

The Importance of Sustained Activities Based on a Long-Term Perspective



Naoyuki Akikusa
Chairman

While it is true that corporations need to take short-term measures to provide increased value within the social context, we are aware that steady, sustained activities based on a long-term perspective are also critical. Although time frames in the IT field we work in are becoming increasingly compressed, our culture and values as a corporation are, after all, things that are built up over long periods.

Supporting Global Human Resource Development Over the Long Term

I would like to present one example of these efforts: the establishment of JAITS, the Japan-America Institute of Management Science. JAITS is a non-profit educational institution proposed and founded by Fujitsu in Hawaii in 1972 for the purpose of cultivating international business leaders. It was not set up to promote Fujitsu's business in Hawaii. Rather, believing that advances in IT would accelerate economic globalization and, foreseeing the necessity of cultivating human resources that could play a role in unleashing unlimited global prosperity, we proposed the establishment of JAITS. That mission has remained unchanged, and for more than 30 years Fujitsu has provided unwavering support for JAITS' activities.

In parallel with that support, in 1985 we established a

scholarship program to enable talented business people from the Asia-Pacific area to study at JAITS. To date, over 20,000 people from more than 50 countries have participated in JAITS programs. Many JAITS alumni have applied their expertise in developing cross-cultural business around the globe. Ultimately, this has also been of great value to the Fujitsu Group.

Acquiring Globally Integrated ISO14001 Certification for the Whole Fujitsu Group

The Fujitsu Group has since its earliest days had a strong orientation towards operating in harmony with the environment. We do not view environmental protection as a cost, but rather as a key corporate value, and based on that stance we have been engaging in a wide range of leading-edge environmental activities. As a result of these sustained efforts, in March of this year we acquired globally integrated certification of our environmental management system under the ISO14001 international standard. A perspective of continuous improvement is an absolute requirement for constructing and operating an environmental management system, and we are committed to continuing to improve our EMS over the long term. Having acquired integrated certification, we will work to further advance our global environmental management and strive to ensure that operating in harmony with the environment takes even firmer root in the corporate culture of the Fujitsu Group.

Sustained Efforts Based on Principles of The FUJITSU Way

Efforts such as these cannot be sustained over time if they are overly goal-oriented. Persistent involvement from a long-range perspective and with an awareness of our position in society is essential.

We advocate fostering "mutually beneficial relationships in our communities worldwide" as an essential part of the Fujitsu Group's mission. Going forward, along with pursuing the infinite possibilities latent in IT, we will continue to take a long-range perspective and harness our accumulated corporate wisdom to advance environmental and social activities.

A handwritten signature in black ink that reads "Naoyuki Akikusa". The signature is written in a cursive, flowing style.

To Be a Partner that Continually Supports Our Customers with IT



Hiroaki Kurokawa
President

We Strive to Turn Dreams into Reality

The Fujitsu Group aspires to leverage IT to become an indispensable partner to our customers. We seek to grow together with our customers by contributing to their business success. Our mission is to continually create new value to help our customers integrate management and IT, and thereby realize the dreams of our customers, our employees, and the Fujitsu Group itself. This is the *raison d'être* of the Fujitsu Group and the basis of our contribution to society.

Creating a Corporate Culture that Learns from Failure and Utilizes those Lessons

On November 1 of last year, there was a serious incident involving disruption to the stock and convertible bond trading system Fujitsu built, maintains, and supports for the Tokyo Stock Exchange. This incident forcefully reminded us of the vital role the Fujitsu Group plays in supporting our customers' businesses as well as society itself.

As we work to help customers advance the integration of their management and IT, our first priority must be to ensure stable system operation. Taking this incident as a new starting point for our business, and marshalling the concerted efforts of the entire company to work towards stable system operation, we launched a project in November of last year to carry out comprehensive inspections of critical infrastructure systems that have a broad impact on

society. In working diligently with our customers to resolve any system operations issues discovered in the inspection process, we sought not only to fulfill our responsibilities as their partner but also to take advantage of the lessons learned to increase the quality of our human resources and thereby respond to the expectations of both our customers and society. The Fujitsu Group undertakes some 18,000 system-construction projects for our customers each year. Some of these projects—very few of them—do fail. While there are a variety of reasons for project failures, whatever the reason, a failed project represents a serious imposition on the customer.

The year before last we started a systems integration assurance initiative to ensure that project failures would not be repeated. In addition, in May of this year, we began holding study group sessions, mainly for system engineers and sales staff, dedicated to learning from failed projects. Through these efforts we are working to thoroughly explicate the problems from past project failures, learn why such problems occurred, and in sharing this information with customers work in partnership with them to increase the likelihood of project success and thereby deliver greater value to them.

I would like to make this principle of learning from our failures and utilizing those lessons to improve a new element of Fujitsu's corporate culture.

Making Fujitsu Itself a Reference Model for Reform

The IT industry is shifting from an era centered on system construction to one focused on utilization. Therefore, I think it is extremely important that we provide realistic proposals to our customers based on our own internal experiences of success and failure at implementation. To make that possible, I believe that the Fujitsu Group itself should become a reference model for reform. With this in mind, we are implementing two company-wide efforts towards these goals: "Project EAGLE" (to build an internal control system while at the same time implementing business process reforms), and an in-house IT systems innovation effort.

Through initiatives like this we are committed to working even harder to contribute to our customers' growth and development and to become an invaluable partner to them.

Hiroaki Kurokawa

To Be a Corporation that Continues to Earn the Trust of Stakeholders



Masamichi Ogura
Corporate Senior Executive Vice President

The Trust of Society is the Basis for a Corporation's Existence

For the Fujitsu Group to continue to exist as a corporation, our corporate activities must engender the trust of society. The basis for such trust lies in continually striving for soundness and transparency in our business activities, and in this regard we are working to refine our framework for internal control. Based on the fundamental awareness that strengthening corporate governance is essential, we are promoting the continuing implementation of an array of measures, including compliance and risk management. In addition, we believe it is important to be open about management information and corporate activities. We will be placing even greater emphasis on disclosing information to and communicating with shareholders, investors and all our stakeholders.

Earning the Trust of All Our Stakeholders

The Fujitsu Group has long striven to build stakeholder relationships characterized by trust through active communication efforts. However, we acknowledge that our disclosure of information concerning certain soil and groundwater contamination surveys that we have conducted

has been inadequate, and this has given rise to much concern among local residents. We are taking this issue seriously, have created new company internal rules, and are reviewing our approach to information disclosure.

We are applying lessons learned from this experience and are committed to building sound, trusting relationships with all our stakeholders. We welcome any opinions or suggestions in this regard.

Solidifying the Foundation for Environmental Management

Amid a growing number of natural disasters thought to be connected with global warming, and the strengthening of environmental regulations in countries around the world, involvement in global environmental issues has become an increasingly important management issue for the Fujitsu Group.

To solidify our foundation for addressing this issue, as of the end of fiscal 2005 we had constructed an environmental management system (EMS) that includes our overseas consolidated subsidiaries and acquired top-level globally integrated ISO14001 certification. Based on this, we are strengthening our efforts across the whole supply chain, including our overseas activities.

Final Year in Current Stage of Environmental Protection Program

We are now in the final year of Stage IV of the Fujitsu Group Environmental Protection Program, which covers the three-year period from fiscal 2004 through fiscal 2006. During this stage we have achieved steady progress in efforts such as increasing the number of "Super Green Products" (products with industry-leading environmental consideration) we offer and expanding our certified "Environmentally Conscious Solutions" offerings for helping customers to reduce environmental burden, as well as in meeting targets for our resource reuse and recycling rate for end-of-life products and reducing emissions of greenhouse gases so as to help prevent global warming. Fiscal 2006 is the last year we have left in which to achieve these goals, and we are stepping up ongoing efforts to do so.

Masamichi Ogura