***For more information on Y2K issues,
please refer to the following site:***

http://www.fujitsu.co.jp/
hypertext/2000/English/
index.html

*The information on this page is intended
solely to provide general information on
Fujitsu's response to the Y2K problem and
should not be construed as an assurance,
statement of obligation, or abrogation
of rights.*

The entire Fujitsu Group acknowledges the critical importance of the Year 2000 (Y2K) problem, and we are aggressively responding on a groupwide basis.

In-House Systems ❯ In addressing the potential Y2K problem in our in-house systems, we recognize the need to look at not only our computer systems but also our networks, factory production equipment and facilities, and research facilities. From top management on down, everyone at Fujitsu is cognizant of the serious potential impact, and we are placing top priority on dealing with the systems that support our core business activities. Each division is taking responsibility for addressing potential problems, and we are ensuring that useful information is shared across divisional lines. More specifically, the process starts with identifying where Y2K problems may exist and, when they are found, is followed by ascertaining what remediation measures should be taken and what tests should be conducted. When necessary, further steps are taken to plan and execute comprehensive inspections covering all business processes as well as crisis management schemes.

As of the end of March 1999, about 90% of our in-house systems had been tested for Y2K compliance. Proceeding steadily with full testing and trial operation, we are on track to confirm the Y2K compliance of all in-house systems by September 1999.

Furthermore, we believe that the stability of our business is also affected by the Y2K readiness of our suppliers and business partners. We requested and, by the end of March 1999, received compliance reports from our principal partners, and we are now following up on them.

Products ❯ Although customers must judge for themselves whether their computer systems are Y2K compliant, we have been actively assisting them by providing information on assessing the Y2K readiness of Fujitsu products and third party products we sell, as well as offering specific proposals for remediation. We are also assisting consumers by disseminating information through a variety of media, including our web site, newspaper advertisements and brochures.

Moreover, we will have regular support teams available throughout the year-end/new year period to ensure our customers a worry-free start to 2000.

Associated Expenditures ❯ We have been handling internal Y2K issues mostly with our own technicians, and it is difficult to distinguish Y2K costs from regular internal costs, particularly personnel expenses. We estimate that total external costs for Y2K compliance will amount to ¥5.7 billion on an unconsolidated basis, of which ¥3.8 billion has been spent as of the end of fiscal 1998. We are confident that the final costs of addressing Y2K compliance are not of a magnitude that will significantly impact our business.

Risk Management Plans ❯ Based on careful consideration of the potential risk to our operations, we have developed Y2K contingency plans that focus on our core business activities and incorporate backup measures. These plans, which were finalized at the end of June 1999, detail our emergency response structure and outline hypothetical problems and countermeasures.