6. FY 2011 Consolidated Earnings Projections

For the first half of fiscal 2011, both net sales and operating income were in line with the projections announced in July 2011. Although Device Solutions fell short of expectations due to declining demand, a recovery in mobilewear sales exceeded projections. In addition, contributing to these results were the effects of cost reduction in PC and group-wide efforts to streamline expenses. The services business, both in and outside Japan, proceeded on par with projections. Net income surpassed expectation by 5.7 billion yen, primarily due to tax burden reductions originally expected in the second half of FY2011.

Taking these results into consideration, Fujitsu will revise its fiscal 2011 projections as follows.

In light of the strengthening Japanese yen, Fujitsu will revise its exchange rate projections to 77 yen to the US dollar, 105 yen to the Euro and 120 yen to the British pound. Fujitsu will revise its full-year net sales projections downward by 60 billion yen to the 4,540.0 billion yen from projections announced in July 2011. Technology Solutions is projected to decline by 30.0 billion yen. Factored into the projections for the services business is a 30.0 billion yen exchange rate impact due to the appreciating yen. Ubiquitous Solutions, overall, is expected to remain unchanged, however taken into account are the increasingly low prices of PC and mobile phones and the impact of the exchange rate, as well as the effect that recovery in automobile production will have on mobilewear. In addition, Device Solutions sales are projected to decline by 30.0 billion yen. LSI devices and electronic components are projected to decline by 10.0 billion yen and 20.0 billion yen, respectively. Fujitsu had expected a full-year impact from falling demand and the exchange rate, primarily on digital audio-visual applications in LSI devices and electronic components such as semiconductor packages.

There have been no changes made to full-year projections for operating income of 135.0 billion yen. However, it should be noted that income in Device Solutions is forecast to drop by 15.0 billion yen on account of falling demand, while a 5.0 billion yen increase is expected for Ubiquitous Solutions owing to the effect of PC cost reductions of parts procurement driven by the weak U.S. dollar, and increased demand for mobilewear. In the second half, owing to more streamlined expenses across the entire group, Other/Elimination and Corporate have been revised upwards by 10.0 billion yen.

The full-year projection for net income remains unchanged.

FY 2011 Full-Year Consolidated Forecast (Billion Yen)

	Fiscal 2010 Full-Year Results	Fiscal 2011 Full-Year Forecast	Change vs. July Forecast	Change vs. FY 2010		*Change (%) Excl. Impact of FX Fluctuations*
					Change (%)	
Net Sales	4,528.4	4,540.0	-60.0	11.5	0.3	2
Operating Income [Operating Margin]	132.5 [2.9%]	135.0 [3.0%]	- [0.1%]	2.4 [0.1%]	1.8	
Net Income	55.0	60.0	-	4.9	8.9	

Operating Income by Business Segment

Technology Solutions	162.8	185.0	-	22.1	13.6
Services	117.3	135.0	-	17.6	15.0
System Platforms	45.5	50.0	-	4.4	9.8
Ubiquitous Solutions	22.6	20.0	5.0	-2.6	-11.8
Device Solutions	20.9	-	-15.0	-20.9	-
Other/Elimination and Corporate	-73.9	-70.0	10.0	3.9	-

Note: The impact of exchange rate fluctuation has been calculated by using the average U.S. dollar, euro and British pound exchange rates for fiscal 2010 to translate the current period’s net sales outside Japan into yen.