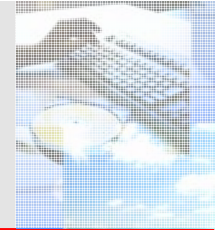


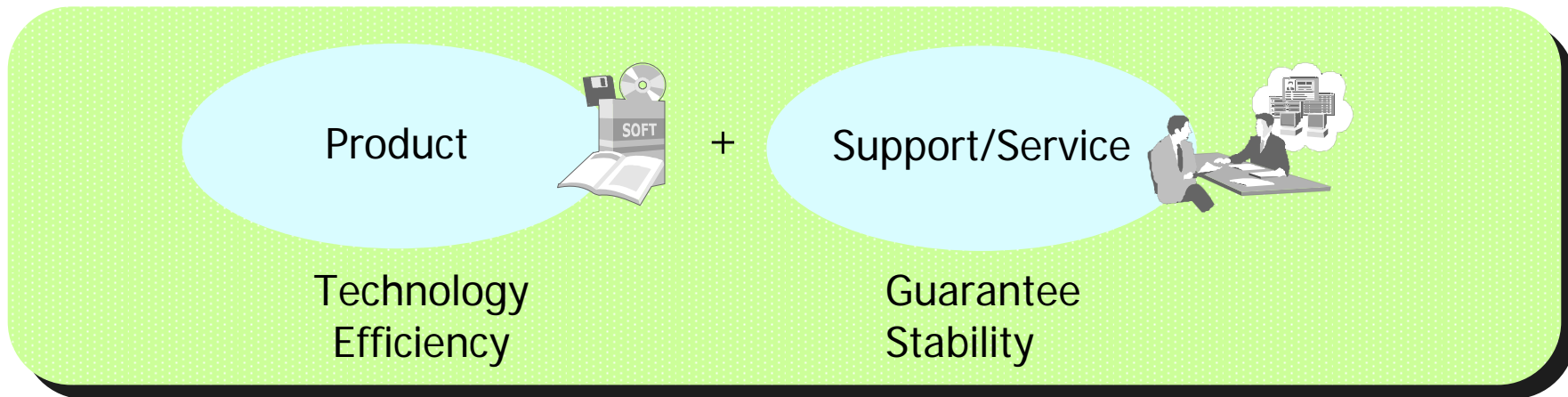
Toward OSS Business Development

Yasushi Ishida
Executive Architect
April 14th, 2006
Fujitsu Limited

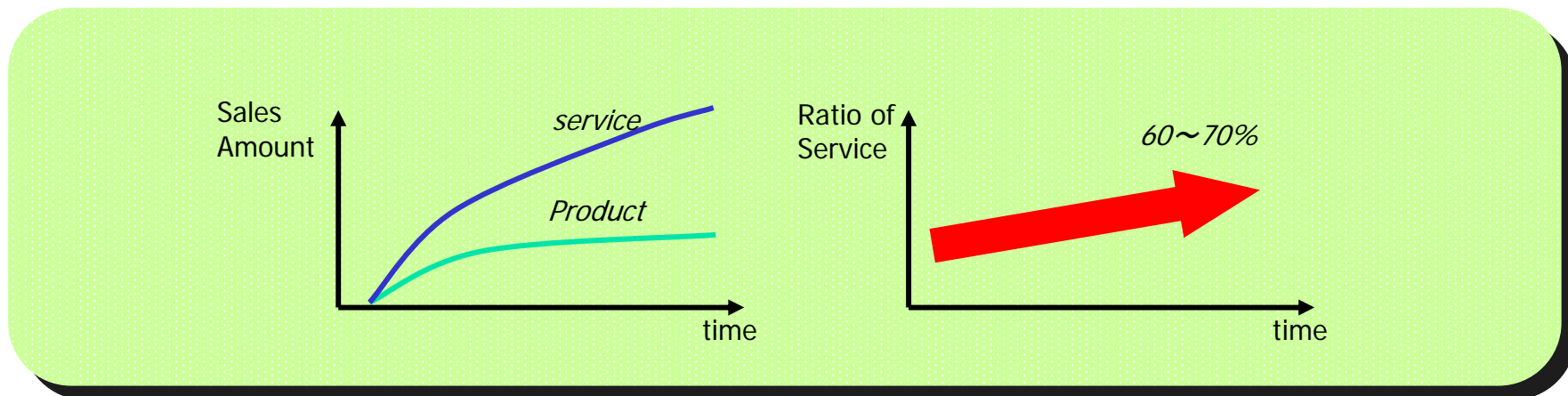
Software Business Model



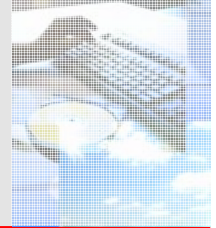
■ Mixed Model of Products and Services



■ Business transition



Business Environment for Software Vendor



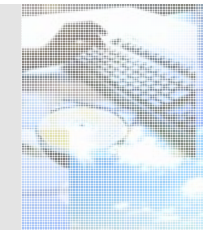
- **Dominant Vendors in Current Software Market**

- OS: Microsoft , HP , Sun
- DBMS: Oracle , IBM
- AP Server: IBM , BEA
- ERP: SAP, Oracle

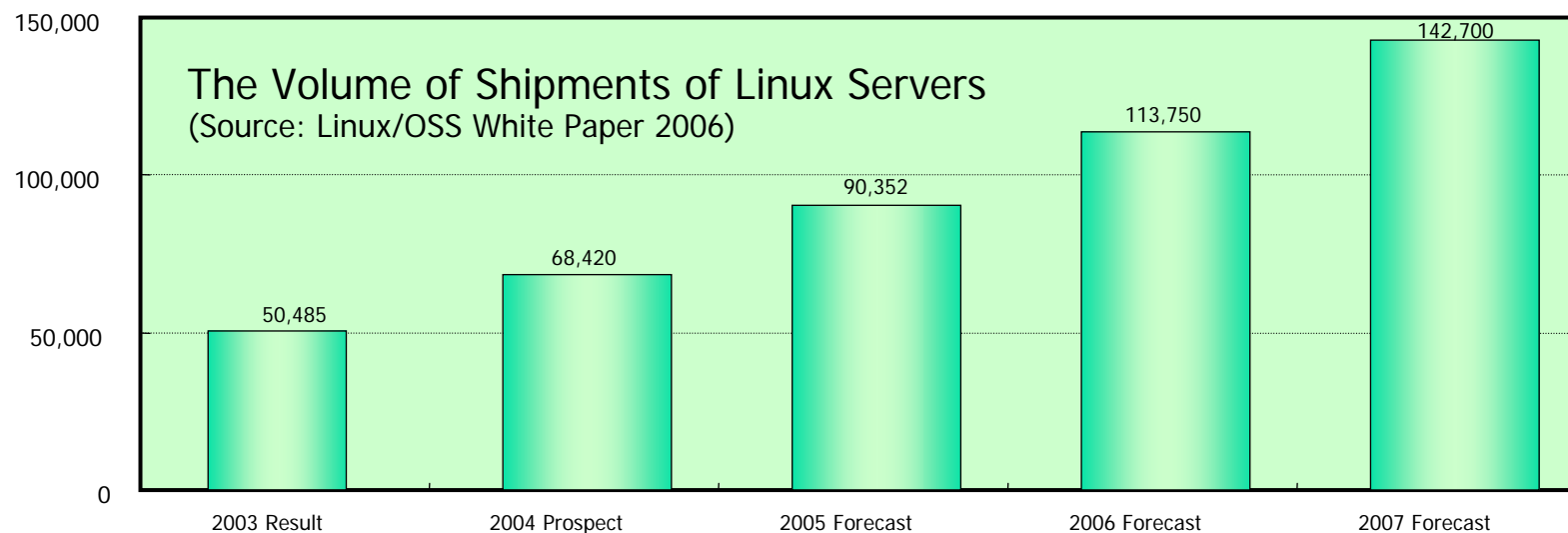
- **Advance to the New Market**

- **Merger and Acquisition**

Trends in Global OSS Business



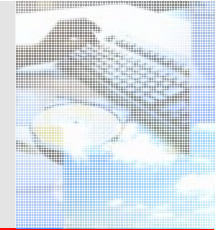
■ Growth of Linux



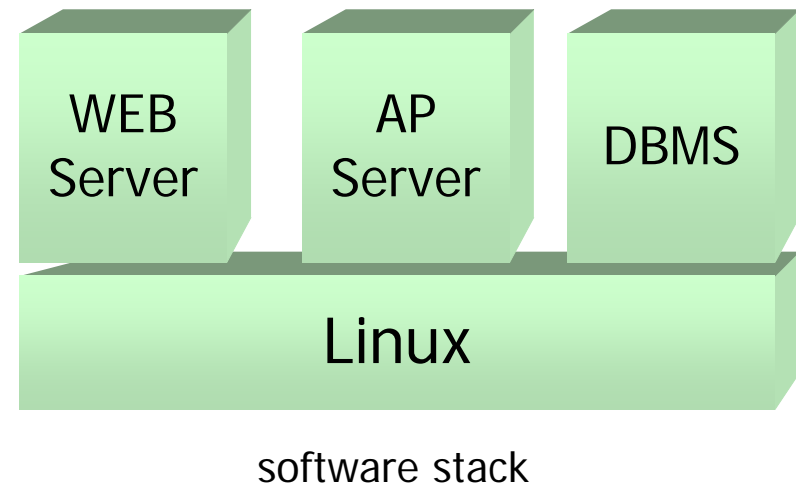
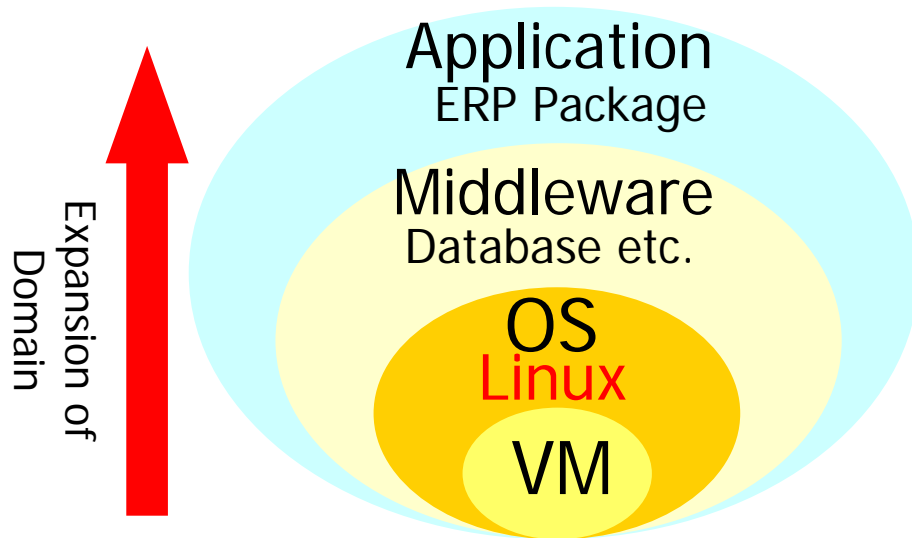
Ex. RedHat Inc. (FY2005)

- Subscription Revenue \$230.4M (+53%)
- Operating Income \$58.1M (+116%)
- 1200 employees

Trends in Global OSS Business

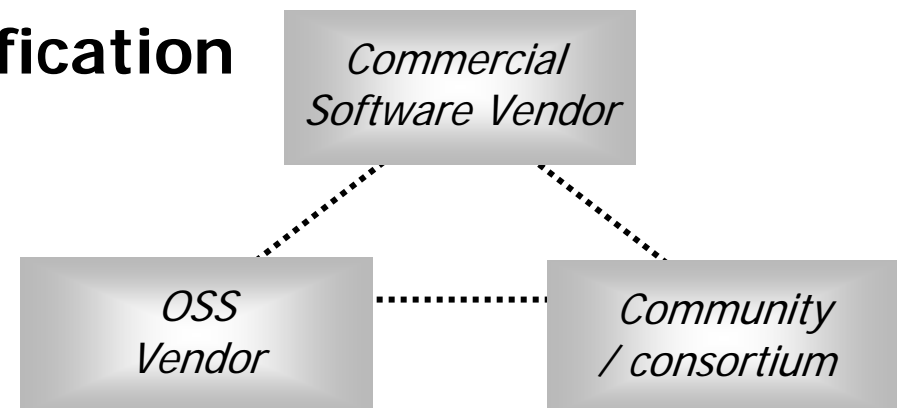


■ Expansion of OSS

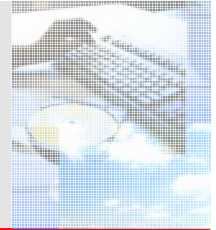


■ Recent OSS Business Diversification

- OSS \neq Free Software
(over 30 Licenses)



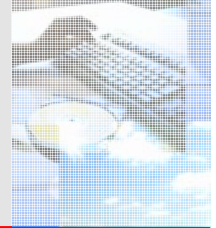
OSS Business Practices



- **Common OSS Business Practices**
 - Providing products for free and supporting services for profit
 - Products for profit differentiated by equipped functions or value-added
 - Ex) Limited function version and full function version

- **Value-added Service Offering Based upon Users' Mission Critical Needs**
 - Providing software stack by integrating OS and middleware
 - Ex) Integration of OSS software / OSS and non-OSS
 - Guarantee Service
 - Ex) Providing patches, Support, Evaluation and Q&A

Strategic Use of OSS in Business



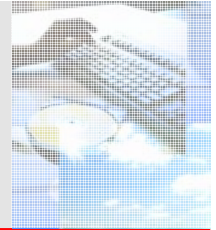
■ Advantages of OSS

- Low cost, lowering the entry level
- Collective knowledge
- Appeal for potential customers

■ Strategic Usage of OSS

- Utilization as a cost-effective marketing tool
- Spread and promotion of standard specifications
- Changing platforms to be commodities and creating a new business market in upper layers

Fujitsu's Basic Understanding and Activity



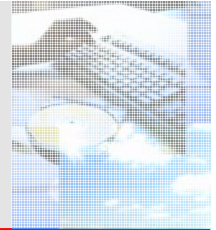
■ Basic Understanding

- Open standard specifications are most important
- Performance, scalability, and reliability vary according to each implementation, even if one adopts the same specifications
- The level of guarantee differs between OSS and each vendor's software

■ Standpoint of Fujitsu's Activity

Responding to customers' request for "freedom of choice" by providing Customers with OSS and our products that meet open specifications

Fujitsu's Activity in Detail

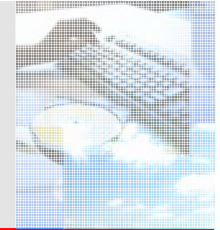


- **Contributing to Linux Enhancement and Adaptation to Our Products**
 - Business (mission-critical open server)
 - Telecom (carrier grade/ATCA)
 - Embedded (real-time control)

- **Providing Customers with Choice and Combinations of Our Software** (Interstage, Symfoware) **and OSS Middleware**
 - Apache
 - PostgreSQL

- **Providing and Contributing to Development Environments**
 - Eclipse (Java, COBOL, Embedded)

New Service Business Model and the Role of OSS



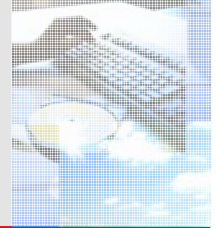
■ Transition to Service-oriented Business Model

- Utility Computing
- SaaS
- Web2.0

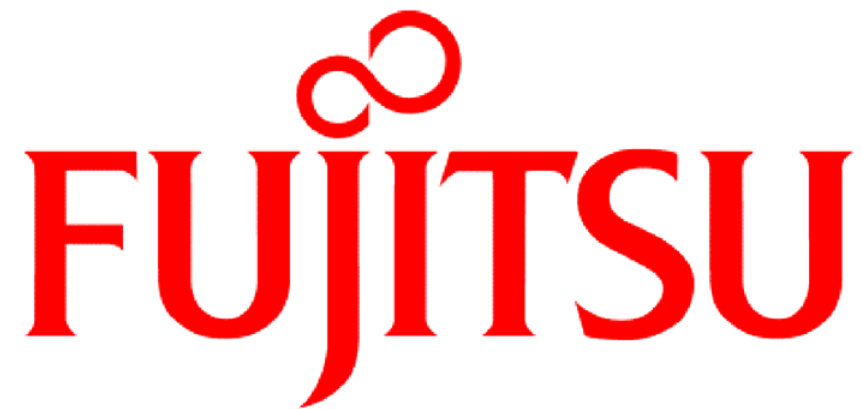
Accelerate

OSS

Future Expectations of OSS



- **Accelerating New Service-oriented Business Practices**
- **Promoting Human Resource Development through the Support of Open, Innovating Technologies**
- **Maintaining Openness and Public Nature as a Social Infrastructure**



FUJITSU

THE POSSIBILITIES ARE INFINITE