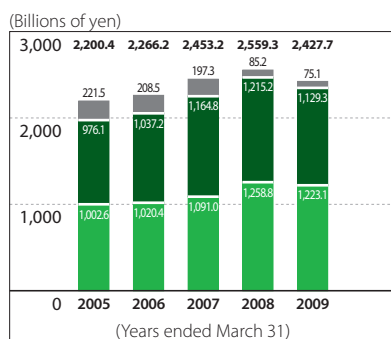




Technology Solutions/Services

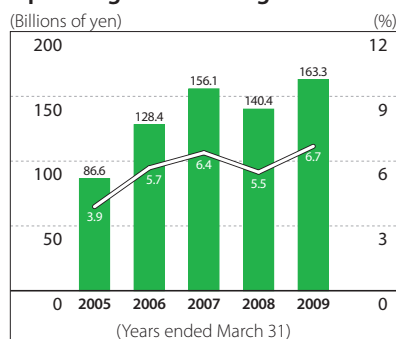
Sub-segment Sales*



■ Solutions/SI
■ Infrastructure Services
■ Others

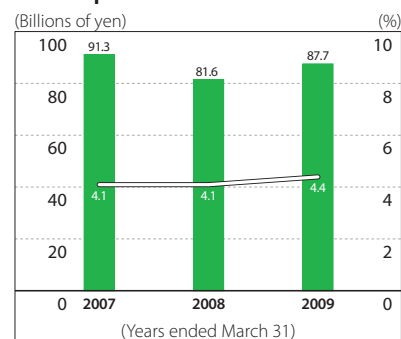
* Including intersegment sales

Operating Income/ Operating Income Margin



■ Operating income (left scale)
○ Operating income margin (right scale)

Capital Expenditure, Ratio of R&D Expenditure to Net Sales*



■ Capital expenditure (left scale)
○ Ratio of R&D expenditure to net sales (right scale)

* For entire Technology Solutions segment

[Fiscal 2008 Business Results]

Market Trends

The value of Japan's IT services market in 2008 increased 3.5% year on year to US\$50.7 billion. IT investment increased in many industry sectors, reflecting continued major system mergers for banks (a trend seen in the previous year) in the financial sector, investments in the insurance and securities field to enhance compliance, demand for system upgrades from the public sector, and IT utilization to enhance operational efficiency in the manufacturing and retail industries. By service type, in addition to system integration demand, customers are now relying more on outsourcing to cut costs. Accordingly, an increasing number of companies outsourced system operations and some business operations, through datacenter-style outsourcing and business process outsourcing, during the year under review.

The global market for IT services grew 5.2% in 2008 year on year to US\$578.6 billion. The market was impacted by sluggish investment in North America and Europe, most notably in the financial sector, due to the economic downturn triggered by financial instability. In spite of this, the market expanded, led by double-digit IT investment growth in newly emerging economies. The IT services sector itself also diversified, as cloud computing and the "Software as a Service" (SaaS) model—whereby networks serve as delivery vehicles for software and services—gained traction, especially in North America.

Operational Review

Sales from the Services sub-segment (Solutions/SI, Infrastructure Services) declined 5.1% from the previous fiscal year to ¥2,427.7 billion. Excluding currency exchange rate effects, sales increased by 3%.

Solutions/SI: Sales decreased 2.8% to ¥1,223.1 billion. Excluding currency exchange rate effects, sales were flat year on year.

In Japan, our system integration business expanded in many fields with legacy system upgrades in the public sector, NGN-related solutions in the telecommunications sector, system integration in the financial sector, and consulting to ensure compliance with amended laws. To expand our business outside Japan, we integrated three solutions companies based in North America—Fujitsu Consulting, Fujitsu Transaction Solutions, and Fujitsu Computer Systems. We also took steps to reinforce Fujitsu Australia's business structure by acquiring the local IT services firm KAZ Group Pty Ltd.

Infrastructure Services: Sales decreased 7.1% to ¥1,129.3 billion. Excluding exchange rate effects, sales grew by 6% year on year.

Demand for outsourcing services to cut costs grew strongly worldwide, and in Japan, outsourcing services expanded in various forms including datacenter utilization, support desk services, and application operation and maintenance. Outside Japan, Fujitsu Services expanded its business by targeting the private sector across continental Europe, recording increased sales on a local currency basis.

Operating income rose 16.3% year on year to ¥163.3 billion. Positive factors included the absence of a provision for losses for an unprofitable project booked the previous fiscal year, and benefits from increased sales and greater cost efficiency, particularly in Japan. These factors absorbed the effects of increased expenses from a shortfall in pension funds from the previous fiscal year, and currency exchange rate volatility.

[Outlook for Fiscal 2009]

Market Trends

The Japanese IT services market in 2009 is projected to increase by 1.7% to US\$51.6 billion. IT investment has been strong until now, but the rate of growth is expected to be subdued with companies curtailing capital expenditures amid the global economic recession. Effective utilization of IT to enhance profitability and bolster competitiveness is expected to be an urgent issue in a harsh economic environment defined by lackluster consumer spending, the yen's appreciation, and employment instability. Use of outsourcing is widely expected to gain momentum as customers cut costs and implement measures for business continuity and environmental protection, particularly measures to combat global warming. Delivery of applications via networks, using cloud computing and other platforms, is also likely to grow.

The global IT services market is projected to increase 1.7% year on year to US\$588.4 billion. The economic downturn is expected to continue to weigh on growth, as will efforts to minimize IT investment, particularly in North America and Europe. In contrast, signs of economic recovery are emerging in India, China, and other emerging economies, which are expected to post double-digit growth in IT investment.

Initiatives Going Forward

Solutions/Sl: In Japan, we intend to deploy our new class of business consultants, "Field Innovators," to our customers' operations to strengthen the provision of solutions from a more customer-

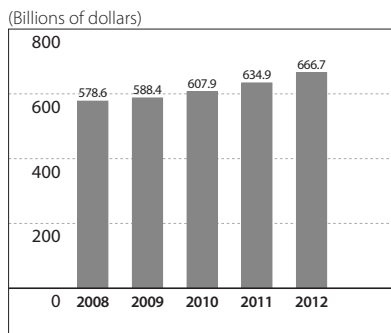
centric viewpoint. Our Field Innovators will allow us to identify business issues facing customers and provide solutions by combining the strengths of people, processes, and IT. Another goal is to boost productivity in the systems integration phase by pursuing standardization and automation using infrastructure SE facilities. We are also realigning our sales framework, reorganizing SE companies, and enacting other structural reforms. In this way, we will establish the optimal business formation for our customers, allowing us to continue providing high-quality, highly reliable services. Outside of Japan, we will reinforce our consulting capabilities and strengthen initiatives in ERP, SaaS, and other new business domains. Spearheading this push will be Fujitsu America, which was newly established on April 1, 2009.

Infrastructure Services: In Japan, we will enhance our support of customers' business continuity plans and efforts to lower their environmental footprint by opening a new datacenter, scheduled for November 2009. Built to the highest standards (CASBEE S-compliant, Tier 4-compatible), this center will meet growing data-center outsourcing demand in Japan, and will be compatible with newly emerging, highly integrated system, and green IT needs.

In line with the growth of SaaS business and cloud computing, we are expanding our business of application services accessible via networks. In markets outside Japan, UK-based Fujitsu Services will lead the push to realize the benefits of synergies from recent M&As as we accelerate business expansion in Europe, centered on outsourcing.

Market Data

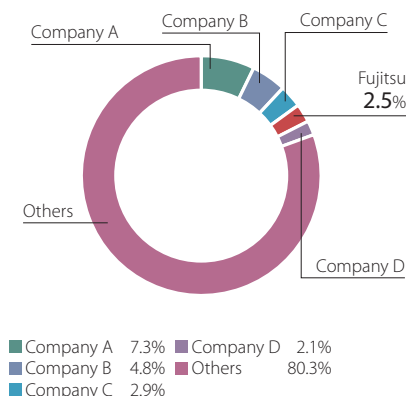
Global IT Services Market Forecast



(Source: IDC The Worldwide Black Book Q1 2009)

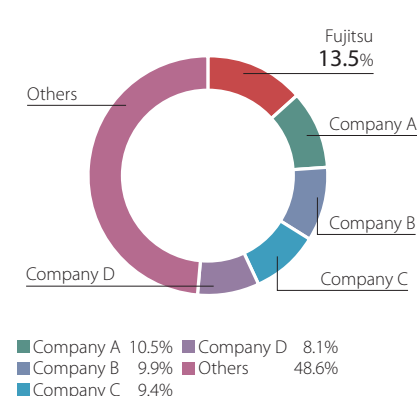
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Global IT Services Market Share in 2008 (Revenue Basis)



(Source: Gartner "IT Services Market Metrics Worldwide Market Share: Database" 14 May 2009)

IT Services Market Share in Japan 2008 (Revenue Basis)

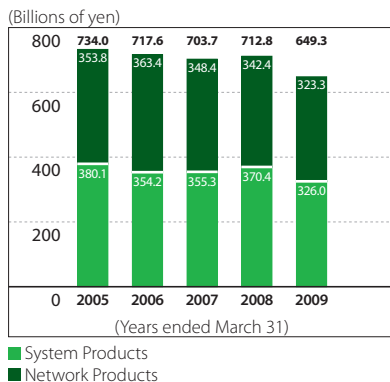


(Source: Gartner "IT Services Market Metrics Worldwide Market Share: Database" 14 May 2009)



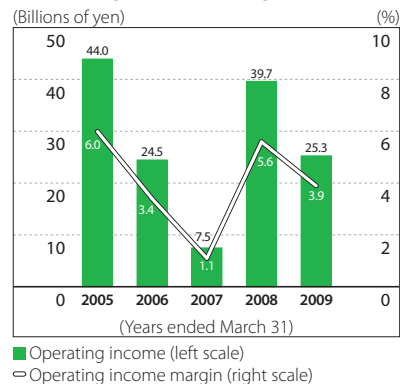
Technology Solutions/System Platforms

Sub-segment Sales*

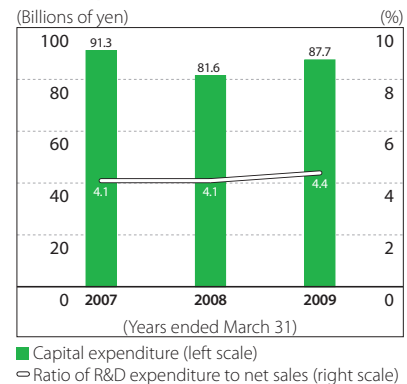


* Including intersegment sales

Operating Income/ Operating Income Margin



Capital Expenditure, Ratio of R&D Expenditure to Net Sales*



* For entire Technology Solutions segment

Fiscal 2008 Business Results

Market Trends

System Products: In 2008, the server market in Japan contracted 7.3% year on year to US\$6.2 billion. While the market for mainframe servers improved year on year due to large-scale upgrade projects, the server market as a whole contracted as the economic downturn triggered a sharp cutback in hardware investment. Similarly, despite firm demand from China and other emerging economies until last year, the global server market declined 6.2% to US\$57.1 billion, due to the global economic downturn.

Network Products: The Japan market for network equipment in 2008 saw strong performance from Wavelength Division Multiplexing (WDM) and other optical transmission equipment, routers, and other IP devices, reflecting active investment in Next-Generation Network (NGN) equipment by telecommunications carriers. The mobile infrastructure market declined year on year as investments in 3G mobile phone base stations to enhance network quality passed their peak.

In North America, optical transmission market spending was lower than the previous year, with reductions in capital expenditures due to the economic recession from the second half of the year. This outweighed continued large-scale investments by major telecommunications carriers rolling out broadband infrastructure and shifting to network IP technology.

Operational Review

The System Platforms sub-segment, including System Products and Network Products, reported sales of ¥649.3 billion, a decrease of 8.9% from the previous fiscal year.

System Products: Sales of System Products declined 12.0% year on year to ¥326.0 billion. In Japan, the economic recession led to

lower sales of UNIX and x86 servers, but sales of mainframe servers were brisk, supported by upgrade demand particularly from public and financial sector customers. Fujitsu successfully captured the top share of the Japanese server market for a second consecutive year. Outside Japan, sales declined. This was due largely to the economic recession in Europe and the United States, and the fact that in fiscal 2007, sales were temporarily boosted by strong demand for both older and new models of UNIX servers.

Network Products: Sales of Network Products decreased 5.6% to ¥323.3 billion. Sales of optical transmission systems were flat year on year, as growth in NGN-related sales in Japan was countered by a slump in sales for existing models. Sales to North America declined despite steady growth of Metro WDM services, due to a decline in next-generation SONET sales and to currency exchange rates. Sales in the European market were also lower. In mobile systems, sales of multi-band compatible base stations increased, but overall sales declined on lower sales of other models on reductions in 3G investments. For network solutions, sales rose sharply on higher sales of routers for NGNs.

Operating income was ¥25.3 billion, ¥14.3 billion lower than the previous fiscal year.

In System Products, income declined due to lower sales of UNIX servers outside Japan and stymied growth in open-source servers in Japan due to the adverse economic climate.

In Network Products, the operating loss persisted with ongoing investment in new optical transmission systems for NGN in the US and the UK, as well as delays meeting cost efficiency targets and changes in the network product mix. However, the extent of the loss narrowed, reflecting efficient mobile phone

base station operations and increased sales of routers for communications carriers.

Outlook for Fiscal 2009

Market Trends

System Products: The Japanese server market is expected to contract 17.1% in fiscal 2009 to US\$5.1 billion. Demand for blade servers is projected to rise with customer needs for server consolidation and virtualization. Nevertheless, the overall server market in Japan will likely face challenging conditions for some time, with the eroded upgrade demand for mainframe servers and stagnation in the UNIX server market. The global server market is projected to decline 13.5% to US\$49.4 billion, due to adverse economic conditions in Europe and the United States.

Network Products: The 2009 Japanese network equipment market should continue to be firm with NGN investment by telecommunication carriers supporting sales of optical access devices, optical transmissions systems, and routers and other IP devices. The mobile infrastructure market is projected to decline year on year, due to a lull in investment ahead of the full-scale rollout of LTE in 2010.

Meanwhile, the value of the North American optical transmission market is expected to fall by about 10% year on year as major carriers scale down investment.

Initiatives Going Forward

System Products: The growing importance of IT as social infrastructure in recent years has boosted demand for mission-critical systems. Servers with superior reliability, quality and performance

are vital as platforms for answering this demand. Fujitsu seeks to expand its business globally based on products (centered on servers) and services.

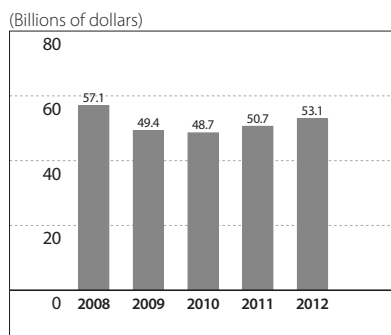
To this end, Fujitsu converted Fujitsu Siemens Computers into a wholly owned subsidiary after acquiring the 50% stake in the company held by Siemens of Germany and changed the subsidiary's name to Fujitsu Technology Solutions. Using Fujitsu Technology Solutions as a springboard, Fujitsu will reconfigure the global sales framework, and improve development and manufacturing efficiency to enhance the base supporting its IT services business globally. In May 2009, Fujitsu began by launching a high-performance blade server developed by combining Fujitsu's and Fujitsu Technology Solutions's design and quality assurance technologies. Supplying competitive global products of this kind, Fujitsu is targeting annual sales of 500,000 units of x86 servers in fiscal 2010.

Network Products: Conditions will remain tough for Fujitsu with costs for developing new technologies and new product models rising each year. The rise in costs is driven by the shift to NGN and increasing network complexity, two trends that are advancing in Japan and elsewhere.

To improve profitability, Fujitsu is developing global products, expanding services for communications carriers, such as design, construction, maintenance, and operation of communications carrier networks, and unveiling solutions that integrate products and services to boost earnings. Fujitsu employs the collective capabilities of the entire Group to enhance development efficiency and design. This is part of an extensive drive to raise efficiency and reinforce our business structure.

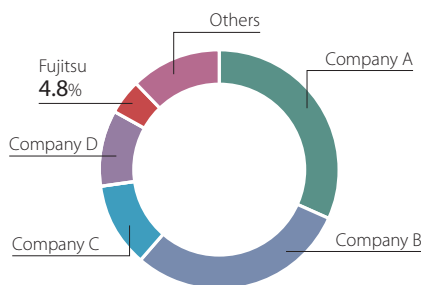
Market Data

Global Server Market Forecast



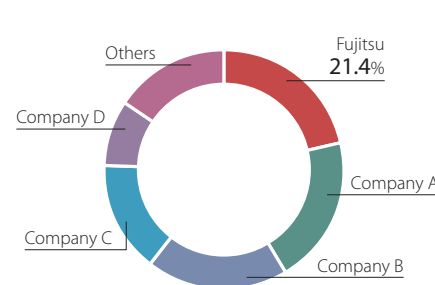
(Source: IDC The Worldwide Black Book Forecast Q1 2009)

Global Server Share in 2008 (Revenue Basis)



(Source: IDC Worldwide Quarterly Server Tracker 2009 Q1)

Server Share in Japan 2008 (Revenue Basis)

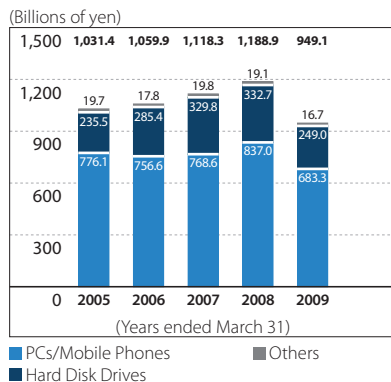


(Source: IDC Japan, Japan Server Quarterly Model Analysis, 2009 Q1)



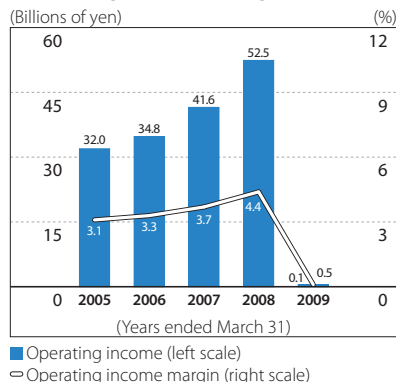
Ubiquitous Product Solutions

Sub-segment Sales*

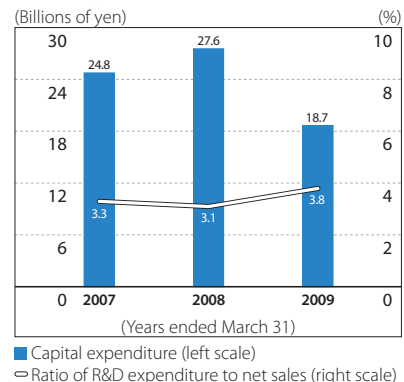


* Including intersegment sales

Operating Income/ Operating Income Margin



Capital Expenditure, Ratio of R&D Expenditure to Net Sales



[Fiscal 2008 Business Results]

Market Trends

PCs/Mobile Phones: PC shipments in Japan rose 4.7% year on year in 2008 to 14.81 million units. Shipments to the corporate sector struggled from September as the economy worsened. In contrast, the consumer market saw increased sales volumes, energized by a drop in sales prices and rapid demand growth for compact, low-priced notebook PCs. Worldwide PC shipments, meanwhile, increased 10.2% year on year to 300.23 million units, despite the impact of the global economic downturn, while Japan also saw significant growth in sales of compact, low-cost notebook PCs.

Mobile phone shipments in Japan in 2008 decreased 18.2% year on year to 42.16 million units, as the handset replacement cycle lengthened due to mobile carriers' elimination of a system of special sales incentives and adoption of fixed-term subscription contracts.

HDDs: The global enterprise 3.5-inch hard disk drive (HDD) market climbed 6.8% year on year in 2008 to 31.89 million units spurred by double-digit year on year growth from July to September. Shipment growth was partially offset, however, by a double-digit year on year decline for October to December due to worsening economic conditions. Shipments of 2.5-inch HDDs models for the mobile market rose 29.1% year on year to 212.28 million units. Backed by substantial growth in demand for notebook PCs, shipments increased by over 40% for July to September, although the growth rate fell dramatically from October to December.

Operational Review

Sales from the Ubiquitous Product Solutions segment (PCs/mobile phones/HDDs) declined 20.2% year on year to ¥949.1 billion.

PCs/Mobile Phones: Sales decreased 18.4% to ¥683.3 billion. Global PC shipments declined 16.5% year on year to 7.36 million units, reflecting intensifying price competition and slumping corporate sales. Lower shipment volume was especially evident in Europe. Japan shipments of mobile phones fell 22% to 4.6 million units despite brisk demand for our Raku-Raku Phone models. In addition to market contraction triggered by the elimination of special sales incentives from December 2007, volume also decreased due to adverse economic conditions.

HDDs: Sales decreased 25.2% year on year to ¥249.0 billion, reflecting greater-than-anticipated price drops due to increased competition, and deteriorating economic conditions.

Operating income decreased ¥52.0 billion from the previous fiscal year to ¥0.5 billion. This reflected lower sales of mobile phones and increased costs incurred from more sophisticated mobile phone functionality. Income was also affected by drops in PC prices and sales volumes, despite benefiting from reduced costs for PC components. Another factor was HDDs, where losses expanded as intense global competition brought dramatic price drops in HDDs for notebook PCs and servers, and HDD head production declined.

In April 2009, Fujitsu signed agreements finalizing the transfer of the hard disk drive and HDD media businesses to Toshiba Corporation and Showa Denko K.K., respectively. Ahead of this change, we terminated our HDD head business at the close of fiscal 2008.

[Outlook for Fiscal 2009]

Market Trends

PCs/Mobile Phones: The Japanese PC market is expected to contract year on year. Low-priced compact notebook PCs for consumers are expected to grow, but the PC market overall is expected to decline significantly due to the economic downturn, led by the corporate sector. The US and Europe, are expected to be similarly affected by the economic downturn, with markets contracting year on year. Shipments for Asia-Pacific are forecast to be flat year on year with an expected increase in compact low-priced notebook PCs offset against a decline in desktop and high-end notebook PCs. Worldwide, the PC market is expected to decline 6.0% year on year to 274.1 million units.

For mobile phones, forecasts for the Japanese market in 2009 are for a decline in shipments to around 32 million units. Mobile carriers' elimination of special sales incentives and adoption of fixed-term subscription contracts are expected to raise handset prices and extend the replacement cycle. The impact of these and other trends, including consumer reluctance to buy new phones in a tough economy, is expected to lead to overall lower shipments.

Initiatives Going Forward

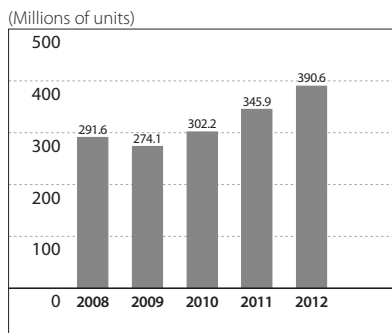
PCs/Mobile Phones: For the consumer PC market in Japan, our initiatives will include entry into the low-priced PC market, as well as efforts to enhance usability, add lid color variations, and expand

our lineup of design-focused entry-level PCs and models equipped with Blu-ray Disc players. For the corporate sector, we will continue to create products that consume less power and offer improved reliability, including security. In parallel, we will roll out product lines that meet the specific needs of a wide range of customers, including the small- and medium-sized enterprise and small office/home office (SOHO) markets. Outside of Japan, we are determined to maintain a profitable PC business by continuously launching high-quality, high value-added products. We also intend to expand our range of volume products and unveil compact, low-cost notebook PCs in order to expand our customer base. In Europe, integration with Fujitsu Technology Solutions will serve as an opportunity to standardize our offerings and align our product portfolio. In this way, we will enhance profitability by shifting from low-priced to high value-added products. For the Asia-Pacific region, we will move aggressively to increase volume as economies rebound.

In mobile phones, despite concerns over the impact of a lengthened handset replacement cycle in Japan, we plan to boost income by expanding sales of distinctive and innovative products. These include most prominently the Raku-Raku Phone, where our pursuit of an easy-to-see, easy-to-hear handset has led to brisk sales, as well as the STYLE Series of fashionable phones, the PRIME Series of next-generation entertainment phones, and the SMART Series of high-spec models aimed at sophisticated customers.

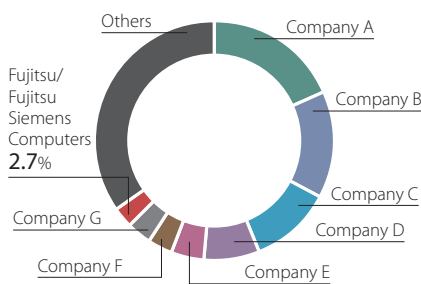
Market Data

Global PC Market Forecast



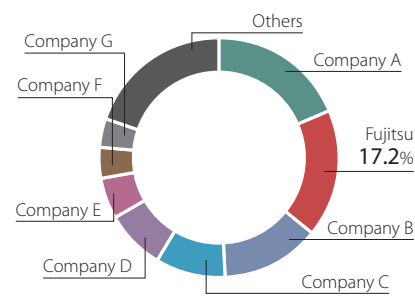
(Source: Gartner "Global PC Forecast and Shipments Quarterly Statistics: Database" 8 June 2009)

Global PC Market Share in 2008 (Unit Basis)



(Source: Gartner "Personal Computer Quarterly Statistics Worldwide by Region: Final Database" 26 June 2009)
* Including PC servers

PC Market Share in Japan 2008 (Unit Basis)

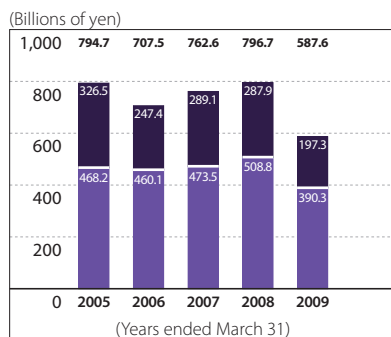


(Source: Gartner "Personal Computer Quarterly Statistics Worldwide by Region: Final Database" 26 June 2009)
* Including PC servers



Device Solutions

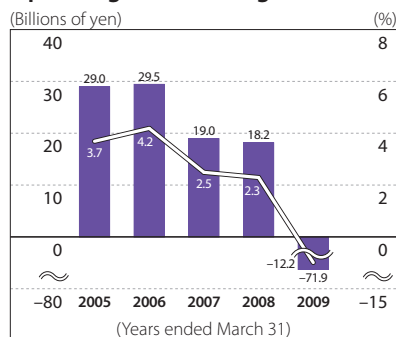
Sub-segment Sales*



■ LSI Devices
■ Electronic Components, Others

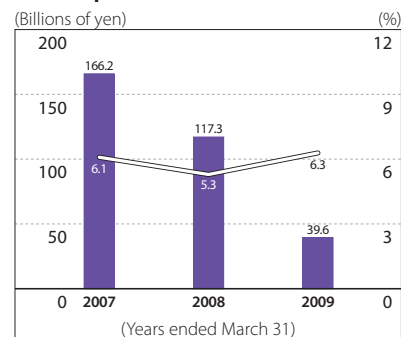
* Including intersegment sales

Operating Income/ Operating Income Margin



■ Operating income (left scale)
○ Operating income margin (right scale)

Capital Expenditure, Ratio of R&D Expenditure to Net Sales



■ Capital expenditure (left scale)
○ Ratio of R&D expenditure to net sales (right scale)

[Fiscal 2008 Business Results]

Market Trends

The value of the global semiconductor market declined by 2.8%*¹ to US\$248.6 billion in 2008, falling sharply from growth of 3.6% recorded for 2007.

Up until September 2008, market growth was on track to surpass that of the previous year. However, hard hit by global market deterioration from October, demand for semiconductors fell rapidly across virtually all sectors, most notably for products used in digital home appliances, mobile phones, automobiles, and PCs. Ultimately, market growth declined by 21.9% year on year for the period from October to December. The drop in market value accelerated further going into 2009, falling significantly by 29.8% year on year from January to March.

Operational Review

Sales from the Device Solutions segment decreased 26.2% year on year to ¥587.6 billion. Sales in Japan of both mature technology logic products and advanced technology logic products based on 65nm and 90nm process technology were substantially lower. This downturn was the result of inventory adjustments in digital home appliances, automobiles, and across a wide range of other sectors, due to adverse market conditions from the second quarter. Sales of Flash memory for mobile phones and electronic components also were lower because of poor market conditions. Outside Japan, sales declined 21.7%, or 13% excluding currency exchange rate effects.

The segment posted an operating loss of ¥71.9 billion, dropping ¥90.2 billion from the previous fiscal year. The key reasons for this decline were lower sales from the LSI Devices sub-segment, diminished capacity utilization rates for our production lines from the third quarter, weak demand for electronic components, and currency exchange rate effects.

[Outlook for Fiscal 2009]

Market Trends

The global semiconductor market in 2009 is projected to decline significantly by 21.6%*¹ year on year to US\$194.8 billion due to the expected impact of serious economic deterioration in the wake of the financial crisis. By region, the US, Europe, Japan, and Asia-Pacific semiconductor markets are expected to decrease by 14.7%, 25.9%, 28.5%, and 19.8%, respectively*¹.

In terms of products, the markets for all products appear likely to contract significantly. The memory market (including DRAM and Flash memory) is expected to decline by 20.3% in fiscal 2009, and sales of MOS logic products and MOS microcontrollers are expected to fall by 17.2% and 24.0%, respectively*¹. Although a modest recovery is anticipated from March 2009, conditions are expected to remain extremely challenging for the semiconductor market in 2009.

Looking ahead, the semiconductor market shows signs of recovering from 2010, when the market is projected to grow 7.3% to US\$209.0 billion, followed by further growth of 8.9% to US\$227.5 billion in 2011. Overall, the projected average annual growth rate

from 2009 to 2011 is 8.1%. The most notable growth, however, is expected in the Asia-Pacific region, where a high average annual growth rate of 8.8% will likely continue to surpass that of other regions for the same period*¹.

■ Initiatives Going Forward

The Fujitsu Group is realigning its production framework to cope with the sudden and dramatic drop in customer demand in LSIs since the fall of 2008. Accordingly, along with the consolidation and integration of production lines for standard technology logic products at the Iwate and Aizu Wakamatsu Plants by March 31, 2010, and steps to make administrative operations more efficient, a total of 2,000 employees are scheduled for redeployment within the Fujitsu Group.

Furthermore, Fujitsu is pursuing structural reforms at FDK following its conversion into a wholly owned subsidiary. This conversion was carried out after FDK fell into excessive debt because of losses posted at the end of the fiscal year as a result of poor business performance, and structural reforms. We will also provide a ¥2.0 billion infusion of capital to consolidated subsidiary Fujitsu Component to support that company's voluntary restructuring.

Until recently, the Fujitsu Group manufactured advanced logic products at its own fabs. Going forward, mass production of the 40nm generation of these products will be outsourced to Taiwan Semiconductor Manufacturing Company (TSMC), in line with a

decision to shift our business structure to a "fab light" model. This change will allow Fujitsu to retain its strengths in miniaturization processes, while continuing to promote businesses that leverage design technologies cultivated in ASIC*² and ASSP*³ operations, distinctive IP technologies, and the existing customer base. Fujitsu is also in negotiations with TSMC concerning joint research on 28nm and future generation technologies.

Going forward, we will scale back investment in production capacity related to advanced logic, and promote reforms for gaining an optimal cost structure for our new business structure. In parallel, management resources will be transferred to product planning and development for our growth engines; namely, semiconductors for digital AV equipment, automobiles, mobile devices and servers, as well as general-purpose devices mainly for Asia.

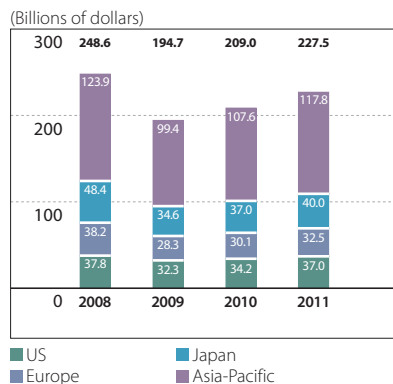
*¹ Semiconductor market estimates according to World Semiconductor Trade Statistics (WSTS), spring 2009 forecast.

*² ASIC: Application specific integrated circuit. Customized ICs for specific applications and customers.

*³ ASSP: Application specific standard product. Standard LSI products for specific applications such as power supplies and image processing, for use in PCs, mobile phone handsets, and other devices. These LSIs can be sold to multiple users.

Market Data

Global Semiconductor Market Forecasts



(Source: World Semiconductor Trade Statistics (WSTS))

Sales of Logic LSI Products by Application for the Year Ended March 31, 2009

