Fujitsu Technology and Service Vision

Innovation inspired by Fujitsu, enabled by new ICT

OUR VISION

A HUMAN CENTRIC INTELLIGENT SOCIETY

The role of ICT up to now has mainly been to increase productivity in back office operations, and to enhance efficiency in business processes. The expansion of ICT assets, however, has led to issues of increased complexity and bloated costs for maintenance and operations. At the same time, there are a great many new expectations for ICT from customers and society's leaders to enhance the value of customers' products and businesses, resolve social issues, and empower people. Fujitsu wants to provide a "foundation for innovation" by eliminating complexity, while at the same time meeting this new role for ICT. **The power of ICT unleashes the full potential of people to create innovations that will realize a people-friendly, affluent society. Fujitsu calls this a Human Centric Intelligent Society.**

We believe that the realization of a Human Centric Intelligent Society requires **three actions**: "create Innovation through people," "power business and society with information," and "optimize ICT systems from end to end." For each of these actions, Fujitsu is developing technologies and services centered on **eight concepts**, and will offer these to customers.

In order to focus on the technologies and product development in line with these concepts,

Fujitsu is boldly reallocating its management resources through business transfers, personnel reductions, and other measures.

In the semiconductor business, which has underperformed in terms of profitability, we are undertaking a restructuring program centered on business transfers. We have completed transfer of the Iwate Plant and post-process operations, and have concluded an agreement for the sale of the microcontroller and analog device business. We are also conducting negotiations for other businesses.

In Europe, Fujitsu is shifting its focus from hardware to services, and we will implement the associated restructuring and other reforms to the business framework. Our goal is to rebuild the business foundation, and improve profitability. In terms of human resource policies, cost reductions and other measures, we are rationalizing the workforce through an early retirement incentive plan and shifting resources to strengthen sales capacity, as well as curbing cash outflows by bringing contracted out work back in-house and improving efficiency.

In this way, by revising the business portfolio and cost structure, and clarifying investment priorities, Fujitsu will steadily implement actions for growth, and realize the Fujitsu Vision.

Explanations for underlined words can be found in the glossary on page 147-148.

THE **THREE ACTIONS** AND **EIGHT CONCEPTS** FOR REALIZING A HUMAN CENTRIC INTELLIGENT SOCIETY WILL BRING A RANGE OF VALUE TO CUSTOMERS AND SOCIETY. THEY ALSO PRESENT AN OPPORTUNITY FOR FUJITSU TO DEMONSTRATE ITS STRENGTHS

Fujitsu's ICT Value

Fujitsu will provide an integrated portfolio of core technologies and services with focus on the medium term in order to execute the **three actions** and **eight concepts** to be taken to realize its vision

Realizing a Human Centric Intelligent Society		
1. Create Innovation through people		
1 Create Value through Integration	2 On-demand Everything	3 Mobility and Empowerment
2. Power Business and Society with Information		
4 New Value from Information	5 Security and Governance	
3. Optimize ICT Systems from End to End		
6 Modernization to Innovation	7 Integrated Computing	8 Network-wide Optimization

1. Create Innovation through people

There is a growing expectation for ICT to provide more direct support for the decisions and actions people make in the course of business and their everyday lives. Fujitsu believes that cloud and mobile services hold the key to empowering people at the forefront of business and society. In keeping with the "On-demand Everything" concept, Fujitsu has a framework for providing cloud services globally to facilitate swift deployment of various services to meet customers' objectives. Furthermore, with the widespread adoption of smart devices, we are seeing the rise of business models that allow end users ready access to a variety of services–such models have now become prevalent in the business world. Fujitsu provides a service platform with advanced levels of authentication and security functions required by business users. We are developing cutting-edge solutions, including enhancing the efficiency of on-site maintenance work using augmented reality technology. In such areas as sales, medicine, and nursing care, Fujitsu will create a world where users have access to innovative services and can receive the optimal information wherever and whenever they need it.

Flexibly combining conventional ICT systems with new solutions and services that utilize cloud, mobility and big data will lead to value creation for customers. We believe that our greatest strength is in the extensive experience in system integration held by our many engineers and professionals, their knowledge of methods and technology to bring projects to fruition, and more than anything else, their skill and commitment to working with customers to generate innovation.

2. Power Business and Society with Information

Skillful utilization of information holds the key to transforming human behavior, business, and society. In addition to internal corporate data, such as purchasing and order records, large volumes of data are being generated each day through email, social networking, and other aspects of everyday life. It is now possible to collect a wide range of data from sensors in cars, home appliances, social infrastructure, and other sources. The knowledge revealed through the analysis of this data can be utilized by people and in business activities. Fujitsu is supporting the utilization of this big data by providing cloud services, as well as software and vertically integrated system products installed and operated at customers' sites. We also offer consulting services by "curators" who specialize in data analysis.

The utilization of smart devices, cloud services, and big data brings new value to business and society, but at the same time it entails more complex risks. These include issues such as cyber-attacks, and the protection of privacy. Fujitsu will treat security, governance, and privacy protection as a comprehensive package as it seeks to provide optimal solution services. We will offer public security solutions that take advantage of cutting-edge technologies such as surveillance sensors and networks and work to realize a safe and secure society, while focusing on providing "security intelligence" based on proactive risk prediction and estimation.

3. Optimize ICT Systems from End to End

Realizing these goals will require end-to-end optimization of ICT systems.

First, it is necessary to modernize existing ICT assets in order to lower maintenance and operating costs, and realize ICT investment for transformation and growth. Fujitsu will provide high-quality products for applications, ICT operation, and ICT infrastructure based on systematized services and the latest technologies in order to optimize the ICT assets of customers.

Vertical integration is the aspect where Fujitsu's strength is most clearly demonstrated. We will use Dynamic Integrated Systems that fuse and optimize our highly reliable, high performance hardware and software technologies, together with our integration, and operational know-how. These will enable us to realize total cost reductions through ready-to-use agility, rapid system integration, and advanced operation and maintenance that will help our customers to be more competitive.

Further, as network expansion extends to real-time processing of large volumes of diverse data, there is an increased risk of response delays and service outages. To avoid such problems, Fujitsu will optimize the entire system based on the Software Defined Network (SDN) concept, from computing to the wide-area network, as well as smart devices operated by endusers. Through its entire history, Fujitsu has acquired experience in network technology development, and has a broad range of expertise in everything from datacenters and internal enterprise networks to wide-area networks. We plan to fully utilize these accumulated skills.

In addressing the three actions to be taken to realize a Human Centric Intelligent Society, Fujitsu will draw on its strengths, propose new uses and applications for ICT, advance its customers' businesses, and contribute to the development of society.

FUJITSU IS STEPPING UP ITS EFFORTS TO INTRODUCE NEW PRODUCTS AND SERVICES BASED ON THE **EIGHT CONCEPTS** FOR TECHNOLOGIES AND SERVICES

Based on the concepts of reducing maintenance and operating costs of existing ICT assets through modernization, and accelerating investment for innovation, Fujitsu offers the APM Modernization Service. We help to streamline assets using the world's first "software map," a technology that allows system administrators to identify problem areas with application assets at a glance. The modernization of ICT assets, including that of other companies, helps customers to invest in growth fields.

Cloud services are a key technology for achieving innovation through novel uses of ICT. To that end we provide the Fujitsu Cloud Initiative, a group of systematized, cloud-related products and services. In addition to highly reliable cloud services based on secure datacenters and infrastructure made fully redundant, we offer a lineup of cloud services tailored to customers' individual security policies. We have trained 2,000 Cloud Integrators who build optimal cloud services using our own products as well as cloud services from other companies, and have established a comprehensive service structure that includes standardized service delivery through datacenters both in and outside Japan, along with service desks.

Fujitsu's Target Business Domains

Through the advance of technology, Fujitsu will support modernization of customers' existing ICT assets, as well as their future innovation
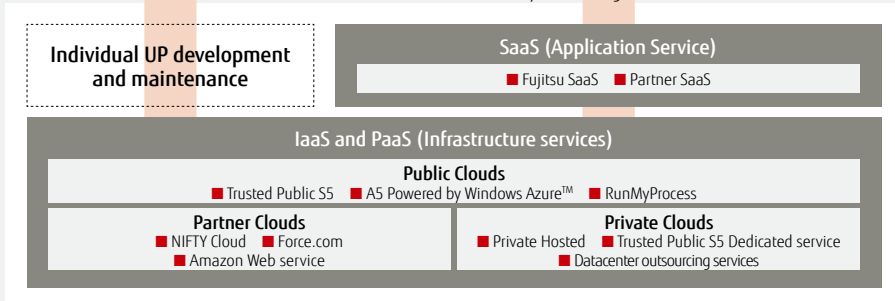
ICT Investment Projection Statements
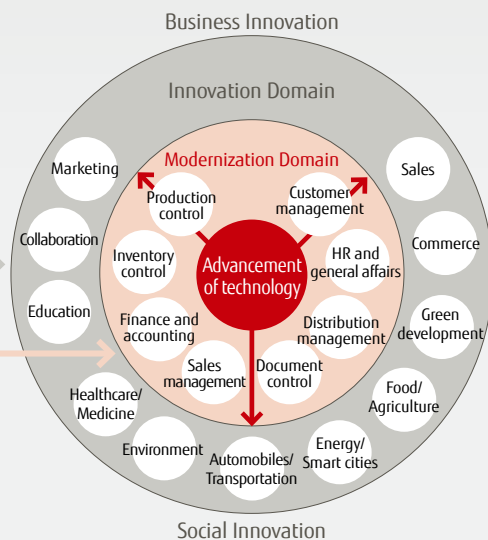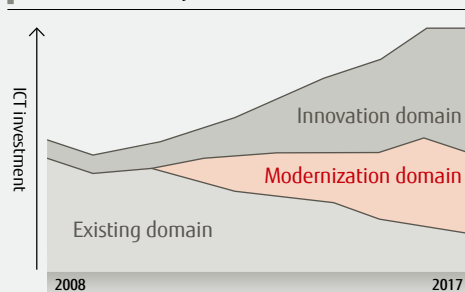
Outline of Cloud Integration Service

Cloud Implementation
Select and combine optimal cloud services to rapidly integrate customer systems designed to raise the efficiency of frontline operations and launch new businesses

Cloud Operation
End-to-end provision of operation and maintenance after system startup

Infrastructure Services
Provide optimal infrastructure as a combination of cloud services

Application Service Type
Build business process applications quickly by combining with SaaS

Conduct integrated operation and management of customers' cloud systems

Individual UP development and maintenance

SaaS (Application Service)
- Fujitsu SaaS ■ Partner SaaS

Cloud Operation and Management
- Operation and management
- Surveillance reporting
- System operation
- Security operations

IaaS and PaaS (Infrastructure services)

Public Clouds
- Trusted Public S5 ■ A5 Powered by Windows Azure™ ■ RunMyProcess

Partner Clouds
- NIFTY Cloud ■ Force.com
- Amazon Web service

Private Clouds
- Private Hosted ■ Trusted Public S5 Dedicated service
- Datacenter outsourcing services

Fujitsu is working to generate new value from the data produced by the actions of people and movement of goods in actual society. In line with this aim, we are developing convergence services such as DataPlaza, an external-data linking service that distributes sensing data, open data, social data, data between different types of businesses, along with other types of information, and SPATIOWL, a location-based infrastructure that overlays positioning data from SNS and other services to generate new value.
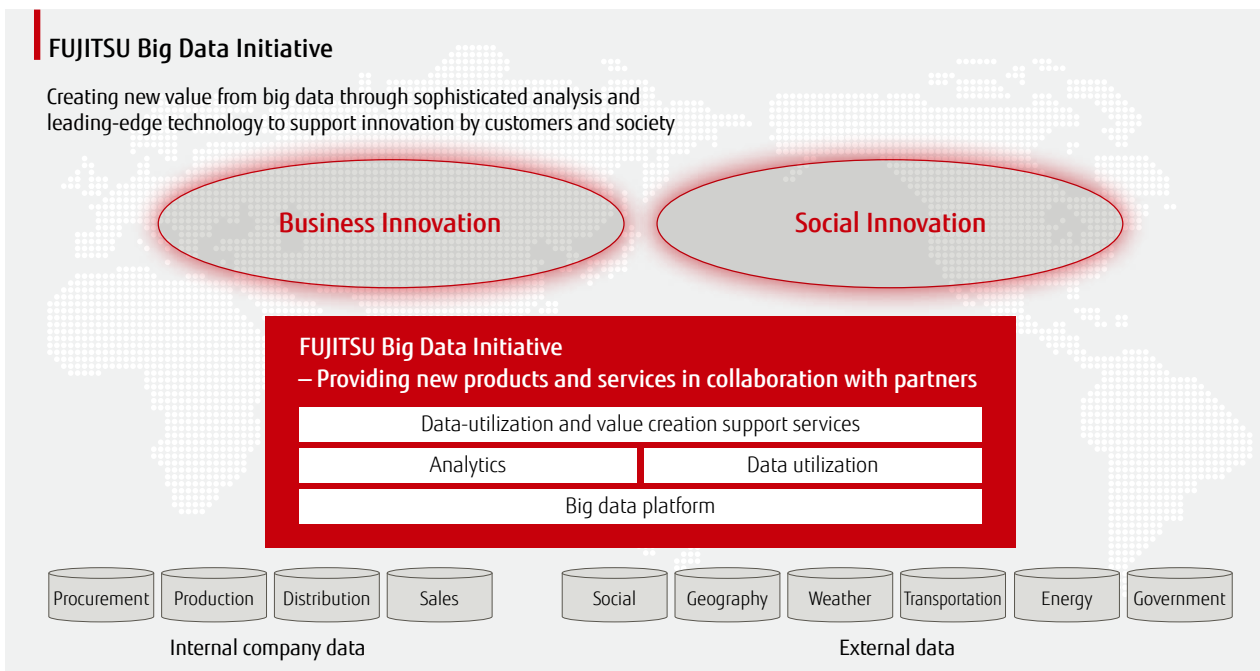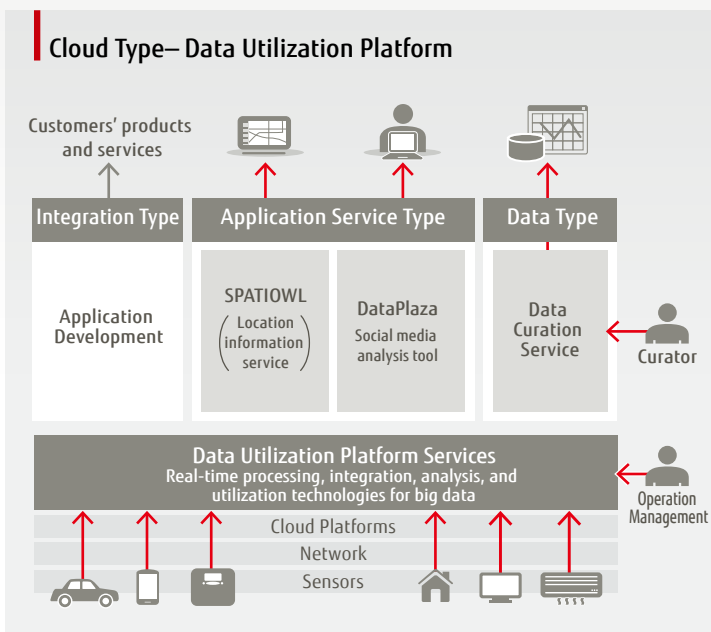
To analyze and utilize vast amounts of data, Fujitsu has 100 professional "curators" who employ a data-oriented analytical approach that does not rely on specific operational knowledge.

Curators create data utilization models and identify problems from data—vital tasks for innovative product creation and operational reforms. Field innovators work with customers to resolve issues and realize operational reform, in order to achieve business innovation through coordination between people, processes, and IT. In addition, we have a structure comprising 800 full-time professionals, including system engineers with specialized skills, platform engineers, and researchers.

Fujitsu has also strengthened its efforts in the big data business at all levels, including the infrastructure platform, services, and consulting, and systematized these as the Fujitsu Big Data Initiative. We plan to develop this as a future core business, support customer innovation, and provide new value from ICT.

Smart devices can be utilized to enhance the performance of individual employees at client companies as well as the entire organization. Fujitsu assists them by providing service platforms such as multi-carrier communications environments and authentication. We also offer one-stop solutions that transform work styles, including the Futjisu network service FENICSII, which has been used by more than 10,000 corporate customers; middleware such as the Fujitsu Software Interstage Mobile Application Server; computers with security functions covering everything from biometric security to anti-theft measures; and

Cloud Type— Data Utilization Platform

FUJITSU Big Data Initiative

Creating new value from big data through sophisticated analysis and leading-edge technology to support innovation by customers and society

smartphones and tablet PCs incorporating Fujitsu's unique human-centric technologies.

Overall optimization of ICT systems is essential to achieving this sort of innovation for customers. Leveraging its leading-edge proprietary hardware and software technologies, Fujitsu will progressively supply the Dynamic Integrated Systems family of products, which will be optimized for a wide array of customer service objectives. Products will include virtualization and cloud platforms, high-speed databases, and big data applications. Fujitsu Integrated System HA Database Ready, the first of these products, was launched by Fujitsu as a new vertically integrated database system platform. We made the database system for this platform available for use immediately from the installation date, whereas previously database systems required 2.5 months from database design to the start of operation. Furthermore, we have increased the transaction processing capacity to up to 20 times the conventional capacity by configuring the system with software that maximizes hardware performance.

Furthermore, Fujitsu has formulated the Fujitsu Intelligent Networking and Computing Architecture as a new architecture for next-generation ICT platforms. This architecture aims to enable overall optimization of computing, wide-area networks, and the smart devices employed by end users. Through this architecture, Fujitsu seeks to provide customers with end-to-end solutions and services. The new architecture employs a software-based approach to intelligently and flexibly enable optimized control over three unique ICT domains: datacenters, wide area networks, and smart devices. In doing so, it extends the core concepts of software defined networking (SDN) beyond networks to the entire ICT platform. In the initial phase, Fujitsu will provide datacenters with the first new products based on this architecture and upgrade the functions of existing products. The new products will include an updated version of unified administration and control software for server, storage, and network resources; a new switch that supports network virtualization; and a new virtual appliance platform.

Fujitsu is also shifting resources to its sales and marketing divisions to ensure that these products and services have a leading position in the market. We are moving several hundred employees to the sales division as part of a push to expand sales of Fujitsu's varied products and services.

Working to realize our vision for a Human Centric Intelligent Society in concrete form, we will significantly grow our business both in and outside of Japan. We will also resolutely implement structural reforms and efficiency measures to secure earnings improvements, and to achieve our target of ¥200 billion in operating income in fiscal 2015.

Moreover, realizing our vision will also mean that we contribute to the development of our customers' business, and the creation of a safe and secure society.

200 billion yen

100 billion yen

Growth of business

Improvement from efficiencies

Existing business

FY2012

FY2015

Medium Term Targets for Fiscal 2015

Operating income
Over ¥200 billion

Net income
Over ¥100 billion

Free cash flow
Over ¥100 billion