

TRANSLATION



Interim Report  
On  
First-Half FY 2013 Financial Results  
(Six months ended September 30, 2013)

FUJITSU LIMITED

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*Note:*

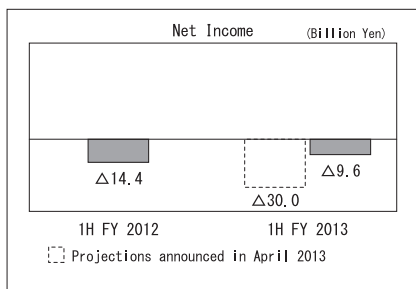
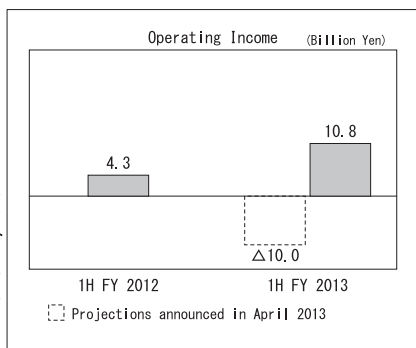
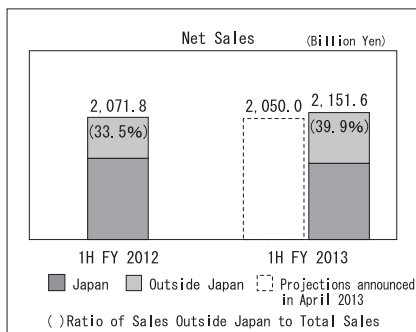
This English translation of the interim report contains minor stylistic differences from the original Japanese version.

## To Our Shareholders,

This interim report for our 114th business period (fiscal 2013, from April 1, 2013 to March 31, 2014) covers financial results for the first half of fiscal 2013, April 1, 2013 to September 30, 2013.

In light of the restructuring of its LSI device business and businesses outside Japan that it implemented in fiscal 2012, the Fujitsu Group is positioning fiscal 2013 as a year for making a new start. In fiscal 2015, the final year of its medium-term targets, Fujitsu aims to generate operating income of at least 200.0 billion yen, net income of at least 100.0 billion yen, and free cash flow of at least 100.0 billion yen. To achieve these targets, in fiscal 2013 Fujitsu is focused on forging a path toward an earnings recovery and an improvement in its financial fundamentals.

As a result, in fiscal 2013 Fujitsu is working to achieve the following key goals. First, while rigorously strengthening its management fundamentals, the company aims to create new services businesses and step up execution of growth strategies in the global marketplace. In addition, the company aims to accelerate a positive growth cycle by integrating Group-wide business resources as “One Fujitsu.” Specific examples of initiatives to create new services businesses are described in the “Fiscal 2013 Initiatives” on page 6.



(\*) In accordance with the amended IAS 19 Employee Benefits of the International Financial Reporting Standards (IFRS), which the Fujitsu Group's consolidated subsidiaries outside of Japan have adopted, the figures for the first half of fiscal 2012 have been retroactively revised. As a result, operating income and net income have been revised, however, the amounts changed by these revisions are not significant.

These key goals are already producing results. In addition, as a result, in part, of a solid recovery in the ICT market in and outside of Japan, the Fujitsu Group's consolidated financial results for the first half of fiscal 2013 exceeded both the results of the same period in the prior fiscal year as well as the projections announced at the beginning of the fiscal year. Net sales were 2,151.6 billion yen, an increase of 79.7 billion yen over the first half of fiscal 2012, and 101.6 billion yen over the initial projection made at the outset of the fiscal year. Operating income was 10.8 billion yen, an increase of 6.4 billion yen over last year's first half, and an improvement of 20.8 billion yen from the initial projection. Because of an especially high corporate income tax burden, the company posted a net loss of 9.6 billion yen, but this was still an improvement of 4.7 billion yen over last year's first half and 20.3 billion yen over the initial projection. The company will continue to execute initiatives to achieve the key goals in order to meet its projections for fiscal 2013. For further information, please see "Summary of FY 2013 First-Half Consolidated Results" on page 3.

Because of the erosion in shareholders' equity caused by the large net losses recorded in fiscal 2012 as a result of the implementation of structural reforms, the company will regrettably not pay a fiscal 2013 interim dividend. The company is moving forward with structural reforms to revive its performance and improve its financial fundamentals so that it can quickly resume dividend payments.

As an indispensable partner to its customers, the Fujitsu Group continues to aim for further growth along with its stakeholders. We would like to ask you, our valued shareholders, for your continued support and guidance in our business going forward.

November 2013

Masami Yamamoto, President and Representative Director

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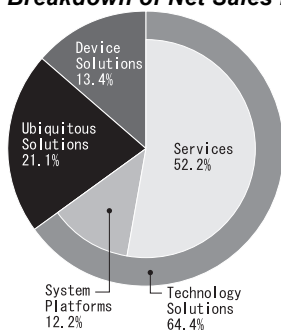
## Summary of FY 2013 First-Half Consolidated Results

\*For details, please refer to “FY 2013 First-Half Financial Results” available on the Fujitsu’s website at : <http://www.fujitsu.com/global/about/ir/data/results/>

### Highlight (Billion Yen)

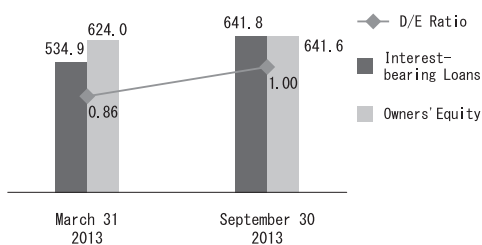
	1H FY 2012	1H FY 2013
Net Sales	2,071.8	2,151.6
Operating Income	4.3	10.8
Other Income and Expenses	0.1	△ 3.8
Income before income taxes and minority interests	△ 0.2	10.0
Net Income	△ 14.4	△ 9.6
Free Cash Flow	△ 17.5	△ 55.1

### Breakdown of Net Sales by Business Segment (%)



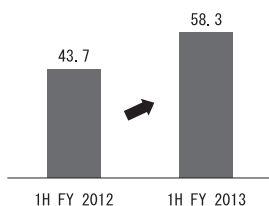
(\*) Net Sales include intersegment sales.

### D/E Ratio (Billion Yen)

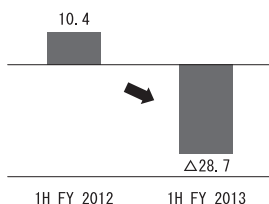


(\*) D/E ratio: Interest-bearing loans/Owners' equity

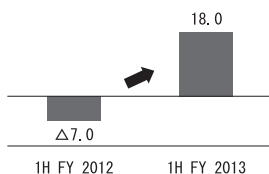
(\*) In accordance with the adoption of the amended IAS 19, the figures for FY2012 (March 31 2013) have been retroactively revised. As a result, D/E ratio and owners' equity have been revised.

**Operating Income by Business Segment (Billion Yen)****Technology Solutions**

In Japan, operating income rose as a result of the impact of workforce-related measures and the impact of increased sales of systems integration services, despite a drop in sales of network services and higher upfront R&D spending in network products. Outside Japan, in addition to the impact of structural reforms and reduction in amortization expenses for goodwill, operating income was positively impacted by higher sales of network products.

**Ubiquitous Solutions**

Operating income in Japan was positively impacted by higher sales of PCs. In mobile phones, operating income was adversely impacted by the significant decline in unit sales, in addition to the impact of higher costs from yen depreciation and the cost of functionality enhancements. Operating income for Mobilewear was adversely impacted by higher development expenses. Outside Japan, operating income benefitted from an emphasis on profitability for sales of PCs. In addition, in the same period of the previous fiscal year, the depreciation of the euro versus the dollar caused dollar-denominated parts procurement costs to rise, negatively impacting operating income. Operating income in Mobilewear was positively impacted by higher sales.

**Device Solutions**

In Japan, operating income for LSI devices was adversely affected by lower sales, but overhead expenses decreased because of an early retirement incentive plan and other factors. Capacity utilization rates on the production lines for 300mm wafers remained high because of an increase in demand for use in smartphones, but capacity utilization rates on the production lines for standard logic devices continued to be low. Fujitsu is planning to consolidate the production lines for standard logic devices in the Aizu-Wakamatsu region and thereby raise capacity utilization rates. Operating

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income outside of Japan improved on higher demand and the impact of higher sales resulting from the weaker yen.

(\*) In accordance with the adoption of the amended IAS 19, the figures for the first half of fiscal 2012 have been retroactively revised. As a result, operating income for the Technology Solutions has been revised.

**FY 2013 Full-Year Consolidated Forecast (Billion Yen)**

Business Segment	FY 2012	FY 2013 Forecast	
Net Sales	Technology Solutions	2,942.3	3,150.0
	Ubiquitous Solutions	1,090.2	1,060.0
	Device Solutions	540.3	590.0
	Other/Elimination and Corporate	△ 191.2	△ 180.0
	Total	4,381.7	4,620.0
Operating Income	Technology Solutions	173.9	207.0
	Ubiquitous Solutions	9.6	△ 15.0
	Device Solutions	△ 14.2	25.0
	Other/Elimination and Corporate	△ 81.0	△ 77.0
	Total	88.2	140.0
Net Income	△ 79.9	45.0	

(\*) Net Sales include intersegment sales.

(\*) The “Other/Elimination and Corporate” category includes strategic expenses, such as expenditures on basic research that are not attributable to any reporting segment, as well as shared group management expenses along with Japan’s Next-Generation Supercomputer Project, facility service and the development of information services for Fujitsu Group companies, and retirement and healthcare benefits for Fujitsu Group employees.

(\*) In accordance with the adoption of the amended IAS 19, the figures for fiscal 2012 have been retroactively revised. As a result, operating income for the Technology Solutions and net income have been revised.

## ***Fiscal 2013 Initiatives***

This section introduces some of the core initiatives for creating new services in the first half involving the cloud\*, big data\*, and mobile business.

### **1. FUJITSU Cloud Initiative**

As an ICT platform that can be quickly deployed with minimal resources and that can be readily adjusted as circumstances change, the cloud is expanding the business options and usage realms of customers and significantly transforming society. To meet the needs of customers who want to optimize their use of the cloud, Fujitsu has systematized its cloud products and services in the FUJITSU Cloud Initiative. In addition, Fujitsu has strengthened its group of dedicated professionals to provide services in order to continue to support the acceleration of innovation on the part of customers.

#### **Case Example: System for MOS Burger chains in Hong Kong Built in Fujitsu's Cloud**

As one of measure to expand its MOS Burger chains outside Japan, MOS Food Services, Inc. has deployed CloudStage F, Fujitsu's SaaS\* business-support solution for the food-service industry, with the aim of making the operations of its restaurants more efficient.

### **2. FUJITSU Big Data Initiative**

How best to analyze and use big data to differentiate themselves from competitors or for new services is one issue facing customers. Using cutting-edge technologies and sophisticated analytics, Fujitsu provides products and services that create new value from data to support the transformation of customers and society. These products and services have been systematized in the FUJITSU Big Data Initiative. Fujitsu has also established dedicated location and support programs to support the use of big data, providing one-stop support.

#### **Case Example: Yamazaki Baking Co., Ltd. Completely Upgrades Integrated Mission-Critical System for Big Data Use**

Yamazaki Baking Co., Ltd., which used to have systems running independently at each of its production facilities, jointly with Fujitsu upgraded its mission-critical system. Using Fujitsu's FUJITSU Software Interstage Service Integrator, it created a unified environment that enables all business-related data, including over four million orders a day at its 20 production facilities in Japan, to be captured in real time for anticipated use in big data projects.

### **3. FUJITSU Mobile Initiative**

The use of smartphones, tablets, and other smart devices is spreading in a variety of areas, such as enabling office work to be performed out of the office, or in improving sales proposal presentations. To meet such diverse usage needs, Fujitsu offers products and services that offer comprehensive support, from the deployment of mobile devices, to building the network and other infrastructure to support the devices, and even operations management services, which are all systematized in the FUJITSU Mobile Initiative. Based on its extensive deployment track record and expertise, Fujitsu will continue to provide customers with optimal mobile solutions.

#### **Case Example: Launch of Software that Supports Work Style Transformation Using Smart Devices**

Fujitsu has developed an integrated Augmented Reality\* platform that uses smart devices to deliver front-line efficiencies. For example, in maintenance inspection work, when equipment being inspected is viewed by the tablet's camera, the work procedures can be displayed in overlay on the screen, and work-related data can easily be added or changed through intuitive operation of the built-in camera or touchscreen panel, thereby making front-line work more efficient.

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## 【Glossary】

Cloud:

A delivery model whereby remotely located ICT resources (the resources required to make an environment sufficient to operate computers, including servers, storage, network, OS, and software) can be used over a network when they are needed and only to the extent that they are needed.

Big Data:

Refers to large volumes of heterogeneous data, the use of which is attracting attention as a way of generating new sources of value.

SaaS (Software as a Service):

An ICT usage environment that enables the functions provided by software—the services—to be used over a network without needing to build or deploy systems.

Augmented Reality:

Also "AR." Uses digital information from ICT systems overlaid on the information that can be absorbed through the five senses to expand and augment human perception.

## Stock (As of September 30, 2013)

- Number of Authorized Shares: 5,000,000,000
- Number of Outstanding Shares: 2,070,018,213
- Stated Capital: ¥324,625,075,685
- Number of Shareholders: 180,760
- Principal Shareholders

Name	Shareholder's investment in Fujitsu Limited	
	Number of shares held (thousands)	Percentage of shares held (%)
Fuji Electric Co., Ltd.	228,391	11.03
State Street Bank and Trust Company	106,637	5.15
The Master Trust Bank of Japan, Ltd. (for trust)	71,906	3.47
Japan Trustee Services Bank, Ltd. (for trust)	69,478	3.35
Fujitsu Employee Shareholding Association	56,202	2.71
Royal Bank of Canada Trust Company (Cayman) Ltd.	55,000	2.65
Asahi Mutual Life Insurance Company	41,389	1.99
Mizuho Bank, Ltd.	36,963	1.78
The Bank of New York, Treaty JASDEC Account	31,037	1.49
Japan Trustee Services Bank, Ltd. (for trust 9)	30,849	1.49

Note:

Of the shares held by Fuji Electric Co., Ltd. and Mizuho Bank, Ltd. include trust properties that are trusted to Mizuho Trust & Banking Co., Ltd. and re-trusted to Trust & Custody Services Bank, Ltd. as retirement benefit trust assets.