

Reflections on New Year 2015

January 01, 2015

May I wish everyone a happy New Year. Spring is on the horizon!

As we welcome the New Year, I would like to take a look back over last year and a look forward to our endeavors in the years ahead.

◆ Car electronics - Acceleration of fusion with ICT and intensification of competition to develop advanced technology

The automobile market in 2014 trended robustly on the whole, especially in North America. This was in spite of a partial growth downturn in the emerging nations and ASEAN - which had been powering the market hitherto - and Japan's slump in the wake of its consumption tax hike.

In the world of car electronics, the fusion with ICT is accelerating. Among suppliers, development investment, structural upgrades, mergers and acquisitions are hotting up, and participation in the industry by outsiders such as electrical equipment companies and major IT players is well underway. In these and other ways, competition to develop advanced technology for various areas - safety-and-security, comfort-and-convenience, environment - has been intensifying.



Akira Yamanaka, President
and Representative Director

◆ Laying of groundwork by enhancing advance planning and development capabilities, making a reality of vehicle-ICT business, and establishing global production structures

Our Group has succeeded in laying a firm groundwork for new growth.

By opening a Tokyo Business office (TBO) that will be instrumental in constructing a next-generation business model centered on the field of car telematics, by joining the Open Automotive Alliance (OAA) - a group that is promoting Android™ in cars - and in other ways, we have brought about a strengthening of Fujitsu Group's alliances and software development structures, which will form the cornerstones of our growth strategy. Moreover, we have started on joint development of in-vehicle platforms with Alpine Electronics Inc. We have been deploying our activities that emphasize contributions to enhancing our advance planning and development capabilities and raising the efficiency of our development investment.

One fruit of our R&D thus far is that we have made a reality of our vehicle-ICT business. For example, we are going to release a drive recorder equipped with a 1/2.7-inch CMOS sensor that will be the largest on the commercial market, and a car navigation system with automatic map updates including narrow streets that will be the first to be marketed in Japanese automotive article distributor route.

Further, we have set up Fujitsu Ten Manufacturing to reinforce our production infrastructure in Japan, and beyond that we have been working overseas to establish global production structures by for example starting mass production at Fujitsu Ten Manufacturing Indonesia.

◆ **Transformation into a *supplier of interconnective in-vehicle information systems* through**

Future Link™

In 2015, we will be moving ahead to a full-fledged transformation from a supplier of *standalone products* into one of *interconnective in-vehicle information systems*, via strengthening of our vehicle-ICT business.

For that purpose, we will be tackling with heightened speed the Basic Policy that I announced upon assuming the post of President in June last year.

- ① Strengthen competitiveness right across the board in QCD+E (Engineering)
- ② Create and nurture new technology and business
- ③ Build up human resources and corporate culture

Last fall, we proclaimed the concept of ***Future Link™***, which connects *people*, *vehicles* and *society*, appeals to people, and encourages them to act. The car navigation system with automatic map updates will be the opening shot in that concept. From now on we will be looking to evolve further so that we can provide each and every customer with new value, through cloud-center interlinkage of data on *people* such as individual users' driving characteristics, data on *vehicles* and the situation in their surroundings obtained from in-vehicle equipment and sensors, etc., and data on *society* obtained from infrastructure and Internet, etc.

2015 will be a key year in which we will make major progress along the path of this concept.

We will be taking a big stride toward our next transformation, which will lead on to growth.

*Android is a registered trademark of Google Inc.

About FUJITSU TEN

FUJITSU TEN LIMITED, established in 1972 with investment from FUJITSU LIMITED and with additional investment from Toyota Motor Corporation and DENSO Corporation in 1973, is a leading manufacturer of automotive electronic equipment. It is a globally-recognized manufacturer of car navigation and audio systems, ECU for engine and airbag control, and mobile communication equipment, and is involved in the development of systems that use sensor technologies such as cameras and millimeter wave radar to detect obstacles near automobiles. FUJITSU TEN is expanding its business globally by fulfilling orders for genuine products for TOYOTA and other automobile manufactures both domestically and overseas. Consolidated sales totaled 303.3 billion yen for the fiscal year ending March 31, 2014.

For more information about the Group and its businesses, please visit website at <http://www.fujitsu-ten.com/>

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