



With Our Stakeholders

As a good corporate citizen, Fujitsu undertakes corporate activities to identify stakeholders' (customers, shareholders and investors, clients and business partners, regional communities, etc.) diverse expectations and needs.

Stakeholder Dialogue

Dialogues with Stakeholders

The Fujitsu Group hosts periodic dialogues between outside experts and Fujitsu executives to enhance our management through the opinions of diverse stakeholders. In fiscal 2014, we held exchanges of ideas on ideals for information disclosure with sustainability considered.

The Relationship between Companies' Information Disclosure and Investors, with Sustainability Considered

Experts:

Kunio Ito, Professor, Graduate School of Commerce and Management, Hitotsubashi University

Ayako Sonoda, President, Cre-en Inc.

Fujitsu:

Masami Fujita, Corporate Senior Executive VP and Representative Director, Head of Global Corporate Functions

Mitsuya Yasui, Corporate Executive Officer, EVP, Head of Legal, Compliance & IP Unit

Kazuo Yuasa, Executive Vice President, Vice Head of Corporate Finance Unit



Kunio Ito, Professor, Graduate School of Commerce and Management, Hitotsubashi University



Ayako Sonoda, President, Cre-en Inc.

* The positions and titles of participants are as of the time of the dialogue.

Ito: Amid globalization, Japanese companies have come to be evaluated by the same yardstick as companies overseas. There has been attention focused on Japanese companies' continuously low profitability, despite their high level of latent capacity for creating innovation. In discussions on the conflicting issues of initiatives to create innovation in the medium- and long-term versus evaluations performed yearly to improve capital productivity, introducing external perspectives into a company's logic to add a tension dynamic is the essence of corporate governance, which further requires companies to present medium- and long-term scenarios through dialogs with investor and through integrated reporting.

Sonoda: Sustainability has risen in importance since the Lehman Brothers collapse, and the current trend is to consider management in an integrated fashion with non-financial information. Within the globally shared issue of SDGs*, the question of what companies and business should do on behalf of sustainable development is posed, and integrated thought is accelerating. Examples of more committed communication by companies are appearing, such as policy recommendations for business expansion and analyst briefings on non-financial information (environmental, social, and governance, or ESG).

Ito: The relationship between companies and investors is entering a new phase, in which these parties are not in opposition but instead cooperate on the sustainable creation of value.

- Fujita: Consciousness has been changing recently among investors, which has impressed upon me that short term-oriented management is not acceptable. One of the themes of the Ito Report is the evaluation of innovation over the long term. Fujitsu is engaged in a number of long-term development projects that contain a wealth of innovation, and evaluation of this is a huge issue for us as well. It seems to me that setting a corporate governance code (hereinafter CG code) has resulted in the appearance of guidelines for management based on a long-term perspective.
- Yasui: With regard to corporate governance, we established committees ahead of other companies and created a structure in which Non-Executive Directors made up a majority of Directors overall. On top of that, we took our CG code initiatives in a positive sense as opportunities, not costs, and, to energize discussion over the medium- and long-term direction of the company, decided to establish an Independent Directors & Auditors Council so that executive and non-executive officers can attend Board of Directors meetings with the same level of access to information.
- Ito: With so many companies talking about "adapting to" CG codes, it's great to see Fujitsu actively undertaking a variety of initiatives based on its CG code.
- Yuasa: We adopted IFRS in the previous fiscal year, and can now perform financial reporting from the same viewpoint as global investors, following international standards. We've constructed a global matrix structure and are providing information from a variety of approaches. However, with regard to evaluating innovation, at present we're struggling with how to concisely convey the value of massive investment projects such as supercomputers, to name an example. We recognize that along with putting out information that is of use in making management decisions, providing useful information to investors is an ongoing issue.
- Ito: In medium- to long-term investment, investors look at whether a company is facing up to, analyzing, and taking measures against various risks, and whether the company even has the ability to do so. Investors want companies to deploy diverse human resources to analyze and prepare against various potential risks, and to explain this. It would be good to ask investors what sorts of risks concern them.
- Sonoda: Around the world, "resilient" has become a key word. It refers to not only disaster readiness but also the toughness and flexibility to adapt to change. What's important in the term is thinking in integrated fashion about elements such as the sharing of corporate philosophy and unwavering decisions by corporate management, and connecting this thinking to action. When companies use backcasting to consider the present based on the future, I'd like them to completely throw out their record of successes from the past to the present, and instead use all-new ideas to consider what mechanisms are needed, on the basis of future values.
- Fujita: In the past, forecasting, or first completing a product and then thinking about what to use it for, was the dominant thinking. We're now tackling the backcasting way of thinking, but there is no correct way for looking toward the future, and it's not yet an established practice in our company.
- Ito: In Japan, it's thought that medium- to long-term innovation also requires time for business decisions. But out in the world, business moves quickly even while taking a long-term perspective, as seen in quick decisions on acquiring ventures from which innovation will sprout. As long-term investment looks at a 3-to-5-year time frame at most, disagreements can come up in communication with investors when we explain that innovation requires a long time.
- Sonoda: The connection between Human Centric Intelligent Society, or the vision that Fujitsu paints for the future using ICT, and our current condition seems a thin one. While looking at the very long term of 2030, it's necessary to point to 2020. What's important is not considering that to be difficult, but to instead take ideas on how it could be done and turn those into positive thinking.

Ito: In Japanese companies, the CIO and CFO are not often involved in the company's strategic decision-making, and ICT isn't yet leveraged in business model innovation. I'd like to see Fujitsu, as a representative ICT company in Japan, present a model example in this area through integrated reporting, while providing beneficial services to Japanese industry.

Yuasa: In the past, Fujitsu CFOs had come from the Corporate Finance Unit, but the current CFO was previously Head of the Corporate Planning and Business Strategy Office. From this year he's working again on management strategy in addition to working in the Corporate Finance Unit, and personally I, too, am motivated by the importance of connecting finance to strategy in corporate management.

Ito: That's wonderful. From here on out, the role of reporting – that is, the role of integrated reports – will change the nature of organizations. If Fujitsu is going to construct a global matrix structure and carry out integrated reporting under that framework, I hope that it can take reporting as an opportunity to transform the company to make its organizations integrated, and I hope to see this become a best practice.

Yasui: Right now, disclosure of information outside the company is divided among several departments. Because of this, the content we communicate is disjointed, which has an impact on decision-making within the company, too. I feel a need to set up an organization with external communication in mind, and to unify information as our corporate communication.

Ito: Fujitsu and other Japanese companies value technology. What I want Fujitsu to do is be aware of the degree to which it can enhance its corporate value through technology, and turn its initiatives into value. It needs to enhance its earning power through value and change its mindset, from top management to ordinary employees, to a mindset of making money in order to give birth to innovation and of raising the value of the company. Even in setting a three-year medium-term plan, it's necessary to look 10 years ahead.

Summary by Masami Fujita, Corporate Senior Executive VP and Representative Director, Head of Global Corporate Functions

We bring outside perspectives into our management, through actions such as reflecting the Board of Directors' deliberations into the Management Council. However, listening to today's discussion, I felt the need for further enhancement of Fujitsu's external communication capabilities. I hope to strengthen our engagement with investors and stakeholders through communication centered on integrated reporting, and hope to consider a vision for reporting, and by extension, the organization, so that our engagement can be of aid in increasing corporate value.

* SDGs (Sustainable Development Goals):

Development goals to be addressed from 2015, the deadline for achievement of the Millennium Development Goals (MDGs) set by the United Nations in 2000. The SDGs aim to address a wide range of issues including climate change, energy issues, disasters, and disparities, with 17 goals and 169 targets scheduled for adoption by the United Nations General Assembly in September 2015.



A dialog with stakeholders

With Our Customers

To Increase Customer Satisfaction

Fast-changing social and economic environments make it difficult to see far ahead, what is demanded of us is to quickly and accurately grasp customers' wishes and change ourselves while thinking and acting from the customer's point of view. We are aiming for management innovation by using the "Program to Improve the Quality of Management,"*1 and taking a number of initiatives to form an innovative corporate culture that can keep pace with customer changes.

*1 Program to Improve the Quality of Management:

A framework for customer-centric management excellence modeled on the Malcolm Baldrige National Quality Award of the United States, the de facto global standard for management innovation.

Promoting Field Innovation with the Customer

Fujitsu is engaged in "Field Innovation" by focusing its efforts on "people" and "processes", and redefining ICT as "a tool for supporting people's work and improving business process efficiency." After making essential management issues clear through the visualization of "people," "processes", and "ICT" at the customer's workplace, we gathered on-site knowledge and improved the ICT usage.

Making such management issues visible leads to sustainable management innovation by customers in accordance with top management's intentions. Furthermore, we continue to improve ourselves in Fujitsu by what we learned in the many times we have been involved in this process.

Examples of Field Innovation — Tokyo Gas Co., Ltd. —

Tokyo Gas is extending their gas conduits towards the region north of Tokyo as part of their management strategy. In accordance with this, the maintenance target facilities overseen by the Supply Facilities Management Sect. have expanded towards the region north of Tokyo, and it is expected that travel times for inspections would increase. To establish a safe and efficient business structure, Tokyo Gas has introduced Field Innovation, and undertaken the tasks of minimizing travel times, leveling duties, and developing young employees with Field Innovators (hereby referred to as Flers).

Making Operations Transparent to Reveal Hidden Issues

The Flers accompanied Tokyo Gas employees to observe the field operations. The Flers conducted investigations into the work load and PC operation history, analyzed work records, and interviewed the employees. Through their investigations, they discovered that travel time accounted for half of the total work hours allocated for daily inspection duties. Therefore, reducing travel times became a clear target.

To reduce travel times, the inspectors and Flers worked to conceive a new transportation model. Previously, workers would make round trips from the Supply Facilities Management Sect. to various facilities. A new model, which has workers inspect several facilities upon departing from the Supply Facilities Management Sect., was created and optimized for the best use of resources.

Leveling of Inspection Duties Using Quality Engineering

By utilizing the techniques of "quality engineering," the inspection and maintenance cycles were reviewed. Reducing excessive inspections lowers the costs and burden of inspection duties, while enhanced safety standards were planned for facilities that require shorter inspection cycles thus leveling the duties. Additionally, a workshop was held for young employees to study how to single-handedly perform inspection duties for various facilities as a way to improve the skillsets of the young inspectors.

Streamlining Reporting Duties

Conventionally, each facility has had their own documents to be completed for the inspection reports. The contents of these reports would then be entered into the system after the employees returned to the office. This workflow was changed to a tablet and cloud service standardized format in order to improve the efficiency of the inspection reporting procedure.

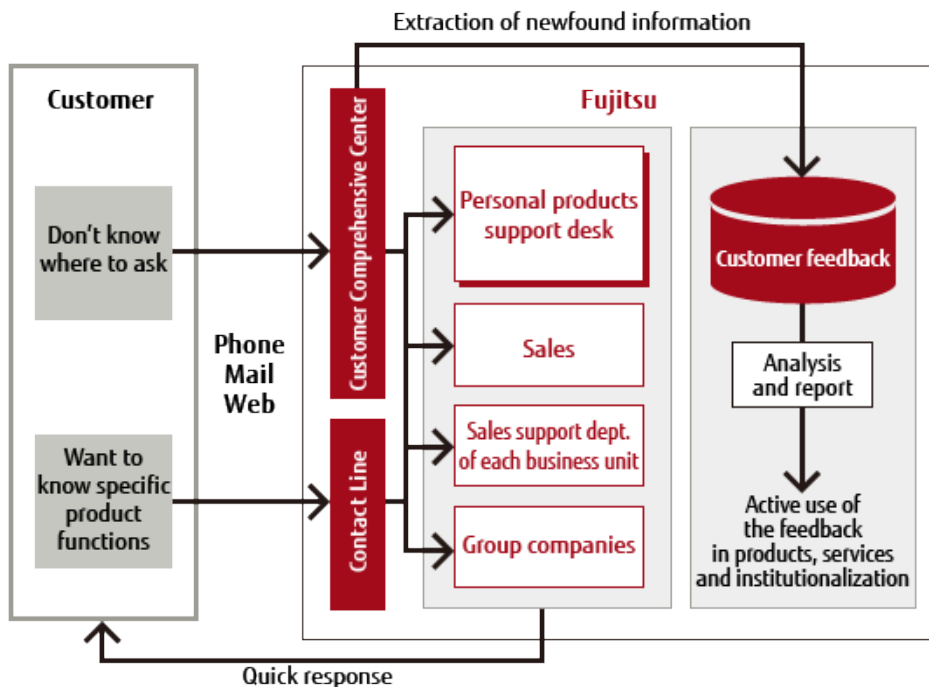
As a result of Field Innovations, hidden issues were revealed, and improvement plans were organized and outlined in detail, preparing for future expansions.

Operation of the Fujitsu Customer Comprehensive Center and the Fujitsu Contact Line

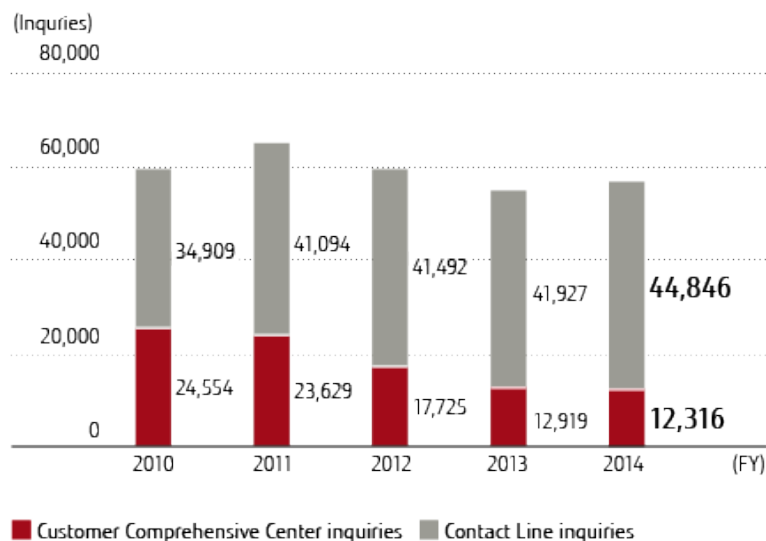
We established the Fujitsu Customer Comprehensive Center in 2003 to handle inquiries and other problems concerning products and services from customers who are not sure where to address their issues. Also, in order to respond quickly to customers concerning the functions and prices of products before they make their purchases, since 2005 we have been routing all such pre-purchase telephone inquiries to a single window, the Fujitsu Contact Line, with the telephone number for access published on our corporate website and in brochures, press releases and advertisements.

The role of the Fujitsu Customer Comprehensive Center and the Fujitsu Contact Line is to quickly connect the customer to the department best suited to answer his/her inquiry. They not only increase customer satisfaction through accelerated responses, they analyze what customers have to say and use it for product and system development and quality improvement.

Fujitsu Customer Comprehensive Center/Fujitsu Contact Line



Trends in Inquiries Addressed to the Customer Comprehensive Center



PC Support Center for Individual Customers

To handle the diversifying needs and environments of our individual customers, we have put in place the "personal products support desk" to provide consultation concerning Fujitsu personal computers. Through this support desk, we are building a system for handling a wide range of questions on matters regarding the use, troubleshooting, and servicing of Fujitsu personal computers.

Examples of Improvements Based on Customer Feedback

[Example 1]

Based on the feedback from many users about the "blue light" emitted by computer screens, certain models released in October 2014 and January 2015 featured a "blue light cut mode." This mode can be triggered from the status panel switch: with a single touch, 30% of blue light will be cut compared to standard display values.

[Example 2]

Users have commented that the workflow for creating a recovery disc on their computers was hard to understand and the time taken was unclear. In response to this, models released in May 2014 have been equipped with "Backup Navi,"*2 which displays which disk is currently being written, and how much more processing time is required. Users can now create a recovery disc set without worry.

*2 "Backup Navi":

A pre-installed application that can save and restore data, as well as save PC settings.

Placing Importance on Connecting with Our Customers

The User Association 'Fujitsu Family Association'

The Fujitsu Family Association was founded in 1964 as a user association with our corporate clients as members. In 2014 it marked the 50th anniversary of its founding. Today, at the end of FY 2014, it has some 3700 members participating, making it the largest organization of users of information and communications systems in Japan. With a head office, eleven branches in Japan and LS Research Committees*3, the association is expanding its various activities under the slogan "Dreams to Discuss and the Wisdom to Compete" and it is receiving high praise from its members.

Its activities span the three fields of networking among different industry types, developing human resources and gathering information, and in FY2014 the association carried out not just ICT-related activities, but also group research activities and exchange of ideas with the themes of regional vitalization and diversity. The association also engages in substantial public relations activities, such as publishing its "Family" magazine for members six times a year, as well as the Web version, "e-Family", and it sends out email newsletters periodically.

*3 LS Research Committee:

This committee, originally formed as the "Large Systems Research Association" in 1978, was merged with the Fujitsu Family Association in 2007 with the renewed purpose of carrying out research on leading-edge technologies and concepts, and implementing effective ICT utilization that will contribute to members' growth.

The Fujitsu Trusted Cloud Square Showroom

Fujitsu Trusted Cloud Square showcases the latest services and technologies including cloud, security, mobile, and big data.

At the display space, there is a complete line-up ranging from smart devices to supercomputers. We introduce technologies and services that bring out the full potential of people, information, and infrastructures through demonstrations using actual products.

- Fujitsu Trusted Cloud Square
<http://www.fujitsu.com/jp/about/corporate/facilities/tcs/en/>



Fujitsu Trusted Cloud Square

Directions in Advertising

In all advertising and publicity activities in the Fujitsu Group, we strive to observe all laws and internal corporate regulations and to use only fair and appropriate expressions and graphic symbols. In FY 2014, the Fujitsu Group did not violate the Act against Unjustifiable Premiums and Misleading Representations.

Main advertising and publicity activities

- TV programming: Fujitsu sponsors "See the World by Train" "World Business Satellite"
- TV commercials/newspaper advertisements: "Fujitsu's Technology in Your Future," "Change with Fujitsu"
- Event sponsorship: "JSEC: Japan Science & Engineering Challenge," "Work Experience Theme Park Kandu"

Marking and Labeling of Products and Services Regarding Quality and Safety

Fujitsu is dedicated to observing all laws and internal regulations related to marking and labeling of products and services regarding quality and safety. During FY 2014, we experienced no marking or labeling violations related to products or safety.

Universal Design

The Fujitsu Group strives to create through "ICT Universal Design" a society where people can live safely, securely, comfortably, and prosperously.

Fujitsu's Vision of Universal Design

Fujitsu is striving towards universal designs aimed at realizing an ICT society that everyone can take part in. We will develop and deliver products and services that are easy for everyone to use and enable more people to participate in society.

Aiding the five senses

We aid the five senses (vision, hearing, taste, smell and touch) and offer diverse usage methods, so that differences in senses do not restrict the use of products and services.

- **Aiding the five senses**

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- **Reducing physical stress**

We design dimensions, layouts, and operation methods to allow low-strain usage for all, regardless of physical capabilities such as stature, strength, mobility, posture, and wheelchair use.

- **Caring about experience and culture**

We present information using expressions that can be clearly understood by users with diverse personal experiences and cultural backgrounds.

- **Ensuring availability**

We consider the time and place, weather, individual user, surrounding conditions, and other aspects, and adapt to changing conditions.

- **Maximizing usability**

We pursue greater usability, to enhance safety, sense of security, effectiveness, efficiency, and satisfaction.

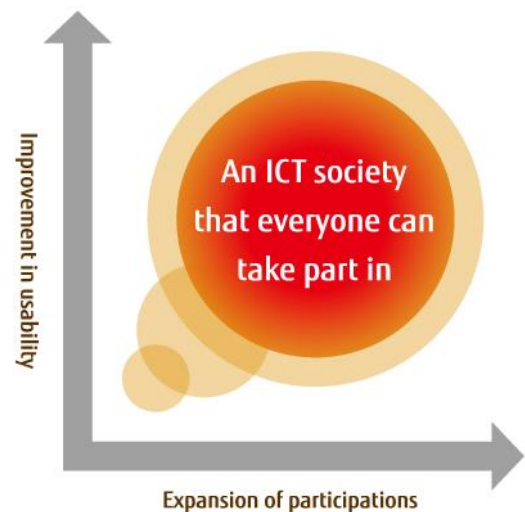
Examples of Activities in FY2014

The "Raku-Raku Smartphone 3" (model name F-06F), manufactured by Fujitsu and released through NTT Docomo, was awarded the 2014 Good Design Award. The phone has a touchscreen that allows users to select icons with just a tap, and uses a higher contrast ratio for improved visibility compared to earlier generations of "Raku-Raku Smartphones." It has also retained the ease-of-use for elderly users while incorporating an ergonomic shape that fits in the hand with a refined, integrated screen design.

Furthermore, the computer "Grannote" (LIFEBOOKAH), which was designed primarily for the ease-of-use for elderly users, received the 2014 IAUD Award, due to its display color scheme settings for different age groups, high frequency adjustability to accommodate different levels of hearing, along with Fujitsu's SNS service, "Raku-Raku Community."

- Fujitsu Universal Design

<http://www.fujitsu.com/global/about/businesspolicy/tech/design/policy/ud/>



Quality Initiatives

Philosophy on Quality and Product Safety

The Fujitsu Group, to further enhance the trust placed in it by customers, practices quality management, and works to achieve process improvements through visualization of its efforts regarding quality, and with QMS.

Quality Assurances Activities Based on the Fujitsu Group Quality Charter

Quality is the basis of brand value for the Fujitsu Group. Products and services that customers can safely use is the essence of the Fujitsu Group's business. Based on this philosophy, in June 1994, ahead of the implementation of Japan's Product Liability Law (effective from July 1, 1995), Fujitsu formulated the "Fujitsu Product Safety Charter," the predecessor of the "Fujitsu Group Quality Charter."

Today, Fujitsu has formulated the Fujitsu Group Quality Charter based on the idea that safety is one part of quality, it is revising and creating various regulations and technical standards related to product quality, and it is thoroughly engaged in educating through new employee training, engineering department group training and quality meetings.

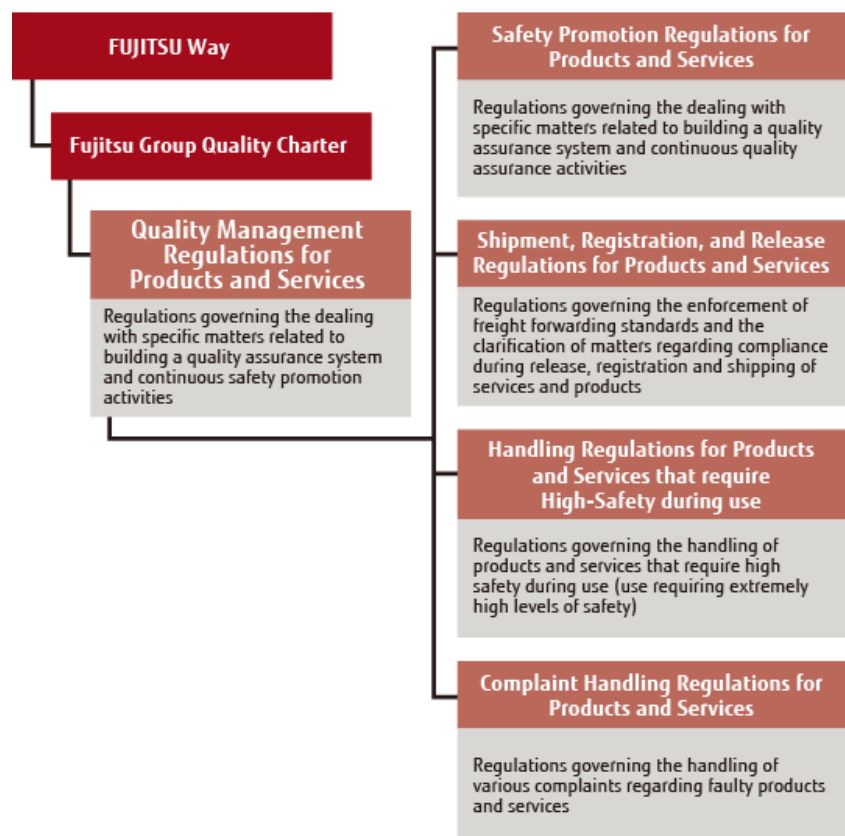
To continue offering products and services that anticipate changes affecting our customers and their business environments, at every stage from design to evaluation, production, sales and support, we perform our quality improvement activities in line with the following principles laid out in the Fujitsu Group Quality Charter.

Quality Principles

- We pursue quality from the customer's perspective.
- We build in quality that anticipates changes.
- We achieve quality consistent with our social responsibilities.
- We use first-hand feedback based on the actual situation.
- We work with our business partners to improve quality.
- We seek to make public quality-related information transparently.
- We foster employees who think about quality.

Based on the policy of emphasizing safety in all aspects of our business activities, we strive for assured safety in product designs, collection and the publication of information on product-related problems, and rapid response to such problems.

The System of Quality Safety Regulations



Implementation Policy Related to the Safety of Products and Services

The Fujitsu Group recognizes its social responsibility to build a safe and secure society. The Fujitsu Group always considers and endeavors to improve the safety of products and services in every aspect of the group's business activities.

1. Observation of laws and regulations

We observe laws and regulations concerning product and service safety.

2. Efforts to secure safety

We try to ensure that products and services are safe in a variety of use situations and take measures as necessary to secure the safety of the products and services. In addition to legally specified safety standards, we develop and observe voluntary safety standards in our endeavors to improve products and services continuously.

3. Prevention of incidents caused by improper use, etc.

For the safe use of products and services by customers, we properly display notices and warnings in handbooks or on the body of the products in order to prevent incidents caused by improper use or carelessness.

4. Collection of incident information, etc.

We actively collect safety-related information from customers, including information on product and service incidents and what might lead to such an incident.

5. Handling of incidents

We immediately check the facts of any occurring incident related to a product or service, investigate the cause, and handle it properly. If the product or service has a safety problem, we provide that information to customers and take proper measures, such as product recall, service recovery, and prevention of further damage and other damage from occurring. We quickly report the occurrence of major product incidents to the proper authorities in accordance with laws.

Establishing a Quality Assurance System

Quality Management System

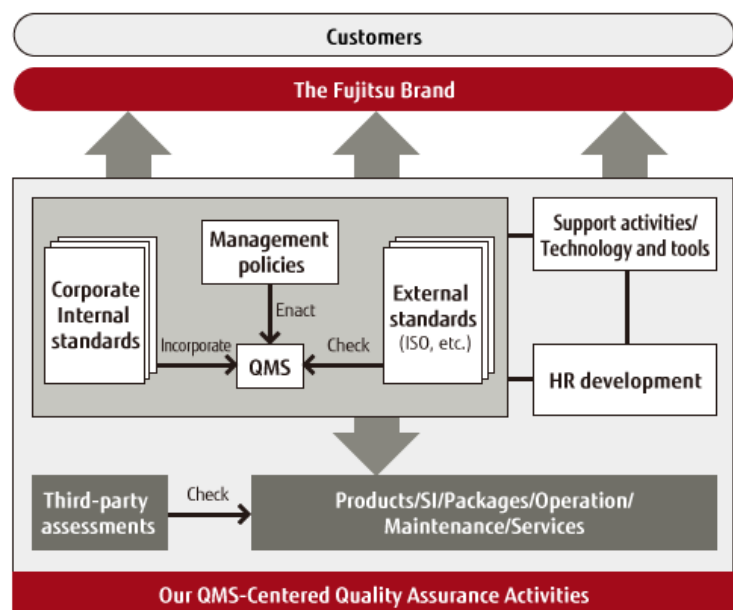
The Fujitsu Group aims to achieve a level of quality in all products and services that satisfies the customer to ensure that everyone can equally enjoy the benefits provided by ICT with safety and security.

To accomplish this we have established and maintain the quality management system (QMS). Through the QMS we regularly confirm the progress of the PDCA (Plan, Do, Check, Act) cycle in the light of ISO and other international certification standards, and make process improvements to achieve even higher quality.

ISO 9001 Certification Status

Fujitsu is continually striving to improve its processes in line with Quality Management Systems, and its 24 Business Units have acquired ISO 9001 certification as of the end of FY 2014.

Our QMS-Centered Quality Assurance Activities

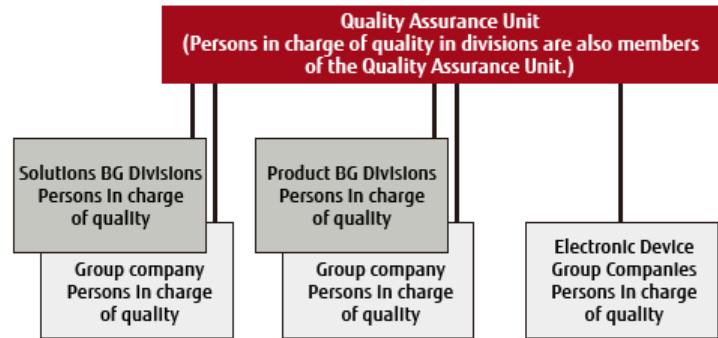


Our Approach to Promoting Quality Assurance

Fujitsu has established a dedicated unit for quality management within each business unit and Group company to ensure that it is able to provide customers with high-quality products and services.

Also, through the Corporate Quality Assurance Unit, including representatives of these dedicated units, we promote information sharing, propose countermeasures, and improve support structures in ways that transcend organizational barriers. In this way, we work to establish a QMS that creates added value for the customer.

The Quality Assurance Structure



System for Addressing Major Quality Problems with Products and Services

In the event of a major quality problem concerning a product or service, executive officers and employees immediately report to the Risk Management & Compliance Committee in accordance with risk management regulations, which then reports to the Head of Business Unit according to the pre-defined reporting structure. The department manager reports the response status to the risk compliance committee as the occasion demands, and responds to any instructions. When a solution comes to light, the Head of Business Unit informs the committee of the history leading up to the risk and measures to prevent recurrence. The committee can instruct the Head of Business Unit to also report this information to the Board of Directors and Management Council.

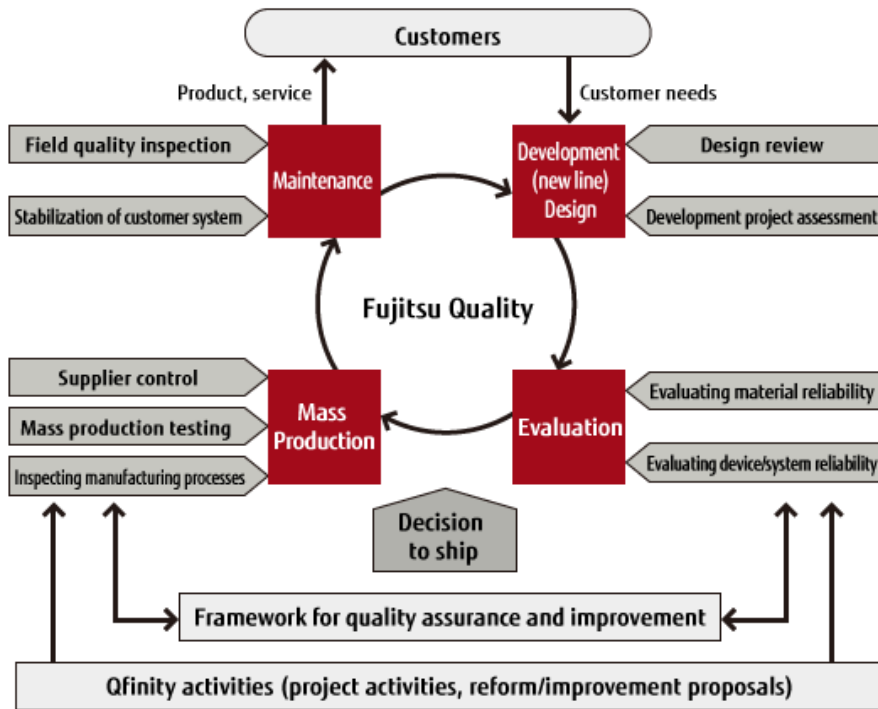
Disclosure of Information Related to Product Safety

In situations where a problem has occurred in product safety, Fujitsu discloses such information under "Important Notices Regarding Product Safety" on the Fujitsu website to notify customers of the information immediately. In 2014, a major product incident (a possible cause of fire) occurred with a Fujitsu product. With regards to this accident, Fujitsu has followed the relevant laws and regulations (Consumer Product Safety Act) appropriately, and reported to the Consumer Affairs Agency, as well as posted the contents on its website.

Customer-Centric Quality Assurance Activities for Products and Services

In providing products and services, we adopt the customer-centric perspective. This attitude is central not only at the design review stage but also at every stage of the development and production process, where we perform evaluations, asking, "does it meet customer needs and expectations?" Through this process, we work from an objective standpoint to bring products that provide the value that customers expect.

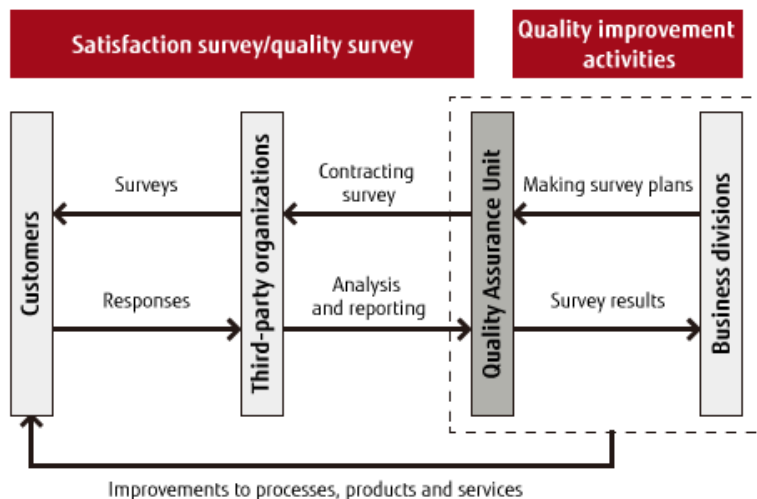
Flowchart for Quality Assurance Activities



Satisfaction and Quality Surveys by Third-Party Organizations

With regard to products and services, we implement customer-satisfaction and quality surveys by third-party organizations, and we have received particularly good results for customer satisfaction with reliability. (FY 2014 surveys covered three products, with 1,749 responses.) These results are communicated to all related business units within the company and reflected in the development of the next products and services.

Flowchart for Satisfaction and Quality Surveys



Initiatives to Improve Quality in Emerging Countries

In accordance with the expansion of the integration services in China and the Asian region, Fujitsu is making efforts to enhance local quality control and human resource development to further improve quality of services. For example, in China whereby, a project was carried out to operate and maintain a system, periodic maintenance related to SE contracts and work processes were carried out; workshops were also conducted to increase awareness of quality for local employees. In future, Fujitsu plans to extend such measures to all group companies in Asia.

Fostering Experts Who Support Product Safety

At Fujitsu, as part of efforts to ensure product safety, in FY 2003 we established our own certification program to train Product Safety Experts. Under a system in which people who complete the program are certified by the product safety management team in Corporate Quality Assurance Unit, 198 people were registered at the end of FY 2014.

Product Safety Experts verify the safety of products at the design review stage (each process from the initial stage of development to the decision to ship). Under this structure, when a product cannot be confirmed as safe, it does not receive final approval to ship. In addition to verifying conformity to safety requirements in Japan and overseas as well as to Fujitsu's own standards, the experts perform checks from the perspective of preventing recurrence of problems that happened with other products in the past. Furthermore, Product Safety Experts take follow-up training twice a year and an annual qualification renewal test to maintain and improve their skills.

Also, when products are designed, risks must be assessed from the viewpoint of the user, including latent risks intrinsic to a product and risks from the way a product is used. Accordingly, in FY 2010, Fujitsu established internal standards for the conduct of product safety risk assessments and began training Product Safety Risk Assessors. As of the end of FY 2014, we have 160 registered Product Safety Risk Assessors.



Product Safety Experts in training

Aiming to Pursue Customer Value

Qfinity

Since 2001, the Fujitsu Group has been engaged in Qfinity, whereby each employee takes initiative in the continuous improvement in quality of products, services, work, and human resources to realize even higher customer value (CV).

The word Qfinity was created from the combination of "Quality" and "Infinity" to express Fujitsu's concept of commitment to the infinite pursuit of quality. Furthermore, from FY 2015, in addition to the current initiatives for quality improvement, Fujitsu will focus on creating a more innovative corporate culture through team activities to pursue CV.

- FY 2014: 5,878 project initiatives
- FY 2014: 54,461 improvements/proposals

(as of March 31, 2015)

To promote Qfinity throughout its companies, Fujitsu has carried out and provided various training, tools and know-how and presented awards and held events. For training, in addition to foundation and technical skills, Fujitsu has also provided individualized instructions to increase practical skills. Additionally, to share benchmarks for goals and processes, as well as techniques and know-how, Fujitsu has also built the "Qfinity System" on its Intranet, and discloses all activities. Furthermore, Fujitsu holds an annual event known as the "Qfinity Companywide Convention," where all Fujitsu group companies come together to present their activities. Outstanding activities will be commended at this year's Annual Commendation Award Ceremony. Fujitsu also compiles handbooks and educational materials on how to advance Qfinity and resolve issues, and shares excellent examples with employee's struggles and advice during taking part in these activities within Fujitsu group.

Through such initiatives, each individual is made responsible for producing quality work, and this will definitely strengthen the Fujitsu Group.



Qfinity Companywide Convention



The Qfinity handbook

With Our Suppliers

Basic Approach to Suppliers

The Fujitsu Group is supported by many suppliers in Japan and abroad, and it is committed to building long-term relationships of trust with those suppliers by continuously learning from each other. We also strive to achieve harmonious coexistence with our suppliers so that both of us, as good partners, can further exert our respective strengths.

Promoting Socially Responsible Procurement

Socially Responsible Procurement Initiatives

Fujitsu's procurement policy is based on harmonious coexistence with its suppliers, fair and proper evaluation and selection of suppliers, and the promotion of socially responsible procurement activities. Guided by this policy, Fujitsu conducts procurement activities worldwide.

From a perspective of CSR promotion across the whole supply chain, we work together with our suppliers to implement procurement activities grounded in the principles of CSR.

In March 2006, we published our CSR PROCUREMENT GUIDELINES regarding respect for human rights, labor, health and safety and fair trade, and asked our suppliers to comply with it.

Furthermore, since 2007, we have been conducting written surveys every year to ascertain progress status and CSR activities systems at our suppliers. We surveyed 530 suppliers in FY 2014, and of the 200 major suppliers among them, about 90 percent were found to be actively engaged in CSR activities.

- Fujitsu Procurement Policy and CSR Procurement Guideline
<http://www.fujitsu.com/global/about/procurement/policy/>
- FUJITSU CSR Deployment Guidebook [164KB]
http://www.fujitsu.com/downloads/CSR/society/procurement/csr_guidebooken.pdf

Approach against Conflict Minerals

At Fujitsu, corporate responsibility for conflict materials*¹ is an important CSR issue. Together with group companies and suppliers, Fujitsu is implementing measures to improve the transparency of the supply chain in procurement and ensure responsible procurement of minerals. In FY 2014, Fujitsu has participated in the "Responsible Minerals Trade Working Group" by the Japan Electronics and Information Technology Industries Association (JEITA) to gather information, while investigating our suppliers and answering inquiries from customers.

*1 Conflict minerals:

Conflict minerals are minerals whose mining or trading finances armed groups and fosters conflict, or that are closely related to such issues as human rights abuses or labor issues. The Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in July 2010 requires U.S. and foreign companies listed on U.S. stock exchanges to report the use of conflict minerals such as tantalum, tin, tungsten, gold and any other minerals named by the U.S. State Department to the U.S. Securities and Exchange Commission (SEC).

Informing and Emphasizing the Importance of CSR to Procurement Staff

Through education and training, Fujitsu keeps employees in charge of procurement informed of the importance of CSR-conscious procurement activities. In FY 2014, we held training on such themes as compliance with the laws governing subcontracting and worker dispatching, information security, and personal information protection in procurement activities as well as CSR-conscious procurement and green procurement activities.

In FY 2015, we will continue similar education to further increase our procurement staff's awareness of CSR issues.

Collaborative Promotion of CSR with Suppliers

Promoting Green Procurement

The Fujitsu Group has set out the basic requirements for environmentally sound procurement of components, materials and products in the Fujitsu Group Green Procurement Direction and we are working with our suppliers on green procurement activities.

Specifically, the Fujitsu Group requests that all of its suppliers establish an environmental management system (EMS) (subject to third-party certification, in principle), which is designed to ensure that suppliers continuously implement measures to reduce their environmental burden. We also ask that our component-related suppliers build a chemical substances management system (CMS^{*2}), which is a structure to reliably implement chemical substances management. With regards to CMS, Fujitsu auditors directly inspect the production facilities of our suppliers, and check the CMS formation and operational conditions. If any items are found to be unsatisfactory after inspections, Fujitsu files requests to correct these items or provides support on system formation.

We are also promoting CO₂ emissions reduction on the part of our suppliers. Specifically, by providing written materials on activity examples and methods and through explanatory meetings, we are asking our suppliers to understand the importance of these themes and to undertake activities with specific goals. The Fujitsu Group will continue to work together with our suppliers towards lessening the environmental impact of our supply chain.

*2 CMS:

Chemical substances management system. Refers to a means or a system to properly manage the chemical substances contained in products.

- Green procurement through our global procurement system
<http://www.fujitsu.com/global/about/environment/operation/procurement/index.html>
- Promoting CO₂ emissions reductions by suppliers
<http://www.fujitsu.com/global/about/environment/operation/procurement/index.html>
- Fujitsu Group green procurement standards
<http://www.fujitsu.com/global/about/procurement/green/>

Supply Chain BCM

To stably supply products and services in the event of major disasters or other unexpected contingencies, Fujitsu has made a continuous commitment to strengthening the BCM capabilities of our suppliers since FY 2007. This commitment is based on the belief that strengthening BCM capabilities throughout the entire supply chain is essential.

Each year, Fujitsu conducts a questionnaire survey of its suppliers on how they address BCM. In FY 2014 we surveyed roughly 690 major suppliers (at about 1,880 sites) by questionnaire. We analyzed the results from around 1,820 sites (as of September 30) and provided feedback to our suppliers.

For this questionnaire survey, Fujitsu formulated its own original content, but in fiscal 2013, an investigation subcommittee was established under the umbrella of the Japan Electronics and Information Technology Industries Association (JEITA) Materials Committee, assembled products manufacturers and component manufacturers participated in planning, and measures to standardize as an industry got underway. Efforts moved forward to formulate a questionnaire survey covering risk management items from a procurement standpoint

focused on supply responsibility needed of suppliers, and it was made available to the public by the JEITA Materials Committee in September 2014. Fujitsu also proactively participated in the planning of these subcommittee activities and began utilizing it from FY2014 questionnaire survey.

In addition, Fujitsu conducts annual surveys on BCM initiatives with 220 major solutions-related suppliers. Feedback is analyzed and implemented as necessary.

Thorough Enforcement of Compliance

The Fujitsu Group is dedicated to ensuring compliance throughout our entire supply chain. Every year, we conduct a written survey to assess the status of compliance system formation in our suppliers' supply chains, which will verify the thoroughness of compliance enforcement. Also we are promoting business transactions with the consideration of risk assessment by identifying the products and regions that are concerned with high risk of labor and other problems and by determining whether or not we are procuring from the regions in question.

In addition, we added to agreements with suppliers' provisions on the elimination of anti-social forces and other such groups, for the purpose of preventing damage by anti-social forces (and avoiding any encouragement of their activities). The Fujitsu Group will have no relationship whatsoever with anti-social forces, including through suppliers.

Promoting Information Security Measures

The Fujitsu Group, along with its suppliers, has set the goal of eliminating information security breaches, and we are implementing ongoing measures to prevent such breaches and to prevent recurrences. These measures include education, enlightenment, auditing, and information sharing.

In recent years there has been a significant increase in commercial use of external services such as cloud computing and social network services. There has also been a rapid increase in opportunities to use smart devices such as smartphones and tablet PCs. It is necessary to prevent not only emails sent by mistake, theft and the loss of PC's and smart devices, but also new kinds of risks involving information leaks such as internal crimes and cyber terrorism. As such, when Fujitsu consigns suppliers, Fujitsu sets the same standards for both domestic and overseas entrusted suppliers regarding the information security management and the handling of personal information, promoting education and awareness.

We have thus become committed to accurately ascertaining the latest changes in the ICT environment and deterring new kinds of risks involving information leaks that arise from the use of external services, servers, and smart devices. When we start business with a new supplier, we have made it a rule to explicitly state in the contract that the supplier shall manage information security and handle personal information at the same level as Fujitsu does. If any serious problem in information security occurs at a supplier, or if a supplier shows no improvement in its security management, we reconsider the business relationship with the supplier and may discontinue placing new orders.

Moreover, we have been working to implement information security measures equivalent to those used in our domestic (Japanese) activities for an increasing number of offshore development projects with overseas partners.

Main efforts in FY 2014

(For suppliers of software development, services, or hardware manufacturing)

- **Information security workshops (October to November 2014)**
Approximately 950 companies/1,200 attendees
(Sendai, Tokyo, Kawasaki, Chiba, Nagoya, Osaka, Takamatsu, Fukuoka, and Okinawa)
- **On-site workshops (June 2014 to March 2015)**
Approximately 45 companies/1,600 attendees

- **Workshop for new graduates at suppliers (June 2014)**
Approximately 50 companies/300 attendees (Tokyo and Osaka)
- **Workshop for leaders at suppliers (assembly and on-site) (July 2014 to February 2015)**
Approximately 30 companies/70 attendees (Tokyo and Osaka)
- **Questionnaires for suppliers on information security measures (February to March 2015)**
Approximately 1,600 companies
- **Information security audits (on-site) of our suppliers (April 2014 to March 2015)**
Approximately 150 companies

Compliance Line Available to All Suppliers

Fujitsu launched a confidential communication channel, called the "Compliance Line," available to all suppliers, in August 2009. The Compliance Line is to receive reports from suppliers on any matters of potential or actual non-compliance action with regard to our purchasing activities. Through the channels we have set up both internally and externally, we verify and investigate the facts of every report and respond quickly.

In its rule on internal reporting, Fujitsu forbids detrimental treatment toward its own personnel or the personnel of suppliers who have made reporting.

Partnerships with Our Suppliers

In 1997, Fujitsu established its suppliers' performance review (SPR) system, in which about 200 major suppliers in the component business are comprehensively evaluated for their products and efforts from the standpoint of quality, technology, price, supply, the environment and reliability. Since FY 2008, the results of written surveys on matters related to CSR, information security, and BCM have been included in the evaluation.

For our partners in the solutions business, we have partially revised in 2013 the review system developed in 2004, and have reviewed some 1,300 companies. Among them, we have provided the results of the evaluation as feedback to about 200 of our main suppliers.

Furthermore, with our main suppliers, we hold dialogues in which managing officers directly share the results of our evaluation and explain our business outlook and procurement strategies. There were 56 such meetings in FY 2014.

Fujitsu Suppliers' Reception

Since 1997, we have held Fujitsu Suppliers' Reception to strengthen our partnership with suppliers. At these events, we present letters of appreciation to those suppliers who have made exceptional contributions to our business, and the company president and the VP in charge of Purchasing give presentations to share our procurement policies in line with Fujitsu's business plans.

The FY 2014 event was held in January 2015 and was attended by approximately 630 representatives from some 340 domestic and overseas suppliers



Social gathering for suppliers

With Our Shareholders and Investors

Our Basic Stance

Based on the statement "We strive to continuously increase our corporate value" in the Corporate Values of the Fujitsu Way, in order to raise corporate value and meet the expectations of shareholders and investors, we aim to achieve long-term sustainable expansion of profit, and pursue strategic business expansion and focused management, while maintaining a sound financial standing.

We also provide timely and accurate disclosure of our corporate activities and financial information, improving management transparency so that shareholders and investors can better understand how well we perform in increasing corporate value.

Basic Policy on Information Disclosure

Fujitsu emphasizes fairness and continuity in disclosure of information, in accordance with the Financial Instruments and Exchange Act and other laws and regulations, as well as the rules of the exchanges on which its shares are listed.

Moreover, our policy is to be proactive in disclosing any information that we judge to be effective for helping shareholders, investors and other stakeholders to deepen their understanding of Fujitsu, even if such disclosure is not required by laws, regulations or other rules.

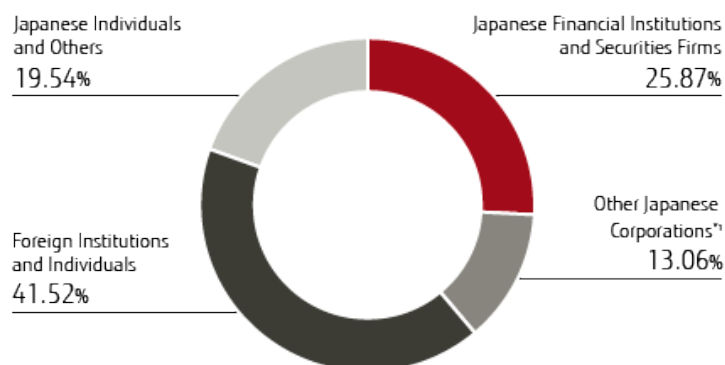
Policy on Dividends and Dividends Forecast

Article 40 of Fujitsu Limited's Articles of Incorporation grants the Board of Directors the authority to distribute retained earnings. As part of Fujitsu's basic policy on the exercise of this authority, a portion of retained earnings is paid to shareholders to provide a stable return, and a portion is retained by the Company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance. In addition, while taking into consideration its level of profit, when a sufficient volume of internal reserves is secured, including through the acquisition of its own shares, Fujitsu aims to more proactively distribute profits to shareholders.

In FY 2014, both consolidated operating profit and consolidated profit for the year rose in comparison with FY 2013. However, equity attributable to owners of the parent is still in the process of being returned to the level it was at prior to having unfunded employee retirement benefit obligations reflected on the consolidated statements of financial position. Moreover, profits in FY 2015 are projected to decline relative to FY 2014 for two reasons. The first is that certain financial results of European subsidiaries are expected to deteriorate because of the precipitous decline in the value of the euro versus the US dollar. The second is that also factored into projections are strategic investments to accelerate innovative change in business models.

Given this, Fujitsu will pay a year-end dividend of 4 yen per share based on Fujitsu's stable dividend policy. With this year-end dividend combined with the interim dividend of 4 yen per share, the annual dividend for FY 2014 amounts to 8 yen per share.

Equity Shareholdings by Type of Shareholder (as of March 31, 2015)



*1: The 118,892 thousand shares of Fujitsu Ltd. stock held by Fuji Electric Co., Ltd as retirement benefit trust assets are categorized under the shareholdings of Other Japanese Corporations.

Communicating with Shareholders and Investors

We are actively involved in IR activities in Japan and abroad, including holding briefing sessions for institutional investors and securities analysts, responding to requests for one-on-one meetings from investors, meeting with Japanese and international institutional investors, and posting information on the Fujitsu website as part of our efforts to improve communications with all investors.

We also disseminate press releases, providing information through the media to individual investors and the public at large as part of our active efforts to ensure fair disclosure policy.

For the Annual Shareholders' Meeting, we try to create an environment in which all shareholders feel comfortable asking questions. Moreover, the company president directly explains the company's management direction in his own words to all the shareholders. At the meeting, Fujitsu products are on display and expert staffs are on hand to explain Fujitsu's technologies and services. In addition, shareholders in other regions of Japan can observe the Annual Shareholders' Meeting, where it is relayed to four regional meeting places throughout Japan with approximately 1,000 shareholders participating. The video-streaming of the Annual Shareholders' Meeting is made publicly available on the Fujitsu website a couple of days after the meeting.

A Variety of Meetings for the Investment Community, both in and outside Japan

Fujitsu provides a variety of briefing meetings on financial results, management direction, and business with institutional investors and securities analysts in Japan.

For institutional investors outside Japan, we hold IR road shows by management regularly in Europe and North America, and IR managers in NY and London also have meetings with institutional investors individually. In FY 2014, we held approximately 1,095 meetings for institutional investors and securities analysts (63% of them from foreign investors and 37% from domestic investors).

Communicating with Individual Shareholders and Investors

In addition to sending out interim and year-end financial reports for individual shareholders and investors, we promptly disclose financial results documents and presentation materials used at briefing sessions for investors and analysts and publish video on website related to presentations of financial results.

Publication on IR websites

Fujitsu publishes information that we would like our shareholders and investors to know on our Japanese and global IR websites. English versions of presentations and financial results reports used at briefings held in Japan are posted on our global IR site.

We also have been striving to utilize our IR websites for information disclosure and communication to deepen people's understanding of Fujitsu through IR activities, such as early public release of proposals submitted at shareholders' meetings.

- Japanese IR site
<http://www.fujitsu.com/jp/about/ir/>
- Global IR site
<http://www.fujitsu.com/global/about/ir/>

Main Results of IR Activities in FY 2014

		Apr. 2014	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan. 2015	Feb.	Mar.	
In Japan	Annual Shareholders' Meeting			● Annual Shareholders' Meeting										
	Management Direction Briefing		● Management Direction Briefing							● Nomura Investment Forum				
	Financial Results Briefings	● Full-Year Financial Results			● 1Q Financial Results			● 2Q Financial Results			● 3Q Financial Results			
	Business Briefings	● R&D		Numazu factory ●			Debt IR ● Food and Agriculture Cloud Service ●			Mie Plant ●				
Outside Japan	Roadshow		● England ● Europe			● Asia		● England ● United States			Asia ●			