

The Fujitsu Group draws on advanced information technology to provide comprehensive solutions based on the high-performance, high-quality products and services that customers demand.

Fiscal 2004 Summary and Fiscal 2005 Management Direction

Fiscal 2004 Summary

In order to achieve our consolidated financial targets for fiscal 2004 of ¥4.95 trillion in net sales, ¥200 billion in operating income, and ¥70 billion in net income, we vigorously pursued four key challenges:

- Strengthen our existing businesses;
- Create and cultivate new businesses;
- Reform our organization and approach;
- Reform our management systems.

Unfortunately, we were unable to meet these targets. Two major reasons for this were greater than projected losses for certain loss-generating systems integration projects and an unexpectedly large downturn in demand for flat panel displays.

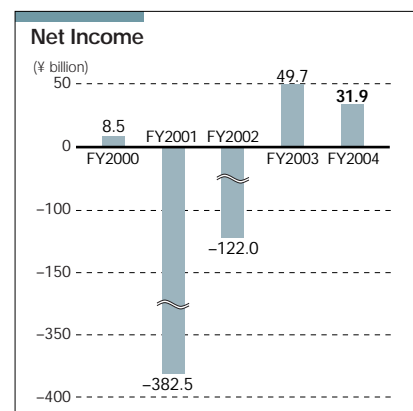
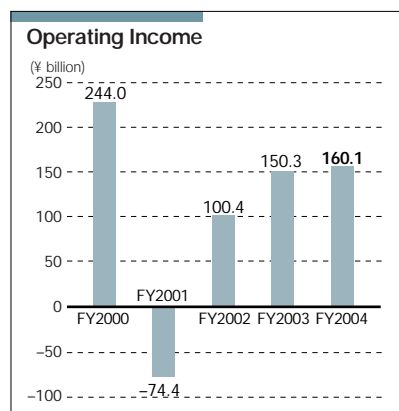
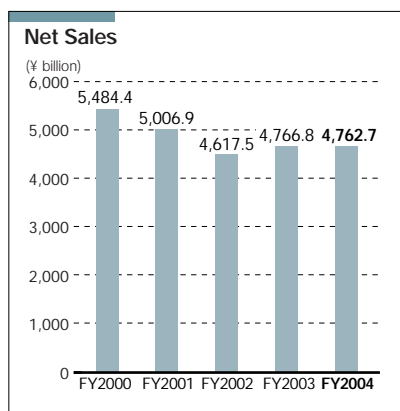
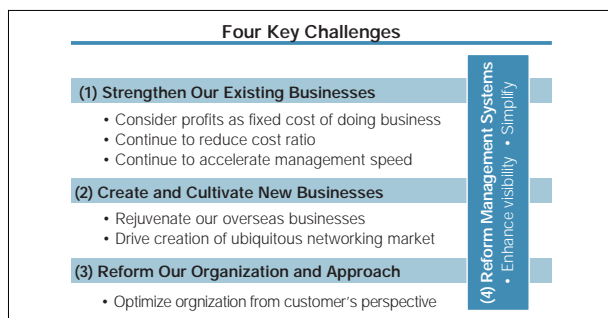
To address these issues, we worked to improve systems integration project management and, in the Electronic Devices segment, established a structure that focuses resources on the LSI devices business. In addition, we pursued manufacturing reforms and sought to put in place a structure that will generate stronger earnings in our platform operations and overseas operations. These and other measures helped improve the soundness of Fujitsu's business overall. At the same time, we must take further measures to strengthen performance in new and growth-oriented business areas.

Fiscal 2005 Management Direction

In fiscal 2005 we will continue working to deepen and accelerate efforts to meet the aforementioned four key challenges. In particular, we will push for improvements in design and development, manufacturing, procurement, and other processes to bring down costs. We will reinvest profits generated by such cost reduction into strengthening product competitiveness. Our goal is to build a virtuous cycle of continual earnings improvements.

Also, from fiscal 2005 we will actively pursue efforts to create and cultivate new businesses. In particular, we will work to strengthen businesses that target overseas markets with high growth potential and mid-size enterprise markets. Moreover, while back-office management systems have been the central sphere of IT utilization up until now, we foresee greater incorporation of IT into a wide range of front-line operations where the actual movement of people and goods takes place. The Fujitsu Group will therefore strive to fuel the advance of IT-empowered innovation in the field. In front-line operations from manufacturing and distribution to development and sales, we believe such innovation can lead to huge efficiency gains. It will also enable the provision of more efficient, more secure, more dynamic services in areas ranging from travel and entertainment to healthcare and education. With this in mind, we are stepping up efforts to rapidly turn our R&D results into business opportunities and to bring together the strengths of the entire Fujitsu Group to generate innovation in the field.

In consideration of these measures, we established consolidated financial targets for fiscal 2005 of ¥4.85 trillion in net sales, ¥175 billion in operating income, and ¥50 billion in net income.



Major Businesses of the Fujitsu Group

Software & Services

- **Solutions**
CRM, SCM, ERP, IT consulting, ASP
- **SI (Systems Integration)**
- **Infrastructure Services**
Internet data centers, network services, outsourcing services, managed services, middleware



Internet Data Center

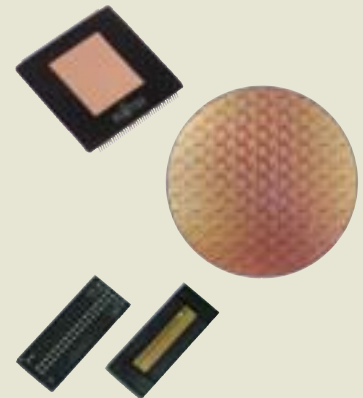
Platforms

- **Server-related**
Servers, storage systems, business printers, etc.
- **Mobile/IP Networks**
Mobile communication infrastructure, IP networks
- **Transmission Systems**
SONET, WDM systems
- **PCs/Mobile Phones**
Personal computers for consumers and corporate customers, mobile terminals, mobile phones
- **Others**
Hard disk drives



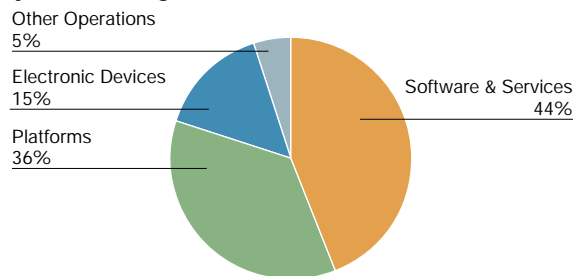
Electronic Devices

- **Semiconductors**
Logic ICs, system memory, system LSI, compound semiconductors
- **Others**
Media devices, components

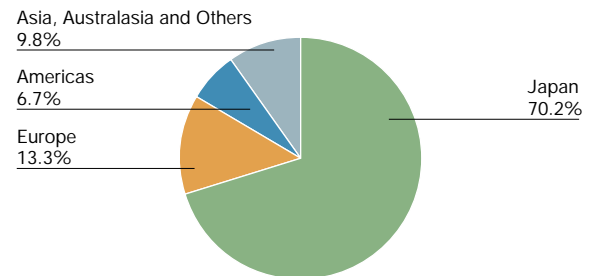


Note: From fiscal 2005, our business segments will be revised to: Technology Solutions, Ubiquitous Product Solutions, and Device Solutions.

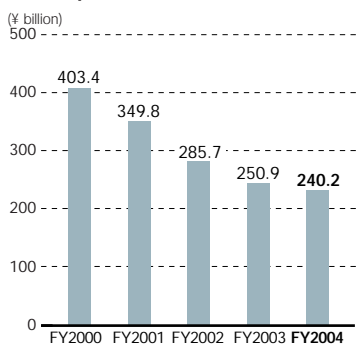
Net Sales to Unaffiliated Customers by Business Segment (FY2004)



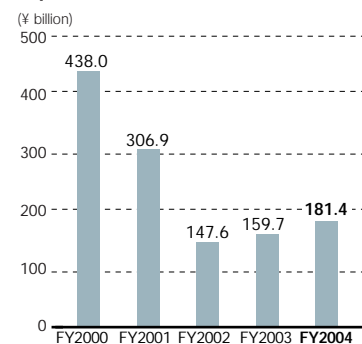
Net Sales by Customer's Geographic Region (FY2004)



R&D Expenditures



Capital Investment



Employees

