

Part II: Explanation of Financial Results

1. Overview of FY2012 Third-Quarter Consolidated Financial Results

Business Environment

During the first nine months of fiscal 2012 (April 1, 2012 – December 31, 2012), the global economy continued to experience a weak recovery. In Europe, the development of a framework to economically assist for 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. The US economy is experiencing a mild recovery, but concerns over fiscal policy have resulted in continued uncertainty. Economic growth in emerging market countries moderated as exports declined due to the European recession, but recently signs of improvement could be seen as a result of an expansion of public investment and monetary easing.

Economic conditions in Japan continued to be bolstered by an uptick in demand on the back of reconstruction efforts following the Great East Japan Earthquake, although the economy remained weak, with GDP shifting downward as a result of the expiration of subsidies for hybrid car purchases and the slowdown in global economic growth.

With respect to investments on information and communication technology (ICT) in Japan, spending on services has been solid as investments that were previously put off were made. Spending on hardware however, stagnated on account of deteriorating market conditions. Outside of Japan, primarily in Europe, where economic conditions continue to deteriorate, companies are taking firmer of control of investment spending.

FY2012 Third-Quarter Financial Results

(Billion Yen)

	3Q FY2012 10/1/12- 12/31/12	3Q FY2011 10/1/11- 12/31/11	Change vs. 3Q FY 2011		Change (%) Constant Currency
				Change (%)	
Net Sales	1,048.2	1,079.7	-31.4	-2.9	-4
Cost of Sales	776.5	797.9	-21.3	-2.7	
Gross Profit	271.7	281.8	-10.1	-3.6	
[Gross Profit Margin]	[25.9%]	[26.1%]	[-0.2%]		
Selling, General and Administrative Expenses	275.8	278.6	-2.8	-1.0	
Operating Income (Loss)	-4.1	3.1	-7.3	-	
[Operating Income Margin]	[-0.4%]	[0.3%]	[-0.7%]		
Other Income and Expense	-80.4	-1.5	-78.8	-	
Income (Loss) Before Income Taxes and Minority Interests	-84.6	1.6	-86.2	-	
Income Taxes	-5.8	6.9	-12.7	-	
Income (Loss) Before Minority Interests	-78.7	-5.2	-73.4	-	
Minority Interests (Loss)	0.2	-0.9	1.2	-	
Net Income (Loss)	-79.0	-4.3	-74.7	-	

FY2012 Nine-Months Financial Results

(Billion Yen)

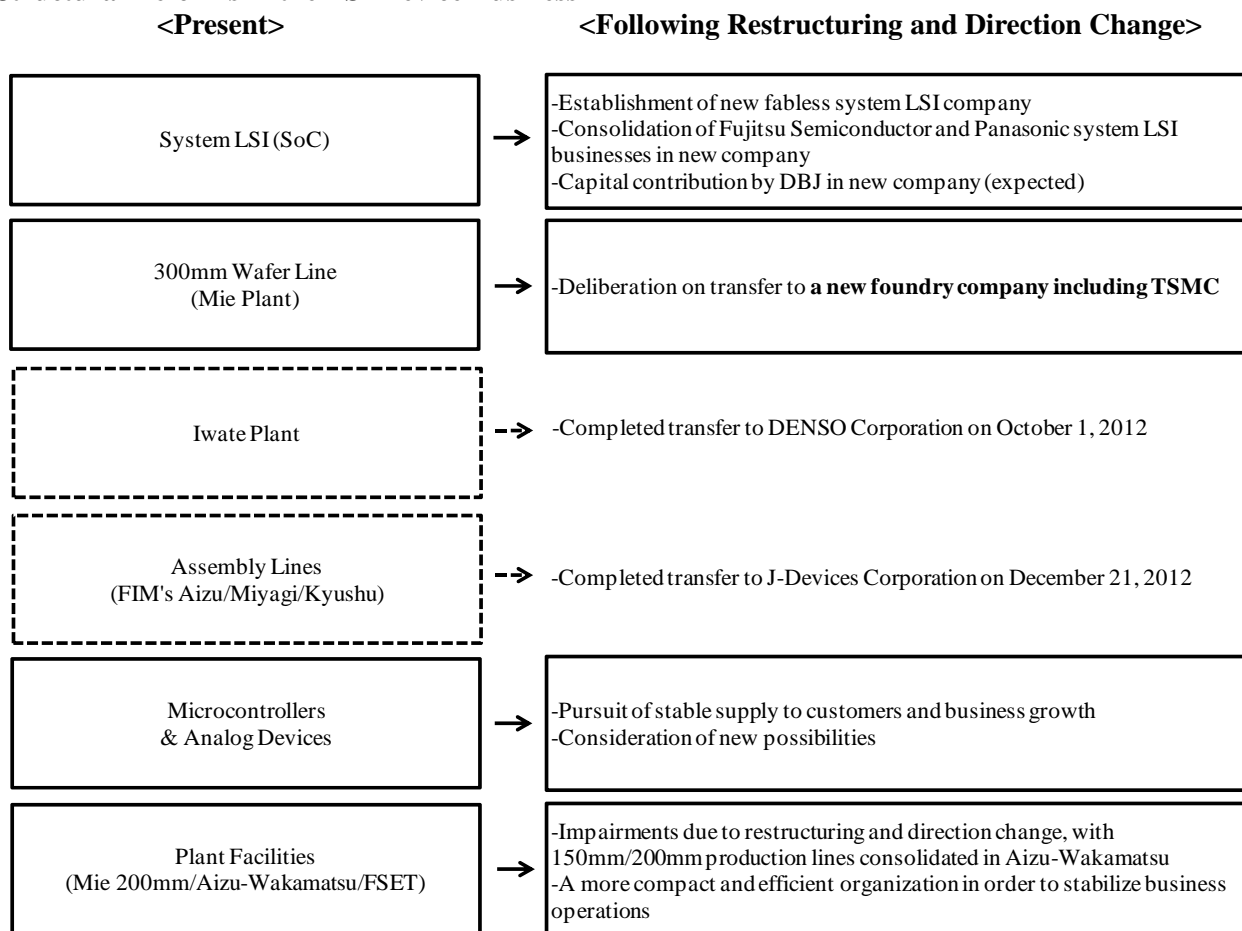
	Nine Months FY2012 4/1/12- 12/31/12	Nine Months FY2011 4/1/11- 12/31/11	Change vs. Nine Months FY2011		<i>Change (%)</i> <i>Constant Currency</i> -1
				Change (%)	
Net Sales	3,120.0	3,172.0	-51.9	-1.6	
Operating Income	3.5	10.2	-6.6	-65.2	
[Operating Income Margin]	[0.1%]	[0.3%]	[-0.2%]		
Net Income	-90.1	1.4	-91.5	-	

FY2012 Third-Quarter Major Items in Other Income and Expense

(Billion Yen)

Item		Amount	Description
		87.1	
Other Expenses	Business Structure Improvement Expenses	59.1	Restructuring expenses related to structural reforms in the LSI device business. [57.0] - Losses relating to transfer of production facilities. [33.1] - Impairment losses of standard logic LSI devices production line. [23.9]
	Impairment Loss	28.0	Impairment loss on the unamortized balance of goodwill recognized in accordance with the acquisition of European subsidiary, Fujitsu Technology Solutions (Holding) B.V., in April 2009.

Structural Reforms in the LSI Device Business



DBJ: Development Bank of Japan; TSMC: Taiwan Semiconductor Manufacturing Company Limited

FIM: Fujitsu Integrated Microtechnology, FSET: Fujitsu Semiconductor Technology

FIM and FSET are wholly owned subsidiaries of Fujitsu Semiconductor.

Note The above restructuring initiatives are expected to impact about 2,000 personnel in total.

Other FSL group companies in Japan not listed above may continue operations within the Fujitsu Group.