

July 28, 2016

**FY 2016 First Quarter Financial Results**  
April 1, 2016 - June 30, 2016

Fujitsu Limited

## Consolidated Financial Results for the First-Quarter Ended June 30, 2016

[Prepared on the basis of International Financial Reporting Standards]

July 28, 2016

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 Stock exchange listings : Tokyo, Nagoya  
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 Scheduled dividend payment date: : -  
 Supplementary material: : Yes  
 Financial results meeting: : Yes (for media and analysts)

### 1. Consolidated Results for the First-Quarter Ended June 30, 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		Profit for the period	
		Change (%)		Change (%)		Change (%)		Change (%)
1Q FY 2016 (4/1/16-6/30/16)	986,553	-7.4	-11,219	-	-13,228	-	-15,211	-
1Q FY 2015 (4/1/15-6/30/15)	1,065,081	-0.3	-27,318	-	-16,819	-	-17,600	-

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
		Change (%)		Change (%)
1Q FY 2016 (4/1/16-6/30/16)	-14,054	-	-99,014	-
1Q FY 2015 (4/1/15-6/30/15)	-18,903	-	-15,672	-

(Yen)

	Earnings per share	
	Basic	Diluted
1Q FY 2016 (4/1/16-6/30/16)	-6.79	-6.84
1Q FY 2015 (4/1/15-6/30/15)	-9.14	-9.25

#### (2) Consolidated financial position

(Millions of yen)

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
June 30, 2016	3,008,695	806,971	679,844	22.6%
March 31, 2016	3,226,303	926,240	782,782	24.3%

### 2. Dividends per Share (Ordinary Shares)

(Yen)

	Dividends per share				
	1Q	2Q	3Q	Year-end	Full year
FY2015	-	4.00	-	4.00	8.00
FY2016	-				
FY2016(Forecast)		4.00	-	4.00	8.00

### 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		Operating profit		Profit for the period attributable to owners of the parent		Basic earnings per share
		Change (%)		Change (%)		Change (%)	
FY2016	4,600,000	-2.9	120,000	-0.5	85,000	-2.0	41.09

Note: Revision of the latest consolidated earnings forecast: None

#### 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 June 30, 2016	2,070,018,213
	As of March 31, 2016	2,070,018,213
2. Treasury stock held at end of period	As of June 30, 2016	1,196,652
	As of March 31, 2016	1,189,496
3. Average number of shares during period	1Q FY 2016	2,068,823,076
	1Q FY 2015	2,068,923,968

#### Notes

##### 1. Compliance with quarterly review procedures

These materials fall outside the jurisdiction of the quarterly review procedures of the Financial Instruments and Exchange Act. Therefore, at the time of disclosure, a portion of the review has not yet been completed. Upon completion of the review, a statutory quarterly report will be submitted on August 2, 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 7.

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## 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 2015 to translate the current period's revenue outside Japan into yen.

### 1. Explanation of Financial Results

#### FY2016 First-Quarter Financial Results

(Billions of yen)

	1Q FY2015	1Q FY2016	Change vs.	
	4/1/15- 6/30/15	4/1/16- 6/30/16	1Q FY2015	Change (%)
Revenue	1,065.0	986.5	-78.5	-7.4
Operating profit	-27.3	-11.2	16.0	-
[Business Model Transformation Expenses]	[-4.4]	[ - ]	[4.4]	-
[Operating profit margin]	[-2.6%]	[-1.1%]	[1.5%]	
Financial income (expenses)	1.8	-4.0	-5.8	-
Income from investments accounted for using the equity method, net	8.6	2.0	-6.6	-76.4
Profit for the period before income taxes	-16.8	-13.2	3.5	-
Profit for the period attributable to owners of the parent	-18.9	-14.0	4.8	-

#### <Profit or Loss>

Consolidated revenue for the first quarter of fiscal 2016 was 986.5 billion yen, down 78.5 billion yen from the first quarter of fiscal 2015. Revenue in Japan decreased 3.4%. Although revenue in Japan from services increased, especially in systems integration and outsourcing services, revenue from mobile phones and LSI devices declined. Revenue outside of Japan decreased 12.7%. In addition to a decline in revenue from infrastructure services in the US and Europe, and a decline in revenue from network products in North America, results were impacted by foreign exchange movements. The appreciation in the value of the yen, mainly versus the US dollar and British pound, led to a decrease in revenue by about 45.0 billion yen compared to the first quarter of fiscal 2015. Due in part to the impact of foreign exchange movements, the ratio of revenue outside Japan was 40.1%, a decrease of 2.5 percentage points compared to the same period in the prior fiscal year.

Fujitsu recorded an operating loss of 11.2 billion yen, an improvement of 16.0 billion yen from the first quarter of fiscal 2015. Despite the impact of lower revenue from LSI devices and other areas, operating profit improved because of higher revenue from services in Japan and cost reductions and efficiencies in PCs and mobile phones, as well as the impact in the first quarter of fiscal 2015 of one-time expenses related to employee relocations in the network business in Japan.

Net financial loss was 4.0 billion yen, representing a deterioration of 5.8 billion yen from the same period in fiscal 2015. This was due to the recording of a foreign exchange loss accompanying the sudden rise in the value of the yen at the end of this first quarter. Income from investments accounted for using the equity method, net, was 2.0 billion yen, a decrease of 6.6 billion yen from the first quarter of fiscal 2015. This was, in part, the result of recording one-time profits from an offering of shares of an affiliate on China's Shenzhen Stock Exchange in the same period of fiscal 2015.

As a result, the loss before income taxes was 13.2 billion yen, an improvement of 3.5 billion yen from the first quarter of the previous fiscal year.

The loss for the period attributable to owners of the parent was 14.0 billion yen, an improvement of 4.8 billion yen from the first quarter of fiscal 2015.

## FY2016 First-Quarter Consolidated Business Segment Information

### <Revenue\* and Operating Profit>

(Billions of yen)

		1Q FY2015	1Q FY2016	Change vs. 1Q FY2015	
		〔 4/1/2015 ~ 6/30/2015 〕	〔 4/1/2016 ~ 6/30/2016 〕		Change(%)
Technology Solutions	Revenue	718.8	672.7	-46.0	-6.4
	Japan	423.1	430.4	7.2	1.7
	Outside Japan	295.7	242.3	-53.3	-18.0
	Operating profit	-4.0	7.1	11.1	-
	[Operating profit margin]	[-0.6%]	[1.1%]	[1.7%]	
Services	Revenue	611.2	578.3	-32.9	-5.4
	Japan	350.6	361.3	10.6	3.0
	Outside Japan	260.6	216.9	-43.6	-16.7
	Operating profit	9.9	15.0	5.0	51.3
	[Operating profit margin]	[1.6%]	[2.6%]	[1.0%]	
System Platforms	Revenue	107.6	94.4	-13.1	-12.2
	Japan	72.4	69.0	-3.3	-4.7
	Outside Japan	35.1	25.3	-9.7	-27.7
	Operating profit	-13.9	-7.8	6.0	-
	[Operating profit margin]	[-13.0%]	[-8.4%]	[4.6%]	
Ubiquitous Solutions	Revenue	243.2	219.8	-23.3	-9.6
	Japan	155.1	139.2	-15.9	-10.3
	Outside Japan	88.1	80.6	-7.4	-8.5
	Operating profit	-7.6	4.6	12.2	-
	[Operating profit margin]	[-3.1%]	[2.1%]	[5.2%]	
Device Solutions	Revenue	149.9	130.0	-19.8	-13.3
	Japan	73.8	56.7	-17.1	-23.2
	Outside Japan	76.0	73.2	-2.7	-3.6
	Operating profit	10.7	-1.1	-11.9	-
	[Operating profit margin]	[7.1%]	[-0.9%]	[-8.0%]	
Other/Elimination and Corporate**	Revenue	-46.9	-36.1	10.8	-
	Operating profit	-26.3	-21.7	4.6	-
Total	Revenue	1,065.0	986.5	-78.5	-7.4
	Japan	611.6	590.7	-20.9	-3.4
	Outside Japan	453.3	395.8	-57.5	-12.7
	Operating profit	-27.3	-11.2	16.0	-
	[Operating profit margin]	[-2.6%]	[-1.1%]	[1.5%]	

<Ratio of revenue outside Japan>

42.6%

40.1%

-2.5%

<Revenue\* by Principal Products and Services>

(Billions of yen)

	1Q FY2015	1Q FY2016	Change vs. 1Q FY2015	
	( 4/1/2015 ~ 6/30/2015 )	( 4/1/2016 ~ 6/30/2016 )		Change(%)
Technology Solutions	718.8	672.7	-46.0	-6.4
Services	611.2	578.3	-32.9	-5.4
Solutions / SI	211.3	211.5	0.2	0.1
Infrastructure Services	399.9	366.7	-33.2	-8.3
System Platforms	107.6	94.4	-13.1	-12.2
System Products	55.1	53.1	-2.0	-3.6
Network Products	52.4	41.3	-11.1	-21.2
Ubiquitous Solutions	243.2	219.8	-23.3	-9.6
PCs / Mobile Phones	151.6	125.9	-25.6	-16.9
Mobilewear	91.6	93.9	2.2	2.5
Device Solutions	149.9	130.0	-19.8	-13.3
LSI***	80.5	63.7	-16.8	-20.9
Electronic Components	69.7	66.6	-3.1	-4.5

Notes:

\* Revenue in each segment includes intersegment revenue.

\*\* "Other/Elimination and Corporate" includes Japan's next-generation supercomputer project, Next-Generation Cloud services and 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.

## Technology Solutions

Revenue in the Technology Solutions segment amounted to 672.7 billion yen, a decrease of 6.4% from the first quarter of fiscal 2015. Revenue in Japan rose 1.7%. In the Services sub-segment, revenue from system integration services rose due to growth in business from customers in the manufacturing field and retailing and distribution field, as well as from telecommunications carriers, even though a deal for a large-scale project in the financial services field had already passed its peak. Revenue from infrastructure services also rose, primarily in outsourcing services. In the System Platforms sub-segment, however, revenue fell because of constrained investment in infrastructure hardware by network products customers. Revenue outside Japan fell 18%. In the Services sub-segment, revenue fell as a result of weak sales in Europe and the US, in addition to the impact of foreign exchange movements. In the System Platforms sub-segment, revenue fell due to continued investment constraints by telecommunications carriers in North America in optical transmission systems.

The segment posted an operating profit of 7.1 billion yen, representing an improvement of 11.1 billion yen compared to the same period in fiscal 2015. In the Services sub-segment, although revenue fell, primarily outside Japan, operating profit increased because of ongoing profitability improvements both in and outside Japan. In the System Platforms sub-segment, in addition to profitability improvements in the server-related business, primarily in x86 servers, the operating profit for network products improved as a result of lower overhead costs and because, in the first quarter of fiscal 2015, the Company recorded 4.4 billion yen in business model transformation expenses (one-time expenses related to the relocation of employees in the business in Japan), despite the negative impact of lower sales.

## Ubiquitous Solutions

Revenue in the Ubiquitous Solutions segment was 219.8 billion yen, a decrease of 9.6% from the first quarter of fiscal 2015. Revenue in Japan fell by 10.3%. For mobile phones, there was a significant decline in revenue from the previous year, primarily in high-end models, due to a longer replacement cycle. For PCs, although enterprise sales remained strong, revenue fell because of lower consumer sales. On the other hand, revenue in Mobilewear increased. Revenue outside Japan fell by 8.5%. Excluding the impact of foreign exchange movements, however, it was essentially unchanged. Revenue from PCs in Europe fell, but revenue in the Mobilewear sub-segment rose, primarily in Europe.

The Ubiquitous Solutions segment posted an operating profit of 4.6 billion yen, an improvement of 12.2 billion yen over the same period in fiscal 2015. For PCs, operating profit improved due to cost efficiencies, in addition to ongoing component cost reductions in Japan because of the continued strength of the yen against the US dollar. For mobile phones, although revenue declined, operating profit improved as a result of cost reductions and efficiencies. Operating profit increased for Mobilewear because of higher revenue.

## Device Solutions

Revenue in the Device Solutions segment amounted to 130.0 billion yen, down 13.3% from the first quarter of fiscal 2015.

The segment posted an operating loss of 1.1 billion yen, representing a deterioration of 11.9 billion yen from the first quarter of fiscal 2015. In addition to the impact of lower revenue from LSI devices, particularly for use in smartphones, operating profit declined due to the cost burden and lower capacity utilization accompanying inspections of manufacturing facilities, mandated by law. In addition operating profit for both LSI devices and electronic components was adversely affected by lower revenue as a result of the continuing strength of the yen against the US dollar.

## Other/Elimination and Corporate

This segment recorded an operating loss of 21.7 billion yen. Because of cost efficiencies and other factors, the operating loss narrowed by 4.6 billion yen from the first quarter of fiscal 2015.



## 2. Explanation of Financial Condition

### (1) Assets, Liabilities and Equity

(Billions of yen)

	FY2015 (At March 31, 2016)	1Q FY2016 (At June 30, 2016)	Change
Total assets	3,226.3	3,008.6	-217.6
Total liabilities	2,300.0	2,201.7	-98.3
Total equity	926.2	806.9	-119.2
Total equity attributable to owners of the parent	782.7	679.8	-102.9

Reference;

Cash and cash equivalents	380.8	419.8	39.0
Interest-bearing loans	534.9	579.4	44.5
Net interest-bearing loans	154.1	159.5	5.4
D/E ratio (times)	0.68	0.85	0.17
Net D/E ratio (times)	0.20	0.23	0.03
Equity attributable to owners of the parent ratio (%)	24.3	22.6	-1.7

Consolidated total assets at the end of the first quarter of fiscal 2016 were 3,008.6 billion yen, down 217.6 billion yen from the end of fiscal 2015. Trade receivables declined on collections of receivables from sales concentrated toward the end of prior fiscal year.

Consolidated total liabilities amounted to 2,201.7 billion yen, a 98.3 billion yen decrease compared to the end of fiscal 2015. In addition to the payment of trade payables relating to the concentration of sales at the end of the prior fiscal year, the decline was attributable to a decrease in other payables from the payment of bonuses. The balance of interest-bearing loans was 579.4 billion yen, an increase of 44.5 billion yen from the end of the prior fiscal year, primarily because a portion of working capital was financed with short-term borrowings.

The balance of total equity was 806.9 billion yen, a decline of 119.2 billion yen from the end of fiscal 2015. There was a deterioration in the funded status of defined benefit plans, primarily because of a decline in the discount rate in light of lower interest rates, resulting in a decrease in retained earnings. In addition, as a result of the appreciation of the yen, there was a decline in foreign currency translation adjustments, leading to a decrease in other components of equity. Equity attributable to owners of the parent ratio (shareholders' equity ratio) was 22.6%, a decline of 1.7 percentage points from the end of fiscal 2015.

### (2) Cash Flows

(Billions of yen)

	1Q FY2015	1Q FY2016	Change
I Cash flows from operating activities	29.3	62.0	32.6
II Cash flows from investing activities	-28.3	-38.4	-10.0
I+II Free cash flow	0.9	23.6	22.6
III Cash flows from financing activities	12.1	26.8	14.6
IV Cash and cash equivalents at end of period	378.3	419.8	41.5

Net cash provided by operating activities in the first quarter amounted to 62.0 billion yen, an increase of 32.6 billion yen from the first quarter of fiscal 2015. In addition to an improvement in profit for the period before income taxes, there was also an improvement in working capital efficiency.

Net cash used in investing activities was 38.4 billion yen, primarily reflecting capital expenditures in datacenters and others. Compared to the same period in fiscal 2015, net outflows increased by 10.0 billion yen.

Free cash flow, the sum of cash flows from operating and investing activities, was 23.6 billion yen, representing an increase in cash inflows of 22.6 billion yen compared with the first quarter of fiscal 2015.

Net cash provided by financing activities was 26.8 billion yen. Compared to the first quarter of fiscal 2015, cash inflows increased by 14.6 billion yen, primarily because a portion of working capital was financed with short-term borrowings.

As a result of the above factors, cash and cash equivalents at the end of the first quarter of fiscal 2016 were 419.8 billion yen, an increase of 39.0 billion yen compared to the end of fiscal 2015.

### 3. FY2016 Earnings Forecasts

Fujitsu has made no changes to the full-year fiscal 2016 earnings forecasts announced on April 28, 2016.

[Full-year]	FY2015 (Actual)	FY2016 (Forecast)	Change vs. previous forecast	(Billions of yen)	
				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	-
<b>Total</b>	<b>4,739.2</b>	<b>4,600.0</b>	<b>-</b>	<b>-139.2</b>	<b>-2.9</b>

#### [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]	-145.0	[ - ]	[-45.0]	-56.6	-
<b>Total</b>	<b>[-41.5]</b>	<b>120.6</b>	<b>[-45.0]</b>	<b>120.0</b>	<b>[ - ]</b>	<b>[-3.4]</b>	<b>-0.6</b>	<b>-0.5</b>

\*Figures in [ ] are Business Model Transformation Expenses

## Part II . Financial Tables

### 1. Condensed Consolidated Statement of Financial Position

(Millions of yen)

	Notes	FY2015 (At March 31, 2016)	1Q FY2016 (At June 30, 2016)
<b>Assets</b>			
Current assets			
Cash and cash equivalents		380,810	419,890
Trade receivables		984,630	716,700
Other receivables		93,963	84,477
Inventories		298,849	328,165
Others		79,876	92,754
Subtotal		1,838,128	1,641,986
Assets held for sale		5,735	5,735
Total current assets		1,843,863	1,647,721
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		616,474	611,579
Goodwill		40,255	40,657
Intangible assets		164,292	160,823
Investments accounted for using the equity method		106,026	103,636
Other investments		155,010	149,187
Deferred tax assets		162,812	173,901
Others		137,571	121,191
Total non-current assets		1,382,440	1,360,974
<b>Total assets</b>		<b>3,226,303</b>	<b>3,008,695</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Current liabilities			
Trade payables		622,334	510,488
Other payables		422,672	341,719
Short-term borrowings, current portion of long-term debt and lease obligations		144,667	190,474
Accrued income taxes		18,772	8,200
Provisions		57,319	44,718
Others		181,279	210,213
Total current liabilities		1,447,043	1,305,812
Non-current liabilities			
Long-term debt and lease obligations		387,882	386,931
Retirement benefit liabilities		383,978	432,871
Provisions		33,353	35,280
Deferred tax liabilities		5,224	5,011
Others		42,583	35,819
Total non-current liabilities		853,020	895,912
<b>Total liabilities</b>		<b>2,300,063</b>	<b>2,201,724</b>
<b>Equity</b>			
Share capital		324,625	324,625
Capital surplus		233,896	232,232
Treasury stock, at cost		-627	-629
Retained earnings		155,930	84,438
Other components of equity		68,958	39,178
Total equity attributable to owners of the parent		782,782	679,844
Non-controlling interests		143,458	127,127
<b>Total equity</b>		<b>926,240</b>	<b>806,971</b>
<b>Total liabilities and equity</b>		<b>3,226,303</b>	<b>3,008,695</b>

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

<b>【First-Quarter Condensed Consolidated Statement of Profit or Loss】</b>		(Millions of yen, except per share data)	
	Notes	1Q FY2015 (For the three-month ended June 30, 2015)	1Q FY2016 (For the three-month ended June 30, 2016)
<b>Revenue</b>		<b>1,065,081</b>	<b>986,553</b>
Cost of sales		-814,030	-740,878
Gross profit		251,051	245,675
Selling, general and administrative expenses		-272,354	-256,662
Other income (expenses)		-6,015	-232
<b>Operating profit</b>		<b>-27,318</b>	<b>-11,219</b>
Financial income		3,422	3,144
Financial expenses		-1,573	-7,194
Income from investments accounted for using the equity method, net		8,650	2,041
<b>Profit for the period before income taxes</b>		<b>-16,819</b>	<b>-13,228</b>
Income tax expenses		-781	-1,983
<b>Profit for the period</b>		<b>-17,600</b>	<b>-15,211</b>
Profit for the period attributable to:			
Owners of the parent		-18,903	-14,054
Non-controlling interests		1,303	-1,157
Total		-17,600	-15,211
Earning per share			
Basic earnings per share (Yen)		-9.14	-6.79
Diluted earnings per share (Yen)		-9.25	-6.84

<b>【First-Quarter Condensed Consolidated Statement of Comprehensive Income】</b>		(Millions of yen)	
	Notes	1Q FY2015 (For the three-month ended June 30, 2015)	1Q FY2016 (For the three-month ended June 30, 2016)
<b>Profit for the period</b>		<b>-17,600</b>	<b>-15,211</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		-8,463	-51,120
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		8,626	-26,765
Cash flow hedges		-108	271
Available-for-sale financial assets		1,419	-2,975
Share of other comprehensive income of investments accounted for using the equity method		454	-3,214
		10,391	-32,683
<b>Total other comprehensive income for the period, net of taxes</b>		<b>1,928</b>	<b>-83,803</b>
<b>Total comprehensive income for the period</b>		<b>-15,672</b>	<b>-99,014</b>
Total comprehensive income attributable to:			
Owners of the parent		-18,530	-92,997
Non-controlling interests		2,858	-6,017
Total		-15,672	-99,014

### 3. Condensed 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		
<b>Balance at April 1, 2015</b>	<b>324,625</b>	<b>233,432</b>	<b>-547</b>	<b>130,741</b>	<b>101,838</b>	<b>790,089</b>	<b>144,308</b>	<b>934,397</b>
Profit for the period				-18,903		-18,903	1,303	-17,600
Other comprehensive income					373	373	1,555	1,928
Total comprehensive income for the period	—	—	—	-18,903	373	-18,530	2,858	-15,672
Purchase of treasury stock			-29			-29		-29
Dividends paid				-8,276		-8,276	-1,832	-10,108
Transfer to retained earnings				-9,663	9,663	—		—
Acquisition (disposal) of non-controlling interests		-3				-3	-223	-226
Others				1		1		1
<b>Balance at June 30, 2015</b>	<b>324,625</b>	<b>233,429</b>	<b>-576</b>	<b>93,900</b>	<b>111,874</b>	<b>763,252</b>	<b>145,111</b>	<b>908,363</b>

(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		
<b>Balance at April 1, 2016</b>	<b>324,625</b>	<b>233,896</b>	<b>-627</b>	<b>155,930</b>	<b>68,958</b>	<b>782,782</b>	<b>143,458</b>	<b>926,240</b>
Profit for the period				-14,054		-14,054	-1,157	-15,211
Other comprehensive income					-78,943	-78,943	-4,860	-83,803
Total comprehensive income for the period	—	—	—	-14,054	-78,943	-92,997	-6,017	-99,014
Purchase of treasury stock			-4			-4	-1	-5
Disposal of treasury stock			2			2		2
Dividends paid				-8,275		-8,275	-1,713	-9,988
Transfer to retained earnings				-49,163	49,163	—		—
Acquisition (disposal) of non-controlling interests		-1,664				-1,664	-8,600	-10,264
<b>Balance at June 30, 2016</b>	<b>324,625</b>	<b>232,232</b>	<b>-629</b>	<b>84,438</b>	<b>39,178</b>	<b>679,844</b>	<b>127,127</b>	<b>806,971</b>

## 4. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

Notes	1Q FY2015 (For the three- month ended June 30, 2015)	1Q FY2016 (For the three- month ended June 30, 2016)
<b><i>Cash flows from operating activities</i></b>		
Profit for the period before income taxes	-16,819	-13,228
Depreciation, amortization and impairment loss	44,924	42,159
Increase (decrease) in provisions	-39	-9,882
Increase (decrease) in net defined benefit liability	-1,802	-344
Interest and dividend income	-2,434	-2,294
Interest charges	1,275	1,119
Equity in earnings of affiliates, net	-8,650	-2,041
(Increase) decrease in trade receivables	202,954	243,018
(Increase) decrease in inventories	-53,470	-36,305
Increase (decrease) in trade payables	-84,627	-93,362
Other, net	-39,909	-45,340
Cash generated from operations	41,403	83,500
Interest received	341	332
Dividends received	2,681	2,773
Interest paid	-1,628	-1,294
Income taxes paid	-13,450	-23,269
<b>Net cash provided by operating activities</b>	<b>29,347</b>	<b>62,042</b>
<b><i>Cash flows from investing activities</i></b>		
Purchases of property, plant, equipment, and intangible assets	-36,882	-39,430
Proceeds from sale of available-for-sale financial assets	174	1,102
Other, net	8,322	-74
<b>Net cash used in investing activities</b>	<b>-28,386</b>	<b>-38,402</b>
<b><i>Cash flows from financing activities</i></b>		
Increase (decrease) in short-term borrowings	34,074	48,565
Proceeds from long-term debt and issuance of bonds	—	2,394
Repayment of long-term debt and bonds	-7,605	-125
Payment of lease obligation	-3,854	-3,514
Dividends paid to owners of the parent	-8,276	-8,275
Acquisition of non-controlling interests	-228	-10,267
Other, net	-1,978	-1,976
<b>Net cash provided by financing activities</b>	<b>12,133</b>	<b>26,802</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>13,094</b>	<b>50,442</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>362,028</b>	<b>380,810</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>3,248</b>	<b>-11,362</b>
<b>Cash and cash equivalents at end of period</b>	<b>378,370</b>	<b>419,890</b>

## **5. Notes to Financial Statements**

### 1. Cautionary Note Regarding Assumptions of a Going Concern

None.