A MESSAGE FROM THE CFO

Performance in Fiscal 2010

The overall business environment during fiscal 2010 was characterized by a mild recovery, mainly attributable to higher demand in China and other emerging markets. Growth came despite high unemployment in Europe and the United States as well as Europe's fiscal austerity measures and ongoing concerns about stability in its financial system. In Japan, the economy in the first half of the fiscal year experienced a mild recovery, with improvement in employment conditions, a recovery in capital spending, and rising exports. The second half of the fiscal year, however, saw an increasingly severe business environment with government incentive policies running their course and an ongoing appreciation of the yen. Then, with the Great East Japan Earthquake on March 11, 2011, the recovery trend came to a sudden halt and the country's near-term economic prospects became shrouded in uncertainty.

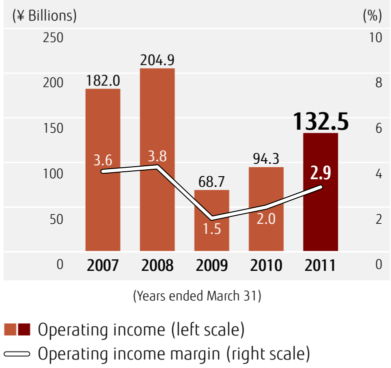
With respect to ICT investment, though there were signs of recovery in demand for hardware during the first half, overall investment continued to be restrained. A severe investment environment now prevails following the Great East Japan Earthquake, with many investment projects postponed or cancelled.

In this climate, consolidated net sales for fiscal 2010 amounted to ¥4,528.4 billion, a decline of 3.2% from fiscal 2009. Excluding the impact of foreign exchange fluctuations, however, sales were on par with the previous fiscal year. Sales in Japan were essentially unchanged from fiscal 2009. Although sales of LSI devices and electronic components were strong as a result of the continued market recovery since the previous year, sales of car audio and navigation systems declined as new car sales stalled after the government's subsidy program for eco-friendly car purchases ended in the first half of the fiscal year. In addition, sales of PCs and other products were adversely affected by temporary production stoppages and shipment delays resulting from the Great East Japan Earthquake. Sales outside Japan decreased 9.2%. Excluding the impact of exchange rate fluctuations, however, sales were essentially unchanged from the previous fiscal year.

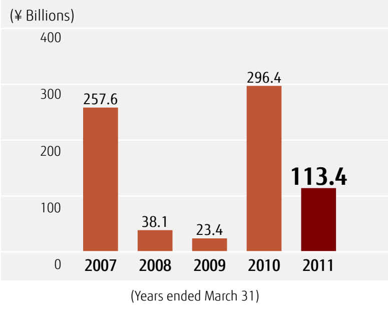
Particularly in the first half of the fiscal year, there were higher sales of x86 servers in Europe, LSI devices and electronic components in Asia, and optical transmission systems in North America. The transfer of the HDD business in October 2009, however, resulted in overall sales outside Japan remaining essentially unchanged year on year.

The yen's appreciation initially showed signs of bottoming out heading into the third quarter. The average rates for the US dollar, the euro and the British pound, however, moved to ¥86 (¥7 stronger

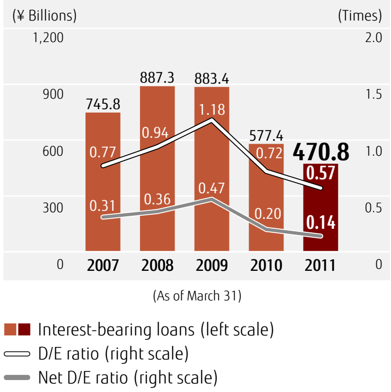
Operating Income and Operating Income Margin



Free Cash Flow



Interest-bearing Loans, D/E Ratio and Net D/E Ratio



year on year), ¥113 (¥18 stronger), and ¥133 (¥15 stronger) for the year, respectively. As a result of exchange-rate impact, net sales declined by roughly ¥160.0 billion. The ratio of sales outside Japan was 35.1%, down 2.3 percentage points year on year.

Gross profit increased by ¥14.3 billion compared to the previous year. Despite the adverse effects of the earthquake and yen appreciation, this outcome was the result of increased sales of LSI devices and electronic components, lower depreciation and other fixed costs in the company's LSI device business as a result of structural reforms, in addition to unrecognized obligation for retirement benefits becoming fully amortized in the previous fiscal year in accordance with a change in accounting standards implemented in fiscal 2000. Even with the continuation of upfront investments in cloud services and other areas, selling, general and administrative expenses fell ¥23.8 billion from fiscal 2009 due to the absence of one-time expenses incurred in the previous fiscal year in line with the conversion of Fujitsu Technology Solutions into a wholly owned subsidiary, along with the transfer of the HDD business and appreciation of the yen.

As a result, operating income amounted to ¥132.5 billion, an increase of ¥38.2 billion compared to fiscal 2009. The operating income margin improved 0.9 of a percentage point to 2.9%.

Other income (expenses), net, amounted to a ¥30.3 billion loss, a deterioration of ¥48.6 billion from the previous fiscal year. Contributing factors included an improved financial balance owing to a decline in interest-bearing loans and other factors, although the net loss on foreign exchange worsened due to the yen's appreciation. In addition, a gain on sales of investment securities was booked primarily from the sale of shares in affiliates owned by a UK subsidiary. On the other hand, Fujitsu recorded a loss due to expenses incurred to recover plant and equipment damaged in the Great East Japan Earthquake.

As a result, net income for fiscal 2010 was ¥55.0 billion, representing a year-on-year decline of ¥37.9 billion.

Yen Exchange Rates (Average)

(Yen)

	Fiscal 2009	Fiscal 2010	**Fiscal 2011**
U.S. Dollar	101	93	**86**
Euro	144	131	**113**
British Pound	174	148	**133**

(For reference) Impact on operating income (actual) of a one yen (¥1) fluctuation in the currency exchange rate for fiscal 2010 (approximate)
US dollar: ¥0.9 billion; Euro: ¥0.2 billion; British pound: ¥0.1 billion

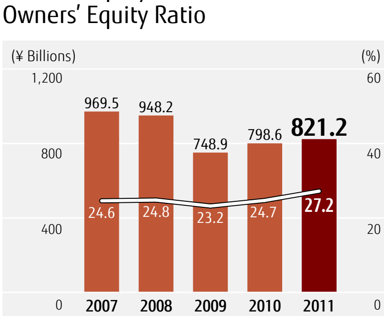
Financial Initiatives in Fiscal 2010

The Fujitsu Group continued to improve its financial position in fiscal 2010. The owners' equity ratio rose by 2.5 percentage points compared to the previous fiscal year to 27.2%, primarily from a reduction in interest-bearing loans from net income posted for the year. Free cash flow was a positive ¥113.4 billion. Although this figure was ¥182.9 billion less than the previous year, the decline was actually ¥38.2 billion when excluding proceeds from the sale of investment securities and other special items. The balance of interest-bearing loans amounted to ¥470.8 billion, a decline of ¥106.6 billion year on year, principally as a result of redemptions of ¥100.0 billion in convertible bonds that reached maturity. This put the D/E ratio at 0.57 times, an improvement of 0.15 points from the previous fiscal year-end. Consequently, the net D/E ratio was 0.14 times, improving 0.06 of a point to its lowest-ever level.

In June 2011 we announced a management policy whereby one of our goals is to quickly realize a free cash flow target of over ¥150 billion annually by improving earnings and asset efficiency.

Kazuhiko Kato
Corporate Executive Vice President and Director, Chief Financial Officer

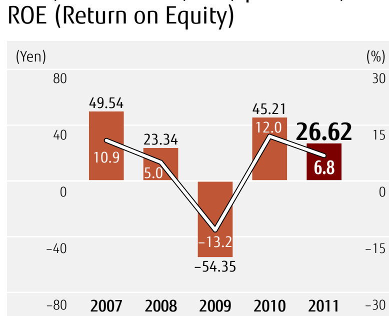
Owners' Equity and Owners' Equity Ratio



(As of March 31)

Owners' equity (left scale)
Owners' equity ratio (right scale)

EPS (Net Income (Loss) per Share), ROE (Return on Equity)



(Years ended March 31)

EPS (left scale)
ROE (right scale)