

2Q
FY2019

October 29, 2019



shaping tomorrow with you

Consolidated Financial Results

Fujitsu Limited

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1. Financial Results
for 2Q FY2019

Financial Results [2Q]



(Billions of yen)

	FY2018 (Actual)		FY2019 (Actual)			
	1Q	2Q	1Q	2Q	Change	(%)
Revenue	867.6	966.8	838.7	990.0	23.1	2.4
Operating Profit	79.5	15.6	3.3	67.6	51.9	331.5
[Operating Profit Margin]	[9.2%]	[1.6%]	[0.4%]	[6.8%]	[5.2%]	
Financial income (expenses), etc	17.4	4.5	2.8	6.8	2.3	51.6
Profit for the Period Before Income Taxes	97.0	20.2	6.2	74.5	54.3	268.8
Profit for the Period Attributable to Owners of the Parent	72.7	8.3	7.0	56.5	48.1	575.4

Exchange Rate

U.S. dollar / Yen	109	111	110	107	-4	-3.6
Euro / Yen	130	130	123	119	-11	-8.5
British pound / Yen	149	145	141	132	-13	-9.0
Euro / U.S. dollar	1.19	1.16	1.12	1.11	-0.05	-4.3

[Revenue]

Excl. restructuring and FX : Approx. +88.0 billion yen, primarily from growth in Services in Japan and Ubiquitous Solutions.

Impact of foreign exchange : Approx. -18.0 billion yen, due to the continuing strong yen against the U.S dollar, the euro and the pound.

Impact of restructuring : Approx. -47.0 billion yen, primarily due to the impact of the restructuring of the device business.

[Operating Profit] Decrease of 51.9 billion yen

Excl. special items and restructuring : Approx. +46.9 billion yen Higher revenue in Services in Japan and Ubiquitous Solutions.
Improvements in profitability in Technology Solutions

Special items and restructuring : Approx. +5.0 billion yen

- Restructuring of the Device business:+2.0 billion yen
One-time expense recorded in the previous year not recorded this year and impact of operating income excluded from consolidation due to restructuring
- Reduced restructuring expense in Europe:+3.0 billion yen
Reduced severance expense to withdraw from low-profitability countries due to MBO and business transfer to business partners in Europe.

[Financial income (expenses), etc.] Increase of 2.3 billion yen

Improvement in equity in earnings

[Profit for the Period Attributable to Owners of the Parent] Increase of 48.1 billion yen

Financial Results [1H]



(Billions of yen)

		1H FY2018 (Actual)	1H FY2019 (Actual)	Change	Excl Foreign exchange impact	(%)	Foreign exchange impact
Excl. restructuring and special items	Revenue	1,734.7	1,828.7	94.0	120.4	6.9	-26.4
	OPPL	-6.6	74.0	80.7	83.6	-	-2.8
Impact of restructuring	Revenue	99.7	-	-99.7	-99.7	-	-
	OPPL	1.2	-	-1.2	-1.2	-	-
Special items	Revenue	-	-	-	-	-	-
	OPPL	100.6	-3.0	-103.6	-103.6	-	-
Total	Revenue	1,834.5	1,828.7	-5.7	20.6	1.1	-26.4
	OPPL	95.2	71.0	-24.2	-21.3	-22.4	-2.8

[Excl. restructuring and special items]

● **Revenue**

Excl. Impact of foreign exchange : Approx. +120.4 billion yen, primarily from growth in Services in Japan and Ubiquitous Solutions.

Impact of foreign exchange : Approx. -26.4 billion yen, due to the continuing strong yen against the U.S dollar, the euro and the pound.

● **Operating Profit** : Approx. +80.7 billion yen Higher revenue in Services in Japan and Ubiquitous Solutions.
Improvements in profitability in Technology Solutions and Ubiquitous Solutions.

[Impact of restructuring]

● **Revenue** : Approx. -99.7 billion yen
- Excluded from consolidation due to restructuring of device business since FY2018 4Q :-92.7 billion yen
- Excluded from consolidation due to restructuring of consumer PC business since May 2018:-7.0 billion yen

[Special items]

● **Operating Profit** : Approx. -103.6 billion yen
- Impact of factors from the previous first half not recorded this first half: -100.6 billion yen
Changes to the retirement benefit system and the sale of businesses.
- This first half : -3.0 billion yen.
Expenses relating to the restructuring of Japanese factories in the electronic components business.
Reduced severance expense to withdraw from low-profitability countries in Europe.

(Billions of yen)

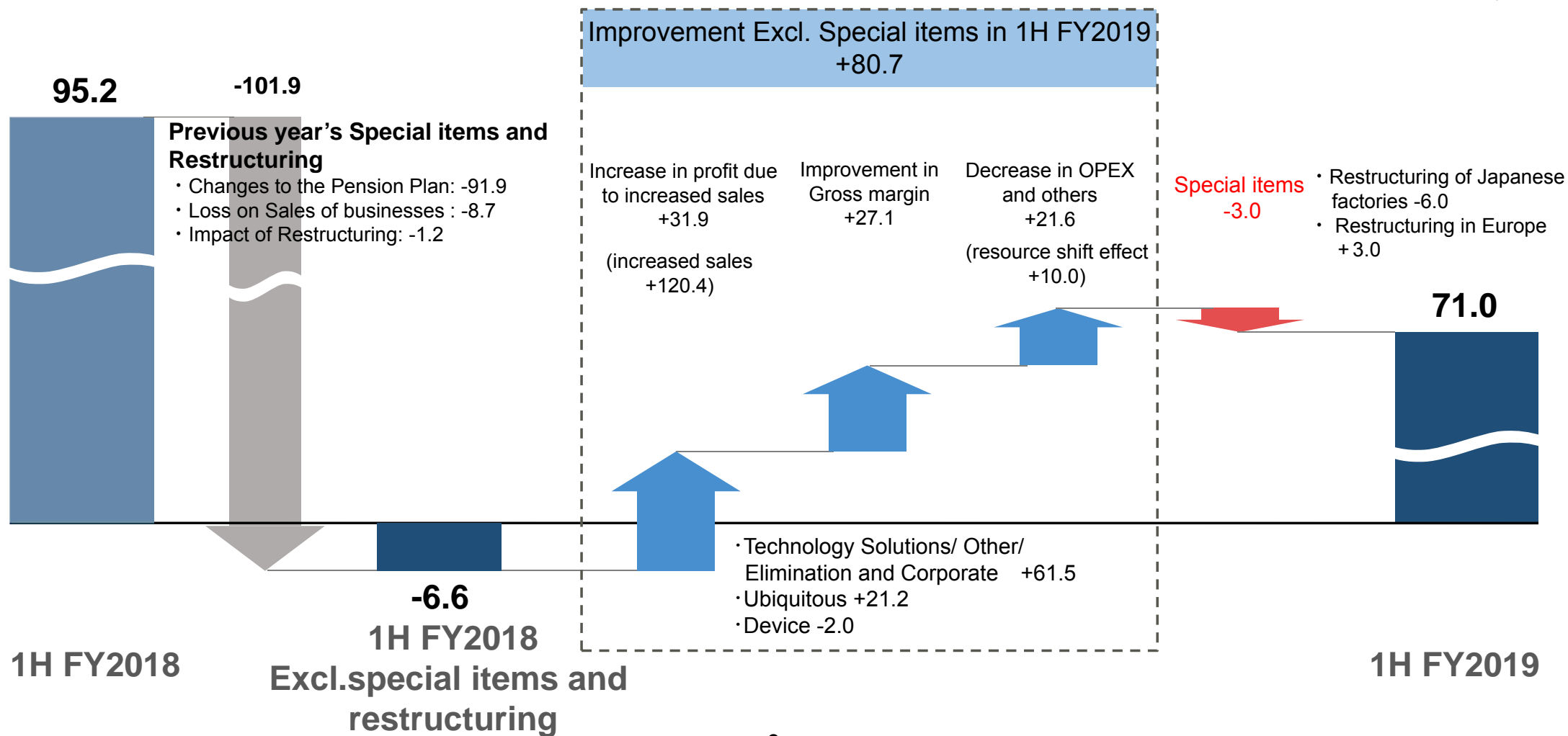
	1H FY2018 (Actual)	1H FY2019 (Actual)	Change	
				(%)
Revenue	1,834.5	1,828.7	-5.7	-0.3
Operating Profit	95.2	71.0	-24.2	-25.4
[Operating Profit Margin]	[5.2%]	[3.9%]	[-1.3%]	
Financial income (expenses), etc	21.9	9.7	-12.1	-55.6
Profit for the Period Before Income Taxes	117.2	80.8	-36.4	-31.1
Profit for the Period Attributable to Owners of the Parent	81.1	63.6	-17.4	-21.5

Exchange Rate

U.S. dollar / Yen	110	109	-1	-0.9
Euro / Yen	130	121	-9	-6.9
British pound / Yen	147	137	-10	-6.8
Euro / U.S. dollar	1.18	1.12	-0.06	-5.1

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

(Billions of yen)



Revenue in Japan increase primarily from Services and Ubiquitous Solutions

	(Billions of yen)		
	1H FY2019	Change	%
Revenue (Excl. restructuring and FX)	1,828.7	120.4	7%
《Revenue in Japan》	1,226.2	+ 146.4	14%
• Technology Solutions	1,017.2	+ 90.5	10%
(Services	873.2	+ 87.1	11%)
• Ubiquitous Solutions	219.5	+ 55.6	34%
Foreign exchange impact	-	- 26.4	
Impact of restructuring	-	- 99.7	
Total	1,828.7	- 5.7	-0%

Factors in the increase in operating profit

Overall orders in Japan (Fujitsu Limited only) increased 111% as all industries exceeded the same period previous year

Industries	FY2018 (Actual)		FY2019 (Actual)
	1H	2H	1H
Manufacturing & Distribution	108%	105%	110%
Manufacturing	113%	104%	105%
Distribution	101%	107%	116%
Financial Services & Social Infrastructure	87%	101%	112%
Financial Services	97%	104%	118%
Social Infrastructure	76%	97%	103%
Public Sector & Regional	124%	103%	111%
Total	108%	104%	111%

Factors in the increase in operating profit

Effect of the business model transfer : Progress as planned

(Billions of yen)

	FY 2019	
	1H (Actual)	year total (Forecast)

Fixed cost reduction effect by resource shift (2,850 employees)

Technology Solutions	7.2	14.4
Services	5.0	10.0
System Platforms	2.2	4.4
Ubiquitous Solutions	0.1	0.2
Other/Elimination and Corporate	2.6	5.3
Sub Total	10.0	20.0

Restructuring of manufacturing locations in Japan and others

Ubiquitous Solutions and Others	1.0	2.1
Total	11.0	22.1

Business Segment Information [1H]



(Billions of yen)

		1H FY2018 (Actual)	1H FY2019 (Actual)	Change	Excl. Special items and restructuring and FX	Foreign exchange impact	Special items/ restructuring
Revenue	Technology Solutions	1,409.1	1,454.6	45.5	66.3	-20.7	-
	Services	1,207.5	1,253.6	46.0	64.5	-18.5	-
	System Platforms	201.5	201.0	-0.4	1.7	-2.2	-
	Ubiquitous Solutions	245.2	292.3	47.1	57.7	-3.6	-7.0
	Device Solutions	264.1	171.7	-92.3	2.4	-2.0	-92.7
	Other/Elimination and Corporate	-83.9	-90.0	-6.0	-6.0	-0.0	-
	Total	1,834.5	1,828.7	-5.7	120.4	-26.4	-99.7
OPPL	Technology Solutions	47.8	96.5	48.6	47.9	-1.2	2.0
	Services	46.8	72.4	25.6	25.2	-0.4	0.8
	System Platforms	1.0	24.1	23.0	22.6	-0.8	1.2
	Ubiquitous Solutions	-2.0	19.7	21.8	21.7	-0.5	0.6
	Device Solutions	2.2	-6.6	-8.9	-0.5	-1.4	-6.8
	Other/Elimination and Corporate	47.2	-38.6	-85.8	14.4	0.3	-100.6
	Total	95.2	71.0	-24.2	83.6	-2.8	-104.9

Technology Solutions

(Billions of yen)

Technology Solutions	1H FY2018 (Actual)	1H FY2019 (Actual)	Change	
				(%)
Revenue	1,409.1	1,454.6	45.5	3.2
Services	1,207.5	1,253.6	46.0	3.8
System Platforms	201.5	201.0	-0.4	-0.2
Operating profit	47.8	96.5	48.6	101.6
[Operating profit margin]	[3.4%]	[6.6%]	[3.2%]	

[Revenue]

Revenue increased by 4.7% excluding foreign exchange effects.

Services in Japan grew significantly.

[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	926.6	1,017.2	90.5	9.8
Outside Japan	482.4	437.4	-45.0	-9.3

Technology Solutions (Services)

(Billions of yen)

Services	1H FY2018 (Actual)	1H FY2019 (Actual)	Change	
				(%)
Revenue	1,207.5	1,253.6	46.0	3.8
Solutions/SI	494.4	567.5	73.1	14.8
Infrastructure Services	713.1	686.0	-27.1	-3.8
Operating profit	46.8	72.4	25.6	54.7
[Operating profit margin]	[3.9%]	[5.8%]	[1.9%]	

Revenue (breakdown)

Japan	786.1	873.2	87.1	11.1
Outside Japan	421.4	380.3	-41.0	-9.7

[Revenue]

Revenue increased by 5.3% excluding foreign exchange effects.

Services in Japan grew significantly.

(Solutions/SI)

The manufacturing and distribution sectors performed well, supporting continued growth. Sales of local governments and health care services also increased.

(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	1H FY2018 (Actual)	1H FY2019 (Actual)	Change	
				(%)
Revenue	201.5	201.0	-0.4	-0.2
System Products	121.9	120.0	-1.9	-1.6
Network Products	79.5	81.0	1.4	1.8
Operating profit	1.0	24.1	23.0	-
[Operating profit margin]	[0.5%]	[12.0%]	[11.5%]	

Revenue (breakdown)

Japan	140.5	144.0	3.4	2.5
Outside Japan	61.0	57.0	-3.9	-6.5

[Revenue]

Revenue increased by 0.9% excluding foreign exchange effects.

(System Products)

X86 servers fell, due to the impact of foreign exchange and major business deals for public sector that were recorded in the previous year. Mainframe increased significantly due to deal from major customer.

(Network Products)

Sales increased due to the start of base station delivery for 5G pre-service and deals to expand optical transmission lines in preparation for full-scale 5G services.

[Operating Profit]

Profitability improved due to a favorable product mix resulting from an increase in mainframes and cost reductions resulting from a decline in market prices for key devices.

Ubiquitous Solutions

(Billions of yen)

Ubiquitous Solutions	1H FY2018 (Actual)	1H FY2019 (Actual)	Change	
				(%)
Revenue	245.2	292.3	47.1	19.2
Operating profit [Operating profit margin]	-2.0 [-0.9%]	19.7 [6.8%]	21.8 [7.7%]	-

[Revenue]

Revenue increased by 24.2% excluding foreign exchange effects and impact of restructuring of consumer PC business.

Sales increased mainly in Japan due to strong replacement demand in response to the end of the Windows 7 support period.

Overseas sales declined due to the yen's appreciation.

Revenue (breakdown)

Japan	170.9	219.5	48.6	28.4
Outside Japan	74.3	72.8	-1.4	-2.0

[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.

Device Solutions

(Billions of yen)

Device Solutions	1H FY2018 (Actual)	1H FY2019 (Actual)	Change	
				(%)
Revenue	264.1	171.7	-92.3	-35.0
LSI	125.7	35.2	-90.4	-71.9
Electronic Components	138.9	136.4	-2.5	-1.8
Operating profit	2.2	-6.6	-8.9	-
[Operating profit margin]	[0.9%]	[-3.9%]	[-4.8%]	

[Revenue]

Impact of the business restructuring is -93.0 billion. A semiconductor sales company and an electronic component manufacturing company were excluded from the consolidation from 4Q of the previous year. Excluding this impact, sales increased slightly from the previous year.

[Operating Profit]

Operating profit fell due to restructuring costs at domestic plants and the yen's appreciation.

Revenue (breakdown)

Japan	119.2	71.4	-47.7	-40.1
Outside Japan	144.8	100.2	-44.5	-30.8

Other/Elimination and Corporate
Breakdown of Operating profit

(Billions of yen)

	FY2018		FY2019	
	1H (Actual)	2H (Actual)	1H (Actual)	Change
Excl. special items	-53.4	-44.4	-38.6	14.8
Special items	100.6	-44.5	-	-100.6
Total	47.2	-89.0	-38.6	-85.8

Expenses excluding special items significantly decreased.

Decrease due to the effect of lower fixed costs from resource shifts, selection and concentration of up-front investments, and reduced indirect overhead costs.

Cash Flows

(Billions of yen)

	1H FY2018 (Actual)	1H FY2019 (Actual)	Change
I Cash flows from operating activities	46.2	115.2	68.9
II Cash flows from investing activities	1.0	-47.8	-48.9
I + II Free Cash Flow	47.3	67.3	19.9
III Cash flows from financing activities	-53.9	-58.7	-4.7
IV Cash and Cash Equivalents at End of Period	449.0	423.9	-25.0

[Cash flows from operating activities]

The sales level in the fourth quarter of the previous year was very high, and the collection of accounts receivable continues to proceed. In addition, sales in the first half of the fiscal year were high and cash-in-flow increased from 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 first half, a similar level of investment to the previous year was conducted.

Impact of adoption of IFRS16(Leases): Cash flows from operating activities for the first half increased by approximately 28.0billion compared to the same period of the previous year, and Cash flows from investing activities decreased by approximately 28.0 billion.

Assets, Liabilities and Equity

(Billions of yen)

	Year-end FY2018	End of 2Q FY2019	Change
Total Assets	3,104.8	3,112.8	7.9
Total Liabilities	1,851.2	1,825.7	-25.4
Total Equity	1,253.6	1,287.0	33.4
Total Equity Attributable to Owners of the Parent	1,132.0	1,170.0	38.0

Reference: Financial Indices

Interest-bearing Loans	316.2	459.6	143.3
Net Interest-bearing Loans	-100.4	46.6	147.0
D/E Ratio (Times)	0.28	0.39	0.11
Net D/E Ratio (Times)	-0.09	0.04	0.13
Equity Attributable to Owners of the Parent Ratio (%)	36.5	37.6	1.1

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.

(Billions of yen)

	FY2018 (Actual)	FY2019(Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	3,952.4	3,800.0	50.0	-152.4	-3.9
Operating Profit	130.2	160.0	30.0	29.7	22.9
[Operating Profit Margin]	[3.3%]	[4.2%]	[0.7%]	[0.9%]	
Profit for the Year Attributable to Owners of the Parent	104.5	125.0	20.0	20.4	19.5

Ratio of Revenue Outside Japan	36.3%	34.6%	-0.9%	-1.7%
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- Increase in operating profit by 30 billion due to increased sales and improved profitability of services in Japan and systems products for technology solutions and ubiquitous solutions.

2.Earnings Forecast
for FY2019

Financial Forecast

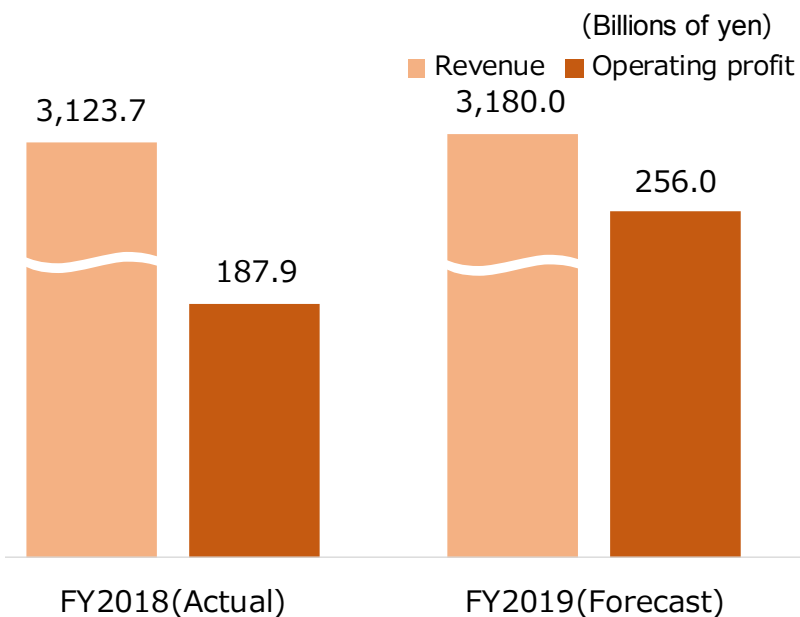


(Billions of yen)

		FY2018 (Actual)	FY2019 (Forecast)		Change	Change (%)
			Current Forecast	Change vs. Previous Forecast		
Revenue	Technology Solutions	3,123.7	3,180.0	30.0	56.2	1.8
	Services	2,663.8	2,670.0	20.0	6.1	0.2
	System Platforms	459.9	510.0	10.0	50.0	10.9
	Ubiquitous Solutions	509.9	500.0	20.0	-9.9	-1.9
	Device Solutions	487.0	300.0	-	-187.0	-38.4
	Other/Elimination and Corporate	-168.2	-180.0	-	-11.7	-
	Total	3,952.4	3,800.0	50.0	-152.4	-3.9
OPPL	Technology Solutions	187.9	256.0	20.0	68.0	36.2
	Services	174.0	202.0	10.0	27.9	16.1
	System Platforms	13.9	54.0	10.0	40.0	287.6
	Ubiquitous Solutions	-20.4	10.0	10.0	30.4	-
	Device Solutions	4.5	-	-	-4.5	-100.0
	Other/Elimination and Corporate	-41.7	-106.0	-	-64.2	-
	Total	130.2	160.0	30.0	29.7	22.9

Technology Solutions

[Revenue and Operating Profit]



(Billions of yen)

Technology Solutions	FY2018 (Actual)	FY2019 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	3,123.7	3,180.0	30.0	56.2	1.8
Services	2,663.8	2,670.0	20.0	6.1	0.2
System Platforms	459.9	510.0	10.0	50.0	10.9
Operating profit	187.9	256.0	20.0	68.0	36.2
[Operating profit margin]	[6.0%]	[8.1%]	[0.6%]	[2.1%]	

Revenue (breakdown)

Japan	2,109.9	2,215.0	45.0	105.0	5.0
Outside Japan	1,013.7	965.0	-15.0	-48.7	-4.8

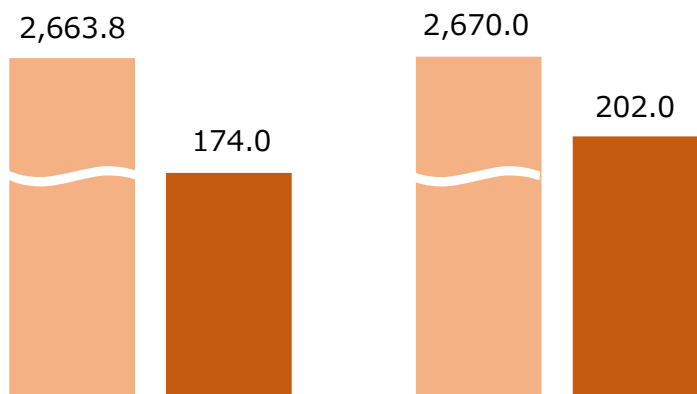
2.Earnings Forecast for FY2019

Business Segment Information

Technology Solutions (Services)

[Revenue and Operating Profit]

(Billions of yen)
■ Revenue ■ Operating profit



FY2018 (Actual)

FY2019 (Forecast)

[Outline of the review]

(Solution/SI)

Revenue : Increase full-year revenue due to strong orders in first half.

OPPL : Increase due to increased revenue and improved profitability.

(Infrastructure Services)

Revenue : The impact of the appreciation of the yen in the first half on services outside Japan was reduced.

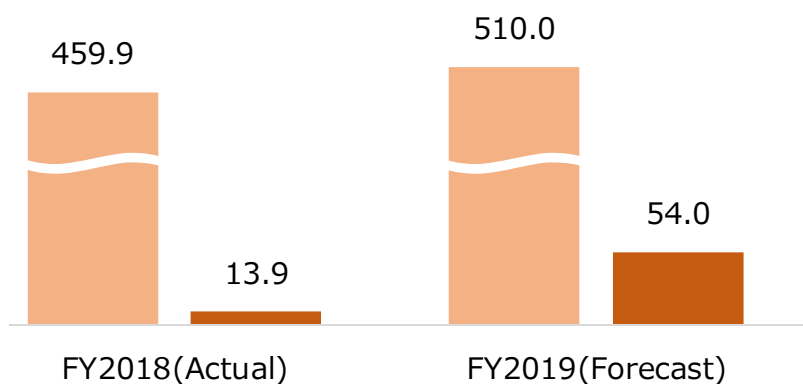
(Billions of yen)

Services	FY2018 (Actual)	FY2019 (Forecast)		Change	Change (%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	2,663.8	2,670.0	20.0	6.1	0.2
Solutions/SI	1,107.1	1,165.0	35.0	57.8	5.2
Infrastructure Services	1,556.6	1,505.0	-15.0	-51.6	-3.3
Operating profit	174.0	202.0	10.0	27.9	16.1
[Operating profit margin]	[6.5%]	[7.6%]	[0.4%]	[1.1%]	

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	510.0	10.0	50.0	10.9
System Products	273.4	310.0	10.0	36.5	13.4
Network Products	186.4	200.0	-	13.5	7.3
Operating profit	13.9	54.0	10.0	40.0	287.6
[Operating profit margin]	[3.0%]	[10.6%]	[1.8%]	[7.6%]	

[Outline of the review]

(System Products)

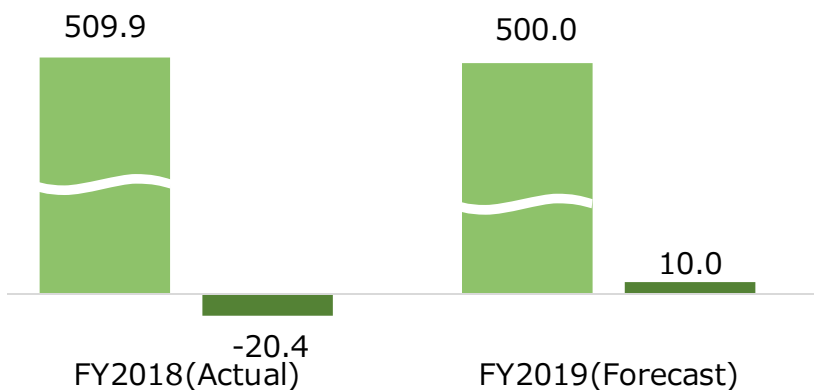
Revenue : Increase full-year revenue due to strong orders in first half.

OPPL : Increase due to increased revenue and improved profitability.

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	500.0	20.0	-9.9	-1.9
Operating profit	-20.4	10.0	10.0	30.4	-
[Operating profit margin]	[-4.0%]	[2.0%]	[2.0%]	[6.0%]	

Revenue (breakdown)

	FY2018 (Actual)	FY2019 (Forecast)	Change vs. Previous Forecast	Change	Change (%)
Japan	357.7	353.0	20.0	-4.7	-1.3
Outside Japan	152.1	147.0	-	-5.1	-3.4

[Outline of the review]

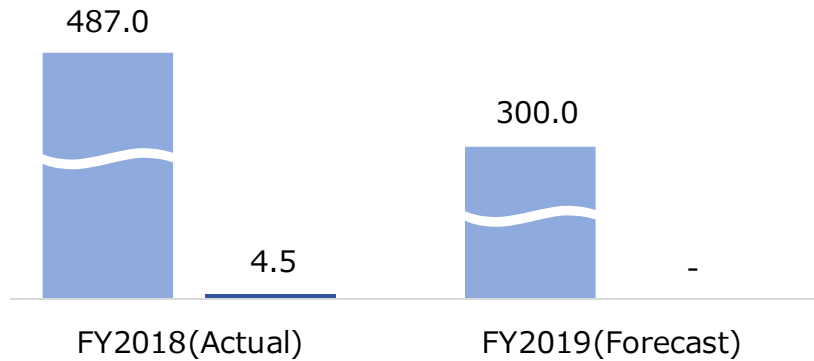
Revenue : Demand in Japan, including Windows 7-related replacements, is stronger than expected, boosting full-year sales.

OPPL : Increase due to higher revenue and improvement in profitability with lower prices of key devices.

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	100.0	50.0



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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

(Reference)

Business Segment Information [2Q]

(Billions of yen)

		2Q FY2018 (Actual)	2Q FY2019 (Actual)	Change	Excl. Special items and restructuring and FX	Foreign exchange impact	Special items/ restructuring
Revenue	Technology Solutions	744.7	789.9	45.2	58.9	-13.7	-
	Services	633.0	671.7	38.7	50.8	-12.0	-
	System Platforms	111.7	118.1	6.4	8.1	-1.7	-
	Ubiquitous Solutions	129.9	165.6	35.6	37.8	-2.2	-
	Device Solutions	132.7	87.0	-45.6	4.0	-2.0	-47.6
	Other/Elimination and Corporate	-40.6	-52.6	-12.0	-12.0	-0.0	-
	Total	966.8	990.0	23.1	88.8	-18.1	-47.6
OPPL	Technology Solutions	43.8	70.4	26.6	24.7	-0.1	2.0
	Services	35.7	47.3	11.5	10.9	-0.2	0.8
	System Platforms	8.0	23.1	15.0	13.7	0.0	1.2
	Ubiquitous Solutions	-2.2	15.2	17.4	15.2	1.2	1.0
	Device Solutions	1.5	1.1	-0.4	1.9	-1.6	-0.7
	Other/Elimination and Corporate	-27.4	-19.0	8.3	5.2	0.2	2.8
	Total	15.6	67.6	51.9	47.1	-0.2	5.0

(Reference)

Business Segment Information

[Quarterly Breakdown of Results]



(Billions of yen)

		FY2018 (Actual)				FY2019 (Actual)	
		1Q	2Q	3Q	4Q	1Q	2Q
Technology Solutions	Revenue	664.3	744.7	764.3	950.2	664.6	789.9
	OPPL	4.0	43.8	18.9	121.1	26.1	70.4
Services	Revenue	574.5	633.0	661.3	794.9	581.8	671.7
	OPPL	11.0	35.7	37.4	89.7	25.1	47.3
System Platforms	Revenue	89.8	111.7	103.0	155.3	82.8	118.1
	OPPL	-7.0	8.0	-18.5	31.3	1.0	23.1
Ubiquitous Solutions	Revenue	115.3	129.9	123.1	141.4	126.7	165.6
	OPPL	0.1	-2.2	-18.6	0.2	4.5	15.2
Device Solutions	Revenue	131.3	132.7	133.1	89.7	84.6	87.0
	OPPL	0.7	1.5	2.6	-0.4	-7.7	1.1
Other/Elimination and Corporate	Revenue	-43.3	-40.6	-43.2	-40.9	-37.3	-52.6
	OPPL	74.6	-27.4	-31.7	-57.2	-19.5	-19.0
Total	Revenue	867.6	966.8	977.3	1,140.5	838.7	990.0
	OPPL	79.5	15.6	-28.7	63.6	3.3	67.6

Business Segment Information



(Reference) [Revenue Breakdown-In and Outside Japan 2Q]

(Billions of yen)

		2Q FY2018 (Actual)	2Q FY2019 (Actual)	Change	(%)
Technology Solutions	Revenue	744.7	789.9	45.2	6.1
	Japan	498.5	572.6	74.1	14.9
	Outside Japan	246.2	217.3	-28.9	-11.8
Services	Revenue	633.0	671.7	38.7	6.1
	Japan	420.4	484.1	63.6	15.1
	Outside Japan	212.5	187.6	-24.9	-11.7
System Platforms	Revenue	111.7	118.1	6.4	5.8
	Japan	78.0	88.5	10.4	13.5
	Outside Japan	33.6	29.6	-4.0	-12.0
Ubiquitous Solutions	Revenue	129.9	165.6	35.6	27.4
	Japan	91.2	131.6	40.3	44.2
	Outside Japan	38.6	33.9	-4.7	-12.2
Device Solutions	Revenue	132.7	87.0	-45.6	-34.4
	Japan	60.2	37.0	-23.1	-38.5
	Outside Japan	72.5	50.0	-22.4	-31.0
Other/Elimination and Corporate	Revenue	-40.6	-52.6	-12.0	-
Total	Revenue	966.8	990.0	23.1	2.4
	Japan	607.4	692.4	85.0	14.0
	Outside Japan	359.4	297.5	-61.8	-17.2
Ratio of Revenue Outside Japan		37.2%	30.1%	-7.1%	

Business Segment Information



(Reference) [Revenue Breakdown-In and Outside Japan 1H]

(Billions of yen)

		1H FY2018 (Actual)	1H FY2019 (Actual)	Change	(%)
Technology Solutions	Revenue	1,409.1	1,454.6	45.5	3.2
	Japan	926.6	1,017.2	90.5	9.8
	Outside Japan	482.4	437.4	-45.0	-9.3
Services	Revenue	1,207.5	1,253.6	46.0	3.8
	Japan	786.1	873.2	87.1	11.1
	Outside Japan	421.4	380.3	-41.0	-9.7
System Platforms	Revenue	201.5	201.0	-0.4	-0.2
	Japan	140.5	144.0	3.4	2.5
	Outside Japan	61.0	57.0	-3.9	-6.5
Ubiquitous Solutions	Revenue	245.2	292.3	47.1	19.2
	Japan	170.9	219.5	48.6	28.4
	Outside Japan	74.3	72.8	-1.4	-2.0
Device Solutions	Revenue	264.1	171.7	-92.3	-35.0
	Japan	119.2	71.4	-47.7	-40.1
	Outside Japan	144.8	100.2	-44.5	-30.8
Other/Elimination and Corporate	Revenue	-83.9	-90.0	-6.0	-
Total	Revenue	1,834.5	1,828.7	-5.7	-0.3
	Japan	1,130.0	1,226.2	96.2	8.5
	Outside Japan	704.4	602.4	-101.9	-14.5

Ratio of Revenue Outside Japan

38.4%

32.9%

-5.5%

Financial Results of Consolidated Subsidiaries Outside Japan



(Billions of yen)

		2Q FY2018 (Actual)	2Q FY2019 (Actual)	Change		1H FY2018 (Actual)	1H FY2019 (Actual)	Change	
				Excl. special items/restructuring	Special items/ restructuring			Excl. special items/restructuring	Special items/ restructuring
Outside Japan	Revenue	350.7	277.6	-36.2	-36.8	686.3	564.1	-50.1	-72.0
	Operating Profit	4.1	6.3	-0.3	2.5	-2.6	6.8	7.4	2.1
EMEIA	Revenue	190.2	164.8	-21.2	-4.1	375.3	336.0	-31.1	-8.1
	Operating Profit	1.9	6.9	2.0	2.9	-2.1	9.0	8.3	2.9
Americas	Revenue	66.2	49.2	-7.4	-9.5	126.6	98.9	-9.3	-18.3
	Operating Profit	0.7	-1.9	-2.7	-0.0	-2.8	-4.1	-1.1	-0.1
Asia	Revenue	72.8	45.6	-4.0	-23.1	139.1	91.6	-2.0	-45.4
	Operating Profit	0.9	1.0	0.4	-0.3	1.5	1.5	0.6	-0.6
Oceania	Revenue	21.4	17.9	-3.4	-	45.2	37.5	-7.6	-
	Operating Profit	0.4	0.2	-0.2	-	0.7	0.4	-0.3	-

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

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

※ : In Europe, we have been operating in 2 areas since 2Q 2019: Northern & Western Europe (NWE) and Central & Eastern Europe (CEE).

2.Revenue includes Inter-region revenue.

3.Restructuring effects include the impact of semiconductor sales companies and electronic component manufacturers that were excluded from consolidation in the fourth quarter of fiscal 2018.

4.The impact of foreign exchange fluctuations for revenue was a decrease of 15.5 billion yen in 2Q 2019 (EMEIA 14 billion yen) and a decrease of 24.5 billion yen in the first half of 2019 (EMEIA 23 billion yen).

(Reference)

Assumption used for FY2019 Forecasts



1. Exchange Rates (Average) and Impact of Fluctuation

	FY2018 (Actual)	FY2019			Impact of Exchange Rate Fluctuation 2H (Forecast)*
		1H (Actual)	2H (Forecast)	Change vs. Previous Forecast	
U.S. dollar / Yen	111	109	105	-	-0.2 Billion yen
Euro / Yen	128	121	130	-	0.0 Billion yen
British pound / Yen	146	137	145	-	0.0 Billion yen
Euro / U.S. dollar	1.16	1.12	1.10	-	-0.8 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)

	1H		Full year		(Billions of yen) Change vs. Previous Forecast
	FY2018 (Actual)	FY2019 (Actual)	FY2018 (Actual)	FY2019 (Forecast)	
	Technology Solutions	26.4	23.9	49.3	
Ubiquitous Solutions	0.5	0.4	1.2	2.0	-
Device Solutions	10.6	26.7	26.4	48.0	-
Other / Corporate	2.7	3.0	6.5	7.0	-
Capital Expenditures	40.4	54.2	83.5	110.0	-
Depreciation	49.0	45.5	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	67.5	60.6	134.9	130.0	-
[As % of Revenue]	[3.7%]	[3.3%]	[3.4%]	[3.4%]	[-0.1%]