

Fujitsu's profits up by 31,5%

TOKYO, JAPAN: Fujitsu said its half-year net profit jumped by nearly a third on rising IT investments among Japanese firms, but a recent economic downturn took a toll on results in the September quarter.



Information technology company Fujitsu has seen its profit rise 31.5% year-on-year but warns that the higher sales tax in Japan is dampening consumer sales in the Japanese market. Image: Fujitsu

The sprawling IT conglomerate logged a net profit of ¥24.1bn, for the six months to September, up 31.5 percent year-on-year, while sales rose 1.9% to ¥2.19 trillion yen.

"Against the backdrop of improved corporate earnings, investment in information and communication technology continues to expand at a moderate pace," Fujitsu said in a statement.

Japan's economy picked up early last year as Prime Minister Shinzo Abe's government pushed ahead with a growth blitz dubbed Abenomics, which, coupled with the Bank of Japan's monetary easing measures, pushed the yen down and boost stocks.

But more recent economic data have been lack-lustre as April's sales tax rise - Japan's first in 17 years - dampens consumption.

The higher tax impacted Fujitsu's results in the second quarter from July to September as revenue fell 2.4% to ¥1.1trn, although the weak yen supported its overseas results.

"Revenue in our Japanese market decreased 4.8% on lower revenue from PCs, server-related products, and mobile phones," Fujitsu said.

"Operating profit in the second quarter fell 39.2% to ¥24.9bn and net profit was down 27.7% at ¥17.2bn," Fujitsu said, adding that the higher results last year were partly due to one-time gains.

Fujitsu left its full-year outlook unchanged at a net profit of ¥125bn on sales worth ¥4.8trn.

Source: AFP via I-Net Bridge

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