

# Annual Report

For the year ended March 31, 2010

 FUJITSU TEN

FUJITSU TEN LIMITED



## ***MESSAGE FROM THE PRESIDENT***

It gives me great pleasure to say a few words of greeting to our shareholders in our business report for fiscal 2009 (April 2009 to March 2010).

### **(1) Overview of the economy in this fiscal period**

The economy for this fiscal period has deteriorated globally due to the vicious cycle of the financial crisis and economic deterioration. We have entered a serious economic slowdown as business earnings have dropped dramatically, employment conditions have worsened, and consumption has faltered. However, due the limited effects of the stimulus efforts of various national governments, there has been some recovery since the end of the first half.

### **(2) Situation in the automobile industry**

The automotive industry has been affected by the global economic slowdown that began because of the financial crisis, resulting in a serious slump in sales in all markets around the world at the start of the fiscal period. However, conditions have improved gradually, and even though markets in North America and other regions have yet to return to the levels prior to the financial crisis, the overall conditions of markets around the world have recovered since the midpoint of this fiscal period.

### **(3) Our economic performance in this fiscal period**

Within these severe conditions, both our company and every company in the FUJITSU TEN Group has responded to the changes in the market to provide products that our customers will choose and to make improvements in quality, and pursued sales expansion projects such as developing new businesses. As a result, consolidated sales reached ¥291.6 billion (a decrease of 6.6% compared to the previous fiscal period), an improvement over the predicted reduction in sales. Regarding profit and loss, we improved our forecast on negative earnings for this fiscal period as a result of the rapid and thorough implementation of a structural reorganization project to ensure profits. This allowed us to achieve an operating profit of ¥6.37 billion (an increase of ¥3.26 billion over the previous fiscal period), ordinary profit of ¥5.41 billion (an increase of ¥3.27 billion over the previous fiscal period), and net profit for this fiscal period of ¥3.68 billion (an increase of ¥2.25 billion over the previous fiscal period). Non-consolidated sales reached ¥234.9 billion (a decrease of 11.0% compared to the previous fiscal period). Regarding profit and loss, operating loss was ¥0.71 billion (a decrease of ¥0.91 billion from the previous fiscal period), ordinary profit was ¥2.93 billion (an increase of ¥1.97 billion over the previous fiscal period), and net profit for this fiscal period was ¥3.95 billion (an increase of ¥4.95 billion over the previous fiscal period).

#### **(4) Year-end dividends**

Although we decided to forego paying interim dividends, year-end dividends were paid at ¥245 per share.

#### **(5) Future business environment**

The future business environment will include a moderate improvement in the economy due to the recovery of the overseas economy, with a focus on emerging countries, and the effects of government stimulus programs. In addition, while global markets for the automotive industry are expected to recover, there is concern that the prices of products will plummet, making it more difficult to post a profit, due to the relative increase in the ratio of on-board instrumentation in developing markets, the proliferation of simplified PND (portable navigation devices) type navigation products, and the further development of cloud computing.

#### **(6) The challenges to overcome**

The FUJITSU TEN Group will address the following problems to respond appropriately to such business conditions and ensure sound and sustainable growth.

##### **1. Business and product innovations**

In the future, it is expected that there will be major changes in automotive structures and on-board instrumentation as well as a simultaneous expansion in social systems, due to the introduction of IT in automobiles and the proliferation of next-generation vehicles such as electric cars. FUJITSU TEN will use these changes to aim for "connections between cars and society", "connections between cars and people", and "connections between cars and cars, and cars and infrastructure". We will innovate our business and products into areas of business such as multimedia, telematics, and systems to improve the safety and environmental friendliness of cars. In order to achieve these goals, we will utilize the IT technology of the FUJITSU Group, convert to "market in" types of business activities, and improve the added value of products and systems by integrating infotainment equipment with car electronics devices.

##### **2. Expansion of regions and customers**

In addition to existing markets, we will strengthen business with important customers and expand overseas businesses, such as breaking into fast-growing markets in developing countries. China and North America in particular are positioned as important regions where we will pursue further business expansion. In addition, we will also move forward with activities with a specific directionality in other regions.

### **3. Continuing structural reorganization and further enhancements**

We will apply the results of structural reorganization activities to our structure, while simultaneously pursuing themes connected to basic business enhancements, such as improvements in productivity and efficient development through the standardization of products and parts. In addition, we will carefully secure investments for future growth and development. We will enhance our activities with the awareness that improvements in quality, production, and the development of human resources are the foundation of our company.

The overall company structure was changed on 1 April of this year to a functional structure, as a system for moving forward with solutions for these problems.

Further, in order to respond appropriately to business and product innovations and regional and customer expansion, we will implement thorough business activities from the perspective of our customers. In addition, we will develop products that meet the local needs in each market around the world and promote local business.

### **(7) Corporate philosophy**

Since its founding, the FUJITSU TEN Group has strived to develop products and provide services that go beyond our customers' expectations, as our main corporate philosophy is "MAKOTO ("sincerity" in Japanese)", that is, to make sincere contributions to both our customers and society.

Finally, we would like to express our sincere gratitude to all our shareholders and ask for your continuous guidance and support in years to come.

June 2010



*Kejiro Katsumaru, President*

## ***OUTLOOK FOR BUSINESS***

### **1. General overview**

#### **(1) Structural reorganization project**

We started a structural reorganization project in January of last year to establish profit improvement measures. During this fiscal period we performed thorough activities to achieve our goals, and as a result were able to achieve profit improvements that surpassed our high goals. In addition, at the same time we built a structure that makes continuous use of the profit improvements utilized during this project, as a foothold for making basic business enhancements.

#### **(2) FUJITSU Group response to automotive businesses**

We have utilized the management resources of automotive businesses in the FUJITSU Group to start activities for the creation of cars with new value. Our goal is to strengthen the links between the technologies in the FUJITSU Group, use a network that connects on-board instruments with information centers to provide total solutions, and contribute to the improvement of value in cars for our customers. During this fiscal period, we have worked on business strategies that focus primarily on car networks, policies for implementation plans, and the commercialization of a car full-perimeter monitor product.

#### **(3) Urgent Review and Inspection of Global Overall Quality**

We kicked off Urgent Review and Inspection of Global Overall Quality in February of this year. These activities were performed to thoroughly inspect if the roots of defects related to quality in our products, used around the world, were built in from the design and manufacturing stages, and if these roots of defects were overlooked in processes along the way. The results of these inspections were provided to design and manufacturing departments, and appropriate measures were taken. In addition, inspections were performed at all FUJITSU TEN Group production bases to see if recurrence prevention regarding past defects is carefully performed during all processes. Further, particular attention was paid to the quality of products produced at overseas factories through joint inspections with buyers.

#### **(4) Activities to Enhance FUJITSU TEN Awareness**

Activities to Enhance FUJITSU TEN Awareness were started in May throughout the FUJITSU TEN Group. Based on the concept "Creating interfaces that link our five senses with cars", these activities are designed so that both our customers and society continue to choose and think highly of FUJITSU TEN, through the continuous provision of the FUJITSU TEN value that is a source of "joy and happiness" for our customers.

## **(5) Global environment**

Each base within the FUJITSU TEN Group has received ISO14001 certification. However, with the progressing globalization of our business activities, we have built an environmental management system that integrates all group locations, so that the group can respond uniformly to internationally expanding environmental regulations for products. Toward that end, we received ISO14001 global integration certification in August. This is the first time such certification has been obtained by a Japanese car AV manufacturer, and still a very rare occurrence among Japanese companies overall.

## **(6) Primary activities of group companies**

### **1. FTCA receives highest quality award from car audio quality satisfaction survey**

FUJITSU TEN CORP.OF AMERICA received the highest quality award in the AM/FM/Single CD/Satellite Radio category in the car audio quality satisfaction survey implemented by J.D. Power and Associates for consumers who have purchased a new 2009 model car in North America.

### **2. Establishment of FUJITSU TEN SERVICE LIMITED**

On 1 April of this year, FUJITSU TEN SERVICE LIMITED was established as the first company in the FUJITSU TEN Group to run a directly-managed service shop. The purpose of establishing this new company is to improve the quality and response of maintenance and service for on-board products that are becoming increasingly advanced in functionality. An additional goal is to contribute to the improvement of the value of products by providing information that has been collected during maintenance and service as feedback to earlier processes. This company will be used to work even closer with customers to understand and analyze their needs, further deepen connections with existing service shops, and improve customer satisfaction.

### **3. Restructuring of North American subsidiaries**

On 1 April of this year, the sales base FUJITSU TEN CORP. OF AMERICA and the design base FUJITSU TEN TECHNICAL CENTER, USA, INC were merged for the purpose of strengthening local marketing, planning, and development, in order to respond to the needs of customers in North America even more aggressively than before.

## **2. An overview of each segment**

### **(1) Infotainment Equipment**

Consolidated sales for Infotainment Equipment were ¥236.8 billion (a decrease of 9.1% compared to the previous fiscal period). Non-consolidated sales were ¥195.6 billion (a decrease of 13.3% compared to the previous fiscal period).

#### **< OEM Products >**

##### **For Toyota Motor Corporation**

1. We developed a "next-generation acoustic space control system" that produces clear and balanced sound quality from lows to highs as well as an acoustic space that allows one to feel both the depth and breadth of sound, through optimal tuning and speaker placement according to the space within a car. This new system has been delivered for Prius models in both Japan and Europe, as well as the new Crown from Tianjin FAW Toyota Motor Co., Ltd.
2. The panoramic live sound system, developed jointly with Toyota Industries Corporation and delivered for Wish models, produces an acoustic space that allows one to feel both clear sound quality and the breadth of sound by placing speakers in higher locations.
3. We delivered a navigation system that includes a built-in terrestrial digital tuner (one-seg) and allows map data to be stored on SD memory cards, as a dealer option for domestic models. This is the first time that Toyota Motor Corporation has used a navigation system that supports SD memory cards.
4. With the start of the new G-Book service in China, we have delivered an HDD navigation system that uses G-Book functions to DENSO (TIANJIN) ITS CO., LTD. for use in Camry models sold by Guangzhou Toyota Motor Co., Ltd.
5. In February of this year, we received both a cost price improvement award and an emergency VA promotion award at the Toyota Global Buyers' Convention for our achievements in meeting our goals for improvements in cost price. In addition, we received a quality management certificate of appreciation for our achievements in meeting our quality targets.

##### **For Daihatsu Motor Co., Ltd.**

We received a cost price reduction award for drastic cost reductions in navigation products and a VE/VA provision award for our achievements in meeting our goals for improvements in cost price, both from Daihatsu Motor Co., Ltd.

### **For Fuji Heavy Industries Ltd. (SUBARU)**

As a result of aggressively moving forward with ordering activities for Fuji Heavy Industries Ltd., both radio antenna amps and terrestrial digital TV antenna amps are being now used in its main Legacy models. Radio antenna amps are installed as standard equipment in models produced in Japan and North America, while terrestrial digital TV antenna amps are provided as a manufacturer's option for car navigation systems produced in Japan. This is the first time that FUJITSU TEN products have been used as standard equipment in Fuji Heavy Industry cars.

### **For General Motors Corporation**

In March of this year, FUJITSU TEN received the 2009 Supplier of the Year Award from General Motors Corporation for the superiority of our technology and quality, and for meeting GM's expectations with the products we proposed.

### **For Isuzu Motors Ltd., UD Trucks Corporation, Hino Motors, Ltd., and Mitsubishi Fuso Truck and Bus Corporation**

We developed a rear camera audio system that, for the first time in Japan, integrates a rear camera and a display audio AV unit as a set for use in trucks. This new system is being used as a dealer option in Japan for Isuzu Motors Ltd., UD Trucks Corporation, Hino Motors, Ltd., and Mitsubishi Fuso Truck and Bus Corporation. This product not only uses a rear camera to show blind spots when a reverse gear is engaged, but also includes a button that allows the driver to view blind spots on the display even when traveling normally in forward gears. Since this product was developed with the same specifications for all four truck manufacturers, development was efficient and has allowed an increase in the number of units shipped.

### **Development of LED backlight control technology for on-board displays**

LED backlight control technology, developed jointly with Fujitsu Laboratories Ltd., allows the automated control of the brightness of the LED backlights on on-board displays such as car navigation systems according to the brightness of images shown, for an approximately 40% reduction in power consumption and improvement of image contrast. We will use this technology in FUJITSU TEN products in the future, while also providing it to automotive manufacturers.

## < Commercial Products >

### **Eclipse series 2009 summer model**

1. We have released two successors (AVN119M/AVN339M) to the low-price and highly evaluated "AVN Lite" 2DIN memory navigation system released in October two years ago. Sales of the AVN Lite for the first month were more than twice the target number of units. In addition to being sold on the commercial market, these units were also used as dealer options by Mazda Motor Corporation for models in Japan and in genuine parts from Mitsubishi Motors Corporation, contributing to the development of new markets.



**ECLIPSE Series 2009 summer model  
<AVN779HD>**

2. We have released two models of the HDD-AVN "AVN779HD" with Bluetooth® (\*1) functionality and the ability to connect with USB memory, to improve the convenience of car navigation systems through connection with a variety of external data. In addition to conventional mobile phone link functions, this product is the first on the market to link with the "EZ Car Navigation Link" function provided by KDDI Corporation and Okinawa Cellular Telephone Company.

### **Start of sales via download of map data for memory navigation**

Sales via download of map data for the AVN118M memory navigation system began in November. Use of this system improves convenience by allowing customers to purchase/update the latest map data at home without worrying about availability at stores. In the future, we will expand the number of models that support sale via download of map data and further develop services that improve convenience for our customers.

### **Eclipse series sets highest record for monthly shares**

The monthly share for FUJITSU TEN products in December 2009 for the domestic car navigation systems market reached 20.6% (\*2), a new record. In addition, we achieved 18.6% (\*2) for the car AV market, another monthly record for FUJITSU TEN. We will continue to strive to expand our share even further, and develop products and provide services that go beyond our customers' expectations.

### **Eclipse TD series receives top award from Japanese audio magazine**

Two of our speakers were selected as the best of FY2009. The "TD712zMK2" speaker, the top model in the Eclipse TD series released in February of last year, received the "HiVi Grand Prix/Speaker Division" award from HiVi audio magazine, published by Stereo Sound. In addition, the "TD307II" received the "Home Theater Grand Prix/Best Home Theater Product" award from Home Theater magazine, also published by Stereo Sound.



**ECLIPSE TD Series**  
**<TD712zMK2>**

### **Drive recorder (OBVIOUS Recorder) for business use redesigned**

1. We have released the G300 series of eco drive recorders with conventional on-board image recording functions in case of collisions, as well as continuous recording functions (allowing the recording of minor impacts that are not detected as collisions, or the continuous recording of conditions inside the car) and echo guidance functions (allowing voice warning when sudden acceleration or deceleration is detected, and the display of "Excellent", "Good", etc. to indicate the echo driving level). In addition to domestic sales, this is the first FUJITSU TEN drive recorder to be sold in Malaysia.
2. In October, we released a model that supports SDHC cards (8GB) to respond to requests from customers for even longer recording times. This product allows a maximum of 100 hours of video recording.

### **Model change for commercial driver recorders**

1. We released the "DREC3000" drive recorder, including conventional on-board image recording functions in case of collision as well as video and still image recording functions that can be used at any time, as the successor to our highly evaluated "DREC2000" drive recorder that has been available since October 2007. This product is used as a dealer option for all Hino truck models. This is the first FUJITSU TEN product used by a truck manufacturer.
2. A model of the above product that includes a speedometer display is used as a genuine part in 9 models of electric vehicles from Mitsubishi Motors Corporation, including the i-MiEV, as well as a dealer option for the Wagon R and Every from Suzuki Motor Corporation. These are the first FUJITSU TEN products to be used as genuine products by Mitsubishi Motors Corporation and dealer options for Suzuki Motor Corporation.

**Reduced price and size for taxi dispatch systems**

We have released a taxi dispatch system made up of digital on-board wireless radios with GPS and a compact digital wireless base station. This product integrates signal processing equipment and digital wireless radios, which had previously been kept separate, into a compact, energy-saving, low-cost unit.

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\*1: Bluetooth® is a trademark owned by Bluetooth SIG, Inc. of the United States of America.

\*2: FUJITSU TEN estimates based on data published by JEITA (Japan Electronics and Information Technology Industries Association)

## (2) Car Electronic Devices

Consolidated sales for Car Electronic Devices were ¥54.7 billion (an increase 5.3% over the previous fiscal period). Non-consolidated sales were ¥39.2 billion (an increase 2.8% over the previous fiscal period).

### Engine control ECU

1. We have delivered for the completely redesigned Toyota Wish an engine control ECU that supports Valvematic control, which achieves an improvement in fuel efficiency through continuous adjustment to lift volume and timing.
2. We have delivered engine control ECU for the new Alza from Perodua Manufacturing Sdn, Bhd in Malaysia, a joint venture company with Daihatsu Motor Co., Ltd.

### ECU for hybrid vehicles

1. We have delivered for the Toyota Prius an ECU for hybrid system control developed jointly with Denso Corporation that is approximately 20% lighter and 8% smaller than conventional models.
2. Following high evaluations for the development and delivery of the ECU for hybrid system control mentioned above, an ECU for plug-in hybrid vehicles (PHV) is being now used for Toyota's Prius plug-in hybrids. In addition to the conventional functions of controlling engine and motor drive, this ECU can control the charging of the vehicle's battery when supplied from a household power source.

### Rear millimeter wave radar

We have delivered for the Toyota Lexus (HS250h) and SAI a rear millimeter wave radar system that detects the proximity of automobiles from the rear. If the system determines that there is the risk of collision from the rear, it will automatically flash the hazard lights in an attempt to arouse the attention of the driver in the car approaching from the rear.

### Front millimeter wave radar

This product received a technological development award for front millimeter wave radar in February of this year at the Toyota Global Buyers Convention.



Front millimeter wave radar



applied part

## BRIEF DESCRIPTION OF OPERATIONS DURING THE FISCAL YEAR OF 2009

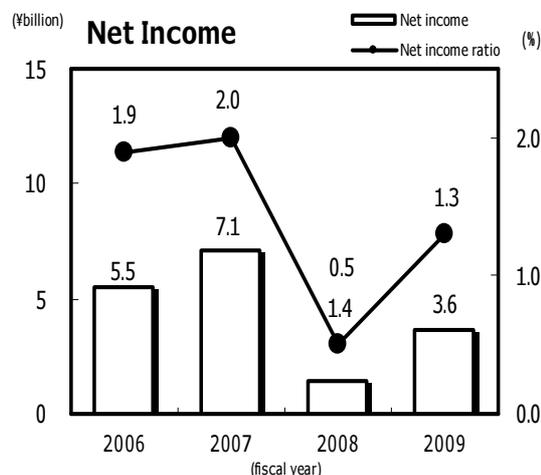
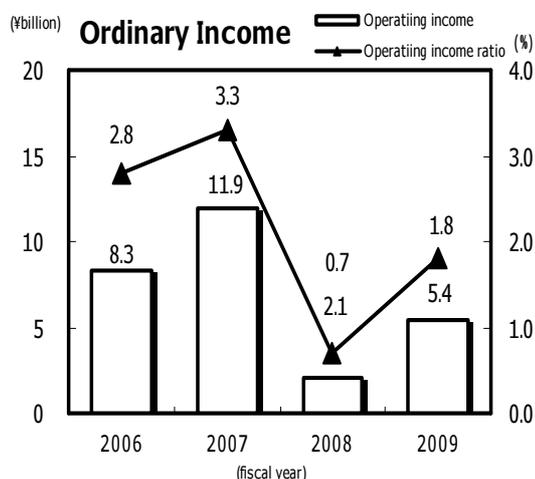
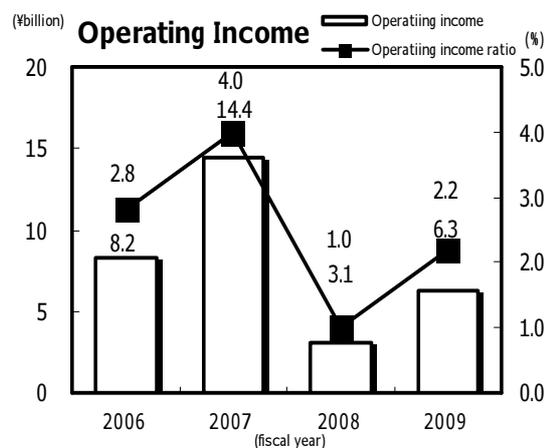
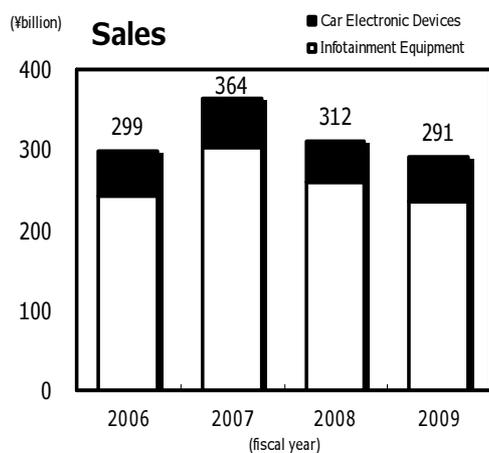
### (1) Consolidated Business Results of the Past 4 Fiscal Years

	Yen (millions)[except per share data]				U.S.dollars (thousand) [except per share data]
	2006	2007	2008	2009	2009
Sales				<Breakdown %>	
Infotainment Equipment	243,874	302,223	260,599	236,864 <81.2>	2,545,839
Car Electronic Devices	55,362	61,881	51,963	54,762 <18.8>	588,585
Total	299,236	364,105	312,563	291,626 <100>	3,134,424
<Overseas sales>	<90,182>	<125,808>	<85,507>	<91,129> <31.2>	<979,466>
Operating income	8,243	14,429	3,114	6,375	68,518
Ordinary income	8,353	11,914	2,142	5,416	58,212
Net income	5,552	7,126	1,431	3,689	39,658
Net income per share	¥1,207	¥1,549	¥311	¥802	US\$8
Total assets	148,036	170,396	128,536	155,482	1,671,136
Net assets	59,276	67,443	63,512	66,833	718,327

Note : ①Net assets include shares held by minority shareholders.

②Regarding the 40th fiscal period, ¥1,125 million has been earmarked as "extraordinary profit" for provision for product warranties, and ¥809 million has been earmarked as "extraordinary loss" for North American business restructuring expenses.

### (2) Consolidated Figures

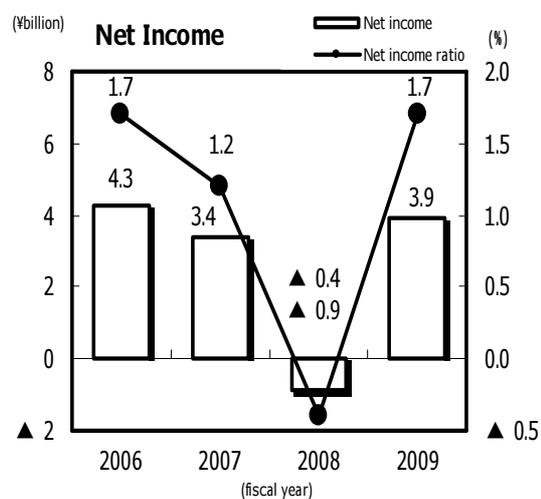
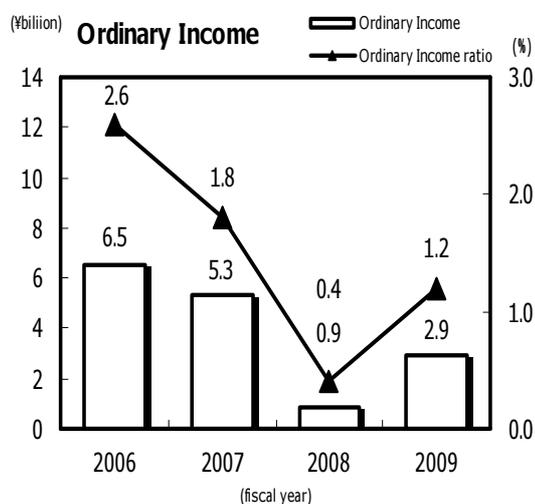
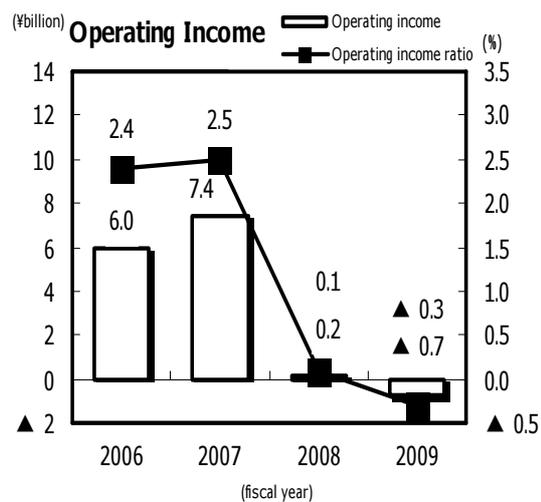
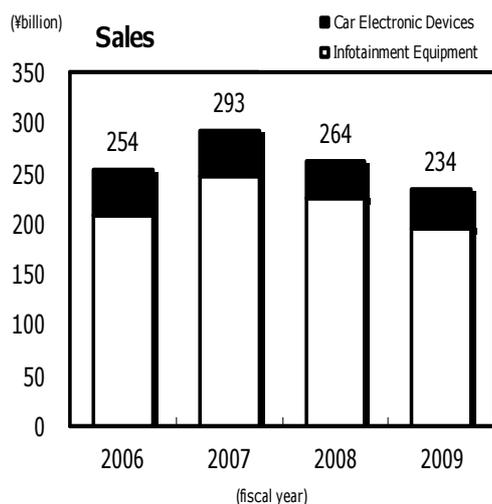


### (3) Unconsolidated Business Results of the Past 4 Fiscal Years

	Yen (millions)[except per share data]				U.S.dollars (thousand) [except per share data]
	2006	2007	2008	2009	2009
Sales	<Breakdown %>				
Infotainment Equipment	209,856	246,901	225,916	195,683	<83.3>
Car Electronic Devices	44,159	46,911	38,191	39,296	<16.7>
Total	254,015	293,812	264,108	234,980	<100>
<Export>	<50,180>	<61,723>	<42,722>	<40,382>	<17.2>
Operating income	6,014	7,422	205	▲714	▲7,677
Ordinary income	6,586	5,317	962	2,935	31,552
Net income	4,357	3,448	▲999	3,954	42,506
Net income per share	¥947	¥749	▲¥217	¥859	US\$9
Total assets	119,384	131,494	97,314	123,844	1,331,083
Net assets	46,915	48,162	44,348	48,454	520,790

Note : Regarding the 40th fiscal period, ¥1,230 million yen has been earmarked as "extraordinary profit" for provision for product warranties.

### (4) Unconsolidated Figures



## FINANCIAL STATEMENTS

The financial statements presented herein have been prepared in conformity with Companies Act of Japan. FUJITSU TEN maintains its accounts in Japanese Yen. Solely for the convenience of the reader, the financial statements have also been expressed in US dollars, by converting all Japanese Yen amounts at the rate of ¥93.04=US\$1, the mid rate of TTS and TTB rates prevailing at March 31, 2010. This, however, should not be construed as a representation that all the amounts could be converted into U.S. dollars.

### (1) Consolidated Balance Sheet (As of March 31, 2010)

Item	Yen (Million)	US\$ (Thousand)	Item	Yen (Million)	US\$ (Thousand)
<b>ASSETS</b>			<b>LIABILITIES</b>		
<u>Current Assets</u>	<b>110,476</b>	<b>1,187,408</b>	<u>Current Liabilities</u>	<b>80,375</b>	<b>863,882</b>
Cash and Cash equivalents	21,116	226,964	Accounts payable	50,977	547,905
Accounts receivable	51,462	553,123	Short-term loans	3,121	33,551
Inventories	27,866	299,513	Other current liabilities	26,276	282,426
Deferred tax assets	3,805	40,898	<u>Fixed Liabilities</u>	<b>8,273</b>	<b>88,926</b>
Other current assets	6,225	66,908	Reserve for employee's retirement allowance	6,558	70,486
<u>Fixed Assets</u>	<b>45,006</b>	<b>483,727</b>	Long-term borrowing	262	2,816
<u>Tangible Assets</u>	<b>35,258</b>	<b>378,964</b>	Other fixed liabilities	1,453	15,622
<u>Intangible Assets</u>	<b>3,560</b>	<b>38,268</b>	<b>TOTAL LIABILITIES</b>	<b>88,649</b>	<b>952,808</b>
<u>Investment</u>	<b>6,186</b>	<b>66,495</b>	<u>NET ASSETS</u>		
Deferred tax asset	2,929	31,488	<u>Stockholder's Equity</u>	<b>63,543</b>	<b>682,973</b>
Others	3,257	35,006	Capital Stock	5,300	56,964
			Other Equity	58,243	626,009
			<u>Valuation and Translation     Adjustments</u>	<b>▲1,531</b>	<b>▲16,458</b>
			<u>Minority Interests</u>	<b>4,820</b>	<b>51,811</b>
			<b>TOTAL NET ASSETS</b>	<b>66,833</b>	<b>718,327</b>
<b>TOTAL ASSETS</b>	<b>155,482</b>	<b>1,671,136</b>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>155,482</b>	<b>1,671,136</b>

### (2) Consolidated Income Statement (April 1, 2009 through March 31, 2010)

Item	Yen (Million)	US\$ (Thousand)
<u>Sales</u>	<b>291,626</b>	<b>3,134,424</b>
Operating Costs and Expenses		
Cost of goods sold	247,803	2,663,404
Selling, general and administrative expenses	37,448	402,501
<u>Operating Income</u>	<b>6,375</b>	<b>68,518</b>
Non-operating revenue	1,320	14,189
Non-operating expense	2,279	24,495
<u>Ordinary Income</u>	<b>5,416</b>	<b>58,212</b>
<u>Extraordinary income</u>	<b>1,125</b>	<b>12,095</b>
<u>Extraordinary income</u>	<b>▲809</b>	<b>▲8,703</b>
<u>Income before Income Taxes</u>	<b>5,731</b>	<b>61,605</b>
Corporation Tax, Inhabitant Tax and Business Tax	2,041	21,947
<u>Net Income</u>	<b>3,689</b>	<b>39,658</b>

**(3) Unconsolidated Balance Sheet (As of March 31, 2010)**

	Yen (Million)	US\$ (Thousand)		Yen (Million)	US\$ (Thousand)
<b>ASSETS</b>			<b>LIABILITIES</b>		
<u>Current Assets</u>			<u>Current Liabilities</u>		
Cash and Cash equivalents	7,342	78,922	Notes payable	104	1,119
Notes receivable	419	4,506	Accounts payable	45,720	491,404
Accounts receivable	50,549	543,310	Short-term loans	1,626	17,476
Merchandise and finished goods	4,602	49,467	Lease liability	448	4,815
Work in progress	3,137	33,719	Other accounts payable	15,163	162,980
Raw materials and supplies	4,218	45,343	Income tax payable	565	6,079
Deferred tax assets	3,381	36,344	Advance received	0	0
Short-term loans	1,034	11,117	Deposits received	323	3,474
Accounts receivable-nontrade	13,075	140,533	Provision for product warranties	4,195	45,091
Other current assets	1,080	11,609	Allowance for directors' bonus	123	1,325
Allowance for doubtful accounts	▲ 31	▲ 338	Other current liabilities	89	967
<b>Total Current Assets</b>	<b>88,810</b>	<b>954,537</b>	<b>Total Current Liabilities</b>	<b>68,359</b>	<b>734,737</b>
<u>Fixed Assets</u>			<u>Fixed Liabilities</u>		
<u>Tangible Assets</u>			Lease liability	779	8,373
Buildings (net)	5,888	63,287	Reserve for employee's retirement allowance	5,920	63,637
Structures (net)	120	1,296	Reserve for retirement benefits for directors and corporate auditors	329	3,543
Machinery and Equipment (net)	2,048	22,017	<b>Total Fixed Liabilities</b>	<b>7,029</b>	<b>75,555</b>
Car and Industrial vehicle (net)	145	1,561			
Tools, furniture and fixtures (net)	4,805	51,649	<b>TOTAL LIABILITIES</b>	<b>75,389</b>	<b>810,292</b>
Land	2,631	28,280			
Construction in progress	0	0	<b>NET ASSETS</b>		
<b>Total Tangible Assets</b>	<b>15,640</b>	<b>168,101</b>	<u>Stockholder's Equity</u>		
<u>Intangible Assets</u>			Capital stock	5,300	56,964
Software	2,522	27,116	Capital surplus		
Other intangible assets	534	5,741	Capital reserves	5,653	60,762
<b>Total Intangible Assets</b>	<b>3,057</b>	<b>32,857</b>	<b>Total Capital surplus</b>	<b>5,653</b>	<b>60,762</b>
<u>Investment and Other assets</u>			Retained earnings		
Investment in securities	1,710	18,382	Legal earned reserved	1,325	14,241
Investment in affiliates stock	6,899	74,159	Other accumulated earnings	35,445	380,972
Investment in affiliates capital	3,410	36,658	General reserve	31,475	338,295
Long-term loans receivable	1,043	11,214	Unappropriated retained earnings	3,970	42,676
Deferred tax assets	2,657	28,562	<b>Total Retained earnings</b>	<b>36,770</b>	<b>395,213</b>
Other investments	662	7,115	<b>Total Stockholder's Equity</b>	<b>47,723</b>	<b>512,940</b>
Allowance for doubtful accounts	▲ 46	▲ 505			
<b>Total Investment and Other assets</b>	<b>16,336</b>	<b>175,586</b>	<u>Valuation and Translation Adjustments</u>		
<b>Total Fixed Assets</b>	<b>35,033</b>	<b>376,546</b>	Net unrealized gains on securities available for sale	730	7,850
			<b>Total Valuation and Translation Adjustments</b>	<b>730</b>	<b>7,850</b>
			<b>TOTAL NET ASSETS</b>	<b>48,454</b>	<b>520,790</b>
<b>TOTAL ASSETS</b>	<b>123,844</b>	<b>1,331,083</b>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>123,844</b>	<b>1,331,083</b>

(4) Unconsolidated Income Statement (April 1, 2009 through March 31, 2010)

Item	Yen (Million)	US\$ (Thousand)
<u>Sales</u>	<b>234,980</b>	<b>2,525,586</b>
Cost of goods sold	209,372	2,250,345
<u>Gross profit on sales</u>	<b>25,608</b>	<b>275,241</b>
Selling, general and administrative expenses	26,322	282,918
<u>Operating Income</u>	<b>▲ 714</b>	<b>▲ 7,677</b>
Non-operating Income		
Interest and dividends income	4,864	52,288
Miscellaneous income	849	9,132
Total Non-operating Income	<b>5,714</b>	<b>61,421</b>
<u>Non-operating Expenses</u>		
Interest expenses paid	57	619
Miscellaneous expenses	2,006	21,571
Total Non-operating Expenses	<b>2,064</b>	<b>22,191</b>
<u>Ordinary Income</u>	<b>2,935</b>	<b>31,552</b>
<u>Extraordinary income</u>		
Reversal of provision for product warranties	675	7,264
Gain on reversal of patent fee for prior periods	449	4,831
Reversal of allowance for doubtful accounts	105	1,132
Total Extraordinary income	<b>1,230</b>	<b>13,228</b>
<u>Extraordinary loss</u>		
Impairment loss	0	0
Total Extraordinary loss	<b>0</b>	<b>0</b>
<u>Income before Income Taxes</u>	<b>4,165</b>	<b>44,773</b>
Corporation Tax, Inhabitant Tax and Business Tax	1,047	11,262
Adjustments of income tax and other tax expenses	<b>▲ 836</b>	<b>▲ 8,995</b>
<u>Total income taxes</u>	<b>210</b>	<b>2,266</b>
<u>Net income</u>	<b>3,954</b>	<b>42,506</b>

(5) Unconsolidated Statements of Changes in Stockholders' Equity  
(April 1, 2009 through March 31, 2010)

	Stockholders' Equity								Valuation and translation Adjustments	Total net assets
	Capital stock	Capital surplus		Legal earned reserve	Other retained earnings		Total retained earnings	Total stockholders' equity		
		Capital reserve	Total capital surplus		Other retained earnings					
					General reserve	Unappropriated retained earnings				
Balance at end of previous period	5,300	5,653	5,653	1,325	32,175	▲684	32,815	43,769	579	44,348
	56,964	60,762	60,762	14,241	345,819	▲7,353	352,706	470,433	6,230	476,664
Changes during the current period										
Accumulated general reserve	—	—	—	—	▲700	700	—	—	—	—
					▲7,523	7,523				
Net income	—	—	—	—	—	3,954	3,954	3,954	—	3,954
						42,506	42,506	42,506		42,506
Changes(net amount) of items other than stockholders' equity during the current period	—	—	—	—	—	—	—	—	150	150
									1,619	1,619
Total changes during the current period	—	—	—	—	▲700	4,654	3,954	3,954	150	4,105
					▲7,523	50,030	42,506	42,506	1,619	44,126
Balance at end of current period	5,300	5,653	5,653	1,325	31,475	3,970	36,770	47,723	730	48,454
	56,964	60,762	60,762	14,241	338,295	42,676	395,213	512,940	7,850	520,790

Upper column : Yen (Million) / Lower column : U.S. Dollars (Thousand)

## **COMPANY OUTLINE**

### **(1) Profile**

- 1. Company name:** FUJITSU TEN LIMITED
- 2. Head office address:** 2-28, Goshō-dori 1-chome, Hyogo-ku, Kobe 652-8510, Japan
- Phone:** +81-78-671-5081
- Facsimile:** +81-78-671-5325
- 3. Established:** October 25, 1972
- 4. Number of employee:** 4,095 (As of March 31, 2010)
- 5. Business description**

FUJITSU TEN manufactures and sells mainly automobile-related equipments.  
The principal products are described below.

Product Line		Description	
Infotainment Equipment	Audio and Car Navigation Equipment	For automobiles	Individual units and combined products (integrated units) of: Audio products Radio Digital radio CD player / CD auto changer MD player / MD auto changer HDD music jukebox Power amp Audio-visual products Display product DVD player Terrestrial digital TV tuner Navigation systems* HDD navigation system DVD-ROM navigation system Flash-memory navigation system Portable navigation system in dashboard Back guide monitor Back eye camera Front eye camera (Blind corner monitor)  Deck Mechanism DVD/CD/MD/cassette deck mechanism CD changer deck mechanism  Speaker/Antenna
		For home use	Time Domain audio system Speaker Power amp

Product Line		Description
Infotainment Equipment	Mobile Communications Radios	Information-communication-applied systems* Taxi radio dispatch control system  Information-communication-applied equipment* Car-mounted unit for vehicle operation management system Business-use navigation equipment Business-use radio communication equipment Drive recorder equipment
	Car Electronic Devices	Electronic Control Units (ECU) and sensors used for; Engine control Hybrid system control Gear control Cruise control Emission control Diesel glow timer Vehicle Security System (VSS) Air Bag Multiplexing body control Relay integration Heat seat module Electric Power Steering (EPS) Remote Engine Starters  Intrusion Sensors (24GHz band)  Millimeter-wave radar units*(76GHz band)  Computer Aided Multi-Analysis System (“CRAMAS”)

Note : Products indicated with an asterisk(\*) are ITS-related products.

## (2) Capital Situation (As of March 31, 2010)

**1.Capital stock**                      ¥5,300 Million

### 2.Shares

Number of authorized shares	10,400,000 shares
Number of shares issued	4,600,000 shares
Number of shareholders	3

### 3.Shareholders

FUJITSU LIMITED	2,530,000 shares (55%)
TOYOTA MOTOR CORPORATION	1,610,000 shares (35%)
DENSO CORPORATION	460,000 shares (10%)

### (3) Business Components

#### 1. Relationship to Parent Company

The parent company of FUJITSU TEN is FUJITSU LIMITED that holds 55% of shares issued.

#### 2. Subsidiaries (As of March 31, 2010)

Domestic	Overseas
<p><b>Manufacture</b></p> <ul style="list-style-type: none"> <li>• TOCHIGI FUJITSU TEN LIMITED</li> </ul> <p><b>Sales</b></p> <ul style="list-style-type: none"> <li>• FUJITSU TEN EAST JAPAN SALES LIMITED</li> <li>• FUJITSU TEN CHUBU SALES LIMITED</li> <li>• FUJITSU TEN WEST JAPAN SALES LIMITED</li> </ul> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>•FUJITSU TEN ACTY LIMITED</li> <li>•FUJITSU TEN RESEARCH LIMITED</li> <li>•FUJITSU TEN STAFF LIMITED</li> <li>•FUJITSU TEN TECHNOLOGY LIMITED</li> </ul>	<p><b>Manufacture</b></p> <ul style="list-style-type: none"> <li>• FUJITSU TEN CORP. OF AMERICA</li> <li>• FUJITSU TEN de MEXICO, S.A. de C.V.</li> <li>• FUJITSU TEN ESPAÑA, S.A.</li> <li>• FUJITSU TEN (THAILAND) COMPANY LIMITED</li> <li>• TIANJIN FUJITSU TEN ELECTRONICS CO., LTD.</li> <li>• FUJITSU TEN ELECTRONICS (WUXI) LTD.</li> <li>• FUJITSU TEN CORPORATION OF THE PHILIPPINES</li> <li>• INMOTION AUDIO(AUSTRALIA)PTY. LTD.</li> </ul> <p><b>Sales</b></p> <ul style="list-style-type: none"> <li>• FUJITSU TEN CANADA INC.</li> <li>• ECLIPSE TD (UK) LIMITED</li> <li>• FUJITSU TEN (EUROPE) GmbH</li> <li>• FUJITSU TEN TRADING (TIANJIN) LTD.</li> <li>• FUJITSU TEN KOREA LIMITED</li> <li>• FUJITSU TEN (AUSTRALIA) PTY. LTD.</li> </ul> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>• FUJITSU TEN TECHNICAL CENTER USA, INC.</li> <li>• FUJITSU TEN (SINGAPORE) PTE. LTD.</li> <li>• FUJITSU TEN RESEARCH &amp; DEVELOPMENT (TIANJIN) LTD.</li> <li>• DIEZ CORPORATION</li> <li>• FUJITSU TEN SOLUTIONS PHILIPPINES, INC.</li> </ul>

Note: (1) Ratios marked with an asterisk include investment from subsidiaries.

(2)The controlling shares for the pay-out base is 92%.

(3)As of 21 August 2009, FUJITSU TEN CORP. OF AMERICA has increased its capital stock which was subscribed by FUJITSU TEN LIMITED (by US\$20 million), for a total of US\$41.5 million.

[Conditions following the end of this fiscal period]

(1)As of 1 April 2010, FUJITSU TEN CORP. OF AMERICA acquired FUJITSU TEN TECHNICAL CENTER, USA, INC. through merger.

(2)On 1 April 2010, FUJITSU TEN fully funded the establishment of FUJITSU TEN SERVICE LIMITED.

#### (4) Main Business Locations (As of March 31, 2010)

Head Office and Plant:	2-28, Goshō-dori 1-chome, Hyogo-ku, Kobe 652-8510, Japan Phone +81-78-671-5081 Fax +81-78-671-5325
Nakatsugawa Plant:	2110, Naegi, Nakatsugawa, Gifu 508-0101, Japan Phone +81-573-66-5121 Fax +81-573-66-5126
Nakatsugawa Technical Center:	1683-1963, Nasubigawa Aza, Nakatsugawa, Gifu 509-9132, Japan Phone +81-573-68-7002 Fax +81-573-68-7003
Tokyo Sales Office:	Nishi-Shinjuku KF Bldg., 14-24, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo 160-0023, Japan Phone +81-3-5330-6244 Fax +81-3-5330-6245
Toyota Sales Office:	Fujitsu Ten Toyota Bldg., 11, Motoshiro-cho 1-chome, Toyota 471-0024, Japan Phone +81-565-32-2501 Fax +81-565-32-2310
Beijing Office:	Room 2710-2711, Building1, China World Trade Centre, No.1, Jian Guo Men Wai Avenue, Chao Yang Distric, Beijing, China 100004 Phone +86-10-6505-3535 Fax +86-10-6505-3534

## ***BOARD OF DIRECTORS***

(As of March 31, 2010)

President and Representative Director	Keijiro Katsumaru
Executive Vice President and Representative Director	Takashi Shigematsu
Executive Directors	Takao Akatsuka
	Yasuhiko Kotsuji
	Michitaka Ogura
	Takashi Nagamitsu
Managing Directors	Tohru Ogawa
	Takashi Kondo
Directors	Yoshiyuki Tanakura
	Hiroshi Miyata
	Yasuyuki Kawanishi
	Keiji Suzuki
	Hiroshi Ogawa
	Noriaki Yagishi
	Kiyoshi Yagi
	Shoji Kawamura
	Satoshi Matsui

## ***BOARD OF AUDITORS***

(As of March 31, 2010)

Standing Auditor	Masahiro Morikaku
Auditors	Masamichi Ogura
	Takeshi Shirane

**FUJITSU TEN LIMITED**

2-28,Gosho-dori 1-chome  
Hyogo-ku, Kobe 652-8510, Japan