

Fujitsu Business Systems Ltd.

**FJB BUSINESS BOOK 2005**

Year ended March 31, 2005

# Message from the President

Fujitsu Business Systems (FJB) offers the latest IT solutions to advance clients' business strategies to a successful conclusion. We assess clients' current business conditions, clarify the issues facing their management and operations and propose IT solutions combining optimal hardware and software products and services to resolve such issues.

Our total solutions, which encompass the full IT lifecycle from consulting and system architecture design to system construction, operation support, maintenance and education, are provided by some 3,500 specialists deployed across a nationwide network of 150 locations. With this collective strength behind them, our solutions have been adopted by over 40,000 clients ranging from major corporations to small and medium-sized enterprises. Operating as our clients' "Best Partner," we constantly refine our accumulated expertise and challenge the latest technologies to offer the very finest solutions.

In fiscal 2005, we are working to expand our offering of proprietary solutions with a focus on growing markets and fields to realize new growth and rapid strides forward. The following are some concrete examples of these efforts.

First, when making a proposal, we start by clarifying the issues concerned based on the client's actual business situation. We then demonstrate the results to be achieved through IT investment in an easily understandable manner with a "return-on-investment proposal" concerning the IT investment we recommend to solve the issues.

With respect to products and services, we are expanding our product offering for various industries and business fields based on "WebAS Component", a .NET-compatible operations solution that is already producing highly positive results. We are working at the same time to reinforce our proposal and consulting capabilities in this area.

As concerns IT management services, meanwhile, we support clients' IT operations with comprehensive services systematized under "FJB@onestop ITMS". Our SEs and CEs provide clients with integrated one-stop support, from consulting, system architecture and system operation to security and IT asset management to help desk, maintenance and support services.

We are also working to expand our "FJB Security Plus" enterprise internal infrastructure security countermeasures service. This will enable us to increase clients' corporate value by implementing all-round security countermeasures in response to the need for reinforced information security associated with the recent enforcement of the Personal Information Protection Law.

In e-Japan-related business exemplified by the e-Japan II and u-Japan programs, moreover, we focus on operation services and application architecture for the implementation and operation of advanced information and telecommunication networks for electronic municipality service provision.

Our activities also extend to the medical field, where we support medium-sized hospitals with solutions such as electronic medical charts, nursing care systems and dispensing systems.

Corporations are coming under increasingly heavy pressure to satisfy the demands of society today. We recognize the fundamental responsibility of corporations to deal with such issues as environmental preservation, compliance and personal information protection. Ensuring the transparency of all our corporate activities while responding earnestly to these issues must be a top priority.

In accordance with our corporate slogan, "Best Solution & Best Partner," we will meet the challenge of achieving new growth and act as a unit to make rapid advances.

We ask your continued support and cooperation as we move forward.

**Kuniaki Suzuki**  
*President*  
December, 2005



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## Responding to management issues from the client's perspective

FJB provides a full palette of services, from the initial information stage to software and system deployment and maintenance, based on a clear understanding of individual clients' requirements.

### Information System Services

We not only offer clients the Fujitsu Group's full range of products, including various information and network systems, but also select equipment that best meets their particular needs from a broad range of other vendors' products. With Internet businesses continuing to expand we provide a wide selection of value-added services that extend to software

services as well as software support and education services in our areas of expertise — such as small and medium sized enterprise markets. In addition to these, we offer a varied range of client-tailored consulting services, from hardware and system deployment to operations management.

### Software Services

Besides providing clients with our own solutions, we offer selected optimal solutions from other Fujitsu Group members, as well as ISV software and services.

In the solutions business, our "WebAS Component" dot-NET-compatible operations solutions enable clients, primarily leading medium-sized enterprises, to optimize their Web services at low cost. This is steadily developing into our Group's core business.

Our service business operations focus on "FJB onestop@ITMS ("IT Management Service")", which supports clients' IT operations with integrated one-stop services for everything from consulting and system operation to asset management. Another focus is "FJB Security Plus", which responds to the trend toward reinforced information security required by

such legislation as the Personal Information Protection Law. We offer total security services, including Privacy Mark and ISMS acquisition support services, as well as virus and information leakage countermeasures.

Our ASP services are fully supported by our proprietary Internet Data Center (IDC). We offer various ASP services such as "Web Office", an office collaboration ware, and "WEBCON", an EDI for the construction business. We also offer a large number of advanced IP-based network solutions, including "IP Pathfinder", "Managed VPN" and "FENICS IP".

Our response to the e-Japan initiative centers on the introduction of such citizen services as library systems for municipalities nationwide. In the medical services field, meanwhile, our primary focus is on electronic medical chart offering for mid-sized hospitals, an area of growing demand.

### Support Services

Some 850 customer engineers with wide-ranging technical capabilities are ready to respond to multi-vendor demands at 135 locations nationwide. A tie-up between our Network Services Center and Fujitsu OSC enables us to receive consolidated calls from any location in the country at any time of day or night, 365 days a year, and to solve problems with no delay.

In addition to providing hardware and software maintenance

services, we are working to introduce new services and improve the quality of our current offerings. These efforts include cultivating specialists in IT infrastructure, for example, and providing one-stop solutions corresponding to clients' IT lifecycles, from construction, introduction and development, to help desk service operation and recovery countermeasures in the event of disasters.

### Construction Services

Our construction services meet the needs of various facilities for network and infrastructure construction and system deployment. "ITen", the FJB construction solution service, draws on our accumulated technologies and know-how to respond to individual client needs. It is fast establishing a reputation among leading medium-sized enterprises for superior one-stop management services for office relocation. "ITen" handles all operations, from IT and other infrastructure renovation and coordination between our personnel and third-party construction staff, to design and maintenance of

the office (fixtures and furniture, OA machines, office layout, installation construction) and IT (servers, PCs, LAN, WAN, PBX) environments.

We are currently drawing on our accumulated expertise to introduce new services as well. These include room access system (monitoring camera) installation construction to meet requirements for greater information security, earthquake countermeasures such as server rack earthquake-proofing construction, broadband-compatible network construction and amenity facility construction.

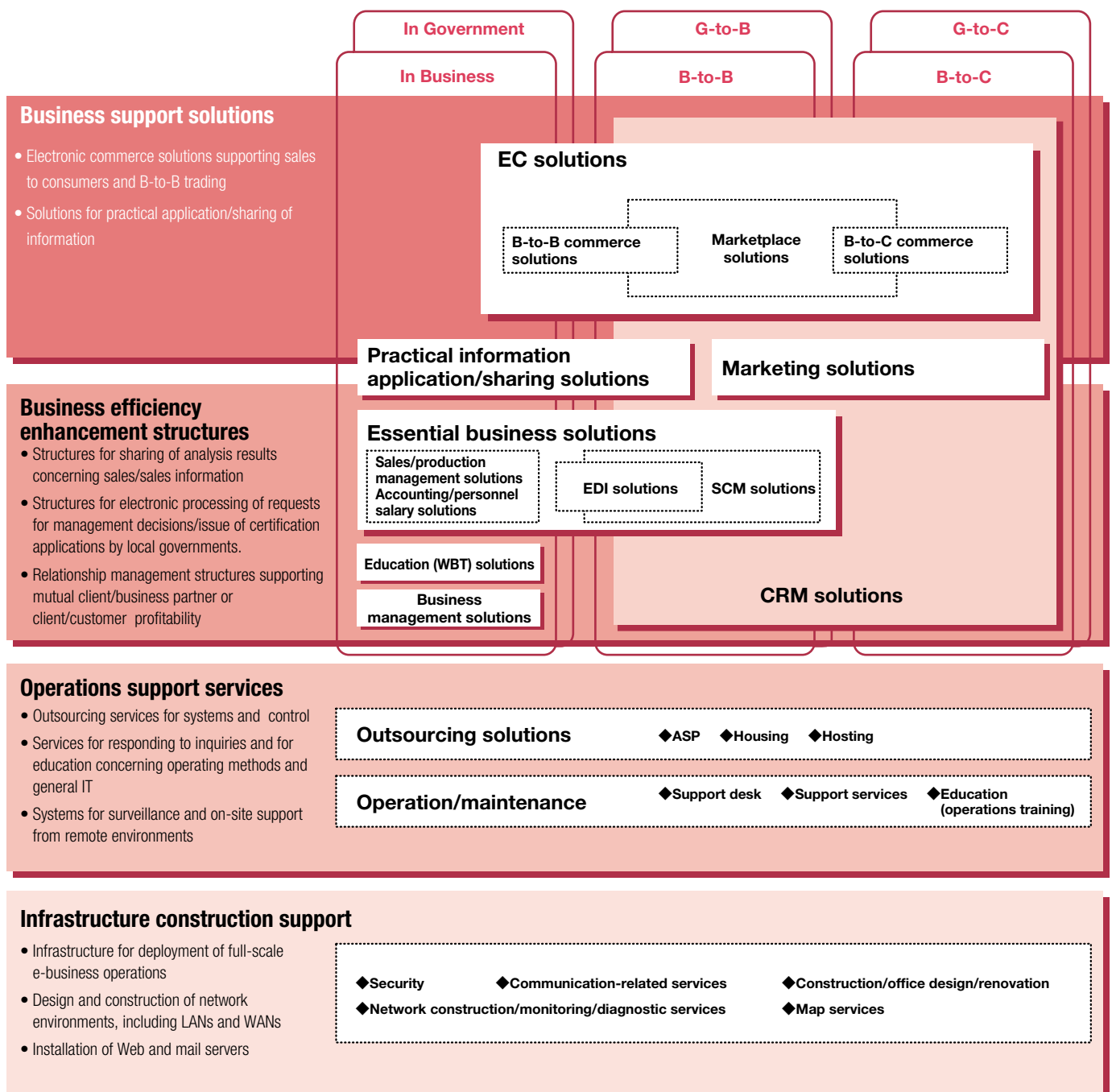
## Providing optimal services precisely matched to client needs

Clients rely on FJB for support in maximizing benefits from their systems organized to manage everything from information and communication to sales, production, personnel and facilities.

FJB offers a broad array of distinctive solutions to support clients in conducting any type of business or business activities, with a particular focus on small and medium sized enterprises. We have developed services to help businesses in every field expand sales, for example, improve their operating

efficiency or internal organization, or reinforce their operations or infrastructure. To achieve this, we have established an optimal solutions environment that enables us to respond effectively to client requests concerning these and other objectives.

## Solutions/Services Map



## Working in close partnerships with clients to optimize their IT environments

The actual shaping of the solutions we propose is accomplished primarily through appropriate implementation of the seven key steps in service provision described below. Our strength stems from an ability to deliver the finest total technologies.

### 1. Planning & Consulting

FJB clients benefit from close cooperation among experts with consulting capabilities developed through abundant experience in industries and operations, who offer the latest IT coordination skills in such fields as sales, SE and NE. We design efficient business models to solve management issues. After analyzing the purposes of system deployment with respect to the client's business, we propose the most appropriate systems.

### 2. System Design & Development

To design ideal systems, we ensure that our systems engineers, network engineers and other specialists with expertise in systems, networks, security and Web operations cooperate closely. And we give full consideration, in consultation with the client, to such matters as deployment time, budget, and post-deployment scalability.

Our knowledge, expertise and technologies extend across a range of scales and industries. We handle development employing Java and XML as well as "WebAS Component", our proprietary.NET-compatible operations solution.

### 3. Deployment

FJB implements system deployment plans for hardware installation, network connection, software installation and verification of various apparatus functions.

Our nationwide network and our service engineers provide full support for system deployment, system installation and transportation to the client's facility.

### 4. Operation Support

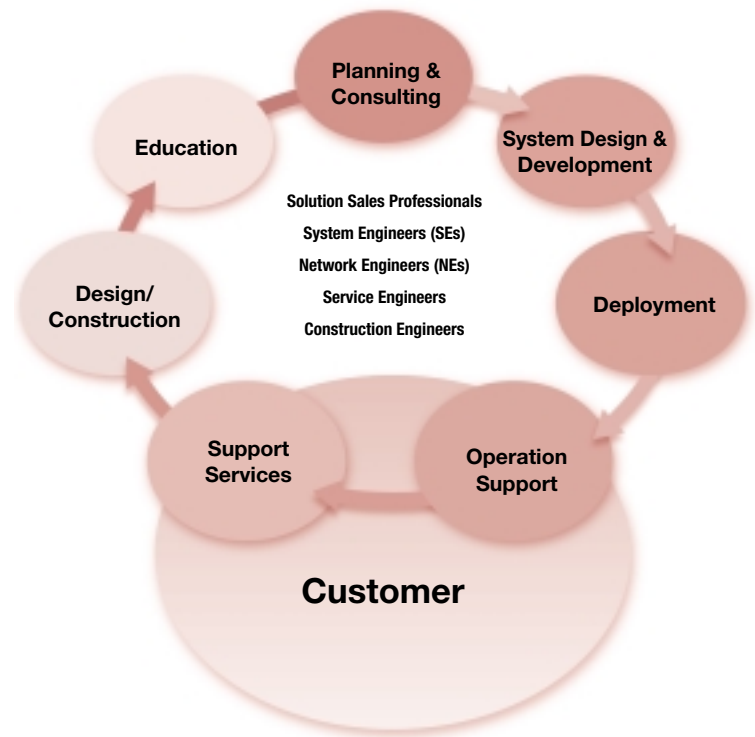
Available 24 hours per day a year around, FJB's outsourcing services support clients' operations with everything from system operation and surveillance to help desks.

The "FJB onestop@ITMS (IT Management Service)", meanwhile, provides consistent outsourcing services that handle PC lifecycle management, deployment, development, operation, maintenance, network and security countermeasures in accordance with clients' IT lifecycles. This effectively reduces the IT burden on clients, and enables them to concentrate their management resources on their primary business.

Besides supplying our proprietary "WebOffice" and "WEBCON" ASP services, we make appropriate selections from the Fujitsu Group's total services and product lineups to meet clients' precise requirements.

### 5. Support Services

Open 24 hours a day, 365 days a year, the FJB Network Service Center call reception enables our engineers throughout Japan to respond promptly to client needs for hardware or software maintenance and various other services. Our one-stop services cover everything from multi-vendor hardware and software maintenance to assorted services related to data and security, virus extermination and on-site data restoration.



### 6. Design/Construction

Our design and construction services cover a wide range, from network design, construction and consulting, to the conversion of conventional office buildings to intelligent buildings, and office relocation.

We are responding to the growing concern for personal information protection by focusing on client security issues, and proposing and installing surveillance systems to meet the requirements of a varied range of facilities. These include monitoring cameras, room access management and biometric authentication systems.

Our facility management support services including "ITen", a planning and execution service cover everything from office establishment and relocation to expert construction and IT technology installation, server removal and restoration.

### 7. Education

With respect to the application of IT systems, we also conduct a variety of practical seminars and in-house training programs, including support education at the time of system deployment, carried out in cooperation with our group companies. We handle total coordination and provide such services as IT education training for management, including e-learning, technical training and personnel training.

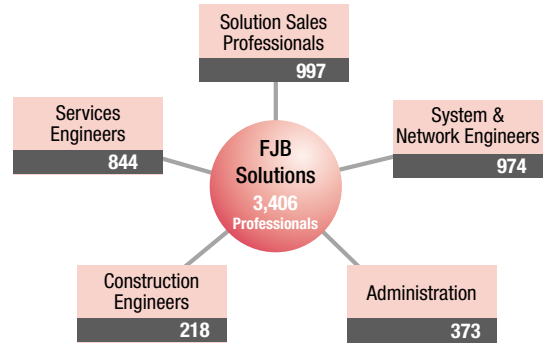
## Deploying FJB's comprehensive power to earn client trust

We deliver fine-tuned solutions through the organically integrated use of three key resources: our specialized staff, our nationwide network infrastructure and our experienced corporate group.

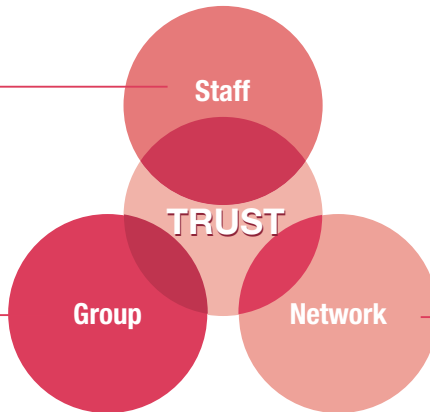
### Resource No. 1

# Staff

The most powerful resource assuring our ability to provide optimal solutions comprises our staff of experts, of whom we are justifiably proud. Approximately 3,400 FJB employees . . . stationed at approximately 150 bases strategically located throughout Japan realize the finest possible solutions for clients. FJB sales personnel, engineers and support staff equipped with appropriate qualifications in information and communication technology are prepared to respond in detail to each and every client requirement.



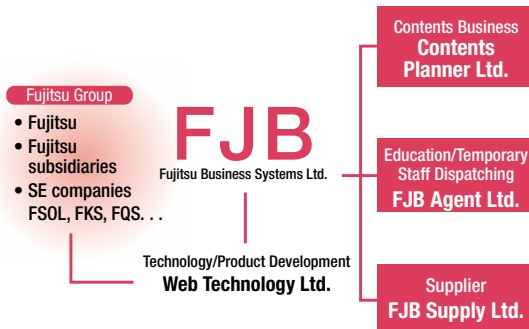
Consolidated number of employees as of Sept. 30, 2005



### Resource No. 2

# Group

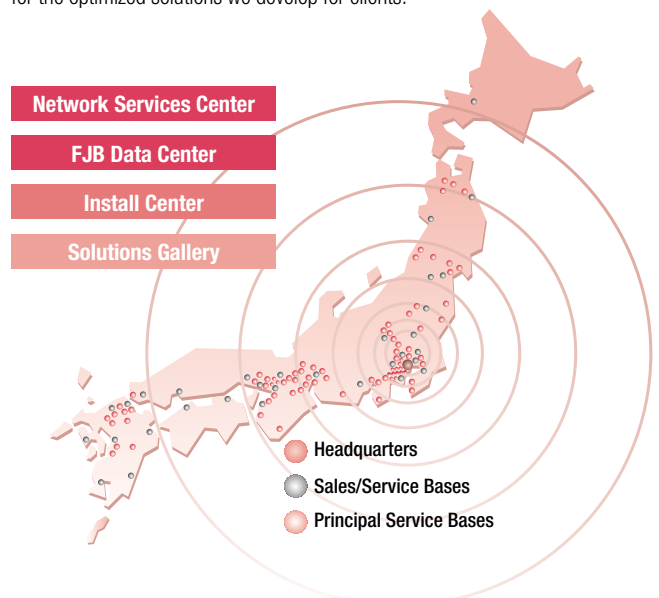
To ensure our ability to provide fully elaborated services, we have developed cooperative relationships with members of our corporate group who offer wide-ranging experience, expertise and service contents. This gives us the comprehensive strength to respond flexibly to clients' distinctive needs in order to realize the requisite solutions.



### Resource No. 3

# Network

We have built a network of bases, including our Network Services Center and FJB Data Center, extending from one end of the country to the other. A network infrastructure supporting organic cooperation among these bases enables us to provide powerful back-up support for the optimized solutions we develop for clients.

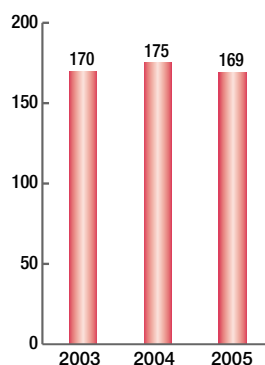


# Financial Highlights

Years Ended March 31

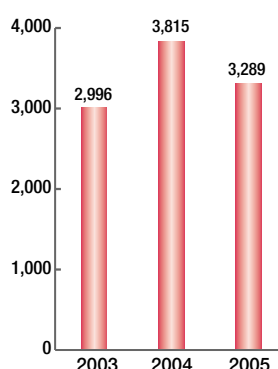
## Net sales

(¥ billions)



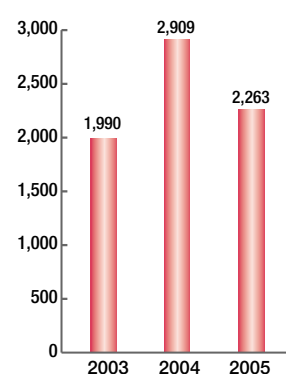
## Operating income

(¥ millions)



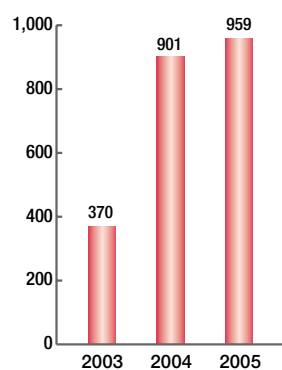
## Ordinary income

(¥ millions)



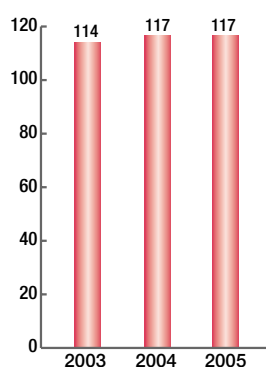
## Net income

(¥ millions)



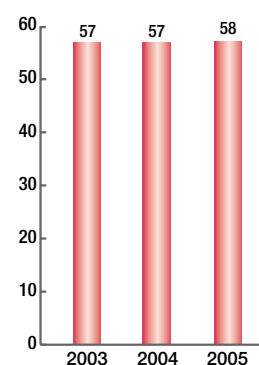
## Total assets

(¥ billions)



## Shareholders' equity

(¥ billions)



	Millions of yen			Thousands of U.S. dollars
	2003	2004	2005	2005
<b>For the Year:</b>				
Net sales	170,798	175,878	169,259	1,606,942
Operating income	2,996	3,815	3,289	31,228
Ordinary income	1,990	2,909	2,263	21,488
Net income	370	901	959	9,109
<b>(At Year-End:)</b>				
Total assets	114,524	117,269	117,861	1,118,976
Shareholders' equity	57,048	57,709	58,221	552,754
Equity ratio (%)	49.8%	49.2%	49.4%	—

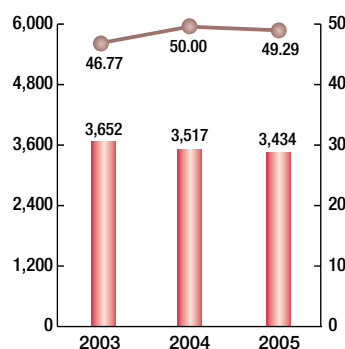
Note: 1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥105.33 = US \$1, the approximate Tokyo foreign exchange market rate as of March 31, 2005.

2. Accounting period, April 1 to March 31.

## Productivity

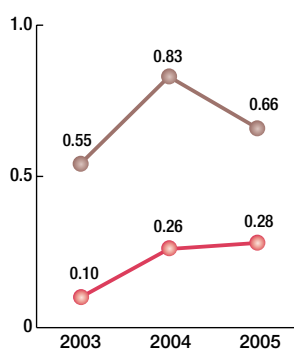
Sales per employee (¥ millions)

Number of employees

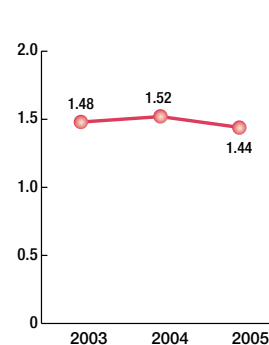


Ordinary income per employee (¥ millions)

Net income per employee (¥ millions)



Total assets turnover (times)



Fiscal Years Ended March 31	Millions of yen			Thousands of U.S. dollars
	2003	2004	2005	2005
Number of employees	3,652	3,517	3,434	—
Sales per employee *1	46.77	50.00	49.29	467.95
Ordinary income per employee *2	0.55	0.83	0.66	6.26
Net income per employee *3	0.10	0.26	0.28	2.65
Total assets turnover (times) *4	1.48	1.52	1.44	—

\*1. Net sales / number of employees at term-end

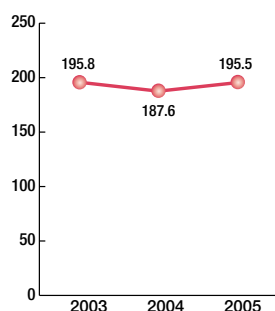
\*2. Ordinary income / number of employees at term-end

\*3. Net income / number of employees at term-end

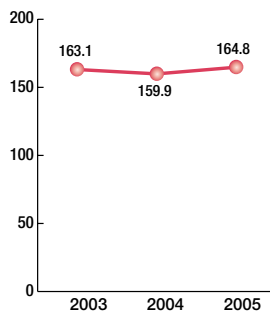
\*4. Net sales / average total assets

## Stability

Current ratio (%)

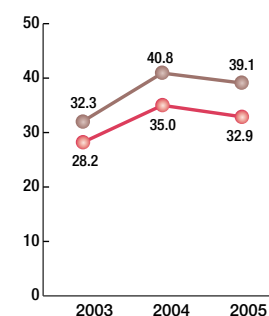


Quick ratio (%)



Fixed ratio (%)

Fixed assets to total capital ratio (%)



Fiscal Years Ended March 31

Current ratio (%) \*1

Quick ratio (%) \*2

Fixed assets ratio (%) \*3

Fixed assets to total capital ratio (%) \*4

	2003	2004	2005
Current ratio (%) *1	195.8	187.6	195.5
Quick ratio (%) *2	163.1	159.9	164.8
Fixed assets ratio (%) *3	32.3	40.8	39.1
Fixed assets to total capital ratio (%) *4	28.2	35.0	32.9

\*1. Current assets / current liabilities x 100

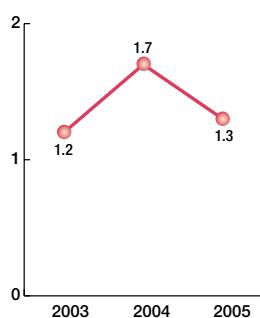
\*2. Quick assets / current liabilities x 100

\*3. Fixed assets / shareholders' equity x 100

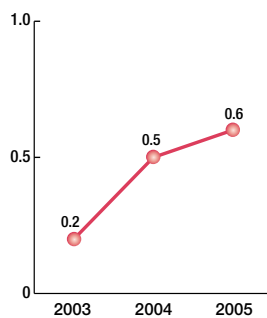
\*4. Fixed assets / (long-term liabilities + minority interests + shareholders' equity) x 100

# Profitability

Ordinary profit margin (%)

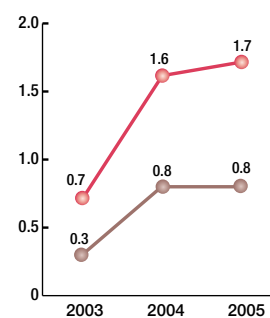


Net profit margin (%)



Return on equity (%)

Return on assets (%)



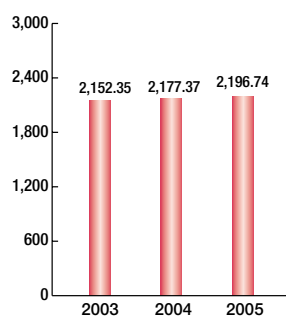
Fiscal Years Ended March 31	Millions of yen			Thousands of U.S. dollars
	2003	2004	2005	2005
Net sales	170,798	175,878	169,259	1,606,942
Ordinary income	1,990	2,909	2,263	21,488
Ordinary profit margin (%) *1	1.2	1.7	1.3	—
Net income	370	901	959	9,109
Net profit margin (%) *2	0.2	0.5	0.6	—
Return on equity (%) *3	0.7	1.6	1.7	—
Return on assets (%) *4	0.3	0.8	0.8	—

\*1. Ordinary income / net sales x 100  
\*2. Net income / net sales x 100

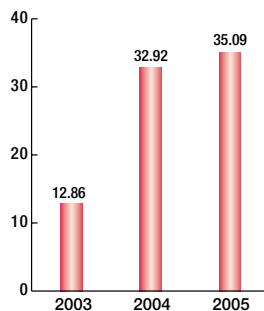
\*3. Net income / average shareholders' equity  
\*4. Net income / average total assets

# Per-Share Data

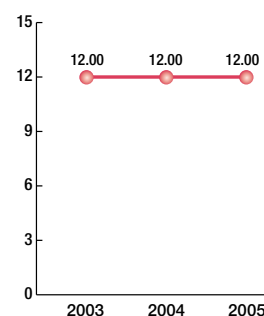
Shareholders' equity per share (¥)



Net income per share (¥)



Dividends per share (¥)



Fiscal Years Ended March 31	Yen			U.S. dollars
	2003	2004	2005	2005
Shareholders' equity per share	2,152.35	2,177.37	2,196.74	20.86
Net income per share	12.86	32.92	35.09	0.33
Dividends per share	12.00	12.00	12.00	0.11

# Consolidated Financial Statements

## Consolidated Balance Sheets

Years ended March 31

	Millions of yen			Thousands of U.S. dollars
	2004	2005	Year-on-year change (%)	2005
<b>Assets</b>				
<b>Current assets</b>	<b>93,707</b>	<b>95,104</b>	<b>1.5</b>	<b>902,915</b>
Cash and deposits	13,030	10,662		101,224
Notes and accounts receivable-trade	50,068	44,686		424,254
Marketable securities	999	2,093		19,876
Inventories	10,599	11,938		113,345
Deferred tax assets	1,674	1,658		15,750
Money deposited	15,734	22,686		215,387
Other	1,699	1,471		13,965
Allowance for doubtful accounts	(99)	(93)		(889)
<b>Fixed assets</b>	<b>23,562</b>	<b>22,757</b>	<b>(3.4)</b>	<b>216,060</b>
Property, plant and equipment	3,752	3,419	(8.9)	32,460
Buildings and structures	1,588	1,465		13,913
Machinery and vehicle equipment	10	0		2
Tools, furniture and fixtures	993	833		7,916
Land	1,083	1,083		10,290
Construction in progress	76	35		337
Intangible fixed assets	2,007	1,785	(11.0)	16,955
Software	1,842	1,621		15,393
Other	165	164		1,562
Investments and other assets	17,802	17,552	(1.4)	166,644
Investment securities	11,670	11,076		105,164
Deferred tax assets	3,580	4,431		42,069
Other	3,012	2,378		22,579
Allowance for doubtful accounts	(461)	(333)		(3,168)
<b>Total assets</b>	<b>117,269</b>	<b>117,861</b>	<b>0.5</b>	<b>1,118,976</b>
<b>Liabilities</b>				
<b>Current liabilities</b>	<b>49,939</b>	<b>48,636</b>	<b>(2.6)</b>	<b>461,755</b>
Notes and accounts payable-trade	40,973	40,231		381,955
Short-term borrowings	220	236		2,242
Income taxes payable	1,457	1,300		12,348
Other	7,287	6,868		65,208
<b>Long-term liabilities</b>	<b>9,463</b>	<b>10,991</b>	<b>16.1</b>	<b>104,348</b>
Long-term loans payable	54	18		170
Accrued employee retirement benefits	9,208	10,613		100,766
Retirement allowances to directors and statutory auditors	171	211		2,009
Other	29	147		1,401
<b>Total liabilities</b>	<b>59,403</b>	<b>59,627</b>	<b>0.4</b>	<b>566,103</b>
<b>Minority interests</b>				
<b>Minority interests in consolidated subsidiaries</b>	<b>156</b>	<b>12</b>	<b>(92.0)</b>	<b>118</b>
<b>Shareholders' equity</b>				
Common stock	12,220	12,220	–	116,016
Capital surplus	11,811	11,811	–	112,135
Retained earnings	33,620	34,232	1.8	324,998
Net unrealized gains (losses) on available-for-sale securities	61	(37)	–	(357)
Treasury stock	(3)	(4)	(32.3)	(39)
<b>Total shareholders' equity</b>	<b>57,709</b>	<b>58,221</b>	<b>0.9</b>	<b>552,754</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>117,269</b>	<b>117,861</b>	<b>0.5</b>	<b>1,118,976</b>

## Consolidated Statements of Income

Years ended March 31

	Millions of yen			Thousands of U.S. dollars
	2004	2005	Year-on-year change (%)	2005
Net sales	175,878	169,259	(3.8)	1,606,942
Cost of sales	148,815	143,111	(3.8)	1,358,695
Gross margin	27,062	26,147	(3.4)	248,246
Selling, general and administrative expenses	23,246	22,858	(1.7)	217,018
Operating income	3,815	3,289	(13.8)	31,228
Non-operating income	592	517	(12.5)	4,917
Interest and dividend income	460	376		3,571
Equity in earnings of affiliates	–	15		142
Other	131	126		1,203
Non-operating expenses	1,498	1,543	3.0	14,657
Interest expenses	8	4		45
Amortization of shortage of employee retirement benefits	1,253	1,253		11,903
Equity in losses of affiliates	16	–		–
Other	219	285		2,708
Ordinary income	2,909	2,263	(22.2)	21,488
Extraordinary income	22	56	151.2	531
Gain on sales of investment securities	22	56		531
Extraordinary expenses	919	443	(51.8)	4,207
Loss on disposal of business	–	396		3,760
Write-down of investments and other assets	23	34		326
Write-down of investment securities	14	11		110
Loss on sales of investment securities	9	1		9
Restructuring costs	595	–		–
Other	275	–		–
Income before income taxes	2,012	1,876	(6.8)	17,812
Income taxes, current	2,406	1,828	(24.0)	17,358
Income taxes, deferred	(1,240)	(768)	(38.1)	(7,293)
Minority interests in net income (loss) of consolidated subsidiaries	(55)	(143)	(158.2)	(1,363)
Net income	901	959	6.4	9,109

## Consolidated Statements of Capital Surplus and Retained Earnings

Years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2004	2005	2005
Capital surplus			
Capital surplus, beginning of year	11,811	11,811	112,135
Capital surplus, end of year	11,811	11,811	112,135
Retained earnings			
Retained earnings, beginning of year	33,066	33,620	319,191
Increase in retained earnings	901	959	9,109
Net income	901	959	9,109
Decrease in retained earnings	347	347	3,302
Dividends	317	317	3,018
Bonus to directors	30	30	284
Retained earnings, end of year	33,620	34,232	324,998

## Consolidated Statements of Cash Flows

Years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2004	2005	2005
<b>Cash flows from operating activities</b>			
Income before income taxes .....	2,012	1,876	17,812
Depreciation and amortization .....	1,247	1,200	11,397
Amortization of consolidation adjustment accounts .....	5	—	—
Increase (decrease) in accrued employee retirement benefits .....	1,476	1,405	13,342
Increase (decrease) in retirement allowances to directors and statutory auditors .....	(33)	40	381
Increase (decrease) in allowance for doubtful accounts .....	100	(134)	(1,274)
Interest and dividend income .....	(460)	(376)	(3,571)
Interest expenses .....	8	4	45
Equity in losses (earnings) of affiliates .....	16	(15)	(142)
Write-down of investment securities .....	14	11	110
Write-down of investments and other assets .....	23	34	326
Gain on sales of investment securities .....	(22)	(56)	(531)
Loss on sales of investment securities .....	9	1	9
Restructuring costs .....	595	—	—
Loss on disposal of business .....	—	396	3,760
Loss on disposal of property, plant and equipment .....	128	108	1,031
Loss on disposal of intangible fixed assets .....	1	98	938
Other losses (income), net .....	465	129	1,234
Decrease (increase) in notes and accounts receivable .....	(2,219)	5,505	52,271
Decrease (increase) in inventories .....	2,174	(1,450)	(13,767)
Decrease (increase) in other assets .....	289	403	3,829
Increase (decrease) in notes and accounts payable .....	1,563	(742)	(7,045)
Increase (decrease) in consumption taxes payable .....	183	(150)	(1,429)
Increase (decrease) in other liabilities .....	(1,058)	(151)	(1,442)
Bonus to directors paid .....	(30)	(30)	(284)
<b>Subtotal .....</b>	<b>6,493</b>	<b>8,110</b>	<b>77,001</b>
Interest and dividends received .....	430	363	3,451
Interest paid .....	(8)	(4)	(45)
Restructuring costs paid .....	(713)	—	—
Other expenses paid .....	(275)	—	—
Corporate and other taxes paid .....	(1,954)	(2,082)	(19,768)
<b>Net cash from operating activities .....</b>	<b>3,971</b>	<b>6,387</b>	<b>60,639</b>
<b>Cash flows from investing activities</b>			
Proceeds from repayment of time deposits .....	—	1,500	14,240
Purchases of marketable securities .....	(499)	—	—
Proceeds from sales of marketable securities .....	500	1,003	9,523
Disbursement of deposits .....	(15)	(69)	(663)
Proceeds from refunds of deposits .....	5,006	85	813
Acquisition of property, plant and equipment .....	(558)	(455)	(4,327)
Acquisition of intangible fixed assets .....	(630)	(593)	(5,634)
Purchases of investment securities .....	(12,545)	(3,366)	(31,963)
Proceeds from sales of investment securities .....	5,615	1,720	16,333
Payments of lease deposits .....	(367)	(88)	(839)
Proceeds from refunds of lease deposits .....	639	306	2,907
Acquisition of investments and other assets .....	(36)	(14)	(135)
Proceeds from collection of investments and other assets .....	24	21	204
Proceeds from sales of golf club memberships .....	0	—	—
Other .....	—	3	31
<b>Net cash from investing activities .....</b>	<b>(2,867)</b>	<b>51</b>	<b>492</b>
<b>Cash flows from financing activities:</b>			
Net change in short-term borrowings .....	(270)	20	189
Repayment of long-term loans payable .....	(40)	(40)	189
Cash dividends paid .....	(317)	(317)	(3,018)
Other .....	(0)	(1)	(9)
<b>Net cash from financing activities .....</b>	<b>(629)</b>	<b>(339)</b>	<b>(3,225)</b>
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>474</b>	<b>6,099</b>	<b>57,906</b>
<b>Cash and cash equivalents, beginning of year .....</b>	<b>26,775</b>	<b>27,249</b>	<b>258,705</b>
<b>Cash and cash equivalents, end of the year .....</b>	<b>27,249</b>	<b>33,348</b>	<b>316,612</b>

# Non-Consolidated Financial Statements

## Non-Consolidated Balance Sheets

Years ended March 31

	Millions of yen			Thousands of U.S. dollars
	2004	2005	Year-on-year change (%)	2005
<b>Assets</b>				
<b>Current assets</b>	<b>91,221</b>	<b>92,741</b>	<b>1.7</b>	<b>880,482</b>
Cash and deposits	12,419	10,105		95,943
Notes receivable-trade	4,019	2,178		20,681
Accounts receivable-trade	44,473	40,972		388,988
Marketable securities	999	2,093		19,876
Machines and materials	178	132		1,259
Work in process	10,120	11,585		109,994
Deferred tax assets	1,591	1,553		14,752
Money deposited	15,734	22,686		215,387
Other accounts receivable	1,570	1,324		12,578
Other	199	187		1,783
Allowance for doubtful accounts	(84)	(80)		(762)
<b>Fixed assets</b>	<b>23,558</b>	<b>22,673</b>	<b>(3.8)</b>	<b>215,261</b>
Property, plant and equipment	3,496	3,217		30,544
Intangible fixed assets	1,928	1,762		16,729
Investments and other assets	18,569	18,090		171,748
Allowance for doubtful accounts	(436)	(396)		(3,760)
<b>Total assets</b>	<b>114,779</b>	<b>115,414</b>	<b>(0.6)</b>	<b>1,095,744</b>
<b>Liabilities</b>				
<b>Current liabilities</b>	<b>47,840</b>	<b>46,563</b>	<b>(2.7)</b>	<b>442,073</b>
Notes payable-trade	440	76		729
Accounts payable-trade	39,004	38,514		365,659
Other accounts payable	992	1,006		9,552
Accrued expenses	3,352	2,994		28,428
Income taxes payable	1,406	1,228		12,234
Consumption tax payable	1,155	1,028		9,766
Advances received	1,224	1,143		10,855
Deposits	168	179		1,706
Accrued loss on disposal of affiliates' business	—	188		1,784
Other	<b>95</b>	<b>142</b>		<b>1,356</b>
<b>Long-term liabilities</b>	<b>9,311</b>	<b>10,707</b>	<b>15.0</b>	<b>101,659</b>
Accrued employee retirement benefits	9,127	10,509		99,777
Retirement allowances to directors and statutory auditors	154	198		1,882
Other	29	—		—
<b>Total liabilities</b>	<b>57,152</b>	<b>57,271</b>	<b>0.2</b>	<b>543,732</b>
<b>Shareholders' equity</b>				
Common stock	12,220	12,220		116,016
Capital surplus	11,811	11,811		112,135
Retained earnings	33,538	34,154		324,265
Legal retained earnings	503	503		4,780
Voluntary reserve	31,806	32,252		306,200
Unappropriated retained earnings for the period	1,227	1,399		13,284
Net unrealized gains (losses) on available-for-sale securities	60	(38)		(366)
Treasury stock	(3)	(4)		(39)
<b>Total shareholders' equity</b>	<b>57,626</b>	<b>58,143</b>	<b>0.9</b>	<b>552,011</b>
<b>Total liabilities and shareholders' equity</b>	<b>114,779</b>	<b>115,414</b>	<b>0.6</b>	<b>1,095,744</b>

## Non-Consolidated Statements of Income

Years ended March 31

	Millions of yen			Thousands of U.S. dollars
	2004	2005	Year-on-year change (%)	2005
Net sales .....	167,575	161,374	(3.7)	1,532,080
Cost of sales .....	142,067	136,649	(3.8)	1,297,343
Gross margin .....	25,507	24,724	(3.1)	234,736
Selling, general and administrative expenses .....	21,685	21,292	(1.8)	202,147
Operating income .....	3,822	3,432	(10.2)	32,588
Non-operating income .....	587	486	(17.1)	4,622
Interest and dividend income .....	58	50		477
Interest income on securities .....	403	327		3,111
Other .....	125	108		1,033
Non-operating expenses .....	1,471	1,532	(4.2)	14,552
Interest expenses .....	5	0		0
Amortization of shortage of employee retirement benefits .....	1,253	1,253		11,903
Other .....	212	278		2,648
Ordinary income .....	2,938	2,386	(18.8)	22,658
Extraordinary income .....	22	56	151.2	531
Gain on sales of investment securities .....	22	56		531
Extraordinary expenses .....	909	478	(47.4)	4,538
Loss on disposal of affiliates' business .....	–	430		4,091
Write-down of investments and other assets .....	23	34		326
Write-down of investment securities .....	14	11		110
Loss on sales of investment securities .....	9	1		9
Restructuring costs .....	595	–		–
Other .....	265	–		–
Income before income taxes .....	2,051	1,964	(4.2)	18,651
Income taxes, current .....	2,347	1,798	(23.4)	17,076
Income taxes, deferred .....	(1,206)	(798)	(33.8)	(7,582)
Net income .....	911	964	5.8	9,158
Retained earnings brought forward .....	475	593		5,634
Interim dividends .....	158	158		1,508
Unappropriated retained earnings for the period.....	1,227	1,399		13,284

# Share Information

## Number of Shareholders by Type

Years ended March 31	Number of Shares ( Thousands )	Percentage (%)	Number of Shareholders
Corporations .....	14,181	53.5	158
Individuals/others .....	6,394	24.1	14,164
Financial institutions/ securities companies .....	4,714	17.8	65
Nonresidents.....	1,202	4.6	65
Total.....	26,493	100.0	14,452

## Principal Shareholders

Years ended March 31	Number of Shares ( Thousands )	Percentage of Total Equity (%)
FUJITSU LTD. ....	13,922	52.6
Japan Trustee Services Bank, Ltd. (trust account).....	1,144	4.3
The Master Trust Bank of Japan, Ltd. (trust account) .....	1,124	4.2
FJB's Employees' Shareholders' Association .....	396	1.5
Osaka Securities Finance Company, Ltd. ....	300	1.1
Asahi Mutual Life Insurance Company.....	269	1.0
CBNY DFA INT'L CAP VALUE PORTFOLIO .....	222	0.8
Nikko Citigroup Ltd. ....	201	0.8
The Nomura Trust and Banking Co., Ltd. (investment trust account) .....	161	0.6
THE NISHI-NIPPON CITY BANK, LTD.....	138	0.5

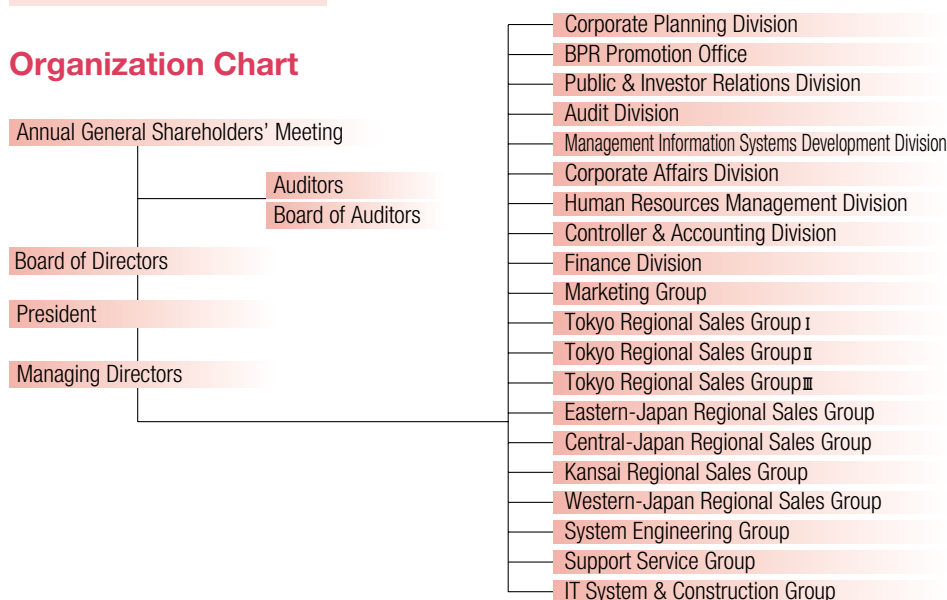
## Information for Shareholders

Transfer Agent:	The Mitsubishi UFJ Trust and Banking Corporation 4-5, 1-chome Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan
Transfer Office for Shares Japan	The Mitsubishi UFJ Trust and Banking Corporation, Securities Department 4-5, 1-chome Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan
Transfer Processing Offices:	The Mitsubishi UFJ Trust and Banking Corp., All branch offices in Japan
Fiscal Year-End:	March 31
Shareholders of Record Dates:	
Regular General Meeting of the Shareholders and Dividends:	March 31
Interim Period Dividends:	September 30
Number of Round-Lot Shares:	100
Stock Transfer Charge:	Free
Newspaper for Corporate Announcements	The Nihon Keizai Shimbun

## Corporate Data (As of June 29, 2005)

Official Company Name	FUJITSU BUSINESS SYSTEMS LTD. (FJB)	
Headquarters	7-27, Koraku 1-chome, Bunkyo-ku, Tokyo 112-8572, Japan Tel: +81-3-5804-8111 Fax: +81-3-5804-8136 E-mail: webmaster@fjb.fujitsu.com Web site: http://www.fjb.fujitsu.com	
President	Kuniaki Suzuki	
Established	April 23, 1947	
Business Activities	A system integration company specializing in information and communication, and providing comprehensive services including consultation, equipment sales, software development, installation and maintenance	
Common Stock	¥12.22 billion	
Stock Listing	The First Section of the Tokyo Stock Exchange (TSE)	
Fiscal Year-End	March 31	
Directors and Auditors (As of June 29, 2005)	President and Representative Director	Kuniaki Suzuki
	Executive Vice President	Yukihiko Ikegami Shinichiro Tsuchida
	Managing Directors	Kazunori Minakawa Shoji Tamura Yoshiharu Shimizu Takashi Aizawa Tsutomu Nakaike Tsutomu Ikemoto
	Board Directors	Masaki Harada Masahiro Abe Mitsugu Arita Hiroyuki Fujiwara Akira Satoh
	Executive Auditor	Masatoshi Koga
	Corporate Auditors	Masamichi Ogura Kuniaki Nozoe
Number of Employees (Consolidated) (As of Sept. 30, 2005)	3,406	

## Organization Chart



## Corporate Timeline

<b>1947</b>	<b>April</b> ISHII COMMUNICATIONS INDUSTRY LTD., predecessor of FUJITSU BUSINESS SYSTEMS LTD. (FJB), established.
<b>1948</b>	<b>April</b> Kawasaki Factory established for production of telephone switchboards.
<b>1961</b>	<b>May</b> Inagi Factory established.
<b>1967</b>	<b>October</b> Commenced sales of FACOM electronic computers
<b>1968</b>	<b>March</b> Commenced maintenance services for electronic computers <b>September</b> Company becomes a subsidiary of FUJITSU LTD.
<b>1972</b>	<b>August</b> Company name changed to FUJITSU KOGYO LTD.
<b>1985</b>	<b>April</b> Company name changed to FUJITSU BUSINESS SYSTEMS LTD. (FJB).
<b>1986</b>	<b>June</b> Training Center built in Inagi City, Tokyo.
<b>1987</b>	<b>February</b> FJB's shares listed on the Second Section of the Tokyo Stock Exchange (TSE). <b>December</b> FJB merged with TOKAI DENSETSU LTD.
<b>1990</b>	<b>March</b> Kansai Development Center built in Kobe City, Hyogo Prefecture.
<b>1992</b>	<b>September</b> The Kobe company house and Kobe Dormitory built.
<b>1996</b>	<b>August</b> FJB headquarters moved to current location headquarters (Koraku, Bunkyo-ku, Tokyo).
<b>1997</b>	<b>April</b> 50th anniversary of FJB's foundation held
<b>1999</b>	<b>September</b> FJB's shares listed on the First Section of the TSE.
<b>2003</b>	<b>October</b> FJB's stock, formerly belonging to the TSE's 'Wholesale Trade' industrial classification, is changed to the 'Information & Communication' classification, as decided upon by the securities Identification Code Committee.