UNISYS

FINANCIAL STATEMENTS 2002

For the year ended March 31, 2002

Nihon Unisys, Ltd.

PROFILE

Nihon Unisys Ltd., aiming to be "the best IT partner for customers," has been providing customers with such services as system integration, support services and outsourcing services as well as best solutions integrating state-of-the-art server platforms, network, software products and so on.

Since its foundation in 1958, Nihon Unisys has been sustaining competitiveness of the Japanese companies by designing and constructing information systems. For more than 4 decades, we have acquired and polished technical skills and have accumulated experience and knowledge serving leading customers with their information systems in various industries while leveraging strong powers and expertise of alliance partners. It can be said that "Leading & Reliability" is Nihon Unisys today.

Along with the progress and proliferation of e-business and broadband, the business environments have been changing rapidly. Strategic use of IT is a quite important part of management strategy and a crucial key for success. The change is an opportunity. Our mission is to create possibility of new business for customers. By providing the best solutions quick responsive to the change of the times, Nihon Unisys strives to be a "Customer-Value-Creating Company" that helps customers enhance their edge-cutting competitiveness.

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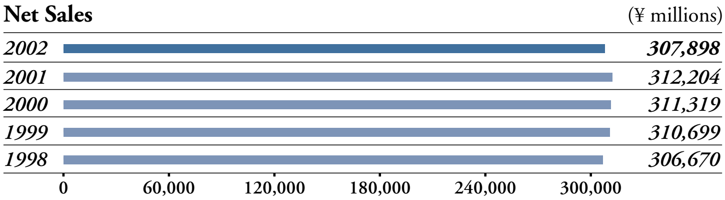
FINANCIAL HIGHLIGHTS

Nihon Unisys, Ltd.
Years Ended March 31, 2002, 2001 and 2000 (Consolidated Basis)

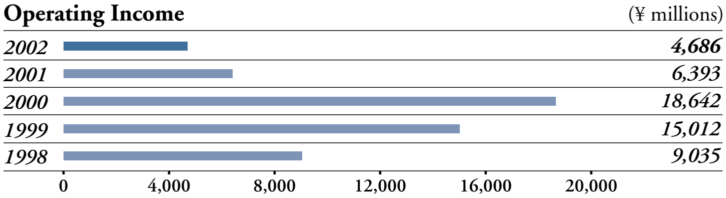
	Millions of Yen			Thousands of U.S. Dollars (Note)
	2002	2001	2000	**2002**
Net Sales	**¥307,898**	¥312,204	¥311,319	**$2,310,679**
Operating Income	**4,686**	6,393	18,642	**35,167**
Net Income (Loss)	**(7,832)**	4,876	3,605	**(58,777)**
Total Assets	**257,608**	254,261	246,218	**1,933,268**
	Yen			U.S. Dollars
Per Share Amounts:				
Net Income (Loss)	**¥(71.42)**	¥44.47	¥32.88	**$(0.54)**
Cash Dividends Applicable to the Year	**7.50**	7.50	7.50	**0.06**

(Note) Yen amounts have been translated into U.S. dollars, for convenience only, at ¥133.25=U.S.$1 prevailing on March 31, 2002.

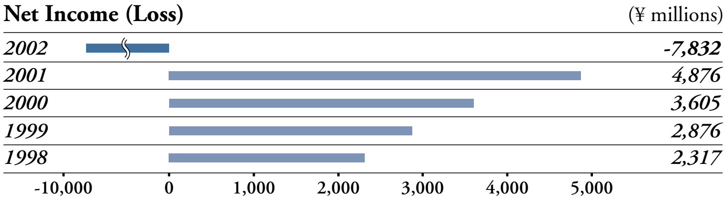
Net Sales (¥ millions)



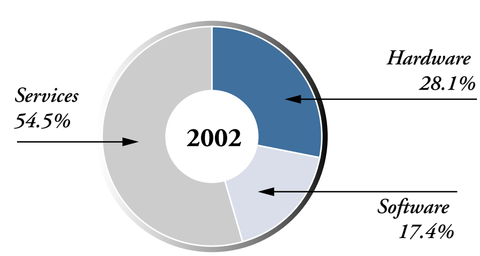
Operating Income (¥ millions)

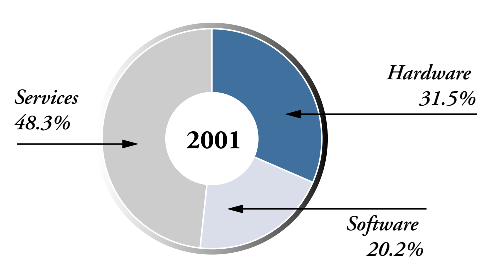


Net Income (Loss) (¥ millions)



Composition of Net Sales





Overview

It is my pleasure to report the overview of the Company's operations for fiscal year 2002, ended March 31, 2002. The tougher condition of the Japanese economy during the term was amplified in the midst of sluggish world economy due to prolonged disposition of bad debts of the financial institutions and rapidly worsening employment. In the IT industry, also continued to face very severe situations. However, the IT investment is showing an upward trend on the whole, with the support by the government's e-Japan initiative.

Under such circumstances, Nihon Unisys is aiming to metamorphose into "New Nihon Unisys" that has growth engine and cutting-edge competitiveness. We launched a new management policy named "Re-Enterprising." Under this policy, we aim at being a "Customer-Value-Creating Company" while implementing measures to "Sharpen cost competitiveness," "Innovate corporate culture," "Polish & utilize each individual's expertise and potential," and "Reinforce group strategy" with all of which to reach the financial goals set in FY2004, which are 10% plus in ROE and 18 billion yen in operating income on a consolidated basis.

As business unit strategy, vertical business units like Financial LOB (Line Of Business) and Public LOB are positioned as profit generating units. And Outsourcing business unit, Technology business unit and Support & Service business unit, all of which are horizontal units, are positioned as growth units in near future and prioritized investment was made into them. Especially, in the outsourcing business area, we succeeded in getting accounts in many industries, it is expected to be our stable earning source in the long run.

In the area of software and services, in order to respond to the coming age of "broadband" and "ubiquitous computing (the environment in which you can use computers at anytime and anywhere)", we formed Broadband Business unit. Also we promoted other various service businesses to grow revenue and profit by marketing application software, expanding service business as ASP (Application Service Provider), facilitating consulting business not to mention SI and support businesses.

In the area of hardware business, the "ES7000," which realizes reliability and performance equal to those of conventional mainframe computers, is well accepted by not only traditional users but non-traditional users, being used in mission-critical systems or server consolidation, etc.

Meanwhile, to reinforce the group power, we clarified the missions and strategies of each member company of Nihon Unisys group. By so doing, we have polished competitive edge of each company's expertise encouraging skill development to grow business and improve profitability.

Performance

With regard to the consolidated performance, service business of system development and outsourcing grew, but due to prolonged sluggish economy and tough price competition, net sales was 307.898 billion yen (down 1.4% from a year ago). Despite of our massive measures of cost reduction, profitability worsened due to very tough price competition. Operating income decreased to 4,686 million yen (down 26.7%). Net income was inked in red in the amount of 7,832 million yen as a result of making entry of loss of 16,531 million yen for the special package of early retirement program which was implemented as a part of measures to improve cost structure in order to restrain personnel cost in the long run.

Net sales being broken down by category of sales, the sales of service increased to 167,896 million yen (up 11.3%) while the sales of software decreased to 53,428 million yen (down 15.3%) and so did the sales of hardware to 86,574 million yen (down 11.9%).
In other words, the hardware accounted for 28.1% (31.5% in FY2001) while those of software and service are 17.4% (20.2%) and 54.5% (48.3%) respectively.

Outlook

Although some brightness is beginning to be seen in the Japanese economy, it will take time to see a full-scale recovery.

Nihon Unisys will select and focus the growth areas like outsourcing, broadband network, e-business and so on as our core business lines in order to keep growing. In addition, we will continue cutting cost as Nihon Unisys Group to make the group much stronger entity. We keep sharpening the competitive power as a group uniting each unit and each company in more efficient and organized ways for continuing growth. We are firmly determined to make every endeavor to raise the overall performance. Your continued help and support including constructive suggestions would be always very valuable and highly appreciated.

June, 2002

Seiichi Shimada
President & CEO

CONSOLIDATED BALANCE SHEETS

Nihon Unisys, Ltd.
March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	**2002**	2001	**2002**
Current Assets:			
Cash and cash equivalents (Note 4)	**¥ 39,853**	¥ 34,874	**$ 299,084**
Accounts receivable-trade (Note 17)	**85,384**	100,738	**640,780**
Inventories (Note 6)	**22,009**	17,789	**165,171**
Deferred tax assets (Note 8)	**12,627**	5,247	**94,762**
Other current assets	**7,283**	6,356	**54,657**
Allowance for doubtful accounts	**(183)**	(305)	**(1,373)**
Total current assets	**166,973**	164,699	**1,253,081**
Property, Plant and Equipment:			
Land	**1,672**	1,673	**12,548**
Buildings and structures	**18,553**	18,012	**139,234**
Machinery and equipment	**134,688**	137,455	**1,010,792**
Construction in progress		826	
Total	**154,913**	157,966	**1,162,574**
Accumulated depreciation	**(117,091)**	(114,335)	**(878,732)**
Net property, plant and equipment	**37,822**	43,631	**283,842**
Investments and Other Assets:			
Investment securities (Note 5)	**9,170**	8,403	**68,818**
Investments in unconsolidated subsidiaries and associated companies	**453**	349	**3,400**
Software	**13,546**	8,607	**101,659**
Lease deposits	**14,231**	14,472	**106,799**
Deferred tax assets (Note 8)	**13,490**	11,913	**101,238**
Other assets	**1,923**	2,187	**14,431**
Total investments and other assets	**52,813**	45,931	**396,345**
Total	**¥257,608**	¥254,261	**$1,933,268**

See notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen 2002	Millions of Yen 2001	Thousands of U.S. Dollars (Note 1) 2002
Current Liabilities:			
Short-term borrowings (Note 7)	**¥ 10,169**	¥ 12,307	**$ 76,315**
Current portion of long-term debt (Note 7)	**18,431**	7,827	**138,319**
Accounts payable-trade (Note 17)	**41,093**	54,020	**308,390**
Accounts payable-other (Note 11)	**18,032**	904	**135,324**
Income taxes payable (Note 8)	**3,439**	5,366	**25,809**
Accrued expenses	**14,202**	16,650	**106,582**
Other current liabilities	**18,940**	18,252	**142,139**
Total current liabilities	**124,306**	115,326	**932,878**
Long-term Liabilities:			
Long-term debt (Note 7)	**26,731**	31,284	**200,608**
Liability for retirement benefits (Note 9)	**15,065**	10,604	**113,058**
Other long-term liabilities (Note 17)	**5,020**	3,175	**37,674**
Total long-term liabilities	**46,816**	45,063	**351,340**
Minority Interests	**1,423**	1,387	**10,679**
Commitments and Contingent Liabilities (Notes 13, 14, and 16)			
Shareholders' Equity (Notes 15 and 18.a)**:**			
Common stock, no par value-authorized, 300,000,000 shares; issued and outstanding, 109,663,524 shares	**5,483**	5,483	**41,148**
Additional paid-in capital	**15,282**	15,282	**114,687**
Retained earnings	**63,006**	71,720	**472,840**
Net unrealized gain on available-for-sale securities	**1,292**		**9,696**
Total	**85,063**	92,485	**638,371**
Treasury stock-at cost 514 shares in 2002 and 3 shares in 2001	**(0)**	(0)	**(0)**
Total shareholders' equity	**85,063**	92,485	**638,371**
Total	**¥257,608**	¥254,261	**$1,933,268**

CONSOLIDATED STATEMENTS OF OPERATIONS

Nihon Unisys, Ltd.
Years Ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	**2002**
Net Sales (Notes 3 and 17)	**¥307,898**	¥312,204	**$2,310,679**
Cost of Sales (Note 17)	**226,722**	221,894	**1,701,853**
Gross Profit	**81,126**	90,310	**608,826**
Selling, General and Administrative Expenses (Note 10)	**76,440**	83,917	**573,659**
Operating Income	**4,686**	6,393	**35,167**
Other Income (Expenses):			
Interest and dividend income	**309**	359	**2,319**
Interest expense (Note 17)	**(1,033)**	(1,229)	**(7,752)**
Income from building rental	**498**	617	**3,737**
Gain on sales of property, plant and equipment		412	
Gain on sales of securities	**880**	2,869	**6,604**
Foreign exchange gain (loss)	**92**	(575)	**690**
Special retirement expense (Note 11)	**(16,531)**		**(124,060)**
Restructuring charges (Note 12)	**(1,453)**		**(10,904)**
Other-net	**(151)**	643	**(1,133)**
Other income (expenses)-net	**(17,389)**	3,096	**(130,499)**
Income (Loss) before Income Taxes and Minority Interests	**(12,703)**	9,489	**(95,332)**
Income Taxes (Note 8):			
Current	**5,008**	6,094	**37,583**
Deferred	**(9,896)**	(1,693)	**(74,266)**
Total Income Taxes	**(4,888)**	4,401	**(36,683)**
Minority Interests in Net Income	**17**	212	**128**
Net Income (Loss)	**(¥ 7,832)**	¥ 4,876	**($ 58,777)**

	Yen		U.S. Dollars
Per Share Amounts (Note 2.n)**:**			
Net income	**(¥71.42)**	¥44.47	**($0.54)**
Cash dividends applicable to the year	**7.50**	7.50	**0.06**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Nihon Unisys, Ltd.
Years Ended March 31, 2002 and 2001

	Thousands	Millions of Yen				
	Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Net unrealized gain on available-for-sale securities	Treasury Stock
Balance, April 1, 2000	109,664	¥5,483	¥15,282	¥67,738		¥(1)
Net income				4,876		
Cash dividends, ¥7.5 per share				(822)		
Bonuses to directors				(72)		
Decrease in treasury stock						1
Balance, March 31, 2001	109,664	5,483	15,282	71,720		(0)
Net loss				(7,832)		
Cash dividends, ¥7.5 per share				(822)		
Bonuses to directors				(60)		
Net increase in unrealized gain on available-for-sale securities					¥1,292	
Increase in treasury stock						(0)
Balance, March 31, 2002	**109,664**	**¥5,483**	**¥15,282**	**¥63,006**	**¥1,292**	**¥(0)**

	Thousands of U.S. Dollars (Note 1)				
	Common Stock	Additional Paid-in Capital	Retained Earnings	Net unrealized gain on available for-sale securities	Treasury Stock
Balance, March 31, 2001	$41,148	$114,687	$538,236		$(0)
Net loss			(58,777)		
Cash dividends, $0.06 per share			(6,169)		
Bonuses to directors			(450)		
Net increase in unrealized gain on available-for-sale securities				$9,696	
Increase in treasury stock					(0)
Balance, March 31, 2002	**$41,148**	**$114,687**	**$472,840**	**$9,696**	**$(0)**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Nihon Unisys, Ltd.
Years Ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	**2002**
Operating Activities:			
Income (Loss) before income taxes and minority interests	**¥(12,703)**	¥ 9,489	**$(95,332)**
Adjustments for:			
Income taxes paid	**(6,935)**	(3,350)	**(52,045)**
Depreciation and amortization	**20,647**	18,932	**154,949**
Special retirement expense	**16,531**		**124,060**
Gain on sales of property, plant and equipment		(412)	
Gain on sales of investment securities	**(880)**	(2,869)	**(6,604)**
Changes in assets and liabilities, net of effects from consolidating previously unconsolidated subsidiaries:			
Decrease (Increase) in accounts receivable-trade	**15,354**	(6,473)	**115,227**
Increase in inventories	**(4,220)**	(2,560)	**(31,670)**
Increase in interest and dividend receivable	**12**	16	**90**
Decrease (Increase) in accounts payable-trade	**(12,931)**	8,689	**(97,043)**
Increase (Decrease) in interest payable	**(10)**	13	**(75)**
Increase (Decrease) in liability for retirement benefits	**4,131**	(3,439)	**31,002**
Other-net	**2,595**	1,417	**19,475**
Total adjustments	**34,294**	9,964	**257,366**
Net cash provided by operating activities	**21,591**	19,453	**162,034**
Investing Activities:			
Proceeds from sales of property, plant and equipment	**213**	677	**1,598**
Payments for purchases of property, plant and equipment	**(11,996)**	(16,908)	**(90,026)**
Payments for purchases of software	**(10,011)**	(6,925)	**(75,129)**
Proceeds from sales of investment securities	**2,662**	4,561	**19,977**
Payments for purchases of investment securities	**(728)**	(684)	**(5,463)**
Net decrease in other assets	**113**	100	**848**
Net cash used in investing activities	**(19,747)**	(19,179)	**(148,195)**

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	**2002**
Financing Activities:			
Net decrease in short-term borrowings	**¥ (2,138)**	¥ (94)	**$ (16,405)**
Proceeds from long-term debt	**12,600**	5,900	**94,559**
Repayments of long-term debt	**(7,827)**	(6,614)	**(58,739)**
Proceeds from other borrowings	**1,408**		**10,567**
Repayments of other borrowings	**(130)**		**(976)**
Proceeds from sales of treasury stock		13	
Payments for purchase of treasury stock	**(0)**	(12)	**(0)**
Cash dividends	**(822)**	(822)	**(6,169)**
Cash dividends to minority interests	**(6)**	(4)	**(45)**
Net cash provided by financing activities	**3,085**	(1,633)	**23,152**
Net Increase (Decrease) in Cash and Cash Equivalents	**4,929**	(1,359)	**36,991**
Cash and Cash Equivalents of Newly Consolidated Subsidiaries, Beginning of Year	**50**		**375**
Cash and Cash Equivalents, Beginning of Year	**34,874**	36,233	**261,718**
Cash and Cash Equivalents, End of Year	**¥39,853**	¥34,874	**$299,084**

See notes to consolidated financial statements.

Nihon Unisys, Ltd.
Years Ended March 31, 2002 and 2001

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards. The consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Nihon Unisys, Ltd. (the "Company") is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥133.25 to $1, the approximate rate of exchange at March 31, 2002. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Summary of significant accounting policies

(a) Consolidation — The consolidated financial statements as of March 31, 2002 include the accounts of the Company and its 15 significant (14 for the year ended March 31, 2001) subsidiaries (together, the "Group").

Under the control concept, those companies in which the Parent, directly or indirectly, is able to exercise control over operations are fully consolidated.

Consolidation of the remaining subsidiaries would not have a material effect on the accompanying consolidated financial statements.

Investments in the remaining 3 unconsolidated subsidiaries and 7 associated companies (3 subsidiaries and 7 associated companies for the year ended March 31, 2001) are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

Prior to April 1, 1999, the excess of the cost of the Company's investments in consolidated subsidiaries over its equity in the net assets at the respective dates of acquisition, is being amortized over a period of 5 years. Effective April 1, 1999, the excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is being amortized using the straight-line method over a period of 5 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

(b) Cash equivalents — Cash equivalents are short-term investments which mature or become due within three months of the date of acquisition, that are readily convertible into cash and that are exposed to insignificant risk of changes in value.

(c) Inventories — Computers for sale and other merchandise and supplies are generally stated at cost using the moving-average method.

(d) Marketable and Investment securities — Marketable and investment securities are classified and accounted for, depending on management's intent. All securities are classified as available-for-sale securities.

Prior to April 1, 2001, available-for-sale securities are stated at cost as determined by the moving-average method.

Effective April 1, 2001, the Group adopted a new accounting standard for financial instruments, including marketable and investment securities. Under this standard, available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes reported in a separate component of shareholders' equity.

The effect of adopting this new accounting standard is to increase net unrealized gain on available-for-sale securities of ¥1,292 million ($9,696 thousand), increase investment securities and others by ¥2,231 million ($16,743 thousand), and to decrease net deferred tax assets by ¥939 million ($7,047 thousand) and minority interests by ¥1 million ($8 thousand), respectively.

If available-for-sale securities were reported at fair value as of March 31, 2001, the reported amount would total ¥11,614 million with unrealized gains of ¥2,653 million, deferred tax liabilities of ¥1,929 million and minority interests of ¥1 million.

Non-marketable available-for-sale securities are stated at cost as determined by the moving-average method. For other than temporary declines in fair value, non-marketable available-for-sale securities are reduced to net realizable value by a charge to income.

(e) Allowance for doubtful accounts — The allowance for doubtful accounts is stated at amounts considered to be appropriate based on the Group's past credit loss experience and on evaluation of potential losses in the receivables outstanding.

(f) Property, plant and equipment — Property, plant and equipment are stated at cost.

Depreciation of rental computers included in machinery and equipment is computed by the declining-balance method over 5 years (6 years in 2001) with no residual value. The effect of the change in useful lives was to decrease operating income by ¥733 million ($5,501 thousand), and to increase loss before income taxes and minority interests by ¥733 million ($5,501 thousand) for the year ended March 31, 2002.

Depreciation of buildings and structures is computed by the declining-balance method while the straight-line method is applied to buildings acquired after April 1, 1998. Depreciation of other machinery and equipment is computed by the declining-balance method.

Useful lives range from 6 to 50 years for buildings and structures and from 2 to 20 years for machinery and equipment. Effective April 1, 2001, the Group changed the useful lives of its internal use computers, from 6 years to 4 years. The effect of the change in useful lives was to decrease operating income by ¥359 million ($2,694 thousand) and to increase loss before income taxes and minority interests by ¥359 million ($2,694 thousand).

(g) Software — Software development costs, incurred through the completion of a Beta version of specific software for sale to the market, are charged to income as incurred. Costs incurred subsequent to the completion of the Beta version are capitalized as software.

Software for sale to the market is amortized at the greater of either the amount to be amortized in proportion of the actual sales of the software during the current year to the estimated total sales over the estimated salable years of the software or the amount to be amortized by the straight-line method over the estimated salable years, principally 3 years.

Software for internal use is amortized by the straight-line method over the estimated useful lives, generally 5 years.

(h) Retirement benefits — The Company and certain subsidiaries have a contributory pension plan covering substantially all of their employees. Other consolidated subsidiaries have non-contributory pension plans.

Effective April 1, 2000, the Group adopted a new accounting standard for employees' retirement benefits and accounted for the liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date. The transitional obligation, determined as of April 1, 2000, is being amortized over 10 years.

Actuarial gains and losses are recognized in expenses using the straight-line method over the average of the estimated remaining service period (10 years) starting in the following year. Prior service cost is amortized in expenses using the straight-line method over the average of the estimated remaining service period (10 years).

Effective March 1, 1994, the Company introduced as part of its human resources program, the New Career Support Program (the "NCSP"), to assist certain employees in retiring from the Company before their mandatory retirement age. The Company provides for the estimated future payments to be paid under the NCSP, and includes this amount as a liability for retirement benefits.

Retirement benefits to directors and corporate auditors are provided at the amount that would be required if all directors and corporate auditors retired at the balance sheet date, and includes this amount as a liability for retirement benefits.

(i) Income taxes — The provision for income taxes is computed based on the pretax income included in the consolidated statements of operations. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

(j) Leases — All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

(k) Appropriation of retained earnings — Appropriations of retained earnings are reflected in the financial statements the year following shareholders' approval.

(l) Foreign currency transactions — All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of operations to the extent that they are not hedged by forward exchange contracts.

(m) Derivatives and hedge accounting — The Company uses a variety of derivative financial instruments, including foreign currency forward contracts and interest rate swaps as a means of hedging exposure to foreign currency and interest rate risks. The Company does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a)all derivatives be recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of operations and b)for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign currency forward contracts are utilized to hedge foreign currency exposures in procurement of merchandises from overseas suppliers. Trade payables denominated in foreign currencies are translated at the contracted rates if the forward contracts qualify for hedge accounting.

Interest rate swaps are utilized to hedge interest rate exposures of short-term debt. Those swaps which qualify for hedge accounting are measured at market value at the balance sheet date and the unrealized gains or losses are deferred until maturity as other liabilities or assets.

(n) Per share information — The computation of net income per share is based on the weighted average number of shares of common stock outstanding during each year.

Diluted net income per share is not disclosed because there are no dilutive securities issued.

Cash dividends per share presented in the accompanying consolidated statements of operations are dividends applicable to the respective years including dividends to be paid after the end of the year.

3. Accounting change

Prior to April 1, 2001, the Group recognized revenues from contracted systems development upon delivery of products to the customer. Effective April 1, 2001, the Group recognizes revenues from contracted systems development upon completion of the inspection of the systems by the customer. As contracted systems development has expanded in scale and complexity, a certain period of time is required to issue the billing invoice after the delivery of the development of the systems.

The effects of this change were to decrease sales by ¥419 million ($3,144 thousand) and to increase loss before income taxes and minority interests by ¥50 million ($375 thousand), respectively.

4. Cash and cash equivalents

Cash and cash equivalents at March 31, 2002 and 2001, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Cash and time deposits	**¥34,901**	¥31,598	**$261,921**
Short term investments	**5,000**	3,403	**37,523**
Less-time deposits with maturities over 3 months	**(48)**	(127)	**(360)**
Total	**¥39,853**	¥34,874	**$299,084**

5. Investment securities

Marketable and investment securities as of March 31, 2002 and 2001, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Non-current:			
Equity securities	**¥9,144**	¥8,377	**$68,623**
Debt securities	**26**	25	**195**
Trust fund investments		1	
Total	**¥9,170**	¥8,403	**$68,818**

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2002 were as follows:

	Millions of Yen			
March 31, 2002	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**¥5,460**	**¥2,824**	**¥624**	**¥7,660**
Debt securities	**25**	**1**	**0**	**26**
Total	**¥5,485**	**¥2,825**	**¥624**	**¥7,686**

	Thousands of U.S. Dollars			
March 31, 2002	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	**$40,975**	**$21,194**	**$4,683**	**$57,486**
Debt securities	**188**	**7**	**0**	**195**
Total	**$41,163**	**$21,201**	**$4,683**	**$57,681**

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2002 and 2001 were as follows:

	Carrying amount		
	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Available-for-sale:			
Equity securities	**¥1,315**	¥1,372	**$9,869**

Proceeds from sales of available-for-sale securities for the year ended March 31, 2002 and 2001 were ¥2,843 ($21,336 thousand) and ¥4,470 million, respectively. Gross realized gains and losses on these sales, computed on the moving-average cost basis, were ¥914 million ($6,859 thousand) and ¥33 million ($248 thousand), respectively for the year ended March 31, 2002 and gross realized gains are ¥2,869 million for the year ended March 31, 2001.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale at March 31, 2002 are as follows:

	Millions of Yen	Thousands of U.S. Dollars
Due in one year or less	**¥ 5**	**$ 38**
Due after one year through five years	**20**	**150**
Total	**¥25**	**$188**

6. Inventories

Inventories at March 31, 2002 and 2001, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Work in process	**¥ 3,956**	¥ 2,453	**$ 29,689**
Merchandise and finished products	**17,928**	15,220	**134,544**
Supplies	**125**	116	**938**
Total	**¥22,009**	¥17,789	**$165,171**

7. Short-term borrowings and long-term debt

Short-term bank loans of ¥10,169 million ($76,315 thousand) and ¥12,307 million bear interest at an approximate annual average rate of 0.75% and 1.05% at March 31, 2002 and 2001, respectively.

Long-term debt at March 31, 2002 and 2001, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
2.05% unsecured bonds due 2002	**¥10,000**	¥10,000	**$ 75,047**
Unsecured loans from banks and insurance companies, 0.76% to 2.51%, due serially to 2008	**33,884**	29,111	**254,289**
Other borrowings	**1,278**		**9,591**
Total	**45,162**	39,111	**338,927**
Less current portion	**(18,431)**	(7,827)	**(138,319)**
Net long-term debt	**¥26,731**	¥31,284	**$200,608**

The annual maturities of long-term debt at March 31, 2002 were as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
2003	¥18,431	$138,319
2004	6,270	47,054
2005	5,125	38,462
2006	7,472	56,075
2007	788	5,914
2008 and thereafter	7,076	53,103
Total	¥45,162	$338,927

As is customary in Japan, security must be given under certain circumstances, if requested by a lending bank, and such bank has the right to offset cash deposited with it against any debts or obligations that become due and, in the case of default or certain other specified events, against all debts payable to the bank. The Company has never received such a request.

8. Income taxes

The Group is subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 42% for the years ended March 31, 2002 and 2001.

The tax effects of significant temporary differences and loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2002 and 2001 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Deferred tax assets:			
Current assets:			
Accrued expense of special retirement expense	**¥ 6,959**		**$ 52,225**
Accrued bonuses	**3,045**	¥ 2,663	**22,852**
Inventory valuation	**562**	634	**4,218**
Allowance for maintenance service	**501**	571	**3,760**
Accrued business tax	**484**	625	**3,632**
Others	**1,076**	754	**8,075**
Total	**¥12,627**	¥ 5,247	**$ 94,762**
Non-current assets:			
Depreciation expenses	**¥ 7,927**	¥ 5,798	**$ 59,490**
Amortization expenses of deferred assets	**3,493**	5,162	**26,214**
Liability for retirement benefits	**5,957**	4,001	**44,705**
Others	**1,115**	898	**8,368**
Total	**18,492**	15,859	**138,777**
Less valuation allowance	**(121)**	(91)	**(908)**
Total	**18,371**	15,768	**137,869**
Deferred tax liabilities:			
Reserve for special taxation measures law in Japan	**(3,506)**	(3,330)	**(26,312)**
Others	**(1,375)**	(525)	**(10,319)**
Total	**(4,881)**	(3,855)	**(36,631)**
Net deferred tax assets	**¥13,490**	¥11,913	**$101,238**

A reconciliation between the normal effective statutory tax rate and the actual effective tax rates reflected in the accompanying consolidated statements of operations for the years ended March 31, 2002 and 2001, is as follows:

	2002	2001
Normal effective statutory tax rate	**42%**	42%
Expenses not deductible for income tax purposes	**(3)**	4
Amount of per-capita local tax	**(1)**	1
Others-net	**0**	(1)
Actual effective tax rate	**38%**	46%

9. Retirement benefits

The Group has severance payment plans for employees, directors and corporate auditors.

Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

The liability for retirement benefits at March 31, 2002 and 2001 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Projected benefit obligation	**¥184,232**	¥184,436	**$1,382,604**
Fair value of plan assets	**(97,768)**	(114,054)	**(733,719)**
Unrecognized transitional obligation	**(32,840)**	(36,965)	**(246,454)**
Unrecognized prior service cost	**3,972**		**29,809**
Unrecognized actuarial loss	**(43,360)**	(23,810)	**(325,403)**
Net liability	**¥14,236**	¥ 9,607	**$ 106,837**

The components of net periodic benefit costs for the years ended March 31, 2002 and 2001 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Service cost	**¥ 6,817**	¥ 6,455	**$ 51,160**
Interest cost	**5,485**	5,168	**41,163**
Expected return on plan assets	**(4,485)**	(4,676)	**(33,659)**
Amortization of transitional obligation	**4,125**	4,124	**30,957**
Amortization of prior service cost	**(203)**		**(1,523)**
Recognized actuarial loss	**2,392**		**17,951**
Net periodic benefit costs	**¥14,131**	¥11,071	**$106,049**

Assumptions used for the years ended March 31, 2002 and 2001 were set forth as follows:

	2002	2001
Discount rate	**2.75%**	3.0%
Expected rate of return on plan assets	**4.0%**	4.0%
Amortization period of prior service cost	**10 years**	
Recognition period of actuarial gain/loss	**10 years**	10 years
Amortization period of transitional obligation	**10 years**	10 years

The liability for retirement benefits at March 31, 2002 and 2001 included the following liabilities:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Allowance for the NCSP	**¥740**	¥769	**$5,553**
Current portion	**(271)**	(272)	**(2,034)**
Net	**469**	497	**3,519**
Allowance for directors' and corporate auditors' retirement benefits	**360**	500	**2,702**
Total	**¥829**	¥997	**$6,221**

Amounts payable to directors and corporate auditors are subject to the approval of the shareholders.
Total charges relating to allowance for directors' and corporate auditors' retirement benefits and allowance for the NCSP for the years ended March 31, 2002 and 2001 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Allowance for directors and corporate auditors	**¥ 148**	¥ 116	**$ 1,111**
One-time payments to employees participating in the NCSP	**1,085**	989	**8,143**
Allowance for the NCSP	**209**	273	**1,568**
Total	**¥1,442**	¥1,378	**$10,822**

10. Research and development costs

Research and development costs charged to income were ¥6,429 million ($48,248 thousand) and ¥9,993 million for the years ended March 31, 2002 and 2001, respectively.

11. Special retirement expense

Effective March 1, 1994, the company introduced as part of its human resources program, the New Career Support Program (the "NCSP"), to assist certain employees in retiring from the Group before their mandatory retirement age. The Group implemented special program of NCSP, in the year ended March 31, 2002, to improve cost structure in order to restrain personnel cost in the long run, and included the amount of the incurred cost of ¥16,531 million ($124,060 thousand) as special retirement expense in the consolidated statements of operations and as accounts payable-other in the consolidated balance sheets.

12. Restructuring charges

Restructuring charges are principally the impairment of buildings and structures of Nihon Unisys Supply, Ltd, a consolidated subsidiary, due to the decreased market caused by a drop in demand for business forms and printing services.

13. Leases

The Company leases certain machinery, computer equipment, office space and other assets.

Total rental expenses for the years ended March 31, 2002 and 2001 were ¥9,511 million ($71,377 thousand) and ¥8,293 million, respectively, including ¥441 million ($3,310 thousand) and ¥195 million of lease payments under finance leases agreements that do not transfer ownership of the leased property to the lessee.

Income from equipment leases for the years ended March 31, 2002 and 2001 were ¥211 million ($1,583 thousand) and ¥234 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2002 and 2001, was as follows:

[For Lessee]

	Millions of Yen				
	2002			2001	
	Machinery and Equipment	**Software**	**Total**	Machinery and Equipment	Total
Acquisition cost	**¥281**	**¥2,700**	**¥2,981**	¥531	¥531
Accumulated depreciation	**148**	**332**	**480**	269	269
Net leased property	**¥133**	**¥2,368**	**¥2,501**	¥262	¥262

	Thousands of U.S. Dollars		
	2002		
	Machinery and Equipment	**Software**	**Total**
Acquisition cost	**$2,109**	**$20,262**	**$22,371**
Accumulated depreciation	**1,111**	**2,491**	**3,602**
Net leased property	**$ 998**	**$17,771**	**$18,769**

Obligations under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Due within one year	**¥ 502**	¥132	**$ 3,767**
Due after one year	**1,999**	130	**15,002**
Total	**¥2,501**	¥262	**$18,769**

The amount of acquisition cost and obligations under finance leases includes the imputed interest expense portion.

Depreciation expense, which is not reflected in the accompanying consolidated statements of operations, computed by the straight-line method was ¥441 million ($3,310 thousand) and ¥195 million for the years ended March 31, 2002 and 2001, respectively.

[For Lessor]

	Millions of Yen		Thousands of U.S. Dollars
Machinery and equipment	**2002**	2001	**2002**
Acquisition cost	**¥1,410**	¥906	**$10,582**
Accumulated depreciation	**1,067**	453	**8,008**
Net leased property	**¥ 343**	¥453	**$ 2,574**

Receivables under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Due within one year	**¥157**	¥175	**$1,178**
Due after one year	**210**	329	**1,576**
Total	**¥367**	¥504	**$2,754**

The amount of receivables under finance leases includes the imputed interest income portion.

Depreciation expense, which is reflected in the accompanying consolidated statements of operations, computed by the straight-line method was ¥184 million ($1,381 thousand) and ¥203 million for the years ended March 31, 2002 and 2001, respectively.

14. Commitments and contingent liabilities

Contingent liabilities at March 31, 2002 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Guarantees of bank loans to employees for housing	¥6,868	$51,542

15. Shareholders' equity

Japanese companies are subject to the Japanese Commercial Code (the "Code") to which certain amendments became effective from October 1, 2001. Prior to October 1, 2001, the Code required at least 50% of the issue price of new shares, with a minimum of the par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital were credited to additional paid-in capital. Effective October 1, 2001, the Code was revised and common stock par values were eliminated resulting in all shares being recorded with no par value.

Prior to October 1, 2001, the Code also provided that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated and set aside as a legal reserve until such reserve equals 25% of stated capital. Effective October 1, 2001, the revised Code allows for such appropriations to be set aside as a legal reserve until the total additional paid-in capital and legal reserve equals 25% of stated capital. The amount of total additional paid-in capital and legal reserve which exceeds 25% of stated capital can be transferred to retained earnings by resolution of the shareholders, which may be available for dividends. The Company's legal reserve amount, which is included in retained earnings, totals ¥1,371 million ($10,289 thousand) and ¥1,371 million as of March 31, 2002 and 2001, respectively. Under the Code, companies may issue new common shares to existing shareholders without consideration as a stock split pursuant to a resolution of the Board of Directors. Prior to October 1, 2001, the amount calculated by dividing the total amount of shareholders' equity by the number of outstanding shares after the stock split could not be less than ¥50. The revised Code eliminated this restriction.

Prior to October 1, 2001, the Code imposed certain restrictions on the repurchase and use of treasury stock. Effective October 1, 2001, the Code eliminated these restrictions allowing companies to repurchase treasury stock by a resolution of the shareholders at the general shareholders' meeting and dispose of such treasury stock by resolution of the Board of Directors after March 31, 2002. The repurchased amount of treasury stock cannot exceed the amount available for future dividend plus amount of stated capital, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the general shareholders' meeting.

The Code permits companies to transfer a portion of additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The Code also permits companies to transfer a portion of unappropriated retained earnings, available for dividends, to stated capital by resolution of the shareholders.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

Under the Code, the amount available for dividends is based on retained earnings as recorded on the Company's books. At March 31, 2002, retained earnings recorded on the Company's books were ¥55,119 million ($413,651 thousand) which is available for future dividends subject to the approval of the shareholders and legal reserve requirements.

16. Derivatives

The Company enters into foreign currency forward contracts to hedge foreign exchange risk associated with certain liabilities denominated in foreign currencies. The Company also enters into interest rate swap contracts to manage its interest rate exposures on long-term debt. Subsidiaries do not enter into derivatives transactions.

All derivative transactions are entered into to hedge interest and foreign currency exposures incorporated within the Company's business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged liabilities.

Because the counterparties to these derivatives are limited to major international financial institutions and credible general trading companies, the Company does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Company have been made in accordance with internal policies which regulate the authorization and credit limit amounts.

All the derivative transactions are excluded from disclosure of market value information as they qualify for hedge accounting.

17. Related party transactions

Transactions with Unisys Corporation and Mitsui & Co., Ltd., major shareholders of the Company, for the years ended March 31, 2002 and 2001 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Sales:			
Unisys Corporation	**¥ 742**	¥ 1,601	**$ 5,569**
Mitsui & Co., Ltd.	**1,817**	3,001	**13,636**
Total	**¥ 2,559**	¥ 4,602	**$ 19,205**
Purchases:			
Unisys Corporation	**¥16,995**	¥19,053	**$127,542**
Mitsui & Co., Ltd.	**14,854**	32,059	**111,475**
Total	**¥31,849**	¥51,112	**$239,017**
Interest expenses:			
Mitsui & Co., Ltd.	**¥ 125**	¥ 262	**$ 938**

Transaction balances due to or from Unisys Corporation and Mitsui & Co., Ltd. at March 31, 2002 and 2001, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	**2002**
Accounts receivable-trade:			
Unisys Corporation	**¥ 187**	¥ 1	**$ 1,403**
Mitsui & Co., Ltd.	**432**	981	**3,242**
Total	**¥ 619**	¥ 982	**$ 4,645**
Accounts payable-trade:			
Unisys Corporation	**¥2,352**	¥ 2,120	**$17,651**
Mitsui & Co., Ltd.	**6,752**	13,892	**50,672**
Total	**¥9,104**	¥16,012	**$68,323**
Long-term accounts payable- Mitsui & Co., Ltd.	**¥2,413**	¥ 2,338	**$18,109**

18. Subsequent event

(a) Appropriations of retained earnings — At the general shareholders' meeting held on June 26, 2002, the Company's shareholders approved the following appropriations of retained earnings:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividends, ¥3.75 ($0.03) per share	¥411	$3,084

(b) Approval of exemption from the substitutional portion of welfare pension funds — On June 25, 2002, the Company and certain consolidated subsidiaries obtained approval from the Ministry of Health, Labor and Welfare for exemption from the portion of future benefit obligations recorded and maintained by the Group on behalf of the Japanese government (the "substitutional portion"), in accordance with the enactment in April 2002 of the new law concerning the defined benefit pension plans in Japan.

The Group expects to apply the transitional treatment specified on "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)" issued by the Japanese Institute of Certified Public Accountants, and will be relieved of the liability for retirement benefit obligations with respect to such substitutional portion as of date of the approval.

As a result of the above, the Group anticipates recognizing a pretax gain of approximately ¥8,569 million ($64,308 thousand) for the year ending March 31, 2003. The amount will be finalized upon recalculation of the projected benefit obligations based on the recalculation of the financial position of welfare pension funds as of March 31, 2002.

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Deloitte Touche Tohmatsu

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Nihon Unisys, Ltd.:

We have examined the consolidated balance sheets of Nihon Unisys, Ltd. and consolidated subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of Nihon Unisys, Ltd. and consolidated subsidiaries as of March 31, 2002 and 2001, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan consistently applied during the period except for the change, with which we concur, in accounting for sales recognition as discussed in Note 3.

As described in Note 2, effective April 1, 2001, the consolidated financial statements have been prepared in accordance with a new accounting standard for financial instruments.

Our examinations also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 26, 2002

CORPORATE DATA

(as of March 31, 2002)

Name Nihon Unisys, Ltd.

Head Office 1-1, Toyosu 1-chome, Koto-ku, Tokyo 135-8560, Japan

(Registered Head Office 17-51, Akasaka 2-chome, Minato-ku, Tokyo 107-0052, Japan)

Established March 29, 1958

Capital ¥5,483 million

Business Activities

1. Sales and rentals of computer systems
2. Sales and production of software
3. Various system-related services
4. Telecommunication business, information processing services and database services
5. Contracts, planning, executions and controls of constructions for building and installation of systems above, etc.

Common Stock

Authorized: 300,000,000 shares

Issued: 109,663,524 shares

Listing: Tokyo Stock Exchange First Section

Shareholders

Number of Shareholders: 14,125

Principal Shareholders:

	Number of shares held	
Name	(thousands)	(%)
Mitsui & Co., Ltd.	30,524	27.84
Unisys Corporation	30,524	27.84
The Mitsubishi Trust and Banking Corporation (Trust Account)	3,463	3.16
Japan Trustee Services Bank, Ltd. (Trust Account)	2,853	2.60
UFJ Trust Bank Limited (Trust Account "A")	2,514	2.29
The Mitsubishi Trust and Banking Corporation (Retirement Benefit Trust Account: Mitsubishi Electric Corporation)	1,852	1.69
Nihon Unisys Employees' Shareholding Society	1,571	1.43
Sumitomo Mitsui Banking Corporation	1,185	1.08
Trust & Custody Services Bank, Ltd. (Pension Trust)	1,155	1.05
Mitsui Asset Trust and Banking Company, Limited (Account "3")	1,150	1.05

Employees 5,192 (Non consolidated basis)

*Number of employees on a consolidated basis was 9,218.

Consolidated Subsidiaries

Company Name	Capital (¥ millions)	Equity held by Nihon Unisys (%)
Nihon Unisys Supply, Ltd.	315	85
UNIADEX, Ltd.	200	100
Nihon Unisys Software Kaisha, Ltd.	300	100
Nihon Unisys Information Systems, Ltd.	150	100
Nihon Unisys Excelutions, Ltd.	100	100
O.S. Engineering Co., Ltd.	50	100
A-tas, Ltd.	50	50.2
Nihon Unisys Business, Ltd.	20	100
Hokkaido Soft Engineering Co., Ltd.	30	45
Tohoku Soft Engineering Co., Ltd.	50	49
Chubu Soft Engineering Co., Ltd.	50	49
Kansai Soft Engineering Co., Ltd.	50	47
Hiroshima Soft Engineering Co., Ltd.	50	75
Kyushu Soft Engineering Co., Ltd.	50	45
International Systems Development Co., Ltd.	40	42.5

Board of Directors

(as of June 26, 2002)

Name	Title
Seiichi Shimada*#	President & CEO
Thomas K. Yam*#	Executive Vice President
Shoichi Kajikawa*#	Senior Executive Managing Director
Keiji Shiratori*#	Executive Managing Director
Makoto Motoike*#	Executive Managing Director
Nicholas J. Reiter*#	Executive Managing Director
Koichi Kikumoto#	Senior Managing Director
Hidenori Suzuki#	Senior Managing Director
Yasunori Fujita#	Senior Managing Director
Takeshi Washio#	Managing Director
Takahiro Hamada#	Managing Director
Jun Tashiro	Managing Director
Yoshiyuki Izawa	Managing Director
Motonori Saeki	Managing Director
George R. Gazerwitz	Managing Director
Leo C. Daiuto	Managing Director
James L. Page	Managing Director
Osamu Haruyama	Corporate Auditor, fulltime
Tatsuo Toyama	Corporate Auditor, fulltime
Minoru Sadayasu	Corporate Auditor
Katsuhisa Kiyozuka	Corporate Auditor

*Representative Director
#Corporate Officer

Masanori Matsumori	Corporate Officer
Tsutomu Fukunaga	Corporate Officer
Naoya Kashiwagi	Corporate Officer
Fumio Horikawa	Corporate Officer
Yoichi Harada	Corporate Officer
Yoshikazu Niwa	Corporate Officer
Toshihiko Kato	Corporate Officer
Kouji Suzuki	Corporate Officer
Osamu Maruyama	Corporate Officer
Shigehiko Inaizumi	Corporate Officer
Tadashi Suzuki	Corporate Officer
Yasushi Iribe	Corporate Officer
Akiyoshi Hiraoka	Corporate Officer

Products & Services

Enterprise Servers
ClearPath Plus Server Series
HMP IX Series
HMP NX/LX Series, etc.

Open Products
UNIX Servers, Workstations
Unisys Enterprise Server ES Series
Solution Server RX-7000 Series, etc.

Peripherals
Storage Systems
Japanese-language Printers
Network Products
Document Systems
Terminals for Various Industries, etc.

Software
Basic Software
Database Software
Network Software
Solution for Various Industries
E-business-related Software
CRM Solution
ERP Solution
Various Open Software, etc.

Services
Consultation Services
System Engineering Services
Maintenance/Support Services
Outsourcing Services
Application Service Provider "asaban.com"
Education/Training Services
Network Integration Services
Desktop Services
Integrated Secure Services
Facilities-related Services, etc.

Unisys Enterprise Server ES7000

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