

TRANSLATION



**Interim Report  
On  
First-Half FY 2008 Financial Results  
(Six months ended September 30, 2008)**

**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 published a fully revised Fujitsu Way. The Fujitsu Way embodies the philosophy of the Fujitsu Group, articulates the Group's overarching values, and defines concrete principles and a code of conduct that Group employees follow in their daily business activities.

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

Guided by the Fujitsu Way, our employees will strive to maximize the value of the Fujitsu Group and enhance our contributions to society.

Corporate Vision	<b>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 fulfils the dreams of people throughout the world.</b>																		
Corporate Values	<p><b>What we strive for :</b></p> <table border="1"> <tr> <td><b>Society and Environment</b></td> <td>In all our actions, we protect the environment and contribute to society.</td> </tr> <tr> <td><b>Profit and Growth</b></td> <td>We strive to meet the expectations of customers, employees and shareholders.</td> </tr> <tr> <td><b>Shareholders and Investors</b></td> <td>We seek to continuously increase our corporate value.</td> </tr> <tr> <td><b>Global Perspective</b></td> <td>We think and act from a global perspective.</td> </tr> </table> <p><b>What we value:</b></p> <table border="1"> <tr> <td><b>Employees</b></td> <td>We respect diversity and support individual growth.</td> </tr> <tr> <td><b>Customers</b></td> <td>We seek to be their valued and trusted partner.</td> </tr> <tr> <td><b>Business Partners</b></td> <td>We build mutually beneficial relationships.</td> </tr> <tr> <td><b>Technology</b></td> <td>We seek to create new value through innovation.</td> </tr> <tr> <td><b>Quality</b></td> <td>We enhance the reputation of our customers and the reliability of social infrastructure.</td> </tr> </table>	<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.	<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.
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Code of Conduct	<ul style="list-style-type: none"> <li>■ We respect human rights.</li> <li>■ We comply with all laws and regulations.</li> <li>■ We act with fairness in our business dealings.</li> <li>■ We protect and respect intellectual property.</li> <li>■ We maintain confidentiality.</li> <li>■ We do not use our position in our organization for personal gain.</li> </ul>																		
Business Policy	<ul style="list-style-type: none"> <li>■ We use Field Innovation to find new approaches and the inspiration to improve ourselves, while delivering added value to our customers.</li> <li>■ We provide global environmental solutions in all our business areas.</li> <li>■ Fujitsu Group companies work together to accelerate our global business expansion.</li> </ul>																		

## ***To Our Shareholders,***

It is with great pleasure that we present the interim report for our 109<sup>th</sup> business period. This report covers financial results for the first half of fiscal 2008, ended September 30, 2008.

During the first half of fiscal 2008, the business environment in which the Fujitsu Group operated was adversely affected by the emergence of the credit crisis in the financial and capital markets, mainly in Europe and the United States. Signs of an economic recession became more pronounced, with the impact spreading across many sectors of the economy, as concerns about the prospects for corporate earnings led to a deterioration in employment conditions, and consumer spending also declined.

Under these economic conditions, the Fujitsu Group's net sales in the first half declined compared with the same period a year ago in part to a rapid deterioration in our logic LSI and mobile phones businesses. Our sales and income results, however, exceeded projections at the beginning of the year as a result of improved profitability in the services business in Japan and overall cost-reduction efforts.

On a consolidated basis, the Fujitsu Group recorded net sales of 2,453.7 billion yen, operating income of 38.5 billion yen, ordinary income of 29.0 billion yen and net income of 4.6 billion yen for the half-year period. On an unconsolidated basis, we recorded net sales of 1,194.7 billion yen, operating income of 11.6 billion yen, ordinary income of 44.9 billion yen and net income of 39.1 billion yen.

Based on these results, a dividend of 5 yen per share will be issued to shareholders on December 1, 2008.

In order to reinforce our customer-centric management perspective and realize the next leap forward, we intend to refocus our business in three key areas under our new executive team, which was appointed this June.

First, we plan on improving "our customers' business" rather than simply focusing on their IT operations. Second, we will shift from a Japan-centered approach and adopt a "global perspective." Third, we will commit to "environmental protection." By transforming our operations, our goal is to meet the rising expectations of our customers and grow together with them as a valued and trusted partner.

Although the unpredictable business climate we face is expected to continue, our Group will make strong efforts to fulfill customer expectations based on the Fujitsu Way and our "constant pursuit of innovation."

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

November 2008

Michiyoshi Mazuka, Chairman  
Kuniaki Nozoe, President

## **Fiscal 2008 Initiatives**

Due to financial market instability spreading from the United States, the near-term direction of the global economy is highly uncertain. In the IT market as well, a slowdown in new capital investment and consumer spending appears unavoidable, particularly in the developed economies of North America and Europe. Nevertheless, as IT supports the infrastructure of both society and businesses, we believe that the importance of maintaining and strengthening this infrastructure remains undiminished. We also believe that in today's uncertain economic environment, IT plays a major role in raising efficiency and promoting management innovation.

In order to maintain and further improve our profitability in this challenging environment, we recognize that it is essential to make our overall operations even more efficient and pursue new growth opportunities.

As specific efforts to pursue new growth opportunities, in addition to strengthening our global business structure, the Fujitsu Group is promoting Field Innovation as a means of generating internal innovation and delivering greater value to our customers. Moreover, amid global calls for environmental protection, we are offering environmentally friendly solutions across the full spectrum of our business operations.

### **Strengthening our Global Business Structure**

Based on a foundation of strong products and services, we are working to expand our global business.

In October 1, 2008, we began implementing a reorganization to integrate our solutions business in North America.

In addition, Fujitsu Siemens Computers, our joint venture with Siemens AG that sells servers and other IT products in Europe, is scheduled to become a wholly owned subsidiary of Fujitsu beginning in fiscal 2009. As a subsidiary, Fujitsu Siemens Computers will support the strengthening of our global products business as well as develop stronger collaborative ties with Fujitsu Services, the UK-based leader of our services business in Europe.

### **Pursuing Field Innovation**

The value that customers seek is shifting from "improving systems and functionality" to "improving operations and management." In order to respond to this changing need, we are broadening our offerings from "IT solutions" to "business solutions."

We are implementing Field Innovation to clarify the problems that customers face and solve those problems, by leveraging the power of IT. As a part of this initiative, we are putting innovations into practice within Fujitsu and applying the resulting know-how toward business innovations for our customers.

In order to enhance the progress of Field Innovation, we are developing and deploying personnel who can collaborate with customers to identify and solve their key business issues.

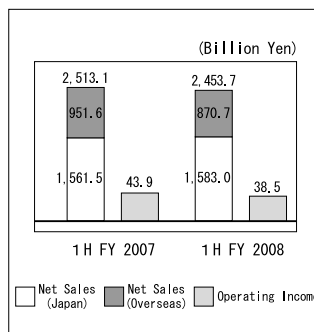
### **Global Environmental Protection Solutions**

In July 2008, we formulated our "Green Policy 2020" medium-term environmental vision, which defines the direction we are pursuing and the role the Fujitsu Group seeks to play, in addressing global environmental issues. The three keywords of this vision are "Creation," "Collaboration," and "Change," and the goal is to spark environmental innovation in the Fujitsu Group and in society as a whole to help build a prosperous, low-carbon society. The Fujitsu Group expects that its initiatives will result in reducing CO<sub>2</sub> emissions in Japan by 30 million tons per year by 2020.

## Operating Conditions of the Fujitsu Group

### Overall Conditions

Year-on-Year Comparison of First-Half Results			
(Billion Yen)			
[Consolidated]	1H FY07	1H FY08	Changes
Net Sales	2,513.1	<b>2,453.7</b>	-59.3 [-2.4%]
Operating Income	43.9	<b>38.5</b>	-5.3
Ordinary Income	29.9	<b>29.0</b>	-0.8
Net Income	-9.3	<b>4.6</b>	+13.9



※ [ ] Indicates % change over same period in previous year.

Consolidated net sales for the first half were 2,453.7 billion yen, a decline of 2.4% compared to the first half of fiscal 2007. Sales increased in our Technology Solutions segment due to strong Japan sales of systems integration services, mobile phone base stations, as well as router equipment to telecom carriers. However, due to intensified competition, sales of mobile phones, PCs and logic LSI devices declined, resulting in a decline in the Group's overall sales.

**Operating income for the first half was 38.5 billion yen, a decline of 5.3 billion yen compared to the first half of fiscal 2007. Thanks to increased sales of system integration services and mobile phone base stations, and cost reductions in the HDD business, gross profit increased. Due mainly to an increase in upfront strategic investments, particularly research and development expenses within our Technology Solutions segment, and amortization costs for unrecognized retirement benefit obligations, however, the Group's overall income decreased.**

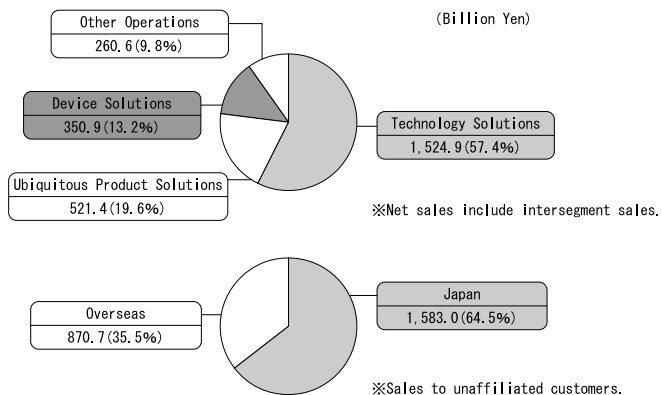
Ordinary income came to 29.0 billion yen, on a par with the same period last year. Equity in earnings of affiliates deteriorated as the business results of Fujitsu Siemens Computers were negatively impacted by intensified competition in PCs and servers. This was offset, however, by an improvement in foreign exchange gains as a result of the depreciation of the yen in the first half compared to the end of the previous fiscal year as well as a decrease in disposal costs of fixed assets.

There was a 2.9 billion yen gain on sales of investment securities, and a 2.1 billion yen impairment loss in our electronic components business.

As a result of the above factors, the consolidated net income was 4.6 billion yen, an increase of 13.9 billion yen compared to the first half of fiscal 2007, when inventory revaluation losses were posted, arising from a change in accounting policies for the measurement of inventories.

## Review by Business Segment

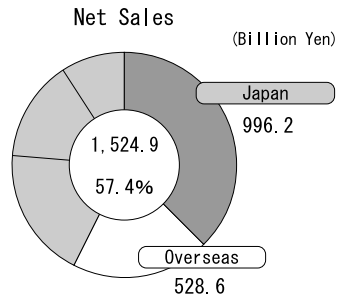
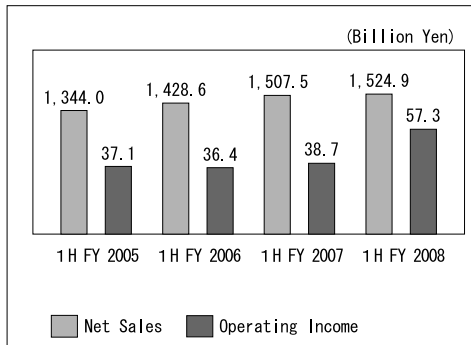
### Consolidated Net Sales



### Operating Income and Operating Income Margin

	Operating income (Billion Yen)	Operating income margin (%)
Technology Solutions	57.3	3.8
Ubiquitous Product Solutions	8.8	1.7
Device Solutions	-7.3	-2.1
Other Operations	7.7	3.0
Elimination and Corporate	-28.2	—
<b>Total</b>	<b>38.5</b>	<b>1.6</b>

## Technology Solutions



※Net Sales include intersegment sales

The Technology Solutions segment consists of System Platforms and Services, which includes systems integration and outsourcing services and platforms which support these services.

Technology Solutions is a core business area of the Fujitsu Group from which we expect high earnings and growth. We have continued to provide our customers with total solutions throughout the entire system lifecycle based on a long-term partnership with the customer and have worked to expand our business outside Japan in this area.

Consolidated net sales in this segment for the first half were 1,524.9 billion yen, an increase of 1.2% compared to the same period last year. In Japan, we saw strong performance in the Services business, as well as higher sales of servers and related business, mobile phone base stations and router equipment to telecom carriers. Outside Japan, private sector-related Services business expanded.

Operating income was 57.3 billion yen, an increase of 18.6 billion yen compared to the same period last year. The impact of higher Japan sales of services, servers and related business, and mobile phone base stations, as well as cost efficiencies, accounted for the improvement.

### (1) Services

In the Services sub-segment, we worked to expand and strengthen our global operations as well as further promote internal reforms in order to improve profitability. In September, we launched a new menu of IT outsourcing services called “Global Infrastructure Services,” which provide multinational customers with consistent and optimal IT infrastructure services throughout the world. In order to make the process of defining system performance requirements more efficient, we have created a detailed menu covering all of our customers’ service needs. Other internal reform initiatives include implementing a structure to better share field knowledge.

Net sales in the Services sub-segment for the first half were 1,204.1 billion yen, a 1.2% increase from the same period last year. In Japan, customers continued to make strategic investments to improve compliance and to upgrade their systems, while sales of system integration services to customers in the financial services, public and healthcare sectors increased. Outside Japan, private sector-related business expanded, particularly in Europe.

Operating income for the Services sub-segment was 51.2 billion yen, an increase of 3.1 billion yen from the same period last year. Despite incurring upfront costs related to the expansion of private-sector business in Europe, operating income increased due to higher sales in Japan as well as higher cost efficiencies.

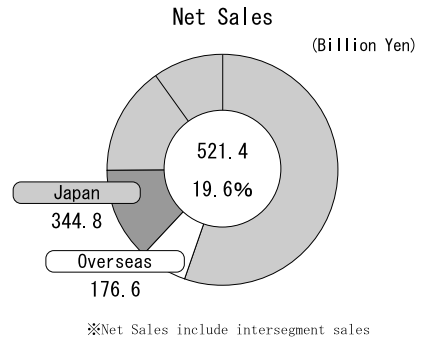
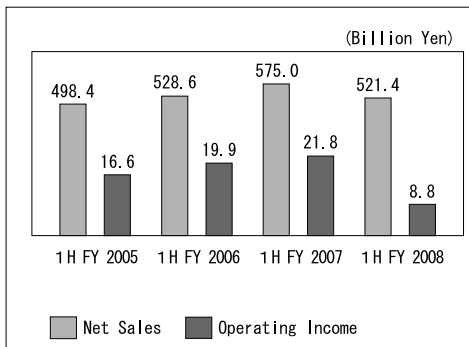
## (2) System Platforms

In the System Platforms sub-segment, we raised product competitiveness by promoting research and development activities and utilizing alliances. In July, we launched a new family of SPARC Enterprise UNIX server models, co-developed with Sun Microsystems, Inc., featuring a new quad-core processor, the SPARC64 VII. We also increased sales of our PRIMERGY PC servers by introducing a new, easily deployed blade lineup with preinstalled software and preset configurations.

Net sales of System Platforms for the first half were 320.7 billion yen, a 1.1% increase compared to the same period last year. Sales of UNIX servers outside Japan declined. In Japan, however, large-scale system upgrades, the promotion of the TRIOLE IT platform, and higher sales of router equipment to telecom carriers all contributed to the increase.

We posted operating income of 6.1 billion yen, a 15.5 billion yen increase compared to an operating loss of 9.3 billion yen in the same period last year. Increased sales as well as cost efficiencies in servers and related business, mobile phone base stations and networking business targeting telecom carriers accounted for the increase.

## Ubiquitous Product Solutions



The Ubiquitous Product Solutions segment is comprised of products such as PCs, mobile phones and HDDs, all indispensable to a ubiquitous networking society.

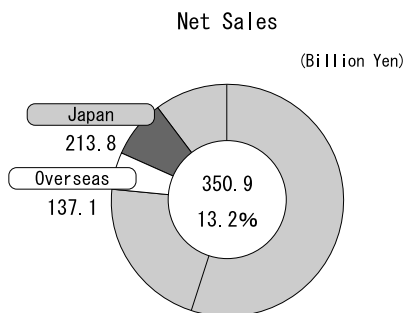
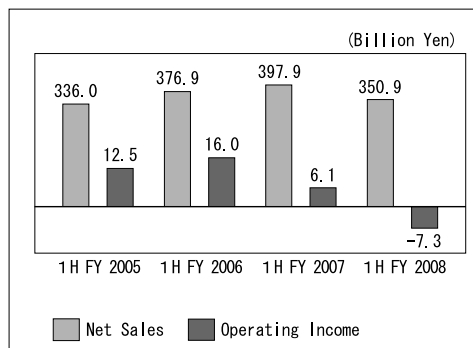
In the Ubiquitous Product Solutions segment, we worked to achieve higher profitability by containing costs. We also strove to expand our product lineup, launching a series of PC products with a small footprint and greater choice of colors, in addition to easy-to-use features. In mobile phones, we added unique value to the phone series and increase their competitiveness, for example by including healthcare-related functions such as a pedometer and pulse monitor to the “Raku Raku Phone V”. We strengthened our competitive edge in HDDs by promoting development of groundbreaking products.

Net sales in the Ubiquitous Product Solutions segment for the first half were 521.4 billion yen, a decrease of 9.3% compared to the same period last year. The sales decline was caused by lower demand for mobile phones, due to a longer replacement cycle brought about by changes in the mobile phone sales system in Japan, as well as the effects of intensified competition in HDDs and PCs.

Operating income for the Ubiquitous Product Solutions segment was 8.8 billion yen, a decrease of 12.9 billion yen compared to the same period last year. Despite improved profitability for HDDs as a result of cost-reduction efforts, profits declined due to the impact of harsher competition in PCs and lower sales of mobile phones as well as higher costs as a result of the increasing functionality of mobile phone handsets.



## Device Solutions



※Net Sales include intersegment sales

The Device Solutions segment consists of logic LSI devices and related electronic components used in digital home appliances, automobiles, mobile phones, servers and other products.

Net sales of Device Solutions in the first half were 350.9 billion yen, a decrease of 11.8% compared to the first half of fiscal 2007. Although sales of 65nm logic devices for use in server products increased, sales of Flash memory, standard logic devices and 90nm logic devices declined on weak demand for mobile phones and digital home appliances. Sales also declined for electronic components.

The operating loss for the Device Solutions segment was 7.3 billion yen, a deterioration of 13.4 billion yen compared to the same period in the previous fiscal year. In addition to such factors as a sales decline in logic LSI, the temporary halt in production of standard logic devices at the Iwate Plant due to earthquakes and price competition in electronic devices impacted results.

In Device Solutions, in order to maintain profitability during the rapid change in market environment from September on, we are flexibly reforming our manufacturing structure to respond to changes in customer demand. At the same time, we are accelerating efforts to strengthen general-purpose products, such as ASSP products, microcontrollers and analog devices, in order to maintain our ability to grow.

\*We use the term "advanced LSI logic technology" to refer to 90 nm or smaller process technology. "standard LSI logic technology" refers to process technology larger than 90 nm.

**Stock** (As of September 30, 2008)

- Number of Authorized Shares: 5,000,000,000
- Number of Outstanding Shares: 2,070,018,213
- Stated Capital: ¥324,625,075,685
- Shares Issued (from Apr. 1, 2008 to Sept. 30, 2008) : There was no issuance of shares during the current interim period.
- Acquisition, disposition and holdings of treasury stock

Shares acquired	1,707,771 ordinary shares	Total amount: ¥1,349,007 thousand
Shares disposed	90,866 ordinary shares	Total amount: ¥69,494 thousand
Shares held as of Sept. 30, 2008	2,706,654 ordinary shares	

*Note:*

1. The above treasury stock acquired was done through the repurchase of odd-lot shares.
2. The above treasury stock disposed was sold in response to requests from the shareholders of odd-lot shares.

- Number of Shareholders: 198,595 (10,798 decrease from the end of FY2007)

## • Principal Shareholders

<i>Name</i>	<i>Number of shares held (thousands)</i>	<i>Percentage of shares held (%)</i>
Fuji Electric Holdings Co., Ltd.	94,663	4.58 %
The Master Trust Bank of Japan, Ltd. (for trust)	92,363	4.47
State Street Bank and Trust Company	92,037	4.45
Japan Trustee Services Bank, Ltd. (for trust)	90,298	4.37
Fuji Electric Systems Co., Ltd.	74,188	3.59
Japan Trustee Services Bank, Ltd. (for trust 4G)	73,576	3.56
Asahi Mutual Life Insurance Company	40,743	1.97
Mizuho Corporate Bank, Ltd.	32,654	1.58
State Street Bank and Trust Company 505225	27,260	1.32
Fujitsu Employee Shareholding Association	24,893	1.20

*Notes:*

1. The investment ratio is calculated after exclusion of treasury stock holdings.
2. On August 27, 2008, Alliance Bernstein L.P. and two of its affiliates submitted a report (“*Tairyō Hoyū Hokokusho*”) on changes to its holdings of Fujitsu Limited shares to the Kanto Local Finance Bureau, but because Fujitsu has not been able to confirm the actual number of shares held as of September 30, 2008, we have not included them in the above list of major shareholders. According to the report, Alliance Bernstein L.P. owns 245,231 thousand shares, AXA Rosenberg Investment Management Ltd. owns 19,575 thousand shares, and Alliance Bernstein Japan Ltd. owns 5,501 thousand shares, for a total of 270,308 thousand shares.(which accounts for 13.06% of the number of outstanding shares).
3. The Shares held by The Master Trust Bank of Japan, Ltd. (for trust), Japan Trustee Services Bank, Ltd. (for trust), Japan Trustee Services Bank, Ltd. (for trust 4G) pertain to the trust business by the institutions.
4. Of the shares held by Fuji Electric Holdings Co., Ltd and Fuji Electric Systems Co., Ltd., 1,412 thousand shares and 66,067 thousand shares, respectively, are trust assets that are trusted to Mizuho Trust & Banking Co., Ltd., and re-trusted to Trust & Custody Services Bank, Ltd., as retirement benefit trust assets. The voting

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rights involved in these shares are set forth to be exercised upon order of the respective companies. The Company's shares held by the overall Fuji Electric Group, including the shares above explained, in the form of retirement benefit trust assets are 123,042 thousand shares in total. (Ownership ratio which is calculated after exclusion of treasury stock holding, is 5.95%).

5. Of the Company's shares held by the Mizuho Corporate Bank, Ltd., 212 thousand shares are 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. The voting rights involved in these shares are set forth to be exercised upon order of Mizuho Corporate Bank, Ltd.

• 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, 2008	24.44%	13.99%	38.29%	23.28%
As of September 30, 2008	24.80%	13.94%	38.94%	22.32%

※ The 123,042,000 shares of Fujitsu Limited stock held in trust with a trust bank as the employee pension trust of group companies in the Fuji Electric Group are listed as being held by "Other Japanese Corporations".

**Members of the Board and Auditors (As of September 30, 2008)**

Position	Name	Areas of responsibility, primary positions, and representation of other companies and organizations
Chairman, Representative Director	Michiyoshi Mazuka	
President, Representative Director	Kuniaki Nozoe	
Vice Chairman, Director	Chiaki Ito	
Corporate Senior Executive Vice President, Director	Koichi Hironishi	In charge of Service Business President, Solution Business Support Group
	Tatsuo Tomita	In charge of Products Business Group President, Ubiquitous Products Business Group
Outside Board Member	Hiroshi Oura	Senior Executive Advisor, Advantest Corporation
	Ikujiro Nonaka	Professor Emeritus, Hitotsubashi University
	Haruo Ito	President and Representative Director, Fuji Electric Holdings Co., Ltd.
	Haruki Okada	President, Fujitsu Microelectronics Ltd.
Senior Executive Advisor, Director	Naoyuki Akikusa	
Standing Auditor	Masamichi Ogura	
	Akira Kato	
Outside Auditor	Yoshiharu Inaba	President and CEO, Fanuc Ltd.
	Tamiki Ishihara	Corporate Adviser, Seiwa Sogo Tatemono Co., Ltd.
	Megumi Yamamuro	Professor, University of Tokyo Graduate Schools for Law and Politics

*Notes:*

1. Mr. Ikujiro Nonaka and Mr. Haruo Ito are outside board members under Item 15, Article 2 of the Company Law.
2. Mr. Yoshiharu Inaba, Mr. Tamiki Ishihara, and Mr. Megumi Yamamuro are outside auditors under Item 16, Article 2 of the Company Law.

(TRANSLATION FOR REFERENCE ONLY)

## Consolidated Interim Financial Statements (Unaudited)

### Consolidated Balance Sheet

	<i>Yen(Millions)</i>	
	<u>September 30 2008</u>	<u>March 31 2008</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and time deposits, marketable securities	¥ 559,428	549,408
Notes and accounts receivable, trade	844,293	1,017,916
Inventories	422,564	383,106
Other current assets	204,972	219,507
<b>Total current assets</b>	<u>2,031,257</u>	<u>2,169,937</u>
<b>Non-current assets:</b>		
Property, plant and equipment, net of accumulated depreciation	798,263	839,764
Intangible assets	222,138	219,555
Other non-current assets	528,497	592,707
<b>Total non-current assets</b>	<u>1,548,898</u>	<u>1,652,026</u>
<b>Total assets</b>	<u>3,580,155</u>	<u>3,821,963</u>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes and accounts payable, trade	622,887	772,164
Short-term borrowings and current portion of long-term debt	484,826	160,227
Other current liabilities	608,172	678,949
<b>Total current liabilities</b>	<u>1,715,885</u>	<u>1,611,340</u>
<b>Long-term liabilities:</b>		
Bonds payable, long-term borrowings	425,681	727,109
Other long-term liabilities	333,688	353,338
<b>Total long-term liabilities</b>	<u>759,369</u>	<u>1,080,447</u>
<b>Total liabilities</b>	<u>2,475,254</u>	<u>2,691,787</u>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Common stock	324,625	324,625
Capital surplus	249,035	249,038
Retained earnings	338,801	338,903
Treasury stock	(2,145)	(869)
<b>Total shareholders' equity</b>	<u>910,316</u>	<u>911,697</u>
<b>Valuation and translation adjustments:</b>		
Unrealized gain and loss on securities, net of taxes	68,777	89,879
Deferred hedge gain and loss	75	124
Revaluation surplus on land	2,452	2,449
Foreign currency translation adjustments	(62,539)	(55,945)
<b>Total valuation and translation adjustments</b>	<u>8,765</u>	<u>36,507</u>
<b>Share warrants</b>	26	-
<b>Minority interests</b>	<u>185,794</u>	<u>181,972</u>
<b>Total net assets</b>	<u>1,104,901</u>	<u>1,130,176</u>
<b>Total liabilities and net assets</b>	¥ <u>3,580,155</u>	<u>3,821,963</u>

**Consolidated Statements of Operations**

	<i>Yen</i> (Millions)	
	<i>1<sup>st</sup> Half</i> <i>FY2008</i>	<i>1<sup>st</sup> Half</i> <i>FY2007</i>
<b>Net sales</b>	¥ <b>2,453,782</b>	2,513,113
<b>Cost of sales</b>	<b>1,812,834</b>	1,879,405
<b>Gross profit</b>	<b>640,948</b>	633,708
<b>Selling, general and administrative expenses</b>	<b>602,406</b>	589,776
<b>Operating income</b>	<b>38,542</b>	43,932
<b>Other income:</b>		
Interest income and dividend income	<b>9,099</b>	9,705
Equity in earnings of affiliates, net	-	2,363
Gain on foreign exchange, net	<b>2,098</b>	-
Gain on sales of investment securities	<b>2,907</b>	11,606
Gain on change in interest	-	2,002
Others	<b>5,889</b>	8,692
<b>Total other income</b>	<b>19,993</b>	34,368
<b>Other expenses:</b>		
Interest expense	<b>9,711</b>	10,131
Equity in losses of affiliates, net	<b>4,932</b>	-
Loss on disposal of property, plant and equipment and intangible assets	<b>2,278</b>	6,473
Loss on foreign exchange, net	-	367
Revaluation loss on inventories	-	25,045
Impairment loss *	<b>2,123</b>	289
Others	<b>9,629</b>	17,786
<b>Total other expenses</b>	<b>28,673</b>	60,091
<b>Income before income taxes and minority interests</b>	<b>29,862</b>	18,209
<b>Income taxes</b>	<b>19,130</b>	21,199
<b>Minority interests</b>	<b>6,099</b>	6,348
<b>Net income (loss)</b>	¥ <b>4,633</b>	(9,338)

*Notes:*

\* Impairment loss refers to the electronic components business.

(TRANSLATION FOR REFERENCE ONLY)

## Unconsolidated Interim Financial Statements (Unaudited)

### Unconsolidated Balance Sheet

	<i>Yen</i>	
	<i>(Millions)</i>	
	<i>September 30</i>	<i>March 31</i>
	<i>2008</i>	<i>2008</i>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and time deposits, marketable securities	¥ 362,024	357,696
Notes and accounts receivable, trade	322,554	437,884
Inventories	141,833	122,180
Other current assets	231,628	309,687
<b>Total current assets</b>	<b>1,058,041</b>	<b>1,227,449</b>
<b>Non-current assets:</b>		
Property, plant and equipment net of accumulated depreciation	215,955	223,966
Intangible assets	82,830	75,819
Other non-current assets	970,140	1,009,325
<b>Total non-current assets</b>	<b>1,268,926</b>	<b>1,309,111</b>
<b>Total assets</b>	<b>2,326,968</b>	<b>2,536,561</b>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes and accounts payable, trade	543,017	668,662
Short-term borrowings and current portion of long-term debt	391,496	106,800
Other current liabilities	220,487	285,927
<b>Total current liabilities</b>	<b>1,155,001</b>	<b>1,061,390</b>
<b>Long-term liabilities:</b>		
Bonds payable, long-term borrowings	415,623	717,768
Other long-term liabilities	112,530	120,550
<b>Total long-term liabilities</b>	<b>528,153</b>	<b>838,318</b>
<b>Total liabilities</b>	<b>1,683,154</b>	<b>1,899,708</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Common stock	324,625	324,625
Capital surplus:		
Other capital surplus	169,177	169,181
Total capital surplus	169,177	169,181
Retained earnings:		
Legal retained earnings	1,655	620
Other retained earnings:		
Reserves for special depreciation	1,845	2,343
Retained earnings brought forward	80,533	52,244
Total retained earnings	84,033	55,207
Treasury stock	(2,145)	(869)
<b>Total shareholders' equity</b>	<b>575,690</b>	<b>548,144</b>
<b>Valuation and translation adjustments:</b>		
Unrealized gain and loss on securities, net of taxes	68,050	88,585
Deferred hedge gain and loss	72	122
<b>Total valuation and translation adjustments</b>	<b>68,123</b>	<b>88,708</b>
<b>Total net assets</b>	<b>643,813</b>	<b>636,852</b>
<b>Total liabilities and net assets</b>	¥ <b>2,326,968</b>	<b>2,536,561</b>

**Unconsolidated Statements of Operations**

	<i>Yen</i> (Millions)	
	<i>1<sup>st</sup> Half</i> <i>FY2008</i>	<i>1<sup>st</sup> Half</i> <i>FY2007</i>
<b>Net sales</b>	¥ <b>1,194,702</b>	1,400,103
<b>Cost of sales</b>	<b>900,655</b>	1,101,745
<b>Gross profit</b>	<b>294,046</b>	298,357
<b>Selling, general and administrative expenses</b>	<b>282,431</b>	317,129
<b>Operating income (loss)</b>	<b>11,614</b>	(18,771)
<b>Other income:</b>		
Interest and dividend income	<b>40,029</b>	75,968
Gain on sales of investment securities	<b>2,869</b>	7,052
Gain on reversal of provision for loss on guarantees	<b>10</b>	2,204
Others	<b>5,912</b>	8,372
<b>Total other income</b>	<b>48,822</b>	93,597
<b>Other expenses:</b>		
Interest expense	<b>5,392</b>	5,597
Revaluation loss on inventories	<b>-</b>	24,236
Loss on devaluation of subsidiaries' and affiliates' stock	<b>1,815</b>	5,689
Provision for loss on guarantees	<b>260</b>	351
Others	<b>7,226</b>	18,136
<b>Total other expenses</b>	<b>14,693</b>	54,011
<b>Income before income taxes</b>	<b>45,744</b>	20,814
<b>Income taxes:</b>		
Current	<b>(7,426)</b>	(6,007)
Deferred	<b>14,000</b>	(3,000)
<b>Net income</b>	¥ <b>39,170</b>	29,822



(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, London, Frankfurt, and Swiss  
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/>

Japanese <http://pr.fujitsu.com/jp/ir/>