

October 26, 2017

FY 2017 First-Half Financial Results
April 1, 2017 - September 30, 2017

Fujitsu Limited

Consolidated Financial Results for the First-Half Ended September 30, 2017

[Prepared on the basis of International Financial Reporting Standards]

October 26, 2017

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: : November 1, 2017
 Scheduled dividend payment date: : November 24, 2017
 Supplementary material: : Yes
 Financial results meeting: : Yes (for media and analysts)

1. Consolidated Results for the First-Half Ended September 30, 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 (%)
1H FY 2017 (4/1/17-9/30/17)	1,923,240	0.8	28,002	39.3	59,339	188.0	47,481	236.5
1H FY 2016 (4/1/16-9/30/16)	1,907,857	-	20,099	-	20,606	-	14,110	-

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		Change (%)		Change (%)
1H FY 2017 (4/1/17-9/30/17)	43,472	266.5	75,643	-
1H FY 2016 (4/1/16-9/30/16)	11,861	-	-48,885	-

(Yen)

	Earnings per share	
	Basic	Diluted
1H FY 2017 (4/1/17-9/30/17)	21.20	21.20
1H FY 2016 (4/1/16-9/30/16)	5.73	5.72

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-half 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 (%)
September 30, 2017	3,086,518	1,081,657	941,010	30.5%
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 September 30, 2017	2,070,018,213
	As of March 31, 2017	2,070,018,213
2. Treasury stock held at end of period	As of September 30, 2017	19,610,777
	As of March 31, 2017	19,540,434
3. Average number of shares during period	1H FY 2017	2,050,441,094
	1H FY 2016	2,068,816,069

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	2Q FY2017
	(As of March 31, 2017)	(As of September 30, 2017)
Assets		
Current assets		
Cash and cash equivalents	380,695	402,715
Trade receivables	999,238	839,268
Other receivables	66,849	58,165
Inventories	293,163	300,367
Others	79,052	97,232
Subtotal	1,818,997	1,697,747
Assets held for sale	23,408	165,018
Total current assets	1,842,405	1,862,765
Non-current assets		
Property, plant and equipment, net of accumulated depreciation	596,649	551,341
Goodwill	41,237	43,997
Intangible assets	153,974	137,247
Investments accounted for using the equity method	109,854	109,211
Other investments	181,970	154,842
Deferred tax assets	132,591	121,497
Others	132,818	105,618
Total non-current assets	1,349,093	1,223,753
Total assets	3,191,498	3,086,518
Liabilities and equity		
Liabilities		
Current liabilities		
Trade payables	617,706	491,445
Other payables	382,894	327,055
Short-term borrowings, current portion of long-term debt and lease obligations	130,788	194,479
Accrued income taxes	21,740	11,245
Provisions	75,047	54,265
Others	191,803	178,211
Subtotal	1,419,978	1,256,700
Liabilities directly associated with assets held for sale	12,014	100,667
Total current liabilities	1,431,992	1,357,367
Non-current liabilities		
Long-term debt and lease obligations	354,304	314,780
Retirement benefit liabilities	309,031	263,197
Provisions	31,363	31,946
Deferred tax liabilities	4,788	3,692
Others	40,818	33,879
Total non-current liabilities	740,304	647,494
Total liabilities	2,172,296	2,004,861
Equity		
Share capital	324,625	324,625
Capital surplus	231,640	231,969
Treasury stock, at cost	-12,502	-12,559
Retained earnings	265,893	336,304
Other components of equity	71,636	60,671
Total equity attributable to owners of the parent	881,292	941,010
Non-controlling interests	137,910	140,647
Total equity	1,019,202	1,081,657
Total liabilities and equity	3,191,498	3,086,518

2. Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

【First-Half Condensed Consolidated Statement of Profit or Loss】		(Millions of yen, except per share data)	
	Notes	1H FY2016 (For the first-half ended September 30, 2016)	1H FY2017 (For the first-half ended September 30, 2017)
Continuing Operations			
Revenue		1,907,857	1,923,240
Cost of sales		-1,388,024	-1,402,337
Gross profit		519,833	520,903
Selling, general and administrative expenses		-497,565	-500,387
Other income (expenses)		-2,169	7,486
Operating profit		20,099	28,002
Financial income		4,133	31,836
Financial expenses		-7,125	-2,567
Income from investments accounted for using the equity method, net		3,499	2,068
Profit for the period from continuing operations before income taxes		20,606	59,339
Income tax expenses		-9,862	-14,677
Profit for the period from continuing operations		10,744	44,662
Discontinued operations			
Profit for the period from discontinued operations		3,366	2,819
Profit for the period		14,110	47,481
Profit for the period attributable to:			
Owners of the parent		11,861	43,472
Non-controlling interests		2,249	4,009
Total		14,110	47,481
Earning per share			
Basic earnings per share (Yen)		5.73	21.20
Diluted earnings per share (Yen)		5.72	21.20
Earning per share from continuing operations			
Basic earnings per share (Yen)		4.79	20.48
Diluted earnings per share (Yen)		4.77	20.48

【First-Half Condensed Consolidated Statement of Comprehensive Income】		(Millions of yen)	
	Notes	1H FY2016 (For the first-half ended September 30, 2016)	1H FY2017 (For the first-half ended September 30, 2017)
Profit for the period		14,110	47,481
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		-25,535	38,367
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		-33,782	4,038
Cash flow hedges		169	36
Available-for-sale financial assets		1,310	-14,449
Share of other comprehensive income of investments accounted for using the equity method		-5,157	170
		-37,460	-10,205
Total other comprehensive income for the period, net of taxes		-62,995	28,162
Total comprehensive income for the period		-48,885	75,643
Total comprehensive income attributable to:			
Owners of the parent		-47,280	69,698
Non-controlling interests		-1,605	5,945
Total		-48,885	75,643

【Second-Quarter Condensed Consolidated Statement of Profit or Loss】

(Millions of yen, except per share data)

	Notes	2Q FY2016 (For the three-month ended September 30, 2016)	2Q FY2017 (For the three-month ended September 30, 2017)
Continuing Operations			
Revenue		1,007,914	1,000,602
Cost of sales		-722,233	-726,263
Gross profit		285,681	274,339
Selling, general and administrative expenses		-249,823	-250,417
Other income (expenses)		-2,050	-872
Operating profit		33,808	23,050
Financial income		2,159	29,630
Financial expenses		-1,257	-1,212
Income from investments accounted for using the equity method, net		1,466	467
Profit for the period from continuing operations before income taxes		36,176	51,935
Income tax expenses		-8,951	-8,316
Profit for the period from continuing operations		27,225	43,619
Discontinued operations			
Profit for the period from discontinued operations		2,096	-786
Profit for the period		29,321	42,833
Profit for the period attributable to:			
Owners of the parent		25,915	41,323
Non-controlling interests		3,406	1,510
Total		29,321	42,833
Earning per share			
Basic earnings per share (Yen)		12.53	20.15
Diluted earnings per share (Yen)		12.52	20.15
Earning per share from continuing operations			
Basic earnings per share (Yen)		11.93	20.40
Diluted earnings per share (Yen)		11.92	20.40

【Second-Quarter Condensed Consolidated Statement of Comprehensive Income】

(Millions of yen)

	Notes	2Q FY2016 (For the three-month ended September 30, 2016)	2Q FY2017 (For the three-month ended September 30, 2017)
Profit for the period		29,321	42,833
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		25,585	29,882
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		-7,017	4,081
Cash flow hedges		-102	26
Available-for-sale financial assets		4,285	-14,333
Share of other comprehensive income of investments accounted for using the equity method		-1,943	649
		-4,777	-9,577
Total other comprehensive income for the period, net of taxes		20,808	20,305
Total comprehensive income for the period		50,129	63,138
Total comprehensive income attributable to:			
Owners of the parent		45,717	60,660
Non-controlling interests		4,412	2,478
Total		50,129	63,138

3. Condensed Consolidated Statement of Changes in Equity

【1H FY2016 (For the six-month period ended September 30, 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				11,861		11,861	2,249	14,110
Other comprehensive income					-59,141	-59,141	-3,854	-62,995
Total comprehensive income for the period	—	—	—	11,861	-59,141	-47,280	-1,605	-48,885
Purchase of treasury stock			-13			-13	-2	-15
Disposal of treasury stock			2			2		2
Dividends paid				-8,275		-8,275	-1,798	-10,073
Transfer to retained earnings				-25,072	25,072	—		—
Acquisition (disposal) of non-controlling interests		-1,436				-1,436	-9,424	-10,860
Balance at September 30, 2016	324,625	232,460	-638	134,444	34,889	725,780	130,629	856,409

【1H FY2017 (For the six-month period ended September 30, 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				43,472		43,472	4,009	47,481
Other comprehensive income					26,226	26,226	1,936	28,162
Total comprehensive income for the period	—	—	—	43,472	26,226	69,698	5,945	75,643
Purchase of treasury stock			-57			-57	-1	-58
Dividends paid				-10,252		-10,252	-2,506	-12,758
Transfer to retained earnings				37,191	-37,191	—		—
Acquisition (disposal) of non-controlling interests		329				329	-618	-289
Changes in ownership interests in subsidiaries						—	-83	-83
Balance at September 30, 2017	324,625	231,969	-12,559	336,304	60,671	941,010	140,647	1,081,657

4. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	1H FY2016 Notes (For the first-half ended September 30, 2016)	1H FY2017 (For the first-half ended September 30, 2017)
<i>Cash flows from operating activities</i>		
Profit for the period from continuing operations before income taxes	20,606	59,339
Depreciation, amortization and impairment loss	86,300	83,413
Increase (decrease) in provisions	-6,203	-20,040
Increase (decrease) in net defined benefit liability	-1,234	-8,127
Interest and dividend income	-2,806	-3,518
Interest charges	2,244	2,177
Equity in earnings of affiliates, net	-3,515	-2,084
(Increase) decrease in trade receivables	112,354	121,075
(Increase) decrease in inventories	-35,298	-39,463
Increase (decrease) in trade payables	-67,005	-80,337
Other, net	-47,141	-35,394
Cash generated from operations	58,302	77,041
Interest received	832	958
Dividends received	3,219	3,421
Interest paid	-2,272	-2,182
Income taxes paid	-17,985	-24,497
Net cash provided by operating activities	42,096	54,741
<i>Cash flows from investing activities</i>		
Purchases of property, plant, equipment, and intangible assets	-102,231	-67,868
Proceeds from sale of available-for-sale financial assets	2,146	34,751
Net proceeds from sale of subsidiaries and business	—	-1,180
Other, net	4,297	-1,075
Net cash used in investing activities	-95,788	-35,372
<i>Cash flows from financing activities</i>		
Increase (decrease) in short-term borrowings	70,410	28,112
Proceeds from long-term debt and issuance of bonds	2,397	817
Repayment of long-term debt and bonds	-30,786	-1,830
Payment of lease obligation	-7,140	-6,625
Purchase of treasury stock	-13	-57
Dividends paid to owners of the parent	-8,275	-10,252
Acquisition of non-controlling interests	-11,274	-385
Other, net	-1,420	-2,806
Net cash provided by financing activities	13,899	6,974
Net increase (decrease) in cash and cash equivalents	-39,793	26,343
Cash and cash equivalents at beginning of period	380,810	383,969
Effect of exchange rate changes on cash and cash equivalents	-13,196	2,576
Cash and cash equivalents at end of period	327,821	412,888

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.