

**Consolidated Interim Financial Statements (Unaudited)****• Summary of Consolidated Results**

	(billions of Yen except per share data and number of employees)					<i>U.S. dollars (millions except per share data)</i>
	1 <sup>st</sup> Half FY1998	FY1998	1 <sup>st</sup> Half FY1999	FY1999	1 <sup>st</sup> Half FY2000	<i>1<sup>st</sup> Half FY2000</i>
<b>Net Sales</b>	¥2,413.3	¥5,242.9	¥2,444.3	¥5,255.1	¥2,490.5	<i>\$23,061</i>
<b>Services &amp; Software</b>	913.5	2,034.5	909.7	1,975.4	897.4	<i>8,310</i>
<b>Information Processing</b>	814.6	1,801.4	762.0	1,605.3	690.0	<i>6,389</i>
<b>Telecommunications</b>	324.3	681.0	346.5	772.4	370.4	<i>3,430</i>
<b>Electronic Devices</b>	252.3	506.6	267.0	568.1	359.8	<i>3,332</i>
<b>Financing</b>	-	-	50.2	113.0	51.7	<i>479</i>
<b>Other Operations</b>	108.3	219.3	108.6	220.6	121.1	<i>1,121</i>
<b>Overseas Total (included in Net Sales)</b>	1,046.5	2,115.4	969.5	1,902.2	905.8	<i>8,388</i>
<b>Operating Income</b>	44.1	132.2	63.6	149.9	100.2	<i>929</i>
<b>Ordinary Profit</b>	21.5	76.7	22.1	70.1	65.0	<i>602</i>
<b>Net Income (Loss)</b>	8.3	(13.6)	2.3	42.7	17.2	<i>160</i>
<b>Basic Earnings (Loss) Per Share [Yen]</b>	¥4.47	¥(7.28)	¥1.24	¥22.10	¥8.77	<i>\$0.081</i>
<b>Total Assets</b>	4,982.6	5,025.6	5,084.1	5,019.7	4,960.1	<i>45,928</i>
<b>Shareholders' Equity</b>	1,133.7	1,078.6	1,118.4	1,176.5	1,210.2	<i>11,206</i>
<b>Shareholders' Equity per Share [Yen]</b>	¥604.68	¥572.49	¥576.94	¥599.37	¥615.62	<i>\$5.70</i>
<b>Numbers of Employees</b>	187,184	188,139	193,810	188,053	189,139	

Note:

1. All fractions of monetary units (billions of yen) have been rounded down.
2. Basic earnings (loss) per share is calculated on weighted average number of shares of common stock outstanding during each period.
3. Shareholders' equity per share is calculated based on the number of shares of common stock outstanding at the end of each period.
4. A new business segment, "Financing", has been added to reflect the fact that former affiliated company Fujitsu Leasing Co., Ltd. became a consolidated subsidiary from fiscal year 1999.

• **Overview of First-half FY2000 Performance**

Results by Business Segment

[Services & Software]

Despite solid growth in its outsourcing business in Japan, the company's systems integration (SI) business was adversely impacted by the slow pace of post-Y2K recovery in corporate IT spending. This was particularly the case outside Japan, where SI-related revenues declined. Lower overseas sales were further exacerbated by the high value of the yen, which reduced the converted value of foreign subsidiaries' contributions to sales.

[Information Processing]

In information processing, the continued proliferation of the Internet in Japan helped drive higher sales of UNIX servers as well as PCs, especially for the consumer market. However, due primarily to lower demand for its large-scale servers, domestic information processing sales as a whole declined. Overseas, information processing sales also declined, due to such factors as the impact of the high yen and accounting changes associated with last October's merger of Fujitsu's European computer manufacturing and sales operations with those of Siemens. (The resulting joint venture company, Fujitsu Siemens Computer (Holding) B.V., is subject to the equity accounting method.)

[Telecommunications]

Driven by unrelenting demand for faster, larger-capacity network infrastructure to serve the rapid growth of the Internet, Fujitsu's fiber optic transmission business in the US continued to expand robustly. In Japan, expansion of ISDN service, rapid growth in the number of i-mode subscribers, and the introduction of commercial-use IMT2000 next-generation mobile communications systems all helped spur sales of central office switching systems.

[Electronic Devices]

Responding to the rapid growth in demand for flash memory and logic products, principally for cellular telephones and digital AV equipment, the company was able to ramp up production and achieve significant growth in sales. Likewise, the company responded aggressively to the growing demand for compound semiconductors and other devices central to the Internet infrastructure.

Altogether, our half-year consolidated sales amounted to 2,490.5 billion yen (\$ 23,061 million), a 2% increase over the same period last year.

In respect to profit, the company recorded consolidated operating income of 100.2 billion yen (\$929 million) for the first half, a 58% increase over the comparable period in fiscal 1999, while consolidated net income increased over seven-fold to 17.2 billion yen (\$160 million). The principal factor behind the marked improvement in profitability was the company's success in responding to the surging demand for advanced electronic devices. Successful cost-cutting efforts, while continuing to pursue cutting-edge R&D in next-generation mobile communications and other fields, also contributed to the favorable outcome. In accordance with new accounting standards regarding pension and severance plans, Fujitsu amortized an amount equivalent to the unconsolidated portion of its unrecognized net obligation by placing marketable securities it holds in trust which is solely established for severance benefits. However, this had only a minor impact on net income for the half.

## (TRANSLATION FOR REFERENCE ONLY)

## • Business Segment Information

		Yen (billions)				U.S. dollar (millions)	
		FY1998 1 <sup>st</sup> Half	FY1998	FY1999 1 <sup>st</sup> Half	FY1999	FY2000 1 <sup>st</sup> Half	FY2000 1 <sup>st</sup> Half
<b>Services &amp; Software</b>	<b>Net Sales</b>						
	Unaffiliated Customers	¥913.5	¥2,034.5	¥909.7	¥1,975.4	¥897.4	\$8,310
	Intersegment	27.0	58.2	34.1	77.5	30.5	283
	Total	940.6	2,092.8	943.9	2,053.0	928.0	8,593
	<b>Operating Income</b>	59.6	166.3	60.7	134.9	52.2	484
	[As % of Sales]	[6.3%]	[7.9%]	[6.4%]	[6.6%]	[5.6%]	
<b>Information Processing</b>	<b>Net Sales</b>						
	Unaffiliated Customers	¥814.6	¥1,801.4	¥762.0	¥1,605.3	¥690.0	\$6,389
	Intersegment	146.4	300.6	138.4	278.9	122.5	1,135
	Total	961.0	2,102.0	900.4	1,884.2	812.5	7,524
	<b>Operating Income</b>	41.8	94.0	18.7	38.8	13.9	129
	[As % of Sales]	[4.4%]	[4.5%]	[2.1%]	[2.1%]	[1.7%]	
<b>Telecommunications</b>	<b>Net Sales</b>						
	Unaffiliated Customers	¥324.3	¥681.0	¥346.5	¥772.4	¥370.4	\$3,430
	Intersegment	3.8	10.7	4.3	11.7	6.0	56
	Total	328.2	691.8	350.9	784.2	376.4	3,486
	<b>Operating Income</b>	10.6	15.6	12.5	17.1	2.5	24
	[As % of Sales]	[3.2%]	[2.3%]	[3.6%]	[2.2%]	[0.7%]	
<b>Electronic Devices</b>	<b>Net Sales</b>						
	Unaffiliated Customers	¥252.3	¥506.6	¥267.0	¥568.1	¥359.8	\$3,332
	Intersegment	45.6	103.1	53.5	148.3	70.0	648
	Total	298.0	609.8	320.5	716.5	429.8	3,980
	<b>Operating Income (Loss)</b>	(43.4)	(83.3)	(0.4)	20.1	56.5	524
	[As % of Sales]	[-14.6%]	[-13.7%]	[-0.1%]	[2.8%]	[13.2%]	
<b>Financing</b>	<b>Net Sales</b>						
	Unaffiliated Customers	-	-	¥50.2	¥113.0	¥51.7	\$479
	Intersegment	-	-	3.1	6.4	3.9	37
	Total	-	-	53.4	119.5	55.7	516
	<b>Operating Income</b>	-	-	1.6	3.0	1.6	16
	[As % of Sales]	-	-	[3.1%]	[2.5%]	[3.0%]	
<b>Other Operations</b>	<b>Net Sales</b>						
	Unaffiliated Customers	¥108.3	¥219.3	¥108.6	¥220.6	¥121.1	\$1,121
	Intersegment	50.8	100.9	43.3	125.6	61.4	569
	Total	159.1	320.2	152.0	346.3	182.5	1,690
	<b>Operating Income (Loss)</b>	2.2	7.0	(0.1)	3.4	3.7	34
	[As % of Sales]	[1.4%]	[2.2%]	[-0.1%]	[1.0%]	[2.0%]	
<b>Elimination</b>	<b>Net Sales</b>	(¥273.8)	(¥573.7)	(¥277.0)	(¥648.8)	(¥294.6)	(\$2,728)
	<b>Operating Income</b>	(26.8)	(67.4)	(29.3)	(67.6)	(30.4)	(282)
<b>Total</b>	<b>Net Sales</b>						
	Unaffiliated Customers	¥2413.3	¥5,242.9	¥2,444.3	¥5,255.1	¥2,490.5	\$23,061
	Intersegment	-	-	-	-	-	-
	Total	2413.3	5,242.9	2,444.3	5,255.1	2,490.5	23,061
	<b>Operating Income</b>	44.1	132.2	63.6	149.9	100.2	929
	[As % of Sales]	[1.8%]	[2.5%]	[2.6%]	[2.9%]	[4.0%]	

## • Consolidated Balance Sheet

	Yen (millions)		U.S. dollars (millions)
	2000/9/30	2000/3/31	2000/9/30
<b>Assets</b>			
<b>Current assets:</b>			
Cash and time deposits	¥216,354	¥ 273,978	\$2,003
Marketable and other securities	36,773	53,636	341
Receivables, trade	1,099,446	1,158,478	10,180
Inventories	917,447	805,626	8,495
Current portion of lease receivables	59,956	75,723	555
Other current assets	228,499	232,950	2,116
<b>Total current assets</b>	<b>2,558,475</b>	<b>2,600,391</b>	<b>23,690</b>
<b>Lease receivables</b>	<b>110,416</b>	<b>151,572</b>	<b>1,022</b>
<b>Investments and long-term loans</b>	<b>656,362</b>	<b>645,343</b>	<b>6,077</b>
<b>Property, plant and equipment less accumulated depreciation</b>	<b>1,296,696</b>	<b>1,278,858</b>	<b>12,007</b>
<b>Intangible assets</b>	<b>337,934</b>	<b>342,430</b>	<b>3,129</b>
<b>Other assets</b>	<b>287</b>	<b>1,150</b>	<b>3</b>
	<b>¥ 4,960,170</b>	<b>¥ 5,019,744</b>	<b>\$45,928</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Short-term borrowings and current portion of long-term debt	¥ 727,825	¥ 561,686	\$6,739
Payables, trade	825,071	876,438	7,640
Other current liabilities	644,777	639,262	5,970
<b>Total current liabilities</b>	<b>2,197,673</b>	<b>2,077,386</b>	<b>20,349</b>
<b>Long-term liabilities:</b>			
Long-term debt	1,003,179	1,163,389	9,289
Other long-term liabilities	338,930	388,879	3,138
<b>Total long-term liabilities</b>	<b>1,342,109</b>	<b>1,552,268</b>	<b>12,427</b>
<b>Minority interests</b>	<b>210,175</b>	<b>213,562</b>	<b>1,946</b>
<b>Shareholders' equity:</b>			
Common stock	307,738	306,246	2,849
Capital surplus	496,630	495,073	4,599
Retained earnings & other reserves	493,529	490,409	4,570
Unrealized gains on securities	29,713	-	275
Foreign currency translation adjustments	(117,294)	(114,904)	(1,086)
Treasury stock	(103)	(296)	(1)
<b>Total shareholders' equity</b>	<b>1,210,213</b>	<b>1,176,528</b>	<b>11,206</b>
	<b>¥ 4,960,170</b>	<b>¥ 5,019,744</b>	<b>\$45,928</b>
<b>Supplementary information</b>	Yen (billions)		U.S. dollars (millions)
	1 <sup>st</sup> Half FY2000	1 <sup>st</sup> Half FY1999	1 <sup>st</sup> Half FY2000
Capital expenditure	¥ 189.5	¥132.1	\$1,755
Depreciation	155.8	145.9	1,442

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• Consolidated Statements of Income

	Yen (millions)			U.S. dollars (millions)
	1 <sup>st</sup> Half FY2000	1 <sup>st</sup> Half FY1999	Change(%)	1 <sup>st</sup> Half FY2000
<b>Net Sales</b>	¥ 2,490,570	¥2,444,346	+1.9	\$23,061
<b>Operating costs and expenses:</b>				
Costs of goods sold	1,760,306	1,745,479	+0.8	16,299
Selling, general and administrative expenses	629,977	635,250	-0.8	5,833
	2,390,283	2,380,729		22,132
<b>Operating income</b>	100,287	63,617	+57.6	929
<b>Other income (expenses):</b>				
Interest and dividend income	6,128	5,441		57
Equity in earnings of affiliated companies, net	3,185	9,522		29
Gain from establishment of stock holding trust for retirement benefits plan	460,280	-		4,262
Interest charges	(23,244)	(24,507)		(215)
One-time amortization for unrecognized net obligation	(415,615)	-		(3,848)
Other, net	(30,611)	(39,637)		(284)
	123	(49,181)		1
<b>Income before income taxes</b>	100,410	14,436	+595.6	930
<b>Income taxes</b>	80,025	10,884	+635.3	741
<b>Minority interests</b>	(3,146)	(1,178)	+167.1	(29)
<b>Net income</b>	¥ 17,239	¥2,374	+626.2	\$160
<b>Supplementary information</b>				
R&D expenditure	¥ 197,834	¥188,993	+4.7	\$1,832
[As % of Sales]	[7.9%]	[7.7%]		

**Consolidated Subsidiaries** 496 companies (Japan: 134 companies Overseas: 362 companies)  
**Affiliates (using the equity method)** 25 companies

**Major Consolidated Subsidiaries**

Fujitsu Laboratories Ltd.	Amdahl Corporation (U.S.A.)
Shinko Electric Industries Co., Ltd.	DMR Consulting Group, Inc. (U.S.A.)
FDK Corporation	Fujitsu America, Inc. (U.S.A.)
Fujitsu Business Systems Ltd.	Fujitsu PC Corporation (U.S.A.)
Fujitsu Support and Service Inc.	Fujitsu Network Communications, Inc. (U.S.A.)
Fujitsu Kiden Ltd.	Fujitsu Microelectronics, Inc. (U.S.A.)
Fujitsu Denso Ltd.	ICL PLC (U.K.)
Takamisawa Electric Co., Ltd.	Fujitsu Europe Ltd. (U.K.)
Fujitsu Devices Inc.	Fujitsu ICL España, S.A. (Spain)
Fujitsu Systems Construction Ltd.	Fujitsu Australia Ltd. (Australia)
Fujitsu Broad Solution & Consulting Inc.	
Fujitsu TEN Ltd.	
PFU Ltd.	
Fujitsu Quantum Devices Ltd.	
Fujitsu FIP Corporation	
NIFTY Corporation	
Fujitsu AMD Semiconductor Ltd.	
Fujitsu Hitachi Plasma Display Ltd.	
Fujitsu Leasing Co., Ltd.	