

Financial Report for the Six-Month Period Ended September 30, 2000 (Consolidated)

Nihon Unisys, Ltd.

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

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

--Date of the Meeting of the Board of Directors to Settle Interim Accounts: November 13, 2000

1. Business Results for Interim Period of Fiscal 2001 (From April 1, 2000 to September 30, 2000)

(1) Results of Operations (Figures are rounded down to the nearest million yen)

	Net Sales	Change	Operating Income	Change	Recurring Profit	Change
	million yen	%	million yen	%	million yen	%
Current Interim Period	130,522	-	-605	-	1,609	-
Previous Interim Period	-	-	-	-	-	-
Previous Fiscal Year	311,318		18,642		19,373	

	Net Income	Change	Net Income per Share	Diluted Net Income per Share
	million yen	%	yen	yen
Current Interim Period	984	-	8.98	-
Previous Interim Period	-	-	-	-
Previous Fiscal Year	3,605		32.88	-

Notes) 1. Equity in net income of subsidiaries and affiliates

Current interim period: - million yen

Previous interim period: - million yen

Previous fiscal year: - million yen

2. Unrealized gain or loss on derivative transactions

- million yen

3. Change in accounting policies: None

4. The consolidated first half results were not presented up to fiscal 2000.

(2) Financial Standing

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	million yen	million yen	%	yen
Current Interim Period	226,661	89,004	39.3	811.62
Previous Interim Period	-	-	-	-
Previous Fiscal Year	246,217	88,501	35.9	807.03

(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
	million yen	million yen	million yen	million yen
Current Interim Period	4,732	-6,098	-743	34,124
Previous Interim Period	-	-	-	-
Previous Fiscal Year	16,468	-18,979	-6,402	36,233

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

Number of consolidated subsidiaries: 14

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 0 Decrease 0

Equity method: Increase 0 Decrease 0

2. Earnings Forecast for Fiscal 2001 (from April 1, 2000 to March 31, 2001)

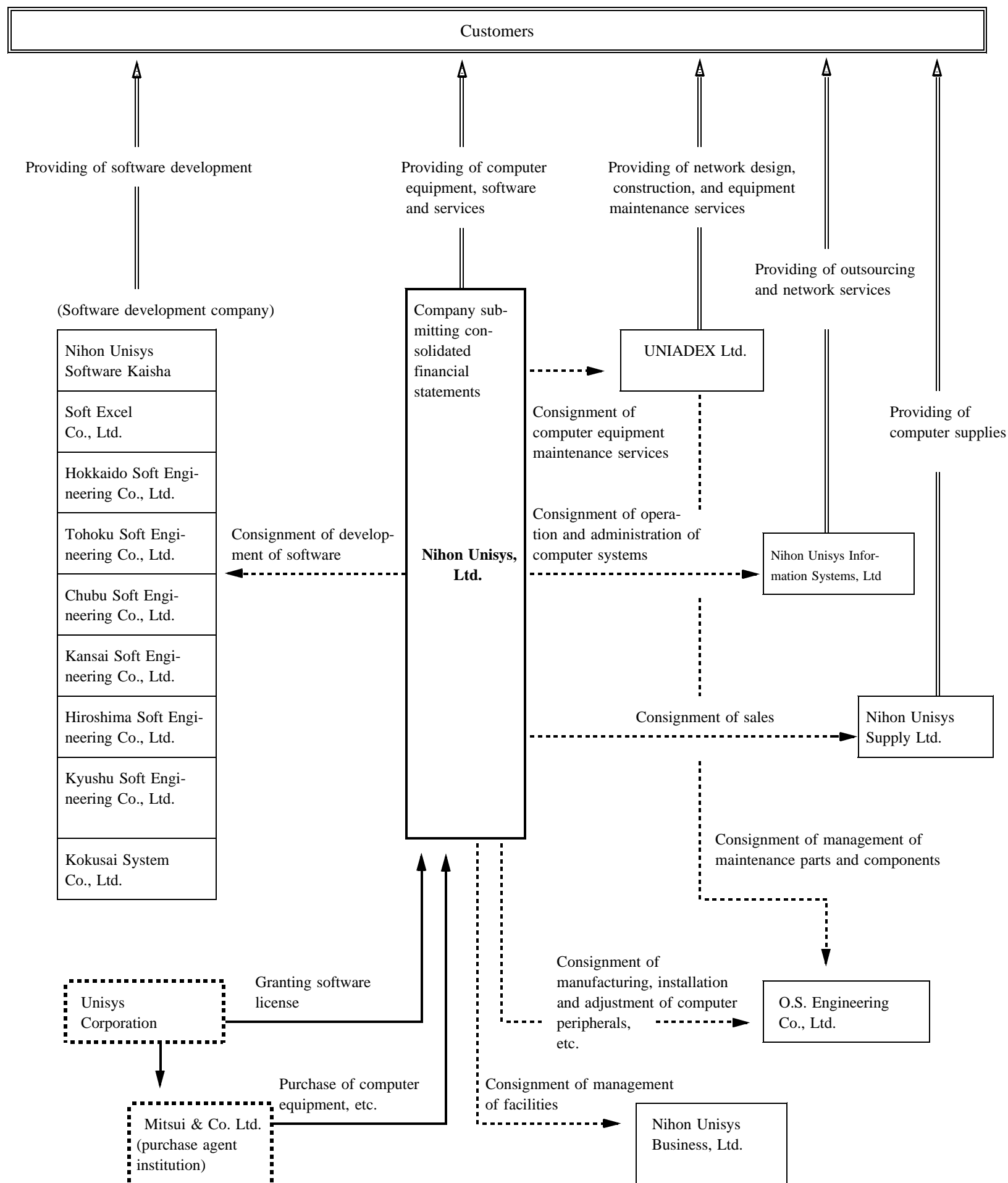
	Net Sales	Recurring Profit	Net Income
	million yen	million yen	million yen
Full-year	312,000	9,800	5,000

Reference) Expected net income per share (full-year basis): 45.59 yen

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

1. State of the Corporate Group

The following is a chart in which the state of the corporate group is shown by business activity:



Note: Consolidated subsidiaries Other affiliates

2. Management Policies

The structure of our society and the ways of doing business are in the midst of big changes as the Internet spreads out. Various kinds of new businesses and services are being created. Facing the changes of environments and markets, it is getting more and more indispensable for corporate players to sharpen their competitiveness leveraging information technologies as well as reviewing and restructuring conventional business models. Under such circumstances, Nihon Unisys Group declared to be "Solution Creators who support development and prosperity of the Internet society," which is our management vision. We are facilitating structural reforms to transform into such a structure that is quick responsive to changes of the market. The key points of our 5th Mid-term Business Plan starting in fiscal year 2001 are as follows.

- (1) Reinforce the company structure so as to respond to growing E-business and concentrate management resources on focused areas.
- (2) Cement partnership and provide optimum solutions to customers.
- (3) Promote BPR (Business Process Reengineering) to strengthen our infrastructure of our business base.
- (4) Maximize the Nihon Unisys Group power improving management efficiency and profitability.

Executing necessary measures, we intend to grow our overall business as Nihon Unisys Group aiming to achieve 10% of consolidated ROE in fiscal year 2003 ending March 31, 2003.

Recognizing our core competence, we continue to strive to sharpen our competitiveness in the market under our company philosophy, "Always better serve customers with high quality and expertise." Specifically, we are promoting employees to get technical skill certificates from well-known companies and refurbishing internal technical skill recognition programs while improving internal training and education programs. Also, we are providing various solutions to the market by combining our innovative platforms like Unisys e-@ction Enterprise Server ES7000 with latest products of well-known vendors leveraging our global alliances.

Meanwhile, in the aspect of system development, we are improving our productivity and shortening project term standardizing our methodologies and processes and re-using software components. We are making every endeavor to provide quality services quickly to our customers.

In addition, we are thickening our service menu line-up with global standard-complied software products, outsourcing services as well as providing services as ASP (Application Service Provider). All those things are to help customers resolve their issues and grow their businesses, as a result of which, we are striving to get their confidence of us and satisfaction with us.

Although business conditions of the IT market surrounding Nihon Unisys Group will continue to be tough, we will make an endeavor to innovate our business structure and processes so as to reinforce our responding power to changes of the market as well as improving management efficiency and financial structure.

3. Business Result

1. Overview of 1st half of fiscal year 2001

As for the Japanese economy during the 1st half of the fiscal year, facility investment showed some recovery but employment and income situations were still tough making consumers' consumption sluggish.

In the IT industry, demands for PC and mobile communications were on the increase. New businesses via Internet sprouted up. Sales competition was quite tough. Quick and appropriate way of response was strongly required.

Under such circumstances, Nihon Unisys Group expanded sales of ES7000, an optimum platform for E-business as well as various hardware and software products. Also, we expanded services like ASP business ("asaban.com") and outsourcing service business. In addition, we thickened our product/service line-up leveraging alliances so as to better respond customers' needs providing total solutions. Internally, to reinforce our infrastructure of our business base, we promoted innovation of our information systems through BPR.

With regard to our performance in the 1st half on a consolidated basis, the order volume was on the increase, however, in the hardware business, upgrade business of mainframe was stagnant especially among regional financial institutions in the system service business, some of the large-scale projects were postponed to start, as a result, the net sales was not more than 130,522 million yen.

Despite of our efforts of expense reduction, the operating income was inked in red in the amount of 605 million yen due to decline of net sales, booking of amortization of projected benefit obligation, and increase of sales support cost for system development services.

In the meantime, we reviewed the stocks we have and sold some, which contributed to improvement of non-operating income, as a result, we secured 1,609 million yen of recurring profit. Adding extraordinary gains from selling properties, the net income became 984 million yen.

The net sales being broken down, that of hardware was 39,127 million yen (30%), that of software was 28,613 million yen (21.9%) while that of services 62,781 million yen (48.1%).

Considering the full-year forecast and ensuring stable dividend payment for shareholders, 3.75 yen of interim dividend per share, the same amount as we did last year, is decided to be paid.

2. Outlook of fiscal year 2001

The Japanese economy is yet to reach a situation that can be described as on the way of "voluntary recovery" due to weak consumers' consumption although it is on the trend of gradual recovery thanks to increase of facility

investment.

The computer industry is the area that can be expected to grow as a result of the recovery of IT investment, but competition will be tougher and tougher in E-business and other areas.

Under such circumstances, we project our full-year net sales on a consolidated will be 312,000 million yen, which is similar level to that of last year, being impacted by decline of the 1st half net sales despite of launch of big project in the 2nd half and increase of orders.

In the meantime, we will be able to secure 9,800 million yen of recurring profit and 5,000 million yen of net income by further facilitating profitability improvement and cost reduction in the 2nd half.

The current projection for fiscal year 2001 is as follows:

(Consolidated basis)

	Net sales	Operating income	Recurring profit	Net income
Full-year	312,000 million yen	7,700 million yen	9,800 million yen	5,000 million yen
Change	+0.2%	-58.7%	-49.4%	+38.7%

(Non-consolidated basis)

	Net sales	Operating income	Recurring profit	Net income
Full-year	290,000 million yen	4,800 million yen	7,000 million yen	3,900 million yen
Change	-0.9%	-67.6%	-56.1%	+93.0%

4. Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF INCOME

	Fiscal 2001 1st half	Fiscal 2000 full year
	million yen	million yen
Net sales	130,522	311,318
Cost of sales	90,143	212,141
Gross profit	40,378	99,177
Selling, general and administrative expenses	40,984	80,535
Operating (loss) income	(605)	18,642
Non-operating income		
Interest and dividend income	194	420
Gain on sales of marketable securities	1,510	394
Exchange gain	-	404
Other-net	1,293	1,427
Non-operating expenses		
Interest expense and interest on bonds	623	1,333
Other-net	160	582
Recurring profit	1,609	19,373
Extraordinary gains		
Gain on sales of fixed assets	411	1,308
Other-net	203	-
Extraordinary losses		
Provision for prior service costs relating to previous years	-	6,955
Special retirement expense	-	5,671
Other-net	116	559
Income before income taxes and minority interests	2,107	7,494
Income, residential and business taxes	1,027	3,754
Minority interests in net income	95	134
Net income	984	3,605

CONSOLIDATED BALANCE SHEETS

	Fiscal 2001	Fiscal 2000
	1st half	full year
	As of September 30, 2000	As of March 31, 2000
	million yen	million yen
(ASSETS)		
Current assets		
Cash and time deposits	25,197	30,932
Notes receivable and accounts receivable-trade	73,685	94,265
Marketable securities	1,105	9,017
Inventories	21,511	12,109
Deferred tax assets	3,865	3,681
Short-term loans receivable	8,009	5,018
Other current assets	7,823	6,410
Allowance for doubtful accounts	(252)	(368)
Total current assets	140,945	161,067
Fixed assets		
Tangible fixed assets		
Buildings and structures	7,496	7,747
Machinery, equipment and vehicles	28,077	34,026
Land	1,673	1,785
Other tangible fixed assets	4,118	3,897
Total tangible fixed assets	41,365	47,457
Intangible fixed assets		
Software	6,450	6,051
Other intangible fixed assets	362	360
Total intangible fixed assets	6,813	6,411
Investments and other assets		
Investment securities	9,600	1,500
Deferred tax assets	11,567	11,784
Deposits for landlord	14,364	15,806
Other investments	2,837	3,076
Allowance for doubtful accounts	(831)	(887)
Total investments and other assets	37,538	31,280
Total fixed assets	85,716	85,149
Total assets	226,661	246,217

	Fiscal 2001 1st half	Fiscal 2000 full year
	As of September 30, 2000	As of March 31, 2000
	million yen	million yen
(LIABILITIES)		
Current liabilities		
Notes payable and accounts payable-trade	32,731	45,658
Short-term loans	12,543	12,401
Current portion of long-term loans	6,808	6,613
Income taxes payable	972	2,621
Accrued expenses	16,665	16,604
Allowances	1,431	1,917
Other current liabilities	17,023	18,762
Total current liabilities	88,175	104,580
Long-term liabilities		
Bonds	10,000	10,000
Long-term loans	22,543	23,210
Allowance for retirement and severance benefits	11,110	-
Allowance for prior service costs	-	12,316
Other allowances	991	1,202
Other long-term liabilities	3,564	5,226
Total long-term liabilities	48,210	51,956
Total liabilities	136,386	156,536
Minority interests	1,270	1,179
(SHAREHOLDERS' EQUITY)		
Common stock	5,483	5,483
Additional paid-in capital	15,281	15,281
Retained earnings	68,240	67,737
Treasury stock	(0)	(1)
Total shareholders' equity	89,004	88,501
Total liabilities, minority interests and shareholders' equity	226,661	246,217

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Fiscal 2001 1st half	Fiscal 2000 full year
	million yen	million yen
Balance of retained earnings at the beginning	67,737	65,025
Decrease in retained earnings	482	893
Cash dividends	411	822
Bonuses to directors and corporate auditors	71	71
Net income	984	3,605
Balance of retained earnings at the end	68,240	67,737

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal 2001 1st half	Fiscal 2000 full year
	million yen	million yen
I Cash flows from operating activities		
Income before income taxes and minority interests	2,107	7,494
Depreciation and amortization	9,510	22,129
Special retirement expense	-	5,671
Gain on sales of fixed assets	(411)	(1,308)
Decrease in allowances	(2,074)	(875)
Interest and dividend income	(194)	(420)
Interest expense	623	1,333
Decrease (increase) in accounts receivable-trade	20,579	(10,117)
(Increase) decrease in inventories	(6,281)	2,049
(Decrease) increase in accounts payable-trade	(12,622)	6,151
Other-net	(3,457)	3,449
Subtotal	7,779	35,557
Interest and dividend received	209	396
Interest paid	(612)	(1,345)
Special retirement expense paid	-	(5,671)
Income taxes paid	(2,643)	(12,468)
Net cash provided by operating activities	4,732	16,468
II Cash flows from investing activities		
Payments for purchases of marketable securities	-	(529)
Proceeds from sales of marketable securities	-	1,317
Payments for purchases of tangible fixed assets	(6,045)	(16,208)
Proceeds from sales of tangible fixed assets	625	1,861
Payments for purchases of intangible fixed assets	(2,792)	(5,834)
Payments for purchases of investment securities	(240)	(909)
Proceeds from sales of investment securities	2,289	-
Decrease in loans receivable	-	1,000
Other-net	65	323
Net cash used in investing activities	(6,098)	(18,979)
III Cash flows from financing activities		
Increase (decrease) in short-term loans	142	(5,425)
Proceeds from long-term loans	-	950
Repayments of long-term loans	(471)	(1,097)
Payments for repurchase of treasury stock	(11)	(165)
Proceeds from sales of treasury stock	12	164
Cash dividends paid	(411)	(822)
Cash dividends paid to minority interests	(3)	(6)
Net cash used in financing activities	(743)	(6,402)
IV Decrease in cash and cash equivalents	(2,109)	(8,913)
V Cash and cash equivalents, beginning of year	36,233	42,613
VI Increase in cash and cash equivalents due to expansion in scope of consolidated subsidiaries	-	2,534
VII Cash and cash equivalents, end of year	34,124	36,233

Basic Matters for Preparation of Consolidated Interim Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 14

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

(2) Number of non-consolidated subsidiaries: 2

2. Application of the equity method

NUL Systems Service Corporation (a non-consolidated subsidiary), one other non-consolidated subsidiary, Toyota Soft Engineering Co., Ltd. (an affiliate), and six other affiliates, nine in total, are excluded from the equity method because none 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. The interim fiscal year of consolidated subsidiaries

Of consolidated subsidiaries, Kokusai System Co., Ltd. is a company whose interim book closing date (June 30) differs from the consolidated interim closing date.

Consolidated interim financial statements are prepared using the financial statements as of this day, and the necessary adjustments for consolidation are made with respect to significant transactions occurring over the period from the interim settlement day to the consolidated interim settlement day.

4. Standards for accounting procedures

(1) Valuation standard and method of significant assets

a. Securities

Investment securities

- Those that have market value:

At cost using the moving-average method

- Those that do not have market value:

At cost using the moving-average method

b. Inventories

- Machinery merchandise:

At cost by the specific identification method

- Parts for maintenance services and other merchandise or supplies:

At cost by the moving-average method

<Additional information>

Sub-assembly products that are used for maintenance of rental computers are depreciated as tangible fixed assets being regarded as part of rental computers. But from this term, they are expensed at the time of use being re-classified as inventory. This change is made as the Company transferred the subject assets to our subsidiary, UNIADDEX Ltd., which is a maintenance service company, on April 1, 2000 and sub-assembly products, which are getting smaller, are usually expensed at the time of replacement recently.

As a result, the inventory increased by 3,873 million yen and so did operating income, recurring profit, and income before income taxes and minority interests by 672 million yen, respectively.

(2) Depreciation/amortization method for significant fixed assets

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. The useful life ranges from six to fifty years.

Rental computers (indicated in "machinery, equipment and vehicles"):

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

Software:

By comparing the amortization amount based on estimated margin with the amount equally allocated during the estimated possible sales period, the larger amount shall be posted.

In this connection, the estimated possible sales period is in principle considered three years.

(3) Appropriation method for significant allowances

Allowance for retirement and severance benefits:

To prepare for the retirement and severance benefits for employees, based on our projection for the retirement benefit obligation and the pension asset, the supposed amount that should have occurred during the 1st half period was booked. As for the gap amount occurred when the accounting for retirement benefits was introduced (41,071 million yen) was expensed in 10- year installment.

Allowance for doubtful accounts:

To provide reserves to offset losses from doubtful accounts, the projected amount of uncollectable receivables is booked examining collectable amount for each item applying available several methods.

(4) Method of treating significant leases

For finance leases apart from those where it is acknowledged that the ownership of the lease is to be transferred to the borrower, the accounting procedure used is based on a method involving normal rental transactions.

(5) Significant hedge accounting method

The Company is conducting hedge transaction using interest rate swap agreements and forward exchange contracts as hedge vehicles. Our way of hedge accounting for hedge transaction is deferred hedge process. As for foreign currency-based debts with which forward exchange contract is linked, the allotment transfer method is applied.

(6) Consumption taxes

The tax exclusion method has been adopted for accounting for consumption taxes.

5. Scope of funds in the consolidated statements of cash flows

The scope of funds (cash and cash equivalents) in the consolidated statements of cash flows covers cash on hand, deposits that can be withdrawn whenever necessary, and short-term investment instruments which mature within three months from the acquisition date and can also be easily liquidated, with a little risk in terms of fluctuation of the value.

Additional Information

1. Accounting for retirement benefits

Under the "Opinion Concerning the Establishment of Accounting Standard for Retirement Benefits" by the Business Accounting Deliberation Council on June 16, 1998, the Company started applying the accounting for retirement benefits from this term. As a result of this change, compared with the past method, the retirement benefit cost increased by 415 million yen and the recurring profit and income before income taxes and minority interests decreased by 415 million yen, respectively.

Allowance for prior service costs of previous fiscal year is included in "allowance for retirement and severance benefits."

2. Accounting for financial instruments

Under the "Opinion Concerning Establishment of Accounting Standard for Financial Instruments" by the Business Accounting Deliberation Council on January 22, 1999, the Company started applying accounting for financial instruments from this term and changed appraisal method for marketable securities. As a result, compared with the past method, the recurring profit and income before income taxes and minority interests increased by 126 million yen, respectively. Also, each purpose of holding marketable securities were checked and cash equivalents items (money management funds, etc.) are indicated as marketable securities of current assets and others are indicated as investment securities. As a result, the transferred amount from marketable securities of current assets to investment securities was 8,577 million yen.

Out of investment securities, those that have market value are not evaluated with their market value. The followings are the items in investment securities, excluding investments in subsidiaries, which are subject to the ordinance issued by the Ministry of Finance in 2000 (Supplementary 11-3)

Investment securities (excluding investments in subsidiaries)

Book value	8,125 million yen
Market value	15,546 million yen
Appraisal variance equivalent	4,295 million yen
Deferred tax liability equivalent	3,124 million yen
Minority interests equivalent	1 million yen

3. Accounting standards for foreign currency transactions

From this term, the Company started applying the revised "Accounting Standards for Foreign Currency Transactions" by the Business Accounting Deliberation Council on October 22, 1999.

The effects of this change are negligible.

Notes on Consolidated Statements of Income

	<u>Fiscal 2001, 1st half</u>	<u>Fiscal 2000</u>
1. Depreciation and amortization of fixed assets		
Tangible fixed assets	7,295 million yen	17,066 million yen
<u>Intangible fixed assets</u>	<u>2,215</u>	<u>5,062</u>
Total	9,510	22,129
2. Tax effect accounting		
As for the tax amount, the Company applied the simplified method, so the adjustment to income, residential and business taxes is included in "income, residential and business taxes."		

Notes on Consolidated Balance Sheets

	<u>Fiscal 2001, 1st half</u>	<u>Fiscal 2000</u>
1. Accumulated depreciation of tangible fixed assets	118,494 million yen	134,204 million yen
2. Liabilities for guarantee	8,018	8,242
3. Accounting process for notes whose due date falls on the end of the term: (This term's end date was holiday, so we processed assuming that the settlement was made on the due date.)		
Notes receivables	236	
Notes payables	862	

Notes on Consolidated Statements of Cash Flows

Relations between the balance of cash and cash equivalents as of the end of the semi-annual term and the amount of items described in the semi-annual balance sheet.

	<u>Fiscal 2001, 1st half</u>	<u>Fiscal 2000</u>
Cash and time deposits	25,197 million yen	30,932 million yen
Time deposit whose term exceeds three months	-177	-139
Marketable securities (Money management fund, etc.)	1,105	440
Loans receivable (Repurchase agreement("Gensaki"))	7,997	5,000
Cash and cash equivalents	<u>34,124</u>	<u>36,233</u>

5. Segment Information

(1) Business segment information

Since the group's operations involve a single business classification 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 negligible, the statement of overseas sales is omitted.

6. State of Production, Orders and Sales

(1) State of production

	Fiscal 2001, 1st half	Fiscal 2000, full year
	million yen	million yen
System services	30,226	69,348
Software	5,472	12,340
Total	35,699	81,688

(2) State of orders

	Fiscal 2001, 1st half		Fiscal 2000, full year	
	Orders	Backlog	Orders	Backlog
	million yen	million yen	million yen	million yen
Hardware	42,806	44,262	107,041	37,268
Software	20,267	34,610	58,530	34,252
Services and others	91,949	84,642	129,637	59,037
Total	155,022	163,515	295,209	130,558

(3) State of sales

	Fiscal 2001, 1st half	Fiscal 2000, full year
	million yen	million yen
Hardware	39,127	109,573
Software	28,613	59,717
Services and others	62,781	142,027
Total	130,522	311,318

7. Marketable Securities

(Fiscal 2001, 1st half)

1. Securities that have market value

Investment securities are stated at cost.

2. Securities that do not have market value

	Fiscal 2001, 1st half (as of September 30, 2000)
	Book value
Investment securities	million yen
(1) Unlisted stocks (excluding OTC securities)	1,246
(2) Others	1,105
Total	2,351

(Fiscal 2000, full year)

Market Value of Securities, etc.

	Fiscal 2000 (as of March 31, 2000)		
	Book value	Market value	Unrealized gains or losses
(1) Current assets	million yen	million yen	million yen
Stocks	8,538	18,959	10,420
Bonds	38	38	0
Others	31	440	0
Subtotal	8,607	19,438	10,420
(2) Fixed assets			
Stocks	2	2	0
Subtotal	2	2	0
Total	8,610	19,441	10,420

- Notes)
1. Method of computing market value, etc.
 - 1) Listed securities --- Primarily by closing price on the Tokyo Stock Exchange
 - 2) Over-the-counter securities --- Trading price announced by the Japan Securities Dealers Association
 - 3) Beneficiary securities of non-listed securities investment trusts --- By base price
 2. Book value for securities excluded from the above schedule is as follows:

Current assets	Money Management Fund	410 million yen
Fixed assets	Unlisted stocks excluding OTC securities	1,497 million yen

8. Derivatives

(Fiscal 2001, 1st half)

The Company applies hedge accounting from this period.

(Fiscal 2000, full year)

(1) Currency related data

	Type	Fiscal 2000 (as of March 31, 2000)			
		Contract amounts		Market value	Unrealized gains or losses
		million yen	Of which, over one year million yen		
Outside market trading	Forward exchange contract On buyer's side (US\$)	1,332	-	1,354	21
Total				1,354	21

Notes) 1. Method of computing market value

Forward exchange contract

Computed using a forward rate.

2. When the yen amount of monetary claims and debts in foreign currencies is fixed at the time of settlement because of the presence of forward exchange contracts, amounts indicated in yen in the balance sheets are excluded from the scope of disclosure.

(2) Interest related data

	Type	Fiscal 2000 (as of March 31, 2000)			
		Contract amounts		Market value	Unrealized gains or losses
		million yen	Of which, over one year million yen		
Outside market trading	Interest rate swap Fixed rate payment/ Floating rate receipt	6,000	6,000	(77)	(77)
Total		6,000	6,000	(77)	(77)

Notes) 1. Method of computing market value

Using market value presented by leading financial institutions

2. The above contract amounts (notional principal amounts) for derivatives do not measure the Company's exposure to credit or market risk associated with the amount itself.

Financial Report for the Six-Month Period Ended September 30, 2000 (Non-consolidated) Nihon Unisys, Ltd.

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

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

--Date of the Meeting of the Board of Directors to Settle Interim Accounts: November 13, 2000

--The Company has a policy of paying interim dividends.

--The interim dividends will start to be paid on December 11, 2000.

1. Business Results for Interim Period of Fiscal 2001 (From April 1, 2000 to September 30, 2000)

(1) Results of Operations

(Figures are rounded down to the nearest million yen)

	Net Sales	Change	Operating Income	Change	Recurring Profit	Change
	million yen	%	million yen	%	million yen	%
Current Interim Period	118,869	-7.6	-1,742	-129.7	689	-89.7
Previous Interim Period	128,603	-0.3	5,858	-0.4	6,721	148.6
Previous Fiscal Year	292,506		14,814		15,932	

	Net Income	Change	Net Income per Share
	million yen	%	yen
Current Interim Period	582	-	5.31
Previous Interim Period	-635	-	-5.79
Previous Fiscal Year	2,021		18.43

Notes) 1. Average number of shares outstanding of fiscal year

Current interim period: 109,663,524 shares

Previous interim period: 109,663,524 shares

Previous fiscal year: 109,663,524 shares

2. Change in accounting policies: None

3. Percentages above mean increase/decrease over preceding interim period.

(2) Dividends

	Interim Dividends per Share	Annual Dividends per Share
	yen	yen
Current Interim Period	3.75	-
Previous Interim Period	3.75	-
Previous Fiscal Year	-	7.50

(3) Financial Standing

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	million yen	million yen	%	yen
Current Interim Period	205,887	80,444	39.1	733.55
Previous Interim Period	219,125	78,087	35.6	712.06
Previous Fiscal Year	226,866	80,332	35.4	732.54

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

September 30, 2000: 109,663,524 shares

September 30, 1999: 109,663,524 shares

March 31, 2000: 109,663,524 shares

2. Earnings Forecast for Fiscal 2001 (from April 1, 2000 to March 31, 2001)

	Net Sales	Recurring Profit	Net Income	Annual Dividends per Share	
				Interim	
Full-year	million yen	million yen	million yen	yen	yen
	290,000	7,000	3,900	3.75	7.50

Reference) Expected net income per share (full-year basis): 35.56 yen

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

10. Non-consolidated Financial Statements

NON-CONSOLIDATED STATEMENTS OF INCOME

	Fiscal 2001 1st half	Fiscal 2000 1st half	Fiscal 2000 full year
	million yen	million yen	million yen
Net sales	118,869	128,603	292,506
Cost of sales	85,135	88,782	206,163
Gross Profit	33,733	39,820	86,343
Selling, general and administrative expenses	35,476	33,962	71,528
Operating income (loss)	(1,742)	5,858	14,814
Non-operating income			
Interest and dividend income	265	277	503
Gain on sales of marketable securities	1,510	-	392
Exchange gain	-	-	404
Other-net	1,433	1,649	1,685
Non-operating expenses			
Interest expense and interest on bonds	626	680	1,331
Other-net	151	383	535
Recurring profit	689	6,721	15,932
Extraordinary gains			
Gain on sales of fixed assets	313	1,308	1,308
Other-net	221	63	-
Extraordinary losses			
Provision for prior service costs relating to previous years	-	3,354	6,708
Special retirement expense	-	5,671	5,671
Other-net	105	427	495
Income (loss) before income taxes	1,118	(1,360)	4,365
Income, residential and business taxes	536	(725)	2,343
Net income (loss)	582	(635)	2,021
Retained earnings at the beginning of year	40,666	40,580	40,580
Interim dividends	-	-	411
Unappropriated retained earnings	41,248	39,944	42,190
(Note) Depreciation and amortization of fixed assets	million yen	million yen	million yen
Tangible fixed assets	6,780	8,072	16,079
Intangible fixed assets	2,164	3,628	4,985
Total	8,944	11,701	21,065

NON-CONSOLIDATED BALANCE SHEETS

	Fiscal 2001	Fiscal 2000	Fiscal 2000
	1st half	1st half	full year
	As of Sep. 30, 2000	As of Sep. 30, 1999	As of Mar. 31, 2000
	million yen	million yen	million yen
(ASSETS)			
Current assets			
Cash and time deposits	21,280	21,943	23,599
Notes receivable	624	695	478
Accounts receivable-trade	67,547	56,843	89,260
Marketable securities	700	12,400	8,542
Inventories	13,999	12,710	10,893
Deferred tax assets	2,788	3,634	2,788
Short-term loans receivable	12,265	18,897	6,477
Other current assets	6,866	6,378	5,573
Allowance for doubtful accounts	(216)	(409)	(345)
Total current assets	125,856	133,093	147,269
Fixed assets			
Tangible fixed assets			
Buildings and structures	5,037	5,493	5,228
Machinery, equipment and vehicles	25,846	36,066	31,717
Land	1,415	1,941	1,941
Other tangible fixed assets	3,469	2,630	3,234
Total tangible fixed assets	35,769	46,132	42,122
Intangible fixed assets			
Software	6,216	7,448	5,816
Other intangible fixed assets	274	338	278
Total intangible fixed assets	6,491	7,786	6,094
Investments and other assets			
Investment securities	11,172	3,178	3,138
Deferred tax assets	10,880	11,328	10,880
Deposits for landlord	13,982	15,492	15,463
Other investments	2,524	2,785	2,747
Allowance for doubtful accounts	(789)	(671)	(849)
Total investments and other assets	37,770	32,113	31,380
Total fixed assets	80,030	86,032	79,597
Total assets	205,887	219,125	226,866

	Fiscal 2001	Fiscal 2000	Fiscal 2000
	1st half	1st half	full year
	As of Sep. 30, 2000	As of Sep. 30, 1999	As of Mar. 31, 2000
	million yen	million yen	million yen
(LIABILITIES)			
Current liabilities			
Notes payable	2,645	2,449	2,568
Accounts payable-trade	28,725	24,879	43,895
Short-term loans	10,540	15,150	10,540
Current portion of long-term loans	6,742	1,002	6,547
Accrued income taxes	478	-	1,259
Accrued expenses	12,021	11,583	10,043
Allowances	1,431	1,104	1,917
Other current liabilities	15,633	24,638	18,823
Total current liabilities	78,219	80,806	95,595
Long-term liabilities			
Bonds	10,000	10,000	10,000
Long-term loans	22,492	28,284	23,126
Allowance for retirement and severance benefits	9,927	-	-
Allowance for prior service costs	-	16,594	11,457
Other allowances	958	974	845
Other long-term liabilities	3,846	4,378	5,508
Total long-term liabilities	47,224	60,232	50,937
Total liabilities	125,443	141,038	146,533
(SHAREHOLDERS' EQUITY)			
Common stock			
	5,483	5,483	5,483
Statutory reserve			
Additional paid-in capital	15,281	15,281	15,281
Legal reserve	1,370	1,370	1,370
Total statutory reserve	16,652	16,652	16,652
Retained earnings			
General reserve	4,400	4,400	4,400
Reserve for obsolete equipment	8,350	8,350	8,350
Reserve for program	3,907	3,120	3,120
Reserve for reduction of assets' cost	135	135	135
Reserve for special depreciation	266	-	-
Unappropriated retained earnings	41,248	39,944	42,190
[Net income (loss)]	[582]	[(635)]	[2,021]
Total retained earnings	58,308	55,951	58,196
Total shareholders' equity	80,444	78,087	80,332
Total liabilities and shareholders' equity	205,887	219,125	226,866
	million yen	million yen	million yen
(Notes) 1. Accumulated depreciation of tangible fixed assets	111,782	132,251	127,136
2. Liabilities for guarantee	8,018	8,735	8,242
3. Treasury stock	0	8	1
	[90 shares]	[2,113 shares]	[462 shares]