

April 27, 2018

FY 2017 Full-Year Financial Results
April 1, 2017 - March 31, 2018

Fujitsu Limited

Consolidated Financial Results for the full year Ended March 31, 2018

[Prepared on the basis of International Financial Reporting Standards]

April 27, 2018

Company name : Fujitsu Limited
 Stock exchange listings : Tokyo, Nagoya
 Code number : 6702
 URL : <http://www.fujitsu.com/global/>
 Representative : Tatsuya Tanaka, 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 annual shareholders' meeting date : June 25, 2018
 Scheduled dividend payment date : June 4, 2018
 Scheduled filing date of statutory financial report : June 25, 2018
 Supplementary material : Yes
 Financial results meeting : Yes (for media and analysts)

1. Consolidated Results for the Full-Year Ended March 31, 2018

(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 year	
		Change (%)		Change (%)		Change (%)		Change (%)
FY 2017 (4/1/17-3/31/18)	4,098,379	-0.8	182,489	55.4	242,488	95.3	177,255	86.0
FY 2016 (4/1/16-3/31/17)	4,132,972	-	117,455	-	124,162	-	95,317	-

	Profit for the year attributable to owners of the parent		Total comprehensive income for the year	
		Change (%)		Change (%)
FY 2017 (4/1/17-3/31/18)	169,340	91.4	229,583	67.5
FY 2016 (4/1/16-3/31/17)	88,489	-	137,087	-

	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 2017 (4/1/17-3/31/18)	82.53	82.53	17.2	7.7	4.5
FY 2016 (4/1/16-3/31/17)	42.83	42.83	10.6	3.9	2.8

[Reference] Income from investments accounted for using the equity method: FY2017: 12,175 million yen FY2016: 6,950 million yen

From the first quarter of 2017, the Fujitsu Group classifies FUJITSU TEN Limited under "discontinued operations." In the 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, profit before income taxes and income from investments accounted for using the equity method are all from continuing operations. Because the figures presented for the fiscal 2016 have been modified in the same way, figures for the percentage change versus previous fiscal year are not presented for revenue, operating profit, or profit before income taxes.

(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, 2018	3,121,522	1,204,902	1,087,797	34.8%	528.38
March 31, 2017	3,191,498	1,019,202	881,292	27.6%	429.80

(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 2017 (4/1/17-3/31/18)	200,415	-22,578	-112,496	452,671
FY 2016 (4/1/16-3/31/17)	250,331	-145,479	-98,896	383,969

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			
FY2016	-	4.00	-	5.00	9.00	18,528	21.0	2.2
FY2017	-	5.00	-	6.00	11.00	22,604	13.3	2.3
FY2018(Forecast)	-	7.00	-	8.00	15.00		28.1	

3. Consolidated Earnings Forecast for FY2018

(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 (%)	
FY2018	3,900,000	-4.8	140,000	-23.3	110,000	-35.0	53.43

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 March 31, 2018	2,070,018,213
	As of March 31, 2017	2,070,018,213
2. Treasury stock held at end of period	As of March 31, 2018	11,290,924
	As of March 31, 2017	19,540,434
3. Average number of shares during period	Full-Year FY 2017	2,051,800,072
	Full-Year FY 2016	2,065,886,710

(Reference Information) Summary of FY2017 Full-Year Separate Financial Results

(Monetary amounts less than one million yen are rounded down.)

Separate Results for the Full-Year Ended March 31, 2018

(1) Separate Financial Results

(Millions of yen)

	Net Sales		Operating Income		Ordinary income		Net Income(Loss)	
		Change (%)		Change (%)		Change (%)		Change (%)
FY 2017 (4/1/17-3/31/18)	1,831,513	-10.0	-37,935	-	-5,444	-	121,083	169.3
FY 2016 (4/1/16-3/31/17)	2,034,508	1.4	-15,072	-	13,893	-62.9	44,963	5.8

(Yen)

	Net Income (Loss) per Common Share-Basic
FY 2017 (4/1/17-3/31/18)	59.01
FY 2016 (4/1/16-3/31/17)	21.76

(2) Separate Financial Position

(Millions of yen, except per share data)

	Total assets	Net Assets	Owners' Equity Ratio (%)	Net Assets per Share
March 31, 2018	1,939,657	810,670	41.8	393.77
March 31, 2017	2,044,166	715,477	35.0	348.93

[Reference] Owners' Equity: March 31, 2018; 810,670 million yen March 31, 2017; 715,477 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, 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 relating 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 overview of business results etc., please refer to the supplemental explanation materials (Presentation Material).

Financial Tables

1. Consolidated Statement of Financial Position

(Millions of yen)

	Notes	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
Assets			
Current assets			
Cash and cash equivalents		380,695	452,557
Trade receivables		999,238	965,104
Other receivables		66,849	86,235
Inventories		293,163	241,603
Others		79,052	88,258
Subtotal		1,818,997	1,833,757
Assets held for sale		23,408	33,542
Total current assets		1,842,405	1,867,299
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		596,649	525,581
Goodwill		41,237	42,495
Intangible assets		153,974	130,680
Investments accounted for using the equity method		109,854	107,749
Other investments		181,970	204,043
Deferred tax assets		132,591	129,236
Others		132,818	114,439
Total non-current assets		1,349,093	1,254,223
Total assets		3,191,498	3,121,522
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		617,706	540,935
Other payables		382,894	362,969
Short-term borrowings, current portion of long-term debt and lease obligations		130,788	135,387
Accrued income taxes		21,740	42,907
Provisions		75,047	47,990
Others		191,803	178,303
Subtotal		1,419,978	1,308,491
Liabilities directly associated with assets held for sale		12,014	14,151
Total current liabilities		1,431,992	1,322,642
Non-current liabilities			
Long-term debt and lease obligations		354,304	266,502
Retirement benefit liabilities		309,031	258,019
Provisions		31,363	29,794
Deferred tax liabilities		4,788	9,823
Others		40,818	29,840
Total non-current liabilities		740,304	593,978
Total liabilities		2,172,296	1,916,620
Equity			
Share capital		324,625	324,625
Capital surplus		231,640	233,941
Treasury stock, at cost		-12,502	-7,237
Retained earnings		265,893	479,776
Other components of equity		71,636	56,692
Total equity attributable to owners of the parent		881,292	1,087,797
Non-controlling interests		137,910	117,105
Total equity		1,019,202	1,204,902
Total liabilities and equity		3,191,498	3,121,522

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	FY2016	FY2017
		(For the full-year ended March 31, 2017)	(For the full-year ended March 31, 2018)
Continuing Operations			
Revenue		4,132,972	4,098,379
Cost of sales		-2,968,133	-2,966,583
Gross profit		1,164,839	1,131,796
Selling, general and administrative expenses		-1,013,600	-1,009,588
Other income (expenses)		-33,784	60,281
Operating profit		117,455	182,489
Financial income		6,287	57,349
Financial expenses		-6,530	-9,525
Income from investments accounted for using the equity method, net		6,950	12,175
Profit for the year from continuing operations before income taxes		124,162	242,488
Income tax expenses		-31,196	-74,464
Profit for the year from continuing operations		92,966	168,024
Discontinued operations			
Profit for the year from discontinued operations		2,351	9,231
Profit for the year		95,317	177,255
Profit for the year attributable to:			
Owners of the parent		88,489	169,340
Non-controlling interests		6,828	7,915
Total		95,317	177,255
Earning per share			
Basic earnings per share (Yen)		42.83	82.53
Diluted earnings per share (Yen)		42.83	82.53
Earning per share from continuing operations			
Basic earnings per share (Yen)		42.84	79.11
Diluted earnings per share (Yen)		42.83	79.11

【Full-Year Consolidated Statement of Comprehensive Income】

(Millions of yen)

	Notes	FY2016	FY2017
		(For the full-year ended March 31, 2017)	(For the full-year ended March 31, 2018)
Profit for the year		95,317	177,255
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		39,975	66,770
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		-15,515	-4,412
Cash flow hedges		315	5
Available-for-sale financial assets		18,577	-9,029
Share of other comprehensive income of investments accounted for using the equity method		-1,582	-1,006
		1,795	-14,442
Total other comprehensive income for the year, net of taxes		41,770	52,328
Total comprehensive income for the year		137,087	229,583
Total comprehensive income attributable to:			
Owners of the parent		129,191	219,838
Non-controlling interests		7,896	9,745
Total		137,087	229,583

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, 2016	324,625	233,896	-627	155,930	68,958	782,782	143,458	926,240
Profit for the year				88,489		88,489	6,828	95,317
Other comprehensive income					40,702	40,702	1,068	41,770
Total comprehensive income for the year	—	—	—	88,489	40,702	129,191	7,896	137,087
Purchase of treasury stock		-5	-11,877			-11,882	-2	-11,884
Disposal of treasury stock			2			2		2
Dividends paid				-16,550		-16,550	-2,851	-19,401
Transfer to retained earnings				38,024	-38,024	—		—
Acquisition (disposal) of non-controlling interests		-2,251				-2,251	-10,544	-12,795
Changes in ownership interests in subsidiaries						—	-47	-47
Balance at March 31, 2017	324,625	231,640	-12,502	265,893	71,636	881,292	137,910	1,019,202

(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 year				169,340		169,340	7,915	177,255
Other comprehensive income					50,498	50,498	1,830	52,328
Total comprehensive income for the year	—	—	—	169,340	50,498	219,838	9,745	229,583
Purchase of treasury stock			-106			-106	-2	-108
Disposal of treasury stock		2,030	5,371			7,401	-7,405	-4
Share-based payment transactions		52				52		52
Dividends paid				-20,504		-20,504	-4,778	-25,282
Transfer to retained earnings				65,442	-65,442	—		—
Acquisition (disposal) of non-controlling interests		-176				-176	-464	-640
Changes in ownership interests in subsidiaries		395		-395		—	-17,901	-17,901
Balance at March 31, 2018	324,625	233,941	-7,237	479,776	56,692	1,087,797	117,105	1,204,902

4. Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY2016	FY2017
	Notes (For the full-year ended March 31, 2017)	(For the full-year ended March 31, 2018)
<i>Cash flows from operating activities</i>		
Profit for the year from continuing operations before income taxes	124,162	242,488
Depreciation, amortization and impairment loss	188,297	169,749
Increase (decrease) in provisions	15,158	-22,912
Increase (decrease) in net defined benefit liability	-9,370	-1,748
Interest and dividend income	-5,125	-5,464
Interest charges	4,615	4,174
Equity in earnings of affiliates, net	-6,954	-12,191
(Increase) decrease in trade receivables	-38,443	-36,430
(Increase) decrease in inventories	-715	-10,593
Increase (decrease) in trade payables	12,205	14,221
Other, net	1,494	-105,518
Cash generated from operations	<u>285,324</u>	<u>235,776</u>
Interest received	1,584	1,879
Dividends received	5,488	5,129
Interest paid	-4,695	-4,218
Income taxes paid	-37,370	-38,151
Net cash provided by operating activities	<u>250,331</u>	<u>200,415</u>
<i>Cash flows from investing activities</i>		
Purchases of property, plant, equipment, and intangible assets	-198,497	-135,005
Proceeds from sale of available-for-sale financial assets	2,524	41,883
Net proceeds from sale of subsidiaries and business	25,185	52,231
Collection of loans receivable	3,482	22,303
Other, net	21,827	-3,990
Net cash used in investing activities	<u>-145,479</u>	<u>-22,578</u>
<i>Cash flows from financing activities</i>		
Increase (decrease) in short-term borrowings	33,962	-7,757
Proceeds from long-term debt and issuance of bonds	42,975	5,819
Repayment of long-term debt and bonds	-117,520	-71,966
Payment of lease obligation	-14,168	-12,680
Purchase of treasury stock	-11,877	-106
Dividends paid to owners of the parent	-16,550	-20,504
Acquisition of non-controlling interests	-12,939	-647
Other, net	-2,779	-4,655
Net cash used in financing activities	<u>-98,896</u>	<u>-112,496</u>
Net increase (decrease) in cash and cash equivalents	<u>5,956</u>	<u>65,341</u>
Cash and cash equivalents at beginning of year	<u>380,810</u>	<u>383,969</u>
Effect of exchange rate changes on cash and cash equivalents	<u>-2,797</u>	<u>3,361</u>
Cash and cash equivalents at end of year	<u>383,969</u>	<u>452,671</u>

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

		FY2016 (For full-year ended March 31, 2017)	FY2017 (For full-year ended March 31, 2018)
Profit for the year, attributable to ordinary equity holders of the parent			
Continuing Operations	Millions of yen	88,493	162,321
Discontinued operations	Millions of yen	-4	7,019
Total	Millions of yen	88,489	169,340
Weighted average number of ordinary shares - basic	Thousands of share	2,065,886	2,051,800
Earnings per shares			
Continuing Operations	Yen	42.84	79.11
Discontinued operations	Yen	-0.00	3.42
Total	Yen	42.83	82.53

Diluted Earnings per Share

		FY2016 (For full-year ended March 31, 2017)	FY2017 (For full-year ended March 31, 2018)
Profit for the year, attributable to ordinary equity holders of the parent			
Continuing Operations	Millions of yen	88,493	162,321
Discontinued operations	Millions of yen	-4	7,019
Total	Millions of yen	88,489	169,340
Adjustment related to dilutive securities issued by subsidiaries and affiliates			
Continuing Operations	Millions of yen	-9	-7
Discontinued operations	Millions of yen	—	—
Total	Millions of yen	-9	-7
Profit used to calculate diluted earnings per share			
Continuing Operations	Millions of yen	88,484	162,314
Discontinued operations	Millions of yen	-4	7,019
Total	Millions of yen	88,480	169,333
Weighted average number of ordinary shares - basic	Thousands of share	2,065,886	2,051,800
Contingently issuable shares	Thousands of share	—	36
Weighted average number of ordinary shares - diluted	Thousands of share	2,065,886	2,051,836
Diluted earnings per share			
Continuing Operations	Yen	42.83	79.11
Discontinued operations	Yen	-0.00	3.42
Total	Yen	42.83	82.53

4. Major Subsequent Events

None.

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.

[Reference] Status of Retirement Benefit Plans

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)	(Billions of yen) Change
a. Defined benefit obligation	-2,438.9	-2,413.7	25.2
b. Plan Assets	2,150.9	2,198.4	47.5
c. Defined benefit obligation in excess of plan assets (a) + (b)	-288.0	-215.2	72.7