

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 board members 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 business execution functions of the Management Council, an executive organ under its authority.

The Management Council deliberates upon fundamental policies and strategy regarding business management, as well as makes decisions on important matters regarding business 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.

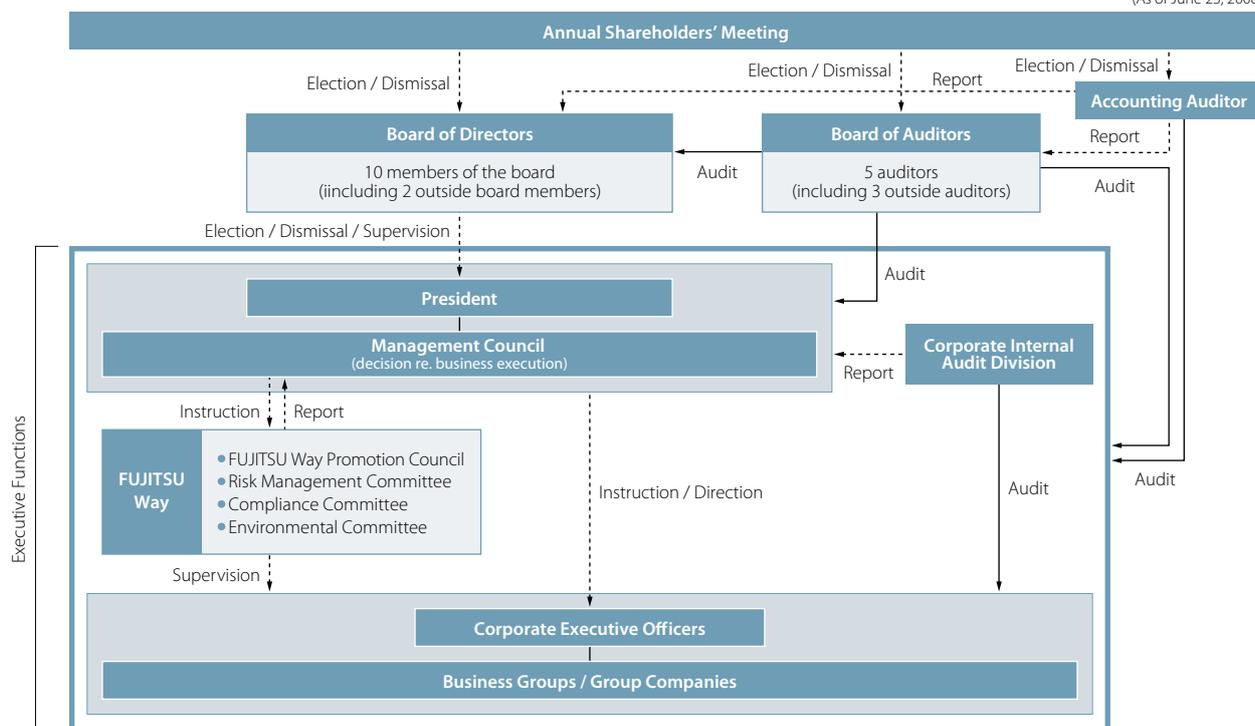
The auditing function is carried out by auditors, who review the Board of Directors as well as business execution functions and attend important meetings, including meetings of the Board of Directors as well as Management Council.

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. Ernst & Young ShinNihon performs accounting audits for Fujitsu.

There is no nominating committee or compensation committee.

Corporate Governance Framework

(As of June 23, 2008)



Enhancing Corporate Governance

Basic Stance

We have established the Fujitsu Way, which consists of a Corporate Vision, Corporate Values, Principles, and Code of Conduct, that guides the Group and its employees in their daily activities.

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 that business dealings are appropriate throughout the Group.

Status of Implementation

The Company, through a resolution by the Board of Directors, has adopted the following basic stance on the framework for internal control (resolved on May 25, 2006, and revised on April 28, 2008). In terms of putting an internal control system in place a department with executive responsibility for internal control has been established. The Company is, moreover, pursuing initiatives to implement an even more robust operational execution structure by reviewing and revising its regulations and business operations.

To accelerate the penetration and implementation of the Fujitsu Way and ensure the appropriateness of business operations, four groups were established directly under the Management Council and tasked with pursuing more robust and efficient business execution: the Fujitsu Way Promotion Council, the Risk Management Committee, the Compliance Committee, and the Environmental Committee.

The functions of each are described below.

● Fujitsu Way Promotion Council

The Fujitsu Way Promotion Council promotes the inculcation and implementation of the Fujitsu Way. In addition, it has also been promoting Project EAGLE, which was launched as a company-wide activity for building an internal compliance system for effective and reliable financial reporting in compliance with the Securities and Exchange Law. By establishing a promotion organization dedicated to this endeavor, the Council has been working to extend it across the Group. Along with improving deficiencies, the goals of the project also include achieving greater efficiency through the pursuit of business process reforms across the Group.

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

● Risk Management Committee

This committee promotes risk management for the Fujitsu Group. By instilling awareness of risk and bringing to light risk information, including latent information, the committee continuously confirms the execution status of risk mitigation measures. It also implements policies for verifying information regarding specific instances of risk and mitigating their effects on customers and the Group as a whole. Moreover, as a preventative measure to deal with major unforeseen events, such as natural disasters, the committee promotes business continuity management (BCM), providing customers with a stable supply of the high performance, high-quality products and services that they need. It reports to the Management Council and the Board of Directors on significant matters and holds discussions with them on countermeasures, seeking thereby to disseminate information throughout the Group and strengthen the overall Group's risk management posture.

● Compliance Committee

This committee promotes adherence to social norms and corporate rules as well as the creation of corporate systems and initiatives for fostering a corporate culture of respect for norms. In conjunction with efforts to maximize compliance, a help-line system was set up as a confidential liaison point to receive reports from employees and provide guidance to them on matters of conduct.

● Environmental Committee

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

For further details, please see the "Fujitsu Limited Corporate Governance Report."

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<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.