

Remarks by President Masami Yamamoto
At the Third-Quarter Financial Results Announcement

Date: January 31, 2012

Place: Shiodome Headquarters Building, Tokyo, Japan

Presenter: Masami Yamamoto, President, Fujitsu Limited

I am Masami Yamamoto, the president of Fujitsu. Thank you all for taking time out of your busy schedules to attend today's briefing. Kazuhiko Kato, our CFO, will be giving an explanation of our third-quarter results and full-year projections for fiscal 2011, but first I would like to make a few brief remarks.

Earlier this year, in speaking about our management direction, I mentioned to you that we planned to quickly recover from the effects of last March's earthquake and go on offense with thorough structural reforms to make the competitiveness of our core business unassailable. I also mentioned that, as a result of these measures, we planned to post higher earnings compared to the prior fiscal year.

During the first 6 months of the fiscal year, we were in line with our initial projections. For the third quarter, however, we ended up recording lower sales and profits compared to the same period of the previous fiscal year. In addition, our present level of sales and orders has forced us to revise our projections down for both sales and profits. I deeply regret that, for the second year in a row, we have had to lower our projections.

For the remaining two months of this fiscal year, I would like to further strengthen our risk management measures to, first and foremost, make absolutely certain that we meet our revised projections. We of course remain committed to achieving the best results possible.

In the third quarter, there were various changes in the external environment, such as the flooding in Thailand and foreign exchange fluctuations. These adversely affected our financial performance. But it is also true our core business was still not strong enough to enable us to make up for these external risk factors.

Looking ahead to fiscal 2012, there are various issues that we need to address, such as strengthening of system engineering capabilities, the strategic direction of our device solutions businesses and company-wide cost-saving initiatives. These are in addition to the issues arising out of the external factors, such as the strength of the yen and financial instability in Europe.

We expect the external environment to remain severe in fiscal 2012. However, we will stick to our growth strategy for both sales and profits in order to give our business strength and enhanced flexibility.

With that, I will now turn over the floor to Kazuhiko Kato, who will present a more detailed explanation of our third-quarter results. Afterwards, we will be pleased to answer any questions you have.