

October 29, 2015

**FY 2015 First - Half Financial Results**  
April 1, 2015 - September 30, 2015

Fujitsu Limited

# **Consolidated Financial Results for the First-Half Ended September 30, 2015**

**[Prepared on the basis of International Financial Reporting Standards]**

October 29, 2015

<b>Fujitsu Limited</b>	
Stock exchange listings:	Tokyo, Nagoya
Code number:	6702
URL:	<a href="http://www.fujitsu.com/global/">http://www.fujitsu.com/global/</a>
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Scheduled filing date of statutory financial report:	November 6, 2015
Scheduled dividend payment date:	November 25, 2015
Supplementary material:	Yes
Financial results meeting:	Yes (for media and analysts)

## **1. Consolidated Results for the First-Half Ended September 30, 2015**

(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	Change (%)	Operating profit	Change (%)	Profit before income taxes	Change (%)
1H FY 2015 (4/1/15-9/30/15)	2,241,294	2.2	-12,437	-	-3,155	-
1H FY 2014 (4/1/14-9/30/14)	2,192,857	1.9	32,273	6.2	42,613	22.9

	Profit for the period	Change (%)	Profit for the period attributable to owners of the parent	Change (%)	Total comprehensive income for the period	Change (%)
1H FY 2015 (4/1/15-9/30/15)	-15,262	-	-15,956	-	-32,574	-
1H FY 2014 (4/1/14-9/30/14)	24,787	31.5	24,107	64.5	78,833	33.8

(Yen)

	Earnings per share	
	Basic	Diluted
1H FY 2015 (4/1/15-9/30/15)	-7.71	-7.71
1H FY 2014 (4/1/14-9/30/14)	11.65	11.65

## (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 (%)
September 30, 2015	3,185,953	891,787	750,136	23.5
March 31, 2015	3,271,121	934,397	790,089	24.2

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

(Yen)

	Dividends per share				
	1Q	2Q	3Q	Year-end	Full year
FY 2014	-	4.00	-	4.00	8.00
FY 2015	-	4.00			
FY 2015 (Forecast)			-	4.00	8.00

Note: Revision of the latest dividends forecast: None

**3. Consolidated Earnings Forecast for FY2015**

(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 2015	4,880,000	2.7	150,000	-16.0	100,000	-28.6	48.33

Note: Revision of the latest consolidated earnings forecast: Yes

**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
- Changes in accounting policies required by IFRS: None
  - Changes arising from factors other than 1: None
  - Changes in accounting estimates: None

## (3) Number of issued shares (ordinary shares)

1. Number of issued shares at end of period	As of September 30, 2015	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 September 30, 2015	1,134,790	Shares
	As of March 31, 2015	1,068,846	Shares
3. Average number of shares during period	1H FY 2015	2,068,907,028	Shares
	1H FY 2014	2,069,076,706	Shares

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 November 6, 2015.

#### 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.

For information regarding the assumptions used to prepare these projections, please refer to "Part I: Financial Results, 3. FY2015 Earnings Forecasts" on page 14.

- 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

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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 second quarter and the first half of fiscal 2014 to translate the current period's revenue outside Japan into yen.*

### 1. Explanation of Financial Results

#### 1-1. Second Quarter

##### FY2015 Second-Quarter Financial Results

(Billions of yen)

	2Q FY2014 7/1/14- 9/30/14	2Q FY2015 7/1/15- 9/30/15	Change vs. 2Q FY2014	Change (%)
Revenue	1,124.1	1,176.2	52.0	4.6
Operating profit [Operating profit margin]	24.9 [ 2.2%]	14.8 [ 1.3%]	-10.0 [ -0.9%]	-40.4
Financial income (expenses)	5.8	-3.5	-9.4	-
Income from investments accounted for using the equity method, net	1.3	2.3	1.0	76.4
Profit for the period before income taxes	32.1	13.6	-18.5	-57.5
Profit for the period attributable to owners of the parent	17.2	2.9	-14.2	-82.9

#### <Profit or Loss>

Consolidated revenue for the second quarter of fiscal 2015 was 1,176.2 billion yen, an increase of 4.6% compared to the second quarter of fiscal 2014. Revenue in Japan increased 3.2%. Although revenue from network products and PCs decreased, revenue from system integration services and mobile phones increased. Revenue outside of Japan rose 6.8%. Revenue from network products declined, but overall revenue outside of Japan rose, benefiting from foreign exchange movements. The decline in the value of the yen versus the US dollar served to increase revenue by about 35 billion yen compared to the second quarter of fiscal 2014. The ratio of revenue outside Japan was 40.8%, an increase of 0.8 of a percentage point compared to the same period in the prior fiscal year.

Fujitsu recorded an operating profit of 14.8 billion yen, down 10.0 billion yen from the second quarter of fiscal 2014. In addition to the impact of lower revenues from network products and PCs, there was the negative impact of higher procurement costs in Europe for US dollar-denominated components stemming from the weakening of the euro against the US dollar.

Net financial expenses were 3.5 billion yen, representing a deterioration of 9.4 billion yen from the same period in fiscal 2014, when the company recorded net gain on foreign exchange because of the sharp fall in the value of the yen.

As a result, the profit before income taxes was 13.6 billion yen, a decline of 18.5 billion yen from the second quarter of the previous fiscal year.

Profit for the period attributable to owners of the parent was 2.9 billion yen, down 14.2 billion yen from the second quarter of fiscal 2014. The company's tax burden was higher than the standard effective income tax rate, primarily because there was a review of the balance of deferred tax assets for a subsidiary in Japan that recorded deteriorated earnings.

## FY2015 Second-Quarter Consolidated Business Segment Information

### <Revenue\* by Principal Products and Services>

(Billions of yen)

		2Q FY2014	2Q FY2015	Change vs. 2Q FY2014	
		〔 7/1/2014 ~ 9/30/2014 〕	〔 7/1/2015 ~ 9/30/2015 〕		Change(%)
	Technology Solutions	784.1	799.3	15.2	1.9
	Services	648.5	679.8	31.2	4.8
	Solutions / SI	230.1	252.9	22.8	9.9
	Infrastructure Services	418.4	426.8	8.4	2.0
	System Platforms	135.5	119.5	-15.9	-11.8
	System Products	59.7	59.2	-0.4	-0.8
	Network Products	75.8	60.3	-15.5	-20.5
	Ubiquitous Solutions	245.0	261.8	16.7	6.9
	PCs / Mobile Phones	159.3	163.3	4.0	2.6
	Mobilewear	85.6	98.4	12.7	14.9
	Device Solutions	145.1	162.1	16.9	11.7
	LSI**	75.7	85.6	9.9	13.2
	Electronic Components	69.9	76.8	6.8	9.8

#### Notes:

\* Revenue includes intersegment revenue.

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

\*\*\* "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\* and Operating Profit>

(Billions of yen)

		2Q FY2014	2Q FY2015	Change vs. 2Q FY2014	
		〔 7/1/2014 ~ 9/30/2014 〕	〔 7/1/2015 ~ 9/30/2015 〕		Change(%)
Technology Solutions	Revenue	784.1	799.3	15.2	1.9
	Japan	485.1	495.8	10.7	2.2
	Outside Japan	298.9	303.5	4.5	1.5
	Operating profit	39.3	36.3	-2.9	-7.5
	[Operating profit margin]	[5.0%]	[4.5%]	[-0.5%]	
Services	Revenue	648.5	679.8	31.2	4.8
	Japan	389.1	413.0	23.9	6.1
	Outside Japan	259.3	266.7	7.3	2.8
	Operating profit	35.2	34.4	-0.8	-2.3
	[Operating profit margin]	[5.4%]	[5.1%]	[-0.3%]	
System Platforms	Revenue	135.5	119.5	-15.9	-11.8
	Japan	95.9	82.7	-13.1	-13.7
	Outside Japan	39.6	36.7	-2.8	-7.2
	Operating profit	4.0	1.8	-2.1	-53.3
	[Operating profit margin]	[3.0%]	[1.6%]	[-1.4%]	
Ubiquitous Solutions	Revenue	245.0	261.8	16.7	6.9
	Japan	160.4	169.9	9.5	5.9
	Outside Japan	84.5	91.8	7.2	8.6
	Operating profit	0.9	-4.6	-5.5	-
	[Operating profit margin]	[0.4%]	[-1.8%]	[-2.2%]	
Device Solutions	Revenue	145.1	162.1	16.9	11.7
	Japan	73.9	74.7	0.8	1.2
	Outside Japan	71.2	87.3	16.1	22.6
	Operating profit	6.6	7.8	1.2	18.6
	[Operating profit margin]	[4.6%]	[4.8%]	[0.2%]	
Other/Elimination and Corporate***	Revenue	-50.1	-47.1	2.9	-
	Operating profit	-21.8	-24.7	-2.8	-
Total	Revenue	1,124.1	1,176.2	52.0	4.6
	Japan	674.6	695.8	21.2	3.2
	Outside Japan	449.5	480.3	30.7	6.8
	Operating profit	24.9	14.8	-10.0	-40.4
	[Operating profit margin]	[2.2%]	[1.3%]	[-0.9%]	

<Ratio of revenue outside Japan>

40.0%

40.8%

0.8%



## **Technology Solutions**

Revenue in the Technology Solutions segment amounted to 799.3 billion yen, an increase of 1.9% from the second quarter of fiscal 2014. Revenue in Japan rose 2.2%. In the Services sub-segment, revenue from system integration services rose on increased investment by customers in the financial services sector and public sector, and revenue from infrastructure services continued to be solid. In the System Platforms sub-segment, however, network products revenue decreased due to low second quarter capital spending by customers. Revenue outside Japan increased 1.5%. There was an increase in revenue in the Services sub-segment as the yen continued to weaken compared to the second quarter of fiscal 2014. In the System Platforms sub-segment, revenue from network products declined.

The segment posted an operating profit of 36.3 billion yen, representing a decline of 2.9 billion yen compared to the same period in fiscal 2014. In the Services sub-segment, despite the positive impact of higher revenue, operating profit declined because of higher expenses to expand sales in the internet service provider business, and also due to a lump-sum expense according to the change of the retirement benefit plans of a subsidiary in Japan, as well as other factors. In the System Platforms sub-segment, operating profit declined due to lower revenue.

## **Ubiquitous Solutions**

Revenue in the Ubiquitous Solutions segment was 261.8 billion yen, an increase of 6.9% from the second quarter of fiscal 2014. Revenue in Japan rose by 5.9%. Although revenue from PCs, mainly for enterprises, declined, revenue from mobile phones rose, primarily from the Raku-Raku series of smartphones. Revenue in the Mobilewear sub-segment rose as well. Revenue outside Japan increased 8.6%. Revenue from the Mobilewear sub-segment increased, particularly in Europe, and foreign exchange movements also influenced results.

The Ubiquitous Solutions segment posted an operating loss of 4.6 billion yen, representing a deterioration of 5.5 billion yen compared to the same period in fiscal 2014. In addition to the negative impact of lower revenue from PCs, the weakening of the euro and the yen against the US dollar caused procurement costs for US dollar-denominated components to rise at locations in Europe and Japan. Despite the positive impact of higher revenue from mobile phones, results were adversely impacted by expenses incurred to deal with a defective model, and operating profit deteriorated from last year. Operating profit in the Mobilewear sub-segment increased because of higher revenue.

## **Device Solutions**

Revenue in the Device Solutions segment amounted to 162.1 billion yen, up 11.7% from the second quarter of fiscal 2014. Revenue from both LSI devices and electronic components benefited from foreign exchange movements.

The segment posted an operating profit of 7.8 billion yen, up 1.2 billion yen from the second quarter of fiscal 2014. Although an impairment loss on idle assets was recorded for electronic components, operating profit increased due to the increase in the value of US dollar-denominated exports because of the decline in the value of the yen against the US dollar.

## **Other/Elimination and Corporate**

This segment recorded an operating loss of 24.7 billion yen, representing a deterioration of 2.8 billion yen from the second quarter of fiscal 2014. The higher loss is attributable to an expansion of strategic investments in such fields as next-generation clouds for IoT\* platforms, and future healthcare services.

\*IoT (Internet of Things): A system in which not only PCs and servers, but a wide variety of things are connected to the internet and exchange information.

## 1-2. First-Half

### FY2015 First-Half Financial Results

(Billions of yen)

	1H FY2014 4/1/14- 9/30/14	1H FY2015 4/1/15- 9/30/15	Change vs. 1H FY2014	Change (%)
Revenue	2,192.8	2,241.2	48.4	2.2
Operating profit [Operating profit margin]	32.2 [ 1.5%]	-12.4 [ -0.6%]	-44.7 [ -2.1%]	-
Financial income (expenses)	6.9	-1.6	-8.6	-
Income from investments accounted for using the equity method, net	3.3	10.9	7.6	225.4
Profit for the period before income taxes	42.6	-3.1	-45.7	-
Profit for the period attributable to owners of the parent	24.1	-15.9	-40.0	-

#### <Profit or Loss>

Consolidated revenue for the first half of fiscal 2015 was 2,241.2 billion yen, an increase of 2.2% compared to the first half of fiscal 2014. Revenue in Japan was essentially unchanged from the same period in fiscal 2014. Revenue from system integration services increased, but revenue from network products and PCs decreased. Revenue outside of Japan rose 5.2%. Revenue from network products and PCs declined, but overall revenue outside of Japan rose, benefiting from foreign exchange movements. The depreciating yen against the US dollar led to a revenue increase of about 65 billion yen compared to the first half of fiscal 2014. The ratio of revenue outside Japan was 41.7%, an increase of 1.2 percentage points compared to the same period in the prior fiscal year.

Fujitsu recorded an operating loss of 12.4 billion yen, representing a deterioration of 44.7 billion yen from the first half of fiscal 2014. In addition to the impact of lower revenues from network products and PCs, there was the negative impact of higher procurement costs in Europe for US dollar-denominated components stemming from the weakening of the euro against the US dollar, and there was also a one-time expense recorded to cover the costs of reallocating employees and other costs in the network business in Japan.

Net financial expenses amounted to a loss of 1.6 billion yen, representing a deterioration of 8.6 billion yen from the same period in fiscal 2014, when the company recorded 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 10.9 billion yen, an increase of 7.6 billion yen from the first half of fiscal 2014. 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. In addition, the 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.).

As a result, the loss before income taxes was 3.1 billion yen, representing a deterioration of 45.7 billion yen from the first half of the previous fiscal year.

Loss for the period attributable to owners of the parent was 15.9 billion yen, representing a deterioration of 40.0 billion yen from the first half of fiscal 2014.

## FY2015 First-Half Consolidated Business Segment Information

### <Revenue\* by Principal Products and Services>

(Billions of yen)

		1H FY2014 〔 4/1/2014 ~ 9/30/2014 〕	1H FY2015 〔 4/1/2015 ~ 9/30/2015 〕	Change vs. 1H FY2014	
					Change(%)
	Technology Solutions	1,492.1	1,518.2	26.0	1.7
	Services	1,229.0	1,291.0	62.0	5.0
	Solutions / SI	424.0	464.2	40.2	9.5
	Infrastructure Services	804.9	826.7	21.7	2.7
	System Platforms	263.1	227.1	-35.9	-13.7
	System Products	109.9	114.4	4.5	4.1
	Network Products	153.1	112.7	-40.4	-26.4
	Ubiquitous Solutions	513.9	505.0	-8.8	-1.7
	PCs / Mobile Phones	345.7	315.0	-30.7	-8.9
	Mobilewear	168.1	190.0	21.8	13.0
	Device Solutions	280.4	312.0	31.6	11.3
	LSI**	144.8	166.2	21.4	14.8
	Electronic Components	136.3	146.5	10.2	7.5

#### Notes:

\* Revenue includes intersegment revenue.

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

\*\*\* "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\* and Operating Profit>

(Billions of yen)

		1H FY2014 〔 4/1/2014 ~ 9/30/2014 〕	1H FY2015 〔 4/1/2015 ~ 9/30/2015 〕	Change vs. 1H FY2014 Change(%)	
Technology Solutions	Revenue	1,492.1	1,518.2	26.0	1.7
	Japan	903.3	919.0	15.6	1.7
	Outside Japan	588.8	599.2	10.4	1.8
	Operating profit	50.7	32.3	-18.4	-36.3
	[Operating profit margin]	[3.4%]	[2.1%]	[-1.3%]	
Services	Revenue	1,229.0	1,291.0	62.0	5.0
	Japan	721.2	763.7	42.5	5.9
	Outside Japan	507.8	527.3	19.5	3.8
	Operating profit	48.4	44.3	-4.0	-8.3
	[Operating profit margin]	[3.9%]	[3.4%]	[-0.5%]	
System Platforms	Revenue	263.1	227.1	-35.9	-13.7
	Japan	182.1	155.2	-26.8	-14.7
	Outside Japan	80.9	71.8	-9.0	-11.2
	Operating profit	2.3	-12.0	-14.3	-
	[Operating profit margin]	[0.9%]	[-5.3%]	[-6.2%]	
Ubiquitous Solutions	Revenue	513.9	505.0	-8.8	-1.7
	Japan	342.5	325.1	-17.4	-5.1
	Outside Japan	171.3	179.9	8.5	5.0
	Operating profit	9.6	-12.2	-21.8	-
	[Operating profit margin]	[1.9%]	[-2.4%]	[-4.3%]	
Device Solutions	Revenue	280.4	312.0	31.6	11.3
	Japan	141.8	148.6	6.7	4.8
	Outside Japan	138.5	163.4	24.8	18.0
	Operating profit	9.9	18.5	8.5	86.2
	[Operating profit margin]	[3.6%]	[5.9%]	[2.3%]	
Other/Elimination and Corporate***	Revenue	-93.6	-94.1	-0.4	-
	Operating profit	-38.0	-51.0	-13.0	-
Total	Revenue	2,192.8	2,241.2	48.4	2.2
	Japan	1,305.6	1,307.5	1.8	0.1
	Outside Japan	887.1	933.7	46.5	5.2
	Operating profit	32.2	-12.4	-44.7	-
	[Operating profit margin]	[1.5%]	[-0.6%]	[-2.1%]	

<Ratio of revenue outside Japan>

40.5%

41.7%

1.2%

## **Technology Solutions**

Revenue in the Technology Solutions segment amounted to 1,518.2 billion yen, an increase of 1.7% from the first half of fiscal 2014. Revenue in Japan rose 1.7%. In the Services sub-segment, revenue from system integration services rose on increased investment by customers in the financial services sector and the public sector, and revenue from infrastructure services continued to be solid. In the System Platforms sub-segment, however, although server-related revenue rose, revenue from mobile phone base stations and other network products declined due to low capital spending by customers during the first half. Revenue outside Japan increased 1.8%. In the Services sub-segment, the impact of the continuing weaker yen compared to the first half of fiscal 2014 contributed to higher revenue. In the System Platforms sub-segment, however, revenue from optical transmissions systems in North America declined 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 32.3 billion yen, down 18.4 billion yen compared to the same period in fiscal 2014. In the Services sub-segment, despite the positive impact of higher revenue, operating profit declined because of higher expenses to expand sales in the internet service provider business, and also due to a lump-sum expense associated with a change in the retirement benefit plans of a subsidiary in Japan, among other factors. In the System Platforms sub-segment, operating performance deteriorated due to lower revenue and on one-time expenses of approximately 5 billion yen recorded to cover the costs of reallocating employees and other costs in the network business in Japan.

## **Ubiquitous Solutions**

Revenue in the Ubiquitous Solutions segment was 505.0 billion yen, down 1.7% from the first half of fiscal 2014. Revenue in Japan was down by 5.1%. For 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. Revenue outside Japan increased 5.0%. Although there was a decline in unit sales of PCs in Europe, revenue from the Mobilewear sub-segment increased, primarily in Europe and US results also benefited from foreign exchange movements.

The Ubiquitous Solutions segment posted an operating loss of 12.2 billion yen, representing a deterioration of 21.8 billion yen compared to the same period in fiscal 2014. In addition to the negative impact of lower revenue from PCs, the decline in the values of the euro and the yen against the US dollar caused procurement costs for US dollar-denominated components to rise in Europe and Japan. Results were also adversely impacted by expenses incurred to deal with a defective model of mobile phones.

## **Device Solutions**

Revenue in the Device Solutions segment amounted to 312.0 billion yen, up 11.3% from the first half of fiscal 2014. In Japan, revenue increased 4.8%. Revenue from LSI devices increased, primarily from devices used in smartphones. Outside Japan, revenue rose 18.0%. Revenue from both LSI devices and electronic components benefited from foreign exchange movements.

The segment posted an operating profit of 18.5 billion yen, up 8.5 billion yen from the first half of fiscal 2014. Operating profit rose on the increase in the value of US dollar-denominated exports resulting from the decline in the value of the yen against the US dollar.

## **Other/Elimination and Corporate**

This segment recorded an operating loss of 51.0 billion yen, representing a deterioration of 13.0 billion yen from the first half of fiscal 2014. The higher loss is attributable to greater strategic investments in such fields as next-generation clouds that perform as IoT platforms, and future healthcare services.

## 2. Explanation of Financial Condition

### (1) Assets, Liabilities and Equity

(Billions of yen)			
	Year-end FY2014	End of 2Q FY2015	Change vs. year-end FY2014
Total assets	3,271.1	3,185.9	-85.1
Total liabilities	2,336.7	2,294.1	-42.5
Total equity	934.3	891.7	-42.6
Total equity attributable to owners of the parent	790.0	750.1	-39.9

#### Reference;

Cash and cash equivalents	362.0	384.3	22.2
Interest-bearing loans	578.4	656.4	77.9
Net interest-bearing loans	216.4	272.0	55.6
D/E ratio (times)	0.73	0.88	0.15
Net D/E ratio (times)	0.27	0.36	0.09
Equity attributable to owners of the parent ratio (%)	24.2%	23.5%	-0.7%

Consolidated total assets at the end of the first half of fiscal 2015 were 3,185.9 billion yen, down 85.1 billion yen from the end of fiscal 2014. Inventories increased in preparation for expected sales, particularly in the services business, but trade receivables declined on collections from the concentration of revenue booked toward the end of prior fiscal year.

Consolidated total liabilities amounted to 2,294.1 billion yen, a 42.5 billion yen decrease compared to the end of fiscal 2014. The decline was attributable to payment of trade payables relating to the concentration of sales at the end of the prior fiscal year. The balance of interest-bearing loans increased by 77.9 billion yen from the end of the prior fiscal year, to 656.4 billion yen, as a portion of working capital was financed with borrowings, and also because 30.0 billion yen in straight bonds were issued to cover a portion of the funds for the redemption of corporate bonds that reach maturity by the end of October 2015.

The balance of total equity was 891.7 billion yen, a decline of 42.6 billion yen from the end of fiscal 2014. Retained earnings declined because of the loss recorded for the half and payment of the year-end dividend. Equity attributable to owners of the parent ratio was 23.5%, a decline of 0.7 of a percentage point from the end of fiscal 2014.



## (2) Cash Flows

(Billions of yen)

	1H FY2014	1H FY2015	Change
I Net cash provided by operating activities	88.4	31.7	-56.6
II Net cash used in investing activities	-93.1	-70.7	22.3
I+II Free cash flow	-4.7	-39.0	-34.2
III Net cash provided by financing activities	10.7	60.8	50.0
IV Cash and cash equivalents at end of period	306.9	384.3	77.3

Net cash provided by operating activities in the first half amounted to 31.7 billion yen, a decrease of 56.6 billion yen from the second quarter of fiscal 2014. In addition to a deterioration in profit before income taxes for the period, cash flow from operating activities declined because, in the first half of fiscal 2014, there was a refund of approximately 26 billion yen in withholding taxes on income in relation to dividends received from subsidiaries in Japan.

Net cash used in investing activities was 70.7 billion yen, primarily reflecting capital expenditures in datacenters. Compared to the same period in fiscal 2014, net outflows declined by 22.3 billion yen.

Free cash flow, the sum of cash flows from operating and investing activities, was negative 39.0 billion yen, representing a decrease in cash inflows of 34.2 billion yen compared with the first half of fiscal 2014.

Net cash provided by financing activities was 60.8 billion yen, due in part to the issuance of 30.0 billion yen in straight bonds. Compared to the first half of fiscal 2014, cash inflows increased by 50.0 billion yen.

As a result of the above factors, cash and cash equivalents at the end of the first half of fiscal 2015 were 384.3 billion yen, an increase of 22.2 billion yen compared to the end of fiscal 2014.

### 3. FY2015 Earnings Forecasts

Fujitsu has revised its full-year fiscal 2015 financial forecast announced on July 30, 2015, as follows. The assumed exchange rates for the second half of the fiscal year have been changed to 120 yen for the US dollar, 130 yen for the euro, and 190 yen for the British pound.

The revenue forecast has been increased by 30.0 billion yen from the announcement in July, to 4,880.0 billion yen. The forecasts for revenue in the Technology Solutions and Device Solutions segments have been increased by 40.0 billion yen and 10.0 billion yen, respectively, primarily due to the impact of the changes in the exchange rate assumptions. On the other hand, for the Ubiquitous Solutions segment, while the change in the exchange rate assumptions has a beneficial impact, projected revenue has been lowered by 20.0 billion yen to reflect the impact of deteriorating market conditions, primarily in PCs for enterprise customers.

Fujitsu is projecting an operating profit of 150.0 billion yen, unchanged on a consolidated basis from the previous forecast. Although the projected operating profit for Ubiquitous Solutions has been reduced by 10.0 billion yen to account for the impact of lower sales revenue and high procurement costs for components because of the stronger US dollar, projected operating profit for Device Solutions has been increased by 10.0 billion yen to reflect the beneficial foreign exchange impact.

There is no change in profit for the year attributable to owners of the parent from the previous forecast.

#### FY2015 Full-Year Consolidated Forecast

(Billions of yen)

	FY2014 (Actual)	FY2015 (Forecast)	Change vs. previous forecast*	Change vs. FY2014	Change (%)
Revenue	4,753.2	4,880.0	30.0	126.7	2.7
Operating profit	178.6	150.0	-	-28.6	-16.0
[Operating profit margin]	[ 3.8%]	[ 3.1%]	[ -%]	[ -0.7%]	
Profit for the year attributable to owners of the parent	140.0	100.0	-	-40.0	-28.6

#### [Revenue by Business Segment]

Technology Solutions	3,302.8	3,400.0	40.0	97.1	2.9
Ubiquitous Solutions	1,062.8	1,030.0	-20.0	-32.8	-3.1
Device Solutions	595.6	630.0	10.0	34.3	5.8
Other / Elimination and Corporate	-208.0	-180.0	-	28.0	-

#### [Operating Profit by Business Segment]

Technology Solutions	222.4	235.0	-	12.5	5.6
Ubiquitous Solutions	8.7	-10.0	-10.0	-18.7	-
Device Solutions	36.9	40.0	10.0	3.0	8.3
Other / Elimination and Corporate	-89.5	-115.0	-	-25.4	-

\* Previous forecast as of July 30, 2015.

## Part II. Financial Tables

### 1. Condensed Consolidated Statement of Financial Position

		(Millions of yen)	
	Notes	FY2014	2Q FY2015
		(At March 31, 2015)	(At September 30, 2015)
<b>Assets</b>			
Current assets			
Cash and cash equivalents		362,028	384,311
Trade receivables		1,029,822	891,572
Other receivables		99,930	80,607
Inventories		313,882	362,019
Others		82,009	87,726
Total current assets		1,887,671	1,806,235
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		635,489	629,247
Goodwill		37,616	38,656
Intangible assets		167,560	167,135
Investments accounted for using the equity method		92,839	101,269
Other investments		178,645	160,665
Deferred tax assets		139,254	152,892
Others		132,047	129,854
Total non-current assets		1,383,450	1,379,718
<b>Total assets</b>		<b>3,271,121</b>	<b>3,185,953</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Current liabilities			
Trade payables		661,710	596,229
Other payables		419,214	370,539
Short-term borrowings, current portion of long-term debt and lease obligations		172,403	211,446
Accrued income taxes		18,415	19,007
Provisions		77,502	75,687
Others		174,089	179,638
Total current liabilities		1,523,333	1,452,546
Non-current liabilities			
Long-term debt and lease obligations		406,089	442,561
Retirement benefit liabilities		321,977	316,992
Provisions		34,810	32,607
Deferred tax liabilities		8,075	6,410
Others		42,440	43,050
Total non-current liabilities		813,391	841,620
<b>Total liabilities</b>		<b>2,336,724</b>	<b>2,294,166</b>
<b>Equity</b>			
Share capital		324,625	324,625
Capital surplus		233,432	233,453
Treasury stock, at cost		-547	-594
Retained earnings		130,741	107,938
Other components of equity		101,838	84,714
Total equity attributable to owners of the parent		790,089	750,136
Non-controlling interests		144,308	141,651
<b>Total equity</b>		<b>934,397</b>	<b>891,787</b>
<b>Total liabilities and equity</b>		<b>3,271,121</b>	<b>3,185,953</b>

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

### 【First-Half Condensed Consolidated Statement of Profit or Loss】

(Millions of yen, except per share data)

	1H FY2014	1H FY2015
Notes	(For the first-half ended September 30, 2014)	(For the first-half ended September 30, 2015)
<b>Revenue</b>	<b>2,192,857</b>	<b>2,241,294</b>
Cost of sales	-1,612,107	-1,696,606
Gross profit	580,750	544,688
Selling, general and administrative expenses	-548,468	-549,266
Other income (expenses)	-9	-7,859
<b>Operating profit</b>	<b>32,273</b>	<b>-12,437</b>
Financial income	11,472	3,427
Financial expenses	-4,505	-5,120
Income from investments accounted for using the equity method, net	3,373	10,975
<b>Profit for the period before income taxes</b>	<b>42,613</b>	<b>-3,155</b>
Income tax expenses	-17,826	-12,107
<b>Profit for the period</b>	<b>24,787</b>	<b>-15,262</b>
Profit for the period attributable to:		
Owners of the parent	24,107	-15,956
Non-controlling interests	680	694
Total	24,787	-15,262
Earning per share		
Basic earnings per share (Yen)	11.65	-7.71
Diluted earnings per share (Yen)	11.65	-7.71

### 【First-Half Condensed Consolidated Statement of Comprehensive Income】

(Millions of yen)

	1H FY2014	1H FY2015
Notes	(For the first-half ended September 30, 2014)	(For the first-half ended September 30, 2015)
<b>Profit for the period</b>	<b>24,787</b>	<b>-15,262</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	35,917	1,338
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	9,064	-5,694
Cash flow hedges	-23	-111
Available-for-sale financial assets	8,990	-11,344
Share of other comprehensive income of investments accounted for using the equity method	98	-1,501
	18,129	-18,650
<b>Total other comprehensive income for the period, net of taxes</b>	<b>54,046</b>	<b>-17,312</b>
<b>Total comprehensive income for the period</b>	<b>78,833</b>	<b>-32,574</b>
Total comprehensive income attributable to:		
Owners of the parent	75,700	-31,652
Non-controlling interests	3,133	-922
Total	78,833	-32,574

**【Second-Quarter Condensed Consolidated Statement of Profit or Loss】** (Millions of yen, except per share data)

	Notes	2Q FY2014 (For the three-month ended September 30, 2014)	2Q FY2015 (For the three-month ended September 30, 2015)
<b>Revenue</b>		<b>1,124,186</b>	<b>1,176,213</b>
Cost of sales		-824,346	-882,576
Gross profit		299,840	293,637
Selling, general and administrative expenses		-274,019	-276,912
Other income (expenses)		-847	-1,844
<b>Operating profit</b>		<b>24,974</b>	<b>14,881</b>
Financial income		8,551	737
Financial expenses		-2,668	-4,279
Income from investments accounted for using the equity method, net		1,318	2,325
<b>Profit for the period before income taxes</b>		<b>32,175</b>	<b>13,664</b>
Income tax expenses		-13,514	-11,326
<b>Profit for the period</b>		<b>18,661</b>	<b>2,338</b>
Profit for the period attributable to:			
Owners of the parent		17,217	2,947
Non-controlling interests		1,444	-609
Total		18,661	2,338
Earning per share			
Basic earnings per share (Yen)		8.32	1.42
Diluted earnings per share (Yen)		8.32	1.42

**【Second-Quarter Condensed Consolidated Statement of Comprehensive Income】** (Millions of yen)

	Notes	2Q FY2014 (For the three-month ended September 30, 2014)	2Q FY2015 (For the three-month ended September 30, 2015)
<b>Profit for the period</b>		<b>18,661</b>	<b>2,338</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		21,174	9,801
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		9,129	-14,320
Cash flow hedges		-2	-3
Available-for-sale financial assets		4,732	-12,763
Share of other comprehensive income of investments accounted for using the equity method		1,046	-1,955
		14,905	-29,041
<b>Total other comprehensive income for the period, net of taxes</b>		<b>36,079</b>	<b>-19,240</b>
<b>Total comprehensive income for the period</b>		<b>54,740</b>	<b>-16,902</b>
Total comprehensive income attributable to:			
Owners of the parent		51,321	-13,122
Non-controlling interests		3,419	-3,780
Total		54,740	-16,902

### 3. Condensed Consolidated Statement of Changes in Equity

【1H FY2014 (For the six-month period ended September 30, 2014)】

(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, 2014</b>	<b>324,625</b>	<b>233,510</b>	<b>-422</b>	<b>-54,341</b>	<b>63,143</b>	<b>566,515</b>	<b>131,436</b>	<b>697,951</b>
Profit for the period				24,107		24,107	680	24,787
Other comprehensive income					51,593	51,593	2,453	54,046
Total comprehensive income for the period	—	—	—	24,107	51,593	75,700	3,133	78,833
Purchase of treasury stock			-65			-65	-2	-67
Disposal of treasury stock			1			1		1
Dividends paid				-8,276		-8,276	-1,882	-10,158
Transfer to retained earnings				34,729	-34,729	—		—
Others		-44				-44	134	90
<b>Balance at September 30, 2014</b>	<b>324,625</b>	<b>233,466</b>	<b>-486</b>	<b>-3,781</b>	<b>80,007</b>	<b>633,831</b>	<b>132,819</b>	<b>766,650</b>

【1H FY2015 (For the six-month period ended September 30, 2015)】

(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				-15,956		-15,956	694	-15,262
Other comprehensive income					-15,696	-15,696	-1,616	-17,312
Total comprehensive income for the period	—	—	—	-15,956	-15,696	-31,652	-922	-32,574
Purchase of treasury stock			-48			-48		-48
Disposal of treasury stock			1			1		1
Dividends paid				-8,276		-8,276	-1,883	-10,159
Transfer to retained earnings				1,428	-1,428	—		—
Others		21		1		22	148	170
<b>Balance at September 30, 2015</b>	<b>324,625</b>	<b>233,453</b>	<b>-594</b>	<b>107,938</b>	<b>84,714</b>	<b>750,136</b>	<b>141,651</b>	<b>891,787</b>

## 4. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Notes	1H FY2014 (For the first-half ended September 30, 2014)	1H FY2015 (For the first-half ended September 30, 2015)
<b><i>Cash flows from operating activities</i></b>			
Profit for the period before income taxes		42,613	-3,155
Depreciation, amortization and impairment loss		86,869	94,130
Increase (decrease) in provisions		-20,927	-5,304
Increase (decrease) in net defined benefit liability		-1,425	-2,254
Interest and dividend income		-2,968	-3,028
Interest charges		3,039	2,570
Equity in earnings of affiliates, net		-3,373	-10,975
(Increase) decrease in trade receivables		141,864	141,021
(Increase) decrease in inventories		-33,350	-47,103
Increase (decrease) in trade payables		-101,753	-67,971
Other, net		-27,584	-47,598
Cash generated from operations		83,005	50,333
Interest received		989	842
Dividends received		2,379	3,145
Interest paid		-2,981	-2,526
Income taxes paid		5,024	-20,024
<b>Net cash provided by operating activities</b>		<b>88,416</b>	<b>31,770</b>
<b><i>Cash flows from investing activities</i></b>			
Purchases of property, plant, equipment, and intangible assets		-92,932	-84,685
Proceeds from sale of available-for-sale financial assets		1,563	5,951
Other, net		-1,803	7,938
<b>Net cash used in investing activities</b>		<b>-93,172</b>	<b>-70,796</b>
<b><i>Cash flows from financing activities</i></b>			
Increase (decrease) in short-term borrowings		21,969	23,557
Proceeds from long-term debt and issuance of bonds		70,422	62,881
Repayment of long-term debt and bonds		-64,094	-7,856
Payment of lease obligation		-7,557	-7,474
Dividends paid to owners of the parent		-8,276	-8,276
Other, net		-1,707	-2,032
<b>Net cash provided by financing activities</b>		<b>10,757</b>	<b>60,800</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>6,001</b>	<b>21,774</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>301,162</b>	<b>362,028</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>-222</b>	<b>509</b>
<b>Cash and cash equivalents at end of period</b>		<b>306,941</b>	<b>384,311</b>

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

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

None.