

3. FY2016 Earnings Forecasts

For fiscal 2016, Fujitsu is projecting revenue of 4,600 billion yen. This represents a decline of 2.9% from fiscal 2015, however, excluding the impact of foreign exchange movements, it is essentially unchanged from fiscal 2015. While lower revenue is expected in Ubiquitous Solutions and Device Solutions, due in part to the impact of lower demand for mobile phones and LSI devices, revenue is expected to rise in the Services and Systems Platforms sub-segments of the Technology Solutions segment, when excluding the impact of foreign exchange movements.

The forecast for operating profit is 120.0 billion yen, essentially unchanged from the previous year. Contributing factors for this forecast include the 41.5 billion yen in business model transformation expenses already being recorded in fiscal 2015, and on the other hand, in fiscal 2016, Fujitsu plans to continue to transform its business model, and anticipates expenses associated with these measures of 45.0 billion yen. The Device Solutions segment is expected to record lower operating profit due to the impact of deteriorating market conditions, but higher operating profit is projected for the Technology Solutions and Ubiquitous Solutions segments because of the impact of structural reforms, in addition to the fact that they will not incur the business model transformation expenses recorded in fiscal 2015. The 45.0 billion yen of business model transformation expenses expected for fiscal 2016 are included under Other/Elimination and Corporate. Fujitsu plans to reclassify these measures under the appropriate segment as they reach a stage when specific measures can be announced.

The projected profit for the year attributable to owners of the parent is 85.0 billion yen, approximately the same as in fiscal 2015.

Assumptions on exchange rates for fiscal 2016 are 110 yen for the US dollar, 125 yen for the euro, and 160 yen for the British pound.

FY2016 Full-Year Consolidated Forecast

(Billions of yen)

	FY2015 (Actual)	FY2016 (Forecast)	Change vs. FY2015	
				Change(%)
Revenue	4,739.2	4,600.0	-139.2	-2.9
Operating Profit	120.6	120.0	-0.6	-0.5
[Business Model Transformation Expenses]	[-41.5]	[-45.0]	[-3.4]	-
[Operating Profit Margin]	[2.5%]	[2.6%]	[0.1%]	
Profit for the Year Attributable to Owners of the Parent	86.7	85.0	-1.7	-2.0

[Revenue by Business Segment]

Technology Solutions	3,283.3	3,210.0	-73.3	-2.2
Services	2,765.1	2,690.0	-75.1	-2.7
System Platforms	518.1	520.0	1.8	0.4
Ubiquitous Solutions	1,040.9	1,000.0	-40.9	-3.9
Device Solutions	603.9	565.0	-38.9	-6.4
Other/Elimination and Corporate	-188.8	-175.0	13.8	-
Total	4,739.2	4,600.0	-139.2	-2.9

[Operating Profit by Business Segment]

Technology Solutions	[-35.9]	186.2	245.0	[35.9]	58.7	31.6
Services	[-19.1]	163.9	195.0	[19.1]	31.0	19.0
System Platforms	[-16.7]	22.3	50.0	[16.7]	27.6	124.1
Ubiquitous Solutions	[-5.6]	-7.6	14.0	[5.6]	21.6	-
Device Solutions		30.3	6.0		-24.3	-80.3
Other/Elimination and Corporate		-88.3	[-45.0]	[-45.0]	-56.6	-
Total	[-41.5]	120.6	[-45.0]	120.0	[-3.4]	-0.6

※Figures in [] are expenses related to the business model transformation