FUJITSU

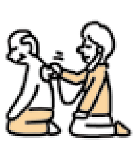
Fujitsu Limited Annual Report 2012

Moving Ahead, Realizing Our Vision

shaping tomorrow with you

ICT Solutions are giving shape to a brighter tomorrow

Through cloud computing and other cutting-edge information and communication technology (ICT) utilization, Fujitsu is taking advantage of previously underutilized value emerging from human knowledge and behavior, as well as changes in the social environment, to deliver solutions to society across a broad spectrum of fields. In this way, Fujitsu is helping to make a more prosperous and convenient society possible.



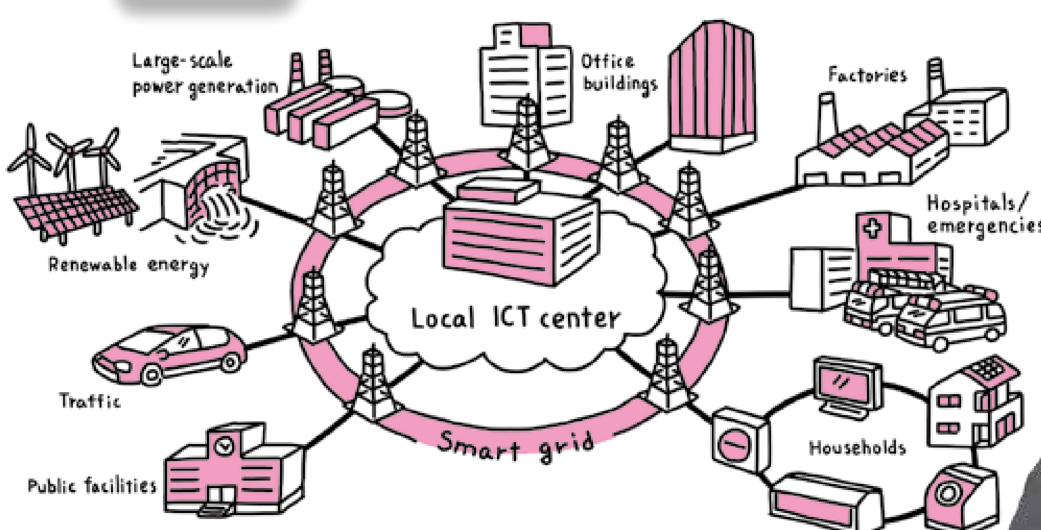
Promoting smart cities as a model for regional revitalization in Japan

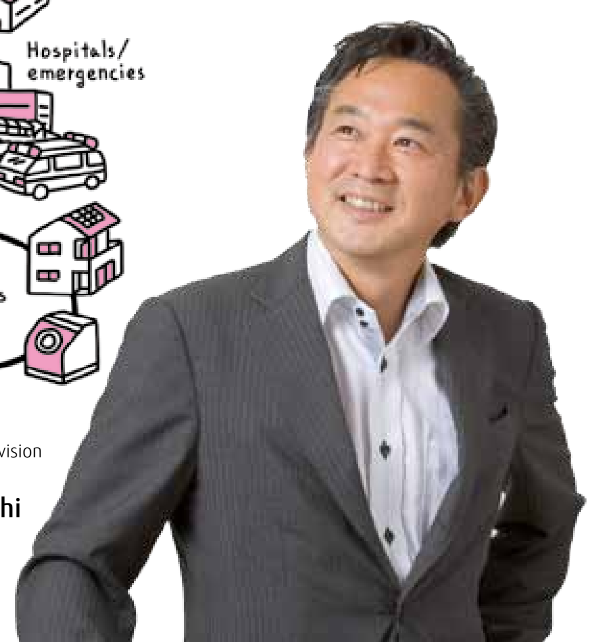
The world faces a host of problems today, including rapid urbanization and energy woes resulting from populations being concentrated in cities, as well as the need to cope with environmental concerns and the global economic recession. The same can be said for Japan; as it continues to grapple with longstanding issues, pressure has mounted around building secure, safe, and sustainable communities since the Great East Japan Earthquake of March 11, 2011.

Putting renewable energy to use is an issue in every region. Utilizing ICT, Fujitsu will support the smart conversion of social infrastructure, especially in the field of energy. In tandem, Fujitsu will leverage its own Field Innovation approach to think through and solve local issues, and tackle the question of revitalization together with local communities. In doing so, we aim to create a model whereby value is circulated throughout society for these communities to bring about sustainable "smart cities."

Furthermore, by applying its rich experience of providing business solutions—a Fujitsu forte—to address the needs of local communities, Fujitsu will create a standard "regional revitalization model" for the development of Fujitsu-original smart cities across Japan. Our ultimate goal is to roll out smart cities worldwide, contributing to the creation of societies where people can live in peace of mind.

URBAN PLANNING



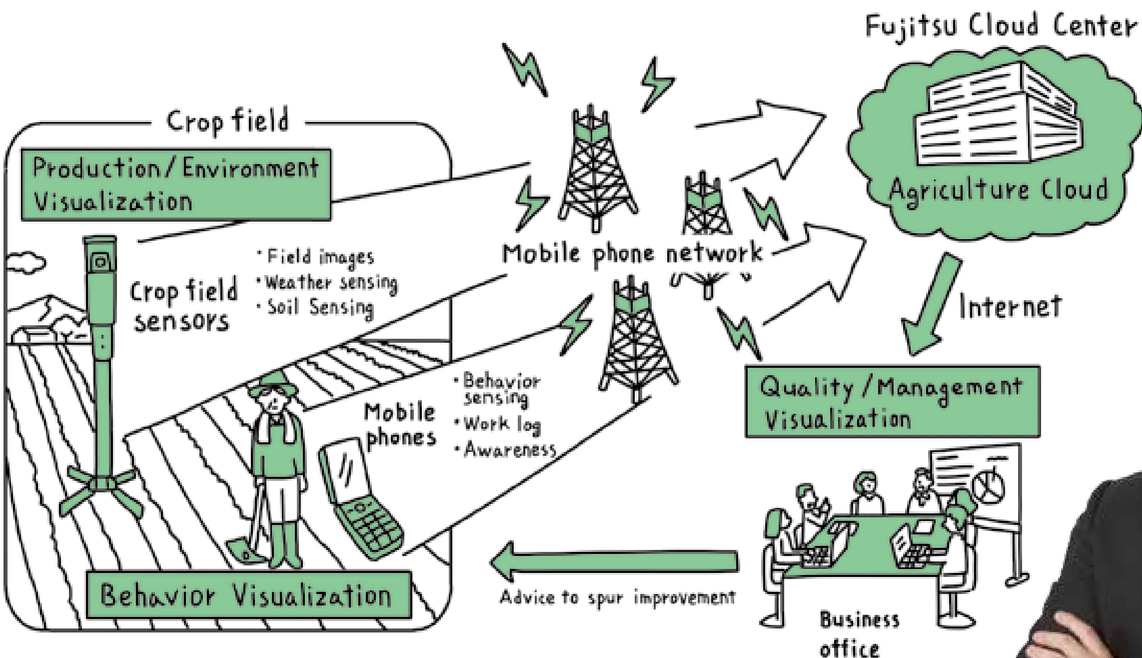


Smart City Promotion Division
General Manager
Kenichi Yamagishi

Contributing to a future of abundant food with ICT

Fujitsu is beginning to roll out initiatives for the management of corporate farming. Data generated from sensors and cameras that record the conditions of farmland, and work logs of agricultural laborers gathered from GPS-equipped mobile phones are compiled at Fujitsu datacenters, enabling the data to be used for agricultural operations. For example, when spraying pesticides, we have shown that in some cases it is more effective in terms of total cost, including for personnel, to spray an expensive but highly effective pesticide once than a cheap but less effective one several times. Proving this, however, requires fairly in-depth data, such as when spraying occurs, the volume of pesticide used, who uses it and where, and the degree of effectiveness. The use of ICT makes it dramatically easier to collect and analyze these types of data.

Today, the area of idle agricultural land in Japan is rising. Meanwhile, the proper transfer of agricultural techniques and knowledge as farmers grow elderly has become a serious issue. One possible solution is ICT, which enables conditions at several farmland locations to be centrally managed, and related work logs to be converted into a variety of formats. In the future, we hope to utilize ICT at food production sites as the starting point for contributing to more abundant food resources through a value chain that links together distribution channels, communities, and consumers.



Social Cloud Business Development Unit
Business Planning Division
Kazumasa Tsunoda

AGRICULTURE

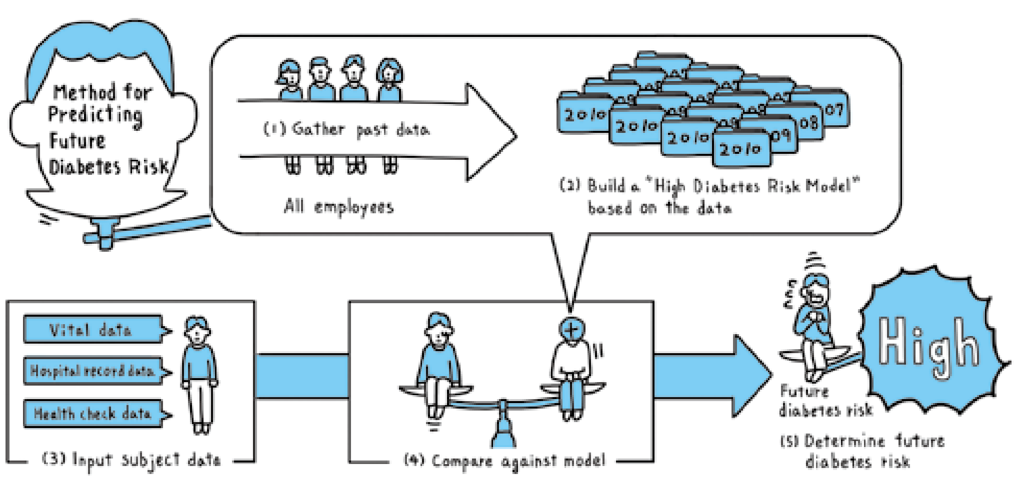
HEALTH CARE

Using big data analysis to predict risk of diabetes with a high degree of accuracy

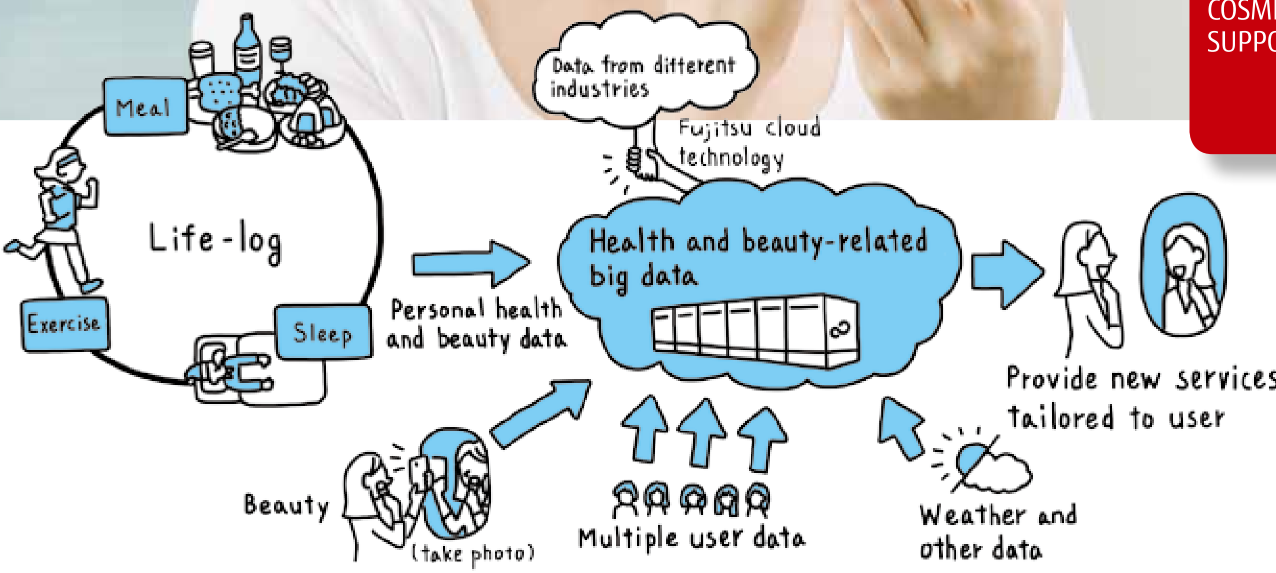
Fujitsu employees are taking part in an experimental program that aims to predict the risk of diabetes by analyzing all manner of health-related data—for example, data from regular health checks, records of hospital visits and other health insurance claim data, and vital data, including tracking the number of steps walked and day-to-day weight fluctuations. Even without medical knowledge, it is now possible to accurately assess the risk of diabetes by using a mathematical approach to analyzing such data. The early detection of precursors for diabetes and other lifestyle-related diseases has improved the health of Fujitsu employees. In the future, we would also like to see this service find widespread use outside of Fujitsu (for example, in various companies' health insurance organizations), leading to improved health for a greater number of people and a reduction in national healthcare costs.

Broader smartphone uptake and increasingly sophisticated sensor technologies have made it possible to amass huge volumes of data. It is now possible to add value to this data via analysis using ICT in tandem with the knowledge and expertise humans have thus far cultivated. I find this to be one of the most rewarding and enjoyable aspects of our work.

Intelligent Services Business Unit
Intelligent Computing Division
Senior Director
Seishi Okamoto



COSMETIC SUPPORT

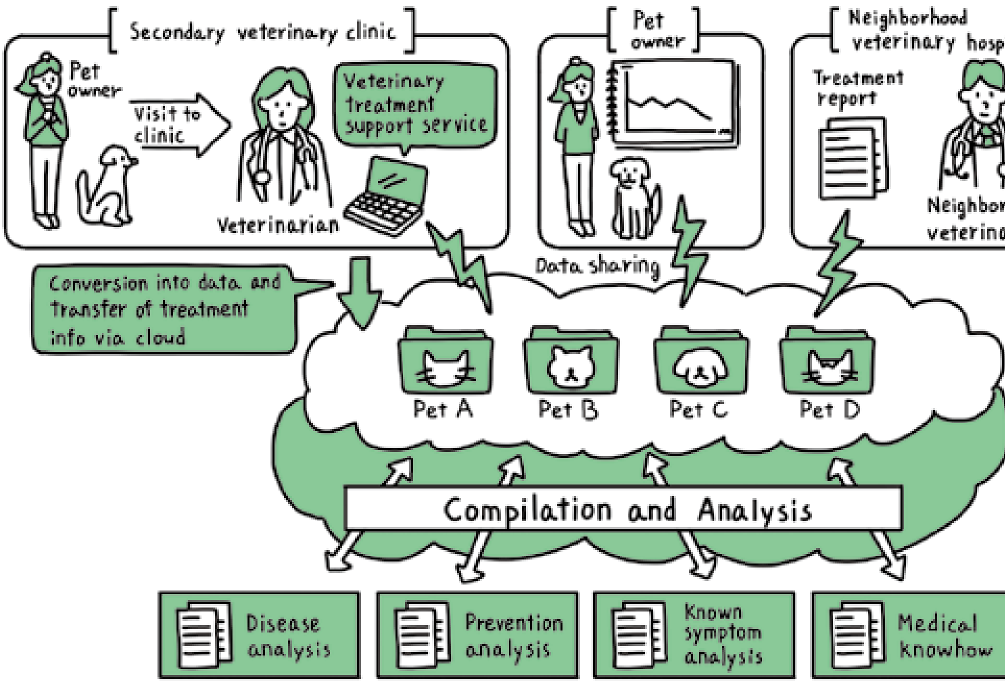


Skin analysis service developed from Fujitsu's strength in image processing technology

Intelligent Services Business Unit
Strategic Planning Division
Senior Manager
Hayuru Ito

Fujitsu, in cooperation with a cosmetics maker, has developed a service that enables people to confirm their skin condition by taking a picture of their face with a smartphone. When a picture of a face is taken together with a color reference chart made based on skin colors of approximately 4,000 people, Fujitsu's image processing technology enables the condition of spots, skin tone, and pores to be measured accurately with a smartphone app, regardless of where the picture is taken or lighting conditions. The results are stored in a cloud database, allowing users to confirm the benefits of daily care through continuous measurement. Along with skin information, if we can convert the range of other personal data collected, such as sleeping hours and the content of meals eaten, into databases, we can store a huge amount of data about our daily lives. The data and the results of its multifaceted analysis could then be provided to makers of cosmetics, beauty items and appliances. We would like to see this lead to new health and beauty-related services. Similarly, this information might be utilized in a wide range of other services, based on new insights that emerge from convergence with data from different industries. In utilizing this data collected from people, our goal is to offer more human-centric solutions around the world.

Using cloud computing to create a comfortable society for people and animals



Fujitsu is taking the first steps toward a better society for both people and companion animals by utilizing cloud services to store a broad range of data concerning pets, including health and lifestyle information such as pet type, treatment information, number of steps walked, and ambient temperature, which can then be accessed by various providers of pet services.

For example, we have begun testing a system in which neighborhood veterinary clinics and secondary clinics capable of providing advanced treatment share treatment data over a cloud, allowing for the smooth provision of high-quality veterinary services. We have also built a system for cloud-based management of information on animals who are no longer able to stay with their owners as a result of the Great East Japan Earthquake, including owner information, and basic health data such as vaccination history. This system will not only facilitate health management for entire groups of animals, which is particularly important for animals staying in group settings, but will also allow for considerable improvements in work efficiency by standardizing operational processes, which has been difficult in disaster areas.

Animals are an essential part of human society. We hope that furthering initiatives such as these using cloud computing will make a substantial contribution to creating a society in which pet owners and local communities can live together comfortably.

Social Cloud Business
Development Unit
Business Planning Division
Director
Akira Imabayashi

PET CARE

Supporting the reconstruction effort in disaster-stricken areas, while pioneering solutions for Japan's social issues

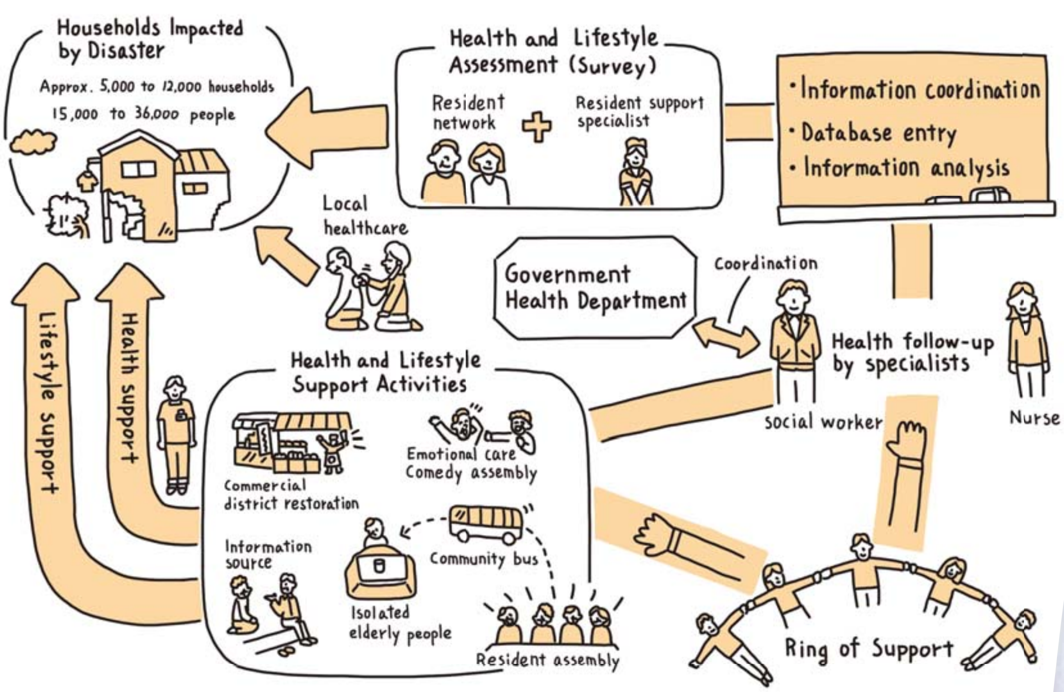
Following the Great East Japan Earthquake on March 11, 2011, local governments and communities were thrown into turmoil in trying to cope with a situation on the ground that was changing by the minute. A lack of accurate information in many cases meant that the appropriate support was not delivered. Within three days of the earthquake, Fujitsu had pulled together a special disaster support team reporting directly to an executive officer. The team was then dispatched to the frontline to provide support for affected communities by drawing on Fujitsu's strengths in system development and solutions, and its expertise in cloud computing.

In the immediate aftermath of the earthquake Fujitsu participated in Tsuna-pro, an organization of volunteers and NPOs. Fujitsu created a cloud-based database of circumstances on the ground at approximately 500 evacuation centers in Miyagi Prefecture, enabling Tsuna-pro to identify specific needs and promptly arrange for delivery of the appropriate supplies and support.

Three months after the disaster, Fujitsu aided in the establishment by Tetsuyu Institute Medical Corporation of You Home Clinic Ishinomaki, offering home-based medical care to residents of a region where the healthcare system had been completely destroyed.

Six months after the earthquake, Fujitsu assisted an organization providing support for households impacted by the disaster. We conducted a poll of all households across the region, using ICT to share the information gathered with the authorities and support organizations. This step enabled them to offer comprehensive support from both a health and lifestyle perspective.

The problems evident in disaster-affected areas—for example, isolation of the elderly and a lack of medical resources—in many respects epitomize the future Japan faces with its dwindling birthrate and aging population. I find profound meaning in the thought that our initiatives will not only hasten the recovery of disaster-affected areas, but also pioneer solutions to some of Japan's social issues.



Social Cloud Business Development Office
Business Development Division
Senior Manager
Shinji Narukawa

DISASTER RESPONSE

Contents

? Glossary

The 2012 Annual Report features a glossary of industry and product-related terminology to enhance readers' understanding of the report.

Forward-Looking Statements

This annual report may contain forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors: general economic and market conditions in key markets (particularly in Japan, Europe, North America and Asia, including China); rapid changes in the high-technology market (particularly semiconductors, PCs, etc.); fluctuations in exchange rates or interest rates; fluctuations in capital markets; intensifying price competition; changes in market positioning due to competition in R&D; changes in the environment for the procurement of parts and components; changes in competitive relationships relating to collaborations, alliances and technical provisions; potential emergence of unprofitable projects; and, changes in accounting policies.

Performance Highlights

Fujitsu Limited and Consolidated Subsidiaries

Years ended March 31	2003	2004	2005	2006
Financial Data				
POINT 1 Net sales	¥4,617,580	¥4,766,888	¥4,762,759	¥4,791,416
Sales outside Japan	1,336,915	1,388,623	1,422,095	1,591,574
Ratio of sales outside Japan (%)	29.0	29.1	29.9	33.2
Operating income	100,427	150,342	160,191	181,488
Operating income margin (%)	2.2	3.2	3.4	3.8
Net income (loss)	(122,066)	49,704	31,907	68,545
Cash flows from operating activities	¥ 117,797	¥ 304,045	¥ 277,232	¥ 405,579
Cash flows from investing activities	(64,415)	67,389	(15,129)	(234,684)
POINT 2 Free cash flow	53,382	371,434	262,103	170,895
Cash flows from financing activities	(67,237)	(239,902)	(212,034)	(207,840)
Inventories	¥ 595,984	¥ 521,126	¥ 478,510	¥ 408,710
Monthly inventory turnover rate (times)	0.59	0.64	0.71	0.88
Total assets	4,225,361	3,865,589	3,640,198	3,807,131
Owners' equity (total net assets – subscription rights to shares – minority interests in consolidated subsidiaries)	702,390	827,177	856,990	917,045
Return on equity (%)	(17.4)	6.0	3.7	7.7
Owners' equity ratio (%)	16.6	21.4	23.5	24.1
Return on assets (%)	(2.9)	1.3	0.9	1.8
POINT 3 Interest-bearing loans	1,763,769	1,277,121	1,082,788	928,613
D/E ratio (times)	2.51	1.54	1.26	1.01
Net D/E ratio (times)	2.14	1.04	0.73	0.55
R&D expenses	285,735	250,910	240,222	241,566
Capital expenditure	147,620	159,795	181,402	249,999
Depreciation	264,678	200,031	169,918	169,843
Amounts per share of common stock (Yen and U.S. Dollars):				
Net income (loss)	¥ (61.29)	¥ 24.55	¥ 15.42	¥ 32.83
POINT 4 Cash dividends	–	3.00	6.00	6.00
Owners' equity	350.84	413.22	414.18	443.20
Non-financial Data (ESG Indicators)				
Environmental				
Trends in total greenhouse gas emissions (whole group and global) (10,000 tons)	210.2	175.5	175.5	159.8
Social				
Number of employees	157,044	156,169	150,970	158,491
Trends in women managers (Non-consolidated) (%)	1.4	1.6	1.7	1.8
Governance				
Percentage of outside directors (Non-consolidated) (%)	29	10	20	20

Note: The U.S. dollar amounts stated above and elsewhere in this report have been translated from yen, for readers' convenience only, at the rate of ¥82 = US$1, which was the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2012.

POINT 1

In fiscal 2011, consolidated net sales declined ¥60.8 billion year on year, to ¥4,467.5 billion. Excluding the impact of exchange rate fluctuations, net sales were on par with the previous fiscal year. Negative factors, including effects from lower sales caused by flooding in Thailand and a drop in Device Solutions sales due to weak demand, were largely offset by increased sales of mobile phones and network products driven by growing smartphone usage.

POINT 2

Free cash flow (the sum of operating and investment cash flows) was a positive ¥49.1 billion, or ¥64.2 billion less than the previous fiscal year. Excluding proceeds from the sale of investment securities and other special items reported in fiscal 2010, free cash flow was actually a positive ¥43.5 billion, or a year-on-year decline of ¥29.8 billion.

					Yen (millions)	Year-on-Year Change (%)	U.S. Dollars (thousands)
2007	2008	2009	2010	2011	**2012**	**2012/2011**	**2012**
¥5,100,163	¥5,330,865	¥4,692,991	¥4,679,519	¥4,528,405	**¥4,467,574**	**–1.3**	**$54,482,610**
1,825,255	1,923,621	1,499,886	1,748,304	1,587,363	**1,506,096**	**–5.1**	**18,367,024**
35.8	36.1	32.0	37.4	35.1	**33.7**		
182,088	204,989	68,772	94,373	132,594	**105,304**	**–20.6**	**1,284,195**
3.6	3.8	1.5	2.0	2.9	**2.4**		
102,415	48,107	(112,388)	93,085	55,092	**42,707**	**–22.5**	**520,817**
¥ 408,765	¥ 322,072	¥ 248,098	¥ 295,389	¥ 255,534	**¥ 240,010**	**–6.1**	**$ 2,926,951**
(151,083)	(283,926)	(224,611)	1,020	(142,108)	**(190,830)**	**–**	**(2,327,195)**
257,682	38,146	23,487	296,409	113,426	**49,180**	**–56.6**	**599,756**
(234,953)	62,325	(47,894)	(405,310)	(166,933)	**(138,966)**	**–**	**(1,694,707)**
¥ 412,387	¥ 383,106	¥ 306,456	¥ 322,301	¥ 341,438	**¥ 334,116**	**–2.1**	**$ 4,074,585**
0.93	1.03	0.98	1.04	1.02	**1.01**	**–1.0**	
3,943,724	3,821,963	3,221,982	3,228,051	3,024,097	**2,945,507**	**–2.6**	**35,920,817**
969,522	948,204	748,941	798,662	821,244	**841,039**	**2.4**	**10,256,573**
10.9	5.0	(13.2)	12.0	6.8	**5.1**		
24.6	24.8	23.2	24.7	27.2	**28.6**		
2.6	1.2	(3.2)	2.9	1.8	**1.4**		
745,817	887,336	883,480	577,443	470,823	**381,148**	**–19.0**	**4,648,146**
0.77	0.94	1.18	0.72	0.57	**0.45**		
0.31	0.36	0.47	0.20	0.14	**0.14**		
254,095	258,717	249,902	224,951	236,210	**238,360**	**0.9**	**2,906,829**
305,285	249,063	167,690	126,481	130,218	**140,626**	**8.0**	**1,714,951**
202,825	200,509	223,975	164,844	141,698	**131,577**	**–7.1**	**1,604,598**
¥ 49.54	¥ 23.34	¥ (54.35)	¥ 45.21	¥ 26.62	**¥ 20.64**	**–22.5**	**$ 0.252**
6.00	8.00	8.00	8.00	10.00	**10.00**	**0.0**	**0.122**
469.02	458.31	362.30	386.79	396.81	**406.42**	**2.4**	**4.956**
153.0	189.4	166.8	131.3	118.5	**109.8**	**–7.3**	
160,977	167,374	165,612	172,438	172,336	**173,155**		
2.2	2.4	2.9	3.1	3.5	**3.7**		
20	20	20	30	30	**36**		

Management

POINT 3

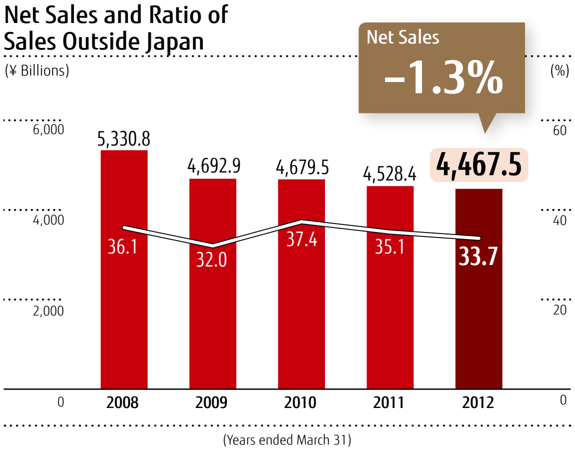
The balance of interest-bearing loans was at its lowest level in a decade. Consequently, the D/E ratio improved 0.12 points year on year, to 0.45 times, its lowest point ever. The net D/E ratio was 0.14 times, the same level as a year earlier, despite a decline in cash and cash equivalents at the end of fiscal 2011.

POINT 4

Both the interim and year-end dividends were ¥5 per share, for an annual dividend of ¥10 per share as initially forecast; Fujitsu paid the same dividend in fiscal 2010.

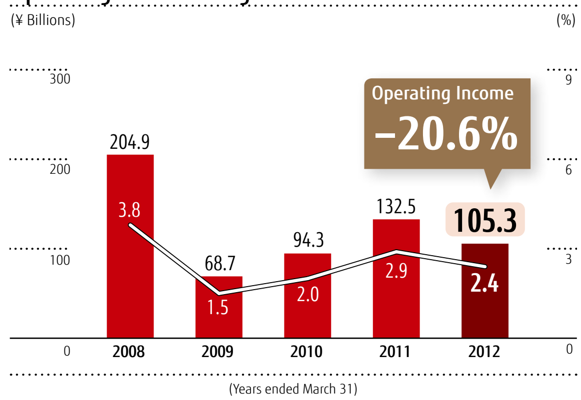
Financial Data

Net Sales and Ratio of Sales Outside Japan



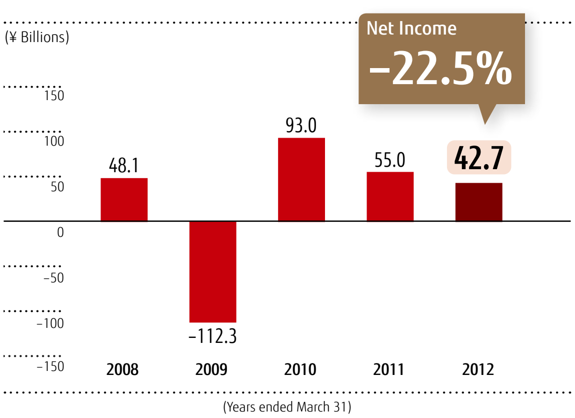
Net sales (left scale)
Ratio of sales outside Japan (right scale)

Operating Income and Operating Income Margin

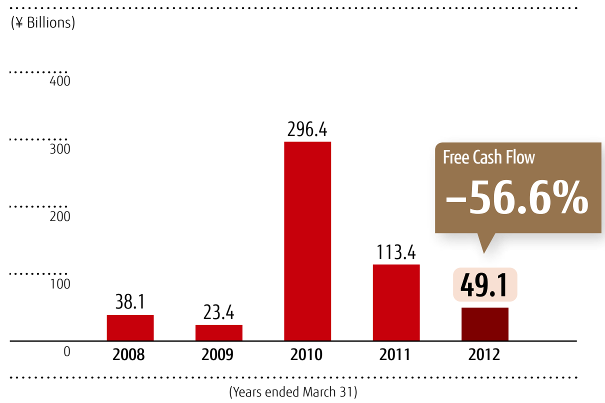


Operating income (left scale)
Operating income margin (right scale)

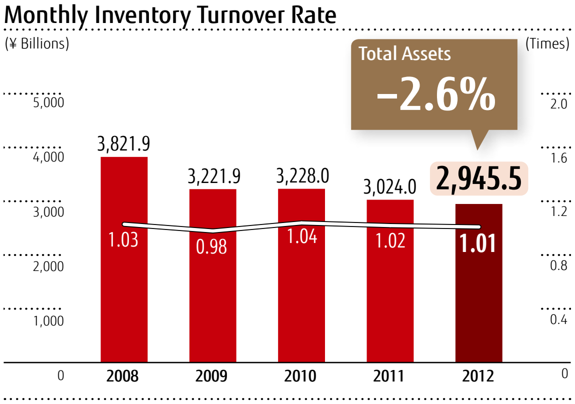
Net Income (Loss)



Free Cash Flow

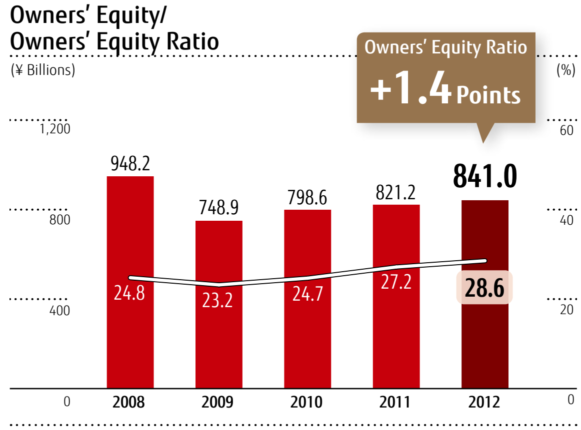


Total Assets and Monthly Inventory Turnover Rate



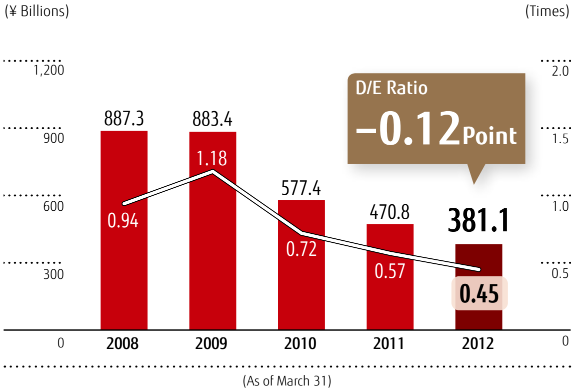
Total assets (left scale)
Monthly inventory turnover rate (right scale)

Owners' Equity/ Owners' Equity Ratio



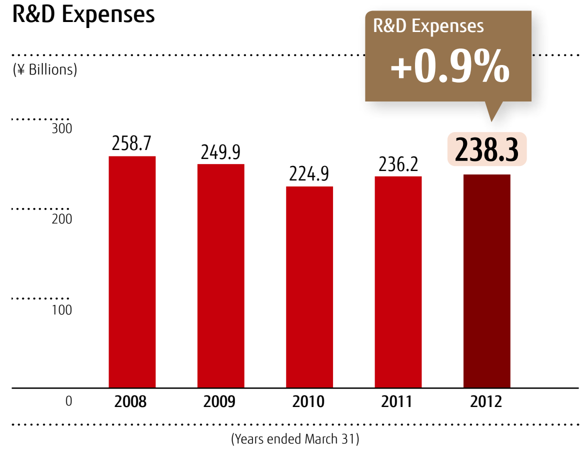
Owners' equity (left scale)
Owners' equity ratio (right scale)

Interest-Bearing Loans and D/E Ratio

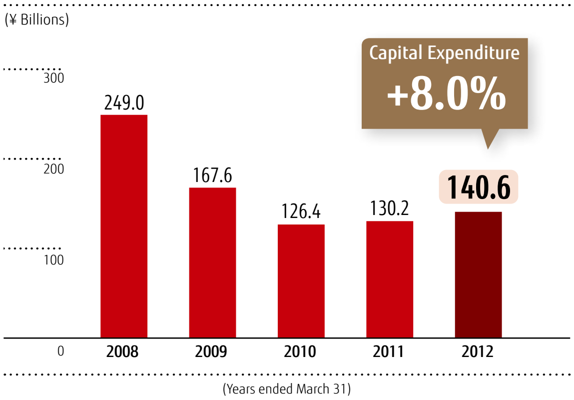


Interest-bearing loans (left scale)
D/E ratio (right scale)

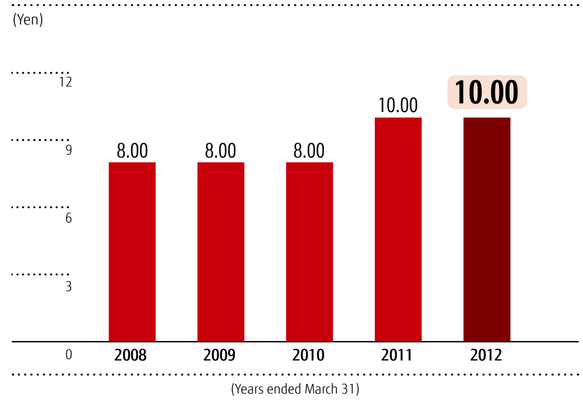
R&D Expenses



Capital Expenditure



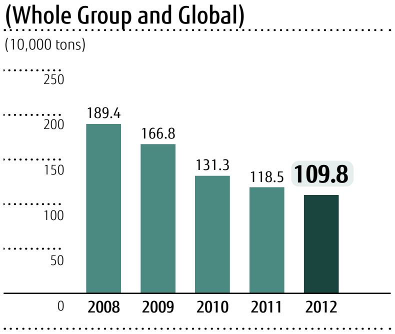
Cash Dividends



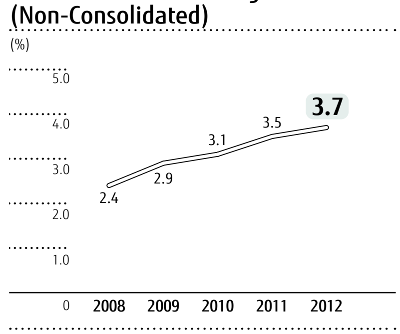
Management

Non-financial Data (ESG Indicators)

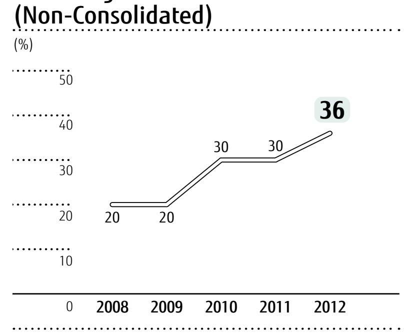
Trends in Total Greenhouse Gas Emissions (Whole Group and Global)



Trends in Women Managers (Non-Consolidated)



Percentage of Outside Directors (Non-Consolidated)



A Message from Management

The broadening range of sophisticated ICT applications has sparked unprecedented changes in many aspects of lifestyles and business. The proliferation of smartphones, sensors, cloud services, and other technologies has prompted the development of new services, and the accumulation and analysis of the data these services generate is suggesting novel approaches to once intractable problems. This potential has raised expectations for resolving issues across a wide range of fields, including in disaster readiness, energy, agriculture, the environment, and healthcare.

This wave of change presents tremendous business opportunities for Fujitsu customers around the globe. The Fujitsu Group has set a goal of becoming a technology-based, globally integrated service company. By utilizing the Group's

vertically integrated strengths on a global scale, from services such as cloud and managed services to supercomputers, smartphones, and other products, as well as semiconductors and other technologies, we believe that we can, as a partner, meet the needs of our customers in coping with the multifaceted transformation that they face in business today, and together with them build a prosperous society.

The Fujitsu Group will utilize the capabilities it possesses to the greatest extent possible to seek continuous growth together with customers. We will also realize healthy earnings and sustainable increases in corporate value in order to meet the expectations of shareholders and investors. We very much appreciate your unwavering support.

Michiyoshi Mazuka

Chairman
Michiyoshi Mazuka

Masami Yamamoto

President
Masami Yamamoto

A Conversation with the President

A Clear Vision

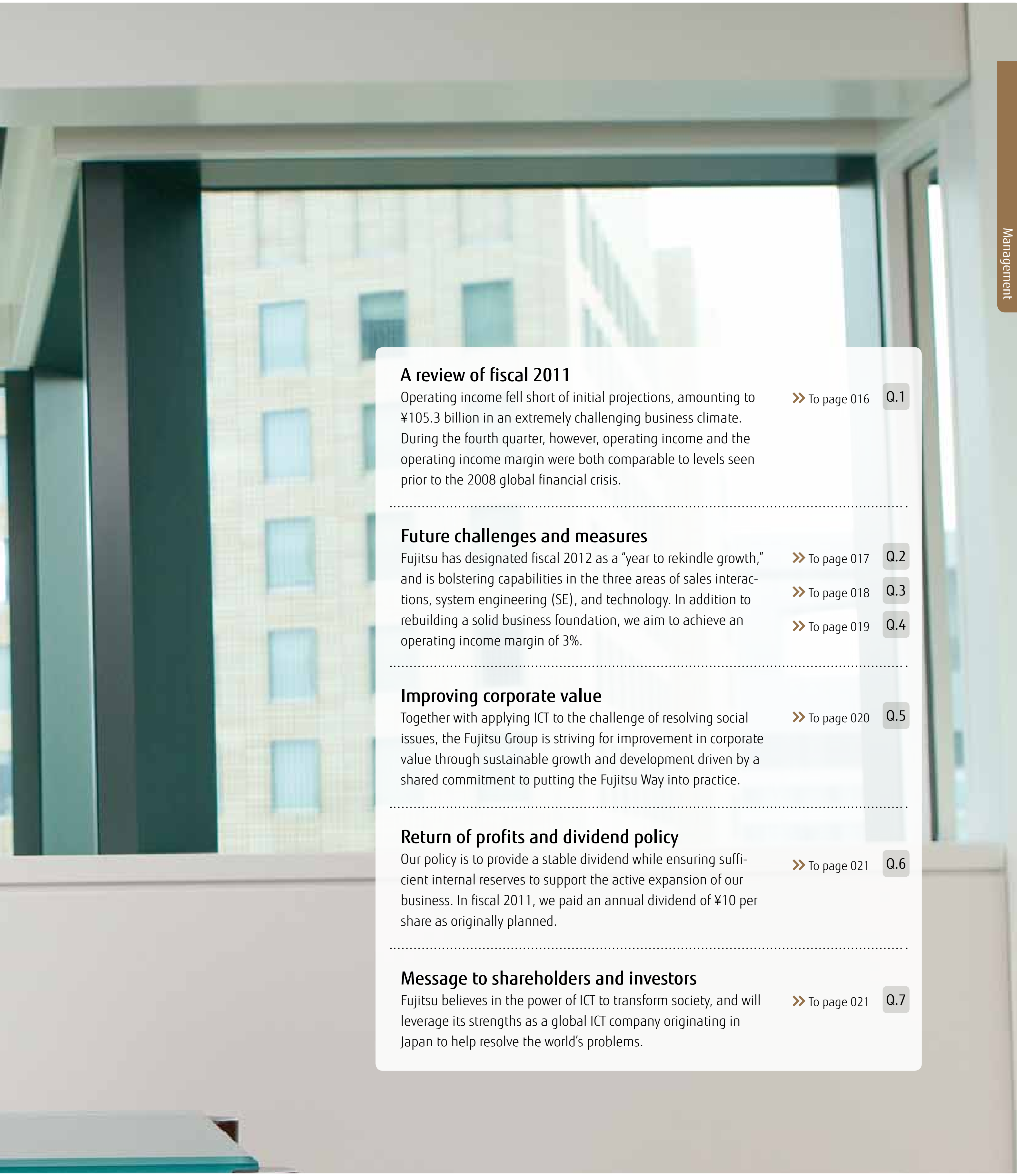
The business environment was challenging during fiscal 2011 due to the effects of the European debt crisis and large-scale natural disasters. However, Fujitsu gradually began to see the benefits of its shift to a leaner management structure, reflecting a determined push to go on the offensive with structural reforms. Consequently, our fourth-quarter operating income margin was comparable to that of 2008, prior to the global financial crisis.

We designated fiscal 2012 as a "year to rekindle growth," and are decisively bolstering our capabilities in the areas of sales interaction, system engineering (SE), and technology. In addition to rebuilding a solid business foundation, we aim to achieve an operating income margin of 3%.

Along with these actions, Fujitsu is committed to the sustainable progress of humanity through ICT to realize a prosperous society in the future.

President
Masami Yamamoto

Masami Yamamoto



A review of fiscal 2011

Operating income fell short of initial projections, amounting to ¥105.3 billion in an extremely challenging business climate. During the fourth quarter, however, operating income and the operating income margin were both comparable to levels seen prior to the 2008 global financial crisis.

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Future challenges and measures

Fujitsu has designated fiscal 2012 as a "year to rekindle growth," and is bolstering capabilities in the three areas of sales interactions, system engineering (SE), and technology. In addition to rebuilding a solid business foundation, we aim to achieve an operating income margin of 3%.

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Improving corporate value

Together with applying ICT to the challenge of resolving social issues, the Fujitsu Group is striving for improvement in corporate value through sustainable growth and development driven by a shared commitment to putting the Fujitsu Way into practice.

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Return of profits and dividend policy

Our policy is to provide a stable dividend while ensuring sufficient internal reserves to support the active expansion of our business. In fiscal 2011, we paid an annual dividend of ¥10 per share as originally planned.

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Message to shareholders and investors

Fujitsu believes in the power of ICT to transform society, and will leverage its strengths as a global ICT company originating in Japan to help resolve the world's problems.

» To page 021 Q.7

A review of fiscal 2011

Q.1 **Looking back, what was the year ended March 31, 2012 like for Fujitsu? How would you rate Fujitsu's business performance?**

A.1 **Operating income fell short of initial projections, amounting to ¥105.3 billion in an extremely challenging business climate. During the fourth quarter, however, operating income and the operating income margin were both comparable to levels seen prior to the 2008 global financial crisis.**

In fiscal 2011, we emphasized our shift from defense to going on the offense. The global economic situation as a whole, however, continued to face substantial uncertainty. Europe's economic prospects receded as its sovereign debt problem worsened, which in turn triggered an economic slowdown in emerging markets. The US economy, meanwhile, has yet to mount a full-fledged recovery. In Japan, while the supply chain rebounded from the impact of the Great East Japan Earthquake more quickly than anticipated, the economy nonetheless stalled as the strong yen undermined exports and businesses reeled from the catastrophic flooding in Thailand. Regrettably, under the circumstances, we were only able to achieve operating income of ¥105.3 billion, falling short of our initial target of ¥135.0 billion.

Looking at performance by quarter, we posted a net loss in the first quarter as a result of the Great East Japan Earthquake. Although the economic impact from the earthquake had largely subsided by the second quarter, revenue declined as a result of the strong yen, centered on the Device Solutions segment. In the third quarter, the economic slump triggered by the flooding in Thailand and the European debt crisis led to postponement or other disruptions in certain transactions. This included delays in completing contracts, even for services. But by the fourth quarter, signs of a turnaround in the business climate began to appear, as the impact from the earthquake more or less dissipated, and the market for devices began to recover in certain sectors. In addition, we gradually started to see results from our shift to a leaner management structure by going on offense with structural reforms. We achieved fourth-quarter operating income of ¥95 billion, with an operating income margin of 7.3%, on a par with levels prior to the 2008 global financial crisis.

Structural reforms in fiscal 2011 allowed us to further solidify Fujitsu's foundations as an ICT? vendor. Our confidence was particularly bolstered by the strength of recovery in the Technology Solutions segment. To solidify it further, we will tackle a range of issues on the way to capturing new growth, and are determined to tie these steps to even greater improvement in future business performance.

» * See pp. 022–023 for a more detailed account of fiscal 2011 performance.

Financial Highlights

(Billions of yen)

(Years ended March 31)	2010	2011	2012
Net sales	4,679.5	4,528.4	4,467.5
Operating income	94.3	132.5	105.3
Net income	93.0	55.0	42.7
Interest-bearing loans	577.4	470.8	381.1
Net D/E ratio (times)	0.20	0.14	0.14

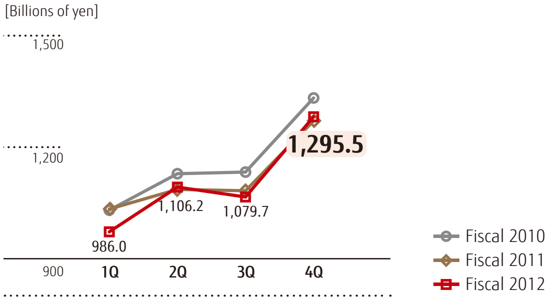
? Glossary

ICT

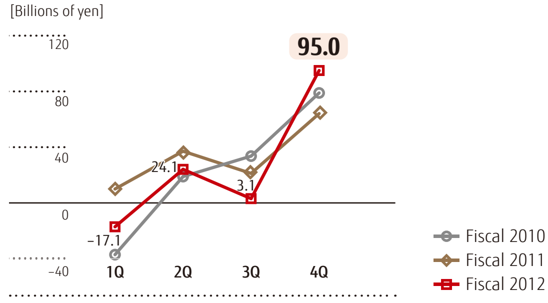
Information and communication technology, a term derived from IT (information technology) and communication, which includes the sharing of knowledge and information via communication networks. Used as a general term for information processing and communications processing technology and applied technology.

Quarterly Data by Segment (incl. intersegment transactions)

Net Sales



Operating Income (Loss)



Future challenges and measures

Q.2 After reviewing the results for fiscal 2011, what are some of the objectives and urgent measures for the current term, fiscal 2012?

A.2 **Fujitsu has designated fiscal 2012 as a "year to rekindle growth," and is bolstering capabilities in the three areas of sales interactions, system engineering (SE) and technology. While rebuilding a solid business foundation, we aim to achieve an operating income margin of 3%.**

Our fiscal 2012 targets are net sales of ¥4,550.0 billion, with operating income of ¥135.0 billion and an operating income margin of 3%, representing both higher revenue and earnings. During fiscal 2011 we stated repeatedly that we are shifting from a defensive to an offensive posture. Fiscal 2012 we have designated as a "year to rekindle growth." While maintaining our growth strategies of going on the offensive with structural reforms, accelerating globalization, and creating new services businesses, we will seek to strengthen our corporate structure. Our target operating income margin of 3% will serve as a milestone on the path to growth.

The business environment for ICT today is caught up in sweeping structural changes stemming from the current wave of cloud services and big data. The extent to which we can continue to provide value to our customers and lay out a path for business development will determine the true value of Fujitsu. As we reach this important juncture, we recognize that we need to move away from our previous business model centered on system integration (SI), and build a solid business foundation that can respond to this new era.

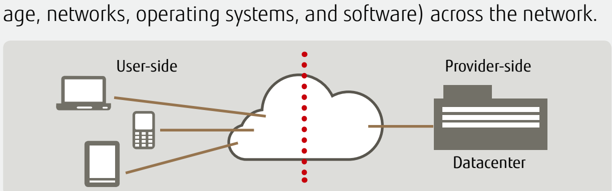
On April 1 we adopted a matrix-type organization structured along customer segments and business lines. This was an offense-style structural reform intended to bolster capabilities in the three areas of sales interactions, SE and technology. We also took further steps toward a "fab-lite" business model to strengthen the business structure for Device Solutions, including selling the Iwate Plant to Denso Corporation.

Our medium-term goals are unchanged, and we will continue to work steadily toward achieving our targets of ¥5,000 billion in net sales, with ¥250 billion in operating income and an operating income margin of 5%. Looking ahead 5 to 10 years, we will reawaken the "frontier spirit" that runs through our corporate DNA to pioneer new markets, and exceed our current growth trajectory to be a global company that stands alongside the world's leading firms.

? Glossary

Cloud Computing

At Fujitsu, cloud computing refers to a platform enabling on-demand access via a network to IT resources (i.e., resources required to create an adequate computer operating environment such as servers, storage, networks, operating systems, and software) across the network.



Big Data

Yet to be definitively defined, big data does not simply refer to sheer volume. Rather, it denotes huge volumes of a wide variety of data that when processed in real time can be used to identify what users were looking for at that time and place. "Unstructured data" that is difficult to analyze such as image, voice, video, and sensor data accounts for a considerable proportion of big data.

Future challenges and measures

Q.3 **Please tell us some of the specifics of this new matrix structure.**

A.3 **This is an organizational change to strengthen our hand in sales interactions, SE, and technology. It creates a framework that allows Fujitsu to compete on a global level.**

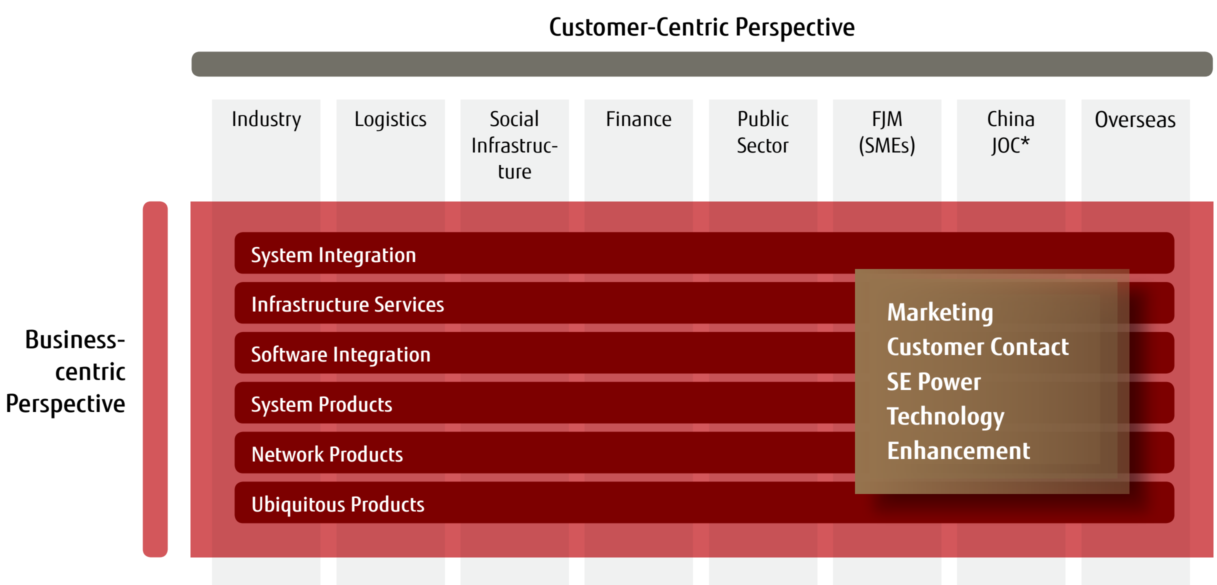
With the rise of cloud services and the rapid spread of smartphones and other mobile devices, coupled with the globalization of our customers' businesses and other acute changes in the ICT market*, it is important for us to bolster capabilities on the sales front, which is the contact point for customers, and in SE in order to adapt to new markets. To achieve this, we separated the sales and SE divisions, which had been combined under the previous Solution Business Restructuring (SBR) framework, in order to clarify roles and functions.

The "customer-centric" axis is an across-the-board strengthening of our sales interactions, with the aim of positioning Fujitsu where it should be, that is, as a provider of consistent, one-stop solutions worldwide. While strengthening our Japanese sales divisions, we will integrate these with overseas business divisions to provide high-quality, uniform best practices. In the medium-size business market in Japan, we will clarify the position of the Fujitsu Marketing (FJM) Group, which plays a central role in this market, within the larger Fujitsu Group, and establish a structure to allow us to compete in an unimpeded fashion. Furthermore, by strengthening both our business solutions originating in Japan and support functions for Japanese companies expanding overseas, we will put in place a sales structure with seamless global coverage.

The "business-centric" axis is the full-scale development of a services business based on cloud services, which we intend to make a pillar for Fujitsu going forward. To accomplish this we combined our software business with the planning and development, verification and sales promotion divisions for cloud-related services, to create the new Software Integration Business. This reorganization is intended to allow us to quickly grasp market needs, as well as to shift to a business structure centered on software. It is also meant to expand business by strengthening ties with the Infrastructure Services Business.

We also integrated and combined marketing functions, which previously had been spread across the various business divisions, into a new corporate-level marketing division that will serve as a cornerstone for the entire Fujitsu Group.

* See pp. 050–057 for trends in the ICT market, including IT market projection graphs by geographical region.



* Business supporting overseas expansion and development by Japanese companies; short for Japan Originated Company.

Management

Future challenges and measures

Q.4 What initiatives do you have planned for growth fields?

A.4 **We will continue to concentrate investment in cloud services, big data, and global business operations.**

One of Fujitsu's strengths is an integrated vertical model that begins with services, such as system integration and cloud services, and extends to products such as supercomputers, servers, and smartphones, as well as to technology, specifically semiconductors. We meet customer needs by developing this model on a global scale.

Areas where we can further capitalize on the strengths of this integrated vertical model are identified as Fujitsu's next growth fields. These are the areas where we will continue to invest. For example, as the paradigm for corporate ICT systems shifts from an ownership to a user model, customers are gaining a better understanding of concepts like public? and private? clouds, and utilizing them more. Fujitsu is investing in cloud computing worldwide, and has put a structure in place to meet customer needs. Consequently, cloud-related revenue on a non-consolidated basis was 275% higher than our initial projections for the fiscal year ended March 31, 2012.

With the explosive rise in digital data, coupled with improved cost performance for ICT, some customers have taken steps to put big data to work in ways beneficial to their own corporate management processes.

In the field of big data, Fujitsu has combined the collection, collation and integration of large volumes of sensing data with new knowledge to create predictive models through real-time and batch processing. We now offer this as Platform as a Service (PaaS), the world's first cloud service.

In parallel, we are converting this technology and operational knowhow into systems, which we offer as easy-to-use software products. For Fujitsu corporate customers looking to utilize big data, we are consolidating our system development expertise and technologies to offer on-premise system solutions.

This kind of new and highly sophisticated ICT utilization may prove useful for discovering new approaches to previously intractable social issues, while bringing greater abundance to people's lives. I hope to see ICT become even more useful in these ways. In agriculture, for instance, along with traditional supply chain management for agricultural goods, farm operators are beginning to use sensing data to grow even more delicious produce. Another example is in the field of healthcare, where pulse simulations that take advantage of the advanced simulation capacity of supercomputers are being used to pioneer tailor-made treatments optimized for individual patients. Fujitsu will hone its own integrated vertical strengths in these areas to unlock this kind of new ICT potential in the years ahead.

Our globalization is a key theme for Fujitsu's growth vision going forward, and our target is to have overseas sales account for 40% of net sales. As the global competitive environment heats up, so too do calls for a common framework for sales interaction supporting customers in the same region, along with the provision of competitive products built on extensive cost efficiency. By putting a globally integrated organization and systems in place, for example, we intend to support the global expansion aspirations of any and all companies looking to advance beyond their own shores. To this end, we have set about optimizing the product portfolios of every base, where lineups often varied, to standardize and enhance our offerings on a global scale. We will also invest in integrating global communications and other business infrastructure to bolster communication between offshore bases scattered across the globe and business divisions in Japan. Ultimately, we hope to translate our determination to tie global integration efforts to Fujitsu's integrated vertical strengths into a source of competitiveness in the years ahead.

? Glossary

Public Cloud
This is a platform providing unspecified users, from individuals to groups like companies, with access to shared use of servers, storage, operating systems, and other IT resources via a network. There is no need to build an in-house system or to own or manage IT assets onsite.

Private Cloud
Whereas public clouds offer shared use by unspecified users, private clouds are platforms created for specific users. The idea behind private clouds is to reduce IT costs by having user groups like group companies and departments share IT resources instead of providing them for each individual entity.

Improving corporate value

Q.5 **Many people are looking to ICT to help resolve social issues. Tell us about the type of company Fujitsu aims to become, and your approach to social contributions.**

A.5 **Together with applying ICT to the challenge of resolving global issues, the Fujitsu Group is striving for improvement in corporate value through sustainable growth and development driven by a shared commitment to putting the Fujitsu Way* into practice.**

* See pp. 064–065 for more on the Fujitsu Way

The worldwide population topped seven billion in October 2011. The global economy continues to be driven by emerging markets, but at the same time concerns such as population growth, climate change and depletion of natural resources such as food, water and energy present serious issues for humankind. The Fujitsu Group is moving forward with the smart cities program and other initiatives that help drive positive change in society. We have a vision in which ICT utilization resolves a host of social issues, leading to the realization of a Human Centric Intelligent Society[?]. We also believe that the essence of CSR is embodied in our will to contribute to society through our business operations, and we intend to conduct such activities to the fullest.

ICT has the ability to transform society in three ways. Simulations and cutting-edge ICT solutions can serve as "ICT that supports modern lifestyles," generating new value in a broad range of fields, including agriculture, medicine, transportation, and education. While helping to resolve problems, it paves the way to a sustainable and prosperous future. As "ICT that anyone can use," ICT can provide opportunities to people everywhere. Fujitsu assists with the framework for the introduction of ICT in developing countries, and through the development of devices that are intuitive by design, aims to bring about a society in which all people enjoy the benefits of ICT, regardless of location, age, or physical condition. Finally, as "ICT that supports society," Fujitsu recognizes that one of its major responsibilities is to ensure the stable operation of ICT infrastructure, and to provide security solutions.

The realization of a sustainable and prosperous society requires that individuals think and act on a global level. It is our duty as managers to create an environment that enhances the ability of all Fujitsu employees to both envision the problems facing society, and elicit the creativity to resolve them. Going forward, through a shared commitment to and implementation of the Fujitsu Way, which embodies the Group's corporate philosophy and our principles for conduct, we will seek sustainable growth for the Fujitsu Group, and through that growth, improvement in our corporate value.

? Glossary

Human Centric Intelligent Society
A society where everyone can benefit from value generated by ICT without worrying about complicated technologies or operations. Fujitsu's vision is to bring about a society where people live more fully, enjoying a life of greater safety, peace of mind, comfort, and convenience by pursuing greater realization of human values against a backdrop of ICT evolution.

Return of profits and dividend policy

Q.6 What is your stance on returns to shareholders and dividends?

A.6 **Our policy is to provide a stable dividend while ensuring sufficient internal reserves to support the active expansion of our business. In fiscal 2011, we paid an annual dividend of ¥10 per share, as originally planned.**

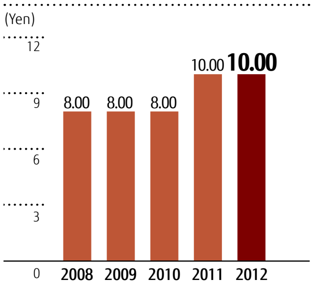
Under Fujitsu's policy on the distribution of earnings, a portion of retained earnings is paid to shareholders to provide a stable return on a continuous basis, and a portion is retained by the Company to strengthen its financial base and support new business development opportunities that will result in improved medium- and long-term performance. In addition, taking into consideration the level of profits, Fujitsu aims to increase the distribution of profits to its shareholders even more robustly when the financial base is sufficiently strong, including through share buybacks.

For fiscal 2011, operating income and net income declined year on year as a result of the sluggish recovery in ICT investment both in Japan and abroad, as well as the negative effects of the historically high yen and flooding in Thailand. These challenges aside, we managed to maintain a certain level of performance, with the profitability of the services business outside Japan improving, and net income exceeding the revised forecast announced in January 2012. Our financial position is also steadily improving, with the balance of interest-bearing loans falling to its lowest level in a decade. As a result, we were able to pay the planned year-end dividend of ¥5 per share, which together with the interim dividend (¥5 per share) amounted to an annual dividend of ¥10 per share, the same level as in the previous fiscal year.

In terms of the distribution of retained earnings, we plan to maintain a biannual payout comprising an interim and year-end dividend. For the fiscal 2012 annual dividend we plan to pay ¥10 per share, including an interim dividend of ¥5 per share, the same as in fiscal 2011.

We at Fujitsu are grateful for the continued understanding and support of our shareholders. We will make a concerted effort as a management team for sustained improvement in corporate value, in order to meet the expectations of all stakeholders.

Cash Dividends per Share



(Years ended March 31)

Message to shareholders and investors

Q.7 What message do you have for shareholders and investors?

A.7 **Fujitsu believes in the power of ICT to transform society, and as a Japanese global ICT company exemplifying the best of what Japan has to offer, will help to resolve the world's pressing problems.**

We believe Fujitsu's customers to be the whole of society. To achieve sustained growth as a company, it is important for us at Fujitsu to integrate the social and environmental aspects of our business activities, and to enhance our corporate value. As for the host of issues facing the world, we hope to achieve a shared understanding with governments, international institutions, and NGOs, and to contribute to the resolution of various social issues through our main business operations.

As Japan's leading company in the ICT field, we remain prepared to compete alongside the top players around the world. We intend to take full advantage of Fujitsu's strengths as an ICT company originating in Japan to strive for ongoing improvement in corporate value by meeting the expectations of all of our stakeholders.

A Message from the CFO

Performance in Fiscal 2011

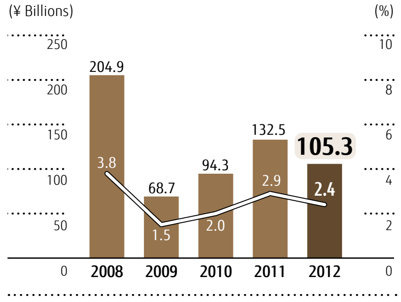
The global economy during fiscal 2011 saw Europe's worsening sovereign debt crisis and a fallback to negative growth take a toll on the real economy. In the United States, a full-fledged economic recovery remained elusive, despite promising signs in the country's employment environment and consumer spending. In emerging markets, while growth rates remained high, the pace was somewhat subdued, reflecting the effects of monetary tightening, as well as a decline in exports tracking the economic slowdown in Europe.

In Japan, the economy had at one point emerged from stagnation triggered by the Great East Japan Earthquake, thanks to faster-than-anticipated recovery in the supply chain. However, the slowdown in overseas economies, coupled with a strong yen and the impact of catastrophic flooding in Thailand, caused the economy to stall once again. Entering the fourth quarter, the economy showed signs of a turnaround on the recovery of operations damaged by the flooding in Thailand.

With respect to IT investment in Japan, though there were signs of a rebound in demand in certain sectors, a full-scale recovery remained out of reach as an overall cautious approach to investment continued to prevail.

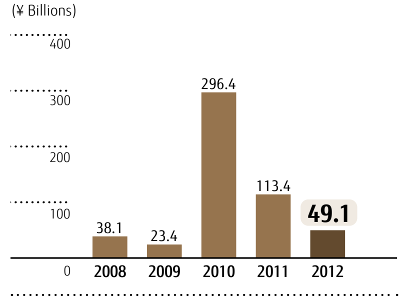
In this climate, consolidated net sales for fiscal 2011 amounted to ¥4,467.5 billion, a decline of 1.3% from fiscal 2010. Excluding the impact of foreign exchange fluctuations, however, sales were on par with the previous fiscal year. Sales in Japan were essentially unchanged from fiscal 2010. However, the impact of lower sales due to customer production cutbacks triggered by the flooding in Thailand was especially evident in car audio and navigation systems, and LSI devices. Along with the impact of weak demand for LSI devices and electronic components, server-related revenues fell on a decline in business deals for large-scale systems. These negative factors were largely balanced out, though, by increased sales of mobile phones atop broader uptake of smartphones, as well as mobile phone base stations and other network products. Sales outside Japan decreased 5.1%. Excluding the

Operating Income and Operating Income Margin

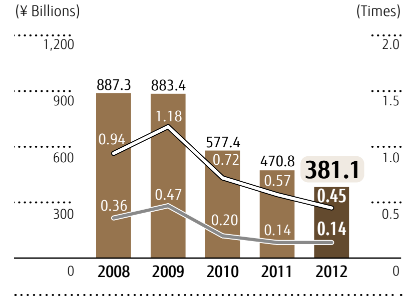


Operating income (left scale)
Operating income margin (right scale)

Free Cash Flow

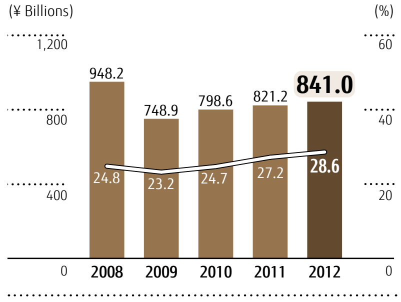


Interest-Bearing Loans, D/E Ratio and Net D/E Ratio



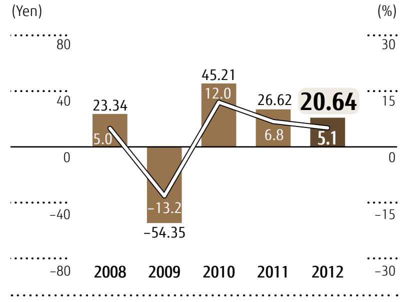
Interest-bearing loans (left scale)
D/E ratio (right scale)
Net D/E ratio (right scale)

Owners' Equity and Owners' Equity Ratio



Owners' equity (left scale)
Owners' equity ratio (right scale)

EPS (Net Income (Loss) per Share), ROE (Return on Equity)



EPS (left scale)
ROE (right scale)

Approach to Financing Activities and Credit Rating Status

To ensure efficient fund procurement when the need for funds arises, Fujitsu views the maintenance of an appropriate level of liquidity as an important policy with respect to its financing activities. "Liquidity" refers to cash and cash equivalents and the total unused balance of financing frameworks based on commitment lines established with multiple financial institutions. As of March 31, 2012, the Group had liquidity of ¥464.2 billion ($5,661.0 million), of which ¥266.6 billion ($3,252.0 million) was cash and cash equivalents and ¥197.5 billion ($2,408.5 million) was the yen value of unused commitment lines.

To raise funds from global capital markets, Fujitsu has acquired bond ratings from Moody's Investors Service (Moody's), Standard & Poor's (S&P), and Rating and Investment Information, Inc. (R&I). As of March 31, 2012, Fujitsu had bond ratings (long-term/short-term) of A3 (long-term) from Moody's, A− (long-term) from S&P, and A+ (long-term) and a-1 (short-term) from R&I.

impact of exchange rate fluctuations, however, sales were essentially unchanged from the previous fiscal year. Similarly, while sales were lower for electronic components and UNIX servers, PC sales grew in Turkey, the Middle East, Russia, and other emerging markets.

While the yen's appreciation cooled modestly from the start of the fourth quarter, the average rates for the US dollar, the euro and the British pound moved to ¥79 (¥7 stronger year on year), ¥109 (¥4 stronger), and ¥126 (¥7 stronger) for the year, respectively. As a result of exchange-rate impact, net sales declined by roughly ¥80.0 billion. The ratio of sales outside Japan was 33.7%, down 1.4 percentage points year on year.

Gross profit was ¥1,235.4 billion, down ¥22.0 billion compared to the previous year. This outcome was mainly the result of lower sales of LSI devices and electronic components. The gross profit margin was 27.7%, virtually unchanged from the previous fiscal year. With the continuation of upfront investments in networks, cloud services, and other areas, selling, general and administrative expenses rose ¥5.2 billion from fiscal 2010 to ¥1,130.1 billion.

As a result, operating income amounted to ¥105.3 billion, a decrease of ¥27.3 billion compared to fiscal 2010. The operating income margin declined 0.5 of a percentage point to 2.4%.

Other income (expenses), net, amounted to a ¥38.5 billion loss, a deterioration of ¥8.2 billion from the previous fiscal year. Positive factors included a smaller net loss on foreign exchange and an improved financial balance owing mainly to a decline in interest-bearing loans. On the other hand, Fujitsu recorded ¥15.1 billion in restructuring charges in connection to the LSI devices and car audio and navigation systems, and the services businesses outside Japan.

As a result, net income for fiscal 2011 was ¥42.7 billion, representing a year-on-year decline of ¥12.4 billion.

Yen Exchange Rates (Average) (Yen)

	Fiscal 2010	Fiscal 2011	**Fiscal 2012**
U.S. Dollar	93	86	**79**
Euro	131	113	**109**
British Pound	148	133	**126**

(For reference) Impact on operating income (actual) of a one yen (¥1) fluctuation in the currency exchange rate for fiscal 2012 (approximate)
US dollar: ¥0.6 billion; Euro: ¥0.3 billion; British pound: ¥0.0 billion

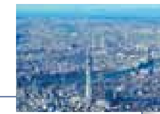
Financial Initiatives in Fiscal 2011

The Fujitsu Group continued to improve its financial position in fiscal 2011. The owners' equity ratio rose by 1.4 percentage points compared to the previous fiscal year to 28.6%, primarily from a reduction in interest-bearing loans, and net income posted for the year. Free cash flow was a positive ¥49.1 billion. Although this figure was ¥64.2 billion less than in fiscal 2010, when excluding proceeds from the sale of investment securities and other special items reported in that year, free cash flow was actually a positive ¥43.5 billion, representing a decline of ¥29.8 billion. This outcome largely stemmed from deterioration in income before income taxes and minority interests, as well as the increased allocation of cash to datacenter-related capital investment. The balance of interest-bearing loans amounted to ¥381.1 billion, a decline of ¥89.6 billion year on year, owing to progress in loan repayment and redemptions of ¥100.0 billion in convertible bonds that reached maturity. In redeeming the convertible bonds, we supplemented the use of cash on hand for this purpose by issuing a total of ¥50.0 billion in straight bonds with maturities of three and five years, respectively. This put the D/E ratio at 0.45 times, an improvement of 0.12 points from the previous fiscal year-end.

Consequently, the net D/E ratio was 0.14 times, essentially identical to the previous fiscal year-end. Both the D/E ratio and net D/E ratio were at their lowest levels ever.

Corporate Executive Vice President and Director, Chief Financial Officer
Kazuhiko Kato

Feature: Returning to the Starting Point for Growth



Smart cities

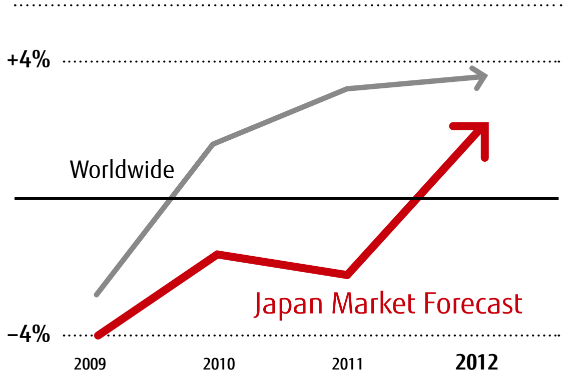
Health promotion

Strategies to Realize Our Vision

Market Environment

In the wake of the 2008 global economic crisis, the global IT market has been led by emerging markets, which continue to expand and drive growth. By contrast, Japan's IT services market, the Fujitsu Group's main market, has contracted for the past three years. In 2012, ending March 2013, the domestic market is predicted to post positive growth for the first time in four years. Motivated by this impending market recovery, the Fujitsu Group has boldly positioned fiscal 2012, as a "year for rekindling growth," and will take assertive action to address key management issues.

IT Services Market Growth Rate



(Source: IDC, Worldwide Black Book Query Tool, Version 1, 2012, May 2012, #234725)

Vision for Fujitsu

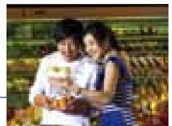
The Fujitsu Group aims to be a technology-based, globally integrated service company. To this end, the Group, anchored by Technology Solutions as its core business, will globally integrate its full spectrum of management resources, and make the creation of a powerful management structure the thrust of its medium-term strategy.

The vertical axis on the chart represents "technology integration," with the entire Group pursuing integrated vertical strengths to create a powerful service model.

The horizontal axis represents "global integration." As "One Fujitsu," we will coordinate the resources of the entire Fujitsu Group to deliver uniform, high-quality services to customers worldwide. Through these innovations, the Fujitsu Group will remain an assertive company and committed to growth.

As a concrete growth strategy, the Fujitsu Group in fiscal 2012 will continue its drive to achieve three growth priorities—implementing structural reform for an assertive posture, accelerating globalization, and creating new services businesses.

Work style innovation



Next-generation marketing

Safe social infrastructure

Maintenance innovation

High-efficiency distribution

Creation of New Services Businesses

To create new services businesses, starting with the priority fields shown, we are accelerating efforts to develop new service markets, and to propose new services across a broad array of areas to our customers.

This is particularly the case with big data utilization, a field where Fujitsu is using the collection and analysis of voluminous data to create new value. In this field, we have launched new services to support customer initiatives globally.

Business-driven farming

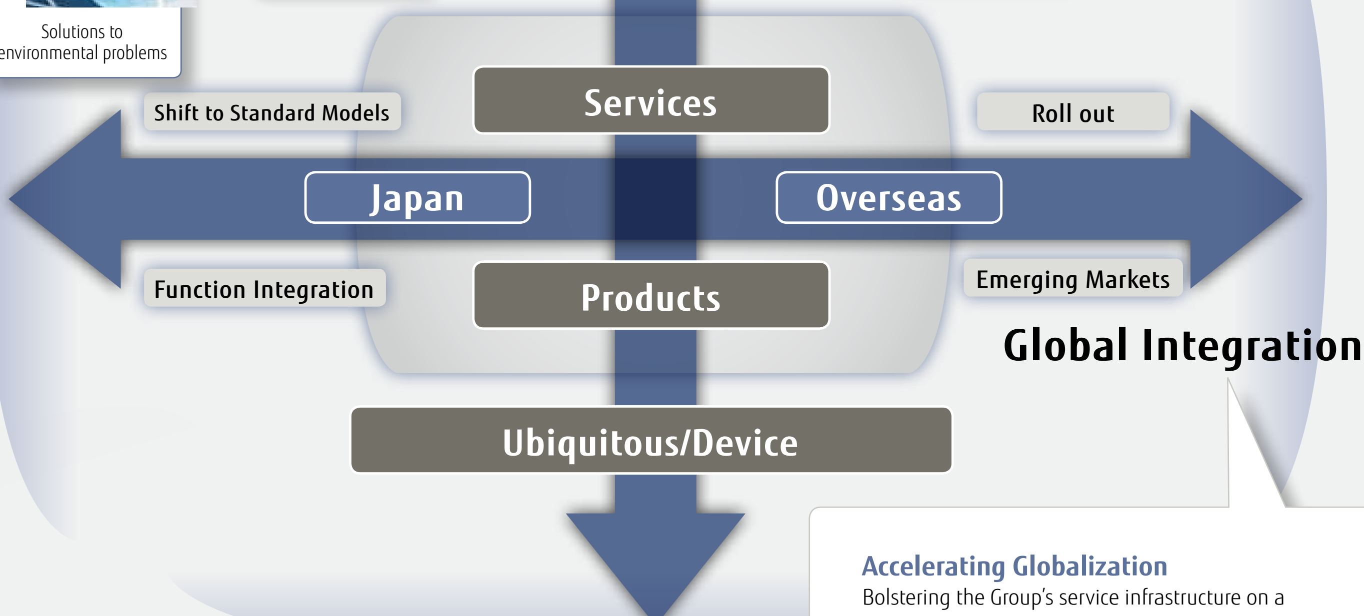
Solutions to environmental problems

Structural Reform for an Assertive Posture and New Matrix Framework

As an initial step toward structural reforms for achieving an assertive posture ahead of Group integration, the Fujitsu Group has outlined a new matrix-style framework built on customer- and business-centric axes.

The customer-centric axis integrates global industry sectors and regions from the customer's perspective. On the business-centric axis, we integrate technologies, products and resources from across the entire Fujitsu Group to create a new integrated services model.

Through this global matrix, the Fujitsu Group seeks to strengthen its hand in three areas: global customer interactions, system engineering (SE), where the Group enjoys clear advantages, and technology, the essence of Fujitsu's DNA.



Accelerating Globalization

Bolstering the Group's service infrastructure on a global scale is one step in accelerating our globalization.

In April 2012, the Fujitsu Group opened a datacenter in Guangdong, China. This milestone facility is the Group's first solely owned datacenter in the country.

We now have a network of roughly 100 such centers worldwide.

With this powerful service infrastructure as a key strength, the Fujitsu Group will support its customers' business efforts around the globe.

*Refer to pages 028–029 for more details concerning the Fujitsu Group's global strategy.

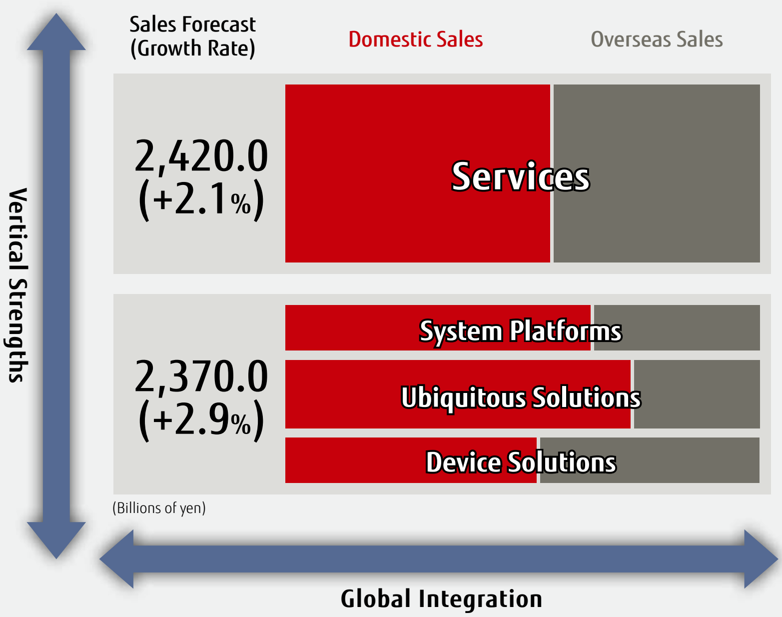
Fiscal 2012—Business Structure

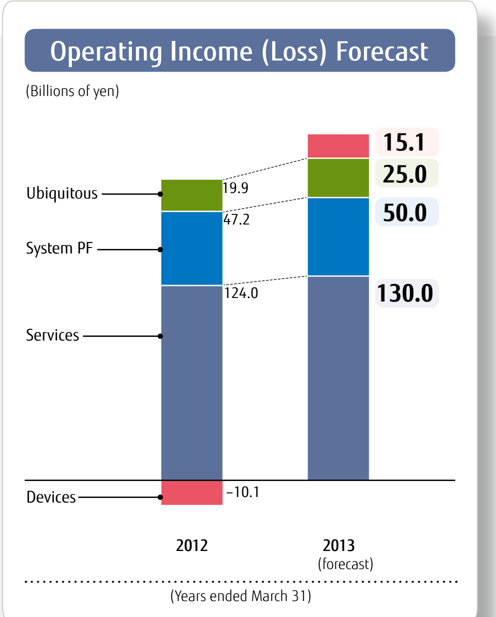
Sales in fiscal 2012, ending March 31, 2013, are expected to be structured as shown.

Services businesses are expected to account for sales of ¥2,420.0 billion, or about half of consolidated net sales. This figure represents year-on-year growth of 2.1%. Sales are projected to surpass the previous-year figure atop rebounding investment in Japan from the second half of the year, coupled with large-scale outsourcing deals ordered in the previous fiscal year outside Japan.

For product and device businesses, we are projecting total sales of ¥2,370.0 billion, for year-on-year growth of 2.9%. In System Platforms, we anticipate strong expansion in network sales, as well as a recovery in Ubiquitous Solutions in car audio and navigation equipment, where performance had suffered due to flooding in Thailand and the effects of the Great East Japan Earthquake in fiscal 2011. Devices should also see the market rebound from the second half of fiscal 2012.

For the Group as a whole, while domestic sales are projected to grow by just under 1%, outside Japan we are targeting sales growth of 4%.





Services Business

For the services business, we are targeting higher earnings, with operating income of ¥130.0 billion.

As we move to create a powerful SE team that truly operates based on the customer's perspective, we intend to innovate our SE capabilities and develop skilled global talent to relentlessly pursue quality, cost efficiency and productivity.

Elsewhere, we are reorganizing our regional SE framework and pressing ahead with organizational integration, with our sights set on establishing overwhelming dominance in the domestic market.

At the same time, we are moving to upgrade and extend our service menu with proprietary offerings that emphasize cloud services.

In business outside Japan, along with ongoing global standardization of our level of service, emerging markets and other growth markets will assume priority in Fujitsu Group strategies.

Product and Device Businesses

In product and device businesses, we are eyeing year-on-year earnings growth across all segments.

In System Platforms, we aim to grow earnings by using cost reductions to absorb investments in the development of our next generation of products, in addition to achieving higher network sales.

In Ubiquitous Solutions, we are projecting higher earnings as sharply higher HDD prices triggered by the flooding in Thailand ease, coupled with benefits from structural reforms in the car audio and navigation system business.

In product businesses, we intend to further solidify Fujitsu's already dominant position in areas such as servers, software and mobile phones in Japan. At the same time, we will move quickly to establish operational frameworks and expand business scale on the global market as a precursor to capturing a larger global share.

As for device businesses, in tandem with a definite turn to profitability in fiscal 2012, we will continue forging ahead with ongoing reforms designed to enhance business structure.

Steady Progress in Boosting Profit Margins

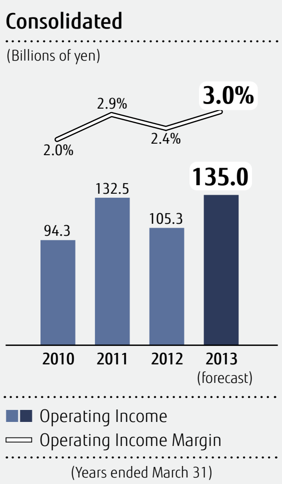
Our priority for fiscal 2012 is to improve operating income.

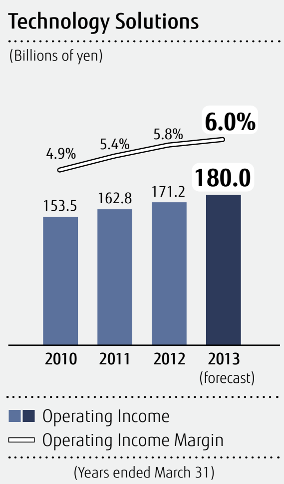
First, we are targeting a recovery in the operating income margin to 3% on a consolidated basis, roughly the same level as in fiscal 2010. In the Group's core business, Technology Solutions, we are making steady progress in boosting profit margins, with a target for fiscal 2012 of 6%.

Targeting Top- and Bottom-Line Growth

Our consolidated business forecasts for fiscal 2012 are as follows: we are projecting net sales of ¥4,550.0 billion, up ¥82.4 billion year on year; operating income of ¥135.0 billion, up ¥29.6 billion; and net income of ¥60.0 billion, a year-on-year improvement of ¥17.2 billion. As these sales and income figures suggest, our goal is top- and bottom-line growth for the year.

Fiscal 2012–Consolidated Operating Income





Business Forecasts for Fiscal 2012

	FY 2011 Results	FY 2012 Forecast	YoY
Net Sales	4,467.5 Billions of yen	4,550.0 Billions of yen	+82.4 Billions of yen
Operating Income (Margin)	105.3 Billions of yen (2.4%)	135.0 Billions of yen (3.0%)	+29.6 Billions of yen (+0.6 Point)
Net Income	42.7 Billions of yen	60.0 Billions of yen	+17.2 Billions of yen

Fiscal 2012 Is the Starting Point for Getting Back on Track for Growth

In conclusion, as our management stance, the top- and bottom-line growth objective stated for fiscal 2012 is the starting point for putting the Fujitsu Group back on track for growth. Our first target for the year is to reclaim an operating income margin of 3%. Our medium-term sights are then set on raising this margin to 5%. To hit this target, the Group will need to work as one to get growth back on track in fiscal 2012.

"Reshaping ICT-Reshaping Business" has been raised as the key business theme for fiscal 2012. Our pledge at Fujitsu is to leverage the ever-evolving potential of ICT to bring greater innovation to society at large and to the businesses of our customers.

As a trusted and valued partner to our customers, the Fujitsu Group will work together with stakeholders to seek new growth horizons in fiscal 2012.

Accelerating Our Globalization

Transforming Into a Truly Global Company

The Fujitsu Group will have to bolster business in growing markets outside Japan, and generate stable profits in order to realize longer-term growth. The Group will implement a constant stream of measures to this end, including those to expand business scope and develop a presence in emerging markets, while building a global portfolio and enhancing management efficiency.

Shaping tomorrow as "One Fujitsu"

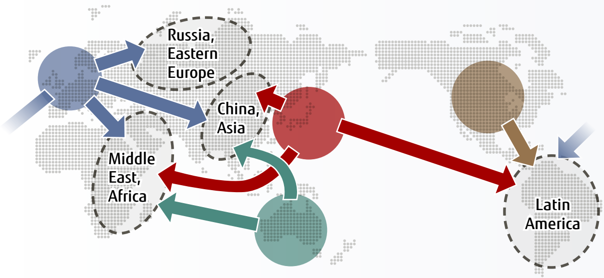
In fiscal 2011, we increased sales on a local-currency basis in almost all overseas regions where Fujitsu does business, despite a harsh business environment affected by major flooding in Thailand and a financial crisis in Europe. The rollout of Fujitsu's own cloud platform also progressed in several regions, and we were able to win large deals in the US and Australia. The benefits of assurance to eliminate unprofitable projects also emerged, and I believe we are becoming a profitable company.

The strengths of Fujitsu's overseas business are the relationships and trust built up with many local customers, and flexibility and speed in responding to customer needs resulting from each location conducting business independently to date. While leveraging these strengths, we will standardize the best elements of service solutions in Japan and other regions to create a global portfolio, which we will then roll out overseas.

By executing "Think Local, Leverage Global (providing globally standardized services in the optimal form to local customers)" as "One Fujitsu," including in Japan, we aim to become the engine that will drive the Fujitsu Group's growth.

Corporate Senior Vice President
Rod Vawdrey

Advancement into Emerging Markets



Business scope expansion and development in emerging markets

Expanding overseas sales is management's highest priority in accelerating Fujitsu's globalization. In addition to maintaining and growing business with customers in various regions, Fujitsu will strengthen its capacity to handle business deals that straddle regions, broadening business scope by supporting customers' own accelerating global business advancement. Specifically, we will powerfully back up business expansion in Asia and other growing markets by customers with whom Fujitsu has good relationships in Japan, Europe and the US by leveraging datacenter services and SAP support knowhow.

Fujitsu will also further develop its presence in emerging markets with strong growth potential, such as India, Latin America, China, Russia, Eastern Europe, and the Middle East. India already serves as an offshore base for Fujitsu. Along with bolstering this existing role, we will expand both the product and service businesses to establish a presence in the local market, and also utilize India as a hub for surrounding Asian and Middle Eastern countries. In Latin America, Fujitsu has had product and support businesses in Brazil for many years. We will support the business expansion of Spanish and Portuguese companies into the region, and ramp up the pace of business rollout in areas other than Brazil, an initiative in play since the previous fiscal year. In China, Fujitsu will consolidate wide-ranging business fields and develop deep-rooted local business.

Building a global portfolio

Fujitsu is building an end-to-end global portfolio (cloud computing, services, products, and solutions) that draws on the strengths of its global bases. Through this portfolio, Fujitsu will provide standardized, high-quality and uniform services all over the world.

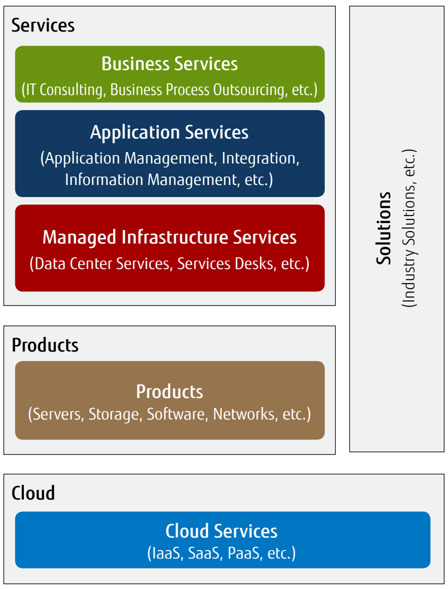
In cloud computing, Fujitsu has built public cloud platforms at six bases worldwide, including Japan, and is already providing services. We will roll out services that leverage our track record and expertise globally in areas where growth is expected, such as the “as a service” (XaaS) field, and Virtual Client Service and other end-user services.

In the PC server business, Fujitsu situated the headquarters responsible for marketing and product development in Germany, and has been promoting sales globally. Going forward, we will strengthen this model further and raise our profile in technology, the essence of Fujitsu’s DNA.

Furthermore, Fujitsu will build a portfolio of network services, one of its strengths, based on successful service examples, and roll it out globally to differentiate itself from IT service rivals. We will also bolster solutions by industry, such as electronic medical record solutions, where Fujitsu boasts top domestic market share, and point-of-sale (POS) solutions.

Global Portfolio Structure

* Some services not yet offered.



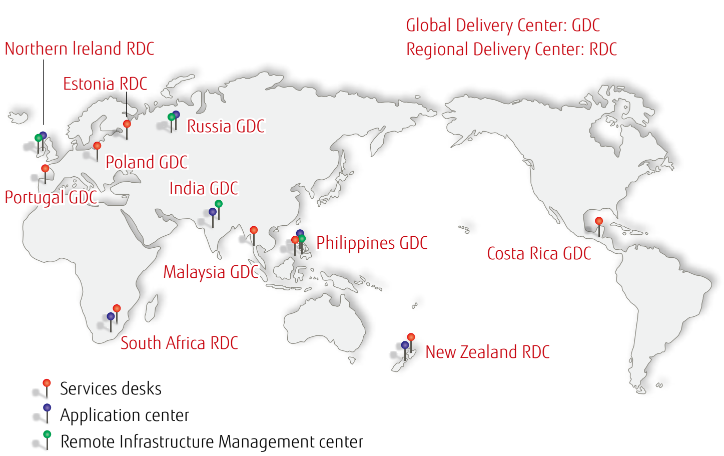
Management efficiency enhancement

Since 2009, Fujitsu has been building up structures and pursuing fundamental structural reforms, including workforce reductions, mainly in Europe and North America. Our staunch commitment to forward-looking structural reforms will continue, as we reinforce management bases worldwide through management division consolidation and business process improvements under a “One Asia” approach, with an eye to capturing remarkable growth in Asian markets. We will also introduce shared services for finance, human resources, marketing, procurement, and other areas at overseas business locations to reduce back-office costs and streamline business.

Along with development of a global portfolio, Fujitsu will establish a service delivery model with price competitiveness that leverages its Global Delivery Centers (GDC) and Regional Delivery Centers (RDC), which are offshore/near-shore service bases located in 11 countries around the world.

As for human resource development, Fujitsu will build HR management systems and bolster educational systems to enable optimal human resource utilization across regions.

Global and Regional Delivery Centers



Business Overview

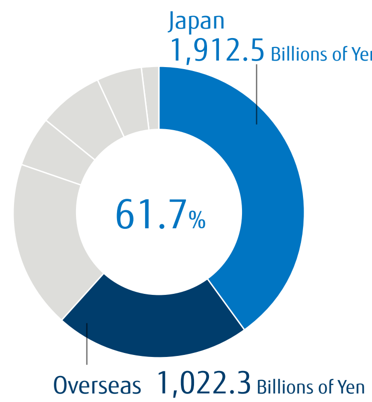
For the fiscal year ended March 31, 2012

Fujitsu delivers total solutions in the field of information and communication technology. Along with multifaceted services provision, our comprehensive business encompasses the development, manufacture, sales and maintenance of the cutting-edge, high-quality products and electronic devices that make these services possible.

Net Sales/Breakdown of Net Sales*

Technology Solutions

2,934.9 Billions of Yen

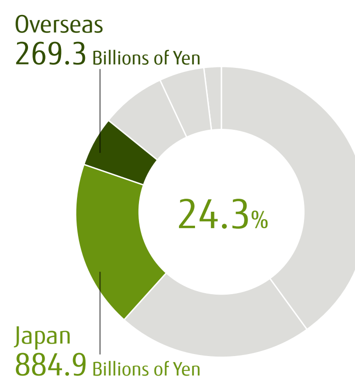


Fujitsu Technology Solutions headquarters in Munich

PRIMERGY RX350 S7 2-way 4U rack server

Ubiquitous Solutions

1,154.2 Billions of Yen



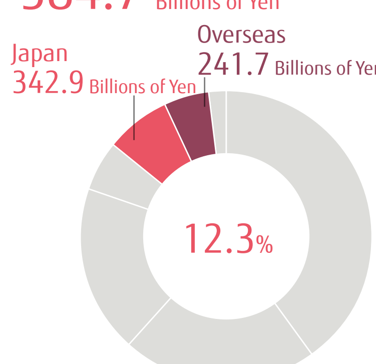
ESPRIMO EH30/GT desktop PC has a lightweight body and space-saving design

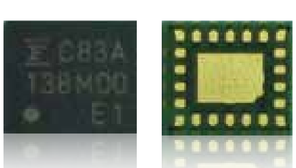
ARROWS Z ISW11F high-spec, WiMAX-enabled, water-resistant smartphone

AVN-F01i car navigation systems

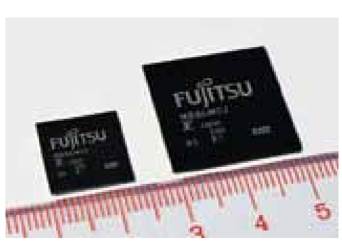
Device Solutions

584.7 Billions of Yen





MB86C83 multiband power amp for wireless mobile devices



MB86M01 and MB86M02 memory-embedded transcoders compatible with H.264 transrating

* Sales include intersegment sales.

Business Description	Main Products & Services	Main Companies
Services Fujitsu provides solutions/system integration services focused on information system consulting and integration, and infrastructure services centered on outsourcing services (complete information system operation and management). **System Platforms** Fujitsu offers system products such as servers and storage systems which form the backbone of information systems, along with network products such as mobile phone base stations, optical transmission systems, and other communications infrastructures.	**Services** **Solutions/SI** System integration (system construction, business applications), consulting, front-end technologies (ATMs, POS systems, etc.) **Infrastructure Services** Outsourcing services (datacenters, ICT operation/management, SaaS, application operation/management, business process outsourcing, etc.), network services (business networks, distribution of Internet/mobile content), system support services (maintenance and surveillance services for information systems and networks), security solutions (installation of information systems and networks) **System Platforms** **System Products** Full range of servers (mainframe, UNIX, mission-critical x86 and other x86 servers), storage systems, various types of software (operating system, middleware) **Network Products** Network management systems, optical transmission systems, mobile phone base stations	• Fujitsu Frontech Limited • Fujitsu Telecom Networks Limited • Fujitsu IT Products Ltd. • Fujitsu Broad Solution & Consulting Inc. • Fujitsu Marketing Limited • Fujitsu System Solutions Limited* • Fujitsu FIP Corporation • NIFTY Corporation • Fujitsu FSAS Inc. • PFU Limited • Fujitsu Network Communications, Inc. • Fujitsu Services Holdings PLC • Fujitsu America, Inc. • Fujitsu Australia Limited • Fujitsu Technology Solutions (Holding) B.V., others * On April 1, 2012, Fujitsu System Solutions Limited absorbed three consolidated subsidiaries of Fujitsu in eastern Japan and changed its name to Fujitsu Systems East Limited.
In PCs, Fujitsu is enhancing functionality through smartphone compatibility, energy efficiency, and a fast boot-up feature, and driving the development of tablet PCs. We also have a product lineup in the Japanese market that capitalizes on high domestic standards of quality. In mobile phones, along with conventional features phones, Fujitsu is developing smartphones and tablet devices under the new ARROWS brand. In mobilewear, Fujitsu is answering diverse needs through "Connectivity Products," among them intuitively operated car navigation systems that connect with smartphones for a more enjoyable driving experience.	**PCs/Mobile Phones** PCs, mobile phones **Mobilewear** Car audio and navigation systems, mobile communication equipment, automotive electronics	• Shimane Fujitsu Limited • Fujitsu Isotec Limited • Fujitsu Mobile-phone Products Limited • Fujitsu Toshiba Mobile Communications Limited* • Fujitsu Peripherals Limited. • Fujitsu TEN Limited • Fujitsu Personal System Limited • Fujitsu Technology Solutions (Holding) B.V., others * On April 1, 2012, Fujitsu Toshiba Mobile Communications Limited became a wholly owned consolidated subsidiary of Fujitsu and changed its name to Fujitsu Mobile Communications Limited.
LSI devices and electronic components comprise Fujitsu's Device Solutions. Fujitsu Semiconductor*, the Fujitsu Group's operating company in semiconductors, provides LSI devices found in products such as digital home appliances, automobiles, mobile phones, and servers. Meanwhile, publicly listed consolidated subsidiaries such as Shinko Electric Industries, Fujitsu Component, and FDK provide semiconductor packages and other electronic components, as well as structural components such as batteries, relays, and connectors.	**LSI Devices** LSI Devices **Electronic Components** Semiconductor packages, batteries, structural components (relays, connectors, etc.), optical transceiver modules, printed circuit boards	• Fujitsu Semiconductor Limited • Shinko Electric Industries Co., Ltd. • FDK Corporation • Fujitsu Component Limited • Fujitsu Electronics Inc., others

Operational Review and Outlook

Technology Solutions/Services

Fujitsu provides solutions/system integration services that integrate ICT system consulting, design, application development and hardware installation, as well as infrastructure services centered on outsourcing services (complete ICT system operation and management including ICT system management via datacenters) and maintenance services.

Fiscal 2011 Performance (Year-on-year Comparison)

(Billions of Yen)

Net Sales
2,371.2
(–2.0%)

Operating Income
124.0
(+6.6)

Capital Expenditure*
73.4
(+6.2)

* For entire Technology Solutions segment

Fujitsu Trusted Cloud Square

PalmSecure-LT palm vein biometric authentication device (mouse sensor-type) exclusively for PC login

Integrated Control Room of Tatebayashi System Center

Our Strength

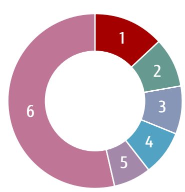
Fujitsu's services business holds the leading market share in Japan and the third-largest share worldwide. We provide services across a wide range of countries and regions, including Europe, the Americas, Asia, and Oceania.

Outsourcing services are a key field for us, where through our network of approximately 100 datacenters in 16 countries worldwide, mainly in Japan and Europe, we meet a wide variety of customer needs. Among other benefits, our services make operation of customers' information and communication technology (ICT) systems easier, and help to make their operations greener.

Fujitsu's strengths lie in its global services structure, a wealth of experience in building large-scale, advanced systems, and the technological capabilities to support these operations. We use these capabilities to help diverse customers across countries, regions and languages in utilizing ICT systems, including for government organizations and customers with a presence worldwide.

IT Services Market Share in Japan 2011 (Revenue Basis)

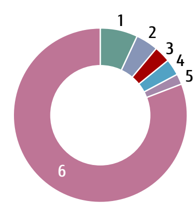
1	**Fujitsu**	**13.1%**
2	Company A	9.3%
3	Company B	8.7%
4	Company C	8.5%
5	Company D	7.0%
6	Others	53.6%



(Source: Gartner, "Market Share: IT Services 2011" 9 April 2012)

Global IT Services Market Share in 2011 (Revenue Basis)

1	Company A	7.1%
2	Company B	4.2%
3	**Fujitsu**	**3.0%**
4	Company C	3.0%
5	Company D	1.9%
6	Others	80.7%



(Source: Gartner, "Market Share: IT Services 2011" 9 April 2012)

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? Glossary

Cloud Computing

Cloud computing refers to a platform enabling on-demand access via a network to IT resources (i.e., resources required to create an adequate computer operating environment such as servers, storage, networks, operating systems, and software) across the network.

SaaS (Software as a Service)

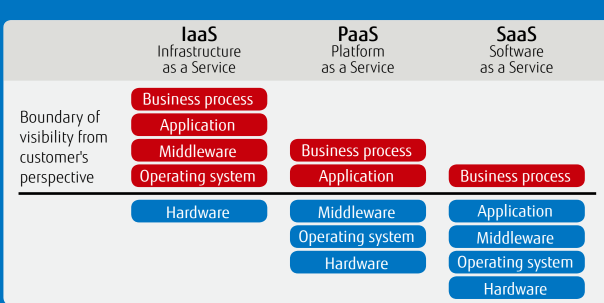
This platform provides access via a network to service providers' software (application) offerings.

PaaS (Product as a Service)

This platform provides access via a network to hardware, operating systems, and other infrastructure required for application development and deployment.

IaaS (Infrastructure as a Service)

This platform provides access via network to network lines, servers, and other infrastructure required for computer system building and operation.



Market Trends

2011 Global Market Trends

The value of Japan's IT services market in 2011 declined 2.2% year on year to US$60.6 billion. » GRAPH 3 The domestic economy slowed due to the effects of the Great East Japan Earthquake and Thai flooding damage, as well as the yen's further appreciation caused by sovereign debt problems in Europe. As a result, corporate IT investment was constrained and the public sector placed priority on rebuilding from the earthquake, which led to a reduction in domestic IT investment, as was the case in 2010.

By service field, demand for system-building slumped significantly. The outsourcing field, which had continued to grow to date, also saw a decrease in market scope year on year due to strongly curtailed current investments, despite rising needs for disaster-response measures and datacenter usage with an eye on business continuity planning in the wake of the Great East Japan Earthquake.

The global market for IT services expanded 3.4% year on year to US$627.6 billion. » GRAPH 2 In Europe, IT investment was led by Germany, where export industries performed strongly due to the euro's depreciation. IT investment reductions continued in other areas, however, as a result of economic deterioration, and the overall market was limited to a slight increase. In the North American market, however, IT investment tended toward recovery with the spread of cloud computing.

Outlook for 2012

The Japanese IT services market in 2012 is projected to grow 1.9% year on year to US$61.8 billion. » GRAPH 3

Domestic economic conditions that had continued to be severe due to stagnation caused by the Great East Japan Earthquake and flooding damage in Thailand, as well as the yen's appreciation, are turning around, and we expect a gradual recovery to continue. The recovery in domestic IT investment is expected to be modest in the first half of fiscal 2012, but is projected to broaden in the second half as corporate earnings rebound and progress is made in rebuilding from the disaster.

The global IT services market is projected to grow 3.7% year on year to US$650.8 billion. » GRAPH 2 The IT market will expand globally, but severe conditions are forecast to continue in Europe in 2012 due to deterioration in the real economy caused by government debt problems. Although there are uncertainties such as the US presidential election and the impact on Australian resource industries of a slowing Chinese economy, IT investment in the Asia-Pacific markets will generally be active, driving market expansion.

Operational Review and Initiatives

Fiscal 2011 Business Results

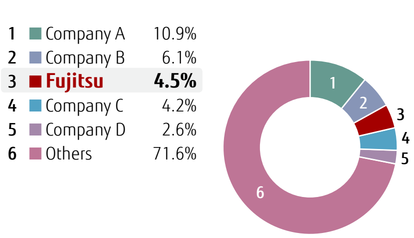
Sales from the Services sub-segment (Solutions/System Integration, Infrastructure Services) decreased 2.0% year on year to ¥2,371.2 billion. Excluding the impact of currency exchange rates, sales were virtually unchanged from the previous fiscal year.

Solutions/System Integration: Sales decreased 0.6% to ¥824.8 billion. » GRAPH 4 Excluding currency exchange rate effects, sales were virtually unchanged from the previous fiscal year.

Investment recovered in domestic manufacturing and distribution industries, as well as in public sectors such as local governments and healthcare. On the other hand, there was a reduction in large projects compared to the previous year in the finance field, and in social infrastructure fields such as electric power and telecommunications, sales fell off from the previous year as priority was placed on infrastructure investment

GRAPH 1

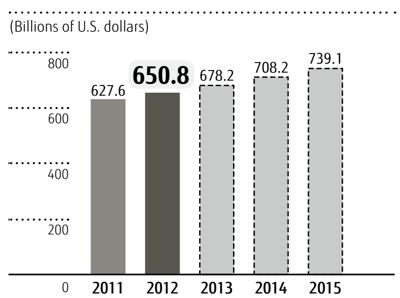
Global IT Outsourcing Market Share in 2011 (Revenue Basis)



(Source: Gartner, "Market Share: IT Services 2011" 9 April 2012)

GRAPH 2

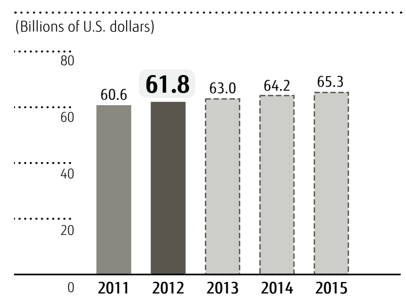
Global IT Services Market Forecast



(Source: IDC The Worldwide Black Book Q1 2012)

GRAPH 3

IT Services Market Forecast in Japan



(Source: IDC The Worldwide Black Book Q1 2012) related to rebuilding after the earthquake. Investment by telecom carriers also shifted to hardware in response to increased communications traffic.

Infrastructure Services: Sales decreased 2.7% to ¥1,546.4 billion. Excluding currency exchange rate effects, sales were virtually unchanged from the previous fiscal year.

In Japan, demand for outsourcing services remained strong, although revenue declined partly due to a shift from packaged products (including access fees) to standalone products in the internet service provider (ISP) business in Network Services. Outside Japan, the impact of austerity measures by the UK government continued, coupled with an economic slump in continental Europe, the impact of flooding in Thailand, and stagnation in the US market. Australia and the Nordic region grew, however, causing revenue to increase by 1% (excluding currency exchange rate effects).

Operating income increased ¥6.7 billion year on year to ¥124.0 billion. GRAPH 5 In Japan, operating income fell due to the impact of a revenue decline caused by a decrease in large system projects and continued upfront investments in cloud services.

Outside Japan, operating income rose as profitability in the European services business turned upward.

Initiatives Going Forward

Solutions/System Integration: In a reorganization that took place in April 2012, we set up a system integration division that reunites Group SE divisions. We did this to further globalization and to enhance productivity and competitiveness beyond the bounds of various sectors, bolster SE capabilities, and provide new value to customers. We also reorganized regional SE companies into a new structure that as a group is intended to fully exhibit their strengths and characteristics, effectively utilize resources and streamline development investment to bolster competitiveness. We will create a powerful SE team with overwhelming competitiveness by expanding business based on our strength in existing assets, and by bolstering global responsiveness.

Infrastructure Services: Cloud computing will be the foundation upon which we will accelerate bringing to market new services, such as those associated with big data.

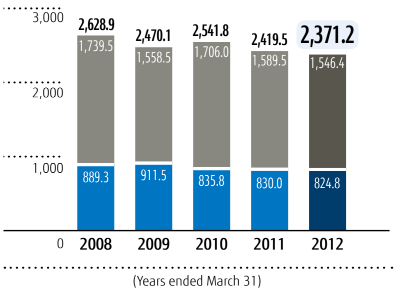
Cloud computing in Japan is spreading rapidly, and is available in a wide range of solutions and services, such as SaaS-model cloud services which leverage packaged software, PaaS and IaaS as infrastructure platforms and private clouds. We are also rolling out new offerings such as convergence services that utilize big data, which is now attracting attention. In addition, customer interest in system backup and business continuity has greatly risen since the Great East Japan Earthquake, and outsourcing primarily using datacenters and BCP-related services is gaining momentum. In recognition that cloud computing's future expansion is all but certain, we will bolster new service proposals that apply ICT in innovative ways.

Outside Japan, we will reinforce a structure that can provide common products and services as "One Fujitsu" regardless of location or region, based on the spirit of global integration. We will also provide both private and public cloud platforms by utilizing our Fujitsu Global Cloud Platform, deployed in 2011 to six locations around the world, and other platforms. In this way, Fujitsu will provide consistent, high-quality ICT services globally to support all customers in their endeavors, no matter where they do business.

Performance

GRAPH 4

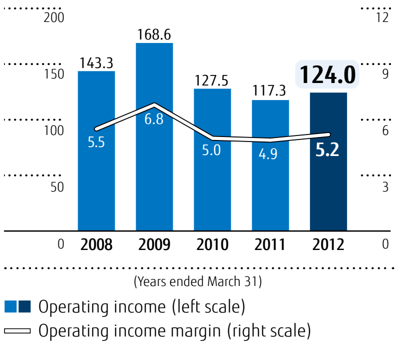
Sub-segment Sales*



* Including intersegment sales

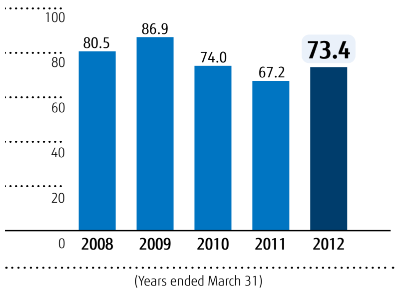
GRAPH 5

Operating Income/ Operating Income Margin



GRAPH 6

Capital Expenditure*



* For entire Technology Solutions segment

Technology Solutions/System Platforms

System products and network products are the foundation of ICT infrastructure. System products comprise the servers (such as mainframes, UNIX, mission-critical x86 servers), storage systems and middleware on which information systems are built. Network products include the mobile phone base stations, optical transmission systems and other equipment used to build communications infrastructure.

Fiscal 2011 Performance (Year-on-year Comparison)

(Billions of Yen)

Net Sales
563.6
(−5.2%)

Operating Income
47.2
(+1.7)

Capital Expenditure*
73.4
(+6.2)

* For entire Technology Solutions segment

PRIMERGY RX200 S7 2-way 1U rack server

PRIMERGY CX250 S1 server node (installed in PRIMERGY CX400 S1)

ETERNUS VX710 storage for virtual environments

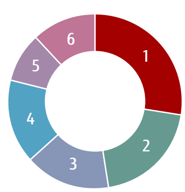
Our Strength

In system products, Fujitsu has a broad lineup of offerings to meet the needs of customers around the world. These include sophisticated and highly reliable mainframe and UNIX servers that support the backbone systems of corporations and that are equipped with proprietary CPUs—Fujitsu being one of the few global ICT companies with the technology to make its own processor chips. We also provide x86 servers for cloud computing and other promising business areas, as well as storage systems able to hold increasingly vast amounts of data.

In network products, Fujitsu holds a large market share for the optical transmission systems and mobile phone base stations used by mobile communications carriers in Japan, backed by its advanced technology and support capabilities. We also have the leading market share in the highly competitive North American market for optical transmission systems, building on our highly rated technical capabilities and track record.

Server Share in Japan 2011 (Revenue Basis)

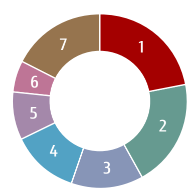
1	**Fujitsu**	**27.7%**
2	Company A	19.9%
3	Company B	16.0%
4	Company C	15.4%
5	Company D	9.2%
6	Others	11.8%



(Source: IDC Japan, Japan Server Quarterly Model Analysis, 2012 Q1)

Optical Transmission Market Share in North America 2011 (Revenue Basis)

1	**Fujitsu**	**22.2%**
2	Company A	19.8%
3	Company B	13.3%
4	Company C	12.7%
5	Company D	8.7%
6	Company E	6.0%
7	Others	17.3%



(Source: Ovum, Market Share: 1Q12 ON Global, June 2012)

? Glossary

Supercomputer
Computers with phenomenal computing power, which are used in cases such as when a large volume of highly sophisticated mathematical operations must be performed under hypothetical conditions.

3G
General term for the third-generation mobile phone communications standard.

LTE
Abbreviation for Long Term Evolution, a mobile phone communication standard.

Router
A device that relays the data flow from one network to another.

Mobile Backhaul
A network covering multiple mobile base stations in different locations responsible for transferring data traffic from mobile devices to the mobile core network.

Backbone
The basic trunk line at the core of a network.

Market Trends

2011 Global Market Trends

System Products: The Japanese server market expanded by 3.9% in 2011 to US$6.2 billion. Year-on-year expansion came atop growth in shipments of supercomputers and x86 servers for the IT services and telecommunications sectors.

The global server market grew by 2.3%, to US$56.6 billion. GRAPH 2 While the European debt crisis and other concerns curtailed investment, most notably in Europe, market growth prevailed in China and other Asian economies.

Network Products: In the Japan market for network devices, although the current investment cycle in Next-Generation Network (NGN) equipment has passed its peak, Japan's optical transmission market grew year on year. Along with incorporating existing networks into NGN, growth came atop greater investment to enhance backbone infrastructure in order to cope with the rollout of LTE and increased data traffic. The router market experienced similar growth, reflecting investments in response to increased traffic. The mobile infrastructure market also reported overall growth year on year on the back of increased Long Term Evolution (LTE) investment, despite 3G investment by NTT DOCOMO having now run its course.

In North America, overall spending in the optical transmission market was higher than the previous year, reflecting steady investment in mobile backhaul networks and other backbone infrastructure to cope with increased data traffic.

Outlook for 2012

System Products: In 2012, the Japanese server market is expected to contract by a substantial 10.4% to US$5.6 billion. This decline will reflect the absence of the strong impact from supercomputers during the previous fiscal year.

Outside of Japan, the server market is projected to edge 0.8% lower year on year, to $56.2 billion. GRAPH 2 Market expansion is anticipated in China and other Asian countries, although the sluggish European market and other factors are expected to cause a backlash and economic instability in Japan.

Network Products: The 2012 Japanese communication devices market is likely to experience year-on-year growth, reflecting the full-scale rollout of LTE services, along with anticipated growth in investment to cope with increased traffic and to upgrade networks.

In North America's optical transmission market, flat performance appears likely for the year. Although investments to enhance mobile backhaul and other backbone infrastructure are set to continue during 2012, lower fiscal expenditures due to economic deterioration and waning consumer spending remain causes for concern. GRAPH 3

Operational Review and Initiatives

Fiscal 2011 Business Results

The System Platforms sub-segment, comprising System Products and Network Products, reported sales of ¥563.6 billion, a decrease of 5.2% from the previous fiscal year. GRAPH 4

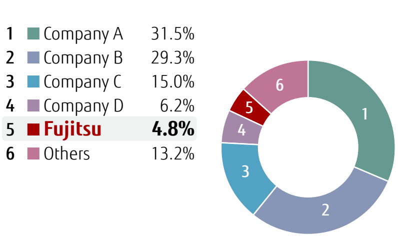
System Products: Sales for the fiscal year ended March 31, 2012 decreased 13.4% year on year to ¥282.7 billion.

In Japan, server-related sales dropped off sharply due to a decline in business deals for large-scale systems for the finance and public sectors, as well as the impact of the mass production of supercomputer server systems in the previous year. Nevertheless, Fujitsu remained the top server company for a fifth consecutive year in terms of market share in Japan.

Outside Japan, sales of x86 servers were strong in every major geographic region. Overall, however, system product sales declined due to slumping UNIX server shipments, the halting of some business deals due to HDD supply shortages caused by flooding in Thailand, and

GRAPH 1

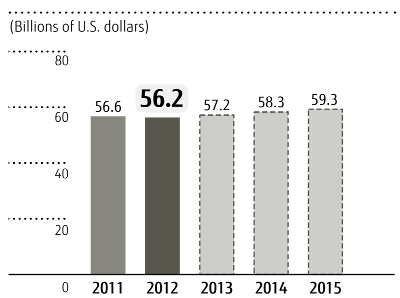
Global Server Share in 2011 (Revenue Basis)



(Source: IDC Worldwide Quarterly Server Tracker 2012 Q1)

GRAPH 2

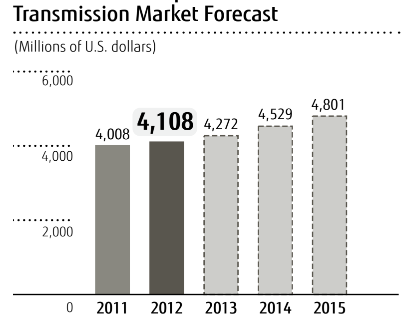
Global Server Market Forecast



(Source: IDC The Worldwide Black Book Q1 2012)

GRAPH 3

North American Optical Transmission Market Forecast



(Source: Ovum, ON Market Forecast: 2012–17, June 2012) the impact of foreign exchange rates, among other factors.

Network Products: Sales increased 4.7% year on year to ¥280.8 billion.

Sales of optical transmission systems decreased for the year as previously robust performance in North America suffered in line with a slowdown in capital investments in the second half of 2011. Another factor was NGN investment in Japan, which has now come full circle.

Sales of mobile systems and network solutions rose sharply due to higher sales of 3G equipment and routers to cope with higher data traffic stemming from the increasing popularity of smartphones. Sales also increased on the back of full-scale LTE investment.

Operating income for the System Platforms sub-segment totaled ¥47.2 billion, an increase of ¥1.7 billion from the previous year. Income from System Products fell on account of a precipitous drop in UNIX and other server-related sales, despite the effect of cost cutting, particularly for x86 servers. GRAPH 5

Profit from Network Products also increased, benefiting from higher revenues stimulated by greater investments aimed at coping with increased data traffic stemming from the widespread popularization of smartphones, and in LTE.

Initiatives Going Forward

System Products: ICT plays an increasingly vital role in ensuring social prosperity and security. This trend is raising the importance of servers, storage, software and other infrastructure products that support society's development. Along those lines, Fujitsu will move forward with developing platforms optimized for supporting cloud computing, which will enable flexible ICT utilization. GRAPH 6

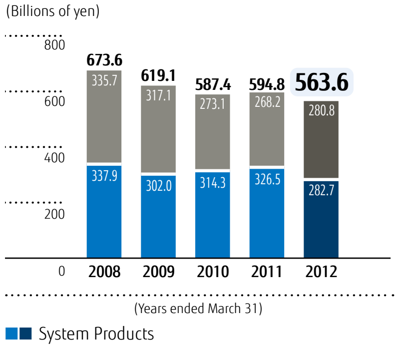
In the x86 and storage divisions, we are raising development efficiency by integrating Fujitsu Technology Solutions of Germany into Group operations and creating a single set of global standards for our products. We have achieved strong market positions with high sales volumes in Japan and Europe and are endeavoring to further increase our market share in these regions. At the same time, we are striving to expand our global business by developing partner channels in newly emerging economies, where server markets continue to grow, as well as in North America, the largest server market in the world. In the software business, we are launching platform as a service (PaaS) products and focusing investment in cloud computing offerings. In the UNIX server business, we are bolstering our product capabilities through our alliance with Oracle, with an eye to expanding our business.

Network Products: Network products are playing an increasingly important role in the cloud era as data and networks merge. In recent years, we have returned the business to profitability by reforming the development process to achieve significant cost savings and expanded sales in key markets like Japan and North America. In the next stage of growth for the business, we are aiming to improve profitability by promoting cost reductions, together with developing new business fields using networks, such as home networks and domains specializing in related services. In the optical transmission system business, we will further solidify our market position in Japan and North America with the launch of advanced products.

In mobile systems, together with the definitive rollout of an LTE business for NTT DOCOMO in Japan, we will leverage our advantages in LTE base stations and alliances with other companies to offer total solutions and develop peripheral services, with an eye to achieving business expansion.

GRAPH 4

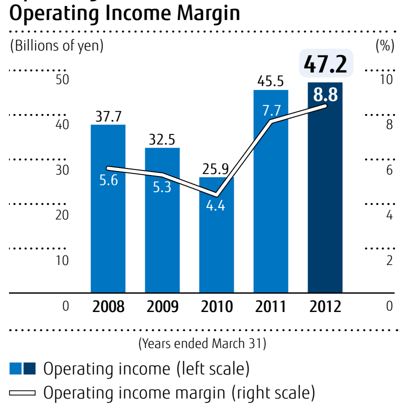
Sub-segment Sales*



* Including intersegment sales

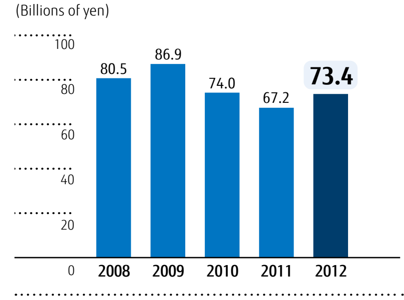
GRAPH 5

Operating Income/ Operating Income Margin



GRAPH 6

Capital Expenditure*



* For entire Technology Solutions segment

Ubiquitous Solutions

In PCs, Fujitsu is enhancing functionality through smartphone compatibility, energy efficiency, and a fast boot-up feature, and driving the development of tablet PCs. We also have a product lineup in the Japanese market that capitalizes on high domestic standards of quality. In mobile phones, along with conventional features phones, Fujitsu is developing smartphones and tablet devices under the new ARROWS brand. In mobilewear, Fujitsu is answering diverse needs through "Connectivity Products," among them intuitively operated car navigation systems that connect with smartphones for a more enjoyable driving experience.

Fiscal 2011 Performance (Year-on-year Comparison)

(Billions of Yen)

Net Sales
1,154.2
(+2.5%)

Operating Income
19.9
(–2.7)

Capital Expenditure
15.6
(0.1)

ARROWS Tab Wi-Fi high-spec, water-resistant tablet with fingerprint sensor

Portable Navigation Device EP001

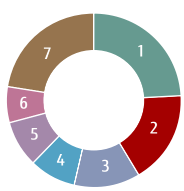
Palm-sized F-07C Windows® 7 Mobile Phone is the world's smallest PC

Our Strength

Fujitsu offers PCs with high added value and a firm commitment to quality. Our notebook PCs are manufactured entirely by Shimane Fujitsu Limited, with operations that consolidate everything from design to manufacturing, assembly and customization in one location. Our desktop PCs use components sourced from outside Japan, and are assembled and customized for Japan by Fujitsu Isotec Limited, and for other markets, mainly Europe, by Fujitsu Technology Solutions in Germany. In mobile phones and tablet PCs, we offer a diverse lineup of high-quality models with advanced functions, including smartphones with cutting-edge, high-speed CPUs, and the Raku-Raku Phone series with easy-to-read displays, clear-sounding speakers, and intuitive functionality. In mobilewear, we draw on our long-nurtured expertise with in-vehicle technologies to provide car navigation systems and other types of automotive electronics that make the driving experience safer and more comfortable.

PC Market Share in Japan 2011 (Unit Basis)

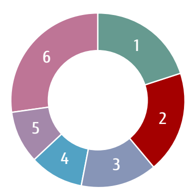
1	Company A	24.2%
2	**Fujitsu**	**17.3%**
3	Company B	12.2%
4	Company C	8.7%
5	Company D	8.5%
6	Company E	6.6%
7	Others	22.6%



(Source: Gartner, "Quarterly Statistics: Personal Computers, Worldwide by Region, 1Q12 Update" 9 May 2012)

Mobile Phone Shipments in Japan in 2011 (Unit Basis)

1	Company A	20.1%
2	**Fujitsu**	**18.8%**
3	Company B	14.2%
4	Company C	10.0%
5	Company D	9.7%
6	Others	27.2%



(Source: IDC Japan, Japan Quarterly Mobile Phone Tracker, 2012Q1)

Glossary

HDD
Hard disc drive. This refers to a memory system into which information is written commonly found in PCs and other computing equipment.

Mobilewear
A term coined by Fujitsu that mainly refers to car audio and navigation equipment, most notably car navigation systems, but also to mobile communication and automotive electronic equipment.

Ultrabook™
A term originated by Intel of the United States to describe an ultra-thin, lightweight mobile notebook PC. This class of notebook PCs is notable for having shorter waiting times from power up to operation.

Universal Design
Refers to specifications prefaced on enabling use by the elderly, the disabled, or non-native populations by overcoming barriers due to physical limitations, as well as intellectual or linguistic barriers.

Smartphones
Mobile phones offering voice calling and email that also enable users to customize functionality by individually adding new software.

Feature Phones
General term for non-smartphone (i.e., "conventional") mobile phones.

Market Trends

2011 Global Market Trends

Total PC shipments in Japan fell 2.8% year on year in 2011 to 15.65 million units. Factors affecting shipments included the suspension of factory operations following the Great East Japan Earthquake, and a shortage of HDDs due to the flooding in Thailand. In the consumer market, sales increased as lower retail prices for high-end models stimulated demand by making them seem a comparative bargain. In the corporate market, PC shipments, which are generally concentrated in March, declined due to the earthquake. Globally, the PC market expanded 0.5% year on year to 352.56 million units. The anemic rise in sales stemmed from the European debt crisis, the HDD shortage due to the flooding in Thailand, and competition from smartphones and tablet PCs.

In Japan, mobile phone shipments in 2011 increased 5.1% year on year to 37.95 million units. GRAPH 1 This was due mainly to the rapid spread of smartphones, which offset a decline in sales of feature phones.

Worldwide shipments of car navigation systems climbed 5.1% year on year to 9.84 million units. GRAPH 3 Shipments declined in Japan due to the falloff in production and sales following the earthquake, but increased in emerging markets with the rapid rise in car ownership, and also grew steadily in Europe and North America.

Outlook for 2012

For PCs, the Japanese consumer market is expected to decline slightly year on year as a certain segment of consumers shift to tablet PCs, offsetting the demand stimulated by the release of Ultrabook™ models and PCs with Windows® 8. The Japanese corporate market, however, is expected to grow as companies replace their PCs running on Windows® XP operating systems. As a result, the Japanese market overall is projected to grow slightly. Outside Japan, the consumer market is projected to increase on higher sales stimulated by Windows® 8 and Ultrabook™ models, while demand in the corporate market is expected to remain strong. Accordingly, the worldwide PC market is forecast to expand 4.4% year on year to 368.23 million units.

In mobile phones, domestic shipments in 2012 are expected to increase 3.6% year on year to 39.33 million units. Overall market scale is forecast to expand in line with the soaring popularity of smartphones, offsetting a contraction in the feature phone market.

Worldwide shipments of car navigation systems are expected to increase 11.5% year on year to 10.97 million units. This is due to rising automobile sales in emerging markets, leading to the accumulation and maintenance of data across a wider geographic area, as well as to an anticipated higher level of product lineups and standard options that result from rising incomes.

Operational Review and Initiatives

Fiscal 2011 Business Results

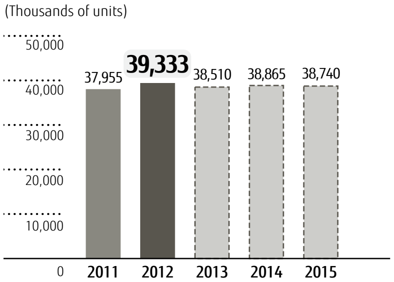
Net sales in the Ubiquitous Solutions segment totaled ¥1,154.2 billion in fiscal 2011 (up 2.5% year on year). GRAPH 4

Worldwide shipments of Fujitsu PCs increased 11.1% year on year to 6.02 million units. In Japan, there were several large-volume deals for corporate clients, though the consumer market was affected by a fall in unit prices and a shortage of HDDs due to the flooding in Thailand. Outside Japan, Europe recorded higher sales of notebook PCs to corporate clients.

Mobile phone shipments in Japan rose 19.4% year on year to 8.00 million units. This was due mainly to the boost from the mobile phone business merger with Toshiba Corporation, and a wide lineup of new models centered on smartphones.

GRAPH 1

Mobile Phone Shipment Forecast for Japan

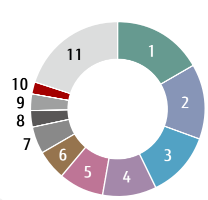


(Source: IDC Japan, Japan Quarterly Mobile Phone Tracker, 2012Q1)
* The above figures are as of the end of each fiscal year (March 31)

GRAPH 2

Global PC Market Share in 2011 (Unit Basis)

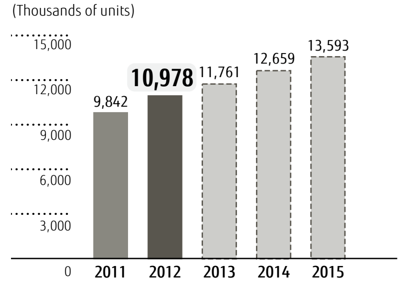
1	Company A	16.8%
2	Company B	13.9%
3	Company C	12.1%
4	Company D	10.0%
5	Company E	8.5%
6	Company F	5.4%
7	Company G	5.1%
8	Company H	3.1%
9	Company I	3.1%
10	**Fujitsu**	**2.0%**
11	Others	20.0%



(Source: Gartner, "Quarterly Statistics: Personal Computers, Worldwide by Region, 1Q12 Update" 9 May 2012)

GRAPH 3

Projected Trends in Global Car Navigation System Demand



(Source: Japan Electronics and Information Technology Industries Association, "Trends in Worldwide Demand for Major Electronics," published February 2012)

In mobilewear, sales of audio and navigation devices declined year on year, due mainly to the drop in factory utilization rates in the wake of the earthquake, and production slowdowns among automakers due to the flooding in Thailand.

Operating income declined ¥2.7 billion from the previous fiscal year to ¥19.9 billion. GRAPH 5 In the PC business, earnings in Japan rose for both the consumer and corporate markets as the decline in retail prices and rising cost of HDDs was offset by reductions in material and component procurement expenses due to the strong yen. Outside Japan, despite higher unit sales, primarily in Europe, earnings declined on lower revenue as a result of a falloff in unit prices. In the mobile phone business, unit sales and prices both rose considerably, but earnings were flat as a result of stepped-up investment in smartphone development, and costs associated with the earthquake and Thailand flooding. In mobilewear, earnings fell significantly on the sharp decline in revenue.

An additional factor regarding audio and navigation device sales was Fujitsu's restructuring of its domestic production framework and its efforts to strengthen overseas production with the aim of enhancing cost competitiveness and our ability to respond to the global expansion of clients.

Initiatives Going Forward

For the PC market, Fujitsu will conduct a global campaign for its high-quality and exceptionally reliable PCs made in Japan, the "Izumo Models" produced by Shimane Fujitsu Limited and the "Date Models" manufactured by Fujitsu Isotec Limited. We will also offer the Japan-developed LIFEBOOK UH SERIES, the world's thinnest Ultrabook™, as well as the ESPRIMO FH Series of desktop PCs with enhanced television features and design. We will further promote the new "My Cloud" PC concept as a way for users to easily organize data that can be collected throughout their homes, and to vastly broaden their enjoyment of that data by utilizing it over a cloud service. Outside Japan, Fujitsu will step up PC sales for the corporate market in Germany, while in North America the focus will be on bolstering sales of slate PCs in the medical and educational fields, and in Asia-Pacific and China, on developing consumer demand.

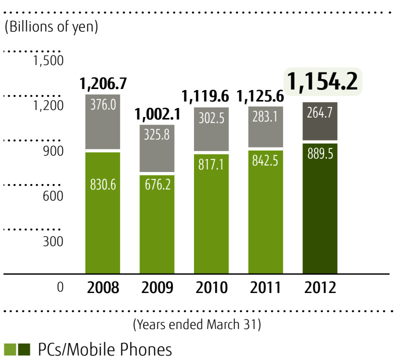
In mobile phones, Fujitsu is developing such products as the high-spec, water-resistant ARROWS F-10D smartphone utilizing a quad-core CPU, the high-quality, compact and water-resistant ARROWS Me F-11D easy-to-use smartphone that allows for easy transfer of data, and the Raku-Raku Smartphone, a large-screen smartphone that is the latest model in the long-selling Raku-Raku Phone Series for seniors. We will distinguish our products from the competition by further enhancing our strengths in such areas as universal design? technologies, water-proofing and dust-resistance. We will retain our leading share in the Japan market, while accelerating efforts to bolster and increase efficiency in our product development structure in preparation for global business growth.

In mobilewear, Fujitsu will expand sales of high-value-added products that use ICT to connect people and society via automobiles, such as the ECLIPSE Series AVN-ZX02i car navigation system. Featuring a nine-inch screen that is among the largest in the industry, this system can also be linked to smartphones and portable game devices. In July 2012, Fujitsu Group subsidiary Fujitsu TEN Limited established a joint venture with NK MINDA Group, a major automobile component manufacturer in India. With this new company, we intend to put in place a unified structure for the development, design and manufacture of car navigation systems and other devices, as well as to increase our business in the rapidly expanding Indian market.

Performance

GRAPH 4

Sub-segment Sales*



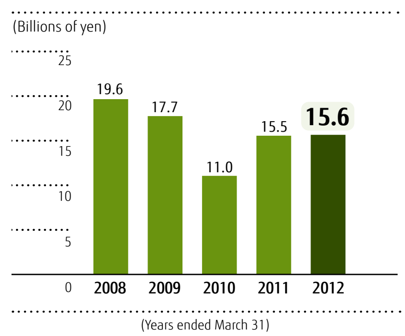
* Including intersegment sales

GRAPH 5

Operating Income/ Operating Income Margin

GRAPH 6

Capital Expenditure



Device Solutions

LSI devices and electronic components comprise Fujitsu's Device Solutions. Fujitsu Semiconductor, the Fujitsu Group's operating company in semiconductors, provides LSI devices found in products such as digital home appliances, automobiles, mobile phones, and servers. Meanwhile, publicly listed consolidated subsidiaries Shinko Electric Industries and Fujitsu Component, together with companies like FDK, provide semiconductor packages and other electronic components, as well as structural components such as batteries, relays, and connectors.

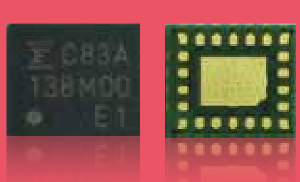
Fiscal 2011 Performance (Year-on-year Comparison)

(Billions of Yen)

Net Sales
584.7
(−7.3%)

Operating Loss
−10.1
(−31.1)

Capital Expenditure
47.2
(+7.7)



MB86C83 multiband power amp for wireless mobile devices

MB86M01 and MB86M02 memory-embedded transcoders compatible with H.264 transrating

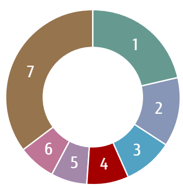
MB91580 series microcontroller with drive motor control functions for electric and hybrid vehicles

Our Strength

Fujitsu Semiconductor is focusing its business around the four pillars of “Mobile,” “Automotive,” “Advanced Imaging,” and “High-performance (Industrial Equipment).” In these four areas, we offer highly reliable, optimized solutions that meet the diverse needs of our customers. Our products are used in a wide range of applications, from imaging to wireless communications and security, and are increasingly energy efficient as a result of the emphasis we place on the environment. Fujitsu Semiconductor is expanding its business globally through development and sales sites in Japan, the Americas, Europe, and Asia.

2011 Global ASIC Market Share (based on sales)

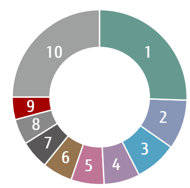
1	Company A	21.6%
2	Company B	12.8%
3	Company C	9.0%
4	**Fujitsu Semiconductor Limited**	**7.8%**
5	Company D	6.9%
6	Company E	6.7%
7	Others	35.3%



(Source: IHS iSuppli May 2012)

2011 Microcontroller Market Share (based on sales)

1	Company A	26.9%
2	Company B	9.4%
3	Company C	8.2%
4	Company D	7.0%
5	Company E	6.2%
6	Company F	5.8%
7	Company G	5.6%
8	Company H	5.0%
9	**Fujitsu Semiconductor Limited**	**4.4%**
10	Others	25.8%



(Source: IHS iSuppli May 2012)

? Glossary

Fab-lite
A combination of the words “fab” (i.e., a semiconductor manufacturing plant) and “lite,” this term refers to maintaining minimal in-house manufacturing capacity, with additional production outsourced. This approach contrasts with a fabless model, in which development and design alone are conducted in-house, with all manufacturing outsourced.

Microcontroller (Microcomputers)
Microcontrollers (also, microcomputers) contain a CPU, memory, and I/O (input/output) interface circuits all on a single chip.

ASIC
An IC custom-manufactured for a particular customer

ASSP
A standard product that implements a specific function, such as image or network processing

SoC
System on Chip. Also known as system LSI, refers to the condensing onto a single chip of functionality derived by combining functions previously spread across multiple individual ICs; the result is devices that are more compact but offer higher performance.

IP
For LSIs, refers to conventional intellectual property as well as circuit diagrams, software and other design assets

Market Trends

2011 Global Market Trends

In 2011, the global semiconductor market grew 0.4%* year on year to a new record high of US$299.5 billion. The rate of growth, however, was markedly slower than the 31.8% increase achieved in 2010. » GRAPH 2

In stark contrast with the previous year, the industry struggled as demand faltered under a global economic slowdown triggered by Europe's debt crisis, coupled with the impact of the Great East Japan Earthquake, flooding in Thailand, and other natural disasters.

Geographically, the Japanese market shrank 7.9%* year on year (16.3%* on a yen basis) due to factors such as the Great East Japan Earthquake of March 2011, worldwide economic weakness, the yen's appreciation, and the Thai floods, which drove down production of digital cameras and other AV equipment, as well as PC- and automobile-related production. This contraction in the Japanese market was severe compared to other markets. Similarly, the Asian market grew just 2.5% year on year, as a lackluster global economy and the effects of flooding in Thailand significantly undercut market expansion. These negative factors offset robust demand for smartphones and other communications equipment. In other regions, weak demand and negative growth caused by the European debt crisis resulted in negative market growth in Europe. In the Americas, market growth was up slightly, as a drop in demand for PCs largely undermined firm demand for communications equipment and automotive applications.

Outlook for 2012

In 2012, the global semiconductor market is expected to grow a mere 0.4%* year on year to US$300.8 billion, suggesting that challenging market conditions will remain unchanged. » GRAPH 2 The US market is forecast to grow 3.2%* and Europe is set to contract by 3.5%*. The Japanese market is expected to grow 1.7%*, while the Asia-Pacific market is expected to increase 0.1%*. Essentially, a return to positive growth is forecast for the Japanese market, in a rebound from the contraction seen in 2011. There is the potential for retrenchment in the European market to be greater than currently forecast, with the still-smoldering debt crisis prolonging economic uncertainty.

In terms of products, although the memory market, which includes DRAM and Flash memory, and the market for MOS microcontrollers are both expected to decline slightly year on year, by 3.1%* and 1.7%, respectively, the market for logic products should sustain modest growth of 2.0%.

The market is projected to continue growing gradually from 2013, with an anticipated increase of 7.2%* to US$322.4 billion in 2013. The market is also expected to grow by 4.4%* in 2014, to US$336.5 billion, for an average annual growth rate of 4.0%* between 2012 and 2014.

* Semiconductor market estimates according to World Semiconductor Trade Statistics (WSTS), spring 2012 forecast.

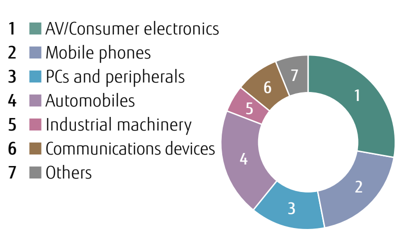
Operational Review and Initiatives

Fiscal 2011 Business Results

Net sales in this segment totaled ¥584.7 billion, a decrease of 7.3% from the previous fiscal year. » GRAPH 3 Sales in Japan fell 5.1%. Sales of LSI devices decreased due to the completion in the first quarter of shipments of CPUs for supercomputers, which were mass produced in fiscal 2010, as well as to the impact from the earthquake in the first quarter. Another factor was the decline in sales of LSIs for digital AV devices in the second half of the year as a result of the

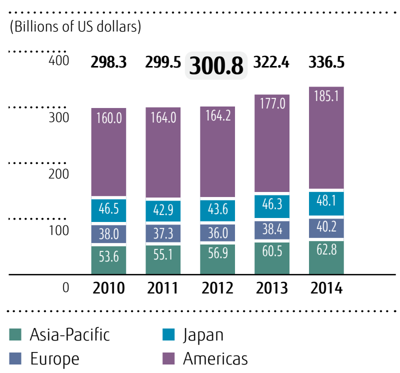
GRAPH 1

Sales of Logic LSI Products by Application for the Year Ended March 31, 2012



GRAPH 2

Global Semiconductor Market Forecasts



(Source: World Semiconductor Trade Statistics (WSTS)) flooding in Thailand. Electronic component sales also fell due to decreased demand for semiconductor packages. Sales outside Japan were also lower, even excluding the impact of foreign exchange rates. In LSIs, sales were brisk for image processing LSIs used in smartphones. In electronic components, however, sales of semiconductor packages and LCD modules declined, primarily in Asia.

The segment posted an operating loss of ¥10.1 billion, a deterioration of ¥31.1 billion from operating income in fiscal 2010. » GRAPH 4 In Japan, LSI earnings were affected by lower revenue, while earnings for electronic components were hampered by lower sales and rising prices for materials, as well as the impact of foreign exchange rates.

Initiatives Going Forward

In April 2012, the Fujitsu Group finalized an agreement to transfer ownership of the Iwate Plant to DENSO CORPORATION. Since 2009, Fujitsu has been pursuing a unique "fab-lite"? business model, outsourcing advanced process technologies for 40 nm and beyond to Taiwan Semiconductor Manufacturing Company (TSMC). The transfer of ownership of the Iwate Plant is in line with this plan, and will help Fujitsu to optimize manufacturing resources while continuing to ensure a stable supply of products to customers, thereby enhancing the business foundation and improving corporate management in the Fujitsu Group's LSI business.

As Fujitsu establishes its unique fab-lite business model going forward, ASICs? and microcontrollers? will be at the center of business, with imaging, wireless and other ASSPs? positioned as priority fields in pursuing growth.

In ASICs, Fujitsu will lead in offering ASIC solutions based on advanced 28 nm processing technology offered to customers in an optimal package. At the same time, Fujitsu is poised to meet a wide range of needs by assembling a wealth of IP? to support customers' state-of-the-art SoC? development.

As for microcontrollers, in addition to its own original cores, Fujitsu from 2010 began offering globally viable microcontrollers that incorporate ARM's Coretex™-M3 cores. Looking ahead, Fujitsu will further enhance its microcontroller lineup, adding high-performance automotive microcontrollers with graphics functions to the available options, in order to deliver optimal products for a host of applications.

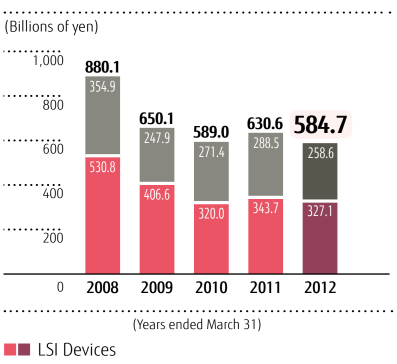
In ASSPs*, Fujitsu's market strategy is to draw together cutting-edge LSI technologies to develop products that deliver high performance and outstanding functionality for mobile phones, PCs, communications networks and a range of other systems.

*Transfer scheduled for October 1, 2012

Performance

GRAPH 3

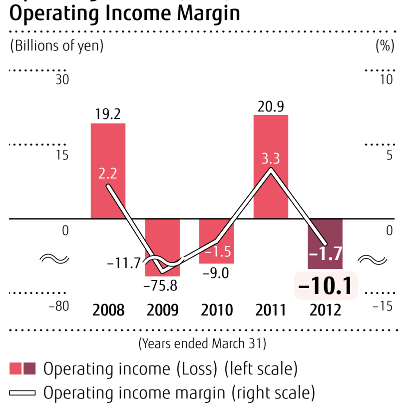
Sub-segment Sales*



* Including intersegment sales

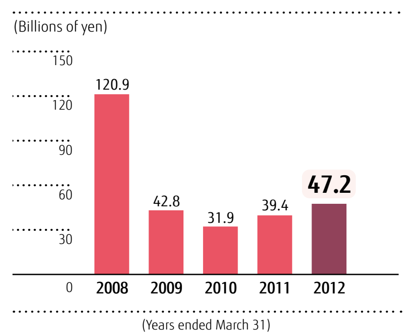
GRAPH 4

Operating Income (Loss)/ Operating Income Margin



GRAPH 5

Capital Expenditure



Major Announcements and IR Activities in Fiscal 2011

2011 4 5 6 7 8 9 10

Technology Solutions

April 12, 2011
Fujitsu and Oracle Deliver Enhanced SPARC Enterprise M3000 Server

April 26, 2011
Fujitsu Launches New PRIMEQUEST 1000 Series Model

May 10, 2011
Fujitsu Launches New Energy-Saving Model of Primergy Server

May 10, 2011
Fujitsu Releases SaaS-Based Regional Medical Network Solution

May 25, 2011
Fujitsu Delivers Flexible Data Management with New ETERNUS DX Disk Storage

May 27, 2011
NBN Co Selects Fujitsu Australia as New Developments Deployment Partner

June 7, 2011
Fujitsu Launches Global Cloud Platform Service Powered by Microsoft Windows Azure™

June 8, 2011
Fujitsu Deploys Six-Country Global Cloud Platform

June 14, 2011
Fujitsu Launches New Location Data Service SPATIOWL

June 20, 2011
"K computer" Takes First Place among World Supercomputers

June 21, 2011
Fujitsu Launches TX140 S1, TX120 S3, and RX100 S7 PRIMERGY 1-way Servers

July 7, 2011
Fujitsu Begins Field Testing of ICT-Enabled Mandarin Orange Cultivation

July 29, 2011
Fujitsu Launches New Line of Windows Azure™–Compatible Middleware Products Worldwide

Ubiquitous Solutions

April 15, 2011
Fujitsu Releases Raku-Raku Basic 3 Mobile Phone

April 21, 2011
Fujitsu Renews LIFEBOOK and ESPRIMO PC Lineup and CELSIUS Lineup of PC Workstations

May 13, 2011
Fujitsu Announces Summer 2011 Line of FMV Series Personal Computers

May 25, 2011
Vivid View Processor 3, the World's First LSI with Color Correction in Direct Sunlight for Vehicle-Mounted Displays, Launched

May 31, 2011
Fujitsu Launches FMV Raku-Raku PC 4

June 1, 2011
ECLIPSE Car Navigation System 2011 Summer Model AVN3 Launched

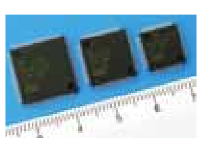
June 15, 2011
Fujitsu Introduces docomo PRIME series™ F-09C

July 21, 2011
Fujitsu Introduces Windows® 7 F-07C Mobile Phone

August 3, 2011
Fujitsu Introduces docomo F-12C Smartphone

Device Solutions

April 21, 2011
Fujitsu Semiconductor releases 52 Products as Second Offering of New FM3 Family of 32-bit Microcontrollers



April 27, 2011
Fujitsu Semiconductor Launches 32-bit Microcontrollers for Use in EVs and HVs

May 30, 2011
Fujitsu Semiconductor Releases New System Controller LSI with High-Performance Graphics for Automotive Applications

September 6, 2011
Fujitsu Expands FM3 Family of 32-bit Microcontrollers with 64 New Products

Others

May 18, 2011
Fujitsu Develops Inter-Cell Interference Coordination Technology for LTE Base Stations

May 19, 2011
The Fujitsu Group Announces Its "Eco First Summer 2011 Power-Saving Pledge"

June 1, 2011
Fujitsu Develops World's First Personal Authentication Technology to Integrate palm Vein and Fingerprint Authentication

July 15, 2011
Fujitsu Launches Agriculture Support System Using Sensors at a Vineyard in Yamanashi Prefecture

September 12, 2011
Fujitsu Develops Terahertz-Band Imaging Method for Speeding Up Material Inspections 25-fold

IR

April 28, 2011
FY2010 Full-year Financial Results Announcement

June 17, 2011
Management Direction Briefing

June 23, 2011
111th Annual Shareholders' Meeting

July 28, 2011
FY2011 First-quarter Financial Results Announcement

September 16, 2011
Shimane Fujitsu PC Plant Tour

October 13, 2011
Fujitsu Laboratories' R&D Strategy Briefing

11 12 2012 1 2 3 4 5

August 16, 2011
Fujitsu launches 4-way rack server PRIMERGY RX600 S6

August 30, 2011
Fujitsu Develops World's First Cloud Platform to Leverage Big Data

September 2, 2011
Fujitsu Wins ICT Infrastructure Support Contract from McDonald's UK

September 30, 2011
Fujitsu Marketing Enhances Business Activities for the Private Sector Market

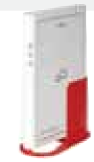
November 1, 2011
Fujitsu Solves Cost-of-Growth Storage Challenge with New High-end Systems

November 7, 2011
Fujitsu Launches PRIMEHPC FX10 Supercomputer

December 12, 2011
Fujitsu America Concludes ICT Infrastructure Services Contract with Blue Cross and Blue Shield of North Carolina

December 14, 2011
Fujitsu Releases Packet Optical Networking Platform (ONP) for Building 100 Gbps Ultrafast, High-Capacity Networks

January 6, 2012
Fujitsu Releases BroadOne LTE Femtocell for Easy Indoor Wireless Communications



January 6, 2012
Fujitsu Launches Cloud Services as a Platform for Big Data

January 30, 2012
Fujitsu Network Communications Selected by AT&T as Domain Network Equipment Supplier

March 7, 2012
Fujitsu Launches Four New 2-way PRIMERGY x86 Servers

March 9, 2012
Fujitsu Launches PRIMERGY CX400 Multi-Node Server Featuring 84 Nodes in a Single Rack

August 18, 2011
Fujitsu Launches Mint Green Version of Raku-Raku Phone 7

October 4, 2011
Fujitsu Announces Winter 2011 Line of FMV Series Personal Computers

October 12, 2011
Fujitsu Introduces docomo ARROWS Tab LTE F-01D Tablet PC

November 16, 2011
Fujitsu Introduces docomo with series™ REGZA Phone T-01D

December 14, 2011
Fujitsu Introduces docomo NEXT series™ ARROWS X LTE F-05D

January 5, 2012
Fujitsu Introduces Its ARROWS ES IS12F Smartphone for au

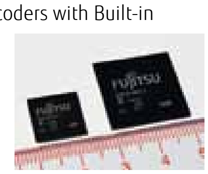
January 6, 2012
Fujitsu Introduces docomo STYLE series™ F-04D

January 12, 2012
Fujitsu Announces Spring 2012 Line of FMV Series Personal Computers

January 12, 2012
Fujitsu Introduces ARROWS Tab Wi-Fi Tablet PC for Consumers

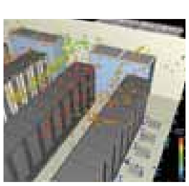
February 3, 2012
Fujitsu Releases Android Tablet PC for Corporate Customers

December 1, 2011
Fujitsu Releases Transcoders with Built-in Memory and H.264 Transrating Function



January 31, 2012
Fujitsu Enhances FM3 Family of 32-bit Microcontrollers with the Release of 210 New Products

October 13, 2011
Fujitsu Laboratories Develops World's First Datacenter Simulator for Predicting Total Energy Consumption and Evaluating Energy Efficiency



October 13, 2011
Fujitsu Develops Technology Enabling Speech-Based Information Retrieval from Smartphones

December 14, 2011
Fujitsu Develops Industry's First Peak Power Demand Reduction Technology for Deployment in Smart Cities

January 4, 2012
Fujitsu Group's First Geothermal Heat Extraction System Deployed at Nagano Plant

February 7, 2012
Fujitsu's ICT Helps to Solve Environmental Issues in Thailand

October 27, 2010
FY2011 First-half Financial Results Announcement

December 7, 2011
Presentation for Bond Investors

January 31, 2012
FY2011 Third-quarter Financial Results Announcement

March 30, 2012
Mobile Phone Plant Tour

April 5, 2012
Fujitsu Laboratories' R&D Strategy Briefing

April 27, 2012
FY2011 Full-year Financial Results Announcement

Initiatives by Region

JAPAN

Market Trends

The Japanese IT market is expected to grow by 1.1% year on year in 2012. » GRAPH 2

The domestic economy slumped in 2011 due to the effects of the Great East Japan Earthquake and Thai flood damage, but a recovery is expected to emerge in 2012, including a bounce-back from the previous year. Recovery will likely be gradual in the first half of the fiscal year due to European economic trends, foreign exchange trends and other uncertainties, as well as efforts to cope with anticipated electricity shortages during summer. Full-scale economic recovery is set to occur from the second half of the fiscal year, mainly in the manufacturing and distribution sectors, as the rebound in corporate earnings and progress in rebuilding from the earthquake become clear. In the public sector, measures to bolster disaster resistance have started since the earthquake, especially at government ministries and agencies. At local governments, deals to rebuild mission-critical systems have peaked, and in the healthcare field, regional medical collaboration is spreading.

Amid these trends, the server market in Japan is expected to contract more than 10% compared with the previous year. This is in large part due to a decline in the portion of supercomputer-related shipments recorded in the previous year. Anticipated contraction in the market, including lower prices, also reflects the growing use of datacenters with a view to risk avoidance, and projected acceleration in the trend toward server integration and consolidation.

Meanwhile, the Japanese telecommunications market is expected to grow 4.8% year on year. Construction of mobile phone base stations based on next-generation Long Term Evolution (LTE) technology is expected to continue at a high level from 2011. Ongoing measures to deal with increased telecommunications traffic due to the spread of smartphones are also anticipated.

The Japanese IT services market is projected to grow 5.1% year on year as IT budgets recover gradually along with improved corporate earnings. Since the earthquake, demand has risen for use of datacenters with an eye toward business continuity planning (BCP). Similarly, reviews of IT system operation, as well as the introduction of new IT services through cloud computing, are expected to progress further. In addition, new IT usage that utilizes big data is attracting attention, with the IT services market poised to expand in the future.

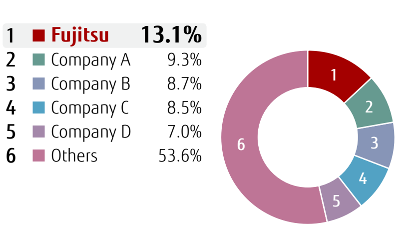
Initiatives Going Forward

In the Japanese market, we will take on the challenge of three Group initiatives aimed at new growth—bolstering interaction with customers, enhancing system engineering (SE) capabilities, and further strengthening our technology. Our corporate structure has been reconfigured into a matrix organization along customer and business lines, further clarifying the account sales structure and bolstering sales capabilities in both quantitative and qualitative terms as we pursue higher sales.

In the system products business, mainly servers, Fujitsu is working to launch products into growth markets and to expand sales in new and undeveloped markets. To this end, we are successively launching energy-efficient rack servers for datacenters and bundle servers with virtualization functions for small and medium-sized businesses (SMBs), targeting mid-range high performance computers (HPCs), the embedded market, the datacenter market, and new channels. By introducing a model

GRAPH 1

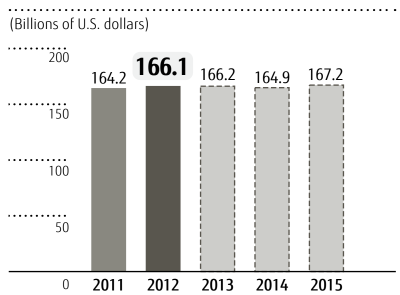
Share of 2011 IT Services Market Sales in Japan (Revenue Basis)



(Source: Gartner, "Market Share: IT Services 2011" 9 April 2012)

GRAPH 2

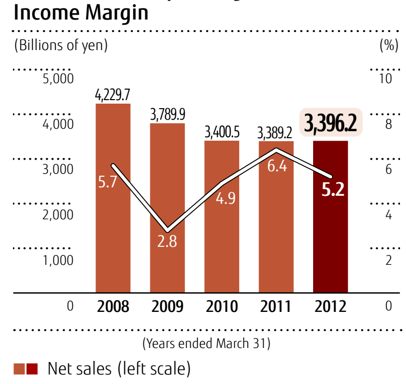
IT Market Forecasts (Japan)



(Source: IDC The Worldwide Black Book Q1 2012)

GRAPH 3

Net Sales* and Operating Income Margin



* Including intersegment sales

equipped with Intel's latest CPU announced in early March 2012 ahead of rivals (only one other Japanese company has announced similar plans), we aim to increase sales by providing products sooner, especially to customers seeking high performance.

In the network products business, we will further expand our base station business as LTE rollout ramps up, and steadily advance business dealing with increased network traffic accompanying the rapid spread of smartphones. We will also aim to advance into new business fields, such as home-area networking utilizing LTE and optical access.

In the ICT services business, we will roll out new services centered on cloud computing. We will provide Data Utilization Platform Services that leverage big data, which is now attracting attention, to gather, compile, and integrate massive quantities of sensing data, apply knowledge, process it using real-time processing or batch processing, and use it to generate future projections and other purposes. We will also roll out the public cloud service Fujitsu Global Cloud Platform in six countries around the world, responding to the global expansion of customers and their various other needs.

In addition, we will bolster our structure by unifying SE organizations and realigning regional SE companies, enhancing the flow of knowhow and resources and aiming to become a group of SE professionals with overwhelming competitiveness.

As a result of the spread of cloud computing, customers are now searching for the ideal new IT system. By leveraging our outstanding ability to provide a vertically integrated structure—from highly dependable, high-performance platforms such as networks, servers, and datacenters to top-line applications—we will lead the domestic ICT market by proposing new ICT possibilities to customers and do our utmost to respond to customer expectations.

Customer Solution Profile

National Hospital Organization Nagasaki Medical Center

Protection of clinical data and improved medical reliability realized through a cloud-based backup system

The National Hospital Organization's Nagasaki Medical Center is the largest top-tier, comprehensive medical facility in Japan's Nagasaki Prefecture, with approximately 12,800 inpatients annually and some 800 outpatient visits per day. To fulfill its role as a key regional hospital, the center is actively using ICT to upgrade and streamline treatment and to improve medical care for the region as a whole. Among other innovations, the center uses electronic medical records and participates in the Ajisai Network of regional medical facilities to collaborate with clinics and other medical facilities in the area.

As part of these efforts, Fujitsu's HumanBridge BCP Solution was utilized to build a disaster recovery backup system for the Nagasaki Medical Center at a Fujitsu datacenter. This system enables the center to avoid the risk of a disaster destroying hospital systems and all medical data being lost, but is also a pathway for continuing treatment by referencing past medical data from other medical facilities and evacuation centers.

If the Nagasaki Medical Center's electronic medical record system becomes unusable, doctors and nurses at evacuation centers and other medical facilities can refer to medical data stored at the datacenter through the Internet, based on patient approval, and can store on-site clinical records through the memo function. Since past clinical data and basic information can be referenced, medical staff coming from other regions can also provide treatment based on reliable data.

After the ICT platform at the center is rebuilt, backup data from the datacenter will be returned to the server to restore the electronic medical record system. Clinical records inputted using the memo function during a catastrophe can be referenced from the electronic medical record system as a disaster clinical record.

Fujitsu is committed to supporting the Nagasaki Medical Center's regional medical collaboration, provision of better medical care, and promotion of greater sophistication for overall medical care in the region from an ICT standpoint, by continuing to provide consulting, system building, and operational support.

National Hospital Organization Nagasaki Medical Center

EMEA Europe, Middle East, Africa

Market Trends

A continued recovery is forecast in the 2012 EMEA IT market, with 2.5% year-on-year growth. » GRAPH 2 By region, government spending cuts and constrained IT investment will remain issues in the UK, with severe conditions likely to linger going forward. Similarly, in Germany and the Nordic region where the economy had up until now been trending toward recovery against a backdrop of robust exports, growth rates are set to slow due to uncertainty surrounding countries in the euro zone. By contrast, IT markets in Eastern Europe and Africa are projected to expand as economies in these regions continue to grow.

The size of the IT services market is expected to recover modestly, with year-on-year growth of 1.1%. Although year-on-year declines are projected in system development and other traditional IT services, growth in outsourcing and other services conducted as cost-reduction efforts is expected to remain firm.

The overall EMEA server market is forecast to decline by 2.5% from the previous year. Market expansion is forecast mainly for Eastern Europe and Africa. However, mature Western European markets are likely to contract slightly against a backdrop of increasingly severe price competition. The high-end server market is expected to continue its precipitous decline as customers shift to low-end servers. Due to this shift, the market for low-end x86 servers, a mainstay product area for Fujitsu, is expected to grow, particularly in Eastern Europe, Africa and other emerging economies. The storage market is projected to recover strongly, with year-on-year growth of 4.8%, after ending lower last year due to supply shortfalls caused by HDD component shortages in the wake of flooding in Thailand. The PC market, meanwhile, is anticipated to grow 7.0% over the previous year on the back of sharp growth projected in Eastern Europe, the Middle East, Africa and other emerging markets, along with economic recovery in Western Europe.

Initiatives Going Forward

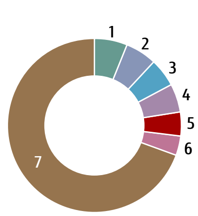
In the UK and Ireland, we will diversify risk through customer segment optimization. This will involve bolstering resources to private-sector business, pursuing further expansion in this business with an emphasis on global enterprises, and lessening our reliance on government and public-sector projects. As we continue striving to expand our infrastructure services, which comprise about 70% of our business in the region, we are shifting the business portfolio toward PaaS, SaaS and other high-value-added services to realize a highly profitable business structure. Moreover, we will move to expand our range of offerings and enhance relations with customers by pursuing expanded sales of Fujitsu-brand servers and storage, as well as reinforcement of applications, network solutions, and other businesses.

In continental Europe, we are eyeing business expansion through greater geographic coverage of emerging markets, most notably those with high market growth such as India, Russia and the Middle East. Steps will be taken to boost competitiveness in the services business by promoting delivery standardization and offshore utilization, coupled with an enhanced lineup of cloud

GRAPH 1

Share of 2011 IT Services Market in the UK (Revenue Basis)

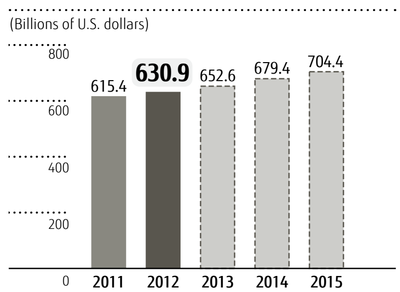
1	Company A	6.2%
2	Company B	6.0%
3	Company C	5.2%
4	Company D	5.2%
5	**Fujitsu**	**4.4%**
6	Company E	3.6%
7	Others	69.4%



(Source: Gartner, "Market Share: IT Services 2011" 9 April 2012)

GRAPH 2

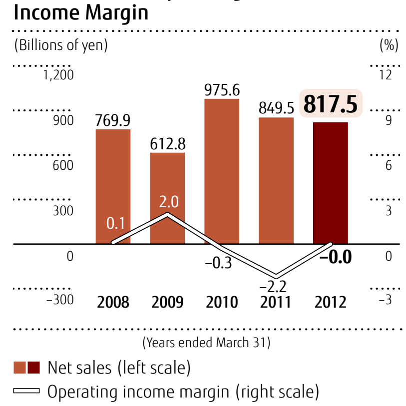
IT Market Forecasts (EMEA)



(Source: IDC The Worldwide Black Book Q1 2012)

GRAPH 3

Net Sales* and Operating Income Margin



* Including intersegment sales

offerings. Meanwhile, sales channel reinforcement via the introduction of telesales, online sales and other tools will strengthen our x86 server and PC-centered product business. By advancing cross-selling in tandem with services, we will aim for stable growth and profit expansion.

In the Nordic region, we will use our track record in the services business with locally based global enterprises as a springboard for strengthening our approach to supporting customers developing their operations globally, with sights on business expansion. To improve profitability in the services business, we are moving forward on standardizing and sharing delivery and business processes, coupled with boosting assurance functions. Our push to improve efficiency and profitability will also include moving forward with the integration of back-office operations and service desks in the region.

Customer Solution Profile

Mitchells & Butlers

UK's biggest pub & restaurant operator goes cloud with Fujitsu

With 1,600 sites in the UK, Mitchells & Butlers is a leading restaurant and pub operator whose portfolio includes many well-known brands such as All Bar One. The company devised a plan for a renewed ICT system to drive efficiencies in its business and create a platform to develop new guest-focused services, while reducing costs.

In May 2011, Mitchells & Butlers engaged in a two-phase project with Fujitsu that was designed to deliver these business outcomes. The first phase was the delivery of a superfast broadband network to the company's 1,600 businesses, including Wide Area Network (WAN) services supporting individual outlet needs, access to central applications and services to the point of sale (POS) terminals to take payments, and Ethernet for offices. The consumer-based services also include a wired and wireless Local Area Network (LAN). The second phase was the migration of old and inefficient applications to a new cloud environment hosted by Fujitsu. As anticipated, business continuity was maintained during the transition project.

Through this innovative renewal of ICT infrastructure, applications are running on average 10% faster, and those reliant on databases up to 30% faster. The company can now launch new services quickly and easily thanks to a highly efficient on-demand system, and critically, the company now has guaranteed service availability, ensuring that its business runs smoothly across all of its locations.

According to Tony Bentham, Chief Information Officer at Mitchells & Butlers: "As a result of a genuinely innovative partnership with Fujitsu that delivered equivalent innovation in technology and business processes, Mitchells & Butlers now has a robust and reliable platform on which to build our future."

THE AMERICAS

Market Trends

The IT market in the Americas in 2012 is expected to grow at a comparatively high rate of 7.4% year on year. This represents a trend of continued growth, despite falling short of the considerable 7.0% growth rate in 2011. In the United States, the economy is rebounding firmly overall, with concerns of a double-dip recession having mostly dissipated. Although causes for concern persist, among them high unemployment and escalating gasoline and crude oil prices, business performance and profitability are on the rise among large companies. » GRAPH 2

In 2012, the IT services business in the Americas is expected to grow 4.8% year on year, a modest but positive improvement following the 4.5% growth of the previous year. Substantial growth is anticipated in fields such as cloud computing, social networking and big data analysis. In addition, the growing use of smartphones, tablet PCs and other mobile devices is expected to drive the market.

The hardware market is expected to remain on an overall growth trajectory during 2012, though there are signs of unevenness in individual products. The server market is projected to expand 0.1% overall, virtually flat from the 0.3% year-on-year growth in 2011. The market for high-end servers is expected to decline 21.0% year on year, a sharp contraction compared to the relatively modest decline of 1.6% in 2011. The mid-range server market is projected to expand considerably, by 10.4%, continuing growth albeit at a slower pace compared to the 13.0% growth of the previous year. The market for low-end servers is expected to rise 5.9% year on year, substantially reversing the year-on-year decline of 0.9% in 2011. The storage market is projected to expand steadily with 7.0% growth, largely the same level as the 7.5% growth seen in 2011. The PC market is expected to see significant growth of 12.6%, further exceeding the 10.9% growth in 2011 and reflecting greater consumer and corporate demand for tablet computers. The communication devices market is projected to continue expanding steadily at a high rate of growth, although the 11.0% growth expected for 2012 is sharply lower than the 20.3% seen in 2011.

Initiatives Going Forward

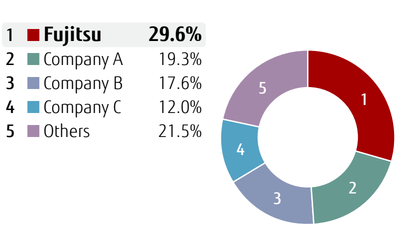
In April 2009, Fujitsu merged three of its North American subsidiaries to establish Fujitsu America as the core of business operations in the Americas. An innovation program designed to promote expansion in business scale and boost market name recognition in the Americas is currently being implemented.

As a result, we were able in 2011 to win large-scale business deals for infrastructure services in the United States that will provide momentum for operations. We will continue the push to win more deals of this type in 2012. Furthermore, we are raising the added value of infrastructure services, including cloud business deals, and promoting a greater rate of return by focusing on the application businesses of partner companies such as SAP, Oracle, Salesforce.com, and Microsoft.

In the platform products business, we will continue to promote x86 server sales through channel upgrades and other sales

GRAPH 1

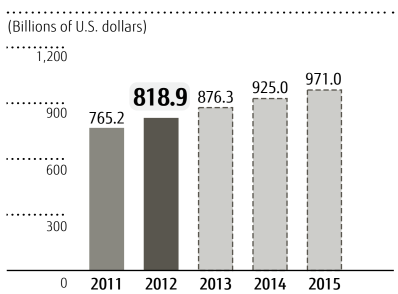
Next-Generation Metro WDM Market Share in North America (Revenue Basis)



(Source: Ovum, Market Share: 1Q12 ON Global, June 2012)

GRAPH 2

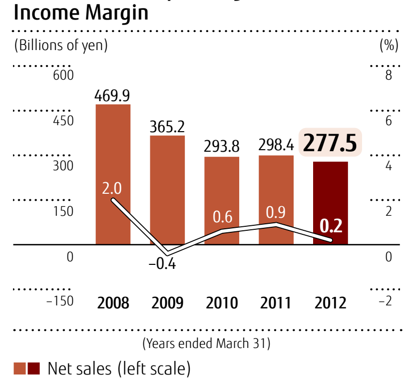
IT Market Forecasts (Americas)



(Source: IDC The Worldwide Black Book Q1 2012)
(Americas: North and South America)

GRAPH 3

Net Sales* and Operating Income Margin



* Including intersegment sales

structure enhancements. Plans call for applying this same model to storage and PCs to spur revitalization in the platform products business as a whole.

In Canada, along with maintaining our traditional strengths in consulting and the solutions business, we are looking to diversify our offerings by strengthening our hand in the new field of managed services. We will also use Saskatchewan-based business and IT consulting solution and services provider TMC, acquired by Fujitsu in 2012, to reinforce business development in Central and Western Canada.

With respect to business development in emerging markets, in product-centered Brazil, we will promote business expansion, including in the services business. We will also position Brazil as a hub market from which we will push for business development in other regions in South America. Specifically, we will support the business development of customers from Europe in South America and target winning business deals for global accounts.

In North America's optical transmission systems market, investments to enhance mobile backhaul and other backbone infrastructure to cope with LTE (Long Term Evolution) and the increase in data traffic are set to continue during 2012. Along with working to win business deals that these trends present, Fujitsu will advance initiatives for developing the Canadian market and achieving expansion in the services business.

Customer Solution Profile

Blue Cross and Blue Shield of North Carolina

Fujitsu America enters into major ICT infrastructure services outsource agreement with Blue Cross and Blue Shield of North Carolina

Blue Cross and Blue Shield of North Carolina (BCBSNC) is a well-known leader in delivering innovative health care products, services and information to over 3.6 million members, including approximately 900,000 served on behalf of other Blue Plans. For over 78 years, the state's largest health insurer has served its customers by offering health insurance at a competitive price and has served the people of North Carolina through support of community organizations, programs and events that promote good health.

In December, Fujitsu America, Inc. (FAI) signed a major agreement with BCBSNC, under which FAI purchased the BCBSNC data center (located in Research Triangle Park, NC) and is providing a variety of ICT infrastructure services to BCBSNC. As part of this infrastructure, Fujitsu also welcomed approximately 185 talented employees from BCBSNC to FAI.

The agreement is valued at $250 million over five years and includes ownership, management and support of various technology systems and functions—such as computer mainframes, servers, desktop PCs, telephone systems, networks and technology security. Fujitsu is taking over a 32,000-square-foot facility that includes about 18,000 square feet of space devoted to ICT functions. About half of that ICT space is currently being used.

"We entered into this agreement to find ways to reduce costs and increase flexibility while maintaining high levels of quality and service," said BCBSNC CIO Jo Abernathy. "We're pleased with Fujitsu America's strong, comprehensive and continued commitment to our people, business needs and technology."

BlueCross BlueShield of North Carolina

An independent licensee of the Blue Cross and Blue Shield Association

APAC, CHINA

Market Trends

China's IT market is expected to continue its strong growth, despite the impact from a decline in exports to Europe, and a slight slowdown in the economic growth rate. Over the longer term, the country's economic structure will shift from dependence on exports to being driven by private-sector domestic consumption, and IT investment will increase with greater urbanization as foreign corporations gain more of a presence. IT investment in 2012 is projected to rise around 12.7% year on year, with strong growth expected to continue at an average annual rate of around 8.3% for the period from 2011 to 2015. » GRAPH 1 This continued investment is expected as China's 12th Five-Year Plan for state policy specifies information networking as an area for strategic development and cultivation, and because companies expanding into China are making plans to bolster production and sales to meet domestic demand.

In Asia-Pacific (APAC), excluding China, growth in the IT market is expected to be around 9.6% in 2012. In the short term, curbs on investment will continue in response to the slowdown in economic growth triggered by the European debt crisis and other factors. Over the longer term, however, countries will push ahead with infrastructure upgrades in line with economic development, and growing companies will continue their IT investment. For the period from 2011 to 2015, IT spending in the region is projected to remain strong with growth of around 8.9% annually.

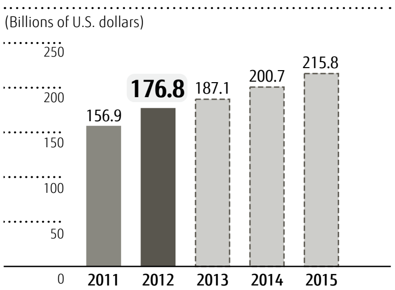
In ASEAN countries, economic growth is slowing as a result of the flooding in Thailand. In other countries, however, public and private-sector IT investment continues to increase amid growth in consumer spending and capital expenditure. In the East Asia region, the European debt crisis is slowing economies in the near term, constraining IT investment. Over the longer term, however, the IT market is projected to expand as a result of continued economic growth. In India, internal demand, centered on public-works projects and consumer spending, along with external demand in areas such as software services as an export industry, are expected to bring about high economic growth. Against this backdrop the willingness to invest in IT is increasing, with a projected rise of around 18.7% in 2012, and a strong average annual growth rate of 17.9% between 2011 and 2015. » GRAPH 2
In the Oceania region, exports to China are substantial, making the region easily swayed by the Chinese economy. However, economic growth remains steady, supported by demand for natural resources, and increased IT investment during 2012 is expected to continue.

Initiatives Going Forward

In China, Fujitsu will grow its services business for both Japanese and foreign-capitalized companies, and will develop local businesses in an effort to increase its solutions business overall. We will utilize the South China Datacenter in Foshan, Guangdong Province opened in April to the greatest extent possible, and pursue business deals for private cloud services as one of Fujitsu's core middleware products. For the platform business, we will raise sales to existing customers by focusing on value-added businesses that offer x86 servers and storage as a set.

GRAPH 1

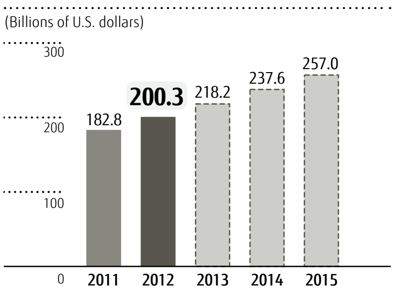
IT Market Forecasts (China)



(Source: IDC The Worldwide Black Book Q1 2012)
(China: Including Hong Kong)

GRAPH 2

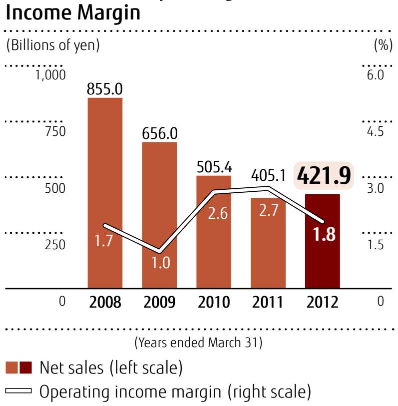
IT Market Forecasts (APAC)



(Source: IDC The Worldwide Black Book Q1 2012)
(APAC: Excludes Japan, China, and Hong Kong)

GRAPH 3

Net Sales* and Operating Income Margin



* Including intersegment sales

In the ASEAN region, Fujitsu will expand in three areas: business services to Japanese corporations, the datacenter business, and the application development business. We are also utilizing the Fujitsu Global Cloud Platform to achieve growth in the cloud services business.

In the East Asia region, Fujitsu will increase sales of x86 servers and storage through tie-ups with local partners, and expand its cloud services business. We are also strengthening ties with major Japanese retailers and distributors and other successful companies with aggressive overseas expansion programs, and developing businesses that generate steady revenue streams.

In India, we intend to continue efforts to increase business from Europe and the United States by boosting our offshore resources. Fujitsu Technology Solutions will lead our strategy and planning of the ICT infrastructure business in India, which will improve business in terms of both scale and management quality. We will also aggressively expand our sales of system products such as x86 servers.

In the Oceania region, Fujitsu will make its cloud services available across the entire market, build a business model to grow Fujitsu Group business outside of Japan, and pursue a larger market share and develop its business laterally across the region. By industry type, Fujitsu currently holds a strong position in public sector business, but also plans to bolster its client portfolio and broaden business scope. We will do this through full-fledged implementation of network and broadband contracts acquired in 2011, and by offering infrastructure services to the finance industry.

Customer Solution Profile

Australia Post

Long-term partnership helps Australia Post align delivery capabilities with market demands

Australia Post is the oldest continually operating organisation in Australia. Each year Australia Post delivers more than 5 billion items to 10.9 million addresses across Australia. With more than 4,400 outlets across the nation, Australia Post has the largest retail network in Australia with over 2,500 of these outlets in rural and remote areas. Australia Post is a self-funding business and receives no taxpayer funding.

Fujitsu has enjoyed a long-term relationship with Australia Post spanning over 20 years and has played an important role in supporting the company's systems. Fujitsu is engaged with the organisation on a number of initiatives including ensuring that Australia Post can leverage its long-term investment in legacy applications while staying focused on responding to current and future market demands. Fujitsu is also assisting Australia Post in initiatives in new technology areas such as digital media in new-look, retail superstores and initiatives to integrate e-commerce with delivery models under the Australia Post Future Ready program.

Australia Post Chief Information Officer Andrew Walduck said: "Fujitsu is a key technology partner for Australia Post. As well as helping us to ensure that a number of our key systems continue to support our business objectives, Fujitsu leverages its national and international base of skills to work with us to ensure we have the right technology in place to meet our future business needs."

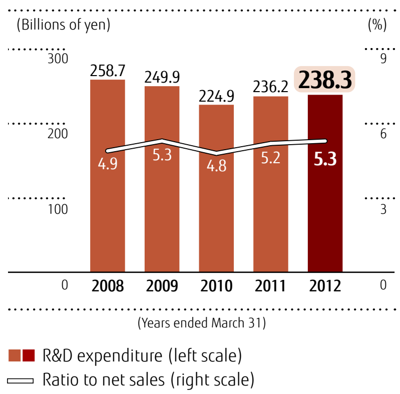
Research & Development

Our Mission in R&D

As our fundamental R&D policy, we pursue initiatives to create new value for our customers and to achieve our Corporate Vision of contributing to the creation of a networked society that is fulfilling and secure, bringing about a prosperous and dream-inspiring future. In order to achieve these initiatives, our R&D of advanced technologies includes technologies for next-generation services, computer servers and networks, as well as various electronic devices and advanced materials which serve as building blocks for our products.

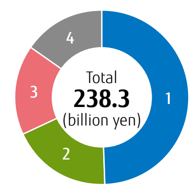
- **Create and accumulate advanced technologies**
- **Extend our value chain globally**
- **Foster the creation of new businesses**
- **Fulfill our social responsibilities**

R&D Expenditure, and Ratio to Net Sales



Fiscal 2011 R&D Expenditure by Segment

1	Technology Solutions	49.5%
2	Ubiquitous Solutions	18.7%
3	Device Solutions	16.5%
4	Other Operations/ Elimination and Corporate	15.2%



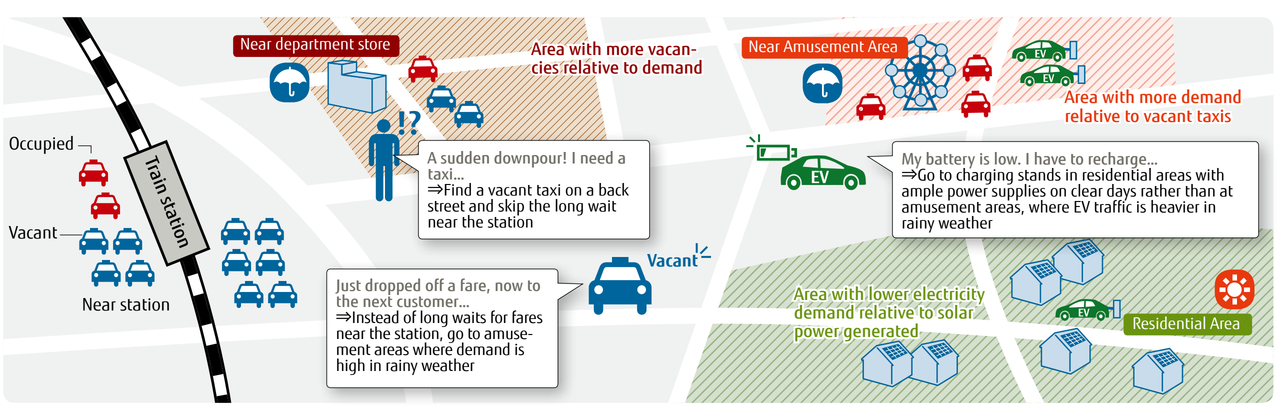
Major Advanced R&D Achievements for Fiscal 2011 (April 2011–March 2012)

(1) Technology for Spatiotemporal Data Processing to Quickly and Precisely Search Areas of Interest

By gathering various real-time data from social infrastructure and quickly and precisely searching areas of interest, it is possible to swiftly recognize positional patterns of people and society, and devise appropriate solutions.

GPS and other sensors generate a vast amount of positional data concerning people and their vehicles, and Fujitsu has developed a technology that identifies within this data those areas where the searched-for activity—for example, high demand for taxis or for electricity—is most likely to occur. This technology enables outstanding flexibility when searching for areas of complex shapes and different sizes, so that areas of interest can be searched with greater precision. Narrowing the search to areas where events of interest are most likely to occur produces a boost to speed of roughly 60 times compared to previous techniques.

Potential uses include the dispatch of taxis and delivery vehicles, or to efficiently control electricity distribution based on supply and demand differences between areas. Another potential use is to support marketing based on real-time and accurate commercial area analysis. The spatiotemporal data-processing technology will also be rolled into SPATIOWL, Fujitsu's cloud service for using and managing location data, launched in July 2011.



Overview of potential areas of interest that can be searched for using spatiotemporal data processing technology

(2) Development of Distributed Parallel Complex Event Processing Technology that Rapidly Adjusts Big Data Load Fluctuations

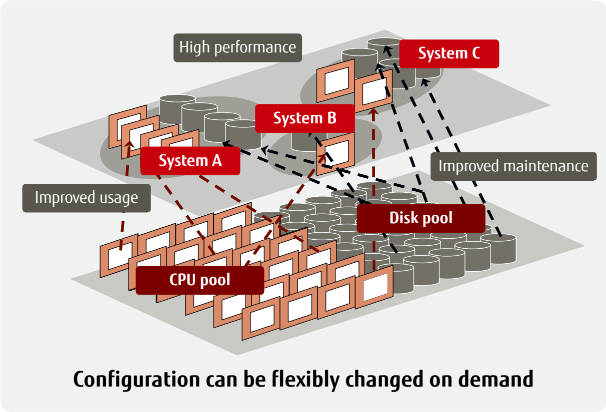
Effective use of big data demands an ever-increasing amount of time-series data be analyzed continuously in real time. Fujitsu developed the world's first distributed parallel complex event processing technology designed for use with cloud technology that rapidly adjusts big data load fluctuations. This research was supported in part by Japan's Ministry of Economy, Trade and Industry's Project for the Program to Develop and Demonstrate Basic Technology for Next-Generation High-Reliability, Energy-Saving IT Equipment for Fiscal 2010 and Fiscal 2011.

The newly developed technology enables greater segmentation during processing; when the volume of data increases, the load can be spread across more servers, while a decrease in data volume conversely sees processing concentrated among fewer servers. The ability to scale event processing across servers has resulted in a throughput function of 5 million events per second, enabling real-time analysis of big data.

(3) Prototype of World's First Next-Generation Server Simultaneously Delivering High Performance and Flexibility

The increasing diversity of cloud services—including those involving big data—has created a need for flexible systems better tailored for each service, compared to datacenters for traditional Web services.

To answer this need, Fujitsu has developed a resource pool architecture in which the hardware components, such as CPUs and HDDs, are linked together with high-speed interconnects. This has enabled development of a next-generation server prototype that simultaneously delivers high performance and flexibility. The new architecture makes it possible at all times to flexibly configure systems to suit not just Web services and big-data processing, but also newly emerging cloud services. Furthermore, more efficient use of hardware components minimizes system costs and contributes to power conservation.



Resource pool architecture

(4) Development of Anti-Distortion Technology to Cut Power Used by Compensation Circuits in Ultrafast Optical Fiber Transmission Systems

As the amount of data transmitted over the Internet swells—due in part to growth in big data—harnessing optical fiber technology to build ultrafast networks at low cost and with low energy consumption will become increasingly important.

In response, Fujitsu has developed a digital signal processing algorithm to compensate for waveform distortion in long-haul transmission systems over several hundreds of kilometers. This has enabled a roughly 20-fold improvement in compensation ability per circuit size compared to conventional technology, thereby extending the long-haul operating range of optical signals. The technology eliminates the need for signal regenerators in telecom carriers' trunk-line networks and in networks linking datacenters that provide cloud services and other services, paving the way for ultrafast, long-haul transmission systems that are low-cost and energy-efficient.

(5) Supercomputer "K computer" Takes Consecutive No. 1 in World Ranking; Launch of PRIMEHPC FX10 Supercomputer

The next-generation supercomputer, the "K computer," jointly developed by RIKEN (Japan's flagship research institute devoted to basic and applied research) and Fujitsu, took the No. 1 position on the TOP500 List*[1] announced in November 2011 for the second consecutive time, having previously been identified as the world's highest performing supercomputer in June 2011. The K computer system is equipped with 88,128 SPARC64 VIIIfx CPUs developed by Fujitsu to deliver high performance, exceptional reliability, and low power consumption. The system achieved the world's best LINPACK*[2] benchmark performance of 10.51 petaflops*[3], signifying a speed of ten quadrillion (one "kei" in Japanese; equals ten thousand times one trillion) floating-point operations per second. It achieved this performance with a computing efficiency ratio*[4] of 93.2%, surpassing the previous figure. In November 2011 Fujitsu commenced global sales of the PRIMEHPC FX10 supercomputer, which further improves on the supercomputer technology employed in the K computer in being capable of scaling to a top theoretical processing performance of 23.2 petaflops.

*[1] TOP500 List: A project ranking the world's supercomputers based on comparative performance, with rankings announced twice yearly.

*[2] LINPACK: A program for measuring computer performance.

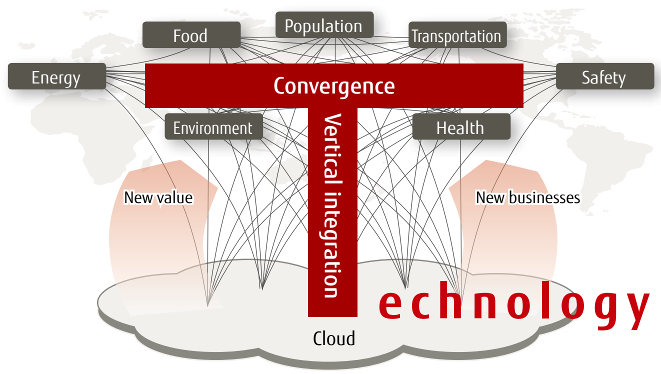
*[3] Petaflops: Peta stands for one thousand trillion, or one quadrillion. FLOPS stands for floating point operations per second, or the number of calculations the machine is capable of in one second.

*[4] Computing efficiency ratio: The ratio of actual performance reached versus theoretically possible peak performance.

Topics

Realizing a Human Centric Intelligent Society

To make the Human Centric Intelligent Society—creating new value in the real world through Human Centric IT—a reality, Fujitsu is researching and developing advanced technologies along two axes—"convergence," linking customers from different sectors together through big data spanning myriad industries, and "vertical integration" for overall optimization.



Awards and Prizes

2 Commendations for Science and Technology (Development Category) from the Minister of Education, Culture, Sports, Science and Technology of Japan

5 members of the Fujitsu Group were honored by Japan's Minister of Education, Culture, Sports, Science and Technology in fiscal 2011 with Commendations for Science and Technology: Development Category for the "development of speech quality improvement technology for mobile phones," with 1 other member honored for "development of supercomputer core technologies and relevant human resources."

Awarded the Keidanren (Japan Business Federation) Chairman Award at the Fiscal 2011 Persons of Merit Awards in Business–Academia–Government Collaboration

At the 10th Conference for the Promotion of Collaboration among Business–Academia–Government (hosted annually by the Cabinet Office and other government ministries of Japan), Professor Emeritus Hiroshi Ishiwara of the Tokyo Institute of Technology and 2 individuals from the Fujitsu Group received the Keidanren (Japan Business Federation) Chairman Award in the Fiscal 2011 Persons of Merit Awards in Business–Academia–Government Collaboration for the research and development of nonvolatile memory FRAM and its commercialization.

"K computer" Awarded the ACM Gordon Bell Prize, Ranked No. 1 in Four Benchmarks at the HPC Challenge Awards

A research group comprised of RIKEN, the University of Tsukuba, the University of Tokyo, and Fujitsu announced research results obtained using the K computer—jointly developed by RIKEN and Fujitsu—at SC11 (the International Conference for High Performance Computing, Networking, Storage and Analysis), receiving the ACM Gordon Bell Prize, Peak-Performance. In addition, the research group received top-ranking in all 4(*)HPC Challenge benchmarks used for evaluating the overall performance of supercomputers.

(*) HPC Challenge benchmarks:
1) Global HPL (operating speed in solving large-scale simultaneous linear equations);
2) Global Random Access (random memory access performance in parallel processing);
3) EP STREAM (Triad) per system (memory access speed under multiple loads);
4) Global FFT (total performance of Fast Fourier Transform)

Advanced R&D Strategic Direction in Fiscal 2012 (April 2012 – March 2013)

Fujitsu has classified its framework for advanced research into the three categories below, with a view to achieving group-wide optimization from a global standpoint. Through this framework Fujitsu will carry out strategic R&D for the future of the Fujitsu Group, align business segment strategies with research strategies, and enhance resource shifts in response to changes in Fujitsu's business portfolio. Fujitsu will employ a top-down approach to setting research themes, and will conduct strategic research investment.

1. **Core Strategic Themes: Technologies essential to the medium- to long-term future of the Fujitsu Group**
2. **Business Strategic Themes: Short- to medium-term technologies that business segments have committed to commercializing**
3. **Seeds-oriented Themes: Budding technologies not specific to current businesses, and medium- to long-term technologies targeting unknown domains**

In particular, Fujitsu is promoting the following five Core Strategic Themes.

(1) Human Centric Computing
Fujitsu will correlate, combine and analyze data from real-world applications with data from specific industry applications, to realize convergence services that generate value.

(2) Intelligent Society
Fujitsu will help create social infrastructure that solves increasingly complex social problems and transcends individual corporate and industry barriers, to contribute new value and knowledge to societies and corporations.

(3) Cloud Fusion
Through effortless connections between clouds, and with existing systems, Fujitsu will link and share information to expand the fields for applying ICT, thereby creating new markets.

(4) Green Datacenters
By optimizing power supply and cooling technologies, and employing optical networks, Fujitsu will build power-saving datacenters that realize high cost-performance as well.

(5) Manufacturing Innovation
Fujitsu will provide advanced technologies that can contribute toward innovative manufacturing, to support Fujitsu's business and to function as a core for aligning the Fujitsu Group's product manufacturing.

A Smartphone Seniors Can Master from Day One

The story behind development of the F-12D Raku-Raku Smartphone

The Raku-Raku Phone handset series developed jointly with NTT DOCOMO, INC has been a huge hit with seniors. More than 20 million units have been sold since the series launched in 2001, bringing the enjoyment and convenience of mobile phones to an even wider audience. In the summer of 2012, an entirely new entry to this popular series, a smartphone designed for seniors, joined the lineup. The following is a behind-the-scenes look at the story behind this product, designed and developed from square one with convenience for seniors in mind.

"I want a smartphone with a bigger display"

Smartphones have become a runaway hit over the past two years, captivating users of all ages by putting the convenience and enjoyment of access to any information imaginable right in the palm of their hands. The same attraction holds for seniors. According to a Fujitsu study*[1], 42.6% of all seniors in Japan are eager to purchase a smartphone.

In expressing their expectations for smartphones, many people mentioned how exciting it would be to do any number of things on a larger display with an intuitive touch-panel interface. But when seniors actually used smartphones during hands-on conferences and focus groups Fujitsu sponsored, the touch-panel interface was a major source of mistaken user input.

Seniors clearly want to use smartphones, but there is no product on the market that fully meets their needs. After repeated research, Fujitsu opted to develop a smartphone from square one that offers what seniors want and that they can confidently master.

The goal: a stress-free, easily mastered device exclusively for seniors

In usability studies, it became clear that testers were unable to use the small buttons on touch panel displays accurately. There were also unintentional navigation errors due to inadvertent display touches. Fujitsu's solution was the development of a unique "Raku-Raku Touch Panel" to eliminate the anxiety associated with conventional touch panels. The goal was do away with a "touch only" interface through a groundbreaking mechanism that delivers the tactile feel and precision of hard buttons, with fingertip vibrations used to signal that the desired input is complete. Among other included functions is accidental touch support to prevent mistaken input. The end result is a precise touch interface pleasing to seniors.

Another key issue was the difficulty and complexity of the smartphone user interface (UI)*[2]. Developing a UI with a "home" application displayed large for seniors failed to fundamentally resolve this issue. This prompted Fujitsu to develop both hardware and the UI for applications explicitly for the Raku-Raku Smartphone. While development required far more time and effort than ordinarily spent on new handset models, the outcome is a device that is easy to use in every way.

Human Centric fun and excitement Fujitsu strives to deliver

Smartphones make everyday life more convenient. This is why Fujitsu sought not only to make the Raku-Raku Smartphone intuitive to use, but to fill it with a host of functions, applications and services to make seniors' lives more enjoyable. The roughly 8.1 megapixel camera, for example, offers the same excellent functionality as high-end handsets, and has convenient function buttons that enables users to easily take captivating photos that they can immediately email. The device also comes with a variety of preinstalled applications available for use right away. These include popular pedometer and health management-related applications, to convenient destination maps, radio stations that users can listen to, games and more. Another offering is "Raku-Raku Community," a site where users can fully enjoy connecting to other people. This space is one in which users can casually interact with people they normally would never meet around hobbies and travel, food, health and other themes. Raku-Raku Community is monitored 24 hours a day by Fujitsu staff, for a service that seniors can enjoy with peace of mind.

Fujitsu is optimally leveraging its ability to offer one-stop solutions encompassing hardware and software to services and content to provide senior-friendly, human-centric ICT.

Ubiquitous Business Strategy Headquarters
Product Department I, Mobile Products Division
Senior Manager
Kenetsu Furuki

*[1] Smartphone Desire to Purchase Study: Research conducted by Fujitsu in December 2011 (573 mobile phone users aged 55 and older)

*[2] User Interface: Refers to a home screen and interface environment that allow users to directly navigate to and engage desired information.

Intellectual Property

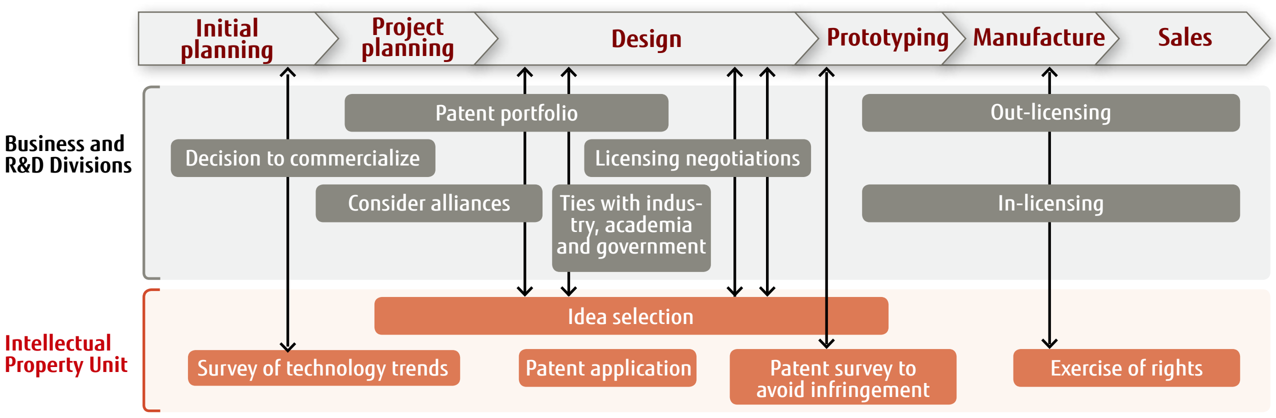
The Importance of Intellectual Property

Protecting and respecting intellectual property is part of the Code of Conduct in the Fujitsu Way, which articulates the philosophy of the Fujitsu Group and the core values and principles guiding the actions of each of its employees. Accordingly, every employee recognizes intellectual property as a key corporate asset supporting business activities. Moreover, Fujitsu employees are acutely aware of the role that technologies backed by intellectual property play in enabling customers to rely with confidence on the products and services we deliver.

Intellectual Property Strategy

We are promoting an intellectual property strategy closely integrated with our business and R&D strategies. Each business unit and R&D division is individually responsible for analyzing the intellectual property assets owned by Fujitsu and other companies in their respective fields. Based on this analysis, they formulate and implement intellectual property strategies.

Linking Business and R&D Divisions



Group-Wide Initiatives

We are developing a framework to strengthen Group-wide intellectual property activities to enable the entire Group to leverage our intellectual property assets. Some issues, such as the creation of international standards, require coordinated action among the global bases in the Group. Here, we use regular meetings among Group companies to share information as well as promote specific measures. In this way, we foster a unified approach to intellectual property activities.

1. Patent Rights

Patent rights support technological strength. Recognizing these rights as an important corporate asset, we are assembling a global patent portfolio centered on patents in Japan.

We ensure that the acquisition, maintenance, and utilization of patents are carried out in keeping with the Fujitsu Group's global business development strategy. We therefore acquire, maintain, and utilize the patents we need in the countries (regions) where they are needed, to support the operation of our R&D, production, and sales bases. Representatives are sent to the US and China so that local research or inventions at development bases can be securely protected. For obtaining patents in the US, Fujitsu has a framework not only for yielding inventions, but for handling the entire adjudication process to achieve more efficient registration of high-quality patents.

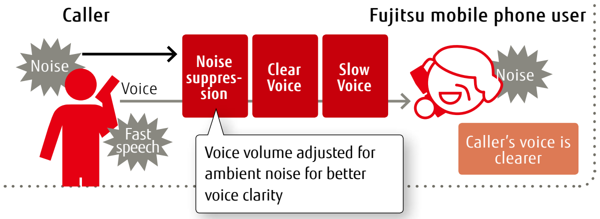
Mobile phone voice technology

Mobile phones need to produce clear voice communications, regardless of the speaker's vocal characteristics or the surrounding environment, as they are used in a wide range of locations by people who speak in many different ways.

Fujitsu has taken the lead in developing new technologies such as "noise suppression" that reduces the inherent noise in the speaker's voice, "clear voice" that makes the speaker's voice easier to hear by adjusting for ambient noise, and "slow voice" technology to slow the speaker's voice without changing its pitch.

Intellectual property and development divisions worked collaboratively to bring these technologies to fruition, streamlining their efforts to develop the technology behind roughly 50 comprehensive patent applications and patents made both in and outside of Japan. These initiatives are also part of Fujitsu's efforts to realize a Human Centric Intelligent Society.

Fujitsu's voice technologies were awarded the Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology (Prizes for Science and Technology in Development Category) in 2012. Our noise suppression method for clearer mobile phone communications (Japanese Patent No. 4520732) received the Kanto Local Commendation for Invention and the Japan Patent Attorneys Association President's Encouragement Award sponsored by the Japan Institute of Invention and Innovation in 2011.



2. Exploitation of IP

Fujitsu preserves the competitive advantage of its businesses by providing differentiated products and services which are protected by prominent technologies and IP. IP also helps to preserve greater latitude in business by enabling Fujitsu to establish more advantageous terms when partnering with other companies. Furthermore, exploitation of IP rights helps to preserve business earnings through licensing and other activities. One example of such utilization is cross-licensing, which is an essential tool for securing greater latitude in business. Fujitsu enters cross-licensing agreements with a host of companies. A sample of major cross-licensees would include Intel, International Business Machines (IBM), Alcatel-Lucent USA, Texas Instruments, and Microsoft.

3. Global Standards Initiatives

The technology and market landscape is shifting from an era of using rules to one of creating them. Amid this changing competitive environment, Fujitsu recognizes the need for each division to align its business strategies with standardization initiatives. Fujitsu is helping to develop global standards through participation in the International Organization for Standardization/International Electrotechnical Commission (ISO/IEC), Institute of Electrical and Electronics Engineers (IEEE), European Telecommunications Standards Institute (ETSI), Internet Engineering Task Force (IETF), 3rd Generation Partnership Project (3GPP), and other major global standard-setting organizations.

International standardization of biometric authentication technology

The Fujitsu Group's palm vein pattern recognition technology has earned high marks for usability and security. The technology enjoys widespread use in Japan and abroad, including at financial institutions for personal authentication and at companies for PC login and room access management. For instance, the technology is used by some seven million people at the ATMs of Brazilian bank Banco Bradesco S.A.–one of our clients.

Fujitsu is promoting standardization activities to make our palm vein pattern recognition technology as international standards for biometric authentication in order for many people to use this technology at ease. In fact, researchers at Fujitsu Laboratories played a key role in ushering in the vascular image data format standard ISO/IEC 19794-9:2011 (issued October 1, 2011).

Fujitsu is also actively working on international standardization in areas related to biometric authentication, such as information security and IC card technology.

Personal authentication at financial institutions

PC login1

Room access management

4. Respecting Third Parties' Rights

Infringing upon the rights of third parties could have a major financial impact on our company, including having to pay significant compensation and the loss of business opportunities. In addition, it could prevent us from providing products and services, thereby severely inconveniencing our customers. We are fostering a culture at Fujitsu that respects the patent rights of other companies, as well as creating an environment that allows all our engineers to utilize the ATMS/IR.net system* to efficiently and effectively research patents held by other companies.

* An ASP-based service which searches laid-open patent applications and prosecution history data provided by the Japan Patent Office.

Patents Issued in Japan in 2011

1	Panasonic Corporation	6,812
2	TOYOTA MOTOR CORPORATION	5,011
3	Sony Corporation	4,300
4	Canon Inc.	4,206
5	TOSHIBA CORPORATION	3,825
6	Mitsubishi Electric Corporation	3,655
7	Ricoh Company, Ltd.	3,330
8	Honda Motor Co., Ltd.	3,163
9	Seiko Epson Corporation	2,964
10	Sharp Corporation	2,959
11	DENSO CORPORATION	2,949
12	**FUJITSU LIMITED**	**2,902**
13	Fuji Xerox Co., Ltd.	2,689
14	Hitachi, Ltd.	2,510
15	FUJIFILM Corporation	2,156
16	Panasonic Electric Works Co., Ltd.	2,074
17	KYOCERA Corporation	1,884
18	NEC Corporation	1,877
19	Dai Nippon Printing Co., Ltd.	1,832
20	Brother Industries, Ltd.	1,725

Fujitsu survey based on Japan Patent Office data
(Number of issued patents)
The number of patents granted to Fujitsu Group companies other than Fujitsu Limited is 1,337 (24 companies).
Total Fujitsu Group patents: 4,239

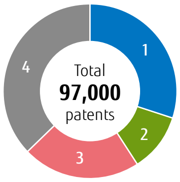
Patents Issued in US in 2011

1	IBM Corporation	6,180
2	Samsung Electronics Co., Ltd.	4,894
3	Canon Inc.	2,821
4	Panasonic Corporation	2,559
5	TOSHIBA CORPORATION	2,483
6	Microsoft Corporation	2,311
7	Sony Corporation	2,286
8	Seiko Epson Corporation	1,533
9	Hon Hai Precision Industry Co., Ltd.	1,514
10	Hitachi, Ltd.	1,465
11	General Electric Company	1,448
12	LG Electronics, Inc.	1,411
13	**FUJITSU LIMITED**	**1,391**
14	Hewlett-Packard Development Company, L.P.	1,308
15	Ricoh Company, Ltd.	1,248
16	Intel Corporation	1,244
17	BROADCOM	1,164
18	GM Global Technology	1,095
19	Renesas Electronics Corporation	1,005
20	Honda Motor Co., Ltd.	997

Source: IFI CLAIMS Patent Services
(Number of issued patents)
The number of patents granted to Fujitsu Group companies other than Fujitsu Limited is 616 (13 companies).
Total Fujitsu Group patents: 2,007

Fujitsu Filings and Registered Patents by Business Segment

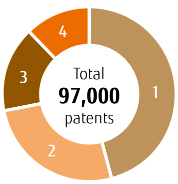
1 Technology Solutions 30%
2 Ubiquitous Solutions 11%
3 Device Solutions 22%
4 Shared Infrastructure & New Fields 37%



(Year ended March 31, 2012)

Fujitsu Filings and Registered Patents by Geographic Region

1 Japan 46%
2 North America 26%
3 Europe 16%
4 Asia/Oceania 12%



(Year ended March 31, 2012)

Our Corporate Philosophy

FUJITSU Way

On April 1, 2008, Fujitsu announced a fully revised Fujitsu Way. The Fujitsu Way embodies the philosophy of the Fujitsu Group, articulates the Group's overarching values, and defines concrete principles and a code of conduct that Group employees follow in their daily business activities. The new Fujitsu Way will facilitate management innovation and promote a unified direction for the Group as we expand our global business activities.

As outlined below, the Fujitsu Way consists of four core elements—the Corporate Vision, Corporate Values, Principles, and Code of Conduct. The Corporate Vision embodies the reason for the Group's existence, as well as the social role that it should fulfill. Corporate Values encompasses a set of values important for realizing the Corporate Vision. Finally, the Principles and Code of Conduct articulate rules of behavior to which every Fujitsu Group employee should actively adhere in accordance with the Corporate Values.

The Group has also formulated a Business Policy that outlines the medium-term direction of Fujitsu's businesses as defined by the Fujitsu Way. This policy serves as the basis for all Group business activities.

All Fujitsu Group employees have a shared commitment to the Fujitsu Way, which promotes a common direction for Group employees as they conduct their daily business activities. Employees aim to contribute to enhanced corporate value for the Fujitsu Group and to the well-being of the global and local societies in which we operate.

The Elements of FUJITSU Way

FUJITSU Way comprises four core elements:

FUJITSU Way

CORPORATE VISION	The reason for the existence of the Fujitsu Group.
CORPORATE VALUES	A set of value statements for achieving our Corporate Vision.
PRINCIPLES	The principles we adhere to in all business dealings and actions in accordance with Corporate Values.
CODE OF CONDUCT	The rules and guidelines followed by everyone in the Fujitsu Group.

BUSINESS POLICY	Our current strategies pursued in accordance with the Fujitsu Way.

CORPORATE VISION

Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world.

CORPORATE VALUES

What we strive for:

Society and Environment	In all our actions, we protect the environment and contribute to society.
Profit and Growth	We strive to meet the expectations of customers, employees and shareholders.
Shareholders and Investors	We seek to continuously increase our corporate value.
Global Perspective	We think and act from a global perspective.

What we value:

Employees	We respect diversity and support individual growth.
Customers	We seek to be their valued and trusted partner.
Business Partners	We build mutually beneficial relationships.
Technology	We seek to create new value through innovation.
Quality	We enhance the reputation of our customers and the reliability of social infrastructure.

PRINCIPLES

Global Citizenship	We act as good global citizens, attuned to the needs of society and the environment.
Customer-Centric Perspective	We think from the customer's perspective and act with sincerity.
Firsthand Understanding	We act based on a firsthand understanding of the actual situation.
Spirit of Challenge	We strive to achieve our highest goals.
Speed and Agility	We act flexibly and promptly to achieve our objectives.
Teamwork	We share common objectives across organizations, work as a team and act as responsible members of the team.

CODE OF CONDUCT

- We respect human rights.
- We comply with all laws and regulations.
- We act with fairness in our business dealings.
- We protect and respect intellectual property.
- We maintain confidentiality.
- We do not use our position in our organization for personal gain.

BUSINESS POLICY

- We use Field Innovation to find new approaches and the inspiration to improve ourselves, while delivering added value to our customers.
- We provide global environmental solutions in all our business areas.
- Fujitsu Group companies work together to accelerate our global business expansion.

SHAREHOLDERS AND INVESTORS

We seek to continuously increase our corporate value.

We aim to continuously increase corporate value and meet the expectations of shareholders and investors by achieving long-term sustainable growth and profit, and by pursuing strategic business expansion and focused management, while maintaining a sound financial standing.

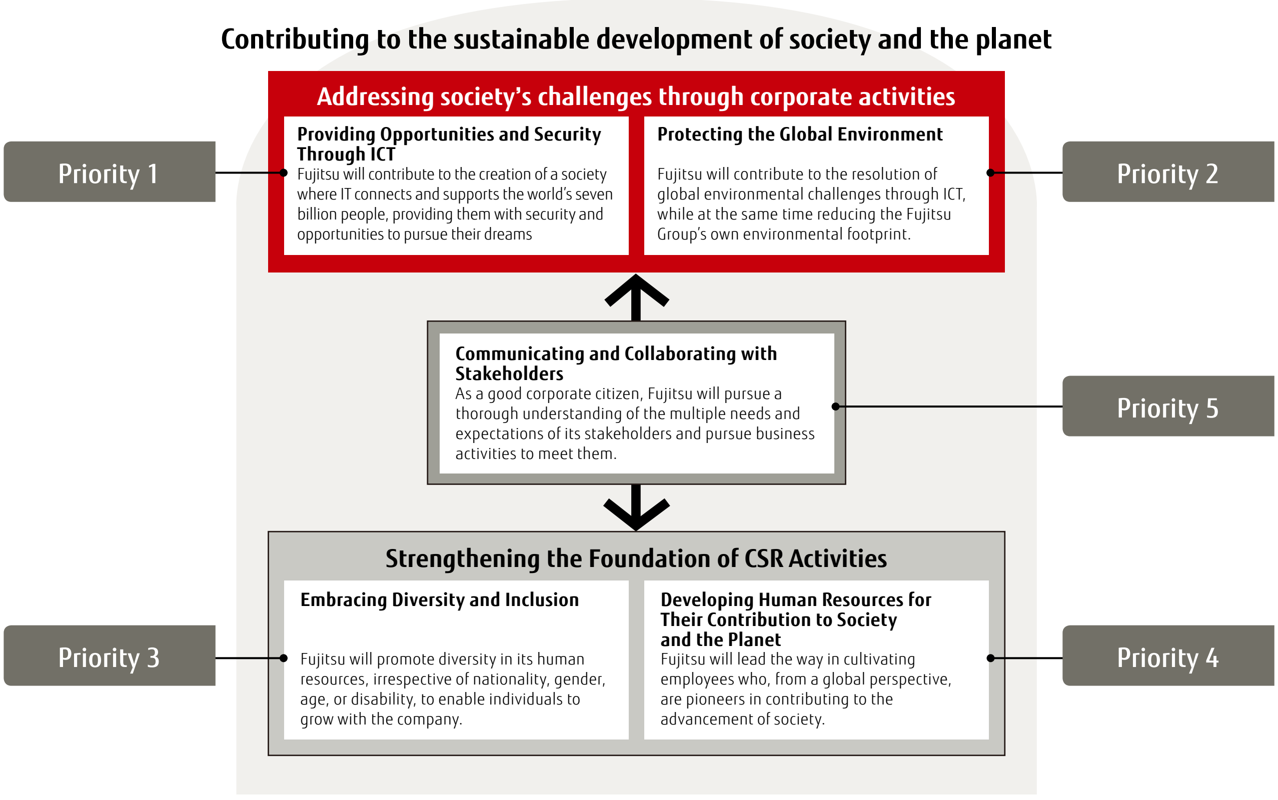
We enhance our management transparency by appropriate and timely disclosure of our business activities and financial information. This ensures that investors and shareholders understand how we are performing in enhancing our corporate value.

> The Fujitsu Group's DNA
> "We need to provide returns to our shareholders commensurate with their investment.
> In return for their investment, we have a responsibility and duty to respond to their expectations regarding profits and Fujitsu's corporate value."
> (Hiroaki Kurokawa, 12th president, message to employees on "The Interests of Shareholders," 2007)

Fujitsu Group CSR

Fujitsu Group CSR Policy

CSR at Fujitsu is practiced by implementing the Fujitsu Way. In all its business activities, by implementing the Fujitsu Way in light of the expectations and needs of multiple stakeholders, the Fujitsu Group contributes to the sustainable development of society and the planet. Fujitsu will focus on the following five priority issues in implementing its CSR practices. By pursuing these issues, Fujitsu will promote responsible management as a global ICT company.



CSR Activity Targets and Achievements

Fujitsu has defined medium-term targets for fiscal 2020. It also sets goals for individual fiscal years along the way, and publicizes its level of achievement. Refer to Fujitsu's "Sustainability Report 2012" on pages 43-44 for more details.

CSR Activities Utilizing ISO 26000

Since fiscal 2011, Fujitsu has utilized the ISO 26000 social responsibility standard (issued November 2010) as a means of deepening its own CSR activities. A team drawn from across the Fujitsu Group compiled a checklist based on the seven core themes of the ISO 26000 standard, and set about confirming the status of implementation. The team's results found that Fujitsu Limited demonstrated a high level of practice overall. At the same time, the assessment revealed that a better understanding of CSR practices was needed at Fujitsu affiliates, including those overseas. Plans going forward call for conducting a survey of actual CSR practices at those affiliates.

Priority 1

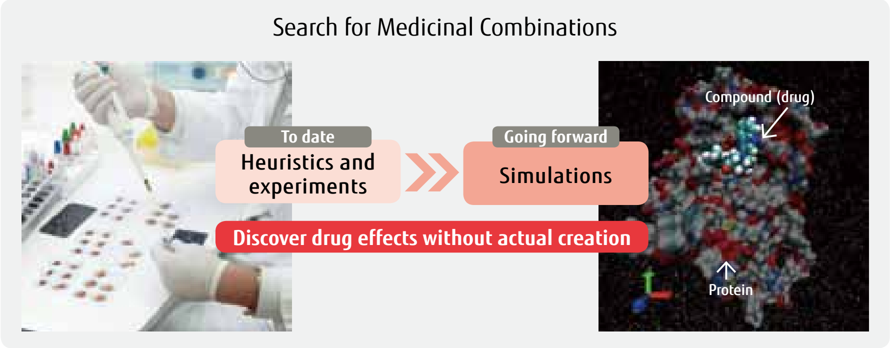
Providing Opportunities and Security through ICT

Key Examples from Fiscal 2011

Collaborative Research with Stockholm University
Using Supercomputers to Accelerate International IT-enabled Drug Discovery

Cancer is well on the way to becoming the leading cause of death globally, due in part to aging societies and modern lifestyles. With cancer incidence expected to increase by 75% by 2030, the need is urgent to develop effective treatments. However, experimental drugs only have a 0.01% chance of making it to market. Raising development success rates is a pressing issue. In collaboration with the University of Tokyo's Research Center for Advanced Science and Technology and Sweden's Stockholm University, Fujitsu is working to leverage IT-enabled drug discovery simulation technologies to reduce the conventional level of repetition for animal tests and clinical trials, helping to markedly shorten new drug development timelines and cut costs.

Fujitsu will keep striving to contribute to the development and improvement of effective pharmaceuticals for an array of intractable diseases like cancer by performing high-precision simulations utilizing the lightning-fast computational speed of a supercomputer.



New drug development support via highly accurate simulation to predict binding activity

Fujitsu Group IT Platform to Handle Sharp Rise in Communications Traffic from Sophisticated Mobile Phone Services in Morocco

The Kingdom of Morocco is a constitutional monarchy located in northwest Africa, with a population of roughly 32 million people. With the country's mobile phone market continuing to grow rapidly, Méditel, the second-largest domestic mobile telecommunications provider, needed to quickly manage increasing communications traffic from the provision of increasingly sophisticated services to ever more users.


Moroccans using mobile phone services

Fujitsu joined forces with partner company PTI (Portugal Telecom Inovação, SA) to offer an IT platform with high processing capacity, enabling Méditel to roll out new services for its 10 million users and handle feature expansion.

The Fujitsu Group's IT platforms will support globalization in Morocco and other emerging economies around the world.

Provision of a New Cloud Service to Support Water and Sewer Operations

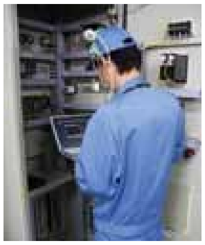
Amid rising food demand and more severe water shortages due to climate change, roughly 13% of the world's population does not have access to safe drinking water, and nearly half of households lack running water.

Meanwhile, Japan's water and sewerage infrastructure is aging, with nationwide upgrades called for in 2015. This is problematic for many local governments that manage water and sewer operations due, in part, to a lack of financial resources and experienced engineers.

To address these issues, top-tier water treatment player Metawater Co., Ltd. teamed up with Fujitsu to build a water business cloud (WBC). This IT infrastructure enables remote monitoring of facilities spanning a wide geographic area.

The WBC makes it possible for local governments and other water and sewer business operators to use shared IT infrastructure. This framework is projected to reduce lifecycle costs, including system installation and running costs, by at least 30% compared with conventional water and sewerage wide-area surveillance.

Fujitsu will utilize cloud computing technologies to support sustainable water and sewerage operations into the future.


WBC remote support services

Priority 2

Protecting the Global Environment

The Fujitsu Group is cognizant of its mission as a global ICT corporation. We are dedicated to sustainable growth and progress with our customers and society as we seek more ways to reduce our impact on the environment.

Leveraging the Power of ICT to Contribute to Sustainable Growth

The world today faces a number of increasingly serious environmental problems, among them global warming and a loss of biodiversity. The depletion of natural resources, meanwhile, is another growing concern. The utilization of ICT, with its power to transform our society, will be essential to ensuring sustainable human development and realizing a prosperous society.

Together with an extensive drive to minimize its own environmental footprint, the Fujitsu Group is ramping up the provision of environmental products and solutions that will contribute substantially to reducing the environmental impact of its customers and society at large. By leveraging our technology and creativity, we will harness the power of ICT to help resolve global environmental issues, with the goal of achieving sustainable growth and progress for our customers and the world.

Reinforcing Environmental Management by Utilizing ICT: Environmental Management Dashboard Development and Utilization

As demands for protecting the environment continue to rise, companies are faced with the increasingly significant task of creating environmental management systems that can support both the growth of business activities and reduce the environmental impact of such activities.

The Fujitsu Group has developed an Environmental Management Dashboard to function as a support base for environmental management. Its centralized portal screen allows for collection and analysis of energy usage, CO_2 emissions, and other environmental data in real time. Individuals at all levels of the company, from senior executives to department managers, can use the dashboard to access the information they individually require in making decisions. This system was utilized as part of energy conservation measures in the wake of the disaster in Japan in fiscal 2011, where it delivered reductions in energy usage that surpassed those requested by the government. Accordingly, the Fujitsu Group will pursue further ICT utilization in an effort to reinforce environmental management going forward.

Environmental Management Dashboard

Curbing Greenhouse Substance Emissions

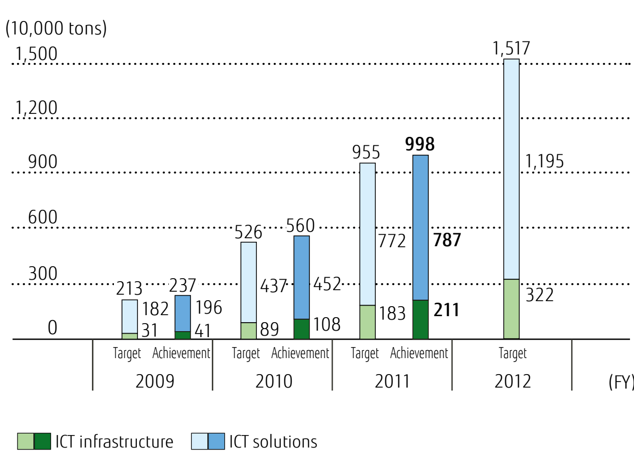
Green Policy Innovation—Achievements in Reducing CO_2 Emissions

The Fujitsu Group is promoting an environmental burden reduction project through Green IT known as Green Policy Innovation. Under the project, the Group has set a global target of cutting CO_2 emissions by more than 15 million tons over a four-year period from fiscal 2009 to 2012.

Reducing Greenhouse Gas Emissions

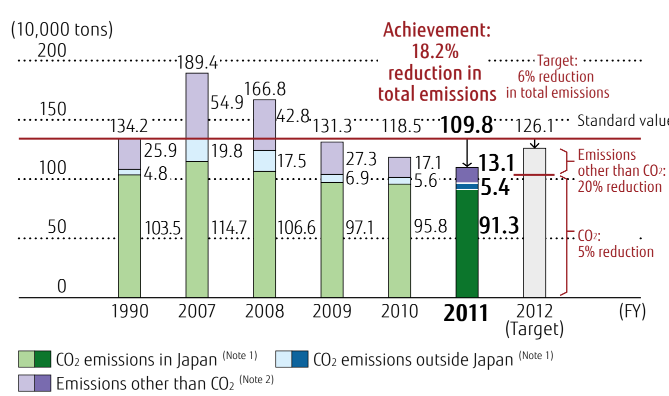
The Fujitsu Group is working to reduce emissions of greenhouse gases associated with Group business activities. Accordingly, we have set "reducing our total greenhouse gas emissions by 6% by the end of fiscal 2012 compared with fiscal 1990" as a goal of the Fujitsu Group Environmental Protection Program (Stage VI).

CO_2 Reduction Targets and Achievements under Green Policy Innovation



(Note) Cumulative from fiscal 2009

Change in Total Greenhouse Gas Emissions



(Note 1) CO_2 emissions in/outside Japan: Purchased electric power based on performance reports under the Fujitsu Group's Environmental Protection Program. CO_2 conversion coefficient calculations performed with a fixed value of 0.407 ton of CO_2 per MWh since fiscal 2002.

(Note 2) Greenhouse gases other than CO_2: Converted to equivalent amounts of CO_2 using the global warming potential (GWP) of each gas. Our fiscal 1995 performance is taken to be the emissions in fiscal 1990.

Principal Environmental Activities in Fiscal 2011

Contribution to Advanced Environmental Monitoring at Industrial Estate in Thailand

Air pollution is responsible for 2 million deaths worldwide each year. This figure has raised concerns that air pollution will become the leading environmental factor in triggering early death in the future.

As a NEDO (see note) collaborative research project promoted at the request of the Government of Thailand, Fujitsu has launched initiatives that will culminate in the development of an environmental monitoring system; as well as support for research into predictive modeling of volatile organic compound (VOC) emission dispersion, and the training of necessary technical staff. The site of these efforts will be the Map Ta Phut industrial estate, home to Thailand's largest petrochemical complex.

Developed expressly to collect, monitor and analyze data on environmental pollutants, this system aims to prevent air pollution, as well as new or additional adverse health effects from it, even if the trend of industrial urbanization gains further momentum. Fujitsu is also supporting the creation of a basic research platform for predictive modeling of VOC emission dispersion by Thailand's Chulalongkorn University. Once complete, the models developed will form the basis of an early warning system for local residents should a serious air pollution incident occur.

Fujitsu will keep working with the government of Thailand, leveraging this project as a model case for a comprehensive environmental monitoring system that will assist Thailand in becoming a greener society.

(Note) NEDO: New Energy and Industrial Technology Development Organization (NEDO) of Japan

Map Ta Phut industrial estate in Thailand

Promoting Conservation of Biodiversity through IT Utilization

Today, 25% of the world's mammals and 13% of all birds face extinction caused by overhunting, erosion of natural habitats, and ecosystem changes. Preserving biodiversity has thus become a major global issue.

The Fujitsu Group, in partnership with a broad range of internal and outside stakeholders, is involved in efforts to conserve biodiversity through ICT utilization. In Hokkaido, Japan, for example, the Group took part in a project in the village of Tsurui to protect Japanese cranes, in cooperation with the Wild Bird Society of Japan. Fujitsu's role was to conduct remote monitoring studies to examine the effectiveness of natural feeding grounds. Because of deep snow in the area, researchers could previously be sent to the feeding grounds only twice a month. With the installation of multi-sensing units by Fujitsu, it is now possible to capture images from the site every 10 minutes, with the data then transferred to a nature center. This innovation has enhanced survey accuracy, and also revealed that feeding sites are actually used by multiple flocks of cranes, rather than exclusively by one flock as had previously been thought.

Multi-sensing unit installed at natural feeding ground for Japanese cranes

Image taken by a multi-sensing unit

VOICE: Feedback from Conservation Partner

Wild Bird Society of Japan
Sanctuary Office
Tsurui-Ito Tancho
Sanctuary
Chief Ranger
Shigeo Arita

Japanese cranes rely on food that humans supply during the winter. The Wild Bird Society of Japan is working to create a natural winter feeding ground so that these birds can feed themselves in winter. Now that the prepared feeding ground is continuously monitored, we can measure effectiveness and improve upon future efforts. By broadening these initiatives, we hope to make headway in preserving an environment that helps cranes to better survive the winter.

Priority 3 Embracing Diversity and Inclusion

Fujitsu is promoting diversity in its human resources so that its employees and organizations can grow together. By having employees mutually respect what each has to offer and capitalize on their own value, the goal is to generate new knowledge and technology through free and open debate from diverse viewpoints.

Supporting More Active Participation by Female Employees

Beyond quantitative targets alone, Fujitsu enacts various measures to support female employees in assuming a more active role in corporate life.

Female Leadership Development Program

To facilitate the long-term careers of its female employees, Fujitsu offers this program so that participants can experience a growth model that allows them to overcome personal limitations in a focused and conscious manner. This initiative is an effort to groom leaders and future managers among its female workforce.

Designed to boost awareness of career options and develop managerial skills, this program, which takes place over approximately one year, concludes with each of the teams utilizing its own perspective and what was learned through the program to offer suggestions to management.

Numerical Targets for 2020
(Make the percentage of newly appointed female managers identical to that of female employees)

- Percentage of female employees --- 20%
- Percentage of newly appointed female managers ------------------- 20%

The Female Leadership Development Program

VOICE: Feedback from Employees

Enterprise Server Business Division
Product Planning Department
Rumi Nagashima

Active participation by employees with lower-limb disabilities

During my job interview, I was never asked about disability. The questions I was asked instead were, "What sort of work do you want to do for Fujitsu?" and "What kind of support would you need to make that happen?" Those questions made a huge impression on me. More importantly, this stance as a company hasn't changed at all since I joined. As long as I can explain myself logically to my supervisors and senior colleagues, they have been willing to entrust more and more jobs to me. I go on business trips, and when I do overtime it's often unsupervised.

The department handles products that support social infrastructure. I have a strong sense of responsibility as a member of that team, and hope to always stay mindful in my job of my own growth and that of my team colleagues.

VOICE: Feedback from Employees

Global HR Department, UK&I Sub-department Senior Director (Rewards)
Allison Dalley

Employees who telecommute

I live on the south coast of the United Kingdom. I joined the company nearly 6 years ago.

My role is Global VP of Reward.

My working day consists of many calls and dialogues with my global HR Director (based in Japan), executives, colleagues and team members around the world, ranging across an 18-hour spread of time zones from Australia to the West Coast of the United States.

My conference calls and meetings start as early as 6.00 a.m. and finish late into the evening.

Given where I live, I have a 2.5-hour commute, the company has therefore allowed me to work remotely from the company offices by setting me up with a Fujitsu 'office at home'. I have a company landline phone and headset, broadband, laptop and ergonomically tested chair from which I work 2 to 3 days a week when I am not commuting to the main company offices for face-to-face meetings, Ciscos or travelling abroad on business.

This flexibility is common practice in many companies and reduces both office costs (I have no designated company office space allocated to me) and the travelling/commuting costs for the company. From a personal perspective, I am able to adjust my working day and week to accommodate the global (and therefore somewhat antisocial) nature of my role so that I manage all the relevant activities while still having quality time with my family and some work-life balance.

Priority 4 Developing Human Resources that Contribute to Society and the Environment

Fujitsu will contribute to social development through business activities by fostering global business leaders capable of executing business strategy and creating social value.

Global Organization Leadership Development Program (GOLD)

Global Organization Leadership Development (GOLD) is a program that seeks to foster the next generation of leaders who will spearhead business at Fujitsu Group companies overseas. In addition to imparting strategic thinking and leadership skills, GOLD helps participants gain a better understanding of Fujitsu's history and business.

The select group of middle-level managers worldwide chosen for the program visit Fujitsu bases in Europe, Asia, North America and Japan to deepen their understanding of business and cultural characteristics unique to each region. These visits reinforce human networks that transcend regional boundaries and go beyond the limited framework of a training program. As such, GOLD has evolved into an opportunity to create new value.

Group photo of GOLD program participants

Priority 5 Communicating and Collaborating with Stakeholders

When considering the needs of customers, the Fujitsu Group always takes into consideration the broader implications in terms of the sustainability of society and the global environment. The Fujitsu Group is committed to listening closely to feedback from various stakeholders, including customers, shareholders and other investors, business partners, and local communities, and to answering their expectations. Through this process, we seek to continuously improve our corporate value.

Dialogue Sessions with Guest Experts

We have defined priority fields for realizing a prosperous society of the future in 2020, by gathering input from a range of experts invited to dialogue sessions.

First Session
Global priorities and future business

Discussion on businesses that contribute to developing countries by resolving key issues through ICT.

Second Session
Environmental/sustainability priorities and businesses

Discussion on businesses that should be prioritized to build a resilient society from global and environmental perspectives.

Third Session
Integration of social priorities into management

Discussion on approaches to integrating CSR into management and message dissemination.

Fourth Session
Exploring Fujitsu's future direction

Discussion on future policies, specifically how to utilize core businesses to solve social issues, based on the previous three dialogue sessions.

Three Powers of ICT (Priority Fields for a Prosperous Society of the Future in 2020)

In the run-up to 2020, the Fujitsu Group will embrace the challenge of transforming society through the three powers of IT.

1. The Power to Shape the Future

Solve difficult global challenges and social issues through computing

- Demonstrate world-class technology leadership to step as far as possible into the future
- Expand the provision of solutions designed to address priorities (food, healthcare, education, etc.)
- Achieve our environmental vision—a low-carbon, prosperous society

2. The Power to Provide Equal Opportunity to All People

Develop user-friendly terminals and interfaces, along with frameworks for promoting ICT implementation in developing countries

- Develop terminals and devices targeting 4 billion Internet users
- Execute businesses that provide opportunities on a global basis
- Conduct field surveys in developing countries, and develop partnerships

3. The Power to Support Safe and Secure Living

Ensure stable operation of social ICT infrastructure and cyber security

- Help to build a value-creation platform, eyeing an era when virtually everything is connected to the Internet
- Achieve stable operation of world-class IT systems
- Develop and strengthen cyber security solutions

Socially Responsible Investment (SRI)

Fujitsu has been incorporated into the SRI stock indexes and SRI funds listed below.

Name of Index	Rating Company
Dow Jones Sustainability Indexes (Asia Pacific)	Dow Jones Indexes (U.S.), SAM Group (Switzerland)
FTSE4Good Index Series	FTSE International, Ltd. (UK)
oekom research	oekom research AG (Germany)
Morningstar Socially Responsible Investment Index	Morningstar Japan K.K.

Name of Fund	Operating Company
Sumishin SRI Japan Open (Good Company Fund)	Sumishin Asset Management Co., Ltd. (As of April 2012)
Sompo Japan Green Open (Buna no Mori)	Sompo Japan Nipponkoa Asset Management Co., Ltd. (As of April 2012)
Mitsubishi UFJ SRI Fund (Family Friendly Fund)	Mitsubishi UFJ Asset Management Co., Ltd. (As of February 2012)
Nikko Eco Fund	Nikko Asset Management Co., Ltd. (As of May 2012)
Nihon Kabushiki SRI Fund	Sumitomo Mitsui Trust Asset Management Co., Ltd. (As of April 2012)

Management

(As of June 30, 2012)

Michiyoshi Mazuka

Chairman

Birth: October 17, 1943
Apr. 1968 Joined Fujitsu FACOM CO., Ltd.
Apr. 1971 Joined Fujitsu Limited
Jun. 2001 Member of the Board
Jun. 2002 Corporate Vice President
Apr. 2003 Corporate Senior Vice President
Jun. 2005 Member of the Board Corporate Executive Vice President
Jun. 2006 Corporate Senior Executive Vice President and Representative Director
Jun. 2008 Chairman and Representative Director
Sep. 2009 Chairman, President and Representative Director
Apr. 2010 Chairman and Representative Director
Jun. 2012 Chairman and Director*

Masami Yamamoto

President

Birth: January 11, 1954
Apr. 1976 Joined Fujitsu Limited
Jun. 2004 Executive Vice President, Personal Systems Business Group
Jun. 2005 Corporate Vice President
Jun. 2007 Corporate Senior Vice President
Jan. 2010 Corporate Senior Executive Vice President
Apr. 2010 President
Jun. 2010 President and Representative Director*

Masami Fujita

Corporate Senior Executive Vice President

Birth: September 22, 1956
Apr. 1980 Joined Fujitsu Limited
Dec. 2001 General Manager, Secretary's Office
Jun. 2006 Corporate Vice President
Jun. 2009 Corporate Senior Vice President
Apr. 2010 Corporate Senior Executive Vice President
Jun. 2010 Corporate Senior Executive Vice President and Director
Jun. 2012 Corporate Senior Executive Vice President and Representative Director*

Hideyuki Saso

Corporate Senior Executive Vice President

Birth: December 18, 1952
Apr. 1976 Joined Fujitsu Limited
Apr. 2006 Senior Vice President, Mobile Phones Unit
Jun. 2007 Corporate Vice President
Jun. 2009 Corporate Senior Vice President
Apr. 2010 Corporate Senior Executive Vice President
Jun. 2012 Corporate Senior Executive Vice President and Representative Director*

Hiroshi Oura

Director

Honorary Advisor, Advantest Corporation

Birth: February 14, 1934
Apr. 1956 Joined Fujitsu Limited
Jul. 1978 General Manager, Corporate Planning Division
Jun. 1985 Member of the Board
Jun. 1988 Corporate Senior Vice President (until Jun.1989)
Jun. 2003 Director*

Jun. 1989 Representative Director, President, Advantest Corporation
Jun. 2001 Representative Director, Chairman of the Board
Jun. 2005 Director and Senior Executive Advisor
Jun. 2007 Senior Executive Advisor
Jun. 2010 Honorary Advisor*

Haruo Ito

Director

Senior Advisor, Fuji Electric Co., Ltd.

Birth: November 9, 1943
Apr. 1968 Joined Fuji Electric Co., Ltd.*1
Jun. 1998 Director, Fuji Electric Co., Ltd.*1
Oct. 2003 President and Representative Director, Fuji Electric Systems Co., Ltd.*1
Jun. 2006 President and Representative Director, Fuji Electric Holdings Co., Ltd.*1
Apr. 2010 Director and Senior Advisor
Jun. 2010 Senior Advisor*

Jun. 2007 Director, Fujitsu Limited*

Yoko Ishikura

Director

Professor, Keio University

Birth: March 19, 1949
Jul. 1985 Manager of Tokyo office, McKinsey & Company, Inc.
Apr. 1992 Professor, School of International Politics, Economics and Business, Aoyama Gakuin University
Apr. 2000 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
Apr. 2004 Outside Director, Japan Post
Oct. 2005 Vice President, Science Council of Japan
Jun. 2010 Director, Fujitsu Limited*
Apr. 2011 Professor, Graduate School of Media Design, Keio University*

* to present
*1 currently Fuji Electric Co., Ltd.

Kenji Ikegai

Corporate Senior Executive Vice President

Birth: January 1, 1952
Apr. 1976 Joined Fujitsu Limited
Jun. 2004 President, Local Government Solutions Unit
Jun. 2006 Corporate Vice President
Apr. 2010 Corporate Senior Executive Vice President
Jun. 2012 Corporate Senior Executive Vice President and Representative Director*

Kazuhiko Kato

Corporate Executive Vice President

Birth: November 13, 1951
Apr. 1976 Joined Fujitsu Limited
Jun. 1996 General Manager, Controller and Accounting Division
Jun. 2001 Member of the Board
Jun. 2002 Corporate Vice President
Jun. 2006 Corporate Senior Vice President
Jun. 2008 Corporate First Senior Vice President, CFO*, *[2]
Apr. 2010 Corporate Executive Vice President
Jun. 2010 Corporate Executive Vice President and Director*

Masahiro Koezuka

Corporate Executive Vice President

Birth: December 14, 1951
Apr. 1974 Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)
Jul. 2003 Cabinet Councillor
Sep. 2005 Director-General, Industrial Science and Technology Policy and Environment Bureau
Jul. 2006 Director-General, Commerce and Information Policy Bureau
Jul. 2007 Commissioner, Japan Patent Office
Aug. 2009 Advisor, Fujitsu Limited
Apr. 2010 Corporate Executive Vice President, CSO*, *[3]
Jun. 2010 Corporate Executive Vice President and Director*

Takashi Okimoto

Director
President, Chuo Real Estate Co., Ltd.

Birth: November 14, 1950
Apr. 1973 Joined the Dai-Ichi Kangyo Bank, Ltd.*[4]
Jun. 2001 Corporate Officer, the Dai-Ichi Kangyo Bank, Ltd.*[4]
Apr. 2002 Corporate Officer, Mizuho Corporate Bank, Ltd.
Oct. 2002 Managing Corporate Officer, Mizuho Corporate Bank, Ltd.
Apr. 2005 Deputy President, (Representative Director) Mizuho Corporate Bank, Ltd.
Jun. 2007 Representative Director, Chairman and Corporate Officer, Orient Corporation
Jun. 2011 Director, Fujitsu Limited*
Jun. 2011 Chairman, Seiwa Sogo Tatemono Co., Ltd.
Jun. 2012 President and Representative Director, Chuo Real Estate Co., Ltd.

Shotaro Yachi

Director
Professor, Institute of Japan-US Studies, Organization for Japan-US Studies, Waseda University

Birth: January 6, 1944
Apr. 1969 Joined Ministry of Foreign Affairs
Jul. 1996 Consul General in Los Angeles
Aug. 1999 Director-General, Treaties Bureau
Jan. 2001 Director-General, Foreign Policy Bureau
Oct. 2002 Assistant Chief Cabinet Secretary
Jan. 2005 Vice-Minister for Foreign Affairs
Jan. 2008 Retirement from Ministry of Foreign Affairs
Apr. 2008 Professor, Institute of Japan-US Studies, Organization for Japan-US Studies, Waseda University*
Jun. 2012 Director, Fujitsu Limited*

*[2] CFO: Chief Financial Officer
*[3] CSO: Chief Strategy Officer
*[4] currently Mizuho Corporate Bank, Ltd. and Mizuho Bank, Ltd.

AUDITORS

Statutory Auditors
Masamichi Ogura
Akihiko Murakami
Yoshikazu Amano

Auditors
Megumi Yamamuro
Professor, Nihon University Law School
Hiroshi Mitani
Special Counsel, TMI Associates

CORPORATE EXECUTIVE OFFICERS

President
Masami Yamamoto

Corporate Senior Executive Vice Presidents
Masami Fujita
Hideyuki Saso
Kenji Ikegai

Corporate Executive Vice Presidents
Kazuhiko Kato
Masahiro Koezuka

Corporate Senior Vice Presidents
Hirokazu Uejima
Tsuneo Kawatsuma
Masaaki Hamaba
Akira Yamanaka
Bunmei Shimojima
Takashi Mori
Norihiko Taniguchi
Chikafumi Urakawa
Noriyuki Toyoki
Nobuo Otani
Rod Vawdrey
Yoshikazu Kudoh
Kazuhiro Igarashi
Yoshihiko Hanada

Corporate Vice Presidents
Takashi Yagi
Takanori Katayama
Hirofumi Gouda
Yutaka Abe
Tamotsu Inoue
Shinichi Koizumi
Mitsutoshi Hirono
Akira Kabemoto
Kuniaki Saito
Mitsuya Yasui
Hiroyasu Takeda
Hidehiro Tsukano
Sanya Uehara
Hiroyuki Ono
Takashi Yamada
Takato Noda
Hiromu Kawakami
Kiyoshi Handa
Kazuhiko Ogawa
Yoshiki Kondou
Motoyuki Ozawa
Tango Matsumoto
Tatsuya Tanaka
Atsuo Yatagai
Kazuo Imada
Toshiharu Kitaoka
Hiroaki Kondo
Shingo Kagawa
Hidenori Furuta
Katsumi Takada

Statutory Auditor Interview

Fujitsu recognizes that stronger corporate governance is vital to achieving greater growth and enhancing its corporate value as a global ICT company. In this interview, we spoke with statutory auditor Masamichi Ogura about the current state of Fujitsu's corporate governance structure and the specific role of auditors within that framework.

When auditing, I strive to maintain a fair and unbiased approach to my work at all times, so that I can better respond to the roles and expectations of all stakeholders.

Masamichi Ogura
Statutory Auditor

PROFILE

(Birth: June 30, 1946)
Apr. 1969 Joined Fujitsu
Apr. 2000 Executive Vice President, Electronic Devices Business Unit
June 2000 Director
June 2002 Managing Corporate Officer
Apr. 2003 Corporate Executive Vice President
June 2003 Member of the Board
Corporate Executive Vice President/CFO
June 2006 Corporate Senior Executive Vice President and
Representative Director/CFO
June 2008 Statutory Auditor

Q1: What do you consider an auditor's role and mission to be?

Auditors are independent entities charged with safeguarding shareholder interests. In this capacity, they audit the actions of directors, corporate executive officers, managing directors, and other senior management to promote sound, sustainable growth. In short, auditors have the responsibility of ensuring corporate governance that merits society's trust. The audits that we auditors perform are of two types—accounting audits and business execution audits. Accounting audits are audits of financial and supplementary documentation.

Fujitsu is a company that employs accounting auditors, so they are responsible for the initial accounting audit, with the Fujitsu auditors judging the validity of the auditing methods used and the results. As for business execution audits, here we audit whether the directors are fulfilling their duties in compliance with legal regulations and Fujitsu's own articles of incorporation. The auditors also check that there are no violations of duty of care by the directors as good managers.

Simply put, these actions mean that the auditors' role is to stand in place of shareholders to check whether management is doing its job properly. Our job is not to stand on the outside and point fingers, but to view the Company from a different standpoint than management. If problems do arise, one of our most important duties is to advise management on ways to take the Company in a more positive direction.

Auditors also have another vital role, which is to check on the status of development and operation of Fujitsu's internal control system. The internal control system is a basic structure that, among other things, enables a company to autonomously comply with legal regulations and to conduct risk management. The board directors are responsible for the development and operation of this system. In the case of Fujitsu, the auditors receive regular reports on the system's operational status from the Fujitsu Way Unit, the department overseeing Fujitsu's internal control system. We also coordinate with the Internal Auditing Division and the accounting auditors to check whether the internal control system is functioning properly through the use of PDCA cycles.

Q2: What approach do you personally strive to bring to your work as an auditor?

Auditors have a weighty responsibility. For this reason, we have to always approach our work with a healthy sense of skepticism, and be resigned to the fact that we will occasionally have to face off against management. There are three things in particular that I personally strive for. First, I pay close attention to the character of those involved in management, and not only managers at the parent company. On any given day, I am in close contact with managers at domestic and overseas Group companies, as well as various department managers working at our business sites. Through repeated conversations with them, I eventually get a multifaceted understanding of them as a person, including their personal stance and capacity.

The second thing I strive for is to stay abreast of changes. The environment both in and outside of a company is in a constant state of flux. Since critical management issues are rarely resolved overnight, I do my best to gauge a company's ability to respond to such issues by examining its past, present and probable future approach, its speed in addressing such issues, and the real and predicted outcomes.

Third, I act from a group management perspective. The Fujitsu Group is home to roughly 540 consolidated subsidiaries. I visit worksites to get direct input from those on the ground about where Group resources overlap and where room for mutual flexibility exists. From there, I try to envisage the potential for making operations more efficient.

When I became an auditor after having been directly involved in management as a vice president, I found that I had to examine the basic starting points that underlie management from square one. Furthermore, the connections and networks cultivated over my decades at Fujitsu have become useful aids in fulfilling my current role as an auditor.

Q3: What is your personal assessment of Fujitsu's governance structure?

For a global ICT company like Fujitsu, the pressure is on to strengthen management transparency, management oversight, and other aspects of corporate governance. From an early stage, Fujitsu sought to answer these calls by recruiting highly independent outside officers.

The outside directors and outside auditors have an objective perspective grounded in their own specialist knowledge, which they bring to the task of monitoring the board's decision-making process. Consequently, when it comes to how the Board of Directors is managed, the atmosphere is one in which the directors, on the business execution side, are responsible for explaining their actions to the outside officers and the auditors. Last fiscal year, Mr. Yoshikazu Amano, a former statutory auditor for Toyota Motor Corporation, joined our ranks as a statutory auditor for Fujitsu. My sense is that Fujitsu will continue to benefit from an awareness of new management issues thanks to the observations he offers from his own experience in managing and auditing a global corporation.

By combining the efforts of outside officers and auditors in this way, we are working hard to make corporate governance even stronger.

Q4: To wrap up, what issues lie ahead for Fujitsu, and what are your expectations for the Company?

Based on what I see as an auditor, there are two key issues. The first is new risks that will materialize from changes in the business environment. More to the point, as global development of the cloud business and ICT services quickens, this will likely spark changes not only in the surrounding business environment but in Fujitsu's own business. As an auditor, I need to monitor the situation closely to be sure that Fujitsu is coping well with the associated risks.

The other issue is responding to corporate misconduct. This is an area where the original role of the auditor comes into play. Fujitsu has no problems in this respect at the moment. But several well-known companies have been rocked by major scandals in recent years. This situation has deeply impressed upon me that auditors bear a great deal of responsibility for upholding good corporate governance. No matter the circumstances, auditors need to be fair and unbiased, and to stand firm in performing their duties.

As for my expectations going forward, let me say that if Fujitsu is determined to develop as a global ICT company, then it has to be capable of offering services well into the future and earn its customers' trust. For these reasons, in addition to a sound financial base, Fujitsu must be brimming with a desire to achieve this vision; and this desire must be shared by employees and management alike. It is also crucial that Fujitsu be a transparent company where corporate governance functions as it should. My sincere hope is that Fujitsu continues to clear these benchmarks and finds further growth as a company of excellence.

Corporate Governance

The following Fujitsu-prepared translation of the revised Fujitsu Limited Corporate Governance Report is provided for reference only. The original Japanese-language report was filed with the Tokyo Stock Exchange on June 25, 2012 under TSE securities code 6702.

I. Basic Stance on Corporate Governance and Other Basic Information

1. Basic Stance

The Fujitsu Group's corporate philosophy is articulated as the "Fujitsu Way," comprised of our Corporate Vision, Corporate Values, Principles, and Code of Conduct. By sharing and practicing the Fujitsu Way, we aim to continuously enhance the value of the enterprise through the continuous growth and development of the Fujitsu Group.

In order to continuously raise the Fujitsu Group's corporate value, along with pursuing management efficiency it is also necessary to control the risks that arise from business activities. Recognizing that strengthening corporate governance is essential to achieving this, the Board of Directors has articulated the Basic Stance on Internal Control Framework, and these measures are continuously implemented.

Furthermore, by separating management oversight and operational execution functions, we aim to accelerate the decision-making process and clarify management responsibilities. Along with creating constructive tension between oversight and execution functions, we are further enhancing the transparency and effectiveness of management by proactively appointing outside directors.

With respect to group companies, we are pursuing total optimization for the Fujitsu Group by clarifying each group company's role and position in the process of generating value for the group as a whole and managing the group to continuously enhance its corporate value.

2. Policy on Measures for Protecting Minority Shareholders When Carrying out Transactions with Controlling-Interest Shareholders

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3. Other Particular Factors that May Have an Important Impact on Corporate Governance

Among our consolidated subsidiaries and equity method affiliates, the following companies are publicly listed on Japanese stock exchanges:
<Consolidated Subsidiaries>
Fujitsu Frontech Limited, Fujitsu Broad Solution & Consulting Inc., NIFTY Corporation, Shinko Electric Industries Co., Ltd., FDK Corporation, Fujitsu Component Limited.
<Equity Method Affiliates>
Fujitsu General Limited

While we respect the autonomy of our publicly listed subsidiaries, we require them to receive our prior authorization when they use "Fujitsu" as a trade name or trademark. In addition, while they are responsible for decisions regarding nominations and compensation for members of the board, we are notified in advance regarding member of the board candidates and levels of compensation. Regarding the setting of budget plans and revisions as well as financial performance, because their results impact our consolidated earnings, to the extent that it is reasonable, we are kept informed.

II. Status of Management Control Organization for Management Decision-Making, Operational Execution and Oversight, and Other Corporate Governance Structural Features

1. Matters Regarding Institutional Structure and Organizational Operation

Type of Organization	Corporation with Auditors

[Board of Directors]

Number of Directors Under the Articles of Incorporation	15
Term of Directors Under the Articles of Incorporation	1 year
Board Chair	Chairman (except when concurrently acting as President)
Number of Directors	12
Appointment of Outside Directors	Yes
Number of Outside Directors	4
Number of Outside Directors Designated as Independent Directors	4

Relationship with Company (1)

Name	Type of Affiliation	Relationship with Company *[1]								
		a	b	c	d	e	f	g	h	i
Haruo Ito	From other company			○	○				○	○
Yoko Ishikura	Scholar				○				○	
Takashi Okimoto	From other company				○				○	
Shotaro Yachi	Other				○				○	

*[1] Categories Describing Relationship with Company
a: From parent company
b: From other affiliated company
c : Principal shareholder of subject company
d: Concurrently serves as outside director or outside auditor of other company
e: Director or executive officer of other company
f : Close relative by blood or marriage to director or executive officer of the subject company or other designated interested party
g: Receives compensation or other material benefit as senior executive of parent company or subsidiary of the subject company
h: Has limited liability contract with subject company
i : Other

Relationship with Company (2)

Name	Independent Officer	Supplemental Explanation of Relationship	Reason Appointed as Outside Director (Including reason for designation as independent officer where applicable)
Haruo Ito		Fujitsu holds 9.96% of the shares of Fuji Electric Co., Ltd., and a former representative director of Fujitsu serves as a Director of Fuji Electric. Both the former representative director and Mr. Ito were expressly recruited for their respective appointments based on the management credentials each possesses, and there is no risk that Mr. Ito's independence would be compromised in any way. Similarly, Fujitsu and the Fuji Electric Group have business dealings. However, taking into account the scale of Fujitsu's sales, this is not considered material. Consequently, there is no risk that this business relationship would compromise Mr. Ito's independence.	Mr. Ito is a former Representative Director of Fuji Electric Co., Ltd., a major shareholder of Fujitsu. The Fuji Electric Group, including its retirement benefit trusts, as a whole holds an 11.20% equity stake in Fujitsu. Because, however, Mr. Ito has resigned his positions as Representative Director and Director of Fuji Electric Co., Ltd., Fujitsu has determined that there is no risk of a conflict of interest, and has reported to securities exchanges on which Fujitsu is listed in Japan notifying them that he is an independent director.
Yoko Ishikura	○	Professor, Graduate School of Media Design, Keio University	Ms. Ishikura has expertise for innovation and business strategies in global competition. Moreover, Ms. Ishikura has never been an executive of a major shareholder or major business partner of Fujitsu, or held another position that would compromise her independence. Fujitsu therefore has identified her as an independent director in reports to stock exchanges in Japan.
Takashi Okimoto	○	Mr. Okimoto is a former Representative Director of Mizuho Corporate Bank, Ltd., which is a major (fourth-largest) lender to the Fujitsu Group. Because, however, the current balance of funds Fujitsu has borrowed from Mizuho Corporate Bank is insignificant, there is no risk that Mr. Okimoto's independence would be compromised. Mr. Okimoto is also a former Representative Director of Orient Corporation, a company with which Fujitsu has business dealings. However, taking into account the scale of Fujitsu's sales, this is not considered material. Consequently, there is no risk that this business relationship would compromise Mr. Okimoto's independence.	Mr. Okimoto has many years of experience in corporate management. In addition to the information detailed in the "Supplemental Explanation of Relationship," more than four years have passed between the time Mr. Okimoto resigned as Representative Director of the bank and assumption of his position as Director of Fujitsu. Fujitsu has thus determined that there is no risk of a conflict of interest in representing the interests of regular shareholders, and has reported to securities exchanges on which the Company is listed in Japan notifying them that he is an independent director.

Shotaro Yachi	○	–	The Company proposes that Mr. Yachi be appointed as an Outside Director in light of his deep political and economic insights from a global perspective based on his many years of involvement in foreign policy at the Ministry of Foreign Affairs of Japan. Furthermore, Mr. Yachi is not a major shareholder nor has he held an executive management position with a major trading partner of the Company, and therefore the Company believes he is independent. Fujitsu therefore has identified him as an independent director in reports to stock exchanges on which the Company is listed in Japan.

[Board of Auditors]

Existence of Board of Auditors	Yes
Number of Auditors Under the Articles of Incorporation	5
Number of Auditors	5

Coordination between Auditors, Accounting Auditors, and Internal Auditing Division

The accounting auditor, Ernst & Young ShinNihon LLC, reports to the Board of Auditors concerning the audit plan and results. The accounting auditor also conducts exchange of opinions when needed and carries out coordinated audits of business operations.

The Corporate Internal Audit Unit (with 64 members) serves as an internal audit group. This unit audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Corporate Internal Audit Unit reports once a month as a rule to the statutory auditors on the audit plans and results of internal audits, including matters relating to group companies, and makes regular reports (once every quarter as a rule) to the Board of Auditors and the accounting auditors.

Appointment of Outside Auditors to the Board of Auditors	Yes
Number of Outside Auditors	3
Number of Outside Auditors Designated as Independent Officers	3

Relationship with Company (1)

Name	Type of Affiliation	Relationship with Company *[1]								
		a	b	c	d	e	f	g	h	i
Megumi Yamamuro	Attorney				○				○	
Hiroshi Mitani	Attorney				○				○	
Yoshikazu Amano	From other company								○	

*[1] Categories Describing Relationship with Company
a: From parent company
b: From other affiliated company
c: Principal shareholder of subject company
d: Concurrently serves as outside director or outside auditor of other company
e: Director or executive officer of other company
f: Close relative by blood or marriage to director or executive officer of the subject company or other designated interested party
g: Receives compensation or other material benefit as senior executive of parent company or subsidiary of the subject company
h: Has limited liability contract with subject company
i: Other

Relationship with Company (2)

Name	Independent Officer	Supplemental Explanation of Relationship	Reason Appointed as Outside Auditor (Including reason for designation as an independent officer where applicable)
Megumi Yamamuro	○	Professor, Nihon University Law School	Mr. Yamamuro has extensive experience in the legal field and extensive knowledge of legal matters, including Japan's Company Law. Mr. Yamamuro has never been an executive of a major shareholder or major business partner of Fujitsu, or held another such position that would compromise his independence. Since he is independent, the company has identified Mr. Yamamuro as an independent auditor in reports to stock exchanges in Japan.

Hiroshi Mitani	○	Special Counsel, TMI Associates	Mr. Mitani has a deep understanding of not only legal affairs, but also of economic, social, and other factors that affect the management of a company due to his service as a public prosecutor and as a member of the Fair Trade Commission. Mr. Mitani has never been an executive of a major shareholder or major business partner of Fujitsu, or held another such position that would compromise his independence. Since he is independent, the company has identified Mr. Mitani as an independent auditor in reports to stock exchanges in Japan.
Yoshikazu Amano	○	Mr. Amano is a former Senior Managing Officer of Toyota Motor Corporation, a company with which Fujitsu has business dealings. However, taking into account the scale of Fujitsu's sales, this is not considered material. Consequently, there is no risk that this business relationship would compromise Mr. Amano's independence.	Mr. Amano has experience in corporate management at a global corporation. In addition to the information detailed in the "Supplemental Explanation of Relationship," Mr. Amano has never been an executive of a major shareholder or major business partner of Fujitsu, or held another position that would compromise his independence. Fujitsu therefore has identified him as an independent director in reports to stock exchanges on which the Company is listed in Japan.

[Independent Officers]

Number of Independent Officers	7

Other Issues Relating to Independent Officers

All outside officers qualified to serve as independent officers are identified as such.

[Incentives]

Implementation Status of Incentive Policies for Directors	Introduced bonus system linked to the performance of the company

Supplemental Explanation

To achieve clear management accountability, with respect to compensation paid to directors, we utilize basic compensation, specifically a fixed monthly salary in accordance with position and responsibilities; stock-based compensation, which is a long-term incentive that emphasizes a connection to shareholder value; and bonuses, which are compensation linked to short-term business performance. At the 107th Annual Shareholders' Meeting held on June 22, 2007, a resolution terminating the retirement allowance system for directors was passed.

Stock Option Eligibility	–

[Compensation of Directors]

Disclosure of Individual Director's Compensation	Partial disclosure only

Supplemental Explanation

Total consolidated compensation is disclosed for individual directors and auditors only if they were paid 100 million yen or more.

Total compensation and total compensation by type for directors and auditors who were paid 100 million yen or more during fiscal 2011 is as follows.

- Michiyoshi Mazuka, Representative Director and Chairman

From Fujitsu:	113 million yen (Basic compensation of 84 million yen, stock-based compensation of 8 million yen and bonuses of 20 million yen)
From consolidated companies:	–
Total:	113 million yen (Basic compensation of 84 million yen, stock-based compensation of 8 million yen and bonuses of 20 million yen)

- Masami Yamamoto, President

From Fujitsu:	113 million yen (Basic compensation of 84 million yen, stock-based compensation of 8 million yen and bonuses of 20 million yen)
From consolidated companies:	–
Total:	113 million yen (Basic compensation of 84 million yen, stock-based compensation of 8 million yen and bonuses of 20 million yen)

* The above bonus amount was a directors' bonus paid by resolution of the 112th Annual Shareholders' Meeting held on June 25, 2012.

Note: Michiyoshi Mazuka (Representative Director and Chairman) became Chairman of the Board of Directors at the close of the 112th Annual Shareholders' Meeting held on June 25, 2012.

For fiscal 2011, total compensation to directors and auditors was as follows:

• Directors	11 people, 522 million yen (Basic compensation of 409 million yen, stock-based compensation of 34 million yen and bonuses of 78 million yen)
Of which, compensation paid to outside directors:	4 people, 43 million yen (Basic compensation of 43 million yen)
• Auditors	6 people, 131 million yen (Basic compensation of 131 million yen)
Of which, compensation paid to outside auditors:	4 people, 55 million yen (Basic compensation of 55 million yen)

*1 The above includes directors and auditors who resigned or retired in fiscal 2011.

*2 The limit on remuneration to directors (including outside directors) was resolved to be 600 million yen per year at the 106th Annual Shareholders' Meeting held June 23, 2006. The limit on remuneration to auditors (including outside auditors) was resolved to be 150 million yen per year at the 111th Annual Shareholders' Meeting held June 23, 2011. The Company is paying the compensation shown in the above table.

*3 The above bonus amounts were decided at the 112th Annual Shareholders' Meeting held on June 25, 2012.

Policy on Calculation and Determination of Compensation Amounts	Yes

Disclosed Policy on Calculation and Determination of Compensation Amounts

Executive Compensation Policy

To secure exceptional human resources required to manage the Fujitsu Group as a global ICT company, and to further strengthen the link between its financial performance and shareholder value, while at the same time improving its transparency, Fujitsu establishes its Executive Compensation Policy as follows.

Executive compensation is comprised of the following: "Basic Compensation," specifically a fixed monthly salary in accordance with position and responsibilities; "Stock-based Compensation," which is a long-term incentive that emphasizes a connection to shareholder value; and "Bonuses" that are compensation linked to short-term business performance.

Basic Compensation

- Basic compensation is paid to all directors and auditors, in accordance with position and responsibilities, as compensation for work responsibilities with regard to management oversight and the carrying out of executive responsibilities.

Stock-based Compensation

- Stock-based compensation, intended for directors responsible for carrying out executive duties, is a long-term performance incentive, with the amount to be paid determined based on a qualitative evaluation of medium- to long-term initiatives.
- Stock-based compensation is to be paid for the purchase of the company's own shares. These purchases are to be made through the Director Stock Ownership Plan. Shares purchased for this purpose are to be held by each director for the term of his or her service.

Bonuses

- Bonuses are short-term performance incentives to be paid to directors who carry out executive responsibilities. The amount of a bonus is to reflect business performance in the respective fiscal year.
- As a specific method to calculate a bonus, Fujitsu will adopt a "Profit Sharing model" which uses consolidated operating income and consolidated net income as an index. However, bonuses will not be paid in the event of negative net income recorded under non-consolidated accounting.

In accordance with a resolution of the Annual Shareholders' Meeting, the total amount of basic compensation, stock-based compensation and bonuses shall not exceed 600 million yen per year for directors and 150 million yen per year for auditors.

[Support Structure for Outside Directors and Outside Auditors]

Certain staff members of the Secretary Office are responsible for providing support to outside directors and outside auditors. In addition, the Legal Unit (Secretariat of Board of Directors) and the Auditor's Office (Secretariat of Board of Auditors) are also responsible for providing support to outside directors and outside auditors. This responsibility involves complying with requests from outside directors or outside auditors to provide and explain information about Fujitsu or the entire Fujitsu Group that is required for management oversight or audits. Depending on the information, relevant business unit managers are made available to provide additional explanations. We also provide a dedicated webpage for all board members (directors and auditors) to use to access and discuss material relevant to Board of Directors' meetings, such as agenda items, before meetings are held in order to allow board members to gain a proper understanding of the material.

The above measures are intended to provide indirect support to help outside directors and outside auditors provide effective management oversight and auditing of the execution of duties throughout the entire Fujitsu Group by facilitating mutual communication during internal audits, statutory audits, and accounting audits.

2. Issues Relating to Functions for Business Execution, Auditing, Oversight, Nominating, and Compensation

Decisions Overview of Current Structure (Overview of Current Corporate Governance Structure)

The Company has a Board of Directors to serve as a body for overseeing management. The Board of Directors is responsible for management oversight, supervising the business execution functions of the President and Representative Director and the Management Council, an executive organ under its authority. Moreover, outside members of the board are actively recruited for positions in the Board of Directors in order to strengthen its oversight function. The Management Council deliberates upon fundamental policies and strategy regarding business management, as well as makes decisions on important matters regarding business execution. Issues discussed by the Management Council and a summary of its discussions are reported to the Board of Directors, which makes decisions on items of particular importance. In principle, the Management Council meets three times a month, but meetings may be convened whenever necessary.

The company has a Board of Auditors that performs the auditing function. The auditing function is carried out by auditors, who review the Board of Directors as well as business execution functions and attend important meetings, including meetings of the Board of Directors as well as the Management Council. The Auditing Support Division provides support for the audits by the auditors, and in order to promote the independence and effectiveness of the auditing, the company holds discussions with auditors prior to selecting candidates for positions in the division. Personnel with the appropriate qualifications are selected as division staff candidates, and as a general rule, as full-time staff.

The Board of Directors has 12 members, comprising eight internal directors and four outside directors, and the Board of Auditors has five members, comprising two internal auditors and three outside auditors. In order to better define the management responsibility of the directors, their terms were reduced from two years to one year in accordance with a resolution at the June 23, 2006 Annual Shareholders' Meeting.

In addition, the Corporate Internal Audit Unit (with 64 members) serves as an internal audit group. This unit audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Corporate Internal Audit Unit reports once a month as a rule to the statutory auditors on the audit plans and results of internal audits, including matters relating to group companies, and makes regular reports (once every quarter as a rule) to the Board of Auditors and the accounting auditors. The Corporate Internal Audit Unit includes a significant number of employees with specialist internal auditing knowledge, including Certified Internal Auditors (CIA), Certified Information Systems Auditors (CISA), and Certified Fraud Examiners (CFE).

The accounting auditor, Ernst & Young ShinNihon LLC, reports to the Board of Auditors concerning the audit plan and results. The accounting auditor also conducts exchange of opinions when needed and carries out coordinated audits of business operations. The four certified public accountants associated with Ernst & Young ShinNihon LLC who performed the accounting audit were Yasunobu Furukawa, Yuichi Mochinaga, Takao Kamitani, and Tsuyoshi Saita. In addition, they were assisted by a further 34 certified public accountants, 31 accounting assistants, and another 33 persons, all associated with Ernst & Young ShinNihon LLC.

The Fujitsu Way Promotion Council promotes internal control relating to the Fujitsu Way and financial reporting in the Fujitsu Group and forms the core of operations to upgrade and evaluate internal control for the Group. During internal control audits by the accounting auditor and statutory auditors, the Fujitsu Way Promotion Council holds regular meetings to provide and explain information as required. The council also provides and explains information to assist the Corporate Internal Audit Unit in performing internal audits.

The company established an Executive Nomination Committee and Compensation Committee in order to ensure the transparency and objectivity of the process for choosing candidates for the Board of Directors, determining their compensation and ensuring that the compensation system and levels are appropriate. The Executive Nomination Committee takes into consideration the current business climate and anticipated trends, and makes recommendations on candidates (draft) for the Board of Directors, choosing candidates having objectivity in making management decisions, foresight and perceptiveness, and a superior character. The Compensation Committee is tasked with making recommendations on executive salaries and methods for calculating bonuses linked to financial performance, taking into consideration compensation levels at other companies with similar business activities, business scale, and other factors. The aim of this activity is to retain superior management talent, and provide effective incentives for improving the company's financial performance.

3. Reasons for Selecting the Current Corporate Governance Structure

The current structure clarifies the management responsibility of members of the board, who, after their election at the annual meeting of shareholders, become involved in making decisions about important matters concerning the management of the company. Furthermore, the current structure maintains the robustness and efficiency of governance by having the dual features of (1) the mutual monitoring by the members of the board, and (2) the audits by the auditors. At the time of the introduction in Japan of the corporation-with-committees governance system, Fujitsu was using the corporation-with-auditors system, and since the auditors were performing the auditing function effectively, we have continued to use the system.

The company maintains the robustness of its governance system by having an effective auditing function in which auditors who are independent of the management perform objective audits, by actively appointing outside directors, and by having established the Executive Nomination Committee, Compensation Committee and an internal audit organization. Finally, to further improve efficiency, we have established a Management Council, which has accelerated decision-making and management execution.

III. Implementation of Policies Regarding Shareholders and Other Stakeholders

1. Initiatives to Enliven Annual Shareholders' Meetings and Facilitate Voting

	Supplemental Information
Distribute invitation notices to Annual Shareholders' Meeting early	To give shareholders sufficient time to exercise voting rights, we make efforts to send invitation notices three weeks prior to the Annual Shareholders' Meeting.
Schedule Annual Shareholders' Meeting to avoid busiest days of overlap with other corporations' annual meetings	To facilitate the attendance of as many shareholders as possible, since the Annual Shareholders' Meeting held in June 2001 we have scheduled our Annual Shareholders' Meeting to avoid the busiest days of overlap with other corporations' annual meetings.

Utilize electronic methods for exercise of voting rights	To improve convenience and facilitate the exercise of voting rights for shareholders who are unable to attend the Annual Shareholders' Meeting, since the Annual Shareholders' Meeting held in June 2002 we have accepted the exercise of voting rights through electronic methods, and since the Annual Shareholders' Meeting held in June 2006 we have been using a platform to allow institutional investors to electronically exercise voting rights.
Participation in Electronic Proxy Voting Platform and Other Measures to Enhance the Proxy Voting Environment for Institutional Investors	Fujitsu participates in the electronic proxy voting platform operated by Investor Communications Japan (ICJ) as part of its efforts to enhance the proxy voting environment for institutional investors.
Availability of English-language Notice of Convocation of Annual Shareholders' Meeting (summary of Japanese)	Fujitsu creates an English-language Notice of Convocation of the Annual Shareholders' Meeting (contents correspond to the Japanese invitation and business report) and sends the notice to foreign investors in order to promote a wider understanding of the proposals presented at the shareholders' meeting. The notice is disclosed on the Company website the same day it is sent to shareholders as part of our policy to disclose information in a prompt, accurate, and fair manner.
Other	To clarify the results of voting at the Annual Shareholders' Meetings, in addition to public notification of the results of the Shareholders' Meetings, beginning with the Annual Shareholders' Meeting held in June 2010, Fujitsu began posting the numbers of votes for and against each resolution on its website.

2. Investor Relations Activities

	Supplemental Information	Explanation by Company Representatives
Creation and Publication of Disclosure Policy	Fujitsu has established the following disclosure policy and made the policy available on its website. **Disclosure Policy** The Fujitsu Group's corporate philosophy is articulated as the "Fujitsu Way," comprised of our Corporate Vision, Corporate Values, Principles, and Code of Conduct. By sharing and practicing the Fujitsu Way, we aim to continuously enhance the value of the enterprise through the continuous growth and development of the Fujitsu Group. Our basic policy on disclosure is to enhance our management transparency by appropriate and timely disclosure of our business activities and financial information. This ensures that investors, shareholders, and all other stakeholders can understand how we are performing in enhancing our corporate value. **Basic Policy on Information Disclosure** Fujitsu emphasizes fairness and continuity in disclosure of information, in accordance with the Financial Instruments and Exchange Act and other laws and regulations, as well as the rules of the exchanges on which its shares are listed. Moreover, our policy is to be proactive in disclosing any information that we judge to be effective for helping shareholders, investors and other stakeholders to deepen their understanding of Fujitsu, even if such disclosure is not required by laws, regulations, or other rules. **Methods of Information Disclosure** Fujitsu uses prescribed information disclosure methods (TDnet, EDINET, etc.) to disclose information which it is required to disclose by law or regulation. Following disclosure, materials containing the disclosed information may be made available on the Company's website if deemed necessary. The Company may also disclose information which it is not required to disclose by law or regulation. In these cases, the Company will disclose the information as necessary, using an appropriate method of disclosure (press release, website disclosure, seminar presentation, etc.) based on the contents. **Forward-looking Statements** Forward-looking statements included in disclosed information are based on management's views and assumptions at the time the information was disclosed. A variety of changes in the internal and external business environment may cause actual results to differ materially from those expressed or implied in such statements. The Company strives to enhance the accuracy of forward-looking statements, and in cases where its outlook changes, the Company discloses the change as necessary using an appropriate disclosure method. **Silent Period** The Company institutes a silent period beginning the day after its quarterly financial settlement date until the day of the financial results announcement as a way to prevent financial information from being disclosed prior to the formal announcement. During the silent period, the Company does not respond to inquiries regarding its financial results. If the possibility arises that the Company's financial results will differ significantly from previous forecasts, however, the Company will disclose the change appropriately during the silent period.	

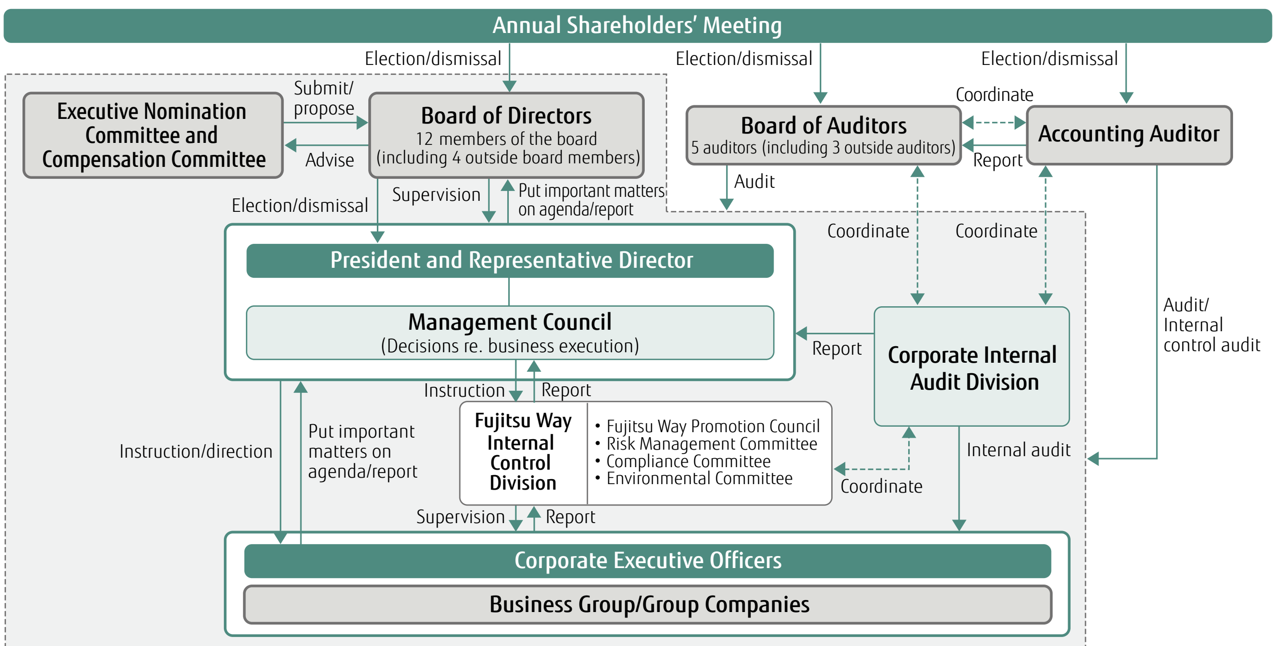
	Supplemental Information	Explanation by Company Representatives
Regular Presentations to Individual Investors	Although currently we do not hold presentations for individual investors, we have a dedicated IR website for individual investors (in Japanese). In addition, through the inquiry form on our IR website and other measures, we are working to improve relations with individual investors.	No
Regular Presentations to Analysts and Institutional Investors	We hold regular presentations, including presentations by the president on our management direction, presentations by the president and CFO on our earnings results, and presentations by various senior executives on business strategy for the operations they oversee. In addition, media are always invited to the briefings by the president, CFO, and heads of businesses, with the understanding that individual investors can thereby obtain information through reports that appear in the media.	Yes
Regular Presentations to Foreign Investors	The CFO meets with foreign institutional investors regularly. We also have IR managers stationed in Europe and the US who meet and communicate regularly with investors, not just at the time of earnings announcements. We also take materials from IR presentations held in Japan, translate them into English, and post them to our English IR website, including English translations of Q&A sessions.	Yes
Posting of IR Materials to Website	We post the Yukashoken Hokokusho (Financial Report) in Japanese and Jigyo Hokoku (Business Report) in Japanese and English, the Annual Report in Japanese and English, Tanshin (Financial Earnings) reports in Japanese and English, and various other IR presentation materials in Japanese and English. Also posted in English and Japanese is the Fujitsu Group Sustainability Report. Additionally, all materials accompanying the invitation notice to the Annual Shareholders' Meeting are posted on our website.	
Unit Dedicated to IR Activities	The officer in charge of IR activities is the CFO; the division in charge of IR activities is the Public and Investor Relations Division.	
Other	In addition to the above, along with posting materials from presentations made to institutional investors and securities analysts on our website, we broadcast streaming audio of these presentations.	

3. Initiatives in Consideration of the Position of Stakeholders

	Supplemental Explanation
Internal Company Rules Reflecting Consideration for the Position of Stakeholders	The philosophy and principle of the Fujitsu Way, the guide for the actions of the Group and its employees, is to bring about a prosperous future that fulfills the dreams of people throughout the world. As part of our Values, we strive to meet the expectations of all stakeholders, including customers, shareholders, investors, business partners, and employees.
Activities Promoting Environmental Protection and Corporate Social Responsibility	With respect to environmental activities, in the Values section of the Fujitsu Way, we clearly state that "in all our actions, we protect the environment and contribute to society," and we are continuing to actively pursue activities in this area. We are currently implementing programs based on Stage VI of the Fujitsu Group Environmental Protection Program (fiscal 2010, 2012). In March 2006, we extended our environmental management system to our overseas consolidated subsidiaries, receiving integrated global ISO 14001 certification. With respect to CSR activities, based on the Fujitsu Way, each business unit is promoting thorough adherence to our Code of Conduct and our customer-centric management perspective in order to earn the trust and meet the expectations of our stakeholders. Further details are listed in the Fujitsu Group Sustainability Report that we publish every year. Fujitsu also became a signatory to the UN Global Compact in December 2009, and has declared its intention to strengthen CSR activities from a global perspective. 2010 saw the publication of ISO 26000, an international standard for social responsibility, and revisions to the Nippon Keidanren's Charter of Corporate Behavior. These and other events show the increasing importance of approaching CSR from a long-term perspective. Under these conditions, the Fujitsu Group set out a Corporate Social Responsibility (CSR) policy in December 2010 that identifies five priority issues to be tackled.* Fujitsu will contribute to the sustainable development of the earth and society by promoting CSR activities that are integrated with management. * http://jp.fujitsu.com/about/csr/philosophy/policies/
Policies to Promote the Provision of Information to Stakeholders	With respect to our disclosure policies, we recognize that prompt and appropriate disclosure of company information to shareholders and investors as well as securities analysts is essential to the proper functioning of the securities markets, and we disclose information in compliance with the Securities and Exchange Law and regulations of the stock exchanges on which we are listed. Even if we are not legally required to do so under the regulations, and even if the content of the information is unfavorable to Fujitsu, if we deem the information to be material to investment decisions, our basic policy is to disclose the information in a manner that is prompt, accurate, and fair. Moreover, in consideration of the position of customers, communities, and other stakeholders, for information we deem necessary to disclose, including information that may be unfavorable to Fujitsu, our basic policy is to disclose the information in a manner that is prompt, accurate, and fair.

	Supplemental Explanation
Other	We are promoting a customer-centric management perspective in order to be a trusted and valued partner to our customers. In order that all employees adopt a customer-centric mindset and apply it to their daily work, we are deepening our commitment in each business unit to previously initiated management quality improvement activities and we are attempting to create an organizational framework to facilitate continuous improvement from a customer-centric perspective. As one specific initiative, among those ideas and suggestions received by Fujitsu customer care centers and contact lines, those concerning real issues about systems and organizations, not individual matters, are viewed as something that should be shared throughout the Fujitsu Group. Therefore, the specific details of these problems and examples of how they have been resolved are shared at regular meetings where Fujitsu Group executives are assembled. As a result, we have a heightened awareness of what our customers are saying and we can take positive action to make improvements.

IV. Basic Stance on Internal Control Framework and Status of Implementation



1. Basic Stance on Internal Control System and Status

[Basic Stance on Internal Control Framework]

The Company, through a resolution by the Board of Directors, has adopted the following basic stance on the framework for internal control (resolved on May 25, 2006, and revised on April 28, 2008).

1. Objective

The Fujitsu Way, which embodies the philosophy, values, principles, and code of conduct for the Fujitsu Group, describes the vision of the Fujitsu Group as follows: "Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world."

We believe that by conducting our activities in accordance with the Fujitsu Way, we maximize the value of the Fujitsu Group and enhance our contribution to the communities in which we operate and to society as a whole.

In addition, in order to continuously enhance the corporate value of the Fujitsu Group, it is necessary to pursue management efficiency and control risk arising from our business activities. Recognizing that it is essential to strengthen our corporate governance in order to accomplish this, we will continuously strive to implement the policies described below.

2. Systems to ensure the appropriateness of Fujitsu and Fujitsu Group business

(1) System to ensure efficient business execution by directors

a. At Fujitsu, there is a separation of the oversight and operational execution functions of management. The Board of Directors oversees the execution functions of the Management Council and other management bodies, and makes decisions on important matters. Among executive organs, the Management Council discusses and decides upon basic management policies and strategies and also decides upon important matters regarding management execution. Matters taken up by the Management Council, including discussion items, are reported to the Board of Directors, and any important issues are decided upon by the Board of Directors.

b. To strengthen the management oversight function, we proactively employ outside directors and auditors.

c. The Board of Directors clarifies the scope of authority for board directors, corporate vice presidents, and managing directors (hereafter collectively referred to as "senior management") as well as other business execution organs, and ensures that business is conducted in accordance with the division of business duties.

d. In performing their duties, senior management follows appropriate decision-making procedures, such as the Board of Directors Rules, Management Council Regulations, and Regulations on Corporate Decision-Making.

e. In addition to making employees thoroughly aware of management policies, senior management sets and achieves concrete goals in order to accomplish overall management goals.

f. To pursue operational efficiency, senior management promotes continuous improvement of internal control systems and reform of business processes.

g. By having senior management and other business execution organs provide monthly financial reports and business operation reports, the Board of Directors observes and oversees the status of achievement of management goals.

(2) System to ensure that business execution of directors and employees complies with laws and articles of incorporation

a. Senior management adheres to the Fujitsu Way as a basic vision for compliance issues, including compliance to laws and the articles of incorporation, and proactively promotes the Group's overall compliance on an ethical basis.

b. By continuously administering training, senior management instills adherence to the Fujitsu Way in employees and promotes the overall Group's compliance.

c. Senior management clarifies the legal and other regulations that relate to the Fujitsu Group's business activities and implements internal rules, training and oversight systems necessary to adhere to them, thereby promoting the compliance of the Group as a whole.

d. If senior management or employees become aware of the possibility of a major compliance violation in connection with the execution of business activities, they immediately inform the Board of Directors and the Board of Auditors via normal reporting channels.

e. In order to use independent information sources outside of normal reporting channels to discover and deal appropriately with compliance problems on a prompt basis, senior management establishes and operates an internal reporting system that protects whistle-blowers.

f. The Board of Directors receives periodic reports on the status of business execution from executive officers and verifies that there are no compliance violations in relation to the execution of work.

(3) Regulations and other systems relating to loss mitigation

a. Senior management strives to maintain the Fujitsu Group's business continuity, increase its corporate value and sustainably expand its business activities. In order to deal with risks that pose a threat to achieving these goals, they assign certain departments to be responsible for each type of risk and put in place appropriate risk management systems.

b. Senior management is constantly assessing and verifying risks that might cause losses to the Fujitsu Group, and they report significant cases to the Board of Directors.

c. In regard to risks discovered through assessment described in b., as well as potential risks arising from the execution of business, senior management carries out risk mitigation initiatives and strives to minimize losses from risks. In order to minimize losses from risks that arise, senior management creates a risk management committee and carries out necessary countermeasures. In addition, it periodically analyzes risks that arise and reports them to the Board of Directors. In these ways, the committee engages in activities intended to prevent the recurrence of risks.

d. In order to collect risk information that cannot be gathered by the methods mentioned above, an internal reporting system has been set up and is operated to ensure the protection of whistle-blowers.

(4) Information storage and management system regarding business execution by directors

a. In accordance with company rules, senior management shall establish an appropriate system, including appointing documentation managers, to store and manage documents relating to the execution of their business duties (including electronic documents, as with the items listed below) and other important information.
   - Minutes of shareholders' meetings and related documents
   - Minutes of Board of Directors meetings and related documents
   - Minutes and related documents for other important decision-making meetings
   - Approval documents from senior management
   - Other important documents relating to the execution of business duties by senior management

b. In order for directors and auditors to verify the status of execution of business duties, there is a system enabling them to view the documents described in the above item at any time. The system also provides that, in response to requests they make to those in charge of managing documents, board members and statutory auditors can see the documents whenever they wish.

(5) System to ensure the appropriateness of Fujitsu Group business

a. Using the Fujitsu Way as a foundation, in order to continuously increase the value of the Fujitsu Group, Fujitsu will provide direction and support to senior management of each Group company for setting up efficient, law-abiding and appropriate business execution systems as detailed in sections (1) through (4) above.

b. In order to implement the above item a., the company has established common rules for the management of the group, such as the "Fujitsu Group Management Policy" that set out the roles, responsibilities, authority, and decision-making processes for each of the companies in the group.

c. Senior management of Fujitsu and all Group companies periodically confirms issues related to Group management strategies and achievement of management goals through management update conferences and other means. In addition, Fujitsu Group statutory auditors deal with Fujitsu Group issues from the auditing viewpoint through Group auditor update conferences.

d. In regard to measures needed to resolve challenges related to achieving management goals that are identified as a result of the activities described in item c., senior management of Fujitsu and Group companies implements such measures following full discussion and, when necessary, completion of reporting to Fujitsu and approval processes specified separately.

e. Fujitsu's internal audit organization is linked to the internal audit organization of each Group company. It carries out audits of the entire Fujitsu Group and reports periodically to the Board of Directors and Board of Auditors of Fujitsu.

Important matters regarding the audits of Group companies are reported to the Board of Directors and Board of Auditors of Fujitsu.

(6) System to ensure the appropriateness of audits by statutory auditors

<Ensuring independence of auditors>

a. Fujitsu has set up an Auditing Support Division with employees assigned to assist the statutory auditors in carrying out their duties. Appropriate employees with the ability and expertise required by the statutory auditors are assigned to the division.

b. In order to ensure the independence of the staff in the Auditing Support Division, matters relating to their appointment, transfer and compensation are decided on the basis of prior consultation with the auditors.

c. In principle, senior management does not assign division staff to other divisions or duties. In instances, however, where a need arises to give dual assignments to staff with specialized knowledge in response to requests from statutory auditors, care is given to ensuring their independence in accordance with item b.

<Reporting system>

a. Senior management of Fujitsu and Group companies provides the statutory auditors with the opportunity to attend important meetings.

b. In cases where risks arise that could affect management or financial results, or where there is an awareness of major compliance violations in connection with the execution of business activities, senior management as well as employees of Fujitsu and Group companies immediately report on them to the statutory auditors.

c. Senior management as well as employees of Fujitsu and Group companies periodically report to the statutory auditors on the status of business execution.

<Ensuring effectiveness of statutory auditors>

a. Senior management of Fujitsu and Group companies periodically exchange information with the statutory auditors.

b. The internal audit organization periodically reports to the statutory auditors on audit results.

c. The auditors have the independent accounting auditor explain and report on accounting audits as required and periodically exchange information with the independent accounting auditors.

[Status of Internal Control System]

Fujitsu has established a department with executive responsibility for internal controls. The company is continuing its steps to implement an even more robust operational execution structure by reviewing and revising its regulations and business operations.

In addition, Fujitsu has established the Fujitsu Way, consisting of a Corporate Vision, Corporate Values, Principles, and Code of Conduct, which guides the Group and its employees in their daily activities.

To accelerate the penetration and implementation of the Fujitsu Way and ensure the appropriateness of business operations, Fujitsu is promoting the implementation and evaluation of its internal control structure. This effort is led by the Fujitsu Way Promotion Council, which reports directly to the Management Council. In addition to the Fujitsu Way Promotion Council, three other groups were established directly under the Management Council and tasked with pursuing more robust and efficient business execution: the Risk Management Committee, the Compliance Committee and the Environmental Committee. The functions of each are described below:

• Fujitsu Way Promotion Council

The Fujitsu Way Promotion Council promotes the inculcation and implementation of the Fujitsu Way. In addition, it has also been promoting Project EAGLE, which is a company-wide activity for building an internal compliance system for effective and reliable financial reporting in compliance with the Financial Instruments and Exchange Act, and by which the company has been able to promote the implementation and evaluation of internal control. By establishing a promotion organization dedicated to this endeavor, the Council has been working to extend it across the Group. Along with improving deficiencies, the goals of the project also include achieving greater efficiency through the pursuit of business process reforms across the Group.

• Risk Management Committee
This committee sets out risk management rules and risk management guidelines for risks inherent in Fujitsu's business activities. The committee also places risk management promotion officers in Fujitsu and its Group companies. These officers coordinate with one another to address prevention and mitigation of potential risk events, and response to emergent risks. In this way they construct risk management systems and processes for the entire Fujitsu Group. The committee is also responsible for implementation and ongoing upgrading of these systems and processes. The committee reports important matters to the Management Council and the Board of Directors, deliberates on appropriate responses, researches underlying risk factors, and proposes and implements measures to prevent recurrence. Moreover, the committee promotes business continuity management (BCM), so that when unforeseen events such as natural disasters occur, the Company can continue its key businesses, fulfill its responsibilities to society, and provide customers with a stable supply of the high performance, high-quality products and services that they need.
• Compliance Committee
This committee promotes adherence to social norms and corporate rules as well as the creation of corporate systems and initiatives for fostering a corporate culture of respect for norms. In conjunction with efforts to maximize compliance, a help line system was set up as a confidential liaison point to receive reports from employees and provide guidance to them on matters of conduct.
• Environmental Committee
This committee is responsible for promoting the environmental protection activities of the Fujitsu Group, which are based on the Fujitsu Group Environmental Policy and the Fujitsu Group Environmental Protection Program.

As a result of our Project EAGLE initiative to build an internal control system for effective and reliable financial reporting, in fiscal 2011 the accounting auditors, Ernst & Young ShinNihon LLC, issued their opinion that the Fujitsu Group has effective internal controls for its financial reporting.

2. Basic Stance and Preparedness for Rejection of Antisocial Elements

[Basic Stance on Rejection of Antisocial Elements]
In the Fujitsu Way, the Fujitsu Group's Code of Conduct calls for respect for and compliance with laws and socially accepted rules. Accordingly, our basic stance is to take a resolute attitude toward antisocial elements and have absolutely no dealings with them.

[Preparedness Regarding Rejection of Antisocial Elements]
We maintain a system that can quickly respond when necessary by designating a centralized response department, creating a common Group manual, maintaining liaisons and exchanging information with outside legal counsel, police, and specialist organizations, as well as by carrying out training and keeping employees fully informed about the workplace.

V. Other

1. Adoption of Takeover Defense Measures

Adoption of Takeover Defense Measures	No

Supplemental Explanation
Because raising corporate value is ultimately the best defense against potential takeovers, we are focusing our efforts on raising corporate value. At the present time, we have not put in place any takeover defense measures.
Going forward, while placing first priority on corporate value and shareholder profits, we will pay careful attention to social trends and changes in the environment and continuously consider the possible need for protective measures.

2. Other Provisions Relating to Corporate Governance

The following is the status of the Company's internal structure for timely information disclosure.

1. Internal Structure for Timely Disclosure of Corporate Information
The Company endeavors to quickly and accurately grasp information (decisions, events, and financial results) related to the business, operation, and financial performance of each of its Business Groups, the organizations responsible for business operations. This information is used to improve management, and the Company uses the following deliberation and decision-making structure to ensure timely disclosure of the information
in cases where the information is important and necessary for investors.
(1) Important management matters are deliberated and decided by the Management Council.
Among the matters deliberated by the Management Council, items of significant importance are decided by the Board of Directors.
Each Business Group conducts business under the control of the Management Council and the Board of Directors, which are the decision-making bodies.

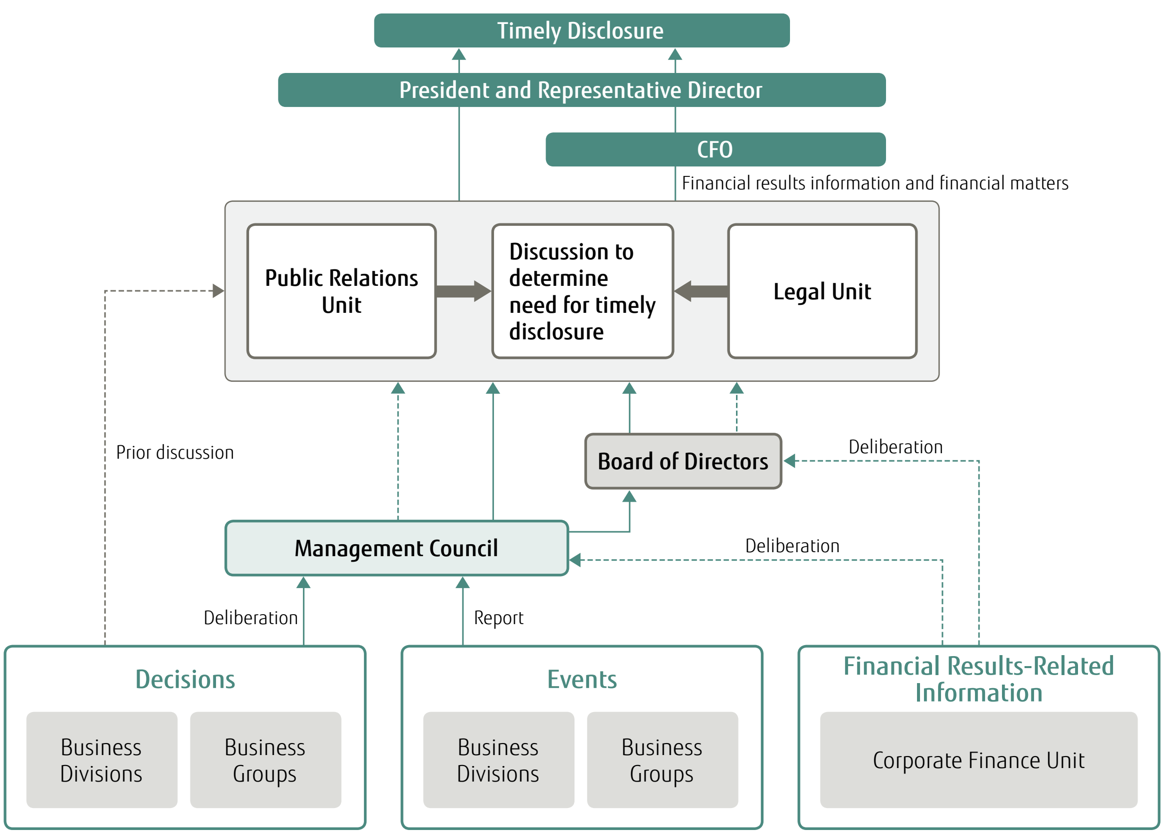
(2) Each Business Group reports matters of importance to the Company's business, operation, or financial performance to the Management Council or the Board of Directors on a regular and as-needed basis.
Each Business Group endeavors to establish a structure to conduct risk management within its own organization. Under this structure, each Business Group controls the gathering of information within its organization and is constantly enhancing its structure to quickly and accurately grasp events and other risk information.

(3) The Finance and Accounting Department reports financial results, revisions to financial results and forecasts, dividends and other information to the Board of Directors, based on financial information gathered from each Business Group.
Based on information disclosure regulations, the Legal Department and Public Relations Department jointly review decisions, events, and financial results gathered as explained above to confirm the timeliness and accuracy of the information in relation to disclosing it to investors. The Company's representative director and president conducts a final review of the information before the information is disclosed to investors in a timely and accurate manner. With regard to financial results and financial items included in decisions or events, the chief financial officer (CFO) approves the information prior to the final review by the representative director and president.

2. Internal System Confirmation Function for Timely Information Disclosure

(1) The Company has established the Way Promotion Council, Risk Management Committee, and Compliance Committee to enhance the internal structure for timely information disclosure by providing organizational support for the gathering and reporting of risk information. These organizations support and promote the risk management activities carried out by each Business Group.
The Compliance Committee oversees a help-line system to promptly gather information on inappropriate activities within the Company, as part of the measures to prevent impropriety, including activities related to information disclosure.

(2) The Company has established a Corporate Internal Audit Unit to audit the status of the internal control function and internal events (including risk information).
The Corporate Internal Audit Unit continuously audits the risk management structure of each Business Group and contributes to the maintenance and improvement of the accuracy and appropriateness of information regarding the business, operation, and financial performance of the entire Group, including subsidiaries.



Business and Other Risks

Listed below are the principal business and other risks affecting the Fujitsu Group (Fujitsu Limited and its consolidated subsidiaries) that we believe may influence investors' decisions. With a view to proactively disclosing information to investors, we have also included items that may not necessarily have significant bearing on such decisions. We are aware of and have evaluated these risks and are making efforts to prevent, mitigate, transfer, and retain potential risks, and immediately confront risks should they occur. Please note that the following is not an exhaustive list of all the risks that may affect the Group. Among the risks listed below are some items related to future developments, but the list only includes items that the Group deems necessary to publicly disclose as of the date of submission of these materials (April 27, 2012).

1. Economic and Financial Market Trends

Economic and financial market trends have an impact on the Group's business results, financial base, and other aspects of its operations. Examples of such risks are listed below.

1) Economic Trends in Key Markets

The Fujitsu Group provides ICT services, server and storage products, network products, as well as semiconductors and other components, to clients in corporate and public institutions, as well as consumers in Japan and every region of the globe. Hence, sales and income generated from these operations are greatly affected by economic conditions in each respective market. The economic trends in our key markets, namely Japan, North America, Europe, and Asia (including China), can significantly impact Fujitsu Group operations.

2) High-Tech Market Volatility

The ICT sector is periodically subject to dramatic changes in the balance of supply and demand that exceed the scope of normal cyclical market variations. This tendency is particularly evident with regard to semiconductors, PCs, and other general-purpose products. The Fujitsu Group gives ample consideration to market cycles and volatility when deciding to develop new global technology solutions and other businesses, launch new products, initiate volume production, or scale back production, among other actions. Nonetheless, we may fail to accurately forecast market changes, or changes in market conditions could exceed our forecasts. Accordingly, there is a risk that we may be unable to recoup investment costs, as well as the risk of opportunity losses. Further, the Group continuously implements structural reforms in a bid to respond to market changes. However, drastic market changes could force us to enact structural reforms on a far greater scale than initially expected, resulting in a temporary increase in related expenses.

3) Exchange Rates

The Fujitsu Group is expanding its business outside Japan. As a result, sudden fluctuations in US dollar, euro, and British pound exchange rates and other factors could have a significant impact on sales and income, resulting in such factors as the lowering of competitive pricing for the services and products that we deliver outside Japan. Sudden fluctuations in exchange rates can also affect the cost of components and materials that we import from outside Japan, as well as the various products that we export. In addition, with respect to assets held by the Group outside Japan, as well as liabilities, there is the possibility that exchange rate fluctuations could lead to depreciation of assets and/or appreciation of liabilities.

4) Interest Rates

The Fujitsu Group has interest-bearing loans which include debt directly impacted by interest rate fluctuations. Consequently, rising interest rates could increase borrowing costs.

5) Capital Markets

Stock market trends in and outside of Japan have a substantial effect on the value of Group stockholdings in other companies and the management of pension assets. Weak stock market performance could thus force us to incur losses on the devaluation of marketable securities held or a reduction in pension assets, exposing the Group to the risk of higher valuation losses or additional pension obligations.

2. Customers

Fujitsu Group operations are highly influenced by the business trends of customers. Examples of potential risks are described below.

1) Changes in Customers' ICT Investment Trends

A growing proportion of our technology solutions and other businesses is with the public institutions such as the Japanese, local and foreign governments; telecommunications carriers; financial services institutions; and large manufacturers. The business environment within these industries, including shifting market trends and structural reforms, could lead to changes in customers' IT investment trends, having a significant impact on Group sales and profitability. In addition, the trends in sales of our customers' products and services have a large impact on the demand for and prices of the Group's products and services. Accordingly, soft demand and falling prices for customers' products and services, a decline in the size of customers' businesses, or customers' reduced market share, as well as restrains on customer ICT investments could negatively impact Group sales and earnings.

In our business outside Japan, for example, government-related projects in the UK are an especially important part of our business. Accordingly, changes and restrains placed on the ICT investment plans of the UK government could impact sales and profitability.

2) Ability to Maintain Long-Term Relationships with Customers

The Fujitsu Group is creating long-lasting ties with its customers, striving to be a valued and trusted business partner and provide solutions across the full IT system lifecycle. Accordingly, business stability hinges on maintaining relations with customers. An inability to maintain trusted relationships with such customers, or the failure to renew contracts with them, could therefore affect sales and profitability.

3. Competitors/Industry

The ICT sector is characterized by intense competition and fast-paced technological innovation. Events within the industry or actions by competitors could therefore have a substantial impact on our business results. Examples of such potential risks are listed below.

1) Price Competition

Changes in market environments, intensifying competition, technological innovation, and other factors may cause prices for products and services to decline. Anticipating such technology- and competition-driven price reduction of ICT services, including cloud computing, and the escalation of PC prices, we are pursuing a variety of measures to reduce costs, including the introduction of Toyota Production System reforms, the industrialization of services and standardization, and software modularization, as well as efforts to expand sales of new products and services. Despite these steps, the Group still faces the risk of larger-than-expected declines in prices, as well as being unable to achieve cost reductions or sales growth due to fluctuations in procurement costs. Any of these risks could negatively impact Group sales and profitability.

2) Competition from New Market Entrants and Others

In addition to challenges posed by existing industry peers, competition from new market entrants continues to intensify in the ICT sector. Today, new entrants continue to emerge in market areas where the Fujitsu Group has a competitive advantage, thus entailing the risk that we may lose our competitive edge, or fail to secure a clear competitive advantage in future business operations.

3) Competition in Technology Development

Technological advancement in the ICT sector occurs at an extremely fast pace, leading to rapid turnover in new products and technologies. In this context, remaining competitive requires the continuous development of state-of-the-art technology. While the Fujitsu Group does its utmost to maintain highly competitive technologies by expanding into markets such as cloud computing and smartphones, a loss in competitiveness versus other companies in the race to develop innovative technologies could lead to a decline in the Group's market share and profitability, which would negatively impact sales and earnings. Further, sales and profitability could be affected by the development of groundbreaking technologies and services by competitors that would severely compromise the value of the Group's services and products.

4. Suppliers, Alliances, etc.

In the course of its operations, the Fujitsu Group conducts business with a wide range of suppliers and alliance partners. Accordingly, any significant changes in relationships with these and other business partners could affect the Group's business.

1) Procurement

The Fujitsu Group utilizes sophisticated technologies to provide a range of products and services. There is therefore a risk that we may encounter difficulties in procuring a stable supply of certain key components or raw materials, or in cases where regular supply channels are unavailable, that we may be unable to secure alternative procurement sources. There is also the risk that the Group may be unable to sufficiently procure certain parts or raw materials in the large volumes required. Moreover, natural disasters, accidents and other events, as well as any deterioration in business conditions at suppliers, could hinder the ability of business partners to provide the Group with a stable supply of required components or raw materials. The Fujitsu Group has taken a variety of measures to strengthen the resiliency of its supply chain, including moving to multiple sources for procurement, working on, or strengthening support for, business continuity management (BCM) initiatives of suppliers, and holding a sufficient supply of inventories. Despite these efforts, inadequate supplies of parts and raw materials could cause delays in the provision of products and services, resulting in postponement of deliveries to customers and opportunity losses. In respect to procurement of components and other materials, foreign exchange rate fluctuations, tight supply and demand conditions, and other pressures could drive procurement costs higher than initial estimates, leading to diminished returns on products and services, as well as lower sales due to the higher prices. Additionally, while we make every effort to ensure the quality of procured components, we cannot guarantee that all components purchased will be free of defects. The discovery of such issues could result in processing delays, as well as defective products, opportunity losses, repair costs, and disposal costs for defective goods, plus the potential obligation to pay damages to customers.

2) Collaborations, Alliances, and Technology Licensing

To enhance competitiveness within a global ICT business environment, the Fujitsu Group works with a large number of companies through business alliances, technology collaborations, joint ventures, and other means, a practice that we intend to actively continue in the future. If, however, as a result of managerial, financial, or other causes, it becomes difficult to establish or maintain such collaborative ties or to gain sufficient results from them, the Group's business could be adversely affected. Moreover, many of our products and services employ other companies' patents, technologies, software, and trademarks with the consent of their owners. However, there is no guarantee that other companies will continue to grant or license the right to use their property under terms acceptable to the Fujitsu Group.

5. Public Regulations, Public Policy, and Tax Matters

The business operations of the Fujitsu Group are global in scope, and are therefore impacted by a variety of public regulations, public policies, tax laws, and other such factors in all countries where the Group does business. Specifically, wherever it operates, the Group must comply with a variety of government policies, regulations, such as authorizations for business or investment, import/export regulations and restrictions, as well as laws pertaining to antimonopoly policies, intellectual property rights, consumers, the environment and recycling, labor conditions, subcontracting, and taxation. The Fujitsu Group's earnings might be affected by increased compliance costs associated with measures to make stricter or otherwise revise such policies, laws, and regulations, or by liabilities stemming from fines in cases where the company is found to have committed a violation. We also provide solutions in certain fields and business domains such as healthcare, communications, and construction that are subject to other public regulations, meaning that regulatory trends in these sectors may potentially impact the Group's business.

6. Others

The Fujitsu Group makes every effort to eliminate known risks but can offer no guarantee of its ability to always achieve every desired outcome in the course of executing business operations. Some of the specific risks faced in this respect are detailed below.

1) Deficiencies or Flaws in Products and Services

The Fujitsu Group builds and supports the infrastructure behind the modern network society, which has become increasingly global and sophisticated. In accordance with our corporate philosophy the Fujitsu Way, quality is one of our most important values, and it underpins the trust that customers and society place in us.

We are committed to improving quality at the design and development stages as well as in manufacturing by setting rules on quality control throughout the company. We are also promoting strict quality control when purchasing components from external suppliers. These efforts notwithstanding, it is impossible to totally eliminate the possibility of deficiencies or flaws occurring in products, including software. While the Group is also setting rules on quality control throughout the company, promoting software modularization, standardization of development work, and enhanced security measures in order to improve the quality of system development and other services in the technology solutions business, the possibility of defects arising cannot be excluded. With respect to systems that play a critical role in supporting social infrastructure, we have been checking for any potential problems in these systems, including the operating environment, software and hardware, in cooperation with our customers. In addition, we have continuously made improvements to the quality, contracts, and related rules in order to ensure the stable operation of social infrastructure systems. We cannot, however, entirely eliminate the possibility of deficiencies or flaws. In the event that such deficiencies or flaws occur in the products or services, the Group may have to initiate product recalls or repairs, engage in system recovery work, pay damages to customers or suffer opportunity losses, all of which would negatively impact Group sales and profitability.

2) Project Management

Due to such factors as the increasing scale and sophistication of systems and more rigorous demands from customers, as well as the advance of open system environments, system development work is becoming increasingly complex. At the same time, greater competition is leading to increasingly intense pricing pressures. To deal with this situation and prevent incidences of delayed delivery and loss-generating projects, we have been revising our approach to making contracts with customers, advancing the standardization of sales and system engineering business processes, and working to manage risk from the business negotiation stage through actual project implementation. The Group continues to maintain reserves for losses as necessary. In addition, we are striving to industrialize the system development process in order to strengthen our cost competitiveness. Nevertheless, in spite of these measures, there is a possibility that we may be unable to completely prevent incidences of delayed delivery the occurrence of loss-generating projects.

3) Investment Decisions and Business Restructuring

In the ICT industry, large investments in R&D, capital expenditure, business acquisitions, and business restructuring are necessary to maintain competitiveness. Accordingly, the success or failure of these initiatives has a profound effect on the business results of the Fujitsu Group. When making such investment and restructuring decisions, we give ample consideration to a range of factors such as market trends, customer needs, the superiority of the Group's own technologies, the financial performance of acquisition candidates and our business portfolio. There is, however, the risk that markets and technologies, as well as acquisition candidates, deemed attractive by the Group, may fail to grow as anticipated, or that supply and demand imbalances or price erosion may be more severe than expected. The Group takes a number of steps to mitigate this risk, including the consideration of investment efficiency and responding to inherent fluctuations by dividing investment into multiple phases and forging agreements with customers prior to investment. Nonetheless, there is no guarantee that the Group can generate sufficient returns on such investments.

4) Intellectual Property Rights

The Fujitsu Group has accumulated technologies and expertise that help distinguish its products from those of other companies. Legal restrictions in certain regions, however, may impair our ability to fully protect some of the Group's proprietary technologies, with the result that we could be unable to effectively prevent the manufacture and sale of similar products developed by third parties using the Group's own intellectual property. Moreover, the creation of comparable or superior technologies by other companies could erode the value of the Group's intellectual property. The Group has instituted internal policies, including stringent clearance procedures prior to launching new products and services, to ensure that no infringement of other companies' intellectual property occurs. However, there is the possibility that the Group's products, services, or technologies may be found to infringe on other companies' intellectual property, and that earnings may be impacted by such consequences as the need to pay for usage rights or cover costs associated with modifying designs. In addition, the Group has previously instituted a program to compensate employees for innovations that they make in the course of their work, and will continue to implement this program in the future in accordance with related laws and regulations. Nevertheless, the Group faces potential risk from lawsuits initiated by employees in regard to compensation for innovation created in the workplace.

5) Human Resources

The growth and profitability of the Fujitsu Group depends heavily on human resources. As such, a major issue for the Group is the ability to recruit, foster, and prevent the attrition of talented technical experts, system engineers, managers, and other key personnel. The inability to do so could negatively impact the Group's growth and profitability.

6) Environment

Making contributions to society and protecting the environment are part of the corporate values of the Fujitsu Group, as set forth in the Fujitsu Way. While committed to minimizing environmental burden and preventing environmental pollution in accordance with the Fujitsu Group Environmental Policy, the Group cannot guarantee that environmental pollution will not occur as a result of its operations. Moreover, although we monitor soil and wastewater as well as engage in clean-up activities at former factory sites, this does not mean that pollution will not be found at such sites in the future. In the event that environmental pollution were to occur or be identified, social trust in the Group may weaken, and clean up and other costs could be incurred, which would adversely affect the Group's earnings.

7) Information Management

In order to safeguard the personal and confidential information of customers, business partners, and the Fujitsu Group itself, the Group has taken such measures as establishing strict regulations, instituting training programs for employees, upgrading its information infrastructure and providing consultation to business subcontractors. Nevertheless, the Group cannot guarantee that information will not be leaked. In the unlikely event that this should occur, trust in the Fujitsu Group could decline and the Group may be obligated to pay damages to customers.

The Fujitsu Group has a well-developed system in place to ensure the integrity and stable operation of critical in-house networks, which are a key element of our business infrastructure. However, the Group cannot guarantee the ability to prevent computer viruses, cyber attacks or other disruptions from impeding network operations and leaking information.

8) Credit Ratings and Other Factors that Affect the Group's Credit

In addition to having a major influence on financing, credit ratings by outside institutions serve as reliable sources of information for our customers when they conduct transactions with us. Lower credit ratings caused by failure to meet earnings targets, deteriorating financial conditions, and other reasons could influence our ability to secure financing and place the Group at a disadvantage in bidding for projects and in other business dealings.

9) Litigation

The Fujitsu Group may become the subject of litigation in the course of executing its operations, resulting in an obligation to pay unforeseen damages. Depending upon the amount of damages the profit and loss of the Fujitsu Group may be materially impacted.

7. Natural Disasters and Unforeseen Incidents

Natural disasters and other unforeseen situations could have a major impact on the business results and financial standing of the Fujitsu Group. Examples of the potential risks posed are found below.

1) Damage from Earthquakes, Other Natural Disasters, and Accidents

The Fujitsu Group has instituted a Business Continuity Plan (BCP), which is continually reviewed and improved, to ensure that, even in the event of natural disasters like earthquakes, major floods, or volcanic eruptions, as well as accidents or the outbreak of infectious diseases like new forms of influenza, we can continue our critical business operations to fulfill our corporate social responsibility, while at the same time continuing to provide a stable flow of high-quality, highly reliable products and services, which our customers rely on for their business. Last fiscal year there were several large-scale disasters, including the Great East Japan Earthquake, the nuclear power plant accidents and the ensuing electrical power shortages, and the floods in Thailand. Going forward, there is also a possibility that unforeseen events may occur, such as major earthquakes in the Tokyo metropolitan area, the Tohoku region or along the Nankai Trough, or a prolongation of power shortages in Japan. Based on the fact that such events could disrupt operations, the company is making every effort to ensure the continuity of key businesses. Having dealt with the Great East Japan Earthquake, we have taken steps to make our sites resistant to earthquakes and we conduct regular site inspections, along with disaster-readiness drills. Nevertheless, there is a possibility that the Group may be forced to suspend the delivery of products and services to customers or its support for customer information systems in the event an unforeseen natural disaster or accident forces sites to suspend operations, inflicts damage to facilities and equipment, interrupts the supply of electricity or water, disrupts public transportation or communications infrastructure, or causes damage to our supply chains.

2) Geopolitical Issues

Armed conflicts, terrorism, political instability, currency crises, and other events in nations or regions where the Fujitsu Group operates could have a significant impact on its businesses.

8. Risks Associated with Financial Statements

For details, please refer to "Critical Accounting Policies and Estimates" on page 102.

Facts & Figures

FINANCIAL SECTION

Five-Year Summary
Fujitsu Limited and Consolidated Subsidiaries

Years ended March 31	2008	2009	2010	2011	Yen (millions) 2012	U.S. Dollars (thousands) 2012
Net sales	¥5,330,865	¥4,692,991	¥4,679,519	¥4,528,405	**¥4,467,574**	**$54,482,610**
Operating income	204,989	68,772	94,373	132,594	**105,304**	**1,284,195**
Operating income margin	3.8%	1.5%	2.0%	2.9%	**2.4%**	
Income (loss) before income taxes and minority interests	109,444	(113,314)	112,706	102,236	**66,717**	**813,622**
Net income (loss)	48,107	(112,388)	93,085	55,092	**42,707**	**520,817**
Return on equity	5.0%	(13.2%)	12.0%	6.8%	**5.1%**	
Ratio of net sales outside Japan	36.1%	32.0%	37.4%	35.1%	**33.7%**	
EMEA	¥ 839,719	¥ 657,073	¥ 981,622	¥ 845,485	**¥ 809,277**	**$ 9,869,232**
The Americas	521,989	391,443	321,603	322,272	**286,595**	**3,495,061**
APAC & China	561,913	451,370	445,079	419,606	**410,224**	**5,002,732**
Total of net sales outside Japan by customers' geographic location	¥1,923,621	¥1,499,886	¥1,748,304	¥1,587,363	**¥1,506,096**	**$18,367,024**
Amounts per share of common stock (Yen and U.S. Dollars):						
Earnings (loss)						
Basic	¥ 23.34	¥ (54.35)	¥ 45.21	¥ 26.62	**¥ 20.64**	**$ 0.252**
Diluted	19.54	(54.35)	42.17	25.75	**20.55**	**0.251**
Owners' equity	458.31	362.30	386.79	396.81	**406.42**	**4.956**
Total assets	¥3,821,963	¥3,221,982	¥3,228,051	¥3,024,097	**¥2,945,507**	**$35,920,817**
Net assets	1,130,176	925,602	948,373	953,779	**966,598**	**11,787,780**
Owners' equity ratio	24.8%	23.2%	24.7%	27.2%	**28.6%**	
Cash and cash equivalents	¥ 547,844	¥ 528,174	¥ 420,166	¥ 358,593	**¥ 266,698**	**$ 3,252,415**
Interest-bearing loans	887,336	883,480	577,443	470,823	**381,148**	**4,648,146**
D/E ratio (times)	0.94	1.18	0.72	0.57	**0.45**	
Net D/E ratio (times)	0.36	0.47	0.20	0.14	**0.14**	
Free cash flow	38,146	23,487	296,409	113,426	**49,180**	**599,756**
Cash dividends per share for the year (Yen and U.S. Dollars)	¥ 8.00	¥ 8.00	¥ 8.00	¥ 10.00	**¥ 10.00**	**$ 0.122**
Total amount of dividends	16,552	16,538	16,522	20,696	**20,694**	**252,366**
Dividend payout ratio on a consolidated basis	34.3%	–	17.7%	37.6%	**48.4%**	
R&D expenses	¥ 258,717	¥ 249,902	¥ 224,951	¥ 236,210	**¥ 238,360**	**$ 2,906,829**
Capital expenditure on property, plant and equipment	249,063	167,690	126,481	130,218	**140,626**	**1,714,951**
Depreciation	200,509	223,975	164,844	141,698	**131,577**	**1,604,598**
Number of employees	167,374	165,612	172,438	172,336	**173,155**	
Average exchange rate (yen)						
U.S. Dollar	¥ 114	¥ 101	¥ 93	¥ 86	**¥ 79**	
Euro	162	144	131	113	**109**	
Pound Sterling	229	174	148	133	**126**	

Notes: 1. The U.S. dollar amounts stated above and in the following Management's Discussion and Analysis of Operations have been translated from yen, for readers' convenience only, at the rate of ¥82 = US$1, which was the approximate rate on the Tokyo Foreign Exchange Market at March 31, 2012.
2. Owners' equity: Net assets less minority interests in consolidated subsidiaries and subscription rights to shares

Management's Discussion and Analysis of Operations

The following section, Management's Discussion and Analysis of Operations, provides an overview of the consolidated financial statements of Fujitsu Limited (the "Company") and its consolidated subsidiaries (together, the "Group") for the year ended March 31, 2012 (fiscal 2011). Forward-looking statements in this section are based on management's understanding and best judgment as of March 31, 2012. The impact of exchange rate fluctuations is calculated by taking the average exchange rates in fiscal 2010 for the U.S. Dollar, Euro and British pound and applying them to foreign currency-denominated transactions in fiscal 2011.

1. Analysis of Results

Business Environment

In the global economy during fiscal 2011, the increasingly serious government debt problems in Europe had an adverse impact on the real economy, including a negative growth rate. In the United States, despite signs of improvement in employment and consumer spending, the economy has yet to reach full-fledged recovery. In emerging markets, previously high growth rates fell slightly as exports declined in the face of fiscal austerity measures and the economic slowdown in Europe.

In Japan, the supply chain was restored quicker than expected from the stalled condition that followed the Great East Japan Earthquake, but the economy became sluggish again by the slowdown in the global economy, the decline in exports due to the strong yen, and the damage caused by the flooding in Thailand. Signs of improvement were seen in the fourth quarter, however, as exchange rates moved toward a weakening of the yen, and companies recovered from the Thailand flood damage.

With regard to investment in information and communication technology (ICT), despite signs of recovery in certain sectors, on the whole companies maintained a cautious stance toward investment, deterring a full-fledged recovery.

Net Sales

Consolidated net sales for fiscal 2011 amounted to ¥4,467.5 billion ($54,483 million), a decline of 1.3% from fiscal 2010. On a constant currency basis, however, sales were on a par with the prior fiscal year.

Condensed Consolidated Income Statements (Unit: billion yen)

Years ended March 31	2011	**2012**	YoY Change	Change (%)
Net sales	4,528.4	**4,467.5**	(60.8)	(1.3)
Cost of sales	3,270.9	**3,232.1**	(38.7)	(1.2)
Gross profit	1,257.4	**1,235.4**	(22.0)	(1.8)
Selling, general and administrative expenses	1,124.8	**1,130.1**	5.2	0.5
Operating income	132.5	**105.3**	(27.2)	(20.6)
Other income (expenses)	(30.3)	**(38.5)**	(8.2)	–
Income before income taxes and minority interests	102.2	**66.7**	(35.5)	(34.7)
Income taxes	48.1	**29.9**	(18.1)	(37.7)
Minority interests in income (loss) of consolidated subsidiaries	(1.0)	**(5.9)**	(4.9)	–
Net income (loss)	55.0	**42.7**	(12.3)	(22.5)

Reference: Financial Indicators (Unit: billion yen)

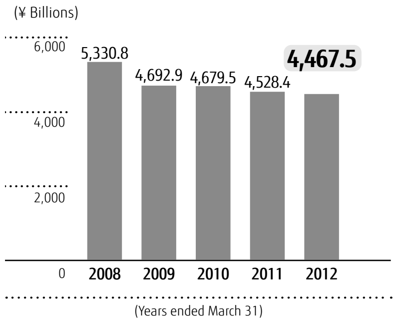
Years ended March 31	2011	**2012**	YoY Change
Net sales	4,528.4	**4,467.5**	(60.8)
Sales outside Japan	[1,587.3]	**[1,506.0]**	[(81.2)]
Ratio of sales outside Japan	[35.1%]	**[33.7%]**	[(1.4%)]
Gross profit margin	27.8%	**27.7%**	(0.1%)
Operating income margin	2.9%	**2.4%**	(0.5%)
Return on equity	6.8%	**5.1%**	(1.7%)

Notes: Owners' equity: Net assets – Subscription rights to shares – Minority interests
Return on equity (ROE): Net income ÷ {(Owners' equity at beginning of period + Owners' equity at end of period) ÷ 2}

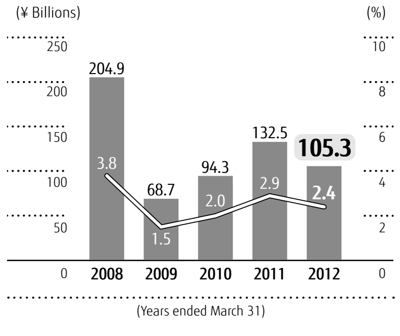
Reference: Quarterly Breakdown of Net Sales and Operating Income (Unit: billion yen)

Year ended March 31, 2012	1Q	2Q	3Q	4Q	Full Year
Net sales	986.0	1,106.2	1,079.7	1,295.5	4,467.5
YoY change	(61.1)	6.0	(16.7)	11.0	(60.8)
Operating income	(17.1)	24.1	3.1	95.0	105.3
YoY change	(27.1)	(12.9)	(18.1)	30.9	(27.2)

Net Sales



Operating Income and Operating Income Margin



Sales in Japan were essentially unchanged from fiscal 2010. The decline in sales due to customers' production adjustments precipitated by the flooding in Thailand mainly impacted products such as car audio and navigation systems, and LSI devices. In addition to the slowdown in demand for LSI devices and electronic components, server-related revenues also declined due to reductions in project proposals for large-scale systems. However, sales increased for mobile phones and for network products such as mobile phone base stations with the widespread adoption of smartphones. Sales outside Japan decreased 5.1% year on year, but on a constant currency basis were essentially unchanged from the previous fiscal year. Revenue declined for electronic components and UNIX servers, but PC sales rose in emerging economies such as Turkey, Middle Eastern countries and Russia.

The ratio of sales outside Japan was 33.7%, a decrease of 1.4 percentage points compared to the previous fiscal year. This was due to the impact from currency exchange rates, as well as a decline in sales of UNIX servers in the Americas region.

In fiscal 2011, the average yen exchange rates against the U.S. Dollar, the Euro, and the British pound were ¥79, ¥109, and ¥126, respectively, representing a year-on-year appreciation of ¥7 against the U.S. Dollar, ¥4 against the Euro, and ¥7 against the British pound. Exchange rate fluctuations versus the U.S. Dollar, Euro, and British pound caused a reduction in net sales of approximately ¥40.0 billion, ¥20.0 billion, and ¥20.0 billion respectively. As a result, currency exchange rate fluctuations had a negative impact of approximately ¥80.0 billion on net sales for fiscal 2011.

Cost of Sales, Selling, General & Administrative Expenses, and Operating Income

The cost of sales totaled ¥3,232.1 billion ($39,416 million), with gross profit of ¥1,235.4 billion ($15,066 million), for a gross profit margin of 27.7%. Gross profit decreased ¥22.0 billion compared to the previous fiscal year, due mainly to revenue declines in LSI devices and electronic components. The gross profit margin was on a par with that of the previous year.

Selling, general and administrative, (SG&A) expenses were ¥1,130.1 billion ($13,782 million), an increase of ¥5.2 billion from the previous year. Among SG&A expenses, research and development spending amounted to ¥238.3 billion ($2,907 million), an increase of ¥2.1 billion. The Group continued to make upfront investments in such areas as networks and cloud services. The ratio of R&D expenses to sales was essentially unchanged from the previous fiscal year at 5.3%.

As a result, operating income amounted to ¥105.3 billion ($1,284 million), a decrease of ¥27.2 billion compared to fiscal 2010. The operating income margin was 2.4%, a decline of 0.5 percentage points. Along with impacts from natural disasters and sluggish economic conditions, this performance reflected the continuing effect of upfront investment.

The Group is striving to quickly achieve a consolidated operating income margin of over 5% as a measure of performance. For fiscal 2012, which will serve as an intermediate step in this direction, we are targeting net sales of ¥4,550.0 billion ($55,488 million), operating income of ¥135.0 billion ($1,646 million), and an operating income margin of 3.0%. As structural reforms to realize an assertive posture for new growth, we are bolstering customer contact capabilities, bolstering system engineering (SE) capabilities, and bolstering technical capabilities. To build the base to carry these reforms forward, on April 1, 2012 our companywide formation was reconfigured into a matrix organization composed of customer and business axes. In addition to further clarifying the account sales structure, thereby heightening sales specialization, we intend to enhance customer contact capabilities in terms of both quality and volume through tying up field innovators and sector consultants—visualization professionals who make on-site operations more transparent. In SE, efforts since fiscal 2004 to integrate sales divisions and curb unprofitable projects have yielded some success. Nevertheless, to transform ourselves into an organization offering globally competitive technology, quality, and cost, we opted to move from a sector-vertical sales and SE framework and once again spin off SE to establish a new System Integration unit. In parallel, a new Software Integration unit was established to spur a shift to a software-centric business structure offering products along an integrated vertical model from a services/solutions perspective. Through these changes, the Group is offering up high-value-added solutions that bring together software, infrastructure services and systems integration, while taking advantage of its strengths in the value chain with products to put a structure in place for offering one-stop solutions on a global basis.

Operating income fluctuated considerably by quarter during fiscal 2011 amid the lag in a full-fledged recovery in ICT investment, and the impact from natural disasters. During the first quarter, the Group posted an operating loss of ¥17.1 billion ($209 million) due to the extensive impact from the Great East Japan Earthquake, centered mainly on car audio and navigation systems, mobile phones, and LSI devices. In the second quarter, the effects of the earthquake disaster had for the most part abated, and the Group recorded operating income of ¥24.1 billion ($295 million). However, compared to the same period of the previous fiscal year this represented a decline of ¥12.9 billion, due mainly to deteriorating market conditions for LSI devices and electronic components. In the third quarter, the market downturn for LSI devices and electronic components and the flooding in Thailand adversely impacted, and the Group managed operating income of just ¥3.1 billion ($39 million), a decrease of ¥18.1 billion compared to the same period of the previous fiscal year. In the fourth quarter, however, the Company posted operating income of ¥95.0 billion ($1,159 million), up ¥30.9 billion from the same period of the previous fiscal year, due mainly to successful efforts to enhance profitability management in services businesses outside Japan, greater sales of network products and mobile phones, and a return to profitability for LSI devices and electronic components.

The Group strives to minimize the impact of currency exchange rate fluctuations on earnings. During fiscal 2011, performance was negatively impacted by the appreciation of the yen against the U.S.

Dollar and the Euro, but because of the weakening of the U.S. Dollar against the Euro, the Group's European subsidiaries were able to lower dollar-denominated purchasing costs for parts and materials. As a result, the impact on operating income from currency fluctuations during fiscal 2011 was minimal overall. For fiscal 2011, a one yen (¥1) fluctuation in the currency exchange rate translated into an impact on operating income of approximately ¥0.6 billion for the U.S. Dollar, ¥0.3 billion for the Euro, and ¥0.0 billion for the British pound.

Other Income (Expenses), Net Income and Comprehensive Income

Other income (expenses) amounted to a net loss of ¥38.5 billion ($470 million), an increase of ¥8.2 billion from the previous fiscal year. Although foreign exchange losses improved and the financial balance (interest income plus dividend income minus interest charges) improved from fiscal 2010 due to a decline in interest-bearing debt, the Group recorded ¥15.1 billion ($185 million) in business restructuring costs as other expenses. The business restructuring costs were for the LSI devices, car audio and navigation systems, and services businesses outside Japan. In LSI devices, as part of the restructuring program to optimize manufacturing capabilities, the Company decided to transfer the Iwate Plant, one of its front-end manufacturing centers, to Denso Corporation, recording ¥5.9 billion ($73 million) in impairment losses on plant disposal and one-time costs for the relocation of employees. In car audio and navigation systems, the Group spent ¥5.2 billion ($64 million) for reassigning employees at plants in Japan as part of a reorganization of production operations to enhance cost competitiveness, while in services outside Japan, the Group recorded ¥3.9 billion ($48 million) in expenses related to personnel rationalization, mainly in Europe and North America. In addition, the Group recorded ¥7.5 billion ($92 million) for fixed costs as other expenses associated with the suspension of operations at factories affected by customer-related factors and factories damaged by aftershocks from the Great East Japan Earthquake.

Consolidated net income amounted to ¥42.7 billion ($521 million), a decrease of ¥12.3 billion from the previous fiscal year. Income before income taxes and minority interests fell ¥35.5 billion to ¥66.7 billion ($814 million), mainly as a result of the decline in operating income, along with the recording of business restructuring costs and other expenses. Income taxes decreased ¥18.1 billion year-on-year to ¥29.9 billion ($366 million). The ratio of income taxes to income before income taxes and minority interests was 45%, compared with 47% in fiscal 2010. Although income tax expenses increased due to adjustments in deferred tax assets stemming from revisions to Japan's tax code, this was offset by lower tax expenses arising from decision of the liquidation of the Company's European subsidiary Fujitsu International Finance (Netherlands) B.V. during the second quarter, and a stock transfer executed in line with group reorganization. Minority interests totaled a loss of ¥5.9 billion ($73 million), an increase of ¥4.9 billion resulting from deteriorating financial performance at the Company's car audio and navigation equipment joint venture, and a listed components subsidiary.

The Group views profitability and efficiency of invested capital in businesses as important management indicators. For fiscal 2011, the return on equity, calculated by dividing net income by average owners' equity, was 5.1%, a decline of 1.7 percentage points from the previous fiscal year.

Other comprehensive income totaled a loss of ¥2.4 billion ($29 million), primarily as a result of a foreign currency translation adjustment loss stemming from the ongoing appreciation of the yen. Because the Group's global business development primarily revolves around service businesses, foreign currency fluctuations in the value of the net assets of subsidiaries outside Japan are recorded in other comprehensive income. The impact of stock price fluctuations on the unrealized gain and loss on securities, net of taxes, is limited.

Comprehensive income, representing the total of other comprehensive income and income before minority interests, was ¥34.3 billion ($418 million).

2. Segment Information

Information by Operating Segment

Sales and Operating Income by Segment

The reportable segments were consolidated into the three segments of "Technology Solutions," "Ubiquitous Solutions," and "Device Solutions," based on organizational structure, the characteristics of the products and services, and the similarities in sales markets. The "Other Operations" segment includes operations not included in the reportable segments, such as Japan's Next-Generation Supercomputer project, facility services and the development of information systems for Group companies, and welfare benefits for Group employees.

Sales (including intersegment sales) and operating income by segment for fiscal 2011 are shown on the following pages.

(Unit: billion yen)

Years ended March 31		2011	**2012**	YoY Change	Change (%)
Technology Solutions	Net sales	3,014.3	**2,934.9**	(79.4)	(2.6)
	Operating income	162.8	**171.2**	8.4	5.2
	[Operating income margin]	[5.4%]	**[5.8%]**	[0.4%]	
Ubiquitous Solutions	Net sales	1,125.6	**1,154.2**	28.6	2.5
	Operating income	22.6	**19.9**	(2.7)	(12.1)
	[Operating income margin]	[2.0%]	**[1.7%]**	[(0.3%)]	
Device Solutions	Net sales	630.6	**584.7**	(45.9)	(7.3)
	Operating income	20.9	**(10.1)**	(31.1)	–
	[Operating income margin]	[3.3%]	**[(1.7%)]**	[(5.0%)]	
Other Operations/ Elimination & Corporate	Net sales	(242.2)	**(206.3)**	35.9	–
	Operating income	(73.9)	**(75.7)**	(1.8)	–
Consolidated	Net sales	4,528.4	**4,467.5**	(60.8)	(1.3)
	Operating income	132.5	**105.3**	(27.2)	(20.6)
	[Operating income margin]	[2.9%]	**[2.4%]**	[(0.5%)]	

Technology Solutions

The Technology Solutions segment delivers products, software, and services to customers in an optimal, integrated package of comprehensive services. These consist of Solutions/Systems Integration, which are services for the construction of information and communication systems, Infrastructure Services, which are primarily outsourcing and maintenance services, System Products, which covers mainly the servers and storage systems that comprise ICT platforms, and Network Products, which are used to build communications infrastructure, such as mobile phone base stations and optical transmission systems.

Consolidated segment net sales totaled ¥2,934.9 billion ($35,792 million), a year-on-year decline of 2.6%. Sales in Japan decreased 1.5%. Server-related sales declined mainly due to the impact from high-volume production in fiscal 2010 of dedicated servers for Japan's Next-Generation Supercomputer system. Revenue from infrastructure services also fell as a result of the shift in the network services' ISP*1 business from packaged services that include connection fees to stand-alone services. ICT investment is recovering in the manufacturing, retail and health care sectors, but a decline in business proposals for large-scale projects in the financial and public sectors had an impact on performance. Although we anticipate a full-scale recovery in domestic ICT investment from the second half of the next fiscal year, Japanese mobile carriers are stepping up investment to handle the greater network traffic stemming from the widespread adoption of smartphones, and sales rose for network products such as mobile phone base stations. Sales outside Japan declined 4.6%, but on a constant currency basis were roughly on a par with the prior fiscal year. Sales declined for UNIX servers to the US and Europe, and growth was sluggish for optical transmission systems and other network products as a result of curbs on investment by North American carriers. However, revenue from infrastructure services increased in such regions as Australia and Scandinavia.

Segment operating income amounted to ¥171.2 billion ($2,089 million), an increase of ¥8.4 billion compared to fiscal 2010. In Japan, despite a boost from greater sales of mobile phone base stations and cost reductions for PC servers, earnings declined mainly as a result of a decrease in project proposals for large-scale systems in the solutions/SI and server-related fields, and ongoing upfront investments in cloud services. Outside Japan, despite a fall in sales of UNIX servers, a revenue drop for optical transmission systems, and an increase in upfront development spending, earnings rose on gradually improving profitability in the services business in Europe.

*1 Internet Service Provider business. This refers to the provision of value-added services in the domain of services supporting safe, secure and trouble-free internet usage, and includes the provision of Internet connectivity services, security, and troubleshooting support via phone or onsite visits.

Ubiquitous Solutions

The Ubiquitous Solutions segment contains ubiquitous terminals or sensors-including personal computers and mobile phones, as well as car audio and navigation systems, mobile communication equipment, and automotive electronic equipment that collect and utilize various information and knowledge generated from the behavioral patterns of people and organizations needed to achieve the Group's vision of a "Human Centric Intelligent Society" (a society that enjoys the benefits of the value generated by ICT without requiring anyone to be conscious of the technological complexities involved).

Net sales in this segment totaled ¥1,154.2 billion ($14,077 million), an increase of 2.5% from the previous fiscal year. Sales in Japan increased 3.9%. PC sales, despite business deals with corporations for bulk purchases, were on the whole unchanged from the prior year due to falling retail prices in the consumer market, and difficulties procuring HDDs as a result of the flooding in Thailand. Mobile phone sales rose on the boost from the merger with Toshiba Corporation's mobile phone business, and expansion of the smartphone market. Sales of mobilewear sub-segment's car audio and navigation systems decreased, mainly as a result of the suspension of automobile manufacturing due to the Great East Japan Earthquake and the flooding in Thailand. Sales outside Japan declined 1.7%, but rose 3.0% on a constant currency basis. Mobilewear device sales declined as a result of the suspension of automobile production overseas, while PC unit sales increased, centered on Europe.

Segment operating income amounted to ¥19.9 billion ($243 million), a decrease of ¥2.7 billion compared to fiscal 2010. In Japan, in response to falling retail prices for PCs and rising procurement costs for HDDs, the Company took steps to utilize the strong yen to lower procurement costs. In mobile phones, while the rise in sales boosted earnings, the Company stepped up investment in smartphone development. The decline in mobilewear sales had an impact on performance, and overall earnings were roughly on a par with the previous fiscal year. Outside Japan, earnings were affected by rising procurement costs for PC HDDs, and the revenue decline in mobilewear.

The earthquake disaster in Japan and flooding in Thailand had a considerable impact on the car audio and navigation business. The Company, in order to enhance cost competitiveness that will allow the business to adapt to the global business expansion of its clients, strengthened overseas production capacity and reorganized the Japanese production structure to which it is linked.

Device Solutions

The Device Solutions segment provides cutting-edge technology products, such as LSI devices used in digital home appliances, automobiles, mobile phones and servers, as well as electronic components consisting chiefly of semiconductor packages.

Net sales in this segment totaled ¥584.7 billion ($7,130 million), a decrease of 7.3% from the previous fiscal year. Sales in Japan fell 5.1%. Sales of LSI devices decreased due to the completion in the first quarter of shipments of CPUs for Japan's Next-Generation Supercomputer system, which were produced in high volume in fiscal 2010, as well as to the impact from the earthquake disaster in the first quarter. Another factor was the decline for digital AV systems as a result of the flooding in Thailand. Electronic components sales also fell on slack demand for semiconductor packages. Sales outside Japan decreased 10.2%, or 4% on a constant currency basis. In LSIs, sales rose for image processing LSIs used in smartphones. In electronic components, sales of semiconductor packages and LCD modules declined, centered in Asia, but signs of a partial recovery in demand began to appear in the fourth quarter.

The segment posted an operating loss for the period of ¥10.1 billion ($124 million), representing a deterioration of ¥31.1 billion from fiscal 2010. In Japan, LSI earnings were affected by the revenue decline, and the decrease in capacity utilization of manufacturing lines in response to the decline in demand. Electronic components earnings were affected by lower sales and rising prices for certain materials. Outside Japan, earnings from electronic components were impacted by falling sales and exchange rates.

In April 2012, with the aim of streamlining production capacity in the LSI business, the Group concluded an agreement with Denso Corporation for the transfer of the Iwate Plant (transfer scheduled for October 1, 2012). In accordance with this transfer, the Company recorded ¥5.9 billion ($73 million) in business restructuring costs for impairment losses on disposal of property, plant and equipment, and expenses for the relocation of employees.

Other Operations/Elimination and Corporate

This category includes operations not included in the reportable segments, such as Japan's Next-Generation Supercomputer project, facility services and the development of information systems for Group companies, and welfare benefits for Group employees.

This category also includes expenses which are not classified into an operating segment. The expenses consist of strategic expenses such as basic research and development expenses, as well as group management shared expenses incurred by the Company.

The category posted an operating loss of ¥75.7 billion ($924 million), representing a deterioration of ¥1.8 billion over fiscal 2010. This was due mainly to upfront investments for new business development.

The K computer, which is being jointly developed by Japan's Institute of Physical and Chemical Research (RIKEN) and the Company, incorporates CPUs developed by the Group and other technologies of the Group. The system has reached 93% of the target calculation speed of 10 petaflops per second, and for the second consecutive term achieved the No. 1 ranking on the TOP500 list of most powerful supercomputers, announced in November 2011. The manufacturing of more than 800 computing racks has been completed, and development has entered the final stage. The system is expected to be made available for use by researchers and other scientists in November 2012.

Geographic Information

One of the Group's management priorities is to increase sales and raise profitability of its business in growing markets outside Japan. Geographic financial information is important to the Group's business management and is useful for shareholders and investors in understanding the Group's financial overview.

(Unit: billion yen)

Years ended March 31		2011	**2012**	YoY Change	Change (%)
Japan	Net sales	3,389.2	**3,396.2**	6.9	0.2
	Operating income. .	215.7	**177.8**	(37.9)	(17.6)
	[Operating income margin]	[6.4%]	**[5.2%]**	[(1.2%)]	
Europe, Middle East, Africa (EMEA)	Net sales	849.5	**817.5**	(32.0)	(3.8)
	Operating income. .	(18.4)	**(0.0)**	18.4	–
	[Operating income margin]	[(2.2%)]	**[(0.0%)]**	[2.2%]	
The Americas	Net sales	298.4	**277.5**	(20.8)	(7.0)
	Operating income. .	2.6	**0.4**	(2.1)	(81.7)
	[Operating income margin]	[0.9%]	**[0.2%]**	[(0.7%)]	
Asia-Pacific (APAC) & China	Net sales	405.1	**421.9**	16.7	4.1
	Operating income. .	11.0	**7.6**	(3.4)	(31.0)
	[Operating income margin]	[2.7%]	**[1.8%]**	[(0.9%)]	
Elimination & Corporate	Net sales	(414.0)	**(445.7)**	(31.7)	–
	Operating income. .	(78.3)	**(80.6)**	(2.2)	–
Consolidated	Net sales	4,528.4	**4,467.5**	(60.8)	(1.3)
	Operating income. .	132.5	**105.3**	(27.2)	(20.6)
	[Operating income margin]	[2.9%]	**[2.4%]**	[(0.5%)]	

Japan

Net sales amounted to ¥3,396.2 billion ($41,418 million), roughly on a par with fiscal 2010. Production adjustments among customers due to the flooding in Thailand had a negative impact on sales, leading to revenue declines for car audio and navigation systems and LSI devices, as well as server products and electronic components. However, sales rose for mobile phones, as well as network products, centered on mobile phone base stations. Operating income in Japan totaled ¥177.8 billion ($2,169 million), a year-on-year decrease of ¥37.9 billion. Earnings were boosted by greater revenue from network products, but declined overall as a result of the drop in sales for LSI devices and electronic components, as well as upfront R&D investment in network and cloud services.

EMEA

Net sales amounted to ¥817.5 billion ($9,971 million), a decline of 3.8% from fiscal 2010, but roughly on a par with the previous fiscal year on a constant currency basis. PC sales expanded in emerging economies such as Turkey, Middle Eastern countries and Russia, and revenue rose in the services businesses in Scandinavia and UK private sector, though sales were down in UK public sector and in continental Europe. Operating income in EMEA was essentially at break-even point, improving by ¥18.4 billion from the loss in the previous fiscal year. The operating loss in fiscal 2010 was due mainly to the one-time recognition of initial costs and other expenses associated with the cancellation of certain long-term services contracts.

The Americas

Net sales amounted to ¥277.5 billion ($3,385 million), a decrease of 7.0% from fiscal 2010. Revenue declined for car audio and navigation systems and LSI devices, with sales also sluggish in the services business, centered on the United States. Sales of optical transmission systems were positive during the first half of the fiscal year, but slowed briefly during the second half, ending flat for the full fiscal year. Operating income for the region totaled ¥0.4 billion ($6 million), a decline of ¥2.1 billion from fiscal 2010. This was due mainly to upfront investments in development for optical transmissions systems.

APAC & China

Net sales amounted to ¥421.9 billion ($5,146 million), a year-on-year increase of 4.1%. Sales decreased for car audio and navigation systems, while sales rose for LSI device. Operating income for the region totaled ¥7.6 billion ($93 million), a decrease of ¥3.4 billion over fiscal 2010. This was due mainly to the decline in sales of car audio and navigation systems.

3. Analysis of Capital Resources and Liquidity

Assets, Liabilities and Net Assets

Condensed Consolidated Balance Sheets (Unit: billion yen)

As of March 31	2011	**2012**	YoY Change
Assets			
Current assets	1,760.6	**1,701.7**	(58.8)
Investments and long-term loans	372.8	**372.4**	(0.3)
Property, plant and equipment	638.6	**640.9**	2.3
Intangible assets	251.9	**230.2**	(21.6)
Total assets	3,024.0	**2,945.5**	(78.5)
Liabilities			
Current liabilities	1,507.8	**1,417.4**	(90.3)
Long-term liabilities	562.5	**561.4**	(1.0)
Total liabilities	2,070.3	**1,978.9**	(91.4)
Net assets			
Shareholders' equity	903.9	**926.0**	22.1
Accumulated other comprehensive income	(82.6)	**(85.0)**	(2.3)
Minority interests in consolidated subsidiaries	132.4	**125.4**	(6.9)
Total net assets	953.7	**966.5**	12.8
Total liabilities and net assets	3,024.0	**2,945.5**	(78.5)
Cash and cash equivalents at end of year	358.5	**266.6**	(91.8)
Interest-bearing loans	470.8	**381.1**	(89.6)
Net interest-bearing loans	112.2	**114.4**	2.2
Owners' equity	821.2	**841.0**	19.7

Notes: Year-end balance of interest-bearing loans: Short-term borrowings and current portion of bonds payable (Current liabilities) + Long-term borrowings and bonds payable (Non-current liabilities)
Net debt: (Interest-bearing loans – cash and cash equivalents)
Owners' equity: Net assets – Subscription rights to shares – Minority interests in consolidated subsidiaries

Reference: Financial Indicators (Unit: billion yen)

Years ended March 31	2011	**2012**	YoY Change
Inventories	341.4	**334.1**	(7.3)
[Inventory turnover ratio]	[13.65]	**[13.23]**	[(0.42)]
[Monthly inventory turnover rate]	[1.02]	**[1.01]**	[(0.01)]
Shareholders' equity ratio	29.9%	**31.4%**	1.5%
Owners' equity ratio	27.2%	**28.6%**	1.4%
D/E ratio (times)	0.57	**0.45**	(0.12)
Net D/E ratio (times)	0.14	**0.14**	–

Notes: Inventory turnover ratio: Net sales ÷ {(Beginning balance of inventories + year-end balance of inventories) ÷ 2}
Monthly inventory turnover: Net sales ÷ Average inventories during period* ÷ 12
Shareholders' equity ratio: Shareholders' equity ÷ Total assets
Owners' equity ratio: (Net assets – Subscription rights to shares – Minority interests in consolidated subsidiaries) ÷ Total assets
D/E ratio: Interest-bearing loans ÷ Owners' equity
Net D/E ratio: Net debt (Interest-bearing loans – cash and cash equivalents) ÷ Owners' equity

* Average inventories during period are calculated as the average of the ending balance of inventories for each of the four quarters of the fiscal year.

Consolidated total assets at the end of fiscal 2011 amounted to ¥2,945.5 billion ($35,921 million), a decrease of ¥78.5 billion compared to the end of fiscal 2010. Current assets totaled ¥1,701.7 billion ($20,753 million), a decrease of ¥58.8 billion. Cash and cash equivalents decreased ¥91.8 billion, used mainly to redeem convertible bonds at maturity and for repayment of debt. Trade receivables increased ¥24.2 billion, due mainly to a rise in fourth quarter sales (Jan-Mar 2012) compared to the same period of the previous fiscal year. Inventories totaled ¥334.1 billion ($4,075 million), a decrease of ¥7.3 billion from a year earlier. Following the Great East Japan Earthquake and flooding in Thailand, the Group had increased its inventory holdings of parts and materials to prepare for unforeseen circumstances, although steady progress was achieved in the delivery of the Japan's Next-Generation Supercomputer system. The monthly inventory turnover ratio, an indicator of asset utilization efficiency, was 1.01 times, essentially unchanged from the previous fiscal year. Fixed assets totaled ¥1,243.7 billion ($15,167 million), a decline of ¥19.7 billion. Intangible assets decreased ¥21.6 billion, due mainly to the amortization of goodwill.

Total liabilities amounted to ¥1,978.9 billion ($24,133 million), a decrease of ¥91.4 billion from the end of fiscal 2010. The balance of interest-bearing loans was ¥381.1 billion ($4,648 million), a decrease of ¥89.6 billion. This was due mainly to efforts to repay debt, along with the redemption of ¥100.0 billion of convertible bonds at maturity. For the redemption of the convertible bonds, together with an allocation of cash on hand, the Company issued ¥50.0 billion in straight bonds with maturity periods of three and five years. As a result, the D/E ratio was 0.45 times, an improvement of 0.12 percentage points compared to the end of fiscal 2010, with the net D/E ratio at 0.14 times, the same level as the end of the previous fiscal year. The figures for both the D/E ratio and the net D/E ratio are record lows for the Group.

Net assets amounted to ¥966.5 billion ($11,788 million), an increase of ¥12.8 billion from the end of fiscal 2010. This was due mainly to shareholders' equity of ¥926.0 billion ($11,293 million), an increase of ¥22.1 billion, because of the net income recorded in fiscal 2011. Accumulated other comprehensive income, centered on foreign currency translation adjustments and unrealized gain and loss on securities, net of taxes, amounted to negative ¥85.0 billion ($1,037 million), roughly on a par with the previous fiscal year. Exchange rates and share prices fluctuated considerably during fiscal 2011, but were roughly equivalent in an end-of-year comparison. The owners' equity ratio was 28.6%, an increase of 1.4 percentage points over the end of fiscal 2010.

The unrecognized obligation for retirement benefits*2 was ¥400.9 billion ($ 48,893 million). The level in Japan decreased by ¥23.2 billion year on year, to ¥292.0 billion ($3,561 million) at the end of fiscal 2011. Outside Japan, the level increased by ¥34.5 billion to ¥108.9 billion ($1,328 million), due mainly to an increase in retirement benefit obligations stemming from a drop in the discount rate*3 used by a UK subsidiary. The future minimum lease payment required under non-cancelable operating leases at the end of fiscal 2011 amounted to ¥79.6 billion ($972 million). In addition, commitments outstanding at March 31, 2012 for purchases of property, plant and equipment and intangible assets were ¥6.7 billion ($82 million), and contingent liabilities for guarantee contracts amounted to ¥2.2 billion ($27 million).

*2 Unrecognized obligations consist primarily of unrecognized actuarial losses. "Actuarial losses" refer to disparities that occur chiefly as the result of differences between expected and actual returns from pension plan assets differences between the estimates used for the actuarial calculation of retirement benefit obligations and actual obligations, and changes in estimates. Of these differences, those that have not yet been expensed are referred to as "unrecognized actuarial losses." The Group expenses actuarial losses that arise over the average remaining service period of its employees. Up to June 25, 2012, the filing date of the Annual Securities Report, accounting standards for retirement benefits were revised. Net assets are expected to decrease when the Group adopts the revised accounting standards. The details are noted in "Notes to Consolidated Financial Statements, 1. Significant Accounting Policies, (u) Accounting standards issued but not yet effective."

*3 Refers to the rate used to discount to present value the amount of expected retirement benefits deemed to be incurred for each projected retirement period incurred by the fiscal year-end. The rate is decided with reference to interest on high-quality corporate bonds as of the balance-sheet date.

Cash Flows

Condensed Consolidated Statements of Cash Flows

(Unit: billion yen)

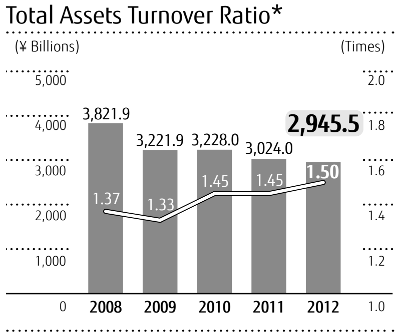
Years ended March 31	2011	**2012**	YoY Change
I Cash flows from operating activities	255.5	**240.0**	(15.5)
II Cash flows from investing activities	(142.1)	**(190.8)**	(48.7)
I+II Free cash flow	113.4	**49.1**	(64.2)
[Excluding one-time items]	[73.3]	**[43.5]**	[(29.8)]
III Cash flows from financing activities	(166.9)	**(138.9)**	27.9
IV Cash and cash equivalents at end of year	358.5	**266.6**	(91.8)

Note: "Free cash flow excluding one-time items" refers to free cash flow excluding proceeds from sales of investment securities, as well as proceeds from acquisition of subsidiaries' stock resulting in change in scope of consolidation and transfer of businesses.

Net cash provided by operating activities during fiscal 2011 amounted to ¥240.0 billion ($2,927 million), a decrease of ¥15.5 billion from the previous fiscal year. This was due mainly to deterioration in income before income taxes and minority interests, stemming from such factors as the flooding in Thailand, slack demand for LSI devices and electronic components, and a decrease in project proposals for large-scale systems.

Net cash used in investing activities amounted to ¥190.8 billion ($2,327 million), an increase of ¥48.7 billion from the previous fiscal year. Purchases of property, plant and equipment totaled ¥137.7 billion ($1,680 million), mainly for capital expenditures centered on data centers, while purchases of intangible assets totaled ¥57.5 billion ($702 million), mainly for software. During fiscal 2010, there was an inflow of ¥35.1 billion in proceeds from sales of investment securities.

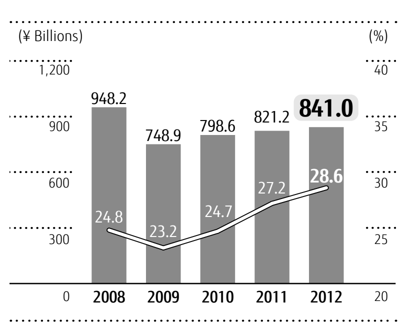
Total Assets/
Total Assets Turnover Ratio*



■ Total Assets (Left Scale)
▭ Total Assets Turnover Ratio (Right Scale)

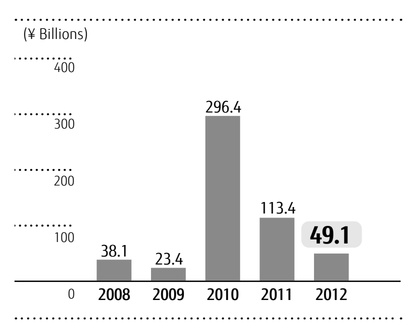
* Net Sales divided by Average Total Assets

Owners' Equity/Owners' Equity Ratio



■ Owners' Equity (Left Scale)
▭ Owners' Equity Ratio (Right Scale)

Free Cash Flow



Free cash flow (the sum of cash flows from operating and investing activities) was positive ¥49.1 billion ($600 million), representing a decrease of ¥64.2 billion year on year. Excluding one-time items, such as proceeds from sales of investment securities, free cash flow was a positive ¥43.5 billion ($531 million), representing a decrease of ¥29.8 billion year on year.

Net cash used in financing activities amounted to ¥138.9 billion ($1,695 million), a decrease of ¥27.9 billion from the previous fiscal year. Along with repayment of debt, the Company redeemed ¥100.0 billion in convertible bonds at maturity. For the redemption of the convertible bonds, together with an allocation of cash on hand, the Company issued ¥50.0 billion in straight bonds with maturity periods of three and five years. During fiscal 2010, there was an expenditure for the acquisition of shares from minority shareholders in conjunction with the conversion of PFU Limited into a wholly owned subsidiary.

As a result of the above factors, cash and cash equivalents at the end of fiscal 2011 totaled ¥266.6 billion ($3,252 million), down ¥91.8 billion from a year earlier.

To ensure efficient funding when the need for funds arises, the Company views the maintenance of an appropriate level of liquidity as an important policy with respect to its financing activities. "Liquidity" refers to cash and cash equivalents and the total unused balance of financing frameworks based on commitment lines established with multiple financial institutions. As of March 31, 2012, the Group had liquidity of ¥464.2 billion ($5,662 million), of which ¥266.6 billion ($3,252 million) was cash and cash equivalents and ¥197.5 billion ($2,409 million) was the yen value of unused commitment lines.

To raise funds from global capital markets, the Group has acquired bond ratings from Moody's Investors Service (Moody's), Standard & Poor's (S&P), and Rating and Investment Information, Inc. (R&I). As of March 31, 2012, the Company had bond ratings (long-term/short-term) of A3 (long-term) from Moody's, A- (long-term) from S&P, and A+ (long-term) and a-1 (short-term) from R&I.

4. Capital Expenditure

In fiscal 2011, capital expenditure totaled ¥140.6 billion ($1,715 million), an increase of 8.0% from ¥130.2 billion spent in the previous fiscal year. In the Technology Solutions segment, capital expenditures totaled ¥73.4 billion ($895 million) for expansion of datacenters in Japan, along with datacenters in Australia, Europe and other regions. In the Ubiquitous Solutions segment, the Group spent ¥15.6 billion ($191 million), mainly for new models of PCs and mobile phones, along with manufacturing facilities for car audio and navigation systems. In the Device Solutions segment, expenditures totaled ¥47.2 billion ($576 million), mainly for LSI device manufacturing facilities and facilities to increase production of electronic components.

5. Consolidated Subsidiaries

At the end of fiscal 2011, the number of consolidated subsidiaries in Japan totaled 199, and the number outside Japan totaled 339, for a total of 538 subsidiaries. This represents a net gain of three subsidiaries from 535 at the end of fiscal 2010, comprising 23 subsidiaries added through acquisition or establishment, and 20 subsidiaries removed through liquidation or sale. Fujitsu International Finance (Netherlands) B.V., which had been a consolidated subsidiary until fiscal 2010, was liquidated because it concluded its financing role for the Fujitsu Group in Europe.

The number of affiliated companies accounted for by the equity method as of the fiscal year-end totaled 18, three more than a year earlier.

6. Critical Accounting Policies and Estimates

The accompanying consolidated financial statements of the Group have been prepared in accordance with accounting principles and practices generally accepted in Japan and the regulations under the Financial Instruments and Exchange Law of Japan. The preparation of the consolidated financial statements requires management to make assumptions and estimates that affect the amount of the assets, liabilities, contingent assets and contingent liabilities reported at the end of the fiscal year, as well as the amount of revenue and expenses recognized during that term. Actual results may differ from these estimates.
The following assumptions and estimates based on the application of accounting principles are those that the management believes may have a material impact on the consolidated financial statements.

Revenue Recognition

Revenue from sales of ICT systems and products, excluding customized software under development contracts, is recognized upon acceptance by the customers, whereas revenue from sales of personal computers, other peripheral equipment and electronic devices is recognized when the products are delivered to the customers. Revenue from customized software under development contracts is recognized on a percentage-of-completion basis.

The Group stringently assesses the potential revenue recoverable on projects for which estimated costs have exceeded estimated revenue, and recognizes the amounts assessed as non-recoverable as losses. If the estimated costs relating to such contracts increase further in the future, additional losses may be recognized.

Inventories

Inventories are carried at the acquisition cost. However, should the net realizable value ("NRV") at the fiscal year-end fall below that of the acquisition cost, inventories are subsequently measured based on the NRV, with the difference in value between the acquisition cost and the NRV, in principle, booked as cost of sales. Inventories outside the normal operating cycle are calculated at an NRV that reflects future demand and market trends. The Group may experience substantial losses in cases where the NRV drops dramatically as a result of deterioration in the market environment compared to forecasts.

Property, Plant and Equipment

Depreciation for property, plant and equipment is computed principally by the straight-line method at rates based on the estimated useful lives of the respective assets, reflecting the likely period over which the value of the assets can be realized under normal business conditions. In the future, some equipment and facilities may become obsolete or may be repurposed as a result of technical innovation or other factors. In such cases, their actual useful lives may be reduced to shorter than their originally estimated useful lives. As such, there is a risk that depreciation expenses may increase.

In addition, impairment losses may be recognized in cases in which there is a decline in expected future cash flows from assets due to production facilities becoming idle and a decrease in the capacity utilization rate, associated with rapid changes in the operating environment or other factors, and business realignment.

Software

Computer software for sale is amortized by a method based on projected sales volume over the estimated life. Computer software for internal use is amortized by the straight-line method over the useful life. Should actual sales volumes fail to meet initial projected volumes, or should actual useful life in the future be less than the original estimate, there is a risk that amortization expenses may increase.

Goodwill

Goodwill arising from the acquisition of a business, including those purchased by consolidated subsidiaries, is amortized by the straight-line method over the period corresponding to the premium of the acquired business. Losses may be recognized if the profitability of the acquired business decreases, or if the Group withdraws from or sells the business during the period the Group expected the return.

Investment Securities

Held-to-maturity investments are stated at amortized cost, while available-for-sale securities with market value are carried at fair market value as of the balance sheet date. Available-for-sale securities without market value are carried at cost based on the moving-average method. Fluctuations in the value of available-for-sale securities with market value cause fluctuations in the carrying value of investment securities, resulting in increases or decreases in net assets. Impairment loss is recognized on available-for-sale securities when the market value or the net worth falls significantly and is considered to be unrecoverable. If a significant decline in market value or net worth occurs and is expected to be unrecoverable in the future, additional impairment losses may need to be recognized.

Deferred Tax Assets

The Group records an appropriate balance of deferred tax assets against losses carried forward and temporary differences. Future increases or decreases in the balance of deferred tax assets may occur if projected taxable income decreases or increases as a result of trends in future business results. In addition, changes in the effective tax rate due to future revisions to taxation systems could result in increases or decreases of deferred tax assets.

Provision for Product Warranties

Some of the Group's products are covered by contracts that require the Group to repair or exchange them free of charge during a set period of time. Based on past records, the Group recognizes a provision for estimated repair and exchange expenses at the time of sale. The Group is taking steps to strengthen quality management during the product development, manufacturing and procurement stages. However, should product defects or other problems occur at a level in excess of that covered by the estimated expenses, additional expenses may be incurred.

Provision for Construction Contract Losses

The Group records provisions for projected losses on customized software under development contracts and construction contracts that show an acute deterioration in profitability as of the fiscal year-end. The Group is taking steps to curtail the emergence of new, unprofitable projects by moving ahead with the standardization of its business processes, establishing a check system as a dedicated organizational component, and conducting risk management throughout the entire progression of a project (beginning with business negotiations). Notwithstanding these efforts, the Group may incur additional losses in the event of an increase in estimated project costs in the future.

Retirement Benefits

Retirement benefit costs and obligations are determined based on certain actuarial assumptions. These assumptions include the discount rate, rates of retirement, mortality rates, and the expected rate of return on the plan assets. In the event an actuarial loss arises, it is amortized using a straight-line method over employees' average remaining service period. When actual results differ from the assumptions or when the assumptions are changed, retirement benefit costs and obligations can be affected. In cases in which revised accounting standards pertaining to retirement benefits are applied, net assets and retirement benefit expenses are most likely to be impacted.

Provision for Loss on Repurchase of Computers

Certain computers manufactured by the Group are sold to Japan Electronic Computer Co., Ltd. (JECC) and other leasing companies. Contracts with these companies require the buyback of the computers once lease contracts are terminated. An estimated amount for the loss arising from such buybacks is provided at the time of sale and is recorded as a provision. Any future changes in the usage trends of end-users may result in changes to the provision.

Consolidated Balance Sheets

Fujitsu Limited and Consolidated Subsidiaries

At March 31	Notes	Yen (millions) 2011	Yen (millions) 2012	U.S. Dollars (thousands) (Note 2) 2012
Assets				
Current assets:				
Cash and cash equivalents	11, 12	¥ 358,593	**¥ 266,698**	**$ 3,252,415**
Short-term investments	11, 12	6,101	**7,227**	**88,134**
Receivables, trade	11	877,069	**901,316**	**10,991,659**
Allowance for doubtful accounts	11	(14,781)	**(12,802)**	**(156,122)**
Inventories	3	341,438	**334,116**	**4,074,585**
Others	11, 13, 16	192,207	**205,227**	**2,502,768**
Total current assets		1,760,627	**1,701,782**	**20,753,439**
Investments and long-term loans:				
Affiliates	11	37,532	**39,632**	**483,317**
Others	11, 12, 13, 14, 16	335,338	**332,863**	**4,059,305**
Total investments and long-term loans		372,870	**372,495**	**4,542,622**
Property, plant and equipment:				
Land	4, 6	117,481	**115,614**	**1,409,927**
Buildings	4, 6, 10	817,816	**830,322**	**10,125,878**
Machinery and equipment	4, 10, 21	1,492,627	**1,452,694**	**17,715,780**
Construction in progress	4, 21	16,413	**25,097**	**306,061**
		2,444,337	**2,423,727**	**29,557,646**
Less accumulated depreciation		(1,805,695)	**(1,782,784)**	**(21,741,268)**
Property, plant and equipment, net		638,642	**640,943**	**7,816,378**
Intangible assets:				
Software	10, 21	135,118	**132,274**	**1,613,098**
Goodwill	5	80,083	**67,526**	**823,488**
Others	21	36,757	**30,487**	**371,793**
Total intangible assets		251,958	**230,287**	**2,808,378**
Total assets	18	¥ 3,024,097	**¥ 2,945,507**	**$ 35,920,817**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

At March 31	Notes	Yen (millions) 2011	Yen (millions) 2012	U.S. Dollars (thousands) (Note 2) 2012
Liabilities and net assets				
Liabilities				
Current liabilities:				
Short-term borrowings and current portion of long-term debt	6, 11	¥ 225,554	**¥ 128,922**	**$ 1,572,220**
Lease obligation	10, 11	24,470	**15,794**	**192,610**
Payables, trade	11	604,264	**617,755**	**7,533,598**
Accrued expenses	11	323,144	**342,541**	**4,177,329**
Accrued income taxes		23,617	**18,627**	**227,159**
Provision for product warranties		25,254	**28,398**	**346,317**
Provision for construction contract losses		21,392	**13,918**	**169,732**
Provision for bonuses to board members		125	**78**	**951**
Others	11, 13, 16	259,988	**251,405**	**3,065,915**
Total current liabilities		1,507,808	**1,417,438**	**17,285,829**
Long-term liabilities:				
Long-term debt	6, 11	245,269	**252,226**	**3,075,927**
Lease obligation	10, 11	26,775	**27,735**	**338,232**
Accrued retirement benefits	14	181,572	**180,491**	**2,201,110**
Provision for loss on repurchase of computers		16,320	**14,356**	**175,073**
Provision for recycling expenses		6,363	**6,690**	**81,585**
Provision for product warranties		2,207	**2,006**	**24,463**
Others	11, 13, 16	84,004	**77,967**	**950,817**
Total long-term liabilities		562,510	**561,471**	**6,847,207**
Total liabilities		2,070,318	**1,978,909**	**24,133,037**
Net assets				
Shareholders' equity:				
Common stock		324,625	**324,625**	**3,958,841**
Capital surplus		236,437	**236,432**	**2,883,317**
Retained earnings		343,072	**365,300**	**4,454,878**
Treasury stock, at cost		(214)	**(318)**	**(3,878)**
Total shareholders' equity		903,920	**926,039**	**11,293,159**
Accumulated other comprehensive income:				
Unrealized gain and loss on securities, net of taxes	12	13,564	**13,660**	**166,585**
Deferred gains or losses on hedges and others, net of taxes		2,817	**3,491**	**42,573**
Foreign currency translation adjustments		(99,057)	**(102,151)**	**(1,245,744)**
Total accumulated other comprehensive income		(82,676)	**(85,000)**	**(1,036,585)**
Subscription rights to shares		76	**78**	**951**
Minority interests in consolidated subsidiaries		132,459	**125,481**	**1,530,256**
Total net assets		953,779	**966,598**	**11,787,780**
Total liabilities and net assets		¥3,024,097	**¥2,945,507**	**$35,920,817**

Consolidated Income Statements

Fujitsu Limited and Consolidated Subsidiaries

Years ended March 31	Notes	Yen (millions) 2011	2012	U.S. Dollars (thousands) (Note 2) 2012
Net sales	18	¥4,528,405	**¥4,467,574**	**$54,482,610**
Operating costs and expenses:				
Cost of sales	7, 14, 15	3,270,923	**3,232,146**	**39,416,415**
Selling, general and administrative expenses	7, 14, 15	1,124,888	**1,130,124**	**13,782,000**
		4,395,811	**4,362,270**	**53,198,415**
Operating income	18	132,594	**105,304**	**1,284,195**
Other income (expenses):				
Interest income		2,723	**2,995**	**36,524**
Dividend income		3,398	**3,208**	**39,122**
Interest charges		(11,728)	**(9,283)**	**(113,207)**
Equity in earnings of affiliates, net		3,804	**3,060**	**37,317**
Other, net	7, 14	(28,555)	**(38,567)**	**(470,329)**
		(30,358)	**(38,587)**	**(470,573)**
Income before income taxes and minority interests		102,236	**66,717**	**813,622**
Income taxes:				
Current	16	35,057	**23,499**	**286,573**
Deferred	16	13,122	**6,500**	**79,268**
		48,179	**29,999**	**365,841**
Income before minority interests		54,057	**36,718**	**447,780**
Minority interests in income (loss) of consolidated subsidiaries		(1,035)	**(5,989)**	**(73,037)**
Net income		¥ 55,092	**¥ 42,707**	**$ 520,817**

	Notes	Yen 2011	2012	U.S. Dollars (Note 2) 2012
Amounts per share of common stock:				
Basic earnings	20	¥26.62	**¥20.64**	**$0.252**
Diluted earnings	20	25.75	**20.55**	**0.251**
Cash dividends		10.00	**10.00**	**0.122**

Consolidated Statements of Comprehensive Income

Fujitsu Limited and Consolidated Subsidiaries

Years ended March 31	Notes	Yen (millions) 2011	2012	U.S. Dollars (thousands) (Note 2) 2012
Income before minority interests		¥ 54,057	**¥36,718**	**$447,780**
Other comprehensive income:	8			
Unrealized gain and loss on securities, net of taxes		(2,495)	**44**	**537**
Deferred gains or losses on hedges and others, net of taxes		63	**112**	**1,366**
Foreign currency translation adjustments		(11,989)	**(3,092)**	**(37,707)**
Share of other comprehensive income of associates accounted for using the equity method		(846)	**528**	**6,439**
Total other comprehensive income		(15,267)	**(2,408)**	**(29,366)**
Comprehensive income		¥ 38,790	**¥34,310**	**$418,415**
Attributable to:				
Owners of the parent		¥ 40,954	**¥40,343**	**$491,988**
Minority interests		(2,164)	**(6,033)**	**(73,573)**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Changes in Net Assets
Fujitsu Limited and Consolidated Subsidiaries

Yen (millions)

	Shareholders' equity					Accumulated other comprehensive income					
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Unrealized gain and loss on securities, net of taxes	Deferred gains or losses on hedges and others, net of taxes	Foreign currency translation adjustments	Subscription rights to shares	Minority interests in consolidated subsidiaries	Total net assets
Balance at April 1, 2010	¥ 324,625	¥ 235,985	¥ 307,964	¥(2,723)	¥ 865,851	¥ 16,006	¥ 2,300	¥ (85,495)	¥ 53	¥ 149,658	¥ 948,373
Increase (decrease) during the term:											
Cash dividends from retained earnings			(20,672)		(20,672)						(20,672)
Net income			55,092		55,092						55,092
Purchase of treasury stock				(145)	(145)						(145)
Disposal of treasury stock		452		2,654	3,106						3,106
Change in scope of equity method			720		720						720
Reversal of revaluation reserve for land			(32)		(32)						(32)
Net increase (decrease) during the term, except for items under shareholders' equity						(2,442)	517	(13,562)	23	(17,199)	(32,663)
Net increase (decrease) during the term	–	452	35,108	2,509	38,069	(2,442)	517	(13,562)	23	(17,199)	5,406
Balance at April 1, 2011	**¥ 324,625**	**¥ 236,437**	**¥ 343,072**	**¥ (214)**	**¥ 903,920**	**¥ 13,564**	**¥ 2,817**	**¥ (99,057)**	**¥ 76**	**¥ 132,459**	**¥ 953,779**
Increase (decrease) during the term:											
Cash dividends from retained earnings			**(20,696)**		**(20,696)**						**(20,696)**
Net income			**42,707**		**42,707**						**42,707**
Purchase of treasury stock				**(126)**	**(126)**						**(126)**
Disposal of treasury stock		**(4)**		**22**	**18**						**18**
Change in scope of consolidation			**215**		**215**						**215**
Reversal of revaluation reserve for land			**2**		**2**						**2**
Net increase (decrease) during the term, except for items under shareholders' equity						**96**	**674**	**(3,094)**	**2**	**(6,978)**	**(9,300)**
Net increase (decrease) during the term	**–**	**(4)**	**22,228**	**(104)**	**22,120**	**96**	**674**	**(3,094)**	**2**	**(6,978)**	**12,820**
Balance at March 31, 2012	**¥ 324,625**	**¥ 236,432**	**¥ 365,300**	**¥ (318)**	**¥ 926,039**	**¥ 13,660**	**¥ 3,491**	**¥ (102,151)**	**¥ 78**	**¥ 125,481**	**¥ 966,598**

U.S. Dollars (thousands) (Note 2)

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Unrealized gain and loss on securities, net of taxes	Deferred gains or losses on hedges and others, net of taxes	Foreign currency translation adjustments	Subscription rights to shares	Minority interests in consolidated subsidiaries	Total net assets
Balance at April 1, 2011 (in U.S. Dollars)	**$3,958,841**	**$2,883,378**	**$4,183,805**	**$(2,610)**	**$11,023,415**	**$165,415**	**$34,354**	**$(1,208,012)**	**$927**	**$1,615,354**	**$11,631,451**
Increase (decrease) during the term:											
Cash dividends from retained earnings			**(252,390)**		**(252,390)**						**(252,390)**
Net income			**520,817**		**520,817**						**520,817**
Purchase of treasury stock				**(1,537)**	**(1,537)**						**(1,537)**
Disposal of treasury stock		**(49)**		**268**	**220**						**220**
Change in scope of consolidation			**2,622**		**2,622**						**2,622**
Reversal of revaluation reserve for land			**24**		**24**						**24**
Net increase (decrease) during the term, except for items under shareholders' equity						**1,171**	**8,220**	**(37,732)**	**24**	**(85,098)**	**(113,415)**
Net increase (decrease) during the term	**–**	**(49)**	**271,073**	**(1,268)**	**269,756**	**1,171**	**8,220**	**(37,732)**	**24**	**(85,098)**	**156,341**
Balance at March 31, 2012 (in U.S. Dollars)	**$3,958,841**	**$2,883,317**	**$4,454,878**	**$(3,878)**	**$11,293,159**	**$166,585**	**$42,573**	**$(1,245,744)**	**$951**	**$1,530,256**	**$11,787,780**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Cash Flows

Fujitsu Limited and Consolidated Subsidiaries

Years ended March 31	2011	Yen (millions) 2012	U.S. Dollars (thousands) (Note 2) 2012
Cash flows from operating activities (A):			
Income before income taxes and minority interests	¥ 102,236	**¥ 66,717**	**$ 813,622**
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	207,767	**194,449**	**2,371,329**
Impairment loss	1,579	**3,241**	**39,524**
Amortization of goodwill	15,610	**15,099**	**184,134**
Increase (decrease) in provisions	(45,500)	**(11,666)**	**(142,268)**
Interest and dividend income	(6,121)	**(6,203)**	**(75,646)**
Interest charges	11,728	**9,283**	**113,207**
Equity in earnings of affiliates, net	(3,804)	**(3,060)**	**(37,317)**
Loss on disposal of non-current assets	7,309	**5,274**	**64,317**
Gain on sales of investment securities, net	(9,366)	**–**	**–**
(Increase) decrease in receivables, trade	25,687	**(33,914)**	**(413,585)**
(Increase) decrease in inventories	(22,706)	**4,647**	**56,671**
Increase (decrease) in payables, trade	(1,718)	**20,826**	**253,976**
Other, net	13,361	**15,798**	**192,659**
Cash generated from operations	296,062	**280,491**	**3,420,622**
Interest and dividends received	6,893	**6,770**	**82,561**
Interest paid	(11,179)	**(12,588)**	**(153,512)**
Income taxes paid	(36,242)	**(34,663)**	**(422,720)**
Net cash provided by operating activities	255,534	**240,010**	**2,926,951**
Cash flows from investing activities (B):			
Purchases of property, plant and equipment	(122,267)	**(137,786)**	**(1,680,317)**
Proceeds from sales of property, plant and equipment	6,861	**6,135**	**74,817**
Purchases of intangible assets	(59,693)	**(57,542)**	**(701,732)**
Purchases of investment securities	(16,029)	**(6,358)**	**(77,537)**
Proceeds from sales of investment securities	35,120	**5,618**	**68,512**
Proceeds from acquisition of subsidiaries' stock resulting in change in scope of consolidation	715	**45**	**549**
Proceeds from transfer of business	4,214	**–**	**–**
Other, net	8,971	**(942)**	**(11,488)**
Net cash used in investing activities	(142,108)	**(190,830)**	**(2,327,195)**
A+B*	113,426	**49,180**	**599,756**
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings	7,373	**(3,522)**	**(42,951)**
Proceeds from long-term debt	63,739	**96,118**	**1,172,171**
Repayment of long-term debt	(174,142)	**(181,435)**	**(2,212,622)**
Proceeds from sales of treasury stock	24	**18**	**220**
Purchase of treasury stock	(145)	**(126)**	**(1,537)**
Dividends paid	(23,187)	**(22,666)**	**(276,415)**
Other, net	(40,595)	**(27,353)**	**(333,573)**
Net cash used in financing activities	(166,933)	**(138,966)**	**(1,694,707)**
Effect of exchange rate changes on cash and cash equivalents	(8,091)	**(6,209)**	**(75,720)**
Net decrease in cash and cash equivalents	(61,598)	**(95,995)**	**(1,170,671)**
Cash and cash equivalents at beginning of year	420,166	**358,593**	**4,373,085**
Cash and cash equivalents of newly consolidated subsidiaries	25	**4,100**	**50,000**
Cash and cash equivalents at end of year	¥ 358,593	**¥ 266,698**	**$ 3,252,415**
Non-cash investing and financing activities:			
Acquisition of assets under finance leases	¥ 13,171	**¥ 17,674**	**$ 215,537**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.
* This is referred to as "free cash flow" in Management's Discussion and Analysis of Operations.

Notes to Consolidated Financial Statements

Fujitsu Limited and Consolidated subsidiaries

1. Significant Accounting Policies

(a) Basis of presenting consolidated financial statements and the principles of consolidation

The accompanying consolidated financial statements of Fujitsu Limited (the "Company") and its consolidated subsidiaries (together, the "Group") have been prepared in accordance with the regulations under the Financial Instruments and Exchange Law of Japan and accounting principles and practices generally accepted in Japan. In presenting the accompanying consolidated financial statements, certain items have been reclassified for the convenience of readers outside Japan.

The consolidated financial statements include the accounts of the Company and, with minor exceptions, those of its majority-owned subsidiaries.

The Company's consolidated subsidiaries outside Japan prepare their financial statements in accordance with IFRS (International Financial Reporting Standards).

However, certain items, such as amortization of goodwill, are adjusted in the process of consolidation based on "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan, Practical Issues Task Force, No. 18 dated February 19, 2010).

The acquisition of companies is accounted for by the purchase method. Goodwill represents the excess of the acquisition cost over the fair value of the net assets of the acquired companies.

Investments in affiliates, with minor exceptions, are accounted for by the equity method.

(b) Translation of foreign currency accounts

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the foreign currency exchange rates in effect at the respective balance sheet dates.

The assets and liabilities accounts of the consolidated subsidiaries outside Japan are translated into Japanese yen at the exchange rates in effect at the respective balance sheet dates. Income and expense accounts are translated at the average exchange rate during the year. The resulting translation adjustments are recorded in a separate component of accumulated other comprehensive income as "foreign currency translation adjustments."

(c) Revenue recognition

Revenue from sales of ICT systems and products excluding customized software under development contracts (the "customized software") is recognized upon acceptance by the customers, whereas, revenue from sales of PCs, other equipment and electronic devices is recognized when the products are delivered to the customers. Revenue from sales of the customized software is recognized by reference to the percentage-of-completion method.

(d) Cash equivalents

Cash equivalents are considered to be short-term highly liquid investments with a maturity of three months or less from the date of acquisition and an insignificant risk of fluctuation in value.

(e) Investment securities

Investment securities included in "cash and cash equivalents" and "investments and long-term loans" are classified as "Affiliates" such as investments in affiliates; held-to-maturity investments, which are the debt securities that the Group has the positive intent and ability to hold to maturity; or available-for-sale securities, which are investment securities not classified as "Affiliates" or "held-to-maturity."

Investments in affiliates are accounted for by the equity method. Held-to-maturity investments are stated at amortized cost, adjusted for the amortization of premiums or accretion of discounts to maturity. Available-for-sale securities are basically carried at fair value. However, unlisted securities are carried at the acquisition cost, and classified as "financial instruments for which it is extremely difficult to determine the fair value," as no market price is available and it is not possible to estimate the future cash flow. The cost of available-for-sale securities sold is calculated by the moving average method.

Available-for-sale securities are carried at fair market value, with the unrealized gains or losses, net of taxes, included in accumulated other comprehensive income.

(f) Derivative financial instruments

The Group uses derivative financial instruments mainly for the purpose of hedging against the risk of fluctuations in foreign exchange rates and interest rates on receivables and payables denominated in foreign currencies.

The hedging instruments consist of forward exchange, option and swap contracts and related complex contracts.

Derivative financial instruments are stated at fair value, and gains or losses on changes in fair values of the hedging instruments are recognized as "Other income (expenses)."

However, gains or losses on changes in fair values of derivative financial instruments, which qualify for deferral hedge accounting, are deferred on the balance sheet until gain or loss on the hedged items are recognized.

(g) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount deemed sufficient to cover estimated future losses.

(h) Inventories

Finished goods are mainly stated at cost determined by the moving average method.

Work in process is mainly stated at cost determined by the specific identification method or the average cost method.

Raw materials and supplies are mainly stated at cost determined by the moving average method.

Inventories with lower profitability are written down.

(i) Property, plant and equipment (excluding lease assets)

Property, plant and equipment, including renewals and additions, are carried at cost. Maintenance and repairs, including minor renewals and improvements, are charged to income as incurred.

Depreciation is computed by the straight-line method over the estimated useful lives, reflected by the likely period over which the value of the asset can be realized under actual business conditions.

Certain property, plant and equipment are impaired based on consideration of their future usefulness. Accumulated impairment loss is subtracted directly from each asset.

(j) Intangible assets

Goodwill, including the goodwill acquired by consolidated subsidiaries, representing the premium paid to acquire a business is amortized using the straight-line method over periods not exceeding 20 years as these are periods over which the Group expects to benefit from the acquired business.

Computer software for sale is amortized based on the current year sales units to the projected total products' sales units. Computer software for internal use is amortized by the straight-line method over the estimated useful lives.

Other intangible assets are amortized by the straight-line method over the estimated useful lives of the respective assets.

(k) Leases

Assets acquired by lessees in finance lease transactions are recorded in the corresponding asset accounts. As for lease transactions in which the title is not transferred to the lessees, the leased assets are depreciated over the lease term by the straight-line method.

Operating lease payments are recognized as an expense over the lease term.

(l) Provision for product warranties

Provision for product warranties is recognized at the time of sales of the products at an amount which represents the estimated cost, based on past experience, to repair or exchange certain products within the warranty period.

(m) Provision for construction contract losses

Provision for construction contract losses is the estimated amount of future losses on customized software or construction contracts whose costs are probable to exceed total contract revenues.

(n) Provision for bonuses to board members

Provision for the bonuses to board members is recorded based on an estimated amount.

(o) Retirement benefits

The Company and the majority of the consolidated subsidiaries have retirement benefit plans.

Under the significant defined benefit plans, the actuarial valuation used to determine the pension costs is the projected unit credit method.

(p) Provision for loss on repurchase of computers

Certain computers manufactured by the Group are sold to Japan Electronic Computer Co., Ltd. ("JECC") and other leasing companies for leasing to ultimate users under contracts which require the Group to repurchase the computers if they are returned by the users after a certain period. Based on past experience, an estimated amount for the loss arising from such repurchases is provided at the point of sales and is charged to income.

(q) Provision for recycling expenses

A provision for anticipated recycling expenses has been made based on the regime for PC recycling enforced in Japan to prepare for recycling expenses incurred upon collection of consumer PCs sold.

(r) Income taxes

The Group has mainly adopted the asset and liability method of tax effect accounting in order to recognize income tax effect of all temporary differences in the recognition of assets and liabilities for tax and financial reporting purposes.

(s) Earnings per share

Basic earnings per share is computed based on the weighted average number of shares of common stock outstanding during the respective years.

Diluted earnings per share is computed based on the weighted average number of shares after consideration of the dilutive effect of the shares of common stocks issuable upon the exercise of subscription rights to shares and the conversion of convertible bonds.

(t) Changes in disclosures

Effective the year ended March 31, 2012, the Group has implemented "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan Statement No. 24, issued December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan Guidance No. 24, issued December 4, 2009).

(u) Accounting standards issued but not yet effective

The following accounting standards were issued but not yet effective up to June 25, 2012, the filing date of the Annual Securities Report, regulated by the Financial Instruments and Exchange Law of Japan. The Group has not yet adopted these standards as of March 31, 2012.

"Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 26, issued May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Guidance No. 25, issued May 17, 2012)

(1) Overview

Actuarial gains and losses and prior service costs are required to be recognized in net assets at net of tax effects. Funded status is fully recognized as a liability or asset on the balance sheet. With respect to the amortization method of the expected benefit, the benefit formula basis is newly allowed as an option, in addition to the straight–line basis. In addition, the method for determining the discount rate is amended.

(2) Date of adoption

The Company and its consolidated subsidiaries in Japan will adopt the accounting standards effective the fiscal year ending March 31, 2014. The standard and guidance will not be applied retrospectively to financial statements in the prior years.

(3) Impact of the adoption of the accounting standards

The Company and its consolidated subsidiaries in Japan are fully compliant with the Generally Accepted Accounting Principles in Japan. The adoption of these standards is expected to have a significant impact on the consolidated financial statements of the Group. In the consolidated balance sheet, the net assets are expected to decrease due mainly to the immediate recognition of the actuarial gains and losses. Currently, it is difficult to estimate the financial impact.

"Employee Benefits" (IAS 19, issued June 16, 2011)

(1) Overview

Regarding remeasurements of the net defined benefit liability (asset), including actuarial gains and losses, the option to defer partial recognition is eliminated, and immediate recognition through net assets, net of tax effects, is required. The funded status is recognized as a liability or asset. The option to recycle actuarial gains and losses from other comprehensive income to profit and loss is also eliminated. In addition, the net interest on the net defined benefit liability (asset) replaces the recognition of the interest cost and the expected return on plan assets previously required.

(2) Date of adoption

The Company's consolidated subsidiaries outside of Japan will adopt this accounting standard from the beginning of the fiscal year ending March 31, 2014, as it will be effective from the fiscal year beginning January 1, 2013. The standard requires retrospective application. The Group will therefore restate the corresponding financial statement for the year ending March 31, 2013 incorporating adjustments for the impact of the adoption of this standard.

(3) Impact of the adoption of the accounting standard

The Company's consolidated subsidiaries outside Japan prepare their financial statements in accordance with IFRS (International Financial Reporting Standards). Certain items, such as amortization of goodwill, are adjusted in the process of consolidation based on "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan, Practical Issues Task Force, No. 18 issued February 19, 2010). Regarding the amortization of actuarial gains and losses, no adjustment is allowed under the Practical Solution. Therefore, the Group has to date consolidated the amortization of actuarial gains and losses in respect of defined benefit pension plans in subsidiaries outside Japan with no adjustment.

The amendment to IAS 19 is considered to have a significant impact on the Group's consolidated financial statements. In the consolidated balance sheet, net assets are expected to decrease due mainly to the immediate full recognition of the actuarial gains and losses. In the consolidated income statement, operating income is considered to be adversely impacted due to the increase in amortization of actuarial gains and losses in the consolidated subsidiaries outside Japan*, and an increase in net periodic benefit cost caused by the application of the net interest on the net defined benefit liability (asset). Currently, it is difficult to estimate the financial impact from the changes in IAS 19 on the Group consolidated financial statements.

* The Company's consolidated subsidiaries outside of Japan have to date applied the corridor approach for recognizing a portion of actuarial gains and losses as an expense. Under the corridor approach, when the net cumulative unrecognized actuarial gains and losses at the end of the previous fiscal year exceed the greater of 10% of the present value of the defined benefit obligation or 10% of the fair value of plan assets, the excess amount is recognized as an expense over the expected average remaining service lives of employees.

The amendment to IAS 19 does not allow recycling of actuarial gains and losses held by the Company's consolidated subsidiaries outside of Japan to the income statement. However, in the process of the Group's consolidation, these are periodically recognized as an expense over the expected average remaining service lives of employees, in line with the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements." The accounting standard requires retrospective application. The Group will therefore restate the corresponding financial statement for the year ending March 31, 2013 incorporating adjustments for the impact of the adoption of this standard.

2. U.S. Dollar Amounts

The Company and its consolidated subsidiaries in Japan maintain their books of account in yen. The U.S. dollar amounts included in the accompanying consolidated financial statements and the notes thereto represent the arithmetic results of translating yen into U.S. dollars at ¥82 = US$1, the approximate exchange rate at March 31, 2012.

The U.S. dollar amounts are presented solely for the convenience of readers and the translation is not intended to imply that the assets and liabilities which originated in yen have been or could readily be converted, realized or settled in U.S. dollars at the above or any other rate.

3. Inventories

Inventories at March 31, 2011 and 2012 consist of the following:

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Finished goods	¥150,685	**¥139,162**	**$1,697,098**
Work in process	112,995	**106,268**	**1,295,951**
Raw materials and supplies	77,758	**88,686**	**1,081,537**
Total inventories	¥341,438	**¥334,116**	**$4,074,585**

Amounts above are net of write-downs.

The amounts of write-downs recognized as cost of sales for the years ended March 31, 2011 and 2012 were ¥22,545 million and ¥17,730 million ($216,220 thousand) respectively.

4. Property, Plant and Equipment

Changes in property, plant and equipment, net of accumulated depreciation (including lease assets) are as follows:

	Yen (millions)		U.S. Dollars (thousands)
Years ended March 31	2011	**2012**	**2012**
Land			
Balance at beginning of year	¥119,530	**¥117,481**	**$1,432,695**
Additions	1,505	**601**	**7,329**
Impairment loss	1,255	**1,477**	**18,012**
Translation differences	(525)	**(269)**	**(3,280)**
Other, net	(1,774)	**(722)**	**(8,805)**
Balance at end of year	¥117,481	**¥115,614**	**$1,409,927**

Years ended March 31	Yen (millions) 2011	Yen (millions) 2012	U.S. Dollars (thousands) 2012
Buildings			
Balance at beginning of year	¥273,133	**¥277,844**	**$3,388,341**
Additions	29,101	**26,371**	**321,598**
Depreciation	23,095	**23,573**	**287,476**
Impairment loss	25	**469**	**5,720**
Translation differences	(2,375)	**(489)**	**(5,963)**
Other, net	1,105	**4,947**	**60,329**
Balance at end of year	¥277,844	**¥284,631**	**$3,471,110**
Machinery and equipment			
Balance at beginning of year	¥248,148	**¥226,904**	**$2,767,122**
Additions	105,626	**100,627**	**1,227,159**
Depreciation	118,603	**108,004**	**1,317,122**
Impairment loss	299	**1,257**	**15,329**
Translation differences	(3,706)	**(2,495)**	**(30,427)**
Other, net	(4,262)	**(174)**	**(2,122)**
Balance at end of year	¥226,904	**¥215,601**	**$2,629,280**
Construction in progress			
Balance at beginning of year	¥ 21,924	**¥ 16,413**	**$ 200,159**
Additions*[1]	(1,624)	**13,027**	**158,866**
Translation differences	(571)	**(111)**	**(1,354)**
Other, net	(3,316)	**(4,232)**	**(51,610)**
Balance at end of year	¥16,413	**¥ 25,097**	**$ 306,061**
Total of balance at end of year	¥638,642	**¥640,943**	**$7,816,378**

*[1] Additions to construction in progress are offset by the amounts transferred to the buildings and machinery and equipment.

5. Goodwill

An analysis of goodwill is presented below:

Years ended March 31	Yen (millions) 2011	Yen (millions) 2012	U.S. Dollars (thousands) 2012
Balance at beginning of year	¥93,945	**¥80,083**	**$976,622**
Additions	1,883	**3,315**	**40,427**
Amortization	15,610	**15,099**	**184,134**
Translation differences and others	(135)	**(773)**	**(9,427)**
Balance at end of year	¥80,083	**¥67,526**	**$823,488**

6. Short-term Borrowings and Long-term Debt

Short-term borrowings and long-term debt at March 31, 2011 and 2012 consist of the following:

Short-term borrowings

At March 31	Yen (millions) 2011	Yen (millions) 2012	U.S. Dollars (thousands) 2012
Short-term borrowings, principally from banks, with a weighted average interest rate of 1.24% at March 31, 2011 and 1.52% at March 31, 2012:			
Secured	¥ –	**¥ –**	**$ –**
Unsecured	54,148	**50,581**	**616,841**
Total short-term borrowings (A)	¥54,148	**¥50,581**	**$616,841**

Long-term debt (including current portion)

At March 31	Yen (millions) 2011	2012	U.S. Dollars (thousands) 2012
a) Long-term borrowings			
Long-term borrowings, principally from banks and insurance companies,			
due from 2011 to 2020 with a weighted average interest rate of 1.30% at March 31, 2011:			
due from 2012 to 2016 with a weighted average interest rate of 1.04% at March 31, 2012:			
Secured	¥ –	**¥ –**	**$ –**
Unsecured	136,375	**99,281**	**1,210,744**
Total long-term borrowings	¥136,375	**¥99,281**	**$1,210,744**
b) Bonds and notes			
Bonds and notes issued by the Company:			
Secured	¥ –	**¥ –**	**$ –**
Unsecured			
unsecured convertible bonds due 2011*[1]	100,000	**–**	**–**
3.0% unsecured bonds due 2018	30,000	**30,000**	**365,854**
1.49% unsecured bonds due 2012	60,000	**60,000**	**731,707**
1.73% unsecured bonds due 2014	40,000	**40,000**	**487,805**
0.307% unsecured bonds due 2013	20,000	**20,000**	**243,902**
0.42% unsecured bonds due 2015	30,000	**30,000**	**365,854**
0.398% unsecured bonds due 2014	–	**20,000**	**243,902**
0.623% unsecured bonds due 2016	–	**30,000**	**365,854**
Bonds and notes issued by consolidated subsidiaries,			
Secured	–	**–**	**–**
Unsecured			
[Japan]			
zero coupon unsecured convertible bonds due 2013	200	**200**	**2,439**
zero coupon unsecured convertible bonds due 2015	100	**100**	**1,220**
[Outside Japan]			
Medium Term Note unsecured due 2012 with rate of 0.67%	–	**986**	**12,024**
Total bonds and notes	¥280,300	**¥231,286**	**$2,820,561**
Total long-term debt (including current portion) (a+b)	¥416,675	**¥330,567**	**$4,031,305**
Current portion (B)	171,406	**78,341**	**955,378**
Non-current portion (C)	245,269	**252,226**	**3,075,927**
Total short-term borrowings and long-term debt (including current portion)	¥470,823	**¥381,148**	**$4,648,146**
Short-term borrowings and current portion of long-term debt (A+B)	225,554	**128,922**	**1,572,220**
Long-term debt (excluding current portion) (C)	245,269	**252,226**	**3,075,927**

Convertible bonds are treated solely as liabilities and the conversion option is not recognized as equity in accordance with accounting principles and practices generally accepted in Japan.

*[1] The unsecured convertible bonds due 2011 were issued on August 31, 2007 and redeemed at the maturity date on May 31, 2011. The applicable interest rate was 1.60% up to May 27, 2009. 1.75% was applied on and after May 28, 2009, as the weighted average share price on 10 consecutive days to May 18, 2011 was below ¥900, and the bonds were redeemed at maturity date.

The aggregate annual maturities of long-term debt subsequent to March 31, 2012 are summarized as follows:

Years ending March 31	Yen (millions)	U.S. Dollars (thousands)
2013	¥ 78,341	$ 955,378
2014	79,235	966,280
2015	63,795	777,988
2016	42,681	520,500
2017 and thereafter	66,515	811,159
Total	¥330,567	$4,031,305

At March 31, 2012, the Group had committed facility contracts with banks aggregating ¥197,566 million ($2,409,341 thousand) and all of it was unused.

Assets pledged as collateral for short-term borrowings and long-term debt at March 31, 2011 and 2012 are principally presented below:

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Property, plant and equipment, net	¥2,563	**¥2,530**	**$30,854**

As is customary in Japan, substantially all loans from banks (including short-term loans) are made under bank transaction agreements which stipulate that, at the request of the banks, the borrower is required to provide collateral or guarantors (or additional collateral or guarantors, as appropriate) with respect to such loans, and that all assets pledged as collateral under such agreements will be applicable to all present and future indebtedness to the banks concerned. These bank transaction agreements further stipulate that the banks have the right to offset deposits at the banks against indebtedness which matures or becomes due prematurely by default owed to the banks.

7. Supplementary Information to the Consolidated Income Statements

The amounts of write-down of inventories recognized within "cost of sales" for the years ended March 31, 2011 and 2012 were ¥22,545 million and ¥17,730 million ($216,220 thousand), respectively. The provision for construction contract losses charged to "cost of sales" for the same periods were ¥9,549 million and ¥8,452 million ($103,073 thousand), respectively.

Major items that comprise "Selling, general and administrative expenses" are salaries and research and development expenses. The salaries for the years ended March 31, 2011 and 2012 were ¥308,021 million and ¥313,049 million ($3,817,671 thousand), respectively. The research and development expenses for the same periods were ¥236,210 million and ¥238,360 million ($2,906,829 thousand), respectively.

"Other, net" of "Other income (expenses)" for the years ended March 31, 2011 and 2012 consists of the following:

	Yen (millions)		U.S. Dollars (thousands)
Years ended March 31	2011	**2012**	**2012**
Gain on sales of investment securities	¥ 9,366	**¥ –**	**$ –**
Gain on change in interest	2,368	**–**	**–**
Foreign exchange gains (losses), net	(11,063)	**(1,805)**	**(22,012)**
Gain on negative goodwill	1,220	**–**	**–**
Restructuring charges	–	**(15,199)**	**(185,354)**
Loss on disaster	(11,645)	**(7,529)**	**(91,817)**
Loss on disposal of property, plant and equipment and intangible assets	(5,477)	**(3,082)**	**(37,585)**
Loss on changes in retirement benefit plan	(1,266)	**(895)**	**(10,915)**
Impairment loss	(1,579)	**(776)**	**(9,463)**
Loss on adjustment for adoption of accounting standard for asset retirement obligations	(4,113)	**–**	**–**
Other, net	(6,366)	**(9,281)**	**(113,183)**
	¥(28,555)	**¥(38,567)**	**$(470,329)**

For the year ended March 31, 2012

Restructuring charges

Restructuring charges are in relation to the LSI device business, the car audio and navigation systems business and the services business outside of Japan. In the LSI device business, as part of structural reorganization to optimize the manufacturing capabilities, the Group reached an agreement to transfer ownership of its Iwate plant, one of the front-end manufacturing plants, to DENSO Corporation. As a result of this agreement, the Group recorded a loss of ¥5,992 million ($73,073 thousand), including impairment losses on fixed assets agreed to be transferred and expenses associated with transferring employees to DENSO Corporation. In the car audio and navigation systems business, the Group is restructuring its manufacturing operations in order to strengthen cost competitiveness. As a result, ¥5,236 million ($63,854 thousand) was recorded, which includes provisions and charges for reassigning employees in Japan. In the services business outside of Japan, ¥3,971 million ($48,427 thousand) was recorded on rationalization in Europe and North America.

The restructuring charges under the LSI device and the car audio and navigation systems businesses include impairment losses of ¥2,465 million ($30,061 thousand).

Loss on disaster

Referred mainly to fixed costs associated with temporary plant shutdowns due to aftershocks following the Great East Japan Earthquake and customer-related factors.

Loss on changes in retirement benefit plan

Referred mainly to the costs related to changes from qualified retirement pension plans to lump–sum retirement plans within consolidated subsidiaries in Japan.

Impairment loss

Referred mainly to losses on the following asset groups;

Purpose: Production facilities for the LSI device business
Category: Land
Location: Iwate Prefecture, Japan

Purpose: Production facilities for car audio and navigation systems business
Category: Machinery and other assets
Location: Tianjin, China, and other areas

In principle, the Group’s business-use assets are grouped according to managed business units, and idle assets are grouped on an individual asset basis.

In the LSI device business, in order to optimize the manufacturing capabilities, the transfer of the Iwate plant, one of the front-end manufacturing plants, to DENSO Corporation was agreed in the fiscal year ended March 31, 2012. The asset group of the Iwate plant, scheduled to be transferred during the next fiscal year, was impaired by ¥1,300 million ($15,854 thousand) and the impairment loss is included in “Restructuring charges” classified within “Other income (expenses)” on the income statement.

In the car audio and navigation systems business, the Group has shifted to outsourced production of car audio products due to a decline in customer demand. As a result, the assets were impaired by ¥1,165 million ($14,207 thousand). The impairment loss is included in “Restructuring charges” classified within “Other income (expenses)”.

In other businesses, the impairment losses of ¥776 million ($9,463 thousand) include losses on employee facilities already committed to be sold at the end of the fiscal year.

Total impairment losses consist of ¥1,477 million ($18,012 thousand) for land, ¥936 million ($11,415 thousand) for machinery and equipment and ¥828 million ($10,098 thousand) for other assets.

The recoverable amounts are measured at fair value less costs to sell or value in use. The fair value less costs to sell is measured based on the amount obtainable from the sale of assets less any costs of disposal.

For the year ended March 31, 2011

Gain on sales of investment securities

Referred mainly to the sales of affiliates' shares held by a subsidiary in the U.K.

Gain on change in interest

Referred to changes in interest due to the issuance of new shares by an affiliate (Nantong Fujitsu Microelectronics Co., Ltd.) listed in Shenzhen, China.

Gain on negative goodwill

Referred mainly to the conversion of PFU Limited into a wholly owned subsidiary.

Loss on disaster

Referred mainly to the restoration costs for fixed assets damaged by the Great East Japan Earthquake, the fixed costs for factories that suspended operations due to the earthquake and the disposal losses on inventories. In addition, ¥4,876 million for a provision for loss on disaster is also included in this account.

Loss on adjustment for adoption of accounting standard for asset retirement obligations

Effective the year ended March 31, 2011, the Group adopted the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Statement No. 18) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan Guidance No. 21).

The loss referred mainly to the obligation of restoration for rental buildings in conjunction with the adoption of the Accounting Standard for Asset Retirement Obligations. The loss arose from the difference between the amount of the asset retirement obligations newly recognized as a liability at the beginning of the fiscal year in which the standard was adopted and the amount of asset retirement expenses recognized as an asset. The difference consists largely of the accumulated depreciation amounts of the assets in the years before the adoption of the standard.

Impairment loss

Referred mainly to an investment property determined to be sold.

Loss on changes in retirement benefit plan

Referred to the costs related to the changes to a defined contribution pension plan by consolidated subsidiaries in Japan.

8. Supplementary Information to the Consolidated Statements of Comprehensive Income

Year ended March 31, 2012

	Yen (millions)	U.S. Dollars (thousands)
Unrealized gain and loss on securities		
Gains (losses) during the term	**¥(2,637)**	**$(32,159)**
Reclassification adjustments	**393**	**4,793**
Amount before related income tax effects	**(2,244)**	**(27,366)**
Income tax effect	**2,288**	**27,902**
Unrealized gain and loss on securities, net of taxes	**44**	**537**
Deferred gains or losses on hedges and others		
Gains (losses) during the term	**75**	**915**
Reclassification adjustments	**(5)**	**(61)**
Amount before related income tax effects	**70**	**854**
Income tax effect	**42**	**512**
Deferred gains or losses on hedges and others, net of taxes	**112**	**1,366**
Foreign currency translation adjustments		
Gains (losses) during the term	**(3,773)**	**(46,012)**
Reclassification adjustments	**681**	**8,305**
Amount before related income tax effects	**(3,092)**	**(37,707)**
Income tax effect	**–**	**–**
Foreign currency translation adjustments	**(3,092)**	**(37,707)**
Share of other comprehensive income of associates accounted for using the equity method		
Gains (losses) during the term	**(31)**	**(378)**
Reclassification adjustments*1	**559**	**6,817**
Share of other comprehensive income of associates accounted for using the equity method	**528**	**6,439**
Total other comprehensive income	**¥(2,408)**	**$(29,366)**

*1 The reclassification adjustments of the share of other comprehensive income of associates accounted for using the equity method include the adjustment for purchase price of assets.

The amounts of "Reclassification adjustments" and "Income tax effects" for the year ended March 31, 2011 are not presented above in accordance with "Accounting Standard for Presentation of Comprehensive Income" (Accounting Standards Board of Japan, Statement No. 25, dated June 30, 2010).

9. Supplementary Information to the Consolidated Statements of Cash Flows

No significant transactions.

10. Leases

The following is a summary of assets and liabilities related to finance lease transactions at March 31, 2011 and 2012, which includes acquisition cost, accumulated depreciation and book value of leased assets, future minimum lease payments required under finance leases, and the present value of lease obligations.

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Acquisition cost	¥108,165	**¥74,189**	**$904,744**
Accumulated depreciation	68,637	**39,452**	**481,122**
Book value	39,528	**34,737**	**423,622**
Future minimum lease payments			
Within one year	25,611	**16,744**	**204,195**
Over one year but within five years	24,353	**25,372**	**309,415**
Over five years	7,630	**7,114**	**86,756**
Total future minimum lease payments	¥ 57,594	**¥49,230**	**$600,366**
Less: Interest	(6,349)	**(5,701)**	**(69,524)**
Present value of lease obligations	¥ 51,245	**¥43,529**	**$530,841**
Lease obligations (current)	24,470	**15,794**	**192,610**
Lease obligations (long-term)	26,775	**27,735**	**338,232**

The following is a summary of future minimum lease payments required under non-cancelable operating leases in the aggregate and for each of the following periods.

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Within one year	¥19,368	**¥18,611**	**$226,963**
Over one year but within five years	42,692	**39,642**	**483,439**
Over five years	23,637	**21,423**	**261,256**
Total	¥85,697	**¥79,676**	**$971,659**

11. Financial Instruments

1. Status of Financial Instruments

(1) Policies for Financial Instruments

The Group carries out its financial activities in accordance with the "Fujitsu Group Treasury Policy," and primarily obtains funds through bank borrowing and the issuance of corporate bonds based on funding requirements of its business activities. After the adequate liquidity for its business activities has been ensured, the Group invests temporary excess funds in financial assets with low risk. The Group utilizes derivative transactions only for hedging purposes and not for speculative or dealing purposes.

(2) Description and Risks of Financial Instruments

Trade receivables are exposed to customer credit risk. Additionally, some trade receivables are denominated in foreign currencies in conjunction with the export of products and exposed to exchange rate fluctuation risk. Investment securities are comprised primarily of certificates of deposit and available for sale securities issued by the customers. The certificates of deposit are held for fund management and the shares are held for maintaining and strengthening business relationship with the customers. Shares are exposed to market price fluctuation risk and financial risk of the company invested. The Group also loans to customers.

Trade liabilities such as payables, trade and accrued expenses are generally payable within one year. Some trade liabilities are denominated in foreign currencies in conjunction with the import of components and exposed to exchange rate fluctuation risk. Borrowings, corporate bonds, and lease obligation related to finance lease transactions are mainly for the purpose of obtaining working capital and preparing for capital expenditures. Because some of the foregoing have a floating interest rate, they are exposed to interest rate fluctuation risk.

Derivative transactions consist primarily of the use of exchange forward contracts for the purpose of hedging exchange rate fluctuation risk related to trade receivables and trade liabilities, currency swap contracts for the purpose of hedging exchange rate fluctuation risk related to foreign currency denominated cash flow, and interest swap contracts for the purpose of hedging interest rate fluctuation risk related to borrowings and corporate bonds.

(3) Risk Management of Financial Instruments

(i)Management of Credit Risk

The Group strives to mitigate collection risk in accordance with credit management standards and procedures in selling goods and services. A unit independent from the sales units assesses the credit standing of customers and manages collection dates and the balance outstanding for each customer to ensure smooth and dependable collection of trade receivables. Regarding the loan receivable, the Group periodically assesses debtor's financial condition, and reviews the terms of the loan if needed. The counterparties to derivative transactions are selected upon assessment of their credit risk. The amounts of the largest credit risks as of the reporting date are indicated in the balance sheet values of the financial assets that are exposed to credit risk.

(ii)Management of Market Risk

The Group utilizes mainly exchange forward contracts in respect to trade receivables and trade liabilities denominated in foreign currencies to mitigate exchange rate fluctuation risk monitored by each currency respectively, currency swap contracts to mitigate the foreign currency exchange rate fluctuation risk of cash flow denominated in foreign currency, and interest swap contracts in respect to borrowings and corporate bonds to mitigate interest rate fluctuation risk. The Group regularly monitors the market price and the financial condition of the issuer in respect to its securities and continuously reconsiders investment in each company, taking into account its relationship with the counterparty.

The Group enters into derivative transactions based on regulations established by the Company. Based on policies approved by the Chief Financial Officer(CFO), the finance division undertakes particular transactions and records them and also confirms the balance of transactions with counterparties. In addition, the finance division reports on the content of transactions undertaken and changes in transaction balances to the CFO and the chief of the accounting department.

(iii) Management of Liquidity Risk in Financing Activities

The Group prepares a cash flow projection and monitors its funding requirements. The Group also strives to diversify its sources of financing in order to reduce liquidity risk.

(4) Supplementary Explanation of Fair Value of Financial Instruments

The fair value of Financial Instruments is based on the market price, but in case a market price is not available, the fair value is reasonably estimated. As variable factors are incorporated in the estimation of values, values may vary depending on the assumptions used. The contract amount related to derivative transactions under "13. Derivative Financial Instruments" does not express the market risk related to the derivative transactions.

2. Fair Value of Financial Instruments

Amounts recorded on the consolidated balance sheet as of March 31, 2011 and 2012, fair values, and the variances between the two are as shown below. Unlisted securities, categorized within "Affiliates" and "Others" of "Investment and long-term loans," are not included in the table below, as it is extremely difficult to determine the fair value. Financial instruments categorized within "Others" of both "Current assets" and "Investments and long-term loans" are not included, except for available-for-sale securities and held-to-maturity investments stated at fair value.

	Yen (millions)			U.S. Dollars (thousands)		
At March 31, 2012	Carrying value in consolidated balance sheet	Fair value	Variance	Carrying value in consolidated balance sheet	Fair value	Variance
Current assets						
(1) Cash and cash equivalents	**¥ 266,698**	**¥ 266,698**	**¥ –**	**$ 3,252,415**	**$ 3,252,415**	**$ –**
(2) Short-term investments	**7,227**	**7,227**	**–**	**88,134**	**88,134**	**–**
(3) Receivables, trade	**901,316**			**10,991,659**		
Allowance for doubtful accounts*1	**(12,802)**			**(156,122)**		
	888,514	**888,514**	**–**	**10,835,537**	**10,835,537**	**–**
Investments and long-term loans*2						
(4) Affiliates	**21,381**	**40,603**	**19,222**	**260,744**	**495,159**	**234,415**
(5) Others	**81,118**	**81,118**	**–**	**989,244**	**989,244**	**–**
Total assets	**1,264,938**	**1,284,160**	**19,222**	**15,426,073**	**15,660,488**	**234,415**
Current liabilities						
(1) Short-term borrowings and current portion of long-term debt	**128,922**	**128,922**	**–**	**1,572,220**	**1,572,220**	**–**
(2) Lease obligation	**15,794**	**15,794**	**–**	**192,610**	**192,610**	**–**
(3) Payables, trade	**617,755**	**617,755**	**–**	**7,533,598**	**7,533,598**	**–**
(4) Accrued expenses	**342,541**	**342,541**	**–**	**4,177,329**	**4,177,329**	**–**
Long-term liabilities						
(5) Long-term debt	**252,226**	**258,811**	**6,585**	**3,075,927**	**3,156,232**	**80,305**
(6) Lease obligation	**27,735**	**27,911**	**176**	**338,232**	**340,378**	**2,146**
Total liabilities	**1,384,973**	**1,391,734**	**6,761**	**16,889,915**	**16,972,366**	**82,451**
Derivative transactions*3						
(i) Transactions which do not qualify for hedge accounting	**[3,236]**	**[3,236]**	**–**	**[39,463]**	**[39,463]**	**–**
(ii) Transactions which qualify for hedge accounting	**626**	**626**	**–**	**7,634**	**7,634**	**–**
Total derivative transactions	**[2,610]**	**[2,610]**	**–**	**[31,829]**	**[31,829]**	**–**

	Yen (millions)		
At March 31, 2011	Carrying value in consolidated balance sheet	Fair value	Variance
Current assets			
(1) Cash and cash equivalents	¥ 358,593	¥ 358,593	¥ –
(2) Short-term investments	6,101	6,101	–
(3) Receivables, trade	877,069		
Allowance for doubtful accounts*1	(14,781)		
	862,288	862,288	–
Investments and long-term loans*2			
(4) Affiliates	18,733	43,165	24,432
(5) Others	86,224	86,224	–
Total assets	1,331,939	1,356,371	24,432

At March 31, 2011	Carrying value in consolidated balance sheet	Fair value	Variance
			Yen (millions)
Current liabilities			
(1)Short-term borrowings and current portion of long-term debt	225,554	225,554	–
(2)Lease obligation	24,470	24,470	–
(3)Payables, trade	604,264	604,264	–
(4)Accrued expenses	323,144	323,144	–
Long-term liabilities			
(5)Long-term debt	245,269	252,083	6,814
(6)Lease obligation	26,775	26,983	208
Total liabilities	1,449,476	1,456,498	7,022
Derivative transactions*3			
(i) Transactions which do not qualify for hedge accounting	[3,646]	[3,646]	–
(ii)Transactions which qualify for hedge accounting	9	9	–
Total derivative transactions	[3,637]	[3,637]	–

*1 It comprises the allowance for doubtful accounts in respect to Receivables, trade, short-term loan receivable and others.

*2 Unlisted securities classified in shares in affiliates or available-for-sale securities are defined as "Financial Instruments for which it is extremely difficult to determine the fair value," because no market price is available and it is not possible to estimate the future cash flow in accordance with "Accounting Standard for Financial Instruments"(Accounting Standards Board of Japan, Statement No. 10, dated March 10, 2008) and "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (Accounting Standards Board of Japan Guidance No. 19, dated March 25, 2011). Accordingly unlisted securities are not included in the "Investments and long-term loans" stated above. The carrying values of the stocks in the consolidated balance sheet as of March 31, 2011 and 2012 are ¥47,404 million and ¥46,598 million ($568,268 thousand), consisting of Affiliate: ¥18,799 million and ¥18,087 million ($220,573 thousand) and Others: ¥28,605 million and ¥28,511 million ($347,695 thousand) respectively.

*3 The net amount of the assets and liabilities is shown. If the net amount is a liability, it is written in parentheses [ ].

Calculation method relating to fair value of Financial Instruments

Current assets

(1) Cash and cash equivalents, (2) Short-term investments and (3) Receivables, trade

The fair value of these items approximates the carrying value due to the short maturity of these instruments.

Investments and long-term loans

(4) Affiliates and (5) Others

The fair value of securities is based on the market price on the stock exchanges, and fair value of bonds is based on quotes obtained from the financial institutions or on the market price on the stock exchanges.

Current liabilities:

(1) Short-term borrowings and current portion of long-term debt, (2) Lease obligation, (3) Payables, trade and (4) Accrued expenses

The fair value of these items approximates the carrying value due to the short maturity of these instruments.

Long-term liabilities:

(5) Long-term debt and (6) Lease obligation

The fair value of bonds which have a market price is based on the market price. The fair value of bonds for which there is no market price is calculated by discounting the sum of future principal and interest payments to the present value at a rate taking into account the remaining term and the credit risk of bonds.

The fair value of long-term debt and lease obligation is calculated by discounting the sum of future principal and interest payments to the present value at the rate expected in another loan or lease transaction with the same conditions.

Impairment losses on investment securities

For the years ended March 31, 2011 and 2012

No significant losses were recorded.

Available-for-sale securities with fair value that has declined by 50% or more against their acquisition costs are generally booked as an impairment loss. Those that have declined in a range of 30% or more but less than 50% are impaired if the decline is deemed to be irrecoverable. Available-for-sale securities with no available fair value are generally impaired when issuers' net assets in the balance sheet decrease to more than 50% below the acquisition cost due to a deterioration of issuers' financial conditions.

12. Available-for-sale Securities

At March 31, 2011 and 2012, available-for-sale securities included in “Cash and cash equivalents,” “Short-term investments” and “Others” of “Investments and long-term loans” are stated as follows. Unlisted securities for which it is extremely difficult to determine the fair value are not included in the table.

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Available-for-sale securities			
Acquisition costs	¥74,355	**¥121,278**	**$1,479,000**
Carrying value (Market value)	97,025	**141,544**	**1,726,146**
Net unrealized gain	¥22,670	**¥ 20,266**	**$ 247,146**

13. Derivative Financial Instruments

1. Derivative transactions which do not qualify for hedge accounting

<Currency-related transactions>

	Yen (millions)				U.S. Dollars (thousands)			
At March 31, 2012	Contract Amount	Contract Amount Over 1 Year	Fair Value	Gain/Loss	Contract Amount	Contract Amount Over 1 Year	Fair Value	Gain/Loss
Foreign Exchange Forward Contracts								
To buy foreign currencies								
U.S. Dollars	**¥26,236**	**¥ –**	**¥(1,654)**	**¥(1,654)**	**$319,951**	**$ –**	**$(20,171)**	**$(20,171)**
Euro	**27,870**	**891**	**(157)**	**(157)**	**339,878**	**10,866**	**(1,915)**	**(1,915)**
Other currencies	**5,458**	**124**	**(31)**	**(31)**	**66,561**	**1,512**	**(378)**	**(378)**
To sell foreign currencies								
U.S. Dollars	**17,191**	**–**	**(498)**	**(498)**	**209,646**	**–**	**(6,073)**	**(6,073)**
Euro	**8,299**	**141**	**(88)**	**(88)**	**101,207**	**1,720**	**(1,073)**	**(1,073)**
Other currencies	**2,156**	**626**	**(3)**	**(3)**	**26,293**	**7,634**	**(37)**	**(37)**
Foreign Exchange Option Contracts								
To buy options								
U.S. Dollar puts	**26,488**	**–**			**323,024**	**–**		
	<285>	**<–>**	**170**	**(115)**	**<3,476>**	**<–>**	**2,073**	**(1,402)**
Euro puts	**7,593**	**–**			**92,598**	**–**		
	<–>	**<–>**	**–**	**–**	**<–>**	**<–>**	**–**	**–**
To sell options								
U.S. Dollar calls	**26,488**	**–**			**323,024**	**–**		
	<(285)>	**<–>**	**(997)**	**(712)**	**<(3,476)>**	**<–>**	**(12,159)**	**(8,683)**
Euro calls	**14,507**	**–**			**176,915**	**–**		
	<–>	**<–>**	**(14)**	**(14)**	**<–>**	**<–>**	**(171)**	**(171)**
Foreign Exchange Swap Contracts								
Receive Pound Sterling	**19,389**	**25**	**178**	**178**	**236,451**	**305**	**2,171**	**2,171**
Pay Pound Sterling	**22,755**	**–**	**(113)**	**(113)**	**277,500**	**–**	**(1,378)**	**(1,378)**
Others	**10,298**	**766**	**(29)**	**(29)**	**125,585**	**9,341**	**(354)**	**(354)**
Total			**¥(3,236)**	**¥(3,236)**			**$(39,463)**	**$(39,463)**

At March 31, 2011	Contract Amount	Contract Amount Over 1 Year	Fair Value	Gain/Loss
				Yen (millions)
Foreign Exchange				
Forward Contracts				
To buy foreign currencies				
U.S. Dollars	¥48,517	¥5,462	¥(3,667)	¥(3,667)
Euro	22,270	1,550	599	599
Other currencies	1,088	137	(6)	(6)
To sell foreign currencies				
U.S. Dollars	12,709	–	(178)	(178)
Euro	10,781	–	(132)	(132)
Other currencies	2,775	–	(50)	(50)
Foreign Exchange				
Swap Contracts				
Receive Pound Sterling	15,223	–	(282)	(282)
Pay Pound Sterling	18,994	–	108	108
Others	11,458	–	(38)	(38)
Total			¥(3,646)	¥(3,646)

1) The method for estimating the fair value is principally based on obtaining quotes provided by financial institutions.
2) Collateral conditions are attached to some foreign exchange forward contracts, and there is the possibility of change in contract amount and duration due to the fluctuation of the currency exchange rate.
3) In the column "Contract Amount," option premiums are disclosed in brackets < >, and corresponding fair value and valuation gains and losses are disclosed on the same line.
4) Option contracts represent zero-cost options. In this contract, no premiums are received or paid due to the offsetting payables and receivables. The amounts of "Fair Value" and the "Gain/Loss" for "Euro puts" and "Euro calls" are presented net of buying and selling positions.

2. Derivative transactions which qualify for hedge accounting

(i) Currency-related transactions

At March 31,2012					Yen (millions)			U.S. Dollars (thousands)
Type of hedge accounting	Type of derivative transaction	Principal Item Hedged	Contract Amount	Contract Amounts Over 1 Year	Fair Value	Contract Amount	Contract Amounts Over 1 Year	Fair Value
Fair value hedge	Foreign exchange forward transactions							
	To buy foreign currencies							
	Singapore Dollars, etc	**Borrowings**	**¥1,141**	**¥–**	**¥(8)**	**$13,915**	**$–**	**$(98)**
Deferral hedge	Foreign exchange forward transactions							
	To sell foreign currencies							
	U.S. Dollars	**Receivables, trade**	**¥1,651**	**¥–**	**¥10**	**$20,134**	**$–**	**$122**

*1 The fair value is based mainly on quotes obtained from the financial institutions.
*2 Foreign exchange forward transactions accounted for by the fair value hedge accounting attribute to a transaction by a subsidiary outside Japan which adopts International Financial Reporting Standard (IFRS).

At March 31, 2011

Not applicable for the year.

(ii) Interest-related transactions

At March 31, 2012

Type of hedge accounting	Type of derivative transaction	Principal Item Hedged	Yen (millions) Contract Amount	Contract Amounts Over 1 Year	Fair Value	U.S. Dollars (thousands) Contract Amount	Contract Amounts Over 1 Year	Fair Value
Deferral hedge	Interest rate swap transaction Pay fixed/Receive variable	**Borrowings**	**¥1,923**	**¥1,068**	**¥(23)**	**$23,451**	**$13,024**	**$(280)**

At March 31, 2011

Type of hedge accounting	Type of derivative transaction	Principal Item Hedged	Yen (millions) Contract Amount	Contract Amounts Over 1 Year	Fair Value
Deferral hedge	Interest rate swap transaction Pay fixed/Receive variable	Borrowings	¥2,798	¥1,937	¥9

The fair value is based on quotes obtained from the financial institutions.

(iii) Stock-related transactions

At March 31, 2012

Type of hedge accounting	Type of derivative transaction	Principal Item Hedged	Yen (millions) Contract Amount	Contract Amounts Over 1 Year	Fair Value	U.S. Dollars (thousands) Contract Amount	Contract Amounts Over 1 Year	Fair Value
Deferral hedge	Option transaction to sell a stock	**Investment Securities**	**¥555**	**¥555**	**¥647**	**$6,768**	**$6,768**	**$7,890**

The fair value is based on an option pricing model.

At March 31, 2011

Not applicable for the year.

14. Retirement Benefits

The Company and the majority of the consolidated subsidiaries in Japan have unfunded lump-sum retirement plans which, in general, cover all employees who retire before a retirement age prescribed in their internal labor codes. The employees are entitled to the benefits primarily based on their length of service and base salary as of the retirement date.

In addition, the Company and the majority of the consolidated subsidiaries in Japan participate in contributory defined benefit plans which cover substantially all employees. The major contributory defined benefit plan (the "Plan"), which is referred to as the Fujitsu Corporate Pension Fund, entitles employees upon retirement at the normal retirement age to either a lump-sum payment or pension annuity payments for life commencing at age 60, or a combination of both based on their length of service, base salary and the number of years of participation in the Plan. The contributions of the Company and the subsidiaries covered by the Plan and their employees are made to the Fujitsu Corporate Pension Fund which is an external organization.

The Fujitsu Welfare Pension Fund, in which the Company and certain consolidated subsidiaries in Japan participated, received approval of an elimination of the future benefit obligations of the substitutional portion on March 23, 2004, and then received approval of transfer of past benefit obligation of the substitutional portion on September 1, 2005, from the Minister of Health, Labour and Welfare. Accordingly, Fujitsu Welfare Pension Fund changed to the Defined Benefit Corporate Plan based on the Japanese Defined Benefit Corporate Pension Law from the Japanese Welfare Pension Plan based on the Japanese Welfare Pension Insurance Law, and concurrently a part of the pension system was revised.

The majority of the consolidated subsidiaries outside Japan have defined benefit plans and/or defined contribution plans covering substantially all their employees. The major defined benefit pension plans provided outside Japan are the plans that Fujitsu Services Holdings PLC (including its consolidated subsidiaries, "FS") and Fujitsu Technology Solutions B.V. (including its consolidated subsidiaries) provide. The plan provided by FS entitles employees payments based on their length of service and salary. The defined benefit section of the plan was closed to new entrants for the year ended March 31, 2001. New employees are, however, eligible for membership of the defined contribution section of the plan. For the year ended March 31, 2011, FS started to switch future accrual of benefits relevant to the employees participating in the defined benefit section of the plan to the defined contribution section of the plan, and completed in the year ended March 31, 2012.

The balances of the "Projected benefit obligation and plan assets" and the "Components of net periodic benefit cost" in the plans in both Japan and outside Japan are summarized as follows:

<In Japan>

Projected benefit obligation and plan assets

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Projected benefit obligation	¥(1,280,145)	**¥(1,299,513)**	**$(15,847,720)**
Plan assets	905,592	**943,936**	**11,511,415**
Projected benefit obligation in excess of plan assets	(374,553)	**(355,577)**	**(4,336,305)**
Unrecognized actuarial loss	398,681	**357,527**	**4,360,085**
Unrecognized prior service cost (reduced obligation)	(83,413)	**(65,518)**	**(799,000)**
Prepaid pension cost	(55,194)	**(52,308)**	**(637,902)**
Accrued retirement benefits	¥ (114,479)	**¥ (115,876)**	**$ (1,413,122)**

As a result of pension revisions, unrecognized prior service cost (reduced obligation) occurred for the year ended March 31, 2006 in Fujitsu Corporate Pension Fund in which the Company and certain consolidated subsidiaries in Japan participate.

Components of net periodic benefit cost

	Yen (millions)		U.S. Dollars (thousands)
Years ended March 31	2011	**2012**	**2012**
Service cost	¥ 38,931	**¥ 40,110**	**$ 489,146**
Interest cost	31,550	**31,795**	**387,744**
Expected return on plan assets	(26,651)	**(26,557)**	**(323,866)**
Amortization of unrecognized obligation for retirement benefits:			
Amortization of actuarial loss	37,355	**41,999**	**512,183**
Amortization of prior service cost	(18,633)	**(18,630)**	**(227,195)**
Others*[1]	353	**501**	**6,110**
Net periodic benefit cost	62,905	**69,218**	**844,122**
Loss (gain) on termination of retirement benefit plan	1,266	**895**	**10,915**
Total	¥ 64,171	**¥ 70,113**	**$ 855,037**

*[1] Contribution for defined contribution plans.

In addition to the net periodic benefit cost stated above, extra retirement benefits of ¥1,279 million and ¥6,961 million ($84,890 thousand) were paid for the years ended March 31, 2011 and 2012, respectively.

Assumptions used in accounting for the plans

At March 31	2011	2012
Discount rate	2.5%	**2.5%**
Expected rate of return on plan assets	2.9%	**2.9%**
Method of allocating actuarial loss	Straight-line method over the employees' average remaining service period	**Straight-line method over the employees' average remaining service period**
Method of allocating prior service cost	Straight-line method over 10 years	**Straight-line method over 10 years**

<Outside Japan>

FS adopted International Financial Reporting Standards ("IFRS") for the year ended March 31, 2006, and accounts for retirement benefits in accordance with IAS 19 "Employee Benefits" issued on February, 1998. For this change in accounting principles and practices, FS adopted IFRS 1 "First-time Adoption of International Financial Reporting Standards," and recognized the projected benefit obligation in excess of plan assets as of the beginning of the year ended March 31, 2005. For the year ended March 31, 2009, other subsidiaries outside Japan applied IAS 19 in accordance with adoption of IFRS. They recognized actuarial gain or loss over future periods after the adoption of IFRS 1 and applied the "corridor approach" to amortization of actuarial gain and loss.

The amended IAS 19, issued on June 16, 2011, is not yet effective and has not yet been adopted by the consolidated subsidiaries outside Japan.

Projected benefit obligation and plan assets

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Projected benefit obligation	¥(534,999)	**¥(571,823)**	**$(6,973,451)**
Plan assets	395,927	**408,126**	**4,977,146**
Projected benefit obligation in excess of plan assets	(139,072)	**(163,697)**	**(1,996,305)**
Unrecognized actuarial loss	74,321	**108,912**	**1,328,195**
Prepaid pension cost	(2,342)	**(9,830)**	**(119,878)**
Accrued retirement benefits	¥ (67,093)	**¥ (64,615)**	**$ (787,988)**

Components of net periodic benefit cost

	Yen (millions)		U.S. Dollars (thousands)
Years ended March 31	2011	**2012**	**2012**
Service cost	¥ 8,044	**¥ 3,707**	**$ 45,207**
Interest cost	29,781	**27,154**	**331,146**
Expected return on plan assets	(26,003)	**(24,145)**	**(294,451)**
Amortization of the unrecognized obligation for retirement benefit:			
Amortization of actuarial gain and loss	5,838	**3,498**	**42,659**
Amortization of prior service cost*1	(13,322)	**(118)**	**(1,439)**
Others*2	9,774	**13,488**	**164,488**
Net periodic benefit cost	14,112	**23,584**	**287,610**
Loss (gain) on termination of retirement benefit plan	112	**114**	**1,390**
Total	¥ 14,224	**¥ 23,698**	**$ 289,000**

*1 For the year ended March 31, 2011, the negative prior service cost was immediately recognized as a result of pension revisions mainly in FS. The majority of this credit arose from offering an option whereby future variable increases in line with the fluctuation in prices may be exchanged for a one-off uplift in payments.
*2 Contribution for defined contribution plans.

Assumptions used in accounting for the plans

At March 31	2011	2012
Discount rate	Mainly 5.6%	**Mainly 5.0%**
Expected rate of return on plan assets	Mainly 7.2%	**Mainly 6.7%**
Method of allocating actuarial loss	Straight-line method over the employees' average remaining service period	**Straight-line method over the employees' average remaining service period**

15. Share-based Payment Plans

No significant transactions.

16. Income Taxes

In line with "Act for Partial Revision of the Income Tax Act etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011) published on December 2, 2011, the statutory income tax rate used for calculating the deferred tax assets and liabilities was changed from 40.6% to 37.9% for assets and liabilities that are expected to be recovered or settled between April 1, 2012 and March 31, 2015. The rate was also changed to 35.6% for assets and liabilities expected to be recovered or settled on and after April 1, 2015.

As a result of this change, net deferred tax assets decreased by ¥3,523 million ($42,963 thousand), while deferred income tax and accumulated other comprehensive income, mainly as unrealized gain and loss on securities, increased by ¥4,666 million ($56,902 thousand) and ¥1,143 million ($13,939 thousand), respectively.

The components of income taxes are as follows:

	Yen (millions)		U.S. Dollars (thousands)
Years ended March 31	2011	**2012**	**2012**
Current	¥35,057	**¥23,499**	**$286,573**
Deferred	13,122	**6,500**	**79,268**
Income taxes	¥48,179	**¥29,999**	**$365,841**

The reconciliations between the statutory income tax rate and the effective income tax rates for the years ended March 31, 2011 and 2012 are as follows:

Years ended March 31	2011	2012
Statutory income tax rate	40.6%	**40.6%**
Increase (Decrease) in tax rates:		
Valuation allowance for deferred tax assets	7.6%	**(15.1%)**
Goodwill amortization	6.2%	**9.2%**
Decrease in deferred tax assets in accordance with changes in tax rate	–	**7.0%**
Non-deductible expenses for tax purposes	3.5%	**6.2%**
Non-taxable income	(1.8%)	**(2.3%)**
Tax effect on equity in earnings of affiliates, net	(1.5%)	**(1.9%)**
Tax credit	(4.1%)	**(0.2%)**
Other	(3.4%)	**1.5%**
Effective income tax rates	47.1%	**45.0%**

The significant components of deferred tax assets and liabilities at March 31, 2011 and 2012 are as follows:

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Deferred tax assets:			
Tax loss carryforwards	¥ 145,132	**¥ 153,008**	**$ 1,865,951**
Accrued retirement benefits	150,851	**137,131**	**1,672,329**
Excess of depreciation and amortization and impairment loss, etc.	54,591	**50,013**	**609,915**
Accrued bonus	43,489	**40,906**	**498,854**
Inventories	23,081	**22,043**	**268,817**
Provision for product warranties	6,250	**8,255**	**100,671**
Loss on revaluation of investment securities	9,615	**6,153**	**75,037**
Intercompany profit on inventories and property, plant and equipment	5,688	**5,673**	**69,183**
Provision for loss on repurchase of computers	6,056	**5,024**	**61,268**
Other	57,224	**48,907**	**596,427**
Gross deferred tax assets	501,977	**477,113**	**5,818,451**
Less: Valuation allowance	(256,153)	**(253,902)**	**(3,096,366)**
Total deferred tax assets	245,824	**223,211**	**2,722,085**
Deferred tax liabilities:			
Gains from establishment of stock holding trust for retirement benefit plan	¥(110,617)	**¥ (96,860)**	**$(1,181,220)**
Unrealized gains on securities	(9,639)	**(7,498)**	**(91,439)**
Tax allowable reserves	(2,245)	**(1,364)**	**(16,634)**
Other	(8,944)	**(8,159)**	**(99,500)**
Total deferred tax liabilities	(131,445)	**(113,881)**	**(1,388,793)**
Net deferred tax assets	¥ 114,379	**¥ 109,330**	**$ 1,333,293**

Net deferred tax assets are included in the consolidated balance sheets as follows:

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Current assets–others	¥ 76,666	**¥ 72,519**	**$ 884,378**
Investments and long-term loans–others	72,093	**65,268**	**795,951**
Current liabilities–others	(50)	**(15)**	**(183)**
Long-term liabilities–others	(34,330)	**(28,442)**	**(346,854)**
Net deferred tax assets	¥114,379	**¥109,330**	**$1,333,293**

The Company and its wholly owned subsidiaries in Japan have adopted the consolidated tax return system of Japan.

In Japan, tax losses generated before March 31, 2008 and on and after April 1, 2008 can be carried forward up to 7 and 9 years, respectively. Tax losses can be carried forward up to 20 years in the United States, and indefinitely in the United Kingdom.

Realization depends on the abilities of the companies to generate sufficient taxable income prior to the expiration of the tax loss carryforwards. With respect to deferred tax assets, we recorded a valuation allowance to cover the amount in excess of what we are likely to recover in the future.

17. Business Combinations

No significant transactions.

18. Segment Information

1. Reportable Segments Overview

The Company's reportable segments consist of components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Group's executive decision-making body to make decisions about resource allocation to the segments and assess their performance.

In the field of information and communication technology (ICT), while delivering wide varieties of services, the Group offers comprehensive solutions, from the development, manufacturing, and sales, to the maintenance and operations of cutting-edge, high-performance and high-quality products, and electronic devices that support services. The Group's business is organized into three reportable segments—Technology Solutions, Ubiquitous Solutions, and Device Solutions—based on the Group's managerial structure, characteristics of the products and services, and the similarities of the sales market within each operating segment. Managerial structure and product and service classification in each reportable segment are as follows.

(1) Technology Solutions

To optimally deliver to customers comprehensive services that integrate products, software, and services, the segment is organized in a matrix management structure comprised of business groups that are organized by product and service type in order to manage costs and devise global business strategies, and business groups that are organized along industry and geographic lines, integrating sales groups with systems engineers covering customers.

This reportable segment consists of Solutions/Systems Integration, which are services for the construction of information and communication systems, Infrastructure Services, which are primarily outsourcing and maintenance services, System Products, which covers mainly the servers and storage systems that comprise ICT platforms, and Network Products, which are used to build communications infrastructure, such as mobile phone base stations and optical transmission systems.

(2) Ubiquitous Solutions

The segment is organized into independent business management units along product lines and includes the sales departments.

This reportable segment contains ubiquitous terminals—including personal computers and mobile phones, as well as car audio and navigation systems, mobile communication equipment, and automotive electronic equipment—that collect various information and knowledge generated from the behavioral patterns of people and organizations needed to achieve the Group's vision of a "Human Centric Intelligent Society" (a society that enjoys the benefits of the value generated by ICT without requiring anyone to be conscious of the technological complexities involved).

(3) Device Solutions

The segment is organized by product in independent business management units which include the respective sales departments and contains the cutting-edge technologies, including LSI devices used in digital home appliances, automobiles, mobile phones and servers, as well as electronic components, such as semiconductor packages and batteries.

2. Method Used to Calculate Net Sales, Profit or Loss, Assets and Other Items by Reportable Segments

Accounting methods applied to Reportable Segments are almost the same as that presented in "1. Significant Accounting Policies."

Income figures for operating segments are based on operating income. The Group's financing (including financial expense and income) as well as other items such as corporate tax are managed by the whole Group and have not been allocated within the operating segments.

Inter-segment transactions are based on an arm's-length basis.

3. Amounts of Net Sales, Profit or Loss, Assets and Other Items by Reportable Segments

Yen (millions)

	Reportable segments						
Year ended March 31	Technology Solutions	Ubiquitous Solutions	Device Solutions	Total	Other Operations	Elimination & Corporate	Consolidated
2012							
Net sales							
External customers	**¥2,864,658**	**¥1,039,809**	**¥515,834**	**¥4,420,301**	**¥35,371**	**¥ 11,902**	**¥4,467,574**
Inter-segment	**70,247**	**114,473**	**68,866**	**253,586**	**48,208**	**(301,794)**	**–**
Total sales	**2,934,905**	**1,154,282**	**584,700**	**4,673,887**	**83,579**	**(289,892)**	**4,467,574**
Operating income (loss)	**171,297**	**19,938**	**(10,182)**	**181,053**	**(2,056)**	**(73,693)**	**105,304**
Total assets	**1,446,368**	**361,732**	**434,902**	**2,243,002**	**31,188**	**671,317**	**2,945,507**
Other items							
Capital expenditure (including intangible assets)	**119,712**	**19,698**	**51,876**	**191,286**	**1,575**	**5,307**	**198,168**
Depreciation	**106,771**	**21,210**	**56,483**	**184,464**	**1,806**	**8,179**	**194,449**
Amortization of goodwill for the year	**14,495**	**48**	**556**	**15,099**	**–**	**–**	**15,099**
Balance of goodwill at end of the fiscal year	**68,024**	**148**	**(646)**	**67,526**	**–**	**–**	**67,526**
2011							
Net sales							
External customers	¥2,927,651	¥1,013,056	¥545,729	¥4,486,436	¥32,738	¥ 9,231	¥4,528,405
Inter-segment	86,735	112,586	84,871	284,192	49,766	(333,958)	–
Total sales	3,014,386	1,125,642	630,600	4,770,628	82,504	(324,727)	4,528,405
Operating income (loss)	162,881	22,679	20,976	206,536	(7,222)	(66,720)	132,594
Total assets	1,481,119	332,121	434,718	2,247,958	37,707	738,432	3,024,097
Other items							
Capital expenditure (including intangible assets)	116,218	20,578	44,837	181,633	1,376	6,902	189,911
Depreciation	116,690	20,675	60,941	198,306	2,014	7,447	207,767
Amortization of goodwill for the year	14,991	46	573	15,610	–	–	15,610
Balance of goodwill at end of the fiscal year	79,974	184	(75)	80,083	–	–	80,083

U.S. Dollars (thousands)

	Reportable segments						
Year ended March 31	Technology Solutions	Ubiquitous Solutions	Device Solutions	Total	Other Operations	Elimination & Corporate	Consolidated
2012 (in U.S. Dollars)							
Net sales							
External customers	**$34,934,854**	**$12,680,598**	**$6,290,659**	**$53,906,110**	**$ 431,354**	**$ 145,146**	**$54,482,610**
Inter-segment	**856,671**	**1,396,012**	**839,829**	**3,092,512**	**587,902**	**(3,680,415)**	**–**
Total sales	**35,791,524**	**14,076,610**	**7,130,488**	**56,998,622**	**1,019,256**	**(3,535,268)**	**54,482,610**
Operating income (loss)	**2,088,988**	**243,146**	**(124,171)**	**2,207,963**	**(25,073)**	**(898,695)**	**1,284,195**
Total assets	**17,638,634**	**4,411,366**	**5,303,683**	**27,353,683**	**380,341**	**8,186,793**	**35,920,817**
Other items							
Capital expenditure (including intangible assets)	**1,459,902**	**240,220**	**632,634**	**2,332,756**	**19,207**	**64,720**	**2,416,683**
Depreciation	**1,302,085**	**258,659**	**688,817**	**2,249,561**	**22,024**	**99,744**	**2,371,329**
Amortization of goodwill for the year	**176,768**	**585**	**6,780**	**184,134**	**–**	**–**	**184,134**
Balance of goodwill at end of the fiscal year	**829,561**	**1,805**	**(7,878)**	**823,488**	**–**	**–**	**823,488**

Notes 1. "Other Operations" segment consists of operations not included in the reportable segments, such as Japan's Next-Generation Supercomputer project, facility services and the development of information systems for the Group companies and welfare benefits for the Group employees.

2. Operating income (loss) of "Elimination & Corporate" consists of corporate expenses and elimination.

Amounts incurred for the years ended March 31, 2011 and 2012 were, corporate expenses: ¥68,341 million and ¥75,929 million ($925,963 thousand), elimination: ¥1,621 million and ¥2,236 million ($27,268 thousand), respectively.

Corporate expenses mainly consist of strategic expenses such as basic research and development expenses which are not attributable to the reportable segments and group management shared expenses incurred by the Company.

3. Total assets of "Elimination & Corporate" consist of corporate assets and elimination. Balances at March 31, 2011 and 2012 were, corporate assets: ¥840,672 million and ¥767,959 million ($9,365,354 thousand), elimination: ¥102,240 million and ¥96,642 million ($1,178,561 thousand), respectively.

Corporate assets mainly consist of temporary excess funds, certificate of deposit, shares of customers held for maintaining and strengthening business ties and deferred tax assets.

4. The Group has adopted "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan Statement No. 21) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Accounting Standards Board of Japan Guidance No. 10) effective the year ended March 31, 2011. The negative goodwill generated by the business combination before the adoption of the standards is included in "Amortization of goodwill for the year" and "Balance of goodwill at end of the fiscal year."

4. Related Information

(1) Information by products and services

Sales to external customers

	Yen (millions)		U.S. Dollars (thousands)
Years ended March 31	2011	**2012**	**2012**
Technology Solutions			
Services	¥2,385,345	**¥2,339,574**	**$28,531,390**
System Platforms	542,306	**525,084**	**6,403,463**
Ubiquitous Solutions			
Personal Computers and Mobile Phones	733,035	**779,226**	**9,502,756**
Mobilewear	280,021	**260,583**	**3,177,841**
Device Solutions			
LSI	280,868	**281,325**	**3,430,793**
Electronic Components	264,861	**234,509**	**2,859,866**
Other Operations	32,738	**35,371**	**431,354**
Elimination & Corporate	9,231	**11,902**	**145,146**
Total	¥4,528,405	**¥4,467,574**	**$54,482,610**

Note: The details of products and services are noted in "Business Overview" (page 30).

(2) Geographic information

a. Net sales

	Yen (millions)				U.S. Dollars (thousands)
Years ended March 31	2011		**2012**		**2012**
Japan	¥2,941,042	64.9%	**¥2,961,478**	**66.3%**	**$36,115,585**
Outside Japan					
EMEA	845,485	18.7%	**809,277**	**18.1%**	**9,869,232**
The Americas	322,272	7.1%	**286,595**	**6.4%**	**3,495,061**
APAC & China	419,606	9.3%	**410,224**	**9.2%**	**5,002,732**
Sub Total	1,587,363	35.1%	**1,506,096**	**33.7%**	**18,367,024**
Total	¥4,528,405	100.0%	**¥4,467,574**	**100.0%**	**$54,482,610**

b. Property, plant and equipment

	Yen (millions)		U.S. Dollars (thousands)
At March 31	2011	**2012**	**2012**
Japan	¥531,438	**¥534,359**	**$6,516,573**
Outside Japan			
EMEA	54,064	**47,344**	**577,366**
The Americas	16,586	**17,009**	**207,427**
APAC & China	36,554	**42,231**	**515,012**
Sub Total	107,204	**106,584**	**1,299,805**
Total	¥638,642	**¥640,943**	**$7,816,378**

Notes 1. The principal countries and regions included in the Outside Japan segment are as follows:
(1)EMEA (Europe, Middle East and Africa)............U.K., Germany, Spain, Finland, Sweden
(2)The Americas..U.S.A., Canada
(3)APAC & China (APAC = Asia-Pacific)..................Australia, Singapore, Korea, Taiwan, China
2. There is no country which is required to be disclosed individually.
3. Net sales are classified by countries or regions based on locations of customers.
4. The property, plant and equipment are classified by countries or regions based on locations of the Group.

(3) Information about major customer

Net Sales

	Yen (millions)		U.S. Dollars (thousands)
Years ended March 31	2011	**2012**	**2012**
NTT Group	¥528,327	**¥503,332**	**$6,138,195**

Related segment: Technology Solutions, Ubiquitous Solutions and other segment

Note: NIPPON TELEGRAPH AND TELEPHONE CORPORATION, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION, NTT COMMUNICATIONS CORPORATION, NTT DOCOMO, Inc. and NTT DATA CORPORATION are included in NTT Group.

19. Related-party Transactions

(Related-party transactions)

No significant transactions.

(Note to significant affiliate)

Not applicable for the year.

20. Earnings per Share

	Yen		U.S. Dollars
Years ended March 31	2011	**2012**	**2012**
Basic earnings per share	¥26.62	**¥20.64**	**$0.252**
Diluted earnings per share	25.75	**20.55**	**0.251**

	Yen (millions)		U.S. Dollars (thousands)
Years ended March 31	2011	**2012**	**2012**
Net income	¥55,092	**¥42,707**	**$520,817**
Net income not attributable to common stock holders	–	**–**	**–**
Net income attributable to common stock holders	55,092	**42,707**	**520,817**
Effect of dilutive securities	1,499	**155**	**1,890**
[Adjustment related to dilutive securities issued by subsidiaries and affiliates]	[(70)]	**[(18)]**	**[(220)]**
[Corporate bond costs (after tax adjustment)]	[1,569]	**[173]**	**[2,110]**
Diluted net income	¥56,191	**¥42,862**	**$522,707**

	thousands	
Basic weighted average number of shares	2,069,731	**2,069,526**
Effect of dilutive securities	127,549	**16,393**
[Subscription rights to share issued by subsidiaries and affiliates]	[127,549]	**[16,393]**
Diluted weighted average number of shares	2,197,280	**2,085,919**

1. There were no outstanding subscription rights to shares and stock options issued by the Company at March 31, 2012.
2. Subscription rights to shares on the unsecured convertible bonds due 2011, issued in accordance with a resolution of board of directors held on August 6, 2007, expired on May 24, 2011. The bonds were redeemed at maturity on May 31, 2011.
3. Stock options issued based on a resolution at the shareholders' meeting on June 26, 2001 expired on June 26, 2011.

21. Commitments and Contingent Liabilities

Commitments outstanding at March 31, 2012 for purchases of property, plant and equipment and intangible assets were approximately ¥6,750 million ($82,317 thousand).

Contingent liabilities for guarantee contracts amounted to ¥2,271 million ($27,695 thousand) at March 31, 2012 and referred mainly to ¥2,263 million ($27,598 thousand) of guarantees given for employees' housing loans.

22. Events after the Reporting Period

No significant events.

Independent Auditor's Report

ERNST & YOUNG

Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho
Chiyoda-ku, Tokyo, Japan 100-0011

Tel : +81 3 3503 1100
Fax: +81 3 3503 1197

Independent Auditor's Report

The Board of Directors
FUJITSU LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Fujitsu Limited and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in net assets, and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2012, and its consolidated financial performance and its cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

ERNST & YOUNG

Report on the Management's Report

We have also audited the accompanying Management's Report on Internal Control over Financial Reporting for the consolidated financial statements as at March 31, 2012 of the Group (the "Management's Report").

Management's Responsibility for the Management's Report

The Group's management is responsible for designing and operating internal control over financial reporting, and the preparation and fair presentation of the Management's Report. Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibility

Our responsibility is to express an opinion on the Management's Report based on our audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Management's Report is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about management's assessment on internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgment, including materiality of effect on the reliability of financial reporting. An internal control audit includes examining the overall presentation of the Management's Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our internal control audit opinion.

Opinion

In our opinion, the Management's Report referred to above, which represents that internal control over financial reporting of the consolidated financial statements as at March 31, 2012 is effective, presents fairly, in all material respects, management's assessment on internal control over financial reporting for the consolidated financial statements in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Ernst & Young ShinNihon LLC

June 22, 2012

Tokyo, Japan

DIRECTOR'S RESPONSIBILITY STATEMENT PURSUANT TO THE U.K. DTR4

I, Masami Yamamoto, being Representative Director of Fujitsu Limited confirm, to the best of my knowledge, that:

(i) the financial statements, prepared in accordance with Japanese GAAP, give a true and fair view of the assets, liabilities, financial position and profit or loss of Fujitsu Limited and the undertakings included in the consolidation taken as a whole; and
(ii) the management report includes a fair review of the development and performance of the business and the position of Fujitsu Limited and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Masami Yamamoto

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

1. Basic Framework of Internal Control over Financial Reporting

Masami Yamamoto, President and Representative Director of Fujitsu Limited (the "Company"), and Kazuhiko Kato, Corporate Executive Vice President and Director and Chief Financial Officer of the Company, are responsible for the design and operation of internal control over financial reporting for the Fujitsu Group's consolidated financial statements. The Fujitsu Group designs and operates its internal control over financial reporting in accordance with guidelines set forth in "On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" from the Business Accounting Council of the Financial Service Agency of Japan.

Internal control aims at achieving the objectives to a reasonable extent with the organized and integrated function of basic individual components of internal control as a whole. There are inherent limitations to the extent that internal control can be achieved. Such limitations include misjudgments and carelessness by individuals carrying out internal control activities, or fraud caused by the collusion of two or more individuals. Accordingly, internal control may not completely prevent or detect misstatements in financial reporting.

2. Scope of Assessment, Assessment Date and Assessment Procedure

The Fujitsu Group performed an assessment of internal control over financial reporting for its consolidated financial statements as of the end of the fiscal year, March 31, 2012, in accordance with generally accepted assessment standards in Japan for internal control over financial reporting.

In making an assessment of the entire Fujitsu Group, including the parent company, Fujitsu Limited, and its consolidated subsidiaries and equity method affiliates, the necessary scope of the assessment was determined from the perspective of material impact on the reliability of financial reporting. Within the scope of assessment, the Company identified the risks of misstatement which would have a material impact on the reliability of financial reporting and the controls which mitigate such risks to a reasonably accepted level, and then assessed the effectiveness of the design and operation of those controls.

The Company determined that 125 consolidated companies and 1 equity method affiliate should be subject to the assessment of company-level controls, and financial closing and reporting process controls, taking into account the degree of quantitative and qualitative impact on the consolidated financial statements.

With respect to process-level controls, considering the results of the assessment of company-level controls, the Company designated 25 business locations that accounted for approximately two-thirds of the aggregated sales for this fiscal year (before elimination of inter-company transactions) of the consolidated companies as "significant business locations/units" which should be subject to the assessment.

In regard to those "significant business locations/units," the Company determined that sales, accounts receivables and inventories were the accounts closely associated with the Company's business objectives and, in principle, all business processes relating to those accounts should be subject to assessment. Some of those business processes, which do not have a material quantitative impact or are not closely associated with business objectives, were excluded from the scope of the assessment. Other business processes relating to significant accounts involving estimates and management's judgment were included in the scope of assessment, taking into account the impact on financial reporting individually.

Regarding IT general control for "significant business locations/units," the Company performed an assessment of the systems used to automate business process controls. These systems were assessed according to the type of infrastructure.

3. Assessment Result

As a result of performing the assessment in accordance with the above policy, the Company concluded that the design and operation of internal control over financial reporting for the Fujitsu Group were effective as of March 31, 2012.

4. Supplementary Information

The following events took place subsequent to the fiscal year ended March 31, 2012:

- On April 1, 2012, Fujitsu System Solutions Limited, the surviving company, together with Fujitsu Hokkaido Systems Limited, Fujitsu Tohoku Systems Limited and Fujitsu Nagano Systems Engineering Limited, were consolidated under one unified corporate structure. The name of the integrated company was changed to Fujitsu Systems East Limited on the same day.
- On April 1, 2012, Fujitsu Kansai Systems Limited, the surviving company, together with Fujitsu Chubu Systems Limited, Fujitsu Chugoku Systems Limited, Fujitsu Okayama Systems Engineering Limited, Fujitsu Shikoku Systems Limited and Fujitsu Nishi-Nihon Applications, Ltd. were consolidated under one unified corporate structure. The name of the integrated company was changed to Fujitsu Systems West Limited on the same day.

  These events may have a significant impact on the assessment of the effectiveness of internal control over Fujitsu Group's financial reporting in fiscal year 2012 and thereafter.

Principal Subsidiaries and Affiliates

(As of March 31, 2012)

Consolidated Subsidiaries (538 companies)

Japan

Listed

Shinko Electric Industries Co., LTD.
NIFTY Corporation
Fujitsu Component Limited
Fujitsu Broad Solution & Consulting Inc.
Fujitsu Frontech Limited
FDK Corporation

Unlisted

Shimane Fujitsu Limited
PFU Limited
Fujitsu Isotec Limited
Fujitsu IT Products Limited
Fujitsu FIP Corporation
Fujitsu FSAS Inc.
Fujitsu Electronics Inc.
Fujitsu Laboratories LTD.
Fujitsu System Solutions Limited*1
Fujitsu Peripherals Limited
Fujitsu Semiconductor Limited
Fujitsu Telecom Networks Limited
Fujitsu TEN Limited
Fujitsu Toshiba Mobile Communications Limited*2
Fujitsu Personal System Limited
Fujitsu Marketing Limited
Fujitsu Mobile-phone Products Limited

EMEA

Unlisted

Fujitsu Services Holdings PLC
Fujitsu Technology Solutions (Holding) B.V.

The Americas

Unlisted

Fujitsu America, Inc.
Fujitsu Network Communications, Inc.
Fujitsu Management Services of America, Inc.

APAC/China

Unlisted

Fujitsu Australia Limited

*1 On April 1, 2012, Fujitsu System Solutions Limited absorbed three consolidated subsidiaries of Fujitsu in eastern Japan and changed its name to Fujitsu Systems East Limited.

*2 On April 1, 2012, Fujitsu Toshiba Mobile Communications Limited became a wholly owned consolidated subsidiary of Fujitsu and changed its name to Fujitsu Mobile Communications Limited.

Equity-method Affiliates (18 companies)

Japan

Listed

Fujitsu General Limited

Unlisted

Fujitsu Leasing Co., LTD.

Shareholders' Data

(As of March 31, 2012)

Capital:	¥324,625 million
Common Stock: Authorized:	5,000,000,000 shares
Issued:	2,070,018,213 shares
Number of Shareholders:	188,185

Equity Shareholdings by Type of Shareholder

Japanese Financial Institutions and Securities Firms	Other Japanese Corporations	Foreign Institutions and Individuals	Japanese Individuals and Others
27.26%	13.49%	35.93%	23.32%

* The 118,892 thousand shares of Fujitsu Limited stock held by Fuji Electric Co., Ltd. and its consolidated subsidiaries as retirement benefit trust assets are categorized under the shareholdings of "Other Japanese Corporations."

Principal Shareholders	Number of shares held (thousands)	Percentage of shares held (%)
Fuji Electric Co., Ltd.	214,816	10.38
State Street Bank and Trust Company (Standing Proxy, The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	105,256	5.08
The Master Trust Bank of Japan, Ltd. (for trust)	94,998	4.59
Japan Trustee Services Bank, Ltd. (for trust)	89,706	4.33
Fujitsu Employee Shareholding Association	46,320	2.24
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS (Standing Proxy, The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	45,688	2.21
Japan Trustee Services Bank, Ltd. (for trust 9)	41,441	2.00
Asahi Mutual Life Insurance Company	41,389	2.00
Mizuho Corporate Bank, Ltd.	32,654	1.58
State Street Bank and Trust Company 505225 (Standing Proxy, Mizuho Corporate Bank, Ltd. Settlement & Clearing Services Division)	26,250	1.27
Total	738,521	35.68

Notes: 1. The shares held by The Master Trust Bank of Japan, Ltd. (for trust), Japan Trustee Services Bank, Ltd. (for trust), and Japan Trustee Services Bank, Ltd. (for trust 9), are related to the institutions' trust businesses.

2. At the end of the fiscal year ended March 31, 2011 Fuji Electric Co., Ltd. (formerly called Fuji Electric Holdings Co., Ltd.) was not a major shareholder in the Company, but as of March 31, 2012, it had become a major shareholder of the Company following a merger with Fujitsu Electric Systems Co., Ltd. Of the shares held by Fuji Electric Co., Ltd., 105,718 thousand shares are trust assets entrusted to Mizuho Trust & Banking Co., Ltd., and re-trusted to Trust & Custody Services Bank, Ltd. as retirement benefit trust assets. The voting rights attached to these shares are exercised upon instructions of Fuji Electric Co., Ltd. The Fujitsu shares held by Fuji Electric Co., Ltd. and its consolidated subsidiaries total 231,873 thousand shares (which accounts for 11.20% of outstanding shares), and included 118,892 thousand shares held in the form of retirement benefit trust assets.

3. Of the shares held by the Mizuho Corporate Bank, Ltd., 212 thousand shares are trust assets entrusted to Mizuho Trust & Banking Co., Ltd., and re-trusted to Trust & Custody Services Bank, Ltd. as retirement benefit trust assets. The voting rights attached to these shares are exercised upon instructions of Mizuho Corporate Bank, Ltd.

4. Dodge & Cox submitted a change in large shareholding report dated July 4, 2011 to the Director General of the Kanto Local Finance Bureau containing information that the company was obligated to report as of June 30, 2011. Because Fujitsu was unable to verify the effective shareholdings listed in the change in large shareholding report regarding its shares, as of the fiscal year-end, the company has not been included in the above list of principal shareholders. The details of the change in shareholding report are as follows:

Shareholder	Number of shares held (thousands)	Percentage of total shares outstanding (%)
Dodge & Cox	103,918	5,02

Corporate Headquarters:
Shiodome City Center
1-5-2 Higashi-Shimbashi
Minato-ku, Tokyo 105-7123, Japan
Telephone: +81-3-6252-2220

Transfer Agent:
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100-8212, Japan

Stock Exchange Listings:
Japan: Tokyo, Osaka, Nagoya
Overseas: London

Independent Auditors:
Ernst & Young ShinNihon LLC

Shareholder Information:
For further information, please contact:
Fujitsu Limited
Public & Investor Relations
Telephone: +81-3-6252-2173
Facsimile: +81-3-6252-2783

http://www.fujitsu.com/global/about/ir/

FUJITSU LIMITED

Shiodome City Center, 1-5-2 Higashi-Shimbashi
Minato-ku, Tokyo 105-7123, JAPAN
Tel. +81-3-6252-2220

www.fujitsu.com

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- It uses vegetable oil inks that do not include volatile organic compounds.

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Fujitsu's brand promise: shaping tomorrow with you

A company's brand promise expresses the value the company delivers to its customers.

The Fujitsu Group's brand promise articulates the importance we place on working with our customers to shape a prosperous society, by harnessing the power of information and communication technology (ICT).

Employing over 170,000 people to support customers in more than 100 countries, Fujitsu is the Japanese global ICT company. We are delivering on our brand promise.

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