

# Reports on the 101st Business Period

## FUJITSU LIMITED

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Note:

This English version of *Reports on the 101st Business Period* is based on the separate original Japanese version. The style of the English version differs slightly from the Japanese version.

All yen figures have been converted to U.S dollars for convenience only at a uniform rate of \$1 = ¥124, the closing exchange rate on March 31, 2001.

## To Our Shareholders

We are pleased to extend our greetings to all our shareholders on the occasion of this report on yearly financial results of Fujitsu Limited, covering the 101st reporting period from April 1, 2000 to March 31, 2001.

The rapid growth of the Internet in today's broadband era is bringing great changes to the way companies do business and in ordinary people's lifestyles all over the world. As the Internet establishes itself as our society's newest infrastructure, high-speed, high-volume networks are spreading far and wide throughout society. Against this backdrop, Fujitsu is adhering to its fundamental business strategy of "Everything on the Internet" and focusing its efforts on providing platforms (hardware and software) to support ultra-high-speed, high-volume networks for the network society of the future. At the same time, as a partner helping to bring added value to our customers' businesses, we are working to offer new types of solutions that make optimum use of the Internet. We are also providing a variety of Internet-based services that are bringing significant changes to individual lifestyles, and are thereby contributing to the development of a more abundant network society.

Turning now to the unconsolidated results for this reporting period, our total sales were ¥3,382.2 billion (\$27,275 million), while ordinary profit was ¥107.4 billion (\$866 million) and net income ¥46.6 billion (\$376 million).

We are pleased to announce a dividend of ¥10 per share for fiscal 2000. This figure reflects the ¥5 per share distributed in November 2000 plus an additional ¥5 per share dividend payable at the end of the fiscal year.

Capitalizing on our cutting-edge technology and globally deployed platforms, as well as the excellence of the manifold solutions based on them, Fujitsu and every company in the Fujitsu Group will spare no effort to further expand our business and achieve the goal of being a group that leads the way toward a new society based on high-speed, high-volume networks.

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

June 2001

Tadashi Sekizawa  
Chairman

Naoyuki Akikusa  
President & CEO

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

(TRANSLATION FOR REFERENCE ONLY)

**BUSINESS REPORT**  
**(From April 1, 2000 to March 31, 2001)**

**1. OVERVIEW OF CORPORATE ACTIVITIES**

**(1) Progress and Results**

**General Statement**

Throughout the world, the rapid development of broadband Internet services is bringing about major changes in how companies do business and how people live their lives. The Internet has established itself as a new part of our social infrastructure, and the importance of information technology continues to increase as ultra-high-speed, high-volume networks reach into every corner of society. Although the information technology industry is presently facing a difficult environment because of the recent economic slowdown in the U.S and anywhere, it still has excellent growth prospects over the medium-to-long term because of the central role it will continue to play in creating the more abundant network society of the future.

In light of these circumstances, Fujitsu is adhering to its core business strategy of "Everything on the Internet" and focusing its efforts on offering platforms combining hardware and software designed for the ultra-high-speed, high-volume networks of the future. In addition, as a partner helping to bring added value to our customers' businesses, we are working to offer innovative Internet-based solutions. We are also providing a variety of Internet-based services that hold the promise of thoroughly transforming the lifestyles of individuals, thereby contributing to the development of a richer and more rewarding network society.

In the first half of the last fiscal year, corporate investment in information technology and the growing demand for digital home appliances and PCs for personal use led to a mild economic recovery in Japan, and there was also economic expansion in the U.S and Europe. In the second half, however, the U.S economy slowed, leading to an adjustment in corporate capital spending and inventories that spread beyond the U.S to Japan and Europe. As a result, our external environment rapidly deteriorated.

Accordingly, although sales increased in such areas as software and services, UNIX servers, and PCs, sales of global servers (mainframes) and small-form factor magnetic disk drives decreased. Moreover, the growth in sales of electronic devices for digital home appliances and cellular telephones suddenly dropped off starting in January of this year. Overall, unconsolidated sales for fiscal year 2000 were ¥3,382.2 billion (\$27,275 million), a gain of 4% over the previous year.

Thanks to higher profitability in electronic devices because of early business restructuring efforts, and also owing to company-wide efforts to contain operating expenses, unconsolidated operating income reached ¥100.2 billion (\$808 million), an increase of 86% over the previous year, and ordinary profit reached ¥107.4 billion (\$866 million), approximately 6.8 times the level of the previous year. Due to continued business restructuring, a write-down of stock in subsidiary companies taken at the end of the fiscal year, a one-time amortization for unrecognized net obligation for retirement benefits, and the establishment of a trust for stock holdings, unconsolidated net income for the fiscal year was ¥46.6 billion (\$376 million), approximately 3.4 times the level of the previous year.

In addition, we took a number of actions last year aimed at quickly restoring the profitability of our U.S and European subsidiaries, such as refocusing Amdahl in the U.S on the open system server business, and business restructuring at DMR in the U.S and ICL in the U.K.

## Overview by Business Area

### (Services and Software)

In our services and software business, we endeavored to create offerings that would contribute added value to our customers' businesses and promote greater use of the Internet by individuals. These efforts resulted in unconsolidated sales of ¥1,028.0 billion (\$8,290 million), an increase of 10% compared with previous year.

In the systems integration area, we expanded sales by implementing a large number of information systems projects, including building a next-generation account settlement system for regional banks, e-commerce systems for a variety of businesses and a medical information system using electronic medical records, as well as developing offering in CRM<sup>\*1</sup> and other new styles of doing business and actively engaging in systems construction. In addition, we energetically promoted new services geared toward individuals, such as launching Japan's first Internet bank. In the area of electronic government, a promising new market, we opened our netCommunity showroom, where customers can experience the innovative government service delivery approaches we have proposed. Moreover, we initiated our Web Integration Service, which provides a full range of support in using the Internet for business, from strategic planning to systems design, construction and operations management.

We have also actively pursued leading-edge technologies. For example, we have promoted application of XML<sup>\*2</sup>, a key technology for the next stage of the Internet revolution, in major platforms and equipment. Seeking to improve development efficiency, we have established a consortium to promote the componentization and distribution of software and opened the Fujitsu Component Center to promote these products and services directly to customers.

In network services, sales increased along with growing demand for our IDC services<sup>\*3</sup>, thanks to our vigorous response to customer needs for quick startup of information systems, lower operating costs and high security. We have, moreover, expanded business synergy with Nifty Corporation's @nifty portal and have begun offering high-volume content that takes advantage of broadband access over CATV and ADSL<sup>\*4</sup>.

In the area of maintenance services, we launched our SupportDesk service, which offers integrated support for the hardware and software used in today's increasingly complex corporate information systems, utilizing Internet technology to avert system problems before they occur and shorten recovery time.

Software sales increased as a result of our efforts to enhance software functionality. For example, we improved the system monitoring function of SystemWalker, our operations control software for distributed systems.

\*1 CRM: A management method that uses IT to increase customer satisfaction and make business activities more efficient. At its core is a detailed database of information about individual customers and their business transactions, covering sales history, maintenance services, responses to inquiries and so on, which can be managed and used in an integrated manner.

\*2 XML: Extensible markup language is a markup language that is quickly becoming the global standard in exchanging data on the Internet, such as business-to-business commerce.

\*3 IDC: An all-inclusive system operation service. All the system-level hardware and software needed for companies using the Internet installed in facilities equipped for high security and non-stop operation, where they are managed on the customer's behalf.

\*4 ADSL: 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 having to lay fiber optic cables.

*Picture on page 3 in the Japanese version  
e-government showroom "netCommunity"*

**(Information Processing)**

In the information processing area, which involves the development and sales of platforms supporting the use of the Internet by both corporations and individuals, sales of UNIX servers and personal computers increased, but sales of global servers (mainframes) and small-form factor magnetic disk drives decreased. Unconsolidated net sales totaled ¥1,411.8 billion (\$11,385 million), a decline of 3% compared with the previous year.

Within the server category, increased sales of our PRIMEPOWER UNIX servers, which combine cost effectiveness with high performance and excellent scalability, were offset by lower demand for global servers, leading to a decline in overall net sales. We strengthened our competitiveness in this area by realigning the business direction of Amdahl Corporation subsidiary in the U.S to focus on open systems servers, while in Japan we also concentrated our resources on developing open systems servers.

Sales of personal computers increased, especially domestic sales of desktop PCs for individual use. Responding to the demand for greater portability and versatility, we introduced in Japan the FMV-BIBLO LOOX series of notebook PCs, which allow users to access the Internet anywhere, without having to connect through mobile phones or communications cards. As a result of these efforts, domestic shipments of personal computers reached 3 million units, while overall Group shipments, including those of overseas operations, reached 6.6 million units.

Overall sales of small-form factor magnetic disk drives declined as a result of a significant decrease in overseas sales for the desktop PC market in spite an increase in sales for servers and notebook PCs.

*Picture on page 4 in the Japanese version  
Left : UNIX Server PRIMEPOWER 2000  
Right : Notebook-type PC FMV-BIBLO LOOX*

**(Telecommunications)**

In the telecommunications area, we focused our development and sales efforts on platforms that support super high-speed, high-capacity networks, such as optical communications systems and next-generation mobile communications systems. However, as a result of sales declines in such areas as submarine transmission systems, overall unconsolidated net sales totaled ¥574.1 billion (\$4,630 million), a slight increase of 0.3% over the previous year.

North American sales of high-capacity optical transmission systems capable of handling 10 gigabytes per second increased, but a decrease in sales in such areas as submarine transmission systems led to a decline in overall sales of transmission systems. Continuing our efforts to develop higher capacity optical transmission systems, however, last October we launched a WDM<sup>\*1</sup> optical transmission system with a capacity of 1.76 terabytes per second, the world's highest-capacity commercial system to date.

In switching systems and mobile communications, the expanded use of the Internet within Japan through mobile phones and fixed-line connection services resulted in higher sales of switching systems. Moreover, sales of switching systems and base stations increased in preparation for the launch of IMT-2000, the next-generation mobile communications system that is expected to begin services this year. We also initiated sales of GeoStream R940, a high-performance router<sup>\*3</sup> that is compatible with IPv6<sup>\*2</sup>, the next-generation Internet standard and features high reliability and through put capacity for up to 20,000 ADSL lines.

In mobile phones, we boosted sales in response to the growth in demand for new handsets associated with NTT DoCoMo's new i-mode<sup>\*4</sup> services.

To speed up and make more efficient our efforts to develop next-generation mobile communications systems, in September of last year we established a joint venture with Alcatel of France. The aim of this venture is to combine the technology of each company and quickly bring to market next-generation mobile communications systems.

- \*1 WDM: 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 Ipv6: The next generation protocol designed to enhance security and expand the system of IP addresses (addresses assigned to individual computers for the Internet) so as to ensure that sufficient IP addresses will be available in the future.
- \*3 router: A device used to connect multiple networks. As a link between different networks, it has the ability to route data transmitted to its destination through the network by the most efficient path.
- \*4 i-mode: The Internet connection service provided by the NTT DoCoMo Group through their mobile phone network.

*Picture on page 5 in the Japanese version*

*Left : Most advanced digital swithing system, GeoStream R940*

*Right : Mobile phones for new application service*

## **(Electronic Devices)**

In the electronic devices business, we were able to significantly boost sales in the first half of the fiscal year because of a rapid increase in the demand for flash memory and system LSI (system-on-a-chip) for use in mobile phones and digital home electronic products. In the second half, however, the slowdown in the growth of the U.S. economy caused corporations to make adjustments to their inventories, and starting in January of this year, the growth in sales abruptly tapered off. Unconsolidated net sales for the fiscal year reached ¥368.1 billion (\$2.9 billion), an increase of 28% over the previous year.

Turning to logic ICs, there was an increase in sales of system LSI for use in digital appliances (including DVD players, digital TVs, and digital cameras) and network products (including routers and modems). We also aggressively developed new products in the area of high-speed image processing system LSI, which is poised for future growth, with anticipated applications in such products as car navigation systems and digital appliances.

In memory ICs, sales of flash memory increased for such uses as mobile phones, digital appliances, and personal computers. We also inaugurated sales of Multichip Package (MCP) mounted with both flash memory and FCRAM<sup>1</sup> chips for use in handsets for next-generation mobile communications systems requiring high-speed processing of large quantities of data, such as moving images, low power-consumption. Moreover, we developed volume production technology for megabit-class ferroelectric memories, FRAMs, expected to be an expanding market going forward, with broad applications in IC cards and other areas.

In liquid crystal displays (LCDs), we made progress in the development and sales of large display panels exceeding 15 inches and featuring high-quality, high-resolution MVA technology, Fujitsu's proprietary wide viewing-angle technology.

Seeking to strengthen our development efforts in semiconductor technology and further enhance our competitiveness in advanced fields, we established the Akiruno Technology Center in July of last year. The new center allows us to increase the efficiency and effectiveness of our development process by consolidating our semiconductor development divisions and integrating the entire development chain, from design to prototype production, in one location.

(TRANSLATION FOR REFERENCE ONLY)

- \*1 FCRAM: Fujitsu's proprietary high-speed memory, technology, which is 2-3 times faster than conventional DRAM. Designed for applications in mobile devices, network equipment, and digital appliances.
- \*2 FRAM: Non-volatile memory using ferroelectric substances. Features include high speed, high-frequency re-write, low power consumption, and random accessibility. Used in applications requiring security and low power-consumption, such as smart cards and mobile devices. FRAM is a registered trademark of Ramtron International Co.
- \*3 MVA: A high-quality liquid crystal display panel with excellent contrast, responsiveness, and brightness, and permitting a 160-degree viewing angle in all directions.

*Picture on page 6 in the Japanese version*

*Left : Sample of IC card with IC chip*

*Right : Akiruno Technology Center*

## **Research and Development**

We pursued the development of a wide range of advanced technology, from the computer and communications systems upon which the network society of the future will depend to the electronic devices that support them.

In the information processing area, we developed high-speed Internet communications technology in response to the need for servers with faster communications processing speeds arising from the rapid increase in data traffic owing to the expanding use of the Internet. One example of this is a dedicated network processor that handles communications processing that was until now performed by specialized software inside the server. Use of the new network processor, whose performance exceeds current Internet communication processing capacity by more than 10 times, is expected to greatly improve processing speed, and will also provide the high-speed communications processing capability needed to accommodate the next-generation Internet standard (Ipv6) as well as advanced security applications.

Turning to telecommunications systems, in the WDM (wave division multiplexing) area, we successfully completed the world's first test of technology that makes it possible to transmit 2.1 terabits of data per second across the 7,200km breadth of the Atlantic Ocean over a fiber optic transmission line. And in undersea transmission systems, we have successfully tackled the problem of achieving both larger transmission volume and longer distance between relays. Taking a major step toward practical realization of terabit-class transmission systems capable of linking continents, we developed a light amplifier able to accommodate a wide range of bandwidths, thereby making possible the extension of data relay distance to 80km, or 1.6 times the distance possible with existing technology.

In the system LSI field, we developed a single-chip OFDM\* demodulator LSI for reception of terrestrial digital television broadcasting, which is scheduled to commence in Japan in 2003. Although a large-scale dedicated reception device for terrestrial digital television had already been developed, we succeeded in integrating the demodulation function for reception on a single-chip system LSI with the added benefits of small size and low power consumption. The new device will enable viewers to enjoy terrestrial digital television in a variety of venues -- in their automobiles and via mobile terminals as well as on stationary receivers in their homes and offices.

- \* OFDM: A method for dividing and multiplexing the large number of transmission waves used in digital audio broadcasting for mobile reception and terrestrial digital television broadcasting.

## **Capital Expenditure**

Taking into account the severe business environment, we focused our investment in growth areas, making a total of ¥136.4 billion in capital expenditure.

In the services and software areas, we further enhanced basic network facilities.

In information processing, we improved our UNIX server development facilities as well as development and manufacturing facilities for magnetic disk devices used for servers.

In telecommunications, we strengthened our facilities for the development and manufacturing of WDM optical transmission systems and next-generation mobile communications systems.

In electronic devices, we substantially improved our development facilities for advanced devices, as well as development and manufacturing facilities for logic ICs, flash memory and FRAM.

## **Fund Raising**

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

## **Consolidated Financial Statements**

During this period, sales of electronic devices for cellular phones and digital home electronic products, as well as those of fiber optic transmission systems for the U.S market increased. However, due to sales declines in our European and U.S services business and in small form factor magnetic disk devices, and impacted by the drop in demand for personal computers and electronic devices, against the backdrop of the economic slowdown in the U.S during the second half of the year, consolidated net were ¥5,484.4 billion (\$44,229 million) a 4% increase over the preceding year. Thanks to dramatically improved profitability in the electronic devices sector resulting from timely restructuring of Fujitsu's semiconductor operations, as well as successful group-wide efforts to control operating expenses, consolidated operating income increased to ¥244.0 billion (\$1,968 million), 63% higher than the previous fiscal year, and ordinary profit increased 2.7 times to ¥189.7 billion (\$1,530 million). However, on account of extraordinary expenses arising from the realignment of U.S subsidiary Amdahl Corporation's business structure and restructuring efforts at DMR and ICL, consolidated net income was ¥8.5 billion (\$69 million), an 80% decline from the previous fiscal year.

In software and services business, an increase in domestic sales of services, particularly systems integration and outsourcing services, was largely offset by sales declines in the company's U.S and European services operation, and overall this business grew only slightly.

In Japan, sales of UNIX servers and personal computers for individual consumers increased, however, due to lower domestic and overseas sales of global servers (mainframes) as well as drop in U.S and European sales of small term factor hard disk drives owing to the slowdown in the U.S economy, overall information processing sales declined.

In telecommunications, we enjoyed robust first-half sales of fiber optic transport systems in North America amidst increased demand for greater network speed and capacity. In Japan, sales increased for switching systems to support the growth in Internet usage from both fixed line and mobile networks. This, together with increased sales of switching and base station systems for next-generation mobile communications systems, contributed to sales growth for the telecommunications business overall.

Although sales of electronic device dropped off sharply from January along with the



deceleration of the U.S economy, prior to that we were able to take advantage of the rapid increase in demand for flash memory for mobile telephones and digital home electronics, as well as for logic ICs and for compound semiconductors used in fiber optic transmission systems. As a result, consolidated sales of electronic devices increased.

## **(2) Projected Plans**

Looking forward, as the Internet permeates every area of society -- including government, corporate activities, and daily life -- we at the Fujitsu Group remain committed to our business strategy of "Everything on the Internet," enhancing our focus on our customers' needs and offering solutions based on leading-edge technology and products. In order to spread the growth of ultra high-speed, high-capacity networks to all corners of society and promote diverse services using this new infrastructure, platforms with superior performance and reliability as well as solutions capable of handling increasingly complex and sophisticated tasks will be needed. Capitalizing on the Fujitsu Group's advanced technology, world-class platforms and rich store of solutions, we are aiming to be a global leader of this network-sparked societal revolution. We are also actively developing new frontiers of information technology, including electronic government and bio-informatics.

Although the business climate in which the Fujitsu Group operates is expected to become even more severe, we are determined to increase growth and profitability by focusing on the following objectives:

First of all, we will strengthen our competitiveness by developing platforms driven by the advanced technologies that lie at the core of the Internet (e.g., high-capacity optical communications systems, next-generation mobile communications systems, super servers, etc.), and on solutions that take advantage of these technologies and the synergies among them. In addition, we intend to reorganize and enhance our sales organization to make it more responsive to these new markets.

By improving our worldwide manufacturing organization and promoting strategic alliances, we will strive to optimize resource allocation and achieve greater efficiency.

We will promote the global development of our open server strategy in concert with Amdahl in the U.S. and Fujitsu Siemens Computers in Europe. In addition, together with DMR in the U.S. and ICL in the U.K., we will offer solutions to customers worldwide.

We intend to foster a more challenging corporate culture through strategic development of human resources and by taking the results-oriented approach we pioneered in our industry in Japan to a new level.

Through our global branding initiative, which we launched last June under the banner of "The Possibilities are Infinite," we have been enhancing the image of the Fujitsu Group worldwide as a leading information technology company that customers can rely on, while also using "Fujitsu" as a common brand across the Group.

We adopted our Third Environmental Action Plan in April of this year, with the motto "Focused on the Green", and we will continue to strive to ensure that every aspect of our business activities impose the smallest possible burden on the natural environment.

We are committed to continuing these efforts so that we can play a central role in the network society of the future. Moreover, we aim to become a global company trusted by both our customers and the society at large, as well as a company that continually reinvents itself.

**(3) Performance and Assets**

(Unit: billions of yen)

	1997 (98th)	1998 (99th)	1999 (100th)	2000 (Current period)
Net sales	3,229.0	3,191.1	3,251.2	3,382.2
Services and software	827.8	927.2	934.3	1,028.0
Information processing	1,456.8	1,498.3	1,457.0	1,411.8
Telecommunications	645.7	518.0	572.3	574.1
Electronic devices	298.5	247.5	287.5	368.1
Operating income	89.3	39.8	53.8	100.2
Ordinary profit	89.1	15.7	15.8	107.4
Net income (loss)	50.9	(21.5)	13.6	46.6
Net income (loss) per share	¥27.41	(¥11.47)	¥7.06	¥23.70
Total assets	3,521.9	3,551.3	3,380.4	3,443.9
Net assets	1,087.3	1,070.7	1,160.0	1,224.2
Shareholders' equity per share	¥583.88	¥568.32	¥590.99	¥619.20

## Notes:

1. Net income per share is based on the weighted average number of shares of common stock outstanding during the respective years.
2. Shareholders' equity per share is calculated based on the number of shares of common stock outstanding at the end of each period.
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. In the 100th business 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.
5. During this period, sales of services and software, as well as those of UNIX servers and personal computers, increased. However, sales volume grew only modestly on account of constraints on capital investment and inventory adjustment during the second half of the year, as the U.S. economy slowed down. Ordinary profit and net profit increased, thanks to improved profitability in the electronic device area as well as company-wide efforts to control operating expenses.

(TRANSLATION FOR REFERENCE ONLY)

## 2. COMPANY OVERVIEW (As of March 31, 2001)

### (1) Major Business

In the IT (Information Technology) field, Fujitsu is engaged in the comprehensive solutions business focused on the Internet. In addition to developing, manufacturing and marketing information processing systems, communication systems and electronic devices incorporating the most advanced technology, we also offer a wide variety of services and solutions based on our products, technology and know-how in these areas.

Group	Main products and services	Percentage of sales
Services and software	Systems Construction (System integration services) Introductory and operational support services Consulting services Comprehensive management of information systems (outsourcing services, IDC services) Provision of network environment for information systems as well as various network services (network services, internet services) Software Information and network systems maintenance and monitoring Information systems infrastructure construction and network construction	30.4
Information processing	Servers (UNIX servers, IA servers, global servers) Peripheral equipment for information systems (disk array, system printers) Personal computers Storage equipment (Magnetic and magneto-optical disk drives) Terminals (Financial terminals, POS systems)	41.7
Telecommunications	Switching systems (Digital switching systems, IP Switching Nodes) Transmission systems (fiber optic transmission systems, optical submarine cable transmission systems) Mobile communication systems (IMT-2000 base station systems, PDC base station systems) Mobile phone handsets	17.0
Electronic devices	Logic ICs (system LSI, ASICs, microcontrollers) Memory ICs (flash memory, FRAM, FCRAM) Liquid crystal display panels	10.9

**(2) Stock**

A.	Number of authorized shares:	5,000,000,000
B.	Number of outstanding shares and stated capital Shares:	1,977,227,929
	Stated capital:	¥314,652,989,164
C.	Shares issued during the business period	

Item	Number of shares issued	Increased capital stock (yen)
Conversion of convertible bonds to shares	2,800,148	1,398,994,857
Exercise of warrants	11,488,174	7,007,805,750
Total	14,288,322	8,406,800,607

D.	Number of shareholders:	173,730 (31,336 more than at the end of the last fiscal year)
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## E. Principal shareholders

Name	Shareholder's investment in Fujitsu Limited		Fujitsu Limited'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.	197,163	9.97 %	74,333	10.40 %
Asahi Mutual Life Insurance Company	100,163	5.07	-	-
Japan Trustee Services Bank, Ltd. (for trust)	90,236	4.56	-	-
The Chase Manhattan Bank NA London (Standing proxy: The Fuji Bank, Ltd.)	68,288	3.45	-	-
The Dai-Ichi Kangyo Bank, Limited	63,895	3.23	-	-
The Mitsubishi Trust and Banking Corporation (for trust)	51,768	2.62	-	-
State Street Bank and Trust Company (Standing proxy: The Fuji Bank, Ltd.)	45,792	2.32	-	-
Mizuho Trust & Banking Co., Ltd. Retirement benefit trust (for Fuji Electric Co., Ltd.)	32,800	1.66	-	-
The Toyo Trsut & Banking Co., Ltd. (for trust A)	31,641	1.60	-	-
Nippon Life Insurance Company	25,272	1.28	-	-

## (TRANSLATION FOR REFERENCE ONLY)

## Note:

1. The shares held by Japan Trustee Services Bank, Ltd. (for trust), The Mitsubishi Trust and Banking Corporation (for trust) and The Toyo Trsut & Banking Co., Ltd. (for trust A) pertain to the trust business by the institution.
2. While Fujitsu has no investment in The Dai-Ichi Kangyo Bank, Limited, we do hold 22,000 shares (0.25% of outstanding shares) of common stock in Mizuho Holdings, Inc., the full parent company of the bank. In computing the ratio of our shareholding in Mizuho Holdings, Inc., non-voting preferred shares were excluded.
3. The shares of Fujitsu limited stock held by Fuji Electric Co., Ltd. are part of that company's retirement benefit trust and are deposited as trust assets at Mizuho Trust Bank, Limited Retirement benefit trust (for Fuji Electric Co., Ltd.). Voting rights for the shares are exercised in accordance with Fuji Electric Co., Ltd. instructions.

**(3) Employees**

Number of employees	Difference from the end of the last fiscal year	Average age	Average years of employment
42,010	(1,617)	37.9	16.4

**(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 information processing systems, communication systems and electronic devices
Shinko Electric Industries, Co., Ltd.	24,223	50.04 (0.04)	Manufacture and sales of semiconductor device packages
FDK Corporation	13,206	61.01 (0.02)	Manufacture and sales of parts for the electronics industry, dry-cell batteries, and products using these components
Fujitsu Business Systems Ltd.	12,220	52.61 (0.16)	Development and sales of information processing and communication systems, and related services
Fujitsu Support and Service Inc.	9,401	56.30 (0.18)	Introduction, maintenance and operation of information processing and communication systems, and related services
Fujitsu Kiden Ltd.	8,457	53.64 (0.44)	Manufacture and sales of information processing systems, display systems and moldings
Fujitsu Denso Ltd.	6,691	50.43 (0.39)	Manufacture and sales of information processing and communication systems

## (TRANSLATION FOR REFERENCE ONLY)

Subsidiary	Capital (millions of yen)	Percentage of ownership by the Company	Products or activities
Takamisawa Electric Co., Ltd.	6,330	53.39	Manufacture and sales of component parts
Fujitsu Devices Inc.	3,645	66.74	Development, design, and sales of semiconductor devices and related software products, and sales of general electronic parts
Fujitsu Systems Construction Limited	3,342	67.49 (0.66)	Construction of communications and information processing systems and provision of related services
Fujitsu Broad Solution & Consulting Inc.	1,970	56.44	Development and sales of software
Fujitsu TEN Limited	5,300	55.00	Manufacture and sales of audio and navigation products, car electronic devices and ITS and mobile communication equipment
PFU Limited	4,980	61.19	Development, manufacture and sales of information processing systems and related services
Fujitsu Quantum Devices Limited	4,490	100	Development, manufacture and sales of compound semiconductors
Fujitsu Media Devices Limited	2,510	100	Development, manufacture and sales of electric parts for mobile information products
Fujitsu FIP Corporation	2,000	100	Network services, outsourcing services, software development, and sales of information processing systems
NIFTY Corporation	1,000	100	Internet services
Fujitsu AMD Semiconductor Limited	31,800	50.01	Development, manufacture and sales of flash memory devices
Fujitsu Network Communications, Inc. (U.S.)	U.S.\$ (thousands) 70,815	100 (100)	Manufacture and sales of communication systems and provision of related services
Amdahl Corporation (U.S.)	U.S.\$ (thousands) 405,951	100	Management of Amdahl group companies and development and sales of information processing systems and provision of related services
DMR Consulting Group, Inc. (U.S.)	U.S.\$ (thousands) 131,019	100 (100)	Provision of services related to information systems
ICL PLC (U.K.)	£ (thousands) 406,808	100 (7.43)	Management of ICL group companies and development and sales of information processing systems and provision of related services

## (TRANSLATION FOR REFERENCE ONLY)

Subsidiary	Capital (millions of yen)	Percentage of ownership by the Company	Products or activities
Fujitsu Hitachi Plasma Display Limited	20,000	50.00	Development, manufacture and sales of Plasma Display Panels
Fujitsu Leasing Co., Ltd.	1,000	50.00 (5.00)	Leasing and sales of equipment related to information processing and communication systems and control systems

## Notes:

1. Values in parentheses in the percentage of ownership column are percentages of indirect ownership.
2. Fujitsu Hitachi Plasma Display Limited and Fujitsu Leasing Co., Ltd are not correspondent to the consolidated subsidiaries in accordance with the Japanese Commercial Code.

Fujitsu Broad Solution & Consulting Inc. was listed on JASDAQ stock market on October 4, 2000.

As a result of a capital increase in fiscal 2000, the capital of Amdahl Corporation now stands at \$405,951 thousand.

As a result of a capital increase in March 2001, the capital of ICL PLC now stands at £406,808 thousand.

For the fiscal 2000 consolidated financial statement, the Company had 517 consolidated subsidiaries, including the 24 companies listed earlier. In addition, 28 companies are subject to the equity method of accounting.

## B. Major technical cooperation

We have cross license contract with the following major companies:

Companies	products
AT&T Corporation (U.S.)	Information handling organization, Semiconductor apparatus
International Business Machines Corporation (U.S.)	Information handling organization
Microsoft Corporation (U.S.)	Software
Motorola, Inc. (U.S.)	Semiconductor apparatus
Texas Instruments Incorporated (U.S.)	Semiconductor equipment, integrated circuits
Intel Corporation (U.S.)	Semiconductor apparatus
National Semiconductor Corporation (U.S.)	Semiconductor apparatus
Harris Corporation (U.S.)	Semiconductor apparatus
Samsung Electronics Co., Ltd. (Korea)	Semiconductor apparatus
Winbond Electronics Corporation (Taiwan)	Semiconductor apparatus

**(5) Major Borrowings**

Lender	Borrowing balance (millions of yen)	Lender's investment in Fujitsu Limited	
		Thousands of shares held	Percentage of total shares outstanding
Japan Bank For International Cooperation	59,747	0	0
The Dai-Ichi Kangyo Bank, Limited	20,200	63,895	3.23
The Industrial Bank of Japan, Limited	15,125	14,066	0.71
The Sakura Bank, Ltd.	15,105	13,545	0.69
The Asahi Bank, Ltd.	13,610	9,221	0.47

## Notes:

As of April 1, 2001, the Sakura Bank, Ltd. and The Sumitomo Bank Ltd. merged to form Sumitomo Mitsui Banking Corporation.

**(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), Kanetsu (Saitama), Tokyo (Shinjuku-ku, Tokyo), Chiba, Kanagawa (Yokohama), Nagano, Shizuoka, Tokai (Nagoya), Hokuriku(Kanazawa), Kyoto, Kansai(Osaka), Kobe, 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
R & D centers	Kawasaki, Minamitama (Inagi), Akiruno
Plants	Iwate (Kanegasaki-cho, Isawa-gun), Aizu-wakamatsu, Kanuma, Oyama, Nasu (Otawara), Kumagaya, Nagano, Numazu, Mie (Tado-cho, Kuwana-gun), Akashi

## Note:

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



(TRANSLATION FOR REFERENCE ONLY)

**(7) Members of the Board and Auditors**

1. Members of the Board and Auditors as of March 31, 2001

Position	Name	Assignment or title
Chairman	Tadashi Sekizawa	
President & CEO	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 Ohtaki	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	Industries and Financial Sales
	Tatsuzumi Furukawa	Group President, Network Services 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, File Systems Group
Other Board Members	Kunihiko Sawa	President and Representative Director, Fuji Electric Co., Ltd.
	Ryusuke Hoshikawa	Group Executive Vice President, Electronic Devices
	Kazuo Murano	Group President, International Telecommunications Business Group
	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 Ohta	Group President, Transport Systems Group
	Takahiko Okada	Administration, Personnel & Employee Relations
	Kuniaki Suzuki	Group President, Marketing Group
	Taketoshi Ishii	Group President, Distribution & Information Systems Sales Group
	Masamichi Ogura	Group Executive Vice President, Electronic Devices Group
	Toshihiro Nishimura	Group Executive Vice President, Systems Engineering Group
	Hiroaki Takeichi	Group President, Network Systems Group
Standing Auditors	Hideo Watanabe	
	Satoshi Sugimoto	
Auditors	Yasuyuki Wakahara	Chairman of the Board and Representative Director, Asahi Mutual Life Insurance Company
	Takeo Kato	Chairman, Fuji Electric Co., Ltd.
	Katsuhiko Kondo	Adviser, the Dai-Ichi Kangyo Bank, Limited

Note:

Messrs. Yasuyuki Wakahara, Takeo Kato and Katsuhiko Kondo, 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."

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

## (1) New appointments

At the 100th Annual Shareholders' Meeting, held on June 29, 2000, Messrs. Kuniaki Suzuki, Taketoshi Ishii, Masamichi Ogura, Toshihiro Nishimura and Hiroaki Takeichi were elected as Board Members, and Mr. Katsuhiko Kondo was elected as Corporate Auditor. They assumed their offices immediately after their election.

## (2) Retirements

Messrs. Michio Naruto, Takesi Maruyama, Masuo Tanaka, Michio Fujisaki, and Yoshiro Yoshioka, Board Members, retired as of June 29, 2000.

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

On April 1, 2001, some changes were made in the ranking and assignments of Members of the Board. The new structure is as follows.

(As of April 1, 2001)

Position	Name	Assignment or title
Chairman	Tadashi Sekizawa	
President & CEO	Naoyuki Akikusa	
Senior Executive Vice Presidents	Tadayasu Sugita	Business Strategy President, System Business Group President, Computer Products Business Group
	Akio Moridera	Technology President, Telecommunications Business Group
	Takashi Takaya	Finance & Administration
Executive Vice Presidents	Akira Takashima	External Affairs
	Kazunari Shirai	Group President, Electronic Devices Group
	Kazuto Kojima	Sales & Marketing
	Yuji Hirose	President, Software & Services Business Group
	Masaru Takei	Domestic Sales
Senior Vice Presidents	Junji Maeyama	Group President, Software Group
	Hiroya Madarame	Group President, Systems Engineering Group
	Tatsushi Miyazawa	Group President, File Systems Group
	Kazuo Murano	Group President, Networks Business Group
	Noboru Ogi	Group President, Storage Products Group
	Hiroaki Kurokawa	Group President, Network Service Business Group
	Koichi Ota	Group President, Transport Systems Group
Other Board Members	Kunihiko Sawa	President and Representative Director, Fuji Electric Co., Ltd.
	Keizo Fukagawa	
	Tatsuhiko Otaki	
	Isao Suzuki	
	Hiroshi Oshima	
	Tatsuzumi Furukawa	
	Ryusuke Hoshikawa	
	Hidetoshi Shibagaki	Executive Advisor, Software & Services Business Group
	Hirohisa Yabuuchi	Group President, Western Japan Regional Sales Group
	Takahiko Okada	Corporate Affairs, Human Resources
	Kuniaki Suzuki	Group President, Marketing Group
	Taketoshi Ishii	Domestic Sales
	Masamichi Ogura	Group Executive Vice President, Electronic Devices Group

(TRANSLATION FOR REFERENCE ONLY)

Position	Name	Assignment or title
Other Board Members	Toshihiro Nishimura	Group Executive Vice President, Systems Engineering Group
	Hiroaki Takeichi	Group President, Network Systems Group
Standing Auditors	Hideo Watanabe	
	Satoshi Sugimoto	
Auditors	Yasuyuki Wakahara	Chairman of the Board and Representative Director, Asahi Mutual Life Insurance Company
	Takeo Kato	Chairman, Fuji Electric Co., Ltd.
	Katsuhiko Kondo	Adviser, the Dai-Ichi Kangyo Bank, Limited

Note:

At the conclusion of the 101st annual shareholders' meeting, which takes place on June 26, 2001, the following seven Members of Board are expected to resign: Keizo Fukagawa, Tatsuhiko Otaki, Isao Suzuki, Hiroshi Oshima, Tatsuzumi Furukawa, Ryusuke Hoshikawa and Hidetoshi Shibagaki.

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, 2001)

<b>Assets</b>	<u>Millions of yen</u>
<b>Current assets:</b>	
Cash and time deposits.....	154,676
Marketable and other securities.....	2,003
Receivables, trade.....	755,876
Inventories.....	457,874
Other current assets.....	<u>175,795</u>
<b>Total current assets</b> .....	<u>1,546,227</u>
<b>Investments and long-term loans</b> .....	1,203,134
<b>Property, plant and equipment less accumulated depreciation</b> .....	584,693
<b>Intangible assets</b> .....	107,262
<b>Other assets</b> .....	<u>2,641</u>
	<u>3,443,959</u>
<b>Liabilities and Shareholders' equity</b>	
<b>Current liabilities:</b>	
Short-term borrowings and current portion of long-term debt.....	264,951
Payables, trade.....	851,878
Other current liabilities.....	<u>289,111</u>
<b>Total current liabilities</b> .....	<u>1,405,940</u>
<b>Long-term liabilities</b>	
Long-term debt.....	722,632
Other long-term liabilities.....	<u>91,094</u>
	<u>813,727</u>
<b>Shareholders' equity</b>	
Common stock.....	314,652
Capital surplus and legal reserve .....	415,607
Retained earnings.....	475,554
Unrealized gains on securities.....	<u>18,475</u>
<b>Total shareholders' equity</b> .....	<u>1,224,291</u>
	<u>3,443,959</u>

(TRANSLATION FOR REFERENCE ONLY)

**Statement of Income (Unconsolidated)**

(Year ended March 31, 2001)

	<u>Millions of yen</u>
<b>Net sales</b> .....	3,382,218
<b>Operating costs and expenses:</b>	
Cost of goods sold.....	2,588,454
Selling, general and administrative expenses.....	<u>693,484</u>
	<u>3,281,938</u>
<b>Operating income</b> .....	100,279
<b>Other income (expenses):</b>	
Interest and dividend income.....	24,119
Interest charges.....	(23,375)
Other, net.....	<u>(35,459)</u>
	<u>(34,715)</u>
<b>Income before income taxes</b> .....	65,564
<b>Income taxes</b>	
Current.....	46,500
Deferred.....	<u>(27,600)</u>
	<u>18,900</u>
<b>Net income</b> .....	<u>46,664</u>
<b>Unappropriated retained earnings at the beginning of this year</b> .....	27,855
<b>Interim dividends</b> .....	9,829
<b>Legal reserve for interim dividends</b> .....	<u>982</u>
<b>Unappropriated retained earnings at the end of this year</b> .....	<u>63,707</u>
	<u>Yen</u>
<b>Net income per share</b> .....	<u>23.70</u>

**Appropriation of Retained Earnings (Unconsolidated)**

(Year ended March 31,2001)

	<u>Millions of yen</u>
<b>Unappropriated retained earnings</b> .....	63,707
<b>Reversal of reserve for:</b>	
Losses on overseas investment.....	50
Software development .....	7,700
Special depreciation.....	2,100
Advanced depreciation.....	<u>1,100</u>
<b>Total</b> .....	<u>74,657</u>
<b>To be appropriated as follows:</b>	
<b>Legal reserve</b> .....	1,010
<b>Dividends ( ¥5 per share)</b> .....	9,886
<b>Bonuses to directors and statutory auditors</b> .....	190
<b>Reserve for:</b>	
Software development .....	3,400
Special depreciation.....	3,800
Advanced depreciation.....	100
General reserve.....	30,000
<b>Earnings to be carried forward</b> .....	<u>26,271</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.

(TRANSLATION FOR REFERENCE ONLY)

**(Supplementary Information)**

**Summary of Consolidated Results**

(Unit: billions of yen)

	FY1997	FY1998	FY1999	FY2000
Net sales	4,985.3	5,242.9	5,255.1	5,484.4
Services and Software	1,736.6	2,034.5	1,975.4	2,016.8
Information Processing	1,688.4	1,801.4	1,605.3	1,497.5
Telecommunications	799.2	681.0	772.4	849.8
Electronic Devices	541.0	506.6	568.1	759.7
Financing	-	-	113.0	107.2
Other Operations	219.9	219.3	220.6	253.2
Overseas Total (included in Net sales)	1,757.0	2,115.4	1,902.2	1,894.1
Operating income	177.3	132.2	149.9	244.0
Ordinary profit	122.4	76.7	70.1	189.7
Net income (loss)	5.5	(13.6)	42.7	8.5
Net income (loss) per share	¥3.01	(¥7.28)	¥22.10	¥4.33
Total assets	5,056.2	5,025.6	5,019.7	5,200.0
Net assets	1,118.4	1,078.6	1,176.5	1,214.3
Shareholders' equity per share	¥600.56	¥572.49	¥599.37	¥614.18

Notes:

1. All fractions of monetary units (billions of yen) have been rounded down.
2. Net income per share is based on the weighted average number of shares of common stock outstanding during the respective years.
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. become a consolidated subsidiary from fiscal year 1999.
5. In presenting the financial data for fiscal 1999 and preceding years, the numerical values have been readjusting in accordance with revisions of Japanese regulations concerning financial statements.

## (TRANSLATION FOR REFERENCE ONLY)

		Yen (billions)			
		FY1997	FY1998	FY1999	FY2000
<b>Services &amp; Software</b>	<b>Net Sales</b>				
	Unaffiliated Customers	1,736.6	2,034.5	1,975.4	2,016.8
	Intersegment	45.3	58.2	77.5	67.8
	<b>Total</b>	<b>1,782.0</b>	<b>2,092.8</b>	<b>2,053.0</b>	<b>2,084.7</b>
	<b>Operating Income</b>	<b>119.6</b>	<b>166.3</b>	<b>134.9</b>	<b>120.7</b>
	[As % of Sales]	[6.7%]	[7.9%]	[6.6%]	[5.8%]
<b>Information Processing</b>	<b>Net Sales</b>				
	Unaffiliated Customers	1,688.4	1,801.4	1,605.3	1,497.5
	Intersegment	246.0	300.6	278.9	264.9
	<b>Total</b>	<b>1,934.4</b>	<b>2,102.0</b>	<b>1,884.2</b>	<b>1,762.4</b>
	<b>Operating Income</b>	<b>49.9</b>	<b>94.0</b>	<b>38.8</b>	<b>32.4</b>
	[As % of Sales]	[2.6%]	[4.5%]	[2.1%]	[1.8%]
<b>Telecommunications</b>	<b>Net Sales</b>				
	Unaffiliated Customers	799.2	681.0	772.4	849.8
	Intersegment	12.4	10.7	11.7	15.9
	<b>Total</b>	<b>811.7</b>	<b>691.8</b>	<b>784.2</b>	<b>865.7</b>
	<b>Operating Income</b>	<b>100.9</b>	<b>15.6</b>	<b>17.1</b>	<b>32.5</b>
	[As % of Sales]	[12.4%]	[2.3%]	[2.2%]	[3.8%]
<b>Electronic Devices</b>	<b>Net Sales</b>				
	Unaffiliated Customers	541.0	506.6	568.1	759.7
	Intersegment	115.6	103.1	148.3	149.2
	<b>Total</b>	<b>656.6</b>	<b>609.8</b>	<b>716.5</b>	<b>908.9</b>
	<b>Operating Income (Loss)</b>	<b>(32.4)</b>	<b>(83.3)</b>	<b>20.1</b>	<b>113.4</b>
	[As % of Sales]	[-4.9%]	[-13.7%]	[2.8%]	[12.5%]
<b>Financing</b>	<b>Net Sales</b>				
	Unaffiliated Customers	-	-	113.0	107.2
	Intersegment	-	-	6.4	7.8
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>119.5</b>	<b>115.1</b>
	<b>Operating Income</b>	<b>-</b>	<b>-</b>	<b>3.0</b>	<b>3.4</b>
	[As % of Sales]	-	-	[2.5%]	[3.0%]
<b>Other Operations</b>	<b>Net Sales</b>				
	Unaffiliated Customers	219.9	219.3	220.6	253.2
	Intersegment	127.4	100.9	125.6	128.2
	<b>Total</b>	<b>347.4</b>	<b>320.2</b>	<b>346.3</b>	<b>381.4</b>
	<b>Operating Income (Loss)</b>	<b>4.0</b>	<b>7.0</b>	<b>3.4</b>	<b>8.1</b>
	[As % of Sales]	[1.2%]	[2.2%]	[1.0%]	[2.1%]
<b>Elimination &amp; Corporate</b>	<b>Net Sales</b>	<b>(546.9)</b>	<b>(573.7)</b>	<b>(648.8)</b>	<b>(634.0)</b>
	<b>Operating Income</b>	<b>(64.7)</b>	<b>(67.4)</b>	<b>(67.6)</b>	<b>(66.7)</b>
<b>Total</b>	<b>Net Sales</b>				
	Unaffiliated Customers	4,985.3	5,242.9	5,255.1	5,484.4
	Intersegment	-	-	-	-
	<b>Total</b>	<b>4,985.3</b>	<b>5,242.9</b>	<b>5,255.1</b>	<b>5,484.4</b>
	<b>Operating Income</b>	<b>177.3</b>	<b>132.2</b>	<b>149.9</b>	<b>244.0</b>
	[As % of Sales]	[3.6%]	[2.5%]	[2.9%]	[4.4%]



(TRANSLATION FOR REFERENCE ONLY)

**Consolidated Balance Sheet (Unaudited)**

(As of March 31,2001)

<b>Assets</b>	<b><u>Millions of yen</u></b>
<b>Current assets:</b>	
Cash and time deposits.....	289,008
Marketable and other securities.....	30,720
Receivables, trade.....	1,188,597
Inventories.....	896,842
Current portion of lease receivable.....	60,637
Other current assets.....	<u>271,700</u>
<b>Total current assets</b> .....	<u>2,737,504</u>
<b>Lease receivable</b> .....	110,410
<b>Investments and long-term loans</b> .....	673,849
<b>Property, plant and equipment less accumulated depreciation</b> .....	1,383,795
<b>Intangible assets</b> .....	<u>294,513</u>
	<u>5,200.071</u>
<b>Liabilities and Shareholders' equity</b>	
<b>Current liabilities:</b>	
Short-term borrowings and current portion of long-term debt.....	683,935
Payables, trade.....	977,018
Other current liabilities.....	<u>782,720</u>
<b>Total current liabilities</b> .....	<u>2,443,673</u>
<b>Long-term liabilities:</b>	
Long-term debt.....	952,289
Other long-term liabilities.....	<u>372,735</u>
	<u>1,325.024</u>
<b>Minority interests</b> .....	<u>216.991</u>
<b>Shareholders' equity:</b>	
Common stock.....	314,652
Capital surplus.....	505,449
Retained earnings and other reserves .....	483,709
Unrealized gains on securities.....	19,035
Foreign currency translation adjustments.....	(108,451)
Treasury stock.....	<u>(11)</u>
<b>Total shareholders' equity</b> .....	<u>1,214,383</u>
	<u>5,200.071</u>

**Consolidated Statement of Income (Unaudited)**

(Year ended March 31, 2001)

	<u>Millions of yen</u>
<b>Net sales</b> .....	5,484,426
<b>Operating costs and expenses:</b>	
Cost of goods sold.....	3,942,614
Selling, general and administrative expenses.....	<u>1,297,786</u>
	<u>5,240,400</u>
<b>Operating income</b> .....	244,026
<b>Other income (expenses):</b>	
Interest and dividend income.....	14,291
Equity in earnings of affiliated companies, net.....	13,429
Interest charges.....	(48,955)
Other, net.....	<u>(65,227)</u>
	<u>(86,462)</u>
<b>Income before income taxes</b> .....	157,564
<b>Income taxes</b> .....	140,700
<b>Minority interests</b> .....	<u>(8,343)</u>
<b>Net income</b> .....	<u>8,521</u>

**Environmental Activity**

## 1. New Environmental Protection Program (3rd edition)

Fujitsu introduced the 3rd edition of its "Environmental Protection Program", which covers targets to be fulfilled by the end of fiscal 2003 and aims to contribute to creation of a recycling-based society and to reduce burdens on the global environment.

In this program, we adopt "Focused on the Green -Green Life 21" as our slogan, and expand environmental measures from factory-based initiatives to environmental improvement activities that involve all employees' participation.

Moreover, in order to ascertain the environmental burden imposed by the group as a whole, we devised the environmental program for the entire Fujitsu group, including consolidated affiliates, and will incorporate environmental considerations into global business development efforts of each affiliate.

**Outline of New Environmental Protection Program (3rd edition)**

Items		Fujitsu Group targets [including consolidated affiliates]	Fujitsu Limited targets
1. Green Products	Product Development	All newly developed products to be "Green Products" by the end of fiscal 2003	All newly developed products to be "Green Products" by the end of fiscal 2002
	Lead-free Solder	Abolishment of lead solder from products manufactured by Fujitsu group must be achieved by the end of fiscal 2003	Abolishment of lead solder from products manufactured by Fujitsu Limited must be achieved by the end of December 2002
2. Green Procurement		Percentage of green materials and products parts to be 99% or more of purchases by the end of fiscal 2003	Materials and parts for products: Percentage of green materials and products parts to be 99% or more of purchases by the end of fiscal 2002 Office supplies: 100% of procured office supplies to be green products certified by public corporation or organization, by the end of fiscal 2002
3. Product Recycling		Recycling system for waste output to be established by the end of fiscal 2003	Reuse and recycle rate on waste output to be 90% by the end of fiscal 2003
4. Energy-saving Measures against Global Warming		Sales-based energy(electricity, oil, and gas) consumption per unit to be cut 25% by the end of fiscal 2003 based on fiscal 1990 results	Sales-based energy(electricity, oil, and gas) consumption per unit to be cut 40% by the end of fiscal 2003 based on fiscal 1990 results
5. Emission Reduction		Emissions to be cut 60% by the end of fiscal 2003 based on fiscal 1998 results	Zero-emission to be achieved by the end of fiscal 2003
6. Reduction of Release of Chemicals		Release of priority chemicals to be cut 30% by the end of fiscal 2003 based on fiscal 1998 results	Release of priority chemicals to be cut 30% by the end of fiscal 2003 based on fiscal 1998 results

## 2. Environmental Accounting

Since the fiscal year ending in March 1999, Fujitsu has been implementing environmental accounting guidelines to assess the effectiveness of our environmental investments by quantitatively identifying the costs and benefits related to environmental conservation. Moreover, in order to ensure the reliability of this data, we obtained independent certification in respect to environmental accounting from the Shin Nihon Environment and Quality Research Institute (formerly Ota Showa Environmental Quality Research Institute).

### Costs and Benefits Trends

(Billions of yen)

	FY1998			FY1999			FY2000		
	Fujitsu	Major subsidiaries	Total	Fujitsu	Major subsidiaries	Total	Fujitsu	Major subsidiaries	Total
Costs	8.0	7.0	15.0	8.5	8.2	16.7	8.2	10.9	19.1
Benefits	9.7	8.4	18.1	10.3	11.9	22.2	11.1	13.5	24.6

Note: Classification system is in accordance with the "Establishing an Environmental Accounting System" (2000 Report) of the Environmental Protection Agency.

### Information

Fujitsu's Home Page offer not only this report but also the latest annual report and financial results.

Japanese    <http://pr.fujitsu.com/jp/ir>  
 English     <http://pr.fujitsu.com/en/ir>