

April 28, 2017

FY 2016 Full-Year Financial Results
April 1, 2016 - March 31, 2017

Fujitsu Limited

Consolidated Financial Results for the full year Ended March 31, 2017

[Prepared on the basis of International Financial Reporting Standards]

April 28, 2017

Company name	:	Fujitsu Limited
Stock exchange listings	:	Tokyo, Nagoya
Code number	:	6702
URL	:	http://www.fujitsu.com/global/
Representative	:	Tatsuya Tanaka, President and Representative Director
Contact person	:	Isamu Yamamori, Corporate Executive Officer, SVP, Head of Public and Investor Relations Division Tel. +81 3 6252 2175
Scheduled annual shareholders' meeting date:	:	June 26, 2017
Scheduled dividend payment date	:	June 5, 2017
Scheduled filing date of statutory financial report	:	June 26, 2017
Supplementary material	:	Yes
Financial results meeting	:	Yes (for media and analysts)

1. Consolidated Results for the Full-Year Ended March 31, 2017

(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 year	
		Change (%)		Change (%)		Change (%)		Change (%)
FY 2016 (4/1/16-3/31/17)	4,509,694	-4.8	128,861	6.8	135,147	2.5	95,317	5.4
FY 2015 (4/1/15-3/31/16)	4,739,294	-0.3	120,612	-32.5	131,822	-33.7	90,421	-37.6

	Profit for the year attributable to owners of the parent		Total comprehensive income for the year	
		Change (%)		Change (%)
FY 2016 (4/1/16-3/31/17)	88,489	2.0	137,087	-
FY 2015 (4/1/15-3/31/16)	86,763	-38.0	5,530	-97.8

	Earnings per share(Yen)		Return on Equity Attributable to Owners of the Parent (%)	Ratio of Profit before Income Taxes to Total Assets (%)	Ratio of Operating Profit to Revenue (%)
	Basic	Diluted			
FY 2016 (4/1/16-3/31/17)	42.83	42.83	10.6	4.2	2.9
FY 2015 (4/1/15-3/31/16)	41.94	41.93	11.0	4.1	2.5

[Reference] Income from investments accounted for using the equity method: FY2016: 6,954 million yen FY2015: 18,462 million yen

(2) Consolidated financial position

(Millions of yen, except per share data)

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio (%)	Equity per Share Attributable to Owners of the Parent
March 31, 2017	3,191,498	1,019,202	881,292	27.6%	429.80
March 31, 2016	3,226,303	926,240	782,782	24.3%	378.37

(3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
FY 2016 (4/1/16-3/31/17)	250,331	-145,479	-98,896	383,969
FY 2015 (4/1/15-3/31/16)	253,092	-164,317	-67,741	380,810

2. Dividends per Share (Ordinary Shares)

	Dividends per share(Yen)					Total Amount of Dividends (Millions of yen)	Dividend Payout Ratio (%)	Ratio of Dividends to Net Assets (%)
	1Q	2Q	3Q	Year-end	Full year			
FY2015	-	4.00	-	4.00	8.00	16,551	19.1	2.1
FY2016	-	4.00	-	5.00	9.00	18,528	21.0	2.2
FY2017(Forecast)	-	5.00	-	6.00	11.00		15.6	

3. Consolidated Earnings Forecast for FY2017

(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 year attributable to owners of the parent		Basic earnings per share
		Change (%)		Change (%)		Change (%)	
FY2017	4,100,000	-0.8	185,000	57.5	145,000	63.9	70.72

Revenue and operating profit for FUJITSU TEN, in which on April 28, 2017 Fujitsu decided to sell its shares, are not included in the consolidated results forecast. Percentages comparing to previous periods also show percentages compared to numbers for those periods excluding FUJITSU TEN.

4. Other Information

(1) Significant changes to subsidiaries in the current reporting period

(Changes to specified subsidiaries resulting from changes in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates

1. Changes in accounting policies required by IFRS: None

2. Changes arising from factors other than 1: None

3. Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

1. Number of issued shares at end of period	As of March 31, 2017	2,070,018,213
	As of March 31, 2016	2,070,018,213
2. Treasury stock held at end of period	As of March 31, 2017	19,540,434
	As of March 31, 2016	1,189,496
3. Average number of shares during period	Full-Year FY 2016	2,065,886,710
	Full-Year FY 2015	2,068,877,439

(Reference Information) Summary of FY2016 Full-Year Separate Financial Results

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

Separate Results for the Full-Year Ended March 31, 2017

(1) Separate Financial Results

(Millions of yen)

	Net Sales		Operating Income		Ordinary income		Net Income(Loss)	
		Change (%)		Change (%)		Change (%)		Change (%)
FY 2016 (4/1/16-3/31/17)	2,034,508	1.4	-15,072	-	13,893	-62.9	44,963	5.8
FY 2015 (4/1/15-3/31/16)	2,006,830	-2.5	-24,979	-	37,487	-4.1	42,495	-5.4

(Yen)

	Net Income (Loss) per Common Share-Basic
FY 2016 (4/1/16-3/31/17)	21.76
FY 2015 (4/1/15-3/31/16)	20.54

(2) Separate Financial Position

(Millions of yen, except per share data)

	Total assets	Net Assets	Owners' Equity Ratio (%)	Net Assets per Share
March 31, 2017	2,044,166	715,477	35.0	348.93
March 31, 2016	2,098,697	680,608	32.4	328.98

[Reference] Owners' Equity: March 31, 2017; 715,477 million yen March 31, 2016; 680,608 million yen

Notes

1. This financial report is not subject to audit

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. FY2017 Earnings Forecasts" on page 9.

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

1. Explanation of Financial Results

FY2016 Full-Year Financial Results

(Billions of yen)

	FY2015 4/1/15- 3/31/16	FY2016 4/1/16- 3/31/17	Change vs. FY2015		Change vs. Jan Forecast
				Change (%)	
Revenue	4,739.2	4,509.6	-229.6	-4.8	9.6
Operating profit	120.6	128.8	8.2	6.8	8.8
[Business Model Transformation Expenses]	[-41.5]	※ [-44.7]	[-3.1]	-	[0.2]
[Operating profit margin]	[2.5%]	[2.9%]	[0.4%]		[0.2%]
Financial income (expenses)	-7.2	-0.6	6.5	-	
Income from investments accounted for using the equity method, net	18.4	6.9	-11.5	-62.3	
Profit for the year before income taxes	131.8	135.1	3.3	2.5	
Profit for the year attributable to owners of the parent	86.7	88.4	1.7	2.0	3.4

※ Reflects 34.0 billion yen in expenses outside Japan for a shift toward digital business, 3.9 billion yen in expenses to restructure datacenters in Japan, and 6.6 billion yen in expenses to restructure production facilities.

<Profit or Loss>

Consolidated revenue for fiscal 2016 was 4,509.6 billion yen, down 229.6 billion yen from fiscal 2015. The decline in revenue was primarily due to the strong yen. Excluding the impact of foreign exchange movements, revenue was essentially unchanged from the previous fiscal year. Revenue in Japan was essentially unchanged from fiscal 2015. Revenue from LSI devices used in smartphones declined on weak demand, as there was a decline in mobile phone shipments resulting from a lengthening of the replacement cycle in the smartphone market. On the other hand, revenue in the Services sub-segment remained strong, both in system integration and infrastructure services, and there was an increase in revenue from enterprise PCs and the Mobilewear sub-segment. Revenue outside of Japan fell 13.2%. Results were significantly impacted by foreign exchange movements, and, in addition, there was a decline in revenue from infrastructure services in Europe and from network products in North America. Compared to the prior fiscal year, the appreciation of the yen against the US dollar, the euro, the British pound, and other currencies served to reduce revenue by roughly 200.0 billion yen. The ratio of revenue outside Japan was 36.5%, a decrease of 3.5 percentage points compared to fiscal 2015.

Fujitsu recorded an operating profit of 128.8 billion yen, up 8.2 billion yen from fiscal 2015. Operating profit in the Device Solutions segment declined because of weak demand for LSI devices and because of the impact of the stronger yen. On the other hand, in the Ubiquitous Solutions segment, in addition to the beneficial impact of higher revenue from enterprise PCs and from the Mobilewear sub-segment, operating profit also improved because of cost reductions and cost efficiencies in PCs and mobile phones, resulting in an overall increase in consolidated operating profit. Fujitsu recorded 44.7 billion yen in business model transformation expenses in fiscal 2016, an increase of 3.1 billion yen from fiscal 2015. Of that amount for this fiscal year, 34.0 billion yen was for structural reform expenses outside of Japan for greater efficiencies and a shift toward digital business (of which 29.4 billion yen was for a shift toward digital business in Europe), 3.9 billion yen was for restructuring expenses for datacenters in Japan, and 6.6 billion yen was for restructuring expenses for production facilities both in and outside of Japan.

Net financial expenses were 0.6 billion yen, representing an improvement of 6.5 billion yen from the prior fiscal year, primarily from foreign exchange gains. Income from investments accounted for using the equity method was 6.9 billion yen, representing a decline of 11.5 billion yen from fiscal 2015. The decline was due to a reserve recorded to cover potential losses from an affiliated company in Japan, and because, in fiscal 2015, 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 year before income taxes was 135.1 billion yen, an increase of 3.3 billion yen over the previous fiscal year.

Profit for the year attributable to owners of the parent was 88.4 billion yen, up 1.7 billion yen from fiscal 2015.

[Expenses Recorded by Subsidiaries in Europe for the Shift toward Digital Business]

(1) Overview of Subsidiaries Affected

Company name	Fujitsu Technology Solutions (Holding) B.V. (Below, "FTS")	Fujitsu Services Holdings PLC (Below, "FS")
Head office	The Netherlands	UK
Representative	Duncan Tait	Duncan Tait
Business description	Delivery of consulting services and services relating to the building and operation of systems	Delivery of outsourcing services and services relating to the building and operation of systems
Capital	€272,752 thousand	£ 1,598,001 thousand

(2) Description of the expenses

At FTS and FS, which are Fujitsu's subsidiaries in Europe, 29.4 billion yen in expenses were recorded to advance the digital transformation of their services businesses. In addition to strengthening the competitiveness of their existing IT services, they seek to launch and grow new services in the field of digital services. As part of this initiative, expenses for workforce rationalization measures covering approximately 3,200 employees were recorded for Europe overall, primarily for the UK, Germany, the Nordic region, and Spain. In addition, the amount also includes expenses to promote greater efficiency, such as to promote automation in service delivery, sales, and marketing.

(3) Outlook

With the goal of building a framework responsive to the needs of the digital services field, together with strengthening human resources of about 1,200 people, the Company will invest in cultivating the human talent needed for new fields. The Earnings Forecast for fiscal 2017 on page 9 includes the impact of the organizational changes resulting from these business model transformation expenses.

FY2016 Full-Year Consolidated Business Segment Information

<Revenue* and Operating Profit>

(Billions of yen)

		FY2015	FY2016	Change vs. FY2015	
		〔 4/1/2015 ~ 3/31/2016 〕	〔 4/1/2016 ~ 3/31/2017 〕		Change(%)
Technology Solutions	Revenue	3,283.3	3,126.6	-156.7	-4.8
	Japan	2,052.1	2,113.0	60.9	3.0
	Outside Japan	1,231.2	1,013.6	-217.6	-17.7
	Operating profit	186.2	190.7	4.5	2.4
	[Operating profit margin]	[5.7%]	[6.1%]	[0.4%]	
Services	Revenue	2,765.1	2,624.2	-140.8	-5.1
	Japan	1,681.9	1,730.7	48.8	2.9
	Outside Japan	1,083.2	893.5	-189.7	-17.5
	Operating profit	163.9	150.0	-13.8	-8.5
	[Operating profit margin]	[5.9%]	[5.7%]	[-0.2%]	
System Platforms	Revenue	518.1	502.3	-15.8	-3.1
	Japan	370.1	382.2	12.0	3.3
	Outside Japan	147.9	120.0	-27.8	-18.8
	Operating profit	22.3	40.7	18.3	82.5
	[Operating profit margin]	[4.3%]	[8.1%]	[3.8%]	
Ubiquitous Solutions	Revenue	1,040.9	1,025.7	-15.1	-1.5
	Japan	678.3	690.8	12.4	1.8
	Outside Japan	362.5	334.9	-27.5	-7.6
	Operating profit	-7.6	28.7	36.4	-
	[Operating profit margin]	[-0.7%]	[2.8%]	[3.5%]	
Device Solutions	Revenue	603.9	544.3	-59.5	-9.9
	Japan	289.7	247.2	-42.4	-14.6
	Outside Japan	314.2	297.0	-17.1	-5.5
	Operating profit	30.3	4.2	-26.1	-86.0
	[Operating profit margin]	[5.0%]	[0.8%]	[-4.2%]	
Other/Elimination and Corporate**	Revenue	-188.8	-187.1	1.7	-
	Operating profit	-88.3	-94.9	-6.5	-
Total	Revenue	4,739.2	4,509.6	-229.6	-4.8
	Japan	2,845.0	2,865.6	20.5	0.7
	Outside Japan	1,894.2	1,644.0	-250.1	-13.2
	Operating profit	120.6	128.8	8.2	6.8
	[Operating profit margin]	[2.5%]	[2.9%]	[0.4%]	

<Ratio of revenue outside Japan>

40.0%

36.5%

-3.5%

<Revenue* by Principal Products and Services>

(Billions of yen)

	FY2015	FY2016	Change vs. FY2015	
	(4/1/2015 ~ 3/31/2016)	(4/1/2016 ~ 3/31/2017)		Change(%)
Technology Solutions	3,283.3	3,126.6	-156.7	-4.8
Services	2,765.1	2,624.2	-140.8	-5.1
Solutions / SI	1,010.9	1,024.1	13.2	1.3
Infrastructure Services	1,754.2	1,600.0	-154.1	-8.8
System Platforms	518.1	502.3	-15.8	-3.1
System Products	262.0	255.5	-6.5	-2.5
Network Products	256.0	246.8	-9.2	-3.6
Ubiquitous Solutions	1,040.9	1,025.7	-15.1	-1.5
PCs / Mobile Phones	651.3	611.6	-39.7	-6.1
Mobilewear	389.5	414.1	24.6	6.3
Device Solutions	603.9	544.3	-59.5	-9.9
LSI***	314.6	269.4	-45.2	-14.4
Electronic Components	290.7	276.0	-14.7	-5.1

<External revenue by Location of Customers>

Japan	2,845.0	2,865.6	20.5	0.7
Outside Japan	1,894.2	1,644.0	-250.1	-13.2
EMEIA****	952.0	778.1	-173.9	-18.3
Americas	420.4	386.9	-33.5	-8.0
Asia	421.0	385.1	-35.9	-8.5
Oceania	100.6	93.8	-6.7	-6.8

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.

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

Technology Solutions

Revenue in the Technology Solutions segment amounted to 3,126.6 billion yen, a decrease of 4.8% from fiscal 2015. Revenue in Japan rose 3.0%. In systems integrations services in the Services sub-segment, even though revenue from a deal for a large-scale project in the financial services field and My Number projects in the public sector had already peaked, there was an increase in revenue from customers in the manufacturing and services fields, as well as from telecommunications carriers, exceeding the high level of revenue in fiscal 2015. 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 17.7%. In addition to the impact of foreign exchange movements, revenue in Europe from infrastructure services fell compared to the prior year because some large-scale public sector contracts ended, and revenue also declined because of weak sales of network products in North America.

The segment posted an operating profit of 190.7 billion yen, up 4.5 billion yen compared to 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, owing to the impact of a strong yen, cost reductions in system products stemming from the lower cost of purchasing US dollar-denominated components. Business model transformation expenses were essentially unchanged from fiscal 2015. (Business model transformation expenses for fiscal 2016 were 36.2 billion yen, of which 32.2 billion yen were related to locations outside Japan, primarily stemming from the shift in resources toward digital services at locations in Europe, and 3.9 billion yen were restructuring expenses for datacenters in Japan.)

Ubiquitous Solutions

Revenue in the Ubiquitous Solutions segment was 1,025.7 billion yen, down 1.5% from fiscal 2015. Revenue in Japan rose by 1.8%. Revenue from mobile phones declined because of lower shipments as a result of the lengthening of the replacement cycle in the smartphone market. 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 7.6%. Excluding the impact of foreign exchange movements, revenue was essentially unchanged from the previous fiscal 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 28.7 billion yen, an improvement of 36.4 billion yen over fiscal 2015. There were significant improvements in both PCs and mobile phones, as operations in both product areas returned to profitability. In addition to the beneficial impact of higher revenues from PCs in Japan, both PCs and mobile phones benefited from cost reduction and further progress in cost efficiencies. In addition to lower procurement prices for components, the cost reductions also include the impact of lower procurement costs because of the stronger yen. Operating profit increased in Mobilewear because of higher revenue.

Device Solutions

Revenue in the Device Solutions segment amounted to 544.3 billion yen, down 9.9% from fiscal 2015.

The segment posted an operating profit of 4.2 billion yen, down 26.1 billion yen from fiscal 2015. In addition to the impact of sluggish demand for LSI devices, primarily for smartphones, there was the impact of lower revenue from LSI devices and electronic components as a result of the continuing strength of the yen against the US dollar. In addition, 4.0 billion yen was posted for restructuring expenses in electronic components for production facilities both in and outside of Japan.

Other/Elimination and Corporate

This segment recorded an operating loss of 94.9 billion yen, representing a deterioration of 6.5 billion yen from fiscal 2015. In addition to an expansion in strategic investments, primarily in next-generation cloud platforms as a platform for using IoT*, the impact of special factors last fiscal year, stemming from the partial release of reserves related to a legal dispute, was significant, and while progress was made in generating cost efficiencies, the operating loss increased compared to fiscal 2015.

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

2. Explanation of Financial Condition

(1) Assets, Liabilities and Equity

(Billions of yen)

	FY2015 (As of March 31, 2016)	FY2016 (As of March 31, 2017)	Change
Total assets	3,226.3	3,191.4	-34.8
Total liabilities	2,300.0	2,172.2	-127.7
Total equity	926.2	1,019.2	92.9
Total equity attributable to owners of the parent	782.7	881.2	98.5

For reference

Cash and cash equivalents *	380.8	380.6	-0.1
Interest-bearing loans	534.9	486.7	-48.1
Net interest-bearing loans	154.1	106.0	-48.0
D/E ratio (times)	0.68	0.55	-0.13
Net D/E ratio (times)	0.20	0.12	-0.08
Equity attributable to owners of the parent ratio (%)	24.3	27.6	3.3

* The difference of cash and cash equivalents at end of year between balance sheet and cash flow statement is included in Assets held for sale.

Consolidated total assets at the end of fiscal 2016 were 3,191.4 billion yen, down 34.8 billion yen from the end of fiscal 2015, primarily because of a decline in property, plant and equipment.

Consolidated total liabilities amounted to 2,172.2 billion yen, a decrease of 127.7 billion yen compared to the end of fiscal 2015. The decline was attributable to lower retirement benefit liabilities due to an improvement in the funded status of defined benefit plans.

The balance of interest-bearing loans was 486.7 billion yen, down 48.1 billion yen on a corporate bond redemption and other factors.

The balance of total equity was 1,019.2 billion yen, up 92.9 billion yen from fiscal 2015. Despite the payment of dividends and the acquisition of treasury stock, total equity increased because of the profit recorded for the year and because there was an improvement in the funded status of defined benefit plans, primarily in Japan.

Equity attributable to owners of the parent ratio (shareholders' equity ratio) was 27.6%, an increase of 3.3 percentage points from the end of fiscal 2015.

(2) Cash Flows

(Billions of yen)

	FY2015	FY2016	Change
I Cash flows from operating activities	253.0	250.3	-2.7
II Cash flows from investing activities	-164.3	-145.4	18.8
I+II Free cash flow	88.7	104.8	16.0
III Cash flows from financing activities	-67.7	-98.8	-31.1
IV Cash and cash equivalents at end of year	380.8	383.9	3.1

Net cash provided by operating activities in fiscal 2016 amounted to 250.3 billion yen, essentially unchanged from fiscal 2015.

Net cash used in investing activities was 145.4 billion yen. This represents a decline in net outflows of 18.8 billion yen from fiscal 2015, primarily reflecting the inflow of proceeds from the transfer of Nifty Corporation ("Nifty"). (Date of receipt of transfer proceeds: March 31, 2017; date of contractual share transfer: April 1, 2017.)

Free cash flow, the sum of cash flows from operating and investing activities, was 104.8 billion yen, representing an increase in net cash inflows of 16.0 billion yen compared with fiscal 2015.

Net cash used in financing activities was 98.8 billion yen. In addition to the redemption of a corporate bond, there were outflows relating to the acquisition of treasury stock and the acquisition of shares stemming from the restructuring of Nifty.

As a result of the above factors, cash and cash equivalents at the end of fiscal 2016 were 383.9 billion yen, essentially unchanged from the end of fiscal 2015.

(3) Status of Retirement Benefit Plans

(Billions of yen)

	FY2015 (As of March 31, 2016)	FY2016 (As of March 31, 2017)	Change
a. Defined benefit obligation	Δ2,434.2	Δ2,438.9	Δ4.6
b. Plan Assets	2,074.5	2,150.9	76.3
c. Defined benefit obligation in excess of plan (a) + (b)	Δ359.6	Δ288.0	71.6

3. FY2017 Earnings Forecasts

The revenue and operating profit of FUJITSU TEN (in the Ubiquitous Solutions segment), the shares of which Fujitsu today (April 28) decided to sell, are not included in fiscal 2017 forecasts. For comparative purposes, actual revenue (-376.7 billion yen) and operating profit (-11.4 billion yen) for fiscal 2016 are also presented to reflect this change.

For fiscal 2017, Fujitsu is projecting revenue of 4,100.0 billion yen. Excluding the impact of the loss of approximately 50 billion yen in revenue from the sale of Nifty, revenue is projected to be essentially unchanged from fiscal 2016. While revenue from mobile phones is expected to decline because of a lengthening of the replacement cycle for smartphones, revenue in the Services sub-segment outside of Japan is expected to increase, and revenue from LSI devices is also expected to rise on a rebound in demand, resulting in overall revenue that is essentially unchanged from fiscal 2016.

The forecast for operating profit is 185.0 billion yen, an increase of 67.5 billion yen over fiscal 2016. One factor contributing to this anticipated improvement is the elimination of 42.0 billion yen in business model transformation expenses that were recorded in fiscal 2016. In contrast to the past two fiscal years, in which there were upfront expenses, under fiscal 2017 business model transformation plans expenses and profits are expected to offset one another, thereby having no impact on profit and loss. On a business segment basis, operating profit in the Services sub-segment of the Technology Solutions segment is projected to rise by 51.9 billion yen. In addition to the impact of a 33.6 billion yen reduction in business model transformation expenses and an anticipated recovery in Services outside Japan, Fujitsu anticipates steadily higher operating profit in Japan, primarily from the services sub-segment. Operating profit in the Device Solutions segment is also projected to rise by 9.7 billion yen, primarily from the impact of higher revenues.

The projected profit for the year attributable to owners of the parent is 145.0 billion yen, up 56.5 billion yen from fiscal 2016.

Assumptions on exchange rates for fiscal 2017 are 105 yen for the US dollar, 115 yen for the euro, and 130 yen for the British pound.

[Full-year] (Billions of yen)

	FY2016 (Actual)	FY2017 (Forecast)	Change vs. FY2016	
			Change	Change(%)
Revenue	4,132.9	4,100.0	-32.9	-0.8
Operating Profit	117.4	185.0	67.5	57.5
[Business Model Transformation Expenses]	[-42.0]	[-]	[42.0]	-
[Operating Profit Margin]	[2.8%]	[4.5%]	[1.7%]	
Profit for the Year Attributable to Owners of the Parent	88.4	145.0	56.5	63.9

[Revenue by Business Segment]

Technology Solutions	3,126.6	3,070.0	-56.6	-1.8
Services	2,624.2	2,570.0	-54.2	-2.1
System Platforms	502.3	500.0	-2.3	-0.5
Ubiquitous Solutions	645.5	640.0	-5.5	-0.9
Device Solutions	544.3	560.0	15.6	2.9
Other/Elimination and Corporate	-183.5	-170.0	13.5	-
Total	4,132.9	4,100.0	-32.9	-0.8

[Operating Profit by Business Segment]

Technology Solutions	[-36.2]	190.7	[-]	250.0	[36.2]	59.2	31.1
Services	[-33.6]	150.0	[-]	202.0	[33.6]	51.9	34.6
System Platforms	[-2.6]	40.7	[-]	48.0	[2.6]	7.2	17.9
Ubiquitous Solutions	[-1.7]	17.3	[-]	14.0	[1.7]	-3.3	-19.4
Device Solutions	[-4.0]	4.2	[-]	14.0	[4.0]	9.7	229.1
Other/Elimination and Corporate	[-]	-94.9	[-]	-93.0	[-]	1.9	-
Total	[-42.0]	117.4	[-]	185.0	[42.0]	67.5	57.5

*Figures in [] are Business Model Transformation Expenses

Part II . Financial Tables

1. Consolidated Statement of Financial Position

(Millions of yen)

	Notes	FY2015 (As of March 31, 2016)	FY2016 (As of March 31, 2017)
Assets			
Current assets			
Cash and cash equivalents		380,810	380,695
Trade receivables		984,630	999,238
Other receivables		93,963	66,849
Inventories		298,849	293,163
Others		79,876	79,052
Subtotal		1,838,128	1,818,997
Assets held for sale		5,735	23,408
Total current assets		1,843,863	1,842,405
Non-current assets			
Property, plant and equipment, net of accumulated depreciation		616,474	596,649
Goodwill		40,255	41,237
Intangible assets		164,292	153,974
Investments accounted for using the equity method		106,026	109,854
Other investments		155,010	181,970
Deferred tax assets		162,812	132,591
Others		137,571	132,818
Total non-current assets		1,382,440	1,349,093
Total assets		3,226,303	3,191,498
Liabilities and equity			
Liabilities			
Current liabilities			
Trade payables		622,334	617,706
Other payables		422,672	382,894
Short-term borrowings, current portion of long-term debt and lease obligations		144,667	130,788
Accrued income taxes		18,772	21,740
Provisions		57,319	75,047
Others		181,279	191,803
Subtotal		1,447,043	1,419,978
Liabilities directly associated with assets held for sale		—	12,014
Total current liabilities		1,447,043	1,431,992
Non-current liabilities			
Long-term debt and lease obligations		387,882	354,304
Retirement benefit liabilities		383,978	309,031
Provisions		33,353	31,363
Deferred tax liabilities		5,224	4,788
Others		42,583	40,818
Total non-current liabilities		853,020	740,304
Total liabilities		2,300,063	2,172,296
Equity			
Share capital		324,625	324,625
Capital surplus		233,896	231,640
Treasury stock, at cost		-627	-12,502
Retained earnings		155,930	265,893
Other components of equity		68,958	71,636
Total equity attributable to owners of the parent		782,782	881,292
Non-controlling interests		143,458	137,910
Total equity		926,240	1,019,202
Total liabilities and equity		3,226,303	3,191,498

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

【Full-Year Consolidated Statement of Profit or Loss】		(Millions of yen, except per share data)	
	Notes	FY2015 (For the full-year ended March 31, 2016)	FY2016 (For the full-year ended March 31, 2017)
Revenue		4,739,294	4,509,694
Cost of sales		-3,487,830	-3,292,690
Gross profit		1,251,464	1,217,004
Selling, general and administrative expenses		-1,087,122	-1,051,522
Other income (expenses)		-43,730	-36,621
Operating profit		120,612	128,861
Financial income		7,673	6,559
Financial expenses		-14,925	-7,227
Income from investments accounted for using the equity method, net		18,462	6,954
Profit for the year before income taxes		131,822	135,147
Income tax expenses		-41,401	-39,830
Profit for the year		90,421	95,317
Profit for the year attributable to:			
Owners of the parent		86,763	88,489
Non-controlling interests		3,658	6,828
Total		90,421	95,317
Earning per share			
	5-3		
Basic earnings per share (Yen)		41.94	42.83
Diluted earnings per share (Yen)		41.93	42.83

【Full-Year Consolidated Statement of Comprehensive Income】		(Millions of yen)	
	Notes	FY2015 (For the full-year ended March 31, 2016)	FY2016 (For the full-year ended March 31, 2017)
Profit for the year		90,421	95,317
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		-48,913	39,975
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		-18,787	-15,515
Cash flow hedges		-256	315
Available-for-sale financial assets		-13,587	18,577
Share of other comprehensive income of investments accounted for using the equity method		-3,348	-1,582
		-35,978	1,795
Total other comprehensive income for the year, net of taxes		-84,891	41,770
Total comprehensive income for the year		5,530	137,087
Total comprehensive income attributable to:			
Owners of the parent		8,860	129,191
Non-controlling interests		-3,330	7,896
Total		5,530	137,087

3. Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

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

(Millions of yen)

Notes	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury stock, at cost	Retained earnings	Other components of equity			
Balance at April 1, 2016	324,625	233,896	-627	155,930	68,958	782,782	143,458	926,240
Profit for the year				88,489		88,489	6,828	95,317
Other comprehensive income					40,702	40,702	1,068	41,770
Total comprehensive income for the year	—	—	—	88,489	40,702	129,191	7,896	137,087
Purchase of treasury stock		-5	-11,877			-11,882	-2	-11,884
Disposal of treasury stock			2			2		2
Dividends paid				-16,550		-16,550	-2,851	-19,401
Transfer to retained earnings				38,024	-38,024	—		—
Acquisition (disposal) of non-controlling interests		-2,251				-2,251	-10,544	-12,795
Changes in ownership interests in subsidiaries						—	-47	-47
Balance at March 31, 2017	324,625	231,640	-12,502	265,893	71,636	881,292	137,910	1,019,202

4.Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY2015	FY2016
	Notes (For the full-year ended March 31, 2016)	(For the full-year ended March 31, 2017)
<i>Cash flows from operating activities</i>		
Profit for the year before income taxes	131,822	135,147
Depreciation, amortization and impairment loss	203,123	188,297
Increase (decrease) in provisions	-7,684	15,158
Increase (decrease) in net defined benefit liability	-7,063	-9,370
Interest and dividend income	-5,446	-5,125
Interest charges	5,245	4,615
Equity in earnings of affiliates, net	-18,462	-6,954
(Increase) decrease in trade receivables	30,342	-38,443
(Increase) decrease in inventories	11,520	-715
Increase (decrease) in trade payables	-27,141	12,205
Other, net	-26,089	-9,491
Cash generated from operations	<u>290,167</u>	<u>285,324</u>
Interest received	1,611	1,584
Dividends received	5,184	5,488
Interest paid	-5,347	-4,695
Income taxes paid	-38,523	-37,370
Net cash provided by operating activities	<u>253,092</u>	<u>250,331</u>
<i>Cash flows from investing activities</i>		
Purchases of property, plant, equipment, and intangible assets	-189,770	-198,497
Proceeds from sale of available-for-sale financial assets	7,477	2,524
Net proceeds from sale of subsidiaries and business	—	25,185
Other, net	17,976	25,309
Net cash used in investing activities	<u>-164,317</u>	<u>-145,479</u>
<i>Cash flows from financing activities</i>		
Increase (decrease) in short-term borrowings	-26,407	33,962
Proceeds from long-term debt and issuance of bonds	97,124	42,975
Repayment of long-term debt and bonds	-108,206	-117,520
Payment of lease obligation	-15,673	-14,168
Purchase of treasury stock	-83	-11,877
Dividends paid to owners of the parent	-16,551	-16,550
Acquisition of non-controlling interests	-228	-12,939
Other, net	2,283	-2,779
Net cash used in financing activities	<u>-67,741</u>	<u>-98,896</u>
Net increase (decrease) in cash and cash equivalents	<u>21,034</u>	<u>5,956</u>
Cash and cash equivalents at beginning of year	<u>362,028</u>	<u>380,810</u>
Effect of exchange rate changes on cash and cash equivalents	<u>-2,252</u>	<u>-2,797</u>
Cash and cash equivalents at end of year	<u>380,810</u>	<u>383,969</u>

5. Notes to Financial Statements

1. Cautionary Note Regarding Assumptions of a Going Concern

None.

2. Segment Information

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

3. Earnings per Share

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

Basic Earnings per Share

		FY2015 (For full-year ended March 31, 2016)	FY2016 (For full-year ended March 31, 2017)
Profit for the year, attributable to ordinary equity holders of the parent	Millions of yen	86,763	88,489
Weighted average number of ordinary shares - basic	Thousands of share	2,068,877	2,065,886
Earnings per shares	Yen	41.94	42.83

Diluted Earnings per Share

		FY2015 (For full-year ended March 31, 2016)	FY2016 (For full-year ended March 31, 2017)
Profit for the year, attributable to ordinary equity holders of the parent	Millions of yen	86,763	88,489
Adjustment related to dilutive securities issued by subsidiaries and affiliates	Millions of yen	-10	-9
Profit used to calculate diluted earnings per share	Millions of yen	86,753	88,480
Weighted average number of ordinary shares - basic	Thousands of share	2,068,877	2,065,886
Weighted average number of ordinary shares - diluted	Thousands of share	2,068,877	2,065,886
Diluted earnings per share	Yen	41.93	42.83

4. Major Subsequent Events

None.

Part III: Basic Approach to the Selection of Accounting Standards

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