

### 3. FY2013 Earnings Projections

In the third quarter of fiscal 2013, Fujitsu recorded net sales of 1,200.7 billion yen, an increase of 152.4 billion yen from the same period in fiscal 2012, and operating income of 26.1 billion yen, an improvement of 32.0 billion yen over the same period of the previous fiscal year. Compared to the financial projections announced in October 2013, although results for mobile phones fell below projections, results in the Services sub-segment, which has a strong flow of current orders, exceeded projections. In addition, with the beneficial effect of the weaker yen on results in LSI devices, and with progress in generating company-wide cost efficiencies, overall consolidated results exceeded projections.

Moreover, net income in the third quarter was 12.0 billion yen, a significant improvement of 92.8 billion yen over the prior fiscal year's third quarter, despite recording a loss on the liquidation of a US subsidiary. This improvement was the result of increased operating income and because of the restructuring charges and other expenses, primarily stemming from the restructuring of the LSI device business, recorded in the third quarter of fiscal 2012.

In light of these circumstances, Fujitsu has revised its full-year projections for fiscal 2013 as outlined below. Exchange rate assumptions for the fourth quarter have also been revised, to 100 yen for the US dollar, 135 yen for the euro, and 160 yen for the British pound.

Net sales projections for the full fiscal year have been revised upward by 60 billion yen from the projections announced in October, to 4,680 billion yen. The Technology Solutions segment accounts for 40 billion yen of this upward revision, reflecting the impact of the revised exchange rate assumptions on results outside of Japan in the Services sub-segment. Projected sales in the Ubiquitous Solutions segment have been revised upward by 30 billion yen. Although mobile phone sales are lower because of lower unit sales, the upward revision reflects higher demand for PC upgrades among enterprise customers and the impact of higher new vehicle production on sales in the Mobilewear business. Projected sales in the Device Solutions segment have been revised upward by 5 billion yen because of higher anticipated sales of LSI devices. The upward revision is the result of changes in the exchange rate assumptions, but the impact of an anticipated fall in demand for electronic components has also been factored into this projection.

Fujitsu has left its full-year projection for operating income unchanged at 140 billion yen. Projected operating income for the Ubiquitous Solutions segment has been revised downward by 12 billion yen on the anticipation of lower unit sales of mobile phones and higher costs. In Technology Solutions, however, projections for operating income have been revised upward by 3 billion yen on better anticipated results in the Services sub-segment, which has a strong current flow of orders. In addition, projected operating income for Device Solutions has been revised upward by 2 billion yen on better anticipated results in LSI devices because of the revised exchange rate assumptions, and projections for the Other/Elimination and Corporate segment have been revised upward to reflect an anticipated improvement of 7 billion yen in generating company-wide cost efficiencies and other factors.

Fujitsu has left its full-year projection for net income unchanged at 45.0 billion yen. Improvements resulting from the foreign currency gains recorded in the third quarter and gains on the sale of property, plant and equipment are expected to be offset by temporary higher income tax expenses due to early termination of Special Reconstruction Corporation Tax in the fourth quarter. The loss stemming from the liquidation of a US subsidiary recognized as other expense in the third quarter and the effect on lowering income tax expenses had already been factored into the previous projections, so it has no impact on the revisions to the projections announced today.

**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	4,620.0	4,680.0	60.0	298.2	6.8
Operating Income	88.2	140.0	140.0	-	51.7	58.6
[Operating Income Margin]	[ 2.0%]	[ 3.0%]	[ 3.0%]	[ -%]	[ 1.0%]	
Other Income and Expenses	-140.3	-35.0	-45.0	-10.0	95.3	-
Net Income	-79.9	45.0	45.0	-	124.9	-

**[Operating Income by Business Segment]**

Technology Solutions	173.9	207.0	210.0	3.0	36.0	20.7
Services	124.6	150.0	153.0	3.0	28.3	22.8
System Platforms	49.3	57.0	57.0	-	7.6	15.6
Ubiquitous Solutions	9.6	-15.0	-27.0	-12.0	-36.6	-
Device Solutions	-14.2	25.0	27.0	2.0	41.2	-
Other/Elimination and Corporate	-81.0	-77.0	-70.0	7.0	11.0	-

\* Previous Forecast as of October 31, 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	3,190.0	40.0	247.6	8.4	3
	Japan	1,936.4	2,010.0	-	73.5	3.8	4
	Outside Japan	1,005.9	1,180.0	40.0	174.0	17.3	0
	Operating Income [Operating Income Margin]	173.9 [5.9%]	210.0 [6.6%]	3.0 [-%]	36.0 [0.7%]	20.7	
Services	Sales	2,387.2	2,590.0	40.0	202.7	8.5	2
	Operating Income [Operating Income Margin]	124.6 [5.2%]	153.0 [5.9%]	3.0 [-%]	28.3 [0.7%]	22.8	
	System Platforms	555.1	600.0	-	44.8	8.1	3
	Operating Income [Operating Income Margin]	49.3 [8.9%]	57.0 [9.5%]	- [-%]	7.6 [0.6%]	15.6	
Ubiquitous Solutions	Sales	1,090.2	1,090.0	30.0	-0.2	-0.0	-4
	Japan	823.0	765.0	10.0	-58.0	-7.1	-7
	Outside Japan	267.1	325.0	20.0	57.8	21.7	5
	Operating Income [Operating Income Margin]	9.6 [0.9%]	-27.0 [-2.5%]	-12.0 [-1.1%]	-36.6 [-3.4%]	-	
Device Solutions	Sales	540.3	595.0	5.0	54.6	10.1	1
	Japan	295.9	300.0	-	4.0	1.4	1
	Outside Japan	244.4	295.0	5.0	50.5	20.7	-0
	Operating Income [Operating Income Margin]	-14.2 [-2.6%]	27.0 [4.5%]	2.0 [0.3%]	41.2 [7.1%]	-	
LSI	Operating Income	-13.8	15.0	2.0	28.8	-	
Electronic Components	Operating Income	-0.3	12.0	-	12.3	-	
Other/Elimination and Corporate*****	Sales	-191.2	-195.0	-15.0	-3.7	-	-
	Operating Income	-81.0	-70.0	7.0	11.0	-	
Total	Sales	4,381.7	4,680.0	60.0	298.2	6.8	1
	Japan	2,883.5	2,900.0	-	16.4	0.6	1
	Outside Japan	1,498.2	1,780.0	60.0	281.7	18.8	1
	Operating Income [Operating Income Margin]	88.2 [2.0%]	140.0 [3.0%]	- [-%]	51.7 [1.0%]	58.6	

<Ratio of Sales outside Japan>

34.2%

38.0%

0.8%

3.8%

<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	3,190.0	40.0	247.6	8.4	3
Services	2,387.2	2,590.0	40.0	202.7	8.5	2
Solutions / SI	837.1	900.0	-	62.8	7.5	7
Infrastructure Services	1,550.0	1,690.0	40.0	139.9	9.0	-0
System Platforms	555.1	600.0	-	44.8	8.1	3
System Products	262.9	265.0	-	2.0	0.8	-3
Network Products	292.2	335.0	-	42.7	14.6	9
Ubiquitous Solutions	1,090.2	1,090.0	30.0	-0.2	-0.0	-4
PCs / Mobile Phones	822.8	770.0	15.0	-52.8	-6.4	-10
Mobilewear	267.4	320.0	15.0	52.5	19.6	14
Device Solutions	540.3	595.0	5.0	54.6	10.1	1
LSI*****	289.6	315.0	5.0	25.3	8.8	0
Electronic Components	252.5	280.0	-	27.4	10.9	1

Notes:

- \* Net sales include intersegment sales.
- \*\* Current forecast as of January 30, 2014.
- \*\*\* Previous forecast as of October 31, 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)

	9 Months		4Q		4Q Change vs. previous forecast**
	FY2012 Actual	FY2013 Actual	FY2012 Actual	FY2013 Current Forecast*	
U.S. Dollar	80 [81]	99 [100]	92	100	7
euro	102 [105]	132 [137]	122	135	15
British pound	127 [130]	156 [163]	143	160	20

Figures in [ ] are average exchange rates for the third quarter (October 1- December 31).

Reference information:

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

- U.S. dollar : Increase/decrease by approximately 0 billion yen.
- euro: Increase/decrease by approximately 0.1 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 fourth quarter of FY2013.

- U.S. dollar : Increase/decrease by approximately 0 billion yen.
- euro: Increase/decrease by approximately 0.1 billion yen.
- British pound: Increase/decrease by approximately 0 billion yen.

### b.R&D Expenses

(Billion Yen)

	9 Months		Full-Year		FY2013 Change vs. previous forecast**
	FY2012 Actual	FY2013 Actual	FY2012 Actual	FY2013 Current Forecast*	
R&D Expenses	171.5	166.4	231.0	220.0	-
As % of Sales	5.5%	5.0%	5.3%	4.7%	-0.1%

### c.Capital Expenditures and Depreciation

(Billion Yen)

	9 Months		Full-Year		FY2013 Change vs. previous forecast**
	FY2012 Actual	FY2013 Actual	FY2012 Actual	FY2013 Current Forecast*	
Technology Solutions	44.5	48.4	59.5	80.0	-
Ubiquitous Solutions	10.1	11.5	14.6	15.0	-
Device Solutions	27.2	24.7	40.4	35.0	-
Other/Corporate	4.5	3.3	7.0	5.0	-
Total	86.5	88.1	121.7	135.0	-
Depreciation	87.1	83.8	116.5	110.0	-

Notes:

\* Current forecast as of January 30, 2014.

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

**d. Cash Flows**

(Billion Yen)

	9 Months		Full-Year		Change vs. previous forecast *****
	FY2012 Actual	FY2013 Actual	FY2012 Actual	FY2013 Current Forecast****	
Net income	-95.2	2.3	-79.9	45.0	-
Depreciation & goodwill amortization*	143.5	135.5	192.6	180.0	-
Others***	-27.6	-130.7	-41.6	5.0	-
(A)Cash flows from operating activities	20.6	7.1	71.0	230.0	-
(B)Cash flows from investing activities	-122.8	-86.5	-161.4	-170.0	-
(C)Free cash flow (A)+(B)	-102.2	-79.4	-90.4	60.0	-
FCF excluding one-time items**	-113.5	-106.3	8.4	40.0	-
(D)Cash flows from financing activities	124.3	135.3	100.3	-60.0	-
(E)Total (C)+(D)	22.1	55.9	9.9	0	-

Notes:

\* Depreciation &amp; 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)

	Full-Year		FY2013 Change vs. previous forecast
	FY2012 Actual	FY2013 Current Forecast****	
PC Shipments	5.83	5.70	0.20

**f. Mobile Phone Shipments**

(Million Units)

	Full-Year		FY2013 Change vs. previous forecast
	FY2012 Actual	FY2013 Current Forecast****	
Mobile Phone Shipments	6.50	3.70	-0.50

**g. Employees**

(Thousands)

	2Q FY2012	FY2012	3Q FY2013
	Sept. 30, 2012 Actual	March 31, 2013 Actual	Dec. 31, 2013 Actual
Japan	108	104	102
Outside Japan	65	65	61
Total	173	169	163

Notes: 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 January 30, 2014.

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