



FUJITSU GROUP
SUSTAINABILITY REPORT
2005

Fujitsu Group Profile

Parent Company	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 Tel. +81-44-777-1111
Established	June 1935
Sales	Fiscal year 2004: ¥4,762.7 billion
Fiscal Year-End	March 31
President	Hiroaki Kurokawa
Capital	¥324.6 billion (as of March 31, 2005)
Employees	Consolidated 150,970 (as of March 31, 2005) Unconsolidated 33,792 (as of March 31, 2005)



Headquarters



Kawasaki Main Office

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

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Editorial Policy

Purpose

The 2005 Fujitsu Group Sustainability Report describes the thinking, efforts, and accomplishments regarding the social and environmental aspects of Fujitsu Group operations based on *The FUJITSU Way*, the core set of principles guiding the conduct of the Fujitsu Group.

Intended Readers

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

Ensuring Reliability

In order to ensure the reliability of the contents of this report, we consulted the following guidelines:

- The Global Reporting Guideline (GRI) "Sustainability Reporting Guidelines 2002"

http://www.globalreporting.org/guidelines/2002/gri_2002_guidelines.pdf

- The Japanese Ministry of the Environment's "Environmental Reporting Guidelines 2003" and "Environmental Performance Indicator for Business 2003"
- The Japanese Ministry of Economy, Trade and Industry's "Environmental Reporting Guidelines 2001"

<http://www.meti.go.jp/english/report/downloadfiles/g02EnGuie.pdf>

In addition, the report has been independently reviewed by the Shin Nihon Environmental and Quality Research Institute (see P62).

Two-way Communication

We consider this report a means for fostering two-way communication between readers and the Fujitsu Group. We welcome suggestions for improving our activities, and have included a questionnaire, which can be used for sharing any opinions you may have. We plan to publish this report yearly and will strive to make it even easier to read and use.

Operations Covered

The environmental-related sections of this report generally cover Fujitsu Limited and its major subsidiaries (142 domestic and overseas subsidiaries), although they do not address the whole scope of Fujitsu Group operations. The section on environmental impact data covers Fujitsu Limited and 30 of its major subsidiaries (22 domestic and 8 overseas).

Please note that this report generally uses the term "Fujitsu Group" to indicate the entire Fujitsu Group (although in some instances this does not include overseas Group companies), and the term "Fujitsu" to indicate Fujitsu Limited.

Key Fujitsu Group Changes Impacting the Scope of this Report

- FDK Corporation was made an equity method affiliate and is no longer included in consolidated accounts.
- Eudyna Devices Ltd. was made an equity method affiliate and is no longer included in consolidated accounts.
- Distribution subsidiary Fujitsu Logistics Ltd. was sold.
- The new facility at our Mie Plant has gone into operation.

Time Frame

This report focuses primarily on the thinking, efforts, and results of the Fujitsu Group for fiscal 2004, the financial period from April 1, 2004 to March 31, 2005, with the data reflecting actual results from that period. The report also includes the Fujitsu Group's thinking, efforts, and accomplishments as well as activity data prior to April 1, 2004 and also for the period between April 1, 2005 and the end of June 2005.

Additional detailed data and information not included in this report may be found on the Fujitsu website (www.fujitsu.com).

A Note Concerning Forward-looking Statements, Projections, and Plans

This report not only describes past and present facts related to Fujitsu Limited and its related subsidiaries (the Fujitsu Group), but also includes forward-looking statements, projections, and plans. Such forward-looking statements, projections, and plans are based on data that was available at the time at which the report was prepared, and therefore include a degree of uncertainty. Accordingly, future results of operating activities and other new developments may differ from the statements, projections, and plans included in this report. We ask our readers' understanding of the fact that the Fujitsu Group cannot be responsible for such eventualities.

All brand names and product names are trademarks and registered trademarks of their respective holders.

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The Fujitsu Group draws on advanced information technology to provide comprehensive solutions based on the high-performance, high-quality products and services that customers demand.

Fiscal 2004 Summary and Fiscal 2005 Management Direction

Fiscal 2004 Summary

In order to achieve our consolidated financial targets for fiscal 2004 of ¥4.95 trillion in net sales, ¥200 billion in operating income, and ¥70 billion in net income, we vigorously pursued four key challenges:

- Strengthen our existing businesses;
- Create and cultivate new businesses;
- Reform our organization and approach;
- Reform our management systems.

Unfortunately, we were unable to meet these targets. Two major reasons for this were greater than projected losses for certain loss-generating systems integration projects and an unexpectedly large downturn in demand for flat panel displays.

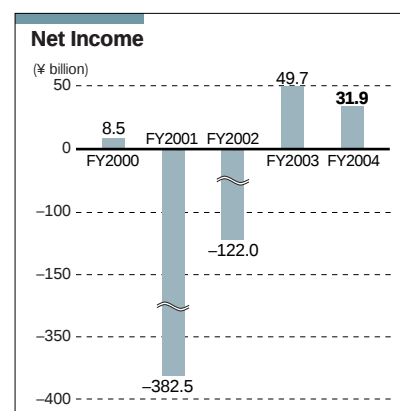
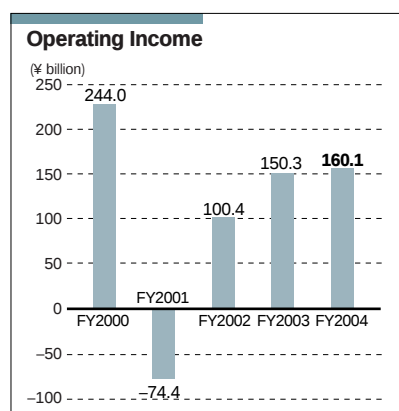
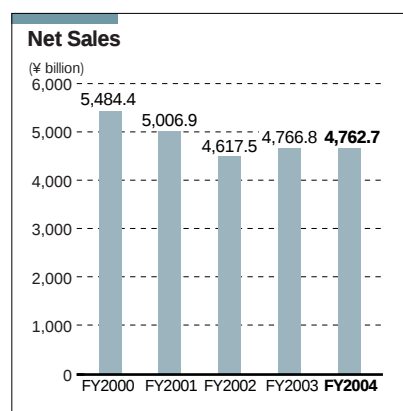
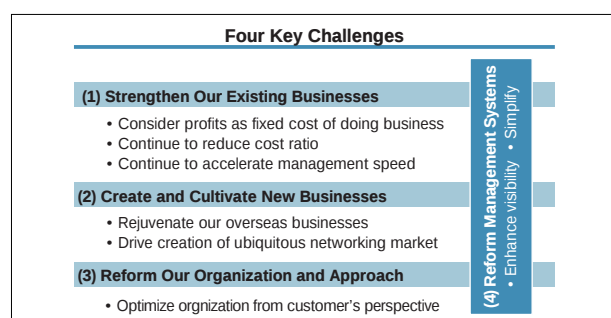
To address these issues, we worked to improve systems integration project management and, in the Electronic Devices segment, established a structure that focuses resources on the LSI devices business. In addition, we pursued manufacturing reforms and sought to put in place a structure that will generate stronger earnings in our platform operations and overseas operations. These and other measures helped improve the soundness of Fujitsu's business overall. At the same time, we must take further measures to strengthen performance in new and growth-oriented business areas.

Fiscal 2005 Management Direction

In fiscal 2005 we will continue working to deepen and accelerate efforts to meet the aforementioned four key challenges. In particular, we will push for improvements in design and development, manufacturing, procurement, and other processes to bring down costs. We will reinvest profits generated by such cost reduction into strengthening product competitiveness. Our goal is to build a virtuous cycle of continual earnings improvements.

Also, from fiscal 2005 we will actively pursue efforts to create and cultivate new businesses. In particular, we will work to strengthen businesses that target overseas markets with high growth potential and mid-size enterprise markets. Moreover, while back-office management systems have been the central sphere of IT utilization up until now, we foresee greater incorporation of IT into a wide range of front-line operations where the actual movement of people and goods takes place. The Fujitsu Group will therefore strive to fuel the advance of IT-empowered innovation in the field. In front-line operations from manufacturing and distribution to development and sales, we believe such innovation can lead to huge efficiency gains. It will also enable the provision of more efficient, more secure, more dynamic services in areas ranging from travel and entertainment to healthcare and education. With this in mind, we are stepping up efforts to rapidly turn our R&D results into business opportunities and to bring together the strengths of the entire Fujitsu Group to generate innovation in the field.

In consideration of these measures, we established consolidated financial targets for fiscal 2005 of ¥4.85 trillion in net sales, ¥175 billion in operating income, and ¥50 billion in net income.



Major Businesses of the Fujitsu Group

Software & Services

- **Solutions**
CRM, SCM, ERP, IT consulting, ASP
- **SI (Systems Integration)**
- **Infrastructure Services**
Internet data centers, network services, outsourcing services, managed services, middleware



Internet Data Center

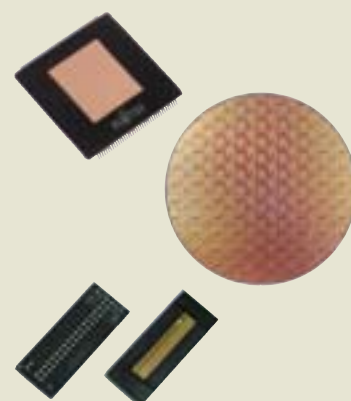
Platforms

- **Server-related**
Servers, storage systems, business printers, etc.
- **Mobile/IP Networks**
Mobile communication infrastructure, IP networks
- **Transmission Systems**
SONET, WDM systems
- **PCs/Mobile Phones**
Personal computers for consumers and corporate customers, mobile terminals, mobile phones
- **Others**
Hard disk drives



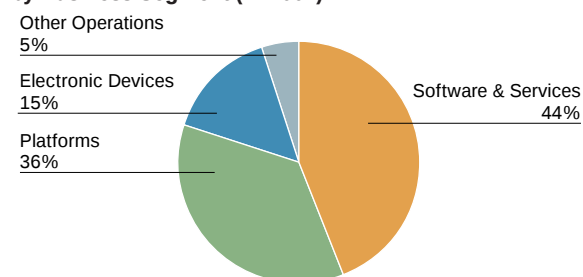
Electronic Devices

- **Semiconductors**
Logic ICs, system memory, system LSI, compound semiconductors
- **Others**
Media devices, components

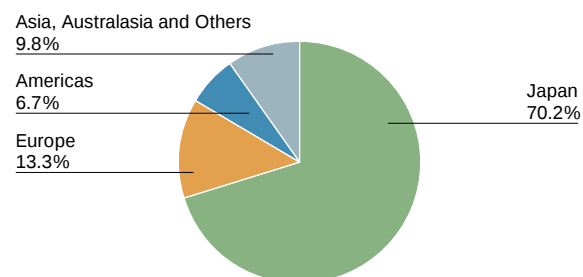


Note: From fiscal 2005, our business segments will be revised to: Technology Solutions, Ubiquitous Product Solutions, and Device Solutions.

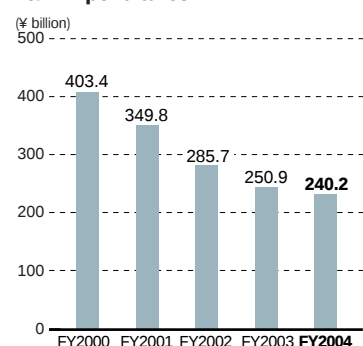
Net Sales to Unaffiliated Customers by Business Segment (FY2004)



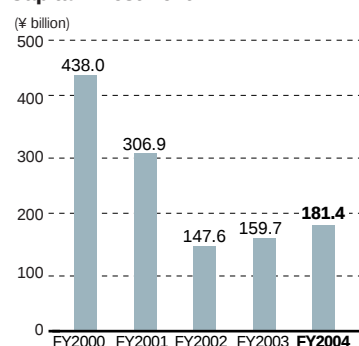
Net Sales by Customer's Geographic Region (FY2004)



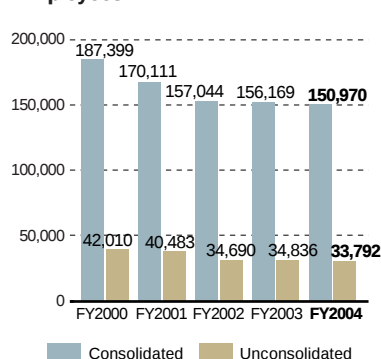
R&D Expenditures



Capital Investment



Employees



We are drawing on the sound corporate judgment we have cultivated over many years to carry out our social responsibilities.

Naoyuki Akikusa, Chairman

Recognizing our critical mission to uphold the foundations of our society

Since its founding in 1935, the Fujitsu Group has provided customers with reliable, high-performance products and services based on leading-edge technology in the IT and communications fields. At the same time, we have sought to contribute to the growth of our customers in a wide range of civil, industrial, and commercial fields, and to the development of the societies in which we operate. I think it is safe to say that information and communication technologies have already become as indispensable to modern life as electric power or transportation.

In order to fulfill our vital mission, naturally we must continually strive to improve the quality of our products and services. I recognize, however, that it is equally critical for us to raise the level of trust which people place in our management.

Since its inception, the Fujitsu Group has actively pursued business opportunities that have a positive impact on society. For instance, our first president set the policy that “from the outside, our factories shouldn’t look too much like factories.” Based on his policy, from early on we have striven to carry out our manufacturing activity in harmony with local communities and our physical surroundings. We have since carried on and expanded this thinking — in our efforts to

prevent global warming, in our zero-emission initiatives, in our promotion of responsible chemical management and natural disaster countermeasures, and in our “Green Factories” initiatives, which promote ongoing interaction between our business locations and the surrounding communities.

Infusing our shared principles, The FUJITSU Way, as the bedrock of our business throughout the entire Group

The technology areas, businesses, and geographical regions in which we are active have all expanded dramatically. Today, some 150,000 Fujitsu Group employees are working to grow our business worldwide. In various regional markets involving diverse cultures and business environments, we became aware of the need for a clearly defined set of shared management principles, so that each and every employee could be empowered to carry out creative and sound business activities while exercising good judgment and self-discipline. From this awareness, in 2002 we sought to consolidate the “sound corporate judgment” we have cultivated over nearly 70 years in business, and to articulate this in a set of core principles and standards of conduct for every group employee. We established this as “The FUJITSU Way,” which serves as the driving force behind our management approach to corporate social responsibility.

By putting *The FUJITSU Way* into practice, we are aiming to grow as a corporation. At the same time, it guides us in maintaining strict ethical and legal standards, in striving to ensure product quality improvements and assure safety, in seeking to protect the global environment, and in working to respect and protect human rights. Our active disclosure of the nature and results of these activities signifies our commitment to fulfill our duties to all our stakeholders, from our customers and employees to our shareholders and investors, our business partners, as well as the regional and international communities of which we are a part.

Naoyuki Akikusa

We are putting The FUJITSU Way into practice in order to be a trusted partner to our customers and to society.

Hiroaki Kurokawa, President

Turning Dreams into Reality

Information technology is changing the face of business, of society, and of individual lives. New technologies continue to emerge that make possible what was previously impossible. In this context of change, the Fujitsu Group has set out as its mission creating new value to realize the dreams of our customers, as well as the dreams of our company and our employees. I believe that this is the continuing significance of the Fujitsu Group, and the method by which we can best contribute to society.

To carry out this mission, we will focus on continual innovation in our creation of new products, aiming for substantial improvements in quality, cost, and delivery (QCD), as well as streamlined costs not only in manufacturing but in design, development, procurement, and all our work processes. These efforts will generate profits, which we will use to strengthen the competitiveness of both our products and our personnel, and to boost sales efforts. In turn, we will take the returns generated by these actions and reinvest them in cutting-edge development and new businesses. It is my goal for us to build this kind of virtuous cycle in our business.

Becoming a Trusted Partner to Our Customers

IT is becoming increasingly essential to our customers' businesses. So in choosing a business partner like Fujitsu, which constructs IT systems and provides services, customers are looking for a company that can continuously make proposals and provide support across the full IT system life cycle.

The complexity of IT systems is growing. We face the enormous challenge of meeting demands for greater efficiency, lower operating burdens, and guaranteed reliability. In addressing this challenge, we must look beyond the former limitations of linking together various components into a single system. What is needed is the ability to build and manage seamlessly integrated systems using reliable products.

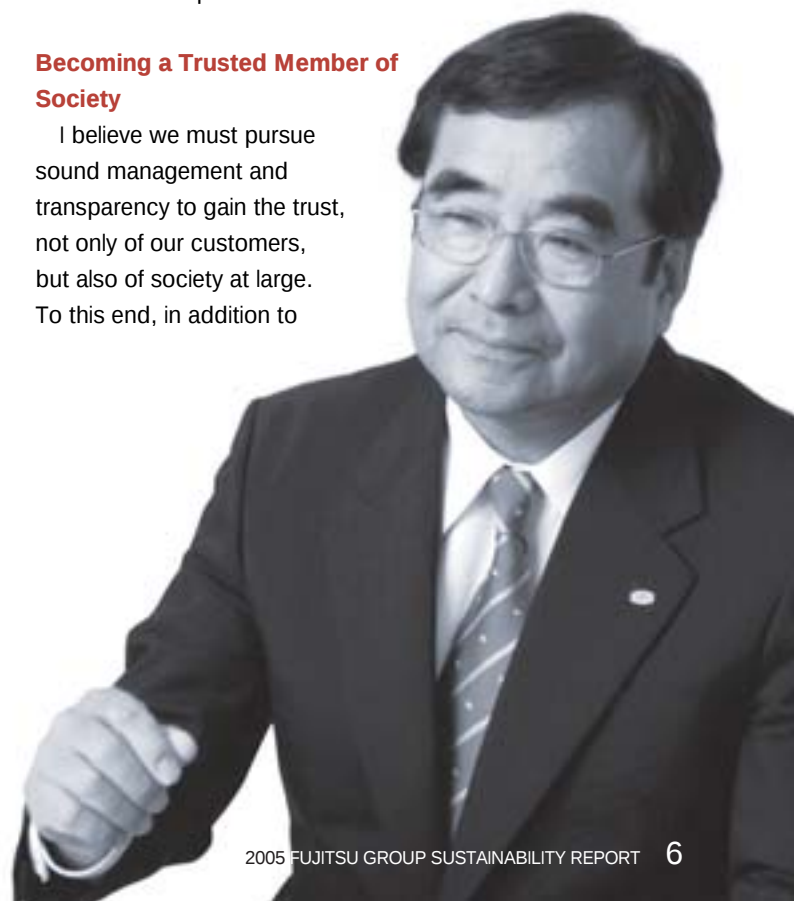
In this environment, the business direction of the Fujitsu Group is to continually provide comprehensive solutions combining high-quality products and services that draw on our reliable, advanced technology. We will follow this policy in responding to the demands of our customers and the challenges that lie before us.

Additionally, we are aiming to foster IT-empowered innovation in the field. In ubiquitous networking environments, we foresee that IT will not merely be a staple of conventional back-office management systems, but will expand into a wide range of front-line operations where the actual movement of people and goods takes place. Our customers, for example, have a variety of front-line operations, including development, manufacturing, distribution and sales. By using IT to dramatically increase efficiency at such sites, we can offer customers a new source of competitiveness.

Through such efforts we aim to contribute to the growth and flourishing of our customers' businesses, and to serve as their trusted partner.

Becoming a Trusted Member of Society

I believe we must pursue sound management and transparency to gain the trust, not only of our customers, but also of society at large. To this end, in addition to



Messages from Management

improving our financial condition, I believe it is indispensable for us to continue practicing a PDCA (Plan, Do, Check, Act) management cycle in all our corporate activities and processes, from corporate governance and compliance to risk management, information security, and environmental initiatives.

I also believe it is important for us to make available even more information concerning our business and corporate initiatives. So we are taking steps to provide more information for shareholders and investors and to enhance our corporate website.

In addition, I consider it to be a major responsibility of the Fujitsu Group to introduce universal design and strive for the usability of all our products, so that all people might be able to enjoy the benefits of information technology.

At the same time, as a good corporate citizen, I think it is important for the Fujitsu Group to pursue initiatives that benefit society. We are aiming to further bolster our relationships with local communities, carrying out a variety of activities that contribute to the societies in which we operate.

Finally, more than anything else, I believe the enthusiastic efforts of our employees are the key to ensuring truly sound management and transparency. The

organization cannot grow unless each of its employees develops his or her abilities and grows. It is a major duty of management to respect the rights of each individual and provide a healthy work environment so that each employee can develop and become a professional in his or her field.

Putting The FUJITSU Way into Practice

The Fujitsu Group is pursuing management which centers on enabling the growth of our customers and employees. Our guide in this pursuit is *The FUJITSU Way*. I believe putting *The FUJITSU Way* into practice at every level of the Group is the most effective way for us as a corporation to fulfill our responsibilities to society. In fiscal 2004, we established The FUJITSU Way Promotion Council to implement this thinking organizationally throughout the entire Fujitsu Group. The revision of this year's Fujitsu Group Sustainability Report represents another facet of *The FUJITSU Way* in action.

As every employee puts *The FUJITSU Way* into practice in his or her own work, this will allow the Fujitsu Group to contribute to the sustainable growth of society as well as to grow ourselves. This, I believe, is at the heart of our desire to fulfill our responsibilities to all of our stakeholders.



We are building a risk management cycle to empower every organizational unit of the Group to autonomously carry out sound business practices.

Masamichi Ogura, Corporate Executive Vice President

Three Perspectives: Risk, Conduct, Environment

Aiming to be a trusted member of society, in fiscal 2004 we sought to lay a strong foundation for implementing *The FUJITSU Way* at every level of the Group. In July 2004, we established The FUJITSU Way Promotion Council.

Reporting to that group is the newly formed Compliance Committee. Together, these organizations form the nexus of *The FUJITSU Way* implementation efforts.

In this way, alongside the existing Risk Management Committee and Environmental Committee, we have the organizational structure needed to support *The FUJITSU Way* going forward. With this system as our foundation, the Fujitsu Group will carry out business in a socially responsible manner and reinforce Group governance.

Building a Risk Management Cycle Framework

Currently, we are building a risk management cycle framework that will enable each Fujitsu business group and its respective subsidiaries to maintain sound business practices in an autonomous way. This is part of our drive to establish a PDCA cycle that enables us to become aware of risks inherent in our business activities, to analyze risk factors and effects from stakeholders' perspectives, to carry out assessment and prevention measures, to clarify response measures and systems, and to regularly review all risks. Especially with regard to inherent risks, I think it is incumbent upon us to adequately explain such risks in order to fulfill our social responsibilities.

Continuing to Lay a Strong Foundation for Carrying Out Our Social Responsibilities

Against the background of these Group-wide efforts, each division has been keenly aware of *The FUJITSU Way* in carrying out its social responsibilities. For instance, to ensure strict compliance with our code of conduct, we introduced a help line to handle employee queries and internal reporting. Based on the 4th Stage of the Fujitsu Group Environmental Protection Program, we obtained

comprehensive ISO certification covering all our domestic Group companies, and took other steps to bolster our environmental management system. Nevertheless, because we have not yet met all our goals in terms of product recycling and in certain other areas, it will be critical for us to continue improving our performance in these areas.

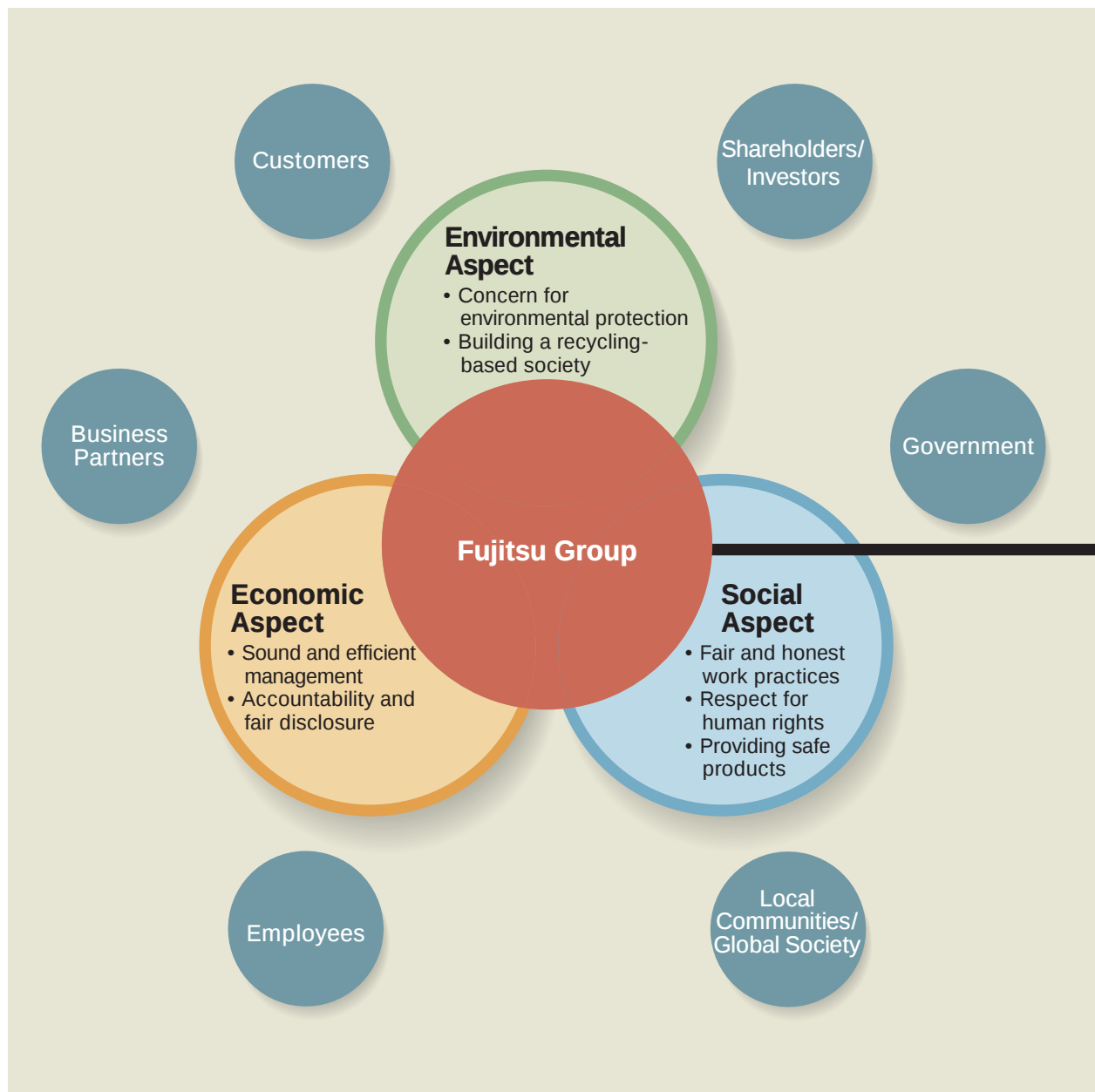
Responding to the series of major natural disasters last year, we put the resources of our entire Group behind efforts to restore damaged customer systems as quickly as possible. At the same time, along with our wishes for the swift recovery of all the victims, we contributed to various relief efforts through employee donations and corporate donations from the Fujitsu Group.

We will continue our efforts to build a solid foundation for carrying out our responsibilities to society as well as to our stakeholders.

Masamichi Ogura



Carrying Out Our Responsibilities to Stakeholders Based on The FUJITSU Way



Business Vision

We believe that the fundamental purpose of the Fujitsu Group is to solve customer problems and contribute to society by offering high-quality products and services supported by advanced technology. This thinking underlies management's profound interest in policies relating to "customers," "employees," "quality," and "environment," among other matters. We believe that focusing equally on all these areas enables us to contribute to the well-being of our stakeholders, including customers, employees, shareholders and investors, suppliers and business partners, local and international communities, public entities and administrators,

and as a result helps to foster the growth of the Fujitsu Group as well.

While striving to provide ever-higher value to our customers, we are working to fulfill our social responsibilities to our stakeholders and contribute to the realization of a sustainable society.

The FUJITSU Way

Introduced in 2002, *The FUJITSU Way* is the core set of principles guiding the corporate and individual actions of the Fujitsu Group and our continuing development as good global corporate citizens. A common understanding of

The FUJITSU Way

Our Mission

Fujitsu continually seeks to create new value by providing customers with comprehensive solutions comprising reliable, high-performance products and services based on advanced technologies. In this way, we aim to grow, realize profits, and foster mutually beneficial relationships in our communities worldwide.

Our Values

Customers

Our dream is to make our customers' dreams come true

Employees

Every one of us has a leading role to play

Quality

We aim to earn our customers' trust in Fujitsu

Environment

We consider environmental impact in all that we do

Profits & Growth

We strive to meet the expectations of customers, employees and shareholders

Our Code of Conduct

Respect Human Rights

Reject Unethical Behavior

Protect Intellectual Property

Maintain Confidentiality

Comply with Laws and Regulations

Act with Fairness in Our Business Dealings

Group-wide Activities

Manufacturing innovation, environmental activities, etc.

Business Strategy

President's management direction

Business Plan

Established at business unit level

Fujitsu's mission, values and code of conduct serves as the standard governing individual employees' business activities.

Underlying this thinking is our commitment to helping promote the concept of sustainability. Meeting this commitment requires highly integrated efforts encompassing several different aspects of corporate activity: a social aspect, wherein the corporation fosters fair and honest work practices and a respect for human rights; an economic aspect, wherein the corporation pursues sound and efficient management and seeks to explain its actions by providing adequate disclosure of information; and an environmental aspect, wherein the corporation promotes global

environmental protection initiatives ranging from actions to stop global warming to actions to help build a recycling-minded society. We hope to continue meeting the expectations and earning the trust of our stakeholders by demonstrating measurable results in each of these so-called triple bottom line areas.

The FUJITSU Way is the driving force behind our socially responsible business strategy and the inspiration for related Group-wide activities, business policies and plans.

Corporate Governance

Pursuing sound and efficient management and strengthening governance to promote The FUJITSU Way

Our Basic Stance on Corporate Governance

We believe that the concurrent pursuit of efficient management and the proper control of business risks are essential to achieving sustainable improvement in corporate value. Recognizing that stronger corporate governance is vital to realizing this goal, we have actively appointed outside directors to help ensure sound and transparent management. At the same time, by separating management oversight and operational execution functions we have promoted faster decision-making while further clarifying management responsibilities. We believe that clear separation of these functions is helping to realize greater transparency and efficiency.

Corporate Governance Framework

Overview of Corporate Institutions

Fujitsu's Board of Directors is responsible for management oversight, 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. Issues discussed by the two councils and a summary of their debates are reported to the Board of Directors, which makes decisions on items of particular importance.

The auditing function is carried out by statutory auditors, who review the Board of Directors as well as operational execution functions.

The Board of Directors is composed of eight internal directors and two outside directors, for a total of 10 members. The Board of Auditors consists of five statutory auditors: two standing auditors and three outside auditors.

Audits by Statutory Auditors and Internal Audits

Fujitsu has adopted a statutory auditor system. Auditors attend important management meetings, including those held by the Board of Directors, the Management Strategy Council, and the Management Council to express opinions, and through direct interviews with operational units when needed and other methods, they audit the Board of Directors and operational execution bodies.

Additionally, the Corporate Internal Audit Division has been established within the Corporate Center to serve as an internal audit group. This division audits the internal affairs of the company and its affiliates, proposes improvements in their business practices, and regularly reports its audit findings to the Management Council.

Initiatives to Enhance Corporate Governance in Fiscal 2004

In July 2004, we established The FUJITSU Way Promotion Council, a body reporting directly to the Management Council. This new council is charged with further accelerating the Group-wide penetration and implementation of the mission, values and code of conduct that comprise *The FUJITSU Way*. We also set up a Compliance Committee to enhance risk management and promote structures and procedures for internal compliance

based on these core tenets.

In addition, the Risk Management Committee and Environmental Committee, which had both operated independently, were realigned under The FUJITSU Way Promotion Council. Their activities are helping to achieve good corporate governance in accordance with *The FUJITSU Way*.

Compliance Committee (newly established)

This committee is responsible for promoting structures and systems to ensure strict compliance with external as well as internal rules, regulations and norms of behavior. To support these efforts, we have operated a "help line" system since September 2004 to serve as a confidential liaison point for receiving reports from employees and providing guidance to them on matters of conduct.

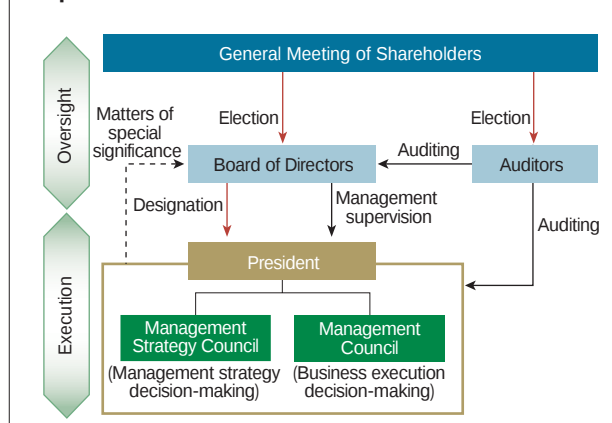
Risk Management Committee

This committee works to obtain information regarding specific incidences of risk and to mitigate their impact on customers and the Fujitsu Group. Serious issues are reported to the Management Council or Board of Directors for discussion and response. In this way, risk issues and countermeasures are disseminated throughout the Fujitsu Group, strengthening our overall risk management posture.

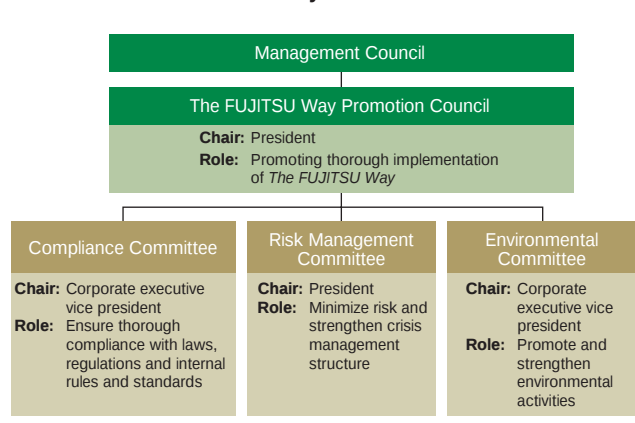
Environmental Committee

This committee is responsible for promoting and strengthening the environmental protection activities of the Fujitsu Group, which are based on The Fujitsu Group Environmental Policy and The Fujitsu Group Environmental Protection Program.

Corporate Governance Framework



Promotion of The FUJITSU Way



Compliance

Ensuring thorough compliance in line with our code of conduct

Ensuring Thorough Compliance

Our code of conduct, as set forth in *The FUJITSU Way*, clearly states that we will comply with applicable laws and regulations. We have also established internal regulations to be adhered to, and we are taking measures to ensure awareness of and compliance with these regulations among our employees.



The FUJITSU Way has been printed on small cards and distributed to all Fujitsu Group employees. In this way, each employee can be reminded to refer to our core principles and standards when interacting with customers or business partners, or when facing doubts about day-to-day work judgments.

The FUJITSU Way Code of Conduct

The FUJITSU Way code of conduct indicates basic principles, standards, and shared values concerning how Fujitsu Group employees are to conduct themselves. The code of conduct is made up of the six criteria listed at right.

Help Line System

In September 2004, we took a further step to promote compliance with the code of conduct, establishing an internal help line system in Japan.

The help line serves two purposes. It is a consultation resource for employees who, in the course of carrying out their job responsibilities, are unable to determine whether a particular action is potentially in violation of *The FUJITSU Way* or laws and regulations. It also serves as a line of reporting for employees when they are unable to go through normal management channels. The help line is available to all Group employees, including on-loan, contracted, part-time and other limited-term employees as well as temporary staff.

Such reporting and notification from employees not only represents an application of *The FUJITSU Way* and a means to ensure adherence to laws and regulations, it is also an opportunity to improve business activities and management. Consequently, the Fujitsu Group strictly forbids the discriminatory treatment of any employee due to such reporting. Moreover, to protect the identity of the person involved, great care is taken when handling reported information.

The FUJITSU Way Code of Conduct

Respect Human Rights

We will respect the rights of every individual. Human rights are not to be abused through sexual harassment or discrimination on the basis of race, religion, belief, sex, social status, family origin, handicap or sexual orientation. Such discrimination shall not be tolerated.

Comply with Laws and Regulations

We will adhere to all applicable laws and social norms whether in Japan or overseas. Compliance shall be complete and without exception.

Maintain Confidentiality

Each employee shall appropriately handle and safeguard information held within or passing through our company in accordance with its type, including company confidential information, third-party confidential information, and personal data.

Protect Intellectual Property

We recognize intellectual property as an essential resource underpinning our corporate activities, fully understand the legal significance of these rights, and, on that basis, make efforts to obtain, maintain and utilize these rights. We will respect other companies' intellectual property while protecting our own.

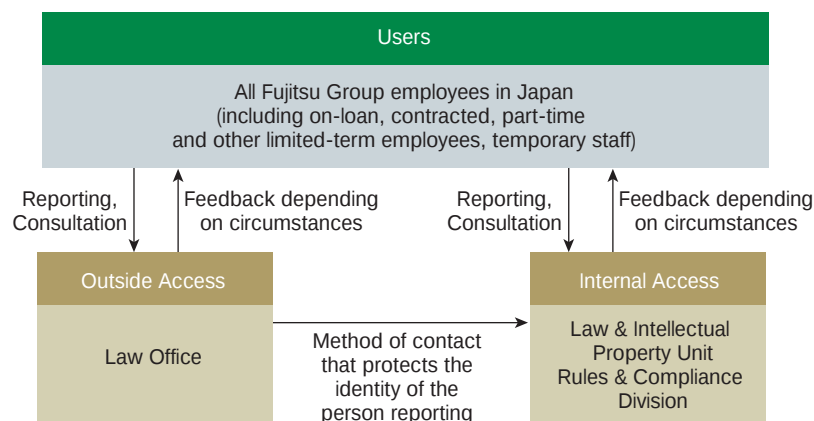
Reject Unethical Behavior

No employee shall use his or her position or role in the company for personal gain.

Act with Fairness in Our Business Dealings

In our dealings with customers, business partners and competitors, we must in every case act in a manner that is fair.

Help Line System



Risk Management

Through actions to identify and lower a variety of risks, we are strengthening the risk-management capability of the whole Group.

Business Risks

Below are just some examples of the risks the Fujitsu Group faces when doing business. Aware of such risks, we work to avoid any related incidents. If, however, such incidents happen to occur, we are prepared to respond rapidly.

Some examples of business risks

- Economic shifts in key markets (particularly Japan, North America, and Europe)
- Volatility in high-technology markets (particularly for semiconductors, PCs, mobile phones, etc.)
- Fluctuations in currency exchange rates or interest rates
- Shifts in capital markets
- Intensifying price competition
- Changes in market position due to competition in R&D
- Changes impacting procurement of parts and components
- Changes in competitive relationships relating to collaboration, alliances, and technology-licensing agreements
- Risks related to project management
- Risks related to natural disasters or sudden unforeseen events

Note: The above examples of risk are not intended to be an exhaustive list. More detailed risk-related information can be found in Fujitsu's full-year and quarterly financial results reports or in our Annual Report.

Risk Management System

The Fujitsu Group has established a Risk Management Committee under the

direction of The FUJITSU Way Promotion Council.

The Risk Management Committee coordinates with each business group to monitor on an ongoing basis the variety of risks to which the company is exposed, to evaluate and analyze these risks, and to propose strategies to mitigate them. Moreover, by disseminating information about its efforts to Group companies, the committee is helping to prevent incidents of risks from arising throughout the Fujitsu Group.

If incidents do occur, the Risk Management Administrative Office operating under the Risk Management Committee receives initial reports from frontline locations. Then, in collaboration with local management, the office takes appropriate response measures including, when necessary, setting up an *ad hoc* response headquarters, to resolve the problem quickly. Information on the incident and response is then shared appropriately with the various business groups. With regard to major risks, the Management Council and Board of Directors are informed as needed, and they provide direction to the business groups and to the front-line management.

Risk Management Education

To prevent incidents from occurring, and to best contain the damage if incidents do occur, we have put in place a training curriculum to educate employees on the importance of compliance and risk management and to provide training in specific ways of

dealing with risk issues. For instance, we offer code of conduct training specific to job title, including risk management seminars primarily targeting business unit general managers.

Dealing with Natural Disasters

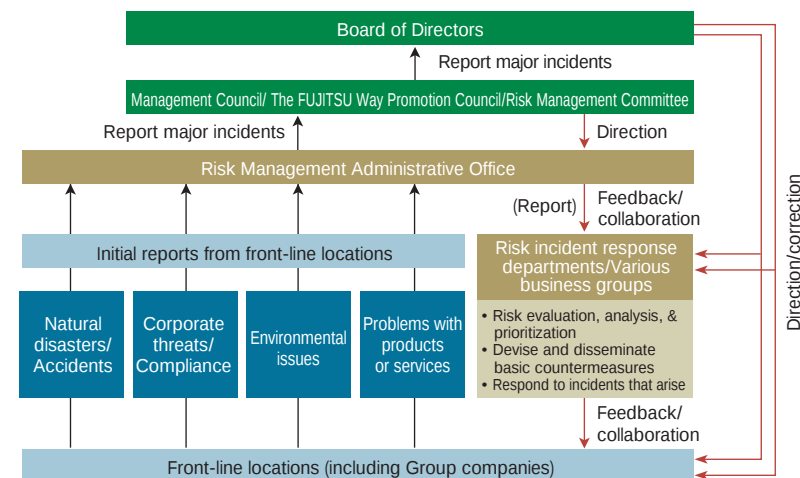
Group-wide Earthquake Disaster Prevention Network

Assuming the possibility of a large-scale earthquake, we have set up a Group-wide earthquake disaster prevention network in Japan. This network has developed plans to help minimize physical damage to our facilities and resume operations quickly if an earthquake occurs, and is also prepared to provide quick, appropriate support to customers.

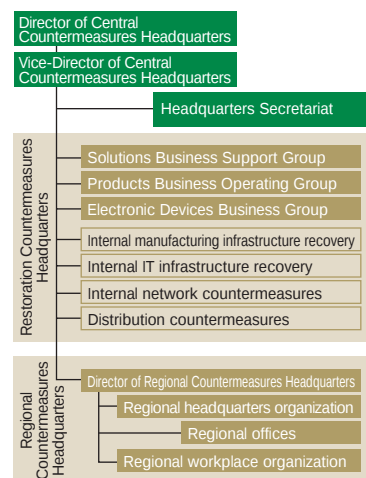
Response to Major Natural Disasters in Japan in 2004

2004 saw several major natural disasters in Japan, including torrential rains in Niigata and Fukui prefectures, the major earthquake in Niigata Prefecture, and the offshore earthquake in Fukuoka Prefecture. Immediately following each of these events, we set up customer recovery response headquarters and started recovery operations in line with our disaster response manual. We also engaged in activities to restore customer IT systems as quickly as possible.

Risk Management Structure



Earthquake Disaster Prevention Network



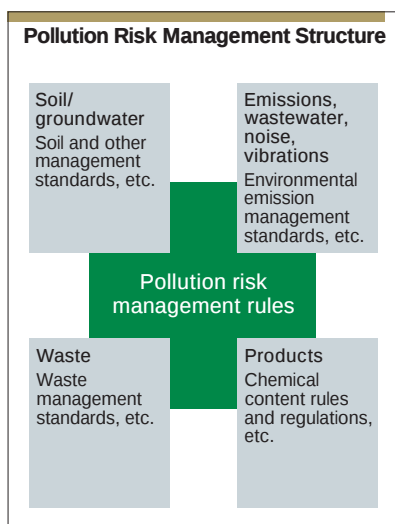
Disaster Prevention Exercises

Since 1995 we have set aside National Disaster Prevention Day (September 1) in Japan to conduct disaster prevention exercises across the country aimed at protecting customer IT systems and data. For the 10th exercise in 2004, we conducted a joint exercise with customers, using a scenario positing a massive earthquake just to the west of the greater Tokyo area. The drill tested capabilities for providing recovery support for the core IT systems supporting customers' businesses.

Responding to Environmental Risks

Pollution Risk Management Regulations

Based on internal pollution risk management regulations, we carry out environmental risk assessments and other risk management to prevent environmental risks and to contain the environmental effects of incidents if they do occur. An overview of the environmental risk management system is as follows.



Environmental Risk Education

As part of our environmental risk management approach, we conduct training in environmental risk for employees. In fiscal 2004, we began environmental risk management training for all executives at Fujitsu production facilities.

Environmental Risk Management Training

Aiming to prevent environmental risk incidents associated with production

activities and to contain as far as possible the effects of such incidents should they occur, we are conducting environmental risk management training to heighten sensitivity to risks and strengthen management capabilities. This training includes formal lectures for all managers, as well as case study-based programs designed for executives responsible for departments with high associated environmental risks.

In fiscal 2004, we held training programs at four of our electronic devices business locations in Japan. From fiscal 2005, we plan to conduct training primarily at electronic devices-related factories and subsequently at other plants as well.

Soil and Groundwater Pollution Testing and Treatment in Japan

At two idle plants, we completed soil surveys that were begun in fiscal 2003, and based on the findings undertook operations to remove contaminated material and treat the affected areas. We also began treatment operations in the latter half of fiscal 2004 at a plant that was already known to contain contaminants. This project is due to be completed in the first half of fiscal 2005. Also in fiscal 2005, we will conduct soil surveys on two as-yet unexamined idle plants, and take steps to further decrease risks from soil contaminants.

Storage and Disposal of Polychlorinated Biphenyl (PCB)

Under the PCB Special Measures Law, all Fujitsu business locations and affiliated companies in Japan which currently store transformers, condensers and fluorescent lighting stabilizers containing PCB notified their respective prefectural governors of the number of such items stored in fiscal



Soil treatment work at idle plant sites

2004. Data on all items containing PCB is recorded in a ledger and the items carefully stored according to management guidelines for all domestic business locations and affiliated companies.

The amount of PCB currently being stored by Fujitsu and its affiliated companies is shown below.

PCB Storage Volume

	Transformers	Condensers	Fluorescent lighting stabilizers
Fujitsu	25	1,315	38,020
Affiliates	25	303	930
Total	50	1,618	38,950

We are conducting our own studies on nonharmful PCB disposal techniques, and continuing to monitor the studies of Japan Environmental Safety Corporation into wide-area disposal efforts and disposal costs. From the results of these studies, we will determine the appropriate policy for the nonharmful disposal of PCB held by Fujitsu and its affiliated companies, and work to minimize the risks involved.

Preventing Dioxin Emissions

The Fujitsu Group since January 2000 has discontinued the use of incineration facilities at all domestic manufacturing plants that have such facilities, thereby preventing dioxin emissions at our plants.

Status of Compliance with Legal Regulations

In fiscal 2004, the Fujitsu Group in Japan ascertained two instances of noncompliance with legal regulations. In addition to reporting these violations to the appropriate government authorities, we have put in place a policy to prevent their reoccurrence.

Protecting Intellectual Property

**Appropriately managing intellectual property
in all aspects of our business activities**

Intellectual Property Protection Policy

The Fujitsu Group aggressively pursues research and development aimed at creating new value. Intellectual property is one fruit of that pursuit and serves as the cornerstone of our competitive position.

Recognizing that intellectual property is a critical asset, we have clearly positioned the protection of intellectual property in the code of conduct of *The FUJITSU Way*.

We strive to acquire and manage intellectual property appropriately in all aspects of our business activities, while carefully respecting the intellectual property of other companies. We also aim to improve customer satisfaction by capitalizing on our intellectual property to develop distinctive technology and products.

Intellectual Property Strategy

Maintain Superior Competitiveness

Developing distinctive products and services is essential to maintaining superior business positioning. At every stage, from research and development to the application of new technology, we are actively working to acquire new intellectual property and utilize it to add more value to our products and services.

Ensure Business Flexibility

As products and services become increasingly sophisticated, they rely on a more diverse range of technologies. In this environment, ensuring flexibility in new business development often means forming technology-sharing and cross-licensing agreements with other partners. We seek to acquire a powerful intellectual property portfolio in order both to forge such strategic agreements with other companies on favorable terms and to maintain the flexibility needed to develop competitive new businesses.

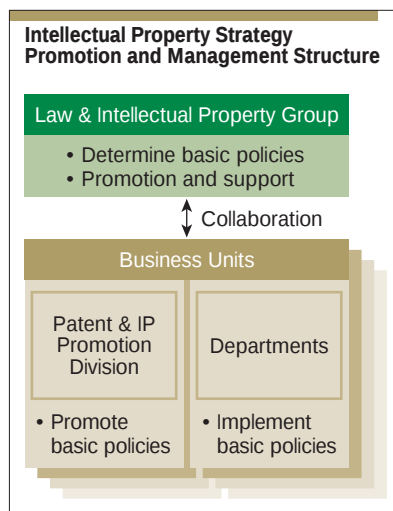
Secure Business Profitability

Revenues from licensing or transfers of patent rights to other companies can have a major impact on business

profitability. We actively engage in licensing or transfer agreements in cases where we judge that licensing a particular technology will generate higher earnings than keeping it only for our own use, or in cases where it is associated with a business that we have chosen to discontinue in conjunction with business restructuring.

Promotion and Management Structure

The Law & Intellectual Property Group is responsible for planning and proposing intellectual property strategies from a Group-wide perspective. This unit works closely with the Patent & IP Promotion Division of each business group to manage and take full advantage of the vast intellectual property portfolio of the Fujitsu Group.



Respecting the Patents of Other Companies

Infringing the patents of other companies would ultimately result in major problems for the Fujitsu Group and also cause serious difficulties for our customers and the markets we serve. At every stage, from research and development to the application of new technology, we take great care to avoid any potential patent infringement. At the same time, we deal appropriately with any and all infringements of Fujitsu's patent rights.

Actions in Fiscal 2004

1. Increased Number of Patents

- We held the rights to roughly 33,000 patents as of March 31, 2005, an increase of about 1,000 patents from a year earlier.
- Collaboration between our R&D and intellectual property divisions generated an increase in patent applications in strategically important areas.

2. Strengthened Monitoring of Competitors' Patents

- We expanded the scope of our studies of front-running technology and shifts in technology trends.
- We established a Competitor Patent Study Task Force to look at what other companies are doing in strategic technological areas.

3. Raised Employee Awareness of Intellectual Property Activities

- We put in place an intellectual property training course for the entire Group in Japan, and established an e-learning course. We boosted collaboration with the practical training programs of each business group.
- We worked to raise employee awareness of intellectual property activities by publishing a monthly magazine, *Chizai Sozo* ("Intellectual Property Creation"), which is also posted on our intranet.
- In response to Article 35 of Japan's new patent law (Workplace Invention System), we held explanatory meetings for all Fujitsu employees in Japan. Going forward, we will focus on deepening employee awareness, taking full advantage of our intellectual property, strengthening our ability to file competitive patents, and making our systems even more responsive to our business needs.

Information Security

**Ensuring the proper management and use of information,
in line with employment regulations and internal rules**

Rules Related to Information Management

Last year in Japan, as companies began implementing new standards set by the newly enacted Personal Data Protection Law, the effectiveness of corporate information management systems came into the spotlight. In this climate, the Fujitsu Group has set out a clear policy of maintaining confidentiality in our code of conduct. We have also devised and are adhering to seven separate information management rules based on employment regulations, including information management rules for personal data management and third-party confidential information rules. Moreover, based on these rules, some of our divisions have obtained ISMS (Information Security Management System) certification.

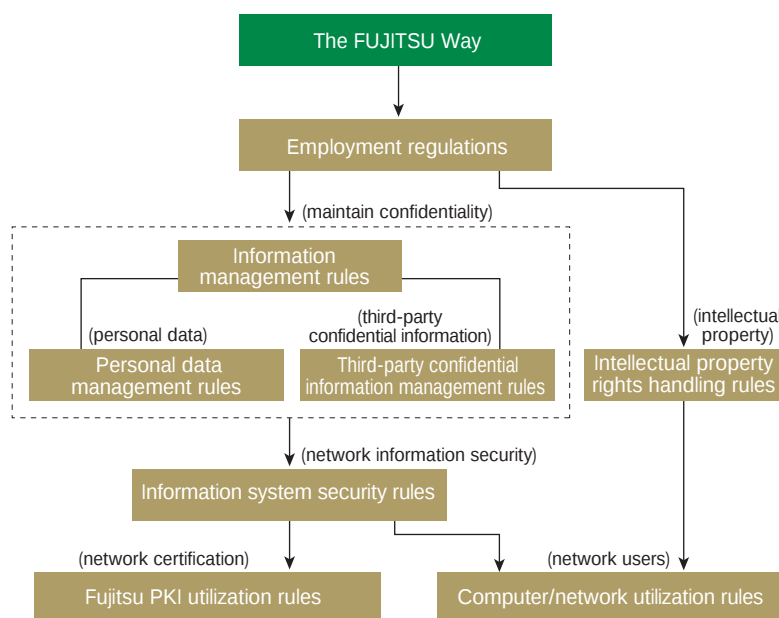
Heightening Employee Awareness of Information Management

To heighten the awareness of each employee regarding information management, we have distributed an Information Management Handbook to all Fujitsu Group employees in Japan, and are providing training in an e-learning format.

Responding to Information Security Breaches

We have established the Risk Management Committee to serve as the internal organization to respond to information security breaches in general. This organization is prepared to respond quickly to any incidents that occur.

Rules Related to Information Management



- **Information management rules:**
Also regulate the management of electronic documents in a networking context.
- **Third-party confidential information management rules:**
Govern the manner of handling confidential information received from customers and other companies.
- **Personal data management rules:**
Govern the manner of handling personal data obtained by the Fujitsu Group itself.
- **Information system security rules:**
Govern information security in a networked environment. Encompass rules for the building, operation, and use of information systems.
- **PC/network utilization rules:**
Regulate areas requiring the careful attention of network users. These areas concern not only information security, but also the proper use of copyrights, the use of personal computers in work practices, and a variety of other aspects.
- **Fujitsu PKI utilization rules:**
Govern methods for authenticating personal identity and using encryption on the network to manage information even more strictly.
- **Intellectual property rights handling rules:**
Govern the handling of patent rights, copyrights, and other intellectual property rights.

Toward a Stronger Security System

We are taking steps to bolster measures to prevent internal information leaks. In addition, we are working to devise detailed rules for handling customer information and other confidential information and to ensure compliance at all levels of the organization. At present, most information is managed on a project-by-project basis, but we are moving toward strengthening our organization-wide information management capabilities.

Efforts to Protect Personal Data

By devising personal data management rules and through other measures, we have built up an effective personal data management system. We further revised the system in May 2003, in line with the promulgation of Japan's Personal Data Protection Law. Also, certain of our business divisions have obtained "privacy mark" certification where necessary for their business operations.

Personal Data Management

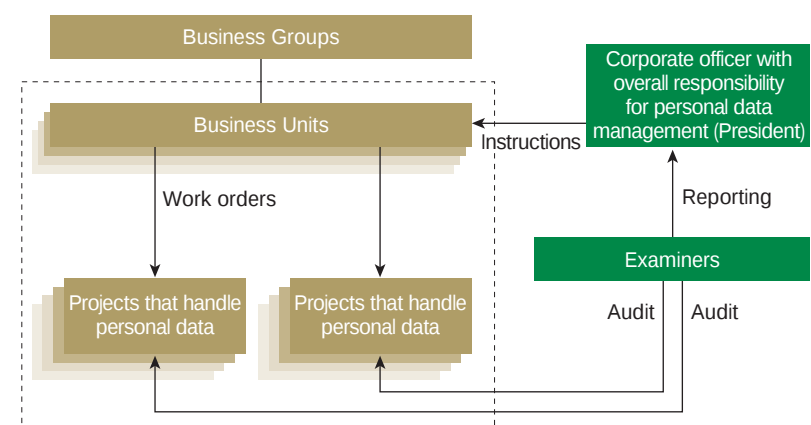
We have introduced a business group model, in which separate project teams carry out their daily tasks at the direction of their respective business group leader. Examiners who are charged with monitoring the status of personal data management conduct a yearly audit of each project, and report their findings to the president, who holds overall responsibility for personal data management.

Personal Data Protection Policy (Japan)

Fujitsu Limited recognizes that the appropriate handling of data such as customer names, addresses, and e-mail addresses by which an individual can be identified (personal data) is one of our key obligations as a responsible corporate citizen. We therefore promise to protect and respect the personal data of customers based on the following criteria.

- Each division that handles customers' personal data will designate a person to be responsible for the management of such data and will, by carrying out strict security measures, appropriately manage such data.
- The personal data of a customer will be used for the execution of contracts with the customer, for the development of better products and services, and for providing useful information to the customer. Whenever personal data is to be used for any other purpose, we will convey that purpose to the customer.
- Unless we receive the consent of the customer or unless otherwise allowed by law, we will not provide customers' personal data to any third party. In those cases where we provide data to a third party, we will make the appropriate management of such data a contractual requirement for the third party.
- If a customer wishes to inquire about or modify his or her personal data and contacts us, we will respond to the inquiry within reasonable bounds.

Personal Data Management Structure



Highlights of the Year

Here are just a few highlights of the Fujitsu Group's social and environmental initiatives in fiscal 2004.

Organizational Realignment to Strengthen Customer-centric Approach



We realigned our sales and software and services groups in Japan in line with our goal of enhancing our customer-centric approach and achieving greater management speed and simplicity. The realignment better enables us to pick up on market shifts and increasingly diverse customer needs, as well as enhancing our ability to provide integrated Group-wide support to customers over the entire life cycle of their IT systems.

▶ P20

Environmental Management System Now Covers about 100,000 Fujitsu Group Employees in Japan



The 4th Stage of the Fujitsu Group Environmental Protection Program has as one of its objectives to implement our Environmental Management System (EMS) across the entire Fujitsu Group by the end of fiscal 2005. To reach this goal, in fiscal 2004 we deployed our EMS at all domestic Group companies. The EMS, which now covers 98 companies and approximately 100,000 employees in Japan, subsequently obtained ISO14001 certification.

▶ P36

Development of "Super Green Products": Use of Bio-based Materials in Notebook Computers



In the spring of 2005 we began marketing our FMV-BIBLO NB80K notebook PC, the world's first notebook PC to feature a housing made of bio-based plastic. The bio-based plastic was developed jointly by Fujitsu Laboratories and Toray Industries. Made up of about 50% natural materials (polylactic acid derived from corn and other starches), it achieves approximately a 15% reduction in CO₂ emissions over the whole life cycle of the housing compared with petroleum-based plastic housings. The NB80K meets our environmentally friendly "Super Green Products" standards.

▶ P43
▶ P58

Next-generation LSI "Green Factory" Launches Operations Using Latest Environmental Technology



In April 2005, we opened a new facility at our Mie Plant in central Japan for the mass production of logic LSI devices using large-diameter 300mm wafers. The new facility, which contains an approximately 12,000m² clean room, is our newest "Green Factory," and incorporates measures to prevent greenhouse-gas emissions, reduce waste and chemical emissions, and otherwise minimize environmental burdens. Moreover, the facility is the world's first semiconductor plant to feature hybrid seismic isolation construction.

▶ P56

Sustainability Report Receives "Excellence Award"



At the 8th Environmental Report Award/Sustainability Report Award Ceremony sponsored by Toyo Keizai Inc. and the Green Reporting Forum, the 2004 Fujitsu Group Sustainability Report (Japanese-language version) received an Excellence Award. The award praised the report for its clarity in spelling out the direction of the company, and for conveying in an easy-to-understand manner our stance toward reducing environmental burdens across the Group, including the quantification of environmental protection activities and the use of environmental

▶ P60

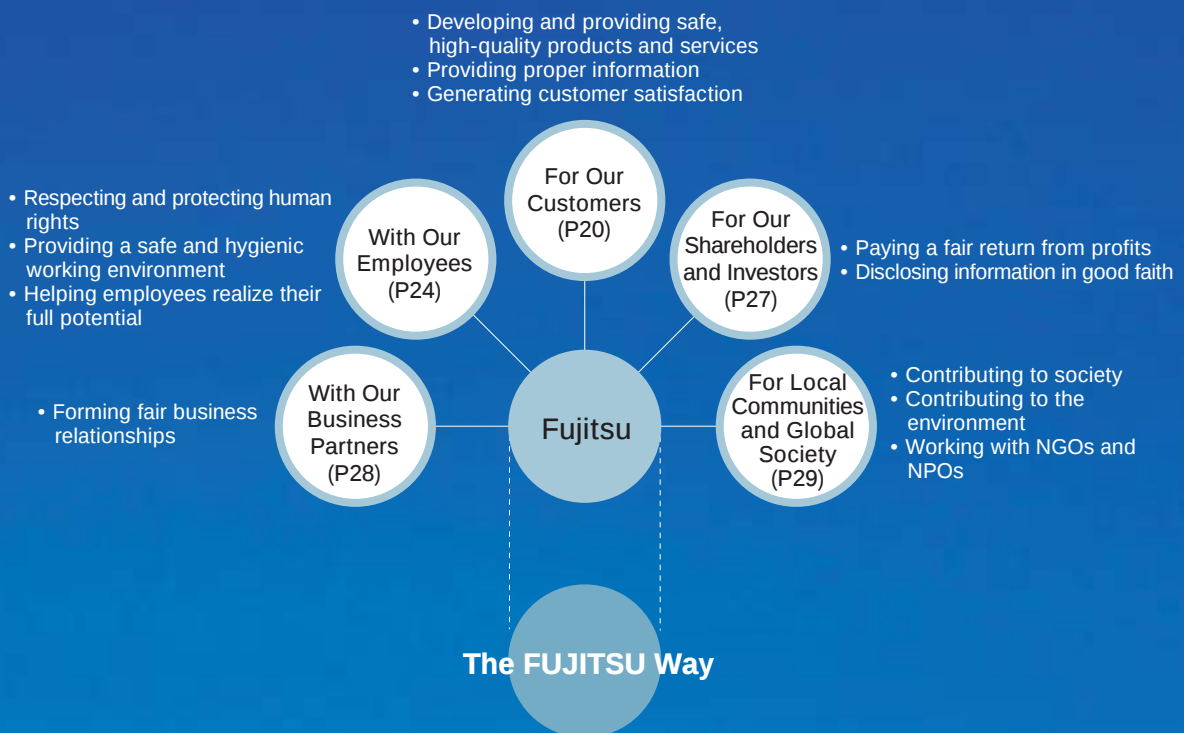
Chapter I

Fujitsu and Society

To earn the trust and satisfy the expectations of our stakeholders



In accordance with *The FUJITSU Way*,
we value our various stakeholder relationships and are pursuing measures
to continuously meet their expectations and earn their trust.



For Our Customers

We take a customer-centric approach to management and strive to be good partners to our customers.

Customer-centric Management

We keep the front lines of our customers' operations foremost in our thoughts and actions in order to help them cope with the changes they face and keep our commitments to them. This enables us to become an invaluable partner.

Reforming Our Organization and Approach (reorganizing sales, software and services groups)

We are carrying out reforms to our organization and approach based on the following four priorities.

- To be easy to understand by our customers
- To be faster to respond to customer needs
- To provide seamless support throughout customers' IT system life cycles
- To eliminate overlap and competition in business operations and functions between Group members

As a part of this initiative, we realigned our sales and software and services groups in Japan in June 2004 in line with the concepts of customer-centric

management, speed and simplicity, so as to improve direct awareness of changes affecting our customers. The new system helps us to more quickly grasp how market changes and diversification affect customer needs, so that the entire Group can combine in supporting customers throughout the life cycles of their systems.

Customer Relations Center (Japan)

We established a Customer Relations Center in June 2003 as a single source of information on services and products for when the customer may not know where the question should be addressed or even, perhaps, the particular product concerned. The Customer Relations Center functions as a switchboard that connects customers to the department responsible, so that we can respond speedily to their needs.

The center also functions as a clearing house for information gleaned from customer queries and comments, which is fed back to those engaged in product and service development and in quality improvements, in order to help improve customer satisfaction.

Example of Improvement Based on Customer Comments

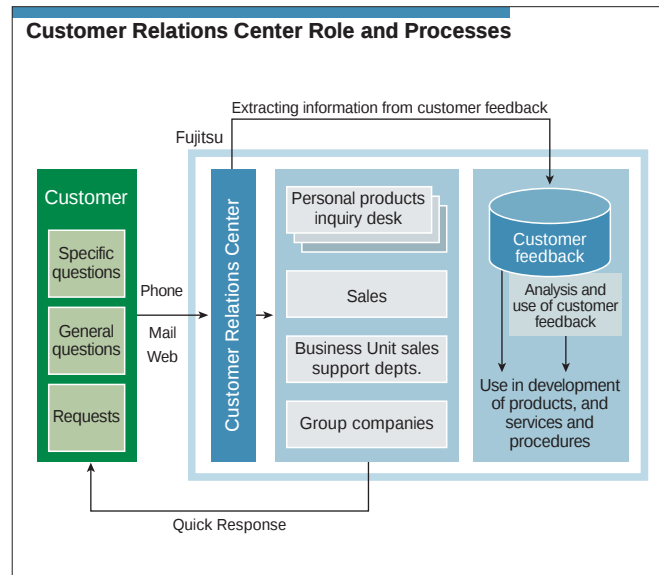
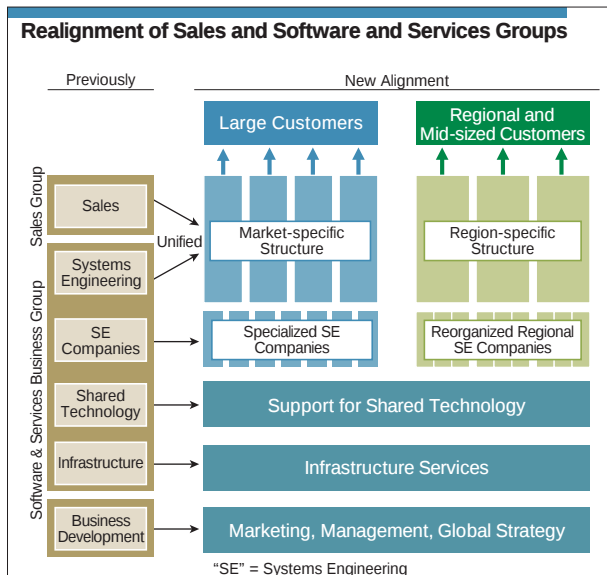
The Customer Relations Center analyzes customer queries and the results of this analysis are used in improving products, services and corporate activities.

Improving the Contents of the Fujitsu Website

"I want to dispose of a computer, but I couldn't locate the contact on your website," and "I want to purchase printer toner but I don't know where to place the order," are typical of the many questions we receive. To help customers find answers quickly, we have collected them under the heading "Frequently Asked Questions" on the inquiry page.

Making the Website Easy to Read and Understand

A number of customers told us our web pages were hard to understand because they used too much jargon, and were difficult to search. We therefore rewrote the website text in a more approachable and easily understood style.



For Our Customers — Quality Improvement

All Fujitsu employees are committed to pursuing thoroughgoing quality improvement in their daily work.

Unrelenting Focus on Quality (Qfinity Activities)

Quality is one of the five core values enshrined in *The FUJITSU Way*, and in this regard we are committed to earning our customers' trust in Fujitsu. The activities implementing this commitment are called Qfinity activities.

In 1966, we launched a high reliability campaign primarily to improve product functions and reliability. Then, from 1977, we introduced Value Engineering activities to reduce product costs and rationalize working procedures.

In order to build strong relationships of trust with customers and increase the value of Fujitsu as a global brand, Qfinity

activities were launched in 2001.

The Qfinity program was designed to pursue the highest levels of quality, so we can meet the expectations of our customers and become a trusted partner in their businesses. But high-quality products need to be provided in a timely way, meeting customer delivery requirements and rapidly responding to their needs. Also vitally important is to provide these top-class products at the appropriate price.

Qfinity activities operate at two levels.

One is through groups of employees that work together on specific projects, and the other is by individual employees who actively propose reforms and improvements. All employees participate in at least one of these ways, and all identify specific customers with whom they pursue the PDCA cycle (plan, do, check, act) in achieving quantifiable results on an ongoing basis. This also enables the development of a corporate culture that prompts our staff to take on new challenges.

Implementing the Qfinity System

The main characteristics of Qfinity activities are that they embrace quality improvements in every phase of work throughout the Fujitsu Group, and that all individuals and departments within the Group follow the same methodology for setting and achieving targets. This shared approach increases the overall effectiveness of the activities.

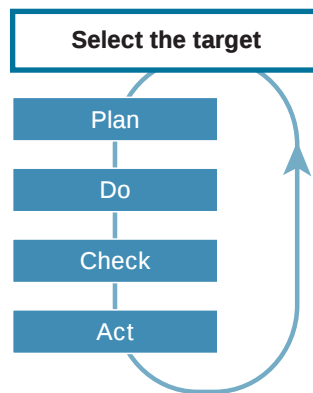
The web-based Qfinity management system exploits the immediacy and the networking and interactive functions of information technology and supports the proposal of themes, the setting of objectives, and the benchmarking of the processes involved. It enables the know-how and benefits of improvements to be shared throughout the Group. By facilitating communications between departments in disparate areas of our business, it stimulates innovative thinking and creates new know-how in a process of cross-fertilization.

To energize Qfinity activities themselves, training programs have been prepared and a system of awards has been introduced. Qfinity has its own website for information exchange and there is also a company-wide meeting to announce progress.



The word Qfinity was created by combining "Quality" and "Infinity" to express the concept of the infinite pursuit of quality.

The PDCA Cycle in Qfinity Activities



Company-wide Qfinity meeting

For Our Customers — Universal Design

Based upon a multifaceted appraisal of our products, services, workstyles and workplaces, we seek to implement design in which the human being is central.

Universal Design

Universal Design Policy

The Fujitsu Group has long concentrated on human-centered design, which utilizes many of the principles of ergonomics. As our management is customer centric, so our design has been human centric. Now, we are taking that process a stage further by adopting the standards of universal design. Universal, because ideally it applies to all human beings. The aim is not just to improve features, functions and services, but to ensure they are immediately and readily available to all those who may need to use them.

Universal design seeks to avoid restrictions in the usefulness or safety of the product or service that might arise from limitations such as those imposed by advanced age, or physical or other disabilities. We have adopted the principles of universal design in our products and services (e.g., our websites), and these have been utilized by many customers. We, in turn, incorporate their comments and suggestions in our future designs.

Universal Design wherever Information Technology (IT) Is Used

We do not limit the application of universal design to specific products or

services, but seek to apply it broadly wherever IT is used. This involves not only the IT equipment itself but also the workplace within which it is used, the building and its facilities, communications, and even the workstyle (working hours, safety and hygiene, etc). This overall approach is generating real improvements in the way products and services can be used.

Education in Universal Design

In order to advance the application of universal design throughout the Group, we carry out educational programs designed to improve the understanding of individual employees. Tools to assist in the diffusion of these principles are also provided.

In fiscal 2004, educational programs in universal design were provided to all employees in Japan via e-learning.

Introducing Universal Design

Fujitsu Web Accessibility Guidelines, Version 2.0

We published a revised edition of our web accessibility guidelines in conjunction with the revision of the JIS X8341 standard.

Version 2.0 incorporates major revisions made on the basis of surveys and research after Version 1.01 was

published in order to improve accessibility.* Version 2.0 has been available on the Fujitsu website since June 28, 2004.

<http://www.fujitsu.com/us/accessibility/>

* Accessibility: The ease with which people, including those with various disabilities or the aged, can use environments, facilities, equipment, software and services.

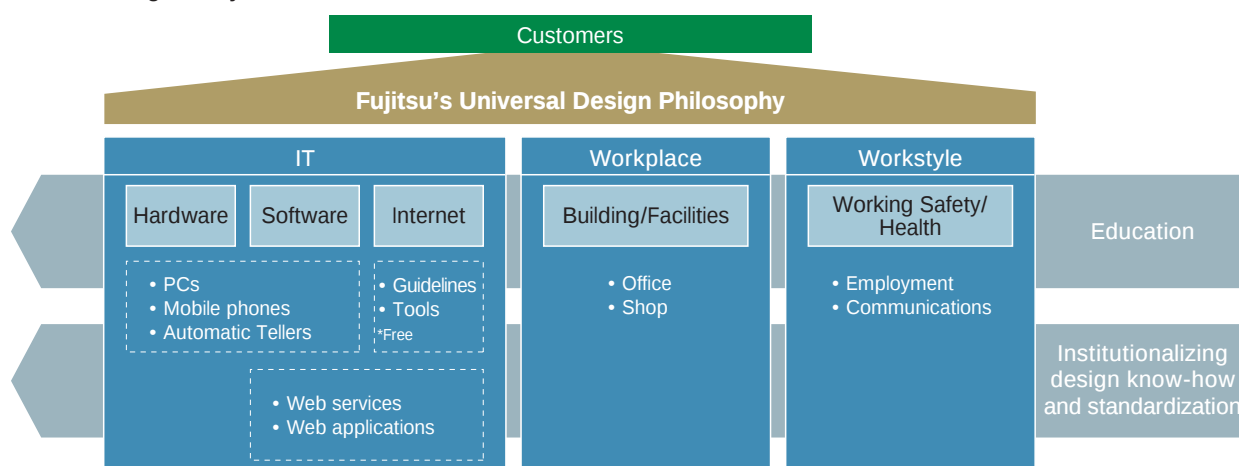
Diagnostic Software Tool

We have been offering a website accessibility diagnostic software tool, called Fujitsu Accessibility Assistance, free of charge on our corporate website, and many customers have made use of this tool. In June 2004 we revised the tool with enhanced features for confirming compliance with the newly released JISX8341-3 standard, and we continue to provide it free of charge on our website. To date, the tool has been downloaded over 70,000 times.

An English edition of this tool, developed for customers outside Japan, has been available free of charge since April, 2005.

<http://design.fujitsu.com/en/universal/assistance/>

Universal Design Policy



Website Designed for Accessibility

The Fujitsu website is designed in accordance with the guidelines for accessibility so that it can be readily accessed by those of all ages and whether or not they suffer from any physical or other disability.



The Fujitsu corporate website was ranked first in usability by Nikkei Personal Computing for the second straight year in 2005. This year, the rankings placed great importance on the policy for protecting personal information, a category in which Fujitsu scored the maximum number of points possible. Fujitsu was also highly evaluated for its disclosure of information.

Website Accessibility Design Support (Universal Design) with WebUD

In December 2004, we introduced a new website accessibility support tool, WebUD.

WebUD provides for computerized audio output of text, the display of pronunciation rubrics for Japanese characters, the enlargement (or reduction) of character fonts and graphics, changes in the color and background of letters, and input support among other forms of website accessibility features for the elderly or physically disabled. Those wishing to provide this tool have only to register WebUD on their server, and all users who accept the conditions of use can immediately take advantage of it.



WebUD display of Japanese characters with pronunciation rubrics

Universal Design in FOMA® Raku Raku Phone

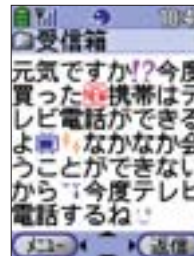
This line of mobile phones combines popular and highly legible screen display functions, easily understood illustrated operating guides with automatic voice synthesized operating instructions or e-mail content, and the distinctive FOMA video-phone and other functions in a way that is extremely easy to use.



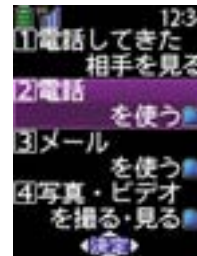
FOMA® Raku Raku Phone can read aloud the contents of i-mode® websites. All menus and e-mail in preparation can also be read using automatic vocalization.



Easily understood guidance screens



Large, highly legible letters



Negative/positive inversion of lettering for highest legibility



Smart designs with the unmistakable look of high quality

"FOMA" and "i-mode" are trademarks or registered trademarks of NTT DoCoMo, Inc. in Japan and other countries.

Universal Design Concepts in Exhibitions

We use the concepts of universal design in creating and running exhibitions like Fujitsu Forum in order to make our exhibits easy to view and understand by all visitors. This embraces everything from exhibition stands that can be readily viewed from a wheel chair, to providing Braille guides and writing materials.



WPC EXPO 2004

With Our Employees

Believing that “every one of us has a leading role to play,” we are creating working environments that enable employees to make the maximum use of their abilities and support their professional and personal growth.

Personnel Policy

For an enterprise to maintain continuous growth, it must provide its employees with a working environment that encourages them in the lively and active use of their gifts, and offers them a wide variety of experience.

Recognizing this, one of the core values expressed in *The FUJITSU Way* is that “every one of us has a leading role to play.” We therefore seek to provide an environment that makes it easy for all employees to give their best, challenging each of them to achieve higher standards in their work and supporting them in their growth.

Respect for Human Rights

The shared principles articulated in the code of conduct of *The FUJITSU Way* are guidelines for each employee to use in conducting daily business operations. Prime among them is respect for human rights, an attitude that underpins all our corporate and individual activities. This principle informs the actions of every member of the group.

Enhancing Human Rights Awareness (education and consultation desk)

We encourage greater awareness of human rights issues among our employees in Japan by an ongoing internal training program. We have also established a consultation desk where employees can discuss related issues in a supportive atmosphere.

Overseas, as well, we provide Equal Opportunity training in the United Kingdom and elsewhere. An Equal Opportunity committee monitors the situation and engages actively in building awareness of the issues involved.

Employment for People with Disabilities

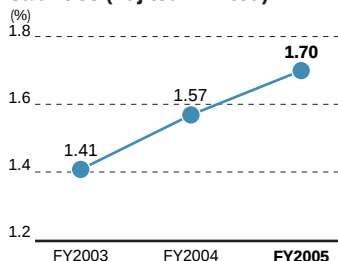
Employees with various disabilities are at work in departments throughout the Group. Such opportunities are publicized at employment agencies, in special pamphlets, and on the Fujitsu

website. We also hold seminars with sign language interpretation, bringing these opportunities before many potential candidates. We utilize the concepts of universal design to make our workplaces accessible, while the enthusiastic cooperation of other employees assists them to make full use of their capabilities.



Pamphlet detailing employment opportunities for those with disabilities

Percentage of Employees with Disabilities (Fujitsu Limited)



Creating Good Working Conditions

Pregnancy, Child Care and Nursing Needs

We offer flexible working conditions and a favorable environment that make it easier to combine a career with raising a family or providing nursing care. Our family-friendly policies include:

- Maternity leave and shorter working hours,
- Nursing leave and shorter working hours,
- Leave for nursing children or care of family members,
- Child care subsidies,
- Leave for voluntary activities.

Numbers Using the Support System (FY 2004, Fujitsu Limited)

Child-rearing leave	346
Family-care leave	22

Universal Design and Working Style

Universal design was originally conceived to create products, buildings and living spaces that would be usable by as many people as possible. We have extended this from office equipment and the workplace to encompass every aspect of communications and workstyle.

Encouraging Active Communications

We encourage the active exchange of opinions among employees by providing query areas, bulletin boards and mail facilities on the corporate intranet. Overseas, workshops are held and forums provided for information exchange between management and staff. In Europe, through a European Labor Relations Council and other means, we are actively implementing environments that encourage open communications.

Improving Employee Satisfaction

We see our continuing growth as critically dependent on creating a working environment that encourages employees to think actively and creatively and communicate effectively with each other.

We carry out surveys to assess the motivation of employees and increase their job satisfaction. Based on the results of these surveys, managers identify and tackle problems found in their organizations, and work to implement improvement policies formed after internal discussions.

Surveys are carried out in Japan, Europe, North America, Singapore, and elsewhere.

Developing Human Resources

We consider the development of human resources and employee education as key management priorities and essential to ensure continuing growth in an era of increasingly severe changes in our operating environment. We are committed to cultivating a workforce that is second to none.

Fujitsu University

Fujitsu University was established in April 2002 to pursue human resources development from a long-term perspective.

Here, based on group business strategy closely coordinated with strategies for human resource development, we offer a variety of courses aimed at:

- Fostering professionals who can create high added value for customers;
- Fostering business leaders who can powerfully advance global business;
- Promoting the shared values and skills of all employees — the “baseline” of the group’s capabilities as a comprehensive solutions provider.

Fujitsu University

- **Technology College**
Here, professional engineers in the operating divisions are taught how to identify issues and solve them on their own initiative.
- **Solutions College**
This college cooperates closely with the divisions to bring sales personnel and systems engineers to the highest levels of professionalism.
- **Business College**
This is where the vitally important company-wide “baseline” standards of education are reinforced at each level on a global basis.
- **Global Knowledge Institute**
The institute aims to cultivate those who will exercise leadership at the global level.
- **Faculty of Human Dynamics**
Through the study of history, philosophy, ethics and religion, the faculty seeks to foster well-rounded individuals.

Fujitsu NetCampus

Open to all employees around the world, NetCampus is our platform for the management of learning. Course content, applications and acceptances for enrollment, and a wide variety of learning support functions are all provided via intranet.

Personnel Evaluations

Performance Evaluation System

In Japan, we have introduced a system under which employees set their own performance targets every six months and receive compensation based on the extent to which they meet those targets and the processes they use to do so.

The system supports employees as they pursue their personal growth objectives, providing objective standards by which to assess their careers and skills.

Awards System

Every June, at the events commemorating Fujitsu’s foundation, awards for outstanding performance are presented. All employees of the Fujitsu Group are eligible. Awards are also presented at the company and business group level.

Flexible Allocation of Personnel and Career Development

By continually reallocating personnel resources to businesses within the Group as needs for staff multiply in growth areas, we provide employees with the opportunity to optimize their potential contributions. We have also established a system by which employees may select and pursue particular career paths, and we support them in such endeavors.

In-house Recruitment

Opportunities to join specific projects within the Group are publicized on the corporate intranet and applications welcomed.

By providing a wider range of job opportunities, we seek to create a more challenging corporate climate.

Free Agency System

The free agency system introduced in Japan in fiscal 2003 recognizes employees’ ambitions and preferences and makes it possible for them to select their own work assignments. It is designed both to challenge employees with expanded opportunities and to encourage the optimization of personnel assignments.

In-house Transfers*

In-House Recruitment	Approx. 1,900
Free Agents	168

* Cumulative total since introduction.
 * Includes some Group companies.

Career Management

To encourage employees to take initiative in developing their own careers, we hold career counseling sessions.

Career Management Service Menu

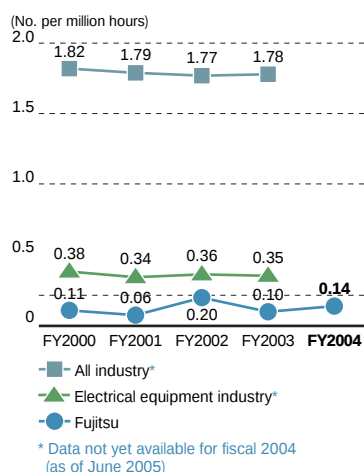
- **Career Counseling**
In-house career counselors with specialized skills provide support for individual career planning.
- **Career Development Seminars**
Participants benefit from the latest theories on career formation and experience the process for themselves.
- **Web-based Services**
Employees can use a number of web-based self-assessment tools to increase their understanding of their skills and interests and assist in forming their own careers.

Health and Safety at Work

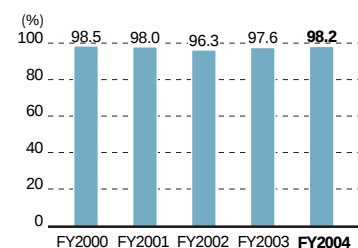
To ensure that all Group employees have a working environment that is safe, pleasant, and secure, health and safety educational programs and training matched to workplace realities are carried out and practical measures implemented. Our suppliers are required to do the same.

The requirements of mental health are not overlooked, and proper care is taken to ensure employee well-being.

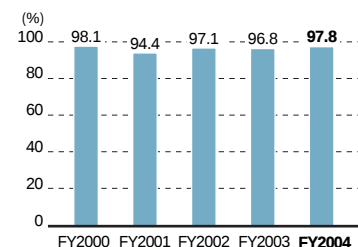
Frequency of Industrial Accidents (Fujitsu Limited)



Percentage Undergoing Regular Health Checks (Fujitsu Limited)



Percentage Undergoing Extensive Medical Checkups (Fujitsu Limited)



Central Health and Safety Committee

Every year, Fujitsu Limited holds a meeting of the Central Health and Safety Committee, whose members are selected from employer and employee representatives elected by business groups. The committee sets policies for the company as a whole, monitors the situation concerning natural disasters and other threats to health and safety, and proposes preventive measures.

The health and safety organizations at each site location also hold monthly Health and Safety Committee meetings, developing policies that reflect company-wide policies as they apply to the local situation and implementing them to ensure site safety.

Health and Safety System

(Company-wide business group employer and employee representatives organization)
Central Health and Safety Committee (annual meeting)

(Site health and safety management organization)
Health and Safety Committees (monthly meetings)

Health Promotion Centers, Health Management Offices

In Japan Fujitsu has established Health Promotion Centers at major locations, while most locations have a Health Management Office. These are responsible for performing various health checks and for education to increase health consciousness, for guidance in health preservation, and health consultations. At smaller branches and offices, health "desks" run by contract industrial healthcare staff are responsible for helping to maintain employee health.

Mental Health

The Health Promotion Centers and Health Management Offices are supplemented by specialist counselors (clinical psychologists) when mental health care is called for.

In 1966, we began educating senior managers in Japan about mental health concerns, and since 1988 this has been extended to specialists when they are promoted or when they join the company.

In fiscal 2004, an e-learning program on mental health issues for managers,

with respect to the way they give instructions to their subordinates, was introduced under the title "Mental health in the workplace." E-learning has also been used to provide employees with a means of assessing their own level of stress for stress control, and it is being used successfully not only for the control of personal stress but also by the industrial healthcare staff to assess the general levels of employee stress.



E-diagnostic screen

The Fujitsu Kawasaki Hospital

Originally founded as a welfare facility for employees in 1944, this hospital currently serves not only employees but also members of the general public. It has 46 beds, and its facilities include MRI and other modern diagnostic equipment.

The hospital also houses facilities for providing health check-ups for employees, including sophisticated digital imaging and biomedical analysis equipment, etc. Serving Fujitsu Group employees in the Tokyo-Yokohama area, the hospital performs clinical examinations of some 30,000 people every year.



The Fujitsu Kawasaki Hospital

For Our Shareholders and Investors

We carry out our responsibilities to shareholders and investors by paying a fair return from profits and disclosing information in good faith.

Basic Policy on Returns to Shareholders

Our basic policy is to provide shareholders with a stable return and to secure sufficient internal reserves to strengthen our financial position for future growth and improved profitability in the mid to long term.

For fiscal 2004, we increased our dividend by three yen per share to six yen for the year.

Basic Policy on Information Disclosure

We recognize that timely and appropriate disclosure of company information to shareholders, investors and securities analysts is the bedrock of a healthy securities market. Based on this awareness, we disclose information in accordance with Japanese securities and exchange law and with disclosure regulations for stock exchanges where Fujitsu stock is listed. Also, it is our policy to disclose information promptly, accurately and fairly whenever it may affect investment decisions, even without any regulatory obligation and when it may be adverse to Fujitsu.

Timing of Annual Shareholders' Meeting

In order to have as many as possible of our shareholders attend, we schedule our shareholders' meeting to avoid days when many other such meetings take place in Japan. Also, in consideration of the needs of our overseas shareholders, English agendas for the meeting and ballots for the exercise of voting rights are dispatched about three weeks in advance.

Since fiscal 2002, we have introduced a means to enable shareholders to exercise their voting rights using the Internet.

Communicating with Shareholders and Investors

We are actively involved in IR activities in Japan and abroad, including briefing sessions for institutional investors and securities analysts, responding to individual requests from investors, visiting Japanese and international investors, and transmitting information through the Fujitsu website.

We also disseminate press releases, thus providing information through the media to individual investors and to society.

A Variety of Meetings for the Investor Community

In addition to briefings on financial results, we provide a variety of presentations on management policy and specific business briefings targeted



Management direction briefing



Business briefing

at institutional investors and securities analysts.

In these presentations, senior managers speak on various topics: the president discusses the broad management picture, top executive officers use financial data and other materials to describe business conditions, presidents of the various business groups speak about practical strategy and executive officers speak on conditions at the front lines. Besides these presentations, we also hold small-scale meetings when appropriate, and respond to individual requests on a one-on-one basis.

For overseas institutional investors, we hold road shows twice a year in Europe and North America, and local staff also visit investors. In addition, we strive to provide the same level of information to overseas parties as to those in Japan. For example, we have set down the principle of simultaneously posting important press releases in English and Japanese on our website.

Communicating with Individual Shareholders and Investors

For individual shareholders or investors, we prepare and send out interim and year-end financial reports. We promptly disclose IR materials used at analyst briefings or materials and images from the year-end presentation of results on our website, utilizing PDF files and streaming technology. We have also placed an inquiry form on the website for two-way communication.

From fiscal 2004, we began inviting individual shareholders to Fujitsu Forum* so that they might gain a more concrete understanding of the company.

* **Fujitsu Forum:** An annual exhibition that includes lectures and seminars by knowledgeable persons within and outside the company, as well as the latest solutions we are offering to customers to meet the challenges they face.

With Our Business Partners

We value our cooperative relationships with business partners and deal fairly with them.

Procurement Policy

On December 10, 1991, we established guidelines to ensure fairness and transparency in our procurement activities in Japan and abroad.

These guidelines are the foundation of the procurement policy we have been following since then.

Procurement Ties with Our Business Partners

Amid increased interest in activities whereby a business carries out its social responsibilities, such as environmental protection, legal compliance and risk management, we are fulfilling our social responsibilities in the supply chain through such means as our "Green Procurement" efforts. Going forward, we will define concrete procurement standards and conduct our activities in accordance with them.

Green Procurement

Implementing a comprehensive environmental management system (EMS), including obtaining ISO14001 certification, is becoming an indispensable condition for moving forward as a global business. We are therefore advancing our environmental management system throughout the Group. Aiming to further reduce environmental burdens in the supply chain, we have set forth the Fujitsu Group Green Procurement Direction in cooperation with our business partners, and we plan to expand the list of applicable items to encompass all procurement.

In order to implement this plan, we are requesting that our business partners build their own environmental management systems and totally phase out designated hazardous substances, and we will check on their progress using various types of surveys. For business partners who are not able to meet the standards, our purchasing and other related departments will provide consistent support to help them build, operate and firmly establish an EMS (see P57).

Basic Posture Regarding Procurement Activities

1. Coexistence and Mutual Prosperity with Our Business Partners

We procure the necessary raw materials, parts and services for producing and developing our products from many and varied business partners. We then add value to these materials and provide them as a finished product. In other words, many of our products are made with the cooperation of our business partners.

In these cooperative relationships, we have built up long-term relationships of trust through many years of continued hard work together. We aim for a relationship of coexistence and mutual prosperity where each as a good partner enables the other to work the more effectively so that we can continue to prosper together.

2. Based on Fair and Impartial Evaluation, Select Business Partners in Japan and Overseas without Prejudice

We choose our business partners based on an overall evaluation of the economic rationale, including factors such as the company's reliability, technological capabilities, the attributes of the required articles or services (specifications/quality/performance, etc.) and the conditions under which they will be provided (delivery date, price, etc.)

Integral with the above overall evaluation, we are committed to selecting business partners without discrimination regarding the size of the business or whether it is in Japan or overseas. We will always offer impartial and fair entry opportunities to any and all those wanting to become new business partners, and we will make every effort to respond responsibly to all such requests.

3. Comply with Laws and Social Standards

Our employees comply with laws and social standards, whether in Japan or abroad, and are not to violate them under any circumstance.

Those involved in procurement activities are to fully understand the laws that relate to such activities (anti-monopoly laws, subcontracting laws, foreign-exchange laws, etc.). In addition to their efforts to comply with the letter of the law, they also respect the spirit of the law as they carry out their business.

Procurement in Keeping with Corporate Social Responsibilities

In order to carry out procurement in accordance with the concepts embodied in *The FUJITSU Way*, we plan to ask our business partners for cooperation as follows.

Procurement in Keeping with Corporate Social Responsibilities

1. Respect human rights, prohibit unfair discrimination
2. Comply with laws and regulations
3. Maintain confidentiality and protect personal information
4. Protect intellectual property
5. Reject unethical behavior
6. Act with fairness in business dealings
7. Secure workplace safety and health
8. Prohibit child labor and forced labor

EMS Improvement Seminars

We held presentations on "Upgrading Your EMS" over April and May of 2005 for about 1,000 Fujitsu Group business partners as part of our Green Procurement efforts in Japan. At the presentations, we encouraged these business partners to obtain ISO14001 certification. Even greater efforts to help cope with global environmental problems will be required as the EU directive on the restriction on hazardous substances (RoHS) and the Kyoto Protocol come into effect. We will therefore expand the reach of Green Procurement throughout the supply chain through continued efforts with our business partners.



"Upgrading Your EMS" presentation

For Local Communities and Global Society

We seek harmonious relationships with local and international communities and to contribute as a good corporate citizen.

Contributions to Society

A primary motivation for the Fujitsu Group, as defined in *The FUJITSU WAY*, is to live and thrive as a good corporate citizen in harmony with local communities and international society. Our strengths in IT enable us to make distinctive contributions.

Promoting Academic and Educational Endeavors and International Cultural Exchange

Japan America Institute for Management Science (JAIMS)

To encourage understanding among business people from the Pacific Rim nations, we founded JAIMS as a non-profit educational institution with the approval of the State of Hawaii Department of Education in 1972. The institute concentrates primarily on research and post-graduate studies in Japanese and American management theory and methodology.

Foundation for International Information Processing Education (FINIPED)

FINIPED was founded in 1972 to promote education in information processing both in Japan and abroad. The foundation has expanded to include about 130 corporate members, and supports students' training and research activities, including those at JAIMS and universities in Japan and overseas.

The Mathematical Olympiad Foundation of Japan

We support the Mathematical Olympiad Foundation of Japan, which selects and sends Japanese competitors to the International Mathematical Olympiad. As such, it contributes to the identification and encouragement of young people with exceptional mathematical creativity who can be expected to play leading roles in the future progress of society.



The 2004 Mathematical Olympiad

The Fujitsu Asia-Pacific Scholarship Program

We established this forward-looking scholarship program in 1985 with the objective of providing students and businesspeople from the Asia-Pacific region with the opportunity to study the cultures, values and management styles of Japan, the United States and China in order to strengthen relations within this region.

Cultural and Artistic Activities

Co-sponsorship of cultural, artistic and sporting events includes:

Musical Performances

- The Fujitsu Concert Series
- The Fujitsu Concord Jazz Festival

Sporting Events

- Fujitsu Ladies Golf Tournament
- Go & Shogi Competitions
- World Go Championship Fujitsu Cup
- Fujitsu Masters' Game

Official Sponsorship of Kawasaki Frontale

Kawasaki is home town to the *Kawasaki Frontale* soccer team, which joined Japan's professional J-League in 1999. The team has been contributing to the development of professional soccer, training young local athletes, and encouraging sporting culture in general.



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Disaster Relief for the Sumatra Earthquake and Indian Ocean Tsunami Disaster

The earthquake that struck off the island of Sumatra on December 26 2004, and the tsunami that followed, is one of the greatest human disasters ever recorded. The enormous loss of life and physical destruction in the nations affected brought relief efforts from all around the world.

At Fujitsu, the outpouring of support came in a variety of forms and from across the Group. Corporate contributions as well as money and supplies collected from employees were donated to national and local agencies as well as to the Red Cross and other organizations supporting relief and recovery efforts.

Nifty Form of Charity

Nifty Corporation, a Fujitsu Group company and leading Internet service provider, supported the victims of Japan's *Niigata-Shinetsu* Earthquake and of the Indian Ocean tsunami at its corporate website (@Nifty) by hosting some 10,000 images taken by amateur photographers, selling them through its own settlement service (@pay), and donating the entire proceeds plus a corporate contribution of its own. This support was divided between the joint fund for Niigata Earthquake relief (in December 2004) and the Japan branch of UNICEF (in March 2005).

Contributions to Local Communities

Participation in "Learning from Society, a Challenge for 14-year-olds"

Toyama Fujitsu, Ltd., a group company in central Japan, participated in this program run by the prefectural board of education. In October 2004, four junior high school students spent five days at the company, experiencing for themselves what it was like in the workplace and gaining invaluable experience.



Hands-on experience of data preparation

Support for Organizations for the Hearing Impaired

Fujitsu Infosoft Technology (a company that was absorbed into Fujitsu on July 1, 2005) has been supporting local organizations for the hearing impaired by sending lecturers to IT educational events sponsored by local government in its area and also supporting the opening of a dedicated website.

In October 2004, the company received an award from the Shizuoka Prefectural Association for People with Hearing Disabilities for its work in 2003 supporting courses to train volunteers in sign language arranged by the Association in connection with the *Wakafuji* Conference (an organization for the handicapped).



Sign language-interpreted IT lecture for the hearing impaired

Environmental Contributions to Society

The Fujitsu Group takes global environmental protection seriously, and we are committed to handing down a rich natural environment to future generations. We are encouraging every organizational unit and all employees to actively participate in activities contributing to the environment.

International Reforestation Activities

We have been supporting tropical reforestation activities in Southeast Asia since 1997.

From 2005, we will implement the fourth phase of this tree-planting program, following completion of the third phase, in Sabah State, Malaysia, on land controlled by Sabah's Forestry Development Authority. We intend to spend three years restoring the population of native varieties by planting seedlings. In January 2005, 41 employee volunteers from Japan participated in the reforestation work, planting a hillside with 2,643 seedlings. Among the volunteers were those who had participated in the work three years earlier and who were delighted to see the seedlings they had planted growing strongly.

This area of forest is used by adjoining educational and research establishments, and is attracting academic interest. It is also visited by participants in "ecological" tree-planting tours from Malaysia and overseas. Aware of the influence of this work on ecological revitalization as well as the local economy, we are committed to its ongoing support.

Fujitsu (Thailand) Co., Ltd. is also continuing its reforestation activities.

The company is expanding the scale of these activities, and in its fourth phase project in 2004 planted 80,000 trees in an area of 800,000 square meters.



Overseas reforestation activities

Environmental Contributions in Other Areas

Branches and offices of the Fujitsu Group in Japan plan and implement environmental contribution activities as part of the Environmental Management System (EMS). These include reducing their consumption of precious resources and reducing the volume of waste disposal. Such activities also reflect our commitment to maintaining harmonious relationships with local communities.

Beautification at Our Nagano Plant

Since 1997, our Nagano Plant has engaged in local clean-up activities and from 2001 carried out this activity in conjunction with the nearby junior high school of Shinshu University. In June 2004, 149 employees and 57 pupils worked in five neighborhoods, collecting 65kg of weeds and garbage.



Clean-up activities at the Nagano Plant (in front of Shinshu University Junior High School)

Forestation Activities at Fujitsu Minami Kyushu System Engineering

This Group company carried out reforestation activities on the caldera rim of Mt. Aso in 2004. Employees and their families joined with volunteers from nearby Nishihara Village and Aso Greenstock Foundation to plant trees and cut undergrowth.

The company is committed to preserving Kyushu's water resources and rare animal and plant species.



Tree-planting activities (in April 2005)

Environmental Education

Fujitsu Computer Products Corporation of the Philippines has, since March 2005, been assisting with environmental education at a local private school, the Rizal Institute of Canlubang, where interest is



Environmental e-learning program

high in environmental concerns.

Activities have included introducing examples of corporate consideration of environmental factors, as well as sponsoring an artwork contest and symposium. This has succeeded in further raising student awareness and interest in environmental concerns.

Training for Environmental Leaders

To raise employee interest in environmental activities and encourage them to take the lead in environmental preservation, we held the first environmental leadership training conference in February 2005 as part of our EMS activities.

This training conference aims to develop leaders who can help drive environmental contributions at each site. The 20 participants at the first training conference acquired know-how in making systematic approaches to local community contributions.

The Wild Bird Society of Japan (WBSJ) is one of the nation's largest NPOs. Fujitsu joined with the WBSJ to implement a three-day training course in Yokohama, which offered participants a chance to commune with nature through bird watching and gathering fallen leaves, and to learn how to plan proposals for environmental activities.

Participants remarked that the training had made them realize the importance of individual awareness of contributing to environmental activities, and they were determined to use this new awareness in the service of the environment. We are committed to sponsoring continuing training sessions in this series.



Communing with nature



Training session on planning and proposing environmental activities

Chapter II

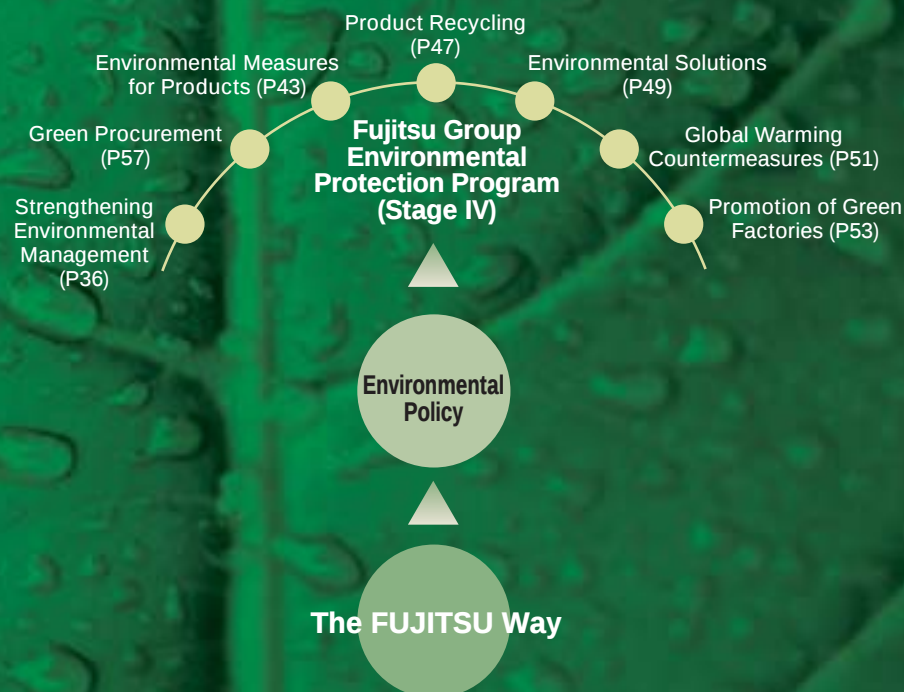
Fujitsu and the Environment

Passing on Our Precious Environment to Future Generations



The Fujitsu Group has established an Environmental Protection Program according to the Fujitsu Group Environmental Policy based on *The FUJITSU Way*.

We will continue to positively engage in the development of a sustainable society.



Environmental Policy

Establishing a Fujitsu Group Environmental Policy based on The FUJITSU Way and carrying it out on a global basis

Fujitsu Group Environmental Policy

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.

Fujitsu Group Environmental Policy

Since its founding in 1935, Fujitsu has made environmental preservation one of the most important elements in its management, based on its philosophy of “manufacturing in harmony with nature.”

In 1992, the year when Agenda 21* was adopted at the Rio de Janeiro Global Summit, we established Fujitsu's Commitment to the Environment. This was created in the mold of the Global Environment Charter, announced by the Japanese Federation of Economic Organizations in the previous year. In October 2002, when the Johannesburg Summit was held and summit participants were debating how to execute Agenda 21 in a more effective way, we revised this commitment to create a Fujitsu Group Environmental Policy. Our objective in this revision was to implement environmental management in a way that reflects the distinct character of the Fujitsu Group's business, responding to more and more diverse problems where environmental management is increasingly vital.

* Agenda 21: A concrete plan of action for sustainable development, to be carried out by various countries and international organizations. It involves programs to deal with environmental issues, including social and economic problems such as population, poverty and human settlement issues, as well as soil, forests, the atmosphere, desertification, agriculture, biodiversity, water, hazardous wastes and chemical materials.

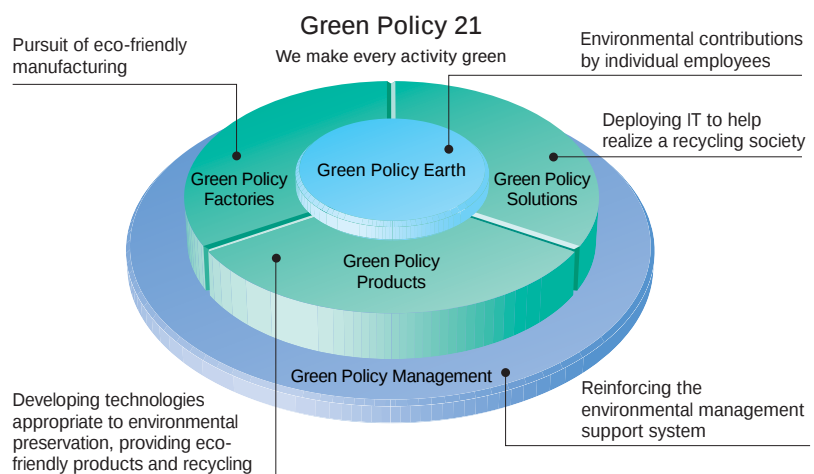
Green Policy 21

We want every employee of the Fujitsu Group to understand the

approach, which has applied since our founding, of manufacturing in harmony with nature and put this approach into practice in their daily work. For this purpose, we have established Green Policy 21 as a concept that can guide our actions, a concept that goes beyond any mere statement of intent.

We have adopted as our slogan “We make every activity green,” and we put this idea into practice in all areas of our business.

Environmental Concept “Green Policy 21”



Targets and Achievements — Environmental Protection Program (Stage IV)

Establishing clear objectives that apply to all business areas of the Fujitsu Group, as well as carrying out well-planned and continuous environmental protection efforts

Environmental Protection Program (Stage IV)

In 1993 we established Stage I of the Environmental Protection Program to provide concrete objectives so that we could put our environmental policy into practice. Since then, we have been scaling up the objectives, gradually expanding the scope of our environmental activities to include all of our business areas and Group companies.

In Stage IV of the Fujitsu Group Environmental Protection Program, which covers the period from fiscal 2004 to fiscal 2006, we are expanding the scope of our environmental efforts to include all areas of the Group (i.e. factories, design and development divisions, headquarters staff, sales, software and services divisions). As part of this program, we adopted the slogan “shift from environmental management to management for a sustainable environment.” We now aim to contribute

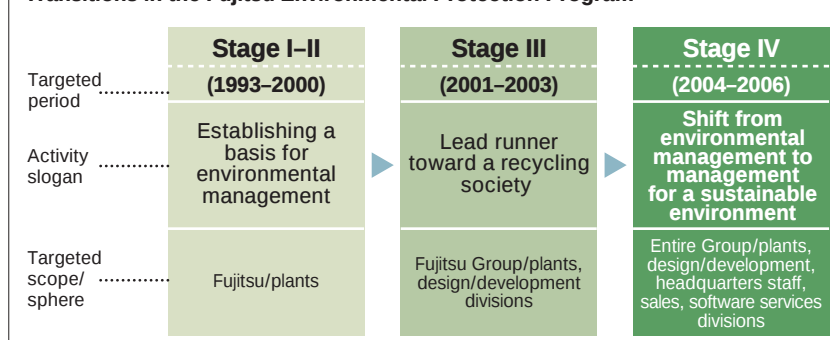
to the building of a sustainable society through systematic environmental protection efforts.

Fiscal 2004 was the first year of Stage IV, and with the exception of a few items, we were on target toward meeting the program objectives. For those areas where performance was insufficient, we will intensify our implementation efforts even more as we draw toward the

deadline for implementation in fiscal 2006. Meanwhile, through changes to our business structure, we have achieved our targets regarding certain items (e.g., a reduction in usage amounts for PRTR*-listed materials) ahead of schedule.

* PRTR: Pollutant Release and Transfer Register (see P54)

Transitions in the Fujitsu Environmental Protection Program



Fujitsu Group Environmental Protection Program (Stage IV)

Items	Fujitsu Group Targets	Performance (in fiscal 2004)	Related pages
Strengthening Environmental Management	To establish EMS-based frameworks for environmental management across the entire Fujitsu Group by the end of fiscal 2005.	We obtained integrated group certification covering Fujitsu Limited and 97 Group companies in Japan.	P36
Green Procurement	To increase the procurement ratio from suppliers who have implemented an environmental management system (EMS) to 100% by the end of fiscal 2006.	The percentage of our procurement from business partners who have implemented an EMS as a share of all procured items (parts used in products, materials, software, general equipment, construction, maintenance, etc.) reached 98.3%.	P57
Environmental Measures for Products	All business units to provide Super Green Products (with top-class environmental characteristics) in their principal product line offerings by the end of fiscal 2006. All Fujitsu-brand products to be made free of Fujitsu-specified hazardous substances by the end of fiscal 2005.	We have developed Super Green Products in 12 product categories, including notebook PCs, semiconductors and other electronic components. We have created development infrastructure for our products, such as databases on which types of parts do not contain hazardous materials and related standards. For 90% of the multipurpose parts which are used commonly throughout the company, we have switched to parts that do not contain hazardous materials.	P43 ~
Product Recycling	To establish recycling systems in Europe by the end of fiscal 2004, and in North America and Asia by the end of fiscal 2006. To increase the reuse and recycling rate of collected end-of-life products in Japan to 90% by the end of fiscal 2006. To increase the utilization rate of recovered waste plastic for the Fujitsu Group in Japan to 20% by the end of fiscal 2006.	Each Fujitsu Group company in Europe has selected a system for recycling (individual or collective system) and logistics and recycling partners. Going forward, the companies will monitor and adjust their systems in accordance with regulatory developments in the countries in which they operate. The resource reuse and recycling rate reached 88.3%, up 1.7 points from the fiscal 2003 performance. Waste plastics are recycled into goods for special events, such as “Eco clips” and fans.	P47 ~
Environmentally Conscious Solutions	To provide “Environmentally Conscious Solutions” in all areas of our software and services business by the end of fiscal 2006 in order to help customers reduce their environmental burdens.	We designated 28 products, primarily packaged solutions, as Environmentally Conscious Solutions. These were introduced to 796 corporate customers, with a resultant estimated savings of 34,500t-CO ₂ . In addition, we continued to promote the assessment of the impact on environmental burden resulting from individual systems integration projects.	P49 ~
Global Warming Countermeasures	Aim at increasing environmental efficiency throughout product life cycles. • To reduce CO ₂ emissions resulting from energy consumption down to or below the actual emission levels of fiscal 1990 by the end of fiscal 2010. (15% reduction from fiscal 2000 levels by end of fiscal 2006.) • To reduce greenhouse gases other than CO ₂ by 10% from the actual fiscal 1995 emission levels 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.	• CO ₂ emissions due to energy consumption were about 1,281,000 tons, a 20.5% decrease compared to fiscal 2000 levels (an 18.3% increase if compared to fiscal 1990 levels). • Emissions made up of other greenhouse gases (PFC, HFC, SF ₆) were about 475,000 tons, an 83.2% increase compared to fiscal 1995 levels.	P51 ~
Promotion of Green Factories	To reduce, by the end of fiscal 2006, the discharge of chemical substances that are subject to the Pollutant Release and Transfer Register (PRTR) by 15% compared to the fiscal 2001 discharge levels. To reduce the amount of waste generation by 3% compared to the actual amount in fiscal 2003 by the end of fiscal 2006.	Emissions of specified chemical substances were 52.1 tons, a decline of 48.1% compared with fiscal 2001. Amount of waste generated was 50,120 tons, a decline of 1.5 % compared with fiscal 2003.	P53 ~

Environmental Management System

Group-wide implementation of an Environmental Management System (EMS) that conforms with the international ISO14001 standards

Organizational Framework for Environmental Activities

In order to enact management decisions quickly, the Fujitsu Group EMS has been developed in accordance with our business group structure. Each business group undertakes environmental efforts tailored to the special features of its business and also participates in Group-wide environmental activities.

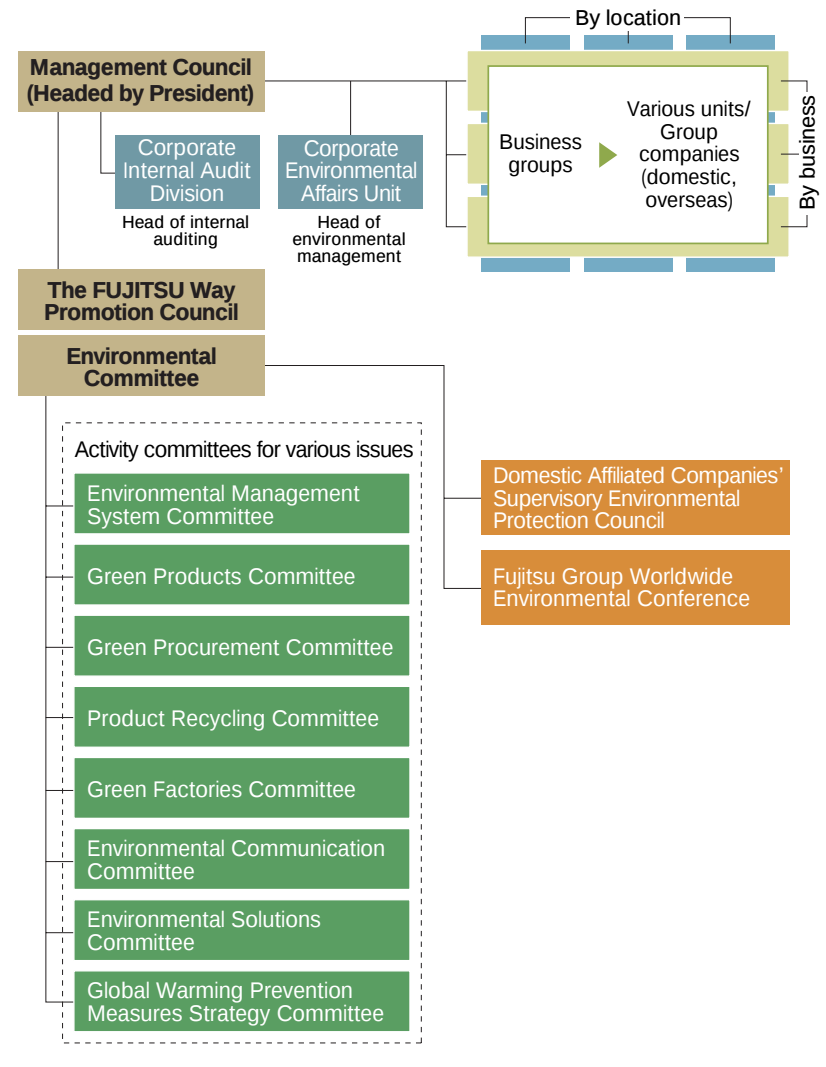
The Management Council is the top decision-making organ within our EMS. In addition to determining the general direction of environmental activities, the Council also makes decisions on revisions to the structure of the EMS, having first given thought to the degree of progress that has been achieved in the Environmental Protection Program. Such decisions are communicated to each business group by the Corporate Environmental Affairs Unit, which oversees all Group environmental activities.

We have also formed task forces covering various aspects of environmental activities; their membership transcends business group or divisional frameworks. These committees deliberate over the formulation of concrete proposals for the Environmental Protection Program and improvements to the EMS structure. The Environmental Committee oversees the results from these deliberations, then reports these results to the Corporate Environmental Affairs Unit, also feeding them back to the Management Council. Later, it works to ensure that these results are reflected in the activities of the various business groups.

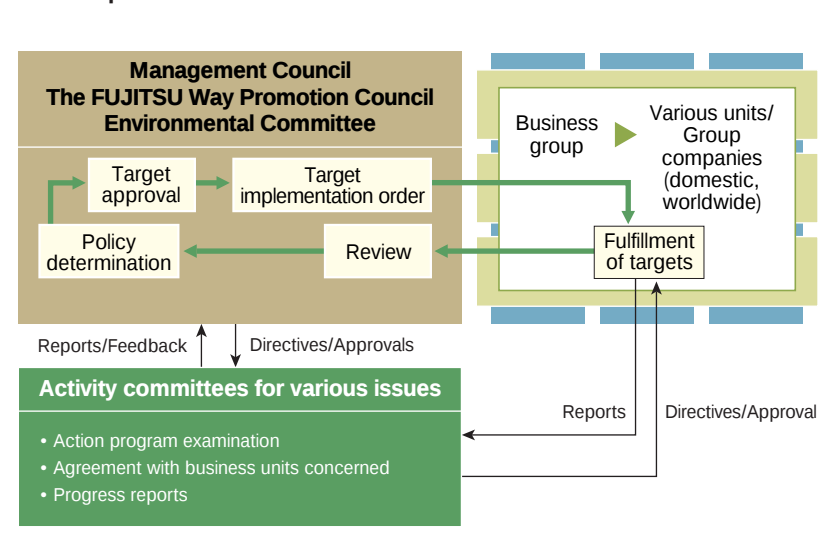
In this way the Group as a whole goes through the PDCA* cycle, making continuous improvements in its environmental activities.

* PDCA: Plan, Do, Check, Act.

Structure for Environmental Activities



Action Implementation Flow



Our Environmental Management System (Japan)

Matrix Structure

As shown on the previous page, our environmental management structure parallels the corporate management structure.

Thus, we have established our Environmental Management System (EMS) in the form of a matrix, bringing together (1) line activities directly linked to the various divisions and Group companies (such as Super Green Product development or development and sales expansion of Environmentally Conscious Solutions), and (2) site activities where each plant or office takes part in some common effort (such as saving energy, reducing waste, moving away from paper-based operations and contributing to local society through various activities).

In this way, through developing an environmental management structure which conforms to our corporate management structure, we can lessen not just the environmental burden attendant on our production activities, but also, through the sale of our products and services, the environmental burden for our customers and for society as a whole.

Internal Environmental Audits

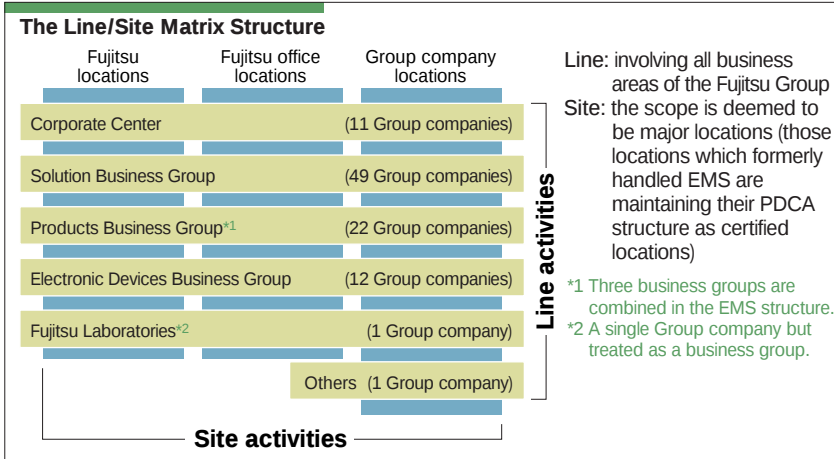
In order to attain continuous improvements in our environmental activities and environmental performance, auditing functions that are independent from the EMS and can effectively monitor our environmental activities are essential.

For this reason, a Director of (Corporate) Auditing has been appointed as the responsible chief officer for internal audits of EMS and respective environmental activities. To ensure impartial judgment, this officer is not directly involved in EMS as such.

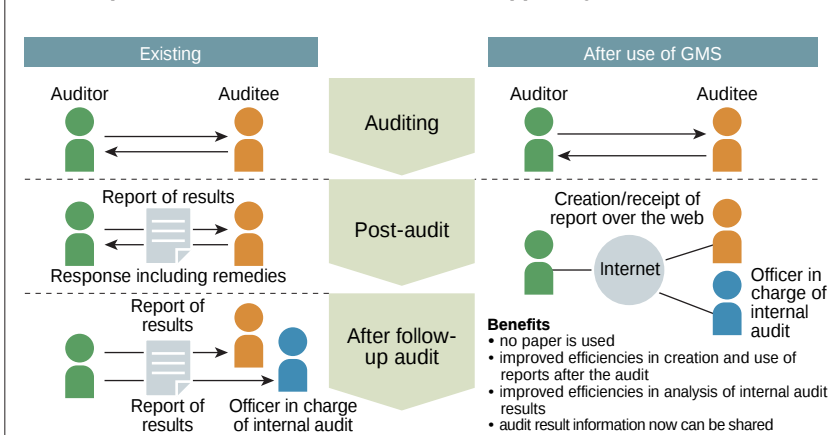
Also, through mutual audits between business locations or Group companies, we aim for communication within the Group that will go beyond the boundary lines of offices or companies, helping to improve the efficacy of internal environmental audits.

EMS Structures and Operations Making Use of IT

We utilize IT to conduct effective management of a vast range of environmental activities which extend over the entire Fujitsu Group.



An Example of GMS Use — the Internal Audit Support System



Environmental Education through E-learning

In order to provide common general instruction for all employees, we have prepared a structure for e-learning in which each employee can participate in courses at any time at his or her own convenience.

Green Management System (GMS)

In order to effectively manage many kinds of environmental records based on ISO14001 (records of activities, approvals, statistics and archives), we are now constructing a web-based GMS which is coming into operation in stages.

One example of a GMS function is the internal environmental audit function. This function will make it possible to improve efficiencies in the creation and implementation of reports that follow after internal environmental audits, as well as increase the efficiency with which internal audit results can be analyzed. Furthermore, this internal environmental audit function aims to

improve efficiencies with regard to management and use of environmental records and decrease resource use through sharing of audit results and reduced use of paper media.

Standards Monitoring System

A broad range of internal standards and guidelines must be created for implementing environmental management based on ISO14001.

We have taken the data on standards and guidelines (found in electronic files) and stored it in databases. Next, we created and installed a monitoring system, which can be used just like our everyday back-office systems. This system enables us to speed up the process from creation of standards and guidelines to investigation of performance, reporting, approval and finally disclosure. It also allows increased efficiency in operations and the monitoring of standards, as well as lower use of resources, including paper media.

Strengthening Environmental Management

We obtained integrated certification for an Environmental Management System covering 100,000 people at Fujitsu Limited and 97 Group companies in Japan.

Fujitsu Group Environmental Protection Program (Stage IV) Target

To establish EMS-based frameworks for environmental management across the entire Fujitsu Group by the end of fiscal 2005.

Fiscal 2004 Performance

We obtained integrated group certification covering Fujitsu Limited and 97 Group companies in Japan.

Building the Fujitsu Group Environmental Management System

In order to strengthen environmental management, we set forth the following three goals.

- Since environmental burden ratios for Group company activities have been increasing as a result of changes in the structure of our business, governance will be strengthened not just for Fujitsu but for the Group as a whole.
- Through proactive moves toward systematic environmental activities across the Group as a whole, we will increase the environmental consciousness of each of our employees.
- We will improve the transparency of environmental activities so that the process for developing Stage IV of the Fujitsu Group Environmental Protection Program, its deployment to Group companies and the actual operation can all be checked from a third-party viewpoint.

In order to realize these goals, we have set up an objective (part of Stage IV of the Fujitsu Group Environmental Protection Program) to establish EMS-based frameworks for environmental management across the entire Fujitsu Group by the end of fiscal 2005.

During fiscal 2004, we made progress toward achieving this objective by establishing an Environmental Management System (EMS) that integrates Group companies in Japan.

Obtained Integrated Group Certification in Japan

During fiscal 2004, we deployed our EMS throughout our Japanese Group companies. During this rollout, we deployed EMS at those Group companies which were still without it. Even at the companies which had already implemented their own EMS, we built interfaces to Fujitsu which made

use of their existing systems. By implementing these measures, we established a PDCA cycle that covers all operations of the Group in Japan. Next, in March 2005, we brought Fujitsu together with the companies that had already gained certification individually and with those companies just coming under certification (97 companies in all) and began operating an integrated EMS that covers about 100,000 people. In conjunction with this, we received integrated ISO14001 certification for our business locations in Japan.

We have also begun grappling with new challenges in environmental management, sharing environmental data among all our operations in Japan, conducting mutual audits between factories and Group companies and other measures.

Priority Actions for Fiscal 2005 and Future Policies

In light of results that have come from fiscal 2004 activities involving the strengthening of environmental management — one of the themes in

Stage IV of the Environmental Protection Program — the Management Council decided to go forward with the following priorities for action in fiscal 2005.

- Bolster our Environmentally Conscious Solutions business and the development and supply of Super Green Products.
- Avoid environmental risks.
- Strengthen our response to the issue of global warming.
- Carry out thorough monitoring of Group companies based on business-related lines of management.

We are now in the process of structuring our EMS to include overseas Group companies. We have declared our aim to establish an environmental management framework that will cover all Group companies by the end of fiscal 2005. As a result, we will be working to improve efficiencies in environmental matters as we intensify the environmental activities of our various organizations, thus diminishing our environmental burden and helping to reduce the environmental burdens of our customers and of society as a whole.

Comment by the Head Auditor for the Group's Integrated Certification



Takao Ogawa

General Manager,
International Certification
Japan Audit and Certification
Organization for Environment
and Quality (JACO)

The effort to build an integrated Environmental Management System for the Fujitsu Group bringing together Fujitsu Limited with 97 affiliated companies and covering some 102,000 people is truly an epochal undertaking. In particular, due recognition should be given to Fujitsu's efforts to inculcate into each business group, as an action objective, the principle of environmental management. Through integrating environmental goals with business operations, we can expect to see further benefits in the nature of environmental improvements.

The audit team confirmed through its four months of auditing that the integrated system was working effectively and that this effort is contributing to the management of the business groups.

The establishment of this massive system owed a great deal to group governance as evinced in the distribution of an integrated group manual, the establishment of integrated joint objectives, integrated internal auditing at all sites and thorough instruction through e-learning. An integrated system of this level of sophistication cannot be built overnight. As Fujitsu increases its use of IT and proceeds with an environmental management regime based on participation from all employees, I expect the Fujitsu Group to lead its industry as it provides a model for other company groupings that are now aiming to build integrated systems.

Environmental Accounting

Evaluating and improving the effectiveness of our environmental management through cost & benefit assessment helps identify problems and share best practices across the Group.

In fiscal 1998, we introduced environmental accounting, in which investments in environmental conservation and attendant benefits are evaluated by developing a clear picture of the costs and benefits connected with environmental conservation efforts. Ever since, we have been publicizing the results of these efforts.

In these calculations, we provide a clear overall picture of Group environmental conservation activities using not only the Ministry of the Environment's Environmental Accounting Guidelines but also computational standards that we have established independently in order to estimate effects that are not so easily assessed. In light of these estimates, Fujitsu's plants and subsidiaries can clarify the issues they need to address, while sharing meanwhile in the benefits of this analysis. In environmental accounting, we also calculate the results produced by Green Process activities, which simultaneously cut both the environmental burden and manufacturing costs.

More detailed data on basic environmental accounting elements and related information may be found on the Fujitsu website.

<http://www.fujitsu.com/global/about/environment/report/>

Fiscal 2004 Overview

Fiscal 2004 was the first year of Stage IV of the Fujitsu Group Environmental Protection Program.

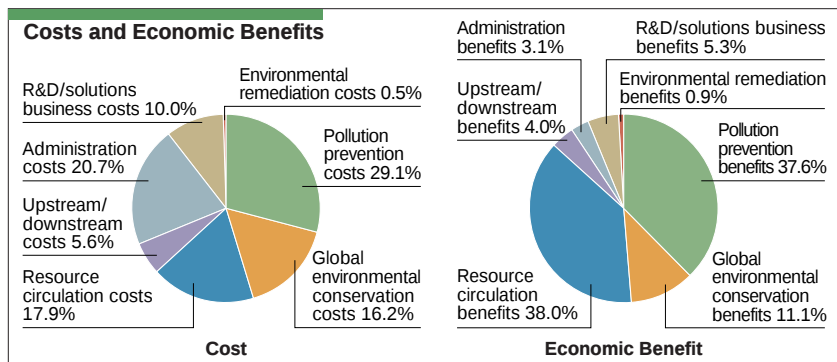
In addition to the work to improve environmental efficiency in our business activities, we were involved in many environmental conservation efforts aimed at achieving sustainable business management, including the development of Super Green Products — products with industry-leading levels of environmental friendliness — and also the provision of Environmentally Conscious Solutions, which can help our customers lower their environmental burdens.

As a result, total environmental costs declined 1.1 billion yen versus last year to 17.9 billion yen, while total economic benefits declined 1.3 billion yen over the

same period to 22.6 billion yen.

However, from fiscal 2004 FDK Corporation and Eudyna Devices Inc. (formerly Fujitsu Quantum Devices Ltd.) were not included in Fujitsu's consolidated accounts, so fiscal 2004 figures reflect the impact of their removal from the scope of this period's environmental accounting. If the impact from these two companies is excluded, total costs were down by 0.3 billion yen and total economic benefits showed a decline of 0.5 billion yen when compared to the previous year.

As for environmental costs, a lowering of costs in the business areas was the main reason for lowered total costs. On the benefits side, even though actual benefits showed an increase, particularly due to benefits derived from resource circulation, the decrease in pollution prevention benefits among our estimated benefits was primarily responsible for the overall decline in economic benefit.



Results for FY2004

Item		Main areas covered	Costs (100 million yen)	Classification of benefits	Economic benefit (100 million yen)	Environmental conservation benefits
Business area costs/benefits	Pollution prevention costs/benefits	Preventing air pollution/preventing water pollution, etc.	52 (-3)	Estimated benefits	85 (-16)	CO ₂ 6,375 tons-CO ₂
	Global environmental conservation costs/benefits	Preventing global warming, energy conservation, etc.	29 (-7)	Actual benefits	24 (-2)	NOx 37 tons
	Resource circulation costs/benefits	Disposal of waste, efficient utilization of resources, etc.	32 (-2)	Estimated benefits	1 (±0)	SOx -153 tons
Upstream/downstream costs/benefits		Recycling of used products, green purchasing, etc.	10 (+2)	Actual benefits	86 (±14)	BOD -26 tons
Administration costs/benefits		Environmental management system, environmental training of employees, disclosure of environmental information, etc.	37 (±0)	Actual benefits	9 (±0)	COD -22 tons
R&D/solutions business costs/benefits		R&D to develop products that contribute to environmental conservation, etc.	18 (-1)	Estimated benefits	2 (±0)	Amount of 753 tons waste generation
Social activity costs/benefits		Donations to, or financial support for, environmental groups, etc.	0 (±0)	Estimated benefits	5 (-1)	Discharge of 16.2 tons PRTR target substances
Environmental remediation costs/benefits		Restore the natural environment back to its original state, etc.	1 (±0)	Estimated benefits	12 (-4)	
Total			179 (-11)	Subtotal, actual benefits	0	
				Subtotal, estimated benefits	121 (+13)	
				Total	105 (-26)	
					226 (-13)	

- Numbers in parentheses indicate increases or decreases in comparison with the previous year.
- Among those economic benefits which derive from administration, reductions in personnel costs due to greater efficiencies have been assigned to actual benefits from fiscal 2004 on, so our comparison to the previous year excludes this effect.
- "0" is employed for social activity costs and economic benefits of less than 100 million yen.
- No comparisons are offered for social activity benefits since calculation of this figure only began in fiscal 2004.
- Individual year-over-year comparisons and the total year-over-year comparison may not agree due to rounding.
- Environmental conservation benefit = fiscal 2003 total environmental burden - fiscal 2004 total environmental burden
- The carbon dioxide amount listed among environmental conservation benefits is the amount connected with energy use.

Classification of Economic Benefits

- Actual Benefits**
Benefits which can be directly declared in monetary amounts, like savings produced in the case of reductions in environmental conservation costs.
- Estimated Benefits**
Benefits not directly presentable in monetary amounts which can be put into monetary figures under certain conditions (e.g. contribution of environmental conservation activities to value added in manufacturing, savings from avoidance of operating losses stemming from failure to observe environmental laws and regulations.)

Environmental Conservation Costs and Economic Benefits

Looking at environmental conservation costs, a new facility at one of our plants producing electronic devices just started operations, and maintenance and operation costs for environmental equipment increased by 100 million yen. However, since capacity utilization rates at some of the consolidated subsidiaries have declined, maintenance and operation costs for environmental equipment declined by 700 million. As a result, total costs declined.

In terms of economic benefits, pollution prevention benefits (one part of risk avoidance benefits deriving from new investment in plants) increased by 300 million yen, contributory benefits derived from environmental conservation activity that help in producing added value declined by 1,700 million yen, due to a decline in capacity utilization rates at a subsidiary. Meanwhile, resource circulation benefits increased by 300 million yen due to the promotion of Green Process activities in Fujitsu plants, and sales of valued resources by consolidated subsidiaries increased by 1,500 million yen.

Looking at estimated versus actual benefits, estimated benefits decreased by 2,600 million yen, but actual benefits increased by 1,300 million yen. The increase in actual benefits is a result of a Fujitsu Group approach to environmental conservation that gave central focus to the promotion of Green Process activities.

Benefits of Green Process Activities

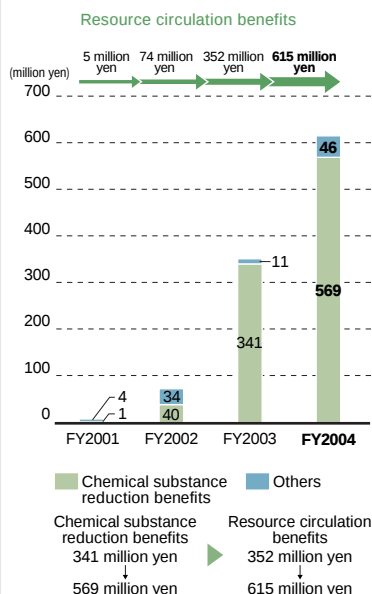
The Fujitsu Group is expanding the range of its Green Process activities, going beyond plants that produce electronic devices to include assembly plants.

An analysis of the fiscal 2004 environmental accounting results reveals that resource circulation benefits increased. More generally, costs decreased while benefits increased substantially, so the cost/benefit picture has improved. Benefits from reductions in chemical substances made up the

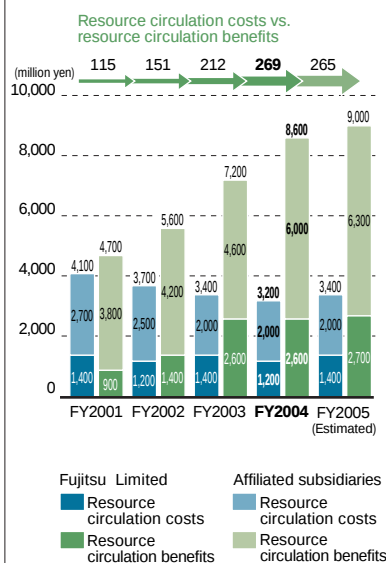
majority of benefits recorded, but through the advance of Green Process activities at our assembly plant locations, we expect benefits to increase due to cuts in direct materials.

We will continue to clearly present actualized benefits from our Green Process activities using environmental accounting. We will disclose these actualized benefits as public information, authenticated by third-party certification.

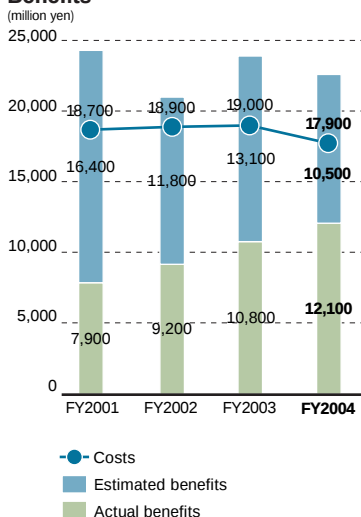
Chemical Substance Reduction Benefits at Mie Plant



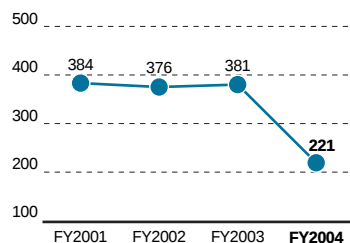
Fujitsu Group Resource Circulation Benefits



Trends in Costs and Economic Benefits



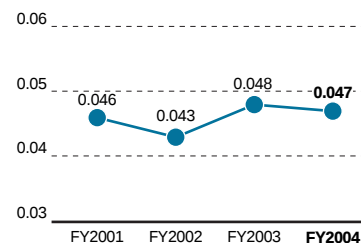
EI Indicator (Fujitsu Limited)



Environmental Improvement (EI) Indicator

A measure of the environmental burden reduction effect per unit cost (unit: ton-CO₂/¥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 CO₂.

EE Indicator (Fujitsu Limited)

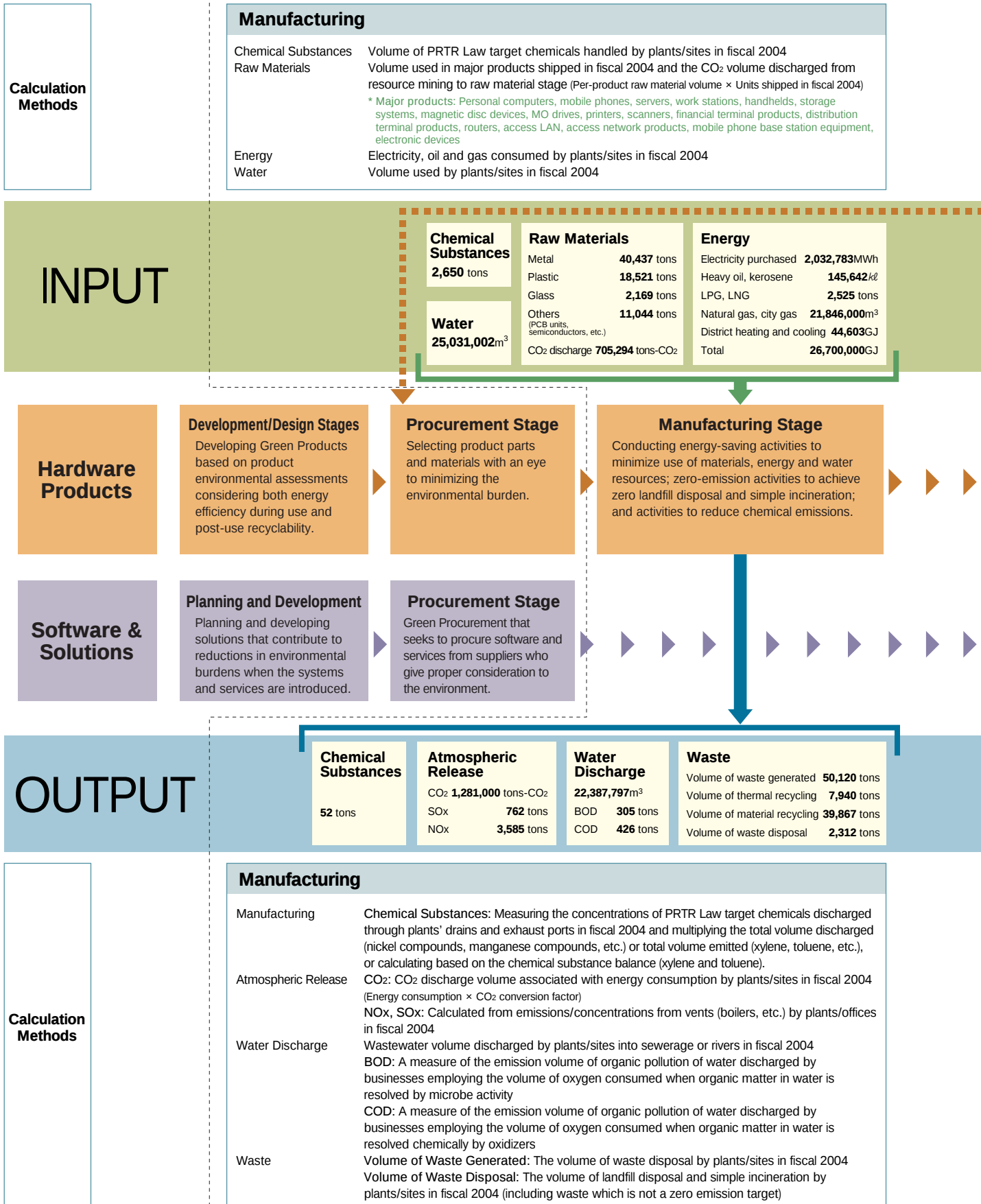


Environmental Efficiency (EE) Indicator

A measure of total sales relative to the environmental burden (unit: ¥100 million/ton-CO₂). 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.

Operating Activities and Environmental Burden (Material Balance)

Assessing numerically the overall environmental burden imposed by business activities along the supply chain and throughout the product life cycle



The Concept of Material Balance

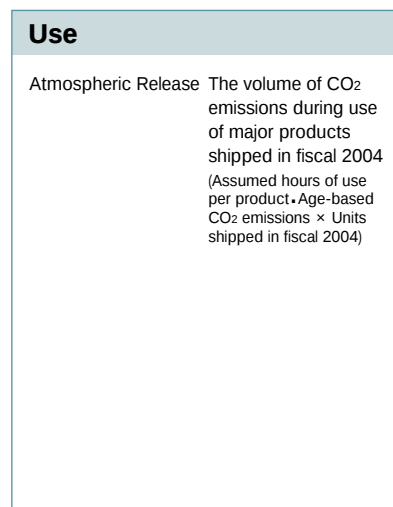
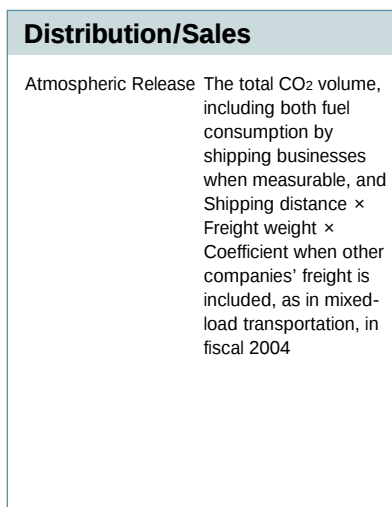
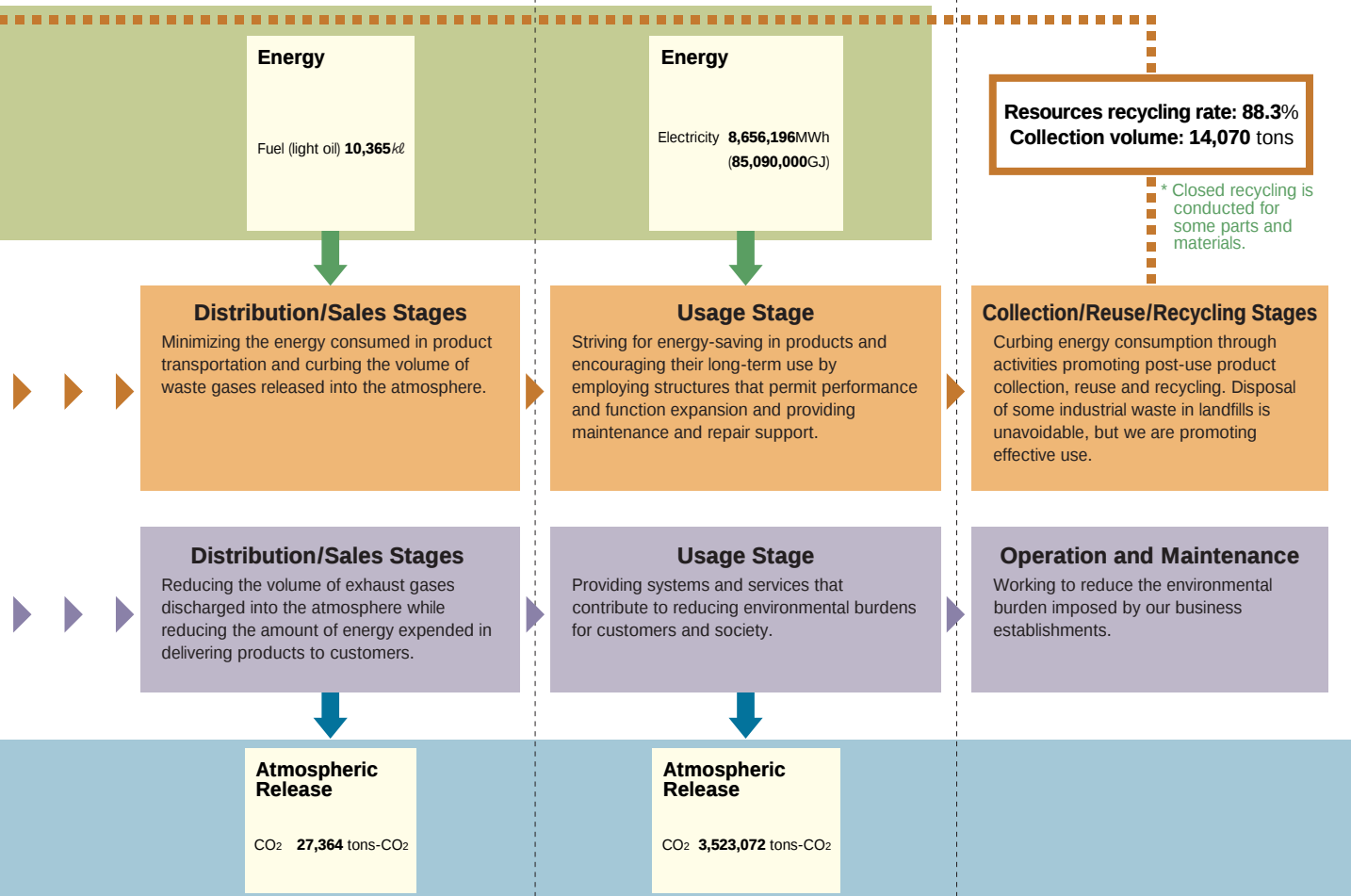
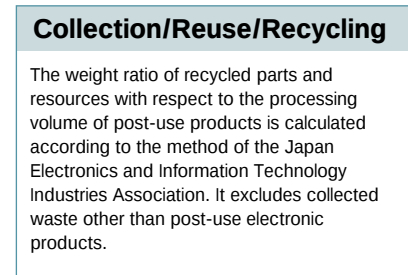
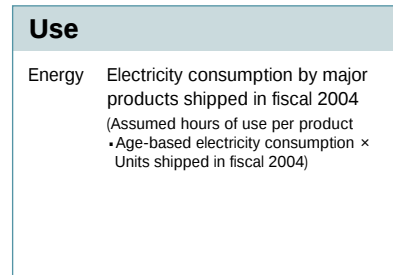
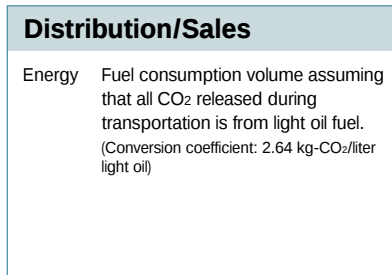
The products of the Fujitsu Group play an integral part in daily life and business, and they inevitably impose a burden on the environment throughout their entire life cycle, from the initial design and development process to

their ultimate recovery and recycling.

In order to reduce the environmental burden imposed both by the Group's activities and the use of its products by customers and in society, we seek to assess their overall quantitative effects along the supply chain and throughout the product life cycle and to implement a variety of environmental policies. The

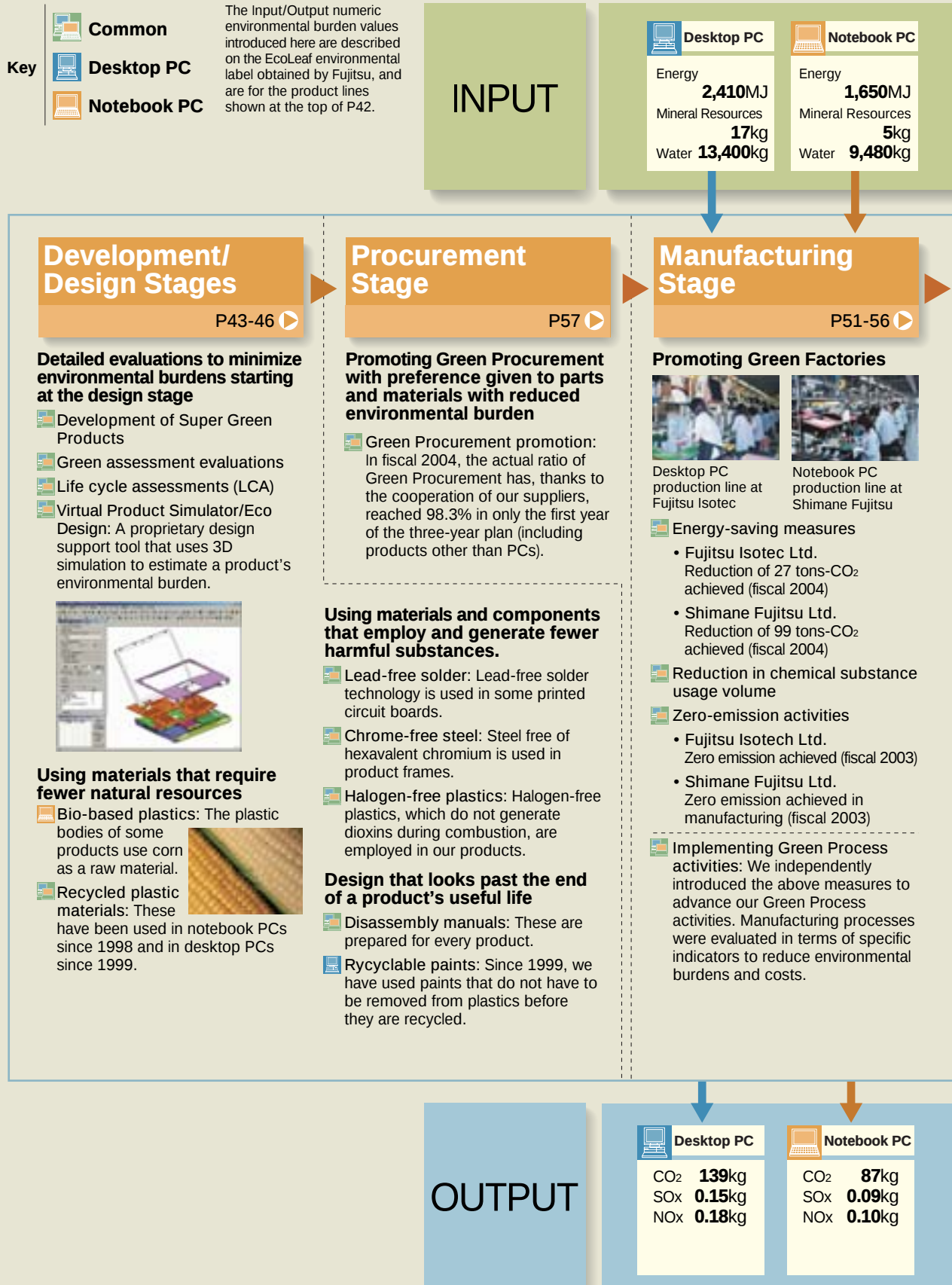
business activities of the Group are designed to provide products and services with high added value while making unremitting efforts to reduce the burdens they impose.

* The numerical input and output data in the following examples are mainly for the life cycles and supply chains of hardware products.



Environmental Considerations in the PC Life Cycle

Illustrating our commitment to the environment throughout the PC life cycle



Applicable Products

Desktop PC [FMV-C5200 (main unit)/VL-171SE (display)]



Calculated using 1st edition of EcoLeaf standard categories (PSC) BJ.
PSC details:
http://www.jemai.or.jp/english/ecoleaf/pub_label.cfm

Notebook PC [FMV-830MG]



Calculated using 2nd edition of EcoLeaf standard categories (PSC).
PSC details:
http://www.jemai.or.jp/english/ecoleaf/pub_psc.cfm

Desktop PC	Notebook PC	Desktop PC	Notebook PC	Desktop PC	Notebook PC
Energy 16MJ	Energy 5MJ	Energy 4,510MJ	Energy 810MJ	Energy -432MJ	Energy -19MJ
Mineral Resources 0kg	Mineral Resources 0kg	Mineral Resources 0kg	Mineral Resources 0kg	Mineral Resources -10kg	Mineral Resources -0.2kg
Water 0.03kg	Water 0.008kg	Water 19,400kg	Water 3,490kg	Water -2,270kg	Water -142kg

Distribution/ Sales Stage

P46, 52 ▶

Pursuing environmental burden reduction 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

Disclosing environmental information to customers at product purchase

Conformity with the Law on Promoting Green Purchasing

Certification as a Fujitsu Green Product

Application of legal standards for fiscal 2005 targets

Conformity with 3R PC Eco-labels

Compliance with the International Energy Star Program

Acquisition of EcoLeaf environmental label



Usage Stage

P45 ▶

Reducing energy consumption when in use or in standby mode

Meeting low-energy standards

- We surpass mandatory low-energy standards for 2005 by over 500% (AAA level performance)
- In compliance with International Energy Star Program

Reducing electrical power consumption through low-energy design

Collection/Reuse/ Recycling Stages

P47-48 ▶

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

Setting up means for collection and recycling: The Fujitsu recycling system, in close association with Japan Post, is promoting the collection of products whose useful life is over.



Recycling magnesium alloys:



Since 2002 we have been collecting and recycling the housings of our PC products.

Material recycling of glass-fiber-reinforced polycarbonates: We developed recycling technology for GFRP with a glass-fiber manufacturer and will be applying it in future.

Promotion of parts reuse: HDDs, CPUs and memory are reused after data erasure.

Use of dismantling manuals

Sales of refurbished PCs: PCs are inspected, cleaned and reused following lease expiration.

Desktop PC	Notebook PC	Desktop PC	Notebook PC	Desktop PC	Notebook PC
CO ₂ 1kg	CO ₂ 0.3kg	CO ₂ 199kg	CO ₂ 36kg	CO ₂ -28kg	CO ₂ -1kg
SO _x 0.001kg	SO _x 0.0004kg	SO _x 0.15kg	SO _x 0.03kg	SO _x -0.05kg	SO _x -0.003kg
NO _x 0.02kg	NO _x 0.005kg	NO _x 0.12kg	NO _x 0.02kg	NO _x -0.04kg	NO _x -0.002kg

Environmental Measures for Products

We have adopted a Group approach to eco-design for all products, and in cooperation with our business partners we are making efforts to reduce environmental burden throughout product life cycles.

Fujitsu Group Environmental Protection Program (Stage IV) Targets

- All business units to provide Super Green Products (with top-class environmental characteristics) within their principal product line offerings by the end of fiscal 2006.
- All Fujitsu-brand products to be made free of Fujitsu-specified hazardous substances by the end of fiscal 2005.

Fiscal 2004 Performance

- We have developed Super Green Products in 12 product categories, including notebook PCs, semiconductors and other electronic components.
- A database of components for products free of hazardous substances has been made; a development infrastructure for related standards has been prepared; and 90% of components used in common throughout the Group have now been replaced with those free of hazardous substances.

Super Green Products Development

From fiscal 2004, IT products and communications hardware, semiconductor devices and other electronic components are being developed as Super Green Products. In 2004, 12 newly developed products were designated as Super Green Products.

Definition of Super Green Products

"Super Green Products" are those that meet the preconditions for Green Products (see P45) and are top class* in terms of low energy consumption, 3R design and technology, non-use of hazardous substances, materials and technology that contribute to the environment and other environmental considerations. Super Green Products are products or systems with superior environmental consideration than others we supply or are available on the market. Products that receive environmental labels or awards, or official approval from third-party organizations, are also eligible.

Super Green Products Developed in Fiscal 2004

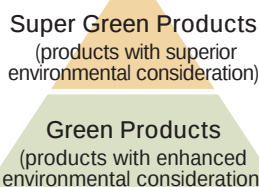
Fujitsu Limited (7 products)

- MO disk drive (DynaMO1300LT, 640LT)
- Network server (IPCOM-S Series)
- Notebook PC (FMV-BIBLO NB 80K)
- Hard disk drive (MHV2 AH Series)
- MPEG2 encoder LSI devices
- FRAM (MB85R256S)
- MPU for high-performance servers

Group Companies (5 products)

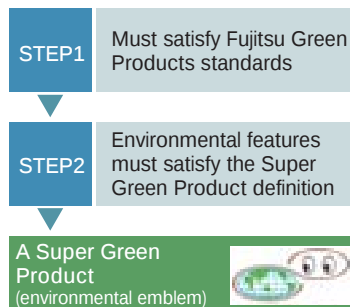
- A6 size scanner (fi-60F) (PFU)
- Electrical transceiver module (FCU-010M 10GECX4 module) (Fujitsu Components)
- SAW duplexer (D6GZ/D6GV series) (Fujitsu Media Devices)
- Functional polymer capacitor (FPCAP-RE L8 series) (Fujitsu Media Devices)
- Wireless LAN module (MBH7WLZ07) (Fujitsu Media Devices)

Positioning of Super Green Products



* Top class: Environmental considerations that represent a world first, a Japan first, or an industry first, the world's smallest, Japan's smallest or the industry's smallest, etc.

Super Green Product Requirements



Example of Super Green Product Development



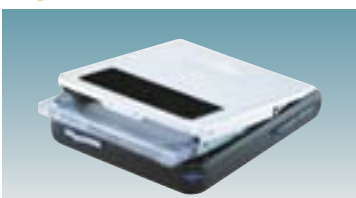
Notebook PC (FMV-BIBLO NB80K)

- Developed and adopted large-size bio-based plastic housing with low environmental burden (see P58). Over the product life cycle, this reduces CO₂ emissions by 15% compared with petrochemical plastics.



3R design

Environmental label



MO Disk Drive (DynaMO 1300LT, 640LT)

- Reduced operational electric current by up to 10%.
- Reduced volume and weight by approx. 45% from previous models.
- Obtained the industry's first EcoLeaf environmental label (Type III label) to be given to an MO disk drive.



3R design



Network Server (IPCOM-S Series)

- By combining the capabilities of multiple network devices in a single unit, CO₂ emissions have been reduced by 40%.
- The unit takes up one third less space and uses one third fewer cables than previous equipment.

Elimination of Hazardous Chemical Substances

To further strengthen environmental considerations in product development, the Fujitsu Group has drawn up a list of substances, based on Japanese and foreign legal restrictions, that must not be used in products, and we use product evaluation and Green Procurement to ensure that the scheduled hazardous substances are not used. To meet the requirements of the European Union's RoHS^{*1} directive, we have also decided not to use four substances^{*2} (lead, mercury, cadmium and hexavalent chromium), and their usage is currently being eliminated.

^{*1} RoHS: the EU directive on "Restriction of the use of certain hazardous substances in electrical and electronic equipment."

^{*2} Substances containing polybrominated biphenyls (PBB) and polybrominated diphenyl ether (PBDE) listed in the RoHS directive have already been eliminated.

Checking for Hazardous Chemical Substances in Purchased Components and Materials

We check the level of chemical substances contained in the components and materials we purchase using standard methods in accordance with the Japan Green Procurement Survey Standardization Initiative

Fujitsu Group List of Banned Substances

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> • Polychlorinated biphenyls (PCBs) • Polychlorinated naphthalenes (with 3 or more chlorine atoms) • Asbestos • CFCs • Specified halons • Carbon Tetrachloride • 1,1,1-Trichloroethane • Bromochloromethane • Methyl bromide • HBFCs • Polybrominated biphenyls (PBBs) • Polybrominated diphenyl ethers (PBDEs) • Short-chained chlorinated paraffins • Bis (tri-n-butyltin) oxide (TBTO) • Tributyl tins (TBTs), Triphenyl tins (TPTs) | <p>Substances Depleting the Ozone Layer</p> | <ul style="list-style-type: none"> • Specified amines • Azo dyes and azo pigments that generate specified amines • Chlordanes • DDT • Aldrin • Endrin • Dieldrin • Hexachlorobenzene • N,N'-ditolyl-p-phenylenediamine, N-tolyl-N'-xylyl-p-phenylenediamine and N,N'-dixylyl-p-phenylenediamine • 2,4,6-tri-tert-butylphenol • Toxaphene • Mirex |
|--|---|--|

Fujitsu Group List of Substances to Be Totally Abolished

- | | |
|--|---|
| <ul style="list-style-type: none"> • Cadmium and its compounds • Hexavalent chromium compounds | <ul style="list-style-type: none"> • Lead and its compounds • Mercury and its compounds |
|--|---|

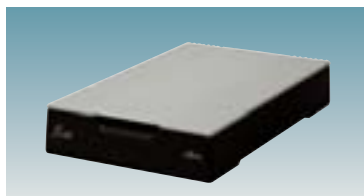
(JGPSSI), which was established primarily for electrical and electronic manufacturers. The results of these measurements for individual components and materials from suppliers are recorded in a Green Information Database (GIDB) and a system has been put into operation by which selections are made taking into account environmental considerations

at the design stage.

Over 90% of general purpose components (semiconductor devices, resistors, and other individual circuit components) have already been replaced with those containing no hazardous substances, although some need improved heat-resistance.

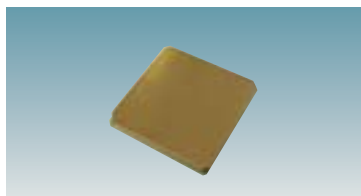


3R design



Scanner (fi-60F) (PFU)

- In low-power mode, uses less than 2.0W, putting it at the top of the scanner category in the Energy STAR program.
- The most compact scanner in the A6 class.

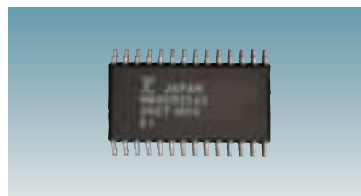


Microprocessor for High-Performance Servers

- By adopting the most advanced 90nm CMOS technology, environmentally related performance (comparing the electrical energy consumed by the LSI device in performing a specified volume of work) has been improved by over 60%.



3R design



FRAM (MB85R256S)

- In comparison with BBSRAM, because a battery is not needed for data backup, electrical power consumption is reduced by about 20%.
- By shrinking the size of the non-volatile high-induction memory cell which can read and write quickly, approx. 54% less material is used.

Eco-friendly Design

We have been implementing our own environmental assessments for products since 1993 and developing products that reflect environmental considerations in such areas as energy-saving, 3R design,* chemical substances, packing materials, and information disclosure.

Since 1998, to further strengthen environmental considerations in product development, we established Green Product Evaluation Standards and positioned the notably eco-friendly products that satisfy them as Green Products.

* 3R Design: Prioritizes Reduce/Reuse/Recycle considerations at the design stage.

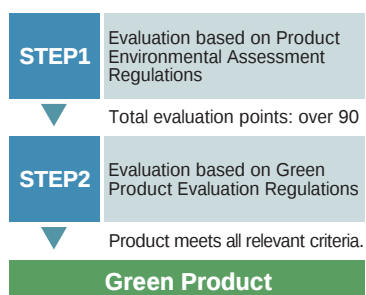
Developing Green Products

In fiscal 2004, we combined what had previously been two separate sets of regulations — for product environmental assessment and for Green Product evaluation — into a single set of standards with higher levels of consideration for the environment. We call these Product Environmental Green Assessment Regulations, and they have helped to both strengthen Green Product development efforts and make them more efficient.

Also, in carrying out life cycle assessments (LCAs)* for Green Products, (see P46), in order to comply with industry and other organizations' environmental labeling standards as well as meet our customers' procurement requirements, we reviewed our previous LCA regulations, including evaluation stages and the units in which environmental burden is calculated, revising them and putting them into a database.

* LCA (life cycle assessment): Quantitative environmental burdens are imposed by products and services throughout their life cycles. Here, the term life cycle comprises the entire flow from the extraction of natural resources, through the production of raw materials, the manufacturing and use of the product, and eventually its scrapping or recycling.

Green Product Evaluation Mechanism



Reducing Energy Consumption

Complying with the Law Concerning the Rational Use of Energy

Our servers, workstations and PCs, as well as hard disk drives, all surpass the energy consumption criteria specified in Japan's Law Concerning the Rational Use of Energy for 2005 by over 500% (AAA level performance).

Our PCs, workstations, printers, displays and scanners also meet the standards of the International Energy STAR Program, and have reduced the power consumed in standby mode.

Energy-saving PCs

When the power is turned on in our PCs a linked power socket for the display is also switched on at the same time.

When the main power switch is turned off and the PC enters the low-power consumption "suspend" mode, AC power is no longer supplied to the display. This gives superior low-energy performance.

3R (Reduce/Reuse/Recycle) Design

Resource-saving Design

PCs

Our notebook computers make effective use of limited resources by using recycled plastics and recycled magnesium alloys. Bio-based materials are used in the housings of notebook PCs and LSI device packages. Our approach to design reduces the amount of petrochemical resources used (see P58).

Our desktop PCs can be opened without special tools, and additional hard disk and memory can easily be exchanged and installed.

Car Navigation Systems

Fujitsu Ten, Ltd. modified the three-dimensional GPS antenna previously used in its car navigation systems into a film and combined it with a film-type TV antenna. This simplifies installation and reduces the impact on the driver's field of view while improving the appearance. The fact that size and weight are both about one tenth of the previous type also reduces energy requirements.

The new antenna was adopted for all ECLIPSE model audio-visual navigation systems from July 2004, and steady extension to other products is planned.



World's first combined TV/GPS film-type antenna

Recycle Design

We continually apply environmental considerations in our product development, including indicating the materials used in plastic parts, utilizing recyclable thermoplastic paint, and using soy oil-based inks on packing materials.

During new product development, disassembly manuals are prepared for those who will be processing the product when its useful life is over.

Examples of Green Products



Disclosure of Environmental Information on Products

We actively disclose environmental information for our products both via the Internet and in the form of environmental labels.

Disclosure of Environmental Information on Products via the Internet

We disclose information on adherence to Green Procurement laws*1 in our servers, workstations, PCs, disk drives, displays, printers and scanners on the Green Procurement Network*2 web pages.

*1 Green Procurement laws: Japanese laws affecting procurement on environmental grounds.

*2 Green Procurement Network: This is a nationwide network in Japan encouraging consumers, enterprises and government to further green procurement.

Disclosure of Environmental Information via Environmental Labels

We apply environmental labels to our products in accordance with ISO14020 (the international standard for environmental labels). There are three types, as shown on the right.

Environmental Labels (Classification based on ISO14020 international standards concerning environmental labels)

Type I

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 January 2001, we have acquired certification for printers as well.
<http://www.ecomark.jp/english/index.html>



Type II

Environmental details concerning products meeting independent criteria set by the manufacturer

Environmental Emblem

This is our own environmental label.
It is indicated on Green and Super Green products for which special consideration has been given to environmental factors.
http://www.fujitsu.com/global/about/environment/policy/emblem_1994.html



Energy-saving Labeling

This is indicated on products that meet the Law Concerning the Rational Use of Energy.



Type III

Product's quantitative environmental burden indicated on the label

EcoLeaf Environmental Label

(Certified by Japan Environmental Management Association for Industry)

In May 2003, Fujitsu became Japan's first notebook PC manufacturer to receive EcoLeaf environmental label certification.
<http://www.jemai.or.jp/english/ecoleaf/index.cfm>



3R Eco-label for PCs

This label is used 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 for computers (PCs, workstations), displays, printers and scanners registered with the program.
http://www.eccj.or.jp/ene-star/index_esu.html



Environmental Information Disclosure Based on Life Cycle Assessment (LCA)

LCAs are obligatory for all Fujitsu Green Products, and by using a proprietary database of LCA standards for each product category, Green Products can be evaluated efficiently. We utilize this LCA activity in calculating environmental effectiveness factors, obtaining EcoLeaf environmental labels, and calculating social costs. LCA results have been presented in academic conferences, and information from them has been actively used in communicating with our customers.



Our LCA communications activities, including EcoLeaf labeling and disclosure of environmental efficiency factors, received an award at the first Forum of the Life Cycle Assessment Society of Japan. (December 2004)

Fujitsu LCAs

Calculating Eco-efficiency Factors

Eco-efficiency is a breakthrough technique capable of expressing the environmental burden of products (denominator) and improvements in services such as functions and performance (numerator) by means of a new-old ratio. It yields eco-efficiency factors.

How to calculate eco-efficiency factors:

Added value of improvements in functions and performance (new/old ratio) ÷ The product's environmental burden (new/old ratio)

http://www.fujitsu.com/global/about/environment/activity/p_factorx.html

Obtaining EcoLeaf Environmental Labels

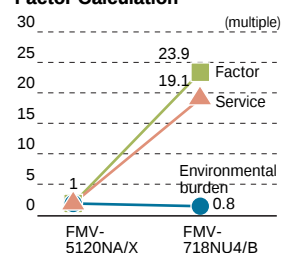
Fujitsu was the first in the industry to obtain third-party recognition in the form of the EcoLeaf environmental label for its notebook PCs. We went on to obtain it for desktop PCs, displays and MO drives.

Calculating Social Costs

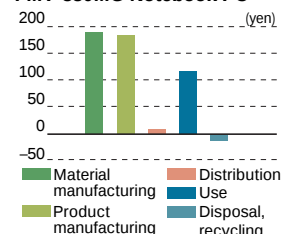
Application of our LIME* approach enables the monetary cost of a product's environmental burden throughout its entire life cycle to be readily calculated.

* LIME: Life cycle impact assessment method based on endpoint modeling. Method developed for Japanese National LCA Project.

Notebook PC Eco-efficiency Factor Calculation



Social Costs of the FMV-830MG Notebook PC



Product Recycling

Advancing collection and materials recovery of end-of-life IT products through establishing and expanding recycling systems in Japan and overseas. Meeting our extended producer responsibility (EPR) to help create a recycling society.

Fujitsu Group Environmental Protection Program (Stage IV) Targets

- Overseas** • To establish recycling systems in Europe by the end of fiscal 2004, and in North America and Asia by the end of fiscal 2006.
- Japan** • To increase the reuse and recycling rate of collected end-of-life products in Japan to 90% by the end of fiscal 2006.
- To increase the utilization rate*1 for recovered waste plastic for the Fujitsu Group in Japan to 20% by the end of fiscal 2006.

Fiscal 2004 Performance

- Overseas** • Each Fujitsu Group company in Europe has selected a system for recycling (individual or collective system) and logistics and recycling partners. Going forward, the companies will monitor and adjust their systems in accordance with regulatory developments.
- Japan** • The resource reuse and recycling rate*2 reached 88.3%, up 1.7 points from the fiscal 2003 performance.
- Separated plastics are recycled into goods for special events.

Overseas Activities

Establishing Recycling Systems Overseas

Overseas, the Fujitsu Group is establishing recycling systems, selecting logistics partners to collect end-of-life products and recycling partners to recycle these products.

Europe

Fujitsu Group companies in Europe hold a European Environmental Conference twice a year.

Through this conference, they have made their selection of partners, based on an understanding of the business situation of each Group company, the stances of industry organizations and the timing and contents of national laws



European Environmental Conference

in the various EU countries in accordance with the Waste Electrical and Electronic Equipment (WEEE) directive.

North America

A Fujitsu Group company in California has begun recycling of PC displays under the state government-led recycling scheme.

Looking the future, we will keep abreast of legislative changes as they occur, and we will be proactive in establishing recycling systems appropriate to the products we sell, the scale of our business and the nature of our sales channels.

Asia

Group companies in the Republic of Korea and Taiwan have already begun the recycling of PCs. In the future, they will expand their recycling systems. In the People's Republic of China as well, the demand for recycling of end-of-life IT products is increasing, and we will develop suitable recycling systems while taking local trends and relevant regulations into account.

Activities in Japan

Structure for Product Recovery/ Recycling in Japan

We use our seven recycling centers throughout Japan and a logistics network that covers the whole country to recover and recycle used IT products from corporate customers.

We are also intensifying our recovery and recycling efforts, having obtained approval from Japan's Ministry of the Environment to operate as a processor of industrial waste for wide-area recycling. We are recycling used computers from individual customers, recovering them through the joint industry recovery system operating in coordination with the Japanese Postal Service.

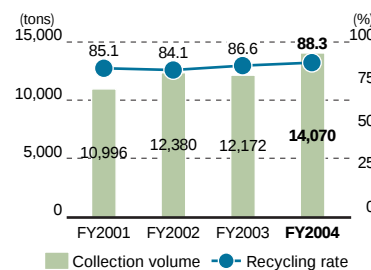
Collection and Recycling Performance

Due to such factors as the increase in ATM replacements based on the change to new currency notes in Japan, total collection of used IT products from corporate customers came to 14,070 tons in fiscal 2004.

The resource reuse and recycling rate rose to 88.3% up 1.7 points from the previous year's performance. This was due to intensified separation of plastic waste and the development of new uses for recycled material.

Because of the transfer of responsibility over recycling schemes from local governments to the manufacturer, recovery and recycling volume for used PCs from individual customers has shown a steady increase to 54,344 tons in fiscal 2004.

Trends in Collection Volume and Recycling Rate of Post-use IT Business Products



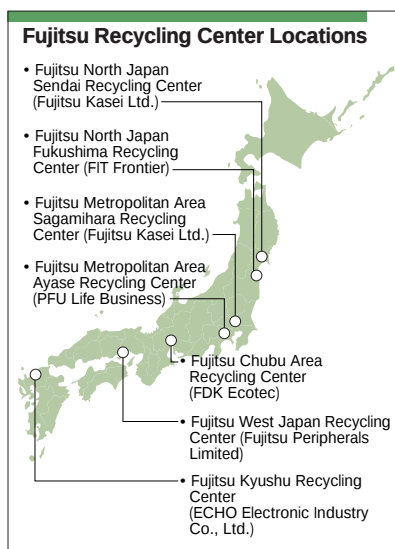
*1 Utilization rate: The ratio of the volume of recovered waste plastic material from post-use products reused in Fujitsu Group-developed products or fixtures to the total volume of waste plastic recovered from post-use products. Note, however, that plastic which contains halogen elements and plastic which is bonded to metal are not included in this calculation.

*2 Resource reuse and recycling rate: The ratio of reused parts and reused resources to the processed amount of used goods, based on a computational method produced by the Japan Electronics and Information Technology Industries Association.

Promoting the Reuse of Resources

Expanding Our Network of Recycling Centers

In February 2005, we established the Fujitsu North Japan Fukushima Recycling Center to further improve our recycling system and convenience for our customers.



Recycling with Corporate Partners

Recycling of Measurement Equipment

Making use of the Fujitsu recycling system, we have worked with Advantest Corporation to recover Advantest products (semiconductor testing devices and measurement devices), and helped to establish an Advantest Recycling System that began operations from August of 2004.

Toner Cartridge Recycling

Fujitsu Limited and Fujitsu CoWorCo Ltd. now recover and recycle used consumable supplies for all Fujitsu brand laser printers for corporate use. Recovered toner cartridges are first examined and cleaned, then returned to the plants to be made into a recycled product.

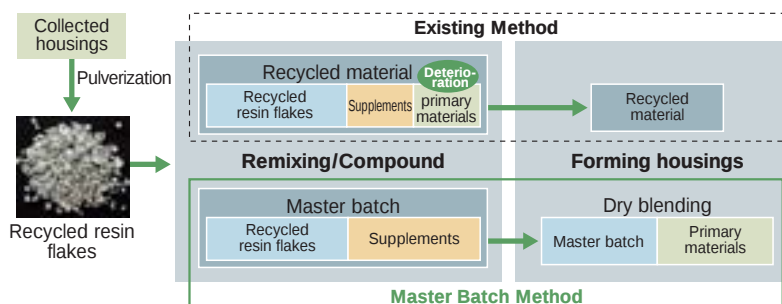
Development of Recycling Technology

Material Recycling Technologies for Glass-fiber-reinforced Polycarbonate

Together with a glass fiber manufacturer, Fujitsu Limited and Fujitsu Laboratories Ltd. have developed a "master batch method"* for recycling the glass-fiber-reinforced polycarbonate used in notebook PC housings. The method enables the physical state of the material to be retained as a new notebook PC housing is manufactured. We can thus reduce the energy used

for material procurement by using the recycled material in creating our products. As a result, carbon dioxide emissions over the whole product life cycle are cut by about 20%.

* Master batch method: A method in which deterioration of materials is avoided by adding supplements in with the recycled resin flakes from the very start, producing compounded pellets and blending this in with primary materials during casting.



Promoting the Upgrading of Plastic Separation and Recycling

We have upgraded our waste separation, introducing a special discrimination device in our recycling centers that can distinguish not only between qualities of plastic but also whether flame-resistant material is included or not.

Separated plastic is also recycled into goods for special events, like Eco clip cases and fans.



Fan



Eco clip

Designing an Electronic Monitoring System for Dismantling Procedures

We have developed a web-based system that provides Fujitsu recycling centers with information about procedures for dismantling of and disposing of used Fujitsu products in an appropriate manner. This system provides a manual for dismantling procedures given in an animated form, together with product recycling information, such as the chemical substances included, the materials used in plastic parts, and units that still retain customer data.

Fortifying Our Measures to Prevent Leakage of Customer Data

In order to prevent the leaking of customer data from recovered products, the Fujitsu recycling system makes use of software and powerful magnets that can delete all data, and specialized equipment that can physically destroy specified components.

Environmental Solutions

Providing solutions that support customers' environmental operations and Environmentally Conscious Solutions that can help diminish their environmental burdens through the use of IT

Fujitsu Group Environmental Protection Program (Stage IV) Targets

To provide "Environmentally Conscious Solutions" in all areas of our software and services business by the end of fiscal 2006 in order to help customers reduce their environmental burdens.

Fiscal 2004 Performance

We designated 28 products, primarily packaged solutions, as Environmentally Conscious Solutions. These were introduced to 796 corporate customers, with a resultant estimated savings of 34,500t-CO₂. In addition, we continued to promote the assessment of the impact on environmental burden resulting from individual systems integration projects.

An Approach to Global Environmental Issues that Makes Good Use of IT

The issues facing the global environment transcend national borders and extend over time to future generations. They emerge from the interaction of many different factors. In dealing with global environmental issues, any approach that only deals with a single aspect, whether peoples' livelihoods, industry, or nature, is inadequate. It is essential to approach these issues with a multifaceted, comprehensive approach.

The use of IT, a key element of the Ubiquitous Net Japan* concept, will be effective in resolving these issues, since such pervasive connections in and of themselves will bring about reductions in the environmental burden by reducing the use of resources and energy. What is more, the use of IT will help in dealing with complex systems (consisting of vast volumes of individual data that cannot be readily extracted) from a composite, comprehensive point of view. Truly, IT is the fundamental technology that will

support the formation of a 21st century recycling-minded society.

In view of these developments, through the hardware, software and IT services we provide to our customers, we are contributing to greater efficiencies in their environment-related activities. In this way, we seek to contribute to society through our business operations.

* Ubiquitous Net Japan: An initiative to create a ubiquitous network society in Japan by 2010 (from the Ministry of Internal Affairs and Communications' u-Japan policy)

Environmental Operations Solutions

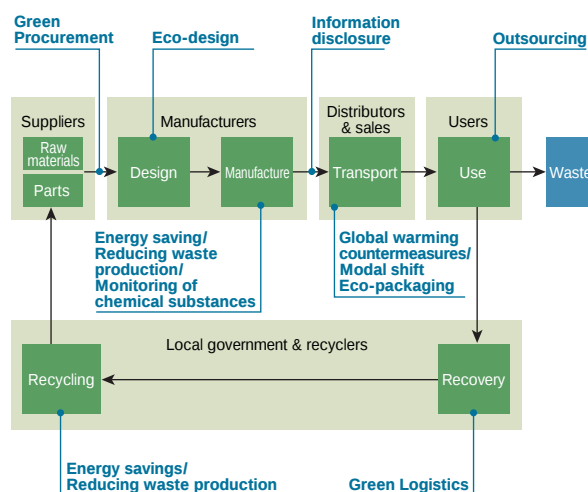
Combining the practical knowledge we have developed over the years in environmental activities with the very latest in IT capabilities, we provide Environmental Operations Solutions to support customer environmental management and environmental administration in a wide range of operational areas, such as environmental management systems, life cycle assessments and support for eco-friendly design, Green Procurement, monitoring to save energy and resources, waste management, recycling management and information disclosure.

Environmentally Conscious Solutions

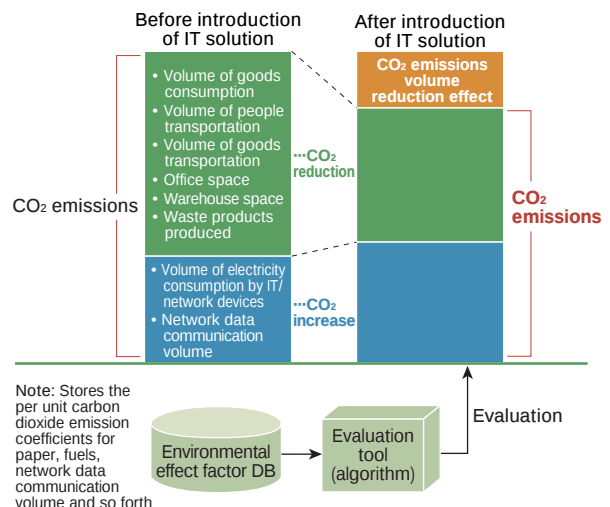
Focusing on the benefits that IT offers in reducing environmental burdens, Fujitsu Laboratories Ltd. has developed a method to quantitatively evaluate the benefits of adopting IT solutions. This method involves evaluating carbon dioxide emissions relating to various factors that impact the environment, such as consumption of materials or the movement of people, and thus shows the benefits in reducing environmental burdens after introducing an IT solution. IT solutions where the concomitant benefit in reduction of environmental burden is calculated to be 15% or greater (in terms of carbon dioxide) are certified as Environmentally Conscious Solutions.

We have begun full-scale use of this certification system from June 2004, and as of the end of April 2005, 28 of our solutions have been certified as Environmentally Conscious Solutions. During fiscal 2004, these Environmentally Conscious Solutions helped prevent 34,500t in carbon dioxide emissions.

Provision of IT Solutions and their Impact on Decreasing Environmental Burden



CO₂ Emissions Before/After Introduction of IT Solution



Tokyo Stock Exchange's Timely Disclosure Network (TDnet) System

As of April 2003, Tokyo Stock Exchange (TSE) has replaced its Timely Disclosure Network (TDnet) system in order to disseminate corporate information more widely and rapidly. This system was introduced to enable listed companies to disclose their information electronically, based on timely disclosure regulations. Users of the system can release information by registering directly with TDnet, from their own offices, the material that is to be released. Materials released through TDnet are all saved in PDF format and are generally available for 31 days after their release on the TSE website. With the completion of TDnet, the previous work and movement of people involved in bringing in materials in paper form, converting the data to

electronic form using proprietary scanners and uploading this data into the system have become unnecessary as a result of the utilization of electronic data (PDF documents) and data transfer through the Internet. This has brought a 34.2% decrease in environmental burden. At Fujitsu, we incorporate information on this sort of beneficial effect in the system proposals we make to customers.



Mr. Mitsuo Miwa, Senior Manager, Corporate Planning Department, Tokyo Stock Exchange, Inc.



TSE operates the TDnet system to disseminate corporate information widely and rapidly. In order to further increase convenience for listed companies, we replaced the system in 2003. Since the delivery and receipt of paper documents decreased substantially with the use of IT, we believed this would contribute to the global environment

to some extent, but we were not aware that our contribution could be seen, on a larger scale, as reducing carbon dioxide emissions. By using the "environmental impact evaluation method" to quantify the benefits of reduction in environmental burden (in terms of carbon dioxide emissions), we are now able

to visualize more concretely how the TDnet system is contributing in the environmental area. The Kyoto Protocol came into effect this year and worldwide interest in reducing carbon dioxide is intensifying. We also hope that this awareness will continue and spread.

We are aware of the importance of corporate activities that consider the natural environment, and we are working hard to make environmental contributions such as cutting our use of paper, electricity, gas and water, as well as tree planting at the "TSE Forest." We believe it is also important to build systems using IT that will contribute to the reduction of environmental burdens. We will continue to expand environmental efforts at TSE and also hope that activities such as the environmental impact evaluation will spread still further.

The Kyokuyo Group: Establishing Environmental Management

Kyokuyo Group, which engages in various business sectors such as marine trading, food processing and logistic services, has been going through a process of certification under ISO14001, starting with certification of the headquarters building in December 2002 and proceeding to an integrated group-wide certification in December 2004. In developing its Environmental Management System, the Kyokuyo Group made use of Fujitsu's ISO14001 certification consulting services. Kyokuyo decided to utilize our total solution, which includes the EVERSLIM environmental impact evaluation system, the SLIMOFFICE environmental performance management system and the Internet Navigware e-learning system. Kyokuyo is working to reinforce its business base and put environmental

management into practice by decreasing the group's environmental burden, cutting costs and improving procedural efficiencies.

Since performance data for the various group locations (which is centrally managed using SLIMOFFICE) can be converted into environmental indices such as carbon dioxide emissions, Kyokuyo is now planning to make use of this data as basic source material for environmental accounting and environmental reports.



Mr. Kiyokazu Fukui, President, Kyokuyo Co., Ltd.



Our company has the responsibility to give all due consideration to promoting safety and peace of mind with regard to food in view of our social responsibilities as a corporation dealing in marine resources. We must also press on with business activities in which due consideration is given to their environmental

impact. For this reason it is extremely important that we reduce environmental burdens and help realize the recycling society.

Here at Kyokuyo we set our hand to building an ISO14001 system as a means of addressing these issues. The process of obtaining certification generally starts from production plants. However, since our top management at headquarters recognized the importance of ISO14001 and thought it would be useful to take an active lead, the headquarters building was first to move toward certification, which was later expanded into an integrated

certification for the group. On deciding to build an ISO system, we judged that professional knowledge was needed for this process, and that we wanted to be highly efficient in our management and running of the system. We therefore opted for a total solution that would begin with the use of consulting services. Improvements to company management, such as holding no long-term inventories and increasing our direct shipment ratios, when brought together with an approach that has centralized the building of our Environmental Management System, are resulting in lowered costs in operations.

Our company is engaged in a canoe school as well as "Operation Clean" at Lake Yamanaka, and this enables many people to appreciate the great value of water resources and marine product resources. Looking to the future, Kyokuyo will not be satisfied with merely obtaining integrated environmental ISO certification. As we heighten the environmental awareness of each member of our staff, we will implement environmental efforts to cover a wider range of initiatives, maintaining an approach to the environment that seeks sustainable development.

Global Warming Countermeasures

In order to prevent global warming, we will move forward with energy savings in our plants and offices, cut emissions of greenhouse gases, build efficient logistical networks and provide IT solutions together with products that save or stimulate the saving of energy. We will do this throughout the entire life cycles of our business activities.

Fujitsu Group Environmental Protection Program (Stage IV) Targets

Aim at increasing environmental efficiency throughout product life cycles.

- To reduce carbon dioxide emissions from energy consumption down to or below actual emissions in fiscal 1990 by the end of fiscal 2010. (15% reduction from fiscal 2000 levels by end of fiscal 2006.)
- To reduce greenhouse gases other than carbon dioxide by 10% from actual emission levels in fiscal 1995 by the end of fiscal 2010.
- To contribute to the reduction of greenhouse gases by efficient physical distribution, product recycling, and development of energy-saving products.

Fiscal 2004 Performance

- Carbon dioxide emissions due to energy consumption were about 1,281,000 tons, a 20.5% decrease compared to fiscal 2000 levels (an 18.3% increase if compared to fiscal 1990 levels).
- Emissions made up of other greenhouse gases (PFCs, HFCs, SF₆) were about 475,000 tons, an 83.2% increase compared to fiscal 1995 levels.

Our Thinking on Preventing Global Warming

On February 16, 2005 the Kyoto Protocol came into effect, and there is international insistence on pressing ahead even more vigorously with measures to halt global warming.

We in the Fujitsu Group are hard at work to prevent warming throughout the life cycles of our business activities. We have established a fiscal 2010 target for reducing the direct emission of greenhouse gases from energy consumed in our plants and offices, or gases used in manufacturing, in conformity with agreements made within the industry in Japan.

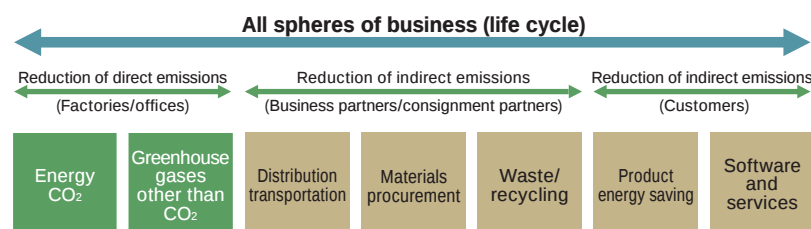
We have also begun activities to diminish indirect emissions, such as

emission of carbon dioxide or other greenhouse gases at non-Fujitsu facilities in conjunction with distribution activities, the manufacture of procured components, or in scrapping or recycling processes.

In addition, by providing products and

environmental solutions that contribute to energy savings, we are helping customers to save energy and thereby contributing to the reduction of greenhouse gas emissions.

Scope of Fujitsu's Global Warming Prevention Efforts



Decreasing Carbon Dioxide Emissions Related to Energy Consumption

Fiscal 2004 carbon dioxide emission from the consumption of energy came to a Group-wide total of 1,281,000 tons-CO₂ (1,097,000 tons within Japan, 621,000 tons for Fujitsu Limited alone), which was down 20.5% from fiscal 2000 but 18.3% higher than in fiscal 1990.

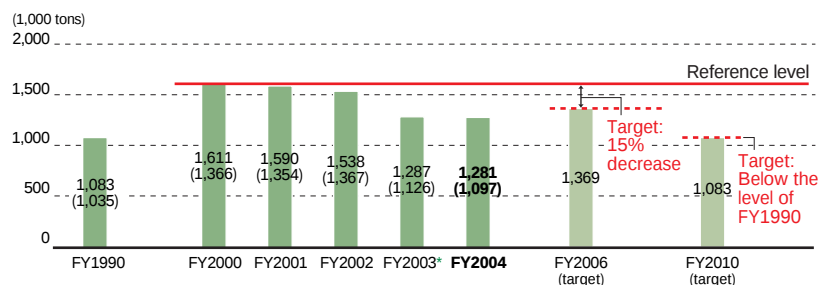
In fiscal 2004, we made cuts of 27,000 tons-CO₂ using the following energy-saving measures. However, due to a number of factors that caused changes in emissions, such as the establishment of new plants, increased production and restructuring of businesses, net carbon dioxide emissions declined by 6,400 tons-CO₂ compared to the previous year.

Major Energy-saving Measures

- Energy-saving measures for equipment with a focus on motive power facilities (introduction of free

Carbon Dioxide Emissions Related to Energy Consumption (Group Totals)

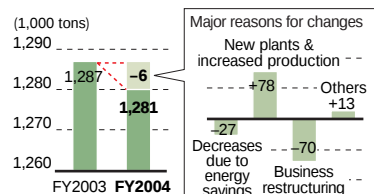
(figures in brackets are emissions for Japan only)



cooling, inverters, energy-saving facilities)

- Increased efficiencies through revised manufacturing processes, accompanied by proper motive power facility operation and improvement of management
- Proper settings for office air-conditioning, energy saved with lighting and office automation equipment
- Energy-savings consciousness applied in newly built plants (see P56)

Change in Carbon Dioxide Emissions Related to Energy Consumption



Example

Introducing Natural Gas Cogeneration

The Fujitsu Numazu Plant is involved in testing large-scale computers and providing quality assurance, and it consumes a large amount of electric power. Thus, the plant was designated as a business entitled to receive support in installing new energy capabilities, through financial assistance from the Ministry of Economy, Trade and Industry (Agency for Natural Resources and Energy), and it introduced highly efficient natural gas cogeneration at the end of fiscal 2004. This system can produce in-house about 65% of the electric power used by the whole plant using gas engines

(one 4,450 kW installation, two 845 kW installations). Also, since exhaust steam and hot

water is then used as a means for heating, the efficiency of energy usage is further improved.



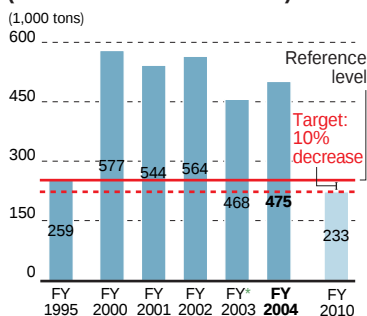
Gas engine power facilities

Cutting Emissions of Greenhouse Gases other than Carbon Dioxide

The semiconductor industry has established a voluntary action plan to cut the emissions of PFCs, HFCs and SF₆, which are all greenhouse gases. Our Electronic Devices Group will continue to change over to gases with lower global warming potential as well as install equipment to eliminate PFCs on our new manufacturing lines.

Fiscal 2004 emissions of these types of gases came to 475,000 tons (up 1.4% over the previous year, due to factors like increased production). When compared with fiscal 1995, which is the reference level for our reduction target, this is an 83.2% increase.

Emissions of Greenhouse Gases other than Carbon Dioxide (total for electronic devices)



Cuts in Carbon Dioxide Emissions in the Distribution Process

As a manufacturer that must transport its products, we, and others charged with transporting our goods, are reducing carbon dioxide emissions in the distribution process (these are known as "Green Logistics" activities).

Various Measures for Achieving Reductions in Carbon Dioxide

- (1) rationalization of packing methods for goods
 - (2) reviewing transport routes
 - (3) reviewing shipping centers
- Also items like reviewing the packaging used in order to improve loading ratios.

Carbon Dioxide Emissions in the Distribution Process (Japan only)

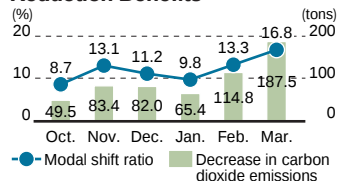
	FY2003	FY2004
CO ₂ emissions (tons)	27,851	27,364
Ratio of carbon dioxide emissions to net sales (tons-CO ₂ /100 million yen)	1.35	1.31

Example

Transport Optimization System

We are accelerating our modal shift for shipping PCs to corporate clients. In October 2004 we introduced a system that selects the optimal transport method in view of cost, environmental burden and delivery schedule.

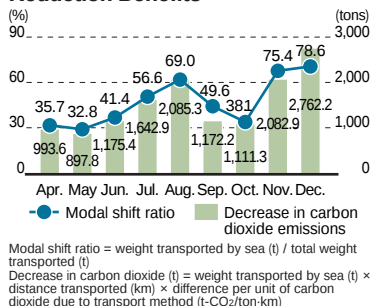
Modal Shift Ratio and CO₂ Reduction Benefits



Modal Shift for Overseas Shipments

From June 2004, we have expanded our modal shift from airplanes to ships in the importation of parts into Japan from Hong Kong.

Modal Shift Ratio and CO₂ Reduction Benefits



Procurement and Waste & Recycling Issues

Through the development and use of materials and technologies with a lower environmental burden, reductions in plant waste products and improvements in resource re-use ratios for recovered used products, we have reduced carbon dioxide emissions in procurement, waste and recycling activities.

Example

Development of a Fluxless Reflow Device

Together with Ayumi Industry Co., Ltd., we have developed a fluxless reflow device to remove surface oxidized film from, and reshape the bumps for, solder bump electrodes. Through the utilization of this device, the whole flux cleaning procedure using organic fluxing materials that was necessary in the previous process is no longer required. The plan is to cut carbon dioxide emissions by about 68%, including material procurement and fluting material waste (presuming that organic fluxing materials would be incinerated after use).

Environmental Engagement in Products and Software & Services

By providing our customers with environmental solutions and products designed to save energy, we will reduce carbon dioxide that is produced when our products are used.

Energy-saving Designs for Our Products

We are working to improve the energy-saving performance of our products through the development of Super Green Products and Green Products. Based on this, we have been able to attain various energy-savings standards and target levels, which will reduce the power consumed when our products are used. (see from P43.)

Providing Environmental Solutions

We compute the reduction in carbon dioxide emissions that would result from introducing an IT solution, and inform customers of this as part of our solution offering. Also, we certify those IT solutions where carbon dioxide emissions can be cut by 15% or greater as Environmentally Conscious Solutions and provide certification to our customers. (see from P49.)

Promotion of Green Factories

**Eco-friendly manufacturing in factories
with comprehensive environmental protection features and activities**

The Green Factory Concept (eco-friendly factories)

To reduce the environmental burden imposed by the use of raw material and energy resources in our factories and business activities, we are pursuing policies designed to reduce the use of energy and materials and the volume of waste generation and chemical emissions. Green Process activities and Green Facility activities are the practical means by which we implement these policies.

Green Process Activities

Green Process activities are intended to reduce manufacturing costs and, after calculating a "Cost Green" (CG)* index for each product line (based on the amount of materials it requires, the volume of chemical substances it uses, and the energy it consumes, etc.), to lower these indices and the corresponding environmental burdens continually.

The CG index is used to assign priorities for Green Process activities within the Group and to set quantitative targets, devising and implementing plans to reduce eco-burdens and costs. If a target is not achieved, the reasons are thoroughly analyzed, and the results fully embodied in subsequent targets.

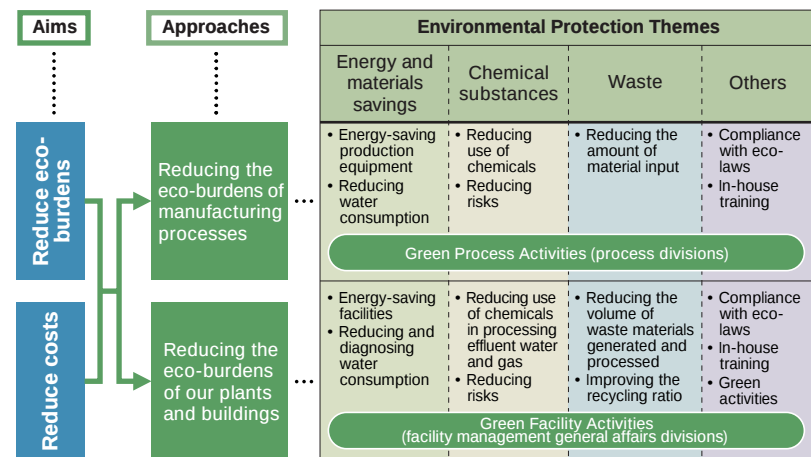
* CG index: The product of input volume used per product, the cost, and the environmental impact (on a scale from 1 to 10).

Green Facility Activities

Green Facility activities are focused on stabilizing factory operation and reducing the environmental burden, ensuring complete compliance with environmental legislation, predicting environmental risks, saving energy, water, chemicals and other material resources, and improving the production infrastructure (including production equipment).

In the support departments, regularly established objectives lead to activities to reduce the eco-burden by saving energy and particularly by reducing CO₂, the results of these activities are evaluated, and further improvement measures proposed in a repeated PDCA cycle (Plan, Do, Check, Act).

The Green Factory Concept



Green Process Activities

Complete Replacement and Non-use of Perfluoroethane Reduces CG Index by 91.8% (Fujitsu Isotec)

Fujitsu Isotec is a major producer of PCs, IA servers, PC workstations and printers. As part of its Green Process activities, it took up the challenge of finding a replacement for perfluoroethane, a substance that causes global warming, carefully reviewing its use in cleaning print heads. This led to adopting tertiary hydrocarbons for the drying process that follows the print-head washing process.

By adopting this new drying process, the company was able to completely dispense with the use of perchloroethane (100% reduction) and reduce the unit washing cost. This, along with recycling the used washing liquid, helped to reduce the CG index by 91.8%, and washing costs were cut by 83.7%.

On-site Disaster-prevention Inspections

We predict the effects of natural disasters such as earthquakes and typhoons upon production facilities and the potential for leakage of harmful substances beyond the factory site, and we regularly carry out inspections to guard against such environmental risks.



Inspecting chemical tank protection (protecting against leakage)

Items Covered

- Replacement of chemical storage tanks (before they become too old)
- The double wall of liquid effluent tanks (as a backup to prevent leakage)
- Confirmation of proper inspection procedures for leak detectors and level alarms
- Organizational and procedural measures to deal with emergencies when they arise (simulating various scenarios), etc.

Coping with Environmental Risks

To guard against risks, and to prevent damage to the environment should an accident happen, environmental risk management, including risk assessments, is carried out in accordance with the applicable controls (see P14).

Fujitsu Group Environmental Protection Program (Stage IV) Target

To reduce, by the end of fiscal 2006, the discharge of chemical substances that are subject to the Pollutant Release and Transfer Register (PRTR) by 15% compared to the fiscal 2001 discharge levels.

Fiscal 2004 Performance

Emissions of specified chemical substances were 52.1 tons, a decline of 48.1% compared with fiscal 2001.

Reducing the Amount of Chemicals Discharged

Discharge Reduction Policy

At sites where large amounts of chemical substances are handled — Fujitsu's four factories and six consolidated manufacturing subsidiaries in Japan plus two consolidated manufacturing subsidiaries overseas — we are working to achieve planned reductions of in 354 Class 1 PRTR Law substances.

In order to achieve the targets at each of these locations, working groups meet twice a year to check the actual situation and investigate any problems. To reduce the amount of these chemicals, we are carefully managing facilities processing effluent gases and liquids and Green Process activities are used to properly manage the use of these substances and reduce the volume discharged.

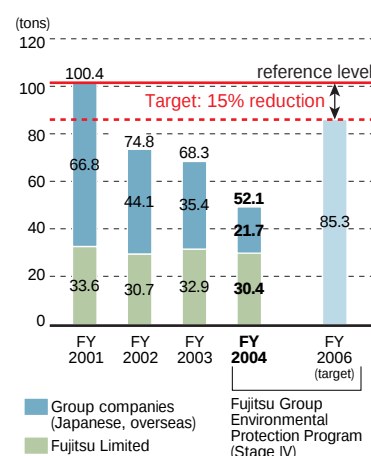
Fiscal 2004 Performance

Of the 85.3-ton target for the amount of PRTR Law chemicals to be discharged annually (for fiscal 2004 through 2006), 33.2 tons were eliminated in fiscal 2004 as a result of the deconsolidation of two major companies, a review of production activities, the transfer of production, and activities at each of the sites. The total amount of such chemicals discharged* by the entire Group in fiscal 2004 was 52.1 tons, 48.3 tons (48.2%) less than the 100.4 tons in fiscal 2001. Fujitsu Limited itself discharged 30.4 tons, which is 9.5% less than in fiscal 2001.

Besides complying with the PRTR Law requirements for reporting to the authorities data on any of 354 Class 1-designated chemicals with annual usage/processing amounts of one ton or more, we compile data on these substances based on a 0.1-ton minimum. The total usage and discharge of PRTR Law chemicals is displayed on our website.

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

PRTR Law Chemical Discharge Amounts



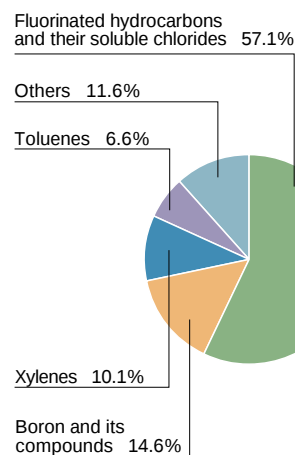
Main Factors in the Fiscal 2004 Decrease

- The decrease from deconsolidation of two companies, FDK Corp. and Eudyna Devices Inc.
- Improved fluorination in wastewater treatment at the Mie Plant.
- Changes in the manufacturing process that reduced the amount of xylenes discharged at the Mie Plant.

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

Numerical values in the text and graphs have been rounded to the second decimal place. Totals have also been slightly adjusted for consistency.

Proportions of Chemicals Discharged



Integrated Control of Information on Chemicals

Fujitsu Limited introduced a system to control the usage of chemicals in fiscal 2000, and has been performing integrated management of them ever since. We are now enhancing the system's functions so that operation can be extended to the Group's manufacturing subsidiaries.

Fujitsu Group Environmental Protection Program (Stage IV) Target

To reduce the amount of waste generation by 3% compared to the actual amount in fiscal 2003 by the end of fiscal 2006.

Fiscal 2004 Performance

The amount of waste generated was 50,120 tons, a decline of 1.5% compared with fiscal 2003.

Reducing the Amount of Waste Generated*

Policy for Reduction of Waste Generated by Sites

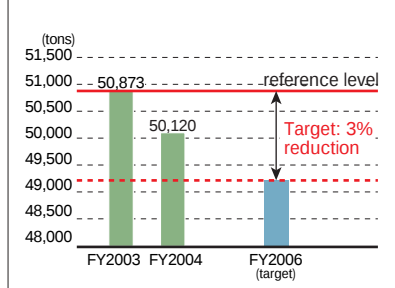
In working towards a recycling society, we have adopted a basic 3R policy (Reduce, Reuse and Recycle), and are encouraging all employees to separate wastes into different categories.

* Waste generation reduction
Definition: Reduction of waste generated by sites
Targeted waste: All (excluding those with monetary value)

Fiscal 2004 Performance

The amount of waste generated by our sites in fiscal 2004 was 50,120 tons, 1.5% less than in fiscal 2003. Activities to reduce the amount of waste generated are proceeding smoothly. The main factors in the reduction were the improvements in the separation of paper and metallic waste that allowed monetary value to be assigned to them, as well as application of value to organic alkalis.

Amounts of Waste Generated



Progress towards Zero Waste Emissions* at Group Companies in Japan

We are actively promoting zero emissions, focusing first at our domestic Group companies. For example, we have introduced systems for treating sewage using microorganisms and revised operational control methods aimed at reducing sewage emissions to zero. Thanks to these efforts along with

information sharing and the rigorous separation and re-use of wastes, many sites and Group companies have already achieved zero emissions. However, in regions with particularly strict regulation of water-quality standards or where there are structural issues with the sewage treatment equipment, some sites have not yet achieved zero emissions.

Going forward, we will investigate new technologies, and strive to further reduce the generation of waste and achieve zero emissions.

The most effective methods of re-using wastes are as follows.

- Sludge: As a raw material for cement, copper recovery.

- Plastic wastes: As a raw material for plastic or solid fuel.
- Acid and alkali wastes: As neutralizers.
- Oily wastes: As recycled oil in combustion improvers.
- Waste paper: As recycled paper, thermal recycling.
- Metallic wastes: As raw materials for smelting.
- Animal and vegetable wastes (canteen leavings): As fertilizer.

* Zero waste emissions
Definition: Achieving 100% waste utilization, with none going to landfills or simple incineration.
Targeted waste: Sludge, acids and alkalis, plastics, oil, metals, glass, wood, paper, animal and vegetable wastes (canteen leavings), sewage.

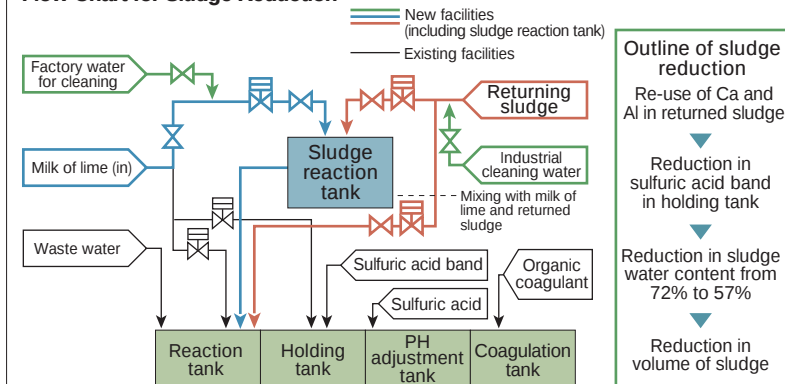
An Example from Fiscal 2004

Working to Reduce Fluorinated Sludge (Iwate Plant)

At our Iwate Plant, 54% of wastes is wastewater. In order to reduce the amount of sludge containing fluorine generated in water treatment, previously the sludge returned from the milk-of-lime settling tanks was injected into separate reaction tanks, but now the sludge is mixed into a sludge reaction tank and

the facilities have been replaced with others that extract the Ca and Al from the returned sludge. In this way, the sulfuric acid band required in the holding tanks is reduced, and the water content of the sludge is reduced from 72% to 57% and its volume reduced.

Flow Chart for Sludge Reduction



TOPICS

Operations begun at our next-generation LSI device Green Factory using the latest eco-friendly equipment — Environmental measures adopted for new facility at Mie Plant

In April 2005, at the 307,000m² site of the Mie Plant (in Kuwana City, Mie Prefecture), a new facility was completed for the mass production of LSI logic devices on large-diameter 300mm wafers using 90nm and next-generation 65nm design rules.

The new factory, with 12,000m² of clean room area, is our latest Green Factory, actively committed to preventing global warming, reducing the discharge of waste and chemical substances, and reducing a wide variety of environmental burdens.



The new wing of the Mie Plant

Environmental Measures

To Prevent Global Warming

- **Eliminated use of fuel oil**
There are no boilers using fuel oil. They have been replaced with small boilers using natural gas.
- **Equipment installed to remove PFCs**
This reduces the emission of substances other than CO₂ implicated in global warming.
- **NAS battery system**
We are using NAS (sodium-sulfur) batteries to store electrical energy for nighttime use and to smooth the power load.
- **Localized clean rooms**
These help to reduce air-conditioning energy requirements.
- **Solar cells and wind-power generators**
These are used for car park lighting.



Small boilers burning natural gas



NAS batteries



PFC removal equipment



Solar and wind generators

To Reduce Waste Discharge

- **Zero emissions from the start of operations**
Spent hydrofluoric and sulfuric acid are recovered and recycled.
- **Reducing the amount of waste generated**
Equipment to compact alkali has been introduced.



Alkali compaction equipment

To Reduce Chemical Discharge

- **Reductions in the volumes of nitrogen and phosphorous discharged**
Introduced method using microorganisms for wastewater treatment.
- **Reductions in the volume of fluorine discharged**



Secondary process device for fluorine

Aseismic Measures

The World's First Hybrid Seismic Isolation Structure

In addition to the measures to reduce environmental burdens, measures have also been taken to cope with earthquakes. The new facility uses three types of devices to isolate the building from earthquake tremors: rubber laminations, oil dampers, and sliding supports. These suppress normal vibrations and protect the production lines against earthquake tremors rated up to 6 (strong) on the Japanese scale.

The risks of earthquake-induced environmental pollution and other human disasters have likewise been minimized.



Seismic isolation device (rubber laminate support)



Seismic isolation device (rigid slider support)



Seismic isolation device (oil damper)

Green Procurement

Based on the Fujitsu Group Green Procurement Direction, we are expanding the scope of Green Procurement to cover all procurement. With the cooperation of our suppliers in Japan and overseas, we will pursue further improvements in this area.

Fujitsu Group Environmental Protection Program (Stage IV) Target

To increase the procurement ratio from suppliers who have implemented an environmental management system (EMS) to 100% by the end of fiscal 2006.

Fiscal 2004 Performance

The percentage of our procurement from business partners have implemented an EMS as a share of all procured items (parts used in products, materials, software, general equipment, construction, maintenance, etc.) reached 98.3%.

Framework for Green Procurement

With cooperation from our suppliers, we have expanded the scope of Green Procurement from parts used in production to software and services.

In accordance with our Green Procurement Direction, we request that our suppliers build environmental management systems and terminate their use of designated hazardous substances, and we carry out surveys and other measures to check on what has been done. For those suppliers who do not meet the required standards, our purchasing unit and other divisions within the Group will support these companies in constructing, operating and deploying environmental management systems that utilize the PDCA cycle.

<http://www.fujitsu.com/global/about/procurement/green/>

Main Requirements for Green Procurement

We require that the following conditions be met by suppliers in order to satisfy our Green Procurement standards.

Building an EMS

In building an EMS, as a rule we require some form of third-party certification such as the ISO14001 international standard, but with the

expansion in scope of our suppliers, we have added a new Level I. We now require that our suppliers fit into one of three levels*.

* Three levels

Level III: Have obtained third-party certification such as ISO14001

Level II: Have obtained Fujitsu's simplified EMS (FJEMS)

Level I: Self-checking and establishment of objectives regarding environmental protection activities

Total Elimination of Fujitsu Group-designated Hazardous Substances

In response to the directives from EU (European Union) member nations restricting the use of hazardous substances (the RoHS directives) that were issued in February 2003, we revised our Green Procurement Standards (now in their third edition), and clearly specified the definitions of hazardous substance content. Based on this, we have conducted a total of 14 explanatory meetings for our suppliers, and we are accelerating our efforts to eliminate all hazardous substances from our procured materials.

Fiscal 2004 Performance

Thanks to the cooperation of our suppliers, the actual percentage of Green Procurement for fiscal 2004 reached 98.3% in only the first year of our three-year plan.

Fujitsu Limited and various Group companies in Japan (30 from the hardware area and 48 from the solutions area, for a total of 78) held meetings throughout Japan to explain Green Procurement to our suppliers. In addition to investigation using environmental response surveys, we have been supporting our suppliers in their EMS construction efforts. Looking to the future, we plan to forge ahead in helping suppliers improve their EMS quality, and we intend to include the suppliers of our overseas Group companies in the scope of our Green Procurement activities. In addition, from fiscal 2005 we plan to regularly conduct presentations on EMS improvement and to carry out local audits based on sampling results.

Fiscal 2004 Activities

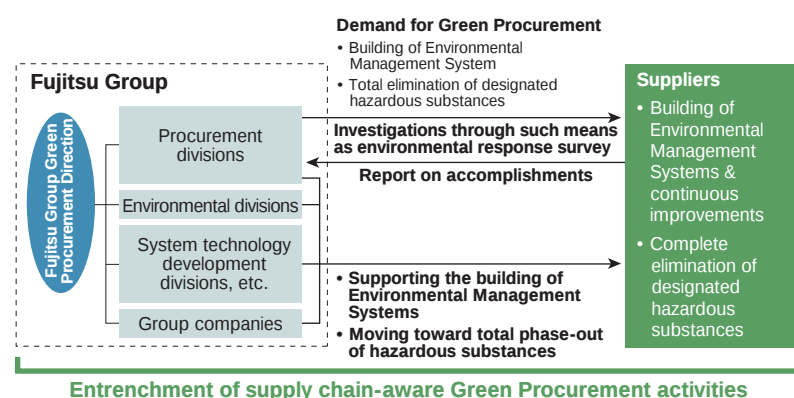
Exhibition of RoHS-compliant Parts

In October 2004 we held an RoHS-compliant parts exhibition at our Kawasaki research and manufacturing facilities, together with a seminar, directed at R&D and design divisions as well as environmental and purchasing divisions. In cooperation with 13 companies (in semiconductors & electronic parts, power units and mechanical process goods) actually involved in environmental activities, we displayed a variety of parts that meet RoHS requirements. At the same time, examples of particularly advanced RoHS-based efforts were also presented using a seminar format. The total number of participants exceeded 700, and we were able to share information that will be significant in future product development.



At the RoHS Exhibition

Framework for Green Procurement



Research and Development

We are advancing a wide range of environment-related R&D, including technologies to reduce the environmental burden of product manufacturing, environmentally friendly products, and ubiquitous networking solutions.

Fujitsu Laboratories' Involvement

Fujitsu Laboratories Ltd. is fully aware of the essential need to pursue research and development efforts on technologies that meet environmental needs. This ongoing commitment dates from the company's foundation, and advanced research into environmental themes is proceeding.

Recently, the broad scope of these R&D efforts has included technologies that reduce the environmental burden imposed when products are manufactured, technologies that address environmental issues when customers use our products, and a variety of technological solutions that will support environmental considerations in the era of ubiquitous networking.

Some Important R&D Successes

- Concentrated fuel for the long-term operation of micro fuel cells
- Development of bio-based plastics
- Development of a photocatalyst, titanium apatite
- Technology for recycling magnesium alloys
- Technology for recycling of glass-fiber reinforced polycarbonate (see P48)
- Technology for evaluating environmental burden

Some Examples of Recent Research Achievements TOPICS

Development of High-capacity Micro Fuel Cells Applicable to Concentrated Methanol Solutions

Micro fuel cells are similar to batteries in terms of energy transformation, but they utilize externally supplied fuel, and hence electrical recharging is unnecessary. They have attracted much attention as a portable energy source due to advantages that include: high energy density compared to conventional lithium ion batteries, cheap and easy means to generate electricity continuously by simple refueling anywhere and anytime, especially when there is no accessible power line, and lower environmental impact compared to conventional fossil fuels and primary batteries.

Fujitsu Laboratories has successfully developed materials technology to realize low methanol crossover (MCO) Membrane Electrode Assembly (MEA) for micro fuel cells. This enables the direct use of 30% methanol in passive fuel cell systems, providing higher power capacity. Fujitsu has developed prototype micro fuel cell modules for mobile phones and notebook PCs by applying this technology.

LCA studies shown that micro fuel cells generate only one third the CO₂ of conventional dry cells. Considering the possibility that methanol can be derived from biomass materials, we will further improve our micro fuel cell system to spread its commercialization and application in environmentally friendly electronic products.



Prototype PC fuel cell



Prototype mobile phone fuel cell (developed in cooperation with NTT DoCoMo)

Large, Bio-based Plastic Housing for Notebook PCs

Fujitsu's FMV-BIBLO NB80K notebook PC, a new model announced in spring 2005 was the first in the world to use environmentally friendly bio-based plastic for its housing.

The new material was jointly developed by Fujitsu Limited, Fujitsu Laboratories Ltd. and Toray Industries, Inc. The bio-based content is about 50% (polylactic acid primarily from corn starch), which reduces the usage of petrochemical resources. When used for the notebook PC housing, it results in 15% less CO₂ emissions than conventional petrochemical plastics.

We were also the first to introduce the use of bio-based plastics for some of the embossed tape used in packing materials for LSI devices, and from February 2005, the changeover to bio-based plastics for this application is complete.



The FMV-BIBLO NB80K PC

Development of Titanium Apatite Photocatalyst

Photocatalysts use the clean energy of light to break down organic substances (including dirt, odors and microorganisms) into water and CO₂. Fujitsu Laboratories Ltd., working with the University of Tokyo's Research Center for Advanced Science Technology, has developed a titanium apatite photocatalyst that is twice as active as previous titanium oxide catalysts in decomposing these substances.

The new catalyst combines adsorptive and antibacterial properties with its ability to decompose organic substances, and because it is made from hydroxy-apatite (calcium phosphide), a natural constituent of human teeth and bone, it is harmless to people and the environment. Experiments have established that it can also be successfully blended with plastics to create plastics that possess photochemical catalytic properties. We are committed to expanding the range of applications of this new catalyst, applying it to the housings of various kinds of IT equipment.



A prototype PC using plastic with a photocatalyst additive

Environmental Education & Awareness

Raising the environmental awareness of each and every employee through training and education as the basis for full participation in environmental activities

Environmental Business Workshops for Sales/System Engineering Staff

We began environmental education for sales personnel and systems engineers in fiscal 2004. For sales personnel, we presented various forms of environmental activities with examples of sales presentations, and our lineup of offerings, which includes Green Products, environmental business solutions and Environmentally Conscious Solutions. For systems engineers we provided instruction in the form of case studies regarding Environmentally Conscious Solutions. We held a total of 20 such workshops, with participation by 1,056 people.



Workshop for systems engineers

Educational Activities during "Environment Month"

Fujitsu has held a number of environmental activities in Japan in conjunction with "Environment Month" (June) sponsored by the Ministry of the Environment. In addition to the usual annual events such as releasing dragonfly nymphs, planting flowers, facility inspection tours and hands-on experience tours, in fiscal 2004 we added some new events: "Sustainability Report Briefing" and "Environmental Storytelling."

For fiscal 2005, educational events are planned for sales personnel and systems engineers.



Environmental Storytelling

The Paper/Waste/Power Campaign

We are using our intranet to publicize hints on environmentally friendly practices for paper, waste and electric power use at the office, to encourage

greater environmental awareness and eco-friendly practices among all our employees.

Content derived from these simple hints, such as how to put office automation equipment on energy-saving settings, is also being used in our environmental education programs.



Environment education via intranet

Environmental Contribution Awards/Contests

In order to heighten employees' environmental awareness, we have been presenting Environmental Contribution Awards and holding related contests (photo category & volunteer category) on an ongoing basis. From fiscal 2002, the awarding of the Environmental Contribution Grand Prize has been positioned as a key Fujitsu event, with the president himself presenting the award. The award is made in June, when we commemorate Fujitsu's foundation.



Environmental Photo Contest Grand Prize: "Hacking Weeds for the First Time"

FUJITSU Eco Club

The FUJITSU Eco Club, hosted on the intranet, enables employees to get a picture of the environmental volunteer activities of their colleagues and exchange information.



FUJITSU Eco Club

Efforts by Group Companies

Efforts by Business Offices

The Fujitsu Aizu Wakamatsu Plant held environmental seminars in August 2004 and March 2005, inviting staff from the Fukushima Prefecture Life Environment Department and Tohoku Energy Service Co., Inc. as lecturers. Those in attendance learned what Fukushima is doing about global warming, and heard about NAS batteries, the Energy Conservation Law and the Energy Service Co. business.



Environmental seminar at the Aizu Wakamatsu Plant

Efforts by Group Companies in Japan

In October and November of 2004, the Fujitsu Institute of Management Ltd. carried out 11 site visits for Group employees at the Numazu Plant, which is set in a rich natural environment. Participants were able to view a pond biotope where effective use was made of sludge from the plant, as well as a garden and a system to convert raw garbage and septic tank sludge into fertilizer.



A site visit at the Numazu Plant

Efforts by Overseas Group Companies

Fujitsu Telecommunications Europe Ltd. in the United Kingdom is carrying out environmental education as part of its introductory instruction for new staff members. Five such sessions were held in fiscal 2004 at which 15 staffers received instruction.



Materials used for environmental education of new staff members

Environmental Communication

Improving our daily environmental efforts
through two-way communication with stakeholders

Issuing Reports & Pamphlets

Sustainability Reports

In order to fulfill our duty to disclose corporate information and explain it to our stakeholders, we publish this Sustainability Report. We have been issuing this report annually since 1996; and from fiscal 2003 it has covered three vantage points: economic, environmental and social.

The 2004 Fujitsu Group Sustainability Report received an Award for Excellence in the Eighth Green Reporting & Sustainability Reporting Awards (Sponsor: Toyo Keizai Inc. and the Green Reporting Forum).

We will continue to improve the content of our reports and expand on reported items based on what our stakeholders have to say.

Note: Tabulated results from the questionnaire on the fiscal 2004 report are listed on the appended questionnaire page.

Environmental Pamphlet

We have issued a pamphlet entitled "We make every activity green," which introduces our environmental activities. The expressions used in the pamphlet have been kept as simple and easy to understand as possible to ensure the understanding of a wide range of stakeholders.



Environmental pamphlet

Information Disclosure Using the Website and Other Means

Our website is a useful medium for communication, where we can transmit various forms of performance data related to environmental activities and the very latest information in real time, and viewers can access the information whenever they need it.

We have established an area devoted to the environment on our corporate website, and by providing an inquiry screen, we aim to establish two-way communication. Furthermore, we will continue to implement improvements designed to make our website even more user-friendly.

<http://www.fujitsu.com/global/about/environment/>

Environmental Advertising (Japan)

We present our environmental activities in newspaper and magazine advertisements as well as TV commercials and on the Fujitsu website.



Newspaper advertisement

Environmental Emblem

We combined the infinity symbol used in our corporate logo with images of the earth and a pair of watchful eyes and established this as our environmental emblem. The emblem indicates that we will carry out our business while keeping a protective eye on the Earth. This mark is applied to products and solutions that reach certain internally set standards.



Environmental emblem

Sustainability Report Briefing

On June 2004, we held a Sustainability Report Briefing for employees. Those responsible for environmental activities in the various Group companies came together and there was a lively exchange of opinions on our environmental activities.



Sustainability Report Briefing

Environmental Forums throughout Japan

We have held a number of Environmental Forums throughout Japan in order to present to our customers in a readily comprehensible way the Group's efforts regarding the environment and our Green Products and Environmentally Conscious Solutions. In these Environmental Forums, we have called upon various experts as lecturers and had them present themes such as "IT and the Environment" and "The Environment and Management."

Forums Were Held in the Following Areas in Fiscal 2004:

Tokyo, Kansai, Tokai, Chugoku, Nagano, Shikoku, Tohoku, Hokkaido, Hokuriku.

Participation in Environmental Exhibitions

Fujitsu is an active participant in exhibitions held around the country on environmental themes. In addition to delivering environmental information to a wide range of customers, we interact with people in these regions concerning the environment. At the Aichi, Japan 2005 World Exposition (EXPO 2005) which began in March 2005, we cooperated in the "NGO Global Village," which included an exhibition booth and presented activities that aim for a sustainable society.



Aichi, Japan 2005 World Exposition (EXPO 2005)

Major Exhibitions in which Fujitsu Participated during Fiscal 2004

- New Environmental Exposition 2004
- Shinshu Environment Fair 2004
- Ishikawa Environment Fair 2004
- Festa "Create the Future"
- CEATEC Japan 2004
- WPC EXPO 2004
- WASTEC2004
- The 2nd Shizuoka Environment & Forests Fair
- Environmental EXPO Yamagata 2004
- Eco-Products 2004

Related Data

Environmental Accounting and Performance Data

The details of environmental accounting and performance data are disclosed on our corporate website. We make every effort to update and enhance the data appropriately.

<http://www.fujitsu.com/global/about/environment/>

- Environmental accounting results
- Results for PRTR Law substances balance within our Group
- Ecological effects and standards for emissions by plants of the main PRTR-targeted substances that we use

SRI-Related Indices Including Fujitsu

Name of Index	Company
Morningstar Social Responsibility Index (MS-SRI)	Morningstar Japan K.K.
Dow Jones Sustainability Index	Dow Jones (US) and the SAM Group (Switzerland)
FTSE4Good Global Index	FTSE Group (UK)

(as of June 2005)

SRI Funds Holding Fujitsu Shares

Name of Fund	Company
Nikko Eco Fund	Nikko Asset Management Co. Ltd.
Nikko Global Sustainability Fund ("Globe")	Nikko Asset Management Co. Ltd.
Asahi Life Socially Responsible Investment Fund ("Asunohane")	Asahi Life Asset Management Co. Ltd. (ALAMCO)
Sompo Japan Green Open ("Buna-no-Mori")	Sompo Japan Asset Management Co. Ltd.

(as of June 2005)

External Awards/Evaluations

Name	Date	Sponsor	Achievement
1st LCA Japan Forum Award	November 2004	Life Cycle Assessment Society of Japan (JLCA) Forum	Recipient: Fujitsu Limited Incentive award: LCA through our Group's "EcoLeaf" eco-efficiency indicators Communications Activities Recipient: Shinko Electric Industries Incentive award: Spreading LCA in university education and in academia, industry and government, with examples of LCA in IC packaging.
The 8th Nikkei Environmental Management Ratings	December 2004	Nihon Keizai Shimbun, Inc.	Recipient: Fujitsu Limited Ranked 11th in manufacturing category
The Top PRTR Award for 2004	December 2004	The Center for Environmental Information Science	Recipient: Fujitsu Limited PRTR Incentive Award
Environmental Ratings, Tohatsu Evaluation and Certification Organization	March 2005	Tohatsu Evaluation and Certification Organization	Recipient: Fujitsu Group "A" Rating (single "A")
The 8th Environmental Report Award-Sustainability Report Award	April 2005	Toyo Keizai Inc. Green Reporting Forum	Recipient: Fujitsu Group Environmental Report Award Highly commended

The History of Fujitsu's Environmental Activities

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| <p>1935 • Park-style design adopted for the Kawasaki Plant at the suggestion of Fujitsu's founder, President Yoshimura.</p> <p>1972 • Environmental control sections established at each plant.</p> <p>1987 • Ozone Layer Protection Committee established.</p> <p>1989 • Environmental Committee established.</p> <p>1990 • Environmental management evaluation system implemented.</p> <p>1991 • Environmental Engineering Center established.</p> <p>1992 • Fujitsu's Commitment to the Environment formulated.
• Use of CFCs and carbon tetrachloride for cleaning eliminated.
• Energy Saving Committee established.</p> <p>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.</p> <p>1994 • First issue of Eco-Plaza environmental bulletin published.
• Use of 1,1,1-trichloroethane eliminated.</p> | <p>1995 • 1st Fujitsu Group Environmental Technology Exhibition held.
• Fujitsu Environmental Emblem designed.
• Overseas Environmental Information Network begins operation.</p> <p>1996 • Environmental Management System Committee established.
• Recycling system established and implemented.
• Fujitsu Group Worldwide Environmental Conference established.</p> <p>1997 • Fujitsu Environmental Protection Program (Stage II) formulated.
• Environmental Engineering Center homepage placed on intranet.
• Chemical Emissions Reduction Committee established.
• First Environmental Report published.</p> <p>1998 • Environmental web page established.
• All domestic manufacturing sites certified ISO14001 compliant.</p> <p>1999 • Forestation activities conducted in Thailand.
• Green Product program launched.
• Environmental accounting introduced.
• Forestation activities conducted in Vietnam.</p> <p>2000 • Four development and service sites in Japan certified ISO14001 compliant.
• Corporate Environmental Affairs Unit established.
• First desktop PC awarded Eco-mark.</p> | <p>2001 • Fujitsu Environmental Protection Program (Stage III) formulated.
• Calendar using paper from sustainable forest published.
• Forestation activities conducted in Malaysia.</p> <p>2002 • A world's first: Tin-zinc-aluminum leadfree 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.</p> <p>2003 • Support for reforestation activities employing Rhythm Forest reforestation network game initiated.
• Zero waste emission achieved by all 13 plants in Japan.</p> <p>2004 • ISO14001 integrated certification acquired by all Fujitsu Limited sites.
• 100% Green Product ratio achieved for all newly developed products.
• Fujitsu Group Environmental Protection Program (Stage IV) formulated.</p> <p>2005 • ISO14001 certification acquired by all Group companies in Japan.
• Supply of Super Green Products begins.</p> |
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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).

TRANSLATION

Independent Review Report on the "2005 Fujitsu Group Sustainability Report"

Mr. Hiroaki Kurokawa
President and Representative Director
FUJITSU LIMITED

1. Purpose and Scope of Our Review

We have reviewed the "2005 Fujitsu Group Sustainability Report" (the "Report") of Fujitsu Limited and its principal subsidiaries (the "Company") for the year ended March 31, 2005 by performing certain procedures agreed to by the Company. The Company is responsible for the preparation of the Report. Our responsibility is to perform review procedures, which are described below, in relation to the environmental performance data, the environmental accounting data and the other descriptive information presented in the Report, and to report the findings from an independent point-of-view.

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

2. Procedures Performed

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

- 1) Reviewed the Company's process and procedure for collection, compilation and calculation of the environmental performance data and the environmental accounting data.
- 2) Obtained evidences and related documents supporting the environmental performance data and the environmental accounting data presented in the Report and reviewed the accurateness of the calculations of such data on a sample basis.
- 3) Obtained evidences and related documents supporting the descriptive information presented in the Report and reviewed them in terms of consistency.
- 4) Conducted on-site inspections of the Company's factories and subsidiaries, which were selected on a sample basis, made inquiries to the personnel 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 were not aware of any material modifications that should be made to the environmental performance data, the environmental accounting data and the descriptive information presented in the Report, as they were collected, aggregated and presented in compliance with the Company's policy.

4. Independency of the reviewer

We satisfy the independency requirements defined in the Certified Public Accountant Law, the ethics regulation in the Japanese Institute of Certified Public Accountants and the ethics procedures of our firm.



Representative Director
Shin Nihon Environmental and Quality
Management Research Institute Co., Ltd

June 9, 2005

