Fujitsu Limited

April 30, 2010

FY 2009 Full-Year Financial Results

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Part I: Financial Tables

1. Summary of FY 2009 Full-Year Consolidated Results

a. Summary of Consolidated Statements of Operations

		Yen (Millions, except per share data)		
		FY 2009 (4/1/09-3/31/10)	FY 2008 (4/1/08-3/31/09)	Change (%)
Net sales	**Y**	**4,679,519**	4,692,991	-0.3
Operating income		**94,373**	68,772	37.2
Income (Loss) before income taxes and minority interests		**112,706**	(113,314)	-
Net income (loss)		**93,085**	(112,388)	-
Net income (loss) per common share:				
Basic		**45.21**	(54.35)	
Diluted	**Y**	**42.17**	-	
Rate of Return on equity		**12.0%**	-13.2%	
Operating income margin		**2.0%**	1.5%	

b. Summary of Consolidated Financial Condition

		Yen (Millions, except per share data)	
		March 31, 2010	March 31, 2009
Total assets	**Y**	**3,228,051**	3,221,982
Net assets		**948,373**	925,602
Owners' equity		**798,662**	748,941
Net assets per share	**Y**	**386.79**	362.30
Owners' equity ratio		**24.7%**	23.2%

c. Summary of Consolidated Statements of Cash Flows

		Yen (Millions, except per share data)	
		FY 2009 (4/1/09~3/31/10)	FY 2008 (4/1/08~3/31/09)
Cash flows from operating activities	**Y**	**295,389**	248,098
Cash flows from investing activities		**1,020**	(224,611)
Cash flows from financing activities		**(405,310)**	(47,894)
Cash and cash equivalents at end of period	**Y**	**420,166**	528,174

2. Dividends per Share of Common Stock

a. Dividends per Share of Common Stock

		Yen		
		FY 2008	FY 2009	**FY 2010**
First-quarter ended June 30	**Y**	-	-	**-**
Second-quarter ended September 30		5.00	3.00	**5.00**
Third-quarter ended December 31		-	-	**-**
Full-year ended March 31		3.00	5.00	**5.00**
Total	**Y**	8.00	8.00	**10.00**

b. Consolidated Dividends

		Yen (Millions)		
		FY 2008 (Actual)	FY 2009 (Planned)	**FY 2010 (Forecast)**
Total amount of dividends	**Y**	16,538	16,522	
Dividend payout ratio		-	17.7%	**21.8%**
Ratio of dividends to net assets		1.9%	2.1%	

3. Number of Issued Shares (Common Shares)

a. Number of issued shares at end of period

FY 2009	**2,070,018,213**	**shares**
FY 2008	**2,070,018,213**	**shares**

b. Treasury stock held at end of period

FY 2009	**5,179,774**	**shares**
FY 2008	**2,822,889**	**shares**

4. Consolidated Earnings Forecast for FY 2010

			Yen (Billions) (Except per share data)		
			FY 2009 (Actual)	**FY 2010 (Forecast)**	Change (%)
First half	**Net sales**	**Y**	2,186.6	**2,200.0**	0.6
	Operating income (loss)		(18.2)	**25.0**	-
	Net income		43.2	**5.0**	-88.4
	Net income per common share		21.08	**2.42**	
Full-year	**Net sales**		4,679.5	**4,800.0**	2.6
	Operating income		94.3	**185.0**	96.0
	Net income		93.0	**95.0**	2.1
	Net income per common share	**Y**	45.21	**45.90**	

(Reference information)
Summary of FY2009 Full-Year Unconsolidated Results

a. Summary of Unconsolidated Statements of Operations

		Yen (Millions)		
		FY2009 (4/1/09~3/31/10)	FY2008 (4/1/08~3/31/09)	Change(%)
Net sales	**Y**	**2,148,982**	2,423,503	-11.3
Operating income		**20,593**	40,747	-49.5
Income before income taxes and minority interests		**119,282**	39,644	200.9
Net income		**126,121**	47,881	163.4
Net income per common share:				
Basic		**61.26**	23.16	
Diluted	**Y**	**56.67**	21.04	

b. Summary of Unconsolidated Financial Condition

		Yen (Millions) (Except per share)	
		March 31 2010	March 31 2009
Total assets	**Y**	**2,070,647**	2,302,358
Net assets		**699,738**	629,030
Net assets per share	**Y**	**338.88**	304.29
Owners' equity ratio		**33.8%**	27.3%

5. Full-Year Consolidated Statements of Operations

		Yen (Millions)	
		FY 2009 (4/1/09-3/31/10)	FY 2008 (4/1/08-3/31/09)
Net sales	**Y**	**4,679,519**	4,692,991
Cost of sales		**3,436,412**	3,491,512
Gross profit		**1,243,107**	1,201,479
Selling, general and administrative expenses		**1,148,734**	1,132,707
Operating income		**94,373**	68,772
Other income:			
Interest income		**4,239**	7,770
Dividend income		**3,778**	11,588
Equity in earnings of affiliates, net		**2,805**	-
Gain on sales of investment securities (*1)		**89,657**	3,484
Gain on transfer of business (*2)		**2,211**	-
Others		**14,345**	12,194
Total other income		**117,035**	35,036
Other expenses:			
Interest expense		**16,321**	17,516
Equity in losses of affiliates, net		**-**	34,049
Loss on foreign exchange, net		**4,205**	7,014
Loss on disposal of property, plant and equipment and intangible assets		**3,923**	4,843
Business restructuring expenses (*3)		**47,406**	54,198
Impairment loss (*4)		**2,902**	58,923
Loss on revaluation of investment securities (*5)		**-**	18,729
Others		**23,945**	21,850
Total other expenses		**98,702**	217,122
Income (Loss) before income taxes and minority interests		**112,706**	(113,314)
Income taxes:			
Current		**27,059**	25,022
Deferred		**(11,283)**	(24,611)
Total income taxes		**15,776**	411
Minority interests (loss)		**3,845**	(1,337)
Net income (loss)	**Y**	**93,085**	(112,388)

Note:

*Refer to page 60 for explanations.

6. Full-Year Consolidated Business Segment Information

a. Net Sales* and Operating Income (1)

		Yen (Billions)			Excluding impact of changes in currency exchange rates
		FY 2009 (4/1/09-3/31/10)	FY 2008 (4/1/08-3/31/09)	Change (%)	Change (%)**
Technology Solutions					
Japan	**Y**	**1,971.6**	2,126.7	-7.3	-7
Overseas		**1,149.4**	950.3	+21.0	-4
Total		**3,121.0**	3,077.0	+1.4	-6
Operating income:					
Services		**131.1**	163.3	-19.7	
[Operating income margin]		**[5.2%]**	[6.7%]		
System Platforms		**21.3**	25.3	-16.0	
[Operating income margin]		**[3.5%]**	[3.9%]		
Total operating income		**152.4**	188.7	-19.2	
[Operating income margin]		**[4.9%]**	[6.1%]		
Ubiquitous Product Solutions					
Japan		**618.9**	658.7	-6.0	-5
Overseas		**299.7**	290.3	+3.3	-18
Total		**918.7**	949.1	-3.2	-9
Operating income		**22.9**	0.5	-	
[Operating income margin]		**[2.5%]**	[0.1%]		
Device Solutions					
Japan		**314.4**	372.2	-15.5	-25
Overseas		**232.8**	215.4	+8.1	-0
Total		**547.2**	587.6	-6.9	-16
Operating loss		**(8.7)**	(71.9)	-	
[Operating income margin]		**[-1.6%]**	[-12.2%]		
Other Operations					
Japan		**280.9**	326.4	-13.9	-14
Overseas		**116.3**	119.7	-2.8	+3
Total		**397.3**	446.2	-11.0	-9
Operating income		**8.6**	4.1	+108.8	
[Operating income margin]		**[2.2%]**	[0.9%]		
Elimination and Corporate					
Sales		**(304.8)**	(367.1)	-	-
Operating loss		**(80.8)**	(52.6)	-	
Total					
Japan		**2,931.2**	3,193.1	-8.2	-9
Overseas		**1,748.3**	1,499.8	+16.6	-4
Total		**4,679.5**	4,692.9	-0.3	-7
Operating income	**Y**	**94.3**	68.7	+37.2	
[Operating income margin]		**[2.0%]**	[1.5%]		

Notes:

* Net sales include intersegment sales.

** Figures representing the percentage increase or decrease in net sales excluding the impact of exchange rate movements are calculated by taking the average exchange rates in fiscal 2008 for the US dollar, euro, British pound, Australian dollar, Korean won, and other currencies, applying them to foreign currency-denominated sales in fiscal 2009, and comparing the results to sales in fiscal 2008.

b. Net Sales* by Principal Products and Services

		Yen (Billions) FY 2009 (4/1/09-3/31/10)	Yen (Billions) FY 2008 (4/1/08-3/31/09)	Change (%)	Excluding impact of changes in currency exchange rates Change (%)**
Technology Solutions					
Services:					
Solutions / SI	**Y**	**1,117.2**	1,223.1	-8.7	-8
Infrastructure Services		**1,303.9**	1,129.3	+15.5	-4
Others		**89.2**	75.1	+18.7	+19
		2,510.4	2,427.7	+3.4	-5
System Platforms:					
System Products		**317.8**	326.0	-2.5	-14
Network Products		**292.7**	323.3	-9.5	-6
		610.6	649.3	-6.0	-10
Total		**3,121.0**	3,077.0	+1.4	-6
Ubiquitous Product Solutions					
PCs / Mobile Phones		**823.1**	683.3	+20.5	-3
Hard Disk Drives		**82.2**	249.0	-67.0	-24
Others		**13.3**	16.7	-20.1	-20
Total		**918.7**	949.1	-3.2	-9
Device Solutions					
LSI Devices		**306.3**	390.3	-21.5	-20
Electronic Components, Others		**240.8**	197.3	+22.0	-8
Total	**Y**	**547.2**	587.6	-6.9	-16

Notes:

* Net sales include intersegment sales.

** Figures representing the percentage increase or decrease in net sales excluding the impact of exchange rate movements are calculated by taking the average exchange rates in fiscal 2008 for the US dollar, euro, British pound, Australian dollar, Korean won, and other currencies, applying them to foreign currency-denominated sales in fiscal 2009, and comparing the results to sales in fiscal 2008.

c. Net Sales and Operating Income (2)

FY 2009 (4/1/09-3/31/10)

(Million yen)

	Technology Solutions	Ubiquitous Product Solutions	Device Solutions	Other Operations	Total	Elimination and Corporate	Consolidated
Net sales							
Sales to customers outside Fujitsu Group	3,055,244	811,944	494,623	317,708	4,679,519	-	4,679,519
Intersegment sales	65,830	106,814	52,590	79,624	304,858	(304,858)	-
Total net sales	3,121,074	918,758	547,213	397,332	4,984,377	(304,858)	4,679,519
Operating income (loss)	152,451	22,959	(8,779)	8,620	175,251	(80,878)	94,373

FY 2008 (4/1/08-3/31/09)

(Million yen)

	Technology Solutions	Ubiquitous Product Solutions	Device Solutions	Other Operations	Total	Elimination and Corporate	Consolidated
Net sales							
Sales to customers outside Fujitsu Group	2,983,053	840,362	540,100	329,476	4,692,991	-	4,692,991
Intersegment sales	94,045	108,742	47,564	116,753	367,104	(367,104)	-
Total net sales	3,077,098	949,104	587,664	446,229	5,060,095	(367,104)	4,692,991
Operating income (loss)	188,712	558	(71,942)	4,129	121,457	(52,685)	68,772

Notes:

1. Business segments are defined based on the similarity of products and services, sales methods and other factors.
2. The main products and services of each segment are listed below.
   - (1)Technology Solutions: Systems integration services (system construction), consulting, front-end technologies (ATMs, POS systems, etc.), outsourcing services (datacenter, IT operations management, SaaS, application operations and management, business process outsourcing, etc.), network services (business network, Internet/mobile contents delivery, etc.), system support services (information system and network maintenance and monitoring services), security solutions (information systems infrastructure construction and network construction), servers (mainframes, UNIX servers, mission-critical IA servers, PC servers), storage systems, software (OS, middleware), network control systems, optical transmission systems, and mobile phone base stations.
   - (2)Ubiquitous Product Solutions: Personal computers, mobile phones, hard disk drives and optical modules
   - (3)Device Solutions: LSI devices, electronic components (semiconductor packages, SAW devices, etc.), electromechanical parts (relays and connectors, etc.)
   - (4)Other Operations: Audio and navigation equipment, electronic equipment for automobile control and printed circuit boards
3. In regards to the HDD business, the transfer of the business was completed on October 1, 2009, and therefore it is not included in the sales or operating income of the Ubiquitous Product Solutions segment from the third quarter of fiscal 2009.
4. FY2008: Some accounting standards have changed as explained in the Notes section, under the subheading "Significant Changes to Preparation of Financial Statements" ("Adoption of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" and "Changes in Accounting Standards for Completed Construction Revenue and Costs"). The effect of these changes on the segment sales is insignificant.

7. Full-Year Consolidated Geographic Segment Information

a. Net Sales and Operating Income

FY 2009 (4/1/09-3/31/10)

(Million yen)

	Japan	EMEA	The Americas	APAC & China	Total	Elimination and Corporate	Consolidated
Net sales							
Sales to customers							
outside Fujitsu Group	3,100,099	957,544	275,062	346,814	4,679,519	-	4,679,519
Intersegment sales	300,485	18,142	18,800	158,629	496,056	(496,056)	-
Total net sales	3,400,584	975,686	293,862	505,443	5,175,575	(496,056)	4,679,519
Operating income (loss)	166,357	(2,642)	1,830	12,996	178,541	(84,168)	94,373

FY 2008 (4/1/08-3/31/09)

(Million yen)

	Japan	EMEA	The Americas	APAC & China	Total	Elimination and Corporate	Consolidated
Net sales							
Sales to customers							
outside Fujitsu Group	3,370,276	603,771	346,500	372,444	4,692,991	-	4,692,991
Intersegment sales	419,694	9,075	18,761	283,574	731,104	(731,104)	-
Total net sales	3,789,970	612,846	365,261	656,018	5,424,095	(731,104)	4,692,991
Operating income (loss)	106,466	12,073	(1,351)	6,491	123,679	(54,907)	68,772

Notes:

1. Geographic segments are defined based on geographical location and interconnectedness of business activities.
2. Principal countries and regions comprising the segments other than Japan:
   (1)EMEA
   (Europe, Middle East and Africa) UK, Germany, Spain, Finland, Sweden
   (2)The Americas US, Canada
   (3)APAC (Asia-Pacific) & China Australia, Singapore, Thailand, Taiwan, Korea, Vietnam, Philippines, China
3. FY2008: Some accounting standards have changed as explained in the Notes section, under the subheading "Significant Changes to Preparation of Financial Statements" ("Adoption of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" and "Changes in Accounting Standards for Completed Construction Revenue and Costs"). The effect of these changes on the segment sales is insignificant.

b. Net Sales outside Japan by Customer's Geographic Location

FY 2009 (4/1/09-3/31/10)

(Million yen)

	EMEA	The Americas	APAC & China	Total
I. Net sales outside Japan	981,622	321,603	445,079	1,748,304
II. Consolidated net sales				4,679,519
III. Sales outside Japan as a ratio of total sales	21.0%	6.9%	9.5%	37.4%

FY 2008 (4/1/08-3/31/09)

(Million yen)

	EMEA	The Americas	APAC & China	Total
I. Net sales outside Japan	657,073	391,443	451,370	1,499,886
II. Consolidated net sales				4,692,991
III. Sales outside Japan as a ratio of total sales	14.0%	8.4%	9.6%	32.0%

Notes:

1. Geographic segments are defined based on geographical location and interconnectedness of business activities.
2. Principal countries and regions comprising the segments other than Japan:
   (1)EMEA
   (Europe, Middle East and Africa) UK, Germany, Spain, Finland, Sweden
   (2)The Americas US, Canada
   (3)APAC (Asia-Pacific) & China Australia, Singapore, Thailand, Taiwan, Korea, Vietnam, Philippines, China
3. Net sales outside Japan represent sales of Fujitsu Ltd. and its consolidated subsidiaries in regions and countries other than Japan.
4. FY2008: Some accounting standards have changed as explained in the Notes section, under the subheading "Significant Changes to Preparation of Financial Statements" ("Adoption of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" and "Changes in Accounting Standards for Completed Construction Revenue and Costs"). The effect of these changes on the segment sales is insignificant.

8. Full-Year Consolidated Balance Sheets

		Yen (Millions)	
		March 31 2010	March 31 2009
Assets			
Current assets:			
Cash and time deposits	**Y**	**322,733**	488,636
Notes and accounts receivable, trade		**921,349**	847,249
Marketable securities		**105,227**	48,968
Finished goods		**145,646**	140,356
Work in process		**100,904**	95,159
Raw materials		**75,751**	70,941
Deferred tax assets		**76,308**	68,840
Others		**139,986**	135,642
Allowance for doubtful accounts		**(15,924)**	(8,254)
Total current assets		**1,871,980**	1,887,537
Non-current assets:			
Property, plant and equipment, net of accumulated depreciation:			
Buildings		**273,133**	264,842
Machinery		**110,639**	127,529
Equipment		**137,509**	152,309
Land		**119,530**	112,834
Construction in progress		**21,924**	15,514
Total property, plant and equipment		**662,735**	673,028
Intangible assets:			
Software		**139,546**	139,727
Goodwill		**93,945**	46,508
Others		**45,722**	25,087
Total intangible assets		**279,213**	211,322
Other non-current assets:			
Investment securities		**170,935**	245,602
Deferred tax assets		**83,279**	72,250
Others		**167,948**	139,685
Allowance for doubtful accounts		**(8,039)**	(7,442)
Total other non-current assets		**414,123**	450,095
Total non-current assets		**1,356,071**	1,334,445
Total assets	**Y**	**3,228,051**	3,221,982

		Yen (Millions)	
		March 31 2010	March 31 2009
Liabilities and net assets			
Liabilities			
Current liabilities:			
Notes and accounts payable, trade	Y	**626,986**	528,707
Short-term borrowings		**70,457**	124,204
Current portion of bonds payable		**150,000**	302,679
Lease obligations		**29,790**	41,432
Accrued expenses		**334,458**	298,969
Accrued income taxes		**26,728**	19,332
Provision for product warranties		**25,429**	14,941
Provision for construction contract losses		**24,575**	6,105
Provision for bonus for board members and auditors		**93**	-
Others		**271,537**	214,053
Total current liabilities		**1,560,053**	1,550,422
Long-term liabilities:			
Bonds payable		**230,200**	380,800
Long-term borrowings		**126,786**	75,797
Lease obligations		**39,509**	47,303
Deferred tax liabilities		**29,949**	51,506
Revaluation of deferred tax liabilities		**575**	575
Accrued retirement benefits		**206,404**	137,222
Provision for loss on repurchase of computers		**23,514**	25,837
Provision for product warranties		**3,585**	-
Provision for recycling expenses		**5,550**	5,726
Others		**53,553**	21,192
Total long-term liabilities		**719,625**	745,958
Total liabilities		**2,279,678**	2,296,380
Net assets			
Shareholders' equity:			
Common stock		**324,625**	324,625
Capital surplus		**235,985**	236,612
Retained earnings		**307,964**	223,797
Treasury stock		**(2,723)**	(2,133)
Total shareholders' equity		**865,851**	782,901
Valuation and translation adjustments:			
Unrealized gain and loss on securities, net of taxes		**16,006**	51,661
Deferred hedge gain and loss		**(31)**	2,880
Revaluation surplus on land		**2,331**	2,332
Foreign currency translation adjustments		**(85,495)**	(90,833)
Total valuation and translation adjustments		**(67,189)**	(33,960)
Share warrants		**53**	26
Minority interests		**149,658**	176,635
Total net assets		**948,373**	925,602
Total liabilities and net assets	Y	**3,228,051**	3,221,982

9. Full-Year Consolidated Statements of Cash Flows

		Yen (Millions) FY 2009 (4/1/09~3/31/10)	FY 2008 (4/1/08~3/31/09)
1. Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	Y	**112,706**	(113,314)
Depreciation and amortization		**231,741**	282,111
Impairment loss (*1)		**2,902**	75,192
Goodwill amortization		**23,317**	16,292
Increase (decrease) in provisions		**(29,831)**	(12,112)
Interest and dividend income		**(8,017)**	(19,358)
Interest charges		**16,321**	17,516
Equity in earnings of affiliates, net		**(2,805)**	34,049
Disposal of non-current assets		**10,535**	9,499
Gain(loss) on sales of investment securities, net		**(89,657)**	(3,484)
Valuation loss on investment securities		**-**	18,729
(Increase) decrease in receivables, trade		**48,937**	127,090
(Increase) decrease in inventories		**18,793**	63,516
Increase (decrease) in payables, trade		**(23,047)**	(224,870)
Other, net		**15,773**	(1,497)
Cash generated from operations		**327,668**	269,359
Interest and dividends received		**8,969**	29,378
Interest paid		**(17,879)**	(18,532)
Income taxes paid		**(23,369)**	(32,107)
Net cash used in operating activities		**295,389**	248,098
2. Cash flows from investing activities:			
Purchases of property, plant and equipment		**(114,525)**	(175,851)
Proceeds from sales of property, plant and equipment		**9,177**	18,649
Purchases of intangible assets		**(58,825)**	(66,117)
Purchases of investment securities		**(23,662)**	(17,022)
Proceeds from sales of investment securities		**116,814**	15,604
Income from acquisition of subsidiaries' stock resulting from change in scope of consolidation (*2)		**50,416**	-
Proceeds from transfer of business (*3)		**17,549**	-
Other, net		**4,076**	126
Net cash used in investing activities		**1,020**	(224,611)
1+2 [Free Cash Flow]		**296,409**	23,487
3. Cash flows from financing activities:			
Increase (decrease) in short-term borrowings		**(80,861)**	81,423
Proceeds from long-term debt		**69,829**	39,634
Repayment of long-term debt		**(11,280)**	(3,106)
Proceeds from issuance of bonds		**12,218**	69,610
Repayment of bonds		**(315,325)**	(168,906)
Proceeds from sales or treasury stock (*4)		**25**	-
Purchase of treasury stock (*5)		**(22,691)**	-
Dividends paid		**(13,842)**	(24,460)
Other, net		**(43,383)**	(42,089)
Net cash provided by financing activities		**(405,310)**	(47,894)
4. Effect of exchange rate changes on cash and cash equivalents		**(983)**	(4,035)
5. Net increase (decrease) in cash and cash equivalents		**(109,884)**	(28,442)
6. Cash and cash equivalents at beginning of period		**528,174**	547,844
7. Cash and cash equivalents of newly consolidated subsidiaries		**1,876**	8,772
8. Cash and cash equivalents at end of period	Y	**420,166**	528,174

Note:

*Refer to page 60 for explanations.

10. Full-Year Consolidated Statements of Changes in Net Assets

Net assets:

		FY 2009 (4/1/09~3/31/10)	FY 2008 (4/1/08~3/31/09)
Shareholders' equity:			
Common stock:			
Balance at end of previous term	Y	**324,625**	324,625
Increase (Decrease) during the term			
Total		**-**	-
Ending balance of common stock		**324,625**	324,625
Capital surplus:			
Balance at end of previous term		**236,612**	249,038
Increase (Decrease) during the term:			
Sales of treasury stock (*2)		**(627)**	(73)
Effect from change of scope of consolidation		**-**	(12,353)
Total		**(627)**	(12,426)
Ending balance of capital surplus		**235,985**	236,612
Retained earnings:			
Balance at end of previous term		**223,797**	338,903
Increase (Decrease) due to changes in accounting treatment by subsidiaries outside Japan		**999**	(1,585)
Increase (Decrease) during the term:			
Cash dividends		**(12,399)**	(20,681)
Net income (loss)		**93,085**	(112,388)
Effect from change of scope of consolidation		**2,482**	19,548
Total		**83,168**	(113,521)
Ending balance of retained earnings		**307,964**	223,797
Treasury stock:			
Balance at end of previous term		**(2,133)**	(869)
Increase (Decrease) during the term:			
Acquisition of treasury stock (*1)		**(22,691)**	(1,492)
Sales of treasury stock (*2)		**22,101**	228
Total		**(590)**	(1,264)
Ending balance treasury stock		**(2,723)**	(2,133)
Total shareholders' equity			
Balance at end of previous term		**782,901**	911,697
Increase (Decrease) due to changes in accounting treatment by subsidiaries outside Japan		**999**	(1,585)
Increase (Decrease) during the term:			
Cash dividends		**(12,399)**	(20,681)
Net income (loss)		**93,085**	(112,388)
Acquisition of treasury stock (*1)		**(22,691)**	(1,492)
Sales of treasury stock (*2)		**21,474**	155
Effect from change of scope of consolidation		**2,482**	7,195
Total		**81,951**	(127,211)
Ending balance of shareholders' equity	Y	**865,851**	782,901

Note:

*Refer to page 62 for explanations.

		FY 2009 (4/1/09~3/31/10)	FY 2008 (4/1/08~3/31/09)
Valuation and translation adjustments:			
Unrealized gain and loss securities, net of taxes:			
Balance at end of previous term	Y	**51,661**	89,879
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**(35,655)**	(38,218)
Total		**(35,655)**	(38,218)
Ending balance of unrealized gain and loss securities, net of taxe		**16,006**	51,661
Deferred hedge gain and loss:			
Balance at end of previous term		**2,880**	124
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**(2,911)**	2,756
Total		**(2,911)**	2,756
Ending balance deferred hedge gain and loss		**(31)**	2,880
Revaluation surplus on land:			
Balance at end of previous term		**2,332**	2,449
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**(1)**	(117)
Total		**(1)**	(117)
Ending balance of revaluation surplus on land		**2,331**	2,332
Foreign currency translation adjustments:			
Balance at end of previous term		**(90,833)**	(55,945)
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**5,338**	(34,888)
Total		**5,338**	(34,888)
Ending balance of foreign currency translation adjustment		**(85,495)**	(90,833)
Total valuation and translation adjustments:			
Balance at end of previous term		**(33,960)**	36,507
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**(33,229)**	(70,467)
Total		**(33,229)**	(70,467)
Ending balance of valuation and translation		**(67,189)**	(33,960)
Share warrants:			
Balance at end of previous term		**26**	-
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**27**	26
Total		**27**	26
Ending balance of share warrants		**53**	26
Minority interests:			
Balance at end of previous term		**176,635**	181,972
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**(26,977)**	(5,337)
Total		**(26,977)**	(5,337)
Ending balance of minority interests		**149,658**	176,635
Total net assets:			
Balance at end of previous term		**925,602**	1,130,176
Increase (Decrease) due to changes in accounting treatment by subsidiaries outside Japan		**999**	(1,585)
Increase (Decrease) during the term:			
Cash dividends		**(12,399)**	(20,681)
Net income (loss)		**93,085**	(112,388)
Acquisition of treasury stock (*1)		**(22,691)**	(1,492)
Sales of treasury stock (*2)		**21,474**	155
Effect from change of scope of consolidation		**2,482**	7,195
except for items under shareholders' equity		**(60,179)**	(75,778)
Total		**21,772**	(202,989)
Ending balance of net assets	Y	**948,373**	925,602

Note:

*Refer to page 62 for explanations.

11. Full-Year Unconsolidated Statements of Operations

		Yen (Millions)	
		FY 2009 (4/1/09~3/31/10)	FY 2008 (4/1/08~3/31/09)
Net sales	**Y**	**2,148,982**	2,423,503
Cost of sales		**1,621,492**	1,835,739
Gross profit		**527,489**	587,763
Selling, general and administrative expenses		**506,895**	547,016
Operating income		**20,593**	40,747
Other income:			
Interest income		**751**	3,262
Dividend income		**35,154**	76,764
Gain on sales of investment securities		**98,547**	3,207
Gain on reversal of provision for loss on guarantees		**924**	10
Others		**12,579**	11,852
Total other income		**147,956**	95,096
Other expenses:			
Interest expense		**2,610**	1,946
Interest on bonds		**7,850**	8,450
Loss on foreign exchange, net		**229**	5,949
Loss on disposal of property, plant and equipment and intangible assets		**2,167**	2,511
Loss on revaluation of subsidiaries' and affiliates' stock		**9,292**	11,769
Provision for loss on guatantees		**8,847**	2,719
Impairment loss		**449**	5,039
Business restructuring expenses		**-**	26,073
Loss on revaluation of investment securities		**-**	12,788
Others		**17,821**	18,951
Total other expenses		**492,657**	96,199
Income before income taxes		**119,282**	39,644
Income taxes:			
Current		**(4,338)**	(2,860)
Deferred		**(2,500)**	(5,376)
Total income taxes		**(6,838)**	(8,237)
Net income	**Y**	**126,121**	47,881

12. Full-Year Unconsolidated Balance Sheets

		Yen (Millions)	
		March 31 2010	March 31 2009
Assets			
Current assets:			
Cash and time deposits	**Y**	**24,734**	295,417
Notes receivables, trade		**1,439**	1,803
Accounts receivables, trade		**389,543**	411,828
Marketable securities		**85,000**	30,000
Finished goods		**72,851**	80,643
Work in process		**12,810**	16,697
Raw materials		**13,201**	19,778
Advanced money		**1,351**	647
Deferred tax assets		**25,390**	20,037
Short-term loan receivable		**13,387**	19,337
Accrued revenue		**197,789**	177,121
Others		**3,225**	8,121
Allowance for doubtful accounts		**(1,241)**	(2,908)
Total current assets		**839,483**	1,078,524
Non-current assets:			
Property, plant and equipment, net of accumulated depreciation:			
Buildings		**95,548**	88,283
Structure		**4,799**	4,139
Machinery		**1,928**	2,408
Vehicle and delivery equipment, net		**6**	7
Equipment		**43,185**	49,329
Land		**70,704**	71,111
Construction in progress		**2,978**	1,991
Total property, plant and equipment		**219,151**	217,271
Intangible assets:			
Software		**77,662**	76,863
Utility rights		**3,639**	3,691
Others		**3,948**	4,584
Total intangible assets		**85,250**	85,139
Other non-current assets:			
Investment securities		**95,813**	153,955
Subsidiaries' and affiliates' stocks		**757,676**	680,615
Long-term loans to affiliated companies		**2,600**	2,600
Receivables from companies under bankruptcy or reorganization process		**1,189**	2,486
Prepaid pension expense		**48,558**	61,134
Others		**24,103**	24,670
Allowance for doubtful accounts		**(3,179)**	(4,040)
Total other non-current assets		**926,761**	921,422
Total non-current assets		**1,231,163**	1,223,834
Total assets	**Y**	**2,070,647**	2,302,358

		Yen (Millions)	
		March 31 2010	March 31 2009
Liabilities and net assets			
Liabilities			
Current liabilities:			
Notes and accounts payable, trade	**Y**	**539,919**	549,177
Short-term borrowings		**7,676**	45,013
Current portion of long-term bollowings payable		**15,510**	8,290
Current portion of bonds payable		**150,000**	300,000
Lease obligations		**2,880**	3,003
Accrued liability		**47,987**	46,621
Accrued expenses		**97,944**	102,543
Accrued income taxes		**1,585**	836
Advance received		**32,327**	24,667
Deposits payable		**29,488**	41,157
Provision for product warranties		**5,837**	7,176
Provision for construction contract losses		**18,660**	2,574
Provision for loss on guatantees		**12,037**	7,854
Provision for bonus for board members and auditors		**93**	-
Others		**2,682**	2,791
Total current liabilities		**964,630**	1,141,707
Long-term liabilities:			
Bonds payable		**230,000**	380,000
Long-term borrowings		**117,968**	67,478
Lease obligations		**7,059**	6,632
Deferred tax liabilities		**16,805**	41,305
Provision for loss on repurchase of computers		**23,514**	25,837
Provision for recycling expenses		**5,549**	5,725
Others		**5,381**	4,642
Total long-term liabilities		**406,278**	531,620
Total liabilities		**1,370,908**	1,673,328
Net assets			
Shareholders' equity:			
Common stock		**324,625**	324,625
Capital surplus:			
Other capital surplus		**166,675**	169,108
Total capital surplus		**166,675**	169,108
Retained earnings:			
Legal retained earnings		**3,928**	2,688
Other retained earnings:			
Reserves for special depreciation		**3,955**	5,332
Retained earnings brought forward		**188,245**	74,387
Total other retained earnings		**192,200**	79,719
Total retained earnings		**196,130**	82,408
Treasury stock		**(2,723)**	(2,133)
Total shareholders' equity		**684,708**	574,008
Valuation and translation adjustments:			
Unrealized gain and loss on securities, net of taxes		**15,030**	52,144
Deferred hedge gain and loss		**-**	2,878
Total valuation and translation adjustments		**15,030**	55,022
Total net assets		**699,738**	629,030
Total liabilities and net assets	**Y**	**2,070,647**	2,302,358

13. Full-Year Unconsolidated Statements of Changes in Net Assets

		FY 2009 (4/1/09~3/31/10)	FY 2008 (4/1/08~3/31/09)
Net assets:			
Shareholders' equity:			
Common stock:			
Balance at end of previous term	Y	**324,625**	324,625
Increase (Decrease) during the term			
Total		**-**	-
Ending balance of common stock		**324,625**	324,625
Capital surplus:			
Other capital surplus:			
Balance at end of previous term		**169,108**	169,181
Increase (Decrease) during the term:			
Decrease by corporate division-OCS		**(1,804)**	-
Sales of treasury stock		**(627)**	(73)
Total		**(2,432)**	(73)
Ending balance of other capital surplus		**166,675**	169,108
Total capital surplus:			
Balance at end of previous term		**169,108**	169,181
Increase (Decrease) during the term:			
Decrease by corporate division-OCS		**(1,804)**	-
Sales of treasury stock		**(627)**	(73)
Total		**(2,432)**	(73)
Ending balance of capital surplus		**166,675**	169,108
Retained earnings:			
Legal retained earnings:			
Balance at end of previous term		**2,688**	620
Increase (Decrease			
Cash dividends		**1,239**	2,068
Total		**1,239**	2,068
Ending balance of legal retained earnings		**3,928**	2,688
Other retained earnings:			
Reserves for special depreciation:			
Balance at end of previous term		**5,332**	2,343
Increase (Decrease) during the term:			
Increase in reserves for special depreciation		**-**	4,033
Decrease in reserves for special depreciation		**(1,376)**	(1,044)
Total		**(1,376)**	2,989
Ending balance of other retained earnings		**3,955**	5,332
Retained earnings brought forward:			
Balance at end of previous term		**74,387**	52,244
Increase (Decrease) during the term:			
Cash dividends		**(13,639)**	(22,749)
Increase in reserves for special depreciation		**-**	(4,033)
Decrease in reserves for special depreciation		**1,376**	1,044
Net income		**126,121**	47,881
Total		**113,858**	22,143
Ending balance of retained earnings brought forward		**188,245**	74,387
Total retained earnings:			
Balance at end of previous term		**82,408**	55,207
Increase (Decrease) during the term:			
Cash dividends		**(12,399)**	(20,681)
Increase in reserves for special depreciation		**-**	-
Decrease in reserves for special depreciation		**-**	-
Net income		**126,121**	47,881
Total		**113,721**	27,200
Ending balance of retained earnings	Y	**196,130**	82,408

		FY 2009 (4/1/09~3/31/10)	FY 2008 (4/1/08~3/31/09)
Treasury stock:			
Balance at end of previous term		**(2,133)**	(869)
Increase (Decrease) during the term:			
Acquisition of treasury stock		**(22,691)**	(1,492)
Sales of treasury stock		**22,102**	228
Total		**(589)**	(1,264)
Ending balance of treasury stock		**(2,723)**	(2,133)
Total shareholders' equity:			
Balance at end of previous term		**574,008**	548,144
Increase (Decrease) during the term:			
Decrease by corporate division-OCS		**(1,804)**	-
Cash dividends		**(12,399)**	(20,681)
Net income (loss)		**126,121**	47,881
Acquisition of treasury stock		**(22,691)**	(1,492)
Sales of treasury stock		**21,475**	155
Total		**110,700**	25,863
Ending balance of shareholders' equity	Y	**684,708**	574,008
Valuation and translation adjustments:			
Unrealized gain and loss securities, net of taxes:			
Balance at end of previous term	Y	**52,144**	88,585
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**(37,113)**	(36,441)
Total		**(37,113)**	(36,441)
Ending balance of unrealized gain and loss securities, net of taxes		**15,030**	52,144
Deferred hedge gain and loss:			
Balance at end of previous term		**2,878**	122
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**(2,878)**	2,755
Total		**(2,878)**	2,755
Ending balance of deferred hedge gain and loss		**-**	2,878
Total valuation and translation adjustments:			
Balance at end of previous term		**55,022**	88,708
Increase (Decrease) during the term:			
Net increase (decrease) during the term, except for items under shareholders' equity		**(39,991)**	(33,685)
Total		**(39,991)**	(33,685)
Ending balance of valuation and translation adjustments		**15,030**	55,022
Total net assets:			
Balance at end of previous term		**629,030**	636,852
Increase (Decrease) during the term:			
Decrease by corporate division-OCS		**(1,804)**	-
Cash dividends		**(12,399)**	(20,681)
Net income		**126,121**	47,881
Acquisition of treasury stock		**(22,691)**	(1,492)
Sales of treasury stock		**21,475**	155
Net increase (decrease) during the term, except for items under shareholders' equity		**(39,991)**	(33,685)
Total		**70,708**	(7,822)
Ending balance of net assets	Y	**699,738**	629,030

Part II. Explanation of Financial Results

1. Overview of FY 2009 Full-Year Consolidated Financial Results

Business Environment

During fiscal 2009 (April 1, 2009 – March 31, 2010), the business environment in which the Fujitsu Group operated was characterized by a serious economic downturn in the first half of the fiscal year, and moderate signs of a recovery in the second half, driven by global progress in inventory adjustments and economic stimulus measures implemented by nations around the world. China's economy is recovering as a result of measures to stimulate domestic demand, and the US economy is showing improvement as a result of economic stimulus measures and progress in inventory adjustments. In Europe, however, the economy remains stagnated due to weak personal consumption resulting from the worsened employment conditions. In Japan, too, although the economy continues to recover as a result of higher exports, primarily to China and emerging economies, as well as the underlying support provided by the Japanese government's large economic stimulus measures, the recovery remains fragile, with weak personal income and employment conditions and prolonged deflationary pressures.

With respect to investment in information and communications technologies (ICT), though there are signs of recovery in demand for ICT hardware, spending on software and ICT services remains weak amid delayed recovery in demand.

(Billion Yen)

	FY 2009 *4/1/09-3/31/10*	FY 2008 *4/1/08-3/31/09*	Change	
				Change (%)
Net Sales	4,679.5	4,692.9	-13.4	-0.3
Cost of Sales	3,436.4	3,491.5	-55.1	-1.6
Gross Profit	1,243.1	1,201.4	41.6	3.5
Selling, General and Administrative Expenses	1,148.7	1,132.7	16.0	1.4
Operating Income [Operating income margin]	94.3 [2.0%]	68.7 [1.5%]	25.6 [0.5%]	37.2
Other Income and Expenses	18.3	-182.0	200.4	-
Net Income	93.0	-112.3	205.4	-

Notes:
1. Until this fiscal year, Fujitsu Technology Solutions (Holding) B.V. (the new corporate name, as of April 1, 2009, of Fujitsu Siemens Computers (Holding) B.V.) was an equity-method affiliate of Fujitsu. In accordance with the acquisition of shares in the company owned by Siemens AG of Germany, the company is a consolidated subsidiary starting with the first quarter of fiscal 2009. In the case of FDK Corporation, as well, as the result of Fujitsu subscribing to a private placement of its shares, the company has been converted from an equity-method affiliate to a consolidated subsidiary starting in the first quarter of fiscal 2009.
2. Fujitsu completed the transfer of its HDD media business to Showa Denko KK on July 1, 2009, and completed the transfer of its HDD drive business to Toshiba Corporation on October 1, 2009.

FY2009 Non-Operating Gains and Losses

(Billion Yen)

Item			FY2009	
Gains	Gain on Sale of Investment Securities		89.6	Gain on sale of shares in FANUC Ltd. and other securities.
Losses	Business Restructuring Expenses		-47.4	
		Business Outside Japan (Europe)	-26.3	Expenses for streamlining workforces in the UK and Ireland, the Netherlands, Germany and other European countries in accordance with restructuring of Fujitsu Technology Solutions and Fujitsu Services.
		Logic LSI Business	-21.1	Expenses for reassigning employees in relation to restructuring of wafer manufacturing facilities and streamlining administrative operations.

Breakdown in FY 2009 Operating Income

Billion Yen

	FY 2009	FY 2008	Change vs. FY 2008		Change vs. Jan. 2010 Forecast	
	4/1/2009 - 3/31/2010	4/1/2008 - 3/31/2009		Adjusted change basis	Jan. 2010 Forecast	Change
Consolidated	94.3	68.7	25.6	16.0	90.0	4.3

By Business Segment

	FY 2009	FY 2008	Change vs. FY 2008	Adjusted change basis	Jan. 2010 Forecast	Change
Technology Solutions	152.4	188.7	-36.2	-24.0	155.0	-2.5
Services	131.1	163.3	-32.2	-34.0	145.0	-13.8
System Platforms	21.3	25.3	-4.0	10.0	10.0	11.3
Ubiquitous Product Solutions	22.9	0.5	22.4	-9.0	15.0	7.9
Device Solutions	-8.7	-71.9	63.1	72.0	-10.0	1.2

Notes:

1. Adjusted change excludes the impact of business restructuring and currency exchange fluctuation. Regarding the impact of business restructuring, Fujitsu Technology Solutions (Holding) B.V. (previously Fujitsu Siemens Computers (Holding) B.V.) and FDK Corporation were converted into consolidated subsidiaries, and the HDD business was transferred. The impact of the currency fluctuation was eliminated by using the US dollar, euro, British pound, Australian dollar and Korean won foreign exchange rates for fiscal 2008 to translate the net sales in foreign currencies into yen.
2. The main products and services of each segment are listed on page 7.
3. The financial information from Fujitsu Technology Solutions (Holding) B.V. and FDK Corporation has been incorporated into the business segments of the consolidated financial statements as follows:

Business Areas		**Consolidated Segments**	**Sub-Segments**
Fujitsu Technology Solutions (FTS)	Infrastructure Business Server Business	Technology Solutions	Services (Infrastructure Services) System Platforms (System Products)
	PC Business	Ubiquitous Product Solutions	PC/Mobile Phones
FDK	Electronic Parts Business	Device Solutions	Electronic Components, Others

Change vs. FY 2008

Billion Yen

	Net Sales	Operating Income	Op. income change vs. FY 2008 on adjusted basis (2) + (3)
Consolidation of FTS	470.0	-4.0	
(Amortization of goodwill, etc., one-time expense for R&D assets)	(-)	(-14.0)	
Consolidation of FDK	65.0	2.0	
Transfer of HDD business	-70.0	16.5	
Business restructuring	465.0	14.5	
Exchange rate fluctuation	-130.0	-5.0	
(1) Business restructuring and currency fluctuation	335.0	9.5	
(2) Increase in retirement obligation expense	-	-22.0	
Services	-127.0	-22.5	-34.0
System Platforms	-64.0	15.0	10.0
Technology Solutions	-191.0	-7.5	-24.0
Ubiquitous Product Solutions	-81.0	-7.0	-9.0
Device Solutions	-92.0	73.5	72.0
Others	-42.0	6.0	5.0
Corporate and elimination	58.0	-27.0	-28.0
(3) Other changes	-348.0	38.0	16.0

Total	-13.4	25.6

Reference: Major Financial Indices

(Billion Yen, except for ratio and period items)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Net Sales	4,791.4	5,100.1	5,330.8	4,692.9	4,679.5
Sales Outside of Japan	1,591.5	1,825.2	1,923.6	1,499.8	1,748.3
[Ratio of Sales Outside of Japan to Total Sales]	[33.2%]	[35.8%]	[36.1%]	[32.0%]	[37.4%]
Operating Income Margin	3.8%	3.6%	3.8%	1.5%	2.0%
Return on Equity	7.7%	10.9%	5.0%	-13.2%	12.0%
Inventories	408.7	412.3	383.1	306.4	322.3
[Inventory Turnover Ratio]	[10.80]	[12.42]	[13.40]	[13.61]	[14.88]
[Monthly Inventory Turnover]	[0.88 times]	[0.93 times]	[1.03 times]	[0.98 times]	[1.04 times]
Total Assets	3,807.1	3,943.7	3,821.9	3,221.9	3,228.0
[Total Assets Turnover Ratio]	[1.29]	[1.32]	[1.37]	[1.33]	[1.45]
Shareholders' Equity	780.6	875.0	911.6	782.9	865.8
[Shareholders' Equity Ratio]	[20.5%]	[22.2%]	[23.9%]	[24.3%]	[26.8%]
Owners' Equity	917.0	969.5	948.2	748.9	798.6
[Owners' Equity Ratio]	[24.1%]	[24.6%]	[24.8%]	[23.2%]	[24.7]
Market Value-based Shareholders' Equity Ratio	53.9%	41.2%	35.3%	23.4%	39.1%
Interest-Bearing Loans	928.6	745.8	887.3	883.4	577.4
Net Interest-Bearing Loans	507.7	297.1	339.4	355.3	157.2
D/E Ratio	1.01	0.77	0.94	1.18	0.72
Net D/E Ratio	0.55	0.31	0.36	0.47	0.20
Cash Flows From Operating Activities	405.5	408.7	322.0	248.0	295.3
Free Cash Flow	170.8	257.6	38.1	23.4	296.4
(excluding special factors*1)	[148.5]	[30.9]	[92.2]	[7.8]	[111.6]
Loans / Cash Flows from Operating Activities	2.3 years	1.8 years	2.8 years	3.6 years	2.0 years
Interest Coverage Ratio	21.3	22.2	15.1	14.2	18.1

Note:

Owners' Equity:	*Net Assets – Share Warrants – Minority Interests*
Return on Equity:	*Net Income ÷ {(Owners' Equity at Start of Period + Owners' Equity at End of Period) ÷ 2}*
Inventory Turnover Ratio:	*Net Sales ÷ {(Beginning Balance of Inventories + Ending Balance of Inventories) ÷ 2}*
Monthly Inventory Turnover:	*Net Sales ÷ Average Inventories during Period(*2) ÷ 12*
Total Assets Turnover Ratio:	*Net Sales ÷ {(Beginning Balance of Total Assets + Ending Balance of Total Assets) ÷ 2}*
Shareholders' Equity Ratio:	*Shareholders' Equity ÷ Total Assets*

Owners' Equity Ratio:	*(Net Assets – Share Warrants - Minority Interests) ÷ Total Assets*
Market Value-based Shareholders' Equity Ratio:	*Market Capitalization ÷ Total Assets*
Net Interest-Bearing Loans:	*Interest-Bearing Loans – Cash Equivalents*
D/E Ratio:	*Interest-Bearing Loans ÷ Owners' Equity*
Net D/E Ratio:	*(Interest-bearing Loans - Cash Equivalents) ÷ Owners' Equity*
Loans / Cash Flows from Operating Activities:	*Interest-Bearing Loans ÷ Cash Flows from Operating Activities*
Interest Coverage Ratio:	*Cash Flows from Operating Activities ÷ Interest Expense*

*1: Free cash flow excluding special factors excludes the following:

- Proceeds from sales of investment securities
- Income from acquisition of subsidiaries' stock
- Proceeds from transfer of business
- Impact from holiday at end of period (changes in receivables or payables as a result of receipts or payments being extended to following period because the last day of the current period is a holiday)

*2: Average inventories during period are calculated as the average of the ending balance of inventories for each of the four quarters of the fiscal year.

Issues and Initiatives in FY 2009

In fiscal 2009, the Fujitsu Group announced a new medium-term management plan for fiscal years 2009–2011. The plan calls for transforming Fujitsu into a truly global ICT company by focusing on the customer's customers, global expansion, and environmental sustainability, by using products and technologies to support the services business, by integrating the company's business in Japan with its business outside Japan, and by leveraging the company's dominant position and earnings in Japan to support the company's global growth. By fiscal 2011, Fujitsu seeks to achieve a consolidated operating income margin of 5% or higher, generate over 40% of the company's overall sales outside Japan, have a monthly inventory turnover rate of over 2 times, and a debt/equity ratio of under 1.0 times, while achieving consolidated free cash flow of 150 billion yen and record operating income of 250 billion yen and net income of 130 billion yen.

The goals for the first year of the medium-term plan were sales of 4,800 billion yen, operating income of 80 billion yen, and net income of 20 billion yen. These goals took into consideration the weak global economic environment in the aftermath of the financial crisis in 2008, and the effects of the continued business restructuring measures the company began implementing the previous year.

Actual net sales in fiscal 2009 fell short of the original target, totaling 4,679.5 billion yen (decline of 0.3% from the previous year and decline of 7% on an adjusted basis, excluding the impact of currency fluctuations and business restructuring measures, with 37% of overall sales generated outside Japan). Operating income was 94.3 billion yen (an increase of 25.6 billion yen over the previous year), which exceeded the target. Though ICT spending remained weak, particularly in Japan and Europe, the company continued with structural transformation of its LSI device business and restructuring its European operations. In addition, even as the company made strategic investments for future growth, company-wide efforts to restrain costs and reduce expenses were successful. Fujitsu reported net income of 93.0 billion yen. The company's results were affected by a gain of 89.6 billion yen on sales of investment securities as a result of FANUC Ltd.'s solicitation to repurchase its own shares from Fujitsu, as well as 47.4 billion yen in restructuring charges.

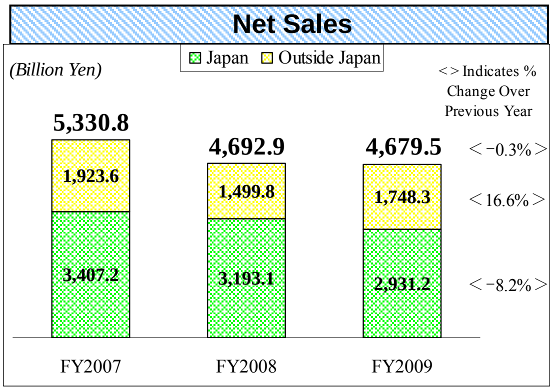
In the Ubiquitous Product Solutions business segment, the company completed the sale of its hard disk drive (HDD) business on October 1, 2009. To strengthen its PC business, the company began standardizing its global design and procurement operations. In the Device Solutions business segment, last September the company began phased integration and consolidation of production lines for standard technology logic devices and the reassignment of affected staff members, and the initiative was completed by the end of fiscal 2009. For advanced technology logic devices, the company is outsourcing the production of 40nm devices and beyond to foundry Taiwan Semiconductor Manufacturing Company, and the two companies reached an agreement to co-develop 28nm devices. The Mie Plant's 90nm and 65nm production lines are producing CPUs for high-performance UNIX servers, and in fiscal 2010, volume production begins of CPUs that will be used for Japan's next-generation supercomputer project. The company also completed the sale of its communications device business, which produced devices for mobile phones, to Taiyo Yuden Co., Ltd. FDK Corporation, which was converted into a consolidated subsidiary after Fujitsu invested additional capital to eliminate its net capital deficit, acquired the nickel metal hydride battery business of Sanyo Electric Co., Ltd. as part of a policy to focus on core business. Compared to the previous fiscal year, the operating income of the Ubiquitous Product Solutions segment and the Device Solutions segment improved by 22.4 billion yen and 63.1 billion yen, respectively, significantly exceeding the improvement targets of 17.9 billion yen and 6.2 billion yen, which were set at the beginning of the fiscal year.

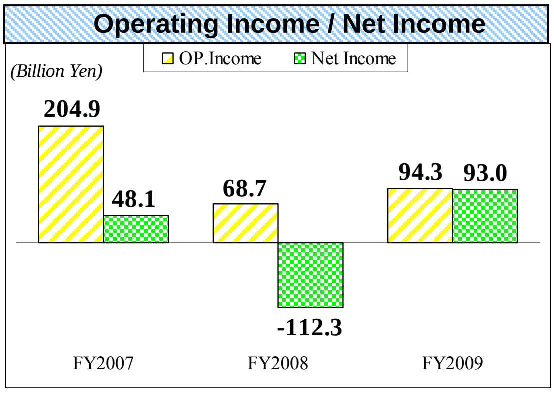
Operating income in the Technology Solutions business segment was 152.4 billion yen, a decline of 36.2 billion yen from the previous year and 22.5 billion yen lower than the target set at the beginning of the fiscal year. Results were negatively impacted by a number of factors, such as higher pension expenses in Japan resulting from lower pension asset performance in the previous year as well as by higher goodwill amortization costs and one-time expenses associated with the conversion of Fujitsu Technology Solutions into a consolidated subsidiary. In addition, there was a weak operating environment, with economic stagnation and a reduction in public-sector ICT spending in the UK and, lagging behind the downturn in the economy, lower ICT spending in Japan. In Europe, restructuring measures were implemented to eliminate redundancies between Fujitsu Services Holdings PLC and Fujitsu Technology Solutions (Holding) B.V., which became a wholly owned subsidiary of Fujitsu in April 2009, and to improve efficiency. In Japan, Fujitsu Business Systems Ltd. was converted into a wholly owned subsidiary in order to strengthen Fujitsu's position in the medium-sized business market, and the development and manufacturing of point-of-sale systems for the US market, as well as the retail and totalizator terminals business, were consolidated into Fujitsu Frontech Limited. Following the sale of the HDD business, two sales subsidiaries outside of Japan were transferred to PFU Limited, a global leader in the scanner business which was converted into a wholly owned subsidiary in April 2010. In November 2009, Fujitsu opened a new wing at the Tatebayashi System Center, equipped with the latest eco-friendly technologies, to serve as a core platform for its outsourcing services and next-generation cloud services business in Japan.

The monthly inventory turnover rate in fiscal 2009 was 1.04 times, an improvement of 0.06 times compared with the previous fiscal year and an improvement over fiscal 2007. The shareholders' equity ratio was 26.8%, an improvement of 2.5 percentage points over the previous year. Free cash flow was 296.4 billion yen. Even excluding the sale of investment securities, free cash flow was 111.6 billion yen. The company redeemed 300 billion yen in corporate bonds, bringing the balance of interest-bearing debt to 577.4 billion yen, resulting in a debt/equity ratio of 0.72 times, and net interest-bearing debt, after subtracting cash and cash equivalents, was 157.2 billion yen, all of which represent levels last achieved in the early 1980s. Moreover, the net debt/equity ratio is 0.20, the lowest it has ever been.

2. Profit and Loss

Note: In these explanatory materials, the yen figures for net sales, operating income, and other figures are converted into US$ amounts, for reference purposes, at a rate of $1=93 yen, the approximate Tokyo foreign exchange market rate on March 31, 2010. Figures for and comparisons to prior reporting periods are provided only for reference. Adjusted change excludes the impact of business restructuring and currency exchange fluctuation. Regarding the impact of business restructuring, Fujitsu Technology Solutions (Holding) B.V. and FDK Corporation were converted into consolidated subsidiaries and the hard disk drive (HDD) business was transferred. The impact of the currency fluctuation was eliminated by using the average US dollar, euro, British pound, Australian dollar and Korean won foreign exchange rates for fiscal 2008 to translate the net sales outside Japan into yen.





Consolidated net sales for fiscal 2009 were 4,679.5 billion yen (US$50,317 million), essentially unchanged from fiscal 2008. Sales declined by 7% on an adjusted basis when excluding the impact of converting Fujitsu Technology Solutions (Holding) B.V. and FDK Corporation, both of which until this fiscal year had been equity-method affiliates, into consolidated subsidiaries, the impact of the transfer of the hard disk drive (HDD) business, and the impact of exchange rate fluctuations.

Sales in Japan declined by 8.2%. Sales of system integration services and ATM- and POS-related solutions to customers in the manufacturing, retail/distribution, and financial services industries declined due to corporate spending constraints. Sales of logic LSI devices, server-related products, and PCs were also lower, primarily as a result of weaker sales in the first half of the fiscal year.

Sales outside Japan increased by 16.6%. On an adjusted basis, however, sales decreased by 4%. The services business was negatively impacted by the economic recession, particularly in Europe. Sales of HDDs, PCs, and server-related products also declined, primarily in the first half of the year.

Consolidated operating income was 94.3 billion yen (US$1,014 million), an increase of 25.6 billion yen compared to fiscal 2008. On an adjusted basis, operating income rose 16.0 billion yen, when excluding the benefit of the transfer of the HDD business and its losses in the second half of 2008, the impact of the conversion of Fujitsu Technology Solutions and FDK into consolidated subsidiaries, and the impact of exchange rate fluctuations. Among the negative factors were an increase in pension benefit obligations, a loss provision related to the development of Japan's next-generation supercomputer, and a decline in revenue in the services business. These factors were offset by improved profitability in LSI device business following structural reforms, a reduction in expenses in response to price pressures and lower ICT investment, and procurement cost-cutting initiatives, primarily in the server-related product and electronic component businesses.

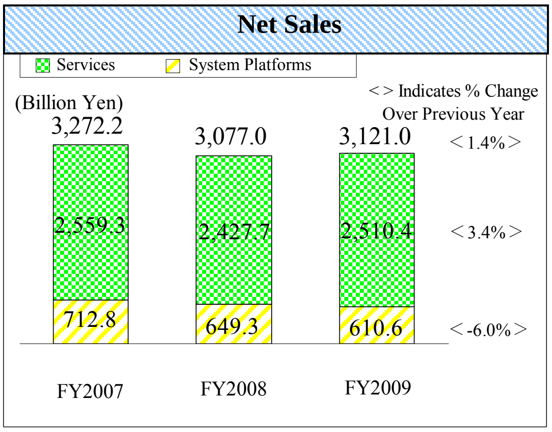
In other income and expenses, equity in earnings of affiliates improved as certain equity-method affiliates that had posted losses in the previous fiscal year as a result of restructuring initiatives or weak operating results, such as Fujitsu Technology Solutions and FDK, were converted to consolidated subsidiaries. The company recorded a gain of 89.6 billion yen on sales of shares in FANUC Ltd. and other investment securities. The company also recorded 47.4 billion yen in restructuring charges and other expenses. The restructuring charges consisted of 21.1 billion yen stemming from the restructuring of the logic LSI device business, including the expenses associated with reorganizing manufacturing operations and reassigning employees after the streamlining of administrative functions, and 26.3 billion yen from streamlining workforces associated with the restructuring of the company's European operations.

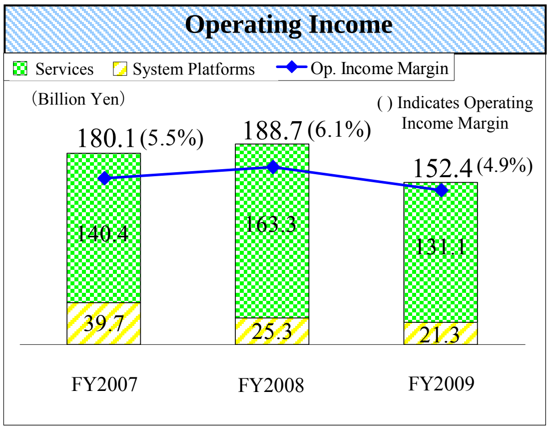
Fujitsu posted consolidated net income of 93.0 billion yen (US$1,000 million) for fiscal 2009, representing a significant improvement of 205.4 billion yen over the loss reported in fiscal 2008. Income before taxes and minority interests improved by 226.0 billion yen as a result of higher ordinary income and other income from sales of investment securities, as well as the fact that other expenses, including impairment losses and investment securities valuation losses, were posted in the previous year. As a result of the improvement in core operations as well as the gains posted on the sale of investment securities, the amount of recoverable deferred tax assets increased, and a reversal of the valuation reserve resulted in a lower tax burden in the fiscal year.

3. Results by Business Segment

Information on net sales (including intersegment sales) and operating income for fiscal 2009 broken out by business segment is presented below.

Technology Solutions





(1) Services

(Billion Yen)

	FY 2009	Change vs. FY 2008	Adjusted change
Net Sales	2,510.4	3.4%	-5%
Japan	1,557.6	-5.8%	-6%
Outside Japan	952.7	22.9%	-4%
Operating Income	131.1	-32.2	-34.0

Net sales in the Services sub-segment for fiscal 2009 were 2,510.4 billion yen (US$26,994 million), up 3.4% from the prior year. In Japan, sales declined by 5.8%. Despite a steady increase in sales of outsourcing services, sales of solutions and system integration services decreased as a result of cutbacks in corporate spending in the manufacturing, retail/distribution, and financial services sectors. Sales outside Japan increased by 22.9%. Excluding the impact of currency exchange fluctuations and converting Fujitsu Technology Solutions into a consolidated subsidiary, sales declined by 4%. Overall, sales were affected by a sluggish economic recovery, primarily in Europe.

Operating income for the Services sub-segment was 131.1 billion yen (US$1,410 million), a decline of 32.2 billion yen compared to fiscal 2008. In Japan, profitability was affected by lower sales of solutions and system integration services and an increase of 11.5 billion yen in pension benefit expenses in Japan resulting from the deterioration in asset performance in fiscal 2008, as well as the emergence of losses on some projects towards the end of the fiscal year. Outside Japan, the services business suffered from economic recession, primarily in European business. In addition, the profitability of some private- and public-sector projects declined during the year. The conversion of Fujitsu Technology Solutions into a consolidated subsidiary resulted in a one-time charge for expensing the fair market value of in-process R&D assets and an increase in the amortization of goodwill, but these negative factors were largely offset by profits from Fujitsu Technology Solutions's services business.

In the solutions and systems integration business in Japan, the Fujitsu Group's front-end technology businesses, including ATMs, POS systems, and totalizator terminals, were consolidated into Fujitsu Frontech Limited. Moreover, in order to further strengthen the Group's solutions for medium-sized businesses in Japan, in August 2009 Fujitsu Business Systems Ltd. was made a wholly owned subsidiary of Fujitsu. In addition, PFU Limited was converted into a wholly owned subsidiary of Fujitsu in April. After the sale of its HDD business, Fujitsu transferred two of its sales subsidiaries outside Japan to PFU, which is globally expanding its scanner business. Fujitsu and PFU will seek to generate strong synergies between Fujitsu's wide range of services and PFU's multi-vendor IT services, including system development and maintenance services.

Through the opening in November 2009 of the new annex of the Tatebayashi System Center, which boasts highly integrated systems and environmentally friendly information and communications technologies (ICT), Fujitsu is further expanding its offering of advanced datacenter services that employ next-generation ICT platform technologies.

(2) System Platforms

(Billion Yen)

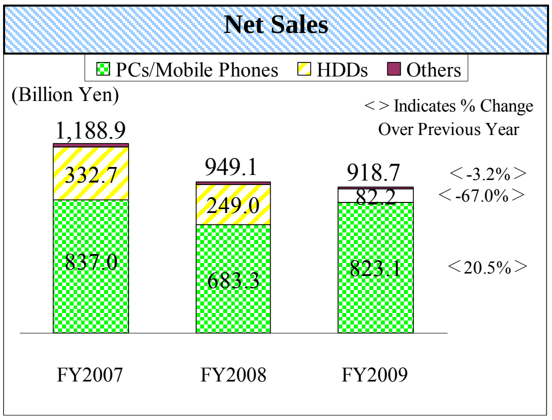
	FY 2009	Change vs. FY 2008	Adjusted change
Net Sales	610.6	-6.0%	-10%
Japan	413.9	-12.7%	-13%
Outside Japan	196.7	12.2%	-2%
Operating Income	21.3	-4.0	10.0

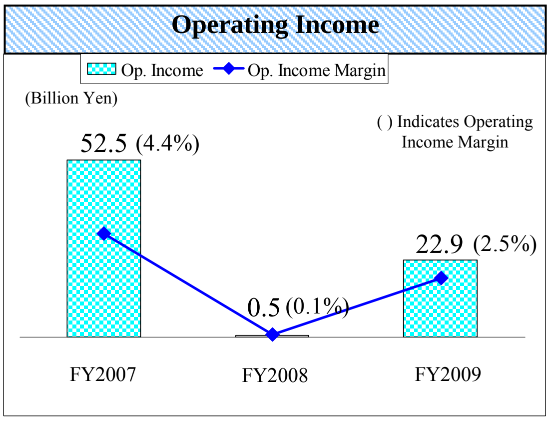
Net sales in the System Platforms sub-segment for fiscal 2009 were 610.6 billion yen (US$6,566 million), a decline of 6.0% compared to the prior year. In Japan, sales declined 12.7% from the previous year. Sales of server-related products were adversely impacted by corporate spending constraints and pricing pressures, and there was a downturn in the investment cycle for mobile phone base stations. Sales outside Japan increased by 12.2%. On an adjusted basis, however, sales declined by 2%. Although sales were adversely affected by the economic downturn, demand for optical transmission systems in the US and UNIX servers recovered during the second half of the fiscal year, helping boost annual sales outside Japan to nearly the same level as the previous year.

Operating income was 21.3 billion yen (US$229 million), a decline of 4.0 billion yen from the previous year. On an adjusted basis, however, income increased by 10.0 billion yen. Profitability improved due to deals with major customers to upgrade their mission-critical servers, as well as progress in increasing cost efficiencies by integrating the European and US optical transmission system manufacturing. A loss of 14.0 billion yen was incurred as the result of business restructuring related to the conversion of Fujitsu Technology Solutions into a consolidated subsidiary, specifically increases in x86 server business-related losses, a one-time charge for expensing the fair market value of in-process R&D, and an increase in the amortization of goodwill. Currency fluctuations also contributed to the loss.

With the full integration of Fujitsu Technology Solutions completed in April 2009, in order to eliminate redundancies and raise efficiency in Europe to enhance the company's competitive strength in a challenging market environment, Fujitsu Technology Solutions's operations in the UK, Ireland and Nordic countries were transferred to Fujitsu Services Holdings PLC, and Fujitsu Services's business in continental Europe was transferred to Fujitsu Technology Solutions. As part of this restructuring, the company streamlined its workforces, mainly in continental Europe, in addition to implementing wide-scale personnel reductions in the UK due to the continued economic downturn. As a result of these measures, the company posted a loss of 26.3 billion yen for restructuring charges.

Ubiquitous Product Solutions





(Billion Yen)

	FY 2009	Change vs. FY 2008	Adjusted change
Net Sales	918.7	-3.2%	-9%
Japan	618.9	-6.0%	-5%
Outside Japan	299.7	3.3%	-18%
Operating Income	22.9	22.4	-9.0

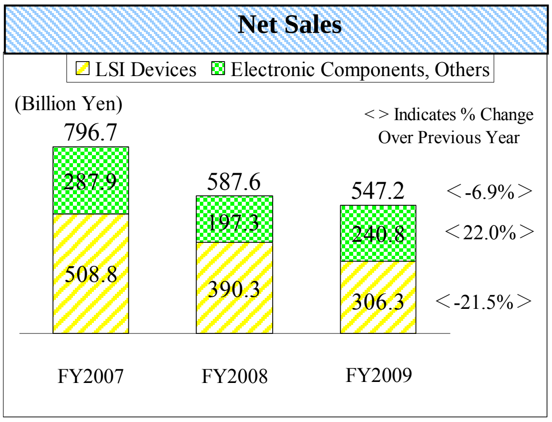
Net sales in the Ubiquitous Product Solutions segment were 918.7 billion yen (US$9,878 million), a decrease of 3.2% compared to fiscal 2008. On an adjusted basis, excluding the impact of business restructuring associated with Fujitsu Technology Solutions becoming a consolidated subsidiary, the sale of the HDD business, and exchange rate fluctuations, sales decreased by 9%.

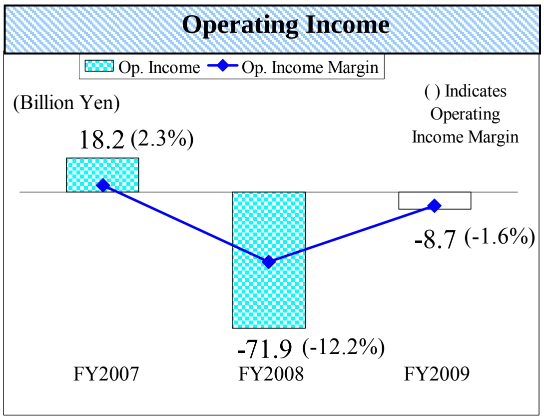
Sales in Japan decreased by 6%. Unit sales of PCs rose because of the introduction of models with a new OS and higher demand for educational-use PCs, but lower prices resulted in lower sales revenues. Mobile phone sales increased because of higher sales of moderately priced models, and revenue from handset maintenance services also increased due to a longer handset replacement cycle. Sales outside Japan increased by 3.3%, but declined by 18% on an adjusted basis, as HDD sales decreased in the first half of the fiscal year.

The segment posted operating income of 22.9 billion yen (US$246 million), an increase of 22.4 billion yen compared to fiscal 2008. On an adjusted basis, excluding the impact of restructuring initiatives, operating income decreased by 9.0 billion yen. Positive factors included higher sales of mobile phones, lower costs for mobile phone design, and lower parts procurement costs, while lower sales prices in the PC business negatively impacted profitability. In addition, the first-half operating loss of the HDD business increased by 6.5 billion yen from the same period of the previous year. Restructuring initiatives increased operating income by about 31.0 billion yen. This amount includes the impact of the sale of the HDD business, which posted a loss of 16.5 billion yen in the second half of the previous fiscal year, a reduction in copyright levies imposed on PC manufacturers in Germany as the result of a settlement with the national copyright organization, enabling the PC business to post a profit at Fujitsu Technology Solutions, and the impact of exchange rate fluctuations.

Fujitsu completed the transfer of its HDD media business to Showa Denko KK on July 1, 2009, and its HDD drive business to Toshiba Corporation on October 1, 2009.

Device Solutions





(Billion Yen)

	FY 2009	Change vs. FY 2008	Adjusted change
Net Sales	547.2	-6.9%	-16%
Japan	314.4	-15.5%	-25%
Outside Japan	232.8	8.1%	-0%
Operating Income	-8.7	63.1	72.0

Net sales in the Device Solutions segment were 547.2 billion yen (US$5,884 million), a decrease of 6.9% compared to fiscal 2008. Sales in Japan declined by 15.5%. Sales of Flash memory and other devices declined, and sales of logic LSI devices also decreased, though a recovery in demand for LSI devices used in digital home appliances and automobiles resulted in a year-on-year increase in the fourth quarter alone.

Sales outside Japan increased by 8.1%, although sales were on par with the previous year when excluding the impact of the conversion of FDK into a consolidated subsidiary and exchange rate fluctuations. While sales of LSI products declined for the full year as a result of the first-half slump in demand, demand for electronic components increased for the full year.

Quarterly Trends

(Billion Yen)

	FY 2008				FY 2009			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	172.3	178.5	139.4	97.1	118.9	137.2	141.1	149.9
Operating Income	-4.7	-2.5	-21.1	-43.4	-15.5	-1.6	2.9	5.4

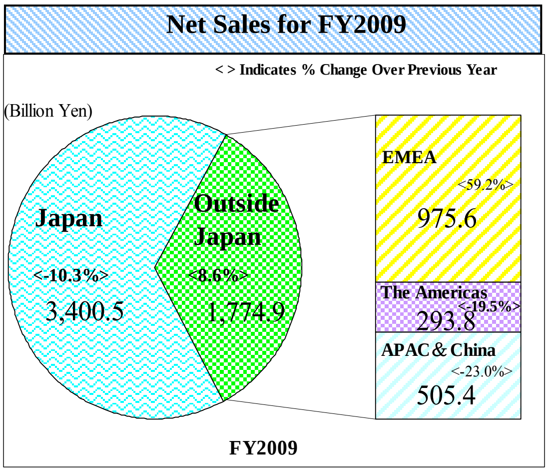
The segment posted an operating loss of 8.7 billion yen (US$94 million). The electronic components business turned profitable in the year, and though the logic LSI business turned profitable in the second half, the large losses in the first quarter resulted in a loss for the business on an annual basis. Overall, profitability in the Device Solutions business improved by 63.1 billion yen compared to the prior year. The profitability of the logic LSI business dramatically improved due to lower depreciation expenses costs and the effect of streamlining personnel and other fixed costs resulting from structural reforms, as well as greater development efficiencies. In electronic components, higher demand and other factors contributed to the improved profitability.

As part of the restructuring initiatives in its logic LSI device business, the Fujitsu Group launched an initiative in January 2009 to bring production resources in line with demand and pursue greater efficiencies in its administrative operations. The consolidation of three wafer production lines, which began to be phased in from September 2009, was completed by the end of the fiscal year.

Elimination and Corporate

The segment posted an operating loss of 80.8 billion yen (US$869 million), with a 28.1 billion yen increase in costs compared to fiscal 2008. This was mainly the result of strategic up-front investments and efforts to enhance human resources. Japan’s Ministry of Education, Culture, Sports, Science and Technology (MEXT) and the Institute of Physical and Chemical Research, known as RIKEN, are promoting the nation's Next-Generation Supercomputer Project with the aim to develop a system by fiscal 2012 that will boast a performance of 10 petaflops, which would make it one of the world's fastest supercomputers by today's standards. The critical design and prototype/assessment phases of the project were completed by the end of fiscal 2009, and the Fujitsu Group has been selected to manufacture the system, including the CPUs, with production starting in fiscal 2010. Because the government budget approved for the project in March 2010 will not fully cover its production costs, the company has recognized a loss provision in fiscal 2009. In addition to employing the Fujitsu Group's products, the system will be extremely important in its potential to be widely used to contribute to Japan's industries, to bring innovation to medicine and other fields, and to resolve global environmental challenges.

4. Results by Geographic Segment



Operating Income (Billion Yen)

	FY 2009	FY 2008	Change from FY 2008
Japan	166.3 [4.9%]	106.4 [2.8%]	59.8 [2.1%]
Outside Japan	12.1 [0.7%]	17.2 [1.1%]	-5.0 [-0.4%]
EMEA	-2.6 [-0.3%]	12.0 [2.0%]	-14.7 [-2.3%]
The Americas	1.8 [0.6%]	-1.3 [-0.4%]	3.1 [1.0%]
APAC & China	12.9 [2.6%]	6.4 [1.0%]	6.5 [1.6%]

Note: Numbers inside brackets indicate operating income margin.

In Japan, net sales were 3,400.5 billion yen (US$36,565 million), a decrease of 10.3% compared to fiscal 2008. Sales of system integration services and ATM- and POS-related solutions to customers in the manufacturing, retail/distribution, and financial services industries declined due to corporate spending constraints. Sales of logic LSI devices, server-related products, and PCs were also lower, primarily as a result of weaker sales in the first half of the fiscal year. Operating income in Japan was 166.3 billion yen (US$1,788 million), an improvement of 59.8 billion yen over fiscal 2008. Profitability improved as a result of progress in restructuring the logic LSI device business, the positive effect of divesting the loss-generating HDD business, and success in cutting costs and trimming expenses.

Net sales outside Japan were 1,774.9 billion yen (US$19,085 million), an increase of 8.6% over the previous fiscal year. On an adjusted basis, however, sales decreased by 9% when excluding the impact of converting Fujitsu Technology Solutions (Holding) B.V. and FDK Corporation from equity-method affiliates into consolidated subsidiaries, the sale of the HDD business, and the impact of exchange rate fluctuations. Operating income outside Japan was 12.1 billion yen (US$130 million), a decrease of 5.0 billion yen from fiscal 2008, mainly from lower profitability in the EMEA region.

Net sales in EMEA were 975.6 billion yen (US$10,490 million), an increase of 59.2% from fiscal 2008. On an adjusted basis, however, net sales declined by 9%. The EMEA region posted an operating loss of 2.6 billion yen (US$28 million), a deterioration of 14.7 billion yen from the previous fiscal year. In the UK, services sales were impacted by the economic recession, while the profitability of some private- and public-sector projects declined. In converting Fujitsu Technology Solutions into a consolidated subsidiary, there was a one-time charge for expensing the fair market value of in-process R&D and an increase in the amortization of goodwill and other assets. These expenses were offset, however, by a reduction in copyright levies imposed on PC manufacturers in Germany as the result of a settlement with the national copyright organization.

Net sales in the Americas were 293.8 billion yen (US$3,159 million), a 19.5% decrease from fiscal 2008. On an adjusted basis, sales declined 10%. Although sales of optical transmissions systems increased, sales of server-related products were adversely impacted by the economic recession. Operating income for the region was 1.8 billion yen (US$19 million), an improvement of 3.1 billion yen from fiscal 2008, as a result of cost reductions in the optical transmission system and car audio and navigation system businesses, and other factors which offset the decline in server-related product sales impacted profitability

In APAC and China, net sales were 505.4 billion yen (US$5,434 million), a 23.0% decrease from the prior fiscal year. On an adjusted basis, sales declined by 9%. While there was an expansion of the services business in Oceania, along with higher sales of car audio and navigation systems, sales of HDDs declined in the first half of the fiscal year. Operating income was 12.9 billion yen (US$139 million), an increase of 6.5 billion yen over fiscal 2008. The increase in operating income was the result of higher profitability in the car audio and navigation systems and services businesses.

5. Financial Condition

[Assets, Liabilities and Net Assets]

(Billion Yen)

	FY 2009 (at March 31, 2010)	FY 2008 (at March 31, 2009)	Change
Assets			
Current assets	1,871.9	1,887.5	-15.5
(Cash and deposit)	322.7	488.6	-165.9
(Notes and accounts receivable, trade)	921.3	847.2	74.1
(Inventories)	322.3	306.4	15.8
Non-current assets	1,356.0	1,334.4	21.6
(Property, plant and equipment)	662.7	673.0	-10.2
(Intangible fixed asset)	279.2	211.3	67.8
(Investment securities and other non-current assets)	414.1	450.0	-35.9
Total Assets	3,228.0	3,221.9	6.0
Liabilities			
Current liabilities	1,560.0	1,550.4	9.6
(Notes and accounts payable, trade)	626.9	528.7	98.2
(Short-term borrowings and current portion of long-term debt)	220.4	426.8	-206.4
Long-term liabilities	719.6	745.9	-26.3
(Long-term debt)	356.9	456.5	-99.6
Total Liabilities	2,279.6	2,296.3	-16.7
Net Assets			
Shareholders' equity	865.8	782.9	82.9
Valuation and translation adjustments	-67.1	-33.9	-33.2
Minority interests	149.6	176.6	-26.9
Total Net Assets	948.3	925.6	22.7
Total Liabilities and Net Assets	3,228.0	3,221.9	6.0
Cash and cash equivalents at end of period	420.1	528.1	-108.0
Ending balance of interest-bearing loans	577.4	883.4	-306.0
Ending balance of net interest-bearing loans	157.2	355.3	-198.0
Owners' equity	798.6	748.9	49.7

[Cash Flows]

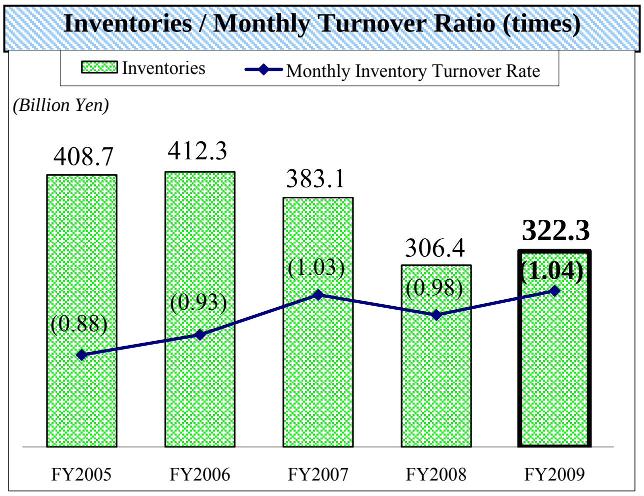
(Billion Yen)

	Full-Year FY 2009 (4/1/09~3/31/10)	**Full-Year FY 2008 (4/1/08~3/31/09)**	**Change**
I. Cash Flows from Operating Activities:			
Income (loss) before income taxes and minority interests	112.7	-113.3	226.0
Depreciation and amortization, including goodwill amortization	255.0	298.4	-43.3
Impairment loss	2.9	75.1	-72.2
Loss (gain) on sales of investment securities, net	-89.6	-3.4	-86.1
(Increase) decrease in receivables, trade	48.9	127.0	-78.1
(Increase) decrease in inventories	18.7	63.5	-44.7
Increase (decrease) in payables, trade	-23.0	-224.8	201.8
Other, net	-30.3	25.5	-55.8
Net Cash from Operating Activities	295.3	248.0	47.2
II. Cash Flows from Investing Activities			
Purchases of property, plant and equipment	-114.5	-175.8	61.3
Proceeds from sales of investment securities	116.8	15.6	101.2
Income from acquisition of subsidiaries' stock resulting in change in scope of consolidation	50.4	-	50.4
Proceeds from transfer of business	17.5	-	17.5
Other, net	-69.2	-64.3	-4.8
Net Cash Used in Investing Activities	1.0	-224.6	225.6
I + II Free Cash Flow	296.4	23.4	272.9
(excluding special items)	111.6	7.8	103.7
III. Cash Flows from Financing Activities			
Net increase in borrowings (decrease)	-22.3	117.9	-140.2
Bond issue and redemption	-303.1	-99.2	-203.8
Purchase of treasury stock	-22.6	-	-22.6
Other, net	-57.2	-66.5	9.3
Net Cash Provided by Financing Activities	-405.3	-47.8	-357.4
IV. Cash and Cash Equivalents at End of Period	420.1	528.1	-108.0

Note:
Free cash flow excluding special items excludes proceeds from sales of investment securities, income from acquisition of subsidiaries' stock, and proceeds from the transfer of business.

Explanation of Assets, Liabilities, and Net Assets

Total assets at the end of fiscal 2009 were 3,228.0 billion yen (US$34,710 million). Despite the increase in assets associated with the conversion of Fujitsu Technology Solutions (Holding) B.V. and FDK Corporation into consolidated subsidiaries, total assets remained at about the same level as the end of fiscal 2008 because cash reserves and collections of accounts receivable were used to pay down interest-bearing debt. In addition, the company sold off its remaining shares in FANUC Ltd., in accordance with FANUC's solicitation to repurchase its own shares, thereby reducing investment securities and other assets compared to the end of fiscal 2008.



Note: The monthly turnover rate is calculated by taking sales for the fiscal year, dividing by the average balance of inventories during the period, and then dividing by 12 months. The average balance of inventories for the fiscal year is calculated by taking the average of the balance of the end of the first, second, and third quarters and the end of the fiscal year.

Impact of the Conversion of Fujitsu Technology Solutions into a Consolidated Subsidiary

Total Assets	358.6 billion yen
Liabilities	358.4 billion yen
Minority Interests	0.1 billion yen

Note: Figures represent the impact as of the start of the fiscal year and include goodwill and the elimination of investment and equity related to the conversion of Fujitsu Technology Solutions into a consolidated subsidiary.

Current assets were 1,871.9 billion yen, a decrease of 15.5 billion yen compared to the end of the prior fiscal year. Although notes receivable, trade receivables, inventories, and negotiable certificates of deposit increased as a result of the conversion of Fujitsu Technology Solutions to a consolidated subsidiary, cash and deposits decreased due to the redemption of bonds. Inventories stood at 322.3 billion yen, an increase of 15.8 billion yen from the end of the prior fiscal year. If the effects of the conversion of Fujitsu Technology Solutions into a consolidated subsidiary and sale of the HDD business are excluded, inventories remained at approximately the same level as at the end of fiscal 2008. The monthly inventory turnover ratio, which is an indicator of the efficiency of asset utilization, was 1.04 times, an improvement of 0.06 times from the end of the previous fiscal year. This was the result of increased inventory efficiency, particularly in product-related businesses, and the sale of the HDD business.

Non-current assets were 1,356.0 billion yen, an increase of 21.6 billion yen compared to the end of fiscal 2008. Although investment securities and other non-current assets decreased by 35.9 billion yen as the result of the sale of all of the FANUC shares held by the company in accordance with FANUC's solicitation to repurchase its own shares, and property, plant and equipment also decreased by 10.2 billion yen due to the sale of the HDD business, goodwill and other intangible assets increased by 67.8 billion yen compared to the end of 2008 as a result of the conversion of Fujitsu Technology Solutions into a consolidated subsidiary.

Total liabilities were 2,279.6 billion yen (US$24,512 million), a decrease of 16.7 billion yen compared with the end of fiscal 2008. Although notes payable, accounts payable, and accrued retirement benefits increased as a result of the conversion of Fujitsu Technology Solutions into a consolidated subsidiary, the balance of interest-bearing debt stood at 577.4 billion yen, a large decrease of 306.0 billion yen from the end of the prior fiscal year. Interest-bearing debt fell mainly because of redemptions of 250 billion yen of convertible bonds and 50 billion yen of straight bonds that matured in 2009. The debt/equity ratio was 0.72 times, net-interest bearing debt, subtracting cash and cash equivalents at the end of fiscal 2009, was

157.2 billion yen, and the net debt/equity ratio was 0.2 times. This was the first time since the end of fiscal 1983 that net interest-bearing debt was below 200.0 billion yen, while the net debt/equity ratio is at the lowest level it has ever been in the company's history.

Net assets were 948.3 billion yen (US$10,197 million), an increase of 22.7 billion yen compared to the end of fiscal 2008. Minority interests declined by 26.9 billion yen as a result of the company purchasing 21.7 billion yen of its own shares from the market to make an allotment to minority shareholders of Fujitsu Business Systems Ltd. and convert the company into a wholly owned subsidiary. In addition, though valuation and translation adjustments declined by 33.2 billion yen as a result of the realization of unrealized gains on the sale of shares in FANUC, shareholders' equity increased by 82.9 billion yen as a result of the net income recorded for fiscal 2009. As a result, owners' equity increased by 49.7 billion yen compared to the end of fiscal 2008, to 798.6 billion yen. The owners' equity ratio also increased to 24.7%, an increase of 1.5 percentage points, roughly offsetting the deterioration in the owners' equity ratio caused by the net loss recorded in fiscal 2008 to return to the same level as at the end of fiscal 2007.

With regard to the unrecognized obligation for pension benefits, the level in Japan fell by 112.1 billion yen to 276.5 billion yen at the end of fiscal 2009, due to an improvement in the performance of pension assets. Outside Japan, the level rose by 98.5 billion yen to 110.0 billion yen. Despite a similar improvement in pension asset performance outside Japan, there was an increase due to a reduction in the discount rate, primarily in the UK.

Summary of Cash Flows

Net consolidated cash flows provided by operating activities during fiscal 2009 were 295.3 billion yen (US$3,175 million). Net cash provided by operations improved by 47.2 billion yen compared to the prior fiscal year due to an improvement in working capital, primarily the result of controlling fluctuations in accounts payable.

Net cash provided by investing activities was 1.0 billion yen (US$11 million), as cash outflows and inflows were nearly evenly balanced. There were outflows of 114.5 billion yen for acquisition of property, plant and equipment, primarily representing capital expenditures in the outsourcing services business, and outflows of 58.8 billion yen for the acquisition of intangible assets. On the other hand, there were inflows of 116.8 billion yen from the sale of investment securities, including the sale of the shares of FANUC in accordance with FANUC's solicitation to repurchase its shares. In addition, although there were outflows of 53.7 billion yen for the acquisition of shares in Fujitsu Technology Solutions, which became a consolidated subsidiary, because Fujitsu Technology Solutions held 96.6 billion yen in cash and cash equivalents, this resulted in a net cash inflow from the transaction of 42.9 billion yen. There was also a net cash inflow of 17.5 billion yen in conjunction with the sale of the HDD and other businesses. Compared to the prior fiscal year, there was a decrease in net cash outflows of 225.6 billion yen in fiscal 2009 as a result of the cash inflows stemming from the sale of shares and business restructuring initiatives related to Fujitsu Technology Solutions, as well as lower capital expenditures.

Free cash flow, the sum of operating and investing cash flows, was 296.4 billion yen (US$3,187 million), an increase in net cash inflows of 272.9 billion yen compared with fiscal 2008. Excluding cash inflow from the sale of investment securities as well as proceeds from the purchase of investment in subsidiaries, free cash flow increased by 103.7 billion yen to 111.6 billion yen.

Net cash used in financing activities was 405.3 billion yen (US$4,358 million). In addition to cash outflows to redeem interest-bearing debt, including 300 billion yen to redeem corporate bonds, there were cash outflows of 22.6 billion yen for the acquisition of Fujitsu's own shares. Compared to the prior fiscal year, net cash outflows increased by 357.4 billion yen.

Total cash and cash equivalents at the end of fiscal 2009 were 420.1 billion yen (US$4,517 million), a decrease of 108.0 billion yen from the end of fiscal 2008, primarily as the result of using free cash flow to repay interest-bearing debt.

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

7. Basic Management Policy

Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world. To achieve this vision, the Fujitsu Group strives for sustainable profitability and growth, while continually enhancing its corporate value.

The Fujitsu Group is dedicated to contributing to the success of its customers and seeks to grow with its customers as their valued and trusted partner.

Medium-Term Business Strategy, Target Management Index, and Priority Tasks
With the advance of globalization and the growth of emerging markets, the global economy is undergoing significant changes, transforming in a variety of ways both the corporate competitive landscape and social life. In the midst of these changes, information and communication technologies (ICT) support the activities of global corporations and are expected to perform a new role in supporting management decision-making by analyzing the continuously growing amount of data. In the daily lives of people, as well, the role of ICT in creating a prosperous and secure society is expanding. Whether by supporting progress in medicine, enabling breakthroughs in advanced research fields such as space exploration, or by helping to resolve the biggest challenges of the 21st century, such as environmental sustainability and energy issues, there are new expectations regarding the promise of ICT. Attempting to meet these expectations presents the ICT industry with a new set of challenges, but at the same time, in Fujitsu's view, it also presents a foundation for achieving future earnings and growth.

The Fujitsu Group is pursuing new growth opportunities through the global expansion of its business by supporting customers' businesses in every regions of the world, and by promoting ever more sophisticated uses of ICT in society. In addition, the Group seeks to continue to enhance its profitability by generating further efficiencies throughout its business portfolio.

In fiscal 2009, the Fujitsu Group announced a medium-term target of achieving a consolidated operating income margin of more than 5% in fiscal 2011. The actual figure for fiscal 2009 was 2.0%. The Group will continue to strive toward achieving this goal.

1. Technology Solutions

In the Technology Solutions segment, the Fujitsu Group is focusing on providing ICT services backed by highly reliable products and advanced technologies. While enhancing the organizational structure to support the global expansion of its customers, the Group will continue to deliver solutions to improve the business of customers in a variety of industries.

With respect to cloud computing, which enables the flexible use of ICT resources, the Group is enhancing its organizational structure both inside and outside Japan in order to deliver highly reliable services, while also pursuing the development of superior platforms. In addition, we will support the transformation of our customers' businesses by helping them grasp the status of their operations and make informed decisions through the analysis of accumulated data. At the same time, the Group is also pursuing the creation of convergent services that combine solutions in innovative ways for a wide range of industries. Moreover, the Group will continue to develop and deliver high-performance computers to support advanced product development, medicine, and cutting-edge scientific research. By enabling these types of advanced uses of ICT, we seek to contribute to the lives of people and society as a whole and make the creation of a prosperous society a reality.

The Group will also further enhance the efficiency of its businesses. We are promoting unified worldwide product development and procurement in order to reduce the cost of our products. In addition, while promoting the standardization and automation of our services in order to improve quality and reduce costs, we will continue to thoroughly manage risks in our systems integration business. Moreover, in recognition of the importance of overall quality assurance for ICT systems, including systems operations, the Group continues to take comprehensive measures to ensure the stable operation of the systems that support the crucial infrastructures of businesses and society at large.

2. Ubiquitous Product Solutions

In the Ubiquitous Product Solutions segment, the Fujitsu Group continuously pursues cost reductions and the creation of added value in order to sustain profitability. In the PC business, the Group is unifying its product brands worldwide and expanding its portfolio of higher value-added products while raising cost competiveness through improved global supply chain management. In the mobile phones business, we view the terminals as a nexus for wireless and other cutting-edge technologies and as key devices underpinning the advanced use of ICT in the future. The Group will pursue an enhanced growth strategy that leverages the anticipated convergence of mobile phones and PCs and also aim to expand this business to global markets on the basis of key technologies developed for the Japan market.

3. Device Solutions

In the Device Solutions business, in order to enhance profitability, the Fujitsu Group has shifted to a fab-lite (*2) business model, transformed its cost structure to primarily reduce its fixed costs, and revamped its product portfolio. While pursuing growth over the medium- and long-term by developing applications in new fields, such as electric vehicles, alternative energy, and smart grids, the Group will enhance its efforts to generate synergies between Device Solutions and other Fujitsu businesses.

(*2) Fab-lite:
A semiconductor business model that minimizes capital expenditures and improves management flexibility. Instead of a company retaining 100% of its own production capacity, a majority of production is outsourced to foundry producers. Also known as “asset-lite.”

4. Corporate Initiatives

In addition to the measures described above, while strengthening its global organizational structure and fostering the development of its human resources, the Fujitsu Group will continue to make use of alliances with other companies.

In addition, we will continuously transform our business in order to raise the specialized capabilities of Group companies and enhance the overall value of the Fujitsu Group.

Moreover, positioning the sustainability of the Earth’s environment as an important management priority, the Group will seek to reduce ICT’s burden on the environment, while using ICT to help reduce the burden placed on the environment by customers and society as a whole.

As it strives to meet the challenges discussed above through focused daily effort, the Fujitsu Group will further pursue the transformation of its operations in order to continue to earn the confidence of customers and society as a global enterprise contributing to the creation of a rewarding and secure networked society.

Policy on Dividends and Dividend Forecast

Article 40 of Fujitsu Limited's Articles of Incorporation grants the Board of Directors the authority to distribute retained earnings. As part of Fujitsu's basic policy on the exercise of this authority, a portion of retained earnings is paid to shareholders to provide a stable return, and a portion is retained by the company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance. In addition, taking into consideration the level of profits, Fujitsu aims to increase the distribution of profits to its shareholders when the financial base is sufficiently strong enough, including through share buybacks.

At the beginning of fiscal 2009, the company projected 20 billion yen in net income. In light of the lingering impact of the previous year's financial crisis and the fact that Fujitsu was in the midst of selling its hard disk drive (HDD) business and transforming the structure of its LSI device business, the company planned to maintain the dividend level in place at the end of fiscal 2008: namely, 3 yen per share as an interim dividend and 6 yen per share as an annual dividend.

Although the fiscal 2009 performance of the ICT services business fell short of the targets set for it at the beginning of the fiscal year, the overall operating income exceeded the target set at the beginning of the fiscal year. The company completed the sale of the HDD business, and posted a total of 47.4 billion yen in restructuring charges in the year related to the implementation of structural reforms in the LSI device business, along with the restructuring of the European operations. Moreover, the company recorded special gains on the sale of investment securities, including 89.6 billion yen from the sale of shares in FANUC Ltd., resulting in fiscal 2009 net income of 93.0 billion yen and a significant improvement in retained earnings.

As a result, the company plans to pay a year-end dividend of 5 yen per share, 2 yen more per share than the interim dividend or the amount announced at the beginning of the fiscal year. Including the interim dividend of 3 yen per share, the annual dividend is 8 yen per share, the same level as the previous fiscal year.

The company plans to continue its policy of paying dividends twice a year, once at the end of the second quarter and once at the end of the fiscal year. The company plans to pay an annual dividend of 10 yen per share (5 yen as an interim dividend) for fiscal 2010, ending March 31, 2011. For fiscal 2010, Fujitsu is projecting net income of 95 billion yen based on profits from core business operations, which will allow the company to return to the dividend levels it had in place prior to fiscal 2000. This was also the plan in fiscal 2008, but the plan was postponed in light of the global financial crisis. Fujitsu appreciates the understanding and support it has long enjoyed from its shareholders, and the company will continue to pursue a management policy that seeks, as stated in the Fujitsu Way, to continuously increase its corporate value.

Dividends Per Share Data

(Yen)

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10 (forecast)
Interim	5.0	2.5	-	-	3.0	3.0	3.0	3.0	5.0	3.0	5.0
Year-end	5.0	2.5	-	3.0	3.0	3.0	3.0	5.0	3.0	5.0	5.0
Total	10.0	5.0	-	3.0	6.0	6.0	6.0	8.0	8.0	8.0	10.0

Reference: Net Income (Consolidated) and Dividend Payout Ratio
(Billion Yen)

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10 (forecast)
Net Income	8.5	-382.5	-122.0	49.7	31.9	68.5	102.4	48.1	-112.3	93.0	95.0
Dividend Payout Ratio	231%	-	-	12%	39%	18%	12%	34%	-	18%	22%

Reference: Shareholders' Equity (Consolidated) and Retained Earnings
(Billion Yen)

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10 (forecast)
S/E	1,303.7	920.3	782.8	743.9	813.4	780.6	875.0	911.6	782.9	865.8	
Retained Earnings											
Consolidated	483.7	76.1	-60.7	-35.7	-7.8	-40.4	54.3	338.9	223.7	307.9	
Unconsolidated	510.9	230.8	50.7	67.8	15.9	21.3	-240.4	55.2	82.4	196.1	

	FY06	FY07	FY08	FY09
Divisible Profit (Unconsolidated)	57.4	222.8	246.6	356.1

S/E = Shareholders' Equity

8. Notes

(1) Business and Other Risks

Listed below are the principal business and other risks affecting the Fujitsu Group (Fujitsu Limited and its consolidated subsidiaries) that we believe may influence investors' decisions. With a view to proactively disclosing information to investors, we have also included items that may not necessarily have significant bearing on such decisions. We are aware of and have evaluated these risks and are making efforts to prevent, mitigate, transfer, and retain potential risks, and immediately confront risks should they occur. Among the risks listed below are some items related to future developments, but the list only includes items that the Group deems necessary to publicly disclose as of the date of submission of these materials (April 30, 2010).

1. Economic and Financial Market Trends

Economic and financial market trends have an impact on the Group's business results, financial base and other aspects of its operations. Examples of such risks are listed below.

1) Economic Trends in Key Markets

The Fujitsu Group provides ICT products and services, telecommunications infrastructure equipment, as well as semiconductors and other components, to corporate and institutional clients and consumers in every region of the globe. Hence, sales and income generated from these operations are greatly affected by economic conditions in each respective market. The economic trends in our key markets, namely Japan, North America, Europe, and Asia (including China), can significantly impact Fujitsu Group operations.

2) High-tech Market Volatility

The ICT sector is periodically subject to dramatic changes in the balance of supply and demand that exceed the scope of normal cyclical market variations. This tendency is particularly evident with regard to semiconductors, PCs, and other general-purpose products. The Fujitsu Group gives ample consideration to market cycles and volatility when deciding to develop new global technology solutions and other businesses, launch new products, initiate volume production, or scale back production, among other actions. Nonetheless, we may fail to accurately forecast market changes, or changes in market conditions could exceed our forecasts. Accordingly, there is a risk that we may be unable to recoup investment costs, as well as the risk of opportunity losses. Further, the Group continuously implements structural reforms in a bid to respond to market changes. However, drastic market changes could force us to enact structural reforms on a far greater scale than initially expected, resulting in a temporary increase in related expenses.

3) Exchange Rates

The Fujitsu Group is expanding its business outside Japan. In addition, the Group imports a substantial amount of components and materials and exports various products. Therefore, sudden fluctuations in exchange rates and other factors could have a significant impact on sales and income. In addition, with respect to assets held by the Group outside Japan, as well as liabilities, there is the possibility that exchange rate fluctuations could lead to depreciation of assets and/or appreciation of liabilities.

4) Interest Rates

The Fujitsu Group has interest-bearing loans which include debt directly impacted by interest rate fluctuations. Consequently, rising interest rates could increase borrowing costs.

5) Capital Markets

Stock market trends in and outside Japan have a substantial effect on the value of Group stockholdings in other companies and the management of pension assets. Weak stock market performance could thus force us to incur losses on the devaluation of marketable securities held or a reduction in pension assets, exposing the Group to the risk of higher valuation losses or additional pension obligations.

2. Customers

Fujitsu Group operations are highly influenced by the business trends of strategic key customers. Examples of potential risks are described below.

1) Changes in Customers' ICT Investment Trends

A growing proportion of our technology solutions and other businesses is with telecommunications carriers, financial services institutions, and large manufacturers. The business environment within these industries, including shifting market trends and structural reforms, could lead to changes in customers' IT investment trends, having a significant impact on Group sales and profitability. In addition, the trends in sales of our customers' products and services have a large impact on the demand for and prices of the Group's products and services. Accordingly, soft demand and falling prices for customers' products and services, a decline in the size of customers' businesses, or customers' reduced market share, could negatively impact Group sales and earnings.

Alongside corporate clients, national and local governments represent another important customer base for the Fujitsu Group. In the UK, for example, government-related projects are an especially important part of our business. Accordingly, changes in the approach to e-government and other national-level ICT utilization policies being promoted in Japan and elsewhere could impact sales and profitability.

2) Ability to Maintain Long-Term Relationships with Customers

The Fujitsu Group is creating long-lasting ties with its customers, striving to be a valued and trusted business partner and provide solutions across the full IT system lifecycle. Accordingly, business stability hinges on maintaining relations with customers. An inability to maintain trusted relationships with such customers, or the failure to renew contracts with them, could therefore affect sales and profitability.

3. Competitors/Industry

The ICT sector is characterized by intense competition and fast-paced technological innovation. Events within the industry or actions by competitors could therefore have a substantial impact on our business results. Examples of such potential risks are listed below.

1) Price Competition

Changes in market environments, intensifying competition, technological innovation and other factors may cause prices for products and services to decline. Anticipating such technology- and competition-driven price erosion, we are pursuing a variety of measures to reduce costs, including the introduction of Toyota Production System reforms, the industrialization of services and standardization, and software modularization, as well as efforts to expand sales of new products and services. Despite these steps, the Group still faces the risk of larger-than-expected declines in prices, as well as being unable to achieve cost reductions or sales growth due to fluctuations in procurement costs. Any of these risks could negatively impact Group sales and profitability.

2) Competition from New Market Entrants and Others

In addition to challenges posed by existing industry peers, competition from new market entrants continues to intensify in the ICT sector. Today, new entrants continue to emerge in market areas where the Fujitsu Group has a competitive advantage, thus entailing the risk that we may lose our competitive edge, or fail to secure a clear competitive advantage in future business operations.

3) Competition in Technology Development

Technological advancement in the ICT sector occurs at an extremely fast pace, leading to rapid turnover in new products and technologies. In this context, remaining competitive requires the continuous development of state-of-the-art technology. While the Fujitsu Group does its utmost to maintain highly competitive technologies, a loss in competitiveness versus other companies in the race to develop innovative technologies could lead to a decline in the Group's market share and profitability, which would negatively impact sales and earnings. Further, sales and profitability could be affected by the development of groundbreaking technologies and services by competitors that would severely compromise the value of the Group's products and services. Additionally, there is also the risk of an adverse effect on sales and profitability as a result of the time it takes to implement mass-production chip technologies for semiconductors, such as in solving technological issues concerning cutting-edge process development technology.

4. Suppliers, Alliances, etc.

In the course of its operations, the Fujitsu Group conducts business with a wide range of suppliers and alliance partners. Accordingly, any significant changes in relationships with these and other business partners could affect the Group's business.

1) Procurement

The Fujitsu Group utilizes sophisticated technologies to provide a range of products and services. There is therefore a risk that we may encounter difficulties in procuring a stable supply of certain key components or raw materials, or in cases where regular supply channels are unavailable, that we may be unable to secure alternative procurement sources. There is also the risk that the Group may be unable to sufficiently procure certain parts or raw materials in the large volumes required. Moreover, natural disasters, accidents and other events, as well as any deterioration in business conditions at suppliers, could hinder the ability of business partners to provide the Group with a stable supply of required components or raw materials. These and other events could cause delays in the provision of products and services, resulting in postponement of deliveries to customers and opportunity losses. In respect to procurement of components and other materials, foreign exchange rate fluctuations, tight supply and demand conditions, and other pressures could drive procurement costs higher than initial estimates, leading to diminished returns on products and services, as well as lower sales due to the higher prices. Additionally, while we make every effort to ensure the quality of procured components, we cannot guarantee that all components purchased will be free of defects. The discovery of such issues could result in processing delays, as well as defective products, opportunity losses, repair costs, and disposal costs for defective goods, plus the potential obligation to pay damages to customers.

2) Collaborations, Alliances and Technology Licensing

To enhance competitiveness, the Fujitsu Group works with a large number of companies through technology collaborations, joint ventures and other means, a practice that we intend to actively continue in the future. If, however, as a result of managerial, financial, or other causes, it becomes difficult to establish or maintain such collaborative ties or to gain sufficient results from them, the Group's business could be adversely affected. Moreover, many of our products and services employ other companies' patents, technologies, software, and trademarks with the consent of their owners. However, there is no guarantee that other companies will continue to grant or license the right to use their property under terms acceptable to the Fujitsu Group.

5. Public Regulations, Public Policy, and Tax Matters

The business operations of the Fujitsu Group are global in scope, and are therefore impacted by a variety of public regulations, public policies, tax laws and other such factors in all countries where the Group does business. Specifically, wherever it operates, the Group must comply with a variety of government policies, regulations, such as authorizations for business or investment, import/export regulations and restrictions, as well as laws pertaining to antimonopoly policies, intellectual property rights, consumers, the environment and recycling, labor conditions, subcontracting, and taxation. Earnings might be affected by increased compliance costs associated with measures to make stricter or otherwise revise such policies, laws and regulations. We also provide solutions in certain fields and business domains such as healthcare, communications, and construction that are subject to other public regulations, meaning that regulatory trends in these sectors may potentially impact the Group's business.

6. Other Operational Risks

The Fujitsu Group makes every effort to eliminate known risks but can offer no guarantee of its ability to always achieve every desired outcome in the course of executing business operations. Some of the specific risks faced in this respect are detailed below.

1) Deficiencies or Flaws in Products and Services

The Fujitsu Group builds and supports the infrastructure behind the modern network society, which has become increasingly global and sophisticated. In accordance with our corporate philosophy the Fujitsu Way, quality is one of our most important values, and it underpins the trust that customers and society place in us.

We are committed to improving quality at the design and development stages as well as in manufacturing. We are also promoting strict quality control when purchasing components from external suppliers. These efforts notwithstanding, it is impossible to totally eliminate the possibility of deficiencies or flaws occurring in products, including software. While the Group is also promoting software modularization, standardization of development work, and enhanced security measures in order to improve the quality of system development and other services in the technology solutions business, the possibility of defects arising cannot be excluded. With respect to systems that play a critical role in supporting social infrastructure, following the incidents involving system problems at the Tokyo Stock Exchange in

November 2005, we have been checking for any potential problems in these systems, including the operating environment, software and hardware, in cooperation with our customers. In addition, we have continuously made improvements to the quality, contracts, and related rules in order to ensure the stable operation of social infrastructure systems. We cannot, however, entirely eliminate the possibility of deficiencies or flaws. In the event that such deficiencies or flaws occur in the products or services, the Group may have to initiate product recalls or repairs, engage in system recovery work, pay damages to customers or suffer opportunity losses, all of which would negatively impact Group sales and profitability.

2) Project Management

Due to such factors as the increasing scale and sophistication of systems and more rigorous demands from customers, as well as the advance of open system environments, system development work is becoming increasingly complex. At the same time, greater competition is leading to increasingly intense pricing pressures. To deal with this situation and prevent incidences of delayed delivery and loss-generating projects, we have been revising our approach to making contracts with customers, advancing the standardization of sales and system engineering business processes, and working to manage risk from the business negotiation stage through actual project implementation. The Group continues to maintain reserves for losses as necessary. In addition, we are striving to industrialize the system development process in order to strengthen our cost competitiveness. Nevertheless, in spite of these measures, there is a possibility that we may be unable to completely prevent incidences of delayed delivery the occurrence of loss-generating projects.

3) Investment Decisions and Business Restructuring

In the ICT industry, large investments in R&D, capital expenditure, business acquisitions, and business restructuring are necessary to maintain competitiveness. Accordingly, the success or failure of these initiatives has a profound effect on the business results of the Fujitsu Group. When making such investment and restructuring decisions, we give ample consideration to a range of factors such as market trends, customer needs, the superiority of the Group’s own technologies, the financial performance of acquisition candidates and our business portfolio. There is, however, the risk that markets and technologies, as well as acquisition candidates deemed attractive by the Group, may fail to grow as anticipated, or that supply and demand imbalances or price erosion may be more severe than expected. Investment in semiconductor facilities and equipment represents one such area with a high degree of risk. In addition to substantial capital requirements, this field is characterized in particular by short product cycles, major changes in the market landscape and stiff competition from other companies. The Group takes a number of steps to mitigate this risk, including responding to these inherent fluctuations by dividing investment into multiple phases and forging agreements with customers prior to investment. Nonetheless, there is no guarantee that the Group can generate sufficient returns on such investments.

4) Intellectual Property Rights

The Fujitsu Group has accumulated technologies and expertise that help distinguish its products from those of other companies. Legal restrictions in certain regions, however, may impair our ability to fully protect some of the Group’s proprietary technologies, with the result that we could be unable to effectively prevent the manufacture and sale of similar products developed by third parties using the Group’s own intellectual property. Moreover, the creation of comparable or superior technologies by other companies could erode the value of the Group’s intellectual property. The Group has instituted internal policies, including stringent clearance procedures prior to launching new products and services, to ensure that no infringement of other companies’ intellectual property occurs. However, there is the possibility that the Group’s products, services or technologies may be found to infringe on other companies’ intellectual property, and that earnings may be impacted by such consequences as the need to pay for usage rights or cover costs associated with modifying designs. In addition, the Group has previously instituted a program to compensate employees for innovations that they make in the course of their work, and will continue to implement this program in the future in accordance with related laws and regulations. Nevertheless, the Group faces potential risk from lawsuits initiated by employees in regard to compensation for innovation created in the workplace.

5) Human Resources

The growth and profitability of the Fujitsu Group depends heavily on human resources. As such, a major issue for the Group is the ability to recruit, foster, and prevent the attrition of talented technical experts, system engineers, managers and other key personnel. The inability to do so could negatively impact the Group's growth and profitability.

6) Environment-related Risks

Making contributions to society and protecting the environment are part of the corporate values of the Fujitsu Group, as set forth in the Fujitsu Way. While committed to minimizing environmental burden and preventing environmental pollution in accordance with the Fujitsu Group Environmental Policy, the Group cannot guarantee that environmental pollution will not occur as a result of its operations. Moreover, although we monitor soil and wastewater as well as engage in clean-up activities at former factory sites, this does not mean that pollution will not be found at such sites in the future. In the event that environmental pollution were to occur or be identified, social trust in the Group may weaken, and clean up and other costs could be incurred, which would adversely affect the Group's earnings.

7) Information Management

In order to safeguard the personal and confidential information of customers, business partners, and the Fujitsu Group itself, the Group has taken such measures as establishing strict regulations, instituting training programs for employees, and providing consultation to business subcontractors. Nevertheless, the Group cannot guarantee that information will not be leaked. In the unlikely event that this should occur, trust in the Fujitsu Group could decline and the Group may be obligated to pay damages to customers.

8) Credit Ratings and Other Factors that Affect the Group's Credit

In addition to having a major influence on financing, credit ratings by outside institutions serve as reliable sources of information for our customers when they conduct transactions with us. Lower credit ratings caused by failure to meet earnings targets, deteriorating financial conditions and other reasons could influence our ability to secure financing and place the Group at a disadvantage in bidding for projects and in other business dealings.

7. Natural Disasters and Unforeseen Incidents

Natural disasters and other unforeseen situations could have a major impact on the business results and financial standing of the Fujitsu Group. Examples of the potential risks posed are found below.

1) Damage from Earthquakes, Other Natural Disasters and Accidents

The Fujitsu Group has instituted a Business Continuity Plan (BCP) to ensure that even in the event of natural disasters like earthquakes, major floods, or volcanic eruptions, as well as accidents or the outbreak of infectious diseases like new forms of influenza, we can continue to provide a stable flow of high quality, highly reliable products and services, which our customers rely on for their business. As part of this initiative, we have taken steps to make our sites resistant to earthquakes and we conduct regular site inspections, along with disaster readiness drills. Nevertheless, there is a possibility that the Group may be forced to suspend the delivery of products and services to customers or its support to customer information systems in the event an unforeseen natural disaster or accident forces sites to suspend operations, damages to facilities and equipment, or causes interruptions in the supply of electricity or water or disruption to public transportation infrastructure.

We have a well-developed system in place to ensure the integrity and stable operation of critical in-house networks, which are a key element of our business infrastructure. However, the Group cannot guarantee its ability to prevent invasive computer viruses and other disruptions from impeding network operations.

2) Geopolitical Risk

Armed conflicts, terrorism, political instability, currency crises, and other events in nations or regions where the Fujitsu Group operates could have a significant impact on its businesses.

8. Financial Statements

In addition to business and other risks described above, the Group may also be impacted by the following risks related to its Financial Statements.

1) Inventories

Inventories are recorded in the financial statements at acquisition cost. In the event that the net sales value of certain inventories declines below the acquisition cost as of the end of the reporting term, the net sales value is recorded and the difference between the net sales value and the acquisition cost is recorded as cost of sales. The net sales value of accumulated inventories that remain unsold following an operating cycle is calculated based on estimated future demand and market trends. There is a risk of significant losses in the event that the market environment deteriorates beyond reasonable estimates and the net sales value declines significantly.

2) Property, Plant and Equipment

Depreciation of property, plant and equipment is mainly calculated by the straight-line method based on the estimated useful lives of the respective assets, which vary according to the circumstances of each business. In the future, in cases where assets are no longer in use owing to obsolescence from technological advances, or due to changes in the use of the assets, useful life may be shorter than current estimates. As such, there is a risk that losses may occur.

In addition, there is a risk of asset impairment losses if anticipated cash flow from assets declines as a result of sudden changes in the operating environment that lead to higher rates of idle equipment, lower rates of capacity utilization, or business reorganization.

3) Software

For the depreciation of software intended for commercial sale, we have adopted a method based on projected sales volume over the estimated life of the product. While projected sales volume is calculated based upon reasonable sales plans, one-time losses may occur if unit sales fall short of the original sales plan.

For software used in-house, we utilize the straight-line method based on the estimated useful life of the software. Should actual useful life in the future be less than the original estimate, there is a risk of incidental losses.

4) Goodwill

In terms of goodwill, the straight-line method is used to amortize excess earnings power of businesses acquired, including those acquired by subsidiaries. During the amortization period, incidental losses may occur if the profitability of an acquired business declines or we sell or exit from an acquired business.

5) Marketable Securities

With regard to held-to-maturity securities, valuations are made based on the amortized cost method. For other marketable securities that have a market value, the market value method is used based on the price as of the closing date of the financial period. For securities that do not have market values, the valuations are made utilizing primarily the moving-average method. In regard to other marketable securities that have a market value, the value of such securities may change due to fluctuations in market value and, as a result, net assets may increase or decrease. In addition, when the fair value of other marketable securities decreases significantly, and excepting those cases in which the value is deemed to be recoverable, an impairment loss is posted. In future, should there be a significant decrease in fair value, and such value is not deemed to be recoverable, there is a possibility of impairment losses.

6) Deferred Tax Assets

The amount of deferred tax assets is posted appropriately on our balance sheet taking into account the balance of losses carried forward and other temporary differences. In the event that projected taxable income is higher or lower because of variations in future financial performance, there is a risk that the balance of deferred tax assets may increase or decrease. In addition, in the event that future revisions to tax regulations cause a change in the effective tax rate, there is a risk that the balance of deferred tax assets may increase or decrease.

7) Provision for Product Warranties

To prepare for expenses to cover costs relating to our obligations for the free repair and exchange of products covered under contracted warranty periods, we record at the time of sales a provision, based on past experience, to cover future estimated product repair and exchange costs. The Fujitsu Group is pursuing vigorous quality control measures at the manufacturing, development and procurement stages. However, should product defects exceed estimated levels, there is the possibility that additional expenses may arise.

8) Provision for Losses on Construction Contracts

The Group records a provision for expected losses on contract software development contracts and construction contracts for projects in which the profitability has deteriorated significantly as of the end of the reporting period. In order to prevent the generation of unprofitable projects, the Group is standardizing its business processes and has created specialist organizations to audit projects and mitigate such risks from the time the contracts are won until they are completed. Should project costs increase beyond estimates, however, there is a possibility that additional losses may arise.

9) Retirement Benefit Obligations

Expenses and obligations for employee retirement benefits are calculated according to a variety of actuarial assumptions (discount rate, retirement rate, mortality rate, expected income rate, etc.). Actuarial losses are recognized over the average remaining employee working years. If actual experience differs from these underlying assumptions, or if the underlying assumptions themselves change, there is a possibility that it will affect the amount of the expense or obligation for retirement benefits.

10) Provision for Loss on Repurchase of Computers

A portion of the computers manufactured by the Fujitsu Group are sold to Japan Electronic Computer Co. Ltd. (JECC) and other leasing companies, which lease them to end users. Fujitsu enters into a contract with the leasing companies to repurchase the computers in the future, and at the time of sale a provision is recorded reflecting the expected loss that will be incurred at the time of repurchase. In the event there are changes in usage trends among customers, additions or reductions to the provision may be needed.

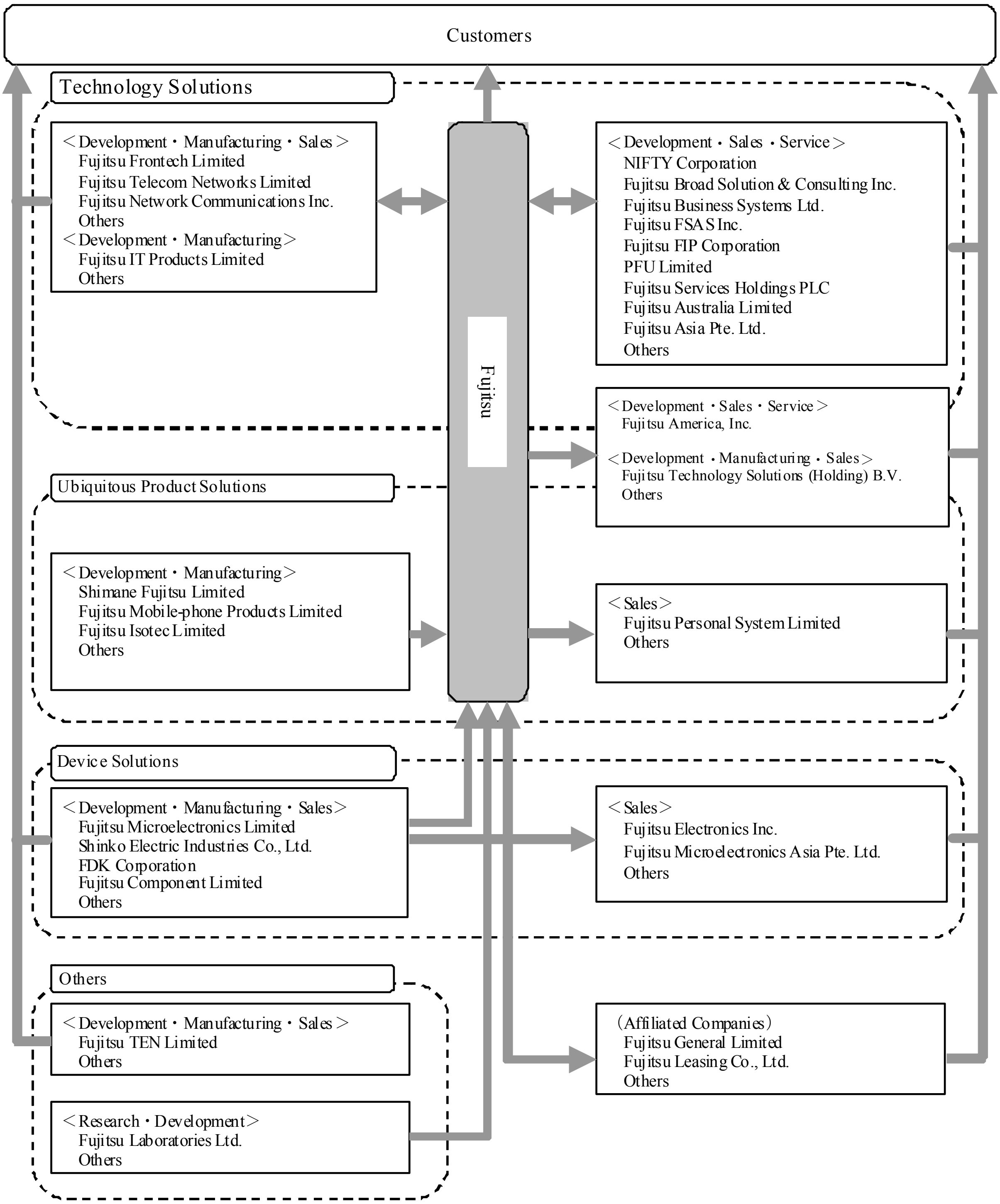
11) Revenue Recognition

The sales of system products (excluding contract software development) are recognized upon acceptance by customers. Sales of personal computers, peripheral equipment, and electronic devices are recognized upon delivery to customers. Sales from contract software development projects are recognized based on the percentage-of-completion method.

In the event that estimated costs exceed estimated revenue, the Group strictly appraises the recoverable value and recognizes unrecoverable value as a loss. Should project costs increase beyond estimates, however, there is a possibility that additional losses may arise.

(2) Relationships between Fujitsu Group Companies

The following chart shows the relationships between Fujitsu Group companies:



Consolidated subsidiaries listed on stock exchanges in Japan are as follows:
Fujitsu Frontech Limited (2nd Section Tokyo Stock Exchange), NIFTY Corporation (2nd Section Tokyo Stock Exchange), Fujitsu Broad Solution & Consulting Inc. (JASDAQ), Shinko Electric Industries Co., Ltd. (1st Section Tokyo Stock Exchange), FDK Corporation (2nd Section Tokyo Stock Exchange), Fujitsu Component Limited (2nd Section Tokyo Stock Exchange)

Note: Fujitsu Business Systems Ltd. was delisted from the 1st Section of the Tokyo Stock Exchange on July 28, 2009 and became a wholly owned consolidated subsidiary through a share exchange on August 1, 2009.

Main Changes in the Status of Group Companies

1. Fujitsu America, Inc.
As part of efforts to strengthen its global business, the Fujitsu Group has reorganized its North American operations. Fujitsu Consulting Holdings Inc., Fujitsu Computer Systems Corporation, and Fujitsu Transaction Solutions Inc. were merged into the holding company Fujitsu North America Holdings, Inc. on April 1, 2009, and the company was subsequently renamed Fujitsu America, Inc.

2. Fujitsu Technology Solutions (Holding) B.V.
Fujitsu Technology Solutions (Holding) B.V. (name changed from Fujitsu Siemens Computers (Holding) B.V. on April 1, 2009) was treated as an equity-method affiliate through fiscal 2008. With the acquisition of the shares held by Siemens AG of Germany, it has been treated as a consolidated subsidiary as of April 1, 2009.

3. Sales and Manufacturing Sites of HDD Business
Fujitsu completed the transfer of its HDD media business to Showa Denko KK on July 1, 2009, and completed the transfer of its HDD drive business to Toshiba Corporation on October 1, 2009. In accordance with the transfers, Fujitsu (Thailand) Co., Ltd. and Fujitsu Computer Products Corporation of the Philippines are no longer consolidated subsidiaries as of October 1, 2009. In addition, Fujitsu Computer Products of America, Inc. and Fujitsu Taiwan Ltd., which were previously HDD sales subsidiaries, are no longer recognized as major subsidiaries.

4. FDK Corporation
FDK Corporation was treated as an equity-method affiliate through fiscal 2008. Fujitsu Limited subscribed to a private placement on May 1, 2009 to raise FDK’s capital, making it a consolidated subsidiary.

On April 1, 2010, Fujitsu Limited made PFU Limited a wholly owned consolidated subsidiary through an exchange of shares. In addition, Fujitsu Microelectronics Limited was renamed Fujitsu Semiconductor Limited on April 1, 2010 in order to clarify the nature of the company’s business.

Fujitsu Broad Solution & Consulting Inc. is now listed on the Osaka Securities Exchange, JASDAQ market, following the merger between the OSE and JASDAQ on April 1, 2010.

(3) Regarding assumptions for continuing companies

No applicable items.

(4) Significant issues regarding the basis for preparation of consolidated financial reports

Fiscal 2009 (from April 1, 2009 to March 31, 2010)

1) Items regarding the scope of consolidation

This consolidated financial report consolidates the results of 540 major subsidiaries. As for changes in the scope of consolidation for this consolidated accounting year, 90 companies were added and 30 companies were removed. Major additions and subtractions are described below. Since the names of major subsidiary companies are noted on page 55 they are omitted here.

New consolidated subsidiaries as a result of acquisitions or the formation of new companies during the fiscal year: 77 companies

These included Fujitsu Technology Solutions (Holding) B.V. (name changed from Fujitsu Siemens Computers (Holding) B.V. in April 2009) and 35 of its consolidated subsidiaries (at time of business combination on April 1, 2009), FDK Corporation and 14 of its consolidated subsidiaries, and 5 consolidated subsidiaries of Fujitsu Australia Limited.

Changed from unconsolidated subsidiaries to consolidated subsidiaries: 13 companies

These included 6 consolidated subsidiaries of Fujitsu Frontech Limited, and 2 consolidated subsidiaries of Fujitsu Business Systems Ltd.

Subtracted due to liquidation or sale: 16 companies

These included Fujitsu (Thailand) Co., Ltd. and Fujitsu Computer Products Corporation of the Philippines.

Subtracted due to merger: 14 companies

These included the following:

<table>
<tr><th>Prior to Merger</th><th>After Merger</th></tr>
<tr><td>Fujitsu Consulting Holdings Inc. and 1 of its consolidated subsidiaries</td><td>Absorbed by Fujitsu America, Inc. (corporate name changed from Fujitsu Computer Systems Corporation in April 2009)</td></tr>
<tr><td>4 consolidated subsidiaries of Fujitsu Services Holdings PLC</td><td>Absorbed by Fujitsu Technology Solutions (Holding) B.V. (name changed from Fujitsu Siemens Computers (Holding) B.V. in April 2009)</td></tr>
<tr><td>Fujitsu Oita Software Laboratories Ltd.</td><td rowspan="2">Absorbed by Fujitsu Kyushu Systems Limited (corporate name changed from Fujitsu Kyushu System Engineering Limited in April 2009)</td></tr>
<tr><td>Fujitsu Minami-Kyushu System Engineering Limited</td></tr>
<tr><td>Fujitsu FSO Limited</td><td>Absorbed by Fujitsu Advanced Solutions Limited</td></tr>
</table>

2) Subsidiaries accounted for by equity method

Regarding investments in non-consolidated subsidiaries and affiliated companies, they are accounted for by the equity method and the number of companies to which this applies is 20.

Affiliated companies: 20 companies

Major equity-method affiliate companies include: Fujitsu General Ltd., Fujitsu Leasing Co., Ltd., Nippon Oil Information Technology Corporation, CSS Co., Ltd., 8 equity-method affiliates of Fujitsu Services Holdings PLC

Regarding changes in equity-method companies for this consolidated accounting year, a total of 5 companies were added and 5 others removed. The companies removed included Fujitsu Technology Solutions (Holding) B.V. (name changed from Fujitsu Siemens Computers (Holding) B.V. in April 2009) and FDK Corporation.

(5) Significant Changes to Preparation of Financial Statements

Changes to Accounting Standards

FY2008 (April 1, 2008 – March 31, 2009)	FY2009 (April 1, 2009 – March 31, 2010)
——————	**Adoption of Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)** From the current fiscal year, the company has adopted Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (Accounting Standards Board of Japan, Statement No. 19, dated July 31, 2008). This change will have no effect on the company's operating income or income before income taxes and minority interests.
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 this fiscal year and have made revisions to the financial statements accordingly. The effect of this accounting change on operating income and income before taxes and minority interests for the fiscal year is insignificant. 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 this fiscal year, however, these standards are applied to all the Group's subsidiaries outside Japan. For such subsidiaries that applied IFRS for the first time from this 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. A note regarding the effect of this change on segment information is included on page 7. **Changes in Accounting Standards for Completed Construction Revenue and Costs** We had 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 had 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 at the start of this year for which we are accurately able to confirm the degree of completion, we have applied the percentage-of-completion method beginning with this 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 fiscal year is insignificant. A note regarding the effect of this change on segment information is included on page 7. 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."	

(6) Notes to the Consolidated Financial Statements

① Notes to the Consolidated Statements of Operations, Consolidated Statements of Changes in Net Assets, Consolidated Statements of Cash Flows

(Relating to Consolidated Statements of Operations)

Notes	FY 2008 (4/1/2008 – 3/31/2009)	FY 2009 (4/1/2009 – 3/31/2010)
1. Gain on sale of investment securities	Refers mainly to sale of shares in Yokohama TV Corporation.	Refers mainly to the sale of shares in FANUC Ltd. in response to the company's solicitation to buy its own shares.
2. Gain on business transfer	——————	Refers mainly to the transfer of the communications device (SAW device, etc.) business.
3. Business restructuring expenses	This includes 37,017 million yen in losses on the disposal of assets and settlement of liabilities related to the planned transfer of the HDD business, and settlement costs related to pension assets of transferred employees; 11,359 million yen in disposal expenses for facilities that are scheduled to be shut down during the next consolidated fiscal year in conjunction with the reorganization of the LSI wafer production facilities; and restructuring expenses of 5,822 million yen related to the component business and businesses outside Japan. An impairment loss of 16,269 million yen related to the HDD business is included in the above business restructuring expenses.	Refers mainly to 21,105 million yen in expenses for the reorganization of manufacturing plants for the LSI device business and the reassignment of personnel due to the streamlining of the business's administrative operations, along with 26,301 million yen in expenses related to workforce streamlining in the UK/Ireland region, Germany, the Netherlands and other countries in the Continental Europe region in relation to business restructuring among European subsidiaries.
4. Impairment loss	In regard to the LSI business, profitability deteriorated significantly due to a steep decline in customer demand for electronics, particularly digital home electronics and car electronics. Since a recovery in the business climate is not expected in the near term, the estimated future return from the business was cautiously reappraised. At the same time, a shift has been made in the business model to outsource production of 40nm generation advanced technology products to outside foundries. In accordance, the asset grouping for LSI-related assets was changed, for those LSI-related assets whose future usage plans have changed, the book	Refers mainly to idle assets.

Notes	FY 2008 (4/1/2008 – 3/31/2009)	FY 2009 (4/1/2009 – 3/31/2010)
	value of the asset group has been written down to the recoverable value. As a result, an impairment loss of 49,944 million yen was recognized. In addition, there was an impairment loss of 8,979 million yen in relation to assets of the electronic components business, the profitability of which has declined and is unlikely to recover in the short term, and the assets of other businesses such as leased real estate, whose value was reduced to the estimated recoverable value due to a change in business plans. In relation to the HDD business, which will be transferred, the company wrote down the book value of the assets to the recoverable value and recognized the reduction of 16,269 million yen as business restructuring expenses included under other expenses. Impairment losses stated above consisted of 41,250 million yen for machinery and equipment, 18,256 million yen for buildings, 9,558 million yen for tools, furniture and fixtures, 2,850 million yen for land, 2,215 million yen for construction in progress and 1,063 million yen for the other assets. The recoverable value is an estimate based on the net proceeds from sale or use of the assets. The net proceeds from sale exclude the estimated disposal expenses from the real-estate appraisal value or estimated disposal value, and for assets whose sale is considered unfeasible, the net proceeds from sale is zero. For the estimated net proceeds from use, 5% is used to discount cash flow for the assets related to advanced LSI business. For the electronic components business assets, however, cash flows are expected to be negative and thus were not discounted.	
5. Loss on revaluation of investment securities	Refers principally to a significant decline in the market share price of Spansion Inc. of the US.	――――――

(Consolidated Statements of Changes in Net Assets)

Notes	**FY 2008** **(4/1/2008 – 3/31/2009)**	**FY 2009** **(4/1/2009 – 3/31/2010)**
1. Acquisition of treasury stock		(Additional Information) The company acquired a part of the stock it used to make an allotment to shareholders of Fujitsu Business Systems Ltd., which was converted into a wholly owned subsidiary through an exchange of shares.
2. Sale of treasury stock		The company carried out an exchange of shares with the shareholders of Fujitsu Business Systems Ltd. in order to convert it into a wholly owned subsidiary.

(Consolidated Statements of Cash Flows)

Notes	**FY 2008 (4/1/2008 – 3/31/2009)**	**FY 2009 (4/1/2009 – 3/31/2010)**
1. Cash flows from operating activities Impairment loss	Business restructuring expenses of 16,269 million yen related to the HDD business are included in the impairment loss of 75,192 million yen.	――――――
2. Cash flows from investing activities Income from the acquisition of subsidiaries' stock resulting in change in scope of consolidation	――――――	Net proceeds of 42,912 million yen from the acquisition of shares of Fujitsu Technology Solutions (Holding) B.V. (FTS); 7,504 million yen from acquisition of shares of FDK Corporation. The following breakdown provides details on the amount of assets and liabilities resulting from the acquisition of shares of FTS, as of the date of its consolidation, along with the acquisition cost of the FTS shares, and the net proceeds generated from the FTS acquisition. (million yen) Current assets 276,694 Non-current assets 79,047 Goodwill 62,468 Current liabilities (256,679) Long-term liabilities (101,797) Minority interests (193) Acquired net assets 59,540 Investment value using equity method 4,974 Share acquisition cost 54,566 Share acquisition cost (54,566) Expenses not recognized in current year 788 Expenses for share acquisition in current year (53,778) Cash and cash equivalents of FTS 96,690 Net proceeds from acquisition 42,912

<table>
<tr><th>Notes</th><th>FY 2008
(4/1/2008 – 3/31/2009)</th><th>FY 2009
(4/1/2009 – 3/31/2010)</th></tr>
<tr><td>3. Cash flows from investing activities
Proceeds from transfer of business</td><td>————––</td><td>Proceeds from transfer of the HDD business (drive and media businesses). The breakdown below shows the decline in assets and liabilities resulting from the HDD business transfer, along with consideration for the transfer and the net proceeds for the current fiscal year.
(million yen)
<table>
<tr><td>Current assets</td><td>44,152</td></tr>
<tr><td>Non-current assets</td><td>15,645</td></tr>
<tr><td>Current liabilities</td><td>(28,231)</td></tr>
<tr><td>Long-term liabilities</td><td>(3,721)</td></tr>
<tr><td>Decline in net assets as result of business transfer</td><td>27,845</td></tr>
<tr><td>Consideration for transfer</td><td>27,845</td></tr>
<tr><td>Consideration for transfer</td><td>27,845</td></tr>
<tr><td>Proceeds not recognized in current year</td><td>(4,214)</td></tr>
<tr><td>Proceeds from business transfer in current year</td><td>23,631</td></tr>
<tr><td>Cash and cash equivalents of transferred subsidiaries</td><td>(8,142)</td></tr>
<tr><td>Net proceeds from business transfer</td><td>15,489</td></tr>
</table></td></tr>
<tr><td>4. Cash flows from financing activities
Proceeds from sales of treasury stock</td><td></td><td>(Additional Information)
In fiscal 2008, this item was included in “Other, net” (proceeds of 155 million yen), but in this fiscal year, it has been itemized separately.</td></tr>
<tr><td>5. Cash flows from financing activities
Outflows for acquisition of treasury stock</td><td></td><td>In fiscal 2008, this item was included in “Other, net” (outflow of 1,492 million yen), but in this fiscal year, it has been itemized separately.</td></tr>
</table>

(7) Consolidated Tax Effect Accounting

Significant components of deferred tax assets and liabilities.

(Billion Yen)

	FY 2009 (End of March 2010)	FY 2008 (End of March 2009)
Deferred tax assets:		
Accrued retirement benefits	152.9	140.1
Tax loss carryforwards	142.6	165.9
Excess of depreciation and amortization and impairment loss	64.6	76.4
Accrued bonus	41.9	40.0
Inventories	23.9	25.0
Revaluation loss on investment securities	12.7	13.3
Provision for loss on repurchase of computers	8.8	9.5
Provision for product warranties	4.9	5.3
Intercompany profit	2.9	2.5
Other	66.5	54.7
Gross deferred tax assets	522.2	533.1
Valuation allowance	(261.0)	(284.9)
Total deferred tax assets	261.1	248.2
Deferred tax liabilities:		
Gains from establishment of stock holding trust for retirement benefit plan	(110.6)	(110.6)
Unrealized gains on securities	(10.5)	(35.6)
Tax allowable reserves	(3.4)	(5.4)
Other	(7.4)	(7.5)
Total deferred tax liabilities	(132.0)	(159.2)
Net deferred tax assets	129.0	89.0

Note: Excess of depreciation and amortization and impairment loss includes a revaluation loss on idle lands.

(8) Investment Securities

Other investment securities (Billion Yen)

TYPE	FY 2009 (End of March 2010)			FY 2008 (End of March 2009)		
	Recorded on balance sheet	Acquisition Cost	Difference	Recorded on balance sheet	Acquisition Cost	Difference
Shareholdings	70.1	43.2	26.9	132.7	44.9	87.8
Bonds	27.9	27.7	0.1	42.4	43.0	(0.6)
Other securities	110.6	111.6	(0.9)	4.9	5.9	(1.0)
Total	208.7	182.6	26.1	180.1	93.9	86.1

From the current year, negotiable deposits are included in the “Other securities” item, in accordance with the “Accounting Standard for Financial Instruments and its Implementation Guidance” (Accounting Standards Board of Japan, Statement No. 10, dated March 10, 2008) and “Guidance on Disclosures about Fair Value of Financial Instruments” (Accounting Standards Board of Japan, Guidance No. 19, March 10, 2008). As of the end of the current year, negotiable deposits recorded on the consolidated balance sheet totaled 103.5 billion yen.

(9) Retirement Benefit Plan
a. Japan
(1) Itemization of projected benefit obligation, etc.

(Billion Yen)

	FY 2009 as of 3/31/10	FY 2008 as of 3/31/09
i. Projected benefit obligation	(1,268.6)	(1,198.3)
ii. Plan assets	934.6	791.1
[pension trust asset portion]	[58.8]	[39.5]
iii. Projected benefit obligation in excess of plan assets (i)+(ii)	(333.9)	(407.1)
iv. Unrecognized net obligation at transition	-	16.4
v. Unrecognized actuarial loss	378.6	492.9
vi. Unrecognized prior service cost (reduced obligation)*	(102.0)	(120.7)
vii. Prepaid pension cost	(57.1)	(72.5)
viii. Accrued retirement benefits …(iii)+(iv)+(v)+(vi)+(vii)	(114.5)	(91.0)

* With respect to the Fujitsu Corporate Pension Fund in which Fujitsu and its consolidated domestic subsidiaries participate, due to a partial revision of the company's pension system, prior service costs (reduction of obligation) have arisen.

(2) Components of net periodic benefit cost

(Billion Yen)

	FY 2009 as of 3/31/10	FY 2008 as of 3/31/09
i. Service cost	39.1	38.2
ii. Interest cost	30.1	28.9
iii. Expected return on plan assets	(23.2)	(27.2)
iv. Amortization of net obligation at transition	16.2	16.7
v. Amortization of actuarial loss	42.9	26.4
vi. Amortization of prior service cost	(18.5)	(19.0)
vii. Net periodic benefit cost …(i)+(ii)+(iii)+(iv)+(v)+(vi)	86.7	63.9
viii. Loss on termination of retirement benefit plan	(0.0)	-
ix. Total …(vii)+(viii)	86.6	63.9

(Fiscal 2009)
In addition to the above costs, premium severance pay of 15.9 billion yen was recognized as expenses in the year.
(Fiscal 2008)
In addition to the above costs, premium severance pay of 8.0 billion yen was recognized as expenses in the year.

(3) Basis for Tabulating Projected Benefit Obligation

i. Discount rate 2.5% (at March 31, 2010)
2.5% (at March 31, 2009)

b. Outside Japan

(1) Itemization of projected benefit obligation, etc.

(Billion Yen)

	FY 2009 as of 3/31/10	FY 2008 as of 3/31/09
i. Projected benefit obligation	(592.1)	(354.0)
ii. Plan assets	390.2	296.4
iii. Projected benefit obligation in excess of plan assets …(i)+(ii)	(201.8)	(57.6)
iv. Unrecognized actuarial loss	110.0	11.5
v. Unrecognized prior service cost	(0.0)	(0.0)
vi. Accrued retirement benefits …(iii)+(iv)+(v)	(91.8)	(46.1)

(2) Components of net periodic benefit cost

(Billion Yen)

	FY 2009 as of 3/31/10	FY 2008 as of 3/31/09
i. Service cost	8.3	8.8
ii. Interest cost	28.7	32.3
iii. Expected return on plan assets	(24.8)	(33.3)
iv. Amortization of actuarial loss *	(0.1)	(0.3)
v. Net periodic benefit cost …(i)+(ii)+(iii)+(iv)	12.2	7.5
vi. Loss on termination of retirement benefits plan	(0.0)	-
vii. Total (v)+(vi)	12.2	7.5

* Subsidiaries outside Japan, particularly Fujitsu Services Holdings PLC, which provides a defined benefit pension plan, adopt the International Financial Reporting Standards (IFRS), and apply the corridor approach to amortization of actuarial gain and losses.

(3) Basis for Tabulating Projected Benefit Obligation

i. Discount rate — Mainly 5.6% (at March 31, 2010)
Mainly 6.9% (at March 31, 2009)

(10) Business Combinations

1. Acquisitions via Purchase Method

(Conversion of Fujitsu Technology Solutions (Holding) B. V. into a Consolidated Subsidiary of Fujitsu Limited)

(1) Name and Business Description of the Acquired Business; Principal Reasons for Carrying Out the Business Combination; Date of the Business Combination; Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination; Percentage of Voting Rights Acquired

A. Name and Business Description of the Acquired Business

Name of acquired business:	Fujitsu Siemens Computers (Holding) B.V.
Business description:	Development, manufacture, sale and maintenance of information systems

B. Principal Reasons for Carrying Out the Business Combination
Fujitsu Limited and Siemens AG of Germany combined their respective European information systems businesses to establish Fujitsu Siemens Computers on October 1, 1999 as a European joint venture to develop, manufacture, sell, and provide maintenance for information systems. In recent years, the competitive environment in the global ICT industry has changed, and new business opportunities have emerged in infrastructure services and other areas of the market. In consideration of these factors, Fujitsu decided to convert the company into a consolidated subsidiary (renamed Fujitsu Technology Solutions (Holding) B.V.). The conversion creates a new base of operations in Germany, the largest European market for ICT, and will help the Fujitsu Group accelerate its global product strategies. In the services area, Fujitsu Technology Solutions will strengthen collaboration with Fujitsu Services Holdings PLC, the group's European services company, to offer new value-added services. This will help the group exploit growth opportunities in the infrastructure services market, with the aim of improving overall profit margins for business outside Japan.

C. Date of the Business Combination
April 1, 2009

D. Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination
Legal form of the business combination: Acquisition of shares
Name of business subsequent to the combination: Fujitsu Technology Solutions (Holding) B.V.

E. Percentage of Voting Rights Acquired

・Prior to the acquisition	50%
・Subsequent to the acquisition	100%

(2) Period for Which the Acquired Company's Financial Results Are Included in Consolidated Results
April 1, 2009 – March 31, 2010

(3) Acquisition Costs and Breakdown
Acquisition cost: 54,566 million yen (Cash: 53,740 million yen; Related costs: 826 million yen)

(4) Amount of Goodwill; Reason for Recognition; Amortization Method and Period
Amount of Goodwill: 62,468 million yen

Reason for Recognition:	The acquisition cost exceeded the fair value of the net assets of the acquired company at the time of the business combination, and the difference between these values is recognized as goodwill.
Amortization Method, Period:	Straight-line method over 10 years

(5) Major Assets and Liabilities Assumed in Business Combination

Current assets	276,694 million yen
Non-current assets	79,047 million yen
Total Assets:	355,741 million yen
Current liabilities	256,679 million yen
Long-term liabilities	101,797 million yen
Total liabilities	358,476 million yen

(6) Amount and Account for Part of Acquisition Cost Expensed as R&D Costs, etc.

Selling and general administrative expenses 4,639 million yen

(Conversion of FDK Corporation into a Consolidated Subsidiary through Subscription to Private Placement by Fujitsu Limited)

(1) Name and Business Description of the Acquired Business; Principal Reasons for Carrying Out the Business Combination; Date of the Business Combination; Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination; Percentage of Voting Rights Acquired

(1) Name and Description of the Business of the Acquired Company; Principal Reasons for Carrying Out the Business Combination; Date of the Business Combination; Legal Form of the Business Combination; Percentage of Voting Rights Acquired

A. Name and Business Description of the Acquired Business

Name of acquired business:	FDK Corporation
Business description:	Manufacture and sale of electronic components, batteries and related products

B. Principal Reasons for Carrying Out the Business Combination

To respond to the changes in the marketplace, FDK (listed on second section, Tokyo Stock Exchange) reformed its business structure in recent years with the aim of leveraging its materials technologies to strengthen its products lineup, particularly the power systems and high frequency device. The sharp downturn in worldwide economic conditions starting from the second half of fiscal 2008, however, had a severe impact on the company's business. As a result of recording a large loss in the third quarter of fiscal 2008, FDK's liabilities exceeded its assets. Fujitsu Limited, in addition to its transactions with FDK, such as the purchase of its products, provides financial support to the company. As FDK's major shareholder, creditor and customer, Fujitsu accordingly believed that, from the standpoint of maintaining Fujitsu's corporate value, the best option was to make FDK a consolidated subsidiary and eliminate the adverse effect on FDK's business activities that might have occurred had its capital deficiency continued. By Fujitsu subscribing to a third-party placement to increase the capital of FDK, FDK will be in a stronger position to successfully implement its structural reforms.

C. Date of the Business Combination

May 1, 2009

D. Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination
Legal form of the business combination: Acquisition of shares
Name of business subsequent to the combination: FDK Corporation

E. Percentage of Voting Rights Acquired

・Prior to acquisition	39.80%
・Subsequent to acquisition	64.64%

(2) Period for Which the Acquired Company's Financial Results Are Included in Consolidated Results
April 1, 2009 – March 31, 2010

(3) Acquisition Cost and Breakdown
Acquisition cost: 11,000 million yen (Cash: 11,000 million yen)

(4) Amount of Goodwill; Reason for Recognition; Amortization Method and Period
Amount of Goodwill: 2,914 million yen
Reason for Recognition: The acquisition cost exceeded the fair value of the net assets of the acquired company at the time of the business combination, and the difference between these values is recognized as goodwill.
Amortization Method, Period: Straight-line method over 5 years

(5) Major Assets and Liabilities Assumed in Business Combination

Current assets	29,943 million yen
Non-current assets	18,432 million yen
Total Assets:	48,375 million yen
Current liabilities	46,113 million yen
Long-term liabilities	14,078 million yen
Total liabilities	60,191 million yen

2. Transactions under Common Control

(Conversion of Consolidated Subsidiary into Wholly Owned Subsidiary of Fujitsu Limited through Exchange of Shares)

(1) Name of Combined Companies and Business Description; Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination; Purpose and Overview of Transaction

A. Name of Combined Companies and Business Description
Name of combined companies: Fujitsu Limited and consolidated subsidiary Fujitsu Business Systems Ltd.
Business description: Fujitsu Business Systems Ltd.
Comprehensive ICT services, including consulting, network construction, software development, and system operation, maintenance and construction
B. Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination
Legal form of the business combination: Exchange of shares
Name subsequent to the combination: No change in corporate name

C. Purpose and Overview of Transaction

The purpose of the transaction is to strengthen the Fujitsu Group's ability to provide technology solutions, including platforms and ICT services, to medium-size businesses in Japan as well as to serve diverse customer needs in a timely manner. On August 1, 2009, common shares of Fujitsu Business Systems held by its shareholders were transferred to Fujitsu Limited in exchange for an allotment of Fujitsu shares. This exchange of shares converted Fujitsu Business Systems (listed on first section, Tokyo Stock Exchange) into a wholly owned subsidiary. Fujitsu Business Systems was delisted on July 28, 2009 in preparation for the transfer.

(2) Overview of Accounting Procedure

This exchange of shares was a transaction with minority shareholders, and therefore the value of the equity representing the acquired shares of the subsidiary was subtracted from Fujitsu's minority interests, and the difference between this amount and the additional investment was recognized as goodwill.

(3) Cost of Acquiring Shares in Subsidiary

A. Acquisition cost and breakdown

Acquisition cost:	21,464 million yen (Value of Fujitsu shares: 21,449 million yen; Direct acquisition costs: 15 million yen; All shares used in exchange were treasury stock)

B. Share exchange ratio; method of exchange ratio calculation; number and value of exchanged shares

Share exchange ratio:	One common share of Fujitsu Business Systems stock exchanged for 3.50 common shares of Fujitsu stock
Method of ratio calculation:	The ratio was decided between the companies based on a careful consideration of the results of third parties' calculations, analysis, and advice

Number, value of exchanged shares: 42,983,290 shares valued at 21,449 million yen

(4) Amount of Negative Goodwill; Reason for Recognition; Amortization Method and Period

Amount of Negative Goodwill: 6,816 million yen

Reason for Recognition:	The acquisition cost exceeded the fair value of the net assets of the acquired company at the time of the business combination, and the difference between these values is recognized as goodwill.

Amortization Method, Period: Straight-line method over 5 years

3. Separation of Businesses

(Transfer of Hard Disk Drive (HDD) Businesses)

(1) Names of Transferees; Description of Separated Businesses; Reason for Business Separations; Date of Business Separations; Overview of the Business Separations including their Legal Form

A. Name of Transferees

HDD drive business:	Toshiba Corporation
HDD media business:	Showa Denko K.K.

B. Description of Separated Businesses

Business description: Design, development, manufacture and sales of HDDs

C. Reason for Business Separations

The hard disk drive market continued to be impacted by severe business conditions, including a worldwide intensification of price competition and a contraction of overall demand. Fujitsu decided to carry out these business separations based on its judgment that the respective transferees of the businesses, through the integration of the technical expertise and developmental capabilities accumulated by Fujitsu with their own technologies, would be better able to compete in the current severe business environment and thus support and grow these operations.

D. Date of the Business Separations
HDD drive business: October 1, 2009
HDD media business: July 1, 2009

E. Overview of the Business Separations including their Legal Form
HDD drive business:
Fujitsu established Toshiba Storage Device Corporation to prepare for the transfer of the HDD drive business. On October 1, 2009, Fujitsu carried out a simple separation-type corporate split and completed the transfer of all rights and obligations in the drive business to Toshiba Storage Device, and the transfer of Toshiba Storage Device shares to Toshiba. In addition, a new company established out of the HDD-related business of Yamagata Fujitsu Limited, along with Fujitsu's HDD manufacturing subsidiaries, Fujitsu Computer Products Corporation of the Philippines and Fujitsu (Thailand) Co., Ltd., became subsidiaries of Toshiba Storage Device. Fujitsu's sales and marketing offices outside Japan, with the exception of some offices in certain regions, were integrated into Toshiba's overseas business operations. To facilitate the transfer, Fujitsu will hold a stake of 19.9% in Toshiba Storage Device until the end of December 2010, after which it will become a wholly owned subsidiary of Toshiba.

HDD media business:
Fujitsu established a new company, Showa Denko HD Yamagata K.K., to succeed the HDD media business of Yamagata Fujitsu Limited. All of the shares in the new company were transferred to Showa Denko.

(2) Overview of Accounting Procedure
A. Profit/loss from transfers
There is no difference between the proceeds from the transfers and the net assets calculated by the appropriate book value of the assets and liabilities of the businesses prior to the transfers.
B. Appropriate book value of assets and liabilities of the businesses

Current assets	44,152 million yen
Non-current assets	15,645 million yen
Total Assets:	59,797 million yen
Current liabilities	28,231 million yen
Long-term liabilities	3,721 million yen
Total liabilities	31,952 million yen

C. Name of segment businesses were included in
Ubiquitous Product Solutions

D. Overview of sales, profit/loss of separated businesses included in consolidated results for current year
Net sales: 82,228 million yen
Operating loss: 9,793 million yen

Net sales included inter-segment sales of 2,331 million yen.

(11) Consolidated Per Share Data

(Yen)

	FY2009 4/1/09-3/31/10	FY2008 4/1/08-3/31/09
Net assets per share	386.79	362.30
Earnings (net loss) per share	45.21	-54.35
Diluted earnings per share	42.17	-

Note 1: With regard to diluted earnings per share, even though residual shares exist, they are not listed due to the net loss on earnings per share.

Note 2: The calculations basis for earnings (net loss) per share and diluted earnings per share is as follows.

(Million Yen)

	FY2009 4/1/09-3/31/10	FY2008 4/1/08-3/31/09
Earnings (net loss) per share		
Net income (net loss)	93,085	-112,388
Deduction from net income	-	-
Net income (net loss) for common share	93,085	-112,388
Average number of common shares outstanding (thousand shares)	2,058,748	2,067,807
Diluted earnings per share		
Adjustment for net income	3,101	-
[Adjustment related to dilutive securities issued by subsidiaries and affiliates]	[-62]	[-]
[Corporate bond costs (after tax adjustment)]	[3,163]	[-]
Increase in number of common shares (thousand shares)	222,222	-
[Share warrants (thousand shares)]	[222,222]	[-]

Note 3: The calculation basis for net assets per share is as follows.

(Million Yen)

	at March 31, 2010	at March 31, 2009
Net assets	948,373	925,602
Deduction from net assets	149,711	176,661
[Share purchase warrants]	[53]	[26]
[Minority interests]	[149,658]	[176,635]
Net assets for common shares	798,662	748,941
Number of common shares used to calculate owners' equity per share (thousand shares)	2,064,838	2,067,195

(12) Material Subsequent Events

There are no events.

(Omission of Disclosures)

We have omitted disclosures concerning the following items based on our judgment that the information is not material to the financial results:

- Lease transactions
- Related party transactions
- Financial instruments
- Derivative contracts
- Stock options
- Leased properties

9. Overview of FY 2009 Unconsolidated Financial Results

Profit and Loss

(Billion Yen)

	FY 2009 *4/1/09-3/31/10*	FY 2008 *4/1/08-3/31/09*	Change	
				Change (%)
Net Sales	2,148.9	2,423.5	-274.5	-11.3
Operating Income	20.5	40.7	-20.1	-49.5
Other Income	147.9	95.0	52.8	-
Other Expenses	49.2	96.1	-46.9	68.2
Net Income	126.1	47.8	78.2	163.4

On an unconsolidated basis, net sales for Fujitsu Limited in fiscal 2009 were 2,148.9 billion yen (US$23,106 million), representing a decline of 11.3% compared to fiscal 2008. Sales of mobile phones and outsourcing services increased, but sales in the solutions and system integration services business decreased as a result of cutbacks in corporate spending in the manufacturing, retail/distribution, and financial services sectors. Sales of server-related products and PCs also declined, particularly in the first half of the fiscal year.

Operating income on an unconsolidated basis was 20.5 billion yen (US$220 million), a decline of 20.1 billion yen compared to the previous fiscal year. Despite improvements due to the sale of the loss-making HDD business and the effect of cost cuts and reduced expenses, operating income declined mainly as the result of lower net sales and severe price competition in the PC and other businesses.

In other income and expenses, other income increased by 52.8 billion yen due primarily to a gain of 99.4 billion yen on the sale of shares in FANUC Ltd and other securities. Other expenses declined by 46.9 billion yen, despite an 18.5 billion yen loss associated with valuation losses on shares of subsidiaries and affiliates.

On an unconsolidated basis, Fujitsu posted net income of 126.1 billion yen (US$1,356 million) in fiscal 2009, an increase of 78.2 billion yen compared to fiscal 2008 due to the other income and the fact that business restructuring and other expenses were recognized in the previous year.

Net Assets (Billion Yen)

	Balance at End of FY 2009 3/31/10	Balance at End of FY 2008 3/31/09	Change
Total Shareholders' equity	684.7	574.0	110.7
Common stock	324.6	324.6	-
Capital surplus	166.6	169.1	-2.4
Other capital surplus	166.6	169.1	-2.4
Retained earnings	196.1	82.4	113.7
Legal retained earnings	3.9	2.6	1.2
Other retained earnings	192.2	79.7	112.4
Treasury stock	-2.7	-2.1	-0.5
Valuation and translation adjustments	15.0	55.0	-39.9
Total Net Assets	699.7	629.0	70.7

Part III: Supplementary Information

1. Forecast for FY 2010 Consolidated Business Segments

a. Net Sales* and Operating Income

		Yen (Billions)		
	FY 2008 (Actual)	FY2009 (Actual)	**FY 2010 (Forecast)**	Change vs. FY2009(%)
Technology Solutions				
Japan	Y 2,126.7	1,971.6	**2,020.0**	+2.5
Overseas	950.3	1,149.4	**1,230.0**	+7.0
Total	3,077.0	3,121.0	**3,250.0**	+4.1
Operating income (loss):				
Services	163.3	131.1	**170.0**	+29.6
[Operating income margin]	[6.7%]	[5.2%]	**[6.5%]**	
System Platforms	25.3	21.3	**45.0**	+111.0
[Operating income margin]	[3.9%]	[3.5%]	**[6.9%]**	
Total operating income	188.7	152.4	**215.0**	+41.0
[Operating income margin]	[6.1%]	[4.9%]	**[6.6%]**	
Ubiquitous Product Solutions				
Japan	658.7	618.9	**610.0**	-1.5
Overseas	290.3	299.7	**220.0**	-26.6
Total	949.1	918.7	**830.0**	-9.7
Operating income	0.5	22.9	**20.0**	-12.9
[Operating income margin]	[0.1%]	[2.5%]	**[2.4%]**	
Device Solutions				
Japan	372.2	314.4	**370.0**	+17.7
Overseas	215.4	232.8	**270.0**	+16.0
Total	587.6	547.2	**640.0**	+17.0
Operating income (loss)	(71.9)	(8.7)	**30.0**	-
[Operating income margin]	[-12.2%]	[-1.6%]	**[4.7%]**	
Other Operations				
Japan	326.4	280.9	**315.0**	+12.1
Overseas	119.7	116.3	**105.0**	-9.8
Total	446.2	397.3	**420.0**	+5.7
Operating income	4.1	8.6	**10.0**	+16.0
[Operating income margin]	[0.9%]	[2.2%]	**[2.4%]**	
Elimination				
Sales	(367.1)	(304.8)	**(340.0)**	-
Operating loss	(52.6)	(80.8)	**(90.0)**	-
Total				
Japan	3,193.1	2,931.2	**3,000.0**	+2.3
	<68.0%>	<62.6%>	<62.5%>	
Overseas	1,499.8	1,748.3	**1,800.0**	+3.0
	<32.0%>	<37.4%>	<37.5%>	
Total	4,692.9	4,679.5	**4,800.0**	+2.6
Operating income	Y 68.7	94.3	**185.0**	+96.0
[Operating income margin]	[1.5%]	[2.0%]	**[3.9%]**	

Notes:
* Net sales include intersegment sales.
** The ratio in brackets <> represent the ratio of sales in and outside Japan to total consolidated sales.

b. Net Sales* by Principal Products and Services

		FY 2008 (Actual)	FY2009 (Actual)	**FY 2010 (Forecast)**	Change vs. FY2009(%)
		Yen (Billions)			
Technology Solutions					
Services:					
Solutions / SI	**Y**	1,223.1	1,117.2	**1200.0**	+7.4
Infrastructure Services		1,129.3	1,303.9	**1320.0**	+1.2
Others		75.1	89.2	**80.0**	-10.3
		2,427.7	2,510.4	**2600.0**	+3.6
System Platforms:					
System Products		326.0	317.8	**370.0**	+16.4
Network Products		323.3	292.7	**280.0**	-4.4
		649.3	610.6	**650.0**	+6.4
Total		3,077.0	3,121.0	**3250.0**	+4.1
Ubiquitous Product Solutions					
PCs / Mobile Phones		683.3	823.1	**810.0**	-1.6
Hard Disk Drives		249.0	82.2	-	-100.0
Others		16.7	13.3	**20.0**	+49.6
Total		949.1	918.7	**830.0**	-9.7
Device Solutions					
LSI Devices		390.3	306.3	**340.0**	+11.0
Electronic Components, Other		197.3	240.8	**300.0**	+24.6
Total	**Y**	587.6	547.2	**640.0**	+17.0

Notes:
* Net sales include intersegment sales.

2. Miscellaneous Forecasts for FY 2010

a. R&D Expenses

	FY 2008 (Actual)	FY 2009 (Actual)	**FY 2010 (Forecast)**
	Yen (Billions)		
	249.9	224.9	**235.0**
As % of sales	5.3%	4.8%	**4.9%**

b. Capital Expenditures, Depreciation

Capital Expenditures

		FY 2008 (Actual)	FY 2009 (Actual)	**FY 2010 (Forecast)**
		Yen (Billions)		
Technology Solutions	**Y**	87.7	74.7	**100.0**
Ubiquitous Product Solutions		18.7	8.6	**10.0**
Device Solutions		39.6	30.0	**40.0**
Corporate and others		21.5	12.9	**20.0**
Total		167.6	126.4	**170.0**
Depreciation	**Y**	223.9	164.8	**155.0**

c. Cash Flows

		FY 2008 (Actual)	FY 2009 (Actual)	**FY 2010 (Forecast)**
		Yen (Billions)		
(A) Cash flows from operating activities	**Y**	248.0	295.3	**360.0**
[Net income]		[(112.3)]	[93.0]	**[95.0]**
[Depreciation & amortization]		[298.4]	[255.0]	**[240.0]**
[Others]		[62.0]	[(52.7)]	**[25.0]**
(B) Cash flows from investing activities		(224.6)	1.0	**(210.0)**
(C) Free cash flow (A)+(B)		23.4	296.4	**150.0**
(D) Cash flows from financing activities		(47.8)	(405.3)	**(160.0)**
(E) Total (C)+(D)	**Y**	(24.4)	(108.9)	**(10.0)**

d. Exchange Rates

	FY 2008 (Actual)	FY 2009 (Actual)	**FY 2010 (Forecast)**
Average rates for	$1= 101 yen	$1= 93 yen	**$1= 90 yen**
	€1=144 yen	€1=131 yen	**€1=125 yen**
	£1=174 yen	£1=148 yen	**£1=140 yen**

Reference information : A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in FY 2010.

US Dollar : Increase/decrease by approximately 1.5 billion yen
Euro : Increase/decrease by approximately 0.2 billion yen
Pound : Increase/decrease by approximately 0.1 billion yen

e. Employees

	2009 March 31	**2010 March 31**
	(Thousands)	
Japan	107	**107**
Overseas	59	**65**
Total	166	**172**

f. PC Shipments*

(Million Units)

FY 2008 (Actual)	FY 2009 (Actual)	**FY 2010 (Forecast)**
7.36	5.63	**5.80**

g. Mobile Phone Shipments

(Million Units)

FY 2008 (Actual)	FY 2009 (Actual)	**FY 2010 (Forecast)**
4.70	5.18	**5.20**

Notes:
* Figures for FY2008 include shipments of Fujitsu Siemens Computers (Holding) B.V. (Fujitsu Technology Solutions (Holding) B.V. as of April 1, 2009).

** In past financial statements, only shipments of mobile handsets were included in the above figures. From this reporting period, however, in accordance with the definitions used by telecommunications and electronics industries associations (Telecommunications Carriers Association and Japan Electronics and Information Technology Industries Association), the figures above also include shipments of communication modules used in mobile handsets. According to the previous calculation method, shipments would be 4.6 million units for fiscal 2008 and 5.05 million units for fiscal 2009.

3. Environmental Accounting

a. Cost/Benefit Trends

(Billion Yen)

	FY2006		FY2007		FY2008		FY2009		FY 2009 Reference Value*	
	Costs	Benefits	Costs	Benefits	Costs	Benefits	Costs	Benefits	Costs	Benefits
Fujitsu Limited	7.39	9.85	8.40	10.91	7.26	3.63	13.94	24.75	(6.43)	(2.62)
Affiliated companies	9.32	17.65	11.03	20.79	13.38	23.49	16.11	29.10	(12.64)	(15.90)
Total	**16.71**	**27.50**	**19.43**	**31.70**	**20.64**	**27.12**	**30.06**	**53.86**	**(19.07)**	**(18.52)**

Notes:
* For reference only, based on calculation standards used in previous year.

b. Itemization of FY 2009 Results*

(Billion Yen)

Costs	Item	Fujitsu Limited	Affiliated companies	Total
Business area costs				
Pollution prevention costs	Costs incurred to prevent air pollution and water contamination (fees for water treatment facilities) and other activities	1.14	3.67	4.81
Global environmental conservation costs	Costs of energy-saving measures, as well as costs of global warming reduction measures	0.84	2.07	2.91
Resource circulation costs	Costs incurred for waste reduction and disposal, as well as for water conservation, rainwater usage and other measures aimed at efficient resources usage	0.56	2.61	3.17
Upstream/downstream costs	Costs of lowering the environmental burden imposed upstream and downstream by manufacturing and service activities (costs incurred for recycling/reuse of waste products and packaging, Green Procurement, etc.)	0.04	0.79	0.82
Administrative costs	Environmental protection costs related to administrative activity, including personnel expenses for environmental promotion activities and costs associated with acquiring and maintaining ISO14001 certification, measuring environmental burden, greenification programs, environmental reporting and environmental publicity	2.59	1.52	4.11
R&D costs	Environmental protection costs for R&D activities (Environmental solutions, Super Green Products, Green Products/environmental technology design and development costs)	7.61	5.46	13.07
Social activities costs	Environmental protection costs stemming from participation in social activities, such as participation in/support for organizations concerned with environmental preservation	0.05	0.00	0.05
Environmental remediation costs	Costs of environmental restoration operations (remediation of soil and groundwater contamination, environmental compensation, etc.)	1.11	0.00	1.11
Total		**13.94**	**16.11**	**30.06**

Notes:
* Classification system is in accordance with "Environmental Accounting Guidelines 2005" issued by Japan's Ministry of the Environment.
Totals may be different from the sum of the subtotals due to rounding off.

Benefits			Item	Fujitsu Limited	Affiliated companies	Total
	Business area benefits					
		Pollution prevention benefits	Contribution of environmental protection activities to value added* in manufacturing. Savings from avoidance of operating losses** stemming from failure to observe environmental laws and regulations.	0.97	4.73	5.69
		Global environmental conservation benefits	Cost savings from reductions in electricity, oil and gas consumption***	0.38	0.91	1.29
		Resource circulation benefits	Cost savings from waste reduction and more effective resource utilization ***	0.33	8.89	9.22
	Upstream/downstream benefits		Revenue from the sale of recycled and reused parts and products***	0.00	0.39	0.39
	Administrative benefits		Value of efficiency enhancement through ISO14001 system implementation, effects of employee training, corporate image enhancement from environment-related publicity	1.21	0.33	1.54
	R&D benefits		Contribution to sales made by Super Green Products, Green Products, other eco-friendly products, environmental solutions	21.87	13.85	35.72
	Environmental remediation benefits		Savings of compensation payments to residents through policies preventing groundwater and soil contamination****	0.00	0.00	0.00
	Total			**24.75**	**29.10**	**53.86**

c. Comments

In fiscal 2009, the costs and benefits of environmental solutions and the benefits of Super Green Products and Green Products have been revised to reflect the contributions of green ICT to customers and society in the environmental accounting. As a resu there has been a significant increase in R&D costs and benefits.

Notes:

* Contribution of environmental protection activities in relation to value added:
  Value added x (Maintenance and management costs for environmental facilities/Total generated costs)

** Avoidance of operating losses: (Value added/days of operation) x Days lost

*** Actual benefit

**** Estimate of risk avoidance assuming such events arise
  Totals may be different from the sum of the subtotals due to rounding off.