

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

November 4, 2008

Nihon Unisys, Ltd.

Stock Listing: Tokyo Stock Exchange 1st section
 Stock Code: 8056
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 Scheduled Date for Submission of Quarterly Report: November 12, 2008
 Scheduled Date for Interim Dividend Payment: December 9, 2008

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

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

(1) Consolidated Results of Operations (Percentage below represents increase (decrease) from the same period of previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six Months Ended September 30, 2008	146,890	—	4,117	—	3,844	—	1,668	—
Six Months Ended September 30, 2007	152,359	11.6	3,051	283.6	3,102	177.9	(4,362)	—

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
Six Months Ended September 30, 2008	17.40	17.35
Six Months Ended September 30, 2007	(45.46)	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
Six Months Ended September 30, 2008	239,622	86,345	35.5	888.05
Year Ended March 31, 2008	258,457	86,341	32.9	885.88

(Reference) Shareholders' Equity Six Months Ended September 30, 2008 85,175 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
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2008	—	6.00	—	6.00	12.00
Year Ended March 31, 2009	—	7.50	—	—	—
Year Ended March 31, 2009 (Forecast)	—	—	—	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		Ordinary Income		Net Income		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
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: None

(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)	Six Months Ended September 30, 2008	109,663,524	Year Ended March 31, 2008	109,663,524
2. Number of shares of treasury stock	Six Months Ended September 30, 2008	13,750,863	Year Ended March 31, 2008	13,792,475
3. Average number of shares outstanding during the period	Six Months Ended September 30, 2008	95,886,697	Six Months Ended September 30, 2007	95,983,578

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 "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 six-month period under review, uncertainties increased over the economic outlook in Japan owing to many risk factors, including an escalation of the financial crisis and a slowdown in the economy in the U.S., triggered by the subprime mortgage loan problem, and worldwide 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”).

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 six-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 established Next-Generation Internet Data Center (“IDC”) Base using cutting-edge technologies such as virtualization and operational automation, and actively uses infrastructure resource services, including Amazon Web Services™ provided by Amazon.com, Inc., as a virtual data center environment to complement the data center.

We also began to offer 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. Since then, we have received many inquiries about that service. Now, we plan to introduce the system for customers on a full-scale basis from the third quarter.

To enhance the system integration business, one of our fundamental 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 the solution strategy, improve the lifecycle management, and increase the use of solutions in the utilization-type service business. Specifically, the Group has begun to sell Travel Concierge®, a core operating system for travel agencies; SharedPro®, some built-in development project support solutions based on Microsoft® Office SharePoint® Server 2007; Integrated Log Management Solution, which enables users to automatically check employees’ work reports and their building entry/exit records; and Integrated ID Management Solution based on Microsoft Identity Lifecycle Manager. The Group has also begun to operate UNITRA®, a next-generation logistics information platform service developed in collaboration with Mitsui & Co., Ltd.

The Company and two group companies UNIADDEX, Ltd. 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 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 six-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 ¥146,890 million, down by 3.6% 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 ¥4,117 million, up 35.0% and recurring profit was ¥3,844 million, up by 23.9%. Net income was ¥1,668 million (a ¥4,362 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 six-month period ended September 30, 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.

- * Amazon Web Services is a trademark of Amazon Technologies Inc.
- * SASTIK is a trademark of Saslite Corporation
- * Microsoft and SharePoint are registered trademarks or trademarks of Microsoft Corporation in the U.S. and other countries.
- * UNITRA is a trademark of Mitsui & Co., Ltd.
- * PowerWorkPlace is a trademark of UNIADDEX, Ltd.

2. Qualitative Information on Consolidated Financial Position

In the second quarter under review, merchandise and work in process increased, while the collection of accounts receivable-trade accelerated. As a result, total assets were ¥239,622 million on a consolidated basis at the end of the period, down ¥18,835 million from the end of the previous consolidated fiscal year.

Liabilities amounted to ¥153,276 million as of the end of the period under review, down by ¥18,840 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 ¥86,345 million. The shareholders' equity ratio was 35.5%, up by 2.6% points from the end of the preceding year.

(Cash Flows)

With respect to cash and cash equivalents (hereinafter referred to as "cash") for the six-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 ¥24,891 million as of the end of the six-month period under review, up by ¥3,288 million from the end of the previous fiscal year.

Net cash provided by operating activities was ¥19,380 million, reflecting a decrease in accounts receivable-trade.

Net cash used in investment activities stood at ¥8,005 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 ¥8,087 million, chiefly owing to the 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:

-There is no applicable item.

(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 this fiscal year, we adopted the percentage of completion basis for contracts worth ¥100 million or more on a cost basis for portions of projects certain to be completed by the end of the second quarter under review. Other work was calculated on an inspection basis. This change resulted in increasing each of operating income, recurring profit and net income before taxes by ¥491 million.

- 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

	Six months ended September 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 deposits	24,891	21,613
Notes and accounts receivable-trade	64,744	88,663
Short-term investment securities	49	49
Merchandise	11,728	9,412
Finished goods	431	380
Raw materials	314	215
Work in process	9,376	7,456
Supplies	18	24
Deferred tax assets	9,276	10,085
Others	10,090	8,735
Allowance for doubtful accounts	(475)	(475)
Total current assets	130,445	146,160
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,527	4,642
Machinery, equipment and vehicles, net	11,886	12,997
Other, net	4,705	3,511
Total Property, plant and equipment	21,119	21,150
Intangible assets		
Goodwill	1,741	1,721
Software	36,101	36,117
Others	37	29
Total Intangible assets	37,880	37,869
Investment and other assets		
Investment securities	17,164	18,641
Deferred tax assets	8,773	8,938
Prepaid pension costs	13,117	14,086
Others	11,767	13,234
Allowance for doubtful accounts	(647)	(1,623)
Total investment and other assets	50,175	53,277
Total non-current assets	109,176	112,297
Total assets	239,622	258,457

	Millions of Yen	
	Six months ended September 30, 2008	Summary of Consolidated Balance Sheets with respect to the end of the fiscal year ended March 31, 2008
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	25,173	34,744
Short-term borrowings	12,281	14,500
Current portion of long-term loans payable	9,471	8,750
Commercial paper	11,000	12,500
Accrued income taxes	1,059	3,120
Reserves	979	1,325
Others	30,071	29,874
Total current liabilities	90,036	104,815
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	49,153	53,650
Deferred tax liabilities	1,035	1,052
Reserve for retirement benefits	1,264	1,308
Other provision	340	246
Negative goodwill	62	70
Others	1,384	973
Total non-current liabilities	63,239	67,301
Total liabilities	153,276	172,116
NET ASSETS		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	15,475	15,494
Retained earnings	84,140	83,046
Treasury stock	(19,260)	(19,318)
Deposit for subscriptions to treasury stock	0	-
Total shareholders' equity	85,839	84,705
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(681)	240
Deferred gain and losses on hedges	(5)	(39)
Foreign currency translation adjustments	23	22
Total valuation and translation adjustments	(663)	224
Subscription rights to shares	431	285
Minority interests	739	1,125
Total net assets	86,345	86,341
Total liabilities and net assets	239,622	258,457

(2) CONSOLIDATED STATEMENTS OF INCOME

	Millions of Yen
	Six months ended September 30, 2008
Net Sales	146,890
Cost of sales	110,530
Gross profit	36,360
Selling, general and administrative expenses	32,242
Operating income	4,117
Non-operating income	
Interest income	101
Dividend income	248
Others	158
Total non-operating income	508
Non-operating expense	
Interest expense	633
Others	147
Total non-operating expenses	781
Ordinary income	3,844
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	42
Loss on valuation of investment securities	62
Provision of allowance for office relocation costs	166
Provision of allowance for doubtful accounts	36
Others	27
Total extraordinary losses	335
Income before income taxes and minority interests	3,942
Income taxes-current	852
Income taxes-deferred	1,552
Total income taxes	2,404
Minority interests in loss	(130)
Net income	1,668

(3) CONSOLIDATED STATEMENTS OF CASH FLOW

	Millions of Yen
	Six months ended September 30, 2008
Operating Activities:	
Income before income taxes and minority interests	3,942
Depreciation and amortization	7,173
Amortization of goodwill	54
Amortization of negative goodwill	(8)
Decrease in reserve for retirement benefits	(43)
Decrease in other reserves	(1,228)
Interest and dividends income	(349)
Interest expense	633
Decrease in notes and accounts receivable-trade	23,919
Increase in inventories	(4,379)
Decrease in notes and accounts payable-trade	(9,494)
Others	2,353
Subtotal	<u>22,571</u>
Interest and dividends income received	350
Interest expenses paid	(641)
Income taxes paid	(2,899)
Net cash provided by operating activities	<u>19,380</u>
Investing Activities:	
Purchase of short-term investment securities	(3,448)
Proceeds from sales of property, plant and equipment	169
Purchase of intangible assets	(4,479)
Purchase of investment securities	(296)
Proceeds from sales of investment securities	15
Others	33
Net cash used in investing activities	<u>(8,005)</u>
Financial Activities:	
Decrease in short-term loans payable	(2,218)
Repayment of long-term loans payable	(3,775)
Decrease in commercial papers	(1,500)
Purchase of treasury stock	(1)
Proceeds from exercise of stock option	40
Cash dividends paid	(575)
Cash dividends paid to minority shareholders	(36)
Others	(21)
Net cash provided by financial activities	<u>(8,087)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>0</u>
Net increase in cash and cash equivalents	<u>3,288</u>
Cash and cash equivalents, beginning of period	<u>21,603</u>
Cash and cash equivalents, end of period	<u>24,891</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

Six months period under review (from April 1, 2008 to September 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

Six months period under review (from April 1, 2008 to September 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

Six months period under review (from April 1, 2008 to September 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

Financial Statements for the corresponding period of the previous year

(1) CONSOLIDATED STATEMENTS OF INCOME

Item	Six months ended September 30, 2007
	Amount (Millions of Yen)
I Net sales	152,359
II Cost of sales	115,673
Gross profit	36,685
III Selling, general and administrative expenses	33,634
Operating income	3,051
IV Non-operating income	
Interest and dividends income	284
Gain on sales of listed securities	239
Others	132
V Non-operating expenses	
Interest expense	526
Foreign exchange losses	16
Others	63
Ordinary income	3,102
VI Extraordinary gains	
Gain on donation of non-current assets	0
Gain on sales of investment securities	348
Gain on reversal of allowance for retirement benefits for directors and corporate auditors	60
Others	2
VII Extraordinary losses	
Loss on sales and disposal of non-current	30
Loss on valuation of investment securities	497
Amortization of goodwill	5,889
Others	9
Loss before income taxes and minority interests	(2,911)
Income taxes-current	1,742
Income taxes-deferred	(174)
Minority interests in loss	(117)
Net loss	(4,362)

(2) CONSOLIDATED STATEMENTS OF CASH FLOW

Item	Six months ended September 30, 2007
	Amount (Millions of Yen)
I Operating Activities:	
Loss before income taxes and minority interests	(2,911)
Depreciation and amortization	7,409
Amortization of goodwill	6,155
Gain on sales of investment securities	(588)
Decrease in allowances	(462)
Decrease in notes and accounts receivable-trade	20,584
Increase in inventories	(1,383)
Decrease in accounts payable-trade	(10,134)
Other-net	(9,681)
Subtotal	8,988
Interest and dividends income received	323
Interest expenses paid	(500)
Income taxes paid	(4,893)
Net cash provided by operating activities	3,917
II Investing Activities:	
Purchase of property, plant and equipment	(5,307)
Proceeds from sales of property, plant and equipment	327
Purchase of intangible assets	(6,907)
Purchase of investment securities	(371)
Proceeds from sales of investment securities	1,080
Payments for acquisition of newly consolidated subsidiaries	(6,676)
Other-net	(34)
Net cash used in investing activities	(17,889)
III Financing Activities:	
Decrease in short-term loans payable	(6,450)
Proceeds from long-term loans payable	23,500
Payments of long-term loans payable	(925)
Net decrease in commercial paper	(1,000)
Purchase of treasury stock	(0)
Proceeds from exercise of stock option	31
Cash dividends paid	(359)
Other-net	(249)
Net cash provided by financial activities	14,546
IV Effect of exchange rate changes on cash and cash equivalents	5
V Net increase in cash and cash equivalents	580
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	23,857

(3) Segment information

[Segment information by business type]

Six months ended September 30, 2007 (from April 1, 2007 to September 30, 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]

Six months ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

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

[Overseas sales]

Six months ended September 30, 2007 (from April 1, 2007 to September 30, 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	Six months ended September 30, 2008	Six months ended September 30, 2007	Increase (decrease)		Consolidated Statements of Income (summary) for 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	110,430	109,120	1,310	1.2	244,785
Software	15,187	16,961	(1,773)	(10.5)	39,219
Hardware	21,272	26,278	(5,005)	(19.0)	53,754
Total	146,890	152,359	(5,468)	(3.6)	337,759
II Cost of sales	110,530	115,673	(5,143)	(4.4)	251,727
Gross profit	36,360	36,685	(325)	(0.9)	86,031
III Selling, general and administrative expenses	32,242	33,634	(1,392)	(4.1)	66,382
Operating income	4,117	3,051	1,066	35.0	19,649
IV Non-operating income					
Interest and dividend income	349	284	64	22.8	428
Gain on sales of listed securities	0	239	(239)	(99.8)	306
Others	158	132	25	19.2	271
V Non-operating expenses					
Interest expense	633	526	107	20.5	1,189
Others	147	79	67	85.2	201
Ordinary income	3,844	3,102	741	23.9	19,265
VI Extraordinary gains					
Gain on sales of non-current assets	-	0	(0)	(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	2	(2)	(98.6)	48
VII Extraordinary losses					
Loss on sales and disposal of non-current	42	30	12	42.8	124
Loss on valuation of investment securities	62	497	(435)	(87.4)	876
Provision of allowance for doubtful accounts	36	0	35	745.8	55
Amortization of goodwill	-	5,889	(5,889)	(100.0)	8,074
Provision of allowance for office relocation costs	166	-	166	-	214
Others	27	8	18	217.2	195
Net income (loss) before income taxes and minority interests	3,942	(2,911)	6,853	-	10,215
Income taxes	2,404	1,568	836	53.3	7,950
Minority interests in loss	(130)	(117)	(13)	-	(280)
Net income (loss)	1,668	(4,362)	6,031	-	2,546

(2) CONSOLIDATED STATEMENTS OF BALANCE SHEETS

Item	Six months ended September 30, 2008	Six months ended September 30, 2007	Increase (decrease)		Consolidated Statements of Balance Sheets (summary) for 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 deposits	24,891	23,902	989	4.1	21,613
Notes and accounts receivable-trade	64,744	70,468	(5,724)	(8.1)	88,663
Short-term investment securities	49	-	49	-	49
Inventories	21,868	23,651	(1,782)	(7.5)	17,488
Deferred tax assets	9,276	12,936	(3,659)	(28.3)	10,085
Others	10,090	9,634	456	4.7	8,735
Allowance for doubtful accounts	(475)	(396)	(79)	-	(475)
Total current assets	130,445	140,196	(9,750)	(7.0)	146,160
II Non-current assets					
1. Property, plant and equipment					
Buildings and structures	4,527	4,678	(151)	(3.2)	4,642
Machinery, equipment and vehicles	11,886	14,426	(2,539)	(17.6)	12,997
Others	4,705	3,576	1,129	31.6	3,511
Total property, plant and equipment	21,119	22,681	(1,561)	(6.9)	21,150
2. Intangible assets					
Goodwill	1,741	3,828	(2,086)	(54.5)	1,721
Software	36,101	33,362	2,739	8.2	36,117
Others	37	31	5	18.6	29
Total intangible assets	37,880	37,221	658	1.8	37,869
3. Investment and others assets					
Investment securities	17,164	20,309	(3,144)	(15.5)	18,641
Deferred tax assets	8,773	9,304	(531)	(5.7)	8,938
Prepaid pension costs	13,117	13,086	31	0.2	14,086
Others	11,767	13,095	(1,328)	(10.1)	13,234
Allowance for doubtful accounts	(647)	(1,507)	860	-	(1,623)
Total investment and other assets	50,175	54,288	(4,112)	(7.6)	53,277
Total non-current assets	109,176	114,192	(5,015)	(4.4)	112,297
Total assets	239,622	254,388	(14,766)	(5.8)	258,457

Item	Six months ended September 30, 2008	Six months ended September 30, 2007	Increase (decrease)		Consolidated Statements of Balance Sheets (summary) for 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 and accounts payable-trade	25,173	29,658	(4,484)	(15.1)	34,744
Short-term loans payable	12,281	18,550	(6,268)	(33.8)	14,500
Current portion of long-term loans payable	9,471	13,675	(4,203)	(30.7)	8,750
Current portion of bonds	-	8,000	(8,000)	(100.0)	-
Commercial paper	11,000	12,000	(1,000)	(8.3)	12,500
Accrued income taxes	1,059	1,333	(274)	(20.6)	3,120
Reserves	979	843	136	16.2	1,325
Others	30,071	32,695	(2,624)	(8.0)	29,874
Total current liabilities	90,036	116,755	(26,718)	(22.9)	104,815
II Long-term liabilities					
Bonds	10,000	-	10,000	-	10,000
Long-term loans payable	49,153	51,975	(2,821)	(5.4)	53,650
Deferred tax liabilities	1,035	814	220	27.1	1,052
Provision of reserve for retirement benefits	1,264	1,458	(194)	(13.3)	1,308
Other reserves	340	406	(66)	(16.2)	246
Negative goodwill	62	77	(15)	(20.0)	70
Others	1,384	1,702	(318)	(18.7)	973
Total long-term liabilities	63,239	56,435	6,804	12.1	67,301
Total liabilities	153,276	173,191	(19,914)	(11.5)	172,116

Item	Six months ended September 30, 2008	Six months ended September 30, 2007	Increase (decrease)		Consolidated Statements of Balance Sheets (summary) for 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					
Capital stock	5,483	5,483	-	-	5,483
Capital surplus	15,475	15,501	(25)	(0.2)	15,494
Retained earnings	84,140	76,713	7,426	9.7	83,046
Treasury stock	(19,260)	(19,136)	(124)	-	(19,318)
Deposit for subscriptions to treasury stock	0	2	(1)	(76.1)	-
Total shareholders' equity	85,839	78,563	7,275	9.3	84,705
II Valuation and translation adjustments					
Valuation difference on available-for-sale securities	(681)	1,739	(2,421)	-	240
Deferred gain and losses on hedges	(5)	(18)	13	-	(39)
Foreign currency translation adjustments	23	4	18	410.2	22
Total valuation and translation adjustments	(663)	1,726	(2,389)	-	224
III Subscription rights to shares	431	145	285	195.9	285
IV Minority interests	739	762	(23)	(3.0)	1,125
Total net assets	86,345	81,197	5,148	6.3	86,341
Total liabilities and net assets	239,622	254,388	(14,766)	(5.8)	258,457

(3) CONSOLIDATED STATEMENTS OF CASH FLOW

Item	Six months ended September 30, 2008	Six months ended September 30, 2007	Increase (decrease)	Consolidated Statements of Cash Flows (summary) for 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	3,942	(2,911)	6,853	10,215
Depreciation and amortization	7,173	7,409	(236)	15,170
Amortization of goodwill	54	6,155	(6,101)	8,597
Amortization of negative goodwill	(8)	-	(8)	(7)
Decrease in reserve for retirement benefits	(43)	(127)	83	(278)
Increase (decrease) in other reserves	(1,228)	(334)	(894)	183
Interest and dividend income	(349)	(284)	(64)	(428)
Interest expense	633	526	107	1,189
Decrease in notes and accounts receivable-trade	23,919	20,584	3,334	2,389
Increase (decrease) in inventories	(4,379)	(1,383)	(2,995)	4,778
Decrease in notes and accounts payable-trade	(9,494)	(10,134)	640	(5,112)
Other-net	2,353	(10,510)	12,863	(12,216)
Subtotal	22,571	8,988	13,583	24,482
Interest and dividends income received	350	323	26	429
Interest expenses paid	(641)	(500)	(141)	(1,177)
Income taxes paid	(2,899)	(4,893)	1,994	(5,142)
Net cash provided by operating activities	19,380	3,917	15,463	18,591
II Investing Activities:				
Purchase of property, plant and equipment	(3,448)	(5,307)	1,858	(8,251)
Proceeds from sales of property, plant and equipment	169	327	(157)	790
Purchase of intangible assets	(4,479)	(6,907)	2,427	(14,808)
Purchase of investment securities	(296)	(371)	75	(1,331)
Proceeds from sales of investment securities	15	1,080	(1,065)	1,180
Payments for acquisition of newly consolidated subsidiaries	-	(6,676)	6,676	(6,676)
Other-net	33	(34)	68	(6)
Net cash used in investing activities	(8,005)	(17,889)	9,883	(29,103)

Item	Six months ended September 30, 2008	Six months ended September 30, 2007	Increase (decrease)	Consolidated Statements of Cash Flows (summary) for 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 decrease in short-term loans	(2,218)	(6,450)	4,231	(10,500)
Proceeds from long-term loans payable	-	23,500	(23,500)	30,150
Repayment of long-term loans payable	(3,775)	(925)	(2,850)	(10,825)
Proceeds from issuance of bonds	-	-	-	10,000
Redemption of bonds	-	-	-	(8,000)
Net decrease in commercial paper	(1,500)	(1,000)	(500)	(500)
Purchase of treasury stock	(1)	(0)	(0)	(204)
Proceeds from exercise of stock option	40	31	9	43
Cash dividends paid	(575)	(359)	(215)	(935)
Cash dividends paid to minority shareholders	(36)	(141)	105	(141)
Other-net	(21)	(107)	86	(271)
Net cash provided by financial activities	(8,087)	14,546	(22,634)	8,814
IV Effect of exchange rate changes on cash and cash equivalents	0	5	(4)	23
V Net increase in cash and cash equivalents	3,288	580	2,707	(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	24,891	23,857	1,034	21,603