How XBRL Transformed Fujitsu's Internal Financial Reporting Platform
March 26, 2009
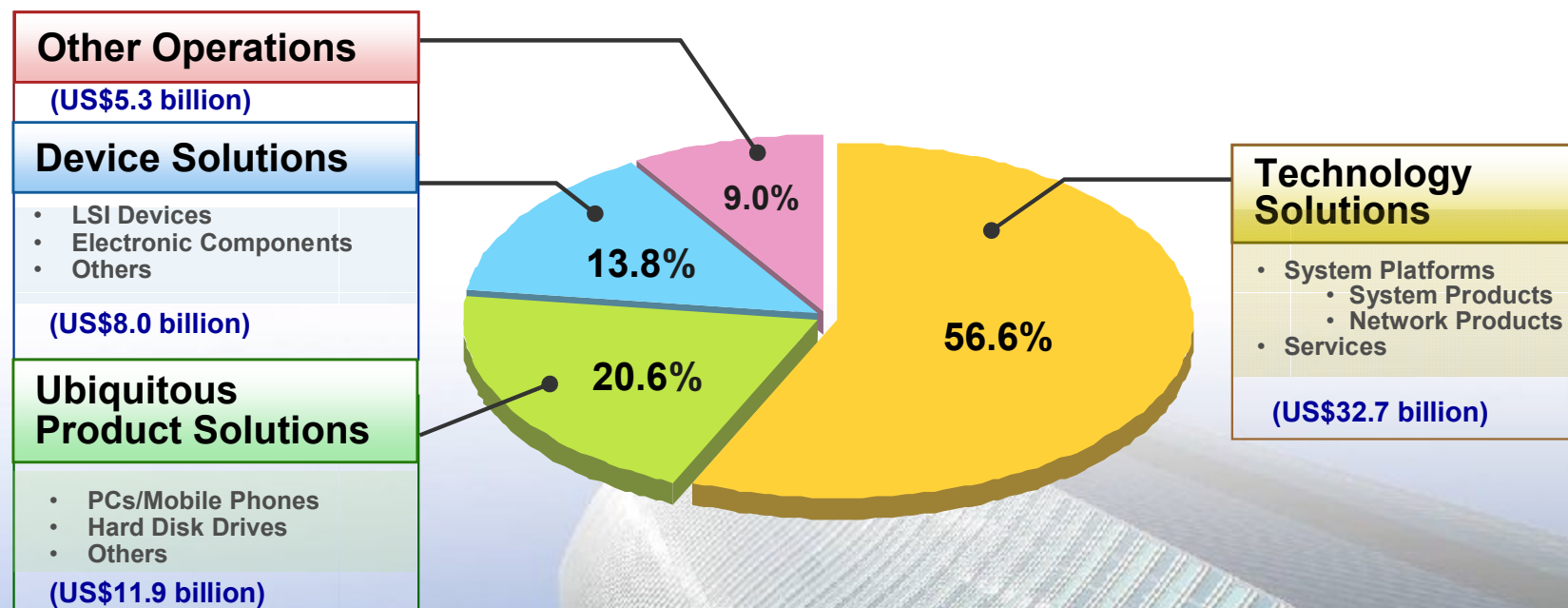
Jaideep Shah
Sr. Product Manager

Agenda

- **Business Drivers**

- **Case For Modernization**

- **Solution Details**
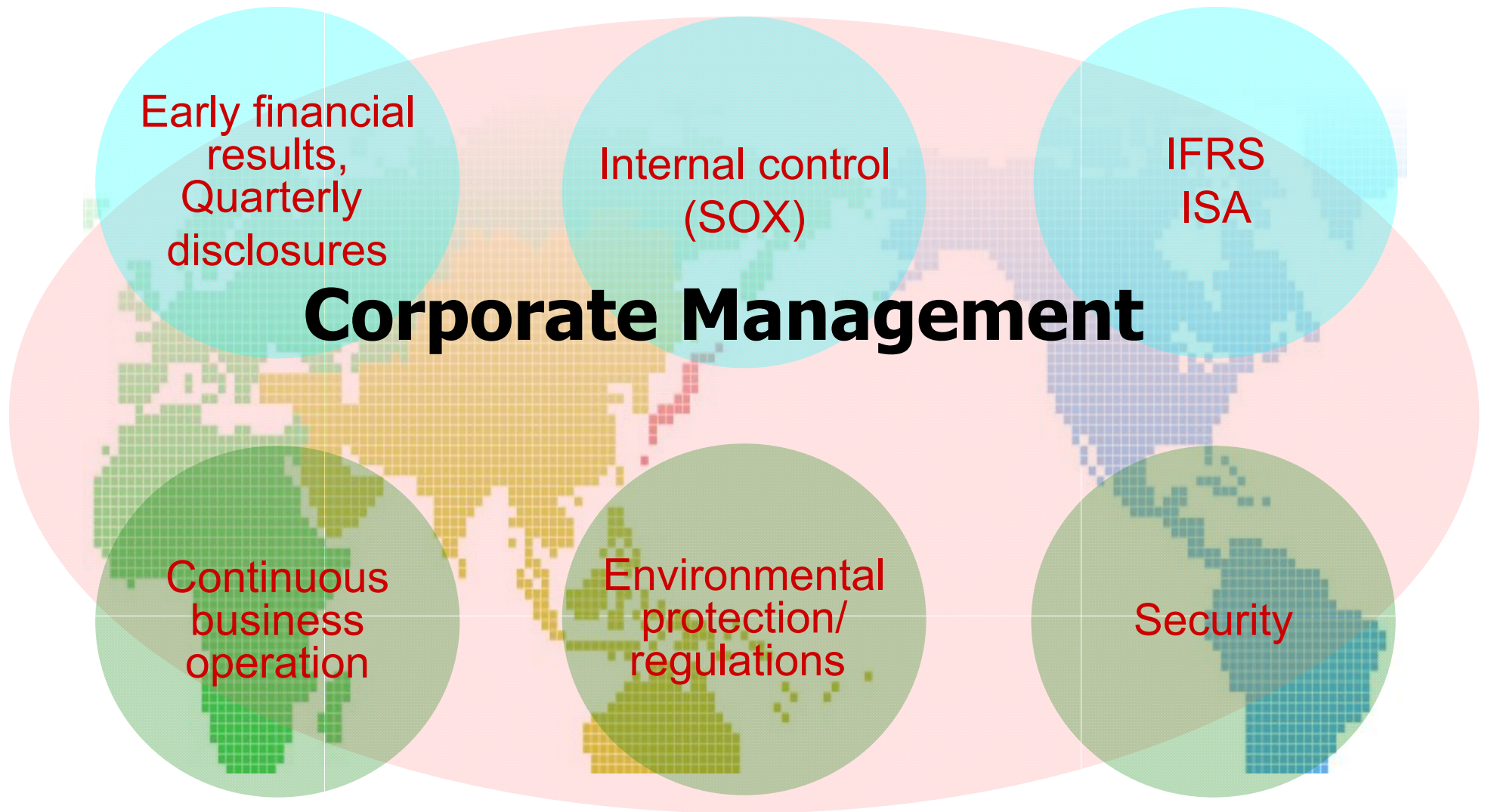
- **Fujitsu's XBRL Advantage**

- **Q & A**

Fujitsu Overview

- Headquarters: Tokyo, Japan

- President: Kuniaki Nozoe

- Established: June 1935

- Revenue: US$53.3 billion

- R&D Expenditure: US$2.6 billion

- Employees: 167,000 worldwide

- Stock Exchange Listings: Tokyo, Osaka, Nagoya, Frankfurt, London, Swiss

Other Operations
(US$5.3 billion)

Device Solutions
- LSI Devices
- Electronic Components
- Others

(US$8.0 billion)

Ubiquitous Product Solutions
- PCs/Mobile Phones
- Hard Disk Drives
- Others

(US$11.9 billion)

Technology Solutions
- System Platforms
  - System Products
  - Network Products
- Services

(US$32.7 billion)

9.0%
13.8%
20.6%
56.6%

Note: Consolidated revenue and R&D expenditure for fiscal year ended March 31, 2008. US$1 = ¥100. WW employees as of Mar. 31, 2008.

Changes in Global Business Environment

Early financial results, Quarterly disclosures

Internal control (SOX)

IFRS ISA

Corporate Management

Continuous business operation

Environmental protection/ regulations
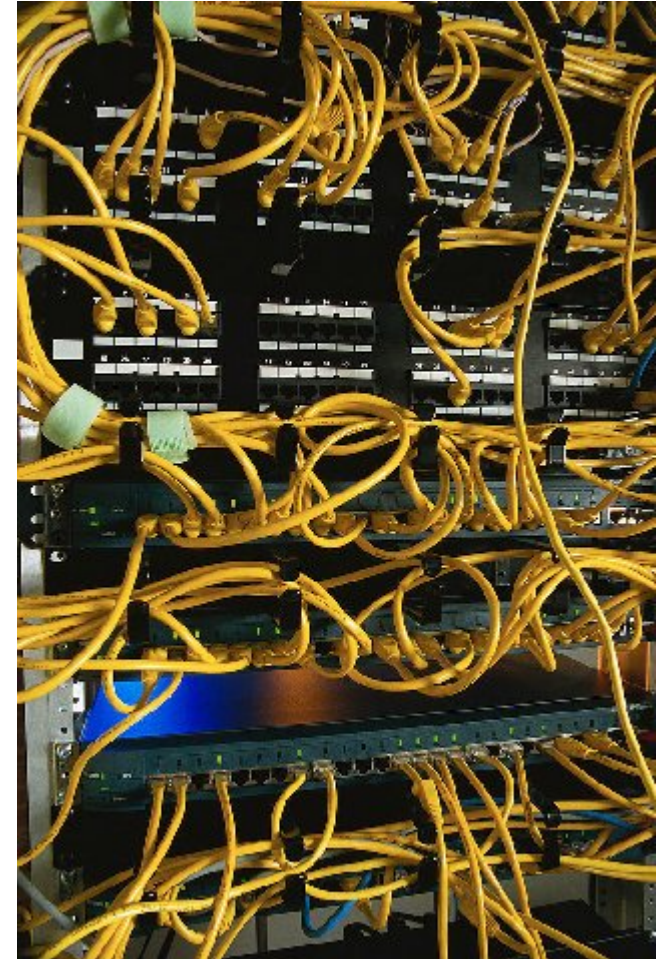
Security

- Standardize accounting rules

- Get more transparency with fair value basis

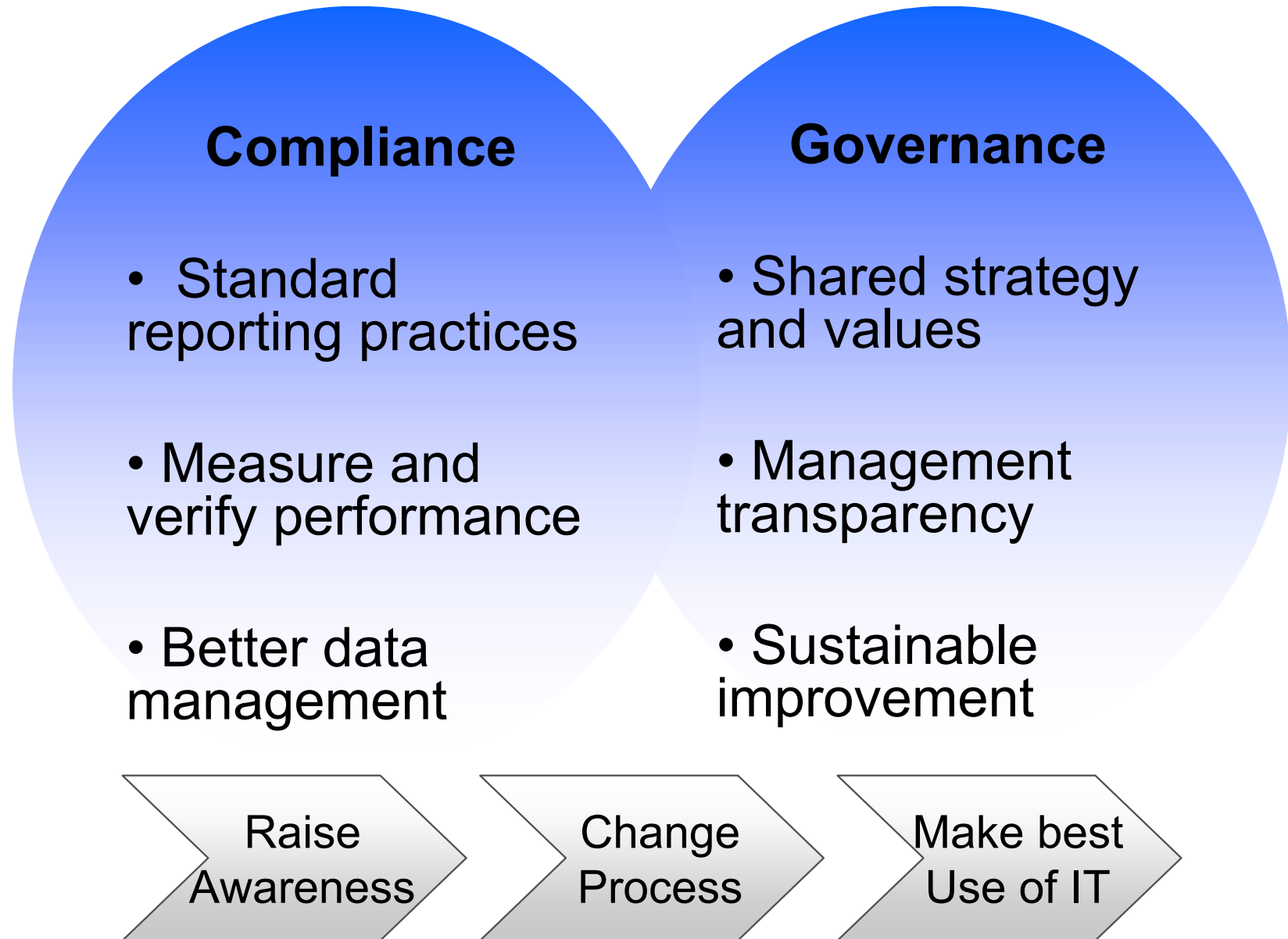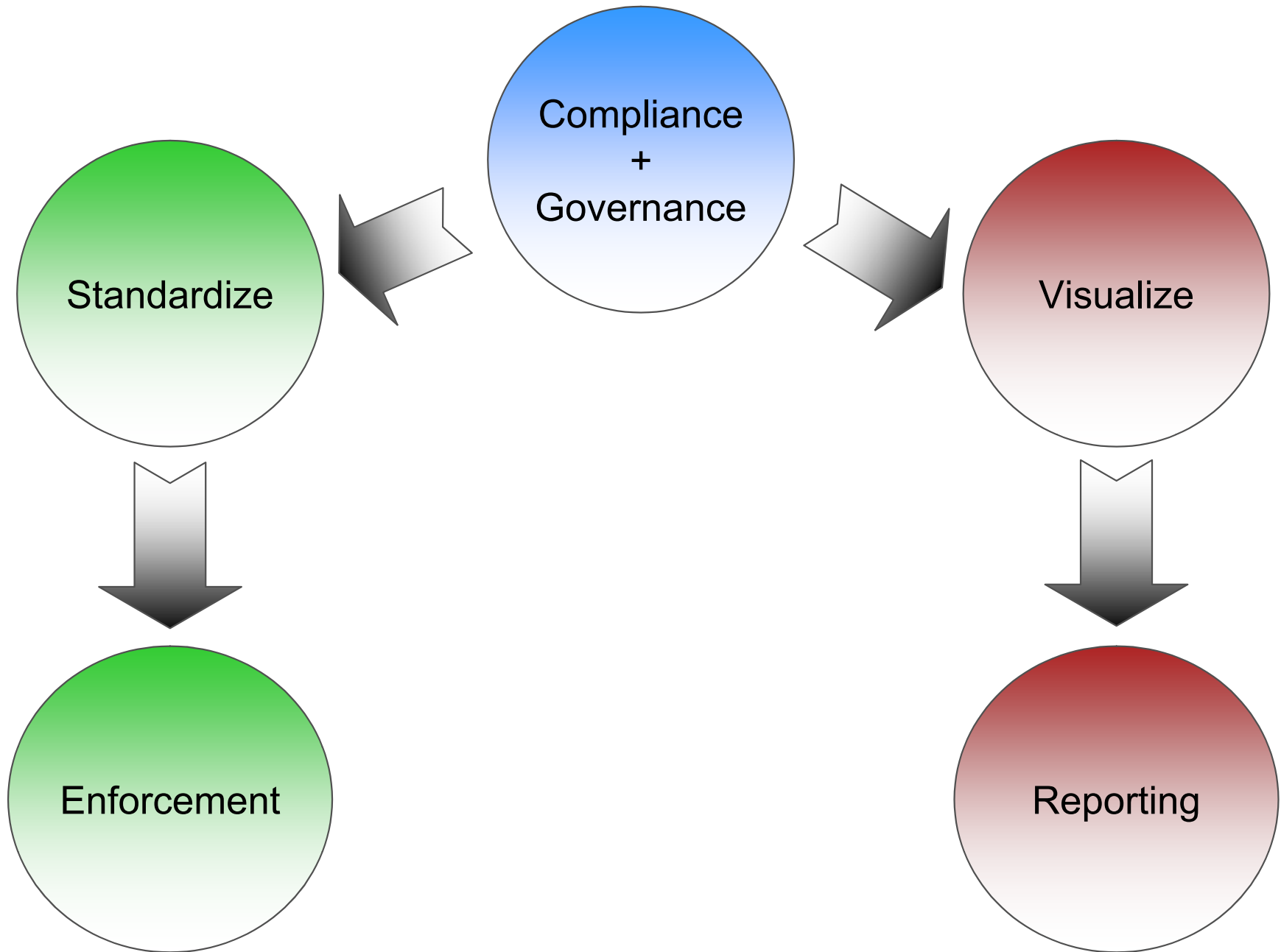- Matching principle between expenses and revenues

Case For Modernization

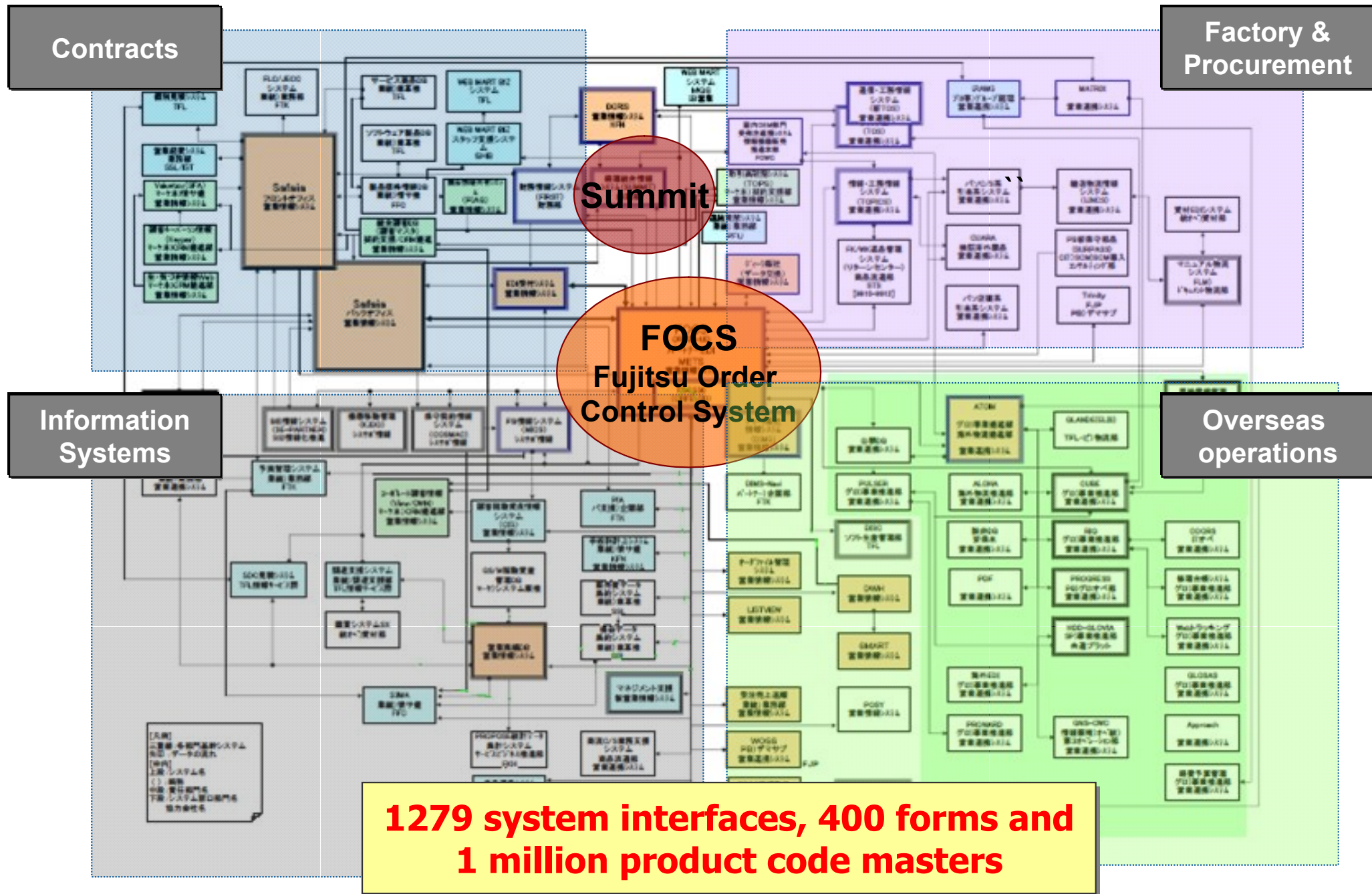# Challenges In Fujitsu's Corporate IT System

- Individually optimized systems

- The latest "Cutting-edge technologies" applied case by case

- Dispersed systems

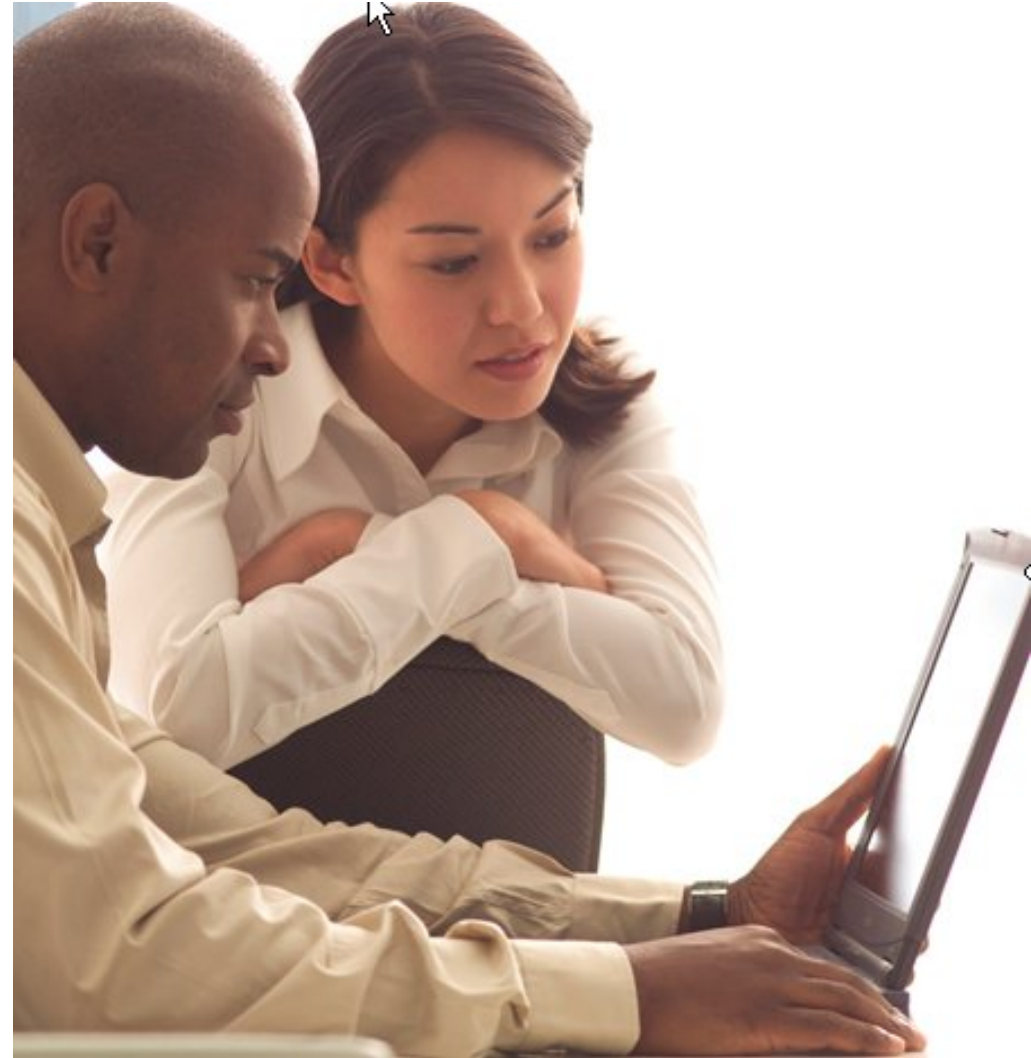- No TCO visibility

- Unknown system owners

Management Goals

Compliance

- Standard reporting practices

- Measure and verify performance

- Better data management

Governance

- Shared strategy and values

- Management transparency

- Sustainable improvement

Raise Awareness

Change Process

Make best Use of IT

Path To Success

Fujitsu's Financial System

1279 system interfaces, 400 forms and 1 million product code masters

Methodology

- Principles – interoperability, reusability, scalability etc.

- Define and thoroughly implement IT policies

- Security & disaster counter measures

- Full-scale implementation of overall IT control

- No "big-bang" approach

- Enhance IT investment

Solution Details

Team Approach

- **Leadership**
  - CFO
  - CIO

- **Functional units**
  - Corporate IT Unit
  - Financial and Accounting Division
  - Financial PKG development division
  - Software Unit
  - Common technology unit
  - In house compliance experts
  - Corporate Quality Assurance

- **Cross disciplinary teams**
  - Speak each others language?
  - Regular meetings
  - Core team member mobilizes own department

FOCS Reconstruction

Realizing a "**visible**", "**scalable**" and "**adaptive**" system

Before

- Difficult to design and maintain integrated database system
- Mix of massive application assets (ERP/PKG/bespoke)
- Difficult to rebuild system with "big-bang" approach

FOCS Reconstruction

Realizing a "**visible**", "**scalable**" and "**adaptive**" system

Before	After

- ■ Difficult to design and maintain integrated database system
- ■ Mix of massive application assets (ERP/PKG/bespoke)
- ■ Difficult to rebuild system with "big-bang" approach

- ■ Business activity recorder for data control and utilization
- ■ SOA based system development
- ■ New system development approach
  XML, XBRL technology implementation

What Is XBRL?

XBRL - e**X**tensible **B**usiness **R**eporting **L**anguage

- Family of "XML" or data tagging and markup languages to facilitate financial data interchange globally while recognizing regional jurisdictions and various industry domains

- Developed by an international non-profit consortium

- Already used in a number of business and regulatory bodies in other countries
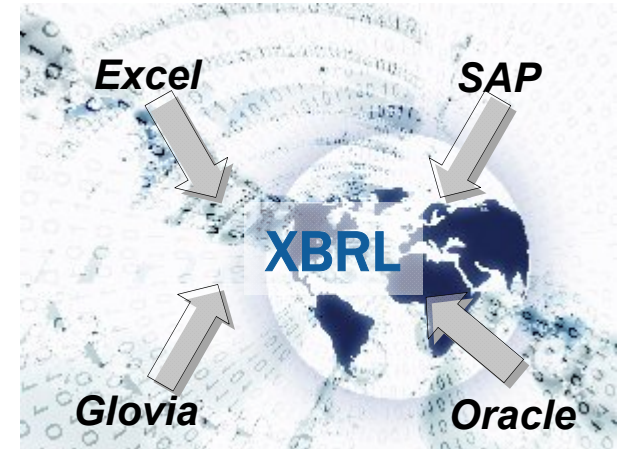
Value Of XBRL

- Greater transparency

- Improved process timelines

- Reduced accounting complexity

- Clear data comparability

- Higher quality analysis & reporting

- Easy data handling
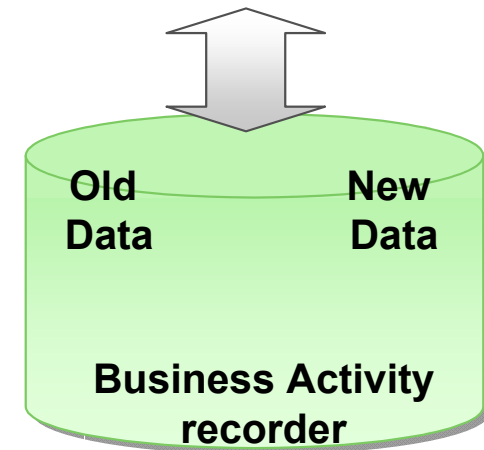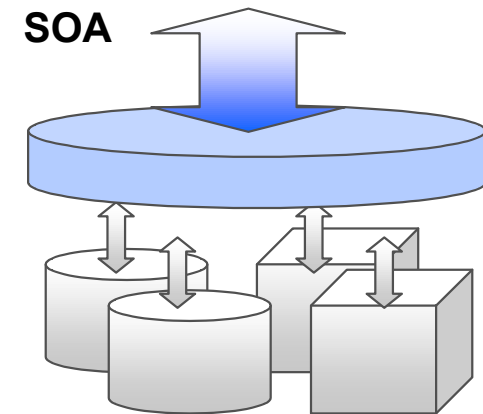
- Automation to reduce errors

XBRL Global Ledger

- **Handles financial and non-financial information**

- **Used for**
  - Data integration/consolidation
  - Interoperability between applications
  - Building and maintaining the audit trail
  - Automated report generation
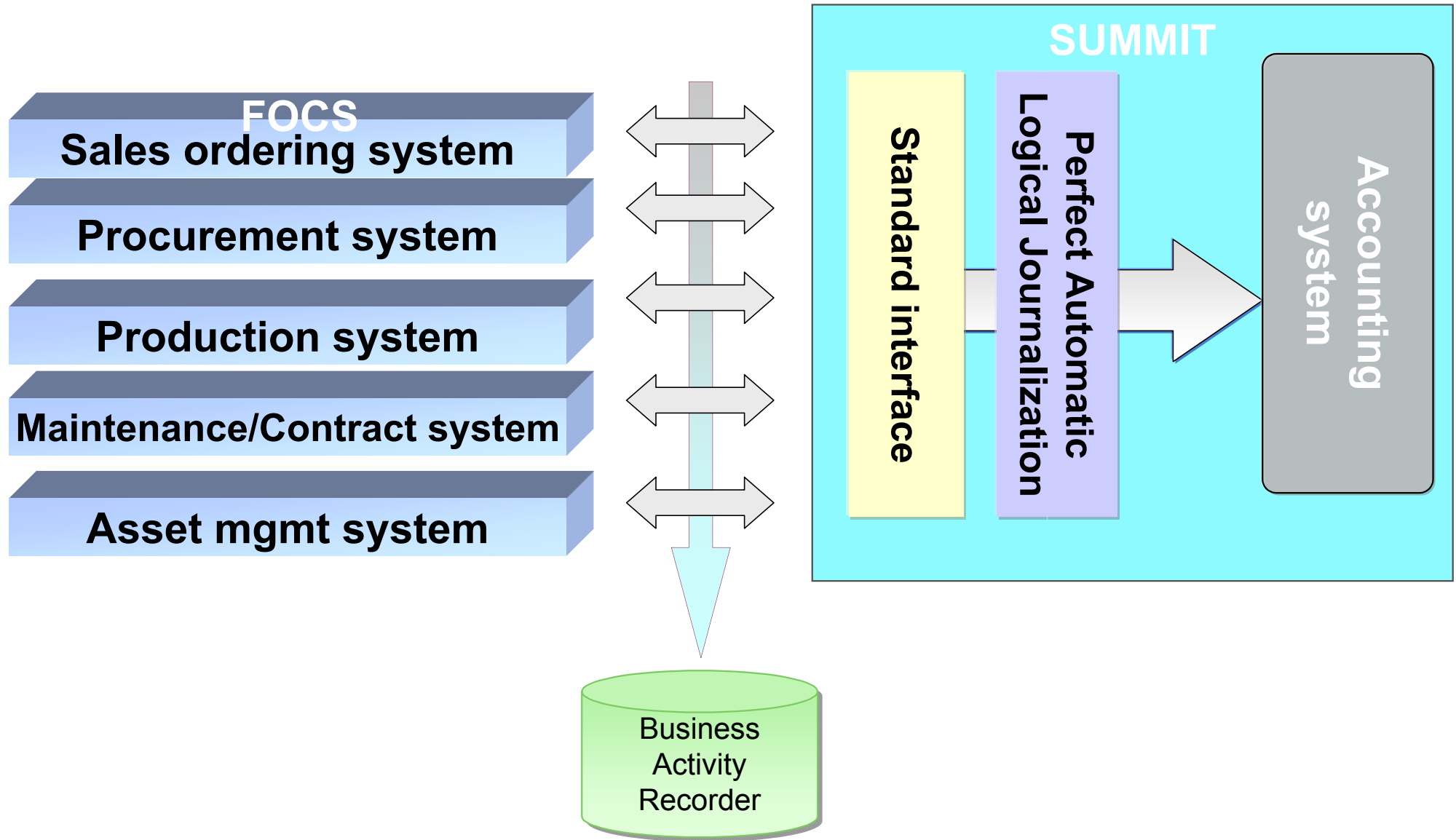 - Reconciliation between different types of end reporting

Source: XBRL consortium, www.xbrl.org

Other Core Technologies And Concepts

- ## SOA – Service oriented architecture

  - Creates composite capabilities from diverse systems

  - Promotes re-use
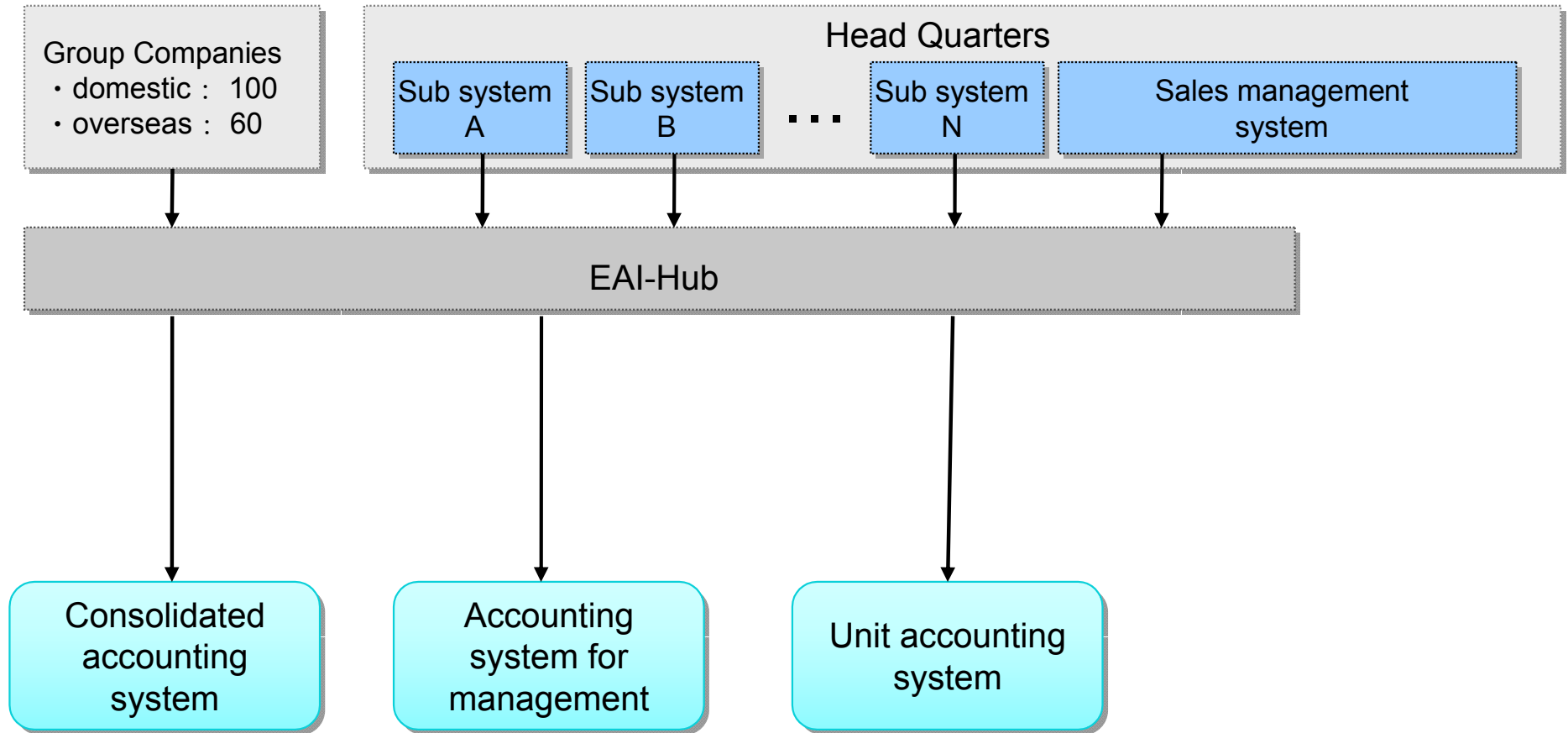
  - Keeps original IT landscape

SOA

- ## Central repository or Business activity recorder

  - Separates data from processing

  - Separated data from visualization

  - Main store to maintain audit trail

Old Data   New Data

Business Activity recorder

Design Concept For Accounting System

FUJITSU

SUMMIT

FOCS

- Sales ordering system
- Procurement system
- Production system
- Maintenance/Contract system
- Asset mgmt system

Standard interface

Perfect Automatic Logical Journalization

Accounting system

Business Activity Recorder

System Architecture

FUJITSU

Group Companies
- domestic : 100
- overseas : 60

Head Quarters

| Sub system A | Sub system B | ... | Sub system N | Sales management system |

EAI-Hub

Consolidated accounting system

Accounting system for management

Unit accounting system

System Architecture

Group Companies
・domestic ： 100
・overseas ： 60

Head Quarters

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EAI-Hub

Automatic Journalization System

migration

detail account slip

Consolidated accounting system

Accounting system for management

Unit accounting system

journal Slip

Service Bus

XBRL GL

Business Activity Recorder

In the future
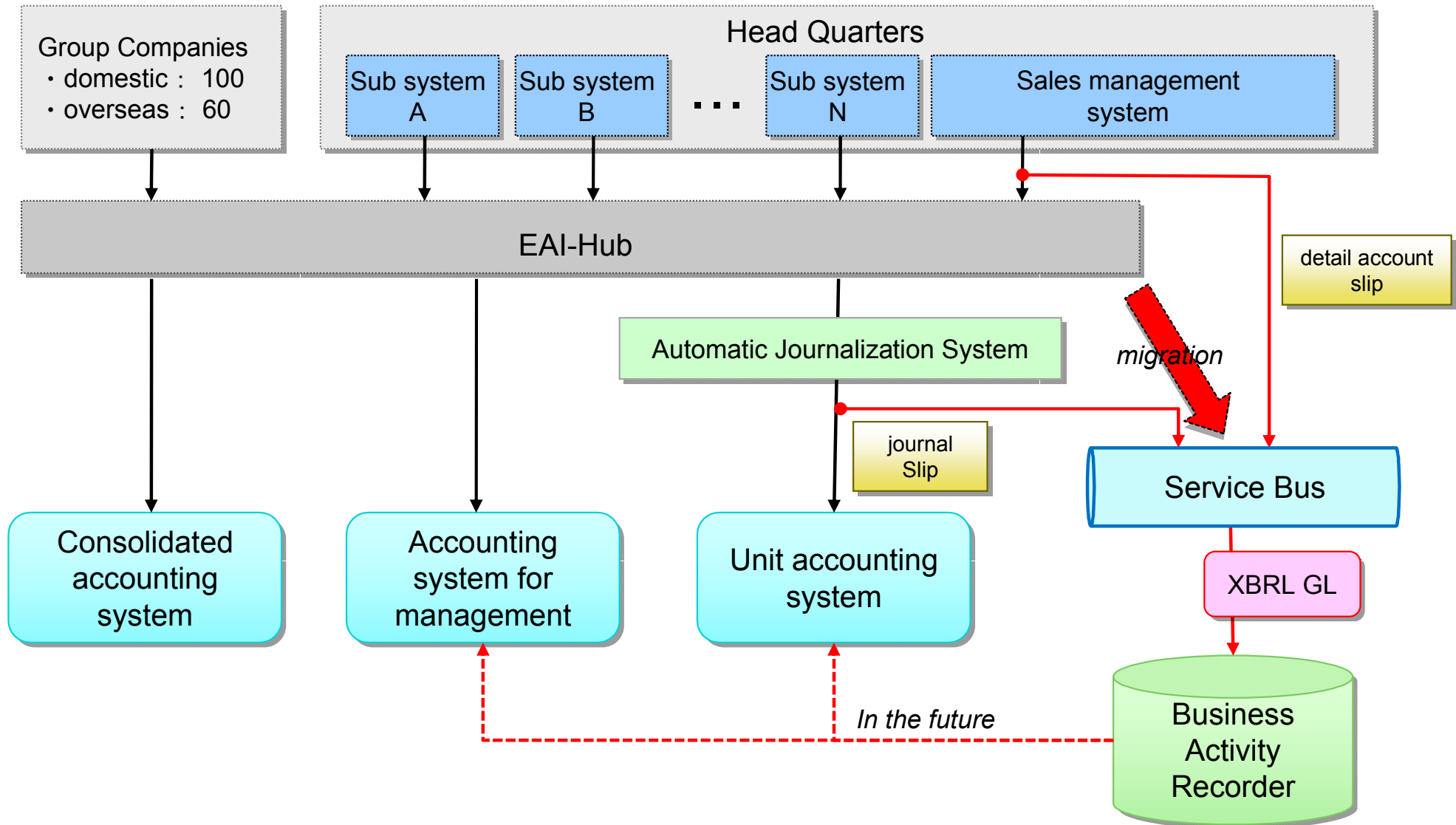
Business Process Platform
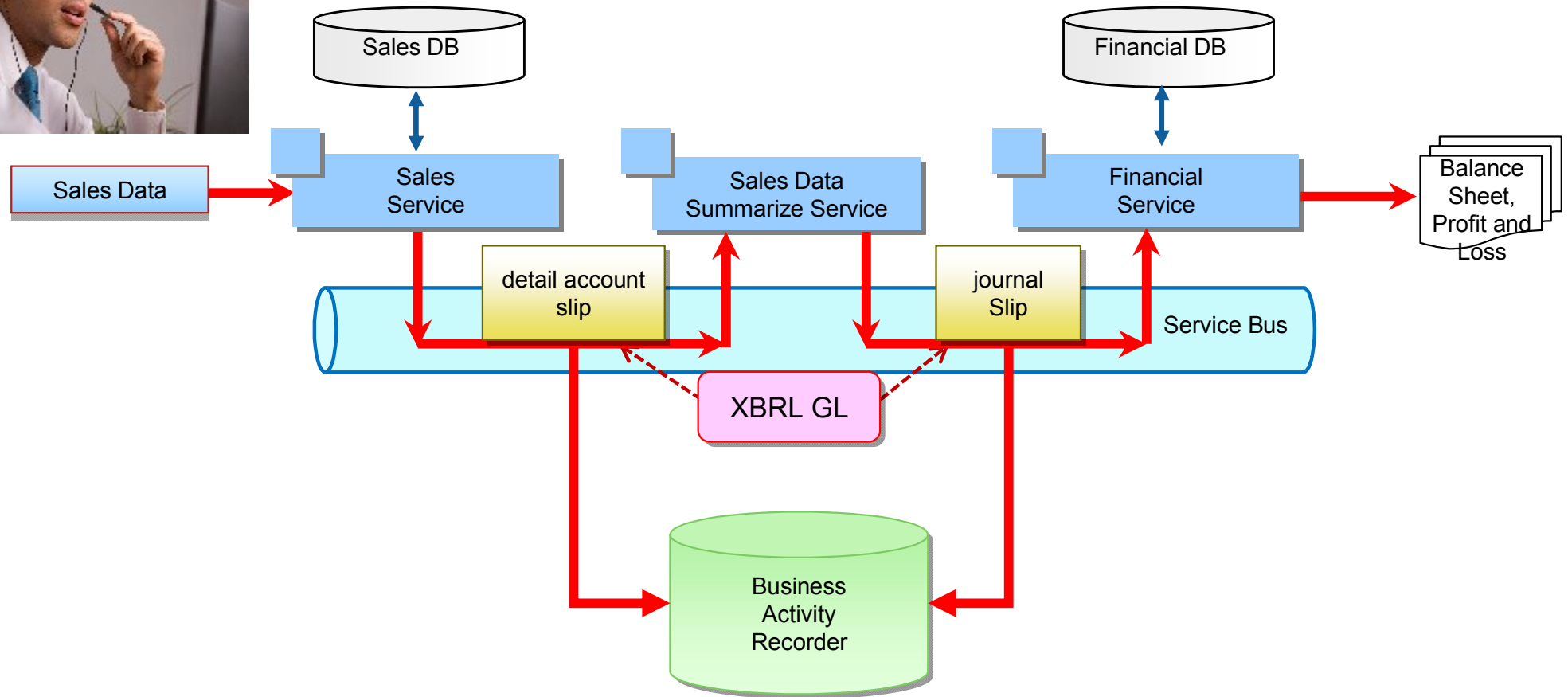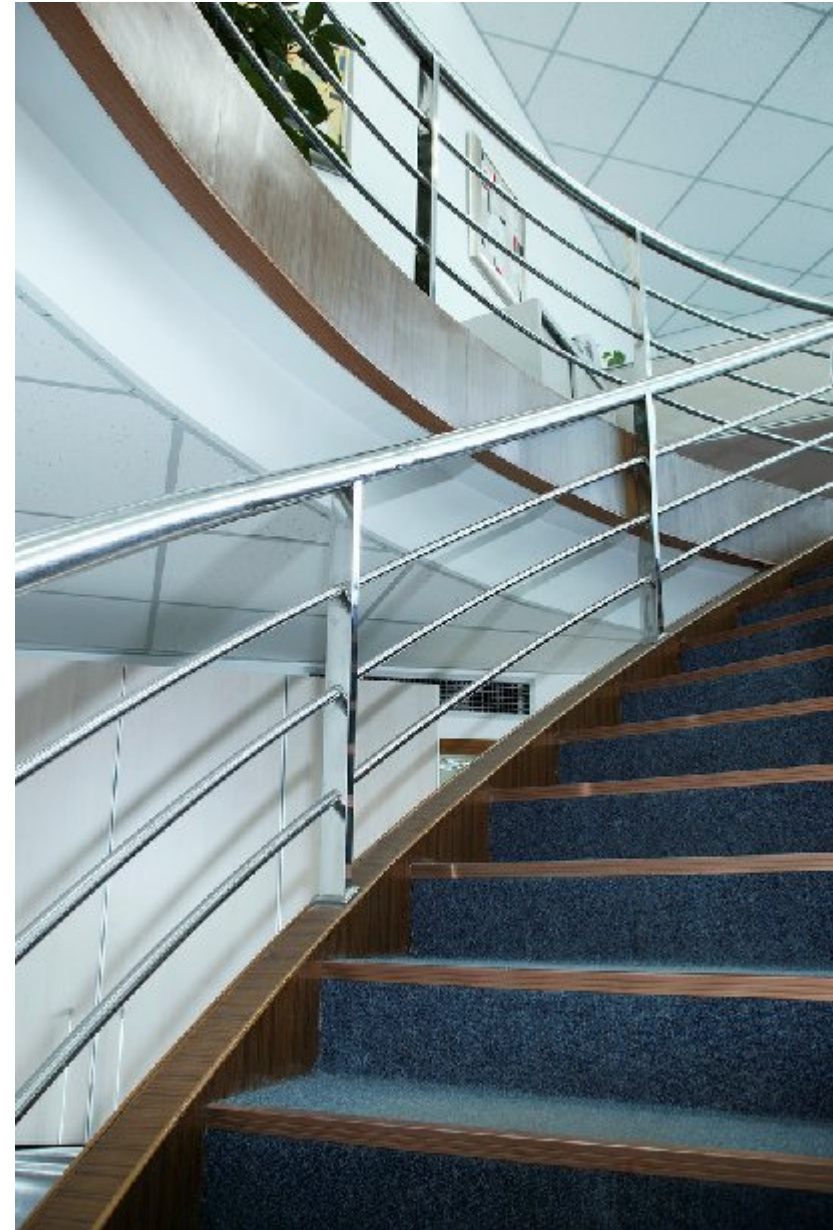
Where Are We Today?

- **System**
  - Automated processes
  - Transaction integrity verified
  - Data integrity verified
  - Old and New data co-exist

- **Users**
  - Executives – Sales data
  - Auditors – internal audit
  - Others – reports

- **Going forward**
  - Support additional systems
  - Enable individual group based access for localized maintenance

Current Benefits

Business groups

- Accounting groups drawing old and new information for audit trail
- Accessing composite data from diverse systems
- Reduction of errors because of re-usability of data
- Seamless data transition has allowed users to keep familiar user interfaces
- No disruption to operations

IT groups

- Modernized infrastructure
- Performance on par and meeting SLA

Lessons learned

- ■ Take a step by step process

- ■ IT and line of business (LOB) groups must join forces

- ■ Top down mobilization is crucial

- ■ Regular and consistent communication

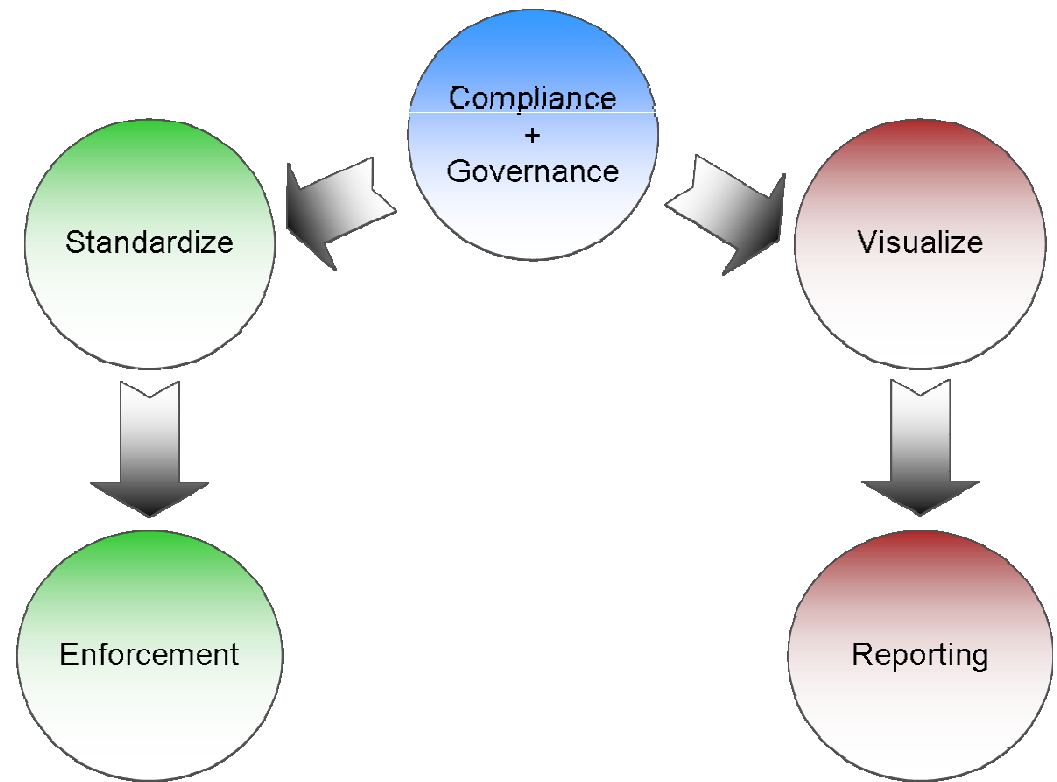- ■ Standardize the interfaces rather than trying to decide on granularity of services

Fujitsu Technologies used

- **XBRL**
  - XBRL document editing tools
  - XBRL processing engine

- **Enterprise Service Bus**
  - Translation
  - Mediation

- **SOA Registry/Repository**

- **Business Process Management**

Fujitsu's XBRL Expertise

- **Leadership in XBRL Consortium**
  - US, Spain, France, Korea and Japan
  - At large member - Intl Consortium
  - Chaired Spec WG; Member of Best Practice Board
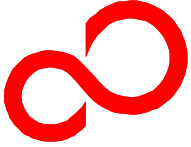
- **Leading XBRL Specification Efforts**
  - Contribution to the latest development (FRTA, FRIS, LRR, dimensions, formula, versioning and conformance suite)

- **Worldwide deployment of XBRL**
  - Participation in multiple pilot projects and taxonomy development projects all over the world
  - Offering XBRL tools for consortium (200+ downloads each month)
  - Interstage XWand used regulators, filing agents, independent software vendors and enterprises around the world

Questions & Answers

For more information, contact us at

interstage@us.fujitsu.com