Exhibit A

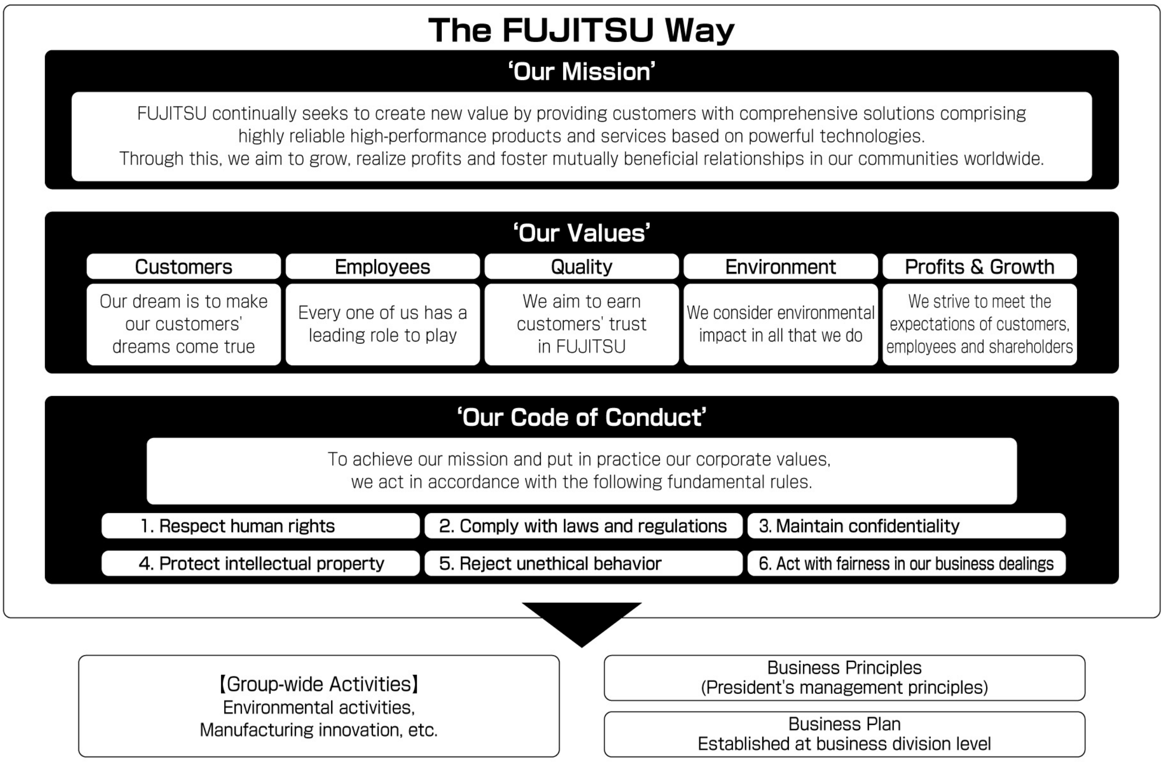
Reports on the 105th Business Period

FUJITSU LIMITED

Note:
This English version of *Reports on the 105th Business Period* is based on the original Japanese version. The style of the English version differs slightly from the Japanese version.

The FUJITSU Way

Introduced in 2002, The FUJITSU Way is the core set of principles guiding the corporate and individual actions of the Fujitsu Group and our continuing development as good global corporate citizens. A common understanding of Fujitsu's mission, values and code of conduct serves as the standard governing individual employees' business activities, as well as the driving force behind our socially responsible business strategy and the inspiration for related companywide activities, business policies and plans.



To Our Shareholders

We are pleased to report to you the financial results of our 105th business period (from April 1, 2004 to March 31, 2005).

With regard to the period under review, economies throughout the world showed signs of recovery during the first half, and the Japanese economy also underwent a gradual expansion. However, from the latter half of the year, uncertainties arising from the rise in oil prices, weakness of the US dollar and other factors, along with adjustments made in domestic production of digital consumer electronics, contributed to an slowdown in the Japanese and global economies.

Against this backdrop, we recorded consolidated operating income of ¥160.1 billion and consolidated net income of ¥31.9 billion. On an unconsolidated basis, we had operating income of ¥30.6 billion and a ¥39.8 billion net loss.

With regard to distributions of profits, our policy is to provide shareholders with a stable return and to secure sufficient internal reserves to strengthen our financial position for future business growth and improved profitability in the mid to long term.

Although we recorded a net loss on an unconsolidated basis, because of improvements in our financial position as well as expectations for stable income and cash flow going forward, we would like to pay a ¥3 per share dividend to shareholders.

Information technology has moved beyond the realm of business and come to permeate nearly every aspect of our daily lives, rapidly expanding convenience and bringing us closer to a world of ubiquitous networking in which people can connect with anyone, anywhere and at any time. At the same time, the importance of IT to our customers' businesses has increased dramatically. When selecting a vendor to build and deploy their IT systems, customers require not simply a supplier of goods and services but rather a true partner with the ability to offer proposals and provide support encompassing the entire IT system lifecycle.

The mission of the Fujitsu Group is to continually seek to create new value by providing customers with comprehensive solutions comprising highly reliable high-performance products and services based on powerful technologies. Through this, we aim to grow, realize profits and foster mutually beneficial relationships in our communities worldwide.

Based on a thorough understanding of the environments in which our customers operate and the overall nature of their operations, we aim to contribute to the growth and development of their businesses through IT. In so doing, as a trusted business partner to our customers, we seek to grow as they grow.

We would like to ask you, our valued shareholders, for your continued support and guidance in our business going forward.

June 2005

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

Report on Business Operations

1. Business Overview (April 1, 2004 to March 31, 2005)

(1) Trends and Results for the Consolidated Group

a) General Overview

Along with the arrival of the age of ubiquitous networking, where anyone can access information through the network at anytime, from anywhere, and using any device, information technology (IT) is permeating every aspect of our daily lives and bringing about revolutionary changes in our society. In addition to the business realm, where it is contributing to improvements in operating efficiencies and business expansion, the IT industry is helping to make ordinary people's lives more comfortable and convenient.

During the first half of the term under review, there were clear signs of recovery in economies around the world, and the Japanese economy underwent a moderate recovery on the back of strong exports and capital investments. But after the start of the second half, higher oil prices, a weaker dollar, and other uncertainties, compounded by adjustments in production of digital consumer electronics in Japan, contributed to a slowdown in the global economy, as well as in Japan.

Against this backdrop, many corporations invested in IT to help reduce their costs and improve operating efficiencies, and some companies made investments designed to expand their businesses. However, overall spending was generally subdued, and pricing of services and products continued to decline. In the semiconductor market, although shipments to the digital electronics industry trended favorably during the first half of the year, the market slowed after the start of the latter half, and conditions in the flat panel display market deteriorated precipitously.

In this environment, the Fujitsu Group pursued four key challenges established at the start of the fiscal year: "strengthen existing businesses," "create and cultivate new businesses," "reform our organization and approach," and "reform management systems." Specifically, while striving to improve quality, reduce costs, and accelerate management speed to strengthen our existing businesses, we also advanced strategic collaboration with global partners and worked aggressively to grow our overseas sales and develop new products. In addition, we integrated our system engineering and sales groups to help speed up our response to customers, made Fujitsu Support and Service Inc. a wholly owned subsidiary, and consolidated several system engineering subsidiaries.

With regard to sales during the term, while we saw declines in prices of PDPs and LCDs and weak sales of servers and solutions/systems integration services in Japan, we experienced favorable sales of outsourcing services, UNIX servers, optical transmission systems, personal computers, and HDDs in overseas markets. Consequently, we recorded consolidated net sales of ¥4,762.7 billion (a 0.1% year-over-year decline).

Although profitability in our domestic software and services business deteriorated, increased earnings in Platforms, together with cost reductions and greater expense efficiencies helped allow us to record ¥160.1 billion in consolidated operating income (a ¥9.8 billion increase over the previous term).

Also in the period under review, we recorded extraordinary gains from sales of marketable securities and transfer of operations. On the other hand, we posted extraordinary losses on restructuring charges associated with reforms at our subsidiaries and real estate valuation losses, and we recorded a valuation allowance for deferred tax assets. As a result, consolidated net income was ¥31.9 billion (a ¥17.7 billion decline).

b) **Comparison of Initial Projections with Actual Results**

Billions of Yen

	Initial Projections	*FY 2004 (actual)*	*Change*
Net sales	¥4,950.0	¥4,762.7	- ¥ 187.2 (-3.8%)
Operating income	200.0	160.1	- 39.8 (-19.9%)
Ordinary profit	120.0	89.0	- 30.9 (-25.8%)
Net income	70.0	31.9	- 38.0 (-54.4%)

Based on the positive effects of business restructuring implemented since fiscal 2001 and anticipated favorable IT market conditions, at the beginning of the period under review we foresaw a strong recovery in our business operations and established consolidated net sales and operating income targets of ¥4,950 billion and ¥200 billion, respectively.

In order to achieve these targets, we tackled several key issues. First, as part of our effort to "strengthen existing businesses," we set a goal of reducing our cost of sales ratio by 1% per year. In Platforms and Electronic Devices, we were able to achieve our manufacturing innovation campaign goals, however in Software & Services, though we made progress in improving productivity, we were unable to prevent projects with deteriorating profitability from reducing our overall operating efficiency and were thus unable to attain our targets.

At the same time, we endeavored to strengthen our global business development in order to capture new growth opportunities. The positive impact of restructuring our overseas facilities undertaken during the previous fiscal year, together with growth in outsourcing services in Europe, contributed to a large improvement in operating income for our overseas business.

While we saw improvements in Platforms, Electronic Devices and our overseas businesses, deterioration in Software & Services income was compounded by the impact of economic slowdowns around the world from the middle of the fiscal year, and we were unable to achieve our overall consolidated operating income targets.

In addition to weaker-than-expected operating income, consolidated net income also fell short of initial projections, by ¥38 billion, due to the valuation allowance for deferred tax assets that we had to record in order to compensate for the deterioration in the profitability of our business operations.

Separately, with respect to efforts to improve our financial position, we were successful in reducing the balance of interest-bearing loans to ¥1,082.7 billion by the end of the period, below the target of ¥1,100 billion we set at the beginning of the fiscal year. This, along with other efforts, helped us to further solidify our financial condition.

Note: Initial projections released at the start of the fiscal year are not subject to an external audit.

c) Overview by Business Segment

Software & Services

Amidst poor prospects for significant growth in our domestic solutions/systems integration business, we combined our system engineering and sales groups and restructured our subsidiaries to improve responsiveness to our customers' requests and to be able to provide support over the entire IT system lifecycle. Furthermore, we worked to expand our domestic and overseas business in outsourcing services, as well as in new fields such as ubiquitous networking-related business.

At the same time, and against the backdrop of continued declines in pricing for systems integration, we tried to improve profitability by fortifying our auditing of contracts, conducted evaluations necessary for the introduction of percentage-of-completion methods, and strengthened our project management capabilities. We also expanded application of our SDAS comprehensive system development framework to help improve quality and reduce costs.

An increase in outsourcing sales, thanks in part to contributions of large-scale outsourcing wins by our subsidiary in the United Kingdom, was offset by a drop in public infrastructure systems deals in Japan and other factors, and, as a result, overall net sales in the Software & Services segment were ¥2,070.4 billion (a 1.1% decline over the previous year).

Profitability at our overseas subsidiaries improved, but continued price declines in our domestic market and widening losses for certain domestic projects with deteriorating profitability had a significant impact. As a result, operating income for the segment was ¥113.0 billion (a decline of ¥25.7 billion). We anticipate the difficult business environment to persist, largely due to severe pricing competition. However, we fully expect that our efforts to introduce a better project management structure will lead to improved profitability in new projects. We will seek to improve our earnings structure in this segment by taking further steps to strengthen operational reforms, as well as by expanding our outsourcing business.

Platforms

In the Platforms segment, which includes the computing and network products that provide the foundation for IT services, we have positioned development of our TRIOLE optimized IT infrastructure at the heart of our business strategy in order to respond to the increasingly diverse needs of our customers as well as the growing complexity of IT systems. During the period in review, we worked to expand our sales of the servers, storage systems, network equipment, and middleware that comprise TRIOLE.

At the same time, in our development and manufacturing divisions, along with continuing to pursue our manufacturing innovation campaign, we made efforts to improve quality from the design stage and achieve further cost reductions. In addition, we advanced collaborations with other companies in servers, networking equipment, and other product areas in an effort to improve cost competitiveness and further enhance our product development capabilities and the reliability of our products.

As a result of these efforts, we were able to reduce the negative impact of price declines on our server sales in Japan. We recorded Platforms sales of ¥1,705.1 billion (a 6.0% year-over-year increase) thanks to favorable sales of UNIX servers in overseas markets, as well as strong sales of mobile phone base stations, optical transmission systems, and hard disc drives.

In regard to operating income, although increased development costs for mobile phones crimped profits, the positive contribution of overall sales gains in the Platforms segment, plus lower costs and a return to profitability in our transmission systems business, enabled us to record an operating profit of ¥55.0 billion (a ¥25.7 billion increase) for the segment. While product shipments are recovering on a unit basis, we anticipate that prices will continue to decline. Moreover, customers are demanding even higher functionality and performance in their IT systems. Therefore, along with continuing to promote reforms in our manufacturing processes, we will work to raise profitability by promoting our mission-critical IA server and other products as well as the overall IT system optimization and reliability benefits of TRIOLE.

* TRIOLE: Pre-verified and highly reliable IT infrastructure combining servers, storage systems, networks, etc. TRIOLE meets corporate and other requirements for supporting business expansion, speedy operations deployment, and stable management and lower TCO for IT systems.

Electronic Devices

In our semiconductor business, which comprises the bulk of our Electronic Devices segment, we continued to focus resources on logic LSI devices for such strong growth markets as digital AV equipment, mobile terminals, and automotive applications in order to improve profitability. At the same time, we continued to leverage our leading-edge technologies to boost competitiveness and expand our business.

In this regard, in April of this year we began operations to mass-produce cutting-edge

90/65-nanometer* CMOS technology semiconductors at a new facility that was completed at our Mie factory.

As part of our efforts to strengthen our competitive position, we expanded our manufacturing innovation efforts for fundamental technologies and strove to improve productivity.

Although sales of logic LSI devices, primarily for digital AV equipment and mobile phones, rose substantially, overall sales in this segment were impacted by the transfer of our compound semiconductor business (which became an equity method affiliate) and price declines in plasma display panel (PDP) and liquid crystal display (LCD) products. As a result, total sales in the segment declined 0.1%, to ¥733.8 billion.

A sharp fall in profits from PDPs and LCDs due to weaker prices was offset by strong gains in the profitability of our logic LSI business, enabling us to record operating income of ¥32.5 billion (a ¥5 billion increase) for the segment.

In addition, the transfers of our PDP business to Hitachi Ltd. and our LCD business to Sharp Corporation in March and June of 2005, respectively, will allow us to further focus our resources on the logic LSI area.

In this area, we will leverage the new mass production facility at our Mie plant to expand sales of our leading-edge semiconductors, which have won strong acclaim from customers. We will also strive to expand profits in this segment by advancing a business model that emphasizes close collaboration with partners at every stage, from development and design through manufacturing, and by pursuing a production approach based on customers' requirements.

(*) 90 nanometer CMOS technology: This technology allows for the processing of semiconductors to increase speed, reduce power consumption and achieve large-scale integration. 10 nanometers (nm) equals 1 one hundred millionth (100,000,000) of a meter.

Other Operations

The Other Operations segment includes subsidiaries such as Fujitsu TEN Limited, whose business involves audio equipment, car navigation systems, and other control equipment used in automotive applications, and Fujitsu Laboratories Ltd., which conducts research in basic technologies and develops leading-edge technologies. Due in part to the accounting impact of shifting FDK Corporation, which manufactures electronic materials, batteries and other products, to an equity method affiliate at the end of the previous term, sales in this segment fell to ¥253.3 billion (a 9.4% year-over-year decline). However, operating income increased by ¥0.4 billion, to ¥14.0 billion.).

d) Capital Investment

During the term under review, we spent ¥181.4 billion (an increase of 13.5%) on capital investments focused on growth areas and to support future business development.

We strengthened our datacenter facilities in the outsourcing services area to enable us to capture anticipated growth in that market, and we also enhanced the infrastructure supporting our corporate network services. In total, we invested ¥49.4 billion on capital investments in the Software & Services segment.

In the Platforms segment, to help expand business relating to TRIOLE, we invested in facilities used in the development of mission-critical servers running on Linux and other open platforms, and also strengthened development and manufacturing facilities for third-generation mobile communications base stations and other mobile systems. Capital investments in this segment totaled ¥36.6 billion.

In Electronic Devices, in addition to the investment in new production facilities at our Mie plant, we strengthened other facilities for development and mass production of leading-edge logic LSI devices and also invested in mass production facilities for PDPs. Consequently, capital investments in the Electronic Devices segment were ¥76.1 billion.

We also spent ¥19.1 billion on capital investments in areas not included in the above segments.

e) Capital Procurement

In the term under review, we reduced interest-bearing loans by using increased free cash flow from gains on sales of marketable securities as well as profits from business operations. We also used funds raised from the issuance of ¥100 billion in ordinary corporate bonds in November 2004 to cover our working capital needs.

f) Research and Development

With the aim of supporting customers' business development, contributing to the realization of a ubiquitous networking world, and taking into account environmental concerns, we pursued research and development of various leading-edge technologies, from enabling semiconductor technologies through product and service technologies.

Software & Services

In response to the implementation of a new law in Japan requiring private sector companies to maintain electronic copies of various documents, we developed highly advanced color ledger sheet recognition technology that can recognize billing statements, receipts and other colored paper ledgers. This system, which enables users to search by customer name, transaction date, transaction amount and other key fields, reduces electronic data input costs for standardized forms by about 30%. The technology is expected to play a key role in e-government and e-commerce applications under the "e-Japan" plan, by which Japan seeks to become the most advanced country in IT utilization.

Platforms

The Fujitsu Group endeavors to strengthen its capability to develop products that take into consideration environmental concerns and security issues. For example, we succeeded in the practical use of plant-based plastic for the housings of some of our notebook computers, helping to reduce the burden on the environment. Up to now, plant-based materials were difficult to use in larger applications due to problems with noncombustability, structural integrity and heat dissipation. However, by combining petroleum-based resins with plant-based materials, we were able to solve these problems and at the same time greatly reduce the consumption of petroleum resources.

We have also leveraged the technologies developed for the "FeliCa" contactless IC card, which is seeing widespread use in automated ticket gates at train stations and electronic money applications, as a card-based personal identity authentication solution for strengthening the security of personal computers. Conventional magnetic stripe cards suffered from problems with durability and convenience of use, but the new contactless technology overcomes those issues and enables quick and convenient ID authentication for PC users.

In addition, we developed technologies that improve the reception quality for next-generation mobile telephones by efficiently reducing the multi-path interference caused when radio waves transmitted from base stations bounce off buildings and other structures. Along with improving voice communication, this technology also helps to increase data reception speed for next-generation mobile phones, making possible fast downloading of music data, streaming video, games, and other information.

Electronic Devices

We have created multilayer wiring technology for 65 nanometer next-generation LSIs using originally developed high-strength, low-k material combining nano-clustering silica and copper. We developed this material to address the requirements of high processing speeds associated with miniaturization. This technology will enable us to further shrink the spacing between circuit wires, making possible 65-nanometer LSI devices that can operate at even faster speeds than our leading-edge 90-nanometer LSI devices, which are currently being mass produced.

We plan to leverage this process technology in developing the next generation of 45-nanometer LSI devices.

In embedded processor technology, we succeeded in developing a multi-core processor with low power consumption and high performance characteristics that can be used in digital consumer products requiring robust image processing power. By combining four FR-V multimedia processors on a single chip and utilizing parallel processing, we have achieved at least a quadrupling of the image processing and data transmission capacity of conventional chips while at the same time maintaining low power consumption.

(2) Key Challenges Ahead

Despite a gradual increase in IT investment in Japan and around the world, downward pressure on prices for services and products, intensifying competition and other factors suggest that our operating environment will remain difficult. Despite these challenges, we are striving for the earnings capacity that will enable us to achieve steady profitable growth. Moreover, along with working to achieve further progress in firming up our financial condition, we will intensify our push into new sectors that will lead to growth.

In fiscal 2004, we articulated and began pursuing four key challenges facing the Fujitsu Group: to strengthen our existing businesses, to create and cultivate new businesses, to reform our organization and approach, and to reform our management systems. The entire group has pulled together to address these challenges, and we intend to redouble our efforts in all these areas in fiscal 2005.

a) Strengthening our existing businesses

We are working to raise quality, lower costs and increase speed in every aspect of our operations, including design, development, production and sales. We are pursuing these aims in production, through continuing companywide manufacturing innovation, and in software development, by advancing the deployment of our SDAS comprehensive system development framework. In addition, in April we established the Systems Integration Assurance Unit, reporting directly to the president, to reinforce the soundness of our systems integration business.

While striving to improve the competitiveness of our servers, storage systems, middleware and other products, and pursuing a companywide sales expansion campaign for these products, we will continue to promote our TRIOLE strategy for IT infrastructure optimization and superior overall system reliability. As a complement to this, we plan to further expand our outsourcing services business, which we believe has strong growth potential going forward.

b) Creating and cultivating new businesses

We are pursuing various solutions made possible by the fusing of telecommunications and information processing. Specifically, focusing on bringing change to healthcare, education, business, and our everyday lives, we are aggressively developing business in such areas as security solutions that utilize our palm vein pattern authentication technology and other unique Fujitsu technologies, bio-IT solutions that build on our high-performance servers and simulation technology, and electronic medical record solutions. We are also leveraging our alliance with Cisco Systems to strengthen our enterprise network services business.

In addition, we are actively working to grow our business around the world. PRIMEQUEST, our new series of mission-critical IA servers, is at the heart of our aggressive efforts to increase global market share and drive a new wave of expansion in open architecture servers.

In the Electronic Devices segment, our 300-mm wafer fab began full-fledged operations this April, producing logic chips using our leading-edge 90- and 65–nm process technologies. Volume production and shipments are due to commence in September.

c) Reforming our organization and approach

To provide speedier service to customers and seamless support over the entire IT system lifecycle, we have been eliminating redundancy in our functions and rebuilding our organization to make it more transparent to customers. We integrated our system engineering and sales groups in June 2004, reorganizing them along industry and regional lines, and restructured regional system engineering subsidiaries in Japan in order to be more responsive to local and medium-sized businesses. We will continue to reform our organization to improve our responsiveness to customers, strengthening connections between Fujitsu and our group companies as well as mutual ties among group companies.

We will also continually review and revise our business composition as necessary.

d) Reforming our management systems

Based on the mission, values and code of conduct set forth in The FUJITSU Way, we will strive to manage our business in a way that continuously increases corporate value. More specifically, we are reforming our management structure to ensure that each business unit contributes to the optimal performance of the Fujitsu Group as a whole, rather than focusing narrowly on its own earnings, and we are making our internal controls more complete. In addition, to make the most of our human resources, we are re-examining business processes and enhancing internal training.

We will work unceasingly to meet these challenges, serve as a trusted partner to our customers, and pursue further reforms as global company that contributes to the creation of a rich and dynamic networked economy and earns the trust of our customers and society at large.

(3) Summary of Consolidated Results

Billions of yen, except where stated

Fiscal Year (Business Period)	FY 2001 *(102nd)*	FY 2002 *(103rd)*	FY *2003* *(104th)*	FY 2004 *(Current period)*
Net sales	¥5,006.9	¥4,617.5	¥4,766.8	¥4,762.7
Software & Services	2,085.8	2,025.7	2,094.2	2,070.4
Platforms	2,015.2	1,612.0	1,608.1	1,705.1
Electronic Devices	546.5	618.6	734.3	733.8
Financing	114.4	119.2	50.3	ー
Other Operations	244.8	241.8	279.7	253.3
Operating income (loss)	(74.4)	100.4	150.3	160.1
Ordinary profit (loss)	(157.1)	12.3	49.7	89.0
Net income (loss)	(382.5)	(122.0)	49.7	31.9
Net income (loss) per share [yen]	(192.98)	(61.29)	24.55	15.42
Total assets	4,595.8	4,225.3	3,865.5	3,640.1
Net assets	853.7	702.3	827.1	856.9
Shareholders’ equity per share [yen]	426.52	350.84	413.22	414.18

Notes:

1. All fractions of monetary units (billions of yen) have been rounded down.
2. Net income (loss) per share is calculated on weighted average number of shares of common stock outstanding during each period.
3. Shareholders' equity per share is calculated based on the number of shares of common stock outstanding at the end of each period.
4. From the 103rd term, “shareholders’ equity per share” and “net income per share” are calculated in accordance with the “Accounting Standard for Net Income Per Share” (Corporate Accounting Standard No. 2) and the “Corporate Accounting Standard Applicable Guideline for Net Income Per Share” (Corporate Accounting Standard Applicable Guideline No. 4).
5. Along with the change in status of Fujitsu Leasing Co., Ltd. from a consolidated subsidiary to an affiliate company accounted for under the equity method, which took effect at the end of the interim period of the 104th term, our financing division was eliminated.

6. During 103rd term, sales of outsourcing services, mobile telephones, and electronic devices increased, but demand for large-scale systems associated with the consolidation and restructuring of Japan's financial institutions ran its course, and lower sales of systems integration services, servers, storage systems, and other products and services led to a significant drop in overall sales. With regard to profits, efforts in reducing costs by streamlining the business through reforms of our business structure and efforts to raise the efficiency of product and service development resulted in operating income of ¥100.4 billion. Despite an extraordinary gain relating to sales of marketable securities, business restructuring charges and expenses associated with corrective measures for certain products caused us to record a net loss of ¥122.0 billion.
7. During the 104th term, sales of hardware including servers declined due to fewer sales contracts for large-scale systems and intensified price competition, but domestic sales of software and services, as well as sales of semiconductors, PDPs, LCDs, HDDs, and other products increased. With regard to profits, operating income from software and services declined, but a significant improvement in the profitability of platforms and electronic devices allowed us to achieve total operating income of ¥150.3 billion. We recorded extraordinary gains from sales of marketable securities and fixed assets, as well as on the transfer of the substitutional portion of employees' pension plan, but also extraordinary losses relating to restructuring of global operations as well as restructuring and other measures to deal with certain software and services projects for which deteriorating profitability became apparent and to strengthen our organization. Because the extraordinary losses were less than the extraordinary gains, we recorded net income of ¥49.7 billion for the period.
8. During the term under review, while sales of mobile telephone base stations, HDDs, logic LSIs and other products increased, sales of products used in large-scale systems, including servers and storage systems, as well as sales of PDPs, LCDs and other products declined, resulting in an overall decline in sales. In terms of profits, despite a decline in operating income in software and services, income from our platforms and electronic devices businesses increased and allowed us to achieve total operating income of ¥160.1 billion. Although we posted extraordinary gains relating to sales of marketable securities and the transfer of operations, extraordinary losses relating to restructuring charges and real estate valuation, as well as the valuation allowance we recorded for deferred tax assets, resulted in net income of ¥31.9 billion for the period.

Billions of yen

		FY 2001 *(102nd)*	FY 2002 *(103rd)*	FY 2003 *(104th)*	FY 2004 *(Current period)*
Software & Services	**Net sales**				
	Unaffiliated customers	¥2,085.8	¥2,025.7	¥2,094.2	¥2,070.4
	Intersegment	52.7	72.1	52.1	38.4
	Total	¥2,138.6	¥2,097.9	¥2,146.3	¥2,108.9
	Operating income (loss)	¥157.8	¥176.5	¥138.7	¥113.0
	[As % of sales]	[7.4%]	[8.4%]	[6.5%]	[5.4%]
Platforms	**Net sales**				
	Unaffiliated customers	¥2,015.2	¥1,612.0	¥1,608.1	¥1,705.1
	Intersegment	240.4	231.2	224.7	156.4
	Total	¥2,255.6	¥1,843.2	¥1,832.8	¥1,861.5
	Operating income (loss)	¥(57.5)	¥0.9	¥29.2	¥55.0
	[As % of sales]	[-2.6%]	[0.1%]	[1.6%]	[3.0%]
Electronic Devices	**Net sales**				
	Unaffiliated customers	¥546.5	¥618.6	¥734.3	¥733.8
	Intersegment	91.0	68.8	70.3	60.9
	Total	¥637.5	¥687.4	¥804.6	¥794.7
	Operating income (loss)	¥(109.3)	¥(31.6)	¥27.5	¥32.5
	[As % of sales]	[-17.1%]	[-4.6%]	[3.4%]	[4.1%]
Financing	**Net sales**				
	Unaffiliated customers	¥114.4	¥119.2	¥50.3	–
	Intersegment	9.4	9.1	4.0	–
	Total	¥123.9	¥128.4	¥54.4	–
	Operating income (loss)	¥4.2	¥4.3	¥2.0	–
	[As % of sales]	[3.4%]	[3.4%]	[3.7%]	–
Other Operations	**Net sales**				
	Unaffiliated customers	¥244.8	¥241.8	¥279.7	¥253.3
	Intersegment	126.7	137.0	138.5	99.0
	Total	¥371.5	¥378.9	¥418.2	¥352.3
	Operating income (loss)	¥0.2	¥10.0	¥13.6	¥14.0
	[As % of sales]	[0.1%]	[2.6%]	[3.3%]	[4.0%]
Elimination & Corporate	**Net sales**	¥(520.3)	¥(518.4)	¥(489.7)	¥(354.8)
	Operating income (loss)	¥(69.8)	¥(59.7)	¥(60.8)	¥(54.4)
Total	**Net sales**				
	Unaffiliated customers	¥5,006.9	¥4,617.5	¥4,766.8	¥4,762.7
	Intersegment	–	–	–	–
	Total	¥5,006.9	¥4,617.5	¥4,766.8	¥4,762.7
	Operating income (loss)	¥(74.4)	¥100.4	¥150.3	¥160.1
	[As % of sales]	[-1.5%]	[2.2%]	[3.2%]	[3.4%]

(4) Summary of Unconsolidated Results

Billions of yen, except where stated

Fiscal Year (Business period)	*FJ 2001 (102nd)*	*FY 2002 (103rd)*	*FY 2003 (104th)*	*FY 2004 (Current period)*
Net sales	¥3,034.4	¥2,695.0	¥2,788.5	¥2,846.2
Software & Services	1,078.6	1,025.6	1,063.8	1,051.3
Platforms	1,720.2	1,435.4	1,424.4	1,463.0
Electronic Devices	235.5	233.9	300.1	331.8
Operating income (loss)	(54.6)	21.8	32.9	30.6
Ordinary profit (loss)	(81.5)	3.0	38.3	31.6
Net income (loss)	(265.1)	(175.0)	17.0	(39.8)
Net income (loss) per share [yen]	(133.74)	(87.48)	8.49	(19.59)
Total assets	3,178.5	2,926.2	3,022.9	2,944.2
Net assets	959.6	771.1	934.6	854.3
Shareholders' equity per share [yen]	479.40	385.49	467.18	413.15

Notes:

1. Net income (loss) per share is calculated based on 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.
3. From the 104th term, we prepared our financial statements in accordance with the enforcement regulation of the Commercial Code, as amended by the Ministerial Ordinance Partially Amending the Enforcement Regulations of the Commercial Code (Ministry of Justice, Ministerial Ordinances No.7 issued on February 28, 2003 and No. 68 issued on September 22, 2003). Consequently, in the financial statements in the Japanese version, there are minor changes in description for "net income" and "net income per share".
4. From the 103rd term, "shareholders' equity per share" and "net income per share" are calculated in accordance with the "Accounting Standard for Net Income Per Share" (Corporate Accounting Standard No. 2) and the "Corporate Accounting Standard Applicable Guideline for Net Income Per Share" (Corporate Accounting Standard Applicable Guideline No. 4).
5. During the 103rd term, sales increased for solutions services, mobile phones and semiconductors, but a downturn in demand among financial institutions led to a sales decline for products used in large-scales systems, such as enterprise servers and storage systems as well as systems integration services. In addition, sales of optical transmission systems and 3G mobile systems to telecommunication carriers decreased. As a result of lower fixed costs stemming from our business restructuring efforts, unconsolidated operating income was ¥21.8 billion. Although we posted extraordinary gains from the sale of a portion of our holdings of marketable securities, this was offset by business restructuring charges, extraordinary expenses associated with corrective measures for certain products, and other charges, resulting in an unconsolidated net loss of ¥175 billion.
6. During the 104th term, sales of optical transmission systems and large system products such as large servers and storage systems declined, however, higher sales of solutions and outsourcing services as well as semiconductors resulted in an overall increase in sales. Operating income was ¥32.9 billion due to the effects of business restructuring and cost reduction in the previous terms and the increase in sales. Net income was ¥17.0 billion, as extraordinary losses relating to valuation losses on shares in North American subsidiaries and business restructuring costs were offset by extraordinary gains relating to sales of marketable securities and the transfer of the substitutional portion of employees' pension plan.
7. During the term under review, we saw declines in sales of our large-scale servers, storage systems and other

products used in large-scale systems, as well as in sales of network a services; however, sales of mobile telephone base stations, HDDs, semiconductors, and other products increased, leading to a net increase in total sales. Despite increases in profits from our platforms and electronic devices businesses, deterioration in profits from solutions/systems integration resulted in operating income of ¥30.6 billion. While we posted extraordinary gains relating to sales of marketable securities and from the transfer of operations, we also incurred extraordinary losses due to real estate valuation losses and on shareholdings in affiliated companies, primarily domestic manufacturing subsidiaries, and we also recorded a valuation allowance for deferred tax assets. We recorded a net loss of ¥39.8 billion.

2. Company Overview (As of March 31, 2005)

(1) Major Business of the Fujitsu Group

Fujitsu and its subsidiaries are involved in the business of providing comprehensive IT solutions comprising high quality electronic devices and products, and various related services, all based on powerful technologies that are leading-edge and outstanding in terms of both performance and quality. The main products and services in each of our business segments are listed in the table below.

Segment	*Main products and services*
Software & Services	Consulting services System construction (systems integration) System deployment and operational support 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 arrays, etc.) Personal computers Storage equipment (magnetic and magneto-optical disk drives) Terminals (Financial terminals, POS systems) Mobile phone handsets IP systems Fiber-optic transmission systems Mobile communication systems (3G base station systems)
Electronic Devices	Logic ICs (system LSI, ASICs, microcontrollers, FRAM) Memory ICs (Flash memory, FCRAM) Semiconductor packages SAW devices, Electronic components (relays, connectors, etc), Liquid crystal displays (LCDs)
Other Operations	Basic and advanced technology research and development Audio/navigation equipment, audio electronic devices

(2) The Fujitsu Group

The positioning of, and relationship between, Fujitsu Limited and its principal consolidated subsidiaries and affiliates are as shown in the following chart.

Customers

Fujitsu Limited.

Software & Services

Category	Company Name	Percentage of Voting Rights
Development, sales and provision of services	Fujitsu Business Systems Ltd.	52.65 (0.06)
	Fujitsu Broad Solution & Consulting Inc.	56.49
	Fujitsu Support and Service Inc.	100
	PFU Limited	78.59
	Fujitsu Network Solutions Limited	100
	Fujitsu FIP Corporation	100
	NIFTY Corporation	100
	Fujitsu Consulting Holdings, Inc.	100
	Fujitsu Services Holdings PLC	100 (6.10)

Platforms

Category	Company Name	Percentage of Voting Rights
Development, manufacturing and sales	Fujitsu Frontech Ltd.	53.78 (0.44)
	Fujitsu Access Ltd.	50.56 (0.40)
	Fujitsu Network Communications, Inc.	100
	Fujitsu Computer Systems Corporation	100
	Fujitsu Siemens Computers (Holding) B.V.※	50.00
Manufacturing	Fujitsu IT Products Ltd.	100 (45.00)

Electronic Devices

Category	Company Name	Percentage of Voting Rights
Development, manufacturing and sales	Shinko Electric Industries Co., Ltd.	50.25 (0.03)
	Fujitsu Component Ltd.	59.08
	Fujitsu Media Devices Limited	100
	Fujitsu Display Technologies Corporation	92.79
Sales	Fujitsu Devices Inc.	66.76

Others

Category	Company Name	Percentage of Voting Rights
Development, manufacturing and sales	Fujitsu TEN Limited	55.00
Other	Fujitsu Laboratories Ltd.	100

Category	Company Name	Percentage of Voting Rights
Equity method affiliates	Fujitsu General Limited	46.70
	FDK Corporation	39.80 (0.01)
	Fujitsu Leasing Co., Ltd.	30.00 (5.00)

Notes:

1. The company with (*) is an equity method affiliate.
2. Figures in parenthesis in the percentage of voting rights show indirect shareholdings and are included in the percentage.

Progress of business consolidation

- Fujitsu Quantum Devices Limited became a joint venture company with Sumitomo Electric Industries, Ltd. in April 2004 and its status changed from a consolidated subsidiary to an equity method affiliate.
- From March 2005, Fujitsu Hitachi Plasma Display Limited is not a consolidated subsidiary due to transfer of the business.

Items regarding scope of consolidation

(1) Number of consolidated subsidiaries: 403
The names of our main subsidiaries are listed in the previous section.

(2) Companies classified as non-consolidated subsidiaries are considered to have no significant impact on our total assets, sales, net income and retained earnings, nor on the financial standing or operating results of our Group. The breakdown of our main non-consolidated subsidiaries is as follows:
Shinko Electronics (Malaysia) Sdn. Bhd., others

Items regarding application of Equity Method

(1) Number of affiliates accounted for by the equity method: 34
The names of our main affiliates accounted for by the equity method are listed in the previous section.
(2) Companies classified as non-consolidated subsidiaries and affiliates are considered to have negligible impact on our net income and retained earnings, and are therefore accounted for on a cost basis. The breakdown of our main non-consolidated subsidiaries and affiliates is as follows.
Shinko Electronics (Malaysia) Sdn. Bhd., others
(3) While we own over 20% of the outstanding shares of Japan Electronic Computer Co., Ltd., that firm is operated and capitalized by a consortium of six companies, including domestic computer manufacturing companies, as an entity promoting information processing within the industry, and is therefore not considered to be an affiliate.

Change in the scope of the consolidation
Ten companies became consolidated subsidiaries, including three subsidiaries of Fujitsu Ten Limited, four subsidiaries of Fujitsu Devices Inc., and three other companies.
Sixty-two (62) consolidated subsidiaries were deconsolidated, including Fujitsu Plasma Display Ltd., Fujitsu Quantum Devices Ltd. and its five subsidiaries, Fujitsu Logistics Ltd., and forty subsidiaries of Fujitsu Services Holdings PLC and fourteen other subsidiaries.

Change in the scope of the application of equity method
There were four new affiliates accounted for by the equity method, including Eudyna Devices Ltd., Eudyna Devices Europe Ltd., and TDK Fujitsu Philippines Corporation. At the same time, two companies, Advantest Corporation and Fujitsu Philippines Inc., were removed from equity method affiliate status.

(3) Fujitsu Group Principal Offices and Plants

a) Fujitsu Limited

Registered office	1-1, Kamikodanaka 4-chome, Nakahara-ku, Kawasaki, Kanagawa
Principal office	5-2, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo
Domestic business offices	Hokkaido (Sapporo), Tohoku (Sendai), Shutoken (Minato-ku, Tokyo), Tokai (Nagoya), Hokuriku (Kanazawa), Kansai (Osaka), Chugoku (Hiroshima), Shikoku (Takamatsu), Kyushu (Fukuoka)
Software/Services	Fujitsu Solution Square (Ota-ku, Tokyo), Sapporo System Laboratories (Sapporo), Aomori System Laboratories (Aomori), Makuhari System Laboratories (Chiba), Kansai System Laboratories (Osaka), Oita System Laboratories (Oita), Kumamoto System Laboratories (Mashiki-machi, Kamimashiki-gun), Kyushu R&D Center (Fukuoka), Tatebayashi System Center (Tatebayashi), Akashi System Center (Akashi)
R & D	Kawasaki Plant (Kawasaki), Minamitama Plant (Inagi), Numazu Plant (Numazu), Akashi Plant (Akashi), Akiruno Technology Center (Akiruno),
Manufacture	Iwate Plant (Kanegasaki-cho, Isawa-gun), Aizuwakamatsu Plant (Aizuwakamatsu), Oyama Plant (Oyama), Nasu Plant (Otawara), Nagano Plant (Nagano), Mie Plant (Tado-cho, Kuwana-gun)

b) Subsidiaries

Japan	Fujitsu Laboratories Ltd. (Kawasaki), Shinko Electric Industries, Co., Ltd. (Nagano), Fujitsu Frontech Ltd. (Inagi), Fujitsu Business Systems Ltd. (Bunkyo-ku, Tokyo), Fujitsu Access Ltd. (Kawasaki), Fujitsu Support and Service Inc. (Minato-ku, Tokyo), Fujitsu Devices Inc. (Shinagawa-ku, Tokyo), Fujitsu Component Ltd. (Shinagawa-ku, Tokyo), Fujitsu Broad Solution & Consulting Inc. (Shinagawa-ku, Tokyo), Fujitsu TEN Limited (Kobe), Fujitsu Network Solutions Limited (Shinagawa-ku, Tokyo), PFU Limited (Kahoku, Ishikawa), Fujitsu Media Devices Limited (Yokohama), NIFTY Corporation (Shinagawa-ku, Tokyo), Fujitsu FIP Corporation (Koto-ku, Tokyo), Fujitsu IT Products Ltd. (Kahoku, Ishikawa)
Overseas	Fujitsu Services Holdings PLC (U.K. and other countries), Fujitsu Consulting Holdings, Inc. (U.S.), Fujitsu Computer Systems Corporation (U.S.), Fujitsu Network Communications, Inc. (U.S.)

(4) Employees

a) Employees of Fujitsu Group

Number of employees	*Change from end of fiscal 2003*
150,970	- 5,199

b) Employees of Fujitsu Limited

Number of employees	*Change from end of fiscal 2003*	*Average age*	*Average years of employment*
33,792	- 1,044	39.4	17.2

(5) Stock

a) Number of Authorized Shares:
5,000,000,000

b) Number of Outstanding Shares and Stated Capital

Shares:	2,070,018,213
Stated Capital:	¥324,625,075,685

c) Shares Issued during the Business Period

Item	*Number of Shares*	Increased capital stock (yen)
Conversion of convertible bonds to shares	1,141 shares	¥999,516
Exchange of shares	68,054,400	−
Total	68,055,541	¥999,516

d) Acquisition, Retirement and Holdings of Treasury Stock

Shares acquired	664,946 ordinary shares	Total amount of acquisition: ¥442,217 thousand
Shares retired	101,586 ordinary shares	Total amount of retirement: ¥67,473 thousand
Shares held as of FY close	2,193,272 ordinary shares	

Notes:
1. The above treasury stocks acquired were through the repurchase of odd-lot shares.
2. The above treasury stocks retired were sold in response to the requests received from the holders of odd-lot shares.
3. There is no lapsing of treasury stocks for the term under review.

e) Number of Shareholders:
250,930 (2,693 decrease from the end of FY2003)

f) Principal Shareholders

Name	*Shareholder's investment in Fujitsu Limited*		*Fujitsu Limited's investment in the shareholder r*	
	Number of shares held (thousands)	*Percentage of shares held (%)*	*Number of shares held (thousands)*	*Percentage of shares held (%)*
The Master Trust Bank of Japan, Ltd. (for trust)	163,137	7.88		
Japan Trustee Services Bank, Ltd. (for trust)	103,885	5.02		
Fuji Electric Holdings Co., Ltd.	92,700	4.48	74,333	9.96
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust (for Fuji Electric Systems Co., Ltd.)	62,799	3.03		
The Chase Manhattan Bank NA London	48,443	2.34		
State Street Bank and Trust Company	44,468	2.15		
Asahi Mutual Life Insurance Company	40,299	1.95		
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust (for Fuji Electric FA Component & Systems Co., Ltd.)	38,194	1.85		
State Street Bank and Trust Company 505103	34,204	1.65		
Mizuho Corporate Bank, Ltd.	32,441	1.57		

Notes:

1. The shares held by Japan Trustee Services Bank, Ltd. (for trust), The Master Trust Bank of Japan, Ltd. (for trust) pertain to the trust business by the institution.
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 the total of 138,242 thousand shares of our company (6.68% of controlling shares) as retirement benefit trust assets.

(6) Reservation Rights for New Shares

	Number of the right	*Type and number of shares to be used for exercising of the right*	*Issuing price of new shares*
Zero Coupon Convertible Bonds due 2009	50,000	208,159,866 ordinary shares	1,201yen

In addition to the above, subscription rights (stock option) were issued under Articles 280-19-1 of the old Commercial Code, respectively.

	Number of the right	*Type and number of shares to be used for exercising of the right*	*Issuing price of new shares*
Stock Option 2000	-	775,000 ordinary shares	3,563yen
Stock Option 2001	-	1,060,000 ordinary shares	1,450yen

(7) Principal Lenders

Lender	*Loan amount (¥ millions)*	*Lender's investment in the Company*	
		Numbers of shares (thousands)	*Percentage*
Fujitsu Capital Limited	126,000	-	-
Japan Bank for International Cooperation	21,200	-	-
Sumitomo Mutual Life Insurance Company	20,000	355	0.02
The Norinchukin Bank	17,600	-	-
The Dai-ichi Mutual Life Insurance Company	15,950	14,095	0.68

Note:

The loans from the Company's subsidiary Fujitsu Capital Limited are due to the comprehensive management of surplus assets of subsidiaries for the purpose of improving the efficiency of the Group's assets management.

(8) Major Technical Cooperation

We have cross-license contracts with the following major companies:

Companies	*Products*
Infineon Technologies AG (Germany)	Semiconductor apparatus
Lucent Technologies Inc. (U.S.)	Information handling organization, Semiconductor apparatus
International Business Machines Corporation (U.S.)	Information handling organization
Microsoft Corporation (U.S.)	Software
Texas Instruments Incorporated (U.S.)	Semiconductor apparatus, integrated circuits
Intel Corporation (U.S.)	Semiconductor apparatus
Motorola, Inc. (U.S.)	Semiconductor apparatus
National Semiconductor Corporation (U.S.)	Semiconductor apparatus
Samsung Electronics Co., Ltd. (Korea)	Semiconductor apparatus

(9) Management

a) Members of the Board and Auditors (As of March 31, 2005)

Position	Name	Assignment or title
Representative Director	Naoyuki Akikusa	
	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	
	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.

Notes:

1. Messrs. Kunihiko Sawa and Ikujiro Nonaka are outside directors as defined by Article 188, Section 2-7-2 of the Commercial Code.
2. Messrs. Takeo Kato, Katsuhiko Kondo, and Yoshiharu Inaba, Corporate Auditors, are outside auditors as defined by Article 18, Section 1 of the "Law Regarding Exceptional Rules of the Commercial Code Concerning Auditing, etc., of Stock Corporations

b) Corporate Executive Officers (As of March 31, 2005)

Section	Name	Position
	Hiroaki Kurokawa	President
President's Office	Kuniaki Suzuki	Corporate Executive Vice President Head of President's Office
	Kazuhiko Kato	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

Section	Name	Position
	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
	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

Section	Name	Position
	Michio Atarashi	Corporate Vice President Executive Vice President, IT Services Business Group
	Takashi Aoki	Corporate Vice President Executive Vice President, IT Services Business Group
	Takashi Nakamura	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 Ito	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
Ubiquitous Products Business Group	Chiaki Ito	Corporate Executive Vice President President, Ubiquitous Products Business Group
	Ichiro Komura	Corporate Senior Vice President Executive Vice President, Ubiquitous Products Business Group
	Kimihisa Ito	Corporate Vice President President, Personal Systems Business Unit
	Akikazu Yajima	Corporate Vice President President, Mobile Phones Business Unit
Products Business Operations Group	Chiaki Ito	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

c) Changes in Members of the Board and Auditors in the Last Fiscal Year

New appointments

At the 104th Annual Shareholders' Meeting, held on June 23, 2004, Messrs. Ikujiro Nonaka and Chiaki Ito were elected as Board Members and Messrs. Hiromasa Inagaki and Yohiharu Inaba ware elected as Auditor.

Retirements

Messrs. Junji Maeyama and Michio Fujisaki, Board Members, and Messrs. Shin Koizumi and Yasuyuki Wakahara, Auditors, retired as of June 23, 2004.

d) Amounts of Remuneration, Paid to Directors and Auditors

	Compensation		*Bonus*		*Retirement Benefit*	
	No. of qualified persons	*Amount Paid (¥Million)*	*No. of qualified persons*	*Amount Paid (¥Million)*	*No. of qualified persons*	*Amount Paid (¥Million)*
Directors	12	273	7	67	1	11
Outside Directors (included in Directors)	2	6	-	-	-	-
Auditors	7	53	2	13	2	44
Total	19	327	9	81	3	55

Notes:

1. The upper limits of directors' remuneration are as follows:
   Directors ¥60 million per month (Resolution passed at the Ordinary General Meeting of Shareholders in1991.)
   Auditors ¥5 million per month (Resolution passed at the Ordinary General Meeting of Shareholders in 1989.)
2. Bonuses were paid from the appropriation of retained earnings by the resolution of the Ordinary General Meeting of Shareholders in June 2004.
3. Number of directors and auditors include resigned directors and auditors in June 2004

e) Remuneration to be Paid to the Independent Auditors

(1) Total compensation the Company and its subsidiaries pay to the independent auditors	¥524 million
(2) Of the amount stated above (1), the sum to be paid as compensation for performing the audit under Article 2.1 of the Certified public Accountants Law.	¥524 million
(3) Of the amount stated above (2), the sum the Company should pay as compensation to the independent auditors.	¥151 million

Note:

The Company does not clearly differentiate the amounts of compensation for an audit under the Law for Special Exceptions to the Commercial Code Concerning Auditors of Kabushiki Kaisha from an audit under the Securities and Exchange Law, the Amount stated (3) thus includes the compensation for the audit under the Securities and Exchange Law.

(10)Implementation of Corporate Governance Policy

① Our Basic Stance on Corporate Governance

In order to sustain improvements in corporate value, it is necessary to pursue management efficiency, and at the same time control the risk derived from business activities. With our basic stance that enhancement of corporate governance is vital to realize it, we are positive in promoting outside directors to secure transparency and soundness of management. At the same time, by distinguishing the two functions of execution and oversight, we strive to achieve speedy decision-making as well as to clarify management responsibility.
We believe that clear separation of these two functions helps to ensure management transparency and efficiency.

② Status of Implementation of Corporate Governance Policy

a) Management organization regarding business decisions, operational execution and oversight, and other structural issues regarding corporate governance

Nature of Corporate Institutions and Internal Control Systems

Fujitsu's Board of Directors carries out a management oversight function, supervising the execution functions of the Management Strategy Council and the Management Council under its authority.

As an executive organ, the Management Strategy Council discusses and decides upon fundamental policies and strategy regarding business management. The Management Council makes decisions on important matters regarding operational execution. Issues discussed by the two councils and a summary of their debates are reported to the Board of Directors, which makes decisions on items of particular importance.

Statutory auditors carry out an auditing function, reviewing the Board of Directors as well as operational execution functions.

The Board of Directors is composed of nine internal directors and two outside directors, for a total of 11 members. The Board of Auditors consists of five statutory auditors: two standing auditors and three outside auditors.

Statutory Auditors' Audits and Internal Audits

The company has adopted a statutory auditors system. Auditors attend important management meetings, including those held by the Board of Directors, the Management Strategy Council, and the Management Council to express opinions, and through direct interviews with operational units when needed and other methods, they audit the Board of Directors and operational execution bodies.

Additionally, the Corporate Internal Audit Division has been established within the Corporate Center to serve as an internal audit group. This division audits the internal affairs of the company and its affiliates, proposes improvements in their business practices, and regularly reports its audit findings to the Management Council.

b) Initiatives to Enhance Corporate Governance in FY 2004

In July 2004 we established The FUJITSU Way Promotion Council, as a body reporting directly to the president, and a Compliance Committee, driving risk management and promoting structures and procedures for internal compliance in conjunction with the tenets of The FUJITSU Way. In addition, the Risk Management Committee and Environmental Committee, which had both operated independently, were realigned under The FUJITSU Way Promotion Council, and their activities are helping to achieve good corporate governance in accordance with The FUJITSU Way.

Compliance Committee (newly established)

This committee is responsible for promoting structures and systems to ensure strict compliance with external as well as internal rules, regulations and norms of behavior. To support these efforts, since September 2004 we have put in place a "help line" system to serve as a confidential liaison for receiving reports from employees and providing guidance to them on matters of conduct.

Risk Management Committee

This committee takes measures to obtain information regarding specific incidences of risk and minimize the impact of risk incidences on customers and the Fujitsu Group. Serious issues are reported to the Management Council or Board of Directors for discussion and response.

Through these measures, risk issues and countermeasures are disseminated throughout the Fujitsu Group, strengthening our overall risk management posture.

Environmental Committee

This committee is responsible for promoting and strengthening the environmental protection activities of the Fujitsu Group, which are based on The Fujitsu Group Environmental Policy and The Fujitsu Group Environmental Protection Program.

3. Important Matters Impacting the Fujitsu Group That Occurred after the Fiscal Year

The Company had previously filed a lawsuit in California State District Court against Cirrus Logic Inc., Amkor Technology, Inc., Sumitomo Bakelite Company Limited and Sumitomo Plastics America, Inc. in regard to incidences of problems with certain hard disk drives in 2001. However, in April 2005 a basic agreement was reached to settle the suit with these companies.

As a result of the proposed settlement, Fujitsu anticipates recording an extraordinary gain of about ¥15.4 billion on both its consolidated and unconsolidated statements of income.

Consolidated Balance Sheet

(As of March 31, 2005)

	Millions of yen
Assets	
Current assets:	
Cash and cash equivalents and short-term investments	¥ 457,188
Receivables, trade	824,992
Inventories	478,510
Other current assets	220,847
Total current assets	1,981,537
Investments and long-term loans	706,466
Property, plant and equipment less accumulated depreciation	727,900
Intangible assets	224,295
	¥3,640,198
Liabilities, minority interests and shareholders' equity	
Current liabilities:	
Short-term borrowings and current portion of long-term debt	¥ 209,533
Payables, trade	735,981
Other current liabilities	545,983
Total current liabilities	1,491,517
Long-term liabilities:	
Long-term debt	873,235
Other long-term liabilities	254,249
Total long-term liabilities	1,127,484
Minority interests	164,207
Shareholders' equity:	
Common stock	324,625
Capital surplus	497,882
Retained earnings (Deficit)	(7,823)
Unrealized gains on securities and revaluation surplus on land	101,529
Foreign currency translation adjustments	(57,980)
Treasury stock	(1,243)
Total shareholders' equity	856,990
	¥3,640,198

Consolidated Statement of Income

(Year ended March 31, 2005)

	Millions of yen
Net sales	¥4,762,759
Operating costs and expenses:	
Cost of goods sold	3,512,552
Selling, general and administrative expenses	1,090,016
	4,602,568
Operating income	160,191
Other income (expenses):	
Net interest	(9,604)
Equity in earnings of affiliated companies,net	3,691
Amortization of unrecognized obligation for retirement benefits	(39,295)
Gain on sales of marketable securities	133,299
Gain on business transfer	36,534
Restructuring charges	(20,085)
Real estate valuation losses	(15,274)
Other, net	(25,931)
	63,335
Income before income taxes and minority interests	223,526
Income taxes	185,553
Minority interests	(6,066)
Net income	¥ 31,907

Balance Sheet (Unconsolidated)
(As of March 31, 2005)

	Millions of yen
Assets	
Current assets:	
Cash and cash equivalents and short-term investments	¥ 337,025
Receivables, trade	498,616
Inventories	202,149
Other current assets	252,238
Total current assets	1,290,030
Investments and long-term loans	1,196,280
Property, plant and equipment less accumulated depreciation	369,671
Intangible assets	88,309
	¥2,944,291
Liabilities, minority interests and shareholders' equity	
Current liabilities:	
Short-term borrowings and current portion of long-term debt	¥ 255,495
Payables, trade	653,461
Other current liabilities	226,052
Total current liabilities	1,135,009
Long-term liabilities:	
Long-term debt	856,796
Other long-term liabilities	98,157
Total long-term liabilities	954,953
Shareholders' equity:	
Common stock	324,625
Capital surplus	418,142
Retained earnings	15,919
Unrealized gains on securities, net of taxes	96,885
Treasury stock	(1,243)
Total shareholders' equity	854,328
	¥2,944,291

Statement of Income (Unconsolidated)
(Year ended March 31, 2005)

	Millions of yen
Net sales	¥2,846,256
Operating costs and expenses:	
Cost of goods sold	2,191,120
Selling, general and administrative expenses	624,504
	2,815,624
Operating income	30,631
Other income (expenses):	
Net interest	32,766
Amortization of unrecognized obligation for retirement benefits	(16,848)
Gain on sales of marketable securities	141,459
Gain on business transfer	12,931
Loss on devaluation of subsidiaries' and affiliates' stock	(60,755)
Real estate valuation losses	(15,274)
Other, net	(14,937)
	79,352
Income before income taxes and minority interests	109,984
Income taxes	
Current	(4,559)
Deferred	154,400
	149,841
Net income (loss)	¥ (39,856)
Unappropriated retained earnings at the beginning of this year	54,576
Interim dividends	6,000
Unappropriated retained earnings at the end of this year	¥ 8,719

Appropriation of Retained Earnings and Other Capital Surplus (Unconsolidated)

(Year ended March 31, 2005)

a. Disposal of Unappropriated Retained Earnings

	Millions of yen
Unappropriated retained earnings	¥ 8,719
Reversal of reserve for:	
Software development	4,300
Special depreciation	600
Total	¥ 13,619
To be appropriated as follows:	
Dividends	6,203
(3.0 yen per share in FY 2004 and 3.0 yen per share in FY 2003)	
Reserve for:	
Special drpreciation	2,200
Earnings to be carried forward	¥ 5,216

b. Appropriation of Other Capital Surplus

	Millions of yen
Other capital surplus	¥300,028
To be appropriated as follows:	
Other capital surplus to be carried forward	¥300,028

Notes

Financial information in this report is based on the separate Japanese version prepared in accordance with generally accepted accounting principles in Japan. 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 certified document.

Environmental Accounting

Cost–Benefit Trend

Billions of yen

	FY 2002			FY 2003			FY 2004		
	Fujitsu	Affiliated companies	Total	Fujitsu	Affiliated companies	Total	Fujitsu	Affiliated companies	Total
Costs	7.9	11.0	18.9	7.9	11.1	19.0	7.9	10.0	17.9
Benefits	8.8	12.2	21.0	10.3	13.6	23.9	9.7	12.9	22.6

Itemization of Fiscal Year 2004 Results *1

(Billion Yen)

Costs	Item	Fujitsu	Affiliated companies	Total
Business Area Costs				
Pollution prevention costs	Costs incurred to prevent air pollution and water contamination (fees for water treatment facilities) and other activities	3.0	2.2	5.2
Global environmental conservation costs	Costs of energy-saving measures, as well as costs of global warming reduction measures	0.8	2.1	2.9
Resource circulation costs	Costs incurred for waste reduction and disposal, as well as for water conservation, rainwater usage and other measures aimed at efficient resources usage	1.2	2.0	3.2
Upstream/downstream costs	Costs of lowering the environmental burden imposed upstream and downstream by manufacturing and service activities (costs incurred for recycling /reuse of waste products and packaging, Green Procurement, etc.)	0.2	0.8	1.0
Administration costs	Environmental protection costs related to administrative activity, including personnel expenses for environmental promotion activities and costs associated with acquiring and maintaining ISO14001 certification, measuring environmental burden, greenification programs, environmental reporting and environmental publicity	2.3	1.4	3.7
R&D/solutions business costs	Environmental protection costs for R&D activities and costs of environmental solutions business activities (Green Products/ environmental technology design and development costs, environmental solutions business costs)	0.3	1.5	1.8
Social activities costs	Environmental protection costs stemming from participation in social activities, such as participation in/support for organizations concerned with environmental preservation	0.0	0.0	0.0

Environmental Remediation costs	Costs of environmental restoration operations (remediating soil and groundwater contamination, environmental compensation, etc.)	0.1	0.0	0.1
Total		7.9	10.0	17.9

(Billion Yen)

Benefits	Item	Fujitsu	Affiliated companies	Total
Business area benefits				
Pollution prevention benefits	Contribution of environmental protection activities to value added*2 in manufacturing	3.6	3.6	7.2
	Savings from avoidance of operating losses*3 stemming from failure to observe environmental laws and regulations	0.5	0.8	1.3
Global environmental conservation benefits	Cost savings from reductions in electricity, oil and gas consumption*4	1.7	0.8	2.5
Resource circulation benefits	Cost savings from waste reduction and more effective resource utilization*4	2.6	6.0	8.6
Upstream/downstream benefits	Sales value of recycled and reused products*4	0.0	0.9	0.9
Administration benefits	Value of efficiency enhancement through ISO14001 system implementation, effects of employee training, corporate image enhancement from environment-related publicity	0.4	0.3	0.7
R&D/Solutions business benefits	Contribution to sales made by Green Products, other eco-friendly products and environmental solutions business	0.7	0.5	1.2
Social activities benefits	Value of corporate image improvement from participation in and support for organizations concerned with environmental preservation and others	0.0	0.0	0.0
Environmental remediation benefits	Savings of compensation payments to residents through policies preventing groundwater and soil contamination*5	0.2	0.0	0.2
Total		9.7	12.9	22.6

*1 Classification system is in accordance with "Environmental Accounting Guidelines 2005" issued by Japan's Ministry of the Environment.

*2 Contribution of environmental protection activities in relation to value added: (value added) x (maintenance and management costs for environmental facilities/total generated costs)

*3 Avoidance of operating losses: value added/(days of operation x days lost)

*4 Actual Benefit

*5 Estimate of risk avoidance assuming such events arise

*6 Third Party Audits

This information is being released following completion of an audit of Fujitsu's fiscal 2004 environmental accounting by Shin Nihon Environmental Management and Quality Research Institute. Information on the improvement indicator, which shows the relationship between environmental impact and the cost of environmental protection measures, will be released separately.

Additional information regarding Fujitsu’s environmental activities is available in the Company’s environmental report or on the Internet (http://www.fujitsu.com/about/environment/).

Information

Fujitsu’s Home Page offer not only this report but also the latest annual report and financial results.

English: http://www.fujitsu.com/global/about/ir/
Japanese: http://pr.fujitsu.com/jp/ir/