

Platforms

Business Strategy

Highly reliable, high-performance and easy-to-use platform products are essential to bringing about an era of ubiquitous networking and sophisticated services. In 2002 we introduced our TRIOLE concept to resolve IT infrastructure issues necessary to realize such an era, and since then we have been focusing our energies on developing products under this model. Going forward, we will work to grow our platforms business based on the following course of action.

1. Enhancement and Global Expansion of TRIOLE

Seeking to reduce IT complexity and TCO for our customers and deliver IT infrastructure they can use with confidence, we will enhance individual products as well as expand and refine platform integration templates of pre-verified product combinations. We will also advance the use of these templates by our overseas affiliates and thus promote the global expansion of TRIOLE.

2. Manufacturing Innovation

We will improve productivity and achieve significant cost savings by taking into consideration production floor cost and quality factors from the earliest stages of design.

3. Bolstering Our Telecommunications Business

We will strengthen our telecommunications business by developing products that fuse information and communications, as well as boost efficiency through business alliances.

4. Seizing Opportunities in Ubiquitous Networking

We plan to seize new business opportunities by opening up a new business area centering on innovative mobile terminals that meld PCs and mobile phones. At the same time, we will introduce products that enable customers to utilize high-end information technology at any location.



Automated printed circuit board assembly equipment at our Shimane Fujitsu factory



Mainframe (Global Server)



UNIX Server (PRIMEPOWER)



Blade-type IA Server (PRIMERGY)



Storage System (ETERNUS)

Key Product Strategies

We will not only offer highly competitive individual products but will leverage TRIOLE to develop our overall platforms business. By grouping together highly compatible individual products – including servers, storage systems, network equipment and middleware – in platform integration templates optimized for specific IT functionalities, and verifying the compatibility of these product combinations in advance, we will quickly and efficiently construct highly reliable IT infrastructures for our customers.

- In our server business, we will offer world-class mainframe-, UNIX-, Windows- and Linux-based systems. Regarding UNIX servers, we are expanding our partnership with Sun Microsystems and will jointly develop future generation Solaris and SPARC-based systems, targeting market launch in mid-2006. As a result of this expanded partnership with Sun, we will be able to maintain and strengthen our competitive advantage in UNIX servers and increase sales globally. In Intel Architecture (IA) servers, in collaboration with Intel we are moving ahead with development of a next-generation mission-critical IA server to run on Windows and Linux, which we plan to ship beginning in fiscal 2005. We will also work to strengthen our business in high-capacity enterprise storage systems for large-volume data management and backup as a key element of TRIOLE.
- In our IP network business, as key products fusing information processing and communications functions,

and consistent with TRIOLE, we will enhance our telecommunications server and high-performance router offerings for telecommunications carriers.

- In the optical transport sector, we already claim a high market share in North America and Asia-Pacific. Going forward we will seek to promote this business worldwide, capitalizing on our strong photonic technologies.
- In mobile communications, centering on 3G communications infrastructure, we will continue to focus on our business with NTT DoCoMo in Japan, while at the same time leveraging Evolium (our joint venture with Alcatel) to expand our business in emerging 3G markets overseas.
- In personal computers, we will continue to use supply chain management and precise demand forecasting to maximize operational efficiency, while offering products that are easier to use and provide added value through improved AV functions such as very high-resolution displays.
- We will also work to expand our mobile phones business, focusing our resources on handsets for NTT DoCoMo's FOMA service. In order to accelerate the development and commercial introduction of FOMA handsets with significant advances in functionality, we are discussing possible collaborative development with Mitsubishi Electric.



Network Server (IPCOM)



Desktop PC (FMV-DESKPOWER)



Mobile Phone (FOMA F900T)