

Financial Results for
the 1st Quarter FY March 2016

July 31, 2015
Nihon Unisys, Ltd.

Foresight in sight

FYMar2016 Q1 Consolidated Performance Results Foresight in sight

System services sales led an increase in Services Sales.
Operating income increased by 65% partly due to a reduced SG&A expenses.

(Unit: Billion Yen)

	Q1 (Apr-Jun)		Changes	
	FY Mar2016	FY Mar2015		
Net Sales	52.4	50.8	+1.6	+3.2%
Gross Profit	12.6	13.1	-0.6	-4.5%
SG&A Expenses	-11.8	-12.7	+0.9	+6.9%
Operating Income	0.7	0.4	+0.3	+65.3%
Profit Attributable to Owners of Parent	0.9	0.4	+0.4	+104.3%
Orders	52.4	49.5	+2.9	+5.8%
Order Backlogs	210.2	214.6	-4.4	-2.1%

<Key Points of Q1 Performance Results>

- **Net Sales**
Net sales increased due to an increase in services sales.
- **Operating Income**
Operating income increased due to reduced SG&A expenses despite a decrease in gross profit.
- **Profit Attributable to Owners of Parent**
Profit attributable to owners of parent significantly increased partly due to gains on sales of securities.
- **Orders and Order Backlogs**
Orders increases were attributable to strong businesses such as manufacturing and utilities/services.
Order backlogs decreased after recognizing net sales of the outsourcing business.

【For Reference】

Q1 (Apr-Jun) 5-year Changes (Unit: Billion Yen)



(Note) Net Income represents profit attributable to owners of parent.

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Net sales were ¥52.4 billion up by ¥1.6 billion compared with the same period of the previous fiscal year. Operating income was ¥0.7 billion an increase of ¥0.3 billion from the previous Q1. Net income was ¥0.9 billion up by ¥0.4 billion over the previous first quarter.

An increase in service sales driven by system services and further reduced SG&A expenses such as personnel costs enabled an increase in net sales and operating income on a year-on-year basis. Net income was significantly boosted partly by posting a gain on sales of securities and partly by the increase in operating income.

Orders were ¥52.4 billion, a ¥2.9 billion increase from the previous period. Due to busy activities in project proposal mainly in the sectors of manufacturing and utilities/services, we are now in a favorable position to receive order awards in future.

Order backlogs are ¥210.2 billion, down by ¥4.4 billion from the previous period as a result of sales posted by the outsourcing business.

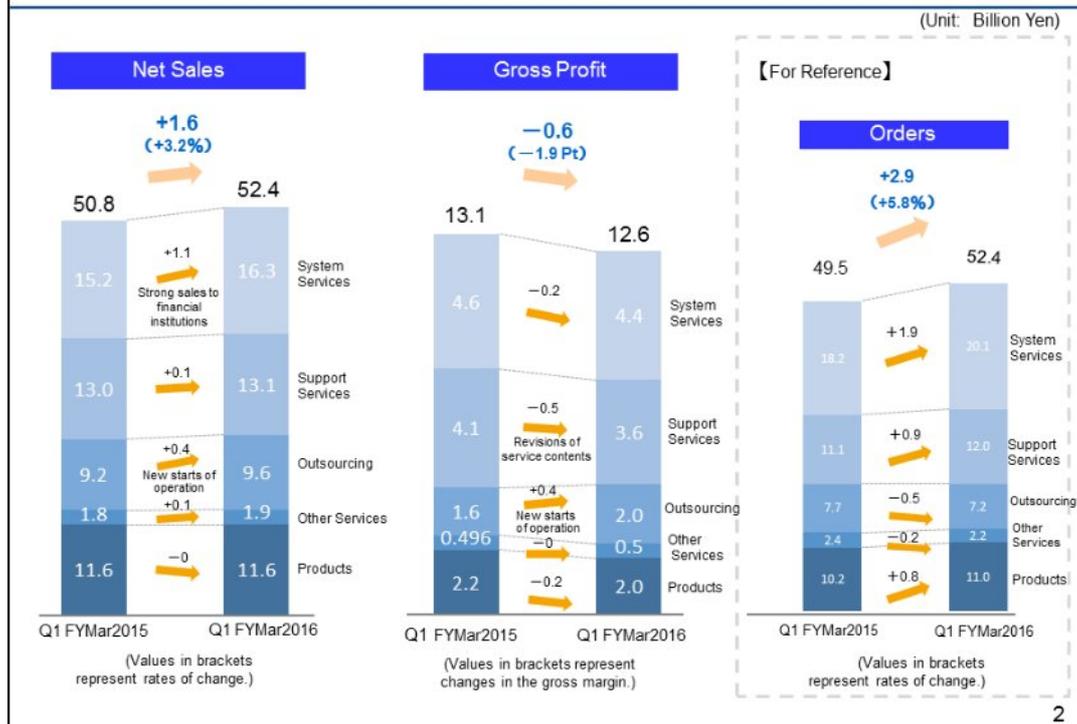
For reference, from the viewpoint of 5-year changes in the bar graphs, we recorded a pullback in the first quarter of the fiscal year ended March 2015 from large projects as seen in the first quarter of the fiscal year ended March 2014. In contrast, this period under review has started without special factors to consider and has progressed almost as expected towards achievement of the first half plan and full-year plan.

We have experienced no new unprofitable projects during the quarter under review.

A large-scale unprofitable project of the previous fiscal period has entered an operations test phase this July. It is ready for the scheduled start of service this autumn.

Net Sales and Gross Profit by Segment

Foresight in sight

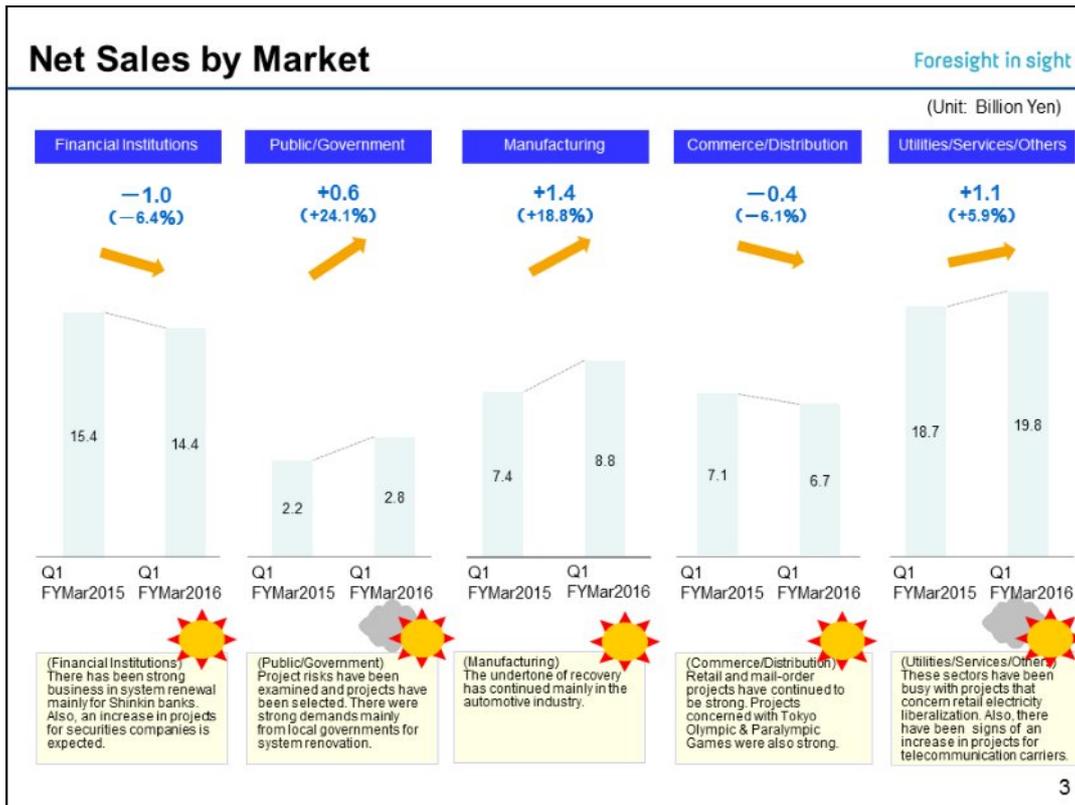


System services increased as a result of the continued strength of development projects for financial institutions. However, their gross profit was reduced by the earlier recognition of ¥0.4 billion costs of platform development for digital businesses as indicated under the future growth strategies.

The net sales of support services mostly remained on a par with the same period of the previous fiscal year. A smaller gross profit was recorded due to a decrease in gross margin as a result of a revision of service contents.

The net sales and gross profit of the outsourcing business continued to be robust due to the S-BITS core-banking service for regional banks having started to serve Hokkoku Bank this January and also an increase in small and medium projects.

Product sales suffered from a lack of highly profitable large-scale business, and a decrease in profitability of software product sales and rental business. As a result, their net sales and net income both decreased. However, hardware product sales demonstrated an improved profitability due to an increase in gross profit despite smaller net sales.



Continued signs of recovery have been witnessed mainly in the automotive market. The utilities/services market has been busy with projects that eye retail electricity liberalization. Accordingly, net sales of manufacturing and utilities/services businesses increased.

Net sales decreased in the financial institutions' market despite activities concerning system renovation projects mainly for Shinkin banks. Net sales also decreased in the commerce/distribution market despite the continued strength of retail and mail-order businesses. However, the businesses of both markets are well positioned to achieve new order awards.

Performance Forecast for FYMar2016 H1

Foresight in sight

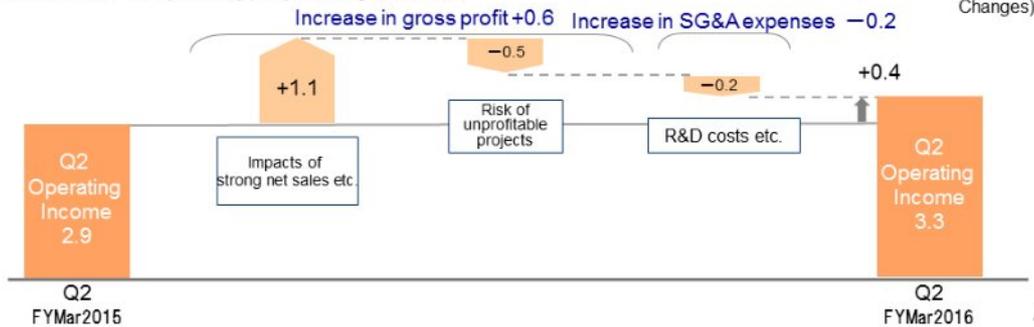
Forecasts of net sales, operating income and net income for H1 have not been revised since they were announced on May 8, 2015. (Unit: Billion Yen)

	FYMar2016 Q1 Actual		FYMar2016 Q2 Forecast		FYMar2016 Forecast H1	
	Amount	Yr/Yr	Amount	Yr/Yr	Amount	Yr/Yr
Net Sales	52.4	+1.6	73.6	+2.5	126.0	+4.1
Operating Income	0.7	+0.3	3.3	+0.4	4.0	+0.6
Profit Attributable to Owners of Parent	0.9	+0.4	1.1	-0.4	2.0	+0

* See the supplementary material for a breakdown of the forecast above.

【Details of Q2 (Jul-Sep) Operating Income】

(Unit: Billion Yen, Yr/Yr Changes)



The forecasts of net sales, operating income and net income for the first half of the fiscal year have not been revised since they were announced on May 8.

The first quarter progressed almost as was planned. System services and outsourcing services are expected to remain strong. Accordingly, the forecast figures of first half will remain as announced on May 8.

Please note that the second quarter figures reflect a ¥0.5 billion worth risk of unprofitable projects.

Progresses under Mid-term Management Plan (2015→2017)

Foresight in sight

▼ Actual performance of Q1 of the fiscal year under review
 ▼ Actual performance of Q1 of the previous fiscal year



¥1.7 billion net sales were recorded in the cooperative businesses with DNP. Steady progress has been witnessed towards the target of the current fiscal year.

For reference, our financial strength has been continuously improved during the quarterly period under review as evidenced through: a ¥7.8 billion free cash flow; a 43% equity ratio; and 0.34 times net D/E ratio.

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(Note)

Forecasts in this document rely on judgments and assumptions based on information available at present. Actual results may differ from the forecasts due to changes in risks, uncertainties, economy and other factors. Thus, the certainty of these forecast is not guaranteed by our Group.

Also, the information is subject to change without prior notice in future.

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