

October 26, 2011

FY 2011 First-Half Financial Results
April 1, 2011 - September 30, 2011

Fujitsu Limited

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Part I: Financial Tables

1. Summary of FY 2011 First-Half Consolidated Results

a. Summary of Consolidated Income Statements and Comprehensive Income

		Yen	
		(Millions, except per share data)	
		1H FY 2011	1H FY 2010
		(4/1/11~9/30/11)	(4/1/10~9/30/10)
Net sales	Y	2,092,317	2,147,452
Operating income		7,051	47,160
Income (loss) before income taxes and minority interests		(10,277)	35,355
Net income		5,774	19,089
Net income per common share:			
Basic		2.79	9.22
Diluted		2.79	9.02
Comprehensive income	Y	(23,093)	(966)

b. Summary of Consolidated Financial Condition

		Yen	
		(Millions)	
		September 30, 2011	March 31, 2011
Total assets	Y	2,855,974	3,024,097
Net assets		919,829	953,779
Owners' equity	Y	793,351	821,244
Owners' equity ratio		27.8%	27.2%

2. Dividends Per Share of Common Stock

		Yen	
		FY 2010	FY 2011
First-quarter ended June 30	Y	-	-
Second-quarter ended September 30		5.00	5.00
Third-quarter ended December 31		-	- (Forecast)
Full year ended March 31		5.00	5.00 (Forecast)
Total	Y	10.00	10.00 (Forecast)

3. Number of Issued Shares (Common Shares)

a. Number of issued shares at end of period

First-half FY 2011	2,070,018,213	shares
Full-year FY 2010	2,070,018,213	shares

b. Treasury stock held at end of period

First-half FY 2011	414,708	shares
Full-year FY 2010	386,227	shares

c. Average number of issued and outstanding shares during first-half

First-half FY 2011	2,069,614,949	shares
First-half FY 2010	2,069,788,627	shares

4. Consolidated Earnings Forecast for FY 2011

Yen		
(Billions, except per share data)		
		<u>Full year FY2011</u>
Net sales	Y	4,540.0
Operating income		135.0
Net income		60.0
Net income		
per common share	Y	28.99

5. FY2011 First-Half Consolidated Income Statements and Comprehensive Income

	Yen (Millions)	
	1H FY 2011 (4/1/11~9/30/11)	1H FY 2010 (4/1/10~9/30/10)
Net sales	Y 2,092,317	2,147,452
Cost of sales	1,518,416	1,545,885
Gross profit	573,901	601,567
Selling, general and administrative expenses	566,850	554,407
Operating income	7,051	47,160
Other income:		
Interest income	1,430	1,683
Dividend income	2,439	2,530
Equity in earnings of affiliates, net	2,128	2,255
Gain on sales of investment securities	-	8,164
Gain on negative goodwill	-	1,140
Others	2,951	5,776
Total other income	8,948	21,548
Other expenses:		
Interest expense	4,845	6,622
Loss on foreign exchange, net	6,703	10,233
Loss on disposal of property, plant and equipment and intangible assets	705	3,503
Loss on disaster	7,529	-
Loss on changes in retirement benefit plan	717	-
Loss on adjustment for adoption of accounting standard for asset retirement obligation	-	4,113
Impairment loss	-	1,250
Others	5,777	7,632
Total other expenses	26,276	33,353
Income (loss) before income taxes and minority interests	(10,277)	35,355
Income taxes:		
Current	11,319	10,805
Deferred	(23,402)	3,144
Total income taxes	(12,083)	13,949
Income before minority interests	1,806	21,406
Minority interests	(3,968)	2,317
Net income	Y 5,774	19,089

Consolidated Statements of Comprehensive Income

	Yen (Millions)	
	1H FY 2011 (4/1/11~9/30/11)	1H FY 2010 (4/1/10~9/30/10)
Income before minority interests	Y 1,806	21,406
Other comprehensive income:		
Unrealized gain and loss on securities, net of taxes	(3,813)	(5,371)
Deferred hedge gain and loss	(16)	67
Foreign currency translation adjustments	(18,579)	(15,789)
Share of other comprehensive income of associates accounted for using equity method	(2,491)	(1,279)
Total other comprehensive income	(24,899)	(22,372)
Comprehensive income:	(23,093)	(966)
< breakdown >		
Comprehensive income attributable to owners of the parent	(17,712)	(1,948)
Comprehensive income attributable to minority interests	Y (5,381)	982

6. FY2011 First-Half Consolidated Business Segment Information

a. Net Sales* and Operating Income

		Yen (Billions)		Change(%)	Excluding impact of changes in currency exchange rates(%)**
		1H FY 2011 (4/1/11~9/30/11)	1H FY 2010 (4/1/10~9/30/10)		
Technology Solutions					
Sales:					
Japan	Y	874.6	886.0	-1.3	-1
Outside Japan		510.7	514.7	-0.8	+3
Total		1,385.4	1,400.8	-1.1	+0
Operating income:					
Services		30.0	38.5	-22.0	
[Operating income margin]		[2.7%]	[3.4%]		
System Platforms		15.6	17.8	-12.2	
[Operating income margin]		[5.9%]	[6.6%]		
Total operating income		45.7	56.3	-18.9	
[Operating income margin]		[3.3%]	[4.0%]		
Ubiquitous Solutions					
Sales:					
Japan		387.5	410.6	-5.6	-6
Outside Japan		128.2	130.5	-1.7	+1
Total		515.8	541.2	-4.7	-4
Operating income		4.3	15.1	-71.3	
[Operating income margin]		[0.8%]	[2.8%]		
Device Solutions					
Sales:					
Japan		169.6	174.7	-2.9	-3
Outside Japan		118.8	144.9	-18.0	-11
Total		288.4	319.6	-9.8	-7
Operating income		(4.8)	11.3	-	
[Operating income margin]		[-1.7%]	[3.5%]		
Other/Elimination and Corporate****					
Sales		(97.3)	(114.2)	-	-
Operating income		(38.1)	(35.6)	-	
Total					
Sales:					
Japan		1,346.8	1,371.7	-1.8	-2
Outside Japan		745.5	775.7	-3.9	+1
Total		2,092.3	2,147.4	-2.6	-1
Operating income	Y	7.0	47.1	-85.0	
[Operating income margin]		[0.3%]	[2.2%]		

b. Net Sales* by Principal Products and Services

Total		Yen (Billions)			Change (%)	Excluding impact of changes in currency exchange rates(%)**
		1H FY 2011 (4/1/11~9/30/11)	1H FY 2010 (4/1/10~9/30/10)			
Technology Solutions						
	Services:					
	Solutions / System Integration	Y	376.2	379.5	-0.9	-1
	Infrastructure Services		742.4	749.6	-1.0	+1
			1,118.6	1,129.1	-0.9	0
	System Platforms:					
	System Products		131.6	136.6	-3.7	-3
	Network Products		135.1	134.9	+0.1	+4
			266.7	271.6	-1.8	0
	Total		1,385.4	1,400.8	-1.1	0
Ubiquitous Solutions						
	PCs / Mobile Phones		398.3	389.6	+2.2	+2
	Mobilewear		117.4	151.5	-22.5	-21
	Total		515.8	541.2	-4.7	-4
Device Solutions						
	LSI***		162.7	169.2	-3.8	-2
	Electronic Components		126.2	151.1	-16.5	-12
	Total	Y	288.4	319.6	-9.8	-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 first half of fiscal 2010 to translate the current period's net sales outside Japan into yen.

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

**** "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.

7. FY2011 First-Half Consolidated Balance Sheets

		Yen (Millions)	
		September 30 2011	March 31 2011
Assets			
Current assets:			
Cash and time deposits	Y	243,442	353,892
Notes and accounts receivable, trade		722,644	877,069
Marketable securities		106,236	10,802
Finished goods		156,358	150,685
Work in process		124,227	112,995
Raw materials		86,296	77,758
Deferred tax assets		85,326	76,666
Others		123,028	115,541
Allowance for doubtful accounts		(12,900)	(14,781)
Total current assets		1,634,657	1,760,627
Non-current assets:			
Property, plant and equipment, net of accumulated depreciation:			
Buildings		274,399	277,844
Machinery		95,597	100,803
Equipment		121,884	126,101
Land		117,614	117,481
Construction in progress		20,713	16,413
Total property, plant and equipment		630,207	638,642
Intangible assets:			
Software		131,401	135,118
Goodwill		70,440	80,083
Others		32,369	36,757
Total intangible assets		234,210	251,958
Other non-current assets:			
Investment securities		141,602	152,361
Deferred tax assets		69,572	72,093
Others		152,335	155,351
Allowance for doubtful accounts		(6,609)	(6,935)
Total other non-current assets		356,900	372,870
Total non-current assets		1,221,317	1,263,470
Total assets	Y	2,855,974	3,024,097

		Yen (Millions)	
		September 30 2011	March 31 2011
Liabilities and net assets			
Liabilities			
Current liabilities:			
Notes and accounts payables, trade	Y	534,947	604,264
Short-term borrowings		201,357	125,554
Current portion of bonds payable		70,486	100,000
Lease obligations		19,458	24,470
Accrued expenses		302,527	323,144
Accrued income taxes		19,676	23,617
Provision for product warranties		24,205	25,254
Provision for construction contract losses		11,048	21,392
Provision for bonuses to board members		-	125
Others		218,255	259,988
Total current liabilities		1,401,959	1,507,808
Long-term liabilities:			
Bonds payable		170,300	180,300
Long-term borrowings		76,115	64,969
Lease obligations		25,735	26,775
Deferred tax liabilities		17,053	33,755
Revaluation of deferred tax liabilities		575	575
Accrued retirement benefits		173,566	181,572
Provision for loss on repurchase of computers		15,625	16,320
Provision for recycling expenses		6,752	6,363
Provision for product warranties		1,932	2,207
Others		46,533	49,674
Total long-term liabilities		534,186	562,510
Total liabilities		1,936,145	2,070,318
Net assets			
Shareholders' equity:			
Common stock		324,625	324,625
Capital surplus		236,435	236,437
Retained earnings		338,633	343,072
Treasury stock		(225)	(214)
Total shareholders' equity		899,468	903,920
Accumulated other comprehensive income:			
Unrealized gain and loss on securities, net of taxes		9,872	13,564
Deferred hedge gain and loss		(1,141)	454
Revaluation surplus on land		2,361	2,363
Foreign currency translation adjustments		(117,209)	(99,057)
Total accumulated other comprehensive income		(106,117)	(82,676)
Subscription rights to shares		78	76
Minority interests		126,400	132,459
Total net assets		919,829	953,779
Total liabilities and net assets	Y	2,855,974	3,024,097

8. FY2011 First-Half Consolidated Statements of Cash Flows

		Yen (Millions)	
		1H FY 2011 (4/1/11~9/30/11)	1H FY 2010 (4/1/10~9/30/10)
1. Cash flows from operating activities:			
Income (loss) before income taxes	Y	(10,277)	35,355
and minority interests			
Depreciation and amortization		94,616	101,762
Impairment loss		-	1,250
Goodwill amortization		7,484	7,748
Increase (decrease) in provisions		(14,730)	(27,331)
Interest and dividend income		(3,869)	(4,213)
Interest charges		4,845	6,622
Equity in earnings of affiliates, net		(2,128)	(2,255)
Disposal of non-current assets		1,275	4,262
Gain on sales of investment securities, net		-	(8,164)
(Increase) decrease in receivables, trade		124,471	131,029
(Increase) decrease in inventories		(34,364)	(57,881)
Increase (decrease) in payables, trade		(49,110)	(60,338)
Other, net		(41,078)	(20,373)
Cash generated from operations		77,135	107,473
Interest and dividends received		4,256	4,909
Interest paid		(8,033)	(6,816)
Income taxes paid		(18,146)	(21,404)
Net cash provided by operating activities		55,212	84,162
2. Cash flows from investing activities:			
Purchases of property, plant and equipment		(68,763)	(64,920)
Proceeds from sales of property, plant and equipment		1,910	3,746
Purchases of intangible assets		(25,693)	(26,162)
Purchases of investment securities		(1,233)	(8,415)
Proceeds from sales of investment securities		799	32,398
Income from acquisition of subsidiaries' stock resulting from change in scope of consolidation		45	-
Other, net		265	7,052
Net cash used in investing activities		(92,670)	(56,301)
1+2 [Free Cash Flow]		(37,458)	27,861
3. Cash flows from financing activities:			
Increase (decrease) in short-term borrowings		70,952	17,334
Proceeds from long-term debt		27,500	2,680
Repayment of long-term debt		(6,381)	(7,689)
Proceeds from issuance of bonds		60,523	8,734
Redemption of bonds		(100,000)	(108,645)
Proceeds from sales of treasury stock		8	8
Purchase of treasury stock		(19)	(58)
Dividends paid		(11,367)	(11,754)
Other, net		(13,704)	(25,552)
Net cash provided by (used in) financing activities		27,512	(124,942)
4. Effect of exchange rate changes on cash and cash equivalents		(9,438)	(10,323)
5. Net increase (decrease) in cash and cash equivalents		(19,384)	(107,404)
6. Cash and cash equivalents at beginning of period		358,593	420,166
7. Cash and cash equivalents of newly consolidated subsidiaries		4,071	25
8. Cash and cash equivalents at end of period	Y	343,280	312,787

9. FY2011 Second-Quarter Consolidated Income Statements and Comprehensive Income

	Yen (Millions)	
	2Q FY 2011 (7/1/11~9/30/11)	2Q FY 2010 (7/1/10~9/30/10)
Net sales	Y 1,106,246	1,100,192
Cost of sales	796,912	786,722
Gross profit	309,334	313,470
Selling, general and administrative expenses	285,144	276,314
Operating income	24,190	37,156
Other income:		
Interest income	680	839
Dividend income	53	241
Equity in earnings of affiliates, net	118	1,455
Gain on sales of investment securities	-	7,600
Others	1,555	1,846
Total other income	2,406	11,981
Other expenses:		
Interest expense	2,382	3,166
Loss on foreign exchange, net	4,496	5,527
Loss on disposal of property, plant and equipment and intangible assets	503	2,897
Loss on changes in retirement benefit plan	717	-
Others	2,396	4,610
Total other expenses	10,494	16,200
Income before income taxes and minority interests	16,102	32,937
Income taxes:		
Current	7,678	7,557
Deferred	(16,720)	6,663
Total income taxes	(9,042)	14,220
Income before minority interests	25,144	18,717
Minority interests	(1,034)	1,269
Net income	Y 26,178	17,448

Consolidated Statements of Comprehensive Income

	Yen	
	(Millions)	
	2Q FY 2011	2Q FY 2010
	(7/1/11~9/30/11)	(7/1/10~9/30/10)
Income before minority interests	Y 25,144	18,717
Other comprehensive income:		
Unrealized gain and loss on securities, net of taxes	(4,288)	(2,192)
Deferred hedge gain and loss	2	4
Foreign currency translation adjustments	(15,520)	(463)
Share of other comprehensive income of associates accounted for using equity method	(1,824)	(824)
Total other comprehensive income	(21,630)	(3,475)
Comprehensive income:	3,514	15,242
< breakdown >		
Comprehensive income attributable to owners of the parent	5,643	14,198
Comprehensive income attributable to minority interests	Y (2,129)	1,044

10. FY2011 Second-Quarter Consolidated Business Segment Information

a. Net Sales* and Operating Income

		Yen (Billions)		Change(%)	Excluding impact of changes in currency exchange rates(%)**
		2Q FY 2011 (7/1/11~9/30/11)	2Q FY 2010 (7/1/10~9/30/10)		
Technology Solutions					
Sales:					
Japan	Y	471.9	482.3	-2.2	-2
Outside Japan		254.3	252.6	+0.7	+5
Total		726.2	735.0	-1.2	0
Operating income:					
Services		27.9	31.8	-12.3	
[Operating income margin]		[4.8%]	[5.4%]		
System Platforms		15.2	15.9	-4.3	
[Operating income margin]		[10.7%]	[10.8%]		
Total operating income		43.1	47.7	-9.6	
[Operating income margin]		[5.9%]	[6.5%]		
Ubiquitous Solutions					
Sales:					
Japan		208.6	198.3	+5.2	+5
Outside Japan		71.6	66.0	+8.6	+11
Total		280.3	264.3	+6.1	+7
Operating income		4.3	4.4	-1.7	
[Operating income margin]		[1.6%]	[1.7%]		
Device Solutions					
Sales:					
Japan		88.2	90.7	-2.7	-3
Outside Japan		59.2	70.3	-15.7	-9
Total		147.5	161.1	-8.4	-6
Operating income		(3.8)	5.2	-	
[Operating income margin]		[-2.6%]	[3.3%]		
Other/Elimination and Corporate****					
Sales		(47.9)	(60.2)	-	-
Operating income		(19.5)	(20.3)	-	
Total					
Sales:					
Japan		727.1	717.3	+1.4	+1
Outside Japan		379.1	382.7	-1.0	+4
Total		1,106.2	1,100.1	+0.6	+2
Operating income	Y	24.1	37.1	-34.9	
[Operating income margin]		[2.2%]	[3.4%]		

b. Net Sales* by Principal Products and Services

		Yen (Billions)		Change (%)	Excluding impact of changes in currency exchange rates(%)**
		2Q FY 2011 (7/1/11~9/30/11)	2Q FY 2010 (7/1/10~9/30/10)		
Technology Solutions					
Services:					
Solutions / System Integration	Y	207.7	207.0	+0.3	0
Infrastructure Services		376.9	380.0	-0.8	+1
		584.6	587.1	-0.4	+1
System Platforms:					
System Products		68.7	82.3	-16.5	-16
Network Products		72.9	65.6	+11.1	+14
		141.6	147.9	-4.2	-2
Total		726.2	735.0	-1.2	0
Ubiquitous Solutions					
PCs / Mobile Phones		207.4	186.9	+11.0	+11
Mobilewear		72.8	77.3	-5.8	-4
Total		280.3	264.3	+6.1	+7
Device Solutions					
LSI***		85.7	88.7	-3.4	-2
Electronic Components		62.1	72.7	-14.5	-11
Total	Y	147.5	161.1	-8.4	-6

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 fiscal 2010 to translate the current period's net sales outside Japan into yen.

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

**** "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.

Part II. Explanation of Financial Results

1. Overview of FY2011 Second-Quarter Consolidated Financial Results

Business Environment

During the first half of fiscal 2011 (April 1 – September 30, 2011), although the global economy was characterized by a mild recovery, the pace of this recovery decelerated in Europe and the United States as a result of deepening fiscal and financial problems as well as persistently high unemployment, and, in emerging market countries, by signs of a leveling-off in demand growth. In Japan, although economic conditions continued to improve with restoration of supply chains following the disruptions caused by the Great East Japan Earthquake of March 11, 2011, the current pace of the recovery eased, with signs in some industries of lower production and exports in the face of the sharp appreciation in the yen and the economic slowdown outside of Japan.

With respect to investment in information and communication technology (ICT) in Japan, a full-fledged recovery has yet to be seen as some companies maintain a cautious approach with regard to new investments. However, there is increasing interest in the use of cloud services for areas such as outsourcing and business continuity planning.

FY 2011 Second-Quarter Financial Results

(Billion Yen)

	2Q FY 2011 <i>7/1/11- 9/30/11</i>	1Q FY 2011 <i>4/1/11- 6/30/11</i>	2Q FY 2010 <i>7/1/10- 9/30/10</i>	1Q FY 2010 <i>4/1/10- 6/30/10</i>	Change vs. 2Q FY 2010	Change (%)	Change (%) Excl. Impact of FX Fluctuations
Net Sales	1,106.2	986.0	1,100.1	1,047.2	6.0	0.6	2
Cost of Sales	796.9	721.5	786.7	759.1	10.1	1.3	
Gross Profit	309.3	264.5	313.4	288.0	-4.1	-1.3	
[Gross Profit Margin]	[28.0%]	[26.8%]	[28.5%]	[27.5%]	[-0.5%]		
Selling, General and Administrative Expenses	285.1	281.7	276.3	278.0	8.8	3.2	
Operating Income (Loss)	24.1	-17.1	37.1	10.0	-12.9	-34.9	
[Operating Income Margin]	[2.2%]	[-1.7%]	[3.4%]	[1.0%]	[-1.2%]		
Other Income and Expenses	-8.0	-9.2	-4.2	-7.5	-3.8	-	
Income (Loss) Before Income Taxes	16.1	-26.3	32.9	2.4	-16.8	-51.1	
Income Taxes	-9.0	-3.0	14.2	-0.2	-23.2	-	
Income (Loss) Before Minority Interests	25.1	-23.3	18.7	2.6	6.4	34.3	
Minority Interests (Loss)	-1.0	-2.9	1.2	1.0	-2.3	-	
Net Income (Loss)	26.1	-20.4	17.4	1.6	8.7	50.0	

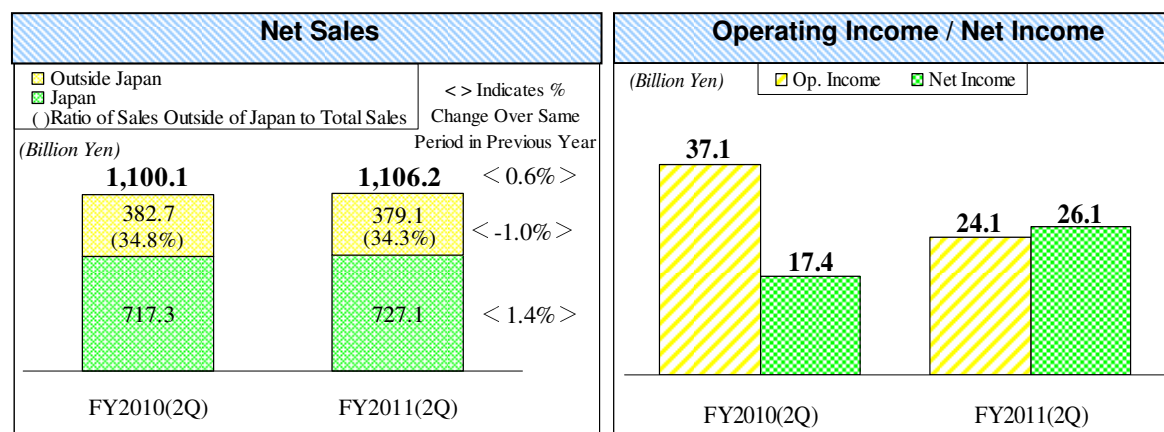
FY 2011 First-Half Consolidated Financial Results

(Billion Yen)

	FY 2011 First Half 4/1/11-9/30/11	FY 2010 First Half 4/1/10-9/30/10	Change vs. First Half FY 2010		Change (%) Excl. Impact of FX Fluctuations	Change vs. July 2011 projections
				Change (%)		
Net Sales	2,092.3	2,147.4	-55.1	-2.6	-1	-7.6
Operating Income [Operating Income Margin]	7.0 [0.3%]	47.1 [2.2%]	-40.1 [-1.9%]	- 85.0		2.0 (0.1%)
Net Income	5.7	19.0	-13.3	-69.8		5.7

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.

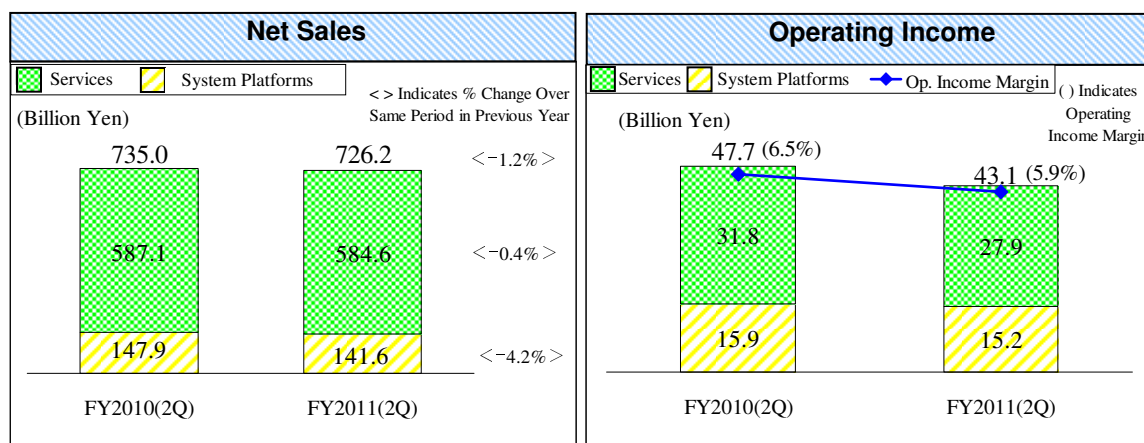
In other income and expenses, the company posted a 4.4 billion yen foreign currency translation adjustment loss stemming from the ongoing appreciation of the yen. In addition, the company recorded a 0.7 billion yen loss as a result of a change in the retirement benefits systems of certain consolidated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

3. Results by Business Segment

Information on fiscal 2011 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 726.2 billion yen (US\$9,431 million), down 1.2% from the second quarter of fiscal 2010. Sales in Japan fell by 2.2%. Although sales of mobile phone base stations for LTE* services increased, server-related sales declined because of fewer large-scale systems deals compared to the second quarter of fiscal 2010, and sales of network services also declined. In system integration services, although there were fewer large-scale systems deals compared to the second quarter of fiscal 2010, sales as a whole were essentially unchanged. Sales outside Japan were also on par with the same period of the previous fiscal year. Excluding the impact of exchange rate fluctuations, however, sales increased by 5%. Although there was a decline in North American sales of UNIX servers, sales of infrastructure services grew in Australia and Nordic regions.

(Billion Yen)		
	Second Quarter FY 2011	Change vs. 2Q FY 2010
Net Sales	726.2	-1.2%
Japan	471.9	-2.2%
Outside Japan	254.3	0.7%
Operating Income	43.1	-4.5

The segment posted operating income of 43.1 billion yen (US\$560 million), a decrease of 4.5 billion yen compared to the second quarter of fiscal 2010. In Japan, despite the positive impact of higher sales of mobile phone base stations and cost reductions in the x86 server business, income declined due to lower system integration services and server-related sales, as the result of fewer large-scale systems deals, as well as upfront investments in cloud services and networking. Outside Japan, operating income increased due to improved performance in European sales of infrastructure services.

(*) Long Term Evolution (LTE): A next-generation high-speed data communications standard that further improves on the 3G mobile phone data communications standard.

(1) Services

Net sales in the Services sub-segment amounted to 584.6 billion yen (US\$7,592 million), essentially unchanged from the same period a year earlier. In Japan, sales declined 2%. Sales of outsourcing services grew steadily, but sales of network services declined. For systems integration services, although there were signs of a recovery in some sectors, such as manufacturing and healthcare-related sectors, there were fewer public sector and other large-scale systems deals, and sales as a whole were essentially unchanged. Sales outside Japan increased 2.4%. Excluding the impact of currency fluctuations, sales increased by 6%. Fiscal austerity policies hit sales in the UK, and business in the Americas underperformed, but sales in Australia and Nordic regions increased.

(Billion Yen)

	Second Quarter FY 2011	Change vs. 2Q FY 2010
Net Sales	584.6	-0.4%
Japan	369.8	-2.0%
Outside Japan	214.7	2.4%
Operating Income	27.9	-3.9

Operating income for the Services sub-segment was 27.9 billion yen (US\$362 million), a decrease of 3.9 billion yen compared to the same period of fiscal 2010. In Japan, income declined due to the impact of fewer large-scale systems deals and continued upfront investments related to cloud services. Outside Japan, although business in the Americas was sluggish, operating income increased overall because of improved profitability in the company's private sector business in Europe.

(2) System Platforms

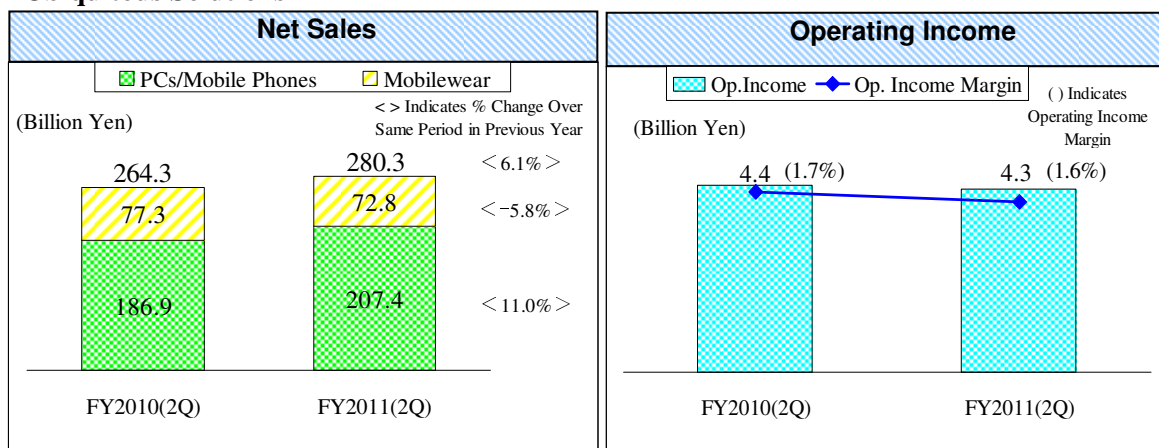
Net sales in the System Platforms sub-segment were 141.6 billion yen (US\$1,839 million), a decrease of 4.2% from the corresponding period of fiscal 2010. In Japan, sales declined 2.8%. Against a backdrop of higher network traffic volumes on account of the spread of smartphones, there were higher sales of mobile phone base stations for LTE services, but sales of servers and storage systems declined. This was in part due to a decline in the number of large-scale systems deals for the financial services sector and public sector compared to the same period in the previous fiscal year. Sales outside Japan declined 7.7%. Excluding the impact of currency fluctuations, sales decreased by 1%. Lower sales were also recorded for UNIX servers in North America.

(Billion Yen)

	Second Quarter FY 2011	Change vs. 2Q FY 2010
Net Sales	141.6	-4.2%
Japan	102.0	-2.8%
Outside Japan	39.5	-7.7%
Operating Income	15.2	-0.6

Operating income for the System Platforms sub-segment was 15.2 billion yen (US\$197 million), a decline of 0.6 billion yen compared to the corresponding period of fiscal 2010. In Japan, despite the negative impact of lower sales of servers and storage equipment, operating income increased due to the effects of higher sales of mobile phone base stations and cost reductions in the x86 server business. Outside Japan, although income in the x86 server business improved due to cost reductions, operating income declined on the impact of lower sales of UNIX servers and higher upfront investments, primarily in networking technologies.

Ubiquitous Solutions



Net sales in the Ubiquitous Solutions segment were 280.3 billion yen (US\$3,640 million), an increase of 6.1% compared to the same period in fiscal 2010. Sales in Japan increased 5.2%. Sales of PCs were essentially unchanged from the second quarter of fiscal 2010. Unit sales increased as lower prices in the consumer market sparked demand for replacement purchases, however, sales in enterprise market decreased on account of a delayed recovery in demand.

	(Billion Yen)	
	Second Quarter FY 2011	Change vs. 2Q FY 2010
Net Sales	280.3	6.1%
Japan	208.6	5.2%
Outside Japan	71.6	8.6%
Operating Income	4.3	-0

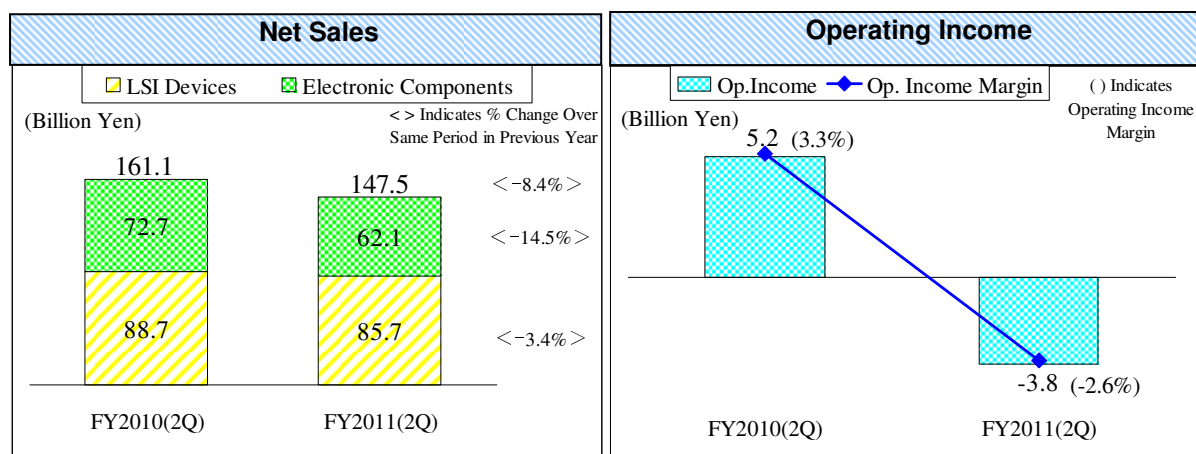
In the mobile phone business, sales increased as a result of the positive impact of the merger with Toshiba Corporation's mobile phone business beginning in October of fiscal 2010, as well as growth in the market for smartphones*. Sales of the mobilewear sub-segment's car audio and navigation systems declined, despite a pickup in automobile production starting in the first quarter, because of the impact of unfavorable comparisons with the second quarter of fiscal 2010, when last-minute demand was boosted prior to the expiration of the government's eco-car subsidy program. Sales outside Japan increased 8.6%. Unit sales of PCs increased, particularly in Europe. Sales of mobilewear devices also increased due to the impact of the normalization of automobile production outside Japan, which had been temporarily interrupted following the earthquake.

Operating income for Ubiquitous Solutions was 4.3 billion yen (US\$56 million), essentially unchanged from the second quarter of fiscal 2010. In Japan, despite the positive impact of cost reductions in PC operations against a backdrop of yen appreciation, income was negatively impacted by the trend towards lower sales prices for feature phones** and higher smartphone development costs in the mobile phone business. Those factors, in combination with the impact of a decline in mobilewear sales, caused operating income to decline. Outside Japan, although mobilewear was on par with the same period of the previous year, the PC business improved thanks to higher unit sales and the lower cost of parts procurement, driven by the weak US dollar, thereby resulting in an overall increase in operating income.

(*) Smartphone: A mobile handset equipped with personal digital assistant (PDA) functionality that can be freely customized like a PC.

(**) Feature phone: A standard mobile handset categorized differently than a smartphone.

Device Solutions



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

Net sales in Device Solutions amounted to 147.5 billion yen (US\$1,916 million), a decline of 8.4% compared to the second quarter of fiscal 2010. Sales in Japan declined 2.7%. LSI devices experienced lower demand for applications in digital audio-visual equipment, feature phones, and servers. In electronic components as well, sales of semiconductor packages were sluggish. Sales outside Japan declined 15.7%. Even excluding the impact of exchange rate fluctuations, sales declined 9.0%. Despite higher demand for applications in smartphones, sales of LSI devices outside Japan remained essentially unchanged from the second quarter of fiscal 2010 on lower sales for digital audio-visual applications. Sales of electronic components outside Japan declined on lower sales of semiconductor packages and batteries, primarily to markets in Asia.

	(Billion Yen)	
	Second Quarter FY 2011	Change vs. 2Q FY 2010
Net Sales	147.5	-8.4%
Japan	88.2	-2.7%
Outside Japan	59.2	-15.7%
Operating Income	-3.8	-9.0%

The Device Solutions segment recorded an operating loss of 3.8 billion yen (US\$49 million), representing a deterioration of 9 billion yen from the second quarter of fiscal 2010. Compared to the first quarter of fiscal 2011, net loss widened. In Japan, operating income from LSI devices declined due to the impact of lower sales and decline in the capacity utilization rates of production lines because of lower demand. Operating income from electronic components in Japan declined as efforts to generate cost efficiencies were unable to compensate for the impact of lower sales. Outside Japan, operating income from both LSI devices and electronic components declined because of yen appreciation and the impact of lower demand.

Selling, general and administrative expenses amounted to 566.8 billion yen, a year-on-year increase of 12.4 billion yen due to upfront investments in cloud services and network-related areas.

As a result, Fujitsu recorded operating income of 7.0 billion yen (US\$91 million), representing a decrease of 40.1 billion yen compared to the first half of fiscal 2010.

In other income and expenses, the company posted a 6.7 billion yen foreign currency translation adjustment loss stemming from the ongoing appreciation of the yen. In addition, the company recorded an 8.2 billion yen loss, primarily overhead expenses incurred during production stoppages due to customer-related issues and the aftershocks in April.

The company reported consolidated net income of 5.7 billion yen (US\$74 million) for the first half, representing a decline of 13.3 billion yen from the corresponding period 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.

Comparison to Consolidated Earnings Projections Announced in July 2011

Net sales were 7.6 billion yen lower than projected. Better-than-expected sales of mobilewear were seen owing to recovery of automobile production, however declining demand in the Device Solutions drove overall sales below projections. The appreciation of the yen had a moderate impact on sales of services, both in and outside Japan, although they proceeded mostly according to projections. Operating income exceeded projections by 2.0 billion yen. Despite the impact of low demand for device solutions, contributing to the higher income were increased demand for mobilewear, the effect of lower costs for PC parts owing to the weak US dollar, and group-wide efforts to streamline costs. Net income for the first half of the fiscal year was also 5.7 billion yen higher than projected due to factors such as decreased tax expenses in line with share transfers related to a group reorganization in Europe, originally expected to take place in the second half of fiscal 2011.

Results by Business Segment

Information on fiscal 2011 first-half consolidated 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 1,385.4 billion yen (US\$17,992 million), down 1.1% from the first half of fiscal 2010. In Japan, sales declined 1.3%. Sales of mobile phone base stations increased starting in the second quarter, boosted by heightened demand for base stations for LTE and other services. Overall, however, sales for the first half of 2011 declined due to the impact the Great East Japan Earthquake had on the first quarter. Outsourcing services achieved steady growth. For systems integration services, despite signs of a recovery in some sectors, such as the manufacturing and healthcare-related sectors, there was a decline in overall sales due to fewer large-scale systems deals compared to the same period of fiscal 2010 and the impact of the earthquake. Sales outside Japan were essentially unchanged from the first half of the previous year. Excluding the impact of currency fluctuations, however, sales increased by 3%. Although there was a decline in North American sales of UNIX servers, there were higher sales of optical transmission systems in the US, as well as higher sales of infrastructure services in Australia and other regions.

(Billion Yen)

	First Half FY 2011	Change vs. 1H FY 2010
Net Sales	1,385.4	-1.1%
Japan	874.6	-1.3%
Outside Japan	510.7	-0.8%
Operating Income	45.7	-10.6

The segment posted operating income of 45.7 billion yen (US\$594 million), a decrease of 10.6 billion yen compared to the first half of fiscal 2010. In Japan, income declined due to upfront investments in cloud services and networking, in addition to the impact of the earthquake. Outside Japan, despite the positive effects of higher sales of optical transmission systems in the US, income declined due to the impact of lower sales of infrastructure services resulting from fiscal austerity measures in the UK.

(1) Services

Net sales in the Services sub-segment amounted to 1,118.6 billion yen (US\$14,527 million), essentially unchanged from the same period a year earlier. In Japan, sales declined 1.7%. Although sales of outsourcing services grew steadily and systems integration services showed signs of recovery in some sectors, such as the manufacturing and healthcare-related sectors, sales declined overall on account of fewer large-scale systems in the public sector and the impact of the earthquake. Sales outside Japan were on par with the first half of fiscal 2010. Excluding the impact of currency fluctuations, however, sales increased by 4%. Fiscal austerity policies continued to impact sales in the UK, although sales in Australia and Nordic regions increased.

(Billion Yen)

	First Half FY 2011	Change vs. 1H FY 2010
Net Sales	1,118.6	-0.9%
Japan	687.8	-1.7%
Outside Japan	430.8	0.3%
Operating Income	30.0	-8.4

Operating income for the Services sub-segment amounted to 30.0 billion yen (US\$390 million), a decrease of 8.4 billion yen compared to the same period of fiscal 2010. In Japan, the effects of fewer large-scale systems deals and upfront investments in cloud services, in addition to the impact of the earthquake, led to a decline in income. Outside Japan, income was adversely impacted by a decline in sales associated with fiscal austerity measures in the UK.

(2) System Platforms

Net sales in the System Platforms sub-segment were 266.7 billion yen (US\$3,464 million), a decrease of 1.8% from the first half of fiscal 2010. In Japan, sales were essentially unchanged from the same period in the previous year. Although there were higher sales of dedicated servers for the Next-Generation Supercomputer system and mobile phone base stations for LTE and other services, server and storage system sales fell as a result of the impact of fewer large-scale systems deals in the financial services and public sectors

compared to the first half of fiscal 2010. Sales of network products were also affected by delays, primarily in the first quarter, in the procurement of some components stemming from the earthquake. Sales outside Japan declined 6.2% compared to the same period in the previous year. Excluding the impact of currency fluctuations, however, sales increased by 1%. While there were fewer sales of UNIX servers in North America, sales of optical transmission systems in the U.S. increased.

Operating income for the System Platforms sub-segment was 15.6 billion yen (US\$203 million), a decline of 2.1 billion yen compared to the first half of fiscal 2010. In Japan, higher sales of mobile phone base stations had a positive impact, although income declined as a result of fewer sales of servers and storage systems. Outside Japan, despite higher upfront investments, primarily in networking technologies, income improved due to the effect of cost reductions for x86 servers, as well as the effect of higher optical transmissions system sales.

(Billion Yen)		
	First Half FY 2011	Change vs. 1H FY 2010
Net Sales	266.7	-1.8%
Japan	186.8	0.2%
Outside Japan	79.9	-6.2%
Operating Income	15.6	-2.1

Ubiquitous Solutions

Net sales in the Ubiquitous Solutions segment were 515.8 billion yen (US\$6,699 million), a decline of 4.7% compared to the first half of fiscal 2010. Sales in Japan declined 5.6%. In PCs, although unit sales increased in the consumer market, overall sales declined due to the impact of escalating price competition and delays in a rebound of spending in the enterprise market. In the mobile phone business, despite lower unit sales of feature phones stemming from slowdowns in production and sales due to the earthquake, the positive impact of

the merger with Toshiba Corporation's mobile phone business, along with growth in the market for smartphones, led to higher sales. Sales of the mobilewear sub-segment's car audio and navigation systems declined on account of automobile production slowdowns stemming from the earthquake, as well as the impact of the expiration of the government's eco-car subsidy program in the first half of fiscal 2010. Sales outside Japan declined 1.7%. Excluding the impact of currency fluctuations, however, sales increased by 1%. Unit sales of PCs increased, particularly in Europe. Sales of mobilewear declined, having been impacted by interruptions in automobile production outside Japan in the first quarter due to the earthquake.

Operating income for Ubiquitous Solutions was 4.3 billion yen (US\$56 million), representing a decline in income of 10.7 billion yen compared to the first half of the previous year. Although the decline in sales of PCs in Japan was offset by cost reductions against a backdrop of yen appreciation, the mobile phone business was buffeted by a decline in production and sales following the earthquake, in addition to the effects of lower sales prices for feature phones and higher smartphone development costs. Those factors, in combination with the impact of a decline in sales of mobilewear due to the earthquake, caused operating income in Japan to decline. Outside Japan, although there was a decline in sales of mobilewear on account of the earthquake and yen appreciation, the PC business improved, owing to higher unit sales and the lower cost of parts procurement, driven by the weak US dollar, thereby resulting in an overall increase in operating income.

(Billion Yen)		
	First Half FY 2011	Change vs. 1H FY 2010
Net Sales	515.8	-4.7%
Japan	387.5	-5.6%
Outside Japan	128.2	-1.7%
Operating Income	4.3	-10.7

Device Solutions

Net sales in Device Solutions amounted to 288.4 billion yen (US\$3,745 million), a decline of 9.8% compared to the first half of fiscal 2010. Sales in Japan declined 2.9%. LSI device sales declined, despite the positive impact in the first quarter of sales from the final shipments of CPUs for the Next-Generation Supercomputer system. This was on account of the decline in sales resulting from the impact of the earthquake and sluggish demand, particularly for digital audio-visual equipment applications, even after supply chain problems had been resolved.

Sales of electronic components in Japan also declined, primarily because of sluggish demand for semiconductor packages. Sales outside Japan declined 18%. Even excluding the impact of exchange rate fluctuations, sales declined 11%. Sales of LSI devices remained essentially unchanged from the first half of fiscal 2010, but sales of electronic components declined on lower sales of semiconductor packages and batteries, primarily to Asia.

(Billion Yen)		
	First Half FY 2011	Change vs. 1H FY 2010
Net Sales	288.4	-9.8%
Japan	169.6	-2.9%
Outside Japan	118.8	-18.0%
Operating Income	-4.8	-16.1

The Device Solutions segment recorded a loss of 4.8 billion yen (US\$62 million), representing a deterioration of 16.1 billion yen from the first half of fiscal 2010. In Japan, operating income from LSI devices was adversely impacted by lower sales due to the earthquake and yen appreciation, the decreased rate of manufacturing line operation in line with falling demand and ongoing investment costs to enhance product competitiveness. Operating income from electronic components also declined due to the impact of lower sales and a sharp rise in the cost of some raw materials. Outside Japan, operating income from both LSI devices and electronic components declined as a result of lower demand and yen appreciation.

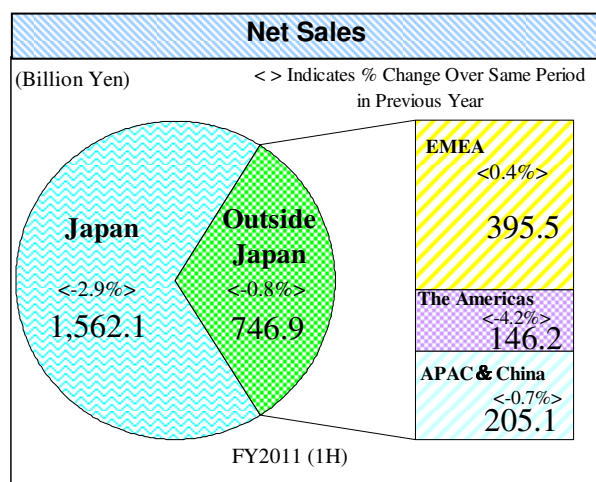
Other/Elimination and Corporate

This segment recorded an operating loss of 38.1 billion yen (US\$495 million), a deterioration of 2.5 billion yen from the first half of fiscal 2010. This was on account of up-front costs associated with the development of new businesses and other factors.

On June 2011 it was announced that the next-generation supercomputer, the “K computer,” co-developed by RIKEN and Fujitsu, had taken first place on the TOP500 list of supercomputer rankings. This achievement is the result of efforts such as bringing together group technologies to develop proprietary CPUs, delivering the first component in September 2010, and overcoming the challenges posed by the earthquake. Fujitsu has entered into the final stages of the project as the manufacturing of over 800 racks was completed. It aims to complete the supercomputer by 2012.

Geographic Information

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



Operating Income

(Billion Yen)

	Second Quarter FY 2011	Change vs. 2Q FY 2010	First Half FY 2011	Change vs. First Half FY 2010
Japan	43.8 [5.2%]	-12.5 [-1.6%]	48.5 [3.1%]	-39.4 [-2.4%]
Outside Japan	1.5 [0.4%]	1.2 [0.3%]	-3.4 [-0.5%]	0.6 [- %]
EMEA	-0.4 [-0.2%]	3.8 [1.9%]	-7.0 [-1.8%]	3.0 [0.8%]
The Americas	-0 [-0.0%]	-2.2 [-3.0%]	1.0 [0.7%]	-0.9 [-0.6%]
APAC & China	2.0 [1.9%]	-0.2 [-0.3%]	2.6 [1.3%]	-1.4 [-0.7%]

Note: Numbers inside brackets indicate operating income margin.

5. Financial Condition

[Assets, Liabilities and Net Assets]

(Billion Yen)

	Second Quarter FY 2011 (at Sept. 30, 2011)	Full Year FY 2010 (at March 31, 2011)	Change	Second Quarter FY 2010 (at Sept. 30, 2010)
Current assets	1,634.6	1,760.6	-125.9	1,645.3
(Cash and time deposits)	243.4	353.8	-110.4	228.8
(Notes and accounts receivable, trade)	722.6	877.0	-154.4	768.8
(Marketable securities)	106.2	10.8	95.4	91.4
(Inventories)	366.8	341.4	25.4	373.0
Non-current assets	1,221.3	1,263.4	-42.1	1,269.0
(Property, plant and equipment)	630.2	638.6	-8.4	644.5
(Intangible assets)	234.2	251.9	-17.7	255.3
(Investment securities and other non-current assets)	356.9	372.8	-15.9	369.1
Total Assets	2,855.9	3,024.0	-168.1	2,914.3
Current liabilities	1,401.9	1,507.8	-105.8	1,398.8
(Notes and accounts payable, trade)	534.9	604.2	-69.3	542.6
(Short-term borrowings and current portion of long-term debt)	271.8	225.5	46.2	228.2
(Accrued expenses)	302.5	323.1	-20.6	300.2
Long-term liabilities	534.1	562.5	-28.3	590.2
(Long-term debt)	246.4	245.2	1.1	257.7
(Accrued retirement benefits)	173.5	181.5	-8.0	193.6
Total Liabilities	1,936.1	2,070.3	-134.1	1,989.1
Shareholders' equity	899.4	903.9	-4.4	878.3
Accumulated other comprehensive income	-106.1	-82.6	-23.4	-89.5
Minority interests	126.4	132.4	-6.0	136.3
Total Net Assets	919.8	953.7	-33.9	925.2
Total Liabilities and Net Assets	2,855.9	3,024.0	-168.1	2,914.3

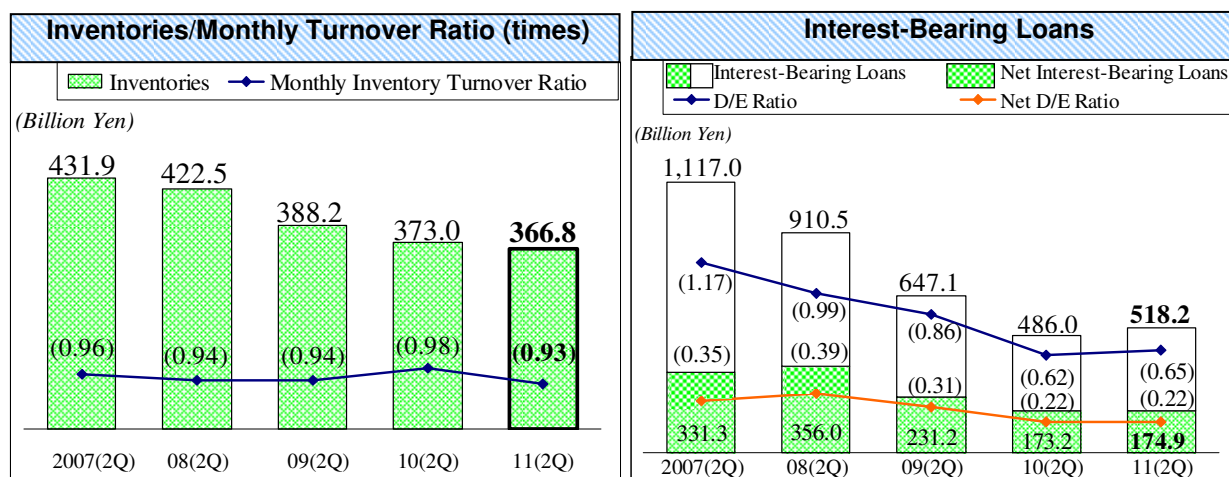
[Cash Flows]

(Billion Yen)

	First Half FY 2011 (4/1/11~9/30/11)	First Half FY 2010 (4/1/10~9/30/10)	Change
I. Cash Flows from Operating Activities:			
Income (loss) before income taxes and minority interests	-10.2	35.3	-45.6
Depreciation and amortization, including goodwill amortization	102.1	109.5	-7.4
(Increase) decrease in receivables, trade	124.4	131.0	-6.5
(Increase) decrease in inventories	-34.3	-57.8	23.5
Increase (decrease) in payables, trade	-49.1	-60.3	11.2
Net Cash Provided by Operating Activities	55.2	84.1	-28.9
II. Cash Flows from Investing Activities			
Purchases of property, plant and equipment	-68.7	-64.9	-3.8
Proceeds from sales of investment securities	0.7	32.3	-31.5
Net Cash Used in Investing Activities	-92.6	-56.3	-36.3
I + II Free Cash Flow	-37.4	27.8	-65.3
[excluding one-time items]	[-38.3]	[-4.5]	[-33.7]
III. Cash Flows from Financing Activities			
Net increase in borrowings (decrease)	92.0	12.3	79.7
Bond issue and redemption	-39.4	-99.9	60.4
Dividends paid	-11.3	-11.7	0.3
Net Cash Provided by (Used in) Financing Activities	27.5	-124.9	152.4
IV. Cash and Cash Equivalents at End of Period	343.2	312.7	30.4

Note: Free cash flow excluding one-time items excludes proceeds from sale of investment securities and proceeds from acquisition of subsidiaries' stock.

Explanation of Assets, Liabilities and Net Assets



Note: The monthly turnover ratio is calculated by taking first-half sales, dividing by the average balance of inventories in the first half, and then dividing by 6. The average balance of inventories in the second quarter is calculated using the average of the balances at the end of first quarter and second quarter.

Consolidated total assets at the end of the second quarter amounted to 2,855.9 billion yen (US\$37,090 million), a decrease of 168.1 billion yen from the end of fiscal 2010. Current assets totaled 1,634.6 billion yen, a decrease of 125.9 billion yen compared to the end of the prior fiscal year as a result of the collection of notes and accounts receivable associated with the high concentration of sales at the end of the previous fiscal year. In preparation for expected future sales, particularly in the services business and networking products, inventories at the end of the quarter increased to 366.8 billion yen, up 25.4 billion yen from the end of the previous fiscal year. The monthly inventory turnover ratio, which is an indication of asset utilization efficiency, was 0.93 times, a deterioration of 0.05 times compared to the same period in the previous fiscal year. This deterioration was the result of the lower level of sales in the first half of fiscal 2011 compared to the previous fiscal year's first half, due to the earthquake, and the inventories having been increased in preparation for an expected recovery of sales in the second half of fiscal 2011.

Non-current assets declined by 42.1 billion yen from the end of fiscal 2010, to 1,221.3 billion yen. Property, plant and equipment, and intangible assets decreased due to the impact of the appreciation of the yen on the value of the assets of European subsidiaries and because depreciation and amortization exceeded the level of capital expenditures in the first half.

Total liabilities amounted to 1,936.1 billion yen (US\$25,144 million), a decrease of 134.1 billion yen compared to the end of fiscal 2010, reflecting the payment of trade notes and accounts payable relating to the concentration of sales at the end of the previous fiscal year, as well as the payment of accrued expenses. The balance of interest-bearing loans was 518.2 billion yen, an increase of 47.4 billion yen from the end of fiscal 2010. Although 100.0 billion yen in convertible bonds was redeemed at maturity during the period, 50.0 billion yen in straight bonds was issued and short-term borrowings increased to finance a portion of working capital, which increased due to the impact of the earthquake. As a result, the D/E ratio was 0.65 times, a deterioration of 0.08 of a percentage point compared to the end of fiscal 2010, and the net D/E ratio was 0.22 times, a deterioration of 0.08 of a percentage point compared to the end of fiscal 2010. Both ratios were essentially unchanged from the levels at the end of the first half of the previous fiscal year.

Net assets were 919.8 billion yen (US\$11,945 million), a decrease of 33.9 billion yen from the end of fiscal 2010, in part attributable to a 23.4 billion yen decline in accumulated other comprehensive income as a result of yen appreciation. The owners' equity ratio increased to 27.8%, an improvement of 0.6 of a percentage point from the end of fiscal 2010 due to the decrease in consolidated total assets.

(Billion Yen)

	2Q FY 2011 (September 30, 2011)	FY 2010 (March 31, 2011)	Change	2Q FY 2010 (September 30, 2010)
Cash and cash equivalents	343.2	358.5	-15.3	312.7
Interest-bearing loans	518.2	470.8	47.4	486.0
Net interest-bearing loans	174.9	112.2	62.7	173.2
Owners' equity	793.3	821.2	-27.8	788.8

D/E ratio (times)	0.65	0.57	0.08	0.62
Net D/E ratio (times)	0.22	0.14	0.08	0.22
Shareholders' equity ratio	31.5 %	29.9 %	1.6 %	30.1 %
Owners' equity ratio	27.8 %	27.2 %	0.6 %	27.1 %

1. D/E ratio: Interest-bearing loans/Owners' equity.

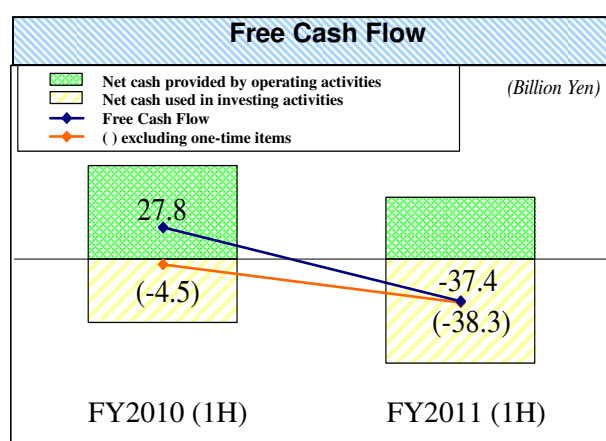
2. Net D/E ratio: (Interest-bearing loans – Cash and cash equivalents)/Owners' equity.

Summary of Cash Flows

Net cash flows provided by operating activities in the first half amounted to 55.2 billion yen (US\$717 million). This represents a decrease of 28.9 billion yen compared to the first half of fiscal 2010. The decrease was due to the deterioration in income before income taxes and minority interests as a result of the impact of the earthquake, resulting in a loss.

Net cash used in investing activities was 92.6 billion yen (US\$1,203 million). Outflows mainly consisted of the acquisition of property, plant and equipment, primarily related to datacenters.

Compared to the same period in fiscal 2010, net outflows increased by 36.3 billion yen, primarily reflecting a decrease in proceeds from the sale of investment securities, which amounted to 32.3 billion yen in the first half of fiscal 2010.



Note: Free cash flow excluding one-time items is free cash flow minus proceeds from the sale of investment securities and proceeds from the acquisition of subsidiaries' stock

Free cash flow, the sum of cash flows from operating and investing activities, was negative 37.4 billion yen (US\$486 million), a decline of 65.3 billion yen compared with the same period in the prior fiscal year. Excluding the impact of such one-time items as proceeds from the sale of investment securities, free cash flow was negative 38.3 billion yen, representing a deterioration of 33.7 billion yen from the same period in fiscal 2010. While there was a very large decrease in cash inflows in the first quarter due to the impact of the earthquake, cash inflows increased in the second quarter.

Net cash provided by financing activities was 27.5 billion yen (US\$357 million). Although 100.0 billion yen in convertible bonds were redeemed at maturity during the period, 50.0 billion yen in straight bonds were issued and short-term borrowings increased to finance a portion working capital, which increased due to the impact of the earthquake. Compared to the same period in the prior fiscal year, inflows increased by 152.4 billion yen.

As a result of the above factors, cash and cash equivalents at the end of the second quarter of fiscal 2011 were 343.2 billion yen (US\$4,457 million), a decrease of 15.3 billion yen compared to the end of fiscal 2010.

	(Billion Yen)					
	FY 2011			Change vs. FY 2010		
	First Quarter	Second Quarter	First Half	First Quarter	Second Quarter	First Half
Operating cash flow	-10.7	65.9	55.2	-53.9	25.0	-28.9
Investing cash flow	-36.5	-56.0	-92.6	-19.7	-16.6	-36.3
Free Cash Flow	-47.3	9.8	-37.4	-73.6	8.3	-65.3
Excluding one-time items	-48.1	9.8	-38.3	-53.1	19.3	-33.7

6. FY 2011 Consolidated Earnings Projections

For the first half of fiscal 2011, both net sales and operating income were in line with the projections announced in July 2011. Although Device Solutions fell short of expectations due to declining demand, a recovery in mobilewear sales exceeded projections. In addition, contributing to these results were the effects of cost reduction in PC and group-wide efforts to streamline expenses. The services business, both in and outside Japan, proceeded on par with projections. Net income surpassed expectation by 5.7 billion yen, primarily due to tax burden reductions originally expected in the second half of FY2011.

Taking these results into consideration, Fujitsu will revise its fiscal 2011 projections as follows.

In light of the strengthening Japanese yen, Fujitsu will revise its exchange rate projections to 77 yen to the US dollar, 105 yen to the Euro and 120 yen to the British pound. Fujitsu will revise its full-year net sales projections downward by 60 billion yen to the 4,540.0 billion yen from projections announced in July 2011. Technology Solutions is projected to decline by 30.0 billion yen. Factored into the projections for the services business is a 30.0 billion yen exchange rate impact due to the appreciating yen. Ubiquitous Solutions, overall, is expected to remain unchanged, however taken into account are the increasingly low prices of PC and mobile phones and the impact of the exchange rate, as well as the effect that recovery in automobile production will have on mobilewear. In addition, Device Solutions sales are projected to decline by 30.0 billion yen. LSI devices and electronic components are projected to decline by 10.0 billion yen and 20.0 billion yen, respectively. Fujitsu had expected a full-year impact from falling demand and the exchange rate, primarily on digital audio-visual applications in LSI devices and electronic components such as semiconductor packages.

There have been no changes made to full-year projections for operating income of 135.0 billion yen. However, it should be noted that income in Device Solutions is forecast to drop by 15.0 billion yen on account of falling demand, while a 5.0 billion yen increase is expected for Ubiquitous Solutions owing to the effect of PC cost reductions of parts procurement driven by the weak U.S. dollar, and increased demand for mobilewear. In the second half, owing to more streamlined expenses across the entire group, Other/Elimination and Corporate have been revised upwards by 10.0 billion yen.

The full-year projection for net income remains unchanged.

FY 2011 Full-Year Consolidated Forecast

(Billion Yen)

	Fiscal 2010 Full-Year Results	Fiscal 2011 Full-Year Forecast	Change vs. July Forecast	Change vs. FY 2010		<i>Change (%) Excl. Impact of FX Fluctuations</i>
					Change (%)	
Net Sales	4,528.4	4,540.0	-60.0	11.5	0.3	2
Operating Income [Operating Margin]	132.5 [2.9%]	135.0 [3.0%]	- [0.1%]	2.4 [0.1%]	1.8	
Net Income	55.0	60.0	-	4.9	8.9	

Operating Income by Business Segment

Technology Solutions	162.8	185.0	-	22.1	13.6
Services	117.3	135.0	-	17.6	15.0
System Platforms	45.5	50.0	-	4.4	9.8
Ubiquitous Solutions	22.6	20.0	5.0	-2.6	-11.8
Device Solutions	20.9	-	-15.0	-20.9	-
Other/Elimination and Corporate	-73.9	-70.0	10.0	3.9	-

Note: The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for fiscal 2010 to translate the current period's net sales outside Japan into yen.

7. 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 information and communication technologies 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.

II. First Half of Fiscal 2011 (April 1, 2011 to September 30, 2011)

1. Amount of Net Sales, Profit or Loss by Reportable Segments

(Million Yen)

	Reportable Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
External customers	1,344,946	460,665	254,874	2,060,485	25,885	2,086,370
Inter-segment	40,469	55,144	33,572	129,185	23,128	152,313
Total net sales	1,385,415	515,809	288,446	2,189,670	49,013	2,238,683
Operating Income (Loss)	45,722	4,335	-4,838	45,219	-1,099	44,120

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

2. Reconciliation of Net Sales and Operating Income or Loss of Reportable Segments with those of the Consolidated Income Statements

(Million Yen)

Reconciliation of Net Sales	Amount
Total of Reportable Segments	2,189,670
Net Sales of "Other" Category	49,013
Elimination of Intersegment Transactions	-146,366
Net Sales in Consolidated Income Statements	2,092,317

(Million Yen)

Reconciliation of Operating Income (Loss)	Amount
Total of Reportable Segments	45,219
Operating Loss of "Other" Category	-1,099
Corporate Expenses *	-36,534
Elimination of Intersegment Transactions	-535
Operating Income in Consolidated Income Statements	7,051

* 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.

III. First Half of Fiscal 2010 (April 1, 2010 to September 30, 2010)

1. Amounts of Net Sales, Profit or Loss by Reportable Segments

(Million Yen)

	Reportable Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
External customers	1,370,168	483,599	282,901	2,136,668	5,890	2,142,558
Inter-segment	30,637	57,609	36,746	124,992	24,643	149,635
Total net sales	1,400,805	541,208	319,647	2,261,660	30,533	2,292,193
Operating Income (Loss)	56,363	15,108	11,312	82,783	-5,326	77,457

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

2. Reconciliation of Net Sales and Operating Income or Loss of Reportable Segments with those of the Consolidated Income Statements

(Million Yen)

Reconciliation of Net Sales	Amount
Total of Reportable Segments	2,261,660
Net Sales of "Other" Category	30,533
Elimination of Intersegment Transactions	-144,741
Net Sales in Consolidated Income Statements	2,147,452

(Million Yen)

Reconciliation of Operating Income (Loss)	Amount
Total of Reportable Segments	82,783
Operating Loss of "Other" Category	-5,326
Corporate Expenses *	-30,476
Elimination of Intersegment Transactions	179
Operating Income in Consolidated Income Statements	47,160

* 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.

IV. Second Quarter of Fiscal 2011 (July 1, 2011 to September 30, 2011)

1. Amount of Net Sales, Profit or Loss by Reportable Segments

(Million Yen)

	Reportable Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
External customers	712,063	250,848	132,052	1,094,963	8,122	1,103,085
Inter-segment	14,205	29,519	15,516	59,240	12,297	71,537
Total net sales	726,268	280,367	147,568	1,154,203	20,419	1,174,622
Operating Income (Loss)	43,196	4,368	-3,810	43,754	-1,573	42,181

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

2. Reconciliation of Net Sales and Operating Income or Loss of Reportable Segments with those of the Consolidated Income Statements

(Million Yen)

Reconciliation of Net Sales	Amount
Total of Reportable Segments	1,154,203
Net Sales of "Other" Category	20,419
Elimination of Intersegment Transactions	-68,376
Net Sales in Consolidated Income Statements	1,106,246

(Million Yen)

Reconciliation of Operating Income (Loss)	Amount
Total of Reportable Segments	43,754
Operating Loss of "Other" Category	-1,573
Corporate Expenses *	-19,263
Elimination of Intersegment Transactions	1,272
Operating Income in Consolidated Income Statements	24,190

* 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.

V. Second Quarter of Fiscal 2010 (July 1, 2010 to September 30, 2010)

1. Amounts of Net Sales, Profit or Loss by Reportable Segments

(Million Yen)

	Reportable Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
External customers	718,469	233,292	142,888	1,094,649	2,703	1,097,352
Inter-segment	16,560	31,017	18,221	65,798	13,002	78,800
Total net sales	735,029	264,309	161,109	1,160,447	15,705	1,176,152
Operating Income (Loss)	47,789	4,445	5,257	57,491	-2,415	55,076

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

2. Reconciliation of Net Sales and Operating Income or Loss of Reportable Segments with those of the Consolidated Income Statements

(Million Yen)

Reconciliation of Net Sales	Amount
Total of Reportable Segments	1,160,447
Net Sales of "Other" Category	15,705
Elimination of Intersegment Transactions	-75,960
Net Sales in Consolidated Income Statements	1,100,192

(Million Yen)

Reconciliation of Operating Income (Loss)	Amount
Total of Reportable Segments	57,491
Operating Loss of "Other" Category	-2,415
Corporate Expenses *	-16,985
Elimination of Intersegment Transactions	-935
Operating Income in Consolidated Income Statements	37,156

* 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.

(Additional Information)

Geographical Information

Net Sales

First Half of Fiscal 2011 (April 1, 2011 to September 30, 2011) (Million Yen)

Japan	Outside Japan				Total
	EMEA	The Americas	APAC/China	Sub-total	
1,346,806 (64.4%)	392,843 (18.8%)	149,703 (7.1%)	202,965 (9.7%)	745,511 (35.6%)	2,092,317 (100.0%)

First Half of Fiscal 2010 (April 1, 2010 to September 30, 2010) (Million Yen)

Japan	Outside Japan				Total
	EMEA	The Americas	APAC/China	Sub-total	
1,371,741 (63.9%)	395,585 (18.4%)	166,435 (7.7%)	213,691 (10.0%)	775,711 (36.1%)	2,147,452 (100.0%)

Second Quarter of Fiscal 2011 (July 1, 2011 to September 30, 2011) (Million Yen)

Japan	Outside Japan				Total
	EMEA	The Americas	APAC/China	Sub-total	
727,130 (65.7%)	200,710 (18.2%)	74,401 (6.7%)	104,005 (9.4%)	379,116 (34.3%)	1,106,246 (100.0%)

Second Quarter of Fiscal 2010 (July 1, 2010 to September 30, 2010) (Million Yen)

Japan	Outside Japan				Total
	EMEA	The Americas	APAC/China	Sub-total	
717,397 (65.2%)	196,041 (17.8%)	83,007 (7.6%)	103,747 (9.4%)	382,795 (34.8%)	1,100,192 (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
 - The Americas: US, Canada
 - APAC (Asia-Pacific) & China: Australia, Singapore, Korea, Taiwan, China
- Figures in parentheses represent percentage of segment sales to consolidated net sales.

8. Notes to Consolidated Financial Statements

(1) Significant Changes to Subsidiaries in the Current Reporting Period (changes to specified subsidiaries resulting from changes in scope of consolidation)

There are none.

(2) Assumptions of a Going Concern

There are none.

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement

There are none.

(4) Compliance with Quarterly Review Procedures

These materials fall outside the jurisdiction of the quarterly review procedures of the Financial Instruments and Exchange Act. Therefore, at the time of disclosure, a portion of the review has not yet been completed. Upon completion of the review, a statutory quarterly report will be submitted on November 10, 2011.

(5) Significant Changes in Shareholders' Equity

There are none.

(6) Consolidated Per Share Data

The calculations basis for earnings per share in the first half and second quarter, as well as diluted earnings per share is as follows:

	FY2011 4/1/11-9/30/11	FY2010 4/1/10-9/30/10
1. Earnings per share (yen)	2.79	9.22
{Calculation basis}		
Net income (million yen)	5,774	19,089
Deduction from net income (million yen)	-	-
Net income for common share (million yen)	5,774	19,089
Average number of common shares outstanding (thousand shares)	2,069,614	2,069,788
2. Diluted earnings per share (yen)	2.79	9.02
{Calculation basis}		
Adjustment for net income (million yen)	-10	588
[Adjustment related to dilutive securities issued by subsidiaries and affiliates (million yen)]	[-10]	[-35]
[Bonds payable and other costs (million yen)]	-	[623]
Increase in number of common shares (thousand shares)	-	111,111

	FY2011 7/1/11-9/30/11	FY2010 7/1/10-9/30/10
1. Earnings per share (yen)	12.65	8.43
{Calculation basis}		
Net income (million yen)	26,178	17,448
Deduction from net income (million yen)	-	-
Net income for common share (million yen)	26,178	17,448
Average number of common shares outstanding (thousand shares)	2,069,605	2,069,772
2. Diluted earnings per share (yen)	12.65	8.14
{Calculation basis}		
Adjustment for net income (million yen)	-4	298
[Adjustment related to dilutive securities issued by subsidiaries and affiliates (million yen)]	[-4]	[-16]
[Bonds payable and other costs (million yen)]	[-]	[313]
Increase in number of common shares (thousand shares)	-	111,111

(7) 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 "FY2011 Consolidated Earnings Projections" on page 33.

- 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

(Additional Information)

In addition, starting with the current reporting 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).

Part III: Supplementary Information

1. Forecast for FY 2011 Consolidated Business Segment Information

a. Net Sales* and Operating Income

		Yen (Billions) FY2011 Current Forecast**	Change vs. Previous Forecast***	Yen (Billions) FY 2010 (Actual)	Change(%) vs. FY2010	Excluding impact of changes in currency exchange rates(%)****
Technology Solutions						
Sales:						
Japan	Y	1,940.0	-	1,942.1	-0.1	-0
Outside Japan		1,080.0	-30.0	1,072.1	+0.7	+6
Total		3,020.0	-30.0	3,014.3	+0.2	+2
Operating income:						
Services		135.0	-	117.3	+15.0	
[Operating income margin]		[5.6 %]	[+0.1 %]	[4.9 %]		
System Platforms		50.0	-	45.5	+9.8	
[Operating income margin]		[8.3 %]	[- %]	[7.7 %]		
Total operating income		185.0	-	162.8	+13.6	
[Operating income margin]		[6.1 %]	[- %]	[5.4 %]		
Ubiquitous Solutions						
Sales:						
Japan		885.0	+5.0	851.6	+3.9	+4
Outside Japan		275.0	-5.0	273.9	+0.4	+5
Total		1,160.0	-	1,125.6	+3.1	+4
Operating income		20.0	+5.0	22.6	-11.8	
[Operating income margin]		[1.7 %]	[+0.4 %]	[2.0 %]		
Device Solutions						
Sales:						
Japan		350.0	-10.0	361.3	-3.1	-3
Outside Japan		250.0	-20.0	269.2	-7.2	0
Total		600.0	-30.0	630.6	-4.9	-2
Operating income		-	-15.0	20.9	-	
[Operating income margin]		[0.0 %]	[-2.4 %]	[3.3 %]		
Other/Elimination and Corporate*****						
Sales		(240.0)	-	(242.2)	-	-
Operating income		(70.0)	+10.0	(73.9)	-	
Total						
Sales:						
Japan		2,965.0	-5.0	2,941.0	+0.8	+1
Outside Japan		1,575.0	-55.0	1,587.3	-0.8	+5
Total		4,540.0	-60.0	4,528.4	+0.3	+2
Operating income	Y	135.0	-	132.5	+1.8	
[Operating income margin]		[3.0 %]	[+0.1 %]	[2.9 %]		
< Ratio of sales outside Japan >		< 34.7 % >	< -0.7 % >	< 35.1 % >		

b. Net Sales* by Principal Products and Services

		Yen (Billions)		Yen (Billions)		Excluding impact of changes in currency exchange rates(%)****
		FY2011	Change vs. Previous Forecast***	FY 2010 (Actual)	Change(%) vs. FY2010	
		Current Forecast**				
Technology Solutions						
Services:						
	Solutions / System Integration	Y 830.0	-	830.0	-	0
	Infrastructure Services	1,590.0	-30.0	1,589.5	+0.0	+3
		2,420.0	-30.0	2,419.5	+0.0	+2
System Platforms:						
	System Products	320.0	-	326.5	-2.0	-1
	Network Products	280.0	-	268.2	+4.4	+8
		600.0	-	594.8	+0.9	+3
	Total	3,020.0	-30.0	3,014.3	+0.2	+2
Ubiquitous Solutions						
	PCs / Mobile Phones	890.0	-10.0	842.5	+5.6	+7
	Mobilewear	270.0	+10.0	283.1	-4.6	-3
	Total	1,160.0	-	1,125.6	+3.1	+4
Device Solutions						
	LSI*****	330.0	-10.0	343.7	-4.0	-2
	Electronic Components	270.0	-20.0	288.5	-6.4	-2
	Total	Y 600.0	-30.0	630.6	-4.9	-2

Notes:

- * Net sales include intersegment sales.
- ** Current forecast as of October 26, 2011.
- *** Previous forecast as of July 28, 2011.
- **** The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for the fiscal 2010 to translate the current period's net sales outside Japan into yen.
- ***** Sales figures for LSI include intrasegment sales to the electronic components segment.
- ***** "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.

2. Miscellaneous Forecasts for FY 2011

a. R&D Expenses

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	FY 2010		FY 2011		Change vs. previous forecast*
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
	113.5	236.2	116.5	250.0	-
As % of sales	5.3%	5.2%	5.6%	5.5%	0.1%

b. Capital Expenditures and Depreciation

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	FY 2010		FY 2011		Change vs. previous forecast*
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
Capital Expenditures					
Technology Solutions	Y 29.6	67.2	35.7	85.0	-
Ubiquitous Solutions	7.3	15.5	7.0	15.0	-
Device Solutions	18.6	39.4	22.1	55.0	-
Other/Corporate	3.5	8.0	0.3	5.0	-
Total	<u>59.2</u>	<u>130.2</u>	<u>65.3</u>	<u>160.0</u>	-
Depreciation	Y 69.8	141.6	64.3	140.0	-

c. Cash Flows

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	FY 2010		FY 2011		Change vs. previous forecast*
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
(A) Cash flows from operating activities	Y 84.1	255.5	55.2	300.0	-
[Net income]	[19.0]	[55.0]	[5.7]	[60.0]	-
[Depreciation & goodwill amortization]	[109.5]	[223.3]	[102.1]	[220.0]	-
[Others]	[(44.4)]	[(22.9)]	[(52.6)]	[20.0]	-
(B) Cash flows from investing activities	(56.3)	(142.1)	(92.6)	(200.0)	-
(C) Free cash flow (A)+(B)	27.8	113.4	(37.4)	100.0	-
(D) Cash flows from financing activities	(124.9)	(166.9)	27.5	(110.0)	-
(E) Total (C)+(D)	Y <u>(97.0)</u>	<u>(53.5)</u>	<u>(9.9)</u>	<u>(10.0)</u>	-

Notes:

* Previous forecast as of July 28, 2011.

d. Exchange Rates

Average rates:

	Yen		Yen		Yen
	FY 2010		FY 2011		Change vs.
	1H	2H	1H	2H	previous
	(Actual)	(Actual)	(Actual)	(Forecast)	forecast*
U.S. dollar	89	82	80	77	-3
Euro	114	112	114	105	-5
British pound	135	131	129	120	-10

Reference information: A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in 2H FY 2011.

U.S. dollar : Increase/decrease by approximately 0.6 billion yen.

Euro : Increase/decrease by approximately 0.2 billion yen.

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

e. PC Shipments

(Million Units)		(Million Units)		(Million Units)
FY 2010		FY 2011		Change vs.
1H	Full-year	1H	Full-year	previous
(Actual)	(Actual)	(Actual)	(Forecast)	forecast*
2.48	5.42	2.71	6.60	-

f. Mobile Phone Shipments

(Million Units)		(Million Units)		(Million Units)
FY 2010		FY 2011		Change vs.
1H	Full-year	1H	Full-year	previous
(Actual)	(Actual)	(Actual)	(Forecast)	forecast*
3.00	6.70	3.40	7.00	-

Notes:

* Previous forecast as of July 28, 2011.