

October 30, 2014

**FY 2014 First-Half Financial Results**  
April 1, 2014 - September 30, 2014

Fujitsu Limited

**Consolidated Financial Results for the First-Half Ended September 30, 2014**  
**[Prepared on the basis of International Financial Reporting Standards]**

October 30, 2014

<b>Fujitsu Limited</b>	
Stock exchange listings:	Tokyo, Nagoya
Code number:	6702
URL:	<a href="http://jp.fujitsu.com/">http://jp.fujitsu.com/</a>
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Scheduled dividend payment date:	November 26, 2014
Scheduled filing date of statutory financial report:	November 14, 2014
Supplementary material:	None
Financial results meeting:	Yes (for media and analysts)

**1. Consolidated Results for the First-Half Ended September 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		Operating Profit		Profit before Income Taxes	
		Change (%)		Change (%)		Change (%)
1H FY 2014 (4/1/14-9/30/14)	2,192,857	1.9	32,273	6.2	42,613	22.9
1H FY 2013 (4/1/13-9/30/13)	2,151,601	-	30,382	-	34,682	-

	Profit for the Period		Profit for the Period Attributable to Owners of the Parent		Total Comprehensive Income for the Period	
		Change (%)		Change (%)		Change (%)
1H FY 2014 (4/1/14-9/30/14)	24,787	31.5	24,107	64.5	78,833	33.8
1H FY 2013 (4/1/13-9/30/13)	18,856	-	14,651	-	58,940	-

(Yen)

	Earnings per Share	
	Basic	Diluted
1H FY 2014 (4/1/14-9/30/14)	11.65	11.65
1H FY 2013 (4/1/13-9/30/13)	7.08	7.07

**(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 (%)
September 30, 2014	3,020,210	766,650	633,831	21.0
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	-	4.00			
FY 2014 (Forecast)			-	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
	FY 2014	4,800,000	0.8	185,000	25.6	125,000	

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 September 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 September 30, 2014	984,182	shares
	As of March 31, 2014	894,411	shares
3. Average number of shares during period	1H FY 2014	2,069,076,706	shares
	1H FY 2013	2,069,254,358	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 November 14, 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 half, second 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 25.

- 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

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# Part I: Financial Results

## 1. Explanation of Financial Results

### 1-1. Overview

#### <Business Environment>

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

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

#### FY2014 First-Half Financial Results

(Billions of yen)

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

< > Change (%) Constant Currency

**FY2014 Second-Quarter Financial Results**

(Billions of yen)

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

&lt; &gt; Change (%) Constant Currency

**Quarterly Breakdown of Financial Results**

(Billions of yen)

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

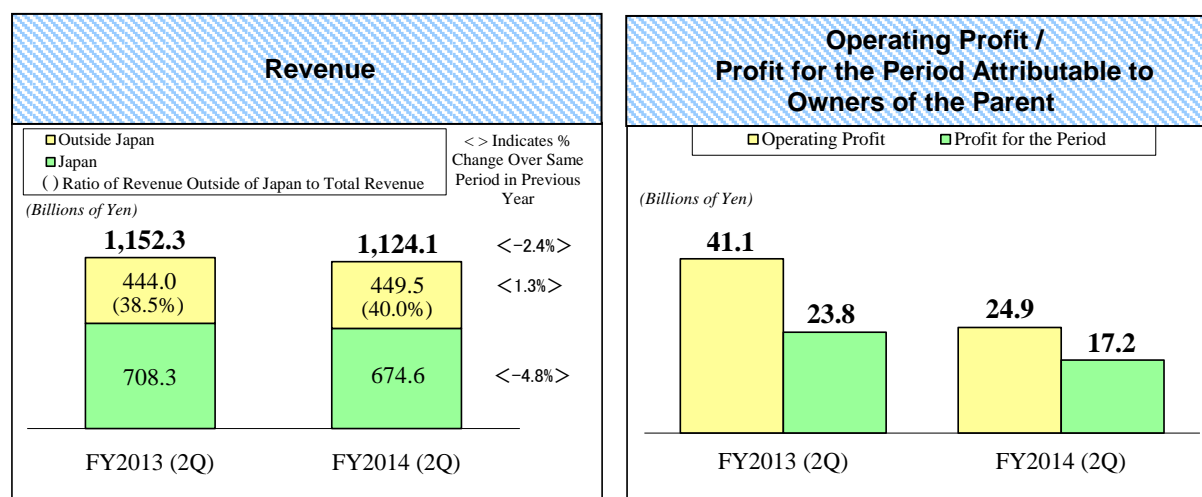
**[Financial Results by Business Segment]**

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

## 1-2. Second-Quarter

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

### <Profit and Loss>



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

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

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

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



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

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

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

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

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

## FY2014 Second-Quarter Consolidated Business Segment Information

### <Revenue\* by Principal Products and Services>

(Billions of yen)

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

#### Notes:

\* Revenue includes intersegment revenue.

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

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

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

<Revenue\* and Operating Profit>

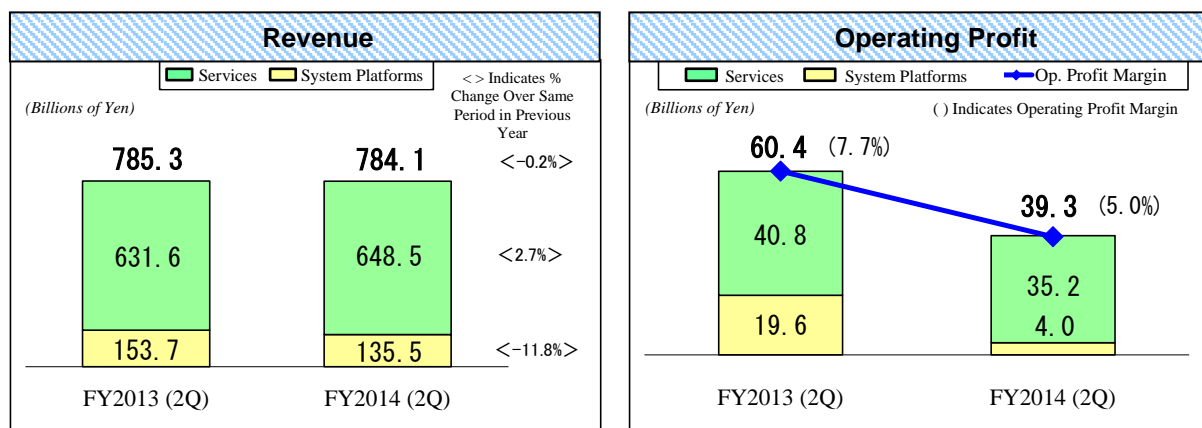
(Billions of yen)

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

## <Results by Business Segment>

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

### Technology Solutions



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

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

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

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

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

### (a) Services

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

(Billions of yen)

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

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

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

### (b) System Platforms

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

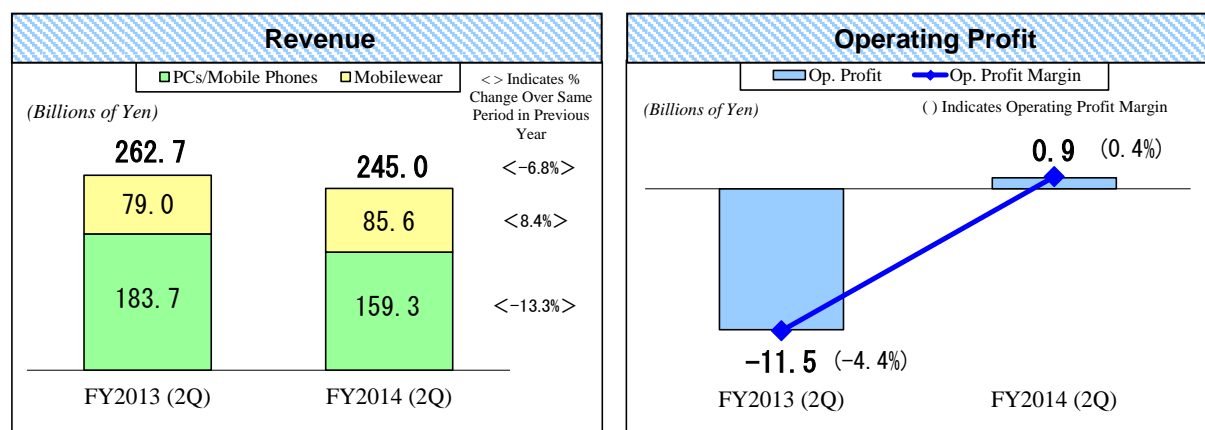
(Billions of yen)

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

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

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

## Ubiquitous Solutions



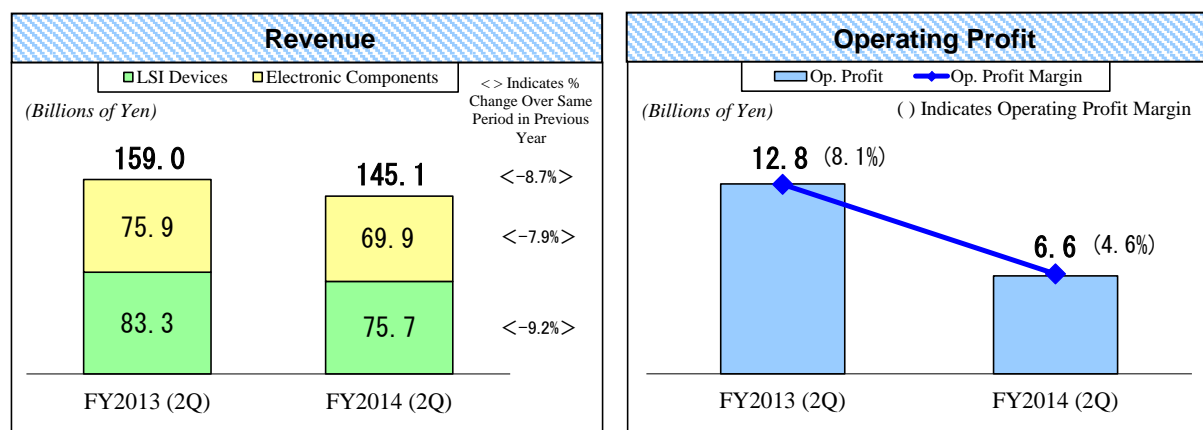
Revenue in the Ubiquitous Solutions segment was 245.0 billion yen (US\$2,248 million), a decrease of 6.8% from the same period of the prior fiscal year. Revenue in Japan fell by 12.1%. For PCs, there were higher unit sales in the first quarter on higher demand for upgrades as a consequence of the ending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

(Billions of yen)

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

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

## Device Solutions



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

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

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

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

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

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

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

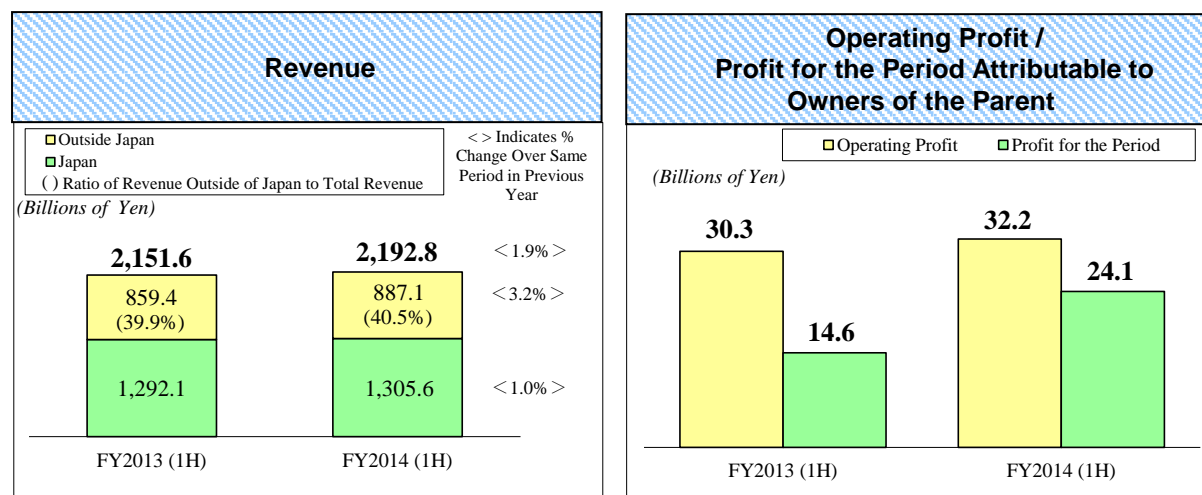
With respect to its 300mm production line in Mie, Fujitsu has decided to spin it off as a new foundry company in the third quarter of fiscal 2014, with the aim of having it operate as an independent company that will provide a stable supply of products to customers and expand its foundry operations.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



### 1-3. First-Half

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

#### <Profit and Loss>



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

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

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

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

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

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

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

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

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

#### **Comparison to Consolidated Projections Announced in July 2014**

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

## FY2014 First-Half Consolidated Business Segment Information

### <Revenue\* by Principal Products and Services>

(Billions of yen)

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

#### Notes:

\* Revenue includes intersegment revenue.

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

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

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

<Revenue\* and Operating Profit>

(Billions of yen)

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

## <Results by Business Segment>

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

### Technology Solutions

Revenue in the Technology Solutions segment amounted to 1,492.1 billion yen (US\$13,689 million), an increase of 2% from the same period in fiscal 2013. Revenue in Japan was essentially unchanged. In system integration services, although there was a decline in revenue from the public sector compared to last fiscal year's first half, when there was a temporary increase in demand for system integration services combined with hardware, overall revenue from system integration services rose, primarily in the financial services sector, as a result of expanded customer investments, continuing the trend from the previous fiscal year. Revenue from infrastructure services was solid. Server-related revenue fell sharply in comparison with the first half of fiscal 2013, when there were large-scale systems deals. Revenue from network products was essentially unchanged from the first half of fiscal 2013.

(Billions of yen)

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

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

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

### (a) Services

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

(Billions of yen)

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

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

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

### (b) System Platforms

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

(Billions of yen)

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

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

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

## Ubiquitous Solutions

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

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

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

## Device Solutions

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

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

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

(Billions of yen)

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

(Billions of yen)

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

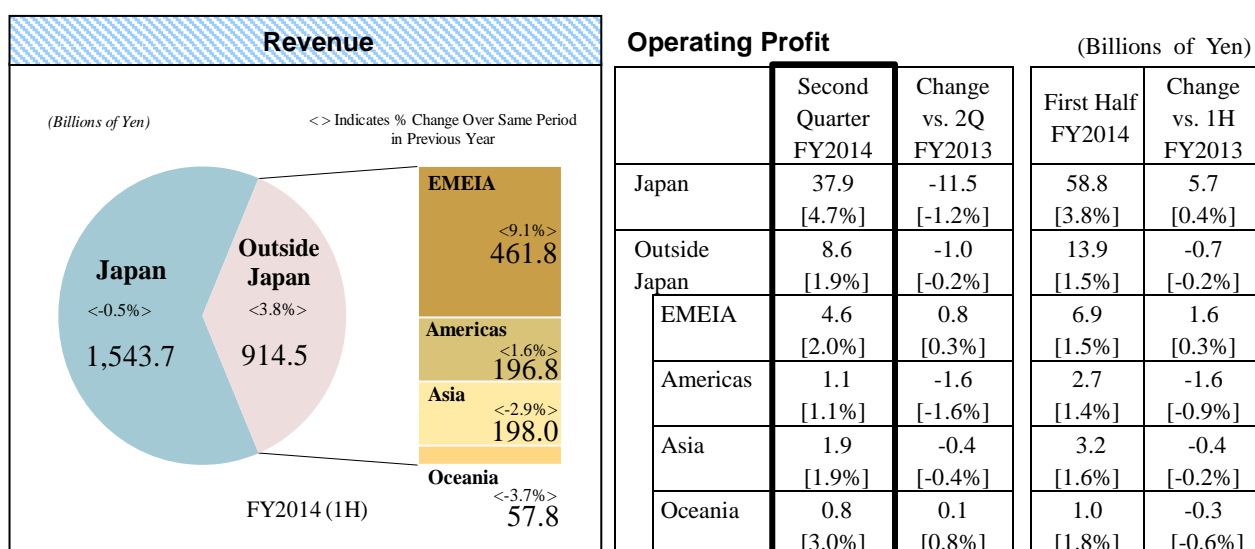
liquidation of an affiliate developing semiconductors for communication equipment, operating profit declined by 10.4 billion yen on lower revenue and intensified price competition in semiconductor packages and because results for the first half of the previous fiscal year included a one-time posting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

## Other/Elimination and Corporate

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

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

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



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



## 2. Explanation of Financial Condition

### [Assets, Liabilities and Equity]

(Billions of yen)

	Year-end FY2013 (As of March 31, 2014)	Second Quarter FY2014 (As of Sept. 30, 2014)	Change vs. Year- end FY2013	Second Quarter FY2013 (As of Sept. 30, 2013)
Current Assets	1,785.1	1,685.1	-100.0	1,650.1
[Cash and Cash Equivalents]	[ 301.1 ]	[ 306.9 ]	[ 5.7 ]	[ 331.7 ]
[Receivables, trade]	[ 980.2 ]	[ 843.7 ]	[ -136.5 ]	[ 785.1 ]
[Inventories]	[ 330.2 ]	[ 361.5 ]	[ 31.3 ]	[ 370.1 ]
Non-current Assets	1,320.7	1,335.0	14.3	1,306.4
[Property, plant and equipment, net of accumulated depreciation]	[ 622.4 ]	[ 630.1 ]	[ 7.6 ]	[ 621.8 ]
[Intangible assets (excluding goodwill)]	[ 158.8 ]	[ 163.3 ]	[ 4.4 ]	[ 158.3 ]
[Other investments]	[ 166.9 ]	[ 179.5 ]	[ 12.6 ]	[ 164.7 ]
<b>Total Assets</b>	<b>3,105.9</b>	<b>3,020.2</b>	<b>-85.7</b>	<b>2,956.5</b>
Current Liabilities	1,483.4	1,321.3	-162.0	1,512.3
[Payables, trade]	[ 641.2 ]	[ 542.3 ]	[ -98.8 ]	[ 541.7 ]
[Other payables]	[ 396.3 ]	[ 375.9 ]	[ -20.4 ]	[ 347.8 ]
[Short-term borrowings, current portion of long-term debt and lease obligations]	[ 142.6 ]	[ 115.2 ]	[ -27.3 ]	[ 322.5 ]
Non-current Liabilities	924.5	932.1	7.6	861.8
[Long-term debt and lease obligations]	[ 417.6 ]	[ 476.1 ]	[ 58.5 ]	[ 358.4 ]
[Net defined benefit liability]	[ 412.6 ]	[ 363.9 ]	[ -48.6 ]	[ 415.5 ]
<b>Total Liabilities</b>	<b>2,407.9</b>	<b>2,253.5</b>	<b>-154.4</b>	<b>2,374.1</b>
Total Equity Attributable to Owners of the Parent	566.5	633.8	67.3	459.1
[Retained earnings]	[ -54.3 ]	[ -3.7 ]	[ 50.5 ]	[ -159.2 ]
[Other components of equity]	[ 63.1 ]	[ 80.0 ]	[ 16.8 ]	[ 58.0 ]
Non-controlling Interests	131.4	132.8	1.3	123.2
<b>Total Equity</b>	<b>697.9</b>	<b>766.6</b>	<b>68.6</b>	<b>582.4</b>
<b>Total Liabilities and Equity</b>	<b>3,105.9</b>	<b>3,020.2</b>	<b>-85.7</b>	<b>2,956.5</b>

### [Cash Flows]

(Billions of yen)

	First Half FY2013 (4/1/2013 ~ 9/30/2013)	First Half FY2014 (4/1/2014 ~ 9/30/2014)	Change vs. 1H FY2013
I. Net Cash provided by Operating Activities	4.2	88.4	84.1
[Profit before income taxes]	[ 34.6 ]	[ 42.6 ]	[ 7.9 ]
[Depreciation, amortization and impairment loss]	[ 86.3 ]	[ 86.8 ]	[ 0.5 ]
[Increase (decrease) in provisions]	[ -34.6 ]	[ -20.9 ]	[ 13.7 ]
[Increase (decrease) in net defined benefit liability]	[ -19.5 ]	[ -1.4 ]	[ 18.1 ]
[Income taxes paid]	[ -24.8 ]	[ 5.0 ]	[ 29.8 ]
II. Net Cash Used in Investing Activities	-58.7	-93.1	-34.4
[Purchases of property, plant and equipment, and intangible assets]	[ -86.9 ]	[ -92.9 ]	[ -5.9 ]
[Proceeds from sale of available-for-sale financial assets]	[ 10.6 ]	[ 1.5 ]	[ -9.0 ]
[Proceeds from transfer of business]	[ 10.8 ]	[ - ]	[ -10.8 ]
I+II. Free Cash Flow	-54.5	-4.7	49.7
III. Net Cash provided by Financing Activities	90.5	10.7	-79.8
[Increase (decrease) in short-term borrowings]	[ -4.2 ]	[ 21.9 ]	[ 26.1 ]
[Proceeds from long-term debt and issuance of bonds]	[ 151.4 ]	[ 70.4 ]	[ -81.0 ]
[Repayments of long-term debt and bonds]	[ -46.1 ]	[ -64.0 ]	[ -17.9 ]
<b>IV. Cash and Cash Equivalents at End of Period</b>	<b>331.7</b>	<b>306.9</b>	<b>-24.7</b>

## (1) Assets, Liabilities and Equity

Consolidated total assets at the end of the first half of fiscal 2014 were 3,020.2 billion yen (US\$27,708 million), a decline of 85.7 billion yen from the end of fiscal 2013. Current assets decreased by 100.0 billion yen, compared with the end of fiscal 2013, to 1,685.1 billion yen. Trade receivables decreased by 136.5 billion yen compared to the end of the prior fiscal year on collections from the large concentration of revenue toward the end of the prior fiscal year. In preparation for future expected sales, particularly in the services business, inventories at the end of the first half of fiscal 2014 increased to 361.5 billion yen, rising 31.3 billion yen from the ending balance of fiscal 2013. Non-current assets increased by 14.3 billion yen, from the end of fiscal 2013, to 1,335.0 billion yen.

Consolidated total liabilities amounted to 2,253.5 billion yen (US\$20,674 billion), a decline of 154.4 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, in addition to a decline in the net defined benefit liability due to an improvement in the funded status of defined benefit plans. The balance of interest-bearing loans, however, increased to 591.4 billion yen, an increase of 31.2 billion yen from the end of fiscal 2013. A portion of working capital was financed with short-term borrowings. The D/E ratio was 0.93 times, a decrease of 0.06 of a point compared to the end of fiscal 2013, due to increase of total equity attributable to owners of the parent. The net D/E ratio was 0.45 times, essentially unchanged compared to the end of fiscal 2013.

The balance of equity was 766.6 billion yen (US\$7,033 million), an increase of 68.6 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. Equity Attributable to Owners of the Parent Ratio was 21.0%, representing an improvement of 2.8 percentage points compared to the end of fiscal 2013.

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

	(Billions of yen)		
	<b>FY2013</b> (As of March 31, 2014)	<b>2Q FY2014</b> (As of September 30, 2014)	Change vs. FY2013
Total	-455.1	-410.1	44.9
In Japan	-288.0	-256.7	31.3
Outside Japan	-167.0	-153.4	13.5

Equity) Retained Earnings, Net of Taxes	-366.4	-331.7	34.7
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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)

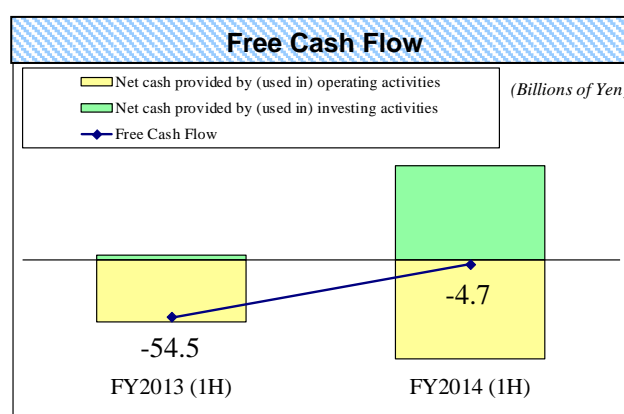
	FY2013 (March 31, 2014)	2Q FY2014 (September 30, 2014)	Change vs. FY2013	2Q FY2013 (September 30, 2013)
Cash and Cash Equivalents	301.1	306.9	5.7	331.7
Interest-bearing Loans	560.2	591.4	31.2	680.9
Net Interest-bearing Loans	259.0	284.5	25.4	349.1
Equity Attributable to Owners of the Parent	566.5	633.8	67.3	459.1

D/E Ratio (Times)	0.99	0.93	-0.06	1.48
Net D/E Ratio (Times)	0.46	0.45	-0.01	0.76
Equity Attributable to Owners of the Parent Ratio (%)	18.2 %	21.0 %	2.8 %	15.5 %

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 half amounted to 88.4 billion yen (US\$811 million). This represents an increase in cash inflows of 84.1 billion yen compared to the first half of fiscal 2013. In addition to an improvement in profit before income taxes, there was a reduction of approximately 30 billion yen in payment outflows for structural reform expenses relating to the LSI device business and businesses outside of Japan. In addition, the amount of income taxes paid declined, partly because of a refund of approximately 26 billion yen in income withheld in the second half of the prior fiscal year in relation to dividends received from subsidiaries in Japan.



Net cash used in investing activities was 93.1 billion yen (US\$854 million). Outflows mainly consisted of the acquisition of property, plant and equipment, primarily related to the infrastructure services business in and outside of Japan and production equipment for electronic components, and the acquisition of intangible assets, the combination of which amounted to 92.9 billion yen in cash outflows. Compared to the same period in fiscal 2013, net outflows increased by 34.4 billion yen. The reason for this decrease was that in the first half of fiscal 2013 there was an inflow of cash from the proceeds of transferring businesses, primarily the microcontroller and analogue device business, in relation to the restructuring of the LSI device business and also because, during this period, there were lower proceeds from the sale of available-for-sale financial assets.

Free cash flow, the sum of cash flows from operating and investing activities, was negative 4.7 billion yen (US\$43 million), representing an increase of 49.7 billion yen compared with the same period in the previous fiscal year.

Net cash provided by financing activities was 10.7 billion yen (US\$98 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 first half of fiscal 2014, partly finance the redemption of 60.0 billion yen in straight bonds that matured during the first half. Compared to the first half of fiscal 2013, cash inflows declined by 79.8 billion yen.

As a result of the above factors, cash and cash equivalents at the end of the first half of fiscal 2014 were 306.9 billion yen (US\$2,816 million), an increase of 5.7 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, 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 prolonged slump in consumer spending following a hike in the consumption tax and increased costs of imported raw materials due to yen depreciation. Still, it is anticipated that Japan's economy is on the road to a modest recovery owing to various government-initiated economic measures.

With regard to the projections announced in July 2014, for the first half of fiscal 2014, Fujitsu's revenue exceeded projections by approximately 40 billion yen and operating profit exceeded projections by approximately 7 billion yen. The weak yen impacted particularly the financial results in the Services sub-segment outside of Japan. In addition, a portion of the demand for mobile phones and LSI devices emerged sooner than anticipated. Further, profitability improved in the businesses such as mobile phones, LSI devices and PCs due to effective cost reductions.

In light of these circumstances, Fujitsu's earnings projections for fiscal 2014 are as outlined below. Assumptions on exchange rates for the second half of the fiscal year have remained unchanged from the previous projections as uncertainty remains due to unstable factor in the market.

For the full fiscal year, Fujitsu is projecting revenue of 4,800 billion yen, unchanged on a consolidated basis from the previous projections. Projected revenue in the Technology Solutions segment has been revised upward by 30 billion yen. In addition to higher revenue in the Services business in Japan from newly consolidated subsidiaries, the impact of the weak yen on the Services business outside Japan in the first half has been incorporated into the projection. Projected revenue in the Ubiquitous Solutions segment has been revised downward by 10 billion yen. Projected revenue in the Mobilewear sub-segment has been upwardly revised by 10 billion yen because of higher-than-anticipated vehicle production on the part of customers, but projected revenue in the PC business has been revised down by 20 billion yen due to lower demand for the second half of the fiscal year. Projected revenue in the Device Solutions segment has been revised down by 20 billion yen due to a downward revision to revenue from electronic components, reflecting the impact of lower demand for use in PCs and smartphones as well as a fall in prices.

Fujitsu is projecting operating profit of 185 billion yen, unchanged on a consolidated basis from the previous projections. Projected operating profit in the Device Solutions segment has been revised down by 3 billion yen because of lower demand, whereas projected operating profit in the Ubiquitous Solutions segment has been revised up by 3 billion yen, as a portion of the improved profitability in PCs has been incorporated into the projection.

There has been no change to projections for profit for the year before income taxes, which is projected to be 190 billion yen, or for profit for the year attributable to owners of the parent, which is projected to be 125 billion yen.

**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 Tax	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

**[Operating Profit by Business Segment]**

Technology Solutions	233.0	238.0	-	4.9	2.1
Services	173.8	178.0	-	4.1	2.4
System Platforms	59.2	60.0	-	0.7	1.3
Ubiquitous Solutions	-26.8	7.0	3.0	33.8	-
Device Solutions	11.5	24.0	-3.0	12.4	107.4
Other/Elimination and Corporate	-70.5	-84.0	-	-13.4	-

\* Previous Forecast as of July 31, 2014.

## Forecast for FY2014 Full-Year Consolidated Business Segment Information

<Revenue\* by Principal Products and Services>

(Billions of yen)

	FY2013 (Actual)	FY2014 (Forecast)		Change vs. FY2013		
		Current Forecast**	Change vs. Previous Forecast***	Change(%)	Change(%) Constant Currency****	
Technology Solutions	3,243.0	3,320.0	30.0	76.9	2.4	2
Services	2,627.2	2,690.0	30.0	62.7	2.4	2
Solutions / SI	920.4	940.0	10.0	19.5	2.1	2
Infrastructure Services	1,706.7	1,750.0	20.0	43.2	2.5	1
System Platforms	615.7	630.0	-	14.2	2.3	2
System Products	272.7	280.0	-	7.2	2.7	2
Network Products	343.0	350.0	-	6.9	2.0	2
Ubiquitous Solutions	1,125.4	1,040.0	-10.0	-85.4	-7.6	-8
PCs / Mobile Phones	799.3	700.0	-20.0	-99.3	-12.4	-13
Mobilewear	326.0	340.0	10.0	13.9	4.3	4
Device Solutions	600.2	590.0	-20.0	-10.2	-1.7	-2
LSI*****	321.6	290.0	-	-31.6	-9.8	-10
Electronic Components	280.2	300.0	-20.0	19.7	7.1	7

Notes:

- \* Revenue includes intersegment revenue.
- \*\* Current forecast as of October 30, 2014.
- \*\*\* Previous forecast as of July 31, 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)		Change vs. FY2013		
			Current Forecast**	Change vs. Previous Forecast***	Change(%)	Change(%) Constant Currency****	
Technology Solutions	Revenue	3,243.0	3,320.0	30.0	76.9	2.4	2
	Japan	2,054.2	2,090.0	10.0	35.7	1.7	2
	Outside Japan	1,188.7	1,230.0	20.0	41.2	3.5	2
	Operating Profit [Operating Profit Margin]	233.0 [7.2%]	238.0 [7.2%]	- [- %]	4.9 [- %]	2.1	
Services	Revenue	2,627.2	2,690.0	30.0	62.7	2.4	2
	Operating Profit [Operating Profit Margin]	173.8 [6.6%]	178.0 [6.6%]	- [-0.1%]	4.1 [- %]	2.4	
	System Platforms	615.7	630.0	-	14.2	2.3	2
	Operating Profit [Operating Profit Margin]	59.2 [9.6%]	60.0 [9.5%]	- [- %]	0.7 [-0.1%]	1.3	
Ubiquitous Solutions	Revenue	1,125.4	1,040.0	-10.0	-85.4	-7.6	-8
	Japan	794.4	680.0	-20.0	-114.4	-14.4	-14
	Outside Japan	331.0	360.0	10.0	28.9	8.7	7
	Operating Profit [Operating Profit Margin]	-26.8 [-2.4%]	7.0 [0.7%]	3.0 [0.3%]	33.8 [3.1%]	-	
Device Solutions	Revenue	600.2	590.0	-20.0	-10.2	-1.7	-2
	Japan	291.9	310.0	-10.0	18.0	6.2	6
	Outside Japan	308.3	280.0	-10.0	-28.3	-9.2	-10
	Operating Profit [Operating Profit Margin]	11.5 [1.9%]	24.0 [4.1%]	-3.0 [-0.3%]	12.4 [2.2%]	107.4	
LSI	Operating Profit	0.0	8.0	-	7.9	-	
Electronic Components	Operating Profit	11.4	16.0	-3.0	4.5	39.4	
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	2,940.0	-20.0	-20.9	-0.7	-1
	Outside Japan	1,801.4	1,860.0	20.0	58.5	3.2	2
	Operating Profit [Operating Profit Margin]	147.2 [3.1%]	185.0 [3.9%]	- [- %]	37.7 [0.8%]	25.6	

<Ratio of Revenue outside Japan>

37.8%

38.8%

0.5%

1.0%



## [Miscellaneous Forecasts for FY2014]

### a.Exchange rate (Average)

(Yen)

	FY2013		FY2014		Change vs. previous forecast**
	1Q, 2Q	3Q, 4Q	1Q, 2Q	3Q, 4Q	
	Actual	Actual	Actual	Current Forecast*	
U.S. Dollar	99	102	103	100	-
euro	130	139	139	135	-
British pound	152	166	173	160	-

Reference information:

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

U.S. dollar : Increase/decrease by approximately 0.1 billion yen.

euro: Increase/decrease by approximately 0.1 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 half of FY2014.

U.S. dollar : Increase/decrease by approximately 0.2 billion yen.

euro: Increase/decrease by approximately 0.2 billion yen.

British pound: Increase/decrease by approximately 0.1 billion yen.

### b.R&D Expenses

(Billions of yen)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2013	FY2014	FY2013	FY2014	
	Actual	Actual	Actual	Current Forecast*	
R&D expenses	111.9	101.4	222.5	230.0	-
As % of revenue	5.2%	4.6%	4.7%	4.8%	-

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

(Billions of yen)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2013	FY2014	FY2013	FY2014	
	Actual	Actual	Actual	Current Forecast*	
Technology Solutions	30.5	34.0	69.5	85.0	-
Ubiquitous Solutions	7.5	5.7	14.9	13.0	-
Device Solutions	17.4	29.8	33.9	54.0	10.0
Other/Corporate	1.9	1.5	4.3	3.0	-
Capital Expenditures	57.4	71.1	122.8	155.0	10.0
Depreciation	55.7	57.9	115.9	120.0	-

### d.Cash Flows

(Billions of yen)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2013	FY2014	FY2013	FY2014	
	Actual	Actual	Actual	Current Forecast*	
Profit attributable to owners of the parent	14.6	24.1	113.2	125.0	-
Depreciation, amortization & impairment loss	86.3	86.8	186.4	185.0	-
Others	-96.7	-22.5	-123.1	-40.0	-
(A)Cash flows from operating activities	4.2	88.4	176.5	270.0	-
(B)Cash flows from investing activities	-58.7	-93.1	-128.9	-190.0	-
(C)Free cash flow (A)+(B)	-54.5	-4.7	47.5	80.0	-
(D)Cash flows from financing activities	90.5	10.7	-46.2	-30.0	-
(E)Total (C)+(D)	36.0	6.0	1.3	50.0	-

Notes:

\* Current forecast as of October 30, 2014.

\*\* Previous forecast as of July 31, 2014.

**e.PC Shipments**

(Millions of units)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2013 Actual	FY2014 Actual	FY2013 Actual	FY2014 Current Forecast*	
PC Shipments	2.46	2.41	5.90	4.80	-0.30

**f.Mobile Phone Shipments**

(Millions of units)

	First-Half		Full-Year		Change vs. previous forecast**
	FY2013 Actual	FY2014 Actual	FY2013 Actual	FY2014 Current Forecast*	
Mobile Phone Shipments	1.30	1.70	3.70	3.10	-

## Notes:

\* Current forecast as of October 30, 2014.

\*\* Previous forecast as of July 31, 2014.

## Part II. Financial Tables

### 1. Condensed Consolidated Statements of Financial Position

(Millions of yen)

	Note	IFRS Transition Date (As of April 1, 2013)	FY2013 (As of March 31, 2014)	2Q FY2014 (As of Sept. 30, 2014)
<b>Assets</b>				
Current Assets				
Cash and cash equivalents		286,602	301,162	306,941
Receivables, trade		883,905	980,247	843,740
Other receivables		70,906	105,427	69,590
Inventories		323,092	330,202	361,502
Others		77,520	68,121	89,141
Subtotal		1,642,025	1,785,159	1,670,914
Assets held for sale		—	—	14,206
Total current assets		1,642,025	1,785,159	1,685,120
Non-current assets				
Property, plant and equipment, net of accumulated depreciation		622,181	622,480	630,123
Goodwill		32,607	37,533	39,132
Intangible assets		157,749	158,854	163,310
Investments accounted for using the equity method		33,716	37,271	42,027
Other investments		152,724	166,931	179,538
Deferred tax assets		204,547	183,401	166,311
Others		103,634	114,308	114,649
Total non-current assets		1,307,158	1,320,778	1,335,090
<b>Total Assets</b>		<b>2,949,183</b>	<b>3,105,937</b>	<b>3,020,210</b>
<b>Liabilities and Equity</b>				
<b>Liabilities</b>				
Current liabilities				
Payables, trade		566,757	641,211	542,391
Other payables		385,894	396,375	375,974
Short-term borrowings, current portion of long-term debt and lease obligations		304,095	142,608	115,287
Accrued income taxes		23,316	20,263	12,911
Provisions		132,426	111,196	93,006
Others		182,584	171,807	181,797
Total current liabilities		1,595,072	1,483,460	1,321,366
Non-current liabilities				
Long-term debt and lease obligations		271,582	417,635	476,162
Net defined benefit liability		474,367	412,632	363,975
Provisions		43,657	45,058	42,306
Deferred tax liabilities		5,784	6,544	6,889
Others		31,122	42,657	42,862
Total non-current liabilities		826,512	924,526	932,194
<b>Total Liabilities</b>		<b>2,421,584</b>	<b>2,407,986</b>	<b>2,253,560</b>
<b>Equity</b>				
Share capital		324,625	324,625	324,625
Capital surplus		236,509	233,510	233,466
Treasury stock, at cost		-340	-422	-486
Retained earnings		-195,876	-54,341	-3,781
Other components of equity	5-3	43,055	63,143	80,007
Total equity attributable to owners of the parent		407,973	566,515	633,831
Non-controlling interests		119,626	131,436	132,819
<b>Total Equity</b>		<b>527,599</b>	<b>697,951</b>	<b>766,650</b>
<b>Total Liabilities and Equity</b>		<b>2,949,183</b>	<b>3,105,937</b>	<b>3,020,210</b>

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

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

	Note	1H FY2013 (For the six-month period ended Sept. 30, 2013)	1H FY2014 (For the six-month period ended Sept. 30, 2014)
<b>Revenue</b>	5-2	<b>2,151,601</b>	<b>2,192,857</b>
Cost of sales		-1,580,768	-1,612,107
Gross profit		570,833	580,750
Selling, general and administrative expenses		-544,844	-548,468
Other income (expenses)		4,393	-9
<b>Operating Profit</b>	5-2	<b>30,382</b>	<b>32,273</b>
Financial income		5,815	11,472
Financial expenses		-3,666	-4,505
Income from investments accounted for using the equity method, net		2,151	3,373
<b>Profit before Income Taxes</b>		<b>34,682</b>	<b>42,613</b>
Income tax expenses		-15,826	-17,826
<b>Profit for the Period</b>		<b>18,856</b>	<b>24,787</b>
Profit for the period attributable to:			
Owners of the parent		14,651	24,107
Non-controlling interests		4,205	680
Total		18,856	24,787
Earning per share	5-4		
Basic earnings per share (Yen)		7.08	11.65
Diluted earnings per share (Yen)		7.07	11.65

**【First-Half Condensed Consolidated Statements of Comprehensive Income】** (Millions of yen)

	Note	1H FY2013 (For the six-month period ended Sept. 30, 2013)	1H FY2014 (For the six-month period ended Sept. 30, 2014)
<b>Profit for the Period</b>		<b>18,856</b>	<b>24,787</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		24,089	35,917
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		3,103	9,064
Cash flow hedges		82	-23
Available-for-sale financial assets		11,055	8,990
Share of other comprehensive income of investments accounted for using the equity method		1,755	98
		15,995	18,129
<b>Total Other Comprehensive Income for the Period, Net of Taxes</b>		<b>40,084</b>	<b>54,046</b>
<b>Total Comprehensive Income for the Period</b>		<b>58,940</b>	<b>78,833</b>
Total comprehensive income attributable to:			
Owners of the parent		51,559	75,700
Non-controlling interests		7,381	3,133
Total		58,940	78,833

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

	Note	2Q FY2013 (For the three-month period ended Sept. 30, 2013)	2Q FY2014 (For the three-month period ended Sept. 30, 2014)
<b>Revenue</b>	5-2	<b>1,152,368</b>	<b>1,124,186</b>
Cost of sales		-841,396	-824,346
Gross profit		310,972	299,840
Selling, general and administrative expenses		-271,768	-274,019
Other income (expenses)		1,902	-847
<b>Operating Profit</b>	5-2	<b>41,106</b>	<b>24,974</b>
Financial income		692	8,551
Financial expenses		-1,888	-2,668
Income from investments accounted for using the equity method, net		1,010	1,318
<b>Profit before Income Taxes</b>		<b>40,920</b>	<b>32,175</b>
Income tax expenses		-14,153	-13,514
<b>Profit for the Period</b>		<b>26,767</b>	<b>18,661</b>
Profit for the period attributable to:			
Owners of the parent		23,802	17,217
Non-controlling interests		2,965	1,444
Total		26,767	18,661
Earning per share	5-4		
Basic earnings per share (Yen)		11.50	8.32
Diluted earnings per share (Yen)		11.50	8.32

**【Second-Quarter Condensed Consolidated Statements of Comprehensive Income】** (Millions of yen)

	Note	2Q FY2013 (For the three-month period ended Sept. 30, 2013)	2Q FY2014 (For the three-month period ended Sept. 30, 2014)
<b>Profit for the Period</b>		<b>26,767</b>	<b>18,661</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		-17,847	21,174
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments		433	9,129
Cash flow hedges		80	-2
Available-for-sale financial assets		3,821	4,732
Share of other comprehensive income of investments accounted for using the equity method		570	1,046
		4,904	14,905
<b>Total Other Comprehensive Income for the Period, Net of Taxes</b>		<b>-12,943</b>	<b>36,079</b>
<b>Total Comprehensive Income for the Period</b>		<b>13,824</b>	<b>54,740</b>
Total comprehensive income attributable to:			
Owners of the parent		11,518	51,321
Non-controlling interests		2,306	3,419
Total		13,824	54,740

### 3. Condensed Consolidated Statements of Changes in Equity

**【1H FY2013 (For the six-month period ended Sept. 30, 2013)】**

(Millions of yen)

	Note	Equity Attributable to Owners of the Parent					Total	Non-Controlling Interests	Total Equity	
		Share Capital	Capital Surplus	Treasury Stock, at Cost	Retained Earnings	Other Components of Equity				
<b>As of April 1, 2013</b>		<b>324,625</b>	<b>236,509</b>	<b>-340</b>	<b>-195,876</b>	<b>43,055</b>	<b>407,973</b>	<b>119,626</b>	<b>527,599</b>	
Profit for the period	5-3				14,651		14,651	4,205	18,856	
Other comprehensive income						36,908	36,908	3,176	40,084	
Total comprehensive income for the period			—	—	—	14,651	36,908	51,559	7,381	58,940
Purchase of treasury stock					-27			-27		-27
Dividends paid								—	-1,556	-1,556
Transfer to retained earnings						22,004	-22,004	—		—
Acquisition (disposal) of non-controlling interests				-428				-428	-178	-606
Changes in ownership interests in subsidiaries								—	-1,878	-1,878
Others						102	102	-127	-25	
<b>As of Sept. 30, 2013</b>		<b>324,625</b>	<b>236,081</b>	<b>-367</b>	<b>-159,221</b>	<b>58,061</b>	<b>459,179</b>	<b>123,268</b>	<b>582,447</b>	

**【1H FY2014 (For the six-month period ended Sept. 30, 2014)】**

(Millions of yen)

	Note	Equity Attributable to Owners of the Parent					Total	Non-Controlling Interest	Total Equity	
		Share Capital	Capital Surplus	Treasury Stock, at Cost	Retained Earnings	Other Components of Equity				
<b>As of April 1, 2014</b>		<b>324,625</b>	<b>233,510</b>	<b>-422</b>	<b>-54,341</b>	<b>63,143</b>	<b>566,515</b>	<b>131,436</b>	<b>697,951</b>	
Profit for the period	5-3				24,107		24,107	680	24,787	
Other comprehensive income						51,593	51,593	2,453	54,046	
Total comprehensive income for the period			—	—	—	24,107	51,593	75,700	3,133	78,833
Purchase of treasury stock					-65			-65	-2	-67
Disposal of treasury stock					1			1		1
Dividends paid						-8,276		-8,276	-1,882	-10,158
Transfer to retained earnings						34,729	-34,729	—		—
Others				-44				-44	134	90
<b>As of Sept. 30, 2014</b>		<b>324,625</b>	<b>233,466</b>	<b>-486</b>	<b>-3,781</b>	<b>80,007</b>	<b>633,831</b>	<b>132,819</b>	<b>766,650</b>	

#### 4. Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Note	1H FY2013 (For the six-month period ended Sept. 30, 2013)	1H FY2014 (For the six-month period ended Sept. 30, 2014)
<b><i>Cash Flows from Operating Activities</i></b>			
Profit before income taxes		34,682	42,613
Depreciation, amortization and impairment loss		86,360	86,869
Increase (decrease) in provisions		-34,695	-20,927
Increase (decrease) in net defined benefit liability		-19,554	-1,425
Interest and dividend income		-3,087	-2,968
Interest charges		3,191	3,039
Equity in earnings of affiliates, net		-2,151	-3,373
(Increase) decrease in receivables, trade		114,878	141,864
(Increase) decrease in inventories		-49,896	-33,350
Increase (decrease) in payables, trade		-38,397	-101,753
Other, net		-62,849	-27,584
Cash generated from operations		28,482	83,005
Interest received		1,079	989
Dividends received		2,892	2,379
Interest paid		-3,338	-2,981
Income taxes paid		-24,868	5,024
<b>Net Cash Provided by Operating Activities</b>		<b>4,247</b>	<b>88,416</b>
<b><i>Cash Flows from Investing Activities</i></b>			
Purchases of property, plant, equipment, and intangible assets		-86,968	-92,932
Proceeds from sale of available-for-sale financial assets		10,631	1,563
Proceeds from transfer of business		10,807	—
Other, net		6,764	-1,803
<b>Net Cash Used in Investing Activities</b>		<b>-58,766</b>	<b>-93,172</b>
<b><i>Cash Flows from Financing Activities</i></b>			
Increase (decrease) in short-term borrowings		-4,227	21,969
Proceeds from long-term debt and issuance of bonds		151,477	70,422
Repayment of long-term debt and bonds		-46,107	-64,094
Payment of lease obligation		-8,073	-7,557
Dividends paid to owners of the parent		—	-8,276
Other, net		-2,475	-1,707
<b>Net Cash Provided by Financing Activities</b>		<b>90,595</b>	<b>10,757</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>36,076</b>	<b>6,001</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>		<b>284,548</b>	<b>301,162</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>		<b>11,103</b>	<b>-222</b>
<b>Cash and Cash Equivalents at End of Period</b>		<b>331,727</b>	<b>306,941</b>

## 5. Notes to Financial Statements

### 1. Cautionary Note Regarding Assumptions of a Going Concern

There are none.

### 2. 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.

#### (i) 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 to serve customers the optimum products, software and services in an integrated format. This matrix structure is also organized along customer lines, categorized into five regions, consisting of Japan, EMEA (Europe, Middle East, India and Africa), 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.

#### (ii) 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).

#### (iii) 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 financing (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's length price.



## (2) Amounts of Revenue and Operating Profit by Reportable Segments

1H FY2013 (For six-month period ended September 30, 2013)

(Millions of yen)

	Reportable Segments				Other	Adjustments	Consolidated
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total			
<b>Revenue</b>							
External customers	1,438,503	419,017	279,514	2,137,034	5,653	8,914	2,151,601
Intersegment	24,464	59,678	24,963	109,105	21,580	-130,685	—
Total Revenue	1,462,967	478,695	304,477	2,246,139	27,233	-121,771	2,151,601
<b>Operating Profit</b>	74,888	-28,593	20,065	66,360	-3,852	-32,126	30,382
Financial income							5,815
Financial expenses							-3,666
Income from investments accounted for using the equity method, net							2,151
<b>Profit before Income Taxes</b>							34,682

1H FY2014 (For six-month period ended September 30, 2014)

(Millions of yen)

	Reportable Segments				Other	Adjustments	Consolidated
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total			
<b>Revenue</b>							
External customers	1,471,093	449,104	256,278	2,176,475	5,851	10,531	2,192,857
Intersegment	21,061	64,820	24,135	110,016	22,832	-132,848	—
Total Revenue	1,492,154	513,924	280,413	2,286,491	28,683	-122,317	2,192,857
<b>Operating Profit</b>	50,715	9,671	9,970	70,356	-5,038	-33,045	32,273
Financial income							11,472
Financial expenses							-4,505
Income from investments accounted for using the equity method, net							3,373
<b>Profit before Income Taxes</b>							42,613

2Q FY2013 (For three-month period ended September 30, 2013)

(Millions of yen)

	Reportable Segments				Other	Adjustments	Consolidated
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total			
<b>Revenue</b>							
External customers	772,149	227,638	144,967	1,144,754	3,023	4,591	1,152,368
Intersegment	13,230	35,109	14,126	62,465	11,028	-73,493	—
Total Revenue	785,379	262,747	159,093	1,207,219	14,051	-68,902	1,152,368
<b>Operating Profit</b>	60,490	-11,567	12,888	61,811	-2,322	-18,383	41,106
Financial income							692
Financial expenses							-1,888
Income from investments accounted for using the equity method, net							1,010
<b>Profit before Income Taxes</b>							40,920

2Q FY2014 (For three-month period ended September 30, 2014)

(Millions of yen)

	Reportable Segments				Other	Adjustments	Consolidated
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total			
<b>Revenue</b>							
External customers	772,262	209,834	132,746	1,114,842	3,117	6,227	1,124,186
Intersegment	11,850	35,168	12,443	59,461	11,532	-70,993	—
Total Revenue	784,112	245,002	145,189	1,174,303	14,649	-64,766	1,124,186
<b>Operating Profit</b>	39,303	937	6,616	46,856	-2,283	-19,599	24,974
Financial income							8,551
Financial expenses							-2,668
Income from investments accounted for using the equity method, net							1,318
<b>Profit before Income Taxes</b>							32,175

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 half of fiscal 2013 and the first half of fiscal 2014, corporate expenses were -31,336 million yen and -33,321 million yen, respectively, and the elimination of intersegment transactions was -790 million yen and 276 million yen, respectively.  
For the second quarter of fiscal 2013 and the second quarter of fiscal 2014, corporate expenses were -15,530 million yen and -18,609 million yen, respectively, and the elimination of intersegment transactions was -2,853 million yen and -990 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)	
	1H FY2013 (For six-month period ended September 30, 2013)	1H FY2014 (For six-month period ended September 30, 2014)	
Technology Solutions			
Services	1,170,812	1,216,038	
System Platforms	267,691	255,055	
Ubiquitous Solutions			
PCs/Mobile phones	270,345	282,975	
Mobilewear	148,672	166,129	
Device Solutions			
LSI	148,869	134,311	
Electronic components	130,645	121,967	
Other Operations	5,653	5,851	
Elimination and Corporate	8,914	10,531	
<b>Total</b>	<b>2,151,601</b>	<b>2,192,857</b>	

Revenue to External Customers		(Millions of yen)	
	2Q FY2013 (For three-month period ended September 30, 2013)	2Q FY2014 (For three-month period ended September 30, 2014)	
Technology Solutions			
Services	622,901	641,091	
System Platforms	149,248	131,171	
Ubiquitous Solutions			
PCs/Mobile phones	150,842	125,310	
Mobilewear	76,796	84,524	
Device Solutions			
LSI	76,731	70,269	
Electronic components	68,236	62,477	
Other Operations	3,023	3,117	
Elimination and Corporate	4,591	6,227	
<b>Total</b>	<b>1,152,368</b>	<b>1,124,186</b>	

(4) Geographical Information (Based on Customer Locations)

Revenue to External Customers		(Millions of yen)	
	1H FY2013 (For six-month period ended September 30, 2013)	1H FY2014 (For six-month period ended September 30, 2014)	
Japan	1,292,123	1,305,668	
Outside Japan			
EMEIA	416,266	463,492	
Americas	198,619	191,675	
Asia	185,708	175,700	
Oceania	58,885	56,322	
Sub Total	859,478	887,189	
Total	2,151,601	2,192,857	

Revenue to External Customers		(Millions of yen)	
	2Q FY2013 (For three-month period ended September 30, 2013)	2Q FY2014 (For three-month period ended September 30, 2014)	
Japan	708,351	674,602	
Outside Japan			
EMEIA	214,677	232,912	
Americas	101,222	95,998	
Asia	99,698	92,947	
Oceania	28,420	27,727	
Sub Total	444,017	449,584	
Total	1,152,368	1,124,186	

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 and Africa): UK, Germany, Spain, Finland and Sweden
  - (2) Americas: US, Canada
  - (3) Asia: China, Singapore, Korea and Taiwan
  - (4) Oceania: Australia
3. There is no country that is required to have a separate individual disclosure.

### 3. Equity and Other Components of Equity

#### Other components of Equity and Changes in Other Comprehensive Income

(Millions of yen)

	1H FY2013 (For six-month period ended September 30, 2013)	1H FY2014 (For six-month period ended September 30, 2014)
Foreign currency translation adjustments		
Beg. Balance	4,738	13,023
Other Comprehensive Income	4,051	7,677
Others	—	—
End. Balance	8,789	20,700
Cash flow hedges		
Beg. Balance	-46	20
Other Comprehensive Income	137	149
Others	—	—
End. Balance	91	169
Available-for-sale financial assets		
Beg. Balance	38,363	50,100
Other Comprehensive Income	10,818	9,038
Others	—	—
End. Balance	49,181	59,138
Remeasurement of Defined Benefit Plans		
Beg. Balance	—	—
Other Comprehensive Income	21,902	34,729
Others	-21,902	-34,729
End. Balance	—	—
Other Components of Equity		
Beg. Balance	43,055	63,143
Other Comprehensive Income	36,908	51,593
Others	-21,902	-34,729
End. Balance	58,061	80,007

## 4. Earnings per Share

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

### Basic Earnings per Share

		1H FY2013 (For six-month period ended September 30, 2013)	1H FY2014 (For six-month period ended September 30, 2014)
Profit for the period, attributable to ordinary equity holders of the parent	Millions of yen	14,651	24,107
Weighted average number of ordinary shares - basic	Thousands of share	2,069,254	2,069,076
Earnings per shares	Yen	7.08	11.65

### Diluted Earnings per Share

		1H FY2013 (For six-month period ended September 30, 2013)	1H FY2014 (For six-month period ended September 30, 2014)
Profit for the period, attributable to ordinary equity holders of the parent	Millions of yen	14,651	24,107
Adjustment related to dilutive securities issued by subsidiaries and affiliates	Millions of yen	-16	-1
Profit used to calculate diluted earnings per share	Millions of yen	14,635	24,106
Weighted average number of ordinary shares - basic	Thousands of share	2,069,254	2,069,076
Weighted average number of ordinary shares - diluted	Thousands of share	2,069,254	2,069,076
Diluted earnings per share	Yen	7.07	11.65

### Basic Earnings per Share

		2Q FY2013 (For three-month period ended September 30, 2013)	2Q FY2014 (For three-month period ended September 30, 2014)
Profit for the period, attributable to ordinary equity holders of the parent	Millions of yen	23,802	17,217
Weighted average number of ordinary shares - basic	Thousands of share	2,069,236	2,069,050
Earnings per shares	Yen	11.50	8.32

### Diluted Earnings per Share

		2Q FY2013 (For three-month period ended September 30, 2013)	2Q FY2014 (For three-month period ended September 30, 2014)
Profit for the period, attributable to ordinary equity holders of the parent	Millions of yen	23,802	17,217
Adjustment related to dilutive securities issued by subsidiaries and affiliates	Millions of yen	-2	-2
Profit used to calculate diluted earnings per share	Millions of yen	23,800	17,215
Weighted average number of ordinary shares - basic	Thousands of share	2,069,236	2,069,050
Weighted average number of ordinary shares - diluted	Thousands of share	2,069,236	2,069,050
Diluted earnings per share	Yen	11.50	8.32

## 5. 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*, and 2) Significant Differences with Japanese Accounting Standards**

Please refer to “Part II. Financial Tables, 8. First-time Adoption” in FY2014 First-Quarter Financial Results.

### **3) Reconciliations Based on IFRS 1**

Based on IFRS 1, the reconciliations to comprehensive income for the previous fiscal year's first half (April 1- September 30, 2013) and second quarter (July 1- September 30, 2013) are as follows.

For the reconciliations to equity for the date of transition to IFRS (April 1, 2013) and the end of the previous fiscal year (March 31, 2014), and the reconciliations to comprehensive income for the previous fiscal year (April 1, 2013 – March 31, 2014), please refer to “Part II. Financial Tables, 8. First-time Adoption” in FY2014 First-Quarter Financial Results.



**Reconciliations to Comprehensive Income for the First Half Ended September 30, 2013  
(April 1, 2013 - September 30, 2013)**

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Net sales		2,151,601	—	—	2,151,601	Revenue
Cost of sales	A	-1,581,472	—	704	-1,580,768	Cost of sales
Gross profit		570,129	—	704	570,833	Gross profit
Selling, general and administrative expenses	A	-559,308	-1,004	15,468	-544,844	Selling, general and administrative expenses
	B	—	-3,790	8,183	4,393	Other income (expenses)
Operating income		10,821	-4,794	24,355	30,382	Operating profit
Other income						
Interest income	C	—	5,815	—	5,815	Financial income
Dividend income	C	981	-981	—	—	
Equity in earnings of affiliates, net	C	2,106	-2,106	—	—	
Gain on foreign exchange, net	C	1,807	—	344	2,151	Income from investments accounted for using the equity method, net
Gain on sales of investment securities	B,C	915	-915	—	—	
Others	B,C	1,829	-1,829	—	—	
Total other income		3,479	-3,479	—	—	
		11,117	-3,495	344	7,966	
Other expenses						
Interest charges	C	—	-3,572	-94	-3,666	Financial expenses
Loss on disposal of property, plant and equipment and intangible assets	C	-3,191	3,191	—	—	
Others	B	-975	975	—	—	
Total other expenses	B,C	-3,842	3,842	—	—	
		-8,008	4,436	-94	-3,666	
Ordinary income		13,930	-13,930	—	—	
Extraordinary gains		—	—	—	—	
Extraordinary losses		-3,853	3,853	—	—	
Income (loss) before income taxes and minority interests		10,077	—	24,605	34,682	Profit before income taxes
Total income taxes	D	-15,512	—	-314	-15,826	Income tax expenses
Income (loss) before minority interests		-5,435	—	24,291	18,856	Profit for the period
Minority interests in income (loss) of consolidated subsidiaries	E	—	-9,626	24,277	14,651	Profit for the period attributable to: Owners of the parent
		4,191	—	14	4,205	Non-controlling interests
		—	—	—	18,856	Total
Net income (loss)		-9,626	9,626	—	—	

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Income (loss) before minority interests		-5,435	—	24,291	18,856	Profit for the period
Other comprehensive income	F					Other comprehensive income
Remeasurements of defined benefit plans, net of taxes		-2,429	—	26,518	24,089	Items that will not be reclassified to profit or loss Remeasurement of defined benefit plans
Foreign currency translation adjustments		18,663	—	-15,560	3,103	Items that may be reclassified subsequently to profit or loss Foreign currency translation adjustments
Deferred gains or losses on hedges, net of taxes		82	—	—	82	Cash flow hedges
Unrealized gain and loss on securities, net of taxes		9,767	—	1,288	11,055	Available-for-sale financial assets
Share of other comprehensive income of affiliates accounted for using the equity method		1,829	—	-74	1,755	Share of other comprehensive income of investments accounted for using the equity method
		—	—	-14,346	15,995	
Total other comprehensive income		27,912	—	12,172	40,084	Total other comprehensive income, net of taxes
Comprehensive income:		22,477	—	36,463	58,940	Total comprehensive income for the period:
Attributable to:						Total comprehensive income for the period attributable to:
Owners of the parent		17,543	—	34,016	51,559	Owners of the parent
Minority interests	G	4,934	—	2,447	7,381	Non-controlling interests
		22,477	—	36,463	58,940	Total

**Reconciliations to Comprehensive Income for the Second Quarter Ended September 30, 2013  
(July 1, 2013 - September 30, 2013)**

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Net sales		1,152,368	—	—	1,152,368	Revenue
Cost of sales	A	-841,852	—	456	-841,396	Cost of sales
Gross profit		310,516	—	456	310,972	Gross profit
Selling, general and administrative expenses	A	-276,859	-2,401	7,492	-271,768	Selling, general and administrative expenses
	B	—	-2,138	4,040	1,902	Other income (expenses)
Operating income		33,657	-4,539	11,988	41,106	Operating profit
Other income						
Interest income	C	—	692	—	692	Financial income
Dividend income	C	490	-490	—	—	
Equity in earnings of affiliates, net	C	124	-124	—	—	
Gain on sales of investment securities	C	841	—	169	1,010	Income from investments accounted for using the equity method, net
Others	B,C	78	-78	—	—	
Total other income	B,C	1,786	-1,786	—	—	
		3,319	-1,786	169	1,702	
Other expenses						
Interest charges	C	—	-1,839	-49	-1,888	Financial expenses
Loss on foreign exchange, net	C	-1,592	1,592	—	—	
Loss on disposal of property, plant and equipment and intangible assets	C	-5	5	—	—	
Others	B	-555	555	—	—	
Total other expenses	B,C	-2,159	2,159	—	—	
		-4,311	2,472	-49	-1,888	
Ordinary income		32,665	-32,665	—	—	
Extraordinary gains		—	—	—	—	
Extraordinary losses		-3,853	3,853	—	—	
Income (loss) before income taxes and minority interests		28,812	—	12,108	40,920	Profit before income taxes
Total income taxes	D	-14,285	—	132	-14,153	Income tax expenses
Income (loss) before minority interests		14,527	—	12,240	26,767	Profit for the period
Minority interests in income (loss) of consolidated subsidiaries	E	—	12,357	11,445	23,802	Profit for the period attributable to: Owners of the parent
		2,170	—	795	2,965	Non-controlling interests
		—	—	—	26,767	Total
Net income (loss)		12,357	-12,357	—	—	

(Millions of Yen)

Presentation under JGAAP	Note	JGAAP	Reclassification	Recognition and Measurement	IFRS	Presentation under IFRS
Income (loss) before minority interests		14,527	—	12,240	26,767	Profit for the period
Other comprehensive income	F					Other comprehensive income
Remeasurements of defined benefit plans, net of taxes		-2,880	—	-14,967	-17,847	Items that will not be reclassified to profit or loss Remeasurement of defined benefit plans
Foreign currency translation adjustments		8,189	—	-7,756	433	Items that may be reclassified subsequently to profit or loss Foreign currency translation adjustments
Deferred gains or losses on hedges, net of taxes		80	—	—	80	Cash flow hedges
Unrealized gain and loss on securities, net of taxes		3,822	—	-1	3,821	Available-for-sale financial assets
Share of other comprehensive income of affiliates accounted for using the equity method		640	—	-70	570	Share of other comprehensive income of investments accounted for using the equity method
		—	—	-7,827	4,904	
Total other comprehensive income		9,851	—	-22,794	-12,943	Total other comprehensive income, net of taxes
Comprehensive income:		24,378	—	-10,554	13,824	Total comprehensive income for the period:
Attributable to:						Total comprehensive income for the period attributable to:
Owners of the parent		22,298	—	-10,780	11,518	Owners of the parent
Minority interests	G	2,080	—	226	2,306	Non-controlling interests
		24,378	—	-10,554	13,824	Total

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

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

Reclassification: 1,004 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 1,004 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 1,049 million yen, and selling, general and administrative expenses have decreased by 2,660 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 8,546 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 4,913 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 1,760 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 12 million yen and the research and development expense that is recognized as selling, general and administrative expenses has increased by 649 million yen.

In addition, because of an adjustment to the “Others” account, cost of sales has been reduced by 5 million yen, and selling, general and administrative expenses have been increased by 2 million yen.

As a result of the adjustments described above, cost of sales has been reduced by 704 million yen, and selling, general and administrative expenses have been reduced by 15,468 million yen.

#### B. Other Income (Expenses)

Reclassification: A total of 5,024 million yen, comprised under Japanese accounting standards of 1,004 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, 3,479 million yen in other income that was recorded under “Others,” and 541 million yen from an equity transaction at a subsidiary outside of Japan, which was included in gain on sale of investment securities, has been reclassified and recorded as an increase to other income.

A total of 8,670 million yen, comprised under Japanese accounting standards of 3,853 million yen in extraordinary losses, 3,842 million yen in other expenses recorded under “Others,” and 975 million yen in losses on the disposal of property, plant and equipment, has been reclassified and recorded as a reduction to other income.

Of these amounts, 525 million yen in financial income and 381 million yen in financial expenses have been transferred out of other income and recorded in financial income and expenses, respectively, thereby decreasing other income by 144 million yen. As a result of these changes, other income has been reduced by 3,790 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, other income was increased by 4,550 million yen.

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, 3,477 million yen is recognized as an increase to other income.

In addition, because of an adjustment to the “Others” account, other income was increased by 156 million yen.

As a result of the adjustments described above, other income has been increased by 8,183 million yen.

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

Reclassification:

A total of 5,815 million yen, comprised of 981 million yen in interest income, 2,106 million yen in dividend income, 915 million yen in gains on foreign exchange, net, 1,288 million yen in gains on sales of investment securities, excluding equity transactions, and 525 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, a total of 3,572 million yen, comprised of 3,191 million yen in interest expenses and 381 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 344 million yen. In addition, financial expenses have increased by 94 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 reduced by 421 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 735 million yen. The effect of these adjustments has been to increase income tax expenses by 314 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 increased by 14 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, 26,518 million yen is recognized in other comprehensive income.

##### Foreign Currency Translation Adjustments

15,560 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, 1,288 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 decrease, the Company's share of other comprehensive income of the affiliates has been reduced by 74 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 2,447 million yen.



## [Notes on the Reconciliations to Comprehensive Income for the Previous Fiscal Year's Second Quarter (July 1, 2013 - September 30, 2013)]

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

Reclassification: 2,401 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 2,401 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 429 million yen, and selling, general and administrative expenses have decreased by 1,341 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 4,263 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 2,422 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 886 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 research and development expense that is recognized as selling, general and administrative expenses has increased by 532 million yen.

In addition, because of an adjustment to the “Others” account, cost of sales has been reduced by 5 million yen, and selling, general and administrative expenses have been increased by 2 million yen.

As a result of the adjustments described above, cost of sales has been reduced by 456 million yen, and selling, general and administrative expenses have been reduced by 7,492 million yen.

#### B. Other Income (Expenses)

Reclassification: A total of 4,187 million yen, comprised under Japanese accounting standards of 2,401 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, and 1,786 million yen in other income that was recorded under “Others,” has been reclassified and recorded as an increase to other income.

A total of 6,567 million yen, comprised under Japanese accounting standards of 3,853 million yen in extraordinary losses, 2,159 million yen in other expenses recorded under “Others,” and 555 million yen in losses on the disposal of property, plant and equipment in other expenses, has been reclassified and recorded as a reduction to other income.

Of these amounts, 242 million yen in financial expenses has been transferred out of other income and recorded in financial expenses, thereby increasing other income by 242 million yen.

As a result of these changes, other income has been reduced by 2,138 million yen.

Recognition and Measurement:

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, 3,477 million yen is recognized as an increase to other income.

In addition, because of an adjustment to the “Others” account, other income was increased by 563 million yen.

As a result of the adjustments described above, other income has been increased by 4,040 million yen.

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

Reclassification:

A total of 692 million yen, comprised of 490 million yen in interest income, 124 million yen in dividend income, and 78 million yen in gains on sales of investment securities, has been reclassified as financial income under IFRS.

In addition, a total of 1,839 million yen, comprised of 1,592 million yen in interest expenses, 5 million yen in losses on foreign exchange, net, 242 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 169 million yen. In addition, financial expenses have increased by 49 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 decreased by 539 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 407 million yen. The effect of these adjustments has been to decrease income tax expenses by 132 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 increased by 795 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, 14,967 million yen is recognized in other comprehensive income.

##### Foreign Currency Translation Adjustments

7,756 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 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 decrease, the Company's share of other comprehensive income of the affiliates has been reduced by 70 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 226 million yen.

**Reconciliations to the Consolidated Statement of Cash Flows for the Previous Fiscal Year's First Half (April 1, 2013 – September 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.