

3. FY2013 Earnings Projections

For the first quarter of fiscal 2013, Fujitsu reported consolidated net sales of 999.2 billion yen, an increase of 41.8 billion yen, and an operating loss of 22.8 billion yen, an improvement of 3.9 billion yen compared to the loss in the first quarter of fiscal 2012. The PC and mobile phone businesses experienced a sharp decline in operating income as the weak yen increased procurement costs for parts and materials, and because the competitive environment remained severe. On an overall consolidated basis, however, operating income improved on better results in the Device Solutions segment, where results were helped by the positive impact of a weaker yen and a recovery in demand for LSI devices, and because of various workforce-related measures and progress in streamlining corporate headquarters functions.

Compared to the projections announced at the beginning of the fiscal year, PCs and mobile phones have slightly underperformed, whereas the Device Solutions segment has outperformed, primarily as a result of the positive impact of the weaker yen. On an overall consolidated basis, results are trending slightly above projections.

Compared to assumptions made at the start of the fiscal year, the yen was weaker than expected in the first quarter, but in light of the risk of continued fluctuations in the second quarter and beyond, Fujitsu has not changed its foreign exchange assumptions of 93 yen for the US dollar, 120 yen for the euro, and 140 yen for the British pound.

In light of these circumstances, at the present time projections for the first half of fiscal 2013 and full-year fiscal 2013 remain unchanged from those announced at the beginning of the fiscal year.

FY2013 First-Half Consolidated Forecast

(Billion Yen)

	FY2012 First-Half (Before Revisions)	FY2012 First-Half (Actual)	FY2013 First-Half (Forecast)	Change vs. Previous Forecast*	Change vs. 1H FY2012	
						Change (%)
Net Sales	2,071.8	2,071.8	2,050.0	-	-21.8	-1.1
Operating Income	7.6	<u>** 4.3</u>	-10.0	-	-14.3	-
[Operating Income Margin]	[0.4%]	[0.2%]	[-0.5%]	[- %]	[-0.7%]	
Other Income and Expense	-4.5	-4.5	-	-	4.5	-
Net Income	-11.0	<u>** -14.4</u>	-30.0	-	-15.5	-

FY2013 Full Year Consolidated Forecast

(Billion Yen)

	FY2012 Full-Year (Before Revisions)	FY2012 Full-Year (Actual)	FY2013 Full-Year (Forecast)	Change vs. Previous Forecast*	Change vs. FY2012	
						Change (%)
Net Sales	4,381.7	4,381.7	4,550.0	-	168.2	3.8
Operating Income	95.2	<u>** 88.2</u>	140.0	-	51.7	58.6
[Operating Income Margin]	[2.2%]	[2.0%]	[3.1%]	[- %]	[1.1%]	
Other Income and Expense	-140.3	-140.3	-35.0	-	105.3	-
Net Income	-72.9	<u>** -79.9</u>	45.0	-	124.9	-

* Previous Forecast as of April 30, 2013.

** 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 FY2012 have been retroactively revised. The revised amounts have been reduced by 3.3 billion yen for the first half and by 7.0 billion yen for the full year, and FY2013 comparisons with FY2012 also reflect these revisions.

Forecast for FY2013 Full-Year Consolidated Business Segment Information

<Net Sales* and Operating Income>

(Billion Yen)

		FY2012 (Actual)	FY2013 (Forecast)		Change vs. FY2012		
			Current Forecast**	Change vs. Previous Forecast***		Change(%)	Change(%) Constant Currency****
Technology Solutions	Sales	2,942.3	3,100.0	-	157.6	5.4	2
	Japan	1,936.4	1,990.0	-	53.5	2.8	3
	Outside Japan	1,005.9	1,110.0	-	104.0	10.3	1
	Operating Income	● 173.9	190.0	-	16.0	9.2	
	[Operating Income Margin]	[5.9%]	[6.1%]	[- %]	[0.2%]		
Services	Sales	2,387.2	2,480.0	-	92.7	3.9	1
	Operating Income	● 124.6	138.0	-	13.3	10.7	
	[Operating Income Margin]	[5.2%]	[5.6%]	[- %]	[0.4%]		
System Platforms	Sales	555.1	620.0	-	64.8	11.7	9
	Operating Income	49.3	52.0	-	2.6	5.4	
	[Operating Income Margin]	[8.9%]	[8.4%]	[- %]	[-0.5%]		
Ubiquitous Solutions	Sales	1,090.2	1,020.0	-	-70.2	-6.4	-9
	Japan	823.0	720.0	-	-103.0	-12.5	-13
	Outside Japan	267.1	300.0	-	32.8	12.3	2
	Operating Income	9.6	7.0	-	-2.6	-27.3	
	[Operating Income Margin]	[0.9%]	[0.7%]	[- %]	[-0.2%]		
Device Solutions	Sales	540.3	620.0	-	79.6	14.7	8
	Japan	295.9	340.0	-	44.0	14.9	15
	Outside Japan	244.4	280.0	-	35.5	14.5	-0
	Operating Income	-14.2	25.0	-	39.2	-	
	[Operating Income Margin]	[-2.6%]	[4.0%]	[- %]	[6.6%]		
	LSI	Operating Income	8.0	-	21.8	-	
	Electronic Components	Operating Income	17.0	-	17.3	-	
Other/Elimination and Corporate*****	Sales	-191.2	-190.0	-	1.2	-	-
	Operating Income	-81.0	-82.0	-	-0.9	-	
Total	Sales	4,381.7	4,550.0	-	168.2	3.8	0
	Japan	2,883.5	2,900.0	-	16.4	0.6	1
	Outside Japan	1,498.2	1,650.0	-	151.7	10.1	-0
	Operating Income	● 88.2	140.0	-	51.7	58.6	
	[Operating Income Margin]	[2.0%]	[3.1%]	[- %]	[1.1%]		

<Ratio of Sales outside Japan> 34.2% 36.3% [- %] 2.1%

● Amounts of retroactive adjustments; -7.0 billion yen

<Net Sales* by Principal Products and Services>

(Billion Yen)

		FY2012 (Actual)	FY2013 (Forecast)		Change vs. FY2012		
			Current Forecast**	Change vs. Previous Forecast***		Change(%))	Change(%) Constant Currency****
	Technology Solutions	2,942.3	3,100.0	-	157.6	5.4	2
	Services	2,387.2	2,480.0	-	92.7	3.9	1
	Solutions / SI	837.1	870.0	-	32.8	3.9	4
	Infrastructure Services	1,550.0	1,610.0	-	59.9	3.9	-1
	System Platforms	555.1	620.0	-	64.8	11.7	9
	System Products	262.9	295.0	-	32.0	12.2	10
	Network Products	292.2	325.0	-	32.7	11.2	7
	Ubiquitous Solutions	1,090.2	1,020.0	-	-70.2	-6.4	-9
	PCs / Mobile Phones	822.8	730.0	-	-92.8	-11.3	-13
	Mobilewear	267.4	290.0	-	22.5	8.4	5
	Device Solutions	540.3	620.0	-	79.6	14.7	8
	LSI*****	289.6	320.0	-	30.3	10.5	5
	Electronic Components	252.5	300.0	-	47.4	18.8	11

Notes:

* Net sales include intersegment sales.

** Current forecast as of July 30, 2013.

*** Previous forecast as of April 30, 2013.

**** The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for 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.

***** Figures for FY2012 have been retroactively revised as a result of the adoption of the amended IAS 19. For further details, please see "Retroactive Revisions from Changes in Accounting Standards" on page 12.

[Miscellaneous Forecasts for FY2013]

a.Exchange rate (Average)

(Yen)

	FY2012 (Actual)	FY2013		
		1Q (Actual)	2Q, 3Q, 4Q (Forecast)	Change vs. Previous Forecast*
U.S. Dollar	83	99	93	-
euro	107	129	120	-
British pound	131	152	140	-

Reference information:

Average exchange rates for the first quarter of FY2012 are as follows.

U.S. dollar : 80 yen

euro: 103 yen

British pound: 127 yen

A 1 yen fluctuation (depreciation/appreciation) had the following effect on operating income in the first quarter of FY2013.

U.S. dollar : Increase/decrease by approximately 0.2 billion yen.

euro: Increase/decrease by approximately 0 billion yen.

British pound: Increase/decrease by approximately 0 billion yen.

A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in the second, third and fourth quarters of FY2013.

U.S. dollar : Increase/decrease by approximately 0.7 billion yen.

euro: Increase/decrease by approximately 0.2 billion yen.

British pound: Increase/decrease by approximately 0 billion yen.

b.R&D Expenses

(Billion Yen)

	FY2012 (Actual)	FY2013 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
R&D Expenses	231.0	220.0	220.0	-
As % of Sales	5.3%	4.8%	4.8%	-

c.Capital Expenditures and Depreciation

(Billion Yen)

	FY2012 (Actual)	FY2013 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
Technology Solutions	59.5	80.0	80.0	-
Ubiquitous Solutions	14.6	15.0	15.0	-
Device Solutions	40.4	35.0	35.0	-
Other/Corporate	7.0	5.0	5.0	-
Total	121.7	135.0	135.0	-
Depreciation	116.5	110.0	110.0	-

d.Cash Flows

(Billion Yen)

	FY2012 (Actual)	FY2013 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
Net income	-79.9	45.0	45.0	-
Depreciation & goodwill amortization***	192.6	180.0	180.0	-
Others*****	-41.6	5.0	5.0	-
(A)Cash flows from operating activities	71.0	230.0	230.0	-
(B)Cash flows from investing activities	-161.4	-170.0	-170.0	-
(C)Free cash flow (A)+(B)	-90.4	60.0	60.0	-
[FCF excluding one-time items]****	8.4	50.0	50.0	-
(D)Cash flows from financing activities	100.3	-60.0	-60.0	-
(E)Total (C)+(D)	9.9	0	0	-

Notes:

* Previous forecast as of April 30, 2013.

** Current forecast as of July 30, 2013.

*** Depreciation & goodwill amortization include amortization of intangible assets.

**** FCF excluding one-time items is free cash flow minus proceeds from the sale of investment securities, proceeds from the transfer of business, income from the acquisition of subsidiaries' stock, and a special contribution during FY2012 into the pension scheme of a UK subsidiary (114.3 billion yen).

***** Others in cash flows from operating activities for forecast of FY2013 include expenditures regarding structural reforms in LSI devices and global businesses (approximately 40.0 billion yen).

e.PC Shipments

(Million Units)

	FY2012 (Actual)	FY2013 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
PC Shipments	5.83	5.35	5.35	-

f.Mobile Phone Shipments

(Million Units)

	FY2012 (Actual)	FY2013 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
Mobile Phone Shipments	6.50	5.20	5.20	-

g.Employees

(Thousands)

	FY2012 As of March 31, 2013 (Actual)	1Q FY2013 As of June 30, 2013 (Actual)
Japan	104	104
Outside Japan	65	62
Total	169	166

1. In the semiconductor business, approximately 1,600 employees have retired by the end of June 2013 as a result of the early retirement incentive plan in Japan.

2. The reduction outside of Japan is primarily the result of the sale of a subsidiary in the EMEA region.

Notes:

* Previous forecast as of April 30, 2013.

** Current forecast as of July 30, 2013.