

COMPANY SECRET



**FUJITSU SERVICES HOLDINGS PLC
FUJITSU SERVICES LIMITED
FUJITSU SERVICES OVERSEAS HOLDINGS LIMITED
FUJITSU SERVICES (INVESTMENTS) LIMITED
(the "Companies")**

**Minutes of a Meeting of the Fujitsu Services Management Committee
of the Boards of Directors of the Companies**

Held at 14.30 pm on Wednesday 14th February 2007
at

Irrelevant

Present: Mr. R. Christou (Chairman)

Mr. T. Adachi
Mr. D. Courtley
Mr. B. Harris
Mr. H. Hirata
Mr. C. Ito
Mr. H. Madarame

In attendance: Mr. T. Katayama
Mr. H. Kinoshita
Mr. H. Kubo
GRO (Secretary)

Mr. N. Nagayama
Mr. S. Nakao
Mr H. Sugishima
Mr. S. Takeichi
Mr. M. Yagi
Mr. T. Yamada
Mr. S. Yamasaki

Apologies:

07/01 Minutes of the Meeting held on 15th November 2006

The minutes of the preceding meeting were agreed and the Chairman would sign them on behalf of the committee.

07/02 Chief Executive Officer's Report

FSMC/07/01

Mr Courtley presented his report FSMC/07/01 that had been circulated prior to the meeting.

No questions were raised.

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07/03 Chief Financial Officer's Report

FSMC/07/02

Mr Harris presented his report FSMC/07/02.

Mr Hirata expressed thanks for Fujitsu Services' contribution to the group.

In response to questions, Mr Courtley advised that it would be a challenge to achieve the profit target that FS had committed to for the year to 31st March 2007 but the importance of exceeding that target was recognised. It was unlikely to be known before the end of the year whether the stretch target of £172 million could be achieved.

Mr Harris explained that the percentage increase in operating expenses forecast for the 07 full year budget was greater than the percentage increase in revenues due to the inclusion of TDS and the way TDS classified costs. If TDS were removed, in fact, operating expenses were £14 million below MTP.

PBT of £173.7 million was proposed, being the incorporation of the TDS business case at a loss of £3.3 million for the cost of funding the acquisition with the FS MTP of £177 million.

Following a discussion about the negative impact on revenues of the loss of the bid to Centrica and delays on the DII and NHS projects and the positive contribution to revenues of TDS and, potentially, other projects in the pipeline, it was eventually agreed that FS would cover the costs of funding the acquisition of TDS and would revise its budget for PBT for the year to 31st March 2008 to the £177 million projected in the MTP.

07/03 Major Bids Report

FSMC/07/03

Mr Courtley presented the Major Bids Report FSMC/07/03 drawing attention to the Reuters bid which was a global outsource of desk top support. This would be a good reference for other global customers if it were won but competition was fierce because competitors recognised that there was a further opportunity with respect to Reuters in-house development of operational software. He raised concerns about the ability of other Fujitsu companies to deliver support capability to FS commenting that it was unfortunate that FS had to use a subcontractor in the USA rather than a Fujitsu company. In Asia, FS had already demonstrated to Reuters that it could provide service from Singapore and had been able to build upon that.

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Mr Courtley also highlighted the FSA bid which had been won using Triole and offshore services from ICL-KMECS.

Mr Yamada added that a FSH Parent Company Guarantee would be required for the FSA contract.

07/04	Mergers & Acquisitions	FSMC/07/04
	The M&A report which had been circulated prior to the meeting was taken as read as M&A had been the subject of a separate meeting earlier in the day.	
07/05	Offshore Update	FSMC/07/05
	The Offshore report which had been circulated prior to the meeting was taken as read as this had been the subject of a separate meeting earlier in the day.	
07/06	Major Accounts Report	FSMC/07/06
	Mr Courtley introduced the Major Accounts Report	FSMC/07/06
	He advised that with respect to the NHS Account, there had been increased press comment this week as an FS employee had made some unauthorised comments to the press about the programme. This had disturbed both the customer and FS and action was being taken to regulate the situation.	
07/07	Major Disputes – Progress Report	FSMC/07/07
	The major disputes progress report	FSMC/07/07 was noted by the meeting.
07/08	HR Manpower Report	FSMC/07/08
	This report	FSMC/07/08 was noted by the meeting.
07/09	JP Morgan Guarantee	FSMC/07/09
	Approval was granted for FSH to provide a guarantee in a normal form of a banking guarantee with respect to the indebtedness of a subsidiary to JP Morgan, and to extend the guarantee to relevant subsidiaries as they were introduced into the new Cash Management System which was being introduced with JP Morgan in place of the current processes with Citibank.	
07/10	Delegated Financial Authorities	FSMC/07/10
	The Delegated Financial Authorities as set out in paper	FSMC/07/10 were adopted subject to the replacement of the words "without limit" with the words "within the approved budget" in paragraph 4.1.

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07/11 Signed and Sealed Documents **FSMC/07/11**

The list was noted and the documents signed or executed as deeds ratified, approved and confirmed.

07/12 Minutes of the Corporate Governance Committee **FSMC/07/12**

The Minutes of the Corporate Governance Committee meeting that took place on 6th November were noted.

07/13 Minutes of the Audit Committee **FSMC/07/13**

The Minutes of the Audit Committee meeting that took place on 6th November were noted.

07/14 Any other business

There was no other business.

07/15 Date and location of next meeting

The next Meeting of the Committee would take place on Thursday 17th May 2007 in Tokyo.

The Chairman thanked everyone for their attendance. There being no further business, he declared the meeting closed.

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Chairman