

# Risk Management

Working to strengthen our Group-wide risk management structure, we are promoting activities aimed at preventing risks from materializing and minimizing the effects should an incident occur.

## Business Risks

Listed below are a few examples of the business risks affecting the Fujitsu Group. We are aware of such risks and are making efforts to prevent them from arising, avoid potential risks altogether and immediately confront risk incidents should they occur.

- Economic and financial market trends (economic trends in key markets, high-tech market volatility)
- Changes in customers' IT investment trends
- Competitor/industry trends (price competition, competition in technology development)
- Procurement, collaborations, alliances, and technology licensing
- Public regulations, public policy, and tax matters
- Other operational risks (deficiencies or flaws in products and services, project management)
- Natural disasters and unforeseen incidents

\* The above examples of risk factors are by no means exhaustive. More detailed risk-related information can be found in our financial results materials and other company reports to shareholders.

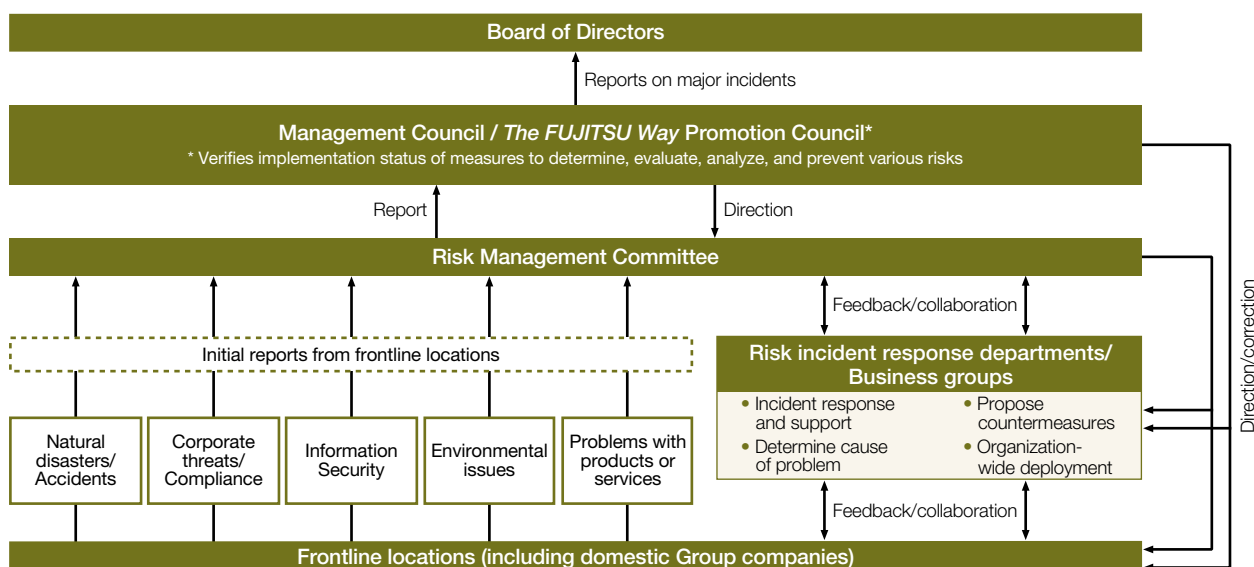
## Risk Management Structure and Risk Management Cycle

We have established a Risk Management Committee under the direction of *The FUJITSU Way* Promotion Council. Through the activities of these two bodies, we are building a risk management structure focused on preventing potential risks from arising and responding to any incidents that do materialize.

To manage potential risks, *The FUJITSU Way* Promotion Council maintains close coordination with each business group to extract, evaluate, and analyze a variety of risk-related information. At the same time, it continuously monitors the progress of risk incident prevention measures.

If an incident occurs despite these preventive measures, the Risk Management Committee receives initial reports from frontline locations. Then, in collaboration with local management, the committee takes appropriate response measures including, when necessary, setting up an ad hoc response headquarters to resolve the problem quickly. With regard to major risks, the Management Council and Board of Directors are informed as necessary, and they provide direction to each of the business groups and to the frontline management. Furthermore, with the cooperation of the lead response divisions, we work to determine the cause, deploy those results across the organization, and prevent the risk from reoccurring.

Risk Management Structure and Risk Management Cycle



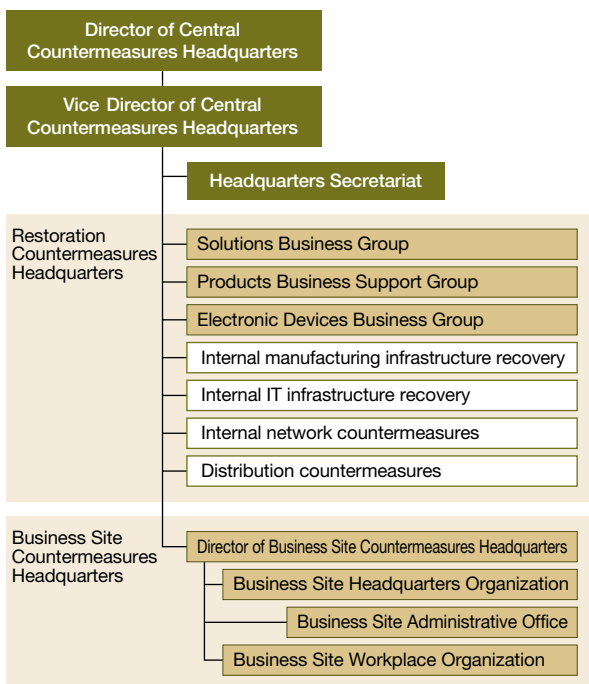
## Business Continuity Planning

The risks of unforeseen events that threaten economic and social continuity, such as large-scale flooding, earthquakes, disruptive incidents, and accidents, have increased greatly in recent years. Currently, we are working to create business continuity plans and to firmly establish business continuity management so as to assure stable supply of the high-performance high-quality products and services our customers require in the event of such events.

## Group-wide Earthquake Disaster Prevention Network

We are organizing a Group-wide earthquake disaster prevention network in Japan to prepare the Fujitsu Group in the event of a major earthquake. To minimize harm to persons and property, we perform frequent disaster prevention inspections at all our domestic business locations and since 1995 have carried out annual nation-wide disaster prevention drills in conjunction with Japan’s Disaster-Prevention Day. In 2006, envisioning an earthquake in the Kanto region of Japan, we set up a Local Recovery Headquarters in Saitama City and carried out system recovery support exercises for information systems that support our customers’ core business operations. In this exercise, we assumed that an earthquake of just under intensity 6 on Japan’s earthquake intensity scale occurred in central Saitama Prefecture.

### Earthquake Disaster Prevention Network



## Risk Management Education

To prevent incidents from occurring, and to minimize the extent and spread of damage if incidents do occur, we have put in place a systematic 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 recently appointed general managers.

We also carry out educational programs in the areas of information security, environment, and natural disasters.

### Promoting Information Security Education

We are putting special effort into information security education as part of our measures to prevent information loss and leaks. For instance, we have created an “Information Management Handbook” and made it available to all Fujitsu and Group company employees in Japan over our intranet. We are also implementing e-learning and face-to-face education programs in this area. Since the Information Management Handbook was first published in 2002, we have repeatedly revised it to remain up-to-date with changes in the IT world, revising it three times in fiscal



Information Management Handbook

2006 alone. Our face-to-face education for Fujitsu and domestic Group company employees in this area is part of new employee training as well as the training provided to employees when they are promoted.