

TRANSLATION



**Interim Report
on
First-half FY2004 Financial Results
(Six months ended September 30, 2004)**

FUJITSU LIMITED

Note:

This English version of the interim report is based on the separate Japanese version. The style of the English version differs slightly from the Japanese version.

(TRANSLATION FOR REFERENCE ONLY)

To Our Shareholders

It is with great pleasure that we present our report for the financial results of our 105th interim business period.

The overseas operating environment surrounding the Fujitsu Group remained favorable during the year despite signs of slowing in the economies of the United States and China due to pronounced increases in global oil prices, and the hiking of interest rates in the United States. In Japan, the economy continued to expand gently on the back of favorable sales of digital audio-visual equipment and brisk consumer spending in general, and improvements in corporate capital investments.

Against this backdrop, the Fujitsu Group at the consolidated level recorded net sales of ¥2,220.0 billion, operating income of ¥33.2 billion, and net losses of ¥8.1 billion, far better than our projections issued at the start of the year.

At the parent level, we recorded operating and net losses of ¥23.6 billion and ¥12.1 billion, which were in line with our projections issued at the beginning of the year.

Although we recorded net losses at both the consolidated and parent levels during the interim period, we maintain our projections for a return to profitability during the full year and we will pay an interim period dividend of ¥3 per share on December 2.

The rapid diffusion of and increase in the convenience of information technology (IT), not only in the corporate world but in the lives of individuals' as well, has brought about an age of ubiquitous networking in which people can access digital networks anywhere and anytime. Amidst this trend, customers are demanding that their IT system builders and application partners provide solutions that cover the entire lifecycle of these systems, as IT is playing an increasingly important role in corporate management.

Our Group's main goal is to "coexist harmoniously with both global and regional societies while achieving profitability and growth through our ability to provide customers with total solutions, including both high quality and high performance products and services based on advanced information technologies, and through our unrelenting efforts to create new value." In addition to understanding our customers' business environments, we also strive to help them develop their businesses by leveraging the power of IT. We seek to grow side by side with our customers and to gain their trust as a long-term business partner.

We would like to ask you, our loyal shareholders, for your continued support and understanding as we go forward.

December 2004

Naoyuki Akikusa, Chairman (left)
Hiroaki Kurokawa, President and CEO (right)

Operating Conditions of Our Group**Overall Conditions**

Comparisons of Results and Projections			(unit: billion yen)
	Projections at Start of Year	FY2004 Interim Period Results	Divergence
Net Sales	2,250.0	2,220.0	(29.9)(-1.3%)
Operating Income	10.0	33.2	+23.2
Ordinary Profit (Loss)	(30.0)	4.0	+34.0
Net Income (Loss)	(25.0)	(8.1)	+16.8

During FY2004, the ubiquitous networked society became more of a reality and our expectations for strong growth in medium-to-long term demand increased.

Additionally, we established a plan that calls for reducing costs by a larger margin than the downward pressure on our product prices resulting from increasing global competition.

We were able to exceed our projections for operating income issued at the start of the fiscal year due to successful efforts at cost reduction and the business reforms undertaken during the previous year, and despite negative factors including continued downward pressure on the pricing of solution and system integration services, and declines in cellular telephones sales.

We were also able to surpass our projections for both ordinary profit and net income due to an improvement in financial balance, and gains in foreign exchange.

Comparisons with the previous year			(units: billion yen)
	FY2003 Interim	FY2004 Interim	Change
Net Sales	2,141.9	2,220.0	+ 78.1 (+3.6%)
Operating Income (Loss)	(17.9)	33.2	+ 51.2
Ordinary Profit (Loss)	(67.7)	4.0	+ 71.7
Net Income (Loss)	(58.5)	(8.1)	+ 50.4

Despite the marginal increases in software services, favorable sales of semiconductors used in digital audio-visual equipment and third-generation cellular telephones allowed us to record net sales of ¥2,220 billion (a 3.6% year-over-year increase).

While the profitability of software services deteriorated, that of platforms and electronic devices improved thanks to higher sales and successful cost reductions. Thus, we were able to record operating income of ¥33.2 billion (a ¥51.2 billion increase year-over-year).

Moreover increased profits from our shareholdings in overseas joint venture companies due to their improved profitability, improvements in financial balance, and reductions in losses resulting from under-funded pensions allowed us to record pretax income of ¥4 billion (a ¥71.7 billion increase year-over-year). Our consolidated net loss during the interim period of ¥8.1 billion represents a significant improvement from that of the interim period of the previous year.

Review of Our Business Segments

Software & Services

During the previous term, we incurred extraordinary losses in the areas of solution services and system integration services by writing-off projects that are not likely to become profitable in the future, and in the current term we tried to improve the profitability of our software services division.

Specifically, we reviewed both our project management system and contracts with our customers and partner companies to help clarify our fundamental business framework. To give us a sense of our customers perspectives, we also strove to realize a seamless support of IT life-cycle and to improve speedy response to our customers through integrating our marketing and system engineering organizations by both industry and geographical region.

As a result, during the interim period, we recorded a marginal increase in sales to ¥916.5 billion (a 0.8% year-over-year increase) on the back of increased outsourcing sales resulting from large contracts in our overseas subsidiaries, and largely offsetting the decline in domestic solution and integration services sales.

The sales of our software services division increased 2.0% year-over-year, excluding the effect of previous year's restructuring in overseas businesses.

Despite increases in profitability arising from effective reforms in our overseas operations, in Japan, we incurred new and additional losses on unprofitable projects and also faced an intensified pricing competition. Consequently, operating income declined to ¥15.5 billion (a ¥13.3 billion year-over-year decline).

Platforms

With regard to our platform business including computers and networks as a foundation for our IT service, in addition to continuing to promote manufacturing reforms at all our factories and production subsidiaries, we also sought to realize product designs that could reduce costs and improve quality right from the design stage in our development division.

We also worked to improve product reliability, product development capabilities, and cost competitiveness by forming technological tie-ups with other companies in servers, hard disk drives (HDDs) and other product areas.

During the interim period, we saw a decline in sales of mobile phones. At the same time, sales of base stations for the rapidly-diffusing third-generation mobile phones, and demand for our high quality HDDs and new automated teller machines (ATMs) and other terminals used in the financial industry that must be able to read newly-issued currency increased, allowing us to record sales of ¥787.9 billion (a 8.9% year-over-year increase).

We recorded operating income of ¥3.7 billion (a ¥24.4 billion year-over-year increase) on the back of stronger sales and due to successful efforts at cost reductions of servers, optical transmission systems and network equipment. This favorable performance comes in spite of declining sales of mobile phones, which are due in part to the decline in sales and to the rising costs of new models with increased functionality.

Electronic Devices

In our electronic devices business, we strove to strengthen our profitability by using leading-edge technologies as a means of differentiation, and by concentration our business resources in the areas of digital audio and visual equipment, mobile phones, and automobiles. We also continued to pursue our goal of establishing logic LSIs, used in computing and equipment control applications, as a main driver of this division.

Another integral part of this strategy is the construction of a new facility at our plant in Mie Prefecture for the mass production of semiconductors using state-of-the-art 65 and 90 nanometer CMOS technology. This facility is scheduled to begin operations from April 2005.

In April of this year, we saw the birth of a joint venture company aligning one of our affiliates, Fujitsu Quantum Devices Inc., with Sumitomo Electric Industries, Ltd. The new company is called Eudyna Devices Inc. and will focus on the compound semiconductor business.

Owing to the successful implementation of our business strategies and the strong demand for digital consumer electronics, this division was able to record sales of ¥393.5 billion (a 17.6% year-over-year increase). This favorable performance was supported by substantial growth in sales of our logic LSIs and also by increased sales of electronic parts.

The decline in product prices in our PDP business resulted in profit to wane considerably in this area. However, stronger overall sales and successful efforts at cost reductions allowed us to record operating income of ¥34.5 billion (a ¥35.7 billion year-over-year increase) in this division.

Key Challenge Ahead

Along with redoubling our emphasis on the fundamentals of thinking and acting from the customer's perspective, assuring quality and timely delivery, and improving speed of action, we are marshalling the efforts of the entire Fujitsu Group in pursuit of the following four key challenges in fiscal 2004 and beyond.

(1) Reinforcing our existing businesses

We are working aggressively to raise quality, lower costs, and pick up the pace in every aspect of our operations, including design, development, production and sales. Along with advancing our company-wide manufacturing innovation campaign, we are pursuing improvements in the quality, cost and speed of our software development activities by promoting the broader application of our SDAS comprehensive system development framework. In addition, we are enhancing the structure of our Risk Management Office, which assesses business agreements, to deal more effectively with risk. And looking toward the application of percentage-of-completion methods going forward, we are working to improve project visibility and further strengthen project management.

While pursuing a company-wide sales expansion campaign leveraging our competitive server, storage, middleware and other products – and differentiating them from the offerings of competitors – we are also further promoting and enhancing TRIOLE, our integrated infrastructure for IT optimization and superior overall system reliability. At the same time, we are working to further expand our outsourcing services, a field in which we expect to see growth in the future.

(2) Seizing new opportunities for growth

We are also working to strengthen our involvement in emerging markets related to ubiquitous networking as well as in overseas markets. In ubiquitous networking, we will differentiate ourselves from competitors on the strength of our ability to provide comprehensive solutions combining our leading-edge electronic devices, products, software and services. With respect to overseas markets, we have reviewed and realigned our group company structure in Europe, North America, Asia and Australasia. As part of the overseas rollout of TRIOLE, we are setting up a TRIOLE Integration Centre in the UK to advance the development of high-reliability system construction and operation models and the sharing of advanced case studies globally. We are also working to expand our overseas business by pursuing strategic alliances with global partners, such as our collaborations with Sun Microsystems and Microsoft in the server business.

In our electronic devices business, construction is proceeding according to schedule for a new mass-production line at our Mie semiconductor plant. Scheduled to become operational in April 2005, the new line will produce logic chips on 300 mm wafers utilizing our leading-edge 90nm and 65nm process technologies.

(3) Fundamentally reforming our organization

To respond to customers more quickly and provide seamless support throughout the lifecycles of their IT systems, we are fundamentally reforming our organization to eliminate overlap and competition among business operations and functions, and to create an organization that is easy for customers to understand. More specifically, to enhance our maintenance and support organization and expand operating services, we have made Fujitsu Support & Service a wholly owned subsidiary. Further, in addition to the integration of our systems engineering and sales groups in June and their reorganization along industry-specific and regional lines, we are realigning our regional systems engineering companies and taking other measures to steadily improve our organization and strengthen

our ability to respond to the needs of regional and mid-sized corporate customers. Going forward, we will continue to reform our organization by strengthening parent-subsiary ties, as well as relationships among group companies, in order to improve the quality and speed of our responsiveness to customers.

(4) Innovating our management systems and approach

We are also revising our internal systems and methods. To bring R&D even more closely in alignment with business operations, we are re-examining our decision-making process for selecting research themes and strengthening our intellectual property strategy. With respect to personnel systems, we are continually reforming methods and approach so as to make the most of each employee's potential, and we are revising our approach to organizational structure, including clarifying responsibilities and authority.

As a foundation for promoting the above measures, we promulgated a creed called "The FUJITSU Way," which sets forth the company's mission, values and code of conduct. To further speed its taking root throughout the organization, in July we established The Fujitsu Way Promotion Committee, which reports directly to the Management Council, and The Fujitsu Way Promotion Office, to coordinate implementation activities.

Through unwavering efforts, and a spirit of further self-improvement, we are committed to meeting these challenges, serving as trusted partner to our customers, and being a respected global company that contributes to the realization of a vibrant networked world.

(TRANSLATION FOR REFERENCE ONLY)

Summary of Consolidated Results

(billions of yen except per share data and number of employees)

	1 st Half FY2002	FY2002	1 st Half FY2003	FY2003	1 st Half FY2004
Net Sales	¥2,150.3	¥4,617.5	¥2,141.9	¥4,766.8	¥2,220.0
Software & Services	918.0	2,025.7	909.3	2,094.2	916.5
Platforms	769.7	1,612.0	723.8	1,608.1	787.9
Electronic Devices	289.0	618.6	334.7	734.3	393.5
Financing	55.0	119.2	50.3	50.3	-
Other Operations	118.4	241.8	123.6	279.7	122.1
Overseas Total (included in Net Sales)	650.2	1,336.9	649.4	1,388.6	681.9
Operating Income (Loss)	(23.2)	100.4	(17.9)	150.3	33.2
Ordinary Profit (Loss)	(65.4)	12.3	(67.7)	49.7	4.0
Net Income (Loss)	(147.4)	(122.0)	(58.5)	49.7	(8.1)
Basic Earnings (Loss) Per Share [Yen]	¥(73.66)	¥(61.29)	¥(29.28)	¥24.55	¥(4.08)
Total Assets	4,309.5	4,225.3	3,740.4	3,865.5	3,561.4
Shareholders' Equity	683.9	702.3	649.8	827.1	803.0
Shareholders' Equity per Share [Yen]	¥341.75	¥350.84	¥324.87	¥413.22	¥401.49
Number of Employees	166,369	157,044	155,257	156,169	152,859

Notes:

1. Basic earnings (loss) per share is calculated based on the weighted average number of shares of common stock outstanding during each period.
2. Shareholders' equity per share is calculated based on the number of shares of common stock outstanding at the end of each period.

(TRANSLATION FOR REFERENCE ONLY)

		(billions of yen)				
		1 st Half FY2002	FY2002	1 st Half FY2003	FY2003	1 st Half FY2004
Software & Services	Net sales					
	Unaffiliated customers	¥918.0	¥2,025.7	¥909.3	¥2,094.2	¥916.5
	Intersegment	31.6	72.1	31.8	52.1	17.7
	Total	¥949.7	¥2,097.9	¥941.1	¥2,146.3	¥934.3
	Operating income (loss) [As % of sales]	¥51.5 [5.4%]	¥176.5 [8.4%]	¥28.8 [3.1%]	¥138.7 [6.5%]	¥15.5 [1.7%]
Platforms	Net sales					
	Unaffiliated customers	¥769.7	¥1,612.0	¥723.8	¥1,608.1	¥787.9
	Intersegment	103.7	231.2	104.1	224.7	75.3
	Total	¥873.4	¥1,843.2	¥827.9	¥1,832.8	¥863.2
	Operating income (loss) [As % of sales]	¥(30.8) [-3.5%]	¥0.9 [0.1%]	¥(20.7) [-2.5%]	¥29.2 [1.6%]	¥3.7 [0.4%]
Electronic Devices	Net sales					
	Unaffiliated customers	¥289.0	¥618.6	¥334.7	¥734.3	¥393.5
	Intersegment	38.0	68.8	33.0	70.3	32.6
	Total	¥327.1	¥687.4	¥367.7	¥804.6	¥426.1
	Operating income (loss) [As % of sales]	¥(23.1) [-7.1%]	¥(31.6) [-4.6%]	¥(1.2) [-0.3%]	¥27.5 [3.4%]	¥34.5 [8.1%]
Financing	Net sales					
	Unaffiliated customers	¥55.0	¥119.2	¥50.3	¥50.3	–
	Intersegment	5.6	9.1	4.0	4.0	–
	Total	¥60.6	¥128.4	¥54.4	¥54.4	–
	Operating income (loss) [As % of sales]	¥2.5 [4.3%]	¥4.3 [3.4%]	¥2.0 [3.7%]	¥2.0 [3.7%]	–
Other Operations	Net sales					
	Unaffiliated customers	¥118.4	¥241.8	¥123.6	¥279.7	¥122.1
	Intersegment	68.1	137.0	66.3	138.5	51.2
	Total	¥186.6	¥378.9	¥189.9	¥418.2	¥173.3
	Operating income (loss) [As % of sales]	¥4.3 [2.3%]	¥10.0 [2.6%]	¥5.0 [2.6%]	¥13.6 [3.3%]	¥6.7 [3.9%]
Elimination & Corporate	Net sales	¥(247.2)	¥(518.4)	¥(239.4)	¥(489.7)	¥(177.0)
	Operating income (loss)	¥(27.7)	¥(59.7)	¥(31.9)	¥(60.8)	¥(27.3)
Total	Net sales					
	Unaffiliated customers	¥2,150.3	¥4,617.5	¥2,141.9	¥4,766.8	¥2,220.0
	Intersegment	–	–	–	–	–
	Total	¥2,150.3	¥4,617.5	¥2,141.9	¥4,766.8	¥2,220.0
	Operating income (loss) [As % of sales]	¥(23.2) [-1.1%]	¥100.4 [2.2%]	¥(17.9) [-0.8%]	¥150.3 [3.2%]	¥33.2 [1.5%]

(TRANSLATION FOR REFERENCE ONLY)

Summary of Unconsolidated Results

(billions of Yen except per share data and number of employees)

	1 st Half FY2002	FY2002	1 st Half FY2003	FY2003	1 st Half FY2003
Net Sales	¥1,238.4	¥2,695.0	¥1,207.5	¥2,788.5	¥1,295.7
Software & Services	454.1	1,025.6	458.8	1,063.8	445.6
Platforms	665.8	1,435.4	625.5	1,424.4	671.5
Electronic Devices	118.3	233.9	123.1	300.1	178.6
Operating Income (Loss)	(23.8)	21.8	(44.0)	32.9	(23.6)
Ordinary Profit (Loss)	(32.4)	3.0	(19.2)	38.3	(25.8)
Net Income (Loss)	(104.9)	(175.0)	18.7	17.0	(12.1)
Basic Earnings (Loss) Per Share [Yen]	¥(52.42)	¥(87.48)	¥9.35	¥8.49	¥(6.06)
Cash Dividends Per Share [Yen]	0.00	0.00	0.00	3.00	3.00
Total Assets	3,032.5	2,926.2	2,820.0	3,022.9	2,815.7
Shareholders' Equity	845.3	771.1	801.7	934.6	897.5
Shareholders' Equity Per Share [Yen]	¥422.36	¥385.49	¥400.81	¥467.18	¥448.76
Number of Employees	38,667	34,690	34,917	34,836	34,414

Notes:

1. Basic earnings (loss) per share is calculated on weight average number of shares common stock outstanding during each period.
2. Shareholders' equity per share is calculated based on the number of shares of common stock outstanding at the end of each period.

Major Business

Fujitsu group operates total solution businesses in the field of information technology, with high-quality products and services based on our leading high-performance and high-quality technologies. These services are provided through the development, manufacture and sales of information systems, telecommunication systems, and electronic devices. The primary products and services of each business are listed below.

<i>Group</i>	<i>Main products and services</i>
Software & Services	Systems Construction (Systems integration services), Introductory and operational support services, Consulting services, Comprehensive management of information systems (Outsourcing services, IDC services), Provision of network environment for information systems as well as various network services (Network services, Internet services), Software, Information and network systems maintenance and monitoring, Information systems infrastructure construction and network construction
Platforms	Servers (UNIX servers, IA servers, Global servers), Peripheral equipment for information systems (Disk array, etc.), Personal computers, Storage equipment (Magnetic and magneto-optical disk drives), Terminals (Financial terminals, POS systems), Mobile phones, IP systems, Fiber-optic transmission systems, Mobile communication systems (3G base station systems)
Electronic Devices	Logic LSIs (System LSI, ASICs, Microcontrollers, FRAM), Memory LSIs (Flash memory, FCRAM) Semiconductor packages, SAW devices, Electro-mechanical components, Liquid crystal displays (LCDs), Plasma display panels (PDPs)
Other Operations	Basic and advanced technology research and development Audio/Navigation equipments, Audio electronic devices

Consolidated Subsidiaries	407 companies
Affiliates (using the equity method)	34 companies

(TRANSLATION FOR REFERENCE ONLY)

Stock (As of September 30, 2004)

• Number of Authorized Shares:	5,000,000,000
• Number of Outstanding Shares:	2,001,963,813
• Stated Capital:	¥324,625,075,685
• Shares Issued (from Apr. 1, 2004 to Sept. 30, 2004)	

Item	Number of shares issued	Increased capital stock
Conversion of Convertible Bonds to Shares	1,141 ordinary shares	¥999,516

Note: We issued 68,054,400 shares in order to carry out a share exchange with Fujitsu Support and Service Ltd.; our total outstanding shares stood at 2,070,018,213 as of October 1, 2004. Our capital has not increased as a result of the share exchange.

- Acquisition, retirement and holdings of treasury stock

Shares acquired	204,702 ordinary shares	Total amount : ¥144,239 thousand
Shares retired	42,344 ordinary shares	Total amount : ¥29,362 thousand
Shares held as of Sept. 30, 2004	1,792,270 ordinary shares	

Notes:

1. The above treasury stocks acquired were done through the repurchase of odd-lot shares.
2. The above treasury stocks retired were sold in response to requests from the holders of odd-lot shares.

- Number of Shareholders: 240,804 (12,819 decrease from the end of fiscal 2003)

- Principal Shareholders

Name	Number of shares held (thousands)	Percentage of voting rights
The Master Trust Bank of Japan, Ltd. (for trust)	187,583	9.44 %
Japan Trustee Services Bank, Ltd. (for trust)	106,051	5.34
Fuji Electric Holdings Co., Ltd.	92,700	4.67
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust (for Fuji Electric Systems Co., Ltd.)	62,799	3.16
The Chase Manhattan Bank NA London	45,150	2.27
Asahi Mutual Life Insurance Company	40,218	2.02
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust (for Fuji Electric FA Component & Systems Co., Ltd.)	38,194	1.92
State Street Bank and Trust Company	32,659	1.64
Mizuho Corporate Bank, Ltd.	32,441	1.63
Fujitsu Employee Shareholding Association	20,215	1.02

Notes

1. The Shares held By The Master Trust Bank of Japan, Ltd. (for trust) and Japan Trustee Services Bank, Ltd. (for trust) pertain to trust business by these institutions.
2. Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust for Fuji Electric Systems Co., Ltd. and Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust for Fuji Electric FA Component & Systems Co., Ltd. are retirement benefit trust assets based on our company's shares owned by the former Fuji Electric Co., Ltd. (currently Fuji Electric Holdings Co., Ltd.). The execution of voting rights is to be instructed by Fuji Electric Systems Co., Ltd. and Fuji Electric FA Component & Systems Co., Ltd. Including the above, the Fuji Electric Group owns a total of 138,022 thousand shares of our company (6.95% of the total voting rights) as retirement benefit trust assets.

Board of Directors (As of September 30, 2004)

Position	Name	Assignment or title
Representative Director	Naoyuki Akikusa	Chairman of the Board
	Hiroaki Kurokawa	
Director	Kunihiko Sawa	President and Representative Director, Fuji Electric Holdings Co., Ltd.
	Hiroshi Oura	Chairman of the Board and CEO, Advantest Corporation
	Ikujiro Nonaka	Professor of Hitotsubashi University Graduate School of International Corporate Strategy
	Akira Takashima	Vice Chairman of the Board
	Hiroya Madarame	
	Kuniaki Suzuki	
	Masamichi Ogura	
	Toshihiko Ono	
	Chiaki Ito	
Standing Auditor	Takashi Takaya	
	Hiromasa Inagaki	
Auditor	Takeo Kato	Advisor, Fuji Electric Holdings Co., Ltd.
	Katsuhiko Kondo	Honorary Advisor, Mizuho Financial Group
	Yoshiharu Inaba	President and CEO, Fanuc Ltd.

Corporate Executive Officers (As of September 30, 2004)

Section	Name	Position
	Hiroaki Kurokawa	President
President's Office	Kuniaki Suzuki	Corporate Executive Vice President Head of President's Office
	Kazuhiko Katoh	Corporate Vice President General Manager, President's Office
Corporate Center	Masamichi Ogura	Corporate Executive Vice President Head of Corporate Center
	Haruki Okada	Corporate Senior Vice President President, Procurement Unit
	Shinichi Kuruma	Corporate Vice President General Manager, Group Administration Office
	Masanobu Katoh	Corporate Vice President President, Law and Intellectual Property Unit
Solution Business Support Group	Michiyoshi Mazuka	Corporate Senior Vice President President, Solution Business Support Group
	Tetsuo Urano	Corporate Senior Vice President President, Solution Business Support Group (In charge of Global Business)
	Kyung-soo Ahn	Corporate Vice President Executive Vice President, Solution Business Support Group
	Kuniaki Nozoe	Corporate Vice President President, Business Management Unit
	Yoshihisa Nagano	Corporate Vice President President, Marketing Unit
Industries & Distribution Solution Business Group	Takashi Igarashi	Corporate Senior Vice President President, Industries & Distribution Solution Business Group
	Shinichi Hasegawa	Corporate Vice President Executive Vice President, Industries & Distribution Solution Business Group
	Tsuneaki Ohara	Corporate Vice President President, Global Account Business Unit, Industries
Telecom, Utility & Media Industries Business Group	Hideaki Yumiba	Corporate Senior Vice President President, Telecom, Utility & Media Industries Business Group

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Section	Name	Position
	Kazuya Wada	Corporate Vice President Executive Vice President, Telecom, Utility & Media Industries Business Group
	Kazuo Miyata	Corporate Vice President Executive Vice President, Telecom, Utility & Media Industries Business Group
Financial Solution Business Group	Kuniaki Suzuki	Corporate Executive Vice President President, Financial Solution Business Group
	Yoshifumi Mita	Corporate Vice President Executive Vice President, Financial Solution Business Group
Government & Public Solutions Business Group	Nobuo Nagaya	Corporate Senior Vice President President, Government & Public Solutions Business Group
	Yasuaki Ara	Corporate Vice President Executive Vice President, Government & Public Solutions Business Group
Regional Business Group	Hirohisa Yabuuchi	Corporate Senior Vice President President, Regional Business Group
	Nobuo Nagaya	Corporate Senior Vice President Executive Vice President, Regional Business Group
	Yasuo Koike	Corporate Vice President In charge of Tokai and Hokuriku Region
	Takumi Nakamura	Corporate Vice President In charge of Kanto and Koshinnetsu Region
	Makoto Matsubara	Corporate Vice President In charge of Hokkaido and Tohoku Region
	Fujio Ohara	Corporate Vice President In charge of System
Professional Support Business Group	Hiroya Madarame	Corporate Executive Vice President President, Professional Support Business Group
	Hiromichi Hirata	Corporate Vice President President, Software & Services Technology Unit
IT Services Business Group	Hiroya Madarame	Corporate Executive Vice President President, IT Services Business Group
	Michio Atarashi	Corporate Vice President Executive Vice President, IT Services Business Group
	Takashi Aoki	Corporate Vice President Executive Vice President, IT Services Business Group
	Hideo Sekine	Corporate Vice President President, Systems Support Business Unit
	Kazuo Ishida	Corporate Vice President President, Outsourcing Business Unit
System Products Business Group	Chiaki Itoh	Corporate Executive Vice President President, System Products Business Group
	Hideaki Yumiba	Corporate Senior Vice President Executive Vice President, System Products Business Group
	Takashi Nakamura	Corporate Vice President Executive Vice President, System Products Business Group
	Yoshiyuki Tanakura	Corporate Vice President President, Software Business Unit
	Hirosada Tone	Corporate Vice President President, Storage Systems Business Unit
	Akira Yamanaka	Corporate Vice President President, Server Systems Business Unit
	Terumi Chikama	Corporate Vice President President, Photonic Systems Business Unit

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Section	Name	Position
Ubiquitous Products Business Group	Chiaki Itoh	Corporate Executive Vice President President, Ubiquitous Products Business Group
	Ichiro Komura	Corporate Senior Vice President Executive Vice President, Ubiquitous Products Business Group
	Kimihisa Itoh	Corporate Vice President President, Personal Systems Business Unit
	Akikazu Yajima	Corporate Vice President President, Mobile phones Business Unit
Products Business Operations Group	Chiaki Itoh	Corporate Executive Vice President President, Products Business Operations Group
	Junichi Murashima	Corporate Vice President President, Products Business Development and Management Unit
Electronic Devices Business Group	Toshihiko Ono	Corporate Executive Vice President President, Electronic Devices Business Group
	Nobutake Matsumura	Corporate Vice President President, Marketing & Sales Unit, Electronic Devices
	Shigeru Fujii	Corporate Vice President President, LSI Business Unit

Consolidated Interim Financial Statements (Unaudited)**Consolidated Balance Sheet**

	Yen (millions)		Change (Million Yen)
	September 30 2004	March 31 2004	
Assets			
Current assets:			
Cash and cash equivalents and short-term investments	¥216,938	¥ 416,929	-199,991
Receivables, trade	686,865	810,469	-123,604
Inventories	575,854	521,126	+54,728
Other current assets	247,780	267,050	-19,270
Total current assets	<u>1,727,437</u>	<u>2,015,574</u>	<u>-288,137</u>
Investments and long-term loans	840,303	827,063	+13,240
Property, plant and equipment less accumulated depreciation	781,015	803,023	-22,008
Intangible assets	212,671	219,929	-7,258
Total assets	<u>¥3,561,426</u>	<u>¥ 3,865,589</u>	<u>-304,163</u>
Liabilities, minority interests and shareholders' equity			
Current liabilities:			
Short-term borrowings and current portion of long-term debt	¥274,633	¥ 382,749	-108,116
Payables, trade	679,273	796,915	-117,642
Other current liabilities	542,247	538,398	+3,849
Total current liabilities	<u>1,496,153</u>	<u>1,718,062</u>	<u>-221,909</u>
Long-term liabilities:			
Long-term debt	850,285	894,372	-44,087
Other long-term liabilities	226,224	235,518	-9,294
Total long-term liabilities	<u>1,076,509</u>	<u>1,129,890</u>	<u>-53,381</u>
Minority interests	185,720	190,460	-4,740
Shareholders' equity:			
Common stock	324,625	324,624	+1
Capital surplus	455,970	455,963	+7
Retained earnings (Deficit)	(50,895)	(35,734)	-15,161
Unrealized gains on securities and revaluation surplus on land	134,278	153,082	-18,804
Foreign currency translation adjustments	(59,956)	(69,901)	+9,945
Treasury stock	(978)	(857)	-121
Total shareholders' equity	<u>803,044</u>	<u>827,177</u>	<u>-24,133</u>
Total liabilities, minority interests and shareholders' equity	<u>¥3,561,426</u>	<u>¥ 3,865,589</u>	<u>-304,163</u>

Consolidated Statements of Operations

	Yen (millions)		Change(%)
	1 st Half FY2004	1 st Half FY2003	
Net Sales	¥2,220,059	¥ 2,141,934	+3.6
Operating costs and expenses:			
Costs of goods sold	1,632,917	1,576,454	+3.6
Selling, general and administrative expenses	553,857	583,470	-5.1
	<u>2,186,774</u>	<u>2,159,924</u>	
Operating income (Loss)	33,285	(17,990)	-
Other income (expenses):			
Net interest *	(4,354)	(7,755)	
Equity in earnings of affiliated companies, net	4,524	418	
Amortization of unrecognized obligation for retirement benefits	(19,695)	(28,938)	
Gain on sales of marketable securities	2,485	34,470	
Restructuring charges **	(4,599)	(4,674)	
Casualty loss	-	(4,700)	
Other, net	(9,733)	(21,913)	
	<u>(31,372)</u>	<u>(33,092)</u>	-
Income (Loss) before income taxes and minority interests	1,913	(51,082)	-
Income taxes	3,680	3,787	
Minority interests	(6,394)	(3,693)	
Net income (Loss)	<u>¥ (8,161)</u>	<u>¥ (58,562)</u>	

Note*: Net interest consists of interest income, dividend income and interest charges.

Note**: Restructuring charges for the 1st half of the fiscal 2004 are related to expenses for workforce reductions, realignment, and disposal of assets at subsidiaries.

Unconsolidated Interim Financial Statements (Unaudited)

Unconsolidated Balance Sheet

	Yen (millions)		Change (million Yen)
	September 30 2004	March 31 2004	
Assets			
Current assets:			
Cash and cash equivalents and short-term investments	¥105,943	¥163,686	-57,743
Receivables, trade	387,091	482,886	-95,795
Inventories	267,176	241,389	25,787
Other current assets	231,961	297,842	-65,881
Total current assets	<u>992,172</u>	<u>1,185,805</u>	<u>-193,632</u>
Investments and long-term loans	1,346,618	1,348,664	-2,045
Property, plant and equipment less accumulated depreciation	383,036	390,963	-7,927
Intangible assets	93,966	97,542	-3,575
Total assets	<u>¥2,815,794</u>	<u>¥3,022,975</u>	<u>-207,181</u>
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings and current portion of long-term debt	¥268,174	¥301,591	-33,417
Payables, trade	589,778	706,998	-117,220
Other current liabilities	179,492	178,695	797
Total current liabilities	<u>1,037,446</u>	<u>1,187,285</u>	<u>-149,839</u>
Long-term liabilities:			
Long-term debt	818,431	832,116	-13,685
Other long-term liabilities	62,318	68,969	-6,651
Total long-term liabilities	<u>880,749</u>	<u>901,086</u>	<u>-20,336</u>
Shareholders' equity:			
Common stock	324,625	324,624	+1
Capital surplus	394,466	394,458	+7
Retained earnings	49,650	67,858	-18,208
Unrealized gains on securities	129,835	148,519	-18,684
Treasury stock	(978)	(857)	-121
Total shareholders' equity	<u>897,598</u>	<u>934,603</u>	<u>-37,005</u>
Total liabilities and shareholders' equity	<u>¥2,815,794</u>	<u>¥3,022,975</u>	<u>-207,181</u>

Unconsolidated Statements of Operations

	Yen (millions)		Change(%)
	1 st Half FY2004	1 st Half FY2003	
Net Sales	¥1,295,790	¥1,207,551	+7.3
Operating costs and expenses:			
Costs of goods sold	994,437	926,327	+7.4
Selling, general and administrative expenses	324,989	325,245	-0.1
	<u>1,319,427</u>	<u>1,251,573</u>	
Operating income (loss)	(23,636)	(44,021)	-
Other income (expenses):			
Net interest *	13,095	48,216	
Amortization of unrecognized obligation for retirement benefits	(8,424)	(13,540)	
Gain on sales of marketable securities	2,485	72,002	
Loss on devaluation of subsidiaries' stock	(3,063)	(27,917)	
Casualty loss	-	(4,700)	
Other, net	(6,927)	(12,692)	
	<u>(2,834)</u>	<u>61,368</u>	
Income (Loss) before income taxes	(26,471)	17,346	-
Income taxes	(14,344)	(1,361)	-
Net income (loss)	<u>¥(12,126)</u>	<u>¥18,708</u>	-

Note: *Net interest consists of interest income, dividend income and interest charges.

Note:

Financial information in this report is based on the separate Japanese version prepared in accordance with generally accepted Japanese accounting principles. Some of the information in the Japanese version has been summarized here for clearer understanding and not all the information has necessarily been translated. This English version may not conform to U.S. or other non-Japanese accounting principles and has not been audited. If you wish to confirm the integrity of the information, please refer to the Japanese version as the definitive document.

Corporate Data

Corporate Name: FUJITSU LIMITED

Registered at: 1-1, Kamikodanaka 4-chome, Nakahara-ku, Kawasaki, Kanagawa, Japan

Cooperate Headquarters: 5-2, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo, Japan

Established and Registered on: June 20, 1935

Stock Exchange Listings: Tokyo, Osaka, Nagoya, Frankfurt, London, and Swiss

Home Page Address: www.fujitsu.com

Fujitsu's web site offers not only this report but also the latest annual report and financial results.

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