

Financial Report for the Six-Month Period Ended September 30, 2001 (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 7, 2001

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

1. Business Results for Interim Period of Fiscal 2002 (From April 1, 2001 to September 30, 2001)

(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	135,113	3.5	(759)	-	(186)	-
Previous Interim Period	130,522	-	(605)	-	1,609	-
Previous Fiscal Year	312,203		6,393		9,430	

	Net Income	Change	Net Income per Share	Diluted Net Income per Share
	million yen	%	yen	yen
Current Interim Period	(483)	-	(4.41)	-
Previous Interim Period	984	-	8.98	-
Previous Fiscal Year	4,876		44.47	-

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

Current interim period: - million yen

Previous interim period: - million yen

Previous fiscal year: - million yen

2. Average number of shares outstanding (consolidated)

Current interim period: 109,663,521 shares

Previous interim period: 109,663,248 shares

Previous fiscal year: 109,663,291 shares

3. Change in accounting policies: None

4. The company provided consolidated interim financial statements from the period ended September 30, 2000. Accordingly, increase/decrease ratios for the period ended September 30, 2000 against the period ended September 30, 1999 are not available.

(2) Financial Standing

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	million yen	million yen	%	yen
Current Interim Period	227,256	92,842	40.9	846.61
Previous Interim Period	226,661	89,004	39.3	811.62
Previous Fiscal Year	254,260	92,485	36.4	843.36

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

Current interim period: 109,663,521 shares

Previous interim period: 109,663,434 shares

Previous fiscal year: 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 Period
	million yen	million yen	million yen	million yen
Current Interim Period	12,142	(9,025)	(1,494)	36,546
Previous Interim Period	4,732	(6,098)	(743)	34,124
Previous Fiscal Year	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. Earnings Forecast for Fiscal 2001 (from April 1, 2001 to March 31, 2002)

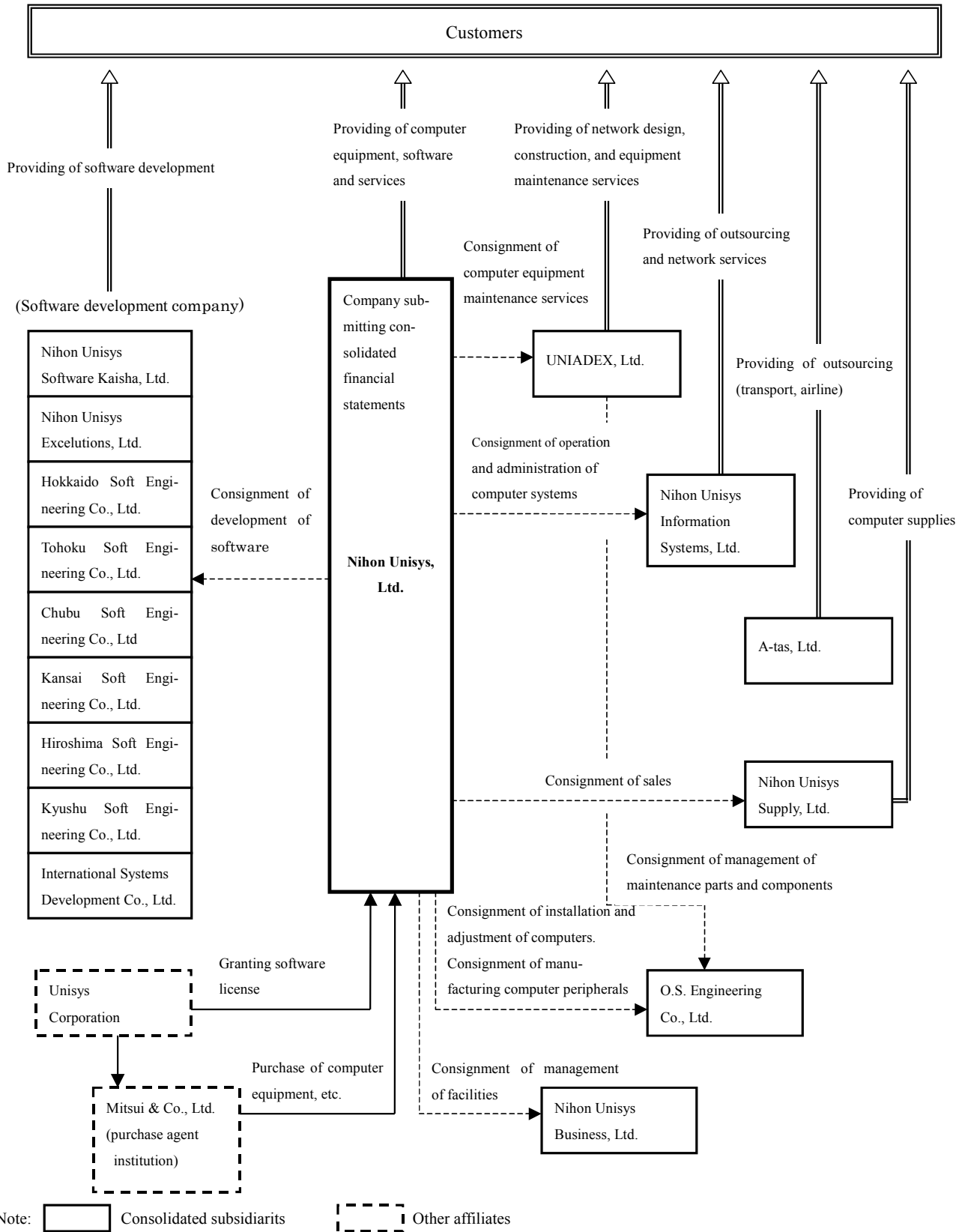
	Net Sales	Recurring Profit	Net Income
	million yen	million yen	million yen
Full-year	315,000	5,500	(4,500)

Reference) Expected net income per share (full-year basis): (41.03) 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:



2. Management Policies

In the trend of global recession, which is called IT recession, the Japanese economy needs fundamental structural reform and rapid recovery is not expected to come soon. Even though, software and service business areas, which are core businesses of Nihon Unisys, are expected to grow.

Under such tight conditions, Nihon Unisys Group has been making every effort to improve cost structure focusing on these growth areas in order to survive and win.

Meanwhile, Internet is proliferating and the broadband age is coming. Nihon Unisys Group has reviewed business models of each member company and has focused selected service business models associated with especially e-business so as to respond to customers' requirements to help sharpen their competitiveness using IT.

However, as for the first half financial results of fiscal year 2002, operating income decreased from a year ago although the consolidated net sales increased. Rapid changes of economic environments, which has much more worsened not only at home but abroad, and uncertainty of future economic conditions being considered, we recognize that the overriding and the most urgent issue is to accelerate fundamental cost structure reform.

Since October, under the vision of "Re-Enterprising," we have been tackling with innovation of corporate cost structure. We execute various specific countermeasures on a timely manner and aim to be a company focusing on software and service businesses more.

The following are key words of new Nihon Unisys.

- | | |
|--|--|
| 1. Create value for customers: | - Aim to be the best IT partner for customers - |
| 2. Improve cost competitiveness: | - Create infrastructure for sustainable growth - |
| 3. Innovate corporate climate: | - Speed&Challenge - |
| 4. Supports each individual potential: | - Aim to be an energized group of professional engineers - |
| 5. Execute strong group strategy: | - Maximize group power - |

To make these key words come true, we will make every endeavor to establish a strong base infrastructure within two years to transform Nihon Unisys into "new Nihon Unisys" that can grow dynamically.

In a series of efforts to establish a strong infrastructure, we have already taken some actions like introduction of Corporate Officer System, Business Unit Performance Measurement System, HR utilization scheme utilizing "e-Career Board." In addition, we will implement a special program for early retirement as well as various cost reduction programs eventually to realize fundamental cost structure innovation.

As a result of those measures, we intend to enhance the value of this company and share the return with shareholders, customers and employees. We will aggressively proceed with various reform activities company-wide while reviewing the progress status of each implementation plan.

3. Business Result

1. Overview of 1st half of fiscal year 2002

The Japanese economy during the first half of this fiscal year was sluggish in the downtrend of global economy caused by the worsened US economy.

It is concerned that IT investment will be postponed reflecting uncertainty of future economy. In addition, deceleration of PC business and drop of semi-conductor demand are apparent. However, growth is expected to come in the service businesses represented by outsourcing business.

(Consolidated performance)

The impacts from economic slowdown have been conspicuous. As a result, although net sales of service businesses is on the increase such as system development service and outsourcing business being helped by strong demand for application software, etc. However, due to decrease of big deals for software, net sales of software did not grow so much. The total net sales was 135,113 million yen, up 3.5% from a year ago.

As for profitability, operating income was in red, 759 million yen due to decline of software sales, erosion of margin caused by tight competition and so on despite of our efforts of cost reduction, which have been made since the beginning of the term.

There have been no noteworthy items in non-operating and extra-ordinary PL aspects compared with those of the preceding year. Recurring profit and net income were 186 million yen and 483 million yen respectively, both in red.

Hardware sales was 39,543 million yen (29.3%) and software sales was 25,210 million yen (18.6%) while service sales was 70,360 million yen (52.1%).

(Non-consolidated performance)

Net sales was 119,543 million yen, however, recurring profit and net income were 1,498 million yen and 1,546 million yen respectively both positive as a result of entry of interim dividends of 2,149 million yen from subsidiaries as non-operating income.

With regard to the interim dividend of Nihon Unisys, we decided 3.75 yen per share, the same as that of last year's first half considering stable return to shareholders and full-year performance outlook.

2.Outlook of fiscal year 2002

With regard to the Japanese economy from now onwards, worsening conditions are expected to come due to terrorism occurred in the US and so on. Very difficult conditions will continue along with progressing IT recession and postponement of facility investment, etc.

Even under such environments, service businesses are expected to grow like outsourcing business. However, it is concerned that demands for hardware and software will be carried over. As a result, our full-year projection for net sales is 315,000 million yen.

In the meantime, we intend to improve our cost structure proceeding major cost reduction programs as well as implementing a special package of NCSP (New Career Support Program) in other words, early retirement program, earmarking 10,400 million as extra-ordinary loss.

As a result, we will be able to ensure 5,500 million yen of recurring profit while inking net income of 4,500 million yen in red.

The current projection for fiscal year 2002 is as follow:

(Consolidated basis)

	Net sales	Operating income	Recurring profit	Net income
Full-year	315,000 million yen	4,800 million yen	5,500 million yen	(4,500) million yen
Change	0.9%	(24.9)%	(41.7)%	- %

(Non-consolidated basis)

	Net sales	Operating income	Recurring profit	Net income
Full-year	280,000 million yen	2,500 million yen	5,500 million yen	(1,000) million yen
Change	(1.7)%	6.9%	(5.0)%	- %

4. Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF INCOME

	Fiscal 2002	Fiscal 2001	Fiscal 2001
	1st half	1st half	full year
	Six months ended September 30, 2001	Six months ended September 30, 2000	Year ended March 31, 2001
	millions of yen	millions of yen	millions of yen
Net sales	135,113	130,522	312,203
Cost of sales	97,543	90,143	221,893
Gross profit	37,569	40,378	90,309
Selling, general and administrative expenses	38,329	40,984	83,916
Operating income (loss)	(759)	(605)	6,393
Non-operating income			
Interest and dividend income	236	194	359
Gain on sales of listed securities	346	1,510	2,695
Other	547	1,293	1,900
Non-operating expenses			
Interest expense	537	623	1,228
Other	19	160	689
Recurring income (loss)	(186)	1,609	9,430
Extraordinary gains			
Gain on sales of fixed assets	-	411	411
Other	143	203	192
Extraordinary losses			
Loss on devaluation of investment securities	153	23	318
Other	106	93	227
Income before income taxes and minority interests	(302)	2,107	9,489
Income taxes-current	541	1,027	6,094
Income taxes-deferred	(506)	-	(1,693)
Minority interests	146	95	211
Net income (loss)	(483)	984	4,876

CONSOLIDATED BALANCE SHEETS

	Fiscal 2002	Fiscal 2001	Fiscal 2001
	1st half	1st half	full year
	September 30, 2001	September 30, 2000	March 31, 2001
	millions of yen	millions of yen	millions of yen
(ASSETS)			
Current assets			
Cash and time deposits	32,270	25,197	31,598
Notes receivable and accounts receivable-trade	62,660	73,685	100,738
Marketable securities	4,401	1,105	405
Inventories	25,604	21,511	17,789
Deferred tax assets	6,024	3,865	5,247
Other	7,239	15,832	9,225
Allowance for doubtful accounts	(131)	(252)	(304)
Total current assets	138,068	140,945	164,699
Fixed assets			
Property and equipment			
Machinery, equipment and vehicles	27,262	28,077	28,955
Other	13,456	13,287	14,675
Total tangible fixed assets	40,718	41,365	43,630
Intangible fixed assets			
Software	11,337	6,450	8,607
Other	420	362	410
Total intangible fixed assets	11,757	6,813	9,017
Investments and other assets			
Investment securities	10,009	9,600	8,751
Deferred tax assets	10,802	11,567	11,912
Deposits for landlord	14,124	14,364	14,471
Other	2,503	2,837	2,492
Allowance for doubtful accounts	(728)	(831)	(716)
Total investments and other assets	36,711	37,538	36,912
Total fixed assets	89,187	85,716	89,561
Total assets	227,256	226,661	254,260

	Fiscal 2002	Fiscal 2001	Fiscal 2001
	1st half	1st half	full year
	September 30, 2001	September 30, 2000	March 31, 2001
	millions of yen	millions of yen	millions of yen
(LIABILITIES)			
Current liabilities			
Notes payable and accounts payable-trade	30,667	32,731	54,019
Short-term borrowings	11,696	12,543	12,307
Current portion of long-term debt	7,469	6,808	7,826
Current portion of bonds	10,000	—	—
Accrued income taxes	597	972	5,365
Accrued expenses	15,510	16,665	16,650
Allowances	1,244	1,431	1,628
Other	17,936	17,023	17,527
Total current liabilities	95,121	88,175	115,325
Long-term liabilities			
Bonds	—	10,000	10,000
Long-term debt	21,174	22,543	21,283
Allowance for retirement and severance benefits	11,864	11,110	9,606
Other allowances	866	991	997
Other	3,834	3,564	3,174
Total long-term liabilities	37,739	48,210	45,062
Total liabilities	132,861	136,386	160,387
Minority interests	1,552	1,270	1,387
(SHAREHOLDERS' EQUITY)			
Common stock	5,483	5,483	5,483
Additional paid-in capital	15,281	15,281	15,281
Retained earnings	70,765	68,240	71,720
Net unrealized gains on securities	1,311	—	—
Treasury stock	(0)	(0)	(0)
Total shareholders' equity	92,842	89,004	92,485
Total liabilities, minority interests and shareholders' equity	227,256	226,661	254,260

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Fiscal 2002	Fiscal 2001	Fiscal 2001
	1st half	1st half	full year
	Six months ended September 30, 2001	Six months ended September 30, 2000	Year ended March 31, 2001
	millions of yen	millions of yen	millions of yen
Balance of retained earnings at beginning of year	71,720	67,737	67,737
Decrease in retained earnings	471	482	893
Cash dividends	411	411	822
Bonuses to directors and corporate auditors	59	71	71
Net income	(483)	984	4,876
Balance of retained earnings at end of year	70,765	68,240	71,720

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal 2002	Fiscal 2001	Fiscal 2001
	1st half	1st half	full year
	Six months ended September 30, 2001	Six months ended September 30, 2000	Year ended March 31, 2001
	millions of yen	millions of yen	millions of yen
I Cash flows from operating activities			
Income before income taxes and minority interests	(302)	2,107	9,489
Depreciation and amortization	9,509	9,510	18,932
Gain on sales of fixed assets	–	(411)	(411)
Gain on sales of investment securities	(346)	(1,510)	(2,869)
Decrease in allowances	1,581	(2,074)	(3,439)
Interest and dividend income	(236)	(194)	(359)
Interest expense	537	623	1,228
Increase in accounts receivable-trade	38,078	20,579	(6,473)
(Increase) decrease in inventories	(7,815)	(6,281)	(2,559)
Increase in accounts payable-trade	(23,397)	(12,622)	8,689
Other-net	259	(1,946)	1,416
Subtotal	17,868	7,779	23,642
Interest and dividend received	236	209	375
Interest paid	(539)	(612)	(1,215)
Income taxes paid	(5,423)	(2,643)	(3,350)
Net cash provided by operating activities	12,142	4,732	19,452
II Cash flows from investing activities			
Purchases of property and equipment	(5,219)	(6,045)	(16,907)
Proceeds from sales of property and equipment	46	625	676
Purchases of intangible fixed assets	(5,035)	(2,792)	(6,926)
Purchases of investment securities	(558)	(240)	(683)
Proceeds from sales of investment securities	1,713	2,289	4,561
Other-net	26	65	100
Net cash used in investing activities	(9,025)	(6,098)	(19,178)
III Cash flows from financing activities			
Net decrease in short-term borrowings	(611)	142	(94)
Proceeds from long-term debt	200	–	5,900
Repayments of long-term debts	(666)	(471)	(6,613)
Cash dividends paid	(411)	(411)	(822)
Other-net	(5)	(2)	(2)
Net cash used in financing activities	(1,494)	(743)	(1,632)
IV Net Increase (decrease) in cash and cash equivalents	1,622	(2,109)	(1,359)
V Cash and cash equivalents, beginning of year	34,874	36,233	36,233
VI Cash and cash equivalents of newly consolidated subsidiaries, beginning of year	50	–	–
VII Cash and cash equivalents, end of year	36,546	34,124	34,874

Basic Matters for Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 15

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

(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 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. Interim closing date of the consolidated subsidiaries

Out of the consolidated subsidiaries, Kokusai System Co., Ltd has a different interim closing date (June 30) from that of the consolidated financial statements. The consolidated financial statements are prepared using Kokusai's financial statements as of June 30, and the necessary adjustments for consolidation are made for significant transactions that occurred over the period between the interim 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 September 30, 2001 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). The effects of this change were to recognize unrealized gains and losses of 1,311 million and to decrease the deferred tax assets in fixed assets by ¥953 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. Rental computers (indicated 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 made at the time of the fiscal year 2002 Corporation Tax Law reform.

As a result, operating loss, recurring loss, and loss before income taxes and minority interests, as compared with the prior useful lives, increased by ¥378 million, respectively.

b. Software

Amortized at the higher of either the amount to be amortized in proportion of the actual sales volume of the software during the current year to the estimated total sales volume 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.

(3) Appropriation method for significant 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 liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date. The transitional obligation of ¥41,071 million at April 1, 2000 is being amortized over 10 years.

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

(4) 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.

(5) 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.

(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 debt.

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. 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.

6. 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, by business process re-engineering during the current interim period, an environment of recognizing sales upon completion of the inspection of the products by the customer.

7. Additional information

Accounting of income taxes in interim financial statements

Prior to April 1, 2001, the company and its consolidated subsidiaries accounted for income taxes by simplified method in interim financial statements. Effective April 1, 2001, the company adopted the basic method to account for tax calculation more accurately.

As a result, as compared with the prior method, deferred tax assets in current assets increased by ¥386 million, other in current assets increased by ¥68 million, deferred tax assets in fixed assets decreased by ¥137 million, accrued income taxes decreased by ¥680 million, and net loss decreased by ¥997 million.

As tax expense for six months ended September 30, 2000 was computed by simplified method, income tax-deferred is included in income tax-current in the statement of income of that period.

Notes on Consolidated Balance Sheets

	<u>September 30, 2001</u>	<u>September 30, 2000</u>	<u>March 31, 2001</u>
1. Accumulated depreciation of property and equipment	113,998 million yen	118,494 million yen	114,335 million yen
2. Contingent liabilities	12,335 million yen	8,018 million yen	7,668 million yen
3. Accounting for notes whose due date falls on the balance sheet dates:			

As financial institutions in Japan were closed on September 30, 2001, September 30, 2000, 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 September 30, 2001, September 30, 2000, and March 31, 2001 are as follows.

	<u>September 30, 2001</u>	<u>September 30, 2000</u>	<u>March 31, 2001</u>
Notes receivables	995 million yen	236 million yen	686 million yen
Notes payables	338 million yen	862 million yen	673 million yen

Notes on Consolidated Statements of Cash Flows

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

	<u>Six months ended</u> <u>September 30, 2001</u>	<u>Six months ended</u> <u>September 30, 2000</u>	<u>Year ended</u> <u>March 31, 2001</u>
Cash and time deposits	32,270 million yen	25,197 million yen	31,598 million yen
Time deposits with maturities over 3 months	(125)	(177)	(127)
Marketable securities (Money management fund, etc.)	4,401	1,105	405
Loans receivable (Repurchase agreement ("Gensaki"))	-	7,997	2,998
Cash and cash equivalents	36,546	34,124	34,874

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

	Six months ended September 30, 2001	Changes from six months ended September 30, 2000
	millions of yen	%
System services	42,303	+40.0
Software	7,917	+44.7
Total	50,221	+40.7

(2) Orders

	Orders		Backlog	
	Six months ended September 30, 2001	Changes from six months ended September 30, 2000	Six months ended September 30, 2001	Changes from six months ended September 30, 2000
	millions of yen	%	millions of yen	%
Hardware	35,892	(16.1)	35,860	(19.0)
Software	16,903	(16.6)	27,624	(20.2)
Services and others	94,035	+2.3	94,367	+11.5
Total	146,830	(5.3)	157,852	(3.5)

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

(3) Sales

	Six months ended September 30, 2001	Changes from six months ended September 30, 2000
	millions of yen	%
Hardware	39,543	+1.1
Software	25,210	(11.9)
Services and others	70,360	+12.1
Total	135,113	+3.5

7. Securities

I. September 30, 2001

1. Other securities whose fair value is readily determinable

	Historical cost millions of yen	Carrying amount millions of yen	Difference millions of yen
(1) Equity securities	5,995	8,239	2,243
(2) Debt securities	25	25	0
Total	6,020	8,265	2,244

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

Other securities

Unlisted equity securities (excluding OTC securities)	1,280 million yen
Money Management Fund and other	4,401 million yen

II. September 30, 2000

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.11 issued by the Ministry of Finance in 2000 (Supplementary 3).

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

Other securities

Unlisted equity securities (excluding OTC securities)	1,246 million yen
Money Management Fund and other	1,105 million yen

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

Other securities

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

8. Derivative transactions

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

Financial Report for the Six-Month Period Ended September 30, 2001 (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 7, 2001

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

--The interim dividends will start to be paid on December 10, 2001.

1. Business Results for Interim Period of Fiscal 2002 (From April 1, 2001 to September 30, 2001)

(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	119,543	0.6	(1,374)	-	1,498	117.3
Previous Interim Period	118,869	(7.6)	(1,742)	-	689	(89.7)
Previous Fiscal Year	284,892		2,338		5,786	

	Net Income	Change	Net Income per Share
	million yen	%	yen
Current Interim Period	1,546	165.4	14.10
Previous Interim Period	582	-	5.31
Previous Fiscal Year	3,054		27.85

Notes) 1. Average number of shares outstanding
 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	203,791	84,902	41.7	774.21
Previous Interim Period	205,887	80,444	39.1	733.55
Previous Fiscal Year	231,784	82,504	35.6	752.34

Notes) Number of shares outstanding
 September 30, 2001: 109,663,524 shares
 September 30, 2000: 109,663,524 shares
 March 31, 2001: 109,663,524 shares

2. Earnings Forecast for Fiscal 2002 (from April 1, 2001 to March 31, 2002)

	Net Sales	Recurring Profit	Net Income	Annual Dividends per Share	
				Interim	
Full-year	million yen	million yen	million yen	yen	yen
	280,000	5,500	(1,000)	3.75	7.50

Reference) Expected net income per share (full-year basis): (9.12) 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 2002	Fiscal 2001	Fiscal 2001
	1st half	1st half	full year
	Six months ended September 30, 2001	Six months ended September 30, 2000	Year ended March 31, 2001
	millions of yen	millions of yen	millions of yen
Net sales	119,543	118,869	284,892
Cost of sales	88,372	85,135	209,775
Gross Profit	31,170	33,733	75,117
Selling, general and administrative expenses	32,544	35,476	72,778
Operating income (loss)	(1,374)	(1,742)	2,338
Non-operating income			
Interest and dividend income	2,393	265	488
Gain on sales of listed securities	342	1,510	2,693
Other	711	1,433	2,168
Non-operating expenses			
Interest expense and interest on bonds	558	626	1,240
Other	15	151	662
Recurring income	1,498	689	5,786
Extraordinary gains			
Gain on sales of fixed assets	–	313	332
Other	142	221	173
Extraordinary losses			
Loss on devaluation of investment securities	153	23	315
Other	86	82	175
Income before income taxes	1,401	1,118	5,801
Income taxes-current	103	536	3,677
Income taxes-deferred	(248)	–	(929)
Net income	1,546	582	3,054
Retained earnings carried forward	42,046	40,666	40,666
Interim dividends	–	–	411
Unappropriated retained earnings	43,592	41,248	43,308

(Note) Depreciation and amortization of fixed assets	millions of yen	millions of yen	millions of yen
Tangible fixed assets	6,880	6,780	13,528
Intangible fixed assets	1,998	2,164	4,246
Total	8,878	8,944	17,774

NON-CONSOLIDATED BALANCE SHEETS

	Fiscal 2002	Fiscal 2001	Fiscal 2001
	1st half	1st half	full year
	September 30, 2001	September 30, 2000	March 31, 2001
	millions of yen	millions of yen	millions of yen
(ASSETS)			
Current assets			
Cash and time deposits	26,853	21,280	26,454
Notes receivable	299	624	1,066
Accounts receivable-trade	54,862	67,547	92,527
Marketable securities	4,001	700	-
Inventories	18,881	13,999	11,952
Deferred tax assets	3,907	2,788	3,520
Short-term loans receivable	4,654	12,265	7,562
Other	8,104	6,866	5,220
Allowance for doubtful accounts	(111)	(216)	(272)
Total current assets	121,453	125,856	148,032
Fixed assets			
Property and equipment			
Machinery and equipment	24,983	25,846	26,736
Other	10,181	9,922	11,376
Total tangible fixed assets	35,164	35,769	38,113
Intangible fixed assets			
Software	10,125	6,216	8,405
Other	267	274	271
Total intangible fixed assets	10,393	6,491	8,676
Investments and other assets			
Investment securities	11,577	11,172	10,288
Deferred tax assets	9,985	10,880	11,078
Deposits for landlord	13,552	13,982	14,070
Other	2,365	2,524	2,220
Allowance for doubtful accounts	(700)	(789)	(696)
Total investments and other assets	36,780	37,770	36,961
Total fixed assets	82,338	80,030	83,751
Total assets	203,791	205,887	231,784

	Fiscal 2002 1st half	Fiscal 2001 1st half	Fiscal 2001 full year
	September 30, 2001	September 30, 2000	March 31, 2001
	millions of yen	millions of yen	millions of yen
(LIABILITIES)			
Current liabilities			
Notes payable	1,445	2,645	2,130
Accounts payable-trade	28,086	28,725	52,039
Short-term borrowings	10,010	10,540	10,540
Current portion of long-term debt	7,426	6,742	7,768
Current portion of bonds	10,000	-	-
Accrued income taxes	25	478	3,551
Accrued expenses	10,775	12,021	12,069
Allowances	1,244	1,431	1,628
Other	15,516	15,633	15,592
Total current liabilities	84,530	78,219	105,320
Long-term liabilities			
Bonds	-	10,000	10,000
Long-term debt	21,166	22,492	21,258
Allowance for retirement and severance benefits	9,013	9,927	8,345
Other allowances	813	958	951
Other	3,365	3,846	3,404
Total long-term liabilities	34,358	47,224	43,959
Total liabilities	118,888	125,443	149,279
(SHAREHOLDERS' EQUITY)			
Common stock	5,483	5,483	5,483
Additional paid-in capital	15,281	15,281	15,281
Legal reserve	1,370	1,370	1,370
Retained earnings			
Voluntary reserve	17,861	17,059	17,059
Unappropriated retained earnings	43,592	41,248	43,308
Total retained earnings	61,453	58,308	60,368
Net unrealized gains on securities	1,312	-	-
Total shareholders' equity	84,902	80,444	82,504
Total liabilities and shareholders' equity	203,791	205,887	231,784

		millions of yen	millions of yen	millions of yen
(Notes)	1. Accumulated depreciation of property and equipment	105,942	111,782	106,361
	2. Liabilities for guarantee	6,446	8,018	7,668