

Part III: Supplementary Information

a. Consolidated Business Segment Information

(1) Net Sales* and Operating Income

	Yen (billions)		Yen (billions)				
	FY 2004		FY 2005				
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY04 (%)	Full Year (Forecast)	Change vs. FY04 (%)	Change vs. previous forecast** (Bil. Yen)
Technology Solutions							
Japan	Y 956.6	2,157.6	950.0	-0.7	2,160.0	+0.1	-40.0
Overseas	357.2	776.7	394.0	+10.3	860.0	+10.7	+40.0
Total	Y 1,313.8	2,934.4	1,344.0	+2.3	3,020.0	+2.9	-
Operating Income	Y 18.8	142.0	42.9	+127.1	180.0	+26.7	-
[Operating Margin]	[1.4%]	[4.8%]	[3.2%]		[6.0%]		
<i>System Platforms</i>							
Operating Income	5.1	45.1	3.5	-30.6	40.0	-11.5	-
[Operating Margin]	[1.6%]	[6.2%]	[1.1%]		[5.6%]		
<i>Services</i>							
Operating Income	13.7	96.8	39.3	+185.8	140.0	+44.5	-
[Operating Margin]	[1.4%]	[4.4%]	[3.9%]		[6.1%]		
Ubiquitous Product Solutions							
Japan	346.3	733.0	328.9	-5.0	700.0	-4.5	-30.0
Overseas	135.3	298.3	169.5	+25.3	350.0	+17.3	+30.0
Total	481.6	1,031.4	498.4	+3.5	1,050.0	+1.8	-
Operating Income	3.4	31.3	16.6	+385.5	25.0	-20.2	-
[Operating Margin]	[0.7%]	[3.0%]	[3.3%]		[2.4%]		
Device Solutions							
Japan	251.8	474.8	190.7	-24.3	390.0	-17.9	-40.0
Overseas	174.3	319.9	145.2	-16.7	290.0	-9.4	-10.0
Total	426.1	794.7	336.0	-21.2	680.0	-14.4	-50.0
Operating Income	34.5	32.5	14.4	-58.1	20.0	-38.6	+5.0
[Operating Margin]	[8.1%]	[4.1%]	[4.3%]		[2.9%]		[+0.8%]
Other Operations							
Japan	147.0	297.4	161.3	+9.7	310.0	+4.2	-
Overseas	38.4	79.7	49.4	+28.5	100.0	+25.4	-
Total	185.5	377.2	210.8	+13.6	410.0	+8.7	-
Operating Income	3.6	9.0	2.0	-43.0	10.0	+10.5	-5.0
[Operating Margin]	[2.0%]	[2.4%]	[1.0%]		[2.4%]		[-1.3%]
Elimination							
Sales	(187.2)	(375.0)	(197.0)	-	(360.0)	-	-
Operating Income	(27.2)	(54.8)	(28.5)	-	(60.0)	-	-
Total							
Japan	1,538.0	3,340.6	1,469.8	-4.4	3,250.0	-2.7	-110.0
Overseas	681.9	1,422.0	722.4	+5.9	1,550.0	+9.0	+60.0
Total	2,220.0	4,762.7	2,192.3	-1.2	4,800.0	+0.8	-50.0
Operating Income	Y 33.2	160.1	47.5	+42.9	175.0	+9.2	-
[Operating Margin]	[1.5%]	[3.4%]	[2.2%]		[3.6%]		

* Includes intersegment sales

**Previous forecast as of July 28, 2005

(2) Net Sales* by Principal Products and Services

	Yen (billions)		Yen (billions)				
	FY 2004		FY 2005				
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY04 (%)	Full Year (Forecast)	Change vs. FY05 (%)	Change vs. previous forecast** (Bil. Yen)
Technology Solutions							
System Products	Y 157.4	380.1	156.1	-0.8	370.0	-2.7	-10.0
Network Products	168.1	353.8	176.5	+5.0	340.0	-3.9	+10.0
<i>System Platforms</i>	325.5	734.0	332.6	-2.2	710.0	-3.3	-
Solutions / SI	438.0	1,002.6	457.5	+4.4	1,025.0	+2.2	-
Infrastructure Services	455.9	976.1	472.5	+3.6	1,070.0	+9.6	+10.0
Others	94.2	221.5	81.2	-13.8	215.0	-3.0	-10.0
<i>Services</i>	988.3	2,200.4	1,011.4	+2.3	2,310.0	+5.0	-
Total	1,313.8	2,934.4	1,344.0	+2.3	3,020.0	+2.9	-
Ubiquitous Product Solutions							
PCs / Mobile Phones	362.9	776.1	352.1	-3.0	750.0	-3.4	-20.0
Hard Disk Drives	108.3	235.5	136.8	+26.3	280.0	+18.9	+20.0
Others	10.3	19.7	9.4	-8.7	20.0	+1.3	-
Total	481.6	1,031.4	498.4	+3.5	1,050.0	+1.8	-
Device Solutions							
LSI Devices	246.0	468.2	219.3	-10.9	450.0	-3.9	-35.0
Electronic Components, Others	Y 180.1	326.5	116.7	-35.2	230.0	-29.6	-15.0
Total	426.1	794.7	336.0	-21.2	680.0	-14.4	-50.0

* Includes intersegment sales

**Previous forecast as of July 28, 2005

b. R&D Expenses

	Yen (billions)		Yen (billions)				
	FY 2004		FY 2005		FY 2005		
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY04 (%)	Full Year (Forecast)	Change vs. FY04 (%)	Change vs. previous forecast* (Bil. Yen)
As % of sales	125.9	240.2	121.0	-3.8	245.0	+2.0	-
	5.7%	5.0%	5.5%		5.1%		

c. Capital Expenditures, Depreciation

		Yen (billions)		Yen (billions)				
		FY 2004		FY 2005		FY 2005		
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY04 (%)	Full Year (Forecast)	Change vs. FY04 (%)	Change vs. previous forecast* (Bil. Yen)
Capital Expenditures								
Technology Solutions	Y	34.4	65.8	40.6	+17.7	110.0	+66.9	-
Ubiquitous Product Solutions		8.7	17.2	9.4	+8.4	20.0	+16.1	-
Device Solutions		32.3	76.1	70.4	+117.8	110.0	+44.4	-
Corporate and others		9.1	22.0	9.1	+0.6	20.0	-9.5	-
Total	Y	<u>84.6</u>	<u>181.4</u>	<u>129.6</u>	<u>+53.1</u>	<u>260.0</u>	<u>+43.3</u>	<u>-</u>
Japan		63.9	142.3	104.3	+63.1	200.0	+40.5	-
Overseas		20.6	39.0	25.3	+22.3	60.0	+53.6	-
Depreciation		81.0	169.9	77.5	-4.4	190.0	+11.8	-

d. Cash Flows

		FY 2004		FY 2005		Change vs. previous forecast*
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
(A) Cash flows from operating activities	Y	50.1	277.2	143.0	350.0	-
[Net income]		[(8.1)]	[31.9]	[7.6]	[50.0]	-
[Depreciation **]		[113.5]	[232.1]	[112.5]	[260.0]	-
[Others]		[(55.1)]	[13.2]	[22.7]	[40.0]	-
(B) Cash flows from investing activities		(55.6)	(15.1)	(104.1)	(250.0)	-
(C) Free cash flow (A)+(B)		(5.4)	262.1	38.8	100.0	-
(D) Cash flows from financing activities		(184.8)	(212.0)	(15.1)	(120.0)	-
(E) Total (C)+(D)	Y	<u>(190.2)</u>	<u>50.0</u>	<u>23.6</u>	<u>(20.0)</u>	<u>-</u>

*Previous forecast as of July 28, 2005

** Including amortization of goodwill

e. Exchange Rates

Average Rates for

FY 2004		FY 2005	
1st Half (Actual)	2nd half (Actual)	1st Half (Actual)	2nd Half (Forecast)
\$1=110 yen	\$1=105 yen	\$1=109 yen	\$1=105 yen

f. Employees

(Thousands)				
	2004/3/31	2004/9/30	2005/3/31	2005/9/30
Japan [Parent Company]	105 [35]	103 [34]	101 [34]	100 [37]
Overseas	51	50	50	53
Total	156	153	151	153

g. PC Shipments

(Million Units)				
FY 2004		FY 2005		Change vs. previous forecast*
1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
3.24	7.44	3.67	8.00	-

h. Mobile Phone Shipments

(Million Units)				
FY 2004		FY 2005		Change vs. previous forecast*
1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
1.53	3.49	1.68	3.10	-

i. HDD Production

(Million Units)				
FY 2004		FY 2005		Change vs. previous forecast*
1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
8.50	19.34	12.18	26.00	+1.00

*Previous forecast as of July 28, 2005