

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 official Japanese text, the latter shall prevail.



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

July 31, 2015

Nihon Unisys, Ltd.

Stock Listing:	Tokyo Stock Exchange 1st Section
Stock Code:	8056
URL:	http://www.unisys.co.jp/
Representative:	Shigeru Kurokawa, Representative Director, President & CEO
Scheduled Submission Date for Quarterly Report:	August 10, 2015
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 Q1 (from April 1, 2015 to June 30, 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	%
FY2016 Q1	52,448	3.2	739	65.3	1,285	78.2	854	104.3
FY2015 Q1	50,823	(7.1)	447	(68.3)	721	(55.5)	418	(1.4)

(Note) Comprehensive Income FY2016 Q1: 327 Million Yen (-62.4 %) FY2015 Q1: 871 Million Yen (-21.9 %)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY2016 Q1	9.09	7.82
FY2015 Q1	4.45	3.77

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
FY2016 Q1	187,193	80,526	42.5
FY2015	199,772	81,975	40.6

(Reference) Shareholders' Equity FY2016 Q1: 79,625 Million Yen FY2015: 81,021 Million Yen

2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2015	—	10.00	—	10.00	20.00
FY2016	—				
FY2016 (Forecast)		15.00	—	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
FY2016 1st Half	126,000	3.4	4,000	19.2	3,500	0.4	2,000	1.9	21.27
FY2016	280,000	4.0	12,500	14.4	12,000	(3.0)	8,500	17.3	90.39

(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)

2. Number of shares of treasury stock

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

FY2016 Q1	109,663,524	FY2015	109,663,524
FY2016 Q1	15,615,475	FY2015	15,623,600
FY2016 Q1	94,043,830	FY2015 Q1	94,011,728

** 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.

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1. Results of Business Operations and Financial Conditions

(1) Analysis of Operating Results

During the first quarter of the fiscal year ended March 2016, the Japanese economy continued a gradual recovery. The information services market in Japan is expected to resume a path to steady recovery through an expected increase in software investment. Despite this prospect, we recognize that we continue to operate in a harsh business environment due to concerns about continued uncertain situations in the world that may exert downward pressures on the Japanese economy and further intensifying competitions against other companies.

In this environment, the Nihon Unisys group launched its Mid-term Management Plan in this fiscal year in order to further strengthen the capabilities that we have accumulated under the previous Mid-term Management Plan (2012→2014): collaborative relationship with customers in various types of industries; capabilities of enabling successful system implementation; capabilities of enabling one-stop support that is free from vendor lock-in; and capabilities of designing and delivering new services. We have established strategic policies such as expansion in the areas of digital innovation and life innovation, changes in the area of business ICT platforms, and reform of corporate culture/strengthening of human resources capabilities. Furthermore, on the occasion of launching the mid-term management plan, we issued a new corporate statement 'Foresight insight®' that describes the vision that our group aims to achieve towards 2020.

With regard to the progress status of the Mid-term Management Plan, we launched a business in the areas of digital innovation and life innovation which we challenge ourselves to take on. The service referred to as the 'Charge Point' business enables the charging of prepaid cards that are managed in an electronic settlement scheme through international credit card brands. This prepayment-based e-settlement method can be used at member shops of the international credit card brands around the world. Thus, this business is also expected to serve a wide variety of users.

Further, we started a demonstration experiment of a smartphone application that uses a two-dimensional color code, Chameleon Code® (Note 2) for leading convenience stores. We support service creation that enables convenient shopping through providing various types of information to users.

Also, we developed and released 'ChiReaff Space™' a childcare support service. This service is intended to help nurses improve their work environment; increase their time facing children; improve the quality of childcare; reassure parents of children; and earn their trust. As stated above, we have challenged ourselves through various types of efforts to address societal issues outside the boundaries of industry.

Our efforts in the area of Business ICT Platforms have resulted in an order for private cloud creation from a large manufacturer. We achieved smooth launches of a new system specialized for branch offices for regional financial institutions and a solution for leasing business, Lease Vision® (CoreCenter® for Lease), for example.

We will continue to make further efforts to provide various types of services in the fastest and optimal manner.

In the field of reforming corporate culture and workforce, we have been promoting the creation of a culture where innovations will be created through encouraging the employees to personify their relevance to the achievement of challenges and reforms. Also, we have provided personnel programs to train our prime asset, the workforce, and develop leaders capable of promoting reforms.

(Note) 1.

The 'Charge Point' service was released on July 1, 2015.

The 'ChiReaff Space™' childcare support service was released on July 6, 2015.

(Note) 2

Chameleon Code® is a two-dimensional color code capable of a rapid and highly precise simultaneous recognition of multiple bar codes. Unlike QR codes, it does not require close-up scanning. It enables terminals such as smart phones to read information if they are held even far away from it. Due to excellent design properties, it can be embedded in a tiny space of POP (point of purchase) advertisement and reduce expenses through low printing costs.

(Note) 3

The demonstration experiment of smart phone applications that use a two-dimensional color code, Chameleon Code®,

was scheduled from July 1, 2015 through July 31, 2015.

(Note) 4

Chameleon Code is a registered trademark of SHIFT Inc.

(Note) 5

Other company and product names mentioned herein are trademarks or registered trademarks of their respective owners.

Net sales totaled ¥52,448 million, a 3.2% increase from the same period of the previous fiscal year, as a result of the continued strength of the system services business.

Operating income was ¥739 million, up by 65.3% from the said period. Ordinary income was ¥1,285 million, up by 78.2% over the corresponding period a year earlier. Profit attributable to owners of parent was ¥854 million, a 104.3% increase from the same period of the previous fiscal year.

Please note that the 'Accounting Standard for Business Combinations' (Accounting Standards Board of Japan, ASBJ, Statement No. 21, issued on September 13, 2013), etc. were adopted from the first quarter of the fiscal year under review. As a result, 'net income' was changed to 'profit attributable to owners of parent'.

(2) Analysis of Financial Position

At the end of the first quarter of the fiscal year under review, total assets were ¥187,193 million, a decrease of ¥12,578 million from the end of the previous fiscal year, partly due to a decrease in accounts receivable-trade.

Liabilities were ¥106,667 million, a decrease of ¥11,129 million from the end of the previous fiscal year, partly attributable to a decrease in accounts payable-trade.

Net assets were ¥80,526 million. Shareholders' equity ratio was 42.5%, up by 2.0 percentage points from the end of the previous fiscal year.

(3) Comment 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 Policies, changes in Accounting Estimates, and Restatement of Corrections

(Adoption of Accounting Standard 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 Standard'), '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 cost 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 attribute 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 first 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 by ¥287 million as of April 1, 2015.

Operating income, ordinary income and income before income taxes and minority interests increased by ¥13 million for the first quarter of the fiscal year under review, respectively.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of Yen

	FY2015 (As of March 31, 2015)	FY2016 Q1 (As of June 30, 2015)
Assets		
Current assets		
Cash and deposits	23,326	29,985
Notes and accounts receivable - trade	68,121	43,722
Merchandise and finished goods	6,676	8,345
Work in process	2,874	5,264
Raw materials and supplies	349	333
Deferred tax assets	5,919	6,231
Other	15,449	17,158
Allowance for doubtful accounts	(143)	(138)
Total current assets	122,573	110,902
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,296	3,223
Machinery, equipment and vehicles, net	7,514	7,990
Other, net	3,300	3,167
Total property, plant and equipment	14,111	14,381
Intangible assets		
Goodwill	1,797	983
Software	19,076	19,696
Other	452	405
Total intangible assets	21,326	21,085
Investments and other assets		
Investment securities	17,952	17,007
Deferred tax assets	1,032	562
Net defined benefit asset	7,176	7,759
Other	16,102	15,980
Allowance for doubtful accounts	(504)	(485)
Total investments and other assets	41,760	40,823
Total non-current assets	77,198	76,290
Total assets	199,772	187,193

Millions of Yen

	FY2015 (As of March 31, 2015)	FY2016 Q1 (As of June 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,231	16,996
Short-term loans payable	4,000	4,000
Current portion of convertible bond	-	15,068
Current portion of long-term loans payable	15,115	15,115
Income taxes payable	382	167
Allowance for loss on contract development	1,687	797
Other provision	736	638
Other	30,495	28,872
Total current liabilities	77,648	81,656
Non-current liabilities		
Convertible bond	15,087	-
Long-term loans payable	21,655	21,655
Deferred tax liabilities	66	114
Provision	414	451
Net defined benefit liability	552	565
Asset retirement obligations	1,335	1,341
Other	1,037	882
Total non-current liabilities	40,148	25,010
Total liabilities	117,796	106,667
Net assets		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	15,281	14,200
Retained earnings	68,031	68,231
Treasury shares	(19,283)	(19,273)
Deposit for subscriptions to treasury shares	2	2
Total shareholders' equity	69,515	68,644
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,511	5,060
Deferred gains or losses on hedges	(10)	7
Remeasurements of defined benefit plans	6,004	5,913
Total accumulated other comprehensive income	11,505	10,981
Subscription rights to shares	366	364
Non-controlling interests	587	535
Total net assets	81,975	80,526
Total liabilities and net assets	199,772	187,193

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

Millions of Yen

	FY2015 Q1 (Three months ended June 30, 2014)	FY2016 Q1 (Three months ended June 30, 2015)
Net sales	50,823	52,448
Cost of sales	37,685	39,897
Gross profit	13,138	12,550
Selling, general and administrative expenses	12,691	11,810
Operating income	447	739
Non-operating income		
Interest income	18	11
Dividend income	310	277
Gain on sales of listed securities	-	447
Other	92	91
Total non-operating income	420	828
Non-operating expenses		
Interest expenses	103	64
Settlement package	-	175
Other	43	42
Total non-operating expenses	146	282
Ordinary income	721	1,285
Extraordinary income		
Gain on sales of investment securities	-	40
Other	0	1
Total extraordinary income	0	42
Extraordinary losses		
Loss on sales and retirement of non-current assets	2	1
Other	1	0
Total extraordinary losses	3	1
Income before income taxes and minority interests	717	1,325
Income taxes - current	96	75
Income taxes - deferred	195	398
Total income taxes	292	474
Profit	425	851
Profit (loss) attributable to non-controlling interests	6	(3)
Profit attributable to owners of parent	418	854

(Consolidated Statements of Comprehensive Income)

Millions of Yen

	FY2015 Q1 (Three months ended June 30, 2014)	FY2016 Q1 (Three months ended June 30, 2015)
Profit	425	851
Other comprehensive income		
Valuation difference on available-for-sale securities	479	(450)
Deferred gains or losses on hedges	(12)	18
Remeasurements of defined benefit plans	(21)	(91)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	446	(523)
Comprehensive income	871	327
(Breakdown)		
Comprehensive income attributable to owners of parent	864	330
Comprehensive income attributable to non-controlling interests	6	(3)

(3) Notes concerning the Quarterly Consolidated Financial Statements
(Notes on Going Concern Assumption)
None applicable

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

(Business Combinations)
Transactions involving entities under common control

1 . Summary of Business Combinations

(1) Companies of Business Combinations and Business Contents

Combiner Company

Name

Nihon Unisys, Ltd. (this company)

Contents of Business

Provision of system-related services and sales of computer systems

Combined Companies

Name

USOL Hokkaido Co., Ltd., USOL Tohoku Co., Ltd., USOL Tokyo Co., Ltd.,
USOL Chubu Co., Ltd., USOL Kansai Co., Ltd., USOL Chugoku Co., Ltd., and
USOL Kyushu Co., Ltd. (consolidated subsidiaries of this Company)

Contents of Business

Provision of system-related services

(2) Date of Business Combination

April 1, 2015

(3) Legal Framework of Business Combination

Absorption-type merger between this Company as the surviving company and
USOL Hokkaido Co., Ltd., USOL Tohoku Co., Ltd., USOL Tokyo Co., Ltd.,
USOL Chubu Co., Ltd., USOL Kansai Co., Ltd., USOL Chugoku Co., Ltd. , and
USOL Kyushu Co., Ltd. as absorbed companies

(4) Name of the Company after Business Combination

Nihon Unisys, Ltd. (this company)

(5) Other Matters concerning the Summary of Business Combination

This business combination is intended to consolidate management resources and
accelerate the speed of service provision through the implementation of the Mid-term
Management Plan that was announced on December 1, 2014.

2. Summary of Implemented Accounting Processes

The business combination has been processed as a transaction where entities
under common control were combined, pursuant to the 'Accounting Standard for
Business Combinations' and the 'Implementation Guidance on the Business
Combinations Accounting Standard and the Business Divestitures Accounting
Standard.'