

Leading Fujitsu

Three Priority Areas for Transformation

August 5, 2008

Kuniaki Nozoe

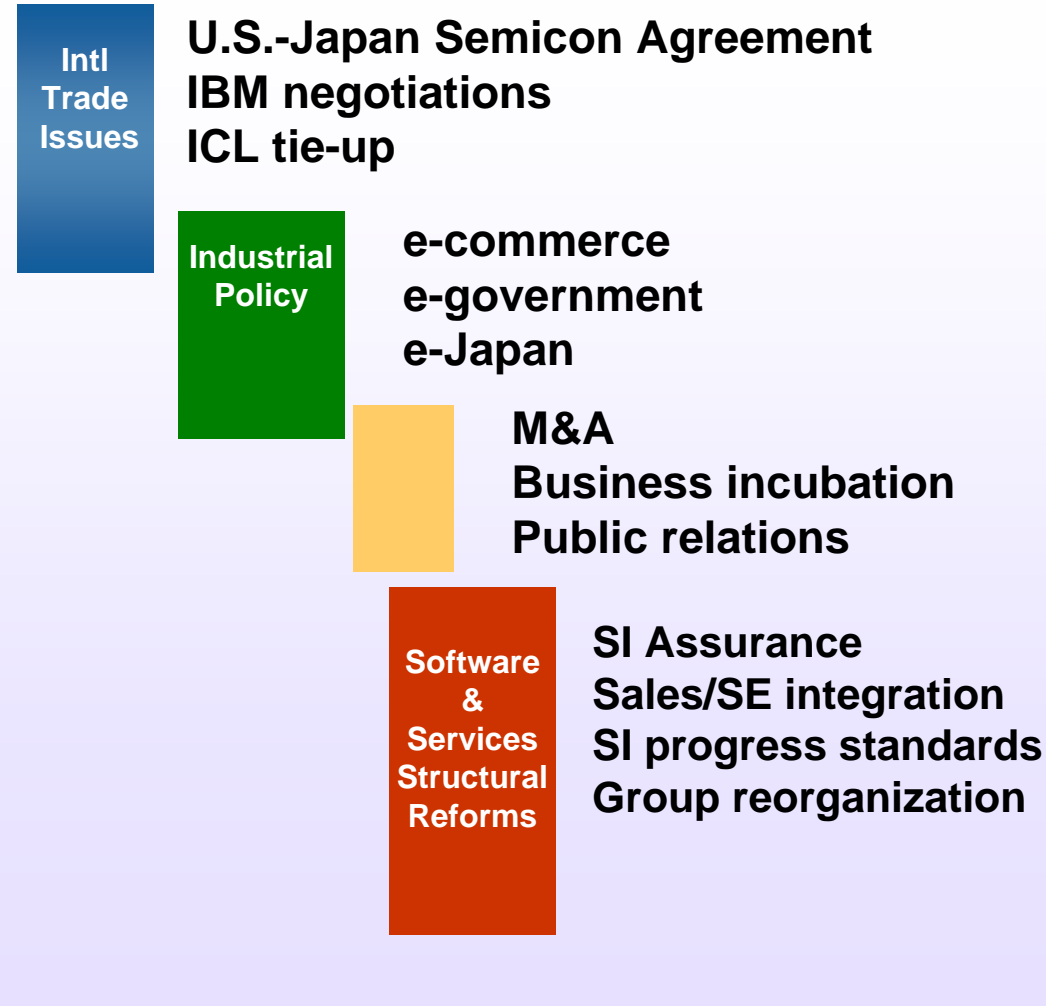
President

Fujitsu Limited

I. Introduction

My Background

- 1947 Born
- 1971 April: Joined Fujitsu
External Affairs Division
- 1989 Director, Washington Office
- 1993 Director, External Affairs Division
- 2001 Group President, External Affairs Group
- 2002 Corporate Vice President, General Manager, Corporate Business Development Office
- 2003 Corporate Vice President, Group President, Software & Services Business Promotion Group
- 2005 Corporate Senior Vice President
- 2007 Corporate First Senior Vice President
- 2008 President and Representative Director





FUJITSU Way

Corporate Vision

Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world.

Corporate Values

What we strive for:

Society and Environment

Profit and Growth

Shareholders and Investors

Global Perspective

What we value:

Employees

Customers

Business Partners

Technology

Quality

Principles

Customer-Centric Perspective

Spirit of Challenge

Global Citizenship

Speed and Agility

Firsthand Understanding

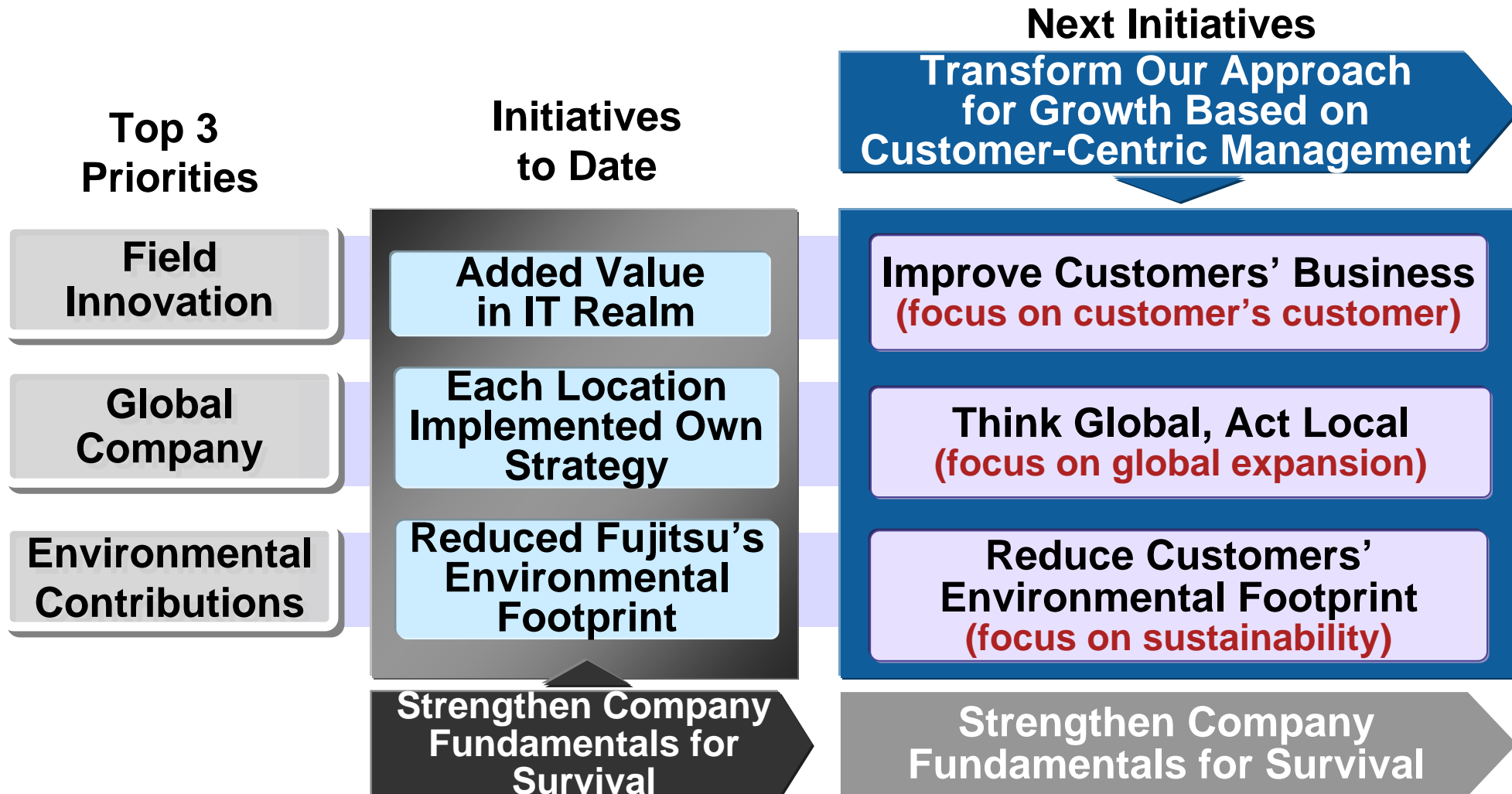
Teamwork

Code of Conduct

- We respect human rights.
- We comply with all laws and regulations.
- We act with fairness in our business dealings.
- We protect and respect intellectual property.
- We maintain confidentiality.
- We do not use our position in our organization for personal gain.

Transforming the Fujitsu Group

Bringing customer-centric management to 3 priority areas



II. Business Reforms

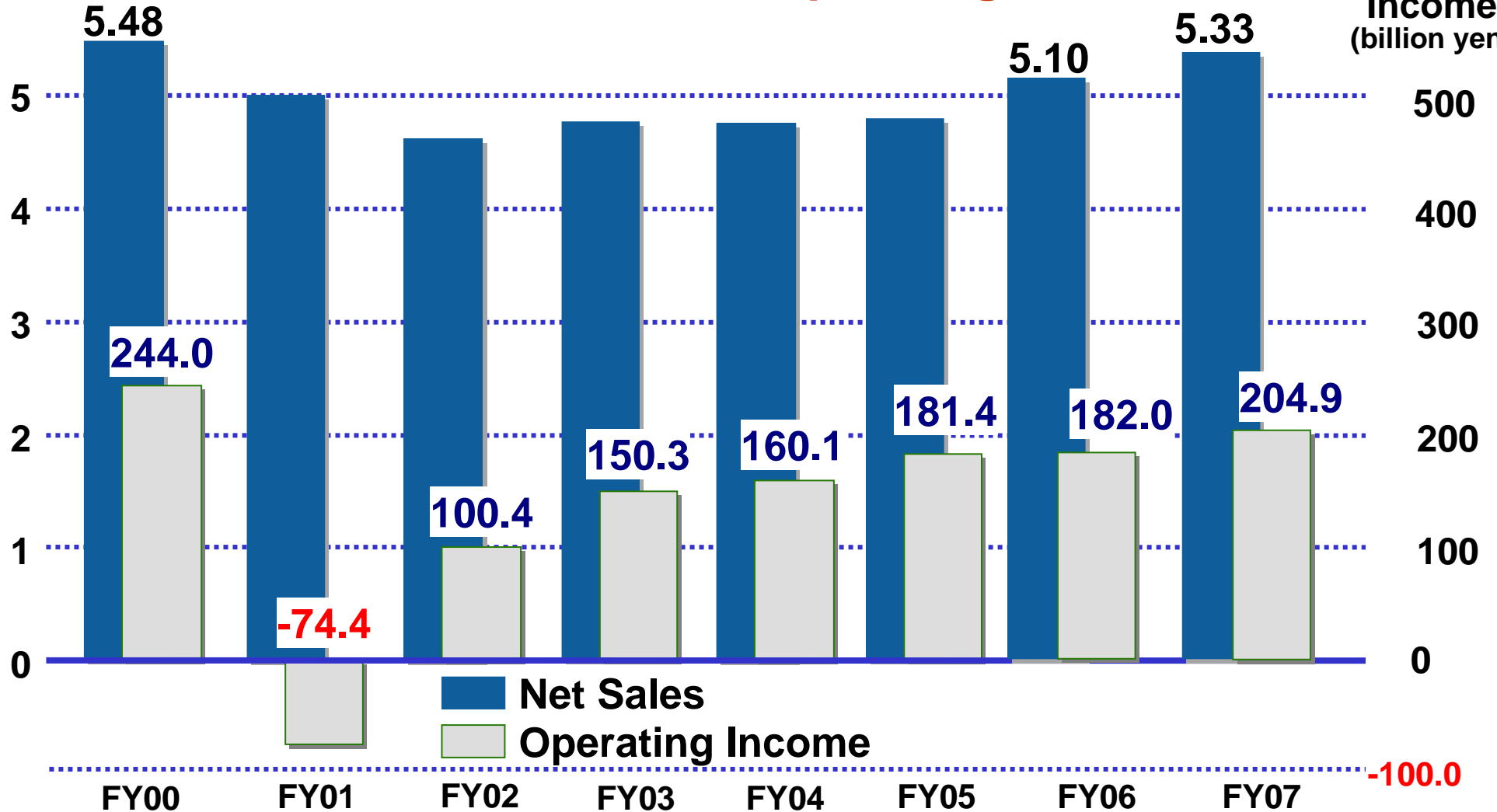
Financial Performance



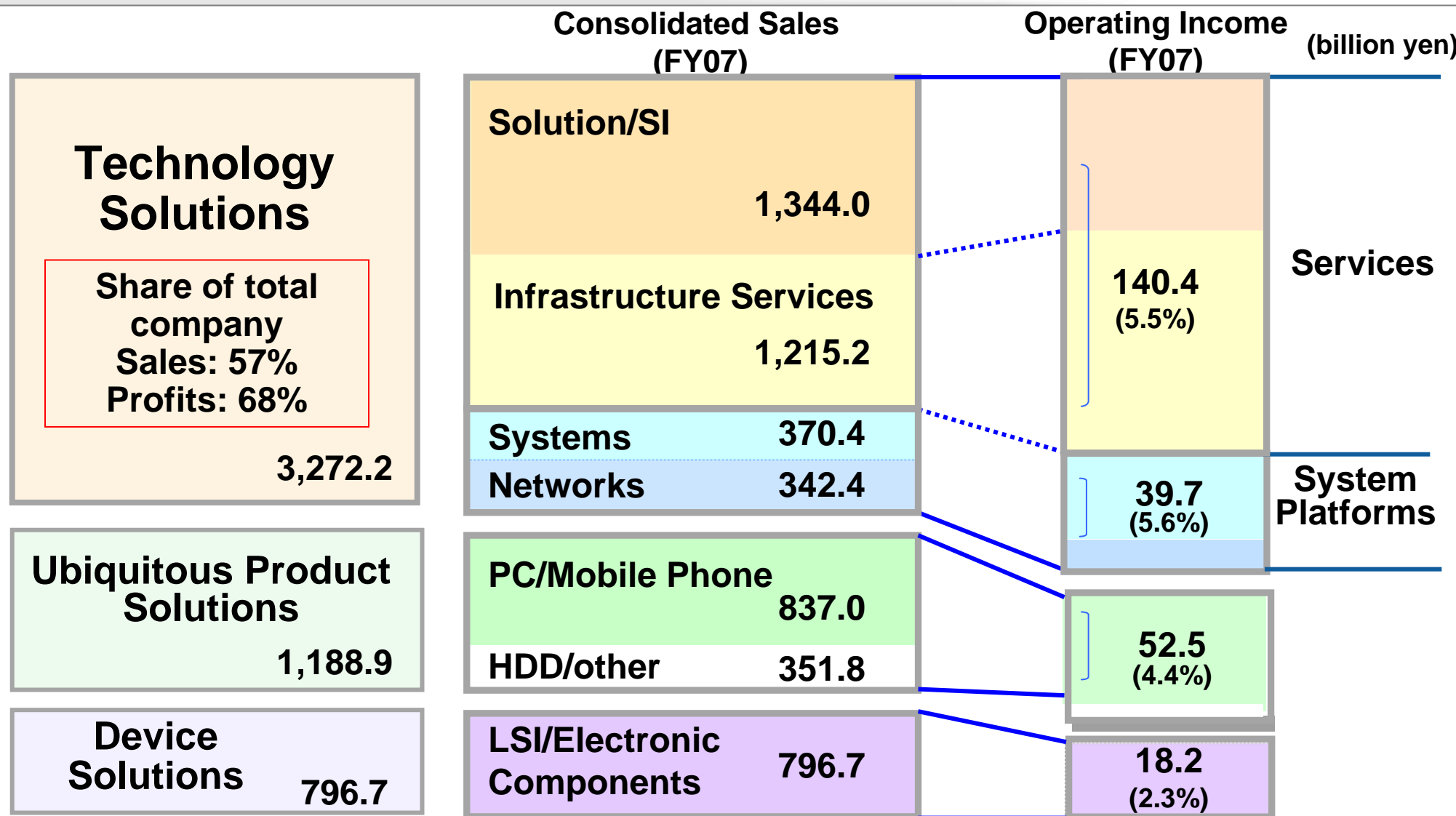
Net Sales
(trillion yen)

Consolidated sales and operating income

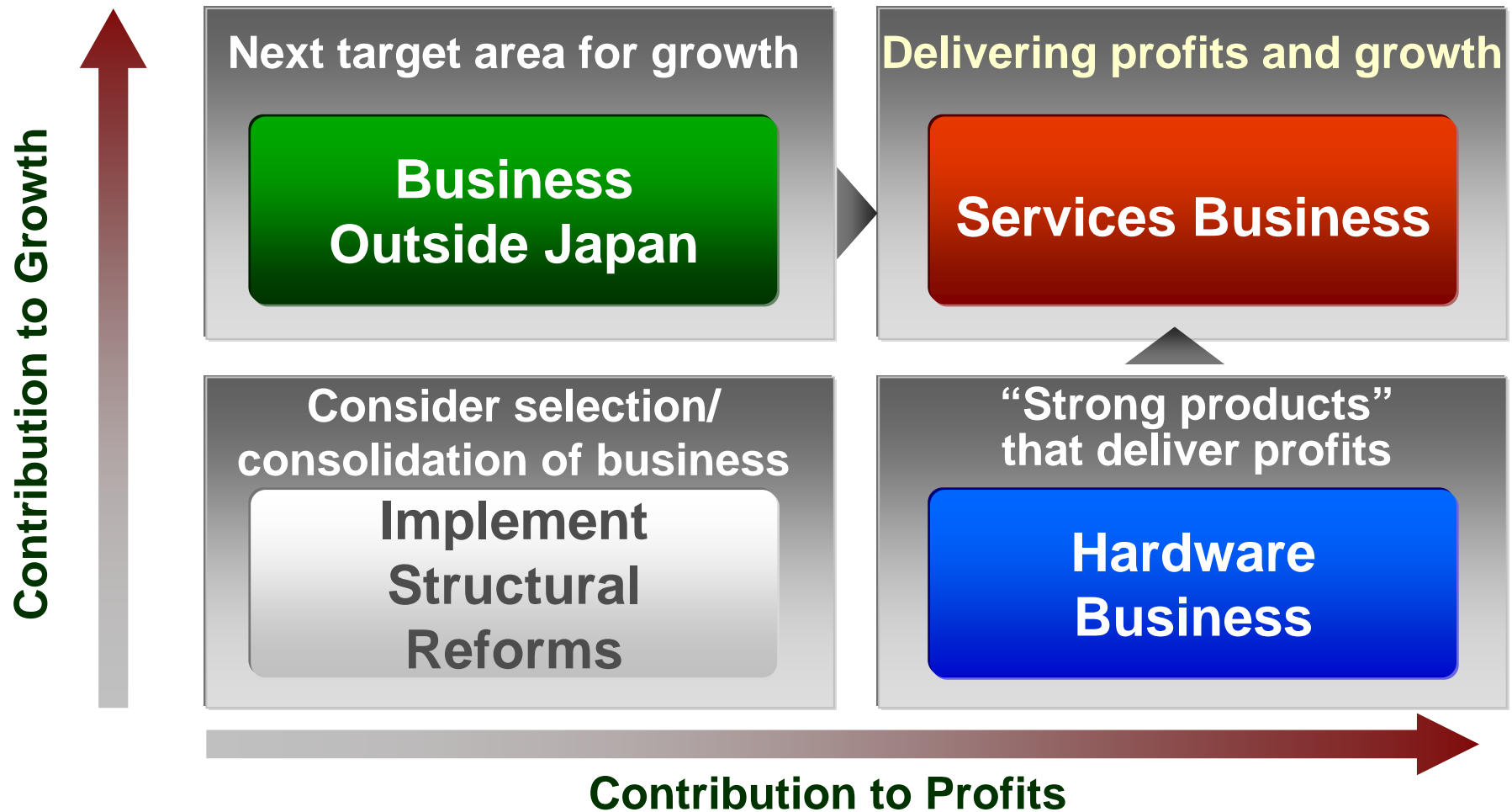
Operating
Income
(billion yen)



Business Structure

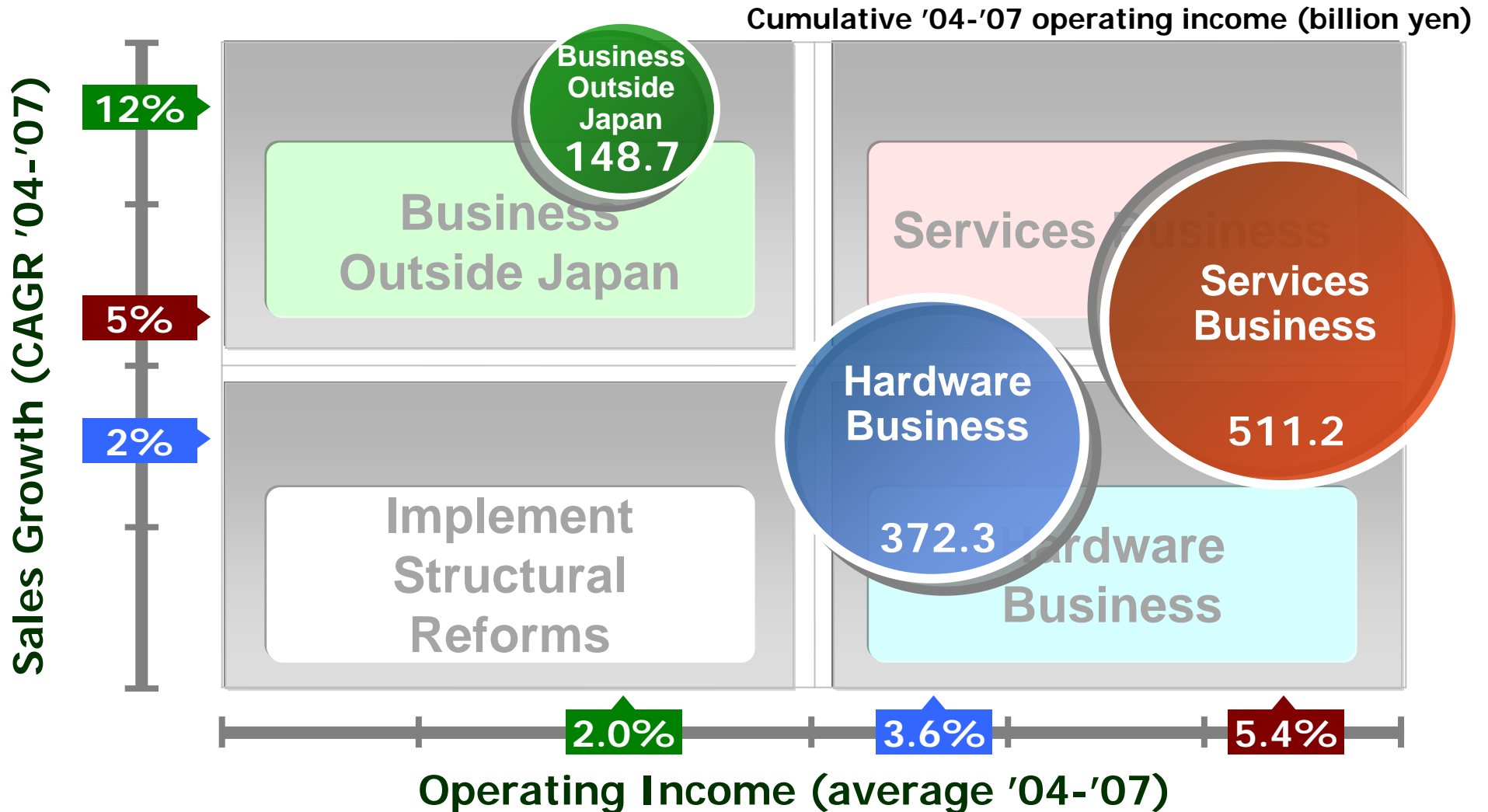


Contribution to profitability and growth will determine allocation of business resources



Position of Each Business ('04-'07 Performance)

Each business has expanded more or less according to plan



Business Outside Japan Drives Growth

		2004 (billion yen)	2007	04-07 (CAGR)
Sales by Region*	EMEA	596.9	769.9	+ 8.9%
	The Americas	298.9	469.9	+ 16.3%
	APAC and China	602.8	855.0	+ 12.4%
	Total Outside Japan	1,498.6	2,095.0	+ 11.8%
	Japan	4,024.5	4,229.7	+1.7%
Ratio of Sales Outside Japan		29.9%	36.1%	

*Sales before eliminations

Solution/SI Division Reforms

Innovation in Sales/System Engineering Activities

- Integration of sales/SE (share information, resources, risk)
- Pipeline management/account planning
- Third-party review of contract negotiations (SI Assurance Div.)
- Real-time project management (SI progress standards)
- Organize SE companies into regional blocks

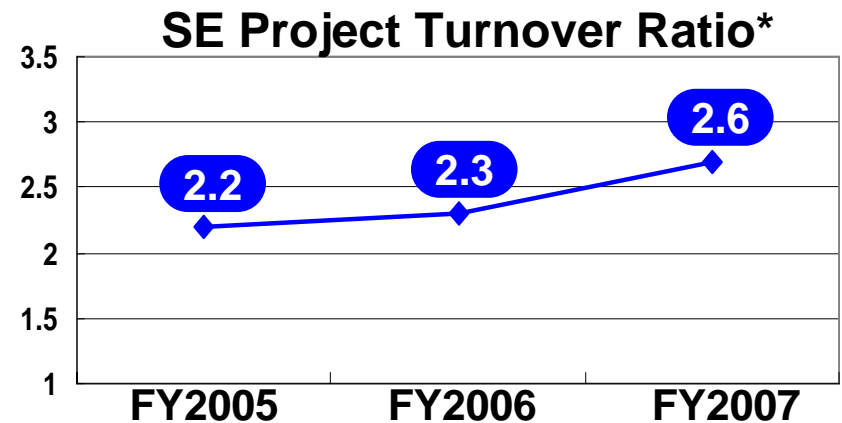
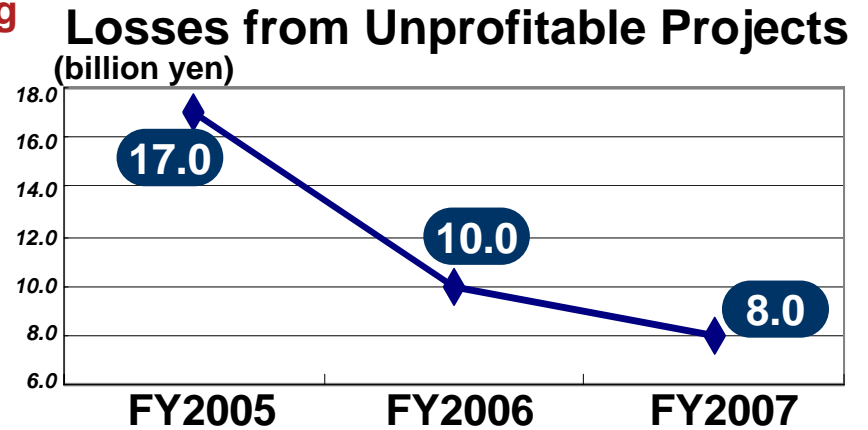
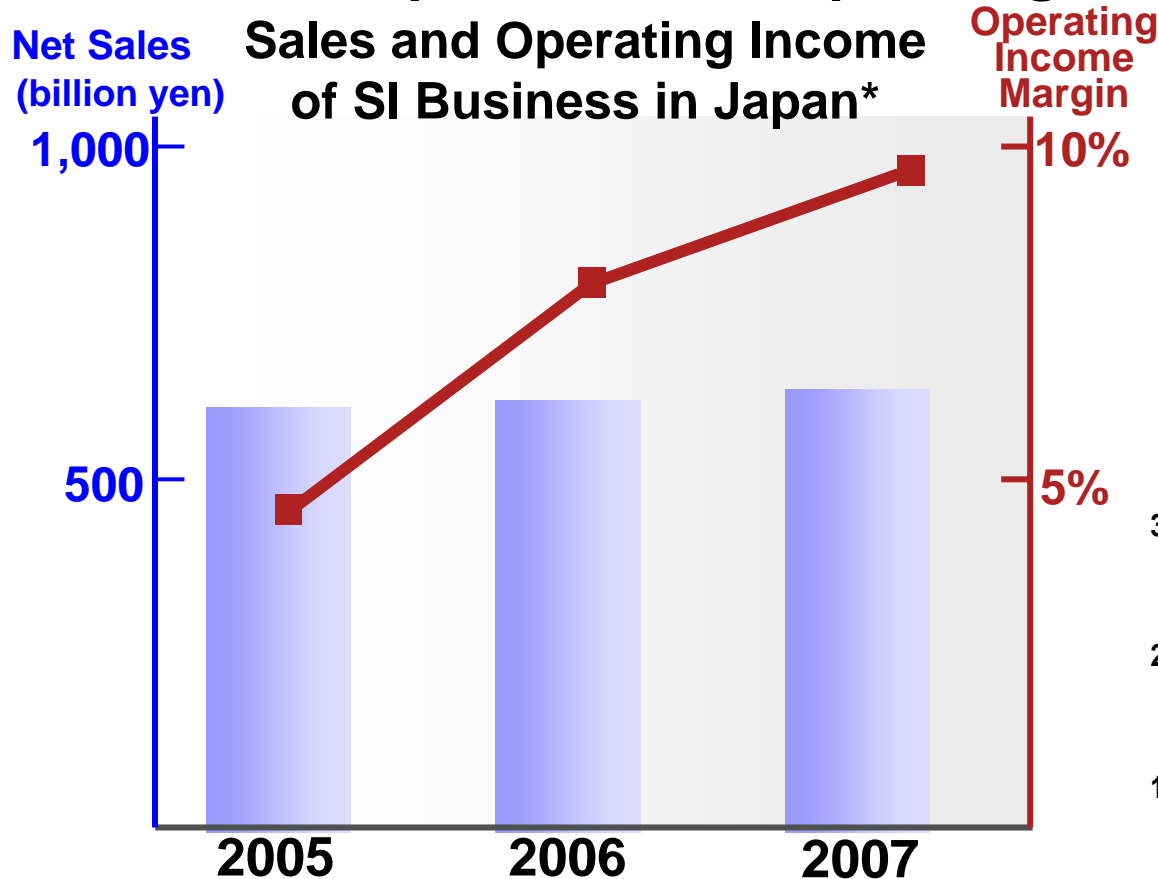
Quality and Productivity Improvements

- Third-party quality check
- Autonomous improvement (work team-based activities)
- “Industrialization” of system development (manufacturing innovation)
- Comprehensive operational inspections of large-scale systems
- Study group on failed projects

Improvement in Solutions/SI Business

Results from initiatives reflected in improved performance

Although sales increase is small,
improvement in operating income margin is large



* Fujitsu parent and Japan subsidiaries (excluding Corporate)

* Number of large projects undertaken per year.

Improved Capabilities and Efficiency of SEs



SE companies in Japan integrated into 4 regional blocks

Effective use of resources, enhanced development and marketing, management efficiencies

Reorganization of SE retailing experts (Fujitsu System Solutions)

Consolidation and optimal allocation of retailing experts (200 from Fujitsu and 400 from Fujitsu System Solutions)

Bring together expertise and technologies for mission-critical systems (Fujitsu Mission Critical Systems)

Group focused on mission-critical systems (170 from Fujitsu and 180 from Fujitsu Techno System)

Strengthen engineering capabilities (Fujitsu Advanced Engineering)

Make FFC a 100% subsidiary focused on engineering

Reorganize business in Product Lifecycle Management

Engineers from Fujitsu's PLM area consolidated in subsidiary Digital Process

Improved systems development quality (Fujitsu Advanced Quality)

Veteran engineers sent to third-party verification group for sys. development

Services Offerings Division Reforms

Enhancement and Expansion of Services Business

- **Enhanced data center capabilities**
- **Providing operational services from lifecycle perspective**
- **Transform customer relations (services manager)**
- **Expanded business process outsourcing (BPO)**
- **Expanded services business outside Japan**
- **Improved services quality (IT operations training program for SEs, process reforms based on ITIL)**

Providing Services that Leverage Internal Implementations

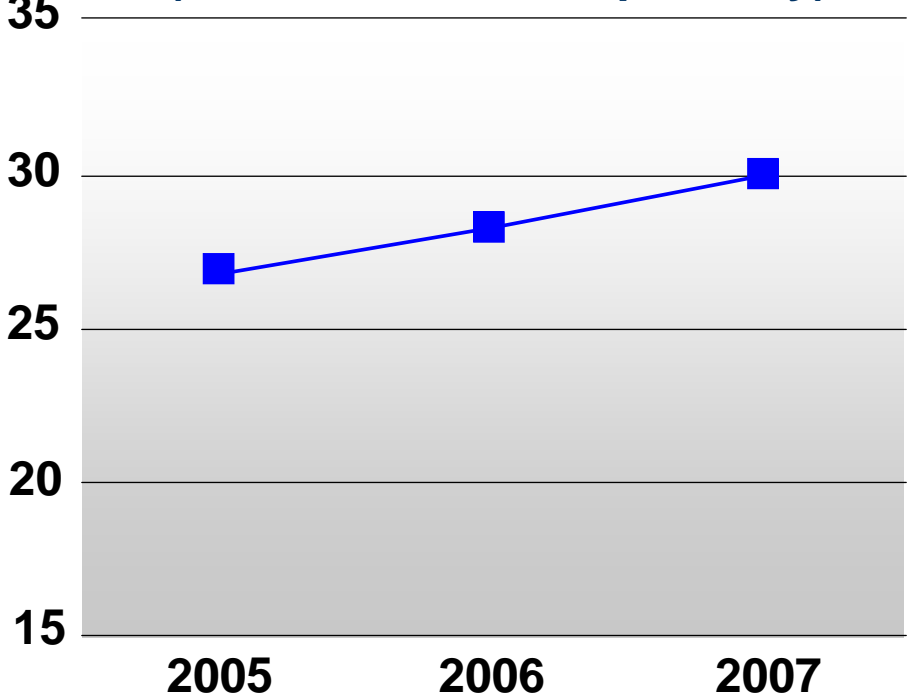
- **Internal compliance (PROJECT Eagle)**
- **Business continuity management (BCM, BCP)**
- **Security**
- **Engineering services**
- **Quality assurance**

Expansion of Services Business

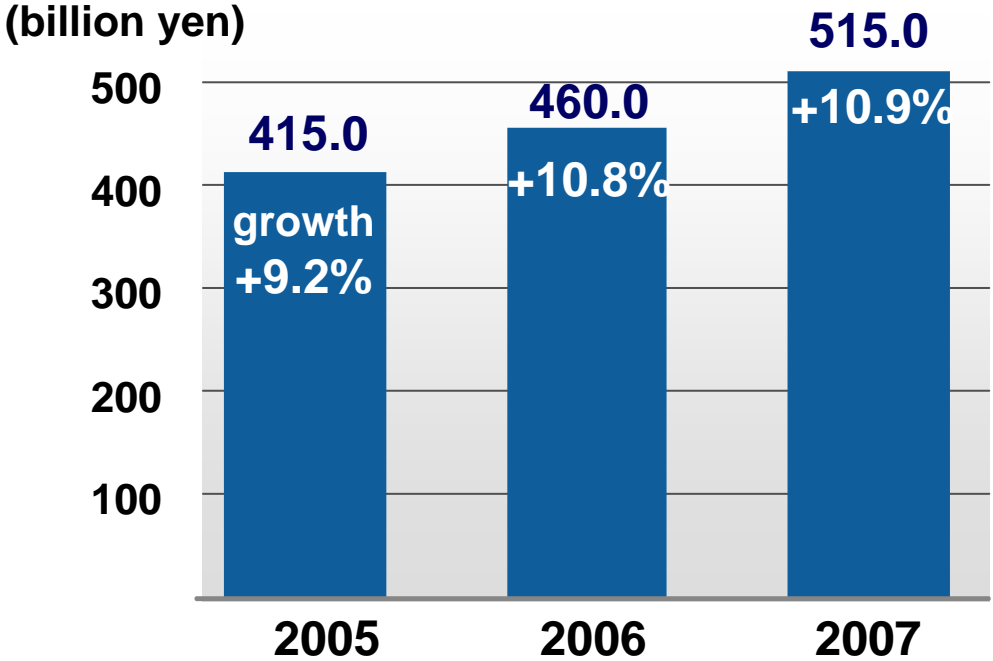


**Operational improvements and efficiencies have led to improved profitability
Continuous expansion of Services business will contribute to stable earnings**

**Gross Margin for Outsourcing Services
(unconsolidated, Japan only)**



**Sales of Outsourcing Services
(consolidated, Japan only)**

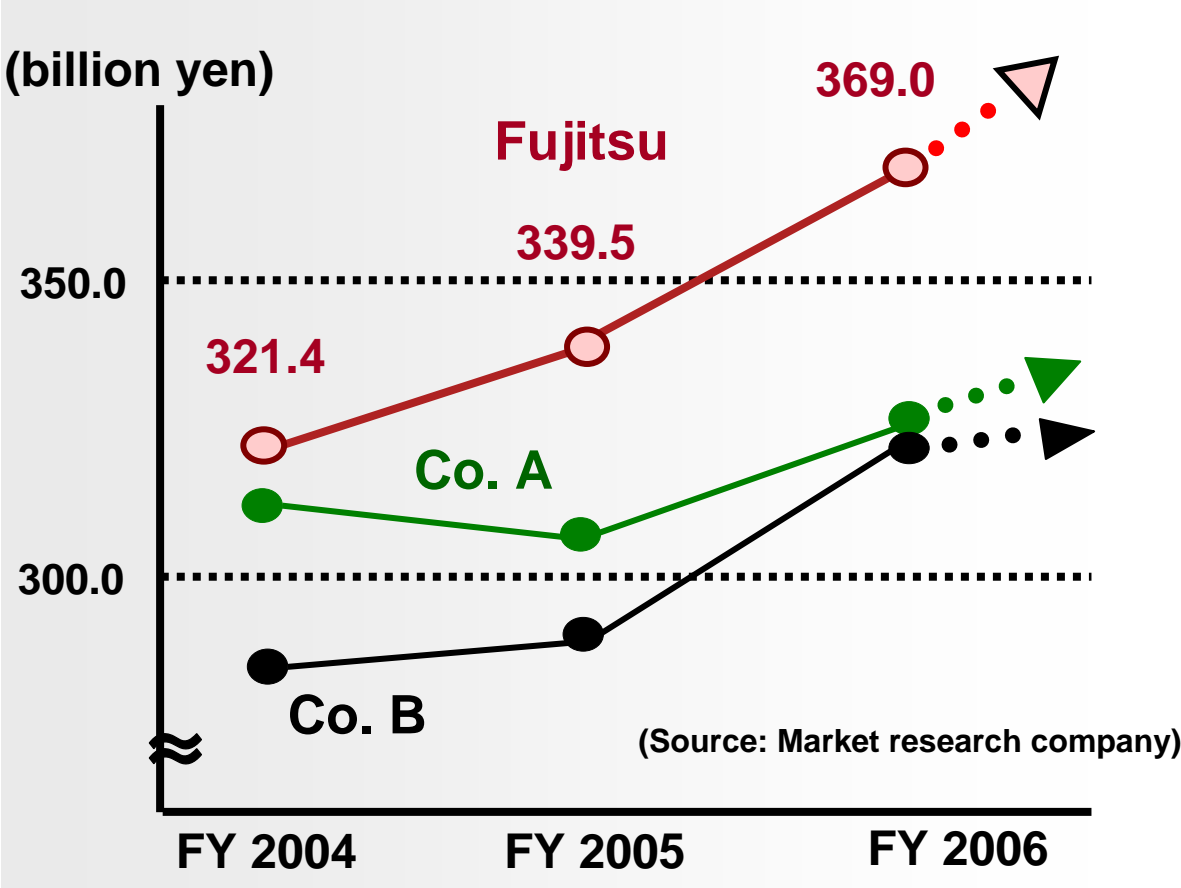


With increasing operational complexity, IT outsourcing demand will continue to grow

Outsourcing Sales Ranking (Japan)



Fujitsu Earns Top Share in Outsourcing for 3 Straight Years



Expansion in Data Center Capabilities

- Tokyo Center No.2 (Operational as of Dec 2007)
- Tatebayashi Center No.2 (Scheduled for 3Q FY2009)
- Yokohama Center No.2 operated by Fujitsu FIP (Scheduled for 3Q FY2010)

System Products Division Reforms

Integration of Sales and Product Development

- Infrastructure optimization proposals based on templates
- Sharing of objectives between sales/SE and product development divisions
- Coordination between sales and manufacturing activities (smooth order flow, early confirmation)
- “Industrialization” of infrastructure services (infrastructure “factories”)
- Sharing feedback from customers via intranet
- Implementing cross-functional project leader system

Manufacturing Innovation

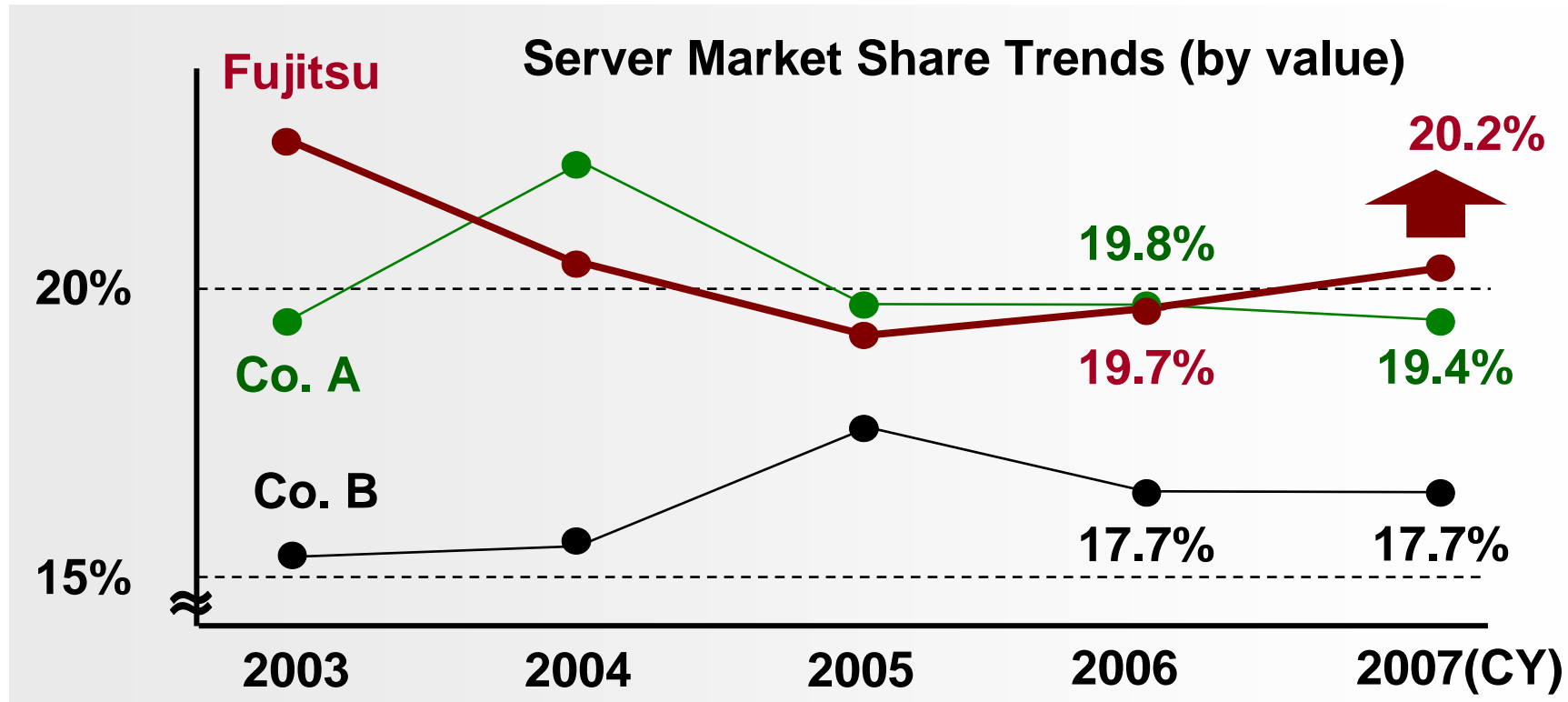
- Manufacturing innovation based on Toyota Production System (TPS)
- Continuous monitoring of quality by executives

Server Market Share (Japan)

Beginning to see results from integration of sales and product development

Reclaimed top share (in value) in 2007 for first time in four years

Strong performance in open-standard servers:
Fujitsu outpaced market growth by 9%



Source: Market research company

Growing Share of Open-Standard Server Market (Japan)

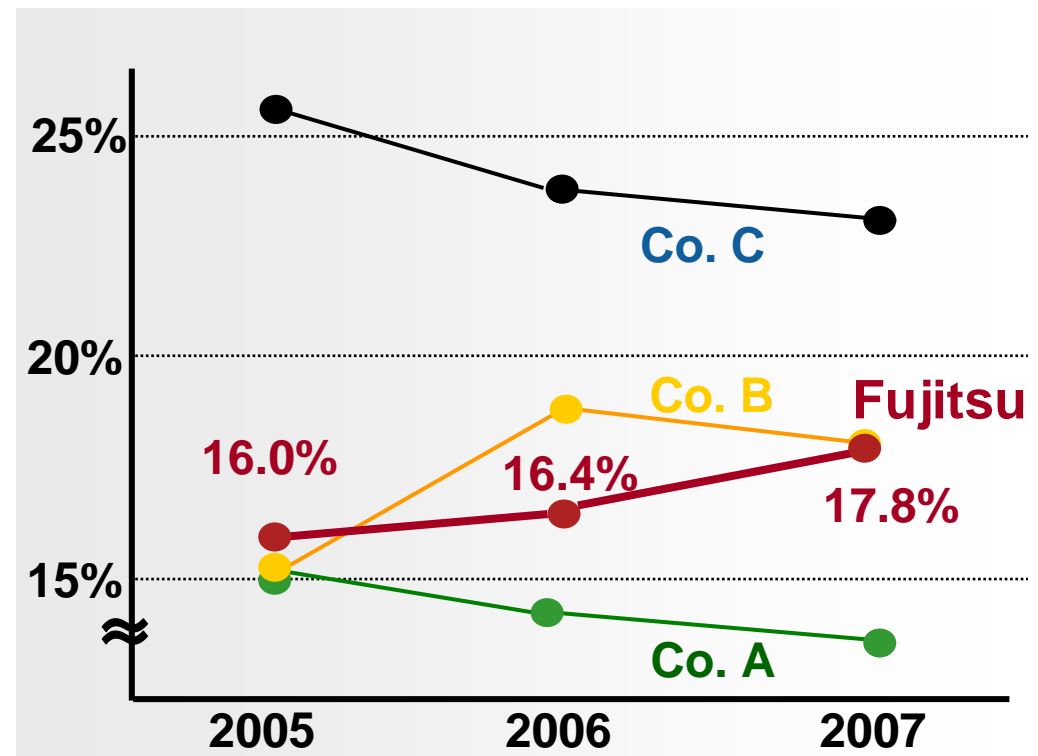


Amid flat overall market for open-standard servers, Fujitsu's growth exceeds 8% in Japan

Server Revenue Ranking (Japan)

	Share	'06-'07 Growth Rate	
		Fujitsu	Market
All Servers	No. 1	96.8%	94.0%
Open-Standard Servers	No. 3	108.5%	99.6%
Mainframes	No. 2	83.2%	85.2%

Open-Standard Server Market Share (Japan)

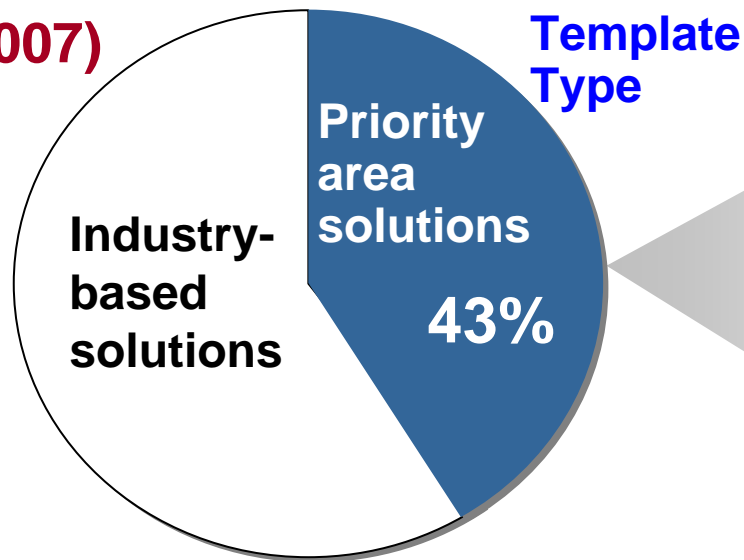


Fully Utilizing Templates for Infrastructure Optimization Proposals

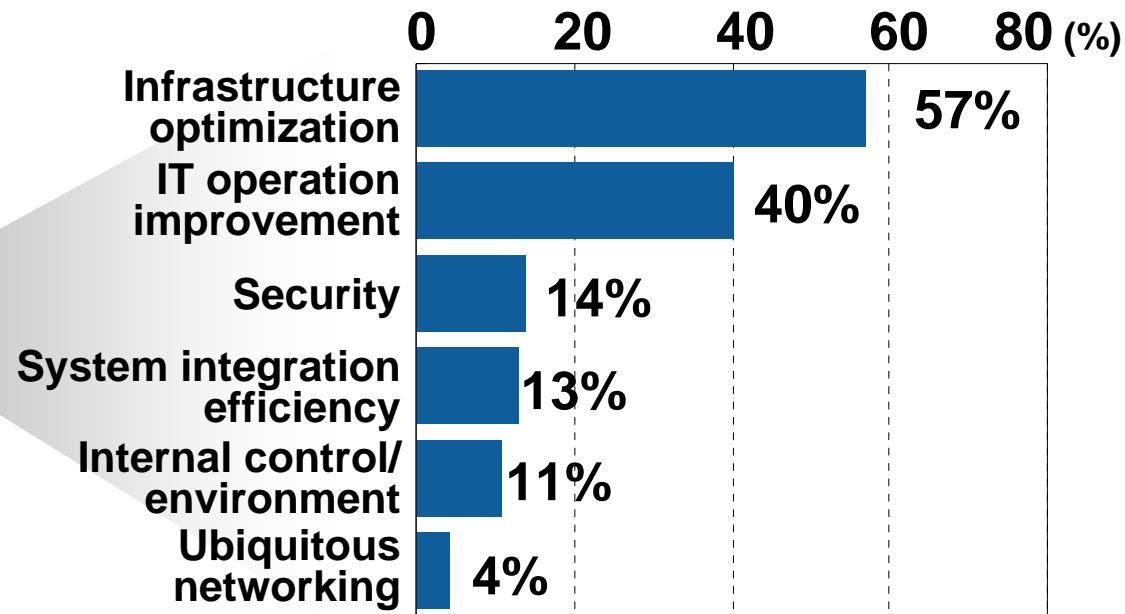
Proposals based on standard templates lead to improved efficiency, quality of SI upstream processes

Type of Solutions Contract

(FY2007)



Type of Priority Area Solution



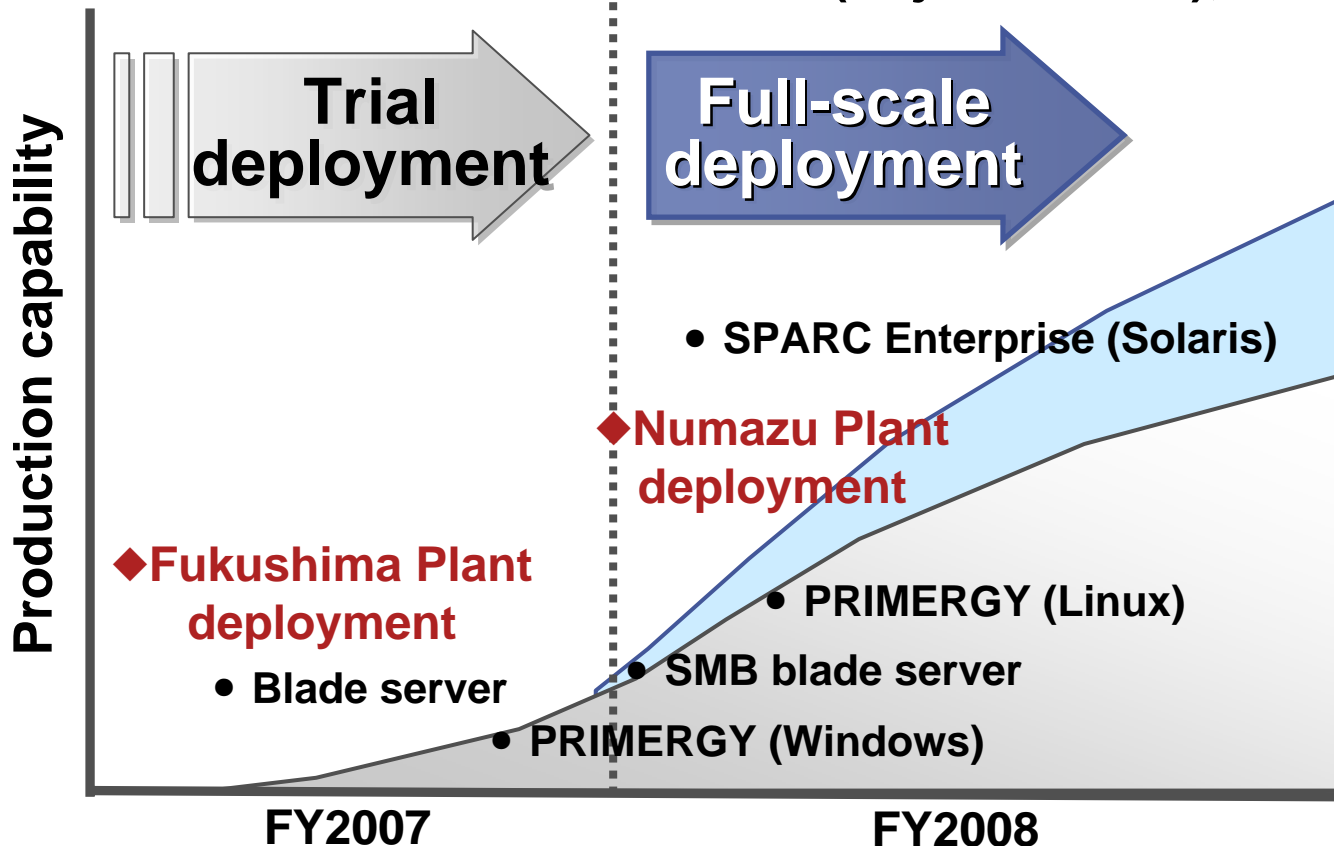
- TRIOLE Business Promotion Division established (Feb 2008)
 - Enhanced manuals on usage scenarios for each priority area and improved training programs for SEs

Full-Scale Deployment of "Infrastructure Factory" Initiative*

Strengthening the competitiveness of System Platforms business

Build on FY07 Trial Deployment and Strengthen Volume Production System in Infrastructure Factory*

In addition to Fukushima Plant (Fujitsu Isotec), starting up at Numazu Plant



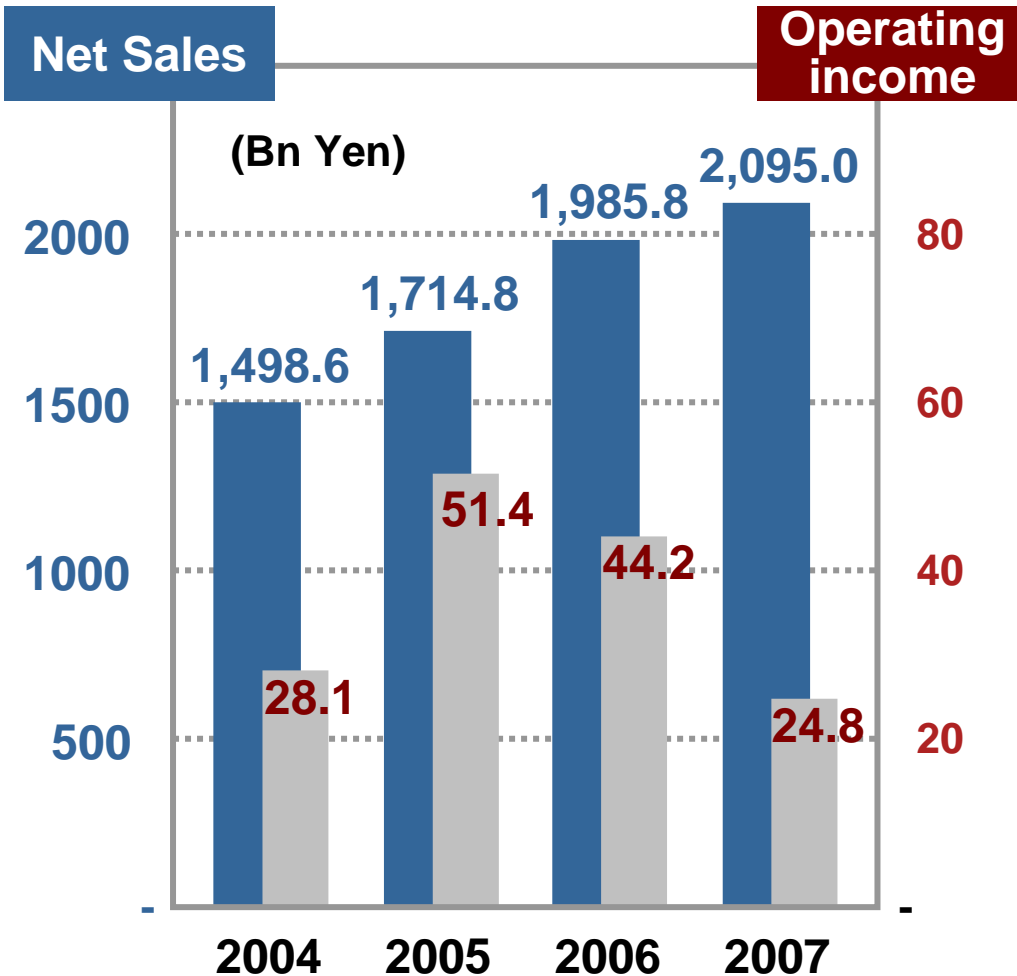
- Improved quality
- Delivery time reduced by half
- ECO (reduce packaging, etc.)
- Collaboration with Services business (LCM service)

Reduced burden on SEs
Improved maintenance efficiency
Improved marketing efficiency

* Initiative to complete as much of the configuration as possible at Fujitsu facilities before deploying at the customer's site.

Status of Business Outside Japan

Business Outside Japan*



Current Status and Issues

- Growth through market expansion and acquisitions
- Not fully benefiting from effect of acquisitions (especially US acquisitions)
- Inability to fully leverage global partnerships
- Still taking only “Act local” approach

* Includes intersegment sales

Fiscal 2007 Business Results by Region



Large contribution from earnings recovery in Japan

(billion yen)

		FY 2006	FY 2007	
		Results	Results	Change vs. '06
Overall	Net Sales	6,062.9	6,324.7	+261.8 (+4.3%)
	Operating Income	236.0 (3.9%)	265.7 (4.2%)	+29.7 (+12.6%)
Japan	Net Sales	4,077.1	4,229.7	+152.6 (+3.7%)
	Operating Income	191.8 (4.7%)	240.9 (5.7%)	+49.0 (+25.6%)
Outside Japan	Net Sales	1,985.8	2,095.0	+109.2 (+5.5%)
	Operating Income	44.2 (2.2%)	24.8 (1.2%)	-19.4 (-43.9%)

(Operating Income Margin)

Medium-Term Targets (2007-2009)



		FY 2007 Actual	FY 2008 Projection	Medium-Term Target (FY 2009)
Operating Income Margin	Consolidated	3.8%	4.1%	Over 5%
	Technology Solutions	5.5%	6.4%	Over 7%
% Sales Outside JP		36%	35%	Over 40%
		(foreign currency impact)		
Inventory Turnover*		1.03x	1.12x	2.00x (medium- to long-term target)

* monthly

Accelerating business reforms, introducing new initiatives

Solidify profitability of Japan business

- Further increase profitability of Services business
- Further increase synergy between System Products and Services (integration of product development & sales)

Increase growth and profitability outside Japan

- Enhance global support capability, especially for infrastructure services
- Improve cost structure and profitability of subsidiaries outside Japan

Pursue “selection and consolidation” of problem units

- Criterion: ability to contribute to increased consolidated operating income

III. Priorities for Fiscal 2008

Financial Targets for FY2008



	FY 2008	Change vs. '07
	(billion yen)	
Consolidated Sales	5,350.0	+ 19.1
Operating Income	220.0	+ 15.0
Operating Income Margin	4.1%	+ 0.3%
Net Income	100.0	+ 51.8
Free Cash Flow	150.0	+111.8

FY2008 First-Quarter Financial Results



First-Quarter Results

(billion yen)

FY08 1Q	Change vs. FY07 1Q
------------	-----------------------

Consol. Net Sales	1,177.2	+ 10.4
Operating Income	5.8	+ 2.8
Net Income	0.3	+15.1

Summary of Results

- Sales increased 0.9%; 5% increase disregarding yen appreciation
- Increased overall operating income despite drag from foreign exchange rates, increase in pension expenses; Cost controls contributed
- Japan business strong, but decline in sales and profits from business outside Japan

Market Outlook

Japan

- In Technology Solutions business, both Services and System Platforms appear steady; PC and mobile phone prices continue to fall; LSI demand sluggish and impact of quakes a concern

Outside Japan

- Uncertainties increasing, especially in US and Europe due to soaring raw material prices, financial market instability, etc.

Second year of medium-term plan (2007-2009)

- **51 initiatives implemented to facilitate meeting our medium-term targets**
14 initiatives completed; 37 ongoing

Setting and implementing a new set of 51 initiatives

- **Ongoing initiatives from first 51 + new initiatives**

Continuing Group-wide initiatives

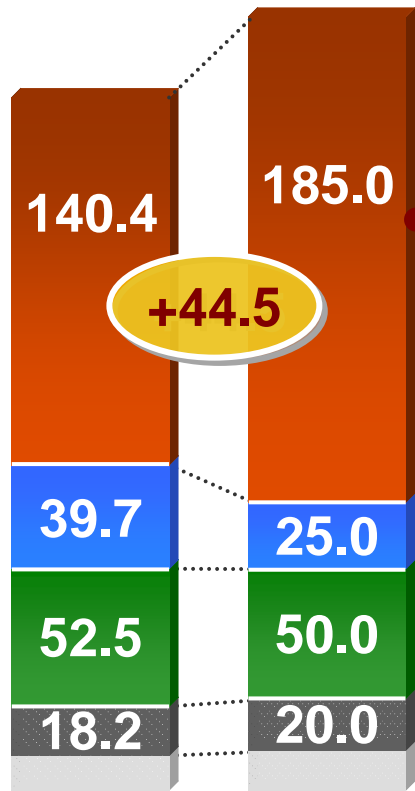
- **Integrating sales and product development**
- **Streamlining number of products**
- **Fostering Field Innovators (target: 400)**
- **Raising efficiency of support units and driving BPO**
- **“Industrializing” infrastructure services (Fujitsu FSAS)**

Improving Each Business Segment in FY2008

Accelerate growth strategy, focusing on services

Operating Income by segment

(billion yen)



+44.5

FY07 results FY08 forecast

Technology Solutions

Services	<ul style="list-style-type: none"> ■ Cultivate Field Innovation model ■ Deploy uniform global services ■ Enhance SaaS model and network services
System Platforms	<ul style="list-style-type: none"> ■ Speed up infrastructure optimization proposals ■ Promote use of “infrastructure factories” ■ Strengthen blade server business
Ubiquitous Product Solutions	<ul style="list-style-type: none"> ■ PCs: higher added value, new market development ■ Mobile Phones: maintain technological leadership ■ HDDs: pursue high quality, new technology
Device Solutions	<ul style="list-style-type: none"> ■ Drive global ASSP sales ■ Pursue solutions model

Global: Services-led expansion, particularly infrastructure services

- Leverage Fujitsu Services model for global expansion
- Reorganize Group companies to grow global services (esp. in N. America)
- Expand services in data centers equipped with latest Fujitsu technology, products
- Reorient business to newly emerging markets such as BRICs

Telecom: Phase 2 structural reform (centering on integration of product development and sales)

- **Photonics business**
 - 2008: Integrate manufacturing/prod. development
 - 2009: Expand global business based on North American operations
- **Mobile base station business**
 - Expand business outside Japan

Logic LSI Devices: Deliver results from reorganization

- Integration of development and sales; corporate split of LSI business
- Accelerate ASSP-model global expansion

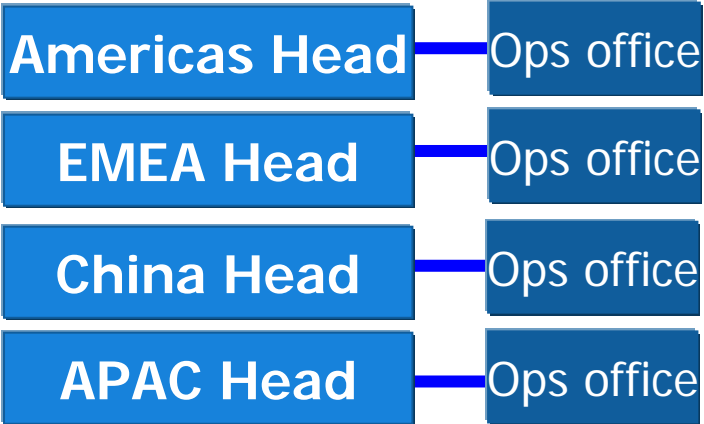
Global Growth Strategy

A new start with a simpler organization

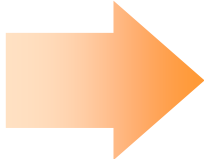
Global Steering Committee

Think Global, Act Local

Each region implemented
own strategy
(structure until now)



Richard Christou,
Global Business
Group President

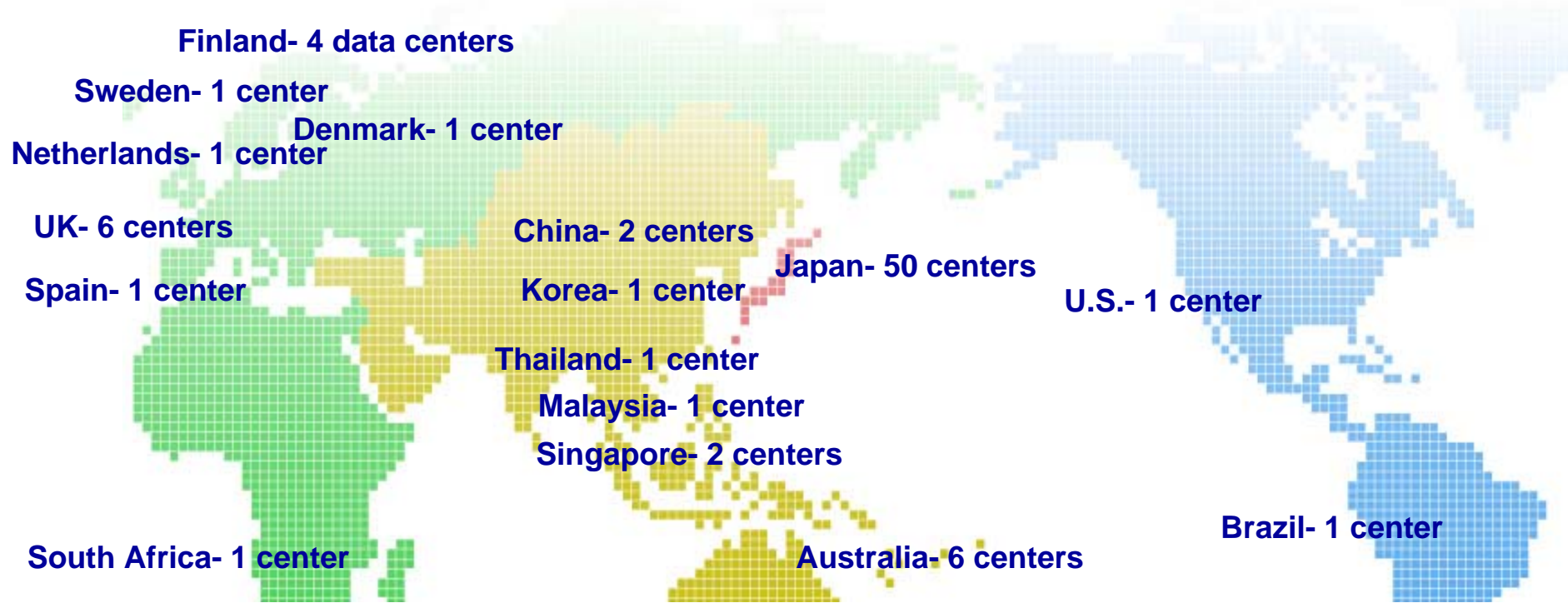


New: Global Business Group



Global Services Business Capability

Data centers in 16 countries, providing support in 29 languages



Recent Global Outsourcing Contracts

UK: HM Revenue & Customs (10 yrs., 230 bn yen) Germany: Allianz (5 yrs., 65 bn Yen)
Thomson Reuters (10 yrs., 130 bn yen) Sweden: Electrolux (5 yrs.)
25 European countries: Astellas Pharma Europe (5 yrs.)

Strengthening Global Services Foundation

Strong demand for large-scale, uniform global services

Japan

EMEA

Americas

China

APAC

Delivering a uniform level of services globally
Global Service Innovation Program
[data center, desktop services, help desk]

Virtualization

Autonomy

Optimization

Environmental

SaaS Technology

Equipped with advanced technology



Process and delivery standards

Billing

Security

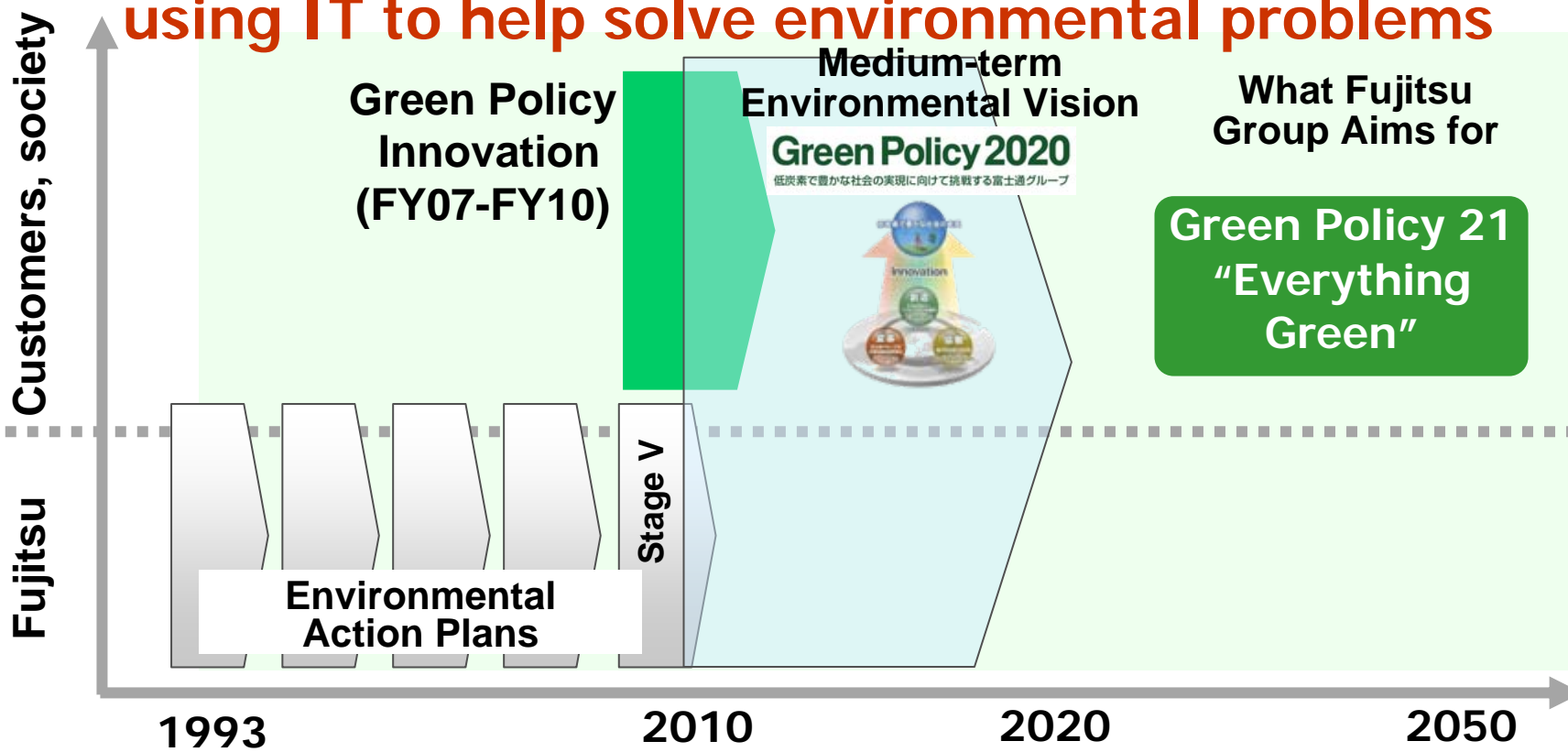
On-demand services

Electric current monitoring

Uniform resource management

Comprehensive Environmental Management

Reducing IT's environmental burden and using IT to help solve environmental problems



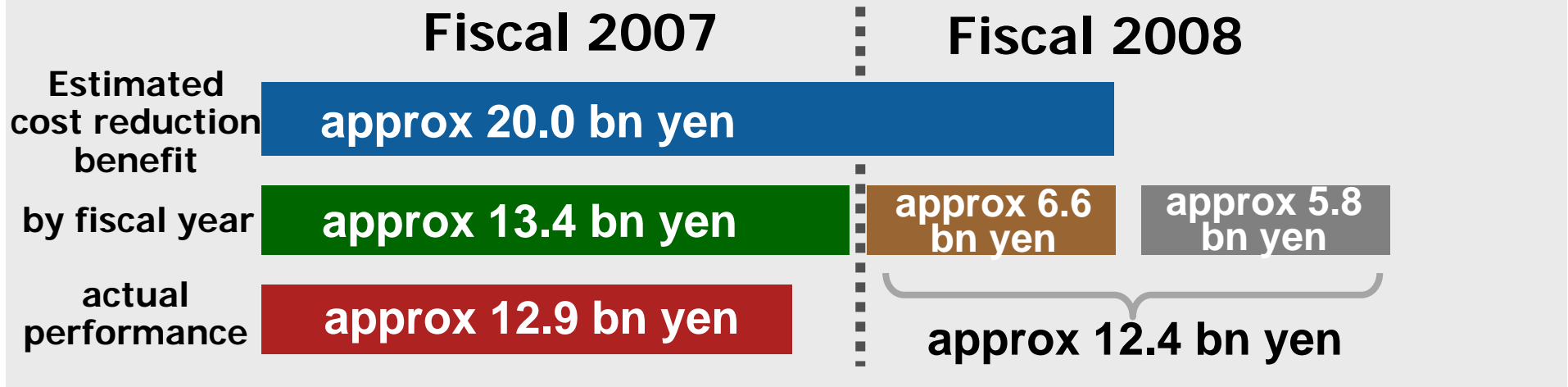
Expand environmental solutions business
Strengthen competitiveness of data center business (eco services)
Strengthen competitiveness of products (eco products)

Eco2Cost Program

Strengthen “top-down” activities in FY08 after starting initiative in FY07 (April 21) with “bottom-up activities”

Eco2Cost Program: All employees participate in cost reduction, eco activities

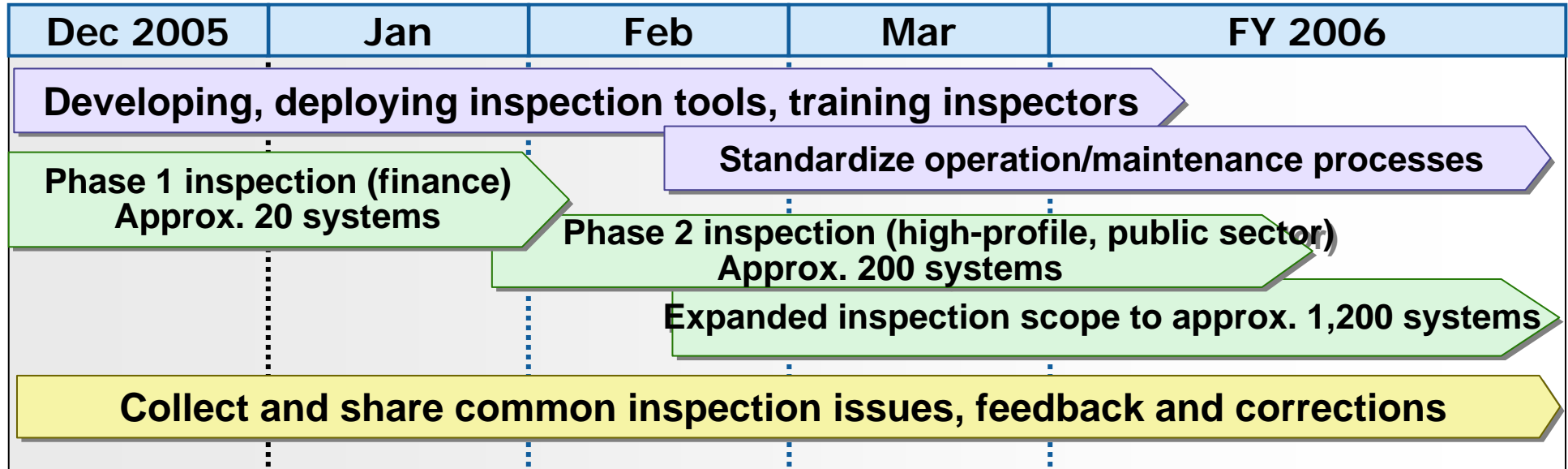
FY2007 results: Total number of proposals 18,248 (through April 2008)



Rigorous overall cost management

Reliable Operation of Large-Scale Social Infrastructure Systems

From December 2005, Fujitsu began comprehensive inspection of large-scale social infrastructure systems



Helps improve overall operational quality

Establishment of Special System Inspection Division (Aug. 1, 2008)

Intensive inspection of mission-critical systems with major impact on social infrastructure, with input from third parties

Division has authority to revise development, operational organization

The Corporate Image We Aim For

A Company Recognized for Its Strength

- A company that addresses its customers' management and business issues, and a partner that helps its customers grow
- A company that is attractive to shareholders and investors
- A company employees are proud to work for and that is constantly creating and fostering new talent

Beijing Olympics

Athletes from Fujitsu's Track and Field Squad

Shinji Takahira (200m, 100m relay)

Naoki Tsukahara (100m, 100m relay)

Yoshitaka Iwamizu (3000m steeplechase)

Koichiro Morioka (20km race walk)

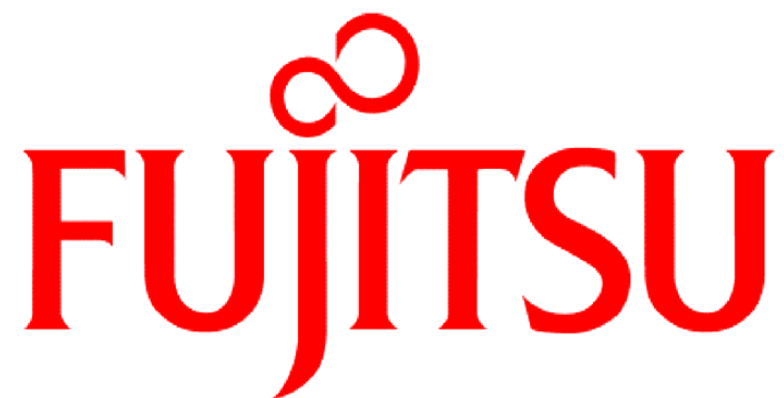
Naoyuki Daigo (High jump)

Yoshihiro Horigome (400m relay)

Kawasaki Frontale Soccer Team

Hiroyuki Taniguchi (U-23 soccer)

Please give them your support!



FUJITSU

THE POSSIBILITIES ARE INFINITE

Cautionary Statement

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.