

July 28, 2011

FY 2011 First-Quarter Financial Results
April 1, 2011 - June 30, 2011

Fujitsu Limited

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Part I: Financial Tables

1. Summary of FY 2011 First-Quarter Consolidated Results

a. Summary of Consolidated Statements of Operations

	Yen	
	(Millions, except per share data)	
	1Q FY 2011	1Q FY 2010
	(4/1/11~6/30/11)	(4/1/10~6/30/10)
Net sales	Y 986,071	1,047,260
Operating income (loss)	(17,139)	10,004
Income (loss) before income taxes and minority interests	(26,379)	2,418
Net income (loss)	(20,404)	1,641
Net income (loss) per common share:		
Basic	(9.86)	0.79
Diluted	-	0.78
Comprehensive income	Y (26,607)	(16,208)

b. Summary of Consolidated Financial Condition

	Yen	
	(Millions, except per share data)	
	June 30, 2011	March 31, 2011
Total assets	Y 2,932,197	3,024,097
Net assets	916,576	953,779
Owners' equity	787,716	821,244
Owners' equity ratio	26.9%	27.2%

2. Dividends Per Share of Common Stock

	Yen	
	FY 2010	FY2011
First-quarter ended June 30	Y -	-
Second-quarter ended September 30	5.00	5.00 (Forecast)
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-quarter 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-quarter FY 2011	398,376	shares
Full-year FY 2010	386,227	shares

c. Average number of issued and outstanding shares during quarter

First-quarter FY 2011	2,069,624,363	shares
First-quarter FY 2010	2,069,804,353	shares

4. Consolidated Earnings Forecast for FY 2011

		Yen	
		(Billions, except per share data)	
		<u>First half FY2011</u>	<u>Full year FY2011</u>
Net sales	Y	2,100.0	4,600.0
Operating income		50.0	135.0
Net income		0.0	60.0
Net income			
per common share	Y	0.00	28.99

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

	Yen (Millions)	
	1Q FY 2011 (4/1/11~6/30/11)	1Q FY 2010 (4/1/10~6/30/10)
Net sales	Y 986,071	1,047,260
Cost of sales	721,504	759,163
Gross profit	264,567	288,097
Selling, general and administrative expenses	281,706	278,093
Operating income (loss)	(17,139)	10,004
Other income:		
Interest income	750	844
Dividend income	2,386	2,289
Equity in earnings of affiliates, net	2,010	800
Gain on negative goodwill	-	1,140
Others	1,396	4,494
Total other income	6,542	9,567
Other expenses:		
Interest expense	2,463	3,456
Loss on foreign exchange, net	2,207	4,706
Loss on disposal of property, plant and equipment and intangible assets	202	606
Loss on disaster	7,529	-
Loss on adjustment for adoption of accounting standard for asset retirement obligation	-	4,113
Impairment loss	-	1,250
Others	3,381	3,022
Total other expenses	15,782	17,153
Income (loss) before income taxes and minority interests	(26,379)	2,418
Income taxes:		
Current	3,641	3,248
Deferred	(6,682)	(3,519)
Total income taxes	(3,041)	(271)
Income (loss) before minority interests	(23,338)	2,689
Minority interests	(2,934)	1,048
Net income (loss)	Y (20,404)	1,641

Consolidated Statements of Comprehensive Income

	Yen	
	(Millions)	
	<u>1Q FY 2011</u>	<u>1Q FY 2010</u>
	<u>(4/1/11~6/30/11)</u>	<u>(4/1/10~6/30/10)</u>
Income (loss) before minority interests	Y (23,338)	2,689
Other comprehensive income:		
Unrealized gain and loss on securities, net of taxes	475	(3,179)
Deferred hedge gain and loss	(18)	63
Foreign currency translation adjustments	(3,059)	(15,326)
Share of other comprehensive income of associates accounted for using equity method	<u>(667)</u>	<u>(455)</u>
Total other comprehensive income	<u>(3,269)</u>	<u>(18,897)</u>
Comprehensive income:	<u>(26,607)</u>	<u>(16,208)</u>
< breakdown >		
Comprehensive income attributable to owners of the parent	(23,355)	(16,146)
Comprehensive income attributable to minority interests	Y (3,252)	(62)

6. FY2011 First-Quarter Consolidated Business Segment Information

a. Net Sales* and Operating Income

		Yen (Billions)		Change(%)	Change excluding earthquake impact (%)**
		1Q FY 2011 (4/1/11~6/30/11)	1Q FY 2010 (4/1/10~6/30/10)		
Technology Solutions					
Sales:					
Japan	Y	402.7	403.6	-0.2	+1
Outside Japan		256.3	262.0	-2.2	-2
Total		659.1	665.7	-1.0	-0
Operating income:					
Services		2.0	6.6	-68.7	-54
[Operating income margin]		[0.4%]	[1.2%]		
System Platforms		0.4	1.9	-76.8	-36
[Operating income margin]		[0.4%]	[1.6%]		
Total operating income		2.5	8.5	-70.5	-50
[Operating income margin]		[0.4%]	[1.3%]		
Ubiquitous Solutions					
Sales:					
Japan		178.8	212.3	-15.8	-2
Outside Japan		56.5	64.5	-12.3	-5
Total		235.4	276.8	-15.0	-3
Operating income					
		(-0.0)	10.6	-	-6
[Operating income margin]		[-0.0%]	[3.9%]		
Device Solutions					
Sales:					
Japan		81.3	83.9	-3.2	+3
Outside Japan		59.5	74.5	-20.1	-20
Total		140.8	158.5	-11.1	-8
Operating income					
		(1.0)	6.0	-	-97
[Operating income margin]		[-0.7%]	[3.8%]		
Other/Elimination and Corporate****					
Sales		(49.3)	(53.9)	-	-
Operating income		(18.6)	(15.2)	-	-
Total					
Sales:					
Japan		619.6	654.3	-5.3	+1
Outside Japan		366.3	392.9	-6.7	-6
Total		986.0	1,047.2	-5.8	-2
Operating income					
	Y	(17.1)	10.0	-	-
[Operating income margin]		[-1.7%]	[1.0%]		

b. Net Sales* by Principal Products and Services

		Yen (Billions)		Change (%)	Change excluding earthquake impact (%)**	
		1Q FY 2011 (4/1/11~6/30/11)	1Q FY 2010 (4/1/10~6/30/10)			
Technology Solutions						
Services:						
	Solutions / System Integration	Y	168.5	172.4	-2.3	-0
	Infrastructure Services		365.5	369.6	-1.1	-1
			<u>534.0</u>	<u>542.0</u>	-1.5	-1
System Platforms:						
	System Products		62.8	54.3	+15.7	+16
	Network Products		62.2	69.3	-10.3	-6
			<u>125.1</u>	<u>123.6</u>	+1.1	+4
	Total		<u><u>659.1</u></u>	<u><u>665.7</u></u>	-1.0	-0
Ubiquitous Solutions						
	PCs / Mobile Phones		190.8	202.7	-5.8	-2
	Mobilewear		44.5	74.1	-39.9	-7
	Total		<u><u>235.4</u></u>	<u><u>276.8</u></u>	-15.0	-3
Device Solutions						
	LSI***		77.0	80.5	-4.3	+3
	Electronic Components		64.0	78.4	-18.3	-19
	Total	Y	<u><u>140.8</u></u>	<u><u>158.5</u></u>	-11.1	-8

Notes:

* Net sales include intersegment sales.

** The decline in sales and increased costs are estimated in line with production and sales plans revised as a result of the earthquake for first-quarter of fiscal 2011.

*** 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-Quarter Consolidated Balance Sheets

	Yen	
	(Millions)	
	<u>June 30</u> <u>2011</u>	<u>March 31</u> <u>2011</u>
Assets		
Current assets:		
Cash and time deposits	Y 269,798	353,892
Notes and accounts receivable, trade	725,906	877,069
Marketable securities	111,431	10,802
Finished goods	168,115	150,685
Work in process	126,293	112,995
Raw materials	87,787	77,758
Deferred tax assets	82,155	76,666
Others	131,542	115,541
Allowance for doubtful accounts	(14,597)	(14,781)
Total current assets	<u>1,688,430</u>	<u>1,760,627</u>
Non-current assets:		
Property, plant and equipment, net of accumulated depreciation:		
Buildings	277,415	277,844
Machinery	98,384	100,803
Equipment	123,563	126,101
Land	117,597	117,481
Construction in progress	15,199	16,413
Total property, plant and equipment	<u>632,158</u>	<u>638,642</u>
Intangible assets:		
Software	132,116	135,118
Goodwill	76,040	80,083
Others	35,047	36,757
Total intangible assets	<u>243,203</u>	<u>251,958</u>
Other non-current assets:		
Investment securities	150,734	152,361
Deferred tax assets	72,465	72,093
Others	151,965	155,351
Allowance for doubtful accounts	(6,758)	(6,935)
Total other non-current assets	<u>368,406</u>	<u>372,870</u>
Total non-current assets	<u>1,243,767</u>	<u>1,263,470</u>
Total assets	<u>Y 2,932,197</u>	<u>3,024,097</u>

	Yen (Millions)	
	June 30 2011	March 31 2011
Liabilities and net assets		
Liabilities		
Current liabilities:		
Notes and accounts payables, trade	Y 509,344	604,264
Short-term borrowings	280,608	125,554
Current portion of bonds payable	10,229	100,000
Lease obligations	21,219	24,470
Accrued expenses	282,669	323,144
Accrued income taxes	13,574	23,617
Provision for product warranties	25,655	25,254
Provision for construction contract losses	15,261	21,392
Provision for bonuses to board members	-	125
Others	283,836	259,988
Total current liabilities	1,442,395	1,507,808
Long-term liabilities:		
Bonds payable	180,300	180,300
Long-term borrowings	77,152	64,969
Lease obligations	26,054	26,775
Deferred tax liabilities	33,790	33,755
Revaluation of deferred tax liabilities	575	575
Accrued retirement benefits	180,443	181,572
Provision for loss on repurchase of computers	15,789	16,320
Provision for recycling expenses	6,587	6,363
Provision for product warranties	2,203	2,207
Others	50,333	49,674
Total long-term liabilities	573,226	562,510
Total liabilities	2,015,621	2,070,318
Net assets		
Shareholders' equity:		
Common stock	324,625	324,625
Capital surplus	236,436	236,437
Retained earnings	312,453	343,072
Treasury stock	(218)	(214)
Total shareholders' equity	873,296	903,920
Accumulated other comprehensive income:		
Unrealized gain and loss on securities, net of taxes	14,077	13,564
Deferred hedge gain and loss	(218)	454
Revaluation surplus on land	2,363	2,363
Foreign currency translation adjustments	(101,802)	(99,057)
Total accumulated other comprehensive income	(85,580)	(82,676)
Subscription rights to shares	55	76
Minority interests	128,805	132,459
Total net assets	916,576	953,779
Total liabilities and net assets	Y 2,932,197	3,024,097

8. FY2011 First-Quarter Consolidated Statements of Cash Flows

	Yen	
	(Millions)	
	1Q FY 2011 <u>(4/1/11~6/30/11)</u>	1Q FY 2010 <u>(4/1/10~6/30/10)</u>
1. Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	Y (26,379)	2,418
Depreciation and amortization	47,831	50,830
Impairment loss	-	1,250
Goodwill amortization	3,784	3,981
Increase (decrease) in provisions	(5,290)	(17,187)
Interest and dividend income	(3,136)	(3,133)
Interest charges	2,463	3,456
Equity in earnings of affiliates, net	(2,010)	(800)
Disposal of non-current assets	582	1,259
(Increase) decrease in receivables, trade	147,128	154,693
(Increase) decrease in inventories	(42,150)	(45,654)
Increase (decrease) in payables, trade	(92,114)	(62,482)
Other, net	(19,920)	(29,311)
Cash generated from operations	10,789	59,320
Interest and dividends received	2,506	2,516
Interest paid	(5,697)	(4,047)
Income taxes paid	(18,317)	(14,546)
Net cash provided by (used in) operating activities	(10,719)	43,243
2. Cash flows from investing activities:		
Purchases of property, plant and equipment	(27,966)	(29,057)
Proceeds from sales of property, plant and equipment	1,351	2,458
Purchases of intangible assets	(10,828)	(10,360)
Purchases of investment securities	(234)	(1,480)
Proceeds from sales of investment securities	768	21,396
Income from acquisition of subsidiaries' stock resulting from change in scope of consolidation	45	-
Other, net	274	190
Net cash used in investing activities	(36,590)	(16,853)
1+2 [Free Cash Flow]	(47,309)	26,390
3. Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	145,844	90,209
Proceeds from long-term debt	27,500	2,180
Repayment of long-term debt	(5,283)	(5,327)
Proceeds from issuance of bonds	10,139	8,605
Repayment of bonds	(100,000)	(100,000)
Proceeds from sales of treasury stock	4	4
Purchase of treasury stock	(8)	(34)
Dividends paid	(11,352)	(11,754)
Other, net	(7,147)	(18,334)
Net cash provided by (used in) financing activities	59,697	(34,451)
4. Effect of exchange rate changes on cash and cash equivalents	(831)	(12,958)
5. Net increase (decrease) in cash and cash equivalents	11,557	(21,019)
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 374,221	399,172

Part II. Explanation of Financial Results

1. Overview of FY2011 First-Quarter Consolidated Financial Results

Business Environment

During the first quarter of fiscal 2011 (April 1 – June 30, 2011), the global economy was characterized by a mild recovery supported by growing demand in emerging markets, despite persistently high unemployment in Europe and the US as well as ongoing fiscal austerity measures and financial instability in Europe. In Japan, following the Great East Japan Earthquake of March 11, 2011, corporate activities such as production and exports stagnated, and consumer spending remained weak. However, signs have begun to emerge of a rebound associated with the resolution of supply chain problems, and uncertainties about the country's near-term economic prospects have begun to dissipate.

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

FY 2011 First-Quarter Financial Results

(Billion Yen)

	1Q FY 2011 4/1/11- 6/30/11	1Q FY 2010 4/1/10- 6/30/10	1Q FY 2009 4/1/09- 6/30/09	Change vs. 1Q FY 2010		Change (%) Excluding Earthquake Impact
					Change (%)	
Net Sales	986.0	1,047.2	1,044.3	-61.1	-5.8	-2
Cost of Sales	721.5	759.1	787.7	-37.6	-5.0	
Gross Profit [Gross Profit Margin]	264.5 [26.8%]	288.0 [27.5%]	256.5 [24.6%]	-23.5 [-0.7%]	-8.2 -	
Selling, General and Administrative Expenses	281.7	278.0	293.6	3.6	1.3	
Operating Income (Loss) [Operating Income Margin]	-17.1 [-1.7%]	10.0 [1.0%]	-37.1 [-3.6%]	-27.1 [-2.7%]	-	-
Other Income and Expenses	-9.2	-7.5	-2.7	1.6	-	
Income (Loss) Before Income Taxes	-26.3	2.4	-39.8	-28.7	-	
Income Taxes	-3.0	-0.2	-8.5	-2.7	-	
Income (Loss) Before Minority Interests	-23.3	2.6	-31.3	-26.0	-	
Minority Interests (Loss)	-2.9	1.0	-2.1	-3.9	-	
Net Income (Loss)	-20.4	1.6	-29.1	-22.0	-	

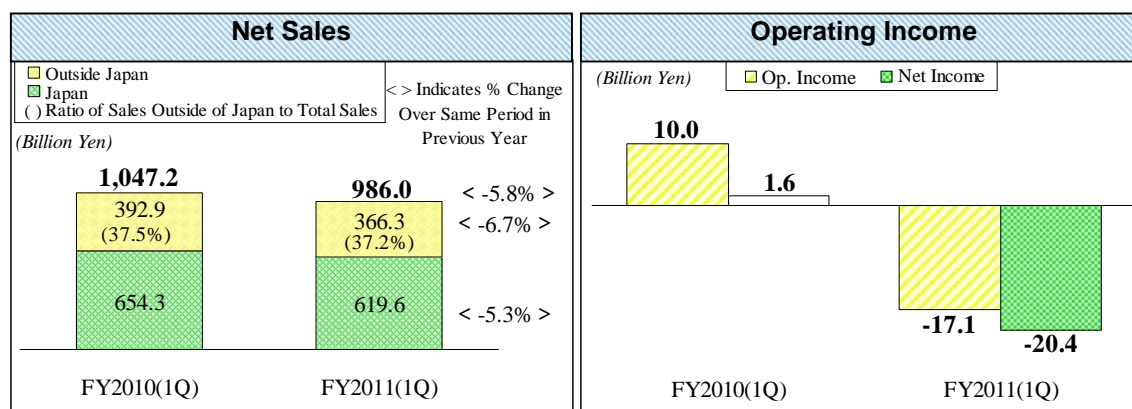
First Quarter FY2011 Major Items in Other Income and Expenses

(Billion Yen)

Item	Amount	Description
Expense	-7.5	Loss on disaster caused by the Great East Japan Earthquake of March 11, 2011
	-5.8	Includes overhead costs, such as personnel costs and depreciation expenses incurred during production and work stoppages
	-1.7	Expenses incurred in support of customer recovery efforts

2. Profit and Loss

Note: The decline in sales and increased cost are estimated in line with production and sales plans revised as a result of the earthquake for the first quarter of FY2011, and are represented as earthquake impact. In these explanatory materials, the yen figures for net sales, operating income, and other figures are converted into US\$ amounts, for reference purposes, at a rate of \$1=81 yen, the approximate Tokyo foreign exchange market rate on June 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 first quarter of fiscal 2010 to translate the current period's net sales outside Japan into yen.



Consolidated net sales for the first quarter of fiscal 2011 amounted to 986.0 billion yen (US\$12,173 million), a decline of 5.8% from the first quarter of fiscal 2010.

Sales in Japan fell by 5.3%. In addition to the full restoration of production capacity at the company's manufacturing facilities damaged in the Great East Japan Earthquake taking until April, several of the company's businesses, particularly car audio and navigation equipment, mobile phones, and LSI devices, were adversely impacted by contract, delivery, and inspection delays as well as delays in procuring certain parts and components.

Sales outside of Japan declined 6.7%. Although sales of optical transmission systems in the US increased, overall sales declined due to the impact of the stronger yen and lower sales of electronic components, and car audio and navigation equipment.

Average yen exchange rates for the first quarter of fiscal 2011 against major currencies were 82 yen for the US dollar (representing appreciation of 10 yen from the first quarter of fiscal 2010), 117 yen for the euro (essentially unchanged), and 133 yen for the British pound (appreciation of 4 yen). As a result, the impact of foreign exchange fluctuations, particularly against the US dollar, for the first quarter of fiscal 2011 was to reduce net sales by approximately 17.0 billion yen compared to the first quarter of fiscal 2010. Sales generated outside Japan as a percentage of total sales were 37.2%, a decrease of 0.3 of a percentage point compared to the same period in the previous fiscal year.

Gross profit was 264.5 billion yen, a decline of 23.5 billion yen from the first quarter of fiscal 2010. The decline was attributable to the impact of lower sales prices for mobile phones and the impact of foreign exchange fluctuations on sales of electronic components, in addition to the decline in sales resulting from the impact of the earthquake. The gross profit margin deteriorated by 0.7 of a percentage point compared to the corresponding period of the previous fiscal year, to 26.8%.

Selling, general and administrative expenses amounted to 281.7 billion yen, a year-on-year increase of 3.6 billion yen due to upfront investments in cloud services and network-related areas.

As a result, Fujitsu recorded an operating loss of 17.1 billion yen (US\$211 million), representing a deterioration of 27.1 billion yen compared to the first quarter of fiscal 2010.

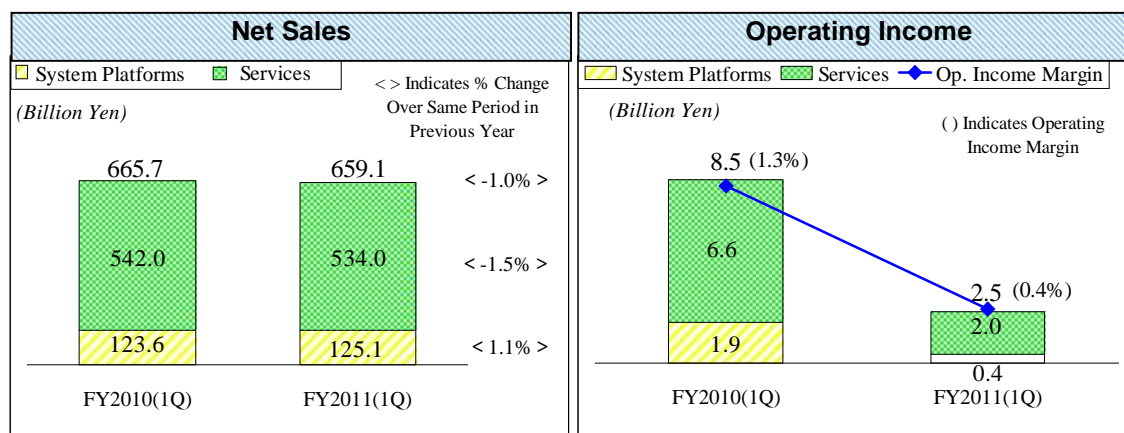
In other income and expenses, the company posted a 2.2 billion yen foreign currency translation adjustment loss stemming from the ongoing appreciation of the yen. In addition, the company recorded a 7.5 billion yen loss, primarily overhead expenses incurred during production stoppages due to customer-related issues and the aftershocks in April.

The company reported a consolidated net loss of 20.4 billion yen (US\$252 million) for the first quarter, representing a deterioration of 22.0 billion yen from the first quarter of fiscal 2010.

3. Results by Business Segment

Information on fiscal 2011 first-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 659.1 billion yen (US\$8,137 million), down 1.0% from the first quarter of fiscal 2010. Sales in Japan were essentially unchanged. In addition to the impact the Great East Japan Earthquake had on sales of network products, sales of mobile phone base stations also fell with the industry still in the midst of transitioning to a full-fledged deployment of commercial LTE* services. Sales were boosted, however, by the high-volume production of dedicated servers for the Next-Generation Supercomputer system. In system integration services, although there were signs of a recovery in parts of the manufacturing industry, overall corporate spending restraints continued, and sales as a whole were flat. Outsourcing services achieved steady growth. Sales outside Japan declined 2.2%. Excluding the impact of exchange rate fluctuations, however, sales increased by 2%, primarily as a result of higher sales of optical transmission systems in the US and infrastructure services to the Australian government.

	(Billion Yen)	
	First Quarter FY 2011	Change vs. 1Q FY 2010
Net Sales	659.1	-1.0%
Japan	402.7	-0.2%
Outside Japan	256.3	-2.2%
Operating Income	2.5	-6.0

The segment posted operating income of 2.5 billion yen (US\$31 million), a decrease of 6.0 billion yen compared to the first quarter of fiscal 2010. In Japan, profitability declined due to lower sales as the result of the earthquake, as well as the impact of lower sales of mobile phone base stations. Outside Japan, despite the positive effects of higher sales of optical transmission systems in the US, income declined due to the continued impact of fiscal austerity measures in the UK on 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 534.0 billion yen (US\$6,593 million), down 1.5% from the same period a year earlier. In Japan, sales declined 1.3%. Sales of outsourcing services grew steadily, but systems integration services sales declined due to the adverse impact of the earthquake, among other factors. In systems integration services, although there were signs of a recovery in parts of the manufacturing industry, the impact of ICT-related budget reductions in the public sector and corporate spending restraints across the entire private sector continued. Sales outside Japan declined 1.7%. Excluding the impact of currency fluctuations, however, sales outside Japan were on par with the previous year. Fiscal austerity policies hit sales in the UK, although sales to the Australian government demonstrated steady growth.

(Billion Yen)

	First Quarter FY 2011	Change vs. 1Q FY 2010
Net Sales	534.0	-1.5%
Japan	318.0	-1.3%
Outside Japan	216.0	-1.7%
Operating Income	2.0	-4.5

Operating income for the Services sub-segment was 2.0 billion yen (US\$25 million), a decrease of 4.5 billion yen compared to the same period of fiscal 2010. In Japan, profitability declined due to the impact of lower sales and continued upfront investments related to cloud services. Outside Japan, despite improved profitability in Europe, income declined due to the continued impact of lower sales resulting from fiscal austerity policies implemented by the UK government.

To eliminate unprofitable projects, Fujitsu established its Assurance Group, which combines assurance functions both inside and outside Japan. The company will institute a system of oversight from headquarters that will enhance its ability to evaluate risk at the time of contract and manage the progress of projects. Fujitsu will be able to offer high-quality, uniform services on a global scale, thereby accelerating the globalization of its business.

(2) System Platforms

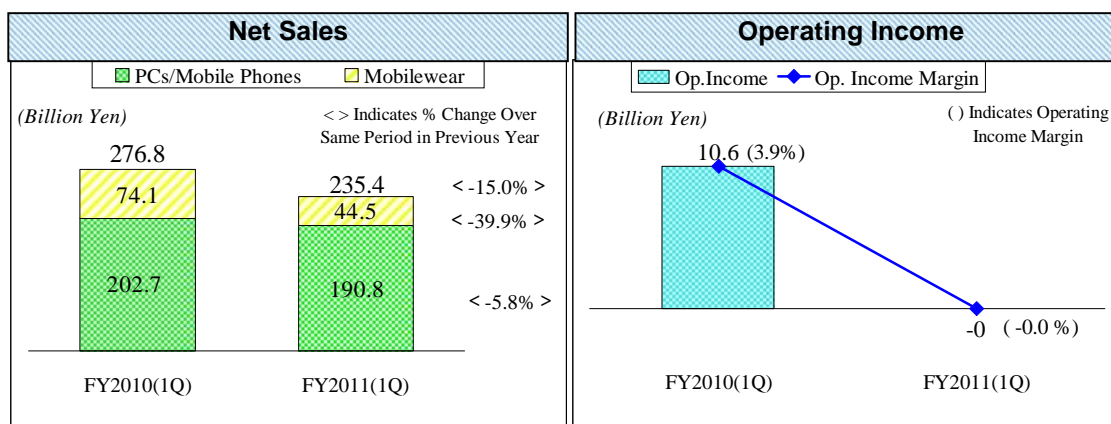
Net sales in the System Platforms sub-segment were 125.1 billion yen (US\$1,544 million), an increase of 1.1% from the first quarter of fiscal 2010. In Japan, sales increased 4.2%. In addition to lower sales due to delays in the procurement of some components stemming from the effects of the earthquake, primarily of network products, mobile phone base station sales also declined as a result of the industry in the midst of transitioning to the full-fledged deployment of commercial LTE services. However, net sales increased for dedicated servers used in the Next-Generation Supercomputer system and for x86 servers. Sales outside Japan declined 4.7%. Excluding the impact of currency fluctuations, however, sales increased 4.0%. While there were lower sales of UNIX servers in the Americas, rising communications traffic in North America lifted sales of optical transmission systems. In addition, sales of x86 servers in Europe increased.

(Billion Yen)

	First Quarter FY 2011	Change vs. 1Q FY 2010
Net Sales	125.1	1.1%
Japan	84.7	4.2%
Outside Japan	40.3	-4.7%
Operating Income	0.4	-1.4

Operating income for the System Platforms sub-segment was 0.4 billion yen (US\$5 million), a decline of 1.4 billion yen compared to the first quarter of fiscal 2010. In Japan, income declined as a result of upfront investments related mainly to network technologies, in addition to the impact of lower sales due to the earthquake. Outside Japan, profitability improved due to the effect of higher x86 server sales and the promotion of cost reductions, as well as the effect of higher optical transmission system sales.

Ubiquitous Solutions



Net sales in the Ubiquitous Solutions segment were 235.4 billion yen (US\$2,906 million), a decline of 15% compared to the same period in fiscal 2010. Sales in Japan declined 15.8%. PC sales declined due to escalating price competition stemming from inventory clearance promotions implemented by each company prior to the launch of new models in the consumer market. In the mobile phone business, even with an expanding market for smartphones* and the positive impact of the merger of Toshiba Corporation's mobile phone business, sales declined overall on account of lower unit sales of feature phones** resulting from delays in the procurement of some components due to the earthquake, among other factors. In addition, interruptions in automobile production due to the earthquake and the expiration of the government's eco-car subsidy program in the first half of fiscal 2010 also led to a decline in sales of the mobilewear sub-segment's car audio and navigation systems. Sales outside Japan declined 12.3%. PC sales were on par with the first quarter of the previous fiscal year, however, sales of mobilewear devices declined, having been impacted by interruptions in automobile production outside Japan due to the earthquake.

(Billion Yen)

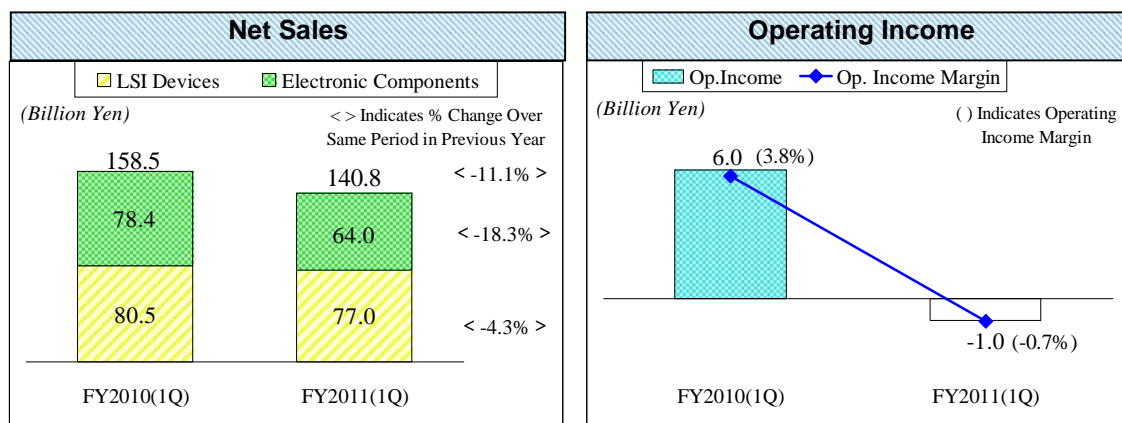
	First Quarter FY 2011	Change vs. 1Q FY 2010
Net Sales	235.4	-15.0%
Japan	178.8	-15.8%
Outside Japan	56.5	-12.3%
Operating Income	-0.0	-10.6

Operating income for Ubiquitous Solutions was at the breakeven point, having deteriorated 10.6 billion yen compared to the first quarter of the previous fiscal year. Although the decline in sales of PCs in Japan was offset by cost reductions, the mobile phone business was buffeted by a decline in production and sales due to shortages in the supply of components following the earthquake. As well, mobilewear fell in revenue due to the earthquake. Outside Japan, although there was a decline in revenue from mobilewear, the PC business improved in profitability thanks to the lower cost of parts procurement, driven by the weak US dollar.

(*) 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 140.8 billion yen (US\$1,738 million), a decline of 11.1% compared to the first quarter of fiscal 2010. Sales in Japan declined 3.2%. LSI device sales resulted from the final shipments of CPUs in the Next-Generation Supercomputer system and from increased demand for mobile phones. However, overall sales declined, chiefly for digital AV and automobile applications, on account of the earthquake impact. Sales of electronic components remained on par with the first quarter of the previous fiscal year. Sales outside Japan declined 20.1%. Even excluding the impact of exchange rate fluctuations, sales declined 12%. Sales of LSI devices remained essentially unchanged from the first quarter of fiscal 2010. In the electronic components business, sales fell on account of customer inventory adjustments.

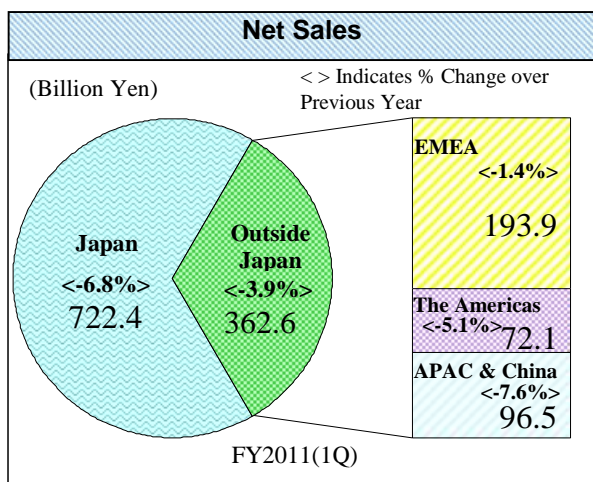
(Billion Yen)

	First Quarter FY 2011	Change vs. 1Q FY 2010
Net Sales	140.8	-11.1%
Japan	81.3	-3.2%
Outside Japan	59.5	-20.1%
Operating Income	-1.0	-7.0

The Device Solutions segment recorded an operating loss of 1.0 billion yen (US\$12 million), representing a deterioration of 7.0 billion yen from the first quarter of fiscal 2010. In Japan, LSI devices were adversely impacted by lower sales due to the earthquake. The demand for electronic components also declined as a result of the rising cost of raw materials for batteries. Outside Japan, the electronic components business was hit by a decline in sales and currency fluctuations.

Geographic Information

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



Operating Income (Billion Yen)

	First Quarter FY 2010	First Quarter FY 2011	Change vs. 1Q FY 2010
Japan	31.6 [4.1%]	4.6 [0.6%]	-26.9 [-3.5%]
Outside Japan	-4.3 [-1.1%]	-5.0 [-1.4%]	-0.6 [-0.3%]
EMEA	-5.8 [-3.0%]	-6.6 [-3.4%]	-0.7 [-0.4%]
The Americas	-0.2 [-0.4%]	1.0 [1.4%]	1.3 [1.8%]
APAC & China	1.8 [1.8%]	0.6 [0.6%]	-1.2 [-1.2%]

Note: Numbers inside brackets indicate operating income margin.

4. Financial Condition

[Assets, Liabilities and Net Assets]

(Billion Yen)

	First Quarter FY 2011 (at June 30, 2011)	Full Year FY 2010 (at March 31, 2011)	Change	First Quarter FY 2010 (at June 30, 2010)
Current assets	1,688.4	1,760.6	-72.1	1,703.9
(Cash and time deposits)	269.7	353.8	-84.0	263.5
(Notes and accounts receivable, trade)	725.9	877.0	-151.1	740.3
(Marketable securities)	111.4	10.8	100.6	142.7
(Inventories)	382.1	341.4	40.7	359.8
Non-current assets	1,243.7	1,263.4	-19.7	1,293.3
(Property, plant and equipment)	632.1	638.6	-6.4	645.4
(Intangible assets)	243.2	251.9	-8.7	258.5
(Investment securities and other non-current assets)	368.4	372.8	-4.4	389.3
Total Assets	2,932.1	3,024.0	-91.9	2,997.2
Current liabilities	1,442.3	1,507.8	-65.4	1,491.1
(Notes and accounts payable, trade)	509.3	604.2	-94.9	538.0
(Short-term borrowings and current portion of long-term debt)	290.8	225.5	65.2	311.8
(Accrued expenses)	282.6	323.1	-40.4	283.3
Long-term liabilities	573.2	562.5	10.7	596.4
(Long-term debt)	257.4	245.2	12.1	258.2
(Accrued retirement benefits)	180.4	181.5	-1.1	191.9
Total Liabilities	2,015.6	2,070.3	-54.6	2,087.5
Shareholders' equity	873.2	903.9	-30.6	860.9
Accumulated other comprehensive income	-85.5	-82.6	-2.9	-86.3
Minority interests	128.8	132.4	-3.6	134.9
Total Net Assets	916.5	953.7	-37.2	909.6
Total Liabilities and Net Assets	2,932.1	3,024.0	-91.9	2,997.2

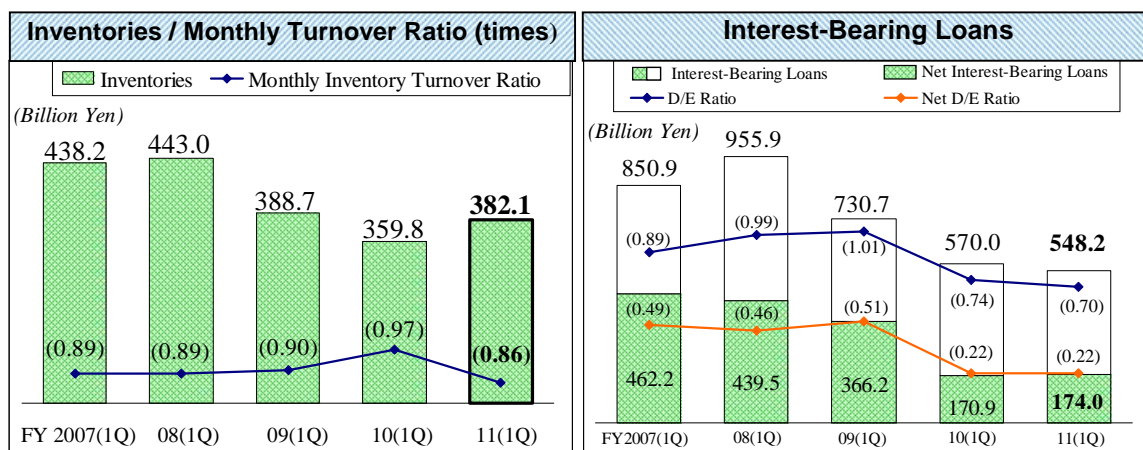
[Cash Flows]

(Billion Yen)

	First Quarter FY 2011 (4/1/11~6/30/11)	First Quarter FY 2010 (4/1/10~6/30/10)	Change
I. Cash Flows from Operating Activities:			
Income (loss) before income taxes and minority interests	-26.3	2.4	-28.7
Depreciation and amortization, including goodwill amortization	51.6	54.8	-3.1
(Increase) decrease in receivables, trade	147.1	154.6	-7.5
(Increase) decrease in inventories	-42.1	-45.6	3.5
Increase (decrease) in payables, trade	-92.1	-62.4	-29.6
Net Cash Provided by (Used in) Operating Activities	-10.7	43.2	-53.9
II. Cash Flows from Investing Activities			
Purchases of property, plant and equipment	-27.9	-29.0	1.0
Proceeds from sales of investment securities	0.7	21.3	-20.6
Net Cash Used in Investing Activities	-36.5	-16.8	-19.7
I + II Free Cash Flow	-47.3	26.3	-73.6
[excluding one-time items]	[-48.1]	[4.9]	[-53.1]
III. Cash Flows from Financing Activities			
Net increase in borrowings (decrease)	168.0	87.0	80.9
Bond issue and redemption	-89.8	-91.3	1.5
Dividends paid	-11.3	-11.7	0.4
Net Cash Provided by (Used in) Financing Activities	59.6	-34.4	94.1
IV. Cash and Cash Equivalents at End of Period	374.2	399.1	-24.9

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

Explanation of Assets, Liabilities and Net Assets



Note: The monthly inventory turnover ratio is calculated by taking first quarter sales, dividing by the balance of inventories at the end of the first quarter, and then dividing by 3.

Consolidated total assets at the end of the first quarter were 2,932.1 billion yen (US\$36,199 million), a decrease of 91.9 billion yen from the end of fiscal 2010. Current assets decreased by 72.1 billion yen compared with the end of fiscal 2010, to 1,688.4 billion yen, reflecting the collection of notes and accounts receivable associated with the large concentration of sales toward the end of fiscal 2010. In preparation for future expected sales, particularly in the services business, inventories at the end of the quarter increased to 382.1 billion yen, an increase of 40.7 billion yen from the ending balance of fiscal 2010. The monthly inventory turnover ratio, which is an indication of asset utilization efficiency, was 0.86 times, a deterioration of 0.11 times compared to the end of the first quarter of fiscal 2010. This deterioration was largely the result of the lower level of sales in the first quarter of fiscal 2011 compared to the previous fiscal year's first quarter, due to the earthquake and other factors.

Non-current assets declined by 19.7 billion yen from the end of fiscal 2010, to 1,243.7 billion yen. The net balances of property, plant and equipment, and intangible assets decreased because depreciation and amortization exceeded the level of capital expenditures.

Consolidated total liabilities amounted to 2,015.6 billion yen (US\$24,884 billion), a decrease of 54.6 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 prior fiscal year, as well as the payment of accrued expenses, including salary bonuses. The balance of interest-bearing loans was 548.2 billion yen, an increase of 77.4 billion yen from the end of fiscal 2010. Although 100 billion yen in convertible bonds were redeemed at maturity during the period, short-term borrowings increased to finance a portion of working capital. As a result, the D/E ratio was 0.70 times, a deterioration of 0.13 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 quarter of the previous fiscal year.

Net assets were 916.5 billion yen, a decrease of 37.2 billion yen from the end of fiscal 2010, reflecting a decrease in shareholders' equity resulting from the net loss recorded in the quarter. In line with the decrease in owners' equity, the owners' equity ratio declined to 26.9%, a deterioration of 0.3 of a percentage point compared to the end of fiscal 2010.

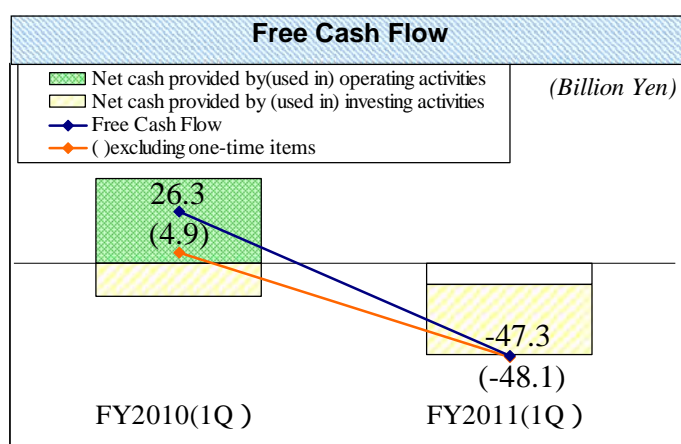
				(Billion Yen)
	1Q FY2011 (June 30, 2011)	FY2010 (March 31, 2011)	Change	1Q FY2010 (June 30, 2010)
Cash and cash equivalents at end of period	374.2	358.5	15.6	399.1
Interest-bearing loans	548.2	470.8	77.4	570.0
Net interest-bearing loans	174.0	112.2	61.8	170.9
Owners' equity	787.7	821.2	-33.5	774.6

D/E ratio (times)	0.70	0.57	0.13	0.74
Net D/E ratio (times)	0.22	0.14	0.08	0.22
Shareholders' equity ratio	29.8%	29.9%	-0.1%	28.7%
Owners' equity ratio	26.9%	27.2%	-0.3%	25.8%

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

Summary of Cash Flows

Net cash flows used in operating activities in the first quarter amounted to 10.7 billion yen (US\$132 million). This represents a decrease of 53.9 billion yen compared to the first quarter of fiscal 2010. Operating cash flows deteriorated for several reasons. First, there was a deterioration in income before income taxes and minority interests as a result of the impact of the earthquake and other factors, resulting in a loss. In addition, working capital increased in the first quarter as a result of the lower level of sales at the end of fiscal 2010 and the higher level of raw materials in the first quarter, both stemming from the effects of the earthquake.



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' shares.

Net cash used in investing activities was 36.5 billion yen (US\$451 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 19.7 billion yen, primarily reflecting a decrease in proceeds from the sale of investment securities.

Free cash flow, the sum of cash flows from operating and investing activities, was negative 47.3 billion yen (US\$584 million), a decline of 73.6 billion yen compared with the same period in the previous fiscal year. Excluding the impact of such one-time items as proceeds from the sale of investment securities, free cash flow was negative 48.1 billion yen, representing a deterioration of 53.1 billion yen from the first quarter of fiscal 2010.

Net cash provided by financing activities was 59.6 billion yen (US\$736 million). Although 100.0 billion yen in convertible bonds were redeemed at maturity during the period, short-term borrowings increased to finance a portion of working capital. Compared to the same period in the previous fiscal year, there was a net inflow of 94.1 billion yen.

As a result of the above factors, cash and cash equivalents at the end of the first quarter of fiscal 2011 were 374.2 billion yen (US\$4,620 million), an increase of 15.6 billion yen compared to the end of fiscal 2010.

Cash on hand was temporarily reduced by the redemption of 100.0 billion yen in convertible bonds at maturity in May 2011. The company therefore issued 50.0 billion yen in straight corporate bonds in July to bolster cash on hand. The company had considered issuing the new bonds prior to the maturity of the convertible bonds, but deterioration in the market environment for new issuances after the earthquake delayed the timing of the issuance.

5. FY2011 Consolidated Earnings Projections

Sales and earnings for the first quarter of fiscal 2011 were largely in line with the projections announced on June 17, 2011, although these results declined compared to the same period in the previous fiscal year. Contributing factors in Japan included the impact of the Great East Japan Earthquake, particularly on the car audio and navigation systems, mobile phone, and LSI devices. Outside of Japan, foreign exchange fluctuations adversely affected results for services and electronic components.

Entering the second quarter, in Japan the company anticipates the full resolution of disruptions in the production and shipment of certain products resulting from shortages of components and parts caused by the earthquake, and expects higher sales of hardware products, such as PCs and mobile phones, as there are some signs of a recovery emerging in ICT spending. Outside of Japan as well, the company expects higher sales in its services business. As a result, excluding the impact of the earthquake, the company expects sales in the first half of fiscal 2011 to increase by 1% compared to the same period of the previous fiscal year.

For the second half of the fiscal year, the company anticipates growth in its domestic services business and PCs against the backdrop of a recovery in ICT investments in Japan, the company is projecting higher sales and earnings for the full fiscal year despite the continuing effects of a strong yen.

The first quarter of fiscal 2011 was witness to a somewhat weaker yen than anticipated at the time of the previous projections announcement in June. Now, however, with the strong yen having become firmly entrenched, the company's foreign exchange rate projections for the second quarter and beyond remain unchanged on the premise of 80 yen per US dollar, 110 yen per euro, and 130 yen per British pound.

Accordingly, the company's current financial projections for the first half of fiscal 2011 as well as the full fiscal year remain unchanged from the projections previously announced in June.

FY 2011 First Half Consolidated Forecast

(Billion Yen)

	Fiscal 2010 First Half Results	Fiscal 2011 First Half Forecast	Change vs. June Forecast	Change vs. First Half of FY 2010		Change vs. First Half of FY 2010 Excl. Earthquake Impact	
					Change (%)		Change (%)
Net Sales	2,147.4	2,100.0	-	-47.4	-2.2	20.5	1
Operating Income [Operating Margin]	47.1 [2.2%]	5.0 [0.2%]	- [- %]	-42.1 [-2.0%]	-89.4	-14.1 [-0.7%]	-30
Net Income	19.0	0	-	-19.0	-		

FY 2011 Full-Year Consolidated Forecast

(Billion Yen)

	Fiscal 2010 Full-Year Results	Fiscal 2011 Full-Year Forecast	Change vs. June Forecast	Change vs. FY 2010		Change vs. FY 2010 Full-Year Excl. Earthquake Impact	
					Change (%)		Change (%)
Net Sales	4,528.4	4,600.0	-	71.5	1.6	105.5	2
Operating Income [Operating Margin]	132.5 [2.9%]	135.0 [2.9%]	- [- %]	2.4 [- %]	1.8	26.4 [0.5%]	20
Net Income	55.0	60.0	-	4.9	8.9		

Note: The decline in sales and increased costs are estimated in line with production and sales plans revised as a result of the earthquake for FY2010 and FY2011, and are represented as earthquake impact.

6. 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 Quarter of Fiscal 2011 (April 1, 2011 to June 30, 2011)

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	632,883	209,817	122,822	965,522	17,763	983,285
Inter-segment	26,264	25,625	18,056	69,945	10,831	80,776
Total net sales	659,147	235,442	140,878	1,035,467	28,594	1,064,061
Operating Income (Loss)	2,526	-33	-1,028	1,465	474	1,939

* 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	1,035,467
Net Sales of "Other" Category	28,594
Elimination of Intersegment Transactions	-77,990
Net Sales in Consolidated Income Statements	986,071

(Million Yen)

Reconciliation of Operating Income (Loss)	Amount
Total of Reportable Segments	1,465
Operating Income of "Other" Category	474
Corporate Expenses *	-17,271
Elimination of Intersegment Transactions	-1,807
Operating Income (Loss)	-17,139

* 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 Quarter of Fiscal 2010 (April 1, 2010 to June 30, 2010)

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	651,699	250,307	140,013	1,042,019	3,187	1,045,206
Inter-segment	14,077	26,592	18,525	59,194	11,641	70,835
Total net sales	665,776	276,899	158,538	1,101,213	14,828	1,116,041
Operating Income (Loss)	8,574	10,663	6,055	25,292	-2,911	22,381

* 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	1,101,213
Net Sales of "Other" Category	14,828
Elimination of Intersegment Transactions	-68,781
Net Sales in Consolidated Income Statements	1,047,260

(Million Yen)

Reconciliation of Operating Income (Loss)	Amount
Total of Reportable Segments	25,292
Operating Loss of "Other" Category	-2,911
Corporate Expenses *	-13,491
Elimination of Intersegment Transactions	1,114
Operating Income (Loss)	10,004

* 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 Quarter of Fiscal 2011 (April 1, 2011 to June 30, 2011) (Million Yen)

Japan	Outside Japan				Total
	EMEA	The Americas	APAC/China	Sub-total	
619,676 (62.8%)	192,133 (19.5%)	75,302 (7.7%)	98,960 (10.0%)	366,395 (37.2%)	986,071 (100.0%)

First Quarter of Fiscal 2010 (April 1, 2010 to June 30, 2010) (Million Yen)

Japan	Outside Japan				Total
	EMEA	The Americas	APAC/China	Sub-total	
654,344 (62.5%)	199,544 (19.0%)	83,428 (8.0%)	109,944 (10.5%)	392,916 (37.5%)	1,047,260 (100.0%)

Notes:

1. Geographical segments are defined based on customer location.
2. Principal countries and regions comprising the segments other than Japan:
 - (1) EMEA (Europe, Middle East, Africa): UK, Germany, Spain, Finland, Sweden
 - (2) The Americas: US, Canada
 - (3) APAC (Asia-Pacific) & China: Australia, Singapore, Korea, Taiwan, China
3. Figures in parentheses represent percentage of segment sales to consolidated net sales.

7. 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) Cautionary Note Regarding 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 August 10, 2011.

(5) Significant Changes in Shareholders' Equity

There are none.

(6) Consolidated Per Share Data

The calculations basis for earnings and net loss per share in the first quarter as well as diluted earnings per share is as follows:

	FY2011 4/1/11-6/30/11	FY2010 4/1/10-6/30/10
1. Earnings [net loss] per share (yen)	[-9.86]	0.79
{ Calculation basis }		
Net income [net loss] (million yen)	[-20,404]	1,641
Deduction from net income (million yen)	-	-
Net income for common share [net loss] (million yen)	[-20,404]	1,641
Average number of common shares outstanding (thousand shares)	2,069,624	2,069,804
2. Diluted earnings per share (yen)	-	0.78
{ Calculation basis }		
Adjustment for net income [net loss] (million yen)	-	[-21]
[Adjustment related to dilutive securities issued by subsidiaries and affiliates (million yen)]	[-]	[-21]
Increase in number of common shares (thousand shares)	-	-

Note: Diluted earnings per share are not available for first quarter of FY2011 consolidated earnings due to a net loss per share.

(7) Major Subsequent Events

After the completion of the first quarter, Fujitsu issued the following straight bonds.

28th Series Unsecured Straight Bonds

- Total amount of issue: 20,000 million yen

- Interest rate: 0.398% per annum
- Issue price: 100% of the denomination of each bond
- Term and redemption method: July 15, 2014 (3 years), bullet repayment
- Issue date: July 15, 2011
- Collateral: The bonds are not secured by any pledge, mortgage or other charge on any assets or revenues of the company or of others, nor are they guaranteed. There are no assets reserved as security for the bonds.
- Application of funds: The full amount is scheduled to be allocated for cash reserves that have decreased temporarily for convertible bonds (bonds with stock acquisition rights) that reached maturity on May 31, 2011.

29th Series Unsecured Straight Bonds

- Total amount of issue: 30,000 million yen
- Interest rate: 0.623% per annum
- Issue price: 100% of the denomination of each bond
- Term and redemption method: July 15, 2016 (5 years), bullet repayment
- Issue date: July 15, 2011
- Collateral: The bonds are not secured by any pledge, mortgage or other charge on any assets or revenues of the company or of others, nor are they guaranteed. There are no assets reserved as security for the bonds.
- Application of funds: The full amount is scheduled to be allocated for cash reserves that have decreased temporarily for convertible bonds (bonds with stock acquisition rights) that reached maturity on May 31, 2011.

(8) 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 22.

- 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)		Yen (Billions)		
		FY 2011 Current Forecast**	Change vs. Previous Forecast***	FY 2010 (Actual)	Change(%) vs. FY 2010	Change excluding earthquake impact (%)****
Technology Solutions						
Sales:						
Japan	Y	1,940.0	-	1,942.1	-0.1	0
Outside Japan		1,110.0	-	1,072.1	+3.5	+4
Total		3,050.0	-	3,014.3	+1.2	+1
Operating income:						
Services		135.0	-	117.3	+15.0	+24
[Operating income margin]		[5.5%]	-	[4.9%]		
System Platforms		50.0	-	45.5	+9.8	+16
[Operating income margin]		[8.3%]	-	[7.7%]		
Total operating income		185.0	-	162.8	+13.6	+22
[Operating income margin]		[6.1%]	-	[5.4%]		
Ubiquitous Solutions						
Sales:						
Japan		880.0	-	851.6	+3.3	+5
Outside Japan		280.0	-	273.9	+2.2	+4
Total		1,160.0	-	1,125.6	+3.1	+5
Operating income		15.0	-	22.6	-33.9	+1
[Operating income margin]		[1.3%]	-	[2.0%]		
Device Solutions						
Sales:						
Japan		360.0	-	361.3	-0.4	+3
Outside Japan		270.0	-	269.2	+0.3	0
Total		630.0	-	630.6	-0.1	+2
Operating income		15.0	-	20.9	-28.5	-19
[Operating income margin]		[2.4%]	-	[3.3%]		
Other/Elimination and Corporate*****						
Sales		(240.0)	-	(242.2)	-	-
Operating income		(80.0)	-	(73.9)	-	-
Total						
Sales:						
Japan		2,970.0	-	2,941.0	+1.0	+2
Outside Japan		1,630.0	-	1,587.3	+2.7	+3
Total		4,600.0	-	4,528.4	+1.6	+2
Operating income	Y	135.0	-	132.5	+1.8	+20
[Operating income margin]		[2.9%]	-	[2.9%]		
< Ratio of sales outside Japan >		< 35.4% >	-	< 35.1% >		

b. Net Sales* by Principal Products and Services

	Yen (Billions)		Yen (Billions)		
	FY 2011 Current Forecast**	Change vs. Previous Forecast***	FY 2010 (Actual)	Change(%) vs. FY 2010	Change excluding earthquake impact (%)****
Technology Solutions					
Services:					
Solutions / System Integration	Y 830.0	-	830.0	-	+1
Infrastructure Services	1,620.0	-	1,589.5	+1.9	+2
	<u>2,450.0</u>	-	<u>2,419.5</u>	+1.3	+2
System Platforms:					
System Products	320.0	-	326.5	-2.0	-2
Network Products	280.0	-	268.2	+4.4	+3
	<u>600.0</u>	-	<u>594.8</u>	+0.9	0
Total	<u><u>3,050.0</u></u>	-	<u><u>3,014.3</u></u>	+1.2	+1
Ubiquitous Solutions					
PCs / Mobile Phones	900.0	-	842.5	+6.8	+7
Mobilewear	260.0	-	283.1	-8.2	-2
Total	<u><u>1,160.0</u></u>	-	<u><u>1,125.6</u></u>	+3.1	+5
Device Solutions					
LSI*****	340.0	-	343.7	-1.1	+2
Electronic Components	290.0	-	288.5	+0.5	+1
Total	Y <u><u>630.0</u></u>	-	<u><u>630.6</u></u>	-0.1	+2

Notes:

* Net sales include intersegment sales.

** Current forecast as of July 28, 2011.

*** Previous forecast as of June 17, 2011.

**** The decline in sales and increased costs are estimated in line with production and sales plans revised as a result of the earthquake, for both fiscal 2010 and fiscal 2011.

***** 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)
	FY 2011 (Forecast)			FY2010
	Previous*	Current**	Change	(Actual)
	250.0	250.0	-	236.2
As % of sales	5.4%	5.4%	-	5.2%

b. Capital Expenditures and Depreciation

	Yen (Billions)			Yen (Billions)
	FY 2011 (Forecast)			FY2010
	Previous*	Current**	Change	(Actual)
Capital Expenditures				
Technology Solutions	Y 85.0	85.0	-	67.2
Ubiquitous Solutions	15.0	15.0	-	15.5
Device Solutions	55.0	55.0	-	39.4
Other/Corporate	5.0	5.0	-	8.0
Total	<u>160.0</u>	<u>160.0</u>	-	<u>130.2</u>
Depreciation	Y 140.0	140.0	-	141.6

c. Cash Flows

	Yen (Billions)			Yen (Billions)
	FY 2011 (Forecast)			FY 2010
	Previous*	Current**	Change	(Actual)
(A) Cash flows from operating activities	Y 300.0	300.0	-	255.5
[Net income]	[60.0]	[60.0]	-	[55.0]
[Depreciation & goodwill amortization]	[220.0]	[220.0]	-	[223.3]
[Others]	[20.0]	[20.0]	-	[(22.9)]
(B) Cash flows from investing activities	(200.0)	(200.0)	-	(142.1)
(C) Free cash flow (A)+(B)	100.0	100.0	-	113.4
(D) Cash flows from financing activities	(1,100.0)	(1,100.0)	-	(166.9)
(E) Total (C)+(D)	Y <u>(10.0)</u>	<u>(10.0)</u>	-	<u>(53.5)</u>

Notes:

* Previous forecast as of June 17, 2011.

** Current forecast as of July 28, 2011.

d. Exchange Rates

Average rate:

	(Yen)			(Yen)
	FY 2011 (Forecast)		Change	FY 2010
	Previous*	Current**		(Actual)
U.S. dollar	80	80	-	86
euro	110	110	-	113
British pound	130	130	-	133

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

U.S. dollar : Increase/decrease by approximately 1.3 billion yen.

euro : Increase/decrease by approximately 0.3 billion yen.

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

e. PC Shipments

	(Million Units)		Change	(Million Units)
	FY 2011 (Forecast)			FY 2010
	Previous*	Current**		(Actual)
	6.60	6.60	-	5.42

f. Mobile Phone Shipments

	(Million Units)		Change	(Million Units)
	FY 2011 (Forecast)			FY 2010
	Previous*	Current**		(Actual)
	7.00	7.00	-	6.70

Notes:

* Previous forecast as of June 17, 2011.

** Current forecast as of July 28, 2011.