

## 15. Full Year Unconsolidated Statements of Operations

|  | Yen<br>(millions)  |             | Change (%) | U.S. Dollars    |
|--|--------------------|-------------|------------|-----------------|
|  | FY 2003            | FY 2002     |            | (millions)      |
| <b>Net sales</b>   | <b>Y 2,788,526</b> | Y 2,695,055 | +3.5       | <b>\$26,306</b> |
| <b>Operating costs and expenses:</b>                                       |                    |             |            |                 |
| Cost of goods sold   | <b>2,120,169</b>   | 2,012,461   | +5.4       | <b>20,001</b>   |
| Selling, general and administrative expenses                               | <b>635,395</b>     | 660,735     | -3.8       | <b>5,994</b>    |
|  | <b>2,755,564</b>   | 2,673,197   |            | <b>25,995</b>   |
| <b>Operating income</b>  | <b>32,962</b>      | 21,858      | +50.8      | <b>310</b>      |
| <b>Other income (expenses):</b>  |                    |             |            |                 |
| Net interest *1  | <b>48,243</b>      | 8,037       |            | <b>455</b>      |
| Amortization of unrecognized obligation<br>for retirement benefits         | <b>(26,537)</b>    | (17,253)    |            | <b>(250)</b>    |
| Gain on sale of marketable securities *2                                   | <b>237,621</b>     | 81,412      |            | <b>2,241</b>    |
| Gain on transfer of substitutional portion of<br>employees' pension funds  | <b>81,358</b>      | -           |            | <b>767</b>      |
| Gain on sale of property, plant and equipment                              | <b>13,649</b>      | -           |            | <b>128</b>      |
| Gain on business transfer  | -                  | 14,536      |            | -               |
| Loss on devaluation of<br>subsidiaries' and affiliates' stock *3           | <b>(206,742)</b>   | (185,224)   |            | <b>(1,950)</b>  |
| Restructuring charges *4   | <b>(66,376)</b>    | (113,400)   |            | <b>(626)</b>    |
| HDD litigation-related expenses *5   | <b>(10,220)</b>    | -           |            | <b>(96)</b>     |
| Casualty loss *6   | <b>(4,700)</b>     | -           |            | <b>(44)</b>     |
| Cost of corrective measures for products                                   | -                  | (30,600)    |            | -               |
| Other, net   | <b>(19,172)</b>    | (9,578)     |            | <b>(180)</b>    |
|  | <b>47,123</b>      | (252,069)   |            | <b>444</b>      |
| <b>Income (Loss) before income taxes<br/>and minority interests</b>        | <b>80,085</b>      | (230,211)   | -          | <b>755</b>      |
| <b>Income taxes</b>  |                    |             |            |                 |
| Current  | <b>(7,382)</b>     | (12,256)    |            | <b>(69)</b>     |
| Deferred   | <b>70,400</b>      | (42,900)    |            | <b>664</b>      |
|  | <b>63,017</b>      | (55,156)    |            | <b>594</b>      |
| <b>Net income (loss)</b>   | <b>Y 17,067</b>    | Y (175,054) | -          | <b>\$161</b>    |
| <b>Unappropriated retained earnings<br/>at the beginning of this year</b>  | <b>10,043</b>      | 7,351       |            | <b>94</b>       |
| <b>Reversal of legal reserve</b>   | <b>36,447</b>      | -           |            | <b>343</b>      |
| <b>Unappropriated retained earnings (loss)<br/>at the end of this year</b> | <b>Y 63,558</b>    | Y (167,703) |            | <b>\$599</b>    |

Note \*1 Net interest consists of interest income, dividend income and interest charges.

\*2 Gain on sales of marketable securities refers to a 227,010 million yen gain on sales of affiliates' stock and 10,610 million yen on sales of available-for-sale securities.

\*3 Of the 206,742 million yen loss under "Loss on devaluation of subsidiaries' and affiliates' stock," there was a valuation loss of 201,037 million yen on stock in Fujitsu IT Holdings, which was restructured as part of the realignment of Fujitsu's global business structure.

\*4 Of the restructuring charges of 66,376 million yen, 64,063 million yen was for reforms in the company's domestic software & services business structure and difficulties in realizing future returns on some projects.

\*5 HDD litigation-related expenses included expenses relating to the settlement of a class-action lawsuit in the United States regarding certain Fujitsu-manufactured magnetic hard disk drives, as well as other litigation-related expenses and expenses for corrective measures for customers.

\*6 Casualty loss refers to repair expenses incurred to cover damages to property as a result of the earthquake that occurred off the coast of Miyagi Prefecture, Japan, on May 26, 2003.