Part II. Explanation of Financial Results

1. Overview of FY 2010 First-Quarter Consolidated Financial Results

Business Environment

During the first quarter of fiscal 2010 (April 1 – June 30, 2010), the business environment in which the Fujitsu Group operated was characterized by a mild recovery in the global economy. Despite concerns over higher levels of unemployment in Europe and the US and government moves towards fiscal austerity measures in Europe, the global economy was supported by higher demand, mainly in emerging markets, as well as the benefits of economic stimulus measures implemented by nations around the world. In Japan, the economic recovery continued to broaden, supported by a continued rise in exports, primarily to other Asian nations, an improvement in employment conditions, as well as a leveling off in the decline in capital investments.

With respect to investment in information and communications technology (ICT), there were signs of recovery in demand for ICT hardware as corporate concerns over excess capacity moderated. Spending on software and ICT services had yet to recover. Although latent demand for spending in strategic areas to increase competitiveness and manage risk remained high, the spending environment remained severe.

FY 2010 First-Quarter Financial Results (Billion Yen)

	1Q FY 2010 _4/1/10 - 6/30/10_	1Q FY 2009 _4/1/09 - 6/30/09_	1Q FY 2008 _4/1/08 - 6/30/08_	Change vs. FY09 1Q	Change (%)
Net Sales	1,047.2	1,044.3	1,177.2	2.9	0.3
Cost of Sales	759.1	787.7	871.2	-28.6	-3.6
Gross Profit [Gross Profit Margin]	288.0 [27.5%]	256.5 [24.6%]	305.9 [26.0%]	31.5 [2.9%]	12.3
Selling, General and Administrative Expenses	278.0	293.6	300.1	-15.6	-5.3
Operating Income (Loss) [Operating Income Margin]	10.0 [1.0%]	-37.1 [-3.6%]	5.8 [0.5%]	47.1 [4.6%]	-
Other Income and Expenses	-7.5	-2.7	4.8	-4.8	-
Income (Loss) Before Taxes	2.4	-39.8	10.6	42.2	-
Income Taxes	-0.2	-8.5	6.3	8.2	-
Income (Loss) Before Minority Interests	2.6	-31.3	4.2	34.0	-
Minority Interests	1.0	-2.1	3.9	3.1	-
Net Income (Loss)	1.6	-29.1	0.3	30.8	-