

# Results for the Fiscal Year Ended March 2020

May 18, 2020  
Nihon Unisys, Ltd.

(Note) The expression 'FY/Fiscal Year' utilized in this document indicates a fiscal year which finishes at the end of March of the following year.  
Example: The expression of FY2020 refers to the fiscal year ending March 2021.

Foresight in sight

**1** Summary of the Results for FYMar2020

**2** Efforts made to deal with Novel coronavirus disease (COVID-19)

**3** Efforts in accordance with the Mid-term Management Plan

# Results for FYMar2020

Foresight in sight

- ✓ An increase in DX projects and further profitable core businesses drove income and profit as well as sales. (Unit : Billion Yen)
- ✓ Income and profit exceeded the forecast attributable to more productive service businesses.

	Full Year (Apr-Mar)		Changes	
	FYMar2020	FYMar2019		
Net Sales	311.6	299.0	+12.5	+4.2%
Gross Profit	79.8	73.2	+6.6	+9.1
SG&A Costs	-53.7	-52.5	+1.1	+2.1%
Operating Income	26.1	20.6	+5.5	+26.8%
(Operating Margin)	(8.4%)	(6.9%)		(+1.5pt)
Profit attributable to Owners of Parent	18.2	14.2	+3.9	+27.7%
Orders	315.6	304.9	+10.8	+3.5%
Order Backlogs	230.6	226.6	+4.1	+1.8%

## <Key Points>

### ■ Net sales

A steady increase in small- and medium-sized outsourcing services projects as well as a continued strength of DX-related projects pushed up net sales.

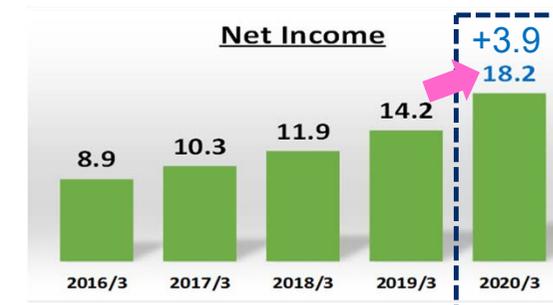
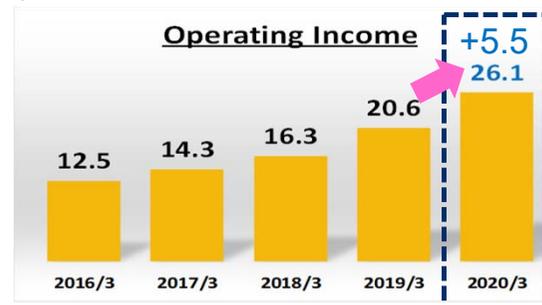
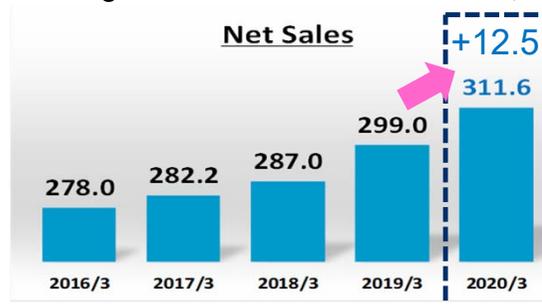
### ■ Operating income

Effective measures to enable further productive service businesses as well as the strong sales significantly boosted gross profit. An increase in SG&A costs such as R&D costs was outweighed. As a result, operating income reached a level to beat the full-year forecast.

### ■ Orders and order backlogs

A new order for large-scale and long-term outsourcing services project awarded in Q4 increased orders and order backlogs.

## ■ Changes in the Full-Year Results (Unit : Billion Yen)



# FYMar2020 Net Sales and Gross Profit by Segment

Foresight in sight

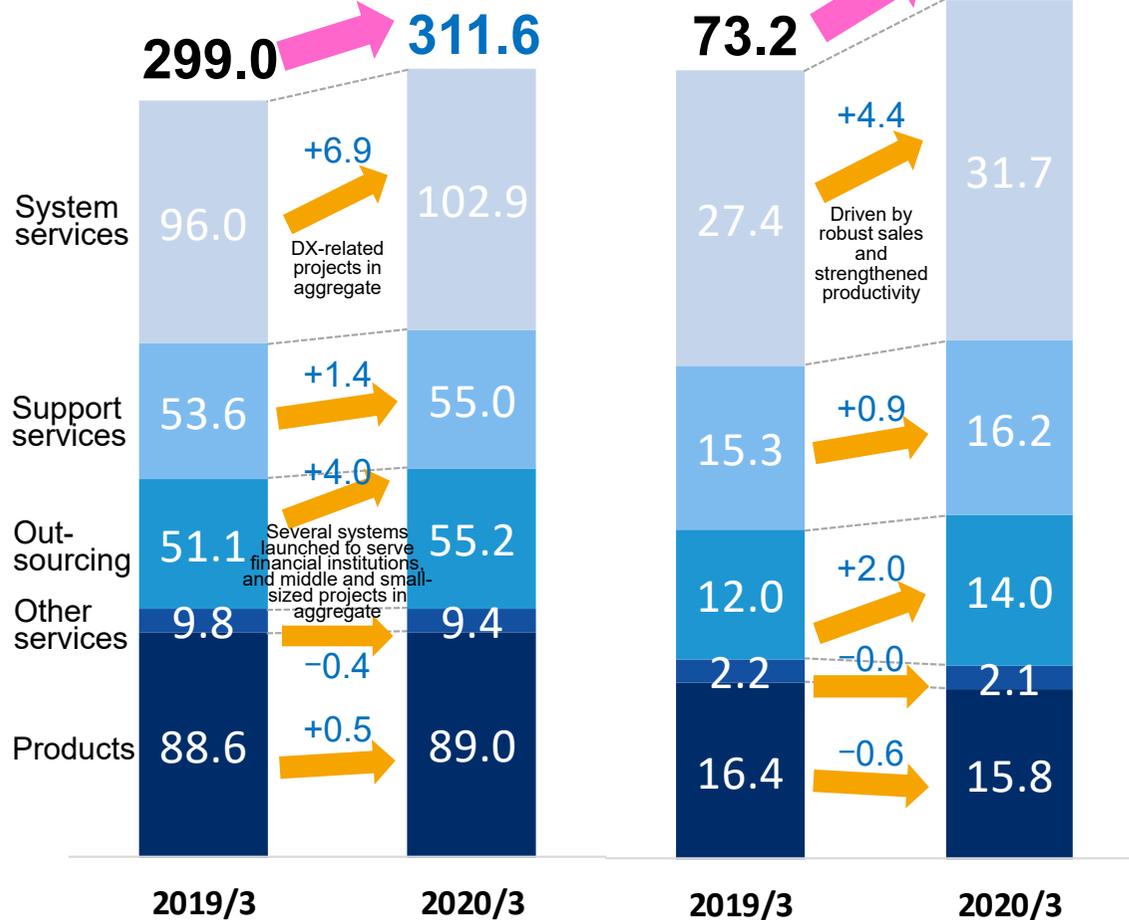
(Unit: Billion Yen)

## Net Sales

**+12.5**  
(+4.2%)

## Gross Profit

**+6.6**  
(+9.1%)

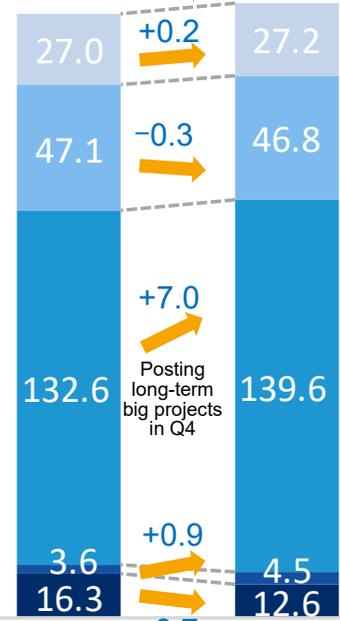


## 【Reference】

### Order Backlogs (Total)

**+4.1**  
(+1.8%)

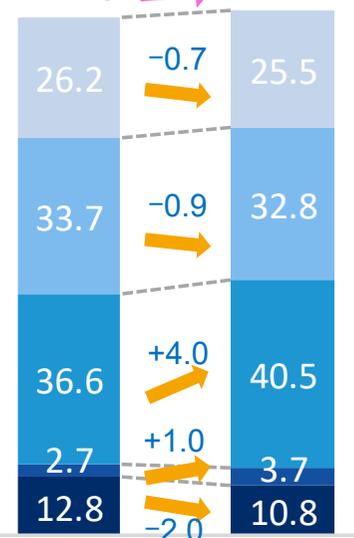
**226.6** → **230.6**



### Order Backlogs (to be posted as net sales within the FY)

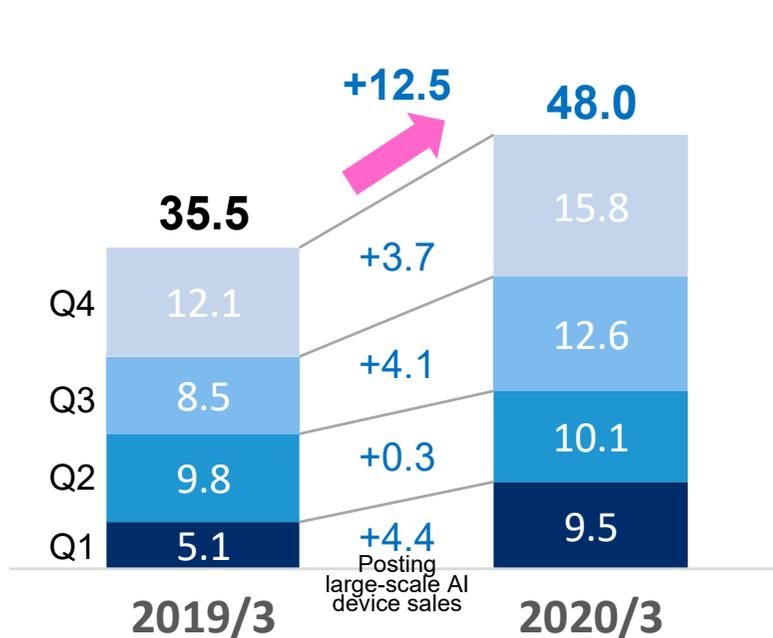
**+1.5**  
(+1.4%)

**111.9** → **113.4**



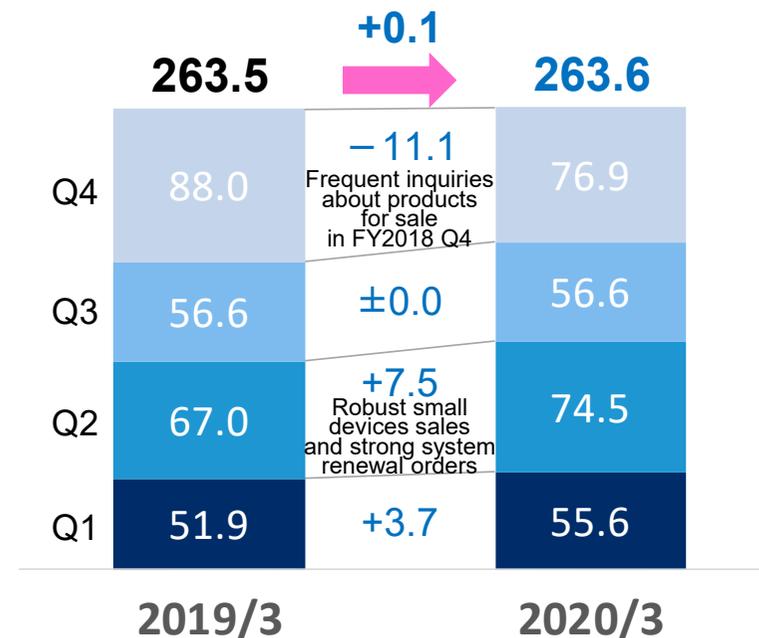
(Unit: Billion Yen)

## Focal Areas Net Sales



- Strong orders for DX-related projects mainly for customer interaction.
- Increase in the transaction volume of QR code/bar code settlement services.
- Steady expansion of businesses such as energy management business.

## ICT Core Areas Net Sales



- Continued strong businesses mainly about system renewal.
- System operation services remaining firm in addition to outsourcing services for financial institutions.

- ✓ We keep the FY March 2021 forecast at the mid-term management plan targets.
- ✓ We aim to transform our earnings structure by shifting towards a service-delivery business model through which we enable services capable of contributing to solving social issues.

(Unit : Billion Yen)

	FYMar2020 Full-Year Actual			FYMar2021 Full-Year Forecast			FYMar2021 Targets stipulated in the mid-term management plan
	Amount	Yr/Yr Changes		Amount	Yr/Yr Change		Amount
Net Sales	311.6	+12.5	+4.2%	320.0	+8.4	+2.7%	320.0
Operating Income	26.1	+5.5	+26.8%	26.0	-0.1	-0.5%	
(Operating Margin)	(8.4%)		(+1.5pt)	(8.1%)		(-0.3pt)	8.0% or more
Profit attributable to Owners of Parent	18.2	+3.9	+27.7%	17.0	-1.2	-6.1%	

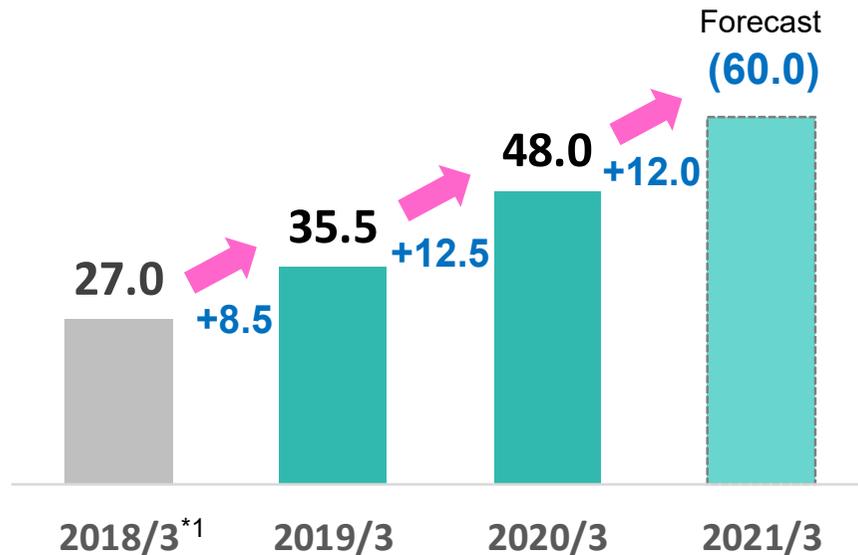
(Note) See the supplementary material for the full-year forecast breakdown.

# Full-Year Performance Forecast for FYMar2021 (Focal Areas )

Foresight in sight

(Unit: Billion Yen)

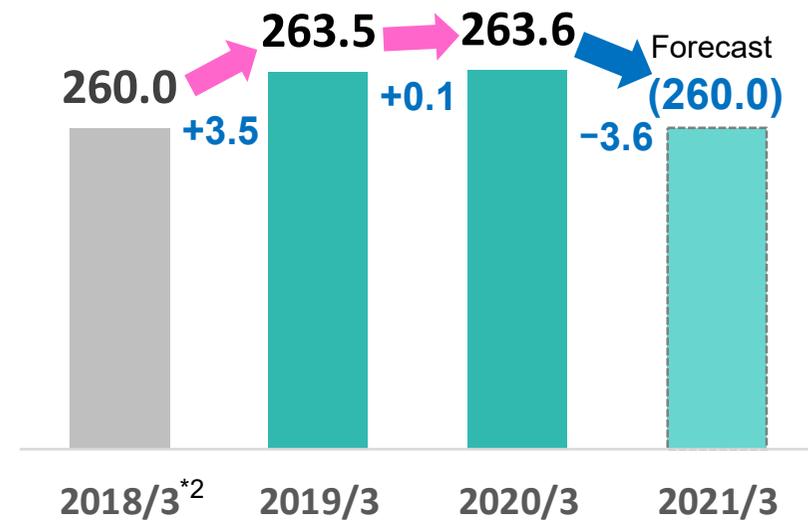
## Focal Areas Net Sales



- Proactive deployment of DX businesses mainly for customer interaction.
- Enabling services to cope with a shrinking workforce through new technologies such as AI/robots capable of remote operations in support of infection prevention and control.
- Providing energy management solution proposals with an eye toward a sustainable energy society.

\*1 The 2018/3 bar indicates the total of 'Digital Innovation' and 'Life Innovation' net sales defined in the previous mid-term management plan.

## ICT Core Areas Net Sales



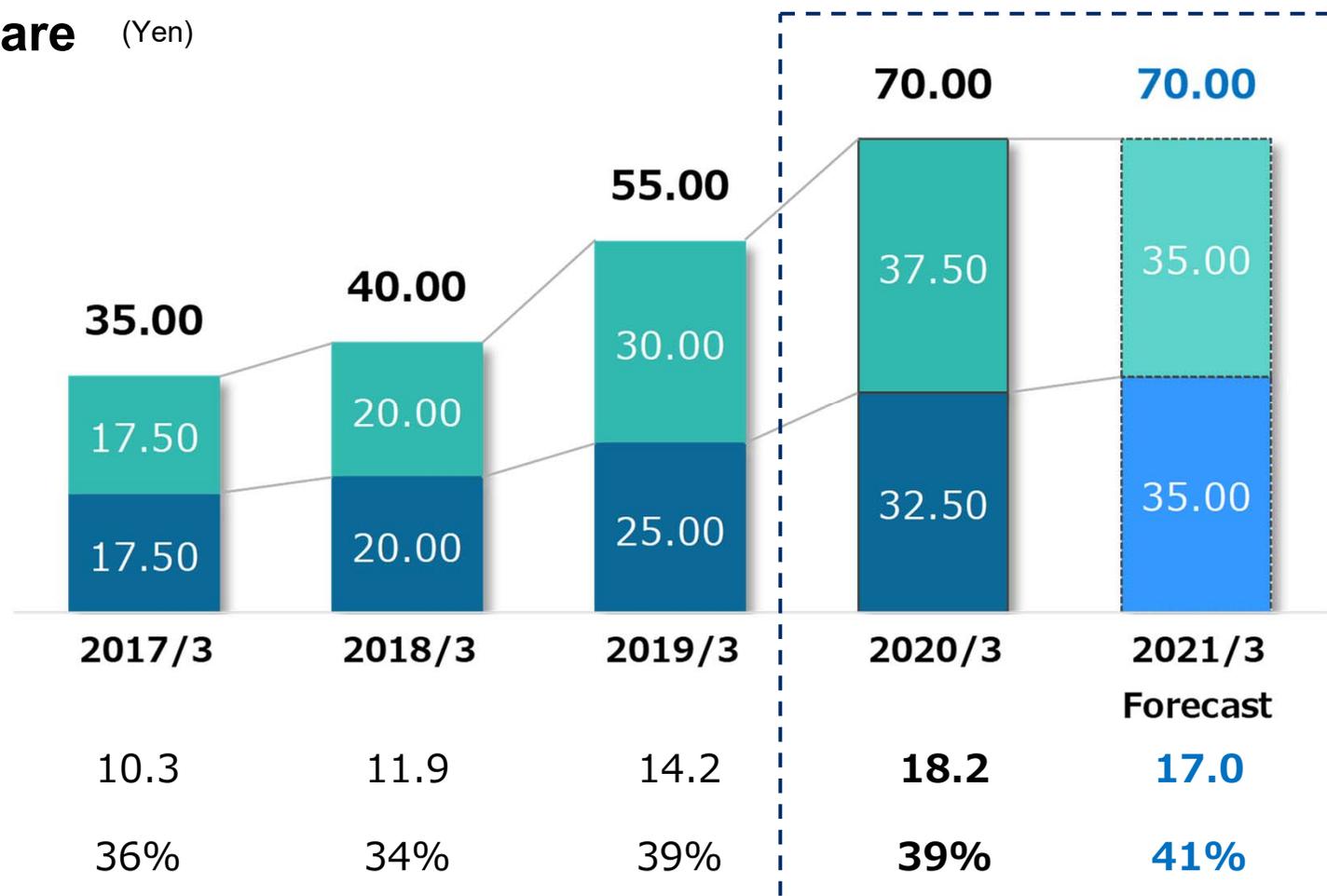
- Coping with demands for projects to renew existing systems without compromising careful examinations about risks included therein.
- Incessantly promoting measures to sophisticate system development methods and improve productivity in cooperation with business partners.

\*2 The 2018/3 bar indicates the 'Business ICT Platform' net sales defined in the previous mid-term management plan.

- ✓ FY March 2020: expected annual dividends ¥70 per share (up by ¥15 compared with the previous fiscal year)
- ✓ FY March 2021: expected annual dividends ¥70 per share

## Dividends per Share (Yen)

■ Year-end Dividend  
■ Mid-term Dividend



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## Responses made by our Group

### Basic Policies in compliance with the 'Action Plan for Measures against Novel Influenza', part of our BCP

- 1) Place maximum priority on human life.
- 2) Cooperate in a whole-of-society pandemic approach in compliance with guidance and recommendations issued by the national and regional governments.
- 3) Secure safety before continuing and resuming business operations. Assume responsibilities for businesses expected to operate continuously such as social infrastructure businesses.

### Measures and Efforts of Our Group

#### • Full-scale Telework Operation

Prepare an environment where all employees can work remotely through networks (such as VPN) and at facilities without compromising security

#### • Spontaneously take online meeting options such as video conferencing software

Switch to online meetings many in-person meetings such as internal/external meetings as well as managerial reviews & decision-making meetings

#### • Know health conditions and workplaces of all employees on a real-time basis

Monitor daily the health condition and safety of employees and their families through the use of a web system in an attempt to prevent a further spread of the coronavirus infection

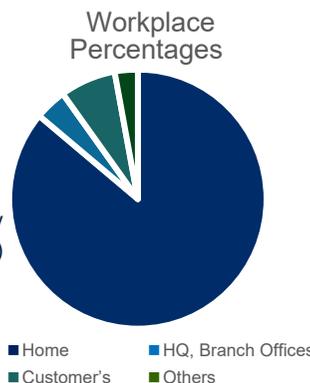
### Situation of Switching to Telework

Percentage of workers from home **86.1%**

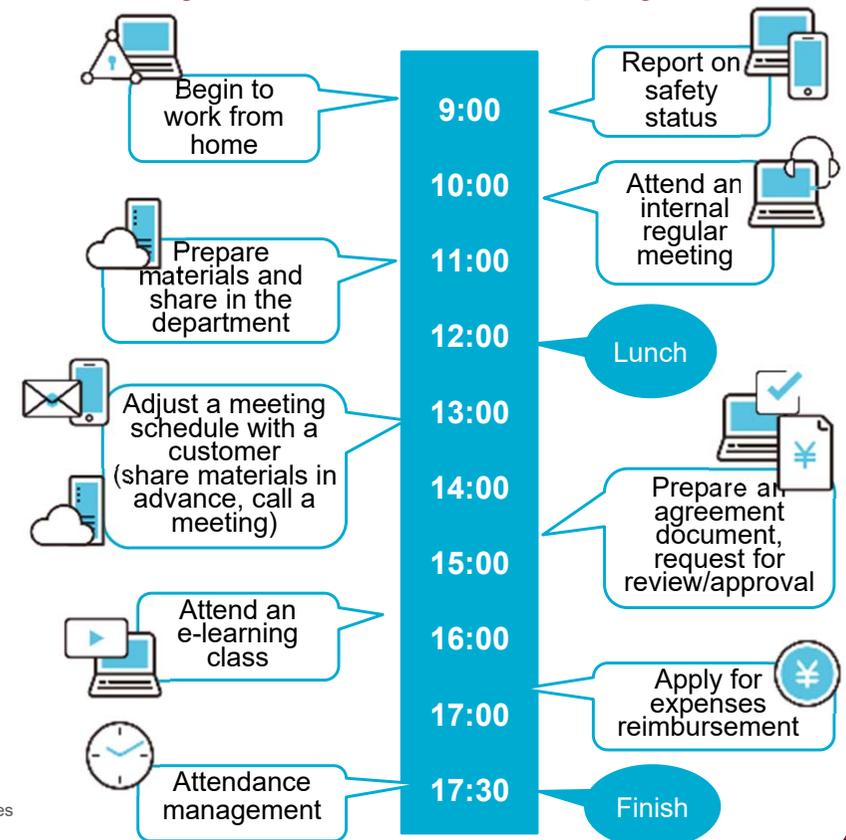
Maximum percentage after the declaration of a state of emergency (excluding employees on paid leave)

For Reference

**27.9%** Nationwide **49.1%** in Tokyo



### One Day of Our Telework Employee



## Initiatives for Customers and Society

Our Group has implemented various types of initiatives to help us contribute to customers and business partners as well as society in light of ensuring safety and business continuity.

### ➤ Proactive help for telework operations

#### Serve through free-of-charge telework tools



- ✓ Microsoft Office365
- ✓ Wrap
- ✓ AirTrioq
- ✓ Box, etc.

We began to offer the free-of-charge service options at the beginning of March.

E.G.

We received many inquiries for Wrap, a cloud-type network service to enable a quick establishment of telework environment. We have been helping the inquirers to implement the service.

Applicants: 36 companies

We decided to continue the free-of-charge offer.

### ➤ Other efforts of help

- ✓ Launch the free version of 'Saigai Net' system for sharing disaster management information
- ✓ Provide a free-of-charge 'Kimatecke', electronic ticket service

- ✓ Help for subsidies application\*

\* Optional services provided upon purchasing 'uniConnect Cloud', our cloud-type PBX service

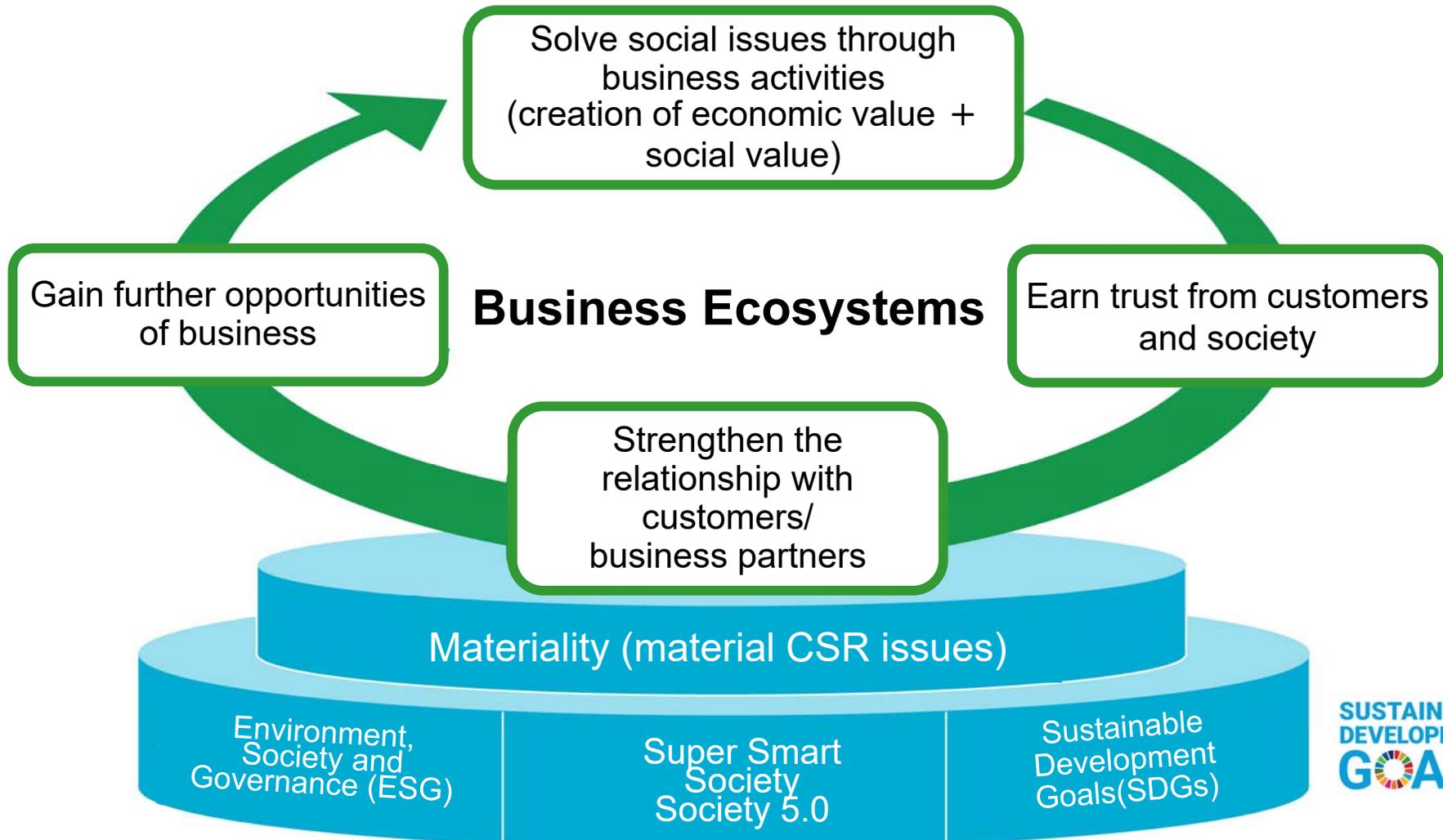
**1** Summary of the Results for FYMar2020

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**Become a sustainable company following a cycle of sustainable growth that is predicated on solving, through business activities in our areas of focus, social issues that lie behind issues experienced by customers**

Sustainable Growth Cycle for the Nihon Unisys Group



Promote business digitization in coordination with financial institutions and companies in order to improve convenience for ordinary citizens and revitalize industries. They experience economic disparities that are widened between large cities and local regions.

Reform business environments and improve business productivity through the use of IoT and AI technologies. Issues of aging public infrastructure as well as aging engineer population are experienced in the environments.



Re-create relationships among manufacturers, wholesalers/retailers and consumers by accelerating efforts of business digitization and visualizing economic activities. The purpose is to improve convenience of ordinary citizens and revitalize industries.

Enable comfortable environments for ordinary citizens who suffer issues such as population concentration in urban areas and labor demand-supply gap, by coordinating services such as energy, transportation, health care and tourism.

## Towards Smart Living



Neobanks

Digital Acceleration

Smart Towns

Assets Guardian

## Creation of a safe and smart society enabled through the use of digital space

### Smart society through the use of VR and digital space : Changes in Display Homes Villages



[House Builders] as of the end of April 2020  
Asahi Kasei Homes Corporation, JIBUNHOUSE, INC., Maesho Home, TSUCHIYA HOME co., Ltd., SHINSHOWA withearth higashi kanto, SHINSHOWA FC PARTNERS CORPORATION, WOOD FRIENDS Co., Ltd., TOYOTA HOME AICHI Co., Ltd., Estage, NIHON HOUSE HOLDINGS Co., Ltd.

Solid increase in the business  
Broader sales territories after listing on Rakuten



Consumers

Retailers

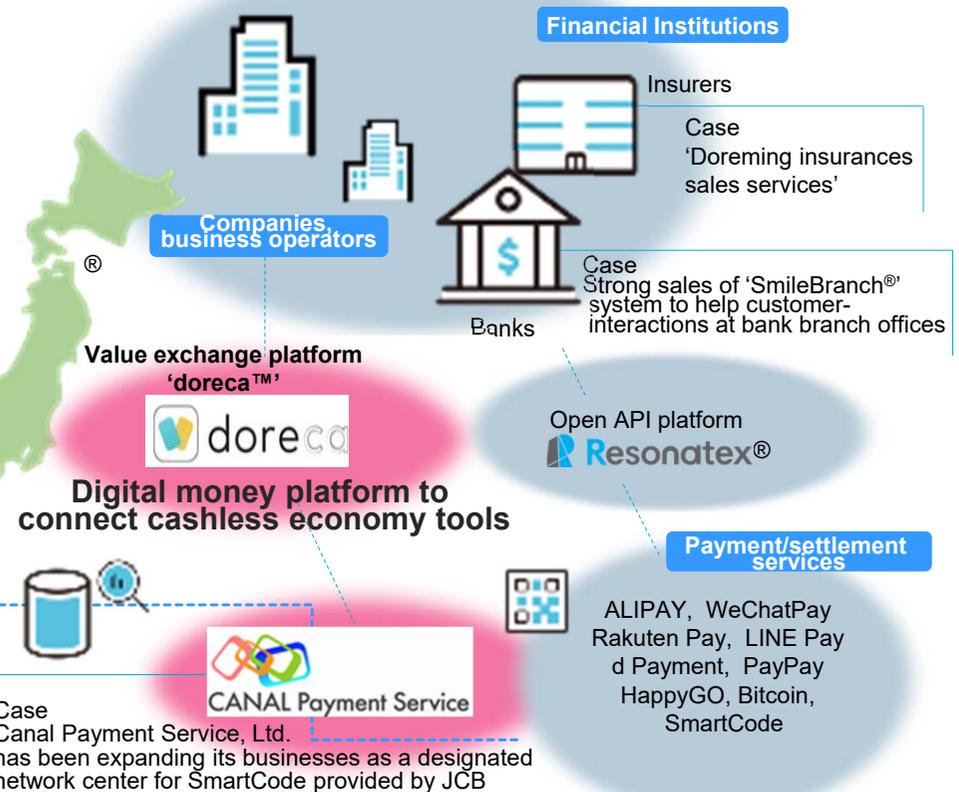
Convenience store

Case Smart Campaign®, purchase-linked campaign platform  
Distribution of manufacturers' campaign info. to membership websites and smartphone apps

Digital marketing

Case Digital Code business

Case Value Card business



## Evolution and diversification of cashless economy

## Contribution to a Resilient Society



Neobanks

Digital Acceleration

Smart Towns

Assets Guardian

Create schemes and environments capable to contribute to a society resilient to natural disasters and biological hazards

Create schemes that do not depend on people moving

Capture correct data and visualize data

Expanding remote work policies to enable employees to work from anywhere

Case Launch of 'ConnectedWork®' service to help workstyle reforms  
Launch of a service to help a company-wide telework implementation

[What Constitutes Remote Work]  
- Collaboration tools such as Office365  
- Thin client, virtual desktop  
- Cloud, network security

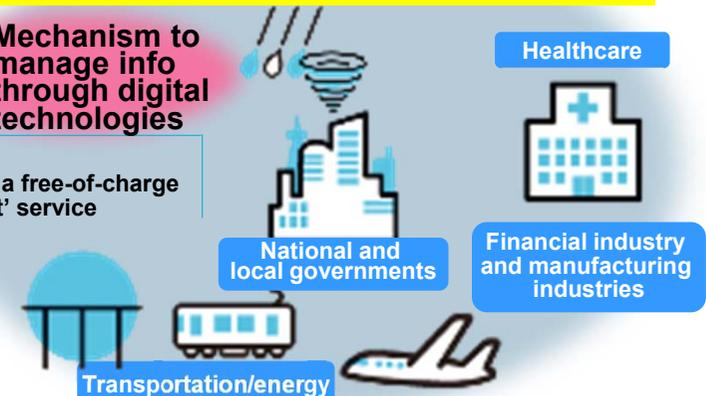


Telework

Companies/Offices

Mechanism to manage info through digital technologies

Case Launch of a free-of-charge 'Saigai Net' service



Healthcare

National and local governments

Financial industry and manufacturing industries

Transportation/energy

POC Strategic Innovation Promotion Program (SIP)  
Sophisticated diagnosis/treatment system enabled by AI (artificial intelligence) Hospital

Case 'Smart Uni Site', cloud-type image monitor service

Mechanism to enable situation confirmation and judgement without presence at site

Case Launch of 'MUDEN monitoring service'  
Launch of 'BRaVS Library®' and 'BRaVS Platform®', space perception platforms

Case 'Marutto Tenken' equipment inspection service extended for management companies of office buildings and residential buildings

Equipment Management



## Sustainable Energy Society



Neobanks

Digital Acceleration

Smart Towns

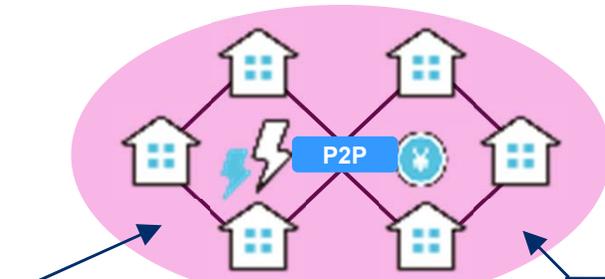
Assets Guardian

## Contribute to enhancing sustainable energy and power infrastructure maintenance

### Dissemination and expansion of the non-fossil fuel energy value trading market

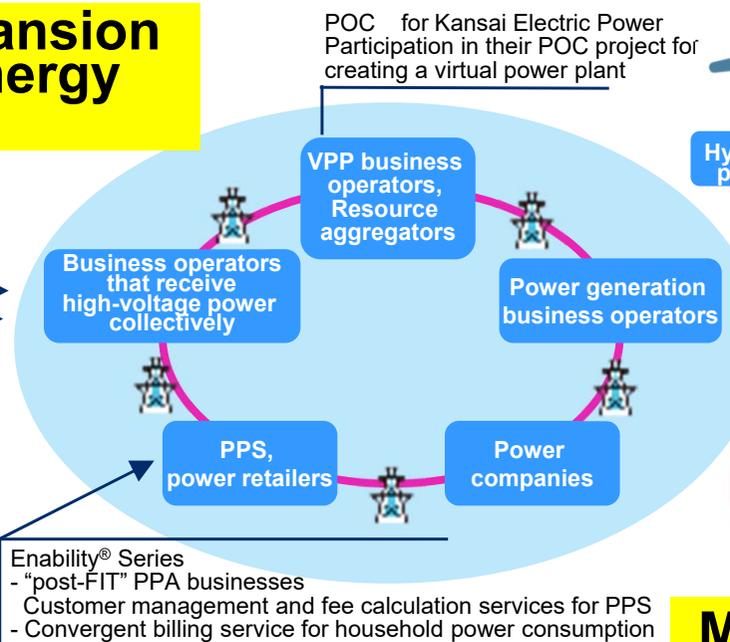
POC  
Non-fossil fuel energy certification tracking  
Implementation of a POC about a tracking scheme to clarify attribute information of the certificate transacted in the FIT non-fossil fuel energy value transaction market

Caswe  
Business to certify non-FIT non-fossil power sources



POC for Kansai Electric Power  
Environmental value trading predicated on blockchain technologies, including environmental value transaction pricing decisions

POC for Kansai Electric Power, Tokyo Univ. and MUFG Bank  
POC for direct power transactions through the use of blockchain technologies (including power transaction pricing decisions)



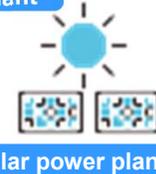
Enability® Series  
- "post-FIT" PPA businesses  
- Customer management and fee calculation services for PPS  
- Convergent billing service for household power consumption



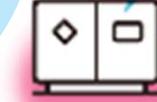
Hydroelectric power plant

POC  
POC about forecasting renewable energy power generation on the basis JAXA satellite data

Case  
Operation monitoring systems for renewable-energy power generation business operators



Solar power plant

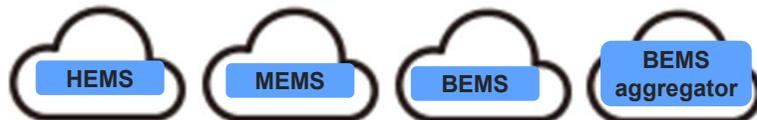


Power plant

POC for Tohoku Electric Power  
Remote monitoring service for power transmission tower inclination

POC for Tokyo Electric Power  
Remote monitoring service for power transmission tower inclination

### Maintenance that supports power equipment



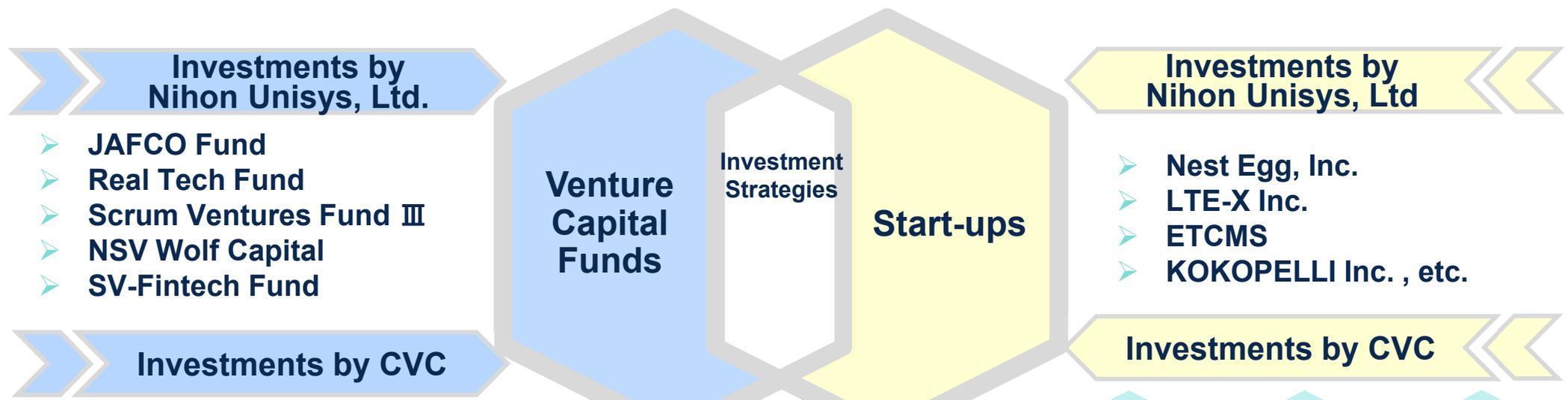
Cloud-Computing Service Businesses for Energy Management



Cloud-Computing Service Businesses for Energy Business

## Strategic Investments

Vitalize open innovation in cooperation with customers and start-up companies through investing in and accompanying venture capital funds and start-ups



**The Nihon Unisys group has invested in 14 funds and 40 or more start-ups**

**Generation of new demands from digitalization trend stimulated by telework**



\* Scrum Ventures: Scrum Ventures headquartered in San Francisco, USA invests in early-stage startups and helps large-scale companies implement open innovations  
 \* NSV Wolf Capital: Fund of funds to invest through US financial institutions  
 \* SV-Fintech Fund: Fund to invest in FinTech startups in the U.S. and Japan

## Reform of corporate culture



## Aim to strengthen capabilities for proactively creating value and designing business ecosystems

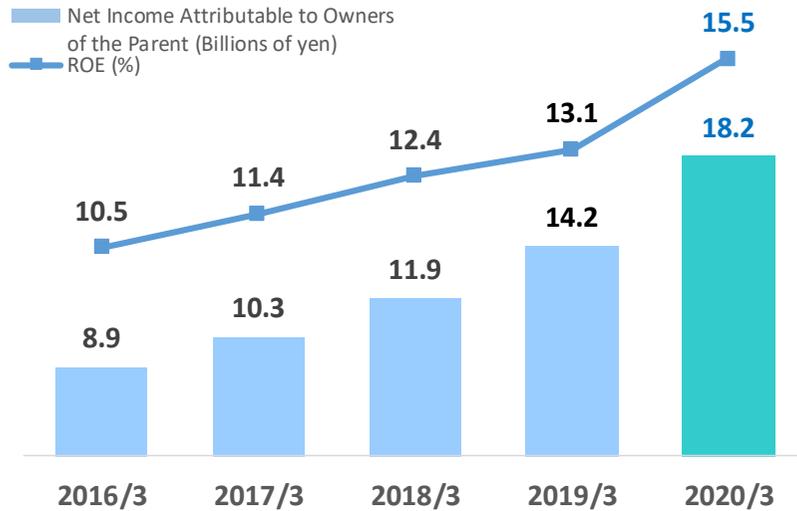
Human Resource Foresight™
<b>Strategic personnel system reforms</b>
Workstyle Foresight®
<b>Workstyle reforms Organizational reforms Workforce reforms</b>
Diversity Foresight®
<b>Diversity promotion</b>
Management Foresight®
<b>Business operation process reforms System reforms</b>



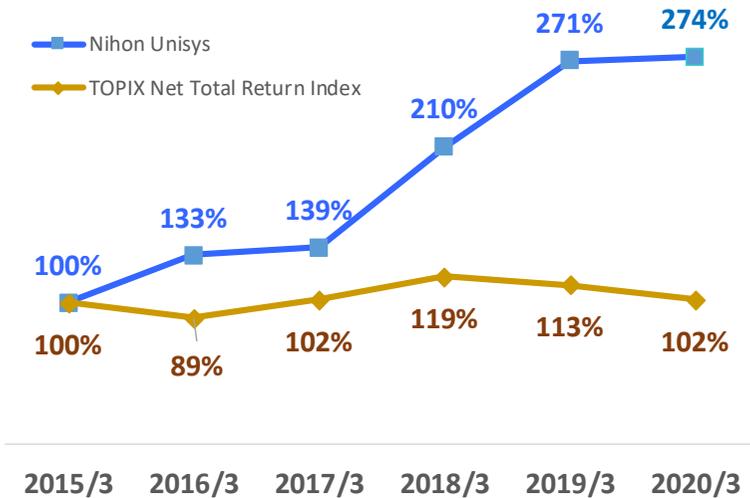
# (Reference) Financial Indicators

Foresight in sight

## Profit Attributable to Owners of the Parent, ROE

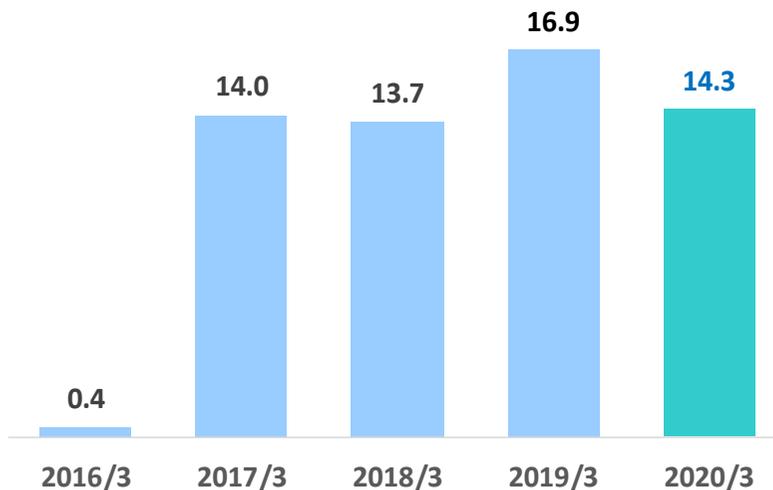


## Total Shareholder Return (TSR)

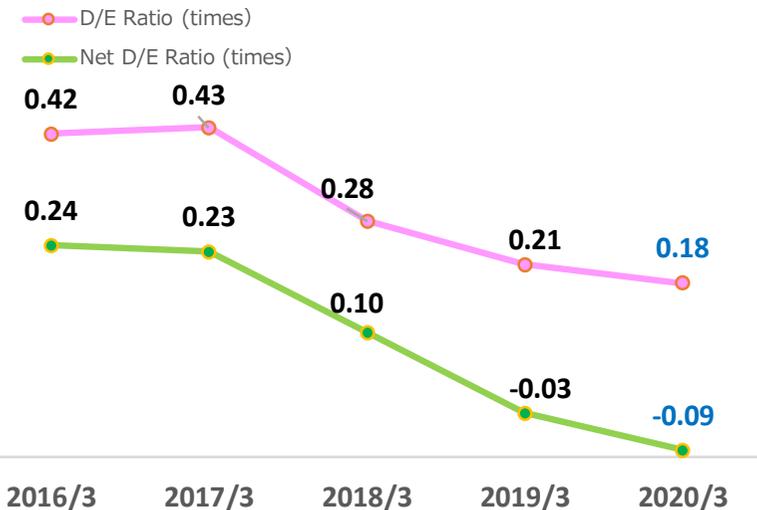


## Free Cash Flow

(Unit: Billion Yen)



## D/E Ratio



# Foresight in sight

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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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