

Part III: Supplementary Information

1. Forecasts for FY 2004

a. Consolidated Business Segment Information

(1) Sales to Unaffiliated Customers

		Yen (billions)		Yen (billions)				
		FY 2003		FY 2004				
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY03 (%)	Full Year (Forecast)	Change vs. FY03 (%)	Change vs. previous forecast* (Bil. Yen)
Software & Services	Japan	Y 671.4	1,580.8	667.7	-0.5	1,590.0	+0.6	-
	Overseas	237.8	513.4	248.7	+4.6	530.0	+3.2	-
	Total	Y 909.3	2,094.2	916.5	+0.8	2,120.0	+1.2	-
Platforms	Japan	505.0	1,150.4	552.3	+9.4	1,220.0	+6.0	-20.0
	Overseas	218.8	457.7	235.5	+7.7	520.0	+13.6	-
	Total	723.8	1,608.1	787.9	+8.9	1,740.0	+8.2	-20.0
Electronic Devices	Japan	164.6	378.4	219.9	+33.6	450.0	+18.9	-10.0
	Overseas	170.0	355.8	173.5	+2.0	350.0	-1.6	-20.0
	Total	334.7	734.3	393.5	+17.6	800.0	+8.9	-30.0
Financing	Japan	50.3	50.3	-	-	-	-	-
	Overseas	-	-	-	-	-	-	-
	Total	50.3	50.3	-	-	-	-	-
Other Operations	Japan	100.9	218.1	97.9	-3.0	200.0	-8.3	-
	Overseas	22.6	61.6	24.1	+6.6	40.0	-35.1	-
	Total	123.6	279.7	122.1	-1.2	240.0	-14.2	-
Total	Japan	Y 1,492.5	3,378.2	1,538.0	+3.1	3,460.0	+2.4	-30.0
	Overseas	649.4	1,388.6	681.9	+5.0	1,440.0	+3.7	-20.0
	Total	Y 2,141.9	4,766.8	2,220.0	+3.6	4,900.0	+2.8	-50.0

(2) Sales to Unaffiliated Customers by Products and Services

		Yen (billions)		Yen (billions)				
		FY 2003		FY 2004				
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY03 (%)	Full Year (Forecast)	Change vs. FY03 (%)	Change vs. previous forecast* (Bil. Yen)
Software & Services	Solutions/SI	Y 413.7	970.0	392.8	-5.1	940.0	-3.1	-
	Infrastructure Services	495.6	1,124.2	523.7	+5.7	1,180.0	+5.0	-
	Total	Y 909.3	2,094.2	916.5	+0.8	2,120.0	+1.2	-
Platforms	Server-related	Y 154.0	365.6	174.0	+13.0	395.0	+8.0	-
	Mobile / IP Networks	80.9	207.2	103.0	+27.3	210.0	+1.4	+20.0
	Transmission Systems	80.6	167.4	81.1	+0.6	200.0	+19.5	-
	PCs & Mobile Phones	322.0	680.9	326.0	+1.2	700.0	+2.8	-40.0
	HDD-related	86.3	187.0	103.8	+20.3	235.0	+25.7	-
	Total	Y 723.8	1,608.1	787.9	+8.9	1,740.0	+8.2	-20.0
Electronic Devices	Semiconductors	Y 182.3	403.9	219.9	+20.6	430.0	+6.5	-
	Others	152.4	330.4	173.6	+13.9	370.0	+12.0	-30.0
	Total	Y 334.7	734.3	393.5	+17.6	800.0	+8.9	-30.0

*Change vs. previous forecast refers to comparison with previous forecast made on July 29, 2004.

(3) Net Sales including Intersegment Sales:

		Yen (billions)		Yen (billions)				
		FY 2003		FY 2004				
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY03 (%)	Full Year (Forecast)	Change vs. FY03 (%)	Change vs. previous forecast* (Bil. Yen)
Software & Services	Unaffiliated customers	Y 909.3	2,094.2	916.5	+0.8	2,120.0	+1.2	-
	Intersegment	31.8	52.1	17.7	-44.2	40.0	-23.2	-
	Total	Y 941.1	2,146.3	934.3	-0.7	2,160.0	+0.6	-
Platforms	Unaffiliated customers	723.8	1,608.1	787.9	+8.9	1,740.0	+8.2	-20.0
	Intersegment	104.1	224.7	75.3	-27.7	160.0	-28.8	-
	Total	827.9	1,832.8	863.2	+4.3	1,900.0	+3.7	-20.0
Electronic Devices	Unaffiliated customers	334.7	734.3	393.5	+17.6	800.0	+8.9	-30.0
	Intersegment	33.0	70.3	32.6	-0.9	70.0	-0.5	-
	Total	367.7	804.6	426.1	+15.9	870.0	+8.1	-30.0
Financing	Unaffiliated customers	50.3	50.3	-	-	-	-	-
	Intersegment	4.0	4.0	-	-	-	-	-
	Total	54.4	54.4	-	-	-	-	-
Other Operations	Unaffiliated customers	123.6	279.7	122.1	-1.2	240.0	-14.2	-
	Intersegment	66.3	138.5	51.2	-22.8	100.0	-27.8	-
	Total	189.9	418.2	173.3	-8.8	340.0	-18.7	-
Elimination		(239.4)	(489.7)	(177.0)	-	(370.0)	-	-
Total		Y 2,141.9	4,766.8	2,220.0	+3.6	4,900.0	+2.8	-50.0

(4) Operating Income (Loss) including Intersegment Transaction:
[Operating margin]

		Yen (billions)		Yen (billions)				
		FY 2003		FY 2004				
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY03	Full Year (Forecast)	Change vs. FY03	Change vs. previous forecast*
Software & Services	Y	28.8	138.7	15.5	-13.3	155.0	+16.2	-15.0
		[3.1%]	[6.5%]	[1.7%]	[-1.4%]	[7.2%]	[+0.7%]	[-0.7%]
Platforms		(20.7)	29.2	3.7	+24.4	45.0	+15.7	-
		[(2.5%)]	[1.6%]	[0.4%]	[+2.9%]	[2.4%]	[+0.8%]	[+0.1%]
Electronic Devices		(1.2)	27.5	34.5	+35.7	50.0	+22.4	-
		[(0.3%)]	[3.4%]	[8.1%]	[+8.4%]	[5.7%]	[+2.3%]	[+0.1%]
Financing		2.0	2.0	-	-2.0	-	-2.0	-
		[3.7%]	[3.7%]	-	[-]	[-]	[-]	[-]
Other Operations		5.0	13.6	6.7	+1.7	15.0	+1.3	+5.0
		[2.6%]	[3.3%]	[3.9%]	[+1.3%]	[4.4%]	[+1.1%]	[+1.5%]
Elimination		(31.9)	(60.8)	(27.3)	+4.6	(65.0)	-4.1	+10.0
Total	Y	(17.9)	150.3	33.2	+51.2	200.0	+49.6	-
		[(0.8%)]	[3.2%]	[1.5%]	[+2.3%]	[4.1%]	[+0.9%]	[+0.1%]

*Change vs. previous forecast refers to comparison with previous forecast made on July 29, 2004.

b. PC Shipments

(1) By Customer's Geographic Location

(Million Units)					
	FY 2003		FY 2004		Change vs. previous forecast*
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
Japan	1.24	2.58	1.235	2.65	-0.10
Overseas	1.54	3.96	2.005	4.52	+0.16
Total	2.78	6.54	3.240	7.17	+0.06

(2) By Product Category

(%)					
	FY 2003		FY 2004		Change vs. previous forecast*
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
Desktop	45	46	47	48	-
Notebook	55	54	53	52	-

c. Mobile Phone Shipments

(Million Units)					
	FY 2003		FY 2004		Change vs. previous forecast*
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
	1.78	3.37	1.53	3.23	-0.77

d. HDD Production

(Million Units)					
	FY 2003		FY 2004		Change vs. previous forecast*
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
	5.53	12.47	8.50	20.00	+1.50

e. Electronic Devices

(1) Net Sales of Semiconductors

(Billion Yen)					
	FY 2003		FY 2004		Change vs. previous forecast*
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
	204.5	453.4	245.8	480.0	-
[Internal use]	[22.2]	[49.5]	[25.9]	[50.0]	[-]

(2) Composition of Semiconductor Sales by Product Category

(%)					
	FY 2003		FY 2004		Change vs. previous forecast*
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
Logic	60	63	71	72	-
System memory	33	31	29	28	-
Compound semiconductor and others	7	6	0	0	-

(3) Composition of Capital Expenditure

(Billion Yen)					
	FY 2003		FY 2004		Change vs. previous forecast*
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
Total	24.7	59.3	32.3	95.0	+5.0
[Semiconductors]	[13.9]	[30.1]	[17.9]	[55.0]	[+5.0]
[PDP]	[2.4]	[10.7]	[6.1]	[18.0]	[-1.0]

*Change vs. previous forecast refers to comparison with previous forecast made on July 29, 2004.

f. R&D Expenditure

	Yen (billions)		Yen (billions)				
	FY 2003		FY 2004				
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY03 (%)	Full Year (Forecast)	Change vs. FY03 (%)	Change vs. previous forecast* (Bil. Yen)
	126.4	250.9	125.9	-0.4	255.0	+1.6	-10.0
As % of sales	5.9%	5.3%	5.7%		5.2%		-0.2%

g. Capital Expenditures, Depreciation

	Yen (billions)		Yen (billions)				
	FY 2003		FY 2004				
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY03 (%)	Full Year (Forecast)	Change vs. FY03 (%)	Change vs. previous forecast* (Bil. Yen)
Capital Expenditures							
Software & Services	22.5	54.0	26.7	+18.6	70.0	+29.5	-
Platforms	14.3	32.4	18.1	+25.9	45.0	+38.7	-5.0
Electronic Devices	24.7	59.3	32.3	+30.6	95.0	+60.1	+5.0
Corporate and others	4.9	13.9	7.4	+48.9	25.0	+78.9	-
Total	66.7	159.7	84.6	+26.9	235.0	+47.1	-
Japan	57.8	135.3	63.9	+10.6	185.0	+36.7	-
Overseas	8.8	24.4	20.6	+133.0	50.0	+104.4	-
Depreciation	97.3	200.0	81.0	-16.8	185.0	-7.5	-10.0

h. Consolidated Statements of Cash Flows

	FY 2003		FY 2004		
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	Change vs. previous forecast*
(A) Cash flows from operating activities	37.4	304.0	50.1	360.0	-10.0
[Net income]	[(58.5)]	[49.7]	[(8.1)]	[70.0]	-
[Depreciation **]	[137.3]	[292.9]	[113.5]	[260.0]	-10.0
[Others]	[(41.3)]	[(38.6)]	[(55.1)]	[30.0]	-
(B) Cash flows from investing activities	(30.3)	67.3	(55.6)	(260.0)	+10.0
(C) Free cash flow (A)+(B)	7.0	371.4	(5.4)	100.0	-
(D) Cash flows from financing activities	(50.6)	(239.9)	(184.8)	(230.0)	-
(E) Total (C)+(D)	(43.5)	131.5	(190.2)	(130.0)	-

*Change vs. previous forecast refers to comparison with previous forecast made on July 29, 2004.

** Including amortization of goodwill