

6. FY 2010 Consolidated Earnings Projections

The global economy is undergoing a mild recovery, buoyed by growth in China and other emerging markets. The US economy is also expected to undergo a mild recovery as a result of government stimulus measures and progress in inventory adjustments. By contrast, a prolonged economic downturn is expected for Europe because of weak consumer spending due to deteriorating employment conditions and lower capital expenditures as a result of slumping domestic demand. In Japan, too, although exports continue to grow, the recovery continues to be weak as a result of a prolonged downturn in capital expenditures and a decline in public-sector investment.

Fujitsu expects spending on information and communications technologies (ICT) to continue in the current adjustment phase in the face of excess capacity. Although use of datacenter services is expanding and there are signs of a recovery in hardware demand, particularly in such areas as digital consumer electronics and automotive-related components, the company expects a recovery in demand for software development to be delayed until the second half of fiscal 2010.

In light of these factors, Fujitsu has made the following earnings projections for fiscal 2010.

For the first half of fiscal 2010, the company is projecting consolidated net sales of 2,200.0 billion yen, roughly the same level as the first half of fiscal 2009. Although the company projects higher revenues from server-related products, PCs, logic LSI devices, electronic components, car audio and navigation equipment, and outsourcing services, the impact of the sale of the company's hard disk drive (HDD) operations last year is expected to reduce sales by approximately 80.0 billion yen.

Fujitsu is projecting operating income of 25.0 billion yen for the first half of fiscal 2010, an improvement of over 40.0 billion yen compared to the first half of fiscal 2009. The increase in operating income reflects the impact of higher sales in some areas of the business, primarily in hardware-related products, and benefits from the restructuring initiatives implemented last year in the LSI device and HDD businesses. Net income for the first half of fiscal 2010 is projected to be 5.0 billion yen, a reduction of nearly 40.0 billion yen compared to the first half of fiscal 2009, as last year's results included about 90 billion yen in one-time gains on the sale of investment securities in accordance with FANUC Ltd.'s solicitation to repurchase its own shares.

On a full-year basis, Fujitsu is projecting consolidated net sales of 4,800.0 billion yen for fiscal 2010, an increase of 3% in comparison with fiscal 2009. Despite the loss of approximately 80.0 billion in sales from the sale of the HDD business, overall sales are expected to increase because of higher sales of hardware-related products, including server-related products, LSI devices, electronic components, and car audio and navigation equipment, and a recovery in demand in the field of software development in the second half of the fiscal year.

The company is projecting full-year operating income of 185.0 billion yen, an increase of about 90 billion yen compared to fiscal 2009. Operating income in the Technology Solutions segment is projected to increase by about 60 billion yen. Although the company will accelerate strategic investments geared toward the cloud computing era, operating income is projected to rise from the impact of an expected rebound in ICT investment, combined with progress in reducing costs mainly in server-related product operations by unifying development and procurement with Fujitsu Technology Solutions (Holding) B.V. in Europe, as well as reductions in amortization costs for unrecognized retirement benefit obligations and lower goodwill amortization expenses. In the Ubiquitous Product Solutions segment, the impact of the sale of the loss-making HDD business is expected to boost operating income by approximately 10 billion yen, but overall operating income in the segment is expected to be slightly below the level in fiscal 2009 because of lower profitability in the mobile phone business as a result of higher development expenses stemming from the introduction of new models and a deterioration in margins for handsets resulting from an expansion in the market for lower-priced models. The Device Solutions segment is projected to generate 30.0 billion yen in operating income, rebounding from the operating loss posted in fiscal 2009. In addition to an expected recovery in demand for both LSI devices and electronic components, results

are projected to benefit from the structural reform of the LSI device business implemented last year, and altogether an improvement of 40.0 billion yen in operating income is expected.

Fujitsu is projecting consolidated net income of 95.0 billion yen for fiscal 2010, roughly equivalent to the level reported in fiscal 2009, when results benefited by one-time gains from the sale of shares in FANUC and other investment securities.

(Billion Yen)

	First Half			Full Year		
	FY 2010 Forecast	FY 2009 Results	Change	FY 2010 Forecast	FY 2009 Results	Change
Net Sales	2,200.0	2,186.6	13.3	4,800.0	4,679.5	120.4
Operating Income	25.0	-18.2	43.2	185.0	94.3	90.6
Net Income	5.0	43.2	-38.2	95.0	93.0	1.9