



THE POSSIBILITIES ARE INFINITE

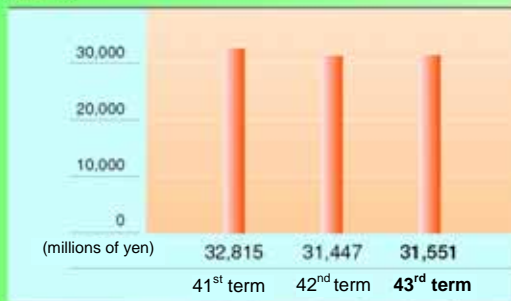
Report on the 43rd Term

April 1, 2005 – March 31, 2006

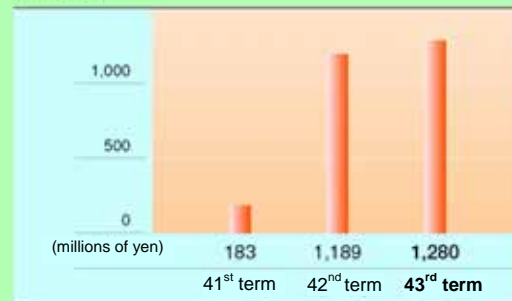
**FUJITSU BROAD SOLUTION
& CONSULTING Inc.**

Securities code: 4793

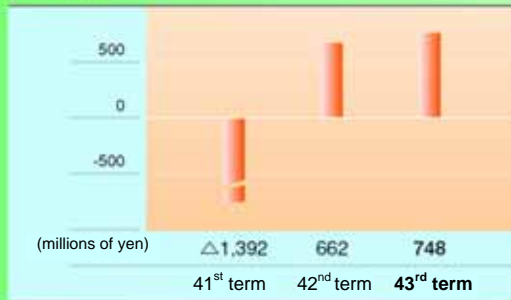
Sales



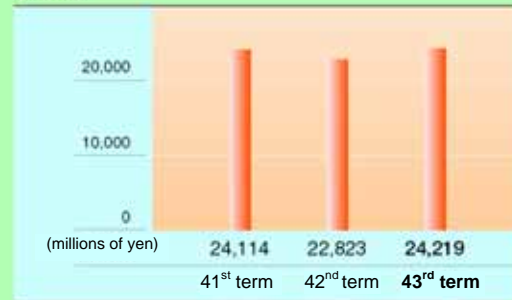
Ordinary income



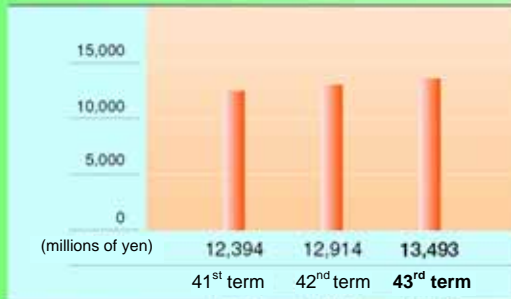
Current term net income or loss (-)



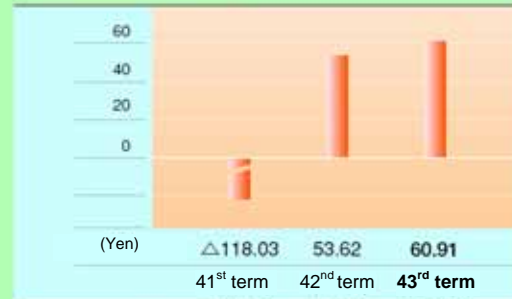
Total assets



Shareholders' equity



Current term net income or loss (-) per share



To our shareholders



Takao Kaneko, President (CEO)

We greatly appreciate our shareholders' continued support, and hereby report the Company's business review of the 43rd term (from April 1, 2005 to March 31, 2006).

In the current term, the information service industry was still in a loss situation because of the continued lack of full-scale IT investment by large companies, among others, intensified competition for orders and further increases in lower-value development transactions, although there were signs of recovery in general.

In this situation, the Company developed operations to enhance its business structure and secure earnings as its primary business policy.

In the current term, we established closer links between the sales and SE divisions, thereby promoting stronger cooperative customer-focused activities, and we also shifted engineers to growth areas, among others, to enhance development staff and strengthen the base for developing technology in those areas.

To enhance the business structure, we provided total services ranging from planning and proposal to development, evaluation, and examination of systems for personal digital assistants based on our technology and know-how accumulated over many years in the embedded system business, a growth area. Looking at new products, we developed "Oh-Pa 1/3" allowing dramatically high-speed processing by expanding mass storage data on memory, and sold it to distributors. In addition, in response to increasingly multifunctional billing systems we successively marketed "RENTAL-Pro," which supports operations of the rental business sector; "F*TRAN-S," which combines the encryption function of "FENCE" with the file translator "F*TRAN"; and "BillingSaver," a billing software package.

Meanwhile, to secure earnings we increased productivity by promoting application of "Topjax Solution," a framework of Fujitsu Ltd., and made system development more efficient, and we reduced

costs by standardizing development technology. In addition, we examined projects more strictly. By implementing regular examinations to thoroughly check the details of estimates and the state of development, we avoided any unprofitable projects as far as possible.

Although sales in the information and communications area declined in the current term, sales from the embedded system business as well as sales in response to general private demand increased, resulting in year-on-year growth in overall sales and profit.

As a result, sales in the current term came to ¥31,551 million (up 0.3% from the previous year), and ordinary income stood at ¥1,280 million (up 7.6%), with net income posting ¥748 million (up 13.0%).

Further, we revised the basis for registering earnings from software development contracts from a customer inspection basis to a progress basis in the current term. This shift to the progress basis resulted in increases of ¥1,478 million in sales, ¥163 million in ordinary profit, and ¥96 million in net income, respectively.

For dividends in the current term, we will pay ¥8 per share at the end of the current term, up ¥2 from the previous year.

We hope to continue to receive support and encouragement from our shareholders in the future.

June 2006

Custom Software Development

We developed and delivered various types of application software, billing systems, network supervisory control systems, and other products, to customers in the information/communications, financial service, and public sectors on a continual basis. In the information/communications sector, we primarily delivered billing solutions to small- and medium-sized entrepreneurs. In the energy sector, we received orders for rebuilding business systems of power companies, and also received business system orders from gas companies, and developed such systems. In addition, for government agencies, we received system updating orders from the Ministry of Finance, Ministry of Health, Labour and Welfare, and Social Insurance Agency, and developed a weather information collection system as well as an information distribution system for the Meteorological Agency. For embedded systems, we developed and delivered systems for cellular carriers following the introduction of the number portability system (continuation of telephone numbers) and systems for DVD players and digital cameras in the digital home appliance area. We also entered the new engine control area for major auto manufacturers as ITS-related activities. In addition, we developed and delivered station work systems in the field of railway infrastructure. However, due to fewer large-scale development transactions in the information/communications area, sales from software development were down from the previous year. As a result, sales in this segment came to ¥17,531 million (down 4.1% from the previous year).

Hardware sales

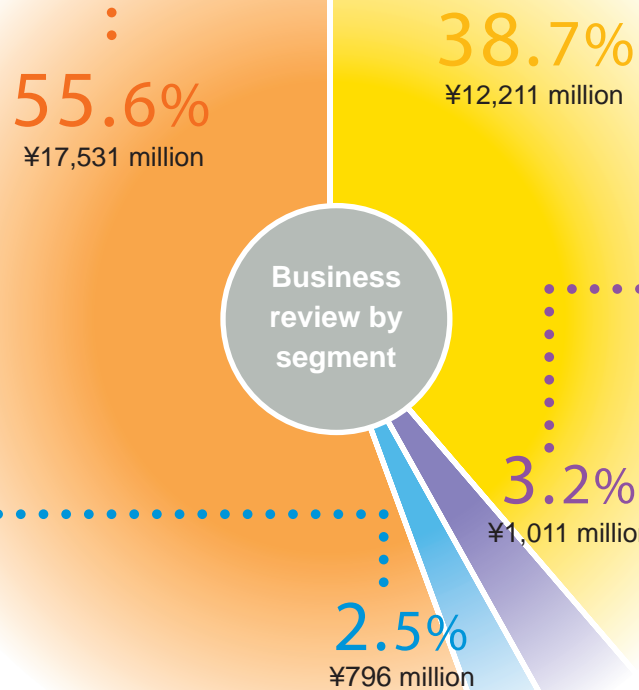
Although we purchased and sold the software package "SAGENT," a core product of our solution business, and also sold equipment associated with development of various systems, sales of servers and peripherals did not increase, and there was a decline in overall sales from the previous year. As a result, sales in this segment posted ¥796 million (down 11.1% year-on-year).

Software Services

We continued to receive SE support service orders for maintenance of systems developed for the information/communications sector, and provided evaluation test/examination services for cellular carriers. We provided mobile solutions allowing connections to business systems using PDAs, and also provided precision machinery manufacturers with PDM solutions that control information on the entire life cycle of components and products. As an outsourcing service, we provided an operation supervisory service through our data center. In addition, we provided general-purpose computer support services, and also provided operation maintenance support services to the Ministry of Economy, Trade and Industry and Ministry of Internal Affairs and Communications. In the staffing service business, we dispatched engineers primarily to major communication carriers and electrical equipment producers. As a result, sales in this segment grew to ¥12,211 million (up 9.5% from the previous year).

Production and Sales of Packaged sales

We sold the security package software "FENCE" series to the insurance and banking sectors, among others, and achieved sales of 430,000 licenses in the current term, bringing total sales to more than 1,420,000 licenses. In addition, to respond to customer needs for security management, we developed and sold a new product "FENCE-Tracer Server." Furthermore, sales of the file conversion package software "F*TRAN" remained firm, and we also developed and marketed a new product, "F*TRAN-S," and this has enhanced security functions. However, demand for security-related software packages arising from the enforcement of the Personal Information Protection Act was not as strong as before, resulting in lower sales compared with the previous year. As a result, sales in this segment came to ¥1,011 million (down 9.9% year-on-year).



Outlook for the following term

The Japanese economy is expected to continue its steady recovery, backed by the growth in corporate earnings. In the information service industry, however, operating conditions are forecast to remain severe, such as greater customer needs for information investment, intensifying competition, and the resulting drop in prices. We will continue to gather industrial know-how and further increase our presence in areas in which we have strengths, thereby placing further emphasis on such areas, including the embedded system business and security business, and make efforts to commercialize an on-memory database product, "Oh-Pa 1/3." Also, we will make development more efficient and increase profitability by enhancing risk management as well as introducing the development framework "Topjax Solution."

Major changes in the 43rd term

2005.4/1—2006.3/31

Topics

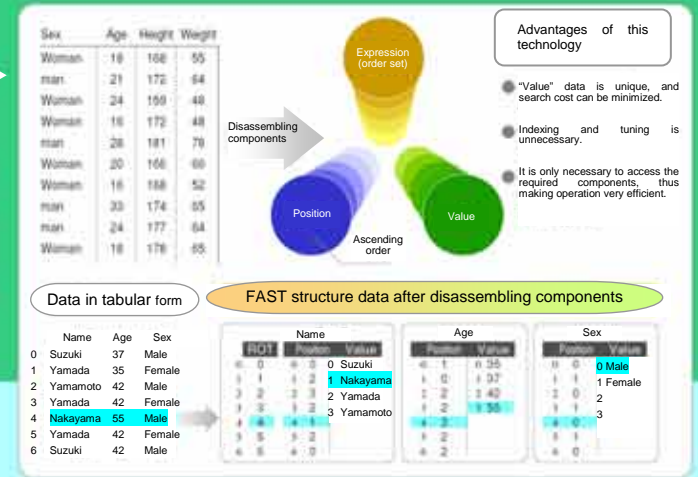
Jul 27

Ultra high-speed data processing system changing the database area

Systems will run incredibly fast. Anticipating the age of mass storage memory Amid a switch in the generation of computer storage from disks to memory, due to the arrival of the age of mass storage memory, we concluded a patent license agreement concerning the on-memory data processing technology of Turbo Data Laboratories Inc., and developed an ultra high-speed data processing system, "Oh-Pa 1/3 (one-third)," thereby realizing ultra high-speed processing that is between several tens and several hundreds of times faster than conventional relational databases (RDB).

Development of Oh-Pa 1/3 (one-third)

Advantages of a unique data structure
By adopting the FAST structure (1/3 structure in which components are broken down into order, position, and value information, and "values" are arranged in ascending order) and an epoch-making algorithm "LFM (Linear Filter Method)," index searches are made redundant, and system operation and maintenance costs are reduced. In addition, by shortening the batch-processing time, customers can streamline their operations and use the latest information.



Apr 27

Announcement of financial results for the year ended Mar 2005

Jun 29

42nd annual meeting of shareholders

Aug 2

Conclusion of a "SIP Sales Partner Program" contract with Soft Front Co.

Oct 26

Announcement of interim financial results for the year ended Mar 2006

Jan 17

Announcement of "F*TRAN 2006" (V1.0)

Jan 26

Announcement of financial results for 3rd quarter of the year ended Mar 2006

2005

2006



Apr 1

Initiation ceremony (employment of 42 engineers)

Apr 30

Total shipments of information security software "FENCE" series exceeded 1 million licenses.

May 25

Conclusion of a platinum partner contract with Symbian Ltd. providing 3G mobile phone OS

Jul 28

Announcement of financial results for 1st quarter of the year ended Mar 2006

Aug 27

Explanatory meeting for individual investors

Sep 28

Release of a new product "RENTAL-Pro"

Nov 29

Addition of an English version to the "FENCE" series

Jan 11

Total control of PC operation logs Launch of "FENCE-Tracer Server"

Mar 8

Opening of an office for sales and development of embedded systems in Shanghai

Use of "Mobile Manager" makes mobile phones the newest type of terminals that are indispensable for business

Provision of safe, simple, and useful mobile solutions at low prices

Mobile phones equipped with various functions are developing every year. However, there are still problems with their use in business systems, such as unstable connection to networks, low line speed, and small memory capacity.

Our "Mobile Manager" is middleware that solves these problems, and provides an environment allowing easy development and execution of mobile applications.

Advantages of "Mobile Manager"

1. Safety
 - Prevents leakage of information if a mobile phone is lost or stolen
 - Prevents leakage of information at the time of communication
 - Completely blocks external intruders or any illegal use by using double authentication
2. Low costs
 - Reduces costs for development, operation, and maintenance of application programs
 - Reduces communication costs by shortening the communication time
3. Simplicity
 - Easy-to-use devices
 - Prevents erroneous entries
 - Linkage between business systems

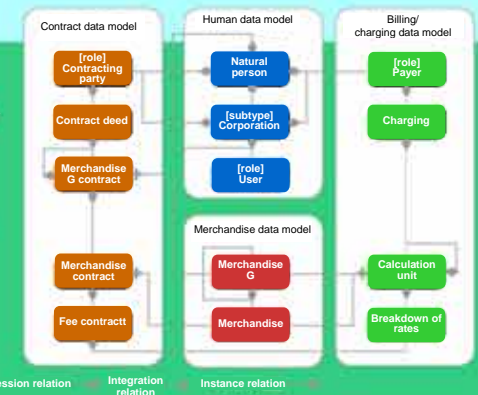
Feb 1

Marketing of "Billing Saver," an all-purpose billing software that supports business growth

In February 2006 we launched "Billing Saver," billing software that can adapt to various types of industries and business activities. "Billing Saver" is software for upgrading the billing systems necessary for Internet businesses to a multi-purpose package, and provides a quick, flexible, one-stop solution to building, maintenance, and operation of systems.

Advantages of "Billing Saver"

- 1) Realizes an optimum billing system with an early shipping date and a low price by utilizing existing systems.
- 2) Responds to all business models based on a large number of billing components and rate plans.
- 3) Flexible price system realizing a price of ¥5 million (excluding consumption taxes) for a one-server system, the most basic system.



Balance sheet

Account title	Amount		Account title	Amount	
	March 31 2006	March 31 2005		March 31 2006	March 31 2005
Assets			Liabilities and Shareholders' equity		
Current assets			Current liabilities		
Cash & cash equivalents	7,279,129	6,834,291	Accounts payable	2,216,543	2,562,689
Notes receivable	13,650	11,354	Accrued expenses	2,195,651	2,033,287
Accounts receivable	9,602,376	8,247,041	Income taxes payable	803,199	361,063
Marketable securities	12,050	10,764	Other	928,949	1,004,676
Inventories	538,570	1,731,187	Total current liabilities	6,144,344	5,961,717
Deferred tax assets	775,295	754,602	Long-term liabilities		
Other	187,763	153,065	Provision for employee retirement benefits	4,504,715	3,875,213
Allowance for doubtful accounts	(8,000)	(7,000)	Provision for retirement benefits to officers	77,145	71,976
Total current assets	18,400,835	17,735,306	Total long-term liabilities	4,581,860	3,947,190
Fixed assets			Total liabilities	10,726,205	9,908,907
Property, plant and equipment			Shareholders' equity		
Land	1,268,884	1,268,884	Capital stock	1,970,000	1,970,000
Buildings	1,861,779	1,854,110	Capital surplus	3,012,500	3,012,500
Structures	30,466	30,466	Retained earnings	8,516,442	7,939,206
Equipment	774,362	813,294	Unrealized loss on investment securities, net of tax	(5,499)	(7,564)
Total	3,935,493	3,966,756	Total shareholders' equity	13,493,443	12,914,141
Accumulated depreciation	(1,628,026)	(1,584,083)	Total liabilities and shareholders' equity	24,219,648	22,823,049
Net property, plant and equipment	2,307,467	2,382,672			
Intangible fixed assets					
Software	890,699	576,626			
Other	25,740	26,232			
Total intangible fixed assets	916,440	602,858			
Investments and other assets					
Investment securities	138,353	138,043			
Investment in affiliate	52,925	52,925			
Deferred tax assets	1,873,217	1,510,018			
Other	562,433	433,248			
Allowance for doubtful accounts	(32,025)	(32,025)			
Total investments and other assets	2,594,905	2,102,211			
Total fixed assets	5,818,812	5,087,743			
Total assets	24,219,648	22,823,049			

- Notes:
1. Amounts are rounded down to the nearest one thousand yen.
 2. Claims in affiliates (short term) 5,429,008 thousand-yen
 3. Claims in affiliates (long term) 66 thousand-yen
 4. Debts due to affiliates (short term) 209,641 thousand-yen

Profit and loss statement

Account title	Amount	
	FY 2005 (4/1/05-3/31/06)	FY 2004 (4/1/05-3/31/06)
Net sales	31,551,681	31,447,406
Costs of sales	26,916,793	27,113,452
Gross profit	4,634,888	4,333,954
Selling, general and administrative expenses	3,055,479	2,980,978
Operating income	1,579,408	1,352,976
Other income	56,146	125,241
Interest and dividend income	28,589	96,113
Other	27,557	29,127
Other expenses	355,502	288,648
Interest expense	-	2,171
Other	355,502	286,476
Ordinary profit	1,280,052	1,189,569
Extraordinary losses		
Loss on revaluation of golf membership	-	34,995
Income before income taxes	1,280,052	1,154,574
Income taxes, inhabitant taxes and business taxes	916,525	314,141
Adjustment of income taxes	(385,308)	177,711
Net income	748,836	662,721
Retained profits brought forward	148,047	145,573
Interim dividend amount	70,800	70,800
Unappropriated retained earnings	826,084	737,494

- Notes:
1. Amounts are rounded down to the nearest one thousand yen.
 2. Transactions with affiliates
 - Amount of operating transactions
 - Sales.....15,520,056 thousand-yen
 - Purchases... ..521,111 thousand-yen
 - Amount of transactions other than operating transactions.....302,771 thousand-yen
 3. Net income per share60.91 Yen

Consolidated Statements of Cash Flows

Account title	Amount	
	FY 2005 (4/1/05-3/31/06)	FY 2004 (4/1/05-3/31/06)
Cash flows from operating activities	1,424,238	5,507,413
Cash flows from investing activities	(836,548)	(553,757)
Cash flows from financing activities	(142,586)	(2,442,587)
Effect of exchange rate changes on cash and cash equivalents	1,021	181
Net increase in cash and cash equivalents	446,124	2,511,249
Cash and cash equivalents at beginning of period	6,845,055	4,333,805
Cash and cash equivalents at end of period	7,291,179	6,845,055

Statement of appropriation of retained earning

Account title	Amount
Unappropriated retained earnings	826,084,081
Reversal of reserve for:	
Software programs	37,572,885
Special depreciation allowances	20,122,685
Total	883,779,651
To be appropriated as follows:	
Dividends (¥8 per share)	94,400,000
Directors' bonuses (Statutory auditors' bonuses)	30,000,000 (5,500,000)
Special depreciation allowances	21,507,664
General reserve	540,000,000
Retained earnings carried forward	197,871,987

- Notes:
- Interim dividends of ¥70,800,000 (¥6 per share) were paid on November 30, 2005.

Company profile

As of March 31, 2006

Trade name: FUJITSU BROAD SOLUTION & CONSULTING Inc.

Establishment: November 20, 1963

Capital: 1,970,000,000 yen

Number of employees: 1,818

Primary business lines

The Company engages in software development, software services, sales of package products, and sales of system equipment. Its primary businesses are as follows:

• Custom Software Development	Business application software Embedded systems Control systems for networks and precision instruments, etc. Basic software such as platforms and middleware
• Software Services	Solution service System integration service Creation/ operation service related to the Internet and LAN Outsourcing service Temporary staffing service
• Production and Sales of Packaged Software	Package software developed by the Company (Tool package, security package, groupware package, ERP package)
• Hardware Sales	System equipment and peripherals Package software of other companies

Primary offices

- Head office: Gate City Ohsaki East Tower 11F, 1-11-2, Ohsaki, Shinagawa-ku, Tokyo 141-8581, Japan
- Development center:
 - Tokyo Develop Center (Minato, Tokyo)
 - Sendai Develop Center (Sendai City)
 - Numazu Develop Center (Numazu City)
 - Osaka Develop Center (Osaka City)
 - Fukuoka Develop Center (Hakata, Fukuoka, Fukuoka)
- Human resources center:
 - Tokyo Human Resources Center, Osaka Human Resources Center

Company Profile

State of business combination

The Company's parent is Fujitsu Ltd., which holds 6,660,000 shares in the Company (voting ratio: 56.47%). Sales to the parent account for 49.1% of total sales of the Company, and sales mainly come from contracting software development.

Directors and auditors (as of June 29, 2006)

President (CEO):	Takao Kaneko
Executive Director:	Haruyuki Kodama
Executive Director:	Kangi Okamoto
Managing Director:	Tsuneyoshi Ishii
Managing Director:	Kazuhiro Eguchi
Director:	Kazuo Miyata
Director:	Hirokazu Kadowaki
Director:	Tsugio Niijima
Director:	Hiroshi Asakawa
Director:	Chuzo Maruyama
Director:	Toshio Yahagi
Director:	Michiharu Hiroosawa
Standing Auditor:	Seishi Osato
Auditor:	Kazuhiko Kato
Auditor:	Hideaki Yumiba

- Notes: 1. Kazuo Miyata, Director, is an outside director as stipulated in Article 2-15 of the Corporate Law.
2. Kazuhiko Kato, Auditor, and Hideaki Yumiba, Auditor, are outside auditors as stipulated in Article 2-16 of the Corporate Law.

Audit corporation: Shin Nihon & Co.

Company profile

As of March 31, 2006

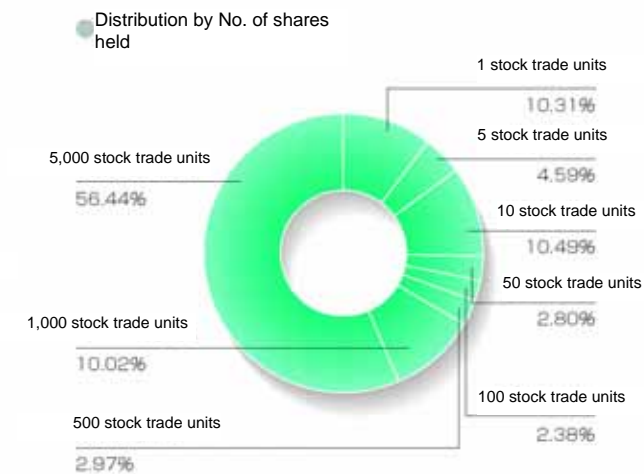
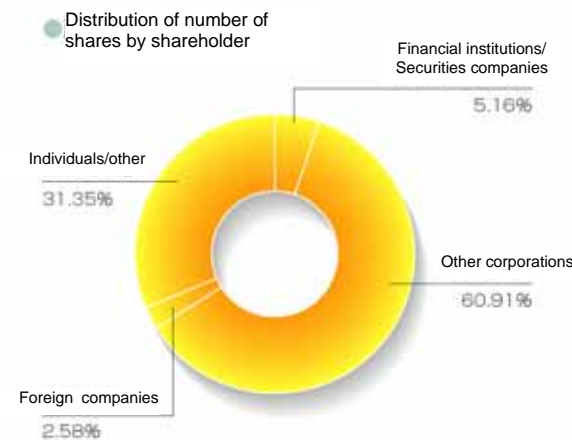
- **Total number of shares to be issued:** 43,200,000 shares
- **Shares outstanding:** 11,800,000 shares
- **Number of shareholders:** 9,618
- **Major shareholders**

Number of shareholder	Equity stake in the Company	
	No. of shares held	Percentage
	shares	%
Fujitsu Ltd.	6,660,000	56.47
Onoe Kigyo K.K.	432,000	3.66
Nikko City Trust and Banking Corporation (investment trust account)	283,700	2.40
Fujitsu BSC employee stock ownership society	196,200	1.66
HSBC Bank PLC A/C Atlantis Japan Growth Fund	152,500	1.29
Japan Trustee Services Bank, Ltd. (trust account)	117,800	0.99
JP Morgan Chase Bank 385067	99,200	0.84
The Master Trust Bank of Japan Ltd. (trust account)	78,800	0.66
Japan Securities Finance Co., Ltd.	70,700	0.59
State Street Bank and Trust Company 505025	51,700	0.43

Note: The Company has no equity in major shareholders.

Acquisition, disposal, and ownership of treasury stock

No relevant item





<http://www.bsc.fujitsu.com>

**On our website, we actively disclose corporate and financial information to shareholders and investors.
Please visit the website to learn more about the Company.**

Information on clerical operations involving shares

Business year	from April 1 to March 31
Annual meeting of shareholders	June each year
Base date	
Annual meeting of shareholders	March 31
Final dividend	March 31
Interim dividends	September 30
Shareholder register administrator	Mitsubishi UFJ Trust & Banking Corp.
Handling office	1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust & Banking Corp., Corporate Agency Department 137-8081
(Contact details)	7-10-11, Higashisuna, Koto-ku, Tokyo Mitsubishi UFJ Trust & Banking Corp., Corporate Agency Department Tel: 0120-232-711 (toll-free number)
Place of transfer	Mitsubishi UFJ Trust & Banking Corp., all branches nationwide
Public notice method	Public notices will be made electronically. However, if such electronic public notice cannot be made due to unavoidable circumstances including accidents, public notice shall be made in the Nihon Keizai Shimbun. Public notice website: http://www.bsc.fujitsu.com/ir/

Forms for stock-related procedures can be obtained 24-hours a day from the following telephone numbers or via the Internet:

Tel. (toll-free number): 0120-244-479 (Head Office Corporate Agency Department)
0120-684-479 (Osaka Corporate Agency Department)

Website: <http://www.tr.mufg.jp/daikou/>

Shareholders who use the stock certificate central depository system are requested to make inquiries to the securities companies with which they hold accounts.

FUJITSU BROAD SOLUTION & CONSULTING Inc.

Gate City Ohsaki East Tower 11F,
1-11-2, Osaki, Shinagawa-ku, Tokyo 141-8581, Japan
Tel: (+)81-3-5740-3111 (main number), Fax: (+)81-3-5740-3100