

6. FY 2008 Consolidated Earnings Projections

Both net sales and operating income results for the first quarter of fiscal 2008 exceeded the projections we announced in May. Due to intensified global competition, PC results fell below projections, and the Iwate-Miyagi Nairiku Earthquake in mid-June had an adverse effect on LSI device operations. Nevertheless, thanks in part to the benefit of increased sales by our systems integration business in Japan and network products businesses as well as cost efficiencies, overall results exceeded projections.

During the first quarter, the yen traded at a lower value than we originally projected in May, and we recognized foreign exchange gains as a result. The risk of exchange rate fluctuations remains, however, and for the rest of the year we are estimating an exchange rate of 100 yen to the dollar.

There is a heightened feeling of uncertainty, with evidence of a broadening economic slowdown, especially in Europe and the US, which has been hit by higher prices for oil and other raw materials and financial market instability. In semiconductors, there are growing fears that demand is slowing, and the business environment continues to be severe. In addition, the effects of the two earthquakes at the Iwate Plant are expected to continue to impact operations. The severe competitive environment is also expected to continue for PCs as well as mobile phones and HDDs. With dramatic changes in technology and customer IT spending, and with the shift to next-generation networks both in and outside Japan, the IT market continues to show signs of expansion. But with increasing economic uncertainty, there are also many concerns in regard to future IT demand.

The Fujitsu Group is strengthening oversight from the business negotiation stage to the order acceptance stage through pipeline management and, by cultivating Field Innovators and deploying them on the frontlines of business, will strive to increase orders by offering IT-driven, customer-centric proposals. In addition, by further buttressing our global business capabilities and improving productivity through manufacturing innovation and standardization initiatives in order to strengthen the profitability of our operations, we will pursue higher product quality and lower costs.

Based on these factors and initiatives, we have left our first half and full-year projections for fiscal 2008 unchanged from the projections we announced in May 2008.

First-Half Consolidated Forecast

(Billion Yen)

	Fiscal 2007 First-Half Results	Fiscal 2008 First-Half Forecast	Change vs. May 2008 Forecast
Net Sales	2,513.1	2,450.0	-
Operating Income	43.9	35.0	-
Net Income	-9.3	0.0	-

Full-Year Consolidated Forecast

(Billion Yen)

	Fiscal 2007 Full-Year Results	Fiscal 2008 Full-Year Forecast	Change vs. May 2008 Forecast
Net Sales	5,330.8	5,350.0	-
Operating Income	204.9	220.0	-
Net Income	48.1	100.0	-

Full-Year Consolidated Operating Income by Major Business Segment

	Fiscal 2007 Full-Year Results	Fiscal 2008 Full-Year Forecast	Change vs. May 2008 Forecast
Technology Solutions	180.1	210.0	-
Services	140.4	185.0	-
System Platforms	39.7	25.0	-
Ubiquitous Product Solutions	52.5	50.0	-
Device Solutions	18.2	20.0	-