10. FY 2008 Consolidated Earnings Projections

The environment in which the Fujitsu Group operates is becoming increasingly uncertain, with rising concern about the economic slowdown in the United States, prompted by such factors as the sub-prime mortgage problem and soaring prices for energy and raw materials, and fear about its possible impact on Europe and Asia. Nevertheless, corporate IT investment remains necessary to support the global expansion of business and economic growth, and demand is expected to increase. The Fujitsu Group will seek to increase both growth and profits, building further on our strengths by enhancing our management, product, workplace and human resource capabilities and pursuing positive structural improvements as well as expanding from IT solutions to business solutions.

We are projecting consolidated net sales of 5,350.0 billion yen in fiscal 2008, roughly the same level of sales in fiscal 2007. Although we anticipate growth in our outsourcing and other services business in and outside Japan along with growth in the HDD businesses, when converted into yen a reduction of approximately 200.0 billion yen is projected as a result of an appreciation in the value of the yen. We are projecting 220.0 billion yen in operating income, an increase of 15.0 billion yen over the previous fiscal year. We are projecting a negative impact from yen appreciation of approximately 20.0 billion yen and a 20.0 billion increase in pension obligation expenses, due to lower returns on pension assets, but operating income is projected to increase because of higher income in services in and outside Japan, in particular, and an improvement in the Device Solutions business as a result of a decrease in up-front investment. Net income is projected at 100.0 billion yen. As in fiscal 2007, we anticipate recovering approximately 15.0 billion yen in valuation allowance for deferred tax assets in the event that subsidiaries subject to consolidated corporate income tax post income according to plan.

(Billion Yen)

		First-Half		Full-Year			
	FY 2007 (Actual)	FY 2008 (Forecast)	Change	FY 2007 (Actual)	FY 2008 (Forecast)	Change	
Net Sales	2,513.1	2,450.0	-2.5%	5,330.8	5,350.0	0.4%	
Operating Income	43.9	35.0	-20.3%	204.9	220.0	7.3%	
Net Income	-9.3	0	-	48.1	100.0	107.9%	

Quarterly Breakdown of Projected First-Half Net Sales and Operating Income

(Billion Yen)

	(Billion 14h)						
	First Quarter			Second Quarter			
	FY 2007	FY 2008	Changa	FY 2007	FY 2008	Change	
	(Actual)	(Forecast)	Change	(Actual)	(Forecast)	Change	
Net Sales	1,166.8	1,150.0	-1.4%	1,346.3	1,300.0	-3.4%	
Operating Income	2.9	0	-100.0%	40.9	35.0	-14.6%	

Note: Application of International Financial Reporting Standards (IFRS) at Subsidiaries Outside Japan

Beginning in fiscal 2008, with the application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (Accounting Standards Board of Japan, Practical Issues Task Force, No. 18", financial reporting for subsidiaries outside Japan will be consistent with IFRS. The effects of these changes will, however, be slight as major subsidiary Fujitsu Services has already applied IFRS. As a material difference between IFRS and Japanese accounting standards, goodwill of subsidiaries outside Japan has been adjusted according to Japanese accounting standards. Together with goodwill amortization costs for Fujitsu and its subsidiaries in Japan, the company expects approximately 20.0 billion yen in amortization costs in fiscal 2008, about the same as fiscal 2007.

**These materials may contain forward-looking statements that are based on management's current 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:

- General economic and market conditions in key markets (particularly in Japan, North America, Europe and 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
- Potential emergence of unprofitable projects
- Changes in accounting policies

Forecast for FY 2008 Consolidated Business Segment Information

a. Net Sales and Operating Income

FY 2006			Yen (Billions)			
National Processing National Processing		_	EV 2006		EV 2008	Changa va
Technology Solutions						-
Japan Y 2,087.7 2,102.2 2,160.0 4-2.7 Overseas 1,069.3 1,170.0 1,100.0 -6.0 Total 3,157.0 3,272.2 3,260.0 -0.4 Operating income (loss):	Technology Solutions	_	(Actual)	(Actual)	(Forecast)	F12007(%)
Overseas 1.069.3 1.170.0 1.100.0 6.0 Total 3.157.0 3.272.2 3.260.0 -0.4 Operating income (loss): System Platforms 7.5 39.7 25.0 -37.1 [Operating income margin] [1.196] [5.6%] [3.6%] +31.7 Services 156.1 140.4 185.0 +31.7 [Operating income margin] [6.4%] [5.5%] [7.2%] Total operating income [Operating income margin] 163.6 180.1 210.0 +16.5 Ubiquitous Product Solutions 4 1.0 761.3 780.0 +2.5 Overseas 408.1 427.6 450.0 +5.2 Overseas 408.1 427.6 450.0 +5.2 Total 1,118.3 1,230.0 +5.2 Operating income margin] 43.7 25.1.4 490.0 +5.2 Operating income margin] 457.0 521.4 490.0 -6.0 Overseas 305.6 275.3 270.0	20	Y	2.087.7	2.102.2	2.160.0	+2.7
Total	-	•				
System Platforms 7.5 39.7 25.0 -37.1 Comparing income margin	Total	_				
System Platforms 7.5 39.7 25.0 -37.1 Comparing income margin	Operating income (loss):					
Comparing income margin 11.9% 15.6% 13.6% 15.6% 140.4 185.0 15.1 140.4 185.0 17.2% 15.6% 15.5% 15.5% 15.5% 17.2% 17.2% 15.6% 16.4% 15.5% 17.2% 17.2% 17.2% 16.5% 16.4% 180.1 210.0 16.5 16.4% 15.5% 16.4% 16.5	· · · · · ·		7.5	39.7	25.0	-37.1
Services 156.1 140.4 185.0 +31.7 Operating income margin 163.6 180.1 210.0 +16.5 Total operating income margin 163.6 180.1 210.0 +16.5 Operating income margin 152.9 15.5% 16.4% Ubiquitous Product Solutions Japan 710.1 761.3 780.0 +2.5 Overseas 408.1 427.6 450.0 +5.2 Total 1,118.3 1,188.9 1,230.0 +3.5 Operating income 41.6 52.5 50.0 4.9 Operating income margin 13.7% 14.4% 14.1% Device Solutions Japan 457.0 521.4 490.0 -6.0 Overseas 305.6 275.3 270.0 -1.9 Total 762.6 796.7 760.0 4.6 Operating income margin 12.5% 12.3% 12.6% Other Operations Japan 349.9 361.0 380.0 +9.5 Overseas 140.4 165.7 160.0 -3.5 Total 490.3 526.8 540.0 +2.5 Overseas 140.4 165.7 160.0 -3.5 Total 490.3 526.8 540.0 +2.5 Operating income margin 10.5 14.2 15.0 +5.1 Operating income margin 12.2% 12.7% 12.8% Elimination Sales (428.2) (453.9) (440.0) -6.0 Operating income margin (52.7) (60.3) (75.0) -6.0 Total 3274.9 3.407.2 3.490.0 4.24 Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 40.4 Operating income Y 182.0 204.9 220.0 47.3						
Total operating income 163.6 180.1 210.0 +16.5						+31.7
Total operating income 163.6 180.1 210.0 +16.5	[Operating income margin]		[6.4%]	[5.5%]	[7.2%]	
Ubiquitous Product Solutions Japan 710.1 761.3 780.0 42.5 760.1 42.5 450.0 45.2 761.1 761.3 780.0 42.5 761.1 761.3 780.0 45.2 761.1 761.3 780.0 45.2 761.1 761.3 780.0 45.2 761.1 761.3 780.0 45.2 761.1 761.3 780.0 45.2 761.1 761.3 780.0 45.2 761.1 761.3 780.0 45.2 761.0 761.5 761.0 761.5 761.0						+16.5
Japan 710.1 761.3 780.0 +2.5 Overseas 408.1 427.6 450.0 +5.2 Total 1,118.3 1,188.9 1,230.0 +3.5 Operating income 41.6 52.5 50.0 -4.9 Operating income margin [3.7%] [4.4%] [4.1%] Device Solutions	[Operating income margin]		[5.2%]	[5.5%]	[6.4%]	
Japan 710.1 761.3 780.0 +2.5 Overseas 408.1 427.6 450.0 +5.2 Total 1,118.3 1,188.9 1,230.0 +3.5 Operating income 41.6 52.5 50.0 -4.9 Operating income margin [3.7%] [4.4%] [4.1%] Device Solutions	Ubiquitous Product Solutions					
Overseas 408.1 427.6 450.0 +5.2 Total 1,118.3 1,188.9 1,230.0 +3.5 Operating income (Operating income margin) 41.6 52.5 50.0 -4.9 Device Solutions Support of Solutions Japan 457.0 521.4 490.0 -6.0 Overseas 305.6 275.3 270.0 -1.9 Total 762.6 796.7 760.0 -4.6 Operating income 19.0 18.2 20.0 +9.5 [Operating income margin] 25.5 25.0 25.2 Overseas 140.4 165.7 160.0 -3.5 Total 490.3 526.8 540.0 +2.5 Operating income 10.5 14.2 15.0 +5.1 [Operating income margin] [2.2%] [2.7%] [2.8%] Elimination 40.2 45.2 45.2 45.2 Operating income (52.7) (60.3) (75.0) -	<u>-</u>		710.1	761.3	780.0	+2.5
Total						
[Operating income margin] [3.7%] [4.4%] [4.1%]	Total	_				
[Operating income margin] [3.7%] [4.4%] [4.1%]	Operating income		41.6	52.5	50.0	-4.9
Sapan 457.0 521.4 490.0 -6.0 Overseas 305.6 275.3 270.0 -1.9 Total 762.6 796.7 760.0 -4.6 Operating income 19.0 18.2 20.0 +9.5 Operating income margin [2.5%] [2.3%] [2.6%] Other Operations			[3.7%]	[4.4%]	[4.1%]	
Overseas Total 305.6 762.6 796.7 760.0 275.3 760.0 270.0 -1.9 4.6 Operating income (Operating income margin) 19.0 18.2 20.0 20.0 +9.5 [Operating income margin] [2.5%] [2.3%] [2.6%] Other Operations Japan 349.9 361.0 380.0 45.2 380.0 45.2 Overseas 140.4 165.7 160.0 3.5 -3.5 Total 490.3 526.8 540.0 +2.5 540.0 +2.5 Operating income 10.5 14.2 15.0 15.0 +5.1 -5.1 [Operating income margin] [2.2%] [2.7%] [2.8%] Elimination Sales (428.2) (453.9) (440.0) - 0.0 -0.0 Operating income (52.7) (60.3) (75.0) - 0.0 -0.0 Total 3,274.9 3,407.2 3,490.0 4.2 3,490.0 4.2 Overseas 1,825.2 1,923.6 1,860.0 3,300 5,350.0 4.0 -3.3 Total 5,100.1 5,330.8 5,350.0 4.0 +0.4 Operating income Y 182.0 204.9 220.0 4.9 220.0 4.7	Device Solutions					
Overseas Total 305.6 762.6 796.7 760.0 275.3 760.0 270.0 -1.9 4.6 Operating income (Operating income margin) 19.0 18.2 20.0 20.0 +9.5 [Operating income margin] [2.5%] [2.3%] [2.6%] Other Operations Japan 349.9 361.0 380.0 45.2 380.0 45.2 Overseas 140.4 165.7 160.0 3.5 -3.5 Total 490.3 526.8 540.0 +2.5 540.0 +2.5 Operating income 10.5 14.2 15.0 15.0 +5.1 -5.1 [Operating income margin] [2.2%] [2.7%] [2.8%] Elimination Sales (428.2) (453.9) (440.0) - 0.0 -0.0 Operating income (52.7) (60.3) (75.0) - 0.0 -0.0 Total 3,274.9 3,407.2 3,490.0 4.2 3,490.0 4.2 Overseas 1,825.2 1,923.6 1,860.0 3,300 5,350.0 4.0 -3.3 Total 5,100.1 5,330.8 5,350.0 4.0 +0.4 Operating income Y 182.0 204.9 220.0 4.9 220.0 4.7	Japan		457.0	521.4	490.0	-6.0
Operating income [Operating income margin] 19.0 [2.5%] 18.2 [2.3%] 20.0 [2.6%] +9.5 Other Operations Japan 349.9 361.0 380.0 +5.2 Overseas 140.4 165.7 160.0 -3.5 Total 490.3 526.8 540.0 +2.5 Operating income 10.5 14.2 15.0 +2.5 [Operating income margin] 10.5 14.2 15.0 15.0 +5.1 [Operating income margin] 10.5 14.2 15.0 (2.8%) +5.1 [Operating income margin] Elimination Sales (428.2) (453.9) (453.9) (440.0) - Operating income (52.7) (60.3) (75.0) - - Total Japan (52.7) (60.3) (75.0) - Overseas (1.825.2 1.923.6 1.860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3			305.6	275.3	270.0	-1.9
[Operating income margin] [2.5%] [2.3%] [2.6%] Other Operations 349.9 361.0 380.0 +5.2 Overseas 140.4 165.7 160.0 -3.5 Total 490.3 526.8 540.0 +2.5 Operating income 10.5 14.2 15.0 +5.1 [Operating income margin] [2.2%] [2.7%] [2.8%] Elimination Sales (428.2) (453.9) (440.0) - Operating income (52.7) (60.3) (75.0) - Total 3,274.9 3,407.2 3,490.0 +2.4 Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Total		762.6	796.7	760.0	-4.6
Other Operations Japan 349.9 361.0 380.0 +5.2 Overseas 140.4 165.7 160.0 -3.5 Total 490.3 526.8 540.0 +2.5 Operating income 10.5 14.2 15.0 +5.1 [Operating income margin] [2.2%] [2.7%] [2.8%] Elimination Sales (428.2) (453.9) (440.0) - Operating income (52.7) (60.3) (75.0) - Total 3,274.9 3,407.2 3,490.0 +2.4 Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Operating income		19.0	18.2	20.0	+9.5
Japan 349.9 361.0 380.0 +5.2			[2.5%]	[2.3%]	[2.6%]	
Overseas 140.4 165.7 160.0 -3.5 Total 490.3 526.8 540.0 +2.5 Operating income 10.5 14.2 15.0 +5.1 [Operating income margin] [2.2%] [2.7%] [2.8%] Elimination Sales (428.2) (453.9) (440.0) - Operating income (52.7) (60.3) (75.0) - Total 3,274.9 3,407.2 3,490.0 +2.4 Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Other Operations					
Total 490.3 526.8 540.0 +2.5 Operating income [Operating income margin] 10.5 14.2 15.0 +5.1 [Operating income margin] [2.2%] [2.7%] [2.8%] Elimination Sales (428.2) (453.9) (440.0) - Operating income (52.7) (60.3) (75.0) - Total 3,274.9 3,407.2 3,490.0 +2.4 Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Japan		349.9	361.0	380.0	+5.2
Operating income [Operating income margin] 10.5 [2.2%] 14.2 [2.7%] 15.0 [2.8%] +5.1 [2.8%] Elimination Sales Operating income (428.2) (453.9) (453.9) (440.0) (75.0) - 000 (60.3) (75.0) - 000 (75.0) (75.0) - 000 (75.0) (75.0) - 000 (75.0) (75.0) - 000 (75.0) (75.0) (75.0) - 000 (75.0) (75.0) (75.0) (75.0) (75.0) - 000 (75.0) (Overseas			165.7	160.0	-3.5
[Operating income margin] [2.2%] [2.7%] [2.8%] Elimination Sales (428.2) (453.9) (440.0) - Operating income (52.7) (60.3) (75.0) - Total Japan 3,274.9 3,407.2 3,490.0 +2.4 Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Total		490.3	526.8	540.0	+2.5
Elimination Sales (428.2) (453.9) (440.0) - Operating income (52.7) (60.3) (75.0) - Total Japan 3,274.9 3,407.2 3,490.0 +2.4 Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Operating income		10.5	14.2	15.0	+5.1
Sales (428.2) (453.9) (440.0) - Operating income (52.7) (60.3) (75.0) - Total Japan 3,274.9 3,407.2 3,490.0 +2.4 Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	[Operating income margin]		[2.2%]	[2.7%]	[2.8%]	
Operating income (52.7) (60.3) (75.0) - Total Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Elimination					
Operating income (52.7) (60.3) (75.0) - Total Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Sales		(428.2)	(453.9)	(440.0)	-
Japan 3,274.9 3,407.2 3,490.0 +2.4 Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Operating income				(75.0)	-
Overseas 1,825.2 1,923.6 1,860.0 -3.3 Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Total					
Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	Japan		3,274.9	3,407.2	3,490.0	+2.4
Total 5,100.1 5,330.8 5,350.0 +0.4 Operating income Y 182.0 204.9 220.0 +7.3	-		,			
• •	Total					+0.4
• •	Operating income	Y	182.0	204.9	220.0	+7.3
		_				17.5

Note:

Net sales include intersegment sales.

b. Net Sales by Principal Products and Services

			Yen (Billions)		
	_	FY 2006	FY 2007	FY 2008	Change vs.
		(Actual)	(Actual)	(Forecast)	FY2007(%)
Technology Solutions	_	(, , , ,	(,	(
System Platforms:				(Forecast)	
System Products	Y	355.3	370.4	360.0	-2.8
Network Products		348.4	342.4	330.0	-3.6
		703.7	712.8	690.0	-3.2
Services:					
Solutions / SI		1,091.0	1,258.8	1,290.0	+2.5
Infrastructure Services		1,164.8	1,215.2	1,200.0	-1.3
Others		197.3	85.2	80.0	-6.1
		2,453.2	2,559.3	2,570.0	+0.4
Total	=	3,157.0	3,272.2	3,260.0	-0.4
Ubiquitous Product Solutions					
PCs / Mobile Phones		768.6	837.0	840.0	+0.4
Hard Disk Drives		329.8	332.7	370.0	+11.2
Others		19.8	19.1	20.0	+4.2
Total	=	1,118.3	1,188.9	1,230.0	+3.5
Device Solutions					
LSI Devices		473.5	508.8	490.0	-3.7
Electronic Components, Others		289.1	287.9	270.0	-6.2
Total	Y	762.6	796.7	760.0	-4.6

Notes:

Net sales include intersegment sales.

In conjunction with organizational changes designed to enhance collaboration between sales and product development functions, beginning this fiscal year ATM and POS business results (which amounted to sales of approximately 117.0 billion yen in the fiscal 2006), formerly recorded under the "Others" category in the Services sub-segment, are recorded in the Solutions / SI category, which includes financial and retail solutions.