

# HIGHLIGHTS BY SEGMENT

Fujitsu Limited and Consolidated Subsidiaries  
The Fujitsu Group adopted International Financial Reporting Standards (IFRS) in fiscal 2014.

	Technology Solutions		Ubiquitous Solutions	Device Solutions																																																																		
	Services	System Platforms																																																																				
<b>Market Environment</b>	<p>In the IT services market, system investment related to digital transformation is gathering momentum in Japan in such areas as the utilization of FinTech by financial institutions and the adoption of IoT in the manufacturing industry. Benefits are also expected from increased spending heading toward the Tokyo 2020 Olympic and Paralympic Games. Overseas, ongoing growth in investment is expected mainly in emerging economies.</p>	<p>The server market itself has been contracting in Japan amid the spread of cloud services, but overseas growth is expected on expansion in emerging markets and increasing demand for datacenters. In the optical transmission market, communications carriers both in Japan and overseas have been shifting the focus of their investment policies from reinforcing infrastructure to strengthening service businesses, which has led to contraction in equipment-related investment. Although we expect ongoing growth in investment over the medium term, supported by 5G and accelerated moves toward network virtualization and softwarization, we anticipate only slight growth for the market as a whole.</p>	<p>The growth trend has continued to be underpinned by projects to replace PCs equipped with Windows 7 with those installed with Windows 10 before the end of extended support for Windows 7 in January 2020. The market is expected to remain firm.</p>	<p>We expect ongoing high growth in the memory market as well as expanding demand for semiconductors for many electronic equipment applications amid sustained growth in the global economy. We do, however, recognize various risks such as geopolitical issues with the Korean Peninsula and the Middle East, in addition to the escalation of trade protectionism between the United States and China.</p>																																																																		
<b>Fiscal 2017 Highlights</b>	<p><b>Revenue</b> Solutions and system integration hit a quiet patch in terms of large-scale projects for financial institutions and projects related to the Social Security and Tax Number System, or "My Number System," for central and local governments. In addition, although solutions for manufacturing, retail, and distribution sectors continued to do well, that was not sufficient to make up for the overall decline amid a drop-off in the hardware-integrated solutions business that had robust sales in the previous fiscal year. With infrastructure services, the reorganization of NIFTY depressed sales by about ¥52.0 billion, but revenue expanded supported by buoyant sales in Japan particularly for outsourcing services and by benefits from yen depreciation overseas.</p> <p><b>Operating profit</b> Core business profit was essentially flat year on year, but operating profit for the segment rose as business model transformation costs eased.</p>	<p><b>Revenue</b> In the system products business, sales of x86 servers were lackluster after a good performance in the previous fiscal year. The network products business, meanwhile, was affected by communications carriers in Japan and overseas holding down investment in base stations to a greater degree than had been expected, as well as an increasingly harsh competitive environment. As a result, revenue declined sharply.</p> <p><b>Operating profit</b> Operating profit fell steeply mainly in network products.</p>	<p><b>Revenue</b> Sales of PCs to corporate customers in Japan expanded, while overseas sales increased amid a tough competitive environment aided by yen depreciation. In the mobile phone business, however, sales fell in tandem with a sharp drop in shipment volumes of Raku-Raku-series feature phones.</p> <p><b>Operating profit</b> Operating profit declined as upfront investment expenses in the IoT field increased and the impact of falling mobile phone sales was compounded by rising prices of memory and other key components for both PCs and mobile phones.</p>	<p><b>Revenue</b> Revenue increased due to growth in demand for LSI devices particularly for smartphone applications and benefits from yen depreciation for both the LSI devices and electronic components businesses.</p> <p><b>Operating profit</b> Operating profit increased thanks to both reduced expenses associated with business model transformation in the previous fiscal year and benefits from the depreciation of the yen.</p>																																																																		
<b>Revenue</b> (Years ended March 31)	<table border="1"> <caption>Revenue (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>Services</th> <th>System Platforms</th> <th>Network Products</th> <th>System Products</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>2,627.2</td> <td>615.7</td> <td>596.5</td> <td>518.1</td> <td>3,243.0</td> </tr> <tr> <td>2015</td> <td>2,706.2</td> <td>502.3</td> <td>518.1</td> <td>502.3</td> <td>3,302.8</td> </tr> <tr> <td>2016</td> <td>2,765.1</td> <td>502.3</td> <td>518.1</td> <td>502.3</td> <td>3,283.3</td> </tr> <tr> <td>2017</td> <td>2,624.2</td> <td>502.3</td> <td>518.1</td> <td>502.3</td> <td>3,126.6</td> </tr> <tr> <td>2018</td> <td>1,586.3</td> <td>1,012.0</td> <td>205.6</td> <td>248.7</td> <td>3,052.7</td> </tr> </tbody> </table> <p>Note: Includes intersegment sales</p>		Year	Services	System Platforms	Network Products	System Products	Total	2014	2,627.2	615.7	596.5	518.1	3,243.0	2015	2,706.2	502.3	518.1	502.3	3,302.8	2016	2,765.1	502.3	518.1	502.3	3,283.3	2017	2,624.2	502.3	518.1	502.3	3,126.6	2018	1,586.3	1,012.0	205.6	248.7	3,052.7	<table border="1"> <caption>Revenue (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>PCs/Mobile Phones</th> <th>Mobilewear</th> <th>Ubiquitous Solutions</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>799.3</td> <td>326.0</td> <td>326.0</td> <td>1,125.4</td> </tr> <tr> <td>2015</td> <td>709.3</td> <td>353.5</td> <td>353.5</td> <td>1,062.8</td> </tr> <tr> <td>2016</td> <td>651.3</td> <td>389.5</td> <td>389.5</td> <td>1,040.9</td> </tr> <tr> <td>2017</td> <td>645.5</td> <td>0.0</td> <td>0.0</td> <td>645.5</td> </tr> <tr> <td>2018</td> <td>663.9</td> <td>0.0</td> <td>0.0</td> <td>663.9</td> </tr> </tbody> </table> <p>Note: Includes intersegment sales</p>		Year	PCs/Mobile Phones	Mobilewear	Ubiquitous Solutions	Total	2014	799.3	326.0	326.0	1,125.4	2015	709.3	353.5	353.5	1,062.8	2016	651.3	389.5	389.5	1,040.9	2017	645.5	0.0	0.0	645.5	2018	663.9	0.0	0.0	663.9
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Note: On November 1, 2017, Fujitsu transferred a portion of the Company's shareholding in Fujitsu TEN Limited to DENSO CORPORATION. As a result, Fujitsu TEN became classified as a discontinued business. It has therefore been excluded from the revenue and operating profit of the Ubiquitous Solutions business in the fiscal years ended March 31, 2017 and March 31, 2018.