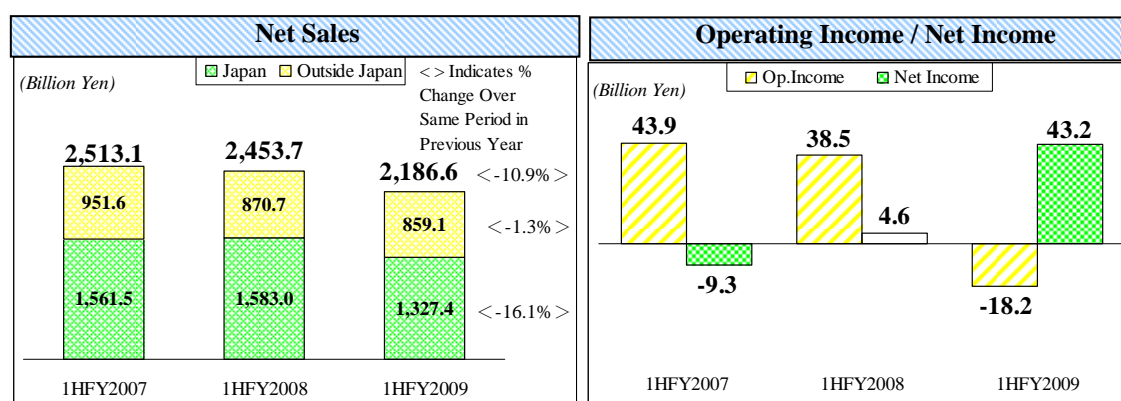


## 5. Overview of First-Half Consolidated Results

### 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=90 yen, the approximate Tokyo foreign exchange market rate on September 30, 2009. 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. 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 the first half of fiscal 2008 to translate the net sales in foreign currencies into yen. The adjusted change for operating income excludes the impact of business restructuring and currency exchange fluctuation.*



Consolidated net sales for the first half of fiscal 2009 (April 1, 2009 – September 30, 2009) were 2,186.6 billion yen (US\$24,296 million), a decrease of 10.9% compared to the first half of fiscal 2008. Sales declined by 16% on an adjusted basis when excluding the impact of converting Fujitsu Technology Solutions and FDK to consolidated subsidiaries as well as the impact of yen appreciation.

Sales in Japan decreased by 16.1%. Although the demand for logic LSI devices and electronic components continues to recover, sales of these products were significantly lower in this year's first half compared with the previous year's first half, and sales of PCs and server-related products also declined. Sales of solutions and system integration services to the public sector increased, but sales to the financial services, manufacturing and distribution sectors decreased as a result of corporate spending cutbacks.

Sales outside Japan decreased by 1.3%. On an adjusted basis, sales decreased by 14%. The decrease was attributable to lower sales of HDDs, logic LSI devices, electronic components, and PCs. In addition, the IT services business was adversely impacted by the economic recession, particularly in the US and Europe.

The company posted an operating loss of 18.2 billion yen (US\$202 million), a deterioration of 56.7 billion yen compared to the first half of fiscal 2008. There was a sharp deterioration in profitability even excluding the impact of special factors, such as a one-time charge of approximately 5 billion yen for expensing the fair market value of in-process R&D, which stemmed from the conversion of Fujitsu Technology Solutions into a consolidated subsidiary, an increase in the amortization of goodwill and other assets of approximately 4 billion yen,

the impact of yen appreciation of approximately 6 billion yen, and approximately 10 billion yen in higher amortization costs for unrecognized retirement benefit obligations as a result of a deterioration in pension assets in the previous fiscal year. Amid the economic recession, lower sales of server-related products, PCs, system integration services in Japan, and lower sales of IT services in the European private sector all weighed on profitability.

In other income and expenses, as sales of PCs and servers in Europe had been sluggish in the first half of fiscal 2008, the conversion of Fujitsu Technology Solutions into a consolidated subsidiary resulted in an improvement in equity in earnings of affiliates, but this was offset by foreign exchange losses.

The company recorded a gain of 89.5 billion yen on sales of shares in FANUC Ltd. and other investment securities. In addition, the company posted a charge of 21.1 billion yen stemming from the restructuring of its logic LSI device business, including the expenses associated with reorganizing manufacturing operations and reassigning administrative and other employees. There was also a charge of 3.0 billion yen stemming from the restructuring of business operations outside of Japan.

The company reported consolidated net income of 43.2 billion yen (US\$480 million) in the first half of fiscal 2009. As a result of 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 period.