8. Notes to FY2012 Full-Year Consolidated Financial Statements

(1) Notes Regarding Consolidated Income Statements and Cash Flow Statements

(Presentation of Consolidated Income Statements)

	FY2011 (April 1, 2011 – March 31, 2012)	**FY2012** (April 1, 2012 – March 31, 2013)
Restructuring Charges	In LSI devices, as part of the restructuring program to optimize manufacturing capabilities, the Company decided to transfer the Iwate Plant, one of its front-end manufacturing centers, to Denso Corporation, recording 5,992 million yen in impairment losses on plant disposal and one-time costs for the relocation of employees. In car audio and navigation systems, the Group spent 5,236 million yen for reassigning employees at plants in Japan as part of a reorganization of production operations to enhance cost competitiveness, while in services outside Japan, the Group recorded 3,971 million yen in expenses related to personnel rationalization, mainly in Europe and North America. In addition, the restructuring charges in the LSI devices, car audio and navigation systems include impairment losses of 2,465 million yen.	Restructuring expenses of 90,308 million yen were recorded relating to structural reforms in the LSI device business. These include 33,146 million yen in losses relating to transfer of production facilities, 28,685 million yen in impairment losses of standard logic LSI devices production line and 28,477 million yen relating to personnel-related expenses. 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 the LSI assembly and test facilities that were transferred. (20,895 million yen) The other is personnel-related expenses and impairment losses in accordance with the transfer of the LSI assembly and testing facilities.(12,251million yen) Impairment losses and others of standard logic LSI devices production line are relating to 200mm lines and others of Mie and Aizu-wakamatsu regions, for which capacity utilization rates have been declining. In addition, restructuring expenses for 20,074 million yen were recorded for businesses outside of Japan, mainly personnel-related expenses associated with the European subsidiary Fujitsu Technology solutions (Holding) B.V. 5,839 million yen of restructuring expenses recorded mainly related to the personnel-related expenses associated with rationalizations at managerial levels. The restructuring charges include impairment losses of 28,266 million yen from the LSI device business and other businesses.

Impairment Losses	The impairment losses were for the LSI devices, and car audio and navigation systems. In the LSI device business, in order to optimize the manufacturing capabilities, the transfer of the Iwate plant, one of the front-end manufacturing plants, to DENSO Corporation was agreed in the fiscal year ended March 31, 2012. The asset group of the Iwate plant, scheduled to be transferred during the next fiscal year, was impaired by 1,300 million yen. In the car audio and navigation systems business, the Group has shifted to outsourced production of car audio products due to a decline in customer demand. As a result, the assets were impaired by 1,165 million yen. In other businesses, the impairment losses of 776 million yen include losses on employee facilities already committed to be sold at the end of the fiscal year. The impairment loss of 2,465 million yen in the LSI devices is included in “Restructuring charges” classified within “Other income (expenses)”.	The impairment loss stems mainly from the European subsidiary Fujitsu Technology Solutions (Holding) B.V. and represents goodwill impairment losses. In light of continued deterioration of economic conditions in Europe and intensified competition, the business plan of Fujitsu Technology Solutions has been revised as investment planned at acquisition are less likely to be collectible within 10 years, and impairment losses of 28,049 million yen were recorded on the unamortized balance of goodwill that was recognized in accordance with the acquisition in April 2009. In addition impairment loss stems from subsidiaries in Japan relating to employee facilities already committed to be sold at the end of the fiscal year and assets relating to low profitable business. The impairment losses of 28,266 million yen recorded in the LSI device business and other businesses are included in the restructuring charges .

(Presentation of Consolidated Statements of Cash Flows)

	FY2011 (April 1, 2011 – March 31, 2012)	**FY2012** (April 1, 2012 – March 31, 2013)
The Difference of Ending Balance of Cash and Cash Equivalents between Balance Sheets and Cash Flow Statements	(Million Yen) Cash and time deposits; 213,499 Marketable securities; 60,426 Time deposits and marketable securities which mature in 3 months or more; -7,227 266,698	(Million Yen) Cash and time deposits; 202,502 Marketable securities; 102,463 Time deposits and marketable securities which mature in 3 months or more; -18,363 Short-term borrowings (Overdrafts) -2,054 284,548
Proceeds from Transfer of Business	—	Proceeds from sales of property, plant and equipment in accordance with transfer of the Iwate Plant and LSI assembly and testing facilities.
Cash Flows from Operating Activities	—	<Additional Information> “Other, net” in Cash flows from operating activities includes a special payment of 114,360 million yen (800 million British pounds) into pension schemes of UK subsidiary and its subsidiaries.

(2) 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 services that integrate products, software, and services, the segment is organized in a matrix management structure comprised of business departments that are organized by product and service type, in order to manage costs and devise global business strategies, and sales departments that are organized along industry and geographic lines.
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 ICT 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 and batteries.

II. Method Used to Calculate Net Sales and Profit or Loss by Reportable Segment

Income figures for business segments are based on operating income. The Fujitsu Group’s financing (including financial expense and income) as well as other items such as corporate tax are managed by the Group overall and have not been allocated within the business segments.
Intersegment transactions are based on an arm length’s price.

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

FY 2011 (April 1, 2011 to March 31, 2012) (Million Yen)

	Reportable Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
External customers	2,864,658	1,039,809	515,834	4,420,301	35,371	4,455,672
Inter-segment	70,247	114,473	68,866	253,586	48,208	301,794
Total net sales	2,934,905	1,154,282	584,700	4,673,887	83,579	4,757,466
Operating Income (Loss)	171,297	19,938	-10,182	181,053	-2,056	178,997

FY 2012 (April 1, 2012 to March 31, 2013) (Million Yen)

	Reportable Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
External customers	2,890,376	972,971	483,896	4,347,243	18,379	4,365,622
Inter-segment	52,002	117,278	56,478	225,758	46,333	272,091
Total net sales	2,942,378	1,090,249	540,374	4,573,001	64,712	4,637,713
Operating Income (Loss)	180,973	9,626	-14,246	176,353	-6,922	169,431

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

IV. Reconciliation of Net Sales and Operating Income or Loss of Reportable Segments with those of Consolidated Income Settlements

(Million Yen)

Reconciliation of Net Sales	FY2011	FY2012
Total of Reportable Segments	4,673,887	4,573,001
Net Sales of "Other" Category	83,579	64,712
Elimination of Intersegment Transactions	-289,892	-255,985
Net Sales in Consolidated Income Statements	4,467,574	4,381,728

(Million Yen)

Reconciliation of Operating Income (Loss)	FY2011	FY2012
Total of Reportable Segments	181,053	176,353
Operating Loss of "Other" Category	-2,056	-6,922
Corporate Expenses*	-75,929	-70,750
Elimination of Intersegment Transactions	2,236	-3,403
Operating Income in Consolidated Income Statements	105,304	95,278

* 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.

<Related Information>

1. Information on Product and Services

FY 2011 (April 1, 2011 to March 31, 2012) (Million Yen)

	Technology Solutions		Ubiquitous Solutions		Device Solutions		Other Technologies Business	Other Fields	Total
	Services	System Platforms	PCs/Mobile Phones	Mobilewear	LSI	Electronic Components			
Sales to External Customers	2,339,574	525,084	779,226	260,583	281,325	234,509	35,371	11,902	4,467,574

FY 2012 (April 1, 2012 to March 31, 2013) (Million Yen)

	Technology Solutions		Ubiquitous Solutions		Device Solutions		Other Technologies Business	Other Fields	Total
	Services	System Platforms	PCs/Mobile Phones	Mobilewear	LSI	Electronic Components			
Sales to External Customers	2,356,780	533,596	711,468	261,503	255,558	228,338	18,379	16,106	4,381,728

2. Geographical Information

Net Sales

FY 2011 (April 1, 2011 to March 31, 2012) (Million Yen)

Japan	Outside Japan				Total
	EMEA	The Americas	APAC/China	Sub-total	
2,961,478 [66.3%]	809,277 [18.1%]	286,595 [6.4%]	410,224 [9.2%]	1,506,096 [33.7%]	4,467,574 [100%]

FY 2012 (April 1, 2012 to March 31, 2013) (Million Yen)

Japan	Outside Japan				Total
	EMEA	The Americas	APAC/China	Sub-total	
2,883,513 [65.8%]	768,149 [17.5%]	287,742 [6.6%]	442,324 [10.1%]	1,498,215 [34.2%]	4,381,728 [100%]

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. There is no country that is required to have a separate individual disclosure.
4. Figures in parentheses represent percentage of segment sales to consolidated net sales.

【Impairment losses on fixed assets and information regarding goodwill for each reporting segment】

Impairment losses relating to the LSI device business and others of 28,266 million yen were recorded in business structure improvement expenses. In addition, goodwill impairment losses of 24,895 million yen and impairment losses on other intangible assets of 3,154 million yen for the European subsidiary Fujitsu Technology Solutions (Holding) B.V. (hereafter FTS). These losses are not allocated to the business segments because income figures for the Fujitsu Group’s business segments represent operating income.

Goodwill amortization costs and the unamortized balance of goodwill for FTS are included in figures for income and assets of the Technology Solutions reporting segment.

(3) Consolidated Tax Effect Accounting

Significant components of deferred tax assets and liabilities (Billion Yen)

	FY2011 (as of March 31, 2012)	**FY2012 (as of March 31, 2013)**
Deferred tax assets:		
Tax loss carry forwards	153.0	168.9
Accrued retirement benefits	137.1	126.5
Excess of depreciation and amortization and impairment loss*	50.0	57.9
Accrued bonus	40.9	40.1
Inventories	22.0	25.7
Provision for product warranties	8.2	8.0
Intercompany profit	5.6	6.0
Revaluation loss on investment securities	6.1	4.8
Provision for loss on repurchase of computers	5.0	4.5
Other	48.9	65.7
Gross deferred tax assets	477.1	508.5
Valuation allowance	-253.9	-274.5
Total deferred tax assets	223.2	234.0
Deferred tax liabilities:		
Gains from establishment of stock holding trust	-96.8	-96.8
Unrealized gains on securities	-7.4	-13.5
Tax allowable reserves	-1.3	-0.7
Other	-8.1	-7.6
Total deferred tax liabilities	-113.8	-118.8
Net deferred tax assets	109.3	115.2

Note: Excess of depreciation and amortization and impairment loss includes a revaluation loss on idle lands.

(4) Retirement Benefit Plan

a. Japan

(1) Itemization of projected benefit obligation, etc. (Billion Yen)

	FY2011 (as of March 31, 2012)	FY2012 (as of March 31, 2013)
i. Projected benefit obligation*	-1,296.6	-1,432.0
ii. Plan assets	943.9	1,068.5
[pension trust asset portion]	37.5	44.6
iii. Projected benefit obligation in excess of plan assets (i)+(ii)*	-352.6	-363.4
iv. Unrecognized actuarial loss	357.5	354.0
v. Unrecognized prior service cost (reduced obligation)**	-65.5	-45.3
vi. Prepaid pension cost	-52.3	-50.0
vii. Accrued retirement benefits…(iii)+(iv)+(v)+(vi)*	-112.9	-104.7

(2) Components of net periodic benefit cost (Billion Yen)

	FY2011 (4/1/11～3/31/12)	FY2012 (4/1/12～3/31/13)
i. Service cost	40.1	40.2
ii. Interest cost	31.7	32.0
iii. Expected return on plan assets	-26.5	-27.4
iv. Amortization of actuarial loss	41.9	43.5
v. Amortization of prior service cost	-18.6	-18.9
vi. Other***	0.5	0.5
vii. Net periodic benefit cost…(i)+(ii)+(iii)+(iv)+(v)+(vi)	69.2	69.9
viii. Loss on termination of retirement benefit plan	0.8	0.2
ix. Total…(vii)+(viii)	70.1	70.2

* The provision for extra retirement benefits stemming from business structure improvements in Japan, which in the prior fiscal year had been included in the “Accrued retirement benefits” line item (and amounted to 2.8 billion yen in fiscal 2011), is now, starting in fiscal 2012, included in “Provision for business structure improvement.”
In conjunction with this change, the numbers in fiscal 2011 were restated in fiscal 2012.

** With respect to the Fujitsu Corporate Pension Fund in which Fujitsu and its consolidated domestic subsidiaries participate, due to a partial revision of the company’s pension system in 2005, prior service costs (reduction of obligation) have arisen.

*** Contribution for the defined contribution plan

Fiscal 2011: Besides the above net periodic benefit cost, extra retirement benefits of 6.9 billion yen were paid.
Fiscal 2012: Besides the above net periodic benefit cost, extra retirement benefits of 36.3 billion yen were paid.

(3) Basis for Tabulating Projected Benefit Obligation

	FY2011 (as of March 31, 2012)	FY2012 (as of March 31, 2013)
Discount Rate	2.5%	1.7%

Note; The discount rate applied to calculation at the beginning of fiscal 2012 was 2.5%.
However discount rate was revised to 1.7% at the end of FY2012 based on judgment that change of discount rate has significant impact on the amounts of projected benefit obligation.

b. Outside Japan

(1) Itemization of projected benefit obligation, etc. (Billion Yen)

	FY2011 (as of March 31, 2012)	FY2012 (as of March 31, 2013)
i. Projected benefit obligation	-571.8	-719.1
ii. Plan assets	408.1	618.4
iii. Projected benefit obligation in excess of plan assets …(i)+(ii)	-163.6	-100.7
iv. Unrecognized actuarial loss*	108.9	157.1
v. Prepaid pension cost	-9.8	-130.0
vi. Accrued retirement benefits …(iii)+(iv)+(v)	-64.6	-73.7

(2) Components of net periodic benefit cost (Billion Yen)

	FY2011 (4/1/11～3/31/12)	FY2012 (4/1/12～3/31/13)
i. Service cost	3.7	3.4
ii. Interest cost	27.1	27.3
iii. Expected return on plan assets	-24.1	-22.6
iv. Amortization of actuarial loss *	3.4	6.5
v. Amortization of prior service cost	-0.1	0.1
vi. Other**	13.4	14.6
vii. Net periodic benefit cost….(i)+(ii)+(iii)+(iv)+(v)+(vi)	23.5	29.5
viii. Loss on termination of retirement benefits plan	0.1	-
ix. Total (vii)+(viii)	23.6	29.5

* Subsidiaries outside Japan adopt the International Financial Reporting Standards (IFRS), and apply the corridor approach to amortization of actuarial gain and losses.

** Amount paid to Contribution for the defined contribution plan

(3) Basis for Tabulating Projected Benefit Obligation

	FY2011 (as of March 31, 2012)	FY2012 (as of March 31, 2013)
Discount Rate	Mainly 5.0%	Mainly 4.4%

Note; The discount rate for FY2012 was revised to 4.4% in the light of interest rate at the end of FY2012.

(5) Consolidated Per Share Data

	Unit	FY2011 (4/1/11-3/31/12)	**FY2012 (4/1/12-3/31/13)**
Net assets per share	yen	406.42	377.62
Earnings per share	yen	20.64	-35.24
Diluted earnings per share	yen	20.55	-

(a) Diluted earnings per share for fiscal 2012 are not calculated due to loss per share, although the company has potential ordinary share.

(b) The calculations basis for earnings and net loss per share, as well as diluted earnings per share is as follows:

	Unit	FY2011 (4/1/11-3/31/12)	**FY2012 (4/1/12-3/31/13)**
Earnings (net loss) per share			
Net income (net loss)	million yen	42,707	-72,913
Deduction from net income	million yen	-	-
Net income for common share (net loss)	million yen	42,707	-72,913
Average number of common shares outstanding	thousand shares	2,069,526	2,069,330
Diluted earnings per share			
Adjustment for net income (net loss)	million yen	155	-
[Adjustment related to dilutive securities issued by subsidiaries and affiliates]	million yen	[-18]	[-]
[Bonds payable and other costs]	million yen	[173]	[-]
Increase in number of common shares	thousand shares	16,393	-
[Share warrants]	thousand shares	[16,393]	[-]

(c) The calculations basis for net assets per share is as follows:

	Unit	FY2011 (as of March 31, 2012)	**FY2012 (as of March 31, 2013)**
Net assets	million yen	966,598	909,809
Deduction from net assets	million yen	125,559	128,393
[Share purchase warrants]	million yen	[78]	[80]
[Minority interests]	million yen	[125,481]	[128,313]
Net assets for common shares	million yen	841,039	781,416
Number of common shares used to calculate owners' equity per share	thousand shares	2,069,365	2,069,294

(6) Major Subsequent Events

None

Part V: Others

1. Executive Promotions, New Appointments, and Resignations

Please see "Fujitsu Announces Executive Promotions, Appointments, and Resignations" announced on March 28, 2013 for details.