

Environmental Measures in Distribution

Introduction of new measures to reduce the environmental burden in every distribution process

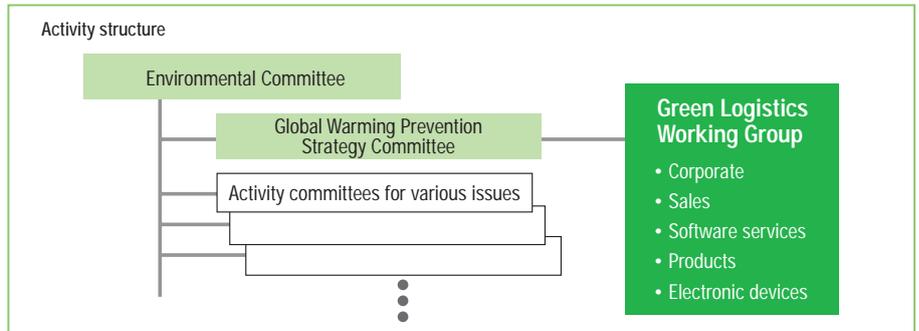
Policy

There are various possibilities for improving the environmental effects of the product delivery process. The Fujitsu Group is cooperating with EXEL Logistics (formerly Fujitsu Logistics) in developing various measures to reduce the environmental burden imposed by transportation by enhancing the efficiency of a series of distribution processes, from product package design to storage and transportation.

Structure

1. Green logistics activity promotion

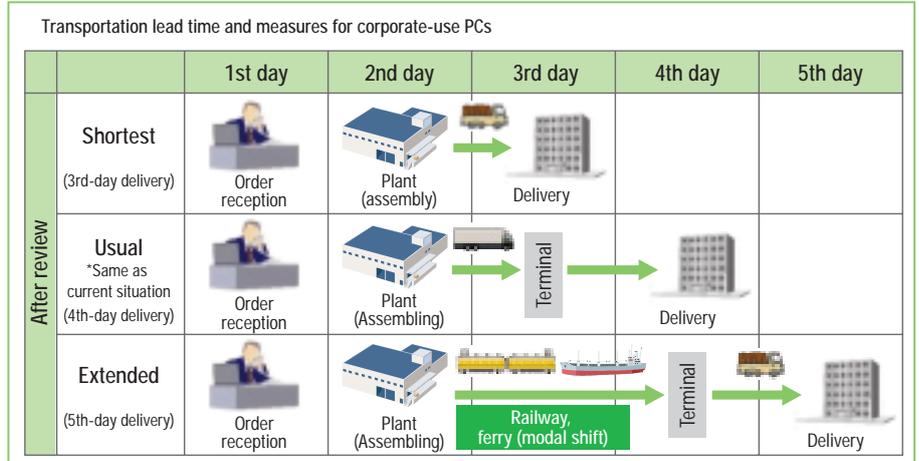
We launched the Green Logistics Working Group, an activity organization comprising the distribution divisions of each business group, in July 2003 to enhance the efficiency of these divisions' environmental activities. Besides improving cooperation among the business groups, it is intended to reduce the environmental burden and CO₂ emissions in distribution through such measures as introducing and expanding transportation methods such as modal shift*¹ with lower emissions, improving transportation and delivery efficiency and reducing the volume of buffering material waste.



2. Transportation mode selection system development

We are developing a new system enabling optimal transportation mode selection according to the delivery period for individual customers to improve distribution efficiency. The system is expected to be operational in the latter half of 2004, beginning with corporate-use PC shipments followed by staged extension to other products.

The delivery date for corporate PCs was formerly three days after order reception. The results of a Fujitsu questionnaire revealed that approximately 30% of customers expect earlier delivery, approximately 30% are satisfied with the usual



delivery period and approximately 40% are amenable to a four-day delivery period. The improved system will respond by permitting selection of a shortest (two-day) or extended (four-day) delivery period in addition to the usual period. We will

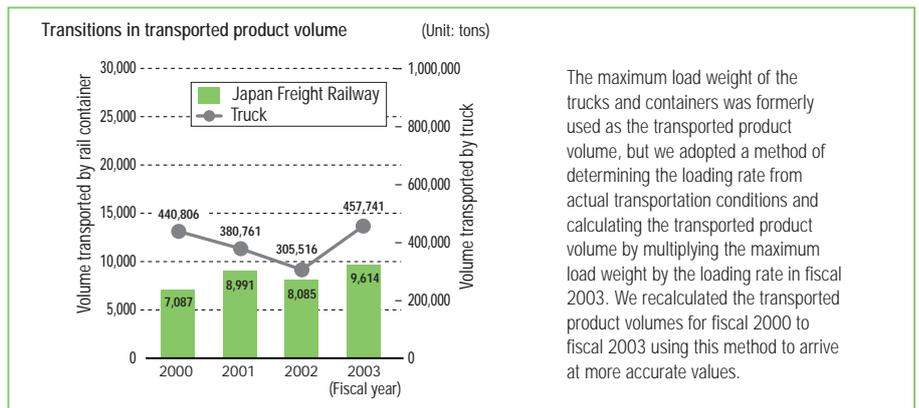
deliver products directly from the plant to customers who expect earlier delivery and employ modal shift transportation imposing a lower environmental burden to fill extended delivery period orders.

Results

CO₂ emission volume reduction through modal shift promotion

Modal shift

The Fujitsu Group has positively promoted a modal shift from truck transportation with higher greenhouse gas emissions to railway transportation with lower greenhouse gas emissions for long-distance freight transportation since 1995.



*1 See definition on page 67.

New measure: Application for a new product exhibition

We are also promoting a new measure to improve the modal shift application rate. Introducing modal shift transportation for equipment bound for Solution Forum product shows throughout Japan (transportation between Tokyo and Kyushu and between Tokyo and Kansai) reduced CO₂ emissions by approximately 30 tons.



Crowds at a product show

Environmental considerations for transportation and delivery

Expanded application of paper pallets

We are changing from wooden transportation pallets to paper pallets to reduce the volume of wood used, lighten the weight of materials employed in distribution, improve efficiency and reduce the volume of chemical substances employed by eliminating the need for fumigation when exporting. We expanded the program to include magneto-optical MO disks in addition to hard disks in February 2004.



Paper pallets

Reuse of catalog packing materials

We began replacing the plastic buffering materials formerly employed for mailing catalogs with a buffering material made from the wrapping paper employed in new catalog delivery in order to reduce the use of oil-based plastics. This led to an estimated reduction of plastic buffering materials by 1,260 kg in fiscal 2003.



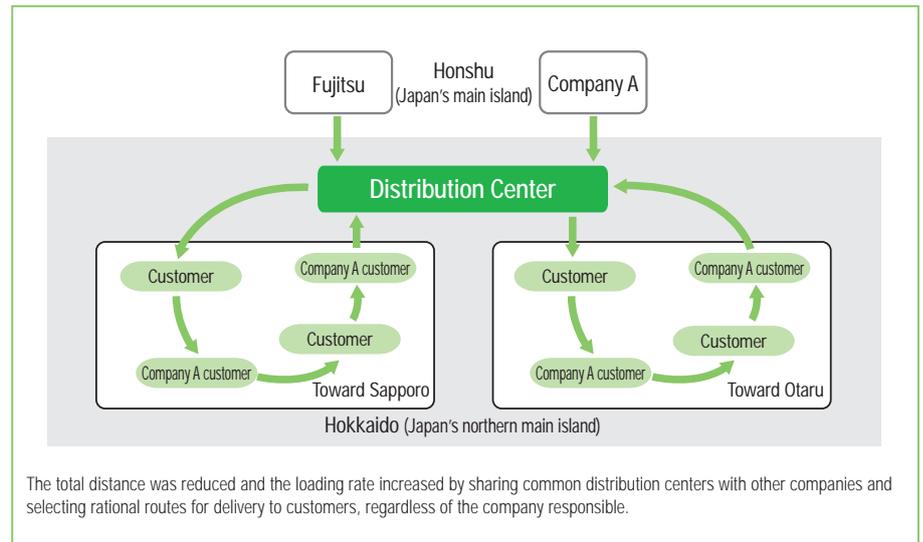
Plastic buffering material

Catalog wrapping paper

Enhanced transportation and delivery efficiency

Improving the loading rate through joint delivery

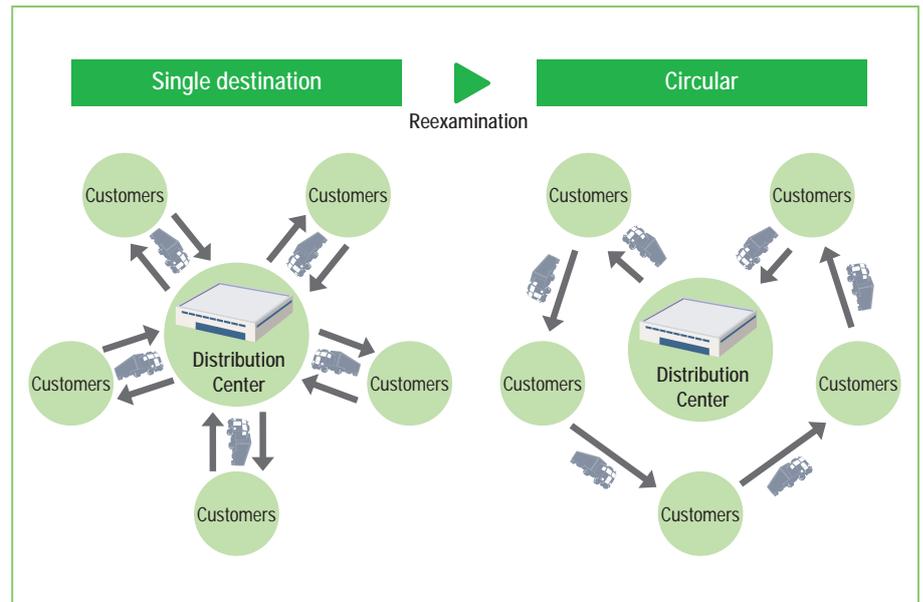
We introduced joint delivery of PCs to retailers with other companies in the Chiba and Hokkaido areas.



Review of operations and overlapping routes

Each business group is working every day to realize distribution with a lower environmental burden.

- The electronic devices group reduced route overlap by integrating three transport companies into one and improved transportation efficiency by employing a distribution center.
- The system support division reexamined its charter service operation routes between delivery centers and customers and changed from single-destination to circular delivery, improving its transportation and delivery efficiency.



Reexamination of regular service diagram

We are reexamining the diagram of our regular services in an effort to improve transportation appropriateness by reducing the number of delivery vehicles and restraining the use of urgent transportation service (spot service).

• Parts center case study

With the cooperation of partner companies, we have been reexamining the diagram of

regular mail service from our nationwide parts centers to improve transportation efficiency since September 2003. Promoting the use of mail service has reduced spot service to partner companies by approximately 200 deliveries a month compared with the previous fiscal year. This activity has achieved an emission reduction effect of 0.8 tons-CO₂ per month.