

Part II. Explanation of Financial Results

1. Overview of FY 2009 Second-Quarter Consolidated Financial Results

Business Environment

During the second quarter of fiscal 2009 (July 1, 2009 – September 30, 2009), the business environment in which the Fujitsu Group operated was characterized by a continued severe economic recession. As a result of the economic stimulus measures implemented by governments around the world, there were signs that the recession is bottoming out. In China, for example, the economy continued to recover as a result of measures to stimulate domestic demand. In the US and Europe, however, although the implementation of economic stimulus measures progressed, signs of a recovery remained weak due to a continued contraction in credit, rising unemployment, and prolonged inventory adjustments. In Japan, there were signs the recession has bottomed out, as the decline in exports, which has been a significant factor in the downturn, has slowed and given way to a mild recovery in exports to China and other Asian countries. The Japanese government's large fiscal spending program also provided underlying support to the economy, and the pace of the decline in production leveled off as the sharp inventory adjustments of late last year ran their course. While these developments provided signs of economic recovery, consumer spending, which has been hit by the sudden deterioration in personal income and employment conditions, remained weak and is likely to continue to remain at a low level, resulting in a prolonged economic slump.

With respect to IT investment, in light of the deterioration in corporate profits and heightened perceptions of excess capacity in line with declines in capacity utilization rates, there has been a significant decline in spending on IT hardware, and software spending remains weak amid delays in a recovery in demand and stronger downward pressure on pricing.

FY 2009 Second-Quarter Consolidated Financial Results

(Billion Yen)

| | Second-Quarter FY 2009 7/1/09-9/30/09 | | Second-Quarter FY 2008 7/1/08-9/30/08 | | Change | |
|-------------------------------------------------|---------------------------------------------|---------------|---------------------------------------------|---------------|--------|---------------|
| | | % of Sales | | % of Sales | | Change (%) |
| Net Sales | 1,142.3 | 100.0 | 1,276.5 | 100.0 | -134.1 | -10.5 |
| Cost of Sales | 839.3 | 73.5 | 941.5 | 73.8 | -102.2 | -10.9 |
| Gross Profit | 302.9 | 26.5 | 334.9 | 26.2 | -31.9 | -9.5 |
| Selling, General and Administrative Expenses | 284.0 | 24.8 | 302.2 | 23.6 | -18.1 | -6.0 |
| Operating Income | 18.9 | 1.7 | 32.7 | 2.6 | -13.8 | -42.2 |
| Other Income and Expenses | 56.6 | 5.0 | -13.5 | -1.1 | 70.2 | - |
| Net Income | 72.4 | 6.3 | 4.2 | 0.3 | 68.1 | - |

FY 2009 First-Half Consolidated Financial Results (Billion Yen)

| | FY 2009 First Half 4/1/09-9/30/09 | | FY 2008 First Half 4/1/08-9/30/08 | | Change | | Change vs 8/21/09 Forecast |
|------------------|-----------------------------------------|---------------|-----------------------------------------|---------------|--------|---------------|-------------------------------------|
| | | % of Sales | | % of Sales | | Change (%) | |
| Net Sales | 2,186.6 | 100.0 | 2,453.7 | 100.0 | -267.1 | -10.9 | -23.3 |
| Operating Income | -18.2 | -0.8 | 38.5 | 1.6 | -56.7 | - | 16.7 |
| Net Income | 43.2 | 2.0 | 4.6 | 0.2 | 38.6 | 833.6 | 28.2 |

Note: 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.