

## **FY 2009 First-Half Financial Results**

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# Part I: Financial Tables

## 1. Summary of FY 2009 First-Half Consolidated Results

### a. Summary of Consolidated Statements of Operations

		Yen	
		(Millions, except per share data)	
		1H FY 2009	1H FY 2008
		(4/1/09~9/30/09)	(4/1/08~9/30/08)
Net sales	Y	2,186,622	2,453,782
Operating income (loss)		(18,246)	38,542
Income before income taxes and minority interests		35,716	29,862
Net income		43,255	4,633
Net income per common share:			
Basic		21.08	2.24
Diluted	Y	19.60	1.99

### b. Summary of Consolidated Financial Condition

		Yen	
		(Millions, except per share data)	
		September 30, 2009	March 31, 2009
Total assets	Y	3,168,627	3,221,982
Net assets		895,993	925,602
Owners' equity		749,939	748,941
Net assets per share	Y	363.00	362.30
Owners' equity ratio		23.7	23.2

## 2. Dividends Per Share of Common Stock

		Yen	
		FY 2008	FY 2009
First-quarter ended June 30	Y	-	-
Second-quarter ended September 30		5.00	3.00
Third-quarter ended December 31		-	- (Forecast)
Full year ended March 31		3.00	3.00 (Forecast)
Total	Y	8.00	6.00 (Forecast)

### 3. Number of Issued Shares (Common Shares)

#### a. Number of issued shares at end of period

First-half FY 2009	2,070,018,213	shares
Full-year FY 2008	2,070,018,213	shares

#### b. Treasury stock held at end of period

First-half FY 2009	4,062,772	shares
Full-year FY 2008	2,822,889	shares

#### c. Average number of issued and outstanding shares during quarter

First-half FY 2009	2,051,994,211	shares
First-half FY 2008	2,068,380,523	shares

### 4. Consolidated Earnings Forecast for FY 2009

		Yen
		(Billions, except per share data)
		<u>FY2009</u>
Net sales	Y	4,800.0
Operating income		90.0
Net income		95.0
Net income per common share	Y	46.14

## 5. FY2009 First-Half Consolidated Statements of Operations

	Yen (Millions)	
	1H FY 2009 (4/1/09~9/30/09)	1H FY 2008 (4/1/08~9/30/08)
<b>Net sales</b>	<b>Y 2,186,622</b>	2,453,782
<b>Cost of sales</b>	<b>1,627,095</b>	1,812,834
<b>Gross profit</b>	<b>559,527</b>	640,948
<b>Selling, general and administrative expenses</b>	<b>577,773</b>	602,406
<b>Operating income (loss)</b>	<b>(18,246)</b>	38,542
<b>Other income:</b>		
Interest income	2,229	4,974
Dividend income	3,124	4,125
Equity in earnings of affiliates, net	1,684	-
Gain on foreign exchange, net	-	2,098
Gain on sales of investment securities	89,573	2,907
Others	5,631	5,889
<b>Total other income</b>	<b>102,241</b>	19,993
<b>Other expenses:</b>		
Interest expense	8,143	9,711
Equity in losses of affiliates, net	-	4,932
Loss on foreign exchange, net	5,261	-
Loss on disposal of property, plant and equipment and intangible assets	1,493	2,278
Business restructuring expenses	24,116	-
Impairment loss	-	2,123
Others	9,266	9,629
<b>Total other expenses</b>	<b>48,279</b>	28,673
<b>Income before income taxes and minority interests</b>	<b>35,716</b>	29,862
<b>Income taxes:</b>		
Current	9,873	16,072
Deferred	(15,432)	3,058
<b>Total income taxes</b>	<b>(5,559)</b>	19,130
<b>Minority interests</b>	<b>(1,980)</b>	6,099
<b>Net income</b>	<b>Y 43,255</b>	4,633

## 6. FY2009 First-Half Consolidated Business Segment Information

### a. Net Sales\* and Operating Income (1)

		Yen (Billions)			
		1H FY 2009 (4/1/09~9/30/09)	1H FY 2008 (4/1/08~9/30/08)	Change (%)	Adjusted Change(%)**
<b>Technology Solutions</b>					
Japan	Y	881.5	996.2	-11.5	-12
Overseas		540.8	528.6	+2.3	-6
Total		1,422.4	1,524.9	-6.7	-10
<b>Operating income (loss):</b>					
Services		32.1	51.2	-37.3	
[Operating income margin]		[2.8%]	[4.3%]		
System Platforms		(9.7)	6.1	-	
[Operating income margin]		[-3.6%]	[1.9%]		
Total operating income		22.3	57.3	-61.1	
[Operating income margin]		[1.6%]	[3.8%]		
<b>Ubiquitous Product Solutions</b>					
Japan		286.8	344.8	-16.8	-17
Overseas		186.8	176.6	+5.8	-30
Total		473.6	521.4	-9.2	-21
<b>Operating income (loss)</b>					
[Operating income margin]		[0.6%]	[1.7%]	-65.5	
<b>Device Solutions</b>					
Japan		150.2	213.8	-29.7	-37
Overseas		105.8	137.1	-22.8	-25
Total		256.1	350.9	-27.0	-32
<b>Operating income (loss)</b>					
[Operating income margin]		[-6.7%]	[-2.1%]	-	
<b>Other Operations</b>					
Japan		125.5	184.8	-32.1	-32
Overseas		54.1	75.8	-28.6	-21
Total		179.6	260.6	-31.1	-29
<b>Operating income (loss)</b>					
[Operating income margin]		[0.4%]	[3.0%]	-91.6	
<b>Elimination and Corporate</b>					
Sales		(145.2)	(204.2)	-	-
Operating income (loss)		(27.1)	(28.2)	-	
<b>Total</b>					
Japan		1,327.4	1,583.0	-16.1	-17
Overseas		859.1	870.7	-1.3	-14
Total		2,186.6	2,453.7	-10.9	-16
<b>Operating income (loss)</b>					
[Operating income margin]	Y	(18.2)	38.5	-	
		[-0.8%]	[1.6%]		

Notes:

\* Net sales include intersegment sales.

\*\* 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. 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 outside Japan for the first half of fiscal 2009 into yen.

## b. Net Sales\* by Principal Products and Services

		Yen (Billions)		Change (%)	Adjusted Change(%)**	
		1H FY 2009	1H FY 2008			
		(4/1/09~9/30/09)	(4/1/08~9/30/08)			
<b>Technology Solutions</b>						
<b>Services:</b>						
	Solutions / SI	Y	517.5	608.8	-15.0	-11
	Infrastructure Services		609.5	573.6	+6.3	-4
	Others		21.4	21.6	-1.3	-1
			1,148.5	1,204.1	-4.6	-8
<b>System Platforms:</b>						
	System Products		135.9	154.0	-11.8	-23
	Network Products		138.0	166.6	-17.2	-12
			273.9	320.7	-14.6	-17
	<b>Total</b>		1,422.4	1,524.9	-6.7	-10
<b>Ubiquitous Product Solutions</b>						
	PCs / Mobile Phones		384.8	358.6	+7.3	-14
	Hard Disk Drives		82.2	152.5	-46.1	-38
	Others		6.6	10.2	-35.2	-35
	<b>Total</b>		473.6	521.4	-9.2	-21
<b>Device Solutions</b>						
	LSI Devices		145.3	222.5	-34.7	-32
	Electronic Components, Others		110.7	128.4	-13.8	-34
	<b>Total</b>	Y	256.1	350.9	-27.0	-32

### Notes:

\* Net sales include intersegment sales.

\*\* 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. 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 outside Japan for the first half of fiscal 2009 into yen.

## c. Net Sales and Operating Income (2)

### FY 2009 First-Half

(Million yen)

	Technology Solutions	Ubiquitous Product Solutions	Device Solutions	Other Operations	Total	Elimination and Corporate	Consolidated
<b>Net sales</b>							
Sales to customers outside Fujitsu Group	1,384,662	433,339	233,765	134,856	2,186,622	-	2,186,622
Intersegment sales	37,783	40,358	22,357	44,768	145,266	(145,266)	-
<b>Total net sales</b>	<b>1,422,445</b>	<b>473,697</b>	<b>256,122</b>	<b>179,624</b>	<b>2,331,888</b>	<b>(145,266)</b>	<b>2,186,622</b>
<b>Operating income (loss)</b>	<b>22,348</b>	<b>3,070</b>	<b>(17,167)</b>	<b>654</b>	<b>8,905</b>	<b>(27,151)</b>	<b>(18,246)</b>

### FY 2008 First-Half

(Million yen)

	Technology Solutions	Ubiquitous Product Solutions	Device Solutions	Other Operations	Total	Elimination and Corporate	Consolidated
<b>Net sales</b>							
Sales to customers outside Fujitsu Group	1,474,035	461,422	325,764	192,561	2,453,782	-	2,453,782
Intersegment sales	50,886	60,026	25,219	68,109	204,240	(204,240)	-
<b>Total net sales</b>	<b>1,524,921</b>	<b>521,448</b>	<b>350,983</b>	<b>260,670</b>	<b>2,658,022</b>	<b>(204,240)</b>	<b>2,453,782</b>
<b>Operating income (loss)</b>	<b>57,378</b>	<b>8,886</b>	<b>(7,313)</b>	<b>7,794</b>	<b>66,745</b>	<b>(28,203)</b>	<b>38,542</b>

#### Notes:

\* Business segments are defined based on the similarity of products and services, sales methods and other factors.

\*\* 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      Car audio and navigation products, electronic equipment for automobile control and mobile communications

## 7. FY2009 First-Half Consolidated Geographic Segment Information

### a. Net Sales and Operating Income

#### FY 2009 First-Half

(Million yen)

	Japan	EMEA	The Americas	APAC & China	Total	Elimination and Corporate	Consolidated
<b>Net sales</b>							
Sales to customers outside Fujitsu Group	1,398,131	466,643	142,860	178,988	2,186,622	-	2,186,622
Intersegment sales	169,756	8,218	10,019	108,902	296,895	(296,895)	-
<b>Total net sales</b>	<b>1,567,887</b>	<b>474,861</b>	<b>152,879</b>	<b>287,890</b>	<b>2,483,517</b>	<b>(296,895)</b>	<b>2,186,622</b>
<b>Operating income (loss)</b>	<b>21,012</b>	<b>(16,759)</b>	<b>(1,061)</b>	<b>7,623</b>	<b>10,815</b>	<b>(29,061)</b>	<b>(18,246)</b>

#### FY 2008 First-Half

(Million yen)

	Japan	EMEA	The Americas	APAC & China	Total	Elimination and Corporate	Consolidated
<b>Net sales</b>							
Sales to customers outside Fujitsu Group	1,692,946	332,754	201,828	226,254	2,453,782	-	2,453,782
Intersegment sales	257,311	5,031	10,412	172,568	445,322	(445,322)	-
<b>Total net sales</b>	<b>1,950,257</b>	<b>337,785</b>	<b>212,240</b>	<b>398,822</b>	<b>2,899,104</b>	<b>(445,322)</b>	<b>2,453,782</b>
<b>Operating income (loss)</b>	<b>62,055</b>	<b>242</b>	<b>1,460</b>	<b>5,120</b>	<b>68,877</b>	<b>(30,335)</b>	<b>38,542</b>

Notes:

\* Geographic segments are defined based on geographical location and interconnectedness of business activities.

\*\* 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, Thailand, Vietnam, Philippines, Singapore, Korea, Taiwan, China

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

#### FY 2009 First-Half

(Million yen)

	EMEA	The Americas	APAC & China	Total
<b>I. Net sales outside Japan</b>	<b>477,238</b>	<b>161,373</b>	<b>220,538</b>	<b>859,149</b>
<b>II. Consolidated net sales</b>				<b>2,186,622</b>
<b>III. Sales outside Japan as a ratio of total sales</b>	<b>21.8</b>	<b>7.4</b>	<b>10.1</b>	<b>39.3</b>

#### FY 2008 First-Half

(Million yen)

	EMEA	The Americas	APAC & China	Total
<b>I. Net sales outside Japan</b>	<b>363,630</b>	<b>232,038</b>	<b>275,048</b>	<b>870,716</b>
<b>II. Consolidated net sales</b>				<b>2,453,782</b>
<b>III. Sales outside Japan as a ratio of total sales</b>	<b>14.8</b>	<b>9.5</b>	<b>11.2</b>	<b>35.5</b>

Notes:

\* Geographic segments are defined based on geographical location and interconnectedness of business activities.

\*\* 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, Thailand, Vietnam, Philippines, Singapore, Korea, Taiwan, China

\*\*\* Net sales outside Japan represent sales of Fujitsu Ltd. and its consolidated subsidiaries and affiliates in regions and countries other than Japan.

## 8. FY2009 First-Half Consolidated Balance Sheets

		Yen (Millions)	
		September 30 2009	March 31 2009
<b>Assets</b>			
<b>Current assets:</b>			
Cash and time deposits	Y	379,834	488,636
Notes and accounts receivable, trade		798,188	847,249
Marketable securities		47,655	48,968
Finished goods		171,831	140,356
Work in process		131,205	95,159
Raw materials		85,172	70,941
Deferred tax assets		77,056	68,840
Others		125,103	135,642
Allowance for doubtful accounts		(14,733)	(8,254)
<b>Total current assets</b>		<b>1,801,311</b>	<b>1,887,537</b>
<b>Non-current assets:</b>			
Property, plant and equipment, net of accumulated depreciation:			
Buildings		268,341	264,842
Machinery		114,947	127,529
Equipment		148,174	152,309
Land		119,729	112,834
Construction in progress		27,993	15,514
Total property, plant and equipment		<b>679,184</b>	<b>673,028</b>
Intangible assets:			
Software		140,014	139,727
Goodwill		106,578	46,508
Others		51,971	25,087
Total intangible assets		<b>298,563</b>	<b>211,322</b>
Other non-current assets:			
Investment securities		172,259	245,602
Deferred tax assets		82,933	72,250
Others		140,535	139,685
Allowance for doubtful accounts		(6,158)	(7,442)
Total other non-current assets		<b>389,569</b>	<b>450,095</b>
<b>Total non-current assets</b>		<b>1,367,316</b>	<b>1,334,445</b>
<b>Total assets</b>	Y	<b>3,168,627</b>	<b>3,221,982</b>

		Yen (Millions)	
		September 30 2009	March 31 2009
<b>Liabilities and net assets</b>			
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payables, trade	Y	568,962	528,707
Short-term borrowings		125,327	124,204
Current portion of long-term debt		106,940	302,679
Lease obligations		34,567	41,432
Accrued income taxes		17,904	19,332
Accrued expenses		330,549	298,969
Provision for product warranties		25,449	14,941
Provision for construction contract losses		9,597	6,105
Others		286,220	214,053
<b>Total current liabilities</b>		<b>1,505,515</b>	<b>1,550,422</b>
<b>Long-term liabilities:</b>			
Bonds payable		280,300	380,800
Long-term borrowings		134,598	75,797
Lease obligations		41,065	47,303
Deferred tax liabilities		24,478	51,506
Revaluation of deferred tax liabilities		575	575
Accrued retirement benefits		207,970	137,222
Provision for loss on repurchase of computers		23,097	25,837
Provision for product warranties		7,080	-
Provision for recycling expenses		5,094	5,726
Others		42,862	21,192
<b>Total long-term liabilities</b>		<b>767,119</b>	<b>745,958</b>
<b>Total liabilities</b>		<b>2,272,634</b>	<b>2,296,380</b>
<b>Net assets</b>			
<b>Shareholders' equity:</b>			
Common stock		324,625	324,625
Capital surplus		235,984	236,612
Retained earnings		264,332	223,797
Treasury stock		(2,094)	(2,133)
<b>Total shareholders' equity</b>		<b>822,847</b>	<b>782,901</b>
<b>Valuation and translation adjustments:</b>			
Unrealized gain and loss on securities, net of taxes		11,587	51,661
Deferred hedge gain and loss		32	2,880
Revaluation surplus on land		2,332	2,332
Foreign currency translation adjustments		(86,859)	(90,833)
<b>Total valuation and translation adjustments</b>		<b>(72,908)</b>	<b>(33,960)</b>
<b>Share warrants</b>		<b>54</b>	<b>26</b>
<b>Minority interests</b>		<b>146,000</b>	<b>176,635</b>
<b>Total net assets</b>		<b>895,993</b>	<b>925,602</b>
<b>Total liabilities and net assets</b>	Y	<b>3,168,627</b>	<b>3,221,982</b>

## 9. FY2009 First-Half Consolidated Statements of Cash Flows

		Yen (Millions)	
		1H FY 2009 (4/1/09~9/30/09)	1H FY 2008 (4/1/08~9/30/08)
<b>1. Cash flows from operating activities:</b>			
Income before income taxes			
and minority interests	Y	35,716	29,862
Depreciation and amortization		121,083	136,290
Impairment loss		-	2,123
Goodwill amortization		11,803	8,671
Increase (decrease) in provisions		(29,992)	(11,442)
Interest and dividend income		(5,353)	(9,099)
Interest charges		8,143	9,711
Equity in earnings of affiliates, net		(1,684)	4,932
Disposal of non-current assets		3,611	3,333
Gain on sales of investment securities, net		(89,573)	(2,907)
(Increase) decrease in receivables, trade		202,877	197,091
(Increase) decrease in inventories		(34,562)	(36,362)
Increase (decrease) in payables, trade		(68,974)	(162,396)
Other, net		(5,217)	(31,652)
<b>Cash generated from operations</b>		<b>147,878</b>	<b>138,155</b>
Interest and dividends received		5,788	14,278
Interest paid		(10,356)	(12,128)
Income taxes paid		(15,180)	(18,176)
<b>Net cash provided by operating activities</b>		<b>128,130</b>	<b>122,129</b>
<b>2. Cash flows from investing activities:</b>			
Purchases of property, plant and equipment		(54,903)	(87,917)
Proceeds from sales of property, plant and equipment		4,345	5,617
Purchases of intangible assets		(26,579)	(30,502)
Purchases of investment securities		(17,782)	(10,934)
Proceeds from sales of investment securities		108,817	12,331
Income from acquisition of subsidiaries' stock resulting from change in scope of consolidation		50,416	-
Other, net		(1,945)	(2,814)
<b>Net cash provided by (used in) investing activities</b>		<b>62,369</b>	<b>(114,219)</b>
<b>1+2 [ Free Cash Flow ]</b>		<b>190,499</b>	<b>7,910</b>
<b>3. Cash flows from financing activities:</b>			
Increase (decrease) in short-term borrowings		(25,116)	67,166
Proceeds from long-term debt		69,702	182
Repayment of long-term debt		(4,383)	(429)
Proceeds from issuance of bonds		6,410	40,703
Repayment of bonds		(302,693)	(81,975)
Proceeds from sales of treasury stock		8	-
Purchase of treasury stock		(22,046)	-
Dividends paid		(7,117)	(13,070)
Other, net		(22,256)	(22,257)
<b>Net cash used in financing activities</b>		<b>(307,491)</b>	<b>(9,680)</b>
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>		<b>2,844</b>	<b>(394)</b>
<b>5. Net decrease in cash and cash equivalents</b>		<b>(114,148)</b>	<b>(2,164)</b>
<b>6. Cash and cash equivalents at beginning of period</b>		<b>528,174</b>	<b>547,844</b>
<b>7. Cash and cash equivalents of newly consolidated subsidiaries</b>		<b>1,876</b>	<b>8,772</b>
<b>8. Cash and cash equivalents at end of period</b>	Y	<b>415,902</b>	<b>554,452</b>

## 10. FY2009 Second-Quarter Consolidated Statements of Operations

	Yen (Millions)	
	2Q FY 2009 (7/1/09~9/30/09)	2Q FY 2008 (7/1/08~9/30/08)
Net sales	Y 1,142,319	1,276,503
Cost of sales	839,322	941,537
Gross profit	302,997	334,966
Selling, general and administrative expenses	284,080	302,236
Operating income	18,917	32,730
Other income:		
Interest income	864	2,398
Dividend income	108	288
Equity in earnings of affiliates, net	402	-
Gain on sales of investment securities	89,562	689
Others	3,377	2,446
Total other income	94,313	5,821
Other expenses:		
Interest expense	4,081	4,946
Equity in losses of affiliates, net	-	1,296
Loss on foreign exchange, net	3,241	4,004
Loss on disposal of property, plant and equipment and intangible assets	835	1,703
Business restructuring expenses	24,116	-
Impairment loss	-	2,123
Others	5,363	5,248
Total other expenses	37,636	19,320
Income before income taxes and minority interests	75,594	19,231
Income taxes:		
Current	6,423	13,631
Deferred	(3,421)	(845)
Total income taxes	3,002	12,786
Minority interests	138	2,156
Net income	Y 72,454	4,289

## 11. FY2009 Second-Quarter Consolidated Business Segment Information

### a. Net Sales\* and Operating Income (1)

		Yen (Billions)		Change (%)	Adjusted Change(%)**
		2Q FY 2009	2Q FY 2008		
		(7/1/09~9/30/09)	(7/1/08~9/30/08)		
<b>Technology Solutions</b>					
Japan	Y	477.0	555.4	-14.1	-14
Overseas		277.1	271.5	+2.0	-6
Total		754.1	827.0	-8.8	-11
Operating income (loss):					
Services		30.2	39.3	-23.1	
[Operating income margin]		[5.0%]	[6.1%]		
System Platforms		7.4	9.8	-24.1	
[Operating income margin]		[4.9%]	[5.5%]		
Total operating income		37.6	49.1	-23.3	
[Operating income margin]		[5.0%]	[5.9%]		
<b>Ubiquitous Product Solutions</b>					
Japan		135.7	158.1	-14.2	-14
Overseas		100.1	91.4	+9.5	-28
Total		235.8	249.5	-5.5	-19
Operating income (loss)		(3.5)	(1.0)	-	
[Operating income margin]		[-1.5%]	[-0.4%]		
<b>Device Solutions</b>					
Japan		80.2	106.3	-24.6	-32
Overseas		56.9	72.2	-21.1	-21
Total		137.2	178.5	-23.2	-28
Operating income (loss)		(1.6)	(2.5)	-	
[Operating income margin]		[-1.2%]	[-1.4%]		
<b>Other Operations</b>					
Japan		65.3	92.6	-29.4	-29
Overseas		29.5	35.8	-17.5	-6
Total		94.9	128.5	-26.1	-23
Operating income (loss)		1.5	2.6	-39.2	
[Operating income margin]		[1.7%]	[2.0%]		
<b>Elimination and Corporate</b>					
Sales		(79.9)	(107.2)	-	-
Operating income		(15.2)	(15.4)	-	
<b>Total</b>					
Japan		694.6	830.2	-16.3	-17
Overseas		447.6	446.2	+0.3	-11
Total		1,142.3	1,276.5	-10.5	-15
Operating income (loss)	Y	18.9	32.7	-42.2	
[Operating income margin]		[1.7%]	[2.6%]		

Notes:

\* Net sales include intersegment sales.

\*\* 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. 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 outside Japan for the first half of fiscal 2009 into yen.

## b. Net Sales\* by Principal Products and Services

		Yen (Billions)		Change (%)	Adjusted Change(%)**
		2Q FY 2009 (7/1/09~9/30/09)	2Q FY 2008 (7/1/08~9/30/08)		
<b>Technology Solutions</b>					
<b>Services:</b>					
Solutions / SI	Y	278.5	336.0	-17.1	-14
Infrastructure Services		310.7	299.3	+3.8	-6
Others		13.5	13.6	-0.4	-0
		602.8	649.0	-7.1	-10
<b>System Platforms:</b>					
System Products		79.0	89.9	-12.1	-23
Network Products		72.2	88.0	-17.9	-12
		151.2	177.9	-15.0	-18
Total		754.1	827.0	-8.8	-11
<b>Ubiquitous Product Solutions</b>					
PCs / Mobile Phones		189.7	165.0	+15.0	-11
Hard Disk Drives		42.7	79.4	-46.2	-37
Others		3.3	5.0	-34.0	-34
Total		235.8	249.5	-5.5	-19
<b>Device Solutions</b>					
LSI Devices		78.7	114.6	-31.3	-28
Electronic Components, Others		58.4	63.9	-8.7	-27
Total	Y	137.2	178.5	-23.2	-28

### Notes:

\* Net sales include intersegment sales.

\*\* 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. 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 outside Japan for the first half of fiscal 2009 into yen.

## c. Net Sales and Operating Income (2)

### FY 2009 Second-Quarter

(Million yen)

	Technology Solutions	Ubiquitous Product Solutions	Device Solutions	Other Operations	Total	Elimination and Corporate	Consolidated
<b>Net sales</b>							
Sales to customers outside Fujitsu Group	733,310	211,965	125,649	71,395	1,142,319	-	1,142,319
Intersegment sales	20,866	23,913	11,561	23,576	79,916	(79,916)	-
<b>Total net sales</b>	<b>754,176</b>	<b>235,878</b>	<b>137,210</b>	<b>94,971</b>	<b>1,222,235</b>	<b>(79,916)</b>	<b>1,142,319</b>
<b>Operating income (loss)</b>	<b>37,697</b>	<b>(3,502)</b>	<b>(1,602)</b>	<b>1,587</b>	<b>34,180</b>	<b>(15,263)</b>	<b>18,917</b>

### FY 2008 Second-Quarter

(Million yen)

	Technology Solutions	Ubiquitous Product Solutions	Device Solutions	Other Operations	Total	Elimination and Corporate	Consolidated
<b>Net sales</b>							
Sales to customers outside Fujitsu Group	800,360	218,172	164,433	93,538	1,276,503	-	1,276,503
Intersegment sales	26,652	31,419	14,153	34,991	107,215	(107,215)	-
<b>Total net sales</b>	<b>827,012</b>	<b>249,591</b>	<b>178,586</b>	<b>128,529</b>	<b>1,383,718</b>	<b>(107,215)</b>	<b>1,276,503</b>
<b>Operating income</b>	<b>49,173</b>	<b>(1,090)</b>	<b>(2,527)</b>	<b>2,610</b>	<b>48,166</b>	<b>(15,436)</b>	<b>32,730</b>

#### Notes:

\* Business segments are defined based on the similarity of products and services, sales methods and other factors.

\*\* 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      Car audio and navigation products, electronic equipment for automobile control and mobile communications

## 12. FY2009 Second-Quarter Consolidated Geographic Segment Information

### a. Net Sales and Operating Income

#### FY 2009 Second-Quarter

(Million yen)

	Japan	EMEA	The Americas	APAC & China	Total	Elimination and Corporate	Consolidated
<b>Net sales</b>							
Sales to customers outside Fujitsu Group	730,403	239,828	75,467	96,621	1,142,319	-	1,142,319
Intersegment sales	94,171	4,912	4,198	54,093	157,374	(157,374)	-
<b>Total net sales</b>	<b>824,574</b>	<b>244,740</b>	<b>79,665</b>	<b>150,714</b>	<b>1,299,693</b>	<b>(157,374)</b>	<b>1,142,319</b>
<b>Operating income</b>	<b>33,372</b>	<b>(4,678)</b>	<b>1,512</b>	<b>4,007</b>	<b>34,213</b>	<b>(15,296)</b>	<b>18,917</b>

#### FY 2008 Second-Quarter

(Million yen)

	Japan	EMEA	The Americas	APAC & China	Total	Elimination and Corporate	Consolidated
<b>Net sales</b>							
Sales to customers outside Fujitsu Group	888,866	168,425	101,087	118,125	1,276,503	-	1,276,503
Intersegment sales	134,807	2,740	5,480	91,403	234,430	(234,430)	-
<b>Total net sales</b>	<b>1,023,673</b>	<b>171,165</b>	<b>106,567</b>	<b>209,528</b>	<b>1,510,933</b>	<b>(234,430)</b>	<b>1,276,503</b>
<b>Operating income</b>	<b>42,113</b>	<b>1,647</b>	<b>500</b>	<b>4,333</b>	<b>48,593</b>	<b>(15,863)</b>	<b>32,730</b>

\* Geographic segments are defined based on geographical location and interconnectedness of business activities.

\*\* 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, Thailand, Vietnam, Philippines, Singapore, Korea, Taiwan, China

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

### FY 2009 Second-Quarter

(Million yen)

	EMEA	The Americas	APAC & China	Total
<b>I. Net sales outside Japan</b>	244,482	84,810	118,329	447,621
<b>II. Consolidated net sales</b>				1,142,319
<b>III. Sales outside Japan as a ratio of total sales</b>	21.4%	7.4%	10.4%	39.2%

### FY 2008 Second-Quarter

(Million yen)

	EMEA	The Americas	APAC & China	Total
<b>I. Net sales outside Japan</b>	184,779	118,215	143,269	446,263
<b>II. Consolidated net sales</b>				1,276,503
<b>III. Sales outside Japan as a ratio of total sales</b>	14.5%	9.3%	11.2%	35.0%

#### Notes:

\* Geographic segments are defined based on geographical location and interconnectedness of business activities.

\*\* 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, Thailand, Vietnam, Philippines, Singapore, Korea, Taiwan, China

\*\*\* Net sales outside Japan represent sales of Fujitsu Ltd. and its consolidated subsidiaries and affiliates in regions and countries other than Japan.

## 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	-

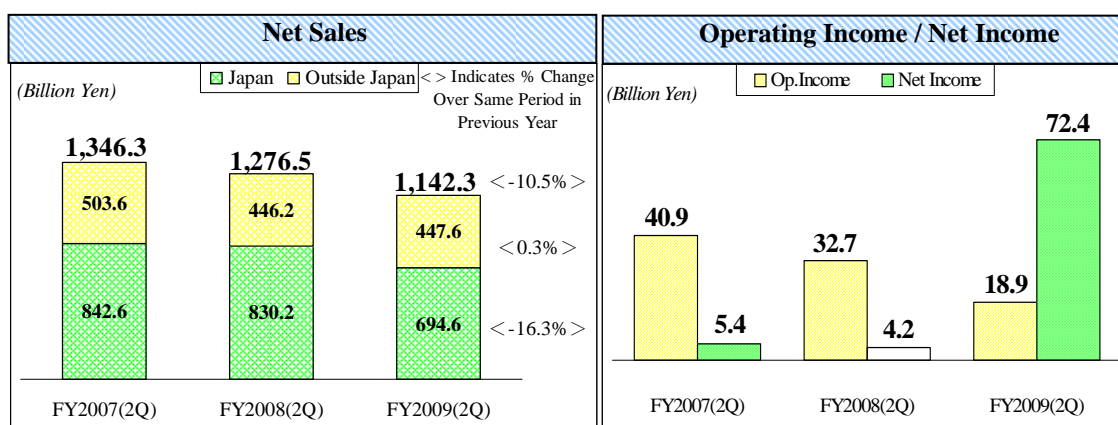
**FY 2009 First-Half Consolidated Financial Results** (Billion Yen)

	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.

## 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=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 second quarter 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 second quarter of fiscal 2009 were 1,142.3 billion yen (US\$12,692 million), a decrease of 10.5% compared to the second quarter of fiscal 2008. Sales declined by 15% 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, as well as the impact of yen appreciation.

Sales in Japan decreased by 16.3%. Sales of system integration services decreased, despite higher sales to public-sector customers, as a result of restrained corporate spending in the financial services, manufacturing and distribution sectors. Although demand for logic LSI devices and electronic components continues to recover, sales of these products were significantly lower compared with the previous year's second quarter, and sales of PCs and server-related products also declined.

Sales outside of Japan were essentially unchanged from the previous year's second quarter. On an adjusted basis, sales decreased by 11%. The decrease was mainly attributable to lower sales of hard disk drives (HDDs), LSI devices, electronic components, and PCs. In addition, the IT services business was impacted by the economic recession, particularly in the US and Europe.

The company posted operating income of 18.9 billion yen (US\$210 million), a deterioration of 13.8 billion yen compared to the second quarter of fiscal 2008. The deterioration in profitability was relatively minor if the impact of special factors is excluded, such as the increase in amortization of goodwill and other assets of approximately 2 billion yen resulting from the conversion of Fujitsu Technology Solutions into a consolidated subsidiary, the impact of yen appreciation of approximately 4 billion yen, and approximately 5 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. Lower costs for parts used in mobile phones and PCs as well as lower depreciation expenses and more efficient R&D operations in the logic LSI device business helped improve profitability, but these factors were outweighed by lower sales, particularly of PCs and IT services to private-sector customers in Europe as a result of economic recession.

There was a significant improvement in performance in the second quarter compared to the first quarter of this fiscal year, in which the company posted an operating loss of 37.1 billion yen, representing a deterioration of 42.9 billion yen from the first quarter of the prior year. The improvement compared to the first quarter stemmed from higher quarter-on-quarter sales of logic LSI devices and other products, in addition to the impact in the first quarter of a one-time charge of approximately 5 billion yen for expensing the fair market value of in-process R&D, resulting from the conversion of Fujitsu Technology Solutions into a consolidated subsidiary.

In other income and expenses, as sales of PCs and servers in Europe had been sluggish in the second quarter of fiscal 2008, the conversion of Fujitsu Technology Solutions to a consolidated subsidiary in the first quarter of this fiscal year resulted in an improvement in equity in earnings of affiliates, and there was also a reduction in losses on the disposal of fixed assets. 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 recorded 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 72.4 billion yen (US\$804 million). 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 quarter.

## Quarterly Breakdown in Operating Income

(Billion Yen)

	FY 2009				FY 2008			
	1Q	2Q	Change	Adjusted change basis	1Q	2Q	3Q	4Q
Consolidated	-37.1	18.9	-13.8	-9.0	5.8	32.7	-25.1	55.4

## Operating Income by Business Segment

Technology Solutions	-15.3	37.6	-11.4	-11.0	8.2	49.1	20.2	111.1
Ubiquitous Product Solutions	6.5	-3.5	-2.4	-3.5	9.9	-1.0	-11.5	3.1
Device Solutions	-15.5	-1.6	0.9	5.5	-4.7	-2.5	-21.1	-43.4

### 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. 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 second quarter of fiscal 2008 to translate the net sales in foreign currencies into yen.

2. The main products and services of each segment are listed below.

(1)Technology Solutions: Primarily system integration services (system construction), consulting, front-end technology (ATMs, POS systems, etc.), outsourcing services (datacenters, IT operation management, software-as-a-service (SaaS), application operation and management, business process outsourcing, etc.), network services (business networks, Internet and mobile content distribution), system support services (security and monitoring services for information systems and networks), security solutions (installation of information systems and networks), servers (mainframes, UNIX servers, mission-critical IA64 servers, and x86 servers), storage systems, software (OS and 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.), and mechanical parts (relays, connectors, etc.).

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	Infrastructure Business	Technology Solutions	Services (Infrastructure Services)
	Server Business		System Platforms (System Products)
	PC Business	Ubiquitous Product Solutions	PC/Mobile Phones
FDK	Electronic Parts Business	Device Solutions	Electronic Components, Others

**FY2009 Second-Quarter Non-operating Gains and Losses**

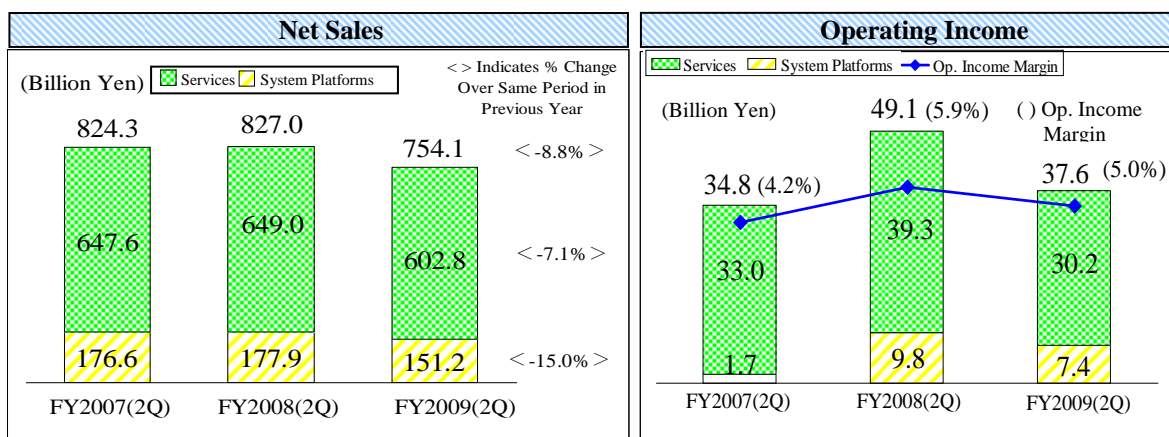
(Billion Yen)

Item		Amount	
Gains	Sales of Investment Securities	89.5	Gain on sales of shares mainly in FANUC Ltd.
Losses	Business Restructuring Expenses	24.1	
	Logic LSI Business	21.1	Expense of reassigning employees of the Aizu-Wakamatsu Plant and Iwate Plant.
	Business Outside Japan (Europe)	3.0	Expenses for streamlining workforces in Germany, Spain and other countries in Europe in accordance with early implementation of restructuring of Fujitsu Technology Solutions and Fujitsu Services.

### 3. Results by Business Segment

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

#### Technology Solutions



Consolidated net sales in the Technology Solutions segment were 754.1 billion yen (US\$8,379 million), down 8.8% from the second quarter of fiscal 2008. Sales in Japan declined by 14.1%. Lower corporate IT investment in the financial services, manufacturing and distribution sectors was a primary factor, while demand also declined for large-scale next-generation networking systems as the investment cycle has passed its peak. Sales outside Japan rose by 2.0%. Excluding the impact of exchange rate fluctuations and business restructuring, however, sales declined by 6%. This decline was mainly the result of lower sales of IT services to private-sector customers in Europe and the US due to economic recession, along with a decline in sales of UNIX servers and other products in the US.

The segment posted operating income of 37.6 billion yen (US\$418 million), representing a deterioration of 11.4 billion yen compared to the previous year's second quarter. Even after excluding special factors, such as an increase of approximately 2 billion yen in amortization of goodwill and other assets, and an increase of approximately 3.5 billion yen in retirement benefit expenses in Japan, there was a decline in operating income. Lower sales in Japan, particularly to the financial services, manufacturing and distribution sectors, and a decline in sales of IT services to the private sector in Europe amid a stagnant economy were among the main factors behind the decline in profitability.

## (1) Services

(Billion Yen)

	Second Quarter FY 2009	Change vs. 2Q FY 2008		First Half FY2009	Change vs. 1H FY 2008	
		Change	Adjusted change		Change	Adjusted change
Net Sales	602.8	-7.1%	-10%	1,148.5	-4.6%	-8%
Japan	374.7	-12.5%	-12%	700.9	-9.1%	-9%
Outside Japan	228.1	3.2%	-4%	447.5	3.4%	-5%
	Second Quarter FY 2009	Change vs. 2Q FY 2008		First Half FY2009	Change vs. 1H FY 2008	
			Adjusted change			Adjusted change
Operating Income	30.2	-9.0	-12.0	32.1	-19.1	-19.0

Net sales in the Services sub-segment were 602.8 billion yen (US\$6,698 million), down 7.1% from the same period a year earlier. In Japan, sales declined by 12.5%. Sales of outsourcing services continued to be strong, but despite higher demand from public-sector customers, sales of solution and system integration services decreased, as corporate spending constraints led to lower sales in the financial services, manufacturing and distribution sectors. Sales outside Japan rose by 3.2%, but on an adjusted basis they decreased by 4%. This decline was mainly the result of lower sales of IT services to private-sector customers in Europe and the US due to the economic recession.

Operating income for the Services sub-segment was 30.2 billion yen (US\$336 million), a decrease of 9.0 billion yen compared to the same period in fiscal 2008. Despite strong outsourcing services sales in Japan, profit decreased as a result of an increase of approximately 1.5 billion yen in amortization of goodwill and other assets and an increase of approximately 2.5 billion yen in retirement benefit expenses in Japan. The lower income was also a result of a decrease in private-sector services sales in Europe and solutions and system integration sales in Japan.

## (2) System Platforms

(Billion Yen)

	Second Quarter FY 2009	Change vs. 2Q FY 2008		First Half FY2009	Change vs. 1H FY 2008	
		Change	Adjusted change		Change	Adjusted change
Net Sales	151.2	-15.0%	-18%	273.9	-14.6%	-17%
Japan	102.3	-19.7%	-20%	180.6	-19.6%	-20%
Outside Japan	48.9	-3.2%	-13%	93.3	-2.8%	-11%
	Second Quarter FY 2009	Change vs. 2Q FY 2008		First Half FY2009	Change vs. 1H FY 2008	
			Adjusted change			Adjusted change
Operating Income	7.4	-2.3	1.0	-9.7	-15.9	-7.0

Net sales in the System Platforms sub-segment were 151.2 billion yen (US\$1,680 million), a decrease of 15.0% from the second quarter of fiscal 2008. In Japan, sales declined 19.7%. Sales of large-scale next-generation network systems declined as the investment cycle has

passed its peak, while sales UNIX servers and other products fell due to corporate spending constraints and price reductions. Sales outside Japan decreased by 3.2%, and on an adjusted basis, sales declined by 13%. As a result of economic recession and other factors, US sales of UNIX servers, in particular, declined.

The sub-segment posted operating income of 7.4 billion yen (US\$82 million), a deterioration of 2.3 billion yen compared to the second quarter of fiscal 2008. Excluding losses primarily in x86 servers resulting from the consolidation of the results of Fujitsu Technology Solutions, operating income increased on an adjusted basis by 1.0 billion yen. This increase in profitability was a result of lower overhead costs associated with transferring manufacturing operations for optical transmission systems from the UK to the US in the second half of last year, and cost savings in other businesses.

With the conversion of Fujitsu Technology Solutions into a consolidated subsidiary in April, Fujitsu has moved to eliminate redundancies in each region of its European operations and improve efficiency to succeed in an increasingly competitive global environment. Accordingly, it was decided that the business of Fujitsu Technology Solutions in the UK and Ireland as well as in the Nordic region would be transferred to Fujitsu Services, while the business of Fujitsu Services in continental Europe would be transferred to Fujitsu Technology Solutions, and this reorganization was largely completed in the second quarter.

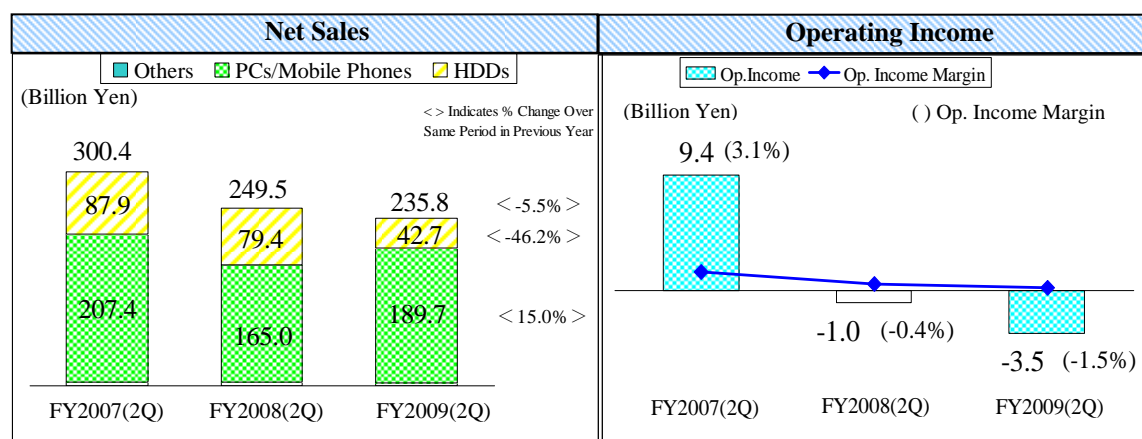
Fujitsu began restructuring its operations in Germany and Spain in an early implementation of the aforementioned business transfers, incurring a 3.0 billion yen restructuring charge in this quarter. In addition, in the UK, the Fujitsu Group disclosed a plan to reduce its headcount by a maximum of 1,200 employees and began negotiations with employee representatives.

Starting from the second half of this fiscal year, Fujitsu will optimize its resources in each region of Europe by establishing a structure consisting of three regions—the UK and Ireland, the Nordics, and the European Continent—to enable greater business efficiency, accelerated responsiveness, and increased competitiveness.

The organizational structure of the solutions and system integration business in Japan is also being reformed. The company's front-end technology business, including ATMs and POS systems, has been consolidated at Fujitsu Frontech, thereby integrating product development and sales. In addition, the systems engineering function for customers primarily in the manufacturing sector is being organized along vertical industry lines. Moreover, in August, Fujitsu Business Systems Ltd. was converted into a wholly owned subsidiary. Fujitsu is currently planning an optimal division of responsibilities to strengthen its solutions business for medium-sized businesses.

In outsourcing services, Fujitsu will open a new wing at its Tatebayashi Systems Center that uses highly integrated “green IT” systems to provide leading-edge datacenter services based on early adoption of next-generation IT infrastructure technologies.

## Ubiquitous Product Solutions



Net sales in the Ubiquitous Product Solutions segment were 235.8 billion yen (US\$2,620 million), a decrease of 5.5% compared to the same period in fiscal 2008. On an adjusted basis, excluding the impact of exchange rate fluctuations and business restructuring associated with Fujitsu Technology Solutions becoming a consolidated subsidiary, sales declined by 19%. Sales in Japan declined by 14.2%. Sales of mobile phones increased, but sales of PCs decreased due to corporate spending cutbacks and fierce price competition in the consumer market. Ubiquitous product sales outside Japan rose by 9.5%. On an adjusted basis, sales declined 28%. HDD sales were severely impacted by the economic recession, and PC sales also slumped, weighed down by corporate spending cutbacks and price competition.

(Billion Yen)

	Second Quarter FY 2009	Change vs. 2Q FY 2008		First Half FY2009	Change vs. 1H FY 2008	
		Change	Adjusted change		Change	Adjusted change
Net Sales	235.8	-5.5%	-19%	473.6	-9.2%	-21%
Japan	135.7	-14.2%	-14%	286.8	-16.8%	-17%
Outside Japan	100.1	9.5%	-28%	186.8	5.8%	-30%

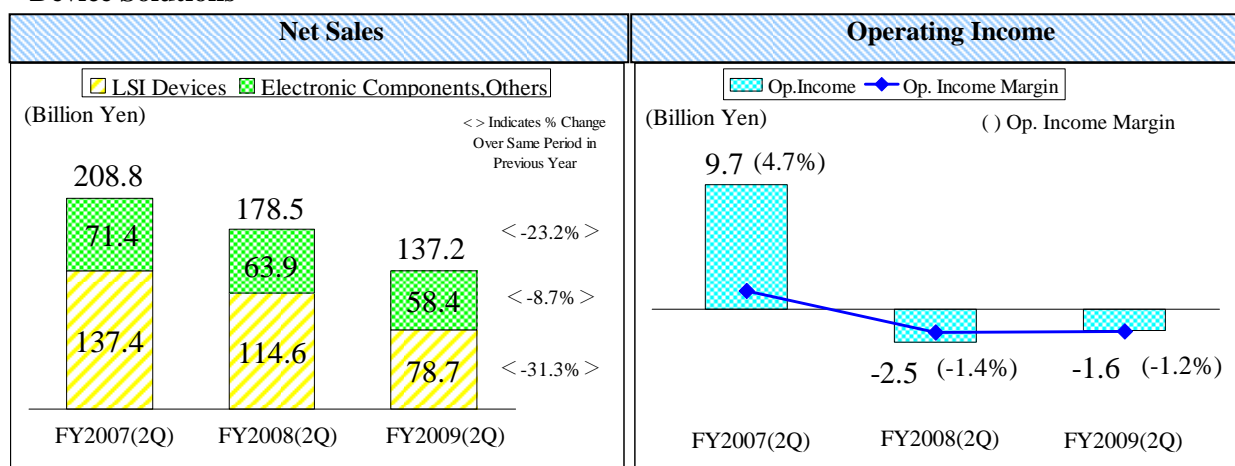
	Second Quarter FY 2009	Change vs. 2Q FY 2008		First Half FY2009	Change vs. 1H FY 2008	
			Adjusted change			Adjusted change
Operating Income	-3.5	-2.4	-3.5	3.0	-5.8	-9.5

The segment posted an operating loss of 3.5 billion yen (US\$39 million), a deterioration from the first quarter's operating income of 6.5 billion yen and a deterioration of 2.4 billion yen compared to the same period in fiscal 2008. Although product design and procurement costs declined and sales of mobile phones increased, profitability deteriorated as a result of lower sales of PCs and HDDs. The losses in the HDD business narrowed compared to the first quarter of fiscal 2009 due to a modest market recovery.

In April, Fujitsu finalized agreements to sell its HDD media business to Showa Denko KK and its HDD drive business to Toshiba Corporation. The transfer of the HDD media business was completed on July 1. While the transfer of the HDD drive business was postponed due to delays in a review by antitrust authorities in one country, it was completed on October 1.

Fujitsu originally had forecast an operating loss for the HDD business of approximately 10.0 billion yen for the first three months of the fiscal year, assuming that the HDD business transfer would take place on July 1. The impact of the delay of the transfer by three months was offset by lower fixed costs and gradual market recovery, resulting in a cumulative loss at the time of the transfer that was essentially the same as the originally projected loss.

## Device Solutions



(Billion Yen)						
	Second Quarter FY 2009	Change vs. 2Q FY 2008		First Half FY2009	Change vs. 1H FY 2008	
		Change	Adjusted change		Change	Adjusted change
Net Sales	137.2	-23.2%	-28%	256.1	-27.0%	-32%
Japan	80.2	-24.6%	-32%	150.2	-29.7%	-37%
Outside Japan	56.9	-21.1%	-21%	105.8	-22.8%	-25%
	Second Quarter FY 2009	Change vs. 2Q FY 2008		First Half FY2009	Change vs. 1H FY 2008	
			Adjusted change			Adjusted change
Operating Income	-1.6	0.9	5.5	-17.1	-9.8	-3.0

Net sales in the Device Solutions segment were 137.2 billion yen (US\$1,524 million), a decrease of 23.2% compared to the second quarter of fiscal 2008. Sales in Japan declined by 24.6%. In logic LSI devices, the wide-scale inventory adjustments have run their course, and demand from digital consumer product manufacturers is now on a recovery trend, with sales increasing since the first quarter of this fiscal year. Still, logic LSI sales significantly declined compared to the second quarter of fiscal 2008, and sales of Flash memory also sharply declined. Sales of electronic components, for which market conditions are also recovering, decreased compared to the second quarter of fiscal 2008. Sales outside Japan fell by 21.1% on lower sales of Flash memory and electronic components.

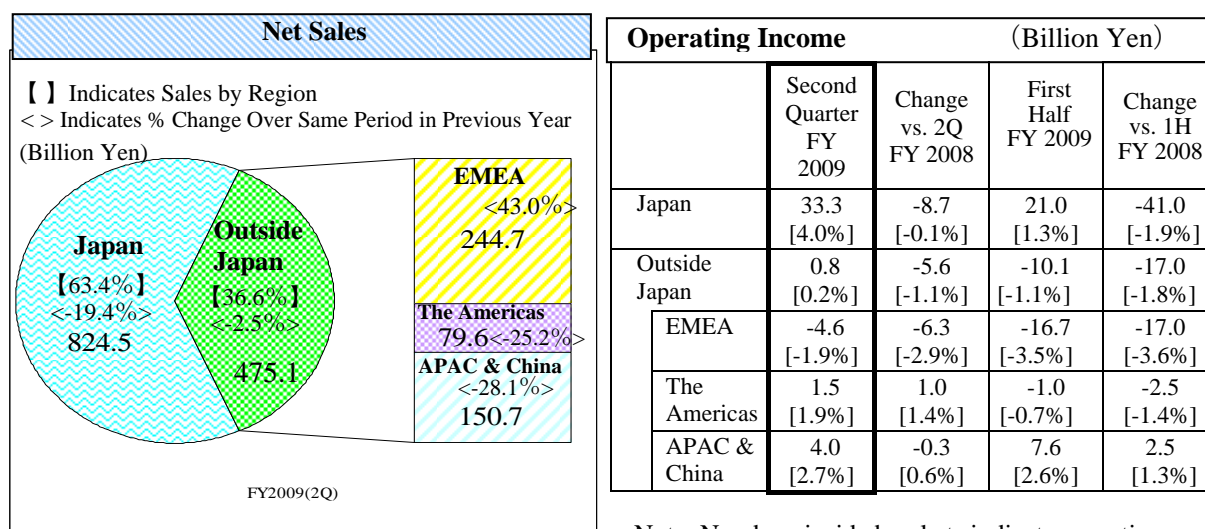
The Device Solutions segment recorded an operating loss of 1.6 billion yen (US\$18 million), an improvement of 0.9 billion yen compared	Quarterly Trends					(Billion Yen)	
		FY2008				FY2009	
		1Q	2Q	3Q	4Q	1Q	2Q
	Net Sales	172.3	178.5	139.4	97.1	118.9	137.2
	Operating Income	-4.7	-2.5	-21.1	-43.4	-15.5	-1.6

with the same period in fiscal 2008. Excluding the impact of currency fluctuations and other factors, on an adjusted basis the improvement was 5.5 billion yen. Despite a decline in sales of logic LSI devices, performance improved because of lower depreciation expenses and more efficient R&D operations. Performance in the second quarter also represented a significant improvement over the first quarter, when the segment posted an operating loss of 15.5 billion yen. In addition to an improvement in the capacity utilization rate of the logic LSI device production lines, performance in electronic components improved as a result of a recovery in demand, returning the electronic components business to profitability.

As part of the restructuring initiatives in its LSI device business, the Fujitsu Group is bringing production resources in line with demand and pursuing greater efficiencies in its administrative operations. Since September, the Group has started to consolidate certain production facilities. As a result of these initiatives, the company recorded a one-time charge of 21.1 billion yen for restructuring expenses, including the cost of reassigning approximately 2,000 employees to other Group operations.

The Fujitsu Group is aiming to shift its LSI device business to a Fab-lite model. Accordingly, while implementing reforms to its business operations, it is accelerating its partnership with Taiwan Semiconductor Manufacturing Company, focusing its research investment on the four areas of mobile/ecological, automotive, advanced imaging, and high-performance industrial products, and offering more application-oriented products.

## 4. Results by Geographic Segment



Note: Numbers inside brackets indicate operating income margin.

In Japan, net sales were 824.5 billion yen (US\$9,161 million), a decrease of 19.4% compared to the same quarter in the prior fiscal year. Sales of solutions and system integration services to customers in the financial services, and manufacturing and distribution sectors decreased as a result of corporate spending cutbacks. In addition, sales of PCs, HDDs, and LSI devices declined. Operating income in Japan was 33.3 billion yen (US\$370 million), a decrease of 8.7 billion yen compared with the same period in fiscal 2008. Despite the effect of lower depreciation expenses and more efficient R&D operations in the logic LSI device business, profitability worsened due to lower solutions and system integration sales and 5.0 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.

Net sales outside Japan were 475.1 billion yen (US\$5,279 million), a 2.5% decrease from the previous fiscal year. Excluding the impact of currency fluctuations and the conversion of Fujitsu Technology Solutions and FDK into consolidated subsidiaries, sales decreased by 17%. Operating income outside Japan was 0.8 billion yen (US\$9 million), representing a return to profitability and significant improvement over the first quarter's operating loss of 11.0 billion yen. Operating income decreased by 5.6 billion yen from the same period in fiscal 2008, mostly due to lower income in EMEA.

Net sales in EMEA were 244.7 billion yen (US\$2,719 million), an increase of 43.0% from the same period of the previous fiscal year. Excluding the impact of currency fluctuations and the conversion of Fujitsu Technology Solutions into a consolidated subsidiary, sales decreased by 8%. Sales of HDDs declined, as did sales of IT services, particularly to private-sector customers amid the economic recession. EMEA recorded an operating loss of 4.6 billion yen (US\$51 million), a deterioration of 6.3 billion yen from the same period in fiscal 2008. The loss was the result of an increase in the amortization of goodwill and other assets of approximately 2 billion yen accompanying the conversion of Fujitsu Technology Solutions into a consolidated subsidiary, along with the decline in IT services sales. Losses narrowed in the second quarter compared to the operating loss of 12.0 billion yen recorded in the first quarter of fiscal 2009, in which there was a one-time charge for expensing the fair market value of in-process R&D associated with making Fujitsu Technology Solutions a consolidated subsidiary.

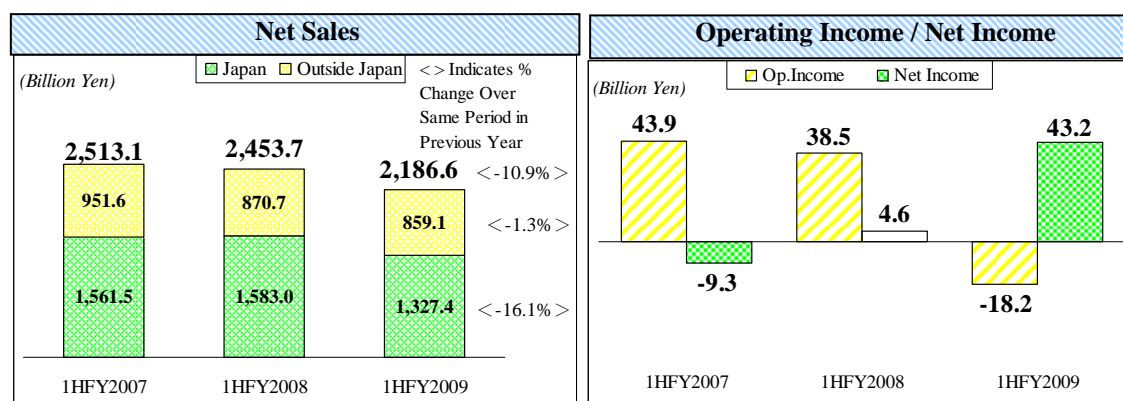
Net sales in the Americas were 79.6 billion yen (US\$884 million), a 25.2% decrease from the same period in the prior fiscal year. Sales of HDDs and server-related products declined, as did sales of IT services due to deteriorated economic conditions. Operating income for the region was 1.5 billion yen (US\$17 million), an increase of 1.0 billion yen from the same period in fiscal 2008, mostly the result of improved efficiency in the optical transmission systems business. This was a significant improvement over the first quarter's operating loss of 2.5 billion yen.

In APAC and China, net sales were 150.7 billion yen (US\$1,674 million), a 28.1% decrease from the same period in the prior fiscal year. Sales in the HDD and other businesses declined. Operating income was 4.0 billion yen (US\$44 million), roughly unchanged from last year's second quarter. Although the company expanded its IT services business through acquisitions in Oceania, profitability was adversely impacted by lower sales of HDDs.

## 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.

## 6. Financial Condition

### [Assets, Liabilities and Net Assets]

(Billion Yen)

	Second Quarter FY 2009 (at September 30, 2009)	Full Year FY 2008 (at March 31, 2009)	Change	Second Quarter FY 2008 (at September 30, 2008)
Current assets	1,801.3	1,887.5	-86.2	2,031.2
(Cash and deposits)	379.8	488.6	-108.8	316.9
(Notes and accounts receivable, trade)	798.1	847.2	-49.0	844.2
(Inventories)	388.2	306.4	81.7	422.5
Non-current assets	1,367.3	1,334.4	32.8	1,548.8
(Property, plant and equipment)	679.1	673.0	6.1	798.2
(Intangible assets)	298.5	211.3	87.2	222.1
(Investment securities and other non-current assets)	389.5	450.0	-60.5	528.4
Total Assets	3,168.6	3,221.9	-53.3	3,580.1
Current liabilities	1,505.5	1,550.4	-44.9	1,715.8
(Notes and accounts payable, trade)	568.9	528.7	40.2	622.8
(Short-term borrowings and current portion of long-term debt)	232.2	426.8	-194.6	484.8
Long-term liabilities	767.1	745.9	21.1	759.3
(Long-term debt)	414.8	456.5	-41.6	425.6
Total Liabilities	2,272.6	2,296.3	-23.7	2,475.2
Shareholders' equity	822.8	782.9	39.9	910.3
Valuation and translation adjustments	-72.9	-33.9	-38.9	8.7
Minority interests	146.0	176.6	-30.6	185.7
Total Net Assets	895.9	925.6	-29.6	1,104.9
Total Liabilities and Net Assets	3,168.6	3,221.9	-53.3	3,580.1
Cash and cash equivalents at end of period	415.9	528.1	-112.2	554.4
Ending balance of interest-bearing loans	647.1	883.4	-236.3	910.5
Ending balance of net interest-bearing loans	231.2	355.3	-124.0	356.0
Owners' equity	749.9	748.9	0.9	919.0

### [Cash Flows]

(Billion Yen)

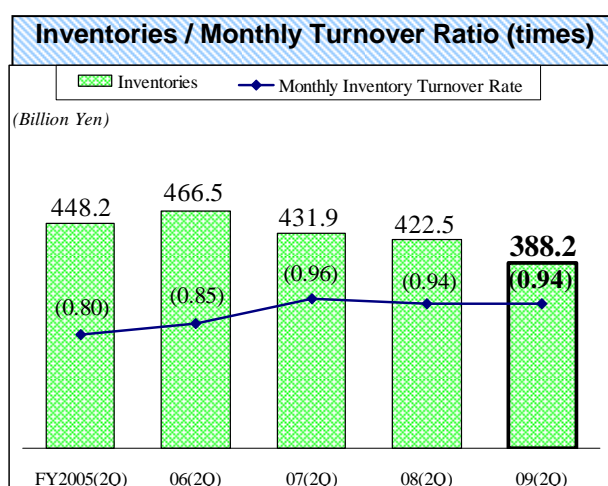
	First Half FY 2009 (4/1/09~9/30/09)	First Half FY 2008 (4/1/08~9/30/08)	Change
I. Cash Flows from Operating Activities:			
Income before income taxes and minority interests	35.7	29.8	5.8
Depreciation and amortization, including goodwill amortization	132.8	144.9	-12.0
Impairment loss	-	2.1	-2.1
(Gain) loss on sale of investment securities	-89.5	-2.9	-86.6
(Increase) decrease in receivables, trade	202.8	197.0	5.7
(Increase) decrease in inventories	-34.5	-36.3	1.8
Increase (decrease) in payables, trade	-68.9	-162.3	93.4
Other, net	-50.2	-50.2	0.0
Net Cash Provided by Operating Activities	128.1	122.1	6.0
II. Cash Flows from Investing Activities			
Purchases of property, plant and equipment	-54.9	-87.9	33.0
Proceeds from sales of investment securities	108.8	12.3	96.4
Income from acquisition of subsidiaries' stock resulting from change in scope of consolidation	50.4	-	50.4
Other, net	-41.9	-38.6	-3.3
Net Cash Provided by/Used in Investing Activities	62.3	-114.2	176.5
I + II Free Cash Flow	190.4	7.9	182.5
III. Cash Flows from Financing Activities			
Net increase in borrowings (decrease)	40.2	66.9	-26.7
Bond issue and redemption	-296.2	-41.2	-255.0
Acquisition of own shares	-22.0	-	-22.0
Other, net	-29.3	-35.3	5.9
Net Cash Used in Financing Activities	-307.4	-9.6	-297.8
IV. Cash and Cash Equivalents at End of Period	415.9	554.4	-138.5

## Explanation of Assets, Liabilities and Net Assets

Total assets at the end of the second quarter were 3,168.6 billion yen (US\$35,207 million), a decrease of 53.3 billion yen compared with the end of fiscal 2008. Although total assets temporarily increased as a result of converting Fujitsu Technology Solutions to a consolidated subsidiary, the reduction in total assets primarily resulted from the repayment of interest-bearing debt, accounts payable, and other debts, and allocation of cash reserves and collections of accounts receivable to payments associated with the consolidation of Fujitsu Business Systems.

Current assets were 1,801.3 billion yen, a decrease of 86.2 billion yen compared to the end of fiscal 2008, reflecting the use of cash, deposits, and collections of accounts receivable for the redemption of convertible bonds and straight bonds that matured in 2009. Inventories at the end of the quarter stood at 388.2 billion yen, an increase of 81.7 billion yen from the end balance for fiscal 2008 due to the conversion of Fujitsu Technology Solutions into a consolidated subsidiary, but the balance of inventories was lower by 34.3 billion yen in comparison with the ending balance for the second quarter of fiscal 2008. The monthly inventory turnover rate, which is an indication of asset utilization efficiency, was 0.94 times, a level roughly unchanged from the same period in the previous fiscal year, reflecting, in part, the impact of lower sales. Non-current assets were 1,367.3 billion yen, an increase of 32.8 billion yen from the end of the preceding fiscal year. Although investment securities decreased by 60.5 billion yen as the company sold its entire holdings in FANUC Ltd. shares in accordance with FANUC's solicitation to repurchase its own shares, intangible assets increased by 87.2 billion yen from the end of fiscal 2008, primarily as a result of the goodwill recognized from the acquisition of Fujitsu Technology Solutions.

Total liabilities were 2,272.6 billion yen (US\$25,251 million), a decrease of 23.7 billion yen from the end of fiscal 2008. Despite increases in accounts payable and accrued retirement benefits from the conversion of Fujitsu Technology Solutions to a consolidated subsidiary, total liabilities decreased as a result of a reduction in interest-bearing debt by 236.3 billion yen, leaving the balance of interest-bearing debt at 647.1 billion yen. Though a portion of the funds used for acquisitions were financed through short-term borrowings, debt declined due to bond redemptions of 300.0 billion yen. This is the first time that the balance of interest-bearing debt has been below 600.0 billion yen since the end of fiscal 1988, prior to the acquisition of Fujitsu Services. The debt/equity ratio was 0.86 times, resulting from the redemption of 250.0 billion yen of convertible bonds. Subtracting cash and cash equivalents, net interest-bearing debt was 231.2 billion yen, and the net D/E ratio was 0.31 times.



Note: The monthly turnover rate is calculated by taking first-half sales, dividing by the average balance of inventories in the first half, and then dividing by 6. The average balance of inventories in the first half is calculated using the average of the balances at the end of first quarter and second quarter.

### 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 first quarter

Net assets were 895.9 billion yen (US\$9,954 million), a decrease of 29.6 billion yen from the end of fiscal 2008. This resulted from the 30.6 billion yen reduction in minority interests associated with the consolidation of Fujitsu Business Systems through an exchange of shares. Shareholders' equity increased by 39.9 billion yen from the end of last fiscal year due to the net income recorded in the quarter and other factors. Valuation and translation adjustments declined by 38.9 billion yen on the realization of unrealized gains on the sale of investment securities, including the sale of FANUC Ltd. shares. As a result, owners' equity was essentially unchanged from the end of last fiscal year at 749.9 billion yen and the owners' equity ratio was 23.7%, an increase of 0.5 percentage points as a result of the decrease in total assets.

## Summary of Cash Flows

Net cash flows provided by operating activities during the first half of fiscal 2009 were 128.1 billion yen (US\$1,423 million). In comparison with the first half of fiscal 2008, there was a deterioration of 80.8 billion yen in income before income taxes and minority interests after deducting gains on the sale of investment securities. However, there was an offsetting improvement in working capital as a result of a reduction in trade payables and other factors, making it roughly even with the same period in the prior fiscal year.

Net cash flows provided by investing activities were 62.3 billion yen (US\$692 million), representing a decrease in cash outflows of 176.5 billion yen compared with the same period in fiscal 2008. There were outflows of 54.9 billion yen for the acquisition of tangible fixed assets, including equipment investment for expanding datacenter services. The sale of investment securities in the first half of fiscal 2009 totaled 108.8 billion yen as a result of the sale of shares in FANUC Ltd. in accordance with FANUC's solicitation to repurchase its shares. 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 cash inflow of 7.5 billion yen as a result of the conversion of FDK Corporation into a consolidated subsidiary by means of a private placement.

Free cash flow, the sum of operating and investing cash flows, was 190.4 billion yen (US\$2,116 million), an increase of 182.5 billion yen compared with the same period in the previous fiscal year.

Though a portion of the funds used for acquisitions was financed through short-term borrowings, there were outflows of 300.0 billion yen for bond redemptions, 7.1 billion yen for dividends, and 22.0 billion yen for the acquisition of Fujitsu's own shares for use in an exchange of shares. Net cash used in financing activities was 307.4 billion yen (US\$3,416 million), an increase in cash outflows of 297.8 billion yen compared to the same period in the previous fiscal year.

As a result of the above factors, cash and cash equivalents at the end of the first half were 415.9 billion yen (US\$4,621 million), a decrease of 112.2 billion yen compared to the end of the previous fiscal year.

## Reference: Major Financial Indices

	September 30, 2009	March 31, 2009	Change	September 30, 2008
D/E Ratio	0.86	1.18	-0.32	0.99
Net D/E Ratio	0.31	0.47	-0.16	0.39
Shareholders' Equity Ratio	26.0%	24.3%	1.7%	25.4%
Owners' Equity Ratio	23.7%	23.2%	0.5%	25.7%

D/E ratio is ending balance of interest-bearing loans/owners' equity.

Net D/E ratio equals (ending balance of interest-bearing loans - cash and cash equivalents at end of period)/owners' equity.

## 7. FY2009 Full-Year Consolidated Earnings Projections

For the first half of fiscal 2009, net sales fell short of the projections the company announced on August 21, 2009. Operating income, however, exceeded our projections by 16.7 billion yen, primarily as a result of better-than-anticipated performance in mobile phones, logic LSI devices, and car audio and navigation products, as well as company-wide progress in improving business efficiency. In our Technology Solutions segment, performance in the services business fell slightly below projections, as the recession caused some customers to postpone spending decisions, but the network products business essentially performed in line with projections due to progress in generating cost efficiencies.

As a result of economic stimulus measures implemented by countries around the world, the global economy is showing some signs of recovering, but consumer spending as well as corporate capital expenditures remain weak. Consequently, economic conditions are expected to remain weak for a prolonged period of time. With respect to IT spending, although government spending is expected to continue to provide underlying support and the use of datacenter services continues to expand, there is concern that factors such as yen appreciation and intensified price competition will continue to adversely impact corporate performance, causing further declines in corporate capital expenditures, particularly in the financial services, manufacturing, and distribution sectors. Competition in the PC market is intensifying as demand declines, mainly in the corporate market, and purchasing trends shift toward lower-priced models. In addition, the market outlook for logic LSI devices is uncertain. Despite signs of recovering demand among digital home electronics manufacturers and other areas of the market, there is concern that there could be another round of production adjustments.

In light of this operating environment, Fujitsu has revised its full-year earnings projections for fiscal 2009 as follows.

Consolidated net sales are projected at 4,800 billion yen, representing a downward revision of 20 billion yen from the previous projection. Weak economic conditions, particularly in Europe, are expected to adversely impact sales of PCs and infrastructure services in the second half of the year, outweighing increased sales of mobile phones and a temporary increase in HDD sales due to the delay in business transfer. Operating income is projected at 90 billion yen, which is unchanged from the previous projection. The projection for operating income in the Device Solutions segment is revised downward by 5 billion yen as a result of a change in exchange rate expectations for the second half of this fiscal year. But this amount is expected to be offset by 5 billion yen in improvements in the account for elimination and corporate as a result of progress in generating company-wide cost efficiencies. No change has been made to the previous projection for the Technology Solutions segment. Although the operating environment remains difficult, with continued downward pressure on pricing and customers reassessing IT spending plans as a result of the economic recession, the company will strive to meet its full-year projections by generating improved profitability through extensive business efficiency measures and cost reductions, along with structural business reforms. No changes have been made to the previous projection for consolidated net income.

For fiscal 2009, approximately 40 billion yen in restructuring expenses is expected. In addition to the approximately 20 billion yen in expenses posted in the second quarter associated with the restructuring of the logic LSI device manufacturing operations, including the expenses associated with reassigning administrative and other employees, approximately 20 billion yen is expected to be incurred for the cost of restructuring business operations in Europe to remain competitive in this difficult global market environment.

# Full-Year Consolidated Financial Projections

(Billion Yen)

	Fiscal 2008 Full-Year Results	Fiscal 2009 Full-Year Forecast	Change vs. 8/21/09 Forecast	Change	
					Change (%)
Net Sales	4,692.9	4,800.0	-20.0	107.0	2.3
Operating Income	68.7	90.0	-	21.2	30.9
Net Income	-112.3	95.0	-	207.3	-

## Full-Year Consolidated Operating Income Projections by Major Business Segment

Technology Solutions	188.7	175.0	-	-13.7	-7.3
Services	163.3	165.0	-	1.6	1.0
System Platforms	25.3	10.0	-	-15.3	-60.6
Ubiquitous Product Solutions	0.5	5.0	-	4.4	796.1
Device Solutions	-71.9	-10.0	-5.0	61.9	-
Other	4.1	-10.0	-	-14.1	-
Elimination and Corporate	-52.6	-70.0	5.0	-17.3	-

## 8. Notes to Consolidated Financial Statements

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

One company newly added: Fujitsu Technology Solutions (Holding) B.V.

Fujitsu Technology Solutions (Holding) B.V. (previously Fujitsu Siemens Computers (Holding) B.V.) became a consolidated subsidiary on April 1, 2009 upon the acquisition of all 50% of the shares in the company owned by Siemens AG of Germany. Until the current fiscal year, the company had been an equity-method affiliate.

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

There are none.

(3) Precautions on Usage of Earnings Projections

These materials may contain forward-looking statements that are based on management's current information, views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors listed below.

For information regarding the assumptions used to prepare these projections, please refer to "FY2009 Full-Year Consolidated Earnings Projections" on page 37.

- Economic trends in key markets (particularly in Japan, North America, Europe and Asia, including China)
- Rapid changes in the high-technology industry (particularly semiconductors, PCs, etc.)
- Fluctuations in exchange rates or interest rates
- Fluctuations in capital markets
- Intensifying price competition
- Changes in market positioning due to competition in R&D
- Changes in the environment for the procurement of parts and components
- Changes in competitive environment relating to collaborations, alliances and technical assistance
- Potential emergence of unprofitable projects
- Changes in accounting policies

## Part III: Supplementary Information

### 1. Forecast for FY 2009 Consolidated Business Segment Information

#### a. Net Sales\* and Operating Income

		Yen (Billions)			Yen (Billions)	
		FY 2009 (Forecast)			FY 2008	Change vs.
		Previous**	Current***	Change	(Actual)	FY2008(%)
Technology Solutions						
Japan	Y	2,040.0	2,040.0	-	2,126.7	-4.1
Overseas		1,220.0	1,200.0	-20.0	950.3	+26.3
Total		3,260.0	3,240.0	-20.0	3,077.0	+5.3
Operating income (loss):						
Services		165.0	165.0	-	163.3	+1.0
[Operating income margin]		[6.3%]	[6.4%]	[+0.1%]	[6.7%]	
System Platforms		10.0	10.0	-	25.3	-60.6
[Operating income margin]		[1.5%]	[1.5%]	-	[3.9%]	
Total operating income		175.0	175.0	-	188.7	-7.3
[Operating income margin]		[5.4%]	[5.4%]	-	[6.1%]	
Ubiquitous Product Solutions						
Japan		600.0	615.0	+15.0	658.7	-6.6
Overseas		340.0	325.0	-15.0	290.3	+11.9
Total		940.0	940.0	-	949.1	-1.0
Operating income (loss)						
[Operating income margin]		5.0	5.0	-	0.5	+796.1
		[0.5%]	[0.5%]	-	[0.1%]	
Device Solutions						
Japan		310.0	310.0	-	372.2	-16.7
Overseas		220.0	220.0	-	215.4	+2.1
Total		530.0	530.0	-	587.6	-9.8
Operating income (loss)						
[Operating income margin]		(5.0)	(10.0)	-5.0	(71.9)	-
		[-0.9%]	[-1.9%]	[-1.0%]	[-12.2%]	
Other Operations						
Japan		260.0	260.0	-	326.4	-20.4
Overseas		110.0	110.0	-	119.7	-8.1
Total		370.0	370.0	-	446.2	-17.1
Operating income (loss)						
[Operating income margin]		(10.0)	(10.0)	-	4.1	-
		[-2.7%]	[-2.7%]	-	[0.9%]	
Elimination and Corportate						
Sales		(280.0)	(280.0)	-	(367.1)	-
Operating income (loss)		(75.0)	(70.0)	5.0	(52.6)	-
Total						
Japan		2,970.0	2,985.0	+15.0	3,193.1	-6.5
		<61.6%>	<62.2%>		<68.0%>	
Overseas		1,850.0	1,815.0	-35.0	1,499.8	+21.0
		<38.4%>	<37.8%>		<32.0%>	
Total		4,820.0	4,800.0	-20.0	4,692.9	+2.3
Operating income (loss)						
[Operating income margin]	Y	90.0	90.0	-	68.7	+30.9
		[1.9%]	[1.9%]	-	[1.5%]	

Notes:

\* Net sales include intersegment sales.

\*\* On August 21, 2009, Fujitsu announced a revision to its consolidated earnings projections for fiscal 2009. The revision was made only to quarterly and annual projections for net income. Since the net sales and operating income projections were not revised, the segment projections above are the same as the projections announced on July 30, 2009 (announcement of first-quarter financial results).

\*\*\* Current forecast as of October 28, 2009.

\*\*\*\* The figures in brackets <> represent the ratio of sales in and outside Japan to total consolidated sales.

## b. Net Sales\* by Principal Products and Services

		Yen (Billions)			Yen (Billions)		
		FY 2009 (Forecast)			FY 2008	Change vs.	
		Previous**	Current***	Change	(Actual)	FY2008(%)	
<b>Technology Solutions</b>							
<b>Services:</b>							
Solutions / SI	Y	1,160.0	<b>1,160.0</b>	-	1,223.1	-5.2	
Infrastructure Services		1,360.0	<b>1,340.0</b>	-20.0	1,129.3	+18.6	
Others		90.0	<b>90.0</b>	-	75.1	+19.7	
		2,610.0	<b>2,590.0</b>	-20.0	2,427.7	+6.7	
<b>System Platforms:</b>							
System Products		350.0	<b>350.0</b>	-	326.0	+7.3	
Network Products		300.0	<b>300.0</b>	-	323.3	-7.2	
		650.0	<b>650.0</b>	-	649.3	+0.1	
<b>Total</b>		<b>3,260.0</b>	<b>3,240.0</b>	-20.0	<b>3,077.0</b>	+5.3	
<b>Ubiquitous Product Solutions</b>							
PCs / Mobile Phones		870.0	<b>840.0</b>	-30.0	683.3	+22.9	
Hard Disk Drives		50.0	<b>82.2</b>	+32.2	249.0	-67.0	
Others		20.0	<b>17.7</b>	-2.2	16.7	+6.2	
<b>Total</b>		<b>940.0</b>	<b>940.0</b>	-	<b>949.1</b>	-1.0	
<b>Device Solutions</b>							
LSI Devices		290.0	<b>290.0</b>	-	390.3	-25.7	
Electronic Components, Others		240.0	<b>240.0</b>	-	197.3	+21.6	
<b>Total</b>	Y	<b>530.0</b>	<b>530.0</b>	-	<b>587.6</b>	-9.8	

### Notes:

\* Net sales include intersegment sales.

\*\* On August 21, 2009, Fujitsu announced a revision to its consolidated earnings projections for fiscal 2009. The revision was made only to quarterly and annual projections for net income. Since the net sales and operating income projections were not revised, the segment projections above are the same as the projections announced on July 30, 2009 (announcement of first-quarter financial results).

\*\*\* Current forecast as of October 28, 2009.

## 2. Miscellaneous Forecasts for FY 2009

### a. R&D Expenses

	Yen (Billions)		Yen (Billions)		Yen (Billions)
	<b>FY 2008</b>		<b>FY 2009</b>		Change vs. previous forecast*
	1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
	133.1	249.9	116.8	<b>245.0</b>	-
As % of sales	5.4%	5.3%	5.3%	<b>5.1%</b>	-%

### b. Capital Expenditures, Depreciation

		Yen (Billions)		Yen (Billions)		Yen (Billions)
		<b>FY 2008</b>		<b>FY 2009</b>		Change vs. previous forecast*
		1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
<b>Capital Expenditures</b>						
Technology Solutions	<b>Y</b>	35.2	87.7	38.9	<b>100.0</b>	-
Ubiquitous Product Solutions		10.2	18.7	4.8	<b>10.0</b>	-
Device Solutions		19.1	39.6	10.0	<b>35.0</b>	-
Corporate and others		8.7	21.5	4.7	<b>15.0</b>	-
Total		<u>73.3</u>	<u>167.6</u>	<u>58.6</u>	<u><b>160.0</b></u>	-
<b>Depreciation</b>						
	<b>Y</b>	109.2	223.9	83.3	<b>180.0</b>	-

### c. Cash Flows

		Yen (Billions)		Yen (Billions)		Yen (Billions)
		<b>FY 2008</b>		<b>FY 2009</b>		Change vs. previous forecast*
		1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
(A) Cash flows from operating activities	<b>Y</b>	122.1	248.0	128.1	<b>210.0</b>	-
[Net income]		[4.6]	[(112.3)]	[43.2]	<b>[ 95.0]</b>	+70.0
[Depreciation & amortization]		[144.9]	[298.4]	[132.8]	<b>[ 270.0]</b>	-
[Others]		[(27.4)]	[62.0]	[(48.0)]	<b>[-155.0]</b>	-70.0
(B) Cash flows from investing activities		<u>(114.2)</u>	<u>(224.6)</u>	<u>62.3</u>	<u><b>(50.0)</b></u>	+90.0
(C) Free cash flow (A)+(B)		7.9	23.4	190.4	<b>160.0</b>	+90.0
(D) Cash flows from financing activities		<u>(9.6)</u>	<u>(47.8)</u>	<u>(307.4)</u>	<u><b>(300.0)</b></u>	-120.0
(E) Total (C)+(D)	<b>Y</b>	<u><u>(1.7)</u></u>	<u><u>24.4</u></u>	<u><u>(116.9)</u></u>	<u><u><b>(140.0)</b></u></u>	-30.0

Note:

\* Previous forecast as of July 30, 2009.

## d. Exchange Rates

	FY 2008		FY 2009		Yen
	1H (Actual)	2H (Actual)	1H (Actual)	2H (Forecast)	Change vs. previous forecast*
Average rates for	\$1=106 yen	\$1= 95 yen	\$1= 95 yen	<b>\$1= 90 yen</b>	-5
	€1=163 yen	€1=124 yen	€1=133 yen	<b>€1=125 yen</b>	-
	£1=205 yen	£1=143 yen	£1=152 yen	<b>£1=140 yen</b>	-

**Reference information** : A 1 yen fluctuation (depreciation/appreciation) is expected to have the following effect on operating income in the second half of FY 2009.

US Dollar : Increase/decrease by approximately 0.4 billion yen

Euro : Increase/decrease by approximately 0.1 billion yen

Pound : Increase/decrease by approximately 0.1 billion yen.

## e. Employees

	(Thousands )		
	2009 March 31	2009 June 30	2009 September 30
Japan	107	111	110
Overseas	59	75	74
<b>Total</b>	<b>166</b>	<b>186</b>	<b>184</b>

## f. PC Shipments\*\*

(Million Units)		(Million Units)		(Million Units)
FY 2008		FY 2009		Change vs. previous forecast*
1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
3.68	<b>7.36</b>	2.47	<b>6.10</b>	-0.40

## g. Mobile Phone Shipments

(Million Units)		(Million Units)		(Million Units)
FY 2008		FY 2009		Change vs. previous forecast*
1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Forecast)	
2.50	4.60	2.70	<b>5.00</b>	0.40

## h. HDD Production\*\*\*

(Million Units)		(Million Units)	
FY 2008		FY 2009	
1H (Actual)	Full-year (Actual)	1H (Actual)	Full-year (Actual)
19.50	33.46	12.03	<b>12.03</b>

Notes:

\* Previous forecast as of July 30, 2009.

\*\* The figures for fiscal 2008 include shipments of Fujitsu Technology Solutions (Holding) B.V. (previously Fujitsu Siemens Computers (Holding) B.V.; company name changed upon conversion into a wholly owned subsidiary on April 1, 2009).

\*\*\*The HDD drive business was transferred to Toshiba Corporation on October 1, 2009, and therefore, the production figures for the first half of FY 2009 represent the figures for the entire fiscal year.