

## 16. Full Year Unconsolidated Appropriation of Retained Earnings and Other Capital Surplus

### a. Appropriation of Retained Earnings (Loss)

	Yen (millions)		U.S. Dollars (millions)
	<b>FY 2003</b>	FY 2002	<b>FY 2003</b>
<b>Unappropriated retained earnings (loss)</b>	<b>Y 63,558</b>	Y (167,703)	<b>\$599</b>
<b>Reversal of reserve for:</b>			
Losses on overseas investment	-	1,226	-
Software development	-	30,817	-
Special depreciation	-	8,420	-
Advanced depreciation	-	641	-
General reserve	-	138,942	-
<b>Total</b>	<b>Y 63,558</b>	Y 12,343	<b>\$599</b>
<b>To be appropriated as follows:</b>			
<b>Dividends</b>	<b>6,000</b>	-	<b>56</b>
(3.0 yen per share in FY 2003 and 0.0 yen per share in FY 2002)			
<b>Bonuses to directors and statutory auditor</b>	<b>81</b>	-	-
<b>Reserve for:</b>			
Software development	-	2,300	-
Special depreciation	<b>2,900</b>	-	<b>27</b>
<b>Earnings to be carried forward</b>	<b>Y 54,576</b>	Y 10,043	<b>\$514</b>

### b. Appropriation of Other Capital Surplus

	Yen (millions)		U.S. Dollars (millions)
	<b>FY 2003</b>	FY 2002	<b>FY 2003</b>
<b>Other capital surplus</b>	<b>Y 300,016</b>	-	<b>\$2,830</b>
<b>To be appropriated as follows:</b>			
<b>Other capital surplus to be carried forward</b>	<b>Y 300,016</b>	-	<b>\$2,830</b>

#### Policy on Dividends

With regard to distributions of profits, Fujitsu's policy is to provide shareholders with a stable return and to secure sufficient internal reserves to strengthen its financial position for future business growth and improved profitability in the mid to long term.

In fiscal 2003 the company recorded consolidated operating income of 150.3 billion yen, up 49.7% over the previous fiscal year, and unconsolidated operating income of 32.9 billion yen, an increase of 50.8%, reflecting the contribution of restructuring measures over the previous two years to steady recovery of profitability. In addition to improving profitability in its core businesses, Fujitsu steadily implemented policies including maximizing effective use of its assets to accelerate the strengthening of its financial condition. Going forward, the company will further speed the pace of reform and – moving from "recovery" to "growth" – achieve even greater improvements in profitability and financial position.

Taking these factors into consideration, and in light of the forgoing of dividend payments from mid-term of fiscal 2002, Fujitsu will pay a FY 2004 year-end dividend of 3.0 yen per share.