

Fujitsu Business Systems Ltd.

FJB BUSINESS BOOK 2009

Year ended March 31, 2009

Advancing as a Core Member of the Fujitsu Group

Fujitsu Business Systems (FJB) contributes to its customers' success in implementing their business strategies by providing the latest IT solutions. We conduct detailed analyses of their business operations and the challenges facing them and design optimal IT solutions to resolve them. More precisely, some 3,300 specialists in our nationwide network of 105 bases provide total solutions throughout the IT lifecycle, from consulting and system architecture to operations support, maintenance and facilities construction as well as employee education and training. Our comprehensive strength has inspired over 40,000 companies across a wide range of industries to choose our services over the years. As the best partner for every customer, we remain committed to providing increasingly impressive solutions by adding to our store of accumulated knowledge and developing the next generation of technologies.

At a time when customers' needs in terms of IT applications are diversifying in response to changes in the business environment, the methods of applying IT are also deepening and diversifying in conjunction with technological evolution. We have recognized a need to reinforce our cooperation with Fujitsu Ltd. and the other members of the Fujitsu Group in every respect to ensure our ability to respond accurately to these changes and to continue providing products and services that satisfy our customers' needs fully, rapidly and with appropriate timing.

We consequently decided to become a wholly owned subsidiary of Fujitsu Ltd. effective August 1, 2009. We look forward to pursuing further dramatic growth as a core company in the Fujitsu Group, and to fulfilling new roles in this capacity in the months and years ahead.

We will continue to dedicate ourselves to maintaining our customers' trust as their best partner by providing them with the finest solutions. We ask for your continued support and encouragement as we pursue these efforts.

Best Solution & Best Partner

Seeking the best of today and tomorrow,
FJB always provides accurately targeted solutions,
and aims to be a good partner for its customers'
management and business operations.

August 2009
Chairman & President
Kuniaki Suzuki

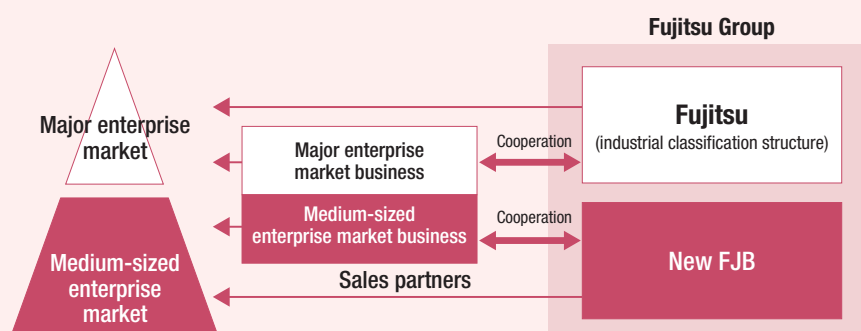


Seeking business expansion as the “new FJB” specializing in the medium-sized enterprise market

In becoming a wholly owned subsidiary of Fujitsu Ltd., Fujitsu Business Systems (FJB) has strengthened the Fujitsu Group’s businesses capabilities in the medium-sized enterprise market and enhanced the corporate value of the Group as a whole. The Company hopes, at the same time, to leverage this new position to satisfy the expectations of FJB’s shareholders. Its concrete plans for restructuring of its business operations are as follows:

1 Unifying the sales functions for the medium-sized enterprise market and enhancing responsiveness to customer needs

We will conduct a staged integration into FJB of the sales functions concerned with the medium-sized enterprise market, which are currently dispersed among Fujitsu and FJB units. The first stage will involve integration of sales operations responding to private-sector demand from medium-sized enterprises in the three major metropolitan areas, which have the largest market scale.



2 Consolidating and strengthening the product commercialization function for the medium-sized enterprise market and promoting development of products with a higher competitive edge

We will transfer the planning and commercialization of services and products for the medium-sized enterprise market from Fujitsu to FJB as a means of facilitating product commercialization in a location closer to the market and our customers. We will also direct efforts toward further reinforcing our business and operations solutions by such means as advancing the transfer of the “GLOVIA smart” brand, developing solution products that integrate platforms and services for the medium-sized enterprise market and enhancing our SaaS application lineup.

3 Strengthening cooperative relationships with partners and raising added value to new high levels

We will deepen cooperation with our sales and product partners, who will play an essential role in our efforts to expand our business in the medium-sized enterprise market. We will also work actively to establish win-win relationships with customers, partners and other members of the Fujitsu Group in such areas as cooperative marketing, joint procurement of various products and establishment of product OEM and other partnerships.

Operating Results for the Year ended March 31, 2009

For the Year:	Millions of yen			Thousands of U.S. dollars
	2007	2008	2009	2009
Net sales	158,677	148,855	152,070	1,537,016
Operating income	4,088	3,652	3,799	38,448
Ordinary income	3,495	3,385	3,003	30,393
Net income	1,867	1,853	1,720	17,412
Earnings per share (yen/dollar)	¥ 70.52	¥ 69.98	¥ 65.57	\$ 0.66
Dividends per share (yen/dollar)	¥ 16.00	¥ 18.00	¥ 20.00	\$ 0.20
Dividend payout ratio (%)	22.7%	25.7%	30.5%	–
(At Year-End:)				
Total assets	118,403	114,260	109,959	1,112,834
Net assets	61,363	62,259	62,705	634,606
Equity ratio (%)	51.8%	54.5%	57.0%	–
Book value per share (yen/dollar)	¥ 2,316.58	¥ 2,350.47	¥ 2,393.01	\$ 24.21

Note: 1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥98.81= US \$1, the approximate Tokyo foreign exchange market rate as of March 31, 2009.

Operating Results by Division (Order and sales)

	Millions of yen			
	Orders outstanding at the beginning of fiscal 2008	Orders received during the year	Sales for the year	Orders outstanding at the end of fiscal 2008
Information Network Services	38,380	116,279	129,477	25,182
Information Systems Services	15,045	41,510	45,775	10,780
Software Services	23,334	74,768	83,702	14,401
Maintenance Services	83	11,211	11,225	68
Construction Services	1,755	11,345	11,366	1,733
Total	40,219	138,835	152,070	26,984

Solution Services

■ Information Network Services

These comprise “Information System Services (=Hardware)” involving sales of information-processing devices and peripheral devices and “Software Services” involving provision of software and services business.

▶ Information System Services (=Hardware)

Hardware, including PCs, servers, network devices and related peripherals, and supply products

▶ Software Services

System architecture, User Program development, consulting, software package sales, outsourcing, network design, establishment, security services, education, others

■ Support Services

Hardware maintenance, system maintenance

■ Construction Services

Network construction, system-related construction, building management system construction, facility management services for offices, physical security services

Productivity

Year ended March 31	Millions of yen			Thousands of U.S. dollars
	2007	2008	2009	2009
Number of employees	3,338	3,321	3,351	–
Sales per employee *1	47.54	44.82	45.38	459.27
Ordinary income per employee *2	1.05	1.02	0.90	9.07
Net income per employee *3	0.56	0.56	0.51	5.20
Total assets turnover (times) *4	1.34	1.28	1.36	–

*1. Net sales / number of employees at term-end

*2. Ordinary income / number of employees at term-end

*3. Net income / number of employees at term-end

*4. Net sales / average total assets

Stability

Year ended March 31	2007	2008	2009
Current ratio (%) *1	212.4	234.2	256.3
Quick ratio (%) *2	178.8	199.1	228.5
Fixed assets ratio (%) *3	35.2	31.2	33.4

*1. Current assets / current liabilities x 100

*2. Quick assets / current liabilities x 100

*3. Fixed assets / Net assets x 100

Profitability

Year ended March 31	2007	2008	2009
Ordinary profit margin (%) *1	2.2	2.3	2.0
Net profit margin (%) *2	1.2	1.2	1.1
Return on equity (%) *3	3.1	3.0	2.7
Return on assets (%) *4	1.6	1.6	1.5

*1. Ordinary income / net sales x 100

*2. Net income / net sales x 100

*3. Net income / average shareholders' equity x 100

*4. Net income / average total assets x 100

Growth Rate

Year ended March 31	2007	2008	2009
Sales growth (%) *1	(2.3)	(6.2)	2.2
Operating income growth (%) *2	6.7	(10.7)	4.0
Ordinary income growth (%) *3	16.0	(3.1)	(11.3)
Net income growth (%) *4	2.8	(0.8)	(7.2)
Total assets growth (%) *5	0.1	(3.5)	(3.8)
Net assets growth (%) *6	2.4	1.5	0.7

*1. ((Current year sales / previous year sales) - 1) x 100

*2. ((Current year operating income / previous year operating income) - 1) x 100

*3. ((Current year ordinary income / previous year ordinary income) - 1) x 100

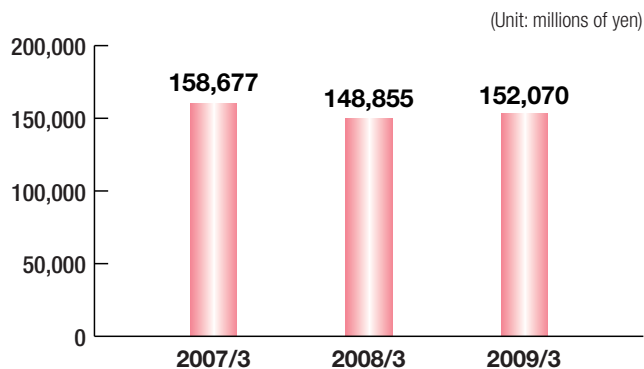
*4. ((Current year net income / previous year net income) - 1) x 100

*5. ((Current year total assets / previous year total assets) - 1) x 100

*6. ((Current year net assets / previous year net assets) - 1) x 100

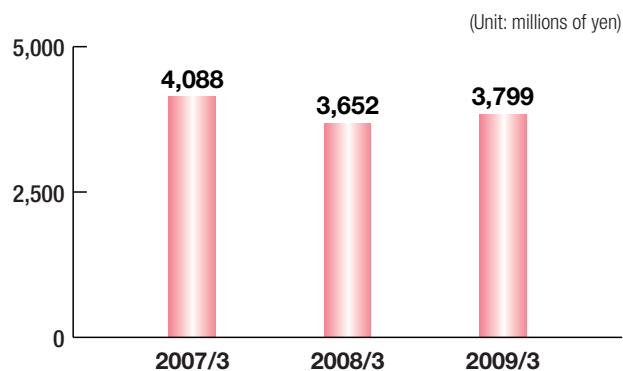
Net sales

Net sales expanded to ¥152,070 million from the previous fiscal year (an increase of 2.2%) due to greater investment in IT facilities and services by governmental and other public offices. This growth in public sector investment compensated for a contrary trend toward resistance to IT investment in the corporate sector.



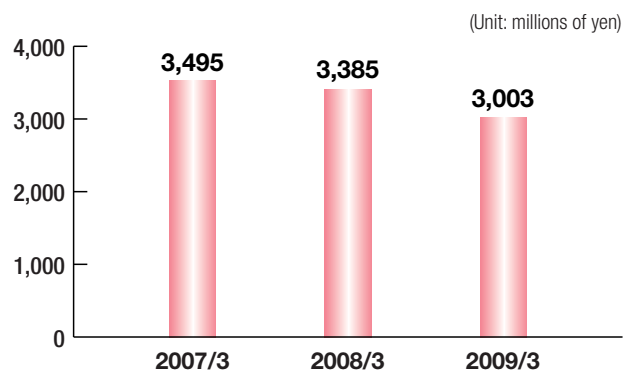
Operating income

Operating income rose to ¥3,799 million (an increase of 4.0%), boosted by an increase in sales.



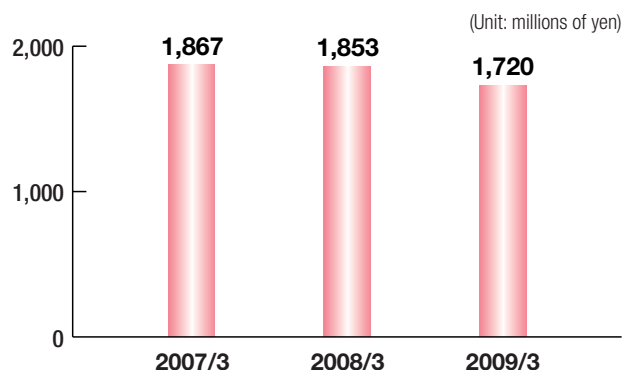
Ordinary income

Ordinary income fell to ¥3,003 million (a decrease of 11.3%), on the other hand, due to a contraction in interest and dividend income received in a deteriorating fund management environment.



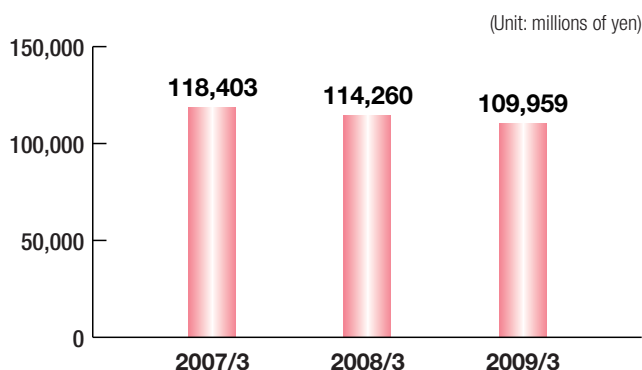
Net income

Extraordinary profit stemming from a gain recorded on sales of investment securities was accompanied by an extraordinary loss due to a revaluation of investment securities and other instruments. Current net income slipped to ¥1,720 million as a result (a decrease of 7.2%).



Total assets

Total assets contracted by ¥4,301 million from the end of the previous consolidated fiscal year to ¥109,959 million (a decrease of 3.8%). Trade notes and accounts receivable increased by ¥2,116 million, meanwhile, while inventories slipped by ¥4,202 million. The growth in trade notes and accounts receivable was attributable to our decision not to secure funding through the sale of receivables in the fourth quarter. The downturn in inventories, meanwhile, resulted from a decline in orders received as well as from efforts to enhance efficiency.

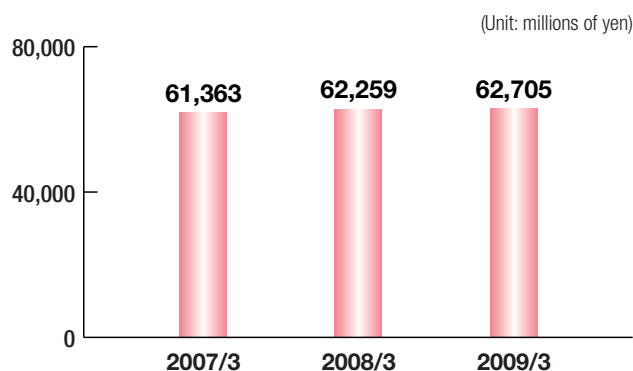


Liabilities

Liabilities declined by ¥4,747 million from the previous fiscal year to ¥47,253 million (a decrease of 9.1%). Trade notes and accounts payable decreased by ¥5,618 million due to reduced expenditures for equipment purchases and for subcontracting of software development in the fourth quarter.

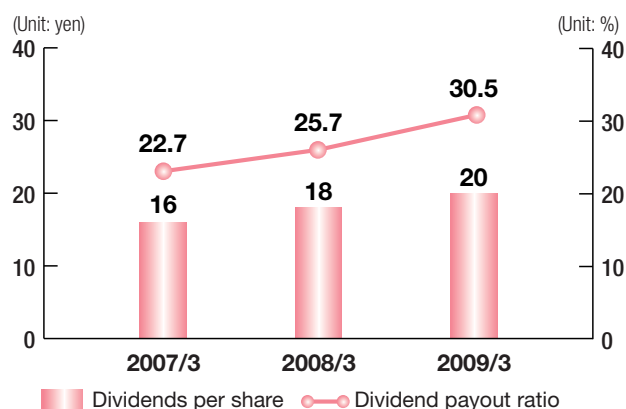
Net assets

Net assets rose by ¥445 million from the previous fiscal year to ¥62,705 million (an increase of 0.7%). Retained earnings grew by ¥1,720 million due to the recording of current net income but ended the year ¥500 million below the year-before level after dividend payments. Treasury stock holdings expanded by ¥398 million (reducing net assets) as a result of market purchasing. The difference in the valuation of marketable securities contracted by ¥375 million due to a falloff in the prices of marketable securities.



Dividend

The Company decided to pay a dividend at the fiscal year-end in the amount of ¥11 per share, despite the severe operating environment, due to its desire to continue to respond to its shareholders for their support. The total annual dividend, including the interim dividend of ¥9 per share, was ¥20 per share as a result.



Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31

	Millions of yen			Thousands of U.S. dollars
	2008	2009	Year-on-year change (%)	2009
Assets				
Current assets	94,817	89,016	(6.1)	900,883
Cash and deposits	11,312	10,243		103,664
Notes and accounts receivable-trade	40,100	42,217		427,260
Marketable securities	5,526	5,892		59,631
Inventories	11,640	7,437		75,274
Deferred tax assets	2,008	1,801		18,232
Money deposited	23,675	21,000		212,529
Other	565	441		4,468
Allowance for doubtful accounts	(12)	(17)		(176)
Fixed assets	19,443	20,942	7.7	211,950
Property, plant and equipment	3,016	2,800	(7.2)	28,341
Buildings and structures	1,246	1,125		11,386
Tools, furniture and fixtures	598	546		5,530
Land	1,083	1,083		10,969
Construction in progress	86	44		454
Intangible fixed assets	1,099	959	(12.7)	9,715
Software	936	797		8,075
Other	163	162		1,639
Investments and other assets	15,327	17,182	12.1	173,893
Investment securities	8,875	9,926		100,462
Deferred tax assets	4,890	5,495		55,612
Other	2,045	2,210		22,371
Allowance for doubtful accounts	(484)	(449)		(4,553)
Total assets	114,260	109,959	(3.8)	1,112,834
Liabilities				
Current liabilities	40,484	34,731	(14.2)	351,499
Notes and accounts payable-trade	30,660	25,042		253,436
Income taxes payable	1,478	1,577		15,964
Other	8,345	8,112		82,098
Long-term liabilities	11,516	12,521	8.7	126,727
Accrued employee retirement benefits	11,235	12,092		122,383
Retirement allowances to directors and auditors	281	262		2,655
Other	—	166		1,687
Total liabilities	52,000	47,253	(9.1)	478,227
Net Assets				
Shareholder's Equity	62,549	63,370	1.3	641,338
Capital stock	12,220	12,220		123,671
Capital surplus	11,811	11,811		119,535
Retained earnings	38,525	39,745		402,241
Treasury stock	(7)	(406)		(4,109)
Valuation and translation adjustments	(289)	(665)	—	(6,731)
Net unrealized gains (losses) on available-for-sale securities	(289)	(665)		(6,731)
Total net assets	62,259	62,705	0.7	634,606
Total liabilities and net assets	114,260	109,959	(3.8)	1,112,834

Consolidated Statements of Income

	Millions of yen			Thousands of U.S. dollars
	2008	2009	Year-on-year change (%)	2009
Net sales	148,855	152,070	2.2	1,539,016
Cost of sales	122,692	125,048	1.9	1,265,541
Gross margin	26,163	27,022	3.3	273,474
Selling, general and administrative expenses	22,510	23,222	3.2	235,026
Operating income	3,652	3,799	4.0	38,448
Non-operating income	1,090	546	(49.9)	5,532
Interest income	950	435		4,406
Dividends income	18	17		177
Equity in earnings of affiliates	10	3		36
Other	112	90		911
Non-operating expenses	1,358	1,342	(1.1)	13,586
Amortization of shortage of employee retirement benefits	1,253	1,253		12,689
Other	104	88		897
Ordinary income	3,385	3,003	(11.3)	30,393
Extraordinary income	562	795	41.5	8,052
Reversal of allowance for doubtful accounts	33	2		24
Gain on sales of investment securities	16	793		8,028
Gain on sales of investments	511	–		–
Other	0	–		–
Extraordinary expenses	513	490	(4.5)	4,963
Write-down of investment securities	37	477		4,832
Write-down of investments	2	11		118
Loss on redemption of investments	–	1		10
Loss on sales of investment securities	50	0		2
Restructuring costs	423	–		–
Income before income taxes	3,434	3,308	(3.7)	33,482
Income tax, current	1,613	1,735		17,561
Income tax, deferred	(32)	(147)		(1,492)
Net income	1,853	1,720	(7.2)	17,412

Consolidated Statement of Shareholders' Equity

	Millions of yen						Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity	Valuation and translation adjustment	
Balance at March 31, 2008	12,220	11,811	38,525	(7)	62,549	(289)	62,259
Changes for the fiscal year							
Dividends			(500)		(500)		(500)
Net income			1,720		1,720		1,720
Acquisition of treasury stock				(398)	(398)		(398)
Net change for the year except of shareholders' equity						(375)	(375)
Total changes for the fiscal year	–	–	1,219	(398)	820	(375)	445
(Thousands of U.S. dollars).....	–	–	12,345	(4,037)	8,308	(3,797)	4,510
Balance at March 31, 2009	12,220	11,811	39,745	(406)	63,370	(665)	62,705
(Thousands of U.S. dollars).....	123,671	119,535	402,241	(4,109)	641,338	(6,731)	634,606

Consolidated Statements of Cash Flows

Year ended March 31

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Cash flows from operating activities			
Income before income taxes.....	3,434	3,308	33,482
Depreciation and amortization	816	773	7,830
Increase (decrease) in accrued employee retirement benefits.....	(14)	857	8,674
Increase (decrease) in retirement allowances to directors and statutory auditors	65	(18)	(190)
Increase (decrease) in allowance for doubtful accounts	(72)	(29)	(296)
Interest and dividend income.....	(968)	(452)	(4,583)
Equity in losses (earnings) of affiliates	(10)	(3)	(36)
Write-down of investment securities	37	477	4,832
Write-down of investments.....	2	11	118
Loss on redemption of investments.....	-	1	10
Gain on sales of investment securities	(16)	-	-
Loss on sales of investment securities	50	-	-
Loss (gain) on sales of investment securities	-	(792)	(8,025)
Gain on sale of investments	(511)	-	-
Restructuring costs.....	423	-	-
Loss on disposal of property, plant and equipment	22	8	88
Loss on disposal of intangible fixed assets	0	-	-
Other, net	23	43	435
Decrease (increase) in notes and accounts receivable.....	3,218	(2,122)	(21,482)
Decrease (increase) in inventories	(1,162)	4,202	42,527
Decrease (increase) in other assets	383	373	3,776
Increase (decrease) in notes and accounts payable.....	(4,883)	(5,618)	(56,856)
Increase (decrease) in consumption taxes payable.....	(39)	28	285
Increase (decrease) in other liabilities.....	(382)	115	1,164
Subtotal.....	417	1,161	11,753
Interest and dividends received	949	361	3,655
Payments for business restructuring	-	(423)	(4,283)
Income taxes paid	(1,820)	(1,635)	(16,552)
Net cash from operating activities	(453)	(536)	(5,427)
Cash flows from investing activities			
Payments into time deposits.....	-	(50)	(506)
Acquisition of marketable securities.....	(2,995)	(6,600)	(66,804)
Proceeds from sales of marketable securities.....	3,395	2,788	28,219
Payments of money deposits.....	(20,000)	(20,000)	(202,408)
Proceeds from withdrawal of deposits.....	-	20,000	202,408
Acquisition of property, plant and equipment.....	(299)	(162)	(1,646)
Acquisition of intangible fixed assets.....	(238)	(298)	(3,020)
Purchase of investment securities	(2,103)	(3,974)	(40,220)
Proceeds from sales of investment securities	4,740	1,174	11,885
Payments of lease deposits	(24)	(77)	(783)
Proceeds from refunds of lease deposits.....	51	23	235
Acquisition of investments and other assets	(88)	-	-
Proceeds from collection of investments and other assets	703	-	-
Decrease (increase) in other investments	-	(11)	(114)
Other	1	0	8
Net cash from investing activities.....	(16,857)	(7,188)	(72,746)
Cash flows from financing activities:			
Cash dividends paid	(450)	(499)	(5,055)
Purchase of treasury stock	-	(398)	(4,037)
Other	(1)	(0)	(2)
Net cash from financing activities	(451)	(898)	(9,094)
Net increase (decrease) in cash and cash equivalents	(17,762)	(8,622)	(87,268)
Cash and cash equivalents, beginning of year	37,777	20,015	202,564
Cash and cash equivalents, end of year	20,015	11,392	115,296

Share Information

Number of Shareholders by Type

As of March 31, 2009	Number of Shares (Thousands)	Percentage (%)	Number of Shareholders
Corporations	14,078	53.1	107
Individuals/others	4,622	17.5	9,047
Financial institutions/ securities companies	3,176	12.0	48
Nonresidents	4,616	17.4	114
Total	26,493	100.0	9,316

Principal Shareholders

As of March 31, 2009	Number of Shares (Thousands)	Percentage of Total Equity (%)
FUJITSU LTD.	13,922	53.1
UBS AG LONDON ASIA EQUITIES	1,150	4.4
Japan Trustee Services Bank, Ltd. (trust account)	758	2.9
The Master Trust Bank of Japan, Ltd. (trust account)	722	2.8
Japan Trustee Services Bank, Ltd. (trust account 4G)	706	2.7
State Street BK & Trust Co. 505019	656	2.5
FJB's Employees' Shareholders' Association	479	1.8
CBNY DFA INT'L CAP VALUE PORTFOLIO	451	1.7
Barclays Bank Plc Barclays Capital Securities	397	1.5
FUJITSU BUSINESS SYSTEMS LTD.	289	1.1

Executive Management

As of June 23, 2009

Chairman & President	Kuniaki Suzuki
Vice President	Shoji Tamura
Director & Corporate Senior Vice President	Masahiro Abe Yutaka Yokoyama
Corporate Senior Vice President	Akira Satoh Kentaro Iijima
Corporate Vice President	Katsuhito Chuuma Takashi Shibuya Hideo Osaka Minoru Kobayashi Tatsuhiko Yoshikawa Masahiko Yamase Naoya Asaka

Standing Auditor	Hiromasa Inagaki
Auditor	Akira Kato Makoto Matsubara

Corporate Data

Corporate Data (As of June 23, 2009)

Official Company Name	FUJITSU BUSINESS SYSTEMS LTD. (FJB)
Headquarters	7-27, Koraku 1-chome, Bunkyo-ku, Tokyo 112-8572, Japan Tel: +81-3-5804-8111 Fax: +81-3-5804-8136 E-mail: webmaster@fjb.fujitsu.com Web site: http://www.fjb.fujitsu.com
President	Kuniaki Suzuki
Established	April 23, 1947
Business Activities	A system integration company specializing in communications and information, providing comprehensive services including consultation, equipment sales, software development, installation and maintenance
Common Stock	¥12.22 billion
Fiscal Year-End	March 31
Number of Employees (Consolidated) (As of March. 31, 2009)	3,351

Organization Chart



Corporate Timeline

1947	April ISHII COMMUNICATIONS INDUSTRY LTD., predecessor of FUJITSU BUSINESS SYSTEMS LTD. (FJB), established.
1948	April Kawasaki Factory established for production of telephone switchboards.
1961	May Inagi Factory established.
1967	October Commenced sales of FACOM electronic computers
1968	March Commenced maintenance services for electronic computers September Company becomes a subsidiary of FUJITSU LTD.
1972	August Company name changed to FUJITSU KOGYO LTD.
1985	April Company name changed to FUJITSU BUSINESS SYSTEMS LTD. (FJB).
1986	June Training Center built in Inagi City, Tokyo.
1987	February FJB's shares listed on the Second Section of the Tokyo Stock Exchange (TSE). December FJB merged with TOKAI DENSETSU LTD.
1990	March Kansai Development Center built in Kobe City, Hyogo Prefecture.
1992	September The Kobe company house and Kobe Dormitory built.
1996	August FJB headquarters moved to current location headquarters (Koraku, Bunkyo-ku, Tokyo).
1997	April 50th anniversary of FJB's foundation held
1999	September FJB's shares listed on the First Section of the TSE.
2003	October FJB's stock, formerly belonging to the TSE's 'Wholesale Trade' industrial classification, is changed to the 'Information & Communication' classification, as decided upon by the securities Identification Code Committee.
2009	July Delisting from TSE. August Wholly owned subsidiary of Fujitsu Ltd.