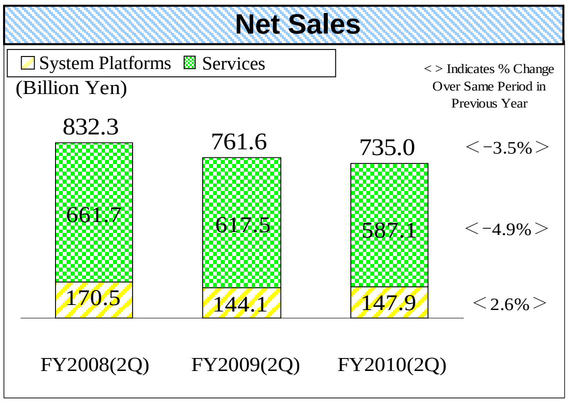
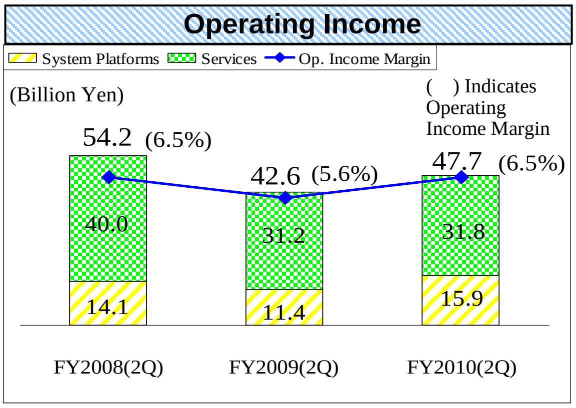
3. Results by Business Segment

Information on fiscal 2010 second-quarter consolidated net sales (including intersegment sales) and operating income broken out by business segment is presented below. As indicated in "Notice Regarding Change in Business Segments" issued July 26, 2010, segments have been changed as of the first quarter of fiscal 2010. Major changes include the classification of car audio and navigation systems, which had been included in the "Other" segment, as part of the "Ubiquitous Solutions" segment. For comparison purposes, business segment information for previous fiscal years has been reclassified.

Technology Solutions





(Billion Yen)

	Second Quarter FY 2010	Change vs. 2Q FY 2009
Net Sales	735.0	-3.5%
Japan	482.3	1.6%
Outside Japan	252.6	-12.0%
Operating Income	47.7	5.1

(Billion Yen)

	First Half FY 2010	Change vs. 1H FY 2009
Net Sales	1,400.8	-2.3%
Japan	886.0	0.9%
Outside Japan	514.7	-7.5%
Operating Income	56.3	25.0

Consolidated net sales in the Technology Solutions segment were 735.0 billion yen (US$8,750 million), a decline of 3.5% from the second quarter of fiscal 2009. Excluding the impact of exchange rate fluctuations, sales increased by 1%. Sales in Japan increased by 1.6%. Amid continued spending constraints, sales of systems integration services and server-related products were higher as a result of mission-critical system upgrades for major financial services customers. Sales outside Japan declined by 12%. Excluding the impact of exchange rate fluctuations, however, sales were about on par with the same period in the previous year. Although there was an increase in sales of image scanners and optical transmission systems in North America, sales of infrastructure services in Europe were adversely affected by the prolonged economic downturn. The sales environment in the UK remains challenging as a result of government fiscal austerity measures and other factors.

The segment posted operating income of 47.7 billion yen (US$568 million), an improvement of 5.1 billion yen in comparison with the second quarter of fiscal 2009. In Japan, in addition to the positive impact of higher sales of mission-critical systems and other products and services, profitability improved due to the completion in the previous fiscal year of amortization of the company's unrecognized obligation for retirement benefits in accordance with a change in accounting standards. Outside Japan, profitability decreased due to an increase in expenses related to retirement benefit obligations of a UK subsidiary, in addition to the effect of decreased sales resulting from the economic downturn in Europe. These factors outweighed the effect of the completion in fiscal 2009 of the amortization of goodwill stemming from the acquisition of ICL (present-day Fujitsu Services Holdings PLC) in the UK, as well as the effect of increased sales in North America.

(1) Services

(Billion Yen)

		Second Quarter FY 2010	Change vs. 2Q FY 2009
Net Sales		587.1	-4.9%
	Japan	377.2	1.2%
	Outside Japan	209.8	-14.3%
Operating Income		31.8	0.6

(Billion Yen)

		First Half FY 2010	Change vs. 1H FY 2009
Net Sales		1,129.1	-3.8%
	Japan	699.6	0.2%
	Outside Japan	429.5	-9.7%
Operating Income		38.5	4.1

Net sales in the Services sub-segment were 587.1 billion yen (US$6,989 million), down 4.9% from the same period a year earlier. Excluding the effect of exchange rate fluctuations, sales were about on par with the same period last year. In Japan, sales increased by 1.2%. Amid continued corporate spending constraints, sales of system integration services increased as a result of mission-critical system upgrades for major financial services customers. Sales outside of Japan declined by 14.3%. Excluding the impact of currency fluctuations, sales decreased by 3%. Despite such factors as strong sales of image scanners in North America, sales of infrastructure services in Europe were adversely affected by the prolonged economic downturn, and operations in the UK also faced a challenging economic environment due to the continued impact of government fiscal austerity measures and other factors.

Operating income for the Services sub-segment was 31.8 billion yen (US$379 million), an increase of 0.6 billion yen compared to the same period in fiscal 2009. In Japan, profitability increased as a result of mission-critical system upgrades for major financial services customers, as well as a reduction in retirement benefit expenses following the completion last year of the amortization of the unrecognized obligation for retirement benefits. Outside Japan, the operating loss expanded from last year due to an increase in expenses related to retirement benefit obligations of a UK subsidiary, in addition to the effect of decreased sales resulting from the economic downturn in Europe, which outweighed the completion of the amortization of goodwill stemming from the acquisition of ICL of the UK.

(2) System Platforms

(Billion Yen)

		Second Quarter FY 2010	Change vs. 2Q FY 2009
Net Sales		147.9	2.6%
	Japan	105.0	3.1%
	Outside Japan	42.8	1.5%
Operating Income		15.9	4.4

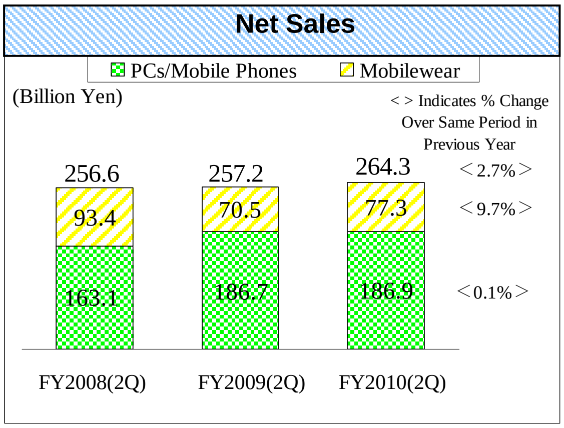
(Billion Yen)

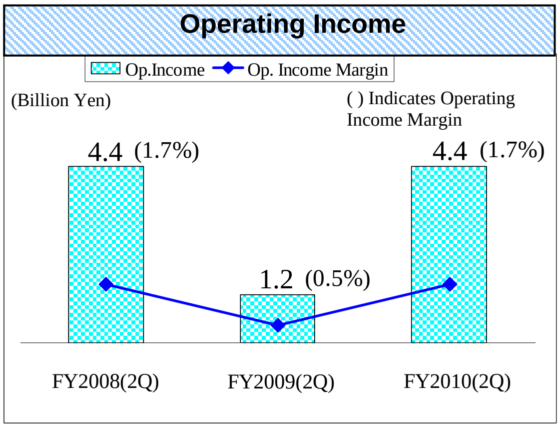
		First Half FY 2010	Change vs. 1H FY 2009
Net Sales		271.6	4.3%
	Japan	186.4	3.7%
	Outside Japan	85.2	5.5%
Operating Income		17.8	20.9

Net sales in the System Platforms sub-segment were 147.9 billion yen (US$1,760 million), an increase of 2.6% from the second quarter of fiscal 2009. In Japan, sales increased by 3.1%. There was steady demand for integration and virtualization of servers, storage, and other products, and sales were also boosted by mission-critical system upgrades for major financial services customers. Sales outside Japan increased by 1.5%. Excluding the impact of currency fluctuations, sales increased by 14%. In addition to strong sales of x86 servers in Europe, sales of optical transmission systems to carriers grew in the US to support continued increases in traffic associated with the spread of smartphones and other mobile devices.

Operating income for the System Platforms sub-segment was 15.9 billion yen (US$189 million), an improvement of 4.4 billion yen compared to the second quarter of fiscal 2009. In Japan, profitability improved due to the effect of increased sales resulting from mission-critical system upgrades for major financial services customers, as well as a reduction in retirement benefit obligations. Outside Japan, profitability benefited from the effect of increased sales of optical transmission systems and other products.

Ubiquitous Solutions





(Billion Yen)

	Second Quarter FY 2010	Change vs. 2Q FY 2009
Net Sales	264.3	2.7%
Japan	198.3	11.1%
Outside Japan	66.0	-16.2%
Operating Income	4.4	3.2

(Billion Yen)

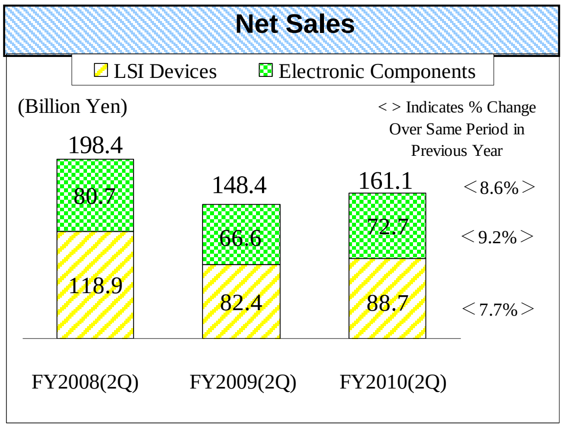
	First Half FY 2010	Change vs. 1H FY 2009
Net Sales	541.2	5.8%
Japan	410.6	12.0%
Outside Japan	130.5	-9.9%
Operating Income	15.1	2.0

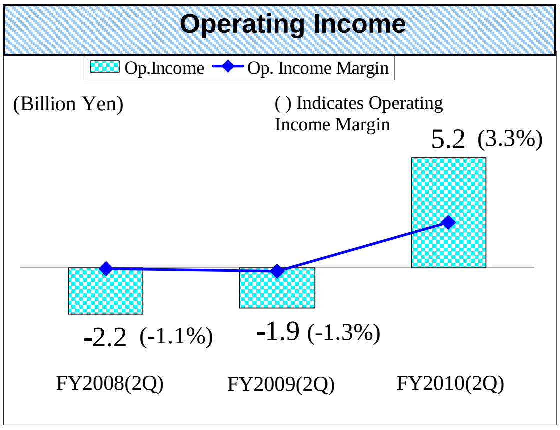
Net sales in the Ubiquitous Solutions segment were 264.3 billion yen (US$3,146 million), an increase of 2.7% compared to the same period in fiscal 2009. Sales in Japan increased by 11.1%. Sales of PCs increased compared to the second quarter of the previous fiscal year, when demand was negatively impacted by corporate spending constraints amid the economic downturn and a reluctance by consumers to make purchases prior to the launch of models with a new OS. Mobile phone sales increased due to the introduction of new models. In addition, sales of mobilewear were higher as the result of higher demand for car audio and navigation systems stimulated by new automobile demand prior to the completion of the government’s eco-friendly car subsidies. Sales outside of Japan declined by 16.2%. Excluding the impact of currency rate fluctuations, however, sales decreased by 5%. Sales of PCs in Europe were adversely impacted by corporate spending constraints and price competition. Although sales of mobilewear had been rising in the US market due to a recovery in new car purchases, sales began to slow in the second fiscal quarter, and sales in Asia decreased slightly.

Operating income for the segment was 4.4 billion yen (US$52 million), an increase of 3.2 billion yen compared to last year’s second quarter. In Japan, although profitability was adversely impacted by higher development expenses related to smartphone development and mobile phone platform standardization, profitability improved overall as the result of increased sales of PCs and the positive impact of exchange rate fluctuations on parts procurement costs, along with the higher sales of mobilewear. Outside Japan, profitability improved as a result of cost reductions in the PC business.

Regarding the new company created for the merger of the mobile phone businesses of Fujitsu Limited and Toshiba Corporation, on October 1, 2010, Toshiba completed the transfer of its mobile phone operations to the new company. Fujitsu acquired an 80.1% share of the new company and launched its operations. The new entity combines the respective mobile phone know-how and technology of both companies and will expand by delivering products and services that continue to meet the needs of consumers. Fujitsu's current mobile phone operations will continue to operate as a part of Fujitsu Limited.

Device Solutions





Note: LSI devices sales include intrasegment sales to the electronic components business.

(Billion Yen)

	Second Quarter FY 2010	Change vs. 2Q FY 2009
Net Sales	161.1	8.6%
Japan	90.7	7.7%
Outside Japan	70.3	9.6%
Operating Income	5.2	7.1

(Billion Yen)

	First Half FY 2010	Change vs. 1H FY 2009
Net Sales	319.6	15.0%
Japan	174.7	9.8%
Outside Japan	144.9	22.0%
Operating Income	11.3	29.3

Net sales in Device Solutions were 161.1 billion yen (US$1,918 million), an increase of 8.6% compared to the second quarter of fiscal 2009. Sales in Japan increased by 7.7%. Sales of LSI devices rose, primarily on higher demand for mobile phones and servers, and sales of electronic components also increased as a result of a market recovery. Sales outside Japan increased by 9.6% and by 20% when excluding the impact of exchange rate fluctuations. Sales of LSI devices rose, primarily in Asian markets, as a result of a market recovery. Sales of electronic components grew, primarily in North America, and the acquisition of a nickel hydride battery in the fourth quarter of fiscal 2009 also lifted sales.

Operating income for the segment was 5.2 billion yen (US$62 million), an improvement of 7.1 billion yen over the second quarter of fiscal 2009. In Japan, profitability in the LSI devices business improved as a result of lower fixed overhead costs, enabled by realigning production facilities and improving efficiencies in administrative operations, along with the benefit of higher sales. Profitability in electronic components also increased as a result of higher sales and cost reductions. Outside Japan, although the profitability of both the LSI devices and the electronic components operations was adversely impacted by exchange rate fluctuations, the business remained profitable overall due to higher sales.