

Fujitsu to Spin Off Mobile Phone Manufacturing and Service Divisions

Tokyo, October 25, 2007 – Fujitsu Limited announced today that it will spin off its mobile phone manufacturing and service divisions and consolidate the operations in Fujitsu Mobile-phone Products Limited, a new subsidiary to be established January 4, 2008.

The simple incorporation-type spinoff was approved at a Board of Directors meeting held today.

1. Objectives of the Corporate Spinoff

As part of its medium-term strategic plan, Fujitsu is promoting positive structural reforms throughout the Company. These reforms aim to promote a management approach that assigns greater responsibility and authority to individual units in order to accelerate decision-making and thereby enable the provision of business solutions that better meet the sophisticated needs of customers. In conjunction with this approach, Fujitsu has decided to establish a stronger foundation for mobile phone manufacturing and service by spinning these divisions off from the Company.

The new company, Fujitsu Mobile-phone Products Limited, will consolidate the mobile phone manufacturing and service operations in Japan, with the aim of improving product quality and reducing product delivery time. The consolidation is also expected to improve operational efficiency and, in turn, the cost competitiveness of Fujitsu mobile phones. More specifically, unifying manufacturing and service into one company will accelerate manufacturing innovation in both areas of operation, while ensuring that customers enjoy the highest quality products and after-sales service throughout the product lifecycle. With more efficient and nimble operations, the new company will strengthen the Fujitsu mobile phone lineup, helping to bring new products to market faster using a customer-centric approach.

2. Outline of the Corporate Spinoff

(1) Schedule

October 25, 2007	Board of Directors Meeting to approve the incorporation-type separation plan
January 4, 2008 (scheduled)	Registration of incorporation (effective date of the corporate spinoff)

This corporate spinoff, pursuant to Article 805 of the Corporate Law, will be executed without the requirement of the approval of a General Meeting of the Shareholders as stipulated under Article 804 (1) of the Corporate Law. (Simple Incorporation-Type Separations)

(2) Method

Fujitsu Mobile-phone Products Limited will be spun off from Fujitsu Limited and newly incorporated as a subsidiary company (Simple Separation).

Reason for adopting the above method

The business of the newly formed corporation is important to the Fujitsu Group and, from the point of view of the speed of the procedures required, the method adopted is to spin it off into an incorporated subsidiary, making the newly formed company a wholly owned subsidiary of Fujitsu Limited.

(3) Allotment of Shares

In conjunction with the spinoff, the newly formed company, Fujitsu Mobile-phone Products Limited, will issue 2,000 shares of common stock, all of which shall be allotted to Fujitsu Limited (the transferor company).

(4) Payments to be Made in Connection with the Spinoff

There will be no payments made relating to the spinoff.

(5) Decrease in Capital Resulting from the Spinoff

There will be no decrease in capital resulting from the spinoff.

(6) Treatment of Share Purchase Warrants and Bonds with Share Purchase Warrants

Fujitsu Limited (the transferor company) will not transfer to nor have the newly formed corporation (Fujitsu Mobile-phone Products Limited) assume its obligations relating to its share purchase warrants and bonds with share purchase warrants.

(7) The Rights and Obligations Transferred to the Newly Formed Corporation (the Transferee Company)

On the date of the spinoff, Fujitsu Limited will transfer to the newly formed corporation all assets, liabilities, and accompanying rights and obligations (excluding, however, real estate, patents and industrial rights, and software licenses that cannot be transferred) of Fujitsu Limited's mobile phone manufacturing and service divisions. All the employees of the newly formed corporation will be persons seconded from Fujitsu Limited (the transferor company).

(8) Ability to Fulfill Obligations

Fujitsu believes that, in relation to this spinoff, all debt obligations of Fujitsu Limited and of the newly formed corporation can be fulfilled.

(9) Directors and Auditors of the New Company

Makoto Nakamoto	Director
Hideyuki Saso	Director
Kenichi Matsuzuki	Director
Hiroshi Dei	Statutory Auditor

3. Overview of Transferor Company

(As of March 31, 2007)

(1) Company Name	Fujitsu Limited (transferor company)	
(2) Business Description	Development, manufacture, sales and services in the fields of software and services, information processing, telecommunications, and electronic devices.	
(3) Date Established	June 1935	
(4) Address of Headquarters	4-1-1 Kamikodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa, Japan	
(5) Representative	Hiroaki Kurokawa, President	
(6) Paid-in Capital	324,625 million yen	
(7) Number of Shares Issued	2,070,018,213 shares	
(8) Net Assets (consolidated)	1,160,719 million yen	
(9) Total Assets (consolidated)	3,943,724 million yen	
(10) Fiscal Year	April 1 to March 31	
(11) Major Shareholders and Percentage of Shares Held (as of March 31, 2007)	The Master Trust Bank of Japan, Ltd. (for Trust)	7.31%
	Japan Trustee Services Bank, Ltd. (for Trust)	4.59%
	Fuji Electric Holdings Co., Ltd.	4.57%
	Fuji Electric Systems Co., Ltd.	3.14%
	State Street Bank and Trust Company 505103	2.09%

(12) Transferor Company Financial Results (Consolidated) for the Latest 3 Fiscal Years

Fiscal Year	Fujitsu Limited		
	Fiscal 2004	Fiscal 2005	Fiscal 2006
Net Sales (yen billions)	4,762.7	4,791.4	5,100.1
Operating Income (yen billions)	160.1	181.4	182.0
Net Income (yen billions)	31.9	68.5	102.4
Net Income per Share (yen)	15.42	32.83	49.54
Annual Dividend per Share (yen)	6.00	6.00	6.00
Net Assets per Share (yen)	414.18	443.20	469.02

4. Overview of Business Divisions to be Spun Off

(1) Business Description of the Divisions to be Spun Off

(Manufacturing and service divisions of Fujitsu Limited's mobile phones unit)

Parts procurement, manufacturing and shipment, after-sales service and maintenance for mobile phones unit.

(2) Financial Results of Divisions to be Spun Off (Fiscal 2006)

	Mobile Phone Manufacturing and Service Divisions (a)	Fujitsu Limited (b)	Ratio (a / b)
Net Sales	— million yen	2,869,204 million yen	—%

(3) Assets and Liabilities of Divisions to be Spun Off (amounts projected for January 4, 2008)

Total assets are 4.1 billion yen, there are no liabilities.

5. Overview of Company to be Newly Established

(1) Company Name	Fujitsu Mobile-phone Products Limited
(2) Business Description	Mobile phone parts procurement, manufacturing and shipment, after-sales service and maintenance.
(3) Date to be Established	January 4, 2008
(4) Address	1388 Shimoishigami, Otawara-shi, Tochigi Prefecture, Japan
(5) Representative	Makoto Nakamoto, President
(6) Capital	100 million yen
(7) Fiscal Year	April 1 to March 31

6. Profile of Fujitsu Limited after the Spinoff

(1) Company Name	Fujitsu Limited
(2) Business Description	Development, manufacture, sales and services in the fields of software and services, information processing, telecommunications, and electronic devices.
(3) Address of Headquarters	4-1-1 Kamikodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa, Japan
(4) Representative	Hiroaki Kurokawa, President
(5) Capital	324,625 million yen
(6) Fiscal Year	April 1 to March 31
(7) Company Status	As stated above, aside from the transfer of the business of the mobile phone unit's manufacturing and service divisions to the newly established company through a corporate spinoff, there will be no changes to Fujitsu Limited.
(8) Business Impact	Because the newly established company will be a wholly owned subsidiary, there will be no impact on consolidated financial results. The impact on unconsolidated financial results is expected to be minor.

About Fujitsu

Fujitsu is a leading provider of customer-focused IT and communications solutions for the global marketplace. Pace-setting device technologies, highly reliable computing and communications products, and a worldwide corps of systems and services experts uniquely position Fujitsu to deliver comprehensive solutions that open up infinite possibilities for its customers' success. Headquartered in Tokyo, Fujitsu Limited (TSE:6702) reported consolidated revenues of 5.1 trillion yen (US\$43.2 billion) for the fiscal year ended March 31, 2007. For more information, please see: <http://www.fujitsu.com/>
