

**1Q
FY2019**

July 25, 2019



shaping tomorrow with you

Consolidated Financial Results

Fujitsu Limited

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Financial Results



(Billions of yen)

	1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change	
				(%)
Revenue	867.6	838.7	-28.9	-3.3
Operating Profit	79.5	3.3	-76.2	-95.7
[Operating Profit Margin]	[9.2%]	[0.4%]	[-8.8%]	
Financial income (expenses), etc	17.4	2.8	-14.5	-83.5
Profit for the Period Before Income Taxes	97.0	6.2	-90.7	-93.5
Profit for the Period Attributable to Owners of the Parent	72.7	7.0	-65.6	-90.2

Exchange Rate

U.S. dollar / Yen	109	110	1	0.9
Euro / Yen	130	123	-7	-5.4
British pound / Yen	149	141	-8	-5.4
Euro / U.S. dollar	1.19	1.12	-0.07	-5.9

[Revenue]

Excl. restructuring and FX : Approx. +30.0 billion yen, primarily from growth in services in Japan.

Impact of foreign exchange : Approx. -8.0 billion yen, due to the continuing strong yen against the euro and the pound.

Impact of restructuring : Approx. -50.0 billion yen, primarily due to the impact of the restructuring of the device business.

[Operating Profit] Decrease of 76.2 billion yen

Excl. special items : Approx. +33.0 billion yen higher revenue in Services in Japan, improvements in profitability in Technology Solutions and Ubiquitous Solutions, efficiencies in operating expenses.

Special items : Approx. -109.5 billion yen

- Impact of factors from the previous year not recorded this year: -103.5 billion yen

Changes to the retirement benefit system and the sale of businesses.

- This fiscal year: -6.0 billion yen.

Expenses relating to the restructuring of Japanese factories in the electronic components business.

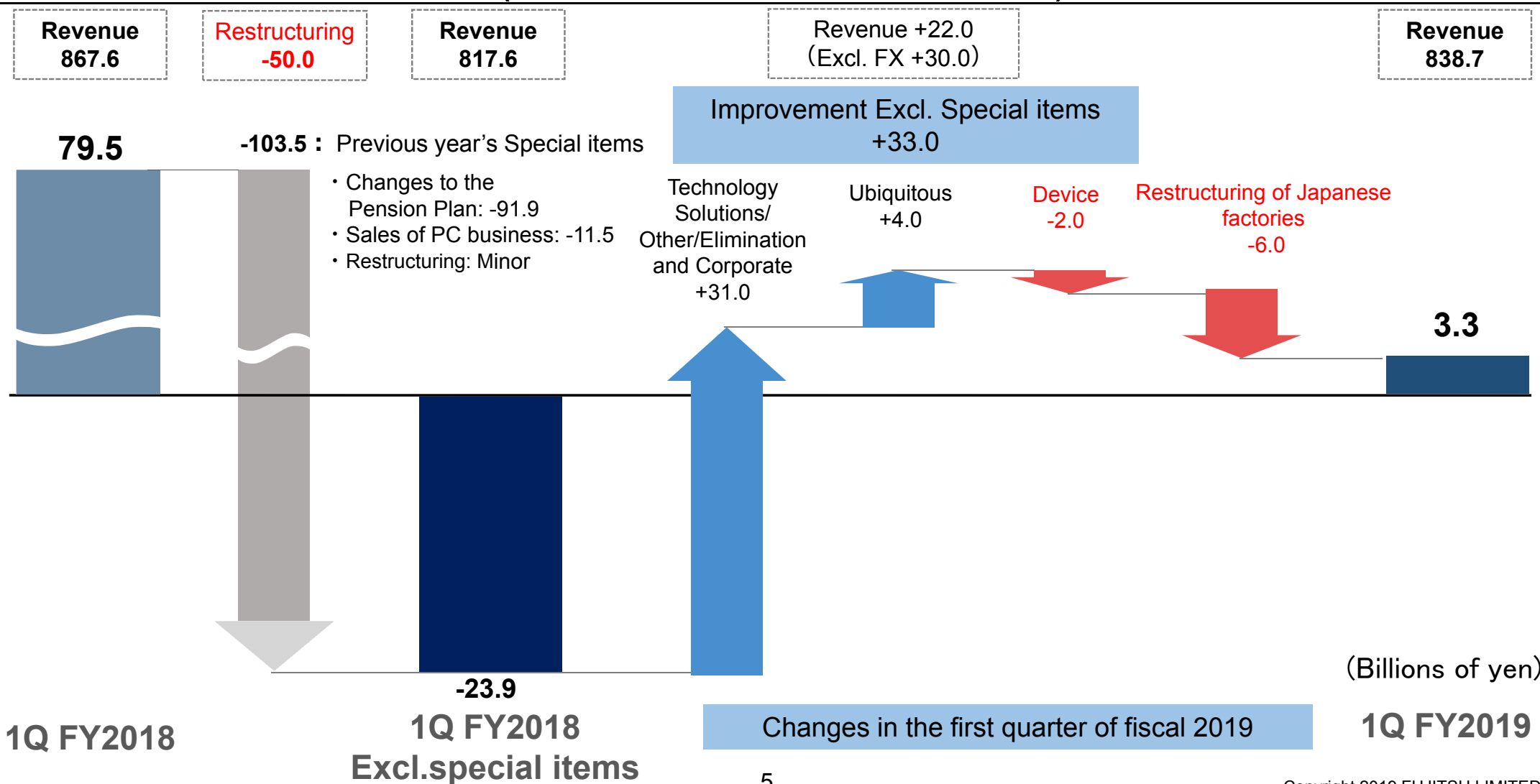
[Financial income (expenses), etc.] Decrease of 14.5 billion yen

Primarily due to an increase in financial income recorded in the previous year due to a reevaluation of stocks using the equity method that accompanied the sale of the PC business.

[Profit for the Period Attributable to Owners of the Parent] Decrease of 65.6 billion yen

Factors Behind Change in Operating Profit (1Q FY2018 → 1Q FY2019)

1. Financial Results
for 1Q FY2019



(Billions of yen)

Business Segment Information



(Billions of yen)

		1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change	(%)
Revenue	Technology Solutions	664.3	664.6	0.3	0.0
	Services	574.5	581.8	7.2	1.3
	System Platforms	89.8	82.8	-6.9	-7.7
	Ubiquitous Solutions	115.3	126.7	11.4	9.9
	Device Solutions	131.3	84.6	-46.7	-35.6
	Other/Elimination and Corporate	-43.3	-37.3	6.0	-
	Total	867.6	838.7	-28.9	-3.3
OPPL	Technology Solutions	4.0	26.1	22.0	542.9
	Services	11.0	25.1	14.0	126.4
	System Platforms	-7.0	1.0	8.0	-
	Ubiquitous Solutions	0.1	4.5	4.3	-
	Device Solutions	0.7	-7.7	-8.4	-
	Other/Elimination and Corporate	74.6	-19.5	-94.2	-
	Total	79.5	3.3	-76.2	-95.7

Technology Solutions

(Billions of yen)

Technology Solutions	1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change	
				(%)
Revenue	664.3	664.6	0.3	0.0
Services	574.5	581.8	7.2	1.3
System Platforms	89.8	82.8	-6.9	-7.7
Operating profit	4.0	26.1	22.0	542.9
[Operating profit margin]	[0.6%]	[3.9%]	[3.3%]	

[Revenue]

Revenue grew significantly in Services in Japan.

[Operating Profit]

Operating profit rose due not only to increased revenue in Services in Japan, but also due to profitability improvements in both Services and System Platforms.

Revenue (breakdown)

Japan	428.1	444.5	16.4	3.8
Outside Japan	236.2	220.1	-16.1	-6.8

Technology Solutions (Services)

(Billions of yen)

Services	1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change	
				(%)
Revenue	574.5	581.8	7.2	1.3
Solutions/SI	228.9	251.1	22.2	9.7
Infrastructure Services	345.6	330.6	-14.9	-4.3
Operating profit	11.0	25.1	14.0	126.4
[Operating profit margin]	[1.9%]	[4.3%]	[2.4%]	

Revenue (breakdown)

Japan	365.6	389.1	23.4	6.4
Outside Japan	208.8	192.7	-16.1	-7.7

[Revenue]

(Solutions/SI)

In addition to growth in the public sector, including local governments and healthcare, Solutions/SI saw continued growth in the manufacturing sector, as well as the retailing and distribution sector, which maintained strong sales from the previous year.

(Infrastructure Services)

In Japan, sales continued to be strong, particularly in outsourcing. Outside Japan, revenue fell, primarily in Europe, due in part to the impact of the strong yen against the euro and pound.

[Operating Profit]

Profits rose due to increased revenue in Japan and continued improvements in profitability. Outside Japan also improved by reducing unprofitable losses and improving operating cost efficiency.

Technology Solutions (System Platforms)

(Billions of yen)

System Platforms	1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change	
				(%)
Revenue	89.8	82.8	-6.9	-7.7
System Products	51.8	49.2	-2.5	-4.9
Network Products	37.9	33.6	-4.3	-11.5
Operating profit	-7.0	1.0	8.0	-
[Operating profit margin]	[-7.8%]	[1.2%]	[9.0%]	

Revenue (breakdown)

Japan	62.4	55.4	-7.0	-11.2
Outside Japan	27.3	27.4	0.0	0.3

[Revenue]

(System Products)

X86 servers fell, due to the impact of foreign exchange and major business deals that were recorded in the previous year.

(Network Products)

Revenue fell due to the impact of continued investment restrictions with regard to mobile phone base stations in Japan.

[Operating Profit]

Improved primarily in system products. Increase in high-value-added x86 servers with large memory capacity and cost reduction due to the decline in market prices of key devices improved profitability. Expense efficiency was also improved.

Ubiquitous Solutions

(Billions of yen)

Ubiquitous Solutions	1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change	
				(%)
Revenue	115.3	126.7	11.4	9.9
Operating profit	0.1	4.5	4.3	-
[Operating profit margin]	[0.1%]	[3.6%]	[3.5%]	

[Revenue]

Revenue rose due to strong demand for replacement machines in response to the end of support for Windows 7, both inside and outside Japan.

[Operating Profit]

In addition to the increase in sales, profit increased as profitability improved due to cost reductions resulting from lower market prices of key devices such as memory chips.

Revenue (breakdown)

Japan	79.6	87.8	8.2	10.3
Outside Japan	35.6	38.9	3.2	9.0

Device Solutions

(Billions of yen)

Device Solutions	1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change	
				(%)
Revenue	131.3	84.6	-46.7	-35.6
LSI	61.5	17.9	-43.6	-70.8
Electronic Components	70.1	66.6	-3.4	-4.9
Operating profit	0.7	-7.7	-8.4	-
[Operating profit margin]	[0.5%]	[-9.1%]	[-9.6%]	

[Revenue]

Revenue fell by approximately 44.0 billion yen due to the impact of business restructuring.

This reflects the impact of excluding both a semiconductor sales company and an electronic components manufacturing company from the consolidation as of the fourth quarter of the previous fiscal year.

Excluding that, revenue fell slightly, primarily from electronic components.

[Operating Profit]

Operating profit fell, due to the impact of restructuring expenses for factories in Japan and also in part due to lower overall demand for electronic components.

Revenue (breakdown)

Japan	59.0	34.4	-24.6	-41.7
Outside Japan	72.3	50.2	-22.1	-30.6

Cash Flows



(Billions of yen)

	1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change
I Cash flows from operating activities	104.6	116.3	11.7
II Cash flows from investing activities	18.8	-10.7	-29.6
I + II Free Cash Flow	123.5	105.6	-17.8
III Cash flows from financing activities	-43.4	-55.4	-11.9
IV Cash and Cash Equivalents at End of Period	534.1	466.5	-67.5

[Cash flows from operating activities]

Despite spending on resource shifts, sales were very high in the fourth quarter of last year, and the collection of accounts receivable advanced to the first quarter, with cash inflows growth outpacing spending growth compared to the previous year.

[Cash flows from investing activities]

Cash inflows exceeded cash outflows in the previous year due to significant cash inflows relating to the sale of the PC business and affiliated companies in China.

This quarter, a similar level of investment to the previous year was conducted, primarily in Services in Japan.

Assets, Liabilities and Equity

(Billions of yen)

	Year-end FY2018	End of 1Q FY2019	Change
Total Assets	3,104.8	3,027.9	-76.8
Total Liabilities	1,851.2	1,791.1	-60.0
Total Equity	1,253.6	1,236.8	-16.7
Total Equity Attributable to Owners of the Parent	1,132.0	1,119.2	-12.7

Reference: Financial Indices

Interest-bearing Loans	316.2	451.7	135.5
Net Interest-bearing Loans	-100.4	-12.2	88.1
D/E Ratio (Times)	0.28	0.40	0.12
Net D/E Ratio (Times)	-0.09	-0.01	0.08
Equity Attributable to Owners of the Parent Ratio (%)	36.5	37.0	0.5

Impact of adoption of IFRS16(Leases): Assets and liabilities (Interest-bearing loans) at the start of this first quarter increased by approximately 170.0 billion due to the on-balancing of operating leases.

2.Earnings Forecast
for FY2019

Financial Forecast



(Billions of yen)

	FY2018 (Actual)	FY2019(Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	3,952.4	3,750.0	-	-202.4	-5.1
Operating Profit	130.2	130.0	-	-0.2	-0.2
[Operating Profit Margin]	[3.3%]	[3.5%]	[-%]	[0.2%]	
Profit for the Year Attributable to Owners of the Parent	104.5	105.0	-	0.4	0.4

Exchange Rate (* Exchange rates which are currently forecasted for the second quarter and after.)

U.S. dollar / Yen	111	*	105	-	-6	-5.4
Euro / Yen	128	*	130	-	2	1.6
British pound / Yen	146	*	145	-	-1	-0.7
Euro / U.S. dollar	1.16	*	1.10	-	-0.06	-5.2

Ratio of Revenue Outside Japan 36.3% 35.5% - -0.8%

2.Earnings Forecast
for FY2019

Financial Forecast

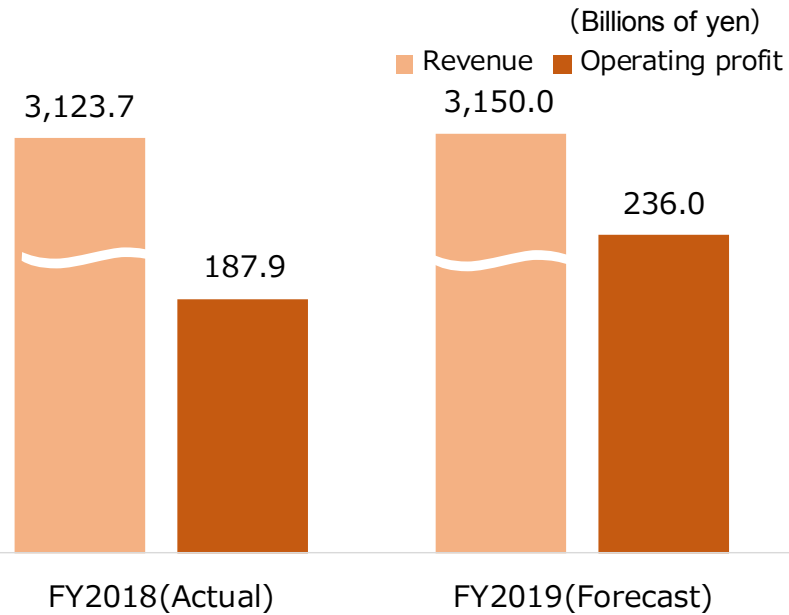


(Billions of yen)

		FY2018 (Actual)	FY2019 (Forecast)		Change	Change (%)
			Current Forecast	Change vs. Previous Forecast		
Revenue	Technology Solutions	3,123.7	3,150.0	-	26.2	0.8
	Services	2,663.8	2,650.0	-	-13.8	-0.5
	System Platforms	459.9	500.0	-	40.0	8.7
	Ubiquitous Solutions	509.9	480.0	-	-29.9	-5.9
	Device Solutions	487.0	300.0	-	-187.0	-38.4
	Other/Elimination and Corporate	-168.2	-180.0	-	-11.7	-
	Total	3,952.4	3,750.0	-	-202.4	-5.1
OPPL	Technology Solutions	187.9	236.0	-	48.0	25.6
	Services	174.0	192.0	-	17.9	10.3
	System Platforms	13.9	44.0	-	30.0	215.8
	Ubiquitous Solutions	-20.4	-	-	20.4	-
	Device Solutions	4.5	-	-	-4.5	-100.0
	Other/Elimination and Corporate	-41.7	-106.0	-	-64.2	-
	Total	130.2	130.0	-	-0.2	-0.2

Technology Solutions

[Revenue and Operating Profit]



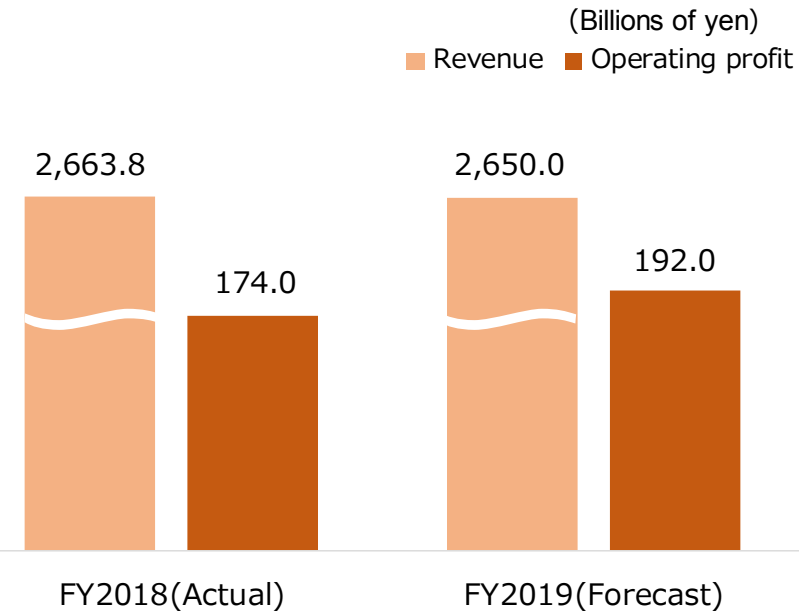
Technology Solutions	FY2018 (Actual)	FY2019 (Forecast)		Change	
		Current Forecast	Change vs. Previous Forecast		(%)
Revenue	3,123.7	3,150.0	-	26.2	0.8
Services	2,663.8	2,650.0	-	-13.8	-0.5
System Platforms	459.9	500.0	-	40.0	8.7
Operating profit	187.9	236.0	-	48.0	25.6
[Operating profit margin]	[6.0%]	[7.5%]	[-%]	[1.5%]	

Revenue (breakdown)

Japan	2,109.9	2,170.0	-	60.0	2.8
Outside Japan	1,013.7	980.0	-	-33.7	-3.3

Technology Solutions (Services)

[Revenue and Operating Profit]



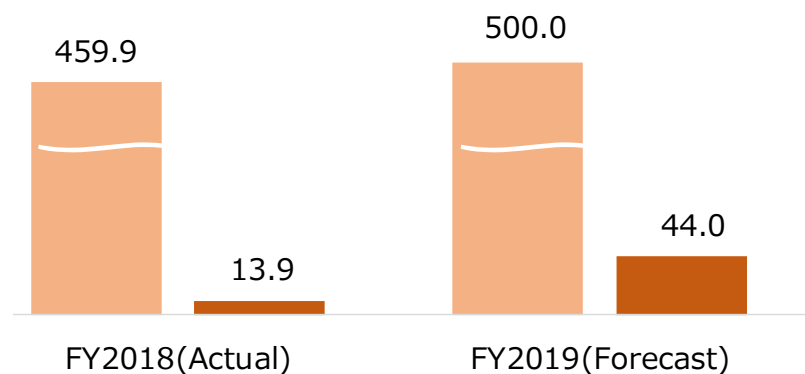
(Billions of yen)

Services	FY2018 (Actual)	FY2019 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	2,663.8	2,650.0	-	-13.8	-0.5
Solutions/SI	1,107.1	1,130.0	-	22.8	2.1
Infrastructure Services	1,556.6	1,520.0	-	-36.6	-2.4
Operating profit	174.0	192.0	-	17.9	10.3
[Operating profit margin]	[6.5%]	[7.2%]	[-%]	[0.7%]	

Technology Solutions (System Platforms)

[Revenue and Operating Profit]

(Billions of yen)
■ Revenue ■ Operating profit



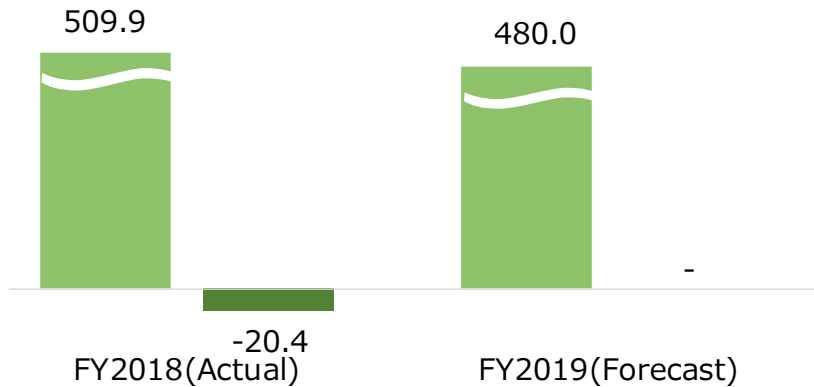
(Billions of yen)

System Platforms	FY2018 (Actual)	FY2019 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	459.9	500.0	-	40.0	8.7
System Products	273.4	300.0	-	26.5	9.7
Network Products	186.4	200.0	-	13.5	7.3
Operating profit	13.9	44.0	-	30.0	215.8
[Operating profit margin]	[3.0%]	[8.8%]	[-%]	[5.8%]	

Ubiquitous Solutions

[Revenue and Operating Profit]

(Billions of yen)
■ Revenue ■ Operating profit



(Billions of yen)

Ubiquitous Solutions	FY2018 (Actual)	FY2019 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	509.9	480.0	-	-29.9	-5.9
Operating profit	-20.4	-	-	20.4	-
[Operating profit margin]	[-4.0%]	[-%]	[-%]	[4.0%]	

Revenue (breakdown)

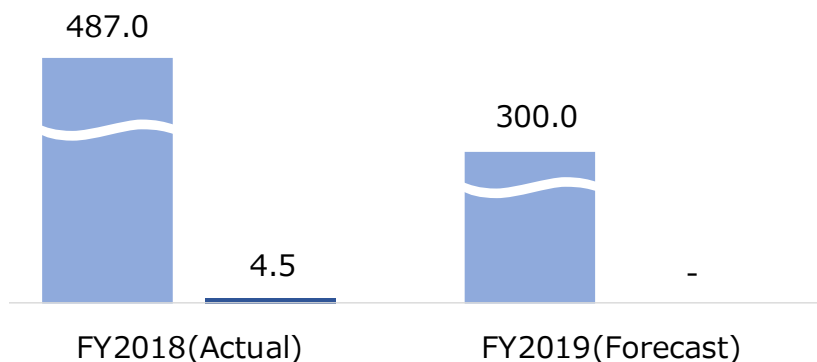
Japan	357.7	333.0	-	-24.7	-6.9
Outside Japan	152.1	147.0	-	-5.1	-3.4

Device Solutions

[Revenue and Operating Profit]

(Billions of yen)

■ Revenue ■ Operating profit



(Billions of yen)

Device Solutions	FY2018 (Actual)	FY2019 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	487.0	300.0	-	-187.0	-38.4
LSI	210.0	40.0	-	-170.0	-81.0
Electronic Components	277.8	260.0	-	-17.8	-6.4
Operating profit	4.5	-	-	-4.5	-100.0
[Operating profit margin]	[0.9%]	[-%]	[-%]	[-0.9%]	

Revenue (breakdown)

Japan	221.0	100.0	-	-121.0	-54.8
Outside Japan	265.9	200.0	-	-65.9	-24.8

Cash Flows



(Billions of yen)

	FY2018 (Actual)	FY2019 (Forecast)	Change vs. Previous Forecast
Free Cash Flow	103.5	50.0	-

Business Segment Information

[Quarterly Breakdown of Results]



(Reference)

		FY2018 (Actual)				FY2019 (Actual)
		1Q	2Q	3Q	4Q	1Q
Technology Solutions	Revenue	664.3	744.7	764.3	950.2	664.6
	OPPL	4.0	43.8	18.9	121.1	26.1
Services	Revenue	574.5	633.0	661.3	794.9	581.8
	OPPL	11.0	35.7	37.4	89.7	25.1
System Platforms	Revenue	89.8	111.7	103.0	155.3	82.8
	OPPL	-7.0	8.0	-18.5	31.3	1.0
Ubiquitous Solutions	Revenue	115.3	129.9	123.1	141.4	126.7
	OPPL	0.1	-2.2	-18.6	0.2	4.5
Device Solutions	Revenue	131.3	132.7	133.1	89.7	84.6
	OPPL	0.7	1.5	2.6	-0.4	-7.7
Other/Elimination and Corporate	Revenue	-43.3	-40.6	-43.2	-40.9	-37.3
	OPPL	74.6	-27.4	-31.7	-57.2	-19.5
Total	Revenue	867.6	966.8	977.3	1,140.5	838.7
	OPPL	79.5	15.6	-28.7	63.6	3.3

(Billions of yen)

Business Segment Information



[Revenue Breakdown-In and Outside Japan]

(Reference)

(Billions of yen)

		1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change	(%)
Technology Solutions	Revenue	664.3	664.6	0.3	0.0
	Japan	428.1	444.5	16.4	3.8
	Outside Japan	236.2	220.1	-16.1	-6.8
Services	Revenue	574.5	581.8	7.2	1.3
	Japan	365.6	389.1	23.4	6.4
	Outside Japan	208.8	192.7	-16.1	-7.7
System Platforms	Revenue	89.8	82.8	-6.9	-7.7
	Japan	62.4	55.4	-7.0	-11.2
	Outside Japan	27.3	27.4	0.0	0.3
Ubiquitous Solutions	Revenue	115.3	126.7	11.4	9.9
	Japan	79.6	87.8	8.2	10.3
	Outside Japan	35.6	38.9	3.2	9.0
Device Solutions	Revenue	131.3	84.6	-46.7	-35.6
	Japan	59.0	34.4	-24.6	-41.7
	Outside Japan	72.3	50.2	-22.1	-30.6
Other/Elimination and Corporate	Revenue	-43.3	-37.3	6.0	-
Total	Revenue	867.6	838.7	-28.9	-3.3
	Japan	522.5	533.7	11.2	2.1
	Outside Japan	345.0	304.9	-40.1	-11.6

Ratio of Revenue Outside Japan

39.8%

36.4%

-3.4%

Financial Results of Consolidated Subsidiaries Outside Japan



(Reference)

(Billions of yen)

		1Q FY2018 (Actual)	1Q FY2019 (Actual)	Change
Outside Japan	Revenue	335.6	286.4	-49.1
	Operating Profit	-6.8	0.5	7.3
EMEIA	Revenue	185.1	171.2	-13.9
	Operating Profit	-4.1	2.0	6.2
Americas	Revenue	60.3	49.7	-10.6
	Operating Profit	-3.6	-2.1	1.4
Asia	Revenue	66.2	45.9	-20.3
	Operating Profit	0.5	0.4	-0.1
Oceania	Revenue	23.7	19.5	-4.2
	Operating Profit	0.3	0.1	-0.1

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.

Assumption used for FY2019 Forecasts

1. Exchange Rates (Average) and Impact of Fluctuation

	FY2018 (Actual)	FY2019			Impact of Exchange Rate Fluctuation 2Q/3Q/4Q (Forecast)*
		1Q (Actual)	2Q/3Q/4Q (Forecast)	Change vs. Previous Forecast	
U.S. dollar / Yen	111	110	105	-	-0.2 Billion yen
Euro / Yen	128	123	130	-	0.0 Billion yen
British pound / Yen	146	141	145	-	0.0 Billion yen
Euro / U.S. dollar	1.16	1.12	1.10	-	-1.1 Billion yen

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

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

(Reference)

Assumption used for FY2019 Forecasts


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

	1Q		Full year		(Billions of yen) Change vs. Previous Forecast
	FY2018 (Actual)	FY2019 (Actual)	FY2018 (Actual)	FY2019 (Forecast)	
Technology Solutions	15.7	11.4	49.3	53.0	-
Ubiquitous Solutions	0.2	0.2	1.2	2.0	-
Device Solutions	4.9	15.0	26.4	48.0	-
Other / Corporate	1.1	1.4	6.5	7.0	-
Capital Expenditures	22.1	28.2	83.5	110.0	-
Depreciation	24.6	22.9	96.9	90.0	-

Capital expenditures and depreciation do not include the impact of adoption of IFRS 16 (Leases).

3. R&D Expenses

R&D Expenses	34.6	30.8	134.9	130.0	-
[As % of Revenue]	[4.0%]	[3.7%]	[3.4%]	[3.5%]	[-%]



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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