

Management Systems

We are pursuing total optimization for the Fujitsu Group by clarifying each Group company's role and position in the process of generating value for the Group as a whole and managing the Group to continuously enhance its corporate value.



Corporate Governance

Basic Stance on Corporate Governance

The main emphasis of Fujitsu's corporate governance is on having the non-executive directors provide oversight and advice to executive directors in their management execution role within the Board of Directors, while adopting the Audit & Supervisory Board system.

Specifically, while assuming mutual supervision between directors and oversight of directors by the Board of Directors, Fujitsu makes a clear distinction between the management execution role and the management oversight role on the Board of Directors and, moreover, makes sure that there are at least as many non-executive directors responsible for management oversight as there are executive directors responsible for management execution.

In addition, in selecting candidates for non-executive directors, consideration is given to the candidate's backgrounds and insight into Fujitsu's business so that effective advice that reflects a diversity of viewpoints can be obtained.

Furthermore, Audit & Supervisory Board members provide audits and oversight from the outside of the Board of Directors, and Fujitsu has established the Executive Nomination Committee and Compensation Committee of its own accord, thereby augmenting the Board of Directors. The overall approach is designed to raise shareholder value through effective corporate governance.

Overview of Corporate Governance Structure

[Overview of the Board of Directors]

Fujitsu makes active use of External Directors. The Board of Directors comprises 11 members in total: 5 executive directors and 6 non-executive directors (including 4 external directors).

In order to better define the management responsibility of the directors, Fujitsu has set the term of office of the directors to 1 year, and has registered all 4 External Directors (including one woman) with the Tokyo Stock Exchange as independent officers having no major stakeholder interest in the company.

[Overview of the Audit & Supervisory Board]

Fujitsu has an Audit & Supervisory Board that performs the auditing function. The Audit & Supervisory Board has five members, comprising two internal Audit & Supervisory Board members and three external Audit & Supervisory Board members.

Fujitsu has registered all three external members with the Tokyo Stock Exchange as independent officers having no major stakeholder interest in the company.

The auditing function is carried out by Audit & Supervisory Board members, who review the Board of Directors as well as business execution functions and attend important meetings, including meetings of the Board of Directors.

[Executive Nomination Committee and Compensation Committee]

Fujitsu established an Executive Nomination Committee and Executive Compensation Committee as advisory bodies to the Board of Directors in order to ensure the transparency and objectivity of the process for choosing candidates for executives, determining their compensation and ensuring that the compensation system and levels are appropriate.

The Executive Nomination Committee and the Compensation Committee are composed of three Non-Executive Officers (including two Non-Executive Directors and an external member of the Supervisory & Audit Board).

Fujitsu's officer compensation is determined on the basis of the Executive Compensation Policy that was revised by the Board of Directors in April 2011 in accordance with a report by the Compensation Committee.

[Reference] Executive Compensation Policy

To retain exceptional human resources required to manage the Fujitsu Group as a global ICT company, and to further strengthen the link between its compensation structure and business performance as well as shareholder value, while at the same time improving its transparency, the Group has established its Executive Compensation Policy as follows.

Executive compensation is composed of the following: "Basic Compensation," specifically a fixed monthly salary in accordance with position and responsibilities; "Stock-based Compensation," which is a long-term incentive that emphasizes a connection to shareholder value; and "Bonuses" that are compensation linked to short-term business performance.

Basic Compensation

- Basic compensation is provided to all directors and auditors based on position and responsibilities as compensation for duties involving business administration and the execution of corporate operations.

Stock-based Compensation

- Stock-based compensation, intended for directors responsible for executing business is a long-term performance incentive, with the amount to be paid determined based on a qualitative evaluation of medium- to long-term initiatives.
- Is provided for the purchase of Fujitsu shares, to be acquired through the Director Stock Ownership Plan. Also such acquired stock is to be held for the duration of the individual's employment.

Bonuses

- Bonuses are short-term performance incentives to be paid to directors responsible for executing business. Amounts are set based on business performance in the respective fiscal year.
- As a specific method to calculate a bonus, Fujitsu will adopt a profit-sharing model which uses consolidated operating profit and consolidated net profit as indices. However, bonuses will not be paid in the event of negative net profit recorded under non-consolidated accounting for the term under review.

In accordance with the resolution of the Annual Shareholders' Meeting, the total amount of basic compensation, stock-based compensation, and bonuses shall not exceed 600 million yen per year for directors and 150 million yen per year for auditors.

(Areas of Executive Compensation and Recipients)

Recipient	Basic Compensation		Stock-based compensation	Bonuses
	Business administration portion	Business execution portion		
Directors	○	—	—	—
Directors responsible for executing business	○	○	○	○
Auditors	○		—	—

Basic Stance on Internal Control Framework

To continuously increase the corporate value of the Fujitsu Group, it is necessary to pursue management efficiency and control risks arising from business activities.

Recognizing this, Fujitsu is working toward the practice and penetration of the FUJITSU Way, the basic principles behind the Fujitsu Group's conduct. At the same time, the Board of Directors has articulated the Basic Stance on Internal Control Framework.

Overview of the Basic Stance on Internal Control Framework

The Basic Stance on Internal Control Framework sets forth internal structures including the following.

- **Management Execution Decision Making and Management Execution Structure**

Through the framework, executive officers share management execution authority with the President and Representative Director as the chief executive. The framework establishes a Management Council to assist the decision-making of the President and Representative Director, to enhance the efficacy of management.

Moreover, the framework makes clear that the President and Representative Director bears responsibility for the construction and operation of an internal control framework, and establishes that the Board of Directors fulfills oversight responsibility by appropriately investigating the said operation.

- **Risk Management System**

The framework establishes a Risk Management & Compliance Committee and has management systems for controlling overall loss risks, as well as risk control systems or organizations pertaining to defects and failures in products and services, contracted development projects, information security, and financial risk.

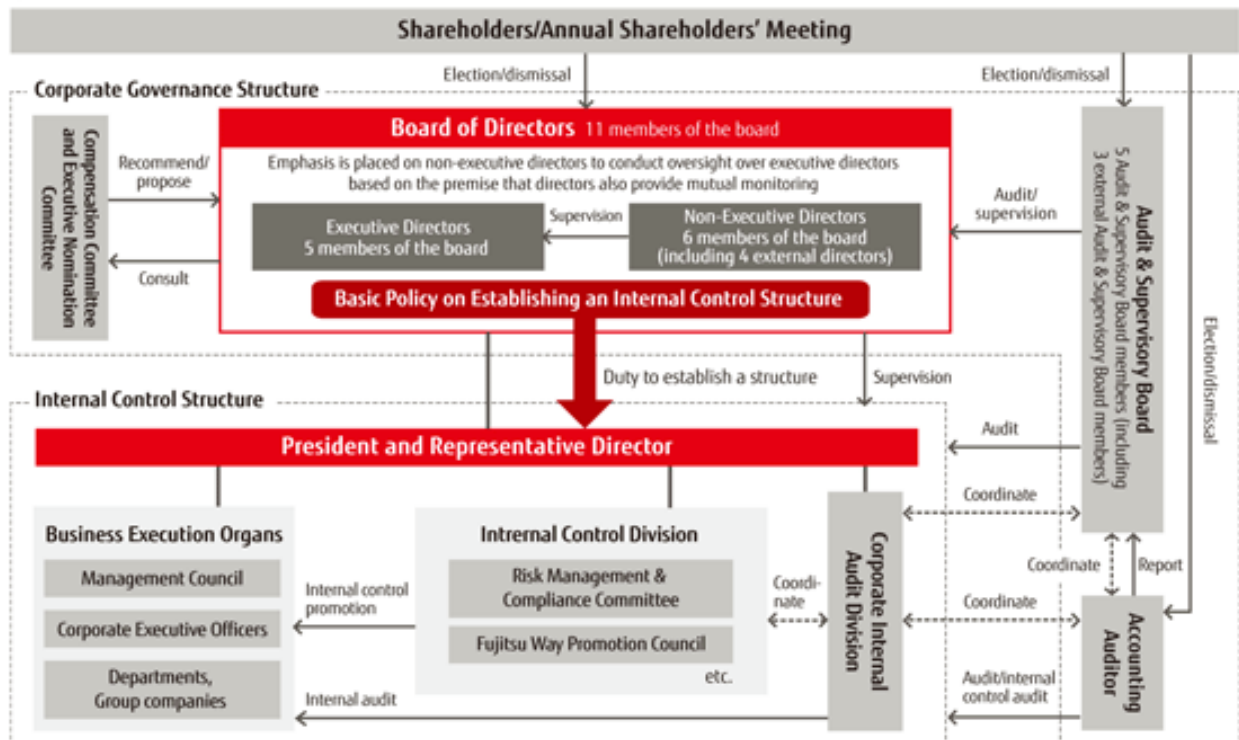
- **Compliance System**

With the Risk & Management Compliance Committee at the center, the framework promotes the preparation of the internal rules, education, and oversight systems required for compliance with the Code of Conduct set forth by the FUJITSU Way, and also with laws and regulations concerning the business activities of the Fujitsu Group.

The framework also has management systems to ensure the appropriateness of financial reporting, as well as a system for information disclosure and internal auditing systems.

Corporate Governance Structure

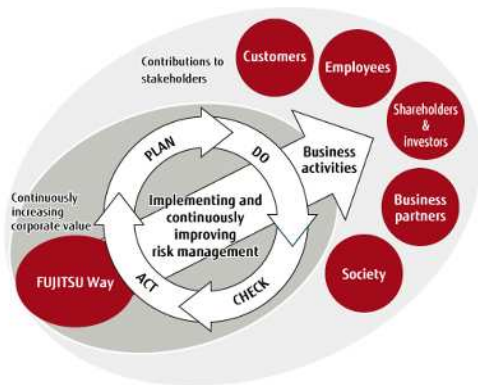
(as of June 23, 2014)



Risk Management

Our Approach to Risk Management

Through its global activities in the ICT industry, the Fujitsu Group continuously seeks to increase its corporate value, and to contribute to its customers, local communities and indeed all stakeholders. Properly assessing and dealing with the risks that threaten the achievement of our objectives, taking steps to prevent the occurrence of these risk events, and establishing measures to minimize the impact of such events if they do occur and to prevent their reoccurrence are assigned a high priority by management. Moreover, we have built a risk management and compliance system for the entire Group and are committed to its continuous implementation and improvement.



Business Risks

The Group identifies, analyzes and evaluates the risks that accompany business activities and works on measures to avoid or reduce them, and to deal with them quickly in the unlikely event that they materialize.

Examples of Business Risks*1

- Economic and financial market trends
- Changes in customers' ICT investment trends and being unable to maintain lasting ties with customers
- Competitors' strategies and industry trends
- Procurement, alliances and technology licensing
- Public regulations, public policy and tax matters
- Deficiencies or defects in products and services, information security, project management, investment decisions, intellectual property rights, human resources, environmental pollution, credit risks, etc.
- Natural disasters and unforeseen incidents

*1: These are just some of the business risks. More detailed risk-related information can be found in our earnings report, securities reports and other published reports.

Risk Management & Compliance Structure

With the aim of integrating and strengthening its global risk management and compliance structures, the Fujitsu Group has established a Risk Management and Compliance Committee as one of the internal control committees reporting to top management.

The Risk Management & Compliance Committee appoints a Chief Risk Compliance Officer for each department and company throughout the Group, and encourages cooperation among them to both guard against potential risks and mitigate risks that materialize, forming a risk management and compliance structure for the entire Group.



The Risk Management Framework

The Risk Management & Compliance Committee is responsible for grasping the status of risk management and compliance in all Fujitsu business groups and Group companies in Japan and overseas, establishing the appropriate policies and processes, etc., and both implementing and continuously improving them. In practical terms, it decides on risk management regulations and guidelines, applies them and regularly reviews and improves them.

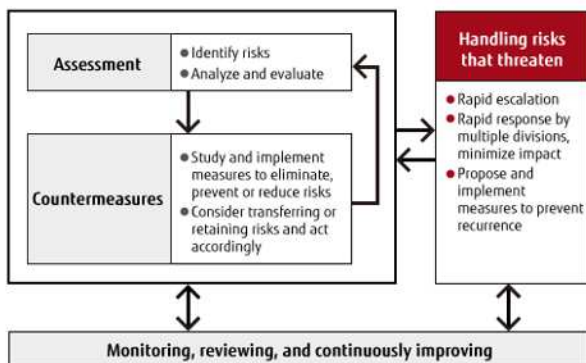


Risk Management Processes

The Risk Management & Compliance Committee, which maintains regular communications with Chief Risk Compliance Officers, identifies, analyzes and evaluates the risks of business activities, confirms the detailed measures intended to deal with major risks by averting, minimizing, transferring or retaining them. It also reports important risks to the Management Council.

The Risk Management Committee also prepares responses against the actual materialization of a risk despite the implementation of various preventive measures. If a critical risk such as a natural disaster, product breakdown or defect, a problem with a system or service, a compliance violation, an information security breach, or an environmental problem materializes, the department or Group company reports immediately to the Risk Management & Compliance Committee. The Risk Management & Compliance Committee coordinates with the related divisions and workplaces for rapid resolution of the problem by appropriate measures such as establishing a task force. At the same time, the Risk Management Committee strives to identify the causes of the problem and propose and implement solutions. Additionally, for critical risks, the committee also reports as appropriate to the Management Council and the Board of Directors.

The Risk Management & Compliance Committee continuously confirms the implementation status of these processes and works to make improvements.



Group-Wide Disaster Preparedness

To build a robust disaster-preparedness network and enhance our business continuity response capabilities, the Fujitsu Group has created a Group-wide disaster-preparedness organization, in anticipation of a major disaster. In Japan, we have been carrying out annual nation-wide disaster-response drills in conjunction with Disaster Preparedness Day on September 1st.

FY 2013 marks the 19th year of systematically conducting training for an earthquake occurring in Tokyo or in the Tonankai region. This year we completed training at 80 companies, including Fujitsu Headquarters. Fujitsu has established an interim Central Headquarters in the Kansai region, and is carrying out initial response training in collaboration with each at-risk business site, as part of the efforts to prepare for an earthquake disaster in the Tokyo metropolitan region, where our management functions are concentrated. Sites around Japan also carried out initial response training centered on confirming employee safety and checking for damage to work-related buildings immediately after a disaster.

Implementing Disaster Preparedness Self Checks at Each Business Site

Disaster-preparedness self checks are autonomously conducted throughout the Group based on inspection criteria established at each site as an activity to minimize personal injury and property damage in the event of a disaster.

Based on the results of these checks for FY 2013, we reassessed the organization of our Emergency Disaster Control Center in each region, given that many Group companies with shared facilities showed deficiencies in their ability to contact each other during an evening or holiday emergency. We will be sharing effective training methods as we continue to conduct disaster-preparedness self checks in FY 2014.

Carrying Out Joint Inspections by Specialist Teams

We are conducting joint testing throughout the Fujitsu Group, targeting facilities that are critical to Fujitsu business continuity. Led by teams made up of internal departments for environmental management, facility management, and risk management, these checks are ensuring that laws are being upheld, while also conducting joint testing throughout the Fujitsu Group in order to prevent accidents that could arise from aging infrastructure or from fires and other natural disasters.

The teams are also responsible for everything from verifying inspection results, to providing guidance on establishing measures for making improvements, to checking on the progress of such endeavors. Based on the results of joint testing conducted at 30 facilities from FY 2010 to 2013, we will be sharing good practices and cases of improvements made regarding disaster preparedness with all facilities in the Group.

Business Continuity Management

The risks of unforeseen events that threaten economic and social continuity, such as natural disasters like earthquakes and large-scale flooding, disruptive incidents, accidents, and pandemics such as the new strain of influenza, have increased greatly in recent years.

To ensure that even when such risks occur, we can continue to provide a stable supply of the high-performance, high-quality products and services our customers need, the Fujitsu Group has established a Business Continuity Plan (BCP), and promotes Business Continuity Management (BCM) as a way of continuously reviewing and improving that BCP. Through the BCM process, the lessons learned in the course of the Great East Japan Earthquake and the flooding in Thailand are now reflected in our BCP.

Strengthening BCM for Our Entire Supply Chain

In order to consistently supply products and services even under unforeseen circumstances, Fujitsu has been continuously supporting improvement of BCM with our business partners since FY 2007, under the belief that it is essential to strengthen BCM along our entire supply chain. In FY 2013, we conducted a survey to reassess relevant content, from the BCP formulation phase to the implementation phase, while also holding briefing sessions with our business partners directed toward strengthening BCM.

We also have dedicated ourselves to making supply chain risks visible. As one example of this, we use the SCRKeeper^{*2} risk management system to clarify the scope impact risks have on the supply chain. Our executives also continued to take part in training sessions.

*2 SCRKeeper: A supply chain risk management service developed by the Fujitsu Group, the distribution of which began in FY 2013. It enables the evaluation and analysis of business partners' business continuity capability and predicts and assesses potential damage to their location of business on the level of each individual disaster.

Training Specialists in BCM

The Fujitsu Group plans on developing its specialists in order to further promote, implement, and improve BCM. In FY 2013, BCM specialists from each department took part in training to better understand BCP for their own department and learn how to conduct actual BCM activities.

Our plan now is to move forward with BCM throughout the entire supply chain, not just our logistics and production supply chains, with efforts that include providing support for BCM system creation for our suppliers, with our specialists playing a central role.

Measures against New Strains of Influenza

We have taken steps against new strains of influenza based on a three-fold influenza policy- to safeguard lives, to stop the spread of infection, and to ensure business continuity. We created a "Pandemic influenza Preparedness Action Plan" that stipulates preventive measures in everyday operations and the response process to be used if an outbreak occurs. We work to disseminate these to all employees through e-Learning and by distributing pamphlets. Also, to contribute to the continuity of social infrastructure businesses and the continuity of our customers' businesses should a pandemic occur or a particularly virulent new strain of influenza arise, we have established, and carry out training based on, a "Business Continuity Action Plan for Measures Against Pandemic influenza."

Risk Management Education

We developed and operate a systematic educational curriculum that aims for extensive risk management across the entire Group.

Through this curriculum, we inform our employees of our basic approach to risk management and the rules to be followed, and cite concrete examples to strengthen our employees' awareness of risk management and their ability to deal with risks. We also hold education and training programs as appropriate on issues such as information security, environmental problems, and natural disasters.

Compliance

Activities Promoting Compliance

The Fujitsu Group is ensuring strict compliance based on the Code of Conduct in the Fujitsu Way. Top management is committed to engaging the Fujitsu Group in various activities to ensure extensive awareness of the need for compliance.

As a set of standards for Fujitsu Group global compliance, GBS (Global Business Standards), which incorporates the detailed Code of Conduct in the Fujitsu Way and a guide for individual employee behavior, has been uniformly put into practice throughout the Fujitsu Group since January 2013.

In Japan, we have put in place a range of internal company rules that include the rules applied to Fujitsu Group company as its own rules deemed necessary for developing a governance structure throughout the Group. We also disseminate information about major legislation, especially legislation that is closely connected to our business such as the Antimonopoly Act, the Unfair Competition Prevention Act, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, to Fujitsu and Group company employees through easy-to-follow compliance manuals posted on the intranet. Besides compliance manuals for Japanese laws, we have also prepared and disseminated a compliance manual for the U.S. Export Administration Regulations (EAR), which is closely connected to our global business development activities.

Overseas Fujitsu Group companies have set out the GBS and ensure that all employees are aware of it via email or internet.

- GBS (Global Business Standards)
<http://www.fujitsu.com/global/about/philosophy/codeofconduct/gbs/>

Compliance Education

The Fujitsu Group provides a variety of compliance training to all employees to ensure legal compliance. In FY2013, we started to provide the "Global Compliance for Fujitsu Group" e Learning training course to all employees in Japan for the purpose of reassessing the GBS and deepening the understanding of our employees regarding cartels and bribery prevention. Additionally, we implemented a face-to-face compliance training course "Anti-trust and Anti-bribery" for high-risk Group companies. At overseas Group companies, we also implemented e-Learning compliance training courses and face-to-face compliance training courses covering areas such as the GBS, anti-trust, anti-bribery and anti-corruption, export controls, and conflicts of interest.

In addition to compliance training for executives, which is provided by outside lawyers, we also conduct in-house training for heads of sales divisions and branches about bidding-related laws and the Antimonopoly Act. For new managers, we also regularly hold in-house training where a Fujitsu instructor explains the importance of the Code of Conduct and compliance, while also providing case studies of typical scenarios and situations whose optimal handling may not be clear.

Along with continuing the activities above, in FY2014 we will be further enhancing our face-to-face training focused on areas such as cartels and bribery prevention for high-risk departments in Japan and overseas.

Furthermore, we have been printing the Code of Conduct of the Fujitsu Way on wallet-size cards and have been distributing them to all Group employees. These cards are designed to serve as a quick reference of the Code of Conduct for employees when they are dealing with customers or business partners, or when they are uncertain about a decision in the course of daily operations. For non-Japanese speakers, we have prepared wallet-size cards in three other languages.



"Applying the Code of Conduct" e-Learning screen



Wallet-size card

Operating an Internal Reporting System

Compliance Line/Fujitsu Alert (formerly the Helpline)

Since September 2004, we have been operating an internal helpline system to handle reports and provide consultations for all Fujitsu Group employees (including seconded, contracted, part-time or other short-term employees as well as temporary staff) in Japan. In February 2014, we changed its name to the Compliance Line/Fujitsu Alert in order to further strengthen our commitment to internal reports and consultations.

This system is intended to be used by employees who are uncertain about what is the right decision or suspect a violation of the Code of Conduct in the Fujitsu Way, and prepares to receive a wide range of reports and consultations, from harassment to legal violations which may occur in any country.

Each of the Group companies in Japan and overseas has also established and operates its own internal reporting system.

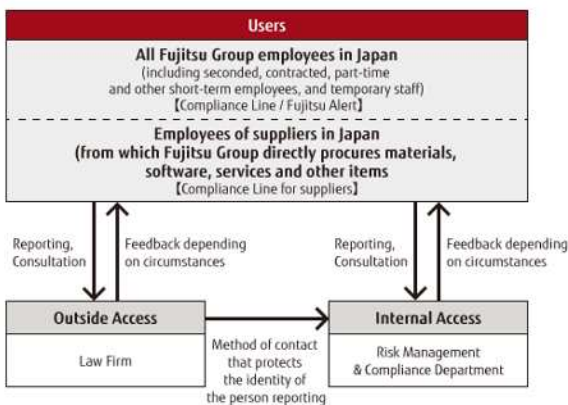
Compliance Line for Suppliers

In August 2009, we opened a Compliance Line for Suppliers to handle reports and inquiries from the employees of companies that directly supply Fujitsu with their products, services or software, etc. Since September 2014, this helpline is also fielding calls from suppliers to Fujitsu Group companies.

Our Compliance Line/Fujitsu Alert and Compliance Line for Suppliers system forbids any and all sanctions against employees and suppliers for making such reports, and meticulous care is taken in handling the information so as to preserve their anonymity.

If problems are found in investigating these reports, the relevant practice is terminated and measures are taken to prevent recurrence.

Internal Reporting System for Suppliers



Initiatives for Ensuring Secure Export Controls

From the perspective of maintaining global peace and security, exported or transported goods and technology that could be reappropriated toward the development or production of weapons of mass destruction, conventional weapons, etc. are managed according to an international framework for secure export controls. Japan is also implementing a system for secure export controls within this international framework.

Following the stipulation to "comply with all laws and regulations" in the Fujitsu Way Code of Conduct, we have formulated and are working to thoroughly implement our Security Export Controls policy in line with Japan's Foreign Exchange and Foreign Trade Act, and the U.S.'s Export Administration Regulations (EAR). The control system established a Security Export Control Office in our Legal, Compliance and Intellectual Property Unit. This Office acts as an organization to carry out classification and inspection of all export goods and technology by verifying consignee countries/regions, end uses, and clients. Exports are carried out only after acquiring the requisite export permission. Additionally, in order to maintain and perpetuate a system inside the Group for secure export controls, we conduct regular audits and training.

Along with Group companies inside and outside Japan in formulating rules and establishing frameworks for secure export controls, Fujitsu is offering training support, audit support, and information exchange meetings between Group companies. In FY 2013, the Security Export Control Office visited five Group companies in East and Southeast Asia to carry out secure export control training. Targeting Group companies across the globe, the Office also developed basic e-Learning training courses covering secure export controls in 20 languages.

Information Security

Our Basic Approach to Information Security

We are ensuring the proper management and use of information, in line with internal rules based on the Code of Conduct in the Fujitsu Way. We see maintaining confidentiality as a vital aspect of our social responsibility. Based on this approach, we have established the Fujitsu Group Information Security Policy, consistent throughout the world, and are promoting information security in accordance with the policy.

Fujitsu Group Information Security Policy

1. Objectives

Being fully aware of the fact that information provides basis for the Fujitsu group's business activities and the risks that accompany the management of information, Fujitsu group meets the information security requirements to achieve the following objectives. This is to conform to the Corporate Values of FUJITSU Way, we seek to be the customer's valued and trusted partner and we build mutually beneficial relationships with business partners, and to enforce the confidentiality defined in Code of Conduct as essential part of social responsibility.

- (1) Fujitsu group properly maintains information delivered by individuals, corporate clients or vendors in the business processes to protect the rights and interests of these subjects.
- (2) Fujitsu group properly maintains trade secret, technical information and other valuable information in the business processes to protect the rights and interests of the group.
- (3) Fujitsu group properly maintains information in the business processes to provide products and services in a timely and stable manner and to ensure social functionality of the group.

2. Principles

Fujitsu group applies the following principles in meeting the information security.

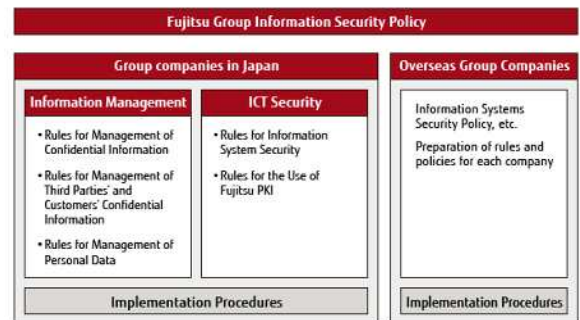
- (1) Preservation of confidentiality, integrity and availability shall be the objective of information security, and the information security measures shall be planned to meet the objective.
- (2) Organizational structure and responsibility shall be clearly defined to ensure the proper implementation of the information security measures.
- (3) The risks that accompany the handling of information and investments required for the measures shall be taken into consideration to properly implement the information security measures.
- (4) Information security processes shall be organized into Plan, Do, Check and Act phases to keep and enhance the level of information security.
- (5) Executives and employees shall be provided with awareness and education program on the information security and act with the knowledge of its sensitive nature to ensure the proper implementation of the information security measures.

3. Fujitsu groups activities

To ensure the implementation of the aforementioned objectives and principles, each Fujitsu group company shall prepare its policy and related procedures in compliance with this policy, and implement them.

Our Framework of Information Security Rules

Each Group company codifies related rules in accordance with the Fujitsu Group Information Security Policy, and implements information security measures. The Group identifies, analyzes and evaluates the risks that accompany business activities and works on measures to avoid or reduce them, and to deal with them quickly in the unlikely event that they materialize.



* PKI (Public Key Infrastructure): Rules relating to the use of systems for personal identification and encoding.

Initiatives for Strengthening Information Security

Teaching and Promoting Awareness of Information Security

Starting in FY 2008, using a common slogan that translates as "Declaration for complete information management! Information management is the lifeline of the Fujitsu Group," Fujitsu and domestic Group companies have been working to increase information security awareness at the individual employee level by displaying posters at respective business locations, affixing information security awareness stickers to all business PCs used by employees, and other measures.

We have also taken steps to enhance security through the application of ICT, such as by introducing a mail checker tool (SHieldMailChecker), developed by Fujitsu Social Science Laboratory Limited, to prevent information leaks from e-mail being sent externally in error.

Furthermore, e-learning courses are held for all our employees, including executives, each year in order to further establish information security awareness.



The sticker affixed to business PCs

Held Information Security Presentation for Business Partners

As a result of dramatic change in the ICT environment in recent years, the risk of information leaks has never been higher. In response, the Fujitsu Group has held information security presentations, not only for Group employees but also for domestic business partners who commission software development and services, and we have worked to share information on challenges and thoroughly implement prevention measures.

- Example of seminars held in FY 2013
<http://www.fujitsu.com/global/about/csr/activities/society/procurement/#advance>

Responding to Cyber Attacks

In response to the growing risk recently of security issues including targeted e-mail attacks and malware^{*1} infections, Fujitsu has established a special incident response team that will work with central government agencies and others on early detection and resolution of these risks.

Whenever new systems are installed, we follow all information security rules, undergo pre-operation inspections by the Security Control Unit, confirm that adequate measures are in place against cyber attacks, and ensure that problem areas are eliminated.

*1 Malware: Malicious software, including computer viruses, spyware, etc.

Strengthening Information Security at the Business Group Level

To assure the strongest possible information security management, we are working to implement a security management structure.

The Group operates in a wide variety of industries and is promoting individual businesses by organizing them into business groups. Information security measures are implemented to reflect the individual characteristics of each business.

A number of business units at Fujitsu and some domestic Group companies have acquired ISMS (Information Security Management System)^{*2} certification and are working to provide thorough management of confidential information including customers' information.

*2 ISMS (Information Security Management System): A system for verifying compliance with the ISO/IEC 27001 international standard for information risk management.

Personal Data Protection Initiatives

We have stipulated a Personal Data Protection Policy and Rules for Management of Personal Data. Based on these rules, we give education on how private information should be handled and carry out surveys in an ongoing effort to strengthen the protection given.



In August 2007, we acquired company-wide PrivacyMark^{*3} certification and have since been renewing this certification every two years. Domestic Group companies are also acquiring PrivacyMark certification individually as necessary, and promoting thoroughgoing management of personal data. Overseas Group companies are also publishing privacy policies that meet their various national legal and social requirements on their main public Internet websites.

*3 PrivacyMark: A certification system relating to the handling of private information. The system is operated by the general incorporated foundation Japan Institute for Promotion of Digital Economy and Community.

Protection of Intellectual Property

Our Basic Approach toward Intellectual Property

One of the principles of The FUJITSU Way code of conduct is to "protect and respect intellectual property." In line with this statement, all Fujitsu Group employees recognize intellectual property as an important business asset that supports Group activities and gives our customers a sense of safety and trust in the Group as their partner, so employees are required to keep this constantly in mind as they perform their duties.

We established an internal rule in order to encourage the proper handling of intellectual property in October 1995. This rule not only specifies what all employees should do to acquire, maintain and use intellectual property rights, but also directs them to respect those of other companies.

Role of Our Intellectual Property Strategy

At Fujitsu Group, our intellectual property strategy is based on our management strategy and is integrated with our business, research and development, and standardization strategies. To that end, from the earliest stages of our business activities, we implement a multilateral analysis focused on intellectual property to ensure that we can proceed based on the results of this analysis.

By implementing our intellectual property strategy, we will endeavor to maximize the value of the intellectual property assets of the entire Fujitsu Group.

Intellectual Property Strategy

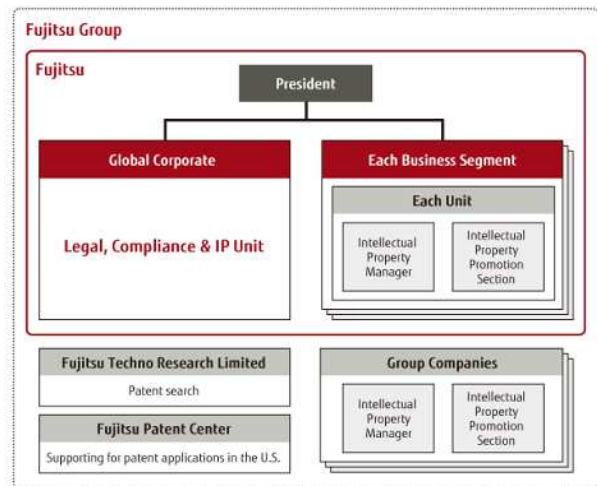


Management Structure of Intellectual Property Rights

Fujitsu established a Legal, Compliance and Intellectual Property Unit as one of its corporate centers. The Unit deals with all problems relating to laws, compliance, and intellectual property. The Unit also takes charge of developing and planning the intellectual property strategies of the Group, utilizing intellectual property, including licensing of intellectual property rights, and promoting strategic standardization activities. In each business group, an intellectual property strategy manager is appointed and assures seamless cooperation between the research and development sections and the intellectual property sections.

To promote efficient global business operations, the Fujitsu Group is making efforts to appropriately acquire, maintain, and utilize its intellectual property throughout the world. Furthermore, in the U.S., the Fujitsu Patent Center we established in April of 2008 in an effort to improve our ability to acquire patent rights is working to improve the quality of our patents by expanding its activities.

Organizational Chart



Initiatives for Global Standardization

Spreading standardization that promotes technology with shared specifications brings about improvements in high quality products plus convenient and low-cost services for consumers, while also including benefits for the whole industry, such as creating and expanding markets for standards compliant products and technologies, and making development investment more efficient.

In order to increase value for consumers and contribute to global development, Fujitsu actively supports the activities, focusing on the field of ICT, of international standardization bodies, including ITU (the International Telecommunication Union), ISO (the International Standards Organization), and IEC (the International Electrotechnical Commission).

Contribution to Global Environmental Protection

Based on the statement "In all our actions, we protect the environment and contribute to society," which is included in the FUJITSU Way Corporate Value, the Fujitsu Group contributes to the protection of the global environment from the perspective of intellectual property. We have positioned "technology that contributes to the protection of the global environment" as one of our important themes, and are maintaining awareness of the environment by cooperating with the business unit as early as in the stage of searching for useful inventions.

To raise our employee's awareness of environmental issues, we have established a system for awarding those who have made remarkable contributions to the creation or use of intellectual property for the protection of the global environment.

Contributing to Regional Communities

Among the patents held by the Fujitsu Group, there are patents that have lost relevance due to changes in our business strategy, as well as patents that can create significant value if applied outside of the Group. By licensing these types of patents as technological seeds along with our expertise, we are actively working to allow the results of our R&D to be utilized in the wider community. Promoting alliances in this regard with municipalities, regional banks, and universities across Japan has created new business for small and medium sized companies, and we have been able to contribute to regional revitalization.

For example, in the city of Kawasaki in Kanagawa Prefecture where the Fujitsu Head Office is located, the municipality is introducing intellectual property, from open patents, etc. held by large corporations, to small and medium sized businesses. This supports the elevation of product technology expertise at small and medium sized businesses. Fujitsu is actively involved in this endeavor and since 2007 has concluded 15 licensing agreements with small and medium sized businesses in Kawasaki-city (as of June 2014).

Education and Enlightenment for Effectively Implementing Our Intellectual Property Strategy

The Fujitsu Group places importance on the employee education required so that employees are able to implement our intellectual property strategy integrated with our business, research and development, and standardization strategies when performing their activities. Having developed a training system for increasing awareness of intellectual property and for fulfilling the needs of individual employees in their respective careers, we continue to offer a large number of training programs to provide strategic employee education. This includes two types of training programs, e-Learning and classroom education, which are offered in effective and efficient combinations.

The training promotes employee awareness for understanding the importance of Fujitsu's intellectual property strategy, and for implementing our intellectual property strategy in a united approach aligned with our business, R&D, and standardization strategies.

Intellectual Property Reports

In the interest of being thorough in disclosing activities involving intellectual property throughout the Fujitsu Group, we have been issuing annual intellectual property reports since 2006. These reports contain a wealth of information that ranges from the aims and roles of Fujitsu intellectual property strategies to initiatives and statistics.

• Intellectual Property Report

<http://img.jp.fujitsu.com/downloads/jp/jip/ipreport/ipreport2013e.pdf>

Brand Management

Our Approach to Brand Management

To further the growth of the Fujitsu brand, our aim is to be recognized as a "global brand from Japan that can deliver high quality ICT solutions to the world." To attain our objective of becoming a truly global brand, we are working to increase our corporate value by strengthening the consistency of company communications around the world, setting assessment indicators and implementing a PDCA cycle to improve the brand value of the Fujitsu group.

- The FUJITSU brand
<http://www.fujitsu.com/global/about/brandmanagement/>

Our Brand Promise

shaping tomorrow with you

Fujitsu aims, through the power of ICT, to contribute to creating a prosperous future for our customers and for society. Fujitsu's brand promise of "shaping tomorrow with you" expresses our stance on how we intend to realize our aims both for customers and society. We are implementing our brand promise throughout all of our business activities, while building relationships of trust with customers and society, by having all Fujitsu employees embody the promise.

Brand Management

The Corporate Brand Office plans and manages group-wide brand strategy and has brand managers from each business unit manage brand related activities. The brand managers develop brand measures in each of their business areas and promote brand planning, development, and management for each product.

The Corporate Brand Office, has developed, and rolled out internally, Fujitsu Brand Principles (FBP) which stipulate rules on company names, the symbol mark (logo), product and service brands, our Visual Identity (VI) and communications. In addition, we have established a Global Marketing Board as a decision-making organization for all of Fujitsu's marketing. In cooperation with each unit, the Board works to strengthen the consistency of our global communications, and promotes measures for improving brand recognition. The Corporate Brand Office also cooperates with the Intellectual Property Unit on measures to handle reputation risks in the global market, as well as intellectual property protection measures related to our brand.

Employees and Our Brand

To ensure all employees at Fujitsu truly understand and practice the core ideas of our brand, we implement brand education programs through e-learning and other brand training programs. In addition, a monthly internal FUJITSU brand newsletter shares our latest activities, and complements regular brand awareness surveys of all group employees.

Product and Service Brands

We work with our customers in all our business activities, including product development, service delivery and sales activities. Our product design reflects this approach, and our products are user friendly, reliable, and cutting edge.

Brand Communication

Web communication

We see the web as an important communication channel. We have a global web portal and 62 countries / regional web portals. We have also defined guidelines for appropriate use of social media and we are promoting the active use of these media which are continuing to grow rapidly.

Global Brand Campaign

We have actively developed global brand campaigns utilizing online marketing, including specially designed websites and social media, as we work to boost awareness and understanding of the Fujitsu brand. We ran a Global Brand Awareness Campaign using web & social media in nine countries globally in FY2013.

Brand Evaluation

We conduct a Global Brand Awareness Survey externally. The survey is corporate recognition research targeting strategic IT and business decision makers in 10 countries around the world. We use these and other key performance indicators (KPI) to regularly evaluate the value of our brand.

Fujitsu was ranked 26th in Interbrand's "Japan's Best Global Brands 2014" and has been named in FORTUNE Magazine's 2013-14 list of the "World's Most Admired Companies."

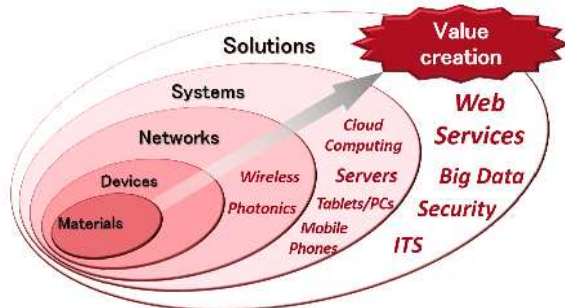
Innovation Management

Basic Philosophy of Innovation Management

Fujitsu's vision of a human-centric intelligent society refers to creating innovation by making use of the power of ICT (Information Communication Technology) and by bringing out maximum human potential to realize a safe, secure, prosperous and sustainable society. In a hyper-connected world, in which everything is connected through networks, new ideas are created and the speed of innovation accelerates using human-centric ICT that integrates new technologies. These include cloud computing, big data, social networking and the Internet of Things (IoT). This kind of world will bring about human empowerment, creative intelligence and connected infrastructure as new approaches that create innovation. At Fujitsu Laboratories, we are carrying out our research activities reflecting this approach.

Mission

- Platform of technological strengths, business model implementation

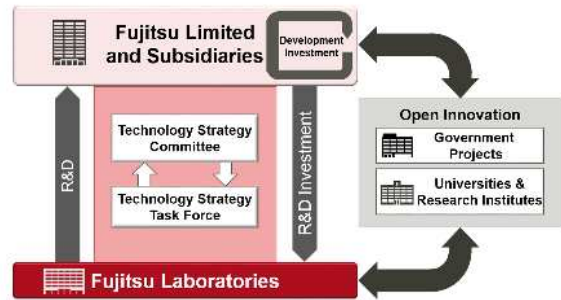


The mission of Fujitsu Laboratories is to drive the growth of the Fujitsu Group, creating innovation and implementing new business models that are based on technology platforms.

Fujitsu Laboratories conducts research and development using investments from Fujitsu and affiliated companies. The Technical Strategy Committee and Technical Strategy Task Force, made up of members selected from the Fujitsu Group, discuss the direction in which the Group should move and synchronize objectives of research and business while formulating a technical strategy over the medium term. In addition, using open innovation, we carry out research and development from a long-term perspective by working in cooperation with universities and research institutions in Japan and abroad and by participating in the planning of national projects.

R&D Scheme

- Clarify directionalities of technology/businesses, set out and promote technology strategies



Research Themes

The research themes of Fujitsu Laboratories are divided into three categories: research for near-term commercialization, advanced research and seeds-oriented research, depending on the stage of commercialization. The allotment of resources is decided on a top-down basis. Among the three, we placed emphasis on advanced research for expanding the business and enhancement of competitiveness, and roughly half of our resources are allotted to it. The subject of the advanced research is decided with the approval of the Technology Strategy Committee and Technology Strategy Task Force.

Regarding the themes of the advanced research, research and development are carried out in four innovation domains established for the three approaches to innovation creation and the common foundation that supports them.

1. Ubiquitous innovation

Creating services and developing front-end interfaces linking people, data, and infrastructure

2. Social innovation

Expansion of social business through effective use of data and information

3. ICT Innovation

Development of new integrated ICT platforms to generate new value.

4. Manufacturing innovation

Development of hardware/software technologies essential to the technology value chain.

Global Partnerships

Fujitsu Laboratories Group currently has two R&D sites in Japan and three overseas R&D sites as subsidiaries of Fujitsu Laboratories. We collaborate in 107 R&D global projects spanning the world in 16 countries for the promotion of open innovation. Moreover, at our overseas laboratories, we are engaged in technology marketing, partnering activities, and human resource development, while also contributing to the Fujitsu Group's business in each global region.

Global Collaborations



107 R&D projects in 16 countries worldwide



- FUJITSU LABORATORIES LTD. Website
<http://jp.fujitsu.com/group/labs/en/>