

2008

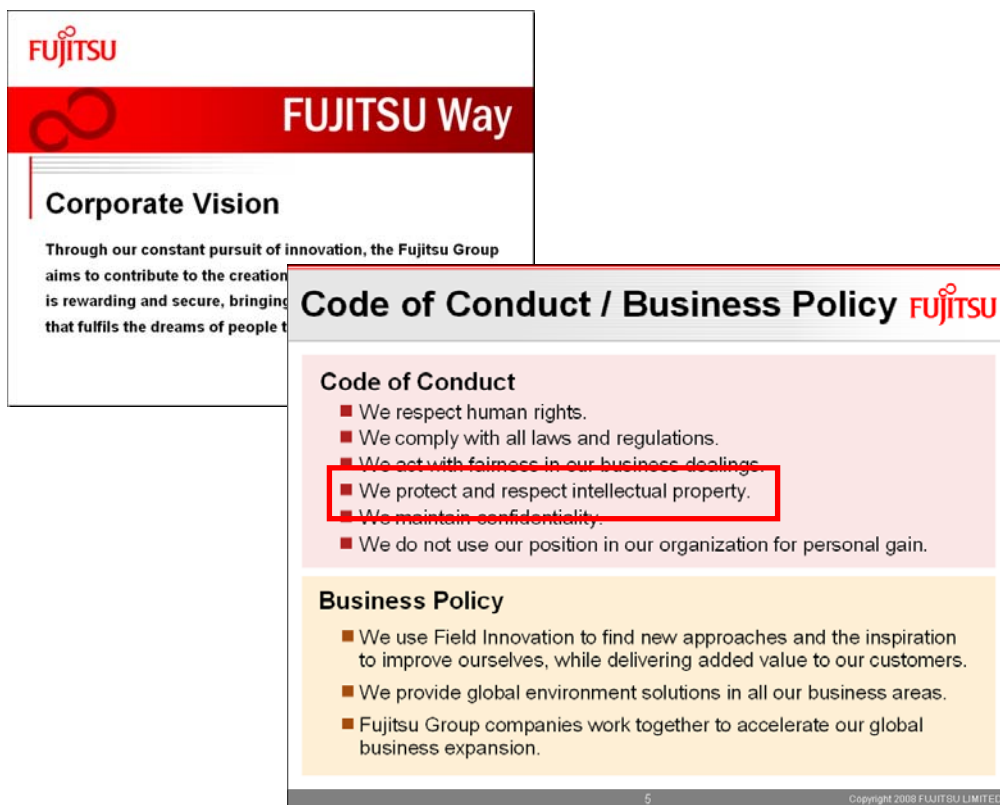
Intellectual Property Report

FUJITSU LIMITED

1. Intellectual Property Strategy

■ Activities Based on the Fujitsu Way

Fujitsu established the Fujitsu Way in 2002 for three reasons: to articulate the raison d'être of the Fujitsu Group, to define the Group's overarching values, and to set forth the principles that individual employees must follow in their daily business activities. In April 2008, Fujitsu fully revised the Fujitsu Way to more clearly explain the Fujitsu Group's philosophy and guidelines. The elements of the Fujitsu Way—the Corporate Vision, Corporate Values and Code of Conduct guiding each employee's actions—will act as an important cohesive force for the Fujitsu Group as it promotes further management innovation and future global business expansion.



The Fujitsu Way states that employees must protect and respect intellectual property. Recognizing that intellectual property is an important business asset and a cornerstone for the Group, Fujitsu employees are making every effort to acquire, maintain, and utilize intellectual property rights while demonstrating a strong awareness of the legal meaning of these rights.

Excerpt from the Fujitsu Way

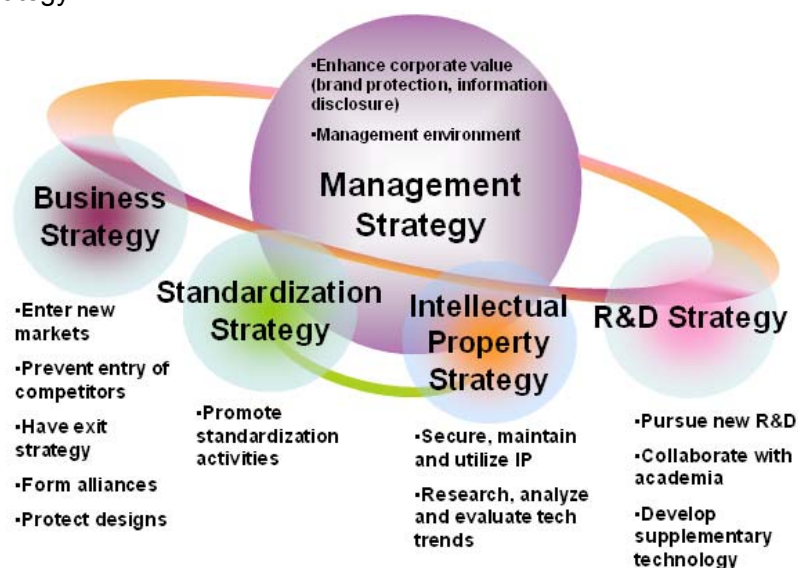
We are contributing to the establishment of a networked society by continuously creating new value and providing products and services on a global basis to meet customer needs. The intellectual property that results from our large investment in R&D is of great value to us.

We are fully aware that our intellectual property is a valuable asset and an essential management resource underpinning our business activities and the confidence our customers place in us. We will make every effort to obtain and maintain all necessary intellectual property rights, including patents, copyrights and trademarks, and utilize them effectively in growing our business. We recognize that the knowledge and know-how held by each employee give us a competitive edge in our business activities.

We respect third-party intellectual property and utilize it only after having properly secured rights to its use.

■ Purpose and Position of Intellectual Property Strategy

As with the standardization strategy, the purpose of Fujitsu's intellectual property strategy is threefold: maintain a competitive advantage, ensure business flexibility, and secure profitability. The intellectual property strategy has been planned and implemented together with the standardization strategy. An important role of the two strategies is to support our businesses by protecting our technologies as intellectual property. By taking action to protect and support our technologies as intellectual property, we can more effectively differentiate our products and services from those of competitors to maintain a competitive advantage. By partnering with other companies under favorable terms, we can ensure business flexibility. And by promoting licensing and other related activities through the implemented strategies, we can secure profitability. We believe that to effectively fulfill this role, the intellectual property strategy and the standardization strategy must be integrated with a business strategy and a research and development strategy.



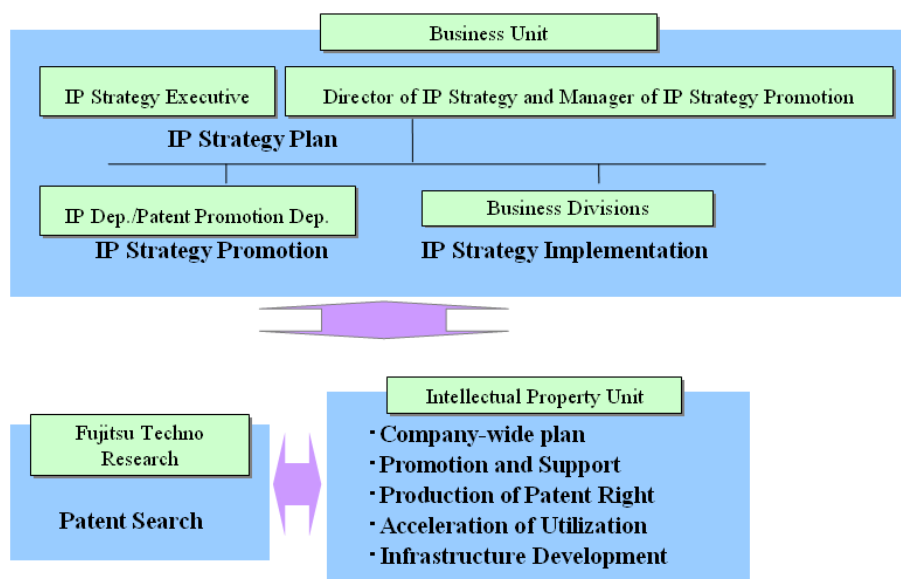
Also, it is important for business management to always be aware of intellectual property issues and be committed to utilizing intellectual property. To make business decisions and plan business strategies, we at Fujitsu make an effort to analyze data from many angles, including the legal and intellectual-property perspectives, at early stages of business projects.

■ Organizational Structure for Implementing the Intellectual Property Strategy

Fujitsu has established the Intellectual Property Unit to promote intellectual property strategy. This unit deals with the acquisition, maintenance, and utilization of patent, trademark, and other rights. We also have Fujitsu Techno Research Limited, an affiliated company specializing in patent searches.

An intellectual property strategy executive is designated in each business unit to ensure that the intellectual property strategy can be more effectively incorporated in business strategies. The intellectual property strategy executive plays a central role in building a patent portfolio by studying Fujitsu's business direction, patent acquisition plans, and the possibility of participating in joint development and other activities with other companies. Another function of the intellectual property strategy executive is to draw up measures early on (through an early understanding and control of patent risks) to avoid infringement of significant patents owned by other companies, thereby contributing to stable and secure business activities.

Intellectual Property Promotion System



■ Global Network

Fujitsu is building and improving its intellectual property organization to support business expansion. At present, Fujitsu representatives are located in the United States and China to support suitable intellectual property activities in the respective countries and to help ensure smooth cooperation with local lawyers and patent attorneys in case of any dispute or other such event. Especially, in the United States, patent attorneys are employed to help increase the quality of patents and improve our ability to acquire patent rights.

■ Human Resource Development

Fujitsu places an importance on the human resource development required for implementing the intellectual property strategy.

We make various efforts to improve our employees' awareness of the importance of having a strong understanding of intellectual property strategy, along with the importance of integrating the business, research and development, standardization, and intellectual property strategies.

Specifically, publications that contain messages from senior management about intellectual property and that describe each department's related activities are released over our intranet by email newsletters. To ensure that employees can learn about intellectual property activities while studying the company's business, research, and development activities, our in-house training facilities include a booth exhibiting a history of Fujitsu's intellectual property activities.

Another means of developing employees is the training programs provided through a strategic training system built to ensure effective and efficient training and fulfill the needs of individual employees in their different careers.

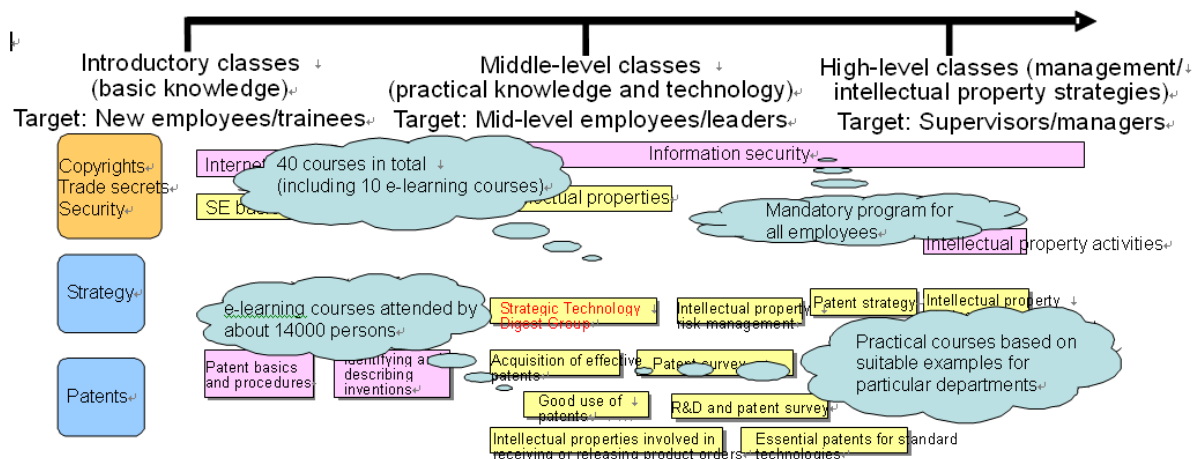
Our two forms of training are as follows:

(1) Web-based e-learning to teach the basics of intellectual property

New and newly promoted employees are required to take classes via the Group's e-learning program. For example, the "Basics of Patents" course is mandatory for all employees. Other courses are taken optionally at the employee's request.

(2) Classroom education comprising regular seminars to learn and acquire expertise about intellectual property

Classroom education is divided into lecture-based training, mainly for broadening knowledge, and practical training focusing on exercises.



Using the navigation tool shown below, employees select the training courses appropriate to their respective demands and career objectives.



IP Course NAVI

Are you potherring which IP course you should take?

"IP Course NAVI" navigates you to the best course according to your current level and object.

NAVI by Level

Which course you should take will be navigated according to your current level.



Click your BG!



NAVI by Object

Which course you should take will be navigated according to your concrete object.



Click your BG!



■ Thorough Information Management

Proper information management is not only the basis of Fujitsu's business activities but also key to the intellectual property activities. The company has many types of important intellectual property, but relatively simple errors may cause a breach of confidentiality. Once such information is leaked, it loses value as intellectual property, possibly having an adverse affect on Fujitsu's business. Therefore, before starting to exchange technical information with another party, Fujitsu concludes a confidentiality agreement and establishes other detailed rules on information management. Each employee must have a correct understanding of these rules and not only act in accordance with the rules but also remain strongly aware of them.

■ Respect for Third Parties' Intellectual Property

We believe that respecting third parties' intellectual property is extremely important, not only to protect Fujitsu's business but also to prevent problems for our customers. To prevent the infringement of third-party intellectual property, employees are obligated to conduct various advance searches during the R&D and product development phases. An advance search for a patent is conducted following a decision to include a new technology in a product under development to investigate whether another party holds a patent to that technology. Moreover, a diligent advance search is conducted before the naming of a new service or product to investigate whether the name can be trademarked. When using another company's software, we take rigorous care against infringing on copyrights.

■ Lawsuits

Fujitsu believes that negotiations between the parties concerned are the best way to reach a resolution to any intellectual property dispute that arises. However, if the parties cannot resolve the dispute by themselves, Fujitsu will rely on the courts or arbitration with a third party to obtain a judgment.

It costs time and money to file a lawsuit, which means that a certain amount of risk is involved. Nevertheless, we may choose a lawsuit as the necessary course of action to protect our intellectual property, which is an important business asset, and ensure that our engineers can keep a sense of pride and confidence in their research and development activities as they

continue with their work.

Fujitsu's position on intellectual property right protection is to insist on Fujitsu's rights as required and file lawsuits if necessary.

Patent Infringement Lawsuit to Protect DRAM Product

On August 22, 2005, Fujitsu filed a lawsuit in the Tokyo District Court against a Japanese subsidiary of a Taiwanese semiconductor manufacturer, to seek an injunction on the grounds that a DRAM product imported and sold by the subsidiary infringed on Fujitsu's patent rights and to demand compensation for damages. The court found in favor of Fujitsu on August 20, 2007. The subsidiary appealed the decision to a higher court but then withdrew the appeal on May 13, 2008. Fujitsu's assertions, made through the judicial system, were thus found to be justified.

■ Proactively Promoting Policy Proposals Through External Activities

While continuing in-house activities to establish guidelines and build the infrastructure and organizational structures needed to implement the intellectual property strategy, we also encourage participation in activities aimed at people and organizations outside Fujitsu.

The intellectual property environment is changing along with the significant social changes driven by advances in digital and networking technology. Fujitsu will remain successful in this changing environment by building and improving on a legal environment that can adapt to change. We will proactively propose policies rather than waiting to respond to changes initiated by others.

Fujitsu proactively proposes policies in participation with Nippon Keidanren (the Japan Business Federation), the Japan Intellectual Property Association, (JIPA), the Japan Electronics and Information Technology Industries Association (JEITA), and other organizations.

2. Patent Rights

■ Enhancing Patent Portfolios

Fujitsu is making efforts to not only increase the quality of individual patents but also build patent portfolios, which are sets of patents. In building patent portfolios, Fujitsu focuses efforts on the following three policies.

The first policy is to work actively to acquire patents with a focus on strategic themes defined during research and development activities and technology development activities. We act to acquire rights to patents to not only basic technologies in the field concerned but also peripheral technologies.

The second policy is to acquire a wide range of rights to ensure business stability. We carefully review the details of the patent, including the scope of the invention to determine whether the patent may be applied not only in limited markets but also to various other fields. For each patent application, we attempt to ensure that the patent claims cover as many fields as possible.

The third policy is to reevaluate patent applications after filing and revise them in response to business expansion. If a patent is related to a technological area becoming more crucial as circumstances change, we may be able to revise the patent, making it more attractive and profitable.

Patent Applications in Targeted Fields

Fujitsu concentrates its research and development investments in selected technological areas and acquires related patents to not only basic technologies but also peripheral technologies in these selected areas. For these patents, the Intellectual Property Department has been proactively studying in depth the ideas emerging at the invention stage and statements in the patent specifications to ensure that we can continue to acquire high-quality patents for technological and business purposes.

For example, in the area of technology for servers, which represents one of Fujitsu's principal product categories, Fujitsu files about 500 patent applications inside and outside Japan annually, including those related to various peripheral technologies. Fujitsu has also filed about 500 patent applications inside and outside Japan annually for hardware and software inventions. As a result of the combined activities for WiMAX-related standardization at in-house departments and group companies outside Japan (Fujitsu Laboratories of America, Inc., Fujitsu Laboratories of Europe Limited, and Fujitsu Microelectronics Canada, Inc.), the Fujitsu Group has filed more than 100 standardization-related patent applications annually worldwide.

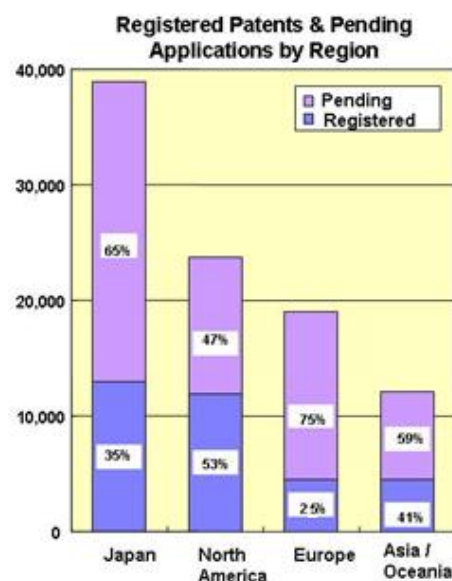
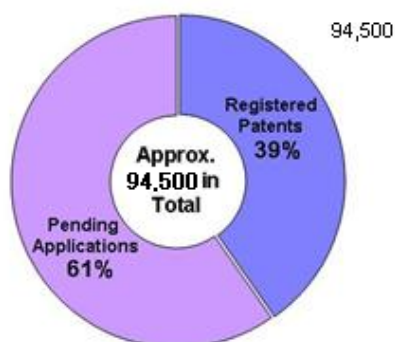
■ Building Global Patent Portfolios

Fujitsu is working to enhance its business around the world. These efforts are reflected in the trends of Fujitsu's patent applications.

At present, Fujitsu holds about 94,500 patents worldwide. Of these patents, 39% are registered patents and 61% are pending applications. The percentage of patents owned in each segment is 27% in Technology Solutions, 13% in Ubiquitous Product Solutions, 19% in Device Solutions, and 41% in Laboratories/Corporate.

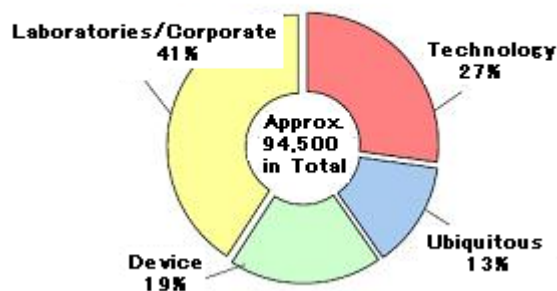
An active global promotion framework centered on Japan is encouraging the registration of influential patents not only in Europe and North America but also in Asia. We are also actively engaged in finding and gathering inventions from affiliated companies outside Japan, including North America, Europe, and China, to enhance our patent portfolios.

Fujitsu's Registered Patents & Pending Applications Worldwide



As of March 20, 2008
Source: Fujitsu

Composition of Fujitsu Pending Application & Registered Patents by Business Group



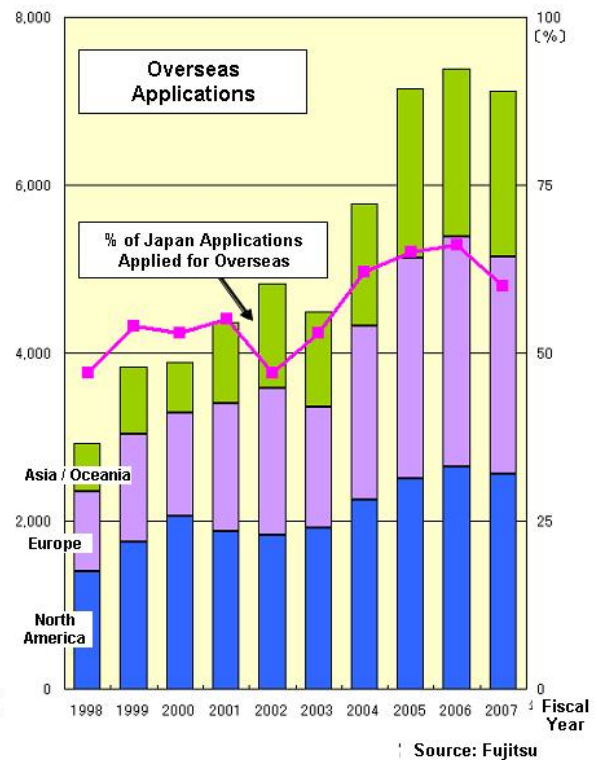
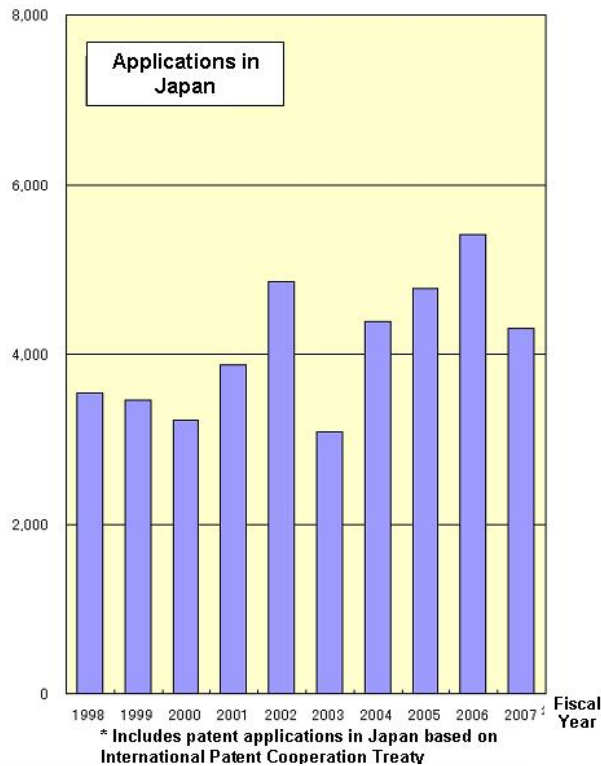
■ Group's Concerted Efforts to Improve upon Patent-related Strengths

In relation to intellectual property, Fujitsu Group companies are divided into two categories: companies working to improve upon patent-related strengths in cooperation with Fujitsu according to their business policies, and companies working to improve upon their own patent-related strengths suitable for their own businesses. In this way, we are enhancing the Fujitsu Group's patent-related strengths and building a framework that allows the entire Fujitsu Group to make the best use of its patents. Companies across the Fujitsu Group are taking concerted action to promote standardization-related activities while sharing information through liaison meetings for standardization.

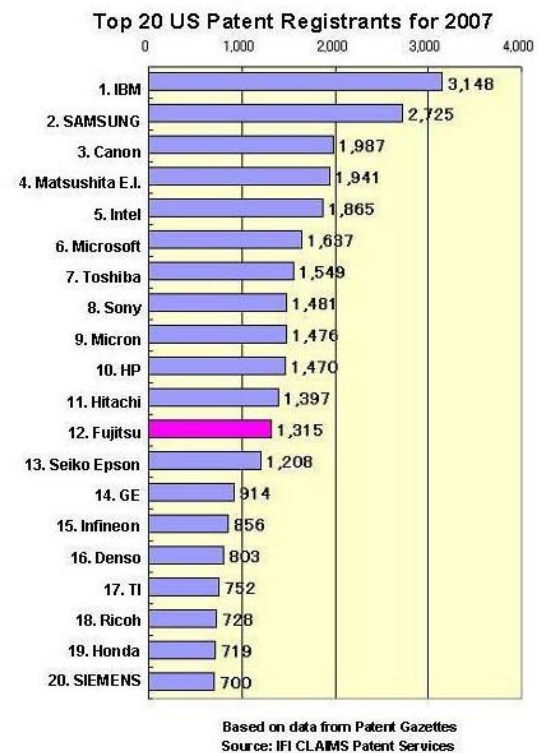
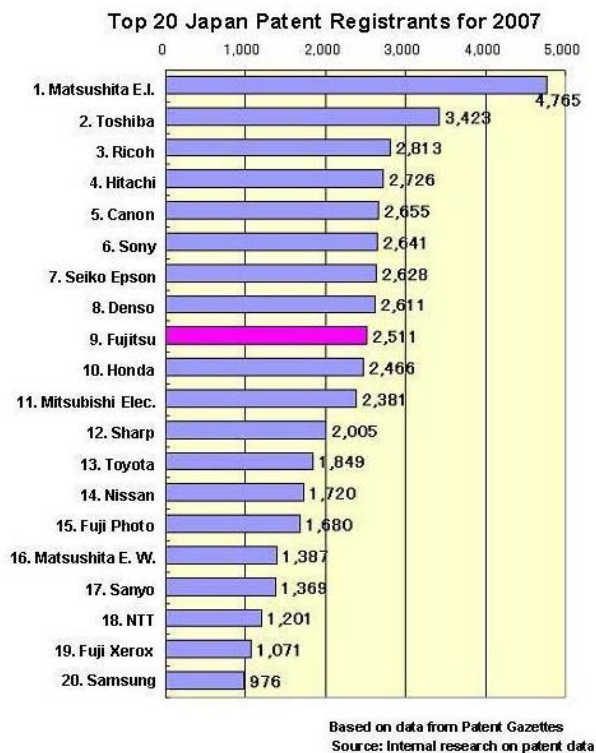
■ Continuously Strengthening Patent Applications Outside Japan in Support of Business

The number of Fujitsu patent applications in Japan has ranged between 4,000 and 5,000 annually in recent years. In 2007, the number of patent applications was about 4,800. Generally, the number of applications tends to be increasing.

The number of patent applications in countries other than Japan is also steadily increasing. Recent years have seen an increasing number of patent applications in Europe and Asia. The percentage of Japan patent applications applied for in other countries has remained at above 60%. This figure is extremely high among Japanese companies in the information communication industry.



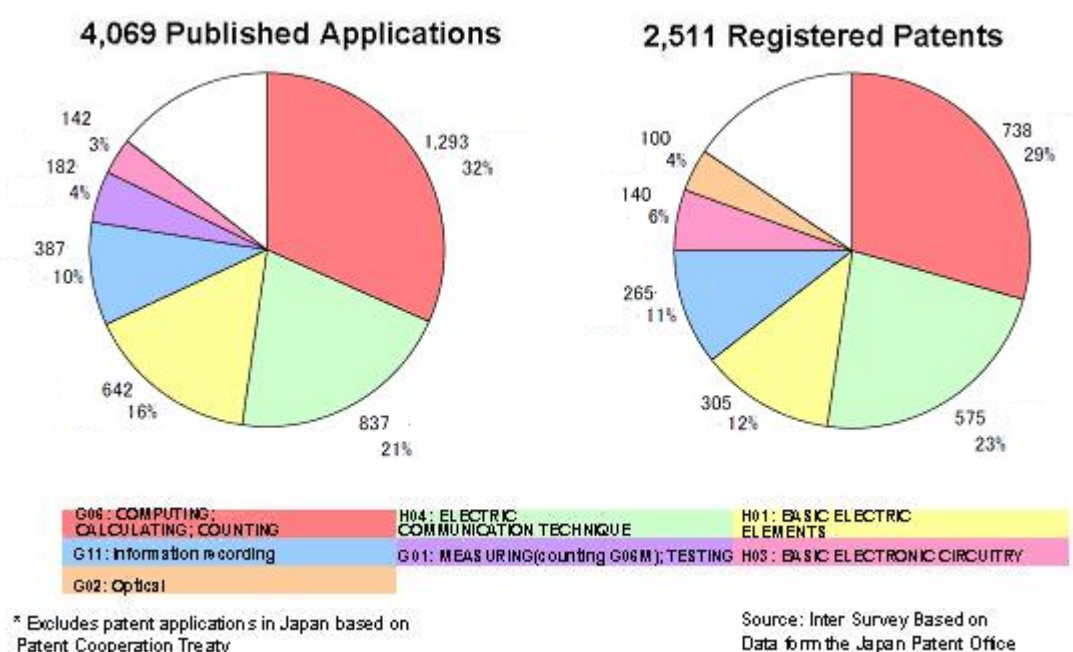
Fujitsu ranked 9th in the number of Japanese registered patents (2007) and 12th in the number of U.S. registered patents (2007).



■ Patent Applications and Rights Acquisition Status in Japan

The two charts below show International Patent Classification (IPC) breakdowns of Fujitsu's pending and issued (registered) patents in Japan in 2007. The data represent the results of individual business groups' activities.

The classifications of patent applications filed and registered by Fujitsu include the categories of information processing (G06), communications (H04), and electronic devices (H01). Seen in this way, the categories of Fujitsu's patents are closely related to Fujitsu's business areas.



■ Patent Compensation and Awards

Fujitsu rewards employees in a number of ways for their work that results in patent applications or registered patents.

The rights to any invention by an employee in connection to the employee's work are transferred to Fujitsu, followed by the filing of a patent application. Then, the employee is compensated based on the evaluation made at the time of the application. Further, when the invention is patented, the inventor receives compensation that reflects factors such as the perceived value of the invention to Fujitsu and the revenue from licensing the rights to other companies. After an evaluation of the employee's invention and a decision on the appropriate compensation in connection with the employee's work, the employee is notified of the assessment results and compensation decision and can raise any objections, and this process ensures that appropriate

action can be taken through a dialog with the employee. In addition to the above compensation, employees may receive Fujitsu awards for inventions acknowledged as excellent through an in-house evaluation procedure. Employees are thus rewarded for their contributions to Fujitsu.

In addition to the in-house compensation and awards, Fujitsu has been active submitting employees' inventions to garner awards at events held by outside organizations, such as the National Commendation for Invention event sponsored by the Japan Institute of Invention and Innovation (JIII). Awards from outside organizations are held in high esteem by Fujitsu and also the inventors, for which the honor of receiving those awards is different from that of in-house awards.

The table below lists principal inventions that recently received external awards.

Principal Inventions Receiving External Awards

| Year | Award | Patent No. | Invention |
|------|---|------------|---|
| 2007 | Imperial Invention Award National Commendation for Invention, JIII | 3421632 | Heat-stable magnetic recording media based on magnetic exchange coupling |
| 2005 | Japan Patent Attorneys Association's President's Award National Commendation for Invention, JIII | 3551418 | Optical transmission device that amplifies WDM light to a wide band at once |
| 2002 | Prime Minister's Award National Commendation for Invention, JIII | 2720943 | Method for displaying television images on a plasma display panel |
| 2001 | Minister of Education, Culture, Sports, Science and Technology's Invention Award National Commendation for Invention, JIII | 2800905 | Ladder-type SAW filter |

About the Imperial Invention Award

The invention of a magnetic recording media for hard disk drives (patent No. 3421632 named "Heat-stable magnetic recording media based on magnetic exchange coupling") was judged the top invention at the 2007 National Commendation for Invention, where it garnered the Imperial Invention Award. The annual National Commendation for Invention event is supported financially by the Japanese Imperial Family, and it awards inventors who have contributed to the promotion of inventions in Japan. The purpose of the awards is to improve science and technology and contribute to industrial development. The Imperial Invention Award is the highest award for the best invention in Japan.

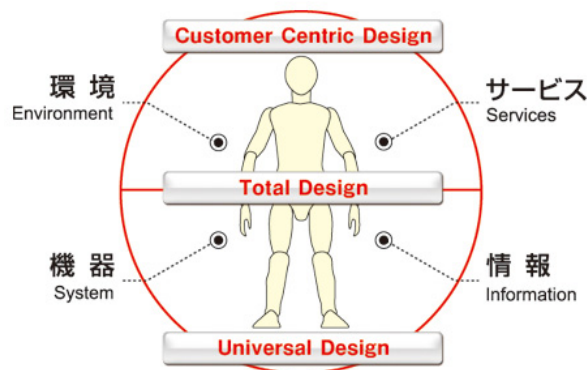
3. Design Rights, Trademark Rights, and Copyrights

■ Design Rights

Fujitsu's integrated design center handles a broad range of design activities, including designing products such as PCs and mobile phones, graphical user interfaces (GUIs) for websites and business systems, office and retail space for use with information systems, and making visual designs for branding purposes.

In the belief that designs are valuable intellectual property because our designs connect customers and our products and services, Fujitsu has been active in acquiring design rights that will help protect designs. At present, Fujitsu holds about 650 design rights inside and outside Japan.

The basic policy that governs all of Fujitsu's design activities is "human-centered design." With this policy in mind, we strive to create a prosperous information society where everyone can enjoy a safe and rewarding life. Fujitsu Accessibility Assistance was awarded the G Mark certificate for good design and won the Universal Design Award.



In 2007, the LIFEBOOK Q2010 notebook PC, which is one of Fujitsu's flagship products, won the Red dot design award--a world-famous product design prize awarded in Germany--and was also honored as the winner of the "Best of the best" award recognizing the best of the Red dot design award winners. In addition, many other Fujitsu products have won a variety of design awards inside and outside Japan. More information is available under the following URL:



http://jp.fujitsu.com/about/design/award/index_2007.html

■ Trademark Rights

Fujitsu has established certain rules on naming products and services. A brand manager is appointed in each business unit and affiliated company so that these rules are effectively applied. The brand manager is responsible for building, maintaining, and managing the product and service brands of the business unit or affiliated company. After a product or service name is determined, a trademark search is carefully conducted under the supervision of the brand manager before the product or service is formally named and trademark registration applications are filed. At present, Fujitsu maintains about 7,500 trademarks inside and outside Japan.

■ Protection for Fujitsu Symbol Mark

Fujitsu uses the “FUJITSU” symbol mark in all activities to maintain a standard corporate image. Fujitsu's has a Corporate Brand Office which is responsible for maintaining and managing the Fujitsu symbol mark.



Specifically, Fujitsu has established the "FUJITSU BRAND PRINCIPLES" as guidelines on use of the Fujitsu symbol mark. Fujitsu has also concluded contracts on use of the “FUJITSU” symbol mark with affiliated companies and partners to standardize how the symbol mark is used within the Fujitsu Group.

To ensure that every Fujitsu Group company can freely use the Fujitsu symbol mark and to protect the value of the Fujitsu brand, Fujitsu has acquired the trademark rights to the “FUJITSU” symbol mark in more than 150 countries and regions.

■ Measures against Counterfeiting

Numerous counterfeit products using the “FUJITSU” symbol mark and/or Fujitsu's trademarks and product designs have been found in many countries around the world. Considering the negative impact of counterfeiting on customers in those countries and regions and the possible harm to Fujitsu's reputation, Fujitsu takes a hard line against counterfeiters by launching legal action as the legal holder of the trademark and design rights.

In China, for example, we filed an objection against the registration of an illegal trademark to the trademark office.

■ Copyrights

Software product protection based on copyrights is becoming more and more important to the software industry. Fujitsu's activities to maintain the copyrights of software products developed by Fujitsu not only help to maintain a competitive advantage over competitors but also provide better products and services to customers because the ability to reuse copyrighted software leads to higher quality and shorter lead times.

4. Utilization of Our Intellectual Property

■ Alliances

Although Fujitsu has a vast portfolio of superior original technologies, we have aggressively engaged in open innovation activities outside the company. These open innovation activities include forging alliances with other companies. The example below describes Fujitsu's alliance with NTT DoCoMo, Inc. for Super 3G wireless base station equipment.

Fujitsu has been actively involved in standardization activities for 3GPP, a standardization project whose participants include major mobile telecommunications companies and many other companies and organizations, since the launch stage and has developed many of the fundamental technologies required for Super 3G. In September 2007, Fujitsu and NTT DoCoMo successfully developed a Super 3G wireless base station prototype with an outbound transmission rate of 900 Mbps. Fujitsu will further promote partnerships with NTT DoCoMo and other companies and organizations participating in 3GPP to expand the business in Japan and globally and to contribute to further development of mobile telecommunications.

■ Efforts for International Standardization

Particularly in the area of information and communication technologies, it is difficult for one company alone to create a single market for its technologies. A large market is formed when multiple companies provide various products using standardized technologies and ensure that the products satisfy interconnectivity and compatibility requirements. Under these circumstances, the companies that have developed the technologies used for international standards and hold patents to these technologies may have an edge in doing business.

Therefore, participation in efforts for international standardization is a crucial strategy for a company's business. To promote strategic standardization activities aimed at fostering the growth of an information society while looking at them from the perspective of the whole Fujitsu Group, Fujitsu established a special division for drawing up and implementing a standardization strategy as part of efforts to enhance and make better use of intellectual property.

The table below outlines examples of Fujitsu's participation in standardization activities. As an example of Fujitsu's active push to acquire patent rights, Fujitsu applied for 101 3GPP/3GPP2-related patents and 42 IEEE 802.16-related patents in 2007.

Examples of Standardization Activities

| Related Organization | Area | Fujitsu's Activities |
|---------------------------|--|---|
| ISO ^{*1} | Organization for international standardization in areas other than communications, electrical, and electronic technologies | Activities relating to ISO 9000 (quality management system standards), ISO 14000 (environmental management standards), etc. |
| IEC ^{*2} | Organization for international standardization in the areas of electronic and electrical technologies | Appointed as the first chair for IEC TC111 (environmental standards for electronic/electrical equipment and systems) |
| ISO/IEC JTC1 | Participation in an ISO-IEC joint technical committee performing tasks for international standardization in the area of information technologies | <ul style="list-style-type: none"> Obtained essential patents for H.264 based on MPEG-2 (DVD, digital TV broadcasting), MPEG-4 Video, and MPEG-4 Audio specifications Security, process standards, etc. |
| ITU ^{*3} | Organization for international standardization in the area of communications | NGN-related and other activities |
| 3GPP/3GPP2 ^{*4} | Organization for standardization of mobile communication specifications | Focus on proposals for standardization and patent acquisition |
| IEEE 802.16 ^{*5} | Organization for standardization of wireless LAN specifications | Focus on proposals related to 16j and 16m standards and patent acquisition |

*1 International Organization for Standardization

*2 International Electrotechnical Commission

*3 International Telecommunication Union

*4 3rd Generation Partnership Project

*5 Institute of Electrical and Electronic Engineers

■ Technology Sales

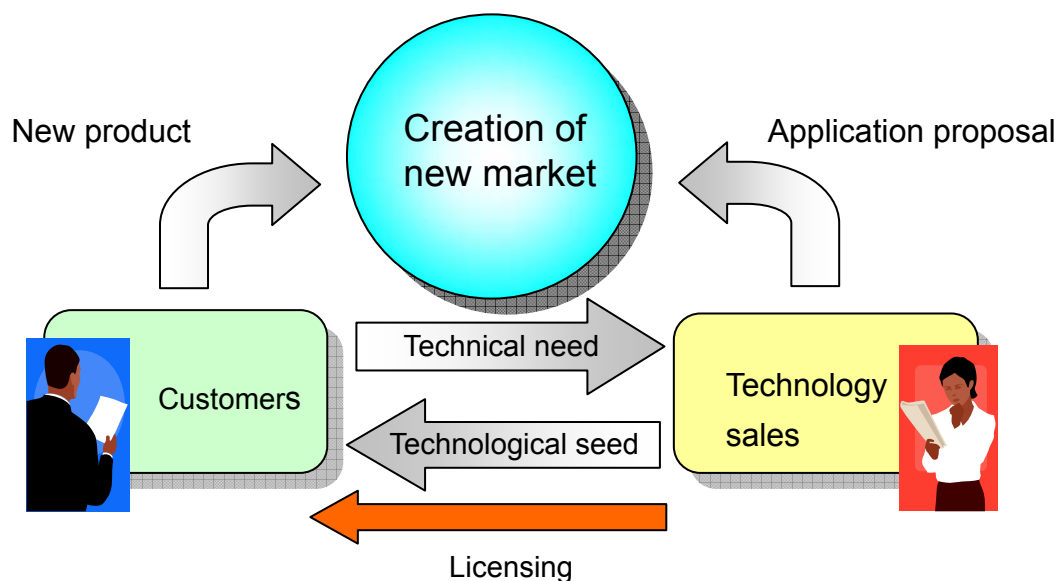
Some patents owned by Fujitsu are no longer utilized by the company because of business strategy changes. Even those patents that are currently utilized may be available for widespread use by non-Fujitsu companies to create value for customers.

Fujitsu makes these patents available to the public as technology seeds. We are also eager to license the rights to the patents to other companies to ensure that the results of our research and development work become a source of royalties. Since the patents serve as core technologies for customers, we can support the customers' product development activities and thus establish a favorable relationship between Fujitsu and the customers as licensees. All these activities are called technology "technology marketing."

Technology sales have a wide range of customers, from small- and medium-sized companies to large-scale enterprises. With the recent trend toward open innovation, even small- and medium-sized companies with limited development resources have a keen interest to use technologies provided by other companies to effectively develop their products. This leads to industry-academic-government collaboration, widening the scope of business activities and contributing to regional development and creation of new markets.

For example, a local government office acted as an intermediary when Fujitsu licensed one of its patented inspection technologies to an inspection equipment manufacturer that aimed to develop its own products for use on production lines. Another example involved the successful commercialization of an antibacterial mask and other products by a company utilizing the license for a patent to a material (titanium apatite) produced through a joint development effort between Fujitsu Laboratories Ltd. and the University of Tokyo. Both of these examples show success in new value creation utilizing Fujitsu technologies in fields in which Fujitsu has no businesses.

Fujitsu presents information on these technology seeds on a publicly accessible Web page. The page outlines multilayer PWBs, piezoelectric ceramics, an environmental assessment system, and many other attractive technologies.



For more information on technology sales, please visit the "Patents available for sale" webpage at the following URL:

<http://jp.fujitsu.com/about/ip/>

■ Cross-licensing with Major Companies

As part of measures to ensure business flexibility, Fujitsu has concluded cross-licensing (mutual licensing) agreements with other companies. The major companies in cross-licensing agreements with Fujitsu include Infineon Technologies AG, Intel Corporation, International Business Machines Corporation, Lucent Technologies Inc., Microsoft Corporation, Motorola Inc., Texas Instruments Inc., and Samsung Electronics Co., Ltd.

Information contained in this document includes statements regarding future forecasts based on current business estimates or hypotheses. The actual results or events may differ from what is expressed or implied by these statements because of known or unknown risks and/or uncertain factors. Examples of risks and factors that may affect actual results and examples of events are listed below. (Note that they are only examples and the actual risks and factors are not limited to those listed below.)

- Economic trends in major markets (especially in Japan, North America, and Europe)
- Possible changes in high-tech markets (especially in the semiconductor, PC, and cellular phone markets)
- Trends in foreign exchange and floating interest rates
- Capital market trends
- Intensification of price competition
- Changes of competitors' positions in a market as a result of technological developments
- Changes in component procurement environments
- Changes in competitive relationships resulting from tie-ups, alliances, and technological licensing
- Possibility of a project becoming unprofitable
- Accounting policy changes