

Part III: Supplementary Information

I. Forecasts for FY 2005

1. Consolidated Business Segment Information (Approximate calculation)

(1) Japan and Overseas Sales, including Intersegment Sales

		Yen (billions)		Change (%)
		FY 2004 (Actual)	FY 2005 (Forecast)	FY04 to FY05
Technology Solutions	Japan	Y 2,158.0	2,180.0	+1.0
	Overseas	777.0	820.0	+5.5
	Total	Y 2,935.0	3,000.0	+2.2
Ubiquitous Product Solutions	Japan	733.0	730.0	-0.4
	Overseas	298.0	320.0	+7.4
	Total	1,031.0	1,050.0	+1.8
Device Solutions	Japan	475.0	440.0	-7.4
	Overseas	320.0	310.0	-3.1
	Total	795.0	750.0	-5.7
Other Operations	Japan	297.0	310.0	+4.4
	Overseas	80.0	100.0	+25.0
	Total	377.0	410.0	+8.8
Elimination	Japan	(322.3)	(310.0)	-
	Overseas	(52.9)	(50.0)	-
	Total	(375.2)	(360.0)	-
Total	Japan	Y 3,340.6	3,350.0	+0.3
	Overseas	1,422.0	1,500.0	+5.5
	Total	Y 4,762.7	4,850.0	+1.8

(2) Sales by Principal Products and Services, including Intersegment Sales

		Yen (billions)		Change (%)
		FY 2004 (Actual)	FY 2005 (Forecast)	FY04 to FY05
Technology Solutions	System Products	Y 378.0	380.0	+0.5
	Network Products	389.0	380.0	-2.3
	System Platforms	767.0	760.0	-0.9
	Solutions/SI	990.0	990.0	-
	Infrastructure Services	946.0	1,010.0	+6.8
	Other	232.0	240.0	+3.4
	Services	2,168.0	2,240.0	+3.3
	Total	Y 2,935.0	3,000.0	+2.2
Ubiquitous Product Solutions	PCs/Mobile Phones	Y 776.0	770.0	-0.8
	HDDs	235.0	260.0	+10.6
	Other	20.0	20.0	-
	Total	Y 1,031.0	1,050.0	+1.8
Device Solutions	LSI Devices	Y 468.0	500.0	+6.8
	Electronic Components, Other	327.0	250.0	-23.5
	Total	Y 795.0	750.0	-5.7

(3) Sales by Business Segment

		Yen (billions)		Change (%)
		FY 2004 (Actual)	FY 2005 (Forecast)	FY04 to FY05
Technology Solutions	Unaffiliated customers	2,861.0	2,930.0	+2.4
	Intersegment	74.0	70.0	-5.4
	Total	2,935.0	3,000.0	+2.2
Ubiquitous Product Solutions	Unaffiliated customers	899.0	920.0	+2.3
	Intersegment	132.0	130.0	-1.5
	Total	1,031.0	1,050.0	+1.8
Device Solutions	Unaffiliated customers	734.0	700.0	-4.6
	Intersegment	61.0	50.0	-18.0
	Total	795.0	750.0	-5.7
Other Operations	Unaffiliated customers	269.0	300.0	+11.5
	Intersegment	108.0	110.0	+1.9
	Total	377.0	410.0	+8.8
Elimination		(375.2)	(360.0)	-
Total		4,762.7	4,850.0	+1.8

(4) Operating Income, including Intersegment Transactions

Operating Margin (%)

		Yen (billions)		Change
		FY 2004 (Actual)	FY 2005 (Forecast)	FY04 to FY05
Technology Solutions		143.0	180.0	+37.0
		4.9%	6.0%	+1.1%
System Platforms		36.0	40.0	+4.0
		4.7%	5.3%	+0.6%
Services		107.0	140.0	+33.0
		4.9%	6.3%	+1.4%
Ubiquitous Product Solutions		30.0	25.0	-5.0
		2.9%	2.4%	-0.5%
Device Solutions		33.0	20.0	-13.0
		4.2%	2.7%	-1.5%
Other Operations		9.0	15.0	+6.0
		2.4%	3.7%	+1.3%
Elimination		(54.8)	(65.0)	-10.1
Total		160.1	175.0	+14.8
		3.4%	3.6%	+0.2%

2. PC Shipments

(1) By Customer's Geographic Location

	FY 2003	FY 2004	(Million Units) FY 2005
	(Actual)	(Actual)	(Forecast)
Japan	2.58	2.58	2.70
Overseas	3.96	4.86	5.30
Total	6.54	7.44	8.00

(2) By Product Category

	FY 2003	FY 2004	(%) FY 2005
	(Actual)	(Actual)	(Forecast)
Desktop	46%	46%	47%
Notebook	54%	54%	53%

3. Mobile Phone Shipments

	FY 2003	FY 2004	(Million Units) FY 2005
	(Actual)	(Actual)	(Forecast)
	3.37	3.49	3.10

4. HDD Production

	FY 2003	FY 2004	(Million Units) FY 2005
	(Actual)	(Actual)	(Forecast)
	12.47	19.34	25.00

5. R&D Expenditure

	FY 2003	FY 2004	(Billions) FY 2005
	(Actual)	(Actual)	(Forecast)
	250.9	240.2	245.0
As % of Sales	5.3%	5.0%	5.1%

6. Capital Expenditures, Depreciation

	(Billion Yen)		
	FY 2003	FY 2004	FY 2005
	(Actual)	(Actual)	(Forecast)
Capital Expenditures			
Technology Solutions	-	65.8	110.0
Ubiquitous Product Solutions	-	17.2	20.0
Device Solutions	-	76.1	110.0
Corporate and others*	-	22.0	20.0
Total	159.7	181.4	260.0
Japan	135.3	142.3	200.0
Overseas	24.4	39.0	60.0
Depreciation	200.0	169.9	190.0
Former segments			
Capital Expenditures			
Software & Services	54.0	49.4	80.0
Platforms	32.4	36.6	50.0
Electronic Devices	59.3	76.1	110.0
Corporate and others**	13.9	19.1	20.0
Total	159.7	181.4	260.0

7. Consolidated Statements of Cash Flows

	(Billion Yen)		
	FY 2003	FY 2004	FY 2005
	(Actual)	(Actual)	(Forecast)
(A) Cash flows from operating activities	304.0	277.2	350.0
[Net income]	[49.7]	[31.9]	[50.0]
[Depreciation **]	[292.9]	[232.1]	[260.0]
[Others]	[(38.6)]	[13.2]	[40.0]
(B) Cash flows from investing activities	67.3	(15.1)	(250.0)
(C) Free cash flows (A)+(B)	371.4	262.1	100.0
(D) Cash flows from financing activities	(239.9)	(212.0)	(120.0)
(E) Total (C)+(D)	131.5	50.0	(20.0)

8. Exchange Rates

Average Rates

	FY 2003	FY 2004	FY 2005
	(Actual)	(Actual)	(Forecast)
	\$1=113yen	\$1=107 yen	\$1=105 yen

9. Employees

	(Thousands)	
	2004/3/31	2005/3/31
Japan	105	101
[Parent Company]	[35]	[34]
Overseas	51	50
	156	151

*Including capital expenditures for the parent's administrative divisions and R&D expenditures that can not be allocated to a specific business unit.

**Including amortization of goodwill.

10. Retirement Benefit Plan

(1) Itemization of Projected Benefit Obligation, etc.
(Consolidated domestic accounts)

	Yen (billions)	
	March 31 2004 (Actual)	March 31 2005 (Estimate)
a. Projected benefit obligation	(1,209.2)	(1,250.0)
b. Plan assets	799.0	870.0
[plan assets for retirement benefit plan stock holding trust]	[205.8]	[200.0]
c. Accrued severance benefit	79.2	90.0
d. Prepaid pension cost	(1,024.0)	(110.0)
Total (a+b+c+d)	(433.4)	(400.0)
Breakdown of total		
i. Unrecognized net obligation at transition	(98.8)	(80.0)
ii. Unrecognized actuarial loss	(335.2)	(320.0)
iii. Unrecognized prior service cost (reduced obligation)	0.6	0.0
Total (i+ii+iii)	(433.4)	(400.0)

(2) Basis for Tabulating Projected Benefit Obligation

a. Discount rate	2.5% (at March 31, 2004) 2.5% (at March 31, 2005)
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

11. Tax Effect

Net Value and Increase/Decrease in Deferred Tax Assets

	(Billion Yen)
Balance at beginning of FY 2004:	<u>180.2</u>
Tax loss carryforwards	402.8
Valuation allowance	(217.7)
Temporary difference, net	(4.8)
Increase/Decrease during FY 2004:	<u>(117.9)</u>
Sales of shareholdings, etc.	(104.2)
Valuation allowance	(93.5)
Other*	79.8
Balance at end of FY 2004:	<u><u>62.3</u></u>

*Including decrease in deferred tax liabilities (relating to gains from establishment of stock holding trust for retirement benefit plan and unrealized gains on securities) due to sales of shareholdings.

12. Environmental Accounting

1. Cost/Benefit Trends

	FY 2002		FY 2003		FY 2004		(Billion Yen) FY 2005 (Forecast)	
	Costs	Benefits	Costs	Benefits	Costs	Benefits	Costs	Benefits
Fujitsu Limited	7.9	8.8	7.9	10.3	7.9	9.7	8.3	10.5
Affiliated companies	11.0	12.2	11.1	13.6	10.0	12.9	10.9	13.7
Total	18.9	21.0	19.0	23.9	17.9	22.6	19.2	24.2

2. Itemization of Fiscal 2004 Results ^{*1}

Costs	Item	Fujitsu Limited	Affiliated companies	Total
Business area costs				
Pollution prevention costs	Costs incurred to prevent air pollution and water contamination (fees for water treatment facilities) and other activities	3.0	2.2	5.2
Global environmental conservation costs	Costs of energy-saving measures, as well as costs of global warming reduction measures	0.8	2.1	2.9
Resource circulation costs	Costs incurred for waste reduction and disposal, as well as for water conservation, rainwater usage and other measures aimed at efficient resources usage	1.2	2.0	3.2
Upstream/downstream costs				
	Costs of lowering the environmental burden imposed upstream and downstream by manufacturing and service activities (costs incurred for recycling /reuse of waste products and packaging, Green Procurement, etc.)	0.2	0.8	1.0
Administration costs				
	Environmental protection costs related to administrative activity, including personnel expenses for environmental promotion activities and costs associated with acquiring and maintaining ISO14001 certification, measuring environmental burden, greenification programs, environmental reporting and environmental publicity	2.3	1.4	3.7
R&D/solutions business costs				
	Environmental protection costs for R&D activities and costs of environmental solutions business activities (Green Products/environmental technology design and development costs, environmental solutions business costs)	0.3	1.5	1.8
Social activities costs				
	Environmental protection costs stemming from participation in social activities, such as participation in/support for organizations concerned with environmental preservation	0.0	0.0	0.0
Environmental remediation costs				
	Costs of environmental restoration operations (remediating soil and groundwater contamination, environmental compensation, etc.)	0.1	0.0	0.1
Total		7.9	10.0	17.9

		(Billion Yen)		
Benefits	Item	Fujitsu Limited	Affiliated companies	Total
Business area benefits				
Pollution prevention benefits	Contribution of environmental protection activities to value added ^{*2} in manufacturing	3.6	3.6	7.2
	Savings from avoidance of operating losses ^{*3} stemming from failure to observe environmental laws and regulations	0.5	0.8	1.3
Global environmental conservation benefits	Cost savings from reductions in electricity, oil and gas consumption ^{*4}	1.7	0.8	2.5
Resource circulation benefits	Cost savings from waste reduction and more effective resource utilization ^{*4}	2.6	6.0	8.6
Upstream/downstream benefits	Sales value of recycled and reused products ^{*4}	0.0	0.9	0.9
Administration benefits	Value of efficiency enhancement through ISO14001 system implementation, effects of employee training, corporate image enhancement from environment-related publicity	0.4	0.3	0.7
R&D/Solutions business benefits	Contribution to sales made by Green Products, other eco-friendly products and environmental solutions business	0.7	0.5	1.2
Social activities benefits	Value of corporate image improvement from participation in and support for organizations concerned with environmental preservation and others	0.0	0.0	0.0
Environmental remediation benefits	Savings of compensation payments to residents through policies preventing groundwater and soil contamination ^{*5}	0.2	0.0	0.2
Total		<u>9.7</u>	<u>12.9</u>	<u>22.6</u>

*1 Classification system is in accordance with "Environmental Accounting Guidelines 2005" issued by Japan's Ministry of the Environment.

*2 Contribution of environmental protection activities in relation to value added: (value added) x (maintenance and management costs for environmental facilities/total generated costs)

*3 Avoidance of operating losses: value added/(days of operation x days lost)

*4 Actual benefit

*5 Estimate of risk avoidance assuming such events arise

3. Comment

In fiscal 2004, we continued efforts from the previous year in the areas of environmentally friendly "green processes," and our promotion of "green facilities" yielded a greater resource circulation benefit than last year, resulting in a total benefit of 22.6 billion yen for the Group as a whole. In fiscal 2005, thanks to such factors as anticipated contributions to sales from "super green products," we project environmental costs of 19.2 billion yen and a benefit of 24.2 billion yen.

4. Third Party Audit

This information is being released following completion of an audit of Fujitsu's fiscal 2004 environmental accounting by Shin Nihon Environmental Management and Quality Research Institute. Information on the improvement indicator, which shows the relationship between environmental impact and the cost of environmental protection measures, will be released separately.