

9. Segment Information

I. Segment Overview

Fujitsu's reportable business segments consist of components of the Fujitsu group for which discrete financial information is available and whose operating results are regularly reviewed by the group's executive decision-making body to make decisions about resource allocation to the segments and assess their performance.

In the field of information and communication technology (ICT), while delivering wide varieties of services, the group offers comprehensive solutions, from the development, manufacturing, and sales, to the maintenance and operations of cutting-edge, high-performance and high-quality products, and electronic devices that support services. The group's business is organized into three reportable segments—Technology Solutions, Ubiquitous Solutions, and Device Solutions—based on the group's managerial structure, characteristics of the products and services, and the similarities of the sales market within each operating segment. Managerial structure and product and service classification in each reportable segment are as follows.

(1) Technology Solutions

To optimally deliver to customers comprehensive services that integrate products, software, and services, the segment is organized in a matrix management structure comprised of business groups that are organized by product and service type, in order to manage costs and devise global business strategies, and business groups that are organized along industry and geographic lines, integrating sales groups with systems engineers covering specific customers.

This reportable segment consists of Solutions/Systems Integration, which are services for the construction of information and communication systems, Infrastructure Services, which are primarily outsourcing and maintenance services, System Products, which covers mainly the servers and storage systems that comprise ICT platforms, and Network Products, which are used to build communications infrastructure, such as mobile phone base stations and optical transmission systems.

(2) Ubiquitous Solutions

The segment is organized into independent business management units along product lines and includes the sales departments.

This reportable segment contains ubiquitous terminals—including personal computers and mobile phones, as well as car audio and navigation systems, mobile communication equipment, and automotive electronic equipment—that collect various information and knowledge generated from the behavioral patterns of people and organizations needed to achieve the group's vision of a “Human Centric Intelligent Society” (a society that enjoys the benefits of the value generated by ICT without requiring anyone to be conscious of the technological complexities involved).

(3) Device Solutions

The segment is organized by product in independent business management units which include the respective sales departments and contains cutting-edge technologies, including LSI devices used in digital home appliances, automobiles, mobile phones and servers, as well as electronic components, such as semiconductor packages and batteries.

II. Method Used to Calculate Net Sales and Profit or Loss by Reportable Segment

Income figures for business segments are based on operating income. The Fujitsu Group's financing (including financial expense and income) as well as other items such as corporate tax are managed by the Group overall and have not been allocated within the business segments.

Intersegment transactions are based on an arm length's price.

III. Net Sales and Profit or Loss by Reportable Segment

FY 2011 (April 1, 2011 to March 31, 2012)

(Million Yen)

	Reportable Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
Sales to customers outside Fujitsu Group	2,864,658	1,039,809	515,834	4,420,301	35,371	4,455,672
Intersegment sales	70,247	114,473	68,866	253,586	48,208	301,794
Total net sales	2,934,905	1,154,282	584,700	4,673,887	83,579	4,757,466
Segment Income (Loss)	171,297	19,938	-10,182	181,053	-2,056	178,997

FY 2010 (April, 1, 2010 to March 31, 2011)

(Million Yen)

	Reportable Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
Sales to customers outside Fujitsu Group	2,927,651	1,013,056	545,729	4,486,436	32,738	4,519,174
Intersegment sales	86,735	112,586	84,871	284,192	49,766	333,958
Total net sales	3,014,386	1,125,642	630,600	4,770,628	82,504	4,853,132
Segment Income (Loss)	162,881	22,679	20,976	206,536	-7,222	199,314

* The "Other" category includes activities not included in the reportable segments, such as Japan's Next-Generation Supercomputer project, facility services and the development of information systems for group companies, and welfare benefits for group employees.

IV. Reconciliation of Net Sales and Operating Income or Loss of Reportable Segments with those of Consolidated Income Settlements

(1) Reconciliation of Net Sales

(Million Yen)

	FY2010	FY2011
Total of Reportable Segments	4,770,628	4,673,887
Net Sales of "Other" Category	82,504	83,579
Elimination of Intersegment Transactions	-324,727	-289,892
Net sales in Consolidated Income Statements	4,528,405	4,467,574

(2) Reconciliation of Operating Income (Loss)

(Million Yen)

	FY2010	FY2011
Total of Reportable Segments	206,536	181,053
Operating Loss of "Other" Category	-7,222	-2,056
Corporate Expenses	-68,341	-75,929
Elimination of Intersegment Transactions	1,621	2,236
Operating income in Consolidated Income Statements	132,594	105,304

* Corporate Expenses mainly consist of strategic expenses such as basic research and development expenses which are not attributable to the reportable segments and group management shared expenses incurred by Fujitsu.

Related Information

1. Information on Product and Services

FY 2011 (April 1, 2011 to March 31, 2012) (Million Yen)

	Reportable Segments						Other Technologies Business	Other Fields	Total
	Technology Solutions		Ubiquitous Solutions		Device Solutions				
	Services	System Platforms	PCs/Mobile Phones	Mobilewear	LSI	Electronic Components			
Sales to customers outside Fujitsu Group	2,339,574	525,084	779,226	260,583	281,325	234,509	35,371	11,902	4,467,574

FY 2010 (April 1, 2010 to March 31, 2011) (Million Yen)

	Reportable Segments						Other Technologies Business	Other Fields	Total
	Technology Solutions		Ubiquitous Solutions		Device Solutions				
	Services	System Platforms	PCs/Mobile Phones	Mobilewear	LSI	Electronic Components			
Sales to customers outside Fujitsu Group	2,385,345	542,306	733,035	280,021	280,868	264,861	32,738	9,231	4,528,405

2. Geographical Information

Net Sales

FY 2011 (April 1, 2011 to March 31, 2012) (Million Yen)

Japan	Outside Japan				Total
	EMEA	Americas	APAC/China	Sub-total	
2,961,478 (66.3%)	809,277 (18.1%)	286,595 (6.4%)	410,224 (9.2%)	1,506,096 (33.7%)	4,467,574 (100.0%)

FY 2010 (April 1, 2010 to March 31, 2011) (Million Yen)

Japan	Outside Japan				Total
	EMEA	Americas	APAC/China	Sub-total	
2,941,042 (64.9%)	845,485 (18.7%)	322,272 (7.1%)	419,606 (9.3%)	1,587,363 (35.1%)	4,528,405 (100.0%)

Notes:

- Geographical segments are defined based on customer location.
- Principal countries and regions comprising the segments other than Japan:
 - EMEA (Europe, Middle East, Africa): UK, Germany, Spain, Finland, Sweden
 - Americas: US, Canada
 - APAC (Asia-Pacific) & China: Australia, Singapore, Korea, Taiwan, China
- There is no country that is required to have a separate individual disclosure.
- Figures in parentheses represent percentage of segment sales to consolidated net sales.

3) Consolidated Tax Effect Accounting

Significant components of deferred tax assets and liabilities

(Billion Yen)

	FY 2011 (End of March 2012)	FY 2010 (End of March 2011)
Deferred tax assets:		
Tax loss carry forwards	153.0	145.1
Accrued retirement benefits	137.1	150.8
Excess of depreciation and amortization and impairment loss*	50.0	54.5
Accrued bonus	40.9	43.4
Inventories	22.0	23.0
Provision for product warranties	8.2	6.2
Revaluation loss on investment securities	6.1	9.6
Intercompany profit	5.6	5.6
Provision for loss on repurchase of computers	5.0	6.0
Other	48.9	57.2
Gross deferred tax assets	477.1	501.9
Valuation allowance	(253.9)	(256.1)
Total deferred tax assets	223.2	245.8
Deferred tax liabilities:		
Gains from establishment of stock holding trust for retirement benefit plan	(96.8)	(110.6)
Unrealized gains on securities	(7.4)	(9.6)
Tax allowable reserves	(1.3)	(2.2)
Other	(8.1)	(8.9)
Total deferred tax liabilities	(113.8)	(131.4)
Net deferred tax assets	109.3	114.3

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

In response to the issuance on December 2, 2011 of the “Act regulating revision of part of the Income Tax Act and other related laws/regulations, in order to establish a taxation system that reflects structural changes in the economy and society” (2011, Law no. 114) and the “Act regarding securing funds necessary for implementing programs promoting recovery from the Great East Japan Earthquake,” (2011, Law no. 117), Fujitsu has changed the statutory tax rate used for calculating the deferred tax assets and deferred tax liabilities for fiscal 2011 from 40.6% to 37.9% for revenue and payments made between the forecast period of April 1, 2012 and March 31, 2015. Those on or after April 1, 2015 will both be changed to 35.6%

Due to this change, the net value of deferred tax assets (excluding the value of deferred tax liabilities) decreased by 3,523 million yen, while deferred income tax calculated for fiscal 2011 increased by 4,666 million yen and the valuation difference increased by 1,143 million yen.

4) Retirement Benefit Plan

a. Japan

(1) Itemization of projected benefit obligation, etc.

(Billion Yen)

	FY 2011 as of 3/31/12	FY 2010 as of 3/31/11
i. Projected benefit obligation	(1,299.5)	(1,280.1)
ii. Plan assets [pension trust asset portion]	943.9 [37.5]	905.5 [41.4]
iii. Projected benefit obligation in excess of plan assets (i)+(ii)	(355.5)	(374.5)
iv. Unrecognized actuarial loss	357.5	398.6
v. Unrecognized prior service cost (reduced obligation)*	(65.5)	(83.4)
vi. Prepaid pension cost	(52.3)	(55.1)
vii. Accrued retirement benefits ...(iii)+(iv)+(v)+(vi)	(115.8)	(114.4)

(2) Components of net periodic benefit cost

(Billion Yen)

	FY 2011 as of 3/31/12	FY 2010 as of 3/31/11
i. Service cost	40.1	38.9
ii. Interest cost	31.7	31.5
iii. Expected return on plan assets	(26.5)	(26.6)
iv. Amortization of actuarial loss	41.9	37.3
v. Amortization of prior service cost	(18.6)	(18.6)
vi. Other**	0.5	0.3
vii. Net periodic benefit cost ...(i)+(ii)+(iii)+(iv)+(v)+(vi)	69.2	62.9
viii. Loss on termination of retirement benefit plan	0.8	1.2
ix. Total ...(vii)+(viii)	70.1	64.1

* With respect to the Fujitsu Corporate Pension Fund in which Fujitsu and its consolidated domestic subsidiaries participate, due to a partial revision of the company's pension system in 2005, prior service costs (reduction of obligation) have arisen.

** Contribution for the defined contribution plan

Fiscal 2010: Besides the above net periodic benefit cost, extra retirement benefits of 1,279 million yen were paid.

Fiscal 2011: Besides the above net periodic benefit cost, extra retirement benefits of 6,961 million yen were paid.

(3) Basis for Tabulating Projected Benefit Obligation

Discount rate	2.5% (at March 31, 2012)
	2.5% (at March 31, 2011)

b. Outside Japan

(1) Itemization of projected benefit obligation, etc. (Billion Yen)

	FY 2011 as of 3/31/12	FY 2010 as of 3/31/11
i. Projected benefit obligation	(571.8)	(534.9)
ii. Plan assets	408.1	395.9
iii. Projected benefit obligation in excess of plan assets ... (i)+(ii)	(163.6)	(139.0)
iv. Unrecognized actuarial loss*	108.9	74.3
v. Prepaid pension cost	(9.8)	(2.3)
vi. Accrued retirement benefits ... (iii)+(iv)+(v)	(64.6)	(67.0)

(2) Components of net periodic benefit cost (Billion Yen)

	FY 2011 as of 3/31/12	FY 2010 as of 3/31/11
i. Service cost	3.7	8.0
ii. Interest cost	27.1	29.7
iii. Expected return on plan assets	(24.1)	(26.0)
iv. Amortization of actuarial loss *	3.4	5.8
v. Amortization of prior service cost **	(0.1)	(13.3)
vi. Other***	13.4	9.7
vii. Net periodic benefit cost ... (i)+(ii)+(iii)+(iv)+(v)+(vi)	23.5	14.1
viii. Loss on termination of retirement benefits plan	0.1	0.1
ix. Total (vii)+(viii)	23.6	14.2

* Subsidiaries outside Japan adopt the International Financial Reporting Standards (IFRS), and apply the corridor approach to amortization of actuarial gain and losses.

** As a result of pension revisions in fiscal 2010, mainly in Fujitsu Services Holdings PLC (including its subsidiaries) the negative prior cost has been recognized immediately. The majority of this credit arises from offering an option whereby future variable increases in line with the fluctuation in prices may be exchanged for a one-off uplift in payments.

*** Contribution for the defined contribution plan

(3) Basis for Tabulating Projected Benefit Obligation

Discount rate	Mainly 5.0% (at March 31, 2012) Mainly 5.6% (at March 31, 2011)
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5) Consolidated Per Share Data

	(Yen)	
	FY2011 4/1/11-3/31/12	FY2010 4/1/10-3/31/11
Net assets per share	406.42	396.81
Earnings per share	20.64	26.62
Diluted earnings per share	20.55	25.75

Note 1: The calculations basis for earnings per share and diluted earnings per share is as follows.
(Million Yen)

	FY2011 4/1/11-3/31/12	FY2010 4/1/10-3/31/11
Earnings per share		
Net income	42,707	55,092
Deduction from net income	-	-
Net income for common share	42,707	55,092
Average number of common shares outstanding (thousand shares)	2,069,526	2,069,731
Diluted earnings per share		
Adjustment for net income	155	1,499
[Adjustment related to dilutive securities issued by subsidiaries and affiliates]	[-18]	[-70]
[Corporate bond costs (after tax adjustment)]	[173]	[1,569]
Increase in number of common shares (thousand shares)	16,393	127,549
[Share warrants (thousand shares)]	[16,393]	[127,549]

Note 3: The calculation basis for net assets per share is as follows.

	(Million Yen)	
	at March 31, 2012	at March 31, 2011
Net assets	966,598	953,779
Deduction from net assets	125,559	132,535
[Share purchase warrants]	[78]	[76]
[Minority interests]	[125,481]	[132,459]
Net assets for common shares	841,039	821,244
Number of common shares used to calculate owners' equity per share (thousand shares)	2,069,365	2,069,631

6) Material Subsequent Events

There are no events.

7) Executive promotions, new appointments, and resignations

Please see “Fujitsu Announces Executive Promotions, Appointments, and Resignations” announced on March 21, 2012 for details.

(8) Cautionary Note Regarding Assumptions of a Going Concern

There are none

(9) Significant issues regarding the basis for preparation of consolidated financial reports

Fiscal 2011 (from April 1, 2011 to March 31, 2012)

1) Items regarding the scope of consolidation

This consolidated financial report consolidates the results of 538 major subsidiaries (535 during the previous accounting period). As for changes in the scope of consolidation for this consolidated accounting year, 23 companies were added and 20 companies were removed. Since the names of major subsidiary companies are noted on page 42 they are omitted here. Major additions and subtractions are described below.

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: 8 companies

Subtracted due to liquidation or sale: 16 companies

Fujitsu International Finance (Netherlands) B.V. and others

Subtracted due to merger: 4 companies

2) Subsidiaries accounted for by equity method

Regarding investments in non-consolidated subsidiaries and affiliated companies, they are accounted for by the equity method and the number of companies to which this applies is 18 (18 during the previous accounting period).

Affiliated companies: 18 companies

These included the following:

Major equity-method affiliate companies include: Fujitsu General Ltd., Fujitsu Leasing Co., Ltd., and others.

(10) Precautions on Usage of Earnings Projections

These materials may contain forward-looking statements that are based on management's current information, views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors listed below.

For information regarding the assumptions used to prepare these projections, please refer to "FY2012 Consolidated Earnings Projections" on page 29.

- General economic and market conditions in key markets (particularly in Japan, North America, Europe, and Asia, including China)
- Rapid changes in the high-technology market (particularly semiconductors, PCs, etc.)
- Fluctuations in exchange rates or interest rates
- Fluctuations in capital markets
- Intensifying price competition
- Changes in market positioning due to competition in R&D
- Changes in the environment for the procurement of parts and components
- Changes in competitive relationships relating to collaborations, alliances and technical provisions
- Risks related to public regulations, public policy and tax matters
- Risks related to product or services defects
- Potential emergence of unprofitable projects

- Risks related to R&D investments, capital expenditures, business acquisitions, business restructuring, etc.
- Risks related to natural disasters and unforeseen events
- Changes in accounting policies

(11) Significant Changes to Preparation of Financial Statements

Additional Information

Fiscal 2011

(April 1, 2011~March 31, 2012)

Beginning with this accounting period, the company has implemented “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan Statement No. 24, issued December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan Guidance No. 24, issued December 4, 2009).