

Financial Report for the Fiscal Year 2002, Ended March 31, 2002 (Consolidated)

Nihon Unisys, Ltd.

--Listing: Tokyo Stock Exchange First Section Code number: 8056

(URL <http://www.unisys.co.jp>)

--Head Office: 1-1, Toyosu 1-chome, Koto-ku, Tokyo 135-8560

--Date of the Meeting of the Board of Directors to Settle Consolidated Accounts: May 8, 2002

--Adoption of the U.S. GAAP: None

1. Business Results for the Fiscal Year 2002 (From April 1, 2001 to March 31, 2002)

(1) Results of Operations

	Net Sales	% change	Operating Income	% change	Recurring Profit	% change
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal Year 2002	307,898	(1.4)	4,686	(26.7)	5,692	(39.6)
Fiscal Year 2001	312,203	0.3	6,393	(65.7)	9,430	(51.3)

	Net (Loss) Income	% change	Net (Loss) Income per Share	Diluted Net Income per Share	Ratio of Net (Loss) Income/Shareholders' Equity	Ratio of Recurring Profit / Total Assets	Ratio of Recurring Profit / Net Sales
	millions of yen	%	yen	yen	%	%	%
Fiscal Year 2002	(7,831)	-	(71.41)	-	(8.8)	2.2	1.8
Fiscal Year 2001	4,876	35.3	44.47	-	5.4	3.8	3.0

- Notes) 1. Equity in net income (loss) of subsidiaries and affiliates
 Fiscal year 2002: - millions of yen
 Fiscal year 2001: - millions of yen
2. Average number of shares outstanding (consolidated)
 Fiscal year 2002: 109,663,265 shares
 Fiscal year 2001: 109,663,291 shares
3. Change in accounting policies: Applicable
4. Percentages above mean increase/decrease over preceding fiscal year.

(2) Financial Standing

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	millions of yen	millions of yen	%	yen
Fiscal Year 2002	257,608	85,062	33.0	775.68
Fiscal Year 2001	254,260	92,485	36.4	843.36

- Note) Number of shares outstanding at the end of fiscal year (consolidated)
 Fiscal year 2002: 109,663,010 shares
 Fiscal year 2001: 109,663,521 shares

(3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents, End of Year
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal Year 2002	21,591	(19,747)	3,085	39,853
Fiscal Year 2001	19,452	(19,178)	(1,632)	34,874

(4) Matters concerning the scope of consolidation and application of the equity method

Number of consolidated subsidiaries: 15

Number of non-consolidated subsidiaries accounted for under the equity method: 0

Number of affiliates accounted for under the equity method: 0

(5) Changes in the scope of consolidation and application of the equity method

Consolidation: Increase 1 Decrease 0 Equity method: Increase 0 Decrease 0

2. Earning Forecast for the Fiscal Year 2003 (from April 1, 2002 to March 31, 2003)

	Net Sales	Recurring Profit	Net Income
	millions of yen	millions of yen	millions of yen
Interim	145,000	700	200
Full-year	327,000	11,200	5,800

Reference) Expected net income per share (full-year basis): 52.89 yen

Note) All the numbers regarding forecast are best estimate using information available as of today and decision based on them. You are advised that the final results might be different from the ones in this package due to changes of economy, market, or unknown factors today, etc. For the prerequisite for the forecast, please see pages 7.

***This financial report is solely a translation of Japanese "Kessan Tanshin," including attachments, for the convenience of readers who prefer English translation.**

2. Management Policy

Nihon Unisys Group has been making best efforts with the spirit of “for the customer, shareholders, investors, employees and for the society” through various activities leveraging IT, aiming to be “the Best IT Partner” for customers by further enhancing the overall power and value of Nihon Unisys and Nihon Unisys Group.

The IT industry, which has entered the full-scale network age in the wake of proliferation of Internet, is now ablaze with new technologies like broadband, ubiquitous computing, etc. Under such circumstances, the overriding issue for companies to survive is said to acquire edge-cutting competitiveness utilizing IT and to facilitate BPR.

In the midst of this rapidly changing world, Nihon Unisys has been implementing the new management policy named “Re-Enterprising” in order to metamorphose into “New Nihon Unisys” that has revitalized power of growth and competitiveness. We aim at being a “Customer-Value-Creating Company” providing optimum hardware, software and services necessary for users, combining them in most effective and efficient ways. Also, we are facilitating collaboration and alliance with other companies exploring ways to better serve our customers from their viewpoints.

In the meantime, we newly appointed CIO (Chief Information Officer) in July 2001 and CSO (Chief System Service Officer) in October with the purpose of identifying group management strategy and uniting group’s information systems in more organized way for efficient operation so as to sharpen our group competitive edge. Also, we reviewed procurement process and relevant processes, which have generated good results, like a reduction of procurement cost, from the first year of implementation.

In the wake of the series of improving actions and measures, we are aiming to generate 18 billion yen of operating income in FY2004 with more than 10% of ROE.

With regard to profit sharing, our fundamental policy is to return and share the earned profit without intermittence while keeping investment in strategic areas or in R&D of competitive products grasping the market needs and wants as well as continuing efforts in reducing cost more and in making financial base stronger.

As for the management structure, we introduced the Corporate Officer System in July 2001 in order to separate the function of management and that of business operation for speedier decision-making and execution.

Nihon Unisys is a joint venture established by Mitsui & Co. and Unisys Corporation and we are marketing and selling the products supplied by Unisys Corporation via Mitsui & Co. in Japan under the very close collaboration among three parties.

Although some brightness is beginning to be seen in the Japanese economy, it will take time to see a full-scale recovery and in the IT industry competition will be getting tougher and more reckless and so will the company management environments.

Despite of the tougher environments, Nihon Unisys will select and focus the growth areas like outsourcing, broadband network, e-business and so on as our core business lines in order to keep growing. In addition, we will continue cutting cost as Nihon Unisys Group to make the group much stronger entity. We keep sharpening the competitive power as a group uniting each unit and each company in more efficient and organized ways for continuing growth.

3. Results of Operations & Financial Condition

1. Results of Operations

(1) Overview of FY2002

The tougher condition of the Japanese economy during the term was amplified in the midst of sluggish world economy due to prolonged disposition of bad debts of the financial institutions and rapidly worsening employment in addition to sluggish investments caused by drop of export and production.

In the IT industry, drop of semi-conductor price and severe competition of PC sales caused very tough price competition to occur. However, the IT investment is showing an upward trend with the support by the government's e-Japan initiative.

Under such circumstances, Nihon Unisys is aiming to metamorphose into "New Nihon Unisys" that has growth engine and cutting-edge competitiveness. We launched a new management policy named "Re-Enterprising." Under this policy, we aim at being a "Customer-Value-Creating Company" while implementing measures to "Sharpen cost competitiveness," "Innovate Corporate Culture," "Polish & utilize each individual's expertise and potential," and "Reinforce group strategy" with all of which to reach the financial goals set in FY2004.

As business unit strategy, vertical business units like Financial LOB (Line Of Business) and Public LOB are positioned as profit generating units. And Outsourcing business unit, Technology & Service business unit and Support & Service business unit, all of which are horizontal units, are positioned as growth units in near future and prioritized investment was made into them. Especially, in the outsourcing business area, we succeeded in getting accounts in many industries including the financial, airline, travel and manufacturing industries. Also, we introduced next-generation model of outsourcing service with the name of "PowerRentalTM". Outsourcing business is expected to be our stable earning source in the long run.

In the area of software and services, in order to respond to the coming age of "broadband" and "ubiquitous computing," we formed Broadband Business unit. Also we promoted other various service businesses to grow revenue and profit by marketing application software, expanding service business as ASP (Application Service Provider), facilitating consulting business not to mention SI and support businesses.

In the area of hardware business, the "ES7000," which realizes reliability and performance equal to those of conventional mainframe computers, is well accepted by not only traditional users but non-traditional users, being used in mission-critical systems or server consolidation, etc

Meanwhile, to reinforce the group power, we clarified the missions and strategies of each member company of Nihon Unisys group. By so doing, we have polished competitive edge of each company's expertise encouraging skill development to grow business and improve profitability.

As a measure to reinforce the group power, we established A-tas, Ltd. in March last year as an outsourcing service business provider for the transport and airline industries. Following to that, we established TRADE Vision, Ltd. as an outsourcing service business provider for the commodity futures trading industry.

With regard to the consolidated performance, service business of system development and outsourcing grew, but due to prolonged sluggish economy and tough price competition, net sales was 307.898 billion yen (down 1.4% from a year ago). Despite of our massive measures of cost reduction, profitability worsened due to very tough price competition. Operating income decreased to 4.686 billion yen (down 26.7%) and recurring profit also decreased to 5.692 billion yen (down 39.6%) without entry of material sales of marketable securities like the previous year. Net income was inked in red in the amount of 7.831 billion yen as a result of making entry of extraordinary loss of 16.5 billion yen for the special package of early retirement program which was implemented as a part of measures to improve cost structure in order to restrain personnel cost in the long run.

Net sales being broken down by category of sales, the sales of service increased to 167.895 billion yen (up 11.3%) while the sales of software decreased to 53.428 billion yen (down 15.3%) and so did the sales of hardware to 86.574 billion yen (down 11.9%).

In other words, the hardware accounted for 28.1% (31.5% in FY2001) while those of software and service are 17.4% (20.2%) and 54.5% (48.3%) respectively.

With regard to dividend, although tougher conditions will continue, considering stable dividend payment to shareholders, we intend to pay the same amount as previous year, 7.5 yen per share per year (3.75 yen per each half year).

* Windows is the registered trademark of Microsoft Corporation in the U.S. and other countries.

(2) Outlook of FY2003

Although much tougher competition is expected to come due to price competition in the IT industry, we plan the annual growth by 6.2% achieving growth in service business focusing outsourcing business, etc.

As for profitability, by continuing cost cutting efforts in addition to the effect of the special package of early retirement program implemented in the previous year, we project a huge recovery on the line of operating income. We can increase recurring profit and net income. We can make sure of the turnaround in FY2003 leaving the consolidated loss as just one-time incident.

2. Financial Condition

The cash and cash equivalents was up 4.979 billion yen from a year ago to 39.853 billion yen thanks to the net cash provided by operating and financing activities despite of cash demands for investment that was almost equal to that of preceding year.

The net cash provided by operating activities was 21.591 billion yen (up 2.138 billion yen) as a result of making entry of depreciation cost of 20.646 billion yen (up 1.714 billion yen) and increase/decrease of accounts receivables/payables in addition to booking of 16.530 billion yen as extraordinary loss for the special package of early retirement program whose payment is planned in FY2003 although the profit before tax was negative in the amount of ¥12.702 billion yen (down 22.192 billion yen).

The net cash used in investing activities was 19.747 billion yen (up 568 million yen). 11.996 billion yen (down 4.911 billion yen) was spent on acquisition of property and equipment like rental computers and 10.011 billion yen (up 3.084 billion yen) on acquisition of intangible fixed assets like software for outsourcing business and sales. In the meantime, we gained 2.662 billion yen (down 1.898 billion yen) by selling cross-held stocks.

The net cash provided by financing activities was 3.085 billion yen (up 4.718 billion yen) as a result of a new long-term debt of 12.6 billion yen (up 6.7 billion yen) for the special package of early retirement program and repayment of 7.826 billion yen of long-term debts (up 1.213 billion yen) and net decrease in short-term borrowings by 2.138 billion yen (up 2.044 billion yen).

4. Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF INCOME

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)	
			Amount	% change
	millions of yen	millions of yen	millions of yen	%
Net sales	307,898	312,203	(4,305)	(1.4)
Cost of sales	226,771	221,893	4,877	2.2
Gross profit	81,126	90,309	(9,183)	(10.2)
Selling, general and administrative expenses	76,440	83,916	(7,476)	(8.9)
Operating income	4,686	6,393	(1,706)	(26.7)
Non-operating income				
Interest and dividend income	309	359	(50)	
Gain on sale of listed securities	847	2,695	(1,848)	
Income from rental of buildings	498	617	(119)	
Other	477	1,283	(806)	
Non-operating expenses				
Interest expense	1,033	1,228	(195)	
Exchange loss	-	575	(575)	
Other	92	114	(21)	
Recurring profit	5,692	9,430	(3,737)	(39.6)
Extraordinary gains				
Reversal of allowance for doubtful accounts	73	-	73	
Gain on sale of fixed assets	-	411	(411)	
Gain on sale of investment securities	32	173	(141)	
Other	-	18	(18)	
Extraordinary losses				
Expense of special package of early retirement	16,530	-	16,530	
Subsidiary restructuring charges	1,453	-	1,453	
Loss on devaluation of investment securities	251	318	(66)	
Loss on sale and disposal of fixed assets	127	117	9	
Other	138	109	28	
(Loss) income before income taxes and minority interests	(12,702)	9,489	(22,192)	-
Income taxes-current	5,007	6,094	(1,086)	
Income taxes-deferred	(9,895)	(1,693)	(8,202)	
Minority interests	16	211	(194)	
Net (loss) income	(7,831)	4,876	(12,708)	-

CONSOLIDATED BALANCE SHEETS

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)
	millions of yen	millions of yen	millions of yen
(ASSETS)			
Current assets			
Cash and time deposits	34,901	31,598	3,302
Notes receivable and accounts receivable-trade	85,384	100,738	(15,354)
Marketable securities	-	405	(405)
Inventories	22,009	17,789	4,220
Deferred tax assets	12,626	5,247	7,379
Other	12,234	9,225	3,008
Allowance for doubtful accounts	(183)	(304)	121
Total current assets	166,972	164,699	2,273
Fixed assets			
Property and equipment			
Buildings and structures	7,059	7,314	(255)
Machinery, equipment and vehicles	25,759	28,955	(3,195)
Land	1,672	1,673	0
Other	3,330	5,687	(2,356)
Total property and equipment	37,822	43,630	(5,808)
Intangible fixed assets			
Software	13,546	8,607	4,938
Other	402	410	(8)
Total intangible fixed assets	13,948	9,017	4,930
Investments and other assets			
Investment securities	9,623	8,751	871
Deferred tax assets	13,489	11,912	1,576
Deposits for landlord	14,230	14,471	(240)
Other	2,197	2,492	(295)
Allowance for doubtful accounts	(676)	(716)	40
Total investments and other assets	38,864	36,912	1,951
Total fixed assets	90,635	89,561	1,073
Total assets	257,608	254,260	3,347

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)
(LIABILITIES)	millions of yen	millions of yen	millions of yen
Current liabilities			
Notes payable and accounts payable-trade	41,093	54,019	(12,926)
Short-term borrowings	10,169	12,307	(2,138)
Current portion of long-term debt	8,209	7,826	382
Current portion of bonds	10,000	-	10,000
Income taxes payable	3,438	5,365	(1,927)
Accounts payable-other	18,032	-	18,032
Accrued expenses	14,202	16,650	(2,447)
Allowances	1,460	1,628	(167)
Other	17,700	17,527	173
Total current liabilities	124,305	115,325	8,980
Long-term liabilities			
Bonds	-	10,000	(10,000)
Long-term debt	25,674	21,283	4,390
Allowance for retirement and severance benefits	14,236	9,606	4,629
Other allowances	828	997	(169)
Other	6,077	3,174	2,902
Total long-term liabilities	46,816	45,062	1,753
Total liabilities	171,122	160,387	10,734
Minority interests	1,423	1,387	35
(SHAREHOLDERS' EQUITY)			
Common stock	5,483	5,483	-
Additional paid-in capital	15,281	15,281	-
Retained earnings	63,006	71,720	(8,714)
Net unrealized gains on securities	1,292	-	1,292
Treasury stock	(0)	(0)	0
Total shareholders' equity	85,062	92,485	(7,422)
Total liabilities, minority interests and shareholders' equity	257,608	254,260	3,347

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Year ended March 31, 2002	Year ended March 31, 2001
	millions of yen	millions of yen
Balance of retained earnings at beginning of the year	71,720	67,737
Decrease in retained earnings	882	893
Cash dividends	822	822
Bonus to directors and corporate auditors	59	71
Net (loss) income	(7,831)	4,876
Balance of retained earnings at end of the year	63,006	71,720

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)
	millions of yen	millions of yen	millions of yen
Cash flows from operating activities			
(Income) loss before income taxes and minority interests	(12,702)	9,489	(22,192)
Depreciation and amortization	20,646	18,932	1,714
Expense of special package of early retirement	16,530	-	16,530
Gain on sale of fixed assets	-	(411)	411
Gain on sale of investment securities	(880)	(2,869)	1,989
Increase (decrease) in allowances	4,131	(3,439)	7,570
Decrease (increase) in accounts receivable-trade	15,354	(6,473)	21,827
(Increase) decrease in inventories	(4,220)	(2,559)	(1,660)
(Decrease) increase in accounts payable-trade	(12,930)	8,689	(21,620)
Other-net	3,319	2,285	1,033
Subtotal	29,247	23,642	5,605
Interest and dividend received	322	375	(53)
Interest paid	(1,043)	(1,215)	172
Income taxes paid	(6,935)	(3,350)	(3,584)
Net cash provided by operating activities	21,591	19,452	2,138
Cash flows from investing activities			
Purchases of property and equipment	(11,996)	(16,907)	4,911
Proceeds from sale of property and equipment	213	676	(463)
Purchases of intangible fixed assets	(10,011)	(6,926)	(3,084)
Purchases of investment securities	(728)	(683)	(44)
Proceeds from sale of investment securities	2,662	4,561	(1,898)
Other-net	112	100	12
Net cash used in investing activities	(19,747)	(19,178)	(568)
Cash flows from financing activities			
Net decrease in short-term borrowings	(2,138)	(94)	(2,044)
Proceeds from long-term debt	12,600	5,900	6,700
Repayments of long-term debt	(7,826)	(6,613)	(1,213)
Proceeds from other borrowings	1,408	-	1,408
Repayments of other borrowings	(129)	-	(129)
Cash dividends paid	(822)	(822)	0
Other-net	(5)	(2)	(2)
Net cash provided by (used in) financing activities	3,085	(1,632)	4,718
Net increase (decrease) in cash and cash equivalents	4,929	(1,359)	6,288
Cash and cash equivalents, beginning of year	34,874	36,233	(1,359)
Cash and cash equivalents of newly consolidated subsidiaries, beginning of year	50	-	50
Cash and cash equivalents, end of year	39,853	34,874	4,979

Summary of Significant Accounting Policies

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 15

Nihon Unisys Supply, Ltd.
 UNIADDEX, Ltd.
 Nihon Unisys Software Kaisha, Ltd., etc.

A-tas, Ltd. has been newly consolidated from the year ended March 31, 2002 because of its increased significance.

(2) Number of non-consolidated subsidiaries: 3

2. Application of the equity method

Investments in NUL Systems Service Corporation (a non-consolidated subsidiary), two other non-consolidated subsidiaries, Shizuoka Soft Bank Co., Ltd. (an affiliate), and six other affiliates, ten in total, are stated at cost, excluded from the scope of the equity method because none of them have a significant impact on the consolidated net income and losses and the retained earnings, and there is no significance as a whole, either.

3. Fiscal year of consolidated subsidiaries

Out of the consolidated subsidiaries, Kokusai System Co., Ltd has a book closing date (December 31) different from that of the consolidated financial statements. The consolidated financial statements are prepared using Kokusai's financial statements as of December 31, and the necessary adjustments for consolidation are made for significant transactions that occurred over the period between the closing date of Kokusai and that of the consolidated financial statements.

4. Accounting policies

(1) Valuation standard and method of significant assets

a. Securities

Other securities whose fair value is readily determinable

Stated at fair value as of the end of March 31, 2002 with unrealized gains and losses, net of applicable deferred tax assets/liabilities, not reflected in earnings, but directly reported as a separate component of shareholders' equity. The cost of securities sold is determined primarily by the moving-average method.

<Additional information>

Effective April 1, 2001, the company adopted the accounting standard for financial instruments (Opinions for setting the accounting standard for financial instruments by Corporate Accounting Board: January 22, 1999) for valuation of other securities whose fair value is readily determinable.

The effects of this change were to recognize unrealized gains and losses of ¥ 1,292 million, to increase investment securities and others by ¥ 2,230 million, and to decrease the deferred tax assets in fixed assets by ¥ 99 million and minority interests by ¥ 0 million, respectively.

Other securities whose fair value is not readily determinable

Stated at cost determined by the moving-average method

b. Derivatives

Stated at fair value

c. Inventories

Computer merchandise:

Stated at cost determined by the moving-average method

<Additional information>

Prior to April 1, 2001, computer merchandises were stated at cost using the specific identification method. Effective April 1, 2001, new accounting software package being introduced as part of the business process re-engineering, computer merchandises are stated at cost determined by the moving-average method for the purpose of managing inventories more effectively. This change does not have a material effect.

Parts for maintenance services and other:

At cost determined by the moving-average method

(2) Depreciation/amortization method for significant fixed assets

a. Buildings and structures:

Depreciation of buildings and structures is computed by the declining-balance method. However, depreciation of buildings (excluding attached facilities) acquired after April 1, 1998 is computed by the straight-line method. Useful lives range from 6 to 50 years.

b. Rental computers (reported in "machinery, equipment and vehicles"):

Depreciation of rental computers is computed over 5 years with no residual value, corresponding to the terms and conditions of the rental.

<Change in useful lives>

Effective April 1, 2001, the company changed the useful lives, which used to be 6 years prior to April 1, 2001, to 5 years as a result of a review of economic useful lives on the occasion of the fiscal year 2002 Corporation Tax Law reform.

As a result, as compared with those calculated using the prior useful lives, operating income and recurring income decreased by ¥ 733 million, and loss before income taxes and minority interests increased by ¥ 733 million, respectively.

c. Software

Software for sale to the market

Amortized at the greater of either the amount to be amortized in proportion of the actual sales of the software during the current year to the estimated total sales over the estimated salable years of the software or the amount to be amortized by the straight-line method over the estimated salable years. The estimated salable years is principally 3 years.

Software for internal use

Software for internal use is amortized by the straight-line method over the estimated usable years. The estimated usable years is principally 5 years.

(3) Allowances

Allowance for doubtful accounts:

The allowance for doubtful accounts is stated at amounts considered to be appropriate based on the Group's past credit loss experience and on evaluation of potential losses in the receivables outstanding.

Allowance for retirement and severance benefits:

To prepare for the retirement and severance benefits for employees, the company accounted for the allowance for retirement and severance benefits based on projected benefit obligations and plan assets at the balance sheet date.

The transitional obligation is recognized by the straight-line method over 10 years.

Actuarial loss (gain) is recognized by the straight-line method starting in the following fiscal year over a fixed period (10 years) within the average remaining service period as of the time of the incurrence of the loss (gain).

Prior service cost is recognized by the straight-line method over a fixed period (10 years) within the average remaining service period as of the time of the incurrence of the cost.

(4) Leases

Finance leases other than those deemed to transfer ownership of the leased property to the lessee are accounted for in the same manner as operating leases.

(5) Foreign currency translation

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statements of income.

(6) Hedge accounting

The foreign currency forward contracts are utilized to hedge foreign currency exposures in procurement of merchandises from overseas suppliers. Interest rate swaps are utilized to hedge interest rate exposures of short-term borrowings.

Those transactions which qualify for hedge accounting are measured at fair value at the balance sheet date and the unrealized gains or losses are deferred until maturity as other liabilities or assets.

Trade payables denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting.

(7) Consumption taxes

Consumption tax is separately accounted for by excluding it from each transaction amount.

5. Valuation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries are accounted for by fair value method.

6. Amortization of consolidation goodwill

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition (consolidation goodwill) is amortized over the estimated period if estimation is available, otherwise, on a straight-line basis over five years.

7. Appropriation of retained earnings

Consolidated statements of retained earnings are prepared based on the appropriation of retained earnings approved by the board of directors of each company held during the period of each consolidated financial statement.

8. Scope of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statements of cash flows includes cash balances, demand deposits and short-term investments which mature or become due within 3 months of the date of acquisition, that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

9. Accounting changes

Change in sales recognition

Prior to April 1, 2001, the company recognized sales of contracted systems development included in sales of services upon delivery of products to the customer. Effective April 1, 2001, the company changed its method of sales recognition of contracted systems development and now recognizes the sales upon completion of the inspection of the products by the customer, as contracted systems development is getting large in scale and complicated recently, which requires a certain period of time after the delivery until the company obtain the right to claim after the delivery, and as the company created, with business process re-engineering carried out in the year ended March 31, 2002, an environment of recognizing sales upon completion of the inspection of the products by the customer.

The effects of this change were to decrease sales by ¥419 million, to decrease operating income and recurring profit by ¥49 million, and to increase loss before income taxes and minority interests by ¥49 million, respectively.

Notes on Consolidated Balance Sheets

	<u>March 31, 2002</u> (millions of yen)	<u>March 31, 2001</u> (millions of yen)
1. Accumulated depreciation of property and equipment	117,091	114,335
2. Contingent liabilities	6,868	7,668
3. Accounting for notes whose due date falls on the balance sheet dates: As financial institutions in Japan were closed on March 31, 2002 and March 31, 2001, amounts of notes whose due date falls on one of these days were accounted for assuming that they were settled on that day. The amounts of notes whose due date falls on March 31, 2002 and March 31, 2001 are as follows.		
Notes receivable	31	686
Notes payable	507	673

Notes on Consolidated Statements of Cash Flows

Reconciliation of cash and time deposits on the balance sheets to cash and cash equivalents

	<u>March 31, 2002</u>	<u>March 31, 2001</u>
Cash and time deposits	34,901	31,598
Time deposits with maturities over 3 months	(47)	(127)
Marketable securities (Money management fund, etc.)	-	405
Loans receivable (Repurchase agreement ("Gensaki"))	5,000	2,998
Cash and cash equivalents	<u>39,853</u>	<u>34,874</u>

Lease Transactions

(For Lessee)

Finance lease transactions without ownership transfer to lessee

(1) Purchase price equivalent, accumulated depreciation equivalent and book value equivalent of leased properties

	<u>March 31, 2002</u>			<u>March 31, 2001</u>		
	Purchase price equivalent	Accumulated depreciation equivalent	Book value equivalent	Purchase price equivalent	Accumulated depreciation equivalent	Book value equivalent
			(millions of yen)			(millions of yen)
Machinery, equipment and vehicles	7	1	6	11	6	4
Other (Property and equipment)	273	146	127	519	262	256
Software	2,700	332	2,368	-	-	-
Total	<u>2,981</u>	<u>479</u>	<u>2,501</u>	<u>530</u>	<u>269</u>	<u>261</u>

(2) Future minimum lease payments equivalent

	(millions of yen)	(millions of yen)
Due within one year	502	131
Due after one year	1,999	130
Total	<u>2,501</u>	<u>261</u>

Note: The purchase price equivalent and the future minimum lease payments equivalent is reported including the amount representing interest, because the total amount of future minimum lease payments is not significant in relation to the total property and equipment at the end of the fiscal year.

(3) Lease payments and depreciation equivalent

	<u>Year ended March 31, 2002</u>	<u>Year ended March 31, 2001</u>
	(millions of yen)	(millions of yen)
Lease payments	441	195
Depreciation equivalent	441	195

(4) Method of computing depreciation equivalent

Depreciation equivalent is computed on a straight-line method over the lease period without residual value.

(For Lessor)

Finance lease transactions without ownership transfer to lessee

(1) Purchase price equivalent, accumulated depreciation equivalent and book value equivalent of leased properties

	<u>March 31, 2002</u>			<u>March 31, 2001</u>		
	Purchase price equivalent	Accumulated depreciation equivalent	Book value equivalent	Purchase price equivalent	Accumulated depreciation equivalent	Book value equivalent
	(millions of yen)			(millions of yen)		
Machinery, equipment and vehicles	1,410	1,067	342	906	453	453

(2) Future minimum lease payments equivalent

	(millions of yen)	(millions of yen)
Due within one year	157	175
Due after one year	209	329
Total	366	504

Note: The future minimum lease payments equivalent is reported including the amount representing interest, because the sum of the amount of future minimum lease payments and the amount of estimated residual value is not significant in relation to the amount of notes receivable and accounts receivable-trade at the end of the fiscal year.

	<u>Year ended March 31, 2002</u>	<u>Year ended March 31, 2001</u>
	(millions of yen)	(millions of yen)
(3) Lease payments and depreciation equivalent		
Lease revenue	211	234
Depreciation	184	202

Tax Effect Accounting

1. Breakdown by significant factors of deferred taxes assets and deferred taxes liabilities

	<u>March 31, 2002</u> (millions of yen)	<u>March 31, 2001</u> (millions of yen)
(1) Current assets		
Deferred tax assets		
Accrued expense of special package of early retirement	6,959	-
Accrued bonuses	3,044	2,662
Allowance for non-billable services	500	570
Inventory valuation	562	634
Accrued business tax/accrued business office tax	484	625
Others	<u>1,075</u>	<u>754</u>
Total deferred tax assets	<u>12,626</u>	<u>5,247</u>
(2) Fixed assets		
Deferred tax assets		
Depreciation expenses	7,927	5,797
Amortization expenses of deferred assets	3,493	5,162
Allowance for retirement and severance benefits	5,691	4,001
Others	<u>1,380</u>	<u>898</u>
Subtotal	18,491	15,859
Valuation allowance	<u>(120)</u>	<u>(91)</u>
Total deferred taxes assets	18,371	15,767
Deferred tax liabilities		
Reserve for program	(3,505)	(3,330)
Others	<u>(1,375)</u>	<u>(525)</u>
Total deferred tax liabilities	<u>(4,881)</u>	<u>(3,855)</u>
Net deferred tax assets (liabilities)	<u>13,489</u>	<u>11,912</u>

2. Reconciliation between normal effective statutory tax rate and actual effective tax rate

	<u>Year ended</u> <u>March 31, 2002</u> %	<u>Year ended</u> <u>March 31, 2001</u> %
Normal effective statutory tax rate	42.1	42.1
Expenses not deductible for income tax purposes, such as entertainment expenses	(3.1)	4.2
Amount of per-capita local tax	(0.7)	0.8
Others-net	<u>0.2</u>	<u>(0.7)</u>
Actual effective tax rate	38.5	46.4

5. Segment Information

(1) Business segment information

Since the group's operations involve a single business segment under which the group provides computers, software, associated products and related services, there is no statement of business segment information.

(2) Geographic segment information

Since there are no consolidated subsidiaries overseas, there is no statement of geographic segment information.

(3) Overseas sales

Since the share of the overseas sales in the consolidated net sales is insignificant, the statement of overseas sales is omitted.

6. Status of Production, Orders and Sales

(1) Production

	Year ended March 31, 2002	Percent change from year ended March 31, 2001
	(millions of yen)	%
System services	87,182	14.3
Software	16,794	18.1
Total	103,477	14.9

(2) Orders

	Orders		Backlog	
	Year ended March 31, 2002	Percent change from year ended March 31, 2001	March 31, 2002	Percent change from March 31, 2001
	(millions of yen)	%	(millions of yen)	%
Hardware	85,554	(3.6)	37,676	10.5
Software	37,888	(15.6)	29,840	2.2
Services and others	175,841	(8.4)	101,523	42.7
Total	299,284	(8.1)	169,040	25.7

Note) Backlog is the amount projected to be realized as sales within a year.

(3) Sales

	Year ended March 31, 2002	Percent change from year ended March 31, 2001
	(millions of yen)	%
Hardware	86,574	(11.9)
Software	53,428	(15.3)
Services and others	167,895	11.3
Total	307,898	(1.4)

7. Securities

Year ended March 31, 2001

1. Other securities whose fair value is readily determinable

Since they are stated at cost, there is no statement of investment securities, which is subject to the ordinance No.9 issued by the Ministry of Finance in 2000 (Supplementary 3).

2. Other securities sold during the year ended March 31, 2001

Proceeds from sales of other securities	4,469 millions of yen
Gross realized gains	2,869 millions of yen

3. Type and carrying amount of securities whose fair value is not readily determinable

Other securities

Unlisted equity securities (excluding OTC securities)	1,372 millions of yen
Money Management Fund and other	405 millions of yen

Year ended March 31, 2002

1. Other securities whose fair value is readily determinable

	Historical cost (millions of yen)	Carrying amount (millions of yen)	Difference (millions of yen)
Those whose carrying amount exceed the historical cost			
Equity securities	2,630	5,454	2,824
Debt securities	20	20	0
Subtotal	2,650	5,475	2,824
Those whose carrying amount do not exceed the historical cost			
Equity securities	2,829	2,205	(623)
Debt securities	5	4	0
Subtotal	2,834	2,210	(623)
Total	5,484	7,685	2,201

2. Other securities sold during the year ended March 31, 2002

Proceeds from sales of other securities	2,843 millions of yen
Gross realized gains	913 millions of yen
Gross realized losses	(32) millions of yen

3. Type and carrying amount of securities whose fair value is not readily determinable

Other securities

Unlisted equity securities (excluding OTC securities)	1,767 millions of yen
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4. Repayment schedule of other securities with maturity and debt securities held to maturity

Other

Due within 1 year	5 millions of yen
Due after 1 year and within 5 years	20 millions of yen

8. Derivative transactions

Since the Company applies hedge accounting for all the derivative transactions, there is no statement of derivatives.

9. Retirement and severance benefits

(1) Overview of the benefit pension plan

The company funded, in the year ended March 31, 1969, defined benefit pension plan (Nihon Unisys Welfare Pension Fund (employees' pension plan-*Rengo* (joint) type, in which a company and its affiliated companies participate)), to which severance indemnities plan had been gradually transferred to be totally covered by the pension plan.

Of the consolidated subsidiaries, UNIADDEX, having accepted employees transferred from Nihon Unisys and succeeded the pension plan, participates in Nihon Unisys Welfare Pension Fund.

Other consolidated subsidiaries of the company have defined-benefit tax-qualified pension plans and severance indemnities plans.

Certain consolidated subsidiaries participate in employees' pension plans-*Sogo* (general) type, in which companies in the same industry participate, and, which is in accordance with the exception case of Practical Guidelines for Accounting for Pension Plans, Article 33. Out of the total amount of plan assets of the plans, the amount based on ratios of participants at those subsidiaries was 1,740 millions of yen as of March 31, 2002.

(2) Components of allowance for retirement and severance benefits	<u>March 31, 2002</u>	<u>March 31, 2001</u>
	(millions of yen)	(millions of yen)
a. Projected benefit obligations	(184,232)	(184,435)
b. Pension assets	97,767	114,053
c. Unrecognized benefit obligation (a + b)	<u>(86,464)</u>	<u>(70,381)</u>
d. Unrecognized obligation existing at transition	32,839	36,965
e. Unrecognized prior service cost	(3,972)	-
f. Unrecognized actuarial loss (gain)	43,360	23,809
g. Allowance for retirement and severance benefits (c + d + e + f)	<u><u>(14,236)</u></u>	<u><u>(9,606)</u></u>

- Notes:
1. The portion entrusted by the Government is included.
 2. Simplified method has been adopted by certain subsidiaries for calculating their benefit obligations.
 3. Prior service cost (decrease in liabilities) is accrued due to the revision of the term by which the age for the start of benefits has been raised in this fiscal year.

(3) Components of pension cost	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2002</u>	<u>March 31, 2001</u>
	(millions of yen)	(millions of yen)
a. Service cost	6,816	6,454
b. Interest cost	5,485	5,167
c. Expected return on assets	(4,485)	(4,675)
d. Amortization of obligation existing at transition	4,125	4,123
e. Amortization of prior service cost	(203)	-
f. Amortization of actuarial loss (gain)	2,391	-
g. Benefit expense (a + b + c + d + e + f)	14,130	11,070

- Notes: 1. Contribution by employees is excluded from the service cost.
2. Benefit expense of subsidiaries adopting simplified method is included in the service cost.
3. Other than the pension cost above, expense of special package of early retirement of ¥ 16,530 is accounted for as an extraordinary loss.

(4) Actuarial assumptions for the calculation of benefit obligations.	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2002</u>	<u>March 31, 2001</u>
a. Method for allocating estimated benefits	Straight-line method	Straight-line method
b. Discount rate	2.75 %	3.0 %
c. Expected rate of return on plan assets	4.0 %	4.0 %
d. Amortization period for prior service cost	10 years	-
e. Amortization period for actuarial gain (loss)	10 years	10 years
	(Straight-line method starting to be amortized in the following year)	(Straight-line method starting to be amortized in the following year)
f. Amortization period for unrecognized obligation existing at transition	10 years	10 years

10. Transactions with the Parties Concerned

Year ended March 31, 2002

Parent companies and primary corporate shareholders

Attribute		Other affiliates	
Company name		Mitsui & Co., Ltd.	Unisys Corporation
Address		Chiyoda-ku, Tokyo	Pennsylvania, U.S.A.
Paid-in capital		192,487 millions of yen	3 million US\$
Contents of business		Trading	Manufacturing/sales
Ratio of voting rights, etc. granted		Direct: 27.85%; Indirect: 0.01%	Direct: 27.85%
Relation	Directors also serving for another company	Serving for more than one company: 3; Move: 3	Serving for more than one company: 3; Transfer: 3
	Business relationship	Agent to purchase Unisys computer equipment	Manufacturer and vendor of computer and software.
Contents of transactions		Business transaction	Business transaction
		(1) Purchases of computer equipment for sale and rental, etc.	(2) Payment for fees for providing technology information and technology support, trademark royalties, and software license fees
Transaction amount		14,978 millions of yen	16,994 millions of yen
Account		Accounts payable and others	Current assets -other (Advances) Accounts payable and others
Balance at March 31, 2002		9,164 millions of yen	1,701 millions of yen 3,073 millions of yen

Note) 1. The above transaction amount does not include consumption taxes, and the balance at March 31, 2002 includes consumption taxes.

2. Transaction conditions and policy on determining transaction conditions

- (1) When purchasing computer equipment for sale and rental, terms and conditions are determined on a negotiation basis after presenting the Company's requested price to manufacturers such as Unisys Corporation.

As the Company purchases computer equipment through Mitsui & Co., Ltd., a purchase agent, the transaction amount is a total of the amount of purchases from manufacturers such as Unisys Corporation and expenses required for the purchases through the agent.

Individual conditions are determined for payments for fees for providing technology information and technology support, trademark royalties, and software license fees.

Financial Report for the Fiscal Year 2002, Ended March 31, 2002 (Non-consolidated)

Nihon Unisys, Ltd.

--Listing: Tokyo Stock Exchange First Section Code number: 8056

(URL <http://www.unisys.co.jp>)

--Head Office: 1-1, Toyosu 1-chome, Koto-ku, Tokyo 135-8560

--Date of the Meeting of the Board of Directors to Settle Accounts: May 8, 2002

--Date of the Ordinary General Meeting of Shareholders: June 26, 2002

-- Interim dividends plan: Exist

--Trading unit share plan: Exist (100 shares per trading unit share)

1. Business Results for the Fiscal Year 2002 (From April 1, 2001 to March 31, 2002)

(1) Results of Operations

	Net Sales	% change	Operating Income	% change	Recurring Profit	% change
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal Year 2002	273,384	(4.0)	2,568	9.8	6,116	5.7
Fiscal Year 2001	284,892	(2.6)	2,338	(84.2)	5,786	(63.7)

	Net (Loss) Income	% change	Net (Loss) Income per Share	Diluted Net Income per Share	Ratio of Net (Loss) Income/ Shareholders' Equity	Ratio of Recurring Profit / Total Assets	Ratio of Recurring Profit / Net Sales
	millions of yen	%	yen	yen	%	%	%
Fiscal Year 2002	(4,376)	-	(39.91)	-	(5.4)	2.6	2.2
Fiscal Year 2001	3,054	51.1	27.85	-	3.8	2.5	2.0

Notes) 1. Average number of shares outstanding

Fiscal year 2002: 109,663,265 shares

Fiscal year 2001: 109,663,524 shares

2. Change in accounting policies: Applicable

3. Percentages above mean increase/decrease over preceding fiscal year.

(2) Dividends

	Annual Dividends per Share			Total Dividends Paid	Dividends Payout Ratio	Ratio of Dividends/ Shareholders' Equity
	Interim	End of Period				
	yen	yen	yen	millions of yen	%	%
Fiscal Year 2002	7.50	3.75	3.75	822	-	1.0
Fiscal Year 2001	7.50	3.75	3.75	822	26.9	1.0

(3) Financial Standing

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	millions of yen	millions of yen	%	yen
Fiscal Year 2002	233,804	78,549	33.6	716.28
Fiscal Year 2001	231,784	82,504	35.6	752.34

Note) 1. Number of shares outstanding at the end of fiscal year

Fiscal year 2002: 109,663,010 shares

Fiscal year 2001: 109,663,524 shares

2. Number of treasury stocks at the end of fiscal year

Fiscal year 2002: 514 shares

Fiscal year 2001: 3 shares

2. Earning Forecast for the Fiscal Year 2003 (from April 1, 2002 to March 31, 2003)

	Net Sales	Recurring Profit	Net Income	Annual Dividends per Share		
				Interim	End of Period	
	millions of yen	millions of yen	millions of yen	yen	yen	yen
Interim	127,000	300	100	3.75	-	-
Full-year	285,000	8,700	4,700	-	3.75	7.50

Reference) Expected net income per share (full-year basis): 42.86 yen

Note) All the numbers regarding forecast are best estimate using information available as of today and decision based on them. You are advised that the final results might be different from the ones in this package due to changes of economy, market, or unknown factors today, etc. For the prerequisite for the forecast, please see page 7.

***This financial report is solely a translation of Japanese "Kessan Tanshin," including attachments, for the convenience of readers who prefer English translation.**

12. Non-consolidated Financial Statements

NON-CONSOLIDATED STATEMENTS OF INCOME

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)	
			Amount	% change
	millions of yen	millions of yen	millions of yen	%
Net sales	273,384	284,892	(11,508)	(4.0)
Cost of sales	206,066	209,775	(3,708)	(1.8)
Gross Profit	67,317	75,117	(7,799)	(10.4)
Selling, general and administrative expenses	64,749	72,778	(8,029)	(11.0)
Operating income	2,568	2,338	229	9.8
Non-operating income				
Interest and dividend income	2,536	488	2,047	
Gain on sale of listed securities	843	2,693	(1,849)	
Income from rental of buildings	482	617	(134)	
Other	833	1,551	(717)	
Non-operating expenses				
Interest expense and interest on bonds	1,069	1,240	(171)	
Exchange loss	-	556	(556)	
Other	79	105	(26)	
Recurring profit	6,116	5,786	330	5.7
Extraordinary gains				
Reversal of allowance for doubtful accounts	76	-	76	
Gain on sale of fixed assets	-	332	(332)	
Gain on sale of investment securities	32	173	(141)	
Extraordinary losses				
Expense of special package of early retirement	14,258	-	14,258	
Loss on devaluation of investment securities	251	315	(63)	
Loss on sale and disposal of fixed assets	109	101	7	
Provision for doubtful accounts	-	56	(56)	
Other	55	17	38	
(Loss) income before income taxes	(8,448)	5,801	(14,250)	-
Income taxes-current	2,775	3,677	(902)	
Income taxes-deferred	(6,847)	(929)	(5,917)	
Net (loss) income	(4,376)	3,054	(7,430)	-
Retained earnings carried forward	42,046	40,666	1,380	
Interim dividends	411	411	0	
Unappropriated retained earnings	37,258	43,308	(6,050)	(14.0)

NON-CONSOLIDATED BALANCE SHEETS

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)
	millions of yen	millions of yen	millions of yen
(ASSETS)			
Current assets			
Cash and time deposits	30,821	26,454	4,366
Notes receivable	818	1,066	(247)
Accounts receivable-trade	75,718	92,527	(16,808)
Treasury stock	-	0	(0)
Merchandises	12,614	9,727	2,886
Work in process	3,725	2,201	1,524
Supplies	14	24	(9)
Advances	2,000	1,962	38
Prepaid expenses	2,656	2,155	501
Deferred tax assets	9,499	3,520	5,979
Short-term loans receivable	12,250	7,562	4,687
Other	1,274	1,102	171
Allowance for doubtful accounts	(159)	(272)	112
Total current assets	151,236	148,032	3,203
Fixed assets			
Property and equipment			
Buildings and structures	5,439	4,888	551
Machinery and equipment	23,691	26,736	(3,045)
Tools and fixtures	2,740	4,247	(1,507)
Land	1,414	1,415	0
Construction in progress	-	825	(825)
Total property and equipment	33,286	38,113	(4,827)
Intangible fixed assets			
Software	11,855	8,405	3,450
Other	263	271	(7)
Total intangible fixed assets	12,119	8,676	3,442
Investments and other assets			
Investment securities	9,052	8,298	754
Investments in subsidiaries and affiliates	2,119	1,990	129
Investments in capital	261	283	(21)
Long-term loans receivable	143	18	124
Claim in bankruptcy and reorganization	734	804	(69)
Deferred tax assets	11,004	11,078	(73)
Deposits for landlord	13,535	14,070	(535)
Other	968	1,114	(145)
Allowance for doubtful accounts	(658)	(696)	37
Total investments and other assets	37,162	36,961	200
Total fixed assets	82,567	83,751	(1,183)
Total assets	233,804	231,784	2,020

	Year ended March 31, 2002	Year ended March 31, 2001	Increase (Decrease)
	millions of yen	millions of yen	millions of yen
(LIABILITIES)			
Current liabilities			
Notes payable	962	2,130	(1,168)
Accounts payable-trade	40,050	52,039	(11,989)
Current portion of long-term accounts payable	2,317	2,967	(649)
Short-term borrowings	8,620	10,540	(1,920)
Current portion of long-term debt	8,184	7,768	416
Current portion of bonds	10,000	-	10,000
Other accounts payable	14,985	867	14,118
Income taxes payable	2,115	3,551	(1,435)
Consumption taxes payable	2,659	2,536	123
Accrued expenses	9,866	12,069	(2,202)
Advances received	7,958	7,440	517
Deposits received	3,438	715	2,723
Deferred income	147	128	19
Allowance for non-billable services	1,182	1,356	(174)
Current portion of allowance for the New Career Support Program	270	272	(1)
Other	901	938	(36)
Total current liabilities	113,662	105,320	8,341
Long-term liabilities			
Bonds	-	10,000	(10,000)
Long-term accounts payable	2,412	2,338	74
Long-term debt	25,674	21,258	4,416
Long-term deposits received	1,712	1,066	645
Allowance for retirement and severance benefits	10,808	8,345	2,463
Allowance for directors' and corporate auditors' retirement benefits	274	454	(180)
Allowance for the New Career Support Program	468	497	(28)
Other	242	-	242
Total long-term liabilities	41,592	43,959	(2,366)
Total liabilities	155,254	149,279	5,974
(SHAREHOLDERS' EQUITY)			
Common stock	5,483	5,483	-
Additional paid-in capital	15,281	15,281	-
Legal reserve	1,370	1,370	-
Retained earnings			
Voluntary reserve			
Reserve for obsolete equipment	8,350	8,350	-
General reserve	4,400	4,400	-
Reserve for program	4,581	3,907	674
Reserve for reduction of assets' cost	135	135	-
Reserve for special depreciation	393	266	127
Unappropriated retained earnings	37,258	43,308	(6,050)
Total retained earnings	55,119	60,368	(5,249)
Net unrealized gains on securities	1,294	-	1,294
Treasury stock	(0)	-	0
Total shareholders' equity	78,549	82,504	(3,954)
Total liabilities and shareholders' equity	233,804	231,784	2,020

PROPOSAL FOR APPROPRIATION OF RETAINED EARNINGS
(NON-CONSOLIDATED)

	Fiscal 2001	Fiscal 2001	Difference
	million yen	million yen	million yen
Unappropriated retained earnings	37,258	43,308	(6,050)
Reversal of reserve for program	433	511	(77)
Reversal of reserve for special depreciation	61	38	23
Total	37,753	43,858	(6,104)
The above shall be appropriated as follows:			
Cash dividends	411	411	0
(Dividends per share)	(3.75 yen)	(3.75 yen)	(-)
Bonus to directors	-	50	(50)
Reserve for program	674	1,185	(510)
Reserve for special depreciation	-	165	(165)
Total	1,086	1,812	(726)
Retained earnings carried forward	36,667	42,046	(5,378)

Note) The company paid interim dividends as follows:

<u>Date of payments</u>	<u>December 10, 2001</u>	<u>December 11, 2000</u>
Total amounts	411 million yen	411 million yen
(Dividends per share)	(3.75 yen)	(3.75 yen)

Notes

Notes on Non-consolidated Balance Sheets

	<u>March 31, 2002</u> (millions of yen)	<u>March 31, 2001</u> (millions of yen)
(1) Accumulated depreciation of property and equipment	108,517	106,361
(2) Contingent liabilities	6,085	7,668
(3) Accounting for notes whose due date falls on the balance sheet dates: As financial institutions in Japan were closed on March 31, 2002 and March 31, 2001, amounts of notes whose due date falls on one of these days were accounted for assuming that they were settled on that day. The amounts of notes whose due date falls on March 31, 2002 and March 31, 2001 are as follows.		
Notes receivable	5	656
Notes payable	349	428