

Japan's Fujitsu sets sights on cloud computing

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Masami Yamamoto, President of Japan's computer services firm Fujitsu, gives a speech during a press conference to explain its business strategy at the headquarters in Tokyo. Fujitsu said Friday it aimed to generate 1.5 trillion yen (17 billion dollars) in revenue from its global cloud computing business by March 2016, making it a cornerstone of its strategy.

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Japan's biggest IT service provider will invest 100 billion yen this fiscal year in cloud-related business, up 54 percent from the previous year, and will train 5,000 specialists by 2012, president Masami Yamamoto said.

[Cloud computing](#) consists of computer applications or [data storage](#) hosted online by technology firms instead of being installed and maintained on users' machines.

The lower-cost concept has grown in popularity during the [economic downturn](#) and also thanks to higher Internet speeds.

"We are focusing our investment on cloud computing, because our medium and long-term growth depends on it," Yamamoto told a news conference.

"We feel threatened because as the cloud-based business and infrastructure accelerate, existing business areas will steadily decline."

[Fujitsu](#) in April said it would expand its cloud [computing platform](#) to five locations outside Japan by March 2011: Australia, Britain, Germany, Singapore and the United States.

The company set up a data centre in China this year which will begin operating next year. Fujitsu expects revenue from cloud computing of 45 billion yen this year, more than double the previous year.

For the current year to March, Fujitsu expects [operating profit](#) to double to 185 billion yen. It kept its fiscal 2011 target for a net profit of 130 billion yen on sales of five trillion yen.

Replicating many Japanese companies facing sluggish demand at home, Fujitsu hopes to boost overseas business to 40 percent of its total revenue, or some 300 billion yen, with one-third coming from India and China, Yamamoto said.

The technology giant last month announced a merger with Toshiba of their mobile phone businesses in Japan to create the nation's second-largest cellphone maker and to strengthen development of smartphones.

Yamamoto also said that a dispute with Fujitsu's former boss, who claims he was illegally fired, had made little impact on its business.

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