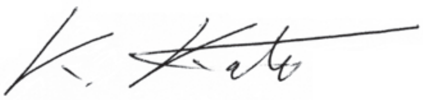
A Message From the CFO



Kazuhiko Kato
Corporate First Senior Vice President and Chief Financial Officer

Performance in Fiscal 2008

The business environment in which the Fujitsu Group operated in the fiscal year under review was marked by an increasingly severe global recession. Credit markets tightened around the world as the scope of the financial crisis widened and a vicious cycle emerged as real economies deteriorated. This led to negative growth in Europe and the US, and economies also decelerated sharply in Asia, where growth had been consistently high, especially in China and India. The Japanese economy deteriorated substantially as well, primarily in the corporate sector, with the recession becoming entrenched as exports declined sharply and growth fell to negative double-digits for both second-half quarters. IT investment remained firm in the first half of the period, but in the second half, it plunged in the hardware sector due to the impact of the global economic downturn, and in the software sector, companies became more cautious in making investments. However, given the increasing importance of good corporate citizenship and comprehensive risk management in the severe economic climate, upfront investment to meet compliance and security requirements remained firm, as did investment for strategic growth objectives, such as bolstering global competitiveness.

Consolidated net sales for the Fujitsu Group in fiscal 2008, ended March 31, 2009, totaled ¥4,692.9 billion, a decrease of 12.0% compared to the previous fiscal year. However, the decrease was 6.0% excluding the effect of the yen's appreciation. Japan net sales alone declined by 6.3% and net sales outside Japan fell 22.0%, or 6% excluding the effects of exchange rates. Despite the recession, sales in Technology Solutions were on par with the previous year thanks primarily to firm sales from the services business. Economic conditions deteriorated rapidly starting in the third quarter, leading to lower sales of logic LSI devices, electronic components, PCs and other products, while mobile phones were impacted by a lengthening of replacement cycles. The services business grew, driven by an increase in business from the private sector in continental Europe, but PC and UNIX server sales declined due to economic deterioration in Europe and the US, while sales of hard disk drives and electronic components also fell.

Operating income declined by ¥136.2 billion year on year to ¥68.7 billion. Technology Solutions delivered higher income despite the harsh market conditions, but HDD and LSI device losses deepened in the second half.

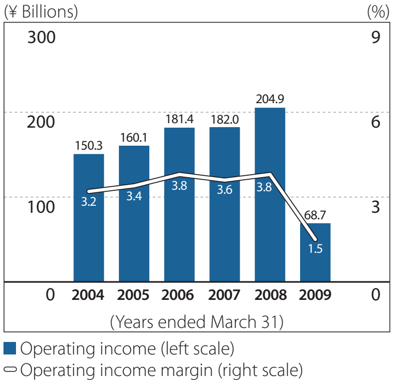
Other expenses, net, totaled ¥182.0 billion, an increase of ¥86.5 billion from the previous year. This was attributable to significant loss in earnings of affiliates, net, revaluation losses on our holdings of publicly listed shares, impairment losses on fixed assets in connection with a new business model for advanced LSI devices, and restructuring charges associated with transferring the HDD business and reorganizing LSI production systems.

As a result, we recorded a net loss of ¥112.3 billion.

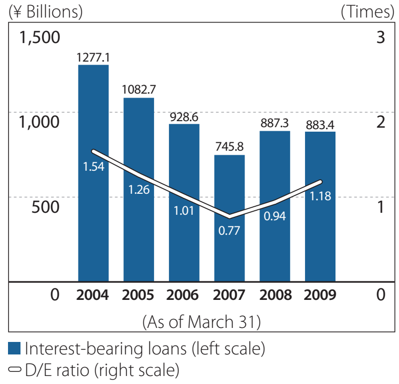
Financial Issues and Initiatives in Fiscal 2008

The Fujitsu Group continued efforts to improve its financial position in the fiscal year under review. However, a net loss of ¥112.3 billion was incurred due to restructuring charges and impairment losses associated with business reorganization, among other factors. The owners' equity ratio declined by 1.6 points compared to the previous fiscal year to 23.2%. Free cash flow was positive, but just ¥23.4

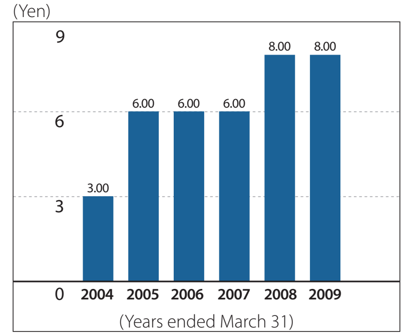
Operating Income and Operating Income Margin



Interest-bearing Loans and D/E Ratio



Cash Dividends per Share



billion. Interest-bearing loans amounted to ¥883.4 billion as a result of allocating funds to redeem bonds and for acquisitions in the first quarter of the current fiscal year (ending March 2010). This put the D/E ratio at 1.18 times, above the target 1.0 mark. However, net interest-bearing debt (after subtracting cash and cash equivalents) was ¥355.3 billion, bringing the net D/E ratio to 0.47 times. Going forward we will continue to strive for a D/E ratio of less than 1.0 times by improving earnings and asset efficiency.

The monthly inventory turnover rate was 0.98 times, 0.05 points worse than the previous fiscal year, due to steep declines in demand and lower income caused by the strong yen. We will make a renewed effort to improve efficiency to meet our medium-term target of 2.0 times.

Dividend Policy

Under the Fujitsu Group's basic policy on the distribution of earnings, a portion of retained earnings is paid to shareholders to provide a stable return, and a portion is retained by the company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance. In addition, taking into consideration the level of profits, Fujitsu aims to increase the distribution of profits to its shareholders when the financial base is sufficiently strong enough, including through share buybacks.

At the start of fiscal 2008, business performance was solid, primarily driven by Technology Solutions, and it seemed likely that deferred tax assets would be recovered thanks to improved profitability, primarily from the consolidated group (consolidated tax accounting base). We therefore planned to pay an interim dividend of ¥5 per share and a total annual dividend of ¥10 per share, the level prior to the collapse of the IT bubble in fiscal 2000.

However, a once-in-a-century global economic crisis emerged halfway through the fiscal year, which caused a steep decline in performance compared to initial forecasts, primarily in the Ubiquitous Product Solutions and Device Solutions segments. Compounded with restructuring charges and impairment losses, the result was a net loss of ¥112.3 billion.

For this reason, we reduced the year-end dividend by ¥2 compared to the previous fiscal year and our initial plans, to ¥3 per share. As a result, including the interim dividend of ¥5 per share, we paid an annual dividend of ¥8 per share, the same as the previous year. Regarding dividends from surplus, we intend to continue paying a cash dividend twice a year, at the end of the second quarter and at the end of the term, in principle. We are planning to pay an annual dividend in fiscal 2009 of ¥6 per share, which includes a ¥3 per share interim dividend, given that the current harsh economic environment is expected to continue for the foreseeable future.