

モリソン・フォースター外国法事務弁護士事務所\*  
伊藤 見富法律事務所  
(特定共同事業事務所)

MORRISON & FOERSTER LLP

ITO & MITOMI

(REGISTERED ASSOCIATED OFFICES)

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November 7, 2003

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By Overnight Delivery

Office of International Corporate Finance  
Division of Corporate Finance  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549  
U.S.A.



03037241

SUPPL

Attention: Mr. Paul Dudek

Re: **File No. 82-4885 / Fujitsu Support and Service Inc.**  
Submission of Information Required Under Rule 12g3-2(b) of the  
Securities Exchange Act of 1934, as amended.

PROCESSED

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THOMSON  
FINANCIAL

Dear Mr. Dudek:

On behalf of our client, Fujitsu Support and Service Inc. (the "Company"), I am furnishing herewith the following information pursuant to Rule 12g3-2(b)(1)(iii) (the "Rule") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The following document was originally prepared in Japanese, and, pursuant to Rule 12g3-2(b)(4), we are enclosing an English translation thereof.

Digest of Consolidated and Non-Consolidated Results for the First Half of the Fiscal Year Ending March 31, 2004 (the "Digest"). The Company filed the Digest with the Tokyo Stock Exchange on October 29, 2003, pursuant to Article 2 of the Tokyo Stock Exchange Regulations on Disclosure for Companies with

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Securities and Exchange Commission  
November 7, 2003  
Page Two

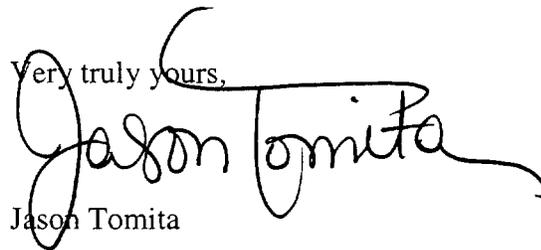
Listed Securities, and has made it publicly available beginning on the same day on its web site.

This letter, together with the enclosures, shall not be deemed to be "filed" with the Commission or otherwise subject to the liabilities of Section 18 of the Exchange Act, nor shall the submission of this letter and the enclosed materials constitute an admission for any purpose that the Company is subject to the Exchange Act.

If you have any questions with regard to the enclosed information, please do not hesitate to contact the undersigned (direct: (81) 3-3214-6557, fax: (81) 3-3214-6512).

Kindly acknowledge receipt of this letter and the enclosures by stamping the enclosed copy of this letter and returning it to me using the self-addressed envelope enclosed herewith.

Very truly yours,



Jason Tomita

Enclosures

cc: Mr. Akatsu  
Ms. Shimazu  
Mr. Kitazume  
Chuck Comey  
Doug Perkins  
Mitsutoshi Uchida

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Fujitsu Support and Service Inc. ("Fsas")

Digest of Consolidated and Non-Consolidated Results for the  
First Half of Fiscal Year Ending March 31, 2004 ("Digest").

Dated: October 29, 2003

This document contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our company, our industry and other relevant factors. These statements appear in a number of places in this document, and include statements regarding the intent, belief or current expectations of Fujitsu Support and Service Inc. (the "Company") with respect to the business, revenues and results of operations of the Company and its consolidated subsidiaries (the "Fsas Group"), and economic and other factors that may have an impact on the Fsas Group's performance. These statements also include the projections of the Fsas Group's financial performance for the fiscal year ending on March 31, 2004 contained in this document.

Known and unknown risks, uncertainties and other factors could cause our actual results, performance or achievements to differ materially from those expressed or implied by any forward-looking statement contained in this document. Among the factors that you should bear in mind as you consider any forward-looking statement are the following:

- the rate of acceptance of our products and services;
- decreases in purchases of our products by government customers;
- our ability to continue to successfully introduce new products and services to the market;
- the level of competition in the markets in which we conduct our business;
- changing market demands in the information technology services industry;
- our ability to successfully implement our business strategies;
- our customers' response to new services we offer; and
- continuing deferrals and suspensions of purchases by our customers due to lower levels of IT investment, poor operating results, insolvency or bankruptcy or weakness in the Japanese economy generally

You should understand that it is not possible to predict or identify all factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement contained in this document. Consequently, you should not consider the foregoing list to be a complete set of all such factors.

We undertake no obligation to update any forward-looking statement contained in this document whether as a result of new information, future events or otherwise.

**As used herein, the words, "we", "our" and "us" are used to refer collectively to the Fsas Group.**

## Digest of Consolidated Results for the First Half of the Fiscal Year Ending March 31, 2004

(Unaudited)

Name of Listed Company: Fsas (Fujitsu Support and Service Inc.)  
 Code Number: 4706  
 (URL: <http://www.fsas.fujitsu.com/>)  
 Listed Exchange (Section): Tokyo Stock Exchange (First Section)  
 Head Office: Tokyo  
 Representative: Tatsuhiko Ohtaki, President and CEO  
 For Inquiries Please Contact: Kazuyuki Nishikawa, Member of the Board, and  
 General Manager of Corporate Planning Office  
 Tel: (03)5471-4700

Date of Board of Directors' Meeting

For Approval of Consolidated First Fiscal Half Results: October 29, 2003

Parent Company: Fujitsu Limited

(Code Number: 6702)

Voting Share Holding Ratio of Parent Company 56.3%

U.S. GAAP Not Applied

### 1. First Fiscal Half Results Ended September 2003

(For the period from April 1, 2003 through September 30, 2003)

#### (1) Results of Operations

(Millions of yen and thousands of U.S. dollars)	Six months ended September 30,		Change	Six months ended	Year ended
	2002	2003		September 30,	March 31,
				2003	2003
Net sales	¥ 99,140	¥ 103,735	4.6 %	\$ 932,450	¥ 220,696
Operating income	4,646	3,706	(20.2)	33,312	11,539
Income before income taxes and minority interests	3,596	2,364	(34.3)	21,249	9,229
Net income	1,970	1,403	(28.8)	12,611	5,021

(Note) Equity in earnings (loss) of affiliates, net: None

#### (2) Per Share Data

(Yen and U.S. dollars)	Six months ended September 30,		Change	Six months ended	Year ended
	2002	2003		September 30,	March 31,
				2003	2003
Earnings per share	¥ 34.55	¥ 24.61	(28.8) %	\$ 0.22	¥ 86.37
Shareholders' equity per share	843.66	909.90	7.9	8.18	890.06

(Note) Weighted average shares issued and outstanding for:

Six months ended September 30, 2003	57,019,738 shares
Six months ended September 30, 2002	57,019,802 shares
Year ended March 31, 2003	57,019,797 shares

**(3) Financial Position**

(Millions of yen and thousands of U.S. dollars)	At September 30		At March 31	
	2002	2003	2003	2003
Total assets	¥ 103,678	¥ 117,602	¥ 110,717	\$ 995,209
Total shareholders' equity	48,106	50,848	51,883	466,364
Shareholders' equity ratio	(%)			
	46.4	43.2	46.9	

(Note) Issued and outstanding shares as of:

September 30, 2003	.....	57,019,637 shares
September 30, 2002	.....	57,019,792 shares
March 31, 2003	.....	57,019,792 shares

**(4) Results of Cash Flows**

(Millions of yen and thousands of U.S. dollars)	Six months ended September 30,			Year ended
	2002	2003	2003	March 31, 2003
Net cash provided by operating activities	¥ 4,099	¥ 2,905	\$ 26,112	¥ 7,337
Net cash used in investing activities	(964)	(551)	(4,953)	(1,823)
Net cash used in financing activities	(594)	(285)	(2,562)	(878)
Cash and cash equivalents at period-end	¥ 27,227	¥ 31,391	\$ 282,166	¥ 29,322

**(5) Scope of Consolidation and Application of Equity Method**

Number of consolidated subsidiaries: Eight

Number of non-consolidated subsidiaries to which equity method is applied: None

Number of affiliated companies to which equity method is applied: None

**(6) Changes in Consolidation and Application of Equity Method**

Consolidation

Added companies : None

Deducted companies : None

Equity method

Added companies : None

Deducted companies : None

**2. Business Forecast for March 2004 Term**

**(For the period from April 1, 2003 through March 31, 2004)**

(Millions of yen and thousands of U.S. dollars)	Year ending March 31,	
	2004	2004
Net sales	¥ 232,000	\$ 2,085,393
Net income	4,800	43,146

(Reference) Forecasted earnings per share for March 2004 Term: ¥ 84.18 (U.S.\$0.76)

Notes:

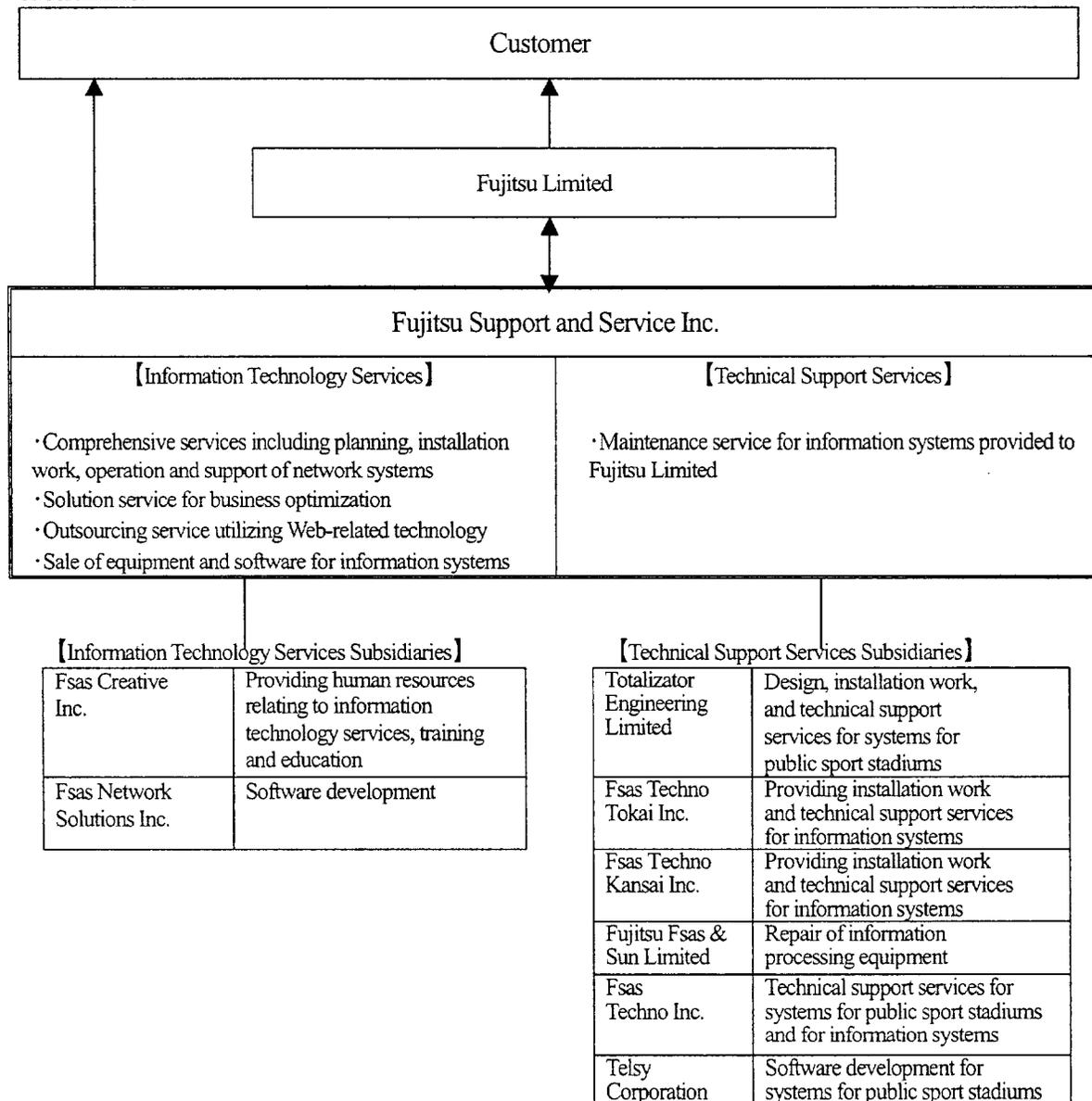
1. Fractions are rounded to the closest one million yen.

2. The U.S. dollar amounts included herein represent translations using the approximate exchange rate on September 30, 2003 of ¥111.25=US\$1.00, solely for readers' convenience.

### 3. State of the Corporate Group

Our group of affiliated companies is comprised of Fujitsu Limited (the Company's parent company), the Company, and the Company's eight subsidiaries. The Company's areas of operations are divided into Information Technology Services and Technical Support Services, both of which are closely coordinated with the services and software business of Fujitsu Limited.

The following chart sets forth the Company's principal business activities and the positioning of its subsidiaries.



The company established Fsas Techno Hokuriku Inc, to provide technical support services for information systems on October,1,2003.

## **4. Management Policies**

### ***(1) Basic Corporate Management Policy***

The Company was formed in 1989 as a split-off of Fujitsu Limited's telecommunications and information processing equipment maintenance and repair operations (now our Technical Support Services), the core of its business being the support of customers' computer systems to ensure their stable operation. Based on the technical know-how developed through these Technical Support Services, the Company subsequently added Information Technology Services to its business, comprising a menu of solutions, ranging from system planning and design to implementation, operation, and maintenance on a one-stop basis, irrespective of vendor.

The Fsas Group is committed to actualizing its guiding principle, "First Value Co-Creator," and to increasing customer satisfaction. This principle means accepting as our first value the needs of customers and creating this value together with them. Accordingly, in our Technical Support Services segment we offer rapid, precise, and high-quality responses to support stable operations, and in our Information Technology Services segment we provide optimum solutions to issues faced by customers. Our basic management policy is to continue to enhance customer confidence and to further increase corporate value for shareholders and investors.

### ***(2) Basic Policy regarding Profit Distribution***

The Company's basic policy is to provide stable returns to shareholders. We strive to raise profitability by strengthening our management foundations and competitiveness in the information technology services industry, whose market environment is subject to rapid changes. Retained profits are invested to achieve new growth.

### ***(3) Medium- and Long-Term Management Strategy***

The Fsas Group will continue to place first priority on winning customer confidence by further developing our customer-oriented business. We will also work to enhance corporate value by establishing high value-added businesses and allocating resources intensively to high growth areas.

We will implement the following measures to work toward the sustained improvement of our growth potential and profitability, sales growth that exceeds the market, and a higher ratio of ordinary income to sales.

*a) Expansion of life-cycle management (LCM) business through strengthened capacity to propose solutions*

We will seek to expand our life-cycle management (LCM) business that provides customers with optimum solutions and services for the entire information system life cycle from planning and design to installation, operation, and maintenance. Through the proposal of optimum solutions, we will make sustained efforts to gain customer confidence and to be well placed to build the customer's next computer system.

*b) Strengthening of a solution-based business focused on growth areas*

In our Business Solution, in which we solve issues related to our customers' business management, we will offer Web EC, CRM and electronic medical records as information-based solutions and EAI as an infrastructure-based solution.

In our Network Solution, in which we solve issues related to customer networks, we will offer LAN/WAN reinstallation, security solutions, and server/storage solutions as part of a broadband infrastructure development business.

In our Operations Solution, in which we solve issues related to the operation of our customers' computer systems, we will enlarge our domain to include the business operations of the healthcare industry and the e-Japan project. We will also expand our Operations Solutions Centers and subcenters and augment our service menu to include remote maintenance (remote access), operations monitoring, and simplified diagnosis.

*c) Expansion of e-Japan Business to accompany growing linkages between the government and private sector*

The forward march of e-government is being accompanied by the installation of IT infrastructure by local governments. Responding to these developments, we will expand our offerings for government-to-citizen and government-to-business services and develop installation, operation, and maintenance systems for electronic application, electronic tenders, and electronic procurement.

*d) Building deeper relationships of trust with customers*

To build deeper relationships of trust with customers and to increase customer satisfaction, we will redouble our efforts to propose optimum solutions and to offer high-quality support.

***(4) Issues to Be Addressed***

Prolonged economic stagnation has increased competition for Information Technology Services, and Technical Support Services is being impacted by the trend toward open systems. To respond to this challenging business environment, the Fsas Group will promote its life-cycle management (LCM) business, offer optimum customer-driven solutions and services, and work to establish an optimum management structure by focusing resources in priority businesses, restructuring its organization, and

performing low-cost management. To achieve these ends, we will be implementing the following measures.

#### *Customer-Driven Management*

To promote customer-driven management and to strengthen our management structure, we will work to increase the quality of management. In doing so, we will seek to build a stronger relationship of trust with customers and to establish a firm management foundation by instilling in all employees a customer-driven attitude and by restructuring a management organization able to meet customer needs by providing rapid and flexible responses in product development and in organizational reform.

#### *Emphasis of Profitability*

Profitability is a priority issue in the management decisions of the Fsas Group. We will endeavor to accurately understand customer needs and market trends, to direct management resources toward high-profit and high value-added businesses, and to enforce low-cost management.

#### *Focused Investments in Growth Areas*

We will work to further increase our growth potential by directing investments toward businesses promising growth. We will focus management resources in Operations Solution and take steps including the expansion of Operations Solutions Centers and other areas and augmentation of our service menu. We will also apply the technical capabilities of customer engineers developed in Technical Support Services to expand on-site services adapted to customer needs.

#### *Human Resources Development*

To realize these efforts, we will augment our training programs to further increase the skills of customer engineers, system engineers, and sales staff. We will expand training programs by job and objective, such as to strengthen the software support capabilities of customer engineers and to have system engineers and sales staff acquire the latest knowledge, and we will work to develop human resources.

#### ***(5) Basic Policy on Corporate Governance and Its Current Implementation***

Governance and policy decisions related to management matters are made by the Board of Directors consisting of 14 members of the board, two standing corporate auditors, and two outside corporate auditors, and by the Management Council composed of 16 full-time officers consisting of the members of the board and the standing corporate auditors. Management is also monitored from an independent and shareholder perspective by two standing corporate auditors with thorough knowledge of the business and by two outside auditors from parent-company management.

In addition, internal controls through cross-divisional checks are being implemented, such as business

auditing by the Audit Department and ISO quality auditing by the ISO Promotion Division.

As part of compliance efforts, we continued to thoroughly educate all Fsas Group employees and temporary staff about Fsas Compliance Guidelines established in January 2003. We also established an Information Security Handbook in June 2003 to strengthen information security.

## **5. Operating Performance and Financial Position**

### ***(1) Operating Performance***

#### **Overview of the Period**

Despite signs of a recovery in corporate profits during the six-month period ending September 30, 2003, business conditions remained severe in Japan as evidenced by ongoing deflation and sluggish personal consumption.

In the information technology services industry, reflecting a harsh economic climate, companies curtailed IT investments while competition increased further in every market segment.

In Information Technology Services, higher sales were recorded by our e-Japan business offering government services and by our Operations Solution, which provides operations management, support, and outsourcing services related to computer systems. Sales were also firm for hardware and software for IT systems.

However, large contracts decreased in number for some categories, and the sales of system installation services also declined.

In Technical Support Services, sales fell due to the trend toward open systems, the consolidation of financial institutions, and a drop off in demand for new betting systems as public sport stadiums finished upgrading their systems.

As a result, the Fsas Group's performance for the period under review resulted in order volume of ¥122,884 million (*\$1,104,576 thousand*), up 14.4% from the same period of the previous fiscal year, and in net sales totaled ¥103,735 million (*\$932,450 thousand*), up 4.6% from the same period of the previous fiscal year. As for profit and loss, despite efforts to reduce costs, fewer high margin contracts and the deterioration of profit for Technical Support Services resulted in operating income of ¥3,706 million (*\$33,312 thousand*), down 20.2% from the same period of the previous fiscal year. Net income came to ¥1,403 million (*\$12,611 thousand*), down 28.8% from the same period of the previous fiscal year.

#### **Information Technology Services**

The Fsas Group endeavored to promote its life-cycle management (LCM) business that provides

customers with optimum solutions and services for the entire information system life cycle, from planning and design to installation, operation, and maintenance.

Our e-Japan business experienced substantial sales growth in relation to the Local Government Wide Area Network (LGWAN) program. With fiscal year ending on March 31, 2004 being the final year for deploying LGWANs, we installed many such networks for local governments in the six-month period ending September 30, 2003. As for private-sector demand, sales and orders were strong for computer systems such as personal computers and servers, but there was a decrease in large contracts and system installation services, mainly banks.

Regarding our Network Solution that solves issues related to customer networks, we responded to diversifying needs by adding a wide-area Ethernet solution and IP phone service to our popular WAN Power-Up Solution and also by introducing the Wireless LAN Power-Up Solution with strengthened security.

Our Operations Solution, which offers solutions to reduce customers' burden in system operations, yielded firm results. We also began to offer an operations service for electronic tender systems for local governments and for healthcare systems such as electronic medical records. We also worked aggressively to promote our Simplified Diagnostic Service that analyzes the operational situation of computer systems and proposes improvements. Furthermore, we began selling Personal Computer Life Cycle Management Service (PcLM), an integrated outsourcing service for personal computers from planning and procurement to installation, operation, maintenance, and removal.

We also applied the technical capabilities of customer engineers developed through Technical Support Services to increase multivendor support services and independent maintenance operations.

Fsas Creative Inc., a temporary staffing agency for information technology services, expanded its operations in the Tokyo metropolitan area. Fsas Network Solutions Inc. worked to strengthen its system engineer organization.

As a result of these efforts, order volume totaled ¥96,214 million (*\$864,845 thousand*), up 22.3% from the same period of the previous fiscal year, and net sales totaled ¥78,252 million (*\$703,389 thousand*), up 9.7% from the same period of the previous fiscal year.

### **Technical Support Services**

The Fsas Group considers its most important obligation to be ensuring the stable operation of its customers' computer systems. To fulfill this obligation, we provide 24/7 support of the computer systems of financial institutions, government agencies, telecommunications carriers, and numerous other customers through our nationwide network of service bases.

During the six-month period ending September 30, 2003, we established an advanced support structure for Internet data centers and augmented our support structure for social infrastructure systems.

In response to the trend toward open systems, we further strengthened the software support capabilities of customer engineers and sought to develop customer engineers with top-notch capabilities who are able to provide customers with sophisticated and integrated solutions, from planning and design to operations. In addition, with the view of supporting the stable operation of open systems, we established specialist customer engineers offering total management services to increase customer satisfaction.

The Company is in the process of transferring maintenance services for systems such as financial institutions' terminals to Fsas Group subsidiaries focused on local markets to better provide prompt and meticulous support to customers. During the period under review, such operations in the Kita Kyushu and Sendai regions were transferred to Fsas Techno Inc. a subsidiary of the Company.

Totalizator Engineering Limited, a subsidiary of the Company that provides systems support for public sports stadiums, experienced a decrease in sales due to a cyclical drop in the demand for new betting systems.

Fujitsu Fsas & Sun Limited, a subsidiary of the Company that provides job opportunities for disabled people, posted firm results for the repair of personal computers.

To strengthen support operations in the Hokuriku region, we established Fsas Techno Hokuriku Inc. on October 1, 2003.

These efforts combined with the effect of the trend toward open systems and others resulted in order volume of ¥27,450 million (*\$246,742 thousand*), down 6.7% from the same period of the previous fiscal year, and net sales of ¥26,332 million (*\$236,692 thousand*), down 7.6% from the same period of the previous fiscal year.

## ***(2) Financial Position***

Cash and cash equivalents (collectively, "cash") at September 31, 2003, totaled ¥31,391 million (*\$282,166 thousand*), up ¥2,069 million (*\$18,597 thousand*) from the end of the previous fiscal year.

Net cash inflows from operating activities for the six months ended September 30, 2003 were ¥2,905 million (*\$26,112 thousand*). In addition to strong sales orders with e-Japan related business continued from the previous year, some private-sector companies placed orders for personal computers, servers, and other IT equipment to replace aging equipment. Although such strong orders made inventories increase, the recording of income before income taxes and minority interests and the enhanced recovery of accounts receivable led to the above outcome.

Net cash outflows from investing activities amounted to ¥551 million (*\$4,953 thousand*). This was primarily the outcome of ongoing investments in information infrastructure aimed at improving operational efficiency and the return of security deposits associated with the reduction of facility costs.

Net cash outflows from financing activities came to ¥285 million (*\$2,562 thousand*), principally due to cash dividends paid.

***(3) Business Forecast for the Fiscal Year Ending March 31, 2004***

Despite some promising developments such as the rebound of corporate profits, the recovery of Japan's economy is expected to be modest given that issues such as overcoming deflation remain. Both order volume and unfilled orders rose in the six-month period ending September 30, 2003, and further growth is anticipated for Information Technology Services. Accordingly, we will continue to promote our life-cycle management business and strive to provide customers with optimum solutions such as Operations Solutions. In addition, we will redouble our efforts to increase the efficiency of operations and to further promote cost reductions. Our current outlook for the Fsas Group's financial performance for the year ending March 31, 2004, is as follows:

Consolidated net sales	¥232,000 million ( <i>\$2,085,393 thousand</i> ) (increase of 5.1% from the previous fiscal year)
Consolidated net income	¥4,800 million ( <i>\$43,146 thousand</i> ) (decrease of 4.4% from the previous fiscal year)

Regarding the payment of dividends for the full fiscal year, we anticipate paying a dividend of ¥10 per share, including an interim dividend of ¥5 per share.

**6. Consolidated Financial Statements**  
**(1) Consolidated Statements of Income**

(Millions of yen and thousands of U.S. dollars)	Six months ended September 30,			Year ended
	2002	2003	2003	March 31, 2003
<b>Net sales</b>	¥ 99,140	¥ 103,735	\$ 932,450	¥ 220,696
<b>Operating costs and expenses:</b>				
Cost of sales	76,813	82,279	739,587	174,378
Selling, general and administrative expenses	17,681	17,750	159,551	34,779
	94,494	100,029	899,138	209,157
<b>Operating income</b>	4,646	3,706	33,312	11,539
<b>Other income (expenses):</b>				
Interest and dividend income	16	15	135	29
Amortization of prior pension and severance costs	(806)	(795)	(7,146)	(1,589)
Restructuring costs	(252)	(84)	(755)	(528)
Revaluation loss on investment securities	(29)	-	-	(139)
Other, net	21	(478)	(4,297)	(83)
	(1,050)	(1,342)	(12,063)	(2,310)
<b>Income before income taxes and minority interests</b>	3,596	2,364	21,249	9,229
<b>Income taxes:</b>				
Current	1,691	1,584	14,238	4,158
Deferred	(70)	(625)	(5,618)	46
<b>Minority interests</b>	5	2	18	4
<b>Net income</b>	¥ 1,970	¥ 1,403	\$ 12,611	¥ 5,021

(2) Consolidated Balance Sheets

(Millions of yen and thousands of U.S. dollars)	At September 30,		At March 31,		At September 30,	
	2002	2003	2003	2003	2003	2003
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	¥ 27,227	¥ 29,322	¥ 31,391	\$ 282,166		
Time deposits	6	6	2	18		
Marketable securities	500	-	-	-		
Receivables:						
Notes	1,026	1,178	1,056	9,492		
Accounts	50,069	62,038	46,916	421,717		
Inventories	8,346	9,047	14,835	133,348		
Deferred tax assets	2,122	1,681	2,170	19,506		
Other current assets	682	468	649	5,834		
Less: Allowance for doubtful accounts	(40)	(51)	(49)	(440)		
<b>Total current assets</b>	<b>89,938</b>	<b>103,689</b>	<b>96,970</b>	<b>871,641</b>		
<b>Investments and long-term loans:</b>						
Investment securities	594	548	670	6,022		
Other	212	188	185	1,663		
<b>Total investments and long-term loans</b>	<b>806</b>	<b>736</b>	<b>855</b>	<b>7,685</b>		
<b>Property, plant and equipment :</b>						
Land	1,359	1,359	1,359	12,216		
Buildings and structures	1,767	1,781	1,778	15,982		
Machinery and equipment	3,410	3,493	3,650	32,809		
Construction in progress	129	15	45	404		
Less: Accumulated depreciation	(3,109)	(3,230)	(3,417)	(30,715)		
<b>Property, plant and equipment, net</b>	<b>3,556</b>	<b>3,418</b>	<b>3,415</b>	<b>30,696</b>		
<b>Other assets:</b>						
Lease deposits	4,191	4,100	3,696	33,223		
Intangible assets	2,657	3,004	3,036	27,290		
Deferred tax assets	1,821	2,163	2,290	20,584		
Other assets	709	492	455	4,090		
<b>Total other assets</b>	<b>9,378</b>	<b>9,759</b>	<b>9,477</b>	<b>85,187</b>		
<b>Total assets</b>	<b>¥ 103,678</b>	<b>¥ 117,602</b>	<b>¥ 110,717</b>	<b>\$ 995,209</b>		
<b>Liabilities, minority interests and shareholders' equity</b>						
<b>Current liabilities:</b>						
Notes and accounts payable	¥ 38,342	¥ 49,508	¥ 42,543	\$ 382,409		
Accrued expenses	6,630	5,772	5,872	52,782		
Accrued income taxes	1,756	2,305	1,534	13,789		
Other current liabilities	2,426	2,710	2,348	21,105		
<b>Total current liabilities</b>	<b>49,154</b>	<b>60,295</b>	<b>52,297</b>	<b>470,085</b>		
<b>Long-term liabilities:</b>						
Accrued pension and severance costs	6,166	6,206	6,272	56,378		
Other long-term liabilities	233	235	245	2,202		
<b>Total long-term liabilities</b>	<b>6,399</b>	<b>6,441</b>	<b>6,517</b>	<b>58,580</b>		
<b>Total liabilities</b>	<b>55,553</b>	<b>66,736</b>	<b>58,814</b>	<b>528,665</b>		
<b>Minority interests</b>	<b>19</b>	<b>18</b>	<b>20</b>	<b>180</b>		
<b>Shareholders' equity:</b>						
Common stock	9,402	9,402	9,402	84,512		
Capital surplus	11,345	11,345	11,345	101,978		
Retained earnings	27,333	30,099	31,120	279,730		
Unrealized gain on investment securities, net of tax	27	3	17	153		
Less: Treasury stock	(1)	(1)	(1)	(9)		
<b>Total shareholders' equity</b>	<b>48,106</b>	<b>50,848</b>	<b>51,883</b>	<b>466,364</b>		
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>¥ 103,678</b>	<b>¥ 117,602</b>	<b>¥ 110,717</b>	<b>\$ 995,209</b>		

(3) Consolidated Statements of Shareholders' Equity

(Millions of yen and thousands of U.S. dollars)	Six months ended September 30,			Year ended
	2002	2003	2003	March 31, 2003
<b>Common stock:</b>				
Beginning of period	¥ 9,402	¥ 9,402	\$ 84,512	¥ 9,402
End of period	¥ 9,402	¥ 9,402	\$ 84,512	¥ 9,402
<b>Capital surplus:</b>				
Beginning of period	¥ 11,345	¥ 11,345	\$ 101,978	¥ 11,345
End of period	¥ 11,345	¥ 11,345	\$ 101,978	¥ 11,345
<b>Retained earnings:</b>				
Beginning of period	¥ 26,029	¥ 30,099	\$ 270,553	¥ 26,029
Net income	1,970	1,403	12,611	5,021
Cash dividends declared	(570)	(285)	(2,562)	(855)
Bonuses to directors and corporate auditors	(96)	(97)	(872)	(96)
End of period	¥ 27,333	¥ 31,120	\$ 279,730	¥ 30,099
<b>Unrealized gain on investment securities, net of tax:</b>				
Beginning of period	¥ 12	¥ 3	\$ 27	¥ 12
Change	15	14	126	(9)
End of period	¥ 27	¥ 17	\$ 153	¥ 3
<b>Treasury stock:</b>				
Beginning of period	¥ (1)	¥ (1)	\$ (9)	¥ (1)
Change	0	0	0	0
End of period	¥ (1)	¥ (1)	\$ (9)	¥ (1)

**(4) Consolidated Statements of Cash Flows**

(Millions of yen and thousands of U.S. dollars)	Six months ended September 30,			Year ended
	2002	2003	2003	March 31, 2003
<b>Cash flows from operating activities:</b>				
Income before income taxes and minority interests	¥ 3,596	¥ 2,364	\$ 21,249	¥ 9,229
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	865	763	6,858	1,710
Loss on tangible and intangible assets, net	112	28	252	185
Pension and severance costs, less payment	(556)	153	1,375	(286)
Interest and dividend income	(16)	(15)	(135)	(29)
Revaluation loss on investment securities	29	-	-	139
Other, net	(95)	(87)	(782)	(64)
Changes in operating assets and liabilities:				
Notes and accounts receivable, net of allowance for doubtful accounts	15,736	15,174	136,396	3,664
Inventories	(2,412)	(5,818)	(52,296)	(3,113)
Other current assets	(248)	(180)	(1,618)	(35)
Notes and accounts payable	(10,352)	(6,874)	(61,789)	975
Other current liabilities	(435)	(263)	(2,364)	(1,010)
Interest and dividend received	16	15	135	30
Income taxes paid	(2,141)	(2,355)	(21,169)	(4,058)
<b>Net cash provided by operating activities</b>	<b>4,099</b>	<b>2,905</b>	<b>26,112</b>	<b>7,337</b>
<b>Cash flows from investing activities:</b>				
Proceeds from marketable securities	-	-	-	500
Purchase of shares of a subsidiary, net of cash and cash equivalents	4	-	-	4
Payments for investment securities	(15)	(100)	(899)	(120)
Acquisition of property, plant and equipment	(571)	(300)	(2,697)	(977)
Increase in intangible assets	(529)	(593)	(5,330)	(1,413)
Payments for lease deposits	(45)	(40)	(360)	(417)
Refunds of lease deposits	197	444	3,991	660
Other, net	(5)	38	342	(60)
<b>Net cash used in investing activities</b>	<b>(964)</b>	<b>(551)</b>	<b>(4,953)</b>	<b>(1,823)</b>
<b>Cash flows from financing activities:</b>				
Cash dividends paid	(566)	(285)	(2,562)	(850)
Other, net	(28)	0	0	(28)
<b>Net cash used in financing activities</b>	<b>(594)</b>	<b>(285)</b>	<b>(2,562)</b>	<b>(878)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,541</b>	<b>2,069</b>	<b>18,597</b>	<b>4,636</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>24,686</b>	<b>29,322</b>	<b>263,569</b>	<b>24,686</b>
<b>Cash and cash equivalents at end of period</b>	<b>¥ 27,227</b>	<b>¥ 31,391</b>	<b>\$ 282,166</b>	<b>¥ 29,322</b>

**(5) Significant Accounting Policies**

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by Fujitsu Support and Service Inc. (the "Company") and its consolidated subsidiaries in accordance with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In presenting the accompanying consolidated financial statements, certain items have been reclassified for the convenience of readers outside Japan. In addition, certain reclassifications have been made to the prior year's financial statements to conform them to the current year's presentation.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and those of its majority-owned

subsidiaries, whether directly or indirectly controlled. All inter-company accounts and transactions have been eliminated in consolidation.

The difference between the acquisition cost and the underlying equity in the net assets of the consolidated subsidiaries is recognized as goodwill and is being amortized on a straight-line basis over five years.

(c) Cash Equivalents

Cash equivalents include all highly liquid investments, generally with original maturities of three months or less, which are readily convertible to known amounts of cash and are so near maturity that they present only an insignificant risk of any changes in value attributable to changes in interest rates.

(d) Investment Securities

Investment securities are classified as follows:

Trading securities:	Trading securities are held for resale in anticipation of short-term market movements
Held-to-maturity securities:	Debt securities are classified as held-to-maturity when management has the positive intent and ability to hold the securities to maturity
Investments in affiliated companies:	Investments in entities significantly influenced are classified as investments in affiliated companies.
Available-for-sale securities:	Equity and debt securities not classified as trading, held-to-maturity or investments in affiliated companies are classified as available-for-sale securities.

Investment securities held by the Company and its consolidated subsidiaries are classified as available-for-sale securities. Available-for-sale securities are carried at fair value, with unrealized gains and losses, net of tax, reported as a separate component of shareholders' equity. Realized gains and losses on sales of the investment securities as well as declines in fair value judged to be other than temporary are charged to income as incurred. The cost of available-for-sale securities sold is computed by the moving average method in determining realized gains or losses.

(e) Allowance for Doubtful Accounts

Allowance for doubtful accounts represents an amount deemed necessary to cover possible losses on receivables.

(f) Inventories

Work in process is stated at cost determined by the specific identification method. Other inventories are stated at cost determined by the moving average method.

(g) Property, Plant and Equipment and Depreciation

Property, plant and equipment are carried at cost. Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the respective assets as follows.

Buildings and structures:	
Buildings	34 years
Others	10 to 15 years
Machinery and equipment:	4 to 5 years

Maintenance and repairs, including minor renewals and improvements, are charged to income as incurred.

(h) Intangible Assets and Amortization

Intangible assets are carried at cost less amortization.

Amortization of computer software to be sold is calculated using the amount computed based on the current year's sales distribution to the estimated total products' sales within an estimated sales period of three years.

Amortization of computer software for internal use is calculated using the amount computed by the straight-line method over the estimated useful life of five years.

Amortization of other intangible assets is calculated by the straight-line method at rates based on the estimated useful lives of the respective assets.

(i) **Accrued Pension and Severance Costs.**

The Company and its consolidated subsidiaries have pension and severance plans. Under the plans, severance benefits and pension liabilities and costs are stated by the projected unit credit method. Prior service cost and net transition obligation is amortized over 10 years by the straight-line method. Prior net actuarial gain or loss is amortized by the straight-line method over the average remaining service period of employees.

In addition, accrued pension and severance costs include a provision for lump-sum retirement allowances for directors and corporate auditors determined by reference to their current rates of emolument and length of service prescribed by internal codes.

(j) **Leases**

Where finance leases do not transfer ownership of the leased property to the lessee over the term of the lease, the leased property is not capitalized and the related lease and rent expenses are charged to income as incurred.

(k) **Income Taxes**

The Company and its consolidated subsidiaries have adopted the asset-liability method to recognize the deferred taxes. Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax basis of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to be reversed.

(l) **Per Share Data**

Earnings per share are based on the weighted average number of shares outstanding during the period. Cash dividends per share represent dividends declared as applicable to the period.

(m) **Foreign Currency Translation**

Investment securities traded in foreign currency are adjusted to the amount calculated based on exchange rates prevailing on the balance sheet dates. Unrealized translation difference on investment securities, net of tax is recognized as a separate component of shareholders' equity.

**(6) U.S. Dollar Amounts**

The Company and its consolidated subsidiaries maintain their books of account in yen. The U.S. dollar amounts included in the accompanying consolidated financial statements and the notes thereto represent the arithmetic results of translating yen into U.S. dollars at ¥111.25 = U.S.\$1.00, the approximate rate of exchange prevailing on the last business day of September, 2003. The U.S. dollar amounts are included solely for the convenience of the readers and the translation is not intended to imply that the assets and liabilities which originated in yen have been or could readily be converted, realized or settled in U.S. dollars at the above or any other rate.

**(7) Investment Securities**

Investment securities at September 30, 2002 and 2003 and at March 31, 2003 are summarized as follows:

(Millions of yen and thousands of U.S. dollars)	At September 30,		At March 30,		At September 30,	
	2002	2003	2003	2003	2003	2003
Cost	¥ 547	¥ 542	¥ 642	\$ 5,771		
Net unrealized gain	47	6	28	251		
Fair value	594	548	670	6,022		
Carrying value	¥ 594	¥ 548	¥ 670	\$ 6,022		

**(8) Leases**

Lease payments on finance leases, except for lease agreements which stipulate the transfer of ownership of the leased property to the Company and its consolidated subsidiaries, for the six months ended September 30, 2002 and 2003 and the year ended March 31, 2003, and future minimum lease payments subsequent to September 30, 2002 and 2003 and March 31, 2003 are summarized as follows:

(Millions of yen and thousands of U.S. dollars)	Six months ended September 30,			Year ended
	2002	2003	2003	March 31, 2003
Lease expenses	¥ 419	¥ 396	\$ 3,560	¥ 849

Components of lease expenses:

Interest	16	16	144	33
Depreciation	395	379	3,407	804

(Millions of yen and thousands of U.S. dollars)	At September 30,			At March 31,
	2002	2003	2003	2003
Future minimum lease payments:				
Within one year	¥ 585	¥ 619	\$ 5,564	¥ 680
Thereafter	531	939	8,440	1,018
Total	¥ 1,116	¥ 1,558	\$ 14,004	¥ 1,698

Acquisition cost, accumulated depreciation and net carrying amount of property held under finance leases which were not capitalized as assets outstanding at September 30, 2002 and 2003 and March 31, 2003 are as follows:

(Millions of yen and thousands of U.S. dollars)	At September 30,			At March 31,
	2002	2003	2003	2003
Acquisition cost of leased property	¥ 3,652	¥ 2,995	\$ 26,921	¥ 3,782
Accumulated depreciation	2,566	1,461	13,132	2,112
Net carrying amount	¥ 1,086	¥ 1,534	\$ 13,789	¥ 1,670

**(9) Segment Information**

The business segment information for the Company and its consolidated subsidiaries for the six months ended September 30, 2002 and 2003 and the year ended March 31, 2003 is outlined as follows:

(Millions of yen)	Six months ended September 30, 2002				
	Information Technology Services	Technical Support Services	Total	Eliminations	Consolidated
Sales and operating income					
Sales to external customers	¥ 70,998	¥ 28,142	¥ 99,140	¥ —	¥ 99,140
Intersegment sales and transfers	306	367	673	(673)	—
Total sales	71,304	28,509	99,813	(673)	99,140
Operating costs and expenses	70,586	24,564	95,150	(656)	94,494
Operating income	¥ 718	¥ 3,945	¥ 4,663	¥ (17)	¥ 4,646

(Millions of yen)	Six months ended September 30, 2003				
	Information Technology Services	Technical Support Services	Total	Eliminations	Consolidated
Sales and operating income					
Sales to external customers	¥ 77,978	¥ 25,757	¥ 103,735	¥ —	¥ 103,735
Intersegment sales and transfers	274	575	849	(849)	—
Total sales	78,252	26,332	104,584	(849)	103,735
Operating costs and expenses	77,670	23,220	100,890	(861)	100,029
Operating income	¥ 582	¥ 3,112	¥ 3,694	¥ 12	¥ 3,706

(Thousands of U.S. dollars)	Six months ended September 30, 2003				
	Information Technology Services	Technical Support Services	Total	Eliminations	Consolidated
Sales and operating income					
Sales to external customers	\$ 700,926	\$ 231,524	\$ 932,450	\$ —	\$ 932,450
Intersegment sales and transfers	2,463	5,168	7,631	(7,631)	—
Total sales	703,389	236,692	940,081	(7,631)	932,450
Operating costs and expenses	698,158	208,719	906,877	(7,739)	899,138
Operating income	\$ 5,231	\$ 27,973	\$ 33,204	\$ 108	\$ 33,312

**Basis of Segmentation:**

(1) Business segments are divided into categories based on the structure adopted for internal management purposes.

(2) Major services in each business segment:

Information Technology Services: Systems planning, systems implementation, systems operation, sales of systems equipment and related goods, sales of products developed internally, provision of human resources including temporary workers, software development.

Technical Support Services: Installation and maintenance of hardware, maintenance of software equipment, etc., and maintenance services of related software.

(10) Sales Orders

(Millions of yen and thousands of US dollars)	Six months ended September 30,			Change	Six months ended	Year ended
	2002	2003			September 30,	March 31,
					2003	2003
Information Technology Services	¥ 78,641	¥ 96,214	22.3 %	\$ 864,845	¥ 175,605	
Technical Support Services	29,417	27,450	(6.7)	246,742	53,355	
Total	¥ 108,058	¥ 123,664	14.4	\$ 1,111,587	¥ 228,960	

(Millions of yen and thousands of US dollars)	September 30,			Change	September 30,	March 31,
	2002	2003			2003	2003
Sales orders in hand	¥ 47,420	¥ 65,038	37.2 %	\$ 584,611	¥ 45,958	

**Digest of Non-Consolidated Results for the First Half of the Fiscal Year Ending March 31, 2004**

(Unaudited)

Name of Listed Company: Fsas (Fujitsu Support and Service Inc.)  
 Code Number: 4706  
 Listed Exchange (Section): Tokyo Stock Exchange (First Section)  
 Head Office: Tokyo  
 Representative: Tatsuhiko Ohtaki, President and CEO  
 For Inquiries Please Contact: Kazuyuki Nishikawa, Member of the Board, and  
 General Manager of Corporate Planning Office  
 Tel: (03) 5471-4700

Date of Board of Directors' Meeting

For Approval of Non-Consolidated First Fiscal Half Results: October 29, 2003  
 Applicability of Interim-Dividend System: Yes  
 Interim Dividend Payment Effective Date: December 1, 2003  
 Applicability of Share-Unit System: Yes (1 unit = 100 shares)

**1. First Fiscal Half Results Ended September 2003****(For the period from April 1, 2003 through September 30, 2003)****(1) Results of Operations**

(Millions of yen and thousands of U.S. dollars)	Six months ended September 30,		Change	Six months ended	Year ended
	2002	2003		September 30,	March 31,
				2003	2003
Net sales	¥ 91,909	¥ 96,937	5.5 %	\$ 871,344	¥ 207,580
Operating income	3,687	3,025	(17.9)	27,191	9,959
Income before income taxes and minority interests	2,726	1,896	(30.4)	17,043	7,860
Net income	1,513	1,200	(20.7)	10,787	4,353

**(2) Per Share Data**

(Yen and U.S. dollars)	Six months ended September 30,		Change	Six months ended	Year ended
	2002	2003		September 30,	March 31,
				2003	2003
Earnings per share	¥ 26.54	¥ 21.05	(20.7) %	\$ 0.19	¥ 75.12
Cash dividend per share					
(First half of fiscal years)	5.00	5.00	-	0.04	-
(Annual)	-	-	-	-	10.00
Shareholders' equity per share	795.05	854.50	7.5	7.68	838.22

(Note) 1. Weighted average shares issued and outstanding for:

Six months ended September 30, 2003 ..... 57,019,738 shares  
 Six months ended September 30, 2002 ..... 57,019,802 shares  
 Year ended March 31, 2003 ..... 57,019,797 shares

### (3) Financial Position

(Millions of yen and thousands of U.S. dollars)	At September 30,	At March 31,	At September 30,	
	2002	2003	2003	2003
Total assets	¥ 97,936	¥ 112,323	¥ 105,181	\$ 945,447
Total shareholders' equity	45,334	47,865	48,724	437,969
		(%)		
Shareholders' equity ratio	46.3	42.6	46.3	

(Note) Issued and outstanding shares as of:

September 30, 2003	.....	57,019,637 shares
September 30, 2002	.....	57,019,792 shares
March 31, 2003	.....	57,019,792 shares
Treasury stock as of:		
September 30, 2003	.....	363 shares
September 30, 2002	.....	208 shares
March 31, 2003	.....	208 shares

## 2. Business Forecast for March 2004 Term

(For the period from April 1, 2003 through March 31, 2004)

(Millions of yen and thousands of U.S. dollars)	Year ending March 31	
	2004	2004
Net sales	¥ 219,000	\$ 1,968,539
Net income	4,500	40,449

(Reference) Forecasted earnings per share for March 2004 Term: ¥ 78.92 (U.S.\$0.71)

#### Notes:

1. Fractions are rounded to the closest one million yen.
2. The U.S. dollar amounts included herein represent translations using the approximate exchange rate on September 30, 2003 of ¥111.25=US\$1.00, solely for readers' convenience.

### 3. Non-Consolidated Financial Statements

#### (1) Non-Consolidated Statements of Income

(Millions of yen and thousands of U.S. dollars)	Six months ended September 30,			Year ended
	2002	2003	2003	March 31, 2003
<b>Net sales</b>	¥ 91,909	¥ 96,937	\$ 871,344	¥ 207,580
<b>Operating costs and expenses:</b>				
Cost of sales	71,396	77,129	693,295	164,582
Selling, general and administrative expenses	16,826	16,783	150,858	33,039
	88,222	93,912	844,153	197,621
<b>Operating income</b>	3,687	3,025	27,191	9,959
<b>Other income (expenses):</b>				
Interest and dividend income	86	165	1,483	199
Amortization of prior pension and severance costs	(794)	(794)	(7,137)	(1,588)
Restructuring costs	(252)	(84)	(755)	(528)
Revaluation loss on investment securities	(29)	-	-	(139)
Other, net	28	(416)	(3,739)	(43)
	(961)	(1,129)	(10,148)	(2,099)
<b>Income before income taxes</b>	2,726	1,896	17,043	7,860
<b>Income taxes:</b>				
Current	1,174	1,310	11,775	3,350
Deferred	39	(614)	(5,519)	157
<b>Net income</b>	¥ 1,513	¥ 1,200	\$ 10,787	¥ 4,353

**(2) Non-Consolidated Balance Sheets**

(Millions of yen and thousands of U.S. dollars)	At September 30,		At March 31,		At September 30,	
	2002		2003		2003	
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	¥	25,059	¥	27,226	¥	29,756
Marketable securities		500		-	\$	267,470
Receivables:						
Notes		1,021		1,177		9,492
Accounts		47,437		60,036		397,537
Inventories		7,971		8,448		126,813
Deferred tax assets		1,876		1,412		17,025
Other current assets		603		380		5,231
Less: Allowance for doubtful accounts		(35)		(47)		(458)
<b>Total current assets</b>		<b>84,432</b>		<b>98,632</b>		<b>91,571</b>
<b>Investments and long-term loans:</b>						
Investment securities						
Subsidiaries		839		839		7,541
Other		569		523		5,798
Other		212		188		1,654
<b>Total investments and long-term loans</b>		<b>1,620</b>		<b>1,550</b>		<b>14,993</b>
<b>Property, plant and equipment :</b>						
Land		1,359		1,359		12,216
Buildings and structures		1,618		1,629		14,787
Machinery and equipment		2,376		2,414		23,101
Construction in progress		129		15		404
Less: Accumulated depreciation		(2,191)		(2,287)		(22,076)
<b>Property, plant and equipment, net</b>		<b>3,291</b>		<b>3,130</b>		<b>28,432</b>
<b>Other assets:</b>						
Lease deposits		3,843		3,748		30,472
Intangible assets		2,465		2,830		25,878
Deferred tax assets		1,590		1,954		18,661
Other assets		695		479		3,901
<b>Total other assets</b>		<b>8,593</b>		<b>9,011</b>		<b>78,912</b>
<b>Total assets</b>	¥	<b>97,936</b>	¥	<b>112,323</b>	¥	<b>105,181</b>
					\$	<b>945,447</b>
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities:</b>						
Accounts payable	¥	37,529	¥	48,913	¥	41,741
Accrued expenses		5,671		4,748		4,772
Accrued income taxes		1,308		1,882		1,278
Other current liabilities		2,143		2,914		2,596
<b>Total current liabilities</b>		<b>46,651</b>		<b>58,457</b>		<b>50,387</b>
<b>Long-term liabilities:</b>						
Accrued pension and severance costs		5,705		5,755		5,805
Other long-term liabilities		246		246		265
<b>Total long-term liabilities</b>		<b>5,951</b>		<b>6,001</b>		<b>6,070</b>
<b>Total liabilities</b>		<b>52,602</b>		<b>64,458</b>		<b>56,457</b>
<b>Shareholders' equity:</b>						
Common stock		9,402		9,402		9,402
Capital surplus		11,345		11,345		11,345
Retained earnings		24,561		27,116		27,961
Unrealized gain on investment securities, net of tax		27		3		17
Less: Treasury stock		(1)		(1)		(1)
<b>Total shareholders' equity</b>		<b>45,334</b>		<b>47,865</b>		<b>48,724</b>
<b>Total liabilities and shareholders' equity</b>	¥	<b>97,936</b>	¥	<b>112,323</b>	¥	<b>105,181</b>
					\$	<b>945,447</b>

#### 4. Leases

Lease payments for finance leases, except for lease agreements which stipulate the transfer of ownership of the leased property to the Company, for the six months ended September 30, 2002 and 2003 and the year ended March 31, 2003, and future minimum lease payments subsequent to September 30, 2002 and 2003 and March 31, 2003 are summarized as follows:

(Millions of yen and thousands of U.S. dollars)	Six months ended September 30,			Year ended
	2002	2003	<i>2003</i>	March 31,
				2003
Lease expenses	¥ 340	¥ 359	\$ 3,227	¥ 692
Components of lease expenses:				
Interest	13	14	<i>126</i>	26
Depreciation	319	343	<i>3,083</i>	656

(Millions of yen and thousands of U.S. dollars)	At September 30,			At March 31,
	2002	2003	<i>2003</i>	2003
Future minimum lease payments:				
Within one year	¥ 480	¥ 560	\$ 5,034	¥ 575
Thereafter	363	811	<i>7,290</i>	824
Total	¥ 843	¥ 1,371	\$ 12,324	¥ 1,399

Property held under the finance leases which were not capitalized as assets outstanding at September 30, 2002 and 2003 and March 31, 2003 are as follows:

(Millions of yen and thousands of U.S. dollars)	At September 30,			At March 31,
	2002	2003	<i>2003</i>	2003
Acquisition cost of leased property	¥ 2,894	¥ 2,651	\$ 23,829	¥ 2,919
Accumulated depreciation	2,079	1,301	<i>11,694</i>	1,544
Net carrying amount	¥ 815	¥ 1,350	\$ 12,135	¥ 1,375

#### 5. Investment Securities

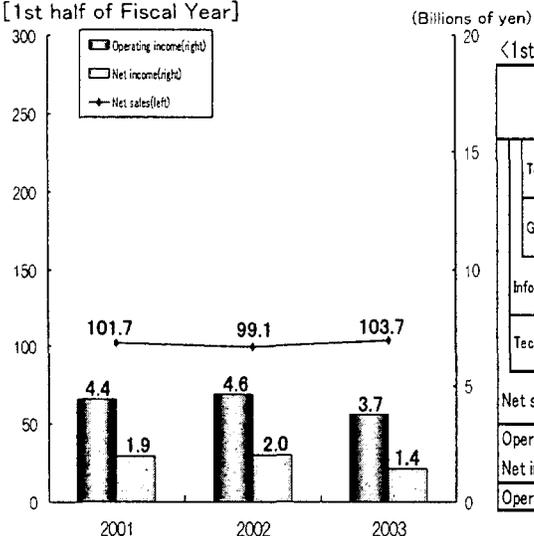
All equity securities on subsidiaries or affiliated companies have no quoted value as of September 30, 2002 and 2003 and March 31, 2003.

October 29, 2003

Fujitsu Support and Service Inc.

**Consolidated Results and Forecast**

[1st half of Fiscal Year]

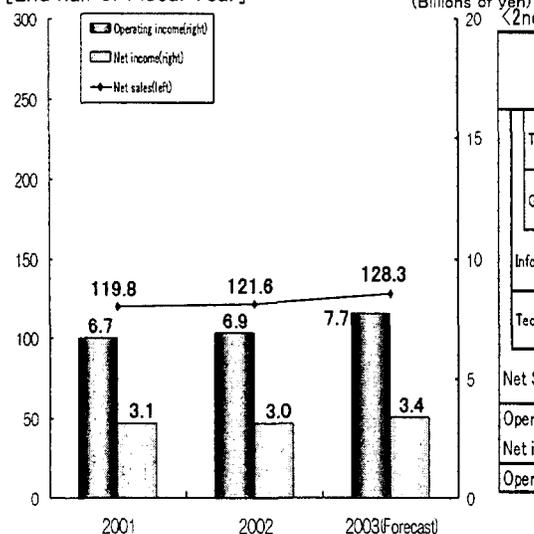


(Billions of yen)

<1st half>

	FY2001		FY2002		FY2003				FY2003		
		Change		Change	First Plan	Results	Difference	Change	First Plan	Results	Difference
Technical Consultation & Services	40.0	9.5%	38.9	(2.7%)	43.2	39.4	(3.8)	1.3%	388.3	353.7	(34.6)
General Products Distribution	35.1	11.7%	32.4	(7.7%)	33.8	38.9	5.1	19.9%	303.8	349.7	45.9
Information Technology Services	75.1	10.5%	71.3	(5.1%)	77.0	78.3	1.3	9.7%	692.1	703.4	11.3
Technical Support Services	27.0	(3.8%)	28.5	5.5%	26.2	26.3	0.1	(7.6%)	235.5	236.7	1.2
Net sales	101.7	6.1%	99.1	(2.5%)	102.0	103.7	1.7	4.6%	916.9	932.5	15.6
Operating income	4.4	2.4%	4.6	5.8%	4.7	3.7	(1.0)	(20.2%)	42.2	33.3	(8.9)
Net income	1.9	9.7%	2.0	4.4%	2.0	1.4	(0.6)	(28.8%)	18.0	12.6	(5.4)
Operating income margin	4.3%	(0.2%)	4.7%	0.4%	4.6%	3.6%	(1.0%)	(1.1%)	4.6%	3.6%	(1.0%)

[2nd half of Fiscal Year]

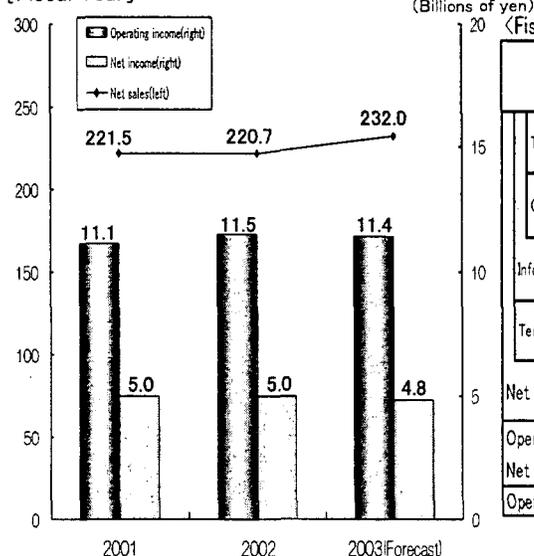


(Billions of yen)

<2nd half>

	FY2001		FY2002		FY2003				FY2003		
		Change		Change	First Plan	Forecast	Difference	Change	First Plan	Forecast	Difference
Technical Consultation & Services	46.5	7.8%	44.9	(3.4%)	48.8	51.2	2.4	14.1%	438.7	460.7	22.0
General Products Distribution	46.2	(3.1%)	51.0	10.3%	52.2	52.7	0.5	3.4%	469.2	473.7	4.5
Information Technology Services	92.7	2.1%	95.9	3.5%	101.0	103.9	2.9	8.4%	907.9	934.4	26.5
Technical Support Services	27.6	(3.3%)	26.5	(3.9%)	25.8	25.7	(0.1)	(3.1%)	231.9	230.7	(1.2)
Net Sales	119.8	0.9%	121.6	1.4%	125.5	128.3	2.8	5.5%	1,128.0	1,152.9	24.9
Operating income	6.7	12.1%	6.9	2.5%	7.3	7.7	0.4	11.6%	65.7	69.2	3.5
Net income	3.1	18.6%	3.0	(0.4%)	3.3	3.4	0.1	11.3%	29.6	30.5	0.9
Operating income margin	5.6%	0.5%	5.7%	0.1%	5.8%	6.0%	0.2%	0.3%	5.8%	6.0%	0.2%

[Fiscal Year]



(Billions of yen)

<Fiscal year>

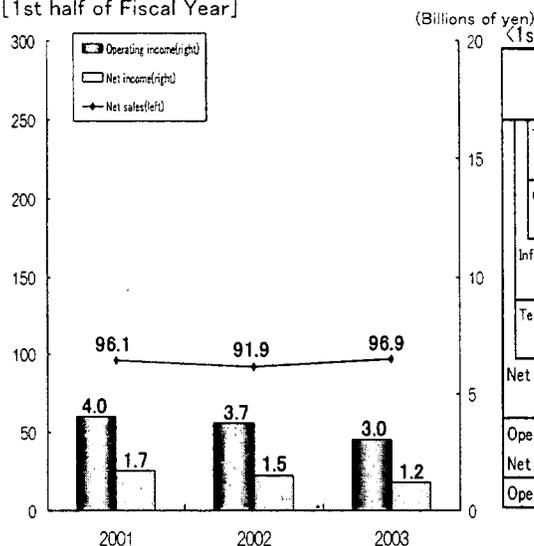
	2001		2002		2003				2003		
		Change		Change	First Plan	Forecast	Difference	Change	First Plan	Forecast	Difference
Technical Consultation & Services	86.5	8.6%	83.8	(3.1%)	92.0	90.6	(1.4)	8.1%	827.0	814.4	(12.6)
General Products Distribution	81.3	2.8%	83.4	2.5%	86.0	91.6	5.6	9.8%	773.0	823.4	50.4
Information Technology Services	167.8	5.7%	167.2	(0.4%)	178.0	182.2	4.2	9.0%	1,600.0	1,637.8	37.8
Technical Support Services	54.6	(3.5%)	55.0	0.8%	52.0	52.0	0.0	(5.4%)	467.4	467.4	0.0
Net sales	221.5	3.2%	220.7	(0.4%)	227.5	232.0	4.5	5.1%	2,044.9	2,085.4	40.5
Operating income	11.1	8.0%	11.5	3.8%	12.0	11.4	(0.6)	(1.2%)	107.9	102.5	(5.4)
Net income	5.0	15.0%	5.0	1.4%	5.3	4.8	(0.5)	(4.4%)	47.6	43.1	(4.5)
Operating income margin	5.0%	0.2%	5.2%	0.2%	5.3%	4.9%	(0.4%)	(0.3%)	5.3%	4.9%	(0.4%)

Note1) The total of segment sales does not equal the corporate total due to the omission of inter-segment sales eliminations.

Note2) The U.S. dollar amounts included herein represent translations using the approximate exchange rate on September 30, 2003 of ¥111.25=US\$1.00, solely for the readers' convenience.

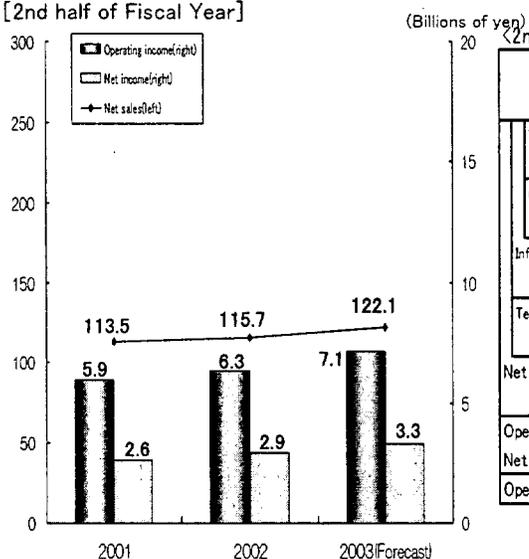
# Non-Consolidated Results and Forecast

## [1st half of Fiscal Year]



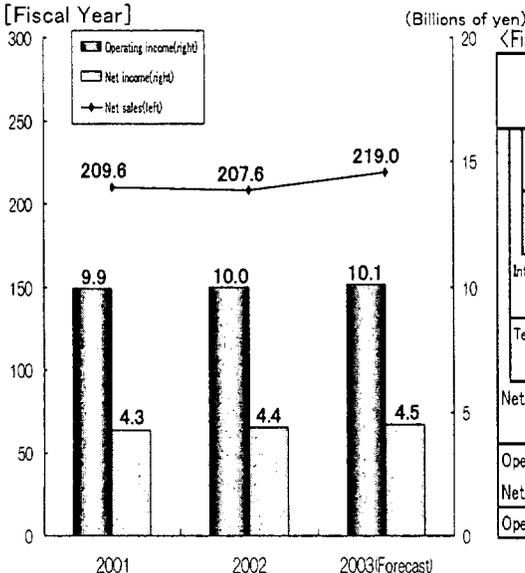
	FY2001		FY2002		FY2003			FY2003			
		Change		Change	First Plan	Results	Difference	Change	First Plan	Results	Difference
Technical Consultation & Services	38.6	9.3%	37.4	(3.2%)	41.4	37.7	(3.7)	0.8%	372.1	338.6	(33.5)
<component ratio>	<40.1%>		<40.7%>		<43.1%>	<38.9%>					
General Products Distribution	35.1	11.7%	32.4	(7.7%)	33.8	38.9	5.1	19.9%	303.8	349.7	45.9
<component ratio>	<36.6%>		<35.3%>		<35.2%>	<40.1%>					
Information Technology Services	73.7	10.5%	69.8	(5.3%)	75.2	76.6	1.4	9.7%	675.9	688.3	12.4
<component ratio>	<76.7%>		<76.0%>		<78.3%>	<79.0%>					
Technical Support Services	22.4	(3.5%)	22.1	(1.3%)	20.8	20.3	(0.5)	(7.8%)	187.0	183.0	(4.0)
<component ratio>	<23.3%>		<24.0%>		<21.7%>	<21.0%>					
Net sales	96.1	6.9%	91.9	(4.4%)	96.0	96.9	0.9	5.5%	862.9	871.3	8.4
<component ratio>	<100.0%>		<100.0%>		<100.0%>	<100.0%>					
Operating income	4.0	3.9%	3.7	(6.9%)	3.9	3.0	(0.9)	(17.9%)	35.1	27.2	(7.9)
Net income	1.7	9.4%	1.5	(8.3%)	1.7	1.2	(0.5)	(20.7%)	15.3	10.8	(4.5)
Operating income margin	4.1%	(0.1%)	4.0%	(0.1%)	4.1%	3.1%	(1.0%)	(0.9%)	4.1%	3.1%	(1.0%)

## [2nd half of Fiscal Year]



	FY2001		FY2002		FY2003			FY2003			
		Change		Change	First Plan	Forecast	Difference	Change	First Plan	Forecast	Difference
Technical Consultation & Services	45.2	8.1%	43.3	(4.1%)	46.6	49.2	2.6	13.7%	418.9	442.5	23.6
<component ratio>	<39.8%>		<37.4%>		<39.1%>	<40.3%>					
General Products Distribution	46.2	(3.1%)	51.0	10.3%	52.2	52.7	0.5	3.4%	469.2	473.7	4.5
<component ratio>	<40.7%>		<44.1%>		<43.9%>	<43.2%>					
Information Technology Services	91.4	2.2%	94.3	3.2%	98.8	101.9	3.1	8.1%	888.1	916.2	28.1
<component ratio>	<80.5%>		<81.5%>		<83.0%>	<83.5%>					
Technical Support Services	22.1	(4.5%)	21.4	(3.0%)	20.2	20.2	0.0	(5.9%)	181.6	181.0	(0.6)
<component ratio>	<19.5%>		<18.5%>		<17.0%>	<16.5%>					
Net sales	113.5	0.8%	115.7	2.0%	119.0	122.1	3.1	5.5%	1,069.7	1,097.2	27.5
<component ratio>	<100.0%>		<100.0%>		<100.0%>	<100.0%>					
Operating income	5.9	10.2%	6.3	5.7%	6.7	7.1	0.4	12.8%	60.2	63.6	3.4
Net income	2.6	16.1%	2.9	7.4%	3.2	3.3	0.1	16.2%	28.7	29.6	0.9
Operating income margin	5.2%	0.4%	5.4%	0.2%	5.6%	5.8%	0.2%	0.4%	5.6%	5.8%	0.2%

## [Fiscal Year]



	2001		2002		2003			2003			
		Change		Change	First Plan	Forecast	Difference	Change	First Plan	Forecast	Difference
Technical Consultation & Services	83.8	8.7%	80.7	(3.7%)	88.0	86.9	(1.1)	7.7%	791.0	781.1	(9.9)
<component ratio>	<40.0%>		<38.8%>		<40.9%>	<39.7%>					
General Products Distribution	81.3	2.8%	83.4	2.5%	86.0	91.6	5.6	9.8%	773.0	823.4	50.4
<component ratio>	<38.8%>		<40.2%>		<40.0%>	<41.8%>					
Information Technology Services	165.1	5.7%	164.1	(0.6%)	174.0	178.5	4.5	8.8%	1,564.0	1,604.5	40.5
<component ratio>	<78.8%>		<79.0%>		<80.9%>	<81.5%>					
Technical Support Services	44.5	(4.0%)	43.5	(2.1%)	41.0	40.5	(0.5)	(6.9%)	368.6	364.0	(4.6)
<component ratio>	<21.2%>		<21.0%>		<19.1%>	<18.5%>					
Net sales	209.6	3.5%	207.6	(0.9%)	215.0	219.0	4.0	5.5%	1,932.6	1,968.5	35.9
<component ratio>	<100.0%>		<100.0%>		<100.0%>	<100.0%>					
Operating income	9.9	7.6%	10.0	0.6%	10.6	10.1	(0.5)	1.4%	95.3	90.8	(4.5)
Net income	4.3	13.4%	4.4	1.3%	4.9	4.5	(0.4)	3.4%	44.0	40.4	(3.6)
Operating income margin	4.7%	0.2%	4.8%	0.1%	4.9%	4.6%	(0.3%)	(0.2%)	4.9%	4.6%	(0.3%)

Note) The U.S. dollar amounts included herein represent translations using the approximate exchange rate on September 30, 2003 of ¥111.25=US\$1.00, solely for the readers' convenience.

Supplemental Information  
<Consolidated Results and Forecast>

1. Sales orders

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Net sales orders	¥ 101,353	2.2%	¥ 107,438	6.0%	¥ 122,884	14.4%	\$ 1,104,576
Information Technology Services	72,960	1.8%	78,641	7.8%	96,214	22.3%	864,845
Technical Support Services	28,894	4.1%	29,414	1.8%	27,450	(6.7%)	246,742
Eliminations	(501)	-	(617)	-	(780)	-	(7,011)
Sales orders in hand	40,937	(2.0%)	47,405	15.8%	64,997	37.1%	584,243

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Net sales orders	¥ 219,397	0.9%	¥ 227,437	3.7%	¥ 253,200	11.3%	\$ 2,275,956
Information Technology Services	166,413	2.3%	175,605	5.5%	204,200	16.3%	1,835,506
Technical Support Services	53,820	(3.1%)	53,355	(0.9%)	51,100	(4.2%)	459,326
Eliminations	(836)	-	(1,523)	-	(2,100)	-	(18,876)
Sales orders in hand	39,107	(5.2%)	45,848	17.2%	67,000	46.1%	602,247

2. Sales

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Net sales	¥ 101,654	6.1%	¥ 99,140	(2.5%)	¥ 103,735	4.6%	\$ 932,450
Information Technology Services	75,118	10.5%	71,304	(5.1%)	78,252	9.7%	703,389
Technical Consultation & Services	39,951	9.5%	38,857	(2.7%)	39,348	1.3%	353,690
General Products Distribution	35,167	11.7%	32,452	(7.7%)	38,905	19.9%	349,708
Eliminations	-	-	(5)	-	(1)	-	(9)
Technical Support Services	27,026	(3.8%)	28,509	5.5%	26,332	(7.6%)	236,692
Eliminations	(490)	-	(673)	-	(849)	-	(7,631)

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Net sales	¥ 221,528	3.2%	¥ 220,696	(0.4%)	¥ 232,000	5.1%	\$ 2,085,393
Information Technology Services	167,803	5.7%	167,187	(0.4%)	182,200	9.0%	1,637,752
Technical Consultation & Services	86,449	8.6%	83,784	(3.1%)	90,605	8.1%	814,426
General Products Distribution	81,354	2.8%	83,408	2.5%	91,600	9.8%	823,371
Eliminations	-	-	(5)	-	(5)	-	(45)
Technical Support Services	54,581	(3.5%)	54,993	0.8%	52,000	(5.4%)	467,416
Eliminations	(856)	-	(1,484)	-	(2,200)	-	(19,775)

3. Consolidated statements of income

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Net sales	¥ 101,654	6.1%	¥ 99,140	(2.5%)	¥ 103,735	4.6%	\$ 932,450
Operating income	4,390	2.4%	4,646	5.8%	3,706	(20.2%)	33,312
<Operating margin>	4.3%	(0.2)	4.7%	0.4	3.6%	(1.1)	
Net income	1,887	9.7%	1,970	4.4%	1,403	(28.8%)	12,611
<Return on sales>	1.9%	0.1	2.0%	0.1	1.4%	(0.6)	

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Net sales	¥ 221,528	3.2%	¥ 220,696	(0.4%)	¥ 232,000	5.1%	\$ 2,085,393
Operating income	11,115	8.0%	11,539	3.8%	11,400	(1.2%)	102,472
<Operating margin>	5.0%	0.2	5.2%	0.2	4.9%	(0.3)	
Net income	4,950	15.0%	5,021	1.4%	4,800	(4.4%)	43,146
<Return on sales>	2.2%	0.2	2.3%	0.1	2.1%	(0.2)	

#### 4. Segment information

(Thousands of  
US dollars)

(Millions of yen)

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Net sales	¥ 101,654	6.1%	¥ 99,140	(2.5%)	¥ 103,735	4.6%	\$ 932,450
Information Technology Services	75,118	10.5%	71,304	(5.1%)	78,252	9.7%	703,389
Technical Support Services	27,026	(3.8%)	28,509	5.5%	26,332	(7.6%)	236,692
Eliminations	(490)	-	(673)	-	(849)	-	(7,631)
Operating costs and expenses	¥ 97,264	6.3%	¥ 94,494	(2.8%)	¥ 100,029	5.9%	\$ 899,138
Information Technology Services	73,989	10.4%	70,586	(4.6%)	77,670	10.0%	698,158
Technical Support Services	23,760	(3.9%)	24,564	3.4%	23,220	(5.5%)	208,719
Eliminations	(485)	-	(656)	-	(861)	-	(7,739)
Operating income	¥ 4,390	2.4%	¥ 4,646	5.8%	¥ 3,706	(20.2%)	\$ 33,312
<Operating margin>	4.3%	(0.2)	4.7%	0.4	3.6%	(1.1)	
Information Technology Services	1,129	22.7%	718	(36.4%)	582	(18.9%)	5,231
<Operating margin>	1.5%	0.1	1.0%	(0.5)	0.7%	(0.3)	
Technical Support Services	3,266	(3.1%)	3,945	20.8%	3,112	(21.1%)	27,973
<Operating margin>	12.1%	0.1	13.8%	1.7	11.8%	(2.0)	
Eliminations	(5)	-	(17)	-	12	-	108

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Net sales	¥ 221,528	3.2%	¥ 220,696	(0.4%)	¥ 232,000	5.1%	\$ 2,085,393
Information Technology Services	167,803	5.7%	167,187	(0.4%)	182,200	9.0%	1,637,752
Technical Support Services	54,581	(3.5%)	54,993	0.8%	52,000	(5.4%)	467,416
Eliminations	(856)	-	(1,484)	-	(2,200)	-	(19,775)
Operating costs and expenses	¥ 210,413	3.0%	¥ 209,157	(0.6%)	¥ 220,600	5.5%	\$ 1,982,921
Information Technology Services	163,357	5.4%	162,570	(0.5%)	176,895	8.8%	1,590,067
Technical Support Services	47,913	(4.2%)	48,077	0.3%	45,900	(4.5%)	412,584
Eliminations	(857)	-	(1,490)	-	(2,195)	-	(19,730)
Operating income	¥ 11,115	8.0%	¥ 11,539	3.8%	¥ 11,400	(1.2%)	\$ 102,472
<Operating margin>	5.0%	0.2	5.2%	0.2	4.9%	(0.3)	
Information Technology Services	4,446	18.5%	4,617	3.8%	5,305	14.9%	47,685
<Operating margin>	2.6%	0.2	2.8%	0.2	2.9%	0.1	
Technical Support Services	6,668	2.0%	6,916	3.7%	6,100	(11.8%)	54,832
<Operating margin>	12.2%	0.6	12.6%	0.4	11.7%	(0.9)	
Eliminations	1	-	6	-	(5)	-	(45)

#### 5. Statements of cash flows

(Thousands of  
US dollars)

(Millions of yen)

	Six months ended September 30,			Year ended	Six months ended September 30,
	2002 (Result)	2003 (Result)	Change	2003 (Result)	
Cash flows from operating activities	¥ 4,099	¥ 2,905	¥ (1,194)	¥ 7,337	\$ 26,112
Cash flows from investing activities	(964)	(551)	413	(1,823)	(4,953)
Free cash flows	3,135	2,354	(781)	5,514	21,159
Cash flows from financing activities	(594)	(285)	309	(878)	(2,562)
Net cash flows	2,541	2,069	(472)	4,636	18,597
Cash and cash equivalents at beginning	24,686	29,322	4,636	24,686	263,569
Cash and cash equivalents at end	27,227	31,391	4,164	29,322	282,166

## 6. Investment

(Thousands of US dollars)

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
<b>Capital expenditures</b>	¥ 809	(38.7%)	¥ 1,040	28.5%	¥ 1,015	(2.3%)	\$ 9,123
Property plant and equipment	162	(22.5%)	544	235.1%	313	(42.5%)	2,813
Depreciation expenses	240	(3.6%)	261	8.7%	272	4.3%	2,445
Accumulated depreciation / Depreciable assets	60.5%	-	60.1%	-	63.0%	-	-
Software for internal use	426	(3.2%)	332	(22.1%)	454	36.9%	4,081
Amortization	581	34.6%	447	(22.9%)	392	(12.3%)	3,524
Lease contracts	221	(67.0%)	164	(25.8%)	248	51.4%	2,229
Lease payments	812	(20.3%)	456	(43.8%)	401	(12.0%)	3,604
<b>Total depreciation and amortization</b>	<b>821</b>	<b>20.6%</b>	<b>708</b>	<b>(13.7%)</b>	<b>664</b>	<b>(6.2%)</b>	<b>5,969</b>

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
<b>Capital expenditures</b>	¥ 2,196	6.2%	¥ 2,323	5.8%	¥ 2,270	(2.3%)	\$ 20,405
Property plant and equipment	608	54.3%	814	33.9%	810	(0.5%)	7,281
Depreciation expenses	511	(1.7%)	596	16.6%	660	10.8%	5,933
Accumulated depreciation / Depreciable assets	60.0%	-	61.3%	-	/	/	/
Software for internal use	672	(17.5%)	1,005	49.6%	1,160	15.4%	10,427
Amortization	925	2.2%	833	(10.0%)	810	(2.7%)	7,281
Lease contracts	916	6.6%	504	(45.0%)	300	(40.4%)	2,697
Lease payments	1,476	(20.6%)	966	(34.5%)	760	(21.3%)	6,831
<b>Total depreciation and amortization</b>	<b>1,436</b>	<b>0.8%</b>	<b>1,429</b>	<b>(0.5%)</b>	<b>1,470</b>	<b>2.9%</b>	<b>13,214</b>

(Note) The amounts of lease assets and lease payments stated above differ from those in notes of financial statements in that lease contract amounts of ¥3 million or less are included in this statement.

The amounts of payments for Software stated above differ from those in the balance sheets in that Software for resale is excluded from this statement.

Major purposes of capital expenditures are as follows:

(Thousands of US dollars)

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Information infrastructure	¥ 286	(67.0%)	¥ 548	91.2%	¥ 512	(6.6%)	\$ 4,602
Outsourcing business	123	(38.8%)	151	22.7%	150	(0.7%)	1,348

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Information infrastructure	¥ 1,233	(6.9%)	¥ 1,385	12.3%	¥ 1,260	(9.0%)	\$ 11,326
Outsourcing business	218	(23.8%)	367	69.3%	290	(21.0%)	2,607

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Research & development cost	¥ 198	(19.4%)	¥ 215	8.5%	¥ 243	13.3%	\$ 2,184
R&D cost / net sales	0.2%	-	0.2%	-	0.2%	-	-

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Research & development cost	¥ 405	(18.6%)	¥ 397	(2.0%)	¥ 500	26.0%	\$ 4,494
R&D cost / net sales	0.2%	-	0.2%	-	0.2%	-	-

<Educational cost>

(Millions of yen)

(Thousands of US dollars)

Six months ended March 31,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
<b>Costs</b>	¥ 1,021	1.6%	¥ 1,104	8.1%	¥ 1,147	4.0%	\$ 10,310
Training & Educational expenses	994	1.9%	1,082	8.8%	983	(9.1%)	8,836
Capital expenditures for educational faculties	27	(9.4%)	22	(18.8%)	164	661.8%	1,474

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
<b>Costs</b>	¥ 1,949	2.4%	¥ 2,027	4.0%	¥ 2,140	5.6%	\$ 19,236
Training & Educational expenses	1,848	(0.6%)	1,916	3.7%	1,930	0.7%	17,348
Capital expenditures for educational faculties	101	129.5%	111	9.5%	210	89.9%	1,888

7. Personnel

(Persons)

At September 30,	2001		2002		2003	
	(Result)	Change	(Result)	Change	(Result)	Change
Number of employees	5,152	69	5,309	157	5,427	118
New employees (recent graduates)	163	(31)	188	25	179	(9)
New employees (lateral hires)	69	(10)	67	(2)	62	(5)

At March 31,	2002		2003		2004	
	(Result)	Change	(Result)	Change	(Forecast)	Change
Number of employees	5,126	89	5,275	149	5,410	135
New employees (recent graduates)	163	(31)	188	25	179	(9)
New employees (lateral hires)	106	(27)	121	15	130	9

# Supplementary Information

## <Non-consolidated Results and Forecast>

### 1. Sales orders

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Net sales orders	¥ 94,683	2.1%	¥ 100,643	6.3%	¥ 114,495	13.8%	\$ 1,029,168
Information Technology Services	72,410	2.0%	77,406	6.9%	94,146	21.6%	846,256
Technical Support Services	22,273	2.3%	23,237	4.3%	20,349	(12.4%)	182,912
Sales orders in hand	36,966	(3.7%)	44,926	21.5%	61,815	37.6%	555,640

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Net sales orders	¥ 207,331	1.0%	¥ 215,645	4.0%	¥ 239,800	11.2%	\$ 2,155,505
Information Technology Services	164,348	2.7%	173,249	5.4%	200,400	15.7%	1,801,348
Technical Support Services	42,983	(5.3%)	42,396	(1.4%)	39,400	(7.1%)	354,157
Sales orders in hand	36,192	(5.8%)	44,257	22.3%	65,000	46.9%	584,270

### 2. Sales

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Net sales	¥ 96,135	6.9%	¥ 91,909	(4.4%)	¥ 96,937	5.5%	\$ 871,344
Information Technology Services	73,749	10.5%	69,815	(5.3%)	76,575	9.7%	688,315
Technical Consultation & Services	38,582	9.3%	37,363	(3.2%)	37,670	0.8%	338,607
General Products Distribution	35,167	11.7%	32,452	(7.7%)	38,905	19.9%	349,708
Technical Support Services	22,386	(3.5%)	22,094	(1.3%)	20,362	(7.8%)	183,029

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Net sales	¥ 209,557	3.5%	¥ 207,580	(0.9%)	¥ 219,000	5.5%	\$ 1,968,539
Information Technology Services	165,104	5.7%	164,081	(0.6%)	178,500	8.8%	1,604,494
Technical Consultation & Services	83,750	8.7%	80,673	(3.7%)	86,900	7.7%	781,123
General Products Distribution	81,354	2.8%	83,408	2.5%	91,600	9.8%	823,371
Technical Support Services	44,453	(4.0%)	43,499	(2.1%)	40,500	(6.9%)	364,045

### 3. Non-consolidated statements of income

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Net sales	¥ 96,135	6.9%	¥ 91,909	(4.4%)	¥ 96,937	5.5%	\$ 871,344
Operating income	3,962	3.9%	3,687	(6.9%)	3,025	(17.9%)	27,191
<Operating margin>	4.1%	(0.1)	4.0%	(0.1)	3.1%	(0.9)	
Net income	1,651	9.4%	1,513	(8.3%)	1,200	(20.7%)	10,787
<Return on sales>	1.7%	0.0	1.6%	(0.1)	1.2%	(0.4)	

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Net sales	¥ 209,557	3.5%	¥ 207,580	(0.9%)	¥ 219,000	5.5%	\$ 1,968,539
Operating income	9,895	7.6%	9,959	0.6%	10,100	1.4%	90,787
<Operating margin>	4.7%	0.2	4.8%	0.1	4.6%	(0.2)	
Net income	4,296	13.4%	4,353	1.3%	4,500	3.4%	40,449
<Return on sales>	2.0%	0.1	2.1%	0.1	2.1%	0.0	

#### 4. Segment information

(Thousands of US dollars)

(Millions of yen)

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Net sales	¥ 96,135	6.9%	¥ 91,909	(4.4%)	¥ 96,937	5.5%	\$ 871,344
Information Technology Services	73,749	10.5%	69,815	(5.3%)	76,575	9.7%	688,315
Technical Support Services	22,386	(3.5%)	22,094	(1.3%)	20,362	(7.8%)	183,029
Operating costs and expenses	¥ 92,173	7.0%	¥ 88,222	(4.3%)	¥ 93,912	6.4%	\$ 844,153
Information Technology Services	72,601	10.0%	69,139	(4.8%)	76,108	10.1%	684,117
Technical Support Services	19,572	(3.0%)	19,083	(2.5%)	17,804	(6.7%)	160,036
Operating income	¥ 3,962	3.9%	¥ 3,687	(6.9%)	¥ 3,025	(17.9%)	\$ 27,191
<Operating margin>	4.1%	(0.1)	4.0%	(0.1)	3.1%	(0.9)	
Information Technology Services	1,148	45.4%	676	(41.1%)	467	(30.9%)	4,198
<Operating margin>	1.6%	0.4	1.0%	(0.6)	0.6%	(0.4)	
Technical Support Services	2,814	(6.9%)	3,011	7.0%	2,558	(15.0%)	22,993
<Operating margin>	12.6%	(0.4)	13.6%	1.0	12.6%	(1.0)	

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Net sales	¥ 209,557	3.5%	¥ 207,580	(0.9%)	¥ 219,000	5.5%	\$ 1,968,539
Information Technology Services	165,104	5.7%	164,081	(0.6%)	178,500	8.8%	1,604,494
Technical Support Services	44,453	(4.0%)	43,499	(2.1%)	40,500	(6.9%)	364,045
Operating costs and expenses	¥ 199,662	3.3%	¥ 197,621	(1.0%)	¥ 208,900	5.7%	\$ 1,877,752
Information Technology Services	160,748	5.3%	159,568	(0.7%)	173,400	8.7%	1,558,651
Technical Support Services	38,914	(4.1%)	38,053	(2.2%)	35,500	(6.7%)	319,101
Operating income	¥ 9,895	7.6%	¥ 9,959	0.6%	¥ 10,100	1.4%	\$ 90,787
<Operating margin>	4.7%	0.2	4.8%	0.1	4.6%	(0.2)	
Information Technology Services	4,356	25.5%	4,513	3.6%	5,100	13.0%	45,843
<Operating margin>	2.6%	0.4	2.8%	0.2	2.9%	0.1	
Technical Support Services	5,539	(3.3%)	5,446	(1.7%)	5,000	(8.2%)	44,944
<Operating margin>	12.5%	0.1	12.5%	0.0	12.3%	(0.2)	

#### 5. Statements of cash flows

(Thousands of US dollars)

(Millions of yen)

	Six months ended September 30,			Year ended	Six months ended
	2002 (Result)	2003 (Result)	Change	March 31, 2003 (Result)	
Cash flows from operating activities	¥ 3,411	¥ 3,319	¥ (92)	¥ 6,642	\$ 29,834
Cash flows from investing activities	(1,018)	(504)	514	(1,798)	(4,530)
Free cash flows	2,393	2,815	422	4,844	25,304
Cash flows from financing activities	(566)	(285)	281	(850)	(2,562)
Net cash flows	1,827	2,530	703	3,994	22,742
Cash and cash equivalents at beginning	23,232	27,226	3,994	23,232	244,728
Cash and cash equivalents at end	25,059	29,756	4,697	27,226	267,470

## 6. Investment

Six months ended September 30,		(Millions of yen)						(Thousands of US dollars)
		2001		2002		2003		2003
		(Result)	Change	(Result)	Change	(Result)	Change	(Result)
<b>Capital expenditures</b>		¥ 469	(57.5%)	¥ 898	91.4%	¥ 925	3.0%	\$ 8,315
Property plant and equipment		106	10.0%	502	375.4%	291	(42.0%)	2,616
Depreciation expenses		186	(5.5%)	218	17.5%	229	4.8%	2,058
Accumulated depreciation / Depreciable assets		56.7%	-	54.9%	-	58.3%	-	
Software for internal use		260	(38.6%)	332	27.5%	425	28.1%	3,820
Amortization		420	10.8%	414	(1.5%)	370	(10.7%)	3,326
Lease contracts		103	(82.3%)	64	(38.2%)	209	228.0%	1,879
Lease payments		686	(30.6%)	368	(46.4%)	335	(8.8%)	3,011
<b>Total depreciation and amortization</b>		606	5.2%	632	4.4%	599	(5.3%)	5,384

Years ended March 31,		(Millions of yen)						(Thousands of US dollars)
		2002		2003		2004		2004
		(Result)	Change	(Result)	Change	(Forecast)	Change	(Forecast)
<b>Capital expenditures</b>		¥ 1,324	(21.8%)	¥ 1,992	50.4%	¥ 2,070	4.0%	\$ 18,607
Property plant and equipment		539	128.5%	693	28.6%	750	8.3%	6,742
Depreciation expenses		395	(3.1%)	499	26.2%	560	12.3%	5,034
Accumulated depreciation / Depreciable assets		55.0%	-	56.6%	-			
Software for internal use		627	(14.4%)	1,007	60.7%	1,070	6.3%	9,618
Amortization		844	7.4%	770	(8.7%)	760	(1.3%)	6,831
Lease contracts		158	(78.2%)	292	84.0%	250	(14.3%)	2,247
Lease payments		1,226	(30.0%)	761	(37.9%)	620	(18.5%)	5,573
<b>Total depreciation and amortization</b>		1,239	3.8%	1,269	2.4%	1,320	4.0%	11,865

(Note) The amounts of lease assets and lease payments stated above differ from those in notes of financial statements in that lease contract amounts of ¥3 million or less are included in this statement.

The amounts of payments for Software stated above differ from those in the balance sheets in that Software for resale is excluded from this statement.

Major purposes of capital expenditures are as follows:

(Millions of yen)

(Thousands of US dollars)

Six months ended September 30,		(Millions of yen)						(Thousands of US dollars)
		2001		2002		2003		2003
		(Result)	Change	(Result)	Change	(Result)	Change	(Result)
Information infrastructure		¥ 165	(77.6%)	¥ 502	204.3%	¥ 447	(10.9%)	\$ 4,018
Outsourcing business		123	(38.8%)	152	23.4%	150	(1.3%)	1,348

Years ended March 31,		(Millions of yen)						(Thousands of US dollars)
		2002		2003		2004		2004
		(Result)	Change	(Result)	Change	(Forecast)	Change	(Forecast)
Information infrastructure		¥ 461	(54.7%)	¥ 1,162	152.2%	¥ 1,120	(3.6%)	\$ 10,067
Outsourcing business		217	(23.8%)	368	69.7%	290	(21.2%)	2,607

**<Research & development cost>**

(Millions of yen)

(Thousands of  
US dollars)

Six months ended September 30,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
Research & development cost	¥ 198	(19.4%)	¥ 215	8.5%	¥ 243	13.3%	\$ 2,184
R&D cost / net sales	0.2%	-	0.2%	-	0.3%	-	

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
Research & development cost	¥ 405	(18.6%)	¥ 397	(2.0%)	¥ 500	26.0%	\$ 4,494
R&D cost / net sales	0.2%	-	0.2%	-	0.2%	-	

**<Educational cost>**

(Millions of yen)

(Thousands of  
US dollars)

Six months ended March 31,	2001		2002		2003		2003 (Result)
	(Result)	Change	(Result)	Change	(Result)	Change	
<b>Costs</b>	¥ 980	(2.0%)	¥ 1,064	8.6%	¥ 1,083	1.8%	\$ 9,735
Training & Educational expenses	953	(1.8%)	1,046	9.8%	919	(12.2%)	8,261
Capital expenditures for educational faculties	27	(9.4%)	18	(32.0%)	164	811.0%	1,474

Years ended March 31,	2002		2003		2004		2004 (Forecast)
	(Result)	Change	(Result)	Change	(Forecast)	Change	
<b>Costs</b>	¥ 1,849	(2.5%)	¥ 1,892	2.4%	¥ 2,010	6.2%	\$ 18,068
Training & Educational expenses	1,799	(2.8%)	1,850	2.8%	1,800	(2.7%)	16,180
Capital expenditures for educational faculties	50	10.5%	42	(15.1%)	210	398.7%	1,888

**7. Personnel**

(Persons)

At September 30,	2001		2002		2003	
	(Result)	Change	(Result)	Change	(Result)	Change
Number of employees	4,420	(91)	4,413	(7)	4,411	(2)
New employees (recent graduates)	126	(49)	150	24	152	2
New employees (lateral hires)	16	1	23	7	12	(11)

At March 31,	2002		2003		2004	
	(Result)	Change	(Result)	Change	(Forecast)	Change
Number of employees	4,355	(22)	4,322	(33)	4,380	58
New employees (recent graduates)	126	(49)	150	24	152	2
New employees (lateral hires)	26	6	31	5	60	29