

Note) This is an English translation of summarized consolidated financial results prepared for readers' convenience. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.



## Consolidated Financial Report for the Third Quarter of Fiscal Year Ending March 31, 2016 [Japan GAAP]

February 3, 2016

### Nihon Unisys, Ltd.

Stock Listing:	Tokyo Stock Exchange 1st Section
Stock Code:	8056
URL:	<a href="http://www.unisys.co.jp/">http://www.unisys.co.jp/</a>
Representative:	Shigeru Kurokawa, Representative Director, President & CEO
Scheduled Submission Date for Quarterly Report:	February 12, 2016
Scheduled Starting Date for Dividend Payment:	-
Earnings Supplementary Explanatory Documents:	yes
Earnings Results Briefing:	yes (for institutional investors and analysts)

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

### 1. Consolidated Financial Results in FY2016 Q3 (from April 1, 2015 to December 31, 2015)

#### (1) Consolidated Results of Operations

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

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
<b>FY2016 Q3</b>	188,889	5.0	7,615	65.5	7,156	19.6	4,487	13.6
<b>FY2015 Q3</b>	179,956	(5.6)	4,602	69.0	5,981	95.8	3,949	132.9

(Note) Comprehensive Income FY2016 Q3: 3,593 Million Yen (-29.3 %) FY2015 Q3: 5,084 Million Yen (39.5 %)

	Earnings Per Share	Diluted Earnings Per Share
<b>FY2016 Q3</b>	47.70 <small>Yen</small>	41.24 <small>Yen</small>
<b>FY2015 Q3</b>	42.01	36.33

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
<b>FY2016 Q3</b>	188,276 <small>Millions of Yen</small>	82,322 <small>Millions of Yen</small>	43.3 <small>%</small>
<b>FY2015</b>	199,772	81,975	40.6

(Reference) Shareholders' Equity FY2016 Q3: 81,541 Million Yen FY2015: 81,021 Million Yen

### 2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
<b>FY2015</b>	— <small>Yen</small>	10.00 <small>Yen</small>	— <small>Yen</small>	10.00 <small>Yen</small>	20.00 <small>Yen</small>
<b>FY2016</b>	—	15.00			
<b>FY2016 (Forecast)</b>				15.00	30.00

(Note) Revisions to the latest forecast of dividends: No

### 3. Consolidated Earnings Forecast for FY2016 (from April 1, 2015 to March 31, 2016)

(Percentage below represents increase (decrease) from previous year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
<b>FY2016</b>	280,000	4.0	12,500	14.4	12,000	(3.0)	8,500	17.3	90.35

(Note) Revisions to the latest forecast of consolidated earnings: No

\* Notes

(1) Change in the scope of consolidation (change of condition of significant consolidated subsidiaries) during this quarterly period: No

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatement of corrections

1. Changes in accounting policies in association with revision in accounting standards: Yes

2. Other changes in accounting policies: No

3. Changes in accounting estimates: No

4. Restatement of corrections: No

(4) Number of shares outstanding (common stock)

(shares)

1. Number of shares outstanding (including treasury stock)

FY2016 Q3	109,663,524	FY2015	109,663,524
FY2016 Q3	15,542,683	FY2015	15,623,600
FY2016 Q3	94,069,726	FY2015 Q3	94,013,262

2. Number of shares of treasury stock

3. Average number of shares outstanding (during the period)

\*\* Indication of quarterly review procedure implementation status

This quarterly earnings report is not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. Thus, at the time of disclosure of the financial results, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act have not been completed.

\*\*\* Comment regarding appropriate usage of earnings forecast, and other special notes

(Note on forward-looking statements)

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. The Company makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

(Appendix)

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## 1. Results of Business Operations and Financial Conditions

### (1) Analysis of Operating Results

In Japan during the nine months of the fiscal year ending March 2016, corporate earnings showed signs of improvement, despite discreet postures generally assumed in business decisions. The Japanese economy has thus been positioned to continually show a basic tone of moderate recovery. Investments are expected to increase in the software section, and thus help the domestic information services market to resume a path of gradual turnaround. However, we recognize that we have continued to be in the midst of a severe environment where: there is a concern about the Japanese economy experiencing a downward pressure exerted from global uncertainties; and we are faced with intensified rivalry with our competitors.

In this environment, the Nihon Unisys group launched the Mid-term Management Plan in this fiscal year. Since then we have been promoting in-depth efforts under our growth strategies: expansion in the areas of digital innovation and life innovation; and changes in the area of business ICT platforms. Furthermore, we have been making approaches as outlined in the key strategies such as of reforming corporate culture and human resources capabilities.

First, it is about the businesses in the areas of digital innovation and life innovation which we decided to challenge ourselves to pursue as indicated in the Mid-term Management Plan. In addition to our conventionally strong areas, we have strengthened our services in the areas of customer contact through: starting to deal in autonomous mobile robots capable of helping customer services at retail shops; intensifying sales efforts in the front channel area for regional financial institutions; and others. Furthermore, we have steadily promoted new efforts towards expanding our business areas such as through: deploying ICT systems in conjunction with regional medicine and care; and conducting a proof-of-concept of creating new office space through the use of artificial intelligence that has continued to be worked on under our previous mid-term management plan.

With respect to the businesses in the area of business ICT platform, we have been engaged in creating an IoT business platform service capable of supporting analytics of images captured by sensor devices and cameras. Against the backdrop where IoT use has become further speed-focused, we will provide one-stop services that will be enabled by integrating the expertise of our group into the service platform.

As regards the last point about reforming corporate culture and human resources capabilities, we have been promoting the creation of a culture capable of encouraging employees to spontaneously come up with innovations towards an achievement as envisaged in the Mid-term Management Plan. This promotion includes efforts such as of implementing projects of developing management talents and reform-minded leaders at an early stage and developing an environment where working styles are reformed and renewed.

As above, the entirety of our group has been promoting the Mid-term Management Plan.

Net sales on a consolidated basis for the nine-month period under review totaled ¥188,889 million, an increase of 5.0% compared with the same period of the previous fiscal year. The total was enabled by the continued strength of the net sales of hardware and system services.

Operating income was ¥ 7,615 million, up by 65.5 % compared with the same period of the previous fiscal year. Ordinary income was ¥ 7,156 million, up by 19.6 %, profit attributable to owners of parent was ¥ 4,487million, up by 13.6%. These achievements have been enabled through the impacts of the increase in the net sales and efforts to reduce costs such as selling, general and administrative expenses.

Please note that the 'Accounting Standards for Business Combinations (Accounting Standards Board of Japan, ASBJ, Statement No. 21, issued on September 13, 2013) has been adopted since the first quarter of this fiscal year under review. Accordingly, we have replaced 'net income' with 'profit attributable to owners of parent'.

(2) Analysis of Financial Position

At the end of the nine-month period of the fiscal year under review, total assets were ¥ 188,276 million, down by ¥ 11,496 million, from the end of the previous fiscal year, partly due to a decrease in accounts receivable-trade.

Liabilities were ¥ 105,953 million, down by ¥ 11,842 million from the end of the previous fiscal year, partly due to a decrease in accounts payable-trade.

Net assets were ¥ 82,322 million. Shareholders' equity ratio was 43.3%, up by 2.8 percentage points from the end of the previous fiscal year.

(3) Comments on the Consolidated Earnings Forecasts and Other Forecasts

The performance forecasts on a consolidated basis and those on a non-consolidated basis have not been revised since they were announced on May 8, 2015.

## 2. Matters on Summary Information (Notes)

### (1) Changes in Accounting Principles, Changes in Accounting Estimates and Restatement of Corrections

#### (Adoption of Accounting Standards for Business Combinations)

The 'Accounting Standard for Business Combinations' (Accounting Standards Board of Japan, ASBJ, Statement No. 21, issued on September 13, 2013, hereinafter referred to as the 'Business Combinations Accounting Standards'), 'Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued on September 13, 2013, hereinafter referred to as the 'Consolidation Accounting Standard'), 'Accounting Standard for Business Divestitures' (ASBJ Statement No. 7, issued on September 13, 2013, hereinafter referred to as the 'Business Divestitures Accounting Standard') and other standards were adopted from the first quarter of the fiscal year under review.

Accordingly, the accounting method was changed to record any differences arising from changes in a parent company's ownership interest in its subsidiary as capital surplus as long as the parent retains control over its subsidiary, and to record acquisition-related costs as expenses for the fiscal year in which they occur.

In addition, with regard to business combinations on or after April 1, 2015, the accounting method was changed to retroactively reflect adjustments to the amount allocated to acquisition costs in the consolidated financial statements of the quarter in which the relevant business combinations became or will become effective, upon finalizing provisional accounting treatment.

Such adjustments shall be recognized as if the accounting for the business combination had been complete at the acquisition date.

Furthermore, we have made changes in presentation, such as a change from net income to profit attributable to owners of parent and a change from minority interests to non-controlling interests. To reflect these changes in presentation, adjustments have been made to the consolidated financial statements for the prior third quarter and the prior fiscal year presented herein.

The Business Combinations Accounting Standard and other standards were applied in accordance with the transitional treatments set forth in Article 58-2(3) of the Business Combinations Accounting Standard, Article 44-5 (3) of the Consolidation Accounting Standard, and Article 57-4 (3) of the Business Divestitures Accounting Standard. The cumulative effects arising from the retroactive application of these new accounting policies to all the previous fiscal years were added to or deducted from capital surplus and retained earnings as of April 1, 2015.

As a result, goodwill decreased by ¥ 793 million, capital surplus decreased by ¥ 1,081 million, and retained earnings increased ¥ 287 million as of April 1, 2015.

Operating income, ordinary income and income before income taxes and minority interests increased by ¥ 40 million for the nine-month period of the fiscal year under review, respectively.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

Millions of Yen

	FY2015 (As of March 31, 2015)	FY2016 Q3 (As of December 31, 2015)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	23,326	24,209
Notes and accounts receivable - trade	68,121	48,682
Merchandise and finished goods	6,676	11,994
Work in process	2,874	6,889
Raw materials and supplies	349	320
Deferred tax assets	5,919	4,563
Other	15,449	16,552
Allowance for doubtful accounts	(143)	(197)
<b>Total current assets</b>	<b>122,573</b>	<b>113,015</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	3,296	2,781
Machinery, equipment and vehicles, net	7,514	7,679
Other, net	3,300	2,988
<b>Total property, plant and equipment</b>	<b>14,111</b>	<b>13,448</b>
<b>Intangible assets</b>		
Goodwill	1,797	941
Software	19,076	19,886
Other	452	314
<b>Total intangible assets</b>	<b>21,326</b>	<b>21,142</b>
<b>Investments and other assets</b>		
Investment securities	17,952	16,936
Deferred tax assets	1,032	311
Net defined benefit asset	7,176	8,881
Other	16,102	15,018
Allowance for doubtful accounts	(504)	(477)
<b>Total investments and other assets</b>	<b>41,760</b>	<b>40,669</b>
<b>Total non-current assets</b>	<b>77,198</b>	<b>75,261</b>
<b>Total assets</b>	<b>199,772</b>	<b>188,276</b>

Millions of Yen

	FY2015 (As of March 31, 2015)	FY2016 Q3 (As of December 31, 2015)
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	25,231	18,845
Short-term loans payable	4,000	9,000
Current portion of convertible bond	-	15,001
Current portion of long-term loans payable	15,115	14,915
Income taxes payable	382	346
Accrued expenses	7,689	3,267
Allowance for loss on contract development	1,687	149
Other provision	736	685
Asset retirement obligations	-	512
Other	22,805	23,475
<b>Total current liabilities</b>	<b>77,648</b>	<b>86,197</b>
<b>Non-current liabilities</b>		
Convertible bond	15,087	-
Long-term loans payable	21,655	16,210
Deferred tax liabilities	66	200
Provision	414	1,229
Net defined benefit liability	552	586
Asset retirement obligations	1,335	969
Other	1,037	559
<b>Total non-current liabilities</b>	<b>40,148</b>	<b>19,756</b>
<b>Total liabilities</b>	<b>117,796</b>	<b>105,953</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	5,483	5,483
Capital surplus	15,281	14,200
Retained earnings	68,031	70,442
Treasury shares	(19,283)	(19,183)
Deposit for subscriptions to treasury shares	2	1
<b>Total shareholders' equity</b>	<b>69,515</b>	<b>70,944</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,511	4,907
Deferred gains or losses on hedges	(10)	(15)
Remeasurements of defined benefit plans	6,004	5,704
<b>Total accumulated other comprehensive income</b>	<b>11,505</b>	<b>10,596</b>
Subscription rights to shares	366	235
Non-controlling interests	587	545
<b>Total net assets</b>	<b>81,975</b>	<b>82,322</b>
<b>Total liabilities and net assets</b>	<b>199,772</b>	<b>188,276</b>

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)

Millions of Yen

	FY2015 Q3 (Nine months ended December 31, 2014)	FY2016 Q3 (Nine months ended December 31, 2015)
<b>Net sales</b>	<b>179,956</b>	<b>188,889</b>
<b>Cost of sales</b>	<b>136,555</b>	<b>144,121</b>
<b>Gross profit</b>	<b>43,400</b>	<b>44,768</b>
<b>Selling, general and administrative expenses</b>	<b>38,798</b>	<b>37,152</b>
<b>Operating income</b>	<b>4,602</b>	<b>7,615</b>
<b>Non-operating income</b>		
Interest income	52	32
Dividend income	410	364
Gain on sales of listed securities	1,191	-
Other	123	200
<b>Total non-operating income</b>	<b>1,778</b>	<b>596</b>
<b>Non-operating expenses</b>		
Interest expenses	311	194
Settlement package	18	214
Environmental expenses	-	618
Other	69	29
<b>Total non-operating expenses</b>	<b>398</b>	<b>1,055</b>
<b>Ordinary income</b>	<b>5,981</b>	<b>7,156</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	2	511
Gain on reversal of subscription rights to shares	289	188
Gain on revision of retirement benefit plan	152	-
Other	0	4
<b>Total extraordinary income</b>	<b>444</b>	<b>704</b>
<b>Extraordinary losses</b>		
Loss on sales and retirement of non-current assets	51	7
Office transfer expenses	-	574
Other	91	14
<b>Total extraordinary losses</b>	<b>142</b>	<b>596</b>
<b>Income before income taxes and minority interests</b>	<b>6,283</b>	<b>7,264</b>
<b>Income taxes - current</b>	<b>217</b>	<b>179</b>
<b>Income taxes - deferred</b>	<b>2,077</b>	<b>2,582</b>
<b>Total income taxes</b>	<b>2,294</b>	<b>2,762</b>
<b>Profit</b>	<b>3,988</b>	<b>4,502</b>
<b>Profit attributable to non-controlling interests</b>	<b>38</b>	<b>14</b>
<b>Profit attributable to owners of parent</b>	<b>3,949</b>	<b>4,487</b>

(Consolidated Statements of Comprehensive Income)

Millions of Yen

	FY2015 Q3	FY2016 Q3
	(Nine months ended December 31, 2014)	(Nine months ended December 31, 2015)
<b>Profit</b>	<b>3,988</b>	<b>4,502</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,082	(604)
Deferred gains or losses on hedges	83	(4)
Remeasurements of defined benefit plans	(70)	(299)
Share of other comprehensive income of entities accounted for using equity method	(0)	0
<b>Total other comprehensive income</b>	<b>1,096</b>	<b>(908)</b>
<b>Comprehensive income</b>	<b>5,084</b>	<b>3,593</b>
<b>(Breakdown)</b>		
Comprehensive income attributable to owners of the parent	5,045	3,578
Comprehensive income attributable to non-controlling interests	38	14

(3) Notes concerning the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)  
None applicable

(Notes on Significant Changes in Shareholders' Equity)  
None applicable