



Interim Report
on
First-half FY2003 Financial Results
(Six months ended September 30, 2003)

FUJITSU LIMITED

Note:

1. 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.
2. The U.S. dollar amounts included in this interim report represent the arithmetic results of translating yen into dollars at ¥111 = US\$1, the approximate rate of exchange prevailing on September 30, 2003. The U.S. dollar amounts are presented solely for the convenience of the reader and the translation is not intended to imply that the assets and liabilities which originated in yen have been or could readily be converted, realized or settled in U.S. dollars at the above or any other rate.

To Our Shareholders

It is with great pleasure that we present our report for the midterm financial results of our 104th business period.

The operating environment surrounding the businesses of our group companies started out on a difficult note, with heightened global tensions compounded by the SARS outbreak. This was partially relieved by improvements in stock markets around the globe, leading IT-related investments in North America and Asia to show signs of a gradual improvement. On the other hand, pricing competition for hardware and for software services has become increasingly severe worldwide, and we experienced various unforeseen events, such as the earthquake in Miyagi Prefecture that impacted our semiconductor business.

In spite of all this, we were able to achieve the budgets we set at the start of this term, with sales of ¥2,141.9 billion, operating losses of ¥17.9 billion, ordinary losses of ¥67.7 billion, and net losses of ¥58.5 billion during the interim accounting period.

Moreover, we were able to exceed the goals set at the start of the term for the reduction of consolidated interest-bearing debt through the change of our leasing subsidiary to an affiliate under equity-method accounting, the redemption of corporate debentures, and an accelerated repayment of debts.

At the same time, we were able to realize ¥18.7 billion in net income at the parent level due in part to the sale of our share holdings in Fanuc Ltd. However, we are keenly aware of the fact that our earnings are still mid-course on the road to recovery, and that we are still showing operating losses at both the parent and consolidated levels at the most recent midterm. Consequently, we deeply regret not being able to pay a dividend to our shareholders during the interim period.

The steady advance of networking capabilities is leading to the implementation of IT throughout society, creating a sort of “ubiquitous network society” in which people can transfer information at any time, anywhere, to anyone. As a result of these trends, IT is becoming an increasingly important factor in the management of our customers’ businesses.

As a leader in the IT industry, our company boasts high-performance cutting-edge technology that is also highly reliable. We will continue to provide total solutions for our customers, employing the highest quality products and services. We will also strive to raise the level of our comprehensive services by introducing new cutting-edge technologies to further contribute to our clients’ businesses. In this way, we hope to become not just a supplier, but also an integral partner in the management of our customers’ operations so that we can grow in tandem with them.

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

December 2003

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

*Operating Condition (consolidated)***Overall Operations**

Overall Operations Business Conditions	1st Half FY2002	1st Half FY2003	change	
			amount	%
Consolidated sales	2,150.3	2,141.9	-8.4	-0.4%
Operating income	-23.2	-17.9	5.2	na
Ordinary profit	-65.4	-67.7	-2.2	na
Net income	-147.4	-58.5	88.8	na

units: billion yen

During the current interim period, our sales remained in line with the previous year's level. Despite increased pricing competition, successful structural reforms to our various businesses and effective cost-cutting measures contributed to a ¥5.2 billion year-over-year reduction in operating losses during the term. Ordinary profit remained in line with the previous year due in part to the increased burden from the liquidation of under-funded pensions. Also, extraordinary losses associated with the Miyagi Prefecture Earthquake and restructuring charges for domestic and foreign subsidiaries were offset by extraordinary profits derived from the sale of Fanuc Ltd. shareholdings, allowing net losses to improve by ¥88.9 billion from the previous midterm, when large charges arising from structural reforms were incurred, to ¥58.5 billion.

A closer examination of our first-half earnings reveals that earnings in the second quarter improved over the first quarter. During the first quarter, both sales and operating income fell below the same period in the previous year. However, during the second quarter, both sales and operating income improved from the same period a year ago due to a recovery in the market and firming demand for our line-up of products and services.

Estimates and Actual Figures	initial estimate	revision in 7/03	actual 1st Half	change	
				amount	%
Consolidated sales	2,150.0	2,150.0	2,141.9	-8.0	-0.4%
Operating income	-20.0	-20.0	-17.9	2.0	na
Ordinary profit	-70.0	-70.0	-67.7	2.2	na
Net income	-40.0	-50.0	-58.5	-8.5	na

units: billion yen

* We have adjusted our net income forecasts in July to a loss of ¥50 billion to reflect the extraordinary losses resulting from the Miyagi Prefecture Earthquake which occurred in May.

We based our projections for a solid recovery in earnings potential during this interim period on our efforts to raise the efficiency of our operations and to strengthen our global competitiveness. Despite the influence of the Miyagi Prefecture Earthquake on our semiconductor business and delays in the start of our North American server business during the first half of the interim period, we were able to recover the ground lost during the second half of the interim and to record operating income and ordinary profit in line with our initial estimate. At the same time, unforeseen extraordinary losses forced us to see larger losses at the net income level than we originally projected.

Operating Condition (consolidated)

Software & Services

Software & Services	1st Half	1st Half	change	
Business Conditions	FY2002	FY2003	amount	%
Consolidated sales	918.0	909.3	-8.7	-1.0%
Solutions / SI	403.2	413.7	10.5	2.6%
Infrastructure services	514.8	495.6	-19.2	-3.7%
Consolidated operating income	51.5	28.8	-22.6	

units: billion yen

Note: All sales figures represent sales to unaffiliated customers

Solutions / SI: Provision of CRM, ERP and other services designed to raise the operating efficiency of our customers, large-scale centralized systems, etc.

Infrastructure services: Outsourcing services, network services, maintenance services, etc.

Within Japan, sales of our solutions and SI-related services provided to the public sector and the healthcare industry, which are representative of the e-Japan program, and outsourcing services provided to corporations all remained firm. At the same time, the influence of the sale of a part of our European businesses, which was undertaken to improve our earnings structure, resulted in a sales decline in overseas markets, which worked to keep our overall sales in line with the previous year's level.

With regard to operating income, the concentration of a greater number of large sales during the second half of the current fiscal year, declines in the profitability of some of our other projects, and aggressive advanced investments into Linux and other middleware, has caused a large decline in operating income compared with the previous interim period.

*Operating Condition (consolidated)***Platforms**

Platforms	1st Half	1st Half	change	
Business Conditions	FY2002	FY2003	amount	%
Consolidated sales	769.7	723.8	-45.8	-6.0%
Servers	191.7	154.0	-37.7	-19.7%
Mobile Infrastructure / IP network	85.7	80.9	-4.8	-5.6%
Transmission Equipment	99.7	80.6	-19.1	-19.2%
PCs & Mobile Telephones	307.7	322.0	14.3	4.6%
HDDs	84.9	86.3	1.4	1.6%
Consolidated operating income	-30.8	-20.7	10.0	

units: billion yen

Note: All sales figures represent sales to unaffiliated customers

Servers: Various types of servers, storage systems (large-scale data storage and management systems), etc.

Mobile Infrastructure: Cellular base stations, etc.

IP Network: Internet protocol-based network products

Transmission Equipment: Communications network parts for communications companies

HDDs: For servers, also compact magnetic disk drives used in notebook PCs

In addition to strong sales of PCs, mobile phones, and other consumer products, strong demand for notebook PCs also contributed to increased sales of HDDs for this market segment. At the same time, sales of large-scale servers and storage systems fell due to the declines in big orders from the communications and finance industries, which were quite strong at this point last year, and sales of conventional equipment also fell due to a generational shift in transmission systems. However overseas sales, primarily in the U.S. and European markets, showed signs of recovering during the latter half of the interim period.

Successful efforts at restructuring and cost-cutting, as well as efficient use of expenses, led to improvements in profitability in the areas of PCs and HDDs, but could not offset the impact of declines in sales of servers and transmission systems. Consequently, operating losses improved by ¥10 billion from the previous interim period to a loss of ¥20.7 billion in the current period.

Operating Condition (consolidated)

Electronic Devices

Electronic Devices	1st Half	1st Half	change	
Business Conditions	FY2002	FY2003	amount	%
Consolidated sales	289.0	334.7	45.7	15.8%
Semiconductors	165.3	182.3	17.0	10.3%
Others	123.7	152.4	28.7	23.2%
Consolidated operating income	-23.1	-1.2	21.8	

units: billion yen

Note: All sales figures represent sales to unaffiliated customers

Semiconductors: Logic ICs, flash memory, compound semiconductors

Others: PDPs (plasma display panels), LCDs (liquid crystal displays), SAW devices, components and others

In our semiconductor-related products area, sales of logic ICs and flash memories used in digital AV equipment, mobile phones, and automobiles rose significantly. And in our other products area, the increased demand for flat panel televisions helped to boost PDP and other product sales.

While a loss of ¥1.2 billion was recorded at the operating income level, this large improvement from the previous year's interim period was made possible because of improvements in supply and demand conditions, effective structural reforms, and cost reductions in the PDP and components area.

With regard to our flash memory business, during the midterm, we expanded the operations of our joint venture business with AMD, Inc. of the United States to include development and marketing in addition to manufacturing, and we established a new joint venture company, FASL LLC. As a result of these efforts, we have been able to improve the efficiency and competitiveness of our flash memory business, and focused more of our operating resources on our logic IC business.

Key Challenges Ahead

Fujitsu is uniquely positioned to offer our customer comprehensive solutions to their business problems through the strategic utilization of information technology. We are actively using this expertise to contribute to our customers' business growth and expansion.

Below are some of the specific initiatives we are currently emphasizing.

Business Segment Initiatives

In our services and software business, we are continuing to strive to improve profitability by bolstering the efficiency of application development and strengthening project management. We are also rapidly shifting our emphasis to growth markets such as services for top-tier manufacturers and retailers, healthcare, and local government consolidation, in addition to growth fields as outsourcing, CRM, ERP, e-learning and mobile solutions. Moreover, we are strengthening sales of our competitive middleware products and aim to increase our share of that market.

In our platforms business, we are further strengthening our manufacturing prowess by taking various measures to boost productivity, such as initiating major productivity reforms in our manufacturing facilities. Our efforts are not limited to the manufacturing process. At every stage of our operations, including development, design and procurement, we are working hard to improve product and service quality, reduce development time and cut costs. Moreover, based upon our TRIOLE next-generation IT infrastructure initiative, we are promoting coordination with our software and services unit to expand business, and we are laying the organizational foundation to expand our business globally.

In our electronic devices business, as part of the initiatives to improve our profitability, we are moving quickly to focus our resources on markets in which we expect high growth, such as logic ICs for home information appliances, mobile devices and networks. At the same time, we are moving ahead with the development of advanced CMOS technology, which will further enhance the competitiveness of our products. To launch, in a timely manner, the products that meet our customers' needs, we are working to speed up every process throughout our organization.

Improving our Financial Position

We have made cash flow management a major priority and are taking various steps to improve our financial structure. In the first half, we succeeded in reducing interest-bearing debt through such means as the sales of equity holdings and changing the status of our leasing affiliate into a company warranting equity-method accounting treatment. By continuing to focus on improving the profitability of our core operations as a top priority, while at the same time promoting a more efficient use of our assets, we will make further progress towards improving the company's financial position.

By continuously applying our efforts to the accomplishment of these tasks, we are striving to become a global company that is trusted by our customers and society, and that can make a significant contribution to building a prosperous and dynamic networked society.

(TRANSLATION FOR REFERENCE ONLY)

Major Businesses

The primary products and services of each business along with the positioning at principal Fujitsu group companies are listed below.

	Main products and services	Principal group companies
Software & Services	Systems Construction (System 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	Fujitsu Ltd. Fujitsu Business Systems Ltd. Fujitsu Support and Service Ltd. Fujitsu Broad Solution & Consulting Inc. Fujitsu Network Solutions Ltd. PFU Ltd. Fujitsu FIP Corporation NIFTY Corporation Fujitsu Consulting Holdings, Inc. Fujitsu Services Holdings PLC
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 phone handsets, IP systems (GeoStream, etc.), Fiber-optic transmission systems, Mobile communication systems (3G base station systems)	Fujitsu Ltd. Fujitsu Frontech Ltd. Fujitsu Access Ltd. Fujitsu IT Products Ltd. Fujitsu IT Holdings, Inc. Fujitsu Network Communications, Inc. Fujitsu Siemens Computers (Holding) B.V.*
Electronic Devices	Logic ICs (System LSI, ASICs, Microcontrollers, FRAM), Memory ICs (Flash memory, FCRAM), Semiconductor packages, Compound semiconductors, SAW devices, Electro-mechanical components, LCD panels, PDPs	Fujitsu Ltd. Shinko Electric Industries Co., Ltd. Fujitsu Component Ltd. Fujitsu Devices Inc. Fujitsu Hitachi Plasma Display Ltd. Fujitsu Quantum Devices Ltd. Fujitsu Media Devices Ltd. Fujitsu Display Technologies Corporation FASL LLC*
Financing	Leasing business	Fujitsu Leasing Co., Ltd.
Other Operations	Basic and advanced technology research and development	Fujitsu Laboratories Ltd.
	Electronic materials, Batteries	FDK Corporation
	Audio/Navigation equipments, Audio electronic devices	Fujitsu TEN Ltd.

Notes

1. Fujitsu Lease Co., Ltd. became an affiliate (using the equity method), from the end of the interim period ended September 2003.
2. The companies with * listed above are affiliates (using the equity method).

Affiliated Companies	Fanuc Ltd.	CNC systems, Lasers, Robotics
	Advantest Corporation	IC test systems, Electronic measuring instruments
	Fujitsu General Ltd.	Communication / information processing products, Lifestyle products

Note : Fanuc Ltd. became excluded from affiliates (using the equity method) from November, 2003.

Consolidated Subsidiaries 471 companies (Japan:134 companies Overseas:337 companies)
Affiliates (using the equity method) 31 companies

Consolidated Interim Financial Statements (Unaudited)**• Summary of Consolidated Results**

	(billions of yen except per share data and number of employees)					<i>U.S. dollars</i>
	1 st Half FY2001	FY2001	1 st Half FY2002	FY2002	1 st Half FY2003	<i>(millions except per share data)</i> 1 st Half FY2002
Net Sales	¥2,387.7	¥5,006.9	¥2,150.3	¥4,617.5	¥2,141.9	<i>\$19,297</i>
Software & Services	931.7	2,085.8	918.0	2,025.7	909.3	<i>8,192</i>
Platforms	985.4	2,015.2	769.7	1,612.0	723.8	<i>6,521</i>
Electronic Devices	296.0	546.5	289.0	618.6	334.7	<i>3,016</i>
Financing	50.4	114.4	55.0	119.2	50.3	<i>454</i>
Other Operations	123.9	244.8	118.4	241.8	123.6	<i>1,114</i>
Overseas Total (included in Net Sales)	800.9	1,546.0	650.2	1,336.9	649.4	<i>5,851</i>
Operating Income (Loss)	(59.1)	(74.4)	(23.2)	100.4	(17.9)	<i>(162)</i>
Ordinary Profit (Loss)	(107.5)	(157.1)	(65.4)	12.3	(67.7)	<i>(610)</i>
Net Income (Loss)	(174.7)	(382.5)	(147.4)	(122.0)	(58.5)	<i>(528)</i>
Basic Earnings (Loss) Per Share [Yen]	¥(88.29)	¥(192.98)	¥(73.66)	¥(61.29)	¥(29.28)	<i>\$(0.264)</i>
Total Assets	4,783.4	4,595.8	4,309.5	4,225.3	3,740.4	<i>33,698</i>
Shareholders' Equity	1,023.1	853.7	683.9	702.3	649.8	<i>5,855</i>
Shareholders' Equity per Share [Yen]	¥516.08	¥426.52	¥341.75	¥350.84	¥324.87	<i>\$2.926</i>
Number of Employees	181,813	170,111	166,369	157,044	155,257	

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.
3. Effective this period, in determining "shareholders' equity per share" and "net income per share," we apply the "Accounting Standard for Net Income Per Share" (Corporate Accounting Standard #2) and the "Corporate Accounting Standard Applicable Guideline for Net Income Per Share" (Corporate Accounting Standard Applicable Guideline #4).

• Consolidated Balance Sheet

	Yen (millions)		U.S. dollars (millions)
	September 30 2003	March 31 2003	September 30 2003
Assets			
Current assets:			
Cash and cash equivalents and short-term investments	¥ 239,458	¥ 283,985	\$ 2,157
Receivables, trade	669,432	840,408	6,031
Inventories	619,349	595,984	5,580
Other current assets	271,703	351,263	2,448
Total current assets	1,799,942	2,071,640	16,216
Investments and long-term loans	836,196	901,587	7,533
Property, plant and equipment less accumulated depreciation	855,895	990,552	7,711
Intangible assets	248,436	261,582	2,238
Total assets	¥ 3,740,469	¥ 4,225,361	\$ 33,698
Liabilities, minority interests and shareholders' equity			
Current liabilities:			
Short-term borrowings and current portion of long-term debt	¥ 543,024	¥ 506,091	\$ 4,892
Payables, trade	666,846	716,842	6,008
Other current liabilities	465,302	542,291	4,192
Total current liabilities	1,675,172	1,765,224	15,092
Long-term liabilities:			
Long-term debt	933,644	1,257,678	8,411
Other long-term liabilities	313,228	285,513	2,822
Total long-term liabilities	1,246,872	1,543,191	11,233
Minority interests	168,559	214,556	1,518
Shareholders' equity:			
Common stock	324,624	324,624	2,925
Capital surplus	519,723	519,720	4,682
Retained earnings (deficit)	(119,409)	(60,718)	(1,076)
Unrealized gains on securities and revaluation surplus on land	18,177	6,090	164
Foreign currency translation adjustments	(92,441)	(86,517)	(833)
Treasury stock	(808)	(809)	(7)
Total shareholders' equity	649,866	702,390	5,855
Total liabilities, minority interests and shareholders' equity	¥ 3,740,469	¥ 4,225,361	\$ 33,698
Supplementary information			
	Yen (billions)		U.S. dollars (millions)
	1 st Half FY2003	1 st Half FY2002	1 st Half FY2003
Capital expenditure	¥ 66.7	¥ 79.1	\$ 600.9
Depreciation	97.3	135.0	876.5

(TRANSLATION FOR REFERENCE ONLY)

• Consolidated Statements of Operations

	Yen (millions)		Change (%)	U.S. dollars (millions)
	1 st Half FY2003	1 st Half FY2002		1 st Half FY2003
Net Sales	¥ 2,141,934	¥ 2,150,386	-0.4	\$ 19,297
Operating costs and expenses:				
Costs of goods sold	1,576,454	1,571,934	+0.3	14,202
Selling, general and administrative expenses	583,470	601,730	-3.0	5,257
	<u>2,159,924</u>	<u>2,173,664</u>		<u>19,459</u>
Operating income (Loss)	(17,990)	(23,278)	-	(162)
Other income (expenses):				
Net interest *	(7,755)	(11,327)		(70)
Equity in earnings of affiliated companies, net	418	(2,090)		4
Amortization of unrecognized obligation for retirement benefits	(28,938)	(21,938)		(261)
Casualty loss **	(4,700)	-		(42)
Restructuring charges	(4,674)	(150,000)		(42)
Cost of corrective measures for products ***	-	(25,000)		-
Valuation loss on marketable securities	-	(7,637)		-
Gain on sales of marketable securities ****	34,470	27,980		311
Other, net	(21,913)	(6,811)		(198)
	<u>(33,092)</u>	<u>(196,823)</u>	-	<u>(298)</u>
Income (Loss) before income taxes and minority interests	(51,082)	(220,101)	-	(460)
Income taxes	3,787	(70,141)		34
Minority interests	(3,693)	2,522		(34)
Net income (Loss)	<u>¥ (58,562)</u>	<u>¥ (147,438)</u>	-	<u>\$ (528)</u>
Supplementary information				
R&D expenditure	¥ 126,407	¥ 147,245	-14.2	
[As % of Sales]	[5.9%]	[6.8%]		

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

**Casualty loss refers to repair expenses incurred to cover damages to property as a result of the earthquake that occurred off the coast of Miyagi prefecture, Japan, on May 26th, 2003.

***Cost of corrective measures for products refers to certain small form factor hard disk drives.

****Gain on sales of marketable securities in first half of FY2003 refers to 27,632 million yen of gain on sales of affiliates' stocks and 6,838 million yen on sales of available-for-sale securities.

• Consolidated Statements of Cash Flows

	Yen (millions)		Change	<i>U.S. dollars</i> <i>(millions)</i>
	1 st Half FY2003	1 st Half FY2002		1 st Half FY2003
I Cash flows from operating activities:				
Income (Loss) before income taxes and minority interests	¥ (51,082)	¥ (220,101)	+169,019	\$ (460)
Depreciation and amortization	137,316	172,981	-35,665	1,237
Accrual (Reversal) of provisions	2,319	(5,935)	+8,254	21
Equity in earnings of affiliates, net	(418)	2,090	-2,508	(4)
Disposal of property, plant and equipment	9,531	31,460	-21,929	86
(Increase) Decrease in receivables, trade	79,147	177,298	-98,151	713
(Increase) Decrease in inventories	(60,294)	(9,714)	-50,580	(543)
Increase (Decrease) in payable, trade	(11,307)	(172,303)	+160,996	(102)
Other, net	(67,788)	(56,772)	-11,016	(611)
Net cash provided by (used in) operating activities	<u>37,424</u>	<u>(80,996)</u>	<u>+118,420</u>	<u>337</u>
II Cash flows from investing activities:				
Purchase of property, plant and equipment	(68,766)	(95,505)	+26,739	(619)
(Purchase of) Proceeds from Sales of Investment Securities	59,252	79,901	-20,649	534
Other, net	(20,838)	5,053	-25,891	(188)
Net cash provided by (used in) investing activities	<u>(30,352)</u>	<u>(10,551)</u>	<u>-19,801</u>	<u>(273)</u>
I + II [Free Cash Flow]	<u>7,072</u>	<u>(91,547)</u>	<u>+98,619</u>	<u>64</u>
III Cash flows from financing activities:				
Increase (Decrease) in bonds, notes, short-term borrowings and long-term debt	(39,434)	201,551	-240,985	(355)
Dividends paid	-	(5,005)	+5,005	-
Other, net	(11,203)	(84,964)	+73,761	(101)
Net cash provided by (used in) financing activities	<u>(50,637)</u>	<u>111,582</u>	<u>-162,219</u>	<u>(456)</u>
IV Effect of exchange rate changes on cash and cash equivalents	<u>(2,110)</u>	<u>(3,083)</u>	<u>+973</u>	<u>(19)</u>
V Net increase (decrease) in cash and cash equivalents	<u>(45,675)</u>	<u>16,952</u>	<u>-62,627</u>	<u>(411)</u>
VI Cash and cash equivalents at beginnings of period	<u>282,333</u>	<u>299,418</u>	<u>-17,085</u>	<u>2,543</u>
VII Cash and cash equivalents at end of period	<u>¥ 236,658</u>	<u>¥ 316,370</u>	<u>-79,712</u>	<u>\$ 2,132</u>

(TRANSLATION FOR REFERENCE ONLY)

• Business Segment Information

		Yen (millions)		Change (%)	U.S. dollars (millions)
		1 st Half FY2003	1 st Half FY2002		1 st Half FY2003
Software & Services	Net Sales				
	Unaffiliated Customers	¥909,325	¥918,089	-1.0	\$8,192
	Intersegment	31,867	31,688	+0.6	287
	Total	941,192	949,777	-0.9	8,479
	Operating Income	28,890	51,501	-43.9	260
	[As % of Sales]	[3.1%]	[5.4%]		
Platforms	Net Sales				
	Unaffiliated Customers	¥723,821	¥769,713	-6.0	\$6,521
	Intersegment	104,178	103,752	+0.4	939
	Total	827,999	873,465	-5.2	7,460
	Operating Income (Loss)	(20,715)	(30,805)	-	(186)
	[As % of Sales]	[-2.5%]	[-3.5%]		
Electronic Devices	Net Sales				
	Unaffiliated Customers	¥334,746	¥289,037	+15.8	\$3,016
	Intersegment	33,000	38,089	-13.4	297
	Total	367,746	327,126	+12.4	3,313
	Operating Income (Loss)	(1,218)	(23,102)	-	(11)
	[As % of Sales]	[-0.3%]	[-7.1%]		
Financing	Net Sales				
	Unaffiliated Customers	¥50,391	¥55,074	-8.5	\$454
	Intersegment	4,027	5,607	-28.2	36
	Total	54,418	60,681	-10.3	490
	Operating Income	2,007	2,591	-22.5	18
	[As % of Sales]	[3.7%]	[4.3%]		
Other Operations	Net Sales				
	Unaffiliated Customers	¥123,651	¥118,473	+4.4	\$1,114
	Intersegment	66,346	68,133	-2.6	598
	Total	189,997	186,606	+1.8	1,712
	Operating Income (Loss)	5,031	4,312	+16.7	45
	[As % of Sales]	[2.6%]	[2.3%]		
Elimination	Net Sales	¥(239,418)	¥(247,269)	-	\$(2,157)
	Operating Income	(31,985)	(27,775)	-	(288)
Total	Net Sales				
	Unaffiliated Customers	¥2,141,934	¥2,150,386	-0.4	\$19,297
	Intersegment	-	-	-	-
	Total	2,141,934	2,150,386	-0.4	19,297
	Operating Income (Loss)	(17,990)	(23,278)	-	(162)
	[As % of Sales]	[-0.8%]	[-1.1%]		

• Net Overseas Sales by Customer's Geographic Location

	1 st Half FY2003	1 st Half FY2002	Change (%)	1 st Half FY2003
Europe	¥268,964	¥278,327	-3.4	\$2,423
The Americas	168,650	191,454	-11.9	1,520
Others outside Japan	211,814	180,438	+17.4	1,908
Total	649,428	650,219	-0.1	5,851

Unconsolidated Interim Financial Statements (Unaudited)

• Summary of Unconsolidated Results

	(billions of Yen except per share data and number of employees)					<i>U.S. dollars</i>
	1 st Half FY2001	FY2001	1 st Half FY2002	FY2002	1 st Half FY2003	<i>(millions except per share data)</i>
						<i>1st Half FY2003</i>
Net Sales	¥1,428.8	¥3,034.4	¥1,238.4	¥2,695.0	¥1,207.5	<i>\$10,879</i>
Software & Services	460.4	1,078.6	454.1	1,025.6	458.8	<i>4,134</i>
Platforms	834.1	1,720.2	665.8	1,435.4	625.5	<i>5,635</i>
Electronic Devices	134.2	235.5	118.3	233.9	123.1	<i>1,110</i>
Operating Income (Loss)	(23.7)	(54.6)	(23.8)	21.8	(44.0)	<i>(397)</i>
Ordinary Profit (Loss)	(30.4)	(81.5)	(32.4)	3.0	(19.2)	<i>(173)</i>
Net Income (Loss)	(148.6)	(265.1)	(104.9)	(175.0)	18.7	<i>169</i>
Basic Earnings (Loss) Per Share [Yen]	¥(75.11)	¥(133.74)	¥(52.42)	¥(87.48)	¥9.35	<i>\$0.084</i>
Cash Dividends Per Share [Yen]	¥2.50	¥5.00	-	-	-	<i>-</i>
Total Assets	3,146.3	3,178.5	3,032.5	2,926.2	2,820.0	<i>\$25,405</i>
Shareholders' Equity	1,055.5	959.6	845.3	771.1	801.7	<i>7.223</i>
Shareholders' Equity Per Share [Yen]	¥532.44	¥479.40	¥422.36	¥385.49	¥400.81	<i>\$3.61</i>
Number of Employees	41,396	40,483	38,667	34,690	34,917	

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.
3. Effective this period, in determining "shareholders' equity per share" and "net income per share," we apply the "Accounting Standard for Net Income Per Share" (Corporate Accounting Standard #2) and the "Corporate Accounting Standard Applicable Guideline for Net Income Per Share" (Corporate Accounting Standard Applicable Guideline #4).

(TRANSLATION FOR REFERENCE ONLY)

• Unconsolidated Balance Sheet

	Yen (millions)		U.S. dollars (millions)
	September 30 2003	March 31 2003	September 30 2003
Assets			
Current assets:			
Cash and cash equivalents and short-term investments	¥108,757	¥121,819	\$980
Receivables, trade	356,732	431,568	3,214
Inventories	305,032	292,270	2,748
Other current assets	223,661	249,971	2,015
Total current assets	994,184	1,095,630	8,957
Investments and long-term loans	1,318,230	1,310,261	11,876
Property, plant and equipment less accumulated depreciation	407,005	419,073	3,667
Intangible assets	100,587	101,310	906
Total assets	¥2,820,007	¥2,926,275	\$ 25,405
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings and current portion of long-term debt	¥381,021	¥240,608	3,433
Payables, trade	552,401	614,833	4,977
Other current liabilities	159,583	187,382	1,438
Total current liabilities	1,093,006	1,042,824	9,847
Long-term liabilities:			
Long-term debt	856,628	1,037,262	7,717
Other long-term liabilities	68,604	75,054	618
	925,232	1,112,317	8,335
Shareholders' equity:			
Common stock	324,624	324,624	2,925
Capital surplus	394,445	394,441	3,554
Retained earnings	69,499	50,790	626
Unrealized gains on securities	14,008	2,086	126
Treasury stock	(808)	(809)	(7)
Total shareholders' equity	801,768	771,133	7,223
Total liabilities and shareholders' equity	¥2,820,007	¥2,926,275	\$ 25,405

Supplementary information	Yen (billions)		U.S. dollars (millions)
	1st Half FY2003	1st Half FY2002	1st Half FY2003
Capital expenditure	¥30.3	¥25.2	\$273
Depreciation	30.4	41.4	274

• Unconsolidated Statements of Operations

	Yen (millions)		Change (%)	<i>U.S. dollars</i> (millions)
	1 st Half FY2003	1 st Half FY2002		<i>1st Half</i> <i>FY2003</i>
Net Sales	¥1,207,551	¥1,238,409	-2.5	<i>\$10,879</i>
Operating costs and expenses:				
Costs of goods sold	926,327	929,317	-0.3	<i>8,345</i>
Selling, general and administrative expenses	325,245	332,980	-2.3	<i>2,930</i>
	<u>1,251,572</u>	<u>1,262,298</u>		<u><i>11,275</i></u>
Operating income (loss)	(44,021)	(23,888)	-	<i>(397)</i>
Other income (expenses):				
Net interest *	48,216	4,357		<i>434</i>
Amortization of unrecognized obligation for retirement benefits	(13,540)	(8,626)		<i>(122)</i>
Gain on sales of marketable securities **	72,002	78,740		<i>649</i>
Loss on devaluation of subsidiaries' stock	(27,917)	(91,460)		<i>252</i>
Casualty loss ***	(4,700)	-		<i>(42)</i>
Restructuring charges	-	(113,000)		-
Cost of corrective measures for products ****	-	(25,000)		-
Other, net	(12,692)	(4,258)		<i>(114)</i>
	<u>61,369</u>	<u>(159,247)</u>		<u><i>553</i></u>
Income (Loss) before income taxes	17,346	(183,136)	-	<i>156</i>
Income taxes	(1,361)	(78,200)	-	<i>(25)</i>
Net income (loss)	<u>¥18,708</u>	<u>¥(104,936)</u>	-	<u><i>169</i></u>
Supplementary information				
R&D expenditure	¥110,469	¥115,705	-13.2	<i>995</i>
[As % of Sales]	[8.3%]	[9.3%]		

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

**Gain on sales of marketable securities in first half of FY2003 refers to 65,163 million yen of gain on sales of affiliates' stocks and 6,838 million yen on sales of available-for-sale securities.

***Casualty loss refers to repair expenses incurred to cover damages to property as a result of the earthquake that occurred off the coast of Miyagi prefecture, Japan, on May 26th, 2003.

****Cost of corrective measures for products refers to certain small form factor hard disk drives.

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.

(TRANSLATION FOR REFERENCE ONLY)

Members of the Board and Auditors (As of September 30, 2003)

Position	Name	Assignment or title
Representative Director	Naoyuki Akikusa	Chairman of the Board
	Hiroaki Kurokawa	
Director	Kunihiko Sawa	President and Representative Director, Fuji Electric Co., Ltd.
	Hiroshi Oura	Chairman of the Board and CEO, Advantest Corporation
	Akira Takashima	
	Michio Fujisaki	President, Fujitsu Laboratories Ltd.
	Hiroya Madarame	
	Kuniaki Suzuki	
	Junji Maeyama	
	Masamichi Ogura	
Standing Corporate Auditor	Takashi Takaya	
	Shin Koizumi	
Corporate Auditor	Yasuyuki Wakahara	
	Takeo Kato	Chairman, Fuji Electric Co., Ltd.
	Katsuhiko Kondo	Honorary Advisor, Mizuho Financial Group

Corporate Executive Officers (As of September 30, 2002)

Section	Name	Position
	Hiroaki Kurokawa	President
	Akira Takashima	Corporate Executive Vice President In charge of Public Policy & Business Development In charge of Public Sector Business Development
Corporate Center	Masamichi Ogura	Corporate Executive Vice President and CFO Head of Corporate Center
	Takahiko Okada	Corporate Senior Vice President General Manager, Group Administration Office
	Kazuhiko Kato	Corporate Vice President General Manager, Corporate Planning Office
	Kuniaki Nozoe	Corporate Vice President Group President, Public Policy & Business Development Group
	Haruki Okada	Corporate Vice President Group President, Procurement Group
Sales Group	Kuniaki Suzuki	Corporate Executive Vice President Group President, Sales Group
	Kazuo Murano	Corporate Senior Vice President Group President, Global Business Development Group
	Hirohisa Yabuuchi	Corporate Senior Vice President Group President, Western-Japan Regional Sales Group
	Michiyoshi Mazuka	Corporate Senior Vice President Group President, Eastern-Japan Regional Sales Group
	Yasushi Tajiri	Corporate Vice President
	Tetsuo Urano	Corporate Vice President, Fujitsu Limited Executive Chairman, Fujitsu Siemens Computers (Holding) B.V.
	Takashi Igarashi	Corporate Vice President Group President, Sales Group, Industries
	Yoshihisa Nagano	Corporate Vice President Group President, Marketing Group
	Yasuo Koike	Corporate Vice President Group President, Sales Group, Distribution & Information Systems

Section	Name	Position
	Kyung-soo Ahn	Corporate Vice President Group Executive Vice President, Global Business Development Group, Fujitsu Limited Chairman, Fujitsu Korea Limited
	Yoshiaki Shibano	Corporate Vice President Group President, NTT Sales Group
	Yasuaki Ara	Corporate Vice President Group President, Government & Public Utilities Sales Group
	Kazuya Wada	Corporate Vice President Group Executive Vice President, Sales Group, Distribution & Information Systems
	Takumi Nakamura	Corporate Vice President Group Executive Vice President, Western-Japan Regional Sales Group
Software & Services Business Group	Hiroya Madarame	Corporate Executive Vice President Group President, Software & Services Business Group
	Koichi Ohta	Corporate Senior Vice President In charge of Infrastructure and Operation Services
	Michio Atarashi	Corporate Vice President In charge of Common Technologies and Quality Control
	Takashi Aoki	Corporate Vice President In charge of Consumer Transaction Systems Business
	Nobuo Nagaya	Corporate Vice President In charge of Group Strategies and Healthcare Solutions
	Hiromasa Inagaki	Corporate Vice President In charge of Systems Integration
	Koichi Matsushita	Corporate Vice President In charge of Consulting, Solutions and Packaged software
System Product Business Group	Chiaki Itoh	Corporate Senior Executive Vice President Group President, System Products Business Group
	Hiroaki Takeichi	Corporate Vice President In charge of Telecommunications
	Takashi Nakamura	Corporate Vice President Group President, IP Network Systems Group
	Yoshiyuki Tanakura	Corporate Vice President Group President, Software Group
Ubiquitous Product Business Group	Junji Maeyama	Corporate Executive Vice President Group President, Ubiquitous Product Business Group
	Ichiro Komura	Corporate Vice President Group President, Storage Products Group
	Kimihisa Ito	Corporate Vice President Group President, Personal Systems Business Group
Product Business Operation Group	Junji Maeyama	Corporate Executive Vice President Group President, Product Business Operation Group
Electronic Devices Business Group	Toshihiko Ono	Corporate Senior Vice President Group President, Electronic Devices Business Group Group President, LSI Group
	Nobutake Matsumura	Corporate Vice President Group President, Marketing & Sales Group, Electronic Devices
	Shigeru Fujii	Corporate Vice President Group Executive Vice President, LSI Group

(TRANSLATION FOR REFERENCE ONLY)

Stock (As of September 30, 2003)

- Number of Authorized Shares: 5,000,000,000
- Number of Outstanding Shares: 2,001,962,672
- Stated Capital: ¥324,624,076,169
- Shares Issued (from Apr. 1, 2003 to Sept. 30, 2003) :There was no issuance of shares during the current interim period.
- ~~iv~~ • Acquisition, retirement and holdings of treasury stock

iv Shares acquired	iv 108,528 ordinary shares	Total amount of acquisition: ¥54,190 thousand
iv Shares retired	iv 108,353 ordinary shares	Total amount of retirement: ¥58,705 thousand
Shares held as of Sept. 30, 2003	1,574,666 ordinary shares	

~~iv~~ 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.-

- Number of Shareholders: 259,228 (12,067 increase from the end of fiscal 2002)

• Principal Shareholders

Name	Number of shares held (thousands)	Percentage of voting rights
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust (for Fuji Electric Co., Ltd.)*	138,010	6.95 %
The Master Trust Bank of Japan, Ltd. (for trust)	129,500	6.52
Japan Trustee Services Bank, Ltd. (for trust)	94,041	4.74
Fuji Electric Co., Ltd.	77,421	3.90
State Street Bank and Trust Company	50,177	2.53
The Chase Manhattan Bank NA London	41,793	2.10
J. P. Morgan Trust Bank, Ltd.	32,891	1.66
Mizuho Corporate Bank, Ltd.	32,441	1.63
Asahi Mutual Life Insurance Company	30,218	1.52
UFJ Trust Bank, Ltd. (for trust account A)	26,373	1.33

Notes

1. The Shares held By The Master Trust Bank of Japan, Ltd. (for trust), Japan Trustee Services Bank, Ltd. (for trust), J. P. Morgan Trust Bank, Ltd. and UFJ Trust Bank, Ltd. (for trust account A) pertain to trust business by the institutions.
2. The shares of Fujitsu Limited stock held by Fuji Electric Co., Ltd. are a part of that company's retirement benefit trust and are deposited as trust assets at Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust (for Fuji Electric Co., Ltd.). Voting rights for the shares are exercised in accordance with Fuji Electric Co., Ltd's instructions.

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.

English <http://pr.fujitsu.com/en/ir/>
Japanese <http://pr.fujitsu.com/jp/ir/>