

## Part II. Explanation of Financial Results

### 1. Overview of FY 2009 First-Quarter Consolidated Financial Results

#### Business Environment

During the first quarter of fiscal 2009 (April 1 – June 30, 2009), the business environment in which the Fujitsu Group operated was characterized by a severe economic recession brought on by the widening impact of the financial crisis. As a result of the economic stimulus measures implemented by governments around the world, however, there are some signs that the economy is bottoming out. In the US, although economic stimulus measures are progressing, the economy continues to stagnate, with a continued contraction in credit, rising unemployment, and prolonged inventory adjustments. In Europe, too, economic stagnation is deepening due to continued negative growth. On the other hand, China's economic deceleration is abating as the result of policies to stimulate domestic demand. In Japan, there are signs the economy has bottomed out as the decline in exports, which has been a significant factor in the downturn, has ended and given way to a mild recovery in exports to China and other Asian countries. The Japanese government's large fiscal spending program has also provided underlying support to the economy, and the pace of the decline in production has leveled off as the sharp inventory adjustments of late last year have run their course. While these developments are signs of economic recovery, consumer spending, which has been hit by a sudden deterioration in personal income and employment conditions, remains weak and is likely to remain at a low level, resulting in a prolonged economic slump.

With respect to IT investment, impacted by the worldwide economic recession, there has been a significant decline in spending on IT hardware and more selective spending in the software area, as well. Nevertheless, within today's severe economic environment, companies are still making investments to enhance system interoperability and consolidate IT infrastructure in order to reduce costs. Spending on such areas as compliance and security, environmental sustainability, and other areas of corporate social responsibility and comprehensive risk management also remains strong.

#### FY 2009 First-Quarter Financial Results (Billion Yen)

	First-Quarter FY 2009 4/1/09-6/30/09		First-Quarter FY 2008 4/1/08-6/30/08		Change	
		% of Sales		% of Sales		Change (%)
Net Sales	1,044.3	100.0	1,177.2	100.0	-132.9	-11.3
Cost of Sales	787.7	75.4	871.2	74.0	-83.5	-9.6
Gross Profit	256.5	24.6	305.9	26.0	-49.4	-16.2
Selling, General and Administrative Expenses	293.6	28.2	300.1	25.5	-6.4	-2.2
Operating Income	-37.1	-3.6	5.8	0.5	-42.9	-
Other Income and Expenses	-2.7	-0.2	4.8	0.4	-7.5	-
Net Income	-29.1	-2.8	0.3	0.0	-29.5	-

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 current reporting period.

## Quarterly Breakdown in Operating Income

(Billion Yen)

	FY 2009			FY 2008			
	1Q	Change		1Q	2Q	3Q	4Q
		Impact of business restructuring					
Consolidated	-37.1	-42.9	-7.0	5.8	32.7	-25.1	55.4

## Operating Income by Business Segment

Technology Solutions	-15.3	-23.5	-8.5	8.2	49.1	20.2	111.1
Ubiquitous Product Solutions	6.5	-3.4	1.5	9.9	-1.0	-11.5	3.1
Device Solutions	-15.5	-10.7	-	-4.7	-2.5	-21.1	-43.4

Note: Impact of business restructuring refers to the effect of the conversion of Fujitsu Technology Solutions (Holding) B.V. and FDK Corporation into consolidated subsidiaries, and includes goodwill and other amortization expenses along with a one-time charge for expensing the fair market value of in-process R&D.

# Consolidated Results by Business Segment

(Billion Yen)

		First-Quarter FY 2009 4/1/09-6/30/09	First-Quarter FY 2008 4/1/08-6/30/08	Change		
					%	Adjusted change %
Technology Solutions	Net Sales	668.2	697.9	-29.6	-4.2	-8
	Operating Income	-15.3	8.2	-23.5		
	[Operating Income Margin]	[-2.3%]	[1.2%]	[-3.5%]		
Ubiquitous Product Solutions	Net Sales	237.8	271.8	-34.0	-12.5	-23
	Operating Income	6.5	9.9	-3.4	-34.1	
	[Operating Income Margin]	[2.8%]	[3.7%]	[-0.9%]		
Device Solutions	Net Sales	118.9	172.3	-53.4	-31.0	-37
	Operating Income	-15.5	-4.7	-10.7		
	[Operating Income Margin]	[-13.1%]	[-2.8%]	[-10.3%]		
Consolidated Total	Net Sales	1,044.3	1,177.2	-132.9	-11.3	-16
	Japan	632.7	752.8	-120.0	-15.9	-17
	Outside Japan	411.5	424.4	-12.9	-3.0	-16
	Operating Income	-37.1	5.8	-42.9		
	[Operating Income Margin]	[-3.6%]	[0.5%]	[-4.1%]		

## Notes:

1. Net sales include intersegment sales.
2. 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 quarter of fiscal 2008 to translate the net sales outside Japan into yen.
3. The main products and services of each segment are listed below.
  - (1)Technology Solutions: Primarily systems integration services (system construction), consulting, front-end technology (ATMs, POS systems, etc.), outsourcing services (datacenters, IT operation management, SaaS, application operation and management, business process outsourcing, etc.), network services (business networks, and 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.).

4. 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:

<b>Business Areas</b>		<b>Consolidated Segments</b>	
			<b>Sub-Segments</b>
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