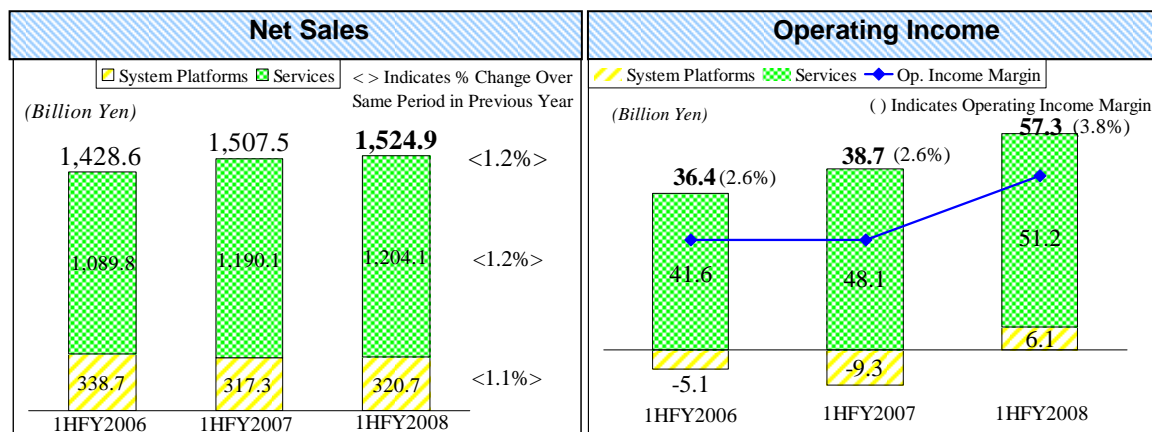


3. Results by Business Segment

Information on first-half consolidated net sales (including intersegment sales) and operating income broken out by business segment is presented below.

Technology Solutions



			(Billion Yen)	
	First Half FY 2008	Change vs. 1H FY 2007	Second Quarter FY 2008	Change vs. 2Q FY 2007
Net Sales	1,524.9	1.2%	827.0	0.3%
Japan	996.2	7.4%	555.4	6.9%
Outside Japan	528.6	-8.9%	271.5	-10.9%

	First Half FY 2008	Change vs. 1H FY 2007	Second Quarter FY 2008	Change vs. 2Q FY 2007
Operating Income	57.3	18.6	49.1	14.3

Consolidated net sales in the Technology Solutions segment for the first half were 1,524.9 billion yen (US\$14,663 million), up 1.2% over the first half of fiscal 2007. Sales in Japan rose by 7.4% on higher sales in the Services business, particularly systems integration, as well as higher sales of router equipment to telecom carriers, mobile phone base stations, and servers and related business. Sales outside Japan declined by 8.9%. Excluding the impact of yen appreciation, however, sales rose by 2% due to higher sales in the Services business, particularly to private-sector European customers, despite lower sales of UNIX servers and lower UK sales of optical transmission systems.

Operating income for the segment was 57.3 billion yen (US\$552 million), an increase of 18.6 billion yen compared to the previous year's first half. Despite the upfront costs related to strengthening and expanding the private-sector Services business in Europe, operating income increased as a result of higher sales in Japan of mobile phone base stations, systems integration services, and servers and related business as well as greater cost efficiencies.

(1) Services

(Billion Yen)

	First Half FY 2008	Change vs. 1H FY 2007	Second Quarter FY 2008	Change vs. 2Q FY 2007
Net Sales	1,204.1	1.2%	649.0	0.2%
Japan	771.4	5.9%	428.0	4.9%
Outside Japan	432.6	-6.3%	220.9	-7.7%

	First Half FY 2008	Change vs. 1H FY 2007	Second Quarter FY 2008	Change vs. 2Q FY 2007
Operating Income	51.2	3.1	39.3	6.2

Net sales in the Services sub-segment for the first half were 1,204.1 billion yen (US\$11,579 million), up 1.2% from the same period a year earlier. In Japan, sales increased by 5.9%, led by growth in sales of systems integration services, primarily to the public, financial services, and healthcare sectors, and higher sales of outsourcing services. Sales outside Japan declined by 6.3%. Excluding the impact of yen appreciation, however, sales rose by 5%, primarily on higher sales to private-sector customers on the European continent.

Operating income for the Services sub-segment was 51.2 billion yen (US\$493 million), an increase of 3.1 billion yen compared to the same period last year. Despite incurring upfront costs related to the private-sector business on the European continent, profitability increased as a result of higher sales and improved cost efficiencies in the system integration services in Japan. Operating income declined in the first quarter because a deterioration in business outside Japan outweighed the growth in Japan. In the first half, operating income increased over the same period the previous year, because in the second quarter, the profitability of the Services business in Japan rose strongly, while the profitability of business outside Japan improved.

In October, as part of the strengthening of its global business, the Fujitsu Group reformed its North American business structure by reorganizing subsidiaries Fujitsu Consulting Holdings, Inc., Fujitsu Computer Systems Corporation and Fujitsu Transactions Solutions Inc. under the newly established company Fujitsu North America Holdings, Inc. This integrated management structure will promote a unified sales approach aimed at raising the presence of the Fujitsu Group in the region and improving management efficiency.

(2) System Platforms

(Billion Yen)

	First Half FY 2008	Change vs. 1H FY 2007	Second Quarter FY 2008	Change vs. 2Q FY 2007
Net Sales	320.7	1.1%	177.9	0.7%
Japan	224.7	13.0%	127.3	14.5%
Outside Japan	95.9	-18.9%	50.6	-22.7%

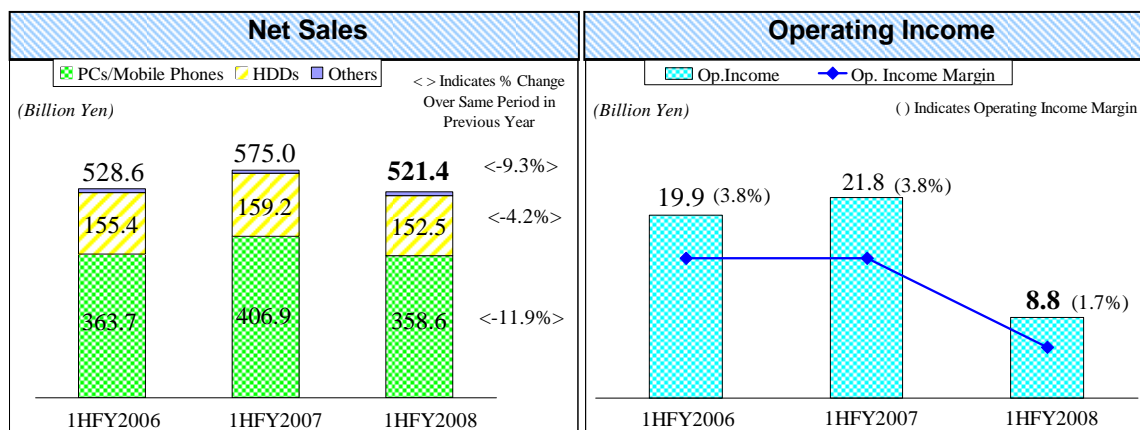
	First Half FY 2008	Change vs. 1H FY 2007	Second Quarter FY 2008	Change vs. 2Q FY 2007
Operating Income	6.1	15.5	9.8	8.0

Net sales in the System Platforms sub-segment for the first half were 320.7 billion yen (US\$3,084 million), an increase of 1.1% over the first half of fiscal 2007. In Japan, sales increased by 13.0% on higher sales of mobile phone base stations, which have rebounded since the second half of fiscal 2007, higher sales of router equipment to telecom carriers, and higher sales of servers and related business. Sales outside Japan decreased by 18.9%. Excluding the impact of yen appreciation, sales declined by 9%. Key factors included declining sales of UNIX servers compared to last year's first half, when demand was temporarily bolstered by the launch of new server models, a revenue decline in North America as market conditions deteriorated, and lower sales of optical transmission systems in the UK.

Operating income was 6.1 billion yen (US\$59 million), an improvement of 15.5 billion yen over the first half of the previous fiscal year. Despite the impact of a decline in the sales of UNIX servers outside Japan, higher sales in Japan of mobile phone base stations and servers and related business as well as greater cost efficiencies helped the sub-segment swing back into the black compared to a 9.3-billion-yen loss in the same period a year previous. In the first quarter, when sales are typically lower than other quarters, the sub-segment generated an operating loss of 3.7 billion yen, but operating income in the second quarter was 9.8 billion yen largely as a result of a higher level of sales in Japan.

In July, Fujitsu reorganized its optical transmission systems business in Japan, transferring its manufacturing division and product development division for the Japanese market to its wholly owned subsidiary, Fujitsu Access Limited (renamed Fujitsu Telecom Networks Limited) in a simple absorption-type company split. By establishing through this reorganization a unified structure for the Fujitsu Group's optical transmission business in Japan that encompasses all phases of the value chain from development through delivery, Fujitsu will accelerate the development and manufacture of high-quality products to offer its customers products that better respond to their needs.

Ubiquitous Product Solutions



	First Half FY 2008	Change vs. 1H FY 2007
Net Sales	521.4	-9.3%
Japan	344.8	-6.1%
Outside Japan	176.6	-15.1%

	First Half FY 2008	Change vs. 1H FY 2007
Operating Income	8.8	-12.9

(Billion Yen)

Second Quarter FY 2008	Change vs. 2Q FY 2007
249.5	-16.9%
158.1	-17.7%
91.4	-15.6%

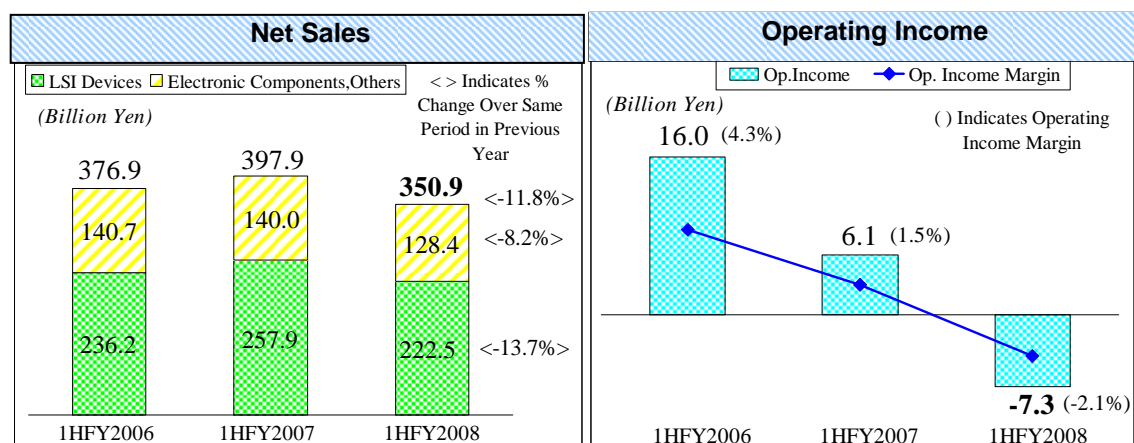
Second Quarter FY 2008	Change vs. 2Q FY 2007
-1.0	-10.5

Net sales in the Ubiquitous Product Solutions segment were 521.4 billion yen (US\$5,014 million), a decrease of 9.3% compared to the same period in fiscal 2007. Sales in Japan for the first half declined by 6.1%. Although first-quarter sales rose 6.7%, second-quarter sales declined by 17.7%. Mobile phone sales declined as a result of a longer upgrade cycle brought about by changes in the mobile phone sales system in Japan. In addition, sales of PCs, which had been strong in the first quarter, declined in the second quarter on intensified price competition and weaker corporate demand, resulting in lower sales for the first half. Ubiquitous product sales outside Japan decreased by 15.1%. Even if the impact of yen appreciation is excluded, sales decreased by 9%, primarily as a result of the impact of intensified competition in HDDs as well as in Europe's PC market.

Operating income for Ubiquitous Product Solutions was 8.8 billion yen (US\$85 million), a decrease of 12.9 billion yen compared to last year's first half. Despite an improvement in our business for HDDs for notebook PCs as a result of expanded production of new perpendicular magnetic recording models from the latter half of fiscal 2007, operating income declined as a result of lower sales of mobile phones and higher costs associated with increasing their functionality. The segment as a whole posted an operating loss of 1.0 billion yen in the second quarter, representing a significant deterioration from the 9.9 billion yen operating income recorded in the first quarter. The main factors behind this deterioration were the impact of

sharply lower sales of mobile phones, intensified PC competition primarily in Japan, as well as intensified price competition in HDDs globally.

Device Solutions



	First Half FY 2008	Change vs. 1H FY 2007	Second Quarter FY 2008	Change vs. 2Q FY 2007
Net Sales	350.9	-11.8%	178.5	-14.5%
Japan	213.8	-18.2%	106.3	-22.4%
Outside Japan	137.1	0.4%	72.2	0.7%

	First Half FY 2008	Change vs. 1H FY 2007	Second Quarter FY 2008	Change vs. 2Q FY 2007
Operating Income	-7.3	-13.4	-2.5	-12.2

Net sales in Device Solutions were 350.9 billion yen (US\$3,375 million), a decrease of 11.8% compared to the first half of fiscal 2007. Sales in Japan declined by 18.2%. Although sales of 65nm logic devices for use in the company's own server models and image processors increased in the second quarter, sales of standard logic devices and 90nm logic devices declined on weak demand for use in digital home appliances and mobile phones. Demand for Flash memory for use in mobile phones and electronic components also remained weak. Sales in the first quarter declined by 13.5%, and the rate of decline grew to 22.4% in the second quarter, representing a more severe downturn in demand. Sales outside Japan were essentially flat. Excluding the impact of yen appreciation, however, sales increased by 9% on strong sales of logic products, particularly in Asia.

The Device Solutions segment posted an operating loss of 7.3 billion yen (US\$70 million) for the first half. In the LSI business, in addition to a decline in demand, earthquakes in the Iwate region in June and July forced the Iwate Plant to temporarily halt production of its standard technology logic LSI, and losses from the damage were also sustained in the second quarter.

Therefore, there was a deterioration of 13.4 billion yen from the first half of fiscal 2007. Despite more efficient R&D activities with the consolidation of the advanced process product development lines to the Mie Plant, the combination of lower sales from significantly weakening demand in the second quarter and damages sustained in the earthquakes resulted in a deterioration in profitability. Operating income in electronic components declined as a result of the impact of yen appreciation and intensified price competition.