

PREFACE

The Age of Constant Dialog With The Market



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It is exactly a century ago this year that an automobile manufacturer - the Ford Motor Company - first made its appearance in the world, and today there are 740 million automobiles on the world's roads. In those 100 years, automobiles have evolved in leaps and bounds, from being simply a means of moving about - that is, simply physical objects - to the point where they now have a status of being "things that embody dreams" and "that fulfill the individual's desire to broaden his or her own world". In the course of that evolution, problems arose with the environment and with the safety, and the 1990s saw all kinds of debates and proposals concerning such problems. Today we have reached the stage where we should put those proposals into action and start coming up with results. And we have also entered an age of mega-competition, as automobile manufacturers' M&A have progressed amid the increasingly borderless conditions that have developed in the 1990s after the fall of the Berlin Wall.

October 20 and 21 of 2003 saw the holding of an international automobile conference in Tokyo that was the scene of passionate debate about the direction that automobile manufacturers should take in the times ahead. Broadly speaking, the following 5 areas have emerged as the fields of endeavor that each automobile manufacturer will have to tackle from now on: (1) active responses to environmental and safety problems, particularly in the form of an expanded role for hybrid cars and the development of fuel-cell cars; (2) growth in the emerging markets of China and Asia, with particular emphasis on China which by 2012 is forecast to become the world's No. 2 market at 8 million vehicles; (3) securing profits in core markets such as North America and Japan; (4) enhancing development efficiency through mergers, consolidation and collaboration; and (5) accommodating the diversification of user needs

through multi-brand. Whether these goals are achieved will hinge on how well each company activates its strengths in order to provide products that meet the needs of the global market.

Automobile makers' responses to environmental and safety issues and to the advance of IT have resulted in a relatively favorable environment for the automobile parts industry at the moment. But competition in this field is set to become increasingly intense as globalization progresses and brings about, among other things, the commoditization of electronic parts. Amid such an environment we will have to concentrate on creating the kind of new value for our products that will give the market what it needs. This is necessary so that customers will buy our electronic parts (ECUs) not merely because they are cheap but because they offer high product value and quality and are backed by excellent services. Something else that we must offer is value following purchase. And to have customers acknowledge the value we offer, we should engage in constant dialog with the market so as to determine fully and accurately what customers expect. FUJITSU TEN has unique technology in the fields of audio, visual, sound and information, together with ECU, software and other systemizing technology, as well as the aftermarket-oriented ECLIPSE product brand. It will be important for us to strengthen our market dialog abilities in all aspects so as to determine customers' expectation levels and put them to use in our technology development and product planning. Another important thing will be to build up the market's confidence in the ECLIPSE brand via products and services.

Already some 55% out of our company's total of 7700 employees are working at bases outside of Japan. I hope that all employees, in their particular positions, will engage in dialog with our customers so as to garner feedback on customer needs that we can put to work in achieving levels of product and service excellence that only FUJITSU TEN provides, as we strive to make "ECLIPSE" into the No. 1 brand.

A handwritten signature in black ink, reading "Shig Fukuyama". The signature is written in a cursive, flowing style with a large, sweeping flourish at the end of the name.