

## Feature: Returning to the Starting Point for Growth



Smart cities

Health promotion



# Strategies to Realize Our Vision

## Market Environment

In the wake of the 2008 global economic crisis, the global IT market has been led by emerging markets, which continue to expand and drive growth. By contrast, Japan's IT services market, the Fujitsu Group's main market, has contracted for the past three years. In 2012, ending March 2013, the domestic market is predicted to post positive growth for the first time in four years. Motivated by this impending market recovery, the Fujitsu Group has boldly positioned fiscal 2012, as a "year for rekindling growth," and will take assertive action to address key management issues.

## Vision for Fujitsu

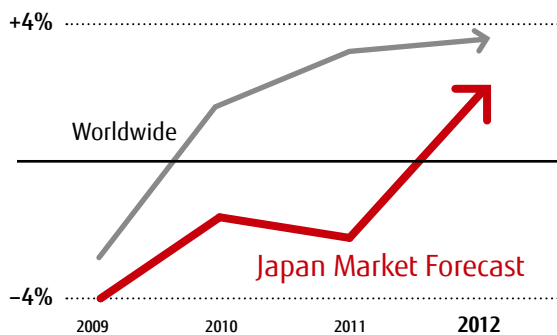
The Fujitsu Group aims to be a technology-based, globally integrated service company. To this end, the Group, anchored by Technology Solutions as its core business, will globally integrate its full spectrum of management resources, and make the creation of a powerful management structure the thrust of its medium-term strategy.

The vertical axis on the chart represents "technology integration," with the entire Group pursuing integrated vertical strengths to create a powerful service model.

The horizontal axis represents "global integration." As "One Fujitsu," we will coordinate the resources of the entire Fujitsu Group to deliver uniform, high-quality services to customers worldwide. Through these innovations, the Fujitsu Group will remain an assertive company and committed to growth.

As a concrete growth strategy, the Fujitsu Group in fiscal 2012 will continue its drive to achieve three growth priorities—implementing structural reform for an assertive posture, accelerating globalization, and creating new services businesses.

IT Services Market Growth Rate



(Source: IDC, Worldwide Black Book Query Tool, Version 1, 2012, May 2012, #234725)

Work style innovation



Next-generation marketing

Safe social infrastructure

Maintenance innovation

High-efficiency distribution

### Creation of New Services Businesses

To create new services businesses, starting with the priority fields shown, we are accelerating efforts to develop new service markets, and to propose new services across a broad array of areas to our customers.

This is particularly the case with big data utilization, a field where Fujitsu is using the collection and analysis of voluminous data to create new value. In this field, we have launched new services to support customer initiatives globally.



Business-driven farming



Solutions to environmental problems

### Structural Reform for an Assertive Posture and New Matrix Framework

As an initial step toward structural reforms for achieving an assertive posture ahead of Group integration, the Fujitsu Group has outlined a new matrix-style framework built on customer- and business-centric axes.

The customer-centric axis integrates global industry sectors and regions from the customer's perspective. On the business-centric axis, we integrate technologies, products and resources from across the entire Fujitsu Group to create a new integrated services model.

Through this global matrix, the Fujitsu Group seeks to strengthen its hand in three areas: global customer interactions, system engineering (SE), where the Group enjoys clear advantages, and technology, the essence of Fujitsu's DNA.

## Vertical Strengths

Creation of New Services

Alliances

Services

Roll out

Japan

Overseas

Products

Emerging Markets

Ubiquitous/Device

## Global Integration

Shift to Standard Models

Function Integration

### Accelerating Globalization

Bolstering the Group's service infrastructure on a global scale is one step in accelerating our globalization.

In April 2012, the Fujitsu Group opened a datacenter in Guangdong, China. This milestone facility is the Group's first solely owned datacenter in the country.

We now have a network of roughly 100 such centers worldwide.

With this powerful service infrastructure as a key strength, the Fujitsu Group will support its customers' business efforts around the globe.

\*Refer to pages 028-029 for more details concerning the Fujitsu Group's global strategy.

### Opening of New Datacenter in China

South China datacenter (Apr. 2012)

US datacenter (Augmented)

Germany Fourth datacenter (Mar. 2010)

Sydney Third datacenter (Dec. 2011)

Global network of 100 datacenters

## Fiscal 2012–Business Structure

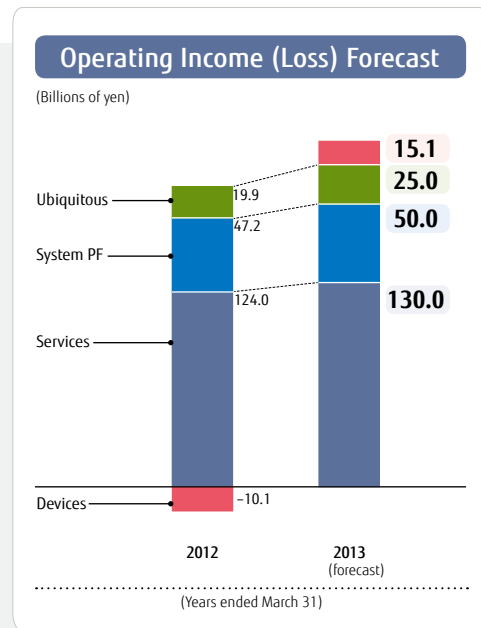
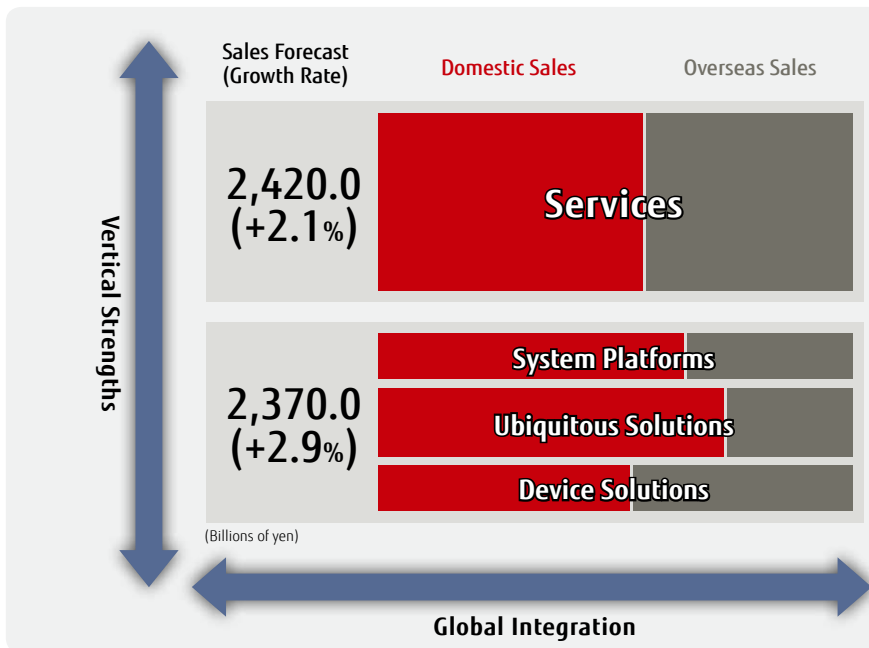
Sales in fiscal 2012, ending March 31, 2013, are expected to be structured as shown.

Services businesses are expected to account for sales of ¥2,420.0 billion, or about half of consolidated net sales. This figure represents year-on-year growth of 2.1%. Sales are projected to surpass the previous-year figure atop rebounding investment in Japan from the second half of the year, coupled with large-scale outsourcing deals ordered in the previous fiscal year outside Japan.

For product and device businesses, we are projecting total sales of ¥2,370.0 billion, for year-on-year growth of 2.9%. In

System Platforms, we anticipate strong expansion in network sales, as well as a recovery in Ubiquitous Solutions in car audio and navigation equipment, where performance had suffered due to flooding in Thailand and the effects of the Great East Japan Earthquake in fiscal 2011. Devices should also see the market rebound from the second half of fiscal 2012.

For the Group as a whole, while domestic sales are projected to grow by just under 1%, outside Japan we are targeting sales growth of 4%.



### Services Business

For the services business, we are targeting higher earnings, with operating income of ¥130.0 billion.

As we move to create a powerful SE team that truly operates based on the customer’s perspective, we intend to innovate our SE capabilities and develop skilled global talent to relentlessly pursue quality, cost efficiency and productivity.

Elsewhere, we are reorganizing our regional SE framework and pressing ahead with organizational integration, with our sights set on establishing overwhelming dominance in the domestic market.

At the same time, we are moving to upgrade and extend our service menu with proprietary offerings that emphasize cloud services.

In business outside Japan, along with ongoing global standardization of our level of service, emerging markets and other growth markets will assume priority in Fujitsu Group strategies.

### Product and Device Businesses

In product and device businesses, we are eyeing year-on-year earnings growth across all segments.

In System Platforms, we aim to grow earnings by using cost reductions to absorb investments in the development of our next generation of products, in addition to achieving higher network sales.

In Ubiquitous Solutions, we are projecting higher earnings as sharply higher HDD prices triggered by the flooding in Thailand ease, coupled with benefits from structural reforms in the car audio and navigation system business.

In product businesses, we intend to further solidify Fujitsu’s already dominant position in areas such as servers, software and mobile phones in Japan. At the same time, we will move quickly to establish operational frameworks and expand business scale on the global market as a precursor to capturing a larger global share.

As for device businesses, in tandem with a definite turn to profitability in fiscal 2012, we will continue forging ahead with ongoing reforms designed to enhance business structure.

## Steady Progress in Boosting Profit Margins

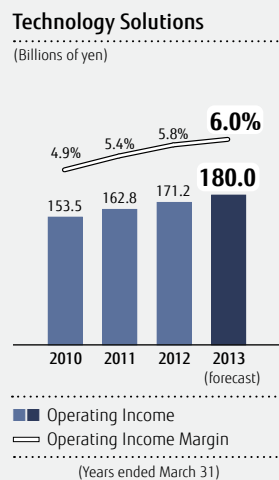
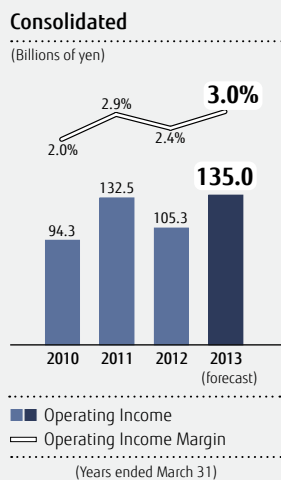
Our priority for fiscal 2012 is to improve operating income.

First, we are targeting a recovery in the operating income margin to 3% on a consolidated basis, roughly the same level as in fiscal 2010. In the Group's core business, Technology Solutions, we are making steady progress in boosting profit margins, with a target for fiscal 2012 of 6%.

## Targeting Top- and Bottom-Line Growth

Our consolidated business forecasts for fiscal 2012 are as follows: we are projecting net sales of ¥4,550.0 billion, up ¥82.4 billion year on year; operating income of ¥135.0 billion, up ¥29.6 billion; and net income of ¥60.0 billion, a year-on-year improvement of ¥17.2 billion. As these sales and income figures suggest, our goal is top- and bottom-line growth for the year.

### Fiscal 2012—Consolidated Operating Income



### Business Forecasts for Fiscal 2012

	FY 2011 Results	FY 2012 Forecast	YoY
Net Sales	4,467.5 Billions of yen	4,550.0 Billions of yen	+82.4 Billions of yen
Operating Income (Margin)	105.3 Billions of yen (2.4%)	135.0 Billions of yen (3.0%)	+29.6 Billions of yen (+0.6 Point)
Net Income	42.7 Billions of yen	60.0 Billions of yen	+17.2 Billions of yen

## Fiscal 2012 Is the Starting Point for Getting Back on Track for Growth

In conclusion, as our management stance, the top- and bottom-line growth objective stated for fiscal 2012 is the starting point for putting the Fujitsu Group back on track for growth. Our first target for the year is to reclaim an operating income margin of 3%. Our medium-term sights are then set on raising this margin to 5%. To hit this target, the Group will need to work as one to get growth back on track in fiscal 2012.

"Reshaping ICT-Reshaping Business" has been raised as the key business theme for fiscal 2012. Our pledge at Fujitsu is to leverage the ever-evolving potential of ICT to bring greater innovation to society at large and to the businesses of our customers.

As a trusted and valued partner to our customers, the Fujitsu Group will work together with stakeholders to seek new growth horizons in fiscal 2012.