Exhibit A

Reports on the 111th Business Period

FUJITSU LIMITED

Note：

This English version of *Reports on the 111th Business Period* is translation for reference only. The style of this English version differs slightly from the original Japanese version.

FUJITSU Way

On April 1, 2008, Fujitsu announced a fully revised Fujitsu Way. The Fujitsu Way will facilitate management innovation and promote a unified direction for the Fujitsu Group as we expand our global business activities, bringing innovative technology and solutions to every corner of the globe.

The Fujitsu Way provides a common direction for all employees of the Fujitsu Group. By adhering to its principles and values, employees enhance corporate value and their contributions to global and local societies.

Corporate Vision

Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world.

Corporate Values

What we strive for :	
Society and Environment	In all our actions, we protect the environment and contribute to society.
Profit and Growth	We strive to meet the expectations of customers, employees and shareholders.
Shareholders and Investors	We seek to continuously increase our corporate value.
Global Perspective	We think and act from a global perspective.

What we value:	
Customers	We seek to be their valued and trusted partner.
Business Partners	We build mutually beneficial relationships.
Technology	We seek to create new value through innovation.
Quality	We enhance the reputation of our customers and the reliability of social infrastructure.

Principles

Customer-Centric Perspective	We think from the customer's perspective and act with sincerity.
Firsthand Understanding	We act based on a firsthand understanding of the actual situation.
Spirit of Challenge	We strive to achieve our highest goals.
Speed and Agility	We act flexibly and promptly to achieve our objectives.
Teamwork	We share common objectives across organizations, work as a team and act as responsible members of the team.

Code of Conduct

- We respect human rights.
- We comply with all laws and regulations.
- We act with fairness in our business dealings.
- We protect and respect intellectual property.
- We maintain confidentiality.
- We do not use our position in our organization for personal gain.

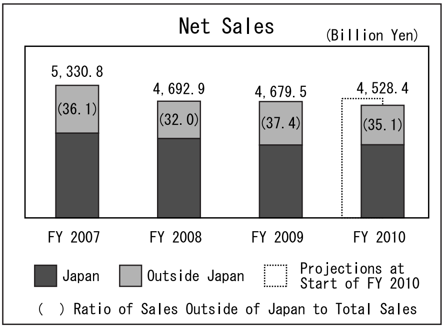
Business Policy

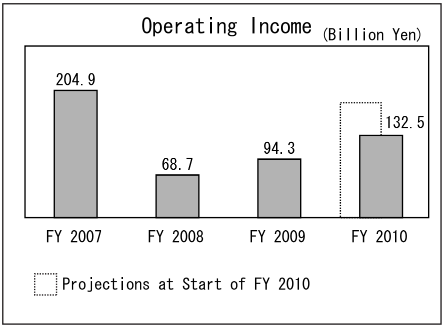
- We use Field Innovation to find new approaches and the inspiration to improve ourselves, while delivering added value to our customers.
- We provide global environmental solutions in all our business areas.
- Fujitsu Group companies work together to accelerate our global business expansion.

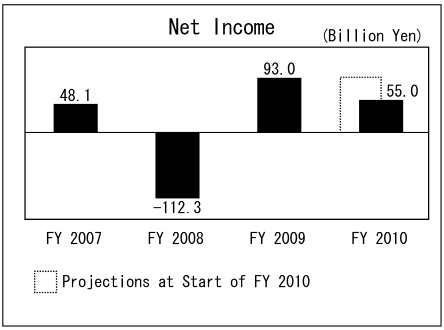
To Our Shareholders

Together with presenting this report on the financial results of our 111th business period (covering fiscal year 2010, from April 1, 2010 to March 31, 2011), we at Fujitsu express our deepest condolences, and wishes for a swift recovery, to any shareholders who suffered as a result of the March 11, 2011 Tohoku earthquake or its aftershocks.

The Tohoku earthquake caused significant damage to nine Fujitsu Group production facilities, which resulted in temporary production stoppages and the posting of an 11.6 billion yen extraordinary loss. In accordance with the Company's existing business continuity plan, immediately after the earthquake a disaster response headquarters was established with President Yamamoto at its helm. The disaster response headquarters collected information on the safety of all Fujitsu Group employees and the extent of damage sustained by customers and Group facilities. It also worked to shift production to alternate plants on a temporary basis. As a result of these measures, by April 20 the Company had resumed regular production at all of its plants. We at the Fujitsu Group hope to continue our contribution to Japan's economic recovery by making concerted efforts to promote business activities.







During fiscal 2010, the overall business environment in which the Fujitsu Group operated was characterized by a mild recovery, mainly attributable to growing demand in China and other emerging markets. This came despite high unemployment in Europe and the U.S. as well as fiscal austerity measures and continued concerns about the stability of European financial markets. Against the backdrop of a recovery in global economic conditions, Japan's economy had been gradually improving in the first part of the fiscal year. The increasingly difficult operating environment resulting from the appreciation of the yen combined with the impact of the Tohoku earthquake, however, generated rising uncertainty over Japan's economic prospects.

Under such economic conditions, on a consolidated basis, we posted net sales of 4,528.4 billion yen, operating income of 132.5 billion yen, ordinary income of 107.8 billion yen, and net income of 55.0 billion yen. On an unconsolidated basis, we posted operating income of 35.2 billion yen, ordinary income of 60.5 billion yen, and net income of 44.7 billion yen.

Although net income declined from the previous fiscal year, the Company's financial condition is steadily improving. As a result, we will pay a year-end dividend of 5 yen per share, the amount announced at the beginning of the fiscal year. Including the interim dividend of 5 yen per share, the annual dividend is 10 yen per share.

Last year, the Fujitsu Group created a new brand promise, “shaping tomorrow with you” as a pledge to its customers. This phrase, used uniformly in our worldwide messaging, conveys Fujitsu’s commitment to working with our customers and society to bring about a prosperous future. In the aftermath of the recent earthquake, we endeavored to fulfill this promise by promoting Group-wide efforts aimed at the recovery of business and daily life in the affected areas, starting with assistance in restoring social infrastructure. Efforts also include the provision, free of charge, of cloud services under a special assistance program to customers who sustained damage and the donation of relief funds and PCs to those in the earthquake-hit regions. As a company whose mission is to support the infrastructure of society through information and communication technology, the Fujitsu Group intends to leverage the collective knowledge of its employees to demonstrate through its actions what can be done to build a more prosperous future in partnership with its customers and society as a whole.

We would like to ask you, our valued shareholders, for your continued support and guidance in our business going forward.

May 2011

Michiyoshi Mazuka, Chairman and Representative Director
Masami Yamamoto, President and Representative Director

Report on Business Operations

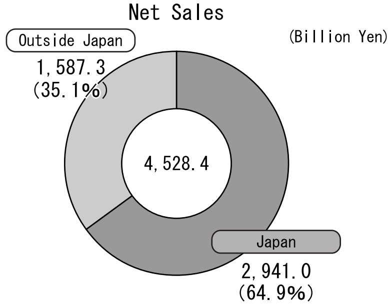
1. Business Overview (April 1, 2010 to March 31, 2011)

(1) Trends and Results for the Consolidated Group

a) Overview

(Billion Yen)

Net Sales	4,528.4	-3.2% Changes vs. FY 2009 result
Operating Income	132.5	+38.2 Billion Yen Changes vs. FY 2009 result
Net Income	55.0	-37.9 Billion Yen Changes vs. FY 2009 result



※Net sales to unaffiliated customers

During fiscal 2010, overall global economic conditions underwent a mild recovery, mainly attributable to growing demand in emerging markets, despite continued high unemployment in Europe and the U.S. as well as fiscal austerity measures in Europe. In Japan, the business environment gradually rebounded, with improved employment conditions and a rising trend in exports, particularly in the first half of the fiscal year. Because of the March 11, 2011 Tohoku earthquake, however, the country's economic prospects appear increasingly uncertain.

With respect to investment in information and communication technology (ICT), there were signs of recovery in demand for ICT hardware, particularly in the first half of the fiscal year. Although excess capacity eased, a full-fledged recovery has yet to be attained as spending on software and ICT services remains cautious amid continued uncertainty over the direction of the economy.

Net sales in fiscal 2010 were lower than in the previous fiscal year due to a delayed recovery in worldwide demand for ICT investment and the impact of foreign exchange fluctuations. Operating income increased compared to the previous fiscal year as a result of the impact of structural reforms in the Company's LSI device business and lower amortization expenses for goodwill. This came despite reduced income on certain projects in the Company's Services business outside of Japan in addition to the impact of upfront investments in areas such as cloud computing. Net income decreased year on year as the Company posted an extraordinary loss on damage sustained in the Tohoku earthquake and also due to the exclusion of a gain on sales of investment securities recorded in fiscal 2009.

b) Comparison of FY 2010 Results and Initial Projections

(Billion Yen)

	Projections at Start of Fiscal Year	*FY 2010 Results*	*Divergence*
Net sales	¥4,800.0	¥4,528.4	¥ -271.5
Operating income	185.0	132.5	-52.4
Ordinary income	170.0	107.8	-62.1
Net income	95.0	55.0	-39.9

At the beginning of fiscal 2010, the Company anticipated persistent economic conditions in Europe, but expected a mild recovery in the global economy overall, especially in emerging countries. ICT spending in Japan was expected to rebound from the second half of the fiscal year. In line with the impact of structural reforms and cost reduction initiatives implemented in the previous fiscal year, the Fujitsu Group's initial fiscal 2010 projections stated consolidated net sales of 4,800.0 billion yen, operating income of 185.0 billion yen, ordinary income of 170.0 billion yen, and net income of 95.0 billion yen.

During fiscal 2010, amid a difficult operating environment that included a continued appreciation of the yen and a decelerated pace of economic recovery, the Fujitsu Group endeavored to strengthen its earning capacity through further cost reductions and structural reform initiatives, while creating global products and providing new services that leverage cloud computing.

Consolidated net sales fell short of projections. Despite a mobile phone business that exceeded expectations due to strong growth in the smartphone area, overall sales fell short of projections because of foreign exchange fluctuation, the impact of constrained ICT investment, and the effect of a temporary halt to operations at production plants in Japan following the Tohoku earthquake.

Operating income was also below the level projected at the beginning of the fiscal year. Although Fujitsu pursued cost efficiencies Company-wide and network products recorded brisk sales, this was not enough to counter certain underperforming projects in the Company's Services business outside of Japan and the impact of lower sales resulting from ICT spending constraints.

Ordinary income fell short of projections made at the beginning of the fiscal year as a result of a drop in operating income and other increased expenses due to higher net losses on foreign exchange.

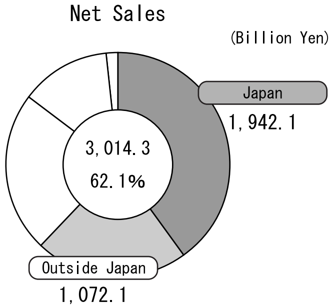
Consolidated net income also fell short of projections, despite a gain on the sale of investment securities, due to the impact of reduced operating income.

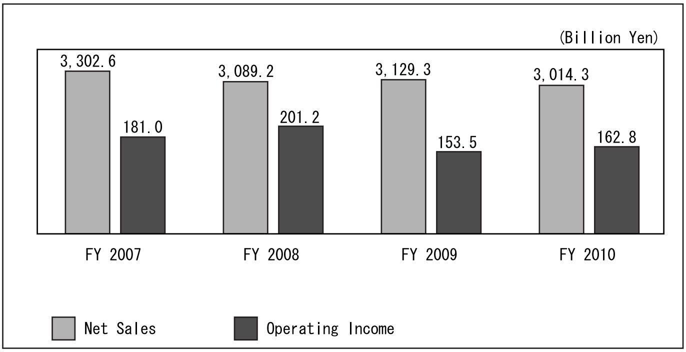
c) Overview by Business Segment

Technology Solutions

(Billion Yen)

Net Sales 3,014.3	-3.7%	Changes vs. FY 2009 result
Operating Income 162.8	+9.2 Billion Yen	Changes vs. FY 2009 result





※1 Net Sales include intersegment sales.
※2 In accordance with the change in Business Segments, the figures for previous fiscal years have been reclassified for comparison purposes.

The Technology Solutions segment consists of Services, which includes systems integration and outsourcing services, and System Platforms, which are used to build ICT infrastructure. Bringing together hardware products, software, and services, the Fujitsu Group provides customers with comprehensive services tailor-made for each customer.

Net sales in the Technology Solutions segment for fiscal 2010 were 3,014.3 billion yen, a decline of 3.7% from the previous fiscal year. Net sales in Japan amounted to 1,942.1 billion yen, down 1.0% year on year. Net sales outside Japan were 1,072.1 billion yen, an 8.0% decline from fiscal 2009.

Operating income for the Technology Solutions segment was 162.8 billion yen, an increase of 9.2 billion yen compared to fiscal 2009. Despite operating income outside Japan having decreased from the previous fiscal year, overall operating income increased from fiscal 2009 due to a year-on-year increase in operating income in Japan.

In preparation for an expansion of the Company’s cloud computing business, Fujitsu made upfront development investments in upgrading and expanding its datacenters.

Amid expectations that difficult market conditions will persist, Fujitsu aims to maintain operating income by strengthening its ability to make compelling proposals to its customers, raising the efficiency of its development processes, and further expanding its business outside of Japan.

Services

In the Services sub-segment, for its Solutions and System Integration business, the Company focused on expanding the scope of its business by developing closer relationships with customers, and also strengthened its product offerings for medium-sized businesses. Fujitsu also promoted new services offerings in the area of private clouds built for the exclusive use of specific customers, such as by enabling each type of service to be accessed on demand.

Net sales in the Services sub-segment for fiscal 2010 were 2,419.5 billion yen, down 4.8% from the previous fiscal year. Sales in Japan decreased because of the impact of postponements and cutbacks in ICT investments. Outside of Japan, despite higher sales in the Americas, overall sales declined due to foreign exchange fluctuations and the impact in the U.K. of fiscal austerity measures.

Operating income in the Services sub-segment was 117.3 billion yen, down 10.2 billion yen from fiscal 2009. In Japan, despite the impact of lower sales and continued upfront investments, operating income increased on lower retirement benefit expenses that resulted from the complete amortization in the previous fiscal year of an unrecognized obligation for retirement benefits in accordance with a change in accounting standards. Outside Japan, despite goodwill stemming from the acquisition of U.K.-based ICL PLC (now Fujitsu Services Holdings PLC) becoming fully amortized in fiscal 2009, operating income declined as a result of certain long-term service contracts having been cancelled.

System Platforms

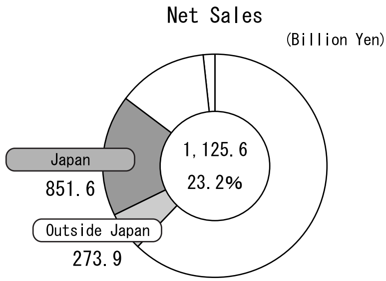
In the System Platforms sub-segment, the Company strengthened the foundation of its business by restructuring development teams, particularly for servers, and pursuing cost efficiencies. This is represented by the creation of a global procurement system with its European subsidiary, Fujitsu Technology Solutions. Net sales in the System Platforms sub-segment for fiscal 2010 were 594.8 billion yen, up 1.2% compared to the prior year. In Japan, despite lower sales of mobile phone base stations resulting from the industry entering a transition period prior to the full-fledged deployment of commercial LTE services, net sales increased on higher sales achieved with the high-volume production of dedicated servers that constitute the Next-Generation Supercomputer system. Outside Japan, although there were higher sales of optical transmission systems in the U.S. and strong sales of PC servers in Europe, the impact of foreign exchange fluctuations caused overall sales to decline.

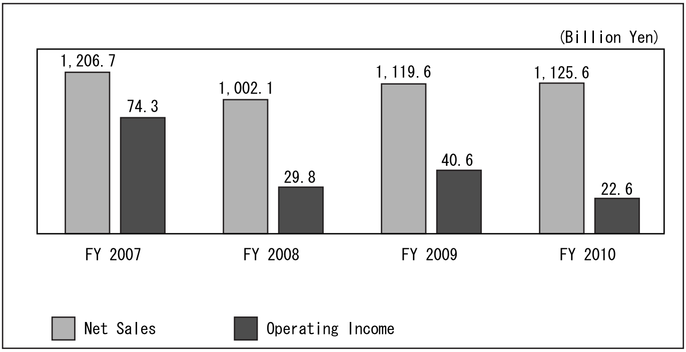
Operating income amounted to 45.5 billion yen, up 19.5 billion yen year on year. Operating income rose in Japan on lower development expenses for mobile phone base stations and other products. Outside of Japan, operating income increased owing to higher sales of optical transmission systems and PC servers.

Ubiquitous Solutions

(Billion Yen)

Net Sales 1,125.6	+0.5% Changes vs. FY 2009 result	
Operating Income 22.6	-18.0 Billion Yen Changes vs. FY 2009 result	





※1 Net Sales include intersegment sales.
※2 In accordance with the change in Business Segments, the figures for previous fiscal years have been reclassified for comparison purposes.

The Ubiquitous Solutions segment is comprised of PCs and mobile phones as well as mobilewear, such as car audio and navigation systems.

During fiscal 2010, Fujitsu’s PC business launched sales of models with a display that does not necessitate special glasses to enable users to properly view 3-D images for consumer entertainment applications. In the enterprise market it offered models with superior energy efficiency to reduce environmental burden. In mobile phones, the Company consolidated the mobile phone operations of Toshiba Corporation and launched sales of the REGZA Phone smartphone. In the mobilewear business, the Company focused on the strengthening of its business outside of Japan.

Net sales in the Ubiquitous Solutions segment amounted to 1,125.6 billion yen, up 0.5% from fiscal 2009. In addition with the impact of Tohoku earthquake, PC sales declined on corporate spending constraints outside of Japan, and sales of the mobilewear also decreased due to a drop in new automobile purchases as the government’s eco-car subsidy expired. However, overall sales increased owing to the merger in the mobile phone business and growth in smartphone sales.

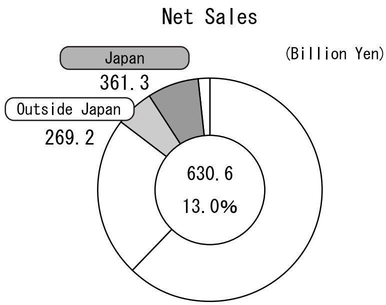
Operating income was 22.6 billion yen, a decline of 18.0 billion yen compared to the previous fiscal year. Operating income in mobile phones declined due to increased development expenses for smartphones, and operating income in PCs and mobilewear also declined because of the impact of lower sales.

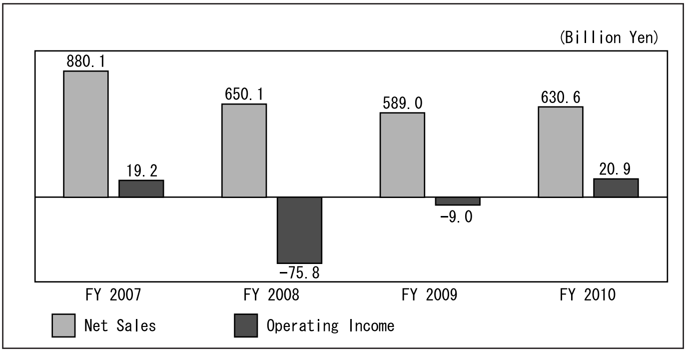
Fujitsu aims to secure and expand its market position in Ubiquitous Solutions with ubiquitous front-end interfaces in close proximity to customers and that draw upon the technologies of the Fujitsu Group. The Company will also focus on further strengthening cost-competitiveness.

Device Solutions

(Billion Yen)

Net Sales 630.6	+7.0%	Changes vs. FY 2009 result
Operating Income 20.9	+30.0 Billion Yen	Changes vs. FY 2009 result





※1 Net Sales include intersegment sales.
※2 In accordance with the change in Business Segments, the figures for previous fiscal years have been reclassified for comparison purposes.

The Device Solutions segment consists of LSI devices used in digital home appliances, automobiles, mobile phones and servers, as well as electronic components, such as semiconductor packages and batteries.

In its aim to bolster competitiveness in the global market, in fiscal 2010 Fujitsu actively advanced its unique R&D technologies, represented by designs for low power consumption. The Company further strengthened its fab-lite business model based on cutting edge processing technologies.

Net sales in the Device Solutions segment were 630.6 billion yen, up 7.0% from the previous year. Sales of LSI devices increased due to sales of CPUs being produced in high volumes for use in the Next-Generation Supercomputer system, as well as the strong demand in the markets for mobile phones and automotive applications. In electronic components, sales increased because of the sales contribution of a nickel-hydride battery business acquired in January 2010, among other factors.

Operating income was 20.9 billion yen, an increase of 30.0 billion yen compared to the previous fiscal year. This sharp increase in operating income was a result of the impact of structural reforms in the LSI device business and cost reductions, as well as from higher sales in the LSI device and battery businesses.

Although the company's semiconductor plants in the Tohoku region were damaged in the recent earthquake, at present all of the Company's production facilities have resumed regular operations.

For the future, the Company will accelerate development initiatives in its centers outside of Japan and promote other measures to expand its global business.

Other/Elimination and Corporate

The "Other/Elimination and Corporate" category includes Japan's Next-Generation Supercomputer Project, facility service and the development of information services for Fujitsu Group companies. It also comprises retirement and healthcare benefits for Fujitsu Group employees along with strategic expenses, such as expenditures on basic research that are not attributable to any reporting segment, as well as shared Group management expenses.

Operating loss was 73.9 billion yen, a 16.9 billion yen year-on-year improvement. This was the result of the transfer of the HDD business and reserves posted in the previous fiscal year for anticipated expenses associated with the Next-Generation Supercomputer system.

(2) Key Challenges Ahead

Through our constant pursuit of innovation, Fujitsu aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world. To achieve this vision, Fujitsu strives for sustainable profitability and growth, while continually enhancing its corporate value.

Fujitsu is dedicated to contributing to the success of its customers and seeks to grow with its customers as their valued and trusted partner.

It is currently difficult to obtain a clear overall picture of the impact on the Japanese economy exerted by the Tohoku earthquake that hit Japan on March 11, 2011, including the resulting concern over raw material and component supplies and electricity shortages.

Under these circumstances, as the Fujitsu Group seeks to stabilize its operations in the affected areas while ensuring the safety of its employees, the company is making comprehensive efforts in the recovery process by assisting customers who sustained damages, with a priority on restoring social infrastructure systems. By leveraging the power of ICT to build better social infrastructure systems, prepare better disaster prevention and disaster recovery systems, as well as reduce energy consumption, Fujitsu is well aware of the contributions it can make and is currently focused on this effort as a priority task.

At the same time, the pace of economic globalization is accelerating throughout the world. As the Fujitsu Group continues to expand its business globally, the company is focused on improving the profitability of its business outside of Japan. In addition, as the company enhances its procurement, production, development, and service-delivery capabilities from a global perspective, it is strengthening its ability to meet the increasingly global nature of its customers' needs at the same time that it is enhancing its ability to deal with unforeseen circumstances.

Over the medium- and long term, whether by supporting progress in medicine, enabling breakthroughs in advanced research fields such as space exploration, or by helping to resolve the biggest challenges of the 21st century, such as environmental sustainability and energy issues, there are new expectations regarding the promise of ICT. Attempting to meet these expectations presents the ICT industry with a new set of challenges, but at the same time, in Fujitsu's view, it also presents a foundation for achieving future earnings and growth. In addition, the Fujitsu Group will continue to focus on high-performance computing and other areas of R&D in next-generation technologies.

As it strives to meet the challenges discussed above through focused daily effort, the Fujitsu Group will further pursue the transformation of its operations in order to continue to earn the confidence of customers and society as a global enterprise contributing to the creation of a rewarding and secure networked society.

(3) Capital Expenditures

Capital expenditures in fiscal 2010 totaled 130.2 billion yen, an increase of 3.0% compared to fiscal 2009.

In the Technology Solutions segment, capital expenditures were 67.2 billion yen. Fujitsu upgraded and expanded its datacenters in Japan, including a new datacenter in Yokohama opened by Fujitsu FIP Corporation, and also upgraded and expanded its datacenter facilities in Australia and other locations outside of Japan.

In the Ubiquitous Solutions segment, capital expenditures were 15.5 billion yen, primarily consisting of investments associated with new mobile phone models and investments in production facilities for car audio and navigation systems.

In the Device Solutions segment, capital expenditures were 39.4 billion yen, primarily consisting of investments to production facilities for LSI devices and to expand the production facilities for electronic components.

Outside of the above segments, there were 8.0 billion yen in other capital expenditures.

(4) Capital Procurement

In order to raise required funds for the bond redemption scheduled on November 2010, pursuant to a resolution of the Board of Directors meeting held September 30, 2010, financing was raised via the issuance of 50 billion yen worth of bonds (Series 26 unsecured bonds (20 billion yen) and series 27 unsecured bonds (30 billion yen)) effective October 20, 2010.

Furthermore, the Company primarily used cash on hand to cover the funds required (100 billion yen) to redeem the convertible bond that matured in May 2010.

(5) Acquisition or Disposition of Other Companies' Shares and Other Equity or New Share Warrants, Etc.

On April 1, 2010, Fujitsu Limited converted PFU Limited into a wholly owned subsidiary of Fujitsu Limited through an exchange of shares.

(6) Research and Development

Under its policy of creating Human Centric Intelligent Society, Fujitsu carried out Research and Development in a variety of advanced technologies, including Research and Development in next-generation services, servers, networks and ubiquitous terminals, as well as in the chip devices that support them, and in green ICT. Research and Development spending in fiscal 2010 totaled 236.2 billion yen.

Technology Solutions

This segment focuses on Research & Development in ICT platform products and technologies in the areas of servers, storage systems, software, optical transmission systems, and mobile systems, along with the system development and management technologies utilizing these products and technologies. Research and Development spending for the Technology Solutions segment was 112.7 billion yen.

- To meet the needs of datacenters that support cloud-computing systems, there is a demand for high-performance, large-scale multi-processor servers. In order to create high-performance, large-scale servers, it is necessary to lengthen the circuit channels in the circuit boards that transmit data within the servers, but at high transmission speeds of 10 Gbps or higher, signal distortion increases, making it difficult to accurately transmit data.

  To address this problem, Fujitsu developed a high-speed transceiver circuit that employs a new signal-processing algorithm that compensates for significant signal distortions. As a result, the transmission distance limit within servers, which had been approximately 70 cm, has been able to be lengthened to approximately 120 cm, thereby enabling the creation of even larger-scale, high-performance server systems.

  In addition, there is a need for efficient use of data storage in datacenters to enable huge volumes of data to be stored. To address this need, Fujitsu developed software technology that saves data at the same time that it eliminates duplicate data. This technology, which does not depend on a specific operating system to be used, is especially effective in virtual systems, where there is a lot of duplication, as it enables a datacenter's storage costs and power consumption to be reduced.

- In cloud-based environments, with the distributed key-value data store method, which enables the efficient writing of large volumes of data, because the data are distributed among multiple servers, it is difficult to aggregate and maintain the consistency of data, and longer processing times are required. To address this problem, Fujitsu developed technology that enables aggregation processing speeds to be increased by up to a factor of 8 times compared to conventional methods. As a result, data analysis of access logs can be quickly processed, opening the potential for new applications in cloud services.

・As technology to enable the secure use of external clouds, Fujitsu developed cloud information gateway technology that enables the level of data confidentiality as well as the content of confidential data to be taken into consideration in restricting the flow of data. Because it masks the confidential portions of data and enables cloud services to be used without transferring actual data to external clouds, it will help to promote new uses of cloud computing, such as cross-industry collaborations and specialized uses in specific industries.

Ubiquitous Solutions

This segment develops PCs, mobile phones, car audio, navigation system, and other products and technologies critical to the ubiquitous networking era. Research and Development spending for the Ubiquitous Product Solutions segment was 49.1 billion yen.

・Fujitsu has commercialized such features as Super-Clear Voice 3, which adjusts a mobile phone's audio reception depending on the level of background noise to enable incoming calls to be naturally and more easily heard. More recently, Fujitsu has developed voice enhancement technology that further improves the quality of voice reception. It detects a user's surroundings and movement, such as whether the user is riding a high-speed train, walking, or running, and automatically adjusts for optimal sound quality and volume. Under the feature name "Pittari Voice' (Exact Voice), this technology was included in Fujitsu's F-01C mobile phone model, which was launched in November 2010.

Device Solutions

Research and Development for this segment focuses on developing logic LSI products, electronic components (semiconductor packages and batteries), and other various products and technologies. Research and Development spending for the Device Solutions segment was 37.8 billion yen.

・With growth in the use of cloud computing services and high-definition video distribution services, the volume of data traffic over networks is undergoing explosive growth. Up until now, in optical transmission systems that transmit large volumes of data at high speeds, large volumes of electricity needed to be consumed for the purpose of cooling the laser light source. To address this problem, Fujitsu developed a directly-modulated laser that does not require cooling, operates at 40-Gbps, and succeeded in optical transmissions. Because it does not require cooling, it consumes less than half the electrical power of conventional lasers, representing a significant step forward in bringing about next-generation, energy-efficient, high-speed data transmissions.

・In recent years, the shift toward high-definition technology in the market for AV devices has been accompanied by heightened demand for increasingly higher resolutions for capturing high-speed photographs and HD movies. To meet this demand, Fujitsu developed the MB91696AM advanced imaging processor, which enables high-speed continuous shooting at 8 frames per second and the shooting of high-resolution Full Hi-Vision movies. In addition to incorporating an upgraded version of Fujitsu's proprietary Milbeaut image processing algorithm, the MB91696AM features a complete optimization of Fujitsu's Full HD H.264 codec engine, enabling it to deliver significant improvements in both image quality and processing performance for both still photos and videos.

Corporate and Others

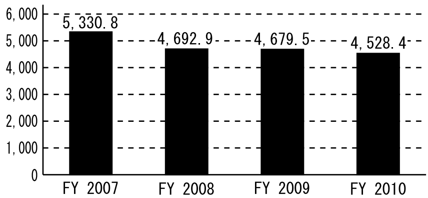
In addition to the research and development stated above, Fujitsu conducts research of next-generation supercomputer as well as basic research. Research and Development spending for Corporate and Others was 36.5 billion yen.

・Fujitsu is developing biosensor technology that uses DNA to measure proteins. During fiscal 2010, in conjunction with Nagoya University, Fujitsu developed technology that uses newly-developed artificial antibodies to enable the detection of toxic proteins 100 times faster than previous methods, applying the technology to detect the toxic protein staphylococcus aureus, which causes food poisoning. In addition, working with Technische Universität München ("TUM", Technical University Munich), Fujitsu developed the world’s first technology to optically measure changes in the protein volumes or the size of proteins using high-speed and high-precision techniques. This new technology can be used for shipment inspections of various foods to enable faster and more accurate inspections, thus contributing to better food safety.

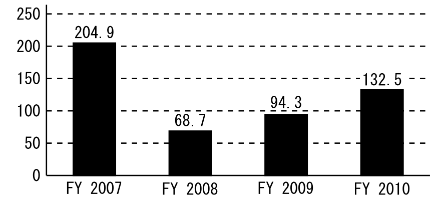
(7) Consolidated Asset and Profit (Loss) Situation for the Most Recent Three Fiscal Years

(Billion Yen)

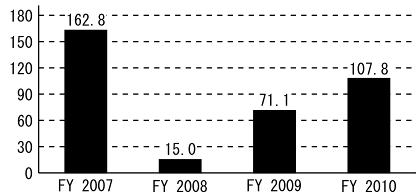
Net Sales



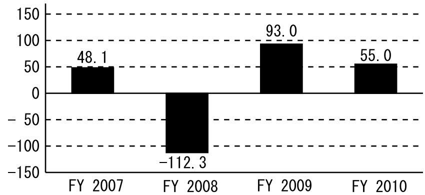
Operating Income



Ordinary Income



Net Income



Billions of yen, except where stated

Fiscal Year (Business Period)	FY 2007 *(108th)*	FY 2008 *(109th)*	FY 2009 *(110th)*	FY 2010 *(Current period)*
Net sales	¥5,330.8	¥4,692.9	¥4,679.5	¥4,528.4
Japan Total (included in Net Sales)	3,407.2	3,193.1	2,931.2	2,941.0
Outside Japan Total (included in Net Sales)	1,923.6	1,499.8	1,748.3	1,587.3
Operating income	204.9	68.7	94.3	132.5
Ordinary income	162.8	15.0	71.1	107.8
Net income (loss)	48.1	(112.3)	93.0	55.0
Net income (loss) per share [yen]	23.34	(54.35)	45.21	26.62
Total assets	3,821.9	3,221.9	3,228.0	3,024.0
Net assets	1,130.1	925.6	948.3	953.7
Shareholders' equity per share [yen]	458.31	362.30	386.79	396.81

Billions of yen

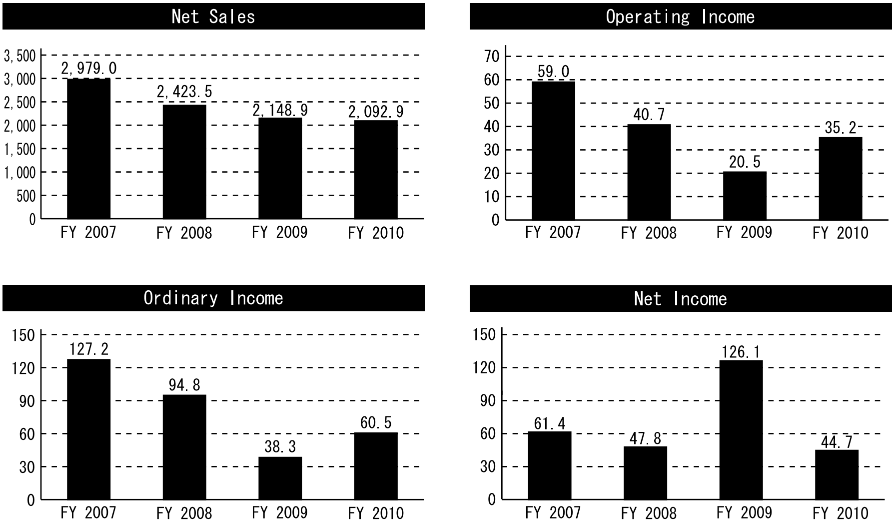
		FY 2007 *(108th)*	FY 2008 *(109th)*	FY 2009 *(110th)*	FY 2010 *(Current period)*
Technology Solutions	Net sales				
	Unaffiliated customers	¥3,189.1	¥2,993.7	¥3,061.5	¥2,927.6
	Intersegment	113.4	95.5	67.8	86.7
	Total	¥3,302.6	¥3,089.2	¥3,129.3	¥3,014.3
	Operating income	¥181.0	¥201.2	¥153.5	¥162.8
	[As % of sales]	[5.5%]	[6.5%]	[4.9%]	[5.4%]
Ubiquitous Solutions	Net sales				
	Unaffiliated customers	¥1,047.4	¥884.0	¥1,005.5	¥1,013.0
	Intersegment	159.3	118.1	114.1	112.5
	Total	¥1,206.7	¥1,002.1	¥1,119.6	¥1,125.6
	Operating income	¥74.3	¥29.8	¥40.6	¥22.6
	[As % of sales]	[6.2%]	[3.0%]	[3.6%]	[2.0%]
Device Solutions	Net sales				
	Unaffiliated customers	¥744.0	¥547.0	¥510.6	¥545.7
	Intersegment	136.0	103.1	78.4	84.8
	Total	¥880.1	¥650.1	¥589.0	¥630.6
	Operating income (loss)	¥19.2	¥(75.8)	¥(9.0)	¥20.9
	[As % of sales]	[2.2%]	[-11.7%]	[-1.5%]	[3.3%]
Other/ Elimination and Corporate	Net sales (loss)				
	Unaffiliated customers	¥350.2	¥268.2	¥101.8	¥41.9
	Intersegment	(408.8)	(316.8)	(260.4)	(284.1)
	Total	¥(58.6)	¥(48.5)	¥(158.6)	¥(242.2)
	Operating income (loss)	¥(69.6)	¥(86.3)	¥(90.8)	¥(73.9)
	[As % of sales]	-	-	-	-
Total	Net sales				
	Unaffiliated customers	¥5,330.8	¥4,692.9	¥4,679.5	¥4,528.4
	Intersegment	-	-	-	-
	Total	¥5,330.8	¥4,692.9	¥4,679.5	¥4,528.4
	Operating income	¥204.9	¥68.7	¥94.3	¥132.5
	[As % of sales]	[3.8%]	[1.5%]	[2.0%]	[2.9%]

Note:

In accordance with the change in Business Segments, the figures for previous fiscal years have been reclassified for comparison purposes. In terms of major changes, car audio and navigation systems business which had been included in the Other segment, is now included in the Ubiquitous Solutions segment.

(8) Unconsolidated Asset and Profit (Loss) Situation of the Company for the Most Recent Three Fiscal Years

(Billion Yen)



Billions of yen, except where stated

Fiscal Year (Business period)	FY 2007 *(108th)*	FY 2008 *(109th)*	FY 2009 *(110th)*	FY 2010 *(Current period)*
Net sales	¥2,979.0	¥2,423.5	¥2,148.9	¥2,092.9
Operating income	59.0	40.7	20.5	35.2
Ordinary income	127.2	94.8	38.3	60.5
Net income	61.4	47.8	126.1	44.7
Net income per share [yen]	29.80	23.16	61.26	21.63
Total assets	2,536.5	2,302.3	2,070.6	2,027.4
Net assets	636.8	629.0	699.7	724.4
Shareholders’ equity per share [yen]	307.82	304.29	338.88	350.02

Operating income in fiscal 2010 increased as a result of the last fiscal year’s transfer of the HDD business, and the effect of cost cuts, despite the impact of lower net sales due to constrained ICT investment in public services and the impact of upfront investments. Net income for fiscal 2010 decreased because the company recognized a loss on damages sustained in the Tohoku earthquake and the impact of the gain on sales of investment securities recorded in the previous fiscal year.

(9) Major Business of the Fujitsu Group (As of March 31, 2011)

Fujitsu Limited and its subsidiaries are engaged in providing total solutions in the ICT field, delivering services as well as developing, manufacturing, selling, and maintaining the cutting-edge, high performance, high-quality products and electronic devices that support these services. The main products and services of each segment are described below.

Segment	*Main products and services*		
Technology Solutions	Services	Solutions / Systems Integration	・Systems integration services (system construction, business application) ・Consulting ・Front-end technology (ATMs, POS systems, etc.)
		Infrastructure Services	・Outsourcing services (data center, ICT operational management, SaaS, application usage and management, business process outsourcing, etc.) ・Network services (business networks, internet/mobile content distribution) ・System support services (information system and network maintenance and monitoring services) ・Security solutions (information systems infrastructure construction and network construction)
	System Platforms	System Products	・Servers (mainframes, UNIX servers, mission-critical IA servers, PC servers) ・Storage systems ・Software (OS, middleware)
		Network Products	・Network control systems ・Optical transmission systems ・Mobile phone base stations
Ubiquitous Solutions	PCs / Mobile Phones		・Personal computers ・Mobile phones
	Mobilewear		・Car audio and navigation systems ・Mobile communications equipment ・Automotive electronics
Device Solutions	LSI		・LSI Devices
	Electronic Components		・Semiconductor packages ・Batteries ・Electromechanical parts (relays, connectors, etc.) ・Optical transceiver modules ・Printed circuit boards

(10) Fujitsu Group Principal Offices and Plants (As of March 31, 2011)

a) Fujitsu Limited

Registered office	4-1-1, Kamikodanaka, Nakahara-ku, Kawasaki, Kanagawa
Principal office	Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo
Domestic business offices	Chuo Regional Sales Unit (Minato-ku, Tokyo), Hokkaido Regional Sales Division (Sapporo-shi), Tohoku Regional Sales Division (Sendai-shi), Kanetsu Regional Sales Division (Saitama-shi), Kanagawa Regional Sales Division (Yokohama-shi), Chiba Regional Sales Division (Chiba-shi), Nagano Regional Sales Division (Nagano-shi, Nagano), Shizuoka Regional Sales Division (Shizuoka-shi), Tokai Regional Sales Division (Nagoya-shi), Hokuriku Regional Sales Division (Kanazawa-shi, Ishikawa), Kansai Regional Sales Unit (Osaka-shi), Chugoku Regional Sales Division (Hiroshima-shi), Shikoku Regional Sales Division (Takamatsu-shi, Kagawa), Kyushu Regional Sales Division (Fukuoka-shi)
Software/Services	Sapporo Systems Laboratory (Sapporo-shi), Aomori Systems Laboratory (Aomori-shi, Aomori), Ichigaya Office (Chiyoda-ku, Tokyo), World Trade Center Building (Minato-ku, Tokyo), Fujitsu Solution Square (Ohta-ku, Tokyo), Musashi Kosugi Office (Kawasaki-shi), Makuhari Systems Laboratory (Chiba-shi), Kansai Systems Laboratory (Osaka-shi), Kouchi Fujitsu Technoport (Nangoku-shi, Kouchi), Kyushu R&D Center (Fukuoka-shi), Oita Systems Laboratory (Oita-shi, Oita), Kumamoto Systems Laboratory (Mashiki-cho, Kamimashiki-gun, Kumamoto)
R & D /Plants	Kawasaki Research & Manufacturing Facilities (Kawasaki-shi), Kumagaya Plant (Kumagaya-shi, Saitama), Oyama Plant (Oyama-shi, Tochigi), Nasu Plant (Otawara-shi, Tochigi), Numazu Plant (Numazu-shi, Shizuoka), Akashi Research & Manufacturing Facilities (Akashi-shi, Hyogo)

b) Subsidiaries

Japan	Fujitsu Frontech Ltd. (Inagi-shi, Tokyo), Fujitsu Telecom Networks Ltd. (Kawasaki-shi), Fujitsu IT Products Ltd. (Kahoku-shi, Ishikawa), Fujitsu Broad Solution & Consulting Inc. (Minato-ku, Tokyo), Fujitsu Marketing Ltd. (Bunkyo-ku, Tokyo), Fujitsu System Solutions Ltd. (Bunkyo-ku, Tokyo), Fujitsu FIP Corporation (Koto-ku, Tokyo), NIFTY Corporation (Shinagawa-ku, Tokyo), Fujitsu FSAS Inc. (Minato-ku, Tokyo), PFU Ltd. (Kahoku-shi, Ishikawa), Shimane Fujitsu Ltd. (Hikawa-cho, Hikawa-Gun, Shimane), Fujitsu Isotec Ltd. (Date-shi, Fukushima), Fujitsu Mobile-phone Products Ltd. (Otawara-shi, Tochigi), Fujitsu Toshiba Mobile Communications Ltd. (Kawasaki-shi), Fujitsu Peripherals Ltd. (Kato-shi, Hyogo), Fujitsu TEN Ltd. (Kobe-shi), Fujitsu Personal System Ltd. (Minato-ku, Tokyo), Fujitsu Semiconductor Ltd. (Yokohama-shi), Shinko Electric Industries Co., Ltd. (Nagano-shi, Nagano), FDK Corporation (Minato-ku Tokyo), Fujitsu Component Ltd. (Shinagawa-ku, Tokyo), Fujitsu Electronics Inc. (Yokohama-shi), Fujitsu Laboratories Ltd. (Kawasaki-shi)
Outside Japan	Fujitsu Network Communications, Inc. (U.S.), Fujitsu Services Holdings PLC (U.K.), Fujitsu America, Inc. (U.S.), Fujitsu Australia Limited (Australia), Fujitsu Technology Solutions (Holding) B.V. (Netherlands)

(11) The Fujitsu Group

The positioning of, and relationship between, Fujitsu Limited and its principal consolidated subsidiaries and affiliates (as of March 31, 2011) are as shown in the following chart.

Customers

Fujitsu Limited

Technology Solutions

Category	Company Name	Percentage of Voting Rights
Development, manufacturing and sales	Fujitsu Frontech Limited	53.97 (0.45)
	Fujitsu Telecom Networks Limited	100
	Fujitsu Network Communications, Inc.	100
Development, manufacturing	Fujitsu IT Products Limited	100

Category	Company Name	Percentage of Voting Rights
Development, sales and provision of services	Fujitsu Broad Solution & Consulting Inc.	56.45
	Fujitsu Marketing Limited	100
	Fujitsu System Solutions Limited	100
	Fujitsu FIP Corporation	100
	NIFTY Corporation	66.59
	Fujitsu Fsas Inc.	100
	PFU Limited	100
	Fujitsu Services Holdings PLC	100 (3.63)
	Fujitsu America, Inc.	100 (100)
	Fujitsu Australia Limited	100

Category	Company Name	Percentage of Voting Rights
Development, manufacturing, sales and provision of services	Fujitsu Technology Solutions (Holding) B.V.	100

Ubiquitous Solutions

Category	Company Name	Percentage of Voting Rights
Development, manufacturing	Shimane Fujitsu Limited	100
	Fujitsu Isotec Limited	100
	Fujitsu Mobile-phone Products Limited	100
Development, manufacturing and sales	Fujitsu Toshiba Mobile Communications Limited	80.10
	Fujitsu Peripherals Limited	100
	Fujitsu TEN Limited	55.00

Category	Company Name	Percentage of Voting Rights
Sales	Fujitsu Personal System Limited	100

Device Solutions

Category	Company Name	Percentage of Voting Rights
Development, manufacturing and sales	Fujitsu Semiconductor Limited	100
	Shinko Electric Industries Co., Ltd.	50.06 (0.03)
	FDK Corporation	64.64 (0.01)
	Fujitsu Component Limited	50.32

Category	Company Name	Percentage of Voting Rights
Sales	Fujitsu Electronics Inc.	100 (100)

Category	Company Name	Percentage of Voting Rights
Research and development	Fujitsu Laboratories Ltd.	100

Category	Company Name	Percentage of Voting Rights
Equity method affiliates	Fujitsu General Limited *	46.34
	Fujitsu Leasing Co., Ltd. *	20.00

Notes:
1. The company with (*) is an equity method affiliate.
2. Figures in parenthesis in the percentage of voting rights show indirect shareholdings and are included in the percentage.
3. On April 1, 2010, Fujitsu Microelectronics Limited changed its company name to Fujitsu Semiconductor Limited.
4. On April 1, 2010, Fujitsu Limited converted PFU Limited into a wholly owned subsidiary of Fujitsu Limited through an exchange of shares.
5. On October 1, 2010, Fujitsu Limited converted Fujitsu Toshiba Mobile Communications Limited into a consolidated subsidiary of Fujitsu Limited.
6. On October 1, 2010, Fujitsu Business Systems Limited changed its company name to Fujitsu Marketing Limited.

(12) Employees (As of March 31, 2011)

a) Employees of Fujitsu Group

Segment	*Number of employees*	*Change from end of fiscal 2009*
Technology Solutions	119,683	+965
Ubiquitous Solutions	16,516	+237
Device Solutions	29,018	-1,159
Corporate and others	7,119	-145
Total	172,336	-102

Note:
In accordance with the change in Business Segments, the figures for previous fiscal year have been reclassified for comparison purposes.

b) Employees of Fujitsu Limited

Segment	*Number of employees*	*Change from end of fiscal 2009*
Technology Solutions	19,610	-271
Ubiquitous Solutions	2,303	+120
Corporate and others	3,056	-14
Total	24,969	-165

Note:
In accordance with the change in Business Segments, the figures for previous fiscal year have been reclassified for comparison purposes.

Average age	41.7	*Average years of employment*	18.6

(13) Principal Lenders (As of March 31, 2011)

Lender	*Loan amount (¥ millions)*
Development Bank of Japan Inc.	31,035
Japan Bank for International Cooperation	30,000
Mitsubishi UFJ Trust and Banking Corporation	20,831
Asahi Mutual Life Insurance Company	15,000
Mizuho Corporate Bank, Ltd.	13,636

2.Company Overview

(1) Stock(As of March 31, 2011)

a) Number of Authorized Shares: 5,000,000,000

b) Number of Outstanding Shares and Stated Capital

Shares: 2,070,018,213

Stated Capital: ¥324,625,075,685

c) Shares Issued during the Business Period: There was no issuance of shares during the business period.

d) Number of Shareholders: 193,421 (7,571 decrease from the end of FY2009)

e) Principal Shareholders

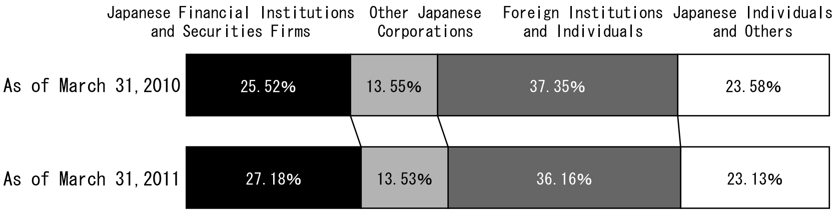
Name	*Shareholder's investment in Fujitsu Limited*		*Fujitsu Limited's investment in the shareholders*	
	Number of shares held (thousands)	*Percentage of shares held (%)*	*Number of shares held (thousands)*	*Percentage of shares held (%)*
Fuji Electric Systems Co., Ltd.	114,623	5.54		
State Street Bank and Trust Company	105,322	5.09		
The Master Trust Bank of Japan, Ltd. (for trust)	98,753	4.77		
Fuji Electric Holdings Co., Ltd.	95,957	4.64	74,333	10.40
Japan Trustee Services Bank, Ltd. (for trust)	95,257	4.60		
Japan Trustee Services Bank, Ltd. (for trust9)	48,051	2.32		
Asahi Mutual Life Insurance Company	41,389	2.00		
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	40,411	1.95		
Fujitsu Employee Shareholding Association	38,407	1.86		
Mizuho Corporate Bank, Ltd.	32,654	1.58		

Notes:

1. The investment ratio is calculated after exclusion of treasury stock holdings.
2. The shares held by The Master Trust Bank of Japan, Ltd. (for trust), Japan Trustee Services Bank, Ltd. (for trust) and Japan Trustee Services Bank, Ltd. (for trust9) pertain to the trust business by the institution.
3. Of the shares held by Fuji Electric Systems Co., Ltd. and Fuji Electric Holdings Co., Ltd., 98,775 thousand shares and 2,707 thousand shares, respectively, are trust assets that are trusted to Mizuho Trust & Banking Co., Ltd. and re-trusted to Trust & Custody Services Bank, Ltd. as retirement benefit trust assets. The voting rights of these shares are to be exercised in accordance with the orders of the respective companies.
   The shares of Fujitsu Limited held by Fuji Electric Holdings Co., Ltd. and its consolidated subsidiaries total 231,872 thousand shares (representing an ownership stake of 11.20%), including 119,112 thousand shares held as retirement benefit trust assets.
   On April 1, 2011, Fuji Electric Holdings Co., Ltd., changed its company name to Fuji Electric Co., Ltd.
4. Of the shares held by the Mizuho Corporate Bank, Ltd., 212 thousand shares are 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. The voting rights involved in these shares are set forth to be exercised upon order of Mizuho Corporate Bank, Ltd.

5. On April 8, 2011, Fuji Electric Co., Ltd. and four of its affiliates submitted a report (“Tairyō Hoyū Hōkokusho". Mandated reporting date: April 1, 2011) on changes to its holdings of Fujitsu Limited shares to the Kanto Local Finance Bureau, but Fujitsu has not been able to confirm the actual number of shares held as of April 1, 2011.
   According to the report, Fuji Electric Co., Ltd. owns 210,581 thousand shares, Fuji Office and Life Service, Co., Ltd. owns 3,404 thousand shares, Fuji Electric Retail Systems Co., Ltd. owns 13,574 thousand shares and Fuji Electric Device Technology Co., Ltd. owns 4,235 thousand shares, for a total of 231,795 thousand shares. (which accounts for 11.20% of the number of outstanding shares. The report also mentioned that Fuji Electric Systems Co., Ltd owns 0 share).

f) Equity Shareholdings by Type of Shareholder



Note:

The 119,112 thousand shares of Fujitsu Limited stock held by Fuji Electric Holdings Co., Ltd. and its consolidated subsidiaries as retirement benefit trust assets are categorized under the shareholdings of “Other Japanese Corporations”.

g) Others matters regarding stock

In conjunction with the share exchange with PFU Limited, Fujitsu Limited paid out a total of 5,004,165 shares of its own stock on April 1, 2010.

(2) The status of Stock Acquisition Right

a) Stock Acquisition Right granted to the Directors and Auditors of the Company for the purpose of the compensation for their execution of duties.

(As of March 31, 2011)

Title	Stock option resolved at the 101st Annual Shareholders' Meeting as of June 26, 2001	
Number of shares granted: Directors (excluding Outside Directors) Outside Directors Auditors	(Number of holders) (2) (0) (0)	(Number of shares) 40 thousand 0 thousand 0 thousand
Type and number of shares to be issued upon the exercise of Stock Acquisition Right	Common Stock 220,000 shares	
Amount of assets paid upon exercise of Stock Acquisition Right	¥1,450 per share	
Exercise period for the Stock Acquisition Right	From August 1, 2001 to June 26, 2011	
Matters concerning the offer price and the increase in paid-in capital in the event of issuance of shares upon the exercise of the Stock Acquisition Right	Offer price ¥1,450 Increase in paid-in capital ¥725	
Conditions for exercising the Stock Acquisition Right	(1) If a holder of Stock Acquisition Right loses his/her position of a Director/Auditor or a employee, he/she can exercise the Stock Acquisition Right, and also in case he/she decease, his/her successions can exercise the Right. In both cases the right shall be exercised under the next condition. (2) Other conditions on the exercise of the Stock Acquisition Right are shall be executed on the agreement with the applied holders under the resolutions of Ordinary Annual Shareholders' Meeting of June 26, 2001 and the following meeting of the Board of Directors	
Restrictions of the transfer and acquisition of Stock Acquisition Right	Any disposition of Stock Acquisition Right is not allowed. The Right could not be transferred to the third party and put in pledge.	

Notes:

1. The above stock option is granted based on the provision of Clause 1, Article 280-19 of the former Commercial Code.
2. Exercise period for the above stock option will expire on June 26, 2011.

The exercise period of the stock option which was authorized at the 100th Annual Shareholders' Meeting held on June 29, 2000, was expired on June 30, 2010.

b) Stock Acquisition Right granted in the 111th fiscal year

Not applicable

c) Other Stock Acquisition Right

Stock Acquisition Right granted in 2007 as Euro-yen convertible Bonds due 2011

	Euro-yen convertible Bonds due 2011
The date of the resolution	August 6, 2007
(Details of the Euro-yen convertible Bonds)	
The balance of the bonds (as of March 31, 2011)	¥100,000 million
Issue date	August 31, 2007
(Details of Stock Acquisition Right)	
Number of the Right attached to the bonds	1,000
Type and number of shares to be issued upon the exercise of Stock Acquisition Right	Common Stock 111,111,111 shares
Amount of assets paid upon exercise of Stock Acquisition Right	¥900 per share
Exercise period for the Stock Acquisition Right	Stock Acquisition Right shall be exercised during business hours of agent (in region where exercise request is made) from May 28, 2009 to May 24, 2011.
Matters concerning the offer price and the increase in paid-in capital in the event of issuance of shares upon the exercise of the Stock Acquisition Right	Offer price ¥900 Increase in paid-in capital ¥450
Conditions for exercising the Stock Acquisition Right	Stock Acquisition Right should not be exercised partially.
Conditions for transfer the Stock Acquisition Right	No restriction

Notes:

1. The stock acquisition right shall not be exercisable (i) after the closing of the business day (local time of the transaction) for the agent receiving the stock acquisition right execution 3 business days prior to the early redemption date in Tokyo in the event that the Company elects to make an early redemption of the bond with stock acquisition right (excluding bonds for which it elected not to accept early redemptions); (ii) after the notice of demand for early redemption is deposited at the office of the payment agent for the bond in accordance with the provisions of the bond with stock acquisition right in the event that the bond with stock acquisition right is redeemed early by election of the holder of the bond with stock acquisition right; (iii) after the Company cancels the bond with stock acquisition right in the event that the Company purchases the bond; or (iv) after the date the benefit of term is lost in the event that the Company loses the benefit of term with respect to the Bonds with Stock Acquisition Right. However, in any case, the stock acquisition right cannot be exercised on May 24, 2011 or thereafter with respect to the Euro Yen Denominated Convertible Bonds with Stock Acquisition Right due 2011. Further, when the Company makes a rational judgment that suspending the exercise of the stock acquisition right is necessary for the sake of executing organizational reform, the stock acquisition right shall not be exercisable for a period of time as determined by the Company (said term may not exceed 30 days and shall terminate within 14 days of the date on which said organizational reform takes effect).
2. The above convertible Bonds have an exercise date that expires on May 24, 2011 and a maturity date of May 31, 2011.

Exercise period of Stock Acquisition Right granted in 2007 as Euro-yen convertible Bonds due 2010 was expired on May 24, 2010 and the bonds were redeemed at maturity on May 31, 2010.

(3) Management

a)Directors and Auditors (As of March 31, 2011)

Position	*Name*	*Areas of responsibility*
Chairman and Representative Director	Michiyoshi Mazuka	Member of the Executive Nomination and Compensation Committees
President and Representative Director	Masami Yamamoto	
Corporate Senior Executive Vice President and Director	Kazuo Ishida	Principal responsibility for ICT Services Business
	Masami Fujita	Principal responsibility for Corporate Affairs
Corporate Executive Vice President and Director	Kazuhiko Kato	CFO (Chief Financial Officer)
	Masahiro Koezuka	CSO (Chief Strategy Officer)
Director	Hiroshi Oura	Chairman of the Executive Nomination and Compensation Committees
Outside Director	Haruo Ito	
	Yoko Ishikura (Yoko Kurita)	
	Ryosei Kokubun	Member of the Executive Nomination and Compensation Committees
Standing Auditor	Masamichi Ogura	
	Makoto Umemura	
Outside Auditor	Tamiki Ishihara	
	Megumi Yamamuro	
	Hiroshi Mitani	

Notes:

1. Mr. Haruo Ito, Ms. Yoko Ishikura and Mr. Ryosei Kokubun are Outside Directors under Clause 15, Article 2 of the Companies Act. The company has identified Ms. Yoko Ishikura and Mr. Ryosei Kokubun as Independent Director in report to stock exchanges in Japan.
2. Mr. Tamiki Ishihara, Mr. Megumi Yamamuro, and Mr. Hiroshi Mitani are Outside Auditors under Clause 16, Article 2 of the Companies Act. The company has identified Mr. Megumi Yamamuro and Mr. Hiroshi Mitani as Independent Auditors in report to stock exchanges in Japan.
3. Mr. Masamichi Ogura has many years of experience in the Company and extensive knowledge in finance and accounting.
   Mr. Tamiki Ishihara has many years of experience in financial institutions and extensive knowledge in finance and accounting.
   Mr. Hiroshi Mitani has extensive knowledge in finance and accounting through his previous positions as a public prosecutor and commissioner of the Japan Fair Trade Commission, positions in which he gained significant experience with economic matters.
4. Mr. Koichi Hironishi, Mr. Tatsuo Tomita, Mr. Chiaki Ito, Mr. Ikujiro Nonaka, Mr. Masayasu Kitagawa and Mr. Naoyuki Akikusa resigned as of June 21, 2010.
5. At the 110th Annual Shareholders' Meeting held on June 21, 2010, Mr. Masami Yamamoto, Mr. Kazuo Ishida, Mr. Masami Fujita, Mr. Kazuhiko Kato, Mr. Masahiro Koezuka, Ms. Yoko Ishikura and Mr. Ryosei Kokubun were appointed as Directors.

b) Compensation of Directors and Auditors

Section	*No. of qualified persons*	*Kind of Compensation (¥Million)*				*Amount (¥Million)*
		Basic compensation	*Stock option*	*Bonuses*	*Others*	
Directors	16	364	—	101	—	465
Outside Directors (included in Directors)	5	28	—	—	—	28
Auditors	5	93	—	23	—	117
Outside Auditors (included in Auditors)	3	28	—	—	—	28

Notes:

1. Includes Directors who were resigned in fiscal 2010.
2. The limit on compensation to Directors was resolved to be 600 million yen per year, and the limit on compensation to Auditors was resolved to be 100 million yen per year at the 106th Annual Shareholders' Meeting held June 23, 2006. The Company is paying the basic compensation shown in the above table, which is within these limits.
3. The amount for bonuses shown above is the amount of bonuses to Directors and Auditors to be proposed at the 111th Annual Shareholders' Meeting to be held June 23, 2011.

c) Policy on the Determination of Executive Compensation

At the Board of Directors' meeting held on October 28, 2009, Fujitsu decided to establish an Executive Compensation Committee. The committee is tasked with making recommendations on executive salaries and methods for calculating bonuses linked to business performance, taking into consideration compensation levels at competitors. The aim of this activity is to ensure exceptional human resources, and provide effective incentives for improving the Company's business performance. As a result of the committee's deliberations with regard to the executive compensation, and based on the recommendations submitted to the Board of Directors, Fujitsu decided to revise its Executive Compensation Policy at the Board of Directors' meeting held on April 28, 2011.

The enforcement of this Executive Compensation Policy is conditional upon the passage of Proposal No. 4 (Revision to the Compensation of Auditors) at the 111th Annual Shareholders' Meeting, and will be applied to executive compensation from the next fiscal year.

Executive Compensation Policy

To secure exceptional human resources required to manage the Fujitsu Group as a global ICT company, and to further strengthen the link between its financial performance and shareholder value, while at the same time improving its transparency, Fujitsu establishes its Executive Compensation Policy as follows.

Executive compensation is comprised of the following: "Base Compensation," specifically a fixed monthly salary in accordance with position and responsibilities; "Stock-based Compensation," which is a long-term incentive that emphasizes a connection to shareholder value; and "Bonuses" that are compensation linked to short-term business performance.

Base Compensation

- Base compensation is paid to all directors and auditors, in accordance with position and responsibilities, as compensation for work responsibilities with regard to management oversight and the carrying out of executive responsibilities.

Stock-based Compensation

- Stock-based compensation, intended for directors responsible for carrying out executive duties, is a long-term performance incentive, with the amount to be paid determined based on a qualitative evaluation of medium- to long-term initiatives.
- Stock-based compensation is to be paid for the purchase of the company's own shares. These purchases are to be made through the Director Stock Ownership Plan. Shares purchased for this purpose are to be held by each director for the term of his or her service.

Bonuses

- Bonuses are short-term performance incentives to be paid to directors who carry out executive responsibilities. The amount of a bonus is to reflect business performance in the respective fiscal year.
- As a specific method to calculate a bonus, Fujitsu will adopt a "Profit Sharing model" which uses consolidated operating income and consolidated net income as an index. However, bonuses will not be paid in the event of negative net income recorded under non-consolidated accounting.

In accordance with a resolution of the Annual Shareholders' Meeting, the total amount of Base Compensation, Stock-based Compensation and Bonuses shall not exceed 600 million yen per year for directors and 150 million yen per year for auditors.

(Reference)

Category	Base Compensation		Stock-based Compensation	Bonuses
	Management Supervision Portion	Management Execution Portion		
Director	○	—	—	—
Executive Director	○	○	○	○
Auditor	○		—	—

d) Outside Directors and Auditors

1) Concurrent Positions of Outside Directors and Auditors

Section	*Name*	*Companies at which concurrent positions are held and the positions held*
Outside Director	Haruo Ito	Senior Advisor, Fuji Electric Holdings Co., Ltd. Outside Director, Toko Electric Corporation
	Yoko Ishikura	Professor, Graduate School of International Corporate Strategy, Hitotsubashi University Outside Director, Nissin Foods Holdings Co., Ltd.
	Ryosei Kokubun	Professor, Faculty of Law, Keio University
Outside Auditor	Tamiki Ishihara	Corporate Adviser, Seiwa Sogo Tatemono Co., Ltd. Outside Auditor, ZEON Corporation Outside Auditor, Furukawa Co., Ltd.
	Megumi Yamamuro	Professor, Nihon University Law School Outside Auditor, Advantest Corporation Outside Auditor, NIFTY Corporation
	Hiroshi Mitani	Special Counsel, TMI Associates Outside Auditor, Nabtesco Corporation

Notes:

1. In overseeing in the Company's management, Mr. Hiroshi Oura, (Honorary Advisor, Advantest Corporation) is able to provide management advice from a perspective that is equivalent to that of Outside Director. This is because 14 years passed before he was reappointed as a Director after resigning from his previous positions as a Member of the Board and Corporate Senior Vice President of the Company. Although the Company has no ownership of the shares in Advantest Corporation, the Company has the right to direct 11.63% of the voting rights of Advantest where its shares are held as assets in Fujitsu Limited's retirement benefits trust. Advantest and Fujitsu do have business dealings which in fiscal 2010 amounted to 1.6 billion yen. However, taking into account the scale of Fujitsu's sales, this is not considered material. In addition, a Senior Executive Advisor of Fujitsu Limited also serves as an outside director of Advantest Corporation.
2. Mr. Haruo Ito holds a position as a Senior Advisor of Fuji Electric Holdings Co., Ltd. The Fuji Electric Group, including their retirement benefit trusts as a whole, with Fuji Electric Holdings Co., Ltd. as a holding company, holds an 11.20% equity stake in the Company, and the Company holds a 10.40% equity stake in Fuji Electric Holdings Co., Ltd. (Ownership ratio is calculated after exclusion of treasury stock holdings.). Fuji Electric and Fujitsu do have business dealings which in fiscal 2010 amounted to 89 million yen. However, taking into account the scale of the Fujitsu's sales, this is not considered material. Fuji Electric Holdings Co., Ltd. has changed its company's name to Fuji Electric Co., Ltd. as of April 1, 2011.
3. Ms. Yoko Ishikura resigned Hitotsubashi University as of March 31, 2011 and was appointed as Professor of Graduate School of Media Design, Keio University as of April 1, 2011.
4. The Company asked Mr. Ryosei Kokubun to lecture at the second Taiwan Japan IT Business Dialogue organized by the Company and in fiscal 2010 paid him approximately 0.2 million yen as a speaker's fee.

2) Activities of Outside Directors and Auditors

Section	*Name*	*Activities*
Outside Director	Haruo Ito	Attended 100% of the Board of Directors' meetings held during the period under review and made comments based on his deep insight into corporate management and the businesses of the Company.
	Yoko Ishikura	Attended 90% of the Board of Director's meetings held during the period under review and made comments from a global perspective based on her deep insights into the business strategies.
	Ryosei Kokubun	Attended 100% of the Board of Director's meetings held during the year under review and made comments based on his deep insights into the international politics and economics
Outside Auditor	Tamiki Ishihara	Attended 100% of both the Board of Director's meetings and the Board of Auditors' meetings held during the period under review. He made comments at the Board of Director's meetings and the Board of Auditors' meeting from his specialized viewpoint at the management of organizations and finance and accounting.
	Megumi Yamamuro	Attended 100% of both the Board of Director's meetings and the Board of Auditors' meetings held during the period under review. He made comments at the Board of Director's meetings and the Board of Auditors' meetings from his specialized viewpoint as an attorney.
	Hiroshi Mitani	Attended 100% of both the Board of Director's meetings and the Board of Auditors' meetings held during the period under review. He made comments at the Board of Director's meetings and Board of Auditors' meetings from the deep understanding of the circumstances faced by corporate executives, encompassing economic and social issues as well as legal matters.

Note:

The Company convened meetings of the Board of Directors 14 times (of which 2 were special meetings) and 9 meetings of the Board of Auditors (of which 4 were special meetings) during the period under review.

3) Total Compensation Received by Outside Directors or Auditors from Subsidiaries as Directors or Auditors of the Subsidiary

Section	*No. of qualified persons*	*Amount Paid (¥Million)*
Outside Auditor	1	7.2

4) Overview of Liability Limitation Agreement

The Company has entered into an agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act with respect to Outside Directors and Outside Auditors. The maximum liability for damages in accordance with the relevant agreement is the minimum liability stipulated by the Companies Act. The said maximum liability shall apply only when a relevant Outside Directors or Outside Auditor executes a duty that created a liability in good faith and without gross negligence.

e) Other matters regarding management

At the October 28, 2009 Board of Directors' meeting, the Company decided to establish a Nominating Committee and a Compensation Committee as advisory committees to the Board of Directors in order to ensure the transparency and objectivity of the process to select board members of the company, and to ensure the transparency and objectivity of the process to determine executive compensation, as well as the appropriateness of compensation systems and levels.

During fiscal 2010, to improve corporate governance, these committees discussed issues relating to the structure of the Board of Directors and executive compensation, and presented recommendations for reforms relating to Executive Compensation Policy and the strengthening of management oversight functions to the Board of Directors. The Company is proposing resolutions based on these recommendations at the Annual Shareholders Meeting to be held on June 23, 2011.

The members for both committees are as follows:
Chairman : Hiroshi Oura
Other Members: Ryosei Kokubun, Michiyoshi Mazuka

(4) Independent Auditors

a) Name of the Independent Auditor: Ernst & Young ShinNihon LLC

b) Remuneration to be Paid to the Independent Auditors

(1) Amount of remuneration, etc. as an independent auditor for the fiscal year under Review	¥574Million
(2) Total amount of cash and other proprietary benefits that the Company and its subsidiaries should pay to the independent auditor	¥1,374Million

Notes:

1. The Company does not clearly differentiate the amounts of compensation for an audit under the Companies Act from an audit under the Financial Instruments and Exchange Act, the Amount stated (1) thus includes the compensation for the audit under the Financial Instruments and Exchange Act.
2. Some subsidiaries of the Company receive an audit from an audit corporation other than the independent auditor of the Company.

c) Contents of Non-Audit Services

For the production of documents relating to the filing of taxes outside of Japan, which falls outside the scope of work referenced in Clause1, Article 2 of Japan's Certified Public Accountants Act, Fujitsu pays fees to Independent Auditor.

d) Policy on Decision of Dismissal and Refusal of Reappointment of the Independent Auditor

When it is considered that the independent auditor falls under any of the items stipulated in Items of Clause 1, Article 340 of the Companies Act, the Company will dismiss the independent auditor subject to the unanimous consent of auditors. When the Board of Directors deems it necessary to take into consideration the independence, the examination system or other aspects of the execution of an audit of the independent auditor, the Board of Directors will propose to dismiss or refuse the reappointment of the independent auditor to a general meeting of shareholders, subject to the consent and request of the Board of Auditors.

(5) System for Ensuring Appropriate Operations

The Board of Directors resolved on the basic policy to improve the systems for securing compliance of performance (internal control systems) which are prescribed in Clauses 4 through 6, Article 362 of the Companies Act and in Clause 1 and 3, Article 100 of the Enforcement Regulations of the Companies Act, under Clause 5, Article 362 of the Companies Act.

1. Objective

FUJITSU Way, which embodies the philosophy, values, principles and code of conduct for the Fujitsu Group, describes the vision of the Fujitsu Group as follows: "Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world."

We believe that by conducting our activities in accordance with FUJITSU Way, we maximize the value of the Fujitsu Group and enhance our contribution to the communities in which we operate and to society as a whole.

In addition, in order to continuously enhance the corporate value of the Fujitsu Group, it is necessary to pursue management efficiency and control risk arising from our business activities. Recognizing that it is essential to strengthen our corporate governance in order to accomplish this, we will continuously strive to implement the policies described below.

2. Systems to ensure the appropriateness of Fujitsu and Fujitsu Group business

(1) System to ensure efficient business execution by directors

a. At Fujitsu, there is a separation of the oversight and operational execution functions of management. The Board of Directors oversees the execution functions of the Management Council and other management bodies, and makes decisions on important matters. Among executive organs, the Management Council discusses and decides upon basic management policies and strategies and also decides upon important matters regarding management execution. Matters taken up by the Management Council, including discussion items, are reported to the Board of Directors, and any important issues are decided upon by the Board of Directors.

b. To strengthen the management oversight function, we proactively employ outside directors and auditors.

c. The Board of Directors clarifies the scope of authority for board directors, corporate vice presidents and managing directors (hereafter collectively referred to as "senior management") as well as other business execution organs, and ensures that business is conducted in accordance with the division of business duties.

d. In performing their duties, senior management follows appropriate decision-making procedures, such as the Board of Directors Rules, Management Council Regulations, and Regulations on Corporate Decision-Making.

e. In addition to making employees thoroughly aware of management policies, senior management sets and achieves concrete goals in order to accomplish overall management goals.

f. To pursue operational efficiency, senior management promotes continuous improvement of internal control systems and reform of business processes.

g. By having senior management and other business execution organs provide monthly financial reports and business operation reports, the Board of Directors observes and oversees the status of achievement of management goals.

(2) System to ensure that business execution of directors and employees complies with laws and articles of incorporation

a.Senior management adheres to FUJITSU Way as a basic vision for compliance issues, including compliance to laws and the articles of incorporation, and proactively promotes the Group's overall compliance on an ethical basis.

b.By continuously administering training, senior management instills adherence to FUJITSU Way in employees and promotes the overall Group's compliance.

c.Senior management clarifies the legal and other regulations that relate to the Fujitsu Group's business activities and implement internal rules, training and oversight systems necessary to adhere to them, thereby promoting the compliance of the Group as a whole.

d.If senior management or employees become aware of the possibility of a major compliance violation in connection with the execution of business activities, they immediately inform the Board of Directors and the Board of Auditors via normal reporting channels.

e.In order to use independent information sources outside of normal reporting channels to discover and deal appropriately with compliance problems on a prompt basis, senior management establishes and operates an internal reporting system that protects whistle-blowers.

f.The Board of Directors receives periodic reports on the status of business execution from executive officers and verifies that there are no compliance violations in relation to the work execution.

(3) Regulations and other systems relating to loss mitigation

a.Senior management strives to maintain the Fujitsu Group's business continuity, increase its corporate value and sustainably expand its business activities. In order to deal with risks that pose a threat to achieving these goals, they assign certain departments to be responsible for each type of risk and put in place appropriate risk management systems.

b.Senior management is constantly assessing and verifying risks that might cause losses to the Fujitsu Group, and they report significant cases to the Board of Directors.

c.In regard to risks discovered through assessment described in b), as well as potential risks arising from the execution of business, senior management carries out risk mitigation initiatives and strives to minimize losses from risks. In order to minimize loses from risks that arise, senior management creates a risk management committee and carries out necessary countermeasures. In addition, it periodically analyzes risks that arise and reports them to the Board of Directors. In these ways, the committee engages in activities intended to prevent the recurrence of risks.

d.In order to collect risk information that cannot be gathered by the methods mentioned above, an internal reporting system has been set up and is operated to ensure the protection of whistle-blowers.

(4) Information storage and management system regarding business execution by directors

a.In accordance with company rules, senior management shall establish an appropriate system, including appointing documentation managers, to store and manage documents relating to the execution of their business duties (including electronic documents, as with the items listed below) and other important information.

- Minutes of shareholders' meetings and related documents
- Minutes of Board of Directors' meetings and related documents
- Minutes and related documents for other important decision-making meetings
- Approval documents from senior management
- Other important documents relating to the execution of business duties by senior management

b.In order for directors and auditors to verify the status of execution of business duties, there is a system enabling them to view the documents described in the above item at any time. The system also provides that, in response to requests they make to those in charge of managing documents, board members and statutory auditors can see the documents whenever they wish.

(5) System to ensure the appropriateness of Fujitsu Group business

a.Using FUJITSU Way as a foundation, in order to continuously increase the value of the Fujitsu Group, Fujitsu will provide direction and support to senior management of each Group company for setting up an efficient, law-abiding and appropriate business execution systems as detailed in sections (1) through (4) above.

b.To implement the above item a), functions, responsibilities, scopes of authority and proper decision-making methods have been defined in the Fujitsu Group Management Policy and related regulations.

c.Senior management of Fujitsu and all Group companies periodically confirms issues related to Group management strategies and achievement of management goals through management update conferences and other means. In addition, Fujitsu Group statutory auditors deal with Fujitsu Group issues from the auditing viewpoint through Group auditor update conferences.

d.In regard to measures needed to resolve challenges related to achieving management goals that are identified as a result of the activities described in item c), senior management of Fujitsu and Group companies implements such measures following full discussion and, when necessary, completion of reporting to Fujitsu and approval processes specified separately decided.

e.Fujitsu's internal audit organization is linked to the internal audit organization of each Group company. It carries out audits of the entire Fujitsu Group and reports periodically to the Boards of Directors and statutory auditors of Fujitsu.

(6) System to ensure the appropriateness of audits by statutory auditors

Ensuring independence of auditors

a.Fujitsu has set up a Statutory Auditors' Office with employees assigned to assist the statutory auditors in carrying out their duties. Appropriate employees with the ability and expertise required by the statutory auditors are assigned to the office.

b.In order to ensure the independence of the staff in the Statutory Auditors' Office, matters relating to their appointment, transfer and compensation are decided on the basis on prior consultation with the auditors.

c.In principle, senior management does not assign office staff to other divisions or duties. In instances, however, where a need arises to give dual assignments to staff with specialized knowledge in response to requests from statutory auditors, care is given to ensuring their independence in accordance with item b).

Reporting system

a.Senior management of Fujitsu and Group companies provides the statutory auditors with the opportunity to attend important meetings.

b.In cases where risks arise that could affect management or financial results, or where there is an awareness of major compliance violations in connection with the execution of business activities, senior management as well as employees of Fujitsu and Group companies immediately report on them to the statutory auditors.

c.Senior management as well as employees of Fujitsu and Group companies periodically report to the statutory auditors on the status of business execution.

Ensuring effectiveness of statutory auditors

a.Senior management of Fujitsu and Group companies periodically exchange information with the statutory auditors.

b.The internal audit organization periodically reports to the statutory auditors on audit results.

c.The auditors have the independent accounting auditor explain and report on accounting audits as required and periodically exchange information with the independent accounting auditors.

● Implementation

Fujitsu has established a department with executive responsibility for internal controls. The company is, moreover, pursuing initiatives to implement an even more robust operational execution structure by reviewing and revising its regulations and business operations.

To accelerate the penetration and implementation of the Fujitsu Way and ensure the appropriateness of business operations, Fujitsu is promoting the implementation and evaluation of its internal control structure. This effort is led by the Fujitsu Way Promotion Council, which reports directly to the Management Council. In addition to the Fujitsu Way Promotion Council, three other groups were established directly under the Management Council and tasked with pursuing more robust and efficient business execution: the Risk Management Committee, the Compliance Committee and the Environmental Committee.

The functions of each are described below:

FUJITSU Way Promotion Council

The FUJITSU Way Promotion Council promotes the inculcation and implementation of the FUJITSU Way. In addition, it has also been promoting Project EAGLE, which was launched as a company-wide activity for building an internal compliance system for effective and reliable financial reporting in compliance with Japan's Financial Instruments and Exchange Act. A promotion organization dedicated to this project was established and is working to extend it across the Fujitsu Group to improve deficiencies in financial reporting and achieve greater efficiency through the pursuit of business process reforms across the Group.

Risk Management Committee

With respect to risks associated with the Company’s business activities, Fujitsu has established rules and guidelines for risk management, and designated managers at Fujitsu Limited and Group companies whose responsibilities are to promote risk management. It has also established risk management systems and processes for the Fujitsu Group as a whole that are designed to prevent and minimize potential risks as well as address any risks that have emerged, while promoting mutual collaboration within the Fujitsu Group. These systems and processes are subject to continuous improvements.

The committee reports to the Management Council and the Board of Directors on significant matters and holds discussions with them on countermeasures, seeking thereby to disseminate information throughout the Group and strengthen the overall Group's risk management posture.

In addition, Fujitsu continues to promote Business Continuity Management to ensure its ability to carry out its corporate social responsibilities through the continuity of its major business operations, and its ability to provide a stable supply of the high-performance, high-quality products and services that its customers need in the event of unforeseen major disasters.

Compliance Committee

This committee promotes adherence to social norms and corporate rules as well as the creation of corporate systems and initiatives for fostering a corporate culture of respect for norms. In conjunction with efforts to maximize compliance, a help-line system was set up as a confidential liaison point to receive reports from employees and provide guidance to them on matters of conduct.

Environmental Committee

This committee is responsible for promoting the environmental protection activities of the Fujitsu Group, which are based on The Fujitsu Group Environmental Policy and The Fujitsu Group Environmental Protection Program.

(6) Policy on Decision Regarding Distribution of Dividends etc.

Article 40 of Fujitsu Limited's Articles of Incorporation grants the Board of Directors the authority to distribute retained earnings. As part of Fujitsu Limited's basic policy on the exercise of this authority, we believe that a portion of retained earnings should be paid to shareholders to provide a stable return, and that a portion should be retained by the company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance. In addition, taking into consideration the level of profits, we aims to increase the distribution of profits to our shareholders when the financial base is sufficiently strong enough, including through share buybacks.

In fiscal 2010, operating income increased year on year owing to the effect of structural reforms in the LSI device business and decrease in the amortization of goodwill. This was despite the impact of a lagging recovery in demand for domestic ICT investments and deteriorating performance in certain overseas service business projects. Net income declined from the previous fiscal year due to an extraordinary loss posted as a result of the March 11 Tohoku earthquake and because of the previous fiscal year's proceeds from the sale of investment securities. Nonetheless, the company's financial condition is steadily improving.

As a result, the company will pay a year-end dividend of 5 yen per share, the amount announced at the beginning of the fiscal year. Including the interim dividend of 5 yen per share, the annual dividend is 10 yen per share. This represents the first time since fiscal 2000 that Fujitsu plans to pay annual dividends of 10 yen per share.

(7) Basic Policy on the Control of the Company

At the present time, no specific provisions relating to takeover defenses have been introduced.

Because raising corporate value is, in the end, the best defense against potential takeovers, we are focusing our efforts on raising corporate value.

Going forward, placing first priority on corporate value and shareholder profits, we will remain vigilant to social trends and changes in the environment, and we will continually advance our consideration of protective measures.

Consolidated Balance Sheet

（As of March 31, 2011）

		Millions of yen
Assets		
Current assets:		
Cash and deposits	Y	353,892
Notes and accounts receivable, trade		877,069
Marketable securities		10,802
Finished goods		150,685
Work in process		112,995
Raw materials		77,758
Deferred tax assets		76,666
Others		115,541
Allowance for doubtful accounts		(14,781)
Total current assets		1,760,627
Non-current assets:		
Property, plant and equipment, net of accumulated depreciation:		
Buildings		277,844
Machinery		100,803
Equipment		126,101
Land		117,481
Construction in progress		16,413
Total property, plant and equipment		638,642
Intangible assets:		
Software		135,118
Goodwill		80,083
Others		36,757
Total intangible assets		251,958
Other non-current assets:		
Investment securities		152,361
Deferred tax assets		72,093
Others		155,351
Allowance for doubtful accounts		(6,935)
Total other non-current assets		372,870
Total non-current assets		1,263,470
Total assets	Y	3,024,097

		Millions of yen
Liabilities and net assets		
Liabilities		
Current liabilities:		
Notes and accounts payable, trade	Y	604,264
Short-term borrowings		125,554
Current portion of bonds payable		100,000
Lease obligations		24,470
Accrued expenses		323,144
Accrued income taxes		23,617
Provision for product warranties		25,254
Provision for construction contract losses		21,392
Provision for bonuses to board members		125
Others		259,988
Total current liabilities		1,507,808
Long-term liabilities:		
Bonds payable		180,300
Long-term borrowings		64,969
Lease obligations		26,775
Deferred tax liabilities		33,755
Deferred tax liabilities for land revaluation		575
Accrued retirement benefits		181,572
Provision for loss on repurchase of computers		16,320
Provision for product warranties		2,207
Provision for recycling expenses		6,363
Others		49,674
Total long-term liabilities		562,510
Total liabilities		2,070,318
Net assets		
Shareholders' equity:		
Common stock		324,625
Capital surplus		236,437
Retained earnings		343,072
Treasury stock		(214)
Total shareholders' equity		903,920
Accumulated other comprehensive income:		
Unrealized gain and loss on securities, net of taxes		13,564
Deferred hedge gain and loss		454
Revaluation surplus on land		2,363
Foreign currency translation adjustments		(99,057)
Total accumulated other comprehensive income		(82,676)
Subscription rights to shares		76
Minority interests		132,459
Total net assets		953,779
Total liabilities and net assets	Y	3,024,097

Consolidated Statements of Operations

（Year ended March 31, 2011）

		Millions of yen
Net sales	Y	4,528,405
Cost of sales		3,270,923
Gross profit		1,257,482
Selling, general and administrative expenses		1,124,888
Operating income		132,594
Other income:		
Interest income		2,723
Dividend income		3,398
Equity in earnings of affiliates, net		3,804
Gain on sales of investment securities		9,366
Gain on change in interest		2,368
Gain on negative goodwill		1,220
Others		11,806
Total other income		34,685
Other expenses:		
Interest expense		11,728
Loss on foreign exchange, net		11,063
Loss on disposal of property, plant and equipment and intangible assets		5,477
Loss on disaster		11,645
Loss on adjustment for adoption of accounting standard for asset retirement obligations		4,113
Impairment loss		1,579
Loss on changes in retirement benefit plan		1,266
Others		18,172
Total other expenses		65,043
Income before income taxes and minority interests		102,236
Income taxes:		
Current		35,057
Deferred		13,122
Total income taxes		48,179
Income before minority interests		54,057
Minority interests		(1,035)
Net income	Y	55,092

Consolidated Statements of Changes in Net Assets

(Year ended March 31, 2011)

		Millions of yen
Net assets:		
Shareholders' equity:		
Common stock:		
Balance at end of previous term	Y	324,625
Increase (Decrease) during the term		
Total		—
Ending balance of common stock		324,625
Capital surplus:		
Balance at end of previous term		235,985
Increase (Decrease) during the term:		
Sales of treasury stock		452
Total		452
Ending balance of capital surplus		236,437
Retained earnings:		
Balance at end of previous term		307,964
Increase (Decrease) during the term:		
Cash dividends		(20,672)
Net income		55,092
Change of scope of equity method		720
Reversal of revaluation reserve for land		(32)
Total		35,108
Ending balance of retained earnings		343,072
Treasury stock:		
Balance at end of previous term		(2,723)
Increase (Decrease) during the term:		
Acquisition of treasury stock		(145)
Sales of treasury stock		2,654
Total		2,509
Ending balance of treasury stock		(214)
Total shareholders' equity		
Balance at end of previous term		865,851
Increase (Decrease) during the term:		
Cash dividends		(20,672)
Net income		55,092
Acquisition of treasury stock		(145)
Sales of treasury stock		3,106
Change of scope of equity method		720
Reversal of revaluation reserve for land		(32)
Total		38,069
Ending balance of shareholders' equity	Y	903,920

		Millions of yen
Accumulated other comprehensive income:		
Unrealized gain and loss on securities, net of taxes:		
Balance at end of previous term	Y	16,006
Increase (Decrease) during the term:		
Net increase (decrease) during the term, except for items under shareholders' equity		(2,442)
Total		(2,442)
Ending balance of unrealized gain and loss on securities, net of taxes		13,564
Deferred hedge gain and loss:		
Balance at end of previous term		(31)
Increase (Decrease) during the term:		
Net increase (decrease) during the term, except for items under shareholders' equity		485
Total		485
Ending balance of deferred hedge gain and loss		454
Revaluation surplus on land:		
Balance at end of previous term		2,331
Increase (Decrease) during the term:		
Net increase (decrease) during the term, except for items under shareholders' equity		32
Total		32
Ending balance of revaluation surplus on land		2,363
Foreign currency translation adjustments:		
Balance at end of previous term		(85,495)
Increase (Decrease) during the term:		
Net increase (decrease) during the term, except for items under shareholders' equity		(13,562)
Total		(13,562)
Ending balance of foreign currency translation adjustments		(99,057)
Total accumulated other comprehensive income:		
Balance at end of previous term		(67,189)
Increase (Decrease) during the term:		
Net increase (decrease) during the term, except for items under shareholders' equity		(15,487)
Total		(15,487)
Ending balance of total accumulated other comprehensive income		(82,676)
Subscription rights to shares:		
Balance at end of previous term		53
Increase (Decrease) during the term:		
Net increase (decrease) during the term, except for items under shareholders' equity		23
Total		23
Ending balance of subscription rights to shares		76
Minority interests:		
Balance at end of previous term		149,658
Increase (Decrease) during the term:		
Net increase (decrease) during the term, except for items under shareholders' equity		(17,199)
Total		(17,199)
Ending balance of minority interests		132,459
Total net assets:		
Balance at end of previous term		948,373
Increase (Decrease) during the term:		
Cash dividends		(20,672)
Net income		55,092
Acquisition of treasury stock		(145)
Sales of treasury stock		3,106
Change of scope of equity method		720
Reversal of revaluation reserve for land		(32)
Net increase (decrease) during the term, except for items under shareholders' equity		(32,663)
Total		5,406
Ending balance of net assets	Y	953,779

Notes to Consolidated Financial Statements

【Notes to Significant Items Concerning Preparation of Consolidated Financial Statements】

1. The Company prepares for financial statements in accordance with the Ordinance on Accounting of Companies (Ministry of Justice Ordinance No. 13, February 7, 2006 and Revised Ministry of Justice Ordinance No. 6, March 31, 2011) in the consolidated fiscal year under review.

2. The scope of consolidation

(1) Number and names of major consolidated subsidiaries

This consolidated financial report consolidates the results of 535 major subsidiaries. As for changes in the scope of consolidation for this consolidated fiscal year, 16 companies were added and 21 companies were removed. Major additions and subtractions are described below. Since the names of major subsidiary companies are noted in item #11, "The Fujitsu Group," in the Business Report, they are omitted here.

New consolidated subsidiaries as a result of acquisitions or the formation of new companies during the fiscal year: 15 companies

Changed from unconsolidated subsidiaries to consolidated subsidiaries: 1 company

Subtracted due to liquidation or sale: 10 companies

Subtracted due to merger: 11 companies

(2) Information of Major Unconsolidated Subsidiaries

Unconsolidated subsidiaries do not have significance to hinder reasonable judgment on the financial conditions and business performance of the Group in terms of their total assets, sales, net income and retained earnings, etc. They are listed below:
SHINKO ELECTRIC AMERICA, INC. (and others)

3. The application of the equity method

(1) Number and names of major unconsolidated subsidiaries and affiliates to which the equity method is applied

Regarding investments in unconsolidated subsidiaries and affiliated companies, they are accounted for by the equity method and the number of companies to which this applies is 15.

Affiliated companies: 15 companies
Major equity-method affiliate companies:
Fujitsu General Ltd., Fujitsu Leasing Co., Ltd., FORTH Co., Ltd. (name changed from CSS Co., Ltd. in September 2010). (and others)

Regarding changes in equity-method companies for this consolidated accounting year, a total of 2 companies were added and 7 companies were removed. The companies removed included JX NIPPON INFORMATION TECHNOLOGY CO., LTD (name changed from Nippon Oil Information Technology Corporation in July 2010).

(2) Information of unconsolidated subsidiaries and affiliates to which the equity method is not applied

Unconsolidated subsidiaries and affiliates to which the equity method is not applied are accounted for using the cost method, since the impact on consolidated net income and retained earnings, etc. is insignificant. They are listed below:
SHINKO ELECTRIC AMERICA, INC. (and others)

(3) Although we hold more than 20% of the outstanding shares of Japan Electronic Computer Co., Ltd. (JECC), we have not made the company an affiliate, since the company is a special corporation operated with the joint investment of 6 companies, including Japanese computer manufacturers, to develop the information processing industry in Japan.

(4) Investment differentials on equity method affiliate companies are treated in the same way of the ones on consolidated subsidiaries.

4. The fiscal year, etc. of consolidated subsidiaries and equity method affiliates

Except for the companies listed below that close the books in December and January, the accounts are settled once a year in March.

(Consolidated subsidiaries)	Fujitsu (China) Holdings and 33 others
(Equity method affiliates)	5 affiliates

Of the companies above, Fujitsu (China) Holdings and 24 other consolidated subsidiaries close their books through procedures similar to the regular book-closing conducted on the consolidated closing date. Other companies make an adjustment for significant transactions during the period from their respective closing dates and the consolidated closing date of Fujitsu.

5. Accounting Standards

(1) Valuation standards and methods of assets

(i) Marketable securities

Held-to-maturity bonds:………Amortized cost method (interest method)

Available-for-sale securities

- With market value………Market value method based mainly on the market price on the closing date
  Treatment of the difference between the acquisition cost and the market value
  …Booked directly to net assets
  Calculation of costs of securities sold
  …Moving average cost method
- Without market value……Moving average cost method

(ii) Derivatives……………………Market value method

(iii) Inventories

Inventories held for sale in normal operating cycle

Finished goods……………Primarily moving average cost method

Work in process…………Cost method primarily determined by the specific identification method or the periodic average method

Raw materials……………Cost method primarily determined by the moving average method

Costs of inventories with lower profitability are written down.

(2) Depreciation and amortization of fixed assets

(i) Tangible fixed assets except for leased assets

Depreciation of tangible fixed assets except for leased assets are calculated by the straight-line method. The useful lives, reflected by the likely period over which the value of the asset can be realized under actual business conditions, are estimated as stated below:

Buildings……………………7-50 years

Machinery…………………3-7 years

Equipment…………………2-10 years

(ii) Intangible fixed assets except for leased assets

- Software

For sale……………………Method based on projected sales volume over the estimated life of the product (3 years)

For internal use……………Straight-line method based on the estimated useful life of the software (within 5 years)

(iii) Leased assets

Depreciation and amortization of finance leases which do not transfer ownership of the leased property to the lessee are calculated by the straight-line method over the lease period deemed as useful lives.

(3) Accounting polices for provisions

(i) Allowance for doubtful accounts

To prepare for bad debt losses, an amount deemed sufficient to cover estimated future losses is provided, taking collectability into account.

(ii) Provision for product warranties

To prepare for the disbursement of expenses for the free repair and exchange of products during the warranty period based on contracts, the estimated repair and exchange expenses based on the historical data are recorded when the product is sold.

(iii) Provision for construction contract losses

The estimated amount of future losses relating to customized software and construction contracts whose profitability potentially has deteriorated is provided at the end of this fiscal year.

(iv) Provision for bonuses to board members

To prepare for the bonuses to board members based on an estimated amount.

(v) Accrued retirement benefits

To prepare for the disbursement of employees' retirement benefits, an amount deemed necessary at the end of the consolidated fiscal year under review based on the estimated retirement benefit obligation and pension assets is recorded.

- Method of allocating prior service cost

…………Straight-line method (10 years)

- Method of allocating actuarial losses

An amount prorated by the straight-line method is accounted for over the average remaining service period of employees from the year after the actuarial loss has arisen.

(vi) Provision for loss on repurchase of computers

To prepare for the compensation for losses when computers sold with a repurchase agreement are repurchased, an amount for the losses expected to be incurred at the time of the repurchase is provided based on the historical data.

(vii) Provision for recycling expenses

To prepare for recycling expenses when home computers sold were collected, the expected recycling expenses are provided.

(4) Other significant items concerning consolidated financial statements

(i) Revenue recognition of sales of customized software and others

For contracts in progress as of the end of this fiscal year for which were accurately able to be confirmed the degree of completion, the percentage-of-completion method has been applied, and for all others the completed-contract method has been applied. When applying the percentage-of-completion method, the degree of completion at the end of this fiscal year was determined by the estimation based on actual costs and total contract costs.

(ii) Hedge accounting

Deferred hedge accounting is adopted.

(iii) The amortization of goodwill

Goodwill is amortized using the straight-line method over periods not exceeding 20 years, corresponding to the actual state of investment.

(iv) Consumption taxes

The tax excluded method is adopted.

(v) Application of the consolidated tax return system

The consolidated tax return system is adopted.

6. Changes in the significant items concerning consolidated financial statement

(i) Adoption of the Accounting Standards for Asset Retirement Obligations

From fiscal 2010, Fujitsu has adopted the “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Statement No. 18, issued March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan Guidance No. 21, issued March 31, 2008).

In conjunction with the adoption of the above accounting standard, operating income in fiscal 2010 decreased by 531 million yen. The difference between the amount of the asset retirement obligation newly recognized as a liability at the start of the fiscal year in which the standard was adopted and the amount of asset retirement expenses recognized as an asset was recorded as other expenses of 4,113 million yen. As a result, income before income taxes and minority interests decreased by 4,644 million yen.

(ii) Adoption of the Accounting Standards for Business Combinations

From fiscal 2010, Fujitsu has adopted the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan Statement No. 21, issued December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan Statement No. 22, issued December 26, 2008), and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan Guidance No. 10, revision issued December 26, 2008).

7. Changes in presentation method

(Consolidated statements of Operations)

In accordance with Ministry of Justice Ordinance partially revising the Ordinance for Enforcement of the Companies Act and the Ordinance on Accounting of Companies (Ministry of Justice Ordinance No. 7 of 2009, March 27, 2009), which was based on “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan Statement No. 22, issued December 26, 2008), Fujitsu has included the item “Income before minority interests” in its consolidated income statement for fiscal 2010. As reference, for the fiscal 2009, income before minority interests totaled 96,930 million yen.

【Notes to the Consolidated Balance Sheet】

1. Assets pledged as collateral and liabilities for collateral

(1) Main assets pledged as collateral

			(Million yen)
Balance of pledged assets			4,923
(Main pledged assets)	Land		4,050
	Buildings		864

(2) Main liabilities for collateral

Balance of secured debt			2,132
(Main secured debt)	Current liabilities-Others		2,041
	Accounts payable, trade		91

2. Accumulated depreciation of tangible fixed assets………………………………… 1,805,695

3. Contingent liabilities for guarantee contract

Balance of contingent liabilities for guarantee contract		2,927
(Main guaranteed debt)	Housing loans of employees	2,904

【Notes to the Consolidated Statements of Operations】

1. Gain on sales of investment securities
   Refers mainly to the sale of affiliates' shares held by a subsidiary in U.K.

2. Gain on change in interest
   Refers mainly to changes in interest due to the issuance of new shares by an affiliate listed Shenzhen, China (Nantong Fujitsu Microelectronics Co.,Ltd.)

3. Gain on negative goodwill
   Refers mainly to the conversion of PFU Limited into a wholly owned subsidiary.

4. Loss on disaster
   Refers mainly to the restoration costs for fixed assets damaged by the Great East Japan Earthquake, the fixed costs of the factories stopped its operation by the earthquake and the disposal losses on inventories. 4,876 million yen of provision for loss on disaster is also included in this account.

5. Loss on adjustment for adoption of accounting standard for asset retirement obligations
   Refers mainly to the loss related to the obligation of restoration for rental building in conjunction with the adoption of the Accounting Standard for Asset Retirement Obligations. The loss arose from the difference between the amount of the asset retirement obligation newly recognized as a liability at the start of the fiscal year in which the standard was adopted and the amount of asset retirement expenses recognized as an asset. The difference consists largely of the accumulated depreciation amounts of the asset in the years before the adoption of the standard.

6. Impairment loss
   Refers mainly to an investment property determined to be sold.

7. Loss on changes in retirement benefit plan
   Refers to the costs related to the changes to defined contribution pension plan by consolidated subsidiaries in Japan

【Notes to the Consolidated Statements of Changes in Net Assets】

1. Number of shares issued at the end of the consolidated fiscal year under review
   Common stock 2,070,018,213 shares

2. Dividends from surplus conducted during the consolidated fiscal year

Resolution	Type of stock	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
Meeting of the Board of Directors on May 21, 2010	Common stock	10,324	5	March 31, 2010	May 31, 2010
Meeting of the Board of Directors on October 27, 2010	Common stock	10,348	5	September 30, 2010	November 24, 2010

3. Dividends from surplus to be conduced after the end of the consolidated fiscal year under review

Resolution	Type of stock	Total amount of dividends (Million yen)	Source of Dividends	Dividend per share (Yen)	Record date	Effective date
Meeting of the Board of Directors on May 23, 2011	Common stock	10,348	Retained earnings	5	March 31, 2011	June 1, 2011

【Notes to Financial Instruments】

1. Status of Financial Instruments

(1) Policies for Financial Instruments

The Fujitsu Group carries out its financial activities in accordance with the "Fujitsu Group Treasury Policy," and based on funding requirements of its business activities, the Group primarily obtains funds through bank borrowing and the issuance of corporate bonds. After the adequate liquidity for its business activities has been ensured, the Group invests temporary excess funds in financial assets having a high degree of safety.

The Fujitsu Group utilizes derivatives transactions only for hedging purposes and not for speculative or dealing purposes.

(2) Description and Risks of Financial Instruments

Trade receivables consisting of notes and accounts receivable are exposed to customer credit risk. Additionally, some trade receivables are denominated in foreign currencies as a result of the export of products, and thus are exposed to exchange rate fluctuation risk. Securities and investment securities are comprised primarily of other securities such as shares in companies with which the Group has business alliances and negotiable deposit. Shares are exposed to market price fluctuation risk and financial risk of the company invested.

Trade liabilities such as notes payable, trade accounts payable and accrued expenses are generally payable within one year. Some trade liabilities are denominated in foreign currencies in conjunction with the import of components and exposed to exchange rate fluctuation risk.

Borrowings, corporate bonds, and lease obligations related to finance lease transactions are for the purpose of obtaining working capital and financing capital expenditures and others. Because some of the foregoing has floating interest rate, they are exposed to interest rate fluctuation risk.

Derivatives transactions consist primarily of the use of exchange forward contracts for the purpose of hedging exchange rate fluctuation risk related to trade receivables and trade liabilities, currency swap contracts for the purpose of hedging the exchange rate fluctuation risk related to foreign currency denominated cash flow, and interest swap contracts for the purpose of hedging interest rate fluctuation risk related to borrowings and corporate bonds.

(3) Risk Management of Financial Instruments

(i) Management of Credit Risk (risk related to financial counterparty risk)

The Fujitsu Group strives to mitigate collection risk based on credit management standards and procedures in selling goods and services. A unit independent from the sales units assesses the credit standing of customers and manages collection dates and the balance outstanding for each customer to ensure smooth and dependable collection of trade receivables.

The counterparties to derivatives transactions are selected upon assessment of their credit risk.

The amounts of the largest credit risks as of the reporting date in this fiscal years are indicated in the balance sheet values of the financial assets that are exposed to credit risk.

(ii) Management of Market Risk (fluctuation risk of foreign currency exchange rates and interest rates and others)

The Fujitsu Group utilize exchange forward contracts and others in respect to trade receivables and trade liabilities currencies to mitigate foreign currency exchange rate fluctuation risk monitored by currency, currency swap contracts and others to mitigate the foreign currency exchange rate fluctuation risk of their cash flow, and interest swap contracts in respect to borrowings and corporate bonds to mitigate interest rate fluctuation risk.

The Fujitsu Group regularly monitors the market price and the financial condition of the counterparties in respect to its securities and investment securities and continuously reviews its holdings, taking into account its relationship with the counterparty.

Regarding derivatives transactions, based on its regulations governing the management of derivative transactions and policies approved by the Chief Financial Officer (CFO), the Finance Division undertakes particular transactions and records them in the control ledger book and also confirms the balance of transactions with the counterparties. In addition, the Finance Division reports the content of transactions and changes in transaction balances to the CFO and to the chief of the Corporate Controller Division.

(iii) Management of Liquidity Risk in Financing Activities (risk of being unable to make payment at due date)

The Fujitsu Group prepares a funding cash flow projection and monitors its funding requirements. The Group also strives to diversify its sources of financing in order to reduce liquidity risk.

(4) Supplementary of Fair Value of Financial Instruments

The fair value of Financial Instruments is based on the market price, but in cases in which a market price is not available, prices as calculated on a reasonable basis are used; however, because variable factors are incorporated in the calculation of values, values can change depending on the assumptions used.

2. Fair Value of Financial Instruments

Amounts recorded on the consolidated balance sheet as of March 31, 2011, fair values, and the variances between the two are as shown below. However, items for which the fair value is considered extremely difficult to determine are not included in the following table. (Please refer to Note 2.)

(Unit: million yen)

	Book value in consolidated balance sheet	Fair value	Variance
(1) Cash and deposits	353,892	353,892	—
(2) Notes and accounts receivable, trade	877,069		
Allowance for doubtful accounts (*1)	(14,781)		
	862,288	862,288	—
(3) Marketable securities	10,802	10,802	—
(4) Investment securities	104,957	129,389	24,432
Total assets	1,331,939	1,356,371	24,432
(1) Notes and accounts payable, trade	604,264	604,264	—
(2) Short-term borrowings	125,554	125,554	—
(3) Current portion of bonds payable	100,000	100,000	—
(4) Lease obligations (current)	24,470	24,470	—
(5) Accrued expenses	323,144	323,144	—
(6) Bonds payable	180,300	186,667	6,367
(7) Long-term borrowings	64,969	65,416	447
(8) Lease obligations (long-term)	26,775	26,983	208
Total liabilities	1,449,476	1,456,498	7,022
Derivatives transactions (*2)			
(i) Transactions which do not adopt hedge accounting	(3,646)	(3,646)	—
(ii) Transactions which adopt hedge accounting	9	9	—
Total derivative transactions	(3,637)	(3,637)	—

(*1) It comprises the allowance for doubtful accounts in respect to notes and accounts receivable, short-term loan receivable and others and general allowance for doubtful debts in respect to accounts receivable is primary.

(*2) The net amount of the assets and liabilities is shown. If the net amount is liabilities, it is written in parenthesis.

Note 1) Calculation method relating to fair value of financial instruments

Assets

(1) Cash and deposits and (2) Notes and accounts receivable, trade

Since the fair value of these items approximates the book value due to the short maturity of these instruments, the book value is equivalent to the fair value.

(3) Marketable securities and (4) Investment securities

The fair value of securities is based on the market price on the stock exchanges, and fair value of bonds is based on quotes obtained from the financial institutions or on the market price on the stock exchanges. Since the fair value of available-for-sale securities which has the short maturity approximates the book value, the book value is equivalent to the fair value.

Liabilities

(1) Notes and accounts payable, trade (2) Short-term borrowings (3) Current portion of bonds payable (4) Lease obligations (current) and (5) Accrued expenses

Since the fair value of these items approximates the book value due to the short maturity of these instruments, the book value is equivalent to the fair value.

(6) Bonds payable

The fair value of bonds which have a market price is based on the market price. The fair value of bonds for which there is no market price is calculated by discounting the sum of future principal and interest payments to present value at a rate taking into account the remaining term and the credit risk of the bond.

(7) Long-term borrowings and (8) Lease obligations (long-term)

The fair value of long-term borrowings and lease obligations (long-term) is calculated by discounting the sum of future principal and interest payments to present value at the rate that would be expected in the case of newly taking on the same loan or lease obligation.

Derivative transactions

The method for estimating the fair value is principally based on obtaining quotes from the financial institutions signing the contracts.

Note 2) Financial Instruments for which it is extremely difficult to determine the fair value

(Unit: Million yen)

Classification	Book value in consolidated balance sheet
Unlisted shares	47,404

Because there is no market price for unlisted shares and it is not possible to predict their future cash flow and, moreover, it is considered extremely difficult to determine their fair value, unlisted shares are not included in "(4) Investment securities."

【Notes to Per Share Data】

Net assets per share	396.81 yen
Earnings per share	26.62 yen

【Notes to Events after the Reporting Period】

There are no significant events.

【Other Notes】

1. Retirement benefits

(1) Japan

1) Retirement benefit obligation

(Million yen)

	Fiscal 2010 (March 31, 2011)
i. Projected benefit obligation	(1,280,145)
ii. Plan assets	905,592
〔of which plan assets in retirement benefit trusts〕	〔41,414〕
iii. Projected benefit obligation in excess of plan assets (i) + (ii)	(374,553)
iv. Unrecognized actuarial loss	398,681
v. Unrecognized prior service cost (reduced obligation) (Note 1)	(83,413)
vi. Prepaid pension cost	(55,194)
vii. Accrued retirement benefits (iii) + (iv) + (v) + (vi)	(114,479)

(Note 1) As a result of pension system revisions in September 2005, Fujitsu Corporate Pension Fund which the Company and certain consolidated subsidiaries participate in reported unrecognized prior service cost (reduced obligation).

2) Net periodic pension cost

(Million yen)

	Fiscal 2010 (For the year ended March 31, 2011)
i. Service cost	38,931
ii. Interest cost	31,550
iii. Expected return on plan assets	(26,651)
iv. Amortization of actuarial loss	37,355
v. Amortization of prior service cost	(18,633)
vi. Others (Note 2)	353
vii. Net periodic benefit cost (i) + (ii) + (iii) + (iv) + (v) + (vi)	62,905
viii. Loss on termination of retirement benefit plan	1,266
ix. Total (vii) + (viii)	64,171

(Note 2) Contribution for defined contribution pension plan.

In addition to the above costs, premium severance pay of 1,279 million yen was recognized as expenses in the year.

3) Basis used for calculating projected benefit obligation
Discount rate……………………………………2.5%

(2) Outside Japan

1) Retirement benefit obligation

(Million yen)

	Fiscal 2010 (March 31, 2011)
i. Projected benefit obligation	(534,999)
ii. Plan assets	395,927
iii. Projected benefit obligation in excess of plan assets (i) + (ii)	(139,072)
iv. Unrecognized actuarial loss (Note 1)	74,321
v. Prepaid pension cost	(2,342)
vi. Accrued retirement benefits (iii) + (iv) + (v)	(67,093)

2) Net periodic pension cost

(Million yen)

	Fiscal 2010 (For the year ended March 31, 2011)
i. Service cost	8,044
ii. Interest cost	29,781
iii. Expected return on plan assets	(26,003)
iv. Amortization of actuarial loss (Note 1)	5,838
v. Amortization of prior service cost (Note 2)	(13,322)
vi. Others (Note 3)	9,774
vii. Net periodic benefit cost (i) + (ii) + (iii) + (iv) + (v) + (vi)	14,112
viii. Loss on termination of retirement benefit plan	112
ix. Total (vii) + (viii)	14,224

(Note 1) Subsidiaries outside Japan adopt the International Financial Reporting Standards (IFRS), and apply the corridor approach to amortization of actuarial gain and losses.
(Note 2) As a result of pension system revisions, the consolidated subsidiary in UK, Fujitsu Service Holdings PLC and its consolidated subsidiaries reported the cost (reduced obligation).
(Note 3) Contribution for defined contribution pension plan.

3) Basis used for calculating projected benefit obligation
Discount rate……………………………………Mainly 5.6%

2. Tax effect accounting

Significant components of deferred tax assets and liabilities.

(Million yen)

	Fiscal 2010 (March 31, 2011)
Deferred tax assets	
Accrued retirement benefits	150,851
Tax loss carryforwards	145,132
Excess of depreciation and amortization and impairment loss	54,591
Accrued bonus	43,489
Inventories	23,081
Revaluation loss on investment securities	9,615
Provision for product warranties	6,250
Provision for loss on repurchase of computers	6,056
Intercompany profit	5,688
Other	57,224
Gross deferred tax assets	501,977
Valuation allowance	(256,153)
Total deferred tax assets	245,824
Deferred tax liabilities	
Gains from establishment of stock holding trust for retirement benefit plan	(110,617)
Unrealized gains on securities	(9,639)
Tax allowable reserves	(2,245)
Other	(8,944)
Total deferred tax liabilities	(131,445)
Net deferred tax assets	114,379

Note 1: Excess of depreciation and amortization and impairment loss includes revaluation losses on idle lands.

2: Net deferred tax assets are included in the consolidated balance sheet as follows.

	(Million yen)
Current assets-Deferred tax assets	76,666
Non-current assets-Deferred tax assets	72,093
Current liabilities-Others	(50)
Long-term liabilities-Deferred tax liabilities and Deferred tax liabilities for land revaluation	(34,330)

3. Lease Transactions

(1) Finance Leases (lessee): Except those in which the leased property will transfer to the lessee

1) Type of lease asset:

Primarily related to outsourcing-related equipment and logic LSI production equipment.

2) Method of depreciation:

As stated in “Leased Assets”, paragraph 5 (2) (iii) of the “Notes to Significant Items Concerning Preparation of Consolidated Financial Statements”.

(2) Operating Leases (lessee)

Future minimum lease payments required under non-cancellable operating leases.

	(Million yen)
Within 1 year	19,368
Over 1 year	66,329
Total	85,697

Unconsolidated Balance Sheet

（As of March 31, 2011）

		Millions of yen
Assets		
Current assets:		
Cash and deposits	Y	96,649
Notes receivable, trade		1,329
Accounts receivable, trade		388,466
Marketable securities		10,000
Finished goods		78,929
Work in process		17,033
Raw materials		16,184
Advanced payments		1,254
Deferred tax assets		25,990
Short-term loan receivable		817
Accounts receivable, other		177,295
Others		2,843
Allowance for doubtful accounts		(694)
Total current assets		816,097
Non-current assets:		
Property, plant and equipment, net of accumulated depreciation:		
Buildings		94,137
Structure		4,396
Machinery		1,881
Vehicle and delivery equipment		15
Equipment		39,089
Land		68,479
Construction in progress		2,914
Total property, plant and equipment		210,913
Intangible assets:		
Software		75,403
Utility rights		3,593
Others		4,116
Total intangible assets		83,114
Other non-current assets:		
Investment securities		87,605
Subsidiaries' and affiliates' stocks		760,852
Long-term loans to affiliated companies		2,600
Receivables from companies under bankruptcy or reorganization process		305
Prepaid pension expense		45,748
Others		21,668
Allowance for doubtful accounts		(1,473)
Total other non-current assets		917,307
Total non-current assets		1,211,335
Total assets	Y	2,027,433

		Millions of yen
Liabilities and net assets		
Liabilities		
Current liabilities:		
Accounts payable, trade	Y	541,402
Short-term borrowings		50,468
Current portion of long-term bollowings payable		66,800
Current portion of bonds payable		100,000
Lease obligations		2,351
Accrued liability		33,223
Accrued expenses		108,334
Accrued income taxes		830
Advance received		33,212
Deposits payable		27,721
Provision for product warranties		7,737
Provision for construction contract losses		12,969
Provision for loss on guarantees		18,374
Provision for bonuses to board members		125
Provision for loss on disaster		1,110
Others		3,988
Total current liabilities		1,008,650
Long-term liabilities:		
Bonds payable		180,000
Long-term borrowings		58,368
Lease obligations		4,706
Deferred tax liabilities		21,605
Provision for loss on repurchase of computers		16,320
Provision for recycling expenses		6,363
Asset retirement obligations		3,159
Others		3,854
Total long-term liabilities		294,377
Total liabilities		1,303,028
Net assets		
Shareholders' equity:		
Common stock		324,625
Capital surplus:		
Other capital surplus		167,127
Total capital surplus		167,127
Retained earnings:		
Legal retained earnings		5,996
Other retained earnings:		
Reserves for special depreciation		2,822
Retained earnings brought forward		211,404
Total retained earnings		220,223
Treasury stock		(214)
Total shareholders' equity		711,761
Valuation and translation adjustments:		
Unrealized gain and loss on securities, net of taxes		12,643
Total valuation and translation adjustments		12,643
Total net assets		724,404
Total liabilities and net assets	Y	2,027,433

Unconsolidated Statements of Operations

（Year ended March 31, 2011）

		Millions of yen
Net sales	Y	2,092,928
Cost of sales		1,538,122
Gross profit		554,805
Selling, general and administrative expenses		519,515
Operating income		35,289
Other income:		
Interest income		402
Dividend income		41,210
Gain on reversal of provision for loss on guarantees		513
Others		10,972
Total other income		53,099
Other expenses:		
Interest expense		2,272
Interest on bonds		5,152
Loss on foreign exchange, net		1,433
Loss on disposal of property, plant and equipment and intangible assets		3,140
Provision for loss on guarantees		6,860
Loss on disaster		2,883
Loss on adjustment for adoption of accounting standard for asset retirement obligations		2,106
Loss on revaluation of subsidiaries' and affiliates' stock		1,484
Impairment loss		1,250
Others		15,364
Total other expenses		41,948
Income before income taxes		46,440
Income taxes:		
Current		(3,525)
Deferred		5,200
Total income taxes		1,674
Net income	Y	44,765

Unconsolidated Statements of Changes in Net Assets

（Year ended March 31, 2011）

		Millions of yen
Net assets:		
Shareholders' equity:		
Common stock:		
Balance at end of previous term	Y	324,625
Increase (Decrease) during the term		
Total		-
Ending balance of common stock		324,625
Capital surplus:		
Other capital surplus:		
Balance at end of previous term		166,675
Increase (Decrease) during the term:		
Sales of treasury stock		451
Total		451
Ending balance of other capital surplus		167,127
Total capital surplus:		
Balance at end of previous term		166,675
Increase (Decrease) during the term:		
Sales of treasury stock		451
Total		451
Ending balance of capital surplus		167,127
Retained earnings:		
Legal retained earnings:		
Balance at end of previous term		3,928
Increase (Decrease) during the term:		
Cash dividends		2,067
Total		2,067
Ending balance of legal retained earnings		5,996
Other retained earnings:		
Reserves for special depreciation:		
Balance at end of previous term		3,955
Increase (Decrease) during the term:		
Decrease in reserves for special depreciation		(1,133)
Total		(1,133)
Ending balance of reserves for special depreciation		2,822
Retained earnings brought forward:		
Balance at end of previous term		188,245
Increase (Decrease) during the term:		
Cash dividends		(22,740)
Decrease in reserves for special depreciation		1,133
Net income		44,765
Total		23,158
Ending balance of retained earnings brought forward		211,404
Total retained earnings:		
Balance at end of previous term		196,130
Increase (Decrease) during the term:		
Cash dividends		(20,672)
Decrease in reserves for special depreciation		-
Net income		44,765
Total		24,092
Ending balance of retained earnings	Y	220,223

		Millions of yen
Treasury stock:		
Balance at end of previous term	Y	(2,723)
Increase (Decrease) during the term:		
Acquisition of treasury stock		(144)
Sales of treasury stock		2,653
Total		2,509
Ending balance of treasury stock		(214)
Total shareholders' equity:		
Balance at end of previous term		684,708
Increase (Decrease) during the term:		
Cash dividends		(20,672)
Net income		44,765
Acquisition of treasury stock		(144)
Sales of treasury stock		3,105
Total		27,053
Ending balance of shareholders' equity		711,761
Valuation and translation adjustments:		
Unrealized gain and loss on securities, net of taxes:		
Balance at end of previous term		15,030
Increase (Decrease) during the term:		
Net increase (decrease) during the term, except for items under shareholders' equity		(2,387)
Total		(2,387)
Ending balance of unrealized gain and loss on securities, net of taxes		12,643
Total valuation and translation adjustments:		
Balance at end of previous term		15,030
Increase (Decrease) during the term:		
Net increase (decrease) during the term, except for items under shareholders' equity		(2,387)
Total		(2,387)
Ending balance of valuation and translation adjustments		12,643
Total net assets:		
Balance at end of previous term		699,738
Increase (Decrease) during the term:		
Cash dividends		(20,672)
Net income		44,765
Acquisition of treasury stock		(144)
Sales of treasury stock		3,105
Net increase (decrease) during the term, except for items under shareholders' equity		(2,387)
Total		24,666
Ending balance of net assets	Y	724,404

Notes to Unconsolidated Financial Statements

【Notes to Significant Accounting Policies】

1. The Company prepares for financial statements in accordance with the Ordinance on Accounting of Companies (Ministry of Justice Ordinance No. 13, February 7, 2006 and Revised Ministry of Justice Ordinance No. 6, March 31, 2011) in the fiscal year under review.

2. Valuation standards and methods of assets
   (1) Marketable securities
   Shares in subsidiaries and affiliates…………Moving average cost method
   Available-for-sale securities
   - With market value……………………Market value method based on the market price on the closing date
   Treatment of the difference between the acquisition cost and the market value
   …Booked directly to net assets
   Calculation of costs of securities sold
   …Moving average cost method
   - Without market value ………………Moving average cost method
   (2) Derivatives
   Derivatives …………………………………Market value method
   (3) Inventories
   Inventories held for sale in normal operating cycle
   Finished goods………………………………Moving average cost method
   Work in process……………………………Cost method determined by the specific identification method or the periodic average method
   Raw materials………………………………Cost method determined by the moving average method
   Costs of inventories with lower profitability are written down.

3. Depreciation and amortization of fixed assets
   (1) Tangible fixed assets except for leased assets
   Depreciation of tangible fixed assets except for leased assets are calculated by the straight-line method. The useful lives, reflected by the likely period over which the value of asset can be realized under actual business conditions, are estimated as stated below:
   Buildings and structure………7-50years
   Machinery……………………3-7years
   Equipment……………………2-10years
   (2) Intangible fixed assets except for leased assets
   - Software
   For sale……………………………………Method based on projected sales volume over the estimated life of the product (3years)
   For internal use……………………………Straight-line method based on the estimated useful life of the software (within 5years)
   - Others………………………………………Straight-line method
   (3) Leased assets
   Depreciation and amortization of finance leases which do not transfer ownership of the leased property to the lessee are calculated by the straight-line method over the lease period deemed as useful lives.

4. Accounting polices for provisions

(1) Allowance for doubtful accounts

To prepare for loss on doubtful accounts such as trade receivables and loans, an estimated irrecoverable amount is provided on the basis of the actual loan loss ratio for unspecified receivables and on the basis of individual collectability for specified receivables such as loans with default possibility.

(2) Provision for product warranties

To prepare for the disbursement of expenses for the free repair and exchange of products during the warranty period based on contracts, the estimated repair and exchange expenses based on the historical data are recorded when the product is sold.

(3) Provision for construction contract losses

The estimated amount of future losses relating to customized software and construction contracts whose profitability potentially have deteriorated is provided at the end of this fiscal year.

(4) Provision for loss on guarantees

To prepare for loss on debt guarantees, an estimated coverage amount is provided, taking financial condition and others of guaranteed parties into consideration individually.

(5) Provision for bonuses to board members

To prepare for bonuses to board members based on an estimated amount.

(6) Provision for loss on disaster

To prepare for the disbursement of restoration costs for the assets damaged by the Great East Japan Earthquake, an estimated amount at the end of this fiscal year is provided.

(7) Accrued retirement benefits

To prepare for the disbursement of employees' retirement benefits, an amount deemed necessary at the end of the fiscal year under review based on the estimated retirement benefit obligation and pension assets is recorded.

- Method of allocating prior service cost………Straight-line method (10 years)
- Method of allocating actuarial losses…………An amount prorated by the straight-line method is accounted for over the average remaining service period of employees from the year after the actuarial loss has arisen.

(8) Provision for loss on repurchase of computers

To prepare for the compensation for losses when computers sold with a repurchase agreement are repurchased, an amount for the losses expected to be incurred at the time of the repurchase is provided based on the historical data.

(9) Provision for recycling expenses

To prepare for recycling expenses when home computers sold were collected, the expected recycling expenses are provided.

5. Revenues and expenses recognition

Revenue recognition of sales of customized software and others

For contracts in progress as of the end of this fiscal year for which were accurately able to be confirmed the degree of completion, the percentage-of-completion method has been applied, and for all others the completed-contract method has been applied. When applying the percentage-of-completion method, the degree of completion at the end of this fiscal year was determined by the estimation based on actual costs and total contract costs.

6. Other significant items concerning the preparation of unconsolidated financial statements

(1) Hedge accounting

Deferred hedge accounting is adopted.

(2) Consumption taxes

The tax excluded method is adopted.

(3) Application of the consolidated tax return system

The consolidated tax return system is adopted.

7. Changes in significant accounting policies

(1) Adoption of the Accounting Standards for Asset Retirement Obligations

From fiscal 2010, Fujitsu has adopted the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement No. 18, issued March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No. 21, issued March 31, 2008).

In conjunction with the adoption of the above accounting standard, operating income in fiscal 2010 decreased by 168 million yen. The difference between the amount of the asset retirement obligation newly recognized as a liability at the start of the fiscal year in which the standard was adopted and the amount of asset retirement expenses recognized as an asset was recorded as other expenses of 2,106 million yen. As a result, income before income taxes decreased by 2,275 million yen.

(2) Adoption of the Accounting Standards for Business Combinations

From fiscal 2010, Fujitsu has adopted the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan Statement No. 21, issued December 26, 2008) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Accounting Standards Board of Japan Guidance No. 10, revision issued December 26, 2008).

【Notes to the Unconsolidated Balance Sheet】

1. Accumulated depreciation of tangible fixed assets

	(Million yen)
Buildings	199,662
Structure	15,967
Machinery	23,066
Vehicles and delivery equipment	146
Equipment	194,917
Total	433,760

2. Contingent liabilities for guarantee contract

Balance of contingent liabilities for guarantee contract		34,035
(Main guaranteed debt)	Bank loans of Fujitsu Management Service of America, Inc.	14,818
	Bank loans of FDK Corporation	9,000
	Borrowings of domestic subsidiaries from a finance subsidiary	5,817
	Housing loans of employees	2,316

3. Monetary claims and obligations to subsidiaries and affiliates (excluding those separately disclosed)

Short-term monetary claims	258,256
Long-term monetary claims	3,093
Short-term monetary obligations	380,145
Long-term monetary obligations	2,832

【Notes to the Unconsolidated Statements of Operations】

1. Transactions with subsidiaries and affiliates

Business transactions	(Million yen)
Sales	514,625
Purchases	1,518,952
Transactions other than business transactions	
Interest income	78
Dividend income	38,916
Interest expense	126
Purchase of assets	240
Transfer of assets	2,028

2. Gain on reversal of provision for loss on guarantees

   Refers to subsidiaries whose liabilities exceed their assets.

3. Provision for loss on guarantees

   Refers to subsidiaries whose liabilities exceed their assets.

4. Loss on disaster

   Refers mainly to the restoration costs for fixed assets damaged by the Great East Japan Earthquake, the disposal losses on inventories and the fixed costs of the factories stopped its operation by the earthquake. 1,110 million yen of provision for loss on disaster is also included in this account.

5. Loss on adjustment for adoption of accounting standard for asset retirement obligations

   Refers mainly to the loss related to the obligation of restoration for rental building in conjunction with the adoption of the Accounting Standard for Asset Retirement Obligations. The loss arose from the difference between the amount of the asset retirement obligation newly recognized as a liability at the start of the fiscal year in which the standard was adopted and the amount of asset retirement expenses recognized as an asset. The difference consists largely of the accumulated depreciation amounts of the asset in the years before the adoption of the standard.

6. Loss on revaluation of subsidiaries' and affiliates' stock

   Refers mainly to a listed subsidiary which significantly declined in its market share price.

7. Impairment loss

   Refers to an investment property determined to be sold.

【Notes to the Unconsolidated Statements of Changes in Net Assets】

Number of treasury stock at the end of the fiscal year under review

Common stock	386,227 shares

【Notes to Unconsolidated Tax Effect Accounting】

Major components of deferred tax assets and deferred tax liabilities

(Million Yen)

	Fiscal 2010 (March 31,2011)
Deferred tax assets	
Valuation loss on subsidiaries' and affiliates' stock	233,805
Accrued retirement benefits	100,202
Tax loss carryforwards	29,945
Stock related to company establishment through corporate split	22,395
Excess of depreciation and amortization and impairment loss	21,329
Accrued bonus	13,000
Inventories	12,952
Provision for loss on guarantees	7,845
Provision for loss on repurchase of computers	6,056
Provision for product warranties	3,304
Other	19,855
Gross deferred tax assets	470,693
Valuation allowance	(344,695)
Total deferred tax assets	125,998
Deferred tax liabilities	
Gains from establishment of stock holding trust for retirement benefit plan	(110,617)
Unrealized gains on securities	(8,600)
Tax allowable reserves	(1,929)
Other	(466)
Total deferred tax liabilities	(121,613)
Net deferred tax assets	4,385

Note:Excess of depreciation and amortization and impairment loss includes revaluation losses on idle lands.

【Notes to Transactions with Related Parties】

Subsidiaries and Affiliates

(Million Yen)

Type	Name	Percentage of voting right	Relationship with the related party	Transactions		Transaction amount	Account	Ending balance
subsidiary	Fujitsu Semiconductor Ltd.	Ownership Direct 100%	Development, manufacturing and sales of LSI, and interlocking of directors	Procurement as an agent, etc	Purchases as an agent, etc	171,036	Accounts receivable, other	46,309
subsidiary	Fujitsu Personal System Ltd.	Ownership Direct 100%	Sales of Fujitsu's products and interlocking of directors	Sale of Fujitsu's products	Sales	144,043	Accounts receivable, trade	27,231
subsidiary	Fujitsu FSAS Inc.	Ownership Direct 100%	Consignment of support services, etc., Sales of Fujitsu's products, and interlocking of directors	Consignment of support services, etc.	Purchases	145,465	Accounts payable, trade	24,348
subsidiary	Fujitsu System Solutions Ltd.	Ownership Direct 100%	Consignment of development of software, and interlocking of directors	Consignment of development of software	Purchases	66,389	Accounts payable, trade	26,707
subsidiary	Fujitsu Capital Ltd.	Ownership Direct 100%	Group finance in Japan, interlocking of directors	Short-term loans	Loans (Notes (3))	45,000	Short-term borrowings	45,000
					Interest expense	126		

Notes

(1) Transactions listed above generally have terms of business based on arms-length.

(2) Consumption taxes are not included in the transaction amount. Consumption taxes are included in the ending balance.

(3) Loans from Fujitsu Capital Ltd. are offset by the repayment.

【Notes to Per Share Data】

Net assets per share 350.02yen

Earnings per share 21.63yen

【Notes to Events after the Reporting Period】

There are no significant events.

【Other Notes】

1. Securities

Securities in subsidiaries and affiliates

(Million Yen)

Type	Book value on balance sheet	Fair value	Variance
Securities in subsidiaries	41,151	103,136	61,985
Securities in affiliates	10,013	21,235	11,221
Total	51,165	124,371	73,206

（Note）Securities in subsidiaries and affiliates which are considered it is extremely difficult to determine the fair value

(Million Yen)

Type	Book value on balance sheet
Securities in subsidiaries	707,132
Securities in affiliates	2,555

The securities above are not included in “Securities in subsidiaries and affiliates”, because the securities are considered that it is extremely difficult to determine the fair value.

2. Retirement benefits

1) Retirement benefit obligation

(Million Yen)

	Fiscal 2010 (March 31, 2011)
(1) Projected benefit obligation	(675,881)
(2) Plan assets	502,446
〔of which plan assets in retirement benefit trusts〕	〔41,414〕
(3) Projected benefit obligation in excess of plan assets (1)+(2)	(173,434)
(4) Unrecognized actuarial loss	266,664
(5) Unrecognized prior service cost (reduced obligation) (note)	(47,481)
(6) Prepaid pension cost	(45,748)
(7) Accrued retirement benefits (3)+(4)+(5)+(6)	-

（Note）As a result of pension system revisions in September 2005, Fujitsu Corporate Pension Fund which the Company participates in reported unrecognized prior service cost (reduced obligation).

2) Net periodic pension cost

(Million Yen)

	Fiscal 2010 (For the year ended March 31, 2011)
(1) Service cost	10,366
(2) Interest cost	16,877
(3) Expected return on plan assets	(14,371)
(4) Amortization of actuarial loss	26,423
(5) Amortization of prior service cost	(10,750)
(6) Net periodic benefit cost (1)+(2)+(3)+(4)+(5)	28,545

3)Basis used for calculating projected benefit obligation

Discount rate	2.5%

Corporate Data

Corporate Name:	FUJITSU LIMITED
Registered Office:	4-1-1 Kamikodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa 211-8588, Japan
Principal Office:	Shiodome City Center, 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo 105-7123, Japan
Established and Registered on:	June 20, 1935
Stock Exchange Listings:	Tokyo, Osaka, Nagoya, and London
Home Page Address:	www.fujitsu.com

Information

Fujitsu's web site offers not only this report but also the latest annual report and financial results.

English http://www.fujitsu.com/global/about/ir/

Japanese http://pr.fujitsu.com/jp/ir/