

FUJITSU GROUP  
SUSTAINABILITY REPORT

2007



# Editorial Policy

The 2007 Fujitsu Group Sustainability Report describes the thinking, efforts, and accomplishments regarding the social and environmental aspects of Fujitsu Group operations based on *The FUJITSU Way*, the core set of principles guiding the conduct of the Fujitsu Group.

- **This report is produced in printed format and published on our website.**
- This report presents, our basic thinking with respect to the various stakeholders in the Fujitsu Group and the global environment, along with the efforts we are focusing on and the specific content and results of those activities.
- We also make every effort to provide more detailed information and to present the activities of the Fujitsu Group as extensively as possible on our website.



2007 Fujitsu Group Sustainability Report

 Fujitsu website: Corporate Responsibility  
<http://www.fujitsu.com/global/about/responsibility/>

## ● A Means of Communication with our Stakeholders

We see this report as a means of communicating with the many stakeholders in the Fujitsu Group. We hope that you will take the time to provide feedback on this report, either with the separate questionnaire or via our website.

## ● Legibility Considerations

- We have reviewed this report using our ColorSelector tool to choose a highly accessible color combination so that the text and figures will be as legible as possible to the widest range of readers.

 See the following Web page for details on ColorSelector.  
<http://www.fujitsu.com/global/accessibility/assistance/cs/>

## ● Consideration for the Environment

- This report has been printed using waterless printing, which reduces the amount of harmful materials used and emitted.
- It is printed on FSC Certified Paper as designated by the Forest Stewardship Council in order to help preserve forestry resources.
- It uses vegetable oil inks that do not include volatile organic compounds.

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You can also contact us via the Fujitsu "Environmental Activities" website.  
<http://www.fujitsu.com/global/about/environment/contact.html>

## Time Frame

This report primarily focuses on the thinking, efforts, and accomplishments of the Fujitsu Group for fiscal 2006, the period from April 1, 2006 to March 31, 2007, with the data reflecting the actual results for that period.

The report also includes the Fujitsu Group's thinking, efforts, and activity data prior to April 1, 2006 and also for the period between April 1, 2007 and early May 2007.

## Organizations Covered

In principle, this report covers the entire Fujitsu Group, while the environment-related sections cover a total of 132 consolidated subsidiaries (domestic and overseas subsidiaries) that have formed environmental management systems in conjunction with Fujitsu Limited. The section on environmental impact data covers Fujitsu Limited (21 business locations) and 27 of its major manufacturing subsidiaries (19 domestic and 8 overseas).

Please note that this report generally uses the term "Fujitsu Group", or "the Group" to indicate the entire Fujitsu Group (although in some instances this does not include overseas Group companies), and the term "Fujitsu" to indicate Fujitsu Limited on an unconsolidated basis.

## Guidelines Referenced

- GRI Sustainability Reporting Guidelines, Version 3  
<http://www.globalreporting.org/>
- Ministry of the Environment: Environmental Reporting Guidelines (2003 edition)  
<http://www.env.go.jp/policy/report/h15-05/all.pdf> (Japanese)
- Ministry of the Environment: Environmental Accounting Guidelines (2005 edition)  
<http://www.env.go.jp/policy/kaikei/guide2005.html> (Japanese)
- Ministry of the Environment: Environment Performance Index Guidelines (2002 edition)  
<http://www.env.go.jp/policy/report/h15-01/> (Japanese)

## Ensuring the Reliability of Information Disclosure

This report has also been reviewed by an independent body, the Shin Nihon Environmental and Quality Management Research Institute, whose independent assurance report is appended.

Furthermore, the reliability of the environmental information presented here meets the standards for being granted the environmental report audit and registration mark stipulated by The Japanese Association of Assurance Organizations for Environmental Information, and this report has been duly granted this audit and registration mark.

- The Japanese Association of Assurance Organizations for Environmental Information  
<http://www.j-aoei.org/> (Japanese)



## A Note Concerning Forward-looking Statements, Projections, and Plans

This report not only describes past and present facts related to Fujitsu Limited and its related subsidiaries (the Fujitsu Group), but also includes forward-looking statements, projections, and plans. Such forward-looking statements, projections, and plans are based on data available when the report was prepared, and therefore involve a degree of uncertainty. Accordingly, future results of operating activities and other new developments may differ from the statements, projections, and plans included in this report. We ask our readers' understanding of the fact that the Fujitsu Group cannot be responsible for such eventualities.

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For Our Customers

With Our Employees

For Our Shareholders

With Our Business Partners

With Local and International Communities

For the Environment

## An Age of Environmental Innovation

Chairman



Protection of the earth's environment is now a pressing worldwide issue. Environmental protection is no longer merely an issue impacting the sustainability of individual corporations, but is now critical to the continued existence of economic society itself. We believe that adequately protecting the earth's environment requires not only improvements that extend earlier efforts, but major innovations as well.

Moreover, we think that the role of information technology in protecting the global environment will become even larger than ever before. First, we must reduce the environmental burden associated with the use of IT. As the utilization of IT expands, reducing power consumption and increasing recycling are, of course, required, but reducing the environmental burden associated with the manufacture of IT equipment is also a major theme. Just as in the past, when the Japanese automobile industry successfully overcame the apparently impossible requirements of the Muskie Law in the US, leading to great advances in fuel efficiency, innovation has the power to transform corporate costs into new corporate value.

Another issue we are addressing is using IT to reduce environmental burden for society at large. While the direct environmental contributions of IT utilization, such as relieving traffic congestion, reducing environmental burden in distribution, and promoting paperless office work, go without saying, we think that the role of IT in such things as sensor systems for environmental monitoring and the construction of corporate environmental management systems will be extremely large.

The Fujitsu Group is committed to increasing the role of IT in protecting the global environment with the explicit goals of reducing IT's burden on the environment and using IT to reduce other environmental burdens.

### Initiating Efforts for New Environmental Activities

Based on this awareness, starting in fiscal 2007, we have established the Stage V Fujitsu Group Environmental Protection Program as an action plan for implementing the Fujitsu Group Environmental Policy, and we have initiated new efforts to achieve even higher targets.

One major theme is reducing the environmental burden of our products. We will address this by expanding our line of innovative Super Green Products, which aim to be class leaders in environmental friendliness. In addition, we will enhance our environmental solutions in order to expand the role of IT in reducing customers' environmental burdens. Reducing CO<sub>2</sub> will be a major goal of our environmental protection efforts.

The Fujitsu Group has engaged in environmental efforts since its founding in 1935. In line with our strong orientation towards operating in harmony with the environment, we do not view environmental protection as a cost, but rather see it as a key to long-term corporate value. Based on this stance we have accumulated improvements and innovations while engaging in leading-edge environmental activities. By resolutely facing new issues as they arise, we feel that we have used our leadership in the IT sector to create new value in the environmental field.

We will continue to advance our environmental efforts and strive to ensure that operating in harmony with the environment takes even firmer root in the corporate culture of the Fujitsu Group.

## Fostering People-centered IT Utilization

President

*Hiroyuki Kurokawa*



Progress in IT has made possible the achievement of a wide range of possibilities and, as a result, IT has become an indispensable infrastructure that supports not only our customers' businesses but society in general. To make IT even more useful to corporations, to society, and in individuals' daily lives, we think it is important to take much greater advantage of people's knowledge. Our new proposal for advancing this goal is the concept of "field innovation."

To achieve field innovation, first, we must identify the issues the customer faces and define the particular area, or "field," in which those issues can be resolved. Then, to resolve those issues, we need to make people's roles, business processes, and IT, which are the structural elements in that field, visible. It is not possible to improve things that cannot be seen. If we can make the people, processes, and IT visible, it will become possible to improve them by taking advantage of the knowledge of the people involved. In so doing, if we can rethink the role of IT then we can further increase the value of its utilization. What we are proposing to customers is to work together to create a corporate culture of continuous improvement of business processes and IT, with the focus on people.

Of course, we realize that for the Fujitsu Group to propose field innovations to our customers, we must first continuously carry out field innovation in our own business.

For example, the task of reducing environmental burden can be taken to be a single large field. We will work to make visible the people, processes, and IT involved in environmental burden reduction and, taking advantage of people's knowledge, make improvements. We would like to

contribute to our customers' environmental burden reduction through our own environmental efforts such as these.

Furthermore, so that anyone and everyone can participate in the IT society, we are pursuing user-friendliness as a major field innovation theme in our product development. We believe that the further IT comes to permeate every aspect of society, the greater our role must be in making it possible for even more people to enjoy the conveniences provided by IT. Towards this goal, we are committed to promoting universal design so that IT will become easier to understand, easier to use, more visible, and simpler.

Through field innovation, the Fujitsu Group is striving to enable "people-centered IT utilization" by taking advantage of people's knowledge to continuously improve processes and IT and deliver innovation where corporate, social, and individual activities take place.

These efforts also reflect the shift from our earlier focus on solving IT-centered problems to solving business problems themselves. To achieve this, we must cultivate human resources who have the attainments and skills to implement the field innovation required, as well as instill in our people the sense of responsibility and initiative to play a leading role and the determination to always think and act from the customer's standpoint. Therefore we are committed to putting even more energy into nurturing our human resources.

Through these efforts, we hope to contribute even more to solving our customers' business problems and to grow along with them.

# The Fujitsu Group creates and provides high-performance, high-quality solutions based on powerful information technologies.

## Fujitsu Group Profile

**Parent Company:** Fujitsu Limited

**Addresses:**

- **Kawasaki Main Office**  
1-1 Kamikodanaka 4-chome  
Nakahara-ku, Kawasaki, Kanagawa  
211-8588, Japan  
Tel: +81-44-777-1111
- **Headquarters**  
Shiodome City Center  
5-2 Higashi-Shimbashi 1-chome  
Minato-ku, Tokyo 105-7123, Japan  
Tel: +81-3-6252-2220

**President:** Hiroaki Kurokawa

**Established:** June 20, 1935

**Main Business Activities:** Manufacture and sale of communications systems, information processing systems, and electronic devices, and the provision of services related to those products

**Capital:** ¥324.6 billion (as of the end of March 2007)

**Sales:** Fiscal year 2006: ¥5,100.1 billion

**Fiscal Year-End:** March 31

**Employees** Consolidated: 160,977 (as of March 20, 2007)  
Unconsolidated: 36,561 (as of March 20, 2007)

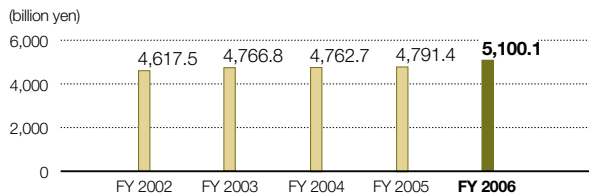


Kawasaki Main Office

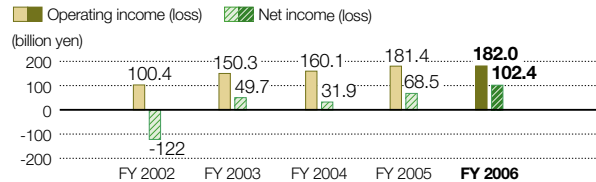


Headquarters

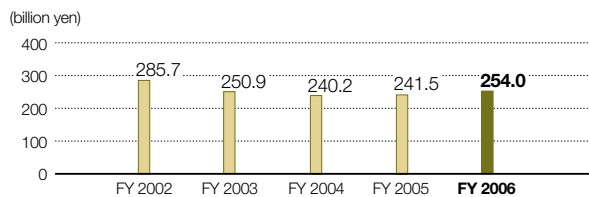
### Consolidated Net Sales



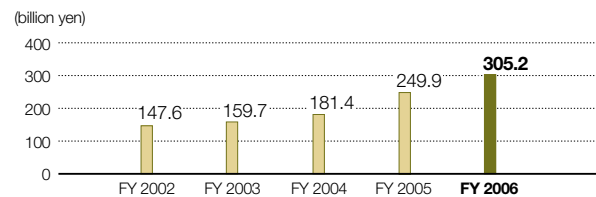
### Consolidated Operating Income/Net Income



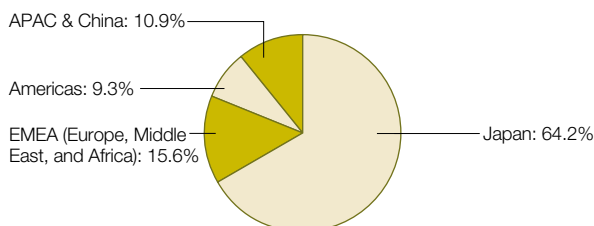
### Research and Development Expenditures



### Capital Expenditures



### Fiscal 2006 Sales by Geography (Sales to unaffiliated customers)



### Employees by Region

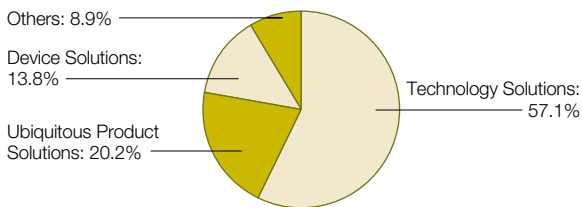
| Region                                 | Employees (thousands) |
|--|-----------------------|
| Japan                                  | 108                   |
| EMEA (Europe, Middle East, and Africa) | 22                    |
| Americas                               | 10                    |
| APAC & China                           | 21                    |
| <b>Total</b>                           | <b>161</b>            |

\* From fiscal 2006, the regions formerly classified as "Europe" and "Asia, Australia, and Others" were reclassified as "EMEA" and "APAC & China," respectively.

## Regarding Our Business Segments

In order to provide comprehensive solutions that combine world-class hardware, software and services and ensure high customer satisfaction throughout the time that customers use them, we have integrated our sales and system engineering groups in Japan and pursued other organizational reforms. In light of these activities, in fiscal 2005 we reclassified our business segments from a product- and technology-focused orientation to a customer-centric categorization as described below.

### Fiscal 2006 Sales by Segment (Including intersegment sales)



### ● Technology Solutions

Covering the provision of comprehensive solutions consisting of the high-performance, high-quality products, software and services that customers demand, Technology Solutions is positioned as the principal business domain of the Fujitsu Group. We will aggressively pursue greater profitability and growth in this area.

### ● Ubiquitous Product Solutions



Ubiquitous Product Solutions includes products such as PCs, mobile phones and hard disk drives, which are integral to meeting individuals' needs in the era of ubiquitous networking. In this segment we will work to improve time to market and quality and to reduce costs.

### ● Device Solutions

In Device Solutions, through a series of corporate restructuring initiatives and alliances, we have been focusing our resources on leading-edge logic LSI devices. In this area, as well as in our related electronic components businesses, we will pursue advanced technologies that other companies cannot match, as well as higher quality and greater efficiency.

## Business Segments

## Sub-segments

|                                     |   |  |  |
|-------------------------------------|---|--|--|
| <b>Technology Solutions</b>         | <b>System Platforms</b> <ul style="list-style-type: none"> <li>● System Products</li> <li>● Network Products</li> </ul> <hr/> <b>Services</b> <ul style="list-style-type: none"> <li>● Solutions/SI</li> <li>● Infrastructure Services</li> <li>● Others</li> </ul> |  <p>Mission-critical IA server: PRIMEQUEST</p> |  <p>Network server: IPCOM EX Series</p>         |
| <b>Ubiquitous Product Solutions</b> | <ul style="list-style-type: none"> <li>● PCs/Mobile Phones</li> <li>● Hard Disk Drives</li> <li>● Others</li> </ul>   |  <p>Raku-Raku PHONE BASIC</p>                  |  <p>FMV-DESKPOWER</p>                           |
| <b>Device Solutions</b>             | <ul style="list-style-type: none"> <li>● LSI Devices</li> <li>● Electronic Components, Others</li> </ul>  |  <p>ASIC line up</p>                           |  <p>Image-processing IC for digital cameras</p> |

# The FUJITSU Way

The core set of principles under which the Fujitsu Group strives for continuous development as a global corporation and to help achieve a sustainable society.

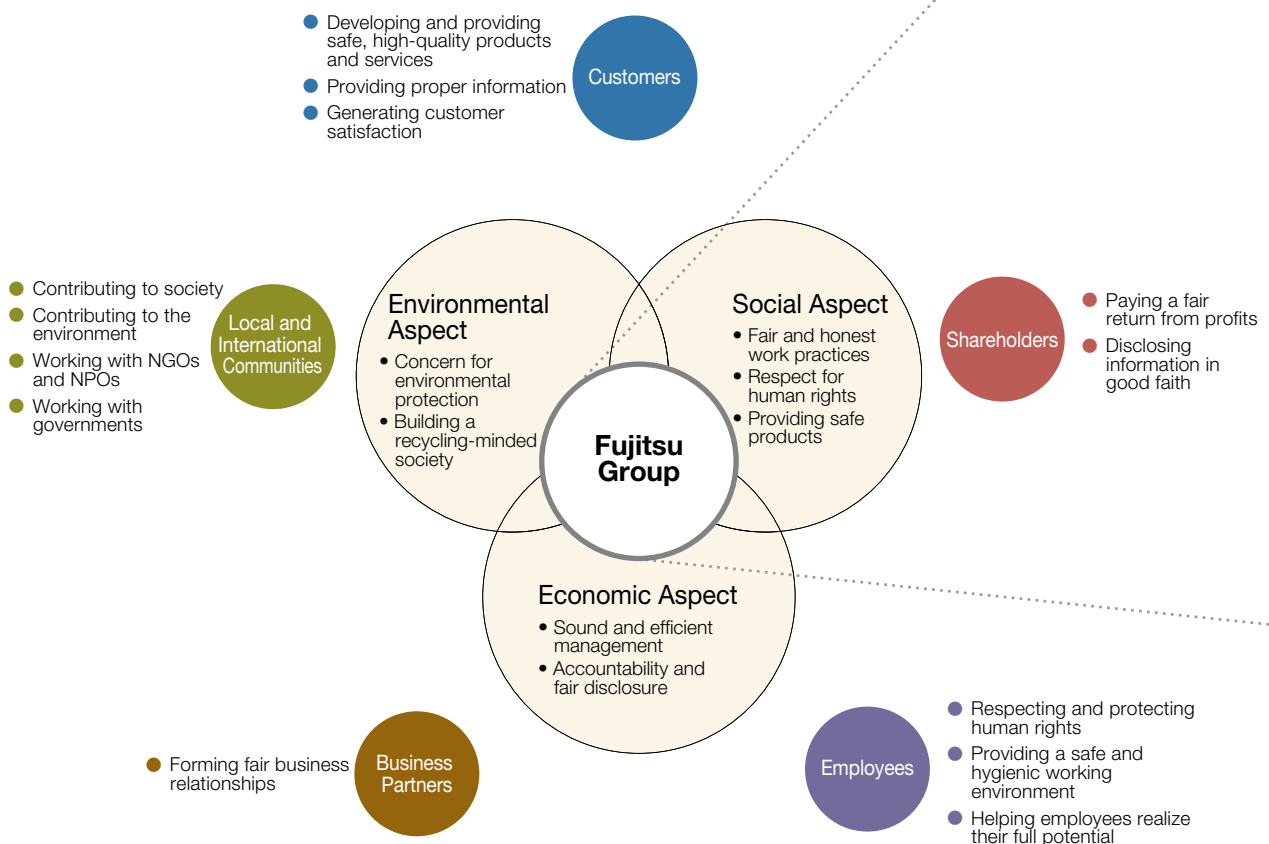
Introduced in 2002, *The FUJITSU Way* is the core set of principles guiding the corporate and individual actions of the Fujitsu Group and our continuing development as good global corporate citizens. A common understanding of Fujitsu's mission, values and code of conduct serves as the standard governing individual employees' business activities.

*The FUJITSU Way* underlines the great importance management places on customers, employees, and quality, as well as the environment, and makes explicit the values we associate with each of these. We believe that focusing equally on all of these areas enables us to contribute to the wellbeing of our stakeholders, including customers, employees, shareholders, suppliers and business partners, local and international communities, public entities and administrators, and as a result helps to foster the profitable growth of the Fujitsu Group.

Underlying this thinking is our commitment to helping promote the concept of sustainability. Meeting this

commitment requires highly integrated efforts encompassing several different aspects of corporate activity: a social aspect, wherein the corporation fosters fair and honest work practices and a respect for human rights; an economic aspect, wherein the corporation pursues sound and efficient management and seeks to explain its actions by providing adequate disclosure of information; and an environmental aspect, wherein the corporation promotes global environmental protection initiatives ranging from actions to prevent global warming to actions to help build a recycling-minded society. We hope to continue meeting the expectations and earning the trust of our stakeholders by demonstrating measurable results in each of these so-called triple bottom line areas.

As the core set of principles guiding our socially responsible corporate behavior, *The FUJITSU Way* is the inspiration for all business policies, plans and Group-wide activities.





## The FUJITSU Way – Turning Dreams Into Reality –

### Our Mission

Fujitsu continually seeks to create new value by providing customers with comprehensive solutions comprising reliable, high-performance products and services based on advanced technologies. In this way, we aim to grow, realize profits, and foster mutually beneficial relationships in our communities worldwide.

### Our Values

| Customers  | Employees                                  | Quality  | Environment  | Profits & Growth  |
|--|--|--|--|---|
| Our dream is to make our customers' dreams come true | Every one of us has a leading role to play | We aim to earn our customers' trust in Fujitsu | We consider environmental impact in all that we do | We strive to meet the expectations of customers, employees and shareholders |

### Our Code of Conduct

|                                  |  |
|----------------------------------|--|
| Respect Human Rights             | Protect Intellectual Property              |
| Comply with Laws and Regulations | Reject Unethical Behavior                  |
| Maintain Confidentiality         | Act with Fairness in Our Business Dealings |

### Group-wide Activities

Manufacturing innovation, environmental activities, etc.

### Business Policy

President's management direction

### Business Plans

Established at business unit level

# Corporate Governance

Pursuing sound and efficient management and strengthening our governance structure for putting *The FUJITSU Way* into practice.

## Basic Stance

We believe that pursuing management efficiency while effectively managing business risks is essential to achieving sustainable improvement in corporate value. Recognizing that stronger corporate governance is vital to realizing this goal, we have been active in appointing outside directors to help ensure sound and transparent management. At the same time, by separating management oversight and operational execution functions, we have promoted faster decision-making while further clarifying management responsibilities. The clear separation of these functions is designed to further improve management transparency and efficiency.

We manage our Group companies based on clear distinction between 1) companies that perform an assigned function in our business; and 2) companies that pursue a synergistic relationship with us based on a shared corporate strategy.

## Our Corporate Governance Framework

The Board of Directors is responsible for management oversight, supervising the operational execution functions of the Management Council, an executive organ under its authority.

The Management Council, deliberates on basic policy and strategy related to business management and makes decisions on important matters regarding operational execution. Issues discussed by the Management Council and a summary of its discussions are reported to the Board of Directors, which makes decisions on items of particular importance. In principle, the Management Council meets three times a month, but meetings may be convened whenever necessary.

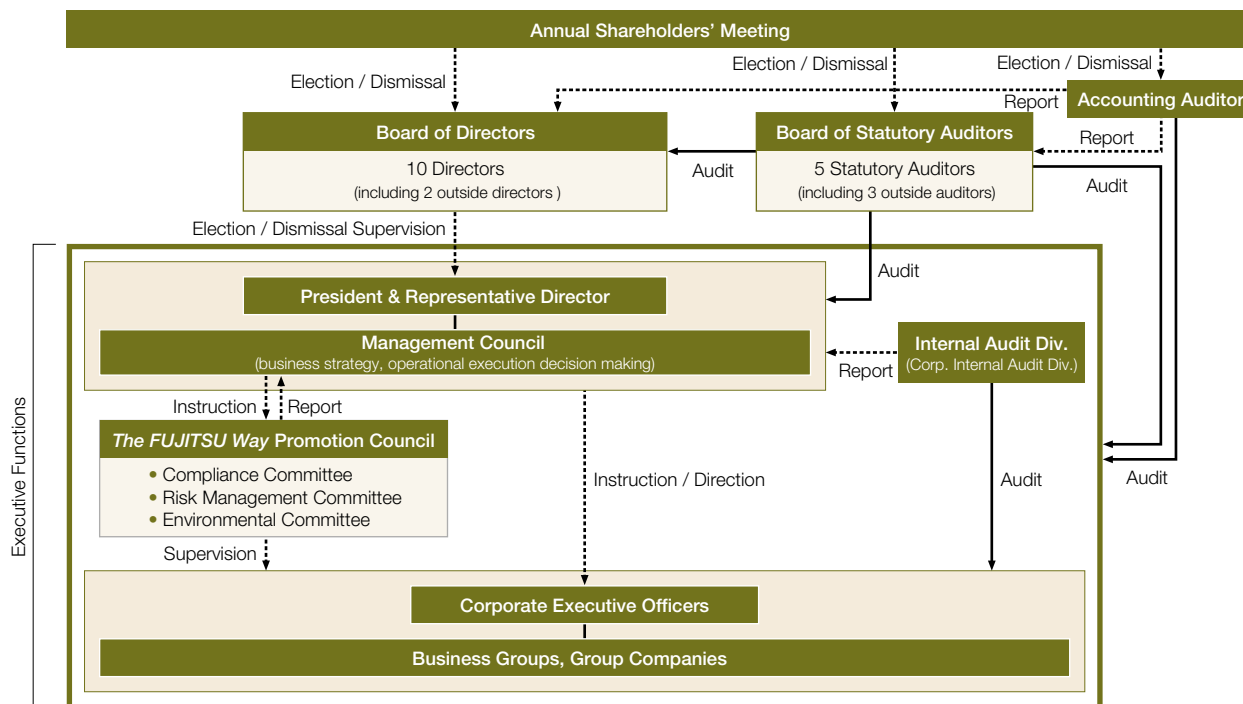
The auditing function is carried out by statutory auditors (Board of Statutory Auditors), who review the Board of Directors as well as operational execution functions and attend important meetings, including meetings of the Board of Directors and the Management Council.

In addition, the Corporate Internal Audit Division has been established to serve as an internal audit group. This division audits the internal affairs of the company and its affiliates, proposes improvements in their business practices, and regularly reports its audit findings to the Management Council.

Fujitsu's accounting audits are carried out by Ernst & Young ShinNihon.

There is no nominating committee or compensation committee.

## Corporate Governance Framework



## Enhancing Corporate Governance

### Basic Stance

Comprising our mission, values, and code of conduct, *The FUJITSU Way* is the core set of principles guiding the corporate and individual actions of the Fujitsu Group.

We pursue the sound and efficient execution of our business activities by striving to accelerate the penetration and implementation of *The FUJITSU Way* and to promote structures and procedures to ensure propriety throughout the Group in our business dealings.

### Status of Implementation

In accordance with the enforcement of Japan's Company Law, and by resolution of the Board of Directors, we adopted a basic stance with respect to enhancement of the Company's internal control framework. We subsequently designated the relevant executive bodies to take responsibility for development of the internal control framework. We are now working to build a more sound operational execution framework based on a review of relevant regulations and operational processes.

To accelerate the penetration and implementation of *The FUJITSU Way*, in July 2004 we established *The FUJITSU Way* Promotion Council as a body reporting directly to the Management Council, and a Compliance Committee. In addition, we realigned the Risk Management Committee and Environmental Committee, which had both previously operated independently, under *The FUJITSU Way* Promotion Council.

To promote risk management, *The FUJITSU Way* Promotion Council continuously monitors the implementation of risk prevention measures by working to raise awareness of risks and by gathering information on specific risks, including potential ones.

Moreover, in anticipation of revisions to Japan's Securities Exchange Law (enactment of the Financial Instruments and Exchange Law), in the second half of fiscal 2005 we launched Project EAGLE as a Group-wide initiative to construct an internal control system that will ensure the validity and credibility of our financial reports. Along with establishing a promotion organization dedicated to these efforts, we have been working to extend them across the Group, including domestic and overseas subsidiaries, by building up our promotion organization, accumulating know-how and cultivating personnel. The goals of the project also include achieving greater efficiency through the pursuit of business process reforms across the Group.

The functions of the committees aligned under *The FUJITSU Way* Promotion Council are as follows:

#### ● Compliance Committee

This committee is responsible for promoting structures and systems to ensure strict compliance with external as well as internal rules, regulations and norms of behavior. To support these efforts, we have operated a "helpline" system in Japan since September 2004 to serve as a confidential liaison for receiving reports from employees and providing guidance to them on matters of conduct.

#### ● Risk Management Committee

This committee takes measures to obtain information regarding specific incidences of risk and minimize the impact of risk incidences on customers and the Fujitsu Group. Serious issues are reported to the Management Council or Board of Directors for discussion and response. Through these measures, risk issues and countermeasures are disseminated throughout the Fujitsu Group, strengthening our overall risk management posture.

#### ● Environmental Committee

This committee is responsible for promoting and strengthening the environmental protection activities of the Fujitsu Group, which are based on The Fujitsu Group Environmental Policy and The Fujitsu Group Environmental Protection Program.

We are taking into consideration the opinions of our accounting auditors as we implement the project to construct an internal control system that will ensure the validity and reliability of our financial reports.

See the Corporate Governance Report for more detailed information on corporate governance.



Corporate Governance

<http://www.fujitsu.com/global/about/profile/governance/>

\* The Corporate Governance Report is available through a link at the foot of the corporate governance page.

# Risk Management

Working to strengthen our Group-wide risk management structure, we are promoting activities aimed at preventing risks from materializing and minimizing the effects should an incident occur.

## Business Risks

Listed below are a few examples of the business risks affecting the Fujitsu Group. We are aware of such risks and are making efforts to prevent them from arising, avoid potential risks altogether and immediately confront risk incidents should they occur.

- Economic and financial market trends (economic trends in key markets, high-tech market volatility)
- Changes in customers' IT investment trends
- Competitor/industry trends (price competition, competition in technology development)
- Procurement, collaborations, alliances, and technology licensing
- Public regulations, public policy, and tax matters
- Other operational risks (deficiencies or flaws in products and services, project management)
- Natural disasters and unforeseen incidents

\* The above examples of risk factors are by no means exhaustive. More detailed risk-related information can be found in our financial results materials and other company reports to shareholders.

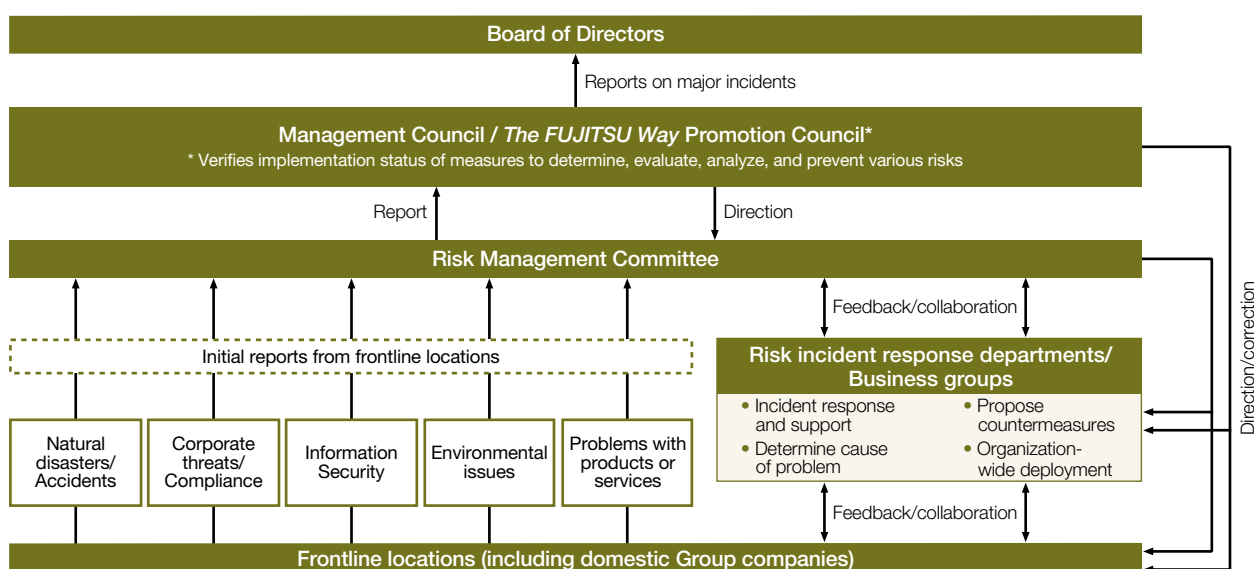
## Risk Management Structure and Risk Management Cycle

We have established a Risk Management Committee under the direction of *The FUJITSU Way* Promotion Council. Through the activities of these two bodies, we are building a risk management structure focused on preventing potential risks from arising and responding to any incidents that do materialize.

To manage potential risks, *The FUJITSU Way* Promotion council maintains close coordination with each business group to extract, evaluate, and analyze a variety of risk-related information. At the same time, it continuously monitors the progress of risk incident prevention measures.

If an incident occurs despite these preventive measures, the Risk Management Committee receives initial reports from frontline locations. Then, in collaboration with local management, the committee takes appropriate response measures including, when necessary, setting up an ad hoc response headquarters to resolve the problem quickly. With regard to major risks, the Management Council and Board of Directors are informed as necessary, and they provide direction to each of the business groups and to the frontline management. Furthermore, with the cooperation of the lead response divisions, we work to determine the cause, deploy those results across the organization, and prevent the risk from reoccurring.

Risk Management Structure and Risk Management Cycle



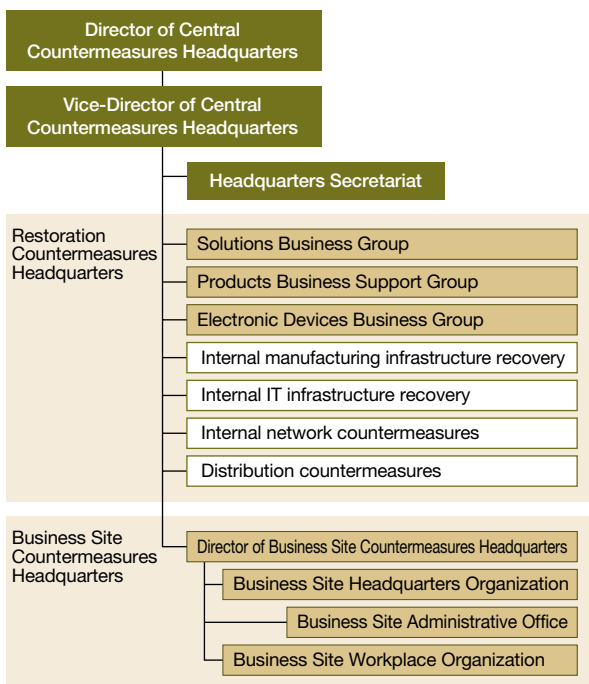
## Business Continuity Planning

The risks of unforeseen events that threaten economic and social continuity, such as large-scale flooding, earthquakes, disruptive incidents, and accidents, have increased greatly in recent years. Currently, we are working to create business continuity plans and to firmly establish business continuity management so as to assure stable supply of the high-performance high-quality products and services our customers require in the event of such events.

## Group-wide Earthquake Disaster Prevention Network

We are organizing a Group-wide earthquake disaster prevention network in Japan to prepare the Fujitsu Group in the event of a major earthquake. To minimize harm to persons and property, we perform frequent disaster prevention inspections at all our domestic business locations and since 1995 have carried out annual nation-wide disaster prevention drills in conjunction with Japan’s Disaster-Prevention Day. In 2006, envisioning an earthquake in the Kanto region of Japan, we set up a Local Recovery Headquarters in Saitama City and carried out system recovery support exercises for information systems that support our customers’ core business operations. In this exercise, we assumed that an earthquake of just under intensity 6 on Japan’s earthquake intensity scale occurred in central Saitama Prefecture.

### Earthquake Disaster Prevention Network



## Risk Management Education

To prevent incidents from occurring, and to minimize the extent and spread of damage if incidents do occur, we have put in place a systematic training curriculum to educate employees on the importance of compliance and risk management and to provide training in specific ways of dealing with risk issues. For instance, we offer code of conduct training specific to job title, including risk management seminars primarily targeting recently appointed general managers.

We also carry out educational programs in the areas of information security, environment, and natural disasters.

### Promoting Information Security Education

We are putting special effort into information security education as part of our measures to prevent information loss and leaks. For instance, we have created an “Information Management Handbook” and made it available to all Fujitsu and Group company employees in Japan over our intranet. We are also implementing e-learning and face-to-face education programs in this area. Since the Information Management Handbook was first published in 2002, we have repeatedly revised it to remain up-to-date with changes in the IT world, revising it three times in fiscal



Information Management Handbook

2006 alone. Our face-to-face education for Fujitsu and domestic Group company employees in this area is part of new employee training as well as the training provided to employees when they are promoted.

# Compliance

Ensuring thorough compliance in line with our code of conduct.

## Approach to Compliance Based on *The FUJITSU Way Code of Conduct*

Along with articulating the mission, policy and values of the Fujitsu Group, *The FUJITSU Way* also includes a code of conduct stipulating the basic rules that each and every employee is expected to follow in realizing these aims. This code of conduct clearly spells out the stance of the Fujitsu Group with respect to strict observance of laws, regulations, and social norms, and indicates the principles, standards, and common basic values governing our business activities.

### *The FUJITSU Way Code of Conduct* (October 2002)

*The FUJITSU Way Code of Conduct* indicates basic principles, standards, and shared values concerning how Fujitsu Group employees are to conduct themselves. The Code of Conduct is made up of the six tenets listed below.

- **Respect Human Rights**  
We will respect the rights of every individual. Human rights are not to be infringed through sexual harassment or discrimination on the basis of race, color, religion, creed, sex, social status, lineage, physical or mental disability or sexual orientation. Such discrimination shall be neither encouraged nor tolerated.
- **Comply with Laws and Regulations**  
We will adhere to all applicable laws and social norms whether in Japan or overseas. Compliance shall be complete and without exception.
- **Maintain Confidentiality**  
Each employee shall appropriately handle and safeguard information held within or passing through our company in accordance with its type, including company confidential information, third-party confidential information, and personal data.
- **Protect Intellectual Property**  
We recognize intellectual property as an essential resource underpinning our corporate activities, fully understand the legal significance of these rights, and, on that basis, make efforts to obtain, maintain and utilize these rights. We will respect other companies' intellectual property while protecting our own.
- **Reject Unethical Behavior**  
No employee shall use his or her position or role in the company for personal gain.
- **Act with Fairness in Our Business Dealings**  
In our dealings with customers, business partners and competitors, we must in every case act in a manner that is fair.

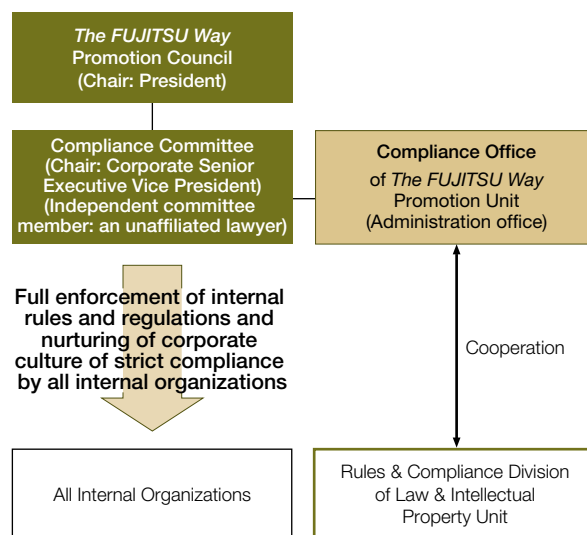
## Compliance Promotion Structure

In 2004, we established the Compliance Committee under *The FUJITSU Way* Promotion Council, which is currently chaired by a corporate senior executive vice president and including an independent lawyer as an outside member.

Based on the stance of strict compliance with social norms indicated in *The FUJITSU Way Code of Conduct*, the Compliance Committee promotes the thorough diffusion and implementation of internal rules, the nurturing of a corporate culture of strict compliance, and the construction of necessary internal systems and structures.

Furthermore, we also carry out activities aimed at instilling an awareness of compliance in cooperation with the Rules & Compliance Division of the Law & Intellectual Property Unit.

### Compliance Promotion Structure



## Helpline System

In September 2004, we took a further step to promote compliance with the Code of Conduct, establishing an internal helpline system at Fujitsu to handle reports from employees and provide consultation.

The helpline serves three purposes. It is a consultation resource for employees who, in the course of carrying out their job responsibilities, are unable to determine whether a particular action is potentially in violation of *The FUJITSU Way*. It also serves as a line of reporting for employees when they are unable to go through normal management channels. In addition, it can be used when an employee has concerns that something may violate laws or regulations. The helpline is available to all Group employees in Japan, including on-loan, contracted, part-time and other short-term employees as well as temporary staff.

In addition to this helpline, each of our domestic Group companies has built and started operating similar helpline systems.

## Information Security

### Our Approach to Information Security (System of Related Rules)

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We are working to strengthen information security based on our policy of promoting appropriate information management and use in strict compliance with internal rules and regulations. *The FUJITSU Way* Code of Conduct clearly spells out our confidentiality policy and is the foundation of our approach to information security. We have also devised seven separate sets of rules relating to information management, including Rules for Management of Confidential Information, Rules for Management of Personal Data, and Rules for Management of Third Parties' and Customers' Confidential Information, which we are working to assure are fully observed at Fujitsu and domestic Group companies.

### Strengthening Information Security at the Business Group Level

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To assure the strongest possible information security, we are working to implement a company-wide information security management structure. As part of that effort, we are building dedicated information security management systems within each business group to promote strict information security measures that reflect the particular characteristics of each individual business.

In our various business units and domestic Group companies we have acquired ISMS (Information Security Management System) certification and are working to provide the most thorough management possible of customers' and others' confidential information.

### Personal Data Protection Initiatives

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In addition to implementing a Personal Data Protection Policy, we have strengthened our personal information management system by stipulating Rules for Management of Personal Data based on Act on the Protection of Personal Information in Japan, which came into full force in April 2005.

For instance, we manage personal data in each business unit according to the Rules for Management of Personal Data.

With regard to the information that is specifically required to be handled carefully among the personal information managed by the business units, detailed rules are prepared for each relevant project, and a manager responsible for auditing assesses the situation for observance of those rules and report it to the president.

Although up to now we have acquired privacy mark certification only for divisions for which it was deemed necessary for business development, we plan to acquire company-wide Privacymark Certification in fiscal 2007. Furthermore, domestic Group companies are also promoting thoroughgoing management of personal information by acquiring Privacymark Certification individually, according to their business needs.

## Protecting Intellectual Property

### Intellectual Property Protection Policy

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In 2002, we introduced *The FUJITSU Way*, which presents the core principles guiding the corporate and individual actions of the Fujitsu Group and describes the shared values guiding individual employees in their business activities. *The FUJITSU Way* explicitly states that we will protect intellectual property. Fujitsu Group employees understand that intellectual property is a critical business asset that supports corporate activities and, in full recognition of the legal meaning of intellectual property rights, strive to acquire, maintain, and use those rights.

### Promotion and Management Structure

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Our intellectual property strategic promotion structure is a comprehensive organization that has the following divisions within the Law & Intellectual Property Unit: a division responsible for strategic proposals and practice for acquisition and management of intellectual property rights; a division that handles licensing negotiations for intellectual property rights; a law division; a division that proposes company internal rules and is responsible for educating employees on those rules; and a division that investigates information related to Fujitsu's business and provides that to each division within the company.

We also have a research subsidiary, Fujitsu Techno Research Limited, that specializes in prior patent searches (to determine whether a patent has already been awarded) and clearance searches (to determine potential infringement of patents held by other companies) when applying for patents.

Furthermore, within in each business group, there is also a unit that promotes the protection of patents and other intellectual property. These units engage in concrete activities to take advantage of particular intellectual property within businesses and in research and development.

### Respecting the Patents of Other Companies

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Infringing the patents of other companies would ultimately threaten the viability of the Fujitsu Group and also cause serious difficulties for our customers and the markets we serve. We take great care to avoid any potential patent infringement, not only through various internal rules and procedures, but at every stage, from research and development to the point a new product or service is released, by thoroughly investigating other companies' patents. At the same time, in conformance with legal practices, we deal resolutely and swiftly with any and all infringements by other companies of Fujitsu's patent rights.



Intellectual Property Report

<http://www.fujitsu.com/global/about/ir/library/intellectualproperty/>

# For Our Customers

We are committed to meeting our responsibilities as a company that supports society through IT.

As articulated in *The FUJITSU Way* mission statement, the Fujitsu Group seeks to “create new value by providing customers with comprehensive solutions comprising high-quality, high-performance products and services based on advanced technologies.” Pursuing quality from the customer’s standpoint is essential in order to create an environment in which anyone and everyone can use with confidence the IT solutions that support critical social infrastructure. Based on our core values of “Customers: Our dream is to make our customers’ dreams come true” and “Quality: We aim to earn our customers’ trust in Fujitsu,” each and every employee in the Fujitsu Group strives to think and act from the customer’s point of view.

## Initiatives in this Area

- Implementing customer-centric management
- The pursuit of quality
- Promoting universal design

Examples : IT Solutions to Meet Society’s Needs



## Implementing Customer-Centric Management

At the Fujitsu Group, by keeping the front lines of our customers’ operations foremost in our thoughts and actions, helping them cope with the changes they face and keeping our commitments to them, we strive to serve as an invaluable partner.

We are intensely focused on continuous quality improvement so that customers can use our products and services with confidence. We communicate with our customers on a variety of levels, starting with our sales personnel and system engineers, who are in direct contact with them. This communication allows us to stay in tune with our customers and to relay their valuable opinions and requests to upper management for further consideration.

In order to ensure that our organization is aligned in a manner that promotes customer-centric behavior, the organizational operation of each division is based upon the framework of the Japan Quality Award Program\*. We are striving to create an organization in which management issues identified within this framework are investigated and then a business plan formed and properly implemented so that we can constantly be in a position to implement customer-centric innovations.

### \* Japan Quality Award Program

This is a framework for achieving superlative customer-centric management modeled on the U.S. Malcolm Baldrige National Quality Award, the de facto standard for global management innovation.

## Communicating with Our Customers

In addition to the support provided by our sales, system engineering and field support staff who work directly with customers to configure their systems, we have set up various customer service desks to improve customer satisfaction and enhance communications.

## The Pursuit of Quality

### Compliance with the Requirements of the amended Consumer Product Safety Law

In 2006, Japan saw a series of serious accidents associated with consumer products such as room heaters, paper shredders and gas instantaneous water heaters. These accidents have resulted in an increased public awareness of product safety issues. Amid this background, Japan's Consumer Product Safety Law was amended, and the amended law came into effect on May 14, 2007. This law not only requires manufacturers and importers to report serious accident information associated with consumer products to the Minister of Economy as their obligation, it also requires the Minister promptly publishes information on the accident.

We at Fujitsu also manufacture and sell consumer products like personal computers. Therefore, we are making known and working to thoroughly carry out the duties stipulated in the amended consumer product safety law through revision of internal standards, new employee training, collective education, and quality conferences. In addition to quickly reporting any



accidents to the administration as stipulated by law, we also provide appropriate information directly to consumers.

### Quality Assurance System

We have developed systems and structures to ensure that each and every employee consistently pursues quality with a professional mindset based on *The FUJITSU Way* tenet on quality: "We aim to earn our customers' trust in Fujitsu."

Focusing on design reviews, we seek to deliver quality assurance in our product development and manufacturing processes by evaluating the reliability of the components and units as well as the systems themselves. In addition to working with suppliers to develop agreed-upon quality assurance criteria for purchased parts and units built into our products, we carry out joint quality assurance measures. The Quality Assurance Unit, which reports directly to the president and adopts a position independent of development, manufacturing and evaluation units, makes the final independent judgement on whether or not a product is suitable for shipping.

We are continuously working to improve these quality assurance measures within the framework of ISO9001 certification acquired by each of our business locations beginning in 1992.

### Quality Assurance Organization



### Improving Quality in All Our Work through Qfinity Activities

In 1966 we launched a high reliability program under the watchwords "reliability" and "creativity" primarily to improve product functions and reliability. Then, from 1977, we introduced Value Engineering (VE) activities to reduce product costs and rationalize working procedures. Building on these successes, in April 2001 we launched the "Qfinity" program with the aim of pursuing quality improvement activities suited to the new age.

Our Qfinity concept emphasizes a quality improvement model using the PDCA (plan, do, check, act) cycle that exhaustively pursues not only better product functions and reliability but also quality improvements in all phases of work, including efforts to improve customer response and delivery and reduce costs. Qfinity themes range from the major guidelines of each division to everyday issues arising in the workplace. These themes are then addressed by groups of employees who work on specific projects, and by individual employees who actively propose reforms and improvements, with all Fujitsu employees participating in principle in at least one of these ways.

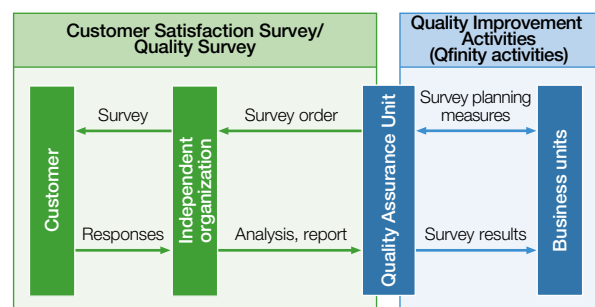
We established "striving to be number 1 in quality in products, services, and customer response" as a critical goal from the second half of 2004, and to achieve that goal, we have been moving forward with Qfinity activities in which both customer-centric and Toyota Production System\* (TPS) concept have been adopted.

\* The TPS philosophy is not just about production methods for manufacturing sites, but rather, it is a practical mechanism and approach for various types of improvement, as well as an approach to management reform.



The word Qfinity was created by combining "Quality" and "Infinity" to express the concept of the infinite pursuit of quality.

### Quality Improvement Efforts through Qfinity Activities



For Our Customers

With Our Employees

For Our Shareholders

With Our Business Partners

With Local and International Communities

For the Environment

## Promoting Universal Design

We believe that universal design is a corporate social responsibility and are actively putting it into practice. We aim to use the products and services in which we have incorporated these principles to increase user satisfaction and contribute to further advances in our customers' businesses.

### Contributing to Customers' Businesses with Universal Design

Information technology is an indispensable part of business and our everyday lives, and it is being used in a variety of ways. As IT gathers momentum and becomes more interwoven with our social fabric, so too have its users become more diverse.

One of our goals is to make IT accessible to everyone. To make even more progress in "human-centered design," which takes human characteristics into account so that even more people can make use of IT safely, securely, and efficiently, we actively espouse the following four principles of universal design.

- **Complement the Five Senses**  
We equip our products and services with various operating methods so as not to restrict accessibility for users whose vision, hearing or other sensory functions may be impaired.
- **Consider Physical Capabilities**  
The dimensions, setup and operability of our products are all designed to flexibly accommodate users of all different statures and physical capabilities, including those in wheelchairs, and to minimize physical stress and fatigue.
- **Consider Cultural and Individual Sensitivities**  
We provide readily understood information in an attempt to avoid misunderstandings and incomprehensibility brought about by disparities in user experience, culture and language.
- **Maximize Usability**  
We design interfaces with outstanding usability to enhance user safety, security, efficacy, efficiency and satisfaction.

 **Fujitsu Design Policy**  
<http://www.fujitsu.com/global/accessibility/policy/>

### Pursuing Optimal Universal Design Solutions

At Fujitsu, an understanding of the actual place where our IT is used, or where it will be used, is the first step in promoting universal design. We emphasize first studying human characteristics themselves, then asking users' opinions, and then observing and studying the workplace. Here, we do not consider just IT, we also focus on the workplace and work style. We consider our customers' business and lifestyle issues from an expansive viewpoint, and aim at providing the customer with an even more effective solution.

## Web Accessibility Solutions

### Establishing guidelines, developing tools, and implementing internally

The Web is an effective means for transmitting information to many people. Because of that, the assurance of accessibility has become an important issue as a foundation for Web functionality, and standards for this are being created.

At Fujitsu, we first established guidelines and developed a website checking tool to implement universal design principles to improve the accessibility of our own website. Leveraging our accumulated know-how and tools developed in this effort, we provide total support for our customers' websites, from planning to evaluation, improvement, and operation.

In December 2006, in addition to the Japanese version of our Fujitsu Accessibility Assistant (checking tool), we updated the English version of the tool and began providing versions in Chinese, and Korean.



English version    Chinese version    Korean version

 **Web Accessibility**  
<http://www.fujitsu.com/global/about/responsibility/accessibility/>

## FOMA Raku-Raku PHONE III, Raku-Raku PHONE BASIC

### Developing easy-to-use products

We have now added Raku-Raku PHONE BASIC, which aims to be the ideal mobile phone for basic functionality, to the Fujitsu Raku-Raku PHONE Series available in Japan. These are products which provide a diverse set of functions, including automatic noise cancellation and voice clarity enhancement for ease of use. We will work to provide a diverse lineup of even easier-to-use models for customers.



FOMA Raku-Raku PHONE III  
Convenient advanced functionality



Raku-Raku PHONE BASIC  
Easy-to-use basic functionality

FOMA is a registered trademark of NTT DoCoMo.

**Medical IT Solution to Connect Local Healthcare Providers with Advanced Medical Services**

**Electronic Medical Record Regional Alliance System**

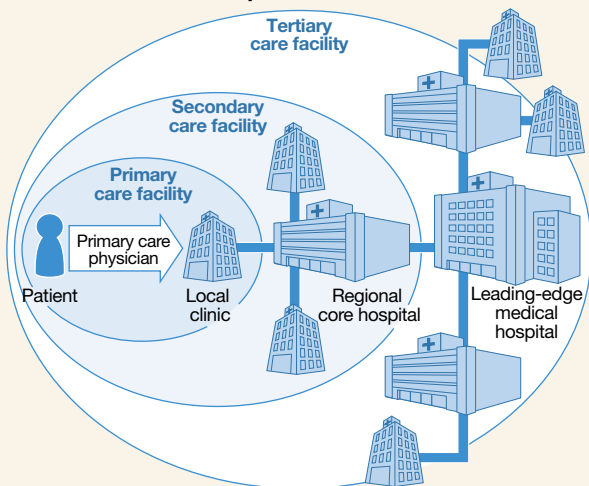


**Advances in Regional Health System Reforms**

Japan is now undertaking a variety of healthcare system reforms to enable efficient use of limited medical resources and ensure that citizens have fair and equal access to medical services. One of these reforms is to explicate the scale and jurisdiction of medical facilities, such as local clinics positioned as primary care providers, regional core hospitals, and specialized hospitals that provide advanced medical services, and then to provide a framework, called a medical district, in which each of these facilities has defined responsibilities for medical treatment, as well as an infrastructure for using that framework.

These reforms also are intended to eliminate the disparities between the major cities where hospitals that provide leading-edge treatments are concentrated and localities lacking such facilities by creating a structure whereby patients can receive high-quality medical services wherever they live through a diagnostic relay system that enables collaboration between facilities within a medical district.

**Medical District Concept**

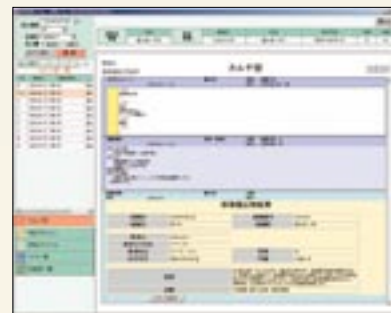


**Electronic Medical Records Enable More Extensive Information Sharing**

Electronic medical records are a key technology for achieving closer and more sophisticated collaboration among medical facilities. In addition to allowing multiple staff members within a single facility to share patient information simultaneously, electronic medical records, by holding data that follows standardized rules, also provides the significant advantage of allowing the sharing and exchange of information with other facilities regardless of the vendor of the IT system used. That

is to say, in order to create an intra-regional collaborative information infrastructure, it is first essential that electronic medical record systems be widely deployed at the various medical facilities wishing to share information.

We have developed a next-generation electronic medical record regional alliance system that can record or reference information from any medical facility so equipped. This system takes advantage of our leading-edge information and



Electronic medical record regional alliance system (Sample screen image)

communications technologies and experience in building medical information systems for facilities ranging from small local clinics to large-scale leading-edge hospitals.

**IT Solutions that Earn the Confidence and Satisfaction of Doctors and Patients**

Using this electronic medical record regional alliance system, medical resources such as hospital beds and sophisticated medical facilities and equipment can be used widely and effectively. This will lead to cost reductions for necessary medical procedures while also enabling more patients to receive even better medical care. Also, it will close the technical and informational gap between regions and different medical facilities, and support enhanced medical care in many facilities. For example, by using electronic medical records to share diagnostic information with a central hospital, doctors at local clinics will come in contact with the latest medical information and cases outside their specialty, and be able to acquire the latest medical know-how. In addition, the system will make it possible to implement a “diagnostic relay” process, in which the case history of a patient brought to another hospital in an emergency can be quickly retrieved from the patient’s primary care physician. This will also help to reduce the burden on the patient when he or she recovers and returns to the primary care physician, since care can continue without interruption.

We are committed to fostering even higher levels of IT utilization and are working to develop IT solutions that can benefit patients and doctors alike.

For Our Customers

With Our Employees

For Our Shareholders

With Our Business Partners

With Local and International Communities

For the Environment

Used in the "Hungry for Success" School Meals Program in Scotland

# Palm Vein Authentication System



## Drawbacks to the Buffet Serving System

While the buffet-style serving system that is well established for school meals in the UK has the advantage that students can take exactly as much as they want of what they want, it can also lead to unbalanced nutrition and obesity.

Also, in this type of serving system, students usually pay for their meals directly after selecting their meal. However, there are some students who, due to their family economic situation, receive financial assistance to help cover the costs of the meals. Previously, it has been easy to identify students receiving assistance as, for example, they would be provided with color-coded meal vouchers or made to pay for their meals at a separate register. The resulting psychological impact on these students became problematic. Seeking to resolve these problems, the Scottish government launched the "Hungry for Success" program to promote student health and improve welfare.

## Prescription: Palm Vein Authentication

The state-run Todholm Primary School in Paisley, a city near the Scottish metropolis of Glasgow, became one of the earliest schools where school meal reform was launched as part of the "Hungry for Success" program. In addition to switching from

a buffet style to a nutritionally balanced set menu style, effort was made to leverage IT to create an environment that would resolve the previously mentioned problems. The technology that made this new environment possible was Fujitsu's palm vein authentication system. Adopting this system made it possible to implement a cash-less payment process in which each student's meal charges are automatically recorded simply by having the student pass his or her hand over a sensor to authenticate their identity when picking up their meal. Moreover, the same payment environment is applied for all students. Thus students receiving aid for meal costs can pay for their meals without any social stigma.

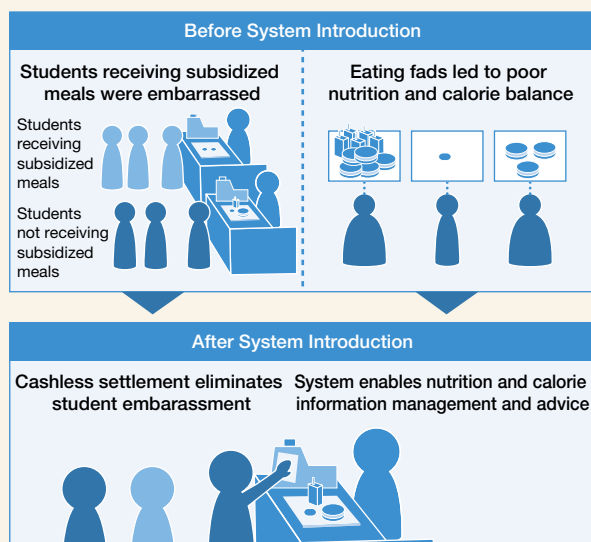
Furthermore, at the time of student authentication, information regarding previously ordered meals, food allergies and other matters can be displayed to cafeteria staff, enabling them to offer personalized advice on nutrition and calorie consumption.

## Another Reason the Palm Vein Authentication System was Chosen

It was the Scottish company Yarg Biometrics that directly undertook introducing the palm vein authentication system at Todholm Primary School. Yarg had previously tried introducing a cashless payment system based on fingerprint authentication technology at a different primary school, but the results were not favorable. As with other fingerprint systems, many students were unable to use the original system. As a result, they were unable to achieve the desired authentication rates. Furthermore, since fingerprint authentication is associated with criminal investigations, there was resistance to this method by the parents and guardians of the students. Yarg, which had been searching for an authentication system to use instead of fingerprints, became interested in and decided to adopt our palm vein authentication system, which performs reliably even when the hand is injured or scraped.

In Scotland, the palm vein authentication system has become associated with the smiling faces of schoolchildren, illustrating how IT can be used to tackle social problems. We will continue to provide IT solutions that meet society's needs.

### Palm vein recognition system helps improve Scottish school meals environment



For Our Customers

With Our Employees

For Our Shareholders

With Our Business Partners

With Local and International Communities

For the Environment

## Promoting Reform of the Judicial System Information System for the Japan Legal Support Center (Houterasu)



### Progress in Judicial System Reform – To Achieve a More Accessible Legal System

In Japan, reforms that are aimed at making the judicial system more accessible and familiar to people are now under way. The Comprehensive Legal Support Law enacted in 2004 proposed the ideal of achieving a society in which anyone can receive information and services to resolve legal disputes anywhere in the country. The corporation that was established in April 2006 as a central body for providing legal support to the Japanese people is the Japan Legal Support Center (Houterasu). In the prefectural capitals and rural areas with limited judicial services, Houterasu has opened and is operating 78 offices (as of May 2007) throughout Japan.

#### The Five Main Houterasu Services

- (1) **Information Services:** Provides free information on national and local government organizations, bar associations, judicial scriveners' associations and related organizations which are responsible for providing information and legal services for resolution of legal disputes.
- (2) **Civil Legal Aid:** When people need assistance of legal experts but have limited financial resources, this service aims at offering free legal consultations, and where necessary referring their cases to legal experts and granting loans to cover the expenses of trials or lawyers and judicial scriveners.
- (3) **Measures for areas with limited judicial services:** For areas where it is difficult to receive legal services due to a lack of lawyers or judicial scriveners. Houterasu will provide legal services at an appropriate cost through staff lawyers who work for Houterasu.
- (4) **Victim Support:** For crime victims and their families. Houterasu provides information on available victim aid systems, such as procedures for participation in criminal proceedings or recovery of damages for victims and other related persons. Information is also provided on victim support organizations and lawyers with expertise in the field of victim support.
- (5) **Court-Appointed Defense Counsel Services:** Houterasu swiftly and reliably enlists candidates for court-appointed defense counsel, provides assistance in arranging court-appointed defense counsel right from the investigation to the trial.

Fujitsu is handling the construction of the information system that supports these core Houterasu functions. One important point in constructing this system was to deploy the system simultaneously at all sites. We took full advantage of our nationwide network and provided support to all the Houterasu sites throughout Japan to implement this information system network.

### Striving for Ease of Use and Thorough Security

To provide timely and appropriate legal aid services, it is important that the information system be easy to use. In addition to working to improve the operability of the business management system, we have implemented an easy-to-use system environment which, for example, makes possible the consolidated management of the sequence of operations from a request from a user, to the disbursal of funds for various expenses, through full settlement. From the fact that, due to the nature of its work, Houterasu handles large amounts of personal information, a high level of security is required. We have proposed and are implementing thorough security measures, including preventing the installation of private software such as the "Winny" file-sharing program.

### Achieving Barrier-Free Information

Concern for the elderly and disabled is incorporated as an important aspect of Japan's Comprehensive Legal Support Law, and this concern must be reflected in information issued by Houterasu. Using the Fujitsu Web accessibility tool WebUD, we implemented barrier-free information access in the Houterasu website by providing features such as voice readout of Web page text and adjustable font color and size. (See page 17 for more information on our Web accessibility solutions.)

Since starting operation, the Houterasu website has been accessed on average about 12,000 times per day, and its call center receives about 800 telephone inquiries per day. We will continue to propose information systems that will contribute to improvements in Houterasu services.



Houterasu website  
<http://www.houterasu.or.jp/>

For Our Customers

With Our Employees

For Our Shareholders

With Our Business Partners

With Local and International Communities

For the Environment

# With Our Employees

We aim to provide an environment that allows each and every employee to exhibit their capabilities to the fullest.

For the Fujitsu Group to continue to respond to customers' requirements and earn society's trust, we must create an environment in which all our employees can exhibit their capabilities to the fullest.

Therefore, based on the "Employees: Every one of us has a leading role to play" statement in the values section of *The FUJITSU Way* and the "Respect human rights" statement in the code of conduct section, we work both to create an environment in which it is easy to work and to support our employees' professional growth.

## Initiatives in this Area

- Respect for human rights
- Diversity in employment
- Providing a good working environment
- Human resources development



## Respect for Human Rights

The shared principles articulated in the code of conduct of *The FUJITSU Way* are guidelines for each employee to use in conducting daily business operations. Prime among them is respect for human rights, an attitude that underpins all our corporate and individual activities. This principle informs the actions of every member of the Group.

In conjunction with these principles, we have also stipulated and published "Guidelines on Respect for Human Rights in Employment" to articulate our stance on human rights in employment.

## Promoting Awareness of Human Rights

The Fujitsu Group provides ongoing education for all employees on various human rights issues, including sexual and other forms of harassment and discrimination. The purpose of this is to extend an awareness of human rights throughout the organization. We have also set up a consultation desk to address employee concerns over human rights.

Through these activities, we are striving to foster a climate of respect and a flexible and comfortable working environment, and to educate our employees to play their part as members of society in the elimination of discrimination.

## FUJITSU Guiding Principles of Respect for Human Rights in Employment

With a view to realizing our growth and profits, respect for human rights must be an integral part of our business culture. FUJITSU is committed to creating a culture in which employees respect the dignity and worth of individuals.

To this end, FUJITSU will strive to foster respect for human rights in all the countries and regions where we operate our business while providing an environment that encourages employees to understand and realize importance of human rights.

### 1. Equal Employment Opportunity and Respect for Human Rights

FUJITSU strives to provide equal employment opportunities. FUJITSU is committed to treat our employees with no illegal discrimination based on race, color, religion, creed, sex, social status, lineage, physical or mental disability, sexual orientation and any other legally protected category that is unrelated to the legitimate interests of FUJITSU.

### 2. Compliance with Employment Laws and Regulations

FUJITSU adheres to the applicable laws and regulations of the countries and regions in which it operates in treating our employees.

### 3. Prohibition of Forced Labor / Child Labor

FUJITSU will not use any form of forced or compulsory labor. FUJITSU will not use child labor.

### 4. Work Environment

FUJITSU strives to achieve and maintain a healthy and safe work environment that motivates its employees. As a part of this effort, FUJITSU ensures that no illegal discrimination and/or harassment are conducted in such work environment.

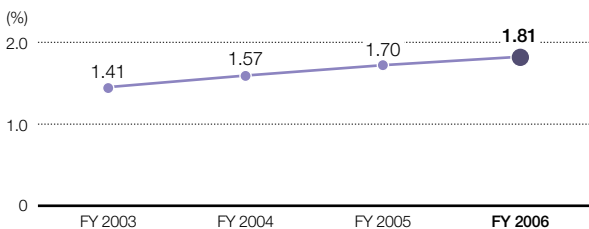
## Diversity in Employment

### Employment of People with Disabilities

Employees with various disabilities are at work in departments throughout the Group. We attend numerous interviews organized by employment and job placement support agencies, creating many opportunities to meet prospective employees. We also provide an open flow of information for current and potential employees with disabilities via special pamphlets, website content and in-house seminars. With respect to workplace assignments, we try to select workplaces that will enable individuals to make the most of their abilities, and we provide long-term support and follow-up interviews to promote their further development and continuation in employment. As a result, in 2006 we exceeded the 1.8% level of employment of people with disabilities required by law in Japan.

Along with strengthening our efforts toward achieving employment ratio goals, not just at Fujitsu but throughout the Group, we are also committed to further improving our workplace environments so that those with disabilities can realize their full potential.

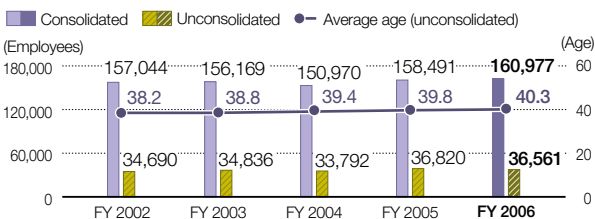
### Trend in Percentage of Employees with Disabilities (Fujitsu Limited)



### Employment of Foreign Nationals in Japan

The Fujitsu Group, including its member companies within Japan, promotes internationally minded employment practices in keeping with the globalization of our business. In Japan, we proactively employ Japanese exchange students and foreign nationals through specific activities, including recruiting events for exchange students held domestically and overseas, as well as on-campus recruiting at leading universities around the world.

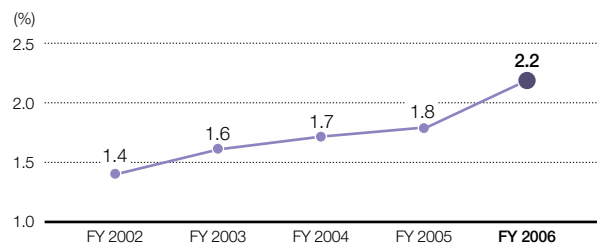
### Trends in Number and Average Age of Employees



## Striving to Provide Equal Opportunity in Employment and Advancement

Together with our employment policy of not discriminating by education, age, gender or other factors, once someone has entered employment we offer opportunities for promotion commensurate with performance and competence. We also are actively advancing the promotion of female employees to managerial positions as part of our equal opportunity efforts in all areas of the Group.

### Trend in Women Managers (Fujitsu Limited)



## Creating Good Working Conditions

### Balancing Work with Pregnancy, Child Care and Nursing Care Needs

We offer flexible working conditions and a favorable environment that makes it easier to balance a career with raising a family or providing nursing care to a family member, thereby enabling all employees to develop their abilities to the fullest. In Japan, in accordance with the Law for Measures to Support the Development of the Next Generation, we have formulated an action plan that was approved by the Minister of Health, Labor, and Welfare in 2007. In addition, we provide babysitter subsidies, paid leave honoring long-term service and for volunteer and other activities, and we have also established and are operating in-house childcare facilities at some of our

business sites. Moving forward, in addition to continuing to improve workplace conditions, we will also be reviewing the ways we work and proceeding according to these plans.



Logo mark stipulated by the Minister of Health, Labor, and Welfare according to article 14, item 1 of Japan's Law for Measures to Support the Development of the Next Generation (Next Generation approval mark)

### Number of Employees Using the Support System (FY 2006, Fujitsu Limited)

| System                              | Users | Men | Women |
|-------------------------------------|-------|-----|-------|
| Child care leave                    | 181   | 11  | 170   |
| Family care leave                   | 10    | 8   | 2     |
| Reduced working hours (child care)  | 160   | 4   | 156   |
| Reduced working hours (family care) | 1     | 1   | 0     |
| Paternity leave                     | 773   | 773 | -     |

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**Attitude Survey to Improve Employee Satisfaction**

To grasp the motivational state of our employees and assess the vitality of activity within the organization, we take an annual survey of employee satisfaction. In fiscal 2006, we targeted about 57,000 employees and received responses from some 44,000. (This was a response rate of 77% and included some Group companies.) To move towards the achievement of an environment in which employees can exhibit their abilities to the full and work as though they themselves have a leading role to play, Fujitsu executives directly assess the state of the organizational units they oversee, carefully address any issues of concern, and set up and implement improvement measures. For example, they may organize all-hands information exchange forums for employees, provide opportunities for dialogue with those at the top of the organization, or promote mutual understanding within the organization through web-based activities, etc. In this way, they utilize the forms of communication best suited to the organization and strive to encourage a sense of confidence and solidarity.

**Health and Safety at Work**

To ensure that all Group employees have a working environment that is safe, pleasant, and secure, we carry out health and safety educational programs and training matched to particular workplace situations. Our suppliers are required to do the same.

We do not overlook the requirements of mental health, either, and proper care is taken to ensure employee well-being.

**Central Health and Safety Committee**

Every year, Fujitsu holds a meeting of the Central Health and Safety Committee attended by employer and employee representatives. The committee sets policies for the company as a whole, monitors natural disasters and other threats to health and safety, and proposes preventive measures. The health and safety organizations at each business location also hold monthly committee meetings, developing policies as they apply to the local situation and implementing them to ensure site safety.

**Health Management & Mental Health**

In Japan, Fujitsu has established Health Promotion Centers and Health Management Offices at each business location. These are responsible for performing various health checks, providing education to increase health consciousness, offering guidance to maintain good health, as well as counseling for those in need of mental health care. To bolster support for employee health self-management, in 2006 we extended our online system that allows employees to easily access the results of company health checkups to also cover Group companies. We also expanded our walking rally program to include events all over Japan starting in 2006 as a measure to help employees prevent lifestyle-related diseases and maintain and improve their health.

As support for employees dispatched overseas or on extended business trips, we provide pre-departure education programs, health exams for accompanying family, and health guidance and consultation for both employees and their families. We also have a supply system for required materials in the event of situations requiring an emergency response, such as avian influenza.

In the mental health area, we have implemented e-learning study programs and an online tool for diagnosing one's own level of stress. In addition to in-house counseling, we have enhanced self-care options that leverage counseling provided by external organizations, and we are working to bolster care through mental health training programs for managers and other measures.

**Human Resources Development**

We consider the development of human resources and employee education as key management priorities and essential to ensure continuing growth in an era of increasingly severe changes in our operating environment. We are committed to cultivating a group workforce that is second to none.

**Supporting Career Development with the "Executive Personnel Image" Standard**

We set a standard with regard to the image that Fujitsu managers should project to give our employees the right idea of the direction they should pursue and skills they should acquire. This standard forms the basis for our promotion scheme. Employees can refer to this standard as a guide in their own day-by-day efforts to develop their skills and advance their careers. At the same time, the company uses the standard in providing employee education programs and a career support structure.

We provide training for managers based on this image, and distribute handbooks containing practical advice for supporting their workplace and staff in order to help them become better managers.

**Fujitsu University**

Drawing together the collective knowledge and expertise of the Fujitsu Group, Fujitsu University was established in April 2002 to carry out world-class human resources development.

Here, closely aligning human resources strategies with the Group's business strategies, we offer employees a variety of courses aimed at:

- Training professionals who are able to provide customers with a high degree of added value;
- Fostering business leaders who can exhibit global business leadership;
- Promoting the shared values and skills of all employees—the "baseline" of the group's capabilities as a comprehensive solutions provider.

Through these efforts, we are striving to cultivate the leaders

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who will support the Group in the future.

Furthermore, we are enhancing the presence of the Fujitsu Group through active collaboration with universities and other external educational institutions, hosting of exchange students at the Japan-America Institute of Management Science (JAIMS), and other initiatives.

### Fujitsu NetCampus

Open to all employees around the world, NetCampus is our in-house educational platform for the management of learning. Course content, applications and acceptances for enrollment, and a wide variety of learning support functions are all provided via intranet, providing strong impetus for the widespread implementation of e-learning.

### Education on Manufacturing Innovation

Based on the Human Resources Promotion Development Law, the Fujitsu Institute of Technology carries out accredited career training in a one-year intensive group education course that combines the basic disciplines and practical skills required by the Fujitsu Group. This training fosters basic production site operators capable of adapting to the dynamic changes occurring on the manufacturing floor.

In addition, the course is structured to provide education for each rung of the career ladder, including site foreman, and offers a well-rounded training curriculum to reinforce the organizational strength of the Group's manufacturing sites.

### **Promoting Flexible Allocation of Human Resources and Career Development**

To respond to changes in the business environment and operational needs, we seek to optimize allocation of personnel to growth areas and fields and occupations that require even stronger staffing resources. Along with providing various types of specialized training and follow-up education, recognizing increasingly diverse employee work-styles, we provide career development support, including in-house recruitment and a free agent system that allows employees to choose for themselves their career direction. We also offer career training and counseling.

#### **In-house Transfers (FY 2006, Fujitsu Limited)** (no. of people)

| System               | Transfers |
|----------------------|-----------|
| In-house Recruitment | 301       |
| Free Agent System    | 72        |

### Employee Career Development Self-Support System

This system aims to empower employees to access a wide array of career options that can provide meaning in both their work and daily lives as they venture out into a world no longer bound by age-based conventions on employment. The system assists them to make proactive career decisions and opens the way for career shifts and independent ventures well in advance of their retirement.

### Retiree Re-employment Scheme

Although the official age for retirement is 60 years in Japan, we have implemented a system for re-employment of retirees in accordance with the Law Concerning Stabilization of Employment of Older Persons enacted in April 2006. We strive to provide fulfilling opportunities for all employees who wish to continue working past 60.

### Evaluation and Awards System Performance Evaluation System

In Japan, we have introduced a system under which employees set their own performance targets every six months and receive compensation based on the extent to which they meet those targets and the processes they use to do so. The system supports employees as they pursue their personal growth objectives, providing objective standards by which to assess their career development and acquisition of skills.

### Awards System

Every June, at the events commemorating Fujitsu's foundation, we present awards for outstanding performance to encourage our employees' desire for achievement, to firmly establish an active organizational style, and to foster a culture of praise. All employees of the Fujitsu Group are eligible for these awards. A wide range of awards are also presented in a timely way at the company and business group level.

### Compensation for Employee Inventions

In the event that Fujitsu receives the rights to an employee invention and registers it as a patent, compensation is paid to the employee or employees responsible. In conjunction with Article 35 of the Japan Patent Law, we promote awareness of our "Regulations on Compensation for Employee Inventions," disclose relevant guidelines and offer an email-based service for consultation and to sound out opinions.

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# For Our Shareholders

We aim to meet the expectations of shareholders by paying a fair return on profits and through close communication.

Along with striving to generate “Profits and Growth” as set forth in *The FUJITSU Way* mission and values statements, we seek to fulfill our responsibilities to shareholders and investors by paying a fair return on profits and through conscientious disclosure of information and other communications.

## Initiatives in this Area

- Fair return on profits
- Timely, accurate and unbiased disclosure of information
- Strengthening communication



## Basic Policy on Returns to Shareholders

Regarding our basic policy on the exercise of the authority of the Board of Directors with respect to distribution of dividends, etc. in accordance with Article 41 of the Articles of Incorporation, Fujitsu believes that a portion of profits should be paid to shareholders to offer a stable return, and that a portion of profits should be retained by the company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance.

For fiscal 2006, we posted a net loss on an unconsolidated basis, resulting in a reduction in shareholders' equity. However, in light of the fact that future financial risks are reduced by posting the loss, that the loss is not associated with an actual outflow of cash, and that earnings are on a recovery path, in order to continue the policy of paying stable dividends on an going basis, per the decision of the Board of Directors, we plan to pay a year-end dividend of 3 yen per share, resulting in full-year dividends of 6 yen per share (of which, 3 yen per share was paid as an interim dividend). In addition,

as decided by the Board of Directors, “retained earnings” were increased and the amount of this increase was offset by decreasing “other capital surplus.”

With respect to the disposition of profits, we intend to continue to pay dividends twice a year, at the end of the first half and the end of the fiscal year.

 **Financial Results Announcements**  
<http://www.fujitsu.com/global/about/ir/data/results/>

## Basic Policy on Information Disclosure

We recognize that timely and appropriate disclosure of company information to shareholders, investors and securities analysts is the bedrock of a healthy securities market. Based on this awareness, we disclose information in accordance with Japanese securities and exchange law and with disclosure regulations for stock exchanges where Fujitsu stock is listed. Also, it is our policy to disclose information promptly, accurately and fairly whenever it may affect investment decisions, even without any regulatory obligation and when it may be adverse to Fujitsu.

## Timing of Annual Shareholders' Meeting

In order to have as many as possible of our shareholders attend, we schedule our annual shareholders' meeting to avoid days when many other such meetings take place in Japan. Also, in consideration of the needs of our overseas shareholders, English agendas for the meeting are dispatched about three weeks in advance.

Further, in addition to introducing in June 2002 a means to enable shareholders to exercise their voting rights using the Internet, from the annual shareholders' meeting held in June 2006 we have been implementing an online platform for voting by institutional investors.

Moreover, we provide on-demand live remote meetings in Sapporo, Nagoya, Osaka, and Fukuoka for our shareholders who are unable to attend the annual shareholder's meeting.

## Communicating with Shareholders and Investors

We are actively involved in IR activities in Japan and abroad, including holding briefing sessions for institutional investors and securities analysts, responding to individual requests from investors, visiting Japanese and international investors, and transmitting information through the Fujitsu website as part of our communications efforts.

We also disseminate press releases, providing information through the media to individual investors and the public at large as part of our efforts to ensure fair disclosure.

### A Variety of Meetings for the Investor Community

In addition to briefings on financial results, we provide a variety of presentations on management policy and specific business briefings targeted at institutional investors and securities analysts in Japan.

In these presentations, senior managers speak on various topics: the president and corporate senior executive vice presidents discuss the broad management picture; top executive officers use financial data and other materials to describe business conditions; presidents of the various business groups speak about practical strategy; and other corporate executive officers speak on conditions at the front lines. Besides these presentations, we also actively hold small-scale meetings when appropriate and respond to individual requests on a one-on-one basis.

For overseas institutional investors, we hold road shows twice a year in Europe and North America, and local staff also visit investors individually. In addition, we strive to provide the same level of information to overseas parties as to those in Japan. For example, we have set down the principle of

simultaneously posting important press releases in English and Japanese on our website.



Annual Report 2006  
(Covering the fiscal year ended March 31, 2006)

## Communicating with Individual Shareholders and Investors

We prepare and send out interim and year-end financial reports for individual shareholders and investors. We promptly disclose IR materials used at analyst briefings and materials and images from the year-end presentation of results on our website, utilizing PDF files and streaming technology. In May 2006, we enhanced our website for individual shareholders and investors. This investor relations website is a centralized resource for information on the company and includes sections on Financial Information, Shareholder and Stock Information, Fujitsu Management Direction, IR Reference Library and Frequently Asked Questions. We have also placed an inquiry form on the website for two-way communication.



IR website (Japanese)

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# With Our Business Partners

We value cooperative and harmonious relationships with our business partners and engage in responsible business practices.

Along with acting in accordance with the rule to “act with fairness in our business dealings” articulated in *The FUJITSU Way* code of conduct, we place great value on cooperative and harmonious relationships with our business partners in procurement activities, an area in which we take our social responsibilities seriously, and work in close collaboration with them.

## Initiatives in this Area

- Promoting socially responsible procurement
- Collaboration with suppliers in procurement



## Promoting Socially Responsible Procurement

In our procurement activities, we pursue a policy based on harmonious coexistence with our business partners, fair and proper evaluation and selection of suppliers, and the promotion of socially responsible procurement activities. Not just in our own business activities but throughout our supply chain, we work together with our suppliers to implement procurement activities grounded in the principles of corporate social responsibility (CSR). In March 2006, based on *The FUJITSU Way*, we articulated a basic stance on procurement under the theme of “promoting CSR-conscious procurement,” and at the same time published new CSR Procurement Guidelines outlining for our business partners various CSR-related considerations we require in order to do business.

These guidelines stipulate items concerning conservation of the global environment, legal compliance and other issues; explain how business partners can comply with them; and urges them to do so.

In fiscal 2007, as another concrete step in promoting CSR considerations in our supply chain, we plan to carry out a survey of our business partners’ handling of CSR issues. We will also strengthen our CSR-related support activities, including providing assistance to help business partners construct environmental management systems and holding briefings on CSR issues.



**Fujitsu Procurement Policy and CSR Procurement Guidelines**  
<http://www.fujitsu.com/global/about/procurement/policy/>

## Fujitsu CSR Procurement Guidelines

### 1. Protection of the Global Environment

Complying with the Fujitsu Group Green Procurement Direction, we promote the establishment of environmental management systems (“EMS”), and we aim to supply products and services that involve low environmental load and do not contain hazardous substances.

### 2. Compliance with Laws and Regulations

We adhere to applicable laws, regulations and accepted social practices governing our local and global businesses.

### 3. Respect for Human Rights, Labor, Health and Safety

• We respect individuals’ human rights and do not unfairly discriminate against people based on race, color, religion, creed, sex, social status, and physical or mental disability, and we do not engage in human rights abuses such as sexual harassment. Also, we do not induce anybody to infringe such human rights.

• We establish comfortable work environments for the security and health of our employees.

• We do not use child labor or any form of forced or compulsory labor.

### 4. Assurance of Safety and Quality of Products and Services

We maintain high standards of safety and quality in our products and services.

### 5. Maintenance and Promotion of Information Security

We maintain and promote information security in order to properly protect our own information and information systems and those of third parties.

### 6. Fair Trade and Corporate Ethics

#### 1. Fair Trade

We promote fair, transparent and free competition and do not engage in any illicit trade.

#### 2. Protection of Confidential Information

We maintain and promote proper handling of confidential information, including third parties’ confidential and personal information.

#### 3. Protection of Intellectual Property

We strive to obtain, maintain and utilize the intellectual property of others, understanding the role that intellectual property plays as an important resource to underpin organizations’ business activities.

#### 4. Prohibition of Bribes

We do not engage in any bribery of public officials or any similar activities, or any corruption, extortion, or appropriation through the abuse of one’s position in the organization.

## Collaboration with Business Partners in Procurement

### Advancing Green Procurement

We have set forth our basic requirements for environmentally sound procurement of parts, materials, and products in the “Fujitsu Group Green Procurement Direction” and are working with our business partners on activities in this area. In the Stage IV Fujitsu Group Environmental Protection Program, to promote even further reductions in environmental burden, we put importance on having our business partners create environmental management systems (EMS) and acquire third-party accreditation, such as ISO14001. As a result, as of November 2006 we achieved the target of increasing to 100% the procurement ratio from suppliers who have implemented an EMS (see page 37).

We carefully follow trends in environmental regulations on products and have revised some of our Green Procurement Direction accordingly. Going forward, in addition to existing requirements that suppliers establish EMS and strictly observe regulations on specified chemical substances, we will also require suppliers to construct chemical substances management systems (CMS\*).

We are committed to working together with our business partners to assure strict compliance with global environmental regulations and pursue environmental activities across our supply chain.

#### \* CMS

Management systems for use of chemical substances in products



Fujitsu Group Green Procurement Direction  
<http://www.fujitsu.com/global/about/procurement/green/>

### Information Security in Collaboration with Our Business Partners

Recently there has been a marked increase in the number of information security incidents, such as the loss or theft of notebook PCs or storage media, or data leakage due to infected file-sharing software. We are strengthening our Group-wide internal information security measures (including measures to protect personal information) to prevent the occurrence or reoccurrence of such incidents.

For example, in 2006, continuing activities begun in 2005, we carried out the following initiatives in collaboration with some of our software development, service, and hardware product partners.

- Information Security Seminars  
(September 2006 to January 2007) (A total of 53 seminars with approx. 2,300 companies in attendance)
- Questionnaires on the status of our business partners' information security measures  
(November–December 2006)
- Audits (on-site) of the information security measures of our business partners  
(April 2006 to March 2007)  
(This program covered roughly 560 companies.)

In working with business partners, if we provide them with confidential information regarding Fujitsu or a Fujitsu customer, we conclude a contract that stipulates an obligation of confidentiality, and we require that our partners take measures to assure strict observance of confidentiality that are on a par with those that we maintain. If our customer stipulates measures beyond what we normally provide, we address those individual conditions explicitly in our supplier contracts.

Furthermore, to assure strict compliance with contract conditions and even more thorough information management, we implement the following initiatives, particularly with respect to our software development and service business partners, instructing them in information security and thoroughly auditing their activities.

#### ● Information Security Seminars

We have created explicit and easy-to-understand guidelines on information management, distributing these to business partners and holding briefing sessions for them. Judging by requests for us to allow them to post the guidelines on their



Information Security Briefing

company intranets and to allow their middle management in charge of security to attend these briefings, our business partners have reacted enthusiastically to our efforts to help them bolster information security.

#### ● Information Security Audits

We carry out information security audits of our business partners to verify the state of their operational management of confidential information. If a major problem is discovered, and if subsequent improvements are not apparent, we review our dealings with that company and implement a cessation of new orders to that company as necessary.

# With Local and International Communities

As an IT company and good corporate citizen, we carry out a variety of unique activities to contribute to society.

In line with the aim of fostering “mutually beneficial relationships in our communities worldwide,” as articulated in *The FUJITSU Way* mission statement, the Fujitsu Group, as a good corporate citizen, implements a wide range of activities that contribute to society. These activities take advantage of our distinctive skills as an IT company.

## Initiatives in this Area

- International contributions in the educational area
- Social contributions in the environmental area



Scholarship students in the 2006 JAIMS MBA program



Reforestation activity at the Fujitsu Group Malaysia Eco-Forest Park.

## Our Philosophy on Contributing to Society

A primary motivation for the Fujitsu Group is to live and thrive as a good corporate citizen in harmony with local and international communities. We aim to grow and to fulfill our responsibility to promoting the sustainability of society by working for the best interests of all of our stakeholders, including customers, employees, shareholders and investors, suppliers and business partners, local and international

communities, public institutions and government authorities.

As part of this policy, we engage in social contribution activities that include educational programs for young people who will become future leaders, as well as a variety of initiatives to promote international communication and environmental conservation.

See the following site for more on Fujitsu's social contribution activities.  
<http://www.fujitsu.com/about/responsibility/community/>

## Social Contribution Activities in Fiscal 2006

### Promoting Learning & Education and International Exchange

- Management of the Japan-America Institute of Management Science (JAIMS)
- Management of the Foundation for International Information Processing Education (FINIPED)
- Support for the Mathematical Olympiad Foundation of Japan & The Japanese Committee for the International Olympiad in Informatics
- Sponsorship of the Fujitsu Asia Pacific Scholarship Program
- Fujitsu kids' site (Japanese website)

### Cultural and Artistic Activities

- Sponsorship of the Fujitsu Concert Series
- Sponsorship of the Concord Jazz Festival
- Hosting of the 14th Fujitsu Cup Masters Tournament (the only senior level *Shogi* tournament of its kind)
- Hosting of the 19th World Go Championship Fujitsu Cup
- Sponsorship of the Fujitsu Ladies Golf Tournament
- Support for the Kawasaki Frontale Professional Soccer Team

### Company Sports

- Track and field
- American football
- Women's basketball

### Local Activities

- Kawasaki Plant Spring Festival
- Numazu Plant Tea Picking Festival
- Fujitsu Solution Square *Kusunoki* Festival

### Disaster Relief Support

- Disaster relief support for the Java (Indonesia) earthquake
- Disaster relief support for the Noto Peninsula (Japan) earthquake



Grade school sports friendship classroom



Fujitsu kids' site (Japanese)

\* See page 38 for other environmental and social contribution activities, and page 53 for collaborations with external organizations.

## Social Contribution Highlights for 2006

### Japan-America Institute of Management Science

This institute, now in its 35th year, is a non-profit educational institution set up with the full backing of Fujitsu in 1972. Anticipating the increasing importance of US-Japan business relations, the institute was established based on then Fujitsu President Yoshimitsu Kohra's vision to foster the development of globally minded business people who could act as a future bridge between the two nations.

We continue this support today through a dedicated internal organization (the JAIMS Promotion Division), which also serves as the Institute's Japan office, providing financial assistance for operating funds and other purposes, as well as advertising activities and the planning of seminars for placement of exchange students.

We established the Foundation for International Information Processing Education (FINIPED) at the same time as JAIMS in order to provide scholarships to Japanese and other students at JAIMS, as well as financial support for the development of human resources.

In commemoration of the 50th anniversary of Fujitsu's founding, in 1985 we established the Fujitsu Asia Pacific Scholarship Program to provide scholarships for study at JAIMS by students from the Asia-Pacific region. The scholarship program aims to deepen understanding of Japanese culture, society and management techniques, and foster business leaders who can serve as a bridge between Japan and the world in the future. It also helps advance cultural exchanges and mutual understanding among business people in the Pacific Rim.

To date, more than 22,000 participants from some 54

countries have come to study at JAIMS, including about 3,000 exchange student program graduates and approximately 19,000 seminar attendees. These participants are utilizing the English language and business skills they acquired at JAIMS and its global network of contacts to conduct business in countries all over the world.

In 2006, JAIMS was awarded the 2006 Japanese Foreign Minister's Commendation in recognition of its more than 30-year contribution to international exchange.

 **Japan-America Institute of Management Science**  
<http://www.jaims.org/>

### Fujitsu Group Malaysia Eco-Forest Park Reforestation Project Completed

Significant amounts of forest area in Malaysia have been lost over the years due to slash-and-burn farming, commercial logging, palm oil plantations and other causes, and restoration of these forests has been an important issue.

In the Kinarut region of Sabah State, which is next to the Malaysian administrative district of Brunei in East Borneo, the increasing area of deforestation due to slash-and-burn farming and forest fires had become an issue of particular concern. The Sabah State Forestry Development Authority looked into tree planting to reforest the Kinarut region, but financial and other problems made implementation difficult.

Responding to this need, the Fujitsu Group in 2002 established the Fujitsu Group Malaysia Eco-Forest Park in Sabah State as part of our overseas reforestation program implemented in conjunction with our international environmental activities. This effort was made possible by contributions from over 10,000 Fujitsu Group employees to cover operating capital for the project, and a promotion group comprising personnel from Fujitsu Limited, Group companies, and the Fujitsu labor union. The project was also supported by the Malaysian government and the Japan International Forestry Promotion and Cooperation Center; and it enjoyed the encouragement of the Consulate-General of Japan at Kota Kinabaru.

This collaborative effort included carrying out a total of six reforestation operations through November 2006, resulting in the planting of about 37,500 seedlings over 150 hectares. In places where planting has been completed, the University of Malaysia, Sabah and the Kota Kinabaru Japanese School have already initiated activities using those areas for environmental study. Additionally, it is hoped that in the future these areas can be put to use for full-scale eco-tourism and other economic activity. The Fujitsu Group will continue to vigorously promote international environmental contribution activities like this reforestation initiative.

## Voices

**JAIMS is a place to broaden your perspective.**

**Ms. Ninibeth Llanto Caunan**  
 (Employee of a major electronics manufacturer in the Philippines)



The intensive curriculum focusing on U.S. business principles and practices prepared me to face the challenges of management in a multicultural business environment. Because of JAIMS I have a new sense of confidence. JAIMS was the perfect location for me to make Japanese, French, Indonesian, Thai, Cambodian, Philippine, Hawaiian and American friends. During the four-months I learned how similar we all really are despite our different and diverse cultural backgrounds. JAIMS is truly where East meets West; it is a place where you can broaden your perspective and discover yourself.

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For the Environment

# For the Environment

## Passing on a Beautiful Environment to Future Generations

Consideration for the environment is one of the core values articulated in *The FUJITSU Way*, and this in turn informs the Fujitsu Group Environmental Policy. We create a mid-range environmental protection program with concrete targets for implementing this environmental policy and, by working to achieve these targets, aim to contribute to sustainable development.

### Initiatives in this Area

- Achievements of the Fujitsu Group Environmental Protection Program



### Fujitsu Group Environmental Policy

Since Fujitsu's founding in 1935, we have made environmental preservation one of the most important elements in our management, based on our philosophy of "manufacturing in harmony with nature." To promote environmental management that reflects the distinctive identity of the Fujitsu Group, we have established the Fujitsu Group Environmental Policy.

### Green Policy 21

We want every employee of the Fujitsu Group to understand the approach, which has applied since our founding, of manufacturing in harmony with nature and to put this approach into practice in their daily work. For this purpose, we have established "Green Policy 21" as a concept to guide our actions—a concept that goes beyond any mere statement of intent.

We have adopted as our slogan "We make every activity green," and we put this idea into practice in all areas of our business.

### Fujitsu Group Environmental Policy

#### Philosophy

The Fujitsu Group recognizes that environmental protection is a vitally important business issue. By utilizing our technological expertise in the IT industry and our creative talents, we seek to contribute to the promotion of sustainable development. In addition, while observing all environmental regulations in our business operations, we are actively pursuing environmental protection activities on our own initiative. Through our individual and collective actions, we will continuously strive to safeguard a rich natural environment for future generations.

#### Principles

- We strive to reduce the environmental impact of our products throughout the product life cycle.
- We are committed to conserving energy and natural resources, and practice a 3R approach (reduce, reuse, recycle) to create best-of-breed eco-friendly products.
- We seek to reduce risks to human health and the environment from the use of harmful chemical substances or waste.
- Through our IT products and solutions, we help customers and society to reduce the environmental impact of their activities and improve environmental efficiency.
- We disclose environment-related information on our business activities, products and services, and we utilize the resulting feedback to critique ourselves in order to further improve our environmental programs.
- We encourage our employees to work to improve the environment, bearing in mind the impact of their business activities and their civic responsibilities.



# Targets and Achievements

Establishing clear objectives that apply to all business areas of the Fujitsu Group, as well as carrying out well-planned and continuous environmental protection efforts.

## Environmental Protection Program (Stage IV)

The Fujitsu Group establishes mid-range environmental action programs to provide concrete objectives for implementing environmental policies. In the Stage IV Fujitsu Group Environmental Protection Program, which covers fiscal 2004 through fiscal 2006, we expanded the scope of our environmental efforts to include all areas of the Group (design, development and manufacturing divisions, headquarters bodies, sales units, and software & services divisions), and through systemic environmental protection activities we strove to contribute to the building of a sustainable society.

In fiscal 2006, which was the last year of the Stage IV program, our results included achieving goals related to the provision of Super Green Products and certified Environmentally Conscious Solutions, construction of recycling systems in North America and Asia, and promotion of green procurement and green factories.

We did not, however, achieve our target recycling ratio for waste plastics, due to insufficient types of recyclable materials that can be reused and other reasons. However, we will continue our efforts to find and create new types of recyclable materials.

### Stage IV Fujitsu Group Environmental Protection Program (fiscal 2004 to 2006)

| Items   | Fujitsu Group Targets  | Performance (fiscal 2006)   | Status*    | Related Pages |
|---|--|---|------------|---------------|
| <b>Strengthening Environmental Management</b> | To establish an EMS-based framework for environmental management across the entire Fujitsu Group by the end of fiscal 2005.  | We established environmental management frameworks in all Group companies, acquiring ISO14001 globally integrated certification including overseas locations at the end of 2005.  | ○          | P35~          |
| <b>Green Procurement</b>                      | To increase the procurement ratio from suppliers who have implemented an environmental management system (EMS) to 100% by the end of fiscal 2006.  | We achieved the targeted 100% procurement ratio for all procured items for the whole Fujitsu Group.   | ○          | P37           |
| <b>Environmental Measures for Products</b>    | All business units to provide Super Green Products (with top-class environmental characteristics) in their principal product line offerings by the end of fiscal 2006.   | All business units now provide Super Green Products.  | ○          | P39~          |
|   | All Fujitsu-brand products to be made free of Fujitsu-specified hazardous substances by the end of fiscal 2005.  | We started providing products free of Fujitsu Group-specified hazardous substances in April 2006 (with certain exceptions*)<br>* These exceptions are:<br>• Products such as certain medical equipment that is not subject to the RoHS directive and products for special systems in which reliability is seen as critical.<br>• Products supplied to customer specifications | ○          |               |
| <b>Product Recycling</b>                      | To establish recycling systems in Europe by the end of fiscal 2004, and in North America and Asia by the end of fiscal 2006.   | In Europe, we implemented recycling systems in conformance with local recycling regulations and completed operational preparations at our principal subsidiaries in North America and Asia.   | ○          | P43~          |
|   | To increase the reuse and recycling rate of collected end-of life products in Japan to 90% by the end of fiscal 2006.  | We achieved a reuse and recycling rate of 90% by the end of fiscal 2005 and maintained a 90% or better level in fiscal 2006.  | ○          |               |
|   | To increase the utilization rate of recovered waste plastic for the Fujitsu Group in Japan to 20% by the end of fiscal 2006.   | With a recovered waste materials utilization rate of 18% at the end of fiscal 2006, this goal remains unmet. We will continue to work to identify recyclable materials.   | ×          |               |
| <b>Environmentally Conscious Solutions</b>    | To provide Environmentally Conscious Solutions in all areas of our software and services business by the end of fiscal 2006 in order to help customers reduce their environmental burdens.                                 | We are now supplying Environmentally Conscious Solutions in all areas (total: 82 products).   | ○          | P42           |
| <b>Global Warming Countermeasures</b>         | To reduce CO <sub>2</sub> emissions resulting from energy consumption down to or below the actual emission levels of fiscal 1990 by the end of fiscal 2010. (15% reduction from fiscal 2000 levels by end of fiscal 2006.) | CO <sub>2</sub> emissions due to energy consumption were about 1,149,000 tons. This corresponds to a 29% reduction from fiscal 2000 levels (6.1% higher than 1990 levels).  | ○          | P45~          |
|   | To reduce greenhouse gases other than CO <sub>2</sub> by 10% from the actual fiscal 1995 emission levels by the end of fiscal 2010.  | Emissions made up of other greenhouse gasses (PFC, HFC, and SF <sub>6</sub> ) were about 381,000 tons, a 47.1% increase compared to fiscal 1995 levels.   | Continuing |               |
|   | To contribute to the reduction of greenhouse gases by efficient physical distribution, product recycling, development of energy saving products, and other measures.   | We strengthened our environmental activities in our logistics divisions.  | Continuing |               |
| <b>Promotion of Green Factories</b>           | To reduce, by the end of fiscal 2006, the discharge of chemical substances that are subject to the Pollutant Release and Transfer Register (PRTR) by 15% compared to the actual fiscal 2001 discharge levels.              | Emissions of specified chemical substances were 47.3 tons, a decline of 53.0% compared with fiscal 2001.  | ○          | P47~          |
|   | To reduce the amount of generated waste by 3% compared to the actual amount in fiscal 2003 by the end of fiscal 2006.  | The amount of waste generated was 29,845 tons, a decline of 41% compared with fiscal 2003.  | ○          |               |

\* ○: Achieved, ×: Not achieved

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**Highlight**

**Creating a New Environmental Action Plan for the Next Generation**

# Launching the Stage V Fujitsu Group Environmental Protection Program

## Formulating the Stage V Environmental Protection Program

The Fujitsu Group establishes mid-range (three-year) environmental action plans to provide concrete objectives for implementing our environmental policy. Our newest plan, the Stage V Fujitsu Group Environmental Protection Program, starts in fiscal 2007.

This program is based on two fundamental approaches. The first is to seek an awareness of issues above and beyond those arising from the results of the previous program (Stage IV, which ran from fiscal 2004 to 2006). The second is to ask what direction environmental management in the Fujitsu Group should take based on careful observation of global and societal conditions and changes in the business environment in which we operate.

These approaches have been incorporated in two basic policies and five priority areas of the Stage V program. In this new program, we are asking each and every employee in the Fujitsu Group to participate in environmental activities related to their daily work and to strive to help the Group achieve the objectives of the program.

### Basic Policies

We carry out environmental activities based on the Fujitsu Group Environmental Protection Program. Over the years, these activities have resulted in the strengthening of environmental activities at business sites and the development of environmental activities in all business units in the Group.

In creating the Stage V program, we recognized (1) the importance of having all employees grapple with

environmental activities in their daily work and (2) the necessity of expanding the scope of our environmental activities throughout our entire supply chain from the standpoints of fulfilling our social responsibilities to our diverse stakeholders and fully complying with global environmental regulations. With this awareness, we established the following two basic policies.

- Develop environmental activities in which all employees can play an active role in their daily work.
- Expand the scope of environmental activities to encompass the entire supply chain.

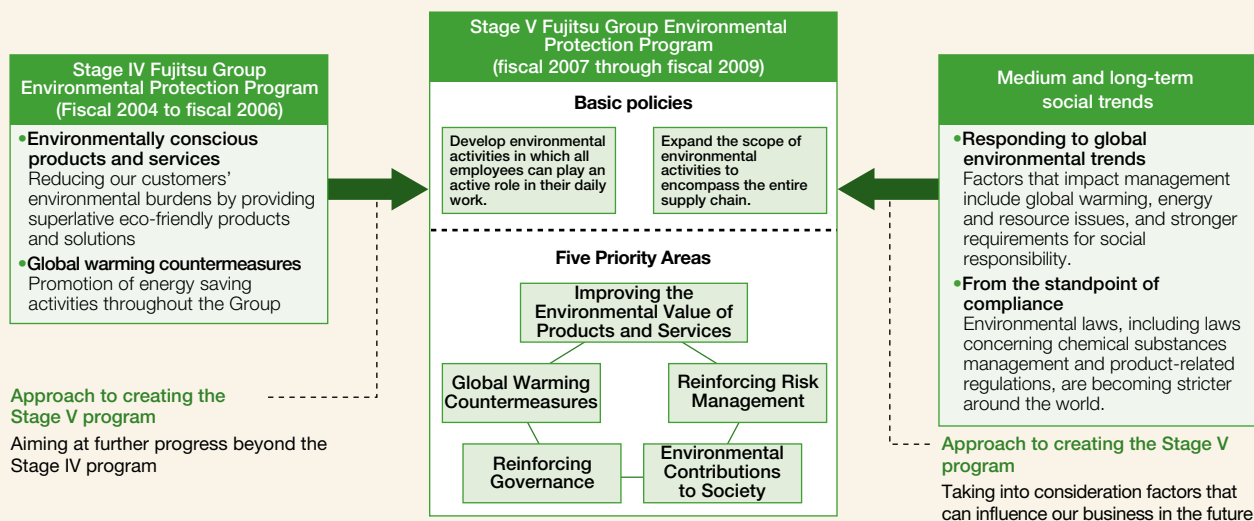
### Five Priority Areas

In addition, taking into consideration the impact of future societal trends on our business, and building on the progress achieved in the Stage IV program, we have defined five priority areas of focus going forward:

- Improving the environmental value of products and services
- Global warming countermeasures
- Reinforcing governance
- Reinforcing risk management
- Environmental contributions to society

The Stage IV Fujitsu Group Environmental Protection Program sets the concrete objectives in these five priority areas that we will strive to achieve in the three years from fiscal 2007 through fiscal 2009.

## Approach and Priorities in Formulating the Stage V Fujitsu Group Environmental Protection Program



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Stage V Fujitsu Group Environmental Protection Program (fiscal 2007 through fiscal 2009)

| Five Priority Areas  | Stage V Targets   | Related pages |
|--|---|---------------|
| Improving the Environmental Value of Products and Services | <b>Increase the number of Super Green Products</b><br>Targeting the Green Products being newly developed in all business units, by the end of fiscal 2009 we aim to increase to over 20% the proportion of products that are Super Green Products with top-class environmental characteristics.   | P39~          |
|  | <b>Achieve an improved environmental efficiency factor</b><br>By fiscal 2009 we will strive to achieve an environmental efficiency factor of "2" (i.e., twice the environmental efficiency) relative to products in fiscal 2005 for newly developed Green Products in all business units.   | P39~          |
|  | <b>Increase resource reuse and recycling for collected end-of-life products</b><br>By the end of fiscal 2009 we aim to increase the volume of reused and recycled resources by 15% relative to fiscal 2005.<br>Also, we will maintain the 90% resource reuse and recycling rate for collected end-of-life business-use IT products achieved in Stage IV.  | P43~          |
|  | <b>Expand environmental solution offerings</b><br>We will strive to offer Environmentally Conscious IT Solutions in all areas of our business by fiscal 2009.   | P42           |
| Global Warming Countermeasures                             | <b>Reducing CO<sub>2</sub> emissions from energy consumption</b><br><ul style="list-style-type: none"> <li>●Global: Reduce CO<sub>2</sub> emissions per unit sales to 28% below fiscal 1990 levels by the end of fiscal 2010.</li> <li>●Japan: Limit energy consumption-related CO<sub>2</sub> emissions at our business sites to below fiscal 1990 levels by the end of fiscal 2010.</li> </ul>  | P45~          |
|  | <b>Reduce greenhouse gasses other than CO<sub>2</sub></b><br>We will work to reduce emissions of greenhouse gasses other than CO <sub>2</sub> by 10% relative to fiscal 1995 emissions by the end of fiscal 2010.   | P45~          |
|  | <b>Reduce CO<sub>2</sub> emissions during distribution and transport</b><br>We will strive to reduce the volume of transport-related CO <sub>2</sub> emissions by 30% from fiscal 2000 levels by the end of fiscal 2010.  | P45~          |
|  | <b>Apply Green Factory and Green Office systems</b><br>We seek to achieve a two star or higher ranking* in the Green Factory or Green Office systems at all our business sites by the end of fiscal 2009.<br><small>*Specific achievement level under an original Fujitsu evaluation standard</small>   | P47~          |
|  | <b>Reduce VOC emissions</b><br>We aim to reduce volatile organic compound (VOC) emissions by 30% relative to fiscal 2000 levels by fiscal 2009.   | P47~          |
|  | <b>Reduce waste generation</b><br>We will strive to reduce waste generation by 3% relative to 2005 levels by the end of fiscal 2009.  | P47~          |
|  | <b>Improve our environmental management system (EMS)</b><br>We will strengthen environmental activities in our business by improving our globally integrated environmental management system.   | P35~          |
| Reinforcing Risk Management                                | <b>Advance green procurement activities</b><br>We will strengthen environmental activities throughout our supply chain and support the activities of our business partners. <ul style="list-style-type: none"> <li>●We will promote improvements in our business partners' environmental management systems, for example, encouraging them to obtain third-party certification such as ISO14001.</li> <li>●We will promote construction of chemical substance management systems (CMS) by our business partners.</li> </ul> | P37           |
| Environmental Contributions to Society                     | <b>Activities for environmental contributions to society</b><br>We will carry out locally attuned activities that make environmental contributions to society and in which each of our employees can play an important role.  | P38           |

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# Environmental Management

We are continuously working to improve our ISO14001-based environmental management system and to promote unified environmental management of the Fujitsu Group.

## EMS Implementation and Operational Status

We obtained integrated ISO14001 certification, which is an international EMS standard, covering our domestic consolidated subsidiaries at the end of fiscal 2004. In fiscal 2005, we expanded our EMS coverage to include certain overseas Group companies. By the end of fiscal 2006, we had acquired globally integrated ISO14001 certification covering 88 domestic Group companies and 11 overseas Group companies.

Furthermore, 33 of our non-manufacturing overseas consolidated subsidiaries have implemented and are operating environmental management systems based on common standards derived from the Fujitsu Group Environmental Policy. In this way, we have established a framework for environmental management of the entire Group.

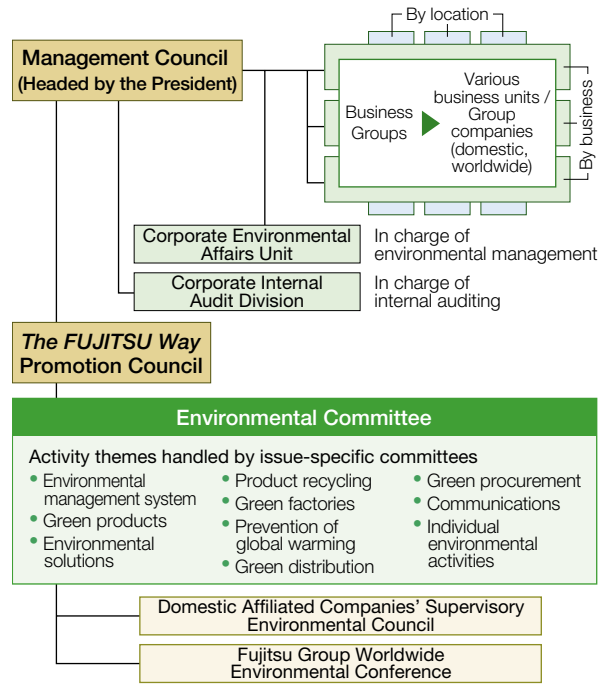
## Environmental Promotion Structure

In order to carry out management decisions quickly, the Fujitsu Group environmental management system has been developed in accordance with our business organization, that is, our business group structure. In particular, we have constructed a matrix structure that combines both line activities that promote environmental efforts according to the characteristics of each business group and site activities that deal with common themes at each factory or business site.

The Management Council makes decisions on EMS activities, and those decisions are transmitted to each business group. For each environmental activity theme, an issue-specific committee, consisting of concerned parties that transcends the business group/unit organizational structure, discusses the establishment of concrete environmental action plans and improvements to the EMS. The Environmental Committee manages and oversees these efforts and provides feedback to the Management Council, which is later reflected in the activities in each of the business groups.

To strengthen communication with Group companies, we hold meetings of the Domestic Affiliated Companies' Supervisory Environmental Council, comprising the heads of our domestic Group companies, and of the EMS Managers Council, for managers in charge of actual EMS operations. With respect to our overseas operations, we hold global EMS conferences in each of our four key geographies, Asia-Pacific, China, North America, and Europe, where we provide information on the direction of environmental activities for the Group as a whole and the results of management reviews.

## Structure for Environmental Activities



## Strengthening Worldwide Environmental Activities

In fiscal 2006 we held a global EMS conference in Singapore to which we invited Group companies from the Asia region. We presented the results of the Stage IV Environmental Protection Program and an overview of Stage V, exchanged opinions on environmental efforts starting in fiscal 2007, including items requested by local companies, and deepened understanding of the Group's overall direction in this area. We also held a similar conference in China and plan on holding conferences in North America and Europe in fiscal 2007.

At the same time as the EMS meeting in Singapore, we took the opportunity to exhibit at the Eco-Products International Fair 2006 in Singapore for the first time as the



Environmental Forum in Singapore

Fujitsu Group, and also held the Fujitsu Environmental Forum outside Japan for the first time. These efforts have increased our local customers' understanding of Fujitsu's environmental activities.

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**Implementing Environmental Audits (internal audits)**

Internal audits of the Fujitsu Group are carried out by the Corporate Internal Audit Division under the basic principles of independence and objectivity.

In fiscal 2006, the main points brought up by the internal audit were items concerning compliance, evaluation of environmental influences and setting targets, implementation, planning, and education. In fiscal 2007, we will work to reduce the number of points raised in the audit by taking measures that include holding EMS briefings, joint implementation of risk inspections with facilities divisions, and providing training for internal environmental auditors as well as for workers who handle industrial waste. Specifically, regarding the handling of industrial waste, along with implementing priority checks in our internal audits, in fiscal 2006 we implemented educational programs with specialists from outside the company for workers who handle industrial waste at nine of our locations in Japan. A total of 328 persons received this training, and in fiscal 2007 we intend to step up these efforts.

Among the new initiatives started in fiscal 2006, internal auditors are recording positive examples they notice during the course of their audits and holding these up as best practices that can be shared with and extended to various sites throughout the Group.

**Implementing Management Reviews**

Through deliberations of the Environmental Committee and Management Council, we carry out management reviews to evaluate the effectiveness of our domestic and international environmental activities and discuss the future direction of such activities. In fiscal 2006 we decided to promote the following key initiatives going forward.

- Provision of customer-centric products and solutions differentiated by superior characteristics in areas such as handling of risk, energy savings and resource savings.
- Full-fledged implementation of global warming countermeasures
- Implementation of governance that considers the global supply chain
- Promoting environmental consciousness-raising activities for all employees

We have incorporated these initiatives into the Stage V Environmental Protection Program that starts in fiscal 2007, announced them to the Fujitsu Group, and will work to give concrete shape to them in the actions of each and every employee.

**Status of Environmental Compliance**

In fiscal 2006, there were ten transgressions of environmental regulations by the Fujitsu Group. These involved water quality, noise, and effluent leakage, and we corrected all of them within fiscal 2006.

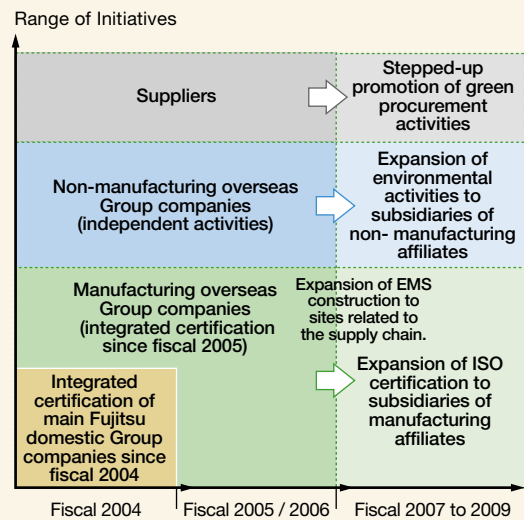
**Regarding the Targets of the Stage V Environmental Protection Program**

**Strengthening Our Environmental Management System**

We will work to improve our globally integrated environmental management system and strengthen environmental efforts in our main business activities (including development, design, procurement, manufacturing and sales) by constructing a mutual internal audit framework among Group companies and implementing educational advancement programs for internal auditors using external specialists.

We will also strengthen environmental governance throughout the supply chain by supporting the expansion and improvement of the environmental management systems of our business partners and promoting green procurement.

**Strengthening Environmental Governance throughout the Supply Chain**



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# Green Procurement

In cooperation with our business partners, we promote green procurement—from parts and materials for manufacturing through software and services—to provide our customers with products and services with superior environmental efficiency.

## Our Approach to Green Procurement

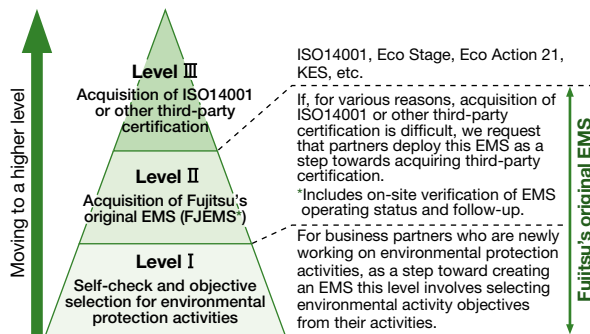
In our procurement activity, we give priority to purchasing parts, materials, and products that are eco-friendly. We stipulate our basic requirements for green procurement in the Fujitsu Group Green Procurement Direction and promote green procurement activities together with our business partners.

## Approach Stage IV Environmental Protection Program

In the Stage IV Fujitsu Group Environmental Protection Program, to promote activities that would reduce environmental burden even further, we emphasized the importance of having our business partners construct environmental management systems, insisting that potential partners in every area—including software and services, facilities, and construction—deploy an EMS.

While we consider acquisition of third-party certification, such as ISO14001, a basic principle of EMS construction, we require that our business partners meet at least one of the following EMS levels, depending on their particular business circumstances.

### EMS Construction for Green Procurement



**\* FJEMS**

Fujitsu Group Environmental Management System. The Fujitsu Group's original EMS.

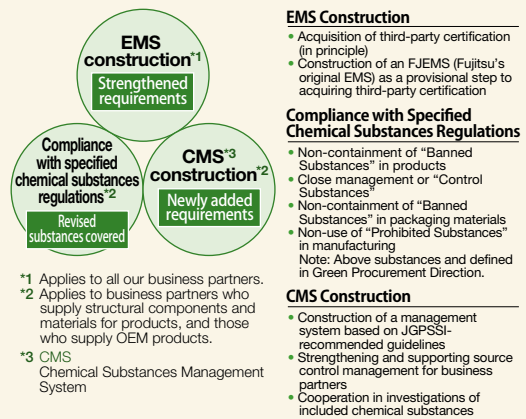
## Goals and Results from the Stage IV Environmental Protection Program

We made increasing the procurement ratio from business partners that have implemented an EMS to 100% by the end of fiscal 2006 a Stage IV goal. For business partners that had not yet acquired third-party certification, we held EMS improvement seminars in which we discussed the importance of increasing awareness of environmental protection and the significance of acquiring third-party certification. (In fiscal 2005 and 2006 we held a total of 28 such seminars for representatives of 1,710 companies.) As a result of these efforts, for the Fujitsu Group as a whole, we achieved a 100% procurement ratio from business partners that have implemented an EMS at the end of November 2006.

## Regarding the Targets of the Stage V Environmental Protection Program

We have reviewed and revised parts of our Green Procurement Direction from the standpoint of compliance, based on considering global trends in environmental regulations, and are requesting that our business partners strengthen their environmental burden reduction activities even further. Also, to improve chemical substances management across our supply chain, we require that our business partners construct management systems centering on source control, and we will work together with them to deploy these systems.

### Three Requirements for Fujitsu Group Green Procurement Activities



### Encouraging EMS Improvements by Business Partners

We request that our business partners improve their EMS by, for example, acquiring third-party certification or constructing a strengthened requirement FJEMS\*.

**\* Strengthened requirement FJEMS**

Improvements include additional required items (increased from six to nine items) and strengthened on-site operational verification.

### Promoting CMS Construction by Our Business Partners

To assure appropriate management of chemical substances throughout the supply chain, along with requesting that our business partners implement chemical substances management systems based on the Management of created by the Japan Green Procurement Survey Standardization Initiative (JGPSSI) and supporting their construction, we are strengthening management of chemical substances in the supply chain as a whole based on source control.

Fujitsu Group Green Direction  
<http://www.fujitsu.com/global/about/procurement/green/>

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# Environmental Contributions to Society

We vigorously promote activities that make environmental contributions to society and foster mutually beneficial relationships in our communities worldwide.

## Our Basic Approach to Activities that Make Environmental Contributions to Society

All employees of the Fujitsu Group recognize the importance of the global environment and, to help ensure its sustainability, contribute to local society through activities in three key areas: regional contributions, nature conservation, and environmental education.

### Regional Contribution Activities

We have created, as environmental goals, regional social contribution activities that are site activities for the environmental management systems at branch offices and factories throughout Japan. Through these efforts, we are working to strengthen our ties with local communities. In fiscal 2006, we carried out about 200 such activities, mainly involving area clean-up.

For example, a long-term issue afflicting Oita City has been the large volume of discarded objects that are dumped in the vicinity of the Sumiyoshi River, which runs through the city. To address this problem, Fujitsu Oita Software Laboratories Limited, under the direction of Oita City Hall Environmental Division with cooperation from the Sumiyoshi River Cleanup Promotion Council, Oita Prefecture, and Oita City, launched a waste-removal project, taking advantage of one of the extreme low tides that only occur a few times a year in the lower reaches of the Sumiyoshi River. The day of the project was rainy and the waste, which consisted of



Waste removal project at Sumiyoshi River, Oita City.

sludge-covered objects such as bicycles, motor scooters, and batteries, was that much heavier. Despite being covered in mud, everyone worked together, and between human power and cranes, 3,280 kg of waste was recovered and removed.

### Nature Conservation Activities

Appropriate forest conservation activities can foster forests that alleviate floods and droughts and provide a place for wild flora and fauna to live and flourish. Forests also absorb CO<sub>2</sub> that causes global warming.

Along with other citizens, the employees of the Fujitsu companies in the North Shinano region of Nagano Prefecture implemented a forest-protection project under the direction of the Nagano City Municipal Forest Preservation Division. Thirty-eight people worked together thinning trees in late



Tree thinning at Iizuna Town in Nagano Prefecture

fall in the forest-experience nature park in the vicinity of Lake Iizuna.

Similarly in the Tokyo area, Fujitsu employees participated in the "Tokyo Greenship

Action" environmental protection project sponsored by the Tokyo Metropolitan Government, and helped carry out environmental protection activities in the Hachioji Ohtani Green Space Preservation Area, Grass Fire Prevention Water Environment Preservation Area, and the Yokosawairi Mountain Protection Area.

### Environmental Education Activities

We carry out a visiting environmental lecture program in which we send people to teach classes at elementary schools, junior high schools, and high schools. The purpose of this program is to encourage students, by learning about the environmental burden reduction activities of manufacturers, to consider what environmental burden reduction activities they could perform in their daily lives and to take action themselves. In fiscal 2006, about 800 students attended these entertaining, hands-on classes.

In the elementary school classes, a lecturer adopting the name of "Uncle 3R" uses juggling and magic to provide a fun introduction of the 3R\* concept. Students then learn how 3R efforts can be applied to personal computers by disassembling a model personal computer. In the junior and senior high-school classes, an actual personal computer is disassembled with a screwdriver, and students are taught about manufacturers' environmental efforts in an "environmental quiz" format. Students have told us that the courses have helped them to understand the importance of valuing natural resources and that they would like to put this into practice in their daily lives.

\* 3R  
Reduce, Reuse, and Recycle.



Hands-on PC disassembly



"Uncle 3R" disassembles a PC

### Regarding the Targets of the Stage V Environmental Protection Program

We have positioned environmental contributions to society as one of the five critical areas in the Stage V Environmental Protection Program. We will move forward with new activities in the three key activities described above.

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# Eco-Friendly Products

We are accelerating the development of Green Products and Super Green Products and are working to reduce environmental burdens throughout the product life cycle.

## Green and Super Green Product Development

The Fujitsu Group has adopted a unified Group-wide approach to eco-design for newly designed products and strives to improve environmental performance throughout the product life cycle. We have been implementing our own environmental assessments for products since 1993, and we develop eco-friendly products that reflect environmental considerations in such areas as energy saving, 3R design,\* non-use of hazardous chemical substances, packing materials, and information disclosure.

In 1998, to further strengthen development of eco-friendly products, we established Green Product Evaluation Standards and positioned the products that satisfy them as Green Products.

Then, in fiscal 2004, we combined what had previously been two separate sets of regulations—for product environmental assessment and for Green Product evaluation—into a single set of standards with even higher levels of consideration for the environment. We called these Product Environmental Green Assessment Regulations, and they have helped to both strengthen our Green Product development efforts and make them more efficient.

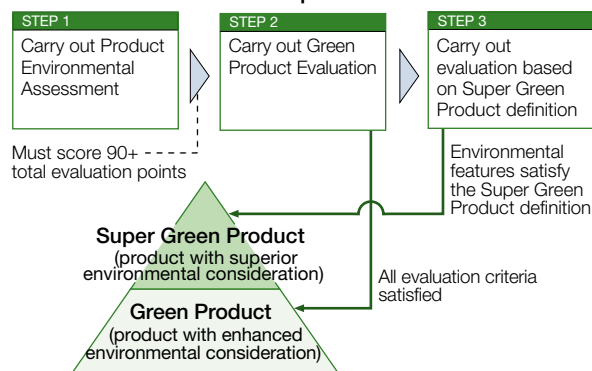
Furthermore, since fiscal 2004, we have been working on what we call “Super Green Product” development for newly developed products. Super Green Products are those that meet the required conditions for Green Products and are also top class in terms of low energy consumption and/or 3R design and technology, non-use of hazardous substances, packing materials and use of eco-friendly materials and technologies. Super Green Products are products or systems with superior environmental characteristics than others we supply or are available on the market.

In fiscal 2006 we offered Super Green products in 21 product categories, and in the three-year period from fiscal 2004 through fiscal 2006, which was the activity period for the Stage IV Environmental Protection Program, we provided Super Green products in 54 product categories.

**\* 3R design**

Design based on the principles of reduce, reuse and recycle

### Mechanism for Green and Super Green Product Evaluation



## Super Green Product Development Achievements

### Fujitsu Limited (15 product categories)

- Notebook personal computers: FMV-BIBLO NX95U/D, FMV-BIBLO NX95T/D, FMV-BIBLO NB 80S
- Access system for optical LANs: FLASHWAVE 7500 Release 4.x
- Broadband video solution: Broadsight IP-9500 real-time video transmission unit
- Desktop personal computers: FMV-ESPRIMO, FMV-K5230
- IP telephones: IP Pathfinder/CL Series
- LCD displays: 17-inch (VL-17H1) and 20-inch wide format (VL-20WH1, VL-20WH1T)
- PC server: PRIMERGY TX120 compact server
- Network servers: IPCOM EX1000, EX1200, EX2000
- Storage disk arrays: ETERNUS 8000 disk array (models 900 and higher)
- Storage tape products: ETERNUS LT270 tape library
- Mobile phone: FOMA F902iS
- LSI device: MB93475

### Consolidated subsidiaries and affiliates (6 product categories)

- Digital multiplex wireless equipment: FRX CCC unit (Fujitsu Wireless Systems, Ltd.)
- Electronic components: UWB flexible antenna (Fujitsu Component, Ltd.)
- Capacitors: FPCAP ML Series (Fujitsu Media Devices, Ltd.)
- Bluetooth module: MBH7BTZ24 (Fujitsu Media Devices, Ltd.)
- High-frequency laminated chip inductors: AML0603E Series (FDK, Ltd.)
- Automated teller machine: FACT-V Model 20 (Fujitsu Frontech, Ltd.)

## Development of Bio-Based Plastics

Fujitsu and Fujitsu Laboratories, Ltd. have been researching bio-based materials and developed polylactate-based plastic with good flame resistance, heat resistance, impact resistance, and formability properties. This material has been used in certain Fujitsu notebook PCs since 2002.

Furthermore, in 2006, in cooperation with the French company Arkema, Inc., we developed a new bio-plastic using castor oil extracted from castor beans that has a level of flexibility unknown in earlier polylactate plastics. We are using this material in certain components for our notebook PCs.



Connector cover (FMV-S8240) made from bio-plastic



Castor beans

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## Management of the Restricted chemical substances in products

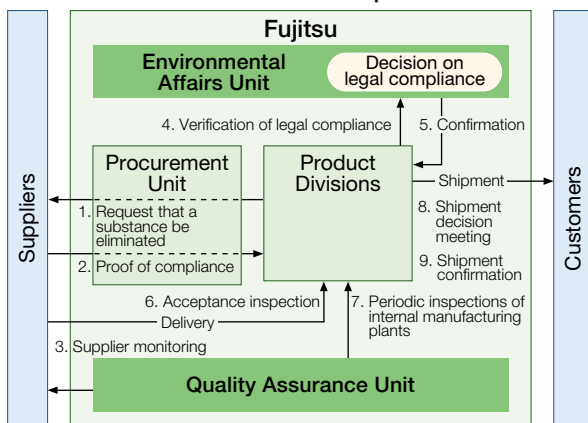
In compliance with Japanese and international laws and regulations, we have specified Banned Substances and Control Substances in Products. And through our Green Procurement activities we are working to eliminate use of these specified substances. From April 2006 we have begun shipping products that do not contain Fujitsu Group-specified Banned Substances in products.

In fiscal 2006 we worked meticulously on chemical substances management in all processes, from design through product shipment, to comply with European RoHS directive\*1, China RoHS\*2, and so on.

\*1 **RoHS directive**  
Restriction of the use of certain hazardous substances in electrical and electric equipment

\*2 **China RoHS**  
Regulations that limit use of certain hazardous substances included in electronic and information equipment (currently limited to display of such contents).

### Framework for RoHS Directive Compliance



## Carrying out Life Cycle Assessments

We carry out life cycle assessments (LCA) to evaluate Green Products and Super Green Products. LCA enables us to perform a finely detailed analysis of a product's environmental impact, such as determining whether the product generates proportionally higher environmental burdens in the materials procurement or manufacturing stages, or whether the product consumes large amounts of energy during use. This detailed grasp of environmental impact characteristics allows us to effectively design even more eco-friendly products.

## Disclosure of Environmental Information on Products

We actively disclose environmental information on our products, both via the Internet and in the form of environmental labels.

At the end of fiscal 2006, we started registering notebook personal computers under the EPEAT\*1 system, which encourages the purchase of green PCs and is used chiefly by

US government bodies.

In Japan, environmental information on electronic computers, magnetic disk drives, displays, printers, and scanners that are covered by green purchasing laws\*2 are listed on the Ministry of the Environment's web site\*3.

\*1 **EPEAT web site**  
<http://www.epeat.net/>

\*2 **Green purchase laws**  
Laws related to promoting the purchase of eco-friendly goods and products by the country or other parties.

\*3 **Ministry of the Environment web site**  
<http://www.env.go.jp/en/laws/policy/green/index.html>

## Regarding the Targets of the Stage V Environmental Protection Program

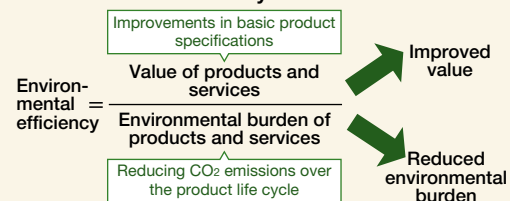
### Increasing the Number of Super Green Products

Targeting in particular the Green Products being newly developed in all business units, by the end of fiscal 2009 we aim to increase to over 20% the proportion of products that are Super Green Products with top-class environmental characteristics in areas such as energy savings, 3R design and technology, chemical substances, and eco-friendly materials and technologies. In so doing, we will strive to further strengthen our eco-friendly product development capability and enhance differentiation of our products in terms of consideration for the environment.

### Achieving the Target Environmental Efficiency Factor

We assess the increase in product value and reduction in environmental burden over the product life cycle as an environmental efficiency factor\*. Along with promoting the environmental performance of our products, we continually strive to improve this factor. In particular, for newly developed Green Products in all business units, by fiscal 2009 we aim to achieve an environmental efficiency factor of "2" (i.e., twice the environmental efficiency) relative to products in fiscal 2005.

### Environmental efficiency factor



### \*Environmental efficiency factor

Comparison of environmental efficiency of the product in question with that of a reference product.  
Factor = (environmental efficiency of the product in question) ÷ (environmental efficiency of the reference product)

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# Eco-Friendly Products

## Super Green Product Development Examples

### PC server: PRIMERGY TX120 compact server



**Energy Savings**  
Power consumption was reduced by 39% compared to earlier products.

**3R Design Technologies**  
Product size (volume) was reduced to 1/4, installation area was reduced to 1/3, and weight reduced to 1/3 that of earlier products.

**Environmental Efficiency**  
Environmental burden was reduced by 37% compared to earlier products and CPU performance, which is a key element of the product's value, was improved by a factor of 4.1. These improvements resulted in an environmental efficiency factor of 6.5 for the product.

### Notebook PC: FMV-BIBLO NX95U / D



**Eco-Friendly Materials**  
Bio-based plastic was adopted in parts used in the product chassis (lower cover, hard disk drive cover, memory module cover).

### Network server: IPCOM EX200



**Energy Savings**  
Power consumption per unit was reduced by 57% compared to earlier products.

**Chemical Substances**  
In conformance with the RoHS prohibition on the use of lead, lead-free manufacturing was adopted (except for the IX121GS2 option).

### Broadband video solution: Broadlight IP-9500 real-time video transmission unit



**Energy Savings**  
Image quality was maintained, video transfer circuit efficiency doubled, and power consumption reduced by 14% compared with previous products.

### Digital multiplex wireless equipment: FRX CCC unit



**3R Design Technologies**  
Product size (volume) per unit performance was reduced by 50% compared to earlier products. A configuration with 16 systems (16 units each with a data transfer rate of 155.52 Mb/s) can be housed in a single rack compared to the two racks required for the same configuration under the previous ETSI standard.

### Automated teller machine: FACT-V Model 20



**Eco-Friendly Materials**  
Bio-based plastic was adopted for parts used in the product housing. Powder coating technology was used for the first time in the ATM industry.

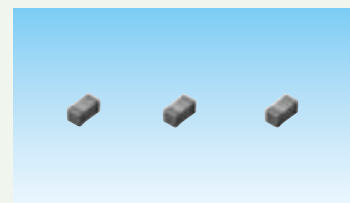
**3R Design Technologies**  
Recyclable plastics were used for the molded parts of the case (with certain exceptions).

### Capacitors: FPCAP ML Series



**3R Design Technologies**  
Low ESR and ESL enabled the number of devices previously required to be reduced by up to 90%. The products feature top-class levels of reliability and humidity resistance (guaranteed for 1,000 hours at 85% RH and 85 degrees C).

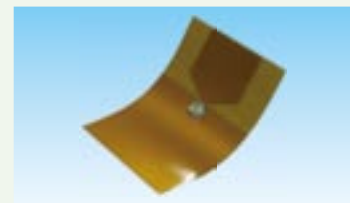
### High-frequency laminated chip inductors: AML0603E Series



**Energy Savings**  
These inductors achieve the industry's highest Q value\*, and thus achieve an energy consumption efficiency improvement of up to about 30% compared to earlier products.

**\* Q value**  
A value that expresses the quality (sharpness of the resonance) of an inductor (coil). Performance indices such as phase noise and power consumption improve with higher values of Q.

### Electronic components: UWB flexible antenna



**3R Design Technologies**  
Product volume has been reduced by 87.5% compared to earlier products. These are the industry's smallest UWB flexible antennas.

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# Environmental Solutions

Developing and providing a wide variety of environmental solutions that support environmental management and reduce environmental burdens.

## Environmentally Conscious Solutions

The effective use of IT promises to reduce environmental burdens in daily life, industry and society as a whole by saving resources and energy. From this perspective, the Fujitsu Group provides quantitative evaluation of the reduction in environmental burdens effected by the use of particular software or IT services (IT solution products), and develops and provides Environmentally Conscious Solutions that contribute to the reduction of environmental burdens for customers adopting them. These use methods that identify the particular reductions in factors responsible for burdens on the environment, such as the amount of materials consumed and the movements of people, etc., to determine the IT solution's environmental contribution. When such reductions amount to at least 15% in terms of the CO<sub>2</sub> equivalent, we identify the product as an "Environmentally Conscious Solution." By the end of fiscal 2006, we were offering customers a total of 82 such designated solutions covering a wide range of operations and industries.

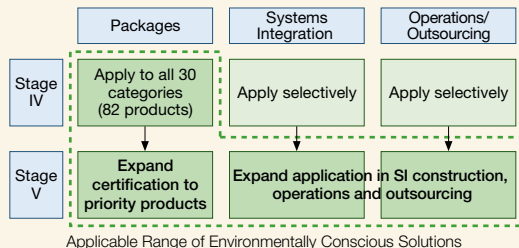
Sharing our thinking and environmental burden assessment methodology from our experience in environmentally conscious solution certification activities, we participated in the Ministry of Internal Affairs and Communications' Study Group on ICT Systems and Networks Contributing to Reduced Environmental Burdens.

 **Environmentally Conscious Solutions**  
<http://www.fujitsu.com/global/about/environment/activity/esolutions.html>

### Regarding the Targets of the Stage V Environmental Protection Program

We will extend the application of Environmentally Conscious Solutions wherever it promises major reductions in environmental burdens, including for priority products, and in systems integration as well as data-center and other outsourcing business, thereby expanding our lineup of IT solutions that reduce customers' environmental burdens. We will also actively provide our customers with information on the burden reduction effects achievable by these solutions.

#### Applicable Range of Environmentally Conscious Solutions



## Environmental Business Solutions

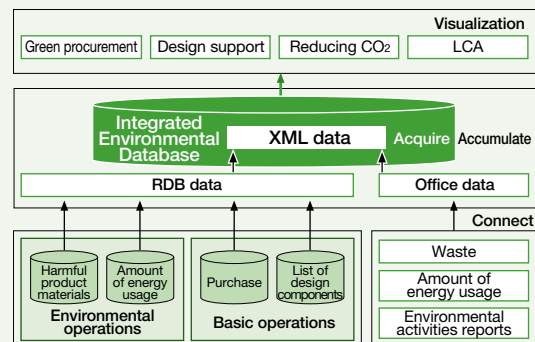
To contribute to a sustainable world, the Fujitsu Group supports customers' environmental operations through the provision of various Environmental Business Solutions based on the know-how we have acquired in our previous environmental activities. Along with helping customers to reduce their environmental burdens, we support effective environmental management of corporate activity, which has become a new source of competitive strength, and administration of local environmental protection projects and communications.

### Integrated Environmental Database Solution for Enhanced Visibility

The environmental management that is required of today's enterprises is becoming ever more complex and far-reaching. To render visible the full variety of environmental data existing within the enterprise, we have developed Integrated Environmental Database Visualization Solutions that provide consolidated management. By "integrated environmental database" we mean a database using XML to enable flexible lateral links between scattered existing environmental information systems.

If all the environmental information within an enterprise can be rendered visible, not only can a wide range of environmental operations be performed more efficiently but also analysis can be carried out from a number of different perspectives, aiding in the speedy identification of environmental management issues and the development and implementation of measures to resolve them.

In a world where the conditions and regulations affecting the environment are undergoing successive changes, it is increasingly becoming impossible for a fixed information system to provide the support needed for enterprise environmental management. It is here that the integrated environmental database, with its consolidated management of loosely linked environmental information, functions as practical on-site tool and helps control the burgeoning investments required to configure large-scale environmental information systems.



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# Promoting Product Recycling

Advancing collection and materials recycling of end-of-life IT products to help promoting a recycling-minded society.

## Establishing Recycling Systems Outside Japan

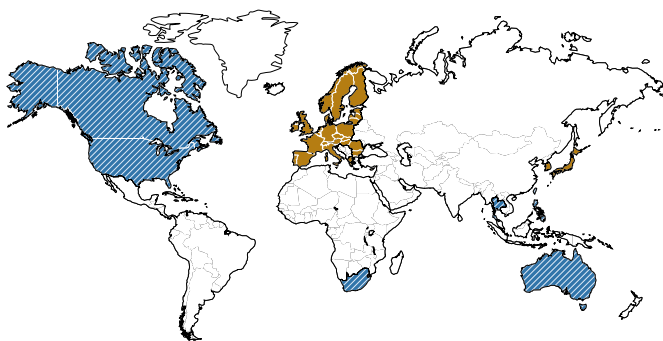
The Fujitsu Group, aware of its responsibilities as a producer of end-of-life IT products, commenced the recycling of IT equipment for business customers within Japan in 1995, before it was legally required, and has been active in product recycling ever since. Outside Japan, as well as complying the recycling laws of each nation and region in which we do business, we committed to establishing recycling systems in North America and Asia as one of the targets of our Stage IV Environmental Protection Program.

As a result, as of June 2007, we have initiated IT product recycling services in the United States, Canada, Australia, the Philippines, and Singapore, and we plan to launch recycling services in Thailand starting in October 2007.

We have selected and contracted with recycling partners in accordance with in-house guidelines based on our own experience as well as with guidelines from governments of several countries. This system enables us to offer appropriate collection and recycling service for end-of-life products with our recycling partners.

As an example of our efforts, Fujitsu Australia Ltd. started a recycling service for IT products in April 2006, and to date it has recycled some 250 tons of end-of-life POS systems from major Australian retailers. Fujitsu Philippines, Inc. operated a pilot project that, between July 2006 and February 2007, recycled 27 tons of electronic waste from its affiliates and their customers, before officially launching a recycling service for IT products in May 2007.

### Recycling Services



■ Countries with recycling legislation in place  
 ■ Countries in which Fujitsu voluntarily provides recycling services

\* Services will begin in Thailand in October 2007  
 \* Recycling services in South Africa is handled by Fujitsu Siemens Computers

## Fujitsu Computer Systems and the Global Environment

Fujitsu Computer Systems Corp. (FCS) offers a wide range of computing hardware, software products and services in North America. Our environmental management system is responsive and linked with the Fujitsu Group ISO 14001 EMS and we efficiently manage environmental issues under our ISO 9001 quality management system.

Great care is taken to keep our activities and the products we provide environmentally sound. Three areas of particular attention are product recycling, responsible waste management & recycling, and energy efficiency. We have successfully reduced energy usage and recycle almost all waste from our corporate headquarters and customer support centers. Our environment team meets bi-weekly to ensure full compliance with state and federal government requirements. In FY2006, the team instituted a battery recycling program and registered with EPEAT to meet compliance requirements on government bids. In April 2007, the team launched a Product Takeback program.

How we impact the environment is very important to us and to our customers. FCS views environmental considerations as an integral part of FCS' business practices and continually strives to reduce the environmental impact of the products we provide and the way we run our business.

## Promoting Recovery and Recycling of End-of-Life IT Products in Japan

As an enterprise with official designation for wide-area industrial waste disposal in Japan, Fujitsu has developed a nationwide recycling system and engages in various kinds of contracts for accepting industrial waste for appropriate processing throughout Japan. This system provides for rigorous traceability and security, and achieves over 90% reuse of resources. By providing this safe and secure service, we are fully discharging our Extended Producer Responsibility.

Also, by an arrangement with Japan Post, we operate a common industry-wide recycling system whereby consumers can use post offices anywhere in Japan to dispatch their end-of-life PCs for recovery and recycling.

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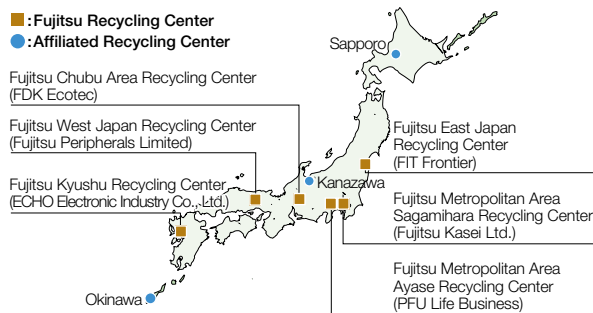
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## Locations of Fujitsu Recycling Centers

Affiliate and partner companies operate Fujitsu Recycling Centers at six locations, while 28 companies are under contract to provide collection and transportation services, forming a system of nationwide scale. From April 2007, affiliated recycling centers were also established in three cities of Hokkaido, the Hokuriku region and Okinawa, improving customer convenience.

### Fujitsu Recycling Centers throughout Japan



## Achievements in Recycling

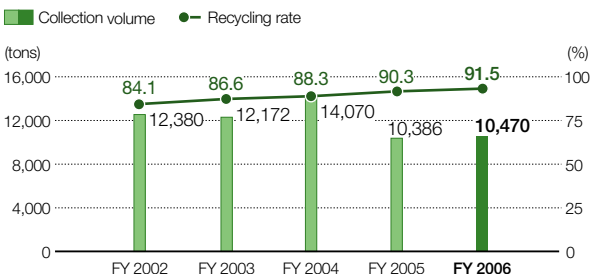
In fiscal 2006 we collected 10,470 tons of end-of-life IT products from our corporate customers in Japan, and achieved a resource reuse and recycling rate\* of 91.5%, thereby meeting the target set in the Stage IV Environmental Protection Program.

In collection and materials recycling of end-of-life PCs from individual customers, we achieved a major increase in the numbers of notebook PCs and LCD monitors processed, which totaled 70,005 units.

### \* Resource reuse and recycling rate

The ratio of reused parts and reused resources to the processed amount of business-use end-of-life IT products by weight.

### Trends in Collection Volume and Materials Recycling Rate of Post-use IT Products for Business



## Steady Implementation of Proper Processing

We apply consistent processing standards at all our recycling centers throughout Japan. Materials are disassembled by hand and sorted into iron, copper, aluminum, precious metals, glass, 20 kinds of plastic, and more, reducing residual waste to the

absolute minimum and enabling the usable resources to again be used to manufacture various products.

## Security System

The recycling process is susceptible to many different risks, but double and triple security measures ensure that it is carried out in a safe and secure manner.



### Integrated Recycling Information Management System

The recovered products are affixed with barcodes, and the entire recycling process can be monitored and controlled using a Web browser all the way from initial acceptance, through disassembly, to final processing, helping to prevent both theft and illegal dumping.



### Security Camera Monitoring System

Each area of the recycling center is continuously monitored by security cameras to confirm storage and processing status of the accepted products.

## Regarding the Targets of the Stage V Environmental Protection Program

The program sets a new objective for product recycling activities. By the end of fiscal 2009 we aim to increase the resource reuse volume of recovered end-of-life IT products by 15% compared to fiscal 2006, while maintaining the resource reuse and recycling rate of at least 90% specified in the Stage IV program.

### Globalization of Product Recycling

By working to extend the scope of our recycling and resource reuse activities from business-related IT products in Japan to consumer-use PCs as well as IT products overseas, we intend to continue reducing environmental burdens and help form a recycling-minded society.

\* The volume of material recovered from end-of-life products that is processed for reuse or converted into recyclable material.

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# Global Warming Countermeasures

We are working to prevent global warming throughout all areas of our business activities.

## Our Approach to Global Warming Prevention

We are working in all areas of our business activity to prevent global warming. These efforts include not only reducing emissions of CO<sub>2</sub> due to energy consumption and other greenhouse gases at our factories and offices and reducing emissions associated with transportation, but also developing products that achieve energy savings when used and providing solutions that help reduce emissions of CO<sub>2</sub> by our customers and society in general.

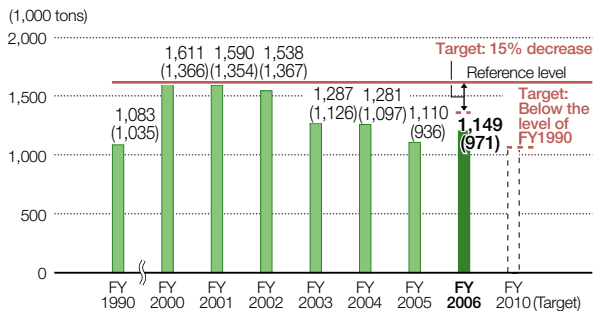
## Reducing Greenhouse Gas Emissions Associated with Manufacturing

In our Stage IV Environmental Protection Program, we established the goal of reducing annual CO<sub>2</sub> emissions from energy consumption to under fiscal 1990 levels by the end of fiscal 2010 and, as an intermediary goal, of reducing emissions to 15% below fiscal 2000 levels by the end of fiscal 2006. We implemented the following energy-saving measures.

- Energy-saving measures for equipment with a focus on motive power facilities (introduction of free cooling, inverters, energy-saving facilities, fuel conversion, etc.)
- Increased efficiencies through revised manufacturing processes, accompanied by proper motive-power facility operation and improvement of management
- Proper settings for office air conditioning, energy saved with lighting and office automation equipment

As a result of these efforts, CO<sub>2</sub> emissions due to energy consumption in fiscal 2006 were about 1.149 million tons-CO<sub>2</sub> for the entire Group (operations within Japan: 971,000 tons, Fujitsu Limited: 652,000 tons). Although there was an increase from the previous fiscal year of 39,000 tons due to increased production of semiconductor products, the total corresponded to a 29% reduction from fiscal 2000. Thus we achieved the Stage IV target for fiscal 2006. Note that this is 6.1% above the fiscal 1990 level.

## CO<sub>2</sub> Emissions Related to Energy Consumption (Fujitsu Group Totals)



\* Figures in parentheses are emissions for Japan only.

## Reducing CO<sub>2</sub> Emissions by Boiler-Fuel Conversion

Affiliate Shinko Electric Industries Co., Ltd., switched boiler fuel from heavy oil to natural gas, which has lower CO<sub>2</sub> emissions. At the same time, it also updated the equipment to more efficient models (using a system that controls the number of units operating according to the load with multiple miniature through-flow boilers). This



Arai Plant Boiler Installation

was implemented in FY 2005 and 2006 at the company's Arai, Kyogase, and Wakaho plants, and CO<sub>2</sub> emissions due to boiler operation were reduced by about 30%, which corresponds to about 10% of the total emission for the three locations.

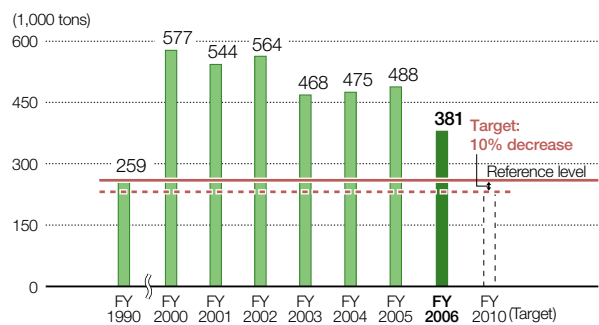
## Cutting Emissions of Greenhouse Gases Other than CO<sub>2</sub>

The semiconductor industry has established a voluntary action plan to cut the emissions of PFC, HFC and SF<sub>6</sub>, which are all greenhouse gases.

We have set a target of reducing emissions of greenhouse gasses other than CO<sub>2</sub> to 10% below the fiscal 1995 level by the end of fiscal 2010. Our Electronic Devices units are continuing to change over to gases with lower global warming potential as well as to install equipment to extract such gases on new manufacturing lines.

Converted to Global Warming Potential (GWP) figures, these gas emissions corresponded to about 381,000 CO<sub>2</sub> equivalent tons in fiscal 2006. Although there are differences in our scale of production and manufacturing processes, this represents a 47.1% increase from fiscal 1995.

## Emissions of Greenhouse Gases other than CO<sub>2</sub> (Total for Electronic Devices)



## Reducing CO<sub>2</sub> Emissions Due to Transport

With the cooperation and assistance of our manufacturing and sales divisions, our logistics divisions are taking the lead in efforts (called "Green Logistics Activities") to promote the reduction of CO<sub>2</sub> emissions associated with transport.

In addition, in line with Japan's Revised Energy Conservation Law, which came into effect in April 2006, we

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are currently strengthening such efforts throughout the Group in Japan. Our CO<sub>2</sub> emissions associated with logistics for fiscal 2006 were 30,755 tons.

### Accurate Determination of CO<sub>2</sub> Emissions Associated with Amounts Transported (Ton-Kilometers Transported) and Transportation in Japan

Since April 2006, we have been working with our transport contractors to determine the monthly amounts transported (ton-kilometers transported) for each transport mode and have provided a mechanism for calculating CO<sub>2</sub> emissions that conforms to Japan's Revised Energy Conservation Law.

\* In conformance with Japan's Revised Energy Conservation Law, the range that is the object of these CO<sub>2</sub> emissions calculations is the range over which freight owned by Fujitsu is transported.

### Expansion of Our Modal Shift Program

We are expanding our use of rail transport, which we previously used mainly for corporate customer PCs, to other products as well. In fiscal 2006, we expanded this modal shift to transport of maintenance parts between Tokyo and Osaka and transporting cell-phone products to certain areas. We have increased our use of rail transport (on a ton-kilometers transported basis) by some 70% over 2005. This has resulted in about a 250-ton reduction in CO<sub>2</sub> emissions.

### Reducing the Number of Trucks

We are reducing the number of trucks used in transport between sites and in deliveries to customers by increasing the loading ratio. In fiscal 2006, in transporting products for transport to overseas customers, we cut the number of trucks used roughly in half by switching from individual trips to multi-destination route deliveries for transportation at export products to the multiple forwarder\*-specified warehouses. Combined with an improved loading ratio for domestic shipments, this resulted in a reduction of about 280 tons in CO<sub>2</sub> emissions.

\* Forwarder  
Contract shipper for export shipments

### Implementing Green Logistics Partnership Model Projects

Our CO<sub>2</sub> reduction efforts based on uniform concentrated vehicle assignment control from parts procurement to product transport was certified as a Green Logistics partnership model project for fiscal 2006 and started operation in February 2007. In this project, sales companies, parts suppliers, cargo-owning Group companies, and transport contractors are all linked in a model that covers the whole supply chain, from parts procurement through product shipments and recovery. Their collective efforts helped reduce CO<sub>2</sub> emissions by some 300 tons (on an annual basis) from 2006 to 2007. This operation included the following specific aspects.

- **Implementing joint transport and delivery through consolidated vehicle assignment control**

We implemented optimal vehicle assignment by assembling the freight information for multiple freight-owner companies, converting the data formats that differed for each company, implementing a consolidated vehicle assignment control-support system, and unifying data management. As the first step, for the Tokyo metropolitan area, where the transport volumes are large, we started both joint transportation of shipments to customers and joint transportation of repair and returned items and procured parts to manufacturing sites.

- **Consolidation of Tokyo Area Distribution Centers**

In parallel with construction of the system infrastructure, we have consolidated five formerly dispersed locations to three centers, thus creating an environment in which even more joint transport will be possible.

- **Construction of a CO<sub>2</sub> Emissions Calculation Tool**

As part of our response to Japan's Revised Energy Conservation Law, we collected data from Fujitsu-manufactured onboard terminals used in some of our transport contractors' vehicles and constructed a tool that accurately calculates the volume transported and the CO<sub>2</sub> emissions per freight owner during joint transport operations. Installation of these onboard terminals is also helping to improve fuel efficiency.

### Regarding the Targets of the Stage V Environmental Protection Program

#### Reducing Emissions of Energy Consumption-Related CO<sub>2</sub> and Greenhouse Gases other than CO<sub>2</sub>

We are committed to continuing with our earlier fiscal 2010 target for reducing energy consumption-related CO<sub>2</sub> emissions at our domestic business locations, and are working to achieve that goal. Globally, we have set new CO<sub>2</sub> emissions per unit sales (unit of output indicator) reduction targets and are working to improve efficiency.

Although we expect increased emissions of CO<sub>2</sub> and other greenhouse gases due to expanding business in the future, the entire Fujitsu Group is working together to achieve our targets.

#### Reducing Transport-Related CO<sub>2</sub> Emissions

In Japan, we are aiming at achieving our goal of a 30% reduction in CO<sub>2</sub> emissions associated with transport compared to fiscal 2000 by the end of fiscal 2010 by expanding our efforts to date, including further expansion and additional deployments of modal shift and improvements in load efficiency.

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# Reducing the Environmental Burden of Factories and Business Offices

Advancing eco-friendly manufacturing through comprehensive environmental protection activities in our factories.

## Activities to Reduce Environmental Burdens at Factories and Business Offices

We are engaged in activities to reduce the amounts of materials and energy used in our business activities, to reduce chemical substances, waste, and air-polluting substances generated by our business activities, and to minimize our manufacturing costs.

We are also making comprehensive efforts to fully comply with laws and regulations and to prevent environmental risks from materializing.

## Promoting Green Process Activities in Manufacturing Processes

Our Green Process activities are intended to save energy and reduce the amounts of chemical substances used and waste produced in manufacturing processes. In a Green Process activity, we strive to reduce the environmental burden (waste, chemical substance emissions, energy usage) of a manufacturing process by optimizing (and reducing costs) of raw material inputs, chemical substance usage, energy usage, and other aspects, and/or switching to alternatives with lower environmental burdens.

In these activities, we first assign an environmental burden index (CG index\*1), an originally developed method, as a yardstick for determining priorities and target values for specific materials, chemical substances, and energy used in the manufacturing process, and then apply the PDCA cycle (plan, do, check, act) to guide activities each quarter. These diverse efforts range from reviewing manufacturing technologies and particular processes to daily improvements from the workers themselves. In fiscal 2006, in addition to continuing previous initiatives, we promoted activities to deepen collaboration with our manufacturing innovation activities\*2.

### \*1 CG index

Original to the Fujitsu Group, this index describes the product of input volume used per product, the cost, and the environmental impact (on a scale from 1 to 10).

### \*2 Manufacturing innovation activities

We have been engaged in Group-wide manufacturing innovation activities based on introducing and deploying the Toyota Production System since 2003.

### Reductions in Power Consumption by Reviewing and Revising Testing Processes (CG index: 18% reduction)

Fujitsu IT Products, Ltd. manufactures and ships servers, storage equipment, image scanners, and other products. The company has set a goal of reducing its environmental burden through implementing Green Process activities and, as one such effort, it has reviewed and revised its testing processes for storage products. While the company had previously tested the structural components (hard disks, control units) of storage products individually before assembling to the customer's required configuration, as a result of this review it was able to perform the testing after assembling the structural components in functional blocks (in coordination with manufacturing innovation activities) and reduced power usage by 18% per month. As a result, the per month CG value was reduced by 18% and costs were similarly reduced by 18%.

## Approach to Chemical Substances Management Policies

We have established "Prevention of environmental risks that could lead to environmental pollution or adverse health effects due to the use of harmful chemical substances" as our basic policy for chemical substances management, and we work to reduce the amount discharged and implement appropriate management at every business site.

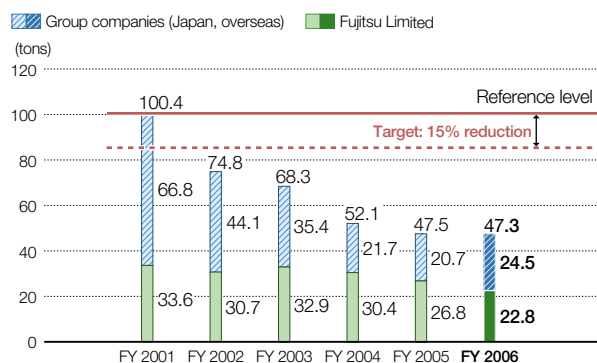
In fiscal 2006, we strengthened the functions of an existing chemical substances management system and increased the efficiency of our chemical substances registration and management operations.

### Fiscal 2006 Performance

In the Stage IV Environmental Protection Program, we established the goal of reducing by fiscal 2006 the amount of chemical substances discharged from our factories by 15% compared to fiscal 2001, but we achieved that goal ahead of plan, in fiscal 2004.

In addition to strengthening the proper management of chemical substances that are subject to the PRTR Law and reviewing our manufacturing processes, in fiscal 2006 we implemented a variety of measures to reduce chemical discharge by our semiconductor factories, including installing organic solvent recovery equipment. As a result, the total amount of PRTR chemical substances discharged by the Fujitsu Group in fiscal 2006 fell to 47.3 tons, a 53% reduction from fiscal 2001 levels.

### PRTR Law Chemical Discharge Amounts



## Reducing the Amount of Waste Generated

In working towards creating a recycling-minded society, we have adopted a basic 3R policy (reduce, reuse and recycle) and in aiming for an even higher level of 3R achievement, we encourage all our employees to separate waste materials into different categories for more effective recycling.

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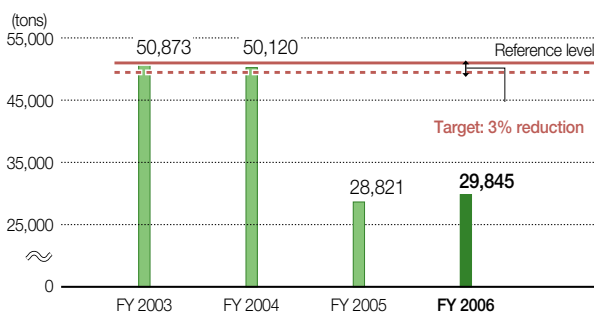
## Fiscal 2006 Performance

In the Stage IV Environmental Protection Program, we set the goal of reducing the amount of waste generated by our business operations by 3% compared to fiscal 2003 levels by the end of fiscal 2006.

The total amount of waste generated by the Fujitsu Group came to 29,845 tons in fiscal 2006. This was a 41% reduction from fiscal 2003, achieving the goal of the Stage IV program. While assigning monetary values to both paper and inorganic sludge contributed to this achievement, business restructuring was also a large factor.

Still, if we compare our fiscal 2006 performance to that of the previous fiscal year, we see that there was a 3% increase due to increased production at our semiconductor plants.

### Amounts of Waste Generated



\* Statistics for 12 Fujitsu sites and 27 Group companies.

## Progress towards Zero Waste Emissions\* at Group Companies in Japan

We are actively promoting zero emissions activities at our domestic Group companies. In fiscal 2003, Fujitsu Limited achieved zero emissions. In fiscal 2004, except for one business location, all Fujitsu Group companies in Japan achieved zero emissions, and this zero emissions status has continued ever since.

However, in addition to the single business location at which sewage treatment tank sludge became an issue in the previous fiscal year, this problem also arose at one other Fujitsu site and two other group company sites. This was because we had to terminate the bio-processing that we had been performing at those facilities due to structural issues in treatment tank equipment required for compliance with water quality laws and regulations and other reasons. As a result, there were four business locations that were unable to achieve zero emissions in fiscal 2006. We are continuing to investigate means for achieving zero emissions of sewage treatment tank sludge at these business locations.

Except for the sewage treatment tank sludge problem described above, we achieved zero emissions at Fujitsu itself in fiscal 2003 and at domestic Group companies in fiscal 2004, and that state has been maintained.

### \* Zero waste emissions

Achieving 100% waste utilization, with none going to landfills or simple incineration.

## Regarding the Targets of the Stage V Environmental Protection Program

### Applying the Green Factory and Green Office System

As a practical manifestation of our Green Factories concept, we perform comprehensive evaluations of the level of eco-friendliness at our business locations and the state of our voluntary efforts, and we are also working to improve the visibility of these efforts. We have established the new target of achieving at least a two-star rating under our Green Factory / Green Office system at all our business locations by the end of fiscal 2009.

This will be applied not only to our factories but also to our office divisions, and along with striving to achieve this certification level in the overall evaluation we will work to make further improvements.

### Reducing Chemical Substances

We have established the goal of reducing annual discharge of 20 industry-specified volatile organic compound (VOC) substances to a level 30% below that of fiscal 2000 by the end of fiscal 2009, which is one year ahead of industry guidelines.

In moving towards achievement of this goal, we are continuing to reduce discharge volumes by efforts such as expanding the adoption of organic solvent recovery equipment at electronic devices factories and Group companies, changing the cleaning processes used at other factories, and switching to substitute materials with lower toxicities.

### Reducing Waste Generation

Continuing our efforts under the Stage IV Environmental Protection Program, we are working to reduce the generation of waste even further. Our target values are based on fiscal 2005, in which there was minimal influence from business restructuring activities, and we have established the goal of reducing waste by 3% by the end of fiscal 2009. In moving towards achievement of this goal, we are investigating reducing fluorine-containing sludge and the in-house processing of liquid wastes (acid and alkaline wastes).

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For the Environment

# Soil and Groundwater Surveys and Cleanup Measures

As well as strictly complying with laws, we have established internal company rules regarding soil and groundwater and are advancing voluntary efforts and actively disclosing relevant information.

## Responding to Soil and Groundwater Pollution

We have reviewed our internal rules established in response to soil and groundwater problems in fiscal 2006 and established new rules concerning soil and groundwater surveys, policies, and disclosure. In future, as well as disclosing information in collaboration with government authorities based on these rules, we will perform planned surveys and implement cleanup operations if pollution is discovered.

### Fiscal 2006 Soil and Groundwater Surveys and Status of Response Measures

In fiscal 2006, we took the promotion of land sales plans at five business locations, the demolition of certain buildings, and other such events as opportunities to carry out soil and groundwater surveys and implement cleanup measures. The status of the surveys and response measures for each business location are listed below.

We also reported on pollution conditions and planned measures to residents in the vicinity of the former Minami Tama Plant, Oyama Plant, Suzaka Plant, Shin-Etsu Fujitsu, Ltd., PFU Limited, and Kamudokoro employee dormitory.

- **Oyama Plant (Oyama City, Tochigi Prefecture)**

VOC and heavy metal pollution had been found in an earlier survey and we implemented continuous monitoring of groundwater as well as cleanup measures (including excavation and removal of insolubilized cyanogens). To study new measures, we also are carrying out surveys of soil and groundwater over the whole site.

- **Tojyou Annex, Oyama Plant (Oyama City, Tochigi Prefecture)**

We completed excavation and removal of soil contaminated with incinerator ash.

- **Suzaka Plant (Suzaka City, Nagano Prefecture)**

VOC, heavy metal, pesticide and other soil contamination was found by a soil and groundwater survey associated with building demolition. Since PCB groundwater contamination was discovered, we performed groundwater surveys of wells downstream from the places where contamination was found, including downstream areas outside the plant site, and found no dispersal of the contamination. We will implement cleanup measures in the future for the places where contamination was found.

- **Idle Land at PFU Limited's Minami Hakui Site (Hakui City, Ishikawa Prefecture)**

We implemented a detailed survey in association with cleanup work for fluorine contamination and are carrying out cleanup measures that we started in January 2007.

- **Fujitsu Gohchi Employee Dormitory (Kawasaki City, Kanagawa Prefecture)**

Since we found heavy metal soil contamination as a result of the soil and groundwater survey associated with dormitory demolition, we are now excavating and removing the contaminated soil. Contamination was not found in the groundwater survey.

### Groundwater Conditions

This section lists the maximum of the latest chemical substance measurement values through the end of March 2007 for monitoring wells used to monitor the influence of groundwater contamination on areas outside business locations where soil or groundwater contamination has been found and where measurement values exceeded legal limits during fiscal 2006.

| Business Site Name       | Locations   | Cleanup Status   | Maximum monitor well value (mg/ℓ) |                     | Regulated value (mg/ℓ) |
|--------------------------|---|--|-----------------------------------|---------------------|------------------------|
|                          |   |  | Substance                         | Measured value      |                        |
| Kawasaki Main Office     | Kawasaki, Kanagawa Prefecture                     | VOC cleanup by pumping and aeration continues.   | cis-1,2-dichloroethylene          | 0.585               | 0.04                   |
|                          |   |  | Arsenic                           | 0.018 <sup>*1</sup> | 0.01                   |
| Former Minami Tama Plant | Inagi City, Tokyo                                 | Cleanup by in-situ powdered iron mixture method for the whole site is in progress.     | Tetrachloroethylene               | 0.272 <sup>*2</sup> | 0.01                   |
|                          |   |  | cis-1,2-dichloroethylene          | 0.574 <sup>*2</sup> | 0.04                   |
| Oyama Plant              | Oyama City, Tochigi Prefecture                    | VOC cleanup by pumping and aeration continues, removal of heavy metals is in progress. | Trichloroethylene                 | 1.917               | 0.03                   |
|                          |   |  | cis-1,2-dichloroethylene          | 6.24                | 0.04                   |
|                          |   |  | Cyanogens                         | 0.2                 | Must not be detected   |
| Suzaka Plant             | Suzaka City, Nagano Prefecture                    | Cleanup measures have been implemented since June 2007.                                | PCBs                              | 0.0012              | Must not be detected   |
| Shin-Etsu Fujitsu, Ltd.  | Shinano machi, Kamimino chiben, Nagano Prefecture | VOC cleanup by pumping and aeration continues  | cis-1,2-dichloroethylene          | 0.077               | 0.04                   |

\*1 With regard to the arsenic at the Kawasaki Main Office, since there is no history of usage of the substance in the vicinity of the monitor well at which the maximum value was detected, we are investigating whether it is of natural origin.

\*2 At the former Minami Tama Plant, we have installed pumping wells at the current boundaries of the site and are implementing measures to prevent the spread of groundwater contamination outside the site. At the same time, we are also implementing cleanup operations over the whole site. Since operation of the monitor wells was interrupted temporarily due to these operations, the values shown here are those that exceeded standards from last year's report.

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# Environmental Accounting

Understanding and evaluating the costs and benefits of effective environmental protection activities helps to identify problems and share best practices across the Group.

## Fiscal 2006 Results

Fiscal 2006 was the last year of the Stage IV Environmental Protection Program, and we vigorously carried out a comprehensive range of environmental protection activities to achieve the goals of that program. As a result, although facilities investments primarily related to pollution prevention costs increased by about 50% (1.22 billion yen) over the previous fiscal year, total costs fell by 1.2 billion yen due in part to a reduction of 1.24 billion yen in environmental remediation costs. Also, economic benefits associated with our environmental protection activities increased by 2.99 billion yen due in part to a large increase in resource circulation benefits.

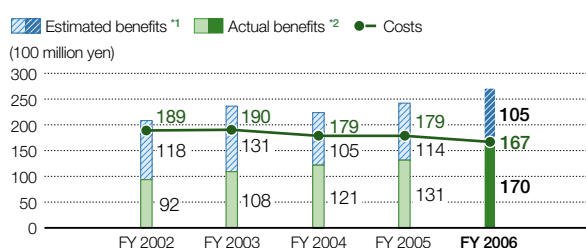
Although environmental remediation costs fell significantly year on year in fiscal 2006 due, for example, to completion in fiscal 2005 of heavy metal-contaminated soil-removal operations at the Kawasaki Main Office, we expect costs to be incurred for appropriate measures at business locations where contamination has been or may yet be found in fiscal 2007 and later. While resource circulation costs associated with more active reuse of maintenance parts increased, the greater use of recycled products contributed to increasing the resource circulation benefit. The large increase in the resource circulation benefit, which was the principal factor in increasing the overall economic benefit, was due to the fact that proceeds from sales of unusable products by our electronic devices subsidiaries increased by about 50% in association with the rapid rise of prices in the rare metals markets.

Note that since fiscal 2006, we have been reviewing and revising the standards for our statistics on an aggregate basis,

and that solutions business costs and benefits and social activity benefits of social contribution activities are excluded from such aggregation. Since these costs and benefits have had aggregate values that are smaller than the units with which values are displayed up until last year, they have no influence on the aggregate results based on this revision.

 **Environmental Accounting**  
<http://www.fujitsu.com/global/about/environment/accounting/>

## Trends in Costs and Economic Benefits



### \*1 Estimated Benefits

These are benefits not directly presentable in monetary amounts but which have benefit that can be expressed in monetary terms under certain circumstances, for example, the contribution of environmental conservation activities to value added in manufacturing and savings from avoidance of business site operating losses that would arise from failure to observe environmental laws and regulations.

### \*2 Actual Benefits

These are benefits that can be directly declared in monetary amounts, like savings produced in the case of reductions in environmental conservation costs and income from the sale of unusable products.

## Environmental Accounting

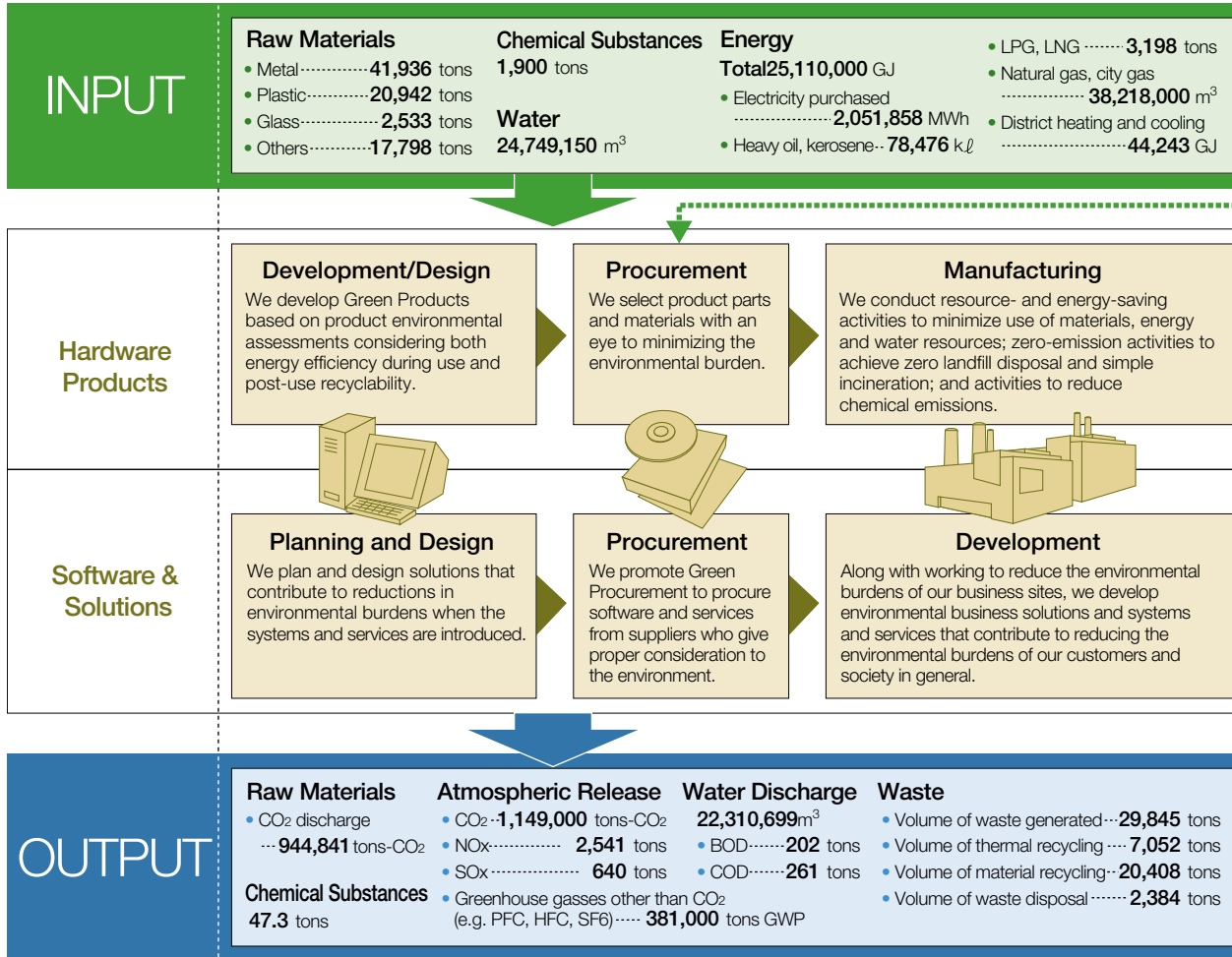
| Item                                     |  | Main areas covered  | Capital investment (100 million yen) | Costs (100 million yen) | Economic benefit (100 million yen) | Related Pages |
|--|--|---|--------------------------------------|-------------------------|------------------------------------|---------------|
| Business area costs/benefits             | Pollution prevention costs/benefits              | Preventing air pollution/water pollution, etc.  | 17.3 (+9.5)                          | 52.6 (+1.5)             | 81.9 (-7.6)                        | P47-48        |
|  | Global environmental conservation costs/benefits | Preventing global warming, saving energy, etc.  | 10.0 (+0.1)                          | 20.3 (-0.7)             | 25.0 (+1.8)                        | P45-46        |
|  | Resource circulation costs/benefits              | Disposal of waste, efficient utilization of resources, etc.   | 1.8 (-1.0)                           | 33.9 (+4.0)             | 136.0 (+39.0)                      | P47-48        |
| Upstream/downstream costs/benefits       |  | Collection, recycling, reuse, and proper disposal of products, etc.                                     | 2.8 (+1.9)                           | 11.1 (+0.5)             | 7.0 (-1.5)                         | P37, P43-44   |
| Administration costs/benefits            |  | Provision and operation of environmental management systems, environmental education of employees, etc. | 1.4 (+0.4)                           | 28.7 (-3.1)             | 6.0 (-1.0)                         | P35-36        |
| R&D costs/benefits                       |  | Research and development on products that contribute to environmental protection, etc.                  | 3.1 (+1.0)                           | 20.1 (-1.9)             | 19.1 (+3.2)                        | P39-41        |
| Social activity costs                    |  | Donations to, and support for, environmental groups, etc.   | 0.0 (±0.0)                           | 0.2 (+0.1)              | —                                  | P38           |
| Environmental remediation costs/benefits |  | Restoration and other measures related to soil and groundwater contamination                            | 0.2 (+0.2)                           | 0.2 (-12.4)             | 0.0 (-4.0)                         | P49           |
| Total                                    |  |   | 36.7 (+12.2)                         | 167.1 (-12.0)           | 275.0 (+29.9)                      | —             |

- Numbers in parentheses indicate increases or decreases in comparison with the previous year.
- Due to rounding, figures in columns may not add up to the totals shown.
- See pages 51, 52 for details on the environmental performance index (environmental conservation benefits).

# Operating Activities and Environmental Burden (Material Balance)

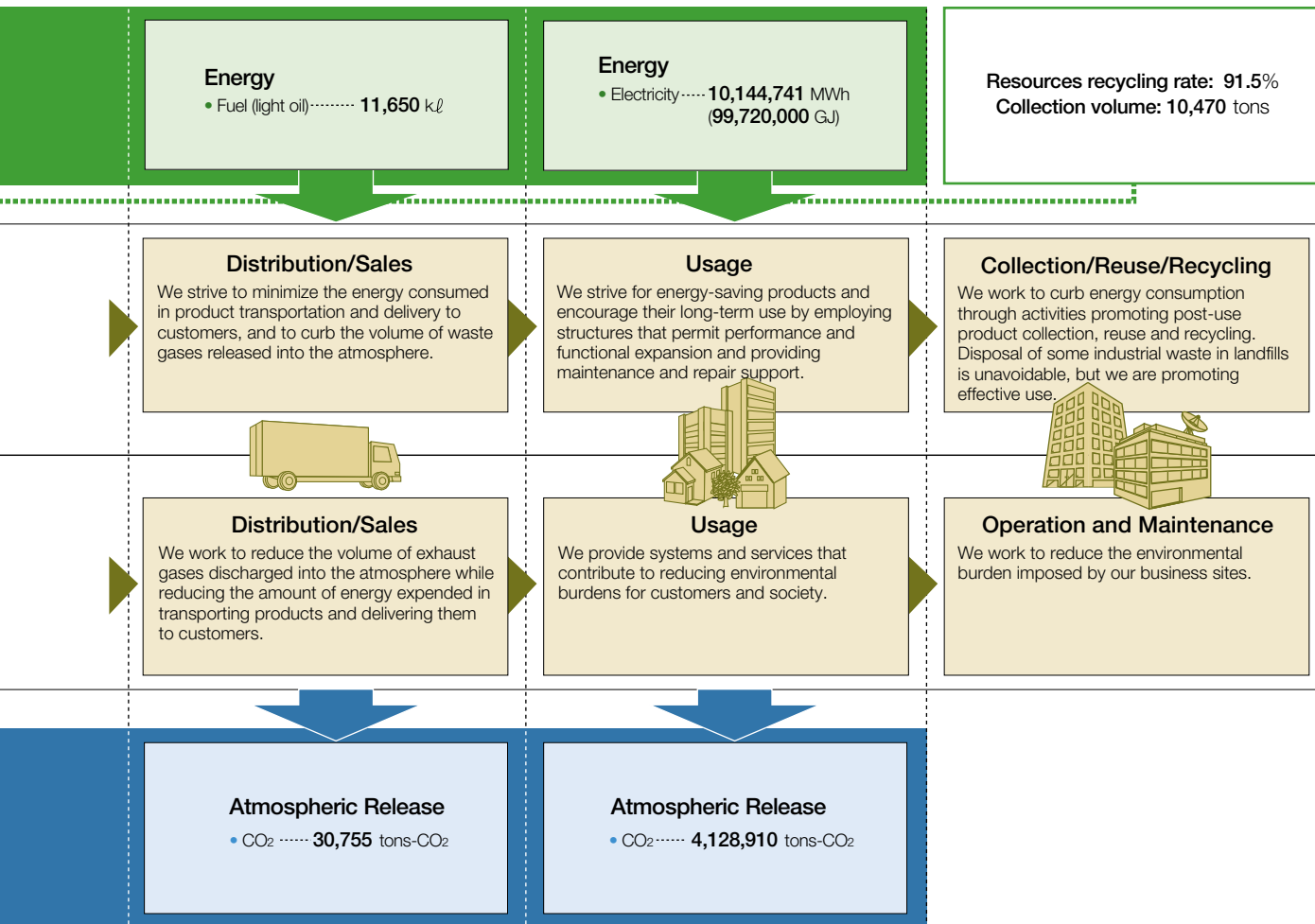
We promote environmentally friendly business activities through overall quantitative assessment of our environmental burden from the life cycle and supply chain standpoints.

## Material Balance



## Calculation Methods

| INPUT                           |                     |  |
|---------------------------------|---------------------|--|
| Development / Planning & Design | Chemical Substances | Volume of PRTR Law target chemicals handled by plants/sites in fiscal 2006   |
| Procurement                     | Raw Materials       | Material inputs to our major products* shipped in fiscal 2006 (raw materials per unit for each product times the number of units shipped in fiscal 2006)<br>* Major products: Personal computers, mobile phones, servers, workstations, storage systems, magnetic disk drives, MO drives, printers, scanners, financial terminals, retail terminals, routers, LAN access equipment, access network products, mobile phone base stations, and electronic devices. |
| Manufacturing / Development     | Energy              | Electricity, oil and gas consumed by plants/sites in fiscal 2006   |
|                                 | Water               | Volume used by plants/sites in fiscal 2006   |
| Distribution / Sales            | Energy              | Fuel consumption volume assuming that all CO <sub>2</sub> released during transportation is from light oil fuel.<br>(Conversion coefficient: 2.64 kg-CO <sub>2</sub> /liter light oil)   |
| Usage                           | Energy              | Electricity consumption by major products shipped in fiscal 2006<br>(Assumed hours of use per product x age-based electricity consumption x the number of units shipped in fiscal 2006)  |
| Collection/Reuse/Recycling      |                     | The weight ratio of recycled parts and resources with respect to the processing volume of post-use products is calculated according to the method of the Japan Electronics and Information Technology Industries Association. It excludes collected waste other than post-use electronic products.   |



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**Calculation Methods**

| OUTPUT                          |                     |   |
|---------------------------------|---------------------|---|
| Development / Planning & Design | Raw Materials       | Material inputs to our major products* shipped in fiscal 2006 (per-unit volume of CO <sub>2</sub> emitted from mining the resource until it becomes a raw material for each product times the number of units shipped in fiscal 2006)<br><small>* Main products: Personal computers, mobile phones, servers, workstations, storage systems, magnetic disk drives, MO drives, printers, scanners, financial terminals, retail terminals, routers, LAN access equipment, access network products, mobile phone base stations, and electronic devices.</small>         |
| Procurement                     | Chemical Substances | Measuring the concentrations of PRTR Law target chemicals discharged through plants' drains and exhaust ports in fiscal 2006 and multiplying the total volume discharged (nickel compounds, manganese compounds, etc.) or total volume emitted (xylene, toluene, etc.), or calculating based on the chemical substance balance (xylene and toluene).  |
| Manufacturing / Development     | Atmospheric Release | CO <sub>2</sub> : CO <sub>2</sub> discharge volume associated with energy consumption by plants/sites in fiscal 2006 (Energy consumption times CO <sub>2</sub> conversion factor)<br>NOx, SOx: Calculated from concentrations in gases discharged from vents (boilers, etc.) by plants/offices in fiscal 2006<br>Greenhouse gases other than CO <sub>2</sub> : Discharge volume of process gases used in semiconductor manufacturing in fiscal 2006. (Calculated by formulas such as <volume of gas used> x <ratio consumed in reactions> x <detoxification ratio>) |
|                                 | Water Discharge     | Wastewater volume discharged by plants/sites into sewerage or rivers in fiscal 2006<br>BOD: A measure of the emission volume of organic pollution of water discharged by businesses employing the volume of oxygen consumed when organic matter in water is removed by microbial activity<br>COD: A measure of the emission volume of organic pollution of water discharged by businesses employing the volume of oxygen consumed when organic matter in water is removed chemically by oxidation.  |
|                                 | Waste               | Volume of Waste Generated: The volume of waste disposal by plants/sites in fiscal 2006<br>Volume of Waste Disposal: The volume of landfill disposal and simple incineration by plants/sites in fiscal 2006 (including waste which is not a zero emission target)  |
| Distribution / Sales            | Atmospheric Release | The total CO <sub>2</sub> volume in fiscal 2006, including both fuel consumption by Fujitsu's shipping business when measurable, and shipping distance x freight weight x coefficient when the freight of companies other than Fujitsu is included, as in mixed load transportation   |
| Usage                           | Atmospheric Release | The volume of CO <sub>2</sub> emissions during use of major products shipped in fiscal 2006 (Assumed hours of use per product, age-based CO <sub>2</sub> emissions x units shipped in fiscal 2006)  |

### Our Basic Approach to Working with External Groups

Fujitsu is committed to contributing widely to the achievement of a sustainable society, not only through our own internal activities but also through active engagement with a wide range of external groups and organizations, including industry groups, government authorities, international and educational bodies, and NPOs and NGOs.

#### Some of Our Principal Affiliations (in Japan)

- Network for Sustainability Communication (NSC)
- Nippon Environment Club
- Japan Environmental Management Association for Industry
- Communications and Information Network Industry Association of Japan
- Japan Electronics and Information Technology Industries Association
- CJC (Clean Japan Center)
- Nippon Keidanren
- Japan International Forestry Promotion and Cooperation Center (JIFPRO)
- Environmental Partnership Organizing Club (EPOC, Nagoya)
- Japan for Sustainability (JFS)

### Main Independent Awards in Fiscal 2006

| Award   | Date           | Sponsor   | Recipient  |
|---|----------------|---|--|
| 2005 Niigata Prefecture Eco-Friendly Business Site  | June 2006      | Niigata Prefecture Environmental Protection Federation    | Shinko Electric Industries Co., Ltd., Arai Plant   |
| 2006 Iwate Prefecture Environmental Protection Liaison Council Chairman's Award   | June 2006      | Iwate Prefecture Environmental Protection Liaison Council | Fujitsu Limited, Iwate Plant   |
| Cool Business for a Sunny Country Prize   | September 2006 | Okayama Prefecture  | Fujitsu Limited, Okayama Office  |
| Third Annual Eco-Products Awards, Eco-Services Division Eco-Products Awards Committee's Chairman's Award for Excellence (Outstanding Product Award) | December 2006  | Eco Products Award Promotion Council                      | Fujitsu Limited, "Logistics Solutions"   |
| Third Annual Life Cycle Assessment Society of Japan Encouragement Award   | December 2006  | Life Cycle Assessment Society of Japan                    | Fujitsu Limited, "Popularization and Promotion of Quantitative Evaluation of Environmental Contributions in the Software & Services Field" |
| Eco-Efficiency Award 2006 Japan Environmental Efficiency Forum Chairman's Award (Product Activities Division)                                       | December 2006  | Japan Environmental Efficiency Forum                      | Fujitsu Limited, "Management Reform Based on Environmental Efficiency Factors in the Fujitsu Group"  |
| Energy Management Superlative Factory or Site Award (Resources and Energy Agency Director-General's Award)  | January 2007   | The Energy Conservation Center, Japan                     | Fujitsu Limited, Aizu Wakamatsu Plant  |
| Energy Management Superlative Factory or Site Award (Resources and Energy Agency Director-General's Award)  | January 2007   | The Energy Conservation Center, Japan                     | Fujitsu VLSI Limited   |

#### "Logistics Solution" Wins the Eco-Products Awards Committee's Chairman's Award for Excellence in the Eco-Services Division (Outstanding Product Award)

In consideration of Japan's Revised Energy Conservation Law, which came into effect in April 2006 and to support our customers' efforts to reduce CO<sub>2</sub> emissions, we strengthened and expanded our logistics solution offerings. This award recognizes the solutions' contribution to reducing overall environmental burden achieved through IT-enabled measures including: improvements in transportation and distribution operations from optimization of distribution routes, improvements in fuel consumption due to the introduction of in-vehicle terminals, reductions in the number of vehicles due to transport planning, and automated documentation using a CO<sub>2</sub> emissions calculation system.

- 1935 • Park-style design adopted for new Kawasaki Plant at the suggestion of Fujitsu's founder, Manjiro Yoshimura.
- 1972 • Environmental control sections established at each plant.
- 1987 • Ozone Layer Protection Committee established.
- 1989 • Environmental Committee established.
- 1990 • Environmental management evaluation system implemented.
- 1991 • Environmental Engineering Promotion Center established.
- 1992 • Fujitsu's Commitment to the Environment formulated.
  - Use of CFCs and carbon tetrachloride for cleaning eliminated.
  - Energy Saving Committee established.
- 1993 • Product Recycling Committee established.
  - Waste Control Committee established.
  - Fujitsu Environmental Protection Program (Stage I) formulated.
  - Product Environmental Assessment Guidelines formulated.
  - Domestic Affiliated Companies' Environmental Protection Council established.
  - Environmental Information Service (FJ-CUG) inaugurated.
- 1994 • First issue of Eco-Plaza environmental bulletin published.
  - Use of 1,1,1-trichloroethane eliminated.
  - 1st Fujitsu Group Environmental Technology Exhibition held.
  - Fujitsu Environmental Emblem designed.
  - Overseas Environmental Information Network begins operation.
- 1995 • Environmental Management System Committee established.
  - Recycling system established and implemented.
  - Fujitsu Group Worldwide Environmental Protection Council established.
- 1996 • Fujitsu Environmental Protection Program (Stage II) formulated.
  - Environmental Engineering Center homepage placed on intranet.
  - Chemical Emissions Reduction Committee established.
  - First Environmental Report published.
- 1997 • Environmental homepage established on Fujitsu website.
  - All domestic manufacturing sites certified ISO14001 compliant.
- 1998 • Reforestation activities conducted in Thailand.
  - Green Product program launched.
- 1999 • Environmental accounting introduced.
  - Reforestation activities conducted in Vietnam.
- 2000 • Four development and service sites in Japan certified ISO14001 compliant.
  - Corporate Environmental Affairs Unit established.
  - Desktop PC awarded Eco-mark for first time.
- 2001 • Fujitsu Environmental Protection Program (Stage III) formulated.
  - Calendar using paper from sustainable forest published.
  - Reforestation activities conducted in Malaysia.
- 2002 • A world's first: Tin-zinc-aluminum lead-free solder developed.
  - A world's first: Biodegradable plastic parts with lower environmental burden employed in notebook computers.
  - Fujitsu Group Environmental Policy established.
  - A world's first: Magnesium alloy recycled in-house applied in notebook computers.
- 2003 • Support for reforestation activities employing Rhythm Forest reforestation network game initiated.
  - Zero waste emission achieved by all 13 plants in Japan.
- 2004 • ISO14001 integrated certification acquired by all Fujitsu Limited sites, among largest systems in Japan.
  - 100% Green Product ratio achieved for all newly developed products.
  - Fujitsu Group Environmental Protection Program (Stage IV) formulated.
- 2005 • ISO14001 certification acquired by all Group companies in Japan.
  - Supply of Super Green Products begins.
- 2006 • ISO14001 globally integrated certification acquired, including overseas Group companies. Establishes global environmental management framework for the Group as a whole.
- 2007 • Fujitsu Group Environmental Protection Program (Stage V) formulated.

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For Our Shareholders

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With Local and International Communities

For the Environment

# TRANSLATION

## Independent Assurance Report

June 11, 2007

Mr. Hiroaki Kurokawa  
President and Representative Director  
FUJITSU LIMITED

Shin Nihon Environmental and Quality Management Research Institute Co., Ltd  
Representative Director Akihiro Nakagome

### 1. Scope and objectives of this engagement

We have performed specific assurance procedures, based on the contract with Fujitsu Limited (the "Company"), to express an independent opinion on the Fujitsu Group Sustainability Report (the "Report") in respect of whether the environmental performance data (environmental accounting data and material environmental information\*<sup>1</sup> which are prescribed in the institutional framework of the assurance engagement and the registration of the environmental report) of the Company and its material subsidiaries, were accurately measured, calculated and cover all material aspects without omissions in accordance with the reporting standards\*<sup>2</sup> of a social and environmental report, and whether or not the social performance data are in contradiction with the evidence we have obtained.

The reporting responsibility belongs to the Company's management. Our responsibility is to express an independent opinion on the Report.

\*<sup>1</sup>The material environmental information which are prescribed in the institutional framework of the assurance engagement and the registration of environmental report, are indicated in the "Environmental report assurance and registration mark standards" (The Japanese Association of Assurance Organizations for Environmental Information).

\*<sup>2</sup>The reporting standards refer to the Ministry of Environment's "Environmental Reporting Guidelines 2003", and the Global Reporting Initiatives' "Sustainability Reporting Guidelines Ver. 3. 0 Oct 2006", and the complementary guidelines made by the Company.

### 2. Outline of the assurance engagement procedures

We have performed limited assurance engagement procedures mainly composed of inquiry, review and analytical procedures in accordance with the "Practical guideline for assurance engagement of non-financial statements (exposure draft)" (Japanese Institute of Certified Public Accountants Jul 2005) and the "Practical guideline for assurance engagement of environmental information" (J-AOEI Jan 2006) .

Therefore, our assurance engagement provides relatively limited assurance compared to a reasonable assurance engagement.

Outline of the applied procedures is as follows;

We have reviewed and assessed the Company's procedures for the collection and calculation of the environmental performance data, as well as the recalculation and cross-checking of the subject information described in the Report with the supporting evidence on a sample basis, performed onsite verification and reviewed the environmental performance data generated at each site. In addition, we have verified the consistency of the subject information in the social performance data with other information described in another part of the Report.

\*<sup>2</sup>The onsite verification took place at the Head Quarter Office, Fujitsu Aizu Wakamatsu Plant, Fujitsu Oyama Plant, and two major subsidiaries; PFU Limited and Shin-etsu Fujitsu Limited.

### 3. Our opinion

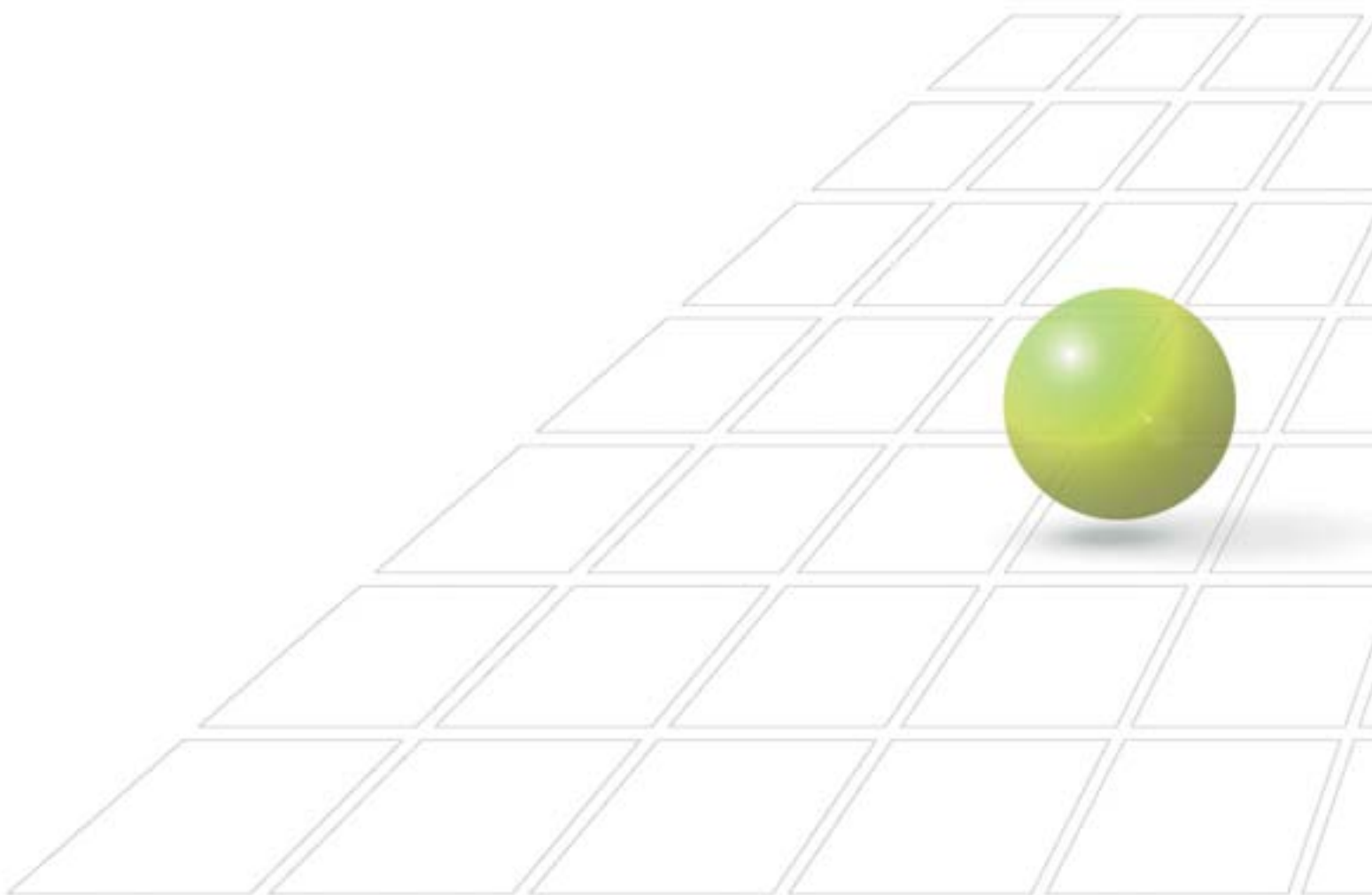
Based on our assurance engagement, we have not come across any materially incorrect determinations or miscalculations, or omissions in relation to the environmental performance data (environmental accounting data and material environmental information prescribed in the institutional framework of the assurance engagement and the registration of an environmental report). In addition, we have not come across any materially incorrect determinations that contradicted the evidence we have obtained in relation to the social performance data

### 4. Our independence

We, as a member of the Ernst&Young ShinNihon Group, are in compliance with the Certified Public Accountant Law, the ethics regulation of the Japanese Institute of Certified Public Accountants and the ethics procedure of Ernst&Young ShinNihon.

Therefore, there has been no common interest between the Company and us.

**NOTE: This Independent Assurance Report was prepared based on the original Japanese version.**



**FUJITSU LIMITED**

<http://www.fujitsu.com/global/about/environment/>



All brand names and product names are trademarks and registered trademarks of their respective holders.

AL0048-1-Oct.2007



**To: Corporate Environmental Affairs Unit, Fujitsu Limited**

Thank you for reading our 2007 Fujitsu Group Sustainability Report. We hope you will spare us a few more minutes to fill in this questionnaire and fax it to us to help us in preparing next year's report. The questionnaire is also available on the Web site. Please note that any comments and requests received may be published in the next report. Also, we will be pleased to send the 2008 edition of the Fujitsu Group Sustainability Report to those who request it.

**Q1 Did you know anything about Fujitsu's sustainability activities before reading the report?**

- Yes  A little  Nothing

**Q2 (For those who answered "Yes" or "A little" to Q1) How did you come to know about them?**

- Previous Sustainability Report  Fujitsu website  Seminar or other event  
 Product catalog  TV, newspaper or magazine  Other ( )

**Q3 What is your impression of this report?**

- ① Categories included  Adequate  Inadequate  
 ② Amount of information  Too much  Appropriate  Not enough  
 ③ Ease of reading  Good  Average  Poor

**Q4 Which sections of this report were of greatest interest? (Please select one or more sections.)**

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Editorial Policy                     | <input type="checkbox"/> With Our Business Partners  | <input type="checkbox"/> Global Warming Countermeasures                                      |
| <input type="checkbox"/> Message from Management              | <input type="checkbox"/> With Local and International Communities  | <input type="checkbox"/> Reducing the Environmental Burden of Factories and Business Offices |
| <input type="checkbox"/> Fujitsu Group Profile                |  | <input type="checkbox"/> Soil and Groundwater Surveys and Cleanup Measures                   |
| <input type="checkbox"/> The FUJITSU Way                      | <b>For the Environment</b>   | <input type="checkbox"/> Environmental Accounting  |
| <input type="checkbox"/> Corporate Governance                 | <input type="checkbox"/> Targets and Achievements  | <input type="checkbox"/> Operating Activities and Environmental Burden (Material Balance)    |
| <input type="checkbox"/> Risk Management                      | <input type="checkbox"/> Highlight: Launching the Stage V Fujitsu Group Environmental Protection Program | <input type="checkbox"/> Cooperation with External Groups and Outside Awards                 |
| <input type="checkbox"/> Compliance                           | <input type="checkbox"/> Environmental Management  | <input type="checkbox"/> The History of Fujitsu's Environmental Activities                   |
| <input type="checkbox"/> For Our Customers                    | <input type="checkbox"/> Green Procurement   | <input type="checkbox"/> Independent Assurance Report  |
| <input type="checkbox"/> IT Solutions to Meet Society's Needs | <input type="checkbox"/> Environmental Contributions to Society  |  |
| <input type="checkbox"/> With Our Employees                   | <input type="checkbox"/> Eco-Friendly Products   |  |
| <input type="checkbox"/> For Our Shareholders                 | <input type="checkbox"/> Environmental Solutions   |  |
|   | <input type="checkbox"/> Promoting Product Recycling   |  |

**Q5 From what perspective did you read this report?**

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Fujitsu product user                      | <input type="checkbox"/> Journalist                           | <input type="checkbox"/> NGO/NPO member                        |
| <input type="checkbox"/> General consumer                          | <input type="checkbox"/> Shareholder                          | <input type="checkbox"/> Government official/administrator     |
| <input type="checkbox"/> Student                                   | <input type="checkbox"/> Investor/analyst                     | <input type="checkbox"/> External research organization member |
| <input type="checkbox"/> Environmental specialist                  | <input type="checkbox"/> Corporate buyer/purchaser            | <input type="checkbox"/> Other ( )                             |
| <input type="checkbox"/> Resident of Fujitsu facility neighborhood | <input type="checkbox"/> Corporate environmental staff member |  |

**Q6 How did you learn about the existence of this report?**

- |  |   |                                     |
|--|---|-------------------------------------|
| <input type="checkbox"/> Newspaper     | <input type="checkbox"/> Fujitsu Public & Investor Relations Div. | <input type="checkbox"/> NGO/NPO    |
| <input type="checkbox"/> Magazine      | <input type="checkbox"/> Fujitsu Group employee                   | <input type="checkbox"/> Friend     |
| <input type="checkbox"/> Advertisement | <input type="checkbox"/> Fujitsu Group sales representative       | <input type="checkbox"/> Exhibition |
| <input type="checkbox"/> Website       | <input type="checkbox"/> Plant tour                               | <input type="checkbox"/> Other ( )  |

**Q7 Please use the space below to communicate any comments or requests you may have concerning Fujitsu's sustainability activities.**

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Thank you for your cooperation. Please fill in the following to be included in our mailing list.

**Name** \_\_\_\_\_ Those who would like to be sent a copy of the 2008 Fujitsu Group Sustainability Report should check the appropriate box below.  
 Request a copy  Do not request a copy

Mailing address (for 2008 report):  
 〒 \_\_\_\_\_

Occupation (employer): \_\_\_\_\_ Department/position: \_\_\_\_\_

I do not use the personal information that had you fill it out for a purpose except "2008 Fujitsu Group Sustainability Report" sending. Please call the number at right for inquiries, or to notify us of changes in the information you have provided above. **Corporate Environmental Affairs Unit Telephone: +81-44-754-3413**

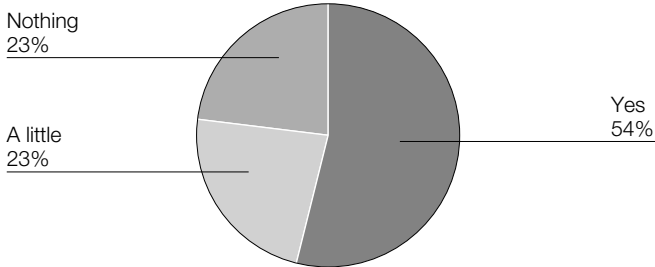
# 2006 Fujitsu Group Sustainability Report Questionnaire Results

(As of June, 2007)

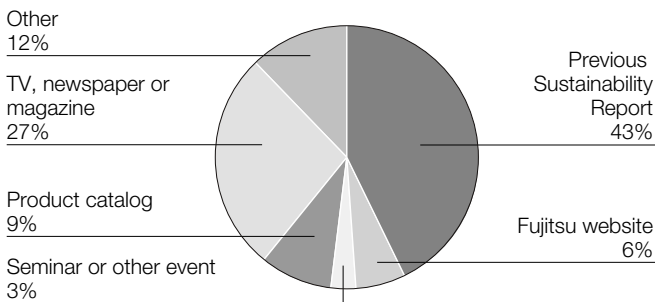
Thank you very much for your cooperation in responding to the 2006 Fujitsu Group Sustainability Report questionnaire. The tabulated results for the questionnaire are as follows. We will continue to use your valuable opinions, to help improve our activities and create even better reports.

## Questionnaire tabulation results Respondents = 74

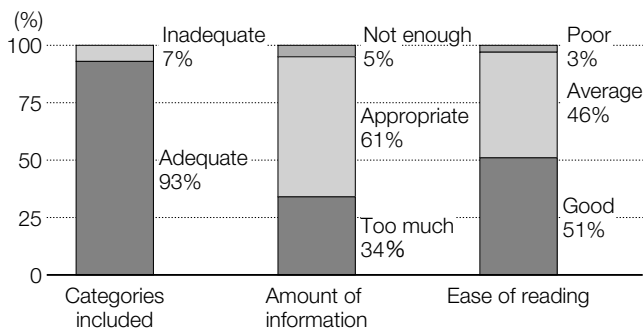
### Q1 Did you know anything about Fujitsu's sustainability activities before reading the report?



### Q2 (For those who answered "Yes" or "A little" to Q1) How did you come to know about them?



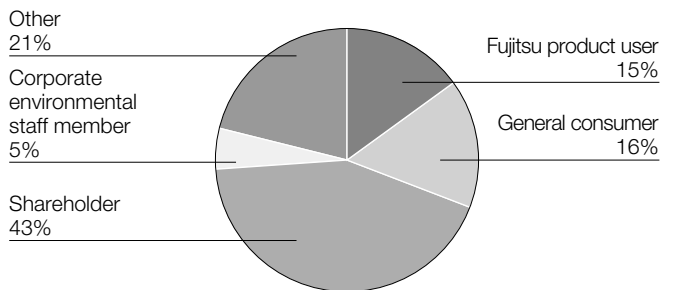
### Q3 What is your impression of this report?



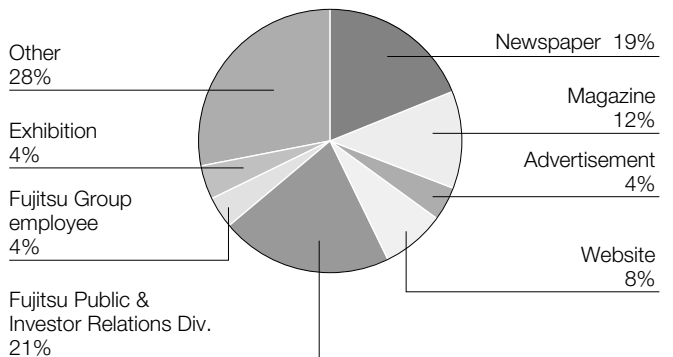
### Q4 Which sections of this report were of greatest interest?

| Category title   | Votes for this category |
|--|-------------------------|
| For Our Shareholders   | 35                      |
| Highlights: Opening up future possibilities with "electronic paper"    | 32                      |
| Highlights: PalmSecure—Our contactless palm vein authentication system | 32                      |
| Product Recycling  | 30                      |
| Business Overview  | 28                      |
| Global Warming Countermeasures   | 28                      |
| Environmental Measures for Products                                    | 27                      |
| Main Business Activities   | 26                      |
| For Our Customers  | 25                      |
| Targets and Achievements   | 23                      |

### Q5 From what perspective did you read this report?



### Q6 How did you learn about the existence of this report?



## Comments and Requests Expressed to Fujitsu

### Main Comments

- Please continue firmly implementing your environmental and other policies in the future
- Please give all the basics of your employee training. Also please introduce workplace-level activities in detail.
- The over-use of phonetic renderings of foreign words makes the Japanese version difficult to read.

### Examples of Responses

- We will continue our commitment to enhancing the quality and volume of information available on our corporate website.
- We have attempted to make the character fonts and illustrations used in this edition easy to read.
- We have also added glosses for specialized vocabulary wherever possible.