

## Summary Translation of Question & Answer Session at Executive Appointments Briefing to Analysts

**Date:** January 29, 2010, 18:00 ~ 18:30  
**Location:** Fujitsu Shiodome Headquarters, Tokyo  
**Presenters:** Michiyoshi Mazuka, Chairman and President;  
Masami Yamamoto, Corporate Senior Executive Vice President

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### Questioner A

*Q1: Did the three-member nomination committee come to a unanimous decision on Mr. Yamamoto? Was the nomination of the new senior executive vice presidents also unanimous? Could you elaborate on the nomination process?*

**A1: (Mazuka)** Let me explain about the process first. The nomination committee was comprised of board members Mr. Hiroshi Oura, Mr. Ikujiro Nonaka, and myself, with Mr. Oura acting as committee chairman. During the committee meetings, we discussed not only the candidates for president, but also the business environment Fujitsu competes in and how it is changing, the kind of resources the new president will need, and a management structure that includes a group of new senior executive vice presidents to support the president.

Mr. Oura interviewed the current senior vice presidents and a number of the corporate vice presidents. Mr. Nonaka has long been involved in the development of globally oriented management at Fujitsu, and he knows our executives well.

During our discussions, we evaluated a number of candidates, and in the end unanimously chose Mr. Yamamoto. This decision came after a consideration of the difficult competition we expect in this industry in the future, and the need for the company to implement cloud computing, human-centric computing and other initiatives.

As for the senior executive vice presidents, we were looking for executives who could make decisions quickly and positively carry out reforms. We were also unanimous in these choices.

*Q2: Looking at the backgrounds of the most recent presidents of Fujitsu, most of them came from the services business. Before that, many came from the mainframe and products businesses. Mr. Yamamoto has a products business background. Could you tell us, Mr. Yamamoto, a little about your ideas for the future direction of Fujitsu?*

**A2: (Yamamoto)** I have a products background, but the direction of the company will not change: we aim to be a truly global company with IT services as the core business.

I also thought about the reason why I, with a products background, was selected to be the next president. When we look back at the periods of great change in society, we often see there was a technological innovation behind it. Network technology innovation ushered in the Internet age. Cloud computing is an evolution of the Internet age made possible by new innovations like virtualization technologies. We will undoubtedly see new types of technologies emerge as we enter new periods. During my career, I've experienced first-hand the transitions from one age to the next, for example, from the word processor era to the PC era and so forth. I plan to use the intuition that I've gained from this experience to prepare Fujitsu for the cloud computing and human-centric computing eras.

### Questioner B

*Q1: Under the new executive structure, will Fujitsu accelerate its globalization and do you see any risks associated with trying to quickly globalize your company?*

**A1: (Yamamoto)** We are fully aware of the risks of accelerating the globalization of our company. In our medium-term strategic plan, we have a target of increasing the

percentage of sales from business outside Japan to 40% of consolidated sales by fiscal 2011, and we'd like to achieve this target as soon as possible. We acquired Fujitsu Services (UK) and made Fujitsu Technology Solutions (Germany) a consolidated subsidiary, and we've used M&As and other measures to globalize the company. We will continue this strategy and aim to accelerate our globalization plan.

*Q2: Do you plan on lowering your criteria for return on investment and other standards in order to accelerate globalization?*

**A2: (Yamamoto)** We must make a profit on our investments. We, of course, have criteria in place for M&As and we have no plan on lowering our standards.

### **Questioner C**

*Q1: You said in your opening remarks, Mr. Yamamoto, that Fujitsu has a strong foundation on which to build its business. In the past, however, the previous president Mr. Kuniaki Nozoe, had said that Fujitsu could improve its services business in Japan even further. What are some of the initiatives that Fujitsu needs to take in Japan?*

**A1: (Yamamoto)** With respect to globalization, I believe Fujitsu needs to be a Japan-based global company. One of the conditions to achieving that is to maintain a strong business foundation in Japan. If our business in Japan isn't strong, we'll have a difficult time making progress in globalizing the company. Therefore, we need to take various measures to ensure the business foundation in Japan remains strong.

### **Questioner D**

*Q1. Will Mr. Yamamoto, as president, have the authority of, for example, a CEO or COO? How do you view his position and level of authority? Also, will the five senior executive vice presidents also be appointed to the Board of Directors?*

**A1. (Mazuka)** We don't have the positions of COO and CEO at Fujitsu. In June, at the annual shareholders' meeting, we plan on having Mr. Yamamoto elected to the board as a representative director. Other members of the board will be nominated at a later date.

*Q2. Mr. Yamamoto, you have a PC business background, and in the same industry, Mr. Steve Jobs of Apple is well-known as an excellent corporate leader. What kind of leader do you want to be?*

**A2. (Yamamoto)** Fujitsu has also been very successful and innovative in the PC business. Take our new LOOX U pocket PC as an example. It may be ideal, in some ways, to have a very strong leader who can pull the entire company in a certain direction, but I see myself more as a person who works within our collaborative management structure to contribute my experience and knowledge, and in that way lead the company and improve our chances for success.

*Q3. Leaders are often good at making difficult decisions. In your leadership method, when the knowledge and experience of the senior management has been pooled but there's still no consensus, will you have the resolve to make a difficult decision?*

**A3. (Yamamoto)** It goes without saying that the final decision, in a situation like that, will be mine.

### **Questioner E**

*Q1. In the past, Fujitsu has benchmarked itself against IBM. What companies do you see as your major competitors in the future?*

**A1. (Yamamoto)** I have strong interest in IBM and HP. We will continue to benchmark ourselves against these companies in the future.

### **Questioner F**

*Q1. What do you see as your top priority in your first year?*

**A1. (Yamamoto)** My top priority is to raise profitability. More specifically, I plan to thoroughly consider the company's future direction in the cloud computing era.

*Q2. After the transition, will you, Mr. Mazuka, be managing the company with Mr. Yamamoto? Or will Mr. Yamamoto be in charge?*

**A2. (Mazuka)** Mr. Yamamoto will have executive authority, and my role will be to express my views when necessary. I've been in sales most of my career, so my main

function will be to ensure that the voices of our customers and partners are properly reflected in our management.

**Questioner G**

*Q1. Oracle has completed its acquisition of Sun Microsystems. For Fujitsu, what would be the ideal relationship between you and Oracle?*

**A1. (Yamamoto)** Oracle has a strong portfolio of software products, including its database software. We have the technology to make extremely reliable, high quality hardware products and CPUs. In my opinion, the only companies besides Fujitsu capable of making a server CPU are IBM and Intel. We would like to continue to expand the global UNIX server business in partnership with Oracle, combining our strong hardware and other technologies with their strong software products.

*Q2. With regard to your semiconductor business, Mr. Nozoe, the previous president, started the fab-lite strategy and said Fujitsu might even sell the business in the future. Please tell us your thoughts on the future of the semiconductor business.*

**A2. (Yamamoto)** We consider semiconductors to be a core business, necessary for us to continue developing server CPUs. One of our priorities is to continue with structural reforms, and build a strong foundation that can generate profits.

*Q3. In other words, you're management style is to accept a certain amount of risk in order to make a large return?*

**A3. (Yamamoto)** With regard to the partnership with Oracle, we have built a strong relationship with them, and don't see any risks in it. We had a strong relationship with Sun Microsystems, and we plan to build the relationship with Oracle into an even stronger one.

With regard to semiconductors, we have made excellent progress on structural reforms and have been able to reduce the risk significantly in the past year. We plan to continue with reforms and strengthen the business's profitability.

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