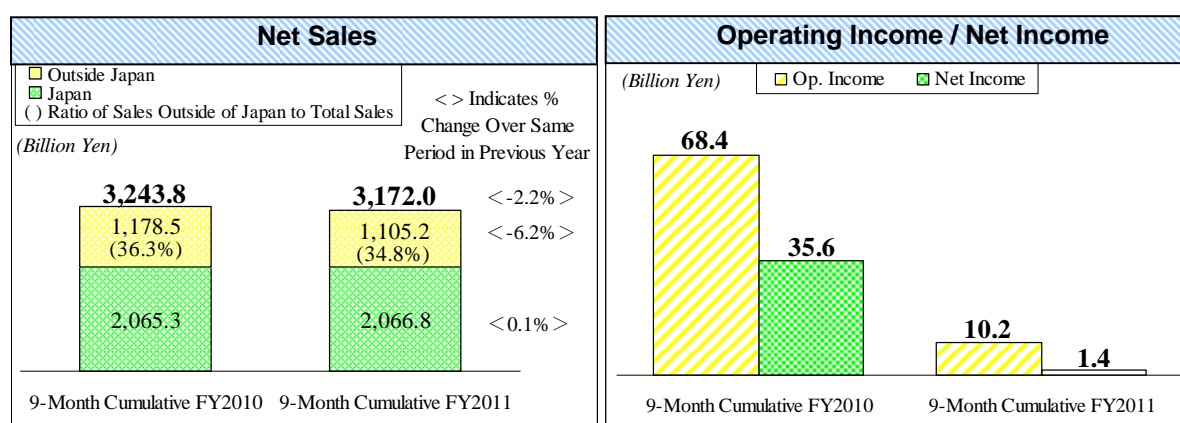


## 4. Overview of Consolidated Results for First Nine Months of FY 2011

### Profit and Loss

*Note: 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=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 first nine months of fiscal 2010 to translate the current period's net sales outside Japan into yen.*



Consolidated net sales for the first nine months of fiscal 2011 amounted to 3,172.0 billion yen (US\$40,667 million), a decline of 2.2% from the same period in fiscal 2010. Sales in Japan were essentially unchanged. The Great East Japan Earthquake that occurred in the previous fiscal year and the Thai flooding in the current fiscal year caused delays in parts procurement and production adjustments by customers, thereby negatively affecting sales of car audio and navigation systems, mobile phones, and LSI devices. Sales of LSI devices and electronic components were also adversely impacted by weak demand. The increasing popularity of smartphones, however, boosted sales of networking equipment, such as mobile phone base stations, and sales of mobile phones. In the first quarter of fiscal 2011, which was significantly affected by the earthquake, sales were down by 35.0 billion yen compared with the first quarter of fiscal 2010. After that slow start, however, sales for the first nine months of fiscal 2011 recovered to levels of the same period in the previous fiscal year.

Sales outside of Japan declined by 6.2%, and fell 1% on a constant-currency basis. There were higher sales of infrastructure services in Australia and other regions, as well as improved sales of PCs in Europe. However, sales of UNIX servers in North America and Europe and electronic components decreased.

Average yen exchange rates for the first nine months of fiscal 2011 against major currencies were 79 yen for the US dollar (representing appreciation of 8 yen from the first nine months of fiscal 2010), 111 yen for the euro (appreciation of 2 yen), and 127 yen for the British pound (appreciation of 7 yen). As a result, the impact of foreign exchange fluctuations for the first nine months of fiscal 2011 was to reduce net sales by approximately 57.0 billion yen compared to the same period in the prior fiscal year. Sales generated outside Japan as a percentage of total sales were 34.8%, a decrease of 1.5 percentage points compared to the same period in the previous fiscal year.

Gross profit was 855.7 billion yen, a decline of 47.8 billion yen from the same period in the previous fiscal year. The decline was primarily attributable to the impact of lower sales of LSI devices and electronic components. The gross profit margin deteriorated by 0.9 of a percentage point compared to the corresponding period of the previous fiscal year, to 27%.

Selling, general and administrative expenses amounted to 845.4 billion yen, a year-on-year increase of 10.3 billion yen due to upfront investments in cloud services and network-related areas.

As a result, the Fujitsu group recorded operating income of 10.2 billion yen (US\$131 million), representing a decrease of 58.2 billion yen compared to the corresponding period of the previous fiscal year.

In other income and expenses, there were improvements from the same period of the previous fiscal year in the loss on foreign exchange, as well as on disposal of property plant and equipment and intangible assets.

The group posted 7.5 billion yen in disaster-related losses and 2.7 billion yen in business restructuring expenses. Disaster-related loss included overhead expenses incurred during production stoppages due to customer-related issues and the earthquake aftershocks. Restructuring expenses include a portion of the expenses incurred during the third quarter stemming from the decision to reorganize production operations of the car audio and navigation systems business in Japan, as well as expenses relating to streamlining the services businesses in Europe.

The group reported consolidated net income of 1.4 billion yen (US\$18 million) for the first nine months of fiscal 2011, representing a decline of 34.1 billion yen from the corresponding period of fiscal 2010. Income before income taxes and minority interests declined, but 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.

## Results by Business Segment

Information on consolidated sales for the first nine months of fiscal 2011 (including intersegment sales) and operating income broken out by business segment is presented as follows.

### Technology Solutions

(Billion Yen)

Consolidated net sales in the Technology Solutions segment amounted to 2,071.5 billion yen (US\$26,558 million), down 2.2% from the first nine months of fiscal 2010. In Japan, sales declined 0.9%. For the Services sub-segment, manufacturing and healthcare-related sectors experienced a recovery in spending,

	First 9 Months FY 2011	Change vs. First 9 Months FY 2010
Net Sales	2,071.5	-2.2%
Japan	1,318.1	-0.9%
Outside Japan	753.4	-4.4%
Operating Income	71.6	-9.6

although a decline in large-scale systems deals in financial and public sectors, as well as a shift in investments by telecommunications carriers toward hardware to accommodate increased communications traffic drove sales downward. Sales of network services also decreased. For the System Platforms sub-segment, a decline in server-related sales due to fewer large-scale systems deals was offset by higher sales of mobile phone base stations and routers for carriers, which resulted from increased spending by telecommunications carriers. Sales outside Japan decreased 4.4%. Excluding the impact of exchange rate fluctuations, however, sales were essentially unchanged from the same period of the previous fiscal year. There was a decline in European and US sales of UNIX servers. Sales of optical communications systems were on par with the corresponding period of fiscal 2010 as US carriers, which had promoted spending, temporarily constrained investments in anticipation of the new fiscal year. Sales of infrastructure services in Australia and other regions grew.

The segment posted operating income of 71.6 billion yen (US\$918 million), representing a decline of 9.6 billion yen compared to the first nine months of fiscal 2010. In Japan, despite the positive impact of higher sales of network products and cost reductions in the x86 server business, income declined on account of the effects of fewer large-scale systems deals and upfront investments in cloud services. Outside Japan, operating income increased as the result of a continued rebound in the profitability of the European services business, despite the impact of lower sales of UNIX servers and upfront investments in networking.

### (1) Services

Net sales in the Services sub-segment amounted to 1,677.8 billion yen (US\$21,510 million), a decline of 1.9% from the same period a year earlier. In Japan, sales fell 1.3%. For systems integration services, despite a recovery in spending in the manufacturing and healthcare-related sectors, overall sales declined on account of the impact the

(Billion Yen)

	First 9 Months FY 2011	Change vs. First 9 Months FY 2010
Net Sales	1,677.8	-1.9%
Japan	1,033.6	-1.3%
Outside Japan	644.1	-2.7%
Operating Income	52.2	-5.3

earthquake had on the beginning of the fiscal year, in addition to fewer large-scale systems deals in the financial services and public sectors, as well as the shift in spending by telecommunications carriers toward hardware to accommodate increased communications traffic. Sales of infrastructure services also declined. Although sales of outsourcing services grew steadily, sales were adversely impacted by a shift in the ISP business, a part of network services business, from packaged products that include connection fees toward stand-alone products. Sales outside Japan declined 2.7%. Excluding the impact of currency fluctuations,

however, sales increased by 1%. Fiscal austerity policies continued to impact sales in the UK, and sales in the US were weak, but sales in Australia and other regions increased.

Operating income for the Services sub-segment amounted to 52.2 billion yen (US\$669 million), a decrease of 5.3 billion yen compared to the same period of fiscal 2010. In Japan, profitability was adversely impacted by fewer large-scale systems deals and ongoing upfront investments into cloud services, in addition to the impact the earthquake had early in the fiscal year. Outside Japan, despite the continued impact of the decline in sales stemming from fiscal austerity measures in the UK, profitability of the European services business continues to rebound, resulting in improved operating income.

## (2) System Platforms

Net sales in the System Platforms sub-segment were 393.7 billion yen (US\$5,047 million), a decrease of 3.7% from the first nine months of fiscal 2010. In Japan, sales were essentially unchanged from the same period of the previous fiscal year. In addition to the impact the earthquake had early in the fiscal year, server-related sales declined

(Billion Yen)

	First 9 Months FY 2011	Change vs. First 9 Months FY 2010
Net Sales	393.7	-3.7%
Japan	284.5	0.5%
Outside Japan	109.2	-13.3%
Operating Income	19.4	-4.3

due to the effect of fewer large-scale systems deals in the financial services and public sectors, but sales of routers and mobile phone base stations to telecommunications carriers grew against a backdrop of higher network traffic volumes due to the spread of smartphones. Sales outside Japan declined 13.3% compared to the same period in the previous year. Excluding the impact of currency fluctuations, sales decreased by 7%. Although network product sales were essentially unchanged, sales of UNIX servers in Europe and the US declined.

Operating income for the System Platforms sub-segment amounted to 19.4 billion yen (US\$249 million), a decline of 4.3 billion yen compared to the first nine months of fiscal 2010. Despite the positive impact of improved network products sales and cost reductions in the x86 server business, income declined as a result of fewer sales of server-related products. Outside Japan, sales deteriorated as a result of the impact of lower UNIX server sales to Europe and the US, as well as higher upfront investments, primarily in networking technologies.

## Ubiquitous Solutions

Net sales in the Ubiquitous Solutions segment were 817.0 billion yen (US\$10,474 million), a decline of 1.7% compared to the first nine months of fiscal 2010. Sales in Japan were essentially unchanged. In PCs, unit sales were weak due to difficulties in procuring hard disk drives as the result of the Thai floods, and sales in the

(Billion Yen)

	First 9 Months FY 2011	Change vs. First 9 Months FY 2010
Net Sales	817.0	-1.7%
Japan	621.4	-0.7%
Outside Japan	195.5	-4.7%
Operating Income	6.4	-12.3

consumer market were affected by intensified price competition. In the mobile phone business, despite the impact of the earthquake and Thai floods on production and sales, the positive impact of the merger with Toshiba Corporation's mobile phone business, along with strong smartphone sales, led to higher sales. Sales of the Mobilewear sub-segment's car audio and navigation systems decreased due to the pullback in vehicle production as a result of the earthquake and Thai floods, 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 4.7%, and by 1% on a constant-currency basis. Unit sales of PCs increased, particularly in Europe, but sales

of mobilewear devices declined as a result of the impact of the pullback in vehicle production outside Japan due to the earthquake and Thai flooding.

Operating income for Ubiquitous Solutions amounted to 6.4 billion yen (US\$82 million), representing a decline in income of 12.3 billion yen compared to the first nine months of the previous fiscal year. Although the decline in sales of PCs and the effects of higher HDD procurement costs in Japan were offset by cost reductions, the mobile phone business was buffeted by the impact of reduced production and sales due to the earthquake and Thai floods, in addition to the effects of lower sales prices for feature phones and continued higher smartphone development costs. Mobilewear was also adversely impacted by lower sales. Outside Japan, higher HDD procurement costs for PCs could not be offset by cost reduction efforts, and mobilewear was negatively affected by lower sales.

## Device Solutions

Net sales in Device Solutions amounted to 426.6 billion yen (US\$5,469 million), a decline of 10.2% compared to the first nine months of fiscal 2010. Sales in Japan declined 6.1%. LSI device sales declined as shipments of CPUs for the next-generation supercomputer system, for which production had ramped up during the first nine months of fiscal

(Billion Yen)

	First 9 Months FY 2011	Change vs. First 9 Months FY 2010
Net Sales	426.6	-10.2%
Japan	251.7	-6.1%
Outside Japan	174.8	-15.5%
Operating Income	-13.2	-32.9

2010, were completed in the first quarter of fiscal 2011. In addition, sales of LSI devices for digital audio-visual equipment declined on the impact of the earthquake and the flooding in Thailand. Sales of electronic components in Japan also declined, primarily due to sluggish demand for semiconductor packages. Sales outside Japan declined 15.5%. Even excluding the impact of exchange rate fluctuations, sales declined 9%. Sales of LSI devices remained essentially unchanged from the first nine months of fiscal 2010, but sales of electronic components declined on lower sales of semiconductor packages and LCD modules, primarily to Asia.

The Device Solutions segment recorded an operating loss of 13.2 billion yen (US\$169 million), representing a deterioration of 32.9 billion yen from the first nine months of fiscal 2010. In Japan, operating income from LSI devices declined due to the impact of lower sales and a decline in the capacity utilization rates of production lines because of lower demand. Operating income from electronic components also declined due to the impact of lower sales and a sharp rise in the cost of some parts and materials. Outside Japan, operating income from both LSI devices and electronic components fell as a result of lower demand and yen appreciation.

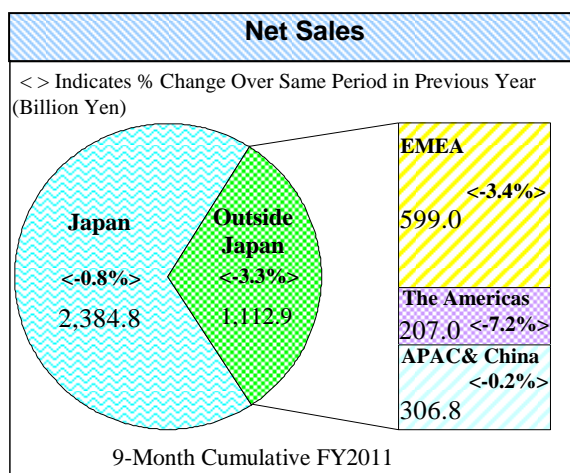
## Other/Elimination and Corporate

This segment recorded an operating loss of 54.6 billion yen (US\$700 million), a deterioration of 3.1 billion yen from the first nine months of fiscal 2010. This was on account of up-front costs associated with the development of new businesses and other factors.

The K computer, which is the next-generation supercomputer co-developed by RIKEN and Fujitsu, brings together many of the Fujitsu Group's technologies, such as the proprietary CPUs developed for the project. After delivering the first component of the supercomputer in September 2010, Fujitsu successfully overcame the challenges posed by the earthquake. In November 2011 the K computer achieved a computing speed of 10 petaflops at an efficiency ratio of 93% to be recognized as No. 1 for its computing performance in the TOP500 list for the second consecutive time. With the manufacturing of over 800 racks completed, Fujitsu is in the final stages of the project and aims to complete the supercomputer in 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)

	Third Quarter FY 2011	Change vs. 3Q FY 2010	First 9 Months FY 2011	Change from First 9 Months FY 2010
Japan	19.4 [2.4%]	-13.6 [-1.8%]	67.9 [2.8%]	-53.1 [-2.2%]
Outside Japan	2.3 [0.6%]	-3.1 [-0.8%]	-1.0 [-0.1%]	-2.5 [-0.2%]
EMEA	2.2 [1.1%]	1.7 [0.9%]	-4.8 [-0.8%]	4.7 [0.8%]
The Americas	-0.8 [-1.4%]	-2.7 [-4.1%]	0.1 [0.1%]	-3.7 [-1.6%]
APAC & China	0.9 [1.0%]	-2.1 [-2.1%]	3.6 [1.2%]	-3.6 [-1.2%]

Note: Numbers inside brackets indicate operating income margin.