



Consolidated Financial Report for the Three-Month Period Ended June 30, 2008

July 31, 2008

Nihon Unisys, Ltd.

Stock Listing: First section of the Tokyo Stock Exchange
 Stock Code: 8056
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 Scheduled Date for Submission of Quarterly Report: August 11, 2008

(Amounts are rounded down to the nearest million Yen.)

1. Consolidated Financial Results for the Three-Month Period Ended June 30, 2008 (from April 1, 2008 to June 30, 2008)

(1) Consolidated Results of Operations (Accumulated)

(Percentage below represents increase (decrease) from the same period of previous year.)

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three Months Ended June 30, 2008	56,396	—	(3,584)	—	(3,566)	—	(2,326)	—
Three Months Ended June 30, 2007	56,025	5.0	(3,288)	—	(3,262)	—	(1,635)	—

	Earnings Per Share		Diluted Earnings Per Share	
	Yen		Yen	
Three Months Ended June 30, 2008	(24.26)		—	
Three Months Ended June 30, 2007	(17.04)		—	

(2) Consolidated Financial Position

	Total Assets		Net Assets		Shareholders' Equity Ratio		Net Assets Per Share	
	Millions of Yen		Millions of Yen		%		Yen	
Three Months Ended June 30, 2008	229,512		83,172		35.7		855.69	
Year Ended March 31, 2008	258,457		86,341		32.9		885.88	

(Reference) Shareholders' Equity Three Months Ended June 30, 2008 82,046 Million Yen Year Ended March 31, 2008 84,930 Million Yen

2. Dividends

Record Date	Dividends per Share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-end	Total
Year Ended March 31, 2008	—	6.00	—	6.00	12.00
Year Ended March 31, 2009	—	—	—	—	—
Year Ended March 31, 2009 (Forecast)	—	7.50	—	7.50	15.00

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

3. Consolidated Earnings Forecast for the Fiscal Year Ended March 31, 2009 (from April 1, 2008 to March 31, 2009)

(Percentage below represents increase (decrease) from the same period of previous year)

	Net Sales		Operating Income		Recurring Profit		Net Income		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Interim	150,000	—	4,000	—	3,500	—	1,500	—	15.65
Full-year	345,000	2.1	22,000	12.0	21,000	9.0	11,000	332.1	114.74

(Note) Revision of consolidated earnings forecast for this quarter: None

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 4 for details.

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding (including treasury stock)	Three Months Ended June 30, 2008	109,663,524	Year Ended March 31, 2008	109,663,524
2. Number of shares of treasury stock	Three Months Ended June 30, 2008	13,781,917	Year Ended March 31, 2008	13,792,475
3. Average number of shares outstanding	Three Months Ended June 30, 2008	95,873,943	Three Months Ended June 30, 2007	95,975,142

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

1. The Consolidated Earnings Forecast that was announced May 12, 2008 is not revised. 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 Quarterly Consolidated Financial Statements are prepared pursuant to the "Rules on Quarterly Consolidated Financial Statements."

Qualitative Information/Financial Statements

1. Qualitative Information on the Consolidated Operating Results

During the first quarter under review, uncertainties remained over the economic outlook in Japan because of a number of risk factors including a slowdown in the U.S. economy and fear of fluctuations in the financial and capital markets, affected by the subprime mortgage loan problem and concern over inflation caused by price hikes of oil and raw materials.

In the information service market, demand continued to be steady, but the business climate stayed severe, reflecting cost reduction efforts of companies, and their cautious posture about investment judgments by prioritizing Return On Investment ("ROI").

To cope with this harsh business environment, Nihon Unisys Group (the "Group") continued to work on "reinforcement of corporate structure" and "expansion of business," aiming to move away into a "high-growth corporate group."

In order to reinforce its corporate structure in the first quarter under review, the Group implemented the following measures. First, we focused on reducing overall costs through an effective use of human resources. To this end, we streamlined the administrative function by means of Business Process Reengineering ("BPR"), and shifted personnel in the back-office section to the front-office section. Second, we focused on strengthening the functions to monitor, manage and direct projects in our system service business. To achieve this objective, we established the Project Management division specializing in carrying out these functions.

With regard to the expansion of business, to further strengthen the Information and Communication Technology ("ICT") business, the Group established the ICT Services division, and aims to expand the service business such as outsourcing and Software as a Service ("SaaS") at an early stage. As a part of these measures, the Group in June, 2008 announced the "SASTIK® Service," in which users insert a USB authentication key device into the USB port of a personal computer connected to the Internet, and simply enter the password, then they can automatically access the intranet and use business web applications under high-level security as if they were in their office. Since then, we have had many inquiries about this system. In addition, to enhance the system integration business, one of our fundamental businesses, the Group set up the Solutions Planning and Development division, aiming to increase the number of handling solutions and boost provision of solutions in the service business. Specifically, the Group has begun to sell "Travel Concierge®," a core operating system for travel agencies. Based on seamless data, it handles operations of reservation, revenue registration and settlement for subscription-type prearranged package plans and tailor-made type planned travel services as well as other travel requirement services. Another product we have launched is "SharedPro®," built-in development project support solutions based on "Microsoft® Office SharePoint® Server 2007."

Looking at the consolidated operating results for the first quarter under review, service sales increased from the previous year as the system service business remained steady. However, hardware sales and software sales decreased. As a result, net sales were ¥56,396 million, up by 0.7% year on year. With respect to profits, despite a rise in service sales, gross profit declined. This was due to an increase in costs such as depreciation relating to outsourcing as well as a decrease in both hardware sales and software sales. As a result, the Group posted an operating loss of ¥3,584 million (¥3,288 million loss for the same period last year) and an ordinary loss of ¥3,566 million (¥3,262 million loss for the same period last year). Net loss was ¥2,326 million (¥1,635 million loss for the same period last year).

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

2. Qualitative Information on Consolidated Financial Position

In the first quarter under review, merchandise and work in process increased, while the collection of accounts receivable-trade accelerated. As a result, total assets were ¥229,512 million on a consolidated basis at the end of the period, down ¥28,945 million from the end of the previous consolidated fiscal year.

Liabilities amounted to ¥146,340 million as of the end of the period under review, down ¥25,776 million from the end of the previous consolidated fiscal year, mainly because of the payment of accounts payable-trade and repayment of loans payable.

At the end of the period, net assets were ¥83,172 million. The shareholders' equity ratio was 35.7%, up by 2.8% points from the end of the preceding year.

As for cash and cash equivalents (hereinafter referred to as "cash") of the first quarter under review, cash provided by operating activities was allocated to purchase of fixed assets, such as computers for sales activities, and repayment of loans payable. As a result, consolidated cash and cash equivalents were ¥22,274 million as of the end of the first quarter under review, up by ¥670 million from the end of the previous consolidated fiscal year.

Net cash provided by operating activities was ¥14,476 million owing chiefly to a decrease in accounts receivable-trade.

Net cash used in investing activities was ¥4,497 million owing primarily to acquisition of fixed assets in the form of computers for outsourcing and software development.

Net cash used in financial activities was ¥9,297 million, mainly because of repayment of loans payable.

3. Qualitative Information on Consolidated Financial Forecast

The Group has not changed its consolidated financial forecast from the previous announcement that we made on May 12, 2008.

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 as of the end of the first quarter under review, not by conducting physical inventory but by using a reasonable method based on physical inventory for the previous consolidated fiscal year.

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

- Effective from the consolidated fiscal year ending March 31, 2009, we have adopted 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). Quarterly consolidated financial statements are prepared in accordance with the "Rules on Quarterly Consolidated Financial Statements."

- 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) has become applicable to consolidated financial statements, we have calculated the said inventories principally by the cost method (the price in the Balance Sheets is calculated using the method of devaluing the book price to reflect declines in profitability) based on the moving average method from the first quarter under review. The influence 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 during the first quarter under review, we adopted work progress standards for contracts worth ¥100 million or more on a cost basis, of which the certainty of results achieved until the end of the said first quarter is recognized concerning the progressed portion. Other work was calculated on an inspection basis. The influence on

profit and loss was not overly significant.

- Adoption of accounting standards for lease transactions

We previously applied the accounting method for lease transactions to finance lease transactions without ownership transfer. 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

	Three months ended June 30, 2008	Summary of consolidated balance sheets with respect to the end of the fiscal year ended March 31, 2008
ASSETS		
Current assets		
Cash and time deposits	22,274	21,613
Notes receivable and accounts receivable-trade	48,532	88,663
Marketable securities	49	49
Merchandise	10,788	9,412
Finished goods	407	380
Raw materials	275	215
Work in process	14,220	7,456
Supplies	25	24
Deferred tax assets	11,272	10,085
Others	9,998	8,735
Allowance for doubtful accounts	(477)	(475)
Total current assets	117,366	146,160
Fixed assets		
Property and equipment		
Buildings and structures, net	4,632	4,642
Machinery, equipment and vehicles, net	12,800	12,997
Other, net	3,821	3,511
Total property and equipment	21,254	21,150
Intangible fixed assets		
Goodwill	1,755	1,721
Software	36,430	36,117
Others	38	29
Total intangible fixed assets	38,224	37,869
Investment and other assets		
Investment securities	18,590	18,641
Deferred tax assets	8,975	8,938
Prepaid pension costs	13,588	14,086
Others	13,194	13,234
Allowance for doubtful accounts	(1,684)	(1,623)
Total investment and other assets	52,665	53,277
Total fixed assets	112,145	112,297
Total assets	229,512	258,457

	Three months ended June 30, 2008	Summary of consolidated balance sheets with respect to the end of the fiscal year ended March 31, 2008
LIABILITIES		
Current liabilities		
Notes payable and accounts payable-trade	20,486	34,744
Short-term borrowings	12,200	14,500
Current portion of long-term loans payable	7,817	8,750
Commercial paper	8,000	12,500
Income taxes payable	105	3,120
Allowances	951	1,325
Others	30,519	29,874
Total current liabilities	80,080	104,815
Long-term liabilities		
Bonds	10,000	10,000
Long-term loans payable	52,582	53,650
Deferred tax liabilities	1,087	1,052
Allowance for retirement benefits	1,269	1,308
Other provision	291	246
Negative goodwill	66	70
Others	961	973
Total long-term liabilities	66,259	67,301
Total liabilities	146,340	172,116
NET ASSETS		
Shareholders' equity		
Common stock	5,483	5,483
Capital surplus	15,489	15,494
Retained earnings	80,145	83,046
Treasury stock	(19,303)	(19,318)
Treasury stock deposit	1	-
Total shareholders' equity	81,816	84,705
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	154	240
Deferred gain and losses on hedges	63	(39)
Foreign currency translation adjustments	12	22
Total valuation and translation adjustments	230	224
Common stock acquisition rights	362	285
Minority interests	762	1,125
Total net assets	83,172	86,341
Total liabilities and net assets	229,512	258,457

(2) CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

	Three months ended June 30, 2008
Net Sales	56,396
Cost of sales	43,602
Gross profit	12,793
Selling, general and administrative expenses	16,377
Operating loss	(3,584)
Non-operating income	
Interest income	58
Dividend income	228
Others	62
Total non-operating income	350
Non-operating expense	
Interest expense	313
Others	18
Total non-operating expenses	332
Recurring loss	(3,566)
Extraordinary gains	
Gain on sales of fixed assets	0
Total extraordinary gains	0
Extraordinary losses	
Loss on devaluation of investment securities	22
Provision of allowance for doubtful accounts	36
Others	28
Total extraordinary losses	86
Loss before income taxes and minority interests	(3,652)
Income taxes-current	4
Income taxes-deferred	(1,204)
Total income taxes	(1,200)
Minority interests in loss	(126)
Net loss	(2,326)

(3) CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

Three months ended June 30,
2008

Operating Activities:	
Loss before income taxes and minority interests	(3,652)
Depreciation and amortization	3,580
Amortization of goodwill	24
Amortization of negative goodwill	(4)
Decrease in allowance for retirement benefits	(38)
Decrease in other allowances	(267)
Interest and dividend income	(287)
Interest expense	313
Decrease in accounts receivable-trade	40,131
Increase in inventories	(8,228)
Decrease in accounts payable-trade	(14,189)
Others	(66)
Subtotal	17,315
Interests and dividend received	289
Interest paid	(160)
Income taxes paid	(2,968)
Net cash provided by operating activities	14,476
Investing Activities:	
Payments for purchase of property and equipment	(1,967)
Proceeds from sales of property, plant and equipment	40
Payments for purchase of intangible fixed assets	(2,298)
Payments for purchase of investment securities	(282)
Others	9
Net cash used in investing activities	(4,497)
Financial Activities:	
Net decrease in short-term borrowings	(2,300)
Payments of long-term loans payable	(2,000)
Decrease in commercial paper	(4,500)
Purchase of treasury stock	(0)
Proceeds from exercise of stock option	11
Cash dividends paid	(546)
Cash dividends paid to minority shareholders	(36)
Others	74
Net cash provided by financial activities	(9,297)
Effect of exchange rate changes on cash and cash equivalents	(9)
Net increase in cash and cash equivalents	670
Cash and cash equivalents, beginning of period	21,603
Cash and cash equivalents at the quarter end	22,274

Effective from the consolidated fiscal year ending March 31, 2009, we have adopted 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). Quarterly consolidated financial statements are prepared in accordance with the "Rules on Quarterly Consolidated Financial Statements."

(4) Notes to the going concern assumption

There is no applicable item.

(5) Segment information

a. Segment information by business type

Three-month period under review (from April 1, 2008 to June 30, 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

Three-month period under review (from April 1, 2008 to June 30, 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

Three-month period under review (from April 1, 2008 to June 30, 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

Quarterly consolidated financial statements, etc.

(1) CONSOLIDATED STATEMENTS OF INCOME (SUMMARY)

Item	Three months ended June 30, 2008	Three months ended June 30, 2007	Increase (decrease)		(Reference) 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	44,807	42,690	2,117	5.0	244,785
Software	4,582	5,075	(492)	(9.7)	39,219
Hardware	7,006	8,260	(1,253)	(15.2)	53,754
Total	56,396	56,025	370	0.7	337,759
II Cost of sales	43,602	42,579	1,023	2.4	251,727
Gross profit	12,793	13,446	(652)	(4.9)	86,031
III Selling, general and administrative expenses	16,377	16,735	(357)	(2.1)	66,382
Operating income (loss)	(3,584)	(3,288)	(295)	-	19,649
IV Non-operating income					
Interest and dividend income	287	223	64	28.7	428
Others	62	81	(18)	(22.9)	578
V Non-operating expenses					
Interest expense	313	243	70	29.1	1,189
Others	18	35	(17)	(48.2)	201
Recurring profit (loss)	(3,566)	(3,262)	(303)	-	19,265
VI Extraordinary gains					
Gain on sales of fixed assets	0	-	0	-	-
Gain on sales of investment securities	-	348	(348)	(100.0)	348
Others	-	1	(1)	(100.0)	143
VII Extraordinary losses					
Loss on sales and disposal of fixed assets	14	15	(0)	(6.2)	124
Loss on devaluation of investment securities	22	-	22	-	876
Provision of allowance for doubtful accounts	36	-	36	-	55
Amortization of goodwill	-	-	-	-	8,074
Others	13	-	13	-	410
Income (loss) before income taxes and minority interests	(3,652)	(2,928)	(724)	-	10,215

Item	Three months ended June 30, 2008	Three months ended June 30, 2007	Increase (decrease)		(Reference) Fiscal year ended March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)	% change	Amount (Millions of Yen)
Income taxes	(1,200)	(1,159)	(40)	-	7,950
Minority interests in income (loss)	(126)	(132)	6	-	(280)
Net income (loss)	(2,326)	(1,635)	(690)	-	2,546

(2) CONSOLIDATED STATEMENTS OF BALANCE SHEETS (SUMMARY)

Item	Three months ended June 30, 2008	Three months ended June 30, 2007	Increase (decrease)		(Reference) Fiscal year ended 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 time deposits	22,274	25,285	(3,011)	(11.9)	21,613
Notes receivable and accounts receivable-trade	48,532	45,394	3,137	6.9	88,663
Marketable securities	49	-	49	-	49
Merchandise	10,788	11,172	(384)	(3.4)	9,412
Finished goods	407	414	(7)	(1.8)	380
Raw materials	275	265	9	3.6	215
Work in process	14,220	20,027	(5,806)	(29.0)	7,456
Supplies	25	46	(20)	(44.7)	24
Deferred tax assets	11,272	13,324	(2,051)	(15.4)	10,085
Others	9,998	9,193	804	8.8	8,735
Allowance for doubtful accounts	(477)	(43)	(434)	-	(475)
Total current assets	117,366	125,081	(7,714)	(6.2)	146,160
II Fixed assets					
1. Property and equipment					
Buildings and structures	4,632	4,651	(19)	(0.4)	4,642
Machinery, equipment and vehicles	12,800	15,149	(2,348)	(15.5)	12,997
Others	3,821	3,623	197	5.5	3,511
Total property, plant and equipment	21,254	23,424	(2,169)	(9.3)	21,150
2. Intangible fixed assets					
Goodwill	1,755	9,607	(7,851)	(81.7)	1,721
Software	36,430	32,454	3,975	12.2	36,117
Others	38	32	5	17.8	29
Total intangible fixed assets	38,224	42,094	(3,869)	(9.2)	37,869
3. Investment and other assets					
Investment securities	18,590	22,123	(3,532)	(16.0)	18,641
Deferred tax assets	8,975	9,847	(871)	(8.9)	8,938
Prepaid pension costs	13,588	12,543	1,045	8.3	14,086

Item	Three months ended June 30, 2008	Three months ended June 30, 2007	Increase (decrease)		(Reference) Fiscal year ended March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)	% change	Amount (Millions of Yen)
Others	13,194	12,922	272	2.1	13,234
Allowance for doubtful accounts	(1,684)	(1,890)	206	-	(1,623)
Total investment and other assets	52,665	55,545	(2,879)	(5.2)	53,277
Total fixed assets	112,145	121,064	(8,919)	(7.4)	112,297
Total assets	229,512	246,146	(16,634)	(6.8)	258,457

Item	Three months ended June 30, 2008	Three months ended June 30, 2007	Increase (decrease)		(Reference) Fiscal year ended 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 payable and accounts payable-trade	20,486	22,906	(2,419)	(10.6)	34,744
Short-term borrowings	12,200	19,550	(7,350)	(37.6)	14,500
Current portion of long-term loans payable	7,817	12,825	(5,007)	(39.0)	8,750
Current portion of bonds	-	8,000	(8,000)	(100.0)	-
Commercial paper	8,000	26,000	(18,000)	(69.2)	12,500
Income taxes payable	105	361	(255)	(70.7)	3,120
Allowances	951	1,603	(651)	(40.6)	1,325
Others	30,519	35,333	(4,813)	(13.6)	29,874
Total current liabilities	80,080	126,579	(46,498)	(36.7)	104,815
II Long-term liabilities					
Bonds	10,000	-	10,000	-	10,000
Long-term loans payable	52,582	30,250	22,332	73.8	53,650
Deferred tax liabilities	1,087	584	502	86.0	1,052
Allowance for retirement benefits	1,269	1,487	(217)	(14.7)	1,308
Other allowances	291	440	(149)	(33.8)	246
Negative goodwill	66	74	(8)	(11.3)	70
Others	961	1,811	(849)	(46.9)	973
Total long-term liabilities	66,259	34,648	31,610	91.2	67,301
Total liabilities	146,340	161,227	(14,887)	(9.2)	172,116

Item	Three months ended June 30, 2008	Three months ended June 30, 2007	Increase (decrease)		(Reference) Fiscal year ended 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					
Common stock	5,483	5,483	-	-	5,483
Capital surplus	15,489	15,511	(22)	(0.1)	15,494
Retained earnings	80,145	79,440	704	0.9	83,046
Treasury stock	(19,303)	(19,169)	(133)	-	(19,318)
Treasury stock deposit	1	3	(1)	(51.2)	-
Total shareholders' equity	81,816	81,269	547	0.7	84,705
II Valuation and translation adjustments					
Net unrealized gain on available-for- sale securities	154	2,674	(2,519)	(94.2)	240
Deferred gain and losses on hedges	63	-	63	-	(39)
Foreign currency translation adjustments	12	(7)	20	-	22
Total valuation and translation adjustments	230	2,666	(2,436)	(91.4)	224
III Common stock acquisition rights	362	105	256	242.2	285
IV Minority interests	762	876	(114)	(13.0)	1,125
Total net assets	83,172	84,918	(1,746)	(2.1)	86,341
Total liabilities and net assets	229,512	246,146	(16,634)	(6.8)	258,457

(3) CONSOLIDATED STATEMENTS OF CASH FLOWS (SUMMARY)

Item	Three months ended June 30, 2008	Three months ended June 30, 2007	Fiscal year ended March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)
I Operating Activities:			
Income (loss) before income taxes and minority interests	(3,652)	(2,928)	10,215
Depreciation and amortization	3,580	3,680	15,170
Amortization of goodwill	24	121	8,597
Amortization of negative goodwill	(4)	(4)	(7)
Decrease in allowance for retirement benefits	(38)	(99)	(278)
Increase (decrease) in other allowances	(267)	(320)	183
Interest and dividend income	(287)	(223)	(428)
Interest expense	313	243	1,189
Decrease in accounts receivable-trade	40,131	45,659	2,389
Increase (decrease) in inventories	(8,228)	(9,659)	4,778
Decrease in accounts payable-trade	(14,189)	(16,870)	(5,112)
Other-net	(66)	(7,040)	(12,216)
Subtotal	17,315	12,559	24,482
Interests and dividend received	289	221	429
Interest paid	(160)	(166)	(1,177)
Income taxes paid	(2,968)	(4,254)	(5,142)
Net cash provided by operating activities	14,476	8,360	18,591
II Investing Activities:			
Payments for purchase of property and equipment	(1,967)	(4,023)	(8,251)
Proceeds from sales of property, plant and equipment	40	333	790
Payments for purchase of intangible fixed assets	(2,298)	(3,983)	(14,808)
Payments for purchase of investment securities	(282)	(1)	(1,331)
Proceeds from sales of investment securities	0	784	1,180
Payment for purchase of subsidiaries shares, resulting in change of consolidation scope	-	(6,488)	(6,676)
Other-net	9	0	(6)
Net cash used in investing activities	(4,497)	(13,378)	(29,103)

Item	Three months ended June 30, 2008	Three months ended June 30, 2007	Fiscal year ended March 31, 2008
	Amount (Millions of Yen)	Amount (Millions of Yen)	Amount (Millions of Yen)
III Financing Activities:			
Net decrease in short-term borrowings	(2,300)	(5,450)	(10,500)
Proceeds from long-term loans payable	-	-	30,150
Payments of long-term loans payable	(2,000)	-	(10,825)
Proceeds from issuance of bonds	-	-	10,000
Payment for redemption of bonds	-	-	(8,000)
Net increase (decrease) in commercial paper	(4,500)	13,000	(500)
Purchase of treasury stock	(0)	(0)	(204)
Proceeds from exercise of stock option	11	9	43
Cash dividends paid	(546)	(339)	(935)
Cash dividends paid to minority shareholders	(36)	(141)	(141)
Other-net	74	(53)	(271)
Net cash provided by financial activities	(9,297)	7,023	8,814
IV Effect of exchange rate changes on cash and cash equivalents	(9)	(6)	23
V Net increase (decrease) in cash and cash equivalents	670	1,998	(1,673)
VI Cash and cash equivalents, beginning of period	21,603	23,225	23,225
VII Cash and cash equivalents of newly consolidated subsidiaries, beginning of period	-	51	51
VII Cash and cash equivalents, end of period	22,274	25,275	21,603