

## 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 third quarter and the first nine months of fiscal 2015 to translate the current period's revenue outside Japan into yen.*

### 1. Explanation of Financial Results

#### 1-1. Third Quarter

##### FY2016 Third-Quarter Financial Results

(Billions of yen)

	3Q FY2015 10/1/15- 12/31/15	3Q FY2016 10/1/16- 12/31/16	Change vs.	
			3Q FY2015	Change (%)
Revenue	1,166.9	1,115.4	-51.4	-4.4
Operating profit	14.0	37.3	23.2	165.8
[Business Model Transformation Expenses]	[-17.6]	※ [-7.4]	[10.1]	-
[Operating profit margin]	[1.2%]	[3.3%]	[2.1%]	
Financial income (expenses)	2.5	5.5	2.9	115.2
Income from investments accounted for using the equity method, net	3.3	-0.7	-4.0	-
Profit for the period before income taxes	19.9	42.1	22.1	111.0
Profit for the period attributable to owners of the parent	5.2	20.3	15.0	286.1

※ Business outside Japan for EMEIA -7.4

#### <Profit or Loss>

Consolidated revenue for the third quarter of fiscal 2016 was 1,115.4 billion yen, down 51.4 billion yen from the third quarter of fiscal 2015, but was essentially unchanged on a constant-currency basis. Revenue in Japan rose 3.5%. Although revenue in Japan from LSI devices declined, revenue in the Services sub-segment increased, primarily from system integration services, and revenue from network products also rose. Revenue outside of Japan decreased 15.0%. Results were significantly impacted by foreign exchange movements, and, in addition, there was a decline in revenue from infrastructure services in Europe. Compared to the same period in the prior fiscal year, the appreciation of the yen against the US dollar, the British pound, and other currencies served to reduce revenue by roughly 60.0 billion yen. Due in part to the impact of foreign exchange movements, the ratio of revenue outside Japan was 37.9%, a decrease of 4.8 percentage points compared to the same period in the prior fiscal year.

Fujitsu recorded an operating profit of 37.3 billion yen, up 23.2 billion yen from the third quarter of fiscal 2015. Operating profit improved on cost reductions in PCs and mobile phones, and because operating profit from network products in Japan benefited from higher revenue. In addition, the burden of business model transformation expenses declined by 10.1 billion yen, from 17.6 billion yen in the third quarter of fiscal 2015, due to the realignment of the hardware products business in Europe, to 7.4 billion yen in the third quarter of fiscal 2016 relating to a resource shift to digital services in European locations.

Net financial income was 5.5 billion yen, an improvement of 2.9 billion yen from the same period in fiscal 2015, primarily from foreign exchange gains. Income from investments accounted for using the equity method, net was an 0.7 billion yen loss, representing a deterioration of 4.0 billion yen from the same period in the prior fiscal year, primarily because a reserve was recorded to cover potential losses from an affiliated company in Japan.

As a result, profit for the period before income taxes was 42.1 billion yen, an increase of 22.1 billion yen over the third quarter of the previous fiscal year.

Profit for the period attributable to owners of the parent was 20.3 billion yen, up 15.0 billion yen from the third quarter of fiscal 2015.

## FY2016 Third-Quarter Consolidated Business Segment Information

### <Revenue\* and Operating Profit>

(Billions of yen)

		3Q FY2015	3Q FY2016	Change vs. 3Q FY2015	
		(10/1/2015 ~ 12/31/2015)	(10/1/2016 ~ 12/31/2016)		Change(%)
Technology Solutions	Revenue	800.3	764.5	-35.7	-4.5
	Japan	472.7	503.4	30.7	6.5
	Outside Japan	327.6	261.1	-66.4	-20.3
	Operating profit	34.9	50.6	15.6	44.8
	[Operating profit margin]	[4.4%]	[6.6%]	[2.2%]	
Services	Revenue	681.6	639.3	-42.3	-6.2
	Japan	393.2	410.9	17.7	4.5
	Outside Japan	288.4	228.4	-60.0	-20.8
	Operating profit	40.2	35.0	-5.2	-13.0
	[Operating profit margin]	[5.9%]	[5.5%]	[-0.4%]	
System Platforms	Revenue	118.6	125.2	6.5	5.5
	Japan	79.5	92.5	13.0	16.4
	Outside Japan	39.1	32.7	-6.4	-16.5
	Operating profit	-5.2	15.6	20.9	-
	[Operating profit margin]	[-4.4%]	[12.5%]	[16.9%]	
Ubiquitous Solutions	Revenue	259.2	259.6	0.3	0.1
	Japan	164.7	171.9	7.1	4.3
	Outside Japan	94.4	87.6	-6.7	-7.2
	Operating profit	-1.0	9.6	10.7	-
	[Operating profit margin]	[-0.4%]	[3.7%]	[4.1%]	
Device Solutions	Revenue	151.6	137.0	-14.6	-9.6
	Japan	73.5	62.1	-11.4	-15.6
	Outside Japan	78.0	74.9	-3.1	-4.0
	Operating profit	5.7	4.3	-1.4	-24.4
	[Operating profit margin]	[3.8%]	[3.2%]	[-0.6%]	
Other/Elimination and Corporate**	Revenue	-44.3	-45.7	-1.4	-
	Operating profit	-25.6	-27.3	-1.7	-
Total	Revenue	1,166.9	1,115.4	-51.4	-4.4
	Japan	669.1	692.3	23.2	3.5
	Outside Japan	497.8	423.0	-74.7	-15.0
	Operating profit	14.0	37.3	23.2	165.8
	[Operating profit margin]	[1.2%]	[3.3%]	[2.1%]	

<Ratio of revenue outside Japan>

42.7%

37.9%

-4.8%

<Revenue\* by Principal Products and Services>

(Billions of yen)

	3Q FY2015	3Q FY2016	Change vs. 3Q FY2015	
	( 10/1/2015 ~ 12/31/2015 )	( 10/1/2016 ~ 12/31/2016 )		Change(%)
Technology Solutions	800.3	764.5	-35.7	-4.5
Services	681.6	639.3	-42.3	-6.2
Solutions / SI	237.1	250.7	13.5	5.7
Infrastructure Services	444.5	388.6	-55.9	-12.6
System Platforms	118.6	125.2	6.5	5.5
System Products	56.8	54.7	-2.0	-3.7
Network Products	61.8	70.4	8.6	14.0
Ubiquitous Solutions	259.2	259.6	0.3	0.1
PCs / Mobile Phones	162.8	155.4	-7.3	-4.5
Mobilewear	96.4	104.1	7.7	8.1
Device Solutions	151.6	137.0	-14.6	-9.6
LSI***	78.2	68.1	-10.1	-13.0
Electronic Components	73.7	69.2	-4.4	-6.1

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 764.5 billion yen, a decrease of 4.5% from the third quarter of fiscal 2015. Revenue in Japan rose 6.5%. In the Services sub-segment, even though revenue from a deal for a large-scale project in the financial services field had already peaked, revenue from system integration services rose due to growth in business from customers in the manufacturing and services fields, as well as from telecommunications carriers, exceeding the high level of revenue from the same period last year. In addition, revenue from infrastructure services rose, primarily in outsourcing services. In the System Platforms sub-segment, revenue from network products rose on sales of mobile phone base stations to telecommunications carriers. Revenue outside Japan fell 20.3%. In addition to the impact of foreign exchange movements, revenue from infrastructure services fell on weak sales in Europe and the US.

The segment posted an operating profit of 50.6 billion yen, up 15.6 billion yen compared to the same period in fiscal 2015. Despite the impact of lower revenue from the Services sub-segment outside Japan, operating profit increased, primarily due to the effects of higher revenue in the Services sub-segment in Japan and from network products. Business model transformation expenses declined by 9.5 billion yen, from 15.9 billion yen in the third quarter of fiscal 2015, due to the realignment of the hardware products business in Europe, to 6.4 billion yen in the third quarter of fiscal 2016 relating to a resource shift to digital services in European locations.

## Ubiquitous Solutions

Revenue in the Ubiquitous Solutions segment was 259.6 billion yen, essentially unchanged from the third quarter of fiscal 2015. Revenue in Japan rose by 4.3%. Revenue from mobile phones declined because of the impact of the leveling-off of growth in the market for smartphones. For PCs, revenue rose on the back of continuing strong sales of enterprise PCs. Revenue from Mobilewear in car audio navigation devices also rose. Revenue outside Japan fell by 7.2%. Excluding foreign exchange movements, revenue was essentially unchanged from the same period the previous year. Revenue from 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 profit of 9.6 billion yen, an improvement of 10.7 billion yen over the same period in fiscal 2015. For PCs, operating profit improved because of the impact of higher revenue in Japan as well as cost efficiencies, in addition to ongoing component cost reductions at locations 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 in Mobilewear because of higher revenue.

## Device Solutions

Revenue in the Device Solutions segment amounted to 137.0 billion yen, down 9.6% from the third quarter of fiscal 2015.

The segment posted an operating profit of 4.3 billion yen, down 1.4 billion yen from the third quarter of fiscal 2015. In addition to the impact of lower revenue from LSI devices, particularly for use in smartphones, operating profit declined for both LSI devices and electronic components due to the impact of 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 27.3 billion yen, representing a deterioration of 1.7 billion yen from the third quarter of fiscal 2015.

## 1-2.Nine Months

### FY2016 Nine Months Financial Results

(Billions of yen)

	9 Months FY2015 4/1/15- 12/31/15	9 Months FY2016 4/1/16- 12/31/16	Change vs.	
			9 Months FY2015	Change (%)
Revenue	3,408.2	3,200.5	-207.6	-6.1
Operating profit	1.6	63.2	61.6	-
[Business Model Transformation Expenses]	[-21.9]	※ [-7.4]	[14.4]	-
[Operating profit margin]	[0.0%]	[2.0%]	[2.0%]	
Financial income (expenses)	0.9	2.1	1.2	143.0
Income from investments accounted for using the equity method, net	14.3	2.7	-11.5	-80.7
Profit for the period before income taxes	16.8	68.1	51.3	305.2
Profit for the period attributable to owners of the parent	-10.6	32.2	42.9	-

※ Business outside Japan for EMEIA -7.4

#### <Profit or Loss>

Consolidated revenue for the first nine months of fiscal 2016 was 3,200.5 billion yen, down 207.6 billion yen from the same period in fiscal 2015. Revenue in Japan was essentially unchanged. Although revenue in Japan from LSI devices and mobile phones declined, revenue in the Services sub-segment increased, primarily from outsourcing and systems integration services, and revenue from PCs, Mobilewear, and network products also rose. Revenue outside of Japan declined 15.6%. Results were significantly impacted by foreign exchange movements, and, in addition, there was a decline in revenue from infrastructure services in Europe. Compared to the same period in the prior fiscal year, the appreciation of the yen against the US dollar, the British pound, and other currencies served to reduce revenue by roughly 185.0 billion yen. Due in part to the impact of foreign exchange movements, the ratio of revenue outside Japan was 37.8%, a decrease of 4.2 percentage points compared to the same period in the prior fiscal year.

Fujitsu recorded an operating profit of 63.2 billion yen, up 61.6 billion yen from the first nine months of fiscal 2015. Although operating profit from LSI devices and from the Services sub-segment outside Japan was adversely affected by lower revenue, overall operating profit improved because of cost reductions and efficiencies in PCs and mobile phones, and because of higher operating profit in Japan in the Services sub-segment and from network products as a result of higher revenue. In addition, business model transformation expenses declined by 14.4 billion yen, from 21.9 billion yen in the first nine months of fiscal 2015, due to the realignment of the hardware products business in Europe and the network business in Japan, to 7.4 billion yen in the first nine months of fiscal 2016 relating to a resource shift to digital services in European locations.

Net financial income was 2.1 billion yen, up 1.2 billion yen from the same period in fiscal 2015. Income from investments accounted for using the equity method, net, was 2.7 billion yen, down 11.5 billion yen from the same period in the prior fiscal year. This was, in part, because a reserve was recorded to cover potential losses from an affiliated company in Japan, and because, in the same period last fiscal year, one-time profits were recorded from an offering of shares of an affiliate on China's Shenzhen Stock Exchange.

As a result, profit for the period before income taxes was 68.1 billion yen, an increase of 51.3 billion yen over the first nine months of the previous fiscal year.

Profit for the period attributable to owners of the parent was 32.2 billion yen, an improvement of 42.9 billion yen from the first nine months of fiscal 2015.

## FY2016 Nine Months Consolidated Business Segment Information

### <Revenue\* and Operating Profit>

(Billions of yen)

		9 Months FY2015	9 Months FY2016	Change vs. 9 Months FY2015	
		〔 4/1/2015 ~ 12/31/2015 〕	〔 4/1/2016 ~ 12/31/2016 〕		Change(%)
Technology Solutions	Revenue	2,318.6	2,183.7	-134.8	-5.8
	Japan	1,391.7	1,445.4	53.6	3.9
	Outside Japan	926.8	738.3	-188.5	-20.3
	Operating profit	67.2	103.9	36.6	54.5
	[Operating profit margin]	[2.9%]	[4.8%]	[1.9%]	
Services	Revenue	1,972.7	1,845.5	-127.1	-6.4
	Japan	1,156.9	1,192.5	35.6	3.1
	Outside Japan	815.8	653.0	-162.8	-20.0
	Operating profit	84.6	82.4	-2.1	-2.5
	[Operating profit margin]	[4.3%]	[4.5%]	[0.2%]	
System Platforms	Revenue	345.8	338.1	-7.6	-2.2
	Japan	234.7	252.8	18.0	7.7
	Outside Japan	111.0	85.3	-25.7	-23.2
	Operating profit	-17.3	21.5	38.8	-
	[Operating profit margin]	[-5.0%]	[6.4%]	[11.4%]	
Ubiquitous Solutions	Revenue	764.3	743.2	-21.0	-2.8
	Japan	489.8	496.1	6.3	1.3
	Outside Japan	274.4	247.0	-27.3	-10.0
	Operating profit	-13.3	28.4	41.7	-
	[Operating profit margin]	[-1.7%]	[3.8%]	[5.5%]	
Device Solutions	Revenue	463.7	406.5	-57.2	-12.3
	Japan	222.2	181.7	-40.5	-18.2
	Outside Japan	241.5	224.8	-16.7	-6.9
	Operating profit	24.3	4.6	-19.7	-81.1
	[Operating profit margin]	[5.2%]	[1.1%]	[-4.1%]	
Other/Elimination and Corporate**	Revenue	-138.4	-133.0	5.4	-
	Operating profit	-76.6	-73.7	2.9	-
Total	Revenue	3,408.2	3,200.5	-207.6	-6.1
	Japan	1,976.6	1,991.8	15.1	0.8
	Outside Japan	1,431.5	1,208.7	-222.8	-15.6
	Operating profit	1.6	63.2	61.6	-
	[Operating profit margin]	[0.0%]	[2.0%]	[2.0%]	

<Ratio of revenue outside Japan>

42.0%

37.8%

-4.2%

<Revenue\* by Principal Products and Services>

(Billions of yen)

	9 Months FY2015	9 Months FY2016	Change vs. 9 Months FY2015	
	( 4/1/2015 ~ 12/31/2015 )	( 4/1/2016 ~ 12/31/2016 )		Change(%)
Technology Solutions	2,318.6	2,183.7	-134.8	-5.8
Services	1,972.7	1,845.5	-127.1	-6.4
Solutions / SI	701.4	716.2	14.7	2.1
Infrastructure Services	1,271.3	1,129.3	-141.9	-11.2
System Platforms	345.8	338.1	-7.6	-2.2
System Products	171.2	163.1	-8.1	-4.7
Network Products	174.5	175.0	0.4	0.3
Ubiquitous Solutions	764.3	743.2	-21.0	-2.8
PCs / Mobile Phones	477.8	444.7	-33.1	-6.9
Mobilewear	286.4	298.5	12.0	4.2
Device Solutions	463.7	406.5	-57.2	-12.3
LSI***	244.5	200.7	-43.8	-17.9
Electronic Components	220.3	206.6	-13.6	-6.2

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 2,183.7 billion yen, a decrease of 5.8% from the first nine months of fiscal 2015. Revenue in Japan rose 3.9%. In the Services sub-segment, even though revenue from a deal for a large-scale project in the financial services field had already peaked, revenue from system integration services rose due to growth in business from customers in the manufacturing and services fields, as well as from telecommunications carriers, exceeding the high level of revenue from the same period last year. Revenue from infrastructure services also rose, primarily in outsourcing services. In the System Platforms sub-segment, revenue from network products rose on sales of mobile phone base stations to telecommunications carriers. Revenue outside Japan fell 20.3%. In addition to the impact of foreign exchange movements, revenue in the Services sub-segment fell on weak sales in Europe and the US. In the System Platforms sub-segment, revenue from network products fell prior to the anticipated introduction of new optical transmission system models in North America.

The segment posted an operating profit of 103.9 billion yen, up 36.6 billion yen compared to the same period in fiscal 2015. Despite the impact of lower revenue from the Services sub-segment outside Japan, operating profit increased, primarily due to the effects of higher revenue in the Services sub-segment in Japan and from network products. The burden of business model transformation expenses declined by 13.7 billion yen, from 20.2 billion yen in the first nine months of fiscal 2015, due to the realignment of the hardware products business in Europe and the network business in Japan, to 6.4 billion yen in the first nine months of fiscal 2016 in line with a resource shift to digital services in European locations.

## Ubiquitous Solutions

Revenue in the Ubiquitous Solutions segment was 743.2 billion yen, down 2.8% from the first nine months of fiscal 2015. Revenue in Japan was up 1.3% compared with the same period in the prior fiscal year. For mobile phones, revenue fell sharply due to the impact of the leveling-off of growth in the market for smartphones. For PCs, revenue rose on the back of continuing strong sales of enterprise PCs. Revenue from Mobilewear in car audio navigation devices also rose. Revenue outside Japan fell by 10.0%, but if the impact of foreign exchange movements is excluded, it was essentially unchanged from the same period last year. Although there was a decline in revenue from PCs in Europe, revenue from the Mobilewear sub-segment increased, primarily in Europe and the US.

The Ubiquitous Solutions segment posted an operating profit of 28.4 billion yen, representing an improvement of 41.7 billion yen compared to the same period in fiscal 2015. For PCs, operating profit improved on the impact of higher revenue in Japan as well as cost efficiencies, in addition to ongoing component cost reductions at locations 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 from Mobilewear because of higher revenue.

## Device Solutions

Revenue in the Device Solutions segment amounted to 406.5 billion yen, down 12.3% from the first nine months of fiscal 2015.

The segment posted an operating profit of 4.6 billion yen, down 19.7 billion yen from the first nine months of fiscal 2015. In addition to the impact of lower revenue from LSI devices, particularly for those used in smartphones, operating profit declined due to the cost burden and lower capacity utilization accompanying inspections of manufacturing facilities carried out in the first quarter, which are 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 73.7 billion yen. This was an improvement of 2.9 billion yen compared to the same period in fiscal 2015, due to such factors as cost efficiencies.