

Fujitsu and Showa Denko Agree on HDD Media Business Transfer

Tokyo, February 17, 2009 – Fujitsu Limited and Showa Denko K.K. today announced that they have signed a memorandum of understanding on the transfer of Fujitsu's hard disk drive (HDD) media business, operated by Fujitsu subsidiary Yamagata Fujitsu Limited, to Showa Denko. The companies aim to complete the transfer of the business in the April-June second quarter of calendar year 2009.

To facilitate the transfer, Fujitsu will reorganize the HDD media operations of Yamagata Fujitsu into a new company. All shares of the new company will then be sold to Showa Denko. The two companies plan to conclude a definitive transfer contract by the end of March, and to complete the transfer by June 30. Discussions on the detailed terms of the transfer are ongoing.

Yamagata Fujitsu manufactures aluminum media for HDDs used in servers, and develops and manufactures glass media for compact HDDs used in notebook computers and car electronics. All of the media products the company manufactures are sold to Fujitsu.

By acquiring Fujitsu's HDD media business, Showa Denko will strengthen its media offerings for server drives and position itself to build a stable customer base. The acquisition also gives Showa Denko immediate access to the HDD media-related research and development capabilities, manufacturing know-how, and intellectual property owned by Yamagata Fujitsu and its parent company. Showa Denko will reinforce its technical leadership in the media industry by merging these capabilities with its own.

The HDD market is expected to continue to grow in the future as HDDs remain critical storage components for notebook PCs and consumer electronics. At the same time, the capacity of HDDs is expected to increase sharply, and it will be critical for media manufacturers to invest in the development of next-generation magnetic recording technologies and continue to provide timely support to HDD drive manufacturers.

Showa Denko will enhance its development capabilities and overall competitiveness by integrating the capabilities of Yamagata Fujitsu. As the world's largest independent vendor of HDD media, Showa Denko will continue to meet the volume and technical needs of its customers.

1. Overview of the New Company

Establishment Date (Scheduled)	In April-June second quarter of calendar year 2009
Capital Ratio	100% to be owned by Showa Denko
Business Description	Development, manufacturing and sales of HDD media
Number of Employees	Approximately 360
Sales	Undetermined

2. Schedule

March 31, 2009: Sign definitive transfer contract (scheduled)

By June 30, 2009: Establish new company, complete transfer (scheduled)

3. Overview of Showa Denko

(1) Company Name	Showa Denko K.K.
(2) Address of Headquarters	13-9, Shiba Daimon 1-Chome, Minato-ku, Tokyo, Japan
(3) Representative	Kyohei Takahashi, President & CEO
(4) Date Established	June 1939
(5) Capital	121,904 million yen (as of December 31, 2008)
(6) Fiscal Year	January 1 to December 31
(7) Number of Employees	11,756 (consolidated, as of December 31, 2008)
(8) Business Description	Manufacturing and sales of olefins, organic chemicals, carbons, metals, gases, chemicals, aluminum, fine ceramics, electronics and other products
(9) Total Sales	1,003,876 million yen (consolidated, fiscal 2008)
(10) Relationship with Fujitsu	No significant relationship in capital or personnel

4 Overview of Fujitsu

(1) Company Name	Fujitsu Limited
(2) Address of Headquarters	4-1-1 Kamikodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa, Japan
(3) Representative	Kuniaki Nozoe, President
(4) Date Established	June 1935
(5) Capital	324,625 million yen (as of December 31, 2008)
(6) Fiscal Year	April 1 to March 31
(7) Number of Employees	173,733 (consolidated, as of December 31, 2008)
(8) Business Description	Development, manufacturing, sales and service in the fields of software and services, information processing, telecommunications, and electronic devices
(9) Total Sales	5,330,865 million yen (consolidated, fiscal 2007)
(10) Relationship with Showa Denko	No significant relationship in capital or personnel

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About Fujitsu

Fujitsu is a leading provider of IT-based business solutions for the global marketplace. With approximately 160,000 employees supporting customers in 70 countries, Fujitsu combines a worldwide corps of systems and services experts with highly reliable computing and communications products and advanced microelectronics to deliver added value to customers. Headquartered in Tokyo, Fujitsu Limited (TSE:6702) reported consolidated revenues of 5.3 trillion yen (US\$53 billion) for the fiscal year ended March 31, 2008. For more information, please see: www.fujitsu.com.

About Showa Denko

Please see <http://www.sdk.co.jp/html/english/index.html>.

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