

HIGHLIGHTS BY REGION

	Japan	Asia	EMEIA	Americas	Oceania	
Market Environment	In 2016, Japan's IT services market grew 1.4% year on year owing to increased investment in systems upgrading and new projects, reflecting a pickup in the performances of financial institutions and corporations. Although market growth is expected to slow down beyond 2017 as major projects conclude, gradual expansion is still projected through until 2020. In particular, there is likely to be steady growth in systems investment that is aimed at the use of big data, productivity enhancement, and the addressing of social tasks, such as disaster countermeasures, that focus on security, AI, and IoT. Between 2016 and 2019, we estimate a CAGR of 1.2%.	In 2016, Asia's IT market grew 6.8% year on year with markets for smartphones and other devices driving growth. The IT market is expected to continue expanding; between 2016 and 2019 we estimate a CAGR of 6.6%. In China and the ASEAN region, the pace of growth is projected to exceed that of other countries and regions due to the increasing use of mobile, cloud, and big data services. Asia's largest market, China has launched the "Made in China 2025" ICT initiative, while the ASEAN region is the most important growth region for Asia's economy. Although each country and region has distinctive characteristics, Asia as a whole is strengthening its industrial capabilities by introducing ICT. Further, Asia is likely to see demand stem from ICT investment aimed at addressing social issues.		In 2016, EMEIA's IT market grew 1.2% year on year. The IT market is expected to continue expanding modestly; between 2016 and 2019 we estimate a CAGR of 2.4%. While tough conditions are expected for PC, server, and other gradually contracting hardware markets, steady expansion is projected for the IT services market. With the increasingly prevalent view that the advance of ICT, particularly in developed economies, will spur renewed growth, expectations are for such fields as AI, IoT, security, cloud services, and big data to be utilized even more proactively.	In 2016, the IT market in the Americas grew a steady 2.1% year on year. The market is expected to continue expanding steadily; between 2016 and 2019 we estimate a CAGR of 4.1%. The region's IT market is the world's largest and most mature—and one of the most competitive. In addition to major ICT vendors and enterprises specializing in niche fields and specific regions, the market has in recent years seen the entry of India-based vendors. Hardware markets as a whole, including those for PCs and servers, are becoming increasingly challenging and are expected to continue to contract over the coming several years. The IT services market, however, is projected to expand steadily amid growing demand for security services against the backdrop of advancing digitization and the shift to software as a service (SaaS) and other cloud services.	In 2016, Oceania's IT market remained essentially unchanged, edging up 0.1% year on year. The market is expected to gradually increase in scale each year; between 2016 and 2019 we estimate a CAGR of 2.0%. The IT services market is expected to see sustained strong growth amid expanding demand for big data analysis and cyber security and the advance of digital business models across all industries, supported by increasing uptake of cloud, AI, mobile, and other technologies. The hardware market, particularly for PCs and servers, is projected to continue to contract.
Priority Tasks	We will leverage new IoT era digital technologies to realize innovation in businesses. Focusing on the fields of cloud, AI, and security while aiming to roll out "Connected Services," we will build strong ecosystems with customers, global ICT companies, research institutions, and universities. In addition to existing relationships established with customers through the provision of ICT services, the Fujitsu Group will co-create new business models with customers. We want to participate in our customers' operations from the planning stage, support customers' mainstay operations, and provide new value. To these ends, we will continue concentrating efforts on prior investment focused on research and development for next-generation technologies and the realization of digital transformation.	We aim to sustain strong growth by conducting selection and concentration that reflects the situation of each country, expanding businesses through maximum utilization of the integrated One Asia framework that includes Japan, and establishing the Fujitsu brand. As well as achieving steady growth by increasing our focus on customers and markets, we will grow through digital businesses. Also, the Group will advance services and solutions businesses centered on the cloud. Further, we will transform our operations from managed infrastructure businesses to solutions businesses by establishing services businesses through co-creation with partners and increasing solutions for specific industries.		While strengthening the competitiveness of conventional IT services, we will advance digital transformation of services businesses by establishing and growing services in such fields as big data and analytics. As part of these efforts, we will reduce personnel numbers in Europe as a whole, hire personnel with new skill sets suited to the digital services field, and develop personnel for new fields. In conjunction with such measures, the Group will promote automation to increase the efficiency of service delivery, sales, and marketing functions. We are pursuing business deals with companies strategically selected from among Europe's top 100 companies and stepping up sales activities dedicated to handling large business deals. In this way, we aim to secure multi-regional business deals in which we can bring to bear our global delivery capabilities.	To identify the needs of customer companies in the digital services field and provide the leading-edge digital ICT optimally suited to their business models, we will expand high-value-added digital services businesses, including consulting services, Hybrid IT, and SaaS. Further, the Digital Services Business will proactively advance the strengthening and expansion of businesses through strategic planning, personnel development, personnel exchanges, and solutions plans. The communications business is seeing higher datacenter-related traffic and communications demand. We are expanding the business with a focus on 1FINITY, which uses disaggregated architecture that enables flexible responses to increased traffic between datacenters, and Virtuora, a series of virtualization solutions for wide area networks.	We aim to step up the development of big data and analytics services as well as other services in the digital services field, which promises high rates of growth. Therefore, we are strengthening activities aimed at establishing our position as a leading ICT vendor in the digital services field by revising organizational systems and hiring personnel to enhance capabilities. Also, we will actively expand service menus through field trials and other co-creation initiatives. As for established businesses, we will enhance service quality even further by continuing to strengthen current capabilities through such measures as investment in datacenters. At the same time, we will decisively introduce automation and expand the use of offshore resources to increase cost competitiveness.
Revenue (Years ended March 31)	<p>(Billions of yen)</p> <p>Note: Including intersegment sales</p>	<p>(Billions of yen)</p> <p>Note: Due to regional realignment in fiscal 2013, data is for four fiscal years.</p>		<p>(Billions of yen)</p> <p>Note: Including intersegment sales</p>	<p>(Billions of yen)</p> <p>Note: Including intersegment sales</p>	<p>(Billions of yen)</p> <p>Note: Due to regional realignment in fiscal 2013, data is for four fiscal years.</p>
Operating Profit (Loss) / Operating Profit (Loss) Margin (Years ended March 31)	<p>(Billions of yen) (%)</p> <p>■ Operating profit (left) — Operating profit margin (right)</p>	<p>(Billions of yen) (%)</p> <p>■ Operating profit (left) — Operating profit margin (right)</p> <p>Note: Due to regional realignment in fiscal 2013, data is for four fiscal years.</p>		<p>(Billions of yen) (%)</p> <p>■ Operating profit (loss) (left) — Operating profit (loss) margin (right)</p>	<p>(Billions of yen) (%)</p> <p>■ Operating profit (loss) (left) — Operating profit (loss) margin (right)</p>	<p>(Billions of yen) (%)</p> <p>■ Operating profit (left) — Operating profit margin (right)</p> <p>Note: Due to regional realignment in fiscal 2013, data is for four fiscal years.</p>