

8. Notes

1. Significant Changes to Subsidiaries in the Current Reporting Period (changes to specified subsidiaries resulting from changes in scope of consolidation)

There were none.

2. Changes in Accounting Policies, Practices and Presentation Methods in the Current Consolidated Reporting Period

- Changes in Accounting Standards

1) Adoption of Accounting Standard and Guidance for Quarterly Financial Reporting

Starting with the first quarter of the current fiscal year, we have applied the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan, Statement No. 12 dated March 14, 2007) and “Implementation Guidance on Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan, Guidance No. 14 dated March 14, 2007). In addition, quarterly consolidated financial reports are prepared in conformity with the “Rules for Presentation of Quarterly Consolidated Financial Statements.”

2) Adoption of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

We have adopted the “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 dated May 17, 2006) from the first quarter of the current fiscal year.

The effect of this accounting change on operating income, ordinary income and income before taxes for the first nine months of the fiscal year is insignificant.

A note regarding the effect of this change on segment information is included in “Net Sales and Operating Income for the First Nine Months of FY 2008” on page 6 and “Net Sales and Operating Income for Third Quarter of FY 2008” on page 15.

Outside Japan, starting with Fujitsu Services Holdings PLC in the UK (and its subsidiaries) in fiscal 2005, several subsidiaries such as those in Australia and Singapore had already adopted International Financial Reporting Standards (IFRS). Starting with the first quarter of the current fiscal year, however, these standards are applied to all the Group’s subsidiaries outside Japan. For such subsidiaries that are applying IFRS for the first time from the first quarter of the current fiscal year, accounting procedure changes reflecting the change in accounting standards have been applied to previous years, resulting in a 1,585 million yen decrease in retained earnings at the beginning of the first-quarter consolidated accounting period.

3) Changes in Accounting Standards for Completed Construction Revenue and Costs

We have already applied the percentage-of-completion method as the standard for accounting for revenue from software development contracts, a core business of the Fujitsu Group, while we have applied the completed contract method as the standard for accounting for revenue from contract construction. For contract construction work as well, for contracts in progress as of the end of the third quarter for which we are accurately able to confirm the degree of completion, we have applied the percentage-of-completion method beginning with the first quarter of the current fiscal year. This reflects the early adoption of the “Accounting

Standard for Construction Contracts” (Accounting Standards Board of Japan, Statement No. 15 dated December 27, 2007) and “Guidance on Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan, Guidance No. 18 dated December 27, 2007) allowing the application of the percentage-of-completion method prior to the fiscal year beginning April 1, 2009.

The effect of this accounting change on net sales, operating income, and income before income taxes and minority interests for the first nine months of the fiscal year is insignificant.

A note regarding the effect of this change on segment information is included in “Net Sales and Operating Income for the First Nine Months of FY 2008” on page 6 and “Net Sales and Operating Income for Third Quarter of FY 2008” on page 15.

In addition, beginning with this accounting period, we are disclosing under “provision for construction contract losses” the estimated amount of future losses relating to software development projects whose profitability potentially has deteriorated. In the previous fiscal year’s consolidated accounts, this estimated loss (6,135 million yen) was mainly included under “other current liabilities” and “notes and accounts payable, trade.”

3. Note in the Event of Fluctuations in the Balance of Shareholders’ Equity

1) Payment of Dividends from Retained Earnings

In accordance with a resolution of the Board of Directors on May 23, 2008, dividends were paid in the first quarter, resulting in a reduction in the balance of retained earnings by 10,345 million yen. In addition, in accordance with a resolution of the Board of Directors on October 29, 2008, dividends were paid in the third quarter, resulting in a reduction in the balance of retained earnings by 10,336 million yen.

2) Adoption of International Financial Reporting Standards (IFRS) by Subsidiaries Outside Japan

Among the company’s subsidiaries outside Japan, starting with Fujitsu Services Holdings PLC in the UK (and its subsidiaries) in fiscal 2005, several subsidiaries, including those in Australia and Singapore, had already adopted International Financial Reporting Standards (IFRS) prior to this fiscal year. Starting with this fiscal year’s first-quarter consolidated accounting period, however, these standards were applied to all the Group’s subsidiaries outside Japan. For such subsidiaries that applied IFRS for the first time in the first-quarter consolidated accounting period, accounting procedure changes reflecting the change in accounting standards have been applied to previous years, resulting in a 1,585 million yen decrease in retained earnings at the beginning of this fiscal year.

3) Increase in Subsidiaries Subject to Consolidation

Several subsidiaries that previously had not been subject to consolidation, including unconsolidated subsidiaries of PFU Limited, Fujitsu FSAS Inc., and Fujitsu FIP Corporation, became subject to consolidation starting with the first quarter of this fiscal year, resulting in a 7,027-million-yen increase in retained earnings.

4. Changes in a Special Purpose Company Subject to Disclosure

In fiscal 2004, Fujitsu increased the liquidity of real estate assets through the use of a special purpose company in the form of a special limited liability company. A trust was established to hold title to land and buildings, and the trust beneficiary rights were transferred to the special purpose company. In addition, Fujitsu signed an anonymous partnership agreement with the special purpose company under which Fujitsu made a capital contribution to the company.

In December 2008, the trust's beneficiary rights to the land and buildings were transferred from the special purpose company back to Fujitsu, and the anonymous partnership agreement was dissolved.

The cumulative total transaction amounts with the special purpose company during the first nine months of fiscal 2008 are set forth below.

(Million Yen)

	Main Transaction Amounts or Balance at the End of the Third Quarter	Main Profit or Loss	
		Item	Amount
Real estate assets received	25,745	Dividend	727
Accrued income from the anonymous partnership	7,887	Dividend in liquidation	4,559

Note:

Amounts for profit distribution and dissolution profit distribution are posted on Fujitsu's income statement as "Dividends Income" under "Other Income."

5. Precautions on Usage of Earnings Projections

These materials may contain forward-looking statements that are based on management's current information, 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 listed below.

For information regarding the assumptions used to prepare these projections, please refer to "FY 2008 Full-Year Consolidated Earnings Projections" on page 36.

- Economic trends in key markets (particularly in Japan, North America, Europe and Asia, including China)
- Rapid changes in the high-technology industry (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 environment relating to collaborations, alliances and technical assistance
- Potential emergence of unprofitable projects
- Changes in accounting policies