

Part III: Supplementary Information

1. Forecasts for FY 2005

a. Consolidated Business Segment Information*

(1) Net Sales and Operating Income (including intersegment)

			Yen (billions)			Yen (billions)	Change (%)
			FY 2005 (Forecast)		Change	FY 2004	FY 04 to
			Previous**	Revised***	(Billion Yen)	(Actual)	Revised FY 05
Technology Solutions	Japan	Y	2,180.0	2,200.0	+20.0	2,157.6	+2.0
	Overseas		820.0	820.0	-	776.7	+5.6
	Total		3,000.0	3,020.0	+20.0	2,934.4	+2.9
	Operating Income		180.0	180.0	-	142.0	+26.7
	[Operating Margin]		[6.0%]	[6.0%]	-	[4.8%]	
	System Platforms						
	Operating Income		40.0	40.0	-	45.1	-11.5
	[Operating Margin]		[5.6%]	[5.6%]	-	[6.2%]	
	Services						
	Operating Income		140.0	140.0	-	96.8	+44.5
	[Operating Margin]		[6.1%]	[6.1%]	-	[4.4%]	
Ubiquitous Product Solutions	Japan		730.0	730.0	-	733.0	-0.4
	Overseas		320.0	320.0	-	298.3	+7.2
	Total		1,050.0	1,050.0	-	1,031.4	+1.8
	Operating Income		25.0	25.0	-	31.3	-20.2
	[Operating Margin]		[2.4%]	[2.4%]	-	[3.0%]	
Device Solutions	Japan		440.0	430.0	-10.0	474.8	-9.4
	Overseas		310.0	300.0	-10.0	319.9	-6.2
	Total		750.0	730.0	-20.0	794.7	-8.2
	Operating Income		20.0	15.0	-5.0	32.5	-54.0
	[Operating Margin]		[2.7%]	[2.1%]	-0.6%	[4.1%]	
Other Operations	Japan		310.0	310.0	-	297.4	+4.2
	Overseas		100.0	100.0	-	79.7	+25.4
	Total		410.0	410.0	-	377.2	+8.7
	Operating Income		15.0	15.0	-	9.0	+65.8
	[Operating Margin]		[3.7%]	[3.7%]	-	[2.4%]	
Elimination	Sales		(360.0)	(360.0)	-	(375.0)	-
	Operating Income		(65.0)	(60.0)	+5.0	(54.8)	-
Total	Japan		3,350.0	3,360.0	+10.0	3,340.6	+0.6
	Overseas		1,500.0	1,490.0	-10.0	1,422.0	+4.8
	Total		4,850.0	4,850.0	-	4,762.7	+1.8
	Operating Income	Y	175.0	175.0	-	160.1	+9.2
	[Operating Margin]		[3.6%]	[3.6%]	-	[3.4%]	

Note: *FY 2004 actual and previous FY 2005 forecast figures have been restated to reflect business sub-segment reclassification for certain products. See note on P.13 of Explanation of Financial Results for explanation of reclassification.

Previous forecast: as of April 27, 2005 *Revised forecast: as of July 28, 2005

(2) Sales by Products and Services (including intersegment)*

	Yen (billions)			Yen (billions)	Change (%)
	FY 2005 (Forecast)		Change	FY 2004	FY 04 to
	Previous*	Revised**	(Billion Yen)	(Actual)	Revised FY 05
Technology Solutions					
System Products	380.0	380.0	-	380.1	-0.0
Network Products	330.0	330.0	-	353.8	-6.8
<i>System Platforms</i>	710.0	710.0	-	734.0	-3.3
Solutions / SI	1,005.0	1,025.0	+20.0	1,002.6	+2.2
Infrastructure Services	1,060.0	1,060.0	-	976.1	+8.6
Others	225.0	225.0	-	221.5	+1.5
<i>Services</i>	2,290.0	2,310.0	+20.0	2,200.4	+5.0
Total	3,000.0	3,020.0	+20.0	2,934.4	+2.9
Ubiquitous Product Solutions					
PCs / Mobile Phones	770.0	770.0	-	776.1	-0.8
Hard Disk Drives	260.0	260.0	-	235.5	+10.4
Others	20.0	20.0	-	19.7	+1.3
Total	1,050.0	1,050.0	-	1,031.4	+1.8
Device Solutions					
LSI Devices	500.0	485.0	-15.0	468.2	+3.6
Electronic Components, Others	250.0	245.0	-5.0	326.5	-25.0
Total	750.0	730.0	-20.0	794.7	-8.2

Note: *Previous forecast: as of April 27, 2005 **Revised forecast: as of July 28, 2005

b. PC Shipments

(1) By Customer's Geographic Location

	FY 2005 (Forecast)		Change	(Million Units)
	Previous*	Revised**		FY 2004 (Actual)
Japan	2.70	2.70	-	2.58
Overseas	5.30	5.30	-	4.86
Total	8.00	8.00	-	7.44

(2) Composition by Product Category

	FY 2005 (Forecast)		(%)	FY 2004
	Previous*	Revised**	Change	(Actual)
Desktop	47%	47%	-	46%
Notebook	53%	53%	-	54%

c. Mobile Phone Shipments

	FY 2005 (Forecast)		Change	(Million Units)
	Previous*	Revised**		FY 2004 (Actual)
	3.10	3.10	-	3.49

d. HDD Production

	FY 2005 (Forecast)		Change	(Million Units)
	Previous*	Revised**		FY 2004 (Actual)
	25.00	25.00	-	19.34

e. R&D Expenses

	FY 2005 (Forecast)		Change	(Billion Yen)
	Previous*	Revised**		FY 2004 (Actual)
	245.0	245.0	-	240.2
As % of sales	5.1%	5.1%	-	5.0%

f. Capital Expenditures, Depreciation

	Yen (billions)		Change	(Billion Yen)
	FY 2005 (Forecast) Previous*	Revised**		FY 2004 (Actual)
Capital Expenditures				
Technology Solutions	110.0	110.0	-	65.8
Ubiquitous Product Solutions	20.0	20.0	-	17.2
Device Solutions	110.0	110.0	-	76.1
Corporate and others***	20.0	20.0	-	22.0
Total	260.0	260.0	-	181.4
Japan	200.0	200.0	-	142.3
Overseas	60.0	60.0	-	39.0
Depreciation	190.0	190.0	-	169.9

Note: *Previous forecast: as of April 27, 2005 **Revised forecast: as of July 28, 2005

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

g. Consolidated Statements of Cash Flows

(Billion Yen)

	FY 2005 (Forecast)		Change	FY 2004
	Previous*	Revised**		
(A) Cash flows from operating activities	350.0	350.0	-	277.2
[Net income]	[50.0]	[50.0]	[-]	[31.9]
[Depreciation***]	[260.0]	[260.0]	[-]	[232.1]
[Others]	[40.0]	[40.0]	[-]	[13.2]
(B) Cash flows from investing activities	(250.0)	(250.0)	-	(15.1)
(C) Free cash flow (A)+(B)	100.0	100.0	-	262.1
(D) Cash flows from financing activities	(120.0)	(120.0)	-	(212.0)
(E) Total (C)+(D)	(20.0)	(20.0)	-	50.0

2. Exchange Rates

Average Rates

FY 2005 (Forecast)		
Previous*	Revised**	Change
\$1=105 yen	\$1=105 yen	-

Note: *Previous forecast: as of April 27, 2005 **Revised forecast: as of July 28, 2005

***Including amortization of goodwill