



shaping tomorrow with you

FY2015 1st Half Financial Results Briefing

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1. Summary of FY2015 1st Half Consolidated Financial Results

Consolidated Results of Operations



[Billion yen]

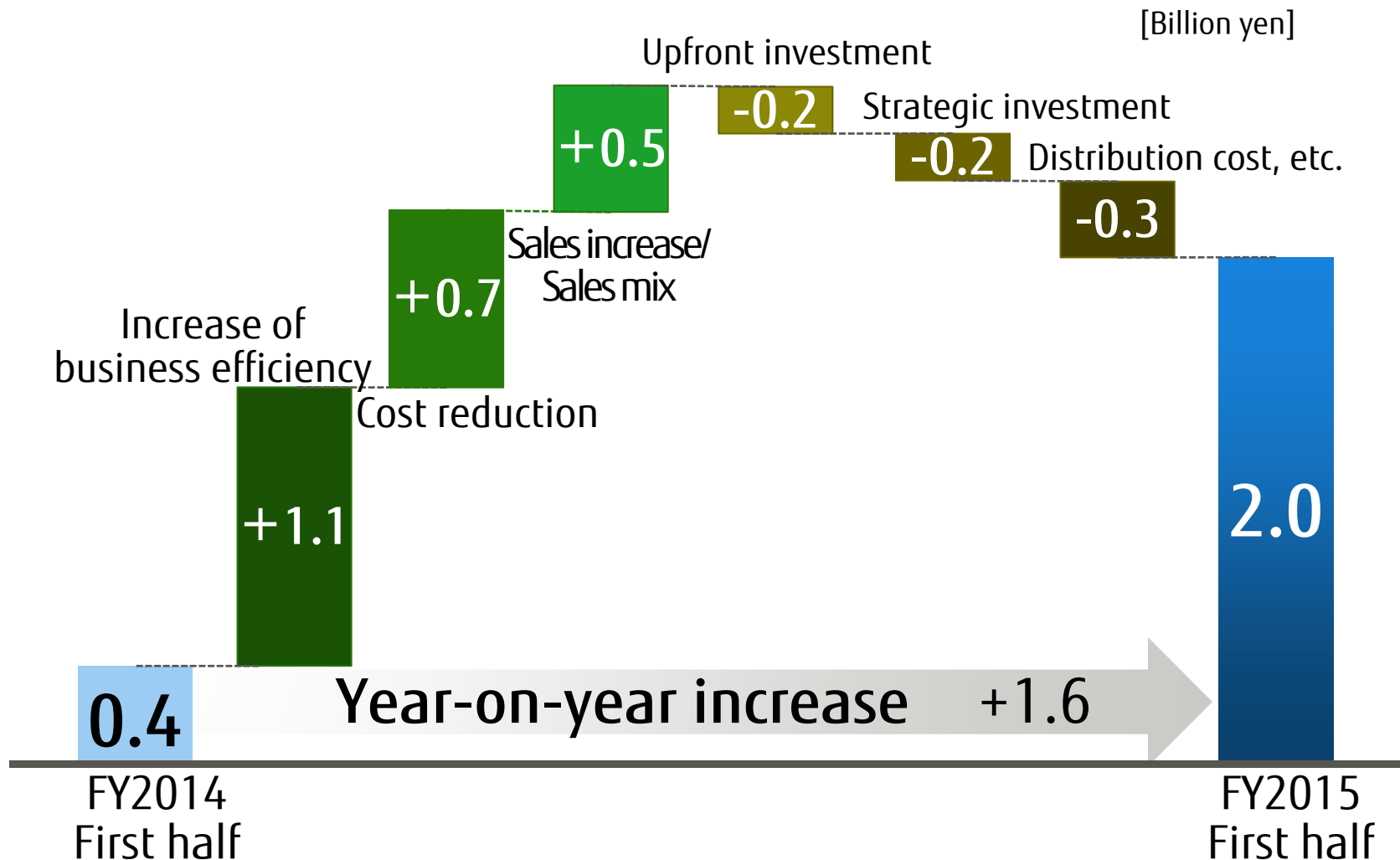
Item	Net sales	Operating income	Ordinary income	Net income ^(*)	Net income per share
FY2015 First half	55.7	2.0	1.9	1.3	53.67yen
FY2014 First half	48.8	0.4	0.6	0.3	14.32yen
Year-on-year	+6.9	+1.6	+1.3	+1.0	
Figures announced In April	57.1	1.5	1.3	0.9	37.54yen
Change from the figures announced in April	-1.4	+0.5	+0.6	+0.4	

* Net income represents net income attributable to owners of the parent

	Average exchange rate during period (1USD=)
FY2015 First half	122yen
FY2014 First half	103yen

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

- Results of continuation of cost reduction and business efficiency
- Improvement in earnings due to sales increase



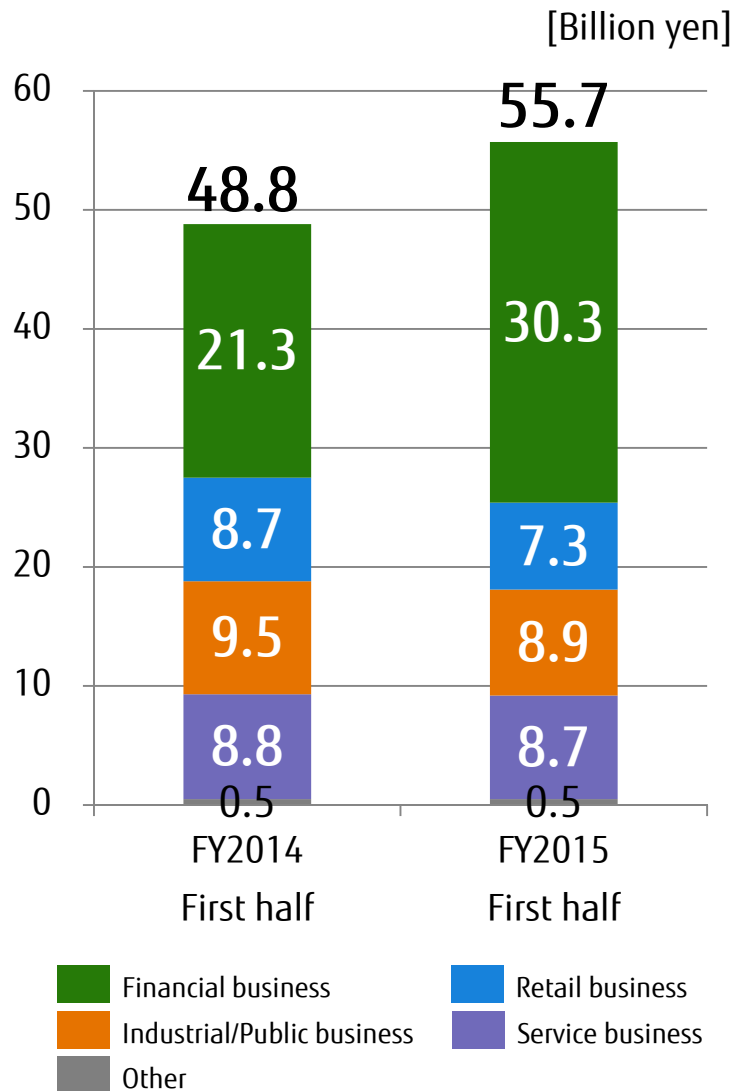
Sales / Operating income by Business Segment



[Billion yen]

Item	FY2014 First half		FY2015 First half		Increase/Decrease	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Financial business	21.3	0.7	30.3	2.4	+9.0	+1.7
Retail business	8.7	-0.5	7.3	-0.6	-1.4	-0.1
Industrial/ Public business	9.5	0.2	8.9	0.3	-0.6	+0.1
Service business	8.8	0.5	8.7	0.5	-0.1	±0
Other	0.5	0	0.5	0.1	±0	+0.1
Corporate	-	-0.5	-	-0.7	-	-0.2
Total	48.8	0.4	55.7	2.0	+6.9	+1.6

Sales by Business Segment



Financial business: 30.3 billion yen
(year-on-year increase of 9.0 billion yen, up 43%)

- Increase in domestic ATM and banking terminals
- Increase in overseas mechanical component business

Retail business: 7.3 billion yen
(year-on-year decrease of 1.4 billion yen, down 16%)

- New commercial distribution of POS business in Europe and the U.S. (-1.9 billion yen)

Industrial/Public business: 8.9 billion yen
(year-on-year decrease of 0.6 billion yen, down 6%)

- Decrease in totalizator terminals
- Race course operation and maintenance business showed steady performance

Service business: 8.7 billion yen
(year-on-year decrease of 0.1 billion yen, down 2%)

- LCM service showed steady performance
- Decrease in spot services

Sales by regions

- Domestic market: sales increased due to increase of financial business
- European and Chinese market: mechanical components showed good performance
- Americas market: Sales decreased due to new commercial distribution of overseas POS business

[Billion yen]

Item	FY2014 First half	FY2015 First half	Increase/Decrease
Domestic	33.2	38.9	+5.7
Overseas (Overseas sales ratio)	15.6 (31.9%)	16.8 (30.1%)	+1.2
Americas	4.9	4.4	-0.5
Europe	4.2	5.3	+1.1
Asia	6.4	7.0	+0.6
[China]	[4.7]	[5.2]	[+0.5]
Other	0.1	0.1	±0
Total	48.8	55.7	+6.9

Consolidated Financial Positions and Cash Flows

[Billion yen]

Outline	Total assets	Net assets	Capital adequacy ratio	Net assets per share
FY2015 First half	71.1	39.4	55.1%	1,633.22yen
FY2014	72.7	38.3	52.4%	1,589.43yen
Increase/Decrease	-1.6	+1.1	+2.7%	

[Billion yen]

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
FY2015 First half	4.9	-1.3	3.6	-2.2	1.4	9.5
FY2014 First half	3.9	-1.6	2.3	-0.7	1.7	8.0
Increase/Decrease	+1.0	+0.3	+1.3	-1.5	-0.3	+1.5

2. Summary of FY2015 Full-year Targets

Consolidated Earnings Forecast



[Billion yen]

Item	Net sales	Operating income	Ordinary income	Net income(*)	Net income per share
FY2015 planned	116.0	5.5	5.0	3.0	125.20yen
FY2014	108.9	4.4	4.8	2.8	116.68yen
Increase/Decrease	+7.1	+1.1	+0.2	+0.2	

*Net income represents net income attributable to owners of the parent

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

Sales by Segment



- Financial business: Good performance both in domestic and overseas market
- Retail business: Sales decrease due to new commercial distribution of overseas POS business
- Industrial/Public business and Service business will show recovery in the 2nd half

[Billion yen]

Item	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 regions



- Domestic: Increase due to renewal demands of ATM and banking terminals
- Overseas: BRUs demands are expanding in Americas, Europe and China, following the previous fiscal year. However, due to new commercial distribution of POS business, the sales in Americas will remain unchanged from the previous year

[Billion yen]

Item	FY2014	FY2015	Increase/Decrease
Domestic	75.7	77.0	+1.3
Overseas (Sales ratio)	33.2 (30.5%)	39.0 (33.6%)	+5.8 (+3.1%)
Americas	11.1	10.7	-0.4
Europe	10.0	13.2	+3.2
Asia	11.6	15.0	+3.4
[China]	[8.3]	[12.2]	[+3.9]
Other	0.5	0.1	-0.4
Total	108.9	116.0	+7.1

3. Policies and measures

Policies for FY2015

Medium-term management policy
B to B to Front

Policies for FY2015

1) Strategic business promotion

Investment for the next growth

A. Promoting 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

Progress situation (1)

① Growth acceleration of global business

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

■ Expansion of ATM mechanical component business

- Showed good performance, especially in China and Europe.
25% growth in number of sales unit compared to FY2014 1st half.
- Started to be equipped on ATMs for the Chinese 5 biggest banks

■ Expansion of business areas

<Mechanical components>

- New small sized BRU ⇒ Adopted by the largest SCO vendor
- Cash management of retail stores ⇒ Pilot testing at a major retail store in North America
- Starting development of next generation BRU

<System/Solution>

- S100ATM ⇒ Orders received from a major bank in Spain, and started installation.
- TCR in China ⇒ Driving forward co-development with local system vendor
- Expanding seal / image solution business to Asia.
⇒ Started exploitation of sales channel with local System integrators



Global BRU
(G750)



Cash management machine
for retail stores

Progress situation (2)

② Evolution and deepening of domestic business areas

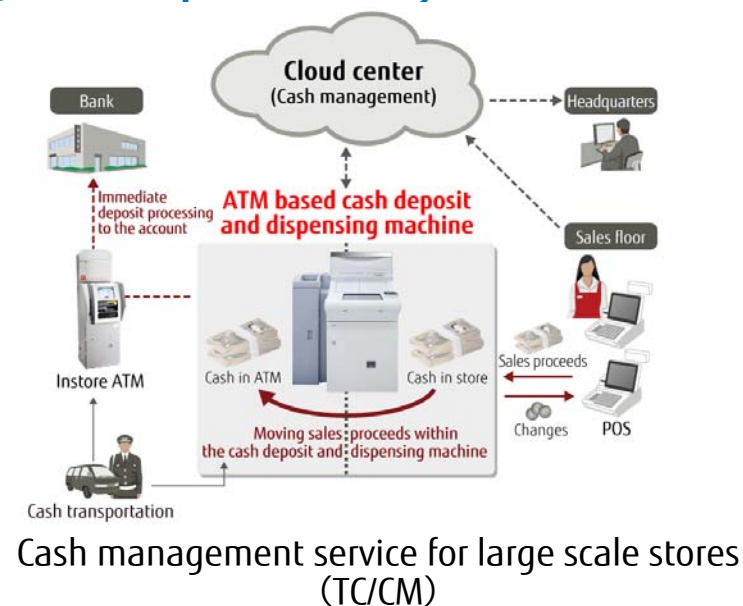
■ Corresponding surely to customer's needs

- Surely corresponding to renewal demands of ATMs/banking terminals
(Number of sales (units) compared to FY2014 1st half
ATM:230% increase, banking terminal 70% increase)
- Corresponding to overseas IC credit card
⇒ Promoting enhancement of i-ATM for correspondence
- New systems for mini bank ⇒ Making proposals, started pilot testing

■ Expansion of service oriented business

- Cash management service (TC/CM)
⇒ Announced the service for large scale stores in May
- Seal verification solution
⇒ Cloud service for small/middle size financial institution operating from 4Q
- Application for smart devices
Started testing service from September

■ Reexamination of business structure and SCM of Retail business



Reexamination of business structure and SCM of Retail business

■ Reexamination of business structure

- Shifting RFID business to solution and services business model

■ Reexamination of SCM of POS business

- Securing profit by turning to royalty revenue business model
- Focusing on upstream and downstream of the value chain, optimizing business structure as Fujitsu Group

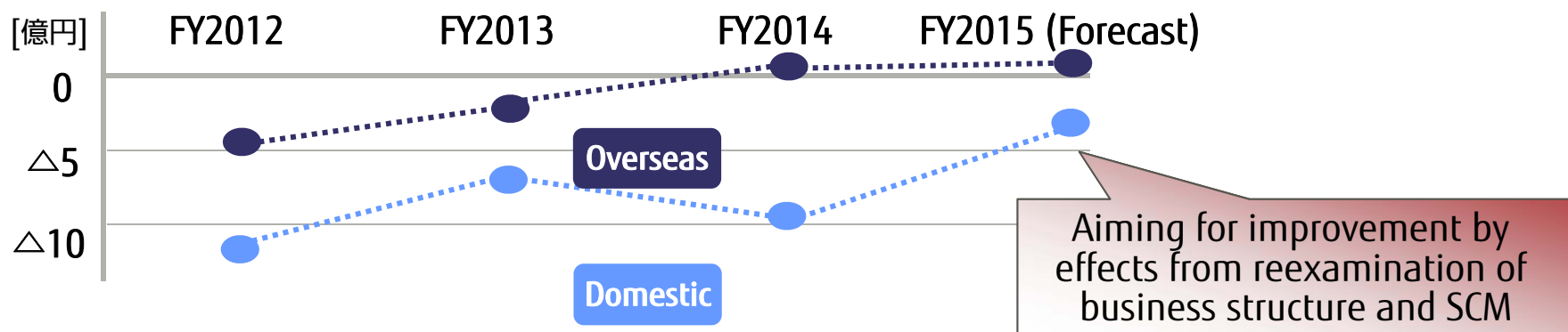


● New operation

Europe and US ⇒ Started from April 2015

Japan and Asia ⇒ Planned to start from 4Q

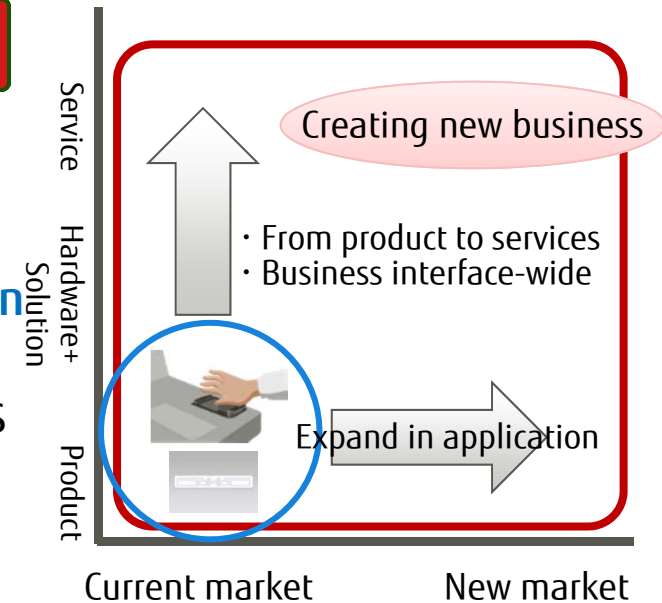
■ Transitions of operating income



Progress situation (3)

③ Creation of new growing business areas

- Creating new business utilizing our core technologies
 - ⇒ Established new team for creating new business
Creating new solution and services using palm vein authentication and RFID as the core
- Strengthening development of global business skills
 - ⇒ Established new education system for developing global business skills and proposal abilities



Investments for business incubation

- Planning to invest more than 500 million yen in FY2015 as strategic investment
 - ⇒ Continuation of investment in the future
- Main investments
 - Development of RFID platform
 - Credit card payment by palm vein authentication
 - Financial solutions for overseas market

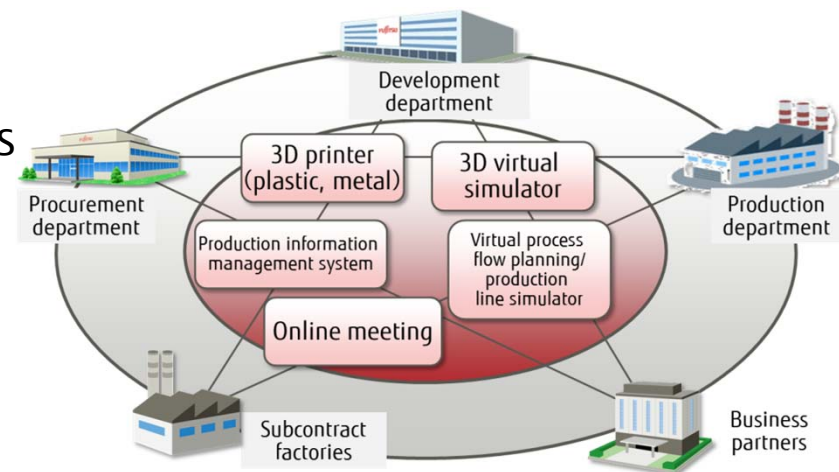
Progress situation (4)

④ Strict continuation of efforts to increase business efficiency <Gross margin rate 20%, Operating profit rate 5%>

- Enhancement of production structure and improvement of processes
 - ⇒ No.2 Plant in the Philippines (FDTP) in operation from this September
 - Enhancing production abilities more than 50%
 - ⇒ Improving processes of production lines in Japan and the Philippines
 - Sharing production information utilizing tablets
 - ⇒ Replacements and enhancement of production facilities

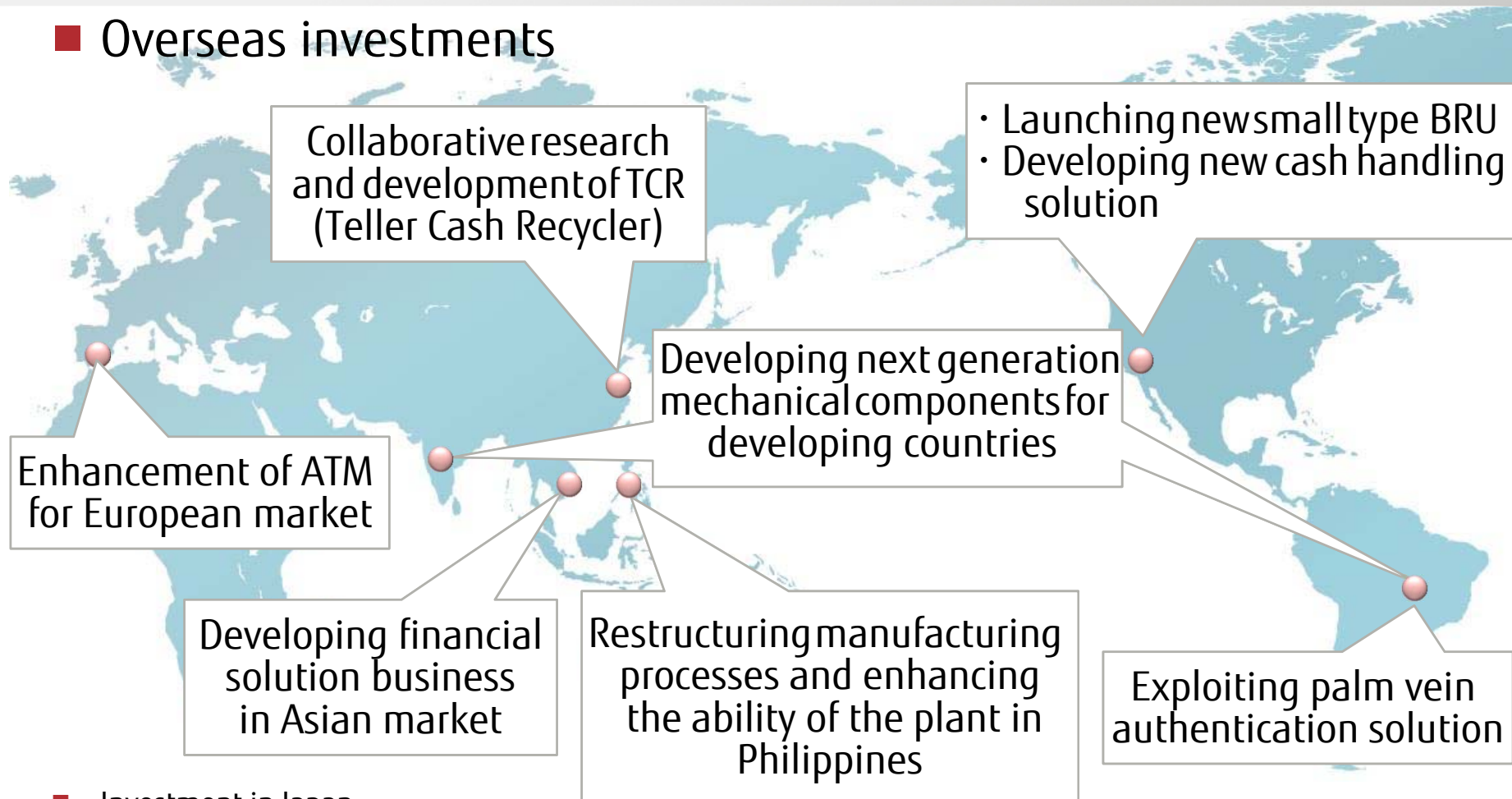


- Innovation of Manufacturing
 - ⇒ Reducing the production lead time up to 60 days by the fusion of product development process and production process
 - ⇒ Shortening the line of flow by connecting development department, procurement department, manufacturing department, subcontract factories and business partners with network.



Investments

■ Overseas investments



■ Investment in Japan

- Development of security solutions for introduction of “Mynumber 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

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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