7. Basic Management Policy

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. To achieve this vision, the Fujitsu Group strives for sustainable profitability and growth, while continually enhancing its corporate value.

The Fujitsu Group is dedicated to contributing to the success of its customers and seeks to grow with its customers as their valued and trusted partner.

Medium- and Long-Term Business Strategy and Priority Tasks
It is currently difficult to obtain a clear overall picture of the impact on the Japanese economy exerted by the Tohoku earthquake that hit Japan on March 11, 2011, including the resulting concern for raw material and component procurement uncertainty of electricity shortages.

Under these circumstances, as the Fujitsu Group seeks to stabilize its operations in the affected areas while ensuring the safety of its employees, the company is making comprehensive efforts in the recovery process by assisting customers who sustained damages, with a priority on restoring social infrastructure systems. By leveraging the power of ICT to build better social infrastructure systems, prepare better disaster prevention and disaster recovery systems, as well as reduce energy consumption, Fujitsu is well aware of the contributions it can make and is currently focused on this effort.

At the same time, the pace of economic globalization is accelerating throughout the world. As the Fujitsu Group continues to expand its business globally, the company is focused on improving the profitability of its business outside of Japan. In addition, as the company enhances its procurement, production, development, and service-delivery capabilities from a global perspective, it is strengthening its ability to meet the increasingly global nature of its customers' needs at the same time that it is enhancing its ability to deal with unforeseen circumstances.

Over the medium- and long-term, whether by supporting progress in medicine, enabling breakthroughs in advanced research fields such as space exploration, or by helping to resolve the biggest challenges of the 21st century, such as environmental sustainability and energy issues, there are new expectations regarding the promise of ICT to improve the daily lives of people and benefit society. Attempting to meet these expectations presents the ICT industry with a new set of challenges, but at the same time, in Fujitsu's view, it also presents a pillar for achieving future rewards and growth. The Fujitsu Group will continue to focus on high-performance computing and other areas of R&D for next-generation technologies.

Diligently striving to meet the challenges discussed above, the Fujitsu Group will further pursue the transformation of its operations to continue earning the confidence of customers and society as a global enterprise contributing to the creation of a reliable and secure networked society.

(5) Significant Changes to Subsidiaries in the Current Reporting Period (changes to specified subsidiaries resulting from changes in scope of consolidation)

There are none.

(6) Cautionary Note Regarding Assumptions of a Going Concern

There are none.

(7) Significant issues regarding the basis for preparation of consolidated financial reports

Fiscal 2010 (from April 1, 2010 to March 31, 2011)

1) Items regarding the scope of consolidation
This consolidated financial report consolidates the results of 535 major subsidiaries. As for changes in the scope of consolidation for this consolidated accounting year, 16 companies were added and 21 companies were removed. Major additions and subtractions are described below. Since the names of major subsidiary companies are noted on page 42 they are omitted here.

New consolidated subsidiaries as a result of acquisitions or the formation of new companies during the fiscal year: 15 companies
Changed from unconsolidated subsidiaries to consolidated subsidiaries: 1 company
Subtracted due to liquidation or sale: 10 companies
Subtracted due to merger: 11 companies

2) Subsidiaries accounted for by equity method
Regarding investments in non-consolidated subsidiaries and affiliated companies, they are accounted for by the equity method and the number of companies to which this applies is 15.

Affiliated companies: 15 companies

These included the following:
Major equity-method affiliate companies include: Fujitsu General Ltd., Fujitsu Leasing Co., Ltd., Force Co., Ltd., (name change of Communication Science Corporation as of September 2010) and others.

In regards to the companies not mentioned above, we have omitted them as there were no significant changes stemming from the recent securities report (submitted June 21, 2010).

(8) Significant Changes to Preparation of Financial Statements

Changes to Accounting Standards

FY2009 (April 1, 2009 – March 31, 2010)	FY2010 (April 1, 2010 – March 31, 2011)
――――――	**Adoption of Accounting Standards for Asset Retirement Obligations** Beginning with this accounting period, the company has adopted the "Accounting Standards for Asset Retirement Obligations" (Accounting Standards Board of Japan, Statement No. 18, dated March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations," (Accounting Standards Board of Japan, Guidance No. 21, dated March 31, 2008). As a result of the adoption of the above accounting standard, operating income for the current fiscal year was reduced by 531 million yen. In addition, as a result of applying accounting standards for asset retirement obligations, the company recognized a loss of 4,113 million yen representing the difference between the asset retirement obligation newly recorded as a liability at the start of this fiscal year, and the retirement expenses added to the book value of property, plant, and equipment. As a result, income before taxes was reduced by 4,644 million yen.
――――――	**Adoption of Accounting Standards for Business Combinations** Beginning with this accounting period, the company has adopted the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan, Statement No. 21, dated December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (Accounting Standards Board of Japan, Statement No. 22, dated December 26, 2008), and "Revised Guidance on Accounting Standards for Business Combinations and Accounting Standard for Business Divestitures" (Accounting Standards Board of Japan Adoption Guidance No. 10, dated December 26, 2008).
Adoption of Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) Beginning with this accounting period, the company adopted "Partial Amendments to Accounting Standard for Retirement Benefits" (Part 3) (Accounting Standards Board of Japan, Statement No. 19, dated July 31, 2008). This change will have no effect on the company's	――――――

operating income or income before income taxes and minority interests.	

Changes to Disclosure Methods

FY2009 (April 1, 2009 – March 31, 2010)	FY2010 (April 1, 2010 – March 31, 2011)
——————	(Relating to Preparation of the Income Statement) Beginning with this accounting period, based on "Accounting Standard for Consolidated Financial Statements" (Accounting Standards Board of Japan, Statement No. 22, dated December 26, 2008), the company has adopted the "Partial Revision to Regulation for Terminology, Forms and Preparation of Financial Statements" (Japan Financial Services Agency, Directive No. 5, dated March 24, 2009), as reflected in the entry "income before minority interests". For the prior fiscal year, "income before minority interests" was 96,930 million yen.

FY2009 (April 1, 2009 – March 31, 2010)	FY2010 (April 1, 2010 – March 31, 2011)
Regarding the Consolidated Cash Flow Statement In fiscal 2008, the items "Proceeds from sales of treasury stock" and "Outflows for acquisition of treasury stock" were included in "Other, net" (proceeds of 155 million yen and outflow of 1,492 million yen, respectively). Starting in fiscal 2009, however, these items have been itemized separately.	——————

Supplementary Information

FY2009 (April 1, 2009 – March 31, 2010)	FY2010 (April 1, 2010 – March 31, 2011)
——————	**Supplementary Information** From the current fiscal year, the company has adopted “Accounting Standard for Presentation of Comprehensive Income” (Accounting Standards Board of Japan, Statement No. 25, dated June 30, 2010). For the prior fiscal year, however, the amounts for “accumulated other comprehensive income” and “total accumulated other comprehensive income” are stated under “valuation and translation adjustments” and “total valuation and translation adjustments.”

(9) Cautionary issues regarding the basis for preparation of consolidated financial reports

1) Consolidated statement of comprehensive income

Fiscal 2010 (from April 1, 2010 to March 31, 2011)
*1. Comprehensive income for the fiscal year preceding the current fiscal year

Comprehensive income attributable to owners of the parent	59,847 million yen
Comprehensive income attributable to minority interests	2,737 million yen
TOTAL	62,584 million yen

*2 Other comprehensive income for the fiscal year preceding the current fiscal year

Unrealized gain and loss on securities, net of taxes	-35, 793 million yen
Deferred hedge gain and loss	-2,934 million yen
Foreign currency translation adjustments	4,153 million yen
Share of other comprehensive income of associates accounted for using equity method	228 million yen
TOTAL	-34,346 million yen

2) Segment Information

1. Segment Overview

Fujitsu's business segments reflect financial information that is able to be disaggregated from the structural entities comprising Fujitsu and its consolidated subsidiaries (herein referred to as the Fujitsu Group). Periodic revisions are made to the reporting segments to facilitate performance evaluation and decisions about the allocation of management resources on the part of Fujitsu's executive decision-making body.

In the field of information and communication technology (ICT), while delivering a wide variety of services, the Fujitsu Group offers comprehensive solutions, from the development, manufacturing, and sales, to the maintenance and operations of advanced, high-performance and high-quality products, and electronic devices that support services. The Fujitsu Group's business is organized into three reporting 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 segment.

(1) Technology Solutions
To optimally deliver to customers comprehensive services that integrate products, software, and services, the segment is organized in a matrix management structure comprised of business groups that are organized by product and service type, and that manage costs and devise global business strategies, and business groups that are organized along industry and geographic lines, integrating sales groups with systems engineers covering specific customers.

This reporting 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.

(2) Ubiquitous Solutions
The segment is organized into independent business management units along product lines and includes the sales groups.

This segment contains ubiquitous terminals—including personal computers and mobile phones, as well as car audio and navigation systems, mobile communication equipment, and automotive electronics—that collect various information and knowledge generated from the behavioral patterns of people and organizations needed to achieve Fujitsu Group's vision of a "Human Centric Intelligent Society" (a society that enjoys the benefits of the value generated by information and communication technologies without requiring anyone to be conscious of the technological complexities involved).

(3) Device Solutions
The segment is organized by product in independent business management units which include the respective sales groups and contains the latest advanced technologies, including LSI devices used in digital home appliances, automobiles, mobile phones and servers, as well as electronic components, such as semiconductor packages.

2. Method Used to Calculate Net Sales and Profit or Loss by Reporting Segment
Income figures for business segments are based on operating income. The Fujitsu Group's financing (including financial expense and income) as well as other items such as corporate tax are managed by the Group overall and have not been allocated within the business segments.

Intersegment transactions are based on an arm length's price.

3. Net Sales and Profit or Loss by Reporting Segment

FY 2010 (April, 1, 2010 to March 31, 2011) (Million Yen)

	Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
Sales to customers outside Fujitsu Group	2,927,651	1,013,056	545,729	4,486,436	32,738	4,519,174
Intersegment sales	86,735	112,586	84,871	284,192	49,766	333,958
Total net sales	3,014,386	1,125,642	630,600	4,770,628	82,504	4,853,132
Segment Income (Loss)	162,881	22,679	20,976	206,536	-7,222	199,314

FY 2009 (April 1, 2009 to March 31, 2010) (Million Yen)

	Segments				Other (*)	Total
	Technology Solutions	Ubiquitous Solutions	Device Solutions	Sub-Total		
Net Sales						
Sales to customers outside Fujitsu Group	3,061,504	1,005,531	510,615	4,577,650	94,925	4,672,575
Intersegment sales	67,859	114,153	78,462	260,474	54,910	315,384
Total net sales	3,129,363	1,119,684	589,077	4,838,124	149,835	4,987,959
Segment Income (Loss)	153,590	40,682	-9,028	185,244	-27,200	158,044

Note: The “Other” category includes activities not included in the reporting segments, such as Japan's Next-Generation Supercomputer project, facility services and the development of information systems for Fujitsu Group companies, and retirement and healthcare benefits for Fujitsu Group employees.
The HDD business has been included in FY2009 (business sold as of October 1, 2009).

4. Reconciliation of Reported Consolidated Net Sales and Operating Income or Loss with the Reporting Segments

(1) Reconciliation of Net Sales (Million Yen)

	FY2009	FY2010
Total of Reporting Segments	4,838,124	4,770,628
Net Sales of "Other" Category	149,835	82,504
Elimination of Intersegment Transactions	-308,440	-324,727
Consolidated net sales	4,679,519	4,528,405

(2) Reconciliation of Operating Income or Loss (Million Yen)

	FY2009	FY2010
Total of Reporting Segments	185,244	206,536
Operating Loss of "Other" Category	-27,200	-7,222
Corporate Expenses	-64,013	-68,341
Elimination of Intersegment Transactions	342	1,621
Consolidated operating income	94,373	132,594

Note: “Corporate Expenses” include strategic expenses for areas such as basic experimental research that, on the whole, cannot be attributed to any reporting segment, as well as shared expenses for Group management at the parent-company level.

(Additional Information)
Starting with the first quarter of fiscal 2010, the company has implemented "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Account Standards Board of Japan Statement No. 17, issued March 27, 2009) and "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Guidance No. 20, issued March 21, 2008).

Related Information

1. Information on Product and Services

FY 2010 (April 1, 2010 to March 31, 2011)

	Reporting Segments						Other Technologies Business	Other Fields	Total
	Technology Solutions		Ubiquitous Solutions		Device Solutions				
	Services	System Platforms	PCs/Mobile Phones	Mobilewear	LSI	Electronic Components			
Sales to customers outside Fujitsu Group	2,385,345	542,306	733,035	280,021	280,868	264,861	32,738	9,231	4,528,405

FY 2009 (April 1, 2009 to March 31, 2010)

	Reporting Segments						Other Technologies Business	Other Fields	Total
	Technology Solutions		Ubiquitous Solutions		Device Solutions				
	Services	System Platforms	PCs/Mobile Phones	Mobilewear	LSI	Electronic Components			
Sales to customers outside Fujitsu Group	2,492,375	569,129	705,496	300,035	274,260	236,355	94,925	6,944	4,679,519

2. Geographical Information
Net Sales
FY 2010 (April 1, 2010 to March 31, 2011) (Million Yen)

Japan	Outside Japan				Total
	EMEA	Americas	APAC/China	Sub-total	
2,941,042 (64.9%)	845,485 (18.7%)	322,272 (7.1%)	419,606 (9.3%)	1,587,363 (35.1%)	4,528,405 (100.0%)

FY 2009 (April 1, 2009 to March 31, 2010) (Million Yen)

Japan	Outside Japan				Total
	EMEA	Americas	APAC/China	Sub-total	
2,931,215 (62.6%)	981,622 (21.0%)	321,603 (6.9%)	445,079 (9.5%)	1,748,304 (37.4%)	4,679,519 (100.0%)

Notes:
1. Geographical segments are defined based on customer location and interconnectedness of business activities.
2. Principal countries and regions comprising the segments other than Japan:
   (1) EMEA (Europe, Middle East, Africa): UK, Germany, Spain, Finland, Sweden
   (2) Americas: US, Canada
   (3) APAC (Asia-Pacific) & China: Australia, Singapore, Thailand, Taiwan, Korea, Vietnam, Philippines, China
3. There is no country that is required to have a separate individual disclosure.
4. Figures in parentheses represent percentage of segment sales to consolidated net sales.

3) Consolidated Tax Effect Accounting

Significant components of deferred tax assets and liabilities.

(Billion Yen)

	FY 2010 (End of March 2011)	FY 2009 (End of March 2010)
Deferred tax assets:		
Accrued retirement benefits	150.8	152.9
Tax loss carryforwards	145.1	142.6
Excess of depreciation and amortization and impairment loss	54.5	64.6
Accrued bonus	43.4	41.9
Inventories	23.0	23.9
Revaluation loss on investment securities	9.6	12.7
Provision for product warranties	6.2	4.9
Provision for loss on repurchase of computers	6.0	8.8
Intercompany profit	5.6	2.9
Other	57.2	66.5
Gross deferred tax assets	501.9	522.2
Valuation allowance	(256.1)	(261.0)
Total deferred tax assets	245.8	261.1
Deferred tax liabilities:		
Gains from establishment of stock holding trust for retirement benefit plan	(110.6)	(110.6)
Unrealized gains on securities	(9.6)	(10.5)
Tax allowable reserves	(2.2)	(3.4)
Other	(8.9)	(7.4)
Total deferred tax liabilities	(131.4)	(132.0)
Net deferred tax assets	114.3	129.0

Note: Excess of depreciation and amortization and impairment loss includes a revaluation loss on idle lands.

4) Retirement Benefit Plan

a. Japan

(1) Itemization of projected benefit obligation, etc.

(Billion Yen)

	FY 2010 as of 3/31/11	FY 2009 as of 3/31/10
i. Projected benefit obligation	(1,280.1)	(1,268.6)
ii. Plan assets	905.5	934.6
[pension trust asset portion]	[41.4]	[58.8]
iii. Projected benefit obligation in excess of plan assets (i)+(ii)	(374.5)	(333.9)
iv. Unrecognized actuarial loss	398.6	378.6
v. Unrecognized prior service cost (reduced obligation)*	(83.4)	(102.0)
vi. Prepaid pension cost	(55.1)	(57.1)
vii. Accrued retirement benefits …(iii)+(iv)+(v)+(vi)	(114.4)	(114.5)

* With respect to the Fujitsu Corporate Pension Fund in which Fujitsu and its consolidated domestic subsidiaries participate, due to a partial revision of the company's pension system in September 2005, prior service costs (reduction of obligation) have arisen.

(2) Components of net periodic benefit cost

(Billion Yen)

	FY 2010 as of 3/31/11	FY 2009 as of 3/31/10
i. Service cost	38.9	39.1
ii. Interest cost	31.5	30.1
iii. Expected return on plan assets	(26.6)	(23.2)
iv. Amortization of net obligation at transition	-	16.2
v. Amortization of actuarial loss	37.3	42.9
vi. Amortization of prior service cost	(18.6)	(18.5)
vii. Net periodic benefit cost …(i)+(ii)+(iii)+(iv)+(v)+(vi)	62.5	86.7
viii. Loss on termination of retirement benefit plan	1.2	(0)
ix. Total …(vii)+(viii)	63.8	86.6

(3) Basis for Tabulating Projected Benefit Obligation

Discount rate 2.5% (at March 31, 2011)
2.5% (at March 31, 2010)

b. Outside Japan

(1) Itemization of projected benefit obligation, etc.

(Billion Yen)

	FY 2010 as of 3/31/11	FY 2009 as of 3/31/10
i. Projected benefit obligation	(534.9)	(592.1)
ii. Plan assets	395.9	390.2
iii. Projected benefit obligation in excess of plan assets …(i)+(ii)	(139.0)	(201.8)
iv. Unrecognized actuarial loss	74.3	110.0
v. Unrecognized prior service cost	(2.3)	(0)
vi. Accrued retirement benefits …(iii)+(iv)+(v)	(67.0)	(91.8)

(2) Components of net periodic benefit cost

(Billion Yen)

	FY 2010 as of 3/31/11	FY 2009 as of 3/31/10
i. Service cost ii. Interest cost iii. Expected return on plan assets iv. Amortization of actuarial loss * v. Amortization of prior service cost **	8.0 29.7 (26.0) 5.8 (13.3)	8.3 28.7 (24.8) (0.1) -
vi. Net periodic benefit cost …(i)+(ii)+(iii)+(iv)+(v)	4.3	12.2
vii. Loss on termination of retirement benefits plan	0.1	(0)
viii. Total (vi)+(vii)	4.4	12.2

* Subsidiaries outside Japan adopt the International Financial Reporting Standards (IFRS), and apply the corridor approach to amortization of actuarial gain and losses.
** In particular, Fujitsu Services Holdings PLC (including its subsidiaries) incurred amortization of prior service costs (reduction of obligation) due to a revision of one part of its pension plan.

(3) Basis for Tabulating Projected Benefit Obligation

Discount rate	Mainly 5.6% (at March 31, 2011) Mainly 5.6% (at March 31, 2010)

5) Consolidated Per Share Data

(Yen)

	FY2010 4/1/10-3/31/11	FY2009 4/1/09-3/31/10
Net assets per share	396.81	386.79
Earnings per share	26.62	45.21
Diluted earnings per share	25.75	42.17

Note 1: The calculations basis for earnings per share and diluted earnings per share is as follows.

(Million Yen)

	FY2010 4/1/10-3/31/11	FY2009 4/1/09-3/31/10
Earnings per share		
Net income	55,092	93,085
Deduction from net income	-	-
Net income for common share	55,092	93,085
Average number of common shares outstanding (thousand shares)	2,069,731	2,058,748
Diluted earnings per share		
Adjustment for net income	1,499	3,101
[Adjustment related to dilutive securities issued by subsidiaries and affiliates]	[-70]	[-62]
[Corporate bond costs (after tax adjustment)]	[1,569]	[3,163]
Increase in number of common shares (thousand shares)	127,549	222,222
[Share warrants (thousand shares)]	[127,549]	[222,222]

Note 3: The calculation basis for net assets per share is as follows.

(Million Yen)

	at March 31, 2011	at March 31, 2010
Net assets	953,779	948,373
Deduction from net assets	132,535	149,711
[Share purchase warrants]	[76]	[53]
[Minority interests]	[132,459]	[149,658]
Net assets for common shares	821,244	798,662
Number of common shares used to calculate owners' equity per share (thousand shares)	2,069,631	2,064,838

6) Material Subsequent Events

There are no events.

7) Compliance with Auditing Procedures

These materials fall outside the jurisdiction of the auditing procedures of the Financial Instruments and Exchange Act. Therefore, at the time of disclosure, a portion of the materials have not yet been audited. Upon completion of the audit, a securities report will be submitted on June 23, 2011.

8) Precautions on Usage of Earnings Projections

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 “FY2010 Consolidated Earnings Projections” on page 24.

- General economic and market conditions in key markets (particularly in Japan, North America, Europe, 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 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