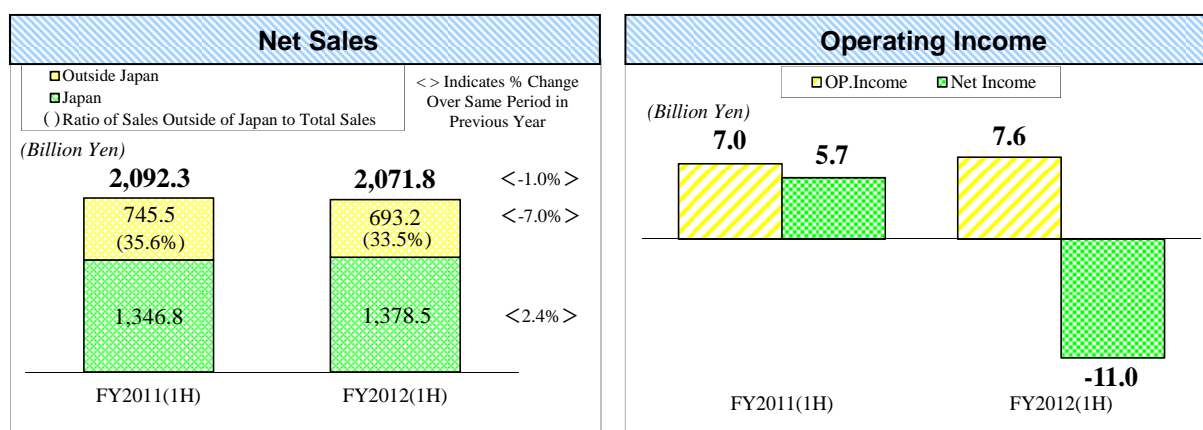


4. Overview of FY2012 First-Half Consolidated Results

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 September 30, 2012. 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 half of fiscal 2011 to translate the current period's net sales outside Japan into yen.

<Profit and Loss>



Consolidated net sales for the first half of fiscal 2012 amounted to 2,071.8 billion yen (US\$26,562 million), essentially unchanged from the first half of fiscal 2011.

Net sales in Japan rose by 2.4%. Sales revenues stemming from the next-generation supercomputer system, for which deliveries peaked in fiscal 2011, declined, and sales of LSI devices were adversely affected by weak demand. Sales of mobile phones, however, increased, primarily in the second quarter, as did sales of network products also increased.

Sales outside of Japan fell by 7.0%. On a constant currency basis, sales declined by 3%. Sales of infrastructure services were lower, primarily in Europe, on account of the deteriorating economic environment, and sales of optical transmission systems to North America and for UNIX servers decreased.

For the first half of fiscal 2012, the average yen exchange rates against major currencies were 79 yen for the US dollar (representing yen appreciation of 1 yen), 101 yen for the euro (appreciation of 13 yen), and 126 yen for the British pound (appreciation of 3 yen) compared with the same period of the previous fiscal year. As a result, the impact of foreign exchange fluctuations for the first half was to reduce net sales by approximately 30.0 billion yen compared to the first half of fiscal 2011. Sales generated outside Japan as a percentage of total sales were 33.5%, a decrease of 2.1 percentage points compared to the first half of the previous fiscal year.

Gross profit was 560.1 billion yen, a decline of 13.7 billion yen from the first half of fiscal 2011. The decline was the result of the impact of lower sales of LSI devices and optical transmission systems, in addition to higher procurement costs in Europe for components and materials denominated in US dollars on depreciation of the euro against the dollar. The gross profit margin was 27.0%, a decrease of 0.4 of a percentage point from the first half of the previous fiscal year.

Selling, general and administrative expenses were 552.4 billion yen, a decline of 14.3 billion yen from the first half of fiscal 2011, primarily as a result of group-wide efforts to generate cost efficiencies and

the impact of yen appreciation. There was, however, continued upfront development spending in network-related technologies and other areas.

As a result of the above factors, Fujitsu recorded operating income of 7.6 billion yen (US\$97 million), an increase of 0.6 billion yen from the previous fiscal year's first half.

Income before income taxes and minority interests was 3.1 billion yen, representing an improvement of 13.3 billion yen. The main reason for the improvement was in the first half of the previous fiscal year, a loss on disaster of 7.5 billion yen was recorded as a result of the impact of the earthquake. Exchange losses were also lower.

Fujitsu reported a consolidated net loss of 11.0 billion yen (US\$141 million), representing a deterioration of 16.8 billion yen from the first half of fiscal 2011. Although income before income taxes and minority interests increased, there was deterioration in net income because, in the first half of fiscal 2011, 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.

Comparison to Consolidated Earnings Projections Announced in July 2012

Net sales and operating income amounted to 2,071.8 billion yen and operating income were 7.6 billion yen, respectively, essentially unchanged from projections announced on July 27, 2012. Service business in Japan was steady due to a mild recovery to ICT investments. Mobile phone sales exceeded projections on account of strong smartphone sales. LSI devices and electronic components were adversely impacted by weak demand. In addition, the services business in Europe were affected by the economic downturn, and PC sales inside and outside Japan fell short of projections due to decline in sales prices.

A net loss of 11.0 billion yen was recorded

(Billion Yen)					
	First Half FY2011	July 2012 Projections	First Half FY2012	Change vs. July 2012 Projections	
					Change (%)
Net Sales	2,092.3	2,080.0	2,071.8	-8.1	-0.4
Operating Income [Operating Income Margin]	7.0 [0.3%]	5.0 [0.2%]	7.6 [0.4%]	2.6 [0.2%]	53.8
Net Income	5.7	-10.0	-11.0	-1.0	-

Results by Business Segment

Information on fiscal 2012 first-half 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 1,340.4 billion yen (US\$17,185 million), down 3.2% from the first half of fiscal 2011. In Japan, sales were essentially unchanged. Server-related sales declined compared to the same period in fiscal 2011, when there was high-volume production of dedicated servers for use in the K computer, a next-generation supercomputer, in addition, there was an adverse impact by a decline in large-scale system deals. Sales of network products including mobile phone base stations increased due to higher spending by telecommunications carriers to deal with 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 grew due to a recovery in spending, primarily in the manufacturing, retailing, and public sectors. Infrastructure service sales were weak. Sales outside Japan declined 9.9%. On a constant currency basis, sales fell by 6%. Contributing factors included lower sales of optical transmission systems due to a shift toward spending on wireless network by North American telecommunications carriers, as well as a decline in sales of UNIX servers, primarily to Europe and the US, prior to the introduction of new models. Other server-related sales declined on account of the economic downturn in Europe and the US.

	(Billion Yen)	
	First Half FY 2012	Change vs. 1H FY 2011
Net Sales	1,340.4	-3.2 %
Japan	880.4	0.7 %
Outside Japan	459.9	-9.9 %
Operating Income	47.0	1.3

The segment posted operating income of 47.0 billion yen (US\$603 million), up 1.3 billion yen compared to the first half of 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, mainly for network products, income rose overall on the back of higher network-related sales and the impact of cost reductions for x86 servers. Outside Japan, improvements were made to the profitability of the infrastructure services business, although income deteriorated on the impact of lower optical transmission systems to North America and for UNIX servers, and other server-related sales also declined.

(a) Services

Net sales in the Services sub-segment amounted to 1,089.2 billion yen (US\$13,964 million), down 2.6% from the same period a year earlier. In Japan, sales were essentially unchanged from the first half of fiscal 2011. 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 deal with higher communications traffic, sales increased due to a recovery in spending in the manufacturing, retailing, and

(Billion Yen)

	First Half FY 2012	Change vs. 1H FY 2011
Net Sales	1,089.2	-2.6%
Japan	691.8	0.6%
Outside Japan	397.3	-7.8%
Operating Income	37.3	7.3

public sectors. Infrastructure services were weak due to a shift in the ISP business, away from packaged products that include connection fees to stand-alone products, although demand related to network services rose against a backdrop of telecommunications carriers trying to keep up with higher volumes of communications traffic. Sales outside Japan declined 7.8%. On a constant currency basis, sales declined 4%. While the datacenter business in Australia and North America is growing 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.

Operating income for the Services sub-segment was 37.3 billion yen (US\$478 million), an increase of 7.3 billion yen compared to the same period of fiscal 2011. In Japan, income increased due to a rising in sales of network services, despite the impact of fewer large-scale system deals. Outside Japan, earnings were adversely impacted by a decline in sales in Europe and an increase in expenses related to retirement benefit obligations in the UK, but sales increased and cost efficiencies were generated in Australia and North America, and there was improved profitability of the European services business.

(b) System Platforms

Net sales in the System Platforms sub-segment were 251.1 billion yen (US\$3,219 million), a decline of 5.8% from the first half of fiscal 2011. Sales in Japan were essentially unchanged. Sales of server-related products, declined compared to the first half of fiscal 2011, when there was high-volume production of dedicated servers for use in the K computer, a next-generation supercomputer. In addition, there was an adverse impact of fewer large-scale system deals. Sales of network product including mobile phone base stations climbed on

(Billion Yen)

	First Half FY 2012	Change vs. 1H FY 2011
Net Sales	251.1	-5.8%
Japan	188.5	0.9%
Outside Japan	62.5	-21.7%
Operating Income	9.6	-5.9

account of increased investments to deal with higher network traffic and to expand LTE coverage by telecommunications carriers. Sales outside Japan declined 21.7%. On a constant currency basis, sales decreased 18%. Sales of optical communications systems declined due to a shift toward spending on wireless networks by North American telecommunications carriers. Sales of UNIX servers, primarily to Europe and the US also fell, prior to the introduction of new models.

The System Platforms sub-segment posted operating income of 9.6 billion yen (US\$123 million), down 5.9 billion yen compared to the first half of fiscal 2011. In Japan, although income from server-related products declined, in addition to higher upfront R&D spending, mainly in network products, overall operating income remained essentially unchanged due to the effect of increased sales of network products and cost reductions for x86 servers. Outside Japan, income was adversely impacted by lower sales of optical transmission systems to North America and for UNIX servers.

Ubiquitous Solutions

Net sales in the Ubiquitous Solutions segment were 549.3 billion yen (US\$7,042 million), up 6.5% compared to the first half of 2011. Sales in Japan rose by 9.9%. Overall unit shipments of PCs increased because of large-volume orders received from corporations, particularly in the financial services sector, but sales of consumer PCs fell on weak consumer demand and a decline in sales prices. Sales of mobile phones increased as a result of the introduction of many new models such as Raku-Raku (“easy-to-use”) smartphones and an expansion in the market for tablet computers. Sales of the mobilewear sub-segment’s car audio and navigation systems also increased compared to last fiscal year’s first half, when automobile production was suspended due to the Great East Japan Earthquake. Sales outside Japan declined 3.9%. On a constant currency basis, sales rose by 4%. Although unit sales of PCs increased, particularly in Europe, a fall in market prices left sales essentially unchanged from the same period of the previous fiscal year. Sales of mobilewear rose as the result of the suspension of automobile manufacturing outside Japan in the first half of fiscal 2011.

(Billion Yen)

	First Half FY 2012	Change vs. 1H FY 2011
Net Sales	549.3	6.5%
Japan	426.0	9.9%
Outside Japan	123.3	-3.9%
Operating Income	10.4	6.0

The Ubiquitous Solutions segment posted operating income of 10.4 billion yen (US\$133 million), an increase of 6.0 billion yen from the same period of the previous fiscal year. Operating income in Japan benefited from the impact of higher sales of mobile phones and mobilewear, and impact of restructuring for mobilewear, even though there was a decline in the sales prices of PCs. Outside Japan, earnings were adversely affected by lower PC sales prices and higher procurement costs in Europe for components and materials denominated in US dollars because of the depreciation of the euro against the dollar.

Device Solutions

Net sales in Device Solutions amounted to 268.6 billion yen (US\$3,444 million), a decline of 6.8% compared to the first half of fiscal 2011. Sales in Japan declined 11.5%. LSI device sales decreased as shipments of CPUs for the next-generation supercomputer system were completed during the first half of fiscal 2011, and sales of LSI devices for use in Fujitsu’s own servers were sluggish. In addition, sales of LSI devices, primarily for digital audio-visual equipment, were adversely impacted by the delayed recovery in market conditions. Sales of electronic components, particularly of batteries, also fell. Sales outside Japan were essentially unchanged from the first half of fiscal 2011. On a constant currency basis, sales rose 1%. LSI device sales declined, mainly to Europe. For electronic components, sales of batteries, particularly to the US, declined, but sales of semiconductor packages, primarily to Asia, increased.

(Billion Yen)

	First Half FY 2012	Change vs. 1H FY 2011
Net Sales	268.6	-6.8%
Japan	150.1	-11.5%
Outside Japan	118.5	-0.3%
Operating Income	-7.0	-2.2

The Device Solutions segment recorded an operating loss of 7.0 billion yen (US\$90 million), representing a deterioration of 2.2 billion yen compared to the first half of 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 300mm wafers maintained high utilization rates, although basic product lines remained at a low level. Outside Japan, electronic components were adversely impacted by yen appreciation, but results benefited from higher sales of semiconductor packages.

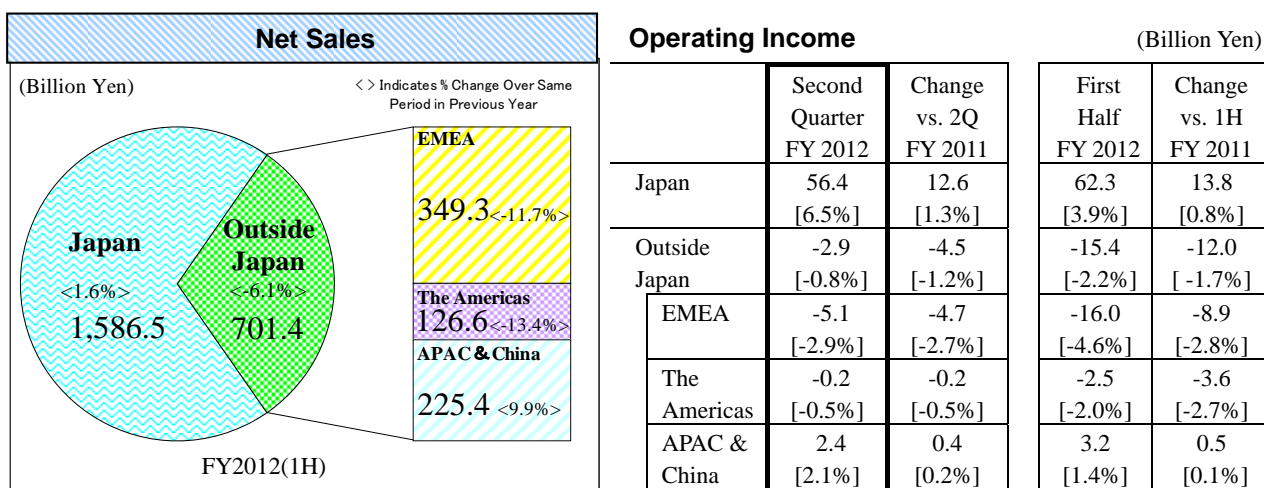
Other/Elimination and Corporate

This segment recorded an operating loss of 42.7 billion yen (US\$547 million), a deterioration of 4.6 billion yen from the first half of fiscal 2011. This was on account of up-front costs associated with the development of new businesses and other factors.

Overall operational testing of the K computer, which is the next-generation supercomputer jointly developed by Fujitsu and RIKEN, was completed in June 2012. After undergoing operational environment configuration, adjustment and user registration, on September 28 the system began full-scale operations for shared use among a wide range of academic organizations and industries.

<Geographic Information>

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



Note: Numbers inside brackets indicate operating income margin.