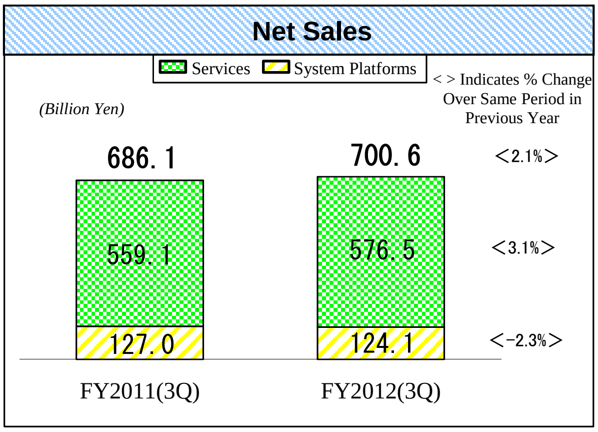
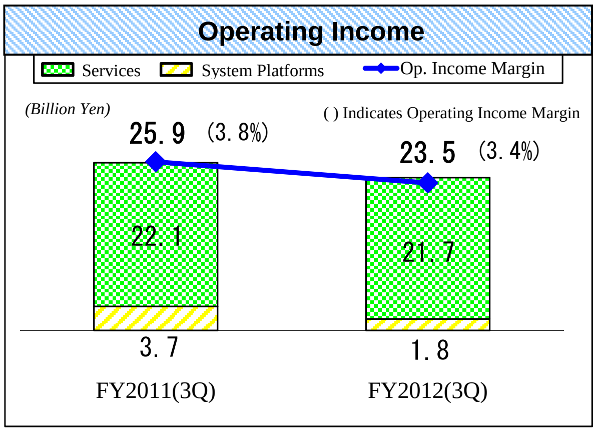
3. Results by Business Segment

Information on fiscal 2012 third-quarter 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 700.6 billion yen (US$8,053 million), up 2.1% from the third quarter of fiscal 2011. Sales in Japan increased 1.8%. In system integration services, despite the impact of the shift toward spending on hardware by telecommunications carriers, sales as a whole increased due to a spending recovery, primarily in the manufacturing sector and public sector. Infrastructure services sales also rose as a result of steady growth in outsourcing services, in addition to higher demand for network services, as telecommunications carriers tried to keep up with higher volumes of communications traffic. Server-related sales were in line with the same period of the prior year. Sales of network products, including mobile phone base stations, remained at a high level due to increased spending by telecommunications carriers to deal with larger volumes of communications traffic and to expand the LTE coverage area, but sales as a whole were lower compared to the third quarter of fiscal 2011, when there was a surge in router sales.

(Billion Yen)

	Third Quarter FY2012	Change vs. 3Q FY2011
Net Sales	700.6	2.1 %
Japan	451.2	1.8 %
Outside Japan	249.3	2.7 %
Operating Income	23.5	-2.3

Sales outside Japan increased 2.7%. On a constant currency basis, sales fell by 1%. Sales of infrastructure services fell due to the impact of cutbacks in corporate spending and fiscal austerity measures stemming from the economic downturn in Europe. Sales of UNIX servers declined in advance of the introduction of new models. Sales of optical transmission systems in North America were essentially unchanged from the same period of the prior year due to a shift toward spending on wireless equipment by telecommunications carriers although overall spending by telecommunications carriers continued to recover.

The segment posted operating income of 23.5 billion yen (US$270 million), down 2.3 billion yen compared to the third quarter of fiscal 2011. In Japan, despite higher sales of system integration and network services, operating income was essentially unchanged due to lower sales of network products and upfront R&D spending for network products, in addition to deterioration in the profitability of some system integration projects. Outside Japan, although progress was made in reducing costs and implementing efficiencies, primarily for x86 servers and network products, operating income as a whole declined due to the impact of lower sales in Europe and higher expenses related to retirement benefit obligations in the UK.

(a) Services

Net sales in the Services sub-segment were 576.5 billion yen (US$6,626 million), up 3.1% from the same period a year earlier. In Japan, sales increased 3.4%. For system integration services, despite a shift toward spending on hardware by telecommunications carriers to deal with higher communications traffic, sales as a whole were higher due mainly 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 against the backdrop of telecommunications carriers undertaking measures to keep up with higher volumes of communications traffic, although there were negative impacts in ISP business, which were a drop in subscribers and a shift from packaged products that include connection fees to stand-alone products. Sales outside Japan increased 2.7%. On a constant currency basis, sales decreased by 1%. The datacenter business in Australia and North America grew steadily, but overall sales were weak on account of the softening economic recovery. 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)

	Third Quarter FY2012	Change vs. 3Q FY2011
Net Sales	576.5	3.1 %
Japan	357.4	3.4 %
Outside Japan	219.0	2.7 %
Operating Income	21.7	-0.3

Operating income for the Services sub-segment was 21.7 billion yen (US$249 million), down 0.3 billion yen compared to the same period of fiscal 2011. In Japan, although the profitability of some system integration projects deteriorated, operating income increased overall as a result of higher sales of system integration and network services. Outside Japan, progress was made in implementing cost efficiencies in Australia and North America, but operating income was adversely impacted by the impact of lower sales in Europe and higher expenses related to retirement benefit obligations in the UK.

In light of continued deterioration of economic conditions in Europe and intensified competition,
Fujitsu recognized the impairment loss of Fujitsu Technology Solutions (Holding) B.V. in relation to goodwill and intangible assets due to impossibility to collect investment in 10 years from the time of acquisition. Impairment losses were recorded on the unamortized balance of goodwill and intangible assets that was recognized in accordance with the acquisition in April 2009.

Going forward, structural reforms will be implemented to improve the company's profitability in response to the downturn in the business environment.

(b) System Platforms

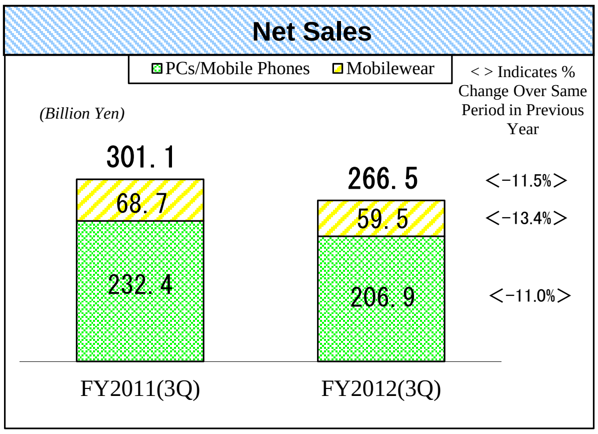
(Billion Yen)

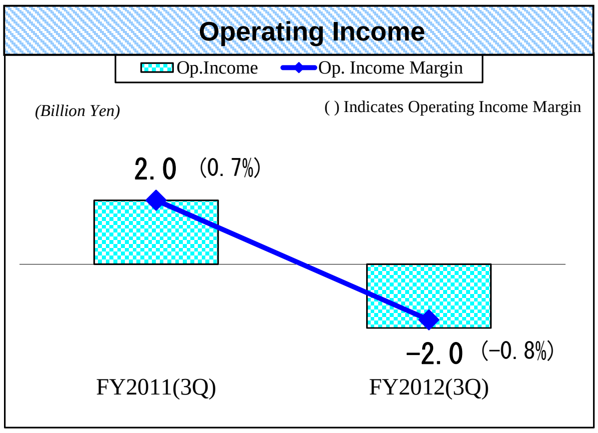
	Third Quarter FY2012	Change vs. 3Q FY2011
Net Sales	124.1	-2.3 %
Japan	93.8	-3.9 %
Outside Japan	30.2	3.2 %
Operating Income	1.8	-1.9

Net sales in the System Platforms sub-segment were 124.1 billion yen (US$1,426 million), a decrease of 2.3% from the third quarter of fiscal 2011. Sales in Japan declined 3.9%. Server-related sales were essentially unchanged from the same quarter of the prior year. Sales of network products, including mobile phone base stations, remained at a high level due to greater spending by telecommunications carriers to deal with larger volumes of communications traffic and to expand the LTE coverage area, but sales as a whole were lower compared to the third quarter of fiscal 2011, when there was a surge in router sales. Sales outside Japan rose 3.2%. On a constant currency basis, sales were essentially unchanged. Sales of UNIX servers stagnated in advance of the introduction of new models. Sales of optical transmission systems in North America were essentially unchanged from the same period of the prior year due to a shift toward spending on wireless equipment by telecommunications carriers although overall spending by telecommunications carriers continued to recover.

The System Platforms sub-segment posted operating income of 1.8 billion yen (US$21 million); representing a decrease of 1.9 billion yen from the same period of the previous year. In Japan, contributing factors included lower network product sales and increased in upfront R&D spending. Outside Japan, progress was made in reducing costs and implementing efficiencies, primarily for x86 servers and network products.

Ubiquitous Solutions





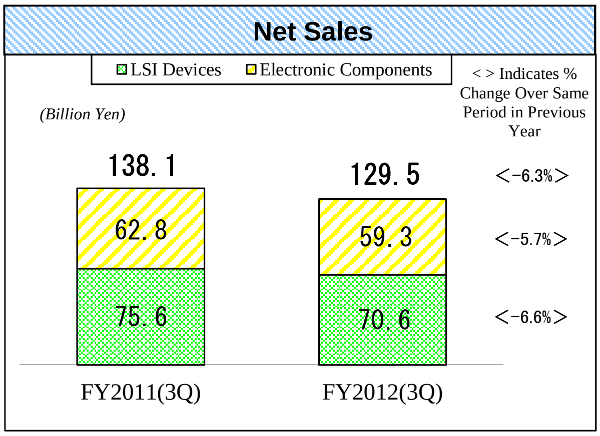
Net sales in the Ubiquitous Solutions segment were 266.5 billion yen (US$3,063 million), a decline of 11.5% from the third quarter of fiscal 2011. Sales in Japan fell by 14.3%. Overall unit shipments of PCs were essentially unchanged due to large-volume orders received from corporations, but sales declined on sluggish sales of consumer PCs and lower sales prices. For mobile phones, smartphone sales weakened due to competition with manufacturers based outside Japan, while the market for feature phones contracted, resulting in lower overall sales. Sales of the Mobilewear sub-segment's car audio and navigation systems declined as automobile production fell following the conclusion of the government's subsidy program for eco-friendly vehicles. Sales outside Japan declined by 1.8%. On a constant currency basis, sales declined by 3%. Mobilewear device sales were strong in Asia, and the sub-segment recovered from the impact of the flooding in Thailand in the third quarter of last fiscal year, which caused a temporary suspension of vehicle production outside Japan, On the other hand, PC sales were slow, particularly in Europe.

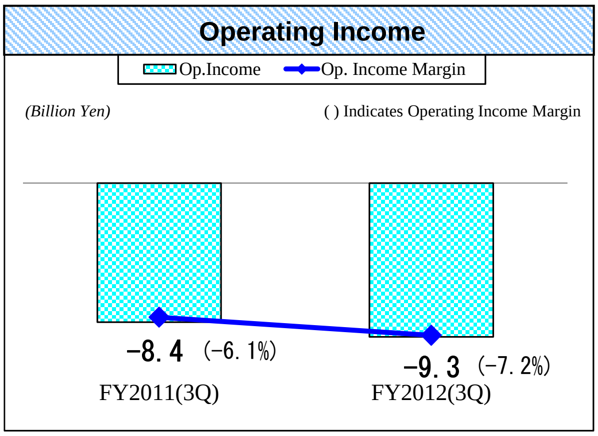
(Billion Yen)

	Third Quarter FY2012	Change vs. 3Q FY2011
Net Sales	266.5	-11.5 %
Japan	200.3	-14.3 %
Outside Japan	66.1	-1.8 %
Operating Income	-2.0	-4.1

The Ubiquitous Solutions segment posted an operating loss of 2.0 billion yen (US$23 million), a deterioration of 4.1 billion yen from the third quarter of fiscal 2011. Operating income in Japan was adversely impacted by a decline in the sales prices of PCs and lower sales of mobile phones. In addition, the impact of lower sales of mobilewear devices was offset by cost efficiencies and improvements from structural reforms, and operating income remained essentially unchanged as a result. Outside of Japan, progress was made in shifting toward a sales strategy for PCs focused on profitability and implementing cost reductions. Operating income from mobilewear devices was essentially unchanged.

Device Solutions





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

(Billion Yen)

	Third Quarter FY2012	Change vs. 3Q FY2011
Net Sales	129.5	-6.3 %
Japan	73.0	-11.1 %
Outside Japan	56.4	0.7 %
Operating Income	-9.3	-0.9

Net sales in Device Solutions amounted to 129.5 billion yen (US$1,489 million), a decline of 6.3% compared to the third quarter of fiscal 2011. Sales in Japan fell 11.1%. Demand for LSI devices fell below that of the third quarter of fiscal 2011 when there was the impact of the Thai floods, especially on digital audio-visual equipment and industrial equipment. Sales of electronic components, semiconductor packages and batteries also fell. Sales outside Japan were essentially unchanged, but were down 3% on a constant currency basis. For electronic components, sales of semiconductor packages, primarily to the US, decreased.

The Device Solutions segment recorded an operating loss of 9.3 billion yen (US$107 million), representing a deterioration of 0.9 billion yen from the third quarter of fiscal 2011. Operating income for LSI devices was essentially unchanged on account of a decline in expenses even though there was an adverse impact caused by lower sales. Operating income for electronic components deteriorated on the impact of lower sales and the burden of development expenditures incurred by an affiliate developing semiconductors for communications equipment.

The Fujitsu Group continually optimizes its manufacturing organization in accordance with changes in the economic and business environment. As part of these efforts, on October 1, 2012, it transferred its Iwate Plant to DENSO Corporation, and on December 21, 2012, it transferred its LSI device assembly and testing facility to J-Devices Corporation. The Fujitsu Group and Panasonic Corporation have signed a memorandum of understanding (MOU) to transfer their system LSI (SoC) businesses to a new company they will establish that will focus on SoC design and development using a fabless business model. They seek to conclude a final agreement as soon as possible. With respect to its manufacturing facilities, Fujitsu intends to transfer the 300mm line of Mie Plant to a new company including Taiwan Semiconductor Manufacturing Company Limited, and the 200mm line of the Mie Plant will be consolidated in the Aizu-Wakamatsu region with the aim of strengthening the operation’s cost competitiveness by raising capacity utilization. Fujitsu recorded 57.0 billion yen in restructuring expenses (33.1 billion yen losses relating to transfer of production facilities and 23.9 billion yen impairment losses of standard logic LSI devices production line). 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 in accordance with the transfer of the LSI assembly and testing facilities. Impairment losses 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.