

Summary Translation of Question & Answer Session at Analyst Briefing by Mr. Kurokawa and Mr. Nozoe

Date: May 12, 2008
Presenters: Hiroaki Kurokawa, President
Kuniaki Nozoe, Corporate Senior Executive Vice President

Questioner A

Q1: Despite a more severe operating environment, with the appreciation of the yen and an increase in your pension obligation costs, you are projecting fiscal 2008 operating income of 220 billion yen, which appears to be an ambitious target. Up until now, there was the impression that Fujitsu's projections were rather conservative. With the change in leadership, will Fujitsu take a more bullish stance from fiscal 2008?

Nozoe: From my perspective, the fiscal 2008 financial targets are fully achievable. The main reason is that earnings in our Services business have become very solid. In addition, we have taken a number of initiatives, such as providing consulting services from a customer-centric perspective, training “field innovators” who can provide business solutions, sharing know-how among systems engineers in the retail field, and driving the “industrialization” of infrastructure—all aimed at expanding future earnings. I believe the results from these initiatives will begin to bear fruit in our fiscal 2008 results. In servers, too, last year we overtook IBM to regain the leading market share in Japan, so I believe we have strong momentum.

Kurokawa: Mr. Nozoe feels that, even though there are still issues we need to address, Fujitsu is becoming stronger. Since January I have had many discussions with Mr. Nozoe and Mr. Mazuka on the goals of each of our businesses. Compared to when I became president, I have had much more time to work with him as my successor, so if Mr. Nozoe says he can do it, I am prepared to believe him.

Q2: Mr. Kurokawa, how would you evaluate your tenure as president?

Kurokawa: For shareholders, customers, and employees, a corporation is a going concern that faces a variety of issues, one after the next. At each point in time, the person in charge must resolve those issues the company is confronting, but I personally do not believe I have resolved all the issues facing Fujitsu. I did the best that I could, but we have not yet reached the point at which we can be satisfied.

Questioner B

Q1: At the media briefing held on March 27, 2008, in describing your management style, you frequently used the term “tight personal control.” Why is that?

Kurokawa: In order for Fujitsu to continue and reach a certain level, in managing the company I focused on operating income. If the target for operating income was 200 billion yen, no matter what problems each of the businesses may be dealing with, I felt it was my duty to make sure that Fujitsu met its targets. Accordingly, I evaluated each of the business heads on whether they were running their businesses profitably, whether they were growing their profitability, and whether they were meeting their original profit targets. No matter what, I wanted to make Fujitsu into a company that could

generate stable profits and invest for future growth, not just in semiconductors, but also Services, our earnings driver. In order to do so, I must admit that some of my instructions orders were fairly assertive. When that persists, it creates an atmosphere in the company in which, before doing anything, people feel they need to first ask the views of the president. I could see it was beginning to have a detrimental effect. That is why I used the term “tight personal control.”

Q2: Mr. Nozoe, my understanding is that you have held a variety of positions in the company, and you appear a new type of company president, but now that you are becoming president, I am wondering if there is anyone in the company who can fill the role you have played up until now.

Nozoe: I think there are some unusual aspects to the environment in which I worked. Amid constant change in the market environment and customer relationships, I am not certain that the role I played up until now will still be necessary in the future, but in a company the size of Fujitsu, I know that there are many people who are more capable than I am. Working under Mr. Kurokawa, I was focused on fixing our solutions business. That business involves a variety of systems and business management approaches. Accordingly, if the person who takes the reins of leadership can mobilize the strengths within that organization, it will have a positive impact.

Kurokawa: I just have one thing to add. Today we announced some executive changes, but I have told Mr. Nozoe to carefully consider the roles of executives. You must carefully consider roles and avoid quick decisions when starting out with a new team. I have told him that it is important to take at least some time to speak with each individual and then decide what team would work best for him.