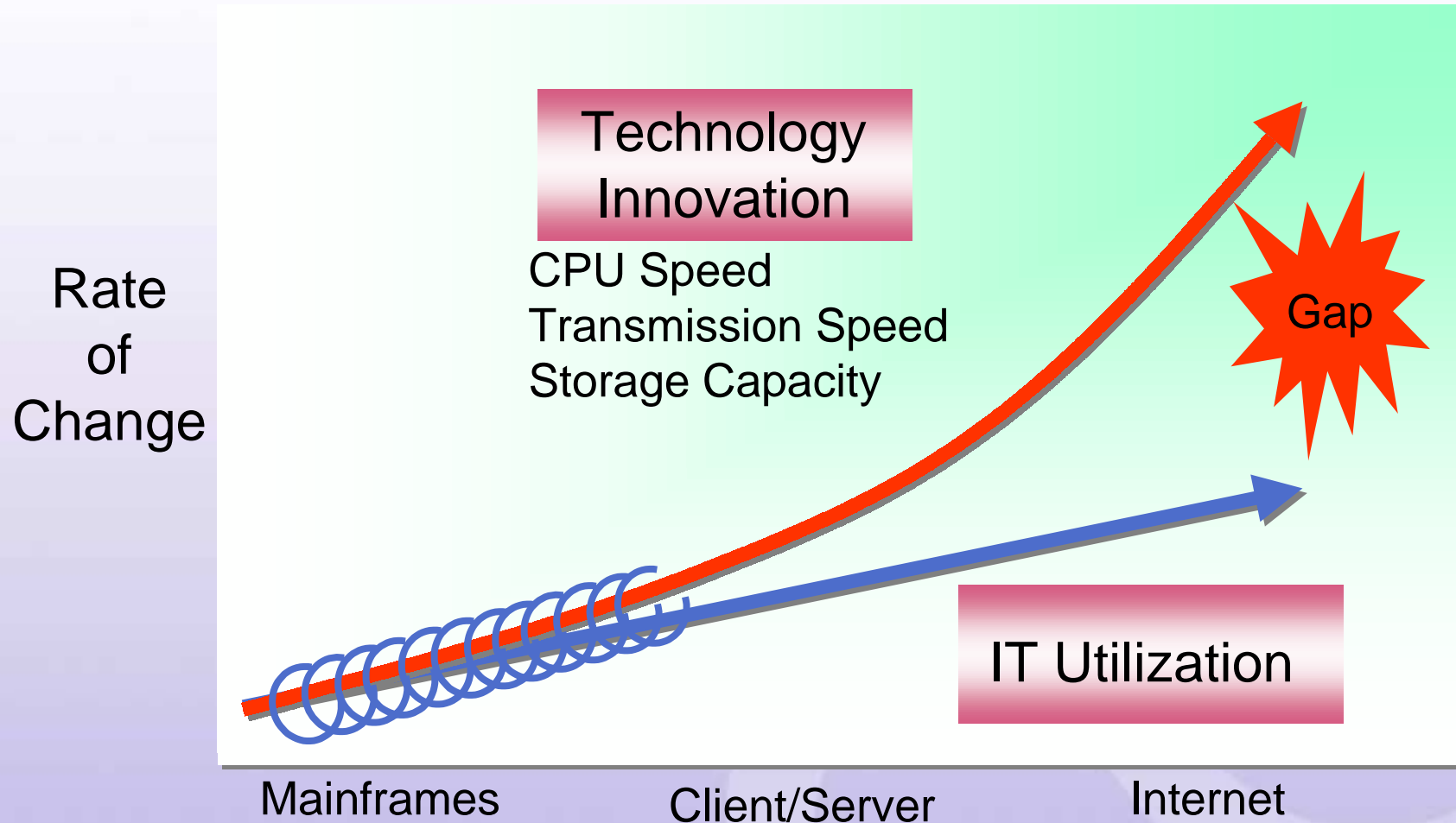


# 1.Overall Corporate Direction

A decorative graphic in the bottom right corner of the slide, consisting of several overlapping circles of varying shades of purple and blue, creating a sense of depth and movement.

# Key Challenge Confronting the IT Industry

Widening Gap Between Technology Innovation and Utilization



New Ideas Needed to Drive Demand for IT

# Status of Restructuring Initiatives

## Electronic Devices Group

### Consolidation of R&D Functions, Streamlining of Manufacturing Capacity

- Closing of Gresham Plant (Jan. 2002)
- Consolidation of Next-generation R&D at Akiruno (Started Dec. 2001)
- Consolidation of Domestic Wafer Fabrication Lines (12 lines →8 lines)  
(2 lines eliminated Mar. 2002; 2 lines to close Sep. 2002)
- Consolidation of Assembly Companies (7→5)
  - Closing of SMIL (Ireland) (Mar. 2002)
  - Consolidation of Domestic Companies (By Sep. 2002)

### Affiliates

- FHP: Alliances with Two Taiwanese Vendors (Feb. 2002)
  - Negotiating to Set Up Joint Venture (By Apr. 2002)
  - Sale of Miyazaki Bldg. 1 Assets (By Sep. 2002)
- FMD: Closing of Chikuma Electronics (Nov. 2001)
  - Divestiture of Aluminum Electrolysis Condenser Business (Jan. 2002)

# Status of Restructuring Initiatives

## Information Processing Group

### Consolidation of R&D and Manufacturing Facilities

- Consolidating Production of UNIX Servers and Storage Systems at New Company: FJIT (Apr. 2002)
- IA Servers: Development Consolidated at FSC (By end of Apr. 2002)  
Production Shifted to FIT (Nov. 2001)
- Closing of HAL, US-based Processor R&D Company (Mar. 2002)
- Closing of FIR (Ireland), Serial Printer Manufacturer (Mar. 2002)

### Exit from Unprofitable Businesses

- Ended Development and Production of Hard Disk Drives for Desktop PCs (Sep. 2001)
- Sold Portion of FTC's (Thailand) HDD Factory to Western Digital Corp. (Dec. 2001)

# Status of Restructuring Initiatives

## Telecommunications Group

### Consolidation of R&D and Manufacturing Facilities

- Realigned Main Plants in Japan to Focus on Specialized Production (Dec. 2001)  
Oyama Plant: Advanced Photonics  
Nasu Plant: IMT2000 (3G)
- Transfer of IP and Access Line-Related Products to Affiliate (Dec. 2001)
- Reduced FNC (North America) Headcount by 2,300, Restructured 11 Locations (Dec. 2001)
- Converted FAL (Australia) Plant into Joint Venture with Local EMS Firm (Sep. 2001)

### Exit from Unprofitable Businesses

- Closure of FBCS, North American PBX Business (By Mar. 2002)

# Status of Restructuring Initiatives

## Software & Services Group

### Restructuring of Global Organization

- ☑ Separated DMR Consulting from Amdahl (Apr. 2001)
- ☑ Restructuring and realignment of ICL/DMR (Apr. 2002)  
Reducing headcount by 2,300 (FY 2001)
- ☑ Integrating FSBA (USA) and FSE (Europe) with DMR
- ☑ Consolidating Under the Fujitsu Brand (Apr. 2002)  
ICL→**Fujitsu Services** Holdings PLC  
DMR→**Fujitsu Consulting** Holdings Inc.

### Shift in Business Structure

- ☑ Strengthening Infrastructure Services Business  
Establish 10 Regional B-IDCs (in addition to Tatebayashi, Akashi and Tokyo centers) (as of Mar. 2002)
- ☑ Strengthening IT Consulting Business  
Establishing Business Solution Center
- ☑ Developing Common Middleware Platform for e-Japan Business (Inter Community 21)

# Status of Fujitsu Group's HR Realignment

Involving About 30,000 Employees  
(including transfers and headcount reduction)

	Aug. 2001 Announcement	Completed (as of Mar. 2002)	Planned for FY 2002
<b>Software &amp; Services</b>	1,200	4,700	-
<b>Information Processing</b>	7,500	9,800	600
<b>Telecom- munications</b>	7,300	8,400	600
<b>Electronic Devices</b>	5,100	6,600	1,800
<b>Total</b>	21,100	29,500	3,000

# Status of Business Restructuring Initiatives

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## **Business Restructuring Benefit**

**At least 140 billion yen improvement  
in operating income expected in  
FY2002**



# Reaffirmation of Fujitsu's Corporate Mission

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*Based on a foundation of superior technology, Fujitsu will continually provide total solutions in the form of high-quality products and services, primarily to corporations and public sector institutions.*

# Business Objectives

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Provide Leading-edge, High-Performance,  
High-Reliability Systems

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Provide Information Systems to Handle Skyrocketing  
Traffic Volumes

Create Breakthroughs in Applications

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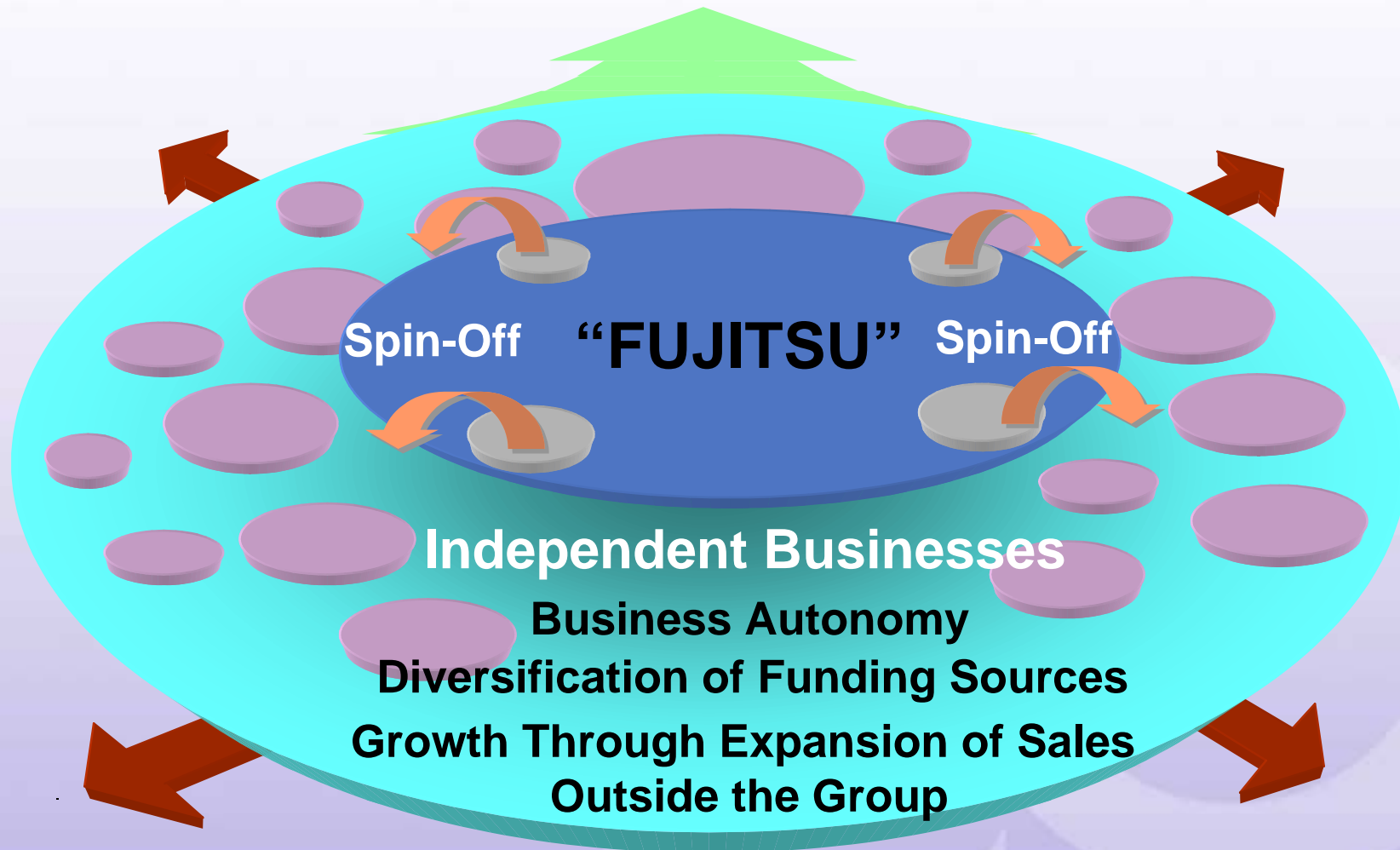
Create and Deliver Proposals that Make Full Use of the  
Latest Technological Advances

Pioneer New Markets as an IT Leader

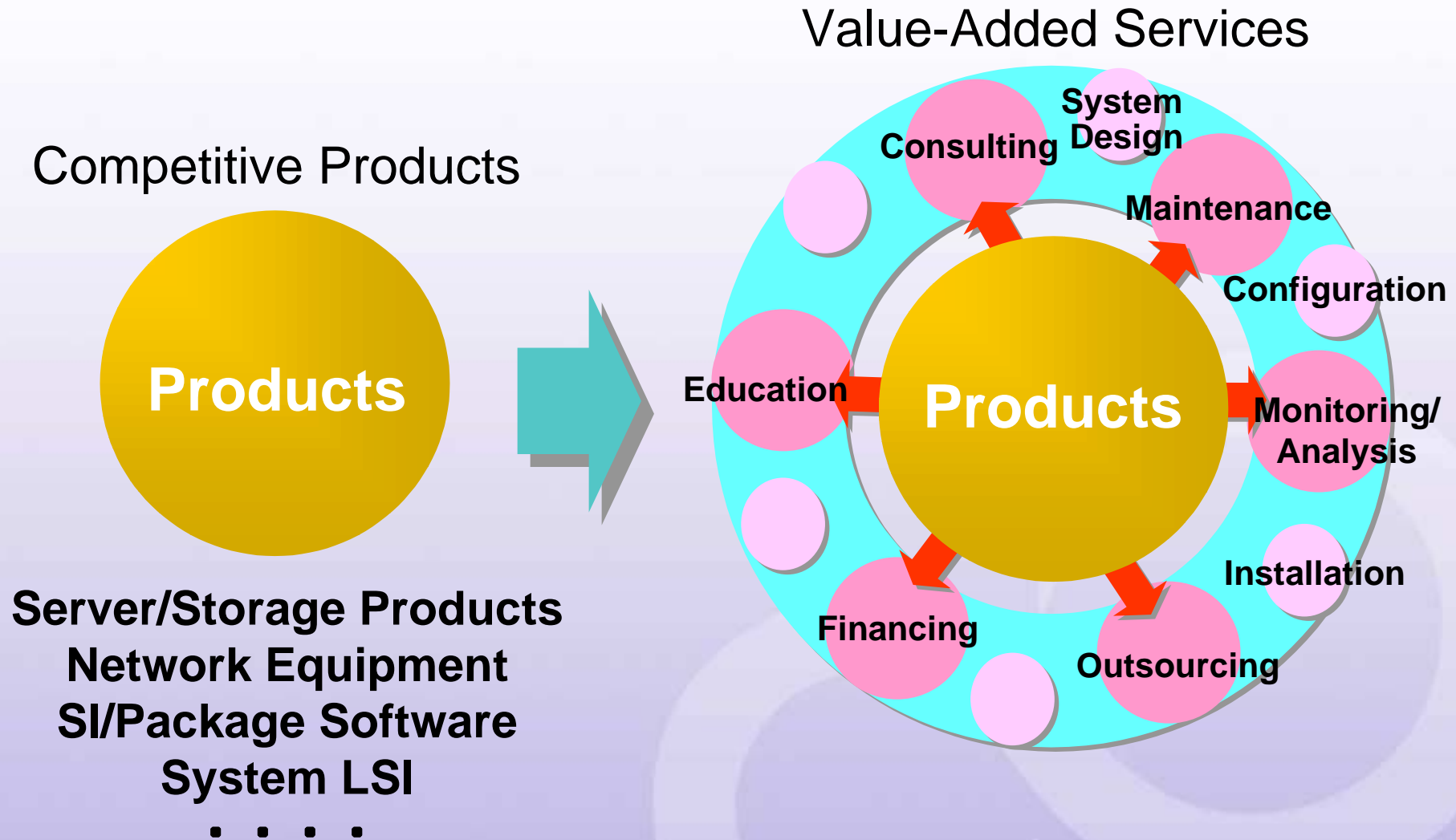
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Pioneering a New Markets Such as e-Japan

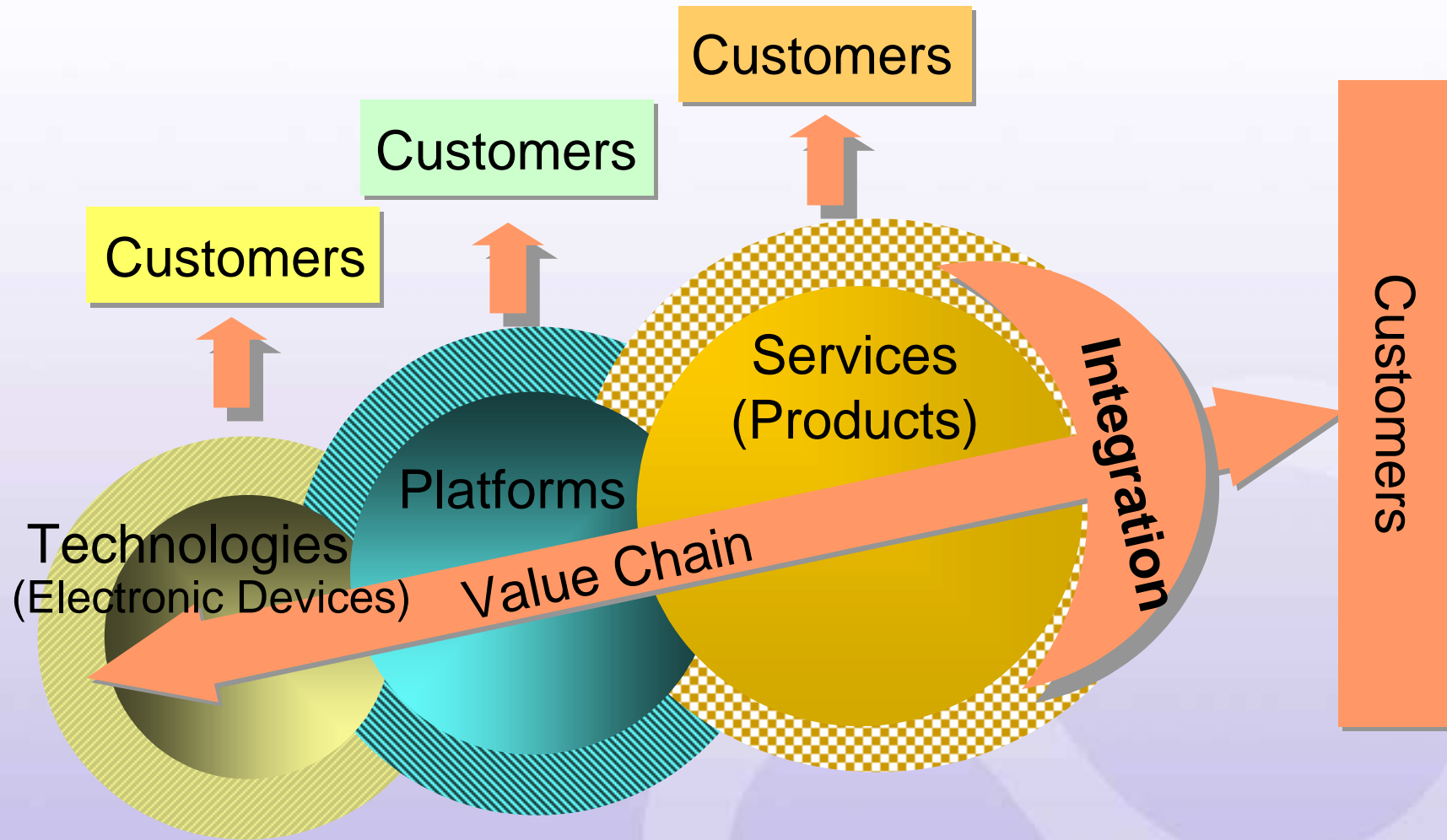
# Group Management



# Product & Service Strategy



# Value Chain



# Reform of Management Structure

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## **Separate Management Oversight and Business Execution**

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- Strengthen Management Oversight Through Streamlined Board of Directors
- Speed Management Responsiveness Through a New System of Corporate Executive Officers
- Clarify Executive Responsibility via Business Performance Evaluations

## **Shift from Business Unit System to Business Groups**

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- Ensure Greater Flexibility in Resource Allocation
- Leverage Synergy Among Business Units
- Promote More Dynamic, Organic Management

# Measures to Improve Profitability

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## Reduce Materials Costs

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- Advance Centralized Purchasing
- Promote Use of Standardized Parts
- Harmonize CAD Between Information and Telecommunications Units

## Reduce Inventory by 50% (by end of FY 2003)

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- ¥1 Trillion → ¥500 Billion

## Cut Fixed Expenses

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- Reduce Headcount, Introduce Flexible Work Shift System

# Reform of Sales Organization

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## Domestic Sales

### Strengthen Product Marketing

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- Establish IT Product Sales Division
- Establish PFU Product Sales Division

### Strengthen Marketing of Systems Engineering Companies

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### Strengthen Handling of Large Accounts

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- Establish Large-Accounts Strategic Sales Promotion Department  
Integrate Across Business Areas, From Electronic Devices  
through Services



# Reform of Sales Organization

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## Overseas Sales

### Introduce a Regional Sales Division System

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- Sales Division for Americas & Europe
- Sales Division for Asia-Pacific

### Set Up Global Sales Organization for Telecom Carriers

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- Establish Network Sales Group

### Reorganize ICL/DMR

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- IT Infrastructure Services: ICL → Fujitsu Services
- Consulting & Application Services: DMR → Fujitsu Consulting