

Part I: Financial Results

The impact of foreign exchange fluctuations has been calculated by using the average US dollar, euro and British pound foreign exchange rates for the first quarter of fiscal 2016 to translate the current period's revenue outside Japan into yen.

Discontinued Operations

On April 28, 2017, Fujitsu reached an agreement with DENSO Corporation to sell DENSO a portion of the shares it holds in FUJITSU TEN LIMITED. Accordingly, from the first quarter of 2017, FUJITSU TEN is classified under "discontinued operations." The profit or loss from discontinued operations is presented separately from the figures for continuing operations as "Profit for the Period/Year from Discontinued Operations," and actual results from the previous fiscal year are presented in the same format. For the amounts, please refer to the supplemental explanation materials (Presentation Material).

1. Explanation of Financial Results

(1) Profit or Loss

Consolidated revenue for the first quarter of fiscal 2017 was 922.6 billion yen, up 22.6 billion yen from the first quarter of fiscal 2016. Revenue in Japan rose 5.4%. Apart from the impact of approximately 13.0 billion yen decrease in revenue due to the exclusion of Nifty's consumer ISP business in Fujitsu's consolidated results, revenue in Japan from the Services sub-segments increased. Revenue from network products, PCs, mobile phones, and LSI devices also all increased. Excluding the impact of the Nifty reorganization, revenue from all three of Fujitsu reportable segments rose. Outside of Japan, revenue fell by 2.0%. In addition to a decrease in revenue from the Services sub-segment resulting from a decline in the value of the British pound against the yen, revenue from electronic components also decreased. The ratio of revenue outside Japan was 37.3%, a decrease of 1.7 percentage points compared to the same period of the previous fiscal year.

Fujitsu recorded an operating profit of 4.9 billion yen, an improvement of 18.6 billion yen from the first quarter of fiscal 2016. Contributing factors include the impact of two special one-time circumstances. The first factor is the approximately 16.0 billion yen net gain on the sale of assets from Nifty's consumer ISP business, and others. The second is a deterioration factor of approximately 7.0 billion yen associated with the result of a legal dispute procedure at an overseas subsidiary. Excluding the impact from these factors, operating profit improved due to higher revenue in the network products of mobile phone base stations in Japan, PCs, mobile phones, and LSI devices as well as a result of not having the cost burden incurred in last fiscal year's first quarter from mandatory inspections of LSI device manufacturing facilities.

Profit for the period before income taxes from continuing operations was 7.4 billion yen, an improvement of 22.9 billion yen from the same period in fiscal 2016. In addition to improved operating profit, this was attributable to a reduction in the burden of financial expenses. In the first quarter of fiscal 2016, a foreign exchange loss of approximately 5.0 billion yen was recorded due to the sudden rise in the value of the yen.

Profit for the period attributable to owners of the parent, including from discontinued operations, was 2.1 billion yen, an improvement of 16.2 billion yen from the first quarter of fiscal 2016.

(2) Business Segment Information

Please refer to supplemental explanation materials (Presentation Material).