

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/>
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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.