

Part III: Supplementary Information

I. Forecasts for FY 2004

1. Consolidated Business Segment Information

(1) Sales to Unaffiliated Customers

		Yen (billions)			Yen (billions)		Change (%)
		FY2004 (Forecast)		Change (Billion Yen)	FY2003 (Actual)	FY03 to Revised FY04	
		Previous*	Revised**				
Software & Services	Japan	Y 1,590.0	1,580.0	-10.0	1,580.8	-0.1	
	Overseas	530.0	540.0	+10.0	513.4	+5.2	
	Total	Y 2,120.0	2,120.0	-	2,094.2	+1.2	
Platforms	Japan	1,220.0	1,190.0	-30.0	1,150.4	+3.4	
	Overseas	520.0	510.0	-10.0	457.7	+11.4	
	Total	1,740.0	1,700.0	-40.0	1,608.1	+5.7	
Electronic Devices	Japan	450.0	420.0	-30.0	378.4	+11.0	
	Overseas	350.0	320.0	-30.0	355.8	-10.1	
	Total	800.0	740.0	-60.0	734.3	+0.8	
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 3,460.0	3,390.0	-70.0	3,378.2	+0.3	
	Overseas	1,440.0	1,410.0	-30.0	1,388.6	+1.5	
	Total	Y 4,900.0	4,800.0	-100.0	4,766.8	+0.7	

(2) Sales to Unaffiliated Customers by Products and Services

		Yen (billions)			Yen (billions)		Change (%)
		FY2004 (Forecast)		Change (Billion Yen)	FY2003 (Actual)	FY03 to Revised FY04	
		Previous*	Revised**				
Software & Services	Solutions/SI	Y 940.0	940.0	-	970.0	-3.1	
	Infrastructure Services	1,180.0	1,180.0	-	1,124.2	+5.0	
	Total	Y 2,120.0	2,120.0	-	2,094.2	+1.2	
Platforms	Server-related	Y 395.0	390.0	-5.0	365.6	+6.7	
	Mobile / IP Networks	210.0	205.0	-5.0	207.2	-1.1	
	Transmission Systems	200.0	190.0	-10.0	167.4	+13.5	
	PCs & Mobile Phones	700.0	690.0	-10.0	680.9	+1.3	
	HDD-related	235.0	225.0	-10.0	187.0	+20.3	
	Total	Y 1,740.0	1,700.0	-40.0	1,608.1	+5.7	
Electronic Devices	Semiconductors	Y 430.0	420.0	-10.0	403.9	+4.0	
	Others	370.0	320.0	-50.0	330.4	-3.1	
	Total	Y 800.0	740.0	-60.0	734.3	+0.8	

Note: *Previous forecast as of October 28, 2004 ** Revised forecast as of January 28, 2005

(3) Net Sales including Intersegment Sales

		Yen (billions) FY2004 (Forecast)			Yen (billions) FY2003 (Actual)		Change (%) FY03 to Revised FY04
		Previous*	Revised**	Change (Billion Yen)			
Software & Services	Unaffiliated customers	2,120.0	2,120.0	-	2,094.2		+1.2
	Intersegment	40.0	40.0	-	52.1		-23.2
	Total	2,160.0	2,160.0	-	2,146.3		+0.6
Platforms	Unaffiliated customers	1,740.0	1,700.0	-40.0	1,608.1		+5.7
	Intersegment	160.0	150.0	-10.0	224.7		-33.2
	Total	1,900.0	1,850.0	-50.0	1,832.8		+0.9
Electronic Devices	Unaffiliated customers	800.0	740.0	-60.0	734.3		+0.8
	Intersegment	70.0	60.0	-10.0	70.3		-14.7
	Total	870.0	800.0	-70.0	804.6		-0.6
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)	(350.0)	+20.0	(489.7)		-
Total		4,900.0	4,800.0	-100.0	4,766.8		+0.7

(4) Operating Income including Intersegment Transactions

[Operating Margin (%)]

		Yen (billions) FY2004 (Forecast)			Yen (billions) FY2003 (Actual)		Change (Billion Yen) FY03 to Revised FY04
		Previous*	Revised**	Change (Billion Yen)			
Software & Services		155.0	140.0	-15.0	138.7		+1.2
		7.2%	6.5%	-0.7%	6.5%		-%
Platforms		45.0	45.0	-	29.2		+15.7
		2.4%	2.4%	-%	1.6%		+0.8%
Electronic Devices		50.0	35.0	-15.0	27.5		+7.4
		5.7%	4.4%	-1.3%	3.4%		+1.0%
Financing		-	-	-	2.0		-2.0
		-	-	-%	3.7%		-%
Other Operations		15.0	15.0	-	13.6		+1.3
		4.4%	4.4%	-%	3.3%		+1.1%
Elimination		(65.0)	(65.0)	-	(60.8)		-4.1
Total		200.0	170.0	-30.0	150.3		+19.6
		4.1%	3.5%	-0.6%	3.2%		+0.3%

Note: *Previous forecast as of October 28, 2004 ** Revised forecast as of January 28, 2005

2. PC Shipments

(1) By Customer's Geographic Location

	FY2004 (Forecast)		Change	(Million Units)
	Previous*	Revised**		FY2003
Japan	2.65	2.65	-	2.58
Overseas	4.52	4.52	-	3.96
Total	7.17	7.17	-	6.54

(2) By Product Category

	FY2004 (Forecast)		Change	(%)
	Previous*	Revised**		FY2003
Desktop	48%	47%	-1	46%
Notebook	52%	53%	+1	54%

3. Mobile Phone Shipments

	FY2004 (Forecast)		Change	(Million Units)
	Previous*	Revised**		FY2003
	3.23	3.23	-	3.37

4. HDD Production

	FY2004 (Forecast)		Change	(Million Units)
	Previous*	Revised**		FY2003
	20.00	20.00	-	12.47

5. Electronic Devices

(1) Net Sales of Semiconductors

	Yen (billions)		Change (Billion Yen)	Yen (billions)	Change (%)
	FY2004 (Forecast) Previous*	Revised**		FY2003 (Actual)	FY03 to Revised FY04
	480.0	470.0	-10.0	453.4	+3.7
[Internal use]	[50.0]	[50.0]	[-]	[49.5]	[+1.0]

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

	FY2004 (Forecast)		Change	(%)
	Previous*	Revised**		FY2003
Logic	72%	73%	+1	63%
System memory	28%	27%	-1	31%
Compound semiconductor and others	0%	0%	-	6%

(3) Composition of Capital Expenditure

	Yen (billions)		Change (Billion Yen)	Yen (billions)	Change (%)
	FY2004 (Forecast) Previous*	Revised**		FY2003 (Actual)	FY03 to Revised FY04
Total	95.0	90.0	-5.0	59.3	+51.7
[Semiconductors]	[55.0]	[50.0]	[-5.0]	[30.1]	[+66.1]
[PDP]	[18.0]	[18.0]	[-]	[10.7]	[+67.4]

Note: *Previous forecast as of October 28, 2004 ** Revised forecast as of January 28, 2005

6. R&D Expenditure

	Yen (billions)			Yen (billions)	Change (%)
	FY2004 (Forecast)		Change	FY2003	FY03 to
	Previous*	Revised**	(Billion Yen)	(Actual)	Revised FY04
	255.0	245.0	-10.0	250.9	-2.4
As % of Sales	5.2%	5.1%	-0.1%	5.3%	

7. Capital Expenditures, Depreciation

	Yen (billions)			Yen (billions)	Change (%)
	FY2004 (Forecast)		Change	FY2003	FY03 to
	Previous*	Revised**		(Actual)	Revised FY04
Capital Expenditures					
Software & Services	70.0	70.0	-	54.0	+29.5
Platforms	45.0	40.0	-5.0	32.4	+23.3
Electronic Devices	95.0	90.0	-5.0	59.3	+51.7
Corporate and others***	25.0	25.0	-	13.9	+78.9
Total	235.0	225.0	-10.0	159.7	+40.8
Japan	185.0	170.0	-15.0	135.3	+25.6
Overseas	50.0	55.0	+5.0	24.4	+124.9
Depreciation	185.0	185.0	-	200.0	-7.5

8. Consolidated Statements of Cash Flows

	FY2004 (Forecast)			(Billion Yen)
	Previous**	Revised***	Change	FY2003
(A) Cash flows from operating activities	360.0	350.0	-10.0	304.0
[Net income]	[70.0]	[55.0]	[-15.0]	[49.7]
[Depreciation ****]	[260.0]	[260.0]	[-]	[292.9]
[Others]	[30.0]	[35.0]	[+5.0]	[(38.6)]
(B) Cash flows from investing activities	(260.0)	(250.0)	+10.0	67.3
(C) Free cash flows (A)+(B)	100.0	100.0	-	371.4
(D) Cash flows from financing activities	(230.0)	(230.0)	-	(239.9)
(E) Total (C)+(D)	(130.0)	(130.0)	-	131.5

9. Exchange Rates

Forecast Average Rates for

4th Quarter of FY2004		
Previous	Revised	Change
\$1=110 yen	\$1=105 yen	-5 yen

Note *Previous forecast as of October 28, 2004

**Revised forecast as of January 28, 2005

***Including capital expenditures for the parent's administrative divisions and R&D expenditures that can not be allocated to a specific business unit

****Including amortization of goodwill