

## Part II. Explanation of Financial Results

### 1. Overview of FY 2008 First-Quarter Consolidated Financial Results

#### Business Environment

During the first quarter of fiscal 2008 (April 1 – June 30, 2008), the business environment in which the Fujitsu Group operated was characterized by signs of a spreading economic slowdown. In the US, indications of an economic recession grew more pronounced across many sectors, as turmoil surrounding the subprime mortgage crisis continued to upset financial markets, and corporate earnings and consumer spending were constrained by the rapid rise in oil prices. In Europe, too, the economic slowdown intensified, particularly in consumer spending, which has been hit by the rise in food and energy prices. In Japan, despite continued growth in exports to emerging markets and solid demand for consumer electronics, there was growing uncertainty regarding future economic trends as rising prices constrained consumer spending, the mood in the corporate sector became more cautious, and capital investment showed signs of an adjustment.

With respect to Japanese IT investment, while there were some signs of caution amid the slowing macroeconomic growth, corporations continued to make strategic upfront investments to strengthen their global competitiveness and enhance their compliance and internal control systems. On the whole, therefore, IT investment remained solid.

The Fujitsu Group is pursuing management reforms based upon a customer-centric management approach. By strengthening these initiatives, in order to make the next leap forward, we will transform our approach to business. To increase our involvement in our customers' businesses, we are shifting the focus of our business from customers' IT to customers' overall businesses. Based on a "Think Global, Act Local" perspective, we are shifting from an emphasis on Japan to a focus on the global market. And we are focusing on preserving a sustainable global environment by providing environmentally-friendly IT products as well as environmental solutions enabled by IT. The efforts of the entire Fujitsu Group are dedicated to driving innovation in each of these three focus areas.

#### FY 2008 Consolidated First-Quarter Results

(Billion Yen)

	First Quarter FY 2008 <i>4/1/08-6/30/08</i>		First Quarter FY 2007 <i>4/1/07-6/30/07</i>		Change		Change vs. May 2008 Forecast
		% of Sales		% of Sales		Change (%)	
Net Sales	1,177.2	100.0	1,166.8	100.0	10.4	0.9	27.2
Cost of Sales	871.2	74.0	877.0	75.2	-5.7	-0.7	
Gross Profit	305.9	26.0	289.7	24.8	16.2	5.6	
Selling, General and Administrative Expenses	300.1	25.5	286.7	24.5	13.3	4.7	
Operating Income	5.8	0.5	2.9	0.3	2.8	97.2	5.8
Other Income	18.7	1.6	23.4	2.0	-4.6	-20.0	
Other Expenses	13.9	1.2	38.1	3.2	-24.1	-63.4	
Income Before Taxes	10.6	0.9	-11.7	-1.0	22.3	-	
Income Taxes	6.3	0.6	-0	-0.0	6.4	-	
Minority Interests	3.9	0.3	3.1	0.3	0.8	25.9	
Net Income	0.3	0.0	-14.7	-1.3	15.1	-	

## Consolidated Results by Business Segment

(Billion Yen)

		<b>First Quarter FY 2008</b> 4/1/08-6/30/08	<b>First Quarter FY 2007</b> 4/1/07-6/30/07	<b>Change</b>
Technology Solutions	Net Sales	697.9	683.1	14.7
	Operating Income	8.2	3.9	4.3
	[Operating Income Margin]	[1.2%]	[0.6%]	[0.6%]
Ubiquitous Product Solutions	Net Sales	271.8	274.6	-2.7
	Operating Income	9.9	12.3	-2.4
	[Operating Income Margin]	[3.7%]	[4.5%]	[-0.8%]
Device Solutions	Net Sales	172.3	189.0	-16.6
	Operating Income	-4.7	-3.6	-1.1
	[Operating Income Margin]	[-2.8%]	[-1.9%]	[-0.9%]
Other Operations	Net Sales	132.1	122.4	9.6
	Operating Income	5.1	2.6	2.5
	[Operating Income Margin]	[3.9%]	[2.2%]	[1.7%]
Elimination & Corporate	Net Sales	-97.0	-102.5	5.4
	Operating Income	-12.7	-12.3	-0.3

Total	Net Sales	1,177.2	1,166.8	10.4
	Japan	<63.9%> 752.8	<61.6%> 718.8	<2.3%> 33.9
	Outside Japan	<36.1%> 424.4	<38.4%> 447.9	<-2.3%> -23.5
	Operating Income	5.8	2.9	2.8
	[Operating Income Margin]	[0.5%]	[0.3%]	[0.2%]

Note: Net sales include intersegment sales.

Percentages inside brackets < > reflect proportion of total sales.

## Consolidated Results by Geographic Segment

(Billion Yen)

		<b>First Quarter FY 2008</b> 4/1/08-6/30/08	<b>First Quarter FY 2007</b> 4/1/07-6/30/07	<b>Change</b>
Japan	Net Sales	926.5	904.1	22.4
	Operating Income	19.9	9.1	10.8
	[Operating Income Margin]	[2.2%]	[1.0%]	[1.2%]
Outside Japan	Net Sales	461.5	483.6	-22.0
	Operating Income	0.3	6.0	-5.7
	[Operating Income Margin]	[0.1%]	[1.3%]	[-1.2%]

Note: Net sales include intersegment sales.