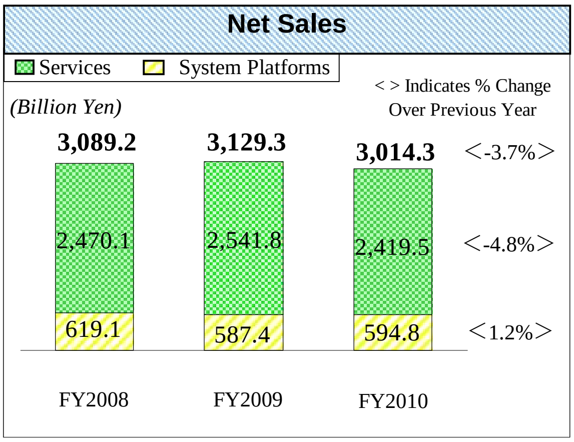
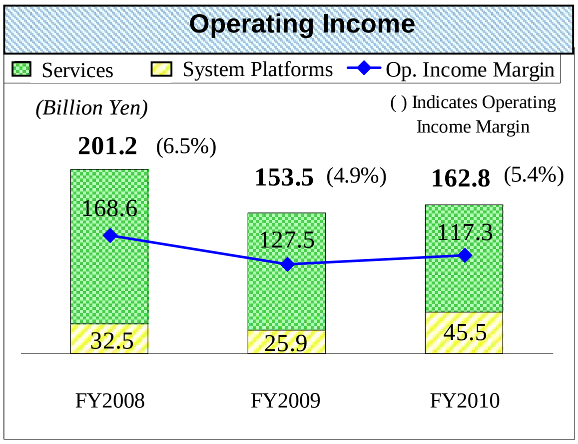
3. Results by Business Segment

Information on fiscal 2010 consolidated net sales (including intersegment sales) and operating income broken out by business segment is presented below. As indicated in "Notice Regarding Change in Business Segments" issued July 26, 2010, segments have been changed as of fiscal 2010. Major changes include the reclassification of car audio and navigation systems, which had been included in the "Other" segment, as part of the "Ubiquitous Solutions" segment. For comparison purposes, business segment information for previous fiscal years has been reclassified.

Technology Solutions





(Billion Yen)

		FY 2010	Change vs. FY 2009
Net Sales		3,014.3	-3.7%
	Japan	1,942.1	-1.0%
	Outside Japan	1,072.1	-8.1%
Operating Income		162.8	9.2

Consolidated net sales in the Technology Solutions segment for fiscal 2010 were 3,014.3 billion yen (US$36,317 million), a year-on-year decline of 3.7%. Excluding the impact of exchange rate fluctuations, sales were on par with the previous fiscal year. Sales in Japan decreased 1.0%. Although the Services sub-segment experienced a rebound in sales in parts of the financial services industry during the second half of the fiscal year, the sub-segment continued to face corporate investment constraints and other factors against a backdrop of yen appreciation and reaction to the effect of government policies. In addition, the Tohoku earthquake delayed a certain number of customer contracts and product shipments. In the System Platforms sub-segment, while sales of mobile phone base stations were adversely impacted by the industry entering a transition period prior to the full-fledged deployment of commercial LTE (*) services, sales increased overall due to factors including sales from the high-volume production of dedicated servers for the Next-Generation Supercomputer system. Sales outside Japan declined 8.1%. Excluding the impact of exchange rate fluctuations, however, sales were essentially unchanged from the prior fiscal year. Despite the significant impact of government fiscal austerity measures in the UK, sales of infrastructure services and x86 servers in continental Europe and sales of optical transmission systems and other devices in the US achieved steady growth.

The segment posted operating income of 162.8 billion yen (US$1,961 million), an increase of 9.2 billion yen compared to fiscal 2009. In Japan, despite lower sales of mobile phone base stations and other equipment, income rose with the complete amortization, in the previous fiscal year, of the company's unrecognized obligation for retirement benefits in accordance with a change in accounting standards. Another factor was that development expenses related to mobile phone base stations and other equipment had already peaked. Overseas, despite the positive impact of the completion in fiscal 2009 of the amortization of goodwill stemming from the acquisition of UK-based ICL PLC (now Fujitsu Services Holdings PLC) and a decrease in expenses associated with retirement benefit obligations of a UK subsidiary, income declined due to reduced sales stemming from fewer public sector business opportunities and a deterioration in the profitability of some UK projects.

(*) LTE: Long Term Evolution. A next-generation high-speed data communications standard that further improves on the 3G mobile phone data communications standard

(1) Services

Net sales in the Services sub-segment amounted to 2,419.5 billion yen (US$29,151 million), down 4.8% from the previous fiscal year. Excluding the impact of currency fluctuations, however, sales were essentially unchanged from the previous fiscal year. In Japan, sales decreased 2.2%. Although recovery to investments in system integration services in parts of the financial services industry was seen in the second half, corporate spending constraints and other factors continued against a backdrop of yen appreciation and reaction to the effect of government policies. In addition, discussions on the sale of system upgrades to major public sector customers ran their course, and customer contracts and product shipping and receipt experienced partial delays due to the Tohoku earthquake. Overseas sales declined 8.9%. Excluding the impact of currency fluctuations, however, sales outside Japan were on par with the previous fiscal year. Sales in the UK were significantly affected by government fiscal austerity policies, but there were increased sales in continental Europe and the Americas, in addition to strong sales of image scanners throughout the year.

(Billion Yen)

	FY 2010	Change vs. FY 2009
Net Sales	2,419.5	-4.8%
Japan	1,515.9	-2.2%
Outside Japan	903.6	-8.9%
Operating Income	117.3	-10.2

Operating income for the Services sub-segment was 117.3 billion yen (US$1,413 million), a decrease of 10.2 billion yen compared to fiscal 2009. In Japan, despite the impact of lower sales as well as continued upfront investments for the development of cloud services, income improved due to a reduction in retirement benefit expenses resulting from the complete amortization last fiscal year of an unrecognized obligation for retirement benefits in accordance with a change in accounting standards, as well as overall cost reductions. Overseas, an operating loss resulted from reduced sales with fewer public sector business opportunities in the UK and the one-time recognition of upfront costs associated with the cancellation of certain long-term services contracts. These factors countered the completion of the amortization of goodwill stemming from the acquisition of ICL PLC in the UK in fiscal 2009 and a one-time reduction in retirement benefit expenses associated with revisions to the pension system at a UK subsidiary.

(2) System Platforms

(Billion Yen)

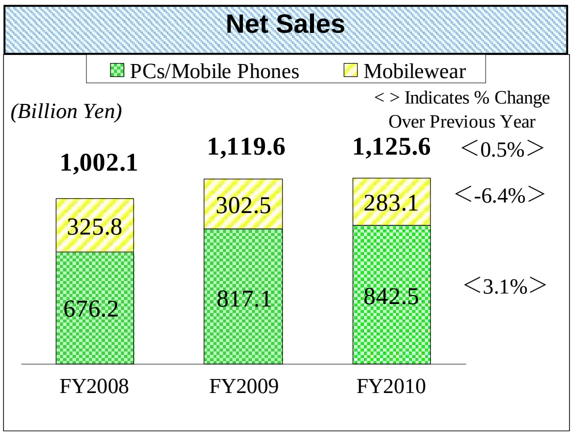
	FY 2010	Change vs. FY 2009
Net Sales	594.8	1.2%
Japan	426.2	3.3%
Outside Japan	168.5	-3.7%
Operating Income	45.5	19.5

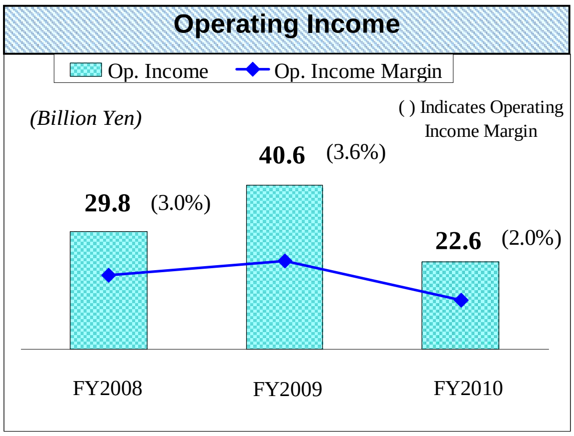
Net sales in the System Platforms sub-segment amounted to 594.8 billion yen (US$7,166 million), an increase of 1.2% compared to fiscal 2009. Excluding the impact of currency fluctuations, sales increased by 4.0%. In Japan, sales increased 3.3%. Despite lower sales of mobile phone base stations resulting from the industry entering a transition period prior to the full-fledged deployment of commercial LTE (*) services, as well as business of mission-critical system upgrades to major customers in the public sector last year, net sales increased overall due to sales achieved with the high-volume production of dedicated servers that utilize the Next-Generation Supercomputer system.

Sales outside Japan decreased 3.7%. Excluding the impact of currency fluctuations, however, sales increased 6.0%. While there continued to be fewer requirements for UNIX servers in the US, sales of optical transmission systems to carriers grew to support increases in traffic associated with the spread of smartphones and other devices. Sales of x86 servers in continental Europe were also strong.

Operating income for the System Platforms sub-segment was 45.5 billion yen (US$548 million), an increase of 19.5 billion yen compared to fiscal 2009. In Japan, income improved due to a reduction in development expenses for servers and other equipment, in addition to increased sales of mobile phone base stations associated with the launch of commercial LTE services, among other factors. Overseas income also improved as the result of increased optical transmission system and x86 server sales, as well as the one-time charge incurred in the previous fiscal year associated with converting Fujitsu Technology Solutions into a consolidated subsidiary.

Ubiquitous Solutions





(Billion Yen)

	FY 2010	Change vs. FY 2009
Net Sales	1,125.6	0.5%
Japan	851.6	4.6%
Outside Japan	273.9	-10.3%
Operating Income	22.6	-18.0

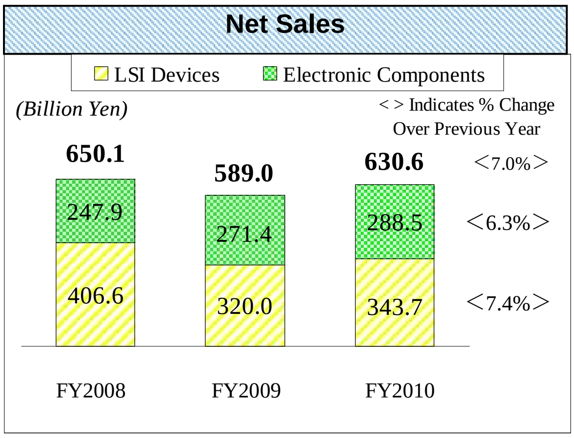
Net sales in the Ubiquitous Solutions segment were 1,125.6 billion yen (US$13,561 million), essentially unchanged from fiscal 2009. Excluding the impact of currency fluctuations, however, sales increased by 3%. Sales in Japan increased 4.6%. Due to a merger in the mobile phone business and growth in sales of smartphones, there was an increase in the number of mobile phones sold. On the other hand, demand for PCs for use in education was lower than in the previous fiscal year, and there was a halt in operations at some manufacturing plants due to earthquake damage. Sales of the mobilewear sub-segment's car audio and navigation systems also decreased, due to a drop in new automobile purchases as the government's eco-car subsidy expired, as well as on account of earthquake damage. Sales outside of Japan declined 10.3%. Excluding the impact of foreign exchange fluctuations, however, sales were on par with the previous year. Sales of desktop PCs in Europe grew steadily, but remained anemic in the US and Asia. Sales of mobilewear devices were on par with the prior fiscal year.

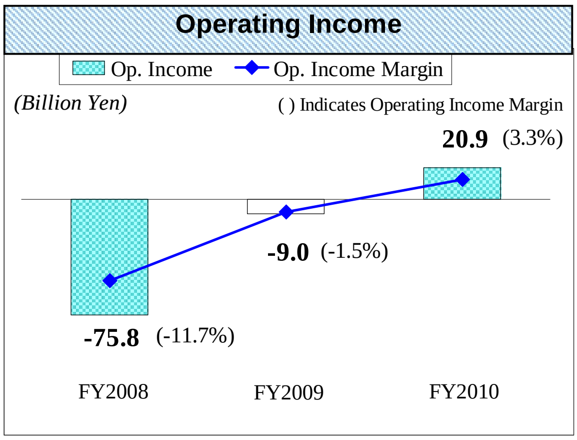
Operating income for the segment was 22.6 billion yen (US$272 million), a decrease of 18.0 billion yen compared to the previous fiscal year. In Japan, income was adversely impacted by downward pricing pressure for feature phones (*) in the mobile phone business, as well as development expenses related to smartphones and other devices. The earthquake and other factors also caused sales of PCs and mobilewear devices to decline. Outside Japan, although a one-time decrease in expenses—from a fiscal 2009 settlement with the national copyright organization reduced copyright levies imposed on PC manufacturers in Germany—did not continue into fiscal 2010, it was partially compensated for through efforts to reduce costs and enhance cost efficiencies.

Regarding the new company established by the merger of the mobile phone businesses of Fujitsu Limited and Toshiba Corporation, on October 1, 2010 Toshiba completed the transfer of its mobile phone operations, and upon Fujitsu's acquisition of an 80.1% share it commenced operations. Fujitsu's current mobile phone operations will continue to operate as a part of Fujitsu Limited.

(*) Feature Phone: A standard mobile handset - distinguishable from smartphones with functions of personal digital assistants (PDA) and can be customized like a PC.

Device Solutions





Note: Sales figures for LSI devices include intrasegment sales to the electronic components segment.

(Billion Yen)

	FY 2010	Change vs. FY 2009
Net Sales	630.6	7.0%
Japan	361.3	8.9%
Outside Japan	269.2	4.7%
Operating Income	20.9	30.0

Net sales in Device Solutions were 630.6 billion yen (US$7,598 million), an increase of 7.0% compared to fiscal 2009. Excluding the impact of foreign exchange fluctuations, sales increased by 11%. Sales in Japan increased 8.9%. Sales of LSI devices increased due to sales of CPUs being produced in high volumes for use in the Next-Generation Supercomputer system, as well as the recovery in demand for information devices, mobile phones and automotive devices. The acquisition of a nickel-hydride battery business also contributed to sales of electronic components. Sales outside Japan increased 4.7%. Excluding the impact of exchange rate fluctuations, however, sales increased 13%. Sales of LSI devices in Asia, Europe and the US increased. Despite transfer of the communications devices business to Taiyo Yuden Co. Ltd. in fiscal 2009, there was an increase in sales of semiconductor packages associated with the expansion of the PC and other markets, primarily in the US. The acquisition of the nickel-hydride battery business also had a beneficial impact.

Operating income for the segment was 20.9 billion yen (US$252 million), an improvement of 30.0 billion yen over the previous fiscal year. In Japan, although LSI devices business income was negatively affected by production stoppages resulting from the earthquake, overall income improved as a result of lower fixed overhead costs enabled by realigning production facilities and enhancing efficiencies in administrative operations, as well as by the maintenance of a high capacity utilization rate at factories in Japan up until the earthquake. Income in the electronic components business also increased as a result of higher sales and the promotion of cost reductions. Overseas, increased sales and cost reductions in the LSI and electronic components businesses compensated for deteriorating conditions caused by exchange rate fluctuations. These efforts resulted in increased profitability.

Other/Elimination and Corporate

The Other/Elimination and Corporate category posted an operating loss of 73.9 billion yen (US$890 million), representing an improvement of 16.9 billion yen over fiscal 2009.

This includes the transfer of the HDD business and the reserves posted in the previous fiscal year for anticipated expenses associated with the Next-Generation Supercomputer system.