New measures introduced to reduce all types of risk associated with corporate activities

We continue to strive to raise the consciousness and skills of all our employees and strengthen our risk management. To this end, we have united the Group in establishing a thoroughgoing system to respond to every kind of risk associated with corporate activities. Measures include a new educational program introduced in fiscal 2002 to reduce the risk of environmental degradation by raising employee awareness of environmental risks as well as of issues concerning products and services, natural disasters and accidents.

Risk management systems and risk countermeasures

Basic stance toward risk management

Efforts to cope with the various risk situations involved in corporate activities include establishment of the Risk Management Committee. Important matters are reported to the Management Board by those responsible for implementation and to the Board of Directors by those in charge of supervision, and appropriate responses are discussed between them. This approach has enabled us to strengthen our crisis management system throughout the Group.

Risk management system

The Risk Management Committee represents management in centralizing information concerning such matters as problems involving products and services, natural disasters and accidents and implementing suitable responses. Depending on the level of urgency of a report, the committee strives to solve issues quickly by establishing a countermeasures headquarters and arranging for cooperation between the site and the Risk Management Secretariat.

Risk management education

The single most important aspect of risk management is speedy reporting of any occurrence of risk to prevent diffusion and expansion of damage as well as to prevent risk to the company or its customers. We are consequently honing every employee’s risk management capabilities by holding seminars and conducting e-education programs.

Risk management seminar

We organize risk management seminars for members of the Board of Directors, division managers, general managers and presidents of our Group companies. We intend to add these seminars to our internal education curriculum and require all employees to participate in the future.

Information management education

We have been pursuing e-education since December 2002 as a means of thoroughly reinforcing awareness of information management regulations in connection with the introduction of in-house PKI*. We also disclose information concerning security-related texts by in-house intranet to implement their education application by every employee.

Environmental Risk Countermeasures

Education to enhance environmental risk awareness

It is essential that we unify our efforts to tackle environmental risk management, because failures to manage environmental risks can be momentous, resulting in such consequences as soil and groundwater contamination and illegal waste disposal. For this reason, we introduced a new educational system in October 2002 designed to foster and enhance employee environmental risk awareness.

Keystone of employee education

We educate employees concerning “risk prediction” and “suitable responses and solutions” to raise their risk awareness and give them appropriate skill training. The education is aimed at reinforcing employees’ preparedness to counter environmental risks associated with production activities and to prevent the expansion and minimize the scale of damage in the event of problems.

Contents of employee education

- Environmental risk education: Lectures concerning environmental risk and methods of managing it based on concrete examples
- Explanation of the case analysis method: How to conduct a case analysis
- Case analysis (group)
- Case analysis (person)
- Confirmation of effect of the education

Disaster prevention drills

We conduct annual disaster prevention drills centered on Disaster Drill Day (September 1) at every domestic site. The System Support Headquarters introduced helicopters as an emergency countermeasure for customers in 2002. We conducted a large-scale drill assuming the occurrence of a massive earthquake in the Tokai region to ensure our ability to respond appropriately to disasters.

Natural Disaster Countermeasures

Earthquake Countermeasures

We have formed a Groupwide earthquake disaster prevention organization assuming the occurrence of major earthquakes. Our objective is to support customers who suffer damage appropriately by implementing advance measures to minimize material damage to our sites and establishing systems to facilitate early resumption of business operations in the event of an earthquake.

Environmental Risk Countermeasures

- We conduct annual disaster prevention drills centered on Disaster Drill Day (September 1) at every domestic site.
- The System Support Headquarters introduced helicopters as an emergency countermeasure for customers in 2002.
- We conducted a large-scale drill assuming the occurrence of a massive earthquake in the Tokai region to ensure our ability to respond appropriately to disasters.

*1 Please refer to page 60 for definition.
Total elimination of dioxin*1 generation and release

We had discontinued use of incineration facilities throughout the entire Group (5 Fujitsu plants and 10 affiliates with incineration facilities) as of January 2002. We continue to make every effort to prevent dioxin generation.

Storage and treatment of polychlorinated biphenyl (PCB)

Each Fujitsu site and affiliated company that employs transformers, condensers and fluorescent lighting stabilizers containing PCB notified the prefectural governor of the number in storage in fiscal 2002 in compliance with the Special Measures Law on PCB. The number of the transformers and condensers containing PCB totalled approximately 1,346. The PCB in storage awaiting detoxification is strictly monitored under the law and in groundwater. We reported these results to the administrative authorities. We also investigated the sites where buildings had been dismantled, moreover, and sealed all areas where contamination had occurred with seepage-proof pavement. We intend to decontaminate the polluted areas in fiscal 2003. We have conducted ongoing purification of volatile organic compounds, meanwhile, and are in the process of determining a target date for completion of this process. We also explained the regulations and future responses presented in the Soil Pollution Countermeasures Law to each Fujitsu site and affiliated company in May 2002 and February 2003 to obtain their full understanding of its contents and to ensure observance of the law and complete, proper management of hazardous materials.

<table>
<thead>
<tr>
<th>Storage volume</th>
<th>Transformers</th>
<th>Condensers</th>
<th>fluorescent lighting stabilizers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fujitsu</td>
<td>9</td>
<td>1,295</td>
<td>36,070</td>
</tr>
<tr>
<td>Affiliates</td>
<td>0</td>
<td>42</td>
<td>508</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>1,337</td>
<td>36,578</td>
</tr>
</tbody>
</table>

Total elimination of ozone layer depletion substances

We have completely eliminated the use of substances that contribute to depletion of the ozone layer in our manufacturing operations. We have also taken measures to ensure that no CFC coolants used in air-conditioning or refrigeration equipment leak into the atmosphere. When renovating such equipment, we take the opportunity to replace the coolants with non-CFC alternatives.

<table>
<thead>
<tr>
<th>Ozone-depleting substance</th>
<th>Date of elimination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chlorine CFCs</td>
<td>1992 year-end</td>
</tr>
<tr>
<td>Carbon tetrachloride</td>
<td>1992 year-end</td>
</tr>
<tr>
<td>1,1,1-trichloroethane</td>
<td>End October 1994</td>
</tr>
<tr>
<td>Substitutes CFCs (HFCs)</td>
<td>1999 year-end</td>
</tr>
</tbody>
</table>

Contraventions, penalties and lawsuits

We were accused of no infringement of the law and were involved in no lawsuits or accidents during fiscal 2002.

*1, 2 Please refer to page 60 for definitions.

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