

Consolidated Financial Report for the Third Quarter of Fiscal Year Ending March 31, 2009

January 30, 2009

Nihon Unisys, Ltd.

Stock Listing: Tokyo Stock Exchange 1st section
 Stock Code: 8056
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(Amounts are rounded down to the nearest million Yen.)

1. Consolidated Financial Results in FY2009 Q3 (from April 1, 2008 to December 31, 2008)

(1) Consolidated Results of Operations (Cumulative)

(Millions of Yen, Except for Per Share Figures)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2009 Q3	212,946	—	4,205	—	3,729	—	1,085	—
FY2008 Q3	216,405	11.3	1,823	—	1,746	—	(5,396)	—

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY2009 Q3	11.31	11.29
FY2008 Q3	(56.23)	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of December 31, 2008	237,098	84,439	35.1	868.22
As of March 31, 2008	258,457	86,341	32.9	885.88

(Reference) Shareholders' Equity FY2009 Q3 83,273 Million Yen FY2008 84,930 Million Yen

2. Dividends

	Dividends per Share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2008	—	6.00	—	6.00	12.00
FY2009	—	7.50	—	—	—
FY2009(Forecast)	—	—	—	7.50	15.00

(Note) Revision of dividend forecast for this quarter: None

3. Consolidated Earnings Forecast for FY2009 (from April 1, 2008 to March 31, 2009)

(Millions of Yen, Except for Per Share Figures, Percentage below represents increase (decrease) from the same period of previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2009	335,000	(0.8)	20,000	1.8	19,000	(1.4)	9,800	284.8	102.18

(Note) Revision of consolidated earnings forecast for this quarter: Yes

4. Others

(1) Change in the scope of consolidation (change of condition of significant consolidated subsidiaries): None

(2) Adoption of simplified accounting methods and adoption of accounting methods inherent in the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, procedures, presentation methods, and other factors with respect to the preparation of quarterly consolidated financial statements (Set out within "Changes of Material Matters that are the Basis of Presenting Quarterly Consolidated Financial Statements")

1. Changes associated with revision in accounting standards: Yes

2. Other changes: Yes

(Note) See "[Qualitative Information/Financial Statements] 4. Others" on page 5 for details.

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock)	FY2009 Q3	109,663,524	FY2008	109,663,524
2. Number of shares of treasury stock	FY2009 Q3	13,750,602	FY2008	13,792,475
3. Average number of shares outstanding during the period (cumulative)	FY2009 Q3	95,894,583	FY2008 Q3	95,963,364

Comment regarding appropriate usage of Earnings Forecast, and other special notes

1. The above forecast relies on judgments and assumptions based on information available as of the date of announcement of this material, and is subject to changes in risks, uncertainties, and economy, and other factors that could cause actual results to be materially different from expectations. For the prerequisite for the earnings forecast above and other relevant matters, see page 4 of the attached material.

2. The "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Implementation Guidance on the Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) are applied from this fiscal year. Also, the "Regulations concerning the Terminology, Forms and Preparation Methods of the Quarterly Consolidated Financial Statements" was revised pursuant to the Proviso of Article 7, paragraph 1, item 3 of the Supplementary Provision of the "Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements" (Cabinet Office Ordinance No. 50 of August 7, 2008). The Quarterly Consolidated Financial Statements are prepared pursuant to the revised Regulations.

Qualitative Information/Financial Statements

1. Qualitative Information on the Consolidated Operating Results

During the nine-month period under review, the Japanese economy was on a general downward trend, affected by an escalation of the financial crisis and economic slowdown worldwide originating in the subprime mortgage loan problem in the U.S., and the yen's appreciation against other currencies.

In the information service market, companies strove to further reduce costs and increasingly prioritized return on investment (ROI) in their investment judgments, from the third quarter onwards. Given this, the business climate is expected to become even harsher from now on.

In this business environment, Nihon Unisys Group (the "Group") is assiduously working on expanding our business in the ICT market and reinforcing our corporate structure, aiming to become a high-growth corporate group that can contribute to creating value for customers.

In the nine-month period under review, the Group expanded new service businesses such as Software as a Service ("SaaS") as well as the conventional outsourcing business, mainly through the ICT Services division, which the Group established to further strengthen the ICT business.

As part of these measures, the Group began to offer "ICT Hosting Service," which can, in five business days at the shortest, provide customers with resources and functions that meet their needs based on the "Next-Generation Internet Data Center (IDC) Base" that uses cutting-edge technologies such as virtualization and operational automation.

The Group received many inquiries about the SaaS-type service base "SASTIK™ Service," which enables users to securely access an intranet, through Nihon Unisys' IDC, from a personal computer connected to the Internet using a dedicated USB authentication key, and has started to introduce the system for customers.

We also began to offer the market place "Business Park™", which has the functions of using and providing SaaS, and agreed with Microsoft Co., Ltd. on the provision of SaaS-type SFA Solution, which uses "Microsoft® Dynamics® CRM4.0" as its basis. We will launch the solution in the fourth quarter.

To respond to growing demand for establishing an ICT base on a one-stop basis, the group company UNIADEX, Ltd. ("UNIADEX") agreed with IBM Japan, Ltd. on the enhancement of the sales and maintenance systems for the latter's blade server "IBM® BladeCenter®". UNIADEX has started selling that server and providing related services.

The Company and two group companies UNIADEX and NETMARKS INC., as part of their joint efforts, have systematized a unified communication* solution under the work-style reform concept PowerWorkPlace®, through which they are proactively striving to reduce costs for improving the productivity of employees and organizations and for meetings, and provide a service for establishing a telework system on a one-stop basis.

* Unified communication: Effective communication realized by integrating various communication tools, such as telephones, e-mails, televisions and Web conferences.

To enhance the system integration business, which is one of our core businesses, the Group expanded sales of BankVision®, a next-generation open core-banking system for the financial field, and set up the Solutions Planning and Development division, aiming to further enhance solution strategies, improve lifecycle management, and increase the use of solutions in the utilization-type service business. Specifically, the Group began to offer "BANK_FIT-NE®", a next-generation business outlet system for credit associations that runs on the highly secure and safe middle software "MIDMOST®" which was developed for "BankVision®". In addition, the functions of "Maia™," an OSS framework for medium-size systems were also enhanced.

We also tailored financial institutions' systems to handle a money transfer service with Japan Post Bank Co., Ltd., and to accommodate the dematerialization of share certificates. Projects for these services progressed smoothly, prior to their full-scale operations in the fourth quarter.

To further expand its business, the Group is also continuously pursuing cooperative ventures with Infosys Technologies Ltd., an IT consulting company in India, under a strategic alliance agreement.

With respect to the reinforcement of its corporate structure, the Group has achieved several results. For example, we strengthened the functions of the Project Management division, which was established this fiscal year, including the monitoring, managing and directing of projects from a third party's perspectives, and improve the quality of services and reduce a substantial number of unprofitable projects under the Andon system, a system launched last fiscal year that detects problems in a project at an early stage.

Looking at the consolidated operating results for the nine-month period under review, service sales increased from the previous year as the system service business remained robust. However, sales of hardware and software decreased. As a result, net sales were ¥212,946 million, down by 1.6% year on year.

With respect to profits, large projects were completed and operational costs increased in the outsourcing business, and sales of both hardware and software decreased. However, sales increased and profitability improved in the system service and selling, general and administrative expenses fell. As a result, operating income was ¥4,205 million, up by 130.6% and ordinary income was ¥3,729 million, up by 113.5%. Net income was ¥1,085 million (a ¥5,396 million loss for the same period last year).

The “Accounting Standard of Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Implementation Guidance on the Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) are applied from this fiscal year. Hence, different standards were used to prepare consolidated financial statements for the nine-month period ended December 31, 2008 and for the corresponding period of the previous fiscal year, and the above information about comparison with the corresponding period of the previous year is presented for reference.

* SASTIK is a trademark of Saslite Corporation

* Microsoft and Dynamics are registered trademarks or trademarks of Microsoft Corporation in the U.S. and other countries.

* IBM and BladeCenter are registered trademarks or trademarks of International Business Machines Corporation in the U.S. and other countries.

* PowerWorkPlace is a registered trademark of UNIADDEX, Ltd.

2. Qualitative Information on Consolidated Financial Position

In the third quarter under review, merchandise and work in process increased, while the collection of accounts receivable-trade accelerated. As a result, total assets were ¥237,098 million on a consolidated basis at the end of the period, down by ¥21,359 million from the end of the previous consolidated fiscal year.

Liabilities totaled ¥152,659 million at the end of the period under review, down by ¥19,457 million from the end of the previous consolidated fiscal year, mainly because of the payment of accounts payable-trade and the redemption of commercial papers.

At the end of the period, net assets were ¥84,439 million. The shareholders’ equity ratio was 35.1%, up by 2.2% points from the end of the preceding year.

(Cash Flows)

With respect to cash and cash equivalents (hereinafter referred to as “cash”) for the nine-month period under review, cash provided by operating activities was allocated to the purchase of fixed assets such as computers for sales activities and repayment of loans payable.

As a result, consolidated cash were ¥32,340 million as of the end of the nine-month period under review, up by ¥10,736 million from the end of the previous fiscal year.

Net cash provided by operating activities was ¥27,881 million, reflecting a decrease in accounts receivable-trade.

Net cash used in investment activities stood at ¥12,443 million, mainly because we acquired fixed assets in the form of computers for outsourcing and software development.

Net cash used in financing activities amounted to ¥4,719 million, chiefly owing to the repayment of long-term loans payable and the redemption of commercial papers, despite proceeds from increased short-term borrowings.

3. Qualitative Information on Consolidated Financial Forecast

Japanese companies’ business conditions are rapidly deteriorating amid the worldwide economic slowdown caused by the financial crisis in the U.S., and their investments have been sharply decreasing so far in the fourth quarter. Given this, the Company will revise its consolidated and non-consolidated financial forecasts for the fiscal year (from April 1, 2008 to March 31, 2009), which were announced on November 4, 2008, as shown below.

1. Revisions of Consolidated Earnings Forecast for FY2009 (from April 1, 2008 to March 31, 2009)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previously announced forecast (A) (announced on November 4, 2008)	345,000	22,000	21,000	11,000
Forecast as revised this time (B)	335,000	20,000	19,000	9,800
Change (B – A)	(10,000)	(2,000)	(2,000)	(1,200)
Percentage change (%)	(2.9)	(9.1)	(9.5)	(10.9)
(Reference) Results for previous fiscal year (FY2008)	337,759	19,649	19,265	2,546

2. Revisions of Non-consolidated Earnings Forecast for FY2009 (from April 1, 2008 to March 31, 2009)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previously announced forecast (A) (announced on November 4, 2008)	228,000	12,700	15,500	9,500
Forecast as revised this time (B)	221,000	10,700	13,500	8,300
Change (B – A)	(7,000)	(2,000)	(2,000)	(1,200)
Percentage change (%)	(3.1)	(15.7)	(12.9)	(12.6)
(Reference) Results for previous fiscal year (FY2008)	227,064	10,441	13,606	3,071

4. Others

(1) Change in the scope of consolidation (change of condition of significant consolidated subsidiaries)

-There is no applicable item.

(2) Adoption of simplified accounting methods and adoption of accounting methods inherent in the preparation of quarterly consolidated financial statements:

- Valuation methods for inventories

The Group calculated inventories for the end of the third quarter under review not by conducting physical inventory counts but, instead, by using a reasonable method based on the physical inventory for the first six-month period.

(3) Changes in accounting principles, procedures, presentation methods, and other factors with respect to the preparation of quarterly consolidated financial statements:

-The “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Implementation Guidance on the Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) are applied from this fiscal year. Also, the “Regulations concerning the Terminology, Forms and Preparation Methods of the Quarterly Consolidated Financial Statements” was revised pursuant to the Proviso of Article 7, paragraph 1, item 3 of the Supplementary Provision of the ” Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 50 of August 7, 2008). The Quarterly Consolidated Financial Statements are prepared pursuant to the revised Regulations.

- Valuation standards and methods for inventories

The Group mainly stated inventories held for sale at cost based on the moving average method. However, as the “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) have become applicable to consolidated financial statements, we have calculated the said inventories principally according to the cost standard (the prices in our balance sheet have been calculated using the method of devaluing the book price to reflect declines in profitability) based on the moving average method from the first quarter. The effect of this change on profit and loss was not overly significant.

- Changes in standards for calculating profits with respect to software development contracts

With respect to software development contracts, we previously calculated profit on an inspection basis. However, as the “Accounting Standard for Construction Contracts” (ASBJ Statement No.15, December 27, 2007) and the “Implementation Guidance on the Accounting Standard for Construction Contracts” (ASBJ Guidance No.18, December 27, 2007) have become applicable to consolidated financial statements from consolidated fiscal years that start before April 1, 2009, we have adopted these accounting standards from the first quarter under review. With regard to software development contracts that started earlier this fiscal year, for those contracts which cost ¥100 million or more and also, at the end of the third quarter under review, were deemed to be certain of achievement, the percentage of completion method was adopted. We adopted the inspection basis for the other contracts.

With this change, operating income, ordinary income and net income before income taxes for the first nine-month period all increased by 1,095 million yen.

- Adoption of accounting standards for lease transactions

We previously applied the accounting method for lease transactions to non-ownership transfer finance lease. However, as the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13; originally issued by the first Committee, the Business Accounting Council on June 17, 1993 and revised on March 30, 2007) and the “Implementation Guidance on the Accounting Standards for Lease Transactions” (ASBJ Guidance No.16; originally issued by the Accounting System Committee, the Japanese Institute of Certified Public Accountants on January 18, 1994 and revised on March 30, 2007) have become applicable to quarterly consolidated financial statements from consolidated fiscal years that start on or after April 1, 2008, we have adopted these accounting standards from the first quarter under review. With respect to such finance lease transactions signed on or after April 1, 2008, we adopted the same accounting method as ordinary sales transactions. As for the depreciation method for leased assets with respect to finance lease transactions without ownership transfer, we adopted the straight-line method in which the useful life is equal to the lease period and the residual value is zero. This adoption has no effect on profits and losses.

5. Quarterly Consolidated Financial Statements
(1) QUARTERLY CONSOLIDATED BALANCE SHEETS

Millions of Yen

	As of December 31, 2008	As of March 31, 2008
ASSETS		
Current assets		
Cash and deposits	32,340	21,613
Notes and accounts receivable-trade	51,110	88,663
Short-term investment securities	-	49
Merchandise	12,169	9,412
Finished goods	380	380
Raw materials	259	215
Work in process	12,611	7,456
Supplies	18	24
Deferred tax assets	9,493	10,085
Others	9,996	8,735
Allowance for doubtful accounts	(470)	(475)
Total current assets	127,910	146,160
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,646	4,642
Machinery, equipment and vehicles, net	12,009	12,997
Other, net	4,921	3,511
Total Property, plant and equipment	21,577	21,150
Intangible assets		
Goodwill	1,715	1,721
Software	37,267	36,117
Others	59	29
Total Intangible assets	39,042	37,869
Investment and other assets		
Investment securities	16,073	18,641
Deferred tax assets	8,819	8,938
Prepaid pension costs	12,619	14,086
Others	11,714	13,234
Allowance for doubtful accounts	(658)	(1,623)
Total investment and other assets	48,568	53,277
Total non-current assets	109,188	112,297
Total assets	237,098	258,457

	As of December 31, 2008	As of March 31, 2008
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	21,163	34,744
Short-term borrowings	24,212	14,500
Current portion of long-term loans payable	8,589	8,750
Commercial papers	6,000	12,500
Accrued income taxes	233	3,120
Reserves	870	1,325
Others	30,260	29,874
Total current liabilities	91,329	104,815
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	47,135	53,650
Deferred tax liabilities	1,008	1,052
Reserve for retirement benefits	1,298	1,308
Other provision	376	246
Negative goodwill	58	70
Others	1,452	973
Total non-current liabilities	61,329	67,301
Total liabilities	152,659	172,116
NET ASSETS		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	15,475	15,494
Retained earnings	82,837	83,046
Treasury stock	(19,259)	(19,318)
Total shareholders' equity	84,536	84,705
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,233)	240
Deferred gain and losses on hedges	(69)	(39)
Foreign currency translation adjustments	40	22
Total valuation and translation adjustments	(1,262)	224
Subscription rights to shares	515	285
Minority interests	650	1,125
Total net assets	84,439	86,341
Total liabilities and net assets	237,098	258,457

(2) CONSOLIDATED STATEMENTS OF INCOME

	Millions of Yen
	Nine months ended December 31, 2008
Net Sales	212,946
Cost of sales	160,433
Gross profit	52,513
Selling, general and administrative expenses	48,307
Operating income	4,205
Non-operating income	
Interest income	148
Dividend income	289
Others	240
Total non-operating income	679
Non-operating expense	
Interest expense	942
Others	213
Total non-operating expenses	1,155
Ordinary income	3,729
Extraordinary gains	
Gain on sales of investment securities	10
Settlement received	423
Others	0
Total extraordinary income	433
Extraordinary losses	
Loss on sales of non-current assets	59
Loss on valuation of investment securities	380
Provision of allowance for office relocation costs	238
Others	87
Total extraordinary losses	766
Income before income taxes and minority interests	3,396
Income taxes-current	819
Income taxes-deferred	1,706
Total income taxes	2,526
Minority interests in loss	(214)
Net income	1,085

(3) CONSOLIDATED STATEMENTS OF CASH FLOW

	Millions of Yen
	Nine months ended December 31, 2008
Operating Activities:	
Income before income taxes and minority interests	3,396
Depreciation and amortization	10,683
Amortization of goodwill	80
Amortization of negative goodwill	(12)
(Decrease) in reserve for retirement benefits	(10)
(Decrease) in other reserves	(1,296)
Interest and dividends income	(438)
Interest expense	942
Decrease in notes and accounts receivable-trade	37,553
(Increase) in inventories	(7,950)
(Decrease) in notes and accounts payable-trade	(13,510)
Others	2,409
Subtotal	<u>31,846</u>
Interest and dividends income received	438
Interest expenses paid	(756)
Income taxes paid	(3,647)
Net cash provided by operating activities	<u>27,881</u>
Investing Activities:	
Purchase of property, plant and equipment	(5,100)
Proceeds from sales of property, plant and equipment	175
Purchase of intangible assets	(7,211)
Purchase of investment securities	(430)
Proceeds from sales of investment securities	65
Others	58
Net cash (used in) investing activities	<u>(12,443)</u>
Financial Activities:	
Increase in short-term loans payable	9,778
Repayment of long-term loans payable	(6,675)
(Decrease) in commercial papers	(6,500)
Purchase of treasury stock	(1)
Proceeds from exercise of stock option	40
Cash dividends paid	(1,262)
Cash dividends paid to minority shareholders	(36)
Others	(63)
Net cash provided by financial activities	<u>(4,719)</u>
Effect of exchange rate changes on cash and cash equivalents	17
Net increase in cash and cash equivalents	<u>10,736</u>
Cash and cash equivalents, beginning of period	<u>21,603</u>
Cash and cash equivalents, end of period	<u>32,340</u>

The “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Implementation Guidance on the Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) are applied from this fiscal year. Also, the “Regulations concerning the Terminology, Forms and Preparation Methods of the Quarterly Consolidated Financial Statements” was revised pursuant to the Proviso of Article 7, paragraph 1, item 3 of the Supplementary Provision of the “Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 50 of August 7, 2008). The Quarterly Consolidated Financial Statements are prepared pursuant to the revised Regulations.

(4) Notes to the going concern assumption

There is no applicable item.

(5) Segment information

a. Segment information by business type

Nine months period under review (from April 1, 2008 to December 31, 2008)

Since the Group’s operations involved a single business classification under which the Group provides computers, software, associated products and related various services, there is no statement of segment information by business type.

b. Segment information by geographical area

Nine months period under review (from April 1, 2008 to December 31, 2008)

Since sales in Japan were over 90% of total consolidated sales, there is no statement of segment information by geographical area.

c. Overseas sales

Nine months period under review (from April 1, 2008 to December 31, 2008)

Since the ratio of overseas sales to consolidated sales was negligible, the statement of overseas sales is omitted.

(6) Notes to significant changes in the amounts of shareholders’ equity

There is no applicable item.

Reference

Financial Statements for the corresponding period of the previous year

(1) QUARTERLY CONSOLIDATED STATEMENTS OF INCOME (SUMMARY)

Nine-month period of the previous fiscal year (from April 1, 2007 to December 31, 2007)

Item	Nine months ended December 31, 2007
	Amount (Millions of Yen)
I Net sales	216,405
II Cost of sales	164,276
Gross profit	52,128
III Selling, general and administrative expenses	50,305
Operating income	1,823
IV Non-operating income	
Interest and dividends income	367
Others	490
V Non-operating expenses	
Interest expense	851
Others	83
Ordinary income	1,746
VI Extraordinary gains	411
VII Extraordinary losses	6,452
Net loss before income taxes	(4,294)
Income tax, etc.	1,222
Minority interests in loss	(119)
Net loss	(5,396)

(2) QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOW (SUMMARY)

Nine-month period of the previous fiscal year (from April 1, 2007 to December 31, 2007)

	Nine months ended December 31, 2007
Item	Amount (Millions of Yen)
I Operating Activities:	
Net loss before income taxes	(4,294)
Depreciation and amortization	11,149
Amortization of goodwill and negative goodwill	6,279
(Decrease) in allowances	(407)
Decrease in notes and accounts receivable-trade	38,456
(Increase) in inventories	(8,971)
(Decrease) in accounts payable-trade	(17,820)
Other-net	(12,795)
Subtotal	11,597
Interest and dividends income received	396
Interest expenses paid	(673)
Income taxes paid	(5,201)
Net cash provided by operating activities	6,118
II Investing Activities:	
Purchase of property, plant and equipment	(6,873)
Purchase of intangible assets	(9,557)
Purchase of investment securities	(1,023)
Payments for acquisition of newly consolidated subsidiaries	(6,676)
Other-net	2,155
Net cash (used in) investing activities	(21,975)
III Financing Activities:	
(Decrease) in short-term loans payable	(9,950)
Proceeds from long-term loans payable	27,000
Payments of long-term loans payable	(925)
Net increase in commercial papers	2,000
Cash dividends paid	(900)
Other-net	(464)
Net cash provided by financial activities	16,759
IV Effect of exchange rate changes on cash and cash equivalents	4
V Net increase in cash and cash equivalents	907
VI Cash and cash equivalents, beginning of period	23,225
VII Cash and cash equivalents of newly consolidated subsidiaries, beginning of period	51
VIII Cash and cash equivalents, end of period	24,184

(3) Segment information

[Segment information by business type]

Nine months ended December 31, 2007 (from April 1, 2007 to December 31, 2007)

Since the Group's operations involved a single business classification under which the Group provides computers, software, associated products and related various services, there is no statement of segment information by business type.

[Segment information by geographical area]

Nine months ended December 31, 2007 (from April 1, 2007 to December 31, 2007)

Since sales in Japan were over 90% of total consolidated sales, there is no statement of segment information by geographical area.

[Overseas sales]

Nine months ended December 31, 2007 (from April 1, 2007 to December 31, 2007)

Since the ratio of overseas sales to consolidated sales was negligible, the statement of overseas sales is omitted.

6. Other information

Reference

Comparison of Financial Statements

(1) CONSOLIDATED STATEMENTS OF INCOME

Item	Nine months ended December 31, 2008	Nine months ended December 31, 2007	Increase (decrease)		Fiscal year ended March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)	% change	Amount (Millions of Yen)
I Net Sales					
Services	162,763	158,703	4,060	2.6	244,785
Software	20,201	23,633	(3,432)	(14.5)	39,219
Hardware	29,982	34,068	(4,085)	(12.0)	53,754
Total	212,946	216,405	(3,458)	(1.6)	337,759
II Cost of sales	160,433	164,276	(3,842)	(2.3)	251,727
Gross profit	52,513	52,128	384	0.7	86,031
III Selling, general and administrative expenses	48,307	50,305	(1,997)	(4.0)	66,382
Operating income	4,205	1,823	2,382	130.6	19,649
IV Non-operating income					
Interest and dividend income	438	367	71	19.5	428
Gain on sales of listed securities	0	306	(306)	(99.9)	306
Others	240	184	56	30.6	271
V Non-operating expenses					
Interest expense	942	851	90	10.7	1,189
Others	213	83	130	156.0	201
Ordinary income	3,729	1,746	1,982	113.5	19,265
VI Extraordinary gains					
Gain on sales of non-current assets	-	2	(2)	(100.0)	-
Gain on sales of investment securities	10	348	(337)	(97.0)	348
Settlement received	423	-	423	-	-
Gain on reversal of allowance for retirement benefits for directors and corporate auditors	-	60	(60)	(100.0)	94
Others	0	-	0	-	48
VII Extraordinary losses					
Loss on sales and disposal of non-current assets	59	52	7	13.5	124
Loss on valuation of investment securities	380	497	(116)	(23.5)	876
Amortization of goodwill	-	5,889	(5,889)	(100.0)	8,074
Provision of allowance for office relocation costs	238	-	238	-	214
Others	87	12	74	589.6	250
Net income (loss) before income taxes and minority interests	3,396	(4,294)	7,690	-	10,215
Income taxes	2,526	1,222	1,303	106.7	7,950
Minority interests in loss	(214)	(119)	(94)	-	(280)
Net income (loss)	1,085	(5,396)	6,481	-	2,546

(2) CONSOLIDATED STATEMENTS OF BALANCE SHEETS

Item	As of December 31, 2008	As of December 31, 2007	Increase (decrease)		As of March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)	% change	Amount (Millions of Yen)
ASSETS					
I Current assets					
Cash and deposits	32,340	24,194	8,145	33.7	21,613
Notes and accounts receivable-trade	51,110	52,596	(1,486)	(2.8)	88,663
Short-term investment securities	-	-	-	-	49
Inventories	25,439	31,058	(5,618)	(18.1)	17,488
Deferred tax assets	9,493	13,536	(4,042)	(29.9)	10,085
Others	9,996	8,964	1,031	11.5	8,735
Allowance for doubtful accounts	(470)	(398)	(71)	-	(475)
Total current assets	127,910	129,953	(2,043)	(1.6)	146,160
II Non-current assets					
1. Property, plant and equipment					
Buildings and structures	4,646	4,509	136	3.0	4,642
Machinery, equipment and vehicles	12,009	13,786	(1,776)	(12.9)	12,997
Others	4,921	3,502	1,419	40.5	3,511
Total property, plant and equipment	21,577	21,797	(219)	(1.0)	21,150
2. Intangible assets					
Goodwill	1,715	3,701	(1,986)	(53.7)	1,721
Software	37,267	34,190	3,077	9.0	36,117
Others	59	30	29	96.4	29
Total intangible assets	39,042	37,922	1,120	3.0	37,869
3. Investment and others assets					
Investment securities	16,073	19,228	(3,155)	(16.4)	18,641
Deferred tax assets	8,819	9,915	(1,096)	(11.1)	8,938
Prepaid pension costs	12,619	13,587	(967)	(7.1)	14,086
Others	11,714	13,060	(1,346)	(10.3)	13,234
Allowance for doubtful accounts	(658)	(1,531)	872	-	(1,623)
Total investment and other assets	48,568	54,261	(5,692)	(10.5)	53,277
Total non-current assets	109,188	113,980	(4,792)	(4.2)	112,297
Total assets	237,098	243,934	(6,836)	(2.8)	258,457

Item	As of December 31, 2008	As of December 31, 2007	Increase (decrease)		As of March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)	% change	Amount (Millions of Yen)
LIABILITIES					
I Current liabilities					
Notes and accounts payable-trade	21,163	21,979	(816)	(3.7)	34,744
Short-term loans payable	24,212	15,050	9,162	60.9	14,500
Current portion of long-term loans payable	8,589	16,575	(7,985)	(48.2)	8,750
Current portion of bonds	-	8,000	(8,000)	(100.0)	-
Commercial papers	6,000	15,000	(9,000)	(60.0)	12,500
Accrued income taxes	233	1,256	(1,022)	(81.4)	3,120
Reserves	870	844	26	3.1	1,325
Others	30,260	29,806	454	1.5	29,874
Total current liabilities	91,329	108,511	(17,181)	(15.8)	104,815
II Long-term liabilities					
Bonds	10,000	-	10,000	-	10,000
Long-term loans payable	47,135	52,575	(5,439)	(10.3)	53,650
Deferred tax liabilities	1,008	803	204	25.5	1,052
Provision of reserve for retirement benefits	1,298	1,398	(100)	(7.2)	1,308
Other reserves	376	494	(118)	(24.0)	246
Negative goodwill	58	74	(15)	(21.1)	70
Others	1,452	1,660	(208)	(12.5)	973
Total long-term liabilities	61,329	57,006	4,322	7.6	67,301
Total liabilities	152,659	165,518	(12,858)	(7.8)	172,116

Item	As of December 31, 2008	As of December 31, 2007	Increase (decrease)		As of March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)	% change	Amount (Millions of Yen)
NET ASSETS					
I Shareholders' equity					
Capital stock	5,483	5,483	-	-	5,483
Capital surplus	15,475	15,494	(19)	(0.1)	15,494
Retained earnings	82,837	75,104	7,733	10.3	83,046
Treasury stock	(19,259)	(19,319)	59	-	(19,318)
Deposit for subscriptions to treasury stock	-	0	(0)	(100.0)	-
Total shareholders' equity	84,536	76,763	7,772	10.1	84,705
II Valuation and translation adjustments					
Valuation difference on available-for-sale securities	(1,233)	685	(1,919)	-	240
Deferred gain and losses on hedges	(69)	-	(69)	-	(39)
Foreign currency translation adjustments	40	3	36	910.2	22
Total valuation and translation adjustments	(1,262)	689	(1,952)	-	224
III Subscription rights to shares	515	209	306	146.3	285
IV Minority interests	650	754	(104)	(13.8)	1,125
Total net assets	84,439	78,416	6,022	7.7	86,341
Total liabilities and net assets	237,098	243,934	(6,836)	(2.8)	258,457

(3) CONSOLIDATED STATEMENTS OF CASH FLOW

Item	Nine months ended December 31, 2008	Nine months ended December 31, 2007	Increase (decrease)	Fiscal year ended March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)
I Operating Activities:				
Net income (loss) before income taxes and minority interests	3,396	(4,294)	7,690	10,215
Depreciation and amortization	10,683	11,149	(466)	15,170
Amortization of goodwill	80	6,283	(6,202)	8,597
Amortization of negative goodwill	(12)	(3)	(8)	(7)
(Decrease) in reserve for retirement benefits	(10)	(187)	177	(278)
(Decrease) increase in other reserves	(1,296)	(220)	(1,076)	183
Interest and dividend income	(438)	(367)	(71)	(428)
Interest expense	942	851	90	1,189
Decrease in notes and accounts receivable-trade	37,553	38,456	(903)	2,389
(Increase) decrease in inventories	(7,950)	(8,971)	1,020	4,778
(Decrease) in notes and accounts payable-trade	(13,510)	(17,820)	4,309	(5,112)
Other-net	2,409	(13,280)	15,689	(12,216)
Subtotal	31,846	11,597	20,249	24,482
Interest and dividends income received	438	396	42	429
Interest expenses paid	(756)	(673)	(82)	(1,177)
Income taxes paid	(3,647)	(5,201)	1,554	(5,142)
Net cash provided by operating activities	27,881	6,118	21,763	18,591
II Investing Activities:				
Purchase of property, plant and equipment	(5,100)	(6,873)	1,773	(8,251)
Proceeds from sales of property, plant and equipment	175	589	(414)	790
Purchase of intangible assets	(7,211)	(9,557)	2,345	(14,808)
Purchase of investment securities	(430)	(1,023)	593	(1,331)
Proceeds from sales of investment securities	65	1,180	(1,114)	1,180
Payments for acquisition of newly consolidated subsidiaries	-	(6,676)	6,676	(6,676)
Other-net	58	385	(327)	(6)
Net cash (used in) investing activities	(12,443)	(21,975)	9,531	(29,103)

Item	Nine months ended December 31, 2008	Nine months ended December 31, 2007	Increase (decrease)	Fiscal year ended March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)
III Financing Activities:				
Net increase (decrease) in short-term loans payable	9,778	(9,950)	19,728	(10,500)
Proceeds from long-term loans payable	-	27,000	(27,000)	30,150
Repayment of long-term loans payable	(6,675)	(925)	(5,750)	(10,825)
Proceeds from issuance of bonds	-	-	-	10,000
Redemption of bonds	-	-	-	(8,000)
Net (decrease) increase in commercial papers	(6,500)	2,000	(8,500)	(500)
Purchase of treasury stock	(1)	(204)	202	(204)
Proceeds from exercise of stock option	40	43	(2)	43
Cash dividends paid	(1,262)	(900)	(361)	(935)
Cash dividends paid to minority shareholders	(36)	(141)	105	(141)
Other-net	(63)	(162)	(98)	(271)
Net cash (used in) provided by financial activities	(4,719)	16,759	(21,479)	8,814
IV Effect of exchange rate changes on cash and cash equivalents	17	4	12	23
V Net increase (decrease) in cash and cash equivalents	10,736	907	9,828	(1,673)
VI Cash and cash equivalents, beginning of period	21,603	23,225	(1,622)	23,225
VII Cash and cash equivalents of newly consolidated subsidiaries, beginning of period	-	51	(51)	51
VIII Cash and cash equivalents, end of period	32,340	24,184	8,155	21,603