

3. FY2016 Earnings Forecasts

There has been no change to the consolidated totals in the forecast announced last time of revenue of 4,500.0 billion yen, operating profit of 120.0 billion yen, and profit for the period attributable to the owners of the parent of 85.0 billion yen. Forecasts for individual segments, however, have been revised.

The forecast for revenue for Technology Solutions has been reduced by 40.0 billion yen. This is to factor in the impact of lower demand in the Services sub-segment outside Japan, particularly in Europe. At the same time, the forecast for Ubiquitous Solutions has been increased by 30.0 billion yen to reflect higher demand for Mobilewear and smartphones, while Other/Elimination and Corporate has been increased by 10.0 billion yen.

With regard to operating profit, 7.0 billion yen in business model transformation expenses (for shifting resources to businesses related to digital services at locations in Europe) that, in the forecast announced last October, were included in the Other/Elimination and Corporate segment have been reallocated, with 6.0 billion to Technology Solutions and 1.0 billion to Ubiquitous Solutions. Besides this, reflecting business variability, the forecast for Technology Solutions has been reduced by 9.0 billion yen. This change factors in the effect of lower revenue from the Services sub-segment outside Japan, as well as the impact of higher component procurement costs, in part due to foreign exchange movements. The operating profit forecast for Ubiquitous Solutions has been increased by 1.0 billion yen. It is expected that the effects of higher revenue and measures such as cost efficiencies in PCs and mobile phones will compensate for the effects of higher component costs. The forecast for Device Solutions has been increased by 7.0 billion yen. This incorporates expected improvements in factory operations, against the background of a recovery in demand, as well as the effects of changes in the foreign exchange rate in the third quarter. The operating loss forecast for Other/Elimination and Corporate has been reduced by 1.0 billion yen due to continuing cost efficiencies.

[Full-year]		(Billions of yen)			
	FY2015 (Actual)	FY2016 (Forecast)	Change vs. October forecast	Change vs. FY2015	Change(%)
Revenue	4,739.2	4,500.0	-	-239.2	-5.0
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%]	[2.7%]	[-%]	[0.2%]	
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	3,100.0	-40.0	-183.3	-5.6
Services	2,765.1	2,590.0	-40.0	-175.1	-6.3
System Platforms	518.1	510.0	-	-8.1	-1.6
Ubiquitous Solutions	1,040.9	1,015.0	30.0	-25.9	-2.5
Device Solutions	603.9	550.0	-	-53.9	-8.9
Other/Elimination and Corporate	-188.8	-165.0	10.0	23.8	-
Total	4,739.2	4,500.0	-	-239.2	-5.0

[Operating Profit by Business Segment]

Technology Solutions	[-35.9]	186.2	[-6.0]	230.0	[-6.0]	-15.0	[29.9]	43.7	23.5
Services	[-19.1]	163.9	[-6.0]	182.0	[-6.0]	-13.0	[13.1]	18.0	11.0
System Platforms	[-16.7]	22.3	[-]	48.0	[-]	-2.0	[16.7]	25.6	115.2
Ubiquitous Solutions	[-5.6]	-7.6	[-1.0]	21.0	[-1.0]	-	[4.6]	28.6	-
Device Solutions	[-]	30.3	[-]	6.0	[-]	7.0	[-]	-24.3	-80.3
Other/Elimination and Corporate	[-]	-88.3	[-38.0]	-137.0	[7.0]	8.0	[-38.0]	-48.6	-
Total	[-41.5]	120.6	[-45.0]	120.0	[-]	-	[-3.4]	-0.6	-0.5

*Figures in [] are Business Model Transformation Expenses