

MESSAGE TO SHAREHOLDERS AND OTHER INVESTORS



President
Masami Yamamoto

A REVIEW OF FISCAL 2013

- Achieved initial forecasts and returned to profitability posting net income of ¥48.6 billion

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- Implemented structural reforms to shift to Fujitsu's target business model

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FUTURE CHALLENGES AND MEASURES

- IFRS base targets for fiscal 2014 are net sales of ¥4,800.0 billion, operating profit of ¥185.0 billion, and net profit (profit for the year attributable to owners of the parent) of ¥125.0 billion

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- Medium-term goals for fiscal 2016 are operating profit of ¥250.0 billion, net profit of ¥150.0 billion or above, and free cash flow of over ¥130.0 billion

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- Fujitsu will promote its human centric innovation activities to create business and social value

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- Fujitsu reorganized its operations into five regions, namely EMEA, the Americas, Asia, Oceania, and Japan, in order to accelerate the globalization of its operations

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We positioned the fiscal year ended as a year of structural reforms, and pushed ahead with workforce-related measures and reorganization of underperforming businesses. By reaping benefits from these initiatives and realizing steady business growth centered on the Technology Solutions segment, we achieved the business targets we set out at the beginning of the fiscal year.

In May 2014, Fujitsu established a new medium-term management plan. The fiscal year ending March 31, 2015 is a year for shifting Fujitsu onto a medium-term growth path, as we are taking our first steps to achieve new growth. Moving in this direction, we are increasing upfront investments to spur global business expansion and hone the competitiveness of our products and services. We will increase investment in medium-to long-term growth, as we pursue higher earnings by expanding the ICT business domains.

CSR ACTIVITIES

- Contributing to solving global issues by applying ICT

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RETURN OF PROFITS AND DIVIDEND POLICY

- In fiscal 2013 we paid only the year-end dividend, making the annual dividend ¥4 per share. In fiscal 2014, we plan to pay an annual dividend of ¥8 per share

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SHAREHOLDERS AND INVESTORS

- We will put Fujitsu on a sustainable growth path for the future and steadily execute our plans

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A REVIEW OF FISCAL 2013

Fiscal Year Ended March 31, 2014 (Fiscal 2013) in Review

Fujitsu positioned fiscal 2013 as a year of structural reforms, and pushed ahead with workforce-related measures and structurally reformed underperforming businesses. In addition to reaping the benefits of these initiatives, we saw the Technology Solutions segment grow steadily, mainly in Japan. As a result, we achieved our initial net sales and operating income forecasts. Net sales were ¥4,762.4 billion, against an initial forecast of ¥4,550.0 billion, and operating income was ¥142.5 billion, the initial forecast having been ¥140.0 billion. Fujitsu also returned to profitability, posting net income of ¥48.6 billion, again beating the initial target of ¥45.0 billion.

Fiscal 2013 was a year of intense structural reforms. We undertook workforce-related measures and conducted a far-reaching reorganization of underperforming businesses. As a result, we have successfully rebuilt the structure of the company, giving it the capability to respond to a variety of changes in the market. Looking at our actual businesses, the Japanese economy started to expand from the second half of fiscal 2013, leading to steady growth in businesses centered on the Technology Solutions segment. Notably, in Japan we saw orders and sales increase quarter after quarter. In the Technology Solutions segment, net

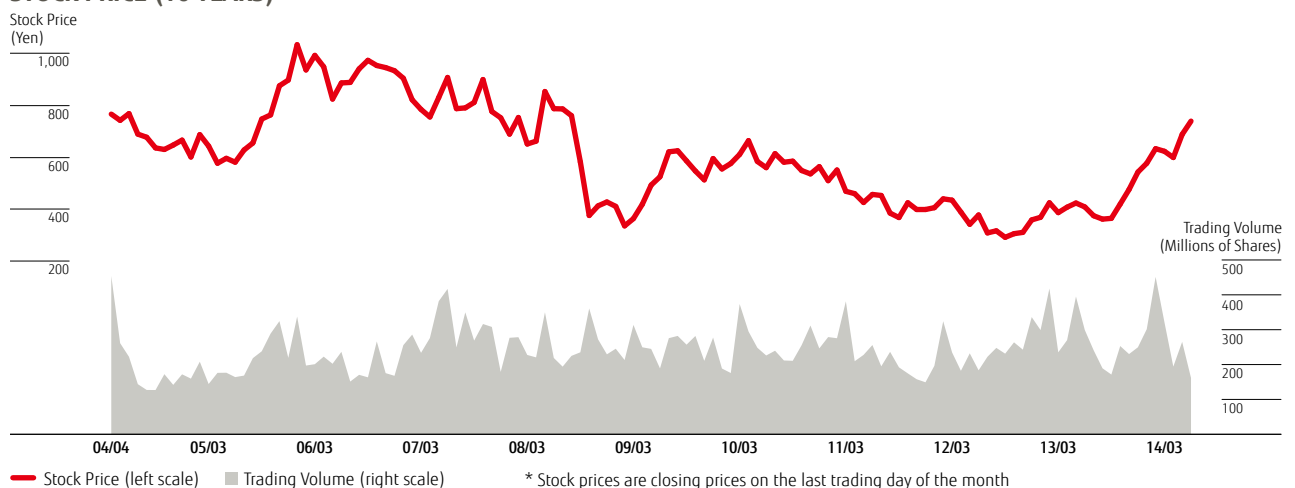
sales increased by 10% year on year, and operating profit rose by over 20%. Consequently, coupled with the benefits of structural reform measures, we attained the net sales and operating income targets set at the beginning of the fiscal year. Consolidated net sales rose 8.7% year on year to ¥4,762.4 billion against an initial forecast of ¥4,550.0 billion, and operating income was ¥142.5 billion against an initial forecast of ¥140.0 billion. Fujitsu also restored bottom-line profitability, with net income improving ¥128.5 billion to ¥48.6 billion.

FISCAL 2013 FINANCIAL RESULTS

		(Billion Yen)			
		FY2012 (J-GAAP)	FY2013 (J-GAAP)	Change vs. FY2012	FY2013 (IFRS)
Consolidated Results	Net Sales	4,381.7	4,762.4	+380.7	4,762.4
	Operating Income	88.2	142.5	+54.2	147.2
	Extraordinary Gains or Losses	-150.5	-47.7	+102.8	-
	Net Income*	-79.9	48.6	+128.5	113.2
Operating Income (by Sector)	Technology Solutions	173.9	209.1	+35.1	233.0
	Ubiquitous Solutions	9.6	-22.1	-31.7	-26.8
	Device Solutions	-14.2	28.3	+42.6	11.5

* In IFRS, profit attributable to owners of the parent company
* The auditing of IFRS figures is not yet complete.

STOCK PRICE (10 YEARS)



A REVIEW OF FISCAL 2013

Structural Reforms

In the design and development operations of the semiconductor business, Panasonic Corporation, Development Bank of Japan, Inc., and Fujitsu signed a memorandum of understanding in April 2014 on establishing a new integrated system LSI (SoC) company. In addition, Fujitsu sold the microcontroller and analog device business in August 2013 and the gallium nitride (GaN) business in February 2014. With regard to business outside Japan, Fujitsu had mostly completed the workforce reductions in continental Europe (1,500 people) as of March 31, 2014. Besides advancing measures to strengthen management fundamentals, we started implementing structural reforms in the mobile phone business in January 2014.

In February 2013, Fujitsu announced that it would implement structural reforms to shift to its target business model. Specifically, we took steps to deal with the underperforming semiconductor businesses and to structurally transform our business in Europe. We also unveiled plans to build corporate strength by taking the offensive with such structural reforms as workforce-related measures, streamlining corporate functions, and reviewing overall costs.

Semiconductor Business

In exploring solutions for the semiconductor business, we took a basic approach of preserving and utilizing our semiconductor technology base, ensuring stable supplies to customers, and considering the impact on employment and local communities. Taking these factors into consideration, we implemented structural reforms and achieved the following results:

- 1) Signed a memorandum of understanding between Panasonic Corporation, Development Bank of Japan, Inc., and Fujitsu on establishing a new integrated system LSI (SoC) company in system LSI development and design operations in April 2014.
- 2) Sold the microcontroller and analog device business to US company Spansion Inc. in August 2013.
- 3) Integrated our GaN development & design operations with US company Transphorm, Inc. in February 2014.

We had considered transferring the business of the Mie Plant, where we operate cutting-edge production lines, by establishing a new foundry company with a partner and by selling the plant to it. However, we were unable to reach an agreement on it. Nevertheless, we saw a dramatic improvement in the profitability in the

business of the Mie Plant as it achieved high capacity utilization throughout fiscal 2013. Looking ahead, we intend to continue manufacturing at the Mie Plant, but over the medium to long term will consider realignment initiatives together with partners.

Business Outside Japan

For business outside Japan, we are shifting the focus of our business portfolio in continental Europe from hardware such as PCs and servers to services. In line with this approach, we moved forward to reduce the workforce by 1,500 people. As a result, we had completed more than 90% of the planned workforce reduction as of March 31, 2014.

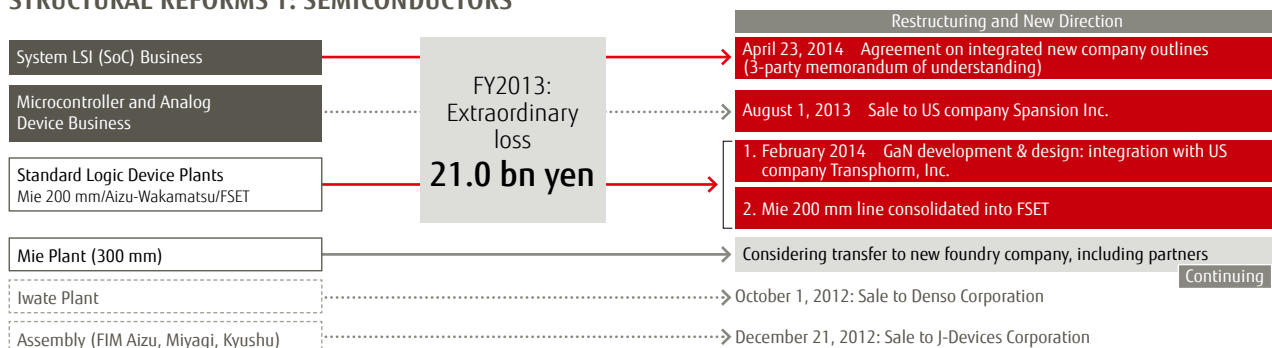
Measures to Strengthen Management Fundamentals

In personnel initiatives, Fujitsu implemented an early retirement scheme for managerial level employees and reduced the volume of external orders. We also worked to streamline corporate functions and review costs. By shifting resources to frontline business departments, we strengthened our sales force and reduced back-office costs.

Mobile Phone Business

In January 2014, we announced the consolidation of mobile phone manufacturing subsidiaries' production lines and a shift in development resources. In April 2014, we integrated the production line of Fujitsu Mobile-phone Products Limited into that of Fujitsu Peripherals Limited. We also streamlined the development framework by shifting personnel to the solutions business for companies and to new business domains such as automobiles.

STRUCTURAL REFORMS 1: SEMICONDUCTORS



FIM: Fujitsu Integrated Microtechnology; FSET: Fujitsu Semiconductor Technology.
FIM and FSET and wholly owned subsidiaries of Fujitsu Semiconductor Limited

FUTURE CHALLENGES AND MEASURES

IFRS Base targets for the Fiscal Year Ending March 31, 2015 (Fiscal 2014)

We are positioning fiscal 2014 as a year for shifting Fujitsu to medium- to long-term growth. Accordingly, we are increasing our upfront investments to drive growth in global business and hone the competitiveness of our products and services. As a result, our fiscal 2014 targets are net sales of ¥4,800.0 billion and operating profit of ¥185.0 billion, up 25.6% year on year. We are forecasting profit before tax of ¥190.0 billion and net profit (profit for the year attributable to owners of the parent) of ¥125.0 billion.



Fujitsu has decided to voluntarily adopt International Financial Reporting Standards (IFRS) for its consolidated financial results, beginning in fiscal 2014. As the importance of our business outside Japan grows year by year, we have decided to unify our accounting standards with Group companies outside Japan that have already adopted IFRS, which will enable coherent business management for Group companies both in and outside of Japan. In adopting IFRS, Fujitsu also seeks to facilitate international comparisons of financial information in global capital markets.

Having positioned fiscal 2014 as a year for shifting Fujitsu to medium- to long-term growth, we are targeting net sales of ¥4,800.0 billion and operating profit of ¥185.0 billion (IFRS basis) for the fiscal year.

Our net sales forecast reflects strong growth projected in the services business and an anticipated recovery in the demand for

electronic components both in and outside Japan. We have also factored in a projected increase in sales of network products and car audio and navigation equipment outside Japan. On the other hand, in the Ubiquitous Solutions segment, we are expecting a decline in consumer demand on account of the increased consumption tax rate, lower demand for PCs, which had risen owing to the need for replacements prior to the end of support for an operating system product, and declining unit sales of mobile phones, among other factors.

Turning to the operating profit forecast, in the Ubiquitous Solutions segment, we are expecting a decline in extraordinary costs in the mobile phone business, with progress in quality assurance and in optimizing the level of inventory. We also project an effect from steps taken in fiscal 2013 such as the integration of manufacturing sites and the shift of development resources into growth fields. In the Technology Solutions and Device Solutions segments, we are expecting higher earnings from actual businesses. However, the level of the overall increase in earnings is expected to be limited because of higher upfront investments to expand and enhance new fields with the aim of driving medium- to long-term growth, primarily in the Technology Solutions segment.

Specifically, we will invest ¥10.0 billion, mainly in cloud computing-related areas in Japan and in multi-regional business deals outside Japan. Additionally, we will invest ¥4.0 billion related to SDN in network products. Furthermore, we will make investments of ¥10.0 billion to drive medium- to long-term growth, such as investments in innovation fields including next-generation medical care and the basic research expenses of Fujitsu Laboratories Ltd. In total, Fujitsu is forecasting upfront investment of around ¥25.0 billion.

Fujitsu is forecasting profit before tax of ¥190.0 billion and profit for the year attributable to owners of the parent of ¥125.0 billion.

FISCAL 2014 FULL-YEAR CONSOLIDATED FORECAST (IFRS BASIS)

(Billion Yen)

	Fiscal 2013 (Actual)	Fiscal 2014 (Forecast)	Change	Change (%)
Net Sales	4,762.4	4,800.0	37.5	0.8
Operating Profit (Operating Profit Margin)	147.2 (3.1%)	185.0 (3.9%)	37.7 (0.8%)	25.6
Profit Before Tax	161.1	190.0	28.8	17.9
Net Profit (Profit for the Year Attributable to Owners of the Parent)	113.2	125.0	11.7	10.4

FUTURE CHALLENGES AND MEASURES

Medium-Term Goals

We are pursuing earnings growth by expanding ICT business areas and increasing investment aimed at medium- to long-term growth. Our medium-term goals for fiscal 2016 are operating profit of ¥250.0 billion, net profit of ¥150.0 billion or above, and free cash flow of over ¥130.0 billion.



Fujitsu is working to drive growth by expanding ICT business areas. In existing business areas for enterprises, we are striving to expand ICT usage through modernization and business innovation, with the aim of generating sales and earnings. And through social innovation, we are expanding into new ICT usage areas such as healthcare, transportation, and agriculture. Furthermore, we are targeting sustainable growth by developing these initiatives globally.

Moreover, we will actively make investments to achieve

these growth strategies. To realize business innovation, we will invest in development, focusing on next-generation cloud platforms, big data, and mobile technology. For social innovation, we will help to solve social issues by investing in product development and conducting M&As in new fields such as next-generation medical care and next-generation transportation.

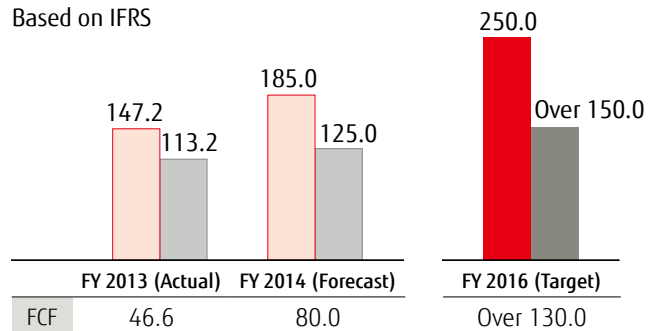
To bolster the expansion of solutions globally, we will explore M&As, in addition to pushing ahead with the development of tools and nurturing human resources.

Even as we aggressively execute these investments, we intend to ensure steady earnings growth in fiscal 2016. Our targets for fiscal 2016 are operating profit of ¥250.0 billion, net profit of ¥150.0 billion or above, and free cash flow of over ¥130.0 billion.

MEDIUM-TERM TARGETS

(Billion Yen)

Based on IFRS



FCF 46.6 80.0 Over 130.0

■ Operating Profit ■ Profit for the Year*

* Profit attributable to owners of the parent company

FUTURE CHALLENGES AND MEASURES

Human Centric Innovation

People, information and infrastructure are important elements for achieving innovation in a hyperconnected world, where people, goods, and all manner of things are connected through networks. Through solutions and services that integrate those elements, Fujitsu is expanding its human centric innovation activities to create business and social value.

The environment surrounding ICT is currently in a period of major transformation, and we believe that there are many opportunities to make great progress. Looking ahead, we believe that it will be crucial to seize on those opportunities in order to achieve our medium-term goals and continue growing thereafter.

The role of ICT is changing. Conventionally, ICT has been a means of improving productivity and raising business efficiency, but now it is becoming a tool that can be used to achieve innovation. A hyperconnected world is emerging in which people,

goods, and all manner of things will be connected through networks. The driving force behind the creation of this new world is the Internet of Everything (IoE). All manner of things will be connected through the Internet, generating vast amounts of data. By utilizing this data, new services will be created.

Fujitsu believes that three management resources, namely, people, information, and infrastructure, will be the crucial elements in this new hyperconnected world. Furthermore, business and social value will be created through solutions and services

that integrate people, information, and infrastructure. We refer to this process as “human centric innovation.”

Human centric innovation is realized by reaching out across boundaries to connect different business fields and sectors, rather than remaining confined within a single company or organization. Building and using an ecosystem spanning business sectors will make it possible to jointly create optimal value

for each individual. Furthermore, we believe that we can realize our vision of a Human Centric Intelligent Society by creating customers and value through the use of ecosystems that span multiple business sectors.

HUMAN CENTRIC INNOVATION



FUTURE CHALLENGES AND MEASURES

New Global Matrix Structure

In April 2014, Fujitsu reorganized its operations into five regions, namely EMEIA (Europe, Middle East, India, and Africa), the Americas, Asia, Oceania, and Japan, in order to accelerate the true globalization of its operations. Additionally, Fujitsu established the Global Delivery group to manage service delivery departments at each location around the world. Through these measures, Fujitsu has put in place an organizational structure to provide uniform services globally and in a timely manner.

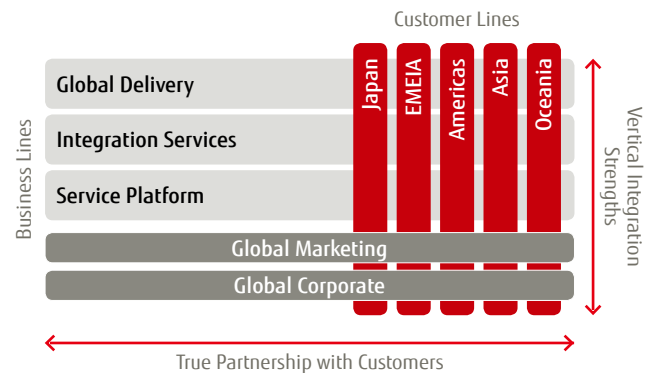
Looking ahead, the key for the Fujitsu Group to attain further growth will be how we grow our business outside of Japan and in areas of innovation. In business outside of Japan, we reorganized operations into a new global matrix structure that can bring the strengths of each Group location together and maximize their capabilities on a global scale.

Under our previous matrix formation, we developed business based on the two pillars of “Japan” and “International Business” operations for our customer lines. Under the new structure, we no longer speak of “Japan” and “Overseas,” and we have reorganized these categories into a flat organization consisting of five regions: EMEIA, the Americas, Asia, Oceania, and Japan. Additionally, we promote rapid decision-making and execution by appointing to each region top management who will be accountable for earnings.

Furthermore, we established the new Global Delivery group to bridge between customer segments and business lines. The group will globally coordinate customer segments and business

lines by consolidating service delivery functions from locations worldwide, including Japan. This will enable products and services developed in one region to be supplied to customers in any other region.

CHANGES TO ORGANIZATIONAL STRUCTURE



CSR ACTIVITIES**Fujitsu's vision for society and social contribution**

We are contributing to solving global issues by applying ICT. Specifically, we are charting a course to a brighter future through innovation and by utilizing ICT, which has begun to demonstrate the power to transform society. Guided by our brand promise of "shaping tomorrow with you," we are steering the Fujitsu Group with an emphasis on creating value in partnership with stakeholders.

Business cannot thrive without a sound global environment and society, so managers ultimately have a responsibility to pursue sustainability. To do so, it is essential for companies to put in place various systems needed to operate in society, such as respect for human rights and legal compliance, help solve global issues through business, and continue to generate appropriate profits.

The power of ICT has grown beyond just the ability to transform business and business processes (business innovation) – it has begun to have the potential to transform society. Humanity must sustainably secure food and other resources to prosper, and this means we must fundamentally change how we manage water, soil, energy, and other resources. We believe that ICT can lead the way to solving these sorts of issues. Fujitsu will therefore embrace the challenge of creating a social innovation business that will work to solve global issues in such fields as agriculture, medicine, and education, as future growth fields.

Of course, I do not hold the simplistic belief that all of humankind can attain happiness merely by advancing the use of ICT. We must also work to reduce the energy consumption of ICT itself, including the efficient operation of datacenters. As people have

become more closely connected, positive developments have also been accompanied by various issues. Specifically, this has caused a dramatic increase in risks facing society, such as human rights and labor issues in the supply chain and digital society, cyber-attacks, the spread of rumors and infringements of intellectual property. In view of these risks, Fujitsu will fulfill its social responsibilities as an ICT company by working closely with governments and related institutions to help build an environment where all people can have open and equal access to ICT.

Fujitsu supports the United Nations Global Compact's 10 principles in the four areas of human rights, labor, the environment and anti-corruption, as a signatory company, in order to conduct a sustainable business. Furthermore, under the global matrix structure launched in March 2014, we are introducing a CSR management cycle using the ISO 26000 framework (a social responsibility guideline) at 120 Group companies worldwide. Looking ahead, Fujitsu will continue to implement business activities in line with the expectations and demands of stakeholders based on its brand promise of "shaping tomorrow with you," with the aim of helping to realize a sustainable society.



RETURN OF PROFITS AND DIVIDEND POLICY

Stance on returns to shareholders and dividend policy

We decided to forgo payment of the interim dividend for fiscal 2013 as retained earnings became negative on a non-consolidated basis in the previous fiscal year. As a result, we paid only the year-end dividend, making the annual dividend ¥4 per share. In fiscal 2014, we plan to pay an annual dividend of ¥8 per share, including an interim dividend of ¥4 per share.

Under Fujitsu’s policy on the distribution of earnings, a portion of retained earnings is paid to shareholders to provide a stable return, 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 profit, Fujitsu aims to further increase the distribution of profit to shareholders when the financial base is sufficiently strong, including through share buybacks.

In its fiscal 2012 non-consolidated results, Fujitsu posted large losses, including a loss on valuation of shares in affiliates and business restructuring charges, resulting in negative retained earnings. Accordingly, we suspended the year-end dividend for fiscal 2012 and did not pay an interim dividend in fiscal 2013.

After implementing various measures, Fujitsu’s financial

condition on a non-consolidated basis has recovered to a level at which dividend payments can be resumed. Accordingly, we have decided to pay a year-end dividend for fiscal 2013. However, given that earnings are still recovering, and in consideration of the future sustainability of dividend payments, we decided to pay a year-end dividend of ¥4 per share.

With respect to the payment of dividends from retained earnings in fiscal 2014, we plan to restore biannual dividend payments based on an interim and year-end dividend. We intend to resume the previous level of dividends (interim and year-end dividends of ¥5 per share each) as soon as possible. However, we believe that our first priority is to ensure the payment of sustainable interim and year-end dividends. Accordingly, we plan to pay an annual dividend of ¥8 per share for fiscal 2014, including an interim dividend of ¥4 per share.

BREAKDOWN AND TREND OF ANNUAL DIVIDENDS

Record Date	Per Share		
	Interim	Year-end	Annual
Fiscal 2012 (Actual)	¥5	¥0	¥5
Fiscal 2013 (Actual)	¥0	¥4	¥4
Fiscal 2014 (Forecast)	¥4	¥4	¥8

SHAREHOLDERS AND INVESTORS

Message to shareholders and investors

We will increase our strategic investments aimed at expanding into new ICT usage areas and driving global business expansion, putting Fujitsu on a sustainable growth path for the future and steadily executing our plans with the goal of increasing shareholder value.

Until fiscal 2013, we steadily pushed ahead with enhancing and transforming our businesses through structural reforms, and increased our capacity to provide new value to customers on a one-stop basis. As a result, although the owners’ equity ratio and certain other metrics declined temporarily, the foundation for our next stage of growth has steadily become more solid.

Fujitsu is determined to become an enterprise that is truly worthy of the trust of its customers by restoring its strength as a

company, including a strong financial position. We believe that fiscal 2014 is a crucial year for achieving this goal. We have drawn up a new growth strategy as a roadmap for getting us there. We believe that now is the perfect opportunity to spur growth based on ICT. To this end, we will rapidly increase our earnings capacity and steadily put our plans into action with the goal of increasing shareholder value.