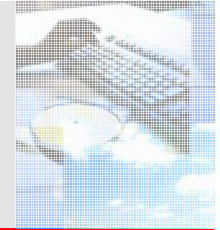


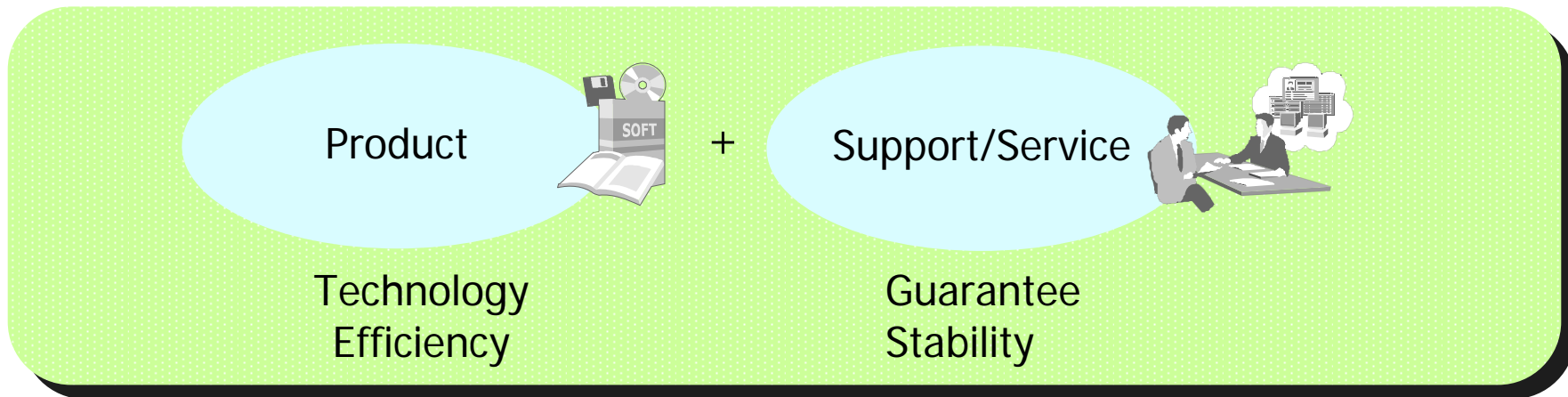
# Toward OSS Business Development

**Yasushi Ishida**  
**Executive Architect**  
**April 14<sup>th</sup>, 2006**  
**Fujitsu Limited**

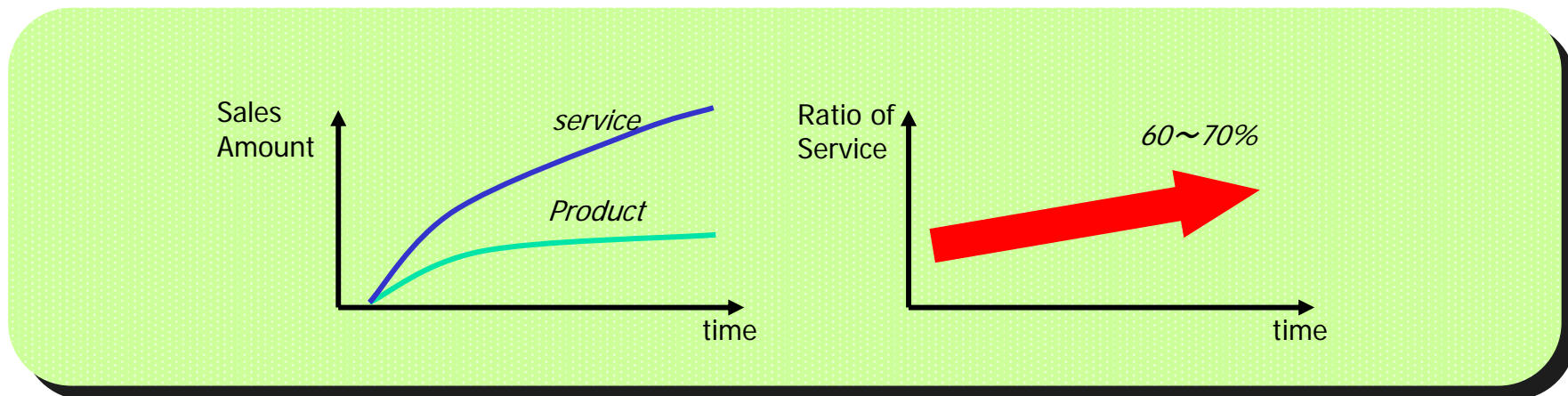
# Software Business Model



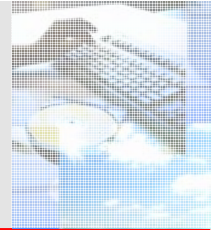
## ■ Mixed Model of Products and Services



## ■ Business transition



# Business Environment for Software Vendor



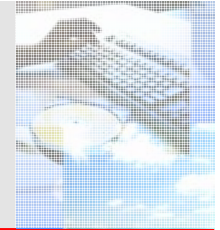
- **Dominant Vendors in Current Software Market**

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

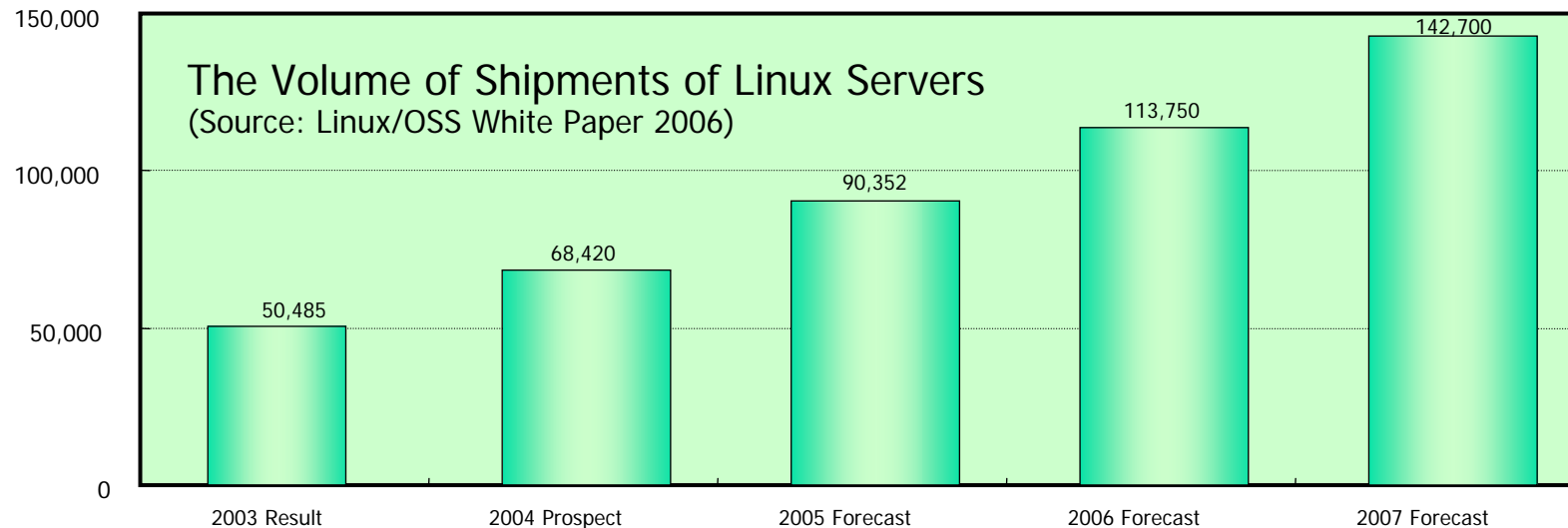
- **Advance to the New Market**

- **Merger and Acquisition**

# Trends in Global OSS Business



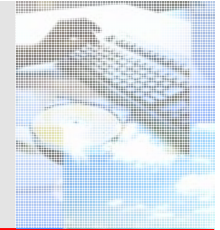
## ■ Growth of Linux



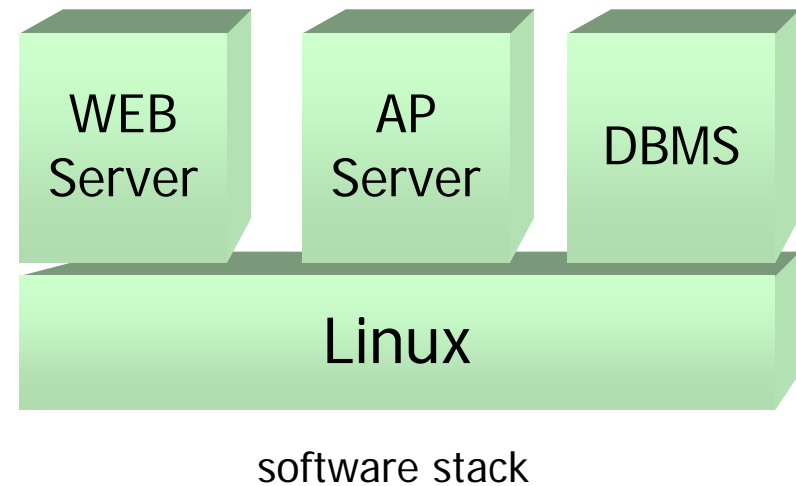
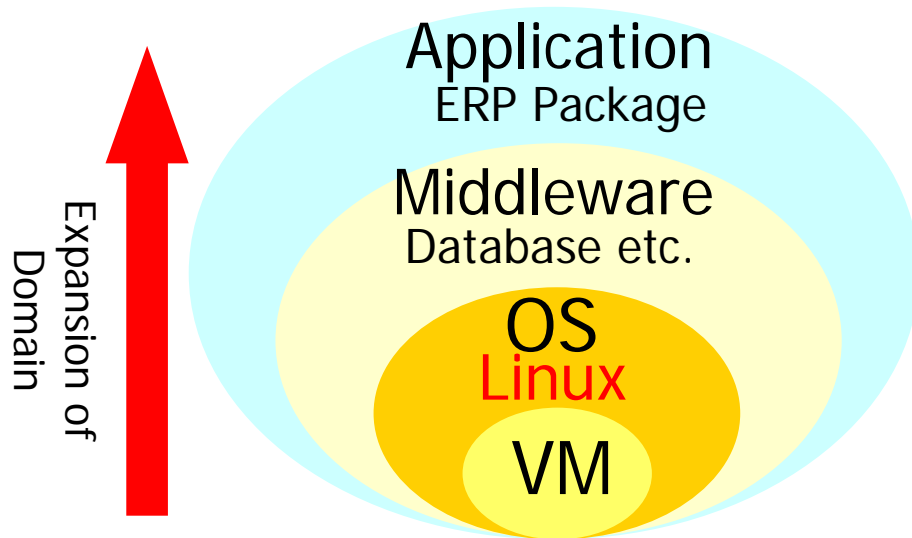
Ex. RedHat Inc. (FY2005)

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

# Trends in Global OSS Business

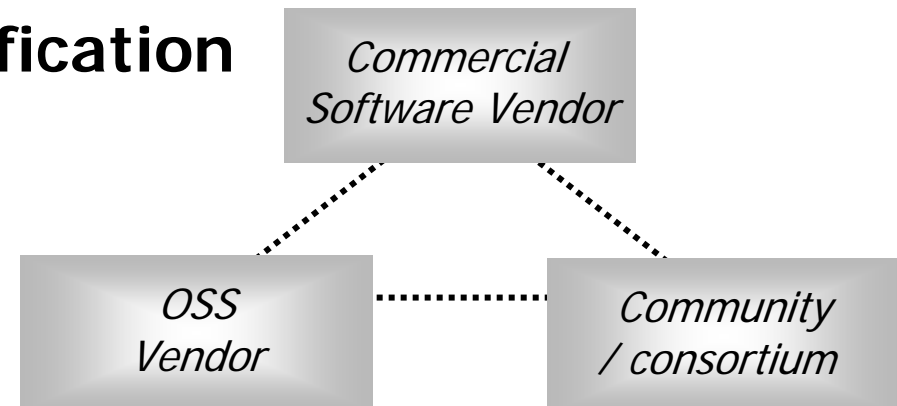


## ■ Expansion of OSS

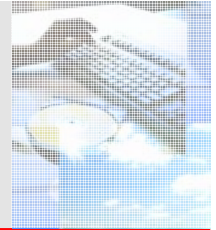


## ■ Recent OSS Business Diversification

- OSS  $\neq$  Free Software  
(over 30 Licenses)

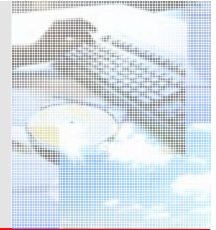


# OSS Business Practices



- **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



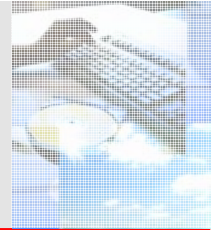
## ■ Advantages of OSS

- 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

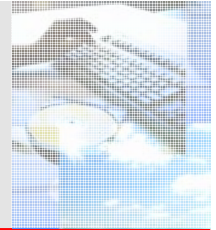
- Open standard specifications are most important
- Performance, scalability, and reliability vary according to each implementation, even if one adopts the same specifications
- The level of guarantee differs between OSS and each vendor's software

## ■ 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**

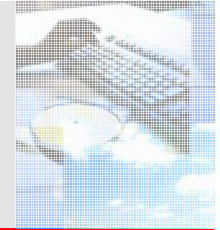


# Fujitsu's Activity in Detail



- **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



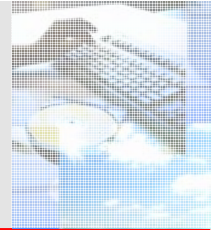
## ■ Transition to Service-oriented Business Model

- Utility Computing
- SaaS
- Web2.0

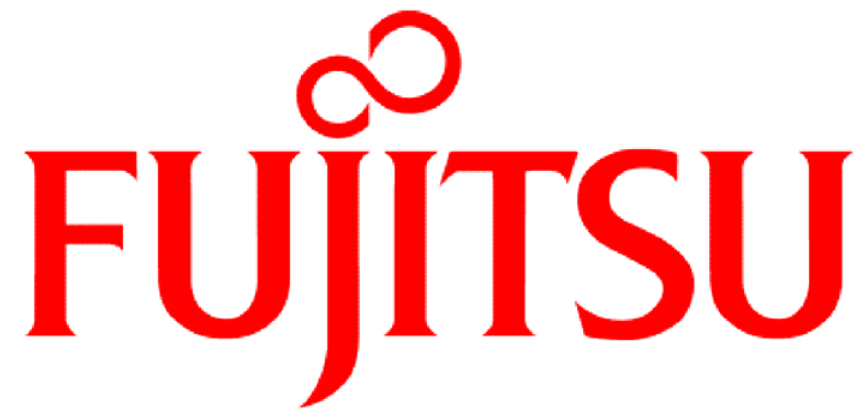
**Accelerate**

***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**