

Consolidated Statements of Shareholders' Equity

Fujitsu Limited and Consolidated Subsidiaries

| Years ended March 31 | Yen (millions) | | | U.S. Dollars (thousands) (Note 3) |
|--|-------------------|------------|------------|---|
| | 2004 | 2005 | 2006 | 2006 |
| Common stock: | | | | |
| Balance at beginning of year | ¥324,624 | ¥324,624 | ¥324,625 | \$2,751,059 |
| Conversion of bonds | — | 1 | — | — |
| Balance at end of year | ¥324,624 | ¥324,625 | ¥324,625 | \$2,751,059 |
| Capital surplus: | | | | |
| Balance at beginning of year | ¥519,720 | ¥455,963 | ¥497,882 | \$4,219,339 |
| Increase as a result of business acquisition | — | — | 183 | 1,551 |
| Gain on sales of treasury stocks | 16 | 12 | 7 | 59 |
| Increase as a result of stock exchange | — | 50,156 | 6 | 51 |
| Decrease as a result of deconsolidation of consolidated subsidiaries | — | — | (59) | (500) |
| Decrease as a result of deconsolidation of equity method affiliates | (63,773) | (8,249) | — | — |
| Balance at end of year | ¥455,963 | ¥497,882 | ¥498,019 | \$4,220,500 |
| Retained earnings (Deficit): | | | | |
| Balance at beginning of year | ¥ (60,718) | ¥ (35,734) | ¥ (7,823) | \$ (66,297) |
| Net income | 49,704 | 31,907 | 68,545 | 580,890 |
| Decrease as a result of changes in accounting principles and practices in UK subsidiaries (Note 1) | — | — | (85,980) | (728,644) |
| Cash dividends paid | — | (12,001) | (12,408) | (105,153) |
| Bonuses to directors and statutory auditors | (620) | (620) | (596) | (5,051) |
| Increase as a result of deconsolidation of equity method affiliates | — | 7,961 | — | — |
| Decrease as a result of deconsolidation of equity method affiliates | (27,706) | — | — | — |
| Other, net | 3,606 | 664 | (2,223) | 18,838 |
| Balance at end of year | ¥ (35,734) | ¥ (7,823) | ¥ (40,485) | \$ (343,093) |
| Unrealized gains on securities, net of taxes: | | | | |
| Balance at beginning of year | ¥ 2,152 | ¥149,629 | ¥ 98,076 | \$ 831,153 |
| Increase (decrease) | 147,477 | (51,553) | 81,638 | 691,847 |
| Balance at end of year | ¥149,629 | ¥ 98,076 | ¥179,714 | \$1,523,000 |
| Revaluation surplus on land, net of taxes: | | | | |
| Balance at beginning of year | ¥ 3,938 | ¥ 3,453 | ¥ 3,453 | \$ 29,263 |
| Increase (decrease) | (485) | — | (949) | (8,043) |
| Balance at end of year | ¥ 3,453 | ¥ 3,453 | ¥ 2,504 | \$ 21,220 |
| Foreign currency translation adjustments: | | | | |
| Balance at beginning of year | ¥ (86,517) | ¥ (69,901) | ¥ (57,980) | \$ (491,356) |
| Change during the period | 16,616 | 11,921 | 12,113 | 102,653 |
| Balance at end of year | ¥ (69,901) | ¥ (57,980) | ¥ (45,867) | \$ (388,703) |
| Treasury stock: | | | | |
| Balance at beginning of year | ¥ (809) | ¥ (857) | ¥ (1,243) | \$ (10,534) |
| (Increase) decrease | (48) | (386) | (222) | (1,881) |
| Balance at end of year | ¥ (857) | ¥ (1,243) | ¥ (1,465) | \$ (12,415) |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.