

(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 2020 (4/1/20-12/31/20)	2,526,200	-8.2	155,740	28.2	164,080	21.9	121,419	22.8
9 Months FY 2019 (4/1/19-12/31/19)	2,752,028	-2.1	121,473	82.6	134,595	47.3	98,899	73.1

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		Change (%)		Change (%)
9 Months FY 2020 (4/1/20-12/31/20)	114,398	14.5	141,624	31.4
9 Months FY 2019 (4/1/19-12/31/19)	99,904	94.1	107,745	299.7

(Yen)

	Earnings per share	
	Basic	Diluted
9 Months FY 2020 (4/1/20-12/31/20)	571.25	570.83
9 Months FY 2019 (4/1/19-12/31/19)	492.91	492.75

(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, 2020	3,030,557	1,431,387	1,340,366	44.2%
March 31, 2020	3,187,445	1,348,435	1,240,956	38.9%

2. Dividends per Share (Ordinary Shares)

(Yen)

	Dividends per share				
	1Q	2Q	3Q	Year-end	Full year
FY2019	-	80.00	-	100.00	180.00
FY2020	-	100.00	-		
FY2020(Forecast)				100.00	200.00

Note: Revision of the latest dividends forecast: None

3. Consolidated Earnings Forecast for FY2020

(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 (%)	
FY2020	3,610,000	-6.4	237,000	12.1	177,000	10.6	883.84

Note: Revision of the latest consolidated earnings forecast: Yes

Basic earnings per share does not include the effect of the planned acquisition of treasury stock of 20,000 million yen in the fourth quarter of fiscal 2020.

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, 2020	207,001,821
	As of March 31, 2020	207,001,821
2. Treasury stock held at end of period	As of December 31, 2020	6,732,112
	As of March 31, 2020	6,754,157
3. Average number of shares during period	9 Months FY 2020	200,260,395
	9 Months FY 2019	202,683,745

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	FY2019 (As of March 31, 2020)	3Q FY2020 (As of December 31, 2020)
Assets			
Current assets			
Cash and cash equivalents		451,857	467,420
Trade receivables		879,454	562,184
Other receivables		93,428	96,678
Inventories		238,070	280,285
Others		214,130	348,851
Subtotal		1,876,939	1,755,418
Assets held for sale		14,182	10,369
Total current assets		1,891,121	1,765,787
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		570,170	559,738
Goodwill		36,709	39,610
Intangible assets		107,213	118,093
Investments accounted for using the equity method		150,719	152,833
Other investments		131,765	171,093
Deferred tax assets		106,636	56,122
Others		193,112	167,281
Total non-current assets		1,296,324	1,264,770
Total assets		**3,187,445**	**3,030,557**
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		478,970	436,732
Other payables		390,917	306,385
Short-term borrowings, current portion of long-term debt and lease obligations		199,450	200,876
Accrued income taxes		50,652	7,117
Provisions		51,769	50,651
Others		192,767	219,418
Subtotal		1,364,525	1,221,179
Liabilities directly associated with assets held for sale		1,083	1,528
Total current liabilities		1,365,608	1,222,707
Non-current liabilities			
Long-term debt and lease obligations		206,119	144,633
Retirement benefit liabilities		190,353	175,111
Provisions		30,652	25,474
Deferred tax liabilities		10,370	4,262
Others		35,908	26,983
Total non-current liabilities		473,402	376,463
Total liabilities		**1,839,010**	**1,599,170**
Equity			
Share capital		324,625	324,625
Capital surplus		237,654	242,816
Treasury stock, at cost		-59,614	-59,451
Retained earnings		735,920	795,717
Other components of equity		2,371	36,659
Total equity attributable to owners of the parent		1,240,956	1,340,366
Non-controlling interests		107,479	91,021
Total equity		**1,348,435**	**1,431,387**
Total liabilities and equity		**3,187,445**	**3,030,557**

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 FY2019 (For the nine months ended December 31, 2019)	9 Months FY2020 (For the nine months ended December 31, 2020)
Revenue		**2,752,028**	**2,526,200**
Cost of sales		-1,974,354	-1,785,347
Gross profit		777,674	740,853
Selling, general and administrative expenses		-641,180	-612,114
Other income		14,137	39,464
Other expenses		-29,158	-12,463
Operating profit		**121,473**	**155,740**
Financial income		5,462	4,633
Financial expenses		-3,387	-2,990
Income from investments accounted for using the equity method, net		11,047	6,697
Profit for the period before income taxes		**134,595**	**164,080**
Income tax expenses		-35,696	-42,661
Profit for the period		**98,899**	**121,419**
Profit for the period attributable to:			
Owners of the parent		99,904	114,398
Non-controlling interests		-1,005	7,021
Total		98,899	121,419
Earning per share			
Basic earnings per share (Yen)		492.91	571.25
Diluted earnings per share (Yen)		492.75	570.83

【Nine Months Condensed Consolidated Statement of Comprehensive Income】 (Millions of yen)

	Notes	9 Months FY2019 (For the nine months ended December 31, 2019)	9 Months FY2020 (For the nine months ended December 31, 2020)
Profit for the period		**98,899**	**121,419**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		7,783	26,212
Remeasurement of defined benefit plans		3,135	-15,324
Share of other comprehensive income of investments accounted for using the equity method		50	190
		10,968	11,078
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		-2,380	7,530
Cash flow hedges		-1	-21
Share of other comprehensive income of investments accounted for using the equity method		259	1,618
		-2,122	9,127
Total other comprehensive income for the period, net of taxes		**8,846**	**20,205**
Total comprehensive income for the period		**107,745**	**141,624**
Total comprehensive income attributable to:			
Owners of the parent		109,125	134,255
Non-controlling interests		-1,380	7,369
Total		107,745	141,624

【Third-Quarter Condensed Consolidated Statement of Profit or Loss】 (Millions of yen, except per share data)

	Notes	3Q FY2019 (For the three-month ended December 31, 2019)	3Q FY2020 (For the three-month ended December 31, 2020)
Revenue		**923,265**	**894,363**
Cost of sales		-657,252	-626,244
Gross profit		266,013	268,119
Selling, general and administrative expenses		-212,238	-204,100
Other income		9,022	31,915
Other expenses		-12,384	-2,442
Operating profit		**50,413**	**93,492**
Financial income		1,420	1,227
Financial expenses		-1,046	-1,517
Income from investments accounted for using the equity method, net		3,003	2,860
Profit for the period before income taxes		**53,790**	**96,062**
Income tax expenses		-16,840	-24,840
Profit for the period		**36,950**	**71,222**
Profit for the period attributable to:			
Owners of the parent		36,245	67,270
Non-controlling interests		705	3,952
Total		36,950	71,222
Earning per share			
Basic earnings per share (Yen)		178.83	335.89
Diluted earnings per share (Yen)		178.77	335.66

【Third-Quarter Condensed Consolidated Statement of Comprehensive Income】 (Millions of yen)

	Notes	3Q FY2019 (For the three-month ended December 31, 2019)	3Q FY2020 (For the three-month ended December 31, 2020)
Profit for the period		**36,950**	**71,222**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		5,360	13,113
Remeasurement of defined benefit plans		4,967	9,001
Share of other comprehensive income of investments accounted for using the equity method		113	78
		10,440	22,192
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		7,825	3,143
Cash flow hedges		81	—
Share of other comprehensive income of investments accounted for using the equity method		881	805
		8,787	3,948
Total other comprehensive income for the period, net of taxes		**19,227**	**26,140**
Total comprehensive income for the period		**56,177**	**97,362**
Total comprehensive income attributable to:			
Owners of the parent		55,009	93,238
Non-controlling interests		1,168	4,124
Total		56,177	97,362

3. Condensed Consolidated Statement of Changes in Equity

【9 Months FY2019 (For the nine months period ended December 31, 2019)】

(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, 2019		**324,625**	**235,455**	**-29,556**	**576,857**	**24,674**	**1,132,055**	**121,575**	**1,253,630**
Profit for the period					99,904		99,904	-1,005	98,899
Other comprehensive income						9,221	9,221	-375	8,846
Total comprehensive income for the period		—	—	—	99,904	9,221	109,125	-1,380	107,745
Purchase of treasury stock				-67			-67		-67
Disposal of treasury stock				3			3		3
Share-based payment transactions			267	40			307		307
Dividends paid					-32,429		-32,429	-2,900	-35,329
Transfer to retained earnings					3,731	-3,731	—		—
Acquisition (disposal) of non-controlling interests			-53				-53	87	34
Changes in ownership interests in subsidiaries			-187		187		—	-10,521	-10,521
Others			20		1	-1	20	185	205
Balance at December 31, 2019		**324,625**	**235,502**	**-29,580**	**648,251**	**30,163**	**1,208,961**	**107,046**	**1,316,007**

【9 Months FY2020 (For the nine months period ended December 31, 2020)】

(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					114,398		114,398	7,021	121,419
Other comprehensive income						19,857	19,857	348	20,205
Total comprehensive income for the period		—	—	—	114,398	19,857	134,255	7,369	141,624
Purchase of treasury stock				-97			-97		-97
Disposal of treasury stock			2	3			5		5
Share-based payment transactions			755	257			1,012		1,012
Dividends paid					-40,052		-40,052	-2,489	-42,541
Transfer to retained earnings					-14,432	14,432	—		—
Acquisition (disposal) of non-controlling interests			4,951				4,951	-22,700	-17,749
Changes in ownership interests in subsidiaries			-33		4		-29	921	892
Others			-513		-121	-1	-635	441	-194
Balance at December 31, 2020		**324,625**	**242,816**	**-59,451**	**795,717**	**36,659**	**1,340,366**	**91,021**	**1,431,387**

4.Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Notes	9 Months FY2019 (For the nine months ended December 31, 2019)	9 Months FY2020 (For the nine months ended December 31, 2020)
Cash flows from operating activities			
Profit for the period before income taxes		134,595	164,080
Depreciation, amortization and impairment loss		159,579	125,333
Increase (decrease) in provisions		-33,856	-8,453
Increase (decrease) in net defined benefit liability		-21,736	-20,593
Interest and dividend income		-4,676	-3,365
Interest charges		3,074	2,342
Income from investments accounted for using the equity method, net		-11,047	-6,697
(Gain) loss on sales of subsidiaries' stock		-6,328	-26,645
(Increase) decrease in trade receivables		287,379	319,804
(Increase) decrease in inventories		-110,967	-42,578
Increase (decrease) in trade payables		-39,255	-43,636
Other, net		-130,287	-181,680
Cash generated from operations		226,475	277,912
Interest received		1,857	985
Dividends received		4,866	4,310
Interest paid		-3,101	-2,398
Income taxes paid		-13,326	-81,380
Net cash provided by operating activities		**216,771**	**199,429**
Cash flows from investing activities			
Purchases of property , plant, equipment, and intangible assets		-98,977	-92,087
Proceeds from sales of investment securities		15,898	3,972
Net proceeds from sale of subsidiaries and business		40,242	41,685
Collection of loans receivable		1,495	11,677
Decrease (increase) in short-term investment		-1,723	-8,197
Other, net		-1,463	1,689
Net cash used in investing activities		**-44,528**	**-41,261**
Cash flows from financing activities			
Increase (decrease) in short-term borrowings		41,557	14,752
Proceeds from long-term debt and issuance of bonds		3	463
Repayment of long-term debt and bonds		-40,178	-55,173
Payment of lease obligation		-52,243	-54,944
Purchase of treasury stock		-67	-97
Dividends paid to owners of the parent		-32,429	-40,052
Acquisition of non-controlling interests		—	-13,184
Other, net		-96	1,346
Net cash used in financing activities		**-83,453**	**-146,889**
Net increase (decrease) in cash and cash equivalents		**88,790**	**11,279**
Cash and cash equivalents at beginning of period		**416,742**	**453,036**
Effect of exchange rate changes on cash and cash equivalents		**-376**	**4,686**
Cash and cash equivalents at end of period		**505,156**	**469,001**

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.