

2. Miscellaneous Forecasts for FY 2008

a. R&D Expenses

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	FY 2007		FY 2008		Change vs. previous forecast*
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
	131.7	258.7	133.1	270.0	-
As % of sales	5.2%	4.9%	5.4%	5.3%	+0.3%

b. Capital Expenditures, Depreciation

		Yen (Billions)		Yen (Billions)		Yen (Billions)
		FY 2007		FY 2008		Change vs. previous forecast*
		1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
Capital Expenditures						
Technology Solutions	Y	38.0	81.6	35.2	110.0	+10.0
Ubiquitous Product Solutions		16.7	27.6	10.2	25.0	-5.0
Device Solutions		79.1	117.3	19.1	55.0	-20.0
Corporate and others		9.0	22.5	8.7	30.0	-5.0
Total		<u>143.0</u>	<u>249.0</u>	<u>73.3</u>	<u>220.0</u>	-20.0
Japan		112.7	189.6	48.7	170.0	-10.0
Overseas		30.2	59.4	24.6	50.0	-10.0
Depreciation	Y	96.2	200.5	109.2	225.0	-

c. Cash Flows

		Yen (Billions)		Yen (Billions)		Yen (Billions)
		FY 2007		FY 2008		Change vs. previous forecast*
		1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
(A) Cash flows from operating activities	Y	152.0	322.0	122.1	370.0	-60.0
[Net income]		[(9.3)]	[48.1]	[4.6]	[60.0]	-40.0
[Depreciation & amortization]		[134.6]	[279.2]	[144.9]	[300.0]	-
[Others]		[26.7]	[(5.3)]	[(27.4)]	[10.0]	-20.0
(B) Cash flows from investing activities		<u>(131.9)</u>	<u>(283.9)</u>	<u>(114.2)</u>	<u>(275.0)</u>	+5.0
(C) Free cash flow (A)+(B)		20.0	38.1	7.9	95.0	-55.0
(D) Cash flows from financing activities		<u>315.2</u>	<u>62.3</u>	<u>(9.6)</u>	<u>(50.0)</u>	-
(E) Total (C)+(D)	Y	<u><u>335.3</u></u>	<u><u>100.4</u></u>	<u><u>(1.7)</u></u>	<u><u>45.0</u></u>	-55.0

Note:

* Previous forecast as of July 31, 2008.

d. Exchange Rates

	FY 2007		FY 2008	
	1H (Actual)	2H (Actual)	1H (Actual)	2H (Forecast)
Average rates for	\$1= 119yen	\$1= 109 yen	\$1= 106 yen	\$1= 100 yen
	€1=162yen	€1=161 yen	€1=163 yen	€1=125 yen
	£1=239yen	£1=220 yen	£1=205 yen	£1=160 yen

Reference information : A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in the second half of FY 2008.

US Dollar : Increase/decrease by approximately 0.6 billion yen

Euro : Increase/decrease by 0.1-0.2 billion yen

Pound : Increase/decrease by approximately 0.1 billion yen.

e. PC Shipments**

(Million Units)		(Million Units)		(Million Units)
FY 2007		FY 2008		Change vs. previous forecast*
1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
3.83	8.81	3.68	8.80	-0.50

f. Mobile Phone Shipments

(Million Units)		(Million Units)		(Million Units)
FY 2007		FY 2008		Change vs. previous forecast*
1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
3.40	5.90	2.50	4.75	-0.85

g. HDD Production

(Million Units)		(Million Units)		(Million Units)
FY 2007		FY 2008		Change vs. previous forecast*
1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
16.33	37.07	19.50	38.30	-8.70

Notes:

* Previous forecast as of July 31, 2008.

** Includes shipments of Fujitsu Siemens Computers (Holding) B.V., an equity-method affiliate.