

TRANSLATION



Interim Report  
On  
First-Half FY 2011 Financial Results  
(Six months ended September 30, 2011)

FUJITSU LIMITED

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*Note:*

This English translation of the interim report contains minor stylistic differences from the original Japanese version.

# FUJITSU Way

On April 1, 2008, Fujitsu announced a fully revised Fujitsu Way. The Fujitsu Way will facilitate management innovation and promote a unified direction for the Fujitsu Group as we expand our global business activities, bringing innovative technology and solutions to every corner of the globe.

The Fujitsu Way provides a common direction for all employees of the Fujitsu Group. By adhering to its principles and values, employees enhance corporate value and their contributions to global and local societies.

**Corporate Vision**

**Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world.**

**Corporate Values**

**What we strive for :**

<b>Society and Environment</b>	In all our actions, we protect the environment and contribute to society.
<b>Profit and Growth</b>	We strive to meet the expectations of customers, employees and shareholders.
<b>Shareholders and Investors</b>	We seek to continuously increase our corporate value.
<b>Global Perspective</b>	We think and act from a global perspective.

**What we value:**

<b>Employees</b>	We respect diversity and support individual growth.
<b>Customers</b>	We seek to be their valued and trusted partner.
<b>Business Partners</b>	We build mutually beneficial relationships.
<b>Technology</b>	We seek to create new value through innovation.
<b>Quality</b>	We enhance the reputation of our customers and the reliability of social infrastructure.

**Principles**

<b>Global Citizenship</b>	We act as good global citizens, attuned to the needs of society and the environment.
<b>Customer-Centric Perspective</b>	We think from the customer's perspective and act with sincerity.
<b>Firsthand Understanding</b>	We act based on a firsthand understanding of the actual situation.
<b>Spirit of Challenge</b>	We strive to achieve our highest goals.
<b>Speed and Agility</b>	We act flexibly and promptly to achieve our objectives.
<b>Teamwork</b>	We share common objectives across organizations, work as a team and act as responsible members of the team.

- Code of Conduct**
- We respect human rights.
  - We comply with all laws and regulations.
  - We act with fairness in our business dealings.
  - We protect and respect intellectual property.
  - We maintain confidentiality.
  - We do not use our position in our organization for personal gain.

- Business Policy**
- We use Field Innovation to find new approaches and the inspiration to improve ourselves, while delivering added value to our customers.
  - We provide global environmental solutions in all our business areas.
  - Fujitsu Group companies work together to accelerate our global business expansion.

## To Our Shareholders,

This interim report for our 112<sup>th</sup> business period (fiscal 2011, from April 1, 2011 to March 31, 2012) covers financial results for the first half of fiscal 2011, April 1, 2011 to September 30, 2011.

Firstly, we express our deepest condolences to any shareholders who suffered as a result of the Great East Japan Earthquake.

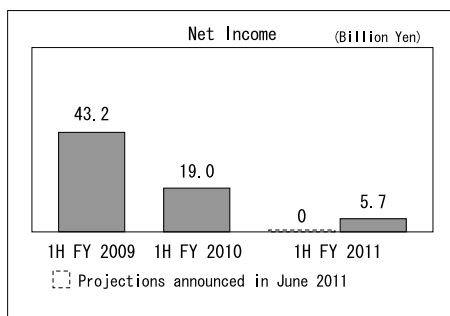
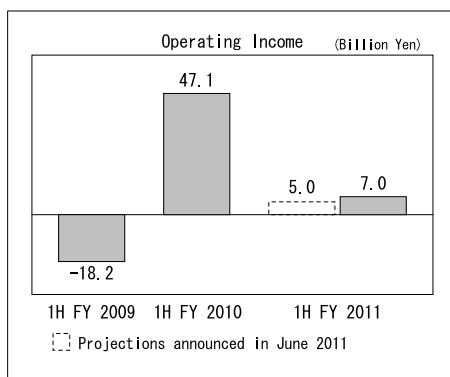
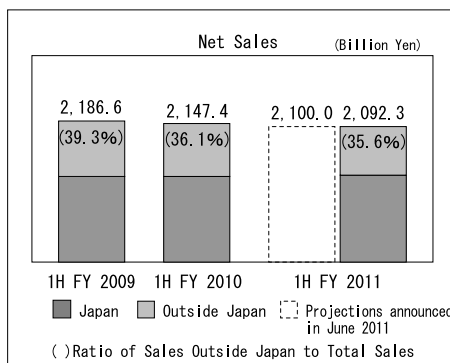
During the first half of fiscal 2011, signs became apparent of a leveling-off in demand growth in emerging market countries, and, in Europe and the United States, concerns appeared about fiscal and financial markets and stagnating employment. In Japan, although the economy was recovering from the slowdown in corporate activity and decline in consumer consumption in the aftermath of the earthquake, uncertainties remained, including with respect to the appreciation of the yen.

Under such economic conditions, the Fujitsu Group posted consolidated net sales of 2,092.3 billion yen, operating income of 7.0 billion yen and net income of 5.7 billion yen.

Net sales of mobilewear exceeded projections\*, although sales of electronic components and other products were hit by customer inventory adjustments, and overall sales fell 7.6 billion yen below initial forecasts. Despite the adverse affect of lower sales of electronic components, operating income surpassed projections by 2.0 billion yen as a result of group-wide cost-containment efforts. Net income exceeded projections by 5.7 billion yen.

As announced in June 2011, Fujitsu Limited will pay an interim dividend of 5 yen per share, and the payment date will be from November 22, 2011. Including the interim dividend of 5 yen per share, the company plans to pay an annual dividend totaling 10 yen per share.

(\*)Fujitsu Limited announced its consolidated earnings projections for fiscal 2011 on June 17, 2011.



On June 17, 2011, Fujitsu announced its strategic management direction.

To become a technology-based, globally integrated service company, Fujitsu is pursuing the three growth priorities of going on offense with structural reforms, accelerating globalization, and creating new services businesses.

In tandem with strengthening its services business, with a particular focus on cloud computing, Fujitsu is enhancing its organizational structure for procurement, production, development, and service delivery from a global perspective and developing businesses designed to bring about a prosperous, human-friendly and secure “Human-Centric Intelligent Society”.

Fujitsu is working to achieve its financial targets of attaining an operating income margin of at 5% or more, ratio of sales outside Japan to above 40%, and free cash flow of at least 150 billion yen per year.

Taking the stance of going on offense with an eye toward growth, the Fujitsu Group strives to be an irreplaceable partner to customers and a leader in the new possibilities of ICT, to earn the trust of shareholders and other stakeholders, and to have a presence as a company that can be entrusted with helping to build the future.

We would like to ask you, our valued shareholders, for your continued support and guidance in our business going forward.

November 2011

Michiyoshi Mazuka, Chairman and Representative Director  
Masami Yamamoto, President and Representative Director

## **Fiscal 2011 Initiatives**

### **Toward post-earthquake rebuilding and making ICT that can stand up to disasters**

The Great East Japan Earthquake claimed many victims, and the subsequent electrical power generation problems had a profound impact on society and the corporate community. Immediately after the earthquake, the Fujitsu Group focused on restoring the ICT systems of its customers by providing cloud services and maintenance services and dispatching engineers to support customers in the affected areas.

To prepare for the risks of natural and other unpredictable disasters, it is increasingly important to have an ICT platform with superior data security immediately accessible from anywhere. Fujitsu's datacenters maintain an environment of strict security and provide customers with a highly reliable ICT platform that is designed for exceptional resilience in the event of natural disasters. This was demonstrated by the datacenters' continuous operations during and after the earthquake.

### **Supporting customers' global businesses with a variety of services**

The Fujitsu Group handles the important data of customers at datacenters located in over 100 locations in 16 countries around the world. During the first half of this fiscal year, Fujitsu launched its high-quality Fujitsu Global Cloud Platform in the US, the UK, Germany, Australia, and Singapore. From August 2011, using this cloud platform, Fujitsu began a cloud business collaboration with Canon, Inc. in providing the office market.

### **An intelligent society: analysis of big data generates new value**

ICT is advancing at breathtaking speed as seen by the sophisticated functionality of mobile phones and other terminals, high-capacity mobile communications, and sensor and cloud technologies. Progress in the effective use of ICT is spurring the explosive growth in volumes of digital data. Through analysis, a flow of data which previously was unseen has become visible.

In August 2011, Fujitsu announced its Convergence Services Platform, which is designed to be the world's first integrated services platform that collects, stores and analyzes large volumes of data to develop new insights.

Fujitsu's first service offering using this platform is SPATIOWL, which takes location-based data, integrates a variety of other data gathered and stored in real-time, and performs analysis to enable highly sophisticated forecasting and simulations.

This represents just one part of Fujitsu's initiatives to develop advanced services. Fujitsu aims to accelerate the development of new ways of using ICT in order to bring about the benefits of a prosperous and human-friendly, human-centric intelligent society to a variety of fields.

### **A commitment to advanced technology: the world's top-ranked supercomputer**

Further advances in ICT are required to bring about an intelligent society. The Fujitsu Group believes that by continuing to take up the challenge of developing world-class technologies, it can continue to deliver superior products and services to its customers.

Leveraging technologies accumulated in developing supercomputers, the Fujitsu Group co-developed with RIKEN the K computer\*, which in June 2011 was recognized as the world's top performing supercomputer.

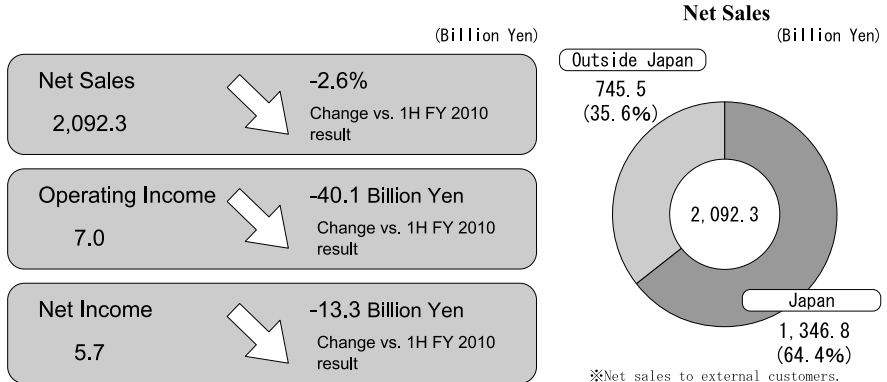
Fujitsu believes the development of supercomputers is essential for mankind's future progress. This is evident given the potential of supercomputers to make significant contributions to science, such as in the life sciences and drug discovery, in which Fujitsu is conducting joint research with the University of Tokyo. Other areas include development in the space and aeronautical fields as well as disaster prevention.

The Fujitsu Group is committed to continuing to take up the challenge of developing advanced technologies in order to contribute to improving the daily lives of people and bringing about a more prosperous future.

(\*)K computer: the nickname of a next-generation supercomputer used by Riken.

## Operating Conditions of the Fujitsu Group

### Overall Conditions



Consolidated net sales for the first half of fiscal 2011 amounted to 2,092.3 billion yen, a decline of 2.6% from the first half of fiscal 2010. Production capacity at Fujitsu's manufacturing facilities damaged in the Great East Japan Earthquake was restored by April. Despite favorable smartphone sales in mobile phone business, overall sales in Japan declined because of the impact of supply shortages of certain parts and components, primarily for mobilewear. Sales outside of Japan declined on lower server-related sales and, as a result of production delays caused by the earthquake, lower mobilewear sales, as well as the adverse impact of customer inventory adjustments, primarily on sales of electronic components.

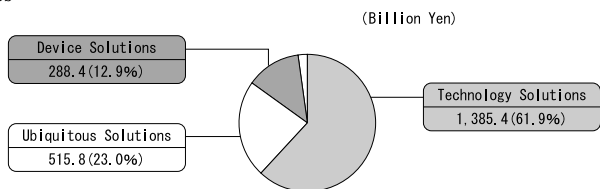
Operating income was 7.0 billion yen, representing a decrease of 40.1 billion yen compared to the first half of fiscal 2010. Despite continued cost-containment efforts, income declined because of lower sales stemming from the impact of the earthquake, up-front investments in cloud-related technologies, and the impact of lower electronic component sales.

Net income was 5.7 billion yen in the first half, representing a decline of 13.3 billion yen from the corresponding period of fiscal 2010. Fujitsu recorded an extraordinary loss of 7.5 billion yen on earthquake-related damage, primarily representing overhead expenses incurred during production stoppages due to damaged production facilities and the impact of supply shortages of parts and components. However, tax expenses were lower on the decision to liquidate a subsidiary in Europe.

(TRANSLATION FOR REFERENCE ONLY)

## Review by Business Segment

### Net Sales



※Net sales include intersegment sales.

### Operating Income and Operating Income Margin

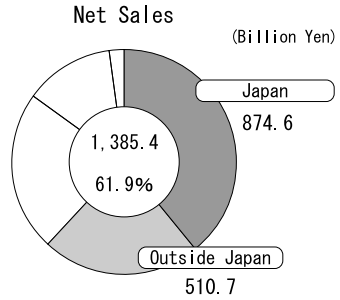
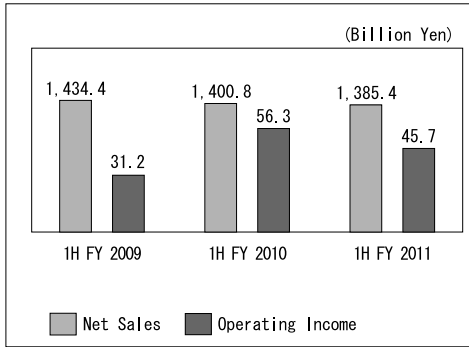
	Operating income (Billion Yen)	Operating income margin (%)
Technology Solutions	45.7	3.3
Ubiquitous Solutions	4.3	0.8
Device Solutions	-4.8	-1.7
Other/Elimination and Corporate	-38.1	-
<b>Total</b>	<b>7.0</b>	<b>0.3</b>

※ The “Other/Elimination and Corporate” category includes strategic expenses, such as expenditures on basic research that are not attributable to any reporting segment, as well as shared group management expenses, along with Japan’s Next-Generation Supercomputer Project.

### (Reference) Business Segment of the Fujitsu Group

Technology Solutions	Services • Solutions/Systems Integration • Infrastructure Services
	System Platforms • System Products • Network Products
Ubiquitous Solutions	PCs/Mobile Phones
	Mobilewear
Device Solutions	LSI
	Electronic Components

## Technology Solutions



※ Net Sales include intersegment sales.

The Technology Solutions segment consists of Services, which includes systems integration and outsourcing services, and System Platforms, which are used to build ICT infrastructures. Bringing together services, software, and hardware products, the Fujitsu Group provides customers with comprehensive services tailor-made for each customer.

Net sales in the Technology Solutions segment for the first half of fiscal 2011 were 1,385.4 billion yen, a decrease of 1.1% from the same period in fiscal 2010. Sales in the Services sub-segment were 1,118.6 billion yen; a decline of 0.9% compared to the first half of fiscal 2010. Services sales outside of Japan were unchanged, and sales in Japan declined. Sales in the System Platforms sub-segment were 266.7 billion yen; a decrease of 1.8% compared to the first half of the previous fiscal year. System Platforms sales in Japan were flat, and sales outside of Japan declined.

Operating income for the segment was 45.7 billion yen, a decrease of 10.6 billion yen compared to the first half of fiscal 2010. Operating income for the Services sub-segment was 30.0 billion yen, a decrease of 8.4 billion yen compared to the first half of fiscal 2010, while operating income for the System Platforms sub-segment was 15.6 billion yen, a decrease of 2.1 billion yen.



### **(1) Services**

In the Services sub-segment, Fujitsu has pursued initiatives to transform its business structure, including for sales processes and support that extends across regions in an aim to expand its global business. In Japan, Fujitsu has strengthened its business activities for the private sector market, in which demand is expected to increase due to the spread of cloud services.

Net sales in the Services sub-segment for the first half of fiscal 2011 were 1,118.6 billion yen, a decline of 0.9% compared to the first half of the previous fiscal year. In Japan, although sales of outsourcing services grew steadily, sales declined overall on account of fewer large-scale systems deals in the public sector. Sales outside Japan were on par with the first half of fiscal 2010. Sales grew steadily in the public sector in Australia and in the private sector in the Nordic region, despite the impact of deteriorating economic conditions in Europe and the US.

Operating income was 30.0 billion yen, a decrease of 8.4 billion yen compared to the first half of fiscal 2010. In Japan, income was affected by ICT-related budget constraint in the public sector and curtailed corporate spending as a result of the earthquake. Income was also adversely impacted by a decline in sales associated with fiscal austerity measures in the UK.

### **(2) System Platforms**

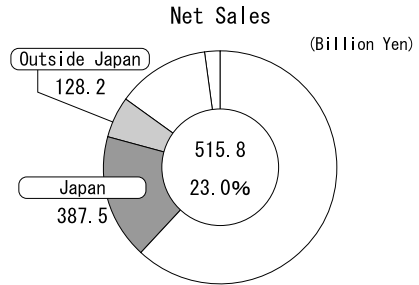
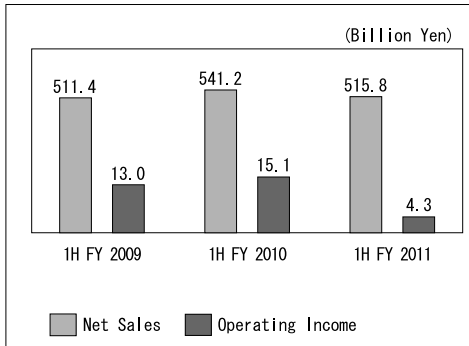
In the System Platforms sub-segment, Fujitsu boosted unit sales by taking measures to achieve development cost efficiencies for x86 servers on a global scale in tandem with raising competitive strengths by developing products that excel in terms of performance and cost. Furthermore, in Japan, in anticipation of the full-fledged deployment of LTE\* services, progress was made in developing next-generation communication systems.

Net sales in the System Platforms sub-segment for the first half of fiscal 2011 amounted to 266.7 billion yen, a decrease of 1.8% from the first half of the previous fiscal year. In Japan, although there were higher sales of servers for the next-generation supercomputer system and mobile phone base stations for LTE services, server-related sales fell as a result of fewer large-scale systems deals. As a result, sales as a whole were essentially unchanged compared to the same period of the previous year. Outside Japan, in North America despite strong sales of optical transmission systems, lower sales of UNIX servers and the impact of currency fluctuations led to an overall decline in sales.

Operating income was 15.6 billion yen, a decline of 2.1 billion yen compared to the first half of fiscal 2010. Higher sales of optical transmission systems had a positive impact, but income declined as a result of a decrease in server-related sales due to fewer large-scale systems deals.

(\* ) Long Term Evolution (LTE): A next-generation high-speed data communications standard.

## Ubiquitous Solutions



※ Net Sales include intersegment sales.

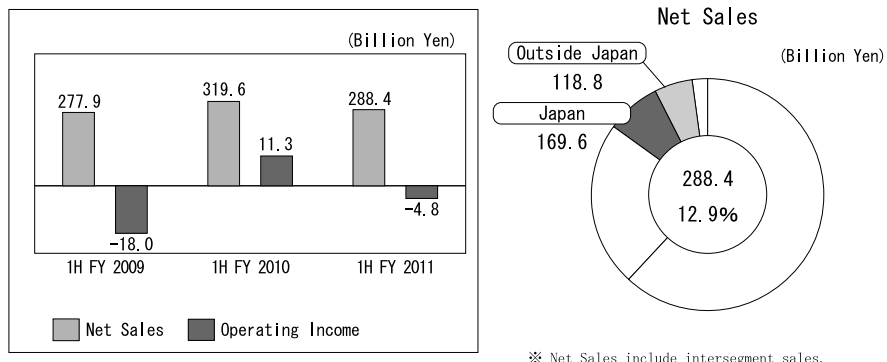
The Ubiquitous Solutions segment is comprised of PCs and mobile phones as well as mobilewear, such as car audio and navigation systems.

In the first half, amid an expanding smartphone market, Fujitsu introduced new smartphones, as well as new PC models featuring enhanced integration with smartphones. In mobilewear, production temporarily dipped due to shortages of components and power shortages, but thanks to a market recovery and the restoration of supply chains, production has been fully restored since July.

Net sales in the Ubiquitous Solutions segment for the first half of fiscal 2011 were 515.8 billion yen, a decline of 4.7% compared to the first half of the previous fiscal year. Sales in Japan were boosted by growth in the market for smartphones and increased sales from the merger with Toshiba Corporation's mobile phone business beginning in October of last year. In Europe, PC sales were also strong. Nonetheless, overall sales both inside and outside Japan fell due to the effects of the earthquake and currency fluctuations on the mobilewear business.

Operating income was 4.3 billion yen, representing a decline of 10.7 billion yen compared to the first half of the previous year. Although progress was made in cost reductions for PCs, the mobile phone business was buffeted by higher smartphone development costs, in addition to a decline in production and sales due to a parts supply shortage following the earthquake. Those factors, in combination with the impact of lower sales of mobilewear, caused operating income to decline.

## Device Solutions



The Device Solutions segment consists of LSI devices used in digital home appliances, automobiles, mobile phones and servers, as well as electronic components, such as semiconductor packages and batteries.

The earthquake caused production to halt temporarily at some Fujitsu's manufacturing facilities in the Tohoku region of Japan, but full production capacity resumed in April.

In the first half, Fujitsu pursued the development of advanced products, while at the same time continuing to implement structural reforms and working to reduce costs.

Net sales in the Device Solutions segment for the first half of fiscal 2011 were 288.4 billion yen, a decline of 9.8% compared to the first half of the previous fiscal year. In Japan, despite strong sales of LSI devices for the next-generation supercomputer and smartphones, overall sales decreased, particularly for digital home appliance and automobile applications. Outside Japan, the impact of currency fluctuations, as well as customer inventory adjustments in electronic components, led to a decline in sales.

The Device Solutions segment recorded a loss of 4.8 billion yen, representing a deterioration of 16.1 billion yen from the first half of the previous year. Operating income declined due to the adverse impact of lower sales of LSI devices and electronic components.

**Stock (As of September 30, 2011)**

- Number of Authorized Shares: 5,000,000,000
- Number of Outstanding Shares: 2,070,018,213
- Stated Capital: ¥324,625,075,685
- Number of Shareholders: 192,360 (1,061 decrease from the end of FY2010)
- Principal Shareholders

Name	Shareholder's investment in Fujitsu Limited	
	Number of shares held (thousands)	Percentage of shares held (%)
Fuji Electric Co., Ltd.	214,816	10.38
State Street Bank and Trust Company	106,806	5.16
The Master Trust Bank of Japan, Ltd. (for trust)	93,503	4.52
Japan Trustee Services Bank, Ltd. (for trust)	92,901	4.49
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	43,191	2.09
Fujitsu Employee Shareholding Association	42,241	2.04
Asahi Mutual Life Insurance Company	41,389	2.00
Japan Trustee Services Bank, Ltd. (for trust 9)	41,194	1.99
Mizuho Corporate Bank, Ltd.	32,654	1.58
MELLON BANK, N.A. AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	19,326	0.93

*Note:*

Of the shares held by Fuji Electric Co., Ltd. and Mizuho Corporate Bank, Ltd. include trust properties that are trusted to Mizuho Trust & Banking Co., Ltd. and re-trusted to Trust & Custody Services Bank, Ltd. as retirement benefit trust assets.

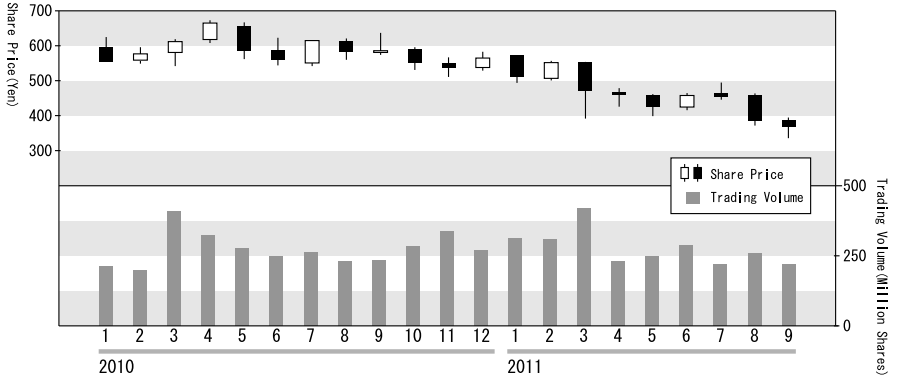
## • Equity Shareholdings by Type of Shareholder

	Japanese Financial Institutions and Securities Firms	Other Japanese Corporations	Foreign Institutions and Individuals	Japanese Individuals and Others
As of March 31, 2011	27.18%	13.53%	36.16%	23.13%
As of September 30, 2011	26.73%	13.60%	36.17%	23.50%

※ The 119,112 thousand shares of Fujitsu Limited stock held by Fuji Electric Co., Ltd. and its consolidated subsidiaries as retirement benefit trust assets are categorized under the shareholdings of "Other Japanese Corporations".

(TRANSLATION FOR REFERENCE ONLY)

• Changes in the Price of Fujitsu Limited's Shares (January 2010 to September 2011)



**Directors and Auditors (As of September 30, 2011)**

<i>Position</i>	<i>Name</i>
Chairman and Representative Director	Michiyoshi Mazuka
President and Representative Director	Masami Yamamoto
Corporate Senior Executive Vice President and Director	Kazuo Ishida
	Masami Fujita
Corporate Executive Vice President and Director	Kazuhiko Kato
	Masahiro Koezuka
Director	Hiroshi Oura
	Haruo Ito
	Yoko Ishikura
	Ryosei Kokubun
	Takashi Okimoto

<i>Position</i>	<i>Name</i>
Statutory Auditor	Masamichi Ogura
	Makoto Umemura
	Yoshikazu Amano
Auditor	Megumi Yamamuro
	Hiroshi Mitani

*Notes:*

1. Mr. Haruo Ito, Ms. Yoko Ishikura, Mr. Ryosei Kokubun and Mr. Takashi Okimoto are Outside Directors under Clause 15, Article 2 of the Companies Act.
2. Mr. Megumi Yamamuro, Mr. Hiroshi Mitani and Mr. Yoshikazu Amano are Outside Auditors under Clause 16, Article 2 of the Companies Act.

**(Reference) Corporate Executive Officers (As of September 30, 2011)**

<i>Position</i>	<i>Name</i>	<i>Areas of responsibility</i>
President and Representative Director	Masami Yamamoto	
Corporate Senior Executive Vice President	Kazuo Ishida	Principal responsibility for ICT Services Business
	Masami Fujita	Principal responsibility for Corporate Affairs
	Hideyuki Saso	Principal responsibility for Products Business
	Kenji Ikegai	Principal responsibility for Industry Solutions Business
Corporate Executive Vice President	Kazuhiko Kato	CFO (Chief Financial Officer)
	Masahiro Koezuka	CSO (Chief Strategy Officer)

(TRANSLATION FOR REFERENCE ONLY)

## Condensed Consolidated Interim Financial Statements (Unaudited)

### Consolidated Balance Sheets

	Yen (Millions)	
	September 30 2011	March 31 2011
<b>Assets</b>		
<b>Current assets:</b>		
Cash and time deposits	Y 243,442	353,892
Notes and accounts receivable, trade	722,644	877,069
Marketable securities	106,236	10,802
Finished goods	156,358	150,685
Work in process	124,227	112,995
Raw materials	86,296	77,758
Deferred tax assets	85,326	76,666
Others	123,028	115,541
Allowance for doubtful accounts	(12,900)	(14,781)
<b>Total current assets</b>	<b>1,634,657</b>	<b>1,760,627</b>
<b>Non-current assets:</b>		
Property, plant and equipment, net of accumulated depreciation:		
Buildings	274,399	277,844
Machinery	95,597	100,803
Equipment	121,884	126,101
Land	117,614	117,481
Construction in progress	20,713	16,413
<b>Total property, plant and equipment</b>	<b>630,207</b>	<b>638,642</b>
Intangible assets:		
Software	131,401	135,118
Goodwill	70,440	80,083
Others	32,369	36,757
<b>Total intangible assets</b>	<b>234,210</b>	<b>251,958</b>
Other non-current assets:		
Investment securities	141,602	152,361
Deferred tax assets	69,572	72,093
Others	152,335	155,351
Allowance for doubtful accounts	(6,609)	(6,935)
<b>Total other non-current assets</b>	<b>356,900</b>	<b>372,870</b>
<b>Total non-current assets</b>	<b>1,221,317</b>	<b>1,263,470</b>
<b>Total assets</b>	<b>Y 2,855,974</b>	<b>3,024,097</b>

## (TRANSLATION FOR REFERENCE ONLY)

	Yen (Millions)	
	September 30 2011	March 31 2011
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes and accounts payables, trade	Y 534,947	604,264
Short-term borrowings	201,357	125,554
Current portion of bonds payable	70,486	100,000
Lease obligations	19,458	24,470
Accrued expenses	302,527	323,144
Accrued income taxes	19,676	23,617
Provision for product warranties	24,205	25,254
Provision for construction contract losses	11,048	21,392
Provision for bonuses to board members	-	125
Others	218,255	259,988
<b>Total current liabilities</b>	<b>1,401,959</b>	<b>1,507,808</b>
<b>Long-term liabilities:</b>		
Bonds payable	170,300	180,300
Long-term borrowings	76,115	64,969
Lease obligations	25,735	26,775
Deferred tax liabilities	17,053	33,755
Revaluation of deferred tax liabilities	575	575
Accrued retirement benefits	173,566	181,572
Provision for loss on repurchase of computers	15,625	16,320
Provision for recycling expenses	6,752	6,363
Provision for product warranties	1,932	2,207
Others	46,533	49,674
<b>Total long-term liabilities</b>	<b>534,186</b>	<b>562,510</b>
<b>Total liabilities</b>	<b>1,936,145</b>	<b>2,070,318</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Common stock	324,625	324,625
Capital surplus	236,435	236,437
Retained earnings	338,633	343,072
Treasury stock	(225)	(214)
<b>Total shareholders' equity</b>	<b>899,468</b>	<b>903,920</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain and loss on securities, net of taxes	9,872	13,564
Deferred hedge gain and loss	(1,141)	454
Revaluation surplus on land	2,361	2,363
Foreign currency translation adjustments	(117,209)	(99,057)
<b>Total accumulated other comprehensive income</b>	<b>(106,117)</b>	<b>(82,676)</b>
<b>Subscription rights to shares</b>	<b>78</b>	<b>76</b>
<b>Minority interests</b>	<b>126,400</b>	<b>132,459</b>
<b>Total net assets</b>	<b>919,829</b>	<b>953,779</b>
<b>Total liabilities and net assets</b>	<b>Y 2,855,974</b>	<b>3,024,097</b>



(TRANSLATION FOR REFERENCE ONLY)

## Consolidated Income Statements

	Yen	
	(Millions)	
	1H FY 2011	1H FY 2010
	(4/1/11~9/30/11)	(4/1/10~9/30/10)
Net sales	Y 2,092,317	2,147,452
Cost of sales	1,518,416	1,545,885
Gross profit	573,901	601,567
Selling, general and administrative expenses	566,850	554,407
Operating income	7,051	47,160
Other income:		
Interest income	1,430	1,683
Dividend income	2,439	2,530
Equity in earnings of affiliates, net	2,128	2,255
Gain on sales of investment securities	-	8,164
Gain on negative goodwill	-	1,140
Others	2,951	5,776
Total other income	8,948	21,548
Other expenses:		
Interest expense	4,845	6,622
Loss on foreign exchange, net	6,703	10,233
Loss on disposal of property, plant and equipment and intangible assets	705	3,503
Loss on disaster	7,529	-
Loss on changes in retirement benefit plan	717	-
Loss on adjustment for adoption of accounting standard for asset retirement obligation	-	4,113
Impairment loss	-	1,250
Others	5,777	7,632
Total other expenses	26,276	33,353
Income (loss) before income taxes and minority interests	(10,277)	35,355
Income taxes:		
Current	11,319	10,805
Deferred	(23,402)	3,144
Total income taxes	(12,083)	13,949
Income before minority interests	1,806	21,406
Minority interests	(3,968)	2,317
Net income	Y 5,774	19,089

**Consolidated Statements of Cash Flows**

	Yen (Millions)	
	1H FY 2011 (4/1/11-9/30/11)	1H FY 2010 (4/1/10-9/30/10)
<b>1. Cash flows from operating activities:</b>		
Income (loss) before income taxes and minority interests	Y (10,277)	35,355
Depreciation and amortization	94,616	101,762
Impairment loss	-	1,250
Goodwill amortization	7,484	7,748
Increase (decrease) in provisions	(14,730)	(27,331)
Interest and dividend income	(3,869)	(4,213)
Interest charges	4,845	6,622
Equity in earnings of affiliates, net	(2,128)	(2,255)
Disposal of non-current assets	1,275	4,262
Gain on sales of investment securities, net	-	(8,164)
(Increase) decrease in receivables, trade	124,471	131,029
(Increase) decrease in inventories	(34,364)	(57,881)
Increase (decrease) in payables, trade	(49,110)	(60,338)
Other, net	(41,078)	(20,373)
<b>Cash generated from operations</b>	<u>77,135</u>	<u>107,473</u>
Interest and dividends received	4,256	4,909
Interest paid	(8,033)	(6,816)
Income taxes paid	(18,146)	(21,404)
<b>Net cash provided by operating activities</b>	<u>55,212</u>	<u>84,162</u>
<b>2. Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(68,763)	(64,920)
Proceeds from sales of property, plant and equipment	1,910	3,746
Purchases of intangible assets	(25,693)	(26,162)
Purchases of investment securities	(1,233)	(8,415)
Proceeds from sales of investment securities	799	32,398
Income from acquisition of subsidiaries' stock resulting from change in scope of consolidation	45	-
Other, net	265	7,052
<b>Net cash used in investing activities</b>	<u>(92,670)</u>	<u>(56,301)</u>
<b>1+2   Free Cash Flow  </b>	<b>(37,458)</b>	<b>27,861</b>
<b>3. Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	70,952	17,334
Proceeds from long-term debt	27,500	2,680
Repayment of long-term debt	(6,381)	(7,689)
Proceeds from issuance of bonds	60,523	8,734
Redemption of bonds	(100,000)	(108,645)
Proceeds from sales of treasury stock	8	8
Purchase of treasury stock	(19)	(58)
Dividends paid	(11,367)	(11,754)
Other, net	(13,704)	(25,552)
<b>Net cash provided by (used in) financing activities</b>	<u>27,512</u>	<u>(124,942)</u>
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>	<u>(9,438)</u>	<u>(10,323)</u>
<b>5. Net increase (decrease) in cash and cash equivalents</b>	<b>(19,384)</b>	<b>(107,404)</b>
<b>6. Cash and cash equivalents at beginning of period</b>	<b>358,593</b>	<b>420,166</b>
<b>7. Cash and cash equivalents of newly consolidated subsidiaries</b>	<b>4,071</b>	<b>25</b>
<b>8. Cash and cash equivalents at end of period</b>	<u>Y 343,280</u>	<u>312,787</u>

(TRANSLATION FOR REFERENCE ONLY)

## **Corporate Data**

Corporate Name: FUJITSU LIMITED  
Registered at: 4-1-1 Kamikodanaka, Nakahara-ku, Kawasaki-shi,  
Kanagawa 211-8588, Japan  
Corporate Headquarters: Shiodome City Center, 1-5-2 Higashi-Shimbashi,  
Minato-ku, Tokyo 105-7123, Japan  
Established and Registered on: June 20, 1935  
Stock Exchange Listings: Tokyo, Osaka, Nagoya, and London  
Home Page Address: [www.fujitsu.com](http://www.fujitsu.com)

Fujitsu's web site offers not only this report but also the latest annual report and financial results.

English <http://www.fujitsu.com/global/about/ir/>  
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