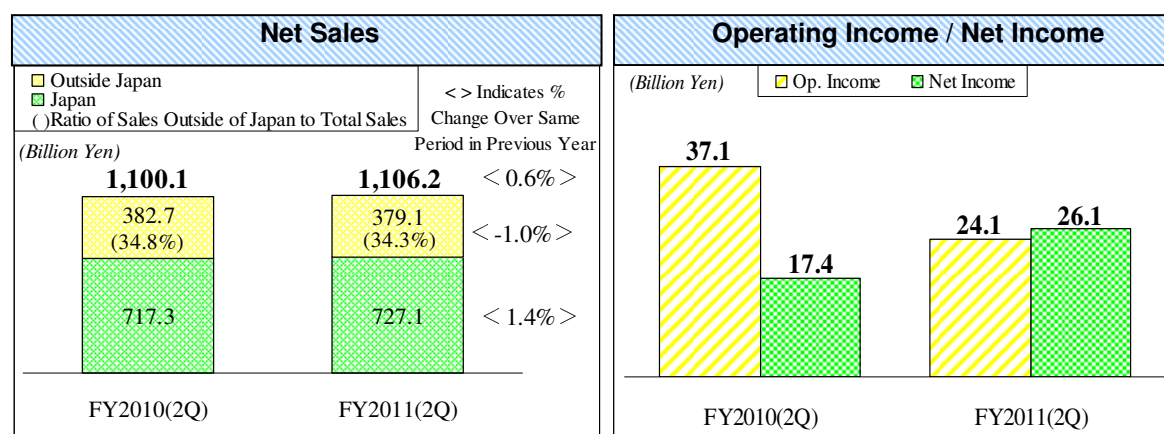


2. Profit and Loss for the Second Quarter

Note: In these explanatory materials, results for all reporting periods refer to the consolidated financial results of the respective reporting period. In addition, the yen figures for net sales, operating income, and other figures are converted into US\$ amounts, for reference purposes, at a rate of \$1=77 yen, the approximate Tokyo foreign exchange market rate on September 30, 2011. 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 2010 to translate the current period's net sales outside Japan into yen.



Consolidated net sales for the second quarter of fiscal 2011 amounted to 1,106.2 billion yen (US\$14,366 million), essentially unchanged from the second quarter of fiscal 2010.

Sales in Japan rose by 1.4%. Despite lower server-related sales and sales of car audio and navigation systems, overall sales in Japan rose because of higher sales of mobile phones, which benefited from the merger of Toshiba Corporation's mobile phone business, and mobile phone base stations.

Sales outside of Japan declined 1%, but rose 4% on a constant-currency basis. Although sales of electronic components decreased, there were higher sales of infrastructure services, mainly in Australia and Nordic regions, as well as higher sales of PCs and car audio and navigation systems.

Average yen exchange rates for the second quarter of fiscal 2011 against major currencies were 78 yen for the US dollar (representing appreciation of 8 yen from the second quarter of fiscal 2010), 110 yen for the euro (appreciation of 1 yen), and 125 yen for the British pound (appreciation of 8 yen). As a result, the impact of foreign exchange fluctuations for the second quarter of fiscal 2011 was to reduce net sales by approximately 18.0 billion yen compared to the second quarter of fiscal 2010. Sales generated outside Japan as a percentage of total sales were 34.3%, a decrease of 0.5 of a percentage point compared to the same period in the previous fiscal year.

Gross profit was 309.3 billion yen, a decline of 4.1 billion yen from the second quarter of fiscal 2010. The decline was attributable to the impact of foreign exchange fluctuations on sales of LSI devices and electronic components. The gross profit margin deteriorated by 0.5 of a percentage point compared to the same period of the previous fiscal year, to 28%.

Selling, general and administrative expenses amounted to 285.1 billion yen, a year-on-year increase of 8.8 billion yen due to upfront investments in cloud services and network-related areas.

As a result, Fujitsu recorded operating income of 24.1 billion yen (US\$313 million), representing a deterioration of 12.9 billion yen compared to the second quarter of fiscal 2010.

In other income and expenses, the company posted a 4.4 billion yen foreign currency translation adjustment loss stemming from the ongoing appreciation of the yen. In addition, the company recorded a 0.7 billion yen loss as a result of a change in the retirement benefits systems of certain consolidated subsidiaries in Japan.

The company reported consolidated net income of 26.1 billion yen (US\$339 million) for the second quarter, representing an improvement of 8.7 billion yen from the second quarter of fiscal 2010. Income before income taxes and minority interests declined, although the decision to liquidate a subsidiary in Europe and a stock transfer executed in line with group reorganization had the effect of lowering tax expenses.