Product Recycling

Advancing collection and materials recycling of end-of-life IT products in Japan and overseas to help promote a recycling-minded society.

Promoting Product Recycling

Recycling Systems Overseas

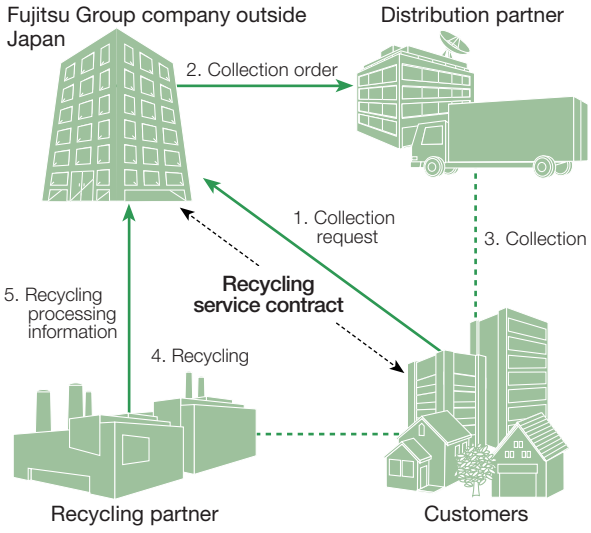
Overseas, our Group companies are establishing recycling structures by selecting local logistics partners to collect end-of-life IT products and recycling partners to recycle these products, thereby advancing collection and materials recycling of end-of-life IT products.

In Europe, where recycling directives for end-of-life products have been issued, we started building this structure in fiscal 2004, and we are making progress in expanding such efforts to our Group companies in North America and Asia as well.

In fiscal 2005, in consideration of developments in the recycling infrastructures of each country and business conditions specific to each operation, our principal Group companies in North America and Asia organized the tasks that they need to undertake in establishing their overall recycling structures. Some of these Group companies have already started selecting their recycling partners.

In fiscal 2006, these companies will be moving forward with concrete preparations to begin recycling activity based on items they have organized.

Overseas Recycling Overview

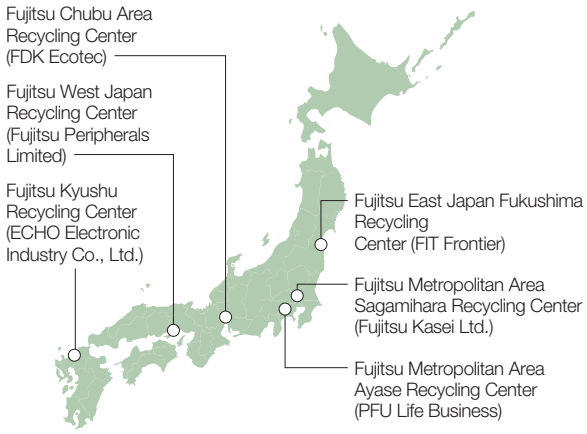


Promoting Recovery and Recycling of End-of-Life IT Products in Japan

Having acquired wide-area system approval from the Ministry of Environment for industrial waste and general waste recycling, we are actively engaged in recovery and recycling activities in Japan. For end-of-life IT products from corporate customers, we are using six recycling centers throughout Japan as well as our nationwide distribution network for these efforts.

We collect and recycle materials from end-of-life PCs of individual consumers using an industry-wide collection system that operates in cooperation with Japan's postal service and uses post offices around the country.

Fujitsu Recycling Center Locations



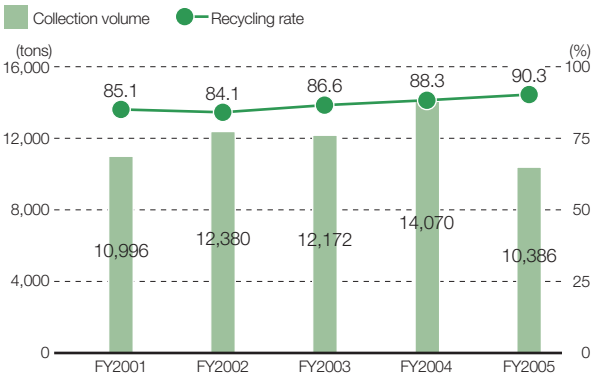
• *Collection and Recycling Performance*

In fiscal 2005, we collected 10,386 tons of end-of-life IT products from our corporate customers in Japan and achieved a resource reuse and recycling rate* of 90.3%, thereby meeting the target established in the Fujitsu Environmental Protection Program (Stage IV) one year ahead of schedule. This was due to our efforts in promoting recycling of recovered plastic and the reuse of parts and components. In the future we will continue to work to increase our resource reuse and recycling rate.

In collection and materials recycling of end-of-life PCs from individual customers, we transitioned from a scheme managed by local governments to a manufacturer-operated system, and the volume of units collected rose steadily to 66,720 units.

***Resource reuse and recycling rate**
The ratio of reused parts and reused resources to the processed amount of business-use end-of-life IT products by weight.

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

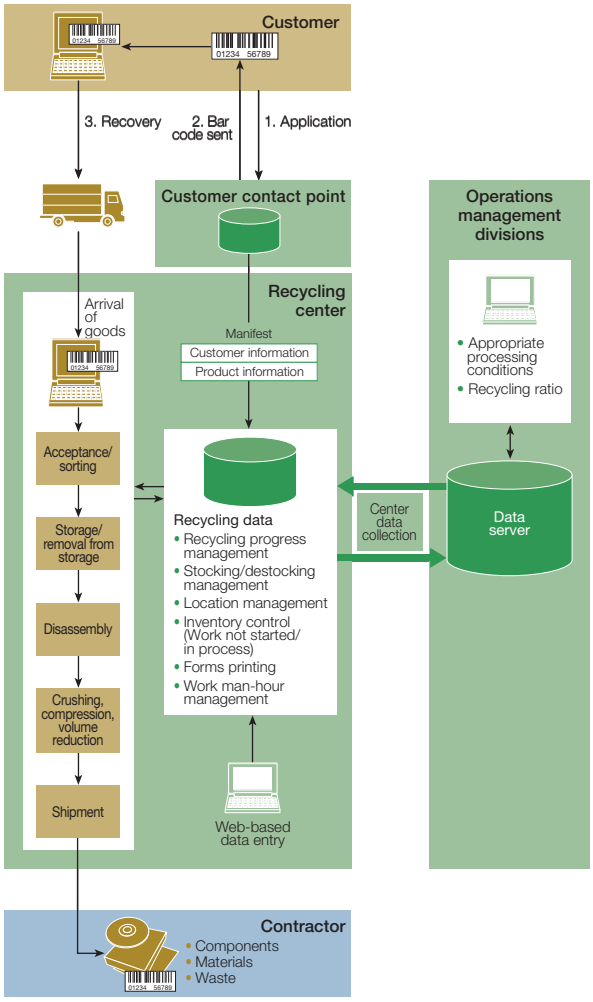


Product Recycling

Developing an Integrated Recycling Information Management System

We have developed an Integrated Recycling Information Management System that provides total traceability through bar code-based operational management of products to which electronic tags have been attached at the manufacturing stage, enabling them to be monitored from manufacturing until they are discarded at the end of their useful lifetimes. Bar code labels are attached to end-of-life products that a customer has asked us to handle and the product collected. The process from acceptance at the processing center and disassembly through the point at which saleable components reach their destination reseller is managed in manifest units. This system reduces operational risks such as theft, loss, and illegal disposal by monitoring the recycling process in real time. We will introduce the system in our recycling centers in fiscal 2006.

Integrated Recycling Information Management System



Participation in Electronic Tag Validation Experiment

In fiscal 2005 we participated in the Ministry of Economy, Trade and Industry's electronic tag validation experiments for the electrical and electronics industries by carrying out tests to validate the effectiveness of utilizing electronic tags in the recycling business model. In this business model, we are aiming both to supply products that are appropriate for a recycling-minded society and to achieve total traceability, in which environmental information spanning the whole product life cycle can be made visible, transmitted, and used effectively.


Electronic tag validation experiment (block read)


Electronic tag validation experiment (shipment processing)

Reusing Waste Plastics

We are committed to the recycling of end-of-life IT products. As part of that effort, we have experimentally manufactured and evaluated the quality of plastic shipping pallets for our own products that were made by reusing plastics recovered from end-of-life IT products collected at our recycling centers.

These plastic pallets can be reused repeatedly and can help reduce the volume of wooden pallets previously used. Working to make the use of these plastic pallets practical, we will strive to promote the most effective use of resources.


Plastic pallets