

## Part III: Supplementary Information

### 1. Forecasts for FY 2004

#### a. Consolidated Business Segment Information

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

		Yen (billions)		Change (Billion Yen)	Yen (billions)	Change (%)
		FY 2004 (Forecast)			FY 2003	FY 03 to
		Previous*	Revised**		(Actual)	Revised FY 04
Software & Services	Japan	Y 1,590.0	Y 1,590.0	-	Y 1,580.8	+0.6
	Overseas	530.0	530.0	-	513.4	+3.2
	Total	Y 2,120.0	Y 2,120.0	-	Y 2,094.2	+1.2
Platforms	Japan	1,240.0	1,240.0	-	1,150.4	+7.8
	Overseas	520.0	520.0	-	457.7	+13.6
	Total	1,760.0	1,760.0	-	1,608.1	+9.4
Electronic Devices	Japan	460.0	460.0	-	378.4	+21.5
	Overseas	370.0	370.0	-	355.8	+4.0
	Total	830.0	830.0	-	734.3	+13.0
Financing	Japan	-	-	-	50.3	-
	Overseas	-	-	-	-	-
	Total	-	-	-	50.3	-
Other Operations	Japan	200.0	200.0	-	218.1	-8.3
	Overseas	40.0	40.0	-	61.6	-35.1
	Total	240.0	240.0	-	279.7	-14.2
Total	Japan	Y 3,490.0	Y 3,490.0	-	Y 3,378.2	+3.3
	Overseas	1,460.0	1,460.0	-	1,388.6	+5.1
	Total	Y 4,950.0	Y 4,950.0	-	Y 4,766.8	+3.8

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

		Yen (billions)		Change (Billion Yen)	Yen (billions)	Change (%)
		FY 2004 (Forecast)			FY 2003	FY 03 to
		Previous*	Revised**		(Actual)	Revised FY 04
Software & Services	Solutions/SI	Y 940.0	Y 940.0	-	Y 970.0	-3.1
	Infrastructure Services	1,180.0	1,180.0	-	1,124.2	+5.0
	Total	Y 2,120.0	Y 2,120.0	-	Y 2,094.2	+1.2
Platforms	Server-related	Y 395.0	Y 395.0	-	Y 365.6	+8.0
	Mobile / IP Networks	190.0	190.0	-	207.2	-8.3
	Transmission Systems	200.0	200.0	-	167.4	+19.5
	PCs & Mobile Phones	740.0	740.0	-	680.9	+8.7
	HDD-related	235.0	235.0	-	187.0	+25.7
	Total	Y 1,760.0	Y 1,760.0	-	Y 1,608.1	+9.4
Electronic Devices	Semiconductors	Y 430.0	Y 430.0	-	Y 403.9	+6.5
	Others	400.0	400.0	-	330.4	+21.1
	Total	Y 830.0	Y 830.0	-	Y 734.3	+13.0

Note: \*Previous forecast: as of April 27, 2004 \*\*Revised forecast: as of July 29, 2004

(3) Net Sales including Intersegment Sales

		Yen (billions)		Change  (Billion Yen)	Yen (billions)	Change (%)
		FY 2004 (Forecast)			FY 2003	FY 03 to
		Previous*	Revised**		(Actual)	Revised FY 04
Software & Services	Unaffiliated customers	Y 2,120.0	Y 2,120.0	-	Y 2,094.2	+1.2
	Intersegment	40.0	40.0	-	52.1	-23.2
	Total	Y 2,160.0	Y 2,160.0	-	Y 2,146.3	+0.6
Platforms	Unaffiliated customers	1,760.0	1,760.0	-	1,608.1	+9.4
	Intersegment	160.0	160.0	-	224.7	-28.8
	Total	1,920.0	1,920.0	-	1,832.8	+4.8
Electronic Devices	Unaffiliated customers	830.0	830.0	-	734.3	+13.0
	Intersegment	70.0	70.0	-	70.3	-0.5
	Total	900.0	900.0	-	804.6	+11.8
Financing	Unaffiliated customers	-	-	-	50.3	-
	Intersegment	-	-	-	4.0	-
	Total	-	-	-	54.4	-
Other Operations	Unaffiliated customers	240.0	240.0	-	279.7	-14.2
	Intersegment	100.0	100.0	-	138.5	-27.8
	Total	340.0	340.0	-	418.2	-18.7
Elimination		(370.0)	(370.0)	-	(489.7)	-
Total		Y 4,950.0	Y 4,950.0	-	Y 4,766.8	+3.8

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

	Yen (billions)				Yen (billions)	Change (%)
	FY 2004 (Forecast)		Change	FY 2003	FY 03 to	
	Previous*	Revised**	(Billion Yen)	(Actual)	Revised FY 04	
Software & Services	Y 170.0	Y 170.0	-	Y 138.7	+31.2	
[Operating margin]	[7.9%]	[7.9%]	[-%]	[6.5%]	[+1.4%]	
Platforms	45.0	45.0	-	29.2	+15.7	
	[2.3%]	[2.3%]	[-%]	[1.6%]	[+0.7%]	
Electronic Devices	50.0	50.0	-	27.5	+22.4	
	[5.6%]	[5.6%]	[-%]	[3.4%]	[+2.2%]	
Financing	-	-	-	2.0	-2.0	
	[-%]	[-%]	[-%]	[3.7%]	[-%]	
Other Operations	10.0	10.0	-	13.6	-3.6	
	[2.9%]	[2.9%]	[-%]	[3.3%]	[-0.4%]	
Elimination	(75.0)	(75.0)	-	(60.8)	-14.1	
Total	Y 200.0	Y 200.0	-	Y 150.3	+49.6	
	[4.0%]	[4.0%]	[-%]	[3.2%]	[+0.8%]	

Note: \*Previous forecast: as of April 27, 2004 \*\*Revised forecast: as of July 29, 2004

## b. PC Shipments

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

	FY 2004 (Forecast)		Change	FY 2003
	Previous*	Revised**		
Japan	2.75	<b>2.75</b>	-	2.58
Overseas	4.36	<b>4.36</b>	-	3.96
Total	7.11	<b>7.11</b>	-	6.54

### (2) By Product Category

	FY 2004 (Forecast)		FY 2003
	Previous*	Revised**	
Desktop	46	<b>48</b>	46
Notebook	54	<b>52</b>	54

## c. Mobile Phone Shipments

	FY 2004 (Forecast)		Change	FY 2003
	Previous*	Revised**		
	4.00	<b>4.00</b>	-	3.37

## d. HDD Production

	FY 2004 (Forecast)		Change	FY 2003
	Previous*	Revised**		
	18.50	<b>18.50</b>	-	12.47

## e. Electronic Devices

### (1) Net Sales of Semiconductors

	FY 2004 (Forecast)		Change	FY 2003
	Previous*	Revised**		
	480.0	<b>480.0</b>	-	453.4
[Internal use]	[50.0]	<b>[50.0]</b>	<b>[-]</b>	[49.5]

### (2) Composition of Semiconductor Sales by Product Category

	FY 2004 (Forecast)		FY 2003
	Previous*	Revised**	
Logic	72	<b>72</b>	63
System memory	28	<b>28</b>	31
Compound semiconductor and others	0	<b>0</b>	6

### (3) Composition of Capital Expenditure

	FY 2004 (Forecast)		Change	FY 2003
	Previous*	Revised**		
Total	90.0	<b>90.0</b>	-	59.3
[Semiconductors]	[50.0]	<b>[50.0]</b>	<b>[-]</b>	[30.1]
[PDP]	[19.0]	<b>[19.0]</b>	<b>[-]</b>	[10.7]

Note: \*Previous forecast: as of April 27, 2004 \*\*Revised forecast: as of July 29, 2004

## f. R&D Expenditure

(Billion Yen)

	FY 2004 (Forecast)		Change	FY 2003
	Previous**	Revised***		
	265.0	<b>265.0</b>	-	250.9
As % of sales	5.4%	<b>5.4%</b>	-	5.3%

## g. Capital Expenditures, Depreciation

	Yen (billions)			Yen (billions)		Change (%)
	FY 2004 (Forecast)			FY 2003	FY 03 to	
	Previous**	Revised***	Change	(Actual)	Revised FY 04	
Capital Expenditures						
Software & Services	70.0	70.0	-	54.0	+29.5	
Platforms	50.0	50.0	-	32.4	+54.2	
Electronic Devices	90.0	90.0	-	59.3	+51.7	
Corporate and others	25.0	25.0	-	13.9	+78.9	
Total	235.0	235.0	-	159.7	+47.1	
Japan	185.0	185.0	-	135.3	+36.7	
Overseas	50.0	50.0	-	24.4	+104.4	
Depreciation	195.0	195.0	-	200.0	-2.5	

## h. Consolidated Statements of Cash Flows

(Billion Yen)

	FY 2004 (Forecast)		Change	FY 2003
	Previous**	Revised***		
(A) Cash flows from operating activities	370.0	<b>370.0</b>	-	304.0
[Net income]	[70.0]	<b>[70.0]</b>	[-]	[49.7]
[Depreciation *]	[270.0]	<b>[270.0]</b>	[-]	[292.9]
[Others]	[30.0]	<b>[30.0]</b>	[-]	[(38.6)]
(B) Cash flows from investing activities	(270.0)	<b>(270.0)</b>	-	67.3
(C) Free cash flow (A)+(B)	100.0	<b>100.0</b>	-	371.4
(D) Cash flows from financing activities	(230.0)	<b>(230.0)</b>	-	(239.9)
(E) Total (C)+(D)	(130.0)	<b>(130.0)</b>	-	131.5

Note: \*Including amortization of goodwill

\*\*Previous forecast: as of April 27, 2004 \*\*\*Revised forecast: as of July 29, 2004