



Results for the Fiscal Year Ended March 2015

May 8, 2015
Nihon Unisys, Ltd.

Copyright ©2015 Nihon Unisys, Ltd. All rights reserved.

General Overview

Settlement Summary

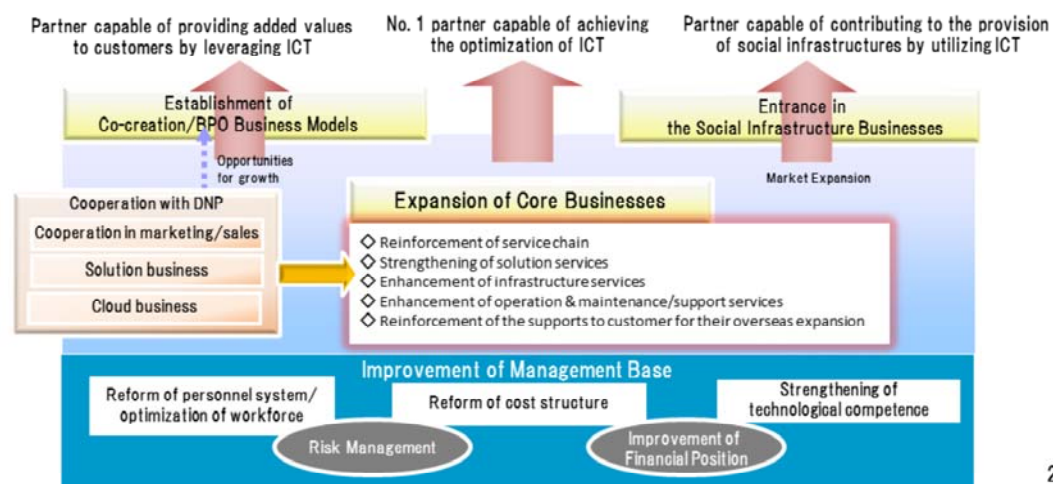
Key Strategies

(1) Expansion of Core Businesses

(2) Challenges of New Businesses

Establishment of Co-creation/BPO Businesses/Social Infrastructure Businesses

(3) Strengthening of Management Base



Pursuant to the Mid-term Management Plan (2012→2014) that started in FY2012, we promoted the three key strategies as stated in the plan.

1. Expansion of core businesses,
2. Taking on the challenges of new businesses
3. Strengthening of management base

A business collaboration with DNP has been intensified since the Autumn of 2012. As a result, it has borne fruit in the form of steady growth of new businesses.

Next, I would like to summarize the previous mid-term management plan.

Summary of Mid-Term Management Plan (2012→2014) (2)		Foresight in sight
Strategies	Key Results	Issues
(1) Expansion of core businesses Optimization of ICT	<ul style="list-style-type: none"> ● Deployment of backbone system/solutions for financial institutions :BankVision®, SBI21 for distribution industry :CoreCenter® ● Stable operation of backbone system for a major air carrier, etc. ● Strengthening of Cloud Federation services 	<ul style="list-style-type: none"> ● Strengthening of capabilities of making proposals of pioneering cross-industry businesses
(2) Taking on the challenges of new businesses Establishment of co-creation businesses and social infrastructure businesses	<ul style="list-style-type: none"> ● Creation of new businesses <ul style="list-style-type: none"> ◇ related to Settlement electronic value card, prepaid cards of international brands ◇ related to Digital Marketing eXLO marketing services in conjunction with settlement big data analysis services ◇ related to IoT Non-accident Program DR, smart oasis® ● Deployment of regional businesses Regional medical care coordination Services of regional (shopping) information 	<ul style="list-style-type: none"> ● Responses to the Cloud First principle ● Quick creation of new services through the use of knowledge and expertise of various industries ● Early increase in profitability of new businesses ● Improvement of structures/schemes to support new businesses
(3) Improvement of management base	<ul style="list-style-type: none"> ● Optimization of workforce and reform of cost structure ● Decrease in non-profitable projects due to improved management of business risks 	<ul style="list-style-type: none"> ● Efforts to develop personnel capable of creating and implementing businesses/services

3

Please turn to Page 3.

Our core business efforts have enabled the stable operation of mission-critical systems mainly for the financial and distribution industries and public sector. These reflect the capabilities of our technology.

Also, in the ICT infrastructure business sector, the services of cloud federation scheme have been strengthened concurrently to the recent trend that prioritizes cloud computing.

As we have taken on the challenges of new businesses, we have made steady achievements in the cross-industry sectors of settlement, digital marketing, IoT, and regional revitalization.

These new endeavors have been appreciated by customers, and have also partially contributed to an increase in the businesses relating to the core systems.

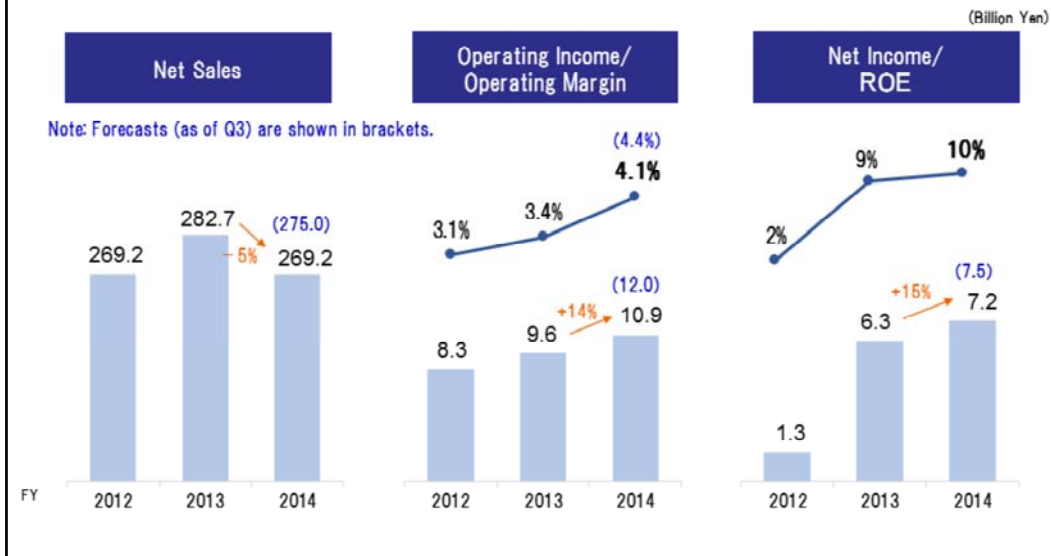
Our efforts to strengthen the management base have included workforce optimization and cost reduction. Also, they made a success of reducing non-profitability in system development.

On the other hand, we understand major issues of: insufficient capabilities of proposing cross-industry new services; securing income in the more intensely competitive areas of ICT infrastructure businesses; and early monetization of new businesses. We need to focus on them in future.

Performance during the period under the Mid-term Management Plan (2012→2014)

Foresight in sight

- ✓ The FY2014 net sales dropped due to a decrease in product sales.
- ✓ Operating income increased for the third year in a row, partly attributable to an improvement of profitability in the Service businesses.
- ✓ Net income increased with a 10% ROE.



Please turn to Page 4.

I would like to brief on the changes of performance results for the past 3 years under the previous mid-term management plan.

Net sales decreased in FY2014 due to a decrease in product sales, although the ¥280 billion guideline was achieved one year earlier in the previous fiscal year.

Operating income fell short of the ¥12 billion forecast, due to the decrease in net sales.

It is regrettable that we could not meet the expectations of market stakeholders. We intend to take this result seriously and make full efforts to solve the issues that are left under the previous mid-term management plan. Also, we would like to implement steadily the key strategies of the new mid-term management plan from this fiscal year.

Having said that, operating income and net income have increased for the third year in a row.

Our performance has been steadily back on track towards recovery, as evidenced in ROE that was improved to 10% for FY2014.

The Next Mid-Term Management Plan

Foresight in sight

✓ Start of reforming the structure and launch of practical measures in order to take on the challenges and implement reforms

Challenges	Key Strategies	Measures to be Implemented in FY2015
<p>Strengthening of cross-industry services</p> <p>Emphasis on creation of new businesses and monetization</p>	<p>Challenges Digital innovation Life Innovation</p>	<ul style="list-style-type: none"> ● Provision of services and platforms that will enable digital businesses in the fastest and optimal manner through the use of knowledge and expertise of various industries ● Promotion of business ecosystems ● Strengthening of incubation functions that will lead growing areas of business
<p>Reform of structure</p>	<p>Reform Business ICT platform</p>	<ul style="list-style-type: none"> ● Implementation of reforms to create a structure that enables the provision of services in the fastest and optimal manner through service industrialization and on the principle of Cloud First
<p>Reform of workforce</p>	<p>Reform of corporate culture and workforce</p>	<ul style="list-style-type: none"> ● Start of workforce development (programs to develop reform-minded leaders and training for reform capability)

5

Please turn to Page 5.

We have started a new mid-term management plan this fiscal year.

Under the new mid-term management plan, we have recognized three key areas: areas where we take on the challenge of digital innovation and life innovation; and area where we reform our businesses through 'Business ICT Platform'. We will implement the measures below towards our growth.

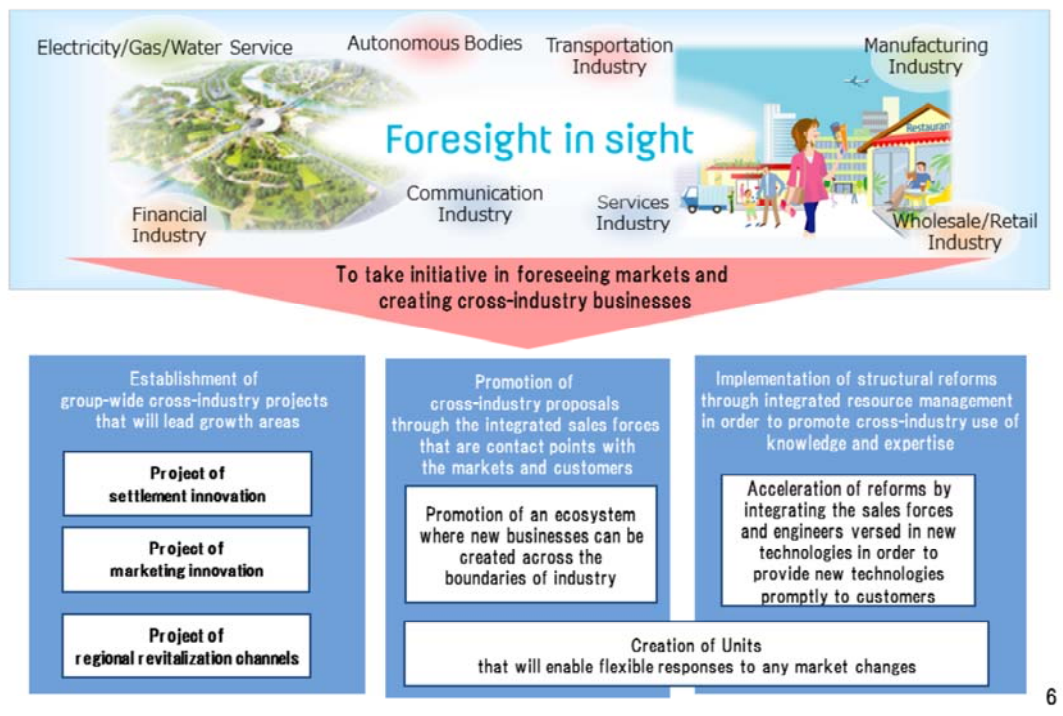
In the 'Challenge' areas, we will use expertise and knowledge about various types of industries, and provide optimal services and platforms in the shortest time.

Also, we will brace ourselves for further promoting the cross-industry development of ecosystems and also the early industrialization of new businesses.

In the 'Reform' area where Business ICT Platform is enabled, we will provide optimal services that respond to the 'Cloud-First' principle in the shortest time, and will reform our business structure.

In the area of corporate culture and workforce reform that support these attempts, a new program of strengthening personnel capabilities has been launched to enable the growth of the workforce for the next three years.

Structures/Schemes for the Mid-term Management Plan (April 2015) Foresight in sight



Please turn to Page 6.

We reformed our structure in April in order to implement new strategies.

First of all, three group-wide projects of settlement, marketing, and regional revitalization have been launched in the incubation divisions that have been assigned a mission of early creating new businesses. The project teams will make efforts without boundaries among the group companies in order to release businesses and commercialize them early.

Sales departments have been integrated as a division, Business Innovation, in order to stimulate business proposals across the boundaries of industry. The division is capable of one-stop response to the requirements of various types of industry.

Several 'Units' have been created in order to further promote the development of ecosystems for business creation. The teams are capable of flexibly addressing the markets across organizational boundaries

System departments have been integrated into a division, Business Services, in order to assimilate any new technologies ahead of others and stimulate the cross-industry use of knowledge and expertise. The management structures have also been integrated in order to implement the reform.

Performance Forecast for FY2015

Foresight in sight

- ✓ Strong net sales are expected on the basis of progress stemming from the growth strategies.
- ✓ An increase in operating income is expected on the basis of the strong net sales and improved profitability.
- ✓ Net income is anticipated to reach its highest ever level.



Please turn to Page 7.

For the fiscal year 2015, the first year of the new mid-term management plan, we have planned ¥280 billion net sales, ¥12.5 billion operating income, and ¥8.5 billion net income, on the assumption that we work on the various types of measures that have been explained.

We will promote cross-industry cross-selling by harnessing the driving force generated by the new business structures. We aim for an increase in the number of projects and early highly-profitable commercialization of new businesses in the sectors of settlement, marketing and regional revitalization.

Shareholder Return

Foresight in sight

Annual Dividends

- ✓ FY2014: ¥20/share (¥5/share more / 26% payout ratio)
- ✓ FY2015: ¥30/share (¥10/share more / 33% payout ratio)

Dividends per Share

■ Year-end Dividend
■ Interim Dividend



8

Please turn to Page 8.

I would like to refer to our returns to shareholders before concluding my briefing.

We will refer the dividend plan of ¥20 per share to the general meeting of shareholders as scheduled, due to the fact that the full-year net income for FY2014 has landed almost as it was forecasted.

The strengthening of our returns to shareholders is stated in our new mid-term management plan, and we aim for a payout ratio of 30%.

Pursuant to this principle, we plan to pay a ¥30 annual dividend per share which is ¥10 more per share than the previous dividend and a 33% payout ratio on the assumption of a net income forecast ¥8.5 billion.

General Overview

Settlement Summary

FYMar2015 Consolidated Performance Results

Foresight in sight

Operating income increased due to improved service profitability,
despite a yr/yr decrease in net sales caused by sluggish product sales.

(unit: Billion Yen)

【For Reference】

	FYMar2015 Actual	FYMar2014 Actual	Changes	<Key Points for the Settlement>	FYMar2015 Forecast	vs Forecast
Net Sales	269.2	282.7	-13.5 (-4.8%)	<p>■ Net sales Net sales decreased due to a decrease in product sales.</p>	275.0	-5.8 (-2.1%)
Operating Income	10.9	9.6	+1.3 (+14.1%)	<p>■ Operating income Operating income increased, partly attributable to improved profitability of service businesses.</p>	12.0	-1.1 (-9.0%)
Net Income	7.2	6.3	+0.9 (+14.9%)	<p>■ Net income Net income increased partly due to gain on sales of investment securities</p>	7.5	-0.3 (-3.4%)
Orders	263.5	309.8	-46.3 (-14.9%)	<p>■ Orders & order backlog Orders & order backlog decreased due to long-term large-scale orders in the previous period.</p>		
Order Backlog	210.2	215.9	-5.7 (-2.6%)			

10

I would like to summarize the performance results of the fiscal year ended March 2015.
Please turn to Page 10.

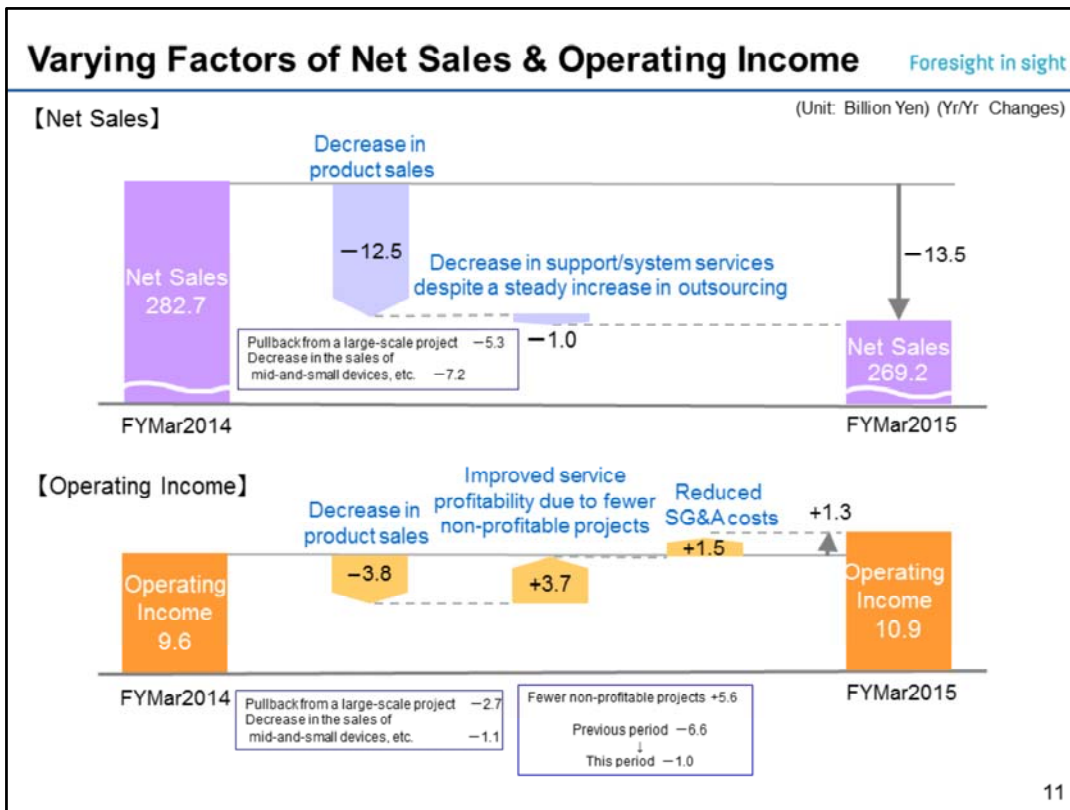
Net sales for the fiscal year under review were ¥269.2 billion, down by ¥13.5 billion compared with the previous period. Operating income was ¥10.9 billion, up by ¥1.3 billion, and net income was ¥7.2 billion, up by ¥0.9 billion.

It is regrettable that the values announced on February 3, 2015 have not been achieved, despite the expectations of all our stakeholders.

Despite the underachievement attributable to a slow recovery of product sales, we do not have any special concerns about our next period due to a continuing improvement in service businesses.

Orders were ¥263.5 billion, down by ¥46.3 billion from the previous fiscal year. Orders were held back by sluggish orders for products due to a decrease in product net sales. Also, they were impacted by the pullback from multiple large-scale long-term projects that had been posted in the previous period. Thus, the decrease in orders was caused mainly by the temporary factors. Also, due to busy activities concerning proposals in the financial and manufacturing sectors, we are now in a favorable environment to achieve new orders.

Order backlogs were ¥210.2 billion, down by ¥5.7 billion compared with the previous fiscal year, as a result of posting sales of outsourcing businesses.



Please turn to Page 11.

I would like to brief on the factors that positively or negatively impacted net sales and operating income for the fiscal year under review.

Net sales were impacted by a decrease in mid- and small-device sales as a result of little business with telecommunications carriers, as they had been through to the third quarter. Thus, net sales of the product business significantly decreased by ¥12.5 billion.

We had a strong increase in the sales from outsourcing.

However, due to a continued decrease of the sales from support services, the sales from service businesses including outsourcing and support services decreased by ¥1.0 billion.

As a result, net sales were held back by ¥13.5 billion.

However, gross profit was almost on a par with the previous period, despite a ¥3.8 billion decrease in the gross profit of product business. This was enabled by the positive impact of factors worth ¥3.7 billion favoring the profitability of services such as a growth of outsourcing businesses and few non-profitable projects.

Operating income increased by ¥1.3 billion ascribable to a decrease in SG & A costs.

It is noteworthy that no non-profitable projects have occurred anew in the fourth quarter.

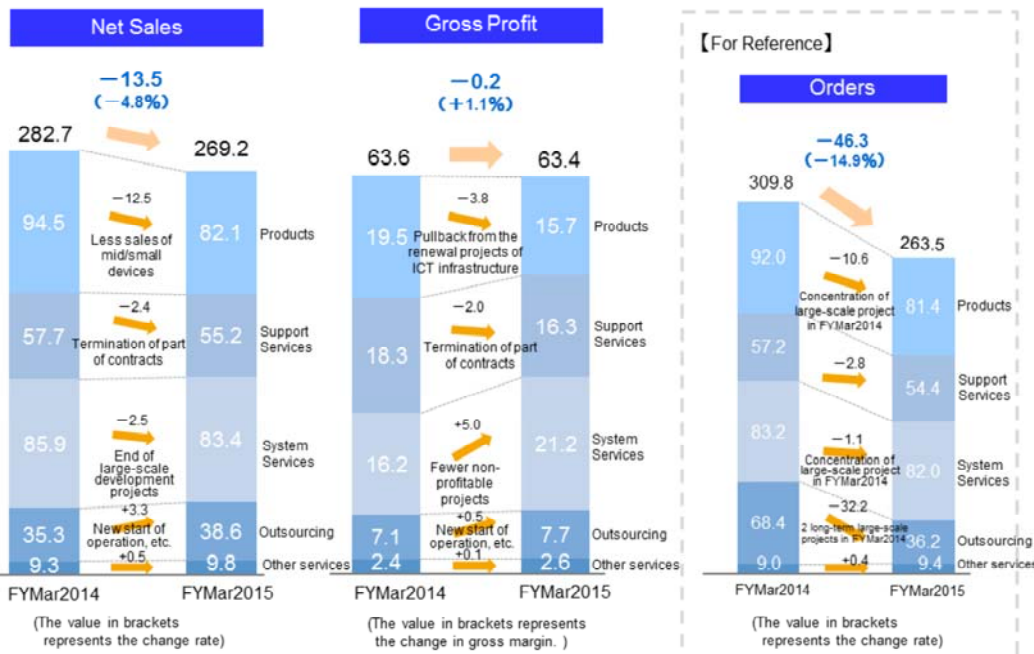
We had a ¥1.0 billion cost provision in the third quarter of the fiscal year ended March 2015, for an on-going system development project. No cost provisions were posted in the fourth quarter.

This project has made progresses as planned towards a production operation in the autumn this year. It entered the phase of integration test in April.

Net Sales and Gross Profit by Segment

Foresight in sight

(Unit: Billion Yen)



Next, I would like to brief on net sales and gross profit by segment.

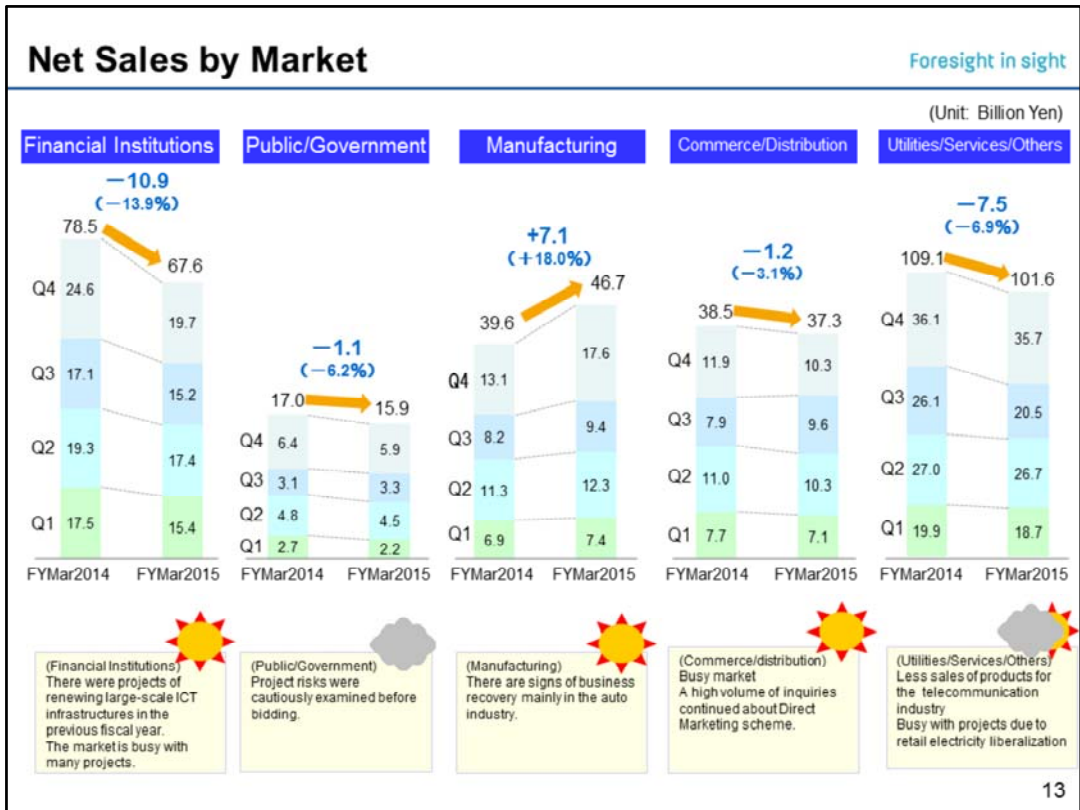
Please turn to Page 12.

There was a decrease in net sales and gross profit of product sales, due to sluggish sales of mid- and small-devices as mentioned before.

Also, there was a decrease in net sales and gross profit of support services, due to contract cancellations after expiry.

Net sales of system services were held back as a result of the end of a large-scale BankVision® system development project for a regional bank. However, a decrease in non-profitable projects has significantly boosted gross profit.

Net sales and gross profit of outsourcing continued to increase, attributable to a start of BankVision® service for Hokkoku Bank in January this year and an increase in mid- and small- projects.



I would like to brief on net sales by market.
Please turn to Page 13.

Net sales from the financial and utilities & services markets decreased due to a pullback from a concentration of projects in the previous period. Favorable environments would continue mainly in the financial and manufacturing markets, if this negative impact was not taken into consideration.

Performance Forecast for FY March 2016

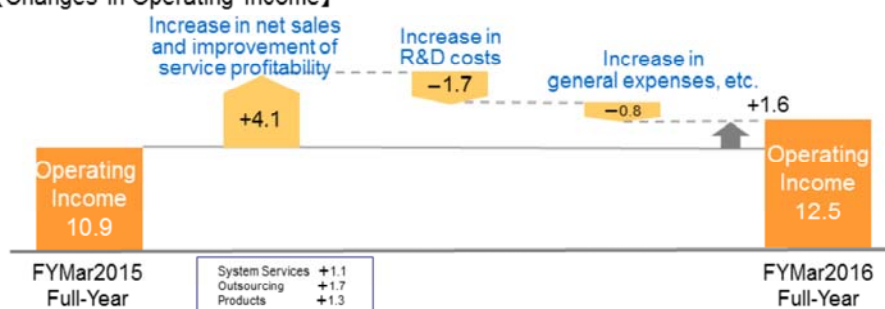
Foresight in sight

Strong net sales will boost operating income.
Net income is expected to reach its highest ever level.

(Billion Yen)

	FYMar2016 Full-Year Forecast	FYMar2015 Full-Year Actual	Changes
Net Sales	280.0	269.2	+10.8 (+4.0%)
Operating Income	12.5	10.9	+1.6 (+14.4%)
Net Income	8.5	7.2	+1.3 (+17.3%)

【Changes in Operating Income】



14

I would like to explain about the performance forecast for the fiscal year ending March 2016. Please turn to Page 14.

The full-year net sales are expected to be ¥280 billion, up by ¥10.8 billion compared with the previous period. Operating income will be ¥12.5 billion, up by ¥1.6 billion. Net income will be ¥8.5 billion, up by ¥1.3 billion.

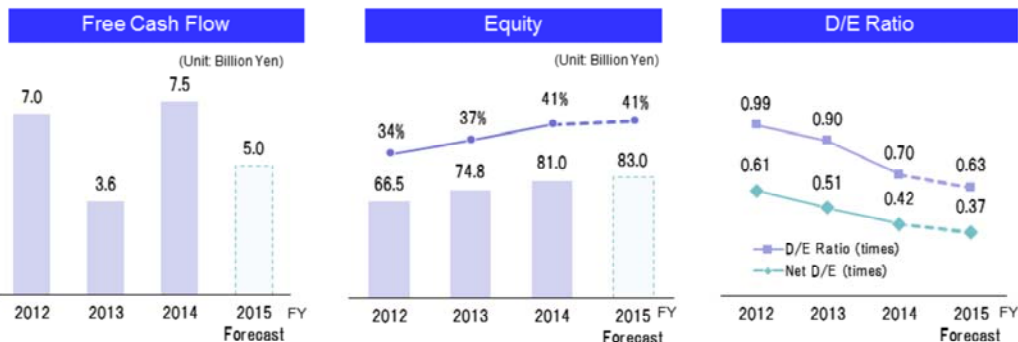
Net income is expected to reach its highest ever level, more than ¥8.3 billion posted in the fiscal year ended March 2003.

Operating income is forecasted to increase by ¥1.6 billion from the previous fiscal year, attributable to an expected growth of outsourcing business.

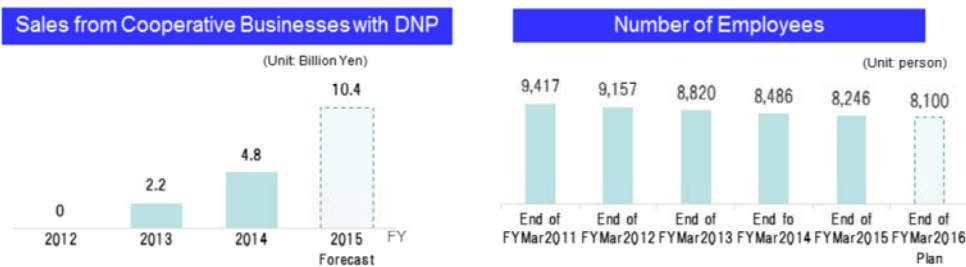
Progresses towards the Strengthened Financial Position

Foresight in sight

Aims for improving financial strengths have almost been achieved as stated in the previous mid-term management plan



【For Reference】



15

I would like to explain about the progress of the measures that have been taken in order to strengthen our financial position.

Please turn to Page 15.

A steady improvement of our financial position has been made as evidenced in a ¥7.5 billion positive free cash flow, 41% equity ratio, and a net D/E ratio of 0.42 times. We will continue to strengthen our financial position by striking a balance against investment for business growth.

(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 forecasts is not guaranteed by our Group.

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

Information in this document is intended to provide further understanding of Nihon Unisys, Ltd. and is not intended to solicit investment. This Company shall not be held responsible for any damages whatsoever incurred as a result of utilizing the information provided in this document.