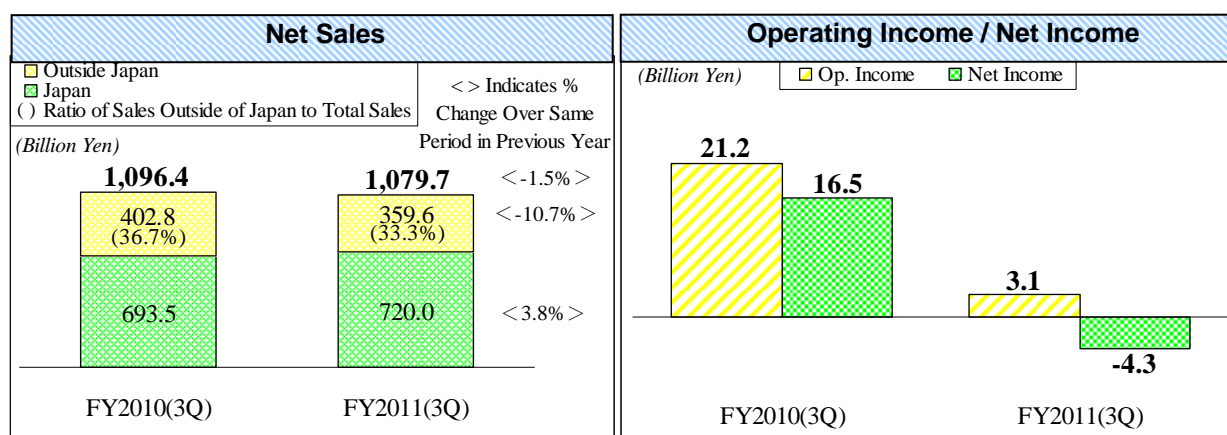


## 2. Profit and Loss for the Third Quarter

*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=78 yen, the approximate Tokyo foreign exchange market rate on December 31, 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 third quarter of fiscal 2010 to translate the current period's net sales outside Japan into yen.*



Consolidated net sales for the third quarter of fiscal 2011 amounted to 1,079.7 billion yen (US\$13,842 million), a decline of 1.5% from the third quarter of fiscal 2010.

Net sales in Japan rose by 3.8%. Sales of mobile phones, car audio and navigation systems, and LSI devices were negatively affected by delays in procuring parts, and by associated customer-side production adjustments as a result of the floods in Thailand. In addition, sales of LSI devices and electronic components were hit by weak demand. The spreading popularity of smartphones, however, boosted sales of networking equipment, such as mobile phone base stations, and sales of mobile phones, themselves, enabling overall sales in Japan to rise.

Sales outside of Japan declined by 10.7%, and on a constant-currency basis sales fell by 5%. Sales of infrastructure services and server-related sales declined, primarily in the US and Europe. In addition, US sales of optical transmission systems, which had been strong, were adversely affected by a temporary pullback in spending on the part of carriers.

Average yen exchange rates for the third quarter of fiscal 2011 against major currencies were 77 yen for the US dollar (representing appreciation of 6 yen from the third quarter of fiscal 2010), 104 yen for the euro (appreciation of 8 yen), and 122 yen for the British pound (appreciation of 9 yen). As a result, the impact of foreign exchange fluctuations for the third quarter of fiscal 2011 was to reduce net sales by approximately 22.0 billion yen compared to the third quarter of fiscal 2010. Sales generated outside Japan as a percentage of total sales were 33.3%, a decrease of 3.4 percentage points compared to the same period of the previous fiscal year.

Gross profit was 281.8 billion yen, a decline of 20.2 billion yen from the third quarter of fiscal 2010. The decline was attributable to the decline in sales resulting from the flooding in Thailand and the subsequent surge in prices of hard disk drives and other components, as well as the decline in sales of LSI devices and electronic components. The gross profit margin

deteriorated by 1.4 percentage points compared to the same period of the previous fiscal year, to 26.1%.

Selling, general and administrative expenses amounted to 278.6 billion yen, a decrease of 2.1 billion yen from the same period in fiscal 2010. This result was achieved by promoting cost efficiencies throughout the group, and came despite continued upfront investments in network-related areas.

As a result of the above factors, Fujitsu recorded operating income of 3.1 billion yen (US\$40 million), representing a deterioration of 18.1 billion yen compared to the third quarter of fiscal 2010.

In other income and expenses, the group recorded 2.3 billion yen as foreign currency gains. In addition, the group recorded 2.7 billion yen in restructuring expenses. These represented a portion of the expenses incurred during the third quarter stemming from the decision to reorganize production operations of car audio and navigation systems in Japan, as well as expenses related to the streamlining of services businesses, mainly in Europe.

The company reported a consolidated net loss of 4.3 billion yen (US\$55 million) for the third quarter, representing a deterioration of 20.8 billion yen from the third quarter of fiscal 2010. In addition to a decline in income before income taxes and minority interests, the net loss was attributable to higher deferred tax expenses, as tax code revisions lowered the effective tax rate.