



Business Reporting
for Better Decisions
by Managers, Investors, Governments and Citizens



18th XBRL International Conference

How XBRL Transformed Fujitsu's IT Platform

Oct. 15th 2008
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Fujitsu Group (FY2007)

Consolidated Net Sales: US\$ 53.3billion
No. of Employees, Worldwide: 167,000
Consolidated Subsidiaries: 430 companies
(47 Countries)

Japan

Net Sales: US\$ 34.1B
Employees: 100,000
Group Companies: 130

EMEA

Net Sales: US\$ 8.4B
Employees: 24,000
Group Companies: 140

The Americas

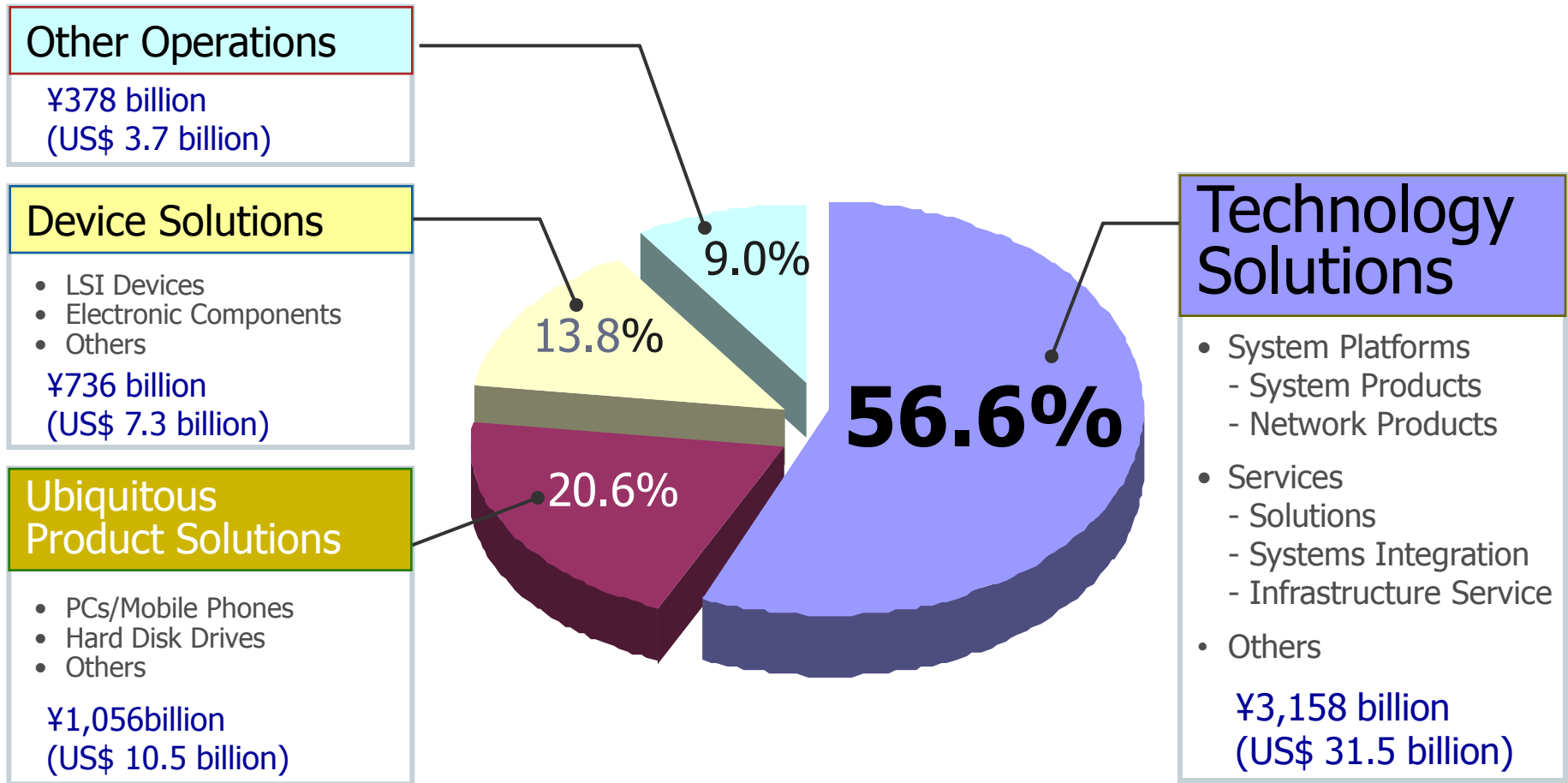
Net Sales: US\$ 5.2B
Employees: 10,000
Group Companies: 50

APAC & China

Net Sales: US\$ 5.6B
Employees: 33,000
Group Companies: 110

Business Composition

FY 2007 Revenue by Business Segment



Consolidated Net Sales by Business Segment, Including Intersegment Sales

Fujitsu's XBRL related activities

■ XBRL specification development

- Served as a chairman of a working group for basic specification development
- Development of the latest specifications and best practices

■ Provision of tools and support for consortium activities

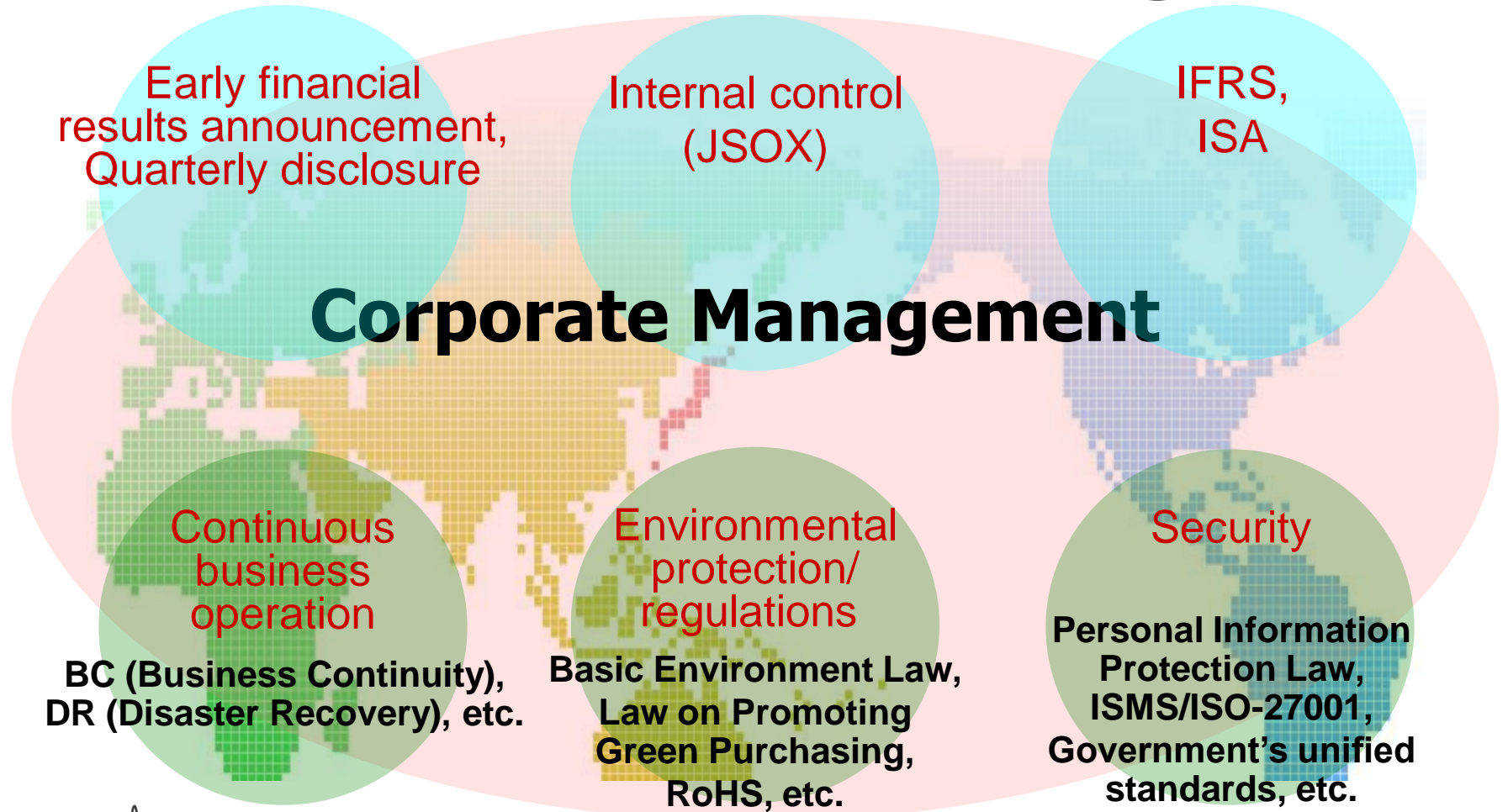
- Participation to XBRL consortium and pilot projects in various regions

■ XBRL solutions for early adopter customers

- Preparation of XBRL-based financial reports in public institutions
- Middleware for XBRL processing: Interstage XWand



Changes in the Environment of Global Business Management



Aiming to realize IFRS-based business management

■ Standardization of the entire group's accounting rules

- Development of unified accounting standards, policies, and administration standards for all group companies including overseas subsidiaries

■ Fair value basis

- Strict evaluation and write-down of assets (fixed assets, affiliated company stocks, etc.)
- Evaluation of inventory assets based on the lower-of-cost-or-market method

■ Matching principle between expenses and revenues

- Immediate provision for losses and write-down of assets
- Depreciation and evaluation of assets reflecting actual business situation (payback period, etc.)



Prerequisites for IFRS-based business management

■ Standardization of the entire group's accounting rules

- Development of globally-shared business management infrastructure
- Visualization and standardization of business processes
- Internal control cannot be secured without standardization of the entire group's accounting rules

■ Fair value basis, Matching principle between expenses and revenues

- Agile and proper management through business and asset risk visualization
- Realization of an appropriate level of revenue in return for costs

Issues in Fujitsu's corporate IT system

- **Fujitsu developed individually optimized systems, in accordance with business growth and focus themes, on a case-by-case basis.**
- **The latest “Cutting-edge technologies” were applied to the individual system development.**
- **Many systems were dispersed without TCO visibility and system owners.**

Management-IT integration in practice

■ Enhance IT investment management

- Visualization of investment (central control of investment)

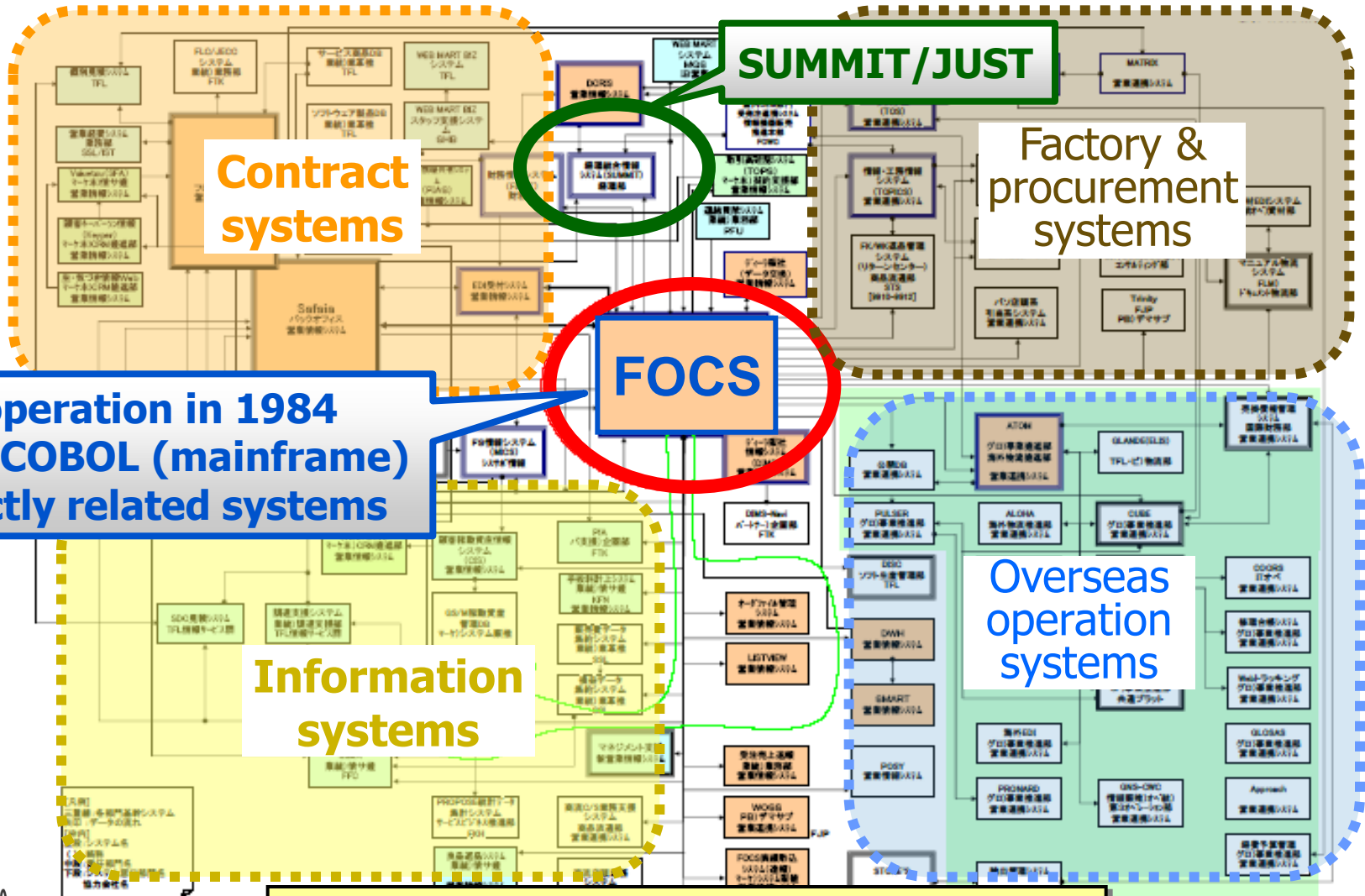
■ Define and thoroughly implement IT policies

- Unification of system architecture
- Unification of development framework
- SOA-based business system modeling
- Security & disaster counter measures

■ Full-scale implementation of overall IT control (J-SOX)



Largest issue – FOCS



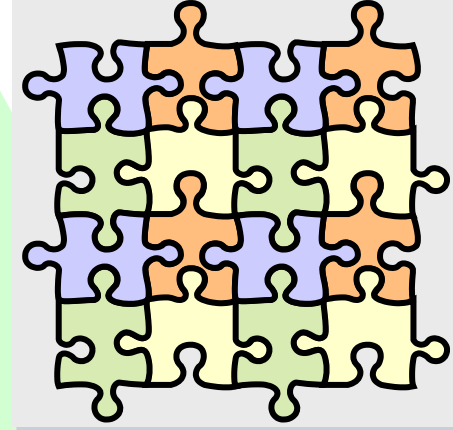
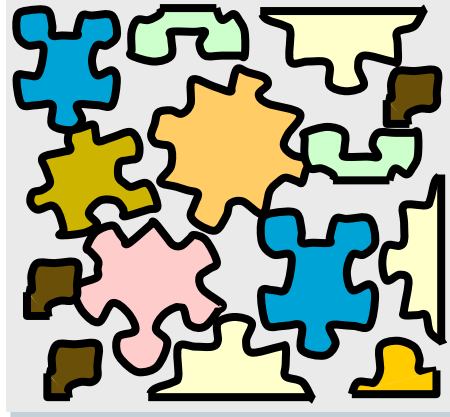
**1269 system interfaces, 400 forms and
1 million product code masters**



Challenges toward technologies for FOCS reconstruction

Realizing a “visible”, “connectable” and “adaptive” system

Current system



- Mix of massive application assets (ERP/PKG/bespoke)
- Difficult to design and maintain integrated DB
- Difficult to rebuild system with “big-bang” approach

- **SOA-based** system development
- **Business activity record** (data control and utilization)
- New system development approach

Technology advancement (hardware/software), XML technology implementation, standardization

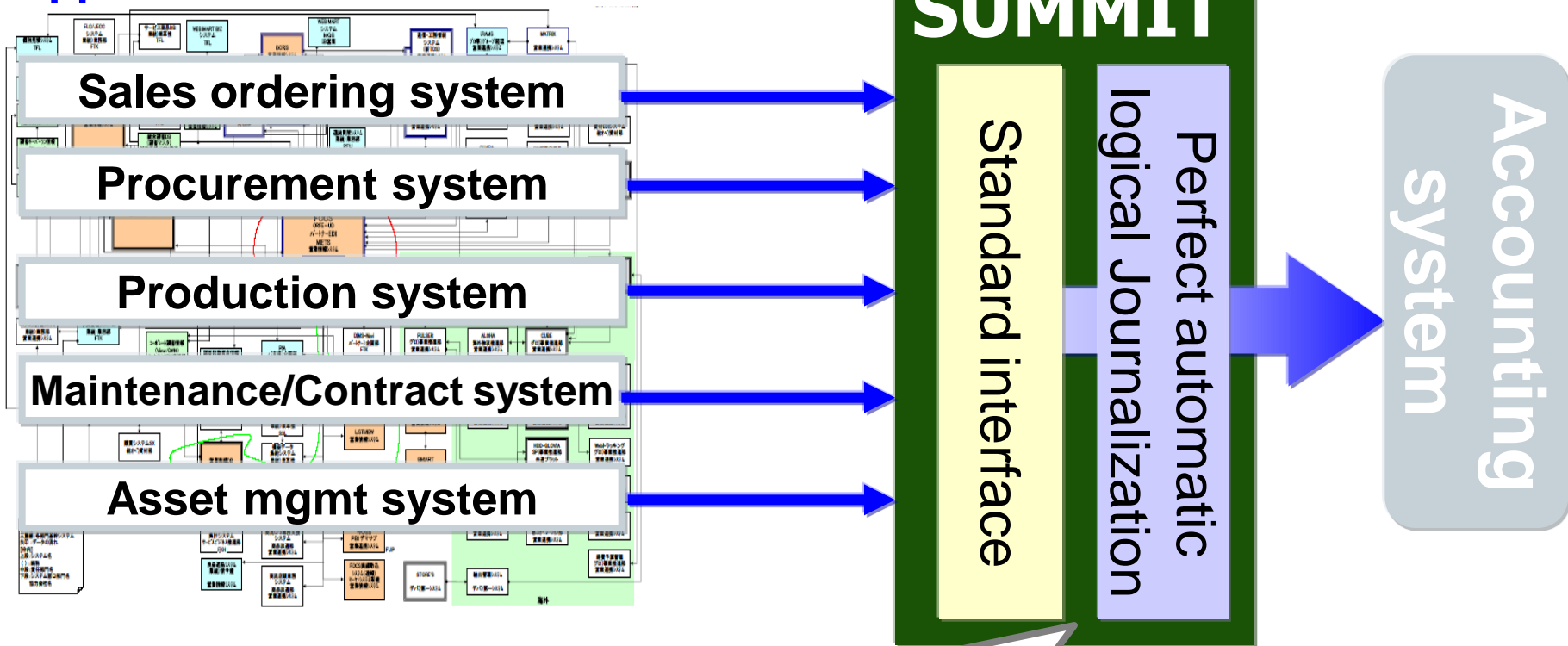
Starting point for discussions

- **Most of core business processes are systemized.**
- **Current system goes through correct transactions.**
- **Every transaction has “IN” and “OUT”.**
- **All business activities can be recorded as data that can be utilized freely (Fact data)**

Base Concept for FOCs Reconstruction

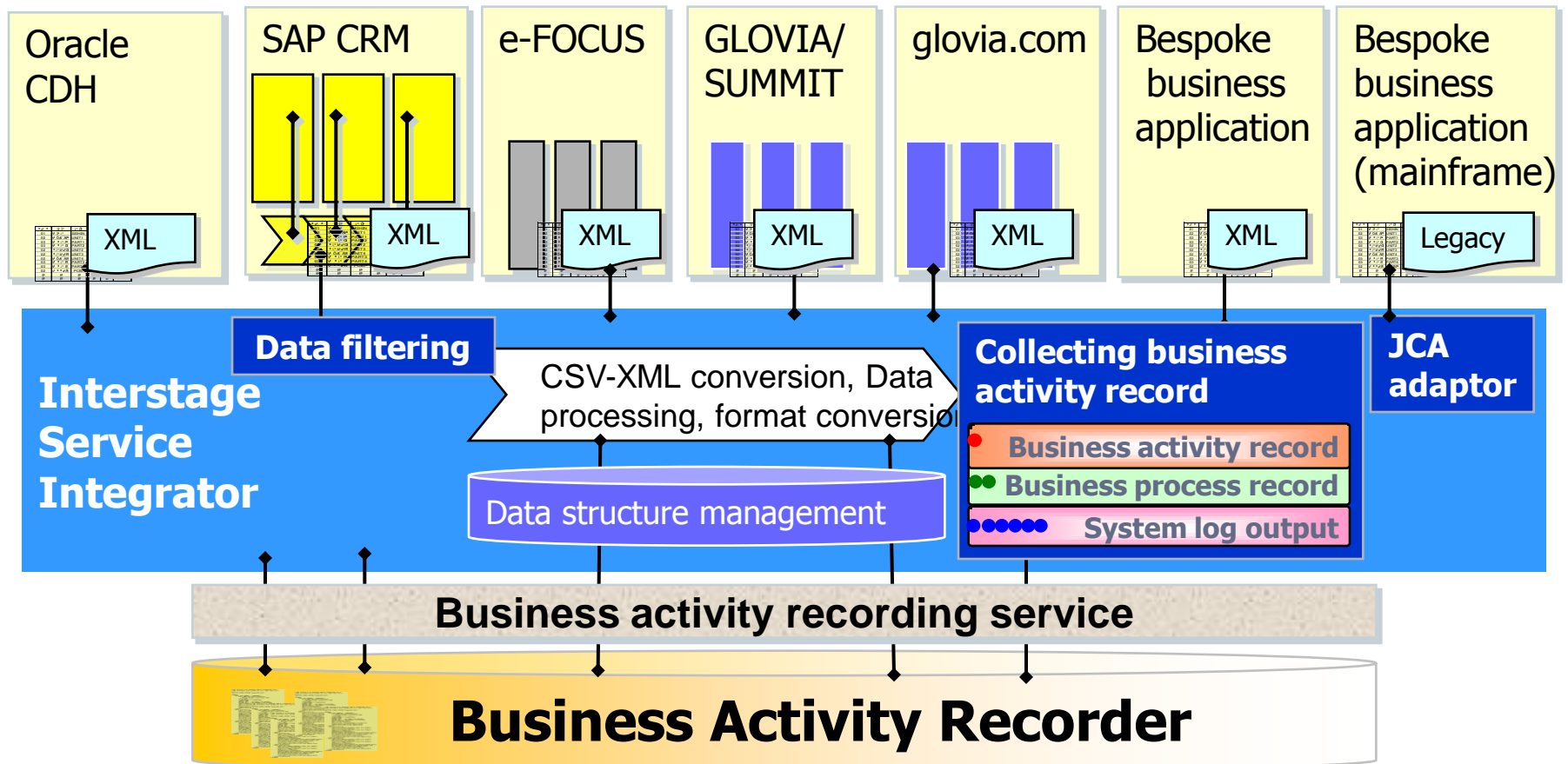
- Designing concept for SUMMIT -

Opposite Direction from SAP



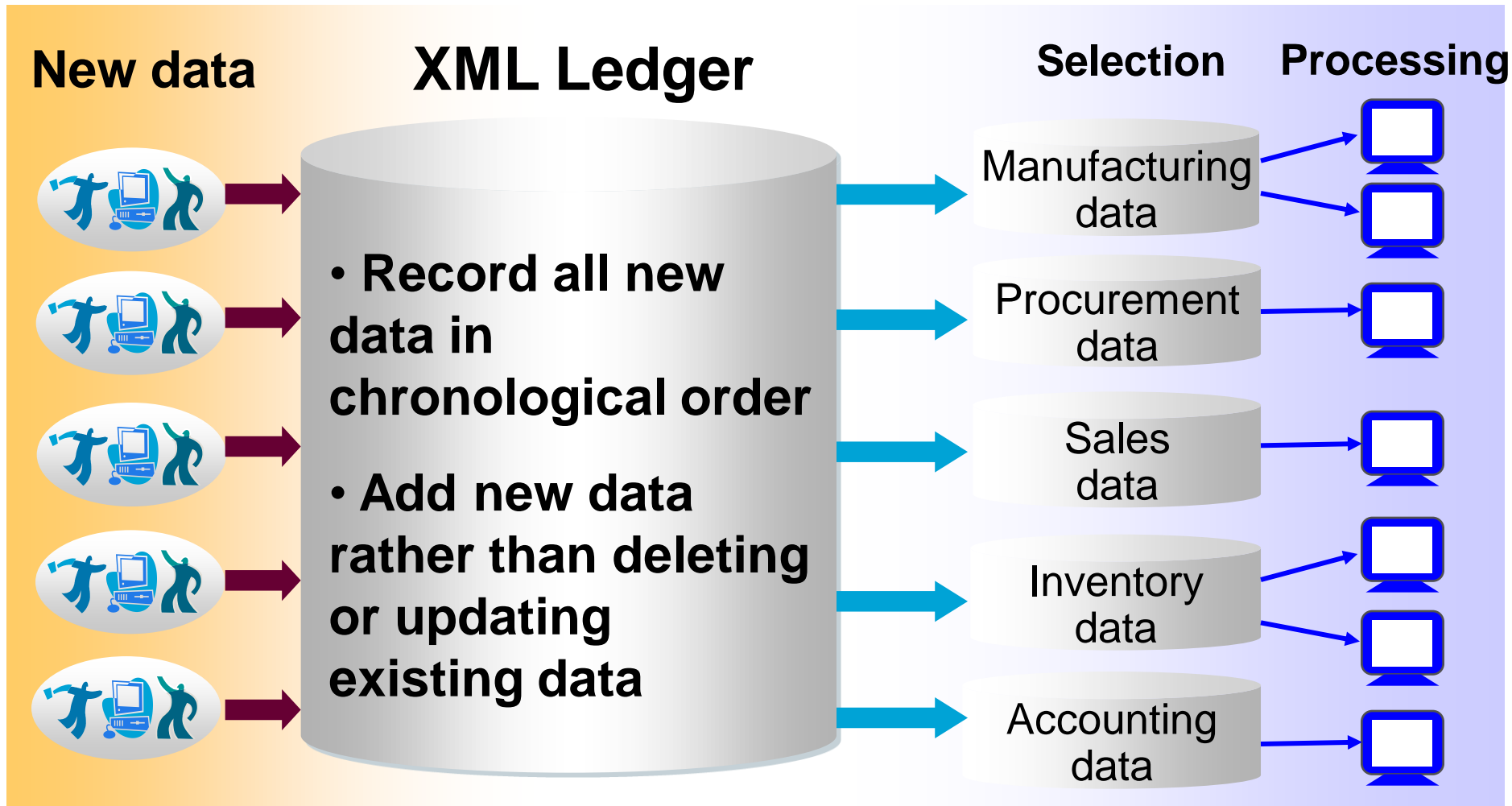
- Automatic journalization by business codes
- Creation of detailed past record database
- SOA based XBRL-GL

Implementation of Business Process Platform



Purpose of developing XML Ledger

Separation of data and processing



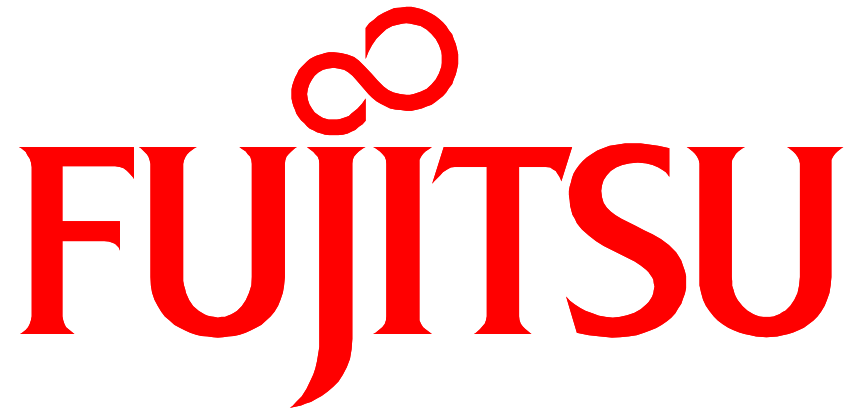
Recording Business activities on the XML Business Activity Recorder



Fujitsu will ...

- **Situate IT as the enabler for the transformation of Business process, Corporate rhythm, Business model, and eventually the Corporate management.**
- **Utilize XML, XBRL, etc. for internal standardization**
- **Provide customers with values that Fujitsu has achieved as an early adopter.**





FUJITSU

THE POSSIBILITIES ARE INFINITE