Part I: Financial Results

1. Explanation of Financial Results

<Business Environment>

During fiscal 2012 (April 1, 2012 – March 31, 2013), the global economy continued to experience a weak recovery. In Europe, the development of a framework to economically assist countries in southern Europe has caused sovereign debt yields to decline, while economic conditions continued to deteriorate as a result of fiscal austerity measures and rising unemployment. In the US, the employment situation appeared to be improving, but concerns over fiscal policy resulted in continued uncertainty. The rate of economic growth in emerging market countries moderated on account of depressed consumer spending, although there were signs of improvement in investing as a result of expanded public sector spending and monetary easing.

In Japan, the economy remained weak as a result of the expiration of subsidies for hybrid car purchases and an anemic recovery in the global economy. However, despite rising expectations for an economic rebound due to a stock market rally and yen depreciation spurred on by the government's economic policy and monetary easing by the Bank of Japan, the impact on the real economy has been limited.

With respect to investments in information and communication technology (ICT) in Japan, spending on services has been recovering as plans to invest that had been delayed were put back into motion. The severe situation in hardware sales continued, however, on account of deteriorating market conditions. Outside of Japan, primarily in Europe, economic conditions continued to deteriorate, and companies have been putting firmer constraints on investment spending.

FY2012 Full-Year Financial Results (Billion Yen)

	FY2011 *4/1/11-3/31/12*	**FY2012** *4/1/12-3/31/13*	Change vs. FY 2011		Change vs. Feb. Forecast
				Change (%)	
Net Sales	4,467.5	4,381.7	-85.8	[-3]* -1.9	11.7
Cost of Sales	3,232.1	3,177.9	-54.1	-1.7	
Gross Profit	1,235.4	1,203.7	-31.6	-2.6	
[Gross Profit Margin]	[27.7%]	[27.5%]	[-0.2%]		
Selling, General and Administrative Expenses	1,130.1	1,108.4	-21.6	-1.9	
Operating Income (Loss)	105.3	95.2	-10.0	-9.5	-4.7
[Operating Income Margin]	[2.4%]	[2.2%]	[-0.2%]		
Other Income and Expenses	-38.5	-140.3	-101.8	-	34.6
Income (Loss) Before Income Taxes and Minority Interests	66.7	-45.1	-111.8	-	
Income Taxes	29.9	24.2	-5.7	-19.1	
Income (Loss) Before Minority Interests	36.7	-69.3	-106.0	-	
Minority Interests (Loss)	-5.9	3.5	9.5	-	
Net Income (Loss)	42.7	-72.9	-115.6	-	22.0

* Change (%) Constant Currency

Quarterly Breakdown of Results

(Billion Yen)

		1Q	2Q	3Q	4Q	FY2012 Full-Year	Change vs. Feb. Forecast
Consolidated	Sales	957.3	1,114.4	1,048.2	1,261.6	4,381.7	11.7
	Change from FY2011	-28.7	8.1	-31.4	-33.8	-85.8	
	Operating Income	-25.0	32.7	-4.1	91.7	95.2	-4.7
	Change from FY2011	-7.9	8.5	-7.3	-3.3	-10.0	

[Results by Business Segment]

		1Q	2Q	3Q	4Q	FY2012 Full-Year	Change vs. Feb. Forecast
Technology Solutions	Sales	627.1	713.3	700.6	901.3	2,942.3	-22.6
	Change from FY2011	-32.0	-12.9	14.4	37.9	7.4	
	Operating Income	0.8	46.2	23.5	110.2	180.9	0.9
	Change from FY2011	-1.6	3.0	-2.3	10.6	9.6	
Ubiquitous Solutions	Sales	234.6	314.7	266.5	274.3	1,090.2	10.2
	Change from FY2011	-0.8	34.4	-34.6	-62.9	-64.0	
	Operating Income	-2.0	12.4	-2.0	1.2	9.6	-10.3
	Change from FY2011	-2.0	8.0	-4.1	-12.2	-10.3	
Device Solutions	Sales	130.3	138.3	129.5	142.1	540.3	0.3
	Change from FY2011	-10.5	-9.2	-8.6	-15.8	-44.3	
	Operating Income	-3.6	-3.3	-9.3	2.1	-14.2	-2.2
	Change from FY2011	-2.6	0.4	-0.9	-0.9	-4.0	

FY2012 Full-Year Major Items in Other Income and Expense (Billion Yen)

Item	3Q	4Q	Full Year	Description	Change vs. Feb. Forecast
Other Income and Expenses (Special Items)	-87.1	-63.5	-150.5		19.4
Restructuring Charges	-59.1	-57.0	-116.2		25.7
LSI Devices Business	-57.0	-33.2	-90.3	-Losses relating to transfer of production facilities. [-33.1] -Impairment losses of standard logic LSI devices production line. [-28.6] -Personnel-related expenses [-28.4]	21.6
Global Business	-0.9	-19.1	-20.0	Personnel-related expenses related to structural reforms mainly in Fujitsu Technology Solutions(Holding)B.V.	-0
Others	-1.0	-4.7	-5.8	Early retirement incentive plan for managerial levels	4.1
Impairment Loss	-28.0	-6.2	-34.2	Impairment loss on goodwill in European subsidiary and fixed assets of subsidiaries in Japan.	-6.2

Issues and Initiatives in FY 2012

In fiscal 2012, moving beyond the adverse effects from the Great East Japan Earthquake and the flooding in Thailand, Fujitsu anticipated that ICT spending in Japan would undergo a full-fledged recovery in the second half of the fiscal year. For fiscal 2012, the company initially projected consolidated net sales of 4,550.0 billion yen (an increase of 1.8% from fiscal 2011), consolidated operating income of 135.0 billion yen (an increase of 29.6 billion yen), and consolidated net income of 60.0 billion yen (an increase of 17.2 billion yen).

Actual results for fiscal 2012 were consolidated net sales of 4,381.7 billion yen (168.2 billion yen below initial projections) and consolidated operating income of 95.2 billion yen (39.7 billion yen below initial projections). The Technology Solutions segment achieved higher year-on-year operating income, and it essentially met initial projections. However, with intensification of competition in the market for hardware products beyond anticipated levels, and the protracted recession in European markets, performance in the Device Solutions and Ubiquitous Solutions fell below initial projections. In response, Fujitsu decided to undertake structural reforms, primarily in its LSI device business and operations outside Japan, resulting in the recording of 150.7 billion yen in other expenses, including goodwill impairment losses and restructuring expenses (90.3 billion yen of which is attributable to the LSI device business, and 49.8 billion yen of which is attributable to business operations outside Japan).

As a result, Fujitsu recorded a consolidated net loss of 72.9 billion yen (US$776 million), the Company’s first net loss since fiscal 2008 in the wake of the global financial crisis.

Since being reorganized as a wholly owned subsidiary of Fujitsu in March 2008, the LSI device business has continually been optimizing its manufacturing resources. In response to a sudden deterioration in the market, however, there was a heightened need to accelerate structural reforms in order to strengthen the fundamentals of the business. Accordingly, in October 2012 the Iwate Plant was transferred to Denso

Corporation, and in December 2012 the assembly line facilities were transferred to J-Devices Corporation. The Fujitsu Group has reached a basic agreement with Panasonic Corporation to integrate their system LSI (SoC) businesses, and the transfer of the 300 mm line of the Mie Plant to a new foundry company, including Taiwan Semiconductor Manufacturing Company, Ltd., is under consideration. In April 2013 a definitive agreement was reached to transfer the microcontroller and analog device business to US-based Spansion Inc. In addition, to rationalize the size of the workforce, an early retirement incentive plan was implemented for approximately 2,400 employees (of whom approximately 2,000 are in Japan).

With respect to business operations outside Japan, to strengthen the management fundamentals of Fujitsu Technology Solutions (Holding) B.V., which has been adversely impacted by deteriorating market conditions, particularly for its hardware business in continental Europe, the decision was made to implement workforce rationalization measures involving approximately 1,500 employees. Fujitsu plans to stabilize the business by transforming it from a hardware-oriented business to one that focuses on services.

In March 2013, a special contribution of 114.3 billion yen (800 million British pounds) was made to Fujitsu's UK pension fund, while the composition of the pension portfolio has been revised to reduce the future risk of an increase in pension obligations.

In addition to these measures, as part of the structural reforms designed to strengthen Fujitsu's management fundamentals, an early retirement incentive plan for management level personnel at Fujitsu Group companies in Japan was implemented.

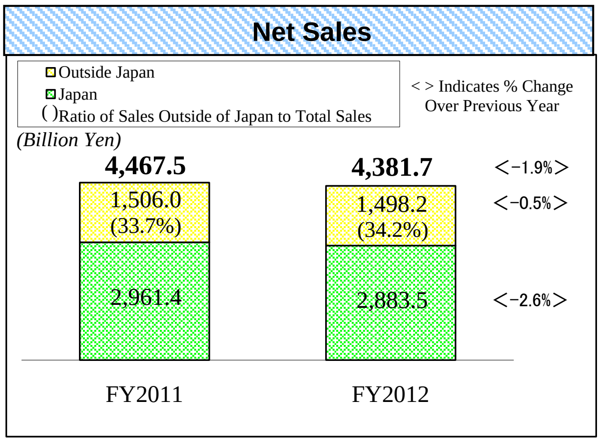
As a result of the net loss recorded in fiscal 2012 incurred due to the structural reforms implemented, Fujitsu's consolidated owners' equity ratio has declined to 25.6%. Unrecognized obligation for retirement benefits, which are mandated to be reflected on the balance sheet in fiscal 2013, are 465.8 billion yen (an increase of 64.9 billion yen from the previous fiscal year), despite the allocation of amortization expenses and an improvement in the investment performance of benefit plans. This is primarily due to lower discount rates as a result of the decline in interest rates in and outside Japan. On a pro forma basis, the owners' equity ratio in consideration of unrecognized obligation for retirement benefits was approximately 14%.

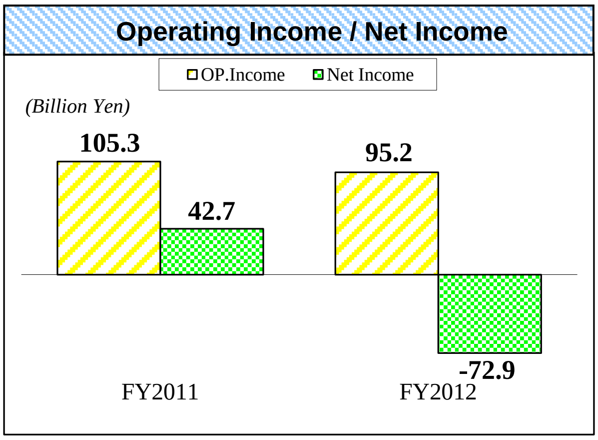
Because of the valuation loss on the shares of subsidiaries involved in the LSI device business and business outside of Japan, on an unconsolidated basis Fujitsu has negative retained earnings of 104.3 billion yen. For this reason, the Company regrettably will not pay a fiscal 2012 year-end dividend.

To quickly restore its consolidated owners' equity and resume dividend payments, Fujitsu is moving forward on implementing structural reforms to shift to a stable earnings structure. In addition, the Company is also thoroughly reforming its cost structure and shifting resources into growth fields. In fiscal 2015, Fujitsu aims to generate operating income of at least 200.0 billion yen, net income of at least 100.0 billion yen, and free cash flow of at least 100.0 billion yen.

<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=94 yen, the approximate Tokyo foreign exchange market rate on March 31, 2013. 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 fiscal 2011 to translate the current period's net sales outside Japan into yen.





Consolidated net sales for fiscal 2012 were 4,381.7 billion yen (US$46,614 million), a decline of 1.9% from fiscal 2011. Excluding the impact of foreign exchange fluctuations, sales were down by 3%.

Net sales in Japan fell by 2.6%. A drop in hardware sales of PCs, mobile phones, LSI devices and electronic components were the primary source of the decrease. Sales revenues stemming from the next-generation supercomputer systems, for which deliveries peaked in fiscal 2011, also declined. Outside of Japan, sales were essentially unchanged from the previous fiscal year, and on a constant currency basis, sales decreased by 3%. Sales of infrastructure services, particularly in Europe, were buffeted by deteriorating economic conditions, and sales of PCs in Europe and optical transmission systems in North America were lower.

Yen appreciation in the first half of the fiscal year turned into yen depreciation in the second half. For fiscal 2012, the average yen exchange rates against major currencies were 83 yen to the US dollar (representing a yen depreciation of 4 yen), 107 yen to the euro (an appreciation of 2 yen), and 131 yen to the British pound (a depreciation of 5 yen). As a result, the impact of foreign exchange fluctuations for the period was to increase net sales by approximately 30 billion yen compared to fiscal 2011. Sales generated outside Japan as a percentage of total sales were 34.2%, an increase of 0.5 of a percentage point compared to the previous fiscal year.

Gross profit was 1,203.7 billion yen, down 31.6 billion yen from fiscal 2011. The decline was attributable to lower sales of PCs, mobile phones and LSI devices. The gross profit margin was 27.5%, a decline of 0.2 of a percentage point compared to the prior fiscal year.

Selling, general and administrative expenses were 1,108.4 billion yen, a decline of 21.6 billion yen from fiscal 2011, primarily as a result of efforts across the Group to generate cost efficiencies. There was also upfront development spending in network-related technologies and cloud services.

As a result of the above factors, Fujitsu recorded operating income of 95.2 billion yen (US$1,013 million), a decline of 10.0 billion yen from the previous fiscal year.

In other income and expenses, Fujitsu recorded a loss of 140.3 billion yen, representing a deterioration of 101.8 billion yen from the previous fiscal year. As other expenses, Fujitsu posted restructuring charges of 116.2 billion yen, and an impairment loss of 34.2 billion yen.

The restructuring charges stem from 90.3 billion yen for the LSI device business, 20.0 billion yen for business outside Japan, and 5.8 billion yen for others. Restructuring charges for the LSI devices business consist of losses relating to transfer of production facilities and an impairment loss on the standard logic LSI devices production line, for which capacity utilization rates have been declining. The losses relating to transfer of production facilities consist of two items. One is guarantees, for a set period of time, on a portion of the operational costs of the Iwate Plant and test facilities that were transferred. The other is personnel-related expenses in accordance with the transfer of the LSI assembly and testing facilities. In addition, personnel-rationalization expenses were included in restructuring charges for the LSI devices business. The restructuring charges for business outside Japan consist of personnel-related expenses, primarily for the European subsidiary Fujitsu Technology Solutions (Holding) B.V. Other restructuring charges include the losses mainly related to the personnel-related expenses associated with rationalizations at managerial levels in Japan.

The impairment loss stems mainly from the European subsidiary Fujitsu Technology Solutions (Holding) B.V. In light of continued deterioration of economic conditions in Europe, the business plan of Fujitsu Technology Solutions has been revised as investments planned at the time of acquisition are less likely to be collectible, and an impairment loss was recorded on the unamortized balance of goodwill and intangible assets.

Income (loss) before income taxes and minority interests amounted to a 45.1 billion yen loss, a year-on-year deterioration of 111.8 billion yen. Fujitsu posted income of 3.5 billion yen from minority interests, representing an improvement of 9.5 billion yen from the previous fiscal year, as a result of the recovering financial performance of the car audio and navigation equipment joint venture.

Fujitsu reported a consolidated net loss of 72.9 billion yen (US$776 million), representing a deterioration of 115.6 billion yen from fiscal 2011. Tax burden was relatively high due to the expanded net loss recorded by underperforming subsidiaries that have limits on recognition of deferred tax assets.

Comprehensive income was a 32.9 billion yen loss (US$350 million loss), with a 36.4 billion yen recorded in other comprehensive income, primarily as a result of a 22.8 billion yen foreign currency translation adjustments stemming from the ongoing depreciation of the yen.

Statement of Comprehensive Income (Billion Yen)

	FY2011	FY2012
Income(loss) before Minority Interests	36.7	-69.3
Other Comprehensive Income	-2.4	36.4
Unrealized Gain and Loss on Securities, Net of Taxes	0	11.5
Foreign Currency Translation Adjustments	-3.0	22.8
Share of Other Comprehensive Income of Associates Accounted for Using the Equity Method	0.5	1.9
Comprehensive Income	34.3	-32.9

Comparison to Consolidated Earnings Projections Announced in February 2013

For fiscal 2012, net sales exceeded the consolidated earnings projections announced in February 2013 by 11.7 billion yen in accordance with yen depreciation, while operating income fell below those projections by 4.7 billion yen mainly because of intensifying competition in the Ubiquitous Solutions segment. Net income was improved from the previous projections by 22.0 billion yen. Part of the restructuring initiatives related to LSI devices has been postponed to FY2013, although personnel-related expenses increased.

FY2012 Full-Year Consolidated Business Segment Information

<Net Sales* and Operating Income> (Billion Yen)

		FY2011 (4/1/11 ～ 3/31/12)	FY2012 (4/1/12 ～ 3/31/13)	Change vs. FY2011	Change(%)	Change(%) Constant Currency**	Change vs. Previous Forecast ***
Technology Solutions	Sales	2,934.9	2,942.3	7.4	0.3	-0	-22.6
	Japan	1,912.5	1,936.4	23.8	1.2	1	1.4
	Outside Japan	1,022.3	1,005.9	-16.3	-1.6	-4	-24.0
	Operating Income	171.2	180.9	9.6	5.6		0.9
	[Operating Income Margin]	[5.8%]	[6.2%]	[0.4%]			[0.1%]
Services	Sales	2,371.2	2,387.2	15.9	0.7	-0	-7.7
	Operating Income	124.0	131.6	7.6	6.1		1.6
	[Operating Income Margin]	[5.2%]	[5.5%]	[0.3%]			[0.1%]
System Platforms	Sales	563.6	555.1	-8.4	-1.5	-2	-14.8
	Operating Income	47.2	49.3	2.0	4.4		-0.6
	[Operating Income Margin]	[8.4%]	[8.9%]	[0.5%]			[0.1%]
Ubiquitous Solutions	Sales	1,154.2	1,090.2	-64.0	-5.5	-6	10.2
	Japan	884.9	823.0	-61.8	-7.0	-7	-11.9
	Outside Japan	269.3	267.1	-2.1	-0.8	-1	22.1
	Operating Income	19.9	9.6	-10.3	-51.7		-10.3
	[Operating Income Margin]	[1.7%]	[0.9%]	[-0.8%]			[-1.0%]
Device Solutions	Sales	584.7	540.3	-44.3	-7.6	-9	0.3
	Japan	342.9	295.9	-47.0	-13.7	-14	-4.0
	Outside Japan	241.7	244.4	2.7	1.1	-3	4.4
	Operating Income	-10.1	-14.2	-4.0	-		-2.2
	[Operating Income Margin]	[-1.7%]	[-2.6%]	[-0.9%]			[-0.4%]
Other/Elimination and Corporate****	Sales	-206.3	-191.2	15.0	-	-	23.7
	Operating Income	-75.7	-81.0	-5.3	-		6.9
Total	Sales	4,467.5	4,381.7	-85.8	-1.9	-3	11.7
	Japan	2,961.4	2,883.5	-77.9	-2.6	-3	-6.4
	Outside Japan	1,506.0	1,498.2	-7.8	-0.5	-3	18.2
	Operating Income	105.3	95.2	-10.0	-9.5		-4.7
	[Operating Income Margin]	[2.4%]	[2.2%]	[-0.2%]			[-0.1%]
	<Ratio of Sales outside Japan>	33.7%	34.2%	0.5%			

<Net Sales* by Principal Products and Services> (Billion Yen)

		FY2011 (4/1/11 ～ 3/31/12)	FY2012 (4/1/12 ～ 3/31/13)	Change vs. FY2011			Change vs. Previous Forecast ***
					Change(%)	Change(%) Constant Currency**	
TOTAL	Technology Solutions	2,934.9	2,942.3	7.4	0.3	-0	-22.6
	Services	2,371.2	2,387.2	15.9	0.7	-0	-7.7
	Solutions / SI	824.8	837.1	12.2	1.5	1	-12.8
	Infrastructure Services	1,546.4	1,550.0	3.6	0.2	-1	5.0
	System Platforms	563.6	555.1	-8.4	-1.5	-2	-14.8
	System Products	282.7	262.9	-19.7	-7.0	-7	-7.0
	Network Products	280.8	292.2	11.3	4.0	3	-7.7
	Ubiquitous Solutions	1,154.2	1,090.2	-64.0	-5.5	-6	10.2
	PCs/Mobile Phones	889.5	822.8	-66.7	-7.5	-7	2.8
	Mobilewear	264.7	267.4	2.6	1.0	0	7.4
	Device Solutions	584.7	540.3	-44.3	-7.6	-9	0.3
	LSI*****	327.1	289.6	-37.5	-11.5	-13	-0.3
	Electronic Components	258.6	252.5	-6.0	-2.3	-4	2.5

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 FY2011 to translate the current period’s net sales outside Japan into yen.

*** Previous forecast as of February 7, 2013.

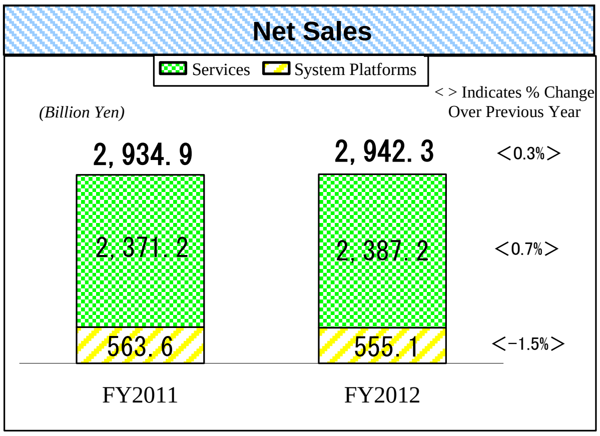
**** "Other/Elimination and Corporate" includes Japan's next-generation supercomputer project; facility services and the development of information services for Fujitsu Group companies; and welfare benefits for Fujitsu Group employees, as well as strategic expenses such as basic research and joint costs associated with Group management conducted by the parent company.

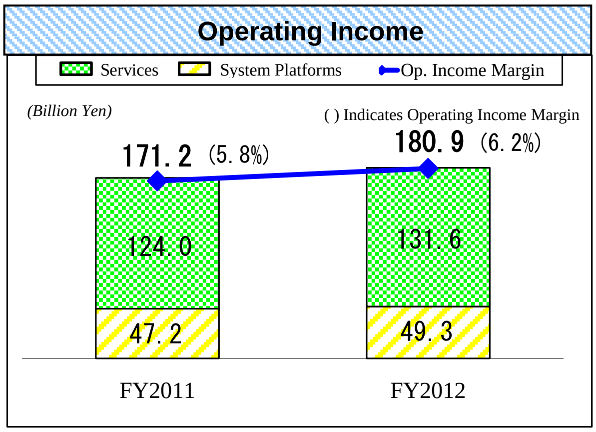
***** Sales figures for LSI include intrasegment sales to the electronic components segment.

<Results by Business Segment>

Information on fiscal 2012 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 2,942.3 billion yen (US$31,301 million), essentially unchanged from fiscal 2011.

(Billion Yen)

	FY2012	Change vs. FY2011
Net Sales	2,942.3	0.3 %
Japan	1,936.4	1.2 %
Outside Japan	1,005.9	-1.6 %
Operating Income	180.9	9.6

Sales in Japan increased 1.2%. Server-related sales declined due to the high-volume production of dedicated servers for use in the K computer, a next-generation supercomputer, during the first half of fiscal 2011. A decline in large-scale system deals also had an adverse impact. Sales of network products increased, mainly in routers, due to higher spending by telecommunications carriers to handle larger volumes of communications traffic and to expand LTE coverage. In system integration services, despite the impact of fewer large-scale system deals and a shift toward spending on hardware by telecommunications carriers, sales as a whole increased due to a recovery in spending, primarily in the manufacturing and public sectors. Sales of infrastructure services also rose on steady growth of outsourcing services, in addition to higher demand related to network services, as telecommunications carriers tried to keep up with higher volumes of communications traffic. Sales outside Japan declined 1.6%. On a constant currency basis, sales fell by 4%. Infrastructure services sales declined on account of the economic downturn in Europe. Meanwhile, sales of optical transmission systems in the first half of this fiscal year declined due to a shift toward spending on wireless networks by North American telecommunications carriers. In addition, sales of UNIX servers decreased in anticipation of the introduction of new models.

The segment posted operating income of 180.9 billion yen (US$1,924 million), up 9.6 billion yen compared to fiscal 2011. In Japan, despite the impact of lower sales of large-scale system integration and server-related system deals, in addition to higher upfront R&D spending for network products, income rose overall on the back of higher network-related sales and the impact of cost reduction mainly for x86 servers. Outside Japan, operating income declined as a result of the impact of lower sales in the European business, reduced sales of optical transmission systems and UNIX servers in North America, as well as increased expenses related to retirement benefit obligations in the UK.

(a) Services

Net sales in the Services sub-segment amounted to 2,387.2 billion yen (US$25,396 million), essentially unchanged from fiscal 2011. In Japan, sales rose 1.5% from the previous fiscal year. For system integration services, despite the impact of fewer large-scale system deals, primarily in the financial services sector, in addition to a shift toward spending on hardware by telecommunications carriers to handle higher communications traffic, sales increased due to a recovery in spending in the manufacturing and public sectors. In Infrastructure services, overall sales rose on steady growth of outsourcing services and higher demand related to network services, as telecommunications carriers tried to keep up with higher volumes of communications traffic. This was despite negative factors in the ISP business, which included a drop in subscribers and a shift from packaged products that include connection fees to stand-alone products. Sales outside Japan were on par with fiscal 2011. On a constant currency basis, sales declined 3%. While the datacenter businesses in Australia and North America grew steadily, sales were adversely affected by lower corporate spending stemming from the economic downturn in Europe as well as the impact of fiscal austerity policies put in place by the UK government.

(Billion Yen)

	FY2012	Change vs. FY2011
Net Sales	2,387.2	0.7 %
Japan	1,516.4	1.5 %
Outside Japan	870.7	-0.7 %
Operating Income	131.6	7.6

Operating income for the Services sub-segment was 131.6 billion yen (US$1,400 million), an increase of 7.6 billion yen compared to the previous fiscal year. In Japan, operating income increased due to higher sales of network services, despite the impact of fewer large-scale system deals. Outside Japan, operating income was adversely impacted by a decline in sales in Europe and an increase in expenses related to retirement benefit obligations in the UK, despite the positive impact of higher sales and cost efficiencies in Australia and North America.

In light of continued deterioration of economic conditions in Europe and intensified competition, Fujitsu has revised the business plan for Fujitsu Technology Solutions (Holding) B.V. (FTS), the wholly owned European subsidiary acquired in April 2009. This revision is due to the likelihood that the investment at acquisition will not be recoverable within 10 years as initially planned. As a result, Fujitsu recorded an impairment loss of 28.0 billion yen, during the third quarter, on the unamortized balance of goodwill recognized in accordance with the acquisition in April 2009. With the business environment deteriorating, Fujitsu decided to implement workforce rationalization as a part of structural reforms to improve FTS's profitability, and recorded other expenses of 18.4 billion yen on restructuring costs including for personnel-related expenses in the fourth quarter.

(b) System Platforms

Net sales in the System Platforms sub-segment were 555.1 billion yen (US$5,905 million), a decline of 1.5% from the year earlier. Sales in Japan were essentially unchanged. Sales of server-related products declined due to the high-volume production of dedicated servers for use in the K computer, a next-generation supercomputer, during the first half of fiscal 2011. In addition, there was the adverse impact of fewer large-scale system deals. Sales of network products rose, mainly in routers, on account of higher investments by telecommunications carriers to handle higher network traffic and to expand LTE coverage. Sales outside Japan declined 7.3%. On a constant currency basis, sales decreased 10%. Sales of UNIX servers declined

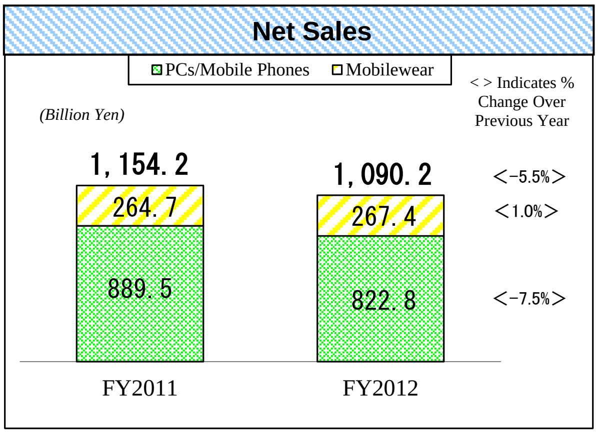
(Billion Yen)

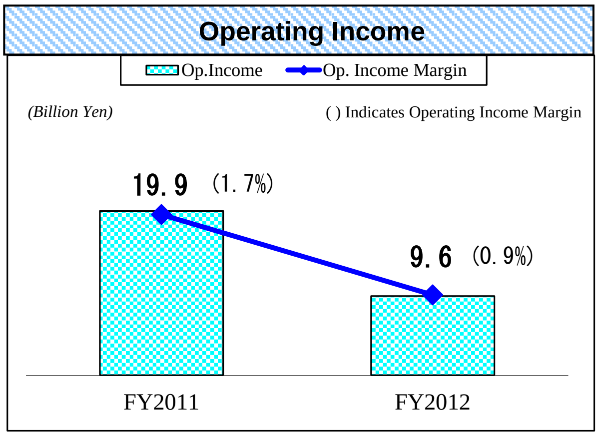
	FY2012	Change vs. FY2011
Net Sales	555.1	-1.5 %
Japan	419.9	0.5 %
Outside Japan	135.1	-7.3 %
Operating Income	49.3	2.0

in anticipation of the introduction of new models. Sales of optical transmission systems in the first half of the fiscal year decreased due to a shift toward spending on wireless networks by North American telecommunications carriers.

The System Platforms sub-segment posted operating income of 49.3 billion yen (US$524 million), up 2.0 billion yen compared to fiscal 2011. In Japan, although income from server-related products declined and upfront R&D spending in network products rose, operating income increased due to the effect of higher sales of network products and cost reductions mainly for x86 servers. Outside Japan, income was adversely impacted by lower sales of optical transmission systems in North America and for UNIX servers.

Ubiquitous Solutions





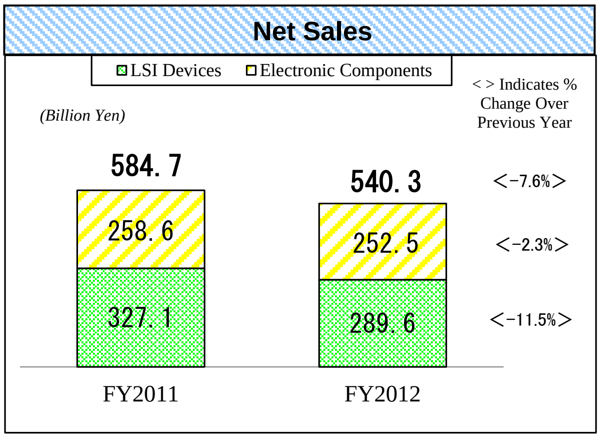
(Billion Yen)

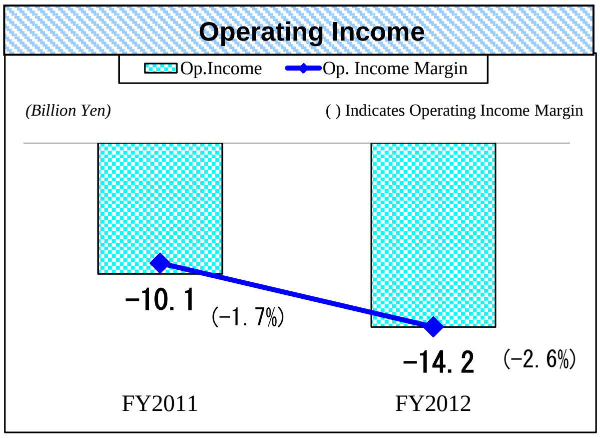
	FY2012	Change vs. FY2011
Net Sales	1,090.2	-5.5 %
Japan	823.0	-7.0 %
Outside Japan	267.1	-0.8 %
Operating Income	9.6	-10.3

Net sales in the Ubiquitous Solutions segment were 1,090.2 billion yen (US$11,598 million), a decline of 5.5% from fiscal 2011. Sales in Japan were down by 7.0%. In spite of large-volume orders received from corporations, sales of PCs declined on sluggish sales of consumer PCs and lower sales prices. In mobile phones, sales of smart phones stagnated as a result of the intensifying competition, while the market for feature phones contracted. Sales of the Mobilewear sub-segment's car audio and navigation systems decreased due to lower sales of consumer-market car navigation products and the impact of lower vehicle sales on account of the government's subsidy program for eco-friendly vehicles having ended in September 2012. This decline came despite the impact of disruptions during the previous fiscal year, when vehicle production was temporarily suspended in the wake of the Great East Japan Earthquake. Sales outside Japan were essentially unchanged from fiscal 2011. Unit sales of PCs fell, however, sales of Mobilewear rose compared to fiscal 2011, when there was a temporary suspension of automobile production outside Japan because of the flooding in Thailand.

The Ubiquitous Solutions segment posted operating income of 9.6 billion yen (US$102 million), down 10.3 billion yen from the previous fiscal year. Despite the effect of restructuring initiatives in Mobilewear, operating income in Japan declined on account of increased procurement costs caused by yen depreciation, as well as lower sales prices for PCs. In fiscal 2012, operating income rose temporarily on account of the revised provision to recycling expenses prior to the start of the small electric appliance recycling scheme. Outside Japan, operating income was adversely affected by lower PC sales and higher procurement costs in Europe for components and materials denominated in US dollars because of the depreciation of the euro against the dollar, mainly in the first half of the fiscal year.

Device Solutions





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

(Billion Yen)

	FY2012	Change vs. FY2011
Net Sales	540.3	-7.6 %
Japan	295.9	-13.7 %
Outside Japan	244.4	1.1 %
Operating Income	-14.2	-4.0

Net sales in Device Solutions amounted to 540.3 billion yen (US$5,748million), a decline of 7.6% compared to fiscal 2011. Sales in Japan fell 13.7%. LSI device sales decreased due to delayed market recovery, particularly for digital audio-visual equipment and sluggish sales of LSI devices for use in Fujitsu's own servers. In addition, shipments of CPUs for the next-generation supercomputer system were completed during the first half of fiscal 2011. Sales of electronic components, particularly of batteries and semiconductor packages, also fell. Sales outside Japan increased 1.1%. On a constant currency basis, sales decreased 3%. LSI device sales declined, mainly to Asia. For electronic components, sales of batteries, particularly to the US, declined, but sales of semiconductor packages to Asia increased, primarily in the first half.

The Device Solutions segment recorded an operating loss of 14.2 billion yen (US$151 million), representing a deterioration of 4.0 billion yen from fiscal 2011. In Japan, earnings were adversely affected by lower sales of LSI devices and a decline in production line capacity utilization rates. Production lines for 300 mm wafers maintained high utilization rates, but capacity utilization rates on the production lines for products of standard logic devices continued to decline. Operating income for electronic components deteriorated because of the impact of lower sales and the burden of development expenditures incurred by an affiliate developing semiconductors for communications equipment. Outside Japan, there was a positive impact of yen depreciation for both LSI devices and electronic components.

The Fujitsu Group continually optimizes its manufacturing organization in accordance with changes in the economic and business environment. As part of these efforts, since being reorganized as a wholly owned subsidiary of Fujitsu in March 2008, the LSI device business has continually been optimizing its manufacturing resources. In response to a sudden deterioration in the market, however, there was a heightened need to accelerate structural reforms in order to strengthen the fundamentals of the business. Accordingly, in October 2012 the Iwate Plant was transferred to Denso Corporation, and in December 2012 the assembly line facilities were transferred to J-Devices Corporation. The Fujitsu Group has reached a basic agreement with Panasonic Corporation to integrate their system LSI (SoC) businesses, and the transfer of the 300 mm line of the Mie Plant to a new foundry company, including Taiwan Semiconductor Manufacturing Company, Ltd., is under consideration. In April 2013 a definitive

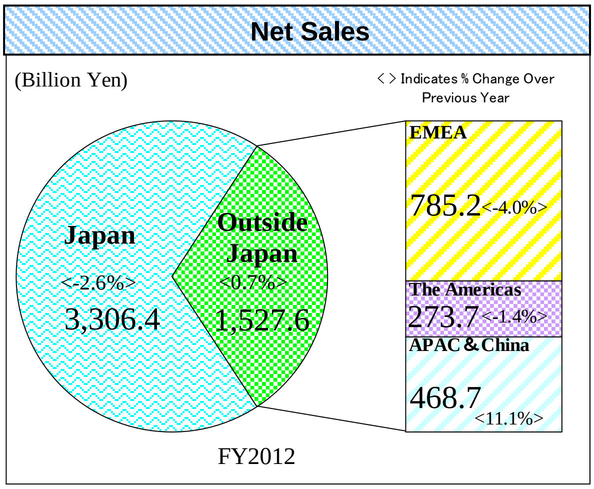
agreement was reached to transfer the microcontroller and analog device business to US-based Spansion Inc. In addition, to rationalize the size of the workforce, an early retirement incentive plan was implemented for approximately 2,400 employees (of whom approximately 2,000 are in Japan).
Fujitsu recorded 90.3 billion yen in restructuring expenses (33.1 billion yen losses relating to transfer of production facilities, 28.6 billion yen impairment losses of standard logic LSI devices production line and 28.4 billion yen relating to personnel-related expenses). Losses relating to transfer of production facilities include guarantees, for a set period of time, on a portion of the operational costs of the Iwate Plant and the LSI assembly and test facilities that were transferred, and personnel-related expenses and impairment losses and others in accordance with the transfer of the LSI assembly and testing facilities. Impairment losses and others of standard logic LSI devices production line are relating to 200 mm lines and others of Mie and Aizu-wakamatsu regions, for which capacity utilization rates have been declining.

Other/Elimination and Corporate

This segment recorded an operating loss of 81.0 billion yen (US$862 million), a deterioration of 5.3 billion yen from fiscal 2011. This was on account of up-front investments associated with the development of new businesses and other factors.

<Results by Geographic Segments>

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



Operating Income (Billion Yen)

	FY2011	FY2012	Change vs. FY2011
Japan	177.8 [5.2%]	178.4 [5.4%]	0.6 [0.2%]
Outside Japan	8.0 [0.5%]	-4.1 [-0.3%]	-12.2 [-0.8%]
EMEA	-0 [-0.0%]	-12.4 [-1.6%]	-12.4 [-1.6%]
The Americas	0.4 [0.2%]	-2.2 [-0.8%]	-2.7 [-1.0%]
APAC & China	7.6 [1.8%]	10.4 [2.2%]	2.8 [0.4%]

Note: Numbers inside brackets indicate operating income margin.

In Japan, net sales amounted to 3,306.4 billion yen (US$35,174 million), a decrease of 2.6% compared to fiscal 2011. Sales of PCs and mobile phones decreased due to intensifying competition and LSI devices were impacted by lower demand, although sales of network products and infrastructure services, primarily in network-related sales, increased. Operating income in Japan was 178.4 billion yen (US$1,898 million), a year-on-year increase of 0.6 billion yen. The positive impact of higher sales of network-related business, yen depreciation for electronic components and the effect of restructuring initiatives in car audio and navigation systems were offset by lower revenue from PCs, mobile phones and LSI devices.

Net sales outside Japan were 1,527.6 billion yen (US$16,251 million), a roughly on par with fiscal 2011. Operating loss outside Japan was 4.1 billion yen (US$44 million) a year-on-year deterioration of 12.2 billion yen, mainly in EMEA.

Net sales in EMEA amounted to 785.2 billion yen (US$8,353 million), a decrease of 4.0% from fiscal 2011. Sales of PCs decreased primarily in continental Europe and sales of infrastructure services were adversely affected by constrained corporate spending stemming from the economic downturn, mainly in the first half of the fiscal year as well as the impact of public sector fiscal austerity policies. Operating loss was 12.4 billion yen (US$132 million), representing a deterioration of 12.4 billion yen from fiscal 2011. Infrastructure services were adversely impacted by low revenue and an increase in expenses related to retirement benefit obligations in the UK. In addition to falling PCs sales, there was an adverse impact from higher procurement costs in Europe for components and materials denominated in US dollars due to depreciation of the euro against the dollar mainly in the first half of the fiscal year.

Net sales in the Americas were 273.7 billion yen (US$2,912 million), a decline of 1.4% from fiscal 2011. On a constant currency basis, sales declined 5.0%. Sales of optical transmission systems decreased due to constrained investment by North American telecommunications carriers, mainly in the first half of the fiscal year. Sales of UNIX servers declined in anticipation of the introduction of new models. Operating loss for the region amounted to 2.2 billion yen, (US$23 million), a deterioration of 2.7 billion yen from fiscal 2011. Income declined as a result of lower revenue from optical transmission systems.

In APAC and China, net sales were 468.7 billion yen (US$4,986 million), a year-on-year increase of 11.1%. Sales of car audio and navigation systems increased due to recovery following the Thai flooding in the previous fiscal year. Sales of Infrastructure services also increased. Operating income was 10.4 billion yen (US$111 million), an increase of 2.8 billion yen from fiscal 2011.