

Part I: Financial Results

1. Explanation of Financial Results

From the first quarter of fiscal 2014, the Fujitsu Group has adopted International Financial Reporting Standards (IFRS). In addition, consolidated financial statements for the previous fiscal year's first quarter and for the full 2013 fiscal year are presented in accordance with IFRS.

<Business Environment>

During the first quarter of fiscal 2014 (April 1, 2014 – June 30, 2014), the global economy continued to experience a mild recovery. In Europe, particularly in Germany, economic conditions improved slightly, although now the pace appears to be slowing. In the US, economic activity rebounded strongly for a brief period following the impact of cold weather at the beginning of the year, but going forward gradual economic expansion is projected. In addition, the pace of economic growth in emerging market countries appeared to be stalled.

In Japan, the economy is continuing a slight recovery. The government's economic and monetary policies appear to be improving corporate earnings and employment conditions, despite a drop in advance demand that led up to an increase in the consumption tax rate, and other risks, including a downturn in markets outside of Japan. Against the backdrop of improved corporate earnings, investment in information and communication technology (ICT) continues to expand at a moderate pace.

FY2014 First-Quarter Financial Results

(Billions of yen)

	1Q FY2013 4/1/13-6/30/13	1Q FY2014 4/1/14-6/30/14	Change vs. 1Q FY 2013	
				Change (%)
Revenue	999.2	1,068.6	69.4	< 4> 6.9
Gross Profit	259.8	280.9	21.0	8.1
[Gross Profit Margin]	[26.0%]	[26.3%]	[0.3%]	
Selling, General and Administrative Expenses	-273.0	-274.4	-1.3	0.5
Other Income (Expenses)	2.4	0.8	-1.6	-66.4
Operating Profit	-10.7	7.2	18.0	-
[Operating Profit Margin]	[-1.1%]	[0.7%]	[1.8%]	
Financial Income (Expenses), and Others	4.4	3.1	-1.3	-30.0
Profit before Income Taxes	-6.2	10.4	16.6	-
Income Tax Expenses	-1.6	-4.3	-2.6	157.7
Profit for the Period	-7.9	6.1	14.0	-
Profit for the Period Attributable to Non-controlling Interests	1.2	-0.7	-2.0	-
Profit for the Period Attributable to Owners of the Parent	-9.1	6.8	16.0	-

Notes;

1. < > Change (%) constant currency

2. Other income (expenses) includes items that, under the Generally Accepted Accounting Principles in Japan (Japanese accounting standards), were included in extraordinary gains and losses as well as other income and expenses (except financial income and expenses and income or losses from investments accounted for using the equity method).

[FY2013 Financial Results (IFRS) - Actual]

1. Consolidated Statements of Profit or Loss

(Billions of yen)

		FY2013				
		1Q	2Q	3Q	4Q	Full Year
Consolidated	Revenue	999.2	1,152.3	1,200.7	1,410.1	4,762.4
	Operating Profit	-10.7	41.1	36.2	80.6	147.2
	Profit for the Period/Year	-9.1	23.8	43.8	54.7	113.2

Note: Profit for the period is profit for the period attributable to owners of the parent.

<Results by Business Segment>

(Billions of yen)

Technology Solutions	Revenue	677.5	785.3	786.3	993.7	3,243.0
	Operating Profit	14.3	60.4	51.1	107.0	233.0
Services	Revenue	554.9	631.6	649.8	790.7	2,627.2
	Operating Profit	16.6	40.8	43.1	73.1	173.8
System Platforms	Revenue	122.5	153.7	136.4	202.9	615.7
	Operating Profit	-2.2	19.6	8.0	33.8	59.2
Ubiquitous Solutions	Revenue	215.9	262.7	321.2	325.4	1,125.4
	Operating Profit	-17.0	-11.5	-5.3	7.1	-26.8
Device Solutions	Revenue	145.3	159.0	146.0	149.7	600.2
	Operating Profit	7.1	12.8	3.1	-11.6	11.5

<Reference; Japanese Accounting Standards>

(Billions of yen)

Consolidated	Net Sales	999.2	1,152.3	1,200.7	1,410.1	4,762.4
	Operating Income	-22.8	33.6	26.1	105.5	142.5
	Net Income	-21.9	12.3	12.0	46.2	48.6

2. Consolidated Statements of Financial Position

(Billions of yen)

		FY2013 (As of March 31, 2014)	
		IFRS	<Reference; Japanese accounting standards>
Assets		3,105.9	3,079.5
Liabilities		2,407.9	2,377.0
Equity		697.9	702.4
Retained Earnings		-54.3	313.5
Other Components of Equity		63.1	-301.0

Note: The "Other components of equity" account was, under Japanese accounting standards, presented as "Total accumulated other comprehensive income."

[Major Differences between IFRS and Japanese accounting standards]

For details of the impact of the major differences between IFRS and Japanese accounting standards, please refer to “Part II: Financial Tables, 8. First-time Adoption” on page 31.

1. Consolidated Statements of Profit or Loss

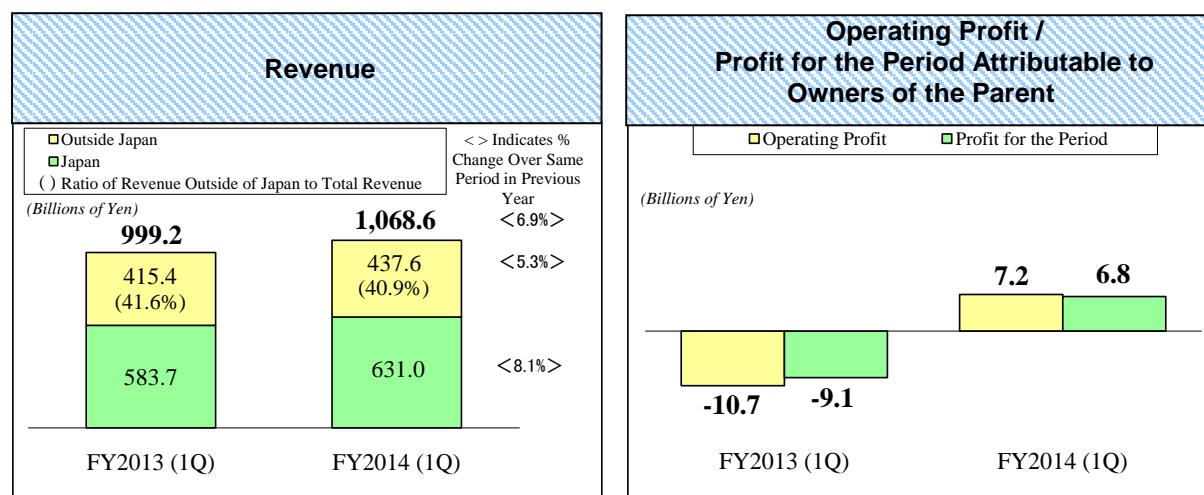
- (1) There is no impact on revenue.
- (2) For retirement benefits, under IFRS there are no longer any amortization expenses for actuarial losses, but because expected earnings on plan assets and the discount rate are set at the same rate, service costs and interest expenses are increased.
- (3) There is no periodic amortization of goodwill under IFRS.
- (4) Because there is no classification corresponding to extraordinary gains or losses in IFRS, items that, under Japanese accounting standards, were included in extraordinary gains and losses as well as other income and expenses (except financial income and expenses and income or losses from investments accounted for using the equity method) are included in and presented under other income (expenses).
- (5) Under IFRS, there is a specific adjustment for reversals of foreign currency translation adjustments that, under Japanese accounting standards, were recognized in extraordinary gains or losses. For reversals of foreign currency translation adjustments, by applying the exemption allowed for first-time adopters of IFRS, as of the IFRS transition date (April 1, 2013), the balance of foreign currency translation adjustments is deemed to be zero, and any losses associated with the balance of foreign currency translation adjustments prior to the transition date are not recognized.

2. Consolidated Statement of Financial Condition

There is a change in presentation of the components of equity. Under Japanese accounting standards, the amount by which unfunded retirement benefit obligations reduced net assets was reflected in accumulated other comprehensive income, but under IFRS, it is recognized in other components of equity and then reflected in retained earnings. In addition, foreign currency translation adjustments are reclassified into retained earnings as of the transition date to IFRS.

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=101 yen, the approximate Tokyo foreign exchange market rate on June 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 first quarter of fiscal 2013 to translate the current period's revenue outside Japan into yen.

<Profit and Loss>



Consolidated revenue for the first quarter of fiscal 2014 was 1,068.6 billion yen (US\$10,580 million), an increase of 6.9% from the first quarter of fiscal 2013. Revenue in Japan increased 8.1%. In addition to higher revenue from PCs and mobile phones, revenue from system integration services rose, primarily from the public sector and financial services sector. Revenue outside of Japan rose 5.3% but was essentially unchanged on a constant-currency basis. Revenue from LSI devices and electronic components declined, but there was higher revenue from car audio and navigation systems sold in North America, and there was also higher revenue from PCs in Europe.

For the first quarter of fiscal 2014, the average yen exchange rates against major currencies were 102 yen for the US dollar (representing yen depreciation of 3 yen from the first quarter of fiscal 2013), 140 yen for the euro (depreciation of 11 yen), and 172 yen for the British pound (depreciation of 20 yen). The impact of foreign exchange movements was to increase revenue by approximately 25.0 billion yen compared to the first quarter of fiscal 2013. Revenue generated outside Japan as a percentage of total revenue was 40.9%, a decrease of 0.7 of a percentage point compared to the same period of the previous fiscal year, mainly as a result of higher revenue in Japan from mobile phones and PCs.

Gross profit was 280.9 billion yen, an increase of 21.0 billion yen from the first quarter of fiscal 2013. The gross profit margin was 26.3%, an increase of 0.3 of a percentage point from the first quarter of the prior fiscal year as a result of improved profitability in mobile phones and other factors.

Selling, general and administrative expenses were 274.4 billion yen, essentially unchanged from the first quarter of fiscal 2013. Other income (expenses) was 0.8 billion yen, a decline of 1.6 billion yen from the first quarter of fiscal 2013, primarily because results for the first quarter of fiscal 2013 included a one-time posting of profit stemming from a partial buyout in the retirement benefit plan of a European subsidiary.

Fujitsu recorded an operating profit of 7.2 billion yen (US\$71 million), an improvement of 18.0 billion yen from last fiscal year's first quarter. In addition to the positive impact from higher revenue, results benefited from structural reforms implemented last fiscal year in the mobile phone business and other areas.

Adding income from investments accounted for using the equity method, net, and other items to operating profit, profit before income taxes was 10.4 billion yen.

Profit for the period attributable to owners of the parent was 6.8 billion yen (US\$67 million), representing an improvement of 16.0 billion yen compared to the first quarter of fiscal 2013.

FY2014 First-Quarter Consolidated Business Segment Information

<Revenue* by Principal Products and Services>

(Billions of yen)

		1Q FY2013	1Q FY2014	Change vs. 1Q FY2013		
		〔 4/1/2013 ~ 6/30/2013 〕	〔 4/1/2014 ~ 6/30/2014 〕		Change(%)	Change(%) Constant Currency**
	Technology Solutions	677.5	708.0	30.4	4.5	2
	Services	554.9	580.5	25.5	4.6	1
	Solutions / SI	182.7	193.9	11.1	6.1	6
	Infrastructure Services	372.2	386.5	14.3	3.8	-1
	System Platforms	122.5	127.5	4.9	4.0	3
	System Products	47.6	50.1	2.5	5.4	3
	Network Products	74.9	77.3	2.3	3.2	2
	Ubiquitous Solutions	215.9	268.9	52.9	24.5	23
	PCs / Mobile Phones	142.5	186.4	43.8	30.8	29
	Mobilewear	73.3	82.4	9.1	12.4	11
	Device Solutions	145.3	135.2	-10.1	-7.0	-9
	LSI***	77.6	69.0	-8.5	-11.1	-13
	Electronic Components	68.4	66.3	-2.0	-3.0	-5

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 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>

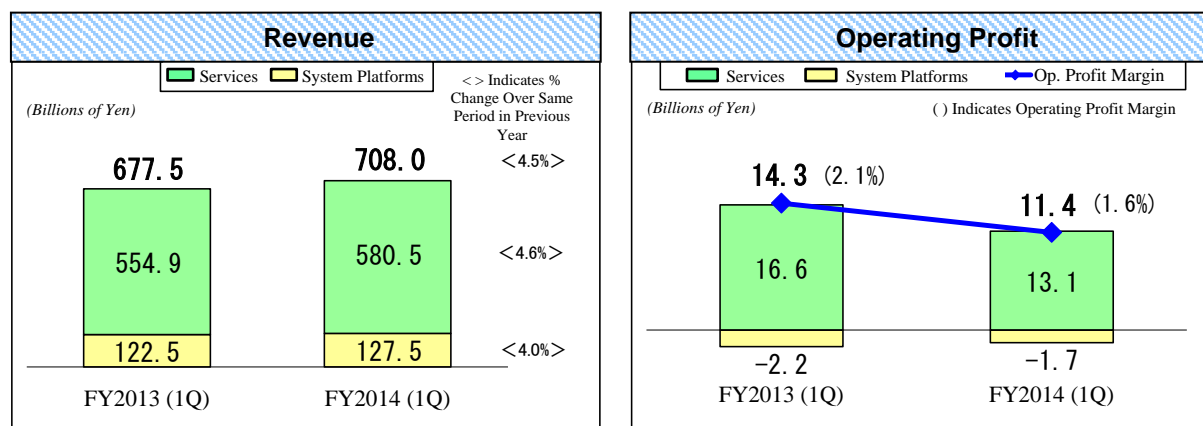
(Billions of yen)

		1Q FY2013	1Q FY2014	Change vs. 1Q FY2013		
		〔 4/1/2013 ~ 6/30/2013 〕	〔 4/1/2014 ~ 6/30/2014 〕		Change(%)	Change(%) Constant Currency**
Technology Solutions	Revenue	677.5	708.0	30.4	4.5	2
	Japan	405.2	418.2	12.9	3.2	3
	Outside Japan	272.3	289.8	17.4	6.4	-1
	Operating Profit [Operating Profit Margin]	14.3 [2.1%]	11.4 [1.6%]	-2.9 [-0.5%]	-20.7	
Services	Revenue	554.9	580.5	25.5	4.6	1
	Operating Profit [Operating Profit Margin]	16.6 [3.0%]	13.1 [2.3%]	-3.5 [-0.7%]	-21.1	
System Platforms	Revenue	122.5	127.5	4.9	4.0	3
	Operating Profit [Operating Profit Margin]	-2.2 [-1.8%]	-1.7 [-1.3%]	0.5 [0.5%]	-	
Ubiquitous Solutions	Revenue	215.9	268.9	52.9	24.5	23
	Japan	146.1	182.1	35.9	24.6	25
	Outside Japan	69.7	86.8	17.0	24.4	19
	Operating Profit [Operating Profit Margin]	-17.0 [-7.9%]	8.7 [3.2%]	25.7 [11.1%]	-	
Device Solutions	Revenue	145.3	135.2	-10.1	-7.0	-9
	Japan	67.4	67.9	0.4	0.7	1
	Outside Japan	77.9	67.2	-10.6	-13.7	-17
	Operating Profit [Operating Profit Margin]	7.1 [4.9%]	3.3 [2.5%]	-3.8 [-2.4%]	-53.3	
LSI	Operating Profit	3.1	2.3	-0.8	-25.6	
Electronic Components	Operating Profit	4.0	1.0	-3.0	-75.0	
Other/Elimination and Corporate****	Revenue	-39.6	-43.5	-3.8	-	-
	Operating Profit	-15.2	-16.2	-0.9	-	
Total	Revenue	999.2	1,068.6	69.4	6.9	4
	Japan	583.7	631.0	47.2	8.1	8
	Outside Japan	415.4	437.6	22.1	5.3	-1
	Operating Profit [Operating Profit Margin]	-10.7 [-1.1%]	7.2 [0.7%]	18.0 [1.8%]	-	

<Results by Business Segment>

Information on fiscal 2014 first-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 708.0 billion yen (US\$7,010 million), an increase of 4.5% from the same period in fiscal 2013. Revenue in Japan rose 3.2%. As in the previous year, revenue from system integration services rose, primarily in the financial services sector and public sector, as a result of expanded customer investments. Revenue from infrastructure services was solid. Server-related revenue was essentially unchanged from the previous fiscal year's first quarter. In network products such as mobile phone base stations, revenue rose as a result of the high level of spending by telecommunications carriers to expand their LTE coverage areas. Revenue outside Japan increased 6.4%. On a constant currency basis, however, revenue declined by 1%. Contributing factors included a year-on-year increase in revenues due to a rebound in corporate investment against the backdrop of a mild economic recovery in the UK, although hardware-related demand in continental Europe fell temporarily, which led to an overall decline in revenue in infrastructure services. Revenue from the datacenter business in Australia and North America was solid. Revenue from optical transmission systems declined on lower investment spending in this area by telecommunications carriers in North America. However revenue from PC servers rose against a backdrop of a mild economic recovery in continental Europe.

(Billions of yen)

	First Quarter FY2014	Change vs. 1Q FY2013
Revenue	708.0	4.5 %
Japan	418.2	3.2 %
Outside Japan	289.8	6.4 %
Operating Profit	11.4	-2.9

The segment posted an operating profit of 11.4 billion yen (US\$113 million), a decline of 2.9 billion yen compared to the first quarter of fiscal 2013. In Japan, the operating profit rose, as the effect of higher revenue from system integration services and network products outweighed upfront server-related development costs. Outside Japan, the operating profit declined on the impact of lower infrastructure services revenue and because, in the prior fiscal year's first quarter, 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 580.5 billion yen (US\$5,748 million), an increase of 4.6% from the first quarter of the previous fiscal year. Revenue in Japan rose 3.4%. As in the previous year, revenue from system integration services rose, primarily in the financial services sector and public sector, as a result of expanded customer investments. Revenue from infrastructure services was solid. Revenue outside Japan increased 6.3%. On a constant currency basis, however, revenue declined by 2%. This overall decline in revenue outside Japan was attributable to temporary sluggishness in hardware-related demand in continental Europe, despite a recovery to corporate investments against the backdrop of a mild economic recovery in the UK. Revenues from the datacenter business in Australia and North America were solid.

(Billions of yen)

	First Quarter FY2014	Change vs. 1Q FY2013
Revenue	580.5	4.6 %
Japan	332.0	3.4 %
Outside Japan	248.4	6.3 %
Operating Profit	13.1	-3.5

The operating profit for the Services sub-segment was 13.1 billion yen (US\$130 million), a decline of 3.5 billion yen compared to the first quarter of the previous fiscal year. In Japan, the operating profit rose because of the impact of higher revenue from system integration services. Outside Japan, despite the impact of the structural reforms implemented last fiscal year, the operating profit declined on the impact of lower revenue and 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

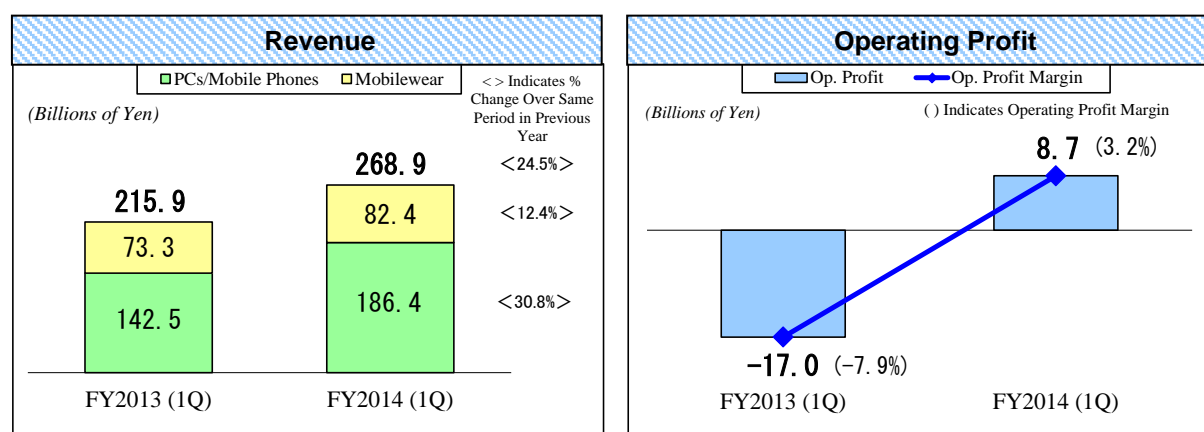
Revenue in the System Platforms sub-segment was 127.5 billion yen (US\$1,262 million), an increase of 4% from the first quarter of fiscal 2013. Revenue in Japan rose 2.5%. Server-related revenue was essentially unchanged from the same period of the prior fiscal year. In network products such as mobile phone base stations, revenue rose as a result of the high level of spending by telecommunications carriers to expand their LTE coverage areas. Revenue outside Japan increased 7.4%, and also increased on a constant currency basis by 3%. Revenue from optical transmission systems declined on lower investment spending in this area by telecommunications carriers in North America. Revenue from PC servers, however, rose against a backdrop of a mild economic recovery in continental Europe.

(Billions of yen)

	First Quarter FY2014	Change vs. 1Q FY2013
Revenue	127.5	4.0 %
Japan	86.1	2.5 %
Outside Japan	41.3	7.4 %
Operating Profit	-1.7	0.5

The System Platforms sub-segment posted an operating loss of 1.7 billion yen (US\$17 million), which still represented an improvement of 0.5 billion yen compared to the same period of fiscal 2013. The improvement was the result of the impact of higher revenues from network products in Japan, despite the negative impact of upfront server-related development costs and lower revenues from optical transmission systems in North America.

Ubiquitous Solutions



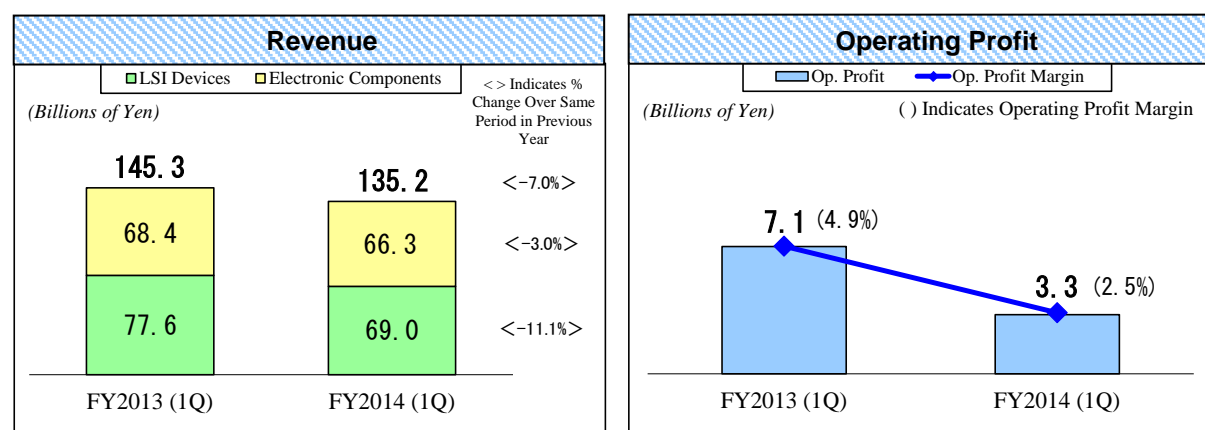
Revenue in the Ubiquitous Solutions segment was 268.9 billion yen (US\$2,662 million), an increase of 24.5% from the first quarter of fiscal 2013. Revenue in Japan was up by 24.6%. For PCs, in addition to higher unit sales of both consumer PCs and enterprise PCs on higher demand for upgrades as a consequence of the ending of support for an operating system, the higher demand helped to stabilize sales prices, resulting in revenue gains.

For mobile phones, in addition to strong sales from the Raku-Raku series and other models, results also benefited from the launch of new models, and revenues increased. Revenue outside Japan increased 24.4%, and revenue also increased 19% even on a constant currency basis. In addition to higher sales of PCs in Europe, 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 8.7 billion yen (US\$86 million), an improvement of 25.7 billion yen from the first quarter of the previous fiscal year. There was a sharp improvement in operating profit in Japan. Contributing factors were the impact of higher revenue in mobile phones, the impact of structural reforms implemented last fiscal year, a decline in costs relating to quality issues owing to a stable level of quality, and a further reduction in operating costs. In PCs, in addition to the impact of higher revenue, profitability improved as pricing stabilized and other factors. Outside Japan, too, operating profit rose as a result of higher revenues in PCs and because euro strength against the dollar caused dollar-denominated parts procurement costs to decline for Fujitsu's operations in Europe.

(Billions of yen)		
	First Quarter FY2014	Change vs. 1Q FY2013
Revenue	268.9	24.5 %
Japan	182.1	24.6 %
Outside Japan	86.8	24.4 %
Operating Profit	8.7	25.7

Device Solutions



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

Revenue in the Device Solutions segment amounted to 135.2 billion yen (US\$1,339 million), a decrease of 7% from the same period of fiscal 2013. In Japan, revenues from both LSI devices and electronic components were essentially unchanged from the first quarter of fiscal 2013. Outside Japan, revenue decreased 13.7%. 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.

	(Billions of yen)	
	First Quarter FY2014	Change vs. 1Q FY2013
Revenue	135.2	-7.0 %
Japan	67.9	0.7 %
Outside Japan	67.2	-13.7 %
Operating Profit	3.3	-3.8

The segment posted an operating profit of 3.3 billion yen (US\$33 million), a decline of 3.8 billion yen compared to the first quarter of fiscal 2013. For LSI devices, although the implementation of an early retirement incentive plan resulted in a reduction in overhead costs, operating profit declined on the impact of lower revenue. For electronic components, despite a decline in development costs resulting from the liquidation of an affiliate developing semiconductors for communication equipment, operating profit declined with the impact of lower revenue and intensified price competition.

Of the production lines for standard logic devices that had been operating at low capacity-utilization levels, the Mie Plant's 200mm wafer process line was shut down at the end of June for the purpose of consolidating operations in the Aizu-Wakamatsu region.

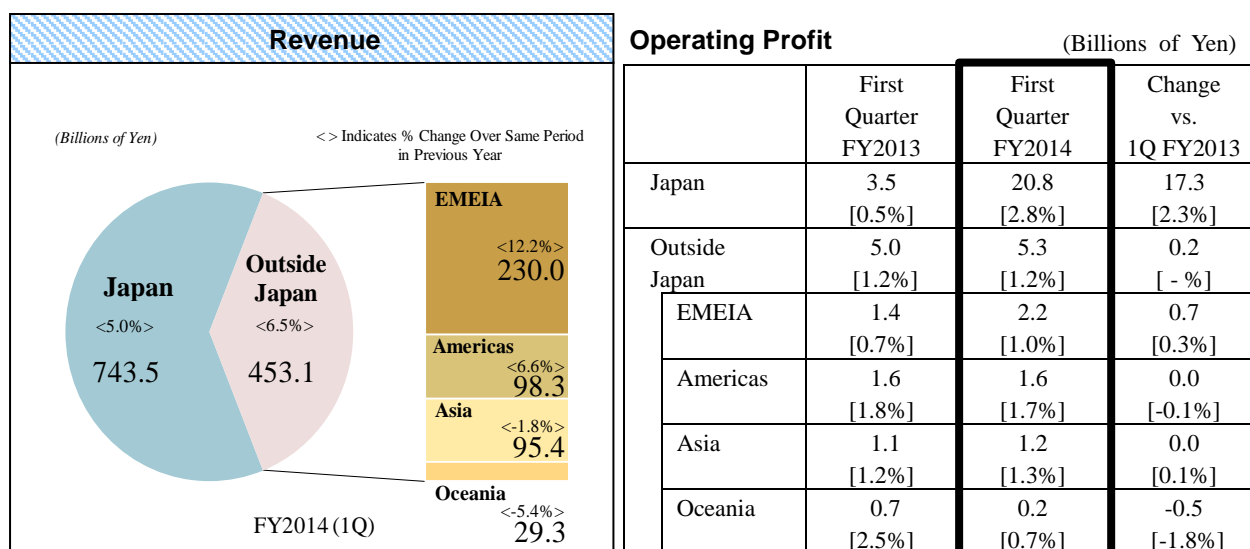
For information relating to the restructuring of the LSI device business, please refer to the July 31, 2014 press releases.

Other/Elimination and Corporate

This segment recorded an operating loss of 16.2 billion yen (US\$160 million), representing a deterioration of 0.9 billion yen from the first quarter of fiscal 2013 as a result of higher 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. The composition of the geographic segments has changed as of the first quarter of fiscal 2014, and as such, figures for the first quarter of fiscal 2013 have been adjusted for comparison purposes.



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