

# Intellectual Property

## 1. Importance of Intellectual Property

Fujitsu pursues research and development aimed at creating value. Through the appropriate protection and use of intellectual property, we can raise the value of our technology and provide products and services that deliver a high level of customer satisfaction. Our technology is also a key source of our competitive strength within the industry. Based on the belief that intellectual property is a vital business asset supporting our strong technologies, we strive to secure and effectively utilize intellectual property in every phase of our business.

## 2. Intellectual Property Strategy

### (1) Objectives

#### Maintaining Superior Competitiveness

Differentiating our products and services from those of our competitors is essential to being able to maintain business leadership. At every stage – from the development of technology to its application – we actively strive to secure intellectual property and to utilize it to more effectively differentiate our products and services.

#### Assuring Business Flexibility

A strong intellectual property portfolio plays an important role in securing business flexibility. Technology is becoming increasingly sophisticated and complex, and a variety of technologies is often required in a single product or service. In order to freely develop business opportunities, entering into technical tie-ups or cross-licensing agreements with other companies is often an important option to consider. We are therefore working to develop a strong intellectual property portfolio to assure business flexibility and obtain more favorable terms in collaboration agreements.

#### Securing Business Profitability

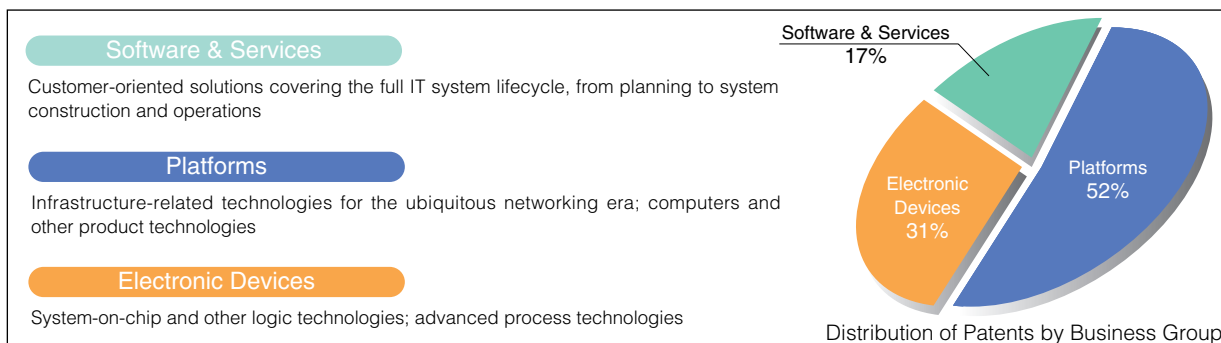
In recent years, revenues from licensing or transfers of patent rights to other companies have become an important source of company earnings. In line with our business strategy, we engage in licensing or transfer agreements in instances where we determine that licensing a particular technology will generate higher overall earnings than keeping it only for our own use, or in cases in which the intellectual property is associated with a business that we have chosen to discontinue as part of a business restructuring.

### (2) Promotion Structure

The Intellectual Property Group, a corporate division, is responsible for planning and proposing strategies regarding intellectual property from the perspective of the entire company. It is also responsible for implementing these strategies in accordance with the business plans of each business unit and in coordination with their intellectual property promotion departments.

### (3) Patent Rights

Patent rights are an important form of intellectual property supporting technologies. We are strengthening and building our patent portfolio by establishing priorities and medium-range to long-term plans for patent filings in each business sector.



### ① Patent Portfolio

As of April 2004, Fujitsu had registered and holds approximately 32,000 patents worldwide.

### ② Emphasis on “Quality” in Patent Filings

Obtaining patents contributes to our ability to maintain competitive leadership in our businesses. We are working to elevate the quality of our patents by securing patents for technologies that others have no choice but to use.

#### Obtaining High-Quality Patents

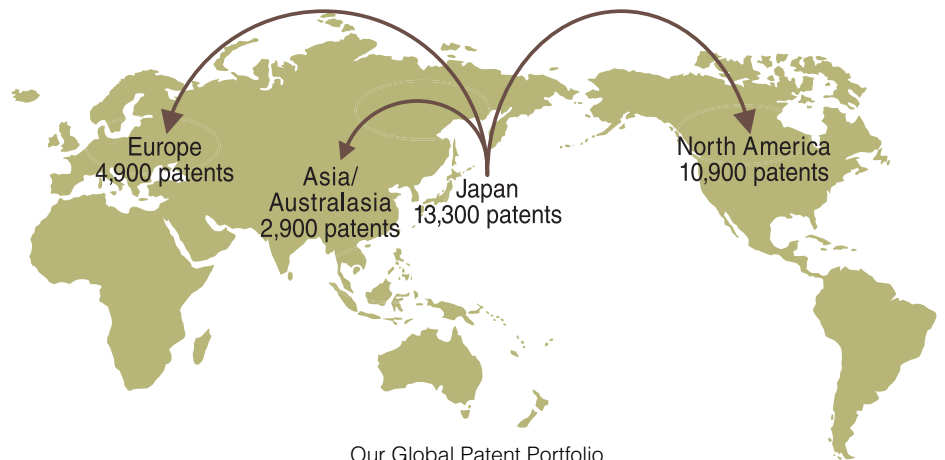
In order to acquire high-quality patents, it is essential that there be an objective evaluation of our own discoveries in relation to the patents and technologies of other companies. We are putting into place a structure that brings together inventors and the Intellectual Property Group for this purpose.

#### A Global Patent Portfolio

In keeping with the globalization of our business, we are building a broad international patent portfolio by securing patents in Europe and the US, as well as in other countries in Asia.

#### Involvement in Standardization

In order to play a leading role in the standardization of technologies, we are actively participating in various standardization organizations. We also take into consideration future standardization implications when seeking to obtain patents.



Our Global Patent Portfolio

### ③ Respecting Other Companies' Patents

Infringing on the patent rights of other companies would result not only in problems for us but also cause tremendous difficulties for our customers. At every stage – from R&D through commercialization – we take exhaustive precautions to prevent any potential infringement of the patent rights of other companies. At the same time, we take appropriate measures to deal with any infringement of Fujitsu's patent rights by third parties.

## (4) Trademarks

Along with seeking to cultivate a corporate brand in which customers can place their trust, we are working to maintain and increase the value of the **FUJITSU** brand. We have established rules for the use of the Fujitsu brand name by both domestic and overseas affiliates in order to maintain consistency. In addition, we have registered and are working to protect this trademark in over 150 countries to ensure that no trademark-related problems impede our international business.

## (5) Copyrights

As a basic principle, we seek to secure copyright protection for the software we develop. Protection of these copyrights is not only essential from the perspective of maintaining competitive advantage but also is important in terms of improving quality and speeding delivery, thus making it possible to provide customers with better products and services. With respect to the use of other companies' software, we have established an internal monitoring unit and taken other measures to assure that we do not infringe on other companies' copyrights.

## 3. Leveraging Intellectual Property

Today, thanks to the high-quality patents that we have secured and the rights that they provide, we are able to deal with other companies from a position of strength. A notable example is the very significant licensing revenue contributed by the patents we hold for our pioneering developments in plasma display panel and SAW (Surface Acoustic Wave) filter technologies.