



FUJITSU TEN GROUP

Sustainability



Report 2006



Corporate Data

Company Name	Fujitsu Ten Limited	Business Activities	Manufacture and sales of infotainment equipment and car electronic devices
Locations	Head Office 2-28, Goshō-dori 1-chome, Hyogo-ku, Kobe 652-8510 Japan Tel. +81-78-671-5081 Head Office Plant 2-28, Goshō-dori 1-chome, Hyogo-ku, Kobe 652-8510 Japan Tel. +81-78-671-5081 Nakatsugawa Plant 2110 Naegi, Nakatsugawa, Gifu 508-0101 Japan Tel. +81-573-66-5121	Main Products	Infotainment equipment Audio and car navigation equipment <ul style="list-style-type: none"> ■ For automotive use <ul style="list-style-type: none"> ·Audio products ·Audio-visual products ·Navigation systems ■ For home use <ul style="list-style-type: none"> ·Time Domain audio system Mobile communication radios <ul style="list-style-type: none"> ·Information-communication-applied systems ·Information-communication-applied equipment Car electronic devices <ul style="list-style-type: none"> ·Electronic Control Units (ECU) and sensors ·Millimeter-wave radar (60GHz/76GHz band)
Representative	President and Representative Director Keijiro Katsumaru	Capital	¥5.3 billion (as of March 31, 2006)
Date Established	October 25, 1972	Shareholders	Fujitsu Limited Toyota Motor Corporation Denso Corporation

Editorial Policy

Fujitsu Ten Group Sustainability Report 2006

<http://www.fujitsu-ten.co.jp/english/>

Purpose

Our purpose in publishing this report is to attempt to communicate with a large segment of the public by describing our ideas and efforts on various aspects of society, the economy and the environment by positively disclosing corporate information.

Communication

We consider this report to be an important communication tool between you and Fujitsu Ten Group. Please complete the inserted questionnaire so we may learn your important opinions.

Distribution Subjects

Distribution is to be made to every kind of stakeholder, including customers, business contacts, employees, shareholders, community members and government administrations.

Contents of the Fiscal Year 2006 Version

- More complete Social Performance content, describing the roles and efforts that Fujitsu Ten Group should accomplish as a member of society.
- Activities conducted by overseas bases are shown in box columns on pages that apply to such activities.
- A renewed design that we feel it makes the report more "viewable" and "understandable". At the same time, we've simplified reports and explanations in an attempt to even more accurately provide information.

Report Scale

The tabulated data introduced in this report is interlocking data for Fujitsu Ten and its group subsidiary companies (1 manufacturing company, 3 sales companies and 5 others in Japan, as well as 6 manufacturing companies and a total of 10 sales and other companies abroad) as of fiscal year 2005 (from April 1, 2005 to March 31, 2006)

Part of the achievement data refers only to domestic information in Japan and singular achievements of Fujitsu Ten.

Reference

"Guideline for Environmental Reports (Fiscal Year 2003 Version)" by the Ministry of the Environment.

Fujitsu Ten, the Global Brand for Audio Visual Products



We adopted the brand name, ECLIPSE, using the image of a "fierce blaze that outclasses and outstrips others," and applied it to our audio visual products. The unique concepts and products based on this image have garnered a terrific reputation throughout the world as a global brand.



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“A Step Ahead of Our Customers and Society’s Expectations” We will Exercise Our Societal Responsibilities by Achieving this Goal.

Maintaining the initial spirit that treasures “sincerity”

In 2005, Toyota Motor Corporation released a special edition Crown automobile in celebration of its 50th anniversary. I remember when Crown was first put in the market in 1955, the first with our company’s car radio, and I felt a lump in my throat.

I believe our continued success over the past half century along with the development of the automobile industry is the result of the way we have promoted our business activities. It incorporates the spirit we have had since our foundation, “to value ‘sincerity’ and contribute to our customers and society”. This spirit has never changed. I believed we could realize this “spirit of sincerity” with “DUAL AVN,” the world’s premiere visual equipment which enabled drivers and front seat passengers to watch different screens, and the “1 DIN AVN,” which can be assembled in the limited 1 DIN space, both of which were released in September 2005.

We will continue to value “sincerity”, the goal to remain a corporation that makes great contributions to our customers and society.

To Contribute to the Society through Our Business

Fujitsu Ten Group is one of the few corporations in the world that works in 3 different business fields, “Entertainment,” “Automotive Electronics” and “Information Technology”. Taking advantage of this versatility, we would like to be a corporation that continues to give our customers a sense of excitement by suggesting and developing new lifestyles for the automotive society.

Furthermore, we believe it is our mission to promote and contribute products and services that are ahead of what our customers and society expect in our new domain identity that integrates these 3 fields.

In the area of “ITS (Intelligent Transport Systems),” which aims to solve road traffic issues such as accidents and congestion, we are trying to network roads and vehicles with the latest intelligent communication technology. Millimeter-wave radar is applied to control vehicles to secure the distance between automobiles and controlled braking seeks to decrease collision damage. Additionally, car navigation systems are designed to guide drivers to their destinations in less time by forecasting traffic jams and an automatic taxi allocation system sends out the nearest cab in order to promote efficient vehicle movement and decrease carbon dioxide emissions.

As we continue R&D on hybrid cars and an engine control system for fuel battery vehicles, we will carry out our responsibility by “securing safety and reassurance,” “offering comfortable mobile space” and “contributing to the environment” in our motorized society.

Becoming an Attractive Corporation that Everyone Wants to Work For

In conversations with employees, I often say, “Let’s make this company so attractive that everybody wants to work for it.”

To carry out our responsibility to society, it is necessary for the entire staff to approach every activity as a singular body. To do this, we promote having a lively workplace where each one of our employees can work with pride, prizing their competency and sharing the joy of achievement.

To be the corporation that receives continuous trust from society, we proceed using transparent, fair and honest corporate management through pertinent financial reporting and practicing compliance.

We will continue to value the “spirit of sincerity” in our work for our customers, society and the environment, while seriously listening to opinions from all sides. I sincerely ask for your continued attention, opinions and requests concerning the activities of Fujitsu Ten Group. Thank you very much.



Keijiro Katsumaru
President and Representative Director,
Fujitsu Ten Limited

September 2006

Fujitsu Ten Group's 10 Year Vision, "VISION 2012"

In October 2002, Fujitsu Ten celebrated its 30th anniversary. In order to look forward to the next 30 years and steer the course for the upcoming decade, we devised the "Fujitsu Ten Corporate Vision (VISION 2012)" in an effort to show its ideal position and state the course we should follow as a global corporation.

Fujitsu Ten Group will fulfill our social responsibility through each employee reviewing and committing to our corporate vision.

1 Corporate Philosophy

We will work with the utmost sincerity to support our customers and contribute to society.

Customers Focus/Highest Possible Quality

We always think first how to best serve our customers and to create products of the highest quality that exceed our customers' expectations.

Responsibility and Contributions to Society

Recognizing we are a part of society, we shall fulfill our social responsibilities and contribute to our society through our corporate activities.

Work Values

Each and everyone shall take pride in their work, and utilize their own abilities to realize a workplace where everyone shares in our achievements.



2 Corporate Culture

Promoting a Positive and Active Corporate Culture.

The keywords are "Challenge, Originality, Bright & Speedy, Accomplish and Encourage"

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3 Enterprise Vision

To design and propose a future lifestyle for car users that will meet with the approval of the global community.

As one of the companies involved in the integration of these three fields, Fujitsu Ten aims to promote a mutually beneficial relationship between people and automobiles.

- ◎To increase the comfort, safety and environmental friendliness of automobiles.
- ◎To provide more user-friendly human interfaces.
- ◎To seamlessly integrate the automobile into the ubiquitous network society.
- ◎To support more advanced automobiles through applied IT (Information Technology) and ITS (Intelligent Transport System).

Automotive Electronics

Information Technology



Innovation in Human Interfaces

Ensure safety and reliability

Create a comfortable mobile space

Protect the global environment

Features

- ◎Abundant experience and know-how regarding vehicles and manufacturing acquired through our relationships with automobile manufacturers and users.
- ◎Original vehicle mounting technology, audio engineering and information communication technology.

Business Objectives

- To be ranked No.1 in customer satisfaction
- To double efficiency
- To double growth

Actions

- To pursue the fundamentals of quality production (=QCD).
- To establish brand recognition
- To strengthen global marketing
- To create a cutting-edge developmental organization and increase developmental efficiency
- To achieve the most efficient procurement and manufacturing throughout the world.
- To provide quality service.

Challenge

We shall not only accept change but daringly embrace it.

We shall, with a conviction "to enjoy new opportunities", improve the current situation through continual change.

Originality

Creating originality

We shall, through our wealth of creative ability, keep creating added value that was previously unseen.

Bright & Speedy

Cheerful, fun, fast

We shall interact with people cheerfully, cooperate willingly and act speedily.

Accomplish

Achieving goals

Conscious of our role and responsibilities, we shall achieve the goal of exceeding even the high expectations of our customers.

Encourage

We shall encourage each other by engaging in lively conversation.

Leadership/Respect for the individual/Teamwork

While taking charge of our own activities, we shall endeavor to become leaders through introducing innovations, while respecting each person's individuality and cooperating so as our power as a team is manifested.

Global Activities

Overcoming the barriers of different cultures and languages, we shall respect, cooperate and encourage each other so as to achieve vibrant operations throughout the world.

A Lively Organization and Management

Through a feedback system that is both open and clearly understandable and a non-hierarchical and flexible organization, we shall discover and foster the initiative and individuality of our staff.

Being a Corporation Trusted by Society

Fujitsu Ten Business Activity Directive

Fujitsu Ten established the way each employee should try to act in everyday life from the viewpoint of compliance and corporate ethics as the “Fujitsu Ten Business Activity Directive”. The entire group

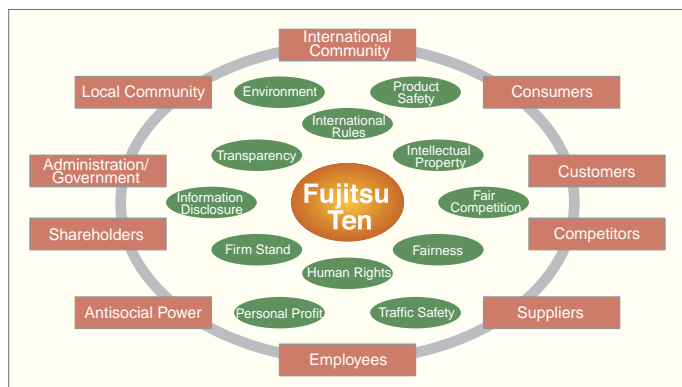
will try to be trusted by both the international and local communities through our respect to these directives plus open and fair corporate activities.

Fujitsu Ten Business Activity Directive [Basic Principle]



[Detailed Action Directive]

The corporate action guidelines are comprised of 3 chapters, “Actions in Business Activities,” “Relationship with Society” and “The Relationship between Employees and the Company as well as Personal Actions”. We have produced detailed action guidelines that can be assumed by various stakeholders.



Risk Management

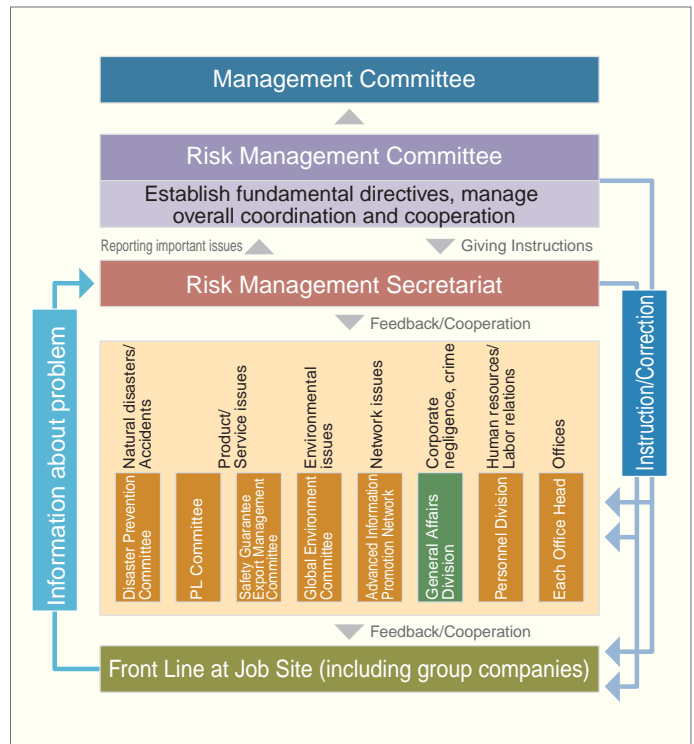
Fujitsu Ten organized a risk management system designed to prevent every assumable risk and take quick action if such a risk occurs anywhere in the entire group. A Help Line (contact the section for consulting corporate ethics) has also been created, which carries the function of absorbing negative information within the entire group (in Japan) to



Water-discharge exercise

prevent law violations and so on, before they occur. Furthermore, simulator training is held, simulating disasters and chemical spills, to doubly ensure the avoidance of environmental risks.

Risk Management System at Fujitsu Ten



Protection/Reinforcement of Intellectual Property

At Fujitsu Ten, we make an effort to protect intellectual property based on two issues; “protecting our company rights” and “respecting other companies’ rights (no infringement)”. A Patent Promotion Conference is held on a regular basis to investigate other companies’ patents and to examine the directional movement of patent acquirement, while at the same time, focusing on emphasized development themes. The conference also tries to make strategic reinforcement in order to obtain new intellectual property rights.

2005 Highlights

Towards Being More Helpful to Society

Fujitsu Ten Group undertakes various activities with consideration to all sorts of stakeholders to carry out our responsibilities to society as a corporation. Let us introduce some of the events held in the fiscal year 2005.

Awarded the "Kobe Danjo Iki-iki Jimusho" (Lively Office for Men and Women in Kobe)

Our active efforts to promote a positive action system and expand job fields for women received recognition by the City of Kobe that promotes improving society by respecting individual character and bringing out everyone's abilities, regardless of gender.



Director Ogura receives the Award from the City of Kobe

Detail on
P.11

Development and Sales of World Premiere* Products

By taking advantage of our technological capabilities, we developed 2 new products that improved "entertainment character" and "convenience".

* Our review as of September 27, 2005

AVN (Audio Visual Navigation)
ECLIPSE [AVN075HD]

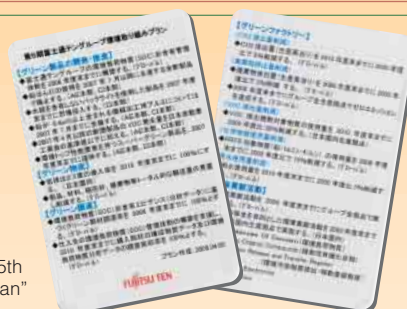


Detail on
P.17

Plotting out the 5th Fujitsu Ten Group Environmental Action Plan

We determined and issued the 5th Fujitsu Ten Group Environmental Action Plan, a guideline for achieving the goals of fiscal year 2008. We, as a group, will continue to work together on various environmental issues.

Carrying card featuring the "5th Environmental Action Plan"



Detail on
P.23
P.24

Promoting the Usage of Clean Energy

Headquarters introduced a solar energy generation facility, using natural energy that's friendly to the environment. The facility supplies 10,000kWh power a year, which enables a reduction of approximately 4 tons of carbon dioxide.



A solar energy panel on the roof of the headquarters building.

Detail on
P.31

Awards and Achievements in Fiscal Year 2005

	Award	Date Received	Outline of the Award
Kobe	"Kobe Danjo Iki-iki Jimusho" (Lively Office for Men and Women in Kobe)	October 2005	For promoting positive action and expanding job opportunities for women.
Nakatsugawa	"Small Kindness" Implementation Award	June 2005	For the annual cleaning of the area surrounding the factory conducting since 1993.
Tochigi	"Outstanding Performance Award" from the Health, Labor and Welfare Minister	July 2005	For efforts regarding safety and health activities.

Together with Our Customers

Always Keeping “Customer Focus/Highest Possible Quality” in Mind

Fujitsu Ten Group examines the expectations of our customers and firmly takes their needs into consideration to establish quality assurance for better production and a fulfilled service system.

Quality Assurance System

Since its foundation, Fujitsu Ten Group has conducted thorough quality management to gain customer trust.

Starting with our QC circle, we have confirmed our emphasis on internationally passable quality assurance by acquiring International Quality Management System Standards, including ISO9001, QS-9000 and ISO/TS16949. At the same time, we maintain and improve our quality assurance in order to establish a system fully acceptable by all stakeholders.

Quality Improvement Cycle

Fujitsu Ten Group's basic policy, “Customer Focus/Highest Possible Quality” is used to develop manufacturing that always focuses on “Ten,” the part of our company name that means “supreme” or the “highest”. To realize this policy, we constantly rotate the quality improvement cycle while always keeping the customers' expectations and needs in mind.

From Recurrence Prevention to Occurrence Prevention Then, Being Non-Defective

“If all employees work to produce non-defective products, there will be no defects in the entire company.” Based on this concept, Fujitsu Ten Group started its “ $\Sigma 0=0$ Campaign” at our bases for production both in and out of Japan.

The $\Sigma 0=0$ Campaign is conducted every half year to press for zero defective products. The main thrust is for each member to try to prevent problems rather than take action after they occur. That means, that proper care from recurrence prevention to occurrence prevention, leads to non-defective products.

Structure of the $\Sigma 0=0$ Campaign

The purpose of the $\Sigma 0=0$ Campaign is to improve the process of tasks based on the concept of defective occurrence prevention. Each employee works on the improvements and the entire activity becomes part of the corporate culture of Fujitsu Ten Group.



Change ourselves and challenging $\Sigma 0=0$

The $\Sigma 0=0$ Campaign Card
Each employee declares his/her own goal and writes them down on the back of the card.

Quality Improvement Cycle

Customers' Expectation and Needs

We audit the conditions of engagement and improve it to more fully satisfy our customers.



Audit Scene



We listen to our customers in a quick, definite manner in order to reflect their concerns in our products.



Electric Wave Experiment Facility

Good design, good discussion and well-envisaged inspections are conducted to establish even better quality performance. Product assessment assures high quality production.

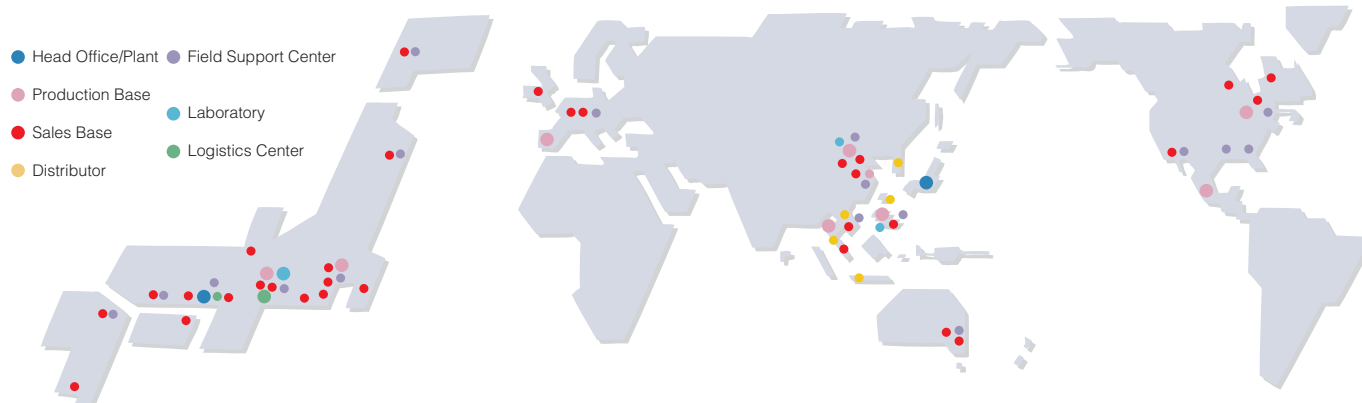
System of Services

While Fujitsu Ten Group offers high quality, high-performance and highly functional products, we also try to offer sensitive, quality after-service processes to ensure customer satisfaction.

Our services include a Customer Service Center that takes inquiries and gives advice to customers.

Additionally, if these inquiries and advisements are

related to product problems, we dispatch service personnel in cooperation with our 7 Field Support Centers in Japan. After checking the product's condition, a certified shop (108 located in Japan) repairs it.



●Customer Service Center

Fujitsu Ten has a Customer Service Center where operators respond to customer inquiries. Because some inquiries need technical support, advisors are available to respond to technical inquiries as well as detailed issues in cooperation with the design division.



Customer Service Center

●Supporting Distributors to Acquire Product Knowledge with Further Enhanced Functions

Products mounted in vehicles, including AVN, have become more and more enhanced functionally, as they contain hard disks. Therefore, we try to improve customer satisfaction by actively providing information regarding new product knowledge and cases of product diagnosis to our distributors, who communicate directly with our customers.



Technical Workshop

●Responding to Complaints

We sincerely respond to complaints by putting ourselves in our customers' place. If a customer with a complaint that we determined to be inadequate feels mistreated, we try to fulfill our accountability as a manufacturer by fully explaining the situation to them in a manner they can understand completely.

When a distributor receives an invalid complaint, we try to improve the situation by offering product information to prevent a recurrence for that or future products.

Together with Our Employees

An Attractive Corporation where Everyone Feels Job Satisfaction

The headspring of corporate activity is nothing but human resources. Fujitsu Ten Group promotes an environment where each one of our employee can work with pride, prizing competency and sharing the joy of achievement.

The Basic Principle is "Respect for Human Rights"

As a global corporation, we've stated our policy, "Respect for Human Rights" in the beginning of the basic principles in our Business Activity Directive, and clearly show this spirit not only to our employees but society as well. Everything about our performance and corporate activities are consolidated under this principle, and everything from corporate culture, the employment support system, human resources and their training to occupational safety and health promotion have been formed based on it. By setting respect for human rights as the starting point for everything, we are actively working to shape the corporation into one where anybody can feel "job satisfaction".

Consolidated Number of Employees per Area
(Fiscal Year 2005)

	Japan	Asia	North America	Others	Total
Number of Employees	4,497	6,579	1,367	127	12,570

●Aspiring to Have an Environment that Allows Employees to Work Spiritedly

We have been active in the area of "Positive Action", used to correct imparity between different genders at work places. The "Good Company Project from the Viewpoint of Women (GCP)," which was inaugurated in April 2005, seeks a corporate work atmosphere with a female point of view in order to create a workplace where not only women but everybody can take pride in their competency and continue to work spiritedly.

In the past year, GCP achievements include opening their website and issuing a guidebook for child rearing. These efforts were recognized by the City of Kobe through its "Kobe Danjo Iki-iki Jimusho" (Lively Office for Men and Women in Kobe) award.



The commemorative plaque given by the City of Kobe in recognition of its "Kobe Danjo Iki-iki Jimusho in Fiscal Year 2005" award.

●Expanding the Number of Women Hired and Employing Challenged People

Our Positive Action efforts have led to an expansion in the hiring of females on the main career track. Additionally, as of June 2006, 68 challenged people are employed, which is 1.83% of employees, exceeding the minimum legal employment rate.

We are actively developing a workplace and work environment where both the challenged and other people can work together in a lively manner.

We consider it possible to respond to changes in the future by respecting the variety of individualities and utilizing various human resources.

Employment Support System

In order to utilize various individualities, we are actively looking for alternative ways of operating our workplace. One idea is our support to employees in the areas of childbirth, child care and nursing care.

●Supporting Work from All Angles

Sometimes, an employee has a difficult time coping with both job and personal matters, such as childbirth, child care and nursing care. Our experiences have led us to introduce a system that allows employees to take temporary leave from work, and to later return to continue their work without difficulty or penalty. We have other support systems too, including maternity leave for male employees so they can assist their wives, offering sabbatical-type vacations to refresh employees, and an internship system for students.

Human Resources System

Fujitsu Ten Group supports employees' self enlightenment and has developed a human resources system based on a workplace where everyone can work spiritedly.

●Cherishing Each Employee's "Job Satisfaction"

The human resources system promotes 3 concepts, "Implementing a Performance-Based Philosophy," "Promoting Independence" and "Training Professionals". The goal is to shape personnel who can "receive, think and react by themselves". Therefore, posting, evaluation, and employees' working conditions are performed with these concepts in mind. By doing so, we can maximize the potential of each employee, while valuing each worker's desire for rewarding work.

●Using a Performance-Based Philosophy to Train Personnel

The "performance-based philosophy" at Fujitsu Ten Group attaches importance not only to the basic idea of how many objectives each employee has achieved, but also evaluates the process of meeting objectives. Therefore, this system is not only a judgment tool looking at results, but also a way to allow personnel to examine how they themselves can "progress towards their objectives, implement ideas and take individual action."

●Conducting Fair and Equal Assessments

Personnel evaluation is based on the objective management system, requiring each employee to meet with their bosses prior to assessment. After an assessment is made, the final result from the assessment committee meeting is relayed to the employee through his/her superior. After notification, the committee conducts surveys regarding the results and meetings with the superior to ensure fair evaluation.

Training System

Manufacturing is Related to Training Personnel. Fujitsu Ten Group reinforces and enhances a training system that enables the education of employees and makes good use of trained people.

●Create an Atmosphere for Learning and Nurturing Employees

Fujitsu Ten Group's training system basically features two issues. One is to create a learning atmosphere where employees voluntarily work toward their career development. The other is to have an atmosphere for training personnel in which their superiors actively support their careers.

Figure1. Personnel Training Program



●Competency Enhancement through Training for Each Rank and Class

The employee training system categorizes employees into rank and class and then holds separate training sessions. The concept is to reinforce competency and increase corporate power by ensuring that employees learn required knowledge and skills.

●Fulfilling Training Contents Reinforce Nurturing Good Personnel

In addition to “creating an atmosphere for learning and nurturing employees” and “training for each rank and class,” Fujitsu Ten Group actively pursues 3 personnel training concepts. They are “Global Human Resource Development” in order to train personnel who can actively work worldwide, “Professional Human Resource Development” to train experts who can offer new advantages to customers, and “Training Business Leaders” to train people who can powerfully take over next generation leadership roles. With these 3 concepts, we are trying to maximize and reinforce our personnel training program.(See Figure 1 on page 12)

Occupational Safety

At Fujitsu Ten Group, the Occupational Safety Committee meeting is held monthly to examine and discuss disaster and illness prevention as well as health promotion.

●Eliminating Labor Accidents

Occupational safety education pursuant to each level and work environment is given, as well as disaster prevention training, to enhance employee safety. Each workplace performs an Autonomous Workplace Safety Activity to eliminate labor accidents.

Autonomous Workplace Safety Activities

- The entire corporation is divided into 8 fields. Each field identifies their own specific problems and how to resolve them.
- Each field conducts programmed safety activities compatible with each workplace.
- Establishment of “close call reports” (at any time).
- KY meeting with workplace photographs (every other month)
- Safety surveillance and improvement activities conducted by people from other fields for references from those with different viewpoints.

Health Promotion

Regular medical checkups are held as well as health checks for different purposes depending on age and work environment. In addition, health consultation for both mind and body are available, as we care about employees’ health management.

●Medical Checkups for Different Purposes and Health Guidance

Other than regular medical checkups and lifestyle-related disease checks, a number of other health management related activities are conducted for various purposes, such as checkups for employees going or returning from overseas, those visiting Japan while spending long tours in overseas countries and employees who work long hours. Company physicians and health advisors meet each employee and give consultation regarding health.

●Health Consultation for Mind and Body

Regular health consultations are offered to employees. When mental health care is required, a company physician or clinical psychologist gives counseling in an attempt to resolve the problem.

●Health Education Campaigns

Educational campaigns are held to heighten employee consciousness toward health. These include holding events and issuing papers regarding health. Furthermore, educational sessions regarding mental health are held at certain times each year, such as promotion time.

Together with Our Business Partners

Treasuring the Partnerships with Our Business Partners

Fujitsu Ten Group accomplishes its social responsibilities in the supply chain, such as green procurement, while cooperating and coordinating with our business partners based on our basic "fairness" policy.

Basic Policies and Ethical Principles

Fujitsu Ten conducts its procurement, complying with laws and social norms, under 3 basic policies: "open-mindedness," "fairness" and "indiscrimination between Japan and overseas entities". At the same time, procurement proceeds taking resource protection and global environment preservation into consideration.

To carry out such an operation, we define ethical principles, "clear and honest," "prohibition of private interest with suppliers," "prohibition of service and entertainment beyond the level of common sense," "prohibition of demanding contributions to suppliers," and "protection of confidential information".

Green Procurement

To promote Green Product Development, the most important issue in our environmental management, we've issued Green Procurement Guidelines that express our thoughts and goals toward green procurement and requirements for environmental consideration concerning procured parts, raw and secondary materials.

Please see the following URL for Green Procurement Guidelines
<http://www.fujitsu-ten.co.jp/english/ecology/guideline/guideline/htm>

●Achievements in Fiscal Year 2005

It is indispensable in working with our Business connections to deal with regulations, such as "no use of toxic substances" and "waste recycling".

Additionally, regarding quick response to requests to disclose environmental impact information about products, it is important to organize a system and infrastructure that can investigate and collect environmental information by product and part unit in an efficient manner.

Taking this into account, we issued the 3rd edition of our revised guidelines in May 2005. Furthermore, in May 2006, the 4th edition guidelines were issued in a new format, which was a revision of the research format of the information about substances with environmental impact, prepared chiefly by the Japan Automobile Manufacturers Association, Inc. At the

same time, we held a presentation meeting and individual training sessions in order to input data into the new format for our business partners.



Presentation of our procurement policy held for business partners

●Future Activities

Based on the revised Green Procurement Guidelines, we will pursue green procurement activities with an awareness of the supply chain, including the thorough management of environmental assessment regarding components and environmental information.

●Introducing the Fluorescent X-Ray Spectroscopic Analyzer

To reinforce the surveillance system regarding the condition of toxic substance content in product parts, we are planning to sequentially install fluorescent X-ray spectroscopic analyzers at each production bases. Following the Head Office Plant, where it was already introduced, another analyzer was installed at Tochigi Fujitsu Ten Limited in fiscal 2005.



Monitoring toxic substances with a fluorescent X-ray spectroscopic analyzer

●Environmental Contribution Awards

We established the Environmental Contribution Awards for suppliers that made excellent efforts to cooperate with our goals of developing green products and reducing the environmental impact of factories. However, we regret to announce that there was no award winner for fiscal year 2005.

Green Purchasing

The bases in Japan have promoted green purchasing regarding office supplies and fluorescent lights. By 2003, all 261 product classes of standard purchased materials had been replaced with green products.

Together with the Public and Community

Responsibilities and Contributions to the Public and Community as a Corporate Citizen

Fujitsu Ten is conscious of being a member of society, taking responsibility for this membership as well as contributing to society through corporate activities.

Public and Community Activities

Under the concept of “contributing to society through sound (music),” Fujitsu Ten Group, as a corporation providing sound related products, has been involved in various musical events, such as holding charity concerts. We also participate in other types of activities, including cultural and social welfare activities, in order to become a part of the public and community.

●“Kobe Music Station”

Fujitsu Ten Group has hosted “Kobe Music Station” charity concerts 4 times a year since 1994. As it has grown into a historic and artistic cultural activity, we will see the 50th concert in 2007. These concerts feature 2 stages. On the first stage, we offer a place for young musicians to play in public. The second stage features professional, front line musicians, which the local community can enjoy listening to at a low price. Set-up and operation are mainly handled by our company volunteer group, while all admission fees collected are used for social action programs.



KOBE MUSIC STATION

victims of hurricane “Katrina” in the U.S., the Kashmir earthquake in Pakistan and landslides in the Philippines.

●Company Volunteer Circle Exchanges with Local Community

At our Nakatsugawa Plant, a company volunteer circle sends birthday cards to welfare facilities to promote exchange with the people there. During cherry blossom season, members of the Tea Ceremony Club participate as volunteers for outdoor tea ceremonies held by a local special elderly nursing home. In addition, the circle members actively participate at local festivals.

Efforts Made by Overseas Offices

Fujitsu Ten Group’s local corporation in China, Tianjin Fujitsu Ten Electronics Co. Ltd. contributed to the environment by planting trees at their industrial complex. Fujitsu Ten Corporation of the Philippines is making use of some of the money earned from selling waste generated in their factory to provide shelters for street children and reforestation.

●Supporting Victims of Natural Disasters through Fund-Raising Activities

When the Great Hanshin/Awaji Earthquake occurred, we were greatly encouraged by the support from both inside and outside Japan for the revitalization. To show our appreciation for this warm consideration, we conduct programs to support victims of earthquakes and other disasters.

In 2005, we conducted support activities for the

Environmental Communication

Fujitsu Ten Group considers the disclosure of environmental information as one of the most important factors of corporate social accountability. Therefore, we openly introduce our environmental information through our Sustainability Report and other media. At the same time, we disclose environmental information through the intranet to our employees.

● Sustainability Report (this report)

We publish our "Sustainability Report" and distribute it to our stakeholders. Previous to this report, the "Environmental Report" had been published annually since fiscal year 2000. Since fiscal year 2005, the report features aspects of 3 fields; economy, society and environment. We are also willing to actively communicate with our stakeholders. Please feel free to send us your opinions and comments about our Sustainability Report.



This report is available on our website:
<http://www.fujitsu-ten.co.jp/english/ecology/>

● Participation at Outside Exhibitions

Date	Exhibition Name
May 2005	Automobile Technology Fair
October 2005	Environmental Festa in Nakatsugawa

● Environmental Month/Safe Environment Week

As part of environmental month in June every year, there are various events held in Japanese factories.

At FTTL (Thailand), a Safe Environment Week was established in December to conduct enlightenment activities, including a recycling competition.



● Surveys Regarding Environmental Awareness

In April 2005, we conducted a survey of attitudes toward the environment among employees working at all production sites in the group. Results of the survey and opinions gleaned from them will be reflected in future environmental activities. We plan to continue conducting such surveys in the future.

Environmental Contribution Activities

At the Japanese factories of Fujitsu Ten Group, in-premise afforestation activities are promoted in conjunction with local residents that involve cleaning areas surrounding our factories.

Efforts Made by Overseas Offices

Fujitsu Ten de Mexico started a campaign to clean and green their factory. Their first act was to plant more than 50 Benjamin trees in the factory compound.



Business Activities

Searching for New Joy and Safety in a Mobile Space

Fujitsu Ten Group works hard to develop and maintain good relationships with people, automobiles, society and the environment through our infotainment equipment, such as AVNs, electronic equipment, ITS* and mobile communications system devices.

*Intelligent Transport System

Development, Production and Sales of Infotainment Equipment

We develop automotive audio equipment that combines entertainment and information technology, AVNs (Audio Visual Navigation) that include automobile audio and audio visual navigation to expand the joy of driving.

●2 World Premiere* AVNs Debut in Autumn of 2005

AVN7905HD made it possible for the driver and front seat passenger to see different images at the same time with its mounted dual display system. For example, the driver's side screen shows a map, while the passenger's side shows a DVD. Additionally, navigation operations, that due to safety considerations are not controllable on the driver's side,



AVN (Audio Visual Navigation) ECLIPSE「AVN7905HD」

can be handled from the passenger's side, improving both the entertainment character and convenience.

AVN075HD is the world's premiere 1DIN AVN mounted with audio, visual and HDD navigation packages in 1DIN size. The equipment is ready to go without adding any attachments. Even for cars with only 1DIN space, like some European models, a full-scale AVN can be assembled. The compact size also saves resources.

*Our review as of September 27, 2005

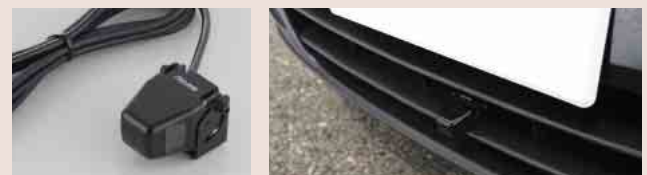


AVN (Audio Visual Navigation)
ECLIPSE「AVN075HD」



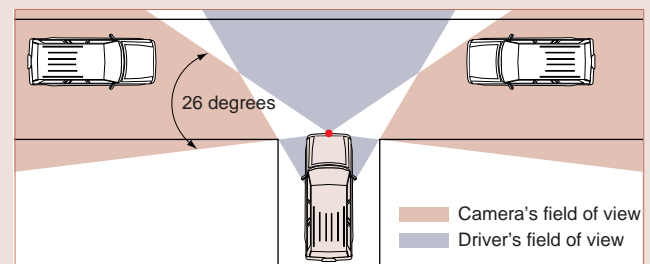
Front Eye Camera "FEC106"

Attaching this camera to the front grill or bumper enables the driver to check surrounding conditions on their AVN image when at intersections with bad views or pulling out of a parking lot. It covers the driver's blind spots and prevents accidental bumping in tight situations.



FEC106

Example of FEC106 setting for a car



Development, Production and Sales of Electronic Automotive Devices

Keeping in mind the keywords, “environment,” “safety” and “security,” we contribute to the development of the automobile industry.



Engine Controlling ECU



Air Bag ECU



Vehicle Security System (VSS)



System for Development, “CRAMAS”

Development, Production and Sales of ITS and Mobile Communications System Devices

These are the supporting equipment to improve safety, convenience and comfort for automobile users and for commercial vehicle efficiency.



Millimeter-Wave Radar



Cruising Recorder



CTI Automatic Car Allocation System for Taxis

Development, Production and Sales of Home Speaker Systems

We would like to make the results of our serious attitude towards “sound” available to the home.



ECLIPSE TD Series

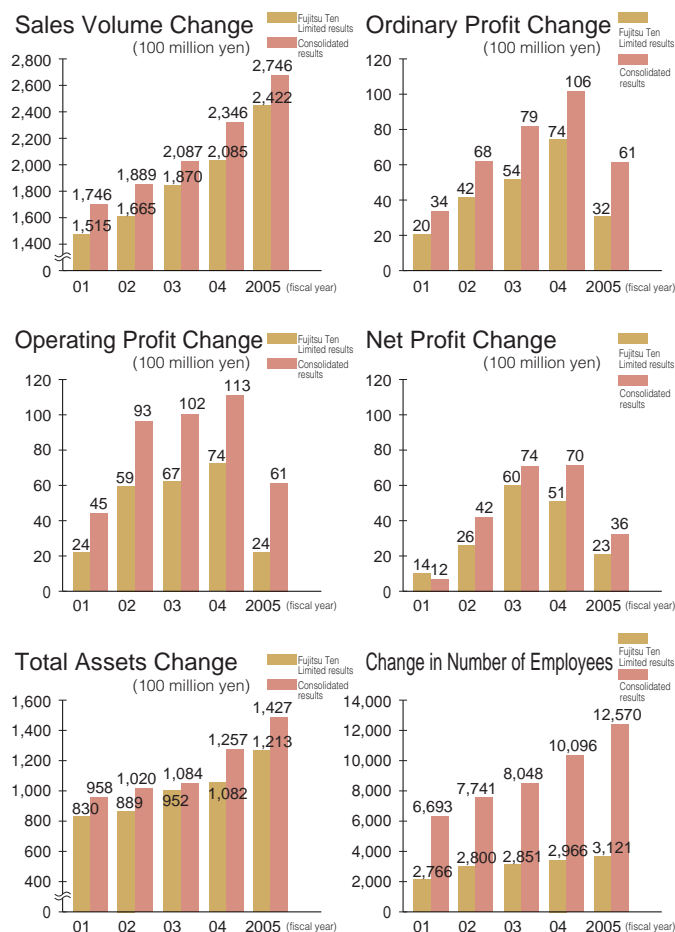
Financial Standing

Outline of Business in Fiscal Year 2005 Toward Fiscal Year 2006

Based on the results of fiscal year 2005, we work on various tasks, especially emergency management issues.

While business achievements by the automobile industry, which is deeply tied with the business of Fujitsu Ten Group, is shifting in a favorable manner, our group has been attempting to develop new products, improve quality and establish a satisfactory sales and service system that appeal to our customers. As a result, consolidated sales for fiscal year 2005 were at a record high. However, profits - both current profits and current net profits - saw a large drop due to cost deterioration stemming from delays in developing new products.

In this term, we will continue to make innovations to establish a thorough management of developmental progress and cost, while at the same time, provide products and service that will better satisfy our customers. In addition, we will work to re-enforce global marketing and build an internal control system. Furthermore, we will work on social issues such as environmental preservation and safety measures on our products.



Please see “Accounting Notification” and other parts in the following website for financial standing details:
<http://www.fujitsu-ten.co.jp/english/company/koukoku/index.html>

Environmental Policy

Promoting Environmental Management and Creating a Society Rich in Greenery

Fujitsu Ten Group feels environmental management is one of the most important issues it deals with as a global citizen. Therefore, we've established the Global Environmental Charter that promotes the concept of, "Green Life - Turning Everything Green".

● Fujitsu Ten Group Global Environment Charter

In the Fujitsu Ten Group Global Environmental Charter (enacted in 1992, revised in 2003), we are committed to making our efforts to contribute to the development of the automobile society by making good use of our unique automobile electronics technologies on a global scale. We're looking for a 21st century filled with greenery, cherishing harmony with nature.

Fundamental Principles

The Fujitsu Ten Group is aware of the close connection between the global environment and our business activities, products and services related to the industries of automotive electronics, entertainment, and information technology. With our promotion of environmental management, we are contributing to the development of a green 21st century and meeting our responsibilities as a corporate citizen.

Fundamental Policies

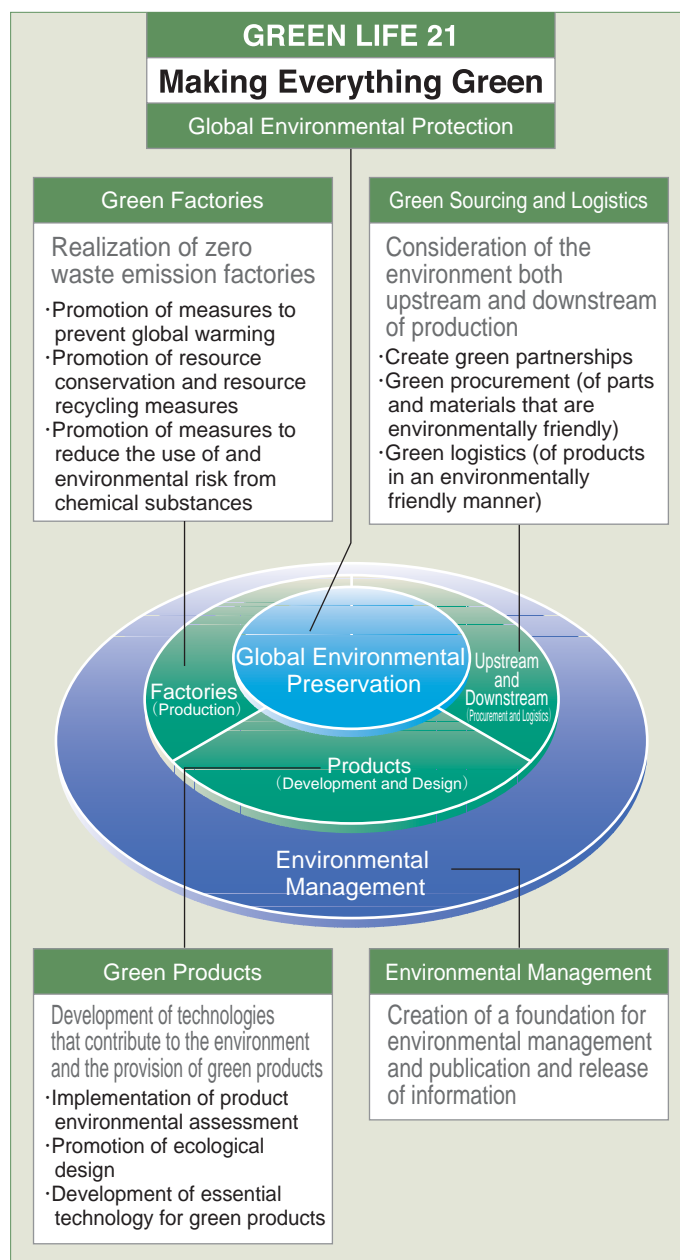
1. Comprehensive measures
2. Thoroughness of basics
3. Cooperation and collaboration with society

Action Directives

1. Promote site environmental protection efforts that seek to minimize environmental impact
2. Apply the latest environmental technology to our products by strengthening cooperation with related companies and suppliers
3. Promote green procurement and green logistics
4. Raise the awareness of our entire staff through substantial environmental education

● Environmental Effort Concept

To ensure that all members of our group understand and practice the concept shown in the Fujitsu Ten Group Global Environment Charter, we've adopted a slogan, "Green Life 21- Making Everything Green" and practice it in every area of our business.



Environmental Management

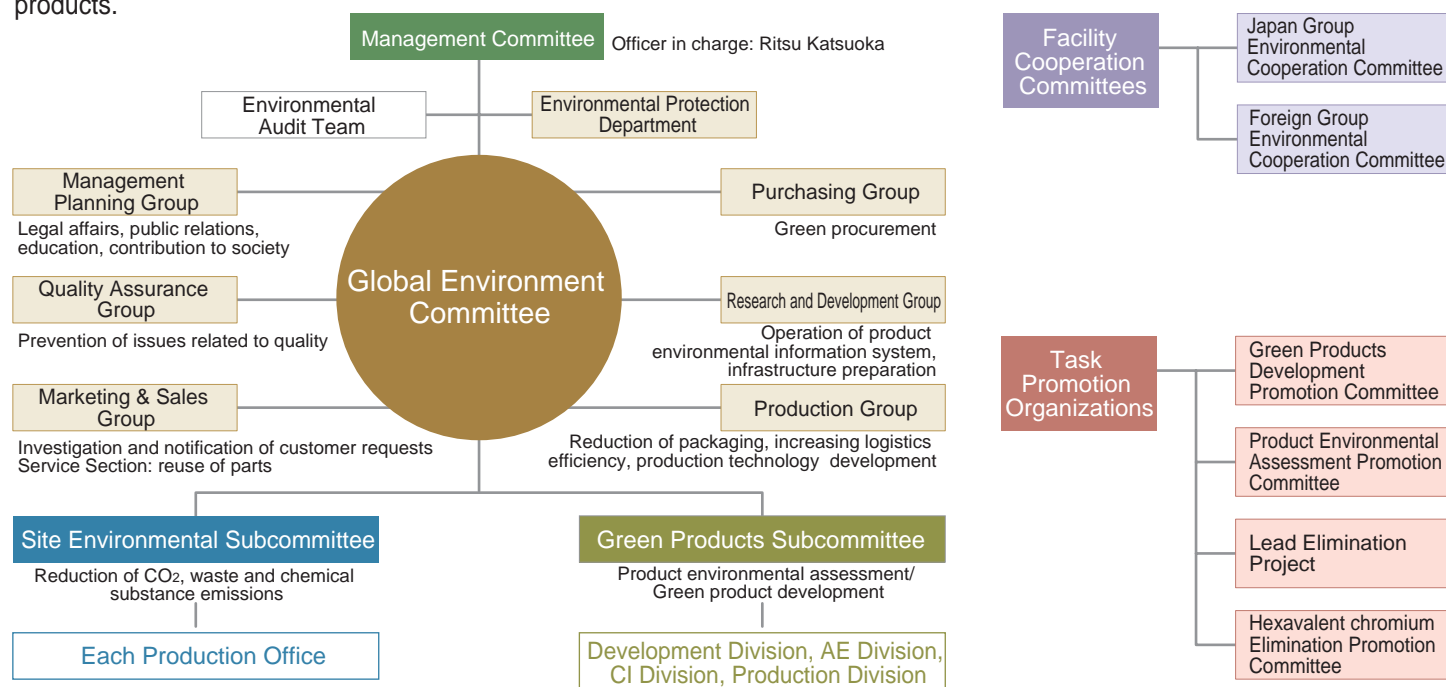
Toward the Promotion of Environmental Activities

To promote activities conducted in accordance with the Global Environmental Charter, Fujitsu Ten Group's environmental activities revolve around 2 active hubs; developing organizations, such as the Global Environment Committee, and the building of an environmental management system.

Promoting organization

In 1992, we established a Global Environment Committee. They have since created the Site Environment Subcommittee that's in charge of environmental preservation at each base (office) and the Green Products Subcommittee that's in charge of environmental considerations regarding products.

In addition, we have established cooperation committees for cooperative activities among facilities in Japan and facilities in other countries, and separate promotion organizations for each kind of promotion effort related to product environmental measures.

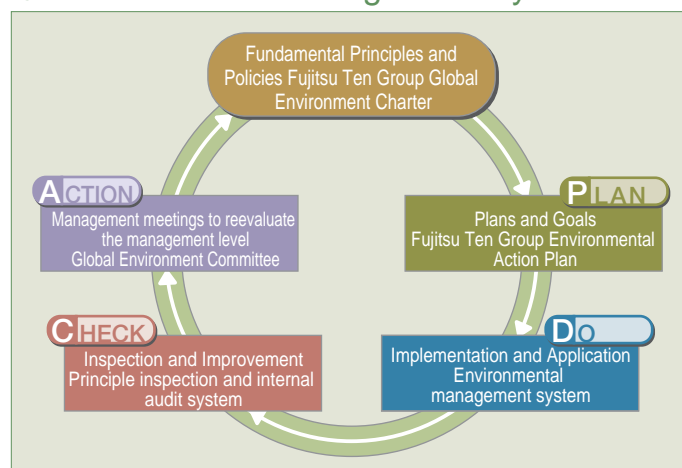


Environmental Management System (EMS)

Fujitsu Ten Group developed its environmental management system in relation to ISO 14001. We promote environmental management by rotating our PDCA cycle from planning to implementation, evaluation and improvement.

Additionally, to be sure the entire group steadily follows the Environmental Action Plan every fiscal year, an environmental policy and an environmental management program for the entire group are designed. We promote action plan activities reflecting in the management program at each base and each department.

Environmental Management System



● Status of ISO 14001 Certification Acquisition

All Fujitsu Ten Group production bases, as well as Fujitsu Ten Europe (sales base in Germany) have acquired ISO 14001 certification.

At this time, Fujitsu Ten Group is working to acquire ISO 14001 joint certification to consolidate environmental management as a group. The initial goal for the group in Japan is to acquire this joint certification in fiscal year 2006.

A part of the headquarters factory is included in Fujitsu Group's joint certification.

● Number of offices that have acquired ISO14001 certification

	Production Office	Non-production Office
Japan	3(all offices)	0
Abroad	6(all offices)	1

● Environmental Audit

We implement internal audits to ensure the continual improvement of environment management system and performance. The results of these checks and annual assessments are reflected in the objectives for the following fiscal year.

To make audit checking more effective, Fujitsu Ten Group's environmental audit team is separate from the Environmental Management Bureau, and a chief auditor is appointed from a pool of people who are not directly related to environmental management promotion.

Number of Auditors (Japan)	
Senior Auditors	11
Auditors	65
Number of Auditors (Overseas)	
Senior Auditors	7
Auditors	26

● Results of Domestic Environmental Audit in Fiscal Year 2005

Number of issues noted and the condition of corrective measures (Japan)	
Number of Issues Noted	93
Number of Corrective Actions Taken	93

Number of issues noted and condition of corrective measures (Abroad)	
Number of Issues Noted	67
Number of Corrective Actions Taken	67



Scene of an internal audit

● Environmental Education

We are implementing environmental education to each employee class by adding Environmental Management to our company education program. In particular, special courses are held for staff members with direct responsibility for environmental management work, such as environmental management representatives, to keep them abreast of required knowledge and techniques.

After the completion of introductory education for environmental preservation promoters and environmental management auditors, students take a test to check their comprehension of the issue. Only those who attain certain levels are appointed in order to maintain competence level.

At overseas production offices, we request environmental education for employees who deal directly with environmental management work as well as new employees at every possible opportunity.

● Cooperation with Affiliated Companies and Business Partners

In order to reinforce environmental management, lower environmental impact and promote the circulative use of resources and energy, we began conducting efficient operations in cooperation with the suppliers of raw materials and services (on the upstream side), our customers (on the downstream side) and affiliated companies, such as Fujitsu Group.

Please refer to page 14 regarding Green Procurement.

Handling Environmental Risks

Seeking Harmony with the Surrounding Environment

We not only respect environmental regulation values, but we also establish our own, stricter standards. In addition, we strive to lower environmental risk on a daily basis by conducting simulator training sessions that re-enact environmental and emergency accidents.

●Respect for Legal Regulation Values

We conduct regular measurements of water, atmosphere, noise and vibration at all of our production bases, setting standards that are stricter than local environmental regulations.

In fiscal year 2005, there were no excessive discharges into the environment, whether measured by environmental regulation or our own standards. Regarding water quality, there is no water discharge process at any of our production bases in Japan. Regarding domestic waste water, we conduct legal water quality checks at sewage effluents and septic tank effluents, as well as voluntarily check rain water in drainage ditches.

●Measures Concerning Land and Groundwater Contamination

We have completed an investigation of production bases grounds in Japan where 1,1,1-trichloroethane and trichloroethylene were previously used. Latest measurements show no pollution in the land or groundwater at these places. We will conduct land examinations to lower the risk of ground pollution, taking opportunities to remove buildings on such land and/or selling these sites.

●Storing Polychlorinated Biphenyl (PCB)

At production bases in Japan, there is no usage of or equipment stored that contains PCB, such as transformers, condensers and fluorescent lamp stabilizers.

●Asbestos Usage

There is no usage of asbestos in our products and facilities at production bases in Japan. It is confirmed that some of the slate in buildings we own use asbestos, but there is no danger of it being let loose into the atmosphere under normal conditions. When we have the opportunity, the noted materials will be

replaced with non asbestos ones. When these buildings are razed, everything possible will be done to ensure that asbestos dust will not enter the atmosphere.

●Emergency Training

All production bases in Japan have an Environmental Risk Map, which clearly shows the potential environmental risk at each base. Their employees are required to be familiar with this map. In January every year, disaster prevention drills are held for all group companies. This training also includes simulated accidental chemical leakage near storage facilities.

At workplaces where chemical substances are used, periodic training is conducted to cope with spills during work and check on equipment reserved for such measures.

Training Conditions (simulated response training)

Plant	Times Implemented	Cumulative Participants
Head Office Plant	1	15
Nakatsugawa Plant	8	164
Tochigi Fujitsu Ten	5	21
Overseas bases	1	25

*Excluding disaster prevention training held for the entire corporation.



Simulated response training

●Emergency Situations, Complaints, Accidents, Litigation

In fiscal year 2005, there were no occurrences of emergency situations. Nor were there any accidents, complaints, litigation, fines or penalties, both in Japan and abroad.

Fujitsu Ten Group Environmental Action Plan

Continuously Working on the Issue in All Areas According to the Plan

In 2005, the 5th Fujitsu Ten Group Environmental Action Plan was announced, with a new theme to work on. We will work on global environmental preservation as a team, by accelerating environmental management that consolidates all bases.

A Look Back at the 4th Action Plan

For 3 years, starting in 2003, we made progress in the abolition of substances (lead, hexavalent chromium, cadmium, mercury) and prohibition of their use in our products. Indeed, hexavalent chromium was mostly eliminated 1 year prior to its complete banning by the European ELV*1 (End of Life Vehicles)

Directives. Attempts to abolish other substances have also been progressing in accordance to the plan.

On the other hand, the objective of reducing carbon dioxide emission levels was not reached, due to the beginning of operations at Fujitsu Ten Electronics (Wuxi) Ltd.

4th Environmental Action Plan Goals and Results

Ratings = ◎ Goal exceeded ○ Goal met appropriately
△ Goal not met × Goal not met to a large extent

Item	Main Theme of Action	Action Plan Final Target		Fiscal Year 2005 Results	Ratings	Reference page
Green Products +Green Sourcing	Expansion of the list of substances prohibited from use in our products	Global	Ban the use of lead solder in all products produced after July 2007	Started to implement lead free design in new products	○	29
			Completely ban the use of parts containing hexavalent chromium by the end of fiscal 2005	Completed switching 98% of products	○	
			Completely ban the use of parts containing lead and cadmium by the end of fiscal 2005*	Started to implement lead free parts. Mostly completed on cadmium	○	
			Begin marketing products with mercury-free backlights by the end of fiscal 2007	Completed to assess adopting 07 Model	△	
Green Factories +Green Logistics +Green Sourcing	Promote actions against global warming	Global	Reduce carbon dioxide emissions (per production output) to 15% less than fiscal 2002 levels by the end of fiscal 2005	Reduced by 12%	△	31
		Japan	Reduce carbon dioxide emissions (per production output) to 15% less than fiscal 1999 levels by the end of fiscal 2005	Reduced by 15%	○	
	Promote actions for resource saving and recycling	Global	Reduce the amount of waste (per production output) to 10% less than fiscal 2002 levels by the end of fiscal 2005	Reduced by 11%	○	32
			Achieve a waste recycling rate of 90% by the end of fiscal 2005	93%	○	
		Japan	Reduce the amount of waste (per production output) to 10% less than fiscal 2002 levels by the end of fiscal 2005	Reduced by 24%	◎	
			Maintain a 100% waste recycling rate	100%	○	
	Promote actions to reduce the use of chemical substances and environmental risks	Global	Reduce the amount of PRTR*2 (Pollutant Release and Transfer Register) substances used (per production output) to 30% less than fiscal 2002 levels by the end of fiscal 2005	Reduced by 25%	△	33

*Period for complete ban except those for which a prohibition period has not been determined by European ELV directives

*1 European ELV (End of Life Vehicles) Directives: EU regulation regarding the environmental concerns of used vehicles. It defines prohibition of the use of designated toxic substances (lead, hexavalent chromium, cadmium, mercury) and securing a certain vehicular recycling rate.

*2 PRTR (Pollutant Release and Transfer Register): A registration system for the release/transfer of environmental pollution substances. It calculates the amount of chemical substances released into the environment by corporations while operating factories and handling as wastes and reports it to national and local governments. Then, these reported data are gathered to announce officially to the public.

Idea toward the 5th Action Plan

Based on changes in the environment, including enhancement of national and international environmental regulations and the current societal trends, we set clear objectives, not only in the “Development and Promotion of Green Products” and “Green Factories,” which we have been dealing with, but newly added “Green Logistics,” “Green

Procurement” and “Environmental Management” as well as social issues, “Social Contribution Activities”.

Regarding “Development and Promotion of Green Production” and “Green Factory”, we set new objectives, including reduction of usage of the substances subject to VOC*3 release control and reduction of service water.

5th Environmental Action Plan Goals

Item		Action Plan Target	
Development and Promotion of Green Products		Global	Establish Fujitsu Ten Group SOC (Substances of Concern)*4 non-inclusion control system by the end of fiscal 2006.
			Ban the use of lead solder in all new products produced after July 2007.
			Begin marketing products with mercury-free backlight by the end of fiscal 2007.
			Ban lead contained in machining aluminum by July 2007.
			The amount of VOC generation of new products starting in April 2007 is to be below the standard values of the Japan Automobile Manufacturers Association Inc.
			Supply Super Green Products that possess top level environmental performance by the end of fiscal 2007.
Green Factories	CO2 Exhaust Amount Reduction	Global	Reduce CO2 emission (per production output) to 5% less than fiscal 2005 levels by the end of fiscal 2010.
	Waste Exhaust Amount Reduction	Global	Reduce the amount of waste generation (per production output) to 3% less than fiscal 2005 levels by the end of fiscal 2008.
			Achieve zero-emission at all the group production sites by the end of fiscal 2008.
	VOC Exhaust Amount Reduction	Japan	Reduce the amount of VOC emission regulation substances used to 30% less than fiscal 2000 levels by the end of fiscal 2010.
	Chemical Use Amount Reduction	Global	Reduce the amount of PRTR substances (lead, toluene, xylene) used to 15% less than fiscal 2005 levels by the end of fiscal 2008.
	Water Use Amount Reduction	Global	Reduce the amount of water use to 3% less than fiscal 2005 levels by the end of fiscal 2010
Green Logistics		Global	Achieve 100% introduction of low-emission vehicles by the end of fiscal 2010.
			Review and reduce the total amount of transporting products, materials, packing materials and waste
Green Procurement		Global	Achieve 100% green parts procurement based on SOC non-inclusion evidence by the end of fiscal 2006.
			Support the establishment of supplier's SOC non-inclusion control system and achieve 100% of standard levels by the end of fiscal 2010.
Environmental Management		Japan	Obtain joint certification of Environmental Management System within the Japanese group by the end of fiscal 2006.
Social Contribution Activities		Global	Practice environmental contribution activities at all group sites by the end of fiscal 2008
		Japan	Practice environmental contribution activities aimed at ecological preservation at all Japanese production sites by the end of fiscal 2008.

*3 VOC (Volatile Organic Compounds): Compounds, such as isopropyl alcohol, toluene and xylene that may cause sick house syndrome

*4 SOC (Substances Of Concern): Toxic substances, such as lead, hexavalent chromium, cadmium, which are prohibited to use on products under the regulation of European ELV Directives.

Environmental Accounting

To Ensure Effective Environmental Management

Fujitsu Ten Group makes use of environmental accounting that comprehends and assesses costs related to environmental preservation and their economic effect, while at the same time, enhances effective environmental management.

Results for Fiscal 2005

In fiscal 2005, we assessed the environmental costs and effects regarding 21 companies in the Fujitsu Ten Group, including those overseas. In addition to the substantial effect determined in the Environmental Accounting Guidelines issued by the Ministry of the Environment, Fujitsu Ten Group calculates the presumed effect using our own calculation standards.

● Costs

The cost for the entire group was 8.21 million yen, 1.29 million yen more than the previous fiscal year.

In fiscal 2005, we continued to strive towards stronger compliance of regulations regarding the “non-use of toxic substances” and “waste recycling”, as well as responding to customer requests for the disclosure of environmental impact information about products. As a result, research and development costs increased by 87 million yen, and costs for management activities by 32 million yen.

● Economic Effects

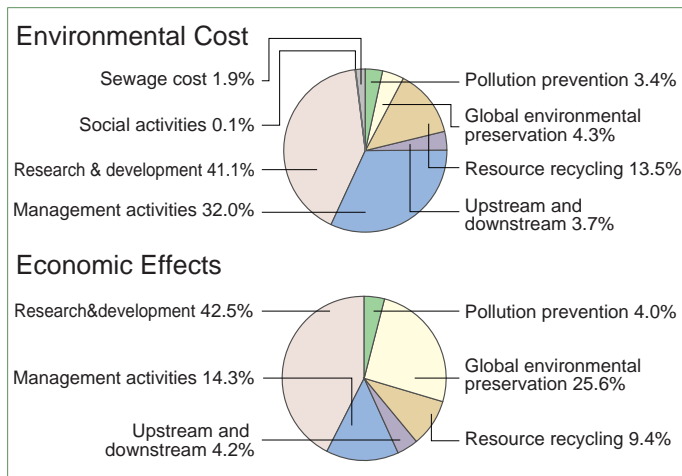
Compared to the previous year, the amount of economic effect for the entire group increased by 7 million yen from the year before, and now totals 197 million yen.

Due to an increase in the type of machines adjusted for green products, the effect from research & development increased by approximately 10 million yen. Additionally, the presumed effects from environmental education implementation and an increase in the number of newspaper articles had an affect of approximately 11 million yen.

● Future Activities

Currently, the purpose of environmental accounting at Fujitsu Ten Group is to publicize to stakeholders the costs and economic effects related to environmental activities. In the future, we are working on developing a scheme that reflects the assessment results in our environmental management.

● Breakdown of Environmental Costs and Effects (Consolidation)

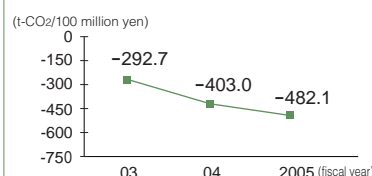


● Environmental Impact Improvement Indicators

Fujitsu Ten has set up environmental impact improvement indicators, which associate environmental impact and environmental related indicators, to assess the efficiency of environmental preservation activities from the viewpoint of management. Environmental indicators use the “emission of CO₂ caused by energy use”. Since CO₂ emission had continuously increased due to increased production, the environmental impact improvement efficiency recorded a minus value for fiscal 2005.

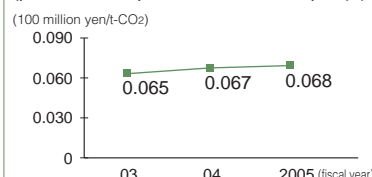
Environmental efficiency was almost the same.

Environmental Impact Improvement Efficiency
(Amount of lowering environmental impact/environmental cost) (Consolidation)



An indicator that shows the relationship between environmental improvement effect, which is clarified by the comparative evaluation on timeline, and environmental costs. (The longer the environmental measures are in effect, the less the absolute value tends to increase. When environmental impact exceeds that of the previous fiscal year, it records a minus value.)

Environmental Efficiency
(production output/environmental impact) (Consolidation)



This indicator shows the production output per unit of environmental impact. (The longer the improvement is in effect, the more one should be able to see improvement in economic value.)

● Achievements in Fiscal 2005 (Consolidation)

(Unit: million yen)

Category		Details	Cost	Comparison with the Previous Year	Classification of the Effect	Effects	Comparison with the Previous Year
Business area costs	Pollution Prevention Costs/Effects	Costs related to the prevention of noise, atmosphere and water pollution	27	+3	Presumed effects	7	-2
	Global Environment Protection Costs/Effects	Energy conservation measure expenses, costs related to global warming prevention, etc.	35	-6	Substantial effects	50	-9
	Resource Recycling Costs/Effects	Waste recycling expenses costs related to efficient use of resources, etc.	110	+2	Substantial effects	18	-2
	Sewage Expenses	Public sewage expenses	15	+1	Presumed effects	0	0
Upstream and Downstream Costs/Effects		Green logistics, green purchase, etc.	29	+4	Substantial effects	8	-4
Management Activity Costs/Effects		Environmental education, internal audits, etc.	262	+32	Presumed effects	28	+11
Research and Development Costs/Effects		Design and development of green products	337	+87	Presumed effects	83	+10
Social Activity Costs/Effects		Environmental contribution activities, etc.	0	0	Presumed effects	0	0
Environmental Damage Costs/Effects		Restoration of soil and ground water pollution, etc.	0	0	Presumed effects	0	0
Environmental Business Costs/Effects		Costs related to environmental business activities	0	0	Presumed effects	0	0
Total			821	+129		197	+7

* Amounts less than one million yen unit are rounded. Therefore, the total of the numbers in each category and the grand total may differ.

Business Activities and Their Main Environmental Aspects

Aiming to Lower Impact at All Stages

Products and business activities at Fujitsu Ten Group cause impact on the environment in various forms. We are trying to lower environmental impact at all stages through our environmental activities concept, "We Make Every Activity Green".

INPUT

Energy

Power	75,898MWh	Natural Gas	89,000m ³
Crude Oil	1,532KL	Kerosene	5KL
City Gas	721,000m ³	Light Oil	6KL
LP Gas	56t	Solar Energy	3MWh



Forest Resources

Amount of Paper Purchase — 96.3t



Fujitsu Ten Group's Business Activities

Common to All Business Locations

Planning and Development

Procurement of Parts and Materials

Manufacturing

Activities to Lower Environmental Impact

- Measures to prevent global warming
- Reduction of waste and proper disposal
- Activities to reduce paper usage
- Reduce the use of chemical substances and handling management

- Development of green products
- Development of environmentally contributing products
- Development of simulator

- Promotion of green procurement
- Activities of the subcommittee of Teneikai (supplier cooperation group)

- Measures to prevent global warming
- Reduction in the use of substances with environmental impact
- Reuse of containers and packaging from supplied parts and materials

OUTPUT

Atmosphere

CO ₂	36,792t-CO ₂
Emission of substances subject to PRTR	5t(Japan)
Distance that substances subject to PRTR were moved	0t(Japan)
Amount of recycling substances subject to PRTR	10t(Japan)



Water

Amount of discharge — 359,606m³



Reuse as Raw Material

Water Resources

Water Supply Consumption — 67,741m³ (Japan)
 Industrial Water Consumption — 69,007m³ (Japan)
 Groundwater Consumption — 27,693m³ (Japan)
 Service Water Consumption — 198,403m³ (Abroad)



Other Natural Resources

Raw Materials



Product Logistics, Sales and After Sales Services

- Promotion of green logistics
- Introduction of the use of eco-cars
- Reduction of product containers and packaging
- Environmental considerations when making catalogs and product manuals

Product Use by Customers

- Designs for product energy conservation (Product Use)
- Reduction of environmental pollution risks from used products (Product Disposal)
- Promoting the total abolition of toxic substances in products
- Recycling and reuse of used products (Product Disposal*)

*We don't actively collect used products. However, collected products are used for alternatives during repair periods or disassembled for reuse as high added-value parts.

Product Disposal (Collection and Recycling)

Waste

Total amount — 4,095t
 Amount recycled — 3,787t
 Amount of final disposal — 308t
 Recycling rate — 93%



Unless stated, these values show the total value of Fujitsu Ten Group in fiscal 2005.

Green Products

Toward Manufacturing Green Products Ahead of Time

Fujitsu Ten's green products are created after going through a process that environmentally assesses each of them. We work on the development of green products that are one step ahead, taking foremost into consideration the reduction of environmental impact.

Responding to Various Regulations

● Efforts Regarding European ELV Directives

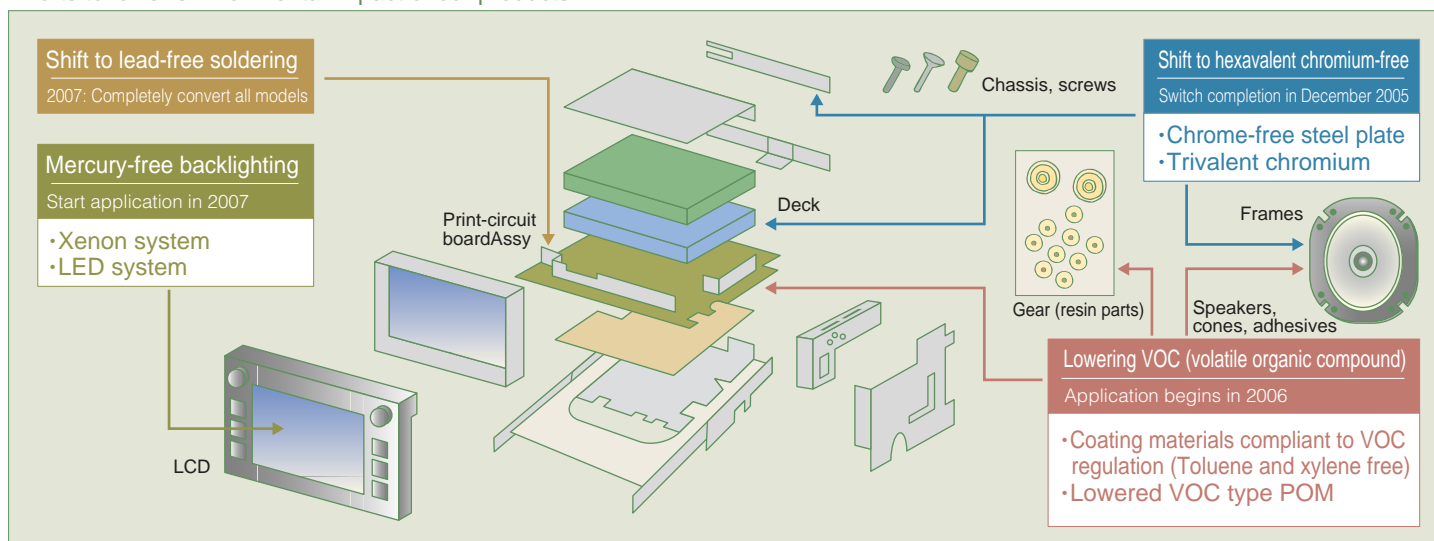
To respond to the ELV Directives, which began implementation in July 2003, we started to work on the total banning of designated toxic substances (lead,

hexavalent chromium, cadmium, mercury) even before the regulation took affect. We are working on the problems of lead soldering and mercury in liquid crystal backlight already, even though the restricted period has not yet been determined.

Periods for Restriction of Substances and the Fujitsu Ten Group's Elimination Plan

	Parts Containing Substances	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008
Lead	Light-bulb glass	January~ End of June				
	Aluminum for machine processing (lead >0.4wt%)			July~		
	Solder			Restriction period not yet determined	July~	
Cadmium	Thick film paste	July~	End of April			
Hexavalent chromium	Chromate treatment			July~	March~	
Mercury	Liquid crystal backlights			Restriction period not yet determined		Introduction to the market

Efforts to lower environmental impact of our products



●Dealing with RoHS Directives*

Among Fujitsu Ten Group's products, home use time domain audio systems sold in the European market applies to these directives. Regarding these products, all designated toxic substances will be banned from new products that begin being sold in 2006.

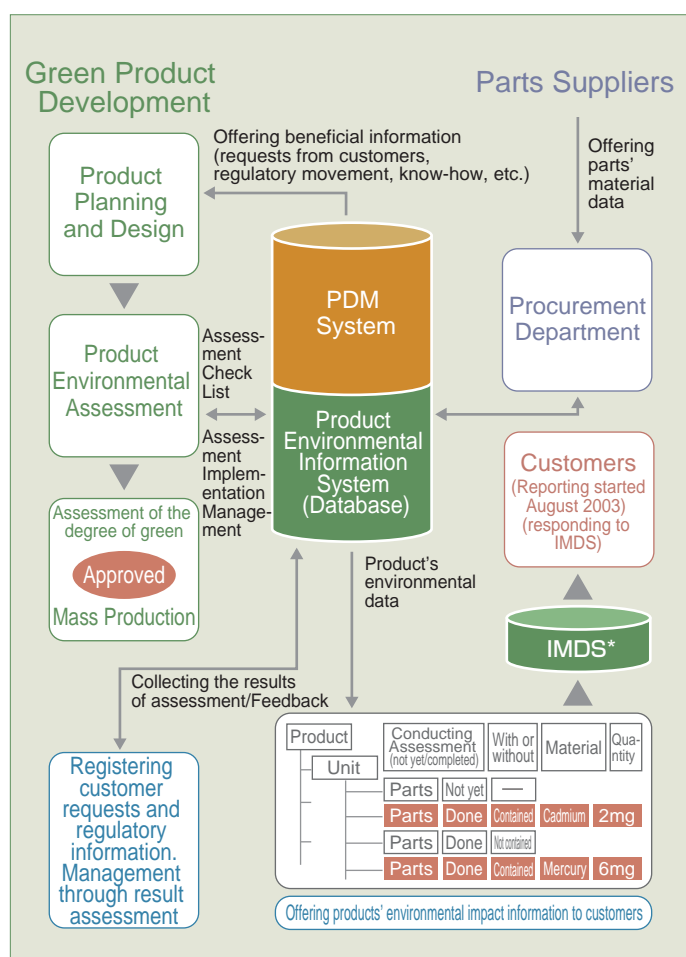
*RoHS (Restriction of Hazardous Substances) Directives: EU regulations regarding electric and electronic equipment. They are prohibited from containing designated toxic substances (lead, hexavalent chromium, cadmium, mercury, polybrominated biphenyl, polybrominated diphenyl ether) in newly sold products starting on July 1, 2006.

Product Environmental Information System

We've developed our product environment management system in conjunction with a PDM System*, as a design development support tool for green products.

We constantly update the system to offer quantitative product environmental information to automobile manufacturers in a timely manner.

*PDM (Product Data Management) System: A system to manage technical data regarding products, such as drawings, parts lists and specifications.



*IMDS (International Material Data System): A system developed by the German Association of the Automotive Industry and EDS Germany, which discloses and registers all material information of each part used in automobiles.

LCA* Efforts

*LCA (Life Cycle Assessment)

To use LCA results in the manufacturing of green products, we take great pains to implement LCA over entire lifecycles, including the collection of resources, assembly, use, waste and the recycling of products.

Cases of Development

●Development of a Headliner Speaker

This is a ceiling panel speaker adopted for Toyota's Estima automobile. By applying technology from New Transducers Limited in Britain, our technology is adapted for use in interior ceiling materials as a flat diaphragm.

In cooperation with Toyota Boshoku Corporation, we developed the technology to use this ceiling material as a speaker diaphragm.

The exciter, which is the actuator, is made lighter by eliminating the frame that holds traditional speaker diaphragms.

In addition, the use of a neodymium battery, which is highly magnetic and efficient, enabled the miniaturization and reduced weight of the magnetism circuit.



exciter

●Environmentally Friendly Designed Panel

We've developed the technology to apply water paint to the front of audio panels. This means a more than 80% reduction in VOC emissions compared to the solvent paints traditionally used in the process.



Products with this technology will be mass produced after fiscal 2007.

Green Factory

“We Make Every Activity Green”, Not Only our Products But Our Factories, Too

On a global scale, Fujitsu Ten Group promotes Global Warming Countermeasures, Waste Reduction Countermeasures and Toxic Substances Reduction Countermeasures, while trying to achieve both production improvement and environmental impact reduction.

Global Warming Countermeasures

To reduce CO₂ emissions, which are a major cause of global warming, we are conducting energy saving activities through the introduction of energy saving facilities and radical electricity savings. We are also looking to increase energy savings from being efficient in the areas of design, production, physical distribution and clerical work.

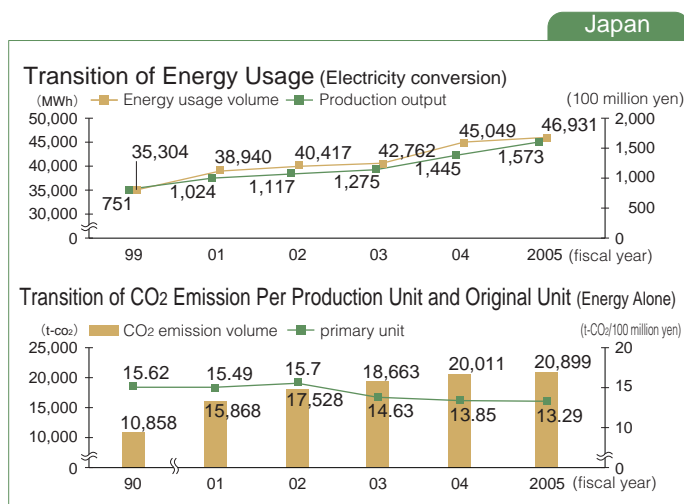
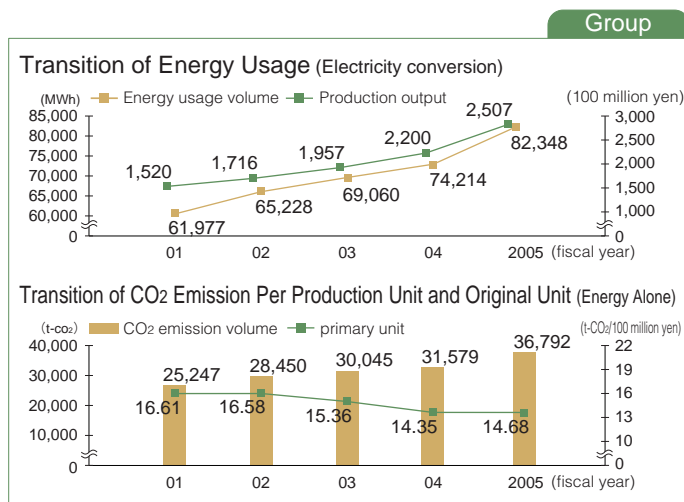
Activities in Fiscal 2005

In fiscal 2005, the headquarters factory introduced a solar energy generation facility, participated in “Team -6%” and cooperated with Coolbiz and black illumination activities. However, as a whole group, the basic unit of CO₂ emissions in fiscal 2005 was 14.68t-CO₂/100 million yen, which didn’t achieve our goal of 14.09t-CO₂/100 million yen. The main reasons were a 10% increase in floor area at the headquarters factory and the start of operations at Fujitsu Ten Electronics (WUXI) in China.



Future Activities

Design, production and logistics will work together to further enhance efficiency. In addition, we will examine measures such as the purchasing of “Green Power Certificates”, utilization of “emissions trading” and changing to fuels that emit less CO₂.



Efforts at Overseas Production Bases

Fujitsu Ten Corporation of the Philippines expanded their facility, and took the opportunity to introduce air conditioning equipment that uses non-ozone depleting substances as a cooling medium.

Waste Reduction Measures

We are working to reduce and recycle waste based on the theme called the 3Rs (Reduce, Reuse and Recycle) from the viewpoint of helping establish a resource recycling society. Following the lead of the Japanese Group, overseas production bases are trying to achieve zero emissions* by the end of fiscal 2008.

*Definition of "zero emissions" at Fujitsu Ten Group:
Totally eliminating the amount of non-effective waste, such as incinerated materials and landfill disposal, under the 3Rs - Reduce, Reuse and Recycle - to zero.

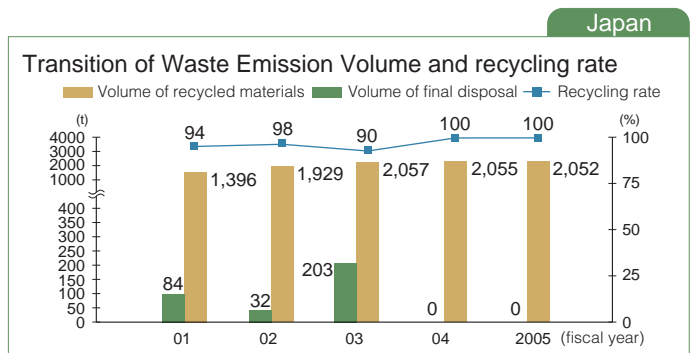
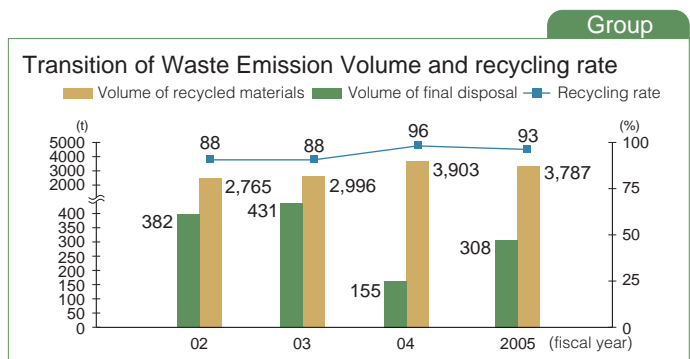
Activities in Fiscal 2005

In fiscal 2005, Nakatsugawa Factory introduced biotechnology into their sewage treatment facility and saw a reduction in human waste sludge of approximately 30t.

The total waste output for the entire group was 4,095t, 11% less than fiscal year 2002 (per production output). However, packing waste from products originating at overseas bases is continued to increase. The recycling rate was 93%, meeting the goal set for the entire group.

Future Activities

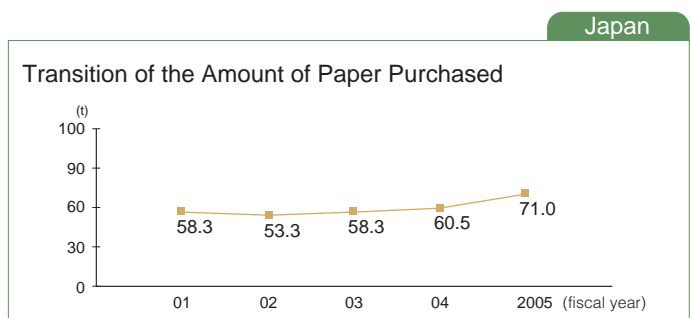
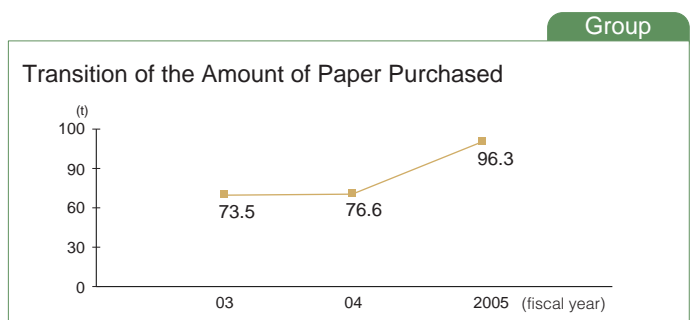
We are aware that waste from the packaging of products delivered from overseas bases needs to be dealt with from various viewpoints, including procurement, production and logistics. We will continue to work to solve the issue.



*Toyota Logistics Center is included in the achievement from fiscal 2003.

Measures to Reduce Paper Purchasing

We promote paperless activities with the viewpoint of forest resources protection. At each base, our employees diligently work on it. Although the absolute amount of paper purchase grew due to an increase of manpower, the amount of paper purchased per employee has stayed at the fiscal 2002 level (Japan).



Toxic Material Reduction Measures

Regarding all chemical products used throughout our corporation, we have systematized the existence of managed substances and their usage (rate) as well as assessment of chemical substances to figure out the possible risks to human body and environment. This helps us to identify chemical products that have a high environmental risk and reduce their usage.

Activities in 2005

At Fujitsu Ten, Major materials targeted for reduced usage are lead, toluene and xylene as well as IPA (isopropyl alcohol), a substance that is part of VOC (Volatile Organic Compounds) and used in relatively large amounts.

In 2005, since the expansion of applicable machine types for lead free soldering had been settled, the usage of substances subject to PRTR (Pollutant Release and Transfer Register) stayed as same as the previous fiscal year. Usage of IPA increased the previous year due to increased production.

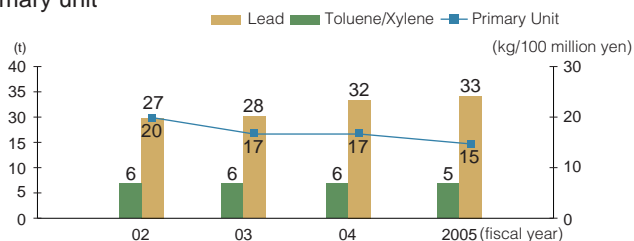
Future Activities

Regarding lead, we will work on further expanding the machine types that lead free soldering can be applied to, and reducing the amount of lead used itself.

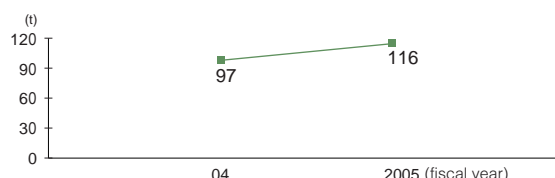
Regarding IPA, because low-key efforts have some limitations, we will increase our efforts to come up with a realistic reduction measure, including one with the viewpoint of establishing treatment facilities (combustion, absorption).

Group

Transition of the volume of toxic substances used and primary unit

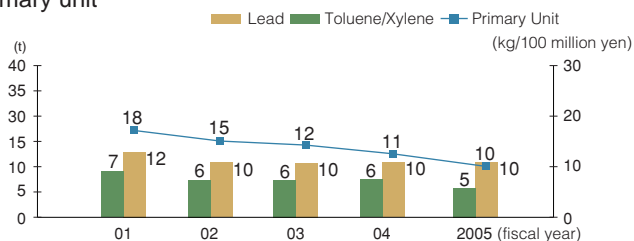


Transition of the volume of IPA (isopropyl alcohol) use

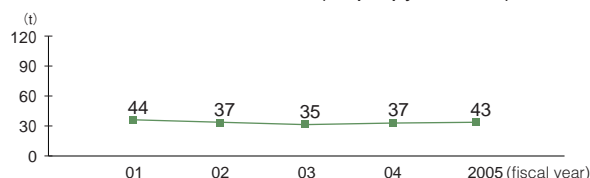


Japan

Transition of the volume of toxic substances used and primary unit



Transition of the volume of IPA (isopropyl alcohol) use



● Subsidiaries in Overseas

〈Manufacturing Business〉

		Amount of CO ₂ emissions (t-CO ₂)*	Amount of energy use (electric power equivalent/MWh)	Rate of waste recycling (%)	Amount of waste emissions (t)	Amount of final waste disposal (t)	Amount of paper purchased (t)	Amount of water usage (m ³)
FTCA	2004	1,626.1	3,969.7	100	452	0.1	0.6	3,955
	2005	1,621.5	3,959.2	80	379	75	0.5	6,469
FTdM	2004	2,681.5	6,588.5	87	671	87	4.2	11,962
	2005	2,875.4	7,065.0	96	634	27	5.4	13,304
FTCP	2004	3,116.8	7,606.0	100	335	0	1.1	36,344
	2005	3,760.6	9,202.4	100	410	0	1.5	38,355
Tianjin Fujitsu Ten Electronics	2004	2,735.9	6,663.1	91	22	2	3.4	55,696
	2005	4,922.9	10,449.3	91	22	2	3.5	67,098
FTTL	2004	1,147.3	2,813.2	85	254	37	6.8	23,636
	2005	1,948.7	4,777.9	87	382	50	10.0	38,206
Fujitsu Ten Electronics (Wuxi) Ltd.	2004	259.9	618.4	—	—	—	—	8,190
	2005	763.6	1,794.7	76	41	10	0.8	16,640

*Corresponding values of CO₂ emission is calculated by applying the latest conversion factor in Japan.

〈Sales and other businesses〉

		Amount of CO ₂ emissions (t-CO ₂)*	Amount of energy use (electric power equivalent/MWh)	Amount of waste emissions (t)	Amount of paper purchased (t)	Amount of water usage (m ³)
FTCI	2004	30.6	63.0	0.02	0.5	—
	2005	30.9	63.5	0.3	0.5	—
ETUK	2004	—	—	—	—	—
	2005	—	—	1.2	—	—
FTEG	2004	28.5	69.9	7.9	0.9	—
	2005	31.8	78.0	—	—	—
FTSL	2004	20.4	50	—	0.8	—
	2005	17.9	44	—	0.6	—
FTAL	2004	55.4	136.0	13.3	0.8	146
	2005	71.1	174.6	10.8	0.8	209
IAA	2004	29.4	72.2	81.4	0.5	260
	2005	30.9	76.0	7.1	0.5	253
FTTT	2004	—	—	—	0.2	—
	2005	—	—	—	0.05	—
FTRT	2004	116.8	287.0	0.7	0.7	14,100
	2005	281.2	690.8	1.4	1.4	17,869

*Corresponding values of CO₂ emission is calculated by applying the latest conversion factor in Japan.

List of Fujitsu Ten Group

FUJITSU TEN LIMITED

●Japan

〈Manufacturing〉

TOCHIGI FUJITSU TEN LIMITED

〈Sales〉

FUJITSU TEN EAST JAPAN SALES LIMITED
FUJITSU TEN CHUBU SALES LIMITED
FUJITSU TEN WEST JAPAN SALES LIMITED

〈Other〉

FUJITSU TEN ACTY LIMITED
FUJITSU TEN RESEARCH LIMITED
FUJITSU TEN INFORMATION SYSTEMS LIMITED
FUJITSU TEN TECHNOLOGY LIMITED

Please refer to the following website for each company's established date, capital and number of employees

<http://www.fujitsu-ten.co.jp/english/company/index.html>

●Abroad

〈Manufacturing〉

FTCA (FUJITSU TEN CORP. OF AMERICA / United States)
FTdM (FUJITSU TEN de MEXICO. S.A. de C.V. / Mexico)
FTCP (FUJITSU TEN CORP. OF THE PHILIPPINES / Philippines)
TIANJIN FUJITSU TEN ELECTRONICS CO., LTD. (China)
FTTL (FUJITSU TEN (THAILAND) COMPANY LIMITED / Thailand)
FUJITSU TEN ELECTRONICS (WUXI) LTD. (China)

〈Sales/Other〉

FTCI (FUJITSU TEN CANADA INC. / Canada)
ETUK (ECLIPSE TD (UK) LIMITED / UK)
FTEG (FUJITSU TEN EUROPE) GmbH / Germany)
FTTC (FUJITSU TEN TECHNICAL CENTER USA Inc. / United States)
FTSP (FUJITSU TEN SOLUTIONS PHILIPPINES INC. / Philippines)
FTSL (FUJITSU TEN (SINGAPORE) PTE.LTD. / Singapore)
FTAL (FUJITSU TEN (AUSTRALIA) PTY.LTD. / Australia)
IAA (INMOTION AUDIO (AUSTRALIA) PTY. LTD. / Australia)
FTTT (FUJITSU TEN TRADING (TIANJIN) LTD. / China)
FTRT (FUJITSU TEN RESEARCH & DEVELOPMENT (TIANJIN) LTD. /China)

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