

Intellectual Property

The Importance of Intellectual Property

Protecting intellectual property rights is clearly articulated in the Code of Conduct of *The FUJITSU Way*, the core set of principles guiding the corporate and individual actions of the Fujitsu Group. Consequently, all our employees recognize intellectual property as a key corporate asset supporting our business activities. Highly aware of the legal implications related to intellectual property rights, we strive to acquire, protect, and utilize such rights, taking steps to safeguard our own rights, while respecting the intellectual property of other companies. Specifically, we:

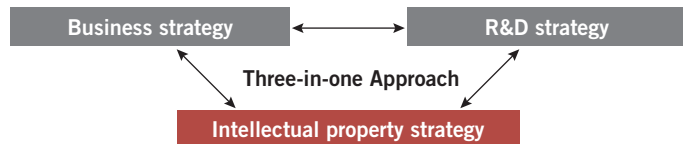
- Implement strict data protection measures, including initiatives to prevent unintended leaks
- Create a culture that values and protects intangible assets (intellectual property)
- Take an uncompromising stance on infringement of intellectual property rights

Intellectual Property Strategy

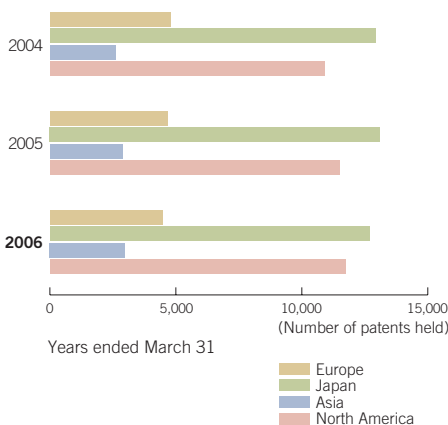
We are pursuing the following five specific measures to promote an intellectual property strategy closely integrated with our business operations and R&D activities.

- 1) Secure, maintain, manage and utilize strategic rights (industrial property rights, patents, trade secrets, etc.)
- 2) Respect intellectual property rights (avoid infringing on other companies' patents)
- 3) Rigorously manage information (enhance internal rules, conduct training and implement periodic checks)
- 4) Participate in external activities related to public policy making (i.e., Japan Federation of Economic Organizations (*Keidanren*), Japan Electronics and Information Technology Industries Association and other bodies)
- 5) Educate and train strategic personnel

- **Maintain Superior Competitiveness**
Actively secure and utilize intellectual property to more effectively differentiate our products and services.
- **Ensure Business Flexibility**
Work to develop a strong intellectual property portfolio to ensure and enhance business flexibility and obtain more favorable terms in collaboration agreements with other companies.
- **Secure Business Profitability**
Use specialist divisions to aggressively market our technologies, including efforts to generate revenue from licensing fees.



Our Global Patent Portfolio



Patent Applications in Japan in 2005

1	Matsushita Electric Industrial Co., Ltd.	3,913
2	Toshiba Corporation	2,874
3	Canon Inc.	2,389
4	Seiko Epson Corporation	2,236
5	Hitachi, Ltd.	2,084
6	Mitsubishi Electric Corporation	1,938
7	Nissan Motor Co., Ltd.	1,906
8	Sharp Corporation	1,784
9	Sony Corporation	1,694
10	Ricoh Company, Ltd.	1,674
11	SANYO Electric Co., Ltd.	1,544
12	Fujitsu Limited	1,511
13	Honda Motor Co., Ltd.	1,463
14	DENSO Corporation	1,418
15	Toyota Motor Corporation	1,411
16	Matsushita Electric Works, Ltd.	1,197
17	NTT Corporation	1,146
18	Mitsubishi Heavy Industries, Ltd.	1,060
19	NEC Corporation	991
20	Fuji Photo Film Co., Ltd.	934

Source: Fujitsu survey based on Japan Patent Office data (Number of issued patents)

Patent Applications in the US in 2005

1	IBM Corporation	2,972
2	Canon Inc.	1,837
3	Hewlett-Packard Development Company, L.P.	1,801
4	Matsushita Electric Industrial Co., Ltd.	1,720
5	Samsung Electronics Co., Ltd.	1,645
6	Micron Technology, Inc.	1,561
7	Intel Corporation	1,551
8	Hitachi, Ltd.	1,293
9	Toshiba Corporation	1,288
10	Fujitsu Limited	1,168
11	Sony Corporation	1,149
12	General Electric Company	906
13	Seiko Epson Corporation	888
14	Infineon Technologies AG	804
15	Koninklijke Philips Electronics N.V.	767
16	Robert Bosch GmbH	758
17	Fuji Photo Film Co., Ltd.	755
18	Microsoft Corporation	746
19	Texas Instruments Incorporated	736
20	Honda Motor Co., Ltd.	730

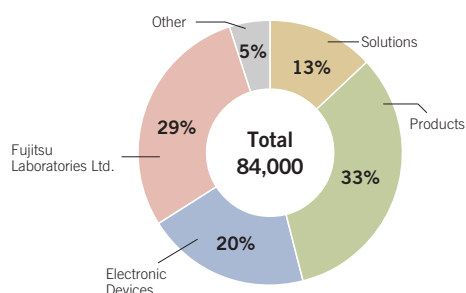
Source: IFI CLAIMS Patent Services (Number of issued patents)

1. Patent Rights

(1) Global Patent Portfolio and Promotion Organization

Centered on Japan, and including not only Europe and the US but elsewhere in Asia, particularly China, South Korea and Taiwan, we are working to secure effective patents on a global basis. Outside Japan we are actively working to create new inventions at our development bases in the US, Europe, China, and elsewhere, thereby strengthening our global patent portfolio.

Registered Patents by Business Group (Fiscal 2005)



(2) Key Themes Driving Patent Acquisition Activities

We are striving to strengthen our patent portfolio guided by key themes in each of our business areas. Using our patent data search system (ATMS/IR.net), which we also provide to external customers as an ASP service, we are working to strategically secure patents by closely monitoring the latest technology trends, creating patent maps and taking other steps.

(3) Licensing

We conclude cross-licensing agreements aimed at preserving a high degree of business latitude, and make technologies publicly available in various forms where we believe this will foster broader use of our technology compared with commercializing it on our own. We currently have more than 500 licensing agreements.

2. Respecting Other Companies' Rights

The impact of infringing upon the rights of other companies goes beyond having to pay significant fees. In the worst case, it could have a major economic impact on our company due to the loss of business opportunities and other issues. In addition, it could prevent us from providing products and services, thereby severely inconveniencing our customers. We are fostering a culture at Fujitsu that respects the patent rights of other companies, as well as creating an environment that allows all our technicians to utilize the ATMS/IR.net system to research patents held by other companies.

3. Protecting the Fujitsu Brand

We work to protect and maintain the value of the Fujitsu name as a brand trusted by customers. As part of this effort, we have established clear and uniform usage rules for all Group companies, and we have trademarked our name in more than 150 countries worldwide to eliminate any obstacles to our global business expansion. In 2005, unauthorized use of the Fujitsu name was discovered in China. We are taking necessary measures to protect our brand and resolve this kind of issue.

Principal Patent Results in Fiscal 2005

Mission-critical Servers (PRIMEQUEST/PRIMEPOWER)

We filed more than 600 domestic and international patents, primarily relating to the processor and bus architecture.

Optical Transmission Systems

We filed more than 250 domestic and international patents relating to cutting-edge WDM technology (all optical switching) and next-generation ultra high-speed transmission technology (40G).

Next-generation Networks (WiMAX, 3.5G and others)

We are consolidating our technologies in areas that leverage our strengths, such as telecommunications and semiconductors, and working toward standardization. We filed more than 100 domestic and international patents.

Semiconductor Miniaturization Technology (45nm and beyond)

Focusing on securing rights for technologies that increase speed and lower power consumption, as well as wiring and process technologies, we filed approximately 60 patents.



PRIMEQUEST mission-critical IA server



FLASHWAVE optical transmission system