



## **Analysts Meeting for Fiscal Year Ended March 2008**

# **Summary of FY ended March 2008 Earnings Report**

**May 14, 2008**

**Nihon Unisys, Ltd.**

**Representative Director & Senior Corporate Officer**

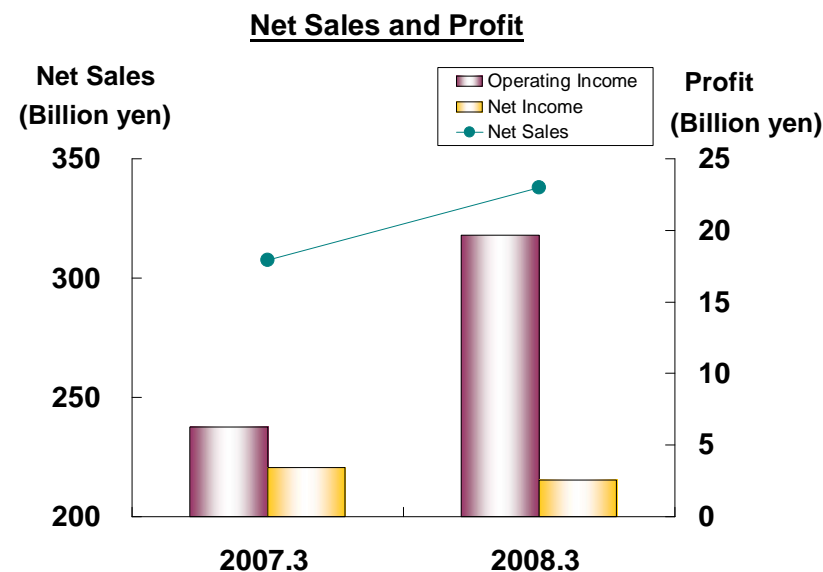
**Keiji Shiratori**

# Highlights of Consolidated Results

(Million yen)

	2007.3	2008.3	Variance	
Net Sales	307,455	337,759	+30,303	+9.9%
Operating Income	6,278	19,649	+13,370	+212.9%
Recurring Profit	6,646	19,265	+12,619	+189.9%
Net Income	3,433	2,546	-887	-25.8%

- Net sales increased by 30.3 billion yen from the previous period, partly due to the new consolidation of Netmarks Inc.
- Operating income increased by 13.4 billion yen because of the reduction in the burden of license fee payments and strengthening of profitability of system service projects.
- Due to booking 8.1 billion yen of goodwill amortization costs as extraordinary losses, net income was 2.5 billion yen (down 0.9 billion yen from the previous period).



# Revenue Information

- Sales Breakdown

(Million yen)

		2007.3	2008.3	Variance	
<b>Services</b>		<b>193,178</b>	<b>244,785</b>	<b>+51,606</b>	<b>+26.7%</b>
	<b>System Services</b>	91,946	101,149	+9,203	+10.0%
	<b>Support Services</b>	58,786	57,651	-1,135	-1.9%
	<b>Outsourcing</b>	24,826	26,453	+1,627	+6.6%
	<b>Netmarks Services</b>	-	42,858	+42,858	-
	<b>Other Services</b>	1,7617	16,670	-946	-5.4%
<b>Software</b>		<b>47,973</b>	<b>39,219</b>	<b>-8,753</b>	<b>-18.2%</b>
<b>Hardware</b>		<b>66,303</b>	<b>53,754</b>	<b>-12,549</b>	<b>-18.9%</b>
	<b>Computer Sales</b>	53,813	43,151	-10,661	-19.8%
	<b>Computer Rentals</b>	12,489	10,602	-1,887	-15.1%
<b>Total</b>		<b>307,455</b>	<b>337,759</b>	<b>+30,303</b>	<b>+9.9%</b>

# Profit and Loss Information

## ● Profit and Loss Breakdown

(Million yen)

	2007.3	2008.3	Variance	
Gross Profit	63,196	86,031	+22,835	+36.1%
SG&A Expenses	56,917	66,382	+9,464	+16.6%
Operating Income	6,278	19,649	+13,370	+ 212.9%
Recurring Profit	6,646	19,265	+12,619	+ 189.9%
Extraordinary Loss	-335	-9,049	-8,714	-
Net Income	3,433	2,546	-887	-25.8%

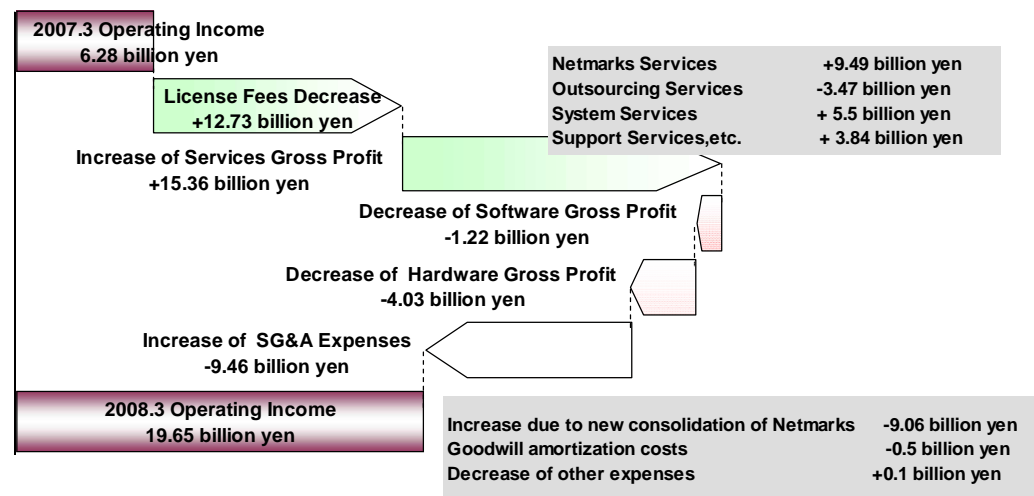
## ● Gross Profit Comparison

Note: Percentage in brackets is profit margin

(Million yen)

	2007.3	2008.3	Variance
Service	41,530 (21.5%)	56,897 (23.2%)	+15,366 (+1.7pt)
Software	15,471 (32.3%)	14,244 (36.3%)	-1,226 (+4.0pt)
Hardware	18,927 (28.5%)	14,889 (27.7%)	-4,038 (-0.8%)
License Fees	-12,733	-	+12,733
Total	63,196 (20.6%)	86,031 (25.5%)	+22,835 (+4.9pt)

## FY ended March 2008 Operating Income Details



# Balance Sheet and Cash Flow Information

## ● Cash Flow

(Million yen)

	2007.3	2008.3	Variance
CF from Operating Activities	8,813	18,591	+9,778
CF from Investing Activities	-32,270	-29,103	+3,167
FCF	-23,457	-10,511	+12,945

## ● Balance Sheet

(Million yen)

	2007.3	2008.3	Variance
Total Assets	237,861	258,457	+20,596
Liabilities	150,843	172,116	+21,273
Net Assets	87,018	86,341	-677

(Million yen)

	2007.3	2008.3	Variance
Interest-Bearing Debt	78,728	99,400	+20,671
Net Interest-Bearing Debt	55,492	77,786	+22,293

### ■ Free Cash flows

Significant improvement due to decreased license fee expenditure, despite the acquisition of Netmarks stock.

### ■ Balance Sheet

Total assets and liabilities both increased due to the new consolidation of Netmarks.

Net Assets decreased by 0.7 billion yen under the impact of the market valuation of securities.

### ■ Interest-Bearing Debt

Interest-bearing debt increased to meet cost of acquiring Netmarks stock and other capital demand.

## FY ending March 2009 Forecast on Consolidated Earnings

### ● Earnings Forecast (As of May 12, 2008)

(Million yen)

	2008.3	2009.3 F'cst	Variance	
Net Sales	337,759	345,000	+7,240	+2.1%
Gross Profit	86,031	88,000	+1,968	+2.3%
SG&A Expenses	66,382	66,000	-382	-0.6%
Operating Income	19,649	22,000	+2,350	+12.0%
Recurring Profit	19,265	21,000	+1,734	+9.0%
Net Income	2,546	11,000	+8,453	+332.1%

- Net sales are expected to increase by 2.1%, driven by growth of system services.
- Operating income is expected to increase by 12%, mainly due to strengthening of profitability of system service projects.
- Net income is expected to increase by 8.5 billion yen from the previous period to 11 billion yen.

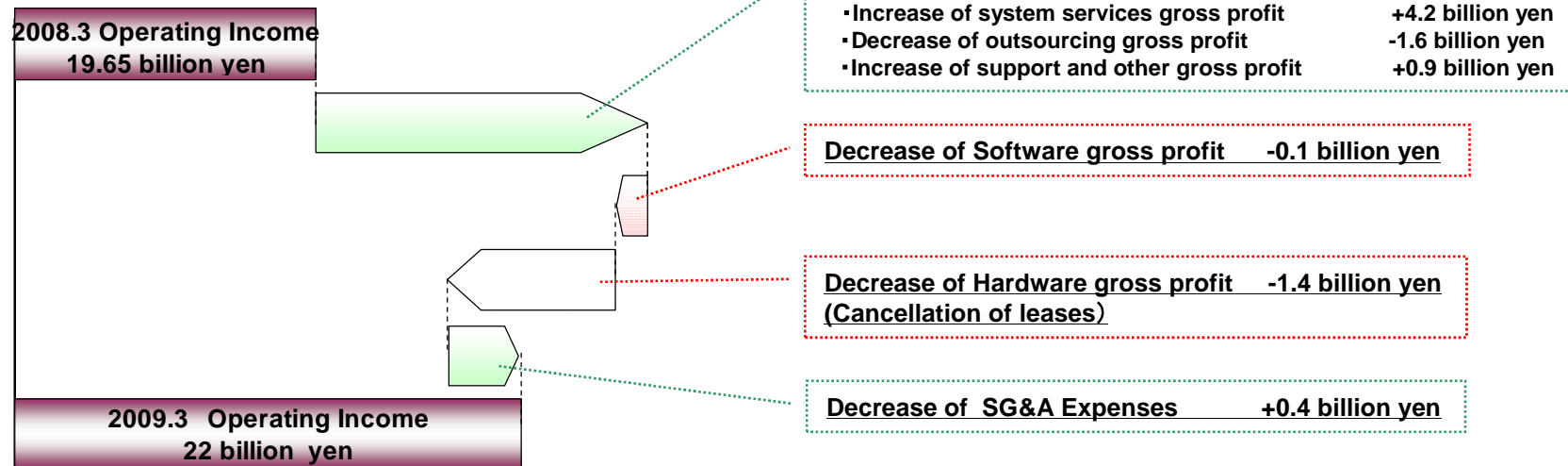
# FY ending March 2009 Net Sales/Gross Profit Forecast

## ● Net Sales/Gross Profit Comparison

(Million yen)

	2008.3		2009.3 F'cst		Variance	
	Net Sales	Gross Profit	Net Sales	Gross Profit	Net Sales	Gross Profit
Services	244,785	56,897	248,800	60,400	+4,014	+3,502
Software	39,219	14,244	42,000	14,100	+2,780	-144
Hardware	53,754	14,889	54,200	13,500	+445	-1,389
<b>Total</b>	<b>337,759</b>	<b>86,031</b>	<b>345,000</b>	<b>88,000</b>	<b>+7,240</b>	<b>+1,968</b>

## ● FY ending March 2009 Operating Income Forecast Breakdown



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**Note: Forecasts in this document relies on judgments and assumptions based on information available at present, and are subject to changes in risks, uncertainties, economy and other factors that could cause actual results to be materially different from expectations. Information in this document is intended to provide further understanding of Nihon Unisys, and is not intended to solicit investment.**