

June 17, 2011

## **FY 2011 Financial Forecasts**

Fujitsu Limited

## FY 2011 Consolidated Earnings Projections

The March 11, 2011 Tohoku earthquake adversely impacted the production and delivery of certain products due to a shortfall in the supply of components and materials, and all plants that sustained damage had not recovered full production capacity until mid April. In addition, there is a rising sense of caution with regard to domestic ICT investments and a major impact on performance is seen for the first half of the fiscal year. However, thanks to growing sales, primarily in the services business outside of Japan, as well as a recovery demand-driven rebound in domestic ICT investments in the second half of the fiscal year, Fujitsu projects increased sales and income for the full year.

In the first half of the fiscal year, Fujitsu anticipates a 2.2% decline in net sales from the same period of the previous fiscal year, to 2,100.0 billion yen. Sales of car audio and navigation systems, LSI devices and electronic components in Japan are the main products expected to feel the effects of the earthquake. Excluding the impact of the earthquake, however, the company projects a 1% increase in sales owing to expansion in the services business outside of Japan as well as for servers and other products.

Operating income is projected to decline by approximately 40.0 billion yen from the same period of the previous fiscal year, to 5.0 billion yen. In addition to the impact of a decline in sales caused by the earthquake, this is on account of upfront investments associated with cloud services and other areas. Net income is expected to decline by approximately 20.0 billion yen from the same period of the previous fiscal year.

Fujitsu projects full-year net sales to increase by 1.6%, to 4,600.0 billion yen. The company anticipates growth in the services business outside of Japan, network products, PCs and other areas despite the impact of yen appreciation.

Operating income should be mostly on par with the previous fiscal year, to 135.0 billion yen. Despite the effect of lower sales caused by the earthquake and the impact of falling prices for mobile phones, these will be offset by rising sales in the services business outside of Japan as well as the impact of product-related cost reductions.

### FY2011 First-Half Projections

(Billion Yen)

	FY 2010 First-Half Results (4/1/10- 9/30/10)	FY 2011 First-Half Forecast (4/1/11- 9/30/11)	Change		Change excluding earthquake-related impact	Change (%)
				(%)		
Net Sales	2,147.4	2,100.0	-47.4	-2.2	20.5	1
Operating Income (Operating Income Margin)	47.1 (2.2%)	5.0 (0.2%)	-42.1 (-2.0%)	-89.4	-14.1 (-0.7%)	-30
Net Income	19.0	0	-19.0	-		

### FY2011 Full-Year Projections

(Billion Yen)

	FY 2010 Full-Year Results (4/1/10- 3/31/11)	FY 2011 Full-Year Forecast (4/1/11- 3/31/12)	Change		Change excluding earthquake-related impact	Change (%)
				(%)		
Net Sales	4,528.4	4,600.0	71.5	1.6	105.5	2
Operating Income (Operating Income Margin)	132.5 (2.9%)	135.0 (2.9%)	2.4 (- %)	1.8	26.4 (0.5%)	20
Net Income	55.0	60.0	4.9	8.9		

\* The impact of the earthquake is calculated by estimating the decline in sales and increase in costs as compared to pre-quake plans in FY 2010 and FY 2011.

# 1. Forecast for FY 2011 Consolidated Business Segment Information

## a. Net Sales\* and Operating Income

		Yen <u>(Billions)</u>	Yen <u>(Billions)</u>	Change(%) vs.	Change excluding earthquake-related impact (%)**
		<u>FY 2011</u> <u>(Forecast)</u>	<u>FY 2010</u> <u>(Actual)</u>	<u>FY 2010</u>	
<b>Technology Solutions</b>					
Japan	Y	1,940.0	1,942.1	-0.1	0
Outside Japan		1,110.0	1,072.1	+3.5	+4
Sales		3,050.0	3,014.3	+1.2	+1
<b>Operating income:</b>					
Services		135.0	117.3	+15.0	+24
[Operating income margin]		[5.5%]	[4.9%]		
System Platforms		50.0	45.5	+9.8	+16
[Operating income margin]		[8.3%]	[7.7%]		
<b>Total operating income</b>		<b>185.0</b>	<b>162.8</b>	<b>+13.6</b>	<b>+22</b>
<b>[Operating income margin]</b>		<b>[6.1%]</b>	<b>[5.4%]</b>		
<b>Ubiquitous Solutions</b>					
Japan		880.0	851.6	+3.3	+5
Outside Japan		280.0	273.9	+2.2	+2
Sales		1,160.0	1,125.6	+3.1	+5
<b>Operating income</b>		<b>15.0</b>	<b>22.6</b>	<b>-33.9</b>	<b>+1</b>
<b>[Operating income margin]</b>		<b>[1.3%]</b>	<b>[2.0%]</b>		
<b>Device Solutions</b>					
Japan		360.0	361.3	-0.4	+3
Outside Japan		270.0	269.2	+0.3	0
Sales		630.0	630.6	-0.1	+2
<b>Operating income</b>		<b>15.0</b>	<b>20.9</b>	<b>-28.5</b>	<b>-19</b>
<b>[Operating income margin]</b>		<b>[2.4%]</b>	<b>[3.3%]</b>		
<b>Other/Elimination and Corporate</b>					
Sales		(240.0)	(242.2)	-	-
Operating income		(80.0)	(73.9)	-	-
<b>Total</b>					
Japan		2,970.0	2,941.0	+1.0	+2
Outside Japan		1,630.0	1,587.3	+2.7	+3
<b>Total</b>		<b>4,600.0</b>	<b>4,528.4</b>	<b>+1.6</b>	<b>+2</b>
<b>Operating income</b>	Y	<b>135.0</b>	<b>132.5</b>	<b>+1.8</b>	<b>+20</b>
<b>[Operating income margin]</b>		<b>[2.9%]</b>	<b>[2.9%]</b>		
<b>&lt; Ratio of sales outside Japan &gt;</b>		<b>&lt; 35.4% &gt;</b>	<b>&lt; 35.1% &gt;</b>		

## b. Net Sales\* by Principal Products and Services

		<u>Yen</u> <u>(Billions)</u> <u>FY2011</u> <u>(Forecast)</u>	<u>Yen</u> <u>(Billions)</u> <u>FY 2010</u> <u>(Actual)</u>	Change(%) vs. FY 2010	Change excluding earthquake-related impact (%)**
<b>Technology Solutions</b>					
<b>Services:</b>					
	Solutions / System Integration	Y 830.0	830.0	-	+1
	Infrastructure Services	<u>1,620.0</u>	<u>1,589.5</u>	+1.9	+2
		<u>2,450.0</u>	<u>2,419.5</u>	+1.3	+2
<b>System Platforms:</b>					
	System Products	320.0	326.5	-2.0	-2
	Network Products	<u>280.0</u>	<u>268.2</u>	+4.4	+3
		<u>600.0</u>	<u>594.8</u>	+0.9	0
	<b>Total</b>	<u><u>3,050.0</u></u>	<u><u>3,014.3</u></u>	+1.2	+1
<b>Ubiquitous Solutions</b>					
	PCs / Mobile Phones	900.0	842.5	+6.8	+7
	Mobilewear	<u>260.0</u>	<u>283.1</u>	-8.2	-2
	<b>Total</b>	<u><u>1,160.0</u></u>	<u><u>1,125.6</u></u>	+3.1	+5
<b>Device Solutions</b>					
	LSI***	340.0	343.7	-1.1	+2
	Electronic Components	<u>290.0</u>	<u>288.5</u>	+0.5	+1
	<b>Total</b>	Y <u><u>630.0</u></u>	<u><u>630.6</u></u>	-0.1	+2

Notes:

\* Net sales include intersegment sales.

\*\* The impact of the earthquake is calculated by estimating the decline in sales and increase in costs as compared to pre-quake plans in FY 2010 and FY 2011.

\*\*\* Sales figures for LSI include intrasegment sales to the electronic components segment.

## 2. Miscellaneous Forecasts for FY 2010

### a. Exchange Rates

	FY 2010 (Actual)	FY 2011 (Forecast)
	\$1= 86 yen	<b>\$1= 80 yen</b>
Average rates for	€1=113 yen	<b>€1=110 yen</b>
	£1=133 yen	<b>£1=130 yen</b>

**Reference information** : A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in FY 2011.

US Dollar	: Increase/decrease by approximately 1.3 billion yen
Euro	: Increase/decrease by approximately 0.3 billion yen
Pound	: Increase/decrease by approximately 0 billion yen

### b. R&D Expenses

	Yen (Billions)	
	FY 2010 (Actual)	FY 2011 (Forecast)
<b>Y</b>	236.2	<b>250.0</b>
As % of sales	5.2%	<b>5.4%</b>

### c. Capital Expenditures, Depreciation

	Yen (Billions)	
	FY 2010 (Actual)	FY 2011 (Forecast)
<b>Capital Expenditures</b>		
Technology Solutions	67.2	<b>85.0</b>
Ubiquitous Solutions	15.5	<b>15.0</b>
Device Solutions	39.4	<b>55.0</b>
Other/Corporate	8.0	<b>5.0</b>
Total	130.2	<b>160.0</b>
<b>Depreciation</b>	<b>Y</b> 141.6	<b>140.0</b>

#### d. Cash Flows

		Yen (Billions)	
		FY 2010	FY 2011
		(Actual)	(Forecast)
(A) Cash flows from operating activities	Y	255.5	<b>300.0</b>
[Net income]		[55.0]	<b>[60.0]</b>
[Depreciation & goodwill amortization]		[223.3]	<b>[220.0]</b>
[Others]		[(22.9)]	<b>[20.0]</b>
(B) Cash flows from investing activities		(142.1)	<b>(200.0)</b>
(C) Free cash flow (A)+(B)		113.4	<b>100.0</b>
(D) Cash flows from financing activities		(166.9)	<b>(110.0)</b>
(E) Total (C)+(D)	Y	<u>(53.5)</u>	<u><b>(10.0)</b></u>

#### e. PC Shipments

(Million Units)	
FY 2010	FY 2011
(Actual)	(Forecast)
5.42	<b>6.60</b>

#### f. Mobile Phone Shipments

(Million Units)	
FY 2010	FY 2011
(Actual)	(Forecast)
6.70	<b>7.00</b>