

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 the first quarter of fiscal 2014 to translate the current period's revenue outside Japan into yen.

1. Explanation of Financial Results

FY2015 First-Quarter Financial Results

(Billions of yen)

	1Q FY2014 4/1/14- 6/30/14	1Q FY2015 4/1/15- 6/30/15	Change vs. 1Q FY2014	Change (%)
Revenue	1,068.6	1,065.0	-3.5	-0.3
Operating profit	7.2	-27.3	-34.6	-
[Operating profit margin]	[0.7%]	[-2.6%]	[-3.3%]	
Financial income (expenses)	1.0	1.8	0.7	70.6
Income from investments accounted for using the equity method, net	2.0	8.6	6.5	320.9
Profit for the period before income taxes	10.4	-16.8	-27.2	-
Profit for the period attributable to owners of the parent	6.8	-18.9	-25.7	-

<Profit or Loss>

Consolidated revenue for the first quarter of fiscal 2015 was 1,065.0 billion yen, essentially unchanged from first quarter of fiscal 2014. Revenue in Japan declined by 3.1%. Although revenue from system integration services and server-related revenue increased, revenue from network products and PCs decreased. Revenue outside of Japan rose 3.6%. Revenue from network products in North America and PCs in Europe declined, however, results benefited from foreign exchange movements. The decline in the value of the yen versus the US dollar served to increase revenue by about 30.0 billion yen compared to the first quarter of fiscal 2014. The ratio of revenue outside Japan was 42.6%, an increase of 1.7 percentage points compared to the same period in the prior fiscal year.

Fujitsu recorded an operating loss of 27.3 billion yen, representing a deterioration of 34.6 billion yen compared to the first quarter of fiscal 2014. In addition to the impact of lower revenues from network products and PCs, there was the negative impact of higher procurement costs in Europe for US dollar-denominated components stemming from the weakening of the euro against the US dollar, and there were one-time expenses recorded to cover the costs of reallocating employees and others in the network business in Japan.

Net financial income was 1.8 billion yen, an increase of 0.7 billion yen from the same period in fiscal 2014 resulting primarily from a net gain on foreign exchange. Income from investments accounted for using the equity method, net, was 8.6 billion yen, an increase of 6.5 billion yen from the first quarter of fiscal 2014. Fujitsu recorded a dilution gain from changes in equity interest stemming from an offering of shares of an affiliate on China's Shenzhen Stock Exchange. In addition, the system LSI device design and development business was transferred to an affiliate (Socionext Inc., which commenced operations in March 2015, with a ratio of voting rights as follows: 40% Fujitsu, 20% Panasonic Corporation, and 40% Development Bank of Japan, Inc.).

As a result, the loss before income taxes was 16.8 billion yen, representing a deterioration of 27.2 billion yen from the first quarter of the previous fiscal year.

The loss for the period attributable to owners of the parent was 18.9 billion yen, representing a deterioration of 25.7 billion yen from the first quarter of fiscal 2014.

FY2015 First-Quarter Consolidated Business Segment Information

<Revenue* by Principal Products and Services>

(Billions of yen)

	1Q FY2014	1Q FY2015	Change vs. 1Q FY2014	
	(4/1/2014 ~ 6/30/2014)	(4/1/2015 ~ 6/30/2015)		Change(%)
Technology Solutions	708.0	718.8	10.8	1.5
Services	580.5	611.2	30.7	5.3
Solutions / SI	193.9	211.3	17.3	9.0
Infrastructure Services	386.5	399.9	13.3	3.5
System Platforms	127.5	107.6	-19.9	-15.6
System Products	50.1	55.1	4.9	9.9
Network Products	77.3	52.4	-24.9	-32.2
Ubiquitous Solutions	268.9	243.2	-25.6	-9.5
PCs / Mobile Phones	186.4	151.6	-34.7	-18.7
Mobilewear	82.4	91.6	9.1	11.1
Device Solutions	135.2	149.9	14.7	10.9
LSI**	69.0	80.5	11.5	16.7
Electronic Components	66.3	69.7	3.3	5.1

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)

		1Q FY2014	1Q FY2015	Change vs. 1Q FY2014	
		〔 4/1/2014 ~ 6/30/2014 〕	〔 4/1/2015 ~ 6/30/2015 〕		Change(%)
Technology Solutions	Revenue	708.0	718.8	10.8	1.5
	Japan	418.2	423.1	4.9	1.2
	Outside Japan	289.8	295.7	5.9	2.0
	Operating profit	11.4	-4.0	-15.4	-
	[Operating profit margin]	[1.6%]	[-0.6%]	[-2.2%]	
Services	Revenue	580.5	611.2	30.7	5.3
	Japan	332.0	350.6	18.5	5.6
	Outside Japan	248.4	260.6	12.1	4.9
	Operating profit	13.1	9.9	-3.2	-24.4
	[Operating profit margin]	[2.3%]	[1.6%]	[-0.7%]	
System Platforms	Revenue	127.5	107.6	-19.9	-15.6
	Japan	86.1	72.4	-13.6	-15.9
	Outside Japan	41.3	35.1	-6.2	-15.1
	Operating profit	-1.7	-13.9	-12.2	-
	[Operating profit margin]	[-1.3%]	[-13.0%]	[-11.7%]	
Ubiquitous Solutions	Revenue	268.9	243.2	-25.6	-9.5
	Japan	182.1	155.1	-26.9	-14.8
	Outside Japan	86.8	88.1	1.3	1.5
	Operating profit	8.7	-7.6	-16.3	-
	[Operating profit margin]	[3.2%]	[-3.1%]	[-6.3%]	
Device Solutions	Revenue	135.2	149.9	14.7	10.9
	Japan	67.9	73.8	5.9	8.7
	Outside Japan	67.2	76.0	8.7	13.1
	Operating profit	3.3	10.7	7.3	219.5
	[Operating profit margin]	[2.5%]	[7.1%]	[4.6%]	
Other/Elimination and Corporate***	Revenue	-43.5	-46.9	-3.4	-
	Operating profit	-16.2	-26.3	-10.1	-
Total	Revenue	1,068.6	1,065.0	-3.5	-0.3
	Japan	631.0	611.6	-19.3	-3.1
	Outside Japan	437.6	453.3	15.7	3.6
	Operating profit	7.2	-27.3	-34.6	-
	[Operating profit margin]	[0.7%]	[-2.6%]	[-3.3%]	

<Ratio of revenue outside Japan>

40.9%

42.6%

1.7%

<Results by Business Segment>

Information on fiscal 2015 first-quarter consolidated revenue (including intersegment revenue) and operating profit broken out by business segment is presented as follows.

Technology Solutions

Revenue in the Technology Solutions segment amounted to 718.8 billion yen, an increase of 1.5% from the first quarter of fiscal 2014. Revenue in Japan rose 1.2%. In the Services sub-segment, revenue from system integration services rose on higher spending by customers in the public sector and financial services sector, and revenue from infrastructure services was also solid. In the System Platforms sub-segment, however, although server-related revenue rose, primarily from higher revenue from x86 servers, revenue from mobile phone base stations and other network products declined due to low first quarter capital spending by customers. Revenue outside Japan increased 2.0%. In the Services sub-segment, revenue from the Americas was weak, but revenue rose in Australia and Asia. The impact of the weaker yen compared to the first quarter of fiscal 2014 also contributed to higher revenue. In the System Platforms sub-segment, however, revenue from optical transmissions systems in North America declined as investments by telecommunications carriers continued to be constrained with respect to relevant segments of Fujitsu's business.

(Billions of yen)

	First quarter FY2015	Change vs. 1Q FY2014
Revenue	718.8	1.5%
Japan	423.1	1.2%
Outside Japan	295.7	2.0%
Operating profit	-4.0	-15.4
[Operating profit margin]	[-0.6%]	[-2.2%]
Revenue;		
Services	611.2	5.3%
System Platforms	107.6	-15.6%
Operating profit;		
Services	9.9	-3.2
System Platforms	-13.9	-12.2

The segment posted an operating loss of 4.0 billion yen, representing a deterioration of 15.4 billion yen compared to the same period in fiscal 2014. In the Services sub-segment, despite the positive impact of higher sales, operating profit declined because of higher expenses to expand sales in the internet service provider business, among other factors. In the System Platforms sub-segment, operating profit declined due to lower revenue and on account of one-time expenses of approximately 5.0 billion yen to cover the costs of reallocating employees and other factors in the network business in Japan.

Ubiquitous Solutions

Revenue in the Ubiquitous Solutions segment was 243.2 billion yen, down 9.5% from the first quarter of fiscal 2014. Revenue in Japan was down by 14.8%. 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 of the prior fiscal year. Revenue outside Japan increased 1.5%. Although there was a decline in unit sales of PCs in Europe, revenue from the Mobilewear sub-segment increased, primarily in Europe and Asia. The results also benefited from foreign exchange movements.

(Billions of yen)

	First quarter FY2015	Change vs. 1Q FY2014
Revenue	243.2	-9.5%
Japan	155.1	-14.8%
Outside Japan	88.1	1.5%
Operating profit	-7.6	-16.3
[Operating profit margin]	[-3.1%]	[-6.3%]

The Ubiquitous Solutions segment posted an operating loss of 7.6 billion yen, representing a deterioration of 16.3 billion yen compared to the same period in fiscal 2014. In addition to the negative impact of lower revenue from PCs, the decline in the values of the euro and the yen against the US dollar

caused procurement costs for US dollar-denominated components to rise in Europe and Japan.

Device Solutions

Revenue in the Device Solutions segment amounted to 149.9 billion yen, up 10.9% from the first quarter of fiscal 2014. In Japan, revenue increased 8.7%. Revenue from LSI devices increased, primarily from devices used in smartphones. Outside Japan, revenue rose 13.1%. Revenue from both LSI devices and electronic components benefited from foreign exchange movements.

(Billions of yen)

	First quarter FY2015	Change vs. 1Q FY2014
Revenue	149.9	10.9%
Japan	73.8	8.7%
Outside Japan	76.0	13.1%
Operating profit	10.7	7.3
[Operating profit margin]	[7.1%]	[4.6%]

The segment posted an operating profit of 10.7 billion yen, up 7.3 billion yen from the first quarter of fiscal 2014. In addition to the impact of lower fixed costs stemming from last fiscal year's restructuring of the production lines for standard logic LSI devices, the value of US dollar-denominated exports rose because of the decline in the value of the yen against the US dollar.

Other/Elimination and Corporate

This segment recorded an operating loss of 26.3 billion yen, representing a deterioration of 10.1 billion yen from the first quarter of fiscal 2014. The higher loss is attributable to an expansion of strategic investments in such fields as next-generation cloud as IoT* usage platforms and future healthcare services.

*IoT (Internet of Things): A system in which, in addition to PCs and servers, for example, a wide variety of things are connected to the Internet and exchange information.