

Part I: Financial Results

1. Explanation of Financial Results

1-1. Overview

<Business Environment>

During the first half of fiscal 2013 (April 1, 2013 – September 30, 2013), the global economy continued to experience a moderate recovery. In Europe, signs of an economic rebound were apparent as the growth rate turned positive. In the US, ongoing quantitative easing and other factors continued to drive a turnaround in the economy, although concerns about the federal government's fiscal policy have resulted in persistent uncertainty.

In Japan, the economy is experiencing a mild recovery due to yen depreciation and a rising stock market spurred on by the government's economic policy and monetary easing put in place by the Bank of Japan. Exports also showed signs of picking up due to the improved economic environment resulting from a weaker yen.

Investments in information and communication technology (ICT) are moderately increasing on the back of what appears to be a turnaround in corporate capital expenditures.

FY2013 Second-Quarter Financial Results

(Billion Yen)

	FY2012		FY2013			
	1Q 4/1/12- 6/30/12	2Q 7/1/12- 9/30/12	1Q 4/1/13- 6/30/13	2Q 7/1/13- 9/30/13	Change vs. 2Q FY 2012	
						Change (%)
Net Sales	957.3	1,114.4	999.2	1,152.3	37.9	< -4 > 3.4
Cost of Sales	706.7	804.8	739.6	841.8	36.9	4.6
Gross Profit	250.6	309.5	259.6	310.5	0.9	0.3
[Gross Profit Margin]	[26.2%]	[27.8%]	[26.0%]	[26.9%]	[-0.9%]	
Selling, General and Administrative Expenses	277.3	278.4	282.4	276.8	-1.6	-0.6
Operating Income (Loss)	-26.7	31.0	-22.8	33.6	2.5	8.3
[Operating Income Margin]	[-2.8%]	[2.8%]	[-2.3%]	[2.9%]	[0.1%]	
Other Income and Expenses	0.1	-4.6	4.1	-4.8	-0.1	-
Income (Loss) Before Income Taxes and Minority Interests	-26.6	26.3	-18.7	28.8	2.4	9.1
Income Taxes	-1.8	14.4	1.2	14.2	-0.1	-1.2
Minority Interests	0.7	0.8	2.0	2.1	1.3	154.1
Net Income (Loss)	-25.4	11.0	-21.9	12.3	1.2	11.5

< > Change (%) Constant Currency

FY2013 First-Half Financial Results

(Billion Yen)

	FY2012 1H 4/1/12- 9/30/12	FY2013 1H 4/1/13- 9/30/13	Change vs. 1H FY2012		Change vs. July 2013 projections
				Change (%)	
Net Sales	2,071.8	2,151.6	79.7	< -3 > 3.9	101.6
Operating Income	4.3	10.8	6.4	149.6	20.8
[Operating Income Margin]	[0.2%]	[0.5%]	[0.3%]		[1.0%]
Other Income and Expenses	-4.5	-0.7	3.8	-	-0.7
Net Income (Loss)	-14.4	-9.6	4.7	-	20.3

< > Change (%) Constant Currency

Quarterly Breakdown of Results

(Billion Yen)

		FY2012				FY2013	
		1Q	2Q	3Q	4Q	1Q	2Q
Total	Sales	957.3	1,114.4	1,048.2	1,261.6	999.2	1,152.3
	Operating Income	-26.7	31.0	-5.8	89.7	-22.8	33.6
	[Operating Income Margin]	[-2.8%]	[2.8%]	[-0.6%]	[7.1%]	[-2.3%]	[2.9%]

[Results by Business Segment]

Technology Solutions	Sales	627.1	713.3	700.6	901.3	677.5	785.3
	Operating Income	-0.8	44.5	21.8	108.3	2.5	55.7
	[Operating Income Margin]	[-0.1%]	[6.2%]	[3.1%]	[12.0%]	[0.4%]	[7.1%]
Services	Sales	513.6	575.6	576.5	721.4	554.9	631.6
	Operating Income	3.2	30.7	20.0	70.5	5.5	36.7
	[Operating Income Margin]	[0.6%]	[5.3%]	[3.5%]	[9.8%]	[1.0%]	[5.8%]
System Platforms	Sales	113.4	137.6	124.1	179.8	122.5	153.7
	Operating Income	-4.0	13.7	1.8	37.8	-2.9	19.0
	[Operating Income Margin]	[-3.6%]	[10.0%]	[1.5%]	[21.0%]	[-2.4%]	[12.4%]
Device Solutions	Sales	130.3	138.3	129.5	142.1	145.3	159.0
	Operating Income	-3.6	-3.3	-9.3	2.1	7.6	10.4
	[Operating Income Margin]	[-2.8%]	[-2.4%]	[-7.2%]	[1.5%]	[5.3%]	[6.5%]
Ubiquitous Solutions	Sales	234.6	314.7	266.5	274.3	215.9	262.7
	Operating Income	-2.0	12.4	-2.0	1.2	-17.1	-11.6
	[Operating Income Margin]	[-0.9%]	[4.0%]	[-0.8%]	[0.5%]	[-7.9%]	[-4.4%]

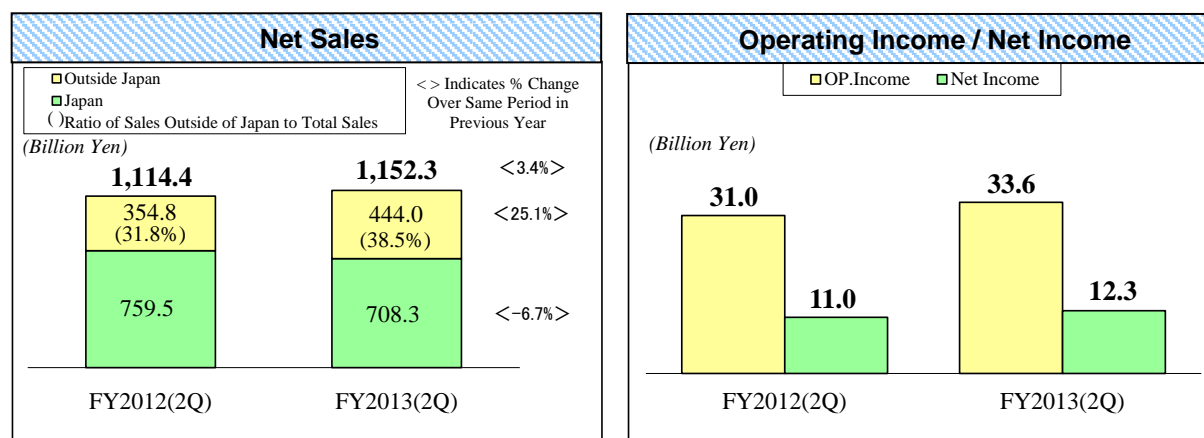
*In accordance with the amended IAS 19 *Employee Benefits* of the International Financial Reporting Standards (IFRS), which the Fujitsu Group's consolidated subsidiaries outside of Japan have adopted, the figures for fiscal 2012 have been retroactively revised. As a result, selling, general and administrative expenses have increased, and operating income has decreased, by 1.6 billion yen in the first quarter of fiscal 2012, by 1.6 billion yen in the second quarter, by 1.7 billion yen in the third quarter, and by 1.9 billion yen in the fourth quarter. In terms of the impact on segment results, all of these changes were in the Services sub-segment. Similarly, other income statement figures, including net income, have also been revised.

Net assets have been reduced due to the unrecognized obligation for retirement benefits of subsidiaries outside Japan as of the end of fiscal 2012, which amounted to 157.3 billion yen, being brought onto the consolidated balance sheet.

1-2. Second Quarter

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=98 yen, the approximate Tokyo foreign exchange market rate on September 30, 2013. 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 second quarter of fiscal 2012 to translate the current period's net sales outside Japan into yen.

<Profit and Loss>



Consolidated net sales for the second quarter of fiscal 2013 were 1,152.3 billion yen (US\$11,758 million), an increase of 3.4% from the second quarter of fiscal 2012 as a result of foreign exchange fluctuations and other factors. Net sales in Japan fell by 6.7%. In addition to a significant decrease in sales of mobile phones, sales of network services also declined. On the other hand, sales of system integration services rose in the public, financial services and other sectors. Sales outside of Japan rose 25.1%. Excluding the impact of foreign exchange rate fluctuations, sales rose by 2%. Sales of PCs in Europe declined, as did sales of UNIX servers in the US. However, sales of optical transmission systems and car audio and navigation systems in North America increased, as did LSI devices and electronic components.

For the second quarter of fiscal 2013, the average yen exchange rates against major currencies were 99 yen for the US dollar (representing yen depreciation of 20 yen from the second quarter of fiscal 2012), 131 yen for the euro (depreciation of 33 yen), and 153 yen for the British pound (depreciation of 29 yen). The impact of foreign exchange movements was to increase net sales by approximately 80 billion yen compared to the second quarter of fiscal 2012. Sales generated outside Japan as a percentage of total sales amounted to 38.5%, an increase of 6.7 percentage points compared to the second quarter of the previous fiscal year, mainly as a result of foreign exchange rate fluctuations and falling mobile phone sales in Japan.

Gross profit was 310.5 billion yen, an increase of 0.9 billion yen from the second quarter of fiscal 2012. Despite the adverse impact from the decline in sales of mobile phones, gross profit increased because of foreign exchange movements and a variety of measures implemented to reduce costs. The gross profit margin was 26.9%, a decline of 0.9 of a percentage point from the second quarter of the prior fiscal year.

Selling, general and administrative expenses were 276.8 billion yen, a decrease of 1.6 billion yen from the second quarter of fiscal 2012. Despite the higher expenses resulting from yen depreciation, expenses

declined due to progress in implementing Group-wide measures to generate cost efficiencies.

Fujitsu recorded operating income of 33.6 billion yen (US\$343 million), an increase of 2.5 billion yen from the previous fiscal year's second quarter. While there was the adverse impact stemming from lower sales of mobile phones, workforce-related measures and structural reforms in the LSI business and businesses outside Japan contributed to this result.

There was a loss of 4.8 billion yen in other income and expenses, essentially unchanged from the previous fiscal year. The company posted a loss of 3.8 billion yen in other expenses on personnel-related expenses, primarily in its businesses outside Japan, and restructuring expenses for its LSI device business. On the other hand, there were improvements in foreign currency translation adjustment and other items.

Fujitsu reported consolidated net income of 12.3 billion yen (US\$126 million), an increase of 1.2 billion yen compared to the second quarter of fiscal 2012.

FY2013 Second-Quarter Consolidated Business Segment Information

<Net Sales* and Operating Income>

(Billion Yen)

		2Q FY2012	2Q FY2013	Change vs. 2Q FY2012		
		〔 7/1/2012 ~ 9/30/2012 〕	〔 7/1/2013 ~ 9/30/2013 〕		Change(%)	Change(%) Constant Currency**
Technology Solutions	Sales	713.3	785.3	72.0	10.1	3
	Japan	478.2	499.1	20.9	4.4	4
	Outside Japan	235.1	286.2	51.1	21.8	0
	Operating Income [Operating Income Margin]	44.5 [6.2%]	55.7 [7.1%]	11.1 [0.9%]	25.1	
Services	Sales	575.6	631.6	56.0	9.7	3
	Operating Income [Operating Income Margin]	30.7 [5.3%]	36.7 [5.8%]	5.9 [0.5%]	19.2	
System Platforms	Sales	137.6	153.7	16.0	11.7	5
	Operating Income [Operating Income Margin]	13.7 [10.0%]	19.0 [12.4%]	5.2 [2.4%]	38.0	
Ubiquitous Solutions	Sales	314.7	262.7	-52.0	-16.5	-21
	Japan	250.2	182.4	-67.7	-27.1	-27
	Outside Japan	64.5	80.3	15.7	24.4	3
	Operating Income [Operating Income Margin]	12.4 [4.0%]	-11.6 [-4.4%]	-24.0 [-8.4%]	-	
Device Solutions	Sales	138.3	159.0	20.7	15.0	3
	Japan	78.1	74.1	-3.9	-5.0	-5
	Outside Japan	60.1	84.9	24.7	41.1	12
	Operating Income [Operating Income Margin]	-3.3 [-2.4%]	10.4 [6.5%]	13.8 [8.9%]	-	
LSI	Operating Income	-3.5	5.0	8.6	-	
Electronic Components	Operating Income	0.1	5.3	5.1	-	
Other/Elimination and Corporate***	Sales	-51.9	-54.8	-2.8	-	-
	Operating Income	-22.5	-20.8	1.6	-	
Total	Sales	1,114.4	1,152.3	37.9	3.4	-4
	Japan	759.5	708.3	-51.2	-6.7	-7
	Outside Japan	354.8	444.0	89.1	25.1	2
	Operating Income [Operating Income Margin]	31.0 [2.8%]	33.6 [2.9%]	2.5 [0.1%]	8.3	

<Net Sales* by Principal Products and Services>

(Billion Yen)

		2Q FY2012	2Q FY2013	Change vs. 2Q FY2012		
		〔 7/1/2012 ~ 9/30/2012 〕	〔 7/1/2013 ~ 9/30/2013 〕		Change(%)	Change(%) Constant Currency**
	Technology Solutions	713.3	785.3	72.0	10.1	3
	Services	575.6	631.6	56.0	9.7	3
	Solutions / SI	210.2	231.6	21.3	10.2	10
	Infrastructure Services	365.3	400.0	34.6	9.5	-2
	System Platforms	137.6	153.7	16.0	11.7	5
	System Products	61.7	68.1	6.4	10.4	5
	Network Products	75.9	85.5	9.6	12.7	5
	Ubiquitous Solutions	314.7	262.7	-52.0	-16.5	-21
	PCs / Mobile Phones	249.3	183.7	-65.6	-26.3	-30
	Mobilewear	65.4	79.0	13.6	20.8	14
	Device Solutions	138.3	159.0	20.7	15.0	3
	LSI****	76.2	83.3	7.0	9.3	-2
	Electronic Components	62.3	75.9	13.6	21.9	7

Notes:

* Net sales include intersegment sales.

** The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for the second quarter of FY2012 to translate the current period's net sales outside Japan into yen.

*** "Other/Elimination and Corporate" includes Japan's next-generation supercomputer project; facility services and the development of information services for Fujitsu Group companies; and welfare benefits for Fujitsu Group employees, as well as strategic expenses such as basic research and joint costs associated with Group management conducted by the parent company.

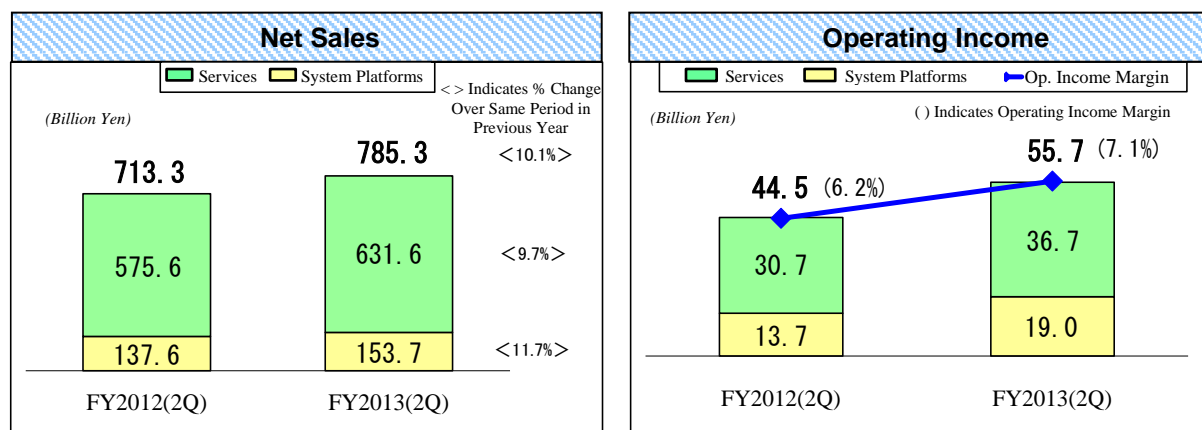
**** Sales figures for LSI include intrasegment sales to the electronic components segment.

***** In accordance with the adoption of the amended IAS 19, the figures for the second quarter of fiscal 2012 have been retroactively revised. As a result, operating income for the Services sub-segment has decreased by 1.6 billion yen.

<Results by Business Segment>

Information on fiscal 2013 second-quarter consolidated net sales (including intersegment sales) and operating income broken out by business segment is presented as follows.

Technology Solutions



Consolidated net sales in the Technology Solutions segment amounted to 785.3 billion yen (US\$8,013 million), an increase of 10.1% from the same period in fiscal 2012. Sales in Japan increased 4.4%. Orders continued to be strong from the first quarter, and sales exceeded projections. For systems integration services, despite the adverse impact of a shift toward spending on

hardware by telecommunications carriers, sales grew on account of increased investments, primarily in the financial services and public sectors. Server-related sales increased due to the contribution of large-scale systems deals in the public sector. In network products, although demand for 3G telecommunications equipment to handle increasing volumes of communications traffic has passed its peak, overall sales increased as a result of spending by telecommunications carriers to expand LTE service area coverage. In infrastructure services, on the other hand, sales fell on the impact of a shift away from packaged products that include connection fees to stand-alone products in the ISP business, and because there was increased demand related to network services in the same period of the previous fiscal year, against the backdrop of telecommunications carriers efforts to handle with higher volumes of communications traffic. Sales outside Japan increased 21.8%. On a constant currency basis, sales were on par with the same period in fiscal 2012. Sales of new UNIX server models were weak, although optical transmission systems sales in North America increased on recovered investments by telecommunications carriers.

The segment posted operating income of 55.7 billion yen (US\$568 million), up 11.1 billion yen compared to the second quarter of fiscal 2012. In Japan, operating income rose as a result of the impact of personnel measures and the impact of increased sales of systems integration services, despite a drop in sales of network services and higher upfront R&D spending in network products. Outside Japan, in addition to the impact of structural reforms and lower amortization expenses for goodwill, operating income was positively impacted by higher sales of network products.

	(Billion Yen)	
	Second Quarter FY2013	Change vs. 2Q FY2012
Net Sales	785.3	10.1 %
Japan	499.1	4.4 %
Outside Japan	286.2	21.8 %
Operating Income	55.7	11.1

(a) Services

Net sales in the Services sub-segment amounted to 631.6 billion yen (US\$6,445 million), an increase of 9.7% from the second quarter of the previous fiscal year. Sales in Japan rose 3.7%. In systems integration services, despite the adverse impact of a shift toward spending on hardware by telecommunications carriers, sales rose due to increased spending, primarily in the financial services

and public sectors. In infrastructure services, sales fell on account of the impact of a shift away from packaged products that include connection fees to stand-alone products in the ISP business. Also impacting comparisons was the increased demand related to network services in the second quarter of fiscal 2012, when telecommunications carriers made efforts to keep up with higher volumes of communications traffic. Sales outside Japan increased 21.1%. On a constant currency basis, sales were on par with the same period in fiscal 2012.

(Billion Yen)

	Second Quarter FY2013	Change vs. 2Q FY2012
Net Sales	631.6	9.7 %
Japan	389.9	3.7 %
Outside Japan	241.6	21.1 %
Operating Income	36.7	5.9

Operating income for the Services sub-segment was 36.7 billion yen (US\$374 million), an increase of 5.9 billion yen compared to the second quarter of the previous fiscal year. In Japan, despite a decline in sales of network services, operating income as a whole increased on the impact of workforce-related measures and the positive effect of higher sales of system integration services. Outside Japan, the impact of structural reforms contributed to earnings and goodwill amortization expenses declined.

(b) System Platforms

Net sales in the System Platforms sub-segment were 153.7 billion yen (US\$1,568 million), an increase of 11.7% from the same period of the previous fiscal year. Sales in Japan increased 6.9%. Server-related sales increased due to the contribution of large-scale systems deals in the public sector. In network products, although demand for 3G communications equipment to handle

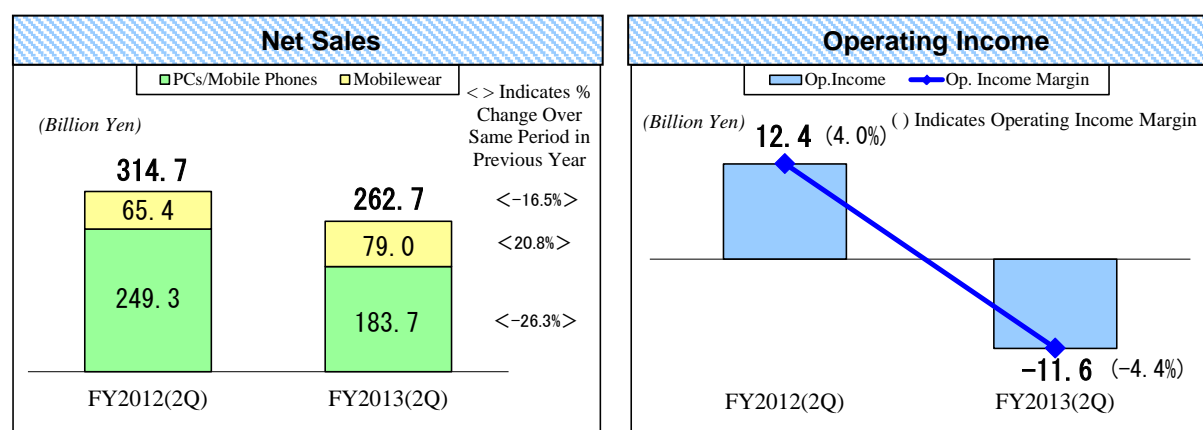
increasing volumes of communications traffic has passed its peak, overall sales increased as a result of spending by telecommunications carriers to expand LTE service area coverage. Sales outside Japan increased 25.3%. On a constant currency basis, sales were on par with the same period in fiscal 2012. Sales of new UNIX server models were weak. Optical transmission system sales in North America increased on a recovery in investments by telecommunications carriers.

(Billion Yen)

	Second Quarter FY2013	Change vs. 2Q FY2012
Net Sales	153.7	11.7 %
Japan	109.1	6.9 %
Outside Japan	44.5	25.3 %
Operating Income	19.0	5.2

Operating income for the System Platforms sub-segment was 19.0 billion yen (US\$194 million), an increase of 5.2 billion yen over the same period of fiscal 2012. In Japan, operating income was positively impacted by higher sales, despite higher upfront R&D spending in network products. Outside Japan, income was positively impacted by higher sales of network products.

Ubiquitous Solutions



Net sales in the Ubiquitous Solutions segment were 262.7 billion yen (US\$2,681 million), a decline of 16.5% from the second quarter of fiscal 2012. Sales in Japan were down by 27.1%. Enterprise PC sales grew on account of large-volume orders in the financial services industry and higher demand for upgrades prior to the end of support for an operating system product. In consumer PCs, sales increased owing to higher sales prices that

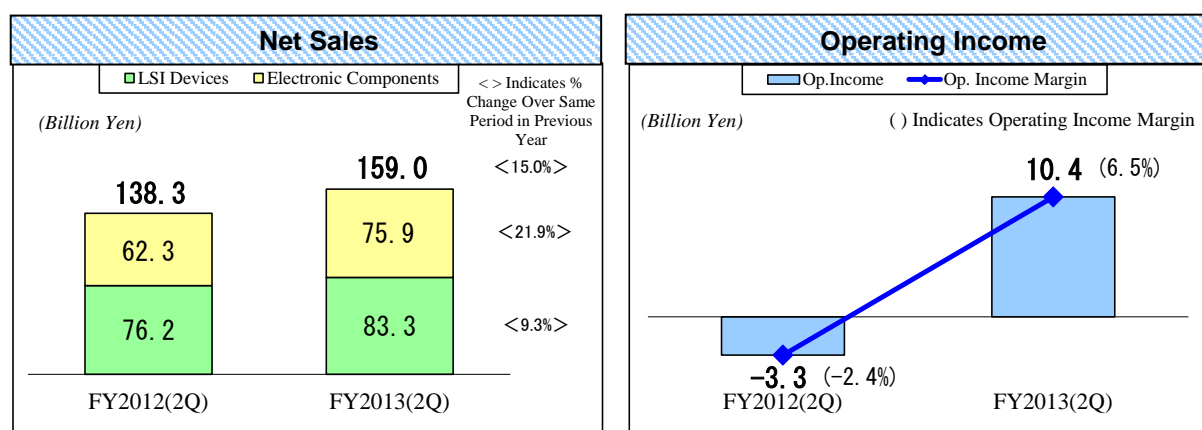
resulted, to some extent, from yen depreciation, even as unit sales fell due to the shrinking market. In mobile phones, sales fell on account of the shrinking market for feature phones, which has continued from the first quarter, and the impact of the revised smartphone sales strategies of telecommunications carriers. Another factor in the year-on-year decline was the record high quarterly shipment of mobile phones in the second quarter of fiscal 2012 that coincided with the release of multiple new models. Sales of the Mobilewear sub-segment's car audio and navigation systems were adversely impacted by lower sales of new vehicles due to the conclusion of the government's subsidy program for eco-friendly vehicles, but sales as a whole were roughly on par with the same period in fiscal 2012 as a result of strong sales of luxury vehicles. Sales outside Japan increased 24.4%. On a constant currency basis, sales increased 3%. Unit sales of PCs in Europe declined due to an emphasis on profitability, but Mobilewear sales rose, primarily in North America.

The Ubiquitous Solutions segment posted an operating loss of 11.6 billion yen (US\$118 million), representing a deterioration of 24.0 billion yen from the second quarter of the previous fiscal year. Operating income in Japan was positively impacted by higher sales of PCs. In mobile phones, operating income was adversely impacted by the significant decline in unit sales, in addition to the impact of higher costs from yen depreciation and functionality enhancements. Operating income for Mobilewear was adversely impacted by higher development expenses. Outside Japan, operating income benefitted from an emphasis on profitability for sales of PCs. Other contributing factors included depreciation of the euro versus the dollar, ongoing from the same period of the previous fiscal year, which caused dollar-denominated parts procurement costs to rise, as well as increased sales of Mobilewear.

(Billion Yen)

	Second Quarter FY2013	Change vs. 2Q FY2012
Net Sales	262.7	-16.5 %
Japan	182.4	-27.1 %
Outside Japan	80.3	24.4 %
Operating Income	-11.6	-24.0

Device Solutions



Note: LSI devices sales include intrasegment sales to the electronic components business.

Net sales in Device Solutions amounted to 159.0 billion yen (US\$1,622 million), an increase of 15% compared to the second quarter of fiscal 2012. Sales in Japan declined 5%. Sales of LSI devices used in smartphones increased, but sales of LSI devices used in IT equipment and manufacturing equipment decreased. Sales of electronic components increased. Sales outside Japan increased 41.1%. On a constant currency basis, sales increased 12%. Sales of LSI devices for smartphones increased. Sales of electronic components, primarily to China, increased.

	(Billion Yen)	
	Second Quarter FY2013	Change vs. 2Q FY2012
Net Sales	159.0	15.0 %
Japan	74.1	-5.0 %
Outside Japan	84.9	41.1 %
Operating Income	10.4	13.8

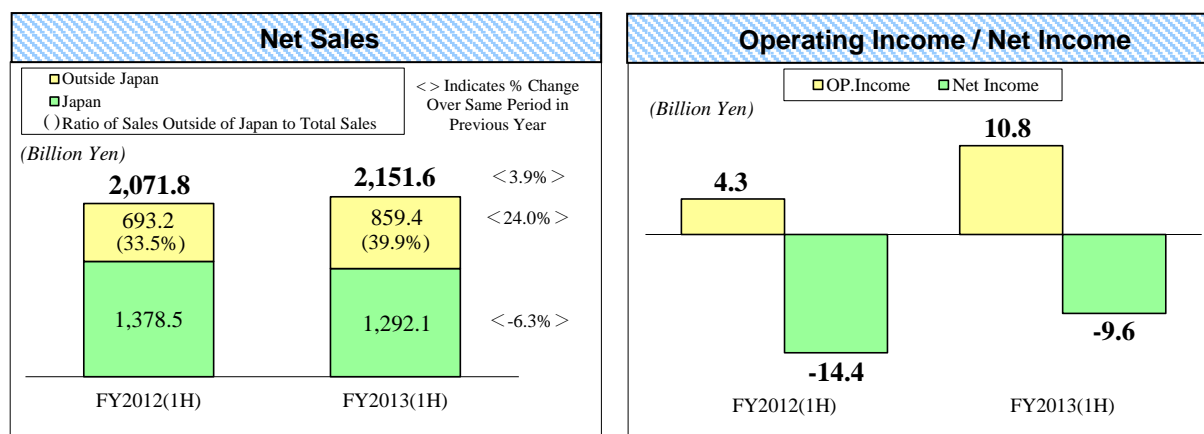
The Device Solutions segment recorded operating income of 10.4 billion yen (US\$106 million), an improvement of 13.8 billion yen compared to the second quarter of fiscal 2012, and representing the third straight quarter of profitable results. In Japan, operating income for LSI devices was adversely affected by lower sales, but overhead expenses decreased because of an early retirement incentive plan and other factors. Capacity utilization rates on the production lines for 300mm wafers remained high owing to an increase in demand for use in smartphones, but capacity utilization rates on the production lines for standard logic devices remained low. Fujitsu is planning to consolidate the production lines for standard logic devices in the Aizu-Wakamatsu region so as to raise capacity utilization rates. Operating income outside of Japan improved on higher demand and the impact of higher sales resulting from the weaker yen.

In April 2013, Fujitsu entered into a definitive agreement to sell its microcontroller and analog business to the Spansion Group. This sale was completed in August.

1-3. First-Half

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=98 yen, the approximate Tokyo foreign exchange market rate on September 30, 2013. 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 half of fiscal 2012 to translate the current period's net sales outside Japan into yen.

<Profit and Loss>



Consolidated net sales for the first half of fiscal 2013 amounted to 2,151.6 billion yen (US\$21,955 million), an increase of 3.9% from the first half of fiscal 2012 as a result of foreign exchange fluctuations and other factors. Net sales in Japan declined by 6.3%. Sales of system integration services rose in such sectors as the financial services sector and the public sector, but there was a significant decline in sales of mobile phones. Sales of network services in Japan also declined. Sales outside of Japan rose 24%. Excluding the impact of foreign exchange fluctuations, sales rose by 3%. Sales of PCs in Europe declined, as did sales of UNIX servers in the US, but sales of optical transmission systems and car audio and navigation systems in North America increased, and there were also higher sales of LSI devices and electronic components.

For the first half of fiscal 2013, the average yen exchange rates against major currencies were 99 yen for the US dollar (representing yen depreciation of 20 yen from the first half of fiscal 2012), 130 yen for the euro (depreciation of 29 yen), and 152 yen for the British pound (depreciation of 26 yen). The impact of foreign exchange movements was to increase net sales by approximately 145 billion yen compared to the first half of fiscal 2012. Sales generated outside Japan as a percentage of total sales were 39.9%, an increase of 6.4 percentage points compared to the first half of the previous fiscal year.

Gross profit was 570.1 billion yen, an increase of 9.9 billion yen from the first half of fiscal 2012. Despite the adverse impact from the decline in sales of mobile phones, gross profit increased because of foreign exchange movements and a variety of measures implemented to reduce costs. The gross profit margin was 26.5%, a decline of 0.5 of a percentage point from the first half of the previous fiscal year, primarily as a result of lower profitability in the company's mobile phone business.

Selling, general and administrative expenses were 559.3 billion yen, an increase of 3.4 billion yen from the first half of fiscal 2012. The increase was the result of the weaker yen. Fujitsu has been pursuing Group-wide measures to generate cost efficiencies, and expenses declined on a constant currency basis.

Fujitsu recorded operating income of 10.8 billion yen (US\$110 million), an increase of 6.4 billion yen from the first half of the previous fiscal year. While there was the adverse impact stemming from lower sales of mobile phones, workforce-related measures contributed approximately 12 billion yen to operating income, and the impact of structural reforms in the LSI business in Japan as well as other businesses outside Japan contributed approximately 11 billion yen.

There was a loss of 0.7 billion yen in other income and expenses, an improvement of 3.8 billion yen from the first half of fiscal 2012. The company posted a loss of 3.8 billion yen in other expenses on personnel-related expenses, primarily in its businesses outside Japan, and restructuring expenses for its LSI device business. On the other hand, there were improvements in foreign currency translation adjustment, gain on sales of investments securities and other items.

Fujitsu reported a consolidated net loss of 9.6 billion yen (US\$98 million), an improvement of 4.7 billion yen over the net loss posted in the first half of fiscal 2012.

Comparison to Consolidated Earnings Projections Announced in July 2013

Net sales exceeded the most recent projections announced on July 30, 2013, by 101.6 billion yen. Starting with Technology Solutions, where sales of services in and outside of Japan and sales of network products outside Japan were strong, all three major segments exceeded their sales projections. Operating income exceeded projections by 20.8 billion yen. Operating income in the Ubiquitous Solutions segment fell below projections on intensified competition in the mobile phone market, but operating income in both the Technology Solutions and Device Solutions segments exceeded projections as a result of the impact of higher sales and the weaker yen.

Net income also exceeded the most recent projections.

(Billion Yen)					
	FY2012 First-Half	July 2013 Forecast	FY2013 First-Half	Change vs. July 2013 Forecast	Change (%)
Net Sales	2,071.8	2,050.0	2,151.6	101.6	5.0
Operating Income [Operating Income Margin]	4.3 [0.2%]	-10.0 [-0.5%]	10.8 [0.5%]	20.8 [1.0%]	-
Other Income and expenses	-4.5	-	-0.7	-0.7	-
Net Income	-14.4	-30.0	-9.6	20.3	-

*In accordance with the adoption of the amended IAS 19, the figures for the first half of fiscal 2012 have been retroactively revised. As a result, operating income has decreased by 3.3 billion yen.

FY2013 First-Half Consolidated Business Segment Information

<Net Sales* and Operating Income>

(Billion Yen)

		1H FY2012 〔 4/1/2012 ~ 9/30/2012 〕	1H FY2013 〔 4/1/2013 ~ 9/30/2013 〕	Change vs. 1H FY2012		
					Change(%)	Change(%) Constant Currency**
Technology Solutions	Sales	1,340.4	1,462.9	122.5	9.1	2
	Japan	880.4	904.3	23.8	2.7	3
	Outside Japan	459.9	558.6	98.6	21.4	1
	Operating Income [Operating Income Margin]	43.7 [3.3%]	58.3 [4.0%]	14.5 [0.7%]	33.3	
Services	Sales	1,089.2	1,186.6	97.3	8.9	2
	Operating Income [Operating Income Margin]	34.0 [3.1%]	42.2 [3.6%]	8.2 [0.5%]	24.1	
System Platforms	Sales	251.1	276.3	25.1	10.0	4
	Operating Income [Operating Income Margin]	9.6 [3.9%]	16.0 [5.8%]	6.3 [1.9%]	65.6	
Ubiquitous Solutions	Sales	549.3	478.6	-70.6	-12.9	-17
	Japan	426.0	328.6	-97.4	-22.9	-23
	Outside Japan	123.3	150.0	26.7	21.7	3
	Operating Income [Operating Income Margin]	10.4 [1.9%]	-28.7 [-6.0%]	-39.1 [-7.9%]	-	
Device Solutions	Sales	268.6	304.4	35.7	13.3	2
	Japan	150.1	141.6	-8.5	-5.7	-6
	Outside Japan	118.5	162.8	44.3	37.4	11
	Operating Income [Operating Income Margin]	-7.0 [-2.6%]	18.0 [5.9%]	25.0 [8.5%]	-	
LSI	Operating Income	-9.3	8.3	17.6	-	
Electronic Components	Operating Income	2.2	9.7	7.4	327.4	
Other/Elimination and Corporate***	Sales	-86.7	-94.5	-7.8	-	-
	Operating Income	-42.7	-36.7	6.0	-	
Total	Sales	2,071.8	2,151.6	79.7	3.9	-3
	Japan	1,378.5	1,292.1	-86.4	-6.3	-6
	Outside Japan	693.2	859.4	166.2	24.0	3
	Operating Income [Operating Income Margin]	4.3 [0.2%]	10.8 [0.5%]	6.4 [0.3%]	149.6	

<Net Sales* by Principal Products and Services>

(Billion Yen)

		1H FY2012	1H FY2013	Change vs. 1H FY2012		
		〔 4/1/2012 ~ 9/30/2012 〕	〔 4/1/2013 ~ 9/30/2013 〕		Change(%)	Change(%) Constant Currency**
	Technology Solutions	1,340.4	1,462.9	122.5	9.1	2
	Services	1,089.2	1,186.6	97.3	8.9	2
	Solutions / SI	380.7	414.3	33.5	8.8	8
	Infrastructure Services	708.5	772.2	63.7	9.0	-2
	System Platforms	251.1	276.3	25.1	10.0	4
	System Products	110.8	115.7	4.8	4.4	-0
	Network Products	140.2	160.5	20.2	14.5	7
	Ubiquitous Solutions	549.3	478.6	-70.6	-12.9	-17
	PCs / Mobile Phones	420.0	326.3	-93.7	-22.3	-26
	Mobilewear	129.3	152.3	23.0	17.8	11
	Device Solutions	268.6	304.4	35.7	13.3	2
	LSI****	144.1	161.0	16.9	11.7	1
	Electronic Components	125.0	144.4	19.3	15.5	2

Notes:

* Net sales include intersegment sales.

** The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for the first half of FY2012 to translate the current period's net sales outside Japan into yen.

*** "Other/Elimination and Corporate" includes Japan's next-generation supercomputer project; facility services and the development of information services for Fujitsu Group companies; and welfare benefits for Fujitsu Group employees, as well as strategic expenses such as basic research and joint costs associated with Group management conducted by the parent company.

**** Sales figures for LSI include intrasegment sales to the electronic components segment.

***** In accordance with the adoption of the amended IAS 19, the figures for the first half of fiscal 2012 have been retroactively revised. As a result, operating income for the Services sub-segment has decreased by 3.3 billion yen.

<Results by Business Segment>

Information on fiscal 2013 first-half consolidated net sales (including intersegment sales) and operating income broken out by business segment is presented as follows.

Technology Solutions

Consolidated net sales in the Technology Solutions segment amounted to 1,462.9 billion yen (US\$14,928 million), up 9.1% from the first half of fiscal 2012. Sales in Japan increased 2.7%. For systems integration services, despite the adverse impact of a shift toward spending on hardware by telecommunications carriers, sales grew on account of increased spending, primarily

(Billion Yen)

	First-Half FY2013	Change vs. 1H FY2012
Net Sales	1,462.9	9.1 %
Japan	904.3	2.7 %
Outside Japan	558.6	21.4 %
Operating Income	58.3	14.5

in the financial services and public sectors. Server-related sales increased due to the contribution of a large-scale systems deal in the public sector, although the initial launch period for new UNIX server products was slower than expected. In network products, although demand for 3G communications equipment to handle increasing volumes of communications traffic has passed its peak, overall sales increased as a result of spending by telecommunications carriers to expand LTE coverage. In infrastructure services, on the other hand, sales fell on the impact of a shift away from packaged products that include connection fees to stand-alone products in the ISP business, and because there was increased demand related to network services in the same period of the previous fiscal year, against the backdrop of telecommunications carriers efforts to handle with higher volumes of communications traffic. Sales outside Japan increased 21.4%, and on a constant currency basis, increased 1%. Sales of new UNIX server models were weak but sales of optical transmission systems in North America increased on a recovery in spending by telecommunications carriers.

The segment posted operating income of 58.3 billion yen (US\$595 million), up 14.5 billion yen compared to the first half of fiscal 2012. In Japan, operating income rose as a result of the impact of workforce-related measures and the impact of increased sales of systems integration services, despite a drop in sales of network services and higher upfront R&D spending in network products. Outside Japan, in addition to the impact of structural reforms and reduction in amortization expenses for goodwill, operating income was positively impacted by higher sales of network products.

(a) Services

Net sales in the Services sub-segment amounted to 1,186.6 billion yen (US\$12,108 million), an increase of 8.9% from the first half of fiscal 2012. Sales in Japan rose 2.8%. In systems integration services, despite the adverse impact of a shift toward spending on hardware by telecommunications carriers, sales rose due to increased spending, primarily in the financial services and public sectors. In infrastructure services, sales fell on account of the impact of a shift away from packaged products that include connection fees to stand-alone products in the ISP business. Also impacting comparisons was the increased demand related to network services in the first half of fiscal 2012, when telecommunications carriers made efforts to keep up with higher volumes of communications traffic. Sales outside Japan increased 19.6%. On a constant currency basis, sales were on par with the same period in fiscal 2012.

(Billion Yen)

	First-Half FY2013	Change vs. 1H FY2012
Net Sales	1,186.6	8.9 %
Japan	711.1	2.8 %
Outside Japan	475.4	19.6 %
Operating Income	42.2	8.2

Operating income for the Services sub-segment was 42.2 billion yen (US\$431 million), an increase of 8.2 billion yen compared to the first half of fiscal 2012. In Japan, despite a decline in sales of network services, operating income as a whole increased on the impact of workforce-related measures and the positive impact of higher sales of system integration services. Outside Japan, the impact of structural reforms contributed to earnings and amortization expenses for goodwill declined.

(b) System Platforms

Net sales in the System Platforms sub-segment were 276.3 billion yen (US\$2,819 million), an increase of 10% compared to the first half of fiscal 2012. Sales in Japan increased 2.4%. Server-related sales increased due to the contribution of a large-scale systems deal in the public sector, although the initial launch period for new UNIX server products was slower than expected. In network products, although demand for 3G communications equipment to handle increasing volumes of communications traffic has passed its peak, overall sales increased as a result of spending by telecommunications carriers to expand LTE service area coverage. Sales outside Japan increased 32.9%. On a constant currency basis, sales increased 7%. Sales of new UNIX server models were weak but optical transmission system sales in North America increased on a recovery in spending by telecommunications carriers.

(Billion Yen)

	First-Half FY2013	Change vs. 1H FY2012
Net Sales	276.3	10.0 %
Japan	193.1	2.4 %
Outside Japan	83.1	32.9 %
Operating Income	16.0	6.3

The Systems Platform sub-segment posted operating income of 16.0 billion yen (US\$163 million), up 6.3 billion yen compared to the first half of fiscal 2012. In Japan, operating income was positively impacted by higher sales, despite higher upfront R&D spending in network products. Outside Japan, income was positively impacted by higher sales of network products and an emphasis on profitability for sales of PC servers.

Ubiquitous Solutions

Net sales in the Ubiquitous Solutions segment were 478.6 billion yen (US\$4,884 million), a decline of 12.9% from the first half of fiscal 2012. Sales in Japan were down by 22.9%. Enterprise PC sales grew due to high demand in line with the conclusion of support for an OS product. In consumer PCs, sales increased owing to higher sales prices that resulted, to some extent, from yen depreciation, even as unit sales fell due to the shrinking market. Still, PC sales overall increased. In mobile phones, sales fell on account of the shrinking market for feature phones and the impact of revisions in the smartphone sales strategies of telecommunications carriers. Also impacting comparisons were the record high shipments of mobile phones coinciding with the release of multiple new models in the second quarter of fiscal 2012. Sales of the Mobilewear sub-segment's car audio and navigation systems were adversely impacted by lower sales of new vehicles due to the conclusion of the government's subsidy program for eco-friendly vehicles, but sales as a whole increased because of strong sales of luxury vehicles. Sales outside Japan increased 21.7%. On a constant currency basis, sales increased 3%. Unit sales of PCs in Europe declined due to an emphasis on profitability, but Mobilewear sales rose, primarily in North America.

(Billion Yen)

	First-Half FY2013	Change vs. 1H FY2012
Net Sales	478.6	-12.9 %
Japan	328.6	-22.9 %
Outside Japan	150.0	21.7 %
Operating Income	-28.7	-39.1

The Ubiquitous Solutions segment posted an operating loss of 28.7 billion yen (US\$293 million), deteriorating by 39.1 billion yen from the first half of the previous fiscal year. Operating income in Japan was positively impacted by higher sales of PCs. In mobile phones, operating income was adversely impacted by the significant decline in unit sales, in addition to the impact of higher costs from yen depreciation and the cost of functionality enhancements. Operating income for Mobilewear was adversely impacted by higher development expenses. Outside Japan, operating income benefitted from an emphasis on profitability for sales of PCs. In addition, in the same period of the previous fiscal year, the depreciation of the euro versus the dollar caused dollar-denominated parts procurement costs to rise, negatively impacting operating income. Operating income in Mobilewear was positively impacted by higher sales.

Device Solutions

Net sales in Device Solutions amounted to 304.4 billion yen (US\$3,106 million), an increase of 13.3% compared to the first half of fiscal 2012. Sales in Japan declined 5.7%. Sales of LSI devices used in smartphones increased, but sales of LSI devices used in audio-visual equipment and manufacturing equipment decreased. Sales of electronic components, including semiconductor packages and batteries, decreased. Sales outside Japan increased by 37.4%. On a constant currency basis, sales increased 11%. Sales of LSI devices for smartphones increased. Sales of electronic components, primarily to the Americas and China, increased.

(Billion Yen)

	First-Half FY2013	Change vs. 1H FY2012
Net Sales	304.4	13.3 %
Japan	141.6	-5.7 %
Outside Japan	162.8	37.4 %
Operating Income	18.0	25.0

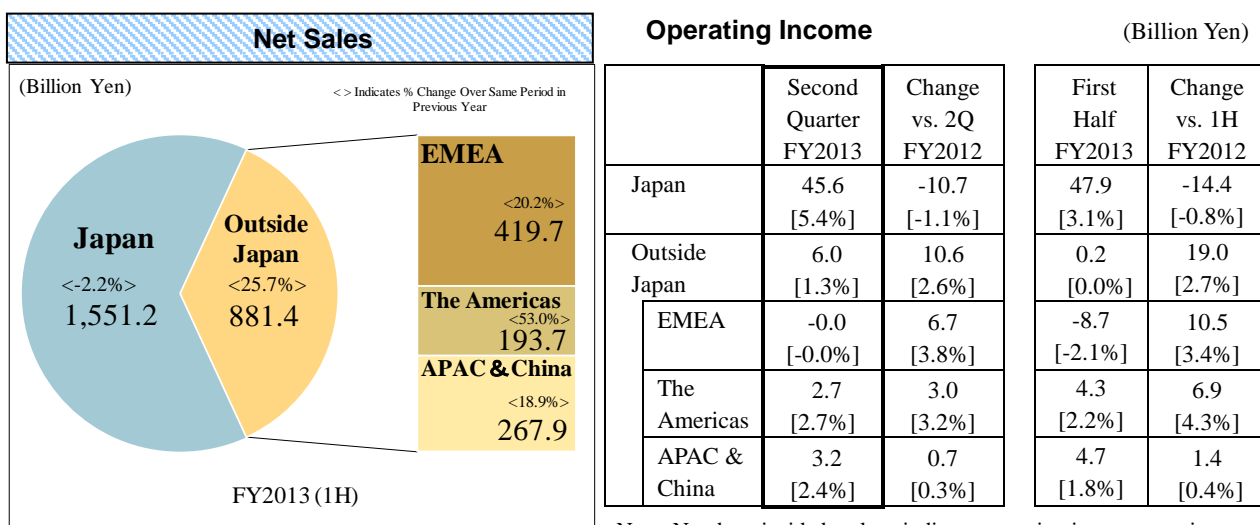
The Device Solutions segment recorded operating income of 18.0 billion yen (US\$184 million), an improvement of 25.0 billion yen compared to the first half of fiscal 2012. In Japan, operating income for LSI devices was adversely affected by lower sales, but overhead expenses decreased because of an early retirement incentive plan and other factors. Capacity utilization rates on the production lines for 300mm wafers remained high because of an increase in demand for use in smartphones, but capacity utilization rates on the production lines for standard logic devices continued to be low. Fujitsu is planning to consolidate the production lines for standard logic devices in the Aizu-Wakamatsu region and thereby raise capacity utilization rates. Operating income outside of Japan improved on higher demand and the impact of higher sales resulting from the weaker yen.

Other/Elimination and Corporate

This segment recorded an operating loss of 36.7 billion yen (US\$374 million), representing an improvement of 6.0 billion yen from the first half of fiscal 2012 as a result of Group-wide progress in generating cost efficiencies.

<Geographic Information>

Sales and operating income for Fujitsu and its consolidated subsidiaries according to country and region are as follows.



In accordance with the adoption of the amended IAS 19, the figures for the second quarter and first half of fiscal 2012 have been retroactively revised. Accordingly, operating income outside Japan, primarily for the EMEA region, has decreased by 1.6 billion yen and 3.3 billion yen, respectively.