

Establishment of New LSI Company Fujitsu Microelectronics Limited

February 12th, 2008

Toshihiko Ono

Corporate Senior Executive Vice President

& Representative Director

Fujitsu Limited



Product/LSI Commoditization

Globalization of Customers

Polarization to Fabless/Foundry

Unpredictable Product Lifecycles

Emphasis on Software

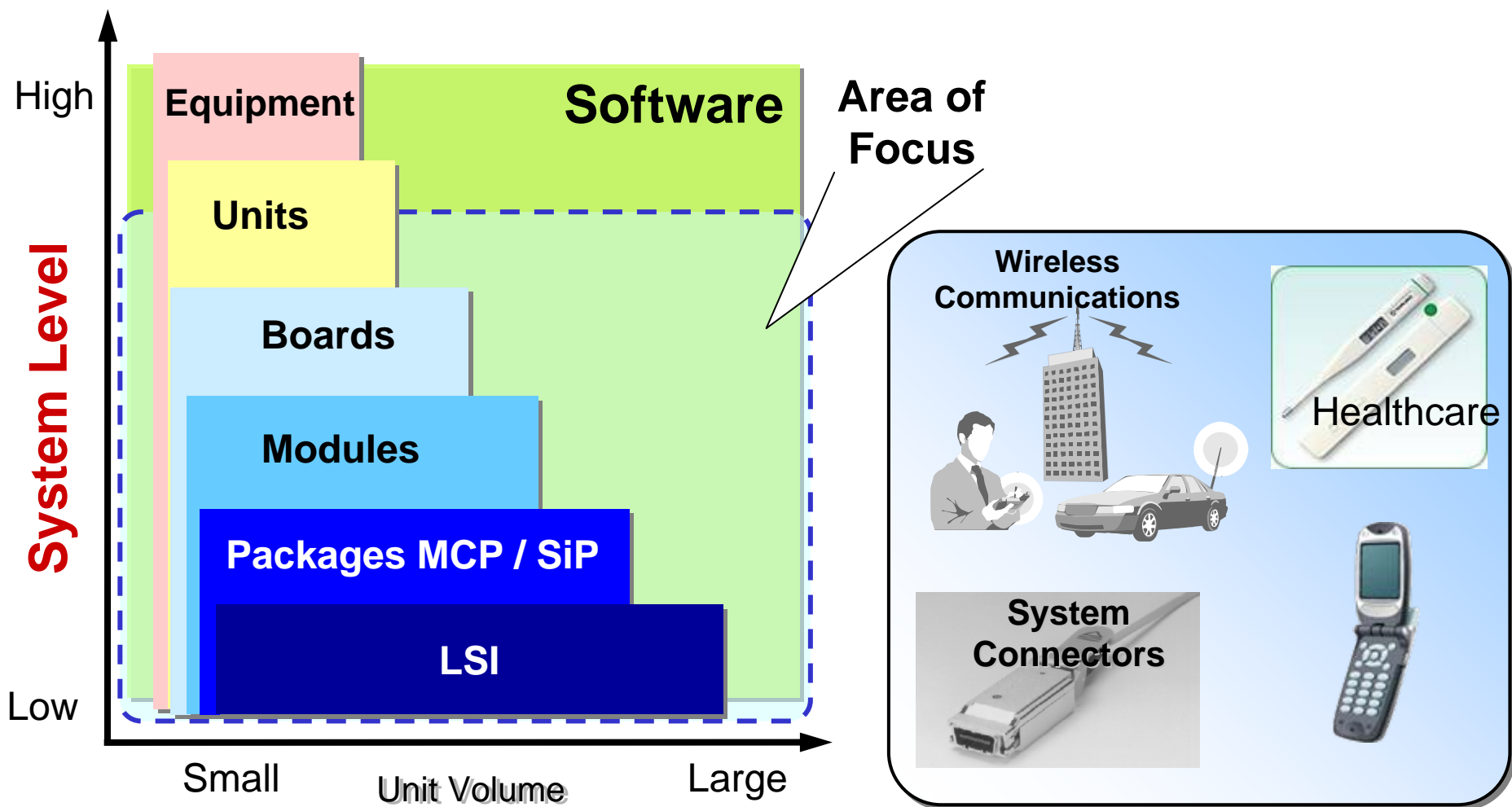
Shift to Platforms

Global Supplier

Approach Up Until Now

~ Synergy in Electronic Devices Business ~

Fujitsu Group companies offer total solutions



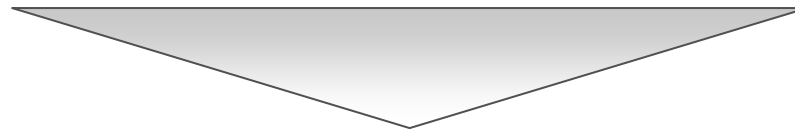
Focus on ASSPs from 4 years ago

<Applications of Focus>

Imaging

Wireless

Security



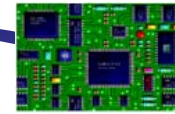
Achievements

- Concurrent Software & Hardware Development Capability
- Software & Hardware “First-Shot Full Operation”
- Extensive IP Cultivated by Fujitsu / Partners

New Fujitsu Group Synergies via Partners

Example : Mobile DTV (1 seg.) Module for Mobile Phone
TV Module for PC

**Fujitsu Microelectronics
Limited**



**Customer
(Partner)**



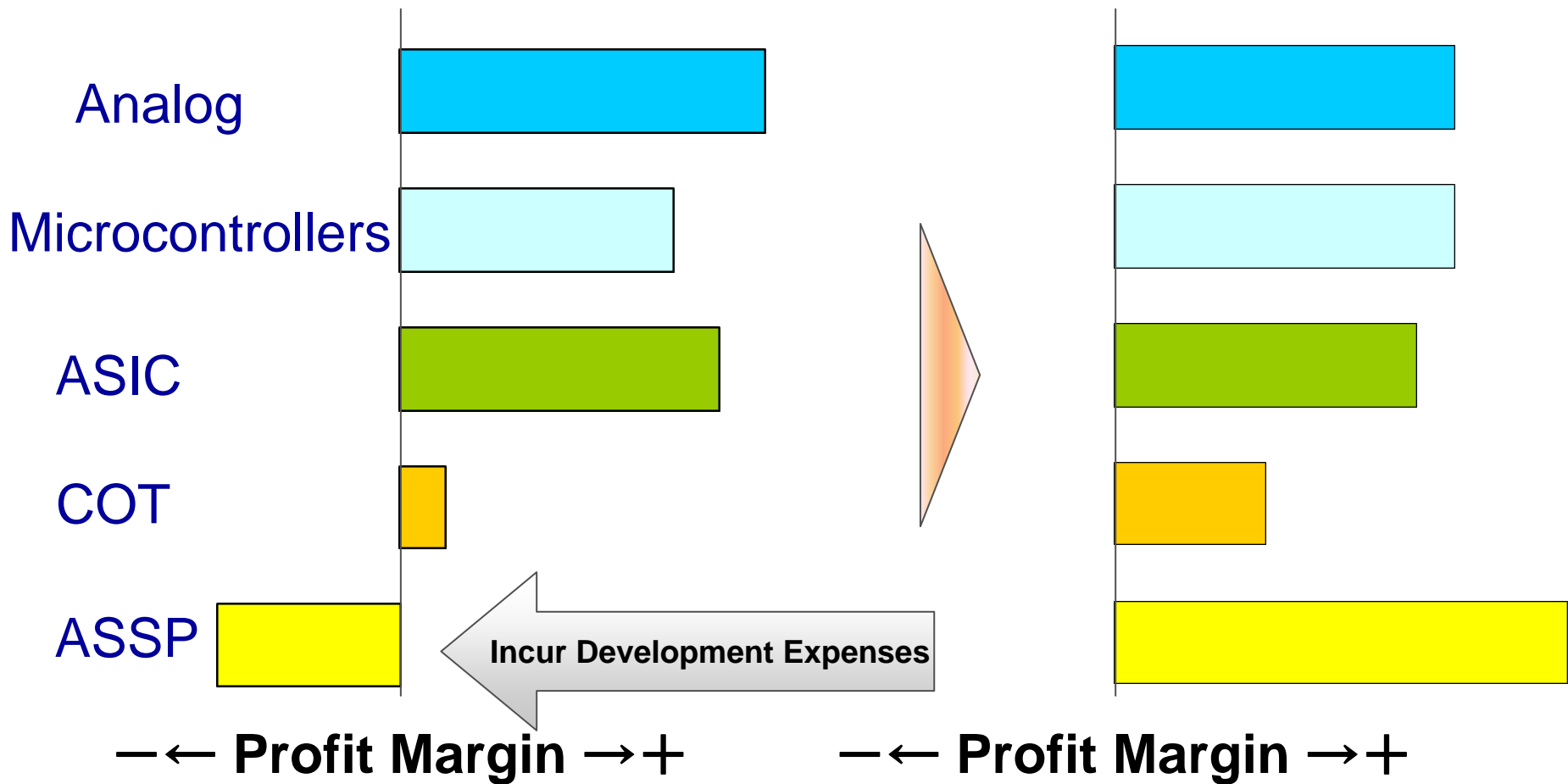
Fujitsu Limited

Portfolio & Profitability

Profitability

FY2007

FY2009



Products

Solution Proposal

Globalization

Adopt New Management Cycle
Optimized for LSI Business



Rapid and Timely Decision-Making

Increase Business Independence



Products

Worldwide

Platforms

Embedded Software

Applications of Focus

Mobile Phone

- WiMAX
- Super 3G
- Milbeaut
- OFDM
- Power Management IC



PC

- Power Management IC
- OFDM
- WiMAX



Security

- FRAM
- IPv6
- IPSec

Digital AV

- Milbeaut
- H.264
- MPEG
- Microcontrollers
- OFDM
- RFCMOS



Automotive

- Microcontrollers
- Graphics
- IDB1394
- SmartCodec
- FlexRay



New Company Overview



Company Name: Fujitsu Microelectronics Limited

Business Description: Design, development, manufacturing, and sales
of LSI products

Head Office Location: Shinjuku Daiichi Seimei Bldg.,
2-7-1 Nishi-Shinjuku, Shinjuku-Ku, Tokyo, Japan

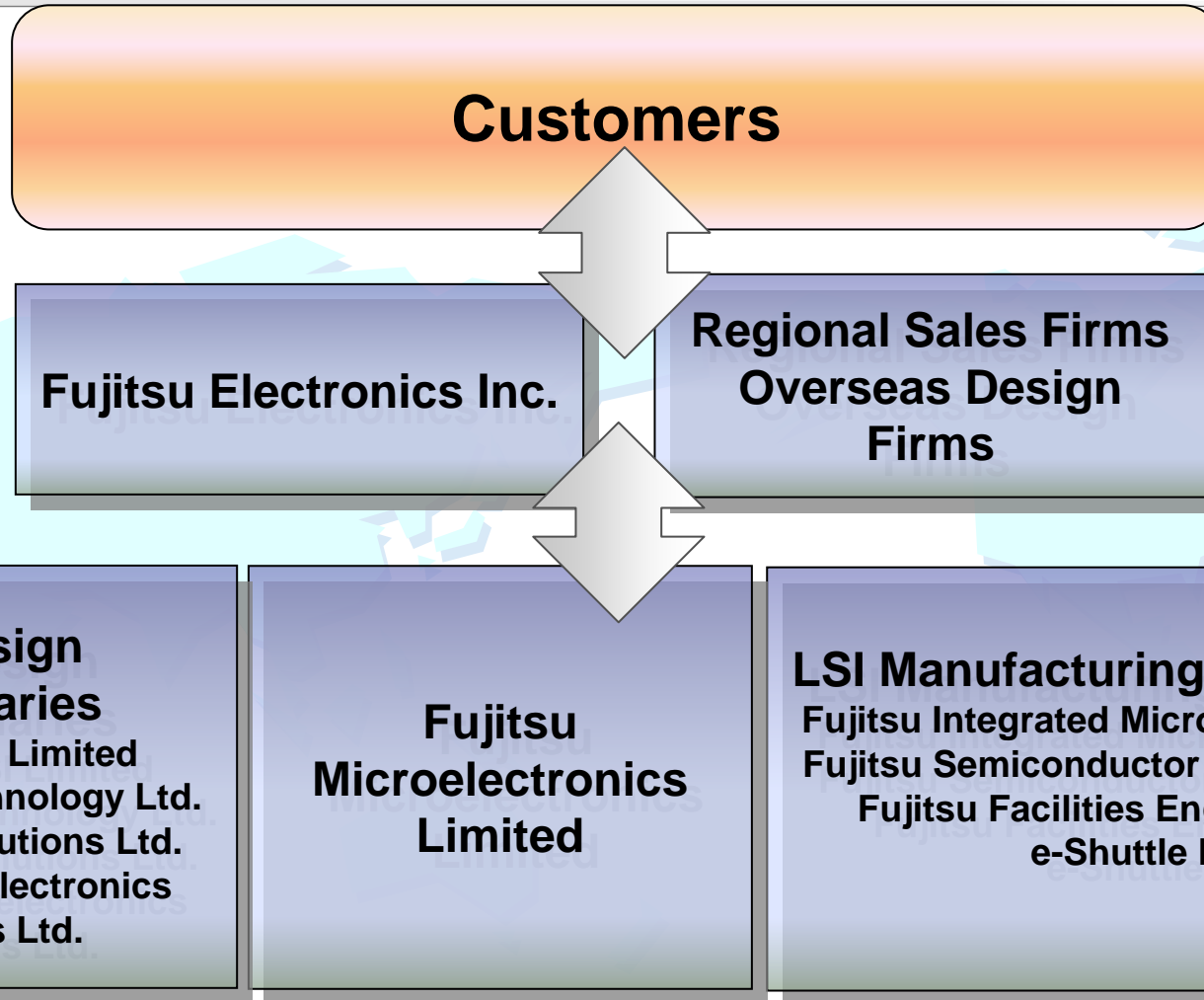
President: Toshihiko Ono

Capital: 60,000 Million Yen

Officers: Directors: Shigeru Fujii, Koichi Ishizaka, Haruyoshi Yagi,
Joji Murakami

Auditors: Masamichi Ogura, Toshimasa Wada, Yoshihiro Ando

New Company Structure



* Shinko Electric Industries Co., Ltd., Fujitsu Component Limited and Fujitsu Media Devices Limited will remain Fujitsu Limited subsidiaries.

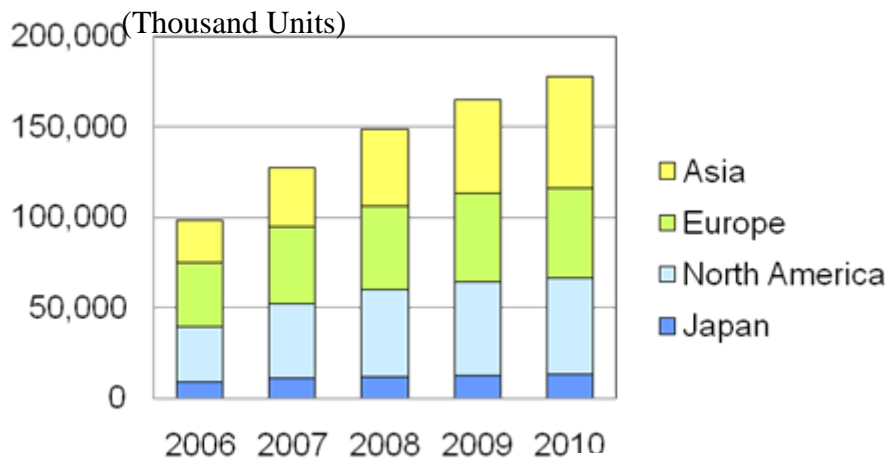
From ASSP To Embedded System Solution

- Camera Engine Milbeaut™
- Tuner - OFDM
- Video Processing LSI H.264 / SmartCODEC
- WiMAX LSI

Develop Our Competitive IP Based Products Towards Asian Market

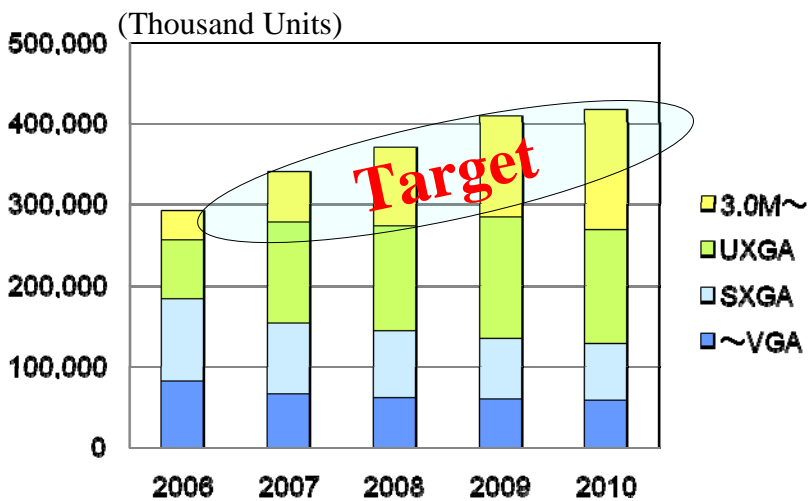
- MCU Automotive Network,
“FF Value” Non-Volatile MCU
- Power Management Ics
Efficiency & Accuracy, Miniaturization Capability

Digital Still Camera (DSC) Market



Source: Fujitsu

Camera-phone market



Source: Fujitsu

Strengths & Achievements

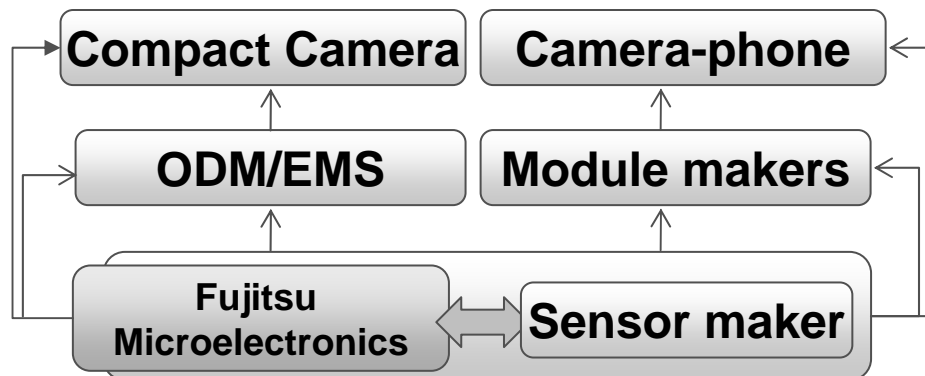
For D-SLR, Worldwide No.1 Share in 2007(50%)

- High image quality: chroma noise reduction, high resolution
- High-performance: continuous shoot, face detection, anti-shaking
- Low power consumption: 90nm technology



Growth strategy for future

- Strengthen SCM & expand business to set makers, ODM/EMS/module makers.



➤ Strengths & Achievements

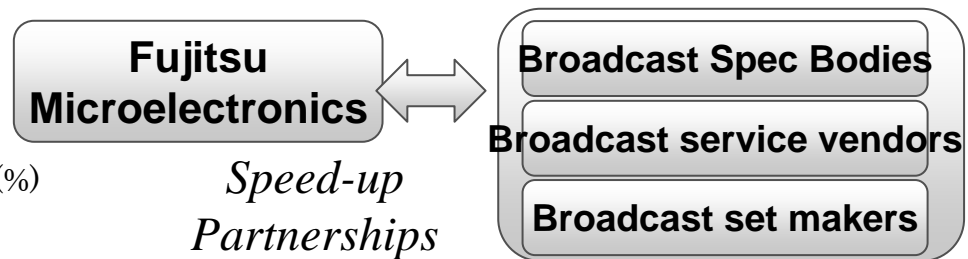
- Terrestrial mobile DTV(1 seg/3 seg) ASSP (OFDM) Japan share No.1 (60%)
- Product development based on tie-ups with set makers, carriers, broadcasters.

- ⊕ Low power consumption
- ⊕ 1-chip, small chip size
- ⊕ Competitive price



➤ Growth strategy for future

- ⊕ Expand new spec, Full seg (13 seg) OFDM, into PCs, TV/STB, automotive.

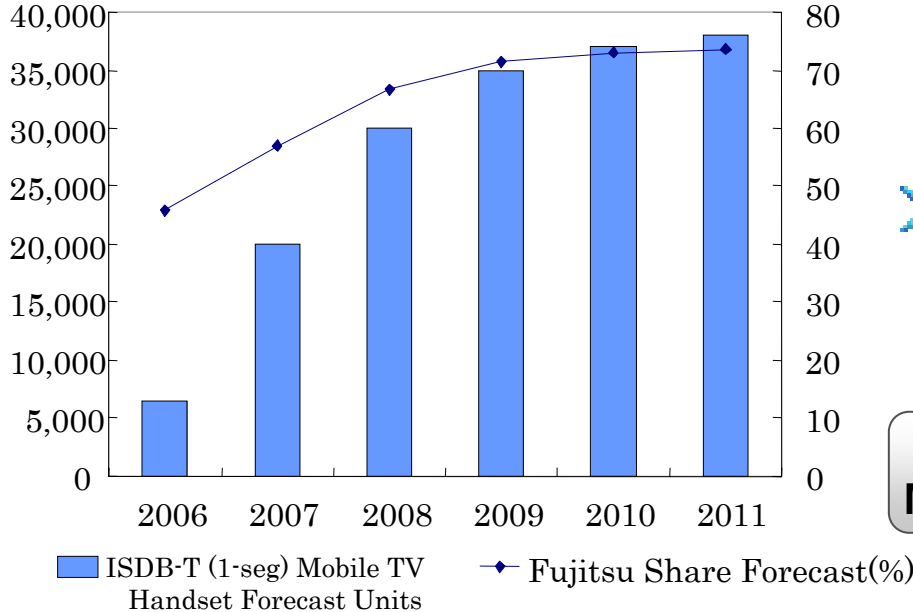


- ⊕ Cooperate with software vendors for Brazil market, which uses same ISDB-T standard as Japan (Brazil's analog TV stops in 2016)

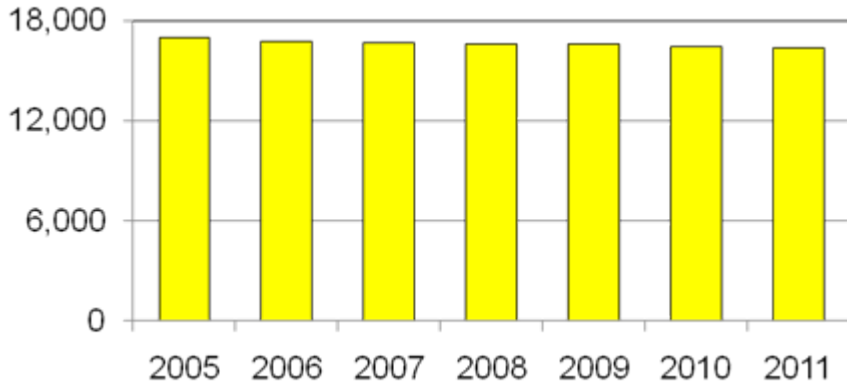
➤ Mobile Terrestrial DTV Market

(Thousand Units)

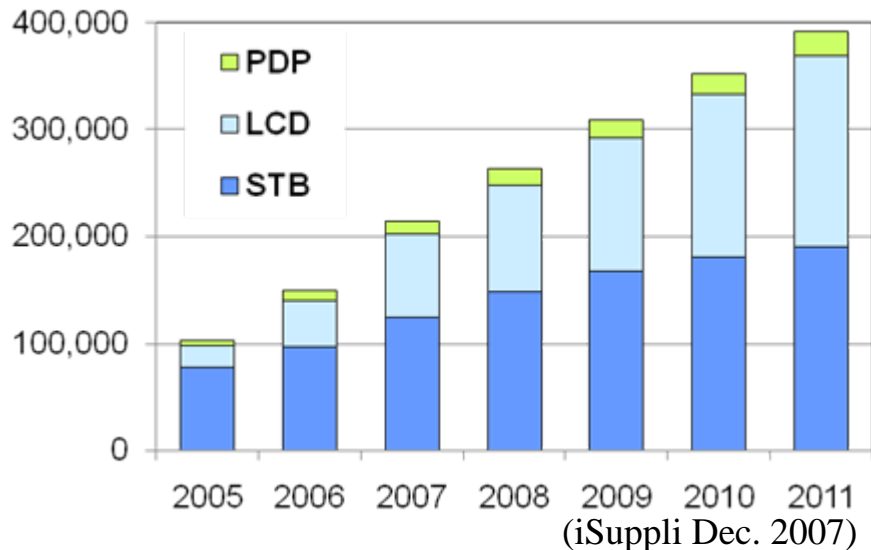
Share(%)



Digital Video Camera (DVC) Market



DTV/STB Market



Strengths & Achievements

- Worldwide No.1 share in H.264 Codec for HD Camcorders
- First sample of Full HD H.264 Codec 1-chip LSI in industry! (Sept. 2007)
- SmartCODEC LSI on IDB-1394 for Automotive rear seat entertainment (Nov. 2007)
- Realtime H.264HD Compression / Decompression
- High image quality



Growth strategy for future

- Drive H.264 products into Europe STB/iDTV & China pay TV STBs.

**Fujitsu
Microelectronics**

*Speed-up
Partnerships*

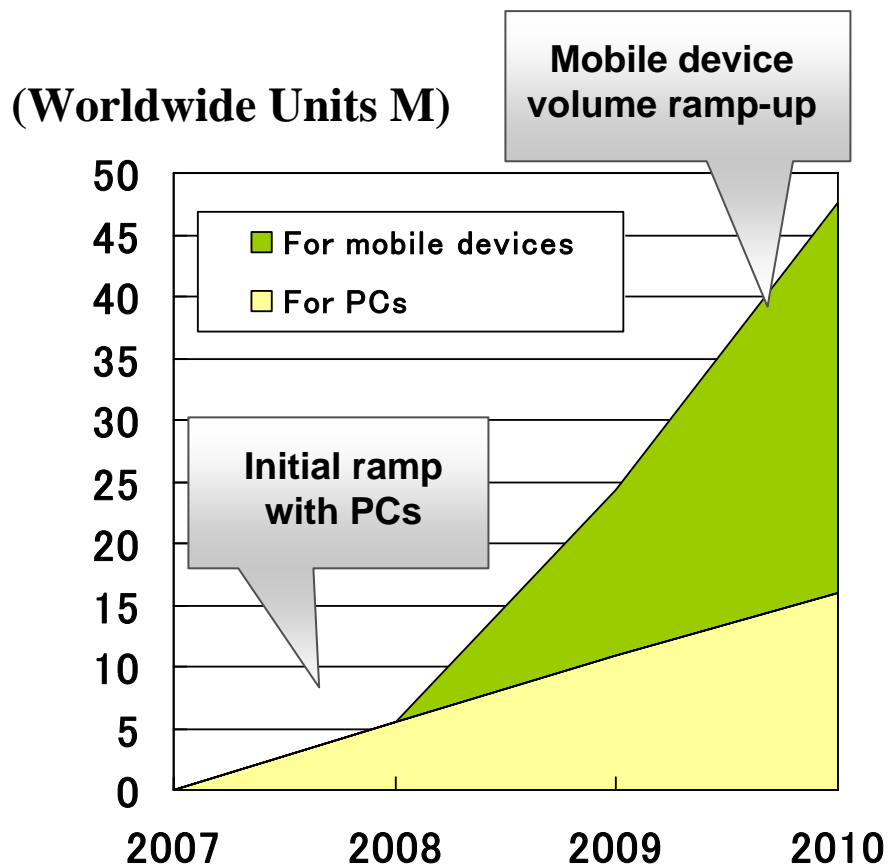
Set Makers

ODM/EMS

Module Makers

Operators

➤ Mobile WiMAX Device Market



Source: Fujitsu

➤ Strengths & Achievements

- Mobile WiMAX baseband LSI (May 2007)
- Joint venture with Taiwan III for Taiwan Solution AE Center (March 2008)
- Mobile WiMAX RF module (Feb. 2008)

⊕ Low power consumption

Typ 240mW (@ 18.6Mbps data receive)
Sleep Mode below 10mW

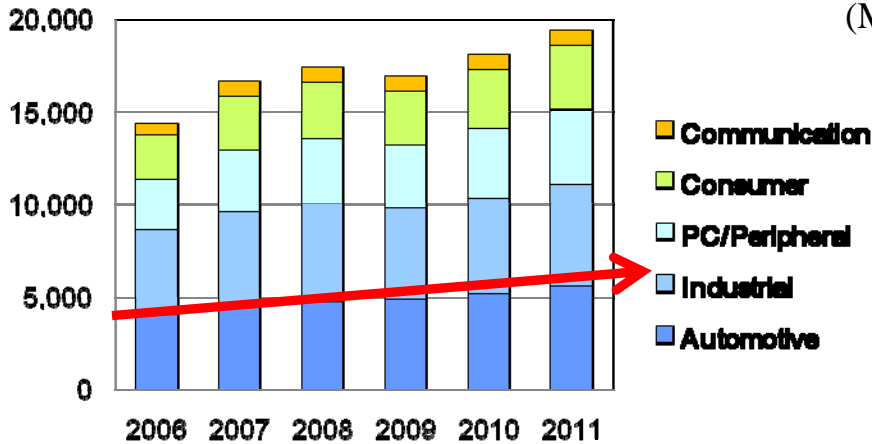


➤ Growth strategy for future

- ⊕ With III, provide application platform to Taiwan ODMs for speedy market entry
- ⊕ FY2008: Mobile WiMAX devices (PDA etc)
- ⊕ FY2009: Expand to mobile phones

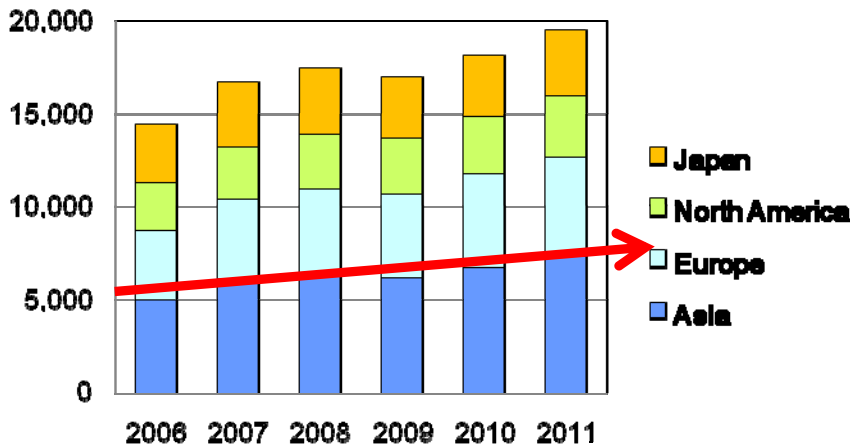
MCU Market

MCU Market by application



Automotive MCU CAGR 6.5%

MCU Market by region



Asia MCU CAGR 8.1%

Strengths & Achievements

(M\$) Automotive network MCU share WW No.4
In 16bit CAN MCU No.2

FF Value

Flash: Robust write, erase, store

Read/write 100,000 times, 20 year storage

FRAM: Low power & seamless memory space

Read/write more than 10 billion times

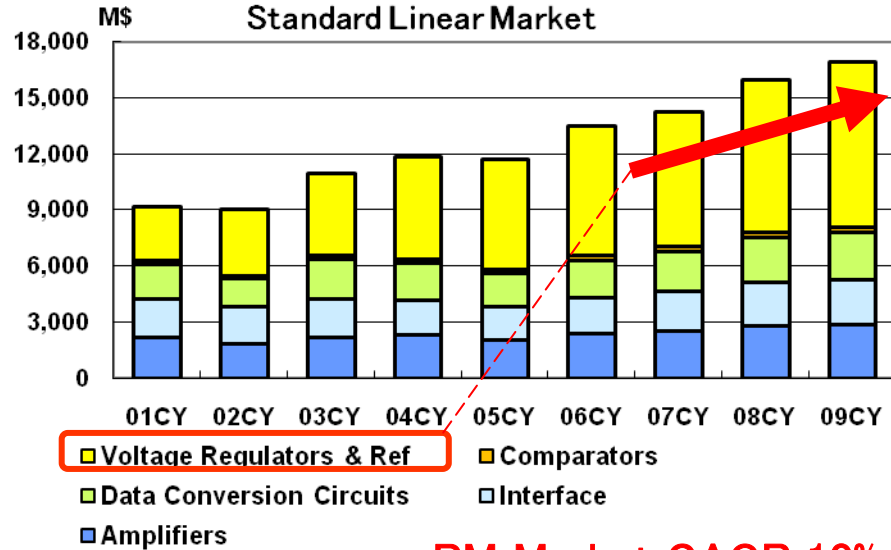


Growth strategy for future

Strengthen MCUs for Asian market

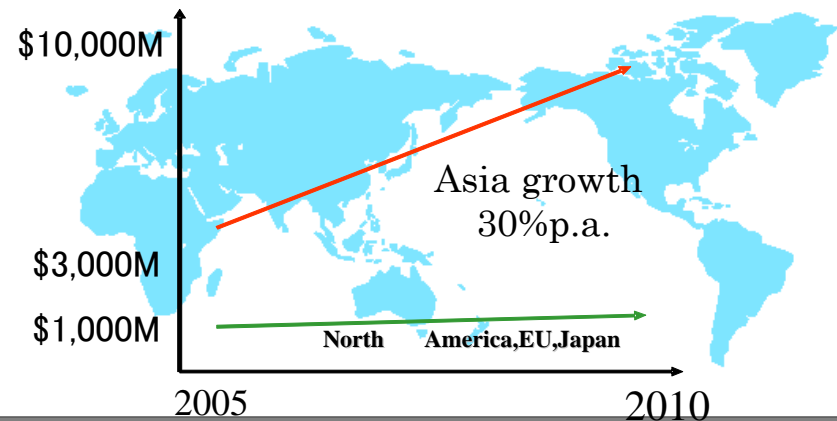
- Focus resources to design center in Changdu, China & expand product line by 5 times!
- With Full Turnkey Solution expand ODM/EMS design wins!
- Strengthen support organization and sales channels

Standard Linear Market



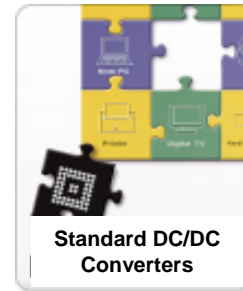
PM Market CAGR 10%

Market size & growth of PMIC by region



Strengths & Achievements

- DC/DC Converter ICs
No.1 Share in Japan, No.7 in WW (CY2006)
- 1-chip Solution for LPIA VR in Ultra Mobile PCs



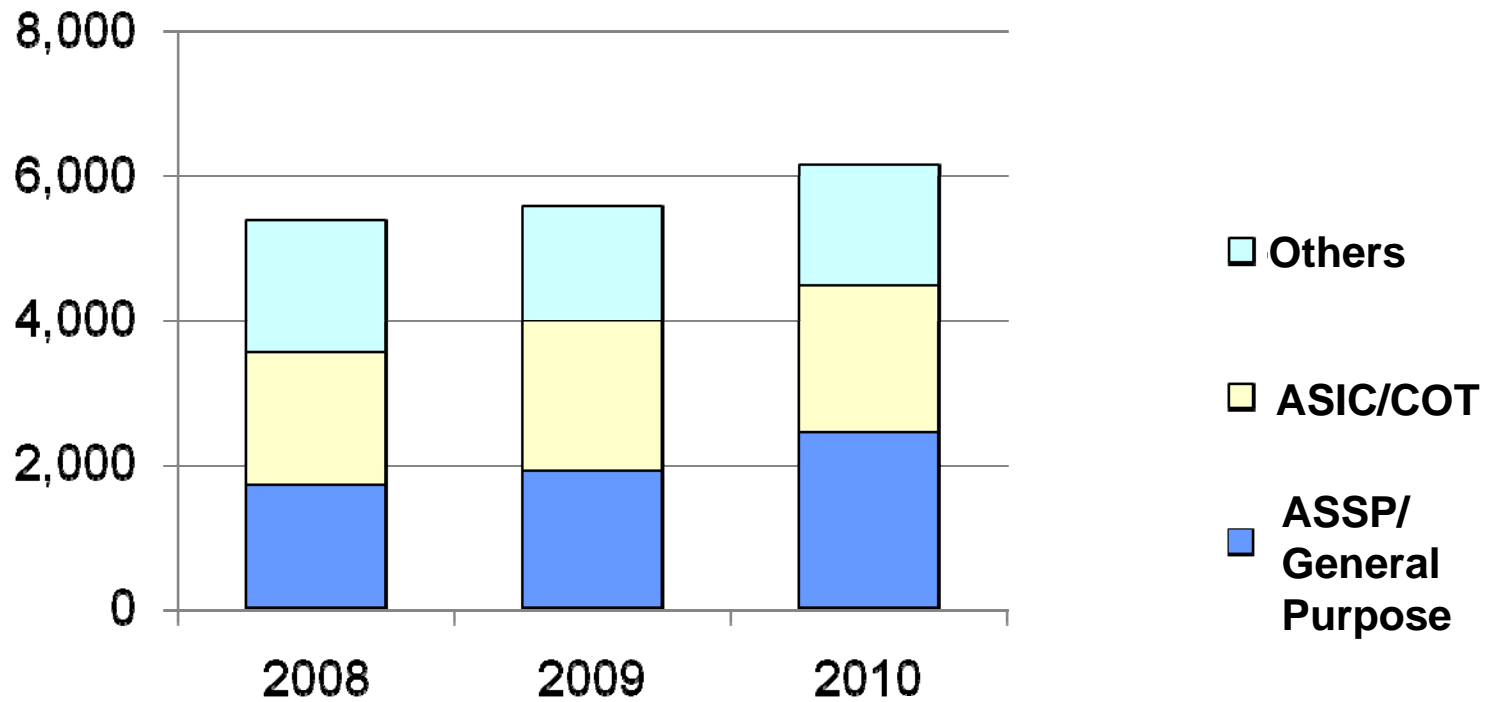
- ✦ Voltage accuracy $\pm 0.5\%$
- ✦ Efficiency 96% (maximum)
- ✦ Miniaturization capability

Growth strategy for future

- ✦ Enhance design capability in Asia
(Targeting Mobile PC and portable equipment)
- Built-up Design center in Changdu (China) for local design and expand product line by 5 times.
- ✦ Early entry to ODM in Taiwan in System PM for UMPC and mobile.

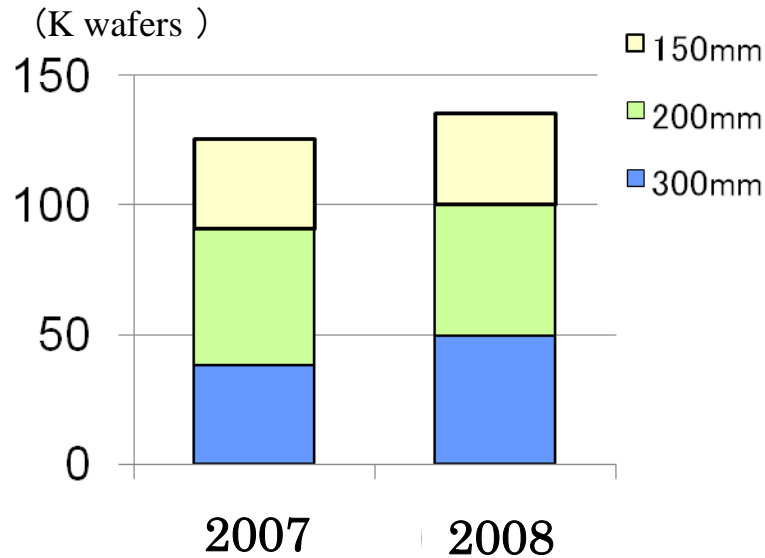
Fujitsu Microelectronics Consolidated Net Sales Plan

(100 Million Yen)

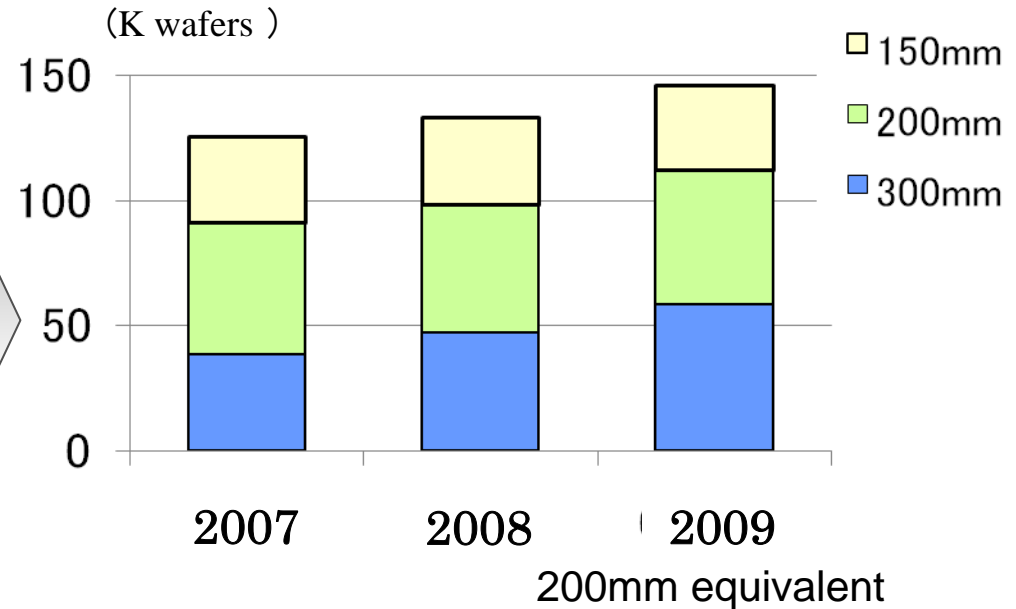


Fab Capacity Plan for Logic LSI

Previous (announced in Apr. 2007)



Current Plan



300mm Fabs Manufacturing Capacity Increase Plan

✦ **Mie Fab 1: With increase in productivity, increased capacity with no investment**
 (15Kwpm → 16Kwpm @ start FY2008)

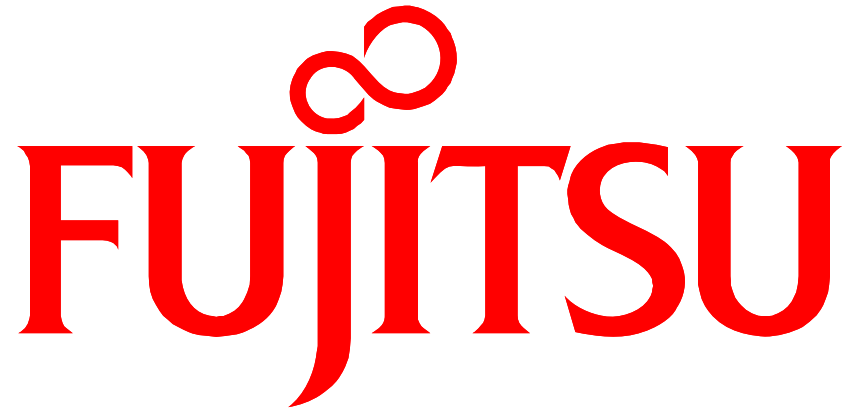
✦ **Mie Fab 2: Change plans depending on customer demand**
 (7Kwpm → 5Kwpm @ end FY2008)

Organization to Strengthen Products

- October 2007 Established Fujitsu Electronics Inc.
⇒ Consolidation & strengthening of software development and AE team
- Organization for Asian Market Growth
- Global Development / Manufacturing
- Create structure to strengthen synergy with Fujitsu's System Group

Independence/ Self-Reliance

Partnerships



FUJITSU

THE POSSIBILITIES ARE INFINITE

Abbreviations

- ASSP : Application Specific Standard Product
- MCP : Multi Chip Package
- SiP : System in Package
- COT : Customer-Owned Tooling
- ASIC : Application Specific Integrated Circuit
- OFDM : Orthogonal Frequency Division Multiplexing
- GDC : Graphic Display Controller
- DSC : Digital Still Camera
- ODM : Original Design Manufacturer
- EMS : Electronic Manufacturing Services
- ISDB-T : Integrated Services Digital Broadcasting for Terrestrial
- DVC : Digital Video Camcorder
- DTV : Digital TV
- STB : Set Top Box
- iDTV : integrated Digital TV
- UMPC : Ultra Mobile PC
- PMIC : Power Management IC

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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.