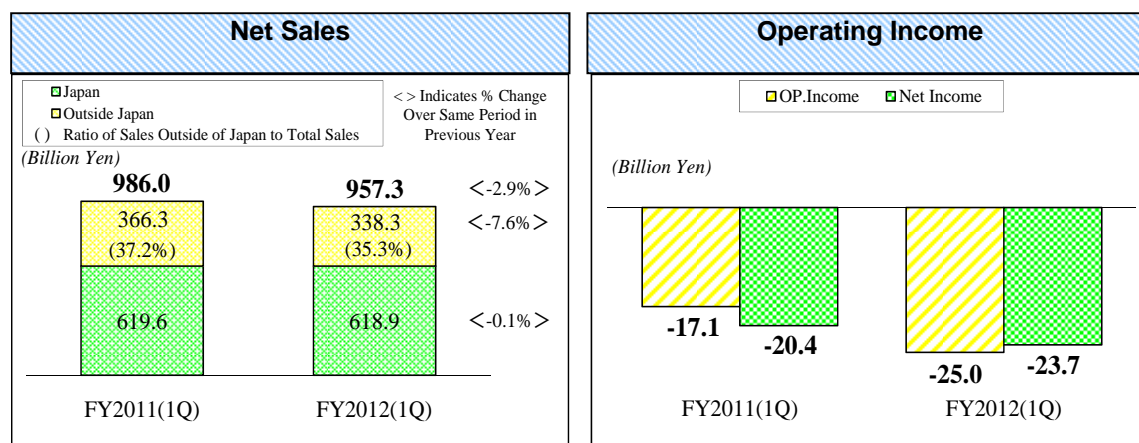


2. Profit and Loss

Note: In these explanatory materials, the yen figures for net sales, operating income, and other figures are converted into US\$ amounts, for reference purposes, at a rate of \$1=79 yen, the approximate Tokyo foreign exchange market rate on June 30, 2012. Figures for and comparisons to prior reporting periods are provided only for reference. The impact of foreign exchange fluctuations has been calculated by using the average US dollar, euro, and British pound foreign exchange rates for the first quarter of fiscal 2011 to translate the current period's net sales outside Japan into yen.



Consolidated net sales for the first quarter of fiscal 2012 were 957.3 billion yen (US\$12,118 million), a decline of 2.9% from the first quarter of fiscal 2011. However, sales were on par with the same period of the previous fiscal year on a constant currency basis.

Net sales in Japan were essentially unchanged. Sales of mobile phones and LSI devices declined, and sales revenues stemming from the next-generation supercomputer system, for which deliveries peaked in fiscal 2011, were also lower. On the other hand, there was a recovery in sales of car audio and navigation systems, which were hit by weak demand in last fiscal year's first quarter in the wake of the Great East Japan Earthquake, and sales of network products increased.

Sales outside of Japan fell by 7.6%. On a constant currency basis, sales declined by 2%. Sales of car audio and navigation systems increased, but North American sales of optical transmission systems and UNIX servers decreased.

For the first quarter of fiscal 2012, the average yen exchange rates against major currencies were 80 yen for the US dollar (representing yen appreciation of 2 yen), 103 yen for the euro (appreciation of 14 yen), and 127 yen for the British pound (appreciation of 6 yen) compared with same period of the previous fiscal year. As a result, the impact of foreign exchange fluctuations for the first quarter was to reduce net sales by approximately 20.0 billion yen compared to the first quarter of fiscal 2011. Sales generated outside Japan as a percentage of total sales were 35.3%, a decrease of 1.9 percentage points compared to the first quarter of the previous fiscal year.

Gross profit was 250.6 billion yen, a decline of 13.9 billion yen from the first quarter of fiscal 2011. In addition to the impact of lower sales of LSI devices and optical transmission systems, the decline was attributable to higher procurement costs in Europe for components and materials denominated in US dollars because of the depreciation of the euro against the dollar. The gross profit margin was 26.2%, a decline of 0.6 of a percentage point from the first quarter of the prior fiscal year.

Selling, general and administrative expenses were 275.6 billion yen, a decline of 6.0 billion yen from the first quarter of fiscal 2011, primarily as a result of yen appreciation. Research and development

expenditures also declined, mainly on lower R&D spending for mobile phones, but there was continued network-related development spending.

As a result of the above factors, Fujitsu recorded an operating loss of 25.0 billion yen (US\$316 million), a deterioration of 7.9 billion yen from last fiscal year's first quarter.

Other income and expenses were essentially break even, representing a significant improvement of 9.3 billion yen, primarily on lower foreign exchange losses and because, in the first quarter of fiscal 2011, Fujitsu recorded disaster-related losses of 7.5 billion yen stemming from the aftermath of the earthquake.

Income before taxes and minority interests amounted to a loss of 24.9 billion yen, a year-on-year improvement of 1.4 billion yen. Minority interests amounted to 0.7 billion yen, an improvement stemming primarily from better operating results at the company's joint venture in car audio and navigation systems.

Fujitsu reported a consolidated net loss of 23.7 billion yen (US\$300 million), representing a deterioration of 3.3 billion yen from the loss posted in the first quarter of fiscal 2011.