Integration of Fujitsu Siemens Computers and Transformation of Fujitsu

March 30, 2009

Fujitsu Limited
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Richard Christou, Corporate First Senior Vice President
Overview of Today’s Presentation

- Integrating Fujitsu Siemens Computers to Transform Fujitsu’s Business Portfolio
  Kuniaki Nozoe

- Integrating Fujitsu Siemens Computers to Transform Fujitsu’s IA Server Business
  Tatsuo Tomita

- Integrating Fujitsu Siemens Computers to Transform Fujitsu’s Global Business
  Richard Christou
A New Start from April 1

Fujitsu Siemens Computers

Fujitsu Technology Solutions
Contribution to profitability and growth will determine allocation of resources.

Next target area for growth
Business Outside Japan

Delivering profits and growth
Services Business

Consider selection/consolidation of business
Implement Structural Reforms

“Strong products” that deliver profits
Products Business
Fujitsu’s Growth Strategy

Accelerate growth in products business, and enhance profitability of business outside Japan

Next target area for growth:
- Strengthen global services (GSIP)
- Reorganize telecom business
- Integrate NA business units

Delivering solid growth:
- Field Innovation
- SI business reforms
- Industrialize infra services
- Reorganize regional business in Japan

Contribution to Profits:
- Make FSC wholly owned subsidiary

Contribution to Growth:
- Strong products that deliver profits

Products Business

Sold capacitor business (operated by Fujitsu Media Devices)
Sold Fujitsu Automation
Sold stake in Eudyna Devices
Sold HDD business
Reinforce Japan sales structure

Reform server business

Goal: Double annual IA server sales to 500,000 in 2 years; Grow global market share to more than 10% in long term

Strengthen partnerships

Realign units outside Japan

Structurally reform FSC

A shared goal for the entire Fujitsu Group
Integrating Fujitsu Siemens Computers to Transform Fujitsu’s Business Portfolio

Kuniaki Nozoe

Integrating Fujitsu Siemens Computers to Transform Fujitsu’s I A Server Business

Tatsuo Tomita

Integrating Fujitsu Siemens Computers to Transform Fujitsu’s Global Business

Richard Christou
Fujitsu sells a complete line of server products
- Mainframe, UNIX, Windows, Linux servers

**Worldwide Server Market**
- CAGR 2008-2012: -3.0%
- 2009-2012: +2.3%

**Japan Server Market**
- CAGR 2008-2012: -5.0%
- 2009-2012: -1.0%

Source: IDC's Worldwide Quarterly Server Forecast as of 2008 Q4

Source: IDC Japan's Japan Quarterly Server Forecast CY2008 Q4
Maintaining a Complete Server Lineup To Support Customers Long Term

- Continual support for every OS protects customers’ application assets
- Efficient development system allows Fujitsu to maintain complete server line

<table>
<thead>
<tr>
<th>System Scale</th>
<th>Mainframe</th>
<th>UNIX Server (Solaris)</th>
<th>IA Server (Windows/Linux)</th>
<th>Office Computer</th>
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</thead>
<tbody>
<tr>
<td>High-end Mission-Critical Servers</td>
<td>BS2000 (FTS)</td>
<td>GS21/PRIMEFORCE (Fujitsu)</td>
<td>SPARC Enterprise (Fujitsu/FTS)</td>
<td>PRI MERGY 6000 (Fujitsu)</td>
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<tr>
<td>Mid-Range Mission-Critical Servers</td>
<td>(FTS)</td>
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<td>Front-End Servers</td>
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FTS: Fujitsu Technology Solutions
Market Shifts to IA Server

- Shift from mainframes/UNIX to IA servers (Windows/Linux)
- Fujitsu is shifting resources to IA server business

2012 Worldwide Server Market Forecast by OS

- **Mainframe** ¥550 B.
  - CAGR -2%
  - Financial/social infra customers still want MFs
- **UNIX** ¥1.5 T.
  - CAGR flat
  - 45% of customers want to maintain OS
- **Windows** ¥2.1 T.
- **Linux** ¥0.8 T.
  - CAGR +5%
  - Market shifts to high-end with multi-core CPUs

Fujitsu/Fujitsu Technology Solutions
Server Business Trends

- **Mainframe**: 48% -> 43% -> 42%
- **UNIX Server**: 25% -> 24% -> 23%
- **IA Server**: 28% -> 33% -> 35%

Source: IDC Worldwide Quarterly Server Forecast 2008/4Q
Integrating Fujitsu Siemens Computers To Strengthen IA Server Business

- **Globally competitive IA servers**
  - Globally unified products (from April)
  - “Server View” monitoring S/W delivered worldwide
  - Optimal global parts warehousing network

- **Unified and rapid R&D**
  - PRIMERGY R&D centralized at FTS
    (Japan execs, blade developers relocate to Germany)
  - Duplicate evaluation teams in Japan eliminated
  - Unified manufacturing/testing structure
to prepare for globalized mass production

- **Optimized global manufacturing structure**
  - Manufacturing consolidated at Augsburg and Fukushima
  - Augsburg plant will support expanded production in other countries if new plants are built
Enhanced Cost-Competitiveness Through Supply Chain Optimization

- **Globally integrated procurement structure**
  - Establish Global Purchasing Center as central negotiator
  - Create procurement strategy for each part to maximize bargaining power
  - Integrate Taiwan, China procurement offices in first half FY09

- **Lower costs through supply chain optimization**
  - Maximize QCD by globalizing Japan, Germany strengths
  - Set common KPI and start benchmark evaluations
    - Lead time
    - Delivery success rate
    - SCM cost
    - Inventory turnover rate
Strengthening the IA Server Lineup

- **Time to market**
  - New 2Way CPU model with latest Intel processor (Nehalem)
    - March 30: FSC announces (Intel announcement same day)
    - April 6: Fujitsu announces in Japan (Intel event in Japan same day)

- **High-end blade server (May 2009)**
  - World-class scalability (number of blade slots)
    - Proprietary cooling technology
  - Green design: World-class energy efficiency
    - Development of highly efficient parts (unit, CPU power)
  - Power control for entire system
    - Unified control for server, storage, middleware
Fujitsu Group market share in 2008
- Worldwide x86 market: 4% share (270K units, No. 4 global ranking)

Target share: Over 10%

Worldwide x86 Server Market, 2008

- HP 35% (2.74 M. units)
- IBM 14%
- Dell 27%
- NEC 2%
- Fujitsu Group 4%

7.74 million units

Source: IDC Worldwide Quarterly Server Tracker, 2008Q4

Fujitsu Group Target Market Share

- 500,000 units in 2010 (7% worldwide share)
- Over 10%

2006
2008
2010

……
Fujitsu Group market share in 2008

- No. 1 in server sales by revenue
- x86 server market: 14% share (80K units, No. 4 ranking in Japan)

Target Market Share: No. 1 (over 30%)

Japan x86 Server Market, 2008

Fujitsu Group Target Market Share

- No. 1 in 2010 (over 30% share)

Source: IDC Japan's Japan Server Quarterly Model Analysis, CY08Q4
Aiming for No. 1: Organizational Reforms

- **IA Server Unit formed (December 2008)**
  - PRIMEQUEST and PRIMERGY units consolidated under one business unit

- **Platform Solution Business Group formed (February 2009)**
  - Japan sales promotion division, partner support and sales division, and technical support division consolidated into one business group (700 employees)
  - One-stop sales, SE and partner support

- **Japan sales structure to be enhanced (April 2009)**
  - Platform experts to join Fujitsu direct sales divisions nationwide
  - Form new division dedicated to expanding channel partners
Aiming for No. 1: Sales Expansion Strategy

- **Strengthening product competitiveness**
  - Expand product lineup, competitive pricing
  - Simplify and accelerate system deployment with expanded infrastructure delivery services (infrastructure industrialization)
  - Introduce long-term after-sales support and maintenance

- **Strengthening partner sales**
  - Enhance structure for technical support
  - Support partner proposals with joint proposal development
  - Grow partner program

- **Strengthening strategic partnerships with ISVs**
  - Collaborate with Microsoft on solutions business (March 26 announcement)
Post-Integration PC Business in EMEA

- **Fujitsu will continue to be engaged in PC business in EMEA through FTS as part of its global products strategy**
  - Brand will become “Fujitsu” and portfolio will shift towards high value-added models

- **Greater value for customers as PC product lineup and service/support structure are globally unified**
  - Improved product development and stronger products offering
  - Higher efficiency and cost reduction by global SCM structure
  - Global support and service structure

EMEA: Europe, Middle East and Africa
Integrating Fujitsu Siemens Computers to Transform Fujitsu’s Business Portfolio

Kuniaki Nozoe

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Tatsuo Tomita

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Richard Christou
Building a Global Server Business

Pre-Integration: Overlapping production and sales functions

Japan
- Sales & Service
- Marketing/Promotion

Americas
- Sales & Service
- Marketing/Promotion

APAC
- Sales & Service
- Marketing/Promotion

China
- Sales & Service
- Marketing/Promotion

EMEA
- Sales & Service
- Marketing/Promotion

Fujitsu Japan
- Planning
- Supply Chain
- Sourcing
- R&D

Server Parts Supply

Act Local

Planning
Supply Chain
Sourcing
R&D
FSC
Building a Global Server Business

Post-Integration: Unified planning, supply chain, sourcing and R&D

Act Local

Think Global

Integrated Functions

New Global Marketing Function

Supply Chain

Sourcing

R&D

Japan
Sales & Service

Americas
Sales & Service

APAC
Sales & Service

China
Sales & Service

EMEA
Sales & Service
Taking “Think Global” A Step Further

Global Business Group reorganized into 4 functions

- Global Steering Committee
- Global support functions: Marketing, Delivery, Client Management, Finance & Compliance, Product Marketing Unit
- Japan
- Group Companies Outside Japan
Strengthen Global Delivery Structure

- **North America:** Establish Fujitsu America Inc. to provide products, consulting and integrated solutions (April 1)

- **EMEA:** Integrated product & end-to-end IT solutions from Fujitsu Services and Fujitsu Technology Solutions

- **China:** Reorganize sales structure

- **APAC:** Strengthen IT services and technology in Australia through the acquisition of KAZ*  
  (* Subject to the approval by Australian authorities)
Transforming Fujitsu Technology Solutions

Expanding from products to integrated systems

Fujitsu Technology Solutions

Managed Infrastructure / IaaS

Dynamic Infrastructures

Infrastructure Solutions / Integrated Services

Operation Alliance

IA Server

Enterprise Server & Software

Storage

PC

Fujitsu Siemens Computers

Enterprise Server

Software

Storage

PC
Fujitsu is expanding its business globally around Technology Solutions driven by platform products and IT services.
FUJITSU

THE POSSIBILITIES ARE INFINITE
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• uncertainty as to the performance of Fujitsu’s strategic business partners;
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