

To Our Shareholders

We are pleased to present to you this report on first-half FY2000 financial results -- the 101st half-year period that the company has reported.

With the Internet firmly establishing itself as a form of social infrastructure, society, companies, and individuals are all moving into a new era of radical change in the conduct of business and personal lifestyles. Adhering to our business strategy of "Everything on the Internet" and firmly dedicated to "customer focus," Fujitsu is committed to providing computers, telecommunication, and electronic devices incorporating the world's highest-level technology, as well as software and a wide range of integrated solutions optimized to meet customers' needs -- from development and installation of information systems to operation and maintenance services.

As a result of these efforts, on a consolidated basis, net sales for the half-year period were 2,490.5 billion yen (\$23,061 million), ordinary profit was 65.0 billion yen (\$602 million), and net income was 17.2 billion yen (\$160 million). On an unconsolidated basis, net sales were 1,513.2 billion yen (\$14,011 million), with ordinary profit and net income 28.3 billion (\$262 million) yen and 74.1 billion yen (\$686 million), respectively.

Cash dividends to shareholders for the first half remained at 5 yen per share, payable from November 22, 2000.

In June of last year, we declared that "Everything on the Internet" would be the overall business strategy for the Fujitsu Group and committed ourselves to taking a leadership position in the three areas listed below:

- No. 1 in Internet solutions
- Japan's No. 1 Internet service provider
- No. 1 Internet user.

In order to further materialize this strategy, in the current fiscal year, we have committed ourselves to making the Fujitsu Group "a leader in the Internet era," and singled out the following areas for special emphasis:

First, we are giving particular emphasis to broadband Internet. In order to achieve the next-generation Internet -- where video or music can be easily accessed over the network, anywhere and any time -- we are working aggressively to lead the market in cutting-edge technology by introducing products that will support next generation Internet.

Second, we are determined to build new relationships with our customers. Today, individual use of the Internet is expanding and becoming diversified, while the Internet has also become indispensable to companies. By further enhancing our advanced system and service offerings that have the Internet as their core, we seek to help our customers add significant value to their businesses. And we will work with our customers to create new businesses, thereby building a solid relationship with them as a comprehensive IT partner.

Beginning in June of this year, we launched a global brand campaign in Japan, the U.S., Europe and Asia under the corporate message "The Possibilities Are Infinite." The campaign aims to enhance the corporate value of the Fujitsu Group on a global basis, with group companies working together under the unified "Fujitsu" brand identity to build a strong reputation as a market leader

in the Internet business.

It has been predicted that the business environment for every company in the Fujitsu Group will become even more challenging. With the Internet as the focal point, we are continuing to promote the structural reform of our business operations based on the principles of "selection and concentration," while at the same time striving for more rapid growth and higher profitability. Amdahl's shift to the UNIX server business is a recent example of these efforts. In addition, we are laboring diligently to promote management efficiency and strengthen our financial fundamentals.

Moreover, we consider addressing environmental issues and concerns to be an important management task. In every area of our business, we are continuing to make vigorous efforts to lighten the burden on the environment.

Through the kind of efforts we have described, Fujitsu will seek to continually reinvent itself so as to be a leader in the 21st century, a global company respected by customers and society alike.

In closing, we request that you, our esteemed shareholders, continue to favor us with your support and understanding.

November 2000

Tadashi Sekizawa (left)
Chairman

Naoyuki Akikusa (right)
President & CEO