Consolidated Financial Results for the First-Quarter Ended June 30, 2024

[Prepared on the basis of International Financial Reporting Standards]

July 25, 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 dividend payment date	:	-
Supplementary material	:	Yes
Financial results meeting	:	Yes (for media and analysts)

1. Consolidated Results for the First-Quarter Ended June 30, 2024

(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		Profit for the period attributable to owners of the parent	
		Change (%)		Change (%)		Change (%)		Change (%)		Change (%)
1Q FY 2024 (4/1/24-6/30/24)	830,030	3.8	21,387	-	26,447	216.5	19,624	222.4	16,876	297.2
1Q FY 2023 (4/1/23-6/30/23)	799,640	-2.3	-1,880	-	8,357	-78.2	6,086	-77.7	4,249	-75.4
(Adjusted Items)										
1Q FY 2024 (4/1/24-6/30/24)	—		(-2,239)	-					(1,713)	-
1Q FY 2023 (4/1/23-6/30/23)	—		(-4,486)	-					(-3,215)	-
(Adjusted Consolidated Results)										
1Q FY 2024 (4/1/24-6/30/24)	830,030	3.8	23,626	806.6					15,163	103.1
1Q FY 2023 (4/1/23-6/30/23)	799,640	-2.3	2,606	-					7,464	-

	Total comprehensive income for the period	Change (%)
1Q FY 2024 (4/1/24-6/30/24)	52,371	-37.8
1Q FY 2023 (4/1/23-6/30/23)	84,243	82.0

	Earnings per share (Yen)	
	Basic	Diluted
1Q FY 2024 (4/1/24-6/30/24)	9.18	9.16
1Q FY 2023 (4/1/23-6/30/23)	2.26	2.25

(Note) Adjusted operating profit: an indicator of the real profits from the business, in which one-time gains or losses from such activities (adjusted items) as business restructurings, acquisitions or divestitures, and institutional changes are subtracted from operating profit.

(Note) Adjusted profit for the period: an indicator of the profits from the business, in which one-time gains or losses from such activities (adjusted items) as business restructurings, acquisitions or divestitures, institutional changes, and taxes related to these activities are subtracted from profit for the period attributable to owners of the parent.

(Note) Provisional accounting treatments for a business combination were finalized in the fourth quarter of FY2023, and figures in the quarterly information for the first quarter of FY2023 have been adjusted to reflect this finalization.

(Note) On April 1, 2024, Fujitsu implemented a stock split, in which each share was converted into ten shares. Basic Earnings per Share and Diluted Earnings per Share have been calculated on the basis that the stock split had been conducted at the beginning of the previous consolidated fiscal year.

(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 (%)
Jun 30, 2024	3,462,295	1,947,282	1,777,626	51.3
Mar 31, 2024	3,514,818	1,918,834	1,752,393	49.9

2. Dividends per Share (Ordinary Shares)

(Yen)

	Dividends per share				
	1Q	2Q	3Q	Year-end	Full year
FY2023	-	130.00	-	130.00	260.00
FY2024	-				
FY2024(Forecast)		14.00	-	14.00	28.00

(Note) Revision of the latest dividends forecast: None

(Note) On April 1, 2024, Fujitsu implemented a stock split, in which each share was converted into ten shares. Dividends the fiscal year ending FY2023 are recorded at their actualdividend values before this stock split.

3. Consolidated Earnings Forecast for FY2024

(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 (%)	
FY2024	3,760,000	0.1	330,000	16.3	226,000	-4.2	122.87

(Note): Revision of the latest consolidated earnings forecast: None

4. Other Information

(1) Significant changes in scope of consolidation in the current reporting period: 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 Jun 30, 2024	2,071,108,450
	As of Mar 31, 2024	2,071,108,450
2. Treasury stock held at end of period	As of Jun 30, 2024	231,826,140
	As of Mar 31, 2024	231,822,460
3. Average number of shares during period	1Q FY 2024	1,839,283,340
	1Q FY 2023	1,883,392,660

(Note) On April 1, 2024, Fujitsu implemented a stock split, in which each share was converted into ten shares. The number of issued shares at end of period, treasurystock held at end of period, and average number of shares during period are calculated on the basis that the stock split had been conducted at the beginning of theprevious consolidated fiscal year.

Notes

1. Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing firm: None

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 "Financial Results for 1Q FY2024" (presentation material) posted on the Company's website.

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1.Overview of the financial results

Please refer to "Financial Results for 1Q FY2024" (presentation material) posted on the Company's website.

2. Condensed Interim Consolidated Financial Statements and Notes to Condensed Interim Consolidated Financial Statements
(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Notes	FY2023 (As of March 31, 2024)	1Q FY2024 (As of June 30, 2024)
Assets			
Current assets			
Cash and cash equivalents		342,139	476,371
Trade receivables		928,727	544,819
Other receivables		87,068	64,135
Contract assets		140,513	217,077
Inventories		298,804	343,075
Others		99,180	132,903
Total current assets		1,896,431	1,778,380
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		602,928	614,657
Goodwill		80,205	85,061
Intangible assets		213,405	224,315
Investments accounted for using the equity method		160,809	162,902
Other investments		137,750	148,942
Retirement benefit assets		115,487	145,085
Deferred tax assets		218,922	211,064
Others		88,881	91,889
Total non-current assets		1,618,387	1,683,915
Total assets		**3,514,818**	**3,462,295**
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		455,453	400,432
Other payables		380,591	316,671
Contract liabilities		204,478	222,371
Short-term borrowings, current portion of long-term debt and lease liabilities		136,692	172,623
Accrued income taxes		43,765	13,448
Provisions		58,988	51,754
Others		31,175	47,896
Total current liabilities		1,311,142	1,225,195
Non-current liabilities			
Long-term debt and lease liabilities		108,984	110,813
Retirement benefit liabilities		104,205	106,791
Provisions		27,005	25,681
Deferred tax liabilities		15,196	16,127
Others		29,452	30,406
Total non-current liabilities		284,842	289,818
Total liabilities		**1,595,984**	**1,515,013**
Equity			
Share capital		325,638	325,638
Capital surplus		239,856	241,037
Treasury stock, at cost		-380,881	-380,891
Retained earnings		1,487,397	1,501,435
Other components of equity		80,383	90,407
Total equity attributable to owners of the parent		1,752,393	1,777,626
Non-controlling interests		166,441	169,656
Total equity		**1,918,834**	**1,947,282**
Total liabilities and equity		**3,514,818**	**3,462,295**

(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)

	Notes	1Q FY2023 (For the three-month ended June 30, 2023)	1Q FY2024 (For the three-month ended June 30, 2024)
Revenue		**799,640**	**830,030**
Cost of sales		-577,972	-586,807
Gross profit		221,668	243,223
Selling, general and administrative expenses		-224,131	-223,671
Other income		8,136	5,743
Other expenses		-7,553	-3,908
Operating profit		**-1,880**	**21,387**
Financial income		6,885	5,643
Financial expenses		-1,217	-2,982
Income from investments accounted for using the equity method, net		4,569	2,399
Profit for the period before income taxes		**8,357**	**26,447**
Income tax expenses		-2,271	-6,823
Profit for the period		**6,086**	**19,624**
Profit for the period attributable to:			
Owners of the parent		4,249	16,876
Non-controlling interests		1,837	2,748
Total		6,086	19,624
Earning per share			
Basic earnings per share (Yen)		2.26	9.18
Diluted earnings per share (Yen)		2.25	9.16

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

	Notes	1Q FY2023 (For the three-month ended June 30, 2023)	1Q FY2024 (For the three-month ended June 30, 2024)
Profit for the period		**6,086**	**19,624**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		51,328	2,066
Remeasurement of defined benefit plans		8,562	20,743
Share of other comprehensive income of investments accounted for using the equity method		59	-154
		59,949	22,655
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		16,090	8,586
Cash flow hedges		-225	-123
Share of other comprehensive income of investments accounted for using the equity method		2,343	1,629
		18,208	10,092
Total other comprehensive income for the period, net of taxes		**78,157**	**32,747**
Total comprehensive income for the period		**84,243**	**52,371**
Total comprehensive income for the period attributable to:			
Owners of the parent		82,074	47,987
Non-controlling interests		2,169	4,384
Total		84,243	52,371

(3) Condensed Consolidated Statement of Changes in Equity

1Q FY2023 (For the three-month ended June 30, 2023)

(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, 2023		**324,625**	**242,512**	**-277,702**	**1,226,595**	**70,805**	**1,586,835**	**149,988**	**1,736,823**
Profit for the period		—	—	—	4,249	—	4,249	1,837	6,086
Other comprehensive income		—	—	—	—	77,825	77,825	332	78,157
Total comprehensive income for the period		—	—	—	4,249	77,825	82,074	2,169	84,243
Purchase of treasury stock		—	—	-29	—	—	-29	—	-29
Disposal of treasury stock		—	0	0	—	—	0	—	0
Share-based payment transactions		—	742	—	—	—	742	—	742
Dividends paid		—	—	—	-22,600	—	-22,600	-2,599	-25,199
Transfer to retained earnings		—	—	—	19,318	-19,318	—	—	—
Acquisition (disposal) of non-controlling interests		—	-1,398	—	—	—	-1,398	-1,343	-2,741
Changes in ownership interests in subsidiaries		—	—	—	—	—	—	10,247	10,247
Others		—	—	—	—	—	—	—	—
Balance at June 30, 2023		**324,625**	**241,856**	**-277,731**	**1,227,562**	**129,312**	**1,645,624**	**158,462**	**1,804,086**

1Q FY2024 (For the three-month ended June 30, 2024)

(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, 2024		**325,638**	**239,856**	**-380,881**	**1,487,397**	**80,383**	**1,752,393**	**166,441**	**1,918,834**
Profit for the period		—	—	—	16,876	—	16,876	2,748	19,624
Other comprehensive income		—	—	—	—	31,111	31,111	1,636	32,747
Total comprehensive income for the period		—	—	—	16,876	31,111	47,987	4,384	52,371
Purchase of treasury stock		—	—	-10	—	—	-10	—	-10
Disposal of treasury stock		—	0	0	—	—	0	—	0
Share-based payment transactions		—	1,171	—	—	—	1,171	—	1,171
Dividends paid		—	—	—	-23,910	—	-23,910	-922	-24,832
Transfer to retained earnings		—	—	—	21,087	-21,087	—	—	—
Acquisition (disposal) of non-controlling interests		—	10	—	—	—	10	-135	-125
Changes in ownership interests in subsidiaries		—	—	—	—	—	—	-112	-112
Others		—	—	—	-15	—	-15	—	-15
Balance at June 30, 2024		**325,638**	**241,037**	**-380,891**	**1,501,435**	**90,407**	**1,777,626**	**169,656**	**1,947,282**

(4) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Notes	1Q FY2023 (For the three-month ended June 30, 2023)	1Q FY2024 (For the three-month ended June 30, 2024)
Cash flows from operating activities			
Profit for the period before income taxes		8,357	26,447
Depreciation, amortization and impairment loss		39,563	38,862
Increase (decrease) in provisions		408	-14,459
Increase (decrease) in net defined benefit liability		-1,522	-2,557
Interest and dividend income		-4,413	-4,559
Interest charges		1,004	1,729
Income from investments accounted for using the equity method, net		-4,569	-2,399
(Increase) decrease in trade receivables		400,133	392,160
(Increase) decrease in contract assets		-58,047	-74,532
(Increase) decrease in inventories		-45,768	-40,876
Increase (decrease) in trade payables		-62,655	-60,702
Increase (decrease) in contract liabilities		20,276	13,461
Other, net		-55,237	-76,809
Cash generated from operations		237,530	195,766
Interest received		1,027	1,662
Dividends received		6,532	3,924
Interest paid		-1,004	-1,733
Income taxes paid		-75,821	-25,873
Net cash provided by operating activities		**168,264**	**173,746**
Cash flows from investing activities			
Purchases of property, plant, equipment, and intangible assets		-32,721	-33,821
Proceeds from sales and redemption of investment securities		22,612	24
Net proceeds from sale of subsidiaries, equity method associates and business		1,573	-67
Payments for acquisition of subsidiaries		-38,010	—
Other, net		3,966	-9,394
Net cash used in investing activities		**-42,580**	**-43,258**
Cash flows from financing activities			
Increase (decrease) in short-term borrowings		15,872	32,039
Payment of lease liabilities		-12,999	-13,321
Purchase of treasury stock		-29	-10
Dividends paid to owners of the parent		-22,600	-23,910
Other, net		-5,096	-1,436
Net cash used in financing activities		**-24,852**	**-6,638**
Net increase (decrease) in cash and cash equivalents		**100,832**	**123,850**
Cash and cash equivalents at beginning of period		**355,901**	**342,139**
Effect of exchange rate changes on cash and cash equivalents		**9,215**	**10,382**
Cash and cash equivalents at end of period		**465,948**	**476,371**

(5) Notes to Condensed Interim Consolidated Financial Statements

(Cautionary Note Regarding Assumptions of a Going Concern)

None.

(Segment Information)

(1) Segment overview

'The Company's reportable segments consist of components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Group's chief operating decision-maker to make decisions about resource allocation to the segments and assess their performance.

The Group's business is organized into four reportable segments— Service Solutions, Hardware Solutions, Ubiquitous Solutions, and Device Solutions—based on the Group's managerial structure, characteristics of the products and services, and the similarities of the sales market within each operating segment. Product and service classification in each reportable segment are as follows.

① Service Solutions

This segment consists of Global Solutions, which includes creating and providing global value services centered on Fujitsu Uvance; Regions (Japan), which cover provision of services to the Japanese market (including implementation of Fujitsu Uvance); and Regions (International), which carry out provision of services in regions outside of Japan (including implementation of Fujitsu Uvance).

② Hardware Solutions

This segment consists of System Products, which cover mainly hardware sales and maintenance services for servers, storage systems and other hardware, and Network Products, which offer communications infrastructure, such as mobile phone base stations and optical transmission systems.

③ Ubiquitous Solutions

This segment consists of client computing devices such as PCs.

④ Device Solutions

This segment comprises electronic components such as semiconductor packages and batteries.

(2) Measurement of revenue and operating profit or loss by reportable segment

"Adjusted operating income" is shown for each reportable segment. "Adjusted Operating Profit" is an indicator of the real profits from the business, in which one-time gains or losses from such activities (adjusted items) as business restructurings, acquisitions or divestitures, and institutional changes are subtracted from operating profit.

The accounting treatment applied to operating segments is the same as what applied in the previous fiscal year.

The Group's finances (including financial income and expenses) and income from investments accounted for using the equity-method are managed on the basis of the entire Group and are not allocated to the operating segments.

Intersegment transactions are based on an arm's length price

（３）Amounts of revenue, operating profit, and other items by reportable segment

1Q FY2023(For the three-month ended June 30, 2023) (Millions of yen)

	Reportable segments						
	Service Solutions	Hardware Solutions	Ubiquitous Solutions	Device Solutions	Subtotal	Inter-segment Elimination / Corporate	Consolidated
Revenue							
External customers	457,676	208,477	58,738	65,404	790,295	9,345	799,640
Intersegment	7,726	8,413	1,090	2,068	19,297	−19,297	—
Total revenue	465,402	216,890	59,828	67,472	809,592	−9,952	799,640
Adjusted Operating Profit	20,922	2,666	4,551	2,293	30,432	−27,826	2,606
Business restructuring / Business model transformation cost							-1,394
M&A related expenses							-3,092
Operating Profit							-1,880
Financial income							6,885
Financial expenses							-1,217
Income from investments accounted for using the equity method, net							4,569
Profit before income taxes							8,357

1Q FY2024(For the three-month ended June 30, 2024) (Millions of yen)

	Reportable segments						
	Service Solutions	Hardware Solutions	Ubiquitous Solutions	Device Solutions	Subtotal	Inter-segment Elimination / Corporate	Consolidated
Revenue							
External customers	491,902	208,153	48,683	70,744	819,482	10,548	830,030
Intersegment	9,715	20,364	90	934	31,103	−31,103	—
Total revenue	501,617	228,517	48,773	71,678	850,585	-20,555	830,030
Adjusted Operating Profit	34,964	-3,689	4,471	7,056	42,802	−19,176	23,626
Business restructuring / Business model transformation cost							−359
M&A related expenses							−1,880
Operating Profit							21,387
Financial income							5,643
Financial expenses							−2,982
Income from investments accounted for using the equity method, net							2,399
Profit before income taxes							26,447

Notes:

1. Revenue under “Inter-segment Elimination / Corporate” represents mainly revenue for external customers of corporate functions's subsidiaries which is providing services to the Group and the elimination of intersegment transactions.
2. Adjusted Operating Profit under “Inter-segment Elimination / Corporate” include the Group's common expenses such as advanced R&D for company-wide common use not belonging to any segment such as Fujitsu Laboratories and investments in business growth common to the Group such as internal digital transformation investments on a global Group basis, and sales and disposal of common assets, etc. and elimination of inter-segment transactions, etc.
3. Business restructuring / Business model transformation cost is one-off expenses necessary for major business restructuring aimed at improving future profitability and avoiding future losses.
4. M&A related expenses is the expenses related to the acquisition such as advisory fee, amortization of intangible assets identified by the PPA, and earnout to be expensed, etc.