

Part I: Financial Results

1. Explanation of Financial Results

1-1. Overview

<Business Environment>

During the first half of fiscal 2014 (April 1, 2014 – September 30, 2014), the global economy continued to experience a mild recovery. In Europe, the pace of the recovery is sluggish, with little momentum. In the US, because of an improvement in the jobs environment and other factors, the mild recovery is continuing. The pace of economic growth in emerging market countries appeared to be stalled.

In Japan, because the pace of recovery was slow due to a downturn caused by an increase in the consumption tax rate, as well as the risk of a downturn in markets outside of Japan, the outlook is increasingly uncertain. The government's economic policies, however, have led to Japan's economy continuing to experience a mild recovery. Against the backdrop of improved corporate earnings, investment in information and communication technology (ICT) continues to expand at a moderate pace.

FY2014 First-Half Financial Results

(Billions of yen)

	FY2013 1H 4/1/13- 9/30/13	FY2014 1H 4/1/14- 9/30/14	Change vs. 1H FY2013		Change vs. July 2014 projections	
				Change (%)		Change (%)
Revenue	2,151.6	2,192.8	41.2	< ·1 > 1.9	42.8	2.0
Gross Profit [Gross Profit Margin]	570.8 [26.5%]	580.7 [26.5%]	9.9 [- %]	1.7		
Selling, General and Administrative Expenses	-544.8	-548.4	-3.6	0.7		
Other Income (Expenses)	4.3	-0.0	-4.4	-		
Operating Profit [Operating Profit Margin]	30.3 [1.4%]	32.2 [1.5%]	1.8 [0.1%]	6.2	7.2 [0.3%]	29.1
Financial Income (Expenses), and Others	4.3	10.3	6.0	140.5		
Profit before Income Taxes	34.6	42.6	7.9	22.9	17.6	70.5
Profit for the Period Attributable to Owners of the Parent	14.6	24.1	9.4	64.5	14.1	141.1

< > Change (%) Constant Currency

FY2014 Second-Quarter Financial Results

(Billions of yen)

	FY2013		FY2014			
	1Q 4/1/13- 6/30/13	2Q 7/1/13- 9/30/13	1Q 4/1/14- 6/30/14	2Q 7/1/14- 9/30/14	Change vs. 2Q FY 2013	Change (%)
Revenue	999.2	1,152.3	1,068.6	1,124.1	-28.1	< -5 > -2.4
Operating Profit [Operating Profit Margin]	-10.7 [-1.1%]	41.1 [3.6%]	7.2 [0.7%]	24.9 [2.2%]	-16.1 [-1.4%]	-39.2
Profit before Income Taxes	-6.2	40.9	10.4	32.1	-8.7	-21.4
Profit for the Period Attributable to Owners of the Parent	-9.1	23.8	6.8	17.2	-6.5	-27.7

< > Change (%) Constant Currency

Quarterly Breakdown of Financial Results

(Billions of yen)

		FY2013				FY2014	
		1Q	2Q	3Q	4Q	1Q	2Q
Total	Revenue	999.2	1,152.3	1,200.7	1,410.1	1,068.6	1,124.1
	Operating Profit	-10.7	41.1	36.2	80.6	7.2	24.9
	[Operating Profit Margin]	[-1.1%]	[3.6%]	[3.0%]	[5.7%]	[0.7%]	[2.2%]

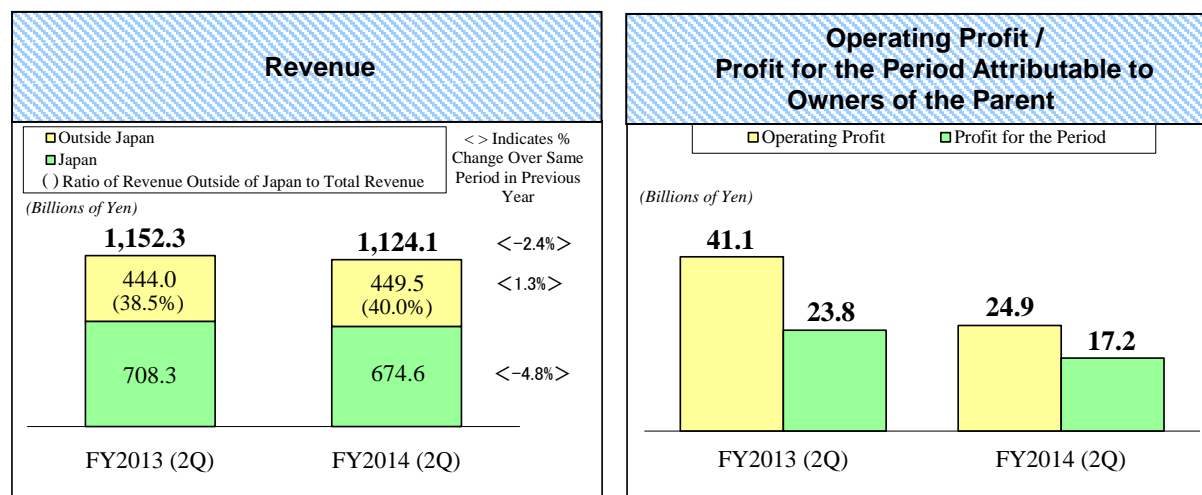
[Financial Results by Business Segment]

Technology Solutions	Revenue	677.5	785.3	786.3	993.7	708.0	784.1
	Operating Profit	14.3	60.4	51.1	107.0	11.4	39.3
	[Operating Profit Margin]	[2.1%]	[7.7%]	[6.5%]	[10.8%]	[1.6%]	[5.0%]
Services	Revenue	554.9	631.6	649.8	790.7	580.5	648.5
	Operating Profit	16.6	40.8	43.1	73.1	13.1	35.2
	[Operating Profit Margin]	[3.0%]	[6.5%]	[6.6%]	[9.3%]	[2.3%]	[5.4%]
System Platforms	Revenue	122.5	153.7	136.4	202.9	127.5	135.5
	Operating Profit	-2.2	19.6	8.0	33.8	-1.7	4.0
	[Operating Profit Margin]	[-1.8%]	[12.8%]	[5.9%]	[16.7%]	[-1.3%]	[3.0%]
Ubiquitous Solutions	Revenue	215.9	262.7	321.2	325.4	268.9	245.0
	Operating Profit	-17.0	-11.5	-5.3	7.1	8.7	0.9
	[Operating Profit Margin]	[-7.9%]	[-4.4%]	[-1.7%]	[2.2%]	[3.2%]	[0.4%]
Device Solutions	Revenue	145.3	159.0	146.0	149.7	135.2	145.1
	Operating Profit	7.1	12.8	3.1	-11.6	3.3	6.6
	[Operating Profit Margin]	[4.9%]	[8.1%]	[2.2%]	[-7.8%]	[2.5%]	[4.6%]

1-2. Second-Quarter

In these explanatory materials, the yen figures for revenue, operating profit and other figures are converted into US\$ amounts, for reference purposes, at a rate of \$1=109 yen, the approximate Tokyo foreign exchange market rate on September 30, 2014. Figures for and comparisons to prior reporting periods are provided only for reference. The impact of foreign exchange fluctuations has been calculated by using the average US dollar, euro and British pound foreign exchange rates for the second quarter of fiscal 2013 to translate the current period's revenue outside Japan into yen.

<Profit and Loss>



Consolidated revenue for the second quarter of fiscal 2014 was 1,124.1 billion yen (US\$10,313 million), a decrease of 2.4% from the second quarter of fiscal 2013. On a constant-currency basis, revenue decreased by 5%. Revenue in Japan decreased 4.8% on lower revenue from PCs, server-related products, and mobile phones. Revenue outside of Japan rose 1.3%, but declined by 4% on a constant-currency basis. Revenue from LSI devices, optical transmission systems, electronic components and PCs declined.

For the second quarter of fiscal 2014, the average yen exchange rates against major currencies were 104 yen for the US dollar (representing yen depreciation of 5 yen from the second quarter of fiscal 2013), 138 yen for the euro (depreciation of 7 yen) and 174 yen for the British pound (depreciation of 21 yen). The impact of foreign exchange movements was to increase revenue by approximately 25 billion yen compared to the second quarter of fiscal 2013. Revenue generated outside Japan as a percentage of total revenue was 40.0%, an increase of 1.5 percentage points compared to the same period of the previous fiscal year, mainly as a result of lower revenue in Japan from PCs and server-related products, in addition to the impact of foreign exchange fluctuations.

Gross profit was 299.8 billion yen, a decrease of 11.1 billion yen from the second quarter of fiscal 2013, resulting from the impact of lower revenue, despite the beneficial effects of structural reforms in the mobile phone business and other areas. The gross profit margin was 26.7%, a decrease of 0.3 of a percentage point.

Selling, general and administrative expenses were 274.0 billion yen, an increase of 2.2 billion yen from the second quarter of fiscal 2013. While progress was made in generating Group-wide cost efficiencies, expenses increased as a result of foreign exchange movements.

Other income (expenses) was a loss of 0.8 billion yen, representing a deterioration of 2.7 billion yen from the second quarter of fiscal 2013, primarily on one-time gains recorded in last year's second quarter stemming from changes to the retirement benefit plans of Fujitsu's subsidiaries in Japan.

Fujitsu recorded an operating profit of 24.9 billion yen (US\$228 million), a decrease of 16.1 billion yen from last fiscal year's second quarter.

Net financial income (including financial income, financial expenses and income from investments accounted for using the equity method, net) was 7.2 billion yen, an improvement of 7.3 billion yen from the second quarter of fiscal 2013 resulting from an improvement in the net gain on foreign exchange because of the weak yen.

Profit before income taxes was 32.1 billion yen, a decrease of 8.7 billion yen from the same period in the previous fiscal year.

Profit for the period attributable to owners of the parent was 17.2 billion yen (US\$158 million), a decrease of 6.5 billion yen compared to the second quarter of fiscal 2013.

FY2014 Second-Quarter Consolidated Business Segment Information

<Revenue* by Principal Products and Services>

(Billions of yen)

	2Q FY2013	2Q FY2014	Change vs. 2Q FY2013		
	〔 7/1/2013 ~ 9/30/2013 〕	〔 7/1/2014 ~ 9/30/2014 〕		Change(%)	Change(%) Constant Currency**
Technology Solutions	785.3	784.1	-1.2	-0.2	-3
Services	631.6	648.5	16.8	2.7	0
Solutions / SI	231.6	230.1	-1.4	-0.6	-1
Infrastructure Services	400.0	418.4	18.3	4.6	0
System Platforms	153.7	135.5	-18.1	-11.8	-13
System Products	68.1	59.7	-8.4	-12.4	-13
Network Products	85.5	75.8	-9.7	-11.4	-13
Ubiquitous Solutions	262.7	245.0	-17.7	-6.8	-8
PCs / Mobile Phones	183.7	159.3	-24.4	-13.3	-14
Mobilewear	79.0	85.6	6.6	8.4	7
Device Solutions	159.0	145.1	-13.9	-8.7	-11
LSI***	83.3	75.7	-7.6	-9.2	-11
Electronic Components	75.9	69.9	-6.0	-7.9	-10

Notes:

* Revenue includes intersegment revenue.

** The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for the second quarter of FY2013 to translate the current period's revenue outside Japan into yen.

*** Revenue figures for LSI include intrasegment revenue to the electronic components segment.

**** "Other/Elimination and Corporate" includes Japan's next-generation supercomputer project; facility services and the development of information services for Fujitsu Group companies; and welfare benefits for Fujitsu Group employees, as well as strategic expenses such as basic research and joint costs associated with Group management conducted by the parent company.

<Revenue* and Operating Profit>

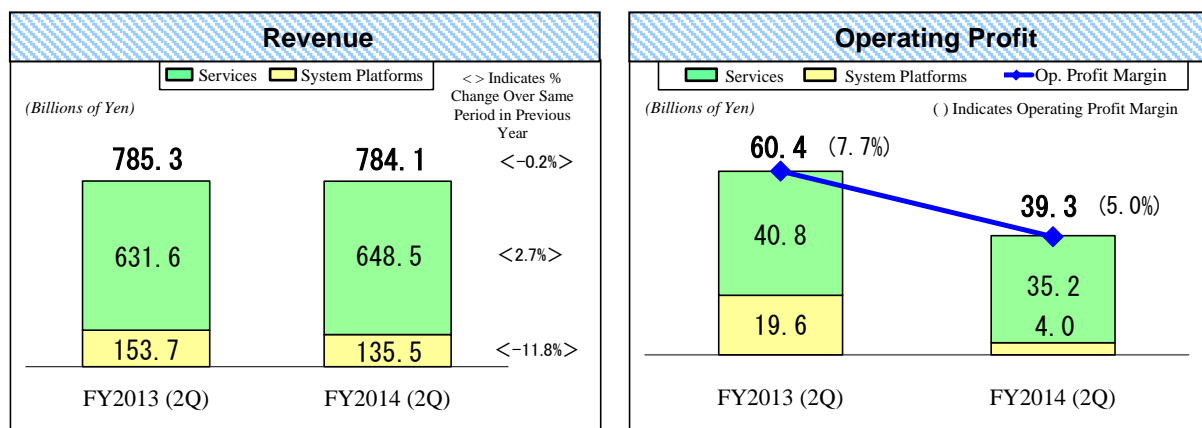
(Billions of yen)

		2Q FY2013	2Q FY2014	Change vs. 2Q FY2013		
		(7/1/2013 ~ 9/30/2013)	(7/1/2014 ~ 9/30/2014)	Change(%)	Change(%) Constant Currency**	
Technology Solutions	Revenue	785.3	784.1	-1.2	-0.2	-3
	Japan	499.1	485.1	-14.0	-2.8	-3
	Outside Japan	286.2	298.9	12.7	4.4	-2
	Operating Profit [Operating Profit Margin]	60.4 [7.7%]	39.3 [5.0%]	-21.1 [-2.7%]	-35.0	
Services	Revenue	631.6	648.5	16.8	2.7	0
	Operating Profit [Operating Profit Margin]	40.8 [6.5%]	35.2 [5.4%]	-5.5 [-1.1%]	-13.7	
System Platforms	Revenue	153.7	135.5	-18.1	-11.8	-13
	Operating Profit [Operating Profit Margin]	19.6 [12.8%]	4.0 [3.0%]	-15.5 [-9.8%]	-79.5	
Ubiquitous Solutions	Revenue	262.7	245.0	-17.7	-6.8	-8
	Japan	182.4	160.4	-21.9	-12.1	-12
	Outside Japan	80.3	84.5	4.2	5.3	1
	Operating Profit [Operating Profit Margin]	-11.5 [-4.4%]	0.9 [0.4%]	12.5 [4.8%]	-	
Device Solutions	Revenue	159.0	145.1	-13.9	-8.7	-11
	Japan	74.1	73.9	-0.2	-0.4	-0
	Outside Japan	84.9	71.2	-13.6	-16.1	-21
	Operating Profit [Operating Profit Margin]	12.8 [8.1%]	6.6 [4.6%]	-6.2 [-3.5%]	-48.7	
	LSI	Operating Profit	3.9	5.1	1.1	29.1
Electronic Components	Operating Profit	8.9	1.5	-7.4	-83.1	
Other/Elimination and Corporate****	Revenue	-54.8	-50.1	4.7	-	-
	Operating Profit	-20.7	-21.8	-1.1	-	
Total	Revenue	1,152.3	1,124.1	-28.1	-2.4	-5
	Japan	708.3	674.6	-33.7	-4.8	-5
	Outside Japan	444.0	449.5	5.5	1.3	-4
	Operating Profit [Operating Profit Margin]	41.1 [3.6%]	24.9 [2.2%]	-16.1 [-1.4%]	-39.2	

<Results by Business Segment>

Information on fiscal 2014 second-quarter consolidated revenue (including intersegment revenue) and operating profit broken out by business segment is presented as follows.

Technology Solutions



Revenue in the Technology Solutions segment amounted to 784.1 billion yen (US\$7,194 million), essentially unchanged from the same period in fiscal 2013. Revenue in Japan fell 2.8%. For system integration services, although customer investments in the financial services sector continued to expand from the first quarter of fiscal 2014, overall revenue was essentially unchanged compared to the second quarter of fiscal 2013. This was partly due to a decline in revenue from the public sector compared to last fiscal year's second quarter, when there was a temporary increase in demand for system integration services combined with hardware. Revenue from infrastructure services was solid. Server-related revenue declined sharply in comparison with the second quarter of fiscal 2013, when large-scale systems deals took place. In network products, revenue from optical transmission equipment declined because the investments telecommunications carriers had been making to expand their LTE coverage areas have largely come to an end.

Revenue outside Japan increased 4.4%. On a constant currency basis, however, revenue declined by 2%. Although revenue in the UK increased compared to the second quarter of fiscal 2013 on a rebound in corporate investment against the backdrop of a mild recovery in the economy, overall revenue from infrastructure services outside Japan was essentially unchanged from the same period of the prior fiscal year. This was in part due to the impact of a shift in the sales strategy in the Nordic region to place more of an emphasis on profitability. For system platforms, revenue from x86 servers rose in Europe, but revenue from optical transmissions systems in North America declined because telecommunications carriers entered a trough in their investment cycle in relation to relevant segments of Fujitsu's business.

The segment posted an operating profit of 39.3 billion yen (US\$361 million), a sharp decline of 21.1 billion yen compared to the second quarter of fiscal 2013. In Japan, operating profit declined. In addition to the impact of lower system integration services revenue from the public sector, there was the impact of lower revenue and upfront development costs in server-related products as well as the impact of lower

	Second Quarter FY2014	Change vs. 2Q FY2013
Revenue	784.1	-0.2 %
Japan	485.1	-2.8 %
Outside Japan	298.9	4.4 %
Operating Profit	39.3	-21.1

revenue from network products. Outside Japan, operating profit declined due to a decrease in revenue from optical transmission systems in North America.

(a) Services

Revenue amounted to 648.5 billion yen (US\$5,950 million), an increase of 2.7% from the second quarter of the previous fiscal year. Revenue in Japan was essentially unchanged from the same period of the prior fiscal year. For system integration services, although revenue from the financial services sector continued to increase from the first quarter of fiscal 2014 as a result of

(Billions of yen)

	Second Quarter FY2014	Change vs. 2Q FY2013
Revenue	648.5	2.7 %
Japan	389.1	-0.2 %
Outside Japan	259.3	7.3 %
Operating Profit	35.2	-5.5

expanded customer investments, overall revenue was essentially unchanged from the second quarter of fiscal 2013. This was partly due to a decline in revenue from the public sector compared to last fiscal year's second quarter, when there was a temporary increase in demand for system integration services combined with hardware. Revenue from infrastructure services was solid. Revenue outside Japan increased 7.3%, but on a constant-currency basis, revenue was essentially unchanged from the same period of the prior fiscal year. Revenue in the UK increased compared to the second quarter of fiscal 2013 on a rebound in corporate investment against the backdrop of a mild economic recovery. However, overall revenue from infrastructure services was essentially unchanged from the second quarter of fiscal 2013 because a switch in the sales strategy in the Nordic region to place more emphasis on profitability resulted in lower sales in that region.

Operating profit was 35.2 billion yen (US\$323 million), a decline of 5.5 billion yen compared to the second quarter of the previous fiscal year. In Japan, operating profit fell on a decline in revenue from system integration services in the public sector and because of up-front investments for new business.

(b) System Platforms

Revenue was 135.5 billion yen (US\$1,243 million), a decrease of 11.8% from the second quarter of fiscal 2013. Revenue in Japan declined 12.1%. Server-related revenue declined sharply in comparison with the same period of the prior fiscal year, when there were large-scale systems deals. In network products, revenue decreased because the investments telecommunications

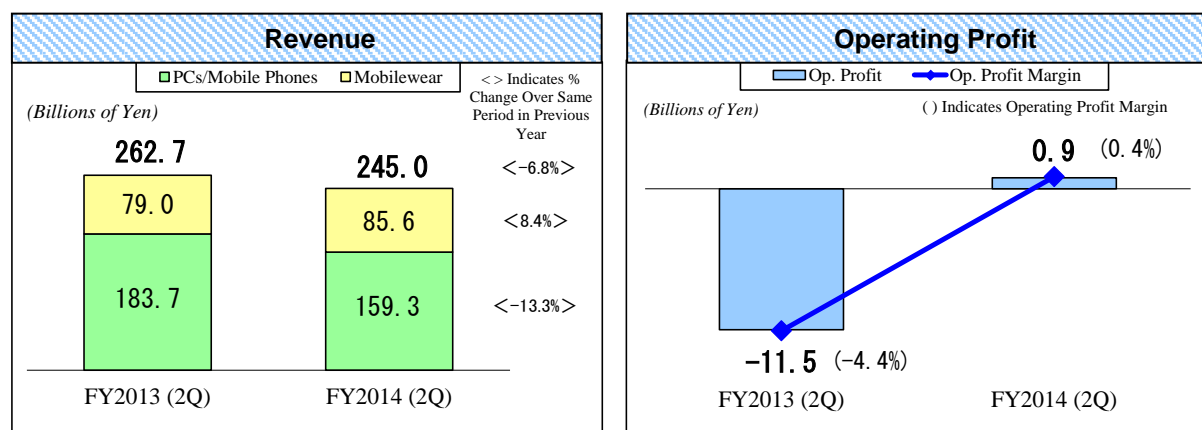
(Billions of yen)

	Second Quarter FY2014	Change vs. 2Q FY2013
Revenue	135.5	-11.8 %
Japan	95.9	-12.1 %
Outside Japan	39.6	-11.2 %
Operating Profit	4.0	-15.5

carriers had been making to expand their LTE coverage areas have largely come to an end. Revenue outside Japan decreased 11.2% and decreased on a constant-currency basis by 15%. Revenue from x86 servers rose in Europe, but revenue from optical transmissions systems in North America declined, as telecommunications carriers entered a trough in their investment cycle in relation to relevant segments of Fujitsu's business.

The operating profit was 4.0 billion yen (US\$37 million), which represented a sharp decrease of 15.5 billion yen compared to the same period of fiscal 2013. This was due to the impact of a decrease in server-related revenue and upfront server-related development costs, and also due to lower revenue from network products.

Ubiquitous Solutions



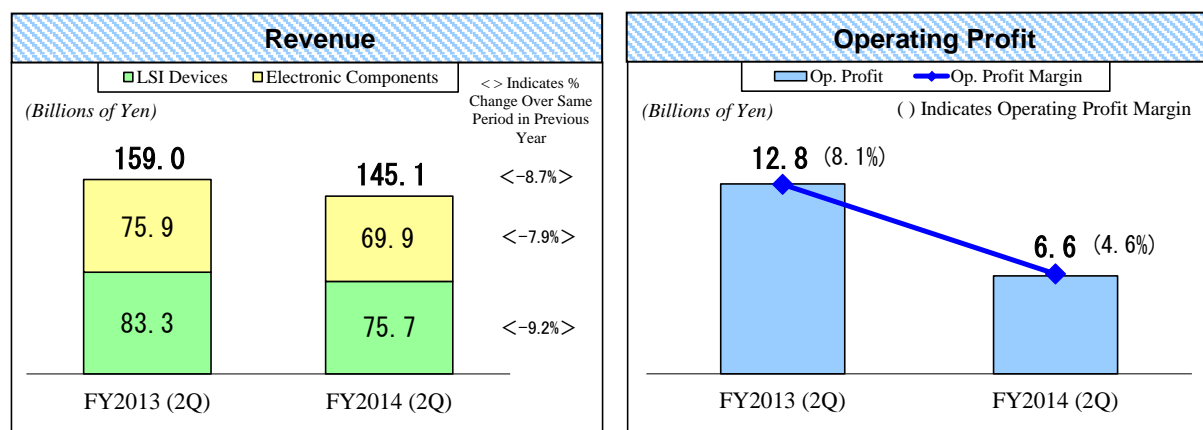
Revenue in the Ubiquitous Solutions segment was 245.0 billion yen (US\$2,248 million), a decrease of 6.8% from the same period of the prior fiscal year. Revenue in Japan fell by 12.1%. For PCs, there were higher unit sales in the first quarter on higher demand for upgrades as a consequence of the ending of support for an operating system, but sales decelerated in the second quarter, resulting in lower revenue from both enterprise PCs and consumer PCs. For mobile phones, even though revenue rose from the Raku-Raku series and other feature phones, overall revenue declined on intensified competition in smartphones and because fewer new models were launched in comparison with the second quarter of fiscal 2013. Revenue for car audio and navigation systems in the Mobilewear sub-segment was essentially unchanged from the same period of the prior fiscal year. Revenue outside Japan increased by 5.3% and revenue even increased by 1% on a constant-currency basis. Unit sales from PCs declined in Europe, but revenue increased in the Mobilewear sub-segment primarily in North America.

(Billions of yen)

	Second Quarter FY2014	Change vs. 2Q FY2013
Revenue	245.0	-6.8 %
Japan	160.4	-12.1 %
Outside Japan	84.5	5.3 %
Operating Profit	0.9	12.5

The Ubiquitous Solutions segment posted an operating profit of 0.9 billion yen (US\$8 million), an improvement of 12.5 billion yen from the second quarter of the previous fiscal year. In Japan, a combination of the impact of structural reforms implemented last fiscal year, a decline in costs owing to stabilized quality, and a further reduction in operating costs led to a sharp improvement in operating profit, returning operations to profitability in comparison with the loss posted in the same period of the prior fiscal year. Profitability in PCs improved due to stabilization of sales prices and cost reductions. Outside Japan, too, operating profit improved, even though revenue declined for PCs. This is because the strength of the euro against the dollar caused dollar-denominated parts procurement costs to decline for Fujitsu's operations in Europe. Profitability in the Mobilewear sub-segment also improved because of the impact of higher revenue.

Device Solutions



Note: LSI devices revenue includes intrasegment revenue to the electronic components business.

Revenue in the Device Solutions segment amounted to 145.1 billion yen (US\$1,331 million), a decline of 8.7% from the same period of fiscal 2013. In Japan, revenues were essentially unchanged from the second quarter of fiscal 2013. Revenue from LSI devices increased primarily from devices used in smartphones, but revenue from electronic components and batteries declined. Outside Japan, revenue declined 16.1%. For LSI devices, smartphone-related revenue declined mainly in Asia, in addition to the decline in revenue mainly in Europe, as a result of selling the microcontroller and analog device business. For electronic components, revenue from semiconductor packages in the Americas declined.

	Second Quarter FY2014	Change vs. 2Q FY2013
Revenue	145.1	-8.7 %
Japan	73.9	-0.4 %
Outside Japan	71.2	-16.1 %
Operating Profit	6.6	-6.2

The segment posted an operating profit of 6.6 billion yen (US\$61 million), a decline of 6.2 billion yen compared to the second quarter of fiscal 2013. For LSI devices, operating profit was 5.1 billion yen. Despite the impact of lower revenue, operating profit for LSI devices increased by 1.1 billion yen owing to the weaker yen and structural reforms. For electronic components, operating profit was 1.5 billion yen. Despite the benefit of a weaker yen and a decline in development costs resulting from the liquidation of an affiliate developing semiconductors for communication equipment, operating profit declined by 7.4 billion yen. This was due to lower revenue and intensified price competition in semiconductor packages, and because results for the second quarter of the previous fiscal year included a one-time posting of profit stemming from changes to the retirement benefit plans of Fujitsu's subsidiaries in Japan.

In July 2014, Fujitsu entered into an official contract to integrate its system LSI device business with that of Panasonic Corporation and, together with investment from Development Bank of Japan Inc., establish a new independent fabless company. The ratio of voting rights in the new company for Fujitsu, Panasonic Corporation and Development Bank of Japan Inc. will be 40%, 20% and 40%, respectively.

In addition, in July 2014 Fujitsu decided to establish a new foundry company in Aizu-Wakamatsu City in the third quarter of fiscal 2014. The new company will establish three companies: a company with headquarters functions that will coordinate overall operation; a 150mm fab company with foundry operations for analogue and other products; and a 200mm fab company with foundry operations for microcontrollers, analogue products and special processes. In addition, ON Semiconductor Corporation

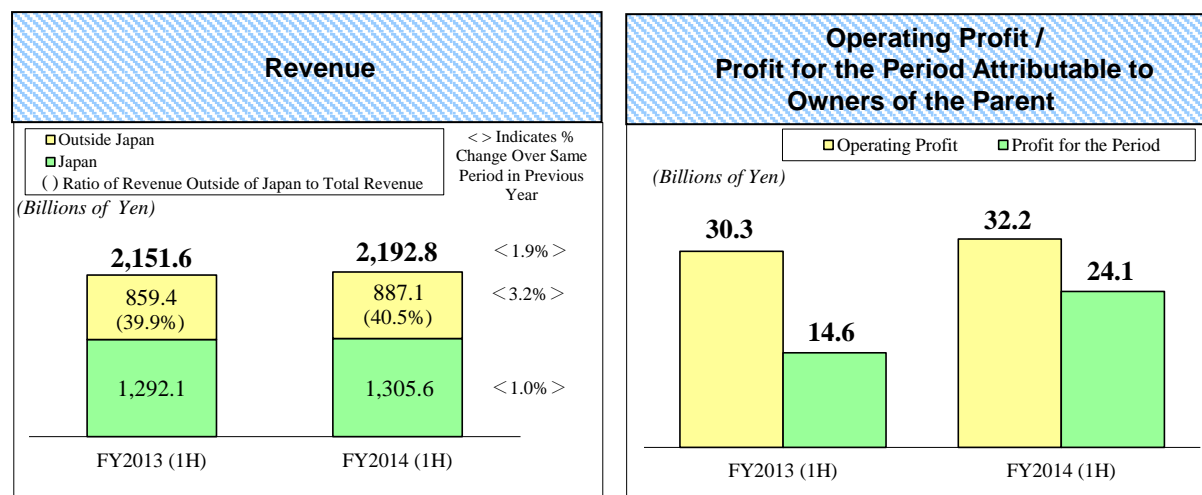
will obtain a 10% ownership interest in the new Aizu foundry company's 200mm fab company in accordance with strategic partnership signed in July 2014.

With respect to its 300mm production line in Mie, Fujitsu has decided to spin it off as a new foundry company in the third quarter of fiscal 2014, with the aim of having it operate as an independent company that will provide a stable supply of products to customers and expand its foundry operations. In August 2014, Fujitsu entered into an official contract with United Microelectronics Corporation (UMC) to become a minority shareholder. UMC will license its advanced 40nm process technology to Fujitsu Semiconductor.

1-3. First-Half

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<Profit and Loss>



Consolidated revenue for the first half of fiscal 2014 was 2,192.8 billion yen (US\$20,117 million), an increase of 1.9% from the first half of fiscal 2013. Revenue in Japan increased 1%. Although revenue from server-related products declined, revenue from PCs, mobile phones and system integration services increased. Revenue outside of Japan rose 3.2%, but declined by 3% on a constant-currency basis. Revenue from LSI devices, electronic components and optical transmission systems in North America declined.

For the first half of fiscal 2014, the average yen exchange rates against major currencies were 103 yen for the US dollar (representing yen depreciation of 4 yen from the first half of fiscal 2013), 139 yen for the euro (depreciation of 9 yen) and 173 yen for the British pound (depreciation of 21 yen). The impact of foreign exchange movements was to increase revenue by approximately 50 billion yen compared to the first half of fiscal 2013. Revenue generated outside Japan as a percentage of total revenue was 40.5%, an increase of 0.6 of a percentage point compared to the same period of the previous fiscal year.

Gross profit was 580.7 billion yen, an increase of 9.9 billion yen from the first half of fiscal 2013 as a result of higher revenue. The gross profit margin was 26.5%, essentially unchanged from the first half of the prior fiscal year.

Selling, general and administrative expenses were 548.4 billion yen, an increase of 3.6 billion yen from the first half of fiscal 2013. While progress was made in generating Group-wide cost efficiencies, expenses increased as a result of foreign exchange movements.

Other income (expenses) was essentially break-even, deteriorating by 4.4 billion yen from the first half of fiscal 2013, primarily because results for the first half of fiscal 2013 included a one-time posting of

profit stemming from a partial buyout in the retirement benefit plan of a European subsidiary and changes to the retirement benefit plans of Fujitsu's subsidiaries in Japan.

Fujitsu recorded an operating profit of 32.2 billion yen (US\$295 million), an increase of 1.8 billion yen from the first half of the previous fiscal year.

Net financial income (including financial income, financial expenses and income from investments accounted for using the equity method, net) was 10.3 billion yen, an improvement of 6.0 billion yen from the first half of fiscal 2013 resulting from an improvement in the net gain on foreign exchange due to the weak yen. Profit before income taxes was 42.6 billion yen, up 7.9 billion yen from the same period in the previous fiscal year.

Profit for the period attributable to owners of the parent was 24.1 billion yen (US\$221 million), representing an increase of 9.4 billion yen compared to the first half of fiscal 2013.

Comparison to Consolidated Projections Announced in July 2014

Revenue exceeded the most recent projections announced on July 31, 2014, by 42.8 billion yen. In addition to the impact of the yen weakening more than anticipated, revenue exceeded projections on higher revenue from the Ubiquitous Solutions segment. Operating profit, profit before income taxes and profit for the period attributable to owners of the parent each exceeded projections by 7.2 billion yen, 17.6 billion yen and 14.1 billion yen, respectively. The Ubiquitous Solutions segment exceeded projections owing to higher than anticipated revenue from PCs/mobile phones and due to improved profitability. Results in the Technology Solutions and Device Solutions segments were essentially in line with projections. In addition, as the yen weakened more than anticipated, there was a gain on foreign exchange.

FY2014 First-Half Consolidated Business Segment Information

<Revenue* by Principal Products and Services>

(Billions of yen)

	1H FY2013	1H FY2014	Change vs. 1H FY2013		
	〔 4/1/2013 ~ 9/30/2013 〕	〔 4/1/2014 ~ 9/30/2014 〕		Change(%)	Change(%) Constant Currency**
Technology Solutions	1,462.9	1,492.1	29.1	2.0	-1
Services	1,186.6	1,229.0	42.4	3.6	1
Solutions / SI	414.3	424.0	9.6	2.3	2
Infrastructure Services	772.2	804.9	32.7	4.2	-0
System Platforms	276.3	263.1	-13.2	-4.8	-6
System Products	115.7	109.9	-5.8	-5.0	-6
Network Products	160.5	153.1	-7.3	-4.6	-6
Ubiquitous Solutions	478.6	513.9	35.2	7.4	6
PCs / Mobile Phones	326.3	345.7	19.4	6.0	5
Mobilewear	152.3	168.1	15.7	10.4	9
Device Solutions	304.4	280.4	-24.0	-7.9	-10
LSI***	161.0	144.8	-16.2	-10.1	-12
Electronic Components	144.4	136.3	-8.0	-5.6	-8

Notes:

* Revenue includes intersegment revenue.

** The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for the first half of FY2013 to translate the current period's revenue outside Japan into yen.

*** Revenue figures for LSI include intrasegment revenue to the electronic components segment.

**** "Other/Elimination and Corporate" includes Japan's next-generation supercomputer project; facility services and the development of information services for Fujitsu Group companies; and welfare benefits for Fujitsu Group employees, as well as strategic expenses such as basic research and joint costs associated with Group management conducted by the parent company.

<Revenue* and Operating Profit>

(Billions of yen)

		1H FY2013 〔 4/1/2013 ~ 9/30/2013 〕	1H FY2014 〔 4/1/2014 ~ 9/30/2014 〕	Change vs. 1H FY2013		
					Change(%)	Change(%) Constant Currency**
Technology Solutions	Revenue	1,462.9	1,492.1	29.1	2.0	-1
	Japan	904.3	903.3	-1.0	-0.1	-0
	Outside Japan	558.6	588.8	30.1	5.4	-1
	Operating Profit [Operating Profit Margin]	74.8 [5.1%]	50.7 [3.4%]	-24.1 [-1.7%]	-32.3	
Services	Revenue	1,186.6	1,229.0	42.4	3.6	1
	Operating Profit [Operating Profit Margin]	57.5 [4.8%]	48.4 [3.9%]	-9.0 [-0.9%]	-15.8	
System Platforms	Revenue	276.3	263.1	-13.2	-4.8	-6
	Operating Profit [Operating Profit Margin]	17.3 [6.3%]	2.3 [0.9%]	-15.0 [-5.4%]	-86.7	
Ubiquitous Solutions	Revenue	478.6	513.9	35.2	7.4	6
	Japan	328.6	342.5	13.9	4.2	4
	Outside Japan	150.0	171.3	21.2	14.2	9
	Operating Profit [Operating Profit Margin]	-28.5 [-6.0%]	9.6 [1.9%]	38.2 [7.9%]	-	
Device Solutions	Revenue	304.4	280.4	-24.0	-7.9	-10
	Japan	141.6	141.8	0.2	0.2	0
	Outside Japan	162.8	138.5	-24.2	-14.9	-19
	Operating Profit [Operating Profit Margin]	20.0 [6.6%]	9.9 [3.6%]	-10.0 [-3.0%]	-50.3	
LSI	Operating Profit	7.1	7.4	0.3	4.8	
Electronic Components	Operating Profit	12.9	2.5	-10.4	-80.6	
Other/Elimination and Corporate****	Revenue	-94.5	-93.6	0.9	-	-
	Operating Profit	-35.9	-38.0	-2.1	-	
Total	Revenue	2,151.6	2,192.8	41.2	1.9	-1
	Japan	1,292.1	1,305.6	13.5	1.0	1
	Outside Japan	859.4	887.1	27.7	3.2	-3
	Operating Profit [Operating Profit Margin]	30.3 [1.4%]	32.2 [1.5%]	1.8 [0.1%]	6.2	

<Results by Business Segment>

Information on fiscal 2014 first-half consolidated revenue (including intersegment revenue) and operating profit broken out by business segment is presented as follows.

Technology Solutions

Revenue in the Technology Solutions segment amounted to 1,492.1 billion yen (US\$13,689 million), an increase of 2% from the same period in fiscal 2013. Revenue in Japan was essentially unchanged. In system integration services, although there was a decline in revenue from the public sector compared to last fiscal year's first half, when there was a temporary increase in demand for

(Billions of yen)

	First-Half FY2014	Change vs. 1H FY2013
Revenue	1,492.1	2.0 %
Japan	903.3	-0.1 %
Outside Japan	588.8	5.4 %
Operating Profit	50.7	-24.1

system integration services combined with hardware, overall revenue from system integration services rose, primarily in the financial services sector, as a result of expanded customer investments, continuing the trend from the previous fiscal year. Revenue from infrastructure services was solid. Server-related revenue fell sharply in comparison with the first half of fiscal 2013, when there were large-scale systems deals. Revenue from network products was essentially unchanged from the first half of fiscal 2013.

Revenue outside Japan increased 5.4%. On a constant currency basis, however, revenue declined by 1%. Although revenue in the UK increased due to a rebound in corporate investment against the backdrop of a mild economic recovery, overall revenue from infrastructure services was essentially unchanged from the same period in the previous fiscal year because hardware-related demand in continental Europe temporarily fell. In addition, revenue from optical transmissions systems in North America declined, as telecommunications carriers entered a trough in their investment cycle.

The segment posted an operating profit of 50.7 billion yen (US\$465 million), a sharp decline of 24.1 billion yen compared to the first half of fiscal 2013. In Japan, operating profit declined. This was on account of lower systems integration services revenue from the public sector, as well as the impact of upfront investments in new business areas, and lower revenue and upfront development costs in server-related products. Outside Japan, despite the positive effects from the structural reforms implemented in the prior fiscal year, operating profit declined on the impact of lower revenue and because, in the prior fiscal year's first half, there was a one-time posting of profit stemming from a partial buyout in the retirement benefit plan of a European subsidiary.

(a) Services

Revenue in the Services sub-segment amounted to 1,229.0 billion yen (US\$11,275 million), an increase of 3.6% from the first half of the previous fiscal year. Revenue in Japan rose 1.4%. In system integration services, although there was a decline in revenue from the public sector compared to last fiscal year's first half, when there was a temporary increase in demand for

(Billions of yen)

	First-Half FY2014	Change vs. 1H FY2013
Revenue	1,229.0	3.6 %
Japan	721.2	1.4 %
Outside Japan	507.8	6.8 %
Operating Profit	48.4	-9.0

system integration services combined with hardware, overall revenue from system integration services rose, primarily in the financial services sector, as a result of expanded customer investments, continuing the trend from the previous fiscal year. Revenue from infrastructure services was solid. Revenue outside Japan increased 6.8%. On a constant currency basis, however, it was essentially unchanged from last fiscal year's first half. Revenue in the UK increased compared to the first half of fiscal 2013 on a rebound in corporate investment against the backdrop of a mild recovery, but overall revenue from infrastructure services was essentially unchanged from the first half of fiscal 2013, partly because of temporary sluggishness in hardware-related demand in continental Europe.

The operating profit for the Services sub-segment was 48.4 billion yen (US\$444 million), a decline of 9.0 billion yen compared to the first half of the previous fiscal year. In Japan, operating profit declined on the impact of lower system integration services revenue from the public sector and upfront investments in new business areas. Outside Japan, despite the positive impact of the structural reforms implemented last fiscal year, operating profit declined because, in the prior fiscal year's first quarter, there was a one-time posting of profit associated with a partial buyout of the retirement benefit plan of a European subsidiary.

(b) System Platforms

Revenue in the System Platforms sub-segment was 263.1 billion yen (US\$2,414 million), a decrease of 4.8% from the first half of fiscal 2013. Revenue in Japan fell 5.7%. Server-related revenue declined sharply in comparison with the first half of fiscal 2013, when there were large-scale systems deals. Revenue from network products was essentially unchanged from the first half of

(Billions of yen)

	First-Half FY2014	Change vs. 1H FY2013
Revenue	263.1	-4.8 %
Japan	182.1	-5.7 %
Outside Japan	80.9	-2.6 %
Operating Profit	2.3	-15.0

fiscal 2013. Revenue outside Japan declined 2.6% and also decreased on a constant-currency basis by 7%. Although revenue in Europe from x86 servers increased, revenue from optical transmissions systems in North America declined, as telecommunications carriers entered a trough in their investment cycle in relation to the relevant segments of Fujitsu's business.

The System Platforms sub-segment posted an operating profit of 2.3 billion yen (US\$21 million), a sharp decline of 15.0 billion yen compared to the same period of fiscal 2013. In addition to the impact of lower revenue and upfront development costs in server-related products, profit declined due to lower revenues from optical transmission systems in in North America.

Ubiquitous Solutions

Revenue in the Ubiquitous Solutions segment was 513.9 billion yen (US\$4,715 million), an increase of 7.4% from the first half of fiscal 2013. Revenue in Japan was up by 4.2%. For PCs, there were higher unit sales in the first quarter on higher demand for upgrades as a consequence of the ending of support for an operating system, but sales decelerated in the second quarter. This resulted in a decline of overall unit sales for the first half compared to

the same period in the prior fiscal year. However, as unit prices for both new and old models stabilized, revenues increased. For mobile phones, revenue increased owing to solid sales of feature phones in the Raku-Raku series, even though unit sales of smartphones declined with intensified competition and because fewer new models were launched in comparison with the first half of fiscal 2013. Revenue outside Japan increased 14.2%. Even on a constant-currency basis, revenue increased 9%. In addition to higher sales of PCs in Europe, primarily in the first quarter, revenue increased as a result of higher revenue from car audio and navigation systems in Mobilewear sub-segment, primarily in North America.

The Ubiquitous Solutions segment posted an operating profit of 9.6 billion yen (US\$88 million), an improvement of 38.2 billion yen from the first half of the previous fiscal year. In Japan, there was a sharp improvement in operating profit in mobile phones, as operations returned to profitability from the loss posted in the first half of fiscal 2013. Contributing factors were the impact of higher revenue in mobile phones, the structural reforms implemented last fiscal year, a decline in costs relating to a stabilization of quality and a further reduction in operating costs. Profitability in PCs improved on stable sales prices and on account of cost reductions. Outside Japan, too, operating profit rose as a result of higher revenue in PCs and because the euro's strength against the dollar caused dollar-denominated parts procurement costs to decline for Fujitsu's operations in Europe. Profitability in the Mobilewear sub-segment also improved with the impact of higher revenue.

Device Solutions

Revenue in the Device Solutions segment amounted to 280.4 billion yen (US\$2,572 million), a decline of 7.9% from the same period of fiscal 2013. In Japan, revenues were essentially unchanged from the first half of fiscal 2013. Revenue from LSI devices increased, primarily from devices used in smartphones, but revenue from electronic components and batteries declined. Outside Japan, revenue decreased 14.9%. For LSI devices, in

addition to the decline in revenue, mainly in Europe, as a result of selling the microcontroller and analog device business, smartphone-related revenue also declined, mainly in Asia. For electronic components, revenue from semiconductor packages in the Americas declined.

The segment posted an operating profit of 9.9 billion yen (US\$91 million), a decline of 10.0 billion yen compared to the first half of fiscal 2013. For LSI devices, operating profit was 7.4 billion yen. Despite the impact of lower revenue, the operating profit for LSI devices increased by 0.3 billion yen on the impact of the weaker yen and the implementation of an early retirement incentive plan in the previous fiscal year resulted in reduced overhead costs. For electronic components, operating profit was 2.5 billion yen. Despite the benefit of a weaker yen and a decline in development costs resulting from the

(Billions of yen)

	First-Half FY2014	Change vs. 1H FY2013
Revenue	513.9	7.4 %
Japan	342.5	4.2 %
Outside Japan	171.3	14.2 %
Operating Profit	9.6	38.2

(Billions of yen)

	First-Half FY2014	Change vs. 1H FY2013
Revenue	280.4	-7.9 %
Japan	141.8	0.2 %
Outside Japan	138.5	-14.9 %
Operating Profit	9.9	-10.0

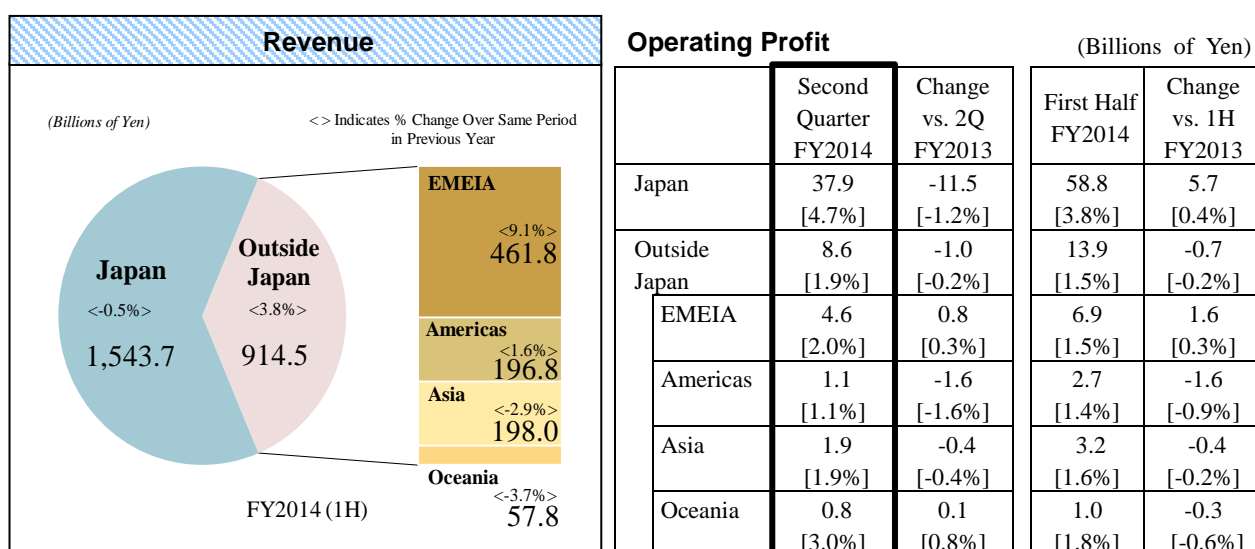
liquidation of an affiliate developing semiconductors for communication equipment, operating profit declined by 10.4 billion yen on lower revenue and intensified price competition in semiconductor packages and because results for the first half of the previous fiscal year included a one-time posting of profit stemming from changes to the retirement benefit plans of Fujitsu's subsidiaries in Japan.

Other/Elimination and Corporate

This segment recorded an operating loss of 38.0 billion yen (US\$349 million), representing a deterioration of 2.1 billion yen from the first half of fiscal 2013. Although progress is being made in company-wide cost efficiencies, there were higher strategic investments to achieve medium- and long-term growth.

<Geographical Information – Consolidated> (Based on Locations of Fujitsu and its Subsidiaries)>

Revenue and operating profit for Fujitsu and its consolidated subsidiaries according to country and region are as follows.



Note: Numbers inside brackets indicate operating profit margin.
EMEIA: Europe, Middle East, India and Africa