

TRANSLATION



Interim Report on FY2018 (119th Business Period)
(Six months ended September 30, 2018)

FUJITSU LIMITED

Note:

This English version of Interim Report on FY2018 (119th Business Period) is a translation for reference only.

To Our Shareholders

We are pleased to present you this Interim Report on 119th business period (fiscal 2018, from April 1, 2018 to March 31, 2019).

In pursuing growth while increasing profitability through “Connected Services,” we have advanced two innovative measures to achieve this goal: initiatives for “Transformation of the Business Structure,” in which management resources are focused on our core business of Technology Solutions, and initiatives for “Transformation of the Growth Strategy,” aimed at achieving growth by innovating business segments of Technology Solutions.

With regard to initiatives for “Transformation of the Business Structure,” we feel that we have passed over the hump after making steady progress during the first half of fiscal 2018 such as by completing the sale of the PC business subsidiary and deciding to sell part of our semiconductor business subsidiary. Going forward, we will place greater focus on initiatives for “Transformation of the Growth Strategy” and pursue further growth.

In October this year, based on analysis of market and recognition of management issues, the Company made further advances with initiatives for “Transformation of the Growth Strategy” and announced measures to achieve our Management Direction. For a summary of these measures, please refer to Measures for the Realization of our Management Direction on Page 7.

Regarding performance targets, we seek to improve profitability and expand our market share in our main business of Technology Solutions, targeting an operating profit margin of 10% in fiscal 2022.

Revenue for the first half of fiscal 2018 was negatively impacted by a decrease caused by the restructuring of the PC business and mobile phones business, and declining demand mainly for network products and electronic components. However, robust sales of services in Japan offset the negative impact, and revenue remained largely unchanged from the previous fiscal year excluding the effect of business restructuring. Operating profit increased significantly due to special factors, including the recording of profit attributable to the revision of the Retirement Benefit Plan; however, in the mainstay business, operating profit remained at largely the same level as the previous fiscal year. We are considering various measures going forward, such as transformation of the business model, and for this reason, we have decided to leave the performance forecast for the current fiscal year unchanged from the initial projections, and pay an interim dividend of 7 yen per share as initially planned, an increase of 2 yen from 5 yen for the previous interim dividend. For details of the results for the first half of fiscal 2018, please refer to the Summary of FY 2018 First-Half Consolidated Results on Page 3.

We would like to ask for continued support and encouragement from all shareholders.

November 2018

Tatsuya Tanaka, Representative Director and President

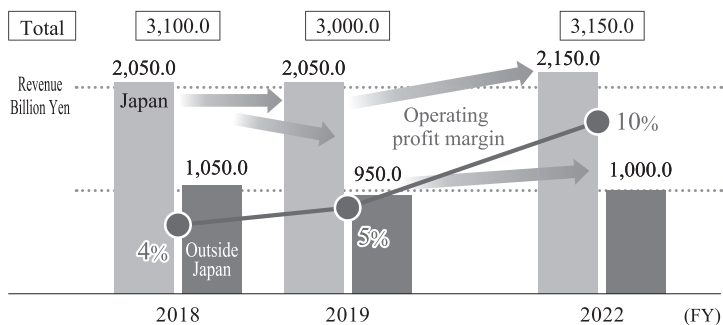
FY 2018 Full-Year Consolidated Forecast (Billion Yen)

	FY 2017	FY 2018 Forecast
Revenue	4,098.3	3,900.0
Operating Profit	182.4	140.0
Profit for the Period	169.3	110.0
Free Cash Flow	177.8	120.0

(*) In this report, profit for the period attributable to owners of the parent is presented as “Profit for the Period.”

FY 2018 and FY 2019 Plan / FY2022 Targets (Billion Yen)

Target operating profit margin of 10% for Technology Solutions



(*) Fiscal 2019 figures are as currently planned and official projection will be disclosed with the fiscal 2018 financial report

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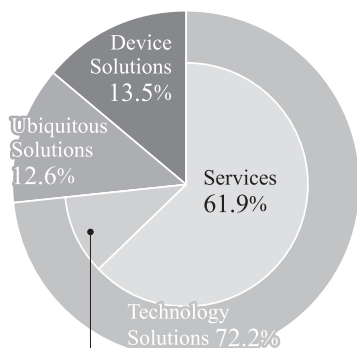
Summary of FY 2018 First-Half Consolidated Results

*For details, please refer to “FY 2018 First-Half Financial Results” available on the Fujitsu website at: <http://www.fujitsu.com/global/about/ir/data/results/>

Highlight (Billion Yen)

	1H FY 2017	1H FY 2018
Revenue	1,923.2	1,834.5
Operating Profit	28.0	95.2
Profit for the Period	43.4	81.1

Breakdown of Revenue by Business Segment (%)

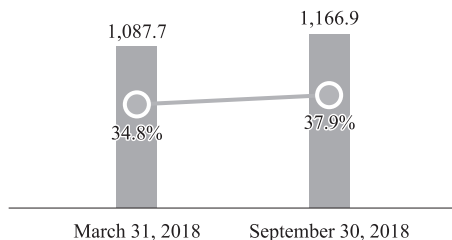


System Platforms
10.3%

(*) Revenue includes intersegment revenue.

Owners' Equity Ratio (Billion Yen)

■ Owners' Equity ● Owners' Equity Ratio

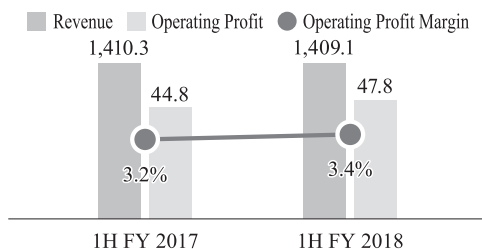


(*) Owners' Equity Ratio: Owners' Equity/Total Assets

(*) Owners' Equity consists of share capital, capital surplus, treasury stock, retained earnings and other components of equity.

Overview by Business Segment (Billion Yen)

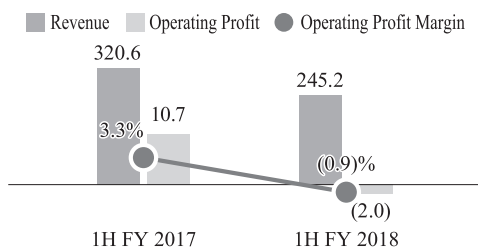
Technology Solutions



Revenue in the Technology Solutions segment was at approximately the same level as for the same period in fiscal 2017. The Services sub-segment posted an increase in revenue as a result of winning large-scale projects in the public sector and business growth in the manufacturing and distribution industries continuing from the previous year, despite a decrease in revenue due to weak sales in infrastructure services outside Japan. Revenue in the Systems Platforms sub-segment decreased due to weak sales for mobile phone base stations in Japan, despite increased sales of mission-critical IA servers both in and outside Japan.

Despite the impact from lower sales in the Systems Platforms sub-segment, operating profit rose compared with the same period in fiscal 2017 due to progress in reducing development expenses through improved expense efficiency and increased revenue in Japan in the Services sub-segment.

Ubiquitous Solutions

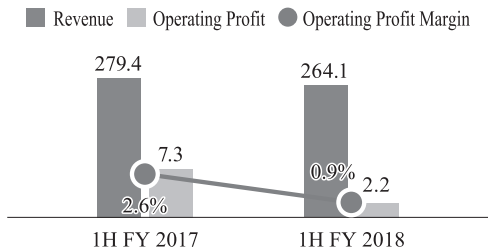


Revenue in the Ubiquitous Solutions segment decreased compared to the same period in fiscal 2017 due to the exclusion from the scope of consolidation of the mobile phones business and the PC business for consumers. Excluding the impact of business restructuring, revenue rose due to growth in enterprise PC sales.

Operating profit decreased compared to the same period in fiscal 2017 due to lower sales caused by the business restructuring, despite an increase in enterprise PC sales.

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Device Solutions



Revenue in the Device Solutions segment decreased compared to the same period in fiscal 2017 due to weak demand for LSI devices for smartphones.

Operating profit decreased compared to the same period in fiscal 2017 due to lower sales of LSI devices.

Other/Elimination and Corporate

Other/Elimination and Corporate recorded an operating profit of 47.2 billion yen. This was due to recording of temporary profit as the result of a revision to the Retirement Benefit Plan and the sale of the PC business subsidiary.

Stock (As of September 30, 2018)

Number of Authorized Shares:	5,000,000,000
Number of Outstanding Shares:	2,070,018,213
Stated Capital:	¥324,625,075,685
Number of Shareholders:	142,373 (12,519 decrease from the end of FY 2017)

Principal Shareholders

<i>Name</i>	<i>Number of shares held (thousands)</i>	<i>Percentage of shares held (%)</i>
The Master Trust Bank of Japan, Ltd. (for trust)	105,266	5.15
Ichigo Trust Pte. Ltd.	104,777	5.13
Japan Trustee Services Bank, Ltd. (for trust)	89,606	4.38
Fuji Electric Co., Ltd.	59,498	2.91
Fujitsu Employee Shareholding Association	55,723	2.73
SSBTC CLIENT OMNIBUS ACCOUNT	50,305	2.46
Japan Trustee Services Bank, Ltd. (for trust 5)	38,824	1.90
JP MORGAN CHASE BANK 385151	37,900	1.85
Mizuho Bank, Ltd.	36,963	1.81
Asahi Mutual Life Insurance Company	35,180	1.72

Notes:

1. The Company consolidated its common stock on a one-for-ten basis as of October 1, 2018. However, the number of shares held stated above represents the number of shares held prior to the consolidation of shares.
2. The investment ratio is calculated after exclusion of treasury stock holdings.
3. The shares held by the Mizuho Bank, Ltd. include trust properties that are trusted to Mizuho Trust & Banking Co., Ltd., and re-trusted to Trust & Custody Services Bank, Ltd., as retirement benefit trust assets.

TOPICS

Measures for the Realization of our Management Direction

Based on the Management Direction announced in October 2015, the Fujitsu Group has made steady progress with its initiatives for “Transformation of the Business Structure” that focuses management resources on Technology Solutions.

We have therefore formulated the following measures in order to place greater focus on initiatives for “Transformation of the Growth Strategy,” which is targeted to strengthen profitability, in order to achieve further growth.

By implementing these measures, we will work to achieve sustainable growth into the future as we move forward with further business model transformation.

Transformation of Sales in Japan

The Company will review the placement of the over 10,000 salespeople in our domestic group, and shift resources to priority fields. Additionally, we will further strengthen specialized sales in response to changes in both technology and the market, increase synergy with existing account sales, and work to promptly capture market needs and speed up product delivery. By doing so, we aim to establish a dominant business foundation in the domestic market.

Strengthening Fujitsu’s Business

The basic policies of our business are: (1) global product development based on unified strategy; (2) stop “not invented here” syndrome; (3) rapid delivery of services that meet market needs; and to (4) acquire/foster globally competitive talent. We will strengthen the service integration business and increase product competitiveness in the cloud and digital businesses both in and outside of Japan. In addition, we will implement drastic structural reforms in our individual businesses to strengthen the network business from a global perspective and improve profit margins in the EMEA business.

In order to promote the above initiatives, we aim to create a new global structure.

By endeavoring to optimize a global organization, including through the strategic establishment of business units, R&D units, and marketing units, as well as personnel assignments that put the right people in the right place, we will develop a framework that ensures the rapid delivery of valuable services to our customers throughout the world.

Notice Concerning Consolidation of Shares and Change in Share Unit

As of October 1, 2018, the Company consolidated its common stock on a one-for-ten basis, and changed the share unit of the Company’s common stock from 1,000 shares to 100 shares. Shareholders are not required to undertake any special procedures due to this consolidation of shares and change in share unit.

<Impact of the Consolidation of Shares>

As a result of the consolidation of shares, the number of shares held by shareholders will be one tenth that held prior to the consolidation. However, since the net assets per share will increase ten-fold compared with the net assets per share prior to the consolidation, there will be no change in the asset value of the Company’s shares held by shareholders, other than changes caused by factors such as fluctuations in stock market conditions.

<Payment of Proceeds from the Sale of Fractional Shares>

Shareholders who hold fractional shares of less than one share due to the consolidation of shares will be paid the proceeds from the sale of the fractional shares together with the interim dividend.