

4. Retirement Benefit Plan

(1) Itemization of Unrecognized Obligation, etc.

(as of March 31, 2004, consolidated domestic accounts)

	Yen (billions)
a. Projected benefit obligation	(1,210.0)
b. Plan assets	800.0
[plan assets for retirement benefit plan stock holding trust]	[205.0]
c. Accrued retirement benefits	80.0
d. Prepaid pension cost	(105.0)
Unrecognized obligation (a+b+c+d)	(435.0)
Breakdown of total	
i. Unrecognized net obligation at transition	(100.0)
ii. Unrecognized actuarial loss	(335.0)
iii. Unrecognized prior service cost (reduced obligation)	-
Unrecognized obligation (i+ii+iii)	(435.0)

Regarding its employees' pension plan, in response to the enactment of the law on defined-benefit pension plans, Fujitsu applied for an exemption from the obligation to pay benefits for future employee services related to the substitutional portion and on March 23, 2004, received approval of the exemption from the Minister of Health, Labor and Welfare. Applying the transitional provisions as prescribed in paragraph 47-2 of "Practical Guidelines of Accounting and Retirement Benefits – Interim Report" (Accounting Committee Report No. 13 issued by the Japanese Institute of Certified Public Accountants), Fujitsu accounted for the elimination of the future and past benefit obligations of the substitutional portion as well as the related government-specified portion of the employees' pension plan assets at the date of the approval.

As a result, for FY 2003 the company recorded an extraordinary gain of 146.5 billion yen on a consolidated basis and 81.3 billion yen on an unconsolidated basis.

At the end of FY 2003, the returned equivalent value of the company's pension assets was 320.0 billion yen.

(2) Basis for Tabulating Projected Benefit Obligation

a. Discount rate	3.0% (at March 31, 2003) 2.5% (at March 31, 2004)
b. Amortization period for net obligation at transition	10 years (one-time amortization for parent company)
c. Method of allocating actuarial loss	Straight-line method over employees' average remaining employment period starting from next period
d. Method of allocating prior service obligation	Straight-line method over 10 years

(3) Analysis of Change in Unrecognized Obligation

	Yen (billions)
a. Unrecognized obligation at March 31, 2003	(771.2)
b. Unrecognized obligation at March 31, 2004	(435.0)
Change (b-a)	336.2
Breakdown of the change	
i. Amortization of unrecognized obligation in FY 2003	56.9
ii. One-time amortization of unrecognized obligation of the substitutional portion	126.3
iii. Discount rate revision (3.0% to 2.5%)	(100.0)
iv. Decrease of actuarial loss due to rising share prices, etc.	253.0
Total (i+ii+iii+iv)	336.2