

## Part III: Supplementary Information (Including Forecasts for FY2006)

### a. Consolidated Business Segment Information

#### (1) Net Sales\* and Operating Income

	Yen (billions)		Yen (billions)					Change vs. previous forecast** (Bil. Yen)
	FY 2005		FY 2006					
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY05 (%)	Full Year (Forecast)	Change vs. FY05 (%)		
<b>Technology Solutions</b>								
Japan	Y 950.0	2,092.2	942.9	-0.8	<b>2,150.0</b>	+2.8	-	
Overseas	394.0	891.6	485.7	+23.3	<b>1,030.0</b>	+15.5	-	
Total	1,344.0	2,983.9	1,428.6	+6.3	<b>3,180.0</b>	+6.6	-	
Operating Income	37.1	153.0	36.4	-1.8	<b>175.0</b>	+14.4	-10.0	
[Operating Income Margin]	[2.8%]	[5.1%]	[2.6%]		<b>[5.5%]</b>		[-0.3%]	
<i>System Platforms</i>								
Operating Income	2.6	24.5	-5.1	-	<b>20.0</b>	-18.6	-5.0	
[Operating Income Margin]	[0.8%]	[3.4%]	[-1.5%]		<b>[2.7%]</b>		[-0.6%]	
<i>Services</i>								
Operating Income	34.4	128.4	41.6	+20.9	<b>155.0</b>	+20.7	-5.0	
[Operating Income Margin]	[3.4%]	[5.7%]	[3.8%]		<b>[6.4%]</b>		[-0.2%]	
<b>Ubiquitous Product Solutions</b>								
Japan	328.9	700.8	335.0	+1.9	<b>730.0</b>	+4.2	-	
Overseas	169.5	359.0	193.5	+14.2	<b>430.0</b>	+19.8	-	
Total	498.4	1,059.9	528.6	+6.1	<b>1,160.0</b>	+9.4	-	
Operating Income	16.6	34.8	19.9	+19.8	<b>30.0</b>	-13.8	-	
[Operating Income Margin]	[3.3%]	[3.3%]	[3.8%]		<b>[2.6%]</b>		-	
<b>Device Solutions</b>								
Japan	190.7	399.0	215.6	+13.0	<b>460.0</b>	+15.3	-	
Overseas	145.2	308.4	161.3	+11.0	<b>350.0</b>	+13.5	-	
Total	336.0	707.5	376.9	+12.2	<b>810.0</b>	+14.5	-	
Operating Income	12.5	29.5	16.0	+28.0	<b>30.0</b>	+1.7	-5.0	
[Operating Income Margin]	[3.7%]	[4.2%]	[4.3%]		<b>[3.7%]</b>		[-0.6%]	
<b>Other Operations</b>								
Japan	161.3	336.5	170.3	+5.6	<b>350.0</b>	+4.0	-	
Overseas	49.4	110.8	64.7	+31.0	<b>120.0</b>	+8.3	-	
Total	210.8	447.3	235.0	+11.5	<b>470.0</b>	+5.1	-	
Operating Income	2.0	7.6	4.9	+135.6	<b>10.0</b>	+30.2	-	
[Operating Income Margin]	[1.0%]	[1.7%]	[2.1%]		<b>[2.1%]</b>		-	
<b>Elimination</b>								
Sales	(197.0)	(407.3)	(206.9)	-	<b>(420.0)</b>	-	-	
Operating Income	(20.8)	(43.5)	(26.7)	-	<b>(55.0)</b>	-	+15.0	
<b>Total</b>								
Japan	1,469.8	3,199.8	1,503.3	+2.3	<b>3,360.0</b>	+5.0	-	
Overseas	722.4	1,591.5	859.0	+18.9	<b>1,840.0</b>	+15.6	-	
Total	2,192.3	4,791.4	2,362.3	+7.8	<b>5,200.0</b>	+8.5	-	
Operating Income	Y 47.5	181.4	50.6	+6.4	<b>190.0</b>	+4.7	-	
[Operating Income Margin]	[2.2%]	[3.8%]	[2.1%]		<b>[3.7%]</b>		-	

Note: \* Includes intersegment sales.

\*\* Previous forecast as of July 27, 2006.

Figures for previous fiscal years have been restated for comparison purposes with new method of allocating operating expenses, which has been introduced this fiscal year. See page 22 for further details.

## (2) Net Sales\* by Principal Products and Services

	Yen (billions)		Yen (billions)				
	FY 2005		FY 2006				
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY05 (%)	Full Year (Forecast)	Change vs. FY05 (%)	Change vs. previous forecast** (Bil. Yen)
<b>Technology Solutions</b>							
System Products	Y 156.1	354.2	161.7	+3.6	<b>380.0</b>	+7.3	-
Network Products	176.5	363.4	176.9	+0.3	<b>370.0</b>	+1.8	-
<i>System Platforms</i>	332.6	717.6	338.7	+1.8	<b>750.0</b>	+4.5	-
Solutions / SI	457.5	1,020.4	494.1	+8.0	<b>1,090.0</b>	+6.8	-
Infrastructure Services	472.5	1,037.2	525.6	+11.2	<b>1,120.0</b>	+8.0	-
Others	81.2	208.5	70.0	-13.8	<b>220.0</b>	+5.5	-
<i>Services</i>	1,011.4	2,266.2	1,089.8	+7.8	<b>2,430.0</b>	+7.2	-
Total	1,344.0	2,983.9	1,428.6	+6.3	<b>3,180.0</b>	+6.6	-
<b>Ubiquitous Product Solutions</b>							
PCs / Mobile Phones	352.1	756.6	363.7	+3.3	<b>800.0</b>	+5.7	-
Hard Disk Drives	136.8	285.4	155.4	+13.6	<b>340.0</b>	+19.1	-
Others	9.4	17.8	9.3	-0.3	<b>20.0</b>	+11.8	-
Total	498.4	1,059.9	528.6	+6.1	<b>1,160.0</b>	+9.4	-
<b>Device Solutions</b>							
LSI Devices	219.3	460.1	236.2	+7.7	<b>510.0</b>	+10.8	-
Electronic Components, Others	Y 116.7	247.4	140.7	+20.6	<b>300.0</b>	+21.2	-
Total	336.0	707.5	376.9	+12.2	<b>810.0</b>	+14.5	-

Note: \* Includes intersegment sales.

\*\* Previous forecast as of July 27, 2006.

## b. R&D Expenses

	Yen (billions)		Yen (billions)				
	FY 2005		FY 2006				
	1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY05 (%)	Full Year (Forecast)	Change vs. FY05 (%)	Change vs. previous forecast* (Bil. Yen)
As % of sales	121.0	241.5	127.3	+5.2	<b>255.0</b>	+5.6	-
	5.5%	5.0%	5.4%		<b>4.9%</b>		

## c. Capital Expenditures, Depreciation

		Yen (billions)		Yen (billions)				
		FY 2005		FY 2006				
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Change vs. 1H FY05 (%)	Full Year (Forecast)	Change vs. FY05 (%)	Change vs. previous forecast* (Bil. Yen)
<b>Capital Expenditures</b>								
Technology Solutions	Y	40.6	93.1	48.9	+20.5	<b>120.0</b>	+28.8	-
Ubiquitous Product Solutions		9.4	19.4	13.4	+42.0	<b>30.0</b>	+54.4	-
Device Solutions		70.4	115.5	89.0	+26.4	<b>180.0</b>	+55.7	-
Corporate and others		9.1	21.8	9.8	+7.3	<b>20.0</b>	-8.3	-
<b>Total</b>	Y	<b>129.6</b>	<b>249.9</b>	<b>161.2</b>	<b>+24.3</b>	<b>350.0</b>	<b>+40.0</b>	-
Japan		104.3	190.6	133.4	+27.8	<b>290.0</b>	+52.1	-
Overseas		25.3	59.3	27.7	+9.8	<b>60.0</b>	+1.2	-
<b>Depreciation</b>		77.5	169.8	89.4	+15.4	<b>220.0</b>	+29.5	-

## d. Cash Flows

		FY 2005		FY 2006		Change vs. previous forecast*
		1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	Full Year (Forecast)	
(A) Cash flows from operating activities	Y	143.0	405.5	184.0	<b>530.0</b>	-
[Net income]		[7.6]	[68.5]	[14.8]	<b>[80.0]</b>	-
[Depreciation **]		[112.5]	[242.3]	[125.2]	<b>[300.0]</b>	-
[Others]		[22.7]	[94.6]	[43.9]	<b>[150.0]</b>	-
(B) Cash flows from investing activities		(104.1)	(234.6)	(119.0)	<b>(360.0)</b>	-
(C) Free cash flow (A)+(B)		38.8	170.8	65.0	<b>170.0</b>	-
(D) Cash flows from financing activities		(15.1)	(207.8)	(73.5)	<b>(170.0)</b>	-
(E) Total (C)+(D)	Y	<b>23.6</b>	<b>(36.9)</b>	<b>(8.4)</b>	<b>0.0</b>	-

Note: \* Previous forecast as of July 27, 2006.

\*\* Including amortization of goodwill.

### e. Exchange Rates

Average Rates for

FY 2005		FY 2006	
1st Half (Actual)	2nd half (Actual)	1st Half (Actual)	<b>2nd Half (Forecast)</b>
\$1=109 yen	\$1=117 yen	\$1=115 yen	\$1=115 yen
€1=136 yen	€1=140 yen	€1=146 yen	€1=135 yen
£1=199 yen	£1=205 yen	£1=214 yen	£1=200 yen

### f. PC Shipments

(Million Units)

FY 2005		FY 2006		Change vs. previous forecast*
1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	<b>Full Year (Forecast)</b>	
3.67	8.25	3.70	<b>9.00</b>	-

### g. Mobile Phone Shipments

(Million Units)

FY 2005		FY 2006		Change vs. previous forecast*
1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	<b>Full Year (Forecast)</b>	
1.68	3.62	1.85	<b>3.50</b>	-

### h. HDD Production

(Million Units)

FY 2005		FY 2006		Change vs. previous forecast*
1st Half (Actual)	Full Year (Actual)	1st Half (Actual)	<b>Full Year (Forecast)</b>	
12.18	25.21	14.49	<b>33.00</b>	-0.500

### i. Employees

(Thousands)

	2005/3/31	2005/9/30	2006/3/31	<b>2006/9/30</b>
Japan	101	100	99	<b>100</b>
[Parent Company]	[34]	[37]	[37]	<b>[37]</b>
Overseas	50	53	59	<b>61</b>
Total	151	153	158	<b>161</b>

Note: \* Previous forecast as of July 27, 2006.