July 31, 2014

FY 2014 First-Quarter Financial Results

April 1, 2014 - June 30, 2014

Fujitsu Limited

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Fujitsu Limited

Consolidated Financial Results for the First-Quarter Ended June 30, 2014

[Prepared on the basis of International Financial Reporting Standards]

July 31, 2014

Fujitsu Limited	
Stock exchange listings:	Tokyo, Nagoya
Code number:	6702
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Scheduled dividend payment date:	-
Scheduled filing date of statutory financial report:	August 12, 2014
Supplementary material:	No
Financial results meeting:	Yes (for media and analysts)

1. Consolidated Results for the First-Quarter Ended June 30, 2014

(Monetary amounts are rounded to the nearest million yen)

(1) Consolidated Financial Results

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

(Millions of yen)

	Revenue	Change (%)	Operating Profit	Change (%)	Profit before Income Taxes	Change (%)
1Q FY 2014 (4/1/14-6/30/14)	1,068,671	6.9	7,299	-	10,438	-
1Q FY 2013 (4/1/13-6/30/13)	999,233	-	-10,724	-	-6,238	-

	Profit for the Period	Change (%)	Profit for the Period Attributable to Owners of the Patent	Change (%)	Total Comprehensive Income for the Period	Change (%)
1Q FY 2014 (4/1/14-6/30/14)	6,126	-	6,890	-	24,093	-46.6
1Q FY 2013 (4/1/13-6/30/13)	-7,911	-	-9,151	-	45,116	-

(Yen)

	Earnings per Share	
	Basic	Diluted
1Q FY 2014 (4/1/14-6/30/14)	3.33	3.33
1Q FY 2013 (4/1/13-6/30/13)	-4.42	-4.44

(2) Consolidated Financial Position (Millions of yen)

	Total Assets	Total Equity	Equity Attributable to Owners of the Parent	Equity Attributable to Owners of the Parent Ratio (%)
June 30, 2014	3,048,207	711,987	582,528	19.1
March 31, 2014	3,105,937	697,951	566,515	18.2

2. Dividends per Share of Common Stock

(Yen)

	Dividends per Share				
	1Q	2Q	3Q	Year-End	Full Year
FY 2013	-	0.00	-	4.00	4.00
FY 2014	-				
FY 2014 (Forecast)		4.00	-	4.00	8.00

Note: Revision of the latest dividends forecast: None

3. Consolidated Earnings Forecast for FY2014

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

(Millions of yen, except per share data)

	Revenue	Change (%)	Operating Profit	Change (%)	Profit Attributable to Owners of the Parent	Change (%)	Basic Earnings per Share
1H FY2014	2,150,000	-0.1	25,000	-17.7	10,000	-31.7	4.83
FY 2014	4,800,000	0.8	185,000	25.6	125,000	10.4	60.41

Note: Revision of the latest consolidated earnings forecast: None

4. Other Information

(1) Significant Changes to Subsidiaries in the Current Reporting Period
(Changes to specified subsidiaries resulting from changes in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates
1. Changes in accounting policies required by IFRS: None
2. Changes arising from factors other than 1: None
3. Changes in accounting estimates: None

(3) Number of Issued Shares (Ordinary shares)

1. Number of issued shares at end of period	As of June 30, 2014	2,070,018,213	shares
	As of March 31, 2014	2,070,018,213	shares
2. Treasury stock held at end of period	As of June 30, 2014	928,550	shares
	As of March 31, 2014	894,411	shares
3. Average number of shares during period	1Q FY 2014	2,069,103,072	shares
	1Q FY 2013	2,069,272,053	shares

Notes:

1. Compliance with Quarterly Review Procedures

These materials fall outside the jurisdiction of the quarterly review procedures of the Financial Instruments and Exchange Act. Therefore, at the time of disclosure, a portion of the review has not yet been completed.
Upon completion of the review, a statutory quarterly report will be submitted on August 12, 2014.

2. Precautions on Usage of Earnings Projections

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.

These materials may contain forward-looking statements that are based on management's current information, views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors listed below. For information regarding the assumptions used to prepare these projections, please refer to "Part I: Financial Results, 3. FY2014 Earnings Projections" on page 17.

- General economic and market conditions in key markets
  (Particularly in Japan, Europe, North America, and Asia, including China)
- Rapid changes in the high-technology market (particularly semiconductors, PCs, etc.)
- Fluctuations in exchange rates or interest rates
- Fluctuations in capital markets
- Intensifying price competition
- Changes in market positioning due to competition in R&D
- Changes in the environment for the procurement of parts and components
- Changes in competitive relationships relating to collaborations, alliances and technical provisions
- Risks related to public regulations, public policy and tax matters
- Risks related to product or services defects
- Potential emergence of unprofitable projects
- Risks related to R&D investments, capital expenditures, business acquisitions, business restructuring, etc.
- Risks related to natural disasters and unforeseen events
- Changes in accounting policies

Contents

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 [Gross Profit Margin]	259.8 [26.0%]	280.9 [26.3%]	21.0 [0.3%]	8.1
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 [Operating Profit Margin]	-10.7 [-1.1%]	7.2 [0.7%]	18.0 [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)

		1Q	2Q	3Q	4Q	Full Year
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)

		1Q	2Q	3Q	4Q	Full Year
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).

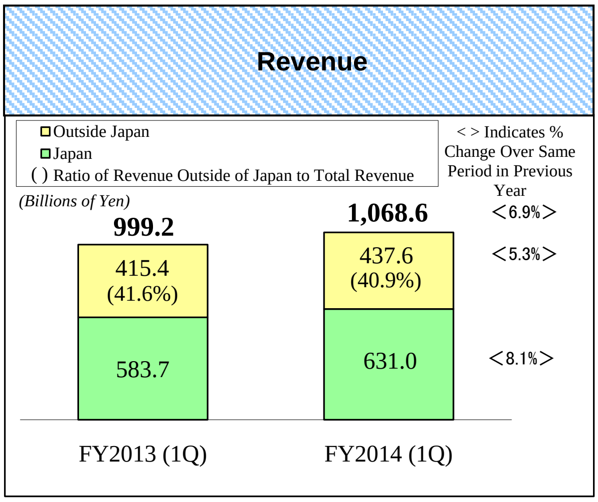
(5) Under IFRS, there is a specific adjustment for reversals of foreign currency translation adjustments that, under Japanese accounting standards, were recognized in extraordinary gains or losses. For reversals of foreign currency translation adjustments, by applying the exemption allowed for first-time 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.

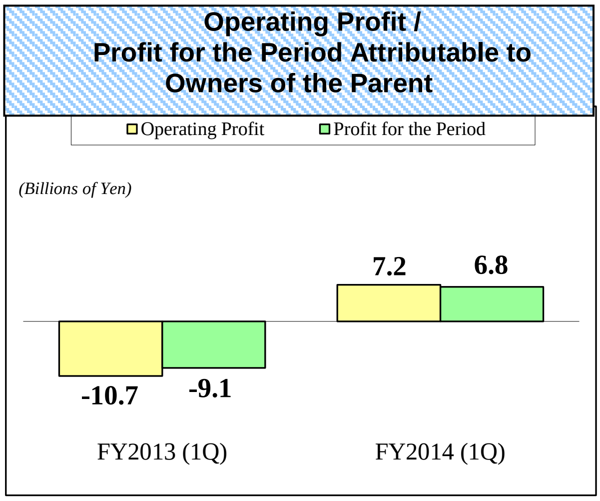
2. Consolidated Statement of Financial Condition

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 (4/1/2013 ～ 6/30/2013)	1Q FY2014 (4/1/2014 ～ 6/30/2014)	Change vs. 1Q FY2013	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.

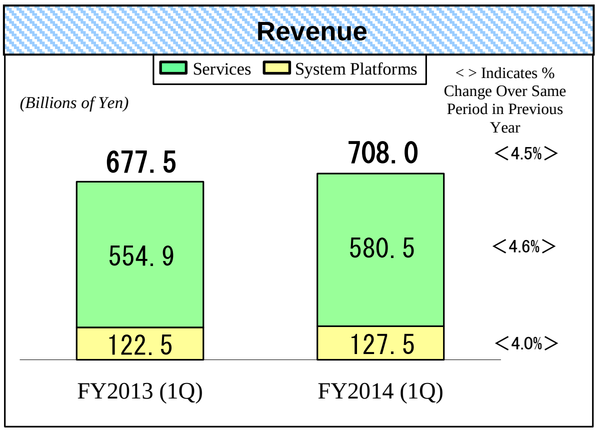
<Revenue* and Operating Profit> (Billions of yen)

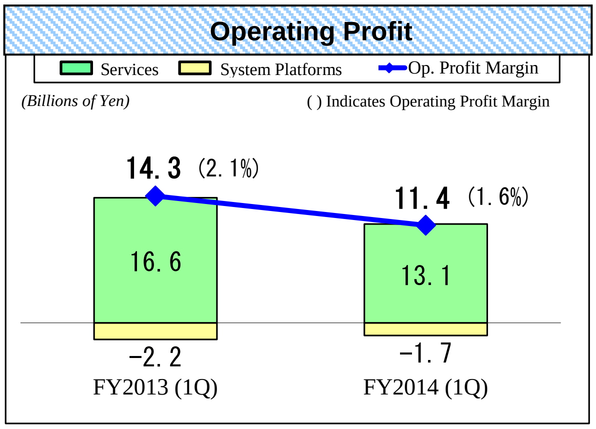
		1Q FY2013 (4/1/2013 ～ 6/30/2013)	1Q FY2014 (4/1/2014 ～ 6/30/2014)	Change vs. 1Q FY2013	Change(%)	Change(%) Constant Currency**
Technology Solutions	Revenue	677.5	708.0	30.4	4.5	2
	Japan	405.2	418.2	12.9	3.2	3
	Outside Japan	272.3	289.8	17.4	6.4	-1
	Operating Profit	14.3	11.4	-2.9	-20.7	
	[Operating Profit Margin]	[2.1%]	[1.6%]	[-0.5%]		
Services	Revenue	554.9	580.5	25.5	4.6	1
	Operating Profit	16.6	13.1	-3.5	-21.1	
	[Operating Profit Margin]	[3.0%]	[2.3%]	[-0.7%]		
System Platforms	Revenue	122.5	127.5	4.9	4.0	3
	Operating Profit	-2.2	-1.7	0.5	-	
	[Operating Profit Margin]	[-1.8%]	[-1.3%]	[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	-17.0	8.7	25.7	-	
	[Operating Profit Margin]	[-7.9%]	[3.2%]	[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	7.1	3.3	-3.8	-53.3	
	[Operating Profit Margin]	[4.9%]	[2.5%]	[-2.4%]		
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	-10.7	7.2	18.0	-	
	[Operating Profit Margin]	[-1.1%]	[0.7%]	[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





(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

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.

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

(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

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.

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

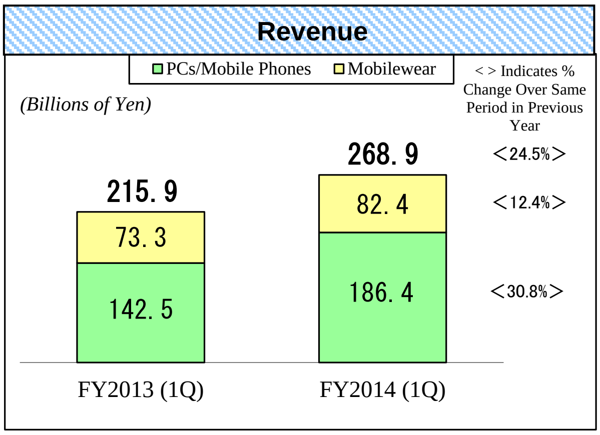
(Billions of yen)

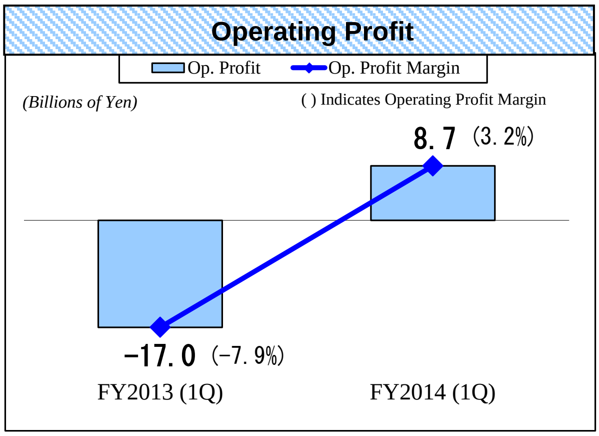
	First Quarter FY2014	Change vs. 1Q FY2013
Revenue	127.5	4.0 %
Japan	86.1	2.5 %
Outside Japan	41.3	7.4 %
Operating Profit	-1.7	0.5

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.

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





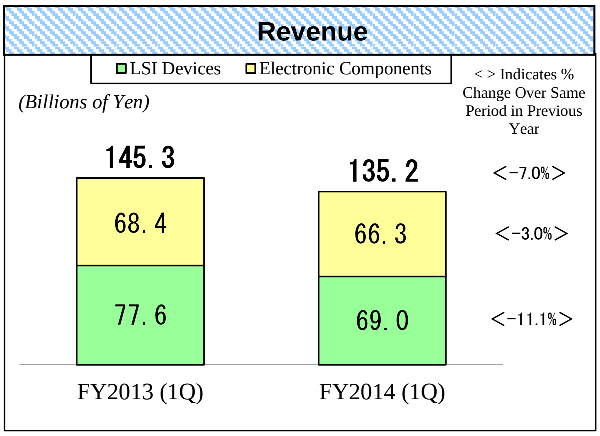
Revenue in the Ubiquitous Solutions segment was 268.9 billion yen (US$2,662 million), an increase of 24.5% from the first quarter of fiscal 2013. Revenue in Japan was up by 24.6%. For PCs, in addition to higher unit sales of both consumer PCs and enterprise PCs on higher demand for upgrades as a consequence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

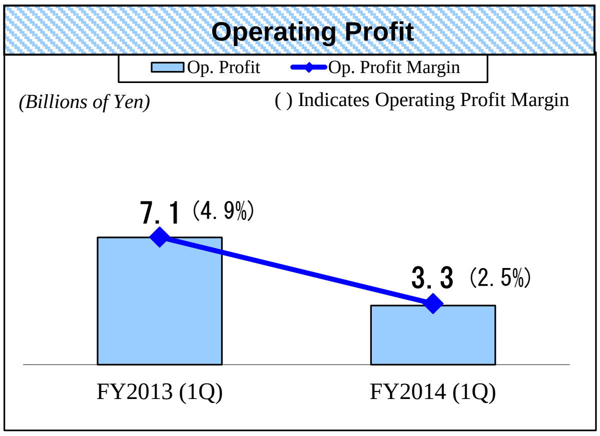
(Billions of yen)

	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

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.

Device Solutions





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

(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

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.

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.

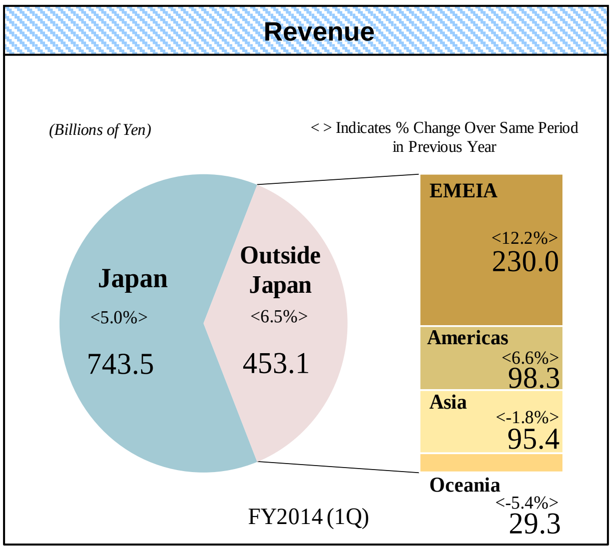
For information relating to the restructuring of the LSI device business, please refer to the July 31, 2014 press releases.

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.



Operating Profit (Billions of Yen)

	First Quarter FY2013	First Quarter FY2014	Change vs. 1Q FY2013
Japan	3.5 [0.5%]	20.8 [2.8%]	17.3 [2.3%]
Outside Japan	5.0 [1.2%]	5.3 [1.2%]	0.2 [- %]
EMEIA	1.4 [0.7%]	2.2 [1.0%]	0.7 [0.3%]
Americas	1.6 [1.8%]	1.6 [1.7%]	0.0 [-0.1%]
Asia	1.1 [1.2%]	1.2 [1.3%]	0.0 [0.1%]
Oceania	0.7 [2.5%]	0.2 [0.7%]	-0.5 [-1.8%]

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

2. Explanation of Financial Condition

[Assets, Liabilities and Equity]

(Billions of yen)

	Year-end FY2013 (As of March 31, 2014)	First Quarter FY2014 (As of June 30, 2014)	Change vs. Year-end FY2013	First Quarter FY2013 (As of June 30, 2013)
Current Assets	1,785.1	1,733.1	-51.9	1,615.2
[Cash and Cash Equivalents]	[301.1]	[375.0]	[73.8]	[387.2]
[Receivables, trade]	[980.2]	[791.6]	[-188.5]	[707.9]
[Inventories]	[330.2]	[358.6]	[28.4]	[374.1]
Non-current Assets	1,320.7	1,315.0	-5.7	1,298.6
[Property, plant and equipment, net of accumulated depreciation]	[622.4]	[618.4]	[-4.0]	[620.6]
[Intangible assets (excluding goodwill)]	[158.8]	[159.6]	[0.7]	[157.3]
[Other investments]	[166.9]	[172.7]	[5.8]	[161.0]
Total Assets	3,105.9	3,048.2	-57.7	2,913.9
Current Liabilities	1,483.4	1,377.5	-105.9	1,446.7
[Payables, trade]	[641.2]	[525.8]	[-115.3]	[490.7]
[Other payables]	[396.3]	[336.0]	[-60.3]	[329.5]
[Short-term borrowings, current portion of long-term debt and lease obligations]	[142.6]	[192.8]	[50.2]	[267.7]
Non-current Liabilities	924.5	958.6	34.1	898.5
[Long-term debt and lease obligations]	[417.6]	[475.8]	[58.2]	[408.1]
[Net defined benefit liability]	[412.6]	[389.2]	[-23.4]	[410.4]
Total Liabilities	2,407.9	2,336.2	-71.7	2,345.3
Total Equity Attributable to Owners of the Parent	566.5	582.5	16.0	447.6
[Retained earnings]	[-54.3]	[-41.9]	[12.4]	[-165.6]
[Other components of equity]	[63.1]	[66.8]	[3.6]	[52.9]
Non-controlling Interests	131.4	129.4	-1.9	120.9
Total Equity	697.9	711.9	14.0	568.5
Total Liabilities and Equity	3,105.9	3,048.2	-57.7	2,913.9

[Cash Flows]

(Billions of yen)

	First Quarter FY2013 (4/1/2013 ～ 6/30/2013)	First Quarter FY2014 (4/1/2014 ～ 6/30/2014)	Change vs. 1Q FY2013
I. Net Cash provided by Operating Activities	21.2	29.5	8.2
[Profit before income taxes]	[-6.2]	[10.4]	[16.6]
[Depreciation, amortization and impairment loss]	[42.2]	[42.7]	[0.4]
[Increase (decrease) in net defined benefit liability]	[-5.2]	[0.8]	[6.1]
II. Net Cash Used in Investing Activities	-18.0	-49.3	-31.2
[Purchases of property, plant and equipment, and intangible assets]	[-35.6]	[-36.5]	[-0.9]
I+II. Free Cash Flow	3.2	-19.7	-23.0
III. Net Cash provided by Financing Activities	89.4	94.8	5.4
[Increase (decrease) in short-term borrowings]	[-17.9]	[42.2]	[60.2]
[Proceeds from long-term debt and issuance of bonds]	[140.0]	[70.0]	[-70.0]
[Repayments of long-term debt and bonds]	[-25.7]	[-3.7]	[21.9]
IV. Cash and Cash Equivalents at End of Period	387.2	375.0	-12.2

(1) Assets, Liabilities and Equity

Consolidated total assets at the end of the first quarter of fiscal 2014 were 3,048.2 billion yen (US$30,180 million), a decline of 57.7 billion yen from the end of fiscal 2013. Current assets decreased by 51.9 billion yen compared with the end of fiscal 2013, to 1,733.1 billion yen. Trade receivables decreased by 188.5 billion yen compared to the end of the prior fiscal year on collections from the large concentration of revenue toward the end of prior fiscal year. In preparation for future expected sales, particularly in the services business, inventories at the end of the quarter increased to 358.6 billion yen, rising 28.4 billion yen from the ending balance of fiscal 2013. Non-current assets declined by 5.7 billion yen from the end of fiscal 2013, to 1,315.0 billion yen.

Consolidated total liabilities amounted to 2,336.2 billion yen (US$23,131 billion), a decline of 71.7 billion yen compared to the end of fiscal 2013. The decline was attributable to payment of trade payables relating to the concentration of sales at the end of the prior fiscal year, as well as a lower amount of other payables, including salary bonuses. The balance of interest-bearing loans was 668.6 billion yen, an increase of 108.4 billion yen from the end of fiscal 2013. Fujitsu issued 70.0 billion yen in straight bonds during the quarter, in part to finance the redemption and repayment of the bonds and loans that will reach maturity by the end of fiscal 2014. As a result, the D/E ratio was 1.15 times, an increase of 0.16 compared to the end of fiscal 2013, and the net D/E ratio was 0.50 times, essentially unchanged compared to the end of fiscal 2013.

The balance of equity was 711.9 billion yen (US$7,049 million), an increase of 14.0 billion yen from the end of fiscal 2013. While payment of the year-end dividend subtracted from this balance, equity increased with the profit recorded for the quarter and because of an improvement in the funded status of defined benefit plans.

[Reference: Effect of the Remeasurement of the Net Defined Benefit Liability (Asset)]

(Billions of yen)

	FY2013 (As of March 31, 2014)	**1Q FY2014** (As of June 30, 2014)	Change vs. FY2013
Total	-455.1	-434.2	20.8
In Japan	-288.0	-267.1	20.9
Outside Japan	-167.0	-167.0	-0.0
Equity) Retained Earnings, Net of Taxes	-366.4	-352.6	13.8

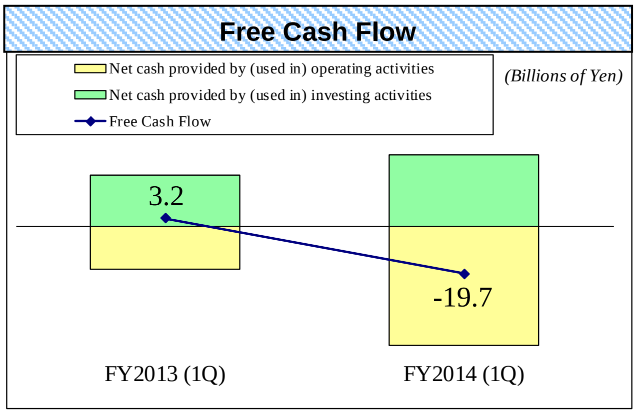
Note: Defined benefit plan liabilities and defined benefit plan assets are remeasured every quarter.
As a result of the remeasurement, any actuarial gain or loss is, after adjusting for tax effects, recognized in other comprehensive income and immediately transferred from other components of equity into retained earnings.

[Reference: Financial Indices] (Billions of yen)

	FY2013 (March 31, 2014)	**1Q FY2014** (June 30, 2014)	Change vs. FY2013	**1Q FY2013** (June 30, 2013)
Cash and Cash Equivalents	301.1	375.0	73.8	387.2
Interest-bearing Loans	560.2	668.6	108.4	675.9
Net Interest-bearing Loans	259.0	293.6	34.5	288.6
Equity Attributable to Owners of the Parent	566.5	582.5	16.0	447.6
D/E Ratio (Times)	0.99	1.15	0.16	1.51
Net D/E Ratio (Times)	0.46	0.50	0.04	0.64
Equity Attributable to Owners of the Parent Ratio (%)	18.2 %	19.1 %	0.9 %	15.4 %

1. Interest-bearing loans consist of short-term borrowings, current portion of long-term debt, long-term debt and lease obligation.
2. Equity attributable to owners of the parent consists of share capital, capital surplus, treasury stock, retained earnings and other components of equity.
3. D/E ratio: Interest-bearing loans/ Equity attributable to owners of the parent
4. Net D/E ratio: (Interest-bearing loans – Cash and cash equivalents)/ Equity attributable to owners of the parent

(2) Cash Flows



Net cash provided by operating activities in the first quarter amounted to 29.5 billion yen (US$292 million). This represents an increase in cash inflows of 8.2 billion yen compared to the first quarter of fiscal 2013. The impact of improved profitability in the mobile phone business stemming from structural reforms, and increased revenues, led to an improvement in profit before income taxes. This consequently led to an increase in cash flows.

Net cash used in investing activities was 49.3 billion yen (US$488 million). Outflows mainly consisted of the acquisition of property, plant and equipment, primarily related to datacenters and production equipment for electronic components, and the acquisition of intangible assets, the combination of which amounted to 36.5 billion yen in cash outflows. Compared to the same period in fiscal 2013, net outflows increased by 31.2 billion yen. One reason for this difference was the maturity of time deposits on temporary surplus funds that resulted in an inflow of cash in the first quarter of fiscal 2013.

Free cash flow, the sum of cash flows from operating and investing activities, was negative 19.7 billion yen (US$195 million), representing a decrease in net cash inflows of 23.0 billion yen compared with the same period in the previous fiscal year.

Net cash provided by financing activities was 94.8 billion yen (US$939 million). A portion of working capital was financed through short-term borrowings. In addition, Fujitsu issued 70.0 billion yen in straight bonds during the quarter, in part to finance the redemption of bonds that will mature by the end of fiscal 2014. Compared to the first quarter of fiscal 2013, cash inflows increased by 5.4 billion yen.

As a result of the above factors, cash and cash equivalents at the end of the first quarter of fiscal 2014 were 375.0 billion yen (US$3,713 million), an increase of 73.8 billion yen compared to the end of fiscal 2013.

3. FY2014 Earnings Projections

The global economy, as a whole, is expected to maintain a moderate recovery. This projection comes against the backdrop of an increasingly strong economic recovery in the US, and despite the impact of fiscal austerity measures in Europe and lingering uncertainty about the future of emerging market economies. In Japan, too, concerns persist over a lull in consumer spending following a hike in the consumption tax and increased costs of imported raw materials due to yen depreciation. Still, firm economic recovery is expected to continue owing to various government-initiated economic measures.

For the first quarter of fiscal 2014, Fujitsu reported revenue of 1,068.6 billion yen, up 69.4 billion yen over the first quarter of fiscal 2013, and operating profit of 7.2 billion yen, a year-on-year improvement of 18.0 billion yen.

Operating profit improved in the first quarter of this fiscal year on a temporary increase in demand for PCs resulting from the end of support for an operating system, as well as the impact of structural reforms implemented in the mobile phone business in the prior fiscal year. Increased operating profit was achieved even with a one-time posting of profit in the prior fiscal year stemming from a partial buyout in the retirement benefit plan of a European subsidiary.

With regard to projections made at the beginning of the fiscal year, Technology Solutions and Device Solutions segments performed essentially as had been expected. However, temporarily increased demand for PCs was higher than anticipated, which in turn led Ubiquitous Solutions and consolidated results overall to exceed projections.

Compared to assumptions made at the start of the fiscal year, the yen is now weakening somewhat more than expected, however, given future uncertainties, for the second quarter and beyond Fujitsu has not changed its foreign exchange rate assumptions of 100 yen for the US dollar, 135 yen for the euro, and 160 yen for the British pound.

In light of these circumstances, at the present time projections for the first half of fiscal 2014 and full-year fiscal 2014 remain unchanged from those announced at the beginning of the fiscal year.

FY2014 First-Half Consolidated Forecast

(Billions of yen)

	1H FY2013 (Actual)	1H FY2014 (Forecast)	Change vs. Previous Forecast*	Change vs. 1H FY2013	Change (%)
Revenue	2,151.6	2,150.0	-	-1.6	-0.1
Operating Profit [Operating Profit Margin]	30.3 [1.4%]	25.0 [1.2%]	- [-%]	-5.3 [-0.2%]	-17.7
Profit for the Period before Income Taxes	34.6	25.0	-	-9.6	-27.9
Profit for the period (Profit for the Period Attributable to Owners of the Parent)	14.6	10.0	-	-4.6	-31.7

FY2014 Full-Year Consolidated Forecast

(Billions of yen)

	FY2013 (Actual)	FY2014 (Forecast)	Change vs. Previous Forecast*	Change vs. FY2013	Change (%)
Revenue	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 for the Year before Income Taxes	161.1	190.0	-	28.8	17.9
Profit for the Year (Profit for the Year Attributable to Owners of the Parent)	113.2	125.0	-	11.7	10.4

* Previous Forecast as of April 30, 2014.

Forecast for FY2014 Full-Year Consolidated Business Segment Information

<Revenue* by Principal Products and Services> (Billions of yen)

	FY2013 (Actual)	FY2014 (Forecast) Current Forecast**	FY2014 (Forecast) Change vs. Previous Forecast***	Change vs. FY2013	Change(%)	Change(%) Constant Currency****
Technology Solutions	3,243.0	3,290.0	-	46.9	1.4	1
Services	2,627.2	2,660.0	-	32.7	1.2	1
Solutions / SI	920.4	930.0	-	9.5	1.0	1
Infrastructure Services	1,706.7	1,730.0	-	23.2	1.4	1
System Platforms	615.7	630.0	-	14.2	2.3	2
System Products	272.7	280.0	-	7.2	2.7	3
Network Products	343.0	350.0	-	6.9	2.0	2
Ubiquitous Solutions	1,125.4	1,050.0	-	-75.4	-6.7	-7
PCs / Mobile Phones	799.3	720.0	-	-79.3	-9.9	-10
Mobilewear	326.0	330.0	-	3.9	1.2	1
Device Solutions	600.2	610.0	-	9.7	1.6	1
LSI*****	321.6	290.0	-	-31.6	-9.8	-10
Electronic Components	280.2	320.0	-	39.7	14.2	14

Notes:

* Revenue includes intersegment revenue.

** Current forecast as of July 31, 2014.

*** Previous forecast as of April 30, 2014.

**** The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for 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)

			FY2013 (Actual)	FY2014 (Forecast) Current Forecast**	FY2014 (Forecast) Change vs. Previous Forecast***	Change vs. FY2013	Change vs. FY2013 Change(%)	Change vs. FY2013 Change(%) Constant Currency****
Technology Solutions		Revenue	3,243.0	3,290.0	-	46.9	1.4	1
		Japan	2,054.2	2,080.0	-	25.7	1.3	1
		Outside Japan	1,188.7	1,210.0	-	21.2	1.8	1
		Operating Profit	233.0	238.0	-	4.9	2.1	
		[Operating Profit Margin]	[7.2%]	[7.2%]	[- %]	[- %]		
	Services	Revenue	2,627.2	2,660.0	-	32.7	1.2	1
		Operating Profit	173.8	178.0	-	4.1	2.4	
		[Operating Profit Margin]	[6.6%]	[6.7%]	[- %]	[0.1%]		
	System Platforms	Revenue	615.7	630.0	-	14.2	2.3	2
		Operating Profit	59.2	60.0	-	0.7	1.3	
		[Operating Profit Margin]	[9.6%]	[9.5%]	[- %]	[-0.1%]		
Ubiquitous Solutions		Revenue	1,125.4	1,050.0	-	-75.4	-6.7	-7
		Japan	794.4	700.0	-	-94.4	-11.9	-12
		Outside Japan	331.0	350.0	-	18.9	5.7	5
		Operating Profit	-26.8	4.0	-	30.8	-	
		[Operating Profit Margin]	[-2.4%]	[0.4%]	[- %]	[2.8%]		
Device Solutions		Revenue	600.2	610.0	-	9.7	1.6	1
		Japan	291.9	320.0	-	28.0	9.6	10
		Outside Japan	308.3	290.0	-	-18.3	-5.9	-6
		Operating Profit	11.5	27.0	-	15.4	133.3	
		[Operating Profit Margin]	[1.9%]	[4.4%]	[- %]	[2.5%]		
	LSI	Operating Profit	0.0	8.0	-	7.9	-	
	Electronic Components	Operating Profit	11.4	19.0	-	7.5	65.5	
Other/Elimination and Corporate******		Revenue	-206.3	-150.0	-	56.3	-	-
		Operating Profit	-70.5	-84.0	-	-13.4	-	
Total		Revenue	4,762.4	4,800.0	-	37.5	0.8	0
		Japan	2,960.9	2,960.0	-	-0.9	-0.0	-0
		Outside Japan	1,801.4	1,840.0	-	38.5	2.1	1
		Operating Profit	147.2	185.0	-	37.7	25.6	
		[Operating Profit Margin]	[3.1%]	[3.9%]	[- %]	[0.8%]		
<Ratio of Revenue outside Japan>			37.8%	38.3%	- %	0.5%		

[Miscellaneous Forecasts for FY2014]

a. Exchange rate (Average)

(Yen)

	FY2013 (Actual)	FY2014		
		1Q (Actual)	2Q, 3Q, 4Q (Forecast)	Change vs. previous forecast*
U.S. Dollar	100	102	100	-
euro	134	140	135	-
British pound	159	172	160	-

Reference information:

Average exchange rates for the first quarter of FY2013 are as follows.

U.S. dollar : 99 yen
euro: 129 yen
British pound: 152 yen

A 1 yen fluctuation (depreciation/appreciation) had the following effect on operating profit in the first quarter of FY2014.

U.S. dollar : Increase/decrease by approximately 0 billion yen.
euro: Increase/decrease by approximately 0 billion yen.
British pound: Increase/decrease by approximately 0 billion yen.

A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating profit in the second, third and forth quarters of FY2014.

U.S. dollar : Increase/decrease by approximately 0.6 billion yen.
euro: Increase/decrease by approximately 0.3 billion yen.
British pound: Increase/decrease by approximately 0.1 billion yen.

b. R&D Expenses

(Billions of yen)

	FY2013 (Actual)	FY2014 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
R&D Expenses	222.5	230.0	230.0	-
As % of revenue	4.7%	4.8%	4.8%	- %

c. Capital Expenditures and Depreciation (Property, Plant and Equipment)

(Billions of yen)

	FY2013 (Actual)	FY2014 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
Technology Solutions	69.5	85.0	85.0	-
Ubiquitous Solutions	14.9	13.0	13.0	-
Device Solutions	33.9	44.0	44.0	-
Other/Corporate	4.3	3.0	3.0	-
Capital Expenditures	122.8	145.0	145.0	-
Depreciation	115.9	120.0	120.0	-

d. Cash Flows

(Billions of yen)

	FY2013 (Actual)	FY2014 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
Profit attributable to owners of the parent	113.2	125.0	125.0	-
Depreciation, amortization & impairment loss	186.4	185.0	185.0	-
Others	-123.1	-40.0	-40.0	-
(A)Cash flows from operating activities	176.5	270.0	270.0	-
(B)Cash flows from investing activities	-128.9	-190.0	-190.0	-
(C)Free cash flow (A)+(B)	47.5	80.0	80.0	-
(D)Cash flows from financing activities	-46.2	-30.0	-30.0	-
(E)Total (C)+(D)	1.3	50.0	50.0	-

Notes:

* Previous forecast as of April 30, 2014.

** Current forecast as of July 31, 2014.

e. PC Shipments

(Millions of units)

	FY2013 (Actual)	FY2014 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
PC Shipments	5.90	5.10	5.10	-

f. Mobile Phone Shipments

(Millions of units)

	FY2013 (Actual)	FY2014 (Forecast)		
		Previous Forecast*	Current Forecast**	Change
Mobile Phone Shipments	3.70	3.10	3.10	-

Notes:
* Previous forecast as of April 30, 2014.
** Current forecast as of July 31, 2014.

Part II. Financial Tables

1. Condensed Consolidated Statements of Financial Position

(Millions of yen)

	Notes	IFRS Transition Date (As of April 1, 2013)	FY2013 (As of March 31, 2014)	1Q FY2014 (As of June 30, 2014)
Assets				
Current Assets				
Cash and cash equivalents		286,602	301,162	375,032
Receivables, trade		883,905	980,247	791,670
Other receivables		70,906	105,427	104,568
Inventories		323,092	330,202	358,626
Others		77,520	68,121	103,302
Total current assets		1,642,025	1,785,159	1,733,198
Non-current assets				
Property, plant and equipment, net of accumulated depreciation		622,181	622,480	618,438
Goodwill		32,607	37,533	38,811
Intangible assets		157,749	158,854	159,646
Investments accounted for using the equity method		33,716	37,271	38,392
Other investments		152,724	166,931	172,752
Deferred tax assets		204,547	183,401	173,582
Others		103,634	114,308	113,388
Total non-current assets		1,307,158	1,320,778	1,315,009
Total Assets		**2,949,183**	**3,105,937**	**3,048,207**
Liabilities and Equity				
Liabilities				
Current liabilities				
Payables, trade		566,757	641,211	525,899
Other payables		385,894	396,375	336,031
Short-term borrowings, current portion of long-term debt and lease obligations		304,095	142,608	192,842
Accrued income taxes		23,316	20,263	5,955
Provisions		132,426	111,196	100,306
Others		182,584	171,807	216,519
Total current liabilities		1,595,072	1,483,460	1,377,552
Non-current liabilities				
Long-term debt and lease obligations		271,582	417,635	475,855
Net defined benefit liability		474,367	412,632	389,226
Provisions		43,657	45,058	44,307
Deferred tax liabilities		5,784	6,544	6,778
Others		31,122	42,657	42,502
Total non-current liabilities		826,512	924,526	958,668
Total Liabilities		**2,421,584**	**2,407,986**	**2,336,220**
Equity				
Share capital		324,625	324,625	324,625
Capital surplus		236,509	233,510	233,442
Treasury stock, at cost		-340	-422	-444
Retained earnings		-195,876	-54,341	-41,923
Other components of equity		43,055	63,143	66,828
Total equity attributable to owners of the parent		407,973	566,515	582,528
Non-controlling interests		119,626	131,436	129,459
Total Equity		**527,599**	**697,951**	**711,987**
Total Liabilities and Equity		**2,949,183**	**3,105,937**	**3,048,207**

2. Condensed Consolidated Statements of Profit or Loss and Condensed Consolidated Statements of Comprehensive Income

【Condensed Consolidated Statements of Profit or Loss】 (Millions of yen, except per share data)

	Note	1Q FY2013 (For the three-month period ended June 30, 2013)	1Q FY2014 (For the three-month period ended June 30, 2014)
Revenue	**6**	**999,233**	**1,068,671**
Cost of sales		-739,372	-787,761
Gross profit		259,861	280,910
Selling, general and administrative expenses		-273,076	-274,449
Other income (expenses)		2,491	838
Operating Profit	**6**	**-10,724**	**7,299**
Financial income		5,141	3,305
Financial expenses		-1,796	-2,221
Income from investments accounted for using the equity method, net		1,141	2,055
Profit before Income Taxes		**-6,238**	**10,438**
Income tax expenses		-1,673	-4,312
Profit for the Period		**-7,911**	**6,126**
Profit for the period attributable to:			
Owners of the parent		-9,151	6,890
Non-controlling interests		1,240	-764
Total		-7,911	6,126
Earning per share	7		
Basic earnings per share (Yen)		-4.42	3.33
Diluted earnings per share (Yen)		-4.44	3.33

【Condensed Consolidated Statements of Comprehensive Income】 (Millions of yen)

	Note	1Q FY2013 (For the three-month period ended June 30, 2013)	1Q FY2014 (For the three-month period ended June 30, 2014)
Profit for the Period		**-7,911**	**6,126**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		41,936	14,743
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		2,670	-65
Cash flow hedges		2	-21
Available-for-sale financial assets		7,234	4,258
Share of other comprehensive income of investments accounted for using the equity method		1,185	-948
		11,091	3,224
Total Other Comprehensive Income for the Period, Net of Taxes		**53,027**	**17,967**
Total Comprehensive Income for the Period		**45,116**	**24,093**
Total comprehensive income attributable to:			
Owners of the parent		40,041	24,379
Non-controlling interests		5,075	-286
Total		45,116	24,093

3. Condensed Consolidated Statements of Changes in Equity

(Millions of yen)

	Note	Equity Attributable to Owners of the Parent						Non-Controlling Interests	Total Equity
		Share Capital	Capital Surplus	Treasury Stock, at Cost	Retained Earnings	Other Components of Equity	Total		
As of April 1, 2013		324,625	236,509	-340	-195,876	43,055	407,973	119,626	527,599
Profit for the period					-9,151		-9,151	1,240	-7,911
Other comprehensive income						49,192	49,192	3,835	53,027
Total comprehensive income for the period		—	—	—	-9,151	49,192	40,041	5,075	45,116
Purchase of treasury stock				-14			-14		-14
Dividends paid							—	-1,528	-1,528
Transfer to retained earnings					39,359	-39,359	—		—
Acquisition (disposal) of non-controlling interests			-475				-475	-239	-714
Changes in ownership interests in subsidiaries							—	-1,878	-1,878
Others						102	102	-127	-25
As of June 30, 2013		324,625	236,034	-354	-165,668	52,990	447,627	120,929	568,556

(Millions of yen)

	Note	Equity Attributable to Owners of the Parent						Non-Controlling Interest	Total Equity
		Share Capital	Capital Surplus	Treasury Stock, at Cost	Retained Earnings	Other Components of Equity	Total		
As of April 1, 2014		324,625	233,510	-422	-54,341	63,143	566,515	131,436	697,951
Profit for the period					6,890		6,890	-764	6,126
Other comprehensive income						17,489	17,489	478	17,967
Total comprehensive income for the period		—	—	—	6,890	17,489	24,379	-286	24,093
Purchase of treasury stock				-22			-22		-22
Dividends paid					-8,276		-8,276	-1,832	-10,108
Transfer to retained earnings					13,804	-13,804	—		—
Others			-68				-68	141	73
As of June 30, 2014		324,625	233,442	-444	-41,923	66,828	582,528	129,459	711,987

4. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Note	1Q FY2013 (For the three-month period ended June 30, 2013)	1Q FY2014 (For the three-month period ended June 30, 2014)
Cash Flows from Operating Activities			
Profit before income taxes		-6,238	10,438
Depreciation, amortization and impairment loss		42,294	42,747
Increase (decrease) in provisions		-10,710	-11,206
Increase (decrease) in net defined benefit liability		-5,222	886
Interest and dividend income		-2,473	-2,325
Interest charges		1,599	1,541
Equity in earnings of affiliates, net		-1,141	-2,055
(Increase) decrease in receivables, trade		186,342	183,351
(Increase) decrease in inventories		-48,589	-29,485
Increase (decrease) in payables, trade		-84,703	-110,598
Other, net		-29,297	-37,600
Cash generated from operations		41,862	45,694
Interest received		443	413
Dividends received		2,653	2,242
Interest paid		-1,683	-1,626
Income taxes paid		-22,011	-17,178
Net Cash Provided by Operating Activities		**21,264**	**29,545**
Cash Flows from Investing Activities			
Purchases of property , plant, equipment, and intangible assets		-35,603	-36,549
Proceeds from sale of available-for-sale financial assets		7,440	1,143
Other, net		10,135	-13,911
Net Cash Used in Investing Activities		**-18,028**	**-49,317**
Cash Flows from Financing Activities			
Increase (decrease) in short-term borrowings		-17,995	42,275
Proceeds from long-term debt and issuance of bonds		140,042	70,027
Repayment of long-term debt and bonds		-25,703	-3,708
Payment of lease obligation		-4,266	-3,819
Dividends paid to owners of the parent		—	-8,276
Other, net		-2,631	-1,633
Net Cash Provided by Financing Activities		**89,447**	**94,866**
Net Increase (Decrease) in Cash and Cash Equivalents		**92,683**	**75,094**
Cash and Cash Equivalents at Beginning of Period		**284,548**	**301,162**
Effect of Exchange Rate Changes on Cash and Cash Equivalents		**10,002**	**-1,224**
Cash and Cash Equivalents at End of Period		**387,233**	**375,032**

5. Cautionary Note Regarding Assumptions of a Going Concern

There are none.

6. Segment Information

1. Segment Overview

Fujitsu's reportable business segments consist of components of the Fujitsu Group for which discrete financial information is available and whose operating results are regularly reviewed by the Group's executive decision-making body to make decisions about resource allocation to the segments and assess their performance.

In the field of information and communication technology (ICT), while delivering a wide variety of services, the Group offers comprehensive solutions, from the development, manufacturing, and sales, to the maintenance and operations of cutting-edge, high-performance and high-quality products, and electronic devices that support services. The Group's business is organized into three reportable segments—Technology Solutions, Ubiquitous Solutions, and Device Solutions—based on the Group's managerial structure, characteristics of the products and services, and the similarities of the sales market within each operating segment. Managerial structure and product and service classification in each reportable segment are as follows.

(1) Technology Solutions
Fujitsu has a composite business management structure, organized along business lines, with categories of services enabling global strategic proposals, cost management and other business management operations so as customers the optimum products, software and services in an integrated format. This matrix structure is also along customer lines, categorized into five regions, consisting of Japan, EMEIA (Europe, Middle East, India, and Americas, Asia, and Oceania.
This reportable segment consists of Solutions/Systems Integration, which are services for the construction of information and communication systems, Infrastructure Services, which are primarily outsourcing and maintenance services, System Products, which covers mainly the servers and storage systems that comprise ICT platforms, and Network Products, which are used to build communications infrastructure, such as mobile phone base stations and optical transmission systems.

(2) Ubiquitous Solutions
The segment is organized into independent business management units along product lines and includes the sales departments.
This reportable segment contains ubiquitous terminals — including personal computers and mobile phones, as well as car audio and navigation systems, mobile communication equipment, and automotive electronic equipment — that collect various information and knowledge generated from the behavioral patterns of people and organizations needed to achieve the Group's vision of a "Human Centric Intelligent Society" (a society that enjoys the benefits of the value generated by ICT without requiring anyone to be conscious of the technological complexities involved).

(3) Device Solutions
The segment is organized by product in independent business management units which include the respective sales departments and contains cutting-edge technologies, including LSI devices used in digital home appliances, automobiles, mobile phones and servers, as well as electronic components, such as semiconductor packages and batteries.

Profit figures for the operating segments are presented on the basis of operating profit, but because corporate expenses are managed on the basis of the entire Fujitsu Group, they are not allocated to the operating segments. In addition, because Fujitsu Group financings (including financial income and expenses) and income from investments accounted for using the equity method are also managed on the basis of the entire Fujitsu Group, they are not allocated to the operating segments.
Intersegment transactions are based on an arm length's price.

2. Amounts of Revenue and Operating Profit by Reportable Segments

1Q FY2013 (For three-month period ended June 30, 2013) (Millions of yen)

	Reportable Segments			Sub-Total	Other	Adjustments	Consolidated
	Technology Solutions	Ubiquitous Solutions	Device Solutions				
Revenue							
External customers	666,354	191,379	134,547	992,280	2,630	4,323	999,233
Inter-segment	11,234	24,569	10,837	46,640	10,552	-57,192	—
Total Revenue	677,588	215,948	145,384	1,038,920	13,182	-52,869	999,233
Operating Profit	14,398	-17,026	7,177	4,549	-1,530	-13,743	-10,724
Financial income							5,141
Financial expenses							-1,796
Income from investments accounted for using the equity method, net							1,141
Profit before Income Taxes							-6,238

1Q FY2014 (For three-month period ended June 30, 2014) (Millions of yen)

	Reportable Segments			Sub-Total	Other	Adjustments	Consolidated
	Technology Solutions	Ubiquitous Solutions	Device Solutions				
Revenue							
External customers	698,831	239,270	123,532	1,061,633	2,734	4,304	1,068,671
Inter-segment	9,211	29,652	11,692	50,555	11,300	-61,855	—
Total Revenue	708,042	268,922	135,224	1,112,188	14,034	-57,551	1,068,671
Operating Profit	11,412	8,734	3,354	23,500	-2,755	-13,446	7,299
Financial income							3,305
Financial expenses							-2,221
Income from investments accounted for using the equity method, net							2,055
Profit before Income Taxes							10,438

Notes;

1. The “Other” segment consists of operations not included in the reportable segments, such as Japan's Next-Generation Supercomputer project, facility services and the development of information systems for group companies, and welfare benefits for group employees.
2. The “Adjustments” to revenue represent the elimination of intersegment transactions.
3. The “Adjustments” to operating profit include corporate expenses and the elimination of intersegment transactions. For the first quarter of fiscal 2013 and the first quarter of fiscal 2014, corporate expenses were -15,806 million yen and -14,712 million yen, respectively, and the elimination of intersegment transactions was 2,063 million yen and 1,266 million yen , respectively.

   Corporate expenses mainly consist of strategic expenses such as basic research and development expenses which are not attributable to the reportable segments and group management shared expenses incurred by Fujitsu.

3. Information about Product and Services

Revenue to External Customers (Millions of yen)

	1Q FY2013 (For three-month period ended June 30, 2013)	1Q FY2014 (For three-month period ended June 30, 2014)
Technology Solutions		
Services	547,911	574,947
System Platforms	118,443	123,884
Ubiquitous Solutions		
PCs/Mobile phones	119,503	157,665
Mobilewear	71,876	81,605
Device Solutions		
LSI	72,138	64,042
Electronic components	62,409	59,490
Other Operations	2,630	2,734
Elimination and Corporate	4,323	4,304
Total	999,233	1,068,671

4. Geographical Information (Based on Customer Locations)

Revenue to External Customers (Millions of yen)

	1Q FY2013 (For three-month period ended June 30, 2013)	1Q FY2014 (For three-month period ended June 30, 2014)
Japan	583,772	631,066
Outside Japan		
EMEIA	201,589	230,580
Americas	97,397	95,677
Asia	86,010	82,753
Oceania	30,465	28,595
Sub Total	415,461	437,605
Total	999,233	1,068,671

Notes;

1. Geographical segments are defined based on customer location.
2. Principal countries and regions comprising the segments other than Japan:
   (1) EMEIA (Europe, Middle East, India, Africa): UK, Germany, Spain, Finland, Sweden
   (2) Americas: US, Canada
   (3) Asia: China, Singapore, Korea, Taiwan
   (4) Oceania: Australia
3. There is no country that is required to have a separate individual disclosure.

7. Earnings per Share

Calculation basis for basic earnings per share and diluted earnings per share

Basic Earnings per Share

		1Q FY2013 (For three-month period ended June 30, 2013)	1Q FY2014 (For three-month period ended June 30, 2014)
Profit for the period, attributable to ordinary equity holders of the parent	Millions of yen	-9,151	6,890
Weighted average number of ordinary shares - basic	Thousands of share	2,069,272	2,069,103
Earnings per shares	Yen	-4.42	3.33

Diluted Earnings per Share

		1Q FY2013 (For three-month period ended June 30, 2013)	1Q FY2014 (For three-month period ended June 30, 2014)
Profit for the period, attributable to ordinary equity holders of the parent	Millions of yen	-9,151	6,890
Adjustment related to dilutive securities issued by subsidiaries and affiliates	Millions of yen	-36	—
Profit used to calculate diluted earnings per share	Millions of yen	-9,187	6,890
Weighted average number of ordinary shares - basic	Thousands of share	2,069,272	2,069,103
Weighted average number of ordinary shares - diluted	Thousands of share	2,069,272	2,069,103
Diluted earnings per share	Yen	-4.44	3.33

8. First-time Adoption

Fiscal 2014 marks the first time that the Fujitsu Group's financial statement disclosures have been prepared in accordance with IFRS. April 1, 2013 is the date of transition to IFRS. The financial statements of the prior fiscal year (April 1, 2013 – March 31, 2014) were prepared in accordance with the Generally Accepted Accounting Principles in Japan ("Japanese accounting standards").

1) The Fujitsu Group's Policies on the Application of IFRS 1, *First-time Adoption of International Financial Reporting Standards*

IFRS 1, *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), requires that companies adopting IFRS for the first time ("first-time adopters") apply IFRS retrospectively, although there are some areas for which first-time adopters can choose whether to apply IFRS retrospectively, and there are also certain exceptions for which retrospective application is prohibited.

<u>IFRS 1 Exemption from Retrospective Application</u>
a) Business Combinations
Under IFRS 1, for business combinations that occurred prior to the date of transition to IFRS, first-time adopters can choose not to retrospectively apply IFRS 3, *Business Combinations.* The Fujitsu Group has adopted this exemption.

b) Cumulative Translation Differences of Foreign Operations
Under IFRS 1, first-time adopters have the option of either choosing to deem the cumulative translation differences for all foreign operations as of the date of transition to IFRS to zero, or retrospectively applying IFRS to the time at which each foreign entity was established or acquired and recalculating the cumulative translation differences. The Fujitsu Group has chosen to deem the cumulative translation differences as of the date of transition to IFRS to zero.

c) Assets and Liabilities of Subsidiaries, Associates, and Joint Ventures
Under IFRS 1, if a parent company becomes a first-time adopter later than its subsidiary (or associate or joint venture), the parent should, in its consolidated financial statements, measure the assets and liabilities of the subsidiary (or associate or joint venture) at the same carrying amounts as in the financial statements of the subsidiary (or associate or joint venture), after adjusting for consolidation and equity accounting adjustments and for the effects of the business combination in which the parent acquired the subsidiary.

For the assets and liabilities of foreign subsidiaries that have already adopted IFRS in the past, the Fujitsu Group is measuring them at the same carrying value as in the financial statements of these subsidiaries.

<u>IFRS 1 Exceptions to Retrospective Application</u>
For such items as accounting estimates and non-controlling interests, which are subject to exceptions to retrospective application under IFRS 1, the Fujitsu Group is applying these items prospectively from the date of transition to IFRS.

2) Significant Differences with Japanese Accounting Standards

In preparing financial statements, the significant differences between IFRS and Japanese accounting standards, which the Fujitsu Group had previously applied, are as follows.

Consolidated Statement of Financial Position

- For Fujitsu and its consolidated subsidiaries in Japan that have defined benefit plans, as of the date of transition to IFRS, unrecognized actuarial gains and losses and past service costs are reflected on the consolidated statement of financial position under equity, adjusted for tax effects. Starting from the end of its 2013 fiscal year, Fujitsu and its consolidated subsidiaries in Japan have applied “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan Statement No. 26, issued May 17, 2012, “Accounting Standard for Retirement Benefits”) and “Implementation Guidance on Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan Statement No. 25, issued May 17, 2012, “Guidance on Accounting Standard for Retirement Benefits”). Accordingly, unrecognized actuarial gains and losses and past service costs are reflected on the consolidated statement of financial position under net assets, adjusted for tax effects, as of the end of fiscal 2013.
- Other than the above, the main effects on assets and liabilities are that goodwill is not periodically amortized and that available-for-sale financial assets are measured at fair value.
- There are changes to the components of equity. Under Japanese accounting standards, the effect of decrease in equity due to recognition of defined benefit liability was reflected in accumulated other comprehensive income, but under IFRS, it is recorded in other components of equity and then reflected in retained earnings. Retained earnings are reduced, as a result of this change.

Consolidated Statement of Profit or Loss and Comprehensive Income

- There is no impact on revenue.
- Operating profit and profit for the period increase primarily due to changes in the way that expenses for retirement benefits and goodwill are recognized.
- For retirement benefits, under IFRS there are no longer any amortization expenses for actuarial gains and losses, such as for unfunded retirement benefit obligations. Under Japanese accounting standards, actuarial gains and losses are amortized, starting in the next fiscal year after they are generated, over the employees’ average remaining service period. Under IFRS, however, there is no periodic amortization. Instead, they are recognized in other comprehensive income and immediately reflected in retained earnings. In addition, recognition of the net interest on the net defined benefit liability (asset) replaces recognition of the interest cost and the expected return on plan assets previously required.
- In addition, under IFRS, there is no periodic amortization of goodwill. Moreover, with the adoption of IFRS, items such as restructuring costs and impairment losses that, under Japanese accounting standards, had been included in extraordinary gains or losses, are now included in operating profit.

Please note that, since fiscal 2008 all of the company’s consolidated subsidiaries outside Japan adopted IFRS and, in the process of consolidation, certain items such as amortization of goodwill had been adjusted to conform to Japanese accounting standards based on “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Accounting Standards Board of Japan, Practical Issues Task Force, No. 18 dated February 19, 2010).

3) Reconciliations Based on IFRS 1

Based on IFRS 1, the reconciliations to equity for the date of transition to IFRS (April 1, 2013), the end of the previous fiscal year’s first quarter (June 30, 2013), and the end of the previous fiscal year (March 31, 2014), and the adjustments to comprehensive income for the previous fiscal year’s first quarter (April 1- June 30, 2013) and the previous fiscal year (April 1, 2013 – March 31, 2014) are as follows.

Reconciliations to Equity for Date of Transition to IFRS (April 1, 2013)

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Assets						*Assets*
Current Assets						**Current Assets**
Cash and time deposits	A	202,502	84,100	－	286,602	Cash and cash equivalents
Notes and accounts receivable, trade	A	895,984	-12,079	－	883,905	Receivables, trade
	A	－	70,906	－	70,906	Other receivables
Marketable securities	A	102,463	-102,463	－	－	
Inventories		323,092	－	－	323,092	Inventories
Deferred tax assets	D	81,988	-81,988	－	－	
Others	A	128,341	-52,543	1,722	77,520	Others
Allowance for doubtful accounts	A	-12,079	12,079	－	－	
Total Current Assets		1,722,291	-81,988	1,722	1,642,025	**Total Current Assets**
Non-current Assets						**Non-current Assets**
Property, plant and equipment, net of accumulated depreciation	B	618,460	－	3,721	622,181	Property, plant and equipment, net of accumulated depreciation
Goodwill	B	29,574	－	3,033	32,607	Goodwill
Intangible assets (excluding goodwill)		157,749	－	－	157,749	Intangible assets
Investment securities	C	171,792	-171,792	－	－	
	C	－	33,987	-271	33,716	Investments accounted for using the equity method
	C	－	137,805	14,919	152,724	Other investments
Deferred tax assets	D	67,018	81,988	55,541	204,547	Deferred tax assets
Net defined benefit asset	E	51,393	-51,393	－	－	
Others	E	104,160	49,282	-49,808	103,634	Others
Allowance for doubtful accounts	E	-2,111	2,111	－	－	
Total Non-current Assets		1,198,035	81,988	27,135	1,307,158	**Total Non-current Assets**
Total Assets		2,920,326	－	28,857	2,949,183	**Total Assets**
Liabilities and Net Assets						*Liabilities and Equity*
Liabilities						**Liabilities**
Current Liabilities						**Current Liabilities**
Notes and accounts payables, trade		566,757	－	－	566,757	Payables, trade
	F	－	384,164	1,730	385,894	Other payables
Short-term borrowings and current portion of bonds payable	G	289,722	14,385	-12	304,095	Short-term borrowings, current portion of long-term debt and lease obligations
Lease obligations	G	14,385	-14,385	－	－	
Accrued expenses	F	322,765	-322,765	－	－	
Accrued income taxes		23,316	－	－	23,316	Accrued income taxes
Provision for product warranties, Provision for construction contract losses, Provision for restructuring charges, Provision for environmental measures	F	100,052	32,374	－	132,426	Provisions
Others	D,F	251,512	-93,796	24,868	182,584	Others
Total Current Liabilities		1,568,509	-23	26,586	1,595,072	**Total Current Liabilities**
Long-term Liabilities						**Non-current Liabilities**
Bonds payable and long-term borrowings	G	245,245	26,764	-427	271,582	Long-term debt and lease obligations
Lease obligations	G	26,764	-26,764	－	－	
Net defined benefit liability	H	207,125	－	267,242	474,367	Net defined benefit liability
Provision for loss on repurchase of computers, Provision for product warranties, Provision for recycling expenses, Provision for restructuring charges, Provision for environmental measures	I	35,767	20,317	-12,427	43,657	Provisions
Deferred tax liabilities and revaluation of deferred tax liabilities	D	33,781	23	-28,020	5,784	Deferred tax liabilities
Others	I	50,697	-20,317	742	31,122	Others
Total Long-term Liabilities		599,379	23	227,110	826,512	**Total Non-current Liabilities**
Total Liabilities		2,167,888	－	253,696	2,421,584	**Total Liabilities**
Net Assets						**Equity**
Common stock		324,625	－	－	324,625	Share capital
Capital surplus	J	236,429	80	－	236,509	Capital surplus
Treasury stock, at cost		-340	－	－	-340	Treasury stock, at cost
Subscription rights to shares	J	80	-80	－	－	
Retained earnings	J	264,849	－	-460,725	-195,876	Retained earnings
Total accumulated other comprehensive income	J	-201,518	－	244,573	43,055	Other components of equity
		－	－	-216,152	407,973	Total equity attributable to owners of the parent
Minority interests in consolidated subsidiaries	J	128,313	－	-8,687	119,626	Non-controlling interests
Total Net Assets		752,438	－	-224,839	527,599	**Total Equity**
Total Liabilities and Net Assets		2,920,326	－	28,857	2,949,183	**Total Liabilities and Equity**

Reconciliations to Equity for the End of the Previous First Quarter (June 30, 2013)

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Assets						***Assets***
Current Assets						**Current Assets**
Cash and time deposits	A	296,004	91,229	−	387,233	Cash and cash equivalents
Notes and accounts receivable, trade	A	720,265	-12,295	−	707,970	Receivables, trade
	A	−	64,700	129	64,829	Other receivables
Marketable securities	A	97,036	-97,036	−	−	
Inventories		374,104	−	−	374,104	Inventories
Deferred tax assets	D	84,501	-84,501	−	−	
Others	A	136,630	-58,893	3,396	81,133	Others
Allowance for doubtful accounts	A	-12,295	12,295	−	−	
Total Current Assets		1,696,245	-84,501	3,525	1,615,269	**Total Current Assets**
Non-current Assets						**Non-current Assets**
Property, plant and equipment, net of accumulated depreciation	B	617,106	−	3,525	620,631	Property, plant and equipment, net of accumulated depreciation
Goodwill	B	30,183	−	4,446	34,629	Goodwill
Intangible assets (excluding goodwill)		157,314	−	−	157,314	Intangible assets
Investment securities	C	179,015	-179,015	−	−	
	C	−	34,838	-200	34,638	Investments accounted for using the equity method
	C	−	144,177	16,838	161,015	Other investments
Deferred tax assets	D	68,050	84,501	29,745	182,296	Deferred tax assets
Net defined benefit asset	E	51,527	-51,527	−	−	
Others	E	108,825	49,379	-50,058	108,146	Others
Allowance for doubtful accounts	E	-2,148	2,148	−	−	
Total Non-current Assets		1,209,872	84,501	4,296	1,298,669	**Total Non-current Assets**
Total Assets		2,906,117	−	7,821	2,913,938	**Total Assets**
Liabilities and Net Assets						***Liabilities and Equity***
Liabilities						**Liabilities**
Current Liabilities						**Current Liabilities**
Notes and accounts payables, trade		490,726	−	−	490,726	Payables, trade
	F	−	327,776	1,730	329,506	Other payables
Short-term borrowings and current portion of bonds payable	G	254,088	13,621	-7	267,702	Short-term borrowings, current portion of long-term debt and lease obligations
Lease obligations	G	13,621	-13,621	−	−	
Accrued expenses	F	281,916	-281,916	−	−	
Accrued income taxes		10,649	−	−	10,649	Accrued income taxes
Provision for product warranties, Provision for construction contract losses, Provision for restructuring charges, Provision for environmental measures	F	94,082	34,217	−	128,299	Provisions
Others	D,F	274,622	-80,095	25,380	219,907	Others
Total Current Liabilities		1,419,704	-18	27,103	1,446,789	**Total Current Liabilities**
Long-term Liabilities						**Non-current Liabilities**
Bonds payable and long-term borrowings	G	381,599	26,988	-388	408,199	Long-term debt and lease obligations
Lease obligations	G	26,988	-26,988	−	−	
Net defined benefit liability	H	208,367	−	202,059	410,426	Net defined benefit liability
Provision for loss on repurchase of computers, Provision for product warranties, Provision for recycling expenses, Provision for restructuring charges, Provision for environmental measures	I	33,750	19,867	-12,283	41,334	Provisions
Deferred tax liabilities and revaluation of deferred tax liabilities	D	36,968	18	-31,087	5,899	Deferred tax liabilities
Others	I	52,003	-19,867	599	32,735	Others
Total Long-term Liabilities		739,675	18	158,900	898,593	**Total Non-current Liabilities**
Total Liabilities		2,159,379	−	186,003	2,345,382	**Total Liabilities**
Net Assets						**Equity**
Common stock		324,625	−	−	324,625	Share capital
Capital surplus	J	236,429	63	-458	236,034	Capital surplus
Treasury stock, at cost		-354	−	−	-354	Treasury stock, at cost
Subscription rights to shares	J	63	-63	−	−	
Retained earnings	J	242,866	−	-408,534	-165,668	Retained earnings
Total accumulated other comprehensive income	J	-184,188	−	237,178	52,990	Other components of equity
		−	−	-171,814	447,627	Total equity attributable to owners of the parent
Minority interests in consolidated subsidiaries	J	127,297	−	-6,368	120,929	Non-controlling interests
Total Net Assets		746,738	−	-178,182	568,556	**Total Equity**
Total Liabilities and Net Assets		2,906,117	−	7,821	2,913,938	**Total Liabilities and Equity**

Reconciliations to Equity for the End of the Previous Fiscal Year (March 31, 2014)

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Assets						***Assets***
Current Assets						**Current Assets**
Cash and time deposits	A	234,590	66,572	－	301,162	Cash and cash equivalents
Notes and accounts receivable, trade	A	991,071	-10,824	－	980,247	Receivables, trade
	A	－	105,408	19	105,427	Other receivables
Marketable securities	A	71,060	-71,060	－	－	
Inventories		330,202	－	－	330,202	Inventories
Deferred tax assets	D	81,360	-81,360	－	－	
Others	A	168,998	-100,920	43	68,121	Others
Allowance for doubtful accounts	A	-10,824	10,824	－	－	
Total Current Assets		1,866,457	-81,360	62	1,785,159	**Total Current Assets**
Non-current Assets						**Non-current Assets**
Property, plant and equipment, net of accumulated depreciation	B	619,626	－	2,854	622,480	Property, plant and equipment, net of accumulated depreciation
Goodwill	B	27,503	－	10,030	37,533	Goodwill
Intangible assets (excluding goodwill)	B	158,748	－	106	158,854	Intangible assets
Investment securities	C	187,389	-187,389	－	－	
	C	－	37,311	-40	37,271	Investments accounted for using the equity method
	C	－	150,078	16,853	166,931	Other investments
Deferred tax assets	D	104,688	81,360	-2,647	183,401	Deferred tax assets
Net defined benefit asset	E	2,715	-2,715	－	－	
Others	E	114,400	723	-815	114,308	Others
Allowance for doubtful accounts	E	-1,992	1,992	－	－	
Total Non-current Assets		1,213,077	81,360	26,341	1,320,778	**Total Non-current Assets**
Total Assets		3,079,534	－	26,403	3,105,937	**Total Assets**
Liabilities and Net Assets						***Liabilities and Equity***
Liabilities						**Liabilities**
Current Liabilities						**Current Liabilities**
Notes and accounts payables, trade		641,211	－	－	641,211	Payables, trade
	F	－	394,697	1,678	396,375	Other payables
Short-term borrowings and current portion of bonds payable	G	129,079	13,549	-20	142,608	Short-term borrowings, current portion of long-term debt and lease obligations
Lease obligations	G	13,549	-13,549	－	－	
Accrued expenses	F	339,836	-339,836	－	－	
Accrued income taxes		20,263	－	－	20,263	Accrued income taxes
Provision for product warranties, Provision for construction contract losses, Provision for bonuses to board members, Provision for restructuring charges, Provision for environmental measures	F	74,883	36,313	－	111,196	Provisions
Others	D,F	243,536	-91,321	19,592	171,807	Others
Total Current Liabilities		1,462,357	-147	21,250	1,483,460	**Total Current Liabilities**
Long-term Liabilities						**Non-current Liabilities**
Bonds payable and long-term borrowings	G	390,561	27,579	-505	417,635	Long-term debt and lease obligations
Lease obligations	G	27,579	-27,579	－	－	
Net defined benefit liability	H	386,294	－	26,338	412,632	Net defined benefit liability
Provision for loss on repurchase of computers, Provision for product warranties, Provision for recycling expenses, Provision for restructuring charges, Provision for environmental measures	I	35,873	20,386	-11,201	45,058	Provisions
Deferred tax liabilities and revaluation of deferred tax liabilities	D	11,931	147	-5,534	6,544	Deferred tax liabilities
Others	I	62,490	-20,386	553	42,657	Others
Total Long-term Liabilities		914,728	147	9,651	924,526	**Total Non-current Liabilities**
Total Liabilities		2,377,085	－	30,901	2,407,986	**Total Liabilities**
Net Assets						**Equity**
Common stock		324,625	－	－	324,625	Share capital
Capital surplus	J	236,429	82	-3,001	233,510	Capital surplus
Treasury stock, at cost		-422	－	－	-422	Treasury stock, at cost
Subscription rights to shares	J	82	-82	－	－	
Retained earnings	J	313,598	－	-367,939	-54,341	Retained earnings
Total accumulated other comprehensive income	J	-301,019	－	364,162	63,143	Other components of equity
		－	－	-6,778	566,515	Total equity attributable to owners of the parent
Minority interests in consolidated subsidiaries	J	129,156	－	2,280	131,436	Non-controlling interests
Total Net Assets		702,449	－	-4,498	697,951	**Total Equity**
Total Liabilities and Net Assets		3,079,534	－	26,403	3,105,937	**Total Liabilities and Equity**

[Notes on the Reconciliations to Equity for Date of Transition to IFRS (April 1, 2013)]

A. Cash and Cash Equivalents, Trade Receivables, Other Receivables and Other Current Assets

Reclassification: Cash and Cash Equivalents

Of the amounts included in cash and time deposits under Japanese accounting standards, 16,870 million yen in time deposits having a contractual maturity date in excess of three months have been reclassified as other current assets. 100,970 million yen in marketable securities under Japanese accounting standards that will mature no later than three months from the acquisition date have been reclassified as cash and cash equivalents. As a result, cash and cash equivalents increased by 84,100 million yen.

Trade Receivables

12,079 million yen in allowance for doubtful accounts is included in trade receivables.

Other Receivables

A total amount of 70,906 million yen that was included in other current assets under Japanese accounting standards, including non-trade receivables of 64,372 million yen, short-term loan receivables of 3,057 million yen, and lease receivables and lease investment assets of 3,477 million yen, is now reclassified and included in other receivables.

Other Current Assets

Non-trade receivables and other items totaling 70,906 million yen have been reclassified as other receivables, 16,870 million yen in time deposits having a contractual maturity date in excess of three months have been reclassified as other current assets, and 1,493 million yen in marketable securities having a contractual maturity date beyond three months have been reclassified as other current assets. As a result, other current assets declined by 52,543 million yen.

Recognition and Measurement: Among sales of accounts receivable, for the portion for which the Fujitsu Group retains control, other current assets of 1,722 million yen is recognized to the extent of its continuing involvement in the assets.

B. Property, Plant and Equipment and Goodwill

Recognition and Measurement: As of the date of transition to IFRS, negative goodwill that was included in goodwill under Japanese accounting standards because its importance was deemed to be negligible, has been reclassified into retained earnings. As a result, goodwill has increased by 3,033 million yen.

The balance of property, plant and equipment has increased by 3,721 million yen as a result of the adjustments described below.

With respect to sales of computers with repurchase agreements, under Japanese accounting standards, all revenue is recorded at the time of sale, and to provide for potential future losses at the time of repurchase, a provision for loss on repurchases is recorded using the amount of expected losses on repurchases based on historical data. Under IFRS, profits from this transaction are recognized over the service period. Instead of recognizing the cost on a lump-sum sale, the cost is recognized as property, plant and equipment and depreciated over the service period. As a result of this adjustment, the balance of property, plant and equipment has increased by 3,307 million yen.

In addition, for the balance of property, plant and equipment that was netted with government grants under Japanese accounting standards, 414 million yen has been restored to the balance of property, plant and equipment, and the same amount has been added to liabilities as deferred income.

C. Investments Accounted for Using the Equity Method and Other Investments

Reclassification: Of the amount included in investment securities under Japanese accounting standards, 33,987 million yen in investments in affiliates have been reclassified as investments accounted for using the equity method, and 137,805 million yen in available-for-sale financial assets and held-to-maturity investments has been reclassified as other investments.

Recognition and Measurement: As a result of measuring available-for-sale financial assets, which consist mainly of unlisted shares, at fair value in accordance with IFRS, other investments have increased by 14,919 million yen. In addition, as a result of applying IFRS to equity method affiliates, investments accounted for using the equity method have been reduced by 271 million yen. Together with the reclassification noted above, these adjustments have resulted in a balance of investments accounted for using the equity method of 33,716 million yen.

D. Deferred Tax Assets and Deferred Tax Liabilities

Reclassification: Deferred tax assets of 81,988 million yen listed under current assets and the 23 million yen in deferred tax liabilities listed under current liabilities under Japanese accounting standards have been reclassified into non-current assets and non-current liabilities, respectively.

Recognition and Measurement: With respect to the tax effects arising from elimination of intercompany unrealized gains, income tax expenses are deferred based on the sellers' tax amounts under Japanese accounting standards, whereas under IFRS intercompany unrealized gains are treated as temporary differences associated with the purchasers' assets and the tax effects are recognized as deferred tax assets using the purchasers' tax rates after a study of the recoverability of the deferred tax assets. As a result, deferred tax assets have been reduced by 1,037 million yen. In addition, primarily with respect to defined benefit plans, as a result of recognizing the amount of unrecognized obligations as liabilities, additional tax effects are recognized, increasing deferred tax assets by 91,357 million yen. Moreover, 34,779 million yen in deferred tax assets that meet the requirements stated in IAS 12 *Income Taxes* are offset against an equivalent amount of deferred tax liabilities, reducing the balance of both accounts accordingly. As a result of these adjustments, deferred tax assets have increased by 55,541 million yen.

As a result of the additional tax effects recognized mainly stemming from the measurement of available-for-sale financial assets at fair value in accordance with IFRS, and offset mentioned previously, deferred tax liabilities have decreased by 28,020 million yen.

E. Other Non-current Assets

Reclassification: A total of 49,282 million yen, comprised of 51,393 million yen in net defined benefit asset and -2,111 million yen in allowance for doubtful accounts classified as non-current assets under Japanese accounting standards, has been reclassified as other non-current assets.

Recognition and Measurement: Fujitsu and its consolidated subsidiaries in Japan that have defined benefit plans recognized unrecognized obligations as liabilities based on IAS 19 *Employee Benefits* (June 16, 2011). As a result, net defined benefit asset in other non-current assets have decreased by 49,808 million yen.

F. Other Payables, Provisions (Current), and Other Current Liabilities

Reclassification: Other Payables

384,164 million yen, comprised of 322,765 million yen in accrued expenses under Japanese accounting standards and 61,399 million yen in other accounts payable that were included in other current liabilities under Japanese accounting standards, have been reclassified as other payables.

Provisions (Current)

32,374 million yen in such accounts as provision for sales allowance and provision for lawsuits, which were included in other current liabilities under Japanese accounting standards, have been reclassified as provisions (current).

Other Current Liabilities

61,399 million yen in other accounts payable included in others in current liabilities under Japanese accounting standards have been reclassified as other payables. 32,374 million yen in such accounts as provision for sales allowance and provision for lawsuits, and 23 million yen in deferred tax liabilities, all of which were included in others in current liabilities under Japanese accounting standards, have been reclassified as other current liabilities. As a result, other current liabilities have been reduced by 93,796 million yen.

Recognition and Measurement: Other Payables

For Fujitsu and its consolidated subsidiaries in Japan, as a result of recognizing the obligation generated by unused entitlement to paid absences at the end of the period, other payables have increased by 1,730 million yen.

Other Current Liabilities

Among sales of accounts receivable, for the portion for which the Fujitsu Group retains control, liabilities of 1,722 million yen are recognized. In addition, for the aforementioned adjustments relating to the sales of computers with repurchase agreements, other current liabilities have increased by 23,019 million yen.

As a result of recording asset-related government grants under liabilities as deferred income, other current liabilities increased by 127 million yen.

As a result of these adjustments, other current liabilities have increased by 24,868 million yen.

G. Borrowings, Debt, and Lease Obligations

Reclassification: 14,385 million yen separately classified as lease obligations under current liabilities in Japanese accounting standards has been reclassified as short-term borrowings, current portion of long-term debt, and lease obligations.
26,764 million yen separately classified as lease obligations under non-current liabilities in Japanese accounting standards has been reclassified as long-term debt and lease obligations.

Recognition and Measurement: As a result of measuring straight corporate bonds at amortized cost, the current portion of long-term debt under current liabilities has been reduced by 12 million yen, and the long-term debt under non-current liabilities has been reduced by 427 million yen.

H. Net Defined Benefit Liability

Recognition and Measurement: Fujitsu and its consolidated subsidiaries in Japan that have defined benefit plans recognized unrecognized obligations as liabilities based on IAS 19. As a result, net defined benefit liability increased by 267,242 million yen.

I. Provisions (Non-current) and Other Non-current Liabilities

Reclassification: 20,317 million yen in such accounts as provision for directors' retirement benefit and provision for lawsuits, which were included in other non-current liabilities under Japanese accounting standards, have been reclassified as provisions (non-current).

Recognition and Measurement: Provisions (Non-current)
As a result of the aforementioned adjustments relating to the sales of computers with repurchase agreements, provisions (non-current) have been reduced by 12,427 million yen.
Other Non-current Liabilities
As a result of recording revenue-related government grants under liabilities as deferred income, other non-current liabilities increased by 742 million yen.

J. Capital Surplus, Retained Earnings, Other Components of Equity, and Non-controlling Interests

Reclassification: 80 million yen that was separately classified as subscription rights to shares under Japanese accounting standards has been reclassified as capital surplus.

Recognition and Measurement: The main items in the adjustments to capital surplus, retained earnings, and other components of equity are as follows.

(Millions of Yen)

	Note	Capital Surplus	Retained Earnings	Other Components of Equity
Goodwill and negative goodwill	B	-	3,033	-
Financial instruments	C,G	-	-3,165	13,307
Tax effects of unrealized gains or losses	D	-	-974	-22
Defined benefit plans	E,H,J	-	-369,669	149,724
Liability for paid absences	F	-	-1,183	-
Cumulative foreign translation differences	J	-	-84,169	84,169
Attribution to non-controlling interests	J	-	-759	-22
Other		-	-3,839	-2,583
Total		-	-460,725	244,573

In accordance with IAS 19, remeasurements of the net defined benefit liability (asset) are recognized in other components of equity after adjusting for tax effects and immediately reflected in retained earnings. In addition, the cumulative foreign currency translation differences for all foreign operations as of the date of transition to IFRS are deemed to be zero.

As a result of calculating the impact on non-controlling interests resulting from recognition and measurement differences, the amount attributable to non-controlling interests has been reduced by 8,687 million yen.

[Notes on the Reconciliations to Equity for the End of the Previous First Quarter (June 30, 2013)]

A. Cash and Cash Equivalents, Trade Receivables, Other Receivables, and Other Current Assets

Reclassification: Cash and Cash Equivalents

Of the amounts included in cash and time deposits under Japanese accounting standards, 4,311 million yen in time deposits having a contractual maturity date in excess of three months have been reclassified as other current assets. 95,540 million yen in marketable securities under Japanese accounting standards that will mature no later than three months from the acquisition date have been reclassified as cash and cash equivalents. As a result, cash and cash equivalents have increased by 91,229 million yen.

Trade Receivables

12,295 million yen in allowance for doubtful accounts is included in trade receivables.

Other Receivables

A total amount of 64,700 million yen that was included in other current assets under Japanese accounting standards, including non-trade receivables of 59,132 million yen, short-term loan receivables of 2,047 million yen, and lease receivables and lease investment assets of 3,521 million yen, is now reclassified and included in other receivables.

Other Current Assets

Non-trade receivables and other items totaling 64,700 million yen have been reclassified as other receivables, 4,311 million yen in time deposits having a contractual maturity date in excess of three months have been reclassified as other current assets, and 1,496 million yen in marketable securities having a contractual maturity date beyond three months have been reclassified as other current assets. As a result, other current assets have declined by 58,893 million yen.

Recognition and Measurement:

Other Receivables

With regard to revenue-related government grants, 129 million yen that were recorded as other current assets under Japanese accounting standards are recognized as other receivables.

Other Current Assets

As a result of the above adjustments relating to government grants, other current assets have been reduced by 129 million yen.

In addition, among sales of accounts receivable, for the portion for which the Fujitsu Group retains control, assets of 3,525 million yen is recognized to the extent of its continuing involvement in assets. As a result of these adjustments, other current assets have increased by 3,396 million yen.

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B. Property, Plant and Equipment and Goodwill

Recognition and Measurement:

As of the date of transition to IFRS, negative goodwill that was included in goodwill under Japanese accounting standards because its importance was deemed to be negligible, has been reclassified into retained earnings. As a result, goodwill has increased by 3,033 million yen.

Goodwill is amortized over a certain period, but under IFRS it is subject to an impairment test and is not periodically amortized. The balance of goodwill has been increased by 2,491 million yen because the amount of cumulative amortization under Japanese accounting standards after the date of transition to IFRS is added back.

Because changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control, which were recognized in goodwill under Japanese accounting standards, are, under IFRS, accounted for as equity transactions, goodwill has been reduced by 1,078 million yen.

As a result of these adjustments, the balance of goodwill has increased by 4,446 million yen.

The balance of property, plant and equipment has increased by 3,525 million yen as a result of the adjustments described below.

With respect to sales of computers with repurchase agreements, under Japanese accounting standards, all revenue is recorded at the time of sale, and to provide for potential future losses at the time of repurchase, a provision for loss on repurchases is recorded using the amount of expected losses on repurchases based on historical data. Under IFRS, profits from this transaction are recognized over the service period. Instead of recognizing the cost on a lump-sum sale, the cost is recognized as property, plant and equipment and

depreciated over the service period. As a result of these adjustments, the balance of property, plant and equipment has increased by 3,117 million yen.
In addition, for the balance of property, plant and equipment that was netted with government grants under Japanese accounting standards, 408 million yen has been restored to the balance of property, plant and equipment, and the same amount has been added to liabilities as deferred income.

C. Investments Accounted for Using the Equity Method and Other Investments

Reclassification: Of the amount included in investment securities under Japanese accounting standards, 34,838 million yen in investments in affiliates have been reclassified as investments accounted for using the equity method, and 144,177 million yen in available-for-sale financial assets and held-to-maturity investments has been reclassified as other investments.

Recognition and Measurement: As a result of measuring available-for-sale financial assets, which mainly consist of unlisted shares, at fair value in accordance with IFRS, other investments have increased by 16,838 million yen. In addition, as a result of applying IFRS to equity method affiliates, investments accounted for using the equity method have been reduced by 200 million yen. Together with the reclassification noted above, these adjustments have resulted in a balance of investments accounted for using the equity method of 34,638 million yen.

D. Deferred Tax Assets and Deferred Tax Liabilities

Reclassification: 84,501 million yen in deferred tax assets listed under current assets and the 18 million yen in deferred tax liabilities listed under current liabilities under Japanese accounting standards have been reclassified into non-current assets and non-current liabilities, respectively.

Recognition and Measurement: With respect to the tax effects arising from elimination of intercompany unrealized gains, income tax expenses are deferred based on the sellers' tax amounts under Japanese accounting standards, whereas under IFRS intercompany unrealized gains are treated as temporary differences associated with the purchasers' assets and the tax effects are recognized as deferred tax assets using the purchasers' tax rates after a study of the recoverability of the deferred tax assets. As a result, deferred tax assets have been reduced by 1,163 million yen. In addition, primarily with respect to defined benefit plans, as a result of recognizing the amount of unrecognized obligations as liabilities, additional tax effects are recognized, increasing deferred tax assets by 69,232 million yen. Moreover, 38,324 million yen in deferred tax assets that meet the requirements stated in IAS 12 are offset against an equivalent amount of deferred tax liabilities, reducing the balance of both accounts accordingly. As a result of these adjustments, non-current deferred tax assets have increased by 29,745 million yen.
As a result of the additional tax effects recognized mainly stemming from the measurement of available-for-sale financial assets at fair value in accordance with IFRS, and offset mentioned previously, deferred tax liabilities have decreased by 31,087 million yen.

E. Other Non-current Assets

Reclassification: A total of 49,379 million yen, comprised of 51,527 million yen in net defined benefit asset and -2,148 million yen in allowance for doubtful accounts classified as non-current assets under Japanese accounting standards, has been reclassified as other non-current assets.

Recognition and Measurement: Fujitsu and its consolidated subsidiaries in Japan that have defined benefit plans recognized unrecognized obligations as liabilities based on IAS 19. As a result, net defined benefit asset in other non-current assets have decreased by 50,058 million yen.

F. Other Payables, Provisions (Current), and Other Current Liabilities

Reclassification: Other Payables

327,776 million yen, comprised of 281,916 million yen in accrued expenses under Japanese accounting standards and 45,860 million yen in other accounts payable that were included in other current liabilities under Japanese accounting standards, have been reclassified as other payables.

Provisions (Current)

34,217 million yen in such accounts as provision for sales allowance and provision for lawsuits, which were included in other current liabilities under Japanese accounting standards, have been reclassified as provisions (current).

Other Current Liabilities

45,860 million yen in other accounts payable included in others in current liabilities under Japanese accounting standards have reclassified as other payables. 34,217 million yen in such accounts as provision for sales allowance and provision for lawsuits, and 18 million yen in deferred tax liabilities, all of which were included in others in current liabilities under Japanese accounting standards, have reclassified as other current liabilities. As a result, other current liabilities have been reduced by 80,095 million yen.

Recognition and Measurement: Other Payables

For Fujitsu and its consolidated subsidiaries in Japan, as a result of recognizing the obligation generated by unused entitlement to paid absences at the end of the period, other payables have increased by 1,730 million yen.

Other Current Liabilities

Among sales of accounts receivable, for the portion for which the Fujitsu Group retains control, liabilities of 3,525 million yen are recognized. In addition, for the aforementioned adjustments relating to the sales of computers with repurchase agreements, other current liabilities have increased by 21,811 million yen.

As a result of recording asset-related government grants under liabilities as deferred income, other current liabilities increased by 44 million yen.

As a result of these adjustments, other current liabilities have increased by 25,380 million yen.

G. Borrowings, Debt, and Lease Obligations

Reclassification: 13,621 million yen separately classified as lease obligations under current liabilities in Japanese accounting standards has been reclassified as short-term borrowings, current portion of long-term debt and lease obligations.

26,988 million yen separately classified as lease obligations under non-current liabilities under Japanese accounting standards has been reclassified as long-term debt and lease obligations.

Recognition and Measurement: As a result of measuring straight corporate bonds at amortized cost, the current portion of long-term debt under current liabilities has been reduced by 7 million yen, and the long-term debt under non-current liabilities has been reduced by 388 million yen.

H. Net Defined Benefit Liability

Recognition and Measurement: Fujitsu and its consolidated subsidiaries in Japan that have defined benefit plans recognized unrecognized obligations as liabilities based on IAS 19. As a result, net defined benefit liability increased by 202,059 million yen.

I. Provisions (Non-current) and Other Non-current Liabilities

Reclassification: 19,867 million yen in such accounts as provision for directors' retirement benefit and provision for lawsuits, which were included in other non-current assets under Japanese accounting standards, have been reclassified as provisions (non-current).

Recognition and Measurement: Provisions (Non-current)

As a result of the aforementioned adjustments relating to the sales of computers with repurchase agreements, provisions (non-current) have been reduced by 12,283 million yen.

Other Non-current Liabilities

As a result of recording asset-related government grants under liabilities as deferred income, other non-current liabilities increased by 599 million yen.

J. Capital Surplus, Retained Earnings, Other Components of Equity, and Non-controlling Interests

Reclassification: 63 million yen that was separately classified as subscription rights to shares under Japanese accounting standards has been reclassified as capital surplus.

Recognition and Measurement: The main items in the adjustments to capital surplus, retained earnings and other components of equity are as follows.

(Millions of Yen)

	Note	Capital Surplus	Retained Earnings	Other Components of Equity
Goodwill and negative goodwill	B	-985	5,524	-68
Financial instruments	C,G	-	-3,192	14,596
Tax effects of unrealized gains or losses	D,	-	-1,092	-30
Defined benefit plans	E,H,J	-	-320,940	141,447
Liability for paid absences	F	-	-1,183	-
Cumulative foreign translation differences	J	-	-84,169	84,169
Attribution to non-controlling interests	J	527	-602	-349
Other		-	-2,880	-2,587
Total		-458	-408,534	237,178

In accordance with IAS 19, remeasurements of the net defined benefit liability (asset) are recognized as other components of equity after adjusting for tax effects and immediately reflected in retained earnings.
In addition, the cumulative foreign currency translation differences for all foreign operations as of the date of transition to IFRS are deemed to be zero.

As a result of calculating the impact on non-controlling interests resulting from recognition and measurement differences, the amount attributable to non-controlling interests has been reduced by 6,368 million yen.

[Notes on the Reconciliations to Equity for the End of the Previous Fiscal Year (March 31, 2014)]

A. Cash and Cash Equivalents, Trade Receivables, Other Receivables, and Other Current Assets

Reclassification: Cash and Cash Equivalents

Of the amounts included in cash and time deposits under Japanese accounting standards, 4,488 million yen in time deposits having a contractual maturity date in excess of three months have been reclassified as other current assets. 71,060 million yen in marketable securities under Japanese accounting standards that will mature no later than three months from the acquisition date have been reclassified as cash and cash equivalents. As a result, cash and cash equivalents have increased by 66,572 million yen.

Trade Receivables

10,824 million yen in allowance for doubtful accounts is included in trade receivables.

Other Receivables

A total amount of 105,408 million yen that was included in other current assets under Japanese accounting standards, including non-trade receivables of 98,267 million yen, short-term loan receivables of 3,277 million yen, and lease receivables and lease investment assets of 3,864 million yen, is now reclassified as other receivables.

Other Current Assets
Non-trade receivables and other items totaling 105,408 million yen have been reclassified as other receivables, and 4,488 million yen in time deposits having a contractual maturity date in excess of three months have been reclassified as other current assets. As a result, other current assets have declined by 100,920 million yen.

Recognition and Measurement:

Other Receivables
With regard to revenue-related government grants, 19 million yen recorded as other current assets under Japanese accounting standards is recognized as other receivables.

Other Current Assets
As a result of the above adjustments relating to government grants, other current assets have been reduced by 19 million yen.
In addition, among sales of accounts receivable, for the portion for which the Fujitsu Group retains control, other current assets of 62 million yen is recognized to the extent of its continuing involvement in the assets. As a result of these adjustments, other current assets have increased by 43 million yen.

B. Property, Plant and Equipment, Goodwill, and Intangible Assets

Recognition and Measurement:

As of the date of transition to IFRS, negative goodwill that was included in goodwill under Japanese accounting standards because its importance was deemed to be negligible, has been reclassified into retained earnings. As a result, goodwill has increased by 3,033 million yen.
Goodwill is amortized over a certain period, but under IFRS it is subject to an impairment test and is not periodically amortized. The balance of goodwill has been increased by 9,712 million yen because the amount of cumulative amortization under Japanese accounting standards after the date of transition to IFRS is added back.
Because changes in a parent’s ownership interest in a subsidiary that do not result in a loss of control, which were recognized in goodwill under Japanese accounting standards, are, under IFRS, accounted for as equity transactions, goodwill has been reduced by 2,715 million yen.
As a result of these adjustments, the balance of goodwill has increased by 10,030 million yen.

The balance of property, plant and equipment has increased by 2,854 million yen as a result of the adjustments described below.
With respect to sales of computers with repurchase agreements, under Japanese accounting standards, all revenue is recorded at the time of sale, and to provide for potential future losses at the time of repurchase, a provision for loss on repurchases is recorded using the amount of expected losses on repurchases based on historical data. Under IFRS, profits from this transaction are recognized over the service period. Instead of recognizing the cost on a lump-sum sale, the cost is recognized as property, plant and equipment and depreciated over the service period. As a result of these adjustments, the balance

of property, plant and equipment has increased by 2,465 million yen.

In addition, for the balance of property, plant and equipment that was netted with government grants under Japanese accounting standards, 389 million yen has been restored to the balance of property, plant and equipment, and the same amount has been added to liabilities as deferred income.

Because a portion of the development expenses incurred by a consolidated subsidiary in Japan was capitalized, intangible assets increased by 106 million yen.

C. Investments Accounted for Using the Equity Method and Other Investments

Reclassification: Of the amount included in investment securities under Japanese accounting standards, 37,311 million yen in investments in affiliates have been reclassified as investments accounted for using the equity method, and 150,078 million yen in available-for-sale financial assets and held-to-maturity investments has been reclassified as other investments.

Recognition and Measurement: As a result of measuring available-for-sale financial assets, which mainly consist of unlisted shares, at fair value in accordance with IFRS, other investments have increased by 16,853 million yen. In addition, as a result of applying IFRS to equity method affiliates, investments accounted for using the equity method have been reduced by 40 million yen. Together with the reclassification noted above, these adjustments have resulted in a balance of investments accounted for using the equity method of 37,271 million yen.

D. Deferred Tax Assets and Deferred Tax Liabilities

Reclassification: 81,360 million yen in deferred tax assets listed under current assets and the 147 million yen in deferred tax liabilities listed under current liabilities under Japanese accounting standards have been reclassified into non-current assets and non-current liabilities, respectively.

Recognition and Measurement: With respect to the tax effects arising from elimination of intercompany unrealized gains, income tax expenses are deferred based on the sellers’ tax amounts under Japanese accounting standards, whereas under IFRS intercompany unrealized gains are treated as temporary differences associated with the purchasers’ assets and the tax effects are recognized as deferred tax assets using the purchasers’ tax rates after a study of the recoverability of the deferred tax assets. As a result, deferred tax assets have been reduced by 681 million yen. In addition, primarily with respect to defined benefit plans, as a result of recognizing the amount of unrecognized obligations as liabilities, additional tax effects are recognized, increasing deferred tax assets by 10,404 million yen. Moreover, 12,370 million yen in deferred tax assets that meet the requirements stated in IAS 12 are offset against an equivalent amount of deferred tax liabilities, reducing the balance of both accounts accordingly. As a result of these adjustments, non-current deferred tax assets have decreased by 2,647 million yen.

As a result of the additional tax effects recognized mainly stemming from the measurement of available-for-sale financial assets at fair value in accordance with IFRS, and offset mentioned previously, deferred tax liabilities have decreased by 5,534 million yen.

E. Other Non-current Assets

Reclassification: A total of 723 million yen, comprised of 2,715 million yen in net defined benefit asset and -1,992 million yen in the allowance for doubtful accounts classified as non-current assets under Japanese accounting standards, has been reclassified as other non-current assets.

Recognition and Measurement: As a result of actuarial calculation carried out by Fujitsu and its consolidated subsidiaries in Japan that have defined benefit plans, net defined benefit asset in other non-current assets have decreased by 815 million yen.

F. Other Payables, Provisions (Current), and Other Current Liabilities

Reclassification: Other Payables

394,697 million yen, comprised of 339,836 million yen in accrued expenses under Japanese accounting standards and 54,861 million yen in other accounts payable that were included in other current liabilities under Japanese accounting standards, have been reclassified as other payables.

Provisions (Current)

36,313 million yen in such accounts as provision for sales allowance and provision for lawsuits, which were included in other current liabilities under Japanese accounting standards, have been reclassified as provisions (current).

Other Current Liabilities

54,861 million yen in other accounts payable included in others in current liabilities under Japanese accounting standards have been reclassified as other payables. 36,313 million yen in such accounts as provision for sales allowance and provision for lawsuits, and 147 million yen in deferred tax liabilities, all of which were included in others in current liabilities under Japanese accounting standards, have been reclassified as other current liabilities. As a result, other current liabilities have been reduced by 91,321 million yen.

Recognition and Measurement: Other Payables

For Fujitsu and its consolidated subsidiaries in Japan, as a result of recognizing the obligation generated by unused entitlement to paid absences at the end of the period, other payables have increased by 1,678 million yen.

Other Current Liabilities

Among sales of accounts receivable, for the portion for which the Fujitsu Group retains control, liabilities of 62 million yen are recognized. In addition, for the aforementioned adjustments relating to the sales of computers with repurchase agreements, other current liabilities have increased by 19,400 million yen.

As a result of recording revenue-related government grants under liabilities as deferred income, other non-current liabilities increased by 130 million yen.

As a result of these adjustments, other current liabilities have increased by 19,592 million yen.

G. Borrowing, Debt, and Lease Obligations

Reclassification: 13,549 million yen separately classified as lease obligations under current liabilities in Japanese accounting standards has been reclassified to short-term borrowings, current portion of long-term debt and lease obligations.
27,579 million yen separately classified as lease obligations under non-current liabilities in Japanese accounting standards has been reclassified to long-term debt and lease obligations.

Recognition and Measurement: As a result of measuring straight corporate bonds at amortized cost, the current portion of long-term debt under current liabilities has been reduced by 20 million yen, and the long-term debt under non-current liabilities has been reduced by 505 million yen.

H. Net Defined Benefit Liability

Recognition and Measurement: As a result of actuarial calculation carried out by Fujitsu and its consolidated subsidiaries in Japan that have defined benefit plans, net defined benefit liability increased by 26,338 million yen.

I. Provisions (Non-current) and Other Non-current Liabilities

Reclassification: 20,386 million yen in such accounts as provision for directors' retirement benefit and provision for lawsuits, which were included in other non-current assets under Japanese accounting standards, have been reclassified as provisions (non-current).

Recognition and Measurement: Provisions (Non-current)
As a result of the aforementioned adjustments relating to the sales of computers with repurchase agreements, provisions (non-current) have been reduced by 11,201 million yen.
Other Non-current Liabilities
As a result of recording revenue-related government grants under liabilities as deferred income, other non-current liabilities increased by 553 million yen.

J. Capital Surplus, Retained Earnings, Other Components of Equity, and Non-controlling Interests

Reclassification: 82 million yen that was separately classified as subscription rights to shares under Japanese accounting standards has been reclassified as capital surplus.

Recognition and Measurement: The main items in the adjustments to capital surplus, retained earnings and other components of equity are as follows.

(Millions of Yen)

	Note	Capital Surplus	Retained Earnings	Other Components of Equity
Goodwill and negative goodwill	B	-3,556	12,733	327
Financial instruments	C,G	-	-2,891	14,429
Tax effects of unrealized gains or losses	D	-	-579	-61
Defined benefit plans	E,H,J	-	-310,159	291,587
Liability for paid absences	F	-	-1,184	-
Cumulative foreign translation differences	J	-	-60,989	60,989
Attribution to non-controlling interests	J	555	-2,945	-725
Other		-	-1,925	-2,384
Total		-3,001	-367,939	364,162

In accordance with IAS 19, remeasurements of the net defined benefit liability (asset) are recognized recorded in other components of equity after adjusting for tax effects and immediately reflected in retained earnings.
In addition, the cumulative foreign currency translation differences for all foreign operations as of the date of transition to IFRS are deemed to be zero.
With respect to the liquidation of Fujitsu Management Services of America, Inc., a US consolidated subsidiary, foreign currency translation adjustments were partly realized as an extraordinary loss under Japanese accounting standards.
As a result of calculating the impact on non-controlling interests resulting from recognition and measurement differences, the amount attributable to non-controlling interests has been increased by 2,280 million yen.

Reconciliations to Comprehensive Income for the Three-month Period Ended June 30, 2013

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Net sales		999,233	—	—	999,233	Revenue
Cost of sales	A	-739,620	—	248	-739,372	Cost of sales
Gross profit		259,613	—	248	259,861	Gross profit
Selling, general and administrative expenses	A	-282,449	1,397	7,976	-273,076	Selling, general and administrative expenses
	B	—	-1,652	4,143	2,491	Other income (expenses)
Operating income		-22,836	-255	12,367	-10,724	Operating profit
Other income						
Interest income	C	491	4,650	—	5,141	Financial income
Dividend income	C	1,982	-1,982	—	—	
Equity in earnings of affiliates, net	C	966	—	175	1,141	Income from investments accounted for using the equity method, net
Gain on foreign exchange, net	C	920	-920	—	—	
Gain on sales of investment securities	B,C	1,751	-1,751	—	—	
Others	B,C	1,693	-1,693	—	—	
Total other income		7,803	-1,696	175	6,282	
Other expenses						
Interest charges	C	-1,599	-152	-45	-1,796	Financial expenses
Loss on disposal of property, plant and equipment and intangible assets	B	-420	420	—	—	
Others	B,C	-1,683	1,683	—	—	
Total other expenses		-3,702	1,951	-45	-1,796	
Ordinary income		-18,735	18,735	—	—	
Extraordinary gains		—	—	—	—	
Extraordinary losses		—	—	—	—	
Income (loss) before income taxes and minority interests		-18,735	—	12,497	-6,238	Profit before income taxes
Total income taxes	D	-1,227	—	-446	-1,673	Income tax expenses
Income (loss) before minority interests		-19,962	—	12,051	-7,911	Profit for the period
						Profit for the period attributable to:
		—	-21,983	12,832	-9,151	Owners of the parent
Minority interests in income (loss) of consolidated subsidiaries	E	2,021	—	-781	1,240	Non-controlling interests
		—	—	—	-7,911	Total
Net income (loss)		-21,983	21,983	—	—	

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Income (loss) before minority interests		-19,962	―	12,051	-7,911	Profit for the period
Other comprehensive income	F					Other comprehensive income
						Items that will not be reclassified to profit or loss
Remeasurements of defined benefit plans, net of taxes		451	―	41,485	41,936	Remeasurement of defined benefit plans
						Items that may be reclassified subsequently to profit or loss
Foreign currency translation adjustments		10,474	―	-7,804	2,670	Foreign currency translation adjustments
Deferred gains or losses on hedges, net of taxes		2	―	―	2	Cash flow hedges
Unrealized gain and loss on securities, net of taxes		5,945	―	1,289	7,234	Available-for-sale financial assets
Share of other comprehensive income of affiliates accounted for using the equity method		1,189	―	-4	1,185	Share of other comprehensive income of investments accounted for using the equity method
		―	―	-6,519	11,091	
Total other comprehensive income		18,061	―	34,966	53,027	Total other comprehensive income, net of taxes
Comprehensive income:		-1,901	―	47,017	45,116	Total comprehensive income for the period:
Attributable to:						Total comprehensive income for the period attributable to:
Owners of the parent		-4,755	―	44,796	40,041	Owners of the parent
Minority interests	G	2,854	―	2,221	5,075	Non-controlling interests
		-1,901	―	47,017	45,116	Total

Reconciliations to Comprehensive Income for the Year Ended March 31, 2014

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Net sales		4,762,445	—	—	4,762,445	Revenue
Cost of sales	A	-3,493,246	—	-603	-3,493,849	Cost of sales
Gross profit		1,269,199	—	-603	1,268,596	Gross profit
Selling, general and administrative expenses	A	-1,126,632	-826	29,962	-1,097,496	Selling, general and administrative expenses
	B	—	-62,353	38,528	-23,825	Other income (expenses)
Operating income		142,567	-63,179	67,887	147,275	Operating profit
Other income						
Interest income	C	1,998	13,098	190	15,286	Financial income
Dividend income	C	3,266	-3,266	—	—	
Equity in earnings of affiliates, net	C	6,546	1,515	281	8,342	Income from investments accounted for using the equity method, net
Gain on foreign exchange, net	C	4,101	-4,101	—	—	
Others	B	7,038	-7,038	—	—	
Total other income		22,949	208	471	23,628	
Other expenses						
Interest charges	C	-6,553	-3,058	-189	-9,800	Financial expenses
Loss on disposal of property, plant and equipment and intangible assets	B	-3,581	3,581	—	—	
Others	B,C	-14,712	14,712	—	—	
Total other expenses		-24,846	15,235	-189	-9,800	
Ordinary income		140,670	-140,670	—	—	
Extraordinary gains	B,C	11,573	-11,573	—	—	
Extraordinary losses	B	-59,309	59,309	—	—	
Income (loss) before income taxes and minority interests		92,934	—	68,169	161,103	Profit before income taxes
Total income taxes	D	-37,061	—	-2,032	-39,093	Income tax expenses
Income (loss) before minority interests		55,873	—	66,137	122,010	Profit for the year
						Profit for the year attributable to:
		—	48,610	64,605	113,215	Owners of the parent
Minority interests in income (loss) of consolidated subsidiaries	E	7,263	—	1,532	8,795	Non-controlling interests
					122,010	Total
Net income (loss)		48,610	-48,610			

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Income (loss) before minority interests		55,873	―	66,137	122,010	Profit for the year
Other comprehensive income	F					Other comprehensive income
						Items that will not be reclassified to profit or loss
Remeasurements of defined benefit plans, net of taxes		-25,088	―	56,525	31,437	Remeasurement of defined benefit plans
						Items that may be reclassified subsequently to profit or loss
Foreign currency translation adjustments		60,054	―	-52,785	7,269	Foreign currency translation adjustments
Deferred gains or losses on hedges, net of taxes		-55	―	―	-55	Cash flow hedges
Unrealized gain and loss on securities, net of taxes		10,810	―	1,122	11,932	Available-for-sale financial assets
Share of other comprehensive income of affiliates accounted for using the equity method		3,313	―	-347	2,966	Share of other comprehensive income of investments accounted for using the equity method
		―	―	-52,010	22,112	
Total other comprehensive income		49,034	―	4,515	53,549	Total other comprehensive income, net of taxes
Comprehensive income:		104,907	―	70,652	175,559	Total comprehensive income for the year:
Attributable to:						Total comprehensive income for the year attributable to:
Owners of the parent		95,912	―	65,619	161,531	Owners of the parent
Minority interests	G	8,995	―	5,033	14,028	Non-controlling interests
		104,907	―	70,652	175,559	Total

[Notes on the Reconciliations to Comprehensive Income for the Previous Fiscal Year's First Quarter (April 1- June 30, 2013)]

<u>A. Cost of Sales and Selling, General and Administrative Expenses</u>

Reclassification: 1,397 million yen in one-time expenses that do not arise in the normal operating cycle, which were included in selling, general and administrative expenses under Japanese accounting standards, have been reclassified as other expenses, resulting in a decline in selling, general and administrative expenses of 1,397 million yen.

Recognition and Measurement: Fujitsu and its consolidated subsidiaries in Japan that have defined benefit plans have, as of the date of transition to IFRS, applied IAS 19. As a result, with respect to remeasurements of the net defined benefit liability (asset) (such as actuarial gains and losses), when any positive or negative difference occurs, it is recognized, after adjusting for tax effects, under other comprehensive income in remeasurement of defined benefit plans, and the amount by which the plan is either overfunded or underfunded is recorded as the net defined benefit asset or liability. Any actuarial gains and losses on defined benefit plans that are recognized in other comprehensive income are immediately reflected in retained earnings. In accordance with these changes, with respect to the actuarial gains and losses that were amortized under Japanese accounting standards, the amortization expenses are reversed under IFRS. In addition, past service costs that were amortized under Japanese accounting standards before the date of transition to IFRS, are immediately recognized when they occur under IFRS and have been reclassified into retained earnings, after adjusting for tax effects, as of the date of transition to IFRS. Moreover, recognition of the net interest on the net defined benefit liability (asset) replaces recognition of the interest cost and the expected return on plan assets previously required. As a result of these changes, cost of sales has increased by 620 million yen, and selling, general and administrative expenses have decreased by 1,319 million yen.

As of the beginning of the 2013 fiscal year, Fujitsu's subsidiaries outside of Japan have applied IAS 19. As a result, they switched to a method whereby remeasurements of the net defined benefit liability (asset) (such as actuarial gains and losses) were recognized in other comprehensive income, but were not reclassified to profit or loss. In, however, the process of consolidation based on "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan, Practical Issues Task Force, No. 18 dated February 19, 2010), remeasurements of the net defined benefit liability (asset) (such as actuarial gains and losses) were amortized over the employees' average remaining service period. In accordance with the Fujitsu Group's transition to IFRS, the adjustments described above are no longer necessary. As a result, selling, general and administrative expenses have been reduced by 4,283 million yen.

Goodwill is amortized over a certain period under Japanese accounting standards, but there is no periodic amortization of goodwill under IFRS. In addition, negative goodwill that, under Japanese accounting standards, was included in goodwill because the amount was deemed to be insignificant, has been reclassified into retained earnings as of the date of transition to IFRS. As a result of these adjustments, selling, general and administrative expenses have been reduced by 2,491 million yen.

With respect to sales of computers with repurchase agreements, under Japanese accounting standards, all revenue is recorded at the time of sale. At the same time, to provide for potential future losses at the time of repurchase, a provision for loss on repurchases is recorded using the amount of expected losses on repurchases based on historical data. Under IFRS, profits from this transaction are recognized over the service period. Instead of recording the cost in a lump sum, the cost is recorded in property, plant and equipment and depreciated as cost of sales over the service period. In addition, the amount of provision for loss on repurchase of computers is reversed. As a result of these adjustments, cost of sales has been reduced by 874 million yen.

Under Japanese accounting standards, government grants were accounted for either by being netted with the balance of property, plant and equipment or by eliminating the amount of the grants from the actual expense incurred. Under IFRS, however, government grants are recorded as deferred income. As a result, the depreciation expense to property, plant and equipment that is recognized as cost of sales has increased by 6 million yen and the depreciation expense to property, plant and equipment that is recognized as selling, general and administrative expenses has increased by 117 million yen.

As a result of the adjustments described above, cost of sales has been reduced by 248 million yen, and selling, general and administrative expenses have been reduced by 7,976 million yen.

B. Other Income (Expenses)

Reclassification: A total of 3,500 million yen, comprised under Japanese accounting standards of 1,397 million yen in one-time expenses that do not arise in the normal operating cycle and that were recorded in selling, general and administrative expenses, 1,683 million yen in other expenses that were recorded under “Others,” and 420 million yen in other expenses recorded as a loss on the disposal of property, plant and equipment, has been reclassified and recorded as a reduction to other income. A total of 2,234 million yen, comprised under Japanese accounting standards of 1,693 million yen in other income recorded under “Others” and 541 million yen of gain on sales of investment securities, representing the impact of an equity transaction of a consolidated subsidiary outside of Japan, has been reclassified and recorded as an increase to other income. Of these amounts, 152 million yen in financial expenses and 538 million yen in financial income have been transferred out of other income and recorded in financial expenses and financial income, respectively, thereby reducing other income by 386 million yen. As a result of these changes, other income has been reduced by 1,652 million yen.

Recognition and Measurement: For a partial buyout in the retirement benefit plan of a European subsidiary, the actuarial gains and losses of 4,550 million yen stemming from the buyout was accounted for in profit or loss as a one-time write-off under Japanese accounting standards. Under IFRS, unrecognized actuarial gains and losses are recognized in other comprehensive income without, however, a corresponding reclassification to profit or loss. As a result, the 4,550 million yen that had been subtracted from other income as an expense is added back, causing other income to increase by 4,550 million yen. In addition, because of an adjustment to the "Others" account, other income was reduced by 407 million yen.

As a result of the adjustments described above, other income has been increased by 4,143 million yen.

C. Financial Income and Financial Expenses, and Income from Investments Accounted for Using the Equity Method, Net

Reclassification: A total of 4,650 million yen, comprised of 1,982 million yen in dividend income, 920 million yen in gains on foreign exchange, net, 1,210 million yen in gains on sales of investment securities, excluding equity transactions, and 538 million yen in financial income (representing the portion of "Others" under other income that could not, under IFRS, be reclassified as other income), has been reclassified as financial income under IFRS.

In addition, 152 million yen in financial expenses (representing the portion of "Others" under other expenses that could not, under IFRS, be reclassified as other expenses) has been reclassified as financial expenses under IFRS.

Recognition and Measurement: IFRS has been applied to equity method affiliates, causing their equity to increase. As a result, income from investments accounted for using the equity method, net, has increased by 175 million yen. In addition, financial expenses have increased by 45 million yen primarily because of the application of the effective cost method in measuring corporate bonds at their amortized cost.

D. Income Tax Expenses

Recognition and Measurement: With respect to the tax effects arising from elimination of intercompany unrealized gains, income tax expenses are deferred based on the sellers' tax amounts under Japanese accounting standards, whereas under IFRS intercompany unrealized gains are treated as temporary differences associated with the purchasers' assets and the tax effects are recognized as deferred tax assets using the purchasers' tax rates after a study of the recoverability of the deferred tax assets. As a result, income tax expenses have increased by 118 million yen. In addition, as a result of recording deferred tax assets and liabilities arising out of measurement differences, income tax expenses have increased by 328 million yen. The effect of these adjustments has been to increase income tax expenses by 446 million yen.

E. Non-controlling Interests (Profit for the period)

Recognition and Measurement: As a result of calculating the impact on non-controlling interests arising from recognition and measurement differences, profit for the period attributable to non-controlling interests has decreased by 781 million yen. Under IFRS the amount of losses of a subsidiary is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance, whereas under Japanese accounting standards the amount is only attributed to the owners of the parent in that circumstance.

F. Other Comprehensive Income

Recognition and Measurement:

Remeasurement of Defined Benefit Plans

For the gains and losses on remeasurements of the defined benefit plans, after adjusting for tax effects, 41,485 million yen is recognized in other comprehensive income.

Foreign Currency Translation Adjustments

7,804 million yen in foreign currency translation adjustments arising from remeasurements of the net defined benefit liability (asset) (such as actuarial gains and losses) of subsidiaries outside of Japan is recognized in other comprehensive income.

Available-for-sale Financial Assets

Available-for-sale financial assets are measured at fair value in accordance with IFRS, and for the change in the fair value since the end of the prior reporting period, after adjusting for tax effects, 1,289 million yen is recognized in other comprehensive income.

Share of Other Comprehensive Income of Investments Accounted for Using the Equity Method

IFRS was applied to equity method affiliates, and because this caused their other comprehensive income to decline, the Company's share of other comprehensive income of the affiliates has been reduced by 4 million yen.

G. Non-controlling Interests (Total comprehensive income for the period)

Recognition and Measurement:

As a result of calculating the impact on non-controlling interests arising from recognition and measurement differences, total comprehensive income for the period attributable to non-controlling interests has increased by 2,221 million yen.

[Notes on the Reconciliations to Comprehensive Income for the Previous Fiscal Year (April 1, 2013 – March 31, 2014)]

A. Cost of Sales and Selling, General and Administrative Expenses

Reclassification:

826 million yen in one-time income that do not arise in the normal operating cycle, which was included in selling, general and administrative expenses under Japanese accounting standards, has been reclassified as other income, resulting in an increase in selling, general and administrative expenses of 826 million yen.

Recognition and Measurement:

Fujitsu and its consolidated subsidiaries in Japan that have defined benefit plans have, as of the date of transition to IFRS, applied IAS 19. As a result, with respect to remeasurements of the net defined benefit liability (asset) (such as actuarial gains and losses), when any positive or negative difference occurs, it is recognized, after adjusting for tax effects, under other comprehensive income in remeasurement of defined benefit plans, and the amount by which the plan is either overfunded or underfunded is recorded as the net defined benefit asset or liability. Any gains and losses on remeasurements of the defined benefit plans that are recognized in other comprehensive income are immediately reflected in retained earnings. In accordance with these changes, with respect to the actuarial gains and losses that were amortized under Japanese accounting standards, the amortization expenses are reversed under IFRS. In addition, past service costs that were amortized under Japanese accounting standards before the date of transition to IFRS, are immediately recognized when they occur under IFRS and have been reclassified into retained earnings, after adjusting for tax effects, as of the date of transition to IFRS. Moreover, recognition of the net interest on the net defined benefit liability (asset) replaces recognition of the interest cost and the expected return on plan assets previously required. As a result of these changes, cost of sales has increased by 1,827 million yen, and selling, general and administrative expenses have decreased by 5,410 million yen.

As of the beginning of the 2013 fiscal year, Fujitsu's subsidiaries outside of Japan have applied IAS 19. As a result, they switched to a method whereby remeasurements of the net defined benefit liability (asset) (such as actuarial gains and losses) were recognized in other comprehensive income, but were not reclassified to profit or loss. In, however, the process of consolidation based on "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan, Practical Issues Task Force, No. 18 dated February 19, 2010), remeasurements of the net defined benefit liability (asset) (such as actuarial gains and losses) were amortized over the employees' average remaining service period. In accordance with the Fujitsu Group's transition to IFRS, the adjustments described above are no longer necessary. As a result, selling, general and administrative expenses have been reduced by 17,768 million yen.

Goodwill is amortized over a certain period under Japanese accounting standards, but there is no periodic amortization of goodwill under IFRS. In addition, negative goodwill that, under Japanese accounting standards, was included in goodwill because the amount was deemed to be insignificant, has been reclassified into retained earnings as of the date of transition to IFRS. As a result of these adjustments, selling, general and administrative expenses have been reduced by 9,712 million yen.

With respect to sales of computers with repurchase agreements, under Japanese accounting standards, all revenue is recorded at the time of sale. At the same time, to provide for potential future losses at the time of repurchase, a provision for loss on repurchases is recorded using the amount of expected losses on repurchases based on historical data. Under IFRS, profits from this transaction are recognized over the service period. Instead of recording the cost in a lump sum, the cost is recorded in property, plant and equipment and depreciated as cost of sales over the service period. In addition, the amount of provision for loss on repurchase of computers is reversed. As a result of these adjustments, cost of sales has been reduced by 1,551 million yen.

Under Japanese accounting standards, government grants were accounted for either by being netted with the balance of property, plant and equipment or by eliminating the amount of the grants from the actual expense incurred. Under IFRS, however, government grants are recorded as deferred revenue. As a result, the depreciation expense to property, plant and equipment that is recognized as cost of sales has increased by 332 million yen and the depreciation expense to property, plant and equipment that is recognized as selling, general and administrative expenses has increased by 3,034 million yen.

In addition, as a result of adjustments in the “Others” account, cost of sales has been reduced by 5 million yen and selling, general and administrative expenses have been reduced by 106 million yen.

As a result of the adjustments described above, cost of sales has been increased by 603 million yen, and selling, general and administrative expenses have been reduced by 29,962 million yen.

B. Other Income (Expenses)

Reclassification: A total of 13,131 million yen, comprised under Japanese accounting standards of 826 million yen in one-time income that do not arise in the normal operating cycle and that was recorded in selling, general and administrative expenses, 7,038 million yen in other income that was recorded under “Others,” 4,726 million yen in gain on sales of property, plant and equipment that was included in extraordinary gains of 11,573 million yen, and 541 million yen from an equity transaction at a subsidiary outside of Japan, which was included in gain on sale of investment securities under extraordinary gains, has been reclassified and recorded as an increase to other income. A total of 77,602 million yen, comprised under Japanese accounting standards of 3,581 million yen in losses on the disposal of property, plant and equipment, 59,309 million yen in extraordinary losses, and 14,712 million yen in other expenses recorded under “Others” has been reclassified and recorded as a reduction to other income. Of these amounts, 3,058 million yen in financial expenses and 940 million yen in financial income have been transferred out of other income and recorded in financial expenses and income, respectively, thereby increasing other income by 2,118 million yen.

As a result of these changes, other income has been reduced by 62,353 million yen.

Recognition and Measurement: For a partial buyout in the retirement benefit plan of a European subsidiary, the actuarial gains and losses of 4,550 million yen stemming from the buyout was accounted for in profit or loss as a one-time write-off under Japanese accounting standards. Under IFRS, unrecognized actuarial gains and losses are recognized in other comprehensive income without, however, a corresponding reclassification to profit or loss. As a result, the 4,550 million yen that had been subtracted from other income as an expense is added back, causing other income to increase by 4,550 million yen.

With respect to the loss of 21,651 million yen incurred on realization of foreign currency translation adjustments stemming from the liquidation of Fujitsu Management Services of America, Inc., a US consolidated subsidiary, it was recognized as an extraordinary loss under Japanese accounting standards, but it is reclassified as other income (expenses) under IFRS. Because the balance of foreign currency translation adjustments was deemed to be zero as of the date of transition to IFRS, the balance of 23,180 million yen as of the transition date is recognized as an increase to other income under IFRS.

With respect to the positive impact on past service costs arising as a result of revisions to the pension plans of some of the consolidated subsidiaries in Japan, because, under IFRS, the effects are immediately recognized when they occur, 7,670 million yen is recognized as an increase to other income.

In addition, as a result of adjustments in the "Others" account, 3,128 million yen is recognized in other income as an expense that has been added back.

As a result of the adjustments described above, other income has increased by 38,528 million yen.

C. Financial Income and Financial Expenses

Reclassification: A total of 13,098 million yen, comprised of 3,266 million yen in dividend income, 4,101 million yen in gains on foreign exchange, net, 4,791 million yen in gains on sales of investment securities excluding the impact on the equity transaction, which was included in extraordinary gains of 11,573 million yen, 940 million yen in financial income that was not transferred to other income, has been reclassified as financial income under IFRS.

In addition, 3,058 million yen that was included in other expenses under Japanese accounting standards, has been reclassified as financial expenses under IFRS.

Moreover, 1,515 million yen in gains on sales of investments in affiliate, which was included in extraordinary gains under Japanese accounting standards, has been reclassified as income from investments accounted for using the equity method, net under IFRS.

Recognition and Measurement: Available-for-sale financial assets are measured at fair value in accordance with IFRS, which caused higher valuation losses than those that were recorded under Japanese accounting standards. Accordingly, on the sale of those available-for-sale financial assets, the financial income has increased by 190 million yen under IFRS.

IFRS has been applied to equity method affiliates, causing their equity to increase. As a result, income from investments accounted for using the equity method, net, has increased by 281 million yen. In addition, financial expenses have increased by 189 million yen because of the additional recognition of 196 million yen in valuation losses on available-for-sale financial assets and the reduction of 7 million yen in expenses recorded in the "Others" account.

D. Income Tax Expenses

Recognition and Measurement: With respect to the tax effects arising from elimination of intercompany unrealized gains, income tax expenses are deferred based on the sellers' tax amounts under Japanese accounting standards, whereas under IFRS intercompany unrealized gains are treated as temporary differences associated with the purchasers' assets and the tax effects are recognized as deferred tax assets using the purchasers' tax rates after a study of the recoverability of the deferred tax assets. As a result, income tax expenses have decreased by 388 million yen. In addition, as a result of recording deferred tax assets and liabilities arising out of measurement differences, income tax expenses have increased by 2,420 million yen. The effect of these adjustments has been to increase income tax expenses by 2,032 million yen.

E. Non-controlling Interests (Profit for the year)

Recognition and Measurement: As a result of calculating the impact on non-controlling interests arising from recognition and measurement differences, profit for the period attributable to non-controlling interests has increased by 1,532 million yen. Under IFRS the amount of losses of a subsidiary is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance, whereas under Japanese accounting standards the amount is only attributed to the owners of the parent in that circumstance.

F. Other Comprehensive Income

Recognition and Measurement: Remeasurement of Defined Benefit Plans

For the gains and losses on remeasurements of the defined benefit plans, after adjusting for tax effects, 56,525 million yen is recognized in other comprehensive income.

Foreign Currency Translation Adjustments

In accordance with the liquidation of Fujitsu Management Services of America, Inc., a US consolidated subsidiary, there was a realization of foreign currency adjustments at the time of liquidation under Japanese accounting standards, but because the balance of foreign currency translation adjustments of 23,180 million yen is deemed to be zero at the date of transition to IFRS, the realization of foreign currency translation adjustments of 23,180 million yen under Japanese accounting standards is reversed.

In addition, 29,605 million yen in foreign currency translation adjustments arising from the remeasurements of the net defined benefit liability (asset) (such as actuarial gains and losses) of the consolidated subsidiaries outside of Japan is recognized in other comprehensive income.

As a result of these adjustments, foreign currency translation adjustments have been reduced by 52,785 million yen.

Available-for-sale Financial Assets

Available-for-sale financial assets are measured at fair value in accordance with IFRS, and for the change in the fair value since the end of the prior reporting period, after adjusting for tax effects, 1,122 million yen is recognized in other comprehensive income.

Share of Other Comprehensive Income of Investments Accounted for Using the Equity Method

IFRS was applied to equity method affiliates, and because this caused their other comprehensive income to decline, the Company's share of other comprehensive income of the affiliates has been reduced by 347 million yen.

G. Non-controlling Interests (Total comprehensive income for the year)

Recognition and Measurement: As a result of calculating the impact on non-controlling interests arising from recognition and measurement differences, total comprehensive income for the period attributable to non-controlling interests has increased by 5,033 million yen.

Reconciliations to the Consolidated Statement of Cash Flows for the Previous Fiscal Year's First Quarter (April 1 – June 30, 2013) and the Previous Fiscal Year (April 1, 2013 – March 31, 2014)

There are no significant differences between the consolidated statement of cash flows under Japanese accounting standards and the consolidated statement of cash flows under IFRS.