

9. Business Combinations

1. Shift of Consolidated Subsidiaries to Wholly Owned Subsidiaries through an Exchange of Shares

1) Names and Lines of Business of the Companies Combined

(i) Names of companies combined:

Fujitsu Limited and its subsidiaries Fujitsu Access Limited, Fujitsu Devices Inc. and Fujitsu Wireless Systems Limited

(ii) Lines of business

Fujitsu Access Limited	Development, manufacture and sales of information and communication equipment and related systems
Fujitsu Devices Inc.	Development, design and sales of semiconductors and related software
Fujitsu Wireless Systems Limited	Manufacture of information and communication equipment

2) Legal Framework of the Combination Exchange of shares

3) Summary of the Transactions and Rationale

In order to enable Fujitsu to better respond to the services needs of our customers and strengthen our customer-focused operating structure, on August 1, 2007, the shareholders of Fujitsu Access Limited, Fujitsu Devices Inc. and Fujitsu Wireless Systems Limited transferred their common shares to Fujitsu Limited. In exchange, Fujitsu Limited distributed shares in Fujitsu Limited to these shareholders. Accordingly, the three companies became wholly owned subsidiaries of Fujitsu Limited. On July 26, 2007, Fujitsu Access Limited (listed on the 1st section of the Tokyo Stock Exchange) and Fujitsu Devices Inc. (listed on the 2nd section of the Tokyo Stock Exchange) were delisted.

2. Summary of the Accounting Treatment of the Transactions

As the transactions fall under the category of transactions with minority shareholders, the interest in the additional shares of the subsidiaries acquired through the transactions will be deducted from minority interests, and the difference between that amount and the additional investment amount will be treated as goodwill.

3. Information Concerning the Acquisition of Additional Shares in the Subsidiaries

1) The Acquisition Cost and its Breakdown

Acquisition cost: 25,965 million yen

Fujitsu Limited shares valued at 25,945 million yen, with 20 million yen spent in acquiring the shares; all Fujitsu Limited shares were treasury shares.

2) The Exchange Ratio for Each Type of Share, the Approach to Calculating the Share Exchange Ratio, the Number of Shares Distributed, and their Valuation

(i) Types of shares and the exchange ratios

For each common share of the companies, the number of Fujitsu Limited shares allocated and distributed was as follows:

Fujitsu Access Limited	0.86 share
Fujitsu Devices Inc.	2.70 shares
Fujitsu Wireless Systems Limited	13.36 shares

(ii) Approach to calculating the share exchange ratio

The exchange ratios were decided based on consultations among the concerned companies after taking into careful consideration proposed share exchange ratios and methods of calculation prepared by a third party and an analyses and recommendations regarding these proposed amounts from qualified experts.

(iii) Number and valuation of the shares distributed	34,319,427 shares 25,945 million yen
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3) Amount of Goodwill Generated, Reason Generated and Method and Period of Amortization

Amount of goodwill	4,393 million yen
Reason generated	The market price at the time of the combination of the concerned companies exceeded the historical cost
Method and period of amortization	Straight-line amortization within 5 years