

Part I: Financial Results

In these explanatory materials, the yen figures for revenue, operating profit and other figures are converted into US\$ amounts, for reference purposes, at a rate of \$1=120 yen, the approximate Tokyo foreign exchange market rate on March 31, 2015. Figures for and comparisons to prior reporting periods are provided only for reference.

The impact of foreign exchange fluctuations has been calculated by using the average US dollar, euro and British pound foreign exchange rates for the fiscal 2013 to translate the current period's revenue outside Japan into yen.

1. Explanation of Financial Results

FY2014 Full-Year Financial Results

(Billions of yen)

	FY2013 4/1/13- 3/31/14	FY2014 4/1/14- 3/31/15	Change vs. FY2013		Change vs. Jan. Forecast
				Change (%)	
Revenue	4,762.4	4,753.2	-9.2	-0.2	-46.7
Operating Profit [Operating Profit Margin]	147.2 [3.1%]	178.6 [3.8%]	31.3 [0.7%]	21.3	-6.3 [-0.1%]
Financial Income (Expenses)	5.4	11.7	6.2	114.0	
Income from Investments Accounted for Using the Equity Method, net	8.3	8.4	0.1	1.9	
Profit before Income Taxes	161.1	198.8	37.7	23.4	-1.1
Profit for the Year Attributable to Owners of the Parent	113.2	140.0	26.8	23.7	8.0

<Profit or Loss>

Consolidated revenue for fiscal 2014 was 4,753.2 billion yen (US\$39,610 million), essentially unchanged from fiscal 2013. Revenue in Japan declined by 3%. Although revenue from system integration services and LSI devices increased, revenue from PCs, mobile phones, and network products decreased. Revenue outside of Japan rose 4.4%. Although revenue from LSI devices and PCs declined, overall results benefited from foreign exchange movements. The decline in the value of the yen against the US dollar and British pound served to increase revenue by about 120.0 billion yen compared to fiscal 2013. The ratio of revenue outside Japan was 39.6%, an increase of 1.8 percentage points compared to the prior fiscal year, in part because of the impact of foreign exchange movements.

Fujitsu recorded an operating profit of 178.6 billion yen (US\$1,488 million), an increase of 31.3 billion yen from fiscal 2013. In addition to improved profitability in mobile phones and the impact of higher revenue from system integration services, operating profit increased because, in the previous fiscal year, restructuring charges for areas such as LSI devices and mobile phones were recorded. The operating profit margin was 3.8%, an improvement of 0.7 of a percentage point from fiscal 2013.

Net financial income was 11.7 billion yen, an increase of 6.2 billion yen from fiscal 2013 resulting primarily from a net gain on foreign exchange. Income from investments accounted for using the equity method, net, was 8.4 billion yen. As a result, profit before income taxes was 198.8 billion yen, up 37.7 billion yen from the previous fiscal year.

Profit for the year attributable to owners of the parent was a record 140.0 billion yen (US\$1,167 million),

representing an increase of 26.8 billion yen compared to fiscal 2013.

(Comparison with Earnings Forecasts Announced in January 2015)

Revenue fell short of the previous projection by 46.7 billion yen, primarily because of lower-than-anticipated revenue from network products and other hardware products in Japan. Operating profit fell short of the projection by 6.3 billion yen. In addition to the impact of lower revenue, the shortfall primarily was the result of higher costs for the PC business in Europe resulting from the value of the euro declining against the US dollar.

Profit for the year attributable to owners of the parent exceeded the previous projection by 8.0 billion yen, primarily because of a lower-than-anticipated income tax burden.

FY2014 Full-Year Consolidated Business Segment Information

<Revenue* by Principal Products and Services>

(Billions of yen)

	FY2013	FY2014	Change vs. FY2013	
	(4/1/2013 ~ 3/31/2014)	(4/1/2014 ~ 3/31/2015)		Change(%)
Technology Solutions	3,243.0	3,302.8	59.7	1.8
Services	2,627.2	2,706.2	79.0	3.0
Solutions / SI	920.4	952.2	31.7	3.5
Infrastructure Services	1,706.7	1,753.9	47.2	2.8
System Platforms	615.7	596.5	-19.2	-3.1
System Products	272.7	278.1	5.3	2.0
Network Products	343.0	318.4	-24.6	-7.2
Ubiquitous Solutions	1,125.4	1,062.8	-62.6	-5.6
PCs / Mobile Phones	799.3	709.3	-90.0	-11.3
Mobilewear	326.0	353.5	27.4	8.4
Device Solutions	600.2	595.6	-4.6	-0.8
LSI**	321.6	313.7	-7.9	-2.5
Electronic Components	280.2	283.4	3.2	1.1

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)

		FY2013	FY2014	Change vs. FY2013	
		〔 4/1/2013 ~ 3/31/2014 〕	〔 4/1/2014 ~ 3/31/2015 〕		Change(%)
Technology Solutions	Revenue	3,243.0	3,302.8	59.7	1.8
	Japan	2,054.2	2,047.5	-6.6	-0.3
	Outside Japan	1,188.7	1,255.2	66.4	5.6
	Operating Profit	233.0	222.4	-10.6	-4.6
	[Operating Profit Margin]	[7.2%]	[6.7%]	[-0.5%]	
Services	Revenue	2,627.2	2,706.2	79.0	3.0
	Japan	1,600.5	1,615.8	15.2	1.0
	Outside Japan	1,026.6	1,090.4	63.7	6.2
	Operating Profit	173.8	177.2	3.3	1.9
	[Operating Profit Margin]	[6.6%]	[6.5%]	[-0.1%]	
System Platforms	Revenue	615.7	596.5	-19.2	-3.1
	Japan	453.7	431.7	-21.9	-4.8
	Outside Japan	162.0	164.7	2.6	1.7
	Operating Profit	59.2	45.2	-14.0	-23.7
	[Operating Profit Margin]	[9.6%]	[7.6%]	[-2.0%]	
Ubiquitous Solutions	Revenue	1,125.4	1,062.8	-62.6	-5.6
	Japan	794.4	705.2	-89.1	-11.2
	Outside Japan	331.0	357.6	26.5	8.0
	Operating Profit	-26.8	8.7	35.6	-
	[Operating Profit Margin]	[-2.4%]	[0.8%]	[3.2%]	
Device Solutions	Revenue	600.2	595.6	-4.6	-0.8
	Japan	291.9	306.0	14.1	4.8
	Outside Japan	308.3	289.5	-18.7	-6.1
	Operating Profit	11.5	36.9	25.3	219.1
	[Operating Profit Margin]	[1.9%]	[6.2%]	[4.3%]	
LSI	Operating Profit	0.0	25.2	25.2	-
Electronic Components	Operating Profit	11.4	11.6	0.1	1.4
Other/Elimination and Corporate***	Revenue	-206.3	-208.0	-1.7	-
	Operating Profit	-70.5	-89.5	-18.9	-
Total	Revenue	4,762.4	4,753.2	-9.2	-0.2
	Japan	2,960.9	2,873.2	-87.7	-3.0
	Outside Japan	1,801.4	1,879.9	78.4	4.4
	Operating Profit	147.2	178.6	31.3	21.3
	[Operating Profit Margin]	[3.1%]	[3.8%]	[0.7%]	

<Ratio of Revenue outside Japan>

37.8%

39.6%

1.8%

<Results by Business Segment>

Information on fiscal 2014 consolidated revenue (including intersegment revenue) and operating profit broken out by business segment is presented as follows.

Technology Solutions

(Billions of yen)

Revenue in the Technology Solutions segment amounted to 3,302.8 billion yen (US\$27,523 million), an increase of 1.8% from fiscal 2013. Revenue in Japan was essentially unchanged. In the Services sub-segment in Japan, revenue from system integration services rose on higher spending by customers in the financial sector and public services sector, and revenue from infrastructure services was also solid. In the System Platforms sub-segment, however, revenue from network products declined as investments by telecommunications carriers for LTE-related optical transmission equipment largely came to an end, and server-related revenue fell in comparison with fiscal 2013, when there were large-scale systems deals. Revenue outside Japan increased 5.6%. In the Services sub-segment, although revenue in continental Europe was weak, business in the UK and Australia was strong. In the System Platforms sub-segment, revenue from x86 servers rose in Europe, but revenue from optical transmissions systems in North America declined as investments by telecommunications carriers remained lackluster with regard to relevant segments of Fujitsu's business.

	FY2014	Change vs. FY2013
Revenue	3,302.8	1.8%
Japan	2,047.5	-0.3%
Outside Japan	1,255.2	5.6%
Operating Profit	222.4	-10.6
[Operating Profit Margin]	[6.7%]	[-0.5%]
Revenue;		
Services	2,706.2	3.0%
System Platforms	596.5	-3.1%
Operating Profit;		
Services	177.2	3.3
System Platforms	45.2	-14.0

The segment posted an operating profit of 222.4 billion yen (US\$1,853million), a decline of 10.6 billion yen compared to fiscal 2013. In the System Platforms sub-segment, operating profit declined on lower revenue and because of higher component costs in Japan and Europe stemming from the weakness in the yen and euro against the US dollar. In the Services sub-segment, on the other hand, even after having to absorb higher upfront investments to accommodate new business, operating profit increased because of the impact of higher sales, among other factors.

Ubiquitous Solutions

(Billions of yen)

Revenue in the Ubiquitous Solutions segment was 1,062.8 billion yen (US\$8,857 million), down 5.6% from fiscal 2013. Revenue in Japan was down by 11.2%. 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. For mobile phones, although revenue from the Raku-Raku series of both smartphones and feature phones rose, overall revenue from mobile phones declined, as fewer new models were launched in accordance with a policy of concentrating development resources in fewer select models. Revenue outside Japan increased 8%. Although there was a decline in unit sales of PCs in Europe, revenue from the Mobilewear sub-segment increased, primarily in North America.

	FY2014	Change vs. FY2013
Revenue	1,062.8	-5.6%
Japan	705.2	-11.2%
Outside Japan	357.6	8.0%
Operating Profit	8.7	35.6
[Operating Profit Margin]	[0.8%]	[3.2%]

The Ubiquitous Solutions segment posted an operating profit of 8.7 billion yen (US\$73 million), an

improvement of 35.6 billion yen from the previous fiscal year. For PCs, facing the impact of lower revenue as well as the impact of higher component costs, operating profit declined. Regarding the higher component costs in Japan and Europe stemming from the weakness in the yen and euro against the US dollar, the company made progress in stabilizing sales prices and reducing costs, but operating profit still declined due to the rapid weakening of the euro in the second half of the fiscal year. In mobile phones, lower costs associated with the impact of structural reforms and stabilized quality, as well as a further reduction in operating costs led to a large-scale improvement in operating profit, making the business profitable compared with the loss posted in fiscal 2013. For the Mobilewear sub-segment, despite the beneficial impact of higher revenue, higher component costs stemming from the weaker yen caused operating profit to be essentially unchanged from the previous fiscal year.

Device Solutions

(Billions of yen)

Revenue in the Device Solutions segment amounted to 595.6 billion yen (US\$4,963million), essentially unchanged from fiscal 2013. In Japan, revenue increased 4.8%. Revenue from LSI devices increased, primarily from devices used in smartphones and devices used in servers. Outside Japan, revenue fell 6.1%. For LSI devices, in addition to the impact of

	FY2014	Change vs. FY2013
Revenue	595.6	-0.8%
Japan	306.0	4.8%
Outside Japan	289.5	-6.1%
Operating Profit	36.9	25.3
[Operating Profit Margin]	[6.2%]	[4.3%]

selling the microcontroller and analog device business, smartphone-related revenue also declined, mainly in Asia. For electronic components, revenue from semiconductor packages in the Americas declined.

The segment posted an operating profit of 36.9 billion yen (US\$308 million), up 25.3 billion yen from fiscal 2013. For LSI devices, operating profit was 25.2 billion yen. This represented an increase in operating profit for LSI devices of 25.2 billion yen compared to fiscal 2013, when business restructuring charges were incurred. Results for fiscal 2014 also benefited from the impact of the weaker yen against the US dollar and lower overhead expenses resulting from structural reforms. For electronic components, operating profit was 11.6 billion yen, essentially unchanged from fiscal 2013. Results for semiconductor packages were adversely impacted by intensified competition, but results for the electronic components sub-segment benefited from a decline in development costs resulting from the liquidation of an affiliate developing semiconductors for communication equipment.

Other/Elimination and Corporate

This segment recorded an operating loss of 89.5 billion yen (US\$746 million), representing a deterioration of 18.9 billion yen from fiscal 2013. Contributing factors included the impact of a gain on the sale of unutilized real estate and the one-time posting of profit stemming from the liquidation of a US subsidiary recorded in the prior fiscal year, as well as an expansion of strategic investments in medium- and long-term growth.