

May 14, 2020

FY 2019 Full-Year Financial Results
April 1, 2019 - March 31, 2020

Fujitsu Limited

Consolidated Financial Results for the full year Ended March 31, 2020

[Prepared on the basis of International Financial Reporting Standards]

May 14, 2020

Company name	: Fujitsu Limited
Stock exchange listings	: Tokyo, Nagoya
Code number	: 6702
URL	: http://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 annual shareholders' meeting date	: June 22, 2020
Scheduled dividend payment date	: June 1, 2020
Scheduled filing date of statutory financial report	: June 22, 2020
Supplementary material	: Yes
Financial results meeting	: Yes (for media and analysts)

1. Consolidated Results for the Full-Year Ended March 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 previous year.)

(Millions of yen)

	Revenue		Operating profit		Profit before income taxes		Profit for the year	
		Change (%)		Change (%)		Change (%)		Change (%)
FY 2019 (4/1/19-3/31/20)	3,857,797	-2.4	211,483	62.4	228,564	41.3	160,326	44.8
FY 2018 (4/1/18-3/31/19)	3,952,437	-3.6	130,227	-28.6	161,785	-33.3	110,718	-37.5

	Profit for the year attributable to owners of the parent		Total comprehensive income for the year	
		Change (%)		Change (%)
FY 2019 (4/1/19-3/31/20)	160,042	53.1	170,306	78.3
FY 2018 (4/1/18-3/31/19)	104,562	-38.3	95,511	-58.4

	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 2019 (4/1/19-3/31/20)	791.20	790.76	13.5	7.1	5.5
FY 2018 (4/1/18-3/31/19)	512.50	512.33	9.4	5.2	3.3

[Reference] Income from investments accounted for using the equity method: FY2019: 14,794 million yen FY2018: 22,630 million yen

On October 1, 2018, Fujitsu conducted share consolidation for common stock at a rate of one share for every ten shares. Basic Earnings per Share and Diluted Earnings per Share have been calculated on the basis that share consolidation had been conducted at the beginning of the previous consolidated fiscal year.

The total assets at the beginning of the period used to calculate the Ratio of Profit before Income Taxes to Total assets reflects the cumulative effect of applying IFRS 16 "Leasing" recognized at the beginning of the period.

Ratio of Profit before Income Taxes to Total Assets (%) = Profit before income taxes / {(Total assets at beginning of year + Total assets at end of year) / 2}

(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, 2020	3,187,455	1,348,435	1,240,956	38.9%	6,197.11
March 31, 2019	3,104,842	1,253,630	1,132,055	36.5%	5,585.35

On October 1, 2018, Fujitsu conducted share consolidation for common stock at a rate of one share for every ten shares. Equity per Share Attributable to Owners of the Parent have been calculated on the basis that share consolidation had been conducted at the beginning of the previous consolidated fiscal year.

(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 2019 (4/1/19-3/31/20)	347,263	-114,206	-193,164	453,036
FY 2018 (4/1/18-3/31/19)	99,416	4,142	-136,622	416,742

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			
FY2018	-	7.00	-	80.00	-	30,522	29.3	2.8
FY2019	-	80.00	-	100.00	180.00	36,240	22.8	3.1

Dividends forecast for FY2020 at the end of the second quarter and at the end the year are not yet determined.

On October 1, 2018, Fujitsu conducted share consolidation for common stock at a rate of one share for every ten shares. Dividends prior to the second quarter of fiscal 2018 are recorded at their actual dividend values before this reverse stock split. In addition, with regard to the total annual dividend, because it is not possible to calculate it straightforwardly, the amount is left blank, shown as a “-“. Annual dividend per share values converted to a post-reverse stock split basis is 150 yen per share for fiscal 2018.

3. Consolidated Earnings Forecast for FY2020

The forecast of consolidated results for FY2020 has not been released because it is difficult to reasonably estimate the results at this time due to the new coronavirus infection(COVID-19). In the future, We will disclose the forecast as soon as it becomes possible.

4. Other Information

(1) Significant changes to subsidiaries in the current fiscal year

(Changes to specified subsidiaries resulting from changes in scope of consolidation): Yes

Exclusion; 1 (Name)Fujitsu Semiconductor Limited

(2) Changes in accounting policies and accounting estimates

1. Changes in accounting policies required by IFRS: Yes

2. Changes arising from factors other than 1: None

3. Changes in accounting estimates: None

For further details, please refer to “5 Notes to Financial Statements” on page 5.

(3) Number of issued shares (ordinary shares)

1. Number of issued shares at end of period	As of March 31, 2020	207,001,821
	As of March 31, 2019	207,001,821
2. Treasury stock held at end of period	As of March 31, 2020	6,754,157
	As of March 31, 2019	4,317,954
3. Average number of shares during period	Full-Year FY 2019	202,277,589
	Full-Year FY 2018	204,024,528

(Note) The numbers of shares given above were calculated on the basis that share consolidation had been conducted at the beginning of the previous consolidated fiscal year.

(Reference Information) Summary of FY2019 Full-Year Separate Financial Results

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

Separate Results for the Full-Year Ended March 31, 2020

(1) Separate Financial Results

(Millions of yen)

	Net Sales		Operating Income		Ordinary income		Net Income(Loss)	
		Change (%)		Change (%)		Change (%)		Change (%)
FY 2019 (4/1/19-3/31/20)	2,092,098	8.3	112,189	531.6	181,342	-	182,198	292.9
FY 2018 (4/1/18-3/31/19)	1,931,892	5.5	17,764	-	6,102	-	46,371	-61.7

(Yen)

	Net Income (Loss) per Common Share-Basic
FY 2019 (4/1/19-3/31/20)	900.73
FY 2018 (4/1/18-3/31/19)	227.28

On October 1, 2018, Fujitsu conducted share consolidation for common stock at a rate of one share for every ten shares. Accordingly Net Income (Loss) per Common Share-Basic has been calculated on the basis that share consolidation had been conducted at the beginning of the previous fiscal year.

(2) Separate Financial Position

(Millions of yen, except per share data)

	Total assets	Net Assets	Owners' Equity Ratio (%)	Net Assets per Share
March 31, 2020	1,941,581	903,662	46.5	4,512.72
March 31, 2019	1,966,461	795,373	40.4	3,924.22

[Reference] Owners' Equity: March 31, 2020; 903,662 million yen March 31, 2019; 795,373 million yen

On October 1, 2018, Fujitsu conducted share consolidation for common stock at a rate of one share for every ten shares. Net Assets per Share has been calculated on the basis that share consolidation had been conducted at the beginning of the previous fiscal year.

Notes

1. This financial report is not subject to audits by certified public accountants or auditing corporations.

Financial Tables

1. Consolidated Statement of Financial Position

(Millions of yen)

	Notes	FY2018 (As of March 31, 2019)	FY2019 (As of March 31, 2020)
Assets			
Current assets			
Cash and cash equivalents		416,684	451,857
Trade receivables		906,120	879,454
Other receivables		119,446	93,428
Inventories		226,045	238,070
Others		217,673	214,130
Subtotal		1,885,968	1,876,939
Assets held for sale		73,381	14,182
Total current assets		1,959,349	1,891,121
Non-current assets			
Property, plant and equipment, net of accumulated depreciation	5-2	439,078	570,170
Goodwill		38,348	36,709
Intangible assets		116,905	107,213
Investments accounted for using the equity method		147,788	150,719
Other investments		149,799	131,765
Deferred tax assets		105,663	106,636
Others		147,912	193,112
Total non-current assets		1,145,493	1,296,324
Total assets		3,104,842	3,187,445
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		528,744	478,970
Other payables		426,344	390,917
Short-term borrowings, current portion of long-term debt and lease obligations	5-2	130,875	199,450
Accrued income taxes		13,517	50,652
Provisions		56,489	51,769
Others		201,333	192,767
Subtotal		1,357,302	1,364,525
Liabilities directly associated with assets held for sale		7,605	1,083
Total current liabilities		1,364,907	1,365,608
Non-current liabilities			
Long-term debt and lease obligations	5-2	185,336	206,119
Retirement benefit liabilities		181,246	190,353
Provisions		55,388	30,652
Deferred tax liabilities		2,820	10,370
Others		61,515	35,908
Total non-current liabilities		486,305	473,402
Total liabilities		1,851,212	1,839,010
Equity			
Share capital		324,625	324,625
Capital surplus		235,455	237,654
Treasury stock, at cost		-29,556	-59,614
Retained earnings		576,857	735,920
Other components of equity		24,674	2,371
Total equity attributable to owners of the parent		1,132,055	1,240,956
Non-controlling interests		121,575	107,479
Total equity		1,253,630	1,348,435
Total liabilities and equity		3,104,842	3,187,445

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	FY2018 (For the full-year ended March 31, 2019)	FY2019 (For the full-year ended March 31, 2020)
Revenue		3,952,437	3,857,797
Cost of sales		-2,879,884	-2,748,479
Gross profit		1,072,553	1,109,318
Selling, general and administrative expenses		-933,366	-864,685
Other income		133,590	19,258
Other expenses		-142,550	-52,408
Operating profit		130,227	211,483
Financial income		14,154	7,381
Financial expenses		-5,226	-5,094
Income from investments accounted for using the equity method, net		22,630	14,794
Profit for the year before income taxes		161,785	228,564
Income tax expenses		-51,067	-68,238
Profit for the year		110,718	160,326
Profit for the year attributable to:			
Owners of the parent		104,562	160,042
Non-controlling interests		6,156	284
Total		110,718	160,326
Earning per share	5-4		
Basic earnings per share (Yen)		512.50	791.20
Diluted earnings per share (Yen)		512.33	790.76

【Full-Year Consolidated Statement of Comprehensive Income】		(Millions of yen)	
	Notes	FY2018 (For the full-year ended March 31, 2019)	FY2019 (For the full-year ended March 31, 2020)
Profit for the year		110,718	160,326
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		-6,812	-5,737
Remeasurement of defined benefit plans		-3,749	31,246
Share of other comprehensive income of investments accounted for using the equity method		-194	-160
		-10,755	25,349
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		-3,877	-13,455
Cash flow hedges		-104	20
Share of other comprehensive income of investments accounted for using the equity method		-471	-1,934
		-4,452	-15,369
Total other comprehensive income for the year, net of taxes		-15,207	9,980
Total comprehensive income for the year		95,511	170,306
Total comprehensive income attributable to:			
Owners of the parent		89,311	171,361
Non-controlling interests		6,200	-1,055
Total		95,511	170,306

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, 2018	324,625	233,941	-7,237	479,776	56,692	1,087,797	117,105	1,204,902
Cumulative effects of changes in accounting policies				20,200	-20,467	-267		-267
Balance as of the beginning of the year reflecting Changes in Accounting Policies	324,625	233,941	-7,237	499,976	36,225	1,087,530	117,105	1,204,635
Profit for the year				104,562		104,562	6,156	110,718
Other comprehensive income					-15,251	-15,251	44	-15,207
Total comprehensive income for the year	—	—	—	104,562	-15,251	89,311	6,200	95,511
Purchase of treasury stock		-6	-22,327			-22,333		-22,333
Disposal of treasury stock			8			8		8
Share-based payment transactions		261				261		261
Dividends paid				-26,660		-26,660	-3,035	-29,695
Transfer to retained earnings				-1,400	1,400	—		—
Acquisition (disposal) of non-controlling interests		3,824				3,824	3,101	6,925
Changes in ownership interests in subsidiaries		-2,606		379	2,212	-15	-1,796	-1,811
Others		41			88	129		129
Balance at March 31, 2019	324,625	235,455	-29,556	576,857	24,674	1,132,055	121,575	1,253,630
Profit for the year				160,042		160,042	284	160,326
Other comprehensive income					11,319	11,319	-1,339	9,980
Total comprehensive income for the year	—	—	—	160,042	11,319	171,361	-1,055	170,306
Purchase of treasury stock		-12	-30,101			-30,113		-30,113
Disposal of treasury stock			43			43		43
Share-based payment transactions		529				529		529
Dividends paid				-32,429		-32,429	-2,900	-35,329
Transfer to retained earnings				33,586	-33,586	—		—
Acquisition (disposal) of non-controlling interests		-502				-502	323	-179
Changes in ownership interests in subsidiaries		-187		222	-35	—	-10,650	-10,650
Others		2,371		-2,358	-1	12	186	198
Balance at March 31, 2020	324,625	237,654	-59,614	735,920	2,371	1,240,956	107,479	1,348,435

4. Consolidated Statements of Cash Flows

		(Millions of yen)	
		FY2018	FY2019
	Notes	(For the full-year ended March 31, 2019)	(For the full-year ended March 31, 2020)
<i>Cash flows from operating activities</i>			
Profit for the year before income taxes		161,785	228,564
Depreciation, amortization and impairment loss	5-2	158,106	214,037
Increase (decrease) in provisions		38,206	-25,241
Increase (decrease) in net defined benefit liability		-109,168	-33,173
Interest and dividend income		-6,681	-5,304
Interest charges		3,231	4,185
Income from investments accounted for using the equity method, net		-22,630	-14,794
(Gain) loss on sales of subsidiaries' stock		-22,046	-6,350
(Increase) decrease in trade receivables		-79,082	10,867
(Increase) decrease in inventories		-20,481	-19,076
Increase (decrease) in trade payables		-10,424	-41,348
Other, net		79,110	46,720
Cash generated from operations		169,926	359,087
Interest received		3,152	2,300
Dividends received		5,430	5,024
Interest paid		-3,668	-4,222
Income taxes paid		-75,424	-14,926
Net cash provided by operating activities		99,416	347,263
<i>Cash flows from investing activities</i>			
Purchases of property, plant, equipment, and intangible assets		-120,637	-132,970
Proceeds from sales of investment securities		77,941	19,133
Net proceeds from sale of subsidiaries and business		17,130	40,522
Collection of loans receivable		26,592	1,863
Decrease (increase) in short-term investment		-6,093	-33,758
Other, net		9,209	-8,996
Net cash provided by (used in) investing activities		4,142	-114,206
<i>Cash flows from financing activities</i>			
Increase (decrease) in short-term borrowings		7,792	18,589
Proceeds from long-term debt and issuance of bonds		116	3
Repayment of long-term debt and bonds		-87,743	-80,249
Payment of lease obligation	5-2	-13,107	-69,673
Purchase of treasury stock		-22,327	-30,101
Dividends paid to owners of the parent		-26,660	-32,429
Other, net		5,307	696
Net cash used in financing activities		-136,622	-193,164
Net increase (decrease) in cash and cash equivalents		-33,064	39,893
Cash and cash equivalents at beginning of year		452,671	416,742
Effect of exchange rate changes on cash and cash equivalents		-2,865	-3,599
Cash and cash equivalents at end of year		416,742	453,036

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.

2. Changes in accounting policies

Excluding the changes stated below, the major accounting policies that were applied to consolidated financial statements are the same policies that were applied to the previous fiscal year.

Starting from this first quarter, the Fujitsu Group has adopted IFRS 16 Leases. The accounting policies that were applied and the cumulative effect recognized at the beginning of the fiscal year are reflected in the first quarter report [Notes to Financial Statements] 1. Changes in accounting policies.

The effect on assets, liabilities, equity, operating profit, and profit for this fiscal year was immaterial. With the adoption of IFRS 16, because payments of lease liabilities are included in Cash Flows from Financing Activities, adjustments related to depreciation of right-of-use assets and others are included in Cash Flows from Operating Activities. As a result, in this fiscal year Net Cash Provided by Operating Activities increased by 57,825 million yen, and Net Cash Used in Financing Activities decreased by 57,825 million yen, compared with what would have been achieved under the previous standard, IAS 17.

3. Segment Information

Please refer to the supplemental explanation materials (Presentation Material).

4. Earnings per Share

Calculation basis for basic earnings per share and diluted earnings per share

Basic Earnings per Share

		FY2018 (For full-year ended March 31, 2019)	FY2019 (For full-year ended March 31, 2020)
Profit for the year, attributable to ordinary equity holders of the parent	Millions of yen	104,562	160,042
Weighted average number of ordinary shares - basic	Thousands of share	204,024	202,277
Earnings per shares	yen	512.50	791.20

Diluted Earnings per Share

		FY2018 (For full-year ended March 31, 2019)	FY2019 (For full-year ended March 31, 2020)
Profit for the year, attributable to ordinary equity holders of the parent	Millions of yen	104,562	160,042
Adjustment related to dilutive securities issued by subsidiaries and affiliates	Millions of yen	-16	—
Profit used to calculate diluted earnings per share	Millions of yen	104,546	160,042
Weighted average number of ordinary shares - basic	Thousands of share	204,024	202,277
Contingently issuable shares	Thousands of share	37	114
Weighted average number of ordinary shares - diluted	Thousands of share	204,061	202,391
Diluted earnings per share	yen	512.33	790.76

On October 1, 2018, Fujitsu conducted share consolidation for common stock at a rate of one share for every ten shares. In accordance with IAS33 Earnings per Share, Basic Earnings per Share and Diluted Earnings per Share have been calculated on the basis that share consolidation had been conducted at the beginning of the previous consolidated fiscal year.

5. 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.