

April 28, 2016

FY 2015 Full-Year Financial Results
April 1, 2015 - March 31, 2016

Fujitsu Limited

Consolidated Financial Results for the Full-Year Ended March 31, 2016
[Prepared on the basis of International Financial Reporting Standards]

April 28, 2016

Fujitsu Limited	
Stock exchange listings:	Tokyo, Nagoya
Code number:	6702
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Scheduled annual shareholders' meeting date:	June 27, 2016
Scheduled dividend payment date:	June 6, 2016
Scheduled filing date of statutory financial report:	June 27, 2016
Supplementary material:	Yes
Financial results meeting:	Yes (for media and analysts)

1. Consolidated Results for the Full-Year Ended March 31, 2016

(Monetary amounts are rounded to the nearest million yen.)

(1) Consolidated financial results

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

(Millions of yen)

	Revenue		Operating profit		Profit before income taxes	
		Change (%)		Change (%)		Change (%)
FY 2015 (4/1/15-3/31/16)	4,739,294	-0.3	120,612	-32.5	131,822	-33.7
FY 2014 (4/1/14-3/31/15)	4,753,210	-0.2	178,628	21.3	198,864	23.4

	Profit for the Year		Profit for the Year attributable to owners of the parent		Total comprehensive income for the Year	
		Change (%)		Change (%)		Change (%)
FY 2015 (4/1/15-3/31/16)	90,421	-37.6	86,763	-38.0	5,530	-97.8
FY 2014 (4/1/14-3/31/15)	145,011	18.9	140,024	23.7	250,283	42.6

	Earnings per Share (Yen)		Return on Equity Attributable to Owners of the Parent (%)	Ratio of Profit before Income Taxes to Total Assets (%)	Ratio of Operating Profit to Revenue (%)
	Basic	Diluted			
FY 2015 (4/1/15-3/31/16)	41.94	41.93	11.0	4.1	2.5
FY 2014 (4/1/14-3/31/15)	67.68	67.64	20.6	6.2	3.8

[Reference] Income from investments accounted for using the equity method: FY2015; 18,462 million yen
 FY2014; 8,497 million yen

(2) Consolidated financial position (Millions of yen, except per share data)

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio (%)	Equity per Share Attributable to Owners of the Parent
March 31, 2016	3,226,303	926,240	782,782	24.3	378.37
March 31, 2015	3,271,121	934,397	790,089	24.2	381.88

(3) Consolidated Cash Flows (Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
FY 2015 (4/1/15-3/31/16)	253,092	-164,317	-67,741	380,810
FY 2014 (4/1/14-3/31/15)	280,149	-200,516	-17,327	362,028

2. Dividends per Share of Common Stock

(Yen)

	Dividends per Share					Total Amount of Dividends (Millions of yen)	Dividend Payout Ratio (%)	Ratio of Dividends to Net Assets (%)
	1Q	2Q	3Q	Year-End	Full Year			
FY 2014	-	4.00	-	4.00	8.00	16,552	11.8	2.4
FY 2015	-	4.00	-	4.00	8.00	16,551	19.1	2.1
FY 2016 (Forecast)	-	4.00	-	4.00	8.00		19.5	

3. Consolidated Earnings Forecast for FY2016

(The percentage figures represent the percentage of increase or decrease against the previous year.)

(Millions of yen, except per share data)

	Revenue	Change (%)	Operating profit	Change (%)	Profit for the year attributable to owners of the parent	Change (%)	Basic earnings per share
	FY 2016	4,600,000	-2.9	120,000	-0.5	85,000	

4. Other Information

- (1) Significant changes to subsidiaries in the current reporting period
 (Changes to specified subsidiaries resulting from changes in scope of consolidation): None
- (2) Changes in accounting policies and accounting estimates
 1. Changes in accounting policies required by IFRS: None
 2. Changes arising from factors other than 1: None
 3. Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

1. Number of issued shares at end of period	As of March 31, 2016	2,070,018,213	Shares
	As of March 31, 2015	2,070,018,213	Shares
2. Treasury stock held at end of period	As of March 31, 2016	1,189,496	Shares
	As of March 31, 2015	1,068,846	Shares
3. Average number of shares during period	Full-Year FY 2015	2,068,877,439	Shares
	Full-Year FY 2014	2,069,034,279	Shares

(Reference Information) Summary of FY2015 Full-Year Separate Financial Results

(Monetary amounts less than one million yen are rounded down.)

Separate Results for the Full-Year Ended March 31, 2016

(1) Separate Financial Results

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

(Millions of yen)

	Net Sales		Operating Income		Ordinary Income		Net Income (Loss)	
		Change(%)		Change(%)		Change(%)		Change(%)
FY 2015 (4/1/15-3/31/16)	2,006,830	-2.5	-24,979	-	37,487	-4.1	42,495	-5.4
FY 2014 (4/1/14-3/31/15)	2,058,834	-4.0	-1,029	-	39,080	-74.3	44,907	-75.7

(Yen)

	Net Income (Loss) per Common Share	
	Basic	
FY 2015 (4/1/15-3/31/16)	20.54	
FY 2014 (4/1/14-3/31/15)	21.70	

(2) Separate Financial Position

(Millions of yen, except per share data)

	Total Assets	Net Assets	Owners' Equity Ratio (%)	Net Assets per Share
March 31, 2016	2,098,697	680,608	32.4	328.98
March 31, 2015	2,036,700	668,882	32.8	323.30

[Reference] Owners' Equity:

March 31, 2016;

680,608 million yen

March 31, 2015;

668,882 million yen

Notes:

1. Compliance with audit procedures

These materials fall outside the jurisdiction of the audit procedures of the Financial Instruments and Exchange Act. Therefore, at the time of disclosure, a portion of the audit has not yet been completed.

Upon completion of the audit, a statutory audit report will be submitted on June 27, 2016.

2. Precautions on usage of earnings projections

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

For information regarding the assumptions used to prepare these projections, please refer to "Part I: Financial Results, 3. FY2016 Earnings Forecasts" on page 10.

Contents

Part I: Financial Results	p. 2
1. Explanation of Financial Results	p. 2
2. Explanation of Financial Condition	p. 8
3. FY2016 Earnings Forecasts	p. 10
4. Policy on Dividends and Dividend Forecast	p. 12
Part II: Management Direction	p. 14
1. Basic Management Policy	p. 14
2. Medium- to Long-Term Corporate Management Strategy and Priority Tasks	p. 14
Part III: Basic Approach to the Selection of Accounting Standards	p. 15
Part IV: Financial Tables	p. 16
1. Consolidated Statements of Financial Position	p. 16
2. Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income	p. 17
3. Consolidated Statements of Changes in Equity	p. 18
4. Consolidated Statements of Cash Flows	p. 19
5. Notes to Financial Statements	p. 20

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 fiscal 2014 to translate the current period's revenue outside Japan into yen.

1. Explanation of Financial Results

FY2015 Full-Year Financial Results

(Billions of yen)

	FY2014 4/1/14- 3/31/15	FY2015 4/1/15- 3/31/16	Change vs. FY2014		Change vs. Jan. Forecast
				Change (%)	
Revenue	4,753.2	4,739.2	-13.9	-0.3	-60.7
Operating profit	178.6	120.6	-58.0	-32.5	-9.3
[Expenses to transform business model]	[-]	※ [-41.5]	[-41.5]	-	[-11.5]
[Operating profit margin]	[3.8%]	[2.5%]	[-1.3%]		[-0.2%]
Financial income (expenses)	11.7	-7.2	-18.9	-	
Income from investments accounted for using the equity method, net	8.4	18.4	9.9	117.3	
Profit before income taxes	198.8	131.8	-67.0	-33.7	
Profit for the year attributable to owners of the parent	140.0	86.7	-53.2	-38.0	1.7

※ -32.4 for business outside Japan (-21.3 for EMEIA, -9.6 for North America, -1.4 for Other),
-5.1 for realignment of network products, -3.9 for realignment of Ubiquitous Solutions

<Profit or Loss>

Consolidated revenue for fiscal 2015 was 4,739.2 billion yen, essentially unchanged from fiscal 2014 both in Japan and outside Japan. In Japan, revenue from network products and PCs declined, but revenue from system integration services increased. Outside Japan, revenue from network products declined, but results benefited from foreign exchange movements. Primarily in the first half of the fiscal year, effects such as the weakening of the yen against the US dollar served to increase revenue when converted into yen by approximately 45 billion yen compared to fiscal 2014. The ratio of revenue outside Japan was 40.0%, an increase of 0.4 of a percentage point compared to the same period in the prior fiscal year, including the positive impact of foreign exchange movements.

Fujitsu recorded an operating profit of 120.6 billion yen, down 58.0 billion yen from fiscal 2014. The company recorded business model transformation expenses of 41.5 billion yen (32.4 billion yen for business outside Japan, 5.1 billion yen for network products business realignment, and 3.9 billion yen for Ubiquitous Solutions realignment). The deterioration caused by the impact of lower revenue of network products was offset by the impact of higher revenue of system integration services. The operating profit margin was 2.5%, down 1.3 percentage points from the prior fiscal year.

Net financial expenses were 7.2 billion yen, representing a deterioration of 18.9 billion yen from fiscal 2014, when the company recorded a net gain on foreign exchange because of the sharp fall in the value of the yen. Income from investments accounted for using the equity method, net, was 18.4 billion yen, an increase of 9.9 billion yen from fiscal 2014. Fujitsu's system LSI device design and development business was transferred to an affiliate (Socionext Inc., which commenced operations in March 2015, with a ratio of voting rights as follows: 40% Fujitsu, 20% Panasonic Corporation, and 40% Development Bank of Japan, Inc.). In addition, Fujitsu recorded a dilution gain from changes in equity interest stemming from an offering of shares of an affiliate on China's Shenzhen Stock Exchange.

As a result, income before income taxes was 131.8 billion yen, down 67.0 billion yen from the previous fiscal year.

Profit for the year attributable to owners of the parent was 86.7 billion yen, down 53.2 billion yen from fiscal 2014.

(Comparison with Earnings Forecast Announced in January 2016)

Revenue fell short of the projection by 60.7 billion yen because of lower-than-anticipated revenue from network product-related business as well as reduced revenue resulting from foreign exchange fluctuations. Operating profit fell short of the projection by 9.3 billion yen because of such factors as additional business model transformation expenses for business outside Japan (in North America and elsewhere). On the other hand, profit for the year attributable to owners of the parent was essentially in line with the January projection because of improvements in income from investments accounted for using the equity method and lower income tax expenses.

FY2015 Full-Year Consolidated Business Segment Information

<Revenue* and Operating Profit>

(Billions of yen)

		FY2014	FY2015	Change vs. FY2014	
		〔 4/1/2014 ~ 3/31/2015 〕	〔 4/1/2015 ~ 3/31/2016 〕		Change(%)
Technology Solutions	Revenue	3,302.8	3,283.3	-19.4	-0.6
	Japan	2,047.5	2,052.1	4.5	0.2
	Outside Japan	1,255.2	1,231.2	-23.9	-1.9
	Operating profit	222.4	186.2	-36.2	-16.3
	[Operating profit margin]	[6.7%]	[5.7%]	[-1.0%]	
Services	Revenue	2,706.2	2,765.1	58.9	2.2
	Japan	1,615.8	1,681.9	66.0	4.1
	Outside Japan	1,090.4	1,083.2	-7.1	-0.7
	Operating profit	177.2	163.9	-13.3	-7.5
	[Operating profit margin]	[6.5%]	[5.9%]	[-0.6%]	
System Platforms	Revenue	596.5	518.1	-78.3	-13.1
	Japan	431.7	370.1	-61.5	-14.3
	Outside Japan	164.7	147.9	-16.7	-10.2
	Operating profit	45.2	22.3	-22.9	-50.7
	[Operating profit margin]	[7.6%]	[4.3%]	[-3.3%]	
Ubiquitous Solutions	Revenue	1,062.8	1,040.9	-21.9	-2.1
	Japan	705.2	678.3	-26.8	-3.8
	Outside Japan	357.6	362.5	4.8	1.4
	Operating profit	8.7	-7.6	-16.4	-
	[Operating profit margin]	[0.8%]	[-0.7%]	[-1.5%]	
Device Solutions	Revenue	595.6	603.9	8.3	1.4
	Japan	306.0	289.7	-16.3	-5.3
	Outside Japan	289.5	314.2	24.6	8.5
	Operating profit	36.9	30.3	-6.5	-17.7
	[Operating profit margin]	[6.2%]	[5.0%]	[-1.2%]	
Other/Elimination and Corporate**	Revenue	-208.0	-188.8	19.1	-
	Operating profit	-89.5	-88.3	1.1	-
Total	Revenue	4,753.2	4,739.2	-13.9	-0.3
	Japan	2,873.2	2,845.0	-28.1	-1.0
	Outside Japan	1,879.9	1,894.2	14.2	0.8
	Operating profit	178.6	120.6	-58.0	-32.5
	[Operating profit margin]	[3.8%]	[2.5%]	[-1.3%]	

<Ratio of revenue outside Japan>

39.6%

40.0%

0.4%

<Revenue* by Principal Products and Services>

(Billions of yen)

	FY2014	FY2015	Change vs. FY2014	
	(4/1/2014 ~ 3/31/2015)	(4/1/2015 ~ 3/31/2016)		Change(%)
Technology Solutions	3,302.8	3,283.3	-19.4	-0.6
Services	2,706.2	2,765.1	58.9	2.2
Solutions / SI	952.2	1,010.9	58.6	6.2
Infrastructure Services	1,753.9	1,754.2	0.2	0.0
System Platforms	596.5	518.1	-78.3	-13.1
System Products	278.1	262.0	-16.0	-5.8
Network Products	318.4	256.0	-62.3	-19.6
Ubiquitous Solutions	1,062.8	1,040.9	-21.9	-2.1
PCs / Mobile Phones	709.3	651.3	-57.9	-8.2
Mobilewear	353.5	389.5	36.0	10.2
Device Solutions	595.6	603.9	8.3	1.4
LSI***	313.7	314.6	0.9	0.3
Electronic Components	283.4	290.7	7.3	2.6

<External revenue by Location of Customers>

Japan	2,873.2	2,845.0	-28.1	-1.0
Outside Japan	1,879.9	1,894.2	14.2	0.8
EMEIA****	990.6	952.0	-38.6	-3.9
Americas	392.0	420.4	28.3	7.2
Asia	387.1	421.0	33.9	8.8
Oceania	110.0	100.6	-9.4	-8.6

Notes:

* Revenue in each segment includes intersegment revenue.

** "Other/Elimination and Corporate" includes Japan's next-generation supercomputer project; facility services and the development of information services for Fujitsu Group companies; and welfare benefits for Fujitsu Group employees, as well as strategic expenses such as basic research and joint costs associated with Group management conducted by the parent company.

*** Revenue figures for LSI include intrasegment revenue to the electronic components segment.

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

Technology Solutions

Revenue in the Technology Solutions segment amounted to 3,283.3 billion yen, essentially unchanged from the previous fiscal year. Revenue in Japan remained on par with the previous fiscal year. Revenue in the Services sub-segment rose due to growth in system integration services on higher investment by customers in the financial services sector and public sector. Revenue from Infrastructure services was also solid, primarily from outsourcing services. In the System Platforms sub-segment, however, revenue in mobile phone base stations and optical transmission systems declined due to continuing investment constraints by telecommunications carriers. In addition, in server-related business, despite growth in x86 servers, revenue fell, particularly in mainframe-related business, due to a reduction in large-scale deals. Revenue outside Japan fell 1.9%. In the Services sub-segment, although revenue in Asia rose, revenue in the UK declined as it was an off-demand period for large-scale deals, as well as weakness in the US. In the System Platforms sub-segment, although there was higher revenue from x86 servers in Europe, overall revenue fell on declines in optical transmissions systems in North America, as investments by telecommunications carriers continued to be constrained with respect to relevant segments of Fujitsu's business.

The segment posted an operating profit of 186.2 billion yen, representing a decline of 36.2 billion yen compared to the previous fiscal year. The decline was the result of recording 35.9 billion yen in business model transformation expenses (30.7 billion yen related to business outside Japan, and 5.1 billion yen for network business realignment). Excluding the expenses for business model transformation, the adverse impact of lower revenue in network products and the impact of component cost increases for hardware products due to foreign exchange movements were absorbed through greater cost efficiencies and the impact of higher Services revenue in Japan, so operating profit was essentially unchanged from the previous year.

Ubiquitous Solutions

Revenue in the Ubiquitous Solutions segment was 1,040.9 billion yen, a decrease of 2.1% from the previous fiscal year. Revenue in Japan fell by 3.8%. For both enterprise and consumer PCs, revenue declined as the cycle of higher demand for upgrades resulting from the ending of support for an operating system had peaked in the first quarter of the prior fiscal year. For mobile phones, although smartphone revenue increased both for consumer phones and enterprise phones, overall revenue fell due in part to the decline in unit sales of feature phones. Revenue outside Japan rose by 1.4%. Unit sales of PCs in Europe fell, but revenue in the Mobilewear sub-segment rose, primarily in Europe and the US.

The Ubiquitous Solutions segment posted an operating loss of 7.6 billion yen, representing a deterioration of 16.4 billion yen from the previous fiscal year. In PCs, in addition to lower revenue, higher procurement costs for US dollar-denominated components in Europe and Japan, due to the continuing weakness of the yen and of the euro against the US dollar, adversely impacted results, causing a significant deterioration. In mobile phones, the deterioration caused by the impact of lower revenue and the impact of expenses incurred in the first half of the fiscal year to deal with a defective mobile phone model was largely offset by product development efficiencies and cost-saving measures. Operating profit in the Mobilewear sub-segment rose due to the effect of higher revenue.

Device Solutions

Revenue in the Device Solutions segment amounted to 603.9 billion yen, up 1.4%, due in part to the effects of the weak yen.

The segment posted an operating profit of 30.3 billion yen, down 6.5 billion yen from the previous fiscal year. Despite the impact of higher US dollar-denominated sales of both LSI devices and electronic components in the first half due to the continuing weakness of the yen against the US dollar, operating profit declined due to the impact of transferring the system LSI device business to an affiliate, as well as the impact of revenue declines due to lower total demand for smartphones and PCs, especially in the second half.

Other/Elimination and Corporate

This segment recorded an operating loss of 88.3 billion yen, representing an improvement of 1.1 billion yen from the previous fiscal year. While strategic investments were expanded in fields such as next-generation cloud platforms as a platform for using IoT*, the operating loss narrowed on progress in expense efficiencies and the recording of the partial release of reserves related to a legal dispute.

*IoT (Internet of Things): A structure where a wide variety of things, not only PCs and servers, are connected to the internet and exchange information.

2. Explanation of Financial Condition

(1) Assets, Liabilities and Equity

(Billions of yen)

	Year-end FY2014	Year-end FY2015	Change vs. Year-end FY2014
Total assets	3,271.1	3,226.3	-44.8
Total liabilities	2,336.7	2,300.0	-36.6
Total equity	934.3	926.2	-8.1
Total equity attributable to owners of the parent	790.0	782.7	-7.3
[Retained earnings]	[130.7]	[155.9]	[25.1]
[Other components of equity]	[101.8]	[68.9]	[-32.8]

Reference:

Cash and cash equivalents	362.0	380.8	18.7
Interest-bearing loans	578.4	534.9	-43.5
Net interest-bearing loans	216.4	154.1	-62.3
D/E ratio (times)	0.73	0.68	-0.05
Net D/E ratio (times)	0.27	0.20	-0.07
Equity attributable to owners of the parent ratio (%)	24.2%	24.3%	0.1%

Consolidated total assets at the end of fiscal 2015 were 3,226.3 billion yen, down 44.8 billion yen from the end of fiscal 2014. Trade receivables declined due to revenue in the fourth quarter decreasing compared to the fourth quarter of fiscal 2014.

Consolidated total liabilities amounted to 2,300.0 billion yen, a decline of 36.6 billion yen compared to the end of fiscal 2014. Although the net defined benefit liability increased because of a decline in interest rates and other factors, interest-bearing loans declined because of corporate bond redemptions, and there was also a decline in trade payables.

The balance of total equity was 926.2 billion yen, a decline of 8.1 billion yen from the end of fiscal 2014. Retained earnings increased because of the profit recorded for the year, but there was a decline in other components of equity because of foreign exchange and stock price movements.

Equity attributable to owners of the parent ratio (shareholders' equity ratio) was 24.3%, an increase of 0.1 of a percentage point from the end of fiscal 2014.

(2) Cash Flows

(Billions of yen)

	FY2014	FY2015	Change
I Net cash provided by operating activities	280.1	253.0	-27.0
II Net cash used in investing activities	-200.5	-164.3	36.1
I+II Free cash flow	79.6	88.7	9.1
III Net cash used in financing activities	-17.3	-67.7	-50.4
IV Cash and cash equivalents at end of year	362.0	380.8	18.7
Reference			
Interest-bearing loans to cash flows ratio (year)	2.1	2.1	-
Interest coverage ratio (times)	46.9	48.3	1.4

Note: Interest-bearing loans to cash flows ratio: Interest-bearing loans / Cash flows from operating activities

Interest-coverage ratio: Cash flows from operating activities / Interest charges

Net cash provided by operating activities in fiscal 2015 amounted to 253.0 billion yen, down 27.0 billion yen from the previous fiscal year. In fiscal 2014, there was a refund of approximately 26.0 billion yen in withholding taxes on income in relation to dividends received from subsidiaries in Japan.

Net cash used in investing activities was 164.3 billion yen. Compared to fiscal 2014, net cash outflows decreased by 36.1 billion yen.

In addition to lower capital expenditures for intangible assets, there was a cash inflow resulting from the sale of some facilities.

Free cash flow, the sum of cash flows from operating and investing activities, was 88.7 billion yen, up 9.1 billion yen compared to fiscal 2014.

Net cash used in financing activities was a negative 67.7 billion yen due to corporate bond redemption and other factors.

As a result of the above factors, cash and cash equivalents at the end of fiscal 2015 were 380.8 billion yen, an increase of 18.7 billion yen compared to the end of fiscal 2014.

(3) Status of Retirement Benefit Plans

(Billions of yen)

	Year-end FY2014	Year-end FY2015	Change
a. Defined benefit obligation	-2,484.3	-2,434.2	50.1
b. Plan Assets	2,180.8	2,074.5	-106.2
c. Defined benefit obligation in excess of plan assets (a) + (b)	-303.5	-359.6	-56.1

[Fundamental components used in making actuarial calculations]

Discount Rate	Japan	0.7%	0.3%	-0.4%
	Outside Japan (mainly in UK)	Mainly 3.4%	Mainly 3.4%	-

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

4. Policy on Dividends and Dividends Forecast

Article 40 of Fujitsu Limited's Articles of Incorporation grants the Board of Directors the authority to distribute retained earnings. As part of Fujitsu's basic policy on the exercise of this authority, a portion of retained earnings is paid to shareholders to provide a stable return, and a portion is retained by the Company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance. In addition, while taking into consideration its level of profit, when a sufficient volume of internal reserves is secured, including through the acquisition of its own shares, Fujitsu aims to more proactively distribute profits to shareholders.

In Fujitsu's consolidated financial results for fiscal 2015, profit declined in comparison with fiscal 2014 because, among other factors, business model transformation expenses were recorded in order to accelerate the transformation of the company's business model. However, because a certain level of profit was achieved, Fujitsu will pay a year-end dividend of 4 yen per share as planned.

For fiscal 2016, although the company does not expect to achieve a significant increase in profit because of continued initiatives to transform its business model, Fujitsu plans to pay an interim dividend and year-end dividend of 4 yen per share each, the same dividend levels as in fiscal 2015.

Overview of FY 2015 Separate Financial Results

Fujitsu's separate financial statement is prepared in accordance with Japan's Company Law and the Generally Accepted Accounting Principles in Japan.

<Profit and Loss (Separate)>

	FY2014 (4/1/2014 – 3/31/2015)	FY2015 (4/1/2015 – 3/31/2016)	Change
Net Sales	2,058.8	2,006.8	-52.0
Operating Income	-1.0	-24.9	-23.9
Non-Operating Income and Expenses	40.1	62.4	22.3
Ordinary Income	39.0	37.4	-1.5
Net Income(loss)	44.9	42.4	-2.4

(Billions of yen)

Net sales in fiscal 2015 were 2,006.8 billion yen, a decline of 52.0 billion yen from fiscal 2014. Fujitsu Limited reported an operating loss of 24.9 billion yen, a deterioration of 23.9 billion yen from fiscal 2014. Despite the impact of higher sales of system integration services, the operating loss widened because of the impact of lower sales of network products and PCs, as well as because of strategic investments made in next-generation cloud platforms and other areas for medium- to long-term growth.

Non-Operating Income and Expenses was 62.4 billion yen. Fujitsu recorded dividend income of 87.3 billion yen, primarily consisting of dividends from subsidiaries. In addition, the company recorded provision at the amount of 21.4 billion yen for capital deficits of Fujitsu Technology Solutions (Holding)

B.V. (hereinafter referred to as "Fujitsu Technology Solutions"), a European subsidiary of Fujitsu Limited. Against the backdrop of a deteriorating business environment, Fujitsu Technology Solutions initiated the process for the closure of one of its development facilities and other measures and, accordingly, recorded expenses for transforming its business model, resulting in Fujitsu Technology Solutions recording an operating loss. As such, the resolution of capital deficits is expected to take place over the long term.

As a result, ordinary income was 37.4 billion yen and net income was 42.4 billion yen for fiscal 2015. This was a decline of 1.5 billion yen and 2.4 billion yen, respectively, compared to the prior fiscal year.

<Net Assets (Separate)>

(Billions of yen)

	FY2014 (March 31, 2015)	FY2015 (March 31, 2016)	Change
Shareholders' Equity	616.6	642.5	25.8
Common Stock	324.6	324.6	-
Capital Surplus:	166.2	166.2	0.0
Other Capital Surplus	166.2	166.2	0.0
Retained Earnings:	126.3	152.2	25.9
Legal Retained Earnings	11.7	13.4	1.6
Other Retained Earnings	114.5	138.8	24.2
Treasury Stock	-0.5	-0.6	-0.0
Valuation and Translation Adjustments	52.2	38.0	-14.1
Total Net Assets	668.8	680.6	11.7
Allocable Funds for Distribution (Separate)	280.2	304.4	24.2

The balance of retained earnings at the end of fiscal 2015 was 152.2 billion yen, an increase of 25.9 billion yen from the end of fiscal 2014.

The balance of unrecognized retirement benefit obligations at the end of fiscal 2015 was 166.0 billion yen. Defined benefit obligations increased because of a decline in interest rates, resulting in a 31.1 billion yen increase in the balance of unrecognized defined benefit obligations. For separate financial results, unrecognized defined benefit obligations are not reflected on the balance sheet.

Part II: Management Direction

1. Basic Management Policy

Through its constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world. To achieve this vision, the Fujitsu Group strives for sustainable profit and growth, while continually enhancing its corporate value.

2. Medium- to Long-Term Corporate Management Strategy and Priority Tasks

Against a backdrop of increasingly sophisticated data devices and networks, the use of ICT is growing in all areas of society and the economy. As a result, the structure of many markets is undergoing change, with the creation of new businesses that transcend traditional industry boundaries. As consumer behavior changes and global competition accelerates, companies are increasingly employing new technologies to transform their businesses or gain competitive advantage. Expectations are high for the new role ICT can play in contributing to the creation of a prosperous society and the resolution of various social issues, such as disaster prevention, energy, the environment, and healthcare.

In this environment, the Fujitsu Group aims to become a true services company with technology solutions as its core. Moving forward on its own transformation, and supporting the business of its customers, the Fujitsu Group aims to use ICT to contribute to the creation of a prosperous society. To do so, the company seeks to expand ICT usage areas through business and social innovation, while also expanding its business globally.

In the area of business, Fujitsu is promoting business innovations that leverage new digital technologies for the IoT era. At the same time, Fujitsu seeks to generate social innovation to help bring about the realization of its vision of a Human Centric Intelligent Society, a more prosperous society that will be comfortable for people.

To expand its business globally, Fujitsu is continuing to further evolve the matrix organization between its business segments and regions. Fujitsu will accelerate its growth by further promoting coordination across the globe, including Japan, and fully utilize offshore capabilities by expanding its Global Delivery organization.

To achieve these objectives, Fujitsu will also continue its concerted efforts at research and development of next-generation technologies and at upfront investments aimed at achieving digital transformation.

As it strives to meet the challenges discussed above through ongoing efforts, the Fujitsu Group will further pursue the transformation of its operations in order to continue to earn the confidence of customers and society as a global enterprise contributing to the creation of a pleasant and secure networked society.

Part III: Basic Approach to the Selection of Accounting Standards

As of fiscal 2014 Fujitsu has adopted International Financial Reporting Standards (IFRS) for the preparation of consolidated financial statements, for the purpose of having a single, uniform accounting standard for Group companies and improving comparability of the company's financial information in the world's capital markets.

Part IV. Financial Tables

1. Consolidated Statement of Financial Position

(Millions of yen)

	Notes	FY2014 (At March 31, 2015)	FY2015 (At March 31, 2016)
Assets			
Current assets			
Cash and cash equivalents		362,028	380,810
Trade receivables		1,029,822	984,630
Other receivables		99,930	93,963
Inventories		313,882	298,849
Others		82,009	79,876
Subtotal		1,887,671	1,838,128
Assets held for sale		—	5,735
Total current assets		1,887,671	1,843,863
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		635,489	616,474
Goodwill		37,616	40,255
Intangible assets		167,560	164,292
Investments accounted for using the equity method		92,839	106,026
Other investments		178,645	155,010
Deferred tax assets		139,254	162,812
Others		132,047	137,571
Total non-current assets		1,383,450	1,382,440
Total assets		3,271,121	3,226,303
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		661,710	622,334
Other payables		419,214	422,672
Short-term borrowings, current portion of long-term debt and lease obligations		172,403	144,667
Accrued income taxes		18,415	18,772
Provisions		77,502	57,319
Others		174,089	181,279
Total current liabilities		1,523,333	1,447,043
Non-current liabilities			
Long-term debt and lease obligations		406,089	387,882
Retirement benefit liabilities		321,977	383,978
Provisions		34,810	33,353
Deferred tax liabilities		8,075	5,224
Others		42,440	42,583
Total non-current liabilities		813,391	853,020
Total liabilities		2,336,724	2,300,063
Equity			
Share capital		324,625	324,625
Capital surplus		233,432	233,896
Treasury stock, at cost		-547	-627
Retained earnings		130,741	155,930
Other components of equity		101,838	68,958
Total equity attributable to owners of the parent		790,089	782,782
Non-controlling interests		144,308	143,458
Total equity		934,397	926,240
Total liabilities and equity		3,271,121	3,226,303

2. Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

	(Millions of yen, except per share data)	
	FY2014	FY2015
	Notes (For the full-year ended March 31, 2015)	(For the full-year ended March 31, 2016)
Revenue	4,753,210	4,739,294
Cost of sales	-3,471,711	-3,487,830
Gross profit	1,281,499	1,251,464
Selling, general and administrative expenses	-1,101,497	-1,087,122
Other income (expenses)	-1,374	-43,730
Operating profit	178,628	120,612
Financial income	22,682	7,673
Financial expenses	-10,943	-14,925
Income from investments accounted for using the equity method, net	8,497	18,462
Profit for the year before income taxes	198,864	131,822
Income tax expenses	-53,853	-41,401
Profit for the year	145,011	90,421
Profit for the year attributable to:		
Owners of the parent	140,024	86,763
Non-controlling interests	4,987	3,658
Total	145,011	90,421
Earning per share		
	5-3	
Basic earnings per share (Yen)	67.68	41.94
Diluted earnings per share (Yen)	67.64	41.93

	(Millions of yen)	
	FY2014	FY2015
	Notes (For the full-year ended March 31, 2015)	(For the full-year ended March 31, 2016)
Profit for the year	145,011	90,421
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	63,106	-48,913
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	17,220	-18,787
Cash flow hedges	-79	-256
Available-for-sale financial assets	21,523	-13,587
Share of other comprehensive income of investments accounted for using the equity method	3,502	-3,348
	42,166	-35,978
Total other comprehensive income for the year, net of taxes	105,272	-84,891
Total comprehensive income for the year	250,283	5,530
Total comprehensive income attributable to:		
Owners of the parent	240,329	8,860
Non-controlling interests	9,954	-3,330
Total	250,283	5,530

3. Consolidated Statement of Changes in Equity

(Millions of yen)

Notes	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock, at cost	Retained earnings	Other components of equity	Total		
Balance at April 1, 2014	324,625	233,510	-422	-54,341	63,143	566,515	131,436	697,951
Profit for the year				140,024		140,024	4,987	145,011
Other comprehensive income					100,305	100,305	4,967	105,272
Total comprehensive income for the year	—	—	—	140,024	100,305	240,329	9,954	250,283
Purchase of treasury stock			-127			-127	-2	-129
Disposal of treasury stock		1	2			3		3
Dividends paid				-16,552		-16,552	-2,904	-19,456
Transfer to retained earnings				61,610	-61,610	—		—
Acquisition (disposal) of non-controlling interests		-79				-79	6,007	5,928
Changes in ownership interests in subsidiaries						—	-183	-183
Balance at March 31, 2015	324,625	233,432	-547	130,741	101,838	790,089	144,308	934,397

(Millions of yen)

Notes	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock, at cost	Retained earnings	Other components of equity	Total		
Balance at April 1, 2015	324,625	233,432	-547	130,741	101,838	790,089	144,308	934,397
Profit for the year				86,763		86,763	3,658	90,421
Other comprehensive income					-77,903	-77,903	-6,988	-84,891
Total comprehensive income for the year	—	—	—	86,763	-77,903	8,860	-3,330	5,530
Purchase of treasury stock			-83			-83		-83
Disposal of treasury stock			3			3		3
Dividends paid				-16,551		-16,551	-3,052	-19,603
Transfer to retained earnings				-45,023	45,023	—		—
Acquisition (disposal) of non-controlling interests		464				464	5,344	5,808
Changes in ownership interests in subsidiaries						—	188	188
Balance at March 31, 2016	324,625	233,896	-627	155,930	68,958	782,782	143,458	926,240

4.Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY2014	FY2015
	Notes (For the full-year ended March 31, 2015)	(For the full-year ended March 31, 2016)
<i>Cash flows from operating activities</i>		
Profit for the year before income taxes	198,864	131,822
Depreciation, amortization and impairment loss	187,844	203,123
Increase (decrease) in provisions	-42,209	-7,684
Increase (decrease) in net defined benefit liability	-14,687	-7,063
Interest and dividend income	-5,688	-5,446
Interest charges	5,974	5,245
Equity in earnings of affiliates, net	-8,497	-18,462
(Increase) decrease in trade receivables	-75,698	30,342
(Increase) decrease in inventories	13,778	11,520
Increase (decrease) in trade payables	32,686	-27,141
Other, net	-789	-26,089
Cash generated from operations	<u>291,578</u>	<u>290,167</u>
Interest received	2,292	1,611
Dividends received	4,419	5,184
Interest paid	-5,921	-5,347
Income taxes paid	-12,219	-38,523
Net cash provided by operating activities	<u>280,149</u>	<u>253,092</u>
<i>Cash flows from investing activities</i>		
Purchases of property, plant, equipment, and intangible assets	-199,109	-189,770
Proceeds from sale of available-for-sale financial assets	2,043	7,477
Other, net	-3,450	17,976
Net cash used in investing activities	<u>-200,516</u>	<u>-164,317</u>
<i>Cash flows from financing activities</i>		
Increase (decrease) in short-term borrowings	5,769	-26,407
Proceeds from long-term debt and issuance of bonds	100,426	97,124
Repayment of long-term debt and bonds	-94,530	-108,206
Payment of lease obligation	-15,641	-15,673
Dividends paid to owners of the parent	-16,552	-16,551
Other, net	3,201	1,972
Net cash used in financing activities	<u>-17,327</u>	<u>-67,741</u>
Net increase (decrease) in cash and cash equivalents	<u>62,306</u>	<u>21,034</u>
Cash and cash equivalents at beginning of year	<u>301,162</u>	<u>362,028</u>
Effect of exchange rate changes on cash and cash equivalents	<u>-1,440</u>	<u>-2,252</u>
Cash and cash equivalents at end of year	<u>362,028</u>	<u>380,810</u>

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.

2. Segment Information

Regarding “Information on revenue and operating profit for each reporting segment”, “Information on products and services” and “Geographical Information (Based on Customer Locations)”, please refer to “<Revenue and Operating Profit>” on page 4, “<Revenue by Principal Products and Services>” and “<External revenue by Location of Customers>” on page 5.

3. Earnings per Share

Calculation basis for basic earnings per share and diluted earnings per share

Basic Earnings per Share

		FY2014 (For full-year ended March 31, 2015)	FY2015 (For full-year ended March 31, 2016)
Profit for the year, attributable to ordinary equity holders of the parent	Millions of yen	140,024	86,763
Weighted average number of ordinary shares - basic	Thousands of share	2,069,034	2,068,877
Earnings per shares	Yen	67.68	41.94

Diluted Earnings per Share

		FY2014 (For full-year ended March 31, 2015)	FY2015 (For full-year ended March 31, 2016)
Profit for the year, attributable to ordinary equity holders of the parent	Millions of yen	140,024	86,763
Adjustment related to dilutive securities issued by subsidiaries and affiliates	Millions of yen	-72	-10
Profit used to calculate diluted earnings per share	Millions of yen	139,952	86,753
Weighted average number of ordinary shares - basic	Thousands of share	2,069,034	2,068,877
Weighted average number of ordinary shares - diluted	Thousands of share	2,069,034	2,068,877
Diluted earnings per share	Yen	67.64	41.93

4. Major Subsequent Events

None.