

For Growth, Profitability

Fuji Electric aims to expand its operations by providing customers with optimal solutions for every business process.

◆ Line Controller
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INTRODUCTION

As the 21st century approaches, the internationalization of corporate activities and deregulation are increasingly essential, and developing rapid decision-making capabilities and efficient operations is urgent in both the public and private sectors. These trends are expected to accelerate further as a result of global computer networking.

Against this background, public and private-sector capital investment is rapidly shifting from efficiency promotion and labor-saving measures focused on plant and facility monitoring and control systems and equipment, where Fuji Electric has strengths, toward the construction of information infrastructures, which is a business with high growth potential.

Amid high growth in information and communications investment, Fuji Electric is implementing a variety of measures to develop its business in the information processing and communication fields by capitalizing on the expertise it has cultivated as a comprehensive electrical equipment manufacturer.

and Progress

SYSTEMS INTEGRATION BUSINESS

In July 1998, Fuji Electric established an SI (systems integration) center as the core of its business expansion in the information processing and communications fields. We entered the systems integration business to provide customers with total business solutions for their basic operations, in addition to our traditional strengths in plant monitoring and control systems.

Compared with fiscal 1998 levels, we aim to more than double sales in the information processing and communications fields, which include existing monitoring and control systems, by fiscal 2000. Providing “solutions,” or solving tasks for our customers, is the principal means for success in our systems integration business.

With a number of computer manufacturers and system software developers promoting their ability to offer solutions as systems integration vendors, Fuji Electric is differentiating itself by making effective use of its abundant expertise in plant-related businesses that have been cultivated over many years. Whereas many systems integration vendors have knowledge of business processes centered on host computers, Fuji Electric’s distinguishing ability is the incorporation of information on products and facilities into management information systems. With a track record of providing electrical equipment and instrumentation systems in such areas as manufacturing, distribution, public services and social infrastructure, we will offer optimal solutions by making effective use of on-site information to accelerate decision making and enhance corporate efficiency.



EXPANDING THE SYSTEMS INTEGRATION BUSINESS

Fuji Electric is taking measures to provide solutions and expand its systems integration business.

The first measure is to expand our customer base. By adding consulting and other services for the integration of management information systems, we will broaden the scope of business to customers who had previously only used our plant systems. And as improving management efficiency is a challenge common to all sectors, this is an area with considerable potential. Consequently, Fuji Electric will also aggressively cultivate new customers by forging alliances with other firms, when necessary, to expand its marketing channels.

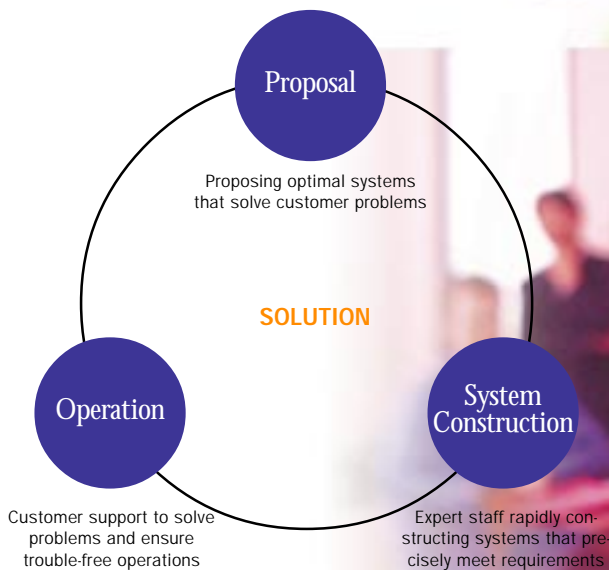
The second measure is to extend the range operations from products to services. A systems integration business solution requires a combination of hardware, software and service. Value to customers comes from the know-how to integrate these components to produce optimal solutions.

To realize this objective, we will aggressively adopt the most suitable components, whether our own or from outside sources. As a result, it will be necessary in some cases to form alliances with leading suppliers.

To clearly differentiate ourselves from systems integration vendors, it will be vital to maintain our strengths. We will offer our existing know-how through service options and packages. By concentrating our resources on the development of new products and technologies that are highly competitive, we will preserve the features that set us apart from the competition. In the current fiscal year, we will reinforce network computers, Lonworks, automatic teller machine (ATM) networks and other systems as our original components.

The third measure is to broaden our sales methods. In solving customers' problems, it is important to provide services during system operations in addition to system construction. When providing plant systems in the past, there was a strong tendency to simply sell systems. We will now offer customer-oriented services, ranging from planning and design of plants to operation and renewal, that extend over the lifecycle of their systems.

Based on the above policies, we will conduct our systems integration business in eight categories: networks, process production, assembly production, logistics, distribution, facility management, public services and social infrastructure. Networks form the basic infrastructure for a broad range of business areas, and network-related business is projected to



expand along with the diffusion of the Internet and intranets. In other fields as well, we will make full use of the expertise we have accumulated in developing monitoring and control systems as well as machine control equipment. By providing our customers with optimal solutions, we will establish a solid reputation in the market as a systems integration vendor and expand our business in the area of information systems.



Network computer (NC)