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Fujitsu and Cisco Form Strategic Alliance

*Joint Development of Next Generation High-End Routers Will Deliver
Improved Quality and Accelerated Feature Development*

SAN JOSE, Calif. and TOKYO, Japan, December 5, 2004 – Fujitsu Limited and Cisco Systems, Inc. today announced that they have reached a fundamental agreement to enter into a strategic alliance focusing on routers and switches that will enable service providers and enterprises to build advanced Internet Protocol (IP) networks. Under this collaboration, Fujitsu and Cisco will carry out joint development of high-end routers, plan future cooperation in routing and switching, and collaborate on continuous quality improvement, enhanced support and service.

“Partnering is a strategic imperative for companies such as Cisco and Fujitsu to address service providers’ and enterprise customer requirements,” said Mike Volpi, senior vice president of Cisco’s Routing Technology Group. “Forming a strategic alliance with Fujitsu enables us to combine resources so we can deliver on those requirements with value-added, industry-leading networking solutions.”

“Telecommunications service provider networks must support the highest quality service levels and be built upon the best technologies available,” said Chiaki Ito, corporate executive vice president, Fujitsu Limited. “Together, Fujitsu and Cisco have unparalleled technology depth, and through the joint development and other collaborative efforts we are embarking upon, we will be able to address service providers’ needs with even higher quality systems and innovative solutions.”

IP-based networking products such as routers and switches are central elements of future network infrastructures, and the performance and quality of these products will have a major

impact on network systems overall. This is especially true for telecommunication service provider networks, where they will play a vital and essential role in determining the service and quality levels that providers can offer.

Through this agreement, the companies will take advantage of Cisco's worldwide leadership in IP technologies and Fujitsu's industry-leading expertise in high-reliability and high-availability technologies to quickly and continually bring to market world-class networking products. The alliance will initially focus on the Japanese market in these key areas:

- 1) The companies will collaborate on development of Cisco's IOS-XR operating system for multi-terabit routers. This is the first time Cisco has joined with another communications equipment manufacturer in router operating system development. By combining their engineering knowledge, Fujitsu and Cisco will be able to accelerate the development of features critical to Japanese service providers and large enterprises.
- 2) Fujitsu will offer Fujitsu and Cisco co-branded routing products running IOS-XR to telecommunications service providers in Japan. Capitalizing on the technological expertise it has accumulated in its telecommunications equipment business, Fujitsu will respond to the strict quality demands of Japan's telecommunications service providers by offering networking systems with even higher levels of reliability. Fujitsu plans to release the first co-branded product in the spring of 2005.
- 3) Fujitsu will offer telecommunications service providers and enterprise users comprehensive network solutions that combine specific networking products with servers and other computing equipment, based on a roadmap of both companies' router and switch product offerings.
- 4) The companies will work closely together on test and integration processes to ensure carrier class quality requirements are met as well as offering service and support to ensure highest level of customer success.

About Fujitsu

Fujitsu is a leading provider of customer-focused IT and communications solutions for the global marketplace. Pace-setting technologies, highly reliable computing and communications platforms, 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 4.7

trillion yen (US\$45 billion) for the fiscal year ended March 31, 2004.

For more information, please see: www.fujitsu.com

About Cisco

Cisco Systems, Inc. (NASDAQ: CSCO), the worldwide leader in networking for the Internet, this year celebrates 20 years of commitment to technology innovation, industry leadership, and corporate social responsibility. Information about Cisco can be found at <http://www.cisco.com>.

For ongoing news, go to <http://newsroom.cisco.com>.

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