

FY2014 Financial Results Briefing

- FY2014 Financial Results and FY2015 Targets -

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1. Summary of FY2014 Full-Year Consolidated Financial Results

Consolidated Results of Operations

[Billion yen]

Item	Net sales	Operating income	Ordinary income	Net income	Net income per share
FY2014	108.9	4.4	4.8	2.8	116.68 yen
FY2013	107.9	4.1	4.0	1.8	74.60 yen
Year-on-year	+1.0	+0.3	+0.8	+1.0	+42.08 yen
Figures announced in April	110.0	4.9	4.3	3.0	125.34 yen
Change from the figures announced in April	-1.1	-0.5	+0.5	-0.2	-8.66 yen

Overseas sales

Overseas sales ratio in parentheses
[Billion yen]

FY2014	33.2 (30.5%)
FY2013	27.5 (25.4%)

	Average exchange rate during period (1USD=)
FY2014	110 yen*
FY2013	100 yen

*The effects of the exchange rates
Net sales: +2.9 billion yen Operating income: +0.4 billion yen

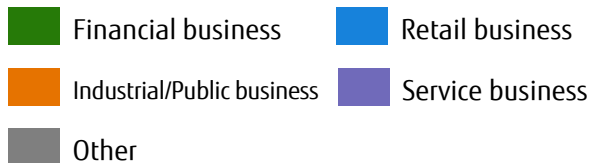
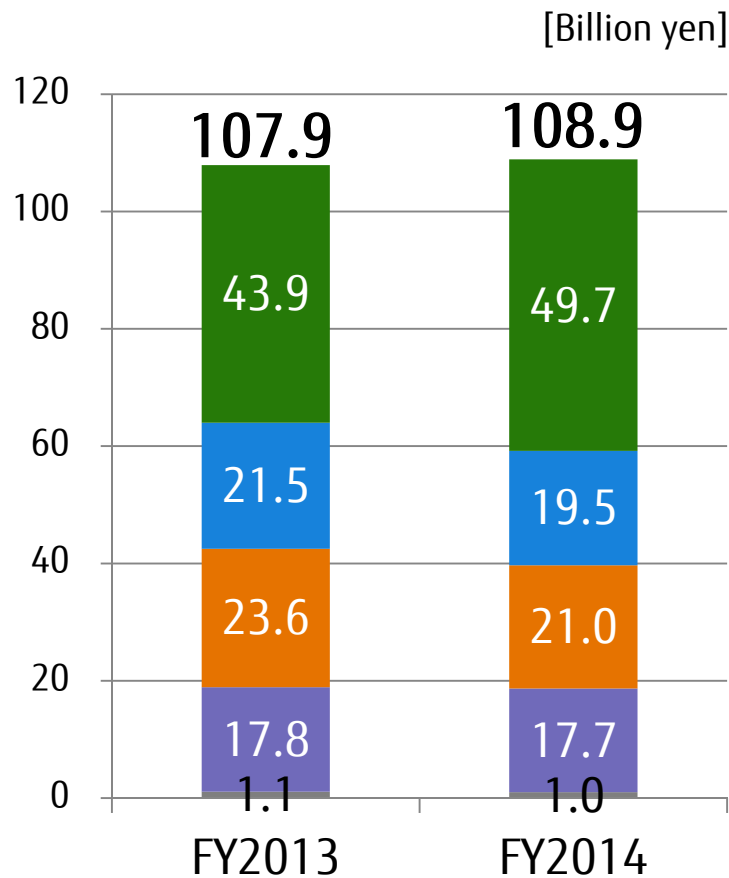
- Net sales increased by 1% compared to FY 2013, recording highest sales two years in a row
- Operating income increased by 9%
- Ordinary income increased by 22%, net income increased by 57%, both recording highest records since listing
- Overseas net sales ratio reached 30%

Sales and Operating income by Segment

[Billion yen]

Item	FY2013		FY2014		Increase/Decrease	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Financial business	43.9	3.6	49.7	3.6	+5.8	±0
Retail business	21.5	-1.0	19.5	-0.9	-2.0	+0.1
Industrial/Public business	23.6	1.5	21.0	1.6	-2.6	+0.1
Service business	17.8	1.1	17.7	1.1	-0.1	±0
Other	1.1	0	1.0	0.1	-0.1	+0.1
Corporate (Including strategic investment)	-	-1.1	-	-1.1	-	±0
Total	107.9	4.1	108.9	4.4	+1.0	+0.3

Sales by Segment (Major Factors for Changes) **FUJITSU**



Financial business: 49.7 billion yen
(year-on-year increase of 5.8 billion yen, up 13%)

- Increase in overseas mechanical components business
- Increase in domestic ATM and solutions for financial institutions

Retail business: 19.5 billion yen
(year-on-year decrease of 2.0 billion yen, down 9%)

- Decrease due to business reorganization
 - Transfer of domestic retail solution business
 - Transfer of SCO software business of subsidiary in North America
- Decrease in domestic POS business

Industrial/Public business: 21.0 billion yen
(year-on-year decrease of 2.6 billion yen, down 11%)

- Decrease in smartphone test supporting business
- Decrease due to an end of a big project for display system

Service business: 17.7 billion yen
(year-on-year decrease of 0.1 billion yen, down 1%)

- Increase in LCM service for retail products and maintenance service
- Decrease in ATM outsourcing service

Sales by Region

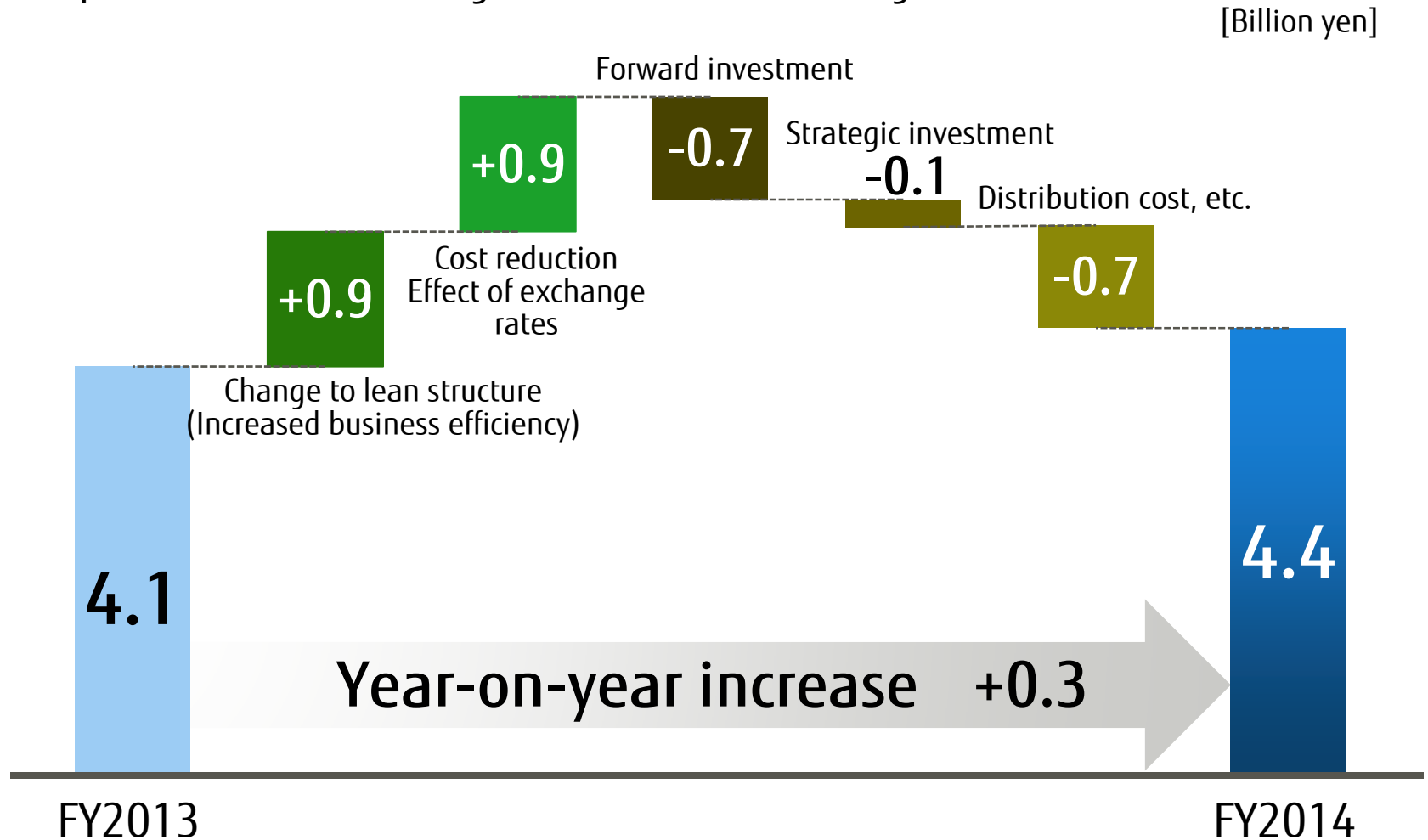
- Domestic: Decrease due to transfer of retail solution business and end of big projects
- Overseas: Increase due to demand expansion of Bill Recycling Unit (BRU) in European and Chinese market

[Billion yen]

Item	FY2013	FY2014	Increase/Decrease
Domestic (Retail Solution)	80.4 (1.6)	75.7 (0.7)	-4.7 (-0.9)
Overseas (Overseas sales ratio)	27.5 (25.4%)	33.2 (30.5%)	+5.7 (+5.1%)
Americas (SCO software)	10.6 (0.4)	11.1 (0)	+0.5 (-0.4)
Europe	7.0	10.0	+3.0
Asia	8.9	11.6	+2.7
[China]	[5.3]	[8.3]	[+3.0]
Other	1.0	0.5	-0.5
Total	107.9	108.9	+1.0

Major Factors for Changes in Operating Income **FUJITSU**

- Effects due to continuation of activities to “increase business efficiency” to build lean management base
- Implementation of strategic investments for new growth



Consolidated Financial Positions and Cash Flows

■ Consolidated financial positions [Billion yen]

Outline	Total assets	Net assets	Capital adequacy ratio	Net assets per share
FY2014	72.7	38.3	52.4%	1,589.43 yen
FY2013	65.2	35.5	54.1%	1,473.37 yen
Increase/Decrease	+7.5	+2.8	-1.7	+116.06 yen

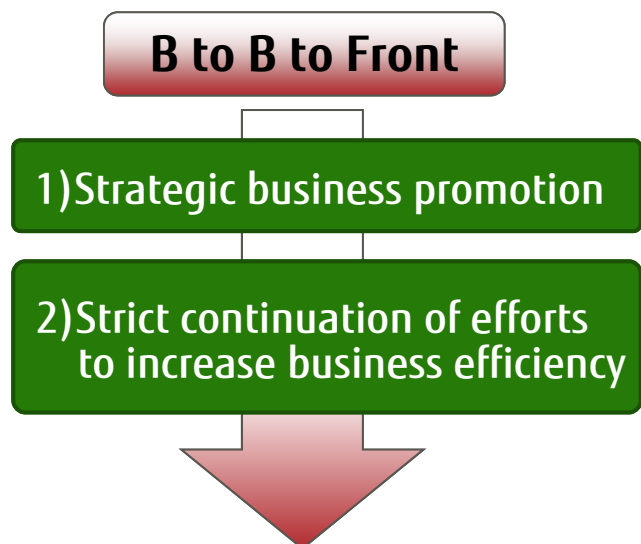
■ Consolidated statements of cash flows

Outline	C/F from operating activities A	C/F from investing activities B	Free C/F A + B	C/F from financing activities C	C/F A + B + C	Cash and cash equivalents at the end of year
FY2014	6.7	-3.5	3.2	-1.6	1.6	8.1
FY2013	7.8	0.3	8.1	-4.2	3.9	6.2
Increase/Decrease	-1.1	-3.8	-4.9	+2.6	-2.3	+1.9

2. Summary of FY2015 Full-year Targets

Policies for FY2015 (1)

■ Policies and Achievements for FY2014



- **Strategic expansion of global business**
 - Expansion of mechanical component business in Chinese and European market
 - Start selling S100 ATM in Spain
- **Creating new businesses / new products**
 - Cash management operation service for retail stores, commoditizing RFID platform
- **Changes to lean business structure**
 - Intensification of cost and quality management

- Highest net sales, ordinary income, net income since listing
- Achieved 30% of overseas sales ratio

Business environment for FY2015

- **Changes of frontline**
 - Storefront becoming a place to provide various services
- **Changes of values in markets**
 - From Products to Services, Service oriented , Software defined
- **Tough competition for existing businesses**

Policies for FY2015 (2)

Medium-term management policy

Policies for FY2015

1) Strategic business promotion

Investment for the next growth

A. Promoting a total business ranging from products to solutions/services

① Growth acceleration of global business

- Expansion of ATM mechanical component business
- Expansion of business areas

B. Strategic expansion of global business

② Evolution and deepening of domestic business areas

- Corresponding surely to customers' needs
- Expansion of service oriented business
- Re-examination of business structures and SCM for retail business

C. Creating new business/new products

③ Creation of new growing business areas

- Utilizing core technologies to solutions and services

2) Strict continuation of efforts to increase business efficiency

Structure improvement for achieving 5% of operating income ratio

④ Strict continuation of efforts to increase business efficiency

- Intensification of cost and quality management
- Innovation of production process, streamlining value chain operations

① Growth acceleration of global business

~ Aiming for 40% of overseas sales ratio in mid-term ~

■ Expanding mechanical component business for ATM

- BRU: Aiming for 50% increase in sales compared to FY2014

■ Expansion of business areas

<Mechanical components>

- Launching new small size BRU
 - Expansion of application to SCO, KIOSK and etc.
- Cash management system for bank branches and retail stores
- Development of next generation BRU corresponding to the needs in developing countries

<System / Solution>

- S100 ATM: rolling out starting from Spain and promoting sales in Europe
- Ramp up efforts to roll out TCR(Teller Cash Recycler) in China
- Expanding sales of Image filing solution and seal verification solution in Asia



New small size BRU



S100 ATM

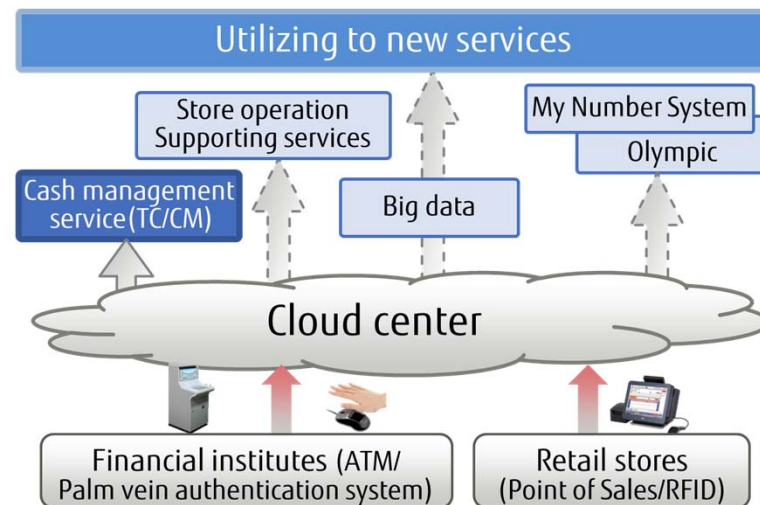
② Evolution and deepening of domestic business areas

■ Corresponding surely to customers' needs

- Surely corresponding to renewal demands of ATMs / banking terminals by financial institutions
(Number of sales (units) compared to FY2014 ATM: 60% increase, Banking terminals:90% increase)
 - Web-integrated option / Correspondence to overseas IC credit card
- Proposing new systems for mini banks
- Strengthening of RFID platform, display system and public race track business solutions
- Proposing solutions for “My Number System” and Olympic

■ Expansion of service oriented business

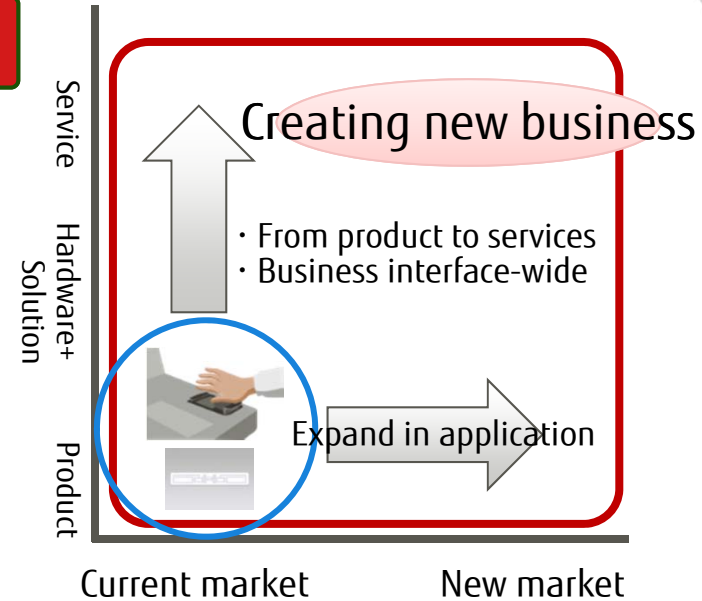
- Sales expansion of cash management operation service
- Corresponding ATM service center system and operation system to BCP
- Kitting and installation support including other companies' products
- LCM, BPO service



Measures for FY2015 (3)

③ Creation of new growing business areas

- Creating new business utilizing our core technologies
~ Establishing a new team for creating new business~
 - Expanding to solutions and services business, putting palm vein authentication and RFID as cores
 - Evolving cash management service
- Strengthening development of global business skills
 - Creating new values, business execution skill



④ Strict continuation of efforts to increase business efficiency

- Working on optimization and streamlining of process, commercial distribution, and logistics across the company for enhancing the profit structure
- Enhancing manufacturing ability and reforming process of FDTP (subsidiary in Philippines) in order to correspond to high demands of mechanical components
- Enhancing manufacturing bases in both Japan and overseas, including ODM vendors

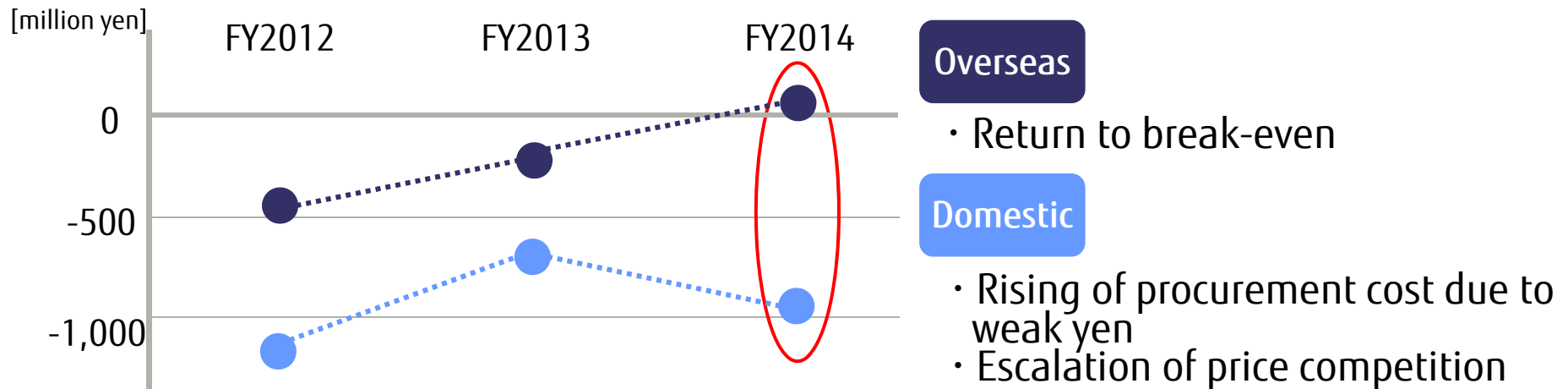


■ Approaches

- Continual structural reforms and efforts to increase business efficiency for enhancement of business structures

	~FY2012	FY2013	FY2014
Overseas	<ul style="list-style-type: none"> • Relocation of headquarters • Integration of factories and facilities 	<ul style="list-style-type: none"> • Withdrawing from unprofitable business • Transferring SCO software business • Personnel rationalization and reduction of spaces 	<ul style="list-style-type: none"> • Reexamining commercial distribution of POS business
Domestic	<ul style="list-style-type: none"> • Reexamining supply chain by utilizing ODM partners • Reformation of factory process 	<ul style="list-style-type: none"> • Transferring System Engineers • Outplacement program / redeployment 	<ul style="list-style-type: none"> • Promotion of cost reduction

■ Transitions of operating income



■ Future efforts

Reexamination of business structure and SCM, and transformation of business models

Overseas

- New commercial distribution of POS business starting from April 2015

Domestic

- Transformation of business models
POS business: From independent development and selling to royalties business model
RFID business: Focusing on solutions and services

- Fabless / Outsourcing
- OEM / ODM

- Installation, Service

● Focusing on upstream and downstream of the value chain



● Maximizing business value as Fujitsu Group

Consolidated Earnings Forecast

[Billion yen]

		Net sales	Operating income	Ordinary income	Net income	Net income per share
FY2015 forecast	First half	57.1	1.5	1.3	0.9	37.54 yen
	Full year	116.0	5.5	5.0	3.0	125.12 yen
FY2014 results	First half	48.8	0.4	0.6	0.3	14.32 yen
	Full year	108.9	4.4	4.8	2.8	116.68 yen
Increase/ Decrease	First half	+8.3	+1.1	+0.7	+0.6	+23.22 yen
	Full year	+7.1	+1.1	+0.2	+0.2	+8.44 yen

Overseas sales

Overseas sales ratio in parentheses
[Billion yen]

FY2015 forecast	39.0(33.6%)
FY2014 results	33.2(30.5%)

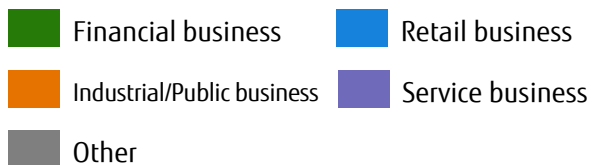
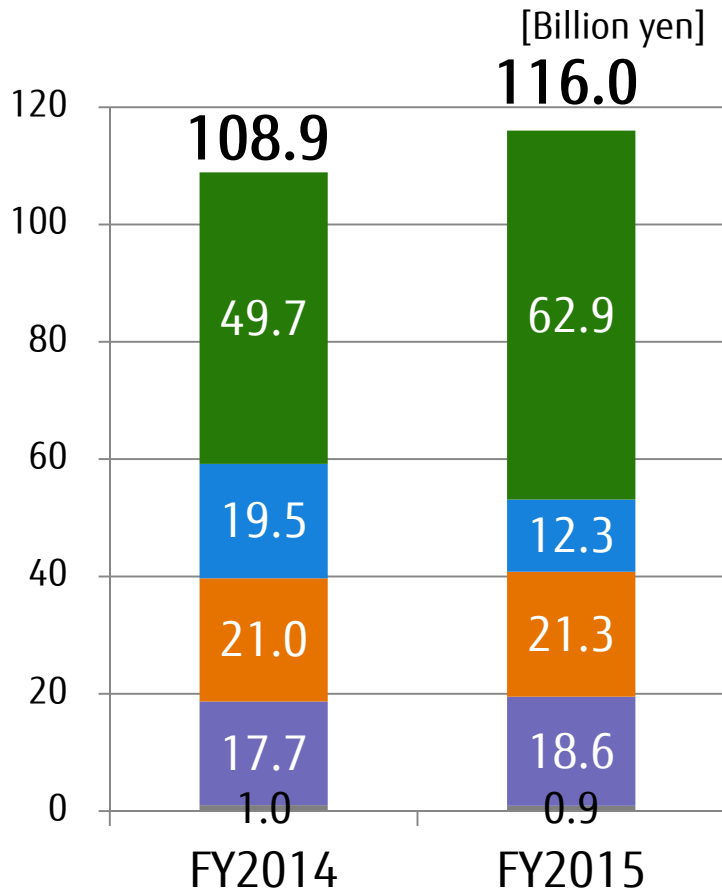
	Average exchange rate during period (1USD =)
FY2015 assumption	120 yen
FY2014	110 yen

Sales by Segment

[Billion yen]

	FY2014	FY2015	Increase/Decrease
Financial business	49.7	62.9	+13.2
Retail business	19.5	12.3	-7.2
Industrial/Public business	21.0	21.3	+0.3
Service business	17.7	18.6	+0.9
Other	1.0	0.9	-0.1
Total	108.9	116.0	+7.1

Sales by Segment (Major Factors for Changes) **FUJITSU**



Financial business : 62.9 billion yen
(year-on-year increase of 13.2 billion yen, up 27%)

- Expanding business areas of overseas mechanical component business
- Surely corresponding to replacement demands of ATM / banking terminals

Retail business : 12.3 billion yen
(year-on-year decrease of 7.2 billion yen, down 37%)

- Reexamining business structure and SCM, and enhance profit structure
- New commercial distribution of POS business in Europe and the U.S.

Industrial/public business 21.3 billion yen
(year-on-year increase of 0.3 billion yen, up 1%)

- Expanding sales of cashless terminals and servers for public racecourses
- Enhancing sales capability of used car bidding system and patient guidance system for hospitals

Services business 18.6 billion yen
(year-on-year increase 0.9 billion yen, up 5%)

- Expanding sales of cash management operation service, adding menus for large scale stores
- Store operations supporting solution/Expanding LCM service

Sales by Region

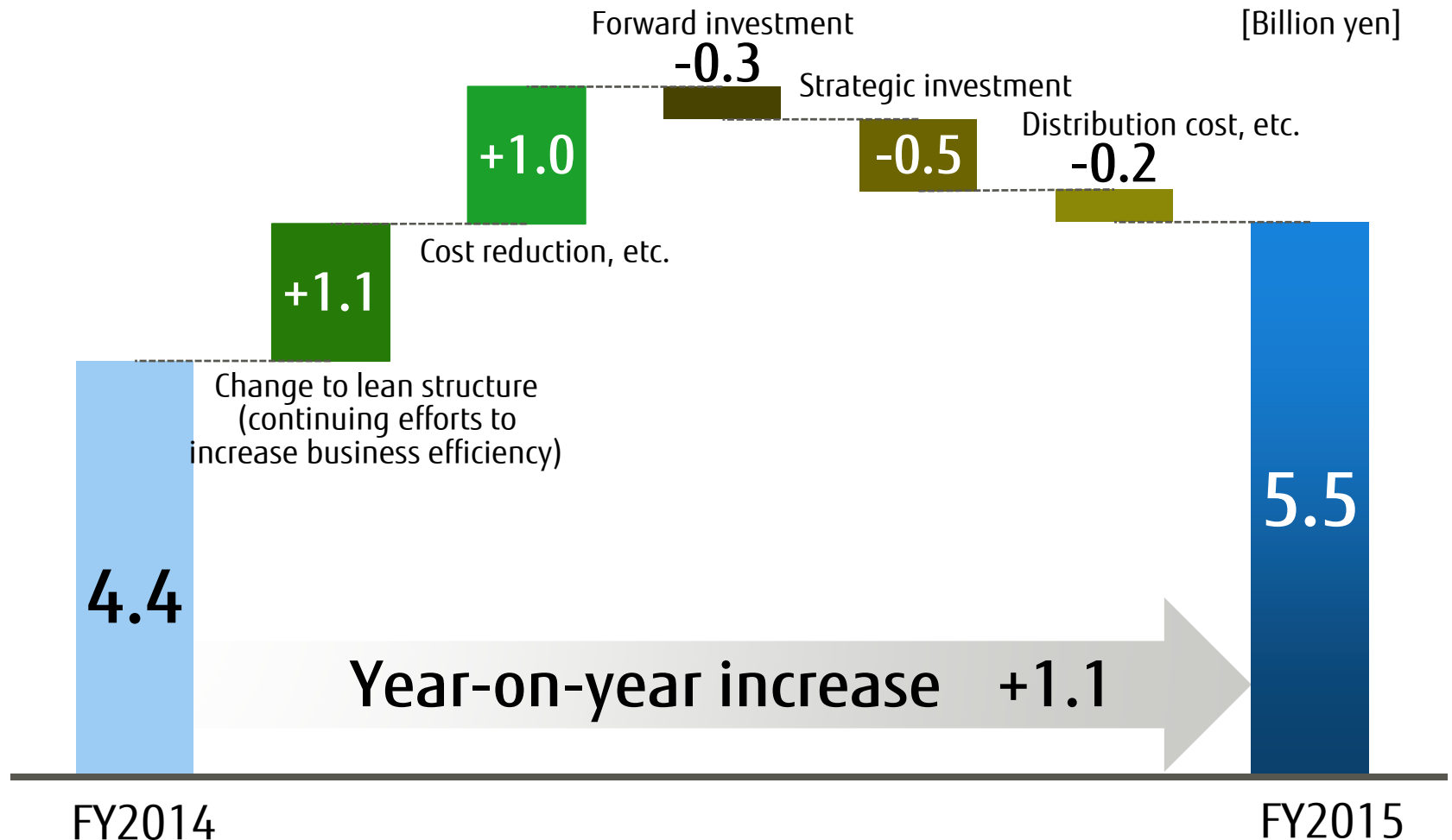
- Domestic sales will increase mainly due to replacement demands of ATM and banking terminal by financial institutions
- Overseas sales will increase due to expansion of demands of BRU mainly in Europe and China
Sales will decrease in Americas due to new commercial distribution of POS

[Billion yen]

Item	FY2014	FY2015	Increase/Decrease
Domestic	75.7	77.0	+1.3
Overseas (Overseas sales ratio)	33.2 (30.5%)	39.0 (33.6%)	+5.8 (+3.1%)
Americas	11.1	7.5	-3.6
Europe	10.0	14.2	+4.2
Asia	11.6	17.1	+5.5
[China]	[8.3]	[12.9]	[+4.6]
Other	0.5	0.2	-0.3
Total	108.9	116.0	+7.1

Major Factors for Changes in Operating Income **FUJITSU**

- Effects due to continuation of business efficiency activities
- Continuation of strategic investments for creation of new business



Investments

■ Overseas investments

Collaborative research and development of TCR (Teller Cash Recycler)

• Launching new small type BRU
• Developing new cash handling solution

Developing next generation mechanical components for developing countries

Enhancement of ATM for European market

Developing financial solution business in Asian market

Restructuring manufacturing processes and enhancing the ability of the plant in Philippines

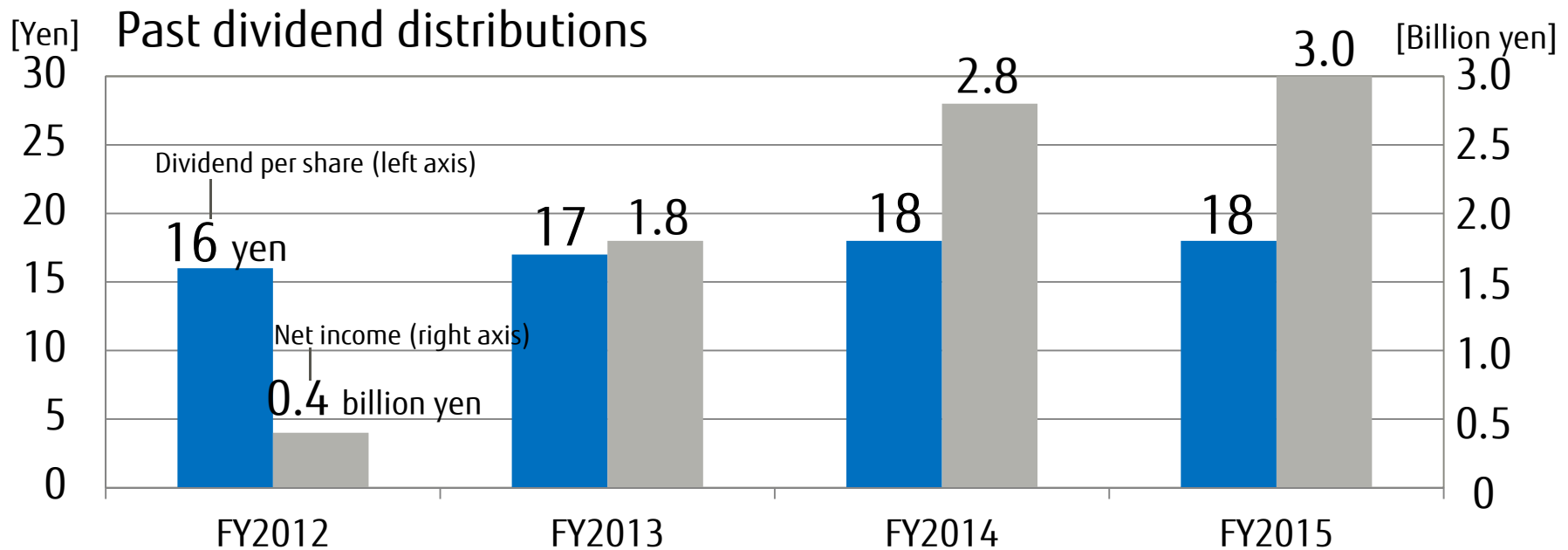
Exploiting palm vein authentication solution

■ Investment in Japan

- Development of security solutions for introduction of “My number system” and Olympic
- Development of new solutions utilizing RFID and palm vein authentication sensor
- Improvement of cash management service for both financial and retail business

Dividend policy: Placing a focus on stable dividend payouts, dividends are decided in consideration of profits in each fiscal year and future business developments.

Item	Interim	Year-end	Full year
FY2014	9 yen	9 yen (scheduled)	18 yen (scheduled) (increased dividend)
FY2015	9 yen (planned)	9 yen (planned)	18 yen (planned)



Targeted financial data

	FY2014	FY2015
Net sales	108.9 billion yen	116.0 billion yen
Overseas sales ratio	30.5%	33.6%
Operating income	4.4 billion yen	5.5 billion yen
Operating income ratio	4.1%	4.7%
Net income	2.8 billion yen	3.0 billion yen
Dividend	18 yen/year	18 yen/year
Debt with interest	1.4 billion yen	0 billion yen (No debt)

By creating new businesses with the “B to B to Front” approach (the front line facing with the consumers) based on our strategic advancement of business and strict continuation of efforts to increase business efficiency, we will strive to achieve:

<FY2015 targets>


- Consolidated net sales: 116.0 billion yen
- Consolidated operating income: 5.5 billion yen

<Notes Regarding Forward-Looking Statements>

- This material contains certain statements about projections and forecasts for the future plans, strategies, and performance based on assumptions made using information available to Fujitsu Frontech at that time.
- In addition, this material contains various risks and uncertainties (including economic trend, fierce competitions in the related industries, market demands, foreign exchange rates, tax rules and other regulations). Accordingly, please be informed that the actual results may materially differ from the forecasts made by the Company.

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