

## Part III: Supplementary Information

### 1. Forecasts for FY 2004

#### a. Consolidated Business Segment Information

##### (1) Sales to Unaffiliated Customers

		Yen (billions)			Change (%) FY 02 to FY 03	Yen (billions)	
		FY 2002	FY 2003	FY 2004 (Forecast)		Change (%) FY 03 to FY 04	
<b>Software &amp; Services</b>	Japan	Y 1,506.8	Y 1,580.8	+4.9	<b>Y 1,590.0</b>	+0.6	
	Overseas	518.9	513.4	-1.1	<b>530.0</b>	+3.2	
	Total	Y 2,025.7	Y 2,094.2	+3.4	<b>Y 2,120.0</b>	+1.2	
<b>Platforms</b>	Japan	1,159.9	1,150.4	-0.8	<b>1,240.0</b>	+7.8	
	Overseas	452.1	457.7	+1.2	<b>520.0</b>	+13.6	
	Total	1,612.0	1,608.1	-0.2	<b>1,760.0</b>	+9.4	
<b>Electronic Devices</b>	Japan	299.6	378.4	+26.3	<b>460.0</b>	+21.5	
	Overseas	319.0	355.8	+11.5	<b>370.0</b>	+4.0	
	Total	618.6	734.3	+18.7	<b>830.0</b>	+13.0	
<b>Financing</b>	Japan	119.2	50.3	-57.8	-	-	
	Overseas	-	-	-	-	-	
	Total	119.2	50.3	-57.8	-	-	
<b>Other Operations</b>	Japan	195.0	218.1	+11.9	<b>200.0</b>	-8.3	
	Overseas	46.8	61.6	+31.5	<b>40.0</b>	-35.1	
	Total	241.8	279.7	+15.7	<b>240.0</b>	-14.2	
<b>Total</b>	Japan	Y 3,280.6	Y 3,378.2	+3.0	<b>Y 3,490.0</b>	+3.3	
	Overseas	1,336.9	1,388.6	+3.9	<b>1,460.0</b>	+5.1	
	Total	Y 4,617.5	Y 4,766.8	+3.2	<b>Y 4,950.0</b>	+3.8	

##### (2) Sales to Unaffiliated Customers by Products and Services

		Yen (billions)			Change (%) FY 02 to FY 03	Yen (billions)	
		FY 2002	FY 2003	FY 2004 (Forecast)		Change (%) FY 03 to FY 04	
<b>Software &amp; Services</b>	Solutions/SI	Y 940.5	Y 970.0	+3.1	<b>Y 940.0</b>	-3.1	
	Infrastructure Services	1,085.2	1,124.2	+3.6	<b>1,180.0</b>	+5.0	
	Total	Y 2,025.7	Y 2,094.2	+3.4	<b>Y 2,120.0</b>	+1.2	
<b>Platforms</b>	Servers	Y 382.8	Y 365.6	-4.5	<b>Y 395.0</b>	+8.0	
	Mobile Infrastructure/ IP network	189.7	207.2	+9.2	<b>190.0</b>	-8.3	
	Transmission Equipment	180.0	167.4	-7.0	<b>200.0</b>	+19.5	
	PCs & Mobile Telephones	655.5	680.9	+3.9	<b>740.0</b>	+8.7	
	Others	204.0	187.0	-8.3	<b>235.0</b>	+25.7	
	Total	Y 1,612.0	Y 1,608.1	-0.2	<b>Y 1,760.0</b>	+9.4	
<b>Electronic Devices</b>	Semiconductors	Y 349.3	Y 403.9	+15.6	<b>Y 430.0</b>	+6.5	
	Others	269.3	330.4	+22.7	<b>400.0</b>	+21.1	
	Total	Y 618.6	Y 734.3	+18.7	<b>Y 830.0</b>	+13.0	

## (3) Net Sales including Intersegment Sales

		Yen (billions)			Yen (billions)	
		FY 2002	FY 2003	Change (%) FY 02 to FY 03	FY 2004 (Forecast)	Change (%) FY 03 to FY 04
<b>Software &amp; Services</b>	Unaffiliated customers	Y 2,025.7	Y 2,094.2	+3.4	<b>Y 2,120.0</b>	+1.2
	Intersegment	72.1	52.1	-27.8	<b>40.0</b>	-23.2
	Total	Y 2,097.9	Y 2,146.3	+2.3	<b>Y 2,160.0</b>	+0.6
<b>Platforms</b>	Unaffiliated customers	1,612.0	1,608.1	-0.2	<b>1,760.0</b>	+9.4
	Intersegment	231.2	224.7	-2.8	<b>160.0</b>	-28.8
	Total	1,843.2	1,832.8	-0.6	<b>1,920.0</b>	+4.8
<b>Electronic Devices</b>	Unaffiliated customers	618.6	734.3	+18.7	<b>830.0</b>	+13.0
	Intersegment	68.8	70.3	+2.3	<b>70.0</b>	-0.5
	Total	687.4	804.6	+17.1	<b>900.0</b>	+11.8
<b>Financing</b>	Unaffiliated customers	119.2	50.3	-57.8	-	-
	Intersegment	9.1	4.0	-56.0	-	-
	Total	128.4	54.4	-57.6	-	-
<b>Other Operations</b>	Unaffiliated customers	241.8	279.7	+15.7	<b>240.0</b>	-14.2
	Intersegment	137.0	138.5	+1.1	<b>100.0</b>	-27.8
	Total	378.9	418.2	+10.4	<b>340.0</b>	-18.7
<b>Elimination</b>		(518.4)	(489.7)	-	<b>(370.0)</b>	-
<b>Total</b>		Y 4,617.5	Y 4,766.8	+3.2	<b>Y 4,950.0</b>	+3.8

(4) Operating Income (Loss) including Intersegment Transactions  
[Operating margin]

		Yen (billions)			Yen (billions)	
		FY 2002	FY 2003	Change FY 02 to FY 03	FY 2004 (Forecast)	Change FY 03 to FY 04
<b>Software &amp; Services</b>		Y 176.5	Y 138.7	-37.7	<b>Y 170.0</b>	+31.2
		[8.4%]	[6.5%]	[-1.9%]	[7.9%]	[1.4%]
<b>Platforms</b>		0.9	29.2	+28.2	<b>45.0</b>	+15.7
		[0.1%]	[1.6%]	[+1.5%]	[2.3%]	[+0.7%]
<b>Electronic Devices</b>		(31.6)	27.5	+59.1	<b>50.0</b>	+22.4
		[(4.6%)]	[3.4%]	[+8.0%]	[5.6%]	[+2.2%]
<b>Financing</b>		4.3	2.0	-2.3	-	-2.0
		[3.4%]	[3.7%]	[+0.3%]	[-%]	[-%]
<b>Other Operations</b>		10.0	13.6	+3.6	<b>10.0</b>	-3.6
		[2.6%]	[3.3%]	[+0.7%]	[2.9%]	[-0.4%]
<b>Elimination</b>		(59.7)	(60.8)	-1.0	<b>(75.0)</b>	-14.1
<b>Total</b>		Y 100.4	Y 150.3	+49.9	<b>Y 200.0</b>	+49.6
		[2.2%]	[3.2%]	[+1.0%]	[4.0%]	[+0.8%]

## b. PC Shipments

### (1) By Customer's Geographic Location

	(Million Units)		
	FY 2002	FY 2003	<b>FY 2004 (Forecast)</b>
Japan	2.47	2.58	<b>2.75</b>
Overseas	3.21	3.96	<b>4.36</b>
Total	5.68	6.54	<b>7.11</b>

### (2) By Product Category

	(%)		
	FY 2002	FY 2003	<b>FY 2004 (Forecast)</b>
Desktop	47	46	<b>46</b>
Notebook	53	54	<b>54</b>

## c. Mobile Phone Shipments

	(Million Units)		
	FY 2002	FY 2003	<b>FY 2004 (Forecast)</b>
	3.34	3.37	<b>4.00</b>

## d. HDD Production

	(Million Units)		
	FY 2002	FY 2003	<b>FY 2004 (Forecast)</b>
	8.76	12.47	<b>18.50</b>

## e. Electronic Devices

### (1) Net Sales of Semiconductors

	(Billion Yen)		
	FY 2002	FY 2003	<b>FY 2004 (Forecast)</b>
	398.3	453.4	<b>480.0</b>
[Internal use]	[49.0]	[49.5]	<b>[50.0]</b>

### (2) Composition of Net Sales by Product Category (Semiconductors)

	(%)		
	FY 2002	FY 2003	<b>FY 2004 (Forecast)</b>
Logic	57	63	<b>72</b>
System memory	36	31	<b>28</b>
Compound semiconductor and others	7	6	<b>-</b>

### (3) Composition of Capital Expenditure

	(Billion Yen)		
	FY 2002	FY 2003	<b>FY 2004 (Forecast)</b>
Total	60.9	59.3	<b>90.0</b>
[Semiconductors]	[38.0]	[30.1]	<b>[50.0]</b>
[PDP]	[4.2]	[10.7]	<b>[19.0]</b>

## f. R&D Expenditure

	Yen (billions)		Change (%) FY02 to FY03	Yen (billions)	
	FY 2002	FY 2003		<b>FY 2004 (Forecast)</b>	Change (%) FY03 to FY04
	285.7	250.9	-12.2	<b>265.0</b>	+5.6
As % of Sales	6.2%	5.3%		<b>5.4%</b>	

## g. Capital Expenditures, Depreciation

	Yen (billions)		Change (%) FY02 to FY03	Yen (billions)	
	FY 2002	FY 2003		<b>FY 2004 (Forecast)</b>	Change (%) FY03 to FY04
<b>Capital Expenditures</b>					
Software & Services	38.8	54.0	+39.2	<b>70.0</b>	+29.5
Platforms	36.7	32.4	-11.7	<b>50.0</b>	+54.2
Electronic Devices	60.9	59.3	-2.6	<b>90.0</b>	+51.7
Corporate and others	11.1	13.9	+25.3	<b>25.0</b>	+78.9
<b>Total</b>	<b>147.6</b>	<b>159.7</b>	<b>+8.2</b>	<b>235.0</b>	<b>+47.1</b>
Japan	125.6	135.3	+7.7	<b>185.0</b>	+36.7
Overseas	21.9	24.4	+11.5	<b>50.0</b>	+104.4
<b>Depreciation</b>	<b>264.6</b>	<b>200.0</b>	<b>-24.4</b>	<b>195.0</b>	<b>-2.5</b>

## h. Consolidated Statements of Cash Flows

	(Billion Yen)		
	FY 2002	FY 2003	<b>FY 2004 (Forecast)</b>
(A) Cash flows from operating activities	117.7	304.0	<b>370.0</b>
[Net income]	[(122.0)]	[49.7]	<b>[70.0]</b>
[Depreciation *]	[343.2]	[292.9]	<b>[270.0]</b>
[Others]	[(103.4)]	[(38.6)]	<b>[30.0]</b>
(B) Cash flows from investing activities	(64.4)	67.3	<b>(270.0)</b>
(C) Free cash flows (A)+(B)	53.3	371.4	<b>100.0</b>
(D) Cash flows from financing activities	(67.2)	(239.9)	<b>(230.0)</b>
(E) Total (C)+(D)	(13.8)	131.5	<b>(130.0)</b>

Note: \* Including amortization of goodwill