Fujitsu’s Platforms Business Strategy

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Expanding Range of Networked Devices

- Computers
- Mobile phones (tens of millions~)
- Machinery (billions~)
- ITS-equipped autos (hundreds of millions~)
- Wireless LAN-connected home appliances (billions~)
- RFID-embedded pallets/cases (hundreds of billions~)
- All goods (trillions~)
Evolution in Enterprise Computing Environments
From Centralized to Distributed Computing to Data Centers for Ubiquitous Networking

Centralized (mainframe)

Diversity

Built for each dept.

Network-connected Devices

more

less

fewer

Operating status of products

Traffic status

Movement of goods

Data Center (utility computing)

Moving people

Movement of goods

Network-connected Devices

Low-cost PC servers

Increasing operations costs

Autonomics for simpler operations

Built for each dept.

Performance

Private lines

Company LAN

Internet

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Our Business Strategy

Leverage superiority of integrated business model

Technologies/Services

Diversity
Complexity
Pace of Change

Limitations of horizontally segmented model

Customers

Comprehensive Solutions
[Integration]

Software & Services

Lifecycle Management
[Integration]

Platforms

TRIOLE
[Integration]

Electronic Devices

Leading-edge Semiconductor Technology
[Integration]

Limitations of horizontally segmented model

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Platforms Business Strategy

Market Realities

- Quicker response to changing and increasingly diverse customer needs
- IT systems becoming more complex; integral to socioeconomic infrastructure
- Recovery in unit volumes, but continuing pricing pressures

Basic Strategy

- Grow open systems business
- Continue leadership in mission-critical systems
- Expand global business
Platforms Business

FY 2004 Targets

<table>
<thead>
<tr>
<th></th>
<th>FY '02</th>
<th>FY '03</th>
<th>FY '04 (target)</th>
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<tbody>
<tr>
<td>Net Sales</td>
<td>1,612.0</td>
<td>1,608.1</td>
<td>1,760.0</td>
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<tr>
<td>Operating Income (margin)</td>
<td>0.9 (0.1%)</td>
<td>29.2 (1.6%)</td>
<td>45.0 (2.3%)</td>
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Fortify Existing Business Foundation
- Expand TRIOLE
- Strengthen Fujitsu (222) Initiative
- Manufacturing Innovation

Create & Cultivate New Businesses
- Deploy Mission-Critical IA Server
- Drive Creation of Ubiquitous Networking Market
- Global Expansion of TRIOLE
Production & Development Innovation and Targets

- **Advance Production and Development Innovation**
  Reform upstream design based on factory floor perspective
  - Reform business processes
  - Reform work style
  - Increase value of human resources

- **FY 2005 Targets**
  **Double Productivity** (3X~5X improvement for newly targeted plants/lines)
  - Quality: Double design quality; cut design changes in half
  - Delivery: Reduce development time by 30%, cut production steps in half
  - Cost: Reduce costs by over ¥100 billion per year
    - (procurement, design, production)
    - Cut wasted expenses in half
      - (product fix expenses, product failures, disposal costs, etc.)
TRIOLE Expansion

New advances in autonomic, virtualization and integration technologies

Optimized IT infrastructure for data centers in the ubiquitous networking era

- Autonomic
  - Autonomic operation based on customer’s operational rules

- Provisioning
  - Dynamic configuration of hardware resources to meet changing business needs

- Virtualization/Visualization
  - Rapid detection of errors in complex systems

- Leverage existing HW assets

- Reduce Operations Work

- Reduce operating expenses

2003

2004

2005
Server Positioning

Fujitsu’s Platform Offerings

Servers

Global Servers
- Mainframe
  - GS21

UNIX Servers
- SPARC
  - PRIMEPOWER

Windows/Linux Servers
- Intel Architecture
  - PRIMERGY
  - MC IA Server

Storage

Middleware

Network

Servers that protect customer’s assets are central to our platform offerings
Leveraging Our Server Business

Total multiplier effect of 4X

- Storage Systems: 0.3
- Business PCs: 0.9
- Middleware: 0.4
- Server Business: 1
- Services Business: 2.5
Recent Server-Related Announcements

- June 2: **Joint announcement with Sun Microsystems**
  
  *Joint development and delivery of future generation Solaris and SPARC-based systems*

- June 11: **Participation in Intel press seminar**
  
  *Presentation on collaboration with Intel; exhibit of mission-critical IA server*

- June 15: **Joint announcement with SAP/SAP Japan**
  
  *Expansion of global collaboration with FlexFrame/NetWeaver*

- June 22: **Launch of new PRIMEPOWER products**
  
  *New models with SPARC64™ V processors built with 90nm technology*

- June 22: **Joint announcement with Microsoft**
  
  *Collaboration regarding Fujitsu’s mission-critical IA server for Windows Server™ 2003 “Longhorn” Server*

- June 22: **Launch of new PRIMERGY products**
  
  *New 64-bit RX1300, TX200FT for Windows Server™ 2003, higher clock speeds for RX800 and RX100*
THE POSSIBILITIES ARE INFINITE
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