

15. Full-Year Unconsolidated Appropriation of Retained Earnings and Other Capital Surplus

a. Disposal of Unappropriated Retained Earnings

		Yen (millions)		
		FY 2005 (4/1/05-3/31/06)	FY 2004 (4/1/04-3/31/05)	Change (Million Yen)
Unappropriated retained earnings	Y	16,474	8,719	+7,755
Reversal of reserve for:				
Software development		-	4,300	-4,300
Special depreciation		<u>1,300</u>	<u>600</u>	<u>+700</u>
Total		<u>17,774</u>	<u>13,619</u>	<u>+4,155</u>
To be appropriated as follows:				
Dividends		6,202	6,203	-
(3.0 yen per share in FY 2005 and 3.0 yen per share in FY 2004)				
Bonuses to directors and statutory auditors		150	-	+150
[To statutory auditors]		<u>[22]</u>	<u>[-]</u>	<u>[+22]</u>
Reserve for:				
Special depreciation		-	2,200	-2,200
Earnings to be carried forward	Y	<u>11,421</u>	<u>5,216</u>	<u>+6,205</u>

b. Appropriation of Other Capital Surplus

		Yen (millions)		
		FY 2005 (4/1/05-3/31/06)	FY 2004 (4/1/04-3/31/05)	Change (Million Yen)
Other capital surplus	Y	299,868	300,028	-159
To be appropriated as follows:				
Other capital surplus to be carried forward	Y	<u>299,868</u>	<u>300,028</u>	<u>-159</u>

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 our financial position for future growth and improved profitability in the mid- to long term.

Having recovered from the deterioration in financial performance due to factors including the bursting of the IT bubble some years ago, we have now reached a stage where we are poised to set a course for growth. We have been actively making investments—principally at the parent company level—needed to stay at the vanguard of accelerating global market changes. Accordingly, we plan to issue a year-end dividend of 3 yen per share, for a total fiscal 2005 annual dividend of 6 yen per share (including the interim dividend of 3 yen per share), the same as last fiscal year.

In addition, in line with dividend policies under Japanese corporate law, we are striving to change the way that we conduct business, which has been characterized by the concentration of earnings in the fourth quarter. However, for the time being, we intend to continue to issue dividends two times per year, on the last day of the interim period and the last day of the full-year period.