

Part III: Supplementary Information

1. Employees

	(Thousands)		
	March 31 2005	March 31 2006	change
Japan	101	99	-2
[Parent Company]	[34]	[37]	+3
Overseas	50	59	+9
Total	151	158	+7

2. Retirement Benefit Obligation Details

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

	Yen (billions)		
	March 31 2005 (Actual)	March 31 2006 (Estimate)	Change (Estimate)
a. Projected benefit obligation	(1,247.1)	(1,055.0)	+192.1
b. Plan assets	876.7	1,120.0	+243.3
[plan assets for retirement benefit plan stock holding trust]	[202.4]	[230.0]	[+27.6]
c. Accrued severance benefit	85.7	85.0	-0.7
d. Prepaid pension cost	(110.7)	(90.0)	+20.7
Total (a+b+c+d)	(395.4)	60.0	+455.4
Breakdown of total			
i. Unrecognized net obligation at transition	(81.6)	(65.0)	+16.6
ii. Unrecognized actuarial loss	(314.3)	(50.0)	+264.3
iii. Unrecognized prior service cost (reduced obligation)	0.5	175.0	+174.5
Total (i+ii+iii)	(395.4)	60.0	+455.4

On September 1, 2005, the Fujitsu Welfare Pension Fund (the "Plan"), in which Fujitsu and its consolidated domestic subsidiaries participate, received approval from the Minister of Health, Labour and Welfare for the past substitutional portion of the Plan returned to the government and for revisions to the pension system designed to improve the financial soundness and promote the long-term stability of the Plan. Accordingly, the Fujitsu Welfare Pension Fund was changed to the Fujitsu Corporate Pension Fund.

As a result of these revisions, consolidated projected benefit obligation decreased by approximately 180 billion yen, and unrecognized obligation decreased by the same amount.

For Reference

Change in unrecognized obligation from March 31, 2005

	(Billion Yen)
Revisions to pension system	180.0
Amortization of unrecognized obligation for FY 2005	28.2
Decrease in actuarial loss due to recovery in stock price, etc.	247.2
	455.4

(2) Basis for Tabulating Projected Benefit Obligation

a. Discount rate	2.5% (at March 31, 2005) 2.5% (at March 31, 2006)
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 cost	Straight-line method over 10 years

3. Miscellaneous Forecasts for FY 2006

a. R&D Expenses

	Yen (billions)		
	FY 2004 (Actual)	FY 2005 (Actual)	FY 2006 (Forecast)
	240.2	241.5	255.0
As % of sales	5.0%	5.0%	4.9%

b. Capital Expenditures, Depreciation

		Yen (billions)		
		FY 2004 (Actual)	FY 2005 (Actual)	FY 2006 (Forecast)
Capital Expenditures				
Technology Solutions	Y	65.8	93.1	120.0
Ubiquitous Product Solutions		17.2	19.4	30.0
Device Solutions		76.1	115.5	180.0
Corporate and others		22.0	21.8	20.0
Total	Y	<u>181.4</u>	<u>249.9</u>	<u>350.0</u>
Japan		142.3	190.6	290.0
Overseas		39.0	59.3	60.0
Depreciation		169.9	169.8	220.0

c. Cash Flows

		Yen (billions)		
		FY 2004 (Actual)	FY 2005 (Actual)	FY 2006 (Forecast)
(A) Cash flows from operating activities		277.2	405.5	530.0
[Net income]		[31.9]	[68.5]	[80.0]
[Depreciation *]		[232.1]	[242.3]	[300.0]
[Others]		[13.2]	[94.6]	[150.0]
(B) Cash flows from investing activities		(15.1)	(234.6)	(360.0)
(C) Free cash flow (A)+(B)		262.1	170.8	170.0
(D) Cash flows from financing activities		(212.0)	(207.8)	(170.0)
(E) Total (C)+(D)		<u>50.0</u>	<u>(36.9)</u>	<u>-</u>

* Including amortization of goodwill

d. Exchange Rates

	FY 2004 (Actual)	FY 2005 (Actual)	FY 2006 (Forecast)
Average and forecast rates for	\$1=107 yen	\$1=113 yen	\$1=115 yen

e. PC Shipments

(Million Units)		
FY 2004 (Actual)	FY 2005 (Actual)	FY 2006 (Forecast)
7.44	8.25	9.00

f. Mobile Phone Shipments

(Million Units)		
FY 2004 (Actual)	FY 2005 (Actual)	FY 2006 (Forecast)
3.49	3.62	3.50

g. HDD Production

(Million Units)		
FY 2004 (Actual)	FY 2005 (Actual)	FY 2006 (Forecast)
19.34	25.21	33.50

4. Environmental Accounting

a. Cost/Benefit Trends

	FY 2003		FY 2004		FY 2005		(Billion Yen) FY 2006 (Forecast)	
	Costs	Benefits	Costs	Benefits	Costs	Benefits	Costs	Benefits
Fujitsu Limited	7.9	10.3	7.9	9.7	9.0	10.9	8.5	11.9
Affiliated companies	11.1	13.6	10.0	12.9	8.9	13.6	9.4	14.2
Total	19.0	23.9	17.9	22.6	17.9	24.5	17.9	26.1

b. Itemization of Fiscal 2005 Results ^{*1}

		(Billion Yen)		
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	3.1	2.0	5.1
Global environmental conservation costs	Costs of energy-saving measures, as well as costs of global warming countermeasures	1.2	0.9	2.1
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	1.8	3.0
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.)	0.1	1.0	1.1
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	2.0	1.2	3.2
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	1.9	2.2
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.)	1.1	0.1	1.3
Total		9.0	8.9	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.	3.8	2.9	6.7
	Savings from avoidance of operating losses ^{*3} stemming from failure to observe environmental laws and regulations.	1.0	1.3	2.2
Global environmental conservation benefits	Cost savings from reductions in electricity, oil and gas consumption ^{*4}	1.7	0.6	2.3
Resource circulation benefits	Cost savings from waste reduction and more effective resource utilization ^{*4}	2.9	6.8	9.7
Upstream/downstream benefits	Sales value of recycled and reused products ^{*4}	0.0	0.8	0.9
Administration benefits	Value of efficiency enhancement through ISO14001 system implementation, effects of employee training, corporate image enhancement from environment-related publicity	0.3	0.4	0.7
R&D/Solutions business benefits	Contribution to sales made by Green Products, other eco-friendly products and environmental solutions business	1.0	0.6	1.6
Social activities benefits	Value of corporate image improvement from participation in 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	0.2	0.4
Total		10.9	13.6	24.5

*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

c. Comment

In fiscal 2005 we recorded increased environmental remediation costs related to measures to deal with soil contamination. Total environmental benefits for the Group were 24.5 billion yen. Of particular note, pollution prevention benefits (risk avoidance effect) related to the impact of capital investment to prevent water contamination increased in comparison with the previous year. Taking into account such factors as plans to strengthen global warming countermeasures and an anticipated increase in the contribution to sales from "Super Green Products," we project total consolidated environmental costs and benefits of 17.9 billion yen and 26.1 billion yen, respectively, in fiscal 2006.

d. Third Party Audit

This information is being released following completion of an audit of Fujitsu's fiscal 2005 environmental accounting by Shin Nihon Environmental Management and Quality Research Institute. Information on the environmental conservation benefit will be released separately.