

**1Q  
FY2016**

July 28, 2016



shaping tomorrow with you

# **Consolidated Financial Results**

## **Fujitsu Limited**

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## **1. Financial Results for 1Q FY2016**

- (1) Financial Results / Business Segment Information
- (2) Cash Flows
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## **(Reference)**

- (1) Supplementary Information for FY2016 Forecasts
- (2) Financial Results of Consolidated Subsidiaries Outside Japan

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(Billions of yen)

	1Q FY2015 (Actual)	1Q FY2016 (Actual)	Change	
				(%)
<b>Revenue</b>	1,065.0	986.5	-78.5	-7.4
<b>Operating Profit</b>	-27.3	-11.2	16.0	-
<b>[Expenses to Transform Business Model]</b>	[-4.4]	[ - ]	[4.4]	-
<b>[Operating Profit Margin]</b>	[-2.6%]	[-1.1%]	[1.5%]	
<b>Profit for the Period Before Income Taxes</b>	-16.8	-13.2	3.5	-
<b>Profit for the Period Attributable to Owners of the Parent</b>	-18.9	-14.0	4.8	-

#### Exchange Rate

<b>U.S. dollar / Yen</b>	121	108	-13	-10.7
<b>Euro / Yen</b>	134	122	-12	-9.0
<b>British pound / Yen</b>	186	155	-31	-16.7
<b>Euro / U.S. dollar</b>	1.11	1.13	0.02	1.8

**Ratio of Revenue Outside Japan**                      42.6%                      40.1%                      -2.5%

# Business Segment Information



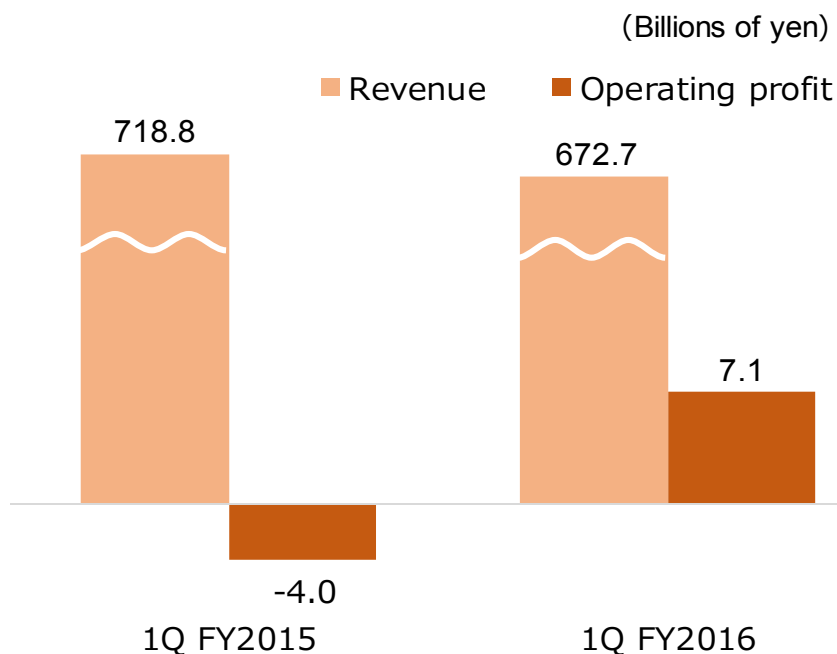
(Billions of yen)

		1Q FY2015 (Actual)	1Q FY2016 (Actual)	Change		Change(%) Constant Currency
					(%)	
Revenue	Technology Solutions	718.8	672.7	-46.0	-6.4	-2
	Services	611.2	578.3	-32.9	-5.4	
	System Platforms	107.6	94.4	-13.1	-12.2	
	Ubiquitous Solutions	243.2	219.8	-23.3	-9.6	-7
	Device Solutions	149.9	130.0	-19.8	-13.3	-7
	Other/Elimination and Corporate	-46.9	-36.1	10.8	-	-
	<b>Total</b>	<b>1,065.0</b>	<b>986.5</b>	<b>-78.5</b>	<b>-7.4</b>	<b>-3</b>
OPPL	Technology Solutions	[-4.4] -4.0	[-] 7.1	[4.4] 11.1	-	
	Services	9.9	15.0	5.0	51.3	
	System Platforms	[-4.4] -13.9	[-] -7.8	[4.4] 6.0	-	
	Ubiquitous Solutions	-7.6	4.6	12.2	-	
	Device Solutions	10.7	-1.1	-11.9	-	
	Other/Elimination and Corporate	-26.3	-21.7	4.6	-	
	<b>Total</b>	<b>[-4.4] -27.3</b>	<b>[-] -11.2</b>	<b>[4.4] 16.0</b>	<b>-</b>	

※Figures in [ ] are expenses related to the business model transformation

## Technology Solutions

### [ Revenue and Operating Profit ]



(Billions of yen)

Technology Solutions	1Q FY2015 (Actual)	1Q FY2016 (Actual)	Change	
				(%)
Revenue	718.8	672.7	-46.0	-6.4
Services	611.2	578.3	-32.9	-5.4
System Platforms	107.6	94.4	-13.1	-12.2
Operating profit	-4.0	7.1	11.1	-
[Expenses to transform business model]	[-4.4]	[ - ]	[4.4]	-
[Operating profit margin]	[-0.6%]	[1.1%]	[1.7%]	

### Revenue (breakdown)

Japan	423.1	430.4	7.2	1.7
Outside Japan	295.7	242.3	-53.3	-18.0

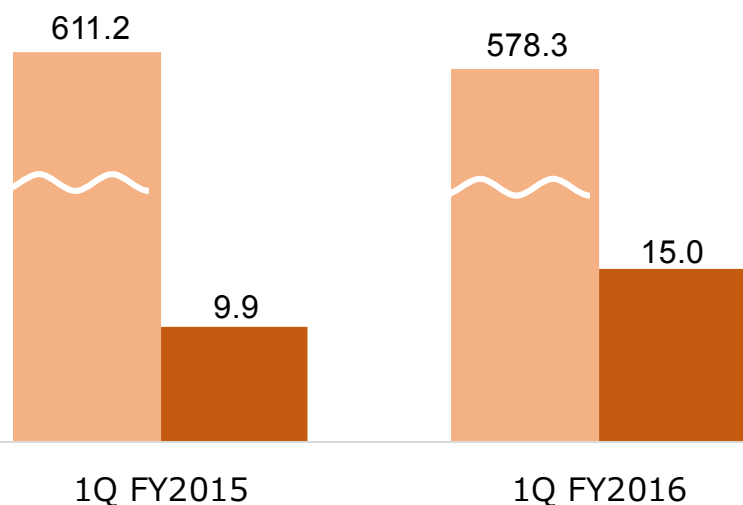
**Revenue:** Revenue in Japan increased, primarily in Services. Revenue outside Japan decreased because of the lower demand in product businesses, in addition to the impact of the strong yen.

**Operating Profit:** Operating profit rose in Services in Japan, and System Platforms improved, partly because of a reduction in realignment costs.

## Technology Solutions (Services)

### [ Revenue and Operating Profit ]

(Billions of yen)  
■ Revenue    ■ Operating profit



(Billions of yen)

Services	1Q FY2015 (Actual)	1Q FY2016 (Actual)	Change	
				(%)
Revenue	611.2	578.3	-32.9	-5.4
Solutions/SI	211.3	211.5	0.2	0.1
Infrastructure Services	399.9	366.7	-33.2	-8.3
Operating profit	9.9	15.0	5.0	51.3
[Operating profit margin]	[1.6%]	[2.6%]	[1.0%]	

### Revenue (breakdown)

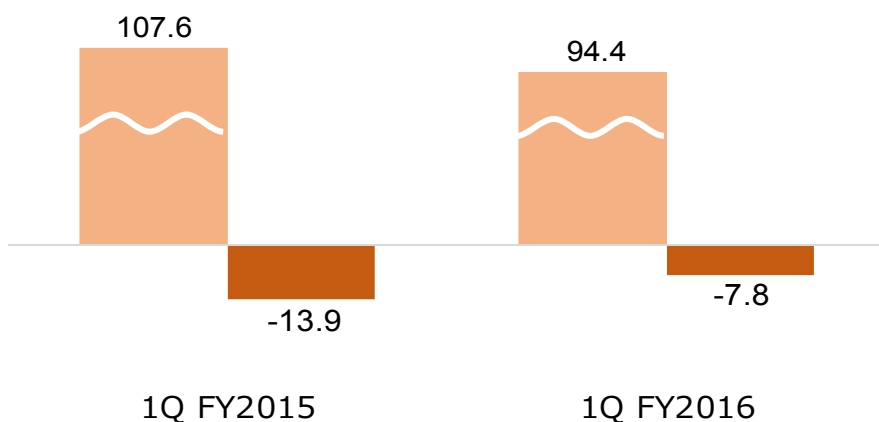
Japan	350.6	361.3	10.6	3.0
Outside Japan	260.6	216.9	-43.6	-16.7

**Revenue:** Revenue fell outside of Japan due to the strong yen. Revenue increased in Japan, primarily in outsourcing services.  
**Operating Profit:** Operating profit increased because of improved profitability, in addition to the impact of higher revenue in Japan.

## Technology Solutions (System Platforms)

### [ Revenue and Operating Profit ]

(Billions of yen)  
■ Revenue ■ Operating profit



(Billions of yen)

System Platforms	1Q FY2015 (Actual)	1Q FY2016 (Actual)	Change	
				(%)
Revenue	107.6	94.4	-13.1	-12.2
System Products	55.1	53.1	-2.0	-3.6
Network Products	52.4	41.3	-11.1	-21.2
Operating profit	-13.9	-7.8	6.0	-
[Expenses to transform business model]	[-4.4]	[ - ]	[4.4]	-
[Operating profit margin]	[-13.0%]	[-8.4%]	[4.6%]	

### Revenue (breakdown)

Japan	72.4	69.0	-3.3	-4.7
Outside Japan	35.1	25.3	-9.7	-27.7

**Revenue:** Revenue decreased, primarily in network products in and outside Japan due to investment constraints by telecommunication carriers.

**Operating Profit:** Operating profit improved because, in the first quarter of fiscal 2015, realignment costs in network products were recorded, in addition to improved profitability in the server-related business.

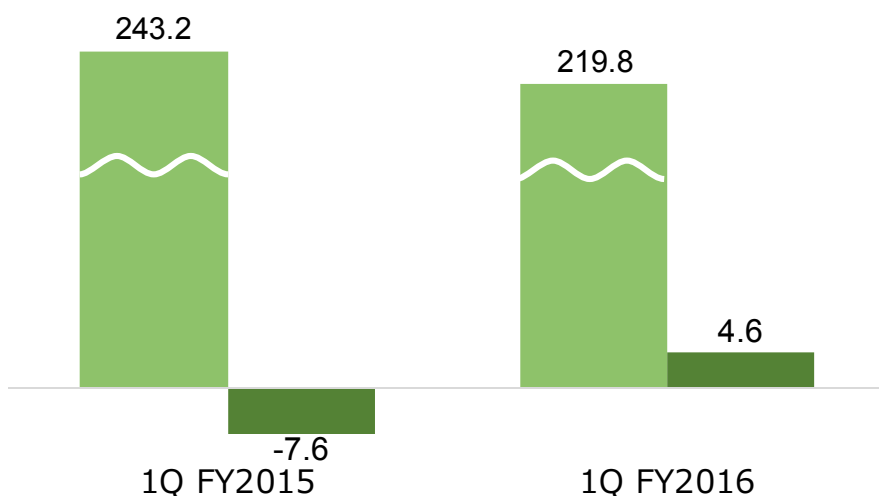


## Ubiquitous Solutions

### [ Revenue and Operating Profit ]

(Billions of yen)

■ Revenue ■ Operating profit



(Billions of yen)

Ubiquitous Solutions	1Q FY2015 (Actual)	1Q FY2016 (Actual)	Change	
				(%)
Revenue	243.2	219.8	-23.3	-9.6
PCs/ Mobile Phones	151.6	125.9	-25.6	-16.9
Mobilewear	91.6	93.9	2.2	2.5
Operating profit	-7.6	4.6	12.2	-
[Operating profit margin]	[-3.1%]	[2.1%]	[5.2%]	

### Revenue (breakdown)

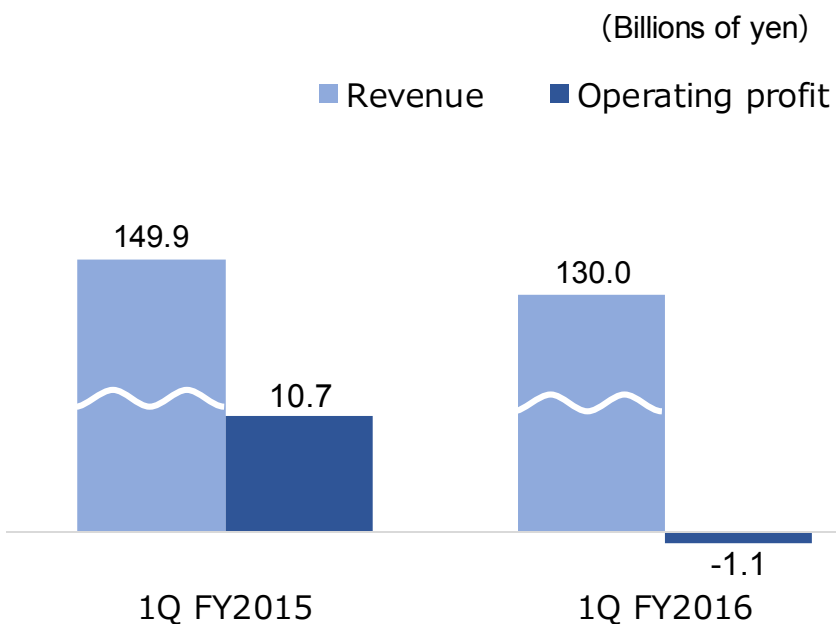
Japan	155.1	139.2	-15.9	-10.3
Outside Japan	88.1	80.6	-7.4	-8.5

**Revenue:** Revenue in mobile phones significantly fell, primarily in high-end models. Revenue in PCs fell because of lower consumer sales.

**Operating Profit:** Operating profit improved because of greater efficiencies centered on development costs, in addition to the impact of lower costs for dollar-denominated components as a result of the strong yen.

## Device Solutions

### [ Revenue and Operating Profit ]



(Billions of yen)

Device Solutions	1Q FY2015 (Actual)	1Q FY2016 (Actual)	Change	
				(%)
Revenue	149.9	130.0	-19.8	-13.3
LSI	80.5	63.7	-16.8	-20.9
Electronic Components	69.7	66.6	-3.1	-4.5
Operating profit	10.7	-1.1	-11.9	-
[Operating profit margin]	[7.1%]	[-0.9%]	[-8.0%]	

### Revenue (breakdown)

Japan	73.8	56.7	-17.1	-23.2
Outside Japan	76.0	73.2	-2.7	-3.6

**Revenue:** Revenue fell because of the impact of lower demand for LSI devices, as well as the strong yen.

**Operating Profit:** Operating profit deteriorated on lower demand for LSI devices and on lower revenue because of the strong yen.

## Cash Flows

(Billions of yen)

	1Q FY2015 (Actual)	1Q FY2016 (Actual)	Change
<b>I Cash flows from operating activities</b>	29.3	62.0	32.6
<b>II Cash flows from investing activities</b>	-28.3	-38.4	-10.0
<b>I + II Free Cash Flow</b>	0.9	23.6	22.6
<b>III Cash flows from financing activities</b>	12.1	26.8	14.6
<b>IV Cash and Cash Equivalents at End of Period</b>	378.3	419.8	41.5

# Assets, Liabilities and Equity

(Billions of yen)

	Year-end FY2015	End of 1Q FY2016	Change
<b>Total Assets</b>	3,226.3	3,008.6	-217.6
<b>Total Liabilities</b>	2,300.0	2,201.7	-98.3
<b>Total Equity</b>	926.2	806.9	-119.2
<b>Total Equity Attributable to Owners of the Parent</b>	782.7	679.8	-102.9

## Reference: Financial Indices

<b>Interest-bearing Loans</b>	534.9	579.4	44.5
<b>Net Interest-bearing Loans</b>	154.1	159.5	5.4
<b>D/E Ratio (Times)</b>	0.68	0.85	0.17
<b>Net D/E Ratio (Times)</b>	0.20	0.23	0.03
<b>Equity Attributable to Owners of the Parent Ratio (%)</b>	24.3	22.6	-1.7

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# Financial Forecast



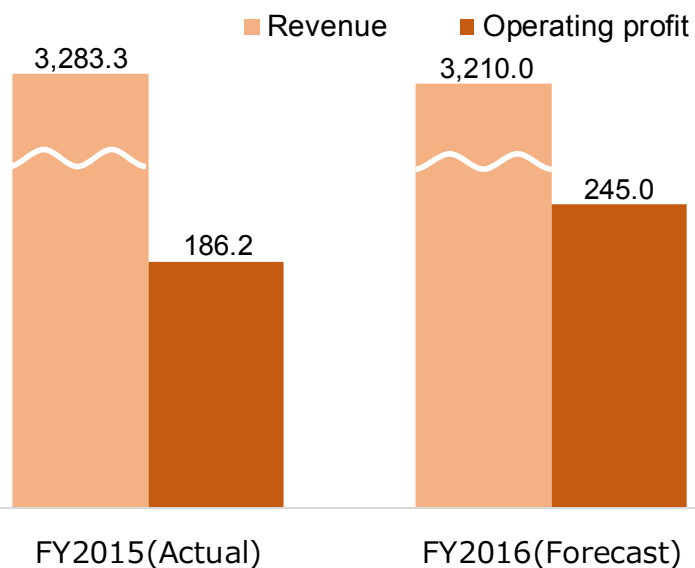
(Billions of yen)

		FY2015 (Actual)	FY2016 (Forecast)				Change		
			Expenses to transform business model	Current Forecast	Expenses to transform business model	Change vs. Previous Forecast			Expenses to transform business model
Revenue	Technology Solutions	3,283.3	-	3,210.0	-	-	-	-73.3	-
	Services	2,765.1	-	2,690.0	-	-	-	-75.1	-
	System Platforms	518.1	-	520.0	-	-	-	1.8	-
	Ubiquitous Solutions	1,040.9	-	1,000.0	-	-	-	-40.9	-
	Device Solutions	603.9	-	565.0	-	-	-	-38.9	-
	Other/Elimination and Corporate	-188.8	-	-175.0	-	-	-	13.8	-
	<b>Total</b>	<b>4,739.2</b>	<b>-</b>	<b>4,600.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-139.2</b>	<b>-</b>
OpPL	Technology Solutions	186.2	-35.9	245.0	-	-	-	58.7	35.9
	Services	163.9	-19.1	195.0	-	-	-	31.0	19.1
	System Platforms	22.3	-16.7	50.0	-	-	-	27.6	16.7
	Ubiquitous Solutions	-7.6	-5.6	14.0	-	-	-	21.6	5.6
	Device Solutions	30.3	-	6.0	-	-	-	-24.3	-
	Other/Elimination and Corporate	-88.3	-	-145.0	-45.0	-	-	-56.6	-45.0
	<b>Total</b>	<b>120.6</b>	<b>-41.5</b>	<b>120.0</b>	<b>-45.0</b>	<b>-</b>	<b>-</b>	<b>-0.6</b>	<b>-3.4</b>

## Technology Solutions

### [ Revenue and Operating Profit ]

(Billions of yen)



(Billions of yen)

Technology Solutions	FY2015 (Actual)	FY2016 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	3,283.3	3,210.0	-	-73.3	-2.2
Services	2,765.1	2,690.0	-	-75.1	-2.7
System Platforms	518.1	520.0	-	1.8	0.4
Operating profit	186.2	245.0	-	58.7	31.6
[Expenses to transform business model]	[-35.9]	[-]	[-]	[35.9]	-
[Operating profit margin]	[5.7%]	[7.6%]	[-%]	[1.9%]	

### Revenue (breakdown)

Japan	2,052.1	2,040.0	-	-12.1	-0.6
Outside Japan	1,231.2	1,170.0	-	-61.2	-5.0

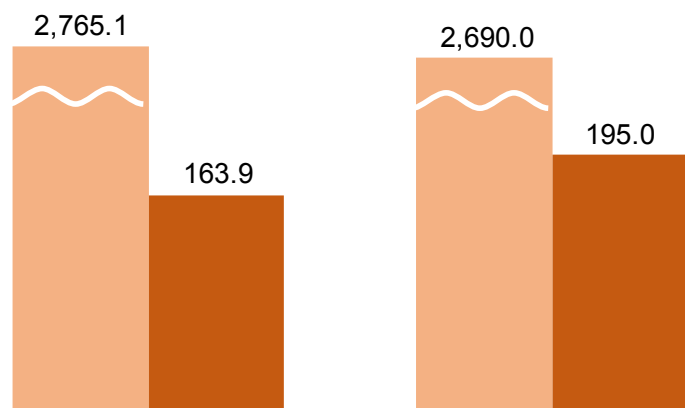


## Technology Solutions (Services)

### [ Revenue and Operating Profit ]

(Billions of yen)

■ Revenue ■ Operating profit



FY2015 (Actual)

FY2016 (Forecast)

(Billions of yen)

Services	FY2015 (Actual)	FY2016 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	2,765.1	2,690.0	-	-75.1	-2.7
Solutions/SI	1,010.9	1,000.0	-	-10.9	-1.1
Infrastructure Services	1,754.2	1,690.0	-	-64.2	-3.7
Operating profit	163.9	195.0	-	31.0	19.0
[Expenses to transform business model]	[-19.1]	[-]	[-]	[19.1]	-
[Operating profit margin]	[5.9%]	[7.2%]	[-%]	[1.3%]	

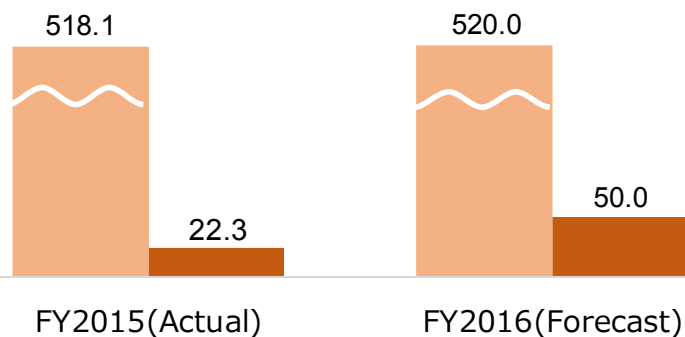
## Technology Solutions (System Platforms)

(Billions of yen)

### [ Revenue and Operating Profit ]

(Billions of yen)

■ Revenue ■ Operating profit



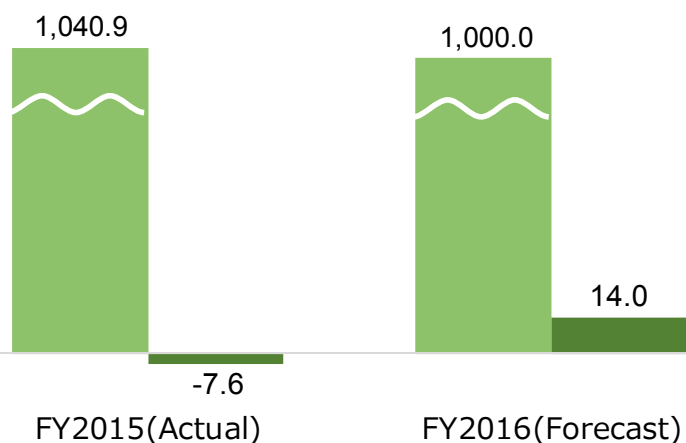
System Platforms	FY2015 (Actual)	FY2016 (Forecast)		Change	
		Current Forecast	Change vs. Previous Forecast		(%)
Revenue	518.1	520.0	-	1.8	0.4
System Products	262.0	260.0	-	-2.0	-0.8
Network Products	256.0	260.0	-	3.9	1.5
Operating profit	22.3	50.0	-	27.6	124.1
[Expenses to transform business model]	[-16.7]	[ - ]	[ - ]	[16.7]	-
[Operating profit margin]	[4.3%]	[9.6%]	[-%]	[5.3%]	

## Ubiquitous Solutions

### [ Revenue and Operating Profit ]

(Billions of yen)

■ Revenue ■ Operating profit



(Billions of yen)

Ubiquitous Solutions	FY2015 (Actual)	FY2016 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	1,040.9	1,000.0	-	-40.9	-3.9
PCs/ Mobile Phones	651.3	610.0	-	-41.3	-6.4
Mobilewear	389.5	390.0	-	0.4	0.1
Operating profit	-7.6	14.0	-	21.6	-
[Expenses to transform business model]	[-5.6]	[-]	[-]	[5.6]	-
[Operating profit margin]	[-0.7%]	[1.4%]	[-%]	[2.1%]	

### Revenue (breakdown)

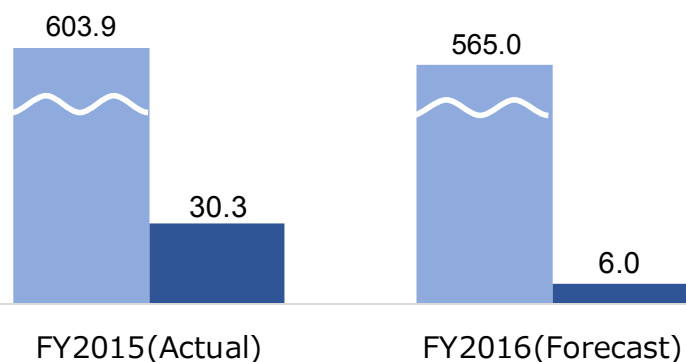
Japan	678.3	650.0	-	-28.3	-4.2
Outside Japan	362.5	350.0	-	-12.5	-3.5

## Device Solutions

### [ Revenue and Operating Profit ]

(Billions of yen)

■ Revenue ■ Operating profit



(Billions of yen)

Device Solutions	FY2015 (Actual)	FY2016 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	603.9	565.0	-	-38.9	-6.4
LSI	314.6	280.0	-	-34.6	-11.0
Electronic Components	290.7	285.0	-	-5.7	-2.0
Operating profit	30.3	6.0	-	-24.3	-80.3
[Operating profit margin]	[5.0%]	[1.1%]	[-%]	[-3.9%]	

### Revenue (breakdown)

Japan	289.7	250.0	-	-39.7	-13.7
Outside Japan	314.2	315.0	-	0.7	0.2

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(Reference) **Supplementary Information for FY2016 Forecasts**



1. Exchange Rates (Average) and Impact of Fluctuation

	FY2015 (Actual)	FY2016			Impact of Exchange Rate Fluctuation 2Q/3Q/4Q (Forecast)*
		1Q (Actual)	2Q/3Q/4Q (Forecast)	Change vs. Previous Forecast	
U.S. dollar / Yen	120	108	110	-	-0.5 Billion yen
Euro / Yen	133	122	125	-	-0.2 Billion yen
British pound / Yen	181	155	160	-	0 Billion yen
Euro / U.S. dollar	1.11	1.13	1.15	-	-1.2 Billion yen

\* Impact of 1 yen fluctuation on operating profit (yen appreciation).

Impact of 0.01 dollar fluctuation on operating profit (euro depreciation).

# (Reference) Supplementary Information for FY2016 Forecasts



## 2. Cash Flows

(Billions of yen)

	1Q		Full year		Change vs. Previous Forecast
	FY2015(Actual)	FY2016(Actual)	FY2015(Actual)	FY2016(Forecast)	
(A) CF from Operating Activities	29.3	62.0	253.0	250.0	-
(B) CF from Investing Activities	-28.3	-38.4	-164.3	-190.0	-
(A)+(B) Free Cash Flows	0.9	23.6	88.7	60.0	-

## 3. Capital Expenditures and Depreciation (Property, Plant and Equipment)

(Billions of yen)

	1Q		Full year		Change vs. Previous Forecast
	FY2015(Actual)	FY2016(Actual)	FY2015(Actual)	FY2016(Forecast)	
Technology Solutions	17.7	16.3	80.8	85.0	-
Ubiquitous Solutions	2.3	2.4	9.5	13.0	-
Device Solutions	7.5	13.7	55.6	45.0	-
Other / Corporate	0.3	2.6	10.0	12.0	-
Capital Expenditures	27.9	35.2	156.0	155.0	-
Depreciation	29.3	27.6	119.8	120.0	-

(Reference) **Supplementary Information for FY2016 Forecasts**



4. R&D Expenses

	1Q		Full year		(Billions of yen)
	FY2015 (Actual)	FY2016 (Actual)	FY2015 (Actual)	FY2016 (Forecast)	Change vs. Previous Forecast
R&D Expenses	46.4	41.4	179.8	180.0	-
As % of Revenue	[4.4%]	[4.2%]	[3.8%]	[3.9%]	[-%]

5. Shipments

			(Millions of units)
	FY2015 (Actual)	FY2016 (Forecast)	Change vs. Previous Forecast
PC	4.0	4.0	-
Mobile Phone	3.6	3.1	-



(Reference) **Financial Results of Consolidated Subsidiaries** 

## Outside Japan

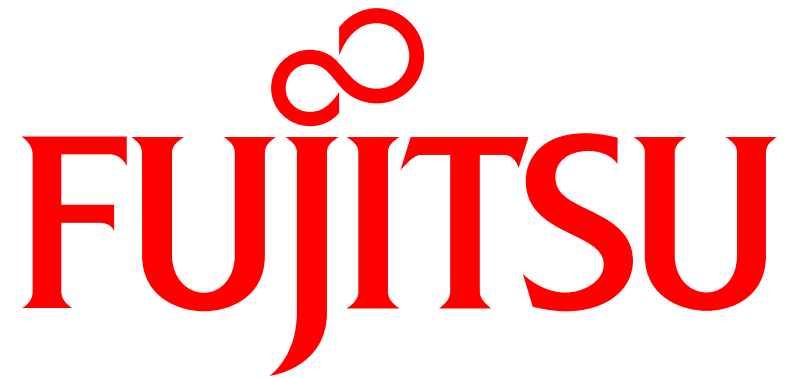
(Billions of yen)

		1Q FY2015 (Actual)	1Q FY2016 (Actual)	Change	
<b>Outside Japan</b>	Revenue	469.8	407.5	-62.3	
	Operating Profit	-1.7	0.6	2.3	
	<b>EMEIA</b>	Revenue	224.5	191.5	-33.0
	Operating Profit	-3.8	1.0	4.8	
	<b>Americas</b>	Revenue	104.4	93.3	-11.1
Operating Profit	1.1	-1.2	-2.4		
<b>Asia</b>	Revenue	110.5	97.1	-13.3	
Operating Profit	1.2	0.6	-0.6		
<b>Oceania</b>	Revenue	30.3	25.5	-4.7	
Operating Profit	-0.3	0.2	0.5		

Note: 1.Revenue and operating profit are stated to reflect region of consolidated subsidiaries.

EMEIA・・・Europe, Middle East, India and Africa

2.Revenue includes Inter-region revenue.



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## **Cautionary Statement**

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