# Management

We are pursuing total optimization for the Fujitsu Group by clarifying each Group company's role and position in the process of generating value for the Group as a whole and managing the Group to continuously enhance its corporate value.



# **Corporate Governance**

We are pursuing sound and efficient management and strengthening our governance structure for putting the Fujitsu Way into practice.

## **Basic Stance**

In order to continuously raise the Fujitsu Group's corporate value, along with pursuing management efficiency, it is also necessary to control the risks that arise from business activities. Recognizing that strengthening corporate governance is essential to achieving this, the Board of Directors has articulated the Basic Stance on Internal Control Framework, and these measures are continuously implemented.

Furthermore, by separating management oversight and operational execution functions, we aim to accelerate the decision-making process and clarify management responsibilities. Along with creating constructive tension between oversight and execution functions, we are further enhancing the transparency and effectiveness of management by proactively appointing outside directors.

With respect to Group companies, we are pursuing total optimization for the Fujitsu Group by clarifying each group company's role and position in the process of generating value for the group as a whole and managing the group to continuously enhance its corporate value.

## The Framework for Strengthening Corporate Governance

Fujitsu has established Executive Nomination and Compensation Committees in order to ensure the transparency and objectivity of the process for choosing candidates for the Board of Directors and determining their compensation, and to ensure the appropriateness of the compensation system and levels. The Executive Nomination and Compensation Committees act as consultative bodies to the Board of Directors. Taking into consideration the current business climate and anticipated trends, the Executive Nomination Committee makes recommendations of candidates (draft) for the Board of Directors, choosing candidates having objectivity in making management decisions, foresight and perceptiveness, and a superior character. The Compensation Committee is tasked with making recommendations on executive salaries and methods for calculating bonuses linked to financial performance, taking into consideration levels at other companies with similar business activities, business scale, and other factors. The aim of this activity is to retain superior management talent, and provide effective incentives for improving the company's financial performance. Executive compensation will determined in accordance with the Executive Compensation Policy revised in an April 2011 meeting of the Board of Directors based on a report by the Committee.

In addition, we have adopted the processes in place, in accordance with laws and regulations, to ensure that conflicts of interest are avoided, including but not limited to obtaining approval from the Board of Directors.

#### [Reference] Executive Compensation Policy

To retain exceptional human resources required to manage the Fujitsu Group as a global ICT company, and to further strengthen the link between its compensation structure and business performance as well as shareholder value, while at the same time improving its transparency, the Group has established its Executive Compensation Policy as follows.

Executive compensation is comprised of the following: "Basic Compensation," specifically a fixed monthly salary in accordance with position and responsibilities; "Stock-based Compensation," which is a long-term incentive that emphasizes a connection to shareholder value; and "Bonuses" that are compensation linked to short-term business performance.

#### **Basic Compensation**

Basic compensation is provided to all directors and auditors based on position and responsibilities as compensation for duties involving business administration and the execution of corporate operations.

#### Stock-based Compensation

- Stock-based compensation, intended for directors responsible for executing business is a long-term performance incentive, with the amount to be paid determined based on a qualitative evaluation of medium- to long-term initiatives.
- Is provided for the purchase of Fujitsu shares, to be acquired through the Director Stock Ownership Plan. Also such acquired stock is to be held for the duration of the individual's employment.

#### Bonuses

- Bonuses are short-term performance incentives to be paid to directors responsible for executing business. Amounts are set based on business performance in the respective fiscal year.
- As a specific method to calculate a bonus, Fujitsu will adopt a profit-sharing model which uses consolidated operating profit and consolidated net profit as indices. However, bonuses will not be paid in the event of negative net profit recorded under non-consolidated accounting for the term under review.

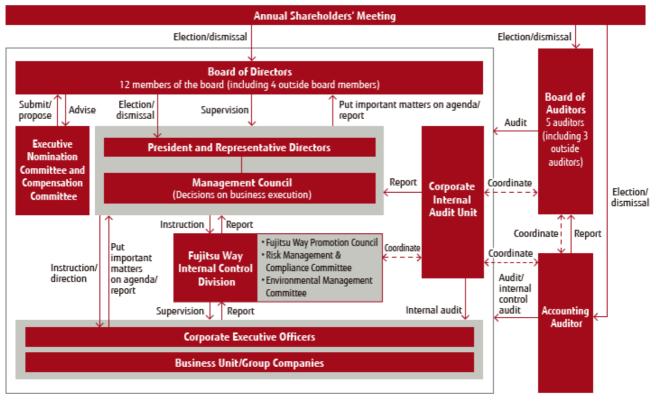
In accordance with the resolution of the Annual Shareholders' Meeting, the total amount of basic compensation, stock-based compensation, and bonuses shall not exceed 600 million yen per year for directors and 150 million yen per year for auditors.

	Basic Compensation			
Recipient	Business administration portion	Business execution portion	Stock-based compensation	Bonuses
Directors	0	—	—	—
Directors responsible for executing business	0	0	0	0
Auditors	0		—	—

#### (Areas of Executive Compensation and Recipients)

## **Corporate Governance System**

(as of June 24, 2013)



## **Enhancing Corporate Governance**

#### Basic Stance

We have established the Fujitsu Way, consisting of a Corporate Vision, Corporate Values, Principles, and Code of Conduct, which guides the Group and its employees in their daily activities.

We pursue the sound and efficient execution of our business activities by striving to accelerate the penetration and implementation of the Fujitsu Way and to promote structures and procedures to ensure that business dealings are appropriate throughout the Group.

#### Status of Implementation

The Company, through a resolution by the Board of Directors, has adopted the following Basic Stance on Internal Control Framework (resolved on May 25, 2006, and revised on July 27, 2012). In terms of putting an internal control system in place, an organization with executive responsibility for internal control has been established. The Company is, moreover, pursuing initiatives to implement an even more robust operational execution structure by reviewing and revising its regulations and business operations. The GBS (Global Business Standards) were also established in FY 2012 to serve as a guideline for global compliance standards for the Fujitsu Group.

To accelerate the penetration and implementation of the Fujitsu Way and ensure the appropriateness of business operations, Fujitsu is promoting the implementation and evaluation of its internal control structure. This effort is led by the Fujitsu Way Promotion Council. In addition to the Fujitsu Way Promotion Council, two other groups were established and tasked with pursuing more robust and efficient business execution: the Risk Management & Compliance Committee and the Environmental Committee.

<u>Risk Management & Compliance Structure</u>

The functions of each are described below.

#### **Fujitsu Way Promotion Council**

The Council promotes the embedding and implementation of the Fujitsu Way. In addition, it has also been promoting Project EAGLE, which is a Group-wide activity for building an internal control system for effective and reliable financial reporting in compliance with the Financial Instruments and Exchange Act, and by which the Group has been able to promote the implementation and evaluation of internal control. The Council has established a promotion organization dedicated to this endeavor, which covers the entire Group. Along with improving controls over financial reporting, the goals of the project also include achieving greater efficiency through the pursuit of business process reforms across the Group.

#### **Risk Management & Compliance Committee**

This committee assigns risk management and compliance executives to each Fujitsu business group and Group company in Japan and abroad and establishes a framework for managing risk and ensuring compliance throughout the entire Fujitsu Group. The committee identifies, analyzes, and evaluates risks associated with business activities based on coordination among risk management and compliance executives while establishing and reviewing measures to address these risks. It also reports on the status of serious risks to the Management Council and Board of Directors.

When a department or group company identifies a serious risk, it immediately reports it to the Risk Management & Compliance Committee. The committee then works with the relevant department to take appropriate action and resolve the issue as quickly as possible while investigating the cause, establishing and carrying out measures to prevent recurrence, and reporting to the Management Council and Board of Directors when necessary.

Also, in connection with the Code of Conduct outlined in the Fujitsu Way, the helpline system has been established for employees to report and seek advice about work situations they are unsure of how to handle.

#### <u>Risk Management Process</u>

#### **Environmental Management Committee**

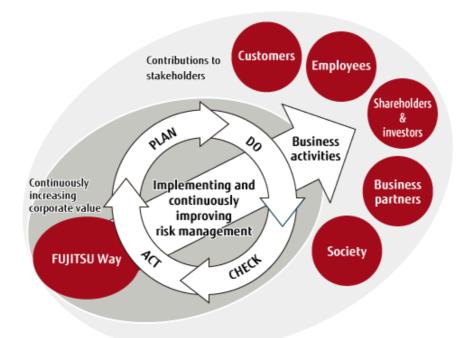
This committee is responsible for promoting the environmental protection activities of the Fujitsu Group, which are based on the Fujitsu Group Environmental Policy and the Fujitsu Group Environmental Protection Program.

For further details, please refer to the following document.

• Corporate Governance (Fujitsu Limited Annual Report 2013, pp. 078-090) [324KB / 13 pages]

# **Risk Management**

Through its global activities in the ICT industry, the Fujitsu Group continuously seeks to increase its corporate value, and to contribute to its customers, local communities and indeed all stakeholders. Properly assessing and dealing with the risks that threaten the achievement of our objectives, taking steps to prevent the occurrence of these risk events, and establishing measures to minimize the impact of such events if they do occur and to prevent their reoccurrence are assigned a high priority by management. Moreover, we have built a risk management and compliance system for the entire Group and are committed to its continuous implementation and improvement.



#### **Business Risks**

The Group identifies, analyzes and evaluates the risks that accompany business activities and works on measures to avoid or reduce them, and to deal with them quickly in the unlikely event that they materialize.

#### Examples of Business Risks<sup>\*1</sup>

- · Economic and financial market trends
- · Changes in customers' ICT investment trends and being unable to maintain lasting ties with customers
- · Competitors' strategies and industry trends
- · Procurement, alliances and technology licensing
- · Public regulations, public policy and tax matters
- Deficiencies or defects in products and services, information security, project management, investment decisions, intellectual property rights, human resources, environmental pollution, credit risks, etc.
- · Natural disasters and unforeseen incidents

#### \*1:

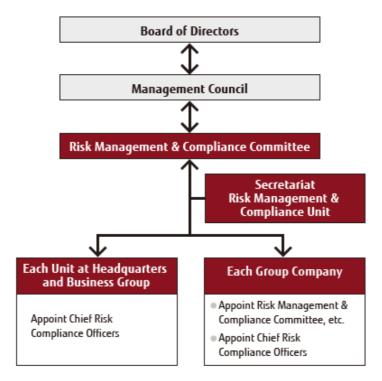
These are just some of the risks of doing business. More detailed risk-related information can be found in our earnings report, securities reports and other published reports.

308

## **Risk Management & Compliance Structure**

In July 2012, the Fujitsu Group merged the former Risk Management Committee and Compliance Committee to form a new Risk Management & Compliance Committee with the aim of integrating and strengthening its global risk management and compliance structures.

The Risk Management & Compliance Committee appoints a Chief Risk Compliance Officer for each department and company throughout the Group, and encourages cooperation among them to both guard against potential risks and mitigate risks that materialize, forming a risk management and compliance structure for the entire Group.



### **Risk Management**

## **The Risk Management Framework**

The Risk Management & Compliance Committee is responsible for grasping the status of risk management and compliance in all Fujitsu business groups and Group companies in Japan and overseas, establishing the appropriate policies and processes, etc., and both implementing and continuously improving them. In practical terms, it decides on risk management regulations and guidelines, applies them and regularly reviews and improves them.

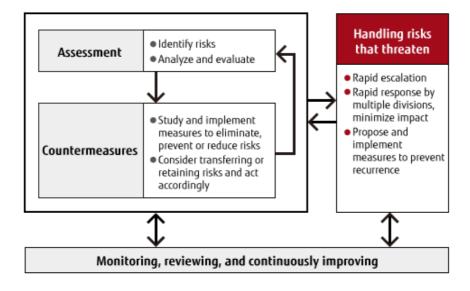


### **Risk Management Processes**

The Risk Management & Compliance Committee, which maintains regular communications with Chief Risk Compliance Officers, identifies, analyzes and evaluates the risks of business activities, confirms the detailed measures intended to deal with major risks by averting, minimizing, transferring or retaining them. It also reports important risks to the Management Council.

The Risk Management Committee also prepares responses against the actual materialization of a risk despite the implementation of various preventive measures. If a critical risk such as a natural disaster, product breakdown or defect, a problem with a system or service, a compliance violation, an information security breach, or an environmental problem materializes, the department or Group company reports immediately to the Risk Management & Compliance Committee. The Risk Management & Compliance Committee coordinates with the related divisions and workplaces for rapid resolution of the problem by appropriate measures such as establishing a task force. At the same time, the Risk Management Committee strives to identify the causes of the problem and propose and implement solutions. Additionally, for critical risks, the committee also reports as appropriate to the Management Council and the Board of Directors.

The Risk Management & Compliance Committee continuously confirms the implementation status of these processes and works to make improvements.



#### **Group-Wide Disaster Preparedness**

To build a robust disaster-preparedness network and enhance our business continuity response capabilities, the Fujitsu Group has created a Group-wide disaster-preparedness organization, assuming a major disaster. In Japan, we have been carrying out annual nation-wide disaster-response drills in conjunction with Disaster Preparedness Day on September 1st.

FY 2012 marks the 18th year of systematically conducting training for an earthquake occurring under Tokyo or in the Tonankai region. This year we completed training at 87 companies (236 sites), including Fujitsu Headquarters. At Fujitsu, we collaborated with the Miyazaki Prefectural government, a Fujitsu client, to conduct disaster response training that included the restoration of network systems. We also conducted training focused on business continuity in the event of a disaster at Shimane Fujitsu Limited, a major Fujitsu notebook PC manufacturer. Sites around Japan also carried out initial response training centered on confirming employee safety and checking for damage to work-related buildings immediately after a disaster.

Disaster-preparedness self checks are autonomously conducted throughout the Group based on inspection criteria established at each site as an activity to minimize personal injury and property damage in the event of a disaster. Based on the results of these checks for FY 2012, which found that many sites see heightening awareness of DRP (disaster response plans) and disaster response procedure training as areas needing more attention, we will be sharing effective training methods as we continue to conduct disaster-preparedness self checks in FY 2013.

310

Teams made up of internal departments for environmental management, facility management, and risk management have been formed and visit facilities that are critical to Fujitsu business continuity, ensuring that laws are being upheld, while also conducting joint testing throughout the Fujitsu Group in order to prevent accidents that could arise from aging infrastructure or from fires and other natural disasters. The teams are also responsible for everything from verifying inspection results to providing guidance on establishing measures to make improvements to checking on the progress of such endeavors. Based on the results of joint testing conducted at 30 facilities from FY 2010 to 2012, we will be sharing good practices and cases of improvements made regarding disaster preparedness with all facilities in the Group.

## **Business Continuity Management**

The risks of unforeseen events that threaten economic and social continuity, such as natural disasters like earthquakes and largescale flooding, disruptive incidents, accidents, and pandemics such as the new strain of influenza, have increased greatly in recent years.

To ensure that even when such risks occur, we can continue to provide a stable supply of the high-performance, high-quality products and services our customers need, the Fujitsu Group has established a Business Continuity Plan (BCP), and promotes Business Continuity Management (BCM) as a way of continuously reviewing and improving that BCP. Through the BCM process, the lessons learned in the course of the Great East Japan Earthquake and the flooding in Thailand are now reflected in our BCP.

FY 2012 saw us make continuous efforts towards establishing precautions to ensure a stable supply of products and services, strengthen our alternative production capabilities both overseas and in Japan by creating multi-fab facilities consisting of at least two mass production plants, increase the number of suppliers we purchase parts from, and add redundancy to internal systems.

We also provided support for our suppliers' BCM evaluations and their improvement, while also dedicating ourselves to making supply chain risks visible. As one example of this, we use the SCRKeeper<sup>\*2</sup>/<sub>2</sub> risk management system to clarify the scope of impact risks have on the supply chain. Our executives also continued to take part in training sessions.

Going forward, the Fujitsu Group will be systematically developing specialists in order to further promote, implement, and improve BCM. In FY 2012, BCM specialists from each department took part in training to better understand BCP for their own department and learn how to conduct actual BCM activities. Our plan now is to move forward with BCM throughout the entire supply chain, not just our logistics and production supply chains, with efforts that include providing support for BCM system creation for our suppliers, with our specialists playing a central role.

#### \*2 SCRKeeper:

A supply chain risk management service developed by the Fujitsu Group, the distribution of which began in FY 2013. It enables the evaluation and analysis of business partners' business continuity capability and predicts and assesses potential damage to their location of business on an individual-disaster level.

#### **Measures Against New Strains of Influenza**

We have taken steps against new strains of influenza based on a three-fold influenza policy- to safeguard lives, to stop the spread of infection, and to ensure business continuity. We created a "Pandemic influenza Preparedness Action Plan " that stipulates preventive measures in everyday operations and the response process to be used if an outbreak occurs. We work to disseminate these to all employees through e-Learning and by distributing pamphlets. Also, to contribute to the continuity of social infrastructure businesses and the continuity of our customers' businesses should a pandemic occur or a particularly virulent new strain of influenza arise, we have established, and carry out training based on, a "Business Continuity Action Plan for Measures Against Pandemic influenza."

In FY 2012 we also reviewed the "Pandemic influenza Preparedness Action Plan " for the Fujitsu Group based on the government's revisions to the "Pandemic Influenza Preparedness Action Plan" and promulgation of the "Special Measures Act to Counter New Types of Influenza" in May 2012.

## **Risk Management Education**

We developed and operate a systematic educational curriculum that aims for extensive risk management across the entire Group.

Through this curriculum, we inform our employees of our basic approach to risk management and the rules to be followed, and cite concrete examples to strengthen our employees' awareness of risk management and their ability to deal with risks. We also hold education and training programs as appropriate on issues such as information security, environmental problems, and natural disasters.

# Compliance

We are ensuring thorough compliance in line with the Code of Conduct of the Fujitsu Way.

## **Activities Promoting Compliance**

Under our top management's commitment, the Fujitsu Group engages in various activities to ensure widespread awareness of the need for compliance.

In FY 2012, as a set of standards for Fujitsu Group global compliance, we fleshed out the Code of Conduct in the Fujitsu Way then put together the GBS (Global Business Standards), a set of guidelines that even incorporates a guide for individual employee behavior. These guidelines were uniformly put into practice throughout the Group in January 2013.

In Japan, we have put in place a range of internal company rules that include Fujitsu Group rules deemed necessary for building a governance structure throughout the Group. We are also disseminating information to Fujitsu and Group company employees about major legislation closely connected to our business (the Antimonopoly Act, the Unfair Competition Prevention Act, Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, etc.) through easy-to-follow compliance manuals posted on the intranet. Furthermore, we have established a special internal hotline for consultation on and reporting of matters related to the Antimonopoly Act.

Besides Japanese laws, we have also prepared a compliance manual on the U.S. Export Administration Regulations (EAR), which are closely connected to our global business development activities. Efforts are focused on ensuring familiarity with this manual among employees. Overseas, the GBS has been codified into rules at each Group company. At the same time, we use e-mail and the Internet to ensure that employees understand these rules.

• mag GBS (Global Business Standards)

### Compliance education

The Fujitsu Group provides a range of compliance training to all employees to ensure legal compliance.

In FY 2012, we began offering the "Carrying Out the Code of Conduct" e-Learning course at Group companies in Japan. This is an expansion of the initiatives conducted for all Fujitsu employees in FY 2011, and focuses on issues like harassment and problems like bribery, which can greatly harm the company. The course provides an opportunity for each employee to review and correct their actions. At overseas Group companies, we also implemented e-Learning courses covering areas such as the GBS and corruption prevention in FY2012.

In addition to compliance training for executives, which is provided by outside lawyers, we also conduct in-house training for heads of sales divisions and branches covering bidding-related laws and the Antimonopoly Act. For new managers, we also regularly hold in-house training where a Fujitsu instructor explains the importance of the Code of Conduct and compliance, while also providing case studies of typical scenarios and situations whose optimal handling may not be clear.

Along with continuing the activities above, in 2013 we will be further enhancing our group training efforts focused on areas such as cartels and bribery for high-risk departments in Japan and abroad.

Furthermore, we have been printing the Code of Conduct of the Fujitsu Way on wallet-size cards and have been distributing them to all Group employees. These cards are designed to serve as a quick reference of the Code of Conduct for employees when they are dealing with customers or business partners, or when they are uncertain about a decision in the course of daily operations. The foreign-language card, which includes three languages, is distributed to non-Japanese employees.

	Code of Conduct
	We respect human rights.
	We comply with all laws and regulations.
	We act with fairness in our business dealings.
	We protect and respect intellectual property.
1	We maintain confidentiality.
1	We do not use our position in our organization for personal gain.



## **Operating an Internal Reporting System**

### Helpline

Since September 2004, we have been operating an internal helpline system to handle reports and provide consultations for all Group employees (including seconded, contracted, part-time or other short-term employees as well as temporary staff).

This helpline is intended for use by employees who are uncertain about a decision or suspect a violation in the course of executing daily business operations, based on the Code of Conduct set forth by the Fujitsu Way.

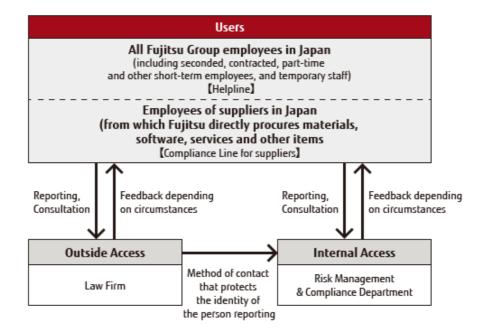
Each of the Group companies in Japan and overseas has also established and operates its own internal reporting system.

#### Compliance line for suppliers

In August 2009 the existing helpline system was extended by a compliance line for suppliers to handle reports and inquiries directly from the employees of companies that supply Fujitsu with products, services or software, etc.

With our helpline and compliance line for suppliers, the system forbids any and all sanctions against employees and suppliers for making such reports, and meticulous care is taken in handling the information so as to preserve their anonymity. If problems are found in investigating these reports, the relevant practice is terminated and measures are taken to prevent recurrence.

### Internal Reporting System for Suppliers



# **Information Security**

We are ensuring the proper management and use of information, in line with internal rules based on the Code of Conduct in the Fujitsu Way.

## **Our Basic Approach to Information Security**

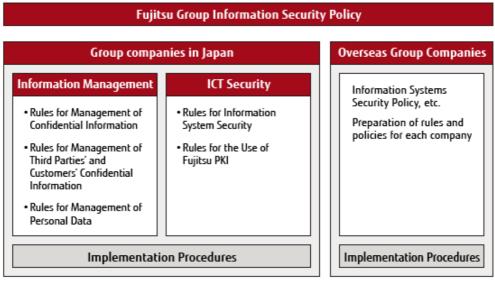
We see maintaining confidentiality as a vital aspect of our social responsibility. Based on this approach, we have established the Fujitsu Group Information Security Policy, consistent throughout the world, and are promoting information security in accordance with the policy.

We have also established a special team to respond to targeted email and various other types of cyber attacks. Working with governmental and other partners, the team addresses these attacks with the aims of detecting and defeating them as early as possible.

#### Fujitsu Group Information Security Policy [24KB]

#### Our framework of information security rules

Each Group company codifies related rules in accordance with the Fujitsu Group Information Security Policy, and implements information security measures.



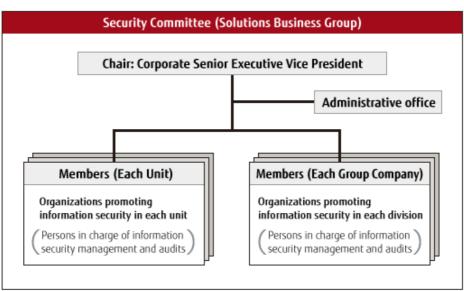
\* PKI (Public Key Infrastructure): Rules relating to the use of systems for personal identification and encoding.

## Strengthening Information Security at the Business Group Level

To assure the strongest possible information security management, we are working to implement a security management structure.

The Group operates in a wide variety of industries and is promoting individual businesses by organizing them into business groups. Information security measures are implemented to reflect the individual characteristics of each business.

A number of business units at Fujitsu and some domestic Group companies have acquired ISMS (Information Security Management System) certification and are working to provide thorough management of confidential information including customers' information.



## Information Security Management Structure

#### Teaching and promoting awareness of information security

Starting in FY 2008, using a common slogan that translates as "Declaration for complete information management! Information management is the lifeline of the Fujitsu Group," Fujitsu and domestic Group companies have been working to increase information security awareness at the individual employee level by displaying posters at



respective business locations, affixing information security awareness stickers to all business PCs used by employees, and other measures.

We have also taken steps to enhance security through the application of ICT, such as by introducing a remote data deletion solution (CLEARSURE) and a mail checker tool (SHieldMailChecker) to prevent e-mail from being sent externally in error.

Furthermore, e-learning courses are held for all our employees, including executives, each year in order to further establish information security awareness.

#### Held information security presentation for business partners

As a result of dramatic change in the ICT environment in recent years, the risk of information leaks has never been higher. In response, the Fujitsu Group has held information security presentations that were not only for Group employees but also for domestic business partners who commission software development and services.

• Example of seminars held in FY 2012

## **Personal Data Protection Initiatives**

We have stipulated a Personal Data Protection Policy and Rules for Management of Personal Data in accordance with Japan's Act on the Protection of Personal Information. Based on these rules, we give education on how private information should be handled and carry out surveys in an ongoing effort to strengthen the protection given.



In August 2007, we acquired company-wide PrivacyMark certification and have since been renewing this certification every two years. Domestic Group companies are also acquiring PrivacyMark certification individually as necessary, and promoting thoroughgoing management of personal data. Overseas Group companies are also publishing privacy policies that meet their various national legal and social requirements on their main public Internet websites.

# **Protection of Intellectual Property**

We are appropriately managing intellectual property rights (respect/protection) in all aspects of our business activities.

## **Our Basic Approach Toward Intellectual Property**

The FUJITSU Way code of conduct clearly states that "We protect and respect intellectual property."

In line with this statement, all Fujitsu Group employees recognize intellectual property as an important business asset that supports Group activities and gives our customers a sense of safety and trust in the Group as their partner, so employees are required to keep this constantly in mind as they perform their duties.

We established an internal rule in order to encourage the proper handling of intellectual property in October 1995. This rule not only specifies what all employees should do to acquire, maintain and use intellectual property rights, but also directs them to respect those of other companies.

## **Respecting Intellectual Property**

The Group regards any infringement of intellectual property rights by its products and services as a serious defect. Accordingly, to avoid infringing other companies' patents, we conduct thorough searches of their patents at the initial stages of research and development and prior to putting the products or services onto a market.

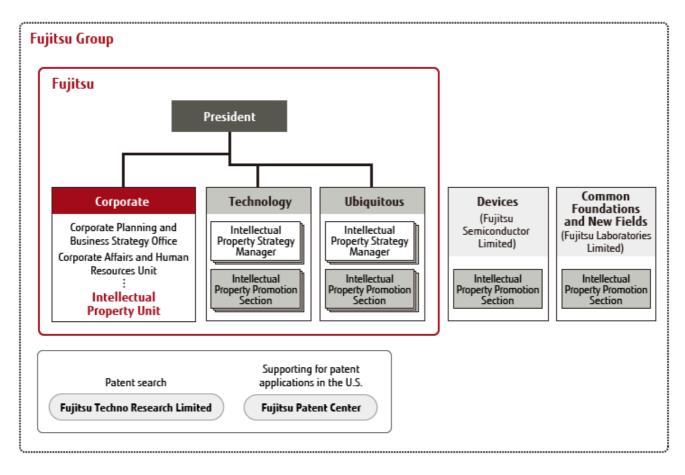
We protect our business by dealing resolutely and swiftly with any and all infringements of Fujitsu's rights, and at the same time we respect others' rights, as mentioned above.

## **Organizations and Frameworks to Protect Intellectual Property Rights**

Fujitsu established Intellectual Property Unit as one of its corporate centers. The Intellectual Property Unit deals with any activities relating to intellectual property, in areas ranging from the development and planning of the intellectual property strategies of the Fujitsu Group to the utilization of intellectual property, including licensing of intellectual property rights. It is also promoting strategic standardization activities for creating international standards, so that everyone can take advantage of convenient services and use our products at ease.

The Intellectual Property Unit also takes the initiative in activities relating to the intellectual property of the entire Fujitsu Group. In each business group, an intellectual property strategy manager is appointed and assures seamless cooperation between the research and development sections and the intellectual property sections.

To promote efficient global business operations, the Fujitsu Group is making efforts to appropriately acquire, maintain, and utilize its intellectual property throughout the world. In particular, Fujitsu Group resident offices are located in China to ensure that all inventions produced as a result of efforts made in our research and development sites in those countries are identified without fail, and to promote applications for patents for those inventions. Furthermore, in the U.S., the Fujitsu Patent Center we established in April of 2008 in an effort to improve our ability to acquire patent rights is expanding its activities to improve the quality of our patents.



## ORGANIZATION

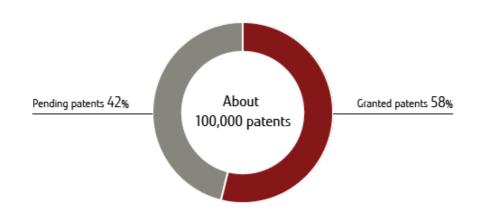
## Intellectual Property Education and Enlightenment

Fujitsu Group places importance on the employee education required to implement our intellectual property strategy. We believe that it is vitally important to foster our employees' awareness of the importance of intellectual property and to encourage them to integrate business, research and development, standardization, and intellectual property strategies when performing their activities. As part of our efforts to this end, we are developing a training system for increasing awareness of intellectual property, while offering a large number of training programs to ensure effective and efficient training to fulfill the needs of individual employees in their respective careers, thereby providing strategic employee education. We provide two types of training programs, e-learning and classroom education, so that employees can select the type suitable for their purposes and conditions.

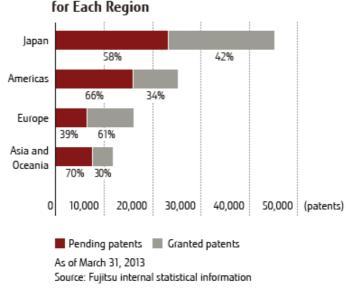
## **Patent Portfolio Status**

The Fujitsu Group holds roughly 100,000 patents worldwide as of March 31, 2013.

## Fujitsu Group's Pending and Granted Patents Worldwide



As our business has become more global, our overseas patents have come to outnumber our domestic patents. The Fujitsu Group is striving to enhance patent portfolios by aggressively filing patent applications and acquiring patent rights globally, as well as by identifying inventions born from overseas research and development sites in places like the US, Europe, and China.



# Breakdown of Granted and Pending Patents for Each Region

With respect to patent position, Fujitsu ranked 7th in Japan (based on our own research) and 11th in the US (based on IFI CLAIMS Patent Services research) in 2012 in terms of the number of patents registered. The Fujitsu Group's registered patents total 4,681 in Japan and 2,124 in the US.

		(patents)
1	Panasonic Corporation	8,146
2	TOYOTA MOTOR CORPORATION	5,321
3	Canon Inc.	5,023
4	Mitsubishi Electric Corporation	4,497
5	TOSHIBA CORPORATION	4,493
6	Ricoh Company, Ltd.	3,556
7	FUJITSU LIMITED	3,258
8	Honda Motor Co., Ltd.	3,182
9	Sharp Corporation	3,023
10	Hitachi, Ltd.	2,958
11	Sony Corporation	2,901
12	Denso Corporation	2,834
13	SEIKO EPSON CORPORATION	2,734
14	NEC Corporation	2,319
15	FUJIFILM Corporation	2,296
16	Fuji Xerox Co., Ltd.	1,987
17	Dai Nippon Printing Co., Ltd.	1,955
18	BROTHER INDUSTRIES, LTD.	1,714
19	KYOCERA Corporation	1,713
20	NIPPON TELEGRAPH AND TELEPHONE CORPORATION	1,664

## Number of Granted Patents in Japan in 2012

All applicants were counted on the Patent Grant Issuance date. Source: Fujitsu survey based on Japan Patent Office data The number of patents granted to Fujitsu Group companies other than Fujitsu Limited is 1,423 (22 companies). Total Fujitsu Group patents: 4,681

## Number of Granted Patents in the U.S. in 2012

		(patents)
1	IBM Corporation	6,478
2	Samsung Electronics Co., Ltd.	5,081
3	Canon Inc.	3,174
4	Sony Corporation	3,032
5	Panasonic Corporation	2,769
6	Microsoft Corporation	2,613
7	TOSHIBA CORPORATION	2,447
8	Hon Hai Precision Industry Co., Ltd.	2,013
9	General Electric Company	1,652
10	LG Electronics, Inc.	1,624
11	FUJITSU LIMITED	1,535
12	SEIKO EPSON CORPORATION	1,461
13	Hitachi, Ltd.	1,436
14	Ricoh Company, Ltd.	1,410
15	Hewlett-Packard Development Company, L.P.	1,394
16	GM Global Technology	1,377
17	QUALCOMM	1,292
18	Intel Corporation	1,290
19	TOYOTA MOTOR CORPORATION	1,285
20	BROADCOM	1,157

All applicants were counted on the Patent Grants Issuance date. Source: IFI CLAIMS Patent Services data The number of patents granted to Fujitsu Group companies other than Fujitsu Limited is 589 (15 companies).

Total Fujitsu Group patents: 2,124

## **Intellectual Property Reports**

In the interest of being thorough in disclosing activities involving intellectual property throughout the Fujitsu Group, we have been issuing annual intellectual property reports since 2006. These reports contain a wealth of information that ranges from the aims and roles of Fujitsu intellectual property strategies to initiatives and statistics.

• Intellectual Property Report [4.84MB / A4 / 21 pages]

# **Innovation Management**

Fujitsu Group, believing in the infinite possibilities of technology, strongly engages in (rise top the challenge of) the development of advanced new technologies and continues to create new value through ICT innovation (Information and Communication technology).

## Creating business and social innovation through ICT

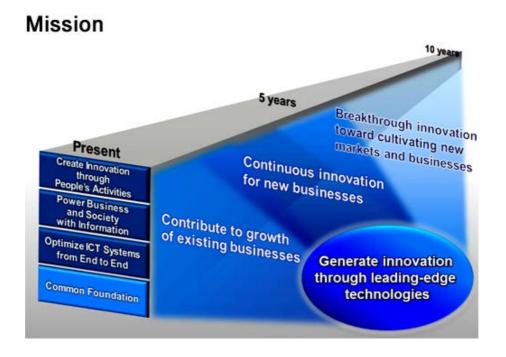
As Fujitsu Group's fundamental policy, we pursue the creation of new value for our customers by contributing to the construction of a highly-secure and comfortable networked society, and the realization of the prosperous future people throughout the world dream of. Our mission is to create continuous innovation for the growth of our existing businesses and the development of new businesses, while promoting research and development of advanced ICT technologies in a multitude of fields, including next-generation solutions, services and systems, networks, various electronic devices and advanced materials. Fujitsu Laboratories Ltd. undertakes the creation of innovation providing advanced research and development technologies to Fujitsu Group.

## Fujitsu's basic approach to innovation management

Our vision - the Human Centric Intelligent Society - is a world where people and organizations are free to achieve their full potential and instinctively feel secure and in control, a world where knowledge is continually harnessed to drive new value and support sustainable growth.

To build this world, Fujitsu is pursuing three actions: 1) Create innovation through people's activities, 2) Power business and society with information, and 3) Optimize ICT systems from end to end. We also conduct R&D activities focused on cutting-edge technologies that support a common infrastructure.

Fujitsu is pursuing research and development in advanced technologies, aiming to contribute to the growth of our existing businesses in the short term, continuous innovation for new businesses in the medium term, and cultivation of new markets and businesses in the long term.

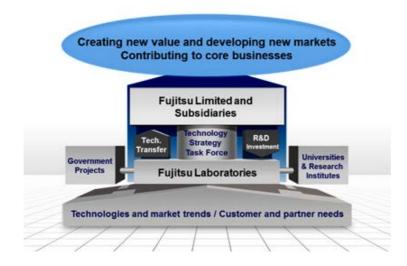


## Initiatives for creating innovation

Fujitsu Laboratories, the center of research and development for the Fujitsu Group, executes research and development with investment from Fujitsu's business divisions and affiliates within the Fujitsu Group.

Fujitsu Laboratories and the Fujitsu Group have also established the Technology Strategy Task Force with select members. This task force undertakes the creation of innovation by discussing the path that the Group should take in the medium to long term and synchronizes the aims of research and business, while at the same time promoting vertical coordination of business divisions with research and development divisions, horizontal coordination of different business areas, and coordination at the Group-wide level. In addition, Fujitsu Laboratories carries out research and development in its broader network by promoting open innovation though participation in joint projects with universities and research institutions in Japan and overseas, and in national projects as well. To create innovation for new markets and businesses, Fujitsu Laboratories has established a dedicated department to promote research and development for enhancing cooperation among Fujitsu Laboratories and the Fujitsu Group, strategy formulation, and management of research project launches.

## Web site of FUJITSU LABOLATORIES LTD. for English version



# Research and development scheme