

Opening Statements and Summary Translation of Question & Answer Session at Press Conference on Executive Appointments

Date: January 22, 2010, 14:30 ~ 15:30
Location: Fujitsu Shiodome Headquarters, Tokyo
Presenters: Michiyoshi Mazuka, Chairman and President;
Masami Yamamoto, Corporate Senior Executive Vice President

Opening Statement by Michiyoshi Mazuka

Good afternoon ladies and gentlemen. First, I would like to thank you for joining today's press conference on such short notice. As all of you know, I stepped in as president last September after Mr. Kuniaki Nozoe resigned due to illness. I would now like to announce our new president and other executive appointments approved today by the Board of Directors.

Mr. Masami Yamamoto, currently corporate senior vice president, will replace me as president, effective April 1. At the same time, the Board appointed four corporate senior executive vice presidents, joining Mr. Richard Christou in that position: Mr. Kazuo Ishida, Mr. Masami Fujita, Mr. Hideyuki Saso, and Mr. Kenji Ikegai. This will be our senior executive management team from April 1. We also announced that in the interim, Mr. Yamamoto will assume the position of corporate senior executive vice president, effective today. Additional appointments will be announced as soon as decisions are made.

I would like to explain briefly about the process we took to make today's decision. To prepare for the appointment of a new president, we set up a nomination committee in October consisting of myself and two other Board members, Mr. Hiroshi Oura and Mr. Ikujiro Nonaka. During committee meetings, we discussed not only the candidates for president, but also the business environment Fujitsu competes in, and the kinds of resources and executive management structure the new president would need in order to keep Fujitsu competitive globally.

In addition to selecting a candidate for president, the nomination committee also aimed to decide on a group of new senior executive vice presidents who could support the president collectively with their knowledge and experience in various areas, including IT services and solutions, product business, global operations, and corporate affairs. Our goal was to create a management team that is capable of pushing forward with our corporate transformation in spite of the increasingly competitive environment. Based on such criteria, the candidates were carefully selected by the committee and approved by the Board.

The year 2010 marks the 75th anniversary of Fujitsu, a milestone in our corporate history. Our new management team will be dedicated to creating an era of new growth to meet the expectations of our customers, business partners, and shareholders. Thank you for your continued support.

Opening Statement by Masami Yamamoto

Good afternoon and thank you for coming to today's press conference. My name is Masami Yamamoto, and since most of you do not know me, I would like to give a brief self-introduction.

I joined Fujitsu Limited in April 1976, and I have spent most of my career in product design and development. I was involved with the development of the OASYS Japanese word processor for my first 15 years. Most of you probably don't recall the OASYS, but it was launched just as IT was making its way into the home. It was a difficult business environment back then, but the experience that we gained has helped Fujitsu create products that today are very useful and important for our customers.

After the OASYS, I was responsible for personal business products, which included PCs. Then, I was made head of the ubiquitous products business group, which oversees the mobile phone business in addition to PCs. More recently, I've been responsible for the system products business, which manages the development and marketing of servers, storage and other products.

Based on that introduction, most of you are thinking that I am "product president" without much background in other areas of IT. But the reality is that during my career, I've seen how Japanese word processors and PCs have evolved from important tools in the home and office into front-end terminals in a ubiquitous network society driven by the Internet, and now I'm witnessing the advent of a new era in which cloud computing is becoming the backbone to social and public infrastructure. So I believe my experience has prepared me well for the challenges ahead. As the IT industry continues to change at a rapid pace, I'd like to leverage the experience I've had on the leading edge of IT.

One of Fujitsu's priority management goals is to expand business outside Japan. We're aiming to be a global company with Japanese roots. Our customers, business partners and shareholders are all expecting us to achieve this goal. During my time in the PC division, I helped build our global PC business. More recently, I was closely involved in the initiative to make joint-venture Fujitsu Siemens Computers a 100% subsidiary and reintegrate it into the Fujitsu Group as Fujitsu Technology Solutions. This experience will serve me well in leading the company forward in the drive to become truly global.

Fujitsu is a strong company today thanks to the tireless efforts of past presidents who succeeded in reforming our corporate structure and focusing us on our core business. I feel that I have been selected to lead Fujitsu because of my dedication to the challenge of transforming Fujitsu into a truly global IT company. One of my goals will be to "strengthen our strengths" and then use those strengths to aggressively pursue new business opportunities globally. Under my leadership, Fujitsu will strive to increase its profits and create new growth. I thank you for your warm support.

Question and Answer Session

Questioner A

Q1: Could you please elaborate on the new senior executive management team and their selection?

A1: (Mazuka) Let me first talk about the reasons behind our selection of the top management. The IT industry is changing significantly. We believe that 2010 is the year when cloud computing will transition from a concept into a new business platform, and a paradigm shift centered on "human-centric computing" will occur. Human-centric computing is characterized by an emphasis on support for human behavior and knowledge creation. In the next 10 years, Fujitsu aims to contribute to future IT development by focusing on this new form of computing.

As mentioned earlier, Mr. Yamamoto has experienced first-hand several phases of new technology advancements, including the OASYS word processor, PCs, and IA servers. By constantly facing change, he has gained a flexible mind, the ability to take action,

and the courage to innovate. We need a leader like him to bring Fujitsu towards a new age.

Another important factor for choosing Mr. Yamamoto as our next president is age. He just turned 56. With the exception of the period surrounding World War II, Mr. Yamamoto will be the second youngest president in Fujitsu's history, after Mr. Takuma Yamamoto, who became president at the age of 55. All members of our new top management team will be in their 50s except Mr. Christou and myself. I believe the young team is capable of leading Fujitsu to its new age.

Questioner B

Q1: How did you come to the decision of appointing five corporate senior executive vice presidents in addition to the president? What are their respective roles?

A1: (Mazuka) We live in an age of dramatic change. As speed is extremely important in this age, it becomes very hard for one individual to make all decisions for the company. I realized this after assuming the role of the president for just three months. The decision-making process can become more efficient if individuals with expertise in different areas of Fujitsu's business come together to support the president with their professional opinions. For this reason, we decided to add five corporate senior executive vice presidents in our executive management team.

Regarding the role of each corporate senior executive vice president, first, I would like to clarify that we do not divide their roles vertically – every one of them will oversee Fujitsu's business as a whole. However, their individual focuses will vary. Mr. Richard Christou will continue to focus on Fujitsu's global business outside Japan, while Mr. Kazuo Ishida will concentrate on the IT services business, utilizing his expertise in cloud computing, which is going to be our core business in the coming years. Mr. Masami Fujita, Mr. Hideyuki Saso, and Mr. Kenji Ikegai will be in charge of corporate affairs and human resources, products businesses, and the solutions business, respectively.

Questioner C

Q1: What will happen to current members of the board (Mr. Koichi Hironishi, Mr. Tatsuo Tomita, Mr. Ito, and Mr. Naoyuki Akikusa)?

A1: (Mazuka) Mr. Hironishi, Mr. Tomita, and Mr. Ito will perform their current executive management duties until March 31. The selection of members for the next board is still under discussion, including the future of the above three members and Mr. Akikusa.

Q2: I recall that under the two former presidents, Mr. Hiroaki Kurokawa and Mr. Kuniaki Nozoe, the ubiquitous products business did not contribute much to Fujitsu's profitability. There have even been rumors saying that Fujitsu might discontinue the business. As you used to be in charge of the company's ubiquitous products, Mr. Yamamoto, could you throw some light on your plans for this business in particular?

A2: (Yamamoto) Worldwide trends show that value-added businesses based on cloud computing will be the future of IT. My responsibility is to transform Fujitsu into a company centered on human-centric computing, being people-friendly and serving people's needs. As human-centric computing emphasizes on the interface between people and IT, ubiquitous products will continue to be a crucial for us in the future. As before, the PC and mobile businesses will continue to be a pillar of Fujitsu's business.

Q3. Has there been any change made to your x86 server strategy?

A3. (Yamamoto) On a global scale, our sales target of 500,000 servers for the fiscal year 2010 does not seem like a lot. Nonetheless, we will continue to work towards this officially announced target. There has been no change to our strategy of making this a leading part of our global products business and an important platform to our cloud computing business.

Questioner D

Q1. Could you please tell us in more detail about the process to select the new president?

A1. (Mazuka) The nomination committee was comprised of board members Mr. Hiroshi Oura, Mr. Ikujiro Nonaka, and myself, with Mr. Oura acting as committee chairman. We met three times, each session lasting three hours. As I mentioned before, during committee meetings, we discussed not only the candidates for president, but also the business environment Fujitsu competes in, and the need for a management structure that includes a group of new senior executive vice presidents.

Mr. Oura interviewed the current senior vice presidents and a number of the corporate vice presidents. In the end, we narrowed the candidate list down to ten people and we all agreed that Mr. Yamamoto fit the conditions that we set.

I informed Mr. Yamamoto of our decision on January 18 and Mr. Oura was also present at the meeting. We also confirmed with Mr. Yamamoto to ensure he agreed on our thinking on the overall management structure of new senior executive vice presidents.

Q2. How did Mr. Yamamoto react when you told him you had selected him to be the next president?

A2. (Mazuka) At first, he was surprised. He regained his composure quickly and said with strong conviction that he would do his best. Overall, his demeanor reinforced our view that we had made the right choice.

(Yamamoto) To be completely honest, the position of president is an enormous responsibility so at first, I was hesitant for a moment. However, someone has to take that responsibility. Therefore, I firmly made my decision and decided to take on the responsibility as they had selected me to become the president.

Questioner E

Q1. The new executive management structure will take effect as of April 1, 2010, but what about the board of directors and representative directors?

A1. (Mazuka) When former President Nozoe suddenly had to step down from his position due to illness back in September, I took over as president temporarily, in addition to my duties as chairman, but we wanted to choose a successor at an early date. The alternative was to have the new structure take effect as of June 2010, however, my strong intention was to have it begin in April at the start of the new fiscal year. We intend to have Mr. Hironishi, Mr. Tomita and Mr. Ito continue on as board members until June. After the shareholders approve Mr. Yamamoto as a board director at their meeting in June, there will be an extraordinary board meeting at which we will make Mr. Yamamoto a representative director.

Q2. Under the new structure, there are five senior executive vice presidents. Isn't that too many?

A2. (Yamamoto) In our management structure, executives are assigned to oversee the business groups. Under the new structure, all five senior executive vice presidents will be thinking about the entire company, but there will also need to be a division of responsibility. Up until now, we only had one person responsible for solutions and services, but due to the importance of this area, we will divide the duties among two persons. As well, in regards to corporate activities, which the president has overseen, it is quite natural to have one vice president responsible for this area. Considering the scale of Fujitsu's business, we believe that five is an appropriate number.

(Mazuka) From September, I have been making executive decisions with the senior executive vice presidents but had to include other responsible executives because there was a limit in their ability to specialize. Therefore, taking into consideration many factors and viewpoints, I don't feel that five senior executive vice presidents is a large number.

Questioner F

Q1. When the former president Mr. Kuniaki Nozoe resigned, there was speculation that it was the result of undue influence of Mr. Naoyuki Akikusa, the senior executive advisor. It seems as though Fujitsu has many of former executives working behind the scenes. What are your thoughts on this?

A1. (Yamamoto) As an executive vice president, I have participated in various management meetings and I have never felt that. None of Fujitsu's past executives and

current advisors exerts their influence in such a way. I intend on carefully listening to the important opinions of our senior advisors and use them effectively in managing the company.

Questioner G

Q1. Has Mr. Yamamoto undergone a background and health check?

A1. (Mazuka) Yes, it has been conducted.

Q2. The CFO has not been included among the five new senior executive vice presidents. There are no current board members, either. How did you take experience and other factors into consideration when creating the new structure?

A2. (Mazuka) We are still having discussions on whether or not to have the role of CFO included in the duties of the senior executive vice presidents, and we will address this further at a later date. I considered whether or not to include the current board members in the new management team, but in the end decided it is better to create the new team with new members. Until June, we intend to have Mr. Yamamoto participate in the board meetings as an observer to build his experience.

Questioner H

Q1. You said that Fujitsu would expand its business in the future using cloud computing as a base for growth. How will your microprocessor and supercomputer businesses fit into this plan? Do you plan on keeping the semiconductor business in the Fujitsu Group?

A1. (Yamamoto) Today, there are very few IT companies in the world capable of developing microprocessors for servers. Process technology is still a very important area for Fujitsu.

Cloud computing will expand into many different areas. For example, there is an important social demand for large-scale simulations which require a vast number of fast CPUs, and this can be done through cloud computing. We plan to continue to upgrade our processor technology and make important contributions to society in this field.

In one sense, making cloud computing possible requires the vertical integration of various technologies, from processors to servers and then the applications that run on the cloud. The way these technologies are integrated will, in the future, be an important differentiator. That's one reason why we need to continue to develop processors.

(Mazuka) Before we were talking about supercomputers, and Fujitsu is now the sole contractor for Japan's Next-Generation Supercomputer, which will be designed to achieve a performance of 10 petaflops. Fujitsu was able to take on this project because of its semiconductor technologies, and it's important to maintain this technology within the value chain. The question now isn't whether to keep the business or sell it. The management of Fujitsu Microelectronics has clearly stated that their intention is to continue to structurally reform the business and make it profitable. That's the first, most important goal.

Fujitsu Microelectronics will focus on semiconductor design and the fabrication will be outsourced to Taiwan Semiconductor Manufacturing Corporation (TSMC). The synergies from this partnership will help to strengthen Fujitsu Microelectronics.

Questioner I

Q1. Under the new management structure, four of the five senior executive vice presidents are older than you. Won't it be difficult to manage the company with your elders working under you?

A1. (Yamamoto) When I was a manager and business division director, I often had my elders working for me. At the senior management level, age is not important. We are all focused on working together to make the company a success.

Q2. As a young president, do you have any message for colleagues of your generation and for younger employees?

A2. (Yamamoto) I want Fujitsu to be an upbeat and energetic company. Compared with presidents of IT companies outside Japan, I'm actually older than most, so it's hard to

say I'm young. I would like Fujitsu to be a global company which is managed without age as a factor.

Questioner J

Q1. Currently, two of the senior executive vice presidents are also representative directors and board members. Will any of the new vice presidents also have that role?

A1. (Mazuka) This announcement today concerns only the executive management structure. Future decisions on representative directors and board members, including internal and external board members, will be made at a later date.

Q2. It was announced that Mr. Nozoe, the former president, resigned due to illness. But there are people who doubt that was the real reason he resigned. Could you respond once more to this issue, Mr. Mazuka?

A2. (Mazuka) Prior to a regular meeting of our Board of Directors, Mr. Nozoe advised me that he would resign due to illness, and his resignation was accepted on that basis.

Questioner K

Q1. Mr. Yamamoto, is there some attribute that you have that past presidents didn't have?

A1. (Yamamoto) I don't have detailed knowledge about the accomplishments of past presidents. But as for something that we have in common, I would say that we all have a passion to make Fujitsu successful. I feel strongly that I want to put Fujitsu on the right path.

Q2. How will your experience in the PC business help you as president?

A2. (Yamamoto) I was involved with the business from the start of the PC age, before the Internet, and I helped expand our business into markets outside Japan. This experience will help me as we expand the company's entire business globally.

Questioner L

Q1. One of the initiatives of your predecessor, Mr. Nozoe, was to reorganize and streamline Fujitsu's corporate business structure so that it was easier to understand. Do you plan to continue this initiative, and if so, what areas of the business will you target for reorganization? Or, on the other hand, do you believe the business structure is largely settled for the time being?

A1. (Yamamoto) Mr. Nozoe and the presidents before him actively reorganized Fujitsu in an effort to build a stronger company. As I mentioned in my opening statement, I believe that within the IT industry, Fujitsu has made tremendous progress in reorganizing its business, and we now have a strong structure.

There are further initiatives that still need to be undertaken in each business area, and from now until I become president in April, I plan to carefully study each area of the business and consider what needs to be done.

Q2. You said the nomination committee met three times and deliberated various issues for three hours each time, but it could be said that a total of nine hours of deliberation isn't really very long.

A2. (Mazuka) We held discussions for three hours each time, but at the end of each meeting we decided the issues we would discuss the next meeting and we spent a long time between those meetings studying the issues. In that sense, the meetings were short but the time was spent efficiently.

Questioner M

Q1. The previous president, Mr. Nozoe, had left the business outside Japan entirely to the discretion of Mr. Christou. How will you manage business outside Japan under the new management structure?

A1. (Yamamoto) I think there's some misunderstanding there. Neither Mr. Nozoe nor the current president ever left the business outside Japan entirely to Mr. Christou's discretion. In the product area, I personally worked with Mr. Christou on business outside Japan. As in the past, Mr. Christou will continue to be an important pillar for business outside Japan, but projects will be handled case by case, and in certain cases,

the other senior executive vice presidents for products or services will work with Mr. Christou on various initiatives.

Q2. Last year, you reformed the sales structure for your solutions business in Japan. What are your plans for Fujitsu Business Systems and the market for medium-sized enterprises?

(Mazuka) Last year, we reorganized regional and vertical industry sales groups in Japan in order to strengthen the vertical focus. For the medium-sized enterprise market, Fujitsu Business Systems will be the main sales organization, but due to severe changes in the marketplace, we are now reconsidering the timing of further organizational changes. Once the economy recovers, we will make a decision at an early stage.

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