



April 28, 2000

Fujitsu Reports FY1999 Financial Results

Summary of Consolidated Results

	Yen (millions)		Change (%)	U.S.dollars (millions)
	FY1999	FY1998		FY1999
Net Sales	Y 5,255,102	Y 5,242,986	+0.2	\$49,576
Operating Income	149,974	132,287	+13.4	1,415
Income Before Income Taxes	74,857	49,625	+50.8	706
Net Income (Loss)	42,734	(13,638)	-	403

Amounts Per Share of Common Stock:

Basic Earnings	Y 22.1	Y (7.3)	-	\$0.208
Diluted Earnings	Y 21.5	-	-	\$0.202
Cash Dividends	Y10.0	Y10.0	-	\$0.094
Common Stock Issued:	2000/3/31	1,962,940	thousand shares	
	1999/3/31	1,884,139	thousand shares	

Net Sales by Business Segment	Yen (millions)		Change (%)	U.S.dollars (millions)
	FY1999	FY1998		FY1999
Services & Software	Y 1,975,466	Y 2,034,569	-2.9	\$18,636
Information Processing	1,605,301	1,801,409	-10.9	15,144
Telecommunications	772,463	681,059	+13.4	7,287
Electronic Devices	568,159	506,645	+12.1	5,360
Financing	113,070	-	-	1,067
Other Operations	220,643	219,304	+0.6	2,082
TOTAL	Y 5,255,102	Y 5,242,986	+0.2	\$49,576

Consolidated Subsidiaries	493	companies
Affiliates (using the applied equity method)	25	companies

Note: all yen figures have been converted to U.S. dollars for convenience only at a uniform rate of \$1 = 106 yen.

Summary of Unconsolidated Results

	Yen (millions)		Change (%)	U.S.dollars (millions)
	FY1999	FY1998		FY 1999
Net Sales	Y 3,251,275	Y 3,191,146	+1.9	\$30,672
Operating Income	53,808	39,863	+35.0	507
Income (Loss)				
Before Income Taxes	11,256	(21,304)	-	106
Net income (Loss)	13,656	(21,504)	-	128

Amounts Per Share of Common Stock:

Basic Earnings (Loss)	Y 7.1	Y (11.5)	-	\$0.067
Diluted Earnings	Y 7.0	-	-	\$0.066

Net Sales by Business Segment	Yen (millions)		Change (%)	U.S.dollars (millions)
	FY1999	FY1998		FY 1999
Services & Software	Y 934,316	Y 927,253	+0.8	\$8,814
Information Processing	1,457,064	1,498,327	-2.8	13,746
Telecommunications	572,349	518,040	+10.5	5,399
Electronic Devices	287,546	247,526	+16.2	2,713
[Semiconductors]	[269,843]	[225,050]	+19.9	[2,545]
TOTAL	Y 3,251,275	Y 3,191,146	+1.9	\$30,672

Projections for FY2000 (April 1, 2000 - March 31, 2001)

Consolidated Earnings Forecast

	Yen (billions)	Change (%)
Net Sales	Y 5,750	+9
Operating Income	310	+107
Net Income	100	+134

Unconsolidated Earnings Forecast

	Yen (billions)	Change (%)
Net Sales	3,500	+8
Operating Income	140	+160
Net Income	120	+779

Consolidated Statements of Income

	Yen (millions)		Change (%)	<i>U.S.dollars</i> (millions)
	FY1999	FY1998		FY 1999
Net sales	Y 5,255,102	Y 5,242,986	+0.2	\$49,576
Operating costs and expenses:				
Cost of goods sold	3,796,919	3,776,886	+0.5	35,820
Selling, general and administrative expenses	1,308,209	1,333,813	-1.9	12,341
[Amortization of goodwill]	[27,621]	[21,754]	[+27.0]	[261]
	<u>5,105,128</u>	<u>5,110,699</u>		<u>48,161</u>
Operating income	149,974	132,287	+13.4	1,415
Other income (expenses):				
Interest and dividend income	12,583	12,499		119
Equity in earnings of affiliated companies, net	17,025	22,475		160
Interest charges	(49,505)	(58,240)		(467)
Other, net	(55,220)	(59,396)		(521)
	<u>(75,117)</u>	<u>(82,662)</u>	+9.1	<u>(709)</u>
Income before income taxes	74,857	49,625	+50.8	706
Income taxes	28,379	54,679	-48.1	268
Minority interests	(3,744)	(8,584)	-56.4	(35)
Net income (loss)	<u>Y 42,734</u>	<u>Y (13,638)</u>	-	<u>\$403</u>

Supplementary information

R & D expenditure	Y 401,057	Y 395,063	+1.5	\$3,784
Number of employees	188,000	188,000	-	

Consolidated Balance Sheets

	Yen (millions)		<i>U.S.dollars</i> (millions)
	<u>2000/3/31</u>	<u>1999/3/31</u>	<u>2000/3/31</u>
Assets			
Current assets:			
Cash and time deposits	Y 273,978	Y 425,028	\$2,585
Marketable and other securities	53,636	71,419	506
Receivables, trade	1,158,478	1,259,279	10,929
Inventories	805,626	854,664	7,600
Current portion of lease receivable	75,723	-	714
Other current assets	<u>232,950</u>	<u>181,596</u>	<u>2,198</u>
Total current assets	<u>2,600,391</u>	<u>2,791,986</u>	<u>24,532</u>
Lease receivable	151,572	-	1,430
Investments and long-term loans	645,343	628,743	6,088
Property, plant and equipment less accumulated depreciation	1,278,858	1,242,428	12,065
Intangible assets	342,430	359,638	3,230
Other assets	<u>116,054</u>	<u>89,535</u>	<u>1,095</u>
	<u>Y 5,134,648</u>	<u>Y 5,112,330</u>	<u>\$48,440</u>
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings and current portion of long-term deb	Y 561,686	Y 798,968	\$5,299
Payables, trade	876,438	850,995	8,268
Other current liabilities	<u>639,262</u>	<u>637,149</u>	<u>6,031</u>
Total current liabilities	<u>2,077,386</u>	<u>2,287,112</u>	<u>19,598</u>
Long-term liabilities:			
Long-term debt	1,163,389	1,128,375	10,975
Other long-term liabilities	<u>388,879</u>	<u>338,526</u>	<u>3,669</u>
	<u>1,552,268</u>	<u>1,466,901</u>	<u>14,644</u>
Minority interests	<u>213,562</u>	<u>193,005</u>	<u>2,015</u>
Shareholders' equity:			
Common stock	306,246	261,222	2,889
Capital surplus	495,073	447,948	4,671
Retained earnings & other reserves	490,409	456,240	4,627
Treasury stock	<u>(296)</u>	<u>(98)</u>	<u>(4)</u>
Total shareholders' equity	<u>1,291,432</u>	<u>1,165,312</u>	<u>12,183</u>
	<u>Y 5,134,648</u>	<u>Y 5,112,330</u>	<u>\$48,440</u>

Supplementary Information

	Yen (billions)	
	<u>2000/3/31</u>	<u>1999/3/31</u>
Capital expenditure [Semiconductors]	Y 325.7 [87.9]	Y 288.8 [80.4]
Depreciation	301.5	334.1

Consolidated Statements of Cash Flows

	Yen (millions)		U.S.dollars (millions)
	FY1999	FY1998	FY1999
1. Cash flows from operating activities:			
Income before income taxes and minority interests	Y 74,857	Y 49,625	\$706
Depreciation and amortization	387,429	392,949	3,655
Accrual (Reversal) of provisions	11,002	9,749	104
Interest charges	49,505	58,240	467
Interest and dividend income	(12,583)	(12,499)	(119)
Equity in earnings of affiliates, net	(17,025)	(22,475)	(161)
Loss on disposal of property, plant and equipment	27,726	38,378	262
Decrease in receivables, trade	72,396	29,874	683
Decrease in inventories	20,998	40,321	198
Increase in payable, trade	35,665	48,769	337
Other, net	(79,383)	(95,998)	(749)
Cash generated from operations	570,587	536,933	5,383
Interest paid	(50,617)	(60,395)	(478)
Interest and dividends received	16,651	11,586	157
Income taxes paid	(59,579)	(88,413)	(562)
Net cash provided by operating activities	477,042	399,711	4,500
2. Cash flows from investing activities:			
Purchase of property, plant and equipment	(322,794)	(279,226)	(3,045)
(Increase) in investments and long-term loans	(42,117)	(102,595)	(398)
Other, net	16,623	(26,918)	157
Net cash used in investing activities	(348,288)	(408,739)	(3,286)
1+2 [Free Cash Flow]	128,754	(9,028)	1,214
3. Cash flows from financing activities:			
Proceeds from long-term debt	107,807	204,899	1,017
Repayment of long-term debt	(133,934)	(185,031)	(1,264)
Increase (Decrease) in short-term borrowings	(329,348)	42,682	(3,107)
Dividends paid	(19,112)	(18,686)	(180)
Other, net	103,340	25,335	975
Net cash provided by financing activities	(271,247)	69,199	(2,559)
4. Effect of exchange rate changes on cash and cash equivalents	9,159	(2,851)	87
5. Net increase (decrease) in cash and cash equivalents	(133,334)	57,320	(1,258)
6. Cash and cash equivalents at beginning of year	449,510	392,190	4,241
7. Cash and cash equivalents at end of year	Y 316,176	Y 449,510	\$2,983

Consolidated Business Segment Information

		Yen (millions)		Change (%)	U.S.dollars (millions) FY1999
		FY1999	FY1998		
Services & Software	Net Sales				
	Japan	Y 1,320,881	Y 1,260,725	+4.8	\$12,461
	Overseas	654,585	773,844	-15.4	6,175
	Unaffiliated Customers	1,975,466	2,034,569	-2.9	18,636
	Intersegment	77,583	58,245	+33.2	732
	Total	Y 2,053,049	Y 2,092,814	-1.9	\$19,368
	Operating Income (Loss) [As % of Sales]	Y 134,944 [6.6%]	Y 166,336 [7.9%]	-18.9	\$1,273
Information Processing	Net Sales				
	Japan	1,047,130	1,074,821	-2.6	9,878
	Overseas	558,171	726,588	-23.2	5,266
	Unaffiliated Customers	1,605,301	1,801,409	-10.9	15,144
	Intersegment	278,985	300,661	-7.2	2,632
	Total	1,884,286	2,102,070	-10.4	17,776
	Operating Income (Loss) [As % of Sales]	38,861 [2.1%]	94,072 [4.5%]	-58.7	367
Telecommunications	Net Sales				
	Japan	417,288	396,170	+5.3	3,936
	Overseas	355,175	284,889	+24.7	3,351
	Unaffiliated Customers	772,463	681,059	+13.4	7,287
	Intersegment	11,768	10,759	+9.4	111
	Total	784,231	691,818	+13.4	7,398
	Operating Income (Loss) [As % of Sales]	17,153 [2.2%]	15,657 [2.3%]	+9.6	162
Electronic Devices	Net Sales				
	Japan	296,304	238,216	+24.4	2,795
	Overseas	271,855	268,429	+1.3	2,565
	Unaffiliated Customers	568,159	506,645	+12.1	5,360
	Intersegment	148,384	103,161	+43.8	1,400
	Total	716,543	609,806	+17.5	6,760
	Operating Income (Loss) [As % of Sales]	20,179 [2.8%]	(83,339) [-13.7%]	-	190
Financing	Net Sales				
	Japan	113,070	-	-	1,067
	Overseas	-	-	-	-
	Unaffiliated Customers	113,070	-	-	1,067
	Intersegment	6,440	-	-	61
	Total	119,510	-	-	1,127
	Operating Income (Loss) [As % of Sales]	3,027 [2.5%]	-	-	29
Other Operations	Net Sales				
	Japan	158,164	157,569	+0.4	1,493
	Overseas	62,479	61,735	+1.2	589
	Unaffiliated Customers	220,643	219,304	+0.6	2,082
	Intersegment	125,661	100,949	+24.5	1,185
	Total	346,304	320,253	+8.1	3,267
	Operating Income (Loss) [As % of Sales]	3,488 [1.0%]	7,057 [2.2%]	-50.6	33
Elimination	Net Sales	(648,821)	(573,775)		(6,121)
	Operating Income	(67,678)	(67,496)		(639)
Total	Net Sales				
	Japan	Y 3,352,837	Y 3,127,501	+7.2	\$31,630
	Overseas	1,902,265	2,115,485	-10.1	17,946
	Unaffiliated Customers	5,255,102	5,242,986	+0.2	49,576
	Intersegment	-	-	-	-
	Total	Y 5,255,102	Y 5,242,986	+0.2	\$49,576
	Operating Income (Loss) [As % of Sales]	Y 149,974 [2.9%]	Y 132,287 [2.5%]	+13.4	\$1,415

Consolidated Geographic Segment Information

		Yen (millions)		Change (%)	U.S.dollars (millions)
		FY1999	FY1998		FY1999
Japan	Net Sales				
	Unaffiliated Customers	Y 3,631,006	Y 3,414,620	+6.3	\$34,255
	Intersegment	593,927	571,769	+3.9	5,603
	Total	<u>Y 4,224,933</u>	<u>Y 3,986,389</u>	<u>+6.0</u>	<u>\$39,858</u>
	Operating Income	<u>Y 227,753</u>	<u>Y 209,159</u>	<u>+8.9</u>	<u>\$2,149</u>
	[As % of Sales]	[5.4%]	[5.2%]		
Europe	Net Sales				
	Unaffiliated Customers	787,567	1,005,646	-21.7	7,430
	Intersegment	30,400	53,409	-43.1	287
	Total	<u>817,967</u>	<u>1,059,055</u>	<u>-22.8</u>	<u>7,717</u>
	Operating Income (Loss)	<u>(10,483)</u>	<u>411</u>	<u>-</u>	<u>(99)</u>
	[As % of Sales]	[-1.3%]	[-]		
The Americas	Net Sales				
	Unaffiliated Customers	585,459	573,191	+2.1	5,523
	Intersegment	77,654	95,938	-19.1	733
	Total	<u>663,113</u>	<u>669,129</u>	<u>-0.9</u>	<u>6,256</u>
	Operating (Loss)	<u>(13,264)</u>	<u>(19,019)</u>	<u>-</u>	<u>(125)</u>
	[As % of Sales]	[-2.0%]	[-2.8%]		
Others	Net Sales				
	Unaffiliated customers	251,070	249,529	+0.6	2,368
	Intersegment	298,206	323,426	-7.8	2,813
	Total	<u>549,276</u>	<u>572,955</u>	<u>-4.1</u>	<u>5,181</u>
	Operating Income	<u>19,320</u>	<u>13,627</u>	<u>+41.8</u>	<u>182</u>
	[As % of Sales]	[3.5%]	[2.4%]		
Elimination	Net Sales	<u>(1,000,187)</u>	<u>(1,044,542)</u>		<u>(9,436)</u>
	Operating Income	<u>(73,352)</u>	<u>(71,891)</u>		<u>(692)</u>
Total	Net Sales				
	Unaffiliated Customers	Y 5,255,102	Y 5,242,986	+0.2	\$49,576
	Intersegment	-	-	-	-
	Total	<u>Y 5,255,102</u>	<u>Y 5,242,986</u>	<u>+0.2</u>	<u>\$49,576</u>
	Operating Income	<u>Y 149,974</u>	<u>Y 132,287</u>	<u>+13.4</u>	<u>\$1,415</u>
	[As % of Sales]	[2.9%]	[2.5%]		

Net Sales by Customer's Geographic Location

	Yen (millions)		Change (%)	U.S.dollars (millions)
	FY1999	FY1998		FY1999
Europe	Y 819,082	Y 1,019,482	-19.7	\$7,727
The Americas	688,179	708,124	-2.8	6,492
Others	395,004	387,879	1.8	3,726
Total	<u>Y 1,902,265</u>	<u>Y 2,115,485</u>	<u>-10.1</u>	<u>\$17,946</u>

As % of Consolidated Net Sales

Europe	15.6	19.4
The Americas	13.1	13.5
Others	7.5	7.4
Total	<u>36.2</u>	<u>40.3</u>

Unconsolidated Net Sales by Product Area

	Yen (millions)		Change (%)	U.S.dollars
	FY1999	FY1998		(millions) FY1999
Services & Software				
Japan	Y 924,881	Y 914,560	+1.1	\$8,725
Overseas	9,435	12,693	-25.7	89
Total	<u>934,316</u>	<u>927,253</u>	+0.8	<u>8,814</u>
Information Processing				
Japan	1,123,379	1,116,752	+0.6	10,598
Overseas	<u>333,685</u>	<u>381,575</u>	-12.6	<u>3,148</u>
Total	<u>1,457,064</u>	<u>1,498,327</u>	-2.8	<u>13,746</u>
Telecommunications				
Japan	362,100	362,926	-0.2	3,416
Overseas	<u>210,249</u>	<u>155,114</u>	+35.5	<u>1,983</u>
Total	<u>572,349</u>	<u>518,040</u>	+10.5	<u>5,399</u>
Electronic Devices				
Japan	198,939	158,585	+25.4	1,877
Overseas	<u>88,607</u>	<u>88,941</u>	-0.4	<u>836</u>
Total	<u>287,546</u>	<u>247,526</u>	+16.2	<u>2,713</u>
[Semiconductors]	[269,843]	[225,050]	[+19.9]	[2,545]
Total Sales				
Japan	2,609,299	2,552,823	+2.2	24,616
Overseas	<u>641,976</u>	<u>638,323</u>	+0.6	<u>6,056</u>
Total	<u><u>Y 3,251,275</u></u>	<u><u>Y 3,191,146</u></u>	<u><u>+1.9</u></u>	<u><u>\$30,672</u></u>

Unconsolidated Statements of Income and Retained Earnings

	Yen (millions)		Change (%)	<i>U.S.dollars</i> (millions)
	FY1999	FY1998		<i>FY 1999</i>
Net sales	Y 3,251,275	Y 3,191,146	+1.9	\$30,672
Operating costs and expenses:				
Cost of goods sold	2,497,069	2,442,130	+2.2	23,557
Selling, general and administrative expenses	<u>700,397</u>	<u>709,152</u>	-1.2	<u>6,607</u>
	<u>3,197,466</u>	<u>3,151,283</u>		<u>30,164</u>
Operating income	53,808	39,863	+35.0	507
Other income (expenses):				
Interest and dividend income	22,857	25,101		215
Interest charges	(24,988)	(30,223)		(235)
Other, net	<u>(40,421)</u>	<u>(56,045)</u>		<u>(381)</u>
	<u>(42,552)</u>	<u>(61,167)</u>	-	<u>(401)</u>
Income (Loss) before income taxes	11,256	(21,304)	-	106
Income taxes				
Current	6,000	200	-	56
Deferred	<u>(8,400)</u>	<u>-</u>	-	<u>(79)</u>
	<u>(2,400)</u>	<u>200</u>	-	<u>(22)</u>
Net income (Loss)	<u>Y 13,656</u>	<u>Y (21,504)</u>	-	<u>\$128</u>
Unappropriated retained earnings at the beginning of this year	12,124	26,011		114
Prior year's adjustment for deferred tax	(1,800)	-		(16)
Transfer from reserves in conjunction with adoption of deferred tax accounting	41,100	-		387
Interim dividends	9,691	9,374		91
Legal reserve for interim dividends	969	937		9
Unappropriated retained earnings at the end of this year	<u>Y 54,419</u>	<u>Y (5,805)</u>	-	<u>\$513</u>

Unconsolidated Appropriation of Retained Earnings

	Yen (millions)		<i>U.S.dollars</i> (millions)
	2000/3/31	1999/3/31	2000/3/31
Unappropriated retained earnings	Y 54,419	Y (5,805)	\$513
Reversal of reserve for:			
Losses on overseas investment	100	300	1
Software development	8,900	17,000	83
Special depreciation	2,300	5,200	21
Advanced depreciation	1,000	1,100	9
General reserve	-	20,000	-
Total	<u>Y 66,719</u>	<u>Y 37,794</u>	<u>\$629</u>
To be appropriated as follows:			
Legal reserve	Y 990	Y 950	\$9
Dividends (Y5 per share)	9,814	9,420	92
Bonuses to directors and statutory auditors	60	-	1
Reserve for:			
Losses on overseas investment	-	-	-
Software development	4,400	11,300	41
Special depreciation	2,600	800	24
Advanced depreciation	1,000	3,200	9
General reserve	20,000	-	188
Earnings to be carried forward	<u>Y 27,855</u>	<u>Y 12,124</u>	<u>\$262</u>

Unconsolidated Balance Sheets

	Yen (millions)		<i>U.S.dollars</i> (millions)
	2000/3/31	1999/3/31	2000/3/31
Assets			
Current assets:			
Cash and time deposits	Y 95,785	Y 239,483	\$903
Marketable and other securities	3,175	19,729	29
Receivables, trade	823,174	849,696	7,765
Inventories	394,435	444,178	3,721
Other current assets	150,805	164,259	1,422
Total current assets	1,467,376	1,717,346	13,843
Investments and long-term loans	1,215,822	1,124,574	11,470
Property, plant and equipment less accumulated depreciation	587,452	606,861	5,542
Intangible assets	108,482	99,873	1,023
Other assets	1,294	2,711	12
	Y 3,380,427	Y 3,551,366	\$31,890
Liability and shareholders' equity			
Current liabilities:			
Short-term borrowings and current portion of long-term debt	Y 219,016	Y 418,803	\$2,066
Payables, trade	714,582	695,900	6,741
Other current liabilities	213,555	208,073	2,014
Total current liabilities	1,147,153	1,322,778	10,822
Long-term liabilities			
Long-term debt	882,395	970,119	8,324
Other long-term liabilities	190,807	187,674	1,800
	1,073,203	1,157,793	10,124
Shareholders' equity			
Common stock	306,246	261,222	2,889
Capital surplus and legal reserve	403,258	349,831	3,804
Retained earnings	450,566	459,741	4,250
Total shareholders' equity	1,160,071	1,070,795	10,944
	Y 3,380,427	Y 3,551,366	\$31,890

Supplementary Information

	Yen (billions)	
	2000/3/31	1999/3/31
Capital expenditure [Semiconductors]	115.7 [32.4]	100.5 [23.4]
Depreciation	116.0	129.8

Y2K Compliance Status

Together with its group companies, Fujitsu actively addressed Year 2000 (Y2K) problems in fiscal 1999 as an important management concern. In addition to providing Y2K information and assisting customers with troubleshooting, we worked to thoroughly confirm the Y2K readiness of our products so as to prevent any problems. In spite of this, problems arose in connection with some products. However, in cooperation with our customers, we were able to minimize the adverse impact of these problems. Our in-house systems and manufacturing systems experienced no problems affecting manufacturing, logistics, sales or marketing activities.

Management Direction

The epoch-making emergence of a global networked society with the Internet at its core is creating fundamental changes in systems and patterns of social organization throughout the world. Amidst this dynamic environment, the Fujitsu Group is determined to meet the needs and expectations of our customers -- who recognize the true potential of IT as a powerful wellspring of future growth - by providing comprehensive customer-focused solutions. To think like our customers, to work side-by-side with our customers, and to run our business on behalf of our customers -- this is what we mean when we say that customer focus is at the center of Fujitsu's management philosophy.

Business Priorities and Strategy

As the Internet has become an indispensable element of the social infrastructure, we have made clear our commitment to this area by adopting "Everything on the Internet" as the cornerstone of our business strategy. And as evidence of our intention to position Fujitsu as one of the foremost leaders of the Internet Age, we have set for ourselves the goal of capturing leadership positions in three key areas.

First in Internet solutions - We are strongly committed to providing our customers with optimal solutions based on platforms supported by the most advanced technology.

Japan's number one Internet service provider - We are doing our utmost to ensure that @nifty, our ISP, offers its millions of members the kind of attractive services they want and that will lead to the continued growth of the @nifty cyber-community. Likewise, we are committed to providing our corporate and other customers with an Internet venue from which they can provide services to their customers.

The leading Internet user - We are working to make Fujitsu a fast-moving and flexible company that itself utilizes the Internet to the fullest possible extent to create new kinds of business and management styles.

We expect that the business environment in which the Fujitsu Group operates will become even more fast-changing in the future. By concentrating our management resources on areas that will be at the core of the Internet, we will strive to maximize growth and profitability, while at the same time promoting management efficiency and strengthening our financial condition. Moreover, to further promote the global business development of the Fujitsu Group, we are working to build the Fujitsu name into a globally recognized corporate brand.

Finally, Fujitsu considers global environmental problems as an important management concern. Through such activities as making environmentally friendly products, implementing an environmental accounting system and encouraging activities such as our employee volunteer-led reforestation effort in Southeast Asia, we are continually endeavoring to minimize the burden placed on the environment.

In the ways described above, Fujitsu is continuously seeking to reinvent itself so as to be a leader in the 21st century, a global company respected by customers and society alike.

Reorganization

In June 1999, in order to speed decision making and strengthen management strategy formation, we carried out a major reorganization in which operational authority was shifted to Business Units reporting directly to the president. At the same time, we set up a Management Strategy Council, which has responsibility for planning group management strategies. On April 1st of this year, in order to be more responsive to the fast-changing business environment and further clarify operational responsibilities, Fujitsu carried out an additional reorganization that included changing the areas of responsibility of members of the Board of Directors.

SUPPLEMENTARY FIGURES

Consolidated Figures

1. Business Segment Information

		Yen (billions)		Change (%)	Yen (billions)	
		FY1999	FY1998		FY2000 (Forecast)	Change (%)
Services & Software	Net Sales					
	Japan	Y 1,320.8	Y 1,260.7		Y 1,450.0	
	Overseas	654.5	773.8		690.0	
	Unaffiliated customers	1,975.4	2,034.5		2,140.0	
	Intersegment	77.5	58.2		60.0	
	Total	Y 2,053.0	Y 2,092.8	-1.9	Y 2,200.0	+7.2
	Operating Income	Y 134.9	Y 166.3	-18.9	Y 170.0	+26.0
	[As % of Sales]	[6.6%]	[7.9%]		[7.7%]	
Information Processing	Net Sales					
	Japan	1,047.1	1,074.8		1,085.0	
	Overseas	558.1	726.5		525.0	
	Unaffiliated customers	1,605.3	1,801.4		1,610.0	
	Intersegment	278.9	300.6		260.0	
	Total	1,884.2	2,102.0	-10.4	1,870.0	-0.8
	Operating Income	38.8	94.0	-58.7	50.0	+28.7
	[As % of Sales]	[2.1%]	[4.5%]		[2.7%]	
Telecommunications	Net Sales					
	Japan	417.2	396.1		440.0	
	Overseas	355.1	284.8		430.0	
	Unaffiliated customers	772.4	681.0		870.0	
	Intersegment	11.7	10.7		10.0	
	Total	784.2	691.8	+13.4	880.0	+12.2
	Operating Income	17.1	15.6	+9.6	40.0	+133.2
	[As % of Sales]	[2.2%]	[2.3%]		[4.5%]	
Electronic Devices	Net Sales					
	Japan	296.3	238.2		410.0	
	Overseas	271.8	268.4		370.0	
	Unaffiliated customers	568.1	506.6		780.0	
	Intersegment	148.3	103.1		150.0	
	Total	716.5	609.8	+17.5	930.0	+29.8
	Operating Income	20.1	(83.3)	-	115.0	+469.9
	[As % of Sales]	[2.8%]	[-13.7%]		[12.4%]	
Financing	Net Sales					
	Japan	113.0	-		110.0	
	Overseas	-	-		-	
	Unaffiliated customers	113.0	-		110.0	
	Intersegment	6.4	-		10.0	
	Total	119.5	-	-	120.0	+0.4
	Operating Income	3.0	-	-	3.0	-0.9
	[As % of Sales]	[2.5%]	-		[2.5%]	
Other Operations	Net Sales					
	Japan	158.1	157.5		175.0	
	Overseas	62.4	61.7		65.0	
	Unaffiliated customers	220.6	219.3		240.0	
	Intersegment	125.6	100.9		130.0	
	Total	346.3	320.2	+8.1	370.0	+6.8
	Operating Income	3.4	7.0	-50.6	7.0	+100.7
	[As % of Sales]	[1.0%]	[2.2%]		[1.9%]	
Elimination	Net Sales	(648.8)	(573.7)	-	(620.0)	-
	Operating Income	(67.6)	(67.4)	-	(75.0)	-
Total	Net Sales					
	Japan	Y 3,352.8	Y 3,127.5		Y 3,670.0	
	Overseas	1,902.2	2,115.4		2,080.0	
	Unaffiliated customers	5,255.1	5,242.9		5,750.0	
	Intersegment	-	-		-	
	Total	Y 5,255.1	Y 5,242.9	+0.2	Y 5,750.0	+9.4
	Operating Income	Y 149.9	Y 132.2	+13.4	Y 310.0	+106.7
	[As % of Sales]	[2.9%]	[2.5%]		[5.4%]	

2. Consolidated Net Sales by Geographic Location

	FY1999	FY1998	FY2000 (Forecast) (%)
Japan	64	60	64
Europe	16	19	14
North America	13	14	15
Others	7	7	7

3. Services & Software

(1) Composition of Sales

	FY1999	FY1998	FY2000 (Forecast) (%)
Services	62	58	64
Software	16	17	17
Maintenance	22	25	19

4. Information Processing

(1) Composition of Sales

	FY1999	FY1998	FY2000 (Forecast) (%)
Servers	20	25	20
PCs & Peripherals	57	55	58
Other Hardware	23	20	22

(2) PC Shipments

a. By Geographic Location

	FY1999	FY1998	FY2000 (Forecast) (Thousand Units)
Japan	2,580	2,160	3,000
Europe	2,690	1,410	4,500
North America	160	220	190
Asia	50	30	70
Total	5,480	3,820	7,760

b. Composition of PC Sales by Product Category

	FY1999	FY1998	FY2000 (Forecast) (%)
Desktop	52	55	52
Notebook	48	45	48

(3) HDD Production

	FY1999	FY1998	FY2000 (Forecast) (Million Units/Year)
	22.8	18.2	31.0

5. Telecommunications

(1) Composition of Sales by:

a. Product Category

	FY1999	FY1998	FY2000 (Forecast)	(%)
Switching	21	24	19	
Transmission	63	58	62	
Mobile	16	18	19	

b. Geographic Location

	FY1999	FY1998	FY2000 (Forecast)	(%)
North America	70	61	76	
Asia	9	19	8	
Europe	7	7	8	
Submarine Systems	12	8	5	
Others	2	5	3	

(2) Mobile Telephone Shipments

	FY1999	FY1998	FY2000 (Forecast)	(Million Units)
	1.03	1.51	1.82	

6. Electronic Devices

(1) Production of Semiconductors (Worldwide by value)

	FY1999	FY1998	Change (%)	FY2000 (Forecast)	(Billion Yen) Change (%)
[Internal Use]	530 [90]	480 [80]	+10.4 [12.5]	640 [90]	+20.8 [-]

(2) Composition by Product Category (Semiconductors)

	FY1999	FY1998	FY2000 (Forecast)	(%)
Logic	53	52	49	
Flash Memory	22	17	28	
RAM	11	15	9	
Others	14	16	14	

(3) Production Capacity of Semiconductors as of the year-end (Million Units/Month)

	FY1999	FY1998	FY2000 (Forecast)
Flash Memory * (8Mbit equivalent)	24.0	9.0	36.0

* The figures show the amount Fujitsu procures from Fujitsu AMD Semiconductor Ltd.

(4) Composition of Capital Expenditures

	FY1999	FY1998	Change (%)	FY2000 (Forecast)	(Billion Yen) Change (%)
Semiconductors	87.9	80.4	+9.4	160.0	+82.0
PDP	6.1	4.7	+29.7	25.0	+309.8
LCD	0.7	0.6	-	7.0	+900.0
Others	18.9	12.2	+54.9	28.0	+48.1
Total	113.6	97.9	+16.0	220.0	+93.7

7. R&D Expenditures	FY1999	FY1998	Change (%)	FY2000 (Forecast)	(Billion Yen) Change (%)
		401.0	395.0	+1.5	400.0
As % of Sales	7.6%	7.5%	-	7.0%	-

8. Capital Expenditures, Depreciation

	Yen (billions)		Change (%)	Yen (billions)	
	FY1999	FY1998		FY2000 (Forecast)	Change (%)
Capital Expenditures					
Services & Software	64.7	48.9	+32.4	80.0	+23.6
Information Processing	89.2	79.9	+11.6	85.0	-4.7
Telecommunications	35.5	41.2	-13.9	50.0	+40.9
Electronic Devices [Semiconductors]	113.6 [87.9]	97.9 [80.4]	+16.0 [+9.4]	220.0 [160.0]	+93.7 [+82.0]
Financing	-	-	-	-	-
Other Operations	9.8	9.6	+1.8	10.0	+1.7
Corporate *	12.9	11.3	+13.5	5.0	-61.1
Total	325.7	288.8	+12.8	450.0	+38.2
Japan	227.4	207.0	+9.8	350.0	+53.9
Overseas	98.3	81.8	+20.1	100.0	+1.7
Depreciation	301.5	334.1	-9.7	355.0	+17.7

* Including capital expenditures for the parent's Administrative Division and R&D expenditures, which can not be allocated.

9. Exchange Rates

(1) Average Rates

FY1999	FY1998
\$1= 112 yen	\$1=128 yen

(2) Forecast Average Rates for FY2000

1H	2H
\$1= 100yen	\$1= 100yen

10. Employees

	(thousand)	
	1999/03/31	2000/03/31
Japan	114	116
Overseas	74	72
Total	188	188

Unconsolidated Figures

1. Unconsolidated Net Sales by Product Area

	Yen (billions)			Yen (billions)	
	FY1999	FY1998	Change (%)	FY2000 (Forecast)	Change (%)
Services & Software					
Japan	924.8	914.5	+1.1	1,005.0	+8.7
Overseas	9.4	12.6	-25.7	5.0	-47.0
Total	934.3	927.2	+0.8	1,010.0	+8.1
Information Processing					
Japan	1,123.3	1,116.7	+0.6	1,130.0	+0.6
Overseas	333.6	381.5	-12.6	355.0	+6.4
Total	1,457.0	1,498.3	-2.8	1,485.0	+1.9
Telecommunications					
Japan	362.1	362.9	-0.2	385.0	+6.3
Overseas	210.2	155.1	+35.5	225.0	+7.0
Total	572.3	518.0	+10.5	610.0	+6.6
Electronic Devices					
Japan	198.9	158.5	+25.4	280.0	+40.7
Overseas	88.6	88.9	-0.4	115.0	+29.8
Total	287.5	247.5	+16.2	395.0	+37.4
[Semiconductors]	[269.8]	[225.0]	[+19.9]	[375.0]	[+39.0]
Total Sales					
Japan Sales	2,609.2	2,552.8	+2.2	2,800.0	+7.3
Overseas Sales	641.9	638.3	+0.6	700.0	+9.0
Total	3,251.2	3,191.1	+1.9	3,500.0	+7.7

2. R&D Expenditures

				(Billion Yen)	
	FY1999	FY1998	Change (%)	FY2000 (Forecast)	Change (%)
	339.0	329.4	+2.9	330.0	-2.7
As % of Sales	10.4%	10.3%	-	+9.4	-

3. Capital Expenditures, Depreciation

	Yen (billions)		Change (%)	Yen (billions)	
	FY1999	FY1998		FY2000 (Forecast)	Change (%)
Capital Expenditures					
Services & Software	19.5	16.4	+18.7	30.0	+53.5
Information Processing	32.6	33.6	-2.9	40.0	+22.5
Telecommunications	20.4	18.5	+10.5	30.0	+46.7
Electronic Devices [Semiconductors]	32.9 [32.4]	24.4 [23.4]	+35.0 [+38.5]	65.0 [55.0]	+97.1 [+69.8]
Corporate *	10.0	7.4	+34.8	5.0	-50.4
Total	115.7	100.5	+15.1	170.0	+46.9
Depreciation	116.0	129.8	-10.7	135.0	+16.3

* Including capital expenditures for the Administrative Division that can not be allocated.

4. Introduction of retirement benefits plan

(1)Discount rate 3.0%

(2)Unrecognized net obligation (at the beginning of FY2000)

	The parent company	Domestic consolidated subsidiaries	Total	(Billion Yen)
PBO	980.0	600.0	1,580.0	
Unrecognized net obligations	420.0	240.0	660.0	

(3) Resolution of unrecognized net obligations

The parent company - one-time amortization and establishment of stock holding trust
Domestic consolidated subsidiaries - ten-year amortization

5. Net unrealized gain on marketable securities (on an unconsolidated basis)

	(Billion Yen)		
	2000/03/31	1999/03/31	change
Net unrealized gain	2,400.3	1,075.5	1,324.8
[Related companies]	[2,290.2]	[1,018.5]	[1,271.6]

Environmental Accounting

Fujitsu introduced an environmental accounting system in fiscal 1998 and will continue to make the results public, with a report on the fiscal 1999 results.

1. Cost/Benefit Trends

	FY1999	FY1998	(Billion Yen) FY2000 (estimate)
	Costs/Benefits	Costs/Benefits	Costs/Benefits
Fujitsu	8.5 / 10.3	8.0 / 9.7	8.9 / 12.0
Consolidated subsidiaries	8.2 / 11.9	7.0 / 8.4	9.4 / 12.8
Total	16.7 / 22.2	15.0 / 18.1	18.3 / 24.8

* Notes:

Costs and benefits are based on the Environmental Protection Agency's "Guidelines for Understanding and Publicizing the Costs of Environmental Conservation" published in March, 1999.

2. Breakdown of Results for Fiscal 1999

Costs	Details	(Billion Yen)		
		Fujitsu	Consolidated Subsidiaries	Total
Direct Costs	Costs of environmental protection to maintain production activities (Introduction of environmental facilities, maintenance expenses, etc.)	3.9	3.7	7.6
Indirect Costs	Environmental promotion activities (personnel costs), obtaining EMS certification, maintenance expenses	1.3	1.8	3.1
Energy Conservation Costs	Costs for energy conservation measures	1.0	0.1	1.1
Recycling Costs	Costs for collection, recycling and reuse of waste products	0.3	0.3	0.6
	Waste processing costs	0.8	1.0	1.8
Research and Development Costs	Costs for developing green products and environmental technology	0.3	0.6	0.9
Costs for Public Information	Costs for promotion of green spaces, creation of environmental reports, and environmental publicity	0.3	0.3	0.6
Other	Costs for dealing with environmental risks, such as groundwater contamination	0.6	0.4	1.0
Total		8.5	8.2	16.7

Benefits	Details	(Billion Yen)		
		Fujitsu	Consolidated Subsidiaries	Total
Environmental Protection Activities in Support of Production	Contribution of environmental protection activities to overall value added through production activities (*1)	3.7	4.0	7.7
Energy Conservation Activities	Reduction of expenses resulting from reduced use of electricity, oil and gas	1.3	0.7	2.0
Recycling Activities	Sales of new products and reusable products utilizing recycled waste materials	0.7	2.9	3.6
	Cost reductions resulting from decreased volume of waste materials	0.1	0.3	0.4
Risk Management	Expenses avoided for facility operation losses due to non-observance of legal restrictions (*2)	2.0	1.3	3.3
	Expenses avoided for resident indemnification and insurance covering groundwater pollution	0.7	1.6	2.3
Environmental Business Activities	Contribution to sales by environmental business products (solutions, green products)	0.6	0.1	0.7
Increased Efficiency of Environmental Activities	Cost reductions from decreased paper use and utilization of management systems	0.9	0.9	1.8
Environmental Education Activities	Cost benefits resulting from in-house education of environmental ISO construction consultants and inspectors	0.3	0.1	0.4
Total		<u>10.3</u>	<u>11.9</u>	<u>22.2</u>

Notes:

*1. Calculated on the basis of the proportion of the overall value added to products through production activities that is accounted for by the facility's environmental protection activities.

*2. Estimated value of risk avoided in a hypothetical risk situation.

3. Audit

The above figures, part of Fujitsu's 2000 Environmental Activities Report, were audited by the Showa Ota Environmental Management and Quality Research Institute. Other figures, showing environmental efficiency relating to environmental performance and activity costs, will be issued soon.