

Software & Services

Business Strategy

While we project moderate recovery in demand for our software and services in fiscal 2004, we expect that competition for new business will intensify significantly going forward. To meet this challenge and grow, we will build on the core value of our software and services business, including a vast customer base encompassing approximately 170,000 customers in Japan alone (4,000 of which are mainframe users) and 10 trillion yen in customers' application assets, as well as our accumulated knowledge, know-how and record of success in systems construction.

To strengthen our business, we will pursue the following measures: 1) leverage our consulting services to expand our systems integration and outsourcing businesses, 2) strengthen our open system migration and system optimization services, and 3) enhance our services for small and medium-sized enterprises. In systems integration, we will make a special effort to renovate and widely implement our SDAS (Systems Development Architecture and Support) comprehensive systems development methodology in order to shorten development time and improve quality. In addition, to reform our business practices and increase profitability,

we are establishing a system to monitor business risk and improve project transparency and management. We are also putting emphasis on developing business in the growing e-government/e-municipality and healthcare markets, as well as on creating new markets and business opportunities utilizing our cutting-edge work in such areas as ubiquitous networking, Linux and grid computing.

Overseas, through the realignment of our operations in Europe, North America, Australasia, China and elsewhere, we are putting in place a new organizational structure that will lay the foundation for increased profitability. We will also work to reinforce our worldwide support structure and expand our overseas business with an emphasis on infrastructure services and our TRIOLE* model for optimizing IT infrastructure. Through these and other measures, we will strive to capitalize on our global structure and comprehensive strengths to provide solutions to customers around the world.

* TRIOLE: A highly reliable IT infrastructure model that brings together pre-verified combinations of servers, storage systems, networking and other equipment. Meets the requirements of enterprises and organizations to support business expansion, speed operational development, deliver stable operations and reduce TCO.



Fujitsu Solution Square

Key Product and Service Strategies

- We will provide a full range of consulting services tightly focused to meet specific customer needs, from business planning to underlying areas such as business transformation, CRM*¹ strategy, SCM*² strategy, network procurement, and even environmental management. Beyond the consulting stage, we will offer everything from system development to operations and outsourcing, providing customers with one-stop consistent solutions.
- In the Solutions/Systems Integration segment, we will enhance our industry-specific service offerings geared to customers' particular businesses. In the public sector, we aim to grow our systems integration business by taking advantage of opportunities arising from the trend towards consolidation of adjoining municipalities in Japan, as well as in the e-government field in general. We will also provide stable, reliable and low-cost system migration – including to open systems environments – while ensuring that customers can make the most effective use of existing assets. We see the Japanese manufacturing companies that are accelerating overseas expansion and small and medium-sized enterprises as significant new growth markets. To serve the full range of their needs – from planning to system development and operation – we will further enhance our wide range of competitive solutions, such as our GLOVIA ERP*³, CRM and SCM offerings.
- We aim to maintain and increase our share in the outsourcing market by offering services best suited to meet customers' needs. In addition to existing IT outsourcing and Web services, we will strengthen our capabilities in such new areas as strategic outsourcing, business process outsourcing (BPO), application portfolio management (APM), on-demand outsourcing and on-site outsourcing. Outside Japan, we have won several large-scale contracts, particularly in the UK public sector, and we are aiming to expand our private sector business going forward.
- As key elements in our TRIOLE IT optimization model, we will also place particular emphasis on promoting our middleware offerings for total systems management and specific services (applications) deployment, including Interstage, for real-time collaborative business integration, and Systemwalker, for comprehensive operational management.

* 1 CRM: (Customer Relationship Management) Solution that supports business strategy by utilizing a variety of information generated from contacts with customers.

* 2 SCM: (Supply Chain Management) Solution that improves the efficiency of and optimizes an enterprise's entire supply chain, from procurement to production, sales and marketing, logistics and delivery.

* 3 ERP: (Enterprise Resource Planning) Package software supporting greater efficiency for customers' various business processes, such as accounting and production management.



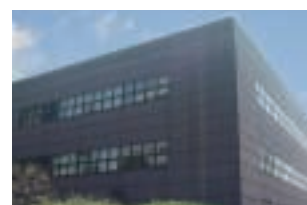
Tatebayashi System Center's integrated control room



Tatebayashi System Center



Akashi System Center



Tokyo System Center