

THE POSSIBILITIES ARE INFINITE

Fiscal 2000 Performance Summary

Throughout the world, the rapid development of the broadband Internet is bringing major changes to both the ways corporations do business and the lifestyles of individuals. The Internet has established itself as the new social infrastructure of our time, and the IT industry, which is driving the future development of an abundant network society, enjoys exceptional growth prospects in the medium term.

During the first half of fiscal 2000, the market environment for the Fujitsu Group was encouraging. Economic conditions in Japan gradually improved, boosted by such factors as higher corporate investment in information technology and greater demand for personal digital appliances and personal computers, and economic conditions in both the U.S. and Europe were still positive. The market environment rapidly deteriorated in the second half of the fiscal year, however, as the economic slowdown in the U.S. and the factors behind it—namely, capital investment cutbacks and inventory adjustments—spread to both Japan and Europe.

Against this backdrop, we continued restructuring efforts to concentrate the resources of the Fujitsu Group on growth areas. Total sales in fiscal 2000 were ¥5,484.4 billion, a 4.4% increase over the previous year. Improved sales and a concerted effort throughout the group to lower operating expenses were among the factors that boosted operating income to a record ¥244.0 billion, a 62.7% increase over the previous year.

Our net income in this period declined by 80.1%, to ¥8.5 billion, as a result of such factors as the extraordinary losses associated with the realignment of our U.S. subsidiary Amdahl to the open systems business and structural reforms in the business operations of both U.K.-based ICL and U.S.-based DMR Consulting. To strengthen our financial base, we implemented measures to promote greater management efficiency and were able to achieve an ¥88.8 billion reduction in interest-bearing liabilities.

Fujitsu Helps Open Up the Broadband Internet Era

As the Internet's reach continues to spread around the world in the 21st century, an infrastructure for information and communications systems is rapidly being put into place. The Internet itself is evolving toward higher speeds and greater capacity, and we are seeing the full-fledged emergence of a framework for interactive communication and mobile usage.

In anticipation of these trends, we at Fujitsu have been continuing to build up our business around the Internet, in line with our business strategy of "Everything on the Internet." To that end, we are placing special emphasis on the following three points:

From left:
Tadashi Sekizawa, Chairman
Naoyuki Akikusa, President and CEO



To Our Shareholders

**(1) Building New Customer Relationships
—Enhancing Customer Focus**

We realize that the most important way of advancing our business is to constantly keep in mind what the customer wants and act according to our “customer focus” value proposition, which aims at maximizing customer satisfaction by anticipating the customer’s needs. In the new broadband Internet era, we will continue to place utmost importance on this ideal while forging new relationships with our customers—ones in which we work as a partner in developing new business with them.

**(2) Offering Cutting-Edge Technology and
Competitive Products**

Our ability to create new business for our customers and provide the optimal solutions they require derives from our cutting-edge technology and competitive product lines. High-speed, high-capacity optical networks, high-performance, highly reliable server technology, leading-edge semiconductor technology, sophisticated security technology, and operating expertise are all areas in which we can bring to bear our strengths. We will focus the Fujitsu Group’s efforts and concentrate our resources on these areas.

(3) Providing Solutions Worldwide

Over the years we have built strong relations with our customers on the basis of mutual trust, and we enjoy the distinction of being the leading solutions vendor in Japan. As customers’ business activities become more globalized, we will pool the expertise, services and products of the Fujitsu Group, including DMR Consulting and ICL, in order to offer high-quality, locally attuned solutions to customers throughout the world.

Nations throughout the world are working to realize the potential of IT. For the Fujitsu Group, this trend will open up new opportunities to utilize the expertise and experience we have accumulated over many years. In Japan, for example, the government has announced its “e-Japan” strategy, which aims to vault the country to global leadership in cutting-edge IT within five years. We are confident that Fujitsu will play an instrumental role in achieving the aims of this initiative in such areas as the construction of super high-speed networks, the spread of e-commerce, and the implementation of e-government services.



Enhancing Corporate Value

As expressed in our slogans “What Mankind Can Dream, Technology Can Achieve” and “Reliability and Creativity,” Fujitsu has long striven to bring leading-edge ideas to fruition through tireless research and development efforts, while proactively dealing with changes in the business environment. By anticipating the changes that the new broadband Internet era will bring, and concentrating resources in our core businesses, we will work to raise profitability and enhance corporate value.

We have begun concerted efforts to increase the value of “Fujitsu” as a global brand. In addition, combining the concepts of quality and infinity, we launched our “Qfinity” initiative in 2001 to encourage employees to maximize quality by fully utilizing information technology to share and create knowledge. Qfinity aims to improve the reliability of our products as well as the work quality of all of our employees, and thereby enhance the trust our customers place in us. Our corporate motto, “The Possibilities are Infinite,” is intended to express the idea of Fujitsu as a partner that customers can rely on to uncover the infinite possibilities latent in their businesses. We will continue to strive to create new business opportunities for our customers

and to raise the value of the “Fujitsu” brand name.

In terms of our activities to protect the global environment, we have issued our third environmental action plan, whose theme is “Focused on the Green.” We consider this plan, which calls for manufacturing environmentally friendly products and offering services that support environmental management, to be a major management priority.

As a company driving the development of the broadband Internet era, we are firmly committed to boosting our competitiveness, maintaining the trust of our customers around the world, and constantly reinventing ourselves. Based on these endeavors, we hope to enjoy the continued support of our shareholders.



Chairman
Tadashi Sekizawa



President and CEO
Naoyuki Akikusa

