

2Q
FY2018

October 26, 2018



shaping tomorrow with you

Consolidated Financial Results

Fujitsu Limited

Contents



1. Financial Results for 2Q FY2018

- (1) Financial Results / Business Segment Information
- (2) Cash Flows
- (3) Assets, Liabilities and Equity

2. Earnings Forecast for FY2018

- (1) Financial Forecast / Business Segment Information

(Reference)

- (1) Business Segment Information [2Q]
 - Business Segment Information [Quarterly Breakdown of Results]
 - Business Segment Information [Revenue Breakdown-In and Outside Japan]
- (2) Financial Results of Consolidated Subsidiaries Outside Japan
- (3) Supplementary Information for FY2018 Forecasts

1. Financial Results
for 2Q FY2018

Financial Results [2Q]



(Billions of yen)

		FY2017 (Actual)		FY2018 (Actual)			
		1Q	2Q	1Q	2Q	Change	(%)
Continuing Operation	Revenue	922.6	1,000.6	867.6	966.8	-33.7	-3.4
	Operating Profit	4.9	23.0	79.5	15.6	-7.3	-32.0
	[Operating Profit Margin]	[0.5%]	[2.3%]	[9.2%]	[1.6%]	[-0.7%]	
	Financial income (expenses), etc	2.4	28.8	17.4	4.5	-24.3	-84.3
	Profit for the Period Before Income Taxes	7.4	51.9	97.0	20.2	-31.7	-61.1
Profit for the Period Attributable to Owners of the Parent		2.1	41.3	72.7	8.3	-32.9	-79.7

Exchange Rate

U.S. dollar / Yen	111	111	109	111	-	-
Euro / Yen	122	130	130	130	-	-
British pound / Yen	142	145	149	145	-	-
Euro / U.S. dollar	1.10	1.17	1.19	1.16	-0.01	-0.9

[Revenue]

Excl. restructuring : Approx. +7.0 billion yen Although there was an impact from lower demand for network products and LSI devices, revenue rose, particularly in services in Japan.

Impact of restructuring : Approx. -40.0 billion yen Impact from restructuring of the PC and mobile device businesses

[Operating Profit] Decrease of 7.3 billion yen

Excl. special items : Approx. +5.5 billion yen Primarily in system products and services in Japan.

Special items : Approx. -12.8 billion yen

Impact of the sale of businesses:

Impact of the restructuring of the PC and mobile phone device businesses: Approx.-10.0 billion yen

Impact of one-time losses relating to the restructuring of the semiconductor business: Approx.-2.8 billion yen

[Financial income (expenses), etc.] Decrease of 24.3 billion yen

Gain on the sale of shares accompanying the unwinding of cross-shareholdings in the same period of the previous year, not recorded this year: -27.3 billion yen

[Profit for the Period Attributable to Owners of the Parent] Decrease of 32.9 billion yen

(Billions of yen)

		1H FY2017 (Actual)	1H FY2018 (Actual)	Change	(%)
Continuing Operation	Revenue	1,923.2	1,834.5	-88.6	-4.6
	Operating Profit	28.0	95.2	67.2	240.2
	[Operating Profit Margin]	[1.5%]	[5.2%]	[3.7%]	
	Financial income (expenses), etc	31.3	21.9	-9.4	-30.0
	Profit for the Period Before Income Taxes	59.3	117.2	57.8	97.5
Profit for the Period Attributable to Owners of the Parent		43.4	81.1	37.6	86.6

Exchange Rate

U.S. dollar / Yen	111	110	-1	-0.9
Euro / Yen	126	130	4	3.2
British pound / Yen	144	147	3	2.1
Euro / U.S. dollar	1.14	1.18	0.04	3.5

[Revenue]

- Excl. restructuring : More or less in line with the previous year. Although there was an impact from lower demand for network products and LSI devices, revenue rose, primarily in services in Japan.
- Impact of restructuring : Approx. -88.0 billion yen, impact from restructuring of the PC and mobile device businesses

[Operating Profit] Increase of 67.2 billion yen

- Excl. special items : More or less in line with the previous year.
- Special items : Approx. +66.6 billion yen
- ① Impact of Revision to the Retirement Benefit Plan: Approx. +91.9 billion yen
 - ② Impact of the sales of businesses: Approx. -25.3 billion yen
 - Impact of one-time gains or losses relating to the sale of businesses
 - Nifty's consumer business: Approx. -17.0 billion yen, Impact on profit comparison for this year from the gain recorded the previous year.
 - Reorganization of the PC and semiconductor businesses: Approx. +8.7 billion yen
 - Impact of restructuring PC and mobile device businesses: Approx. -17.0 billion yen

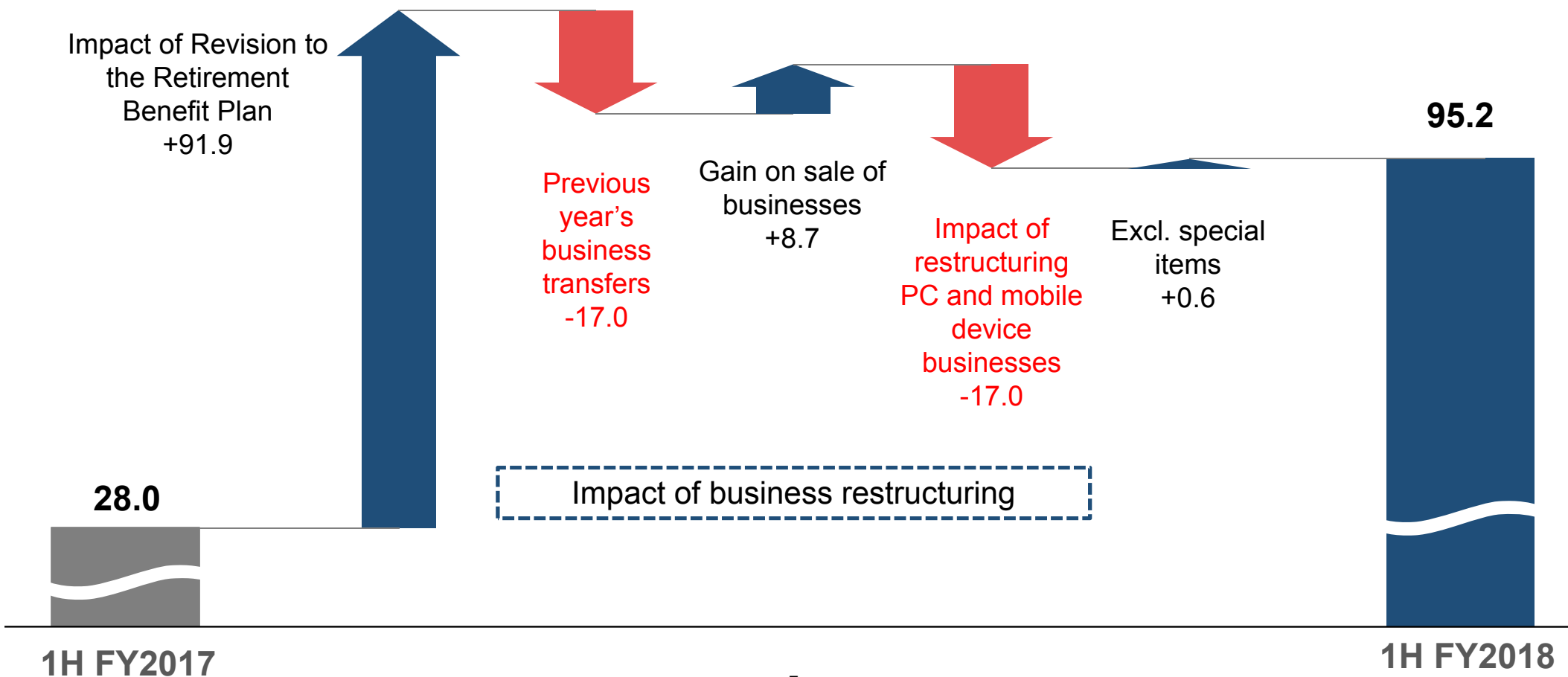
[Financial income (expenses), etc.] Decrease of 9.4 billion yen

- Gain on the sale of shares accompanying the unwinding of cross-shareholdings in the same period of the previous year, not recorded this year: -27.3 billion yen
- Impact of the revaluation of shares still held in accordance with the majority sale of the PC business: Approx. +11.5 billion yen
(Total gain on the sale of the PC business: +23.0 billion yen, operating profit: +11.5 billion yen, financial income +11.5 billion yen)

[Profit for the Period Attributable to Owners of the Parent] Increase of 37.6 billion yen

Factors Behind Change in Operating Profit

(Billions of yen)



Business Segment Information [1H]



(Billions of yen)

		1H FY2017 (Actual)	1H FY2018 (Actual)	Change	(%)
Revenue	Technology Solutions	1,410.3	1,409.1	-1.2	-0.1
	Services	1,199.9	1,207.5	7.6	0.6
	System Platforms	210.3	201.5	-8.8	-4.2
	Ubiquitous Solutions	320.6	245.2	-75.3	-23.5
	Device Solutions	279.4	264.1	-15.3	-5.5
	Other/Elimination and Corporate	-87.2	-83.9	3.2	-
	Total	1,923.2	1,834.5	-88.6	-4.6
OPPL	Technology Solutions	44.8	47.8	3.0	6.7
	Services	42.8	46.8	4.0	9.3
	System Platforms	2.0	1.0	-1.0	-48.8
	Ubiquitous Solutions	10.7	-2.0	-12.8	-
	Device Solutions	7.3	2.2	-5.0	-68.9
	Other/Elimination and Corporate	-34.9	47.2	82.1	-
	Total	28.0	95.2	67.2	240.2

Technology Solutions

(Billions of yen)

Technology Solutions	1H FY2017 (Actual)	1H FY2018 (Actual)	Change	
				(%)
Revenue	1,410.3	1,409.1	-1.2	-0.1
Services	1,199.9	1,207.5	7.6	0.6
System Platforms	210.3	201.5	-8.8	-4.2
Operating profit	44.8	47.8	3.0	6.7
[Operating profit margin]	[3.2%]	[3.4%]	[0.2%]	

[Revenue]

Services was in line with the previous year. System Platforms fell, primarily due to the impact of lower demand for Network Products.

[Operating Profit]

Operating profit rose in Services. Operating profit declined in System Platforms, due to the impact of lower revenue in Network Products.

Revenue (breakdown)

Japan	917.4	926.6	9.2	1.0
Outside Japan	492.9	482.4	-10.4	-2.1

Technology Solutions (Services)

(Billions of yen)

Services	1H FY2017 (Actual)	1H FY2018 (Actual)	Change	
				(%)
Revenue	1,199.9	1,207.5	7.6	0.6
Solutions/SI	467.1	494.4	27.3	5.8
Infrastructure Services	732.8	713.1	-19.7	-2.7
Operating profit	42.8	46.8	4.0	9.3
[Operating profit margin]	[3.6%]	[3.9%]	[0.3%]	

Revenue (breakdown)

Japan	766.1	786.1	19.9	2.6
Outside Japan	433.8	421.4	-12.3	-2.8

[Revenue]

(Solutions/SI)

Revenue from the public sector increased, and revenues from the manufacturing industry as well as the retailing and distribution industry, which were strong last year, continued to increase.

Excluding the roughly 10.0 billion yen in additional revenue stemming from the transfer of the management of certain projects from the Infrastructure Services category, it was a new record level of revenue.

(Infrastructure Services)

In Japan, revenue was slightly higher than the previous year, in real terms. Revenue fell due to the impact of transferring a certain number of projects to Solutions/SI. Outside Japan, weak performance continued in the US and Europe.

[Operating Profit]

Operating profit rose, primarily driven by the impact of higher revenue in Japan.

Technology Solutions (System Platforms)

(Billions of yen)

System Platforms	1H FY2017 (Actual)	1H FY2018 (Actual)	Change	
				(%)
Revenue	210.3	201.5	-8.8	-4.2
System Products	111.2	121.9	10.7	9.7
Network Products	99.1	79.5	-19.5	-19.8
Operating profit	2.0	1.0	-1.0	-48.8
[Operating profit margin]	[1.0%]	[0.5%]	[-0.5%]	

Revenue (breakdown)

Japan	151.2	140.5	-10.7	-7.1
Outside Japan	59.1	61.0	1.8	3.2

[Revenue]

(System Products)

Revenue rose from x86 servers both inside and outside Japan.

(Network Products)

Revenue fell 19.8% due to the impact of continued investment restrictions for mobile phone base stations in Japan.

[Operating Profit]

Despite the significant impact of lower revenue from Network Products, the decline in operating profit was limited because of progress in expense efficiencies, including holding down development expenses.

Ubiquitous Solutions

(Billions of yen)

Ubiquitous Solutions	1H FY2017 (Actual)	1H FY2018 (Actual)	Change	
				(%)
Revenue	320.6	245.2	-75.3	-23.5
Operating profit	10.7	-2.0	-12.8	-
[Operating profit margin]	[3.3%]	[-0.9%]	[-4.2%]	

Revenue (breakdown)

Japan	246.4	170.9	-75.5	-30.7
Outside Japan	74.1	74.3	0.1	0.2

[Revenue]

Revenue fell by approximately 88.0 billion yen due to the impact of the decline in revenue from business restructuring.

The impact is from the restructuring of the mobile phone business and the fact that revenue from the consumer PC business is no longer consolidated.

Excluding the impact of restructuring, revenue increased by approximately 5%.

Revenue rose in the enterprise PC business.

[Operating Profit]

Operating profit fell by approximately 17.0 billion yen due to the impact of lower revenue from restructuring.

Excluding that, operating profit rose by 4.2 billion yen.

Device Solutions

(Billions of yen)

Device Solutions	1H FY2017 (Actual)	1H FY2018 (Actual)	Change	
				(%)
Revenue	279.4	264.1	-15.3	-5.5
LSI	143.9	125.7	-18.2	-12.6
Electronic Components	136.0	138.9	2.8	2.1
Operating profit	7.3	2.2	-5.0	-68.9
[Operating profit margin]	[2.6%]	[0.9%]	[-1.7%]	

[Revenue]

Revenue fell, primarily due to a decrease in sales volume in LSI devices for smartphones.

[Operating Profit]

Operating profit fell, due to the impact of lower demand for LSI devices for smartphones, as well as the impact of the stronger yen.

Revenue (breakdown)

Japan	135.1	119.2	-15.9	-11.8
Outside Japan	144.3	144.8	0.5	0.4

Cash Flows

(Billions of yen)

	1H FY2017 (Actual)	1H FY2018 (Actual)	Change
I Cash flows from operating activities	54.7	46.2	-8.4
II Cash flows from investing activities	-35.3	1.0	36.4
I + II Free Cash Flow	19.3	47.3	27.9
III Cash flows from financing activities	6.9	-53.9	-60.9
IV Cash and Cash Equivalents at End of Period	412.8	449.0	36.1

[Cash flows from operating activities]

Net cash flows fell from the previous year, primarily due to higher outflows for tax expenses for last year's profits.

[Cash flows from investing activities]

For investing activities, cash inflows exceeded cash outflows, resulting in a net inflow, due to the impact of the sale of common shares in China of a company that was an affiliate until the previous year, as well as the majority sale of the PC business.

Assets, Liabilities and Equity

(Billions of yen)

	Year-end FY2017	End of 2Q FY2018	Change
Total Assets	3,121.5	3,078.2	-43.2
Total Liabilities	1,916.6	1,790.4	-126.2
Total Equity	1,204.9	1,287.8	82.9
Total Equity Attributable to Owners of the Parent	1,087.7	1,166.9	79.1

Reference: Financial Indices

Interest-bearing Loans	402.2	372.0	-30.2
Net Interest-bearing Loans	-50.2	-60.9	-10.6
D/E Ratio (Times)	0.37	0.32	-0.05
Net D/E Ratio (Times)	-0.05	-0.05	-
Equity Attributable to Owners of the Parent Ratio (%)	34.8	37.9	3.1

2.Earnings Forecast for FY2018

Financial Forecast



(Billions of yen)

		FY2017 (Actual)	FY2018(Forecast)		Change	Change (%)
			Current Forecast	Change vs. Previous Forecast		
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 (* Exchange rates which are currently forecasted for the third quarter and after.)

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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2.Earnings Forecast for FY2018

Financial Forecast

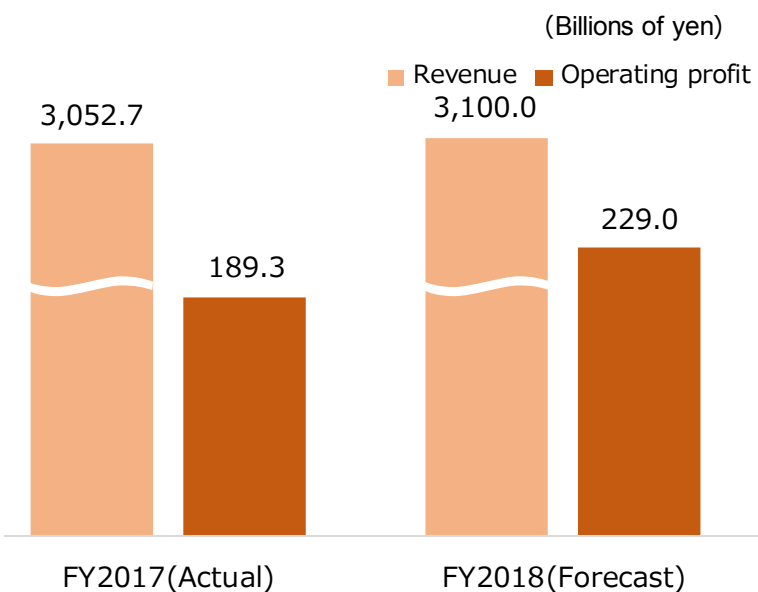


(Billions of yen)

		FY2017 (Actual)	FY2018 (Forecast)		Change	Change (%)
			Current Forecast	Change vs. Previous Forecast		
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

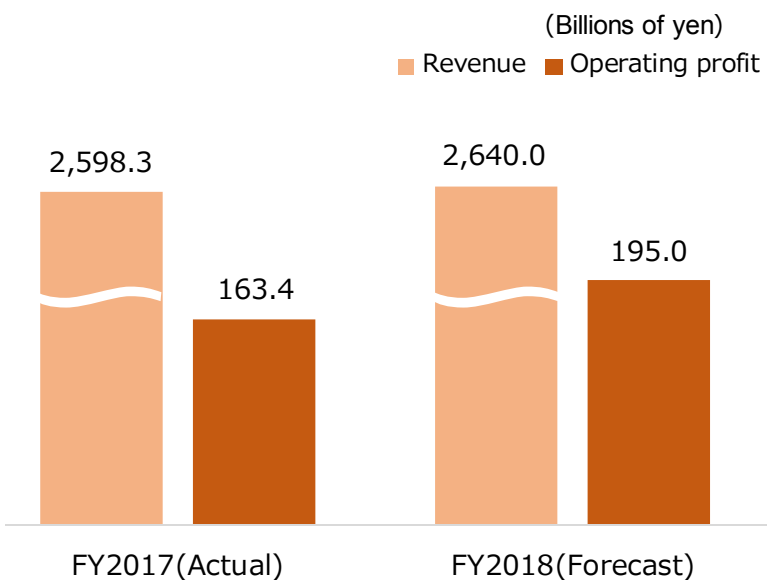
[Revenue and Operating Profit]



Technology Solutions	FY2017 (Actual)	FY2018 (Forecast)		(Billions of yen)	
		Current Forecast	Change vs. Previous 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]

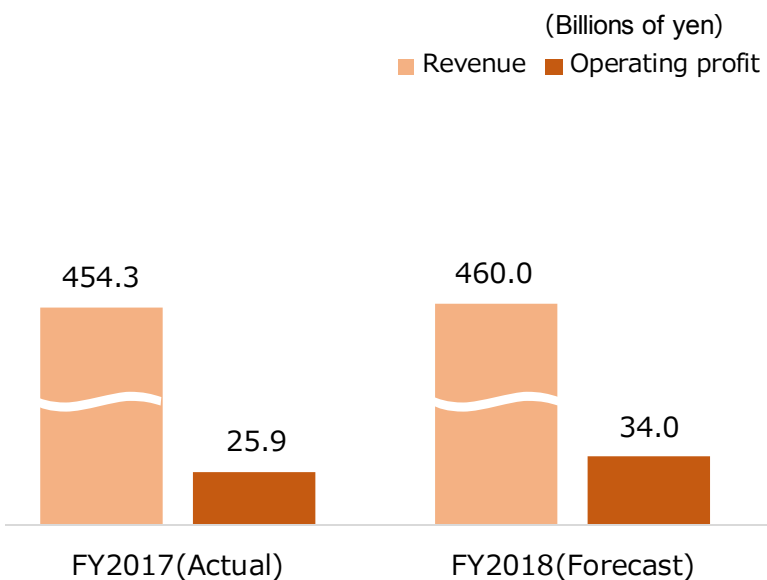


(Billions of yen)

Services	FY2017 (Actual)	FY2018 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
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%]	

Technology Solutions (System Platforms)

[Revenue and Operating Profit]

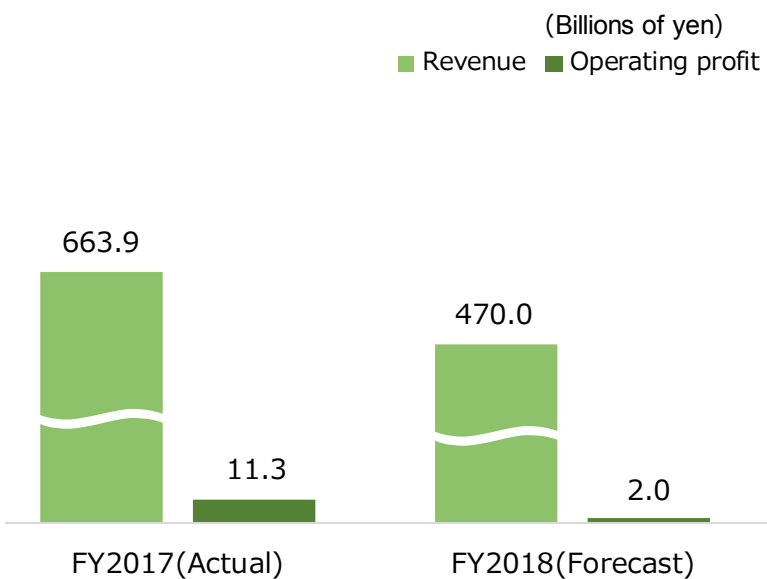


(Billions of yen)

System Platforms	FY2017 (Actual)	FY2018 (Forecast)		Change	
		Current Forecast	Change vs. Previous Forecast		(%)
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%]	

Ubiquitous Solutions

[Revenue and Operating Profit]



(Billions of yen)

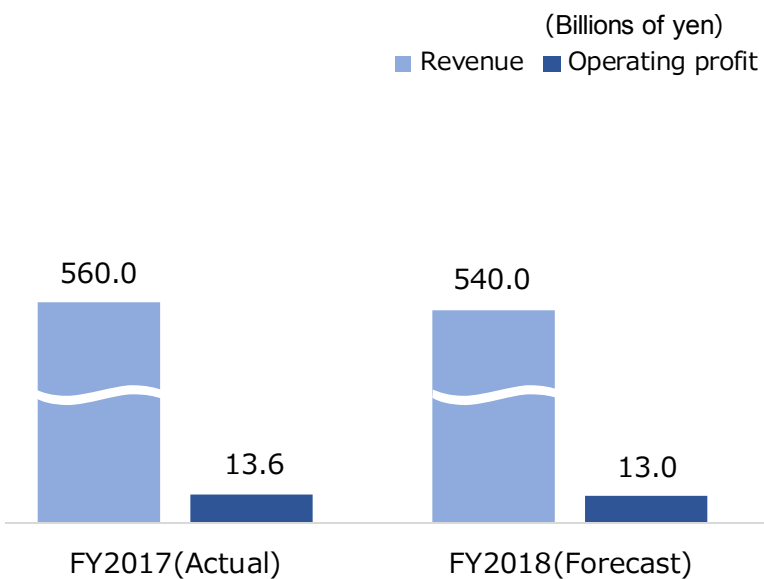
Ubiquitous Solutions	FY2017 (Actual)	FY2018 (Forecast)		Change	
		Current Forecast	Change vs. Previous Forecast		(%)
Revenue	663.9	470.0	-	-193.9	-29.2
Operating profit	11.3	2.0	-	-9.3	-82.4
[Operating profit margin]	[1.7%]	[0.4%]	[-%]	[-1.3%]	

Revenue (breakdown)

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

Device Solutions

[Revenue and Operating Profit]



(Billions of yen)

Device Solutions	FY2017 (Actual)	FY2018 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
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

Cash Flows



(Billions of yen)

	FY2017 (Actual)	FY2018 (Forecast)	Change vs. Previous Forecast
Free Cash Flow	177.8	120.0	-

Business Segment Information [2Q]

(Reference)

(Billions of yen)

		2Q FY2017 (Actual)	2Q FY2018 (Actual)	Change	(%)
Revenue	Technology Solutions	737.6	744.7	7.0	1.0
	Services	625.6	633.0	7.3	1.2
	System Platforms	112.0	111.7	-0.2	-0.2
	Ubiquitous Solutions	166.6	129.9	-36.6	-22.0
	Device Solutions	144.0	132.7	-11.3	-7.8
	Other/Elimination and Corporate	-47.7	-40.6	7.1	-
	Total	1,000.6	966.8	-33.7	-3.4
OPPL	Technology Solutions	39.6	43.8	4.1	10.5
	Services	34.4	35.7	1.2	3.6
	System Platforms	5.1	8.0	2.9	57.1
	Ubiquitous Solutions	5.1	-2.2	-7.4	-
	Device Solutions	3.8	1.5	-2.3	-59.7
	Other/Elimination and Corporate	-25.6	-27.4	-1.8	-
	Total	23.0	15.6	-7.3	-32.0

Business Segment Information

[Quarterly Breakdown of Results]



(Reference)

(Billions of yen)

		FY2017 (Actual)				FY2018 (Actual)	
		1Q	2Q	3Q	4Q	1Q	2Q
Technology Solutions	Revenue	672.6	737.6	740.1	902.2	664.3	744.7
	OPPL	5.2	39.6	29.5	114.9	4.0	43.8
Services	Revenue	574.2	625.6	636.9	761.4	574.5	633.0
	OPPL	8.3	34.4	29.7	90.9	11.0	35.7
System Platforms	Revenue	98.3	112.0	103.2	140.7	89.8	111.7
	OPPL	-3.0	5.1	-0.1	24.0	-7.0	8.0
Ubiquitous Solutions	Revenue	154.0	166.6	165.9	177.3	115.3	129.9
	OPPL	5.5	5.1	0.9	-0.2	0.1	-2.2
Device Solutions	Revenue	135.3	144.0	141.7	138.8	131.3	132.7
	OPPL	3.4	3.8	4.2	2.1	0.7	1.5
Other/Elimination and Corporate	Revenue	-39.4	-47.7	-44.6	-46.4	-43.3	-40.6
	OPPL	-9.2	-25.6	-24.1	27.1	74.6	-27.4
Total	Revenue	922.6	1,000.6	1,003.1	1,172.0	867.6	966.8
	OPPL	4.9	23.0	10.5	143.9	79.5	15.6

Business Segment Information



[Revenue Breakdown-In and Outside Japan 2Q]

(Reference)

(Billions of yen)

		2Q FY2017 (Actual)	2Q FY2018 (Actual)	Change	(%)
Technology Solutions	Revenue	737.6	744.7	7.0	1.0
	Japan	486.1	498.5	12.3	2.5
	Outside Japan	251.5	246.2	-5.3	-2.1
Services	Revenue	625.6	633.0	7.3	1.2
	Japan	405.6	420.4	14.8	3.7
	Outside Japan	220.0	212.5	-7.4	-3.4
System Platforms	Revenue	112.0	111.7	-0.2	-0.2
	Japan	80.4	78.0	-2.4	-3.0
	Outside Japan	31.5	33.6	2.1	6.8
Ubiquitous Solutions	Revenue	166.6	129.9	-36.6	-22.0
	Japan	126.5	91.2	-35.2	-27.9
	Outside Japan	40.0	38.6	-1.3	-3.5
Device Solutions	Revenue	144.0	132.7	-11.3	-7.8
	Japan	68.8	60.2	-8.6	-12.6
	Outside Japan	75.1	72.5	-2.6	-3.5
Other/Elimination and Corporate	Revenue	-47.7	-40.6	7.1	-
Total	Revenue	1,000.6	966.8	-33.7	-3.4
	Japan	632.4	607.4	-24.9	-3.9
	Outside Japan	368.1	359.4	-8.7	-2.4

Ratio of Revenue Outside Japan

36.8%

37.2%

0.4%

Business Segment Information



[Revenue Breakdown-In and Outside Japan 1H]

(Reference)

(Billions of yen)

		1H FY2017 (Actual)	1H FY2018 (Actual)	Change	(%)
Technology Solutions	Revenue	1,410.3	1,409.1	-1.2	-0.1
	Japan	917.4	926.6	9.2	1.0
	Outside Japan	492.9	482.4	-10.4	-2.1
Services	Revenue	1,199.9	1,207.5	7.6	0.6
	Japan	766.1	786.1	19.9	2.6
	Outside Japan	433.8	421.4	-12.3	-2.8
System Platforms	Revenue	210.3	201.5	-8.8	-4.2
	Japan	151.2	140.5	-10.7	-7.1
	Outside Japan	59.1	61.0	1.8	3.2
Ubiquitous Solutions	Revenue	320.6	245.2	-75.3	-23.5
	Japan	246.4	170.9	-75.5	-30.7
	Outside Japan	74.1	74.3	0.1	0.2
Device Solutions	Revenue	279.4	264.1	-15.3	-5.5
	Japan	135.1	119.2	-15.9	-11.8
	Outside Japan	144.3	144.8	0.5	0.4
Other/Elimination and Corporate	Revenue	-87.2	-83.9	3.2	-
Total	Revenue	1,923.2	1,834.5	-88.6	-4.6
	Japan	1,211.0	1,130.0	-80.9	-6.7
	Outside Japan	712.2	704.4	-7.7	-1.1

Ratio of Revenue Outside Japan

37.0%

38.4%

1.4%

Financial Results of Consolidated Subsidiaries Outside Japan



(Reference)

(Billions of yen)

		2Q FY2017 (Actual)	2Q FY2018 (Actual)	Change	1H FY2017 (Actual)	1H FY2018 (Actual)	Change
Outside Japan	Revenue	360.1	350.7	-9.3	695.0	686.3	-8.6
	Operating Profit	7.3	4.1	-3.1	-3.6	-2.6	1.0
EMEIA	Revenue	191.5	190.2	-1.3	367.3	375.3	8.0
	Operating Profit	4.0	1.9	-2.0	-7.2	-2.1	5.0
Americas	Revenue	72.2	66.2	-5.9	141.2	126.6	-14.6
	Operating Profit	1.8	0.7	-1.0	1.0	-2.8	-3.9
Asia	Revenue	71.2	72.8	1.6	134.3	139.1	4.7
	Operating Profit	0.9	0.9	-0.0	0.8	1.5	0.7
Oceania	Revenue	25.0	21.4	-3.6	51.9	45.2	-6.7
	Operating Profit	0.4	0.4	-0.0	1.6	0.7	-0.8

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

	FY2017 (Actual)	FY2018			Impact of Exchange Rate Fluctuation 2H (Forecast)*
		1H (Actual)	2H (Forecast)	Change vs. Previous Forecast	
U.S. dollar / Yen	111	110	105	-	-0.2 Billion yen
Euro / Yen	130	130	130	-	-0.1 Billion yen
British pound / Yen	147	147	145	-	-0.1 Billion yen
Euro / U.S. dollar	1.17	1.18	1.10	-	-0.8 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 FY2018 Forecasts




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

	1H		Full year		(Billions of yen) Change vs. Previous Forecast
	FY2017 (Actual)	FY2018 (Actual)	FY2017 (Actual)	FY2018 (Forecast)	
Technology Solutions	21.9	26.4	46.1	52.0	-
Ubiquitous Solutions	2.2	0.5	7.4	3.0	-
Device Solutions	15.3	10.6	32.9	35.0	-
Other / Corporate	3.0	2.7	7.4	10.0	-
Capital Expenditures	42.6	40.4	94.0	100.0	-
Depreciation	52.5	49.0	107.0	100.0	-

3. R&D Expenses

R&D Expenses	80.5	67.5	158.6	140.0	-
[As % of Revenue]	[4.2%]	[3.7%]	[3.9%]	[3.6%]	-



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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)
- 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