

### 3. FY2013 Earnings Projections

Net sales exceeded projections announced on July 30, 2013 for the first half, by approximately 100 billion yen, and operating income exceeded projections by approximately 20 billion yen. Although results for mobile phones fell short of projections as unit sales declined and costs increased due to yen depreciation, the weaker yen also boosted results for the Services sub-segment outside of Japan and the Device Solutions segment. In addition, for the Services sub-segment in Japan, there was a solid recovery in ICT spending, particularly in the financial and public sectors, and results for network products were positively impacted by an increase in investments by telecommunications carriers. These factors caused sales and operating income to exceed projections. The higher operating income also caused quarterly net income to exceed projections.

As a result, the full-year earnings projections announced on July 30 have been revised. Assumptions regarding the foreign exchange rate for the second half of the fiscal year have not been changed.

Projected net sales for the full fiscal year have been revised upward by 70 billion yen, to 4,620 billion yen. The Technology Solutions segment accounts for 50 billion yen of the increase. Although projected sales for System Products have been revised downward, the upward revision to sales in the Services segment reflects the positive impact of the weaker yen on Services outside Japan and the impact of a recovery in ICT spending on Services in Japan. Sales of Ubiquitous Solutions have been revised upward by 40 billion yen. Although sales of mobile phones are projected to be lower because of lower unit sales, overall sales in the segment are projected to be higher on higher demand for replacement PCs, primarily among enterprise customers, and the positive impact of higher vehicle production on sales in the Mobilewear business. Sales of Device Solutions have been revised downward by 30 billion yen, comprised of 10 billion yen for LSI devices and 20 billion yen for electronic components, despite the positive impact of foreign exchange rates. The lower sales projection for LSI devices reflects a decrease in projected demand in the second half for use in smartphones, and the lower sales projection for electronic components reflects waning demand for use in PCs.

There has been no change to the consolidated operating income projection of 140 billion yen, although the composition has changed. Operating income for Ubiquitous Solutions has been revised down by 22 billion yen because of lower unit sales and higher costs in the mobile phone business, while operating income in the Technology Solutions segment has been revised upward by 17 billion yen owing to the solid performance of network products and the services businesses in and outside of Japan. In addition, the operating loss in the Other/Elimination and Corporate segment is projected to improve by 5 billion yen due to progress in streamlining group-wide expenses.

There has been no change to the full-year net income projection of 45 billion yen.

**FY2013 Full-Year Consolidated Forecast**

(Billion Yen)

	FY2012 (Actual)	Previous Forecast*	FY2013 (Forecast)	Change vs. Previous Forecast*	Change vs. FY2012	Change (%)
Net Sales	4,381.7	4,550.0	4,620.0	70.0	238.2	5.4
Operating Income [Operating Income Margin]	88.2 [ 2.0%]	140.0 [ 3.1%]	140.0 [ 3.0%]	- [ -0.1%]	51.7 [ 1.0%]	58.6
Other Income and Expenses	-140.3	-35.0	-35.0	-	105.3	-
Net Income	-79.9	45.0	45.0	-	124.9	-

**[Operating Income by Business Segment]**

Technology Solutions	173.9	190.0	207.0	17.0	33.0	19.0
Services	124.6	138.0	150.0	12.0	25.3	20.3
System Platforms	49.3	52.0	57.0	5.0	7.6	15.6
Ubiquitous Solutions	9.6	7.0	-15.0	-22.0	-24.6	-
Device Solutions	-14.2	25.0	25.0	-	39.2	-
Other/Elimination and Corporate	-81.0	-82.0	-77.0	5.0	4.0	-

\* Previous Forecast as of July 30, 2013.

\*\* In accordance with the adoption of the amended IAS 19, the figures for fiscal 2012 have been retroactively revised. As a result, operating income for Services has been reduced by 7.0 billion yen.

## Forecast for FY2013 Full-Year Consolidated Business Segment Information

### <Net Sales\* and Operating Income>

(Billion Yen)

		FY2012 (Actual)	FY2013 (Forecast)		Change vs. FY2012		
			Current Forecast**	Change vs. Previous Forecast***		Change(%)	Change(%) Constant Currency****
Technology Solutions	Sales	2,942.3	3,150.0	50.0	207.6	7.1	3
	Japan	1,936.4	2,010.0	20.0	73.5	3.8	4
	Outside Japan	1,005.9	1,140.0	30.0	134.0	13.3	2
	Operating Income	173.9	207.0	17.0	33.0	19.0	
	[Operating Income Margin]	[5.9%]	[6.6%]	[0.5%]	[0.7%]		
Services	Sales	2,387.2	2,550.0	70.0	162.7	6.8	3
	Operating Income	124.6	150.0	12.0	25.3	20.3	
	[Operating Income Margin]	[5.2%]	[5.9%]	[0.3%]	[0.7%]		
System Platforms	Sales	555.1	600.0	-20.0	44.8	8.1	4
	Operating Income	49.3	57.0	5.0	7.6	15.6	
	[Operating Income Margin]	[8.9%]	[9.5%]	[1.1%]	[0.6%]		
Ubiquitous Solutions	Sales	1,090.2	1,060.0	40.0	-30.2	-2.8	-6
	Japan	823.0	755.0	35.0	-68.0	-8.3	-8
	Outside Japan	267.1	305.0	5.0	37.8	14.2	3
	Operating Income	9.6	-15.0	-22.0	-24.6	-	
	[Operating Income Margin]	[0.9%]	[-1.4%]	[-2.1%]	[-2.3%]		
Device Solutions	Sales	540.3	590.0	-30.0	49.6	9.2	2
	Japan	295.9	300.0	-40.0	4.0	1.4	1
	Outside Japan	244.4	290.0	10.0	45.5	18.6	2
	Operating Income	-14.2	25.0	-	39.2	-	
	[Operating Income Margin]	[-2.6%]	[4.2%]	[0.2%]	[6.8%]		
	LSI						
Electronic Components	Operating Income	-13.8	13.0	5.0	26.8	-	
	Operating Income	-0.3	12.0	-5.0	12.3	-	
Other/Elimination and Corporate*****	Sales	-191.2	-180.0	10.0	11.2	-	-
	Operating Income	-81.0	-77.0	5.0	4.0	-	
Total	Sales	4,381.7	4,620.0	70.0	238.2	5.4	1
	Japan	2,883.5	2,900.0	-	16.4	0.6	1
	Outside Japan	1,498.2	1,720.0	70.0	221.7	14.8	3
	Operating Income	88.2	140.0	-	51.7	58.6	
	[Operating Income Margin]	[2.0%]	[3.0%]	[-0.1%]	[1.0%]		

<Ratio of Sales outside Japan>

34.2%

37.2%

0.9%

3.0%

<Net Sales\* by Principal Products and Services>

(Billion Yen)

	FY2012 (Actual)	FY2013 (Forecast)		Change vs. FY2012		
		Current Forecast**	Change vs. Previous Forecast***		Change(%)	Change(%) Constant Currency****
Technology Solutions	2,942.3	3,150.0	50.0	207.6	7.1	3
Services	2,387.2	2,550.0	70.0	162.7	6.8	3
Solutions / SI	837.1	900.0	30.0	62.8	7.5	7
Infrastructure Services	1,550.0	1,650.0	40.0	99.9	6.4	1
System Platforms	555.1	600.0	-20.0	44.8	8.1	4
System Products	262.9	265.0	-30.0	2.0	0.8	-2
Network Products	292.2	335.0	10.0	42.7	14.6	10
Ubiquitous Solutions	1,090.2	1,060.0	40.0	-30.2	-2.8	-6
PCs / Mobile Phones	822.8	755.0	25.0	-67.8	-8.2	-11
Mobilewear	267.4	305.0	15.0	37.5	14.0	10
Device Solutions	540.3	590.0	-30.0	49.6	9.2	2
LSI*****	289.6	310.0	-10.0	20.3	7.0	0
Electronic Components	252.5	280.0	-20.0	27.4	10.9	3

Notes:

\* Net sales include intersegment sales.

\*\* Current forecast as of October 31, 2013.

\*\*\* Previous forecast as of July 30, 2013.

\*\*\*\* The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for FY2012 to translate the current period's net sales outside Japan into yen.

\*\*\*\*\* "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.

\*\*\*\*\* In accordance with the adoption of the amended IAS 19, the figures for FY2012 have been retroactively revised. As a result, operating income for the Services sub-segment has decreased by 7.0 billion yen.

## [Miscellaneous Forecasts for FY2013]

### a.Exchange rate (Average)

(Yen)

	FY2012		FY2013		Change vs. previous forecast**
	1Q, 2Q Actual	3Q,4Q Actual	1Q,2Q Actual	3Q,4Q Current Forecast*	
U.S. Dollar	79	87	99	93	-
euro	101	114	130	120	-
British pound	126	137	152	140	-

Reference information:

A 1 yen fluctuation (depreciation/appreciation) had the following effect on operating income in the first-half of FY2013.

U.S. dollar : Increase/decrease by approximately 0.2 billion yen.

euro: Increase/decrease by approximately 0 billion yen.

British pound: Increase/decrease by approximately 0 billion yen.

A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in the full-year of FY2013.

U.S. dollar : Increase/decrease by approximately 0 billion yen.

euro: Increase/decrease by approximately 0.2 billion yen.

British pound: Increase/decrease by approximately 0 billion yen.

### b.R&D Expenses

(Billion Yen)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2012 Actual	FY2013 Actual	FY2012 Actual	FY2013 Current Forecast*	
R&D Expenses	114.6	112.0	231.0	220.0	-
As % of Sales	5.5%	5.2%	5.3%	4.8%	-

### c.Capital Expenditures and Depreciation

(Billion Yen)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2012 Actual	FY2013 Actual	FY2012 Actual	FY2013 Current Forecast*	
Technology Solutions	29.1	30.5	59.5	80.0	-
Ubiquitous Solutions	7.0	7.5	14.6	15.0	-
Device Solutions	19.6	17.4	40.4	35.0	-
Other/Corporate	3.6	1.7	7.0	5.0	-
Total	59.5	57.2	121.7	135.0	-
Depreciation	57.8	55.2	116.5	110.0	-

### d.Cash Flows

(Billion Yen)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2012 Actual	FY2013 Actual	FY2012 Actual	FY2013 Current Forecast*	
Net income	-14.4	-9.6	-79.9	45.0	-
Depreciation & goodwill amortization***	95.4	90.7	192.6	180.0	-
Others*****	-20.8	-76.9	-41.6	5.0	-
(A)Cash flows from operating activities	60.2	4.1	71.0	230.0	-
(B)Cash flows from investing activities	-77.7	-59.2	-161.4	-170.0	-
(C)Free cash flow (A)+(B)	-17.5	-55.1	-90.4	60.0	-
FCF excluding one-time items****	-17.8	-76.5	8.4	40.0	-10.0
(D)Cash flows from financing activities	28.4	91.7	100.3	-60.0	-
(E)Total (C)+(D)	10.8	36.6	9.9	0	-

Notes:

\* Current forecast as of October 31, 2013.

\*\* Previous forecast as of July 30, 2013.

\*\*\* Depreciation & goodwill amortization include amortization of intangible assets.

\*\*\*\* FCF excluding one-time items is free cash flow minus proceeds from the sale of investment securities, proceeds from the transfer of business and a special contribution during fiscal 2012 into the pension scheme of a UK subsidiary (114.3 billion yen).

\*\*\*\*\* Others in cash flows from operating activities for forecast of fiscal 2013 include expenditures regarding structural reforms in the LSI device business, and business outside of Japan (approximately 40 billion yen).

**e.PC Shipments**

(Million Units)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2012 Actual	FY2013 Actual	FY2012 Actual	FY2013 Current Forecast*	
PC Shipments	2.87	2.46	5.83	5.50	0.15

**f.Mobile Phone Shipments**

(Million Units)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2012 Actual	FY2013 Actual	FY2012 Actual	FY2013 Current Forecast*	
Mobile Phone Shipments	3.80	1.30	6.50	4.20	-1.00

**g.Employees**

(Thousands)

	2Q FY2012 At Sept. 30, 2012 Actual	FY2012 At March 31, 2013 Actual	2Q FY2013 At Sept. 30, 2013 Actual
Japan	108	104	102
Outside Japan	65	65	61
Total	173	169	163

Note Through the implementation of an early retirement incentive plan in the LSI device business in Japan, 1.6 thousand employees had retired by the end of June 2013.

In addition, the sale of the microcontroller and analog device business reduced headcount in and outside of Japan by approximately one thousand of employees.

The reduction in the number of employees outside of Japan since the end of the previous fiscal year is primarily attributable to structural reforms and the sale of a subsidiary in the EMEA region.

## Notes:

\* Current forecast as of October 31, 2013.

\*\* Previous forecast as of July 30, 2013.