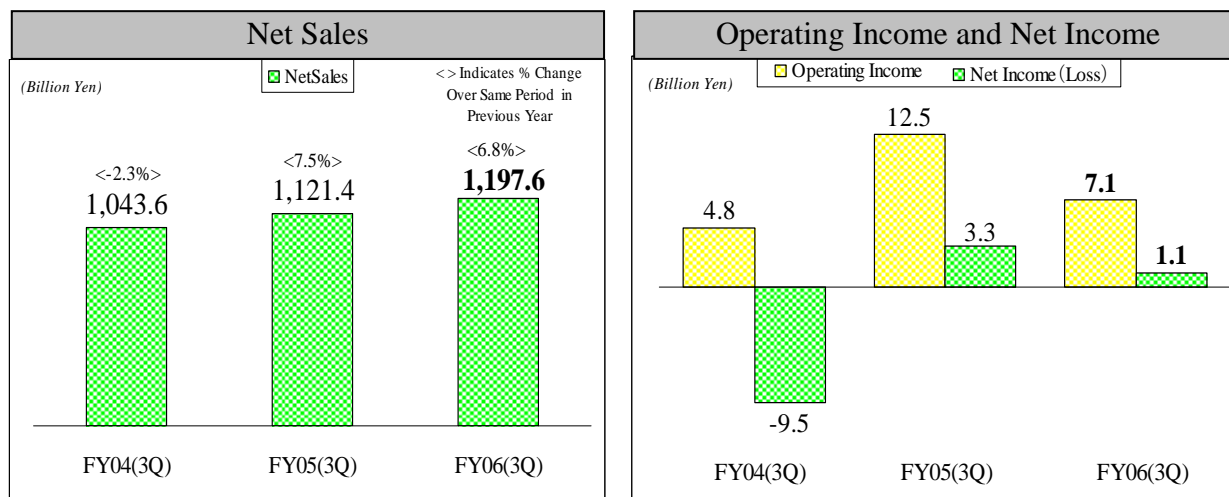


2. FY 2006 Third-Quarter Financial Results

Note: Throughout these explanatory materials, yen figures are converted to U.S. dollars for convenience only at a uniform rate of \$1 = 119 yen, which was the approximate Tokyo foreign exchange market rate at December 31, 2006.

Profit and Loss



Consolidated net sales for the third quarter were 1,197.6 billion yen (US\$10,064 million), up 6.8% compared to the third quarter of fiscal 2005. Outside Japan, sales increased by 14.0% compared to the previous year. While sales of LSI devices were sluggish, IT services sales continued to increase in the UK and, as a result of expanded operations resulting from acquisitions, in North America. Overseas sales of hard disk drives (HDDs), optical transmission systems, and UNIX servers also increased. Third-quarter sales in Japan increased 2.6% over the same period in the previous year. PCs and mobile phone base stations posted lower sales, but sales of IT services, primarily to the financial services, manufacturing, and retailing industries, were solid, and sales of electronic components also increased.

Consolidated operating income was 7.1 billion yen (US\$60 million), a decrease of 5.4 billion yen compared to last year's third quarter. While gross profit increased by 10.5 billion yen, selling, general and administrative expenses increased by 16.0 billion yen. Operating profitability in services and other businesses benefited from higher sales, but lower sales of PCs and LSI devices as a result of the deterioration in market conditions had a negative impact on profitability in those businesses, and there was an intensification of global price competition in HDDs and optical transmission systems. As a result, costs as a ratio of sales worsened by seven-tenths of a percentage point over last year's third quarter, to 75.7%. The increase in selling, general and administrative expenses was attributable to the growth in outsourcing services in the UK and the expanded scale of North American operations as a result of acquisitions, as well as continued aggressive upfront strategic investments in both our hardware and software businesses in Japan, primarily in the Technology Solutions segment.

In other income (expenses), as a result of pension system revisions that took place in September 2005 and the effect of the rise in stock prices that occurred at the end of fiscal 2005, there was a substantial year-on-year reduction in the amortization of unrecognized obligation for retirement benefits. Moreover, there was an increase in investment gains under net equity in earnings of affiliated companies.

Gains were recorded in conjunction with the initial public offering of consolidated subsidiary NIFTY Corporation in accordance with the sale of a portion of Fujitsu's equity holdings in the company and the allocation of new shares to third parties. As a result, we recorded a gain of 7.6 billion yen on sales of marketable securities and a 2.1 billion gain on change in interest. We also posted a loss of 2.2 billion yen from the sale of a portion of our shareholdings in Spansion Inc., which underwent an initial public offering in December 2005. With this sale, the ratio of Fujitsu's

ownership in Spansion has fallen below 20%, and starting in this third-quarter period results from Spansion are no longer consolidated under the equity method.

Consolidated net income for the third quarter was 1.1 billion yen (US\$10 million), a decrease of 2.2 billion yen compared to the third quarter of fiscal 2005. The decrease in net income is partly attributable to a higher tax rate compared to the previous year, in which the tax rate was lower as a result of the loss recorded in conjunction with Spansion Inc.'s initial public offering.

Comparison with Projections Announced in October

Because of the impact of intensified price competition and the deterioration of market conditions in PCs and LSI devices, net sales were 52.3 billion yen lower than the projected amount announced in October 2006.

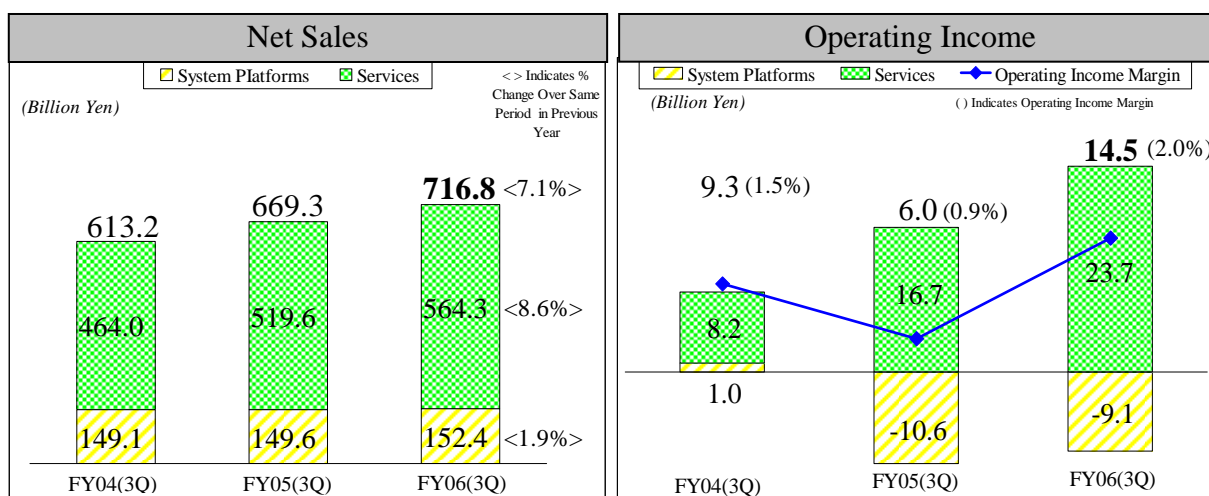
Operating income was 7.8 billion yen lower than projected as a result of the impact of lower sales in some businesses and intensified price competition in areas such as HDDs.

Results by Business Segment

Information on consolidated net sales (including intersegment sales) and operating income for the third quarter broken out by business segment is presented below.

Note: In accordance with changes in the allocation of operating expenses implemented from the first half of fiscal 2006, figures from previous fiscal years are restated for purposes of comparison.

1) Technology Solutions



	Third Quarter FY 2006 (Billion Yen)	% Change from 3Q FY 2005
Net Sales	716.8	7.1%
Japan	443.6	0.1%
Overseas	273.1	20.8%

Total from First 9 Months of FY 2006 (Billion Yen)	% Change from First 9 Months of FY 2005
2,145.4	6.6%
1,386.5	-0.5%
758.9	22.4%

	Third Quarter FY 2006 (Billion Yen)	Change from 3Q FY 2005 (Billion Yen)
Operating Income	14.5	8.5

Total from First 9 Months of FY 2006 (Billion Yen)	Change from First 9 Months of FY 2005 (Billion Yen)
51.0	7.8

Consolidated net sales in this segment were 716.8 billion yen (US\$6,024 million), up 7.1% over the same period in fiscal 2005. In Japan, while sales in areas such as mobile phone base stations declined, sales in our services business increased, contributing to overall results that were roughly on par with the third quarter of the previous year. Overseas, sales of IT services continued to increase in the UK and, as a result of expanded operations resulting from acquisitions, in North America. Overseas sales of optical transmission systems and UNIX servers also increased. As a result of these factors, there was a significant 20.8% year-on-year increase in overall overseas sales for the third quarter.

Operating income for the segment was 14.5 billion yen (US\$122 million), an increase of 8.5 billion yen compared with the third quarter of last year. In addition to severe price competition for optical transmission systems and server-related systems, profitability continued to be affected by strategic upfront investments. The effect of higher sales in our services business and improved profitability from increased efficiency in system development in our systems integration business, as well as cost efficiencies generated by our manufacturing innovation efforts, resulted in overall operating income for the segment exceeding that of the third quarter of fiscal 2005.

(1) System Platforms

	Third Quarter FY 2006 (Billion Yen)	% Change from 3Q FY 2005	Total from First 9 Months of FY 2006 (Billion Yen)	% Change from First 9 Months of FY 2005
Net Sales	152.4	1.9%	491.1	1.8%
Japan	104.0	-1.7%	341.5	-2.4%
Overseas	48.4	10.5%	149.5	13.2%

	Third Quarter FY 2006 (Billion Yen)	Change from 3Q FY 2005 (Billion Yen)	Total from First 9 Months of FY 2006 (Billion Yen)	Change from First 9 Months of FY 2005 (Billion Yen)
Operating Income	-9.1	1.5	-14.3	-6.3

Net sales in the System Platforms sub-segment were 152.4 billion yen (US\$1,281 million), an increase of 1.9% over the third quarter of fiscal 2005. In Japan, reduced sales in such areas as mobile phone base stations resulted in a decrease in sales of 1.7% over the same quarter last year. Overseas, higher sales of UNIX servers in North America and optical transmission systems, particularly in the UK, contributed to a 10.5% increase in sales over the same period in fiscal 2005.

Sales of UNIX servers increased, but price competition intensified. Likewise, in the third quarter pricing pressures increased in our optical transmission systems business in the North American market, where sales had been strong.

System Platforms recorded a third-quarter operating loss of 9.1 billion yen (US\$77 million), which was, however, a 1.5 billion yen improvement over the loss in the third quarter of the previous fiscal year. Price competition in such areas as optical transmission systems and server-related systems further intensified, and outlays associated with strategic upfront investments continued to be heavy. In particular, development expenses increased for new products and projects for Next-Generation Networks* in the US and the UK. However, due to improvements in quality and cost efficiency from manufacturing innovation initiatives, overall losses for the sub-segment narrowed.

In December 2006, we began shipment of a PC server with the world's smallest footprint, world-class low-noise operation and low power consumption. Moving forward, in addition to high performance and reliability, we will provide more products with improved environmental considerations, and a broad lineup of servers for small-, mid- and large-sized enterprises.

* Next Generation Network (NGN): Next generation networks are built entirely using Internet Protocol. The purpose of these networks is to integrate Internet and other services of the IP network with what currently are separate fixed line networks in order to provide integrated communication, broadcasting, authentication and other services.

(2) Services

	Third Quarter FY 2006 (Billion Yen)	% Change from 3Q FY 2005
Net Sales	564.3	8.6%
Japan	339.6	0.7%
Overseas	224.7	23.3%

Total from First 9 Months of FY 2006 (Billion Yen)	% Change from First 9 Months of FY 2005
1,654.2	8.0%
1,044.9	0.2%
609.3	24.9%

	Third Quarter FY 2006 (Billion Yen)	Change from 3Q FY 2005 (Billion Yen)
Operating Income	23.7	6.9

Total from First 9 Months of FY 2006 (Billion Yen)	Change from First 9 Months of FY 2005 (Billion Yen)
65.3	14.1

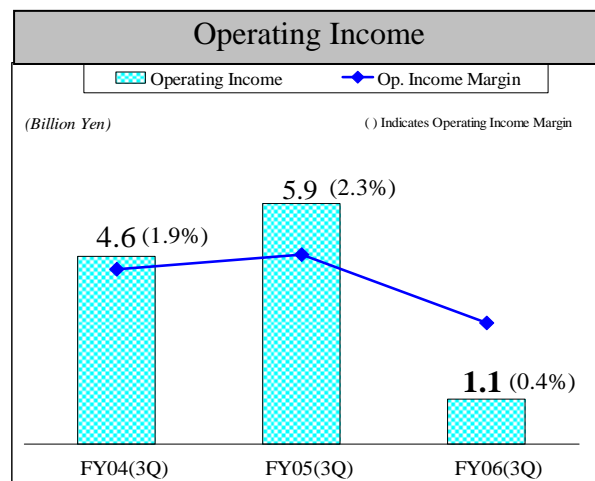
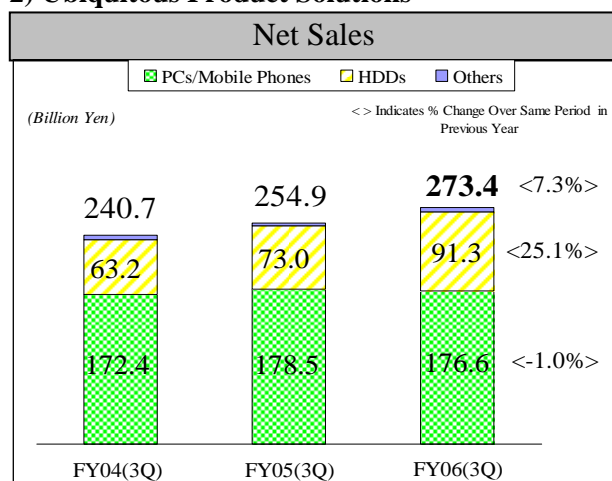
Net sales in the Services sub-segment were 564.3 billion yen (US\$4,743 million), up 8.6% over the same period a year earlier. In Japan, sales of outsourcing and systems integration services increased, particularly in the financial services, manufacturing and retail sectors. Additionally, there was heightened IT investment sentiment in the healthcare field. Overseas, continued growth in our services business in the UK and, as a result of an expanded scale of operations from acquisitions, in North America contributed to a significant 23.3% increase over the third quarter of fiscal 2005.

Operating income for Services was 23.7 billion yen (US\$199 million), an increase of 6.9 billion yen over the same period last year. In Japan, strategic expenses due to intensified proposal activities for our systems integration business increased, but these higher expenses were offset by progress in our efforts to boost system development efficiency, resulting in increased profitability overall. Overseas operations continued to record solid profits.

In December 2006, NIFTY Corporation, our consolidated subsidiary engaged in Internet services, underwent an initial public offering. In addition to allocating shares to third parties, we also sold a portion of our shareholdings in the company. Moving forward, with greater managerial independence and latitude, NIFTY Corporation will provide customers with new types of value-added services and solutions that more precisely reflect customer needs and thereby help to raise the corporate value of the Fujitsu Group.

In January 2007, our UK subsidiary Fujitsu Services acquired the German IT services company TDS, which is engaged in business areas such as operational outsourcing services and consulting. This acquisition will enable us to strengthen our presence in the German market as we strive for further growth in this major European market.

2) Ubiquitous Product Solutions



	Third Quarter FY 2006 (Billion Yen)	% Change from 3Q FY 2005
Net Sales	273.4	7.3%
Japan	161.6	1.5%
Overseas	111.7	16.9%

Total from First 9 Months of FY 2006 (Billion Yen)	% Change from First 9 Months of FY 2005
802.0	6.5%
496.7	1.7%
305.3	15.2%

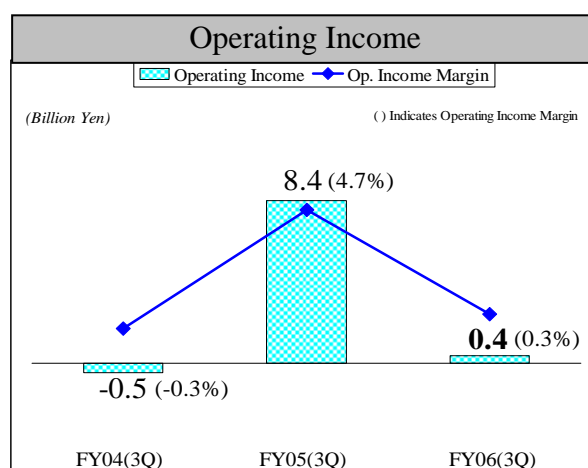
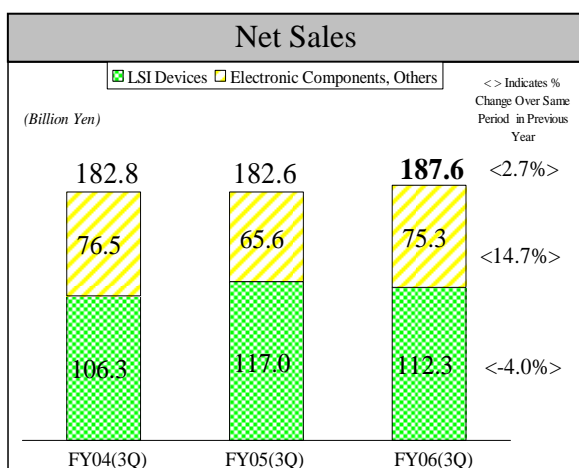
	Third Quarter FY 2006 (Billion Yen)	Change from 3Q FY 2005 (Billion Yen)
Operating Income	1.1	-4.8

Total from First 9 Months of FY 2006 (Billion Yen)	Change from First 9 Months of FY 2005 (Billion Yen)
21.1	-1.5

Consolidated net sales in this segment were 273.4 billion yen (US\$2,298 million), up 7.3% over the third quarter of the previous year. In Japan, sales were adversely affected by postponed consumer purchases of PCs prior to the release of Windows Vista, but these effects were offset by relatively solid sales trends in mobile phones, contributing to overall domestic sales for the segment that were on par with the third quarter of fiscal 2005. Overseas, HDD and PC price competition intensified, but we achieved record unit shipments of HDDs for both notebook PCs and servers, resulting in a 16.9% increase in overseas sales.

Operating income for the segment was 1.1 billion yen (US\$9 million), a decrease of 4.8 billion yen from the third quarter of the previous year. Although higher sales made a positive contribution to profitability in HDDs and mobile phones, and manufacturing innovation initiatives resulted in improvements in cost efficiency and quality, there was a reduction in consumer demand for PCs in Japan while consumers waited for the Windows Vista launch, and PCs for corporate customers were impacted by intensified price competition. Additionally, despite having gained a greater share of the server HDD market due to the effect of mergers by our competitors and our own efforts to improve quality, aggressive pricing by competitors in the notebook PC HDD market adversely affected our profitability.

3) Device Solutions



	Third Quarter FY 2006 (Billion Yen)	% Change from 3Q FY 2005	Total from First 9 Months of FY 2006 (Billion Yen)	% Change from First 9 Months of FY 2005
Net Sales	187.6	2.7%	564.5	8.8%
Japan	114.0	13.7%	329.7	13.3%
Overseas	73.5	-10.7%	234.8	3.2%

	Third Quarter FY 2006 (Billion Yen)	Change from 3Q FY 2005 (Billion Yen)	Total from First 9 Months of FY 2006 (Billion Yen)	Change from First 9 Months of FY 2005 (Billion Yen)
Operating Income	0.4	-8.0	16.5	-4.4

Net sales in Device Solutions were 187.6 billion yen (US\$1,577 million), a 2.7% increase over the third quarter of the previous year. On a quarterly basis, year-on-year sales growth sharply declined from the 13.0% and 11.5% growth recorded in the first and second quarters, respectively. Although the start of full-scale volume production from the 300mm wafer line at our Mie Plant this fiscal year and higher sales of electronic components contributed to revenues, intensified competition in digital consumer electronics constrained growth in sales of standard technology logic devices. Also, in addition to unstable demand for advanced technology devices, there were lower sales of system memory products for mobile phones overseas, resulting in sluggish sales growth overall.

Operating income for Device Solutions was 0.4 billion yen (US\$4 million), a decline of 8.0 billion yen compared to the third quarter of the previous year. Higher sales of electronic components contributed to profitability, but this was offset by sluggishness in standard technology logic devices and unstable demand for advanced logic devices, along with higher amortization and development costs associated with the expansion of the Mie Plant's 300mm wafer line.

In the third quarter, we sold a portion of our shareholdings in Spansion Inc., a Flash memory joint venture with AMD that subsequently underwent an initial public offering in December 2005. After the sale, Fujitsu's share of ownership was reduced to less than 20%, and so the company is no longer an equity-method affiliate.

At our Mie Plant, a second 300mm wafer production facility (Fab No. 2), employing 65nm technology, is currently under construction and scheduled to commence operations in April of 2007. Progress in product development and ramp-up to volume production are proceeding according to schedule. Capitalizing on these capabilities, we seek to serve as a strategic business partner to our customers and contribute to their success by providing a wide range of optimized solutions, including high-performance products based on cutting-edge technologies.