

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.



Fujitsu Systems East Limited



Fujitsu Systems West Limited



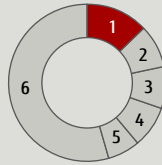
ScanSnap iX500 document scanner for easily and rapidly scanning documents and business cards

Technology Solutions Results (See page 037 for numerical results from service operations)

Years ended March 31	Yen (millions)		
	2011	2012	2013
Net sales			
External customers	¥2,927,651	¥2,864,658	¥2,890,376
Inter-segment	86,735	70,247	52,002
Total sales	3,014,386	2,934,905	2,942,378
Operating income	162,881	171,297	180,973
Total assets	1,481,119	1,446,368	1,442,810
Other items			
Capital expenditure (including intangible assets)	116,218	119,712	104,585
Depreciation	116,690	106,771	102,784
Amortization of goodwill for the year	14,991	14,495	14,115
Balance of goodwill at end of the fiscal year	79,974	68,024	30,181

IT Services Market Share in Japan 2012 (Revenue Basis)

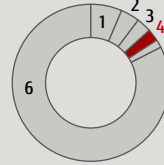
1	Fujitsu	12.9%
2	Company A	9.0%
3	Company B	8.6%
4	Company C	8.6%
5	Company D	6.5%
6	Others	54.4%



(Source: Gartner, "Market Share: IT Services 2012" 29 March 2013)

Global IT Services Market Share in 2012 (Revenue Basis)

1	Company A	6.5%
2	Company B	3.9%
3	Company C	3.0%
4	Fujitsu	2.6%
5	Company D	1.7%
6	Others	82.3%



(Source: Gartner, "Market Share: IT Services 2012" 29 March 2013)

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OUR STRENGTH

Fujitsu's services business holds the leading market share in Japan and the fourth-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 around the world and customers with a presence worldwide.

TOPICS

Systemizing the FUJITSU Cloud Initiative

To step up the expansion of Fujitsu's cloud services, we organized our cloud services into a systematic framework called the FUJITSU Cloud Initiative. Under this framework, Fujitsu's range of cloud offerings has been significantly enhanced to meet burgeoning customer needs for cloud services. Looking ahead, we will bolster our cloud integration structure to encompass 100 cloud specialists and 2,000 cloud integrators, with a view to applying cloud technologies to achieve the optimal effect in a variety of different situations.

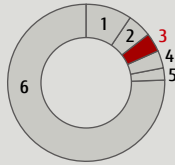
Based on the FUJITSU Cloud Initiative, we will continue to provide a comprehensive range of cloud products and services that can instantly adapt to changes in business conditions. This way we can contribute to accelerating the pace of customer innovation.

Type of Cloud	Customers	Datacenter	
	Private Cloud (On-premise) Specific to customer	Private Cloud (Hosted Service) Specific to customer	Public Cloud Specific to customer
Domain	Modernization		Innovation
Operation	Cloud Integration Service (Multi-vendor, hybrid, integrated operation, industry specialization)		
Deployment	Various SaaS(91 types), Packaged Software, SI		
Application (SaaS)	FUJITSU Software	FUJITSU Cloud PaaS	Partner Cloud
Platform (PaaS)	Dynamic Integrated Systems	FUJITSU Cloud IaaS	Nifty Cloud
Infrastructure (IaaS)	FUJITSU Datacenter/FUJITSU Security Solution		
DC/Security	FENICES II		
Network	PCs/Smartphones/Tablets		
Device			

GRAPH 1

Global IT Outsourcing Market Share in 2012 (Revenue Basis)

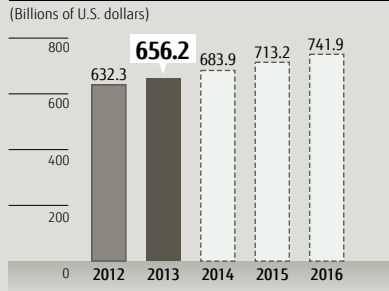
1	Company A	9.5%
2	Company B	5.2%
3	Fujitsu	3.7%
4	Company C	3.6%
5	Company D	2.7%
6	Others	75.4%



(Source: Gartner, "Market Share: IT Services 2012" 29 March 2013)

GRAPH 2

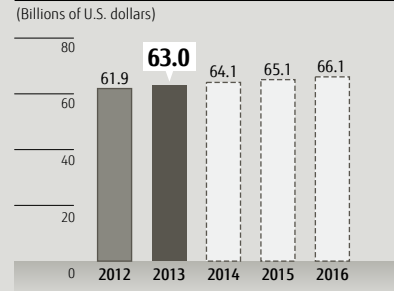
Global IT Services Market Forecast



(Source: IDC The Worldwide Black Book Q1 2013)

GRAPH 3

IT Services Market Forecast in Japan



(Source: IDC The Worldwide Black Book Q1 2013)

Market Trends

2012 Global Market Trends

The value of Japan's IT services market in 2012 increased 1.9% year on year to US\$61.9 billion. This growth mainly reflected a rebound from the domestic economic slowdown in 2011, caused primarily by the Great East Japan Earthquake, flooding in Thailand, the European sovereign debt crisis and other events. → GRAPH 3

Corporate IT investment followed a gradual recovery path. By industry, IT services expenditures grew steadily in the automobile, pharmaceutical, and food sectors. In the public sector, heightened activity related to post-quake reconstruction, and disaster preparedness and mitigation initiatives helped to drive year on year growth in domestic IT investment.

By service field, demand for system integration rebounded. The outsourcing field saw demand remain strong for datacenter usage as customers focused on disaster preparedness and business continuity planning in the wake of the Great East Japan Earthquake. These and other factors helped to drive overall year-on-year growth in the market.

The global market for IT services expanded 3.1% year on year to US\$632.3 billion. → GRAPH 2

In Europe, the market remained flat due to the impact of the economic crisis.

Although growth was driven by China and other emerging markets, overall global market expansion, including other regions, lacked vigor.

Outlook for 2013

The Japanese IT services market in 2013 is projected to grow 1.9% year on year to US\$63.0 billion. → GRAPH 3

The Japanese economy is returning to a recovery path centered on the manufacturing industry, as a result of the "Abenomics effect" after the new government came to power, and the yen's depreciation. This recovery is expected to continue going forward. Domestic IT investment is also expected to grow, albeit moderately, in step with the general economic recovery.

The global IT services market is projected to grow 3.8% year on year to US\$656.2 billion. → GRAPH 2 The IT market is forecast to expand globally, but this growth is expected to be driven by China and the Asia-Pacific (APAC) region. On the other hand, recovery in the European market is likely to be gradual as the business environment in 2013 is projected to remain adverse. The US market should see expansion in specific fields such as the cloud business, but the market as a whole is forecast to recover at an extremely moderate pace.

Operational Review and Initiatives

Fiscal 2012 Business Results

Sales from the Services sub-segment (Solutions/System Integration, Infrastructure Services) increased 0.7% year on year to ¥2,387.2 billion.

Solutions/System Integration: Sales increased 1.5% year on year to ¥837.1 billion. → GRAPH 4

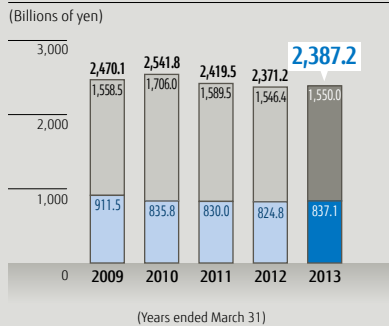
In the domestic finance field and the social infrastructure field, sales fell after booking large projects in the previous year. However, investment showed signs of recovery in the manufacturing industry centered on automobiles. In public sectors such as government authorities and healthcare, there was an increase in system upgrades and new projects. This recovery in ICT investment led to a year-on-year increase in sales.

Infrastructure Services: Sales edged up 0.2% year on year to ¥1,550.0 billion. → GRAPH 4

In Japan, sales increased on the back of large projects and firm business at subsidiaries in network services, as well as ongoing strong demand for outsourcing services. Outside Japan, however, sales decreased as business recovery in the UK and the US has yet to pick up. Another factor was a drop in revenue due to the impact of lagging economic recovery in Europe.

GRAPH 4

Sub-segment Sales*

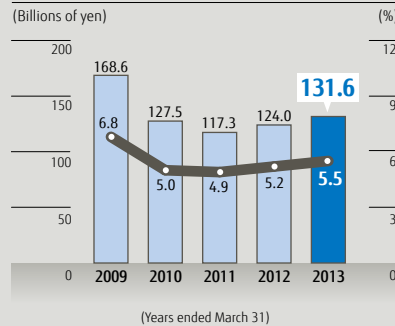


■ Solutions/System Integration
■ Infrastructure Services

* Including intersegment sales

GRAPH 5

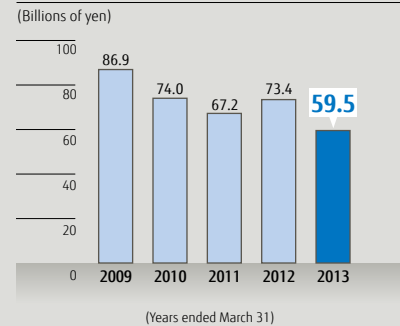
Operating Income/
Operating Income Margin



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

GRAPH 6

Capital Expenditure*



* For entire Technology Solutions segment

Operating income increased ¥7.6 billion year on year to ¥131.6 billion. → GRAPH 5 The higher operating income reflected contributions from large network service business deals in infrastructure services, and the positive impact of cost cutting, which outweighed a decline in operating income in Japan due to underperforming projects.

Outside Japan, operating income decreased as lower sales from business in continental Europe weighed heavily on earnings.

Initiatives Going Forward

Solutions/System Integration: Supported by an improving Japanese economy, we will strive to capture a greater share of the market by winning large business deals in various sectors and cultivating new business. In particular, we will leverage the strength of our broad customer base to expand our modernization service, where we streamline existing application assets and transfer them to a framework that can be used over the long term.

By helping customers reduce maintenance and operations costs through this modernization service, Fujitsu aims to accelerate their investment in innovation. Specifically, we will work together with customers to achieve business innovation, such as enhancing enterprise competitiveness, and social innovation that addresses social issues.

We will utilize the strengths and characteristics of regional System engineering companies as a Group to their full potential as we work to effectively utilize their resources and streamline development investment to bolster competitiveness.

Infrastructure Services: Cloud computing will be the key initiative with which we will accelerate the commercialization of 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. In response, we have upgraded and expanded our service lineups, and have seen steady growth in sales year by year. We are also rolling out new services that utilize big data, which is now attracting attention in a variety of fields such as agriculture and healthcare. In addition, customer interest in system backup and business continuity has risen greatly since the Great East Japan Earthquake, and outsourcing, primarily using datacenters and BCP (Business Continuity Planning)-related services, is showing signs of wider adoption in the market. 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, as "One Fujitsu," we will reinforce a structure that can provide the same shared products and standardized services, both in Japan and other countries, based on the spirit of global integration. Furthermore, Fujitsu will enhance its services business in Europe by steadily executing its restructuring plans. 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.

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.



BroadOne GX4000 Series radio system capable of high-capacity 3 Gbps transmission



ETERNUS VX740 storage for virtual environments



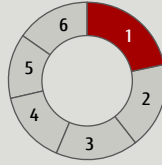
FUJITSU PRIMEHPC FX10 supercomputer

Technology Solutions Results (See page 041 for numerical results from system platform operations)

Years ended March 31	Yen (millions)		
	2011	2012	2013
Net sales			
External customers	¥2,927,651	¥2,864,658	¥2,890,376
Inter-segment	86,735	70,247	52,002
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**Server Share in Japan 2012
(Revenue Basis)**

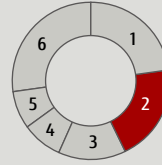
1	Fujitsu	21.7%
2	Company A	17.9%
3	Company B	17.0%
4	Company C	15.0%
5	Company D	13.3%
6	Others	15.1%



(Source: IDC Japan, Japan Server Quarterly Model Analysis, 2013 Q1)

**Total Optical Fiber Networking Market Share
for North America in 2012 (Revenue Basis)**

1	Company A	22.8%
2	Fujitsu	20.2%
3	Company B	13.8%
4	Company C	8.4%
5	Company D	7.8%
6	Others	27.0%



(Source: Ovum, Market Share Spreadsheet & Analysis: 1Q13 Global ON, May 2013)

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.

TOPICS

World's Highest Integer Arithmetic Performance, the SPARC M10

The SPARC M10* features the newly developed SPARC64 X (“ten”) processor to achieve the world’s highest integer arithmetic performance. This opens the way for high-speed, real time processing of big data and other sweeping improvements in business system capabilities. The SPARC M10 also offers unparalleled scalability, accepting up to 64 CPUs (1,024 cores), the highest in the world. Coupled with flexible implementation and extension capabilities allowing performance enhancement at the processor core level, the new servers will help customers to make optimal investments.

* SPARC M10: The SPARC M10 is marketed outside of Japan as the “Fujitsu M10.”

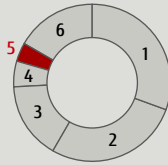


New UNIX server, the SPARC M10-4S

GRAPH 1

**Global Server Share in 2012
(Revenue Basis)**

1	Company A	30.7%
2	Company B	27.6%
3	Company C	15.9%
4	Company D	5.2%
5	Fujitsu	4.0%
6	Others	16.5%

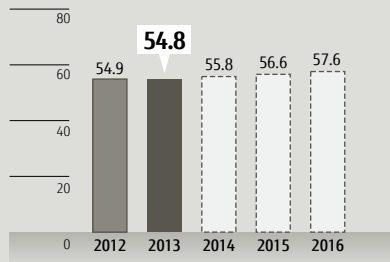


(Source: IDC Worldwide Quarterly Server Tracker 2013 Q1)

GRAPH 2

Global Server Market Forecast

(Billions of U.S. dollars)

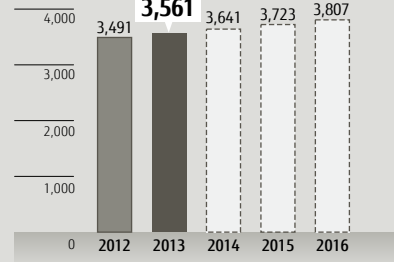


(Source: IDC The Worldwide Black Book Q1 2013)

GRAPH 3

**North American Optical Network
Market Forecast**

(Millions of U.S. dollars)



(Source: Ovum, ON Market Forecast: 2012–18, April 2013)

Market Trends

2012 Global Market Trends

System Products: The server market in Japan contracted 5.0% year on year to US\$5.9 billion. The market for mainframe servers moved briskly on large-scale projects, while the x86 server market performed strongly as the average unit price increased due to higher internal memory and HDD capacity. On the other hand, the reduced instruction set computing (RISC) server market, including UNIX servers, encountered various headwinds such as a demand shift to x86 servers and a decline in sales volume due to server integration.

The global server market contracted 1.0% to US\$54.9 billion, mirroring the domestic market with demand continuing to shift from mainframe and RISC servers to x86 servers. Despite muted investment sentiment in the U.S. and Europe, the market expanded in China and other Asian countries. → GRAPH 2

Network Products: In Japan, the optical transmission market grew year on year. Although Next-Generation Network (NGN)-related investment ran its course, growth was driven by ongoing investment to enhance backbone infrastructure in order to cope with the rollout of LTE and increased data traffic. The IP equipment market, including routers, saw steady growth atop continued investment to enhance carrier routers in the face of increasing traffic, along with strong

investment in router switches for use in LTE base stations. The mobile infrastructure market also reported year-on-year growth. This was on account of investments into 3G, despite having peaked, in combination with the full-scale rollout of LTE services that expanded investment in LTE base stations and other equipment.

The North American optical transmission market contracted compared with the previous year as carriers redirected their investments into LTE and other wireless systems. However, companies continued their investments to strengthen mobile backhaul and other backbone infrastructure to cope with the rollout of LTE and increased data traffic.

Outlook for 2013

System Products: The server market in Japan is projected to decline by 6.3% to US\$5.5 billion. The x86 server market is expected to maintain growth given the penetration of cloud computing and mobile devices; however, the mainframe server market is forecast to contract at a double-digit rate on a back-swing from a particularly strong period of large-scale project activity in 2012.

Globally, the server market is expected to edge 0.2% lower year on year, to \$54.8 billion. This projection is on account of anticipated market expansion in China and other Asian countries, offset by a shift to low-cost x86 servers and a continued investment restraint in regions such as Japan, Europe and the U.S. → GRAPH 2

Network Products: In Japan, the optical transmission market is projected to receive a boost from investment to upgrade networks to the 100 Gbps standard from the second half of 2013. In the IP equipment market, including routers, the wave of investment to cope with increased traffic is projected to run its course, but the market is nevertheless expected to see an increase in demand for LTE-related routers, switches, and other devices. The mobile infrastructure market is forecast to edge higher year on year as expanding investment in LTE-related equipment covers the decline in 3G investment.

In North America, the optical transmission market is forecast to see continued investment in 2013 for enhancing mobile backhaul systems and other backbone infrastructure as major mobile communications carriers compete to roll out LTE amid surging network traffic driven by the increasing prevalence of smartphones. The market is forecast to expand year on year as the greater volume of traffic is expected to spur the introduction of 100 Gbps systems, following on from 40 Gbps systems. → GRAPH 3

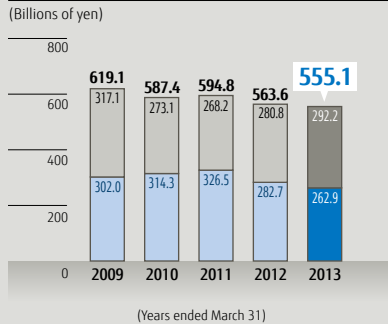
**Operational Review
and Initiatives**

Fiscal 2012 Business Results

The System Platforms sub-segment, comprising System Products and Network Products, reported sales of ¥555.1 billion,

GRAPH 4

Sub-segment Sales*

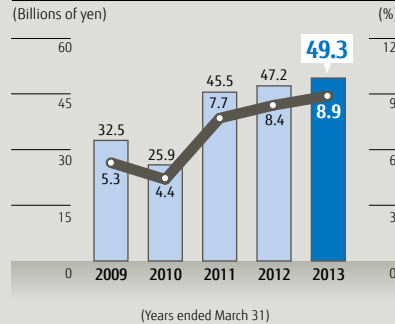


■ System Products
■ Network Products

* Including intersegment sales

GRAPH 5

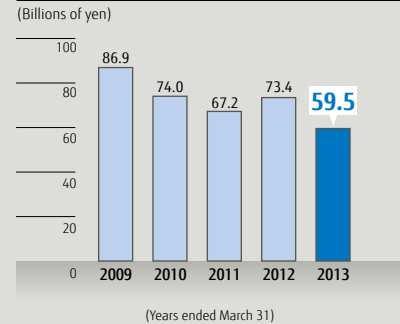
Operating Income/
Operating Income Margin



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

GRAPH 6

Capital Expenditure*



* For entire Technology Solutions segment

a decrease of 1.5% from the previous fiscal year.

System Products: Sales of system products for the fiscal year ended March 31, 2013 decreased 7.0% year on year to ¥262.9 billion. In Japan sales contracted significantly, on a swing-back following the mass production of next-generation supercomputer server systems and big business deals in the previous year. Nevertheless, strong performance in sales of x86 servers put Fujitsu at the top of the domestic server market for a sixth consecutive year. Outside Japan, sales contracted year on year on a decline in UNIX servers due to consumers holding back on purchases ahead of the launch of new products, although sales of x86 servers were brisk in every region. → GRAPH 4

Network Products: Sales increased 4.0% year on year, to ¥292.2 billion. → GRAPH 4
Sales of optical transmission systems fell sharply in North America as telecom carriers shifted their investment focus to LTE and other wireless systems, cutting investment in the mobile backhaul and other backbone systems where Fujitsu supplies products. In Japan, however, sales surged as carriers sought to cope with increased traffic, rollout LTE, and upgrade their networks.

Sales of mobile systems and network solutions rose sharply due to higher sales of LTE equipment and routers to cope with higher volumes of data traffic stemming from the increasing popularity of smartphones and the rollout of LTE.

Operating income for the System Platforms sub-segment totaled ¥49.3 billion, an increase of ¥2.0 billion from the previous year. Overall, system products results were flat as the increased income achieved from x86 server cost cutting and higher unit prices offset lower sales of UNIX servers and mainframes. → GRAPH 5

Income from Network Products also increased, benefiting from higher sales, stimulated by greater investments aimed at coping with increased data traffic and LTE, driven by the widespread popularization of smartphones. Income from North America, however, was lower year on year.

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 products that form the foundation of ICT infrastructure. Along those lines, Fujitsu will move forward with developing platforms optimized for supporting cloud computing, which will enable flexible ICT utilization. → GRAPH 6

In UNIX servers, Fujitsu will position its new SPARC M10 as a mainstay product. This will work to further strengthen its partnership with Oracle, and in expanding sales in and outside of Japan, increase its share of the RISC market as it aims to boost sales. In x86 servers, we will step up our development in coordination with Germany-based Fujitsu Technology

Solutions to strengthen cost competitiveness. At the same time, we will grow our business globally by developing new channels with major systems integrators, enhancing our promotional activities, and using modernization as a trigger to prevail over competitors.

Network Products: Network products are playing an increasingly important role in the cloud era as data and networks merge. In recent years we have maintained a profitable business structure by reforming the development process to achieve significant cost savings, and business expansion driven by the need to cope with increasing network traffic and the rollout of LTE. In the next stage of growth for the business, we plan to achieve further profit gains by reducing costs even further, growing our domestic market share, and expanding sales globally. In optical transmission systems, our capabilities in advanced technologies will play a role in expanding our business as we seek to increase sales of 100 Gbps-class packet optical networking platforms in and outside of Japan, in order to cope with rapidly increasing data traffic.

In mobile systems and network solutions, Fujitsu will aim to promote future business expansion on a global stage. Specifically, we will expand our business in the growth field of LTE, while steadily developing the high-density wireless base stations compatible with the next generation network protocol, LTE-Advanced, which we announced in March 2013.

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 STYLISTIC brands. 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.



FMV ESPRIMO FH78/LD
all-in-one PC with touch-panel
Full HD liquid crystal display



Xi-compatible F-08E
Raku-Raku Smartphone 2
with expanded screen size



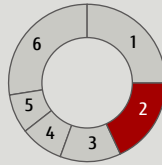
ULTRA AVN (AVN-ZX02i)
car navigation system

Ubiquitous Solutions Results (See page 045 for numerical results from PCs/Mobile Phones and Mobilewear operation)

Years ended March 31	Yen (millions)		
	2011	2012	2013
Net sales			
External customers	¥1,013,056	¥1,039,809	¥972,971
Inter-segment	112,586	114,473	117,278
Total sales	1,125,642	1,154,282	1,090,249
Operating income	22,679	19,938	9,626
Total assets	332,121	361,732	335,747
Other items			
Capital expenditure (including intangible assets)	20,578	19,698	23,851
Depreciation	20,675	21,210	21,496
Amortization of goodwill for the year	46	48	49
Balance of goodwill at end of the fiscal year	184	148	119

PC Market Share in Japan 2012 (Unit Basis)

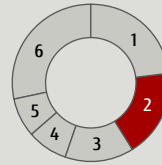
1	Company A	25.2%
2	Fujitsu	17.8%
3	Company B	12.7%
4	Company C	8.7%
5	Company D	8.0%
6	Others	27.4%



(Source: Gartner, "Quarterly Statistics: Personal Computers, Worldwide by Region, 1Q13 Update" 6 May 2013)

Mobile Phone Shipments in Japan in 2012 (Unit Basis)

1	Company A	23.3%
2	Fujitsu	18.0%
3	Company B	14.0%
4	Company C	8.4%
5	Company D	8.0%
6	Others	28.3%



(Source: IDC, Worldwide Quarterly Mobile Phone Tracker, 2013Q1)

OUR STRENGTH

Fujitsu offers PCs of exceptional quality and high added value. 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. 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. We also offer lightweight, thin tablet PCs with high-spec, water- and dust-resistant features. 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, as well as tablet PCs featuring large, full high-definition screens and large battery capacity. 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.

PERFORMANCE

TOPICS

An Easy-to-Use Smartphone for Seniors

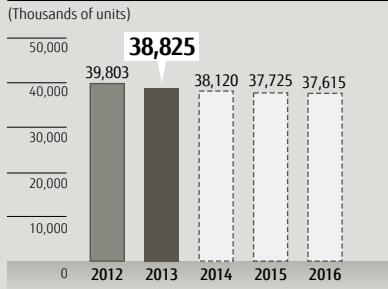
In June 2013, Orange and Fujitsu launched the FUJITSU Smartphone STYLISTIC S01 in France, featuring enhanced user-friendliness for the rapidly growing senior market in Europe. This marks Fujitsu's first step in developing a European mobile phone business incorporating services such as lessons on how to use the product and a telephone support service. It is also Fujitsu's first real foray into the smartphone market outside Japan. The STYLISTIC S01 offers a variety of user-friendly functions, such as a touch panel that provides the tactile sensation of pressing a physical button when pushing an on-screen icon, and an intuitive graphic user interface. Another feature optimizes the smartphone's audio settings to make calls easy to hear depending on the user and location.



STYLISTIC S01 Smartphone developed for the senior market in Europe

GRAPH 1

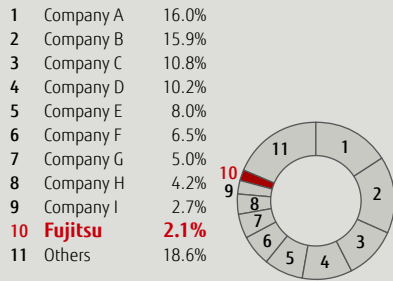
Mobile Phone Shipment Forecast for Japan



(Source: IDC, Worldwide Quarterly Mobile Phone Tracker, 2013Q1)
 * The above figures are as of the end of each fiscal year (March 31)

GRAPH 2

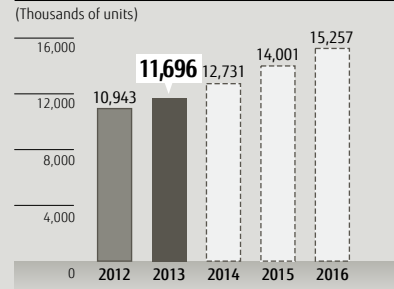
Global PC Market Share in 2012 (Revenue Basis)



(Source: Gartner, "Quarterly Statistics: Personal Computers, Worldwide by Region, 1Q13 Update" 6 May 2013)

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 2013)

Market Trends

2012 Global Market Trends

Total PC shipments in Japan rose 0.5% year on year in 2012 to 15.97 million units. In the consumer market, PC shipments declined, mainly as the debut of the new Windows® 8 operating system failed to boost demand while PCs also had to compete with low-priced tablet PCs. In the corporate market, higher PC shipments were driven by renewed demand for upgrades from Windows® XP to Windows® 7. Globally, the PC market declined 3.9% year on year to 354.16 million units, mainly because of competition from smartphones and tablet PCs, sluggish economic conditions due to the European debt crisis, and the underlying minimal impact from Windows® 8.

The number of mobile phones shipped in Japan increased 0.9% year on year to 39.8 million units. The increase in shipments was only slight because of inventory adjustments by mobile communications carriers, despite steady replacement demand as users upgraded from feature phones to smartphones.

Worldwide demand for car navigation systems increased 11.7% year on year to 10.94 million units. → GRAPH 3 In Japan, shipments increased on the back of a rebound in auto production and an expansion in consumer car navigation

system lineups sold on the market. In the U.S., shipments were up on strong automobile sales. However, in Europe, shipments increased only slightly due to lackluster automobile sales as regional economic conditions remained weak.

Outlook for 2013

For PCs, the Japanese consumer market is expected to decline year on year as consumers shift from traditional PCs to tablet PCs. The Japanese corporate market is expected to remain mostly unchanged, as the ongoing replacement of PCs running Windows® XP is tempered by competition from tablet PCs. On the other hand, outside Japan, the market is expected to see an even larger decrease due to the rapid expansion of tablet PCs. Accordingly, the worldwide PC market is forecast to decrease 3.5% year on year to 338.82 million units.

In mobile phones, domestic shipments in fiscal 2013 are expected to decline 2.5% year on year to 38.8 million units. The forecast for an overall decline is based on slowing growth in the smartphone market, coupled with ongoing contraction of the feature phone market.

Worldwide demand for car navigation systems is projected to continue expanding, increasing 6.9% year on year to 11.69 million units. This forecast is based on expectations for the key role of

high-performance car navigation systems in motorized societies in terms of the environment, energy conservation, and security. Another factor is progress on expansion of road infrastructure development and digitization of map data in step with growth in the automobile markets of emerging economies. → GRAPH 3

Operational Review and Initiatives

Fiscal 2012 Business Results

Net sales in the Ubiquitous Solutions segment totaled ¥1,090.2 billion in fiscal 2012 (down 5.5% year on year).

→ GRAPH 4

Worldwide shipments of Fujitsu PCs decreased 3.2% year on year to 5.83 million units. In Japan, although there were several large-volume deals for corporate clients, PC shipments decreased in the consumer market, while unit sales prices also declined. Outside Japan, Fujitsu lowered PC shipments in Europe as part of its PC sales policy of emphasizing profitability.

Mobile phone shipments in Japan decreased 18.8% year on year to 6.50 million units. This was due mainly to contraction in the feature phone market, and lackluster smartphone sales as competition intensified. These impacts were partly offset by growth in tablet PC sales.

GRAPH 4

Sub-segment Sales*



■ PCs/Mobile Phones
 ■ Mobilewear

* Including intersegment sales

GRAPH 5

Operating Income/
 Operating Income Margin



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

GRAPH 6

Capital Expenditure



In mobilewear, sales declined year on year in Japan, due to the impact of lower new car sales volume after the government's subsidy program for eco-friendly car purchases ended, as well as sluggish sales of consumer market products. Outside Japan, sales increased year on year, partly because overseas automobile manufacturing recovered after being suspended in the previous year due to flooding in Thailand.

Operating income declined ¥10.3 billion from the previous fiscal year to ¥9.6 billion. → GRAPH 5 In Japan, Fujitsu strove to offset the drop in earnings associated with lower PC and mobile phone shipments by cutting material and component costs and other expenses. However, earnings were impacted heavily by higher procurement costs reflecting the yen's depreciation in the second half of the fiscal year. In the fiscal year under review, Fujitsu recorded a one-off gain on a review of the provision for PC recycling expenses, based on the impact of the start of a recycling system for small home appliances during the fiscal year. In addition, restructuring in the mobilewear business contributed positively to earnings. Outside of Japan, Fujitsu saw higher materials and component procurement costs for PCs for the European market due to the euro's depreciation against the U.S. dollar, mainly in the first half, as well

as a negative impact on earnings from lower PC sales.

Initiatives Going Forward

For the PC market, Fujitsu will continue to develop high quality products offering exceptional reliability and featuring advanced functions. At the same time, we will provide added value in the form of new services for consumers and corporations. We will also offer the LIFEBOOK UH SERIES—the world's thinnest Ultrabook™ and HDD-equipped notebook PC, and the ESPRIMO FH Series of desktop PCs with enhanced touch-screen features and design. We will further promote "My Cloud" cloud service that enables users to collect and organize widely distributed data, and freely utilize data within their PCs on their preferred digital devices at any time. Outside Japan, Fujitsu will step up high-value-added corporate PC sales in the EMEA markets, while focusing on low-end PC sales in emerging markets. In North America, the focus will be on bolstering sales of tablet PCs in medical and educational fields, and in Asia-Pacific and China, on enhancing corporate sales activities.

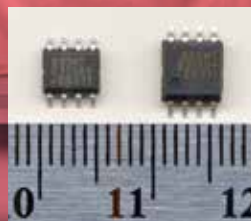
In mobile phones, Fujitsu is developing such products as the high-spec, water-resistant FUJITSU Smartphone ARROWS NX F-06E equipped with a large 5.2-inch full high-definition display, large-capacity battery, and quad-core

CPU, the FUJITSU Smartphone Disney Mobile on docomo F-07E featuring popular Disney characters, the Raku-Raku Smartphone 2, the latest model in this series of smartphones for seniors, and the long-selling Raku-Raku Phone Series. Outside Japan, in June 2013 Fujitsu and Orange launched a new smartphone business in France targeting the rapidly growing senior market in Europe. Fujitsu will use this initiative to spearhead further overseas business expansion, while seeking to popularize Japanese technology around the world.

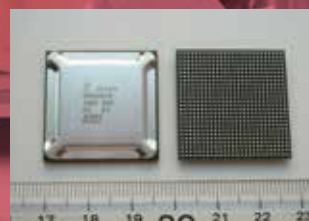
In mobilewear, Fujitsu is branching into new business domains. One is the Vehicle-ICT business. Centered on ICT technology, this business enhances value-added automobiles by linking a variety of data related to comfort, safety and reliability, and the environmental business. In this business, the Fujitsu Group will maximize its collective capabilities to promote a vertically integrated model that links services, centers, devices, and controls. To cultivate new markets and customers in existing business domains, Fujitsu will expand sales of low-cost audio products in the ASEAN market, and strive to maximize sales volume by expanding markets and customers globally, while leveraging products and technologies in existing business domains.

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 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.



High-capacity FRAM
MB85RS1M and MB85RS2MT
for realizing compact,
power-efficient devices



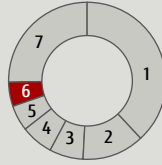
MB86R24 third-generation
high-performance graphic SoC
for automotive applications

Device Solutions Results (See page 049 for numerical results from LSI Devices and Electronic Components, Others operation)

	Yen (millions)		
Years ended March 31	2011	2012	2013
Net sales			
External customers	¥545,729	¥515,834	¥483,896
Inter-segment	84,871	68,866	56,478
Total sales	630,600	584,700	540,374
Operating income (loss)	20,976	(10,182)	(14,246)
Total assets	434,718	434,902	383,418
Other items			
Capital expenditure (including intangible assets)	44,837	51,876	45,828
Depreciation	60,941	56,483	44,023
Amortization of goodwill for the year	573	556	67
Balance of goodwill at end of the fiscal year	(75)	(646)	(726)

2012 Global ASIC Market Share (based on sales)

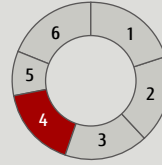
1	Company A	38.1%
2	Company B	12.9%
3	Company C	6.8%
4	Company D	6.7%
5	Company E	5.4%
6	Fujitsu	4.9%
7	Others	25.2%



(Source: IHS iSuppli March 2013)

2012 ASIC Market Share in Japan (based on sales)

1	Company A	20.2%
2	Company B	18.1%
3	Company C	17.0%
4	Fujitsu	16.7%
5	Company D	9.2%
6	Others	18.8%



(Source: IHS iSuppli March 2013)

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.

TOPICS

Volume Production of GaN Power Devices in Sight

Fujitsu Semiconductor aims to start volume production of gallium-nitride (GaN) power devices in the second half of 2013.

Compared to conventional silicon-based power devices, GaN-based power devices feature lower electrical resistance and the ability to perform high-frequency operations. These characteristics are expected to improve the conversion efficiency of power supply units and make them more compact.

Fujitsu Semiconductor will propose a wide variety of value-enhancing power supply applications for the devices, significantly contributing to the realization of a low-carbon society.



GaN power device prototype
(TO247 Package)

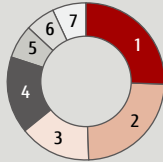


6-inch silicon wafer used to form GaN power device

GRAPH 1

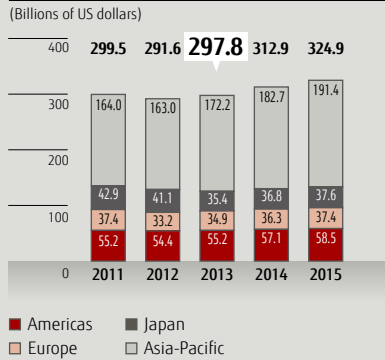
Sales of Logic LSI Products by Application for the Year Ended March 31, 2013

- 1 ■ Mobile phones
- 2 ■ AV/Consumer electronics
- 3 ■ PCs and peripherals
- 4 ■ Automobiles
- 5 ■ Industrial machinery
- 6 ■ Communications devices
- 7 ■ Others



GRAPH 2

Global Semiconductor Market Forecasts



(Source: World Semiconductor Trade Statistics (WSTS))

Market Trends

2012 Global Market Trends

In 2012, the global semiconductor market contracted 2.7% year on year to US\$291.6 billion*¹, experiencing negative growth after expanding 0.4% year on year in 2011. This marked a slight market contraction compared with 2010 and 2011. → GRAPH 2 The main reason was the rise of smartphones and tablet PCs, which cut into demand in the conventional PC and AV equipment markets, including digital cameras and game consoles, as well as the feature phone market. Another factor was the underperforming global economy.

Geographically, the Japanese market shrank 4.3%* year on year (4.2%* on a yen basis), declining for a second consecutive year, mainly due to factors such as sluggish global economic performance and stagnant domestic production caused by the yen's appreciation. The business environment was challenging as Japanese manufacturers struggled in the face of intensified competition with global players in the smartphone market in addition to a weak AV equipment market. The Asian market experienced slight negative growth, contracting 0.6% year on year, compared with growth of 2.5% in 2011. This was partly due to the impact of weak exports reflecting the

global economic recession, particularly in Europe. The European market contracted sharply, by 11.3% year on year, mainly due to the impact of protracted economic stagnation stemming from fiscal austerity measures, a rising unemployment rate, and other factors. In the Americas, market growth was a negative 1.5% year on year, as a sharp drop in demand for PC and other applications outweighed continued strong demand for communications equipment and automotive applications.

Outlook for 2013

In 2013, the global semiconductor market is expected to grow 2.1%*¹ year on year to US\$297.8 billion, rebounding to levels slightly above 2010 and 2011.

→ GRAPH 2

By region, the Americas market is forecast to grow 1.6%*¹, with Europe set to increase 5.3%*¹ year on year. The Japanese market is expected to contract 13.8%*¹, while the Asia-Pacific market is expected to increase 5.7%*¹. The large projected negative growth in the Japanese market largely reflects the apparently sharp contraction in the market when stated on a U.S. dollar basis following the yen's depreciation since the autumn of 2012. On a yen basis, however, the Japanese market is forecast to contract by only 0.3%*¹ year on year*².

Against the backdrop of an improving export environment supported by the weaker yen and the positive impacts of financial policies, the Japanese market is projected to see continued growth in the smartphone and tablet PC markets, as well as a rebound in the automobile and industrial equipment markets. However, the AV equipment-related market, including conventional PCs and digital cameras, is expected to remain sluggish, leading to a continuation of severe conditions on the whole.

In terms of products, although the market for MOS microcontrollers is expected to contract 2.9%*¹ year on year, the memory market, which includes DRAM and Flash memory, and the market for logic products are both expected to grow year on year, by 5.9%*¹ and 4.3%*¹, respectively.

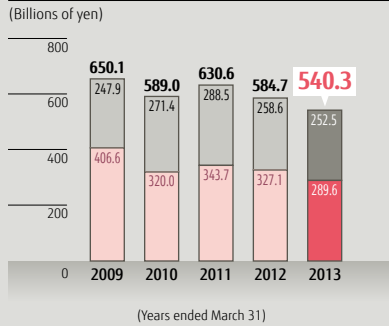
The global semiconductor market is projected to continue growing through 2014 and into 2015, with anticipated increases of 5.1%*¹ to US\$312.9 billion in 2014, and 3.8%*¹ in 2015 to US\$324.9 billion. An average annual growth rate of 3.7%*¹ is expected to be seen between 2012 and 2015.

*¹ Semiconductor market estimates according to World Semiconductor Trade Statistics (WSTS), spring 2013 forecast.

*² The WSTS semiconductor market estimates are premised on yen-U.S. dollar exchange rates of ¥79.7 in 2012, and ¥92.2 from 2013.

GRAPH 3

Sub-segment Sales*

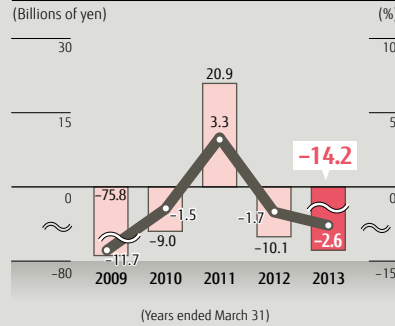


■ LSI Devices
■ Electronic Components, Others

* Including intersegment sales

GRAPH 4

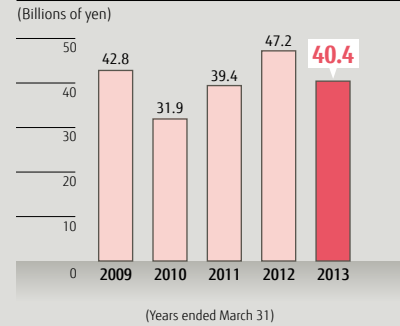
Operating Income (Loss)/
Operating Income Margin



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

GRAPH 5

Capital Expenditure



Operational Review
and Initiatives

Fiscal 2012 Business Results

Net sales during fiscal 2012 in this segment totaled ¥ 540.3 billion, a decrease of 7.6% from the previous fiscal year.

Sales in Japan fell 5.1%. → GRAPH 3

Sales of LSI devices were buffeted by the delayed recovery in market conditions for digital AV devices, in addition to weak sales for use in Fujitsu servers. This decline also reflects the impact of CPU sales for next-generation supercomputers during the previous fiscal year. Electronic component sales saw lower sales of batteries and semiconductor packages. Outside Japan, LSI sales declined, especially in Asia. In electronic components, battery sales were lower, mainly in the U.S., although higher semiconductor package sales were seen in Asia, mainly during the first half of the fiscal year.

The segment posted an operating loss of ¥14.2 billion, a deterioration of ¥4.0 billion from fiscal 2011. → GRAPH 4

In Japan, LSI earnings were affected by a lower capacity utilization rate for production lines caused by decreased demand, in addition to lower revenue. The capacity utilization rate for the 300 mm production line was high, but remained persistently low for the 150 mm/200 mm wafer lines. In addition to the impact of

a drop in electronic components sales, deterioration also occurred due to the burden of investments made to develop Access Network Technology Limited, a subsidiary in the communications semiconductor field.

Initiatives Going Forward

The Fujitsu Group will continue working to optimize its manufacturing system in step with changes in the economic and business environment. As part of these efforts, 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). However, following deterioration in market conditions, Fujitsu has faced the need to expedite structural reforms to strengthen its business structure. Accordingly, Fujitsu transferred ownership of the Iwate Plant, one of its production facilities, to DENSO CORPORATION in October 2012. In December 2012, Fujitsu also transferred ownership of LSI assembly and test line facilities belonging to subsidiary Fujitsu Integrated Microtechnology Limited (FIM) to J-Devices Corporation.

In February 2013, Fujitsu and Panasonic Corporation entered into a basic agreement on the integration of the system LSI business. Fujitsu decided on

a policy of transferring the 300 mm line of the Mie Plant to a new foundry company including TSMC. Specifics of the transfer are now under discussion.

In April 2013, Fujitsu decided to sell its microcontroller and analog business to Spansion Inc. To optimize the size of its workforce, Fujitsu implemented an early retirement scheme for approximately 2,400 employees.

After booking impairment losses on fixed assets, Fujitsu will consolidate its 200 mm wafer lines into Japan's Aizu region. In so doing, Fujitsu aims to streamline production capabilities and optimize its workforce to achieve a more compact organization with stable business operations.