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Consolidated Financial Report for the Fiscal Year Ending March 31, 2010

May 10, 2010

Nihon Unisys, Ltd.

Stock Listing:	Tokyo Stock Exchange 1st section
Stock Code:	8056
URL:	http://www.unisys.co.jp/
Representative:	Katsuto Momii, President & CEO
Contact:	Katsuhiro Ohtomo, General Manager, Corporate Communications
TEL:	81-3-5546-4111
Scheduled Date for Ordinary General Meeting of Shareholders:	June 29, 2010
Scheduled Submission Date for Securities Report:	June 30, 2010
Scheduled Starting Date for Dividend Payments:	June 30, 2010

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

1. Consolidated Financial Results in FY2010 (from April 1, 2009 to March 31, 2010)

(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 (Loss)	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2010	271,084	(12.6)	7,105	(55.3)	6,918	(54.2)	3,626	—
FY2009	310,127	(8.2)	15,883	(19.2)	15,116	(21.5)	(8,819)	—

	Earnings Per Share	Diluted Earnings Per Share	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
FY2010	37.82	—	4.9	3.1	2.6
FY2009	(91.96)	—	(11.1)	6.1	5.1

(Reference) Investment Profit on Equity Method FY2010: 113 Million Yen FY2009: 100 Million Yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
FY2010	218,066	76,927	34.6	787.12
FY2009	233,546	75,464	31.7	771.94

(Reference) Shareholders' Equity FY2010: 75,494 Million Yen FY2009: 74,038 Million Yen

(3) Consolidated Cash Flow Status

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents, End of Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2010	14,500	(14,700)	(10,370)	25,461
FY2009	46,299	(20,247)	(11,599)	36,046

2. Dividends

	Dividends per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2009	—	7.50	—	7.50	15.00	1,438	—	1.8
FY2010	—	7.50	—	2.50	10.00	959	26.4	1.3
FY2011 (Forecast)	—	5.00	—	5.00	10.00	—	26.6	—

3. Consolidated Earnings Forecast for FY2011 (from April 1, 2010 to March 31, 2011)

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

	Net Sales		Operating Income		Ordinary Income		Net Income (Loss)		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2011 First Half	125,000	(0.7)	1,500	7.0	1,200	(5.3)	(500)	—	(5.21)
FY2011	280,000	3.3	9,000	26.7	8,200	18.5	3,600	(0.7)	37.53

4. Others

(1) Change in the scope of consolidation (change of condition of significant consolidated subsidiaries): No
New: ---- company (Company Name: ----) Excluded: ---- company (Company Name: ----)

(2) Changes in accounting principles, procedures, presentation methods, and other factors with respect to the preparation of consolidated financial statements
(Set out within "Changes of Material Matters that are the Basis of Presenting Consolidated Financial Statements")
1. Changes associated with revision in accounting standards: Yes
2. Other changes: Yes

(3) Number of shares outstanding (common stock)
1. Number of shares outstanding (including treasury stock) FY2010 109,663,524 FY2009 109,663,524
2. Number of shares of treasury stock FY2010 13,751,309 FY2009 13,750,874

(Reference) Summary of Non-Consolidated Performance Results

1. Non-Consolidated Financial Results in FY2010 (from April 1, 2009 to March 31, 2010)

(1) Non-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	%
FY2010	179,054	(12.7)	3,432	(59.4)	7,249	(35.2)	6,373	—
FY2009	205,209	(9.6)	8,445	(19.1)	11,195	(17.7)	(9,229)	—

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY2010	66.45	—
FY2009	(96.24)	—

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
FY2010	183,419	67,839	36.6	699.06
FY2009	194,589	63,708	32.4	657.97

（Reference）Shareholders' Equity FY2010: 67,049 Million Yen FY2009: 63,108 Million Yen

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

1. Results of Business Operations and Financial Conditions

1. Results of business operations

(1) Overview of performance for the fiscal year under review

During the fiscal year under review, Japan's economy continued to recover while the outlook remained harsh due to risk factors including concerns about a further deterioration of overseas economies and the effects of deflation.

In the information service market, although corporate appetite for investment in information systems showed signs of improvement, companies maintained a cautious stance, postponing investments, reducing the budget for investment, and seeking only highly effective return-on-investment (ROI). Therefore, the business climate remained difficult.

In this business environment, Nihon Unisys Group (the "Group") has been seeking to strengthen our systems integration business, one of our core businesses. We also plan to expand our business in the Information and Communication Technology (ICT) market, and reinforce our corporate structure, aiming to achieve our vision of becoming a high-growth corporate group under a management concept of sharing value with customers (U&U®: Users & Unisys).

During the fiscal year under review, to strengthen the system integration business, we continued to work on improving service quality and decreasing the number of unprofitable projects.

To expand our business in the ICT market, we worked proactively to create higher value-added new businesses led by the new planning departments established in each business division. Specifically, we launched "smart oasis®", which has the two basic functions of managing battery charging stations capable of user ID recognition, and providing information on the location and availability of such stations. In addition, we made the service available for social demonstration experiments with some local governments.

Also, the Group continued to focus on expanding our utilization-type service businesses, such as outsourcing and SaaS (Software as a Service) through the ICT Services division in collaboration with other divisions. As part of these efforts, the Group enhanced the base for cloud-type internet Data Centers (iDCs) and expanded the services of such iDCs, as well as providing the Local Government ICT Service and the Public ICT Service based on the strategy of the Wide-area Administrative ICT Service. We have received many inquiries about the services.

The Wide-area Administrative ICT Service is a new service targeting local governments and new providers of public services with the aim of enhancing administrative services in local communities and those for residents. It comprises the Local Government ICT Service, in which the local government business system sold by the Company and our partner companies is provided as low-cost and high-quality Software as a Service (SaaS), and the Public ICT Service, which delivers solutions to help local governments and NPOs work together to resolve their local issues.

Furthermore, we began offering "SASTIK® Service Type-B", which added electronic file download and client PC quarantine functions to the" SASTIK® Service" that enables users to securely access their intracompany website services wherever they are by inserting a dedicated USB authentication key into personal computers connected to the Internet. This enabled client companies to enhance their ICT infrastructures in response to a diversification of work patterns of employees and to achieve cost optimization.

Meanwhile, the sales performance of "BankVision®", a next-generation open core-banking system, remains robust, and we will continue our marketing efforts to further increase orders for the system from regional banks.

To strengthen our corporate structure, we in the Group reinforced our sales force by improving the efficiency of staff operations and shifting personnel from the staff departments to the sales departments.

We have also been encouraging each employee to pursue productivity improvements and cost reductions. In addition, within the Company, we have been reviewing business activities and promoting joint use of resource, in an effort to further improve the efficiency of operations.

Consolidated operating results for the fiscal year under review continued to be affected negatively by companies cutting IT investments due to the economic downturn, which began the year before last. Net sales were ¥271,084 million, down by12.6% year on year. On the profit front, despite lower selling, general and administrative expenses resulting from our efforts to decrease costs, a decrease in net sales led to a decline in profits. As a result, operating income fell by 55.3% to ¥7,105 million, and ordinary income dropped by 54.2% to ¥6,918 million. Net income was ¥3,626 million, against a net loss of ¥8,819 million in the previous term, due to extraordinary loss such as ¥778 million in impairment losses on noncurrent assets.

Looking at the breakdown of net sales, service sales decreased by ¥27,411 million or 11.8% year on year to ¥204,506 million due to a substantial decline of sales in the network integration and system service businesses, although sales in the outsourcing service business increased. Regarding earnings of software and hardware businesses, software sales were ¥28,149 million, down by ¥4,057 million or 12.6%, and hardware sales were ¥38,429 million, down by ¥7,572 million or 16.5%.

A breakdown of net sales is as follows: service sales 75.4% (74.8% in the previous term), software sales 10.4% (10.4% in the previous term), and hardware sales 14.2% (14.8% in the previous term).

* SASTIK is a trademark of Saslite Corp.

(2) Outlook for the next fiscal year

While the Japanese economy is expected to remain on a recovery track, a cautious outlook for the economy will be maintained. As a result, companies' IT investments are still being affected seriously by the economic recession. Considering this business climate, the Group plans to achieve consolidated net sales of ¥280.0 billion, an increase of 3.3% year on year, for the next fiscal year because we expect service sales to increase against the backdrop of positive factors such as an expansion of the business in the ICT market.

On the profit front, we forecast that sales of software and hardware will decline, but we will make efforts to further increase the profitability of system services and reduce selling, general and administrative expenses. Consequently, we expect that operating income will rise by 26.7% year on year to ¥9 billion, ordinary income will increase by 18.5% year on year to ¥8.2 billion, and net income to remain on a par with the previous term at ¥3.6 billion.

Outlook of consolidated performance for FY2011 (Millions of yen)

	FY2011	FY2010	Changes
Net Sales	280,000	271,084	3.3%
Operating Income	9,000	7,105	26.7%
Ordinary Income	8,200	6,918	18.5%
Net Income	3,600	3,626	(0.7%)

2. Financial Condition

In the fiscal year under review, cash and deposits, as well as prepaid pension cost decreased and depreciation of property, plant and equipment accelerated, although intangible assets increased due mainly to the development of software for outsourcing. As a result, total assets were ¥218,066 million at the end of the fiscal year under review, down by ¥15,479 million from a year earlier.

Liabilities totaled ¥141,139million, down by ¥16,941 million from the end of the previous fiscal year, mainly because of a decline in accounts payable-trade and repayments of loans payable.

Net assets were ¥76,927 million, up by ¥1,462 million from the end of the previous fiscal year.

With respect to cash and cash equivalents (hereinafter referred to as “cash”) for the fiscal year under review, cash provided by operating activities was allocated to investments on noncurrent assets such as the development of software for outsourcing, and we accelerated repayments of loans payable. As a result, cash amounted to ¥25,461 million at the end of the fiscal year under review, down by ¥10,584 million from the beginning of the said fiscal year.

(Cash flows from operating activities)
Net cash provided by operating activities in the fiscal year under review totaled ¥14,500 million (a decrease of ¥31,799 million from the previous year). This reflects proceeds such as ¥5,405 million in income before income taxes and minority interests (a ¥13,024 million loss in the previous term), non-cash expenses including ¥13,209 million in depreciation and amortization (down by ¥1,512 million), a ¥ 2,825 million decline of inventories (down by ¥3,009 million), against expenditures including a ¥3,968 million increase of notes and accounts receivable-trade (down by 26,385 million), a ¥1,519 million drop in notes and accounts payable-trade (down by ¥8,249 million) and a ¥3,552 million decline of the allowance for restructuring charges (down by ¥9,713 million).

(Cash flows from investing activities)
Net cash used in investing activities was ¥14,700 million (down by ¥5,546 million). This mainly reflects the fact that we used ¥4,343 million (down by ¥2,448 million) to purchase property, plant and equipment such as computers for sales activities and ¥10,910 million (down by ¥486 million) to purchase intangible assets in relation to the development of software for outsourcing.

(Cash flows from financing activities)
Net cash used in financing activities during the fiscal year under review was ¥10,370 million (down by ¥1,229 million from the previous term). This reflected factors such as ¥5,800 million in proceeds from long-term loans payable (an increase of ¥3,975 million) and ¥10,000 million of proceeds from issuance of bonds, a ¥7,028 million net decrease in short-term loans payable (up by ¥5,257 million), and the ¥15,351 million repayment of long-term loans payable (up by ¥6,601 million).

Transition of indicators related to cash flow

	FY2010	FY2009	FY2008	FY2007
Shareholders' equity ratio (%)	34.6	31.7	32.9	36.2
Shareholders' equity ratio on a market value basis (%)	27.6	28.9	43.2	68.3
Ratio of cash flow to interest-bearing debts (%)	5.6	2.0	5.3	8.9
Interest coverage ratio	13.7	37.1	15.8	13.2

(Note) Shareholders' equity ratio: Shareholders' equity/Total assets
Shareholders' equity ratio on a market value basis: Market capitalization/Total assets
Ratio of cash flow to interest-bearing debts: Interest-bearing debts/Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities/Interest payments

* All of the above indices are calculated on the basis of consolidated financial results.

3. Basic policy on distribution of profits

Recognizing that increasing corporate value is the most important return to our shareholders, the Company seeks to achieve a stable and continuous distribution of profits by gradually increasing dividends. This approach is in line with a policy of paying dividends in accordance with our performance. The specific amount of dividends will be determined taking into consideration the need to secure internal reserves for business development, and also comprehensively considering the business environment and other factors. We aim for a payout ratio of 20% on a consolidated basis.

For the fiscal year under review, we will pay a ¥10 annual dividend per share (¥7.50 for the mid-term dividend and ¥2.50 for the term-end dividend), a decrease of ¥5 per share from the previous term in view of our earnings performance in the current period.

For the next fiscal year, we plan to pay a ¥10 annual dividend per share (¥5.00 for mid-term dividend and ¥5.00 for term-end dividend), which is unchanged from the period under review, as we expect the business environment will remain severe.

4. Risks in Business Operations

Major risks involved with the Group's businesses are as follows.

Descriptions about the future reflect the discretions by the Group as of the end of this period.

(1) Influences by an economic trend and market environment

In the information service market, in which the Group operates, companies remain reluctant to invest in information systems; the business climate continues to be difficult. In this market environment, any serious situation such as unexpectedly intense price competition or a delayed response to technical innovation may affect the business results and financial conditions of the Company.

(2) Project management risks

The Group is engaged concurrently in many projects for system development. With the intensification of competition, however, customers are demanding more sophisticated systems, and projects are increasing in complexity. If a problem arises in a development project, there are risks that we would require greater-than-expected costs and time to resolve the problem, which could lead to a cost overrun. To avoid such risks, the Group has continued to implement effective measures for preventing cost overruns and detecting problems at an early stage by enhancing the project management system, increasing productivity by systematizing and standardizing the system development method, and implementing the Andon system, which detects problems in a project at an early stage.

(3) Risks associated with investment decisions

The Group is making large investments with the aim of providing new products and services to strengthen our competitiveness and expand businesses. When making such investments, we carefully study the appropriateness of business plans and other factors in each expert committee and in the governing management council. However, there is no guarantee that an adequate return on investments is always assured, which may affect the business results of the Company.

(4) Information control risks

The Group has many opportunities to access to confidential personal and/or corporate information, including its own one, by way of our business activities of developing and/or providing information systems. Therefore, we regard it as the top priority issue to keep information in strict confidence, and take all possible measures for information management, because we inhabit in the information technology industry. To cope with even a micro-scale possibility of an information leakage out of an emergency case beyond ordinary imagination, we have indeed placed, on such possible cases, insurance contracts with insurance money piled up to some extent. However, in the case that damage-repairing expenses outnumber the contract-coverage amount, or in the case that the leakage has made the Group's reputation fall to the ground, there would be a serious possibility of affecting the business results.

(5) Retention of skilled engineers

The shortage of skilled engineers in the information service industry is a significant issue. If we are unable to recruit high-caliber engineers to meet our needs, this could have a material impact on the Group's ability to secure technological advantages. To address this issue, we are proactively revising the personnel system to improve the working environment of employees, enabling them to acquire high-level qualifications. Besides, we have been building an organization in which skilled engineers of the Group are able to concentrate on projects by dismantling the previous organizational framework and introducing a system that allocates engineers on a project-by-project basis. Furthermore, we are working proactively to enhance training programs for developing human resources.

(6) Intellectual property risks

The Group uses intellectual property rights concerning a great number of computer programs for our business operation. Thus, any failure in acquisition or maintenance of licenses as scheduled, may affect the Group's business activities.

In addition, there will be a possibility that the Group may be one of parties concerned with intellectual property right litigation on computer programs, and as a result, any occurrence of incurred expenses may affect the Group's business records.

(7) Relations with key supplier

We are the sole authorized distributor of Unisys Corporation-made computers and other products. We handle the import, sales, and maintenance services of those computers and other products here, within the national territory of Japan, while Unisys Corporation grants us use of its trademark, technical information, and assistance. The trading relationship with Unisys Corporation has been steady, but if the relationship becomes difficult and cannot be sustained, it would have a material impact on the Group's business results.

(8) Risks due to exchange rate fluctuations

The Company imports and sells Unisys Corporation-made computers and other foreign-made products. Thus, the Group's procurements in foreign-currency denominations may be exposed to fluctuations in foreign exchange rates. To avoid such risks, the Company takes risk-hedging measures through exchange contracts. The Group's purchase in foreign-currency denominations totaled to ¥9,565 million for the term ended March 2010.

(9) Lawsuit risks

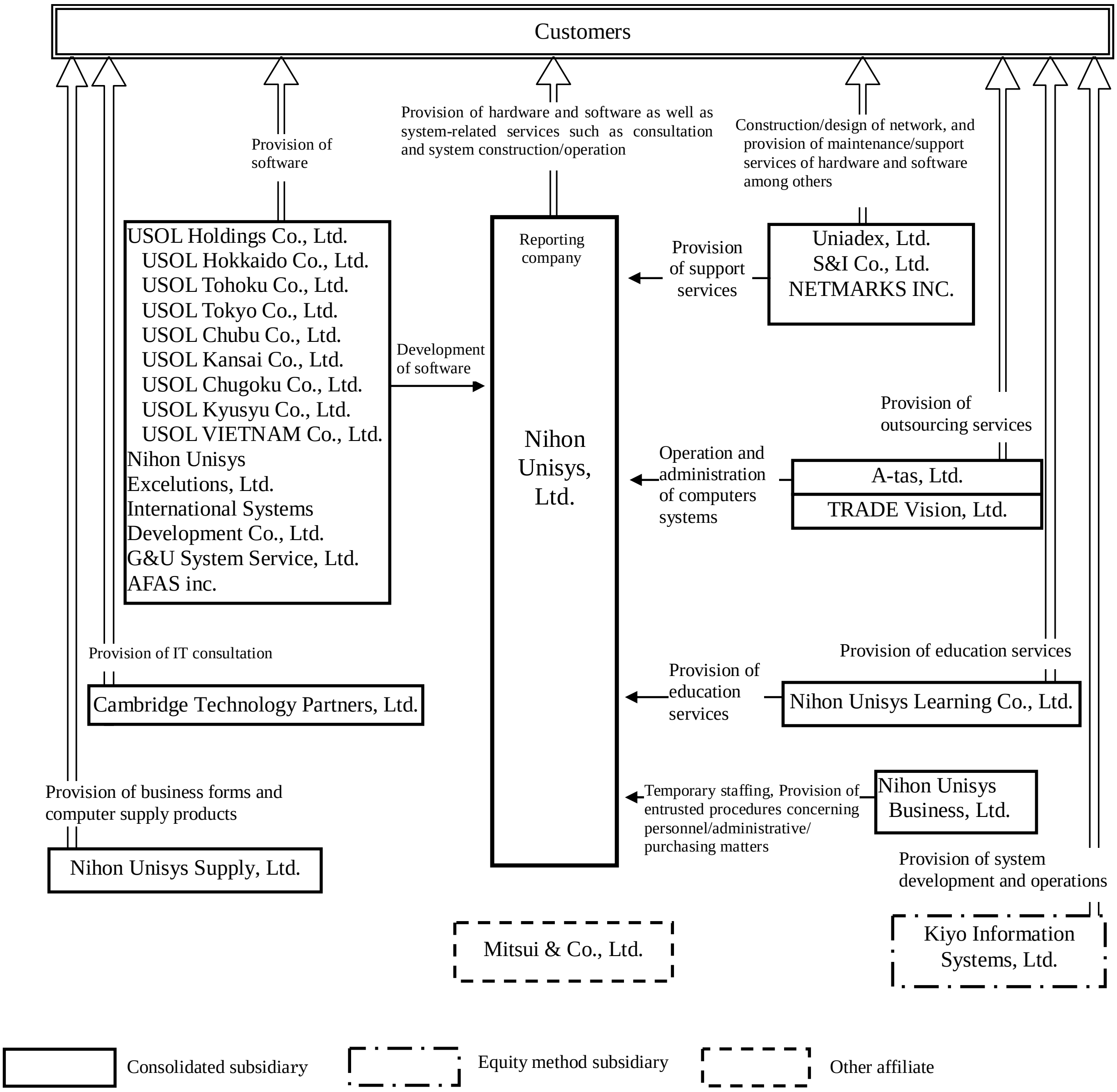
The Group makes continued efforts to comply fully with laws and ordinances to perform proper and transparent business activities. However, if any lawsuit or legal action is taking against the Company and the Group companies, whether or not there is a compliance violation, the business results of the Group are likely to be impacted.

(10) Natural disaster risks

In the case that those natural disasters such as earthquakes and outbreaks of infectious diseases have done destructive damages and losses to major business bases of the Group or if a large number of our employees are injured, then a huge amount of repair or replacement expenses may be needed, which will concurrently give huge-scale impacts on sales and other business activities, and ultimately affect the Group's business records. Hence, preparing for the case that these events occur or may occur, the Group is striving to establish a structure under which it can continue operation.

2. State of the Corporate Group

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



*1: UX Business Co., Ltd. was excluded from the scope of consolidation following the sale of its shares by Nihon Unisys, Ltd.

*2: Nihon Unisys, Ltd. acquired Nihon Unisys Learning Co. effective May 1, 2010.

3. Business Management Policy

(1) Fundamental policies, strategies, and financial target

<Management philosophy, vision, strategies>

The Group has been blazing a trail over the years in the field of computing in Japan upholding as our management philosophy of “clients first through the pursuit of higher quality and advanced technologies,” “respect for individuals and emphasis on team work,” and “attractive company for society, clients, shareholders, and employees.” Their implementation is instrumental to the growth of the Company.

Today, information systems are indispensable for business management and are utilized in a variety of ways in different sectors of society. The Group aims to meet the computing needs of the times and grow together with our clients going into the future by sharing values with them. The future vision of the Group and our company goals are as follows:

[Future vision]

“Evolve into a service business enterprise” through all-out, concerted efforts by the Unisys Group based on the management philosophy of U&U® (Users & Unisys).

[Company goals]

- A leading enterprise comprised of leading businesspersons

  We aim to be a first-class enterprise with good performance and points of appeal, comprised of first-rate businesspersons with high principles and excellent personalities.
- An enterprise that behaves in a free and open-minded manner, as do our employees

  We place value on communication to support both Group companies and employees to reach their full potential.
- “Trinity” scheme

  Our sales, development, and support services departments unite to form trinity in providing one-stop services for clients.

[Strategies]

We will adopt the following basic strategies: “Promoting and reinforcing the ICT business”, “Enhancing businesses with stable profitability”, and “Strengthening corporate structure”.

Regarding promoting and reinforcing the ICT business, we will implement measures such as improving products and intellectual property of the Group and bolstering our competitiveness to maximize business opportunities.

Regarding enhancing businesses with stable profitability, we will reform our structure to boost medium- and long-term businesses such as outsourcing and support services businesses, by creating links within business flows.

Regarding strengthening the corporate structure, we will reinforce on-site capabilities through the integrated organization of sales division and system division, as well as by working to achieve a low-cost business structure by restructuring operations.

The Group aims to achieve continuous growth and the respect of our stakeholders. We believe we can best achieve this by uniting to execute our strategies, so that we can realize our vision and the direction we seek to take.

<Financial target>

Our financial target for consolidated net sales is ¥280 billion and for consolidated operating income is ¥9 billion for the year ending March 2011.

(2) Challenges to be addressed by our business group

Under such a harsh business environment in the information service market, we believe it is essential to continuously execute initiatives for expanding our businesses and reinforcing our corporate structure.

To expand our businesses, we will focus on expanding sales of ICT services and extending the market for

“BankVision®“, an open core-banking system for financial institutions, in an effort to enhance our competitiveness.

To expand sales of ICT services, we will cooperate with the ICT Service and other divisions and consolidate all management resources of the Company to reinforce our ICT services. As part of such efforts, we will strengthen SaaS and expand services that will help our clients reduce IT costs and allow them to choose to use the services that best meet their needs: what they need when they need it and in whatever quantity they need. In addition, we will provide clients with one-stop services by combining the total capabilities of Group companies so that our services can be used with confidence by more clients.

To extend the market for “BankVision®“, we will promote its adoption by more clients by conducting proposal activities proactively and enhancing the line-up of services to meet the needs of clients.

To reinforce our corporate structure, we will grasp potential problems of clients appropriately and respond rapidly with high-quality proposals by integrating the sales and system divisions for each major industry. In addition, we will transfer staff from the staff division to the sales and system divisions to enhance our on-site capabilities. In the staff division, we will press on with operational reforms such as the promotion of joint use of resources to achieve a lower-cost structure.

4. Consolidated Financial Statements

(1) CONSOLIDATED BALANCE SHEETS Millions of Yen

	FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
ASSETS		
Current assets		
Cash and deposits	36,146	25,461
Notes and accounts receivable-trade	66,285	70,249
Securities	-	30
Merchandise and finished goods	6,797	6,424
Work in process	4,709	2,295
Raw materials and supplies	227	187
Deferred tax assets	10,389	8,207
Prepaid expenses	6,296	5,864
Others	3,318	2,356
Allowance for doubtful accounts	(481)	(285)
Total current assets	**133,687**	**120,792**
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,960	14,734
Accumulated depreciation	(10,395)	(10,754)
Buildings and structures, net	4,565	3,980
Machinery, equipment and vehicles	67,586	63,317
Accumulated depreciation	(57,232)	(54,696)
Machinery, equipment and vehicles, net	10,354	8,621
Land	848	848
Others	12,686	13,087
Accumulated depreciation	(8,602)	(9,163)
Other, net	4,084	3,923
Total property, plant and equipment	**19,852**	**17,373**
Intangible assets		
Goodwill	3,733	3,517
Software	21,472	24,312
Others	69	64
Total intangible assets	**25,275**	**27,894**
Investments and other assets		
Investment securities	15,505	13,719
Deferred tax assets	16,307	18,712
Prepaid pension cost	12,089	7,812
Others	11,463	12,213
Allowance for doubtful accounts	(636)	(452)
Total investments and other assets	**54,729**	**52,005**
Total non-current assets	**99,858**	**97,273**
Total assets	**233,546**	**218,066**

Millions of Yen

	FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	24,927	23,403
Short-term loans payable	12,779	5,700
Current portion of long-term loans payable	15,033	16,652
Commercial papers	11,000	9,000
Income taxes payable	2,350	1,395
Accrued expenses	12,597	10,659
Allowance for loss on business restructuring	6,161	2,609
Other provisions	776	1,404
Others	17,650	16,966
Total current liabilities	**103,275**	**87,790**
Non-current liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	40,620	29,449
Deferred tax liabilities	1,035	659
Reserve for retirement benefits	1,308	1,347
Other provisions	225	86
Negative goodwill	54	38
Others	1,561	1,765
Total non-current liabilities	**54,805**	**53,348**
Total liabilities	**158,081**	**141,139**
NET ASSETS		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	15,475	15,475
Retained earnings	72,932	75,148
Treasury stock	(19,260)	(19,260)
Total shareholders' equity	**74,631**	**76,846**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(626)	(1,365)
Deferred gains on hedges	20	13
Foreign currency translation adjustments	13	-
Total valuation and translation adjustments	**(592)**	**(1,352)**
Subscription rights to shares	600	790
Minority interests	825	642
Total net assets	**75,464**	**76,927**
Total liabilities and net assets	**233,546**	**218,066**

(2) CONSOLIDATED STATEMENTS OF INCOME Millions of Yen

	FY2009 (Fiscal year ended March 31, 2009)	FY2010 (Fiscal year ended March 31, 2010)
Net sales	**310,127**	**271,084**
Cost of sales	**230,017**	**202,160**
Gross profit	**80,109**	**68,924**
Selling, general and administrative expenses		
Selling expenses	**7,893**	**7,503**
General and administrative expenses	**56,332**	**54,315**
Total selling, general and administrative expenses	**64,225**	**61,818**
Operating income	**15,883**	**7,105**
Non-operating income		
Interest income	196	115
Dividends income	307	430
Equity in earnings of affiliates	100	113
Foreign exchange gains	-	210
Gains on sales of listed securities	0	226
Others	197	260
Total non-operating income	**803**	**1,357**
Non-operating expense		
Interest expenses	1,255	1,041
Settlement package	-	340
Others	315	163
Total non-operating expense	**1,571**	**1,544**
Ordinary income	**15,116**	**6,918**
Extraordinary income		
Refund on acquisition of stock	1,500	-
Settlement received	423	-
Gain on sales of investment securities	141	6
Reversal of allowance for doubtful account	–	135
Gain on reversal of subscription rights to shares	–	65
Others	1	41
Total extraordinary income	**2,065**	**249**
Extraordinary loss		
Loss on sales and disposal of fixed assets	67	62
Impairment loss	21,585	778
Provision of allowance for loss on business restructuring	6,161	-
Loss on valuation of investment securities	1,889	31
Adjustment of prior period consumption taxes	-	378
Others	501	509
Total extraordinary loss	**30,206**	**1,761**
Income (loss) before income taxes and minority interests	**(13,024)**	**5,405**
Income taxes-current	**2,994**	**1,907**
Refund of income taxes	**(45)**	**(28)**
Income taxes-deferred	**(7,103)**	**80**
Total income taxes	**(4,154)**	**1,959**
Minority interests in loss	**(50)**	**(180)**
Net income (loss)	**(8,819)**	**3,626**

(3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Millions of Yen

	FY2009 (Fiscal year ended March 31, 2009)	FY2010 (Fiscal year ended March 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	5,483	5,483
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	**5,483**	**5,483**
Capital surplus		
Balance at the end of previous period	15,494	15,475
Changes of items during the period		
Exercise of stock option	(18)	-
Total changes of items during the period	**(18)**	**-**
Balance at the end of current period	**15,475**	**15,475**
Retained earnings		
Balance at the end of previous period	83,046	72,932
Changes of items during the period		
Dividends from surplus	(1,294)	(1,438)
Net income (loss)	(8,819)	3,626
Change in functional currency by foreign consolidated subsidiaries	-	27
Total changes of items during the period	**(10,113)**	**2,215**
Balance at the end of current period	**72,932**	**75,148**
Treasury stock		
Balance at the end of previous period	(19,318)	(19,260)
Changes of items during the period		
Change in equity in affiliates accounted for by equity method-treasury stock	0	0
Purchase of treasury stock	(1)	(0)
Exercise of stock option	59	-
Total changes of items during the period	**58**	**(0)**
Balance at the end of current period	**(19,260)**	**(19,260)**
Total shareholders' equity		
Balance at the end of previous period	84,705	74,631
Changes of items during the period		
Dividends from surplus	(1,294)	(1,438)
Net income (loss)	(8,819)	3,626
Change in equity in affiliates accounted for by equity method-treasury stock	0	0
Purchase of treasury stock	(1)	(0)
Exercise of stock option	40	-
Change in functional currency by foreign consolidated subsidiaries	-	27
Total changes of items during the period	**(10,074)**	**2,215**
Balance at the end of current period	**74,631**	**76,846**

Millions of Yen

	FY2009 (Fiscal year ended March 31, 2009)	FY2010 (Fiscal year ended March 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	240	(626)
Changes of items during the period		
Net changes of items other than shareholders' equity	(867)	(738)
Total changes of items during the period	**(867)**	**(738)**
Balance at the end of current period	**(626)**	**(1,365)**
Deferred gains (losses) on hedges		
Balance at the end of previous period	(39)	20
Changes of items during the period		
Net changes of items other than shareholders' equity	60	(7)
Total Changes of items during the period	**60**	**(7)**
Balance at the end of current period	**20**	**13**
Foreign currency translation adjustment		
Balance at the end of previous period	22	13
Changes of items during the period		
Net changes of items other than shareholders' equity	(9)	(13)
Total changes of items during the period	**(9)**	**(13)**
Balance at the end of current period	**13**	**-**
Total valuation and translation adjustments		
Balance at the end of previous period	224	(592)
Changes of items during the period		
Net changes of items other than shareholders' equity	(816)	(759)
Total changes of items during the period	**(816)**	**(759)**
Balance at the end of current period	**(592)**	**(1,352)**
Subscription rights to shares		
Balance at the end of previous period	285	600
Changes of items during the period		
Net changes of items other than shareholders' equity	315	189
Total changes of items during the period	**315**	**189**
Balance at the end of current period	**600**	**790**
Minority interests		
Balance at the end of previous period	1,125	825
Changes of items during the period		
Net changes of items other than shareholders' equity	(300)	(183)
Total changes of items during the period	**(300)**	**(183)**
Balance at the end of current period	**825**	**642**

Millions of Yen

	FY2009 (Fiscal year ended March 31, 2009)	FY2010 (Fiscal year ended March 31, 2010)
Total net assets		
Balance at the end of previous period	86,341	75,464
Changes of items during the period		
Dividends from surplus	(1,294)	(1,438)
Net income (loss)	(8,819)	3,626
Change in equity in affiliates accounted for by equity method-treasury stock	0	0
Purchase of treasury stock	(1)	(0)
Proceeds from exercise of stock option	40	-
Change in functional currency by foreign consolidated subsidiaries	-	27
Net changes of items other than shareholders' equity	(801)	(752)
Total changes of items during the period	**(10,876)**	**1,462**
Balance at the end of current period	**75,464**	**76,927**

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS Millions of Yen

	FY2009 (Fiscal year ended March 31, 2009)	FY2010 (Fiscal year ended March 31, 2010)
Operating activities:		
Income (loss) before income taxes and minority interests	(13,024)	5,405
Depreciation and amortization	14,721	13,209
Impairment loss	21,585	778
Amortization of goodwill	108	215
Amortization of negative goodwill	(16)	(15)
Loss (gain) on sales of investment securities	(141)	(232)
Loss (gain) on valuation of investment securities	1,889	31
Increase (decrease) in provisions for retirement benefit	0	38
Increase (decrease) in allowance for loss on business restructuring	6,161	(3,552)
Increase (decrease) in other provisions	(1,554)	109
Interest and dividends income	(504)	(546)
Interest expenses	1,255	1,041
Decrease (increase) in notes and accounts receivable-trade	22,417	(3,968)
Decrease (increase) in inventories	5,835	2,825
Increase (decrease) in notes and accounts payable-trade	(9,768)	(1,519)
Others	1,783	4,199
Subtotal	**50,749**	**18,022**
Interest and dividends income received	498	551
Interest expenses paid	(1,249)	(1,056)
Income taxes paid	(3,698)	(3,016)
Net cash provided by (used in) operating activities	**46,299**	**14,500**
Investing activities:		
Purchase of property, plant and equipment	(6,791)	(4,343)
Proceeds from sales of property, plant and equipment	294	29
Purchase of intangible assets	(11,396)	(10,910)
Purchase of investment securities	(431)	(762)
Proceeds from sales of investment securities	247	1,192
Proceeds from redemption of investment securities	49	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,156)	-
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	9
Others	(62)	83
Net cash provided by (used in) investing activities	**(20,247)**	**(14,700)**
Financing activities:		
Net increase (decrease) in short-term loans payable	(1,770)	(7,028)
Proceeds from long-term loans payable	1,825	5,800
Repayment of long-term loans payable	(8,750)	(15,351)
Proceeds from issuance of bonds	-	10,000
Repayment of other borrowings	(113)	(298)
Increase (decrease) in commercial papers	(1,500)	(2,000)
Purchase of treasury stock	(1)	(0)
Proceeds from exercise of stock option	40	–
Cash dividends paid	(1,293)	(1,436)
Cash dividends paid to minority shareholders	(36)	(5)
Others	-	(50)
Net cash provided by (used in) financing activities	**(11,599)**	**(10,370)**
Effect of exchange rate change on cash and cash equivalents	**(9)**	**(13)**
Net increase (decrease) in cash and cash equivalents	**14,442**	**(10,584)**
Cash and cash equivalents at beginning of period	**21,603**	**36,046**
Cash and cash equivalents at end of period	**36,046**	**25,461**