THE POSSIBILITIES ARE INFINITE FUJITSU

2004 FUJITSU GROUP SUSTAINABILITY REPORT









Fujitsu Profile (as of March 31, 2004)

Company name	FUJITSU LIMITED
Address	Headquarters Shiodome City Center, 5-2 Higashi-Shimbashi 1-chome, Minato-ku, Tokyo 105-7123, JAPAN Tel. +81-3-6252-2220 Kawasaki Main office 1-1 Kamikodanaka 4-chome, Nakahara-ku, Kawasaki, Kanagawa 211-8588, JAPAN (inside Kawasaki Research & Manufacturing Facilities) Tel. +81-44-777-1111
Established	June 20, 1935

Sales	Fiscal year 2003	Consolidated ¥4,766,800 million Unconsolidated ¥2,788,500 million
Fiscal year-end	March 31	
Chief executive	Hiroaki Kurokawa, President and Representative Director (since June 24, 2003)	
Capital	¥324,600 million (as of March 31, 2004)	
Employees	Consolidated 156,169 (as of March 31, 2004) Unconsolidated 34,836 (as of March 31, 2004)	

Main Bases

The Fujitsu Group maintains many sites and plants in Japan and overseas to ensure its ability to remain an ideal partner for its customers. The Group's global business activities are configured to provide a steady supply of products and services in response to customer needs.

Main domestic sites (18 locations)

- Nationwide (18 locations)

Domestic plants (13 locations)

- R&D sites (5 locations)
  - Kawasaki Research & Manufacturing Facilities
    Main products: R&D of communications systems, information-processing systems and electronic devices, software development
  - Akiruno Technology Center
    Main products: Development, trial manufacture and production of leading-edge system LSIs
  - Minami-Tama Plant
    Main products: Personal computers, software development
  - Numazu Plant (Fujitsu University campus)
    Main products: Evaluation of computer development, software development
  - Kumagaya Plant
    Main products: Customer service for ATMs, POS devices and others, software development
- Manufacturing sites (8 locations)
  - Iwate Plant
    Main products: Logic LSIs, FRAM mixed-loading logic
  - Aizuwakamatsu Plant
    Main products: Logic LSIs
  - Oyama Plant
    Main products: Manufacture of cutting-edge optical transmission devices, business communications equipment
  - Nasu Plant
    Main products: Manufacture of mobile system equipment, cellular phones
  - Nagano Plant
    Main products: Manufacture of magnetic disk heads (HDDs)
  - Suzaka Plant
    Main products: SAW devices, optical devices and components
  - Mie Plant
    Main products: Development and manufacture of system LSIs
  - Akashi Research & Manufacturing Facilities (Akashi System Center)
    Main products: Printers

Overseas offices (6 locations)

Washington, D.C., New York, Europe (London), Hawaii, Colombia, Harare (Zimbabwe)

* All data are as of March 31, 2004.

Major operations integration

FASL Limited Liability Company established for integration of flash memory business by Fujitsu and Advanced Micro Devices, Inc.(AMD) of the United States.

- Investment ratio: Fujitsu 40%, AMD 60%
- Flash memory business division and Fujitsu Microelectronics (Malaysia) Sdn. Bhd. "post-processing plant" transferred from Fujitsu.
- Fujitsu AMD Semiconductor Ltd. transferred to the new company.

Contents of Business

The Fujitsu Group conducts an ongoing total solutions business, offering superior products and services supported by powerful (cutting-edge, high-performance, highly reliable) technologies. The Group's main products are shown in parentheses.

Software & Services

Generating new value and business opportunities

Solutions/SI

- Solutions
  CRM (GLOVIA/CRM), SCM (GLOVIA), ERP (GLOVIA/SUMMIT, GLOVIA-C, glovia.com), IT consulting, ASP
- SI (System Integration) (SDAS)

Infrastructure services

Internet data center, network services, outsourcing services, management services, middleware

Platforms

Responding to customer needs with high quality and reliability

Server-related

Servers (Mainframes: GS series PRIMEFORCE, UNIX PRIMEPOWER server, IA* PRIMERGY server), storage system (ETERNUS), other business-use printers

* Intel® Architecture

Mobile/IP networks

Mobile communication infrastructure, IP networks

Transmission systems

SONET, WDM systems (FLASHWAVE)

PCs/cellular phones

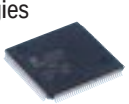
Personal computers (FMV-DESKPOWER, FMV-BIBLO, FMV-BIBLO LOOX), corporate PCs (FMV-DESKTOP, FMV-LIFEBOOK, FMV-STYLISTIC), personal digital assistants (PDAs: Pocket LOOX), cellular phones

Others

HDDs (compact magnetic disk devices)

Electronic Devices

Pursuing high performance with cutting-edge technologies



Semiconductors

Logic ICs, system memory, system LSIs, compound semiconductors

Others

PDPs, LCDs, media devices, components

* UNIX is a registered trademark of the Open Group in the United States and other countries.
* Intel is a trademark or registered trademark of Intel Corporation or its subsidiaries in the United States and other countries.
* We have abbreviated honorific terms for our customers in case study reports. The contents of case studies are as of March 2004.

Editorial Policy

[Purpose]

This *Fujitsu Group Sustainability Report* is compiled to disclose corporate information positively by describing the respective concepts and measures implemented in response to environmental, economic and social issues.

[Targets]

This report is for the benefit of various stakeholders, including customers, employees, shareholders/investors, business partners, local community residents, public administrators and NGOs/NPOs.

[Features of the fiscal 2004 edition]

- The fiscal 2004 edition gives further concrete expression to the concept of sustainable management at Fujitsu and other key items and reports on them. It also strives to enhance the reporting on these items with economic and social considerations.
- We strive to communicate the contents of the Fujitsu Group's activities and aspirations to stakeholders in an easily understandable manner by presenting the "policy," "structure/measures" and "results" for each item and by employing graphs and flow charts.
- We have initiated homepage disclosure of the contents of the data appendix at the back of this report in order to present the data in greater detail.

[Ensuring reliability]

- Efforts to ensure the reliability of this report's contents included inviting an evaluation by a third party, Shin Nihon Environmental Management and Quality Research Institute, which has submitted an independent review report. We followed the guidelines below in compiling the report:
  - Sustainability Reporting Guidelines 2002 (GRI)
    http://www.globalreporting.org/guidelines/2002/gri_2002_guidelines.pdf
  - 2003 Environmental Report Guidelines (Ministry of the Environment)
  - 2002 Environmental Performance Indicator for Businesses (Ministry of the Environment)
  - 2001 Stakeholder-conscious Environmental Reporting Guidelines (METI)
    http://www.meti.go.jp/english/report/downloadfiles/g02EnGuie.pdf

[Communication]

- We hope this report will foster two-way communication between the Fujitsu Group and society at large concerning these and related issues. Please use the questionnaire at the end of this report to provide suggestions for improving our activities.
- We plan to continue publishing this report annually, working at the same time to make it increasingly easy to read and understand.

Scope of this report

The performance data concerning environmental communication and social contribution activities are for Fujitsu and the main affiliated companies of the Fujitsu Group (194 consolidated subsidiaries worldwide). The environmental burden data are for Fujitsu and its 35 main manufacturing subsidiaries (consolidated subsidiaries with share ownership of 50% or above, including 25 domestic and 10 overseas companies). Companies whose current share ownership has fallen below 50% are included in part, however, in consideration of continuity and comparability of data.

Scope of collation

The contents of this report focus on Fujitsu's environmental activities along with some of its activities in the economic and social spheres in fiscal 2003. The data are actual measurement values. Some concepts, measures and activity data are for the period up to June 2004.

For inquiries, please contact:

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You may also contact us by using the fax questionnaire at the end of this report or visiting our environmental homepage.
http://www.fujitsu.com/about/environment/contact.html

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Planning & editing: Mitsugu Sato, General Manager, Sustainable Development Planning Division
Publisher: Sustainable Development Planning Division, Corporate Environmental Affairs Group, Fujitsu Ltd.

CONTENTS

Aiming at Sustainable Management

We are pursuing activities to realize sustainable management that fulfills our corporate social responsibilities and satisfies the expectations of all our stakeholders.

Naoyuki Akikusa
Chairman and Representative Director, Fujitsu Limited

The rapid proliferation of broadband Internet is fast realizing the ubiquitous network society permitting communication "with anyone," "anytime" and "anywhere." At the same time, corporate scandals and vigorous NGO and NPO activities are raising awareness of corporate social responsibility (CSR).

Pledged to contributing to sustainable growth of society

The Fujitsu Group views fulfillment of its corporate social responsibility as a management strategy of primary significance. Focusing on the three spheres of the economy, environment and society, and committed to contributing to sustainable social growth, we will strive for sustainable management firmly rooted in our core business as an IT company.

We are fostering growth of the ubiquitous network society through efforts in the areas of national and local e-government and telemedicine systems, for example. Other efforts are aimed at enhancing information security and at promoting universal design and accessibility to make products and services easy for anyone to use.

We are also working to improve our communications with people outside our organization through activities aimed at promoting science and education, international exchange, and cultural and art activities; creating jobs; accumulating assets and services; and supporting social welfare. These activities are contributing significantly to establishing a close, sustaining relationship with society and the local community.

Pursuing growth as a good corporate citizen based on "The FUJITSU Way"

The Fujitsu Group has developed "The FUJITSU Way," a statement providing guidance for fulfilling its social responsibility. We are following the five guidelines and code of conduct for business operations it establishes to ensure the continued growth of the Fujitsu Group as a good corporate citizen of the international community.

To achieve sustainable management, we must earn the confidence of society. Accountability to society is a vital part of this. Backed by a firm commitment from top management, the Fujitsu Group is pursuing information disclosure by issuing this environmental management report.

In this and many other ways, we are striving continually to fulfill the expectations of our stakeholders, customers and society.

We are expediting further sophistication and globalization of our environmental activities under our new Environmental Protection Program.

Masamichi Ogura
Director, Fujitsu Limited

From fiscal 2001 through 2003, the Fujitsu Group implemented the Fujitsu Environmental Protection Program (Stage III) based on The Fujitsu Group Environmental Policy, earning extensive acclaim for its efforts.

Positive results achieved through various new efforts in fiscal 2003

In fiscal 2003, the final year of the Environmental Protection Program (Stage III), we conducted environmental activities in every area of business, expanding the scope of our Environmental Management System and integrating it into our software services and sales divisions in addition to our manufacturing and administration divisions, which had introduced it previously. Primary activities included adopting Green Process activities at our manufacturing sites to reduce the environmental burden during production while cutting costs. On the development and design fronts, we succeeded in making all newly developed products eco-

Positioning the environment as a key management challenge, we pursue environmental efforts drawing on the strengths of every Group company and employee.

Hiroaki Kurokawa
President and Representative Director, Fujitsu Limited

Since its founding, the Fujitsu Group has consistently striven to conduct business activities in harmony with nature and society. Our environmental activities based on this philosophy have evolved continuously in step with the times and needs of society.

Conducting environmental activities in every business field, and applying IT extensively to make environmental contributions throughout society

The Fujitsu Group has traditionally positioned the environment as a key management challenge, pursuing continuous efforts guided by the slogan "We make every activity green." We are now implementing the Fujitsu Group Environmental Protection Program (Stage IV), which sets targets for fiscal years 2004 to 2006.

For this stage we have expanded the scope of the program to encompass every area of Fujitsu Group business operations. Our purpose is to promote a closer collaborative relationship with stakeholders by implementing environmental activities in all our business segments.

By putting advanced IT technology developed for the Group's wide-ranging IT products and services to use in creating an ubiquitous network society, we seek to provide customer convenience, while contributing to reducing the environmental burden imposed by society as a whole. Contributions include reduction of CO_2 emissions resulting from the use of public or private transportation and conservation of paper resources by electronicizing various paper forms. We are advancing these efforts primarily through SCM (supply chain management) activities.

Participation by individual employees in voluntary activities for harmonious coexistence with nature

Our environmental activities do not stop at corporate business operations. We endeavor to raise each individual employee's "environmental mentality" by providing opportunities to participate informally in environmental education and volunteer activities. We conduct ongoing overseas reforestation projects, for example, to conserve nature and raise employees' environmental awareness. Again in fiscal 2003, employee volunteers are engaged in a project in Malaysia designed to boost environmental awareness in the future, when the reforested area is to become an eco forest park dedicated to environmental education and eco tourism.

We also promote environmental conservation and education activities in cooperation with local residents, NGOs, NPOs and other stakeholders. All Fujitsu Group employees share a resolve to combine forces to promote environmental activities.

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friendly Green Products as well as reaching our green procurement target ratio for parts.

The software services business has established a system for quantitative evaluation of the environmental burden following the adoption of IT solutions. Any solution that produces an environmental burden reduction effect (in terms of CO_2 equivalent) exceeding a specified level is designated a "solution contributing to customers' environmental activities" and proposed to customers.

Introducing the Environmental Protection Program (Stage IV), formulated from a global perspective

Despite the many impressive achievements recorded in fiscal 2003, some targets remained unmet. We intend to investigate and analyze the factors responsible for these shortfalls and to develop new mechanisms to attain the targets. We are also embarking on the Fujitsu Group Environmental Protection Program (Stage IV) in fiscal 2004 aimed at advancing our environmental activities further.

Stage IV embraces the three concepts of establishing sustainable management based on EMS, implementing Group governance and providing customer-oriented Green Products and environmental solutions.

As part of ongoing efforts to create systems to enable Group member companies worldwide to join forces in achieving targets, we will introduce ISO14001-based EMS at our domestic Group companies in fiscal 2004 and extend it to Group companies overseas in fiscal 2005. We will also continue working to develop Super Green Products, expand the scope of our environmental solutions and eliminate use of specified hazardous substances from our products.

We would greatly appreciate your comments concerning the environmental activities we are implementing from a new perspective.

Activity Highlights and External Evaluation

A part of the Fujitsu Group's efforts toward sustainability in fiscal 2003 is introduced below.

Efforts in the economic sphere

Initial fiscal year targets largely achieved.

P.11

The Fujitsu Group achieved most of its initial fiscal year business performance targets by the close of the fiscal year ended March 31, 2004. We continue to purse sustainable development to fulfill our promise to our customers.

Demonstration through environmental accounting

Green Process effect

P.23

The benefits of our industry-first "Green Process Activities" involving reexamination of the input volumes of resources and energy for our manufacturing lines were demonstrated through environmental accounting.

Efforts in the environmental sphere

Japan's maximum-scale

ISO company-wide integrated certification acquired.

P.21

Fujitsu acquired Japan's maximum-scale ISO14001 integrated certification at all sites in March 2004. We are continuing efforts aimed at establishing the Environmental Management System throughout the Group as a whole.

1st in Japan for PCs

EcoLeaf environmental label

P.29

EcoLeaf environmental labels are granted to products that display the environmental burden imposed by the product, including the CO_2 emission volume, quantitatively throughout the product life cycle. Fujitsu became the first company in Japan to acquire the label for PCs in 2003.

Green Product promotion

100% achievement

P.26

We achieved our target of making all newly developed products eco-friendly Green Products in 2003. We are now working to develop Super Green Products with top-level environmental characteristics.

For software services

Environmental influence assessment method developed.

P.43

We developed a method for evaluating "environmental contribution effects" quantitatively in terms of the CO_2 reduction rate before and after the introduction of IT solutions.

PC リサイクル

Home-use PC's

Collection and recycling initiated.

P.41

We started collection and recycling of post-use Fujitsu home PCs on October 1, 2003. We have collected and recycled 16,710 post-use PCs as of March 2004.

Efforts in the social sphere

Protecting Malaysia's greenery

Overseas forestation

P.53

We have conducted forestation activities in Thailand, Vietnam and Malaysia since fiscal 1998. We opened "Eco Forest Park" in Malaysia in 2002 and are planting 40,000 trees on an approximately 70 ha area in accordance with a three-year plan. Fujitsu Group employee volunteers conducted tree planting in January 2004.

At individual branches and offices

Reinforcement of local community contribution activities

P.53

Positive communication with the local community and voluntary activities were reinforced further by every plant and site. We are fulfilling the role of a good corporate citizen of society.

Easy access for everyone

Good Design Award for homepage

P.49

Developed in 34 countries and regions worldwide, our homepage featuring universal design to allow anyone easy access was honored with the 2003 Good Design Award. Fujitsu's homepage was also awarded 1st place in *Nikkei Personal Computing*'s "Corporate Site Usability Ranking."

Recognition by external organizations

Member of Dow Jones Sustainability Indexes

Dow Jones Sustainability Indexes

5 years as a "leading sustainability company"

Its various environmental preservation activities have earned the Fujitsu Group designation as a "leading sustainability company" for five consecutive years in the Dow Jones Sustainability Indexes,* which cover 2,500 companies in 34 countries worldwide.

* Dow Jones Sustainability Indexes: Dow Jones & Company, Inc., of the United States evaluates world-class corporations as an index for measuring companies' development possibilities. The Indexes have been published annually since 1999.

FTSE4Good Index Series

"FTSE Group is delighted to confirm that Fujitsu has been independently assessed according to the FTSE4Good criteria, and as of March 2004 has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the independent financial index company FTSE Group, FTSE4Good is a financial index series that is designed to identify companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series are doing more to manage their social, ethical and environmental impacts, and are better positioned to capitalize on the benefits of responsible business practice."

FTSE Indexes (UK)

"FTSE4Good Global Index" certification

We were integrated into the "FSTE4Good Global Index" in the FTSE Indexes of FTSE International Limited of the UK. The Fujitsu Group's activities in pursuit of responsible corporate operation from the economic and social perspectives as well as from the environmental standpoint were evaluated. We were also designated a top Japanese corporation in the CSR rankings compiled by the Japanese edition of *Newsweek* based on this index.

Environmental management ratings

Positive evaluations in Japan, too

The Fujitsu Group was accorded a 9th-place rating in the 7th Environmental Management Survey by Nihon Keizai Shimbun, Inc. We were also granted an A (single A) environmental rating by the Tohmatsu Evaluation and Certification Organization.

Environmental Report Awards

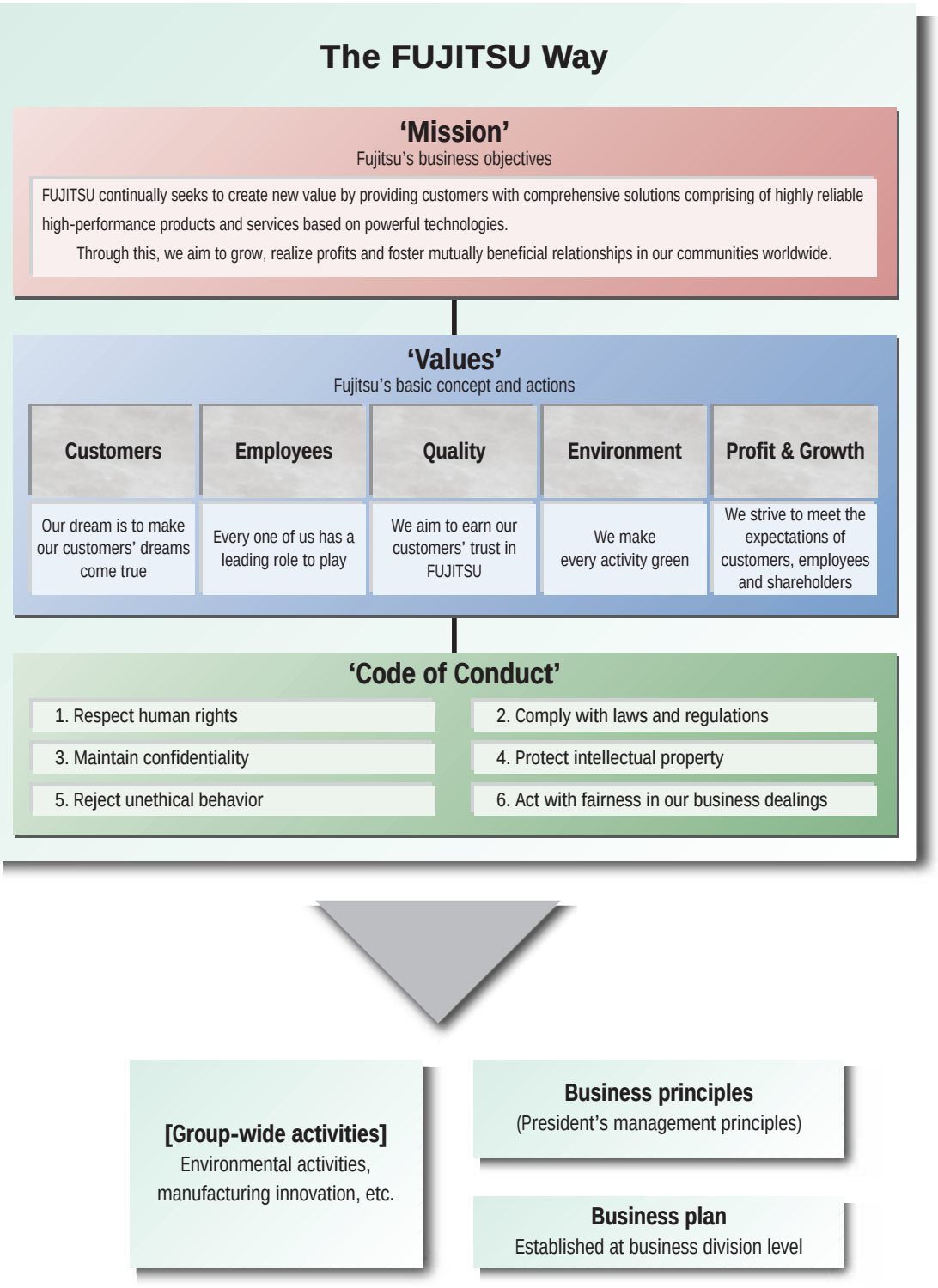
Excellent Award received.

The *2003 Fujitsu Group Sustainability Report* was honored with an Excellent Award in the 7th Environmental Report Awards sponsored by the Global Environmental Forum and National Association for Promotion of Environmental Conservation. We are continuing our efforts to produce easily understandable sustainability reports.

The FUJITSU Way

The Fujitsu Group has established rules for meeting its social responsibilities, which every employee is striving to implement in daily operations.

Fiscal 2002 saw the introduction of "The FUJITSU Way," a statement communicating a shared awareness of proper actions as a corporation and as employees formulated to ensure that FUJITSU continues to develop as a genuinely international corporate group. This statement replaced the former "Fujitsu Corporate Action Guidelines."
"The FUJITSU Way" presents the common concept of values that serve as the action standards for individual employees' business execution. It thus positions the common concept of values as the driving force behind our corporate strategy, placing a priority on social responsibility, which inspires many companywide activities, business policies and plans.



Fujitsu Sustainability Concept

We pursue sustainable management to fulfill our corporate responsibility in the three spheres of economy, environment and society as the most important issue for the Fujitsu Group.

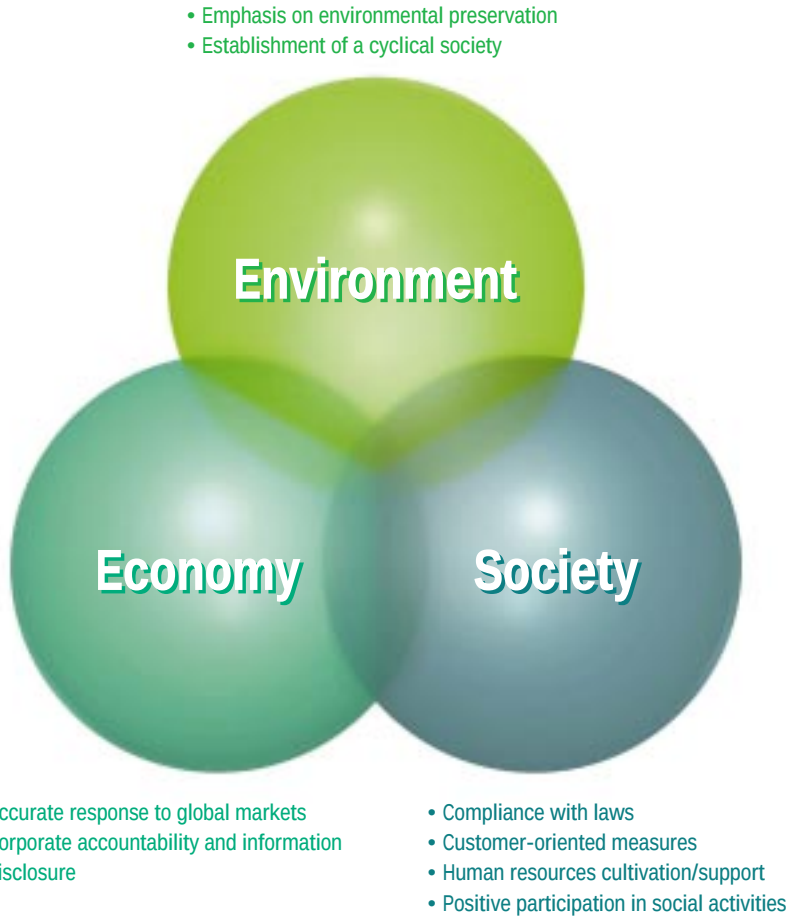
Sustainable management contributing to a sustainable society in three spheres

The Fujitsu Group is striving to achieve "sustainable management" as the most important issue for fulfilling its corporate social responsibility, with the aim of realizing a better society.

For the Fujitsu Group, "sustainable management" means contributing to the creation of a better society by creating value in a sustainable manner through our activities, products and services and through continuous development, now and into the future. To this end, we must pursue balanced efforts in three spheres, not limited to corporate growth and economic contributions but also encompassing environmental considerations, environmental burden reduction and responsible actions for a diversified society.

To realize this type of sustainability, the Fujitsu Group believes it must play an important role as a leading IT corporation offering innovative technology-based products, services and solutions in consideration of the three spheres of economy, environment and society.

We also consider it essential to conduct positive contribution activities aimed at achieving harmonious coexistence with our community and society, while fulfilling our social responsibilities as a good corporate citizen.



Cooperating with a wide range of stakeholders for realization of a better society

The Fujitsu Group takes advantage of various opportunities to communicate with many stakeholders. We are striving to build good relationships with a diversified range of stakeholders, including customers, shareholders and investors, business partners, local administrators and community residents, NGOs and NPOs, and employees. Our goal is to realize a better society with our stakeholders by inviting and considering their expectations and requests from every perspective.

Fujitsu Sustainability Concept

The Fujitsu Group's basic policy for sustainable management

The Fujitsu Group contributes to society positively through its business, in addition to fulfilling its corporate responsibilities from the two perspectives of business activities and corporate citizenship.

Basic policy	Important items

Economy

We are growing as a leader of the IT industry, which provides the basis for the networking society.

- We strive positively for corporate accountability and information disclosure.
- We respond accurately to the global market and conduct business fairly.
- We secure and return fair profits.

- Vision and strategy P.10
- Corporate governance P.10
- Brand P.11
- Economic responsibility P.11
- Accountability and information disclosure P.3 P.11

Environment

We contribute to the future of the global environment, aiming at a sustainable society.

- We make efforts to prioritize environmental preservation throughout our entire business operations. We stress environmental considerations especially in products, services and solutions.
- We contribute to the establishment of a cyclical society through the application of IT.

- Environmental Management System P.21 P.23
- Environmental communication P.57 P.61
- Environmental performance P.31 ~ P.39
- Environmental risk management P.56
- Environmental considerations in products/ services P.25 P.26 P.41 P.43 P.45

Society

We promote symbiotic activities with the local community and society from the perspectives of both business activities and corporate citizenship.

- We offer customer-oriented products, services and solutions.
- We make efforts toward compliance.
- We strive for human resources cultivation and support.
- We participate positively in social activities.
- We envision a society in which IT is easy to use for everyone.

- Customer-oriented activities P.48
- Contribution through business P.49
- Compliance P.55
- Risk management P.10 P.55
- Employee satisfaction P.59 P.63
- Communication P.48
- Social contribution P.51

Sustainable management structure

The Fujitsu Group responds accurately to the three spheres of economy, environment and society in accordance with the business contents of each division. We are striving to realize sustainable management throughout all our business operations.

Economic Report

Advancing the pursuit of management transparency and efficiency to establish ourselves as a genuine global corporation that will grow with customers and society

Business vision

Fujitsu is in the business of providing total solutions comprising top-quality products and services based on leading-edge technologies offering superlative performance and reliability. Our goal is to help our customers grow and contribute to the development of society.
Fujitsu places high value on the environment as well as on quality and customer and employee satisfaction. We believe that the simultaneous pursuit of all of these values will enable Fujitsu to grow, and, in doing so, we can benefit our stakeholders, including customers, employees, shareholders, suppliers, business partners and community members. Fujitsu strives for sustainable development by seeking to offer higher value while maintaining accountability to its stakeholders.

Corporate governance

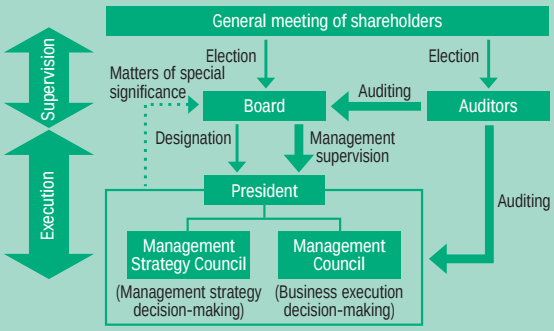
Our basic stance on corporate governance

Fujitsu believes that ensuring the transparency and effectiveness of corporate management for shareholders and other stakeholders is essential for good corporate governance. In order to do so, we utilize outside directors and separate management oversight and operational execution functions. We believe that clear separation of these two functions helps to ensure management transparency and efficiency.

Management organization regarding business decisions, operational execution and oversight

Fujitsu's Board of Directors carries out a management oversight function, supervising the execution functions of the Management Strategy Council and the Management Council under its authority.
As an executive organ, the Management Strategy Council discusses and decides upon fundamental policies and strategy regarding business management. The Management Council makes decisions on important matters regarding operational execution. The Board of Directors makes decisions on items of particular importance on the agendas of the two councils. Statutory auditors carry out an auditing function, reviewing the Board of Directors as well as operational execution functions.

Structure of Fujitsu's business execution and supervision



Risk management

The Risk Management Committee monitors on an ongoing basis the variety of risks to which the company is exposed and develops strategies to mitigate them. The Committee reports serious risk-related issues to the Management Council and to the Board of Directors so that countermeasures can be thoroughly considered. Through these and other measures, we have been working to strengthen the risk management structure for the entire Fujitsu Group.

Efforts in the Economic Sphere

Aiming to be a “strong company” for our customers, employees and shareholders

[General overview of fiscal 2003 and administrative policies for fiscal 2004]

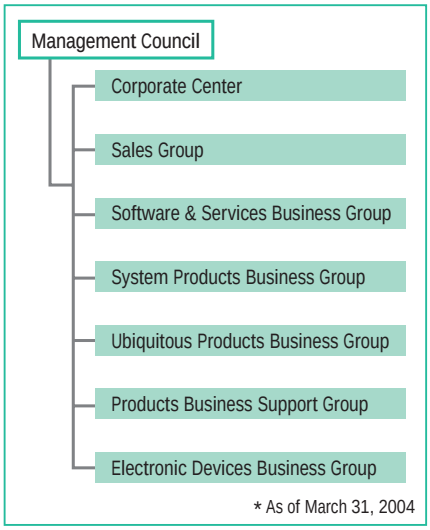
We strove to establish a firm basis for “customer-orientation,” “adherence to delivery date and quality” and “speediness” among all employees up to the executive level to make Fujitsu an “energetic and healthy company” in fiscal 2003.
To achieve these aims, we concentrated on the immediate administrative tasks of improving profitability, restoring financial soundness and conducting continuous reform of our operating structure, and were largely successful in achieving our initial fiscal-year profit targets as a result.
In fiscal 2004, we are pursuing four goals to become a “strong company” that can secure steady, profitable growth, demonstrate leadership in products and technology and cultivate excellence in human resources and management:

1. Strengthen our existing businesses
2. Create and cultivate new businesses
3. Reform our organization and approach
4. Reform our management systems

Organization

Business group system benefiting from integrated strengths

Intent on pursuing “organic management” drawing on our integrated strengths, we have introduced a business group system emphasizing mobility and mutual collaboration among the various groups. We pursue further synergy while ensuring flexible resources allocation within the individual business groups. We also reorganized the conventional Platform Business Group and Independent Business into new three groups in fiscal 2003 in order to enhance the competitiveness of our product businesses to respond to future market needs, accelerating our business speed and reinforcing our manufacturing measures (quality improvement/compliance with development completion schedule, etc.). “Platform” was changed to “Products” in the name.
In fiscal 2004, we are striving to renovate the Fujitsu Group’s overall structure, including realization of an organization closer to customers.



* As of March 31, 2004

The FUJITSU brand

■ Symbol mark

FUJITSU

■ Corporate message

THE POSSIBILITIES ARE INFINITE

We have established a department exclusively to conduct activities for brand reinforcement, including a “global brand project,” to ensure proper recognition of our brand throughout the global marketplace and reinforce the competitive strength of our corporate group.

This expresses in compressed form the “goals FUJITSU is pursuing” as a “promise” in concert with all its stakeholders. It communicates the idea that “FUJITSU mobilizes all its available resources in pursuit of ‘infinite possibilities’ with customers worldwide, and offers optimal products and solutions as a leading company in the ubiquitous networking society.”

Results

We achieved the profit targets set at the beginning of the fiscal year.
Fiscal 2003 profit targets (consolidated)

- Sales: 4,800,000 million yen
- Operating profit: 150,000 million yen
- Current net profit: 30,000 million yen

■Primary financial data

(Unit: 100 million yen)

	Fiscal 1998	Fiscal 1999	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003
Sales (consolidated)	52,429	52,551	54,844	50,069	46,175	47,668
Sales (unconsolidated)	31,911	32,512	33,822	30,344	26,950	27,885
Operating profit (loss) (consolidated)	1,322	1,499	2,440	(744)	1,004	1,503
Operating profit (loss) (unconsolidated)	398	538	1,002	(546)	218	329
Current net profit (loss) (consolidated)	(136)	427	85	(3,825)	(1,220)	497
Current net profit (loss) (unconsolidated)	(215)	136	466	(2,651)	(1,750)	170

(Unit: 100 million yen)

	Fiscal 1998	Fiscal 1999	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003
Research and development expenditures (consolidated)	3,950	4,010	4,034	3,498	2,857	2,509
Research and development expenditures (unconsolidated)	3,294	3,390	3,287	2,837	2,255	1,974
Capital investment (consolidated)	2,888	3,257	4,380	3,069	1,476	1,597
Capital investment (unconsolidated)	1,005	1,157	1,364	754	510	700

(Unit: 100 million yen)

	Fiscal 1998	Fiscal 1999	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003
Total assets (consolidated)	50,256	50,197	52,000	45,958	42,253	38,655
Total assets (unconsolidated)	35,513	33,804	34,439	31,785	29,262	30,229
Shareholders' equity (consolidated)	10,786	11,765	12,143	8,537	7,023	8,271
Shareholders' equity (unconsolidated)	10,707	11,600	12,242	9,596	7,711	9,346

* The scope of consolidated financial data is based on financial accounting standards and thus differs from the collation scope of Fujitsu Group environmental accounting (pages 23-24).
* For detailed financial data, please refer to our annual report and other materials at the following ULR:

http://www.fujitsu.com/about/ir/annualrep/

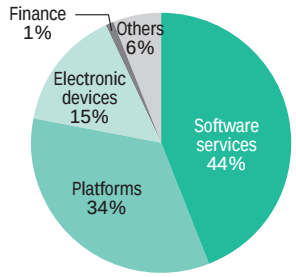
■Segment information by business type (sales to external customers) (Unit: 100 million yen)

	Consolidated sales
Software services	20,942
Platforms	16,081
Electronic devices	7,343
Finance	503
Others	2,797
Total	47,668

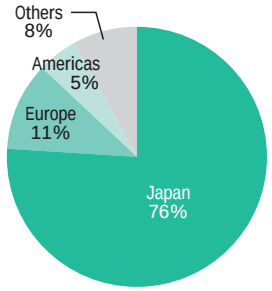
■Segment information by location (sales to external customers) (Unit: 100 million yen)

	Consolidated sales
Japan	36,056
Europe	5,445
Americas	2,544
Others	3,621
Total	47,668

■Fiscal 2003 consolidated sales (segment information by business type)



■Fiscal 2003 consolidated sales (segment information by location)



Environmental accounting (summary) Reference

■Transitions in costs/benefits (Unit: 100 million yen)

		Fiscal 2001	Fiscal 2002	Fiscal 2003
Fujitsu	Costs	77	79	79
	Benefits	123	88	103
Affiliated companies	Costs	110	110	111
	Benefits	120	122	136
Total	Costs	187	189	190
	Benefits	243	210	239

■Breakdown of benefits (Unit: 100 million yen)

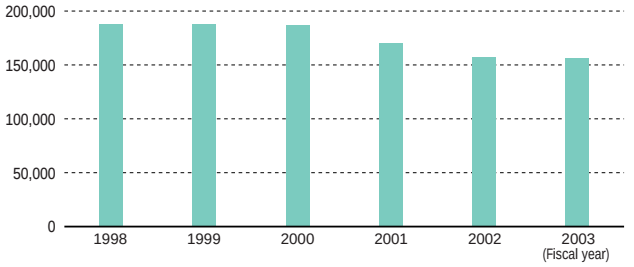
	Fiscal 2001	Fiscal 2002	Fiscal 2003
Actual benefits	78	91	108
Estimated benefits	165	119	131
Total	243	210	239

Transitions in number of employees

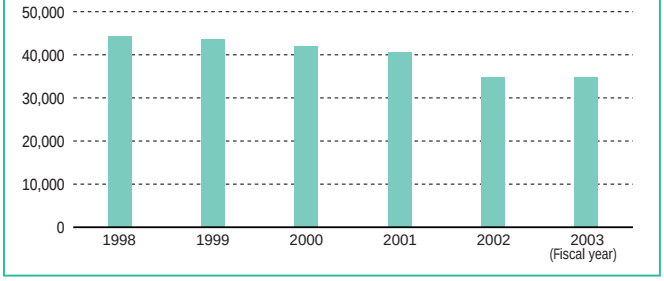
■Transitions in number of employees (Unit: Persons)

	Fiscal 1998	Fiscal 1999	Fiscal 2000	Fiscal 2001	Fiscal 2002	Fiscal 2003
Employees (consolidated)	188,139	188,053	187,399	170,111	157,044	156,169
Employees (unconsolidated)	44,191	43,627	42,010	40,483	34,690	34,836

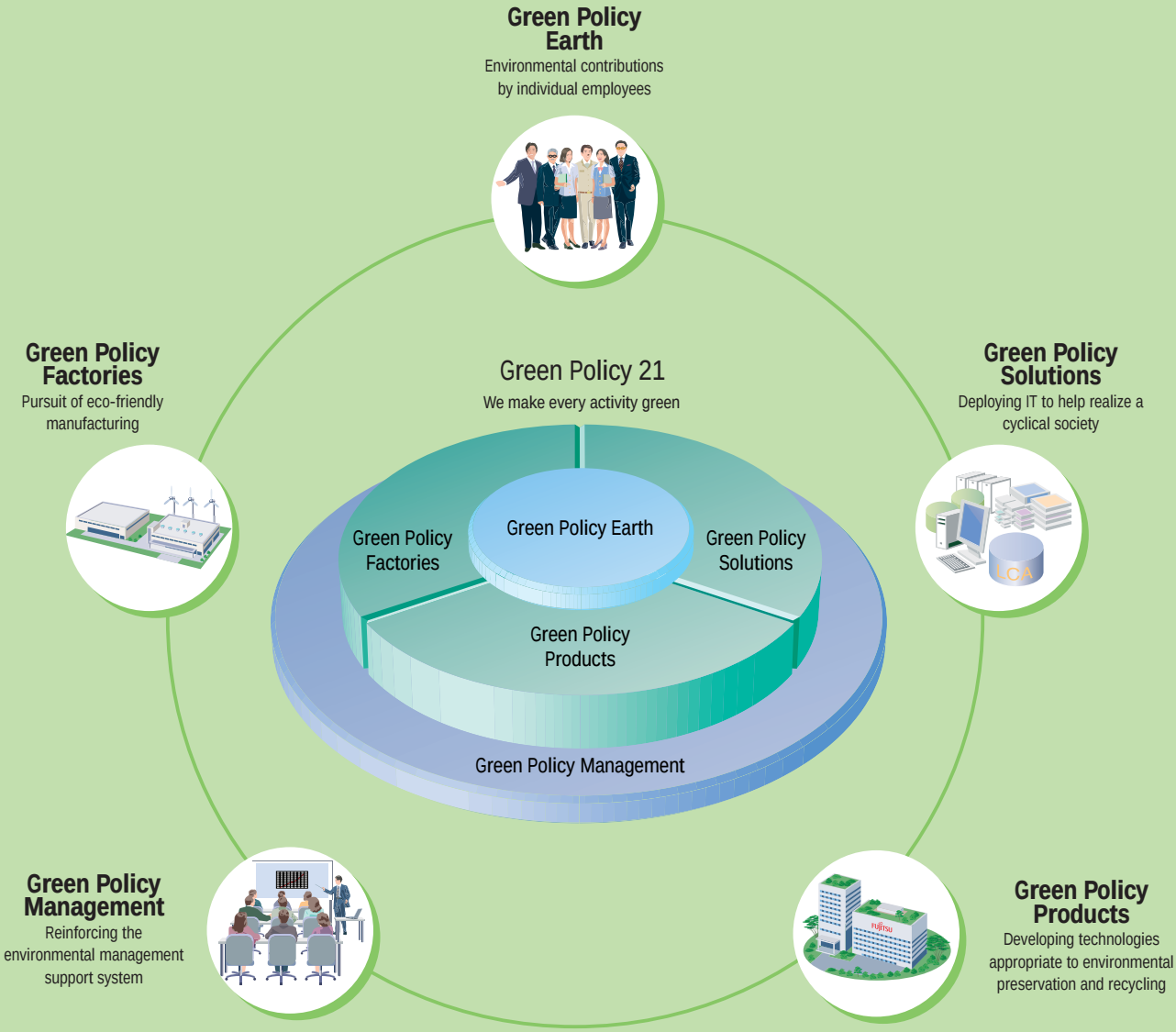
■Employees (consolidated) (Unit: Persons)



■Employees (unconsolidated) (Unit: Persons)



The Fujitsu Group's "Green Policy 21" environmental activity concept. Pursuing compatibility between business development and contribution to the global environmental.



We pursue environmental activities aimed at realizing a sustainable society in every sphere of business based on "The FUJITSU Way" and "Fujitsu Group Environmental Policy." To advance these activities with greater intensity, we have developed "Green Policy 21 — We make every activity green," an enhancement of our "Green Life 21" concept, to coincide with the introduction in fiscal 2004 of the Fujitsu Group Environmental Protection Program (Stage IV). We are reinforcing our environmental activities throughout the Fujitsu Group in accordance with this concept and working to achieve broad penetration of our environmental activities among our customers and society.

For details: **http://www.fujitsu.com/about/environment/policy/greenpolicy21.html**

Fujitsu Group Environmental Policy
Environmental Promotional Organization

We draw on the Group's integrated strengths to promote environmental activities according to an environmental policy based on "The FUJITSU Way."

Fujitsu Group Environmental Policy

October 2002

Philosophy

The Fujitsu Group recognizes that environmental protection is a vitally important business issue. By utilizing our technological expertise in the IT industry and our creative talents, we seek to contribute to the promotion of sustainable development. In addition, while observing all environmental regulations in our business operations, we are actively pursuing environmental protection activities on our own initiative. Through our individual and collective actions, we will continuously strive to safeguard a rich natural environment for future generations.

Principles

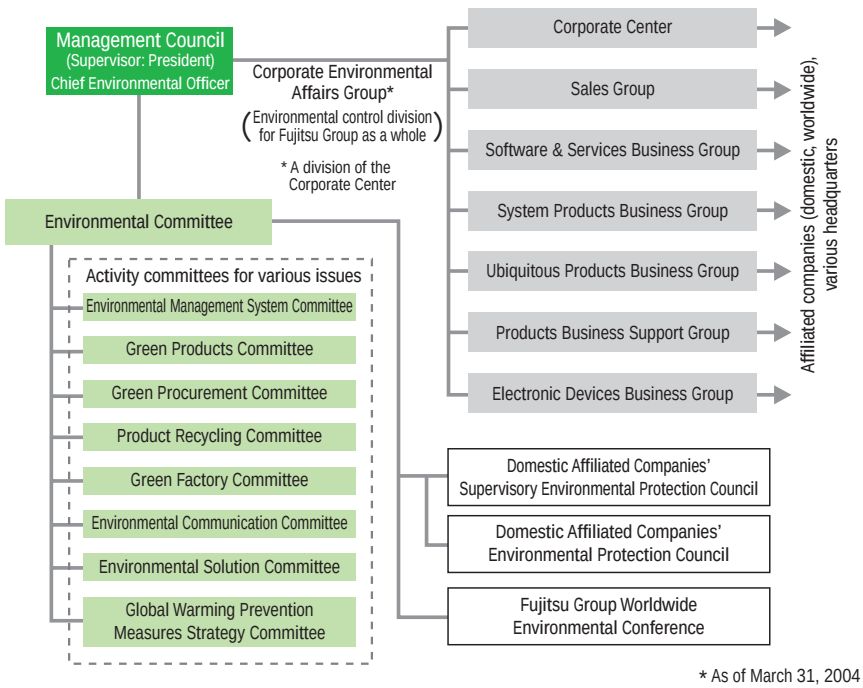
- We strive to reduce the environmental impact of our products throughout the product life cycle.
- We are committed to conserving energy and natural resources, and practice a 3R approach (reduce, reuse, recycle) to create best-of-breed eco-friendly products.
- We seek to reduce risks to human health and the environment from the use of harmful chemical substances or waste.
- Through our IT products and solutions, we help customers reduce the environmental impact of their activities and improve environmental efficiency.
- We disclose environment-related information on our business activities, products and services, and we utilize the resulting feedback to critique ourselves in order to further improve our environmental programs.
- We encourage our employees to work to improve the environment, bearing in mind the impact of their business activities and their civic responsibilities.

President
CEO & COO
Fujitsu Limited

* The president's signature is that of the president in office when the "Fujitsu Group Environmental Policy".

Environmental promotional organizations

We have formed promotional organizations in conformity with the business group system to facilitate faster responses to directives from top management and to various other circumstances. To ensure environmental management corresponding to the reformation of our corporate structure, we established the Environmental Committee to supervise the activity committees responsible for various issues and to promote ongoing efforts to strengthen environmental activities contributing to the sustainable development of society.

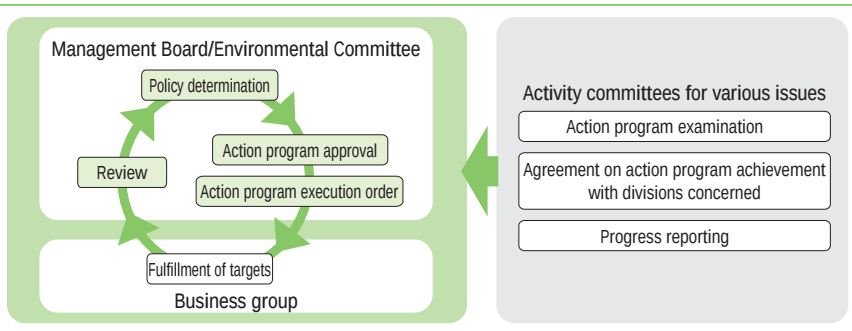


* As of March 31, 2004

Integrated group efforts

The Domestic Affiliated Companies' Environmental Protection Council holds meetings of 35 companies, primarily consolidated manufacturing subsidiaries in Japan, to promote cooperation in environmental activities within the Fujitsu Group. Participants have discussed the progress of the Fujitsu Environmental Protection Program (Stage III) and the constitution of the Fujitsu Group Environmental Protection Program (Stage IV). (2 meetings in fiscal 2003, 22 total)

Action implementation flow



Fujitsu Environmental Protection Program (Stage III)

Reducing the environmental burden in every business sphere through the efforts of every employee based on clearly defined goals.

The Fujitsu Environmental Protection Program implements the principles expressed in the "Fujitsu Group Environmental Policy" throughout the Fujitsu Group. In Stage III, which set targets for fiscal 2001 to fiscal 2003, our efforts to make every product a Green Product, purchase eco-friendly materials and parts, recycle used products, reduce energy consumption and reduce waste achieved gratifying results. All the Group personnel are continuing these efforts. We will continue working in Stage IV to accomplish goals that were not perfectly met in Stage III by analyzing and investigating the causes and introducing new measures. Please see the relevant items for details concerning individual results.

Targets and Results of Fujitsu Environmental Protection Program (Stage III)

Fujitsu Group (Fujitsu and its consolidated subsidiaries/affiliates)

Items		Fujitsu Group targets	Result (fiscal year 2003)	Evaluation
Green Products	Product Development	All newly developed products to be "Green Products" by the end of fiscal 2003	Green Products accounted for 100% of newly developed products.	◎
	Lead-free Solder	Abolishment of lead solder from products manufactured by Fujitsu Group must be achieved by the end of fiscal 2003.	Lead-free solder employed in 80.7% of products manufactured by Fujitsu Japan.	△
Green Procurement*1		Percentage of green materials and parts for products to be 99% or more of procurement money by the end of fiscal 2003	Procurement ratio of 99.6% achieved for materials and parts for products.	◎
Product Recycling		Recycle system for collected waste products to be established by the end of fiscal 2003	Recycle system for collected post-use products established May 2003.	◎ ★
Energy-saving Measures against Global Warming		Sales-based energy (electricity, oil and gas) consumption per unit to be cut 25% by the end of fiscal 2003 based on fiscal 1990 results	Energy consumption (electricity, oil and gas) per unit of sales reduced by 28.6% based on fiscal 1990 results.	◎
Zero-Emissions		Waste to be cut 60% by the end of fiscal 2003 based on fiscal 1998 results	Waste disposal volume reduced to 3,302 tons, an 89% reduction based on fiscal 1998 results.	◎ ★
Reduction of Chemical Release		Release of main chemicals to be cut 30% by the end of fiscal 2003 based on fiscal 1998 results	Main chemical emissions reduced by 90.7% based on fiscal 1998 results.	◎ ★

Fujitsu (unconsolidated)

Items		Fujitsu targets	Result (fiscal year 2003)	Evaluation
Green Products	Product Development	All newly developed products to be "Green Products" by the end of fiscal 2002*	Green Products accounted for 100% of newly developed products.	—
	Lead-free Solder	Abolishment of lead solder from products manufactured by Fujitsu Japan must be achieved by the end of December 2002*	Activities integrated into Fujitsu Group targets in fiscal 2003.	—
Green Procurement		Materials and parts for products: Percentage of green materials and parts for products to be 99% or more of procurement money by the end of fiscal 2002*	Percentage of green materials and parts procured for products raised to 99.7%.	—
		Office supplies: 100% of procured office supplies to be Green Products certified by public corporation or organization by the end of fiscal 2002*	97.4% green office supplies achieved.	—
Product Recycling		Reuse and recycling rate for collected waste products to be 90% by the end of fiscal 2003	Reuse and recycling rate for collected post-use products raised to 86.6%.	○
Energy-saving Measures against Global Warming		Sales-based energy (electricity, oil and gas) consumption per unit to be cut 40% by the end of fiscal 2003 based on fiscal 1990 results	Energy consumption (electricity, oil and gas) per unit of sales reduced 35% based on fiscal 1990 results.	△
Zero-Emissions		Zero-emissions to be achieved by the end of fiscal 2003	Zero-emissions of waste disposal achieved by the end of fiscal 2002.	◎ ★
Reduction of Release of Chemicals		Release of main chemicals to be cut 30% by the end of fiscal 2003 based on fiscal 1998 results	Release of main chemicals reduced by 89.7% based on fiscal 1998 results.	◎ ★

Evaluation: ◎: Achieved ≧ 100% ○: Achieved ≧ 90% △: Achieved ≧ 80% ×: Achieved < 80% ★: Achieved ahead of plan

* Because these targets were scheduled for achievement in fiscal 2002, we treated them as internal targets in our fiscal 2003 activities. We presented the results at the end of fiscal 2003, however, in the same way as other items.

*1 See definition on page 67.

Fujitsu Group Environmental Protection Program (Stage IV)

From environmental management to sustainable management. We target environmental activities that contribute more to our customers and society.

Concept of the Fujitsu Group Environmental Protection Program (Stage IV)

(1) Establishment of sustainable management based on environmental management

(2) Establishment of group governance

(3) Provision of the green product and Eco-efficiency solution in a Customer-Centric Way

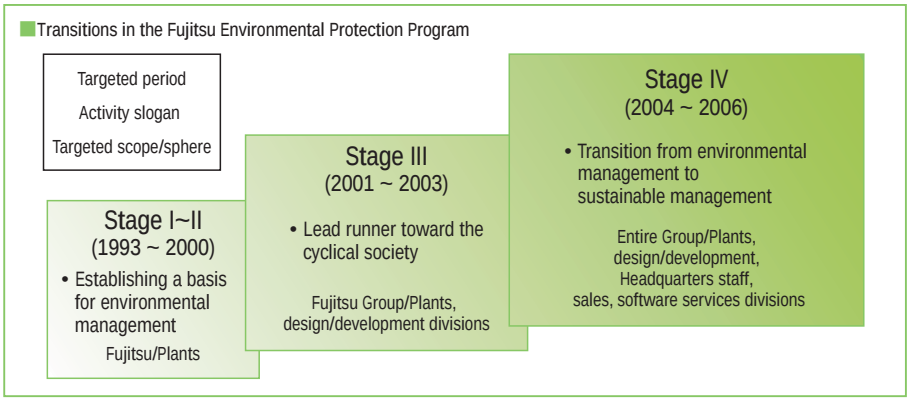
The newly formulated Fujitsu Group Environmental Protection Program (Stage IV) implemented in fiscal 2004 focuses on activities employing cutting-edge IT and environmental technologies to contribute to customers and society in every business sphere founded on three concepts:

Scope

All the domains of the Fujitsu Group (Headquarters staff, sales, software services, development/manufacturing)

Targeted period

Fiscal 2004 ~ 2006 (3 years)



Fujitsu Group Action Targets

We unified our action targets for the Fujitsu Group to extend them to every sphere of Fujitsu Group operations.

Items	Targets*
Strengthening the environmental management	All the Group's affiliates and subsidiaries to establish their own frameworks of environmental management, which are based on the environmental management system (EMS), by the end of fiscal 2005.
Green procurement	To increase the rate of procurement from the suppliers who establish the environmental management system (EMS) up to 100% by the end of fiscal 2006.
Environmental measures of products	All the departments to produce their own super green products furnished with top environmental elements by the end of fiscal 2006.
	All Fujitsu-brand products to be made free of specified hazardous substances by the Group by the end of fiscal 2005.
Products Recycling	To establish the recycling system in Europe by the end of fiscal 2004, and in North America, Asia by the end of fiscal 2006.
	To increase the reuse and recycling rate of collected end-of life products in Japan up to 90% by the end of fiscal 2006.
	To increase the utilizing rate in Fujitsu Group in Japan of collected waste plastics up to 20% by the end of fiscal 2006.
Environmentally conscious solutions	To provide "Environmentally conscious solutions" which reduce customers' environmental burden from all areas of software and service businesses by the end of fiscal 2006.
Global warming countermeasures	**Aim at increasing the environmental efficiency throughout lifecycles.** • To reduce the carbon dioxide emission resulted from energy consumption down to or below its actual emission of fiscal 1990 by the end of fiscal 2010. (To reduce the actual emission of fiscal 2000 by 15% by the end of fiscal 2006.) • To reduce greenhouse gases other than carbon dioxide by 10% from their actual emission of fiscal 1995 by the end of fiscal 2010. • To contribute to the reduction of greenhouse gases by efficient physical distribution, product recycling, development of energy saving products.
Promotion of green factory	To reduce the discharge of chemical substances those are subject to the Pollutant Release and Transfer Register (PRTR) by 15% from their actual discharge of fiscal 2001 by the end of fiscal 2006.
	To reduce the amount of waste generation by 3% from its actual amount of fiscal 2003 by the end of fiscal 2006.

* Details concerning individual targets are explained in each relevant item.

Business Operations and Environmental Burden

We are numerically assessing the environmental burden our operations place on the environment throughout the product life cycle.

Various Fujitsu Group products that are integrated into contemporary life and business impose an environmental burden in various stages, from development and design to collection and reuse. By acquiring a full picture of the environmental burden in numerical terms and implementing various eco-friendly measures at every stage from the dual perspectives of the product life cycle and supply chain, we are contributing to reduction of the environmental burden imposed by our operations as well as by our customers and society at large. Our basic approach to business is to offer higher value-added products and services while continuing these efforts.

Calculation methods

Manufacturing

- Chemical substances: Volume of PRTR Law target chemicals handled by plants/sites in fiscal 2003
- Raw materials: Volume used in major products shipped in fiscal 2003 and the CO_2 volume discharged from resource mining to raw material stage (Per-product raw material volume x Number shipped in fiscal 2003)
  * Major products: Personal computers, cellular phones, servers, scanners, printers, magnetic optical discs, small magnetic discs, disc arrays, financial terminal products, distribution terminal products, IP network products, electronic devices
- Energy: Electricity, oil and gas consumed by plants/sites in fiscal 2003
- Water: Volume used by plants/sites in fiscal 2003

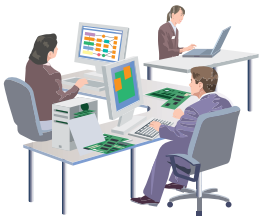
IN

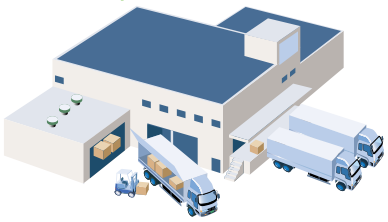
Chemical substances	
	3,033 tons

Water	
	29,131,626 m^3

Raw materials	
Metal	35,611 tons
Plastic	6,291 tons
Glass	6,228 tons
Others (PCB units, semiconductors, etc.)	8,895 tons
CO_2 discharge	776,775 tons-CO_2

Energy	
Electricity purchased	2,016,872 MWh
Heavy oil, kerosene	146,612 kℓ
LPG, LNG	9,623 tons
Natural gas, city gas	19,235,000 m^3
District heating and cooling	40,055 GJ
Total	26,810,000 GJ





Development/Design Stages

Developing Green Products based on product environmental assessments considering both energy efficiency during use and post-use recyclability.

Procurement Stage

Selecting product parts and materials with an eye to minimizing the environmental burden.

Manufacturing Stage

Conducting energy-saving activities to minimize use of materials, energy and water resources, zero-emission activities to achieve zero landfill disposal and simple incineration and activities to reduce chemical emissions.

OUT

Chemical substances	
	68 tons

Atmospheric release	
CO_2	1,291,607 tons-CO_2
SOx	588 tons
NOx	805 tons

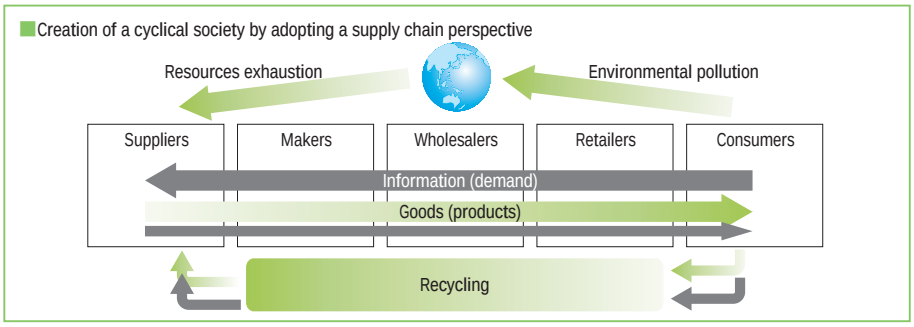
Water discharge	
	25,312,418 m^3
BOD	279 tons
COD	404 tons

Waste	
Volume of waste generated	50,713 tons
Volume of thermal recycling	10,130 tons
Volume of material recycling	36,448 tons
Volume of waste disposal	4,135 tons

Calculation methods

Manufacturing

- Manufacturing: Chemical substances: Measuring the concentrations of PRTR Law target chemicals discharged through plants' drains and exhaust ports in fiscal 2003 and multiplying the total volume discharged (nickel compounds, manganese compounds, etc.) or total volume emitted (xylene, toluene, etc.), or calculating based on the chemical substance balance (xylene and toluene).
- Atmospheric release: CO_2: CO_2 discharge volume associated with energy consumption by plants/sites in fiscal 2003 (Energy consumption x CO_2 conversion factor)
  NOx, SOx: Calculated from emissions/concentrations from vents (boilers, etc.) by plants/offices in fiscal 2003
- Water discharge: Wastewater volume discharged by plants/sites into sewerage or rivers in fiscal 2003
  BOD: A measure of the emission volume of organic pollution of water discharged by businesses employing the volume of oxygen consumed when organic matter in water is resolved by microbe activity
  COD: A measure of the emission volume of organic pollution of water discharged by businesses employing the volume of oxygen consumed when organic matter in water is resolved chemically by oxidizers
- Waste: Volume of waste generated: The volume of waste disposal by plants/sites in fiscal 2003
  Waste disposal volume: The volume of landfill disposal and simple incineration by plants/sites in fiscal 2003 (including waste which is not a zero emission target)



Distribution/Sales

- Energy: Fuel consumption volume assuming that all CO_2 released during transportation is from light oil fuel.
  (Conversion coefficient: 2.64 kg-CO_2/liter light oil)

Use

- Energy: Electricity consumption by major products shipped in fiscal 2003
  (Assumed hours of use per product • Age-based electricity consumption x Number shipped in fiscal 2003)

Collection/Reuse/Recycling

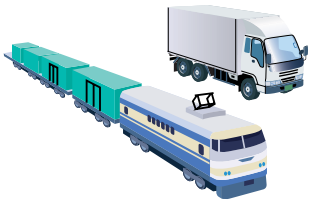
The weight ratio of recycled parts and resources with respect to the processing volume of post-use products is calculated according to the method of the Japan Electronics and Information Technology Industries Association. It excludes collected waste other than post-use electronic products.

Energy
Fuel (light oil)
8,137 kℓ

Energy
Electricity
9,327,890 MWh
(91,690,000 GJ)

Resources recycling rate
86.6 %
Collection volume
12,172 tons

* Closed recycling is conducted for some parts and materials.



Collection
Reuse
Recycling

Distribution/Sales Stages

Minimizing the energy consumed in product transportation and curbing the volume of waste gases released into the atmosphere.

Use Stage

Striving for energy-saving in products and encouraging their long-term use by employing structures that permit performance and function expansion and providing maintenance and repair support.

Collection/Reuse/Recycling Stages

Curbing energy consumption through activities promoting post-use product collection, reuse and recycling. Disposal of some industrial waste in landfills is unavoidable, but we are promoting effective use.

Atmospheric release
CO_2
21,482 tons-CO_2

Atmospheric release
CO_2
3,796,451 tons-CO_2

Distribution/Sales

- Atmospheric release: The total CO_2 volume, including both fuel consumption by transportation businesses when measurable and the [Transportation mileage x Freight weight x Coefficient] when other companies' freight is included, as in mixed-load transportation, in fiscal 2003

Use

- Atmospheric release: The volume of CO_2 emissions during use of major products shipped in fiscal 2003
  (Assumed hours of use per product • Age-based CO_2 emissions x Number shipped in fiscal 2003)

An example of a notebook PC is introduced on the following pages.

Life Cycle Story of a Notebook PC

Assessing products' relationship with the environment. What is the relationship in the case of a familiar notebook PC?

This example employs a notebook PC to illustrate our concrete efforts to consider the environment throughout the product life cycle.

The IN/OUT numeric environmental burden values introduced here are all described on the EcoLeaf environmental label received by Fujitsu.

Example: Model FMV-7140MG5 notebook PC, launched spring 2004

IN		OUT	
Energy	1,160 MJ	CO_2	87 kg
Mineral resources	5 kg	SOx	0.1 kg
Water	9,590 kg	NOx	0.1 kg

Development/Design Stages

P.26-28

Employing eco-friendly materials to save resources

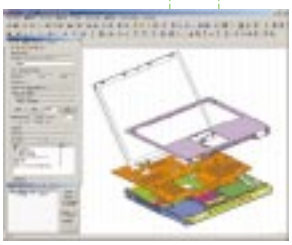
- Recycled plastic materials
  Materials containing waste plastic employed since 1998.
- Materials derived from plants
  Plastic that uses corn as its raw material adopted for some parts.

Making positive use of parts and technologies that do not generate harmful substances

- Halogen-free case
  Resin that does not generate dioxin during combustion employed for the product body.
- Lead-free solder
  Lead-free solder technology applied in part of the mounting circuit base.

Making use of design support tools to conduct manufacturing with a lower environmental burden from the development stage onward

- VPS/Eco Design
  (Virtual Product Simulator/Eco Design)
  3D simulator that evaluates products' environmental burden in real time applied.



Procurement Stage

P.25

Preferentially promoting green procurement of parts and materials with a reduced environmental burden.

Green procurement ratio of 99.6% achieved by the Fujitsu Group (March 2003).

Manufacturing Stage

P.31-38

Working continuously to reduce the environmental burden in the areas of manufacturing and costs simultaneously.

Shimane Fujitsu

- Green Process activities
  Original index employed to evaluate the manufacturing process and reduce both costs and the environmental burden.

- Energy-saving measures
  Reduction of 347 Mwh achieved by implementing energy-saving measures (fiscal 2003/Shimane Fujitsu).
- Chemical substance content reduction
- Zero-emission activities
  Zero emission achieved in manufacturing (fiscal 2003/Shimane Fujitsu).

IN		OUT	
Energy	7 MJ	CO_2	0.5 kg
Mineral resources	0 kg	SOx	0.0006 kg
Water	0.01 kg	NOx	0.008 kg

Distribution/Sales Stage

P.39-40

Pursuing environmental burden reduction efforts in the distribution stage, from a shift to railway transportation to adoption of new packaging

- **Modal shift promotion**
  System combining truck and railway transportation promoted.

- **Wide-area delivery center enhancement**
  Nationwide transportation routes optimized.
- **Integration of delivery database**
  Efficiency in allocating number of shipments improved.
- **Adoption of packaging boxes using soybean ink**
  Use of volatile organic compounds (VOCs) restrained.

IN		OUT	
Energy	82 MJ	CO_2	36 kg
Mineral resources	0 kg	SOx	0.03 kg
Water	3,520 kg	NOx	0.02 kg

Usage Stage

P.29-30

Disclosing environmental information for customer use at the time of product purchasing

- **Conformity with the Law on Promoting Green Purchasing**
- **Certification as a Fujitsu Green Product**
  Satisfied original standards established by Fujitsu.

We care for the Earth.

- **Achievement of target standards for energy consumption efficiency**

CLEAR 2005
省エネ法目標達成！

- **Conformity with 3R PC Eco-labels**
  Satisfied standards established by the Japan Electronics and Information Technology Industries Association.
- **Compliance with the International Energy Star Program**
- **Acquisition of EcoLeaf environmental label**

EcoLeaf environmental labels are granted to products whose life cycle environmental burden has been calculated. Fujitsu is the only company to acquire the label for PCs.

IN		OUT	
Energy	-4 MJ	CO_2	-2 kg
Mineral resources	-0.2 kg	SOx	-0.003 kg
Water	-319 kg	NOx	-0.004 kg

Collection/Reuse/ Recycling Stages

P.41-42

Promoting recycling and reuse to contribute to creation of a cyclical society

Fujitsu Recycling Center

- **Recycling of magnesium alloys**
  Magnesium alloy cases we collect reused in new products.

- **Semi-closed recycling of waste plastic**
  ABS resin we collect reused in new PCs.

- **Promotion of parts reuse**
  HDDs, CPUs and memory reused after data erasure.

- **Use of dismantling manuals**
  Manual produced for each product.
- **Sales of refurbished PCs**
  PCs inspected, cleaned and reused following lease expiration.

Environmental Management System

In March 2004, Fujitsu acquired Japan's highest-level ISO14001 integrated certification. Our goal is to achieve Group governance under our EMS.

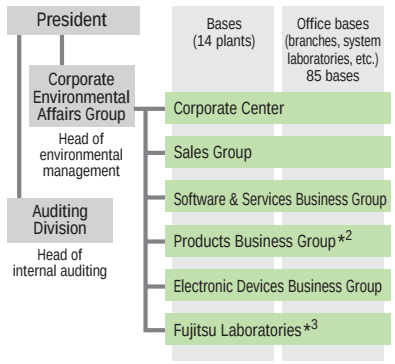
Policy

The Fujitsu Group has established an Environmental Management System based on ISO14001*1 international standards and is promoting Group-wide environmental improvement activities. We are reinforcing sustainable management contributing to sustainable development of society in addition to our global environmental activities.

Fujitsu Group Environmental Protection Program (Stage IV) target

◆**All the Group's affiliates and subsidiaries to establish their own frameworks of environmental management, which are based on the environmental management environmental management system (EMS), by the end of fiscal 2005.**

Structure

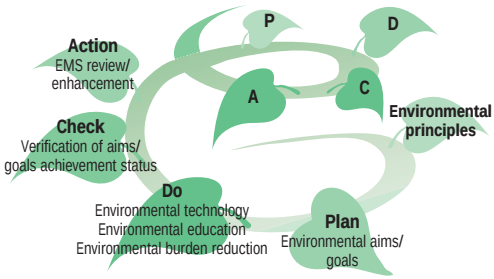


*2 Three business groups are combined in the EMS structure.
*3 For purposes of promoting activities, Fujitsu Laboratories is defined as an activity unit of the same type as the other business groups in the EMS structure.

1. Activity structure

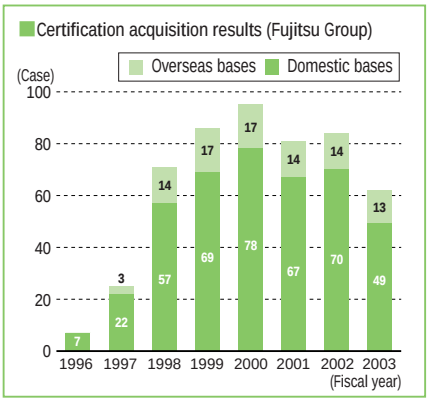
Fujitsu has established an environmental activities promotional organization covering every business sphere, employing both the various business groups' line activities targeting divisional goals and the site activities (energy saving, waste reduction, paperless, community citizenship) of bases such as plants, branch offices/stores, and system laboratories. The Auditing Department oversees internal auditing of both conventional business and environmental activities from the perspective of transparency. We are also promoting the systemization of environmental auditing information gathered at every site. We are extending these activities throughout the Group with the aim of establishing an Environmental Management System for our domestic Group companies in fiscal 2004 and for our overseas Group companies in fiscal 2005.

Environment improvement process



2. Environmental improvement process

We are integrating efforts toward continuous improvement of the environmental burden into all our business activities, based on the "Fujitsu Group Environmental Policy."



Disparities in the number of certification acquisition results occurred due to a fiscal 2001 change in the collation scope (share ownership ratio of 50% or above) and the integration of Fujitsu plants in fiscal 2003. Collated results included even subsidiaries of Fujitsu Group affiliates until fiscal 2000.

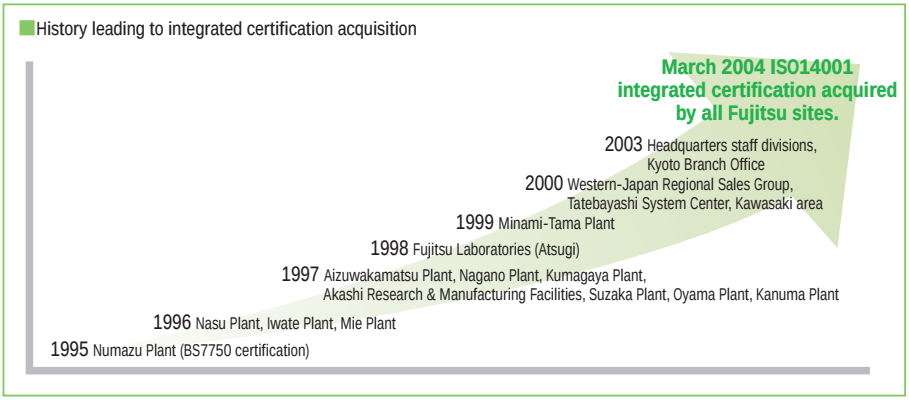
Results

Fujitsu Environmental Protection Program (Stage III) target

- Company-wide acquisition of integrated certification, including sales and software services divisions formerly exempt from certification activities, in addition to currently certified sites.

Integrated certification acquisition

Besides its existing plants, Fujitsu acquired ISO14001 certification for its Headquarters staff divisions in fiscal 2002. We then extended environmental activities to every business sphere in fiscal 2003. In March 2004, we acquired ISO14001 integrated certification, the highest level in Japan. Our goal is extension of EMS to every Group company.



*1 See definition on page 67.

Activities for integrated certification acquisition

- Establishment of environmental goals in main business activity units
- Introduction of e-learning for all employees
- Implementation of internal environmental auditing by Auditing Division
- Establishment of social contribution activities as an environmental goal for branches and system laboratories
- Commercialization of environmental law and regulation application item creation, targeting even city ordinances

Examination in progress

Comment by the chief judge of the integrated certification

Highly positive evaluation of new line and site structures

Takao Ogawa
Deputy General Manager
Environmental Certification Division
Japan Audit and Certification Organization for Environment and Quality (JACO)

Japan's first attempt to integrate a large-scale organization with 48,000 targeted employees under one Environmental Management System achieved a successful outcome with the introduction of a line and site concept. Progress toward realization of the concept of integrating management and the environment has been expedited by the Auditing Division Manager's assumption of the role of head of internal auditing. Our 90-day examination confirmed that an integrated system satisfying ISO standards had been established with roots in every Fujitsu site and division. We expect that each division will employ the line and site structure, that every employee will attain environmental improvements in daily business activities and that these activities will lead to greatly expanded business development.

Zoned review of management

A "zoned review of management" has identified the following key activities for the coming fiscal year.

- Improving the environmental consciousness of individual employees
- Applying the performance of EMS activities to business
- Reinforcing Group-wide deployment of environmental activities

Contents of main Group-wide activities

Environmental management system improvement

We streamlined the formerly time-consuming, complex environmental management standard establishment process and eliminated the danger of loss through individual management by introducing the "Orbit" standard management system.

Environmental lectures

We conducted lectures and seminars concerning environmental ISO at plants and sites to share EMS know-how and enhance the environmental awareness of individual employees. (241 events)

Environmental education

We conducted e-learning* education courses for employees (with approximately 42,000 participants) concerning the EMS structure, global environmental issues and the concrete aims and goals of individual employees to raise their environmental awareness.

* e-learning enables individual employees to study at their own convenience for as long as it takes to acquire full understanding.

We also educated 524 auditors in auditor training seminars offering appropriate and strict internal auditor education (raising the total number of registered internal environmental auditors to 2,445) and conducted follow-up education for our internal auditors.

Internal environmental audits

We conducted internal environmental ISO14001- based audits to confirm the effectiveness of our EMS and ascertain our environmental performance results, clarifying the issues and necessary improvements. We have responded to 1,300 of 1,610 suggestions for improvement and are currently addressing the remaining 310.

Responding to suppliers

We asked 2,443 product parts and materials suppliers and 958 service suppliers for their understanding and cooperation with our environmental activities.

Emergency drills

Efforts to improve disaster preparedness among personnel included holding 197 emergency drills in 48 locations where emergencies might occur. (4,839 participants)

A simulation practice drill on collection of kerosene leaked into a rain gutter (Fujitsu Peripherals)

A drill on the use rubber sheets and oil mats to contain hydrochloric acid leaking at delivery (Fujitsu Isotech)

Environmental Accounting

Compilation and analysis of the costs and benefits of environmental conservation activities to obtain an accurate assessment of our environmental management efficiency

Since the introduction in fiscal 1998 of environmental accounting, a practice that evaluates investment in environmental conservation and its effectiveness by clarifying the costs and benefits involved, the Fujitsu Group has publicly disclosed its environmental accounting results. We have gone beyond the Ministry of the Environment's "2002 Environmental Accounting Guidelines" to establish our own calculation standards for difficult-to-identify estimated benefits as part of efforts to assess our environmental conservation efforts in greater detail. Fujitsu Group sites and subsidiaries use the compiled data to identify problems to be addressed and share in achievements. We also compile the results of our Green Process activities aimed at simultaneous reduction of the environmental burden and manufacturing costs. Please refer to "Basic Environmental Accounting Elements" on our homepage.

Fiscal 2003 overview

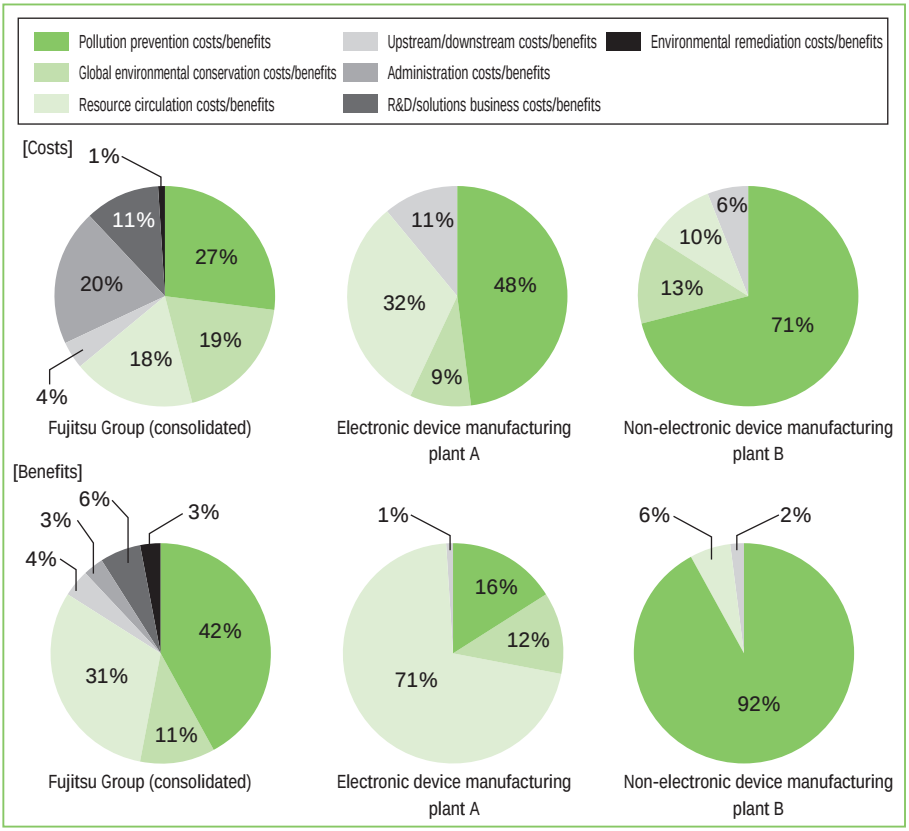
All Fujitsu sites had achieved zero emission in fiscal 2002. In fiscal 2003, Fujitsu promoted Green Process activities and reduced waste generation, thereby contributing to enhancement of resource circulation benefits. In fiscal 2002 the company had succeeded in converting products in every product category into Green Products. In fiscal 2003 It promoted the further development of eco-friendly products. Meanwhile, the higher operation rate of environmental conservation equipment occurring due to increased affiliated company operations has raised costs and enhanced benefits. Fujitsu AMD Semiconductor was transferred to an equity method affiliate and was excluded from Fujitsu's environmental accounting collation standards, which exerted a negative effect of about ¥1 billion on both costs and benefits for the 2003 year. Activities accelerated at other production sites, however, and real measurable benefits have consequently improved, especially in the area of resource circulation.

(Unit: 100 million yen)

Item		Cost	Economic benefit
Business area costs/benefits	Pollution prevention costs/benefits	55 (−6)	101 (+14)
	Global environmental conservation costs/benefits	36 (+8)	27 (+1)*
	Resource circulation costs/benefits	34 (−3)	72 (+16)*
Upstream/downstream costs/benefits		8 (−1)	9 (−1)*
Administration costs/benefits		37 (±0)	8 (±0)
R&D/solutions business costs/benefits		19 (+5)	16 (+1)
Social activities costs		0 (±0)	−
Environmental remediation costs/benefits		1 (−2)	6 (−2)
Total		190 (+1)	239 (+29)

Note: Numbers in parentheses indicate increases or decreases in comparison with the 2002 fiscal year.
"0" is employed for social activities costs of less than 100 million yen.
* indicates substantial benefits.

Percent distribution of costs/benefits



Fiscal 2003 environmental costs for the Fujitsu Group as a whole totaled ¥19 billion, with 27% expended for pollution prevention, 19% for global environmental conservation, 18% for resource circulation, 20% for administration and 11% for R&D/solutions. The benefits amounted to ¥23.9 billion, with 42% achieved by pollution prevention, 11% by global environmental conservation and 31% by resource circulation.

Some 40-50% of the costs incurred by Fujitsu Group electronic device manufacturing sites are typically for pollution control measures. At Plant A, an electronic device manufacturing site, pollution prevention and resource circulation costs account for 48% and 32% of expenditures, respectively. This plant emphasizes efficient resources utilization, and resource circulation benefits achieved through effective use of chemical substances and water account for 71% of the total benefits.

Non-electronic device manufacturing site Plant B employed 71% of its expenditures for pollution prevention, 13% for global environmental conservation and 10% for resource circulation. Upkeep costs for air pollution control facilities account for the great majority of the pollution prevention costs. Pollution prevention benefits, at 92%, represent the major portion of the benefits.

Environmental conservation costs

Global environmental conservation and Green Product development costs increased compared with the previous term in fiscal 2003, while pollution prevention costs decreased.

(1) Pollution prevention costs fell ¥600 million on a consolidated basis, due primarily to the effects of the transfer of Fujitsu AMD Semiconductor to an equity method affiliate.

(2) Global environmental conservation costs increased ¥800 million on a consolidated basis, reflecting higher operating expenses for environmental facilities due to expanded production.

(3) R&D/solution business costs rose ¥500 million on a consolidated basis, due largely to aggressive research on Green Product materials imposing a low environmental burden.

Actual benefits

The real measurable benefits increased ¥1.2 billion for Fujitsu and ¥1.6 billion on a consolidated basis, reflecting the improvement in resource circulation benefits.

Resource circulation benefits

- Benefits totaled ¥300 million for fiscal 2003, thanks to a reduction in resources input during production achieved primarily through Green Process activities implemented by Fujitsu.
- Promotion of water recycling at Fujitsu sites has resulted in benefits of ¥300 million.
- Promotion of component reuse by affiliated companies' sites has produced benefits of ¥200 million.

Estimated benefits

Estimated benefits increased by ¥1.1 billion for affiliated companies and ¥1.3 billion for the Group, reflecting the improvement in pollution prevention benefits.

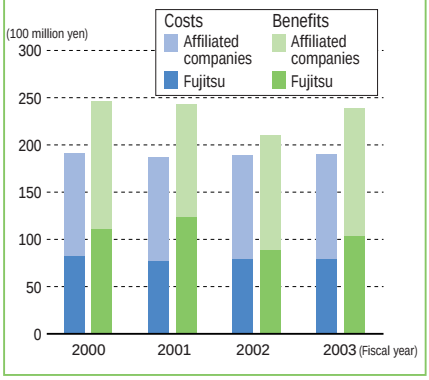
Pollution prevention benefits

The contribution to the creation of added value by global environmental conservation activities at affiliated companies increased by ¥1.3 billion.

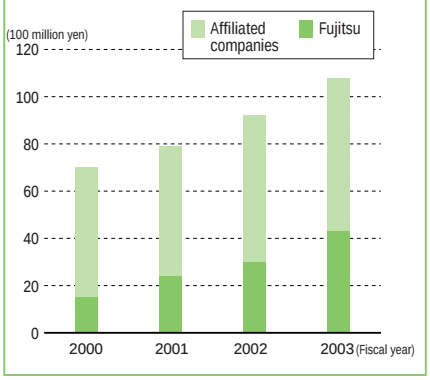
R&D/solutions business benefits

R&D/solutions business benefits increased ¥100 million for the Group. This rise is attributable both to a year-on-year increase in the number of products registered as Green Products in fiscal 2002 and to an extension of the Green Product designation to the electronic devices business.

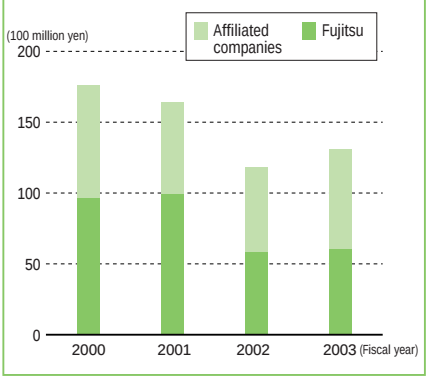
Transitions in environmental conservation costs and economic benefits



Transitions in actual benefits



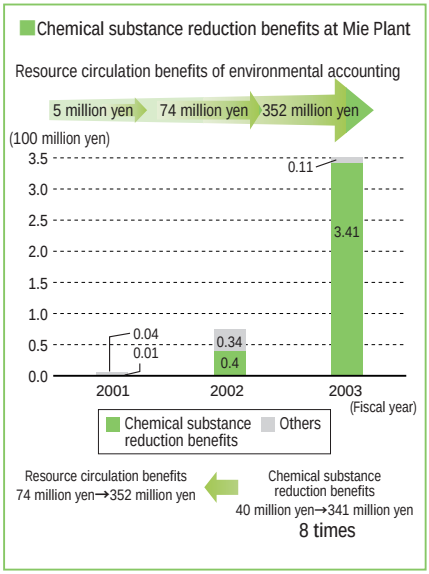
Transitions in estimated benefits



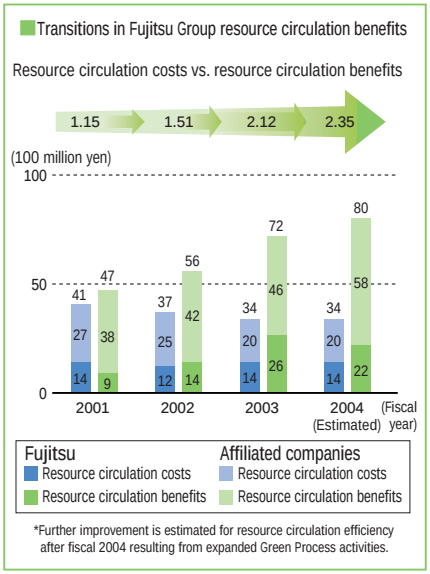
Benefits of Green Process activities

An environmental accounting-based performance analysis of Green Process activities in the electronic devices business during fiscal 2003 reveals increased resource circulation benefits, primarily from reduced use of chemical substances. The Fujitsu Group employs environmental accounting to clarify the achievements of Green Process activities to enable disclosure of these achievements as official data.

Chemical substance reduction benefits at Mie Plant

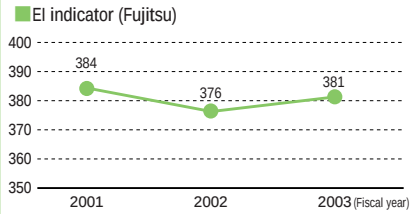


Transitions in Fujitsu Group resource circulation benefits

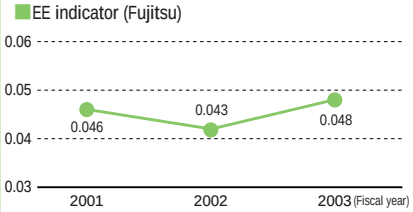


*Further improvement is estimated for resource circulation efficiency after fiscal 2004 resulting from expanded Green Process activities.

EI indicator (Fujitsu)



EE indicator (Fujitsu)



* Values disclosed in the past have been changed due to reexamination of the emission coefficient for CO_2 emissions volume calculation.

Environmental improvement (EI) indicator

A measure of the environmental burden reduction effect per unit cost (unit ton-CO_2 ¥100 million). The EI indicator shows the effect of monetary expenditures (here, ¥100 million) on environmental measures in terms of the consequent reduction in the environmental burden as measured by the weight of CO_2.

Environmental efficiency (EE) indicator

A measure of total sales relative to the environmental burden (unit: ¥100 million/ton-CO_2). The EE indicator shows the value added in terms of sales by reduction of the environmental burden. It permits evaluation of the environmental burden resulting directly from business activities.

Green Procurement

Cooperating with suppliers in promoting green procurement to offer products and services with excellent environmental efficiency

Policy

Green procurement of eco-friendly parts, materials and products is a high priority for environmental activities. The Fujitsu Group cooperates with suppliers to expand the sphere of green procurement and enrich its contents, from production parts and materials to software services.

Fujitsu Group Environmental Protection Program (Stage IV) target

◆**To increase the rate of procurement from the suppliers who establish the environmental management system (EMS) up to 100% by the end of fiscal 2006.**

Structure

1. Fujitsu Group green procurement criteria

We have partially revised our green procurement criteria from the perspective of corporate social responsibility in light of legislative moves in various countries. Revisions include restrictions on the use of the designated hazardous substances in incoming supplies. Detailed information is available on our Web site under "Fujitsu Group Green Procurement Criteria" at the URL indicated below. After revising our procurement criteria, we briefed suppliers on the revisions and confirmed the presence of the designated hazardous substances contained in incoming supplies with them. When the substances are contained, we clarify plans for their total elimination and promote total hazardous substance elimination activities in cooperation with our suppliers.

http://www.fujitsu.com/about/procurement/green/

2. Survey of environmental information concerning procured components and materials

Under a system developed based on the survey method standardized by the Japan Green Procurement Survey Standardization Initiative (JGPSSI*), a body established by electric and electronic device manufacturers, we are conducting surveys of the volume of chemical substances contained in purchased parts and materials. Information from suppliers concerning chemical substances contained in various parts and materials is stored in a database. This enables preferential selection of environmentally friendly items in the Green Product development and design stages.

* Japan Green Procurement Survey Standardization Initiative

3. Support for suppliers

The following programs have been developed to support green procurement activities by our suppliers:

- Ecology Management Centers established in Taiwan and Hong Kong assist regional suppliers with surveys on the status of hazardous chemical substance management, analysis of components and alternative technologies.
- We assist suppliers who have difficulty obtaining third-party certification, including ISO 14001 certification, by offering assistance in constructing and implementing Fujitsu's proprietary FJEMS environmental management system, which serves as a stepping stone to third-party certification acquisition. (Eight explanation meetings were held during fiscal 2003 with some 240 companies participating.) We have conducted implementation verification for suppliers implementing FJEMS and provided support to help increase the level of their activities and degrees of improvement.

Results

Fujitsu Environmental Protection Program (Stage III) targets

- Percentage of green materials and parts for products to be 99% or more of procurement money by the end of fiscal 2003 (Fujitsu Group)
- 100% of procured office supplies to be Green Products certified by a public corporation or organization by the end of fiscal 2002 (Fujitsu)

Green procurement achievements in fiscal 2003

With the achievement of a 99.6% green parts and materials procurement ratio, the Fujitsu Group attained its target for parts and materials. A 97.4% Green Product procurement ratio (79 items determined by the guideline for stationery and office supplies of the Green Purchasing Network (GPN)) was achieved in the area of office supplies. We will continue to work toward achievement of the target through fiscal 2004 and beyond.

Supplier exhibitions and seminars on the RoHS directive

Exhibitions and seminars were held at the Kawasaki Research & Manufacturing Facilities and Minamitama plants to help concerned parties in the Group cope with the RoHS directive on product development. Sixteen suppliers gave concrete descriptions of their current compliance status and the problems to be addressed, raising awareness among the engineers engaged in product design and promoting sharing of information on issues to be addressed.

An exhibition in progress

Green Product Development

Promoting Eco Design of products that are eco-friendly throughout their life cycle. Preparing to offer Super Green Products with top-level environmental characteristics by fiscal 2006 year-end.

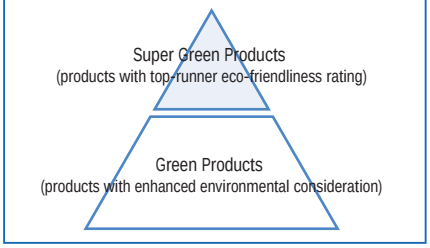
Policy

We will work with our business partners to promote Group-wide Eco Design of all products aimed at developing products that reduce the environmental burden throughout their life cycle. We will accelerate our activities toward clearly defined goals.

Fujitsu Group Environmental Protection Program (Stage IV) targets

◆All the departments to produce their own super green products furnished with top environmental elements by the end of fiscal 2006.

■Super Green Product positioning



Super Green Product development

Our development efforts target hardware, electronic components and semiconductors for information and telecommunications devices to commence development in fiscal 2004.

• A Super Green Product is a product or system with an eco-friendliness rating of "top-runner"* or better in any of three areas: energy saving, 3R design/technology or chemical substance content. Official commendation by an independent organization and third-party certification is requisite in the areas of "measures to reduce environmental burden" and "Eco labeling,"

* Meets one of six eco-friendliness standards: World's 1st, nation's 1st, industry's 1st, world's smallest, nation's smallest or industry's smallest

◆All Fujitsu-brand products to be made free of specified hazardous substances by the Group by the end of fiscal 2005.

■Fujitsu Group-specified hazardous substances

Prohibited substances	Use in products prohibited	27 substance groups
Phase-out substances	Use in products prohibited after prescribed time limit	4 substance groups

Elimination of hazardous chemical substances

As exemplified by the European WEEE/RoHS Directive, nations worldwide are moving to regulate the use of hazardous chemical substances in electric/electronic devices. We have responded quickly to this movement by designating Fujitsu Group-specified hazardous substances

Prohibited substances: 27 substance groups controlled by international and national laws and regulations, including polychlorinated biphenyls (PCBs), asbestos and ozone-depleting substances

Phase-out substances: 4 substance groups controlled by the RoHS Directive, i.e. cadmium and related compounds, hexavalent chromium compounds, lead and related compounds, mercury and related compounds

Structure

1. Green Product evaluation mechanism

Step 1 Evaluation based on Product Environmental Assessment Regulations (43 criteria)

Total evaluation points: over 90

Step 2 Evaluation based on Green Product Evaluation Regulations (common standards and product category-specific standards)

Product meets all relevant criteria.

Green Product  Environmental emblem

Criteria system

Common standards (27 items)

+

Category-specific standards

Electronic parts	(semiconductors, PCBs)	5 items
Portable/small products	(cellular phones, hard disks)	6 items
Medium-sized/large products	(servers, finance-related terminals)	6 items
Personal computers		14 items
Printers	(all sizes)	23 items

We have conducted environmental assessment of products since fiscal 1993 with a view to promoting eco-friendly product design. In 1998 we established the Green Product Evaluation Standards (see pages 65-66), which we revise continuously, to enhance our products' eco-friendliness further. Products scoring 90 points or above in the environmental assessment and receiving passing marks in all Green Product Evaluation assessment items are designated Fujitsu Green Products. These products display Fujitsu's original Eco Mark on their packages and in product catalogs.

* Each consolidated subsidiary has set its own standards pursuant to Fujitsu's Green Product Evaluation Standards to promote development of Green Products.

2. "VPS (virtual product simulator)/Eco Design" design support tool

We have linked a 3D CAD design system with a variety of environmental burden-related databases to develop a system capable of simulating a product's environmental burden any number of times for any stage of its life cycle. The system both enables us to select materials with a lower environmental burden and provides the engineers responsible for product development with a calculated reclamation rate at the time of recycling, validation of product degradability, a calculated degradation time, and extensive additional data to support eco-friendly design development. We employ this system as an LCA support tool in developing Green Products (application examples on pages 28–29).

3. Eco Design promotion organization

The Environment Committee's Green Products Committee (page 14) plays a key role in Eco Design promotion. Its members, comprising management personnel from every Fujitsu and Group company division, meet regularly to engage in deliberations and decision-making concerning Group-wide measures to make products eco-friendly. The Committee also cooperates with the Green Procurement Committee, which promotes procurement of green components for use in products, as well as with the Hazardous Substance Phase-Out Committee, which works to reduce the chemical substance content of our products.

Fujitsu Environmental Protection Program (Stage III) targets

- Product Development: All newly developed products to be “Green Products” by the end of fiscal 2003
- Lead-free Solder: Abolishment of lead solder from products manufactured by Fujitsu Group must be achieved by the end of fiscal 2003.

Results of fiscal 2003 Green Product development

Targets fully achieved.

Fujitsu

(Cumulative total: 230 product categories, 69 product categories in fiscal 2003)

- Personal computers
- Family network stations
- Virtual tapes
- Access-type optical LAN systems
- Semi-customization (ASIC)
- Media drives
- Global servers
- Cellular phones
- Micro-controllers
- Others

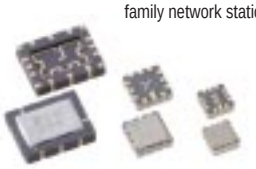
Consolidated subsidiaries

(Cumulative total: 72 product categories, 21 product categories in fiscal 2003)

- DC/DC converters (FDK)
- Compact controllers (PFU)
- Serial impact printers (Fujitsu Isotec)
- VoIP (voice-over IP network): gateway (Fujitsu I-Network Systems)
- Communication power supply (Fujitsu Access)
- LCD units (Fujitsu Display Technologies)
- Optical magnetic discs (Fujitsu Personals)
- Plasma displays (Fujitsu Hitachi Plasma Display)
- Distribution/financial terminal products (Fujitsu Frontech)
- SAW duplexer (Fujitsu Media Devices)
- Others

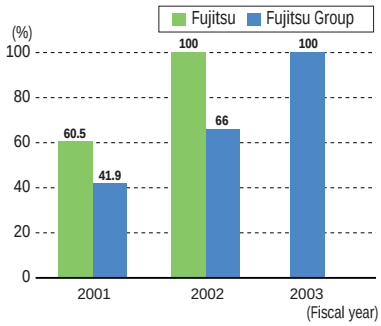
FLASHWAVE 2730,
access optical LAN system

FMFNS-104,
family network station

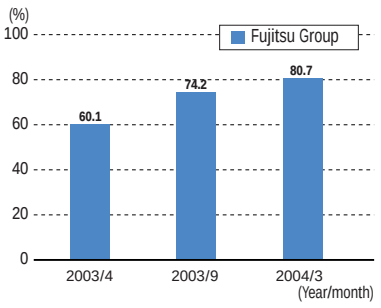


SAW duplexer

Green Product development results (Fujitsu Group)



Lead-free solder results (Fujitsu Group)



World’s 1st commercialized flame-retardant vegetable-derived resin casing

We developed the world’s first technology permitting use of vegetable-derived materials with a low environmental impact in the casings of notebook computers. In June 2002, Fujitsu developed a technology for use of materials derived from vegetables such as corn in notebook computer components. The commercialized technology includes a flame-retardant characteristic requisite for notebook computers casings, while achieving a strength and heat-resistance comparable to those of ABS resin. We plan to expand application of this technology beginning in fiscal 2004. Because casing production employing this technology requires 40% less energy than conventional casing production, it helps to reduce the environmental burden.

Prototype notebook PC employing vegetable-derived resin for LCD front cover

3R (Reduce/Reuse/Recycle) design promotion

We employ original product environmental assessments and Green Product evaluations to support the application of technologies considering post-use situations such as resources saving and recyclability.

Personal computers

(We are conducting efforts like those described below in various series.)

FMV-DESKPOWER CE Series

Conforms to Law Promoting Green Purchasing

Soy oil-based ink used for container box

Soy-based ink reduces volatile organic compounds (VOCs) and contributes to preventing air pollution, conserving petroleum resources and improving biodegradability at disposal.

Recyclable paint

Plastic-based paint that is recyclable with plastic parts without stripping employed since 1999.

Chrome-free steel plate

Plate containing no hazardous hexavalent chromium employed. Currently promoting application in other parts.

Recycled plastic

Used since 1999.

FMV-BIBLO NB50 Series

Conforms to Law Promoting Green Purchasing

Soy oil-based inks used for container box
Magnesium alloy (recycled material)

Recycled bodies of notebook PCs we collect applied since 2002. Currently promoting application in other products.

Recycled plastic

Used since 1998.

Halogen-free resin

Halogen-free resin that does not generate dioxins during incineration employed.

Vegetable-derived plastic

Employed for FMV-BIBLO RS Series and FMV-LIFEBOOK MG Series.

Fiscal 2003 lead-free solder application results

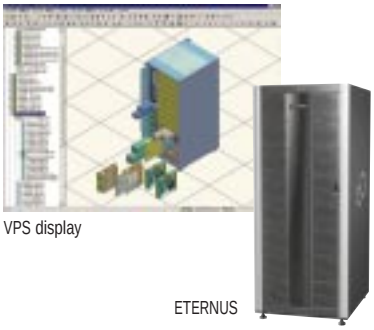
We introduced new equipment and reexamined the soldering conditions at each manufacturing base and improved the annual application rate of lead-free solder by 20%. We postponed use of lead-free solder in 19.3% of the printed circuit boards manufactured, however, pending resolution of the issue of heat-resistant mounting parts. We are committed to employing lead-free solder for these products as well under the Fujitsu Group Environmental Protection Program (Stage IV)

Development of technology employing photocatalyst apatite

Fujitsu Laboratories has developed a method of using photocatalyst apatite to create a resin with a photocatalystic capability. By eliminating the need for conventional coating, this technology has facilitated production of casings made with photocatalystic resin.

"ETERNUS" storage system

Adoption of VPS/Eco Design (see page 26) for product development has drastically reduced the number of components employed. It uses half the number of screws employed in conventional models, for example, with a substantial reduction in dismantling time as well as superior recyclability and metal resources saving. Easier assembly has contributed to reduced energy consumption during production.



VPS display

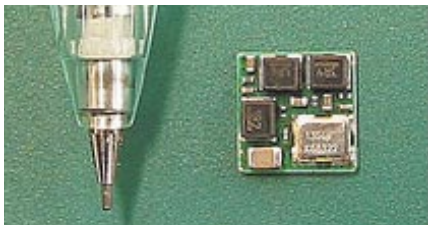
ETERNUS

Industry's Smallest!

RF module for RFID reader/writer

(Shinko Electric Industries Co., Ltd.)

We have applied our proprietary high-density packing technologies such as Sip to develop the industry's smallest RF module. Incorporated into an RFID reader/writer employing radio waves to read and write the information and data stored in an IC tag, the technology is accelerating miniaturization of cell phones and other devices.



RF Module

Making our products more energy efficient

We are helping to prevent global warming by efficient utilization of limited resources through positive efforts, beginning in the development stage, to produce energy-efficient products.

World's First!

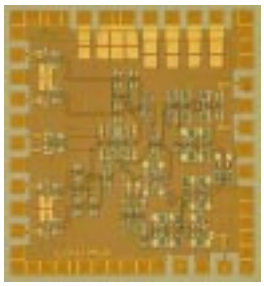
Super energy-efficient transmission IC for next-generation optical communications systems

Fujitsu Laboratories employed indium phosphide-based high-electron mobility transistor (InP-HEMT) technology to develop a chip set operating at 50 gigabits/second and comprising a 4:1 multiplex circuit (multiplexer)*1 and 1:4 split circuit (demultiplexer)*2. The chip not only achieves outstanding signal quality and operating margin through use of the full-rate method*3, but it is also the world's first to feature power consumption of 1 W or lower, 30% the consumption with conventional technology.

*1 A circuit employing time-division multiplexing of two or more low-speed signals to generate a single high-speed signal. It calls for output of high-quality signals.

*2 A circuit that separates two or more original slow-speed signals from a single high-speed signal. It calls for a wide operating margin.

*3 A circuit format employing a clock signal traveling at the same speed as the data speed. It enables signal processing of excellent quality.



Multiplexer circuit chip configuration

http://www.fujitsu.com/news/pr/archives/month/2004/20040217-01.html

World's First!

Paper LCD for contact-free IC cards

(Fujitsu Frontech)

Equipped with a cholesteric LCD capable of continuous display without a power supply, this ultra-thin display panel features ultra-low power consumption of 6 µW or less (except for the drive circuit), a semi-permanent memory capability and a color display. An enhanced write speed makes it suitable for application in the contact-free IC cards employed by transportation companies.

Paper LCD

"Eco Board" energy-efficient scoreboard

(Fujitsu Frontech)

Solar cells mounted on this baseball stadium scoreboard supply all the power necessary to show/revise team names and points scored as well as to display umpires' decisions and the current time. The display unit for team names employs magnetic reverse display components featuring easy readability, even during daylight, and low power consumption. This scoreboard is certified as an Eco-mark product.

Environmental considerations in the sales stage

We implement environmental considerations in the sales stage aimed at reducing the environmental burden throughout the product life cycle.

Switch to eco-friendly display stands and PC sticker materials

We have adopted easily disposable paper display stands for use in retail stores. The stickers displayed on our products are also now made from a 100% non-PVC material featuring a low environmental burden.

Eco-friendly display stands

Sticker

Environmental information disclosure

We promote disclosure of information for use in product purchasing decisions by acquiring various environmental labels and making use of the Internet.

Law Promoting Green Purchasing

(Law Concerning the Promotion of Procurement of Eco-friendly Goods and Services by the State and Other Entities)

The Green Purchasing Network* provides online information on conformance with the Law on Promoting Green Purchasing by or targeting products such as servers, workstations, personal computers, magnetic disks, displays, printers and scanners.

http://eco.goo.ne.jp/gpn/files/gpne

* A nationwide network of Japanese consumers, corporations and administrative bodies organized to promote green purchasing.

Type I

(Classification based on the ISO14020 Series international standards)

Environmental details concerning products approved by a third-party organization upon voluntary application by the manufacturer

Eco-mark

(Certified by the Japan Environmental Association)

Since becoming Japan's first desktop PC manufacturer to receive Eco-mark certification in 2001, Fujitsu has acquired certification for printers as well. (See the Japan Environment Association homepage for details.)

http://www.ecomark.jp/english/

Laser printer
Printia LASER
XL-5770

Laser printer
Color Printia LASER
XL-C7400

Type II

Environmental details concerning products meeting independent criteria set by the manufacturer

Environmental Emblem

The Environmental Emblem is employed in our Green Product catalogs and packaging. The Ministry of the Environment's "Database for Eco-labels, etc." provides details concerning the emblem.

http://www.fujitsu.com/about/environment/policy/emblem_1994.html

Target standard for energy consumption efficiency

This Fujitsu original environmental label is used in catalogs for products that meet target standards set for achievement by 2005 by the Law Concerning the Rational Use of Energy.

3R eco-label for PCs

This label is used in catalogs and packaging for PCs that meet Japan Electronics and Information Technology Industries Association standards.

http://www.jeita.or.jp/english

The International Energy Star Program

This logo is displayed in packaging and catalogs for computers (PCs, workstations), displays, printers and scanners registered with the program. The Energy Conservation Center, Japan, provides details on its homepage.

http://www.eccj.or.jp/ene-star/index_esu.html

Type III

Product's quantitative environmental burden indicated on the label

EcoLeaf environmental label

(Certified by Japan Environmental Management Association for Industry)

In 2003, Fujitsu became Japan's first PC manufacturer to receive EcoLeaf environmental label certification. We are promoting expansion of certified products. (Label acquired for 10 notebook PC models as of March 2004.)

http://www.jemai.or.jp/english/ecoleaf/index.cfm

Environmental burden quantification

EcoLeaf environmental label receipt

The EcoLeaf environmental label is given to products that display their CO_2 emission volume and other effects on the environment quantified throughout their life cycle, from resources extraction and manufacture to distribution, use, disposal and recycling.

Features of our activities

(1) System certification acquisition

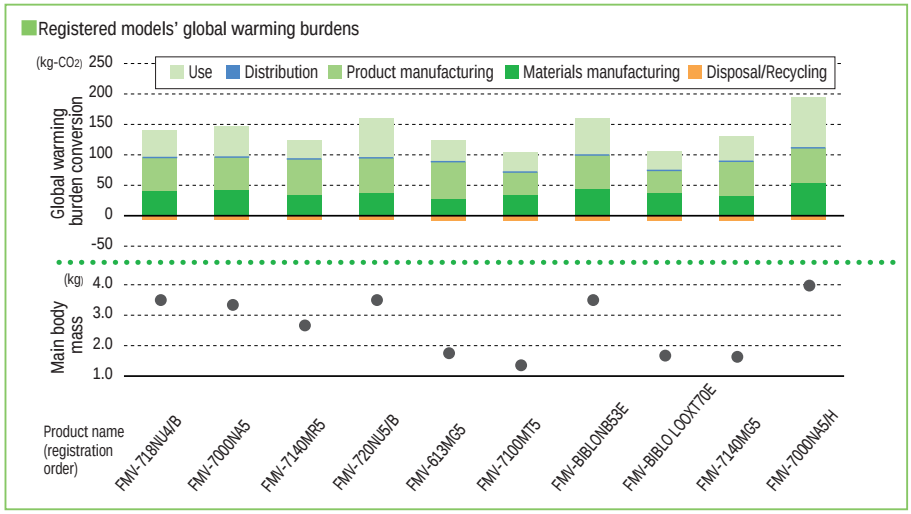
A business system for label creation, evaluation and disclosure has been completed following external certification, and the stability and reliability of the system has been approved. This has enabled products to be EcoLeaf certified speedily based on internal examination.

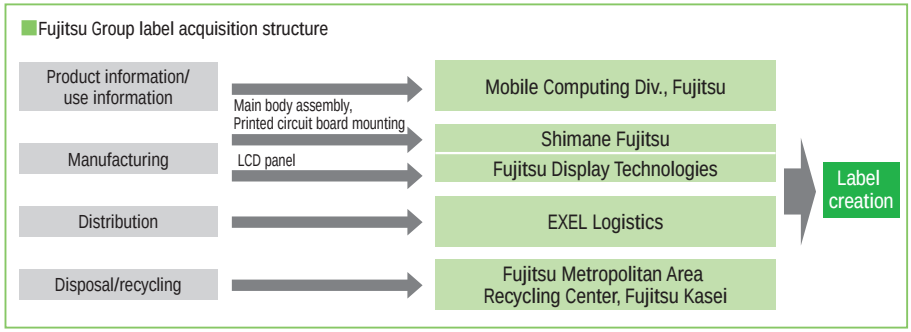
(2) Application of VPS/Eco Design (see page 26)

Extracting the volume from parts and materials data created in 3D and automatically calculating the mass by combining the parts and materials database with the specific gravity. This has drastically reduced the processes involved in LCA calculation, which were formerly conducted manually.

(3) Integrated Group activities

We cooperate with various business groups and affiliated companies in collecting product life cycle information.





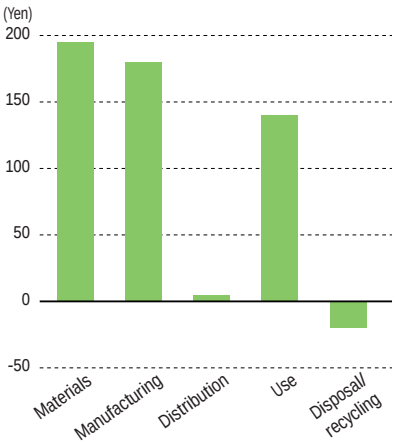
Environmental burden integration and monetary conversion

Rather than viewing the environmental burden in terms of individual indicators such as CO_2 as before, we conducted comprehensive evaluations by converting the environmental effects of every substance into easily understandable monetary amounts based on multiple inventory data (IN/OUT substances throughout the product life cycle). Besides analyzing the influences of environmental burden factors, such as the effect of CO_2 on global warming and ozone layer depletion, we employed LIME* to calculate damage to every object of protection, including human health and the ecosystem, and to perform single indexing after weighting.

* LIME (Life cycle impact assessment method based on endpoint modeling): A technique developed by the Research Center for Life Cycle Assessment of the National Institute of Advanced Industrial Science and Technology (AIST) in cooperation with the LCA Project (Ministry of Economy, Trade and Industry, NEDO, Japan Environmental Management Association for Industry).

[Monetary conversion of environmental burden]
Evaluation in each stage reveals a large environmental burden in the materials manufacturing stage. The total burden of 511 yen means that this notebook PC causes 511 yen in damage to society during its life cycle.

Results for FMV-718NU4/B notebook PC



"Factor X" Eco-efficiency indicators

This technique for simultaneously indicating product environmental burden reductions and service improvements can be called an indicator for sustainable development in harmony with the environment. Our original "Eco-efficiency factor" calculation method employs the CO_2 emission volume throughout the product life cycle, with the environmental burden represented as the denominator and improvements in product functions and specifications representing service as the numerator.

Eco-efficiency factor calculation method

$$\text{Eco-efficiency factor} = \frac{\text{Service (ratio of new to old products)}}{\text{Environmental burden (ratio of new to old products)}}$$

[Service quantification]
The calculation method for quantifying service is shown below. The square sum average is employed for calculations when various CPU, memory and HDD service items are collected.

$$\text{Sum of Square root} = \sqrt{\frac{1}{n}\cdot\sum_{i=1}^{n} S_i^{\,2}}$$

Function/ performance	Unit	FMV-5120NA/X (a)	FMV-718NU4/B (b)	S=(b)/(a)	
CPU	GHz	0.12	1.8	15.0 times	
Memory	MB	8	128	16.0 times	
HDD	GB	0.81	20	24.7 times	
					19.1 times

[Environmental burden calculation]
The environmental burden calculation is based on the notebook PC product classification standards (PSC) in the "EcoLeaf environmental label" program.

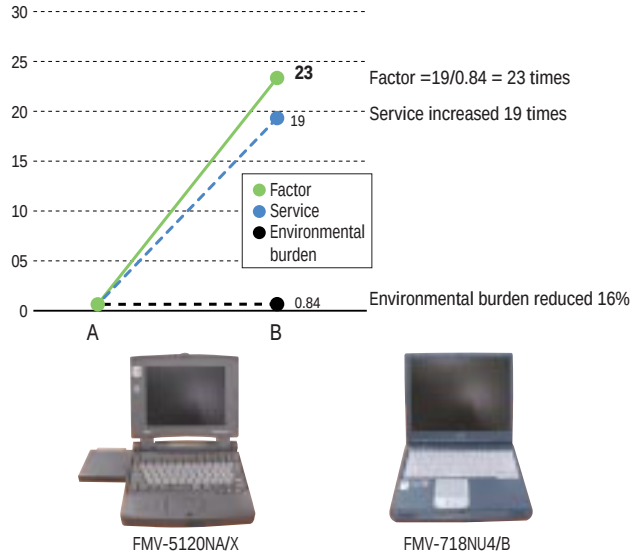
Model name	Old product	New product
Global warming burden (CO_2-kg conversion)	164	138
Acidification burden (SO_2-kg conversion)	0.286	0.217
Energy resources (crude oil kg conversion)	61.7	52.2
Mineral resources (ironstone kg conversion)	136	89.8

The assumptions below are employed when applying a former product (FMV5120NA/X) to the EcoLeaf environmental label program.

- For manufacturing sites, assuming manufacture of the 10.4-inch panel by Fujitsu Display Technologies and main board mounting and assembly by Shimane Fujitsu
- For distribution, assuming the loading means and ratio are the same as the current situation
- For time in use, assuming a suspended situation and low electric power
- For disposal and recycling, assuming inclusion in the current recycling system

PC Eco-efficiency indicator "Factor X" calculation

Factor 23 (global warming burden conversion) achieved in 7 years.



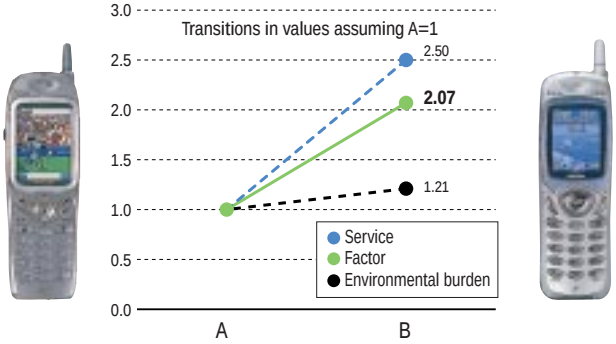
FMV-5120NA/X

FMV-718NU4/B

Comparative Eco-efficiency and factor value calculations for two notebook PCs, model FMV-5120NA/X (1996) and EcoLeaf environmental label acquisition target model FMV-718NU4/B (2003).

Example of cellular phones

2.1 x Eco-efficiency factor achieved in 1.5 years!



Comparison of models A and B cellular phones without built-in cameras, launched Feb. 2001 and Oct. 2002, respectively.

Green Process/Green Facilities

Two new efforts initiated to change all our manufacturing bases into eco-friendly plants

Green Factory — We are developing new "Green Process activities" and "Green Facility activities" as a means of promoting eco-friendly manufacturing. The "Green Process activities" are being implemented Group-wide, while the "Green Facility activities" are being started gradually by the electronic devices divisions.

What are Green Process activities?

These are continuous efforts to reexamine the processes on our product manufacturing lines to reduce the environmental burden imposed in such areas as materials input and chemical and energy use. We promoted these activities, which are linked to cost-cutting activities, centered on the Mie Plant electronic devices manufacturing base in fiscal 2003. In fiscal 2004 we are using the results and know-how acquired there to develop them at Fujitsu Group manufacturing bases.

Activity contents/evaluation

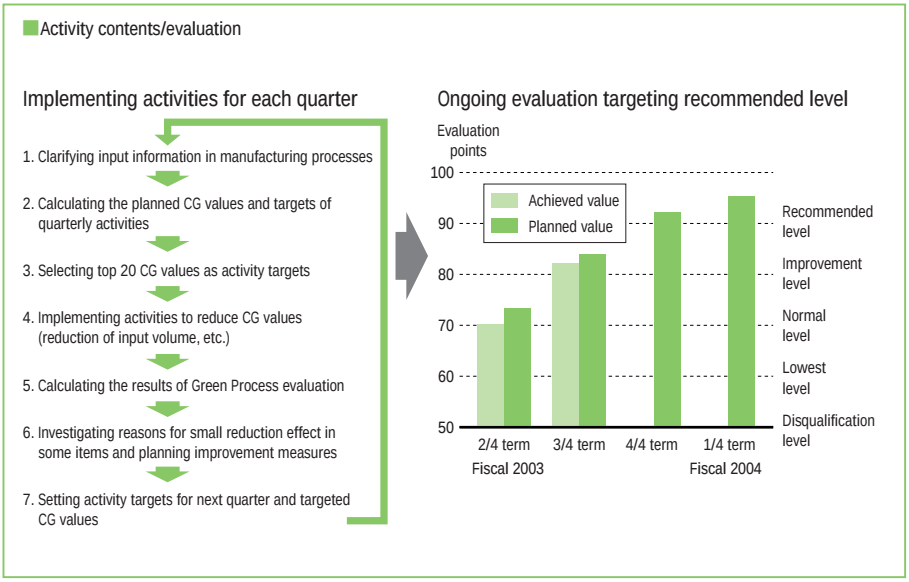
Green Process activities are implemented by establishing target values and planned values following quarterly clarification of targeted reduction activities. If a target or plan is not met, we analyze the reason thoroughly and make positive use of the results in subsequent activities.

Evaluation items

Evaluation items are determined according to the manufacturing process structure. Evaluation contents are constituted with respect to reduction of the cost green (CG) index.

Evaluation method

We establish targeted or planned values based on the cost green (CG) index. We then determine measures from the perspective of cost and environmental burden reduction and implement them.



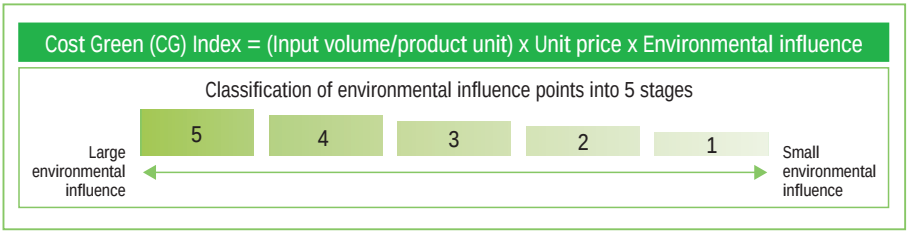
Mie Plant results

The following results were achieved for some products through Green Process activities:

Chemical substances input volume per unit of product reduced 41.0% in the fourth quarter of fiscal 2003 based on fiscal 2002 fourth-quarter results.
Chemical substances input cost per product unit reduced 27.2% in the fourth quarter of fiscal 2003 based on fiscal 2002 fourth-quarter results.

Cost Green (CG) Index development

We employ an originally developed "Cost Green (CG) Index" that can extract materials showing larger effects of measures from the perspectives of both cost and environmental burden in our evaluation of Green Process activities. The index is calculated by multiplying three such numerical values as the unit price, volume used per product unit and environmental influence points determined in-house for each material, including chemicals, gases and parts.



What are Green Facility activities?

These are activities conducted to improve the processes of "Periodical target setting ~ Environmental burden reduction activities focused on energy-saving and CO_2 reduction ~ Results evaluation ~ Further improvement" continuously in the facility management divisions. They were begun following the introduction of Green Process activities by the manufacturing divisions in an effort to reinforce the conventional activities of the facility management divisions. We conducted trial activities in fiscal 2003 and will extend these activities to the electronic devices divisions first and then gradually to the facility management sections of every division in fiscal 2004.

Plant Environmental Preservation

In the battle against water, air, noise and vibrations, independent efforts by our bases to protect their sites and surrounding environment are achieving results.

Policy

Every site and plant promotes environmental preservation activities to reduce the environmental burden on its site and the surrounding environment as well as complying with relevant laws and regulations. Besides monitoring the effects of our manufacturing activities on water and air, noise and vibrations and working to improve them, we use the water necessary for plant maintenance with care.

Structure

Water quality (discharged water) standard values (example) Laboratories, Atsugi area (Unit: mg/l)

Item (extracted)	National standard*	Atsugi City Sewerage Ordinance	Internal standard
Hydrogen ion concentration	5.0〜9.0	5.0〜9.0	5.2〜8.8
Cadmium and its compounds	0.1	0.1	0.01
Arsenic compounds	0.1	0.1	0.05
Cyanogens compounds	1	1	0.5
Lead and its compounds	0.1	0.1	0.05
All chromium	2	2	0.5
Copper	3	3	1
Zinc	5	3	1
Iron	10	10	2
Type of phenol	5	0.5	0.4
Manganese	2	2	0.5
Fluorine	8	8	7

* Sewerage Law

Ongoing activities based on independent standards for each site

Fujitsu promotes individual efforts toward plant environmental preservation, with independent standards established by each site. Examples include advanced fluorine treatment equipment for discharged water introduced in laboratories (Atsugi area) that has succeeded in maintaining a voluntary standard value of below 7 mg/l.

Results

Water

Fujitsu Group water input/output

	Fujitsu	Domestic Group	Overseas Group	Total volume
Volume used	Fujitsu (14,473,239m³)	Domestic Group (11,946,198m³)	Overseas Group (2,712,189m³)	Total volume 29,131,626m³
Volume discharged	Fujitsu (13,432,381m³)	Domestic Group (9,773,073m³)	Overseas Group (2,106,964m³)	Total volume 25,312,418m³

(Unit: m³/year)

	Fujitsu	Domestic Group	Overseas Group	Total
Water supply	6,349,934	4,736,810	2,161,902	13,248,646
Industrial water	7,153,596	2,043,017	238,927	9,435,540
Underground water	969,709	5,166,371	311,360	6,447,440

Air

NOx

NOx is generated in fuel combustion, etc., mainly by plants, sites and automobiles, but also by home-use combustion equipment.

SOx

SOx is generated when primary fossil fuels such as oil and coal and sulfur contained in them burn simultaneously.

(Unit: tons/year)

	Fujitsu	Domestic Group	Overseas Group	Total
NOx	149	368	288	805
SOx	114	186	288	588

Total elimination of ozone layer depletion substances

We have completely eliminated the use of substances that contribute to depletion of the ozone layer in our manufacturing operations (parts cleaners and solvents). We have also taken measures to ensure that no CFC coolants used in air-conditioning or refrigeration equipment leak into the atmosphere. When renovating such equipment, we take the opportunity to replace the coolants with non-CFC alternatives.

Results for ozone-depleting substance elimination

Ozone-depleting substance	Date of elimination
Cleaning CFCs (CFC-113, CFC-115)	1992 year-end
Carbon tetrachloride	1992 year-end
1,1,1-tricholoroethane	End October 1994
Substitute CFCs (HCFCs)	End March 1999

Emergency response

The Kumagaya Plant conducts periodic drills assuming unexpected accidents to confirm its countermeasures.

A CFC leakage treatment drill in progress (Kumagaya Plant)

Effective use of water resources

The Fujitsu Group encourages consideration of water resources and positively promotes recycling and reuse.

Case example of rainwater reuse

Energy-saving Measures (Global Warming Prevention)

Various measures by the Fujitsu Group to combat global warming by reducing energy consumption

Policy

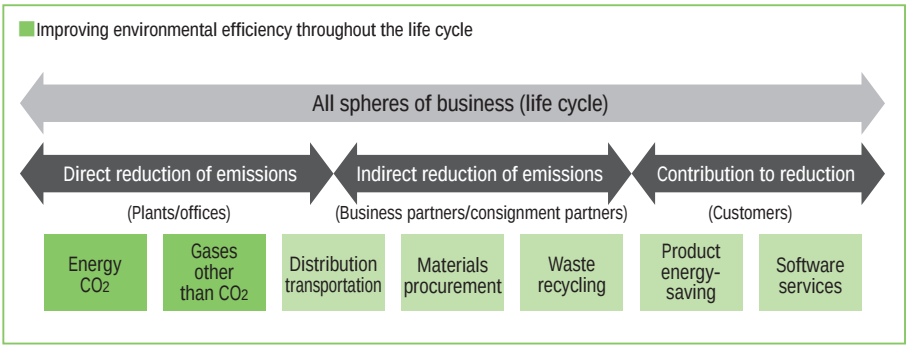
The reduction of energy and fuel consumption by plants and other sites is being promoted to preserve energy resources and restrain CO_2 generation. The Fujitsu Group formerly targeted reduced energy consumption per unit of sales, but we have set new targets for curbing emissions (absolute volume) of CO_2 and other greenhouse gases and are working to achieve them. We are reinforcing activities considering global warming prevention in every aspect of our business operations.

Fujitsu Group Environmental Protection Program (Stage IV) targets

Aim at increasing the environmental efficiency throughout lifecycles.

- **To reduce the carbon dioxide emission resulted from energy consumption down to or below its actual emission of fiscal 1990 by the end of fiscal 2010.**
- **To reduce greenhouse gases other than carbon dioxide by 10% from their actual emission of fiscal 1995 by the end of fiscal 2010.**
- **To contribute to the reduction of greenhouse gases by efficient physical distribution, product recycling, development of energy saving products.**

Structure



Global Warming Prevention Measures Strategic Committee

We established the new Global Warming Prevention Measures Strategic Committee to reinforce global warming measures in every sphere of business. We have set reduction targets for fiscal 2010 for direct emissions of greenhouse gases from plants, sites and offices. We also strive to improve environmental efficiency throughout the life cycle by grasping and evaluating CO_2 emissions as part of our efforts to reduce indirect emissions through environmental burden reduction activities, and to contribute to reduction by customers through provision of eco-friendly products and solutions.

Results

Fujitsu Environmental Protection Program (Stage III) target

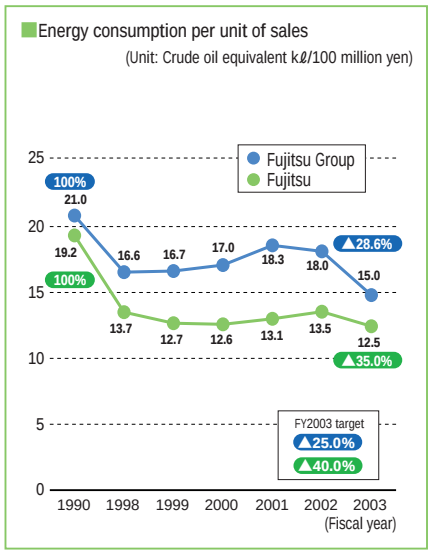
- Sales-based energy consumption per unit to be cut 25% by the Group and 40% by Fujitsu by the end of fiscal 2003 based on fiscal 1990 results

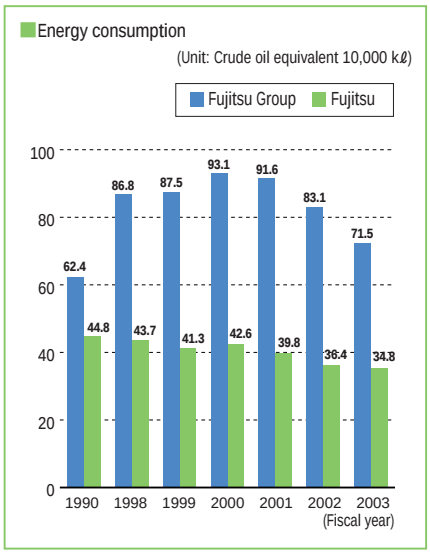
Results for energy-saving targets of Fujitsu Environmental Protection Program (Stage III)

In fiscal 2003, the final year of this stage, the Fujitsu Group's energy consumption measured 15.0 kℓ per 100 million yen crude oil equivalent, a 28.6% reduction relative to fiscal 1990, which means the target was achieved. The corresponding figures for Fujitsu were 12.5 kℓ per 100 million yen crude oil equivalent, or a 35.0% reduction, which means the target was not achieved. The absolute volume of energy consumption has been reduced since fiscal 2001, however.

- Group scope: Fujitsu (22 own plants/sites), 25 domestic manufacturing companies, 10 overseas manufacturing companies
- Targeted energy: Total of electricity, oil and gas consumed by plants/sites (crude oil equivalent kℓ)

* The crude oil equivalent for overseas is assumed in the coefficient for Japan.





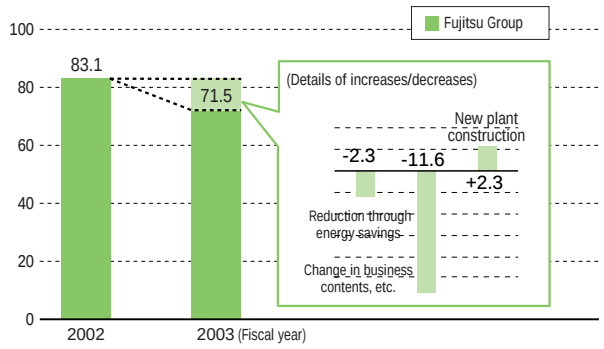
Contents of activities/analysis for fiscal 2003

The Fujitsu Group's energy consumption measured 715,000 kℓ, a 14.0% (116,000 kℓ) reduction relative to the previous fiscal year. Factors contributing to this dramatic decrease included the transfer of manufacturing companies outside the Fujitsu Group under a business reorganization conducted in recent years. Under these circumstances, we achieved an approximately 23,000 kℓ reduction through continuous energy-saving activities as follows:

- Energy-saving measures concerning equipment with a focus on motor facilities (introduction of free-cooling, inverter, energy-saving equipment)
- Reexamination of manufacturing processes and efficiency enhancement, accompanied by proper motor facility operation and improved management
- Proper setting of office air-conditioning temperatures, energy-saving use of lighting and OA machines

Energy consumption increase/decrease

(Unit: Crude oil equivalent 10,000 kℓ)



Case Studies

These examples show some of the latest energy-saving measures implemented at plants and sites.

Various energy-saving measures at a semiconductor plant

We implemented energy-saving measures for various equipment in a semiconductor manufacturing plant with high energy consumption.

The Aizuwakamatsu Plant employed free cooling, for example, using cold outside air in winter to reduce the energy consumed in cooling water for manufacturing equipment. The Iwate Plant and Akiruno Technology Center installed inverters for cooling water circulating pumps and air exhaust fans to control the revolutions according to changes in the burden. The Iwate Plant also replaced a large boiler with several small boilers and introduced control of the number operating according to burden change. The Mie Plant upgraded to a highly energy-efficient turbo refrigeration machine.

A pump inverter at the Iwate Plant

Small through-flow boilers at the Iwate Plant

Energy-saving design from the construction stage onward

(Kochi Fujitsu Technoport)

Established in August 2003, Kochi Fujitsu Technoport pursues eco-friendly design, including energy-saving design employed in its construction.

This site, an Internet data center (IDC), introduced redox-flow batteries* with a lower environmental burden as emergency batteries. These replace conventional self-power generation for emergencies and contribute further to CO_2 emissions reduction by making use of nighttime electricity. Other energy-saving measures included use of lighting with solar and wind generators for the parking lot, human-detecting sensors for automatic illumination adjustment of room lighting and ventilation fan ON/OFF control, and an individual air-conditioning system for specific operation.

Environmental considerations extend to every corner of the site, including the use of rainwater transparency asphalt and recycled construction materials, furniture and fixtures.

* Redox-flow batteries: Rechargeable power storage batteries employing a vanadium solution for the electrolysis liquid of the positive/negative poles, made by Sumitomo Electric Industries, Ltd.

Kochi Fujitsu Technoport

Measures to reduce greenhouse gases

Results for energy CO_2 emissions volumes

The approximate total fiscal 2003 CO_2 emissions volume from energy consumption was 1,292,000 tons-CO_2 for the Fujitsu Group (down 16.0% from fiscal 2003) and 601,000 tons-CO_2 for Fujitsu (down 6.4% from fiscal 2003). The total volume has increased since fiscal 1999 for the Group, especially, due to business expansion, but we have set new CO_2 emissions volume targets in the Fujitsu Group Environmental Protection Program (Stage IV) and are pursuing reduction activities.

* Because we reexamined the emission coefficient in calculating the CO_2 emissions volume, values disclosed before have been changed. Japanese coefficients are substituted for CO_2 emissions volumes at overseas companies.

CO_2 emissions through energy consumption

(Unit: 10,000 tons-CO_2)

	1990	2000	2001	2002	2003
Fujitsu Group	108.3	161.1	159.0	153.8	129.2
Fujitsu	78.9	71.9	66.8	64.2	60.1

Measures to reduce greenhouse gases other than CO_2

Every company in the semiconductor industry has created an independent action plan to cut emissions of such greenhouse gases as perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), and sulfur hexafluoride (SF6). Fujitsu, led by the Electronic Devices Division, has developed an in-house emissions control plan in conformity with industry action plans. We are continuously pursuing such activities as conversion to gases with a lower greenhouse coefficient and installation of specialized equipment on new production lines. Emissions related to semiconductor processing amounted to appropriately 455,000 tons in fiscal 2003.

Emission volume of greenhouse gases other than CO_2

(Unit: 10,000 tons-GWP)

	1995	2000	2001	2002	2003
Fujitsu Group (Electronic Devices Division)	25.9	57.7	54.4	56.4	45.5

Chemical Emissions Reduction

Reinforcing chemical emissions reduction through comprehensive monitoring and proper management, from manufacturing to discharge treatment

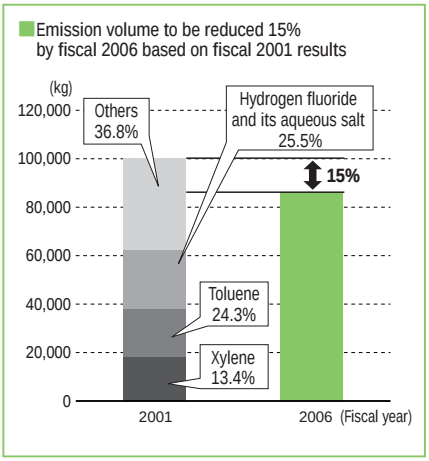
Policy

Every Fujitsu Group company conducts comprehensive reviews and monitoring of its wastewater treatment equipment operating conditions and works to reduce chemical substance use through proper management. While disclosing balance collation data for chemical substances targeted by the PRTR Law*1, we are continuing to consolidate management of chemical substance data, making full use of IT and risk communication with customers.

Fujitsu Group Environmental Protection Program (Stage IV) target

◆**To reduce the discharge of chemical substances those are subject to the Pollutant Release and Transfer Register (PRTR) by 15% from their actual discharge of fiscal 2001 by the end of fiscal 2006.**

Structure



We determined PRTR Law target chemical substances as our reduction substances and are striving for target achievement by the Group as a whole.

We formulated individual plans to reduce PRTR target substances (Class I designated chemicals, 354 substance groups) for Fujitsu's manufacturing bases*2 and consolidated manufacturing subsidiaries*3 through proper use of chemical substances in manufacturing processes and proper management of exhaust gases and wastewater treatment equipment, and are promoting Group-wide efforts.

*2 Fujitsu manufacturing bases (5 bases)

*3 25 companies among domestic consolidated manufacturing subsidiaries, 2 companies among overseas consolidated manufacturing subsidiaries

Results

Fujitsu Environmental Protection Program (Stage III) target

• Release of main chemicals to be cut 30% by the end of fiscal 2003 based on fiscal 1998 results

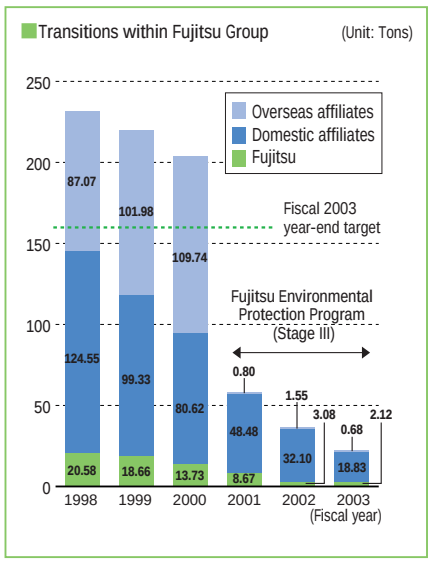
Fiscal 2003 Results

We achieved a reduction of 140.9 tons with respect to the Group target value of 162.5 tons through reexamination of business activities, transfer of manufacturing activities and efforts by individual bases. Stage III target met.

The total Group emission volume*4 was 21.6 tons for fiscal 2003, a 90.7% (210.6 tons) reduction based on fiscal 1998 results. Fujitsu's emission volume was 21 tons, an 89.7% reduction based on fiscal 1998 results. Target met.

(Emission results: 232.2 tons for fiscal 1998, 162.5 tons for 2003)

*4 Calculation of chemical emissions reduction
Values are calculated by multiplying the total volume of effluent (nickel, manganese and other chemical compounds) or atmospheric emissions (xylene, toluene and other chemicals) by the relevant substance concentrations measured at the points of discharge from the site. Values for xylene, toluene and other chemicals may also be based on the amounts of chemicals purchased and used.



Major efforts in Fujitsu Environmental Protection Program (Stage III)

(1) Optimal management of organic solution absorption temperature and change of absorption activated charcoal
(2) Reduction of usage volume of chemicals containing toluene through development process change.
(3) Reuse of nickel sulfate by activated carbon treatment
(4) Review of wastewater treatment equipment operating conditions, equipment renewal/renovation
(5) Change of mixed solution ratio
(6) Introduction of exhaust air collection devices

Risk communication measures

We publicize must-know information to every Fujitsu Group manufacturing base as well as preparing structures for responding appropriately to inquiries from local residents and product users.

*1 See definition on page 67.

Results and analysis of Fujitsu Environmental Protection Program (Stage III)

Stage III analysis

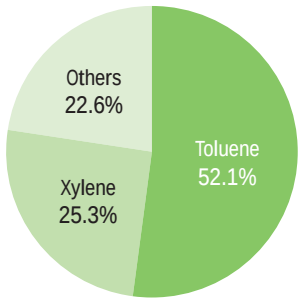
Although a reduction resulting from changes in the business structure also made a contribution, positive development of technologies and know-how for emissions reduction by individual Group companies was instrumental in enabling six Fujitsu sites, all except four overseas bases, and 11 domestic affiliates to achieve their Stage III targets.

Key chemical substances (17)

- Xylene
- Toluene
- Nickel and its compounds
- Copper compounds
- Formaldehyde
- Fluorine compounds
- Hydrazine derivatives
- Phenols
- 3,3-dichloro-4,4-dimainodiphenylmethane
- Manganese compounds
- Lead compounds
- Bromine compounds
- Cadmium compounds
- Chromium compounds
- Arsenic compounds
- Cyanide compounds
- Phosphine

* List excludes substances whose further reduction would be technically difficult (such as fluorine compounds in wastewater at Japanese sites, where appropriate wastewater treatment measures are already in place).

Proportions of key chemical emissions in Fujitsu Environmental Protection Program (Stage III)

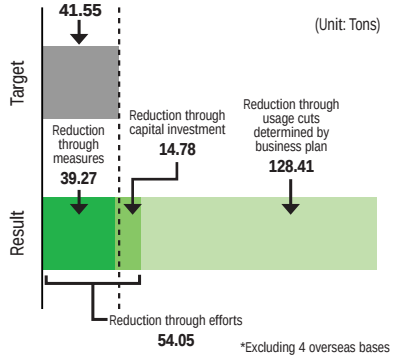


General overview of Fujitsu Environmental Protection Program (Stage III)

Emission volume reduction breakdown	Fiscal 2001 results	Fiscal 2002 results	Fiscal 2003 results	Monetary investment (total)
Emission volume (unit: tons)	57.95	36.73	21.63	410,300,000 yen
Reduction volume (tons) Comparison with fiscal 1998	174.25	195.47	210.57	
Reduction rate (%) Comparison with fiscal 1998	75.0	84.2	90.7	
Reduction volume (tons) Comparison with previous fiscal year	146.14	21.22	15.10	

* Numeric values in the text omit figures from the second decimal place.
* Target reduction volume of the Fujitsu Environmental Protection Program (Stage III)
204.09 tons (fiscal 2000 emission volume) – 162.54 tons (fiscal 2003 target emission volume) = 41.55 tons

Comparison of targeted reduction volume for Fujitsu Environmental Protection Program (Stage III) and actual results



Breakdown of emissions volume reduction by fiscal year		Reduction volume (tons)	Monetary investment	Primary reduction measures
Fiscal 2001	Reduction other than through capital investment	22.63	277,800,000 yen	Substitute for targeted substances, optimization of gas tack management, volume used, etc.
	Reduction through capital investment	2.43		Renovation/renewal of wastewater treatment facilities, exhaust collection device introduction, etc.
	Reduction through usage cuts determined by business plan	121.08		Reduction/elimination of coating goods/printed circuit board manufacturing, transfer/termination of manufacturing lines, reduction of manufacturing, etc.
Fiscal 2002	Reduction other than through capital investment	10.60	53,200,000 yen	Stable gas tack operation, reuse of nickel sulfates through activated carbon treatment, change in mixed solution ratio, shift to substitute thinners, etc.
	Reduction through capital investment	5.00		Change in gas tack activated carbon, reduction of development chemical usage volume of through development process change, etc.
	Reduction through usage cuts determined by business plan	5.62		Termination of outsourcing, business, transfer/termination of manufacturing lines, reduction of manufacturing, etc.
Fiscal 2003	Reduction other than through capital investment	6.04	6,100,000 yen	Reduction of usage volume, change in mixed solution ratio, change of coating agent
	Reduction through capital investment	7.35		Elimination of toluene use through process change, substitute devices, substitutes
	Reduction through usage cuts determined by business plan	1.71		Reduction of handling volume due to manufacturing reduction, coating plant closure

- Reduction targets 17 key chemical substances
- Activity targets 6 Fujitsu plants: Oyama, Nagano, Akashi, Mie, Aizuwakamatsu, Iwate
11 domestic affiliated companies: Fujitsu Access, FDK, Shinko Electronic Industries, Fujitsu Media Devices, Fujitsu Frontech, Fujitsu Ten, Fujitsu Component, Fujitsu Integrated Micro Technology, Aizu Plant, Yamagata Fujitsu, Fujitsu Display Technologies, Shinano Fujitsu
4 overseas affiliated companies: FIESA, FMI, FGPP, FTC
* Current names of targeted consolidated manufacturing subsidiaries at the start of Stage III activities shown.

Response to PRTR Law

Besides complying with the PRTR Law requirement for reporting of data on any of 354 Class I designated chemicals with annual usage/processing exceeding 1 ton to public offices, we compile data on these substances based on a 0.1 ton minimum. The Fujitsu Group and Fujitsu used approximately 3,033 and 534.7 tons of chemicals, respectively, in fiscal 2003. Survey data for PRTR Law-targeted substances for the Group are reported on our homepage.

http://www.fujitsu.com/about/environment/

Calculation of PRTR-targeted substances by chemical management system (eco-HCMS for Internet)

Making use of a chemical management system introduced in fiscal 2000 for balance reporting in response to the PRTR Law, we have collated MSDS data (constituents, handling methods, relevant laws, etc.) on approximately 5,000 substances to control the chemical usage status of each base and to maintain an overall chemical balance, from purchasing and use to disposal. Individual Group companies are also formulating chemical substances management systems.

Zero Waste Emission (Waste Reduction)

Enhancing efforts toward 3R and aiming at early achievement of Group-wide zero waste emission

Policy

The Fujitsu Group encourages individual employees to implement waste separation activities aimed at early achievement of zero emission and more sophisticated 3R efforts under its basic 3R (Reduce, Reuse, Recycle) policy.

Fujitsu Group Environmental Protection Program (Stage IV) target

◆To reduce the amount of waste generation by 3% from its actual amount of fiscal 2003 by the end of fiscal 2006.

Fujitsu Group's zero emission concept

Stepping up from zero emission to curbing generation, from manufacturing to non-manufacturing

All Fujitsu's manufacturing bases had achieved zero waste emission as of fiscal 2002. Among domestic Group companies, 3 sites had achieved zero waste emission by fiscal 2003, and our progress continues. We will promote activities aimed at reducing our waste generation volume, focusing on reexamination of packing materials in the procurement stage and improving our manufacturing processes. We have also extended the sphere of activity beyond manufacturing bases to non-manufacturing bases. The activities are directed by our own jurisdictional facilities at our non-manufacturing bases.

Waste generation volume reduction

- Definition: Reduction of waste volume generated by sites
- Targeted waste: All waste (without monetary value)

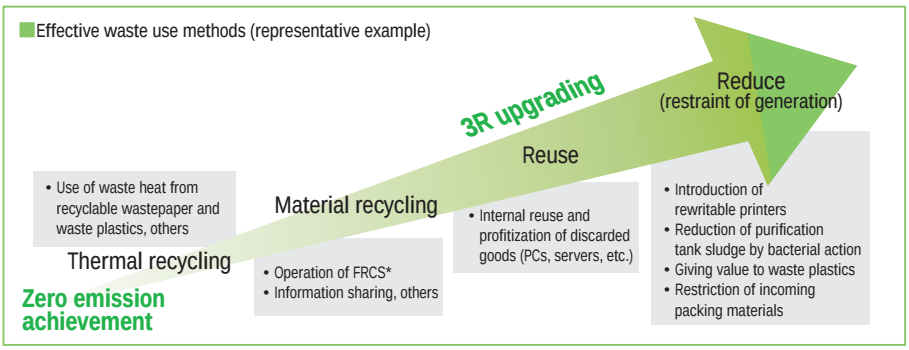
Zero waste emission

- Definition: Zero landfill or simple incineration through 100% effective waste utilization
- Targeted waste: Sludge, waste acid/alkali, plastic waste, waste oil, metal waste, glass waste, wood waste, wastepaper, animal and plant residue (kitchen waste), purification tank sludge

Structure

Zero waste emission working groups

Efforts to upgrade the 3Rs include biannual meetings of zero waste emission working groups to examine the issues for each site and promote information sharing. We also encourage waste information sharing among our suppliers through our internal intranet.



* Fujitsu Round Collect System

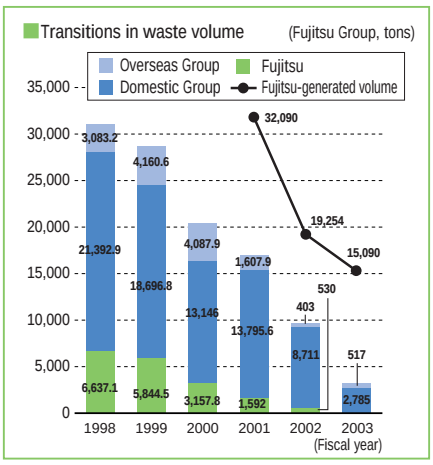
Results

Fujitsu Environmental Protection Program (Stage III) targets

- Waste to be cut 60% by Fujitsu Group by the end of fiscal 2003 based on fiscal 1998 results
- Zero waste emission to be achieved by Fujitsu by the end of fiscal 2003

Fiscal 2003 results and analysis

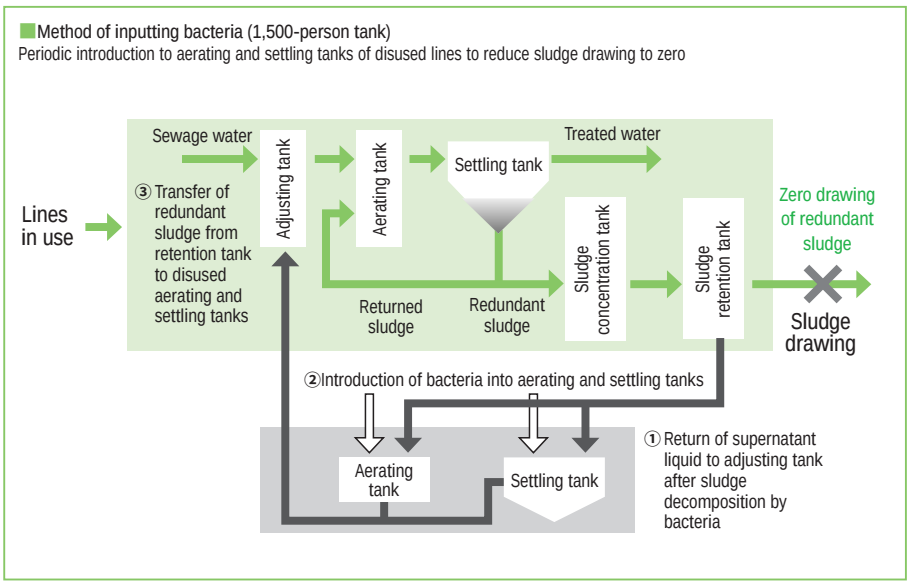
The Group recorded a waste volume of 3,302 tons, an 89% reduction from fiscal 1998, and Fujitsu recorded a waste volume of 15,090 tons, a 22% reduction from the previous fiscal year. Our waste reduction activities are progressing smoothly. Factors contributing to waste reduction included intensified efforts toward zero emission by Fujitsu's domestic Group and generation volume reduction through the introduction of bio-technologies to resolve purification tank sludge. Structural reform implemented in recent years is another factor.



Waste Generation Reduction Case Studies

Realization of zero purification tank sludge generation by introducing bio-technology (Fujitsu Nasu Plant)

With purification tank sludge the only remaining issue for zero waste emission, the Nasu Plant began using bio-bacteria to resolve purification tank sludge in fiscal 2003 after careful examination of appropriate applications. Stable functioning of the bio-bacteria, which respond to changes in the water treated in the purification tank, has prevented sludge generation for one year. This zero generation of purification tank sludge compares to 151 tons in fiscal 2002. The Fujitsu Group was the first to introduce trials of this technology, which we are now introducing at other sites and affiliated companies. We are also examining the possibility of diverting the technology to other waste and implementing demonstration experiments for organic waste solutions.



Group company zero emission effort case study

Realization of approximately 50% profitization of waste plastics, zero emission achievement a year ahead of schedule

(Fujitsu Isotech)

Fujitsu Isotech generates over 3,000 tons of waste annually, primarily comprising packaging materials, in its PC and IA server operations. Activities and measures introduced to reduce waste generation enabled it to achieve zero emission a year ahead of schedule. In the area of waste plastics, especially, decomposing and separation based on 10 varieties of ingredients and materials enabled profitization (recycling) of approximately 50% of waste plastics discharged by the plant.

A waste plastic volume reduction machine

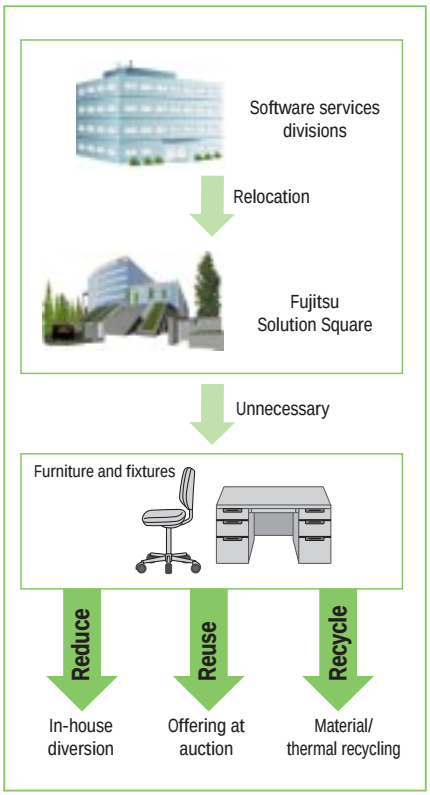
Waste plastic after volume reduction

Non-manufacturing site waste reduction effort case study

Implementation of 3Rs for redundant furniture and fixtures

(Fujitsu Solution Square)

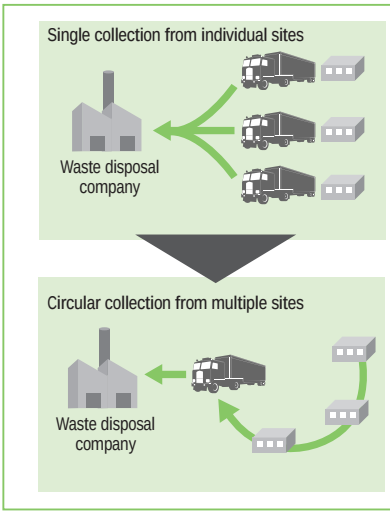
Approximately 22,000 (700 tons) of unneeded furniture and fixtures were generated with the transfer of software services divisions to Fujitsu Solution Square. We achieved zero emission of these items through in-house diversion (Reduce), offering at auction (Reuse) and material and thermal recycling (Recycle).



Other case studies

Implementation of FRCS at three sites

FRCS (Fujitsu Round Collect System), in which trucks visit several nearby sites to collect waste formerly delivered individually to waste disposal companies from each site, was implemented in the Kawasaki, Minami-Tama and Akiruno areas. Anticipated effects include CO_2 emissions reduction due to decreased use of waste delivery vehicles.



Response to illegal dumping concerns

We responded to an information reference from a relevant authority concerning illegal dumping of waste involving our products. Although free from direct responsibility, we conducted an investigation concerning the contents and reported the results.

- Illegal dumping of logo plates at a city collection point, illegal retention of consigned waste plastics, illegal storage of paint cans for manufacture-consigned products

Environmental Measures in Distribution

Introduction of new measures to reduce the environmental burden in every distribution process

Policy

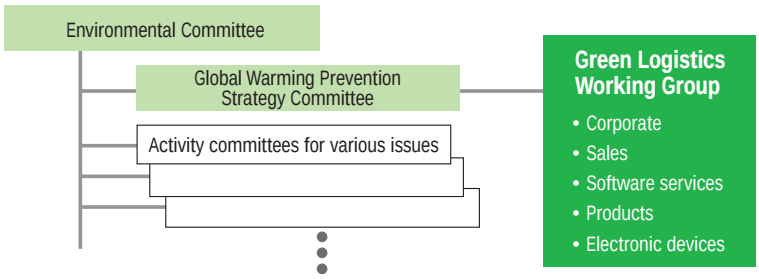
There are various possibilities for improving the environmental effects of the product delivery process. The Fujitsu Group is cooperating with EXEL Logistics (formerly Fujitsu Logistics) in developing various measures to reduce the environmental burden imposed by transportation by enhancing the efficiency of a series of distribution processes, from product package design to storage and transportation.

Structure

1. Green logistics activity promotion

We launched the Green Logistics Working Group, an activity organization comprising the distribution divisions of each business group, in July 2003 to enhance the efficiency of these divisions' environmental activities. Besides improving cooperation among the business groups, it is intended to reduce the environmental burden and CO_2 emissions in distribution through such measures as introducing and expanding transportation methods such as modal shift*1 with lower emissions, improving transportation and delivery efficiency and reducing the volume of buffering material waste.

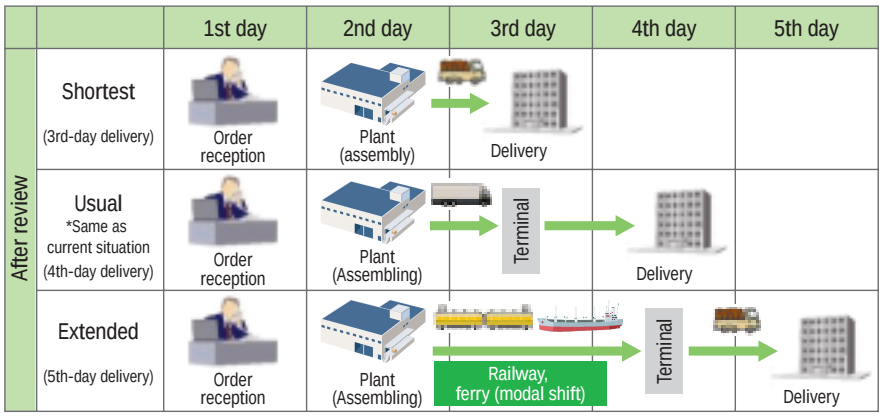
■Activity structure



2. Transportation mode selection system development

We are developing a new system enabling optimal transportation mode selection according to the delivery period for individual customers to improve distribution efficiency. The system is expected to be operational in the latter half of 2004, beginning with corporate-use PC shipments followed by staged extension to other products.

■Transportation lead time and measures for corporate-use PCs



The delivery date for corporate PCs was formerly three days after order reception. The results of a Fujitsu questionnaire revealed that approximately 30% of customers expect earlier delivery, approximately 30% are satisfied with the usual delivery period and approximately 40% are amenable to a four-day delivery period. The improved system will respond by permitting selection of a shortest (two-day) or extended (four-day) delivery period in addition to the usual period. We will deliver products directly from the plant to customers who expect earlier delivery and employ modal shift transportation imposing a lower environmental burden to fill extended delivery period orders.

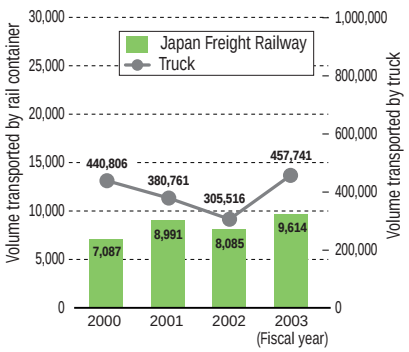
Results

CO_2 emission volume reduction through modal shift promotion

Modal shift

The Fujitsu Group has positively promoted a modal shift from truck transportation with higher greenhouse gas emissions to railway transportation with lower greenhouse gas emissions for long-distance freight transportation since 1995.

■Transitions in transported product volume (Unit: tons)



The maximum load weight of the trucks and containers was formerly used as the transported product volume, but we adopted a method of determining the loading rate from actual transportation conditions and calculating the transported product volume by multiplying the maximum load weight by the loading rate in fiscal 2003. We recalculated the transported product volumes for fiscal 2000 to fiscal 2003 using this method to arrive at more accurate values.

*1 See definition on page 67.

New measure: Application for a new product exhibition

We are also promoting a new measure to improve the modal shift application rate. Introducing modal shift transportation for equipment bound for Solution Forum product shows throughout Japan (transportation between Tokyo and Kyushu and between Tokyo and Kansai) reduced CO_2 emissions by approximately 30 tons.

Crowds at a product show

Environmental considerations for transportation and delivery

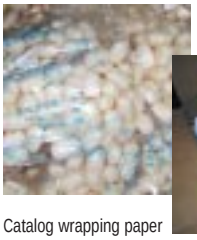
Expanded application of paper pallets

We are changing from wooden transportation pallets to paper pallets to reduce the volume of wood used, lighten the weight of materials employed in distribution, improve efficiency and reduce the volume of chemical substances employed by eliminating the need for fumigation when exporting. We expanded the program to include magneto-optical MO disks in addition to hard disks in February 2004.

Paper pallets

Reuse of catalog packing materials

We began replacing the plastic buffering materials formerly employed for mailing catalogs with a buffering material made from the wrapping paper employed in new catalog delivery in order to reduce the use of oil-based plastics. This led to an estimated reduction of plastic buffering materials by 1,260 kg in fiscal 2003.



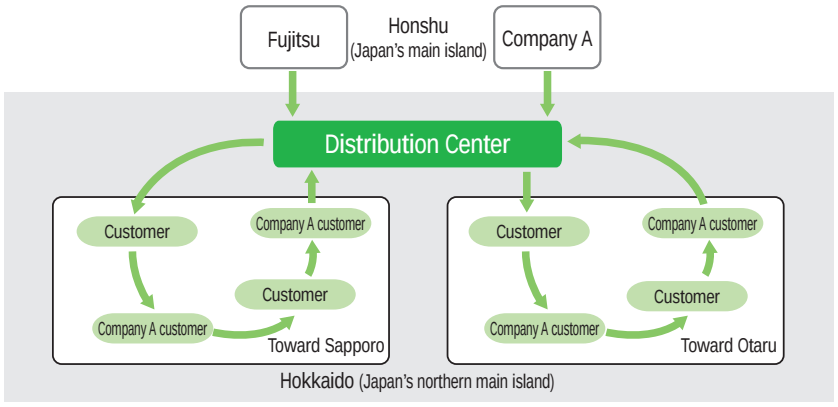
Plastic buffering material

Catalog wrapping paper

Enhanced transportation and delivery efficiency

Improving the loading rate through joint delivery

We introduced joint delivery of PCs to retailers with other companies in the Chiba and Hokkaido areas.

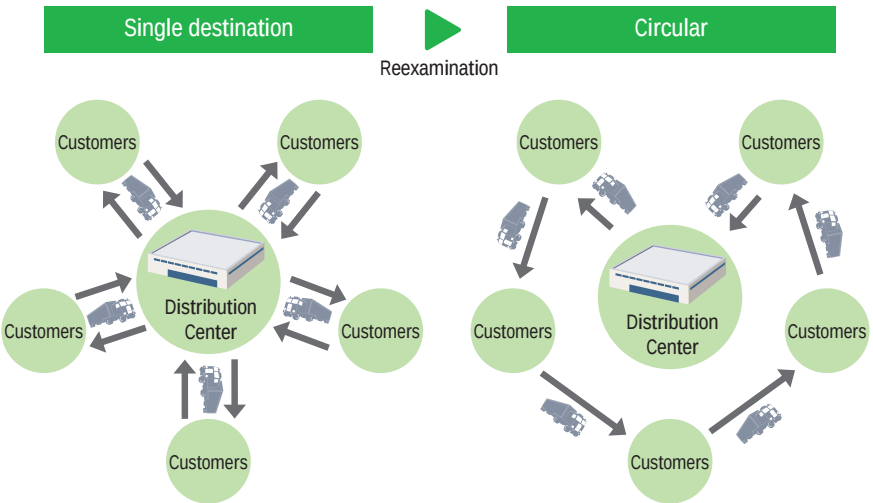


The total distance was reduced and the loading rate increased by sharing common distribution centers with other companies and selecting rational routes for delivery to customers, regardless of the company responsible.

Review of operations and overlapping routes

Each business group is working every day to realize distribution with a lower environmental burden.

- The electronic devices group reduced route overlap by integrating three transport companies into one and improved transportation efficiency by employing a distribution center.
- The system support division reexamined its charter service operation routes between delivery centers and customers and changed from single-destination to circular delivery, improving its transportation and delivery efficiency.



Reexamination of regular service diagram

We are reexamining the diagram of our regular services in an effort to improve transportation appropriateness by reducing the number of delivery vehicles and restraining the use of urgent transportation service (spot service).

- Parts center case study

With the cooperation of partner companies, we have been reexamining the diagram of regular mail service from our nationwide parts centers to improve transportation efficiency since September 2003. Promoting the use of mail service has reduced spot service to partner companies by approximately 200 deliveries a month compared with the previous fiscal year. This activity has achieved an emission reduction effect of 0.8 tons-CO_2 per month.

Post-use IT Product Recycling

Efforts to collect and recycle post-use IT products to help realize a cyclical society

Policy

We are promoting establishment of a global recycling network to fulfill our extended producer responsibility (EPR)*1 as a manufacturer operating in international society and to help create a resources recycling society. In Japan, we promote recycling through full use of cutting-edge recycling technologies as well as by encouraging collection system expansion.

Fujitsu Group Environmental Protection Program (Stage IV) targets

<Overseas> ◆To establish the recycling system in Europe by the end of fiscal 2004, and in North America, Asia by the end of fiscal 2006.

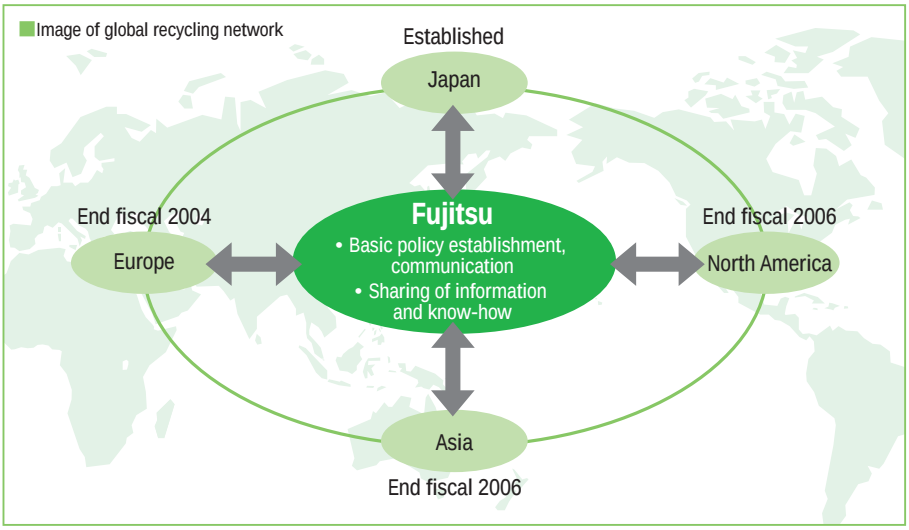
<Domestic> ◆To increase the reuse and recycling rate*2 of collected end-of life products in Japan up to 90% by the end of fiscal 2006.

◆To increase the utilizing rate*3 in Fujitsu Group in Japan of collected waste plastics up to 20% by the end of fiscal 2006.

Measures

1. Promotion of global recycling network establishment

We are promoting the establishment of a global recycling network through cooperation among our recycling system in Japan and those of Fujitsu Group companies overseas aimed at environmental burden reduction and recycling and appropriate treatment of resources from a global perspective. We are extending the network, initiated in Japan, to Europe, where a directive concerning post-use electric and electronic appliance recycling came into force in February 2003, and to North America and Asia, where recycling requirements are increasing.



2. Promotion of recycling

We promote recycling of collected post-use products in Japan and strive for recycled use of waste plastics.

Results

Fujitsu Environmental Protection Program (Stage III) targets

- Recycling system for collected post-use products to be established by fiscal 2003 year-end (Fujitsu Group)
- Recycling rate for collected post-use products to achieve 90% by fiscal 2003 year-end (Fujitsu)

Fiscal 2003 Results

Collection system expansion

Additional recycling center for business

The Fujitsu Recycling System established the new Metropolitan Area Ayase Recycling Center (PFU Life Business, Ayase City, Kanagawa Prefecture) in fiscal 2004 as a counterpart to its existing Fujitsu Metropolitan Area Sagamihara Recycling Center (Fujitsu Kasei, Sagamihara City, Kanagawa Prefecture). The addition has enhanced the customer services and smooth operation of the Fujitsu Recycling System in the Tokyo Metropolitan Area, where large quantities of recyclables are concentrated.

Reception desk for corporate customers/Eco Center

Phone: +81-45-470-5305

Fax: +81-45-470-5304

(Office hours: 9:00 a.m.~5:00 p.m., except Saturdays, Sundays, national holidays and company holidays)

Recycling system establishment by domestic Group companies

We achieved the domestic Group target of establishing a recycling system for post-use products by individual companies in May 2003. Among individual efforts by the various Group companies, Fujitsu CoWorCo is working to improve its toner collection rate and Fujitsu Isotec is implementing plastic recycling aimed at meeting target values.

*1, 2, 3 See definitions on page 67.

Establishment/operation of collection/recycling system for post-use home PCs

We have operated a collection and recycling system for post-use home PCs since October 2003, based on the Law for Promotion of Effective Utilization of Resources and employing a collecting system common to the industry using nationwide post offices in cooperation with Minister of the Environment-designated Japan Post and PC recycling facilities. We collected and recycled 16,710 personal computers during the last six months of fiscal 2003. We also provide an Internet service for checking the recycling progress of PCs discarded by customers.

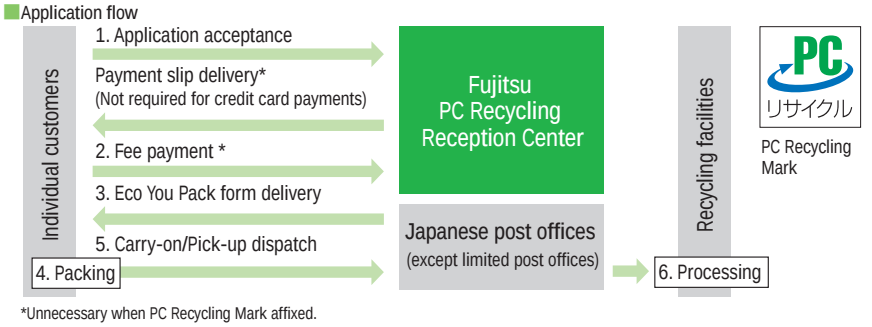
Reception desk for individual customers/
Fujitsu PC Recycling Reception Center

http://azby.fmworld.net/recycle/

Phone: +81-3-5715-3140

(Office hours: 9:00 a.m.~5:00 p.m., except Saturdays, Sundays, national holidays and company holidays)

Application flow



*Unnecessary when PC Recycling Mark affixed.

Web-based PC recycling progress checking

Recycling promotion

Improvement of resources recycling rate

Fujitsu collected 12,172 tons of post-use business products, raising the resources recycling rate to 86.6%, up 2.5 points from 84.1% in fiscal 2002. We were unable to achieve our Stage III target, however, due to issues involved in waste plastic recycling (material identification, removal of attached metals, etc., development of applications). We are continuing efforts to meet this target in Stage IV.

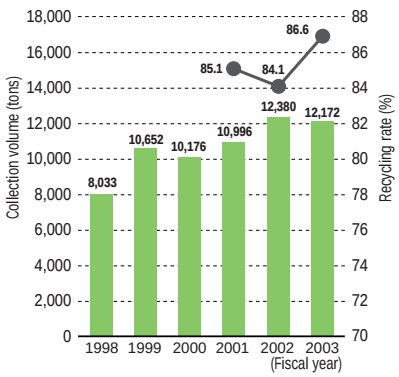
• Plastic separation

We are pursuing increased separation of plastic parts by such means as dissolution into a single material and introducing materials-differentiation machinery to remove foreign substances, despite an increase in the portion of collected post-use products employing lightweight compound materials. We also promote recycling of vinyl chloride resin, polyurethane resin and optical cables.

• Magnesium alloy recycling

We achieved practical application of a recycling technology for a magnesium alloy employed in notebook PC cases and began applying it to products we collect in autumn 2002. Compared with the conventional process (without recycling), this realized an approximately 20% burden decrease throughout the life cycle (CO_2 conversion). We have recycled 30 tons of magnesium alloy after paint removal so far and employed it in approximately 200,000 notebook PCs.

Transitions in collection volume and recycling rate of post-use IT business products



Countermeasure to prevent leakage of customer data

Fujitsu Recycling System pursues positive efforts to prevent leakage of customer data from collected PCs. We comply with the JEITA "Guideline on hard disk data erasure at the time of PC disposal and assignment" in Japan, and we have developed software corresponding to various erasure standards of the DOD (Department of Defense) and NSA (National Security Agency) in the United States. We also employ special equipment to physically destroy hard disks.

FDK Eco Tech has developed a compact disc (CD) crusher, and we have prepared systems to respond to customer requests concerning various memory media, including data erasure by physical destruction or strong magnetism.

Software compatible with overseas erasure standards

Compact disc crusher

Recycling system establishment in Europe

We have introduced preparatory measures prior to August 2005, when recycling will be required for manufacturers in the EU. We have created a network for information exchange among European Group companies to share insights into trends in industrial organizations and legislation in various countries, for example, and organized biannual European environmental conferences to confirm the progress of establishment work and resolve pending issues.

A European environmental conference in progress

Environmental Contribution through Software Services

Contributing to realization of a sustainable society through the application of IT. This is something the Fujitsu Group is ideally equipped to do for the global environment.

Policy

In fiscal 2003, the Fujitsu Group initiated new efforts to offer customers IT solutions with a higher "environmental contribution effect" by developing a method of objectively assessing the environmental influences of IT solutions. We contribute to environmental burden reduction by eliminating waste of energy and resources and promoting a shift from goods to services.

Fiscal 2004 target

◆**Solutions recognized by the environmentally conscious solution recognition system to be expanded by Fujitsu's software services divisions through full-fledged system operation, and trial operation of the system to be initiated by Group companies from the latter half of fiscal 2004.**

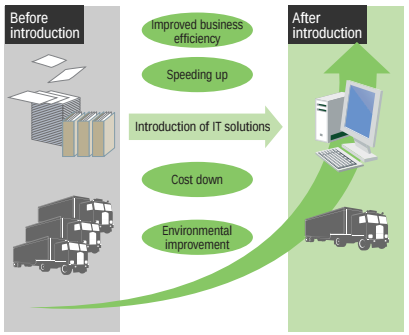
Structure

We direct efforts, centered on the Environmental Solutions Committee, toward penetration of environmental activities throughout the software services divisions through the company-wide Environmental Management System integrated in fiscal 2003.

1. Relationship between IT solutions and environmental burden reduction

The dissemination of IT is reducing various environmental burdens while drastically altering business procedures and lifestyles. The introduction to a plant of on-demand manufacturing, for example, eliminates waste of parts and products and curbs resources consumption. Electronic conferencing and Electronic delivery reduce the transportation of people and goods, moreover, resulting in CO_2 emissions reduction. The spread of PCs and servers, on the other hand, raises the environmental burden through increased electricity consumption. It is important to grasp the overall increases and decreases of the environmental burden when assessing the environmental influence of IT solutions.

Environmental burden reduction by IT solutions



2. Environmentally conscious solutions

Software services environmental influence assessment method development

In order to grasp the environmental influence of IT solutions objectively, Fujitsu Laboratories developed a method of quantitatively assessing the "environmental contribution effect" by introducing IT solutions as an environmental burden reduction effect (CO_2 reduction effect), targeting software services in a broad range of fields. This environmental influence assessment method enables us to offer solutions with a higher environmental contribution effect.

What are environmentally conscious solutions?

These are solutions whose CO_2 emission volume reduction rate after introduction is over 15%, calculated by applying the environmental influence assessment method. In fiscal 2004, we will conduct environmental influence assessment of many solutions of our software services divisions and positively promote their recognition as environmentally conscious solutions. Application of this recognition system will enable us to improve our customers' brand image and promote environmental activities through the core business of our software services divisions.

CO_2 emissions volume before/after introduction of IT solution

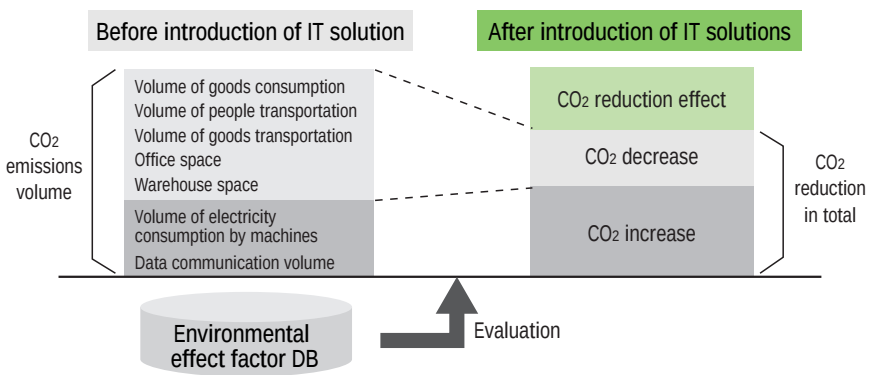
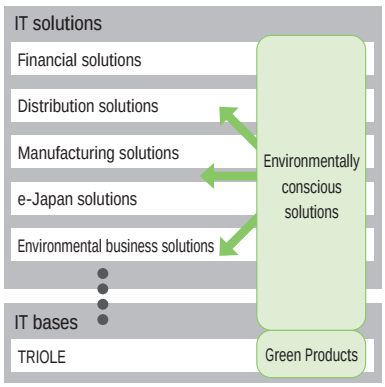
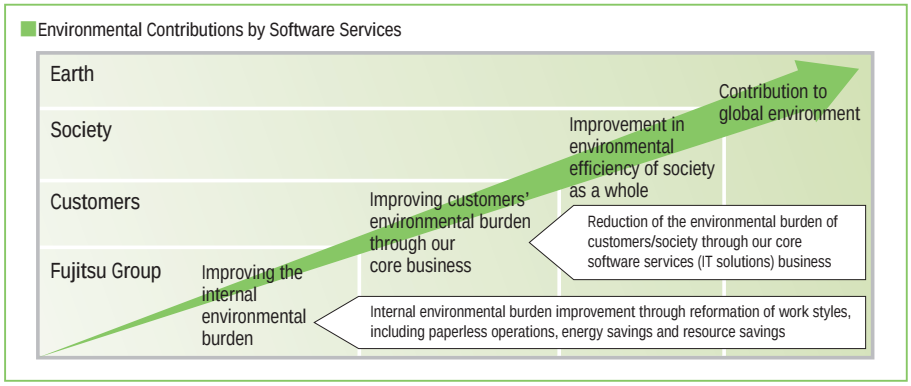


Image of environmentally conscious solutions



TRIOLE: A Fujitsu IT base for the ubiquitous communication age realizing the "business growth/enhancement," "speedy business construction" and "stable operation of system and TCO reduction" requisite for IT systems.



3. Environmental activities by software services divisions

The software services divisions are conducting activities involving reformation of work styles through the positive application of IT to reduce their own environmental burden as an environmental target. They are also striving to reduce the environmental burden of customers and society as a whole by offering environmentally conscious solutions as measures implemented through their core business of offering IT solutions.

Results

Fiscal 2003 target

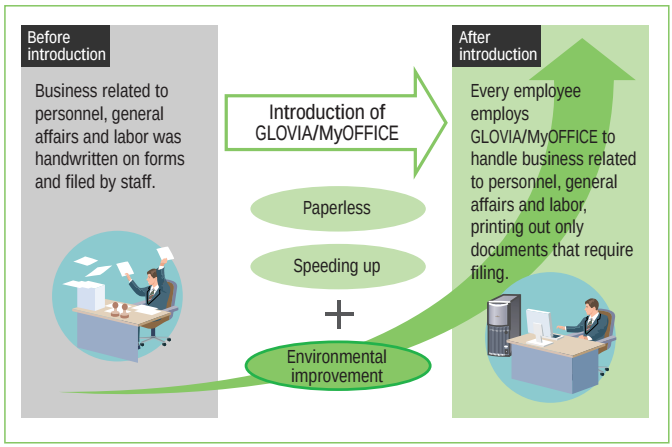
- Establishment of an certification system for environmentally conscious solutions

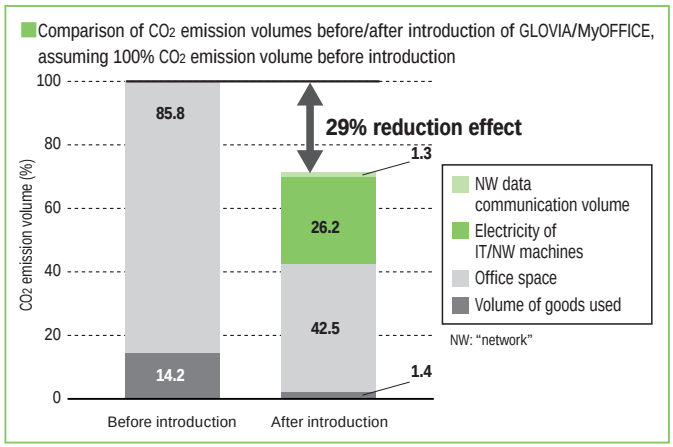
Case studies of environmentally conscious solution certification

We established an internal system to certify software services whose environmental burden reduction effect before/after introduction exceeds certain standards for environmentally conscious solutions and certified 15 solutions. The environmental contribution effects of two of these solutions are shown here.

Case 1 "GLOVIA/MyOFFICE" (Personnel/general affairs workflow package)

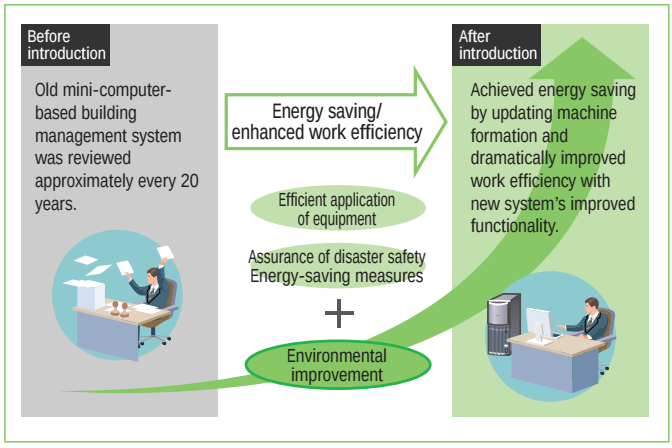
Lowered environmental burden by reducing paper-use volume and office space (reducing work processes through increased efficiency).

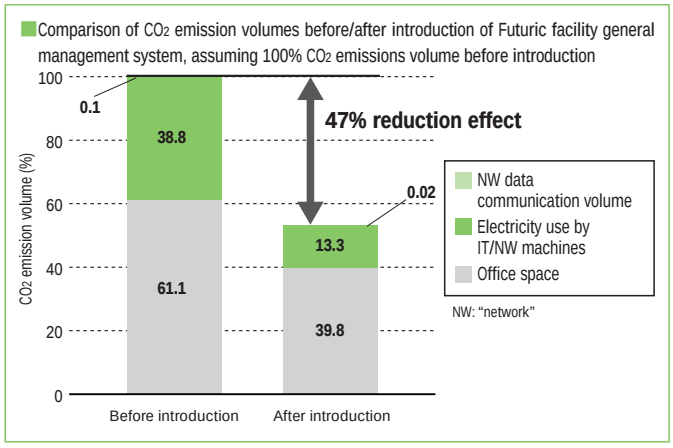




Case 2 "Futuric facility general management system" (General management system for equipment of various facilities, such as buildings, plants, station buildings and common gutters)

Lowered environmental burden by reducing office space (reducing work processes through increased efficiency) and power consumption by IT and network machines.





Environmental Solutions

Developing environmental solutions supporting realization of a sustainable society. The Fujitsu Group's environmental know-how is proving effective.

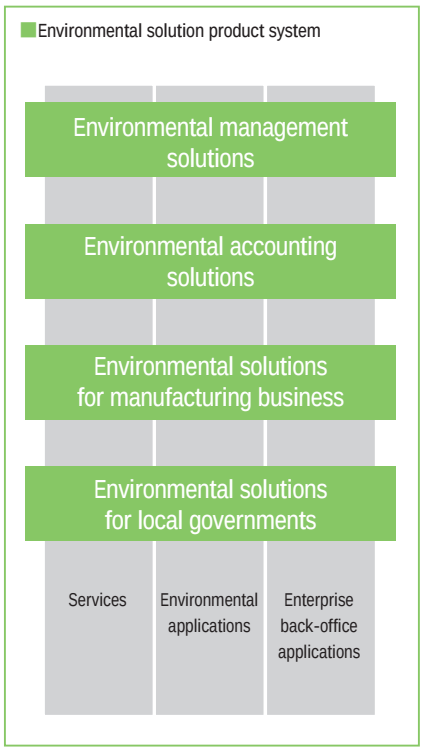
Policy

The Fujitsu Group concentrated the know-how in environmental activities it has cultivated and is offering environmental solutions that support customers with the latest information technologies in an effort to contribute to realization of a sustainable society. These solutions are optimal for "environmental management," or conducting corporate activities efficiently with the environment perceived as a new source of competitiveness and reducing the environmental burden, and for "environmental administration," or pursuing global environmental preservation and environmental awareness activities through environmental communication.

Structure

Four environmental solutions

Corporations and local governments must engage in a broad range of activities — including manufacture of eco-friendly products, optimizing waste treatment, promotion of recycling, green procurement, continuous improvement of environmental activities through ISO14001 certification acquisition and environmental information disclosure — toward realization of a sustainable society. Our environmental solutions supporting these activities comprise a four-product system. When introduced, these solutions grasp environmental information accurately in business and administrative activities and reduce the burden efficiently. They also contribute significantly to activation of businesses and local communities through "environmental management" and "environmental administration."



Environmental solution　Product/service examples

Eco-friendly product development support [ECODUCE]

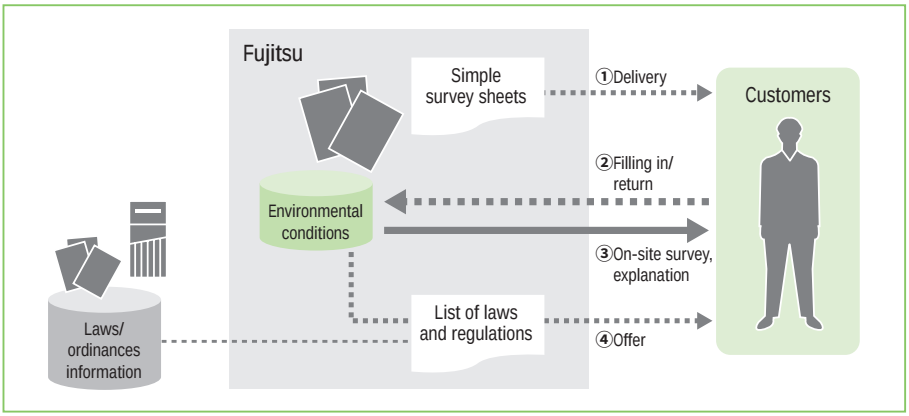
Early establishment of a system supporting eco-friendly manufacturing and green procurement in manufacturing businesses

- Compilation of types and volumes of materials and chemical substances contained in products
- Correlation of substances contained with relevant laws and regulations and with business partners' purchasing regulations; evaluation of results
- Display of product parts formation in multiple stages/reverse development for easy understandability by designers
- Application of substances/materials/parts to searching parts/products using them

Environmental law and regulation support services

We help customers fulfill their obligation to specify legal and other matters conforming to ISO14001 standards by conducting surveys concerning their operations management with respect to the specified required matters and creating management forms.

- Confirmation of adequacy of response to original restrictions by prefectural/municipal ordinances as well as environment-related laws
- Provision of necessary information for judging applicability of laws and regulations simply and speedily with an on-site confirmation system employing simple survey sheets
- Offering of various options, including annual renewal processing and clarification of laws



Environmental solution introduction case studies

Case study 1 Shiraume Gakuen Junior College introduced a printing cost reduction system to conserve both human resources and the environment.

A junior college activity pursuing "education to deepen awareness of human life and support prosperous development"

Highly evaluated for its unique, free school spirit, Shiraume Gakuen Junior College, has cultivated sophistication and human understanding among its students from various perspectives since its establishment in 1942 based on its philosophy of "education engaging deep concern for society and people's livelihood and offering learning to support them."

Supporting effective application of resources and improvement of environmental consciousness of the students by removing printing waste.

Shiraume Gakuen Junior College introduced PrintBarrier to control PC-based printing in an effort to improve the environmental consciousness of students by limiting the number of pages any individual could print as a means of encouraging selective printing. It features a preview function and duplicate printing disallow function to prevent printing errors and a printing log for individual users to support control by students. These efforts have not only reduced costs, but have contributed to raising environmental awareness at the school.

"We would be pleased to see our graduates spreading environmental awareness."

Mr. Toshiyuki Kurasawa
Associate Professor,
Department of Psychology
Shiraume Gakuen
Junior College

Since we educate people as human resources, such as child-care providers and nursing care workers, who will raise and support others, we are responsible for imparting knowledge of our social and natural environment as human beings. We also wanted to enhance students' awareness of the need to conserve printing paper and toner as part of the effective application of school resources. PrintBarrier's introduction drastically reduced our paper and toner costs and, at the same time, made students more conscious of the desirability of printing only necessary things without making mistakes. I think students have begun to realize that every sheet of paper is also a precious resource. We plan to introduce other measures to reduce costs and improve environmental consciousness among students as well. Ideally, students will conduct environmental activities voluntarily. And we would be especially pleased to see our graduates spreading environmental awareness among children and others.

Case study 2 Nippon Oil Corporation introduced an environmental information management system to collate environmental accounting and environmental performance data efficiently and unify its data management. It is now selling the system to customers.

Introduction of an environmental information management system reinforcing the environmental management basis

Nippon Oil Corporation and its Group companies introduced an environmental information management system in March 2004 to achieve efficient collation and unified Group management of environmental accounting and environmental performance data. Besides handling environmental performance data collation, the system supports use of the data as an information source for integrated evaluation of environmental improvement effects by every Group company.

Two management indices supporting simultaneous pursuit of environmental impact reduction and profit creation

The system supports efficient environmental management by permitting collation and searching of environment-related information from various angles. An "environmental accounting" capability permits collation of equipment investment for environmental measures and of maintenance expenses for the equipment in monetary units, while an "environmental performance management" capability offers environment-related data collation in units of quantity. Nippon Oil Information Technology Corporation, a system subsidiary of Nippon Oil Corporation, has packaged the system, moreover, and initiated sales under the product name "ETSITE"* in cooperation with Fujitsu. We are continuing to upgrade the system's ability to respond to customers' wide-ranging environmental management needs.

* ETSITE: Environmental Total System by Information Technology

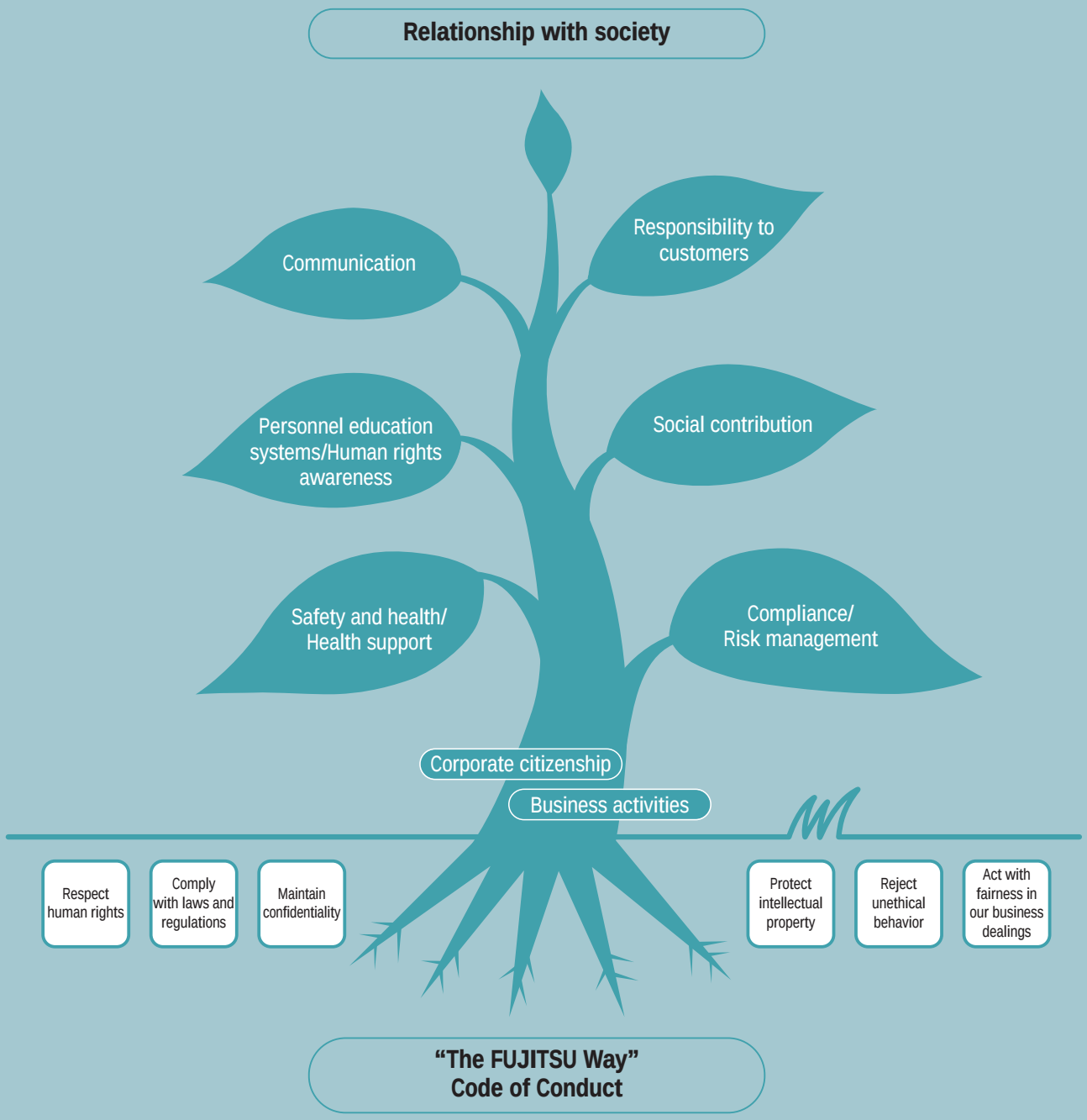
"We've seen positive improvements in the efficiency of environmental management Group-wide."

Mr. Shun Kurimoto
Exective Officer and
General Manager
Environment & Safety Dep't.
Environment, Safety & Quality
Management Division
Nippon Oil Corporation

Nippon Oil Corporation reformed its corporate structure last year, reorganizing the Environment Safety Department as the Society, Environment and Safety Department. This evidences our determination to deal with environmental issues while considering social issues as well as traditional environmental preservation. Integrating our Group companies' environmental information and unifying its management is important for the establishment of Group-wide environmental management. We view introducing an IT-based environmental information management system as the first step toward simultaneous realization of environmental impact reduction and profit creation.

The system's introduction has enhanced the efficiency of data collation for disclosure through our social environmental reporting covering information for 17 main companies. Its information-sharing capabilities also enable anyone in the Group to access information whenever necessary for responding to inquiries. The industrial waste management function increased efficiency at the sites, moreover, by systemizing the waste management operations formerly conducted manually.
We plan to apply this system to management operations besides information collation to support corporate management analysis and decision-making.

Conducting various activities based on "The FUJITSU Way" from the two perspectives of business activities and good corporate citizenship



Activities conducted from a social perspective, including contributions to customers and society through compliance with laws and regulations, represent an important issue for "sustainable management." The Fujitsu Group, in conformance with "The FUJITSU Way," strives to contribute to society and achieve a harmonious coexistence with the community and society through its business activities as a good corporate citizen. Group organizations and employees fully recognize Fujitsu's social responsibilities and conduct relevant activities.

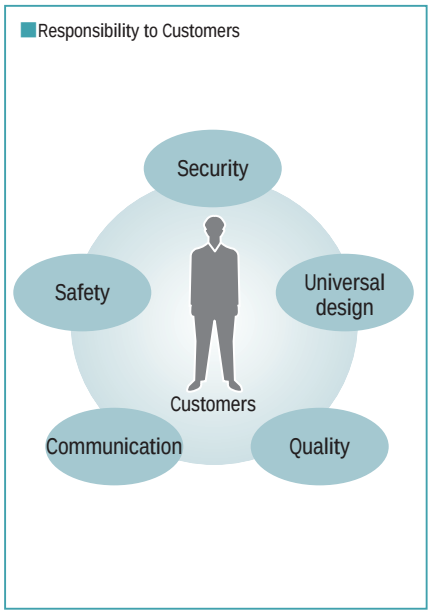
Responsibility to Customers

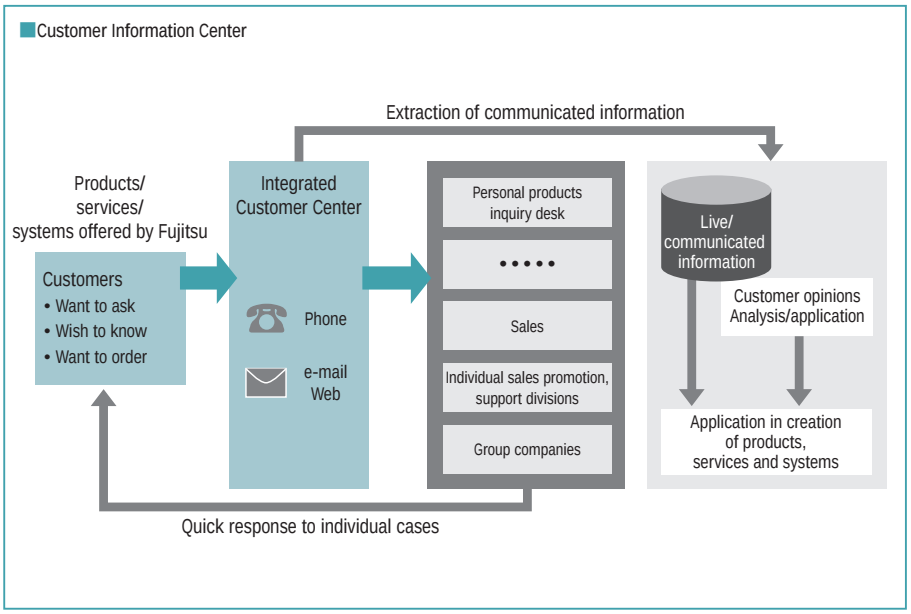
We seek to offer high-quality products and services generated through close observation of individual customers.

Policy

The Fujitsu Group conducts fully customer-focused activities in an effort to achieve “compliance with customers” in accordance with “The FUJITSU Way” guideline, “Our dream is to make our customers’ dreams come true.” These include activities aimed at improving customer satisfaction, assuring the safety and quality of products and services, and ensuring and providing security.

Structure





1. Communication with customers

fujitsu.com

We integrated all the Web sites and e-mail addresses of the worldwide Fujitsu Group into fujitsu.com in June 2000. Approximately 500 Fujitsu Group companies in 34 countries and regions are offering information in an easily understandable manner.

Customer Information Center establishment

The Customer Information Center was opened in June 2003 to respond to customers with problems who did not know where to inquire and to conduct activities aimed at establishing strong relationships of trust with customers. By storing customer opinions expressed to the Center and taking steps toward improvement, we strive to offer better products and services to customers.

2. Ensuring safety and quality

Product safety measures

We not only comply with the Product Liability Law (PL Law), but we also seek to improve product safety through in-house regulations formulated in the Fujitsu Product Safety Charter and such detailed regulations as our Product Safety Promotion Regulations.

Quality improvement measures

We have pursued Fujitsu’s original Group-wide “Qfinity*” activities since 2001 as part of our High-reliability Campaign conducted since 1966. To promote these activities, each headquarters assigns staff to encourage internal sharing of technologies and know-how through Web-based management systems and to establish education programs and evaluation and award programs.

We are working to create a corporate environment in which every employee sets and strives to achieve concrete action targets and establishes highly confidential relationships with customers.

* Qfinity: A term combining “quality” and “infinity” to suggest “infinite pursuit of quality.”

3. Ensuring security

We have established “information management regulations” and “personal information management regulations” to achieve appropriate treatment of business information and customers’ personal information. We conducted an Information Security e-learning course for approximately 34,000 Fujitsu employees to disseminate these regulations among employees.

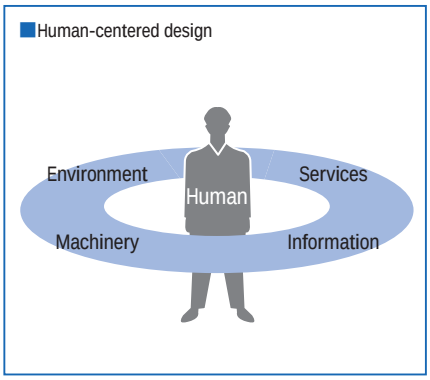
4. Support for products/services

We disclose support information for products and services and information concerning important issues on the “Support & Downloads” pages of our public homepage.

Universal Design

Working to realize an information-driven society where anyone can live conveniently through a focus on customers.

Policy

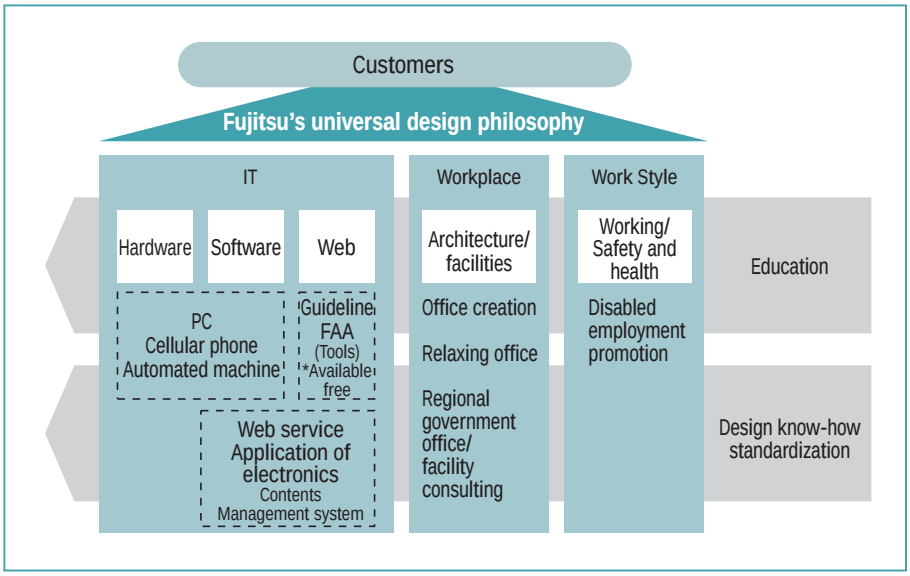


Design Policy

The dissemination of PCs and the Internet has created an expanding environment of free information transmission and reception anytime and anywhere. Our aim is to enable more people to establish this type of relationship with information. This requires products and services based on the universal design concept that are accessible to anyone, regardless of age or physical attributes.

We employ human-centered design in all our design activities, striving to understand customers' lives, work conditions and environments in an effort to realize a rich information society in which people can live comfortably and securely. We believe in offering not only practicality and aesthetic appeal, but also attractive (user) experiences, by maximizing the expression of valuable information concerning users in our design activities.

Structure



Pursuing a sustainable company

In our efforts to realize universal design in our products and services, we focus on customers' actual IT usage conditions and apply universal design to such factors as their "workplace," or user environment, and "work style," or operating situation. We begin by upgrading our own facilities and working environments and apply the know-how gained through this process to contribute to customers.

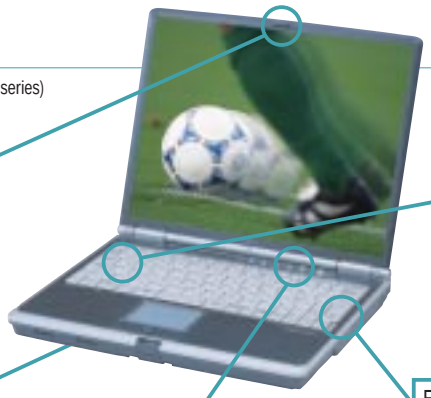
We also seek to make universal design a common internal target by promoting companywide education and creating and adhering to common guidelines governing our design systems.

Results

Universal design product example

FMV-LIFEBOOK Series personal computer

(One example of the kinds of measures being implemented in many product series)



Casing design with enhanced operation

Permits one-touch opening/closing of cover up to 180 degrees with one hand. Designed to safeguard fingers from being pinched when opening/closing cover.

Keyboard offering smoother typing

Visibility and typing ease based on ergonomics and enlargement of frequently used keys realized. Easy-viewing letters are printed on the keys.

Conventional keys Easy-view keys

Case bottom

Measure to prevent overheating

A special material is employed to allow ventilation of parts that are prone to heating up, enabling users to touch them comfortably after extended use.

Status display LCD indicating machine condition

Not only the battery level and charge conditions but also the drive status can be verified at a glance.

Easy-access bay

Bay modules can be exchanged to suit the user's purpose without turning the PC upside down.

Universal design example at office

Fujitsu Solution Square employed universal design for its buildings and offices in consideration of customers and employees. The spacious environments featuring easy wheelchair mobility are equipped with multipurpose restrooms with facilities for the physically challenged, parking spaces reserved for wheelchair users, and elevators responding to voice commands, Braille guidance and wheelchair use. We are also examining a safety confirmation service for hearing-challenged people employing the cellular phone text mail function.

A sign indicating wheelchair user parking

A multipurpose restroom

FUJITSU homepage

Fujitsu Web Accessibility Guidelines

Fujitsu creates easily accessible homepages that various people, including the physically challenged and the elderly, can use comfortably. Our original Fujitsu Web Accessibility Guidelines clarify the proper approach to accessibility by homepage creators. We disclose the guidelines on our homepage to make them available for use by other companies and organizations as well.

http://www.fujitsu.com/webaccessibility/other_guidelines.html

Free Fujitsu Accessibility Assistance

Our Fujitsu Accessibility Assistance diagnostic software tools, which increase accessibility for visually impaired people who have difficulty distinguishing colors, are available for downloading at no charge by homepage managers and designers.

http://design.fujitsu.com/en/universal/assistance/colordoctor/

FUJITSU Web universal design selected for 2003 Good Design Award

The Fujitsu Group is developing universal design-compatible Web sites in 34 countries and regions worldwide as Web sites accessible by every customer as another contribution to the information-oriented society.

First place in *Nikkei Personal Computing* corporate site usability rankings

Our homepage placed first in the corporate site usability rankings published by *Nikkei Personal Computing.* The usability of the top page and treatment of images, movies and sound were evaluated especially highly. Fujitsu considers customers thoughtfully throughout the site.

Examples of efforts in other products and services

FACT-V

Targeting an ATM that is easy for everyone to use

FACT-V

FMV Rakuraku PC

A PC permitting secure operation by elderly people who are novice PC users

@Expansion Tool

A tool for increasing the font size when text on a PC screen is too small to read easily

Gannosuke

Software supporting unhindered Netsurfing by the visually challenged

Rakuraku Mail

e-mail software for children and the physically challenged

Hiragana Navi

A tool for navigating the Internet using the Japanese hiragana syllabary

Web Core Enterprise

A Web site construction tool stressing accessibility

Honors at 2003 Sarai Awards

The FMV Rakuraku PC received a Divisional Award and the Selection Committee Special Award in the 2nd Sarai Awards sponsored by *Sarai*, a magazine published by Shogakukan Inc. It was honored for senior citizen-friendly features, such as enlarged text, on-screen icons and inclusion of up to two free home visits for support including PC setup.

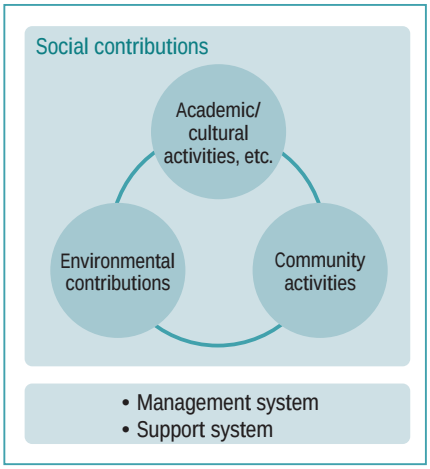
Social Contribution Activities

Maintaining a harmonious relationship as a good corporate citizen of our local communities and society at large. This is a primary motivation for the Fujitsu Group.

Policy

We strive, in conformance with the goals of "The FUJITSU Way," for coexistence and co-prosperity with international society and local communities as a good corporate citizen. We also contribute to society through activities drawing on our strengths as an IT corporation.

Structure



1. Academic/cultural activities, etc.

We have established a promotional division for each measure and are conducting relevant activities.

2. Environmental contributions

We strive to promote environmental social contribution activities led by the Corporate Environmental Affairs Group.

3. Regional contributions

Activities are conducted under the leadership of the various plant and regional promotional divisions. We have established local contribution activities at our nationwide branches and system laboratories as an environmental target of our integrated EMS. We also promote local contribution activities at our sales/software services division sites nationwide in addition to our conventional plants.

4. Support systems

We have systems in place to support volunteer activities by employees.

- Leave system for employees wishing to participate in Japan Overseas Cooperation Volunteers programs: Maximum 3 years
- Accrual leave: 5 days annually, accrual of up to 20 days

Results

Promotion of academic endeavors and education/ international exchange

Japan America Institute of Management Science (JAIMS) (established 1972)

This institute was established as a nonprofit educational corporation approved by the State of Hawaii Department of Education to improve mutual understanding among businesspeople in Pacific Rim countries. It pursues education and research concerning management thinking and techniques with a focus on Japan and the United States.


A lecture in progress

Foundation for International Information-processing Education (FINIPED) (established 1972)

This foundation was established by the Fujitsu Group to encourage human resources cultivation concerning information processing in Japan and other countries. With the participation of a membership comprising approximately 170 companies in various fields, it provides assistance for students receiving education and training at JAIMS as well as at universities in Japan and overseas.

Fujitsu Asia Pacific Scholarship System (established 1985)

This scholarship program for students and businesspeople in Asian Pacific countries was founded at the time of the 50th anniversary of Fujitsu's establishment. Its aim is to provide them with opportunities to study management and culture in Japan, the United States and China and to deepen their understanding of other nations' value systems.

Support for Mathematical Olympiad Foundation

The Mathematical Olympiad Foundation of Japan selects and dispatches Japan's representatives to international mathematics Olympic competitions. The 44th IMO competition was held in Japan from July 7 to 19, 2003, with Fujitsu providing full support as the organization's main sponsor.


Conducting the International Mathematics Olympics 2003 (Japan)

Culture/arts activities

Co-sponsorship of cultural, art and sports programs

- Musical performances (Tsukuba Concert, Fujitsu Concert, others.)
- Sports events (Fujitsu Ladies Golf Tournament, others)
- Go/shogi competitions (World Go Championship Fujitsu Cup, Honinbo Game, Fujitsu Cup Master's Game, others)

Corporate sports

We field consistently competitive track and field, American football and women's basketball teams.

Official sponsorship of Kawasaki Frontale

Based in the city of Kawasaki, the Kawasaki Frontale team joined Japan's J-League professional soccer league in 1999. It has concentrated since on developing professional soccer, training young local athletes and encouraging sports development in general.

Environmental Contribution Activities

From enlightenment to implementation. We are conducting voluntary activities carefully considering society as a whole and our surrounding communities.

Cooperation with educational institutions

Musashi Institute of Technology Internship "Onkochishin" ("Learn the lessons of the past")

We conduct joint research with the students of Musashi Institute of Technology under a practical training internship project. In 2003, the second year of the project, we investigated Rakugo [Japanese comic storytelling] stories describing the life of people in the cyclical society of the Edo period and examined the issues that are relevant for our age. This led to our presentation at the Eco-Products Exhibition 2003 of a "New Edo System" exhibit considering the disposable society and examining the importance of repairing, restoring and recognizing the value of goods.

Presentation of joint research results at Eco-Products 2003

"New Edo System" introduction pamphlet

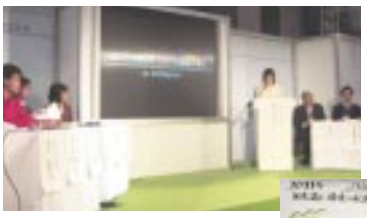
Collaboration with NGOs/NPOs

Joint business with NPO at Eco-Products 2003 (collaboration with NACS*)

Envisioning life in 2033 at Eco-Products 2003

We participated in a panel discussion, "Vision for 2033 and Our Lives," sponsored by the Kanagawa Agenda Promotion Center (Kanagawa Prefecture Global Warming Prevention Activities Promotion Center), an incorporated nonprofit organization. Every proposal from corporations, NPOs and high schools was considered in envisioning the future society together.

* NACS: Nippon Association of Consumer Specialists



Envisioning life in 2033 at Eco-Products 2003

Technologies realizing the vision of "unconscious environmental consideration"

Lesson support activities for educational institutions

We support integrated environmental studies from elementary to high school under an original program in our capacity as a corporation employing new eco-friendly materials, research and product development. Students use actual products to study the relationship between parts and the global environment.

Sapporo City Ainosato-Higashi Elementary School 3rd Educational Practice Presentation Meeting

Graduate School of Information Science and Engineering, Tokyo Institute of Technology

We cooperate with the Technology Management Program Development Committee of the Kinji Mori Laboratory. In an MOT (management of technology) project

Eco-Products 2003 preliminary lesson

We participated in an integrated lesson sponsored by NACS for first-year students of the Tokyo Metropolitan Edogawa High School. We introduced PC recycling and a PC employing new materials.

Integrated lesson at Tokyo Metropolitan Edogawa High School in session (Eco-Products 2003 preliminary lesson sponsored by NACS)

OISCA-International Children's Forest Program

We have begun providing the Rhythm Forest network game to support the Children's Forest Program forestation projects promoted by OISCA-International. The service was established jointly by Fujitsu, Nifty Corporation and Photon, Inc. A session in a virtual world with visual and sound content leads to actual forestation activities, as monthly player results are converted into numbers of seedlings. Frequent access in fiscal 2003 led to extensive tree-planting activities.

A leading-edge MOT IT lecture at Tokyo Institute of Technology

entitled "Fujitsu Sustainable Management Strategy Report," the graduate students studied Fujitsu Group environmental management deploying advanced IT as a case study and suggested future corporate modality and improvement measures.

College of Science and Engineering, Ritsumeikan University

A lecture entitled "The Environment and Corporate Activities" we presented as part of an IT Leading Edge course conducted by Japan Electronics and Information Technology Industries Association (JEITA) introduced corporate activities toward sustainable development of society and the possibilities for using IT to improve the global environment. The approximately 380 participating students expressed understanding of the importance of environmental activities.

Other cooperation organizations

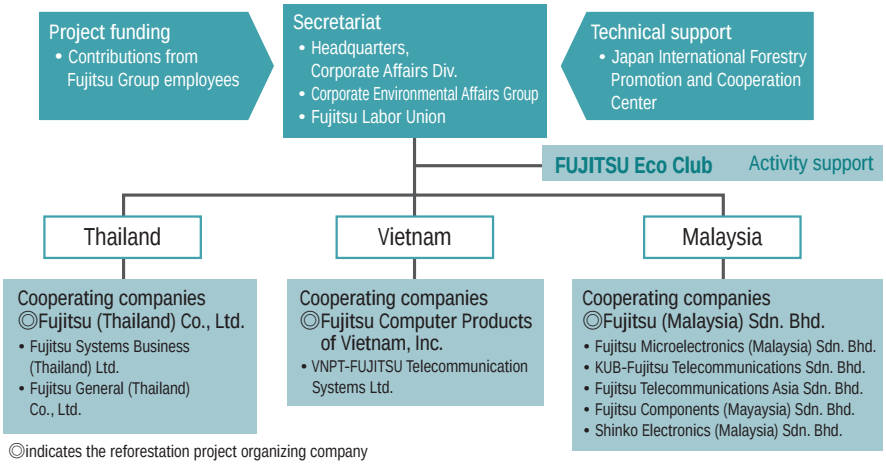
- Network for Environmental Reporting
- Nippon Environment Club
- Japan Environmental Management Association for Industry
- Environmental Preservation Committee, Communications and Information Network Association of Japan
- Japan Electronics and Information Technology Industries Association
- Clean Japan Center
- Nippon Keidanren
- Japan International Forestry Promotion and Cooperation Center
- Japan Machinery Center for Trade and Investment
- Environmental Partnership Organizing Club (Nagoya EPOC)
- National Land Afforestation Promotion Organization
- Akita University

Overseas Reforestation Activities

Volunteer tree-planting at Fujitsu Group Malaysia Eco Forest Park

Since fiscal 1998, the Fujitsu Group has engaged in forestation work in Thailand, Vietnam and Malaysia. In 2003, we created an eco-forest park in Malaysia and launched a three-year project involving planting of 40,000 Dipterocarpaceas trees on an area of about 70 hectares. In January 2004, volunteers from the Fujitsu Group participated in a tree-planting activity conducted under the third forestation project. Administration of the park will be transferred to the Sabah Forestry Development Authority in fiscal 2005 for use in environmental studies and eco-tourism.
The project is being conducted in cooperation with the Malaysian government, the Japanese Embassy in Kota Kinabalu, Japan International Cooperation Agency (JICA) and the Japan International Forestry Promotion and Cooperation Center, Japan, from the perspective of biodiversity greenification — restoration of denuded land to a state of ecosystem symbiosis by bringing back rich greenery. It is distinguished by collaborative work enlisting the cooperation of the Fujitsu Labor Union to permit local employees and employees from Japan to participate voluntarily at the sites of Fujitsu Group companies. Fujitsu Thailand was honored by the Kingdom of Thailand in fiscal 2003 for its tree-planting activities and its continued conservation efforts following the planting.

■Organizational structure of overseas reforestation activities



◎indicates the reforestation project organizing company


"Commemorative Award" presentation at the Reforestation Campaign in Commemoration of the Thailand Royal Golden Jubilee Award Ceremony 2003

Regional Contribution Activities

A variety of activities for communication with local residents and volunteer work are carried out by our plants and business offices.

Communication with local communities

Spring Festival, Kawasaki Research & Manufacturing Facilities

This annual festival, held for the ninth time in 2004, welcomed a crowd of 4,700 comprising Fujitsu employees, their families and neighborhood residents.

2003 Fujitsu Akiruno Festa, Fujitsu Akiruno Technology Center

This annual event has been staged since 2001, when the Center celebrated the first anniversary of its founding, to express appreciation of its employees and their families and promote cooperation with the local community. The 2003 festival attracted an enthusiastic crowd of some 4,000 visitors.

Fujitsu Nagano Plant Thank You Day, Nagano Plant

As part of efforts to ensure harmony with the community in which it operates, the Nagano Plant invited neighborhood residents to join employees and their families at the plant, where activities such as a plant tour and chemical experiments designed to promote understanding of the plant's operation were organized. Some 2,500 visitors took part.

Regional voluntary activities

Personal Computer Workshop for the Physically Challenged, Tokai Area Fujitsu Group

This workshop has been offered annually since 2000 as a volunteer activity targeting the physically challenged. Three workshops with a total of 96 participants were held in 2003.


Workshop participants navigating PCs


Conducting a PC workshop

Pasovora (Personal Computer Volunteer) Club, Fujitsu Info Software Technologies

Established in 2001, this club has sponsored various support programs designed to teach elderly and physically challenged residents of Shizuoka Prefecture to operate PCs and other IT devices. The club also operates a home page, "e-switch," to assist welfare organizations in Shizuoka Prefecture in disseminating information.


The "e-switch" homepage supporting welfare organizations

Dispatch of instructors to regional organizations (Yamagata Fujitsu)

As part of an information-sharing effort close to the local community, Fujitsu Yamagata held lectures for local governmental bodies and companies on the subjects of zero emission activities and environmental conservation measures for implementation at plants.

A lecture on implementing environmental preservation activities

Clean hiking (Fujitsu Ten)

141 employees and their families picked up litter along a hiking trail on Mt. Rokko, a mountain near the Headquarters plant. Other Fujitsu plants also stage local area clean-ups, in which employees and their families as well as partner companies join the clean-up activities of local residents.

Hiking and litter collection on Mt. Rokko

Supporting park improvement (Fujitsu Support and Services (Fsas))

The company participated in a Yumemigasaki Park Improvement activity conducted by residents of Kawasaki's Saiwai Ward. Twenty participants tended the flower garden bordering paths in the park. Many other Fsas branches and offices also participate in clean-ups in their local communities.

Beautifying Kawasaki's Yumemigasaki Park

Activities at branch offices and system laboratories (fiscal 2003)

Japanese Red Cross Society blood donations (Hokkaido Branch, Kawasaki Research & Manufacturing Facilities, Numazu Plant and others)

These facilities cooperate in blood donation drives by issuing appeals for blood donors among employees.

Spectator fair at New Year Ekiden [relay race] (Kan'etsu local office)

The Kan'etsu local office staged a cheering fair near the third relay point in the All Japan Inter-Business Organization Ekiden (New Year Ekiden), where it treated grateful spectators to miso soup with pork and vegetables and amazake ("sweet sake," a beverage made from fermented rice). Employees picked up the litter after the race.

Activities at overseas bases

Regional afforestation (FCPP (Philippines))

Fujitsu Computer Products Corporation of the Philippines cooperated with the ABS-CBN Bantay Kalikasan Foundation, a nature conservation arm of the ABS-CBN Broadcasting Network, in donating 100 trees in August 2003 to be planted in the area around LA Mesa (Lake Mesa) in Quezon City. Fifteen FCPP employees participated in the planting.

FCPPF's former president (above) and employees planting trees

Sites nationwide of sales/software services divisions participated in community-based activities in addition to usual plant/laboratory activities.

■Participation in local cleanup activities (examples)

Regional office/branch	Participation/venue
Hokkaido region Asahikawa Branch	Asahikawa City (Kaimono Park)
Tohoku region Tohoku Sales Div., Aomori Branch, Iwate Branch, Aizu Branch, Fukushima Branch, Hachinohe Sales Office, Iwaki Sales Office, Koriyama Sales Office	Hachinohe City (Miyagi Park), Morioka City (Kaiunbashi~Asahibashi, both sides of Kitakami River riverbed), Akita City (Senshu Park), Yamagata City (periphery of Kajo Park baseball field), Koriyama City (Fukushima Station vicinity), Iwaki City (Shinkawahigashi green belt), Aizuwakamatsu City (Omachi Central Park)
Kan'etsu region Kanagawa Sales Div., Chiba Sales Div., Makuhari System Laboratory, Nagano Sales Div.	Kanagawa Prefecture (Misaki Park), Chiba Prefecture (Chiba Port Park, Kaihin-Makuhari), Nagano Prefecture (vicinities of Nagano and Suzaka stations)
Tokai region Shizuoka Sales Div.	Numazu City (Katahama Beach)
Hokuriku region Hokuriku Sales Div.	Ishikawa Prefecture (Shiroo Beach)
Kansai region Western-Japan Regional Sales Group, Shiga Branch, Himeji Branch	Osaka City (periphery of Okawa), Shiga Prefecture (Biwako-Nagisa Park), Himeji City (Minami Station vicinity)
Chugoku/Shikoku region Chugoku Sales Div., Shikoku Sales Div.	Tottori Prefecture (Tottori Dunes), Okayama City (Ashida River, Fukuyama Station vicinity), Hiroshima City (Heiwa Blvd., both sides of Kyobashi River riverbed), Takamatsu City (along Chuo-dori Ave.)
Kyushu region Kyushu Sales Div., Kyushu R&D Center, Kumamoto System Laboratory	Fukuoka City (Kushida Shrine, Fukuoka), Kumamoto Prefecture (Techno Research Park)

Compliance/Risk Management

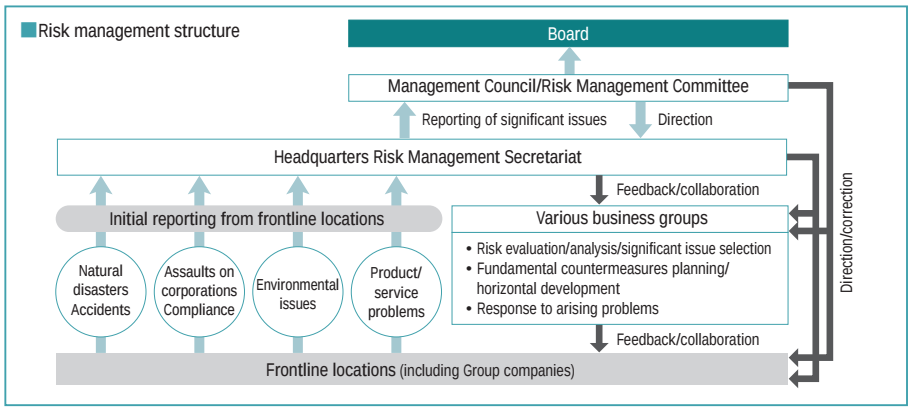
We are pursuing original efforts toward full compliance and reduction of all risks involved in corporate activities.

Policy

In conformance with the action code of "The FUJITSU Way," we will fulfill our corporate responsibility to society by promoting thorough compliance and activities designed to reduce the various risks accompanying corporate activities.

Structure

Promoting full compliance in the conduct of business in every Fujitsu Group division and risk management in every area, including security, PL, the environment and natural disasters.



1. Compliance measures

We are striving to achieve full compliance by observing internal regulations under the "Internal Code for Matters for Compliance in Fujitsu" and keeping employees informed, in addition to complying with laws and regulations.

2. Risk management structure

Operating under the Risk Management Committee (established April 2001), the Headquarters Risk Management Secretariat receives initial reports of problems from sites on the frontline, collaborates with the sites and establishes a countermeasures headquarters, if necessary, to execute responses aimed at early solution of the problem. We strive to prevent problems before they occur by feeding back all problem information received to the respective business groups and conducting risk assessment/analysis, fundamental countermeasure planning and horizontal countermeasures development in every company. We report significant issues to executives as required and provide the various business groups and frontline sites with measures and countermeasures.

3. Risk management education

We are honing every employee's risk management capabilities by holding seminars and conducting e-education programs to avoid risk to FUJITSU or its customers and to prevent diffusion and expansion of damage in disaster situations.

Results

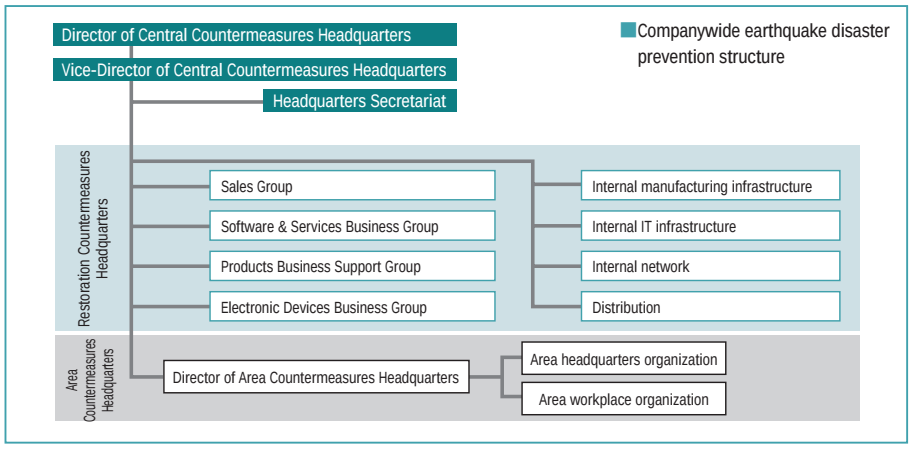
Natural disaster countermeasures

Earthquake countermeasures

We have formed a Group-wide earthquake disaster prevention organization to prepare responses to major earthquakes. Our objective is to provide customers who suffer damage with appropriate support by establishing systems to minimize material damage to our sites and facilitate early resumption of operations following an earthquake. We are working to reinforce our internal cooperation with respect to customers' recovery efforts.

Response to Sanriku-Minami Earthquake (May 26, 2003)

The Electronic Devices Business Group established a countermeasures headquarters to implement recovery work immediately after the shutdown of the Iwate Plant due to an earthquake measuring above 6 on the Japanese scale. After approximately one week, we were able to reactivate operations. The shutdown seriously inconvenienced our customers, but we were able to recover quickly in cooperation with our suppliers, while observing a policy of open disclosure of the damage and recovery situation.



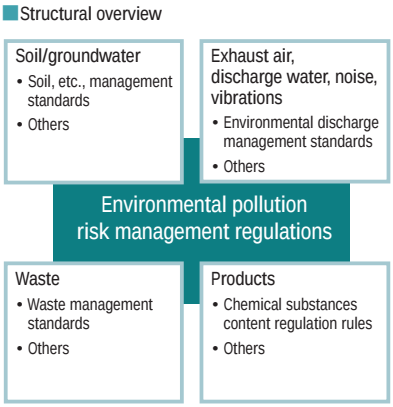
Disaster prevention drills

We conduct annual disaster prevention drills, centered on Disaster Drill Day (September 1), at every domestic site. Under the theme of "Protecting corporations' vital information systems from disaster," the System Support Headquarters joined customers in conducting a joint recovery drill in response to an assumed earthquake in the Tokyo Metropolitan Area.

Environmental risk countermeasures

We have developed a structure to prevent environmental risk and are striving to prevent or minimize it through environmental risk assessment and management. An overview of the structure is shown below.

■Structural overview



Education to enhance environmental risk awareness

We conduct education to enhance environmental risk awareness aimed at improving and fostering individual employees' awareness of environmental risks as a part of our environmental risk management.

• Keystone of employee education

We educate employees concerning "risk prediction" and "suitable responses and solutions" to raise their risk awareness and give them appropriate skill training. The education is aimed at reinforcing employees' preparedness to counter environmental risks associated with production activities and to prevent the expansion and minimize the scale of damage should problems arise.

• Contents of employee education

Learning through case analyses of how environmental risks emerge, how to respond to risk-causing events in progress, and what risks are actualized at which point.

• Targets of the education

Frontline employees at manufacturing sites.

• Program implementation status

We educated 70 employees at 5 Fujitsu plants and 162 employees at 50 sites of 35 manufacturing affiliates in fiscal 2003, completing the education for all Fujitsu internal plants and manufacturing affiliates.


Presenting a case analysis

Soil and groundwater pollution countermeasures

We conducted soil and groundwater surveys at idle plants in fiscal 2003, one of which was completed, while the other two continue. We conduct strict surveys, based on the survey method instituted in the Soil Pollution Countermeasures Law*1 but covering more survey spots than the regulations require, even concerning substances other than those targeted by the regulations and in soil considered to have a lower possibility of pollution.

We also continue to pursue conventional cleanup of volatile organic compounds, and we plan to conduct a survey on effective in-situ cleanup methods for accelerating these programs in fiscal 2004 and to implement cleanup acceleration measures in fiscal 2005.


Collecting surface soil

Storage and treatment of polychlorinated biphenyl (PCB)

Each Fujitsu site and affiliated company that employs transformers, condensers and fluorescent lighting stabilizers containing PCB notified the prefectural governor of the number in storage in fiscal 2003 in compliance with the Special Measures Law on PCB. The PCB in storage awaiting detoxification is strictly monitored with quantitative ledger management, and the storage is conducted with extreme caution based on the management regulations in effect at the individual Fujitsu sites and their affiliated companies. We inspected 10 sites in the Group with a large storage volume to check the storage situation, and found inadequacies at one site, including a different display from that required by internal regulations. We made improvements and are striving to reinforce the storage situation.

The main stores of PCB at Fujitsu and affiliated companies are as follows.

(Unit: pieces)

	Storage volume		
	Transformers	Condensers	Fluorescent lighting stabilizers
Fujitsu	9	1,295	35,626
Affiliates	2	321	696
Total	11	1,616	36,322

We continue to investigate the possibilities for detoxification of PCB, focusing on such areas as detoxification processing technologies and the progress in wide-area processing and expenditures by the Japan Environment Corporation. We hope to apply the results of these investigations to minimize risk by determining a PCB detoxification policy for Fujitsu and its affiliates.


PCB-containing machine storage

Countermeasures concerning dioxins*2

We eliminated the use of incineration facilities in the Fujitsu Group as a whole (5 Fujitsu plants and 10 plants of affiliated companies with incinerators) by January 2000 and are continuing efforts to prevent dioxin generation.

Environmental endocrine disrupter countermeasures

We are managing the annual usage volumes of 65 endocrine disrupting chemicals with the aim of reducing their use. We are promoting reduction activities by managing the usage volume at all sites employing the targeted chemicals. In fiscal 2003, the volume of environmental endocrine disrupters used by the Group was 3,085.9 kg. The volume used by Fujitsu was 182.2 kg, a 99.4 kg increase compared with fiscal 2002. This increase accompanied an increase in production volume.

■Usage status of environmental endocrine disrupters (Fujitsu Group fiscal 2003)

Substance No.	Substance	Cas No.	Amount used (kg)	Principal uses
36	Nonylphenol	25154-52-3	1088.5	Degreasing agent for painted parts
37	Bisphenol A	80-05-7	63.4	Shaping auxiliary agent
38	2-ethylhexyl phthalate	117-81-7	76.8	Adhesive for mounting electronic parts
39	Butyl benzyl phthalate	85-68-7	40.1	Printed circuit board processing agent
40	Di-n-butyl phthalate	84-74-2	1745.4	Shaping auxiliary agent
56	Cypermethrin	52315-07-8	12.8	Insecticide
59	Permethrin	52645-53-1	58.9	Insecticide for mites
	Total		3085.9	

- The results tallied here are for 15 Fujitsu plants/sites and 27 domestic and 4 overseas affiliates.
- The usage status covers all substances used by Fujitsu and the Fujitsu Group.
- Substance number in the Ministry of the Environment publication "Strategic Programs on Environmental Endocrine Disrupters '98" (SPEED '98)

*1, 2 See definitions on page 67.

Environmental Communication

We are promoting two-way communication with a broad range of stakeholders concerning environmental activities.

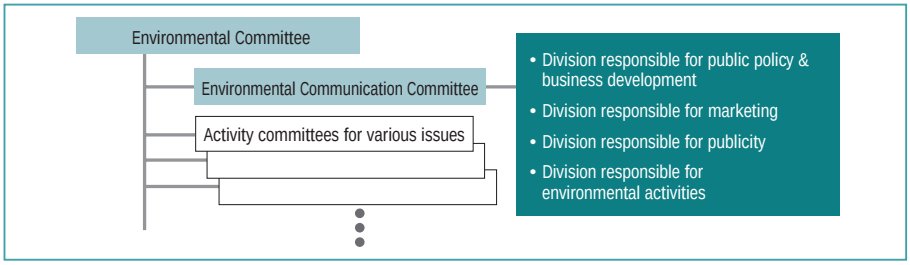
Policy

We provide information positively through such means as our *Sustainability Report* to inform a broad range of stakeholders about the Fujitsu Group's efforts to realize a sustainable society and collect feedback on our daily activities. We have established a window for promoting two-way communication with you and are prepared to reflect your valuable opinions and suggestions in our activities.

Structure

Environmental Communication Committee

We have established the Environmental Communication Committee as a promotional organization. We are aiming to realize more effective communication activities in cooperation with the relevant internal divisions.



Results

Environmental report publication

Our *2003 Fujitsu Group Sustainability Report* presented details concerning the Fujitsu Group's concepts and activities in the three spheres of economy, environment and society for the first time, in addition to the results achieved in environmental protection programs conducted in fiscal 2002. The report introduces the activities of the whole Group in a positive effort to disclose information concerning our work to preserve the environment, thereby increasing the transparency of our corporate operations. We have issued reports concerning our environmental activities annually since 1995.

Points of *2003 Fujitsu Group Sustainability Report*

1. Reports on the three spheres of economy, environment and society.
2. Describes Fujitsu's concept of sustainability.
3. Introduces the environmental activities conducted in each business field based on the "Green Life 21 — Focused on the Green" concept.
4. Clearly identifies the environmental effects resulting from our business activities, and introduces the measures implemented to decrease the environmental burden accompanied by numerical figures concerning the burden.

The Fujitsu Group continues to disclose information positively on the Internet as well in its annual *Sustainability Report.*

Subsidiaries and affiliates/plant issuing reports

Subsidiaries and affiliates: Fujitsu Access, Fujitsu VLSI, Fujitsu FIP, FDK, Fujitsu Laboratories (Headquarters, Atsugi area), Fujitsu CoWorCo, Fujitsu Support and Services, Fujitsu Peripherals, Shinko Electric Industries, Fujitsu Ten, PFU

Plant: Kumagaya Plant

Other publications

We have prepared various publications other than the *Sustainability Report* to publish our environmental efforts widely among both internal and external stakeholders.

"Focused on the Green" environmental brochure

We issued "Focused on the Green," an environmental brochure presenting the Fujitsu Group's environmental measures. Designed to gain broad-based understanding of our environmental measures, the brochure offers clear descriptions supported by numerous photos and charts.

Magazine Fujitsu "Environmental Management" special edition

Magazine FUJITSU is a bimonthly on-line information magazine introducing Fujitsu's latest technologies. The "Environmental Management" special edition summarizes individual aspects, including environmental management, environmental technologies and volunteer activities, as a measure to encourage sustainable development of society.

"Environment Pocketbook"

We published a special booklet, the "Environment Pocketbook," for our business division staff to use in discussing environmental issues with customers. Employees also use it in division study meetings concerning environmental issues. We also circulate questionnaires and update it periodically to ensure effective application.

Environmental advertising

We conduct environmental advertising in newspapers, magazines and TV commercials as well as on homepages to introduce environmental efforts of which people are not generally aware. We have stimulated widespread interest by communicating the relationship between our environmental activities and society through episodes concerning people involved in our environmental activities. Advertising expressing Fujitsu's desire to contribute to the environment through IT has been positively received.

■TV commercials

- Corn version
- Recycling version
- VPS version
- Paper pallet version
- Lead-free solder version

■Newspaper advertising

Participation in environmental exhibitions

Exhibitions offer ideal venues for introducing our responses to environmental issues and our ability to offer environmental solutions and products to customers in an easily understandable way. We participated in exhibitions throughout Japan again in fiscal 2003 to publicize our environmental operations. Some of these activities are described here.

Name	Sponsor
New Environmental Exposition 2003	Nippo Event Co., Ltd.
Fujitsu Environmental Forum 2003	Fujitsu
Shinshu Environment Fair 2003	Shinshu Environment Fair Organizing Committee
Ishikawa Environment Fair	Ishikawa Environmental Partnership Prefectural Residents Conference
CEATEC Japan	Communications and Information Network Association of Japan, Japan Electronics and Information Technology Industries Association, Japan Personal Computer Software Association
Biwako Environmental Business Exhibition	Shiga Environmental Business Exhibition Association
WASTEC2003	WASTEC Organizing Committee
Solution Forum 2003 Osaka (Parallel event: Fujitsu Environmental Forum 2003 in Kansai)	Fujitsu
Eco-Products 2003 "Eco Fair for Earth and Ourselves"	Japan Environmental Management Association for Industry (JEMAI), Nihon Keizai Shimbun, Inc., NEDO

Stakeholder communication

We have introduced stakeholder communication as a new measure involving direct discussions with various people related to our business and applying their opinions to improving our environmental activities. We began by conducting a tour of the Kawasaki Research & Manufacturing Facilities and explaining its environmental activities to local residents. We plan to continue this communication to actively seek opinions from people in various positions.

Stakeholder communication at the Kawasaki Research & Manufacturing Facilities

Internet information disclosure

We have established a homepage to disseminate data and information on the latest measures and activities in various fields concerning the environment in real time. We have also prepared an inquiry window for interactive communication with our customers.

http://www.fujitsu.com/about/environment/

Responses to opinions and questions

We received various opinions and questions concerning our environmental activities by phone, e-mail, fax and questionnaire. The following are examples:

Q "Isn't it possible to provide environmental accounting data according to individual major site?"

A We show an example of the costs and benefits under the classification of "electronic devices sites with a high environmental burden and the other sites."

Q "I'd like you to describe your countermeasures to the increasing CO_2 emissions."

A We targeted reduced energy consumption per unit sold in our Environmental Protection Program (Stage III), but in Stage IV, we are targeting CO_2 emission reduction introducing activities focused on CO_2.

Q "I wish you would introduce an approach to elementary and junior high school students. I hope you will do this sometime in the future."

A We have issued an environmental brochure, explaining our environmental activities in an easily understandable way. We are continuing efforts to make our *Sustainability Report* easier to read for a wider range of people.

Personnel Education Systems/Human Rights Awareness

We have established original codes and systems to ensure respect for and develop the potential of each and every employee.

Policy

Respect for human rights

In conformance with "The FUJITSU Way," we have positioned respect for human rights in every situation as an action code.

Structure

1. Personnel system

We are promoting the establishment of a personnel system that encourages employees to challenge higher targets and places value on their hopes and aspirations.

Performance evaluation system

We have introduced a system under which employees establish their own operating targets every half year and receive compensation based on their level of achievement. This performance evaluation system provides employees with a context in which to use their skills to build a career on their own terms based on their own capabilities.

In-house open recruitment

We employ this system to recruit people with the necessary skills for various projects through in-house intranet. It is representative of efforts to create a more challenging corporate climate by expanding individual employees' job selection opportunities.

Free agency

A free agency system implemented in fiscal 2003 emphasizes employees' preferences and desires and offers them opportunities to select work assignments. The system reflects efforts to inspire a challenging attitude among all our employees, encourage career independence and improve the appropriateness of personnel allocation.

Career management

We provide services such as career counseling and career design seminars to support independent career shaping by employees.

Collection of employees' opinions/communication

We conduct evaluation feedback questionnaire surveys among employees who are subject to performance evaluation to collect their opinions concerning our evaluation system and human resources development programs. We disclose the results of the surveys to employees on our intranet.

■Career management services menu

Career counseling
Individual support for individual career planning, etc., provided by specialized in-house career counselors

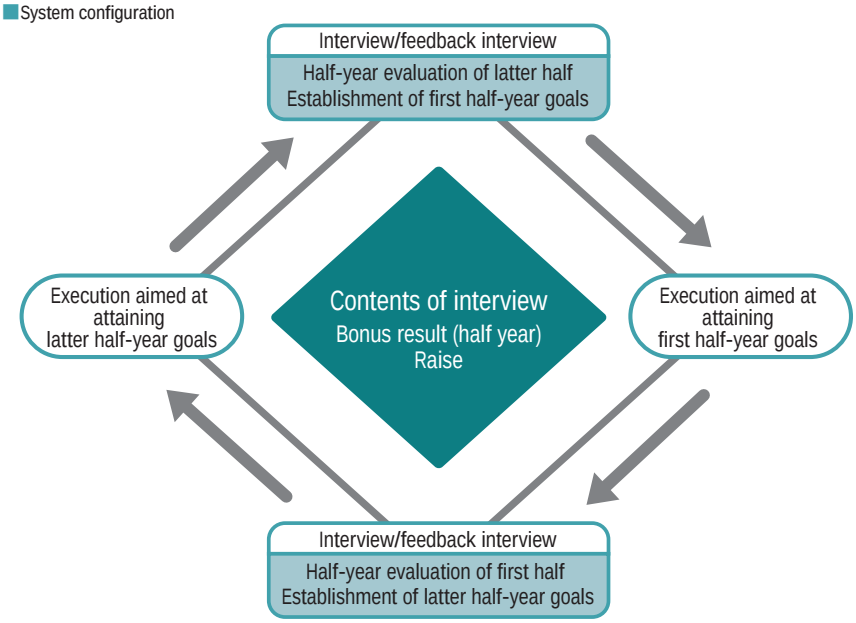
Career design seminar
Training courses offering experience in career design based on the latest career theories

Web career service
Use of assessment tools, etc., on the Web for self-understanding and career design

Establishment of personnel inquiry window/bulletin board

We have established an inquiry window and bulletin board on our intranet to support active opinion exchange.

■System configuration



2. Working support system

We have introduced carefully considered support systems to realize a better working environment.

- Child-care leave, wife's maternity leave, family member care leave, reemployment system

Other original systems are designed to meet special employee needs.

- Internship system, refreshment vacations, others

3. Human resources development (employee education) system

In conformance with "The FUJITSU Way" creed, "every one of us has a leading role to play," we are establishing an in-house education system that supports employees' efforts to develop diverse careers.

Fujitsu University

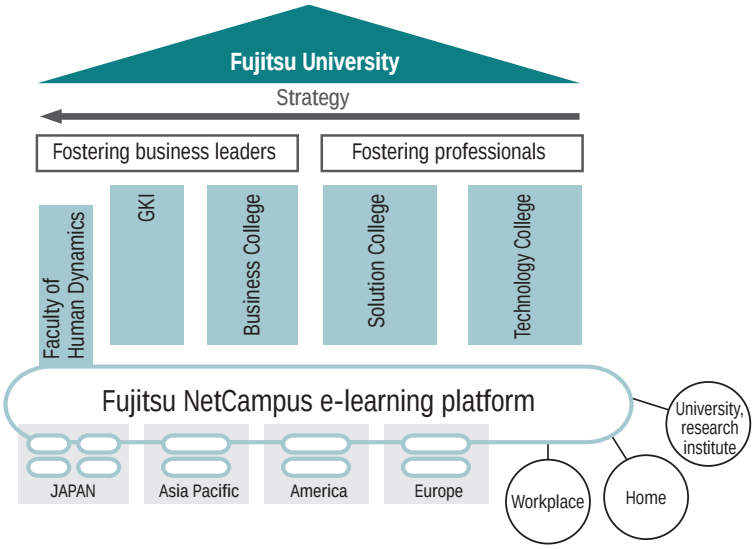
Established in April 2002, Fujitsu University is organized to foster human resources from the long-term perspective of the Fujitsu Group as a whole. The university, which is responsible for developing and realizing Group-wide human resources cultivation strategies in coordination with business and personnel strategies, is committed to the mission of "fostering advanced human resources to provide leadership for the industry" based on the following three factors:

- Fostering of *professionals* who can provide customers with high added value
- Fostering of *business leaders* capable of resolute global business promotion
- Reinforcement of the Fujitsu Group's baseline* as a total provider

* Baseline: Refers to the sense of values, business techniques, etc., shared by all Fujitsu Group employees in every area of business.

Fujitsu University Structure

- GKI (Global Knowledge Institute)
  The institute conducts education aimed at fostering business leaders who can play an active role in competition with respect to the global knowledge base.
- Business College
  The college pursues reinforcement of the baseline through companywide priority education, hierarchical education and global education.
- Solution College
  The college cooperates with the various divisions in equipping sales personnel and system engineers with advanced professional skills and knowledge.
- Technology College
  This college gives the operating divisions' engineers the expertise, skills and capabilities they need to establish development topics and work out the solutions on their own.




The Fujitsu Forum training facility (Numazu Plant)


Aerial view of the Numazu Plant

- Faculty of Human Dynamics
  This faculty provides refinement through studies such as history, philosophy, ethics and religion to foster human dynamism.

FUJITSU NetCampus

A recent addition to the Fujitsu Group's education infrastructure, this e-learning platform serves as a management system for promoting e-learning, besides fulfilling such functions as introducing all the education programs currently offered and accepting applications for courses. It has been available for all the Group companies, including overseas companies, since April 2003.

4. Human rights awareness enhancement

Disseminating a spirit of respect for human rights

We strive to disseminate a human rights consciousness among employees to eliminate unfair discrimination by distributing "The FUJITSU Way" to each of them and placing it on our intranet, as well as by conducting periodic human rights education for all our employees.

Consultation window establishment

We established an in-house "human rights consultation window" to help realize better, more comfortable workplaces.

Results

Data related to employment and work in fiscal 2003 (unconsolidated) is as follows:

■Personnel details

	Men	Women	Total
Number of employees (person)	29,316	5,520	34,836
Average age (years)	39.3	36.1	38.8
Continuous employment (years)	16.9	15.1	16.6

■Number hired

New graduates	Others
550 personnel	100 personnel

■Number of relocations under in-house system*

In-house open recruitment	Approx. 1,600 personnel (accumulated total since system initiation)
Free agency	86 personnel

* Some Group companies included

Employee Environmental Education/Awareness

Every employee throughout the Group, from our manufacturing sites to our sales/ software services divisions, plays a leading role in promoting environmental activities.

Policy

Not only our manufacturing divisions but also our sales and software services divisions conduct environmental education and awareness programs aimed at raising the awareness of all their employees of environmental issues, and encouraging them to put their awareness into action.

Results

Environmental Education

Literacy education

Conducted by every division, this education communicates baseline knowledge concerning environmental issues according to a hierarchical construct. We conduct both classroom education and integrated education supported by e-learning teaching materials.

- We have conducted environmental e-learning for new employees since fiscal 2002. A total of 741 Group employees took the course in fiscal 2003.

e-learning teaching materials designed to educate new employees in environmental basics

- Specially configured environmental solutions products developed in 2003 are employed to educate seventh-level employees (executives). 784 Fujitsu Group employees attended the course in fiscal 2003.

An environmental solution product

Technical education

Offered according to field of expertise, technical education is organized to teach eco-friendly business practices tailored to the concerns of specialized divisions, including procurement, design, development, environmental management, internal auditing*1 and manufacturing*2.

*1 Refer to "Environmental Management System" (page 21).
*2 Refer to Risk Management" (page 56).

Environmental education by the Sales and Software Services divisions

We conduct environmental education positively with instruction by both in-house and external lecturers. In 2003, we again held lectures on the theme of "IT and the Environment" for members of the Software Services Division presented by lecturers invited from NTT. The lectures centered on the application of information distribution technology, which reduces waste in the consumption of energy and resources by minimizing travel by people and goods as a means of addressing environmental issues.

Environmental lectures held during the year

Sales Division (Osaka region)	87 participants
Software Services Division	44 participants
Tokai Branch	71 participants
Kyushu Branch	28 participants
Headquarters area	93 participants

A lecture for Headquarters area personnel

A lecture for Sales Division personnel (Osaka area)

Activities at overseas bases

FUJITSU HONG KONG LIMITED

In October 2003, the company invited employees and their families to participate in an eco-tour of Ping Chau, an island on the outskirts of Hong Kong. A lecturer from a local NGO explained Hong Kong's dynamic scenery, marine life, ecology, rock weathering and erosion patterns and water cycle as well as the environmental problems caused by people and other factors. Perfect weather on the day of the tour helped to ensure that the 50 participants fully enjoyed Hong Kong's beautiful natural environment and renewed their environmental awareness. The eco-tours will continue in fiscal 2004 and beyond.

Participants explore the seashore following the lecture.

Activities by Group companies

Fujitsu Chugoku Systems

The scope of the "Eco Drive Promotion" program, which is conducted as an adjunct to education in industrial waste management, was expanded in fiscal 2003 with the addition of working-level education for part-time drivers in management of the company's commercial motor vehicles.

Fujitsu Laboratories

Under a new "Environmental Caravan" program, a caravan group dispatched from Fujitsu Laboratories in cooperation with the Corporate Environmental Affairs Group, Fujitsu and the Technology Center, visits Group companies to hold exhibitions of advanced environmental technologies and panel discussions featuring explanations and opinion exchanges concerning specified topics. The fiscal 2003 caravan visited four Group companies, including Shinko Electronic Industries, FDK and Fujitsu Ten, to elucidate such themes as lead-free soldering, vegetable-derived resins and LCA assessment technologies.

The Environmental Caravan visiting Fujitsu FDK

The Environmental Caravan visiting Fujitsu Ten

Environmental contribution awards/contests

We conduct our Environmental Contribution Awards and Environmental Contest (Photograph division/Volunteer division) on an ongoing basis to raise environmental awareness among Group company employees as well as to promote environmental activities. Since fiscal 2002, the Environmental Contribution Awards have been positioned as "centrally honored" awards, which are presented by the President at a ceremony coinciding with the June anniversary celebration of the company's founding. The Environmental Contribution Awards attracted 81 entries in fiscal 2003, the photography contest 77 entries and the volunteer contest three entries.

Major award-winning themes

Environmental Contribution Awards 1st winner

- Application of EMS in every Fujitsu business sphere
- Green Process activities
- Adopting Life Cycle Assessment (LCA)-based EcoLeaf environmental labels for products
- Construction of an environmental contribution Solution Certification System

Environmental Volunteer Contest 1st winner

- Recording/publicity activities in a civic organization for greenery preservation
- Planning/conduct of nature gatherings and environmental courses

Environmental Photography Contest 1st winner
"I Spy a Swallowtail Butterfly Baby"

FUJITSU Eco Club

We continue to operate the FUJITSU Eco Club, an information exchange site on our intranet designed to support individual employees' private environmental volunteer efforts. During fiscal 2003, the site added a new section that presents the views of environmentally conscious employees in an interview format. The site has been responsible for stimulating voluntary participation by employees in various environmental activities.

Environment Month events

We stage various events both in-house and at Group companies during June, which is designated Environment Month by the Ministry of the Environment. Interactive awareness-raising events proved especially popular in fiscal 2003. We experimented with awareness-raising events featuring *rakugo* [comic storytelling] and *manzai* [comic dialogue] to encourage easy understanding. In the future, we plan to conduct consolidated Group-wide environmental activities by organizing events that involve the Sales/Software Services business groups as well.

Fujitsu Kawasaki Research & Manufacturing Facilities

A hands-on recycling tour

An environmental *rakugo* [comic storytelling] performance

Examples of activities carried out in fiscal 2003

Releasing of dragonfly nymphs in a river/cosmos flower planting; environmental exhibition; tour of the environmental conservation facility; hands-on recycling tour; *rakugo* focusing on the environment

Fujitsu Minamitama Plant

To raise awareness concerning environment beautification, some 280 Madagascar periwinkles, the flower of the season, were planted on the plant's lawn. The flowers were arranged to form the "FUJITSU" logo.

The FUJITSU logo formed by flowers at the Minamitama Plant

Environmental lecture

Fujitsu Display Technologies

A lecture meeting on the theme of "The Natural Environment of Mt. Daisen" was held as part of a new program introduced to enhance environmental awareness. Mr. Hiroyuki Washimi, vice-principal of Hiezu Elementary School and nature consultant for Tottori Prefecture, spoke on the flowers growing in the foothills of Mt. Daisen to an audience of about 60, who reported that the lecture had given them a new perspective on the surrounding natural environment.

An environmental lecture meeting at Fujitsu Display Technologies

Information dissemination targeting in-house awareness raising

Government & Public Utilities Sales Group Sales Support Div., e-Japan Program (Fujitsu)

We have issued the *Municipality CSR Magazine* since March 2004 to publicize the importance of measures for corporate social responsibility (CSR). This e-mail magazine targeting sales personnel responsible for local government carries special articles featuring the environment and local community citizenship activities by Fujitsu Group companies.

The first issue of *Municipality CSR Magazine*

FCV (FUJITSU Computer Products of Vietnam)

In May 2003, FCV began fortnightly placement of a newsletter on a bulletin board focusing on environmental issues such as global warming, air/water pollution and waste disposal with the aim of raising environmental awareness.

An article on air pollution (May 2003)

Electronic Devices Marketing & Sales Group (Fujitsu)

Fujitsu's Electronic Devices Business Group keeps employees informed about environmental protection measures. The February 2004 issue of the *Power Up!* newsletter featuring environmental measures, which is distributed in-house as well as to distributors, carried timely reports on such topics as the new chemical substance controls in the EU, growing interest in LSI products and efforts to promote a switch to lead-free packaging.

The February 2004 issue of *Power Up!*

Safety and Health/Health Support

We conduct coordinated companywide activities to ensure a safe working environment.

Policy

Safety and health

We pursue various activities to unify employees behind company efforts to prevent occupational accidents and maintain an environment in which every employee can work comfortably.

Health support

We implement a wide range of support measures in such areas as health self-management by employees and mental health counseling.

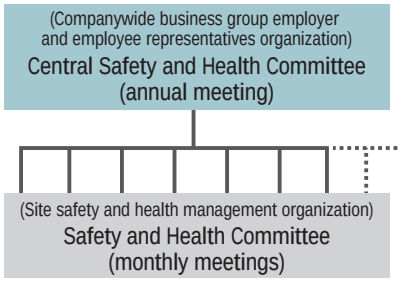
Measures

1. Safety and health

We are promoting measures to enhance employee safety and health according to the features of each site under the Central Safety and Health Committee.

Structure of measures

Company measures to enhance employee safety and health begin with a meeting of the Central Safety and Health Committee held every June and attended by employer and employee representatives elected by the various business groups. The committee determines policies for the company as a whole based on investigations of the situation concerning disasters and planning of measures to prevent them. Each site holds safety and health committee meetings once a month under the auspices of its safety and health management organization to determine measures and policies suited to the site's characteristics.



Safety commendation

Our corporate system for encouraging safety and disaster preparedness includes recognition through special awards, the Safety Control Excellence Award and the Disaster-free Recognition Award. Plants and working places whose safety management is so superior as to provide a model for others are recognized with testimonials, monetary awards and premiums.

Safety and health education and training

We make use of the Internet to provide safety and health education as part of our companywide employee education. Moreover, the individual sites also conduct their own education, matched to their particular work environments.

Safety and health education homepage

Examples of implementation at plants/sites

- Original creation by plants of health and safety education videos matching their business contents (Mie Plant)
- Implementation of special education for employees in charge of operations involving hazardous substances (various sites)
- Lectures by invited speakers on topics concerning health education four times a year (Kawasaki Research & Manufacturing Facilities)
- Safety education for business partners who pay frequent visits to our sites as an on-site disaster prevention measure (various sites)

2. Health support

We hold health conferences once a year to reinforce our companywide health management structure through discussions among the medical staff and section managers at each site.

Health promotion activities

We have established health promotion centers at our main sites and health management offices at the other sites, including the Kawasaki Research & Manufacturing Facilities' Health Promotion Division. Health consultants (health staff) stationed at small sites, such as our branch offices and branches, conduct support activities focusing on health consultations.

Health checkups (complete physical examinations)

In addition to the annual health checkups required by law, all employees aged 35 and over 40 undergo adult disease medical checkups for early detection of chronic diseases. We also conduct health checkups for various special purposes, moreover, such as examinations to determine the health condition of employees posted overseas at the time of assignment, during temporary reassignment to Japan and after their final return. Industrial health staff such as occupational physicians and nurses explain the results of the health checkups, supporting their explanations with data.

Fujitsu Kawasaki Hospital

Although this hospital was founded in connection with the public welfare system, it is open to use by the public and Fujitsu employees. Employing such advanced equipment as MRI and multi-orbital tomographic equipment, it does everything possible to ensure that patients recover as early as possible. (46 beds available)

Fujitsu Kawasaki Hospital

Mental health services

Besides providing health consultations, special counselors (clinical psychologists) conduct counseling when mental health care is required. We conduct mental health education according to hierarchy, beginning with executive employee education in this area offered since 1966 and including education for people newly promoted to professional positions and introductory education for new employees added in 1988. In addition, education for industrial health staff at all our sites includes health manager meetings held since 1985 and skill enhancement education to teach counseling techniques.

Employee information

plus ONE, an information magazine concerning dietary life and health, is distributed to Group employees as part of our educational program. The magazine presents information concerning diet and medical and nursing care in an easily understandable style. Employees appreciate the opportunity it affords them to acquire valuable information naturally and pleasantly.

The Fujitsu Group's *plus ONE* magazine

Emergency measures

When disasters (such as the September 2001 terrorist attacks in the United States) occur, we dispatch industrial physicians and counselors to the site to conduct medical consultations in cooperation with personnel section staff. When new diseases appear (such as the January 2003 SARS outbreak in Asia), we conduct medical consultations and information distribution by occupational physicians and nursing staff. We also take steps to protect staff and prevent secondary infections, such as distributing masks to employees on overseas assignment, traveling overseas on business trips and returning temporarily from overseas, and implement measures and provide information to prevent infection, as appropriate.

Smoking countermeasures

A companywide action policy enacted in 1997 to prevent health problems related to passive smoking and decreased productivity in the workplace defines basic workplace measures to enable smokers and nonsmokers to maintain good relations in the conduct of business. Smoking countermeasure working groups have been established at each site, and 100% separation of smoking areas has been attained. Besides education for in-house separation of smoking areas, moreover, we provide non-smoking support programs for employees who aspire to quit smoking and work to decrease the smoking rate.

[Activity guidelines]

- Smoking areas are completely separated in workplaces (offices, laboratories).
- Smoking is prohibited in conference rooms and cafeterias.
- Efforts are made to educate employees to achieve complete in-house separation of smoking areas.

"Non-smoking marathons" at Kawasaki Research & Manufacturing Facilities

The Kawasaki Research & Manufacturing Facilities Health Promotion Division is planning and operating "Non-smoking marathons" to celebrate World Non-smoking Day on May 31. More than 100 employees, over 60% of all participants, have completed the marathon (non-smoking) so far.

Measures in response to HIV

We have responded positively to the HIV issue based on the following basic stances and have developed a system to protect employees from AIDS. We have also established an AIDS consultation window that provides consultation to anyone upon request, including the person concerned, superiors, colleagues or family (with the option of anonymity).

[Basic stances]

- We conduct thorough AIDS education and work to disseminate accurate information.
- We do not conduct HIV antibody tests as part of regular health checkups.
- We do not treat AIDS victims unfairly or discriminate against them in personnel affairs, and we support employment of HIV carriers.
- We protect the privacy of HIV carriers

Health education

Each site conducts classes designed to raise health consciousness among its employees in accordance with its particular characteristics. We also conduct mental health education organized according to such hierarchical factors as the date of joining the company, promotions and advancement to the executive ranks. We provide health information on our homepage and through health news publications.

[Examples of educational offerings]

One-step: Experience in exercise programs that can be integrated into daily life, such as exercise for inside the home and walking styles that consume energy more efficiency (Kawasaki Research & Manufacturing Facilities)

Yoransho pub: Education concerning alcohol and nutrition through virtual experience in visiting a pub and selecting a meal menu (Aizuwakamatsu Plant)

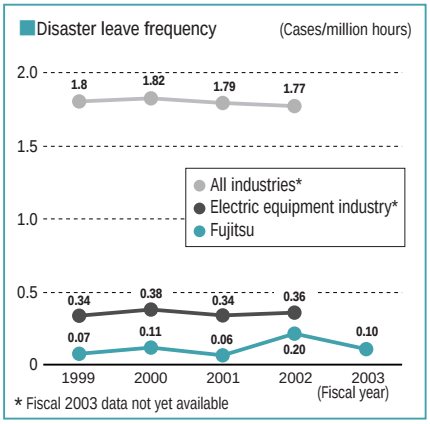
Health consultations

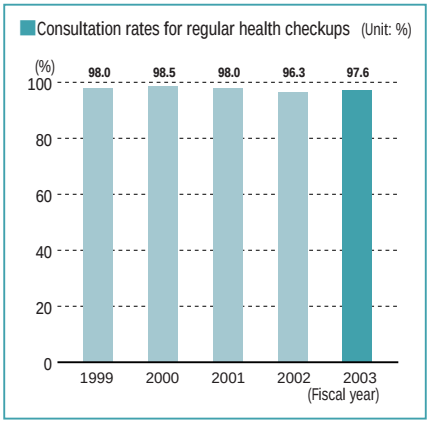
We conduct mental health and physical health consultations, including consultations concerning the results of health checkups and such matters as family health, the working environment and human relations.

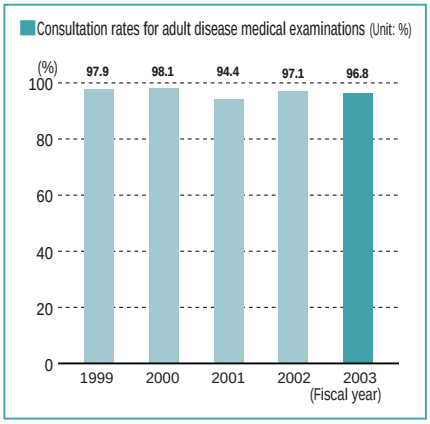
Hygienic measures

Support for employee hygiene includes first-aid kits installed in the workplace and responses to the needs of employees traveling overseas on business or posted overseas (emergency medical supplies, vaccinations, etc., with types of measures varying according to the business trip/posting destination).

Results







Data Appendix

• ISO14001 Certification acquisition results
• Environmental accounting results
• Results for PRTR Law-compatible substances balance in Fujitsu Group
• Effects on the ecology and standards for emissions by plants of the main PRTR-targeted substances used by the Fujitsu Group

The performance data above are disclosed on our homepage. We make an effort to update and enrich the data appropriately.
http://www.fujitsu.com/about/environment/

• Green Product Evaluation Standards

Fujitsu began conducting product environmental assessments using 43 criteria in fiscal 1993 with the aim of designing new products to prevent pollution and lower the environmental burden. "Green Products" are those with superior environmental performance characteristics. To earn this designation, products must score at least 90 points in a product environmental assessment and conform to all the relevant Green Product Evaluation Standards the company has adopted as global environmental measures.

Common Standards Applicable to All Products

Major category	Characteristic		Common standards
Product environmental assessment	Overall assessment		Overall score of at least 90 points, with no score of zero on any assessment criterion
Resource conservation	Product durability	(1)	Ensuring expandable product structures that support functional or performance improvements (Not applicable to electronic parts, portable products, unit products, customer-specified products)
	Product warranties	(2)	Extension of unconditional manufacturer's warranties on products sold in Japan by six months and of those for PC products by one year (Not applicable to electronic parts, products for markets outside Japan, customer-specified products)
	Reduction in product weight, volume, number of parts	(3)	Achievement of at least one of the following criteria for product weight, volume and number of parts, plus substantial improvements in remaining criteria relative to past products: 1) 10% + reduction in product weight compared to past products, or 30% + reduction per unit of performance 2) 10% + reduction in volume compared to past products, or 30% + reduction per unit of performance 3) 10% + reduction in number of parts compared to past products, or 30% + reduction per unit of performance
	Ratio of recyclable or easily recyclable plastics used	(4)	Achievement of a usage ratio of recyclable or easily recyclable plastics of at least 90% for products with a minimum of 25 grams of plastic by weight (Not applicable to electronic parts, PCBs inside products)
	Potential resource recyclability	(5)	Use of potentially resource-recyclable parts for a minimum of 75% of product weight; minimum use of 50% for portable products with LCD unit or monitor (Not applicable to electronic parts)
Recyclable design	Plastic parts	(6)	Labeling of all plastic parts (excluding packaging materials) weighing more than 25 grams and/or of parts with flat surface areas exceeding 200 mm^2; maximized labeling of materials irrespective of weight or surface area (Not applicable to electronic parts)
		(7)	Minimized painting or coating of any plastic parts weighing more than 25 grams (Not applicable to electronic parts)
		(8)	Elimination of PVC use in plastic parts (Not applicable to cable coatings, insulation materials for electronic parts)
	Primary/secondary batteries	(9)	Products whose batteries are changed by the user: adoption of structures permitting battery exchange or removal
		(10)	Products whose batteries are not changed by the user: adoption of structures permitting battery exchange or removal without complete PCB exchange
	Disassembly and separation capabilities	(11)	Permitting separation and disassembly into component materials or units (separated as devices, PCBs, cables, plastic parts, and metal parts) by hand or with general-purpose tools (Not applicable to electronic parts, equipment with automatic movement features, artificial satellites, undersea relay devices, Defense Agency products, wireless equipment covered by radio spectrum-related legislation)
		(12)	Creation of manuals for equipment disassembly (Not applicable to electronic parts, secret components)
Limitation of chemicals contents	Use of PBB, PBBO or chlorinated hydrocarbons	(13)	Freedom of plastic parts from PBB (polybrominated biphenyl), PBBO (polybrominated biphenyl oxide), or chlorinated hydrocarbons
		(14)	Freedom of printed circuit boards from PBB (polybrominated biphenyl), PBBO (polybrominated biphenyl oxide) or chlorinated hydrocarbons
	Lead	(15)	Freedom of in-house manufactured products from lead solder
Prevention of global warming	LCA	(16)	Assessment of product carbon dioxide emissions
Energy saving	Energy-saving function	(17)	Products to be equipped with an energy-saving function (Not applicable to electronic parts, customer-specified products, equipment for which an energy-saving function is not permitted)
	Power consumption	(18)	Reduction in average power consumption per unit of product performance from previous products
Environmental information disclosure	—	(19)	Inclusion in product documentation of information on waste product collection and recycling system (Not applicable to electronic parts, customer-specified products)
Manual	—	(20)	All documents for external use to be produced using a minimum of 70% recycled paper; elimination of plastic coatings from cover sheets
Packaging	Resource conservation	(21)	Use of a minimum of 70% recycled paper in cardboard
		(22)	Minimized use of packaging materials: over 5% reduction in packaging materials compared with previous products, or reduction of empty space to less than 30%
	Recyclable design	(23)	Elimination of all kinds of plastic attachments that prevent recycling from paper materials
		(24)	Compliance of labels on packaging and plastic parts with the following standards: 1) Labeling of all plastic parts weighing more than 20 grams (more than 10 grams in case of plastic foam) 2) Location of labels in easy to see positions
		(25)	Elimination of PVCs from plastic materials used in packaging
		(26)	Use of only easily recyclable plastics or paper as protective bag materials
	Hazardous chemical restrictions	(27)	Freedom from PBB (polybrominated biphenyl) or PBBO (polybrominated biphenyl oxide)

Category-specific Standards (Electronic parts)

Major category	Characteristic		Category-specific standards
Environmental ISO	All electronic devices	(1)	Establishment and operation of EMS meeting ISO14001 standards or similar EMS at all manufacturing and related sites
Chemical substances information disclosure	LSIs	(2)	Ability to issue usage-free certificates for any chemicals whose use in a given product is prohibited
		(3)	Ability to label products with the amounts of compounds containing any of the following chemicals: arsenic, halogens, antimony, organic phosphorus, nickel
Chemical substances composition regulations	LSIs	(4)	Ability to use lead-free solder in manufacturing
Packaging materials	Recyclable design	(5)	Restriction of use of expanded plastic foam in packaging materials to maximum of 20% of total packaging weight

Category-specific Standards (Portable/compact products weighing less than 3 kg)

Major category	Characteristic		Category-specific standards
Resource conservation	Recycled plastics/reused parts (magnetic disk devices, scanners)	(1)	Use of at least one or more recycled plastic or reused part for product parts
Energy saving	Compliance with the Energy Saving Law (magnetic disk devices)	(2)	Inclusion in product catalogs of a display based on the Energy Saving Law, plus attainment of target standards for fiscal 2005 (top runners) specified in the Energy Saving Law
	Compliance with the International Energy Star Program (scanners)	(3)	Attainment of restraint values for the low-electricity mode specified in the International Energy Star Program and completion of application for registration
Chemical substances composition regulations	LCD units and products employing them	(4)	Assessment of mercury content in LCD fluorescent pipes
		(5)	Restriction of mercury content in LCD fluorescent pipes to 5 mg or less per pipe
Packaging materials	Recyclable design	(6)	Restriction of use of plastic foam in packaging materials to maximum of 10% of total packaging weight

Category-specific Standards (Medium-sized/large products weighing 3 kg or more)

Major category	Characteristic		Category-specific standards
Resource conservation	Recycled plastics/reused parts (electronic calculators, magnetic disk devices, scanners)	(1)	Use of at least one or more recycled plastic or reused part for product parts
Energy saving	Compliance with the Energy Saving Law (electronic calculators, magnetic disk devices)	(2)	Inclusion in product catalogs of a display based on the Energy Saving Law, plus attainment of target standards for fiscal 2005 (top runners) specified in the Energy Saving Law
	Compliance with the International Energy Star Program (electronic calculators, scanners)	(3)	Attainment of restraint values for the low-electricity mode specified in the International Energy Star Program and completion of application for registration
Chemical substances composition regulations	LCD units and products employing them	(4)	Assessment of mercury content in LCD fluorescent pipes
		(5)	Restriction of mercury content in LCD fluorescent pipes to under 5 mg per pipe
Packaging materials	Recyclable design	(6)	Restriction of use of plastic foam in packaging materials to maximum of 10% of total packaging weight

Category-specific Standards (Personal computers)

Major category	Characteristic		Category-specific standards
Resource conservation	Maintenance parts supply	(1)	Guaranteed supply of maintenance parts for a minimum of 5 years after completion of manufacture
	Recycled plastics/reused parts	(2)	Use of at least one or more recycled plastics or reused parts for product parts
	Ratio of reused resources	(3)	Completion of calculation of resources reuse ratio for the following machinery based on the Effective Resources Use Promotion Law
			・Desktop PCs, main body: 50 % or more
			・Notebook PCs: 20% or more
			・CRTs/LCDs: 55% or more
Recyclable design	Plastic parts	(4)	Use of polymers (homo-polymers, co-polymers) or polymer alloys for any plastic parts of products weighing 25 grams or more
		(5)	Elimination of metal implants (types of inserts) for any plastic parts of products weighing 25 grams or more (not applicable to metal implants allowing disassembly with general-purpose tools)
Chemical substances composition regulations	Primary/secondary batteries	(6)	Freedom from cadmium, mercury and lead
	CRT	(7)	Freedom from cadmium
Energy saving	Compliance with the Energy Saving Law	(8)	Inclusion in product catalogs of a display based on the Energy Saving Law, plus attainment of target standards for fiscal 2005 (top runners) specified in the Energy Saving Law
	Compliance with the International Energy Star Program	(9)	Attainment of electricity consumption values during low-power mode operation and in the deep sleep display mode specified in the International Energy Star Program and completion of application for registration
	Guaranteed operation after long-term disuse	(10)	Normally operational after four or more weeks without power supply (with disappearance of such timer data as date and time not considered a fault)
Environmental information disclosure	—	(11)	Inclusion in product documentation of information on long-term use
		(12)	Inclusion in product documentation of information on cadmium, cyanogens, lead, chromium, arsenic, mercury, fluorine, boron, selenium and antimony, if included in the product
		(13)	Inclusion in product documentation of information on energy consumption (power ON/OFF status, maximum and minimum electricity consumption, ways to minimize energy consumption)
Packaging materials	Recyclable design	(14)	Satisfaction of the below standard values for plastic foam use
			・Restriction of use of plastic foam in packaging materials for main PC bodies to maximum of 10% of total packaging weight
			・Restriction of use of plastic foam in packaging materials for displays to maximum of 20% of total packaging weight

Category-specific Standards (Printers/Large-format printers)

Major category	Characteristic		Category-specific standards
Resource conservation	Maintenance parts supply	(1)	Supply of maintenance parts guaranteed for a minimum of 5 years after completion of manufacture
	Recycled plastics/reused parts	(2)	Use of recycled plastics or reused parts in product parts
Recyclable design	Plastic parts	(3)	Use of polymers (homo-polymers, co-polymers) or polymer alloys for any plastic parts or large cases weighing 25 grams or more
		(4)	Use of maximum of four types of separable polymers (homo-polymers, co-polymers) or polymer alloys for any plastic part or case weighing 25 grams or more
	Ease of separation/decomposition	(5)	Easy identification of product joints required for separation
		(6)	Provision of grip points and manipulation space for dismantling tools in products
Chemical substances composition regulations	Plastic	(7)	No use of lead or cadmium in plastic parts comprising cases or case parts
	Primary/secondary batteries	(8)	Freedom from cadmium, mercury and lead
	Toner, ink, ink ribbons	(9)	Freedom from R-number substances cited in German government hazardous substances ordinance §4a
		(10)	Freedom from carcinogens (TRGS905, TRGS900: Care.Cat1, 2, 3 in EC category or MAK value list III 1, 2, 3]
		(11)	Freedom from mutagenic substances (TRGS905, TRGS900: Mut.Cat1, 2, 3 in EC category or M1, 2, 3)
		(12)	Freedom from level 1, 2A, 3B carcinogens in classification of IARC (International Agency for Research on Cancer)
		(13)	Freedom from cadmium, mercury, lead and hexavalent chromium and its compounds
	Photo conductor drums	(14)	Freedom from cadmium, mercury and lead
Chemical substances usage regulations	Manufacturing process	(15)	Freedom from ozone-depleting substances (substances listed in appendix tables A, B, C of Montreal Protocol) in manufacturing process
Energy saving	Compliance with International Energy Star Program	(16)	Attainment of electricity consumption values in the low-electricity mode specified in the International Energy Star Program and completion of application for registration
	With power OFF	(17)	Power consumption of 2W or below when power OFF
	Guarantee of proper operation after long-term disuse	(18)	Normal operation assured after four weeks or more out of use with power cord unplugged
Environmental information provision		(19)	Description of information concerning energy consumption (power OFF status, maximum consumption electricity, method of minimizing energy consumption) in documents provided with products
Collection/recycling systems	Toner cartridges	(20)	Collection and recycling of toner cartridges
Printing paper	Use of recycled paper	(21)	Ability to use paper recycled from wastepaper for printing
	Reduction of usage volume	(22)	Inclusion of functions to reduce volume of paper used in printing (two-sided printing, reduced printing, underprint, etc.)
Packaging materials	Recyclable design	(23)	Restriction of use of plastic foam in packaging materials to maximum 20% of total packaging weight

External Awards and Evaluations / Glossary of Terms

Our activities contributing to sustainable development of society were positively evaluated in many areas and from various perspectives.

External Awards/Evaluation Results

Award name	Date received	Sponsor/Supporter	Achievement recognized
Yamagata Governor's Award 2003 Environmental Preservation Promotion	May 2003	Yamagata Prefecture Environmental Preservation Conference	Recipient: Yamagata Fujitsu Promoted environmental preservation activities in conjunction with the local community, in addition to its corporate environmental activities, aimed at achieving a cyclical society.
Excellence Award 31st Electricity Safety/ Electricity Use Rationalization Campaign	June 2003	Tama Electricity Association	Recipient: Fujitsu Minami-Tama Plant Met its obligations as an Association member by working for electric power safety and rationalization of electricity use.
Commemorative Award Reforestation Campaign in Commemoration of the Royal Golden Jubilee Award Ceremony 2003	September 2003	National Parks, Wildlife and Plant Conservation Department, Ministry of Natural Resources and Environment, Thailand	Recipient: Fujitsu (Thailand) Co., Ltd. Achieved excellent growth in its planting area as compared with other planting areas in Thailand.
1st Place in Environmental Field (5th consecutive) Dow Jones Sustainability Group Index	September 2003	Dow Jones SAM Sustainability Group	Recipient: Fujitsu Designated a "leading sustainability company" in the three areas of environment, society and economy, marking its 5th consecutive top placement in the environmental field.
FTSE4Good Global Index	September 2003	FTSE Group	Recipient: Fujitsu Satisfied strict standards in the three categories of the environment, human rights and stakeholders, with measures in countries in which human rights are attracting attention evaluated especially highly.
Community Coexistence Award for Plants, etc. 2003 Kanagawa Prefecture Awards	November 2003	Kanagawa Prefecture	Recipient: Fujitsu Laboratories Atsugi Area Achieved excellent results in efforts to establish harmonious coexistence with the local community, while contributing to promotion of industry in the prefecture.
Prefectural Governor's Award 2003 Nagano Prefecture High-pressure Gas Industry Congress	November 2003	Nagano Prefecture High-pressure Gas Organization Conference Nagano Prefecture	Recipient: Shinko Electric Industries Kouhoku Plant Achieved remarkable accomplishments in contribution to disaster prevention and security maintenance over many years of operation as a site handling high-pressure gas.
9th Place Nikkei Environmental Management Ratings	December 2003	Nihon Keizai Shimbun, Inc.	Recipient: Fujitsu Accorded high evaluation in the areas of "operations structure/environmental education," "vision" and "measures against pollution risks."
Excellence Award 7th Environmental Report Awards	January 2004	Global Environmental Forum, National Association for Promotion of Environmental Conservation Ministry of the Environment, The Mainichi Newspapers, Nihon Keizai Shimbun, Inc.	Recipient: Fujitsu Accorded high evaluation for reporting not only on sustainability management efforts but also on environmental preservation activities and activities concerned with economic and social responsibilities, for elucidating environmental accounting in economic terms and presenting the situations concerning environmental communications and safety and health in social terms, and for recognizing the relationships among the environment, economy and society and reporting on these in consideration of their interrelationships.
Green Top Runner Environmental Management Ratings	February 2004	Sustainable Management Rating Institute Ministry of the Environment/Ministry of Economy, Trade and Industry/Ministry of Education, Culture, Sports, Science and Technology	Recipient: Fujitsu Honored for activities focusing on Green Product development and green procurement promotion,whose recent direction, moving from environmental management toward the establishment of sustainable management, reflects a grasp of the trends of the era.
Excellent Energy Management Plant Award 2003 Chubu Bureau of Economy, Trade and Industry Chairman's Awards	February 2004	Chubu Bureau of Economy, Trade and Industry	Recipient: Shinko Electric Industries Wakaho Plant Recognized for many years of consistent efforts toward energy management implementation and contributing to rationalization of energy use.
"A" Rating (single "A") Environmental Ratings, Tohmatsu Evaluation and Certification Organization	March 2004	Tohmatsu Evaluation and Certification Organization	Recipient: Fujitsu Such factors as the issuance of an environmental report, inclusion of an evaluation scorecard in the environmental report, the scope of measures implemented, countermeasures against greenhouse gas release, countermeasures against soil pollution, the reliability and transparency of the measures' content and ISO14001 certification acquisition all received high marks in the integrated evaluation.
Technology Award Japan Magnesium Association Awards	March 2004	Japan Magnesium Association	Recipient: Fujitsu, Fujitsu Laboratories The "establishment of a recycling system for magnesium-made notebook PC casings" was honored for the promise it offers for the further dissemination of magnesium.

Glossary of Terms

Green procurement (Page 15 *1)

Purchasing that places a preference on products with a low environmental burden.

ISO14001 (Page 21 *1)

The standard set by the International Organization for Standardization for environmental management systems (EMS). It certifies that a company's organization and systems take the environment into consideration, and that the systems are designed to ensure ongoing reduction of the environmental burden of the company's operations.

Modal shift (Page 39 *1)

A concept of shifting freight shipments from road transportation, such as trucking, to transportation modes such as rail or sea that can handle larger freight volumes per trip. This contributes to environmental conservation by reducing CO_2 and NOx emissions and saving energy.

PRTR Law (Page 35 *1)

A law passed in Japan in March 2000 requiring companies to report the amounts of chemical substances released or transferred into the environment as emissions or waste, based on the idea that enforced public disclosure will help to reduce the environmental risks associated with chemicals and other pollutants. PRTR stands for Pollutant Release & Transfer Register.

Extended producer responsibility (EPR) (Page 41 *1)

EPR, an abbreviation for "extended producer responsibility," is a concept concerning extension of the producer's responsibility for products to the disposal/recycling stages in addition to the manufacturing, use and distribution stages. This is presented clearly in "The Basic Law for Establishing the Recycling-based Society" enforced in June 2000.

Reuse and recycling rate (Page 41*2)

Volume ratio of recycled parts and resources to discarded used products based on the calculation method introduced by the Japan Electronics and Information Technology Industries Association.

Utilizing rate (Page 41 *3)

The ratio of reuse as a material for products developed by the Fujitsu Group and its general equipages, etc., determined by measuring the weight of collected waste plastic materials against the total weight of waste plastic used for collected post-use products. Plastics containing halogen and or attached to metal parts are excluded.

Soil Pollution Countermeasures Law (Page 56 *1)

A law enacted by the Ministry of the Environment in May 2002 to cope with soil pollution by harmful substances. The law places responsibility for investigating and reporting the situation with respect to pollution on the owners of potentially contaminated lands, such as former plant sites or sites at which harmful substances were handled.

Dioxins (Page 56 *2)

A class of extremely poisonous organic compound variants that are the most toxic non-naturally occurring chemical compounds known. Well-documented as potential causes of cancer and birth defects, they vary in toxicity depending on the number and positions of chlorine atoms in their triple-ring structure.

History of Fujitsu

Our history dates back 69 years to a time when our plant was located in a natural, park-like setting.

1935
- Park-style design adopted for the Kawasaki Plant at the suggestion of Fujitsu's founder, President Yoshimura.
- Fuji Tsushinki Seizou Co., Ltd. established.

1954
- Japan's first relay computer, FACOM 100, developed.

1961
- FACOM 222 large-scale general-purpose computer using transistor developed.

1967
- Corporate name changed to Fujitsu Limited.

1972
- Environmental control sections established at each plant.

1980
- Japanese word processor OASYS 100 introduced.

1981
- Personal computer FM-8 launched.

1987
- Ozone Layer Protection Committee established.
- Business PC FMR Series launched.

1989
- Environmental Committee established.

1990
- Environmental management evaluation system implemented.

1991
- Environmental Engineering Center established.

1992
- Fujitsu's Commitment to the Environment formulated.
- Use of CFCs and carbon tetrachloride for cleaning eliminated.
- Energy Saving Committee established.

1993
- Product Recycling Committee established.
- Waste Control Committee established.
- Fujitsu Environmental Protection Program (Stage I) formulated.
- Product Environmental Assessment Guideline formulated.
- Domestic Affiliated Companies' Environmental Protection Council established.
- Environmental Information Service (FJ-COG) opened.

1994
- First issue of Eco-Plaza environmental bulletin published.
- Use of 1,1,1-trichloroethane eliminated.
- 1st Fujitsu Group Environmental Technology Exhibition held.
- Fujitsu Environmental Emblem designed.
- Overseas Environmental Information Network begins operation.
- All-in-one model personal computer FMV DESKPOWER released.

1995
- Environmental Management System Committee established.
- Recycling system established and implemented.
- Fujitsu Group Worldwide Environmental Conference established.
- New GS8000 series global server employing the world's fastest CMOS general-purpose processor and concurrent processing technology launched.
- World's first 42-inch color plasma display panel (PDP) marketed.
- World's first 3.5-inch two and four gigabyte magneto-optical disks developed.

1996
- Fujitsu Environmental Protection Program (Stage II) formulated.
- Environmental Engineering Center homepage placed on intranet.
- Chemical Emissions Reduction Committee established.
- First *Environmental Report* published.

1997
- Environmental homepage established.
- All domestic manufacturing sites certified ISO14001 compliant.

1998
- Forestation activities conducted in Thailand.
- Green Product program launched.
- UNIX server GP7000F family launched.

1999
- Environmental accounting introduced.
- Forestation activities conducted in Vietnam.
- @nifty Internet service provider with 3.5 million subscribers launched.

2000
- Four development and service sites in Japan certified ISO14001 compliant.
- Corporate Environmental Affairs Group established.
- First desktop PC awarded Eco-mark.

2001
- Fujitsu Environmental Protection Program (Stage III) formulated.
- Calendar using paper from sustainable forest published.
- Forestation activities conducted in Malaysia.

2002
- A world's first: Tin-zinc-aluminum lead-free solder developed.
- A world's first: Biodegradable plastic parts with lower environmental burden employed in notebook computers.

- Fujitsu Group Environmental Policy established.
- A world's first: Magnesium alloy recycled in-house applied in notebook computers.
- TRIOLE, an IT base configured to contribute to customers' business growth/expansion, speedy business cooperation and stable system operation and total cost reduction, launched.

2003
- Support for reforestation activities employing Rhythm Forest reforestation network game initiated.

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- Zero waste emission achieved by all 13 plants in Japan.

2004
- Japan's maximum-scale ISO14001 integrated certification acquired by all the Fujitsu sites.
- 100% Green Product ratio achieved for all newly developed products.
- Fujitsu Group Environmental Protection Program (Stage IV) formulated.

Independent Review Report

To ensure the reliability and transparency of this report, we have obtained an independent review report from a third party (Shin Nihon Environmental Management and Quality Research Institute) concerning last year's edition.

TRANSLATION

Independent Review Report on the "2004 Fujitsu Group Sustainability Report"

June 4, 2004

Mr. Hiroaki Kurokawa
President and Representative Director
Fujitsu Limited

1. Purpose and Scope of our Review

We have reviewed the "Environmental Performance", the "Environmental Accounts" and the "Descriptive information" presented in the "2004 Fujitsu Group Sustainability Report" of Fujitsu Limited (the "Company") and its principal subsidiaries and relative data identified by the review symbol on the Company's web site on June 2004 (hereinafter comprehensively called the "Report") by performing certain procedures as described below. The Report is the responsibility of the Company's management. Our responsibility is to report the findings based on our review.

Our work does not constitute an audit or examination. We therefore do not express an opinion on the Report.

2. Procedures Performed

We have performed the following review procedures agreed to by the Company.

(1) We reviewed the procedures performed by the Company and the methods of accounting that were used in the preparation of the "Environmental Performance" and the "Environmental Accounts" information.
(2) We compared the "Environmental Performance" and the "Environmental Accounts" presented in the Report with the respective supporting documents and reviewed the accurateness of the calculations of data on a sample basis.
(3) We tested for consistency by comparing the "Descriptive information" presented in the Report with the respective supporting documents.
(4) We conducted on-site inspections of the Company's factories and subsidiaries, which were selected on a sample basis, made inquiries to the individuals who are responsible for reporting, and reviewed related documents such as a request for managerial decision.

3. Results of the Procedures Performed

As a result of the procedures performed, we are not aware of any material modifications that should be made to the "Environmental Performance", the "Environmental Accounts" and the "Descriptive information" presented in the Report, as they were collected, aggregated and presented in compliance with the Company's policy.

Yasuo Kurihara
Representative Director
Shin Nihon Environmental Management and Quality Research Institute

Fax Questionnaire

FAX: +81-44-754-3326

To: Corporate Environmental Affairs Group, Fujitsu Limited

Thank you for reading our *2004 Fujitsu Group Sustainability Report.* We hope you will spare us a few more minutes to fill in this questionnaire and fax it to us to help us in preparing next year's report. We will send a copy of our *2005 Fujitsu Group Sustainability Report* to everyone who sends us a completed fax questionnaire.

Q1. How did this report compare with the 2003 Environmental Report?

☐ Better ☐ Same ☐ Worse

Q2. Did you know anything about Fujitsu's sustainability activities before reading it?

☐ Yes ☐ A little ☐ Nothing

Q3. What is your impression of this report?

☐ Good ☐ Average ☐ Not good

Q4. Which sections of this report interested you most? (Please select one or more sections.)

☐ Aiming at Sustainable Management
☐ Activity Highlights and External Evaluation
☐ The FUJITSU Way
☐ Fujitsu Sustainability Concept
☐ Business Vision/Corporate Governance
☐ Efforts in the Economic Sphere
☐ Environmental Concept
☐ Fujitsu Group Environmental Policy, Environmental Promotional Organization
☐ Fujitsu Environmental Protection Program (Stage III)
☐ Fujitsu Group Environmental Protection Program (Stage IV)
☐ Business Operations and Environmental Burden
☐ Life Cycle Story of a Notebook PC
☐ Environmental Management System
☐ Environmental Accounting
☐ Green Procurement
☐ Green Product Development
☐ Green Process/Green Facilities
☐ Plant Environmental Preservation
☐ Energy-saving Measures (Global Warming Prevention)
☐ Chemical Emissions Reduction
☐ Zero Waste Emission (Waste Reduction)
☐ Environmental Measures in Distribution
☐ Post-use IT Product Recycling
☐ Environment Contribution through Software Services
☐ Environmental Solutions
☐ Social Responsibility and Measures
☐ Responsibility to Customers
☐ Universal Design
☐ Social Contribution Activities
☐ Compliance/Risk Countermeasures
☐ Environmental Risk Countermeasures
☐ Environmental Communication
☐ Personnel Education Systems/Human Rights Awareness
☐ Employee Environmental Education/ Awareness
☐ Safety and Health/Health Support

Q5. Please use the space below to communicate any comments or requests you may have concerning Fujitsu's sustainability activities.

Q6. From what perspective did you read this report?

☐ Fujitsu product user
☐ General consumer
☐ Student
☐ Environmental specialist
☐ Resident of Fujitsu facility neighborhood
☐ Media representative
☐ Shareholder
☐ Financier or investor
☐ Corporate buyer/purchaser
☐ Corporate environmental staff member
☐ NGO/NPO member
☐ Government official/administrator
☐ External research organization member
☐ Other ( )

Q7. How did you learn about the existence of this report?

☐ Newspaper
☐ Magazine
☐ Advertisement
☐ Homepage
☐ Public relations office
☐ Fujitsu Group employee
☐ Fujitsu Group sales representative
☐ Plant tour
☐ NGO/NPO
☐ Friend
☐ Exhibition
☐ Other ( )

Thank you for your cooperation. Please also be kind enough to fill in the following:

Name:

Mailing address (for 2005 report):

Occupation (employer): Department/position:

Telephone: E-mail

Fujitsu and its subsidiaries will be providing information regarding environmental events and introducing environmental products. Please call the number at right for inquiries, or to notify us of changes in the information you have provided above.

Corporate Environmental Affairs Group Telephone: +81-44-754-3413

FUJITSU LIMITED

eco.fujitsu.com/en

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