

# Fujitsu and Toshiba Conclude Definitive Agreement to Merge Mobile Phone Businesses

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**Tokyo, July 29, 2010** – Fujitsu Limited and Toshiba Corporation today announced that they have concluded a definitive agreement to merge their mobile phone businesses, for which the companies signed a memorandum of understanding (MOU) on June 17, 2010. Under this agreement, Toshiba will transfer its mobile phone business to a new company that will be managed by Fujitsu. The companies aim to complete the merger by the target date of October 1, 2010.

## 1. Purpose

As competition in the mobile phone market intensifies both in Japan and across the globe, Fujitsu and Toshiba intend on enhancing their handset development capabilities and at the same time improving business efficiency by combining their mobile phone development know-how and technological strengths through the merger of their mobile phone businesses. After the merger, the companies aim to become the No. 1 supplier of mobile phones in Japan by providing highly-competitive products that meet customer needs.

## 2. Process

Toshiba will transfer its mobile phone business to a newly-established company. Fujitsu plans to acquire from Toshiba 80.1% of the shares of the new company by the target date of October 1, 2010, at which point the new company will become a subsidiary of Fujitsu.

Fujitsu's mobile phone business will continue to operate as a unit within Fujitsu Limited.

## 3. Employees

As a result of the merger, it is expected that approximately 400 employees will be transferred from Toshiba to the Fujitsu Group.

## 4. Overview of the New Company

Company Name:	TBD
Capital:	TBD
Holding Ratio:	80.1% Fujitsu Limited, 19.9% Toshiba Corporation (as of October 1, 2010)
Representative:	TBD
Head Office:	4-1-1 Kamikodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa-ken, Japan
Number of Employees:	Approximately 270
Business Description:	Design, development, and sales of mobile phones

## 5. Financial Outlook

The merger is expected to result in a 50.0-billion-yen increase in Fujitsu's net sales for the fiscal year ending March 31, 2011, and will not have a material impact on the company's earnings.

Toshiba's consolidated business forecast for the current fiscal year, FY2010 ending on March 31, 2011, remains unchanged.

## About Fujitsu

Fujitsu is a leading provider of ICT-based business solutions for the global marketplace. With approximately 170,000 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 4.6 trillion yen (US\$50 billion) for the fiscal year ended March 31, 2010. For more information, please see: [www.fujitsu.com](http://www.fujitsu.com).

## About Toshiba

Toshiba is a world leader and innovator in pioneering high technology, a diversified manufacturer and marketer of advanced electronic and electrical products spanning information & communications systems; digital consumer products; electronic devices and components; power systems, including nuclear energy; industrial and social infrastructure systems; and home appliances. Toshiba was founded in 1875, and today operates a global network of more than 740 companies, with 204,000 employees worldwide and annual sales surpassing 6.3 trillion yen (US\$68 billion). Visit Toshiba's web site at [www.toshiba.co.jp/index.htm](http://www.toshiba.co.jp/index.htm).

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