

**FY2017**

April 27, 2018



shaping tomorrow with you

# Consolidated Financial Results

Fujitsu Limited

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## 1. Financial Results for FY2017

# Financial Results

(Billions of yen)

		FY2016 (Actual)	FY2017 (Actual)	Change		Change vs. Jan forecast
					(%)	
Continuing Operation	Revenue	4,132.9	4,098.3	-34.5	-0.8	-1.6
	Operating Profit	117.4	182.4	65.0	55.4	-2.5
	[Operating Profit Margin]	[2.8%]	[4.5%]	[1.7%]		[-%]
	Financial income (expenses), etc	6.7	59.9	53.2	794.6	
	Profit for the Year Before Income Taxes	124.1	242.4	118.3	95.3	
Profit for the Year Attributable to Owners of the Parent		88.4	169.3	80.8	91.4	24.3

### Exchange Rate

U.S. dollar / Yen	108	111	3	2.8	6
Euro / Yen	119	130	11	9.2	15
British pound / Yen	142	147	5	3.5	17
Euro / U.S. dollar	1.10	1.17	0.07	6.4	0.12

## 1. Financial Results for FY2017

# Financial Results (YoY)

### [Revenue] Decline of 34.5 billion yen

Impact of restructuring : Approx. -52.0 billion yen Impact of sale of Nifty's consumer business  
 Business excl. restructuring : Approx. +17.5 billion yen Although the impact of reduced revenue in network products was significant, overall revenue rose due in part to increased sales of PCs and the impact of the weak yen on services and devices

### [Operating Profit] Up 65.0 billion yen

Excl. special items : Approx. -29.0 billion yen Primarily from network products, Ubiquitous Solutions, and Services  
 Special items : Approx. +94.0 billion yen  
 ① Approx. +42.0 billion yen :Rebound from Business model transformation expenses recorded in the previous period  
 ② Approx. -10.0 billion yen :Loss incurred from an overseas subsidiary's legal dispute  
 ③ Approx. -8.0 billion yen : Business model transformation expenses recorded in the current period  
 ④ Approx. +70.0 billion yen : Impact of the transfer of businesses  
 (Mobile device business: +54.4 billion yen; Nifty's consumer business: +16.9 billion yen, rebound of profit of Nifty's consumer business in the previous period: approx. -2.0 billion yen)

### [Financial income (expenses), etc.] Up 53.2 billion yen

Gain on sale of shares in Fuji Electric of 27.3 billion yen resulting from change in cross-shareholding relationship  
 Gains of 26.3 billion yen related to decline of equity ratio for an affiliate in China

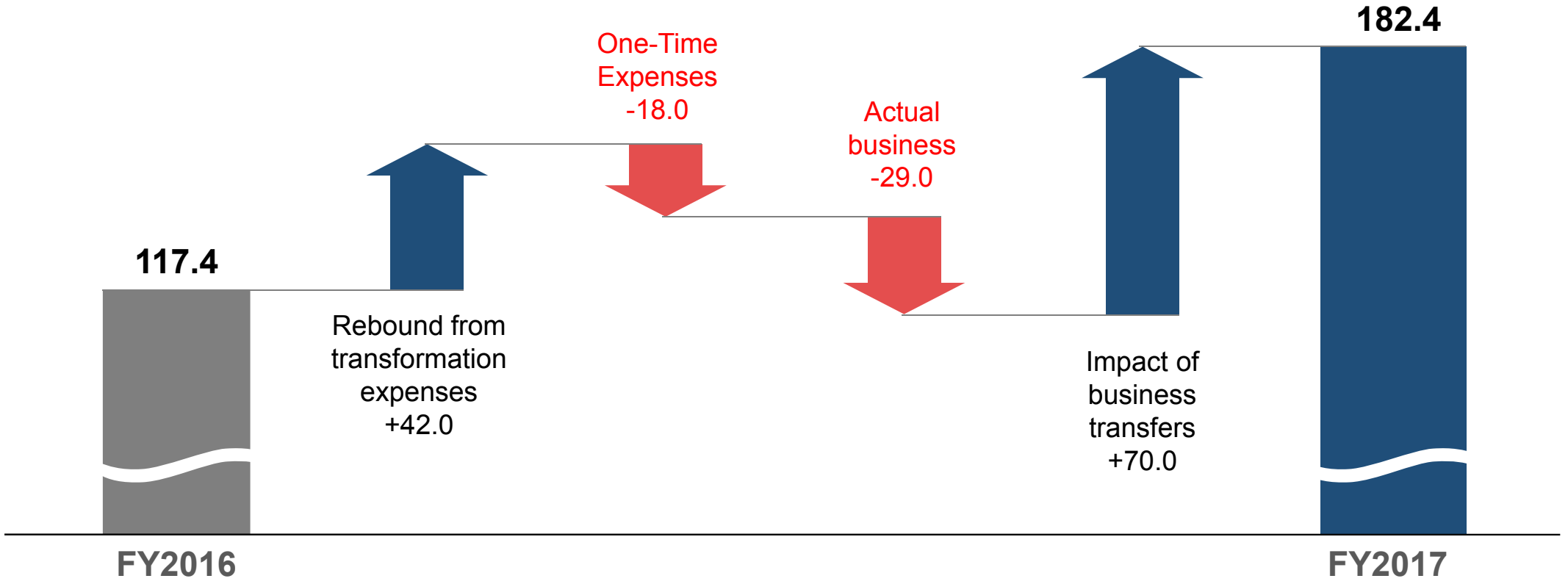
### [Profit for the Period Attributable to Owners of the Parent] Up 80.8 billion yen

Up 7.0 billion yen from discontinued operations(FUJITSU TEN)

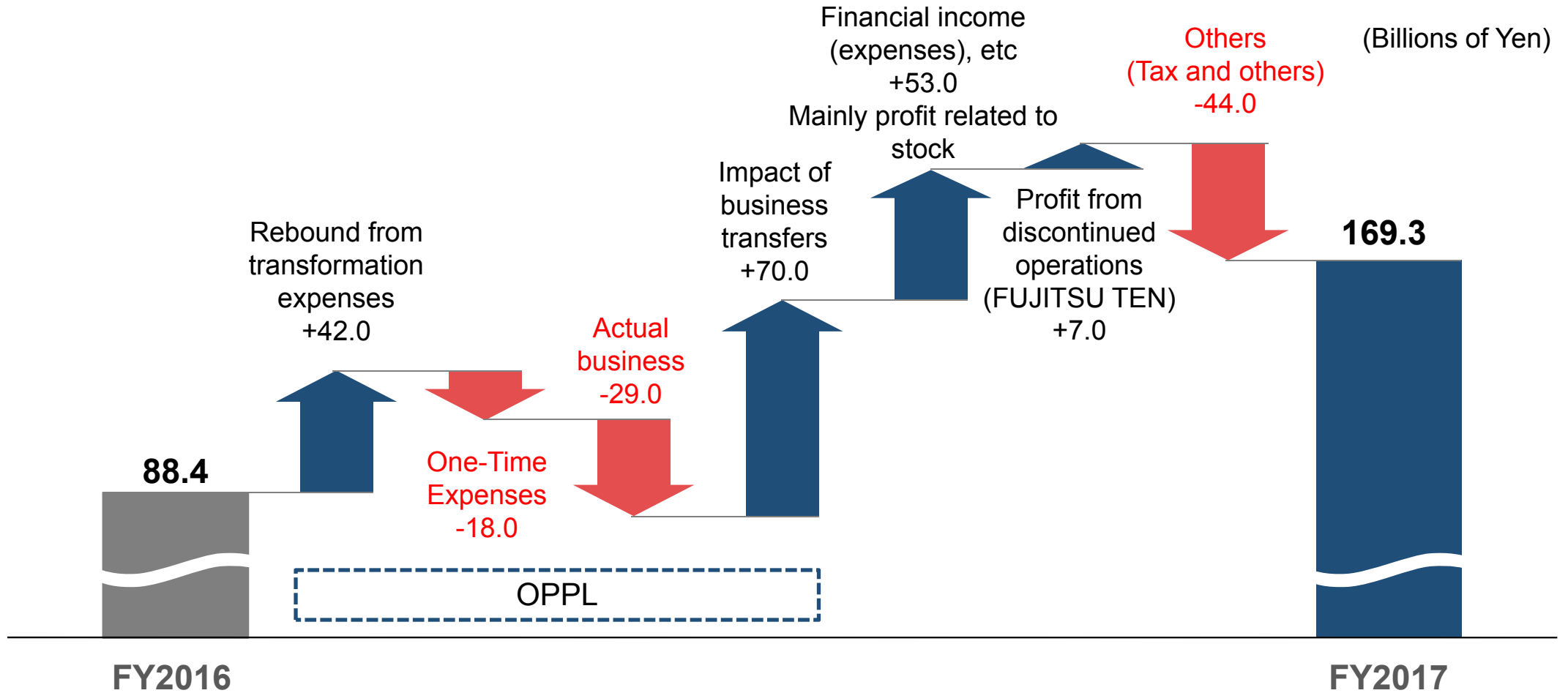
# Factors Behind Change in Operating Profit (FY2016→FY2017)



(Billions of Yen)



# Factors Behind Change in Profit for the Year (FY2016→FY2017)



## Business Segment Information

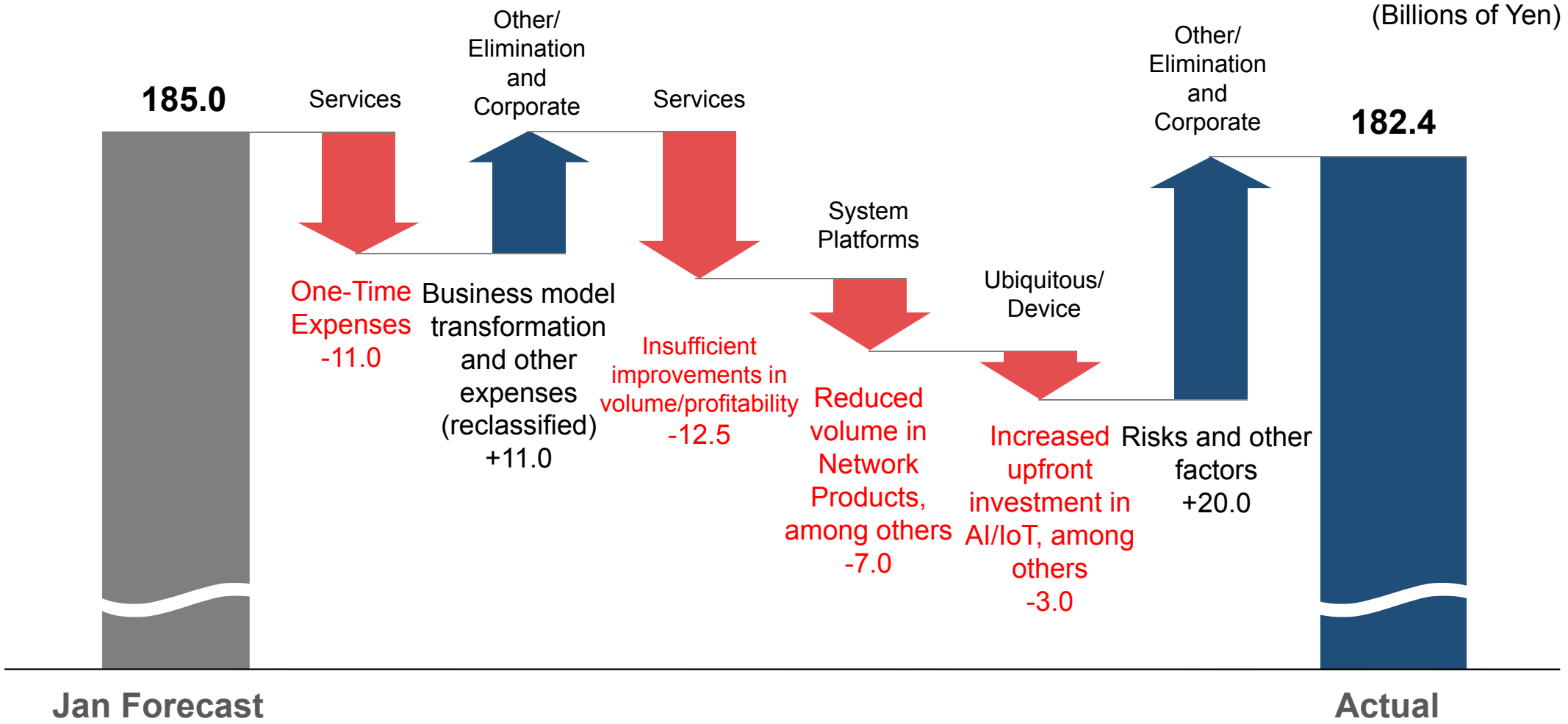


		FY2016 (Actual)	FY2017 (Actual)	Change	(%)	(Billions of yen) Change vs. Jan forecast
Revenue	Technology Solutions	3,126.6	3,052.7	-73.9	-2.4	-32.2
	Services	2,624.2	2,598.3	-25.9	-1.0	-11.6
	System Platforms	502.3	454.3	-47.9	-9.6	-20.6
	Ubiquitous Solutions	645.5	663.9	18.3	2.8	23.9
	Device Solutions	544.3	560.0	15.6	2.9	0.0
	Other/Elimination and Corporate	-183.5	-178.2	5.2	-	6.7
	<b>Total</b>	<b>4,132.9</b>	<b>4,098.3</b>	<b>-34.5</b>	<b>-0.8</b>	<b>-1.6</b>
OPPL	Technology Solutions	190.7	189.3	-1.3	-0.7	-30.6
	Services	150.0	163.4	13.4	8.9	-23.5
	System Platforms	40.7	25.9	-14.7	-36.3	-7.0
	Ubiquitous Solutions	17.3	11.3	-6.0	-34.7	-2.6
	Device Solutions	4.2	13.6	9.3	220.8	-0.3
	Other/Elimination and Corporate	-94.9	-31.8	63.0	-	31.1
	<b>Total</b>	<b>117.4</b>	<b>182.4</b>	<b>65.0</b>	<b>55.4</b>	<b>-2.5</b>

# Factors Behind Change in Operating Profit ( vs Jan. forecast )



(Billions of Yen)





## Technology Solutions

(Billions of yen)

Technology Solutions	FY2016 (Actual)	FY2017 (Actual)	Change	
				(%)
Revenue	3,126.6	3,052.7	-73.9	-2.4
Services	2,624.2	2,598.3	-25.9	-1.0
System Platforms	502.3	454.3	-47.9	-9.6
Operating profit	190.7	189.3	-1.3	-0.7
[Operating profit margin]	[6.1%]	[6.2%]	[0.1%]	

### Revenue (breakdown)

Japan	2,113.0	1,998.3	-114.6	-5.4
Outside Japan	1,013.6	1,054.3	40.7	4.0

### [Revenue]

Impact of sale of Nifty: Approx. -52.0 billion yen

Revenue excl. impact of Nifty down 0.7%

(Services)

Revenue excl. Nifty up 1.0%

In Japan, revenue from infrastructure services remained steady, and revenue outside Japan rose, helped by the weak yen

(System Platforms)

Revenue fell, primarily from network products

### [Operating Profit]

Impact of special items: Approx. +16.0 billion yen

- Business model transformation expenses :  
Approx. +28.0 billion yen

- Loss incurred from an overseas subsidiary's legal dispute: Approx. -10.0 billion yen

- Rebound of profit of Nifty's consumer business in the previous period: Approx. -2.0 billion yen

Excl. special items : Approx. -17.0 billion yen due to revenue decline from network products

## Technology Solutions (Services)

(Billions of yen)

Services	FY2016 (Actual)	FY2017 (Actual)	Change	
				(%)
Revenue	2,624.2	2,598.3	-25.9	-1.0
Solutions/SI	1,024.1	1,012.0	-12.1	-1.2
Infrastructure Services	1,600.0	1,586.3	-13.7	-0.9
Operating profit	150.0	163.4	13.4	8.9
[Operating profit margin]	[5.7%]	[6.3%]	[0.6%]	

### Revenue (breakdown)

Japan	1,730.7	1,671.2	-59.4	-3.4
Outside Japan	893.5	927.0	33.5	3.8

### [Revenue]

Impact of sale of Nifty: Approx. -52.0 billion yen

Revenue excl. impact of Nifty up 1.0%

(Solutions/SI)

Revenue declined from the previous year, although it was maintained at a high level, the second-highest to date. In addition to the conclusion of a large-scale project, there was a significant impact with a decline in sales of all-in-one hardware solutions, which had been strong in the previous year. Sales in the manufacturing and distribution industries were strong, but unable to cover overall performance.

(Infrastructure Services)

Revenue excl. impact of Nifty up 2.4%

In Japan, revenue from infrastructure services remained steady primarily due to outsourcing, and revenue outside Japan rose thanks to the weak yen

### [Operating Profit]

Impact of special items: Approx. +13.0 billion yen

- Business model transformation expenses :

Approx. +25.0 billion yen

- Loss incurred from an overseas subsidiary's legal dispute: Approx. -10.0 billion yen

- Rebound of profit of Nifty's consumer business in the previous period: Approx. -2.0 billion yen

Excl. special items : Unchanged from previous fiscal year

## Technology Solutions (System Platforms)

(Billions of yen)

System Platforms	FY2016 (Actual)	FY2017 (Actual)	Change	
				(%)
Revenue	502.3	454.3	-47.9	-9.6
System Products	255.5	248.7	-6.8	-2.7
Network Products	246.8	205.6	-41.1	-16.7
Operating profit	40.7	25.9	-14.7	-36.3
[Operating profit margin]	[8.1%]	[5.7%]	[-2.4%]	

### Revenue (breakdown)

Japan	382.2	327.0	-55.2	-14.4
Outside Japan	120.0	127.3	7.2	6.0

### [Revenue]

(System Products)

Revenue fell by 2.7% due to continued poor sales of x86 servers, which sold well last year

(Network Products)

Revenue fell by 16.7% due to the impact of a significant decrease in overall demand for mobile phone base stations in Japan

### [Operating Profit]

Profit deteriorated primarily due to network products having been significantly impacted by a decline in revenue with mobile phone base stations in Japan.

## Ubiquitous Solutions

(Billions of yen)

Ubiquitous Solutions	FY2016 (Actual)	FY2017 (Actual)	Change	
				(%)
Revenue	645.5	663.9	18.3	2.8
Operating profit [Operating profit margin]	17.3 [2.7%]	11.3 [1.7%]	-6.0 [-1.0%]	-34.7

### Revenue (breakdown)

Japan	496.1	502.1	5.9	1.2
Outside Japan	149.3	161.7	12.4	8.3

### [Revenue]

(PCs)

Revenue increased on higher enterprise sales in Japan and because of the impact of the weaker yen.

(Mobile Phones)

Revenue declined on lower shipments of feature phones in the Raku-Raku series.

### [Operating Profit]

Profit declined because of lower revenue from mobile phones and because the market prices of key components for both PCs and mobile phones increased. In addition to those factors, profit declined due to the impact of increased upfront investment expenses and strategic deals in the IoT field, particularly related to Mobilewear.

## Device Solutions

(Billions of yen)

Device Solutions	FY2016 (Actual)	FY2017 (Actual)	Change	
				(%)
Revenue	544.3	560.0	15.6	2.9
LSI	269.4	280.1	10.6	3.9
Electronic Components	276.0	281.0	5.0	1.8
Operating profit	4.2	13.6	9.3	220.8
[Operating profit margin]	[0.8%]	[2.4%]	[1.6%]	

### Revenue (breakdown)

Japan	247.2	271.1	23.8	9.6
Outside Japan	297.0	288.9	-8.1	-2.7

### [Revenue]

Revenue from both LSI devices and electronic components increased, due in part to the weak yen increasing revenue in yen terms, as well as the increased sales volume of LSI devices for smartphones

### [Operating Profit]

Profit increased in part because of the effect of the weak yen, in addition to the fact that 4.0 billion yen in business model transformation expenses recorded in the previous year were not recorded this year

## Cash Flows

(Billions of yen)

	FY2016 (Actual)	FY2017 (Actual)	Change
I Cash flows from operating activities	250.3	200.4	-49.9
II Cash flows from investing activities	-145.4	-22.5	122.9
I + II Free Cash Flow	104.8	177.8	72.9
III Cash flows from financing activities	-98.8	-112.4	-13.6
IV Cash and Cash Equivalents at End of Year	383.9	452.6	68.7

**[Cash flows from operating activities]**

Cash flows declined primarily on account of the impact on this period of outflows for business model transformation expenses that had been recorded in the previous year.

**[Cash flows from investing activities]**

There was a significant decline in net outflows due to significant inflows relating to the sale of Fuji Electric stock as well as the transfer of the mobile device business

## Assets, Liabilities and Equity

(Billions of yen)

	Year-end FY2016	Year-end FY2017	Change
Total Assets	3,191.4	3,121.5	-69.9
Total Liabilities	2,172.2	1,916.6	-255.6
Total Equity	1,019.2	1,204.9	185.7
Total Equity Attributable to Owners of the Parent	881.2	1,087.7	206.5

### Reference: Financial Indices

Interest-bearing Loans	486.7	402.2	-84.4
Net Interest-bearing Loans	106.0	-50.2	-156.2
D/E Ratio (Times)	0.55	0.37	-0.18
Net D/E Ratio (Times)	0.12	-0.05	-0.17
Equity Attributable to Owners of the Parent Ratio (%)	27.6	34.8	7.2
ROE(%) *	10.6	17.2	6.6

\*Return on Equity Attributable to Owners of the Parent (%)

## 2.Earnings Forecast for FY2018

# Financial Forecast



(Billions of yen)

		FY2017 (Actual)	FY2018 (Forecast)	Change	(%)
Continuing Operation	Revenue	4,098.3	3,900.0	-198.3	-4.8
	Operating Profit	182.4	140.0	-42.4	-23.3
	[Operating Profit Margin]	[4.5%]	[3.6%]	[-0.9%]	
Profit for the Year Attributable to Owners of the Parent		169.3	110.0	-59.3	-35.0

### Exchange Rate

U.S. dollar / Yen	111	105	-6	-5.4
Euro / Yen	130	130	-	-
British pound / Yen	147	145	-2	-1.4
Euro / U.S. dollar	1.17	1.10	-0.07	-6.0

Ratio of Revenue Outside Japan	36.8%	37.7%	0.9%
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## Financial Forecast (YoY)

### **[Revenue] Decline of 198.3 billion yen**

Impact of restructuring : Approx. -200.0billion yen Impact of the transfer of Mobile device business and realignment of PCs  
 Business excl. restructuring : Almost flat as the previous year

### **[Operating Profit] Decline of 42.4 billion yen**

Excl. special items : Approx. +30.0 billion yen

- ① Rethinking upfront investments
- ② Reducing unprofitable projects
- ③ Impact of the business model transformation

Special items : Approx. +72.0 billion yen

- ① Approx. -70.0 billion yen : Rebound of the transfer of businesses recorded in the previous year
- ② Approx. +18.0 billion yen : Rebound of one-time expenses recorded in the previous year
- ③ Approx. -20.0 billion yen : Impact of restructuring of Ubiquitous Solutions

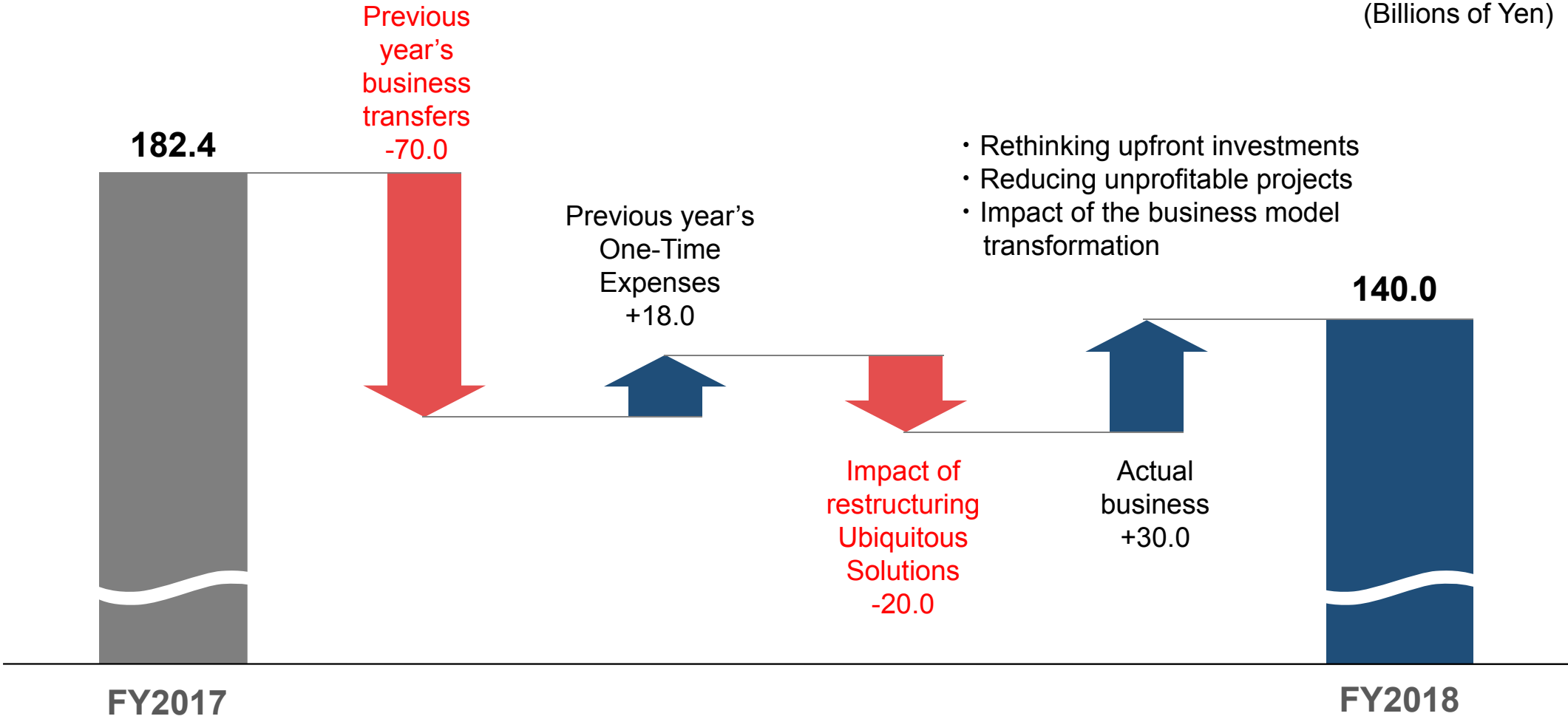
### **[Profit for the Period Attributable to Owners of the Parent] Decline 59.3 billion yen**

In addition to decline of operating profit, financial income (expenses), etc. decreased due to rebound of profit related to stock (-53.6 billion yen) in the previous fiscal year

# Factors Behind Change in Operating Profit (FY2017→FY2018)



(Billions of Yen)



## Financial Forecast

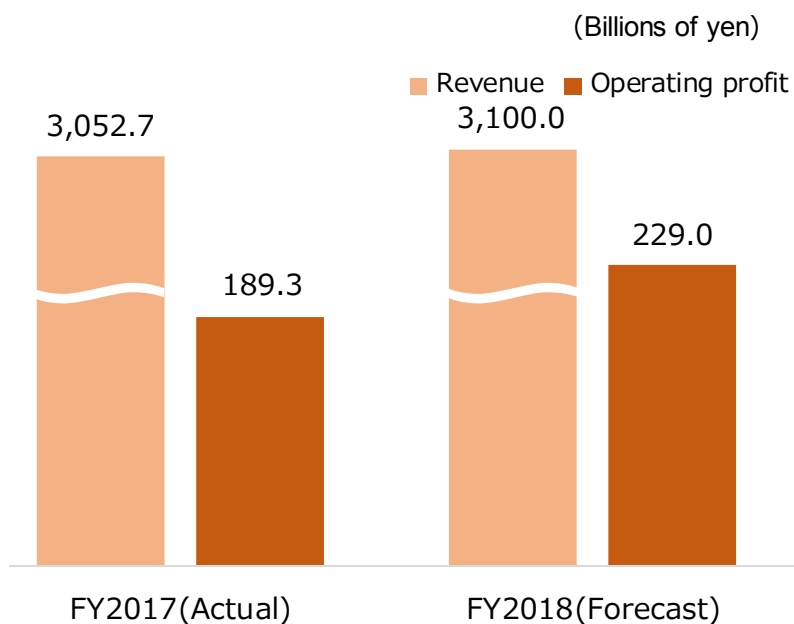


(Billions of yen)

		FY2017 (Actual)	FY2018 (Forecast)	Change	(%)
Revenue	Technology Solutions	3,052.7	3,100.0	47.2	1.5
	Services	2,598.3	2,640.0	41.6	1.6
	System Platforms	454.3	460.0	5.6	1.2
	Ubiquitous Solutions	663.9	470.0	-193.9	-29.2
	Device Solutions	560.0	540.0	-20.0	-3.6
	Other/Elimination and Corporate	-178.2	-210.0	-31.7	-
	Total	4,098.3	3,900.0	-198.3	-4.8
OPPL	Technology Solutions	189.3	229.0	39.6	20.9
	Services	163.4	195.0	31.5	19.3
	System Platforms	25.9	34.0	8.0	31.2
	Ubiquitous Solutions	11.3	2.0	-9.3	-82.4
	Device Solutions	13.6	13.0	-0.6	-4.7
	Other/Elimination and Corporate	-31.8	-104.0	-72.1	-
	Total	182.4	140.0	-42.4	-23.3

## Technology Solutions

[ Revenue and Operating Profit ]

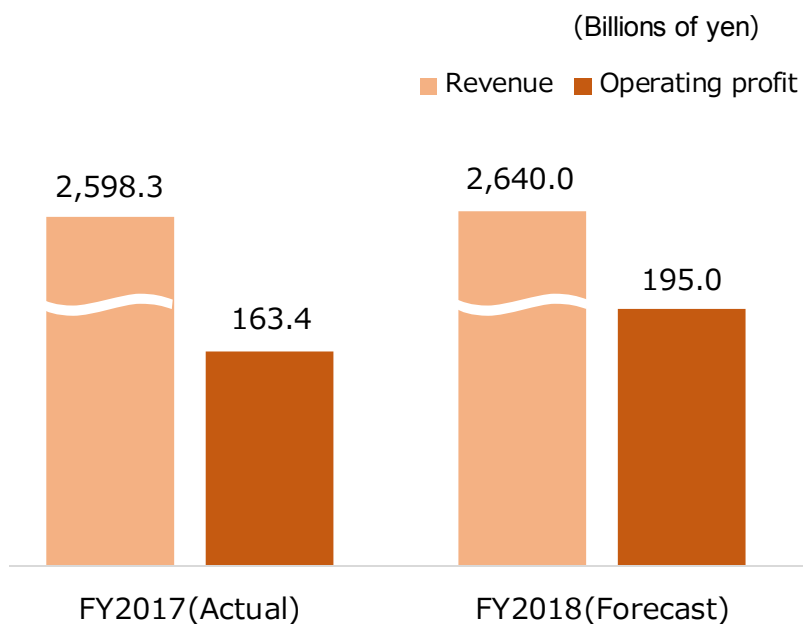


(Billions of yen)

Technology Solutions	FY2017 (Actual)	FY2018 (Forecast)	Change	(%)
Revenue	3,052.7	3,100.0	47.2	1.5
Services	2,598.3	2,640.0	41.6	1.6
System Platforms	454.3	460.0	5.6	1.2
Operating profit	189.3	229.0	39.6	20.9
[Operating profit margin]	[6.2%]	[7.4%]	[1.2%]	
Revenue (breakdown)				
Japan	1,998.3	2,050.0	51.6	2.6
Outside Japan	1,054.3	1,050.0	-4.3	-0.4

## Technology Solutions (Services)

[ Revenue and Operating Profit ]



(Billions of yen)

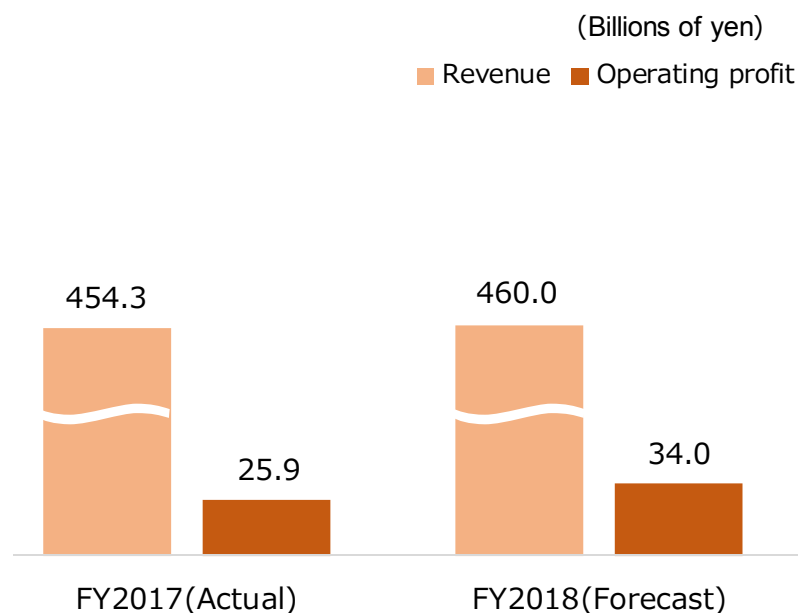
Services	FY2017 (Actual)	FY2018 (Forecast)	Change	
				(%)
Revenue	2,598.3	2,640.0	41.6	1.6
Solutions/SI	1,012.0	1,040.0	27.9	2.8
Infrastructure Services	1,586.3	1,600.0	13.6	0.9
Operating profit	163.4	195.0	31.5	19.3
[Operating profit margin]	[6.3%]	[7.4%]	[1.1%]	

**[Revenue]** Expecting a high level of sales in fiscal 2018 as well

**[Operating Profit]** Higher profits expected owing to impact of business model transformation and reduction of unprofitable projects

## Technology Solutions (System Platforms)

[ Revenue and Operating Profit ]



(Billions of yen)

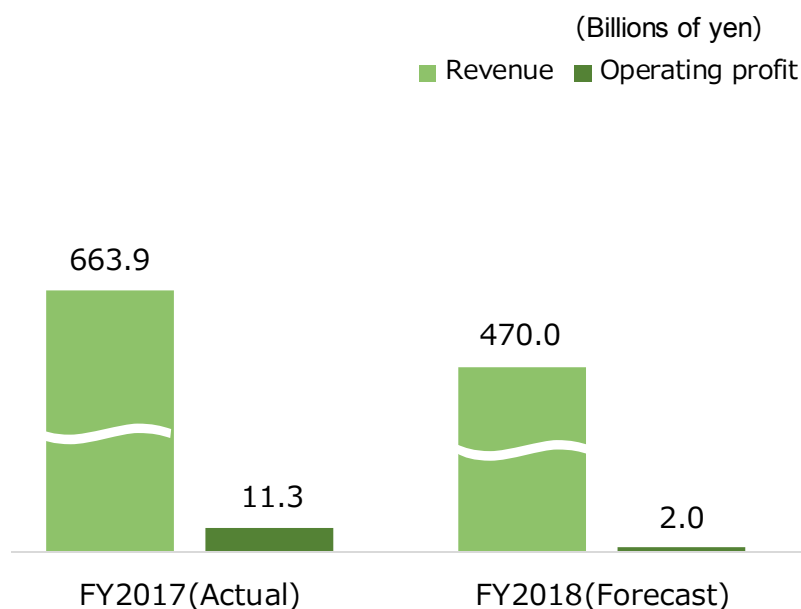
System Platforms	FY2017 (Actual)	FY2018 (Forecast)	Change	(%)
Revenue	454.3	460.0	5.6	1.2
System Products	248.7	270.0	21.2	8.6
Network Products	205.6	190.0	-15.6	-7.6
Operating profit	25.9	34.0	8.0	31.2
[Operating profit margin]	[5.7%]	[7.4%]	[1.7%]	

**[Revenue]** Growth in system products despite reduced revenue from network products

**[Operating Profit]** Higher profit expected due to system products compensating for reduced revenue from network products, and also by reconsidering treatment of upfront expenses, such as by consolidating upfront investments associated with AI/IoT in Other/Elimination and Corporate, and other factors.

## Ubiquitous Solutions

[ Revenue and Operating Profit ]



(Billions of yen)

Ubiquitous Solutions	FY2017 (Actual)	FY2018 (Forecast)	Change	(%)
Revenue	663.9	470.0	-193.9	-29.2
Operating profit	11.3	2.0	-9.3	-82.4
[Operating profit margin]	[1.7%]	[0.4%]	[-1.3%]	

Revenue (breakdown)

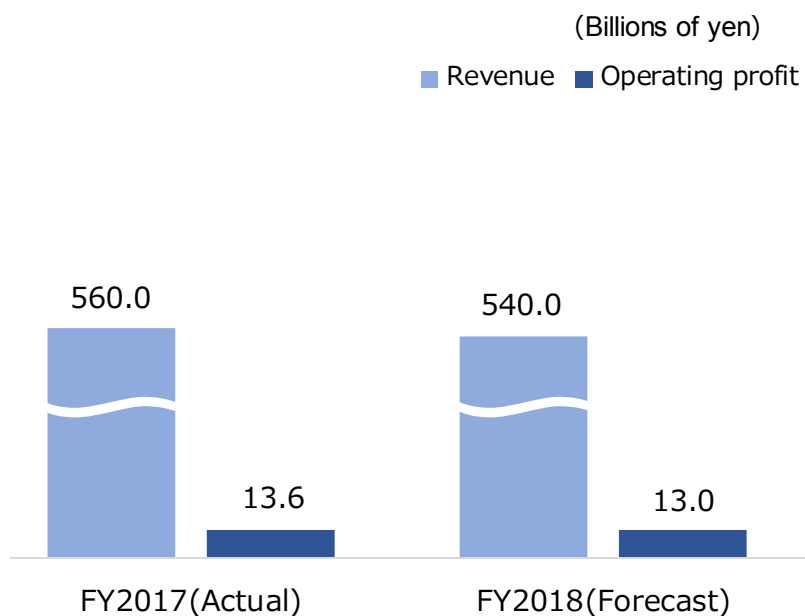
Japan	502.1	330.0	-172.1	-34.3
Outside Japan	161.7	140.0	-21.7	-13.5

**[Revenue]** The impact of excluding the mobile device business and consumer PC business from the consolidated results due to restructuring will be a decline of approximately 200.0 billion yen

**[Operating Profit]** Total impact of a reduced contribution to profits from enterprise PCs, in addition to the impact of reduced revenue due to restructuring, will be a decline of approximately 20.0 billion yen, while the impact of consolidating upfront investment related to AI/IoT into Other/Elimination and Corporate will be an improvement of 10.0 billion yen

## Device Solutions

[ Revenue and Operating Profit ]



(Billions of yen)

Device Solutions	FY2017 (Actual)	FY2018 (Forecast)	Change	(%)
Revenue	560.0	540.0	-20.0	-3.6
LSI	280.1	250.0	-30.1	-10.8
Electronic Components	281.0	290.0	8.9	3.2
Operating profit	13.6	13.0	-0.6	-4.7
[Operating profit margin]	[2.4%]	[2.4%]	[-%]	
Revenue (breakdown)				
Japan	271.1	263.0	-8.1	-3.0
Outside Japan	288.9	277.0	-11.9	-4.1

**[Revenue]** Total demand for LSI devices for smartphones will decline, particularly in the first half, in addition to the impact of restructuring the Aizu 8-inch semiconductor manufacturing company

**[Operating Profit]** More or less the same as the previous year



## Cash Flows / Dividends/ Purchase of treasury stock



### 1. Cash Flows

(Billions of yen)

	FY2016 (Actual)	FY2017 (Actual)	FY2018 (Forecast)
Free Cash Flow	104.8	177.8	120.0

### 2. Dividends

(Yen)

	FY2016 (Actual)	FY2017 (Actual)	FY2018 (Forecast)
End of First Half	4	5	7
End of Fiscal Year	5	6	8
Annual	9	11	15

3. Purchase of treasury stock : We plan to implement 10.0 billion yen in FY2018.

# Business Segment Information

## [Quarterly Breakdown of Results]



(Reference)

(Billions of yen)

		FY2016 (Actual)				FY2017 (Actual)			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Technology Solutions</b>	Revenue	672.7	746.3	764.5	942.8	672.6	737.6	740.1	902.2
	OPPL	7.1	46.2	50.6	86.7	5.2	39.6	29.5	114.9
<b>Services</b>	Revenue	578.3	627.9	639.3	778.7	574.2	625.6	636.9	761.4
	OPPL	15.0	32.4	35.0	67.5	8.3	34.4	29.7	90.9
<b>System Platforms</b>	Revenue	94.4	118.4	125.2	164.1	98.3	112.0	103.2	140.7
	OPPL	-7.8	13.7	15.6	19.1	-3.0	5.1	-0.1	24.0
<b>Ubiquitous Solutions</b>	Revenue	132.5	172.2	163.5	177.2	154.0	166.6	165.9	177.3
	OPPL	2.1	10.8	6.6	-2.2	5.5	5.1	0.9	-0.2
<b>Device Solutions</b>	Revenue	130.0	139.4	137.0	137.8	135.3	144.0	141.7	138.8
	OPPL	-1.1	1.4	4.3	-0.3	3.4	3.8	4.2	2.1
<b>Other/Elimination and Corporate</b>	Revenue	-35.4	-50.1	-44.4	-53.6	-39.4	-47.7	-44.6	-46.4
	OPPL	-21.7	-24.6	-27.3	-21.1	-9.2	-25.6	-24.1	27.1
<b>Total</b>	Revenue	899.9	1,007.9	1,020.8	1,204.2	922.6	1,000.6	1,003.1	1,172.0
	OPPL	-13.7	33.8	34.3	62.9	4.9	23.0	10.5	143.9
<b>Discontinued Operation (FUJITSU TEN)</b>	Revenue	86.6	90.6	94.6	104.8	94.6	88.8	31.8	-
	OPPL	2.4	3.3	2.9	2.6	4.6	0.3	6.4	-

# Business Segment Information



## [ Revenue Breakdown-In and Outside Japan]

(Reference)

(Billions of yen)

		FY2016 (Actual)	FY2017 (Actual)	Change	(%)
Technology Solutions	Revenue	3,126.6	3,052.7	-73.9	-2.4
	Japan	2,113.0	1,998.3	-114.6	-5.4
	Outside Japan	1,013.6	1,054.3	40.7	4.0
Services	Revenue	2,624.2	2,598.3	-25.9	-1.0
	Japan	1,730.7	1,671.2	-59.4	-3.4
	Outside Japan	893.5	927.0	33.5	3.8
System Platforms	Revenue	502.3	454.3	-47.9	-9.6
	Japan	382.2	327.0	-55.2	-14.4
	Outside Japan	120.0	127.3	7.2	6.0
Ubiquitous Solutions	Revenue	645.5	663.9	18.3	2.8
	Japan	496.1	502.1	5.9	1.2
	Outside Japan	149.3	161.7	12.4	8.3
Device Solutions	Revenue	544.3	560.0	15.6	2.9
	Japan	247.2	271.1	23.8	9.6
	Outside Japan	297.0	288.9	-8.1	-2.7
Other/Elimination and Corporate	Revenue	-183.5	-178.2	5.2	-
Total	Revenue	4,132.9	4,098.3	-34.5	-0.8
	Japan	2,671.6	2,591.5	-80.1	-3.0
	Outside Japan	1,461.2	1,506.8	45.5	3.1

Ratio of Revenue Outside Japan

35.4%

36.8%

1.4%

# Financial Results of Consolidated Subsidiaries Outside Japan



(Reference)

(Billions of yen)

		FY2016 (Actual)	FY2017 (Actual)	Change
Outside Japan	Revenue	1,419.6	1,468.5	48.9
	Operating Profit	-7.2	24.4	31.6
EMEIA	Revenue	756.7	810.1	53.4
	Operating Profit	-12.6	9.0	21.6
Americas	Revenue	284.7	280.7	-4.0
	Operating Profit	2.1	6.5	4.3
Asia	Revenue	285.6	277.1	-8.4
	Operating Profit	-0.2	4.8	5.0
Oceania	Revenue	92.5	100.5	7.9
	Operating Profit	3.4	4.0	0.6

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.

## 1. Exchange Rates (Average) and Impact of Fluctuation

	FY2016 (Actual)	FY2017 (Actual)	FY2018 (Forecast)	Impact of Exchange Rate Fluctuation FY2018 (Forecast)*
U.S. dollar / Yen	108	111	105	-0.4 Billion yen
Euro / Yen	119	130	130	-0.1 Billion yen
British pound / Yen	142	147	145	0.0 Billion yen
Euro / U.S. dollar	1.10	1.17	1.10	-1.4 Billion yen

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

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

(Reference)

## Assumptions used for FY2018 Earnings Forecast



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

(Billions of yen)

	FY2016 (Actual)	FY2017 (Actual)	FY2018 (Forecast)
Technology Solutions	62.6	46.1	52.0
Ubiquitous Solutions	4.7	7.4	3.0
Device Solutions	43.8	32.9	35.0
Other / Corporate	9.3	7.4	10.0
Capital Expenditures	120.6	94.0	100.0
Depreciation	108.6	107.0	100.0

(Reference)

## Assumptions used for FY2018 Earnings Forecast



### 3. R&D Expenses

(Billions of yen)


	FY2016 (Actual)	FY2017 (Actual)	FY2018 (Forecast)
R&D Expenses	170.0	158.6	140.0
[As % of Revenue]	[4.1%]	[3.9%]	[3.6%]

### 4. Shipments

(Millions of units)

	FY2016 (Actual)	FY2017 (Actual)
PC	3.8	3.6
Mobile Phone	3.2	2.9

※Along with business restructuring, FY 2018 forecast is not disclosed



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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