


Management Direction Briefing Fiscal 2011

June 17, 2011

**Masami Yamamoto
President
Fujitsu Limited**



We would like to express our heartfelt condolences
to those who have been affected by the
Great East Japan Earthquake.

Fujitsu will do everything in its power
to assist in the rebuilding efforts.

I . Review of FY2010 Results

II . Core Group Strategy
- Achieving Global Integration -

III . Priorities for FY2011

IV . Medium-Term Objectives

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FY2010: Review of Results

Posted Higher Operating Income, Fell Short of Announced Projections

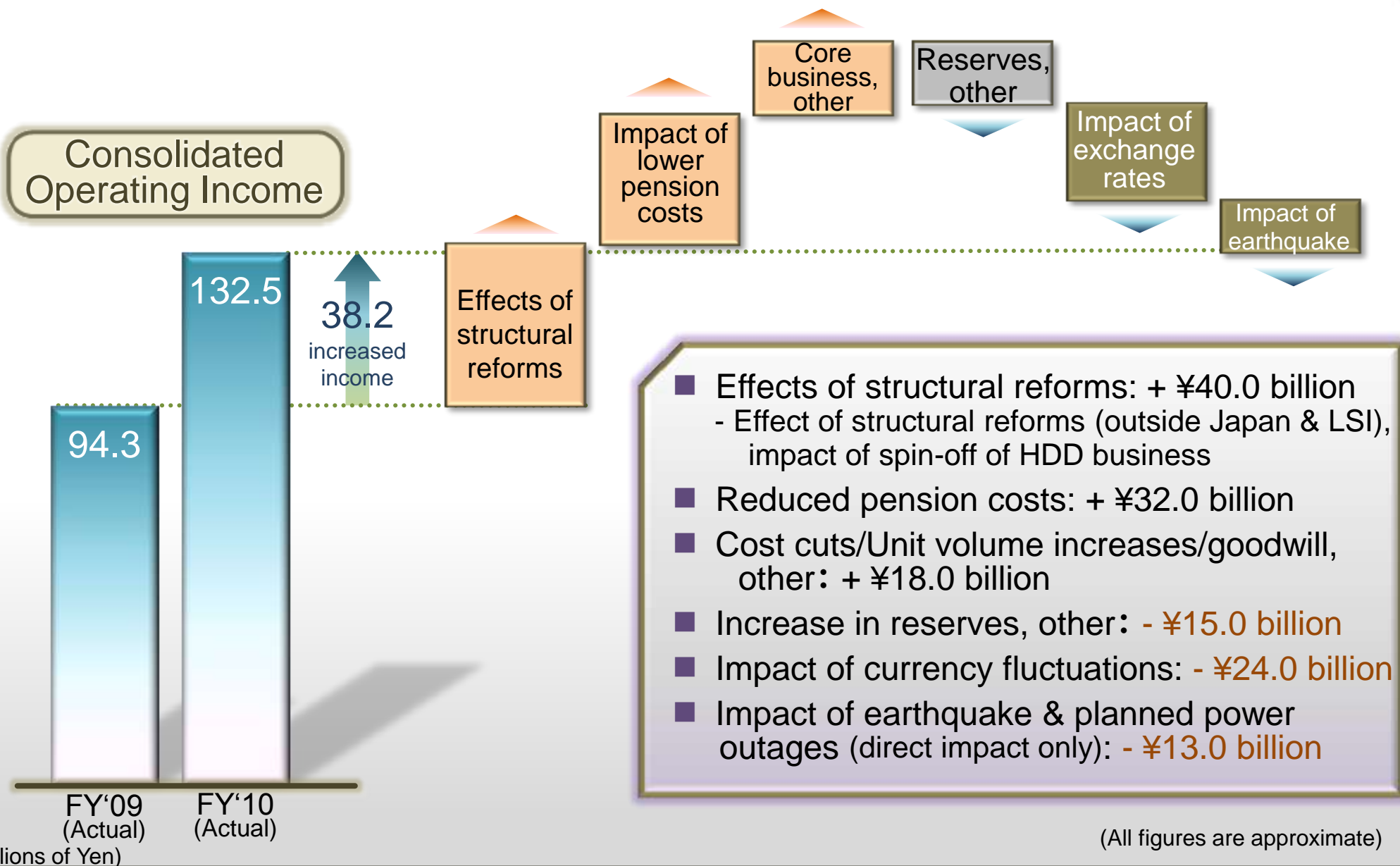
		FY2009	FY2010	Change	vs. Jan '11 Projections
Consolidated	Net Sales	4,679.5	4,528.4	-151.1	-41.6
	Operating Income	94.3	132.5	+ 38.2	-12.5
	Net Income	93.0	55.0	-38.0	-20.0

* In FY2009, a 89.6 billion yen gain was posted on the sale of investment securities.

Operating Income	Technology Solutions	153.5	162.8	+ 9.3	-2.2
	Services	127.5	117.3	-10.2	-7.7
	System Platforms	25.9	45.5	+ 19.6	+ 5.5
	Ubiquitous Product Solutions	40.6	22.6	-18.0	-7.4
	Device Solutions	-9.0	20.9	+ 29.9	-2.1

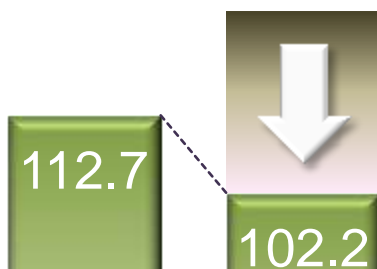
(Billions of Yen)

FY2010: Composition in Increase of Operating Income



FY2010: Impact of Earthquake and Planned Power Outages

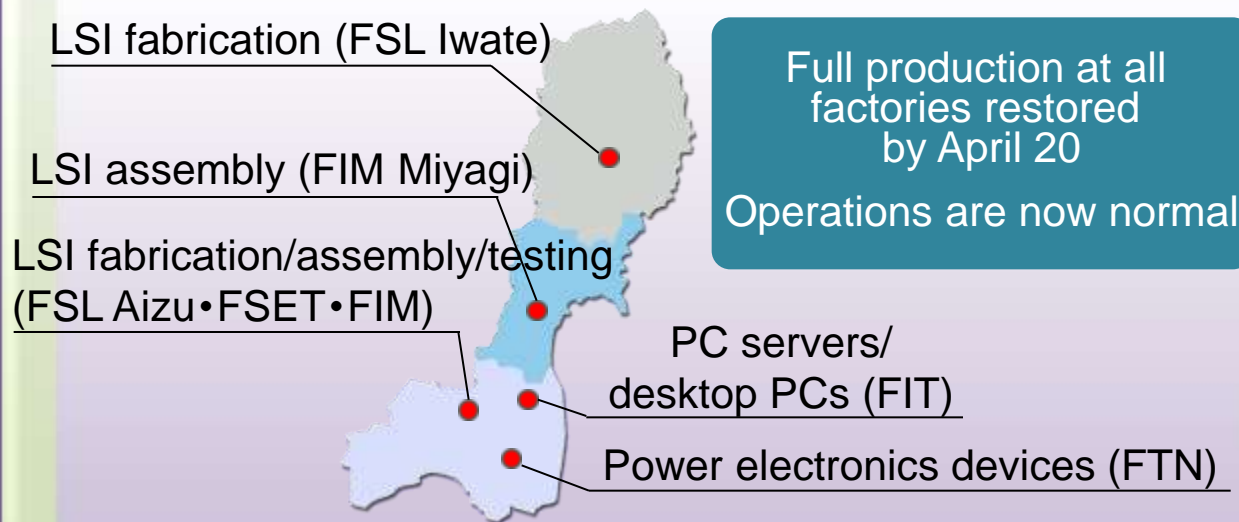
Pretax Income



Impact of earthquake
- 24.5

Impact of Earthquake on FY2010 Income

- Impact of earthquake & outages: - ¥24.5 billion (pretax)
 - Expenses for restoring operations, damages to plants & equipment, operational downtime, shifts in production, etc.
- Recovery status of affected production plants

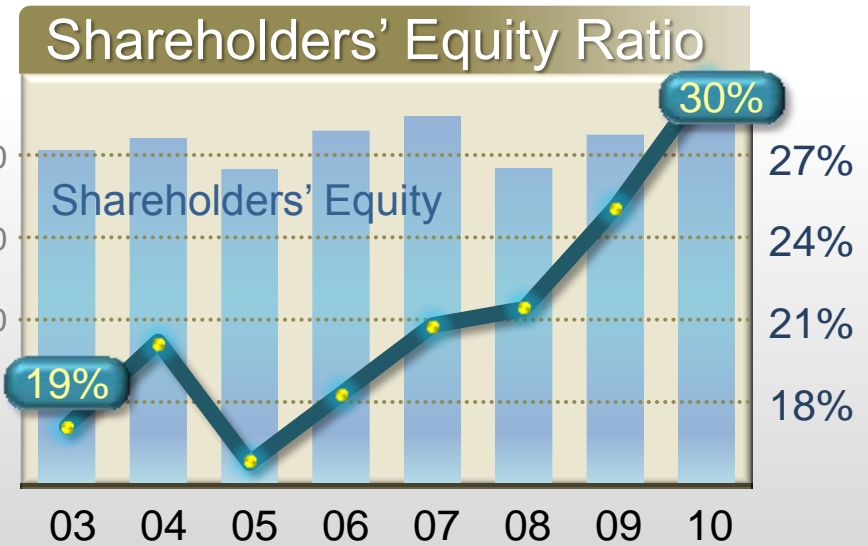
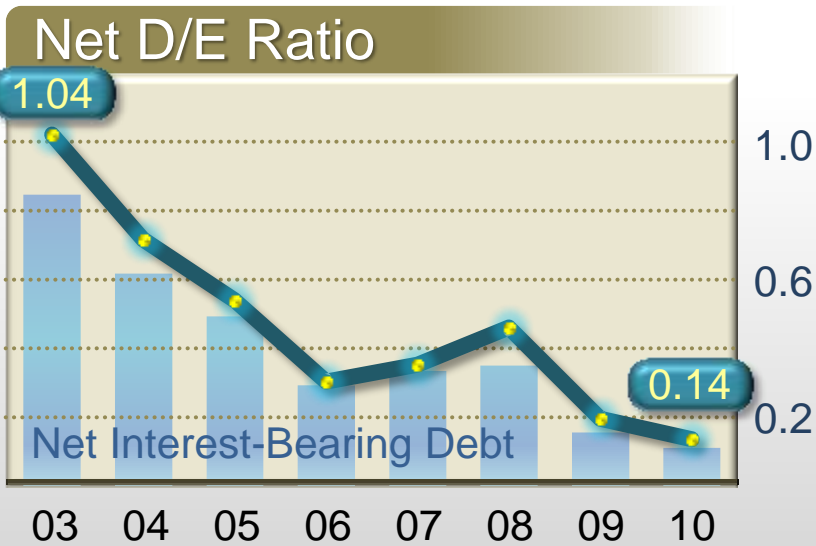
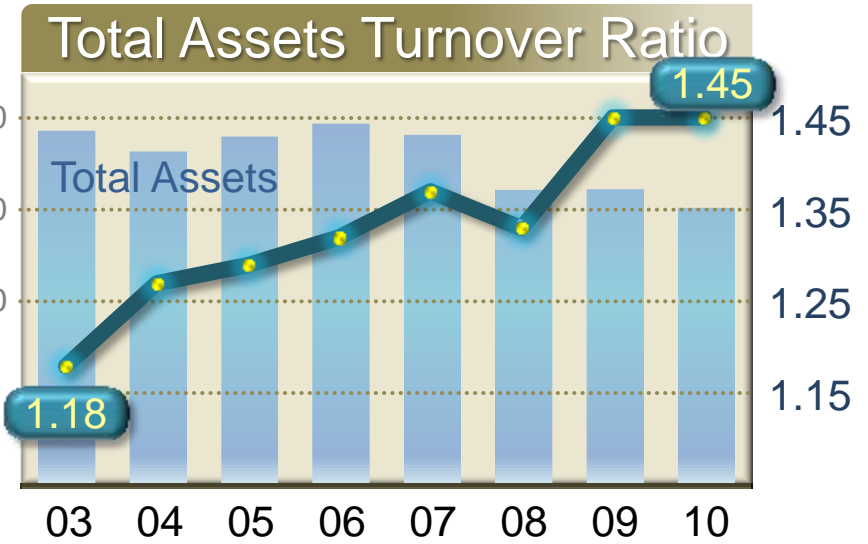
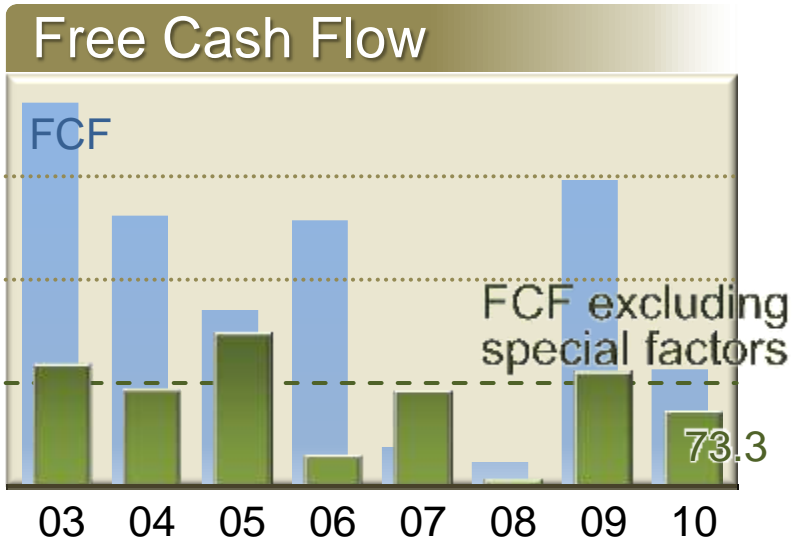


FY'09
(Actual)

FY'10
(Actual)

(Billions of Yen)

FY2010: Continued Strengthening of Financial Fundamentals



(Billions of Yen)

FY2010: Achievements

A Year of Solidifying Business Foundations for the Next Stage of Growth



Strengthening Group Business Structure

- Launch of mobile phone company merger
- Restructured production division for networking products
- Established core company for SME business in Japan

Investment in Platforms for Business Growth

- Established platform for expansion of cloud business
 - Delivery of new services products, personnel training
- Developed and began delivery of Next-Generation Supercomputer
- Global expansion of new unique products

Proposals in New Business Areas

- Strengthened alliances with global vendors
- Actively won new business to provide advanced services

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Core Group Strategy

Achieving “Global Integration”

Transformation (Pursuing 3 Growth Priorities)

On Offense with Structural Reforms
(Strengthening Existing Businesses)

Accelerating Globalization

Creating New Services Businesses

Fostering global talent, establishing a foundation for business

“Global Services Company”

- Uniform Delivery of Value to Customers
- Solutions Integration
- Product & Services Integration
- Business Platforms Integration

Vertical Integration

Global Partners

Envisioned Performance Targets

	Near-term Targets	Long-term Vision
Operating Income Margin	>5%	(>10%)
Ratio of Sales Outside Japan	>40%	(>50%)
Free Cash Flow	> ¥150 bill./year	

Global Integration: Toward Sustained Growth

Technology-Based Globally Integrated Services Company



Global Integration: Fujitsu's Vision

Technology-Based Globally Integrated Services Company



Implementing the Transformation

Growth Priorities Already Underway, Initiatives Require Further Acceleration

On Offense with Structural Reforms

Accelerating Globalization

Creating New Services Businesses

Services

- ✓ Leveraging Fujitsu's Strengths in Japan to Pursue Global Growth
 - Streamlining and strengthening earnings capacity through cross-cutting structural reforms, shift toward growth areas
- ✓ Delivering High-Quality, Uniform Services on a Global Scale
 - Ensuring support for global customers as a top 3 vendor worldwide

System Platforms

- ✓ Accelerating Globalization while Increasing Volume, Reducing Costs
 - Back-end systems that support services

Ubiquitous Product Solutions

- ✓ Services for the Cloud Era Created by Ubiquitous Front-end Interfaces
 - Technologies underlying new services: The digital gate to large volumes of data

Device Solutions

- ✓ Strengthened Earnings Capacity
 - Strong business components: Concentrated investment in areas of strength

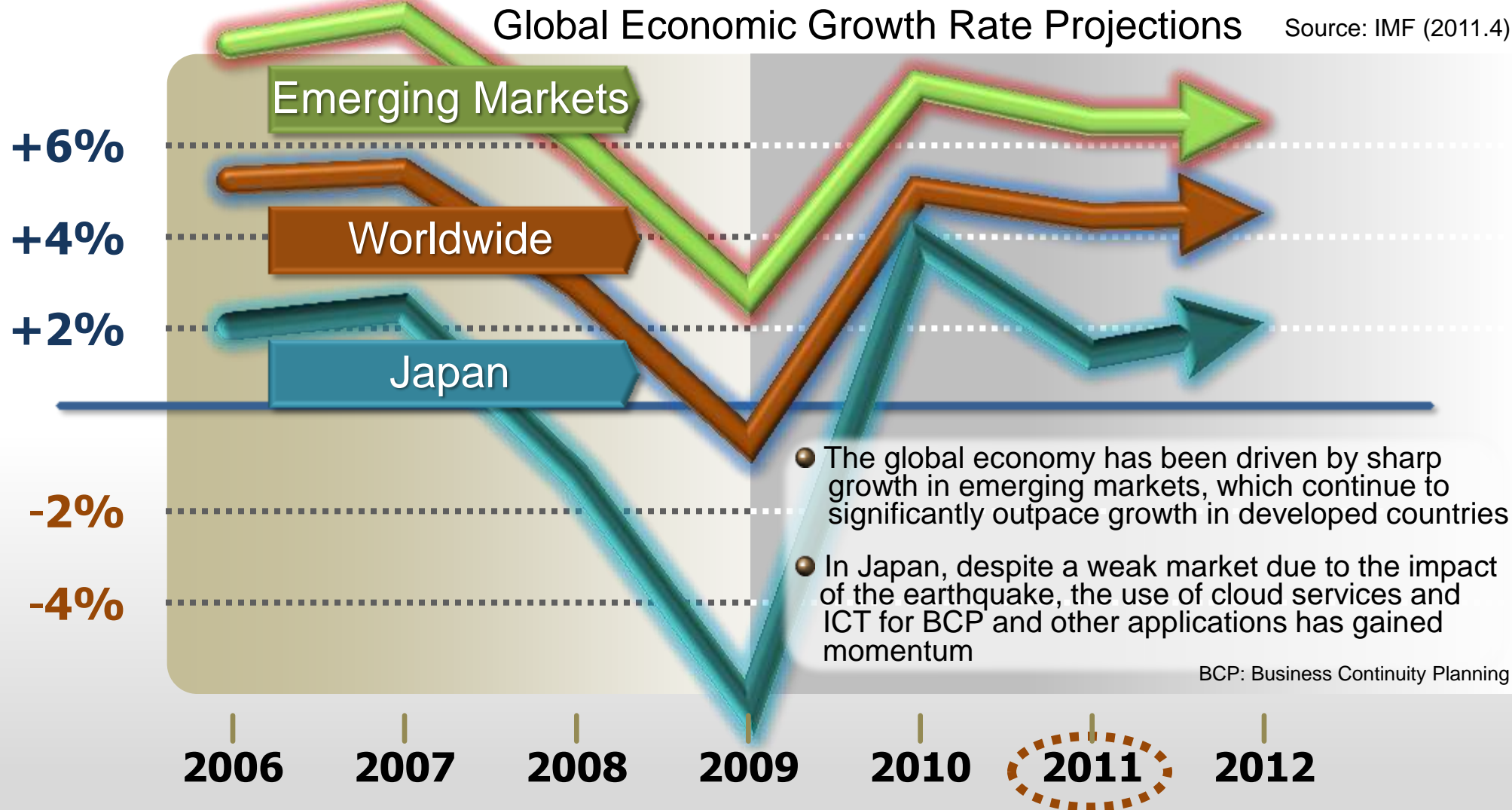
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Global Economy Continues on a Path of Mild Recovery



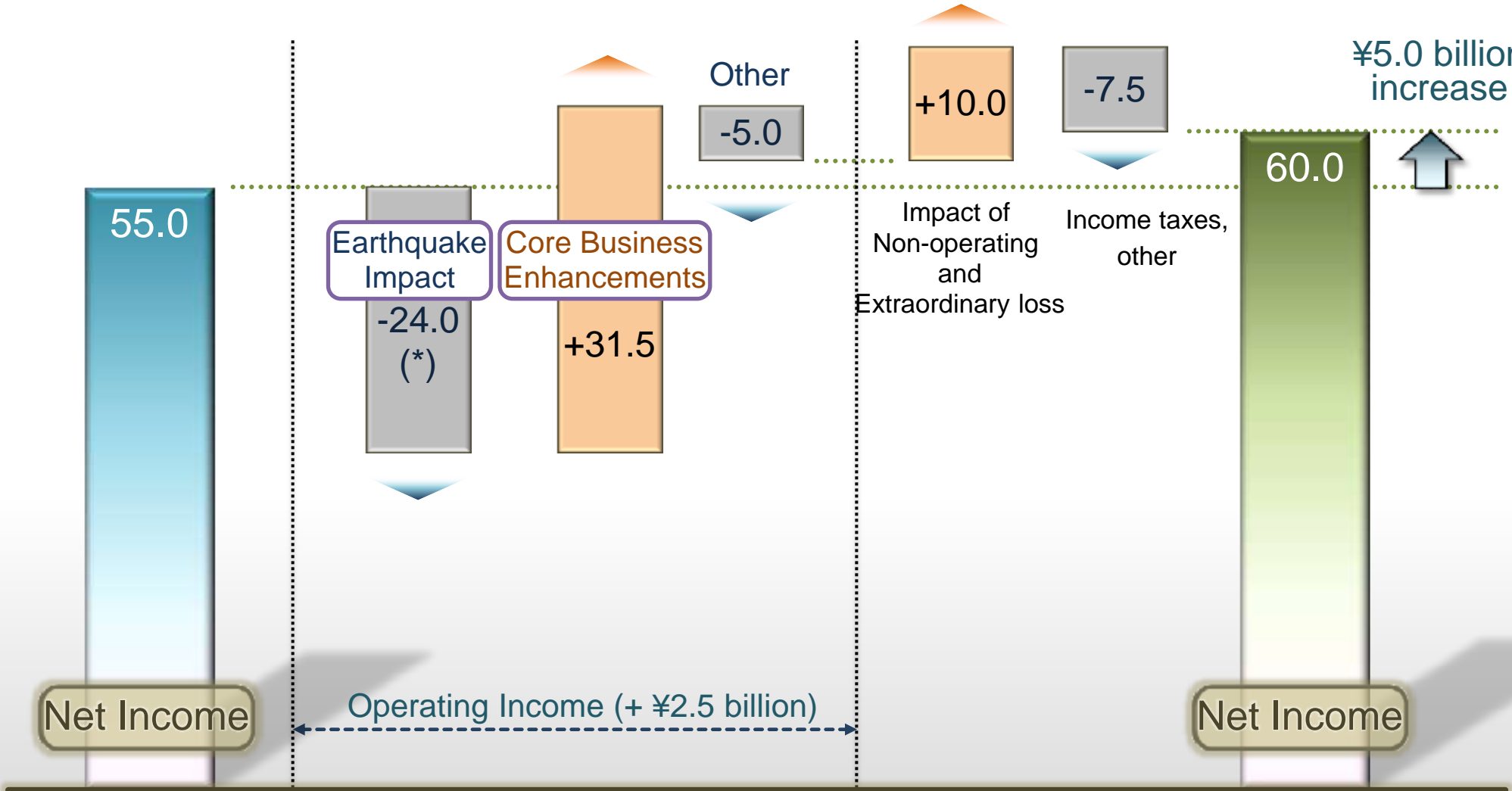
FY2011: Projections

Committed to Generating Higher Sales and Profit than FY10

		FY2010	FY2011	Change	Excluding Impact of Earthquake
Consolidated	Net Sales	4,528.4	4,600.0	+ 71.6	(+105.5)
	Operating Income	132.5	135.0	+ 2.5	(+26.4)
	Net Income	55.0	60.0	+ 5.0	
Operating Income	Technology Solutions	162.8	185.0	+ 22.2	+35.1
	Services	117.3	135.0	+ 17.7	+27.6
	System Platforms	45.5	50.0	+ 4.5	+7.4
	Ubiquitous Product Solutions	22.6	15.0	- 7.6	+0.3
	Device Solutions	20.9	15.0	- 5.9	-3.9

(Billions of Yen)

FY2011: Priority is on Increasing Net Income FUJITSU



FY10
(Actual)

(*) Earthquake Impact – FY10: approx. ¥13.0 billion; FY11: approx. ¥ 37.0 billion

FY11
(Projected)

(Billions of Yen)

Core Group Strategy: Positioning for FY2011

- With the growing sophistication of networked societies, markets are becoming increasingly complex and are rapidly evolving
 - Fujitsu aims to seize opportunities and take a leadership role in rebuilding Japan, while controlling risk
- Amid a changing operating environment, Fujitsu aims to make this a year in which the company clearly demonstrates early stage results from new growth initiatives
 - High expectations for increased cloud demand, quicker application of ICT to challenges facing society, and next-generation products
- With an on-offense strategy of further extending gains, demonstrate clear recovery from the 2008 financial crisis
 - Accelerate trend of profit growth since 2008, paving the way to quickly achieving record-high profits
- Globally solidify foundation for sustained growth (infrastructure, products, and HR)

Trend in Consolidated Operating Income



(Billions of Yen)

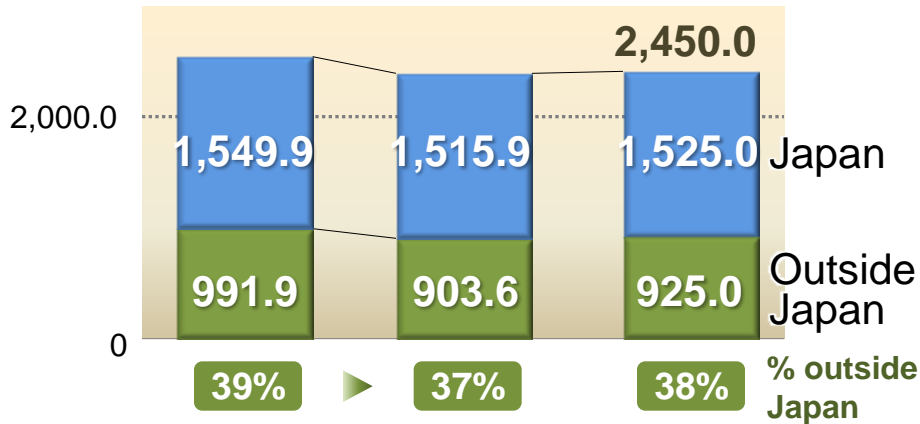
Initiatives in FY2011 to Set the Stage for Transformation



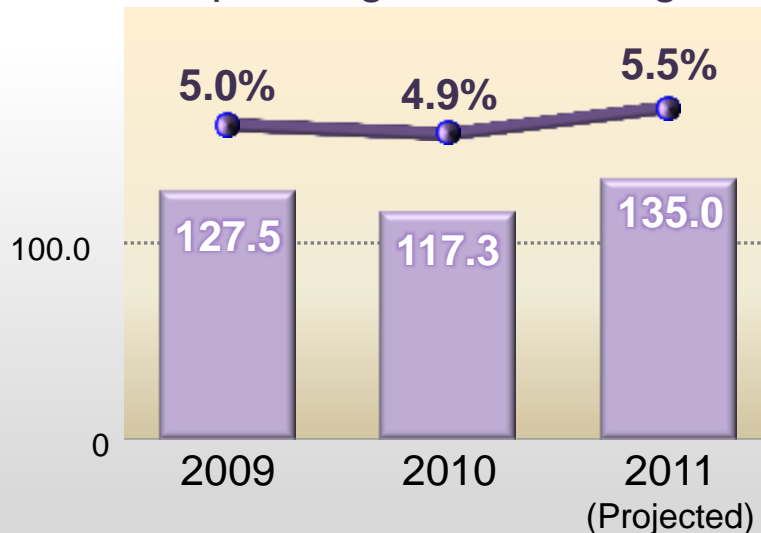
FY2011: Services

Leveraging Fujitsu's Strengths in Japan to Pursue Global Growth

Consolidated Sales



Operating Income/Margin



(Billions of Yen)

Solutions / SI

- Enhance vertical market strategy to expand market share in Japan (ACTION5)
 - Maintain growth as existing market shrinks (new markets, across verticals)
 - Integrate public sector and regional business groups: Enhance support for cross-regional government businesses
- Restructure System Engineer (SE) organization and enhance capabilities
 - Integrate production and sales, enhance private sector SE unit and shared technology capabilities
- Expand business with Japanese companies in Asia/China: Solutions from Japan

Infrastructure Services

- Expand sourcing business via infrastructure services
- Convergence services: Quickly gain market share in Japan
 - Data services applications, platforms for collecting and analyzing large volumes of data

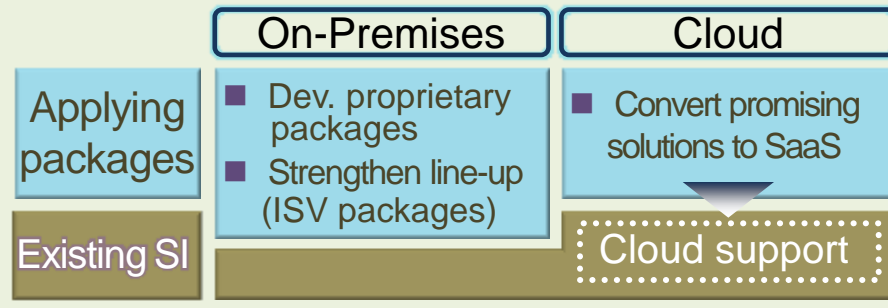
Cloud Services

- Expand number of proposals and wins, quickly seize market share
- Prepare for next areas of business growth (advanced technology initiatives)
- Cloud experts: Train 5,000 personnel globally by the end of 2011

Creating New Models for Fujitsu Services

Enhance solution business structure (ex.: Manufacturing)

- Leveraging strong packages to develop new markets, pursuing business efficiency while expanding market share in Japan



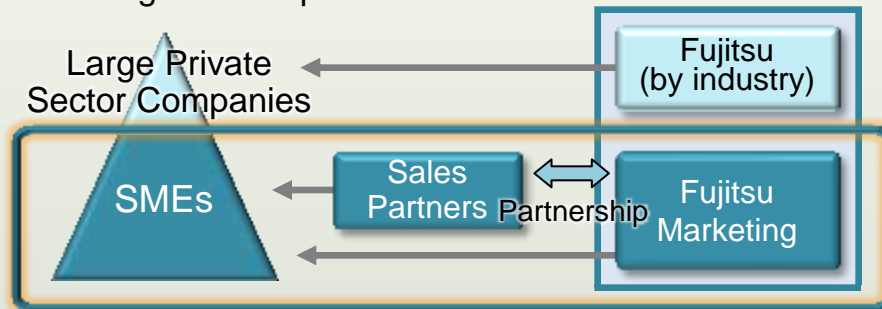
Quicken pace through infrastructure “industrialization”

- Strengthen links between sales/SE/CE/manufacturing front lines, quickly deliver high-quality IT infrastructure
- Large-lot direct sales of x86 servers: 100% utilization goal



Strengthen organization for private sector and SMEs

- Establish strategic planning group for private sector business
- Strengthen competitiveness of solutions for SMEs



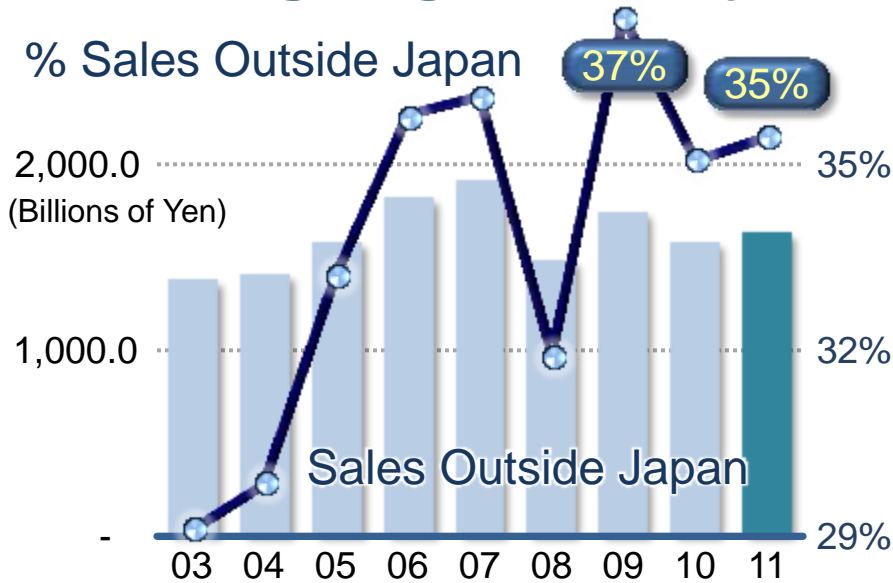
Raise productivity and quality in development projects

- Expand use of application framework (INTARFRM), reduce project costs by 10%
- FY2011 goal: 1,000 projects



FY2011: Business Outside Japan

Delivering High-Quality, Uniform Services on a Global Scale



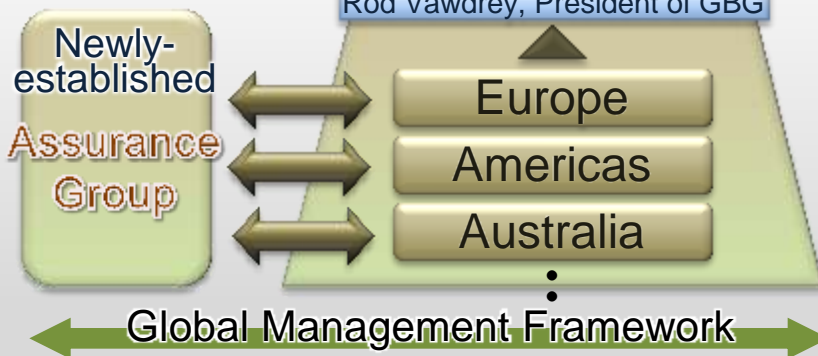
Global Services Business

- **Cloud business: Expand market share**
 - SOP business: Use Japan market strategy and ISVs as base
 - Business services using Japan's industry-specific cloud applications
- **Hardware business: Expand scale and improve profitability**
 - x86 servers: Strengthen sales organization in N. America
 - Business restructuring with FTS, enhance collaboration with teams in Japan
- **Create task forces for inter-regional coordination for each offering**
 - Business services, application services, infrastructure services, products
- **Strengthen competitiveness and improve quality through service delivery**
 - Strengthen offshore/near-shore centers (India, Philippines, Europe, etc.)
- **Establish assurance scheme for large-scale project bids outside Japan**
 - Global management framework

Large-Scale Projects for MNEs

Global Trading System

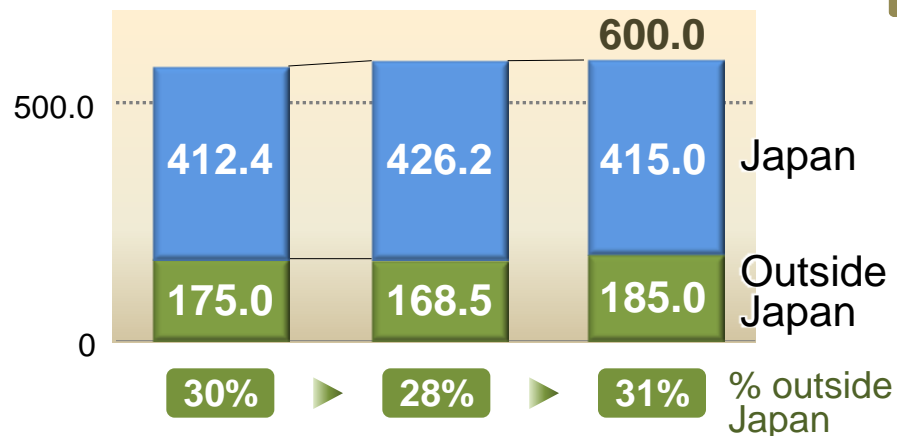
Rod Vawdrey, President of GBG



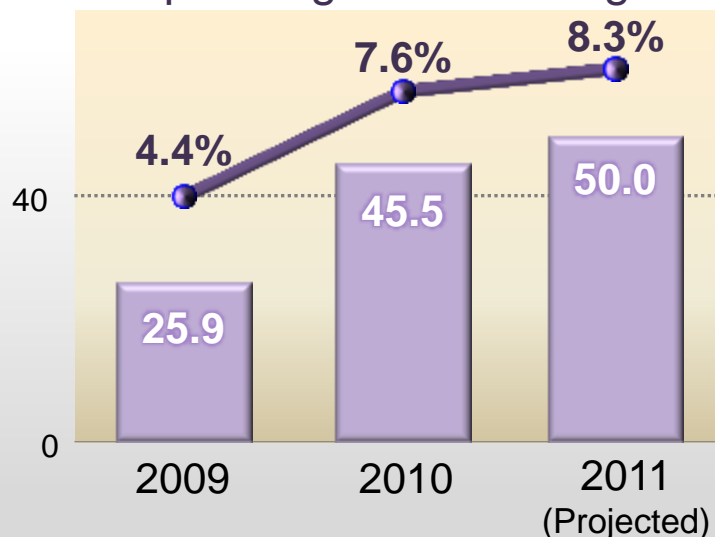
MNE = Multi National Enterprise

Accelerating Globalization while Increasing Volume, Reducing Costs

Consolidated Sales



Operating Income/Margin



(Billions of Yen)

Servers/Storage

- x86 servers: Global sales target of 400K units (130K in Japan)
 - One-stop solution for customers, uniform global specifications
 - Development cost efficiencies achieved via integration w/FTS
- UNIX: Strengthen overall product competitiveness through alliance with Oracle
- Storage: Enhance product competitiveness (ETERNUS DX series)

Software

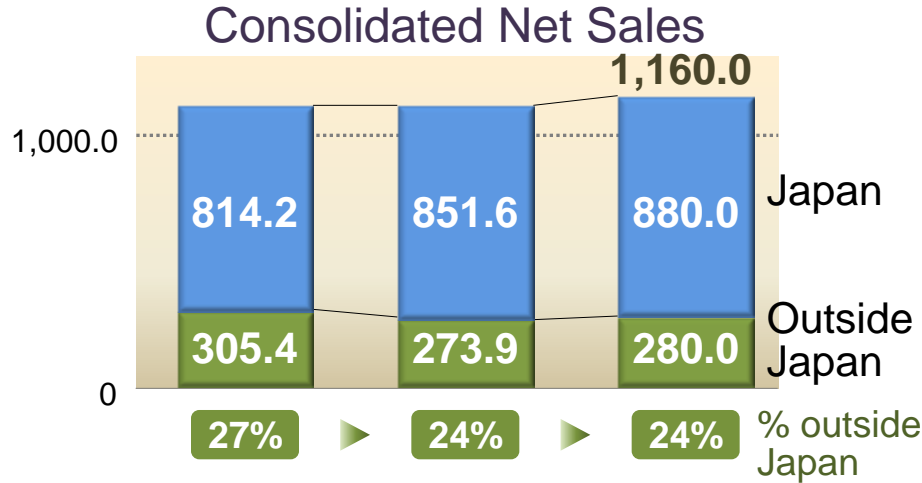
- Invest in product delivery in PaaS area and develop business
 - Growth shift into the cloud space (Azure, Cordys)

Networking Products

- Strengthen business with global carriers
 - Expand share in N. American optical transmission market (Metro, LH)
 - Pursue new business (N. American managed services)
- Expand share of LTE market in Japan
- Develop business in emerging home ICT field

FY2011: Ubiquitous Product Solutions

Services for the Cloud Era Created by Ubiquitous Front-end Interfaces



PC Business

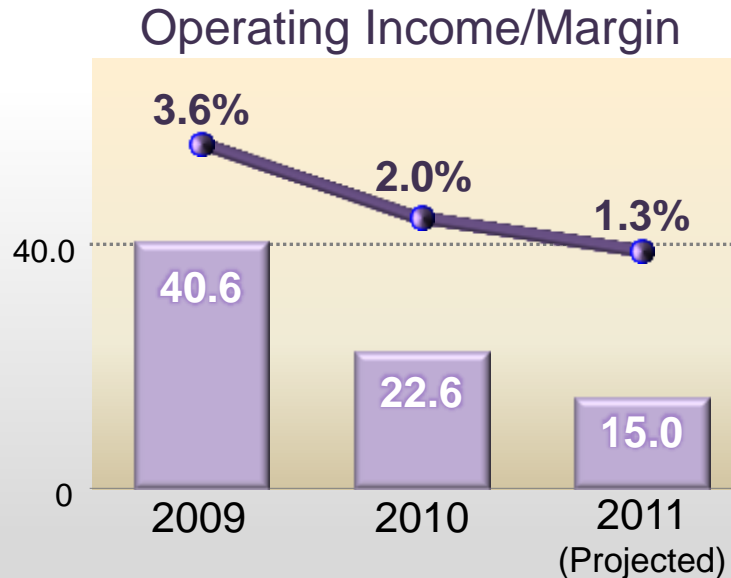
- FY2011 sales target: 6.6 million units (up 22%)
- World-class product competitiveness: Launching products in new categories
 - Slate PCs for enterprise customers and hybrid thin clients
- Securing sufficient global volume: Target sharing with each region
 - China/APAC (FPCA), EMEA (FTS), North America (FAI)

Mobile Phone Business

- FY2011 sales target: 7 million units (up 4%)
- Resource shift to keep pace w/smartphone market
 - Enhance and improve efficiency of smartphone development group
 - Bring together differentiated technologies: Human-centric engine
- Accelerate global expansion (N.A., Europe, China)

Mobilewear Business

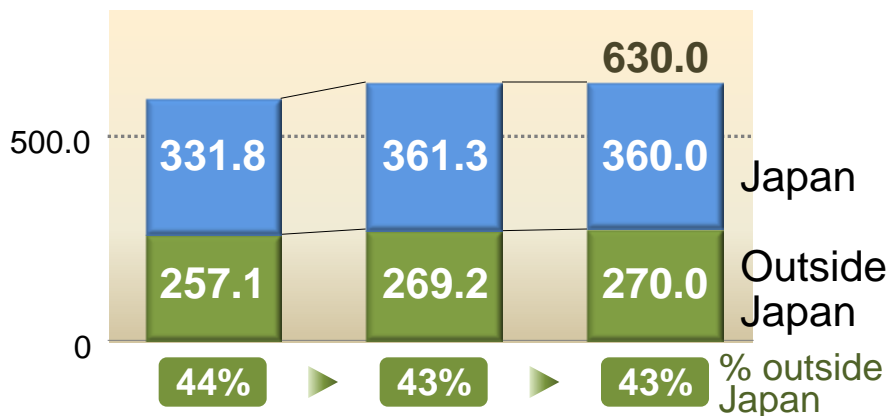
- Strengthen organization in emerging markets (esp. China)
- Fusion of on-board technologies and ICT (smartphone/car navigation services)



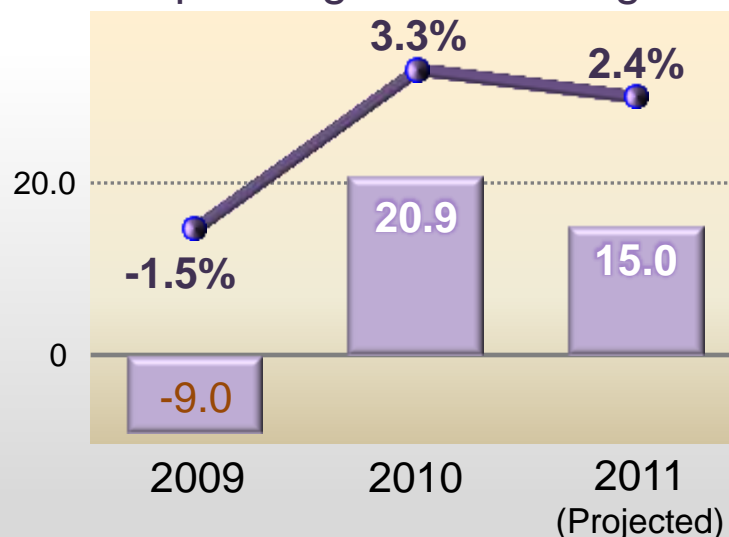
(Billions of Yen)

Strengthen Earnings by Enhancing Competitiveness of Each Business

Consolidated Sales



Operating Income/Margin



(Billions of Yen)

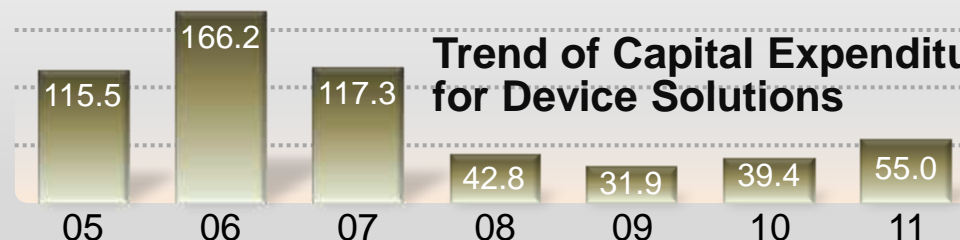
LSI Business

- Strengthen global expansion
 - Enter emerging markets (worldwide expansion centered on China)
- Increase strategic development investments: Customer-centric product strategy
 - Mobile phone solutions, microcontrollers (ARM core license), power semiconductors (GaN)
 - Improvement in gross margin through more competitive products in alliance with outside fabs
- Promoting continuous structural reforms to raise cost competitiveness

Electronic Components Business

- Shinko Electric: Higher sales and profit targets (sales +7%, net income +12%)
 - Focus on launching highly competitive products, enhancing productivity and innovation efforts
- FDK: Establish joint venture in lithium ion capacitors

Trend of Capital Expenditures for Device Solutions



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Core Group Strategy: Medium-Term Objectives

Technology-Based Globally Integrated Services Company

3 Growth Priorities

2011

2012

2013

•••

**On Offense with
Structural Reforms**
(Strengthening
Existing Businesses)



Cloud-focused
expansion
Solutions platform
Contributing to
Japan's rebuilding

➡ **Dominant position in Japan**

- Focus Group-wide capabilities into services
- Transformation in solutions-delivery capabilities

**Accelerating
Globalization**



Expanding volume
Strengthening
assurance

➡ **Accelerating global integration**

- Global unification via cross-cutting capabilities

**Creating New
Services
Businesses**



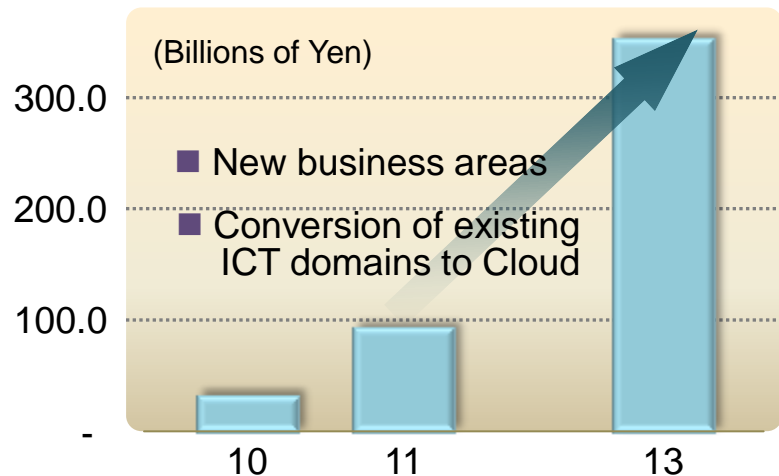
Developing
advanced services
Strengthening
vertical integration

➡ **Bringing about a "human-centric
intelligent society"**

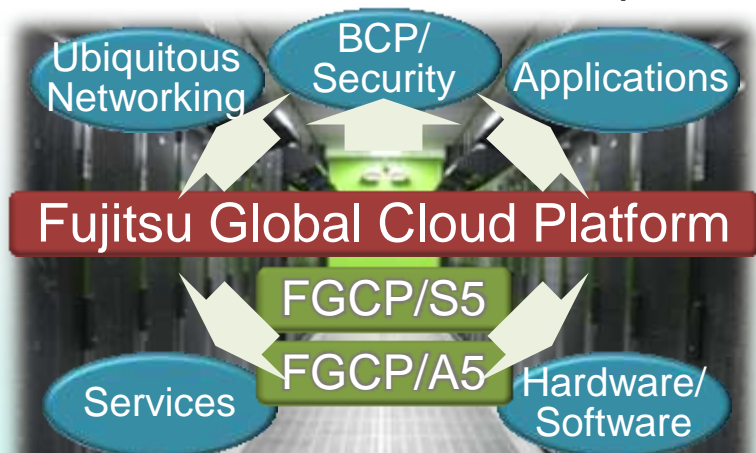
- Establishing business models and
contributing to growth

On Offense with Structural Reforms: Making the Cloud a Core Business

Sales Target for Cloud Business in Japan



Global Services Line-up

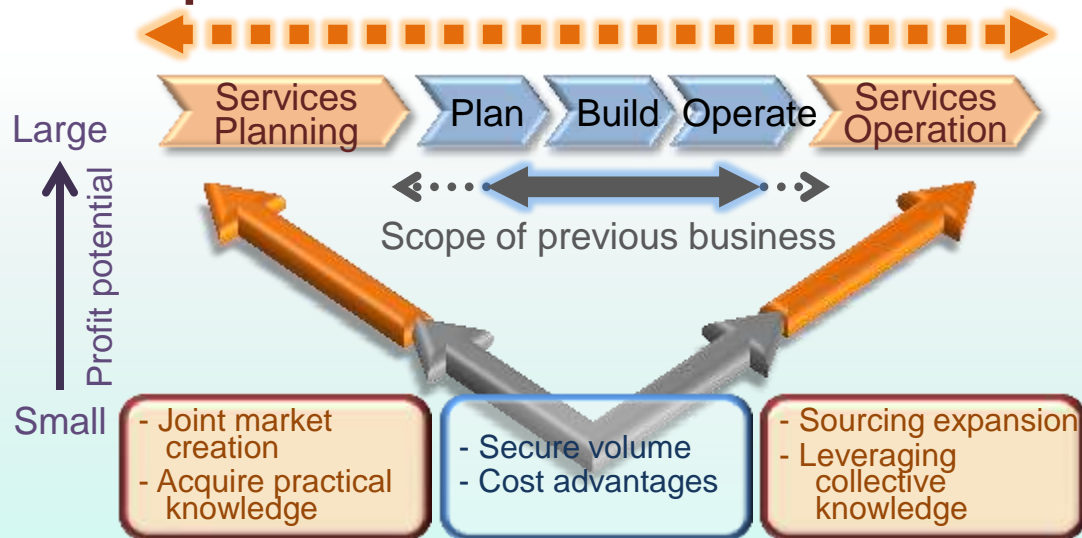


Expanding business through the cloud

Medium-Term Stance on Cloud Business

- Help to support transformation through the development of cloud business
 - Conversion to services, speed innovation, globalization
- Establish new services model integrating all group-wide businesses, with growth in new business areas
- Pursue Group-wide growth by using cloud as a trigger to prevail over competitors and create new businesses

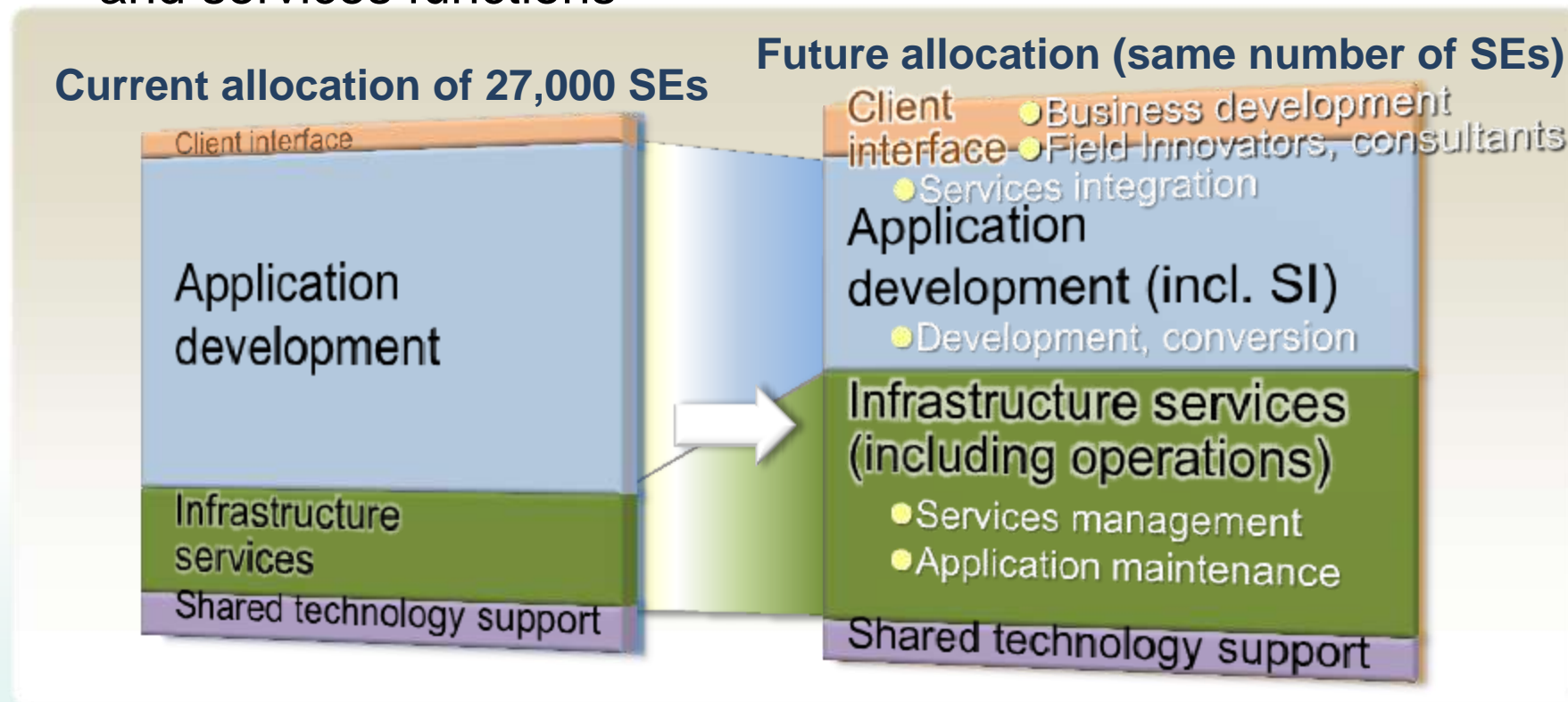
Scope of Profit Generation via the Cloud



On Offense with Structural Reforms: Transforming Solutions-Delivery Capabilities

■ Strengthen and redefine role of Systems Engineers (SE)

- Shift resources from SI development toward client interface and services functions



■ Enhance sales resources

- Strengthen workforce, including personnel reallocation, and utilization of Field Innovators

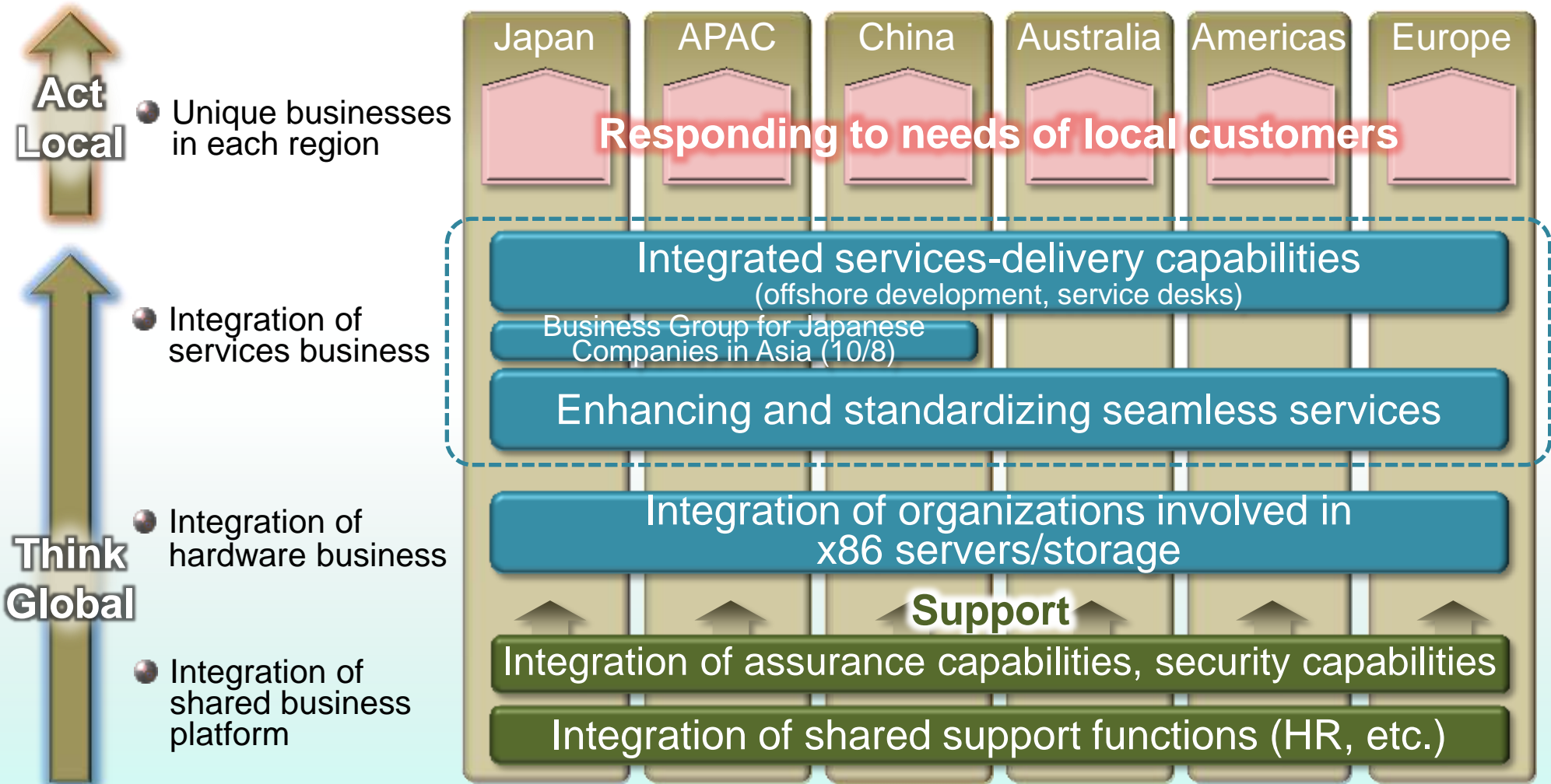
Integration and Business-Enhancement Initiatives Led by Each Regional Organization

- Built unified sales/delivery organization for ASEAN region [09/10]
- Strengthened business in Australia through M&A (KAZ, SCC, Infinity) ['07-'09]
- Converted FSC into wholly owned subsidiary [09/4]
- Integrated 3 subsidiaries in N. America (hardware, app. services, retailing solutions) [09/4]
- Integrated businesses in S. China region and Hong Kong [09/10]
- Signed agreement to establish datacenter in Nanhai district of Guangdong Province [09/11]
- Integrated services (FS) and hardware (FTS) businesses in Europe [10/1]



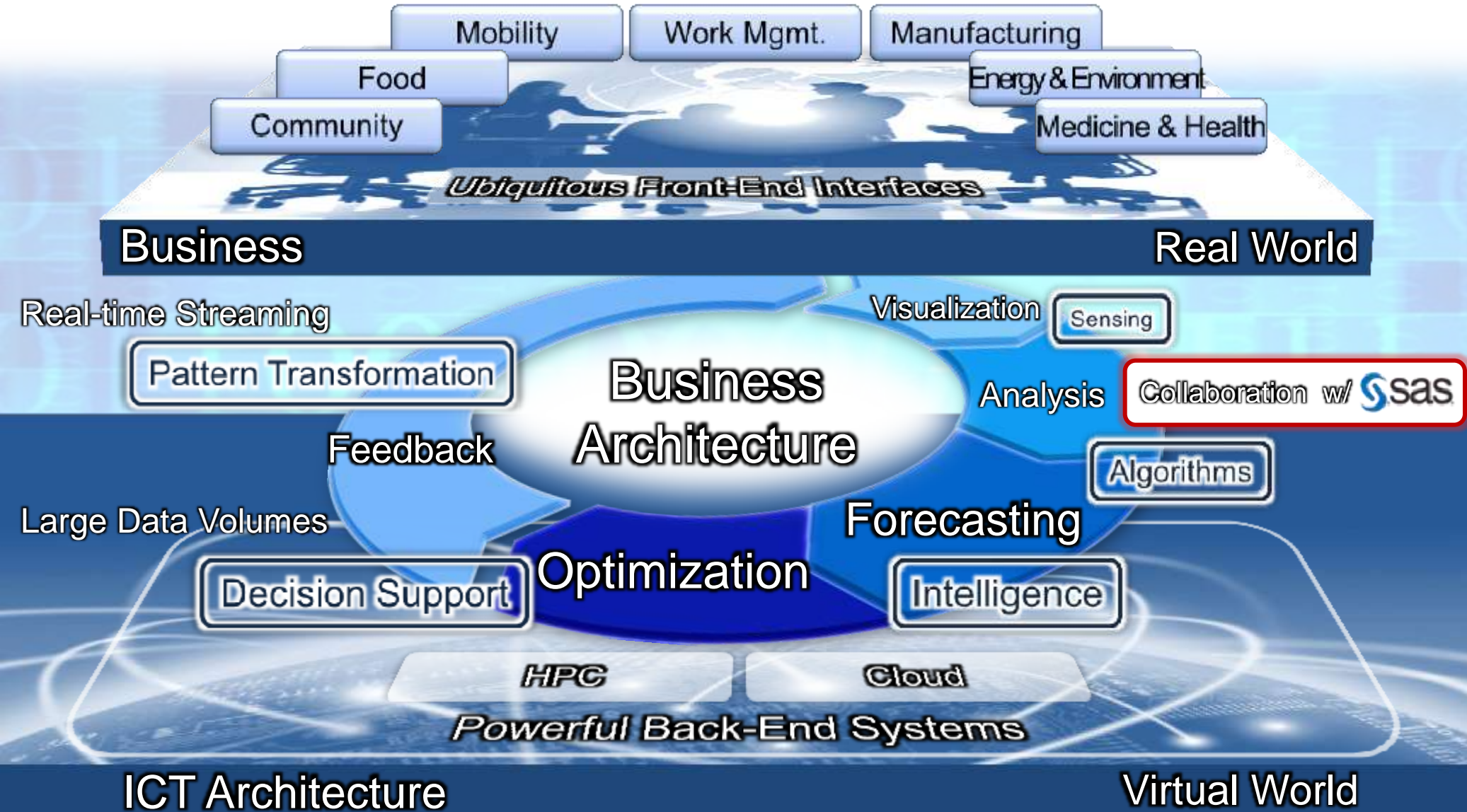
Accelerating Global Integration

Customers are expanding their businesses globally



Creating New Services Businesses: Objectives FUJITSU

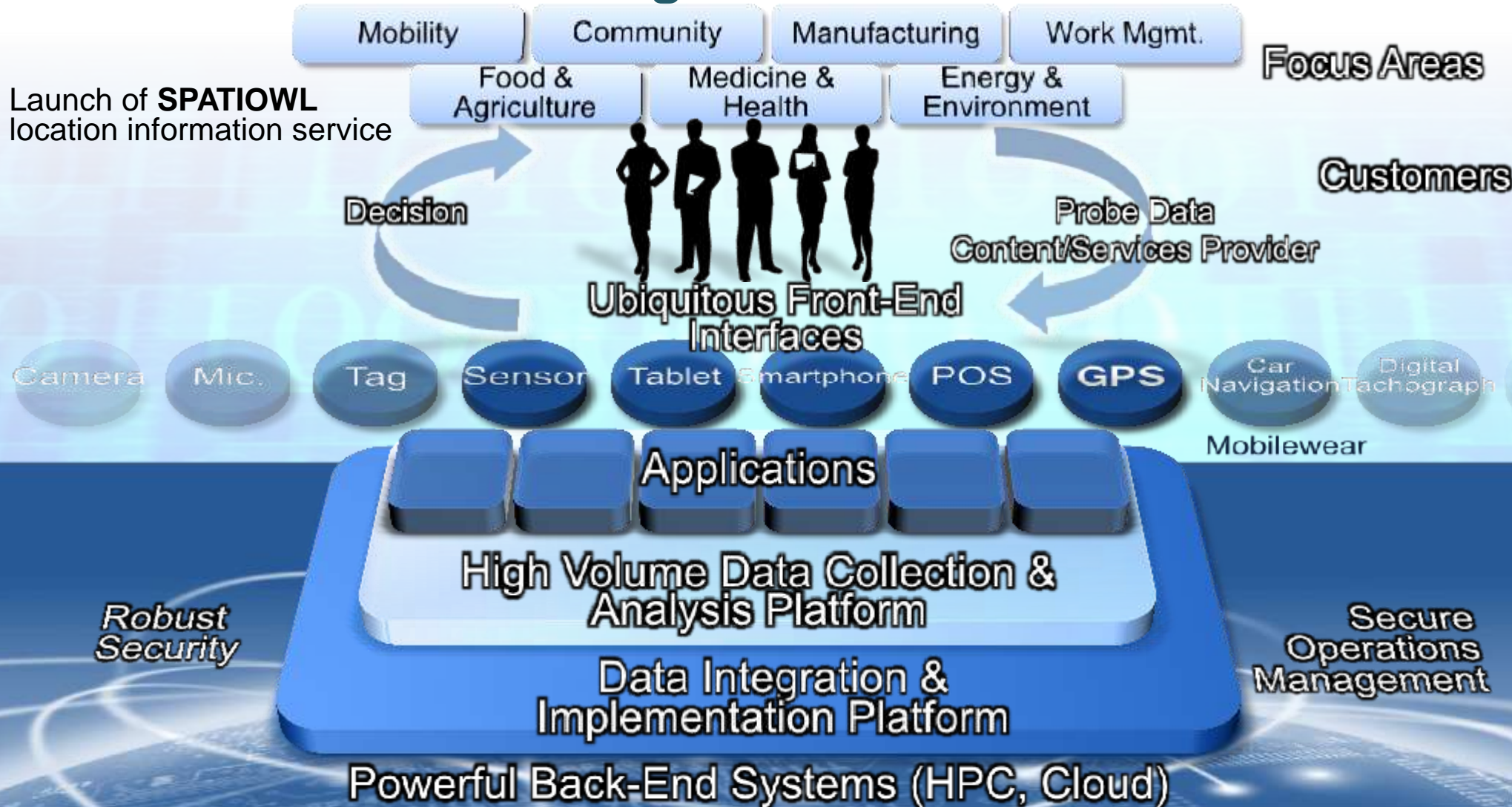
Bringing About a “Human-Centric Intelligent Society”



Creating New Services Businesses: Vertical Integration Model

Convergence Services

Launch of **SPATIOWL**
location information service



Creating New Services Businesses: Developing Advanced Models

Maintenance services alliance with Boeing
(Alaska Airlines as pilot participant)



IT-based drug discovery collaboration with Tokyo University



Field test of remote metering system with Kit Carson Electric in the US



Human-Centric Intelligent Society



Mobility



Community



Manufacturing



Work Mgmt.



Food & Agriculture



Medicine & Health



Energy & Environment

HumanBridge

Livestock Mating Solution
Ranch support services



Human Bridge
SaaS-based
regional healthcare network



Karada Life
Diabetes Support Service
(with Arkray, Inc.)



Path to Sustained Growth: Management Commitment

Taking up the Challenge of Achieving an Operating Income Margin of >5% in the Near Term

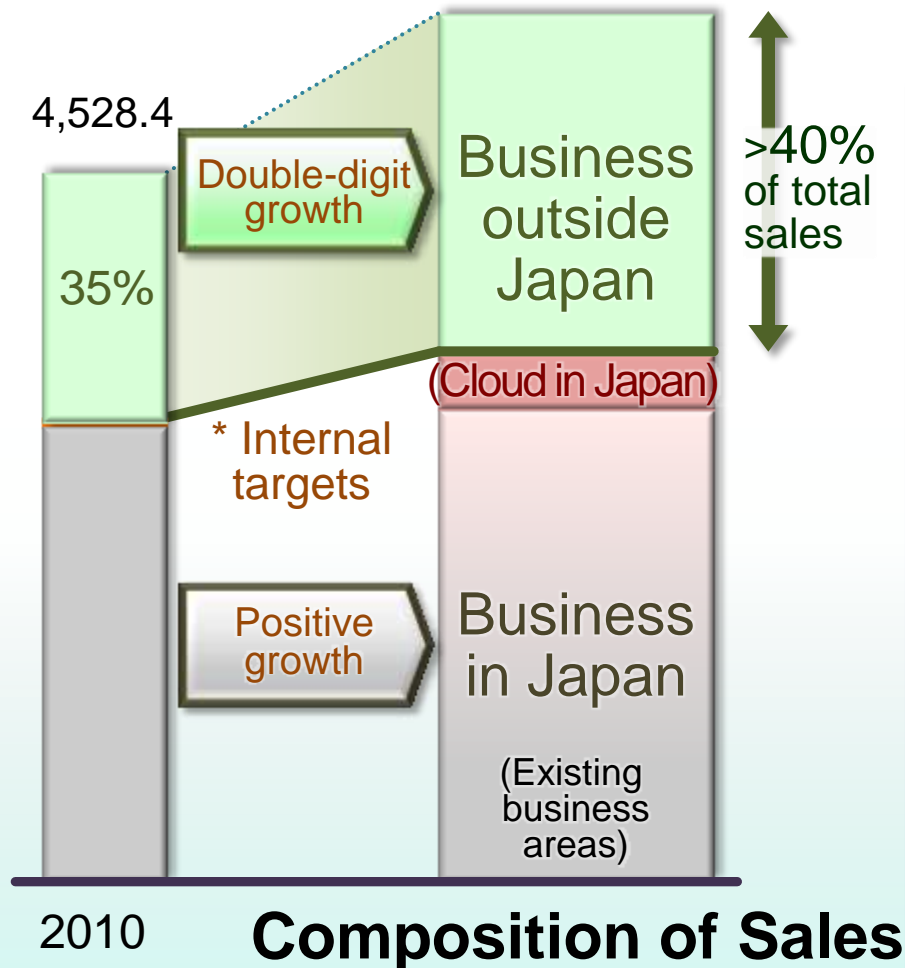
Near-Term Performance Targets

The minimum required to move beyond past performance, secure growth trajectory

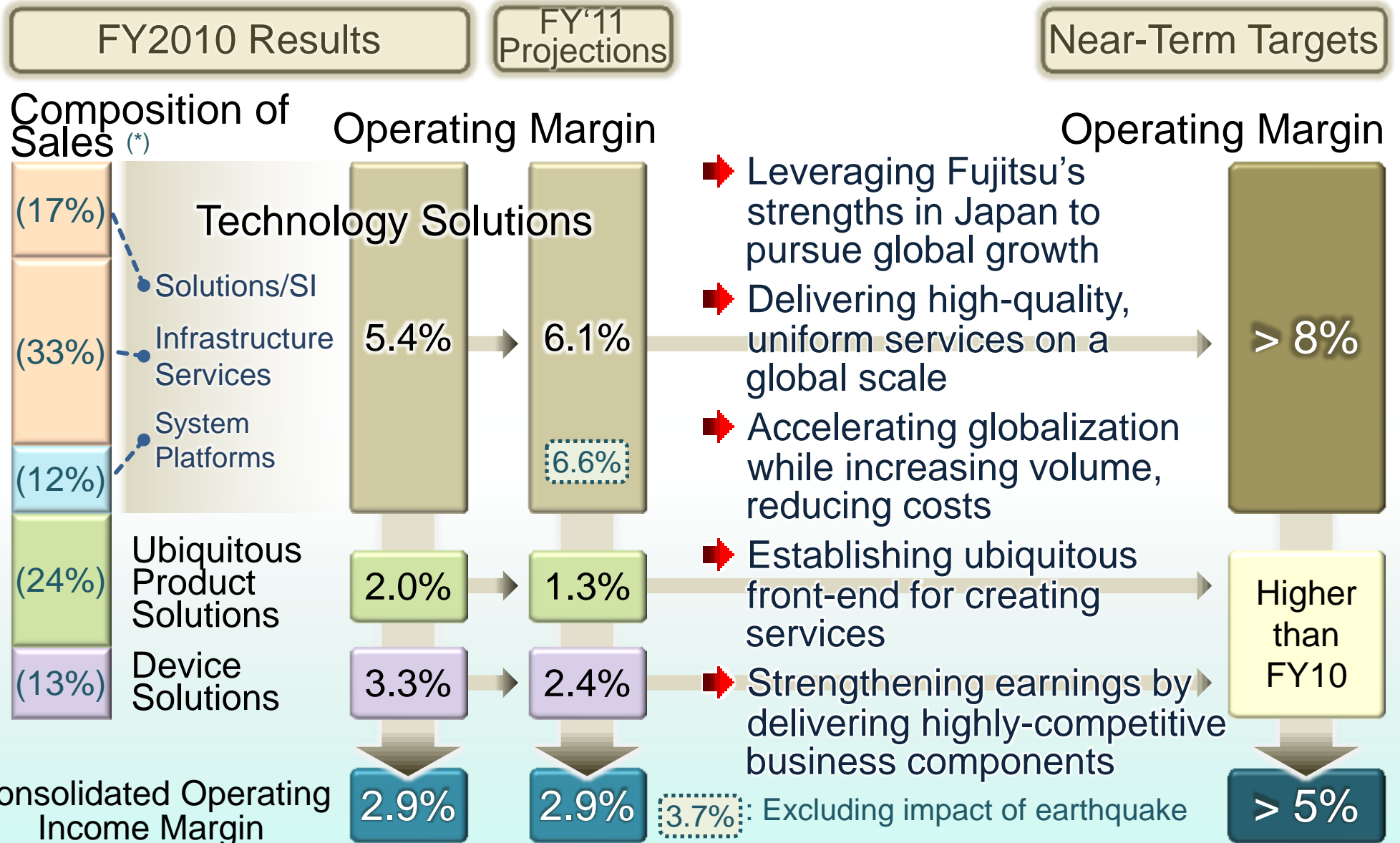
- Consolidated Operating Margin: > 5%
- % of Sales Outside Japan: > 40%
- FCF: > ¥150 billion/year

In light of evolving operating environment, sales targets will be reviewed accordingly

Aim to achieve in near-term, accelerating investments for growth while fostering talent and technology



Path to Sustained Growth: A Solid Path Forward



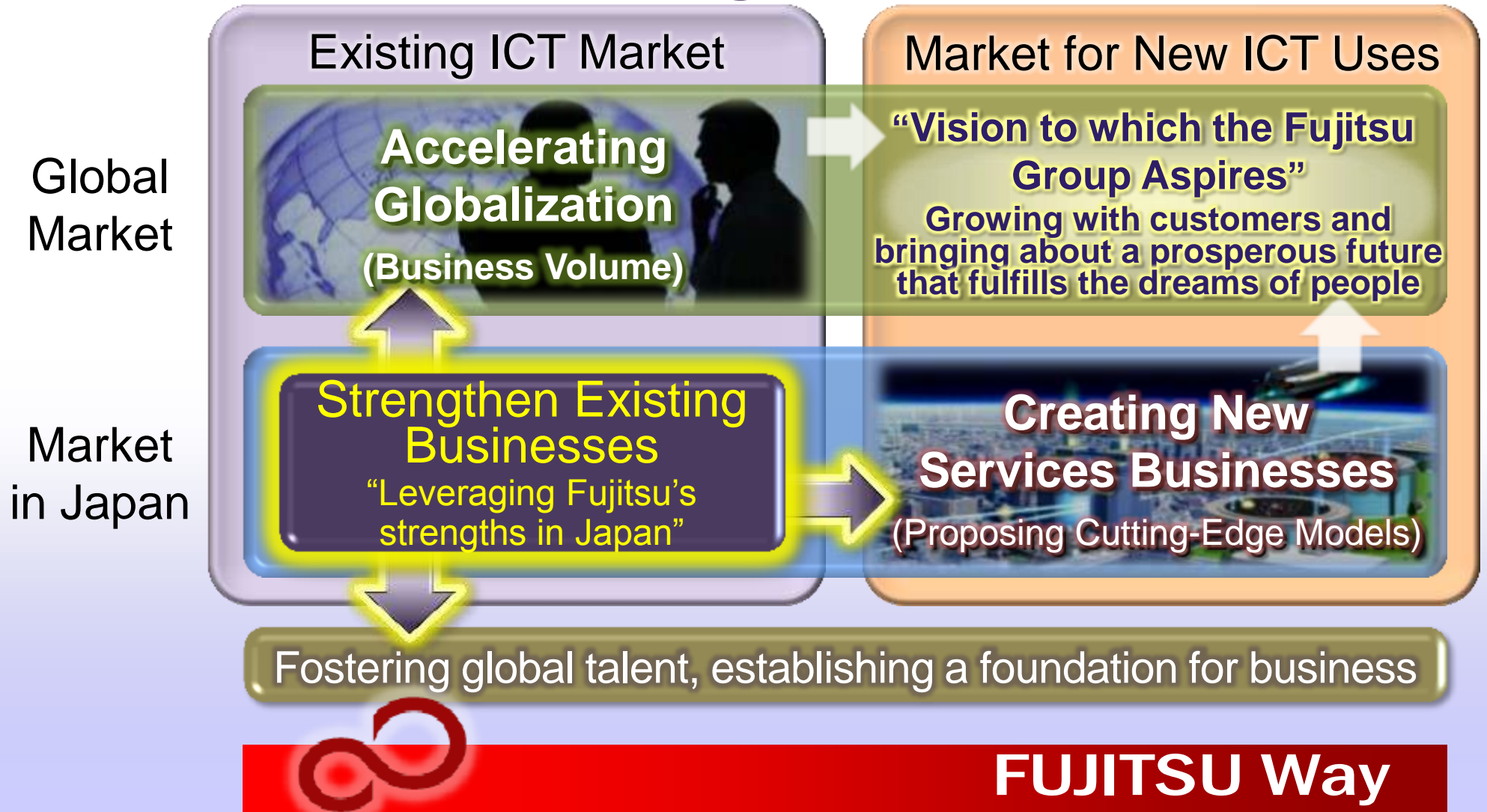
(*). Percentage excluding "Other/Elimination and Corporate"

Path to Sustained Growth: Strategy Matrix **FUJITSU**

	On Offense with Structural Reforms	Accelerating Globalization	Creating New Services Businesses
Services Business	<ul style="list-style-type: none"> Transforming solutions-delivery capabilities and enhancing sales capabilities Strategic shift toward the cloud to make it a core business Expanding market share in Japan's major industries 	<ul style="list-style-type: none"> Integrate services portfolio with lateral functions Leverage strengths in Japan to expand global cloud business Fostering global talent 	<ul style="list-style-type: none"> Establish vertically integrated business model via the cloud Develop convergence services in partnership with customers
Hardware Business	<ul style="list-style-type: none"> Pursuing higher sales volume x86 servers: > 500K units worldwide Highly reliable and high-quality products that support cloud proposals 	<ul style="list-style-type: none"> Develop products for global markets (x86 servers, storage) Strengthen vertically integrated portfolio through alliances 	<ul style="list-style-type: none"> Establish platforms to collect and analyze huge volumes of data Innovation for next-generation datacenter architecture
Volume-Oriented Business	<ul style="list-style-type: none"> Keeping pace with paradigm shift (smartphones, new devices) Transforming business model for volume expansion 	<ul style="list-style-type: none"> Develop globally competitive PCs/mobile phones: unit volumes of 10 million Integrate global operations (costs, sales) 	<ul style="list-style-type: none"> Front-end interfaces to bring about a human-centric society Build new businesses that integrate services

Path to Sustained Growth: Focus on Growth Scenario

Leveraging Fujitsu's Strengths in Japan and Sharing a Core Management Stance



Working with Customers to Bring About a Prosperous Future

Brand Promise: Fujitsu's Pledge to Customers

shaping tomorrow with you

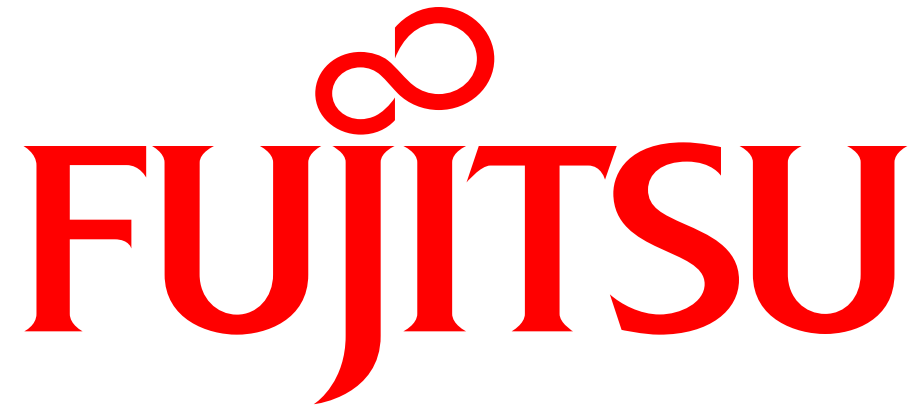


- We value long-term relationships with our customers and work with them to contribute to their success.
- We leverage our extensive experience to generate new ideas and work with our customers to bring about a prosperous society through the power of ICT.

Our stance is to go on offense
with an eye towards growth.

We will continue pioneering the new
possibilities of ICT as a valued and trusted
partner to customers.

We aim to earn the trust of all our stakeholders
such that they entrust their future with Fujitsu.



shaping tomorrow with you

Cautionary Statement

These presentation materials and other information on our meeting may contain forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Words such as "anticipates," "believes," "expects," "estimates," "intends," "plans," "projects," and similar expressions which indicate future events and trends identify forward-looking statements.

Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors:

- general economic and market conditions in the major geographic markets for Fujitsu's services and products, which are the United States, EU, Japan and elsewhere in Asia, particularly as such conditions may effect customer spending;
- rapid technological change, fluctuations in customer demand and intensifying price competition in the IT, telecommunications, and microelectronics markets in which Fujitsu competes;
- Fujitsu's ability to dispose of non-core businesses and related assets through strategic alliances and sales on commercially reasonable terms, and the effect of realization of losses which may result from such transactions;
- uncertainty as to Fujitsu's access to, or protection for, certain intellectual property rights;
- uncertainty as to the performance of Fujitsu's strategic business partners;
- declines in the market prices of Japanese and foreign equity securities held by Fujitsu which could cause Fujitsu to recognize significant losses in the value of its holdings and require Fujitsu to make significant additional contributions to its pension funds in order to make up shortfalls in minimum reserve requirements resulting from such declines;
- poor operating results, inability to access financing on commercially reasonable terms, insolvency or bankruptcy of Fujitsu's customers, any of which factors could adversely affect or preclude these customers' ability to timely pay accounts receivables owed to Fujitsu; and
- fluctuations in rates of exchange for the yen and other currencies in which Fujitsu makes significant sales or in which Fujitsu's assets and liabilities are denominated, particularly between the yen and the British pound and U.S. dollar, respectively.