

**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<br>(Actual) | FY2017<br>(Actual) | Change |       | Change vs.<br>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<br>Before Income Taxes | 124.1              | 242.4              | 118.3  | 95.3  |                            |
| Profit for the Year<br>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

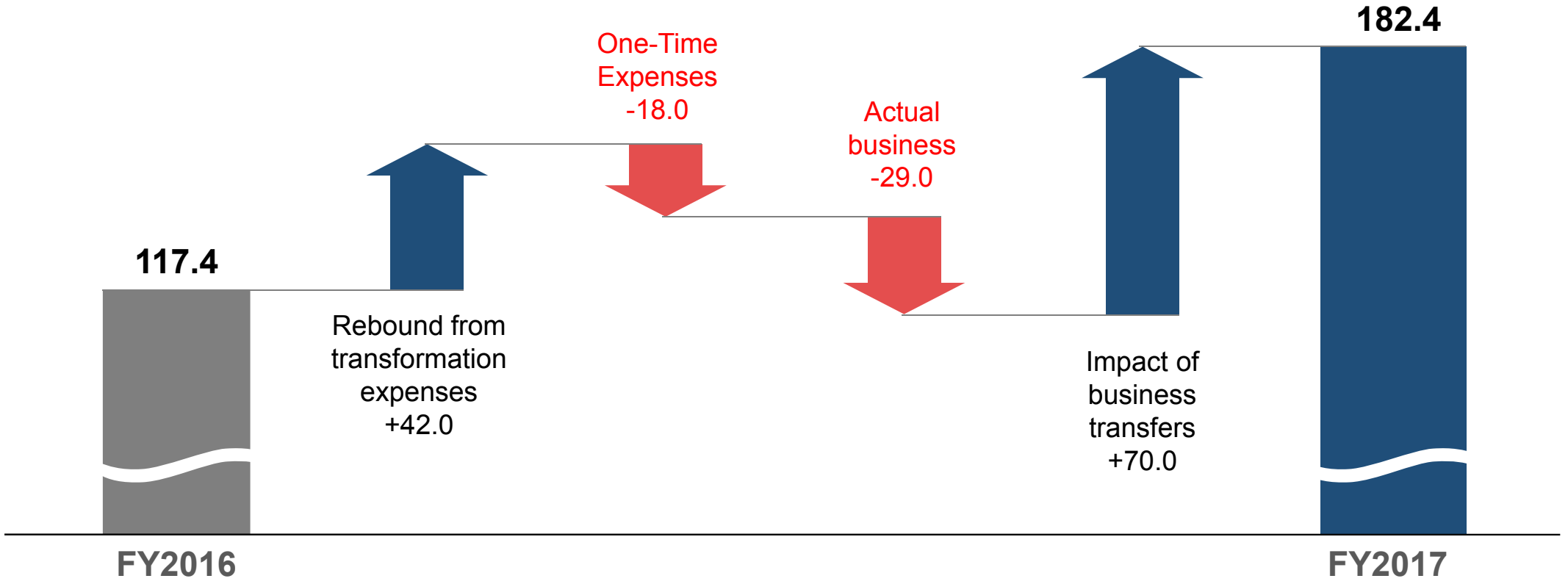
### [Profit for the Period Attributable to Owners of the Parent] Up 80.8 billion yen

Up 7.0 billion yen from discontinued operations(FUJITSU TEN)

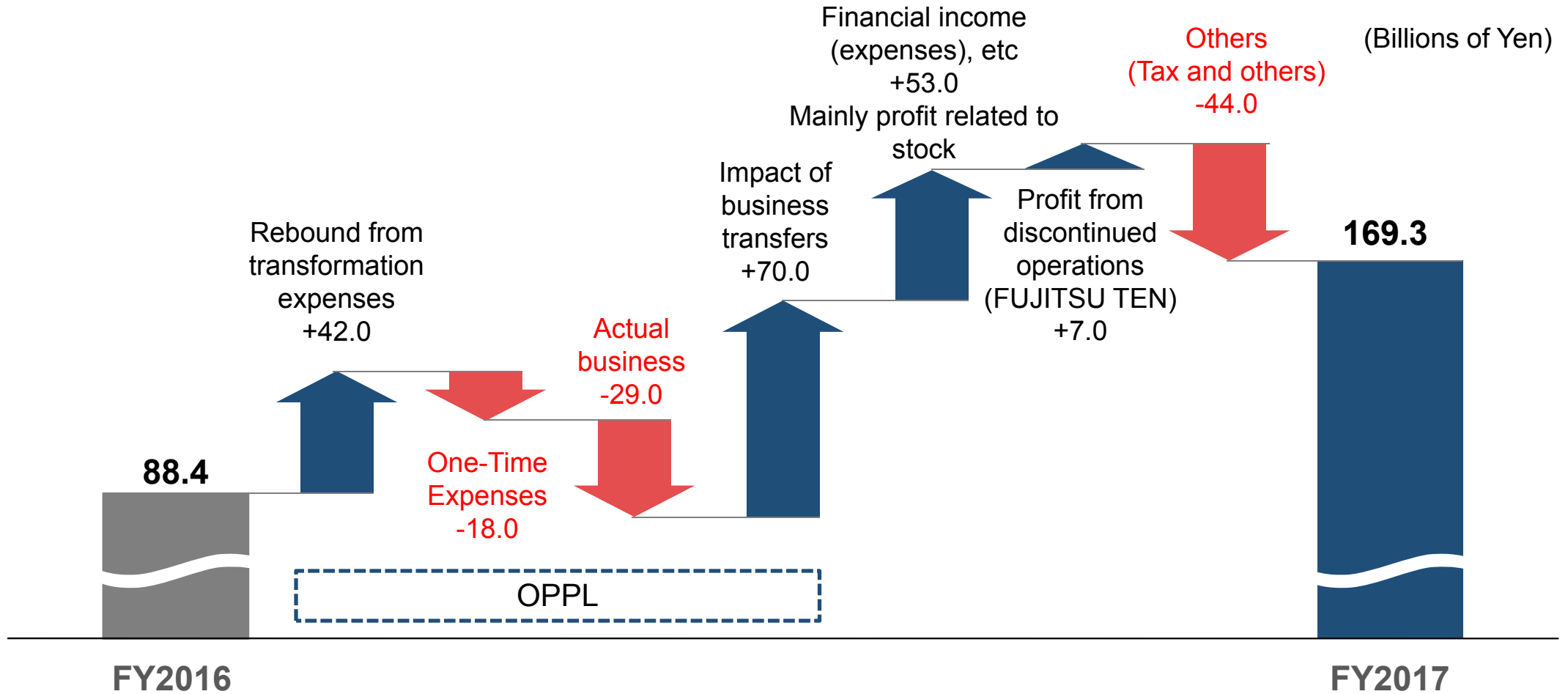
# Factors Behind Change in Operating Profit (FY2016→FY2017)



(Billions of Yen)



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



## Business Segment Information

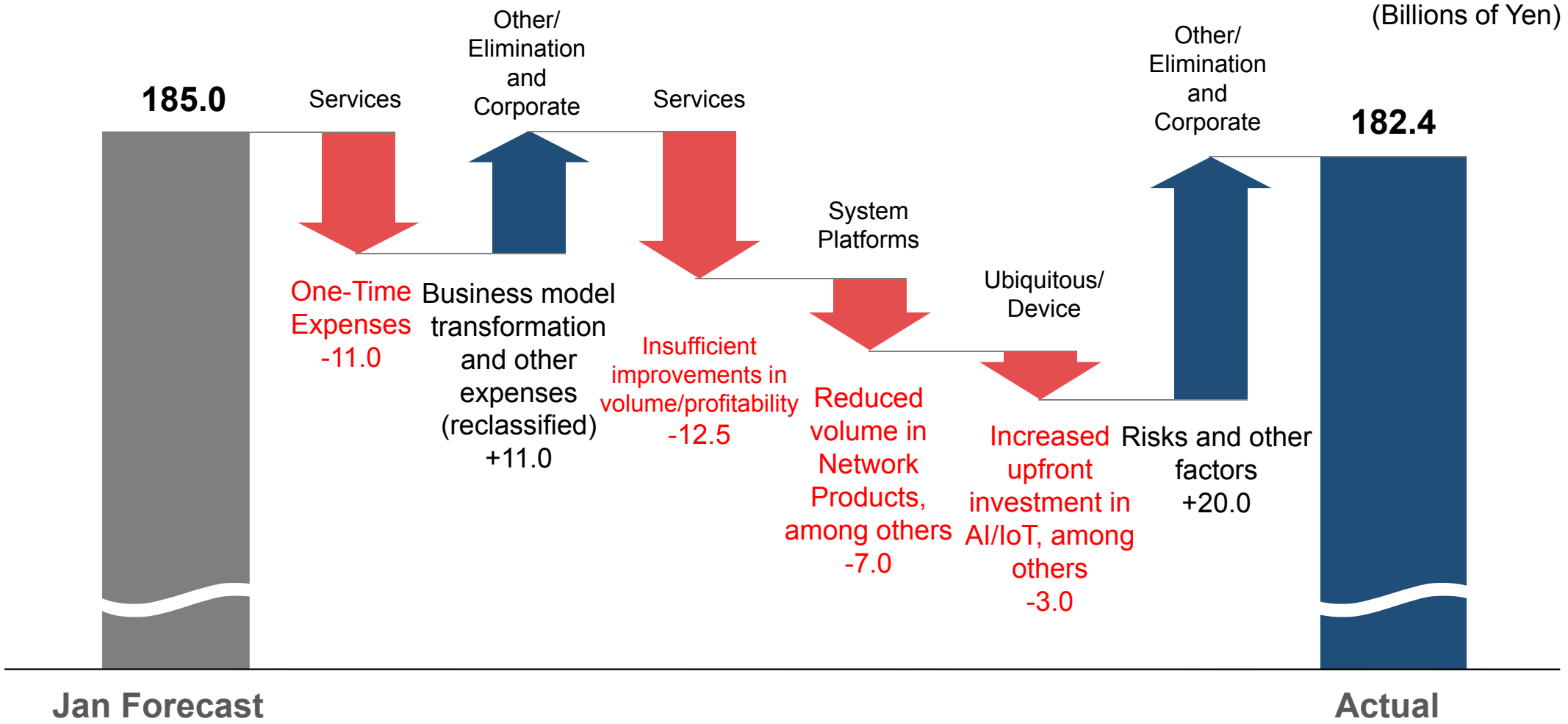


|         |                                 | FY2016<br>(Actual) | FY2017<br>(Actual) | Change       | (%)         | (Billions of yen)<br>Change vs.<br>Jan forecast |
|---------|---------------------------------|--------------------|--------------------|--------------|-------------|---|
| Revenue | Technology 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<br>(Actual) | FY2017<br>(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<br>(Actual) | FY2017<br>(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<br>(Actual) | FY2017<br>(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<br>(Actual) | FY2017<br>(Actual) | Change          |       |
|---|--------------------|--------------------|-----------------|-------|
|   |                    |                    |                 | (%)   |
| Revenue                                       | 645.5              | 663.9              | 18.3            | 2.8   |
| Operating profit<br>[Operating profit margin] | 17.3<br>[2.7%]     | 11.3<br>[1.7%]     | -6.0<br>[-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<br>(Actual) | FY2017<br>(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<br>(Actual) | FY2017<br>(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<br>FY2016 | Year-end<br>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<br>(Actual) | FY2018<br>(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% |
|--------------------------------|-------|-------|------|



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

Impact of restructuring : Approx. -200.0 billion 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

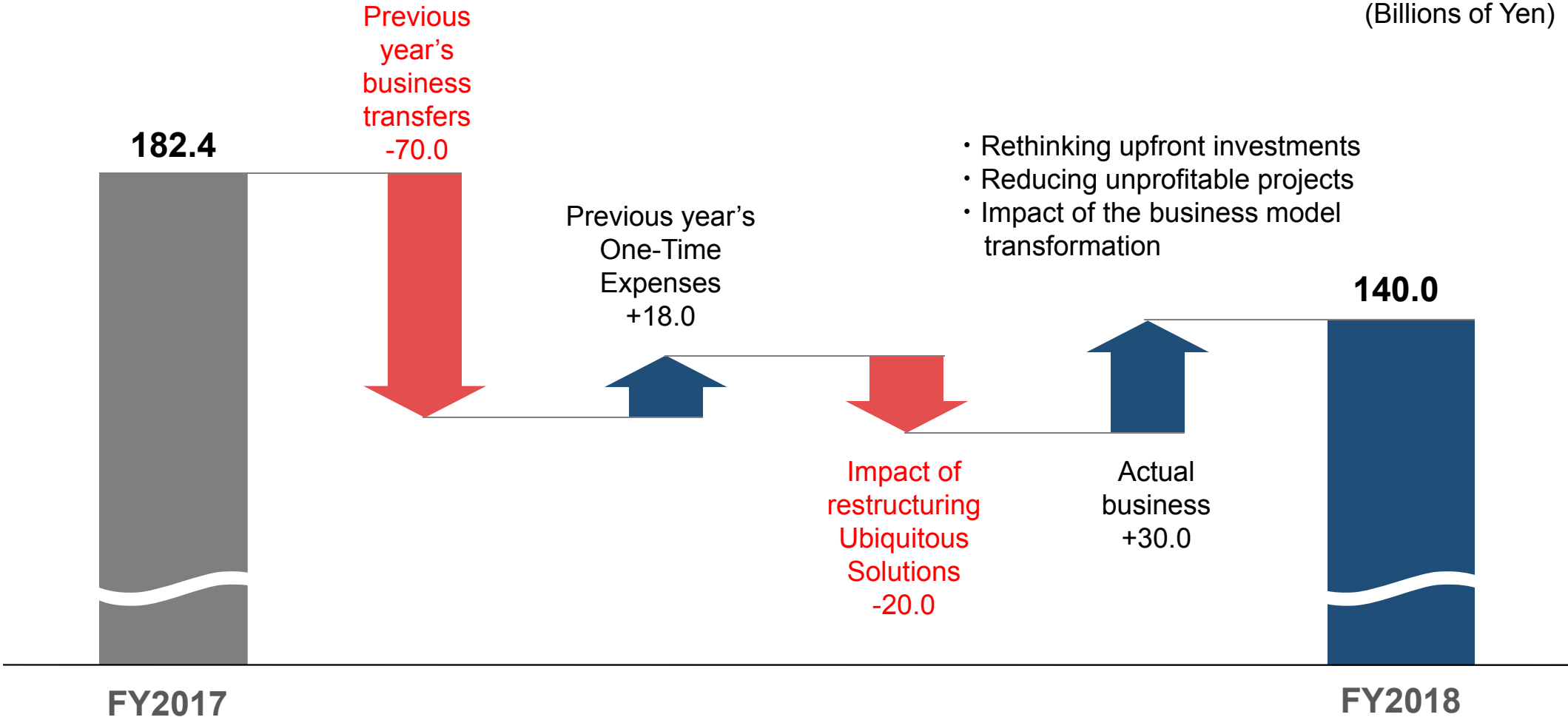
## **[Profit for the Period Attributable to Owners of the Parent] Decline 59.3 billion yen**

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)



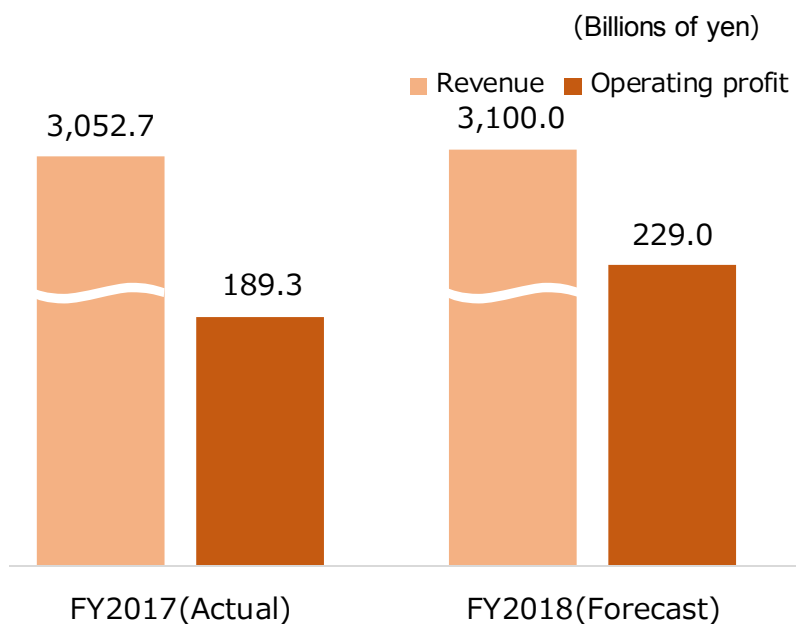
## Financial Forecast

(Billions of yen)

|         |                                 | FY2017<br>(Actual) | FY2018<br>(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 ]

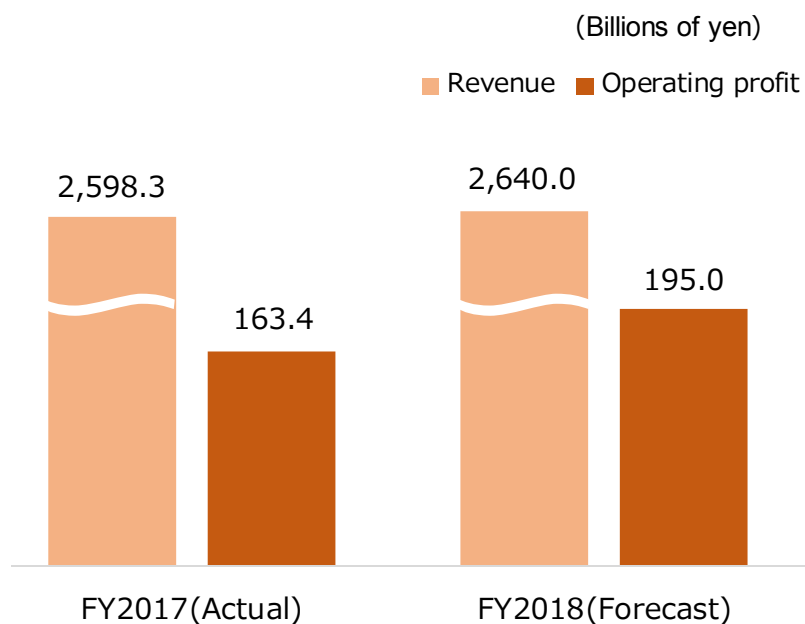


(Billions of yen)

| 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)

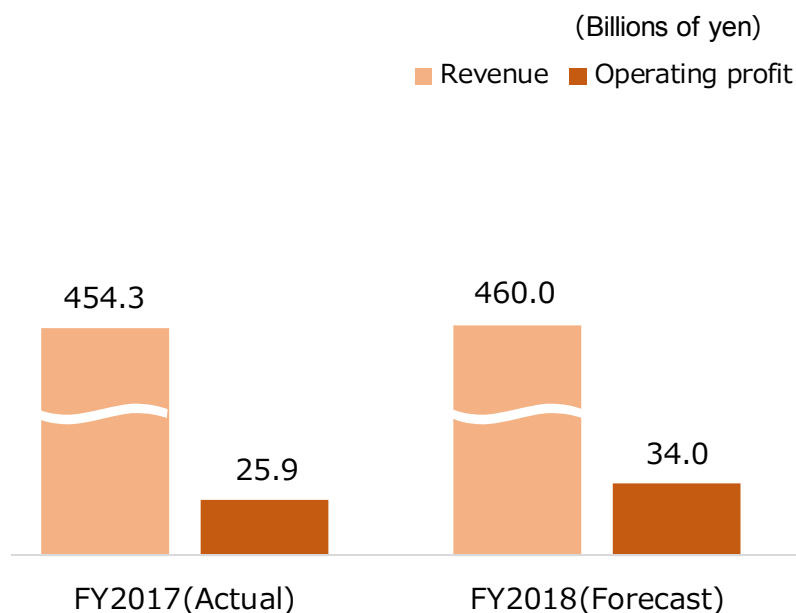
| Services                  | FY2017<br>(Actual) | FY2018<br>(Forecast) | Change |      |
|---------------------------|--------------------|----------------------|--------|------|
|                           |                    |                      |        | (%)  |
| Revenue                   | 2,598.3            | 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)

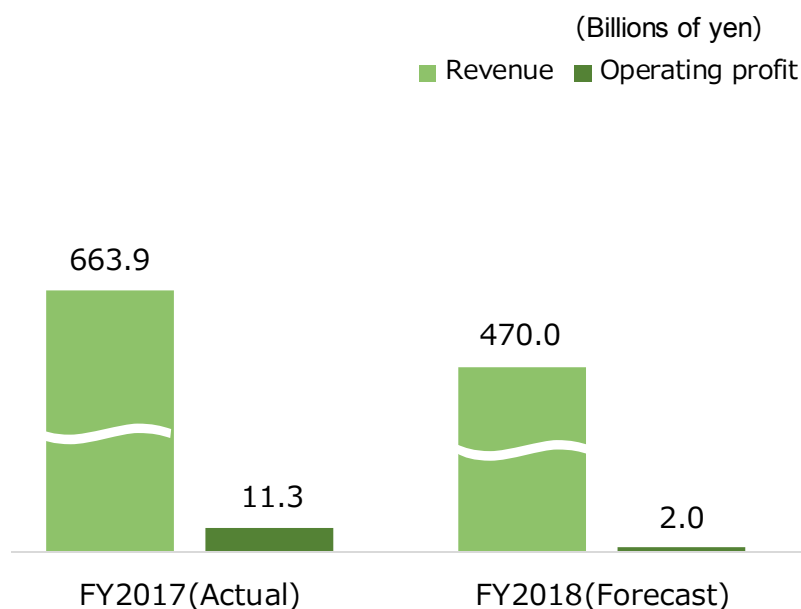
| System Platforms          | FY2017 (Actual) | FY2018 (Forecast) | Change | (%)  |
|---------------------------|-----------------|-------------------|--------|------|
| Revenue                   | 454.3           | 460.0             | 5.6    | 1.2  |
| System Products           | 248.7           | 270.0             | 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 ]



| 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)

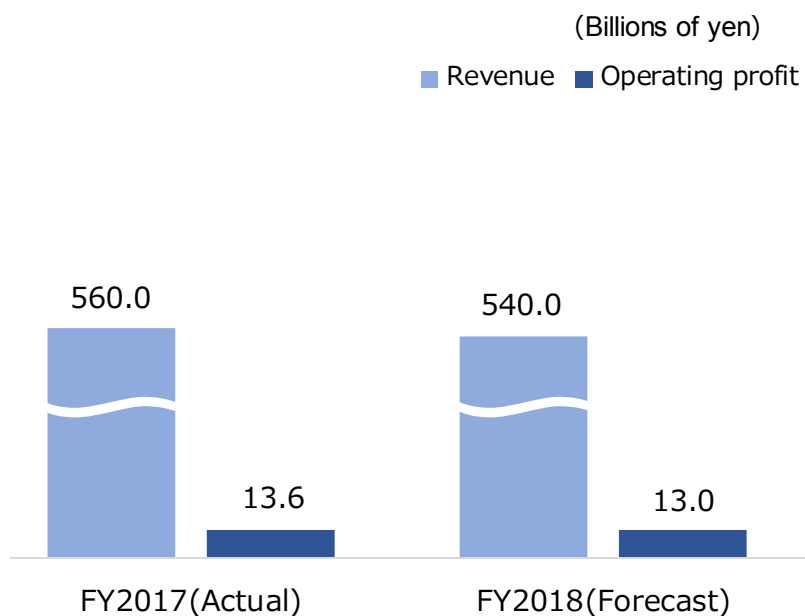
|               |       |       |        |       |
|---------------|-------|-------|--------|-------|
| Japan         | 502.1 | 330.0 | -172.1 | -34.3 |
| Outside Japan | 161.7 | 140.0 | -21.7  | -13.5 |

**[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<br>(Actual) | FY2018<br>(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<br>(Actual) | FY2017<br>(Actual) | FY2018<br>(Forecast) |
|----------------|--------------------|--------------------|----------------------|
| Free Cash Flow | 104.8              | 177.8              | 120.0                |

### 2. Dividends

(Yen)

|                    | FY2016<br>(Actual) | FY2017<br>(Actual) | FY2018<br>(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<br>(Actual) | FY2017<br>(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<br>(Actual) | FY2017<br>(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<br>(Actual) | FY2017<br>(Actual) | FY2018<br>(Forecast) | Impact of<br>Exchange Rate<br>Fluctuation<br>FY2018<br>(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<br>(Actual) | FY2017<br>(Actual) | FY2018<br>(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<br>(Actual) | FY2017<br>(Actual) | FY2018<br>(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<br>(Actual) | FY2017<br>(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