

Contact:  
 Yuri Momomoto or Robert Pomeroy  
 Fujitsu Limited, Public and Investor Relations  
 Tel (+81-3) 3215-5236

FOR IMMEDIATE RELEASE  
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**Fujitsu Reports FY2001 Financial Results  
 (April 1, 2001 to March 31, 2002)**

**1. Summary of Consolidated Results**

**a. Summary of Consolidated Statements of Operations**

	Yen (millions) (except per share data)		Change (%)	U.S. Dollars (millions) (except per share data)
	<b>FY2001</b>	FY2000		<b>FY2001</b>
<b>Net Sales</b>	<b>Y 5,006,977</b>	Y 5,484,426	-8.7	<b>\$37,646</b>
<b>Operating Income (Loss)</b>	<b>(74,426)</b>	244,026	-	<b>(560)</b>
<b>Income (Loss) Before Income Taxes</b>	<b>(594,733)</b>	157,564	-	<b>(4,472)</b>
<b>Net Income (Loss)</b>	<b>(382,542)</b>	8,521	-	<b>(2,876)</b>
<b>Amounts Per Share of Common Stock:</b>				
Basic Earnings (Loss)	<b>Y (192.98)</b>	Y 4.33	-	<b>\$ (1.451)</b>
Diluted Earnings	-	-	-	-
<b>ROE</b>	<b>-37.0 %</b>	0.7 %		

	<b>March 31, 2002</b>	March 31, 2001	(thousand shares)
<b>Common Stock Issued</b>	<b>2,001,684</b>	1,977,227	

**b. Net Sales by Business Segment**

	Yen (millions)		Change (%)	U.S. Dollars (millions) (except per share data)
	<b>FY2001</b>	FY2000		<b>FY2001</b>
<b>Services &amp; Software</b>	<b>Y 2,085,863</b>	Y 2,014,375	+3.5	<b>\$15,683</b>
<b>Information Processing</b>	<b>1,385,355</b>	1,571,802	-11.9	<b>10,416</b>
<b>Telecommunications</b>	<b>629,871</b>	778,052	-19.0	<b>4,736</b>
<b>Electronic Devices</b>	<b>546,555</b>	759,723	-28.1	<b>4,109</b>
<b>Financing</b>	<b>114,472</b>	107,246	+6.7	<b>861</b>
<b>Other Operations</b>	<b>244,861</b>	253,228	-3.3	<b>1,841</b>
<b>TOTAL</b>	<b>Y 5,006,977</b>	Y 5,484,426	-8.7	<b>\$37,646</b>

**c. Summary of Consolidated Financial Condition**

	Yen (millions) (except per share data)		U.S. Dollars (millions) (except per share data)
	<b>March 31 2002</b>	March 31 2001	<b>March 31 2002</b>
<b>Total Assets</b>	<b>Y 4,595,804</b>	Y 5,200,071	<b>\$34,555</b>
<b>Shareholders' Equity</b>	<b>853,756</b>	1,214,383	<b>6,419</b>
<b>Shareholders' Equity Ratio</b>	<b>18.6 %</b>	23.4 %	
<b>Shareholders' Equity Per Share</b>	<b>Y 426.52</b>	Y 614.18	<b>\$3.207</b>

#### d. Summary of Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (millions)
	<u>FY2001</u>	<u>FY2000</u>	<u>FY2001</u>
Cash Flows from Operating Activities	Y 306,571	Y 596,462	\$2,305
Cash Flows from Investing Activities	(409,463)	(466,809)	(3,079)
Cash Flows from Financing Activities	91,312	(137,648)	687
Cash and Cash Equivalents at Year End	299,418	309,984	2,251

#### e. Group Companies

Consolidated Subsidiaries	494 companies
Unconsolidated Subsidiaries (equity method applied only)	- companies
Affiliates (equity method applied only)	28 companies

Note: All yen figures have been converted to U.S. dollars for convenience only at a uniform rate of \$1=133yen.

## 2. Projections

#### a. Consolidated Earnings Forecast for the 1st Half of FY2002 (April 1, 2002 - September 30, 2002)

	Yen (billions) (except per share data)	Change FY01 to FY02 (%)
Net Sales	Y 2,320.0	-2.8
Operating Loss	(30.0)	-
Net Loss	(40.0)	-

#### b. Consolidated Earnings Forecast for FY2002 (April 1, 2002 - March 31, 2003)

	Yen (billions) (except per share data)	Change FY01 to FY02 (%)
Net Sales	Y 5,200.0	+3.9
Operating Income	100.0	-
Net Income	0.0	-
Net Income per Share	0.00	-

### 3. Summary of Unconsolidated Results

#### a. Summary of Unconsolidated Statements of Operations

	Yen (millions) (except per share data)		Change (%)	U.S. Dollars (millions)
	FY2001	FY2000		(except per share data)
				FY2001
<b>Net Sales</b>	<b>Y 3,034,437</b>	Y 3,382,218	-10.3	<b>\$22,815</b>
<b>Operating Income (Loss)</b>	<b>(54,680)</b>	100,279	-	<b>(411)</b>
<b>Income (Loss) Before Income Taxes</b>	<b>(465,109)</b>	65,564	-	<b>(3,497)</b>
<b>Net Income (Loss)</b>	<b>(265,109)</b>	46,664	-	<b>(1,993)</b>
<b>Amounts Per Share of Common Stock:</b>				
Basic Earnings (Loss)	Y (133.74)	Y 23.70	-	\$ (1.005)
Cash Dividends	Y 5.00	Y 10.00	-50.0	\$0.037
<b>Cash Dividends</b>	<b>Y 9,960</b>	Y 19,715		<b>\$74</b>
<b>Payout Ratio</b>	<b>-3.8 %</b>	42.2 %		
<b>Dividends on Equity</b>	<b>1.0 %</b>	1.6 %		

#### b. Summary of Unconsolidated Financial Condition

	Yen (millions) (except per share data)		U.S. Dollars (millions)
	March 31 2002	March 31 2001	(except per share data)
			March 31 2002
<b>Total Assets</b>	<b>Y 3,178,563</b>	Y 3,443,959	<b>\$23,898</b>
<b>Shareholders' Equity</b>	<b>959,662</b>	1,224,291	<b>7,215</b>
<b>Shareholders' Equity Ratio</b>	<b>30.2 %</b>	35.5 %	
<b>Shareholders' Equity Per Share</b>	<b>Y 479.40</b>	Y 619.20	<b>\$3.604</b>

Note: All yen figures have been converted to U.S. dollars for convenience only at a uniform rate of \$1=133yen.

### 4. Projections

#### a. Unconsolidated Earnings Forecast for the 1st Half of FY2002

(April 1, 2002 - September 30, 2002)

	Yen (billions) (except per share data)	Change FY01 to FY02 (%)
Net Sales	Y 1,300.0	-9.0
Operating Loss	(55.0)	-
Net Loss	(10.0)	-

#### b. Unconsolidated Earnings Forecast for FY2002

(April 1, 2002 - March 31, 2003)

	Yen (billions) (except per share data)	Change FY01 to FY02 (%)
Net Sales	Y 3,000.0	-1.1
Operating Income	0.0	-
Net Income	0.0	-
Net Income per Share	0.00	-

## Consolidated Statements of Operations

	Yen (millions)		Change (%)	U.S. Dollars (millions)
	<b>FY2001</b>	FY2000		<b>FY2001</b>
<b>Net sales</b>	<b>Y 5,006,977</b>	Y 5,484,426	-8.7	<b>\$37,646</b>
<b>Operating costs and expenses:</b>				
Cost of goods sold	<b>3,731,257</b>	3,942,614	-5.4	<b>28,055</b>
Selling, general and administrative expenses	<b>1,350,146</b>	1,297,786	+4.0	<b>10,151</b>
	<b>5,081,403</b>	<b>5,240,400</b>		<b>38,206</b>
<b>Operating income (loss)</b>	<b>(74,426)</b>	244,026	-	<b>(560)</b>
<b>Other income (expenses):</b>				
Net interest	<b>(32,646)</b>	(34,664)		<b>(245)</b>
Equity in earnings of affiliated companies, net	<b>2,676</b>	13,429		<b>20</b>
Amortization of unrecognized obligation for retirement benefits	<b>(35,724)</b>	(22,463)		<b>(269)</b>
Restructuring charges	<b>(417,053)</b>	(102,485)		<b>(3,136)</b>
Loss on devaluation of marketable securities	<b>(20,535)</b>	(10,574)		<b>(154)</b>
Amortization of the unrecognized net obligation for retirement benefits at transition	-	(415,615)		-
Gain on establishment of stock holding trust for retirement benefit plan	-	460,280		-
Gain on sales of subsidiaries' stock	-	25,563		-
Gain on sales of marketable securities	-	10,645		-
Other, net	<b>(17,025)</b>	(10,578)		<b>(128)</b>
	<b>(520,307)</b>	<b>(86,462)</b>		<b>(3,912)</b>
<b>Income (Loss) before income taxes and minority interests</b>	<b>(594,733)</b>	157,564	-	<b>(4,472)</b>
<b>Income taxes</b>	<b>(199,420)</b>	140,700	-	<b>(1,500)</b>
<b>Minority interests</b>	<b>12,771</b>	(8,343)	-	<b>96</b>
<b>Net income (loss)</b>	<b>Y (382,542)</b>	<b>Y 8,521</b>	-	<b>\$ (2,876)</b>

Note: All yen figures throughout these statements have been converted to U.S. dollars for convenience only at a uniform rate of \$1=133yen.

## Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (millions)
	March 31 2002	March 31 2001	March 31 2002
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents and short-term investments	Y 303,786	Y 319,728	\$2,284
Receivables, trade	921,107	1,188,597	6,926
Inventories	635,972	896,842	4,782
Other current assets	362,202	332,337	2,723
<b>Total current assets</b>	<b>2,223,067</b>	<b>2,737,504</b>	<b>16,715</b>
<b>Investments and long-term loans</b>	<b>897,434</b>	<b>784,259</b>	<b>6,748</b>
<b>Property, plant and equipment less accumulated depreciation</b>	<b>1,197,466</b>	<b>1,383,795</b>	<b>9,003</b>
<b>Intangible assets</b>	<b>277,837</b>	<b>294,513</b>	<b>2,089</b>
<b>Total assets</b>	<b>Y 4,595,804</b>	<b>Y 5,200,071</b>	<b>\$34,555</b>
<b>Liabilities, minority interests and shareholders' equity</b>			
<b>Current liabilities:</b>			
Short-term borrowings and current portion of long-term debt	Y 625,354	Y 683,935	\$4,702
Payables, trade	793,782	977,018	5,968
Other current liabilities	702,088	782,720	5,279
<b>Total current liabilities</b>	<b>2,121,224</b>	<b>2,443,673</b>	<b>15,949</b>
<b>Long-term liabilities:</b>			
Long-term debt	1,135,272	952,289	8,536
Other long-term liabilities	270,026	372,735	2,030
<b>Total long-term liabilities</b>	<b>1,405,298</b>	<b>1,325,024</b>	<b>10,566</b>
<b>Minority interests</b>	<b>215,526</b>	<b>216,991</b>	<b>1,621</b>
<b>Shareholders' equity:</b>			
Common stock	324,624	314,652	2,441
Capital surplus	519,720	505,449	3,907
Retained earnings	76,176	483,709	573
Unrealized gains on securities and land	14,728	19,035	111
Foreign currency translation adjustments	(81,323)	(108,451)	(612)
Treasury stock	(169)	(11)	(1)
<b>Total shareholders' equity</b>	<b>853,756</b>	<b>1,214,383</b>	<b>6,419</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>Y 4,595,804</b>	<b>Y 5,200,071</b>	<b>\$34,555</b>
<b>Ending balance of interest bearing loans</b>	<b>Y 1,760,626</b>	<b>Y 1,636,224</b>	<b>\$13,238</b>

## Supplementary Information

	Yen (billions)		Change (%)
	FY2001	FY2000	
Capital expenditure [Semiconductors]	Y 306.9 [122.3]	Y 438.0 [196.8]	-29.9 [-37.9]
Depreciation	351.8	323.4	+8.8

## Consolidated Statements of Cash Flows

	Yen (millions)			U.S. Dollars (millions)
	<u>FY2001</u>	<u>FY2000</u>	<u>Change</u>	<u>FY2001</u>
<b>1. Cash flows from operating activities:</b>				
Income (Loss) before income taxes and minority interests	Y (594,733)	Y 157,564	-752,297	\$ (4,472)
Depreciation and amortization	438,957	453,847	-14,890	3,300
Accrual (Reversal) of provisions	5,251	(65,857)	+71,108	40
Equity in earnings of affiliates, net	(2,676)	(13,429)	+10,753	(20)
Disposal of property, plant and equipment	177,152	45,678	+131,474	1,332
Decrease (Increase) in receivables, trade	294,617	(5,057)	+299,674	2,215
Decrease (Increase) in inventories	272,898	(71,459)	+344,357	2,052
Increase (Decrease) in payable, trade	(210,938)	110,687	-321,625	(1,586)
Other, net	(73,957)	(15,512)	-58,445	(556)
Net cash provided by operating activities	<u>306,571</u>	<u>596,462</u>	<u>-289,891</u>	<u>2,305</u>
<b>2. Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(347,841)	(406,928)	+59,087	(2,616)
Increase in investments and long-term loans	(16,401)	(34,078)	+17,677	(123)
Other, net	(45,221)	(25,803)	-19,418	(340)
Net cash used in investing activities	<u>(409,463)</u>	<u>(466,809)</u>	<u>+57,346</u>	<u>(3,079)</u>
<b>1+2 [ Free Cash Flow ]</b>	<u>(102,892)</u>	<u>129,653</u>	<u>-232,545</u>	<u>(774)</u>
<b>3. Cash flows from financing activities:</b>				
Increase (Decrease) in bonds, notes, short-term borrowings and long-term debt	96,624	(111,545)	+208,169	727
Dividends paid	(14,842)	(19,642)	+4,800	(112)
Other, net	9,530	(6,461)	+15,991	72
Net cash provided by financing activities	<u>91,312</u>	<u>(137,648)</u>	<u>+228,960</u>	<u>687</u>
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>	<u>1,014</u>	<u>1,803</u>	<u>-789</u>	<u>7</u>
<b>5. Net decrease in cash and cash equivalents</b>	<u>(10,566)</u>	<u>(6,192)</u>	<u>-4,374</u>	<u>(80)</u>
<b>6. Cash and cash equivalents at beginning of period</b>	<u>309,984</u>	<u>316,176</u>	<u>-6,192</u>	<u>2,331</u>
<b>7. Cash and cash equivalents at end of period</b>	<u>Y 299,418</u>	<u>Y 309,984</u>	<u>-10,566</u>	<u>\$2,251</u>

## Consolidated Business Segment Information

		Yen (millions)			U.S. Dollars (millions)
		<b>FY2001</b>	FY2000	Change (%)	<b>FY2001</b>
<b>Services &amp; Software</b>	<b>Net Sales</b>				
	Japan	<b>Y 1,534,532</b>	Y 1,454,412	+5.5	<b>\$11,538</b>
	Overseas	<b>551,331</b>	559,963	-1.5	<b>4,145</b>
	Unaffiliated Customers	<b>2,085,863</b>	2,014,375	+3.5	<b>15,683</b>
	Intersegment	<b>52,762</b>	61,922	-14.8	<b>397</b>
	Total	<b>Y 2,138,625</b>	Y 2,076,297	+3.0	<b>\$16,080</b>
	<b>Operating Income</b>	<b>Y 157,854</b>	Y 128,735	+22.6	<b>\$1,187</b>
	[As % of Sales]	[7.4%]	[6.2%]		
<b>Information Processing</b>	<b>Net Sales</b>				
	Japan	<b>983,899</b>	1,089,006	-9.7	<b>7,398</b>
	Overseas	<b>401,456</b>	482,796	-16.8	<b>3,018</b>
	Unaffiliated Customers	<b>1,385,355</b>	1,571,802	-11.9	<b>10,416</b>
	Intersegment	<b>252,221</b>	270,983	-6.9	<b>1,897</b>
	Total	<b>1,637,576</b>	1,842,785	-11.1	<b>12,313</b>
	<b>Operating Income</b>	<b>14,562</b>	18,905	-23.0	<b>109</b>
	[As % of Sales]	[0.9%]	[1.0%]		
<b>Telecommunications</b>	<b>Net Sales</b>				
	Japan	<b>377,161</b>	382,512	-1.4	<b>2,836</b>
	Overseas	<b>252,710</b>	395,540	-36.1	<b>1,900</b>
	Unaffiliated Customers	<b>629,871</b>	778,052	-19.0	<b>4,736</b>
	Intersegment	<b>13,496</b>	15,514	-13.0	<b>101</b>
	Total	<b>643,367</b>	793,566	-18.9	<b>4,837</b>
	<b>Operating Income (Loss)</b>	<b>(72,494)</b>	37,922	-	<b>(545)</b>
	[As % of Sales]	[-11.3%]	[4.8%]		
<b>Electronic Devices</b>	<b>Net Sales</b>				
	Japan	<b>263,283</b>	373,863	-29.6	<b>1,979</b>
	Overseas	<b>283,272</b>	385,860	-26.6	<b>2,130</b>
	Unaffiliated Customers	<b>546,555</b>	759,723	-28.1	<b>4,109</b>
	Intersegment	<b>91,041</b>	149,213	-39.0	<b>685</b>
	Total	<b>637,596</b>	908,936	-29.9	<b>4,794</b>
	<b>Operating Income (Loss)</b>	<b>(109,312)</b>	113,400	-	<b>(822)</b>
	[As % of Sales]	[-17.1%]	[12.5%]		

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		Yen (millions)			U.S. Dollars (millions)
		<b>FY2001</b>	FY2000	Change (%)	<b>FY2001</b>
<b>Financing</b>	<b>Net Sales</b>				
	Japan	<b>Y 114,472</b>	Y 107,246	+6.7	<b>\$861</b>
	Overseas	-	-	-	-
	Unaffiliated Customers	<b>114,472</b>	107,246	+6.7	<b>861</b>
	Intersegment	<b>9,432</b>	7,872	+19.8	<b>71</b>
	Total	<b>Y 123,904</b>	Y 115,118	+7.6	<b>\$932</b>
	<b>Operating Income</b>	<b>Y 4,226</b>	Y 3,414	+23.8	<b>\$32</b>
	[As % of Sales]	<b>[3.4%]</b>	[3.0%]		
<b>Other Operations</b>	<b>Net Sales</b>				
	Japan	<b>187,568</b>	183,243	+2.4	<b>1,410</b>
	Overseas	<b>57,293</b>	69,985	-18.1	<b>431</b>
	Unaffiliated Customers	<b>244,861</b>	253,228	-3.3	<b>1,841</b>
	Intersegment	<b>126,700</b>	128,246	-1.2	<b>953</b>
	Total	<b>371,561</b>	381,474	-2.6	<b>2,794</b>
	<b>Operating Income</b>	<b>256</b>	8,182	-96.9	<b>2</b>
	[As % of Sales]	<b>[0.1%]</b>	[2.1%]		
<b>Elimination</b>	<b>Net Sales</b>	<b>(545,652)</b>	(633,750)		<b>(4,104)</b>
	<b>Operating Income</b>	<b>(69,518)</b>	(66,532)		<b>(523)</b>
<b>Total</b>	<b>Net Sales</b>				
	Japan	<b>Y 3,460,915</b>	Y 3,590,282	-3.6	<b>\$26,022</b>
	Overseas	<b>1,546,062</b>	1,894,144	-18.4	<b>11,624</b>
	Unaffiliated Customers	<b>5,006,977</b>	5,484,426	-8.7	<b>37,646</b>
	Intersegment	-	-	-	-
	Total	<b>Y 5,006,977</b>	Y 5,484,426	-8.7	<b>\$37,646</b>
	<b>Operating Income (Loss)</b>	<b>Y (74,426)</b>	Y 244,026	-	<b>\$ (560)</b>
	[As % of Sales]	<b>[-1.5%]</b>	[4.4%]		

For purposes of comparison, certain reclassifications of the Consolidated Business Segment Information for FY2000 have been made to conform to the FY2001 presentation.



## Consolidated Geographic Segment Information

	Yen (millions)			Change (%)	U.S. Dollars (millions)
	FY2001	FY2000			FY2001
<b>Japan</b>	<b>Net Sales</b>				
	Unaffiliated Customers	Y 3,759,770	Y 3,936,526	-4.5	\$28,269
	Intersegment	401,654	613,448	-34.5	3,020
	Total	Y 4,161,424	Y 4,549,974	-8.5	\$31,289
	<b>Operating Income</b>	Y 53,315	Y 328,987	-83.8	\$401
	[As % of Sales]	[1.3%]	[7.2%]		
<b>Europe</b>	<b>Net Sales</b>				
	Unaffiliated Customers	591,691	670,983	-11.8	4,449
	Intersegment	13,940	27,230	-48.8	105
	Total	605,631	698,213	-13.3	4,554
	<b>Operating Loss</b>	(17,979)	(6,051)	-	(135)
	[As % of Sales]	[-3.0%]	[-0.9%]		
<b>The Americas</b>	<b>Net Sales</b>				
	Unaffiliated Customers	403,915	623,136	-35.2	3,037
	Intersegment	42,168	73,747	-42.8	317
	Total	446,083	696,883	-36.0	3,354
	<b>Operating Loss</b>	(57,432)	(17,492)	-	(432)
	[As % of Sales]	[-12.9%]	[-2.5%]		
<b>Others</b>	<b>Net Sales</b>				
	Unaffiliated customers	251,601	253,781	-0.9	1,892
	Intersegment	222,355	302,035	-26.4	1,672
	Total	473,956	555,816	-14.7	3,564
	<b>Operating Income</b>	5,910	14,021	-57.8	44
	[As % of Sales]	[1.2%]	[2.5%]		
<b>Elimination</b>	<b>Net Sales</b>	(680,117)	(1,016,460)		(5,114)
	<b>Operating Income</b>	(58,240)	(75,439)		(438)
<b>Total</b>	<b>Net Sales</b>				
	Unaffiliated Customers	Y 5,006,977	Y 5,484,426	-8.7	\$37,646
	Intersegment	-	-	-	-
	Total	Y 5,006,977	Y 5,484,426	-8.7	\$37,646
	<b>Operating Income (Loss)</b>	Y (74,426)	Y 244,026	-	\$ (560)
	[As % of Sales]	[-1.5%]	[4.4%]		

### Net Overseas Sales by Customer's Geographic Location

	Yen (millions)			Change (%)	U.S. Dollars (millions)
	FY2001	FY2000			FY2001
Europe	Y 643,260	Y 725,756	-11.4	\$4,836	
The Americas	542,144	765,288	-29.2	4,076	
Others outside Japan	360,658	403,100	-10.5	2,712	
<b>Total</b>	<b>Y 1,546,062</b>	<b>Y 1,894,144</b>	<b>-18.4</b>	<b>\$11,624</b>	

### As % of Consolidated Net Sales

Europe	12.9	13.2
The Americas	10.8	14.0
Others outside Japan	7.2	7.3
<b>Total</b>	<b>30.9</b>	<b>34.5</b>

## Marketable Securities

### 1. Net Unrealized Gain on Marketable Securities

	Yen (millions)			Yen (millions)		
	March 31, 2002			March 31, 2001		
	Carrying Value	Fair Value	Net Unrealized Gains	Carrying Value	Fair Value	Net Unrealized Gains
Held-to-maturity securities	Y 1,062	Y 1,006	Y (56)	Y 3,851	Y 3,892	Y 41
Investment in affiliates	253,706	653,119	399,413	247,951	690,253	442,302
<b>Total</b>	<b>Y 254,768</b>	<b>Y 654,125</b>	<b>Y 399,357</b>	<b>Y 251,802</b>	<b>Y 694,145</b>	<b>Y 442,343</b>

### 2. Summary of Marketable Securities at Fair Value

	Yen (millions)			Yen (millions)		
	March 31, 2002			March 31, 2001		
	Cost	Carrying Value (Fair Value)	Net Unrealized Gains (Losses)	Carrying Value	Fair Value	Net Unrealized Gains (Losses)
<b>Available-for-sale:</b>						
Equity securities	Y 94,355	Y 112,117	Y 17,762	Y 110,140	Y 144,148	Y 34,008
Debt securities and others	3,636	3,499	(137)	1,747	1,379	(368)
<b>Total</b>	<b>Y 97,991</b>	<b>Y 115,616</b>	<b>Y 17,625</b>	<b>Y 111,887</b>	<b>Y 145,527</b>	<b>Y 33,640</b>

### Derivative Financial Instruments

The Fujitsu Group basically enters into derivative transactions only to cover actual requirements for the effective management of receivables / liabilities and not for speculative or dealing purposes.

## Unconsolidated Statements of Operations and Retained Earnings

	Yen (millions)		Change (%)	U.S. Dollars (millions)
	FY2001	FY2000		FY2001
<b>Net sales</b>	<b>Y 3,034,437</b>	Y 3,382,218	-10.3	<b>\$22,815</b>
<b>Operating costs and expenses:</b>				
Cost of goods sold	<b>2,317,041</b>	2,588,454	-10.5	<b>17,421</b>
Selling, general and administrative expenses	<b>772,075</b>	693,484	+11.3	<b>5,805</b>
	<b>3,089,117</b>	3,281,938		<b>23,226</b>
<b>Operating income (loss)</b>	<b>(54,680)</b>	100,279	-	<b>(411)</b>
<b>Other income (expenses):</b>				
Net interest	<b>(1,559)</b>	743		<b>(11)</b>
Amortization of unrecognized obligation for retirement benefits	<b>(11,530)</b>	-		<b>(86)</b>
Loss on liquidation of subsidiaries	<b>(163,156)</b>	-		<b>(1,226)</b>
Restructuring charges	<b>(134,259)</b>	(26,219)		<b>(1,009)</b>
Loss on devaluation of subsidiaries' stock	<b>(66,969)</b>	(132,981)		<b>(503)</b>
Loss on devaluation of marketable stock	<b>(19,173)</b>	(7,589)		<b>(144)</b>
Amortization of the unrecognized net obligation for retirement benefits at transition	-	(415,615)		-
Gain on establishment of stock holding trust for retirement benefit plan	-	509,667		-
Gain on sales of subsidiaries' stock	-	23,187		-
Gain on sales of marketable securities	-	7,649		-
Other, net	<b>(13,781)</b>	6,442		<b>(103)</b>
	<b>(410,429)</b>	(34,715)		<b>(3,085)</b>
<b>Income (loss) before income taxes</b>	<b>(465,109)</b>	65,564	-	<b>(3,497)</b>
<b>Income taxes</b>				
Current	<b>200</b>	46,500	-99.6	<b>1</b>
Deferred	<b>(200,200)</b>	(27,600)	-	<b>(1,505)</b>
	<b>(200,000)</b>	18,900		<b>(1,503)</b>
<b>Net income (loss)</b>	<b>Y (265,109)</b>	Y 46,664	-	<b>\$ (1,993)</b>
<b>Unappropriated retained earnings at the beginning of this year</b>	<b>26,271</b>	27,855		<b>197</b>
<b>Interim dividends</b>	<b>4,956</b>	9,829		<b>37</b>
<b>Legal reserve for interim dividends</b>	-	982		-
<b>Unappropriated retained earnings (loss) at the end of this year</b>	<b>Y (243,794)</b>	Y 63,707		<b>\$ (1,833)</b>

## Unconsolidated Appropriation of Retained Earnings

	Yen (millions)		U.S. Dollars (millions)
	FY2001	FY2000	FY2001
<b>Unappropriated retained earnings (loss)</b>	<b>Y (243,794)</b>	Y 63,707	<b>\$ (1,833)</b>
<b>Reversal of reserve for:</b>			
Computer equipment	<b>80,550</b>	-	<b>605</b>
Losses on overseas investment	<b>100</b>	50	<b>0</b>
Software development	<b>6,600</b>	7,700	<b>49</b>
Special depreciation	<b>2,500</b>	2,100	<b>18</b>
Advanced depreciation	<b>500</b>	1,100	<b>3</b>
General reserve	<b>170,000</b>	-	<b>1,278</b>
<b>Total</b>	<b>Y 16,455</b>	Y 74,657	<b>\$123</b>
<b>To be appropriated as follows:</b>			
<b>Legal reserve</b>	-	Y 1,010	-
<b>Dividends</b>	<b>5,004</b>	9,886	<b>37</b>
(2.5 yen per share in FY2001 and 5.0 yen per share in FY2000)			
<b>Bonuses to directors and statutory auditors</b>	-	190	-
<b>Reserve for:</b>			
Software development	<b>2,900</b>	3,400	<b>21</b>
Special depreciation	<b>1,100</b>	3,800	<b>8</b>
Advanced depreciation	<b>100</b>	100	<b>0</b>
General reserve	-	30,000	-
<b>Earnings to be carried forward</b>	<b>Y 7,351</b>	Y 26,271	<b>\$55</b>

### Policy on Dividends

Fujitsu's basic stance on apportionment is to maintain adequate internal reserves to provide for active business development aimed at ensuring financial health and improving earnings in the medium to long term, while realizing stable returns for our shareholders.

In regards to Fujitsu's performance in fiscal 2001, abrupt changes in the market along with a major deterioration in profitability led us to aggressively undertake a structural reform of our business activities, with the aim of effecting a radical improvement in profitability from the next fiscal year. As a result, we posted an unconsolidated net loss of 265.1 billion yen. However, we expect the effects of our restructuring efforts to enable us to return to profitability in the coming fiscal year, and we intend to issue a period-end dividend of 2.5 yen per share, for a total fiscal year 2001 dividend of 5 yen per share (including a mid-year dividend of 2.5 yen per share).

## Unconsolidated Balance Sheets

	Yen (millions)		U.S. Dollars (millions)
	March 31 2002	March 31 2001	March 31 2002
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents and short-term investments	Y 148,135	Y 156,680	\$1,113
Receivables, trade	530,479	755,876	3,988
Inventories	307,504	457,874	2,312
Other current assets	226,846	175,795	1,705
<b>Total current assets</b>	<b>1,212,966</b>	<b>1,546,227</b>	<b>9,120</b>
<b>Investments and long-term loans</b>	<b>1,365,069</b>	<b>1,205,775</b>	<b>10,263</b>
<b>Property, plant and equipment less accumulated depreciation</b>	<b>500,802</b>	<b>584,693</b>	<b>3,765</b>
<b>Intangible assets</b>	<b>99,723</b>	<b>107,262</b>	<b>749</b>
<b>Total assets</b>	<b>Y 3,178,563</b>	<b>Y 3,443,959</b>	<b>\$23,898</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Short-term borrowings and current portion of long-term debt	Y 229,792	Y 264,951	\$1,727
Payables, trade	702,903	851,878	5,284
Other current liabilities	278,473	289,111	2,093
<b>Total current liabilities</b>	<b>1,211,169</b>	<b>1,405,940</b>	<b>9,106</b>
<b>Long-term liabilities:</b>			
Long-term debt	923,340	722,632	6,942
Other long-term liabilities	84,391	91,094	634
<b>Total long-term liabilities</b>	<b>1,007,731</b>	<b>813,727</b>	<b>7,576</b>
<b>Shareholders' equity:</b>			
Common stock	324,624	314,652	2,440
Capital surplus and legal reserve	430,889	415,607	3,239
Retained earnings	194,402	475,554	1,461
Unrealized gains on securities, net of taxes	9,914	18,475	74
Treasury stock	(168)	-	(1)
<b>Total shareholders' equity</b>	<b>959,662</b>	<b>1,224,291</b>	<b>7,215</b>
<b>Total liabilities and shareholders' equity</b>	<b>Y 3,178,563</b>	<b>Y 3,443,959</b>	<b>\$23,898</b>
<b>Ending balance of interest bearing loans</b>	<b>Y 1,153,132</b>	<b>Y 987,584</b>	<b>\$8,670</b>

## Supplementary Information

	Yen (billions)		Change (%)
	FY2001	FY2000	
Capital expenditure	Y 75.4	Y 136.4	-44.7
[Semiconductors]	[25.3]	[60.4]	[-58.1]
Depreciation	126.0	116.2	+8.4

## Statement of Management Direction

### *Fujitsu's Basic Business Stance*

Although severe conditions are expected to persist for some time in the IT industry, there are undoubtedly strong prospects for growth in the medium term and beyond. There remains considerable room for greater utilization of IT in corporate business operations and, in light of today's rapid rate of technological development, we can expect significant expansion in the use of IT in many new fields. Proposing new ways to use IT will help spur new areas of demand. We at the Fujitsu Group are committed, now and in the future, to providing total solutions comprised of high-quality products and services based on the most advanced and dependable high-performance technology, and thereby helping to realize the network society of tomorrow. As an IT industry leader, we will also work to open up new markets by striving to see things from our customers' perspectives and helping them to benefit from utilizing the latest advances in IT.

### *Business Strategy and Priority Measures*

Striving to enhance our customer-focused approach to be able to respond to changing market and customer requirements, and in order to achieve our goals of continuous growth and improved profitability, we are pursuing the following business strategy and priority measures:

- Advancing the Software & Services Dimension of Our Entire Business

In line with the growing importance of software & services in the market, we are stepping up our efforts to heighten the software and services dimension of all our business operations. In our software & services business, we are focusing on the development and operation of customers' systems, broadening our services lineup with an array of offerings in such areas as consulting, training and security diagnostics, all aimed at easing customers' burdens and improving convenience. Along with growing our business in this fashion, we are working to improve sales consistency and profitability. In addition, in the area of software reusability, we are working to maximize productivity through the promotion of packaged solutions and software componentization. Moreover, in regard to our product businesses, where software is increasingly important in development work, we are striving to enhance added value by taking advantage of our strengths in software development and expanding the scope of product-related services, such as installation support, monitoring and performance diagnostics.

- Strengthening Our Platforms Business

Integrating our former information processing and telecommunications divisions into a new Platforms Business Group, and taking a comprehensive approach that includes strengthening the competitiveness of individual products while tightening links and fusion among server, storage and network systems, we are working to achieve even higher levels of overall system reliability and scalability, as well as increase our overall competitiveness.

- Strengthening Our Electronic Devices Business

By concentrating leading-edge semiconductor design and process development at our Akiruno Technology Center, strengthening the links between research and product development divisions, increasing development speed and efficiency, and enhancing our customer applications development capability, we are working to strengthen our position in the System LSI (System-on-Chip) market.

- Strengthening Our Management Structure

To make management more dynamic and flexible, we are revising our corporate governance structure. For example, we have introduced a system of Corporate Executive Officers that is designed to strengthen Board members' management oversight function and expedite the decision-making process by transferring operational authority to Corporate Executive Officers. In addition, through the introduction of a new Business Group organization, we are pursuing an "organic management" style that will enable resources to be allocated more flexibly within the Business Groups and encourage greater synergy among their constituent Business Units.

- Other Business Reform Measures

We will redouble our efforts to reduce fixed costs and tighten inventories. In addition, recognizing that human resources are our greatest assets, we are taking a more strategic approach to personnel development that includes the establishment of Fujitsu University, which has a mandate to cultivate professional expertise and business leadership as well as strengthen the fundamental skills of our employees.

- Protecting the Environment

Under the banner of "Focused on the Green," the Fujitsu Group worldwide is vigorously promoting environmental activities and continuously striving to lighten the environmental impact of every operation.

Through unceasing efforts to accomplish these goals, we intend to position ourselves as a global enterprise that is contributing to the creation of an abundant and dynamic network society and that enjoys the trust of the customers and communities we serve around the world.

### ***Our Position Regarding Lowering of Minimum Tradable Share Units\****

Recognizing that participation in the equity market by individual investors can help promote the vitality of the market as well as foster a stable base of long-term Fujitsu shareholders, we have implemented a pro-active investor relations program aimed at making accurate company information available on a regular and timely basis.

Although reducing the minimum number of shares that individuals could trade would help promote the participation of individual investors in capital markets and be one effective means of increasing stock liquidity, taking into consideration the current level

of Fujitsu's shares, the total number of shareholders and proportion of individual shareholders, as well as the liquidity of Fujitsu's shares in the market, we believe it would be premature at present to do so.

We will review this stance as appropriate, taking into consideration future trends regarding individual investors in the capital markets as well as changes in the price of our shares and other factors.

\* Refers to current practice in which Fujitsu's shares may only be traded in units of not less than 1,000 shares.