

6. FY 2010 Consolidated Earnings Projections

Driven by growth in China and other emerging markets, the global economy is experiencing a mild recovery, but the pace of recovery is slowing. In the US, a full-fledged recovery has not been achieved due to continued high unemployment. In Europe, too, significant fiscal austerity measures on the part of the British government and other nations have resulted in a heightened sense that internal demand is stagnating, leading to rising uncertainty about the future course of the economy. In Japan, as well, against a backdrop of stagnating consumer spending and a moderation in export growth, economic growth is expected to remain tepid.

Fujitsu reported consolidated operating income of 21.2 billion yen for the third quarter. This represented a decline of 12.3 billion yen compared to the third quarter of fiscal 2009, resulting from such factors as weaker sales of audio and navigation mobilewear devices, a deterioration in the profitability of some projects in Fujitsu's European services business subsidiary, and a temporary decline in expenses in the prior fiscal year's third quarter stemming from the settlement with a copyright organization on royalty payments related to the personal reproduction of copyrighted materials by PC users. For the first nine months of fiscal 2010, however, operating income is up 53.0 billion yen compared to the same period in fiscal 2009.

Taking the overall business environment into consideration, financial projections for fiscal 2010 are being revised as follows.

Full-year projections for net sales for fiscal 2010 have been revised to 4,570.0 billion yen, representing a decrease of 100.0 billion yen compared to the forecast announced in October. Although there is a moderate recovery in ICT spending as a result of a rebound in capacity utilization rates, in Fujitsu's systems integration and server businesses, corporate customers, particularly in the financial services, retail, and logistics industries, are continuing to take a cautious stance toward investment, and more investment projects are being squeezed or postponed. As a result, for the fourth quarter, the company now expects the recovery in demand to be delayed by more than previously anticipated. Although sales of smartphones have been strong, enabling Fujitsu's mobile phone business to exceed its previous targets, the downward revision in sales reflects the negative impact of some project postponements in the company's services business outside Japan, lower expected sales of mobilewear as demand shifts to compact car models with lower-priced audio and navigation systems, and weakness in demand for electronic components used in digital home appliances, as well as the impact of foreign currency fluctuations.

Projected operating income for the full fiscal year has been revised down by 40.0 billion yen, to 145.0 billion yen. Projected operating income for Technology Solutions has been reduced by 43.0 billion yen. This revision reflects the impact of a delayed recovery in demand for ICT spending worldwide and, in the company's services business outside Japan, downward pricing pressure from customers and intensified competition among vendors amid a dearth of new investment projects, as well as the risk of losses on some projects for which profitability has deteriorated. Projected operating income for Device Solutions has been reduced by 2.0 billion yen as a result of lower sales, but projected operating income in the "Other/Elimination and Corporate" category has been revised upward by 5.0 billion yen as a result of further expected progress in group-wide cost efficiencies.

The full-year projection for net income has been revised down by 20.0 billion yen.

(Billion Yen)

	Fiscal 2009 Full-Year Results	Fiscal 2010 Full-Year Forecast	Change vs. October 2010 Forecast	Change	
					Change (%)
Net Sales	4,679.5	4,570.0	-100.0	-109.5	-2.3*
Operating Income	94.3	145.0	-40.0	50.6	53.6
Net Income	93.0	75.0	-20.0	-18.0	-19.4

* Excluding the impact of exchange rate fluctuations 1%

Operating Income by Business Segment

Technology Solutions	153.5	165.0	-43.0	11.4	7.4
Services	127.5	125.0	-33.0	-2.5	-2.0
System Platforms	25.9	40.0	-10.0	14.0	53.9
Ubiquitous Product Solutions	40.6	30.0	-	-10.6	-26.3
Device Solutions	-9.0	23.0	-2.0	32.0	-
Other/Elimination and Corporate	-90.8	-73.0	5.0	17.8	-