

Exhibit A

Reports on the 100th Business Period

FUJITSU LIMITED

To Our Shareholders

We are pleased to extend our greetings to all our shareholders on the occasion of this hundredth report on yearly financial results of Fujitsu Limited, covering the period from April 1, 1999 to March 31, 2000. The rapid development of information and communications technology, with the Internet as its core, is bringing momentous changes to the shape of businesses and the lives of people all over the world.

Now that the Internet is becoming an indispensable new social infrastructure, Fujitsu has made "Everything on the Internet" its central business strategy. Strongly committed to focusing on our customers, we have been striving to offer products and software based on the most advanced information technology and have been moving ahead aggressively with our IT-based solution business to help our customers solve their wide range of business problems. Turning now to the unconsolidated results for this reporting period, our total sales were ¥3,251.2 billion, while ordinary profit were ¥15.8 billion and net profit ¥13.6 billion, respectively. We are pleased to announce a dividend of ¥10 per share for this period. This figure reflects ¥5 per share dividend announced at the time of the release of financial results in December 1999 together with an additional ¥5 per share dividend for the second half of the 1999 fiscal year.

Concentrating our management resources on the fields where the Internet is the engine of growth and focused on our goal of making Fujitsu a leading company group of the Internet era, we intend to do our utmost efforts to foster the continued development of the Fujitsu Group.

In closing, we request that you, our esteemed shareholders, continue to favor us with your support and understanding.

June 2000

Tadashi Sekizawa
Chairman

Naoyuki Akikusa
President

Note:

This English version of Reports on the 100th Business Period is based on the separate Japanese version. The style of the English version differs slightly from the Japanese version.

Picture on page 1 in the Japanese version
Left: Tadashi Sekizawa
Right: Naoyuki Akikusa

BUSINESS REPORT

(From April 1, 1999, to March 31, 2000)

1. OVERVIEW OF CORPORATE ACTIVITIES

(1) Progress and Results

General Statement

The rapid development of Internet-related information and communications technology, which constitutes Fujitsu's core business, has radically changed how businesses conduct their operations and how people live their daily lives all around the world. As the Internet becomes an essential part of the infrastructure of the new society, the information technology (IT) sector is poised for continued growth as the industry with the best mid- and long-term prospects on account of its central role in creating the more abundant network society of the future.

Despite signs of recovery in certain areas of individual consumption, such as personal computer sales, the Japanese economy did not reach the point of general recovery during this period, due in part to the continued stagnation in the area of corporate investment in equipment and facilities. Moreover, in spite of the dynamic economic expansion in the U.S. and Europe and Asia's movement toward economic recovery, factors such as Y2K-related constraints on worldwide IT investment made for a severe business environment for Fujitsu.

Under the circumstances, adhering to our business strategy of "Everything on the Internet" and our redoubled commitment to "Customer Focus", we have been actively offering our customers products and software driven by the most advanced technology. Moreover, we have put particular emphasis on the solutions business, using our diverse capabilities and expertise to solve our customers' business problems and help them to create and grow new kinds of business that take advantage of the Internet's unique attributes.

Thanks to these efforts, sales such areas as fiber optic transmission systems showed excellent growth in the United States, while notebook computers for personal use and electronic devices for mobile phones did well in Japan. However, due to the high yen and a decline in domestic and overseas sales of corporate information systems related to the Y2K problem, unconsolidated sales for fiscal year 1999 amounted to ¥3,251.2 billion (\$30.6 billion), a slight increase of 2% over the previous year. Thanks to rigorous efforts to control operating expenses, operating income on an unconsolidated basis grew to ¥53.8 billion (\$507 million), an increase of 35% over fiscal 1998. But such expenses as the cost of shifting from a retirement allowance system to an annuity-based system limited ordinary profit to ¥15.8 billion (\$149 million), a modest increase of 1% over the previous year. Ongoing operational and organizational improvements helped us return to unconsolidated net profit of ¥13.6 billion (\$128 million) for fiscal year 1999, compared to a loss of ¥21.5 billion in fiscal 1998.

Overview of Each Business

(Services and Software)

Despite our impressive portfolio of optimal solutions and services for the Internet era, overall constraints on corporate investment in IT systems caused sales in the services and software areas to grow by a relatively small 1% over the 1998 figure, reaching a total of ¥934.3 billion (\$8.8 billion) during the 1999 fiscal year.

Our solutions services encompassed integration of information systems in the financial sector, where restructuring has resulted in amalgamation; e-commerce systems for the manufacturing and distribution industries; systems for the newly-implemented home care insurance and administrative services for local governments; and medical record systems incorporating electronic patient charts. We helped customers to solve their business problems and constructed numerous information systems, helping lay the foundation for the

Internet society of the future. The company also further enriched its solutions offerings with the introduction of its "Internet Business Solution", which is designed to help customers create and expand their new Internet-based businesses.

In software business, we enhanced the functions of "INTERSTAGE", a core software for inter-linking a variety of business applications both within and between companies to enable the development of new Internet-based businesses and services. In addition, we continued to develop and market application packages used in a wide variety of industries.

In services business, we experienced significant growth in outsourcing, with Fujitsu providing its customers with specialized, comprehensive management of their increasingly complex systems operation and administration works, as well as helping to reduce operating costs and improve quality. We have enhanced our comprehensive support network covering everything from consulting to system operations and maintenance. Our Internet data centers in Tatebayashi and Akashi, Japan's largest now provide customers with the infrastructure support they need in relation to the Internet.

Fujitsu continues to be a leader in creating a new "venues" for business and personal Internet users through @nifty created by an amalgamation of Nifty Corporation's Niftyserve and the Company's InfoWeb, is Japan's largest, and establishing Internet securities firm.

Picture on page 3 in the Japanese version

Left : Electronic patient charts

Right : Command and control room of Akashi System Center

(Information Processing)

We have put special effort into developing and marketing products to harness the Internet for business and personal users. Our sales of both UNIX servers and personal computers rose during fiscal 1999. However, due to Y2K-related constraints on IT investment worldwide, sales of global servers decreased both in Japan and overseas markets. The appreciation of the yen also had a negative impact on information processing sales, which amounted to ¥1,457.0 billion (\$13.7 billion), 3% decrease compared to the previous year.

In our server business, sales of UNIX servers have grown, particularly the GP7000F*, a new model that went on sale in July of last year. Equipped with the scalability to support the Internet businesses of the future, the model received high marks for the performance of its Fujitsu-developed processors and for its reliability, which is comparable to that of a global server. Nonetheless, on account of sluggish demand for global servers both domestically and overseas, overall sales of servers decreased.

Benefiting from the expansion of Internet use in Japan, sales of Fujitsu's PCs have continued in Japan since the last fiscal year. The FMV-BIBLO series, in particular, has captured the largest share of the domestic market for notebook computers, and Fujitsu's overall PC shipments in Japan reached 2.58 million units annually. PC sales in Europe were also favorable, with 5.48 million units shipped by the Fujitsu Group overall.

While sales volume of small-form magnetic disk drives grew, unit sales decreased due to a general decline in prices, especially for general-use products for desktop PCs, and the effects of yen appreciation.

As part of our plan to enhance worldwide computer operations, Fujitsu established a joint venture company with the German company Siemens, combining the computer-related activities of both companies in Europe. The new company, Fujitsu Siemens Computers (Holding) B.V commenced operation in October of last year.

* May 2000, all UNIX servers were come together under the global brand names of

PRIMEPOWER as part of the global strategy.

Picture on page 4 in the Japanese version

*Left : UNIX Server GP7000F**

Right : Notebook-type PC FMV-BIBLO

(Telecommunications)

Taking advantage of the demand for faster speed and larger capacity for network systems supporting the Internet, the Company expanded sales of fiber optic transmission systems in the U.S. market. This helped boost telecommunications sales to ¥572.3 billion (\$5.3 billion) for fiscal 1999, an increase of 10% over the previous year.

The demand for faster, higher-capacity communications circuits in the U.S. stemmed from the sharp rise in data traffic, mostly for Internet use. Fujitsu has witnessed greatly increased sales of its 10 gigabit per second fiber optic transmission systems, in addition to the conventional systems operating at 2.4 gigabit per second. Moreover, the Company has been actively pursuing opportunities in those areas of communications where robust growth is anticipated. For example, we introduced 320 gigabit/second high-capacity WDM (wavelength division multiplexing)*¹ fiber optic transmission systems, which are becoming the powerful infrastructure for the Internet age. In addition, we have entered the market for access business in Europe with ADSL (asymmetric digital subscriber line)*² technology.

Our sales of switching systems declined, due to increased competition in the Chinese market. Nevertheless, the Company has been making intensive efforts to offer the most advanced products, for example, developing and marketing local switching systems for ISDN as well as switching products for corporate users with superior quality for carrying IP*³ data communications and enhanced security.

We have been aggressively moving forward with the development of high-speed, high-capacity mobile communications systems with common global specifications compatible with IMT (International Mobile Telecommunication System) 2000*⁴, which every domestic and foreign telecommunications company is now proceeding to put into use.

*¹ Technology that makes it possible to dramatically increase the volume of information transmitted without adding fiber optic cables but rather by transmitting multiple optical signals over a single cable at different wavelengths.

*² The format that allows high-speed digital signals to be sent over copper telephone lines. High-speed access is made possible in this format on existing telephone lines, without the necessity of laying fiber optic cables.

*³ Telecommunication protocol (rules) governing connection of various types of equipment that makes up the Internet.

*⁴ An international standard for the next generation of mobile telephony systems promoted by the International Telecommunication Union (ITU) to make possible high-speed, high quality mobile communication anywhere in the world.

Picture on page 5 in the Japanese version

Left : Fujitsu booth at TELECOM99 (Right)

Demonstration of 320 gigabit/second high-capacity WDM fiber optic transmission systems (Left)

Right : Contoroll unit for IMT2000

(Electronic Devices)

Continuing its strategy of concentrating management resources on high value-added products and aggressively developing and marketing products that are key devices for the Internet era, sales of system LSI chips and flash memories were especially buoyant. The

Company expanded its electronic device sales to ¥287.5 billion (\$2.7 billion) during fiscal 1999, a 16% increase over the previous year.

In the integrated logic circuits area, system LSIs used in a wide range of products, such as DVD players, digital cameras, and mobile phones, have enjoyed favorable growth. Fujitsu's "IP Symphony" development integration environment, which enables simultaneous, parallel development at various locations throughout the world by taking advantage of the Internet, will help make possible more efficient development of larger-scale, increasingly complex System LSIs in the future.

Fujitsu has been moving away from its commodity DRAM business toward high-speed system memory, called FCRAM, using Fujitsu's newly developed technology. Demand for flash memory for personal computers and mobile phones has grown especially rapidly. We have offered new flash memory products with larger capacity, greater compactness, and lower voltage, and our sales in this area have been expanding.

Sales of liquid crystal displays (LCDs) also increased during fiscal 1999. The high-quality, high-precision, large-size display panels, which make use of Fujitsu's proprietary wide viewing-angle technology, have won favorable notice for use with PCs.

In April of last year, the Company further strengthened its development, manufacturing, and marketing operations for next-generation plasma display panels (PDP) by merging its PDP operations with those of Hitachi into a new company, Fujitsu-Hitachi Plasma Display Ltd.

Picture on page 6 in the Japanese version

Left : System LSI

Right : LCD panel

Research and Development

Fujitsu's R&D activities encompass a wide range of cutting-edge technologies, from computers and telecommunications systems for the Internet to electronic devices that provide the underlying technologies for these applications.

Accomplishments in telecommunications research during this fiscal year include the development of commercially viable DWDM (dense wavelength division multiplexing) optical system technology for 1.7 terabit (i.e., 1,700 gigabit) per second data transmission for the high-speed Internet infrastructure of the future. The new technology achieves a large-scale and economical increase in capacity over the 320 gigabit per second transmission systems now in use.

In the area of System LSIs, we succeeded in developing a new type of embedded processor that enables high-speed processing executions for multimedia applications. Capitalizing on technologies accumulated in parallel processing computing, the new device achieved the world's highest processing performance of 4.3 billion operations per second. This technology is expected to contribute to the development of higher-performance, more energy efficient and compact devices for diverse applications, including digital consumer electronics and well as mobile communication and information terminals.

In software business, we succeeded in improving our developmental efficiency significantly by standardizing our rich store of know-how and technology, reusing elements as software product components and automating the reuse process. This technology has already facilitated the customization and upgrading of packaged software. For example, we utilized this process to significantly reduce development time for its GLOVIA-C business-use packaged software, which started shipping in November 1999.

Capital Investment

The Company's outlay on capital investment was ¥115.7 billion (\$1.1 billion) during fiscal 1999. Because of the severe business environment, the investment is focused on growth business sectors that promise faster growth.

Investment in the software and services sector concentrated on strengthening our software development facilities, system centers and on network infrastructure equipment.

In the area of information processing, development and manufacturing facilities for next-generation servers, magnetic and magneto-optical disk drives and printed circuit were strengthened.

In telecommunications, investment focused on development and manufacturing facilities for switching, transmission systems and next-generation mobile telecommunications systems.

Finally, in electronic devices, investment was devoted to strengthening facilities for the development of advanced devices and for developing and manufacturing flash memory and logic ICs.

Fund-Raising

During the fiscal year, Fujitsu Limited refrained from raising capital through issuance of stocks or corporate bonds, focusing instead on getting cash flow back into the black and decreasing interest-bearing debt.

Consolidated Financial Statements

Fujitsu reported consolidated net sales of ¥5,255.1 billion (\$49.5 billion) for the 1999 fiscal year, an essentially unchanged 0.2% increase over the previous fiscal year. Despite increased sales of optical transmission systems and electronic devices for mobile telephones in the U.S., growth in consolidated net sales was limited by such factors as Y2K-related constraints on IT investment and the effects of yen appreciation. The return of Fujitsu's semiconductor operations to profitability and vigorous cost-cutting efforts helped boost consolidated operating income to ¥149.9 billion (\$1.4 billion), up 13% over the previous fiscal year. Ordinary profit dropped by 9% from the previous period to ¥70.1 billion (\$662 million), negatively impacted by the costs of retirement benefit restructuring as well as the effects of the high yen. However, thanks to ongoing operational and organizational improvements, consolidated net income rose to ¥42.7 billion (\$403 million), as compared with a consolidated net loss of 13.6 billion yen in fiscal 1998.

While Fujitsu's outsourcing business in Japan continued to grow strongly, lower corporate investment in information systems worldwide due to Y2K-related concerns put a damper on systems integration (SI) sales. Moreover, the higher yen diminished the value of the sales of overseas affiliates.

Turning to Fujitsu's information processing business, fiscal 1999 saw a worldwide slowdown in sales of global servers (mainframes) due to restrained IT-related investment, although Fujitsu enjoyed strong sales of personal computers and UNIX servers in Japan. Besides the negative influence of the high yen, Fujitsu's PC manufacturing and sales operations in Europe were merged with those of Siemens to form a new company, Fujitsu Siemens Computers, whose financial results were recorded using the applied equity method.

While sales of switching systems outside Japan declined, Fujitsu dramatically increased its sales of fiber optic transmissions systems in the U.S. in response to a strong demand for faster, higher-capacity network systems.

In electronic devices, Fujitsu's strategy of reducing its commodity DRAM business and concentrating resources on high value-added products achieved positive results in fiscal 1999. Sales growth was especially robust in flash memory and logic, where demand has been expanding rapidly, particularly applications such as mobile telephones and digital AV equipment. Other dynamic market segments for Fujitsu were SAW filters* for mobile telephones and compound semiconductors for fiber optic transmission systems.

* SAW (Surface Acoustic Wave) filters: Transmit only specified signals needed for telephony. Compact devices used in the receiving portions of mobile wireless equipment.

Y2K Compliance Statements

In concert with its group companies, Fujitsu actively addressed Y2K problems as an important management concern throughout fiscal 1999.

In addition to providing Y2K information and assisting customers with troubleshooting, we strove to thoroughly confirm the Y2K readiness of our products so as to prevent any problems. Despite our best efforts, there were a few instances of problems associated with some of our products. However, in cooperation with our customers, we were able to minimize the adverse impact of such problems.

Our in-house systems and manufacturing systems experienced no problems whatsoever, so manufacturing, distribution, sales or marketing activities were unaffected.

(2) Projected Plans

The changes that are bringing about the networked society, with the Internet at its heart, are also leading to the creation of new social systems and patterns of interaction on a worldwide basis.

Against this backdrop, Fujitsu has articulated the Group's business strategy as "Everything on the Internet." In all of its operations and management activities, as well as the products and services it provides, Fujitsu is firmly focused on the Internet.

Based on this strategy, Fujitsu aims to be one of the leading groups of companies in the Internet era and is working to be "number one" in three crucial areas: number one provider of Internet solutions, supported by the most advanced products and services; number one Internet service provider and the creator of a 10-million-member strong cyber community; and number one Internet user, itself utilizing the Internet to build new business areas and new styles of management.

Moreover, we believe that, more than ever before, the value of "customer focus" is the key to growth and profitability in the network era. Redoubling our awareness of the importance of customer focus, we are committed to responding to our customer's expectations that IT is the wellspring of new growth by providing them with total solutions based on a philosophy that can be summed up as follows: thinking from the customer's viewpoint; creating together with the customer; and operating our business on behalf of the customer.

We expect the business environment in which we operate to become still more challenging and fast-changing. However, by concentrating our management resources on the fields that are at the core of the Internet, Fujitsu remains committed to pursuing rapid growth and improved profitability, and we are also making a major effort to promote management efficiency and strengthen the company's financial health. In addition, to promote the growth of our business on a global basis, we are committed to pursuing a global branding strategy for the Fujitsu Group. Moreover, we consider addressing environmental issues and concerns to be an important management task. In every area of our business -- from producing environmental-friendly products and implementing environmental assessments of our operations to carrying

out employee volunteer-based reforestation programs in Southeast Asia -- we are continuing to make vigorous efforts to lighten the burden on the environment.

Through the kind of efforts described here, Fujitsu will seek to reinvent itself continuously so as to be a leader in the 21st century and a global company respected by customers and society alike.

(3) Performance and Assets

(Unit: billions of yen)

	1996(97th)	1997 (98th)	1998 (99th)	1999 (Current period)
Net sales	3,123.6	3,229.0	3,191.1	3,251.2
Ordinary profit	106.9	89.1	15.7	15.8
Net income (loss)	60.1	50.9	(21.5)	13.6
Net income (loss) per share	¥32.66	¥27.41	(¥11.47)	¥7.06
Total assets	3,337.7	3,521.9	3,551.3	3,380.4
Net assets	1,031.8	1,087.3	1,070.7	1,160.0

Notes:

1. Net income per share is based on the weighted average number of shares of common stock outstanding during the respective years.
2. In the 98th business period, demand for information and communication systems and software followed the worldwide tendency of expansion, and in response, sales actually increased. Ordinary profit and net income, however, decreased because prices for memory-IC devices dropped and domestic demand for communication systems and personal computers fell.
3. In the 99th business period, sales of domestic services and software business grew steadily and product exports increased this year. However, because of lackluster capital investments by domestic communications carriers, net sales were almost equal to those in the preceding fiscal year. Ordinary profit dropped because sales to domestic communications carriers decreased and the prices of semiconductor products dropped globally. The losses incurred in closing a subsidiaries' semiconductor manufacturing plant and in restructuring domestic factories resulted in a net loss.
4. During this period, sales increased in several areas, including optical transmission systems for the U.S. market and electronic devices used in cellular telephones. However, on account of such factors as a decline of sales of corporate information systems on account of the Y2K problem and the influence of the higher yen, overall sales increased by a negligible amount. Due in part to the increasing costs associated with gradually shifting the retirement allowance system to a pension system, operating income increased only slightly. But thanks to the progress of business restructuring efforts started in the previous period, net income increased to ¥13.6 billion.

(4) Important fact after the term of settlement ended

At Board of Directors meeting on April 26, 2000, Fujitsu Limited decided to establish a stock holding trust to fill its unrecognized net obligations upon the application of the retirement benefit accounting standards effective FY 2000. The effect on the Company's income and expenses in FY 2000 shall be approximately ¥510.0 billion of extraordinary profit by establishing stock holding trust and approximately ¥420.0 billion of extraordinary expense by amortizing the unrecognized net obligations at one time.

2. COMPANY OVERVIEW (As of March 31, 2000)**(1) Major Business**

The Company's major areas of business comprise the manufacturing and marketing of telecommunications systems, information processing systems and electronic devices, as well as providing a wide range of services utilizing products from these fields. The principal products and services for each of our major business areas are enumerated below.

Group	Main products and services	Percentage of sales
Services and software	Operating systems, middleware, application software System integration services, professional services (consulting services, introductory support services, operational support services, help desk, educational and training services), network services (application services, internet services), Outsourcing services Maintenance, construction	28.7
Information processing	High-performance computers, global servers, UNIX servers, IA servers Workstations, personal computers LAN Financial terminal equipment, smart card , POS systems, handheld terminals, medical systems Magnetic and magneto-optical disk drives, magnetic tape units, printers Word processors	44.9
Telecommunications	Digital switching systems, ATM switching systems, optical transmission systems, optical submarine cable transmission systems, radio systems, satellite communication systems Corporate information network systems, communications application systems Mobile communication systems, cellular telephones	17.6
Electronic Devices	Memory ICs (DRAM, flash memory devices) Logic ICs (ASICs, microcontrollers, system LSI chips) Liquid crystal displays	8.8

(2) Stock

- | | | |
|----|---|------------------|
| A. | Number of authorized shares: | 5,000,000,000 |
| B. | Number of outstanding shares and stated capital | |
| | Shares: | 1,962,939,607 |
| | Stated capital: | ¥306,246,188,557 |
| C. | Shares issued during the business period | |

Item	Number of shares issued	Increased capital stock (yen)
Conversion of convertible bonds to shares	20,781,208	10,374,985,053
Exercise of warrants	58,018,995	34,648,913,265
Total	78,800,203	45,023,898,318

- | | | |
|----|-------------------------|--|
| D. | Number of shareholders: | 142,394 |
| | | (13,716 fewer than at the end of the last fiscal year) |

E. Principal shareholders

Name	Shareholder's investment in the Company		The Company's investment in the shareholder	
	Thousands of shares held	Percentage of total shares outstanding	Thousands of shares held	Percentage of total shares outstanding
Fuji Electric Co., Ltd.	231,963	11.8 %	74,333	10.4 %
Asahi Mutual Life Insurance Company	100,163	5.1	0	0
The Dai-Ichi Kangyo Bank, Limited	75,717	3.9	16,063	0.5
The Chase Manhattan Bank NA London (Standing proxy: The Fuji Bank, Ltd.)	63,743	3.2	0	0
State Street Bank and Trust Company (Standing proxy: The Fuji Bank, Ltd.)	58,597	3.0	0	0
The Sumitomo Trust and Banking Company, Limited (for trust)	50,112	2.6	-	-
The Mitsubishi Trust and Banking Corporation (for trust)	43,067	2.2	-	-
The Industrial Bank of Japan, Limited	42,202	2.1	6,745	0.3
The Sakura Bank, Ltd.	27,090	1.4	4,180	0.1
Nippon Life Insurance Company	25,272	1.3	0	0

Note:

1. The shares held by The Sumitomo Trust and Banking Company, Limited (for trust) and The Mitsubishi Trust and Banking Corporation (for trust) pertain to the trust business by the institution.
2. For The Dai-Ichi Kangyo Bank, Limited, The Industrial Bank of Japan, and The Sakura Bank, Ltd., the percentage of total shares outstanding was calculated without the preferred stocks issued by the institutions.

(3) Employees

Classification	Number of employees	Difference from the end of the last fiscal year	Average age	Average years of employment
Male	34,823	(169)	38.3	16.6
Female	8,804	(395)	34.2	14.0
Total	43,627	(564)	37.5	16.0

(4) Consolidation

A. Major consolidated subsidiaries

Subsidiary	Capital (millions of yen)	Percentage of ownership by the Company	Products or activities
Fujitsu Laboratories Ltd.	5,000	100	Research and development of communication systems, information processing systems, and electronic devices
Shinko Electric Industries, Co., Ltd.	24,223	50.0 (0.0)	Manufacture and sales of semiconductor device packages
FDK Corporation	13,206	61.0 (0.0)	Manufacture and sales of parts for the electronics industry, dry-cell batteries, and products using these components
Fujitsu Business Systems Ltd.	12,220	52.6 (0.1)	Development and sales of communication and information processing systems, and related services
Fujitsu Support and Service Inc.	9,401	56.5 (0.4)	Introduction, maintenance and operation of communication and information processing systems, and related services
Fujitsu Kiden Ltd.	8,457	53.6 (0.4)	Manufacture and sales of information processing systems and display systems
Fujitsu Denso Ltd.	6,691	50.4 (0.4)	Manufacture and sales of communication systems and power supply units
Takamisawa Electric Co., Ltd.	6,330	53.4	Manufacture and sales of component parts
Fujitsu Devices Inc.	3,645	66.7	Development, design, and sales of semiconductor devices and related software products, and sales of general electronic parts
Fujitsu Systems Construction Limited	3,342	67.5 (0.7)	Construction of communications and information processing systems and provision of related services
Fujitsu TEN Limited	5,300	55.0	Manufacture and sales of audio-visual products, car electronic devices and mobile communication radios
PFU Limited	4,980	61.2	Manufacture and sales of information processing systems and provision of related services
Fujitsu FIP Corporation	2,000	100	Network service, outsourcing service, software development, and sales of information processing systems

(TRANSLATION FOR REFERENCE ONLY)

Subsidiary	Capital (millions of yen)	Percentage of ownership by the Company	Products or activities
Fujitsu AMD Semiconductor Limited	31,800	50.0	Manufacture and sales of flash memory devices
Amdahl Corporation (U.S.)	U.S.\$ (thousands) 5,951	100	Development and sales of information processing systems and provision of related services
Fujitsu America, Inc. (U.S.)	U.S.\$ (thousands) 487,486	100	Management of subsidiaries in North America and sales of information processing systems
Fujitsu PC Corporation (U.S.)	U.S.\$ (thousands) 177,078	100	Manufacture and sales of personal computers and provision of related services
Fujitsu Network Communications, Inc. (U.S.)	U.S.\$ (thousands) 70,815	100 (100)	Manufacture and sales of communication systems and provision of related services
Fujitsu Micro-electronics, Inc. (U.S.)	U.S.\$ (thousands) 601,000	100	Manufacture and sales of semiconductor devices
ICL PLC (U.K.)	£ (thousands) 381,808	100 (8.0)	Development and sales of information processing systems and provision of related services
Fujitsu Europe Limited (U.K.)	£ (thousands) 12,183	100	Sales of information processing equipment
Fujitsu ICL España, S.A. (Spain)	Pts (millions) 499	100 (19.8)	Manufacture and sales of information processing systems and provision of related services
Fujitsu Australia Limited (Australia)	Australia \$ (thousands) 26,296	100 (26.4)	Manufacture and sales of communication systems and information processing systems and provision of related services

Notes:

Values in parentheses in the percentage of ownership column are percentages of indirect ownership.

In November 1999, Fujitsu Limited undertook to increase the capitalization of FDK corporation by purchasing newly issued shares of that company. This increased the Company's share of ownership of FDK to 61.0%.

In order to strengthen its sales structure in the U.S. personal computer market, Fujitsu PC Corporation merged Fujitsu Personal Systems, Inc. in January of this year, and increased its capital to \$177,078 thousand.

As a result of a capital increase in Fiscal 1999, the capital of Fujitsu Microelectronics, Inc. now stands at \$601,000 thousand.

As a result of a capital increase in June 1999, the capital of ICL PLC now stands at £381,808 thousand.

Fujitsu Australia Limited also increased its capitalization to Australian \$26,296 thousand,

following the merger of Amdahl's local affiliate and a capital injection necessitated by a change in local law raising the level of capital reserves.

For the Fiscal 1999 consolidated financial statement, the Company had 493 consolidated subsidiaries, including the 23 companies listed earlier. In addition, 25 companies are subject to the equity method of accounting.

B. Major technical cooperation

We have cross-licensing agreements with the following major companies:

AT&T Corporation
 International Business Machines Corporation
 Microsoft Corporation
 Motorola, Inc.
 Texas Instruments Incorporated
 Intel Corporation
 National Semiconductor Corporation
 Harris Corporation
 (All of the above are U.S. companies.)
 Samsung Electronics Co., Ltd.
 (Korea)

(5) Major Borrowings

Lender	Borrowing balance (millions of yen)	Thousands of shares held	Percentage of total shares outstanding
Japan Bank For International Cooperation	66,262	0	0
Fujitsu Capital Limited	30,000	0	0
The Dai-Ichi Kangyo Bank, Limited	20,200	75,717	3.9
The Industrial Bank of Japan, Limited	15,125	42,202	2.1
The Sakura Bank, Ltd.	15,105	27,090	1.4

(6) Major Offices and Plants

Registered office	1-1, Kamikodanaka 4-chome, Nakahara-ku, Kawasaki, Kanagawa
Principal office	6-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Domestic business offices	Hokkaido (Sapporo), Tohoku (Sendai), Kanto (Omiya), Tokyo (Shinjuku-ku, Tokyo), Kanagawa (Yokohama), Chubu (Nagoya), Hokuriku(kanazawa), Kansai(Osaka), Chugoku (Hiroshima), Shikoku (Takamatsu), Kyushu (Fukuoka)
System laboratories	Sapporo, Aomori, Makuhari (Chiba), Information Processing (Ota-ku, Tokyo), Kansai (Osaka), Oita, Kumamoto (Mashiki-machi, Kamimashiki-gun)
System centers	Tatebayashi, Akashi
Plants	Iwate (Kanegasaki-cho, Isawa-gun), Aizu-wakamatsu, Kanuma, Oyama, Nasu (Otawara), Kumagaya, Minamitama (Inagi), Kawasaki, Nagano, Numazu, Mie (Tado-cho, Kuwana-gun), Akashi
Overseas offices	New York, Washington D.C., Moscow, Beijing, Kuala Lumpur, Abu Dhabi

As a result of changes implemented after the announcement of 1999 financial results, some of our branch offices were reorganized. The new branch office structure reflecting these changes is described below.

Hokkaido (Sapporo), Tohoku (Sendai), Kanetsu (Omiya), Tokyo (Shinjuku-ku, Tokyo), Chiba (Chiba), Kanagawa (Yokohama), Nagano (Nagano), Shizuoka (Shizuoka), Tokai (Nagoya), Hokuriku(kanazawa), Kyoto (Kyoto), Kansai(Osaka), Kobe (Kobe) Chugoku (Hiroshima), Shikoku (Takamatsu), Kyushu (Fukuoka), 16 branches in total

Note:

Items in parentheses are names of towns, cities, districts, or prefectures.

(7) Members of the Board and Auditors

Position	Name	Assignment or title
Chairman	Tadashi Sekizawa	
Vice Chairman	Michio Naruto	
President	Naoyuki Akikusa	
Senior Executive Vice President	Takesi Maruyama	Computer Business
	Masuo Tanaka	Sales
	Keizo Fukagawa	Management and Administration
Executive Vice President	Michio Fujisaki	Telecommunications
	Tadayasu Sugita	Group President, Personal Systems Business Group
Senior Vice President	Akira Takashima	Group President, External Affairs Group
	Yoshiro Yoshioka	Group President, Strategy and Planning Group
	Kazunari Shirai	Semiconductors and Electronics Components Group
	Tatuhiko Otaki	Group President, Corporate Operations Management Group
	Kazuto Kojima	Group President, International Computer Business Group

Position	Name	Assignment or title
Senior Vice President	Akio Moridera	Group Prekisent, Network Systems Group
	Isao Suzuki	Group President, Marketing Group
	Hiroshi Oshima	Group President, Sales Group, Banking, Insurance and securiries
	Yuji Hirose	Software & Services Business
	Takashi Takaya	Finance, Accounting, & Corporate Planning
Other Board Members	Kunihiko Sawa	President and Representative Director, Fuji Electric Co., Ltd.
	Tatsuzumi Furukawa	Group president, Network Servises Group
	Ryusuke Hoshikawa	Group Executive Vice President, Semiconductor Group
	Junji Maeyama	Group President, Software Group
	Hiroya Madarame	Group President, Systems Engineering Group
	Masaru Takei	Group President, Eastern-Japan Regional Sales Group
	Tatsushi Miyazawa	Group President, Computer Systems Group
	Kazuo Murano	Group Exective Vice President, Network Systems Group
	Noboru Ogi	Group President, Technology Group
	Hidetoshi Shibagaki	Group President, Consumer Transaction Systems Group
	Hiroaki Kurokawa	Group president, Software & Services Business Promotion Group
	Hirohisa Yabuuchi	Group President, Kansai Regional Sales Group
	Koichi Ota	Group President, Transport Systems Group
	Takahiko Okada	Corporate Affairs, Human Right Affairs and Human Resources Management Division, Human Resources Development and Human Resources Services Center
Standing Corporate Auditor	Hideo Watanabe	
	Satoshi Sugimoto	
Corporate Auditor	Yasuyuki Wakahara	Chairman of the Board and Representative Director, Asahi Mutual Life Insurance Company
	Takeo Kato	Senior Executive Vice President and Representative Director, Fuji Electric Co., Ltd.

Note:

Messrs. Yasuyuki Wakahara and Takeo Kato, Auditors, are external auditors as defined by Item 1, Article 18 of the "Law Regarding Exceptional Rules of the Commercial Code Concerning Auditing, etc., of Stock Corporations."

1.Changes in Members of the Board and Auditors in the Last Fiscal Year

(1) New appointments

At the 99th Annual Shareholders' Meeting, held on June 29, 1999, Messrs. Hiroaki Kurokawa, Hirohisa Yabuuchi, Koichi Ota and Takahiko Okada were elected as Members of the Board. and Mr. Satoshi Sugimoto was elected as Corporate Auditor. They assumed their offices immediately after their election.

(2) Retirements

Mr. Takamitsu Tuchimoto, Exective Vice President, Messrs. Ryuzo Kawakami, Hioraki Sakai, Toru Katsurada, Senior Vice Presidents, Mr. Yoshihiko Nakazato, Members of the Board, and Mr. Iwao Katsuki, Standing Corporate Auditor, retired as of June 29, 1999.

2.Changes in Members of the Board and Assignment or Title after the term of settlement ended

Changes in Members of the Board and their areas of responsibility at the end of the 1999 fiscal year. In order to clarify the chain of responsibility for operational performance, on April 1, 2000, some changes were made in the ranking and assignments of Board Members. The new structure is as follows.

(As of April 1, 2000)

Position	Name	Assignment or title
Chairman	Tadashi Sekizawa	
President	Naoyuki Akikusa	
Senior Executive Vice President	Keizo Fukagawa	Management and Administration
Executive Vice President	Tadayasu Sugita	Computer Business
	Akira Takashima	Group President, External Affairs Group
	Kazunari Shirai	Electronic Devices
	Tatsuhiko Otaki	Computer Peripherals Business
	Kazuto Kojima	International Sales & Marketing
	Akio Moridera	Telecommunications Business
	Isao Suzuki	Domestic Sales
	Yuji Hirose	Software & Services
	Takashi Takaya	Finance, Accounting & Corporate Planning
Senior Vice President	Hiroshi Oshima	Group President, Industries and Financial Sales
	Tatsuzumi Furukawa	Group President, Network Services
	Junji Maeyama	Group President, Software Group
	Hiroya Madarame	Group President, Systems Engineering Group
	Masaru Takei	Group President, Eastern-Japan Regional Sales Group
	Tatsushi Miyazawa	Group President, Computer Systems Group
Other Board Members	Kunihiko Sawa	President and Representative Director, Fuji Electric Co., Ltd.
	Michio Naruto	
	Takesi Maruyama	
	Masuo Tanaka	
	Michio Fujisaki	
	Yoshiro Yoshioka	
	Ryusuke Hoshikawa	Group Executive Vice President, Electronic Devices Group
	Kazuo Murano	Group President, International Telecommunications Business
	Noboru Ogi	Group President, Storage Products Group
	Hidetoshi Shibagaki	Group President, Consumer Transaction Systems Group
	Hiroaki Kurokawa	Group President, Systems Support Group
	Hirohisa Yabuuchi	Group President, Western-Japan Regional Sales Group
	Koichi Ota	Group President, Transport Systems Group
	Takahiko Okada	Administration, Personnel & Employee Relations

Note:

At the conclusion of the 100th annual shareholders' meeting, which takes place on June 29, 2000, the following five members are expected to resign from Board Members: Michio Naruto, Takesi Maruyama, Masuo Tanaka, Michio Fujisaki, and Yoshiro Yoshioka. There are no changes with respect to the company's statutory auditors.

Notes:

1. All fractions of monetary units (billions, millions, or thousands of yen) in this report have been rounded down.
2. All fractions of 1,000 shares in this report have been rounded down.

Balance Sheet (Unconsolidated)

(As of March 31, 2000)

Assets	Millions of yen
Current assets:	
Cash and time deposits.....	95,785
Marketable and other securities.....	3,175
Receivables, trade.....	823,174
Inventories.....	394,435
Other current assets.....	<u>150,805</u>
Total current assets.....	<u>1,467,376</u>
Investments and long-term loans:	1,215,822
Property, plant and equipment less accumulated depreciation	587,452
Intangible assets.....	108,482
Other assets.....	<u>1,294</u>
	<u>3,380,427</u>
Liabilities and Shareholders' equity	
Current liabilities:	
Short-term borrowings and current portion of long-term debt.....	219,016
Payables, trade.....	714,582
Other current liabilities.....	<u>213,555</u>
Total current liabilities	<u>1,147,153</u>
Long-term liabilities:	
Long-term debt.....	882,395
Other long-term liabilities.....	<u>190,807</u>
	<u>1,073,203</u>
Shareholders' equity:	
Common stock.....	306,246
Capital surplus and legal reserve	403,258
Retained earnings.....	<u>450,566</u>
Total shareholders' equity	<u>1,160,071</u>
	<u>3,380,427</u>

Statement of Income (Unconsolidated)

(Year ended March 31, 2000)

	<u>Millions of yen</u>
Net sales.....	3,251,275
Operating costs and expenses:	
Cost of goods sold.....	2,497,069
Selling, general and administrative expenses.....	<u>700,397</u>
	<u>3,197,466</u>
Operating income.....	53,808
Other income (expenses):	
Interest and dividend income	22,857
Interest charges	(24,988)
Other, net.....	<u>(40,421)</u>
	<u>(42,552)</u>
Income before income taxes	11,256
Income taxes:	
Current	6,000
Deferred	<u>(8,400)</u>
	<u>(2,400)</u>
Net income.....	<u>13,656</u>
Unappropriated retained earnings at the beginning of this year	12,124
Prior year's adjustment for deferred tax.....	(1,800)
Transfer from reserves in conjunction with adoption Of deferred tax accounting	41,100
Interim dividends.....	9,691
Legal reserve for interim dividends.....	<u>969</u>
Unappropriated retained earnings at the end of this year	<u><u>54,419</u></u>
	<u>Yen</u>
Net income per share	<u>(7.06)</u>

Appropriation of Retained Earnings(Unconsolidated)

(Year ended March 31,2000)

	<u>Millions of yen</u>
Unappropriated retained earnings	54,419
Reversal of reserve for:	
Losses on overseas investment.....	100
Software development	8,900
Special depreciation.....	2,300
Advanced depreciation.....	<u>1,000</u>
Total.....	<u>66,719</u>
To be appropriated as follows:	
Legal reserve	990
Dividends (¥5 per share).....	9,814
Bonuses to derectors and statutory auditors	60
Reserve for:	
Software development	4,400
Special depreciation.....	2,600
Advanced depreciation.....	1,000
General reserve.....	20,000
Earnings to be carried forward	<u>27,855</u>

Note:

Financial information in this report is based on the separate Japanese version prepared in accordance with generally accepted Japanese accounting principles. Some of the information in the Japanese version has been summarized here for clearer understanding and not all the information has necessarily been translated. This English version may not conform to U.S. or other non-Japanese accounting principles and has not been audited. If you wish to confirm the integrity of the information, please refer to the Japanese version as the definitive document.

(Supplement Information)**Business Segment Information**

Unconsolidated

Millions of yen

	FY 1997(98th)	FY 1998(99th)	FY 1999(100th)
Net sales	3,229,084	3,191,146	3,251,275
Services & Software	827,834	927,253	934,316
Information Processing	1,456,897	1,498,327	1,457,064
Telecommunications	645,778	518,040	572,349
Electronic Devices	298,575	247,526	287,546
Export total (included in Net Sales)	568,814	638,323	641,976

	FY 1997	FY 1998	FY 1999
Net sales	4,985,382	5,242,986	5,255,102
Services & Software	1,736,697	2,034,569	1,975,466
Information Processing	1,688,402	1,801,409	1,605,301
Telecommunications	799,287	681,059	772,463
Electronic Devices	541,023	506,645	568,159
Financing	-	-	113,070
Other Operations	219,973	219,304	220,643
Overseas total (included in Net Sales)	1,757,019	2,115,485	1,902,265

Consolidated Balance Sheet (Unaudited)

(As of March 31,2000)

Assets	Millions of yen
Current assets:	
Cash and time deposits.....	273,978
Marketable and other securities.....	53,636
Receivables, trade.....	1,158,478
Inventories.....	805,626
Current portion of lease receivable	75,723
Other current assets.....	<u>232,950</u>
Total current assets.....	<u>2,600,391</u>
Lease receivable.....	151,572
Investments and long-term loans:	645,343
Property, plant and equipment less accumulated depreciation.....	1,278,858
Intangible assets.....	342,430
Other assets.....	<u>116,054</u>
	<u>5,134,648</u>
Liabilities and Shareholders' equity	
Current liabilities:	
Short-term borrowings and current portion of long-term debt.....	561,686
Payables, trade.....	876,438
Other current liabilities.....	<u>639,262</u>
Total current liabilities	<u>2,077,386</u>
Long-term liabilities:	
Long-term debt.....	1,163,389
Other long-term liabilities.....	<u>388,879</u>
	<u>1,552,268</u>
Minority interests.....	<u>213,562</u>
Shareholders' equity:	
Common stock.....	306,246
Capital surplus.....	495,073
Retained earnings and other reserves	490,409
Treasury stock.....	<u>(296)</u>
Total shareholders' equity	<u>1,291,432</u>
	<u>5,134,648</u>

Consolidated Statement of Income (Unaudited)

(Year ended March 31, 1999)

	<u>Millions of yen</u>
Net sales.....	5,255,102
Operating costs and expenses:	
Cost of goods sold.....	3,796,919
Selling, general and administrative expenses.....	1,308,209
[Amortization of goodwill]	<u>[27,621]</u>
	<u>5,105,128</u>
Operating income.....	149,974
Other income (expenses):	
Interest and dividend income	12,583
Equity in earnings of	
affiliated companies, net.....	17,025
Interest charges	(49,505)
Other, net.....	<u>(55,220)</u>
	<u>(75,117)</u>
Income before income taxes	74,857
Income taxes	28,379
Minority interests	<u>(3,744)</u>
Net income.....	<u><u>42,734</u></u>

Environmental Accounting

To continue our environmental protection activities and investments on a long-term basis, Fujitsu introduce a environmental system, which helps us to quantify environmental costs and benefits and to maximize the effectiveness of our environmental investments including major subsidiaries, in fiscal 1998.

The Company received independent certification in respect to environmental accounting from the Ota Showa Environmental Management and Quality Research Institute.

Costs and Benefits Trends

	FY1998			(Billion of yen) FY1999		
	Fujitsu	Major subsidiaries	Total	Fujitsu	Major subsidiaries	Total
Costs						
Direct Costs	4.2	3.5	7.7	3.9	3.7	7.6
Indirect Costs	1.1	1.5	2.6	1.3	1.8	3.1
Energy Conservation Costs	0.8	0.1	0.9	1.0	0.1	1.1
Recycling Costs						
Costs for collection, recycling and reuse of waste products	0.2	0.2	0.4	0.3	0.3	0.6
Waste processing costs	0.8	0.8	1.6	0.8	1.0	1.8
Research and Development Costs	0.1	0.5	0.6	0.3	0.6	0.9
Costs for Public Information	0.2	0.3	0.5	0.3	0.3	0.6
Other	0.6	0.1	0.7	0.6	0.4	1.0
Total	8.0	7.0	15.0	8.5	8.2	16.7
Benefits						
Environmental Protection Activities in Support of Production* ¹	3.7	2.3	6.0	3.7	4.0	7.7
Energy Conservation Activities	0.6	0.3	0.9	1.3	0.7	2.0
Recycling Activities						
Sales of new products and reusable products utilizing recycled waste materials	0.5	2.9	3.4	0.7	2.9	3.6
Cost reductions resulting from decreased volume of waste materials	0.1	0.2	0.3	0.1	0.3	0.4
Risk Management						
Expenses avoided for facility operation losses due to non-observance of legal restrictions* ²	1.8	1.4	3.2	2.0	1.3	3.3
Expenses avoided for resident indemnification and insurance covering groundwater pollution	0.9	0.5	1.4	0.7	1.6	2.3
Environmental Business Activities	0.5	0.3	0.8	0.6	0.1	0.7
Increased Efficiency of Environmental Activities	1.3	0.3	1.6	0.9	0.9	1.8
Environmental Education Activities	0.3	0.2	0.5	0.3	0.1	0.4
Total	9.7	8.4	18.1	10.3	11.9	22.2

Note: Costs are based on the Environmental Protection Agency's "Guidelines for Understanding and Publicizing the Costs of Environmental Protection" published in March 1999. Benefits are determined according to Fujitsu's "Guidelines for Environmental Accounting" amended in March 2000.

*1 Calculate on the basis of the proportion of the overall value added to products through production activities that is accounted for by the facility's environmental protection activities.

*2 Estimated value of risk avoided in a hypothetical risk situation.