

Fujitsu Ltd.

**Canada Pension Plan
2011 Investment**

\$24 million

This Japanese multinational – with assets of US\$35 billion – is the “world’s third-largest IT services provider.” But, unbeknownst to many of its “information technology” customers, Fujitsu is also a sizable military contractor. The company was one of the world’s top-100 war industries between 2007 and 2009 when it ranked between 90th and 95th place. With annual military revenues over US\$500 million, Fujitsu is now the world’s 99th largest military company. This is remarkable considering that only 1% of its revenues come from military clients.

Fujitsu originated in a 1923 venture between Japan’s Furukawa Electric and Germany’s Siemens. (See table, “CPP Investments,” p.53.) Together they formed Fuji Electric. In the 1930s, with Japan’s occupation of Manchuria and then during World War II, the firm’s spin off, Fuji Communications – which became Fujitsu – strived to meet “the needs of military communications.” It continues that tradition to this day.

One of Fujitsu’s biggest military clients today is the UK Ministry of Defence, which pays Fujitsu to provide secure communications for 95,000 personnel in the UK, as well as to British military bases outside the country.

Fujitsu set up an R&D centre in Israel in 2000. Fujitsu Microelectronics Israel is the Japanese company’s wholly-owned subsidiary in Israel.

Fujitsu is also involved in the Israeli market through its very close, 20-year partnership with Oracle, a Japanese company that has had numerous contracts Israel’s military industries and the country’s armed forces. (See table, “CPP Investments,” p.53.)

Fujitsu’s “PalmSecure” biometric security technology uses a near-infrared light scanner to map the unique pattern of veins beneath the skin’s surface in the palm. This Fujitsu technology, called ID-POD, is integrated into

the products of an Israeli “homeland security” firm called BioGuard Components and Technologies. BioGuard says it provides “innovative biometric

homeland security products as well as identity management solutions based on a variety of biometric technologies.”

BioGuard promotes Fujitsu’s palm-reader by extolling its “ability to control physical access to restricted areas” such as “military facilities.”

BioGuard markets biometric ID devices such as facial-recognition systems, iris scanners, fingerprint and palm-vein authentication systems. BioGuard’s biometric detection systems were originally “developed for military purposes” and its customers include the office of Israel’s Prime Minister and Israeli border-control authorities.

Fujitsu is also involved in Israel’s military/“security” industrial complex through its investments in high-tech Israeli start-up companies. For instance, Fujitsu has US\$23 million invested in Israeli companies through an Israeli firm called Vertex Venture Capital (VVC). (See pp.50-52.) Besides investing Fujitsu’s money in Israel, VVC founder, Yoram Oron, takes credit for having introduced Fujitsu to an Israeli company. Oron explained, “we presented PowerDsine to Fujitsu, which was the company’s first big Japanese customer. That deal made it possible for PowerDsine to go public on Nasdaq [in 2004].” PowerDsine, which makes “Power over Ethernet” products, is used by military, “security” and surveillance companies. It was founded by Major Igal Rotem, who served for a dozen years in Israel’s Intelligence Corps.

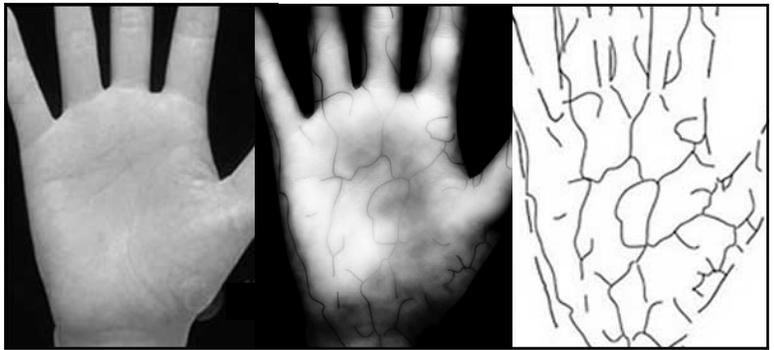
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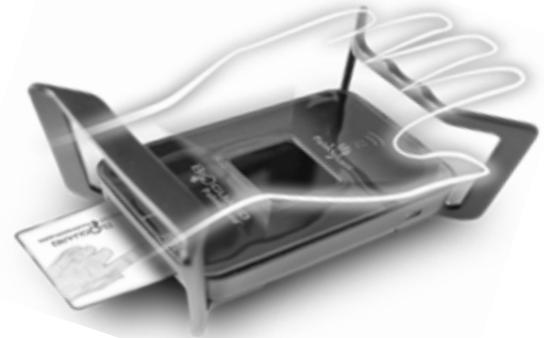
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Fujitsu palm-scanning technology is used by BioGuard, one of Israel’s so-called “homeland security” companies.



BioGuard clients include the Israeli Prime Minister’s office and Israel’s border-control authorities.

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