



Akiruno Technology Center

## Business Strategy

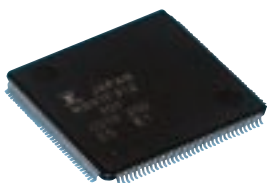
Building on market growth from last year, our goal in fiscal 2004 is to increase profitability in both mainstay and leading-edge products, with logic chips as our core business. Fujitsu holds a leadership position in advanced technologies, and we will place emphasis on expanding our business with partners such as Transmeta Corporation and Lattice Semiconductor Corporation. In addition, we will further enhance our competitiveness as a new Integrated Device Manufacturer able to integrate manufacturing, sales and technology in one entity.

## Key Product Strategies

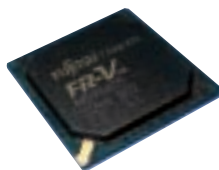
- During the second half of fiscal 2003 we began volume production of advanced logic chips using our leading-edge 90nm CMOS process\*. In response to increasing customer demand, we developed plans to build a 300mm fab at our Mie Plant, targeting start-up of volume production from April 2005. We aim to significantly increase profitability by implementing a new business model that focuses on advanced products and features close collaboration with internal and external partners at every stage – from development to design and production – as well as introduction of a production system tightly linked to customer demand. At the same time, we will move ahead with the development of cutting-edge technologies to ensure the continued competitiveness of our servers, network equipment and other platform products.

- In order to further strengthen our Flash memory business, we joined forces with longtime partner AMD to establish a new company, FASL LLC (subsequently renamed Spansion LLC), which carries out everything from R&D to production, test & assembly and marketing. In addition to bolstering the Flash memory business in this way, we are continuing product sales and support activity as a pillar of our LSI business.
- In compound semiconductors, we established a joint venture, Eudyna Devices, Inc., with Sumitomo Electric Industries, Ltd. This operational consolidation will help to increase our competitiveness and presence in the microwave devices segment and other compound semiconductor markets, while enabling us to provide customers with the most competitively priced and highest quality products.
- Seeking to capitalize on the expanding market for PDPs, we plan to expand monthly production capacity to 100,000 units from January 2005 and to a maximum of 250,000 units in 2007. While competition is expected to become even more intense, we intend to prevail on the strength of our superior technology and cost performance, maintaining our top market share in the industry.

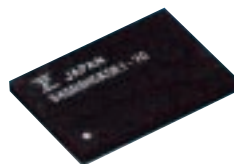
\*90nm CMOS process: Semiconductor material and miniaturization process technology to realize high speed, low power consumption and high density. A nanometer (nm) is one-billionth of a meter.



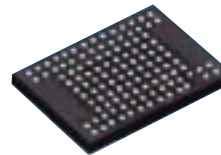
Microcontroller



FR-V Processor



MCP



Plasma Display Panel