Management Direction Briefing

Medium-Term Targets for FY2009-2011

July 23, 2009

Kuniaki Nozoe
President
Fujitsu Limited
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

<table>
<thead>
<tr>
<th>What we strive for:</th>
<th>What we value:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Society and Environment</td>
<td>Employees</td>
</tr>
<tr>
<td>Profit and Growth</td>
<td>Customers</td>
</tr>
<tr>
<td>Shareholders and Investors</td>
<td>Business Partners</td>
</tr>
<tr>
<td>Global Perspective</td>
<td>Technology</td>
</tr>
</tbody>
</table>

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.
I. Summary of FY2008
Contribution to profitability and growth will determine allocation of business resources

Contribution to Growth

Next target area for growth

Business Outside Japan

Profits and growth

Services Business

Downsize or exit

Structural Reform

“Strong products” contributing profits

Products Business
Main initiatives in FY2008

**Business Outside**
- Next target area for growth
  - Strengthened global services (GSIP*)
  - Acquired KAZ (AUS)
  - Acquired SCC (AUS)
  - Reorganized telecom business
  - Integrated NA business units

**Products Business**
- Sold capacitor business (Fujitsu Media Devices)
- Sold Fujitsu Automation
- Sold Eudyna Devices
- Sold HDD business
- Made FSC* wholly owned subsidiary
- Integrated NA business units
- Reorganized regional Japan business around solutions
- Made FJB wholly owned subsidiary

**Delivering profits and growth**
- Field Innovation
- SI business reforms
- Industrialized infra services
- Reorganized global services (GSIP*)

**Contribution to Growth**
- Field Innovation
- SI business reforms
- Industrialized infra services

**Contribution to Profits**
- Strong products contributing profits

*GSIP: Global Services Innovation Program
FSC: Fujitsu Siemens Computers
### FY2008 Financial Results

<table>
<thead>
<tr>
<th></th>
<th>FY2007</th>
<th>FY2008</th>
<th>Change vs. FY07</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>5,330.8</td>
<td>4,692.9</td>
<td>-637.8 (-12.0%)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>204.9</td>
<td>68.7</td>
<td>-136.2 (-66.5%)</td>
</tr>
<tr>
<td>Net Income</td>
<td>48.1</td>
<td>-112.3</td>
<td>-160.4 (-)</td>
</tr>
<tr>
<td><strong>Technology Solutions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>3,272.2</td>
<td>3,077.0</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>180.1</td>
<td>188.7</td>
<td>+4.7%</td>
</tr>
<tr>
<td><strong>Ubiquitous Product Solutions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>1,188.9</td>
<td>949.1</td>
<td>-20.2%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>52.5</td>
<td>0.5</td>
<td>-98.9%</td>
</tr>
<tr>
<td><strong>Device Solutions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>796.7</td>
<td>587.6</td>
<td>-26.2%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>18.2</td>
<td>-71.9</td>
<td>(-)</td>
</tr>
</tbody>
</table>
II. New Medium-Term Targets (FY2009-2011)

3-Year Transformation into a Truly Global IT Company
1. Operating Environment

- Economic Environment
  In the wake of the financial crisis, the global economic recession is expected to bottom out in FY2009, with a mild recovery expected to start in FY2010. Robust economic growth is not expected over the medium term. (A large sales expansion through organic growth is unrealistic.)

- IT Investment Trends
  Strict spending constraints are expected to persist through FY2009. IT investment is expected to rebound in FY2010 as companies replace aging IT assets, upgrade mission-critical systems, and comply with new regulations. Considering the large investments customers have made in hardware, applications, and personnel, it will be several years before they fully adopt new models such as SaaS and cloud-based applications. The next three years will be spent preparing for full future adoption. In the areas of infrastructure and non-core applications, however, it will be necessary for customers to act more quickly.

- Positioning the Fujitsu Group
  Customers in Japan have higher expectations for Fujitsu as we promote global expansion and a new customer relationship based on Field Innovation. Outside Japan, Fujitsu needs to create a solid base in Europe through collaboration between Fujitsu Services and Fujitsu Technology Solutions to overcome the weaknesses we have faced in the past.
2. Becoming a Truly Global IT Company

- Fujitsu’s leading position and earnings in Japan pave the way for the company’s global growth. (If we are not strong in Japan, we cannot become strong globally.)

- In the process of reforming our business outside Japan, our businesses inside and outside Japan will be integrated. (End “silos approach” to business inside Japan and outside Japan.)

- Products, including systems, software, and product-related services, will serve as the pillar of our business outside Japan. We cannot compete globally in IT services that depend on specialized personnel. (Our business model is based on strong products and services.)

In the FY2009-2011 medium term, we aim to establish a presence as a truly global IT company based in Japan.
Taking customer-centric management to the next level by focusing on three areas of transformation

Improving Our Customers’ Businesses (Focusing on the customers’ customers)

Think Global, Act Local (Developing a global perspective)

Reducing Our Customers’ Environmental Footprint (Prioritizing environmental sustainability)
4. Structural Transformation: 3 Models (1)

Global model based on strong products and services

- **Think Global**
  - Global Infrastructure Services
    - ITIL compliance
  - Global products
    - Autonomic, virtual, integrated
    - Cloud computing, SaaS

- **Act Local**
  - Global Steering Committee; HQ function for business outside Japan
  - CEO meetings on strategy outside Japan

- **Japan**
- **EMEA**
- **Americas**
- **Asia**
- **China**

- Business solutions
  - Strengthening SAP capabilities
- Marketing
  - Delivery
  - Account support
- Finance

- **TRIOLE for services**
  - Industrialization of services
- **TRIOLE for infrastructure**
  - Industrialization of platform deployments
True customer partnership model—we don’t build systems and just walk away

Upstream (Planning)  Midstream (Deployment)  Downstream (Operations)

Enhanced ability to generate proposals
- Strengthen vertical market solution focus (consulting, sales, system engineering)
- Use Fujitsu in-house projects as reference models
- Build specialized Group companies
- Generate medium-term proposals, etc.

Solutions / System Integration
System Products
Infrastructure Services*

Field Innovation Model

* Integrated menu of services: Outsourcing, FENICS II network services, support desk services, etc.
Structural Transformation: 3 Models (3)

Integrated product development and sales model
Structural Transformation: Group Firms

Group-wide management principles established in FY2007 promoted the specialization of Group companies to raise the value of the Fujitsu Group.

Closer to the Customer

- Responsive to customer, market changes
- Pursuing Group-wide human resources management
- Managing the continued evolution of the Fujitsu Group

Fujitsu FSAS: infrastructure services business
(maintenance/development/infrastructure industrialization)
Fujitsu FIP: datacenter business (outsourcing)
Fujitsu Business Systems: solutions business for medium-sized enterprises
Fujitsu Ten: auto product business (car electronics/ITS-related business)
Fujitsu Frontech: front-end solutions business (POS/ATM/RFID business)
PFU: global scanner business and multi-vendor maintenance
# 5. Medium-Term Financial Targets
—The Baseline for a Global IT Company

Aiming for record profits in FY2011 (operating income and net income)

<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>FY2011 (Target)</th>
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<tbody>
<tr>
<td>Consolidated operating income margin</td>
<td>Over 5.0%</td>
</tr>
<tr>
<td>Share of sales outside Japan</td>
<td>Over 40%</td>
</tr>
<tr>
<td>Inventory turnover rate</td>
<td>Over 2.0x</td>
</tr>
<tr>
<td>Debt/equity ratio</td>
<td>Under 1.0x</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>Over 150.0 bn yen</td>
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<table>
<thead>
<tr>
<th>FY2008 (Actual)</th>
<th>FY2009 (Projected)</th>
<th>FY2011 (Target)</th>
</tr>
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<tbody>
<tr>
<td>Net Sales</td>
<td>4,692.9</td>
<td>4,800.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>68.7</td>
<td>80.0</td>
</tr>
<tr>
<td>Net Income</td>
<td>-112.3</td>
<td>20.0</td>
</tr>
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(Previous records: for operating income, ¥244.0 billion in FY2000; for net income, ¥102.4 billion in FY2006)
Medium-Term Financial Targets

Breakdown of operating income targets

- FY2009 Target (80.0 Billion Yen)
  - Target increase in business unit income: +60.0
  - Impact of restructuring (HDD biz sale)
  - Impact of amortization (goodwill, pension assets)

- FY2010 Target (200.0 Billion Yen)
  - Target increase in business unit income: +60.0
  - Impact of structural reforms
  - New structure for business outside Japan
  - Return to profitability in electronic devices
  - Return to profitability in network products

- FY2011 Target (250.0 Billion Yen)
  - Higher strategic investments
  - Impact of organizational reforms
  - Higher earnings outside Japan
  - Deployment of Field Innovators
  - Start of new businesses
## Medium-Term Financial Targets

### Breakdown of targets for higher business unit income

<table>
<thead>
<tr>
<th>FY2009 ~ FY2010</th>
<th>Target increase in business unit income</th>
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<tbody>
<tr>
<td></td>
<td>+50.0</td>
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<th>FY2010 ~ FY2011</th>
<th>Target increase in business unit income</th>
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<tr>
<td></td>
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<td>+60.0</td>
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<table>
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<tr>
<th>(Billion Yen)</th>
<th>IT Services in Japan</th>
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<tbody>
<tr>
<td></td>
<td>Expectation of market recovery, unified management of services, benefit of expansion of datacenters</td>
</tr>
</tbody>
</table>

| Products        | Return to profitability in network products, higher sales of x86 servers |

| Business outside Japan | Improved profitability of Fujitsu Technology Solutions, expansion of IT services |

| Electronic Devices | Return to profitability in electronic devices, market recovery in electronic components |

| IT Services in Japan | Contribution of Group company reforms (services/solutions) and deployment of Field Innovators to customer sites |

| Products | Expansion of cloud computing (new demand) and business outside Japan |

| Business outside Japan | Expansion of IT services, expansion in emerging markets, improved profitability |

| Electronic Devices | Expansion of ASSPs, global products |
6. Plan to Achieve Financial Targets

**FY2009**
- Increase sales and income in a difficult market; return to profitability in net income
  - Maintain strength in Technology Solutions
  - Improve earnings in business outside Japan (benefits of structural reforms)
  - Make headway in returning LSI business to profitability—biggest challenge facing Fujitsu

**FY2010**
- Post new record in net income excluding one-time gains (record FY2006 net income supported by gains on stock sales, etc.)
  - Effects from LSI, HDD restructuring become evident
  - Effects from Group organizational reforms become evident
  - Establish business model in which profitability is not a function of market conditions (generate stable cash flow)

**FY2011**
- Generate record operating and net income
  - Demonstrate global presence as a product vendor
  - Become Tier 1 partner in global IT services
  - Become a truly global IT company based in Japan
7. IT Services Business in Japan

Growth strategy for the cloud computing and SaaS era

Solutions / System Integration Services in Japan

• Reinforce vertical industry approach by reforming sales/SE around solutions
• Expand business through operations-centric approach based on Field Innovation model
• Leverage in-house reference models to generate customer proposals (cloud computing/ SaaS)
• Expand solutions business for medium-sized enterprises by making Fujitsu Business Systems a 100% subsidiary

Product-Related Services in Japan

• Expand services business along with expansion to 200,000 PRIMERGY x86 servers
• Reform maintenance/construction business with Fujitsu Business Systems as 100% subsidiary
• Restructure Group organization to strengthen datacenter business
• Expand global services business with Japanese customers (Global Services Innovation Program)
• Develop new services around network business (FENICS II)
8. Products Business

Developing globally competitive products

System Products

- Global expansion in x86 servers with integration of Fujitsu Technology Solutions (sales target of 500,000 units in FY2010)
  Reduce procurement costs through unified supply chain; reduce development costs
- Expand global sales of ETERNUS storage systems through Fujitsu Technology Solutions
- Strengthen internal collaboration on development of cloud-based solutions (hardware, middleware, services)
- Expand business through global alliances

Network Business

- Improve earnings by shifting from a product business to a services business (FNETS* model)
- Streamline development organization, strengthen collaboration with network services unit

PCs/Mobile Phones

- Global expansion of mobile phone business for LTE networks
- With integration of Fujitsu Technology Solutions, create structure for selling 10 million PCs globally

* FNETS: Fujitsu Network Solutions (network planning, design, construction, maintenance)
9. Business Outside Japan

Structural reforms and growth strategies geared to each market

**EMEA**
- Shift to geographic structure to maximize synergies between Fujitsu Services and Fujitsu Technology Solutions
- Create solid base in infrastructure services and products
- Expand into emerging markets (E. Europe, Middle East, India, Africa, Russia) with a focus on hardware business and management by European continent team
  - 3 geographic regions: UK/Ireland, Continental Europe, Nordic

**North America**
- Pursue synergies from integration of 3 companies and develop outsourcing business in collaboration with Fujitsu Services
  - Inked IT infrastructure services deal with Alliance Data (10 years, as much as ¥40 billion)

**China**
- Restructured into 2 geographic segments; revitalize under simpler structure

**APAC**
- Fujitsu Asia: Business growth strategy under new local CEO
- Fujitsu Australia: Demonstrate results from acquisition of two companies in May; accelerate expansion of managed services (Fujitsu Services model)
  - Qantas Airways outsourcing contract (5-year contract)
20-Year Success Story of Fujitsu Services

- Act Local
- Collaboration
- Think Global

Sales: approx. ¥500 billion  Employees: approx. 25,000

1968
ICL established

1990
Fujitsu acquires 80% stake in ICL

April 2002
Name changed to Fujitsu Services; Shift to services model

October 1998
Becomes 100% subsidiary

April 2004
Creates joint team with Fujitsu Limited to promote TRIOLE

November 2003
Receives National Business Award for “Sense and Respond” customer service strategy

August 2007
Collaboration on Global Services Innovation Program starts

November 2008
Deploys TRIOLE for services for 21 customers

June 2008
Richard Christou appointed President of Global Business Group

October 2008
Becomes 100% subsidiary

2009
Copyright FUJITSU LIMITED

Sales: approx. ¥500 billion  Employees: approx. 25,000
Capabilities of Fujitsu Services

- Long track record with datacenter services model
- Expertise in dealing with multiple vendors
- Capabilities with infrastructure services standards and optimization (ITIL)
  ITIL: Information Technology Infrastructure Library
  A series of guidelines on rules for the management and operation of IT services compiled by the Office of Government Commerce of the British government
- Experience in absorbing public-sector employees in BPO services deals with British government
- Differentiation with “Sense and Respond” operational improvement model
  Similarities with Field Innovation model
10. LSI Business

Thorough reforms aimed at returning to profitability in FY2010

FY2008

Op. Loss approx. ¥60 billion

FY2009

Restructure production (front-end and back-end processes, valuation loss on Mie Plant, Fab No. 2)

Reduce costs from design phase

Optimize development expenses

Personnel initiatives

Reduce SG&A expenses

Decline in sales

FY2009

Implement cost-reduction initiatives with focus on fixed costs

FY2010 and beyond

Implement fab-lite model

Strengthen ASIC product line with advanced technology (28nm and beyond)

Expand ASSP business in the areas of automobiles, cameras, mobile devices, etc.
11. The Environment

Fujitsu is leveraging the power of IT for environmental sustainability

- Green Policy Innovation project to reduce environmental footprint
  Goal: Over 4-year period of 2007-2010, reduce CO2 emissions by a cumulative total of over 7 million tons. On pace to exceed target, with a cumulative reduction in emissions during 2007-2008 of approx. 2.23 million tons

- Green Policy 2020: Medium-Term Group Environmental Vision
  Pillar to promote environmental management over the medium term
  To create a prosperous, low-carbon society, Fujitsu will contribute to lowering CO2 emissions in Japan by 30 million tons annually by 2020 with a vision emphasizing Creation, Collaboration, and Change

- Priority Areas
  Strengthen the competitiveness of products with superior environmental features
  Reduce the environmental burden of datacenters
  Enhance environmental solutions

- New Areas
  Ad hoc wireless LAN network (enabling low-cost monitoring networks)
  Sensor networks
  Ultra-low-power semiconductor devices, etc.
## 12. New Organizational Structure to Promote Transformation

**Cross-functional roles to drive transformation**

<table>
<thead>
<tr>
<th>Office/Group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Steering Committee (headed by President Kuniaki Nozoe)</td>
<td>Decision-making body for business outside Japan; setting strategy and sharing information on important global business developments</td>
</tr>
<tr>
<td>Solution Business Transformation Office (Corporate SEVP Koichi Hironishi)</td>
<td>Setting solutions business strategy for cloud computing/SaaS era</td>
</tr>
<tr>
<td>Next-Generation System Infrastructure Promotion Office (Corporate SVP Masami Yamamoto)</td>
<td>Setting strategy for systems business in cloud computing/SaaS era</td>
</tr>
<tr>
<td>Medium-Sized Enterprises Transformation Promotion Office (Corporate SEVP Koichi Hironishi)</td>
<td>Carrying out structural reform of solutions business for medium-sized enterprises after conversion of Fujitsu Business Systems to 100% subsidiary</td>
</tr>
<tr>
<td>Field Innovation Unit (Corporate SVP Keiko Nakayama)</td>
<td>Deploying Field Innovators to 500 companies in FY2011</td>
</tr>
<tr>
<td>Platform Solutions Business Group (Corporate First SVP Makoto Matsubara)</td>
<td>Reforming structure in order to sell 200,000 x86 servers in Japan in FY2010</td>
</tr>
</tbody>
</table>
### 13. Simple Business Group Structure

**President Kuniaki Nozoe, Corporate SEVPs Koichi Hironishi and Tatsuo Tomita**

<table>
<thead>
<tr>
<th>Business Group</th>
<th>Corporate Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Business Group</td>
<td>Corporate SEVP Richard Christou</td>
</tr>
<tr>
<td>Platform Solutions Business Group</td>
<td>Corporate First SVP Makoto Matsubara</td>
</tr>
<tr>
<td>Manufacturing &amp; Distribution Solutions Business Group</td>
<td>Corporate SVP Bunmei Shimojima</td>
</tr>
<tr>
<td>Social Infrastructure Solutions Business Group</td>
<td>Corporate SVP Jirou Sugawara</td>
</tr>
<tr>
<td>Financial Solutions Business Group</td>
<td>Corporate SVP Masaaki Hamaba</td>
</tr>
<tr>
<td>Government &amp; Public Solutions Business Group</td>
<td>Corporate SVP Hirokazu Uejima</td>
</tr>
<tr>
<td>Regional Business Group</td>
<td>Corporate SVP Akira Furukawa</td>
</tr>
<tr>
<td>Solutions Business Support Group</td>
<td>Corporate SVP Keiko Nakayama</td>
</tr>
<tr>
<td>IT Services Business Group</td>
<td>Corporate First SVP Kazuo Ishida</td>
</tr>
<tr>
<td>Technology Support Group</td>
<td>Corporate SVP Kazuo Kobayashi</td>
</tr>
<tr>
<td>Network Business Group</td>
<td>Corporate SVP Hiroshi Nagatomi</td>
</tr>
<tr>
<td>Software Business Group</td>
<td>Corporate SVP Akira Yamanaka</td>
</tr>
<tr>
<td>System Products Business Group</td>
<td>Corporate SVP Masami Yamamoto</td>
</tr>
<tr>
<td>Ubiquitous Products Business Group</td>
<td>Corporate SVP Hideyuki Saso</td>
</tr>
<tr>
<td>Products Business Support Group</td>
<td>Corporate First SVP Junichi Murashima</td>
</tr>
</tbody>
</table>
14. A New Business Model

Fujitsu is expanding business globally through products and services, with a focus on its core Technology Solutions business.

Fujitsu aims to become a truly global IT company based in Japan.
Aiming to expand sales and profits in first year to help realize medium-term targets

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</tr>
<tr>
<td>Free Cash Flow</td>
<td>60.0</td>
<td>+36.6 (+156%)</td>
</tr>
</tbody>
</table>

(Billion Yen)
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 affect 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.