

Part II. Explanation of Financial Results

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

Business Environment

During the third quarter of fiscal 2009 (October 1 – December 31, 2009), the business environment in which the Fujitsu Group operated was characterized by continued economic weakness despite signs of recovery driven by global progress in inventory adjustments and economic stimulus measures implemented by nations around the world. China's economy is recovering as a result of measures to stimulate domestic demand. In the US and Europe, however, despite the positive impact of economic stimulus and financial market stabilization measures, signs of a recovery remain weak, with stagnating employment and declines in capital spending. In Japan, too, although the economy continues to recover as a result of higher exports, primarily to China, as well as the underlying support provided by the Japanese government's large economic stimulus measures, the recovery remains fragile, with weak personal income and employment conditions and prolonged deflationary pressures.

With respect to IT investment, there has been a significant decline in spending on IT hardware due mainly to future economic uncertainties and heightened perceptions of excess capacity in line with declines in capacity utilization rates. In addition, spending on software and IT services remains weak amid delayed recovery in demand.

Third-Quarter FY2009 Summary (Billion Yen)

	Third-Quarter FY 2009 10/1/09-12/31/09		Third-Quarter FY 2008 10/1/08-12/31/08		Change	
		% of Sales		% of Sales		Change (%)
Net Sales	1,146.7	-	1,053.8	-	92.8	8.8
Cost of Sales	827.8	72.2	804.7	76.4	23.1	2.9
Gross Profit	318.9	27.8	249.1	23.6	69.7	28.0
Selling, General and Administrative Expenses	285.2	24.9	274.3	26.0	10.9	4.0
Operating Income	33.6	2.9	-25.1	-2.4	58.8	-
Other Income and Expenses	-17.8	-1.6	-30.0	-2.9	-12.2	-
Net Income	4.1	0.4	-40.7	-3.9	44.8	-

Nine-Month FY2009 Cumulative Summary (Billion Yen)

	First 9 Months FY 2009 4/1/09-12/31/09		First 9 Months FY 2008 4/1/08-12/31/08		Change	
		% of Sales		% of Sales		Change (%)
Net Sales	3,333.4	-	3,507.6	-	-174.2	-5.0
Operating Income	15.3	0.5	13.3	0.4	2.0	15.2
Net Income	47.3	1.4	-36.1	-1.0	83.4	-

Notes:

1. Until this fiscal year, Fujitsu Technology Solutions (Holding) B.V. (the new corporate name, as of April 1, 2009, of Fujitsu Siemens Computers (Holding) B.V.) was an equity-method affiliate of Fujitsu. In accordance with the acquisition of shares in the company owned by Siemens AG of Germany, the company is a consolidated subsidiary starting with the first quarter of fiscal 2009. In the case of FDK Corporation, as well, as the result of Fujitsu subscribing to a private placement of its shares, the company has been converted from an equity-method affiliate to a consolidated subsidiary starting in the first quarter of fiscal 2009.

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