

BUSINESS OVERVIEW

Fujitsu delivers total solutions in the field of information and communication technology (ICT). Along with the provision of a broad array of services, our comprehensive business encompasses the development, manufacture, sales, and maintenance of the cutting-edge, high-quality, and high-performance products and electronic devices that make these services possible.

REVENUE/BREAKDOWN OF REVENUE* SALES (REVENUE)* BY PRINCIPAL PRODUCTS AND SERVICES

Technology Solutions

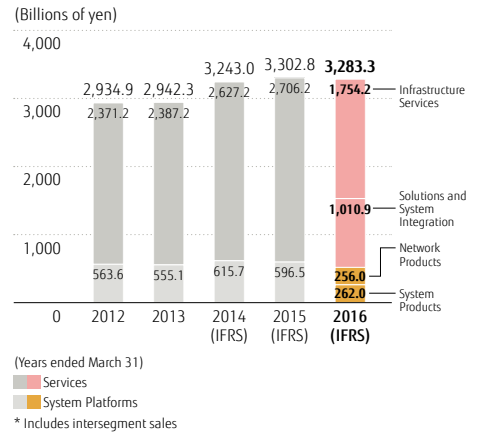
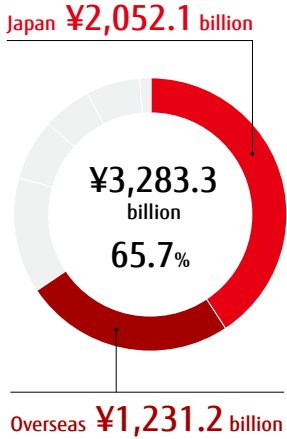
Business description

Services

Fujitsu provides solutions and system integration for system consulting and construction as well as infrastructure services centered on outsourcing services (complete operations and management of information systems).

System Platforms

Fujitsu provides system products, such as servers and storage systems that form the backbone of information and communication technology (ICT) systems, and network products, such as mobile-phone base stations, optical transmission systems, and other communications infrastructure.

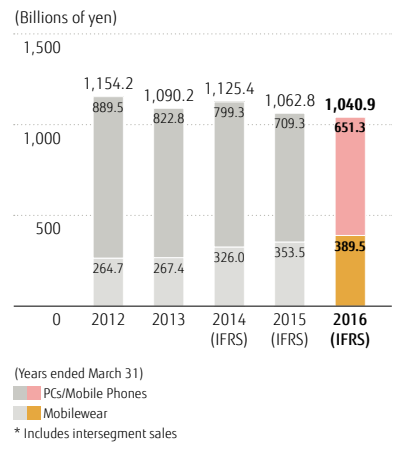
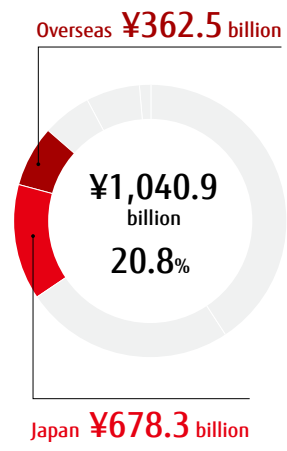


Ubiquitous Solutions

Business description

Fujitsu manufactures PCs within a made-in-Japan framework, delivering high-quality, high-added-value products including desktop PCs, laptop PCs, water- and dust-resistant tablets, and customization options.

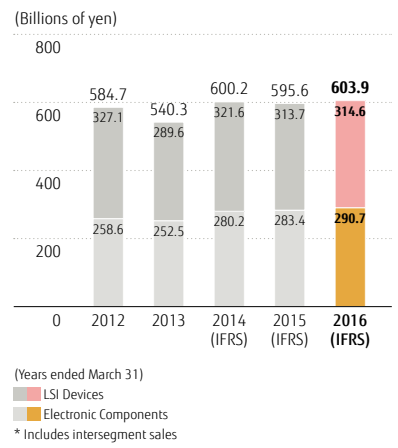
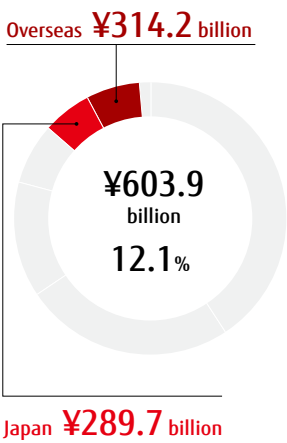
With mobile phones, Fujitsu supplies mobile communications carriers with its own mid-range to high spec smartphone and tablet products centering on the Raku-Raku Phone series and the Raku-Raku Smartphone. We supply high-quality and easy-to-use smartphones to Mobile Virtual Network Operators (MVNOs) and various products to corporations that satisfy a wide range of customization needs. For mobilewear, Fujitsu is responding to diverse needs with "Connectivity" Products, among them intuitively operated car navigation systems that connect to mobile phones for a more enjoyable driving experience.

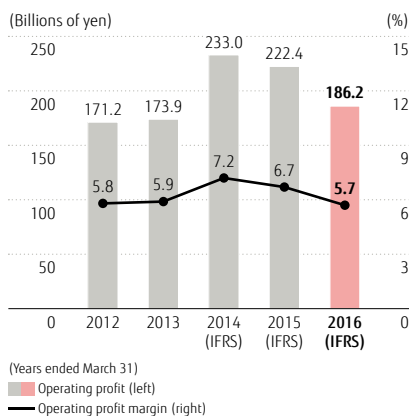


Device Solutions

Business description

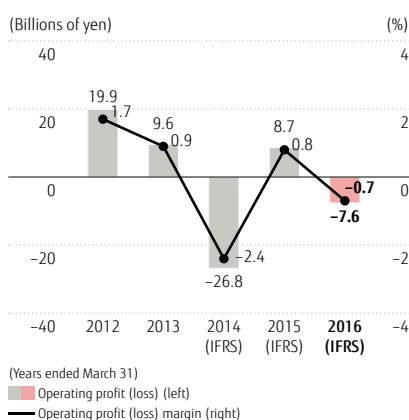
The LSI device business and electronic components business comprise Fujitsu's Device Solutions. In the LSI device business, Fujitsu offers wafer foundry services, LSI device sales, and system memory businesses such as FRAM and FCRAM. In the electronic components business, publicly listed consolidated subsidiaries such as Shinko Electric Industries, Fujitsu Component, and FDK provide semiconductor packages and other electronic components as well as structural components such as batteries, relays, and connectors.



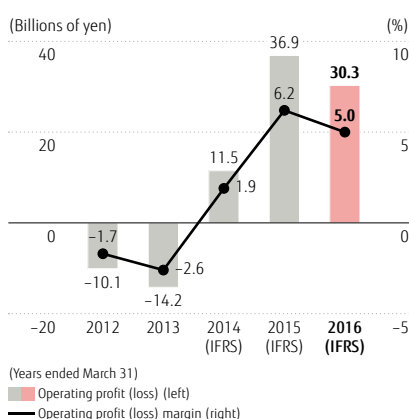
OPERATING PROFIT (LOSS) /
OPERATING PROFIT (LOSS) MARGIN

FISCAL 2015 HIGHLIGHTS

- In the Services sub-segment, sales in the system integration business rose supported by expanded investment, particularly in the financial and public sectors. Infrastructure services also did well, particularly in the outsourcing business.
- In the System Platforms sub-segment, system product sales rose in Japan and overseas amid global growth in x86 servers in tandem with the spread of cloud computing. Overall sales, however, declined owing to fewer large-scale business deals, especially for mainframes. Sales in the network products business also contracted as mobile communications carriers in Japan held down investment.
- Overseas, sales rose in Asia but fell in the UK amid large-scale business deals coming to an end; sales were also weak in the US.
- We booked a total of ¥35.9 billion in expenses incurred in the process of implementing business model transformation, comprising ¥19.1 billion in the Services sub-segment and ¥16.7 billion in the System Platforms sub-segment. These included expenses relating to restructuring of the network business in Japan and overseas, to the closure of a base and rationalization in EMEIA, and to the booking of an impairment loss for equipment in North America.



- Sales of PCs to both the corporate and consumer markets fell as the end of some operating system product support led to a year-on-year decline in replacement demand in the first quarter. In addition, the depreciation of the euro and the yen against the US dollar weighed on profit by pushing up costs for parts.
- For mobile phones, sales of smartphones both to the consumer and corporate markets rose, but overall sales contracted as unit sales of feature phones declined. Profit was also held down by expenses incurred to deal with a defective mobile phone model.
- Profit in the mobilewear business rose, supported by higher sales in Europe and the US.
- We recorded ¥1.6 billion in business model transformation expenses in EMEIA. We also booked ¥3.9 billion to reform and establish the PC and mobile phone businesses into wholly owned subsidiaries with effect from February 1, 2016.



- Sales of both LSI devices and electronic components rose, on the effect of yen depreciation against the US dollar, particularly in the first half of the fiscal year. In the system LSI devices business, sales were depressed by lower shipments of products for smartphone and PC applications, particularly in the second half of the fiscal year and by the transfer of the system LSI design and development operations to Socionext Inc. with effect from March 2, 2015.