

Results for the 3rd Quarter FY March 2016

February 3, 2016
Nihon Unisys, Ltd.



Foresight in sight

Summary of the Results of FYMar2016 Q3

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Strong product sales and system services drove up net sales.

Operating income and profit attributable to owners of parent were both boosted.

(Unit : Billion Yen)

	Q3 (Apr-Dec)		Changes	
	FYMar2016	FYMar2015		
Net Sales	188.9	180.0	+8.9	+5.0%
Gross Profit	44.8	43.4	+1.4	+3.1%
SG&A Costs	-37.2	-38.8	+1.6	+4.2%
Operating Income	7.6	4.6	+3.0	+65.5%
Profit Attributable to Owners of Parent	4.5	3.9	+0.5	+13.6%
Orders	185.7	173.4	+12.3	+7.1%
Order Backlogs	207.0	209.3	-2.3	-1.1%

<Key Points of Q3 Results>

■ Net Sales

Net sales were boosted by an increase in product sales and system service sales.

■ Operating Income

The increased net sales and further reduced SG&A costs drove up operating income.

■ Profit attributable to Owners of Parent

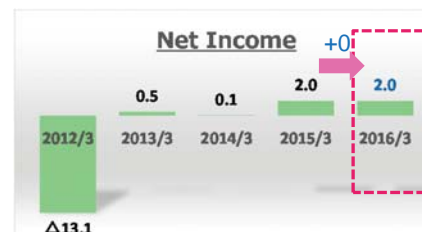
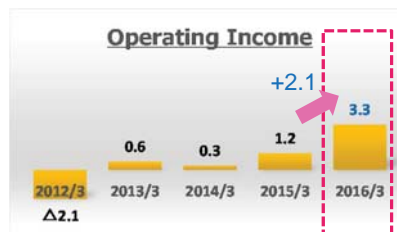
Profit attributable to Owners of Parent increased as a result of the increase in operating income.

■ Orders and Order Backlogs

Orders mainly of product sales and system services increased. Order backlogs experienced a slight decrease partly ascribable to posting outsourcing sales.

[Reference] 5-year Changes in Q3 (Oct-Dec)

(Unit : Billion Yen)



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1

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Net sales of the third quarter under review was ¥ 188.9 billion, up by ¥8.9 billion from the same period of the previous fiscal year. Operating income was ¥ 7.6 billion, an increase of ¥ 3.0 billion, and profit attributable to owners of parent was ¥ 4.5 billion, up by ¥0.5 billion on a year-on-year basis.

As a result of product sales and system services that boosted net sales as well as further reduced SG&A costs such as office expenses, sales and profits both increased compared with the corresponding period of the previous fiscal year. This has positioned the Company suitably to achieve its full-year planned figures.

Orders stood at ¥185.7 billion, an increase of ¥ 12.3 billion on a year-over-year basis. Orders in the business areas of product sales and system services increased as did net sales. This has now enabled favorable conditions where the Company envisions further orders through intensified proposal activities.

¥ 207.0 billion order backlogs, a decrease of ¥ 2.3 billion on a year-over-year basis were posted, partly as a result of a decrease due to posting outsourcing sales.

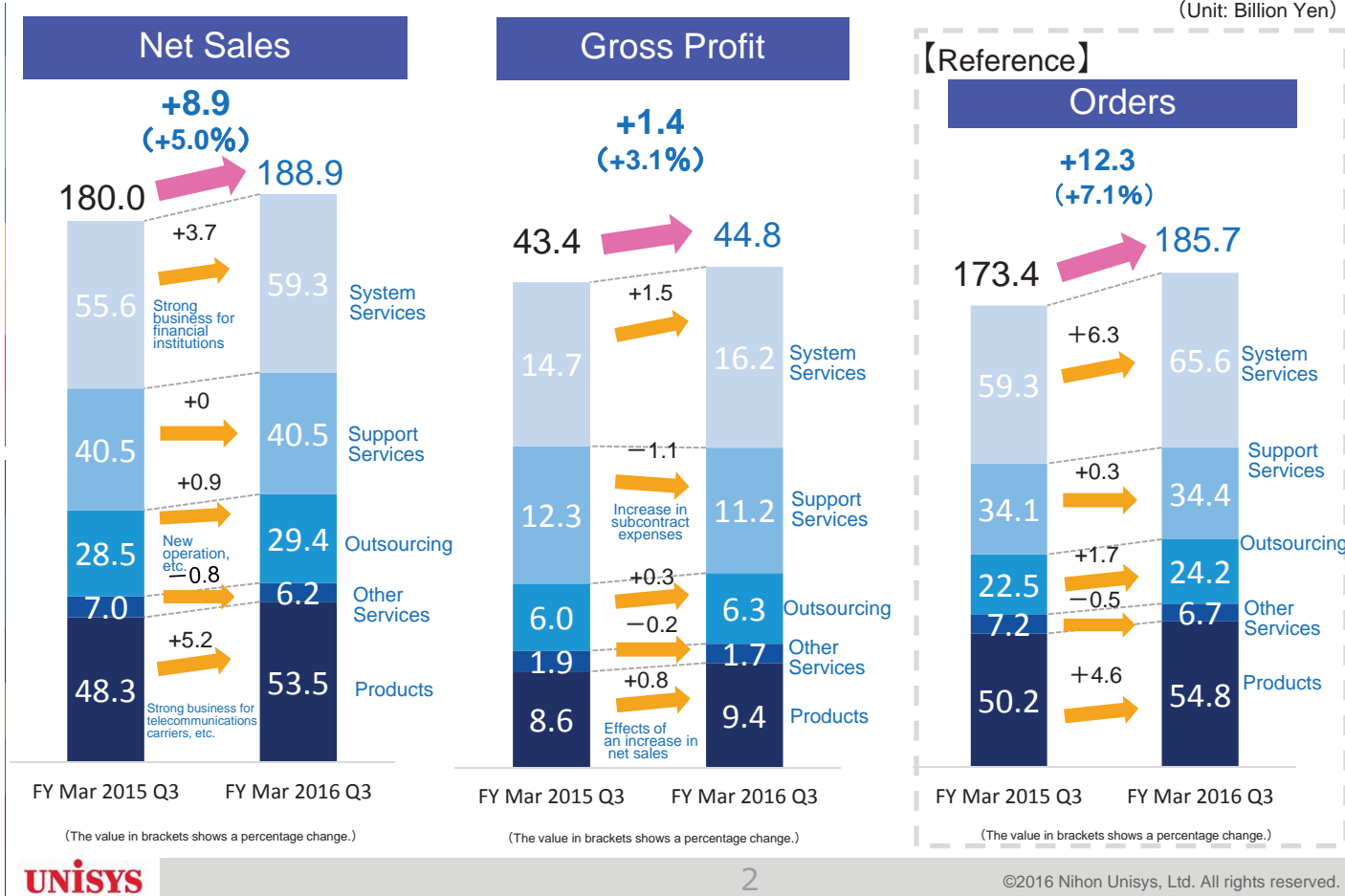
For reference, the third quarter changes for the past 5 years are indicated by the bar graphs at the bottom of the page. Net sales and operating income increased from the same period of the previous fiscal year.

Note: The expression 'FY/fiscal year' utilized in this document indicates the fiscal year which finishes at the end of March of the following year. (Example: The expression FY2015 refers to the fiscal year ending March 2016.)

Net Sales & Gross Profit by Segment

Foresight in sight

(Unit: Billion Yen)



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System services have remained strong mainly due to system development projects for financial institutions and distribution businesses. The net sales and gross profit increased. We have not recorded provisions for unprofitable projects in the third quarter.

The net sales of the support services were almost comparable to the previous corresponding period. However, the gross profit suffered a decrease, ascribable to a gross margin reduction mainly due to an increase in subcontract expenses.

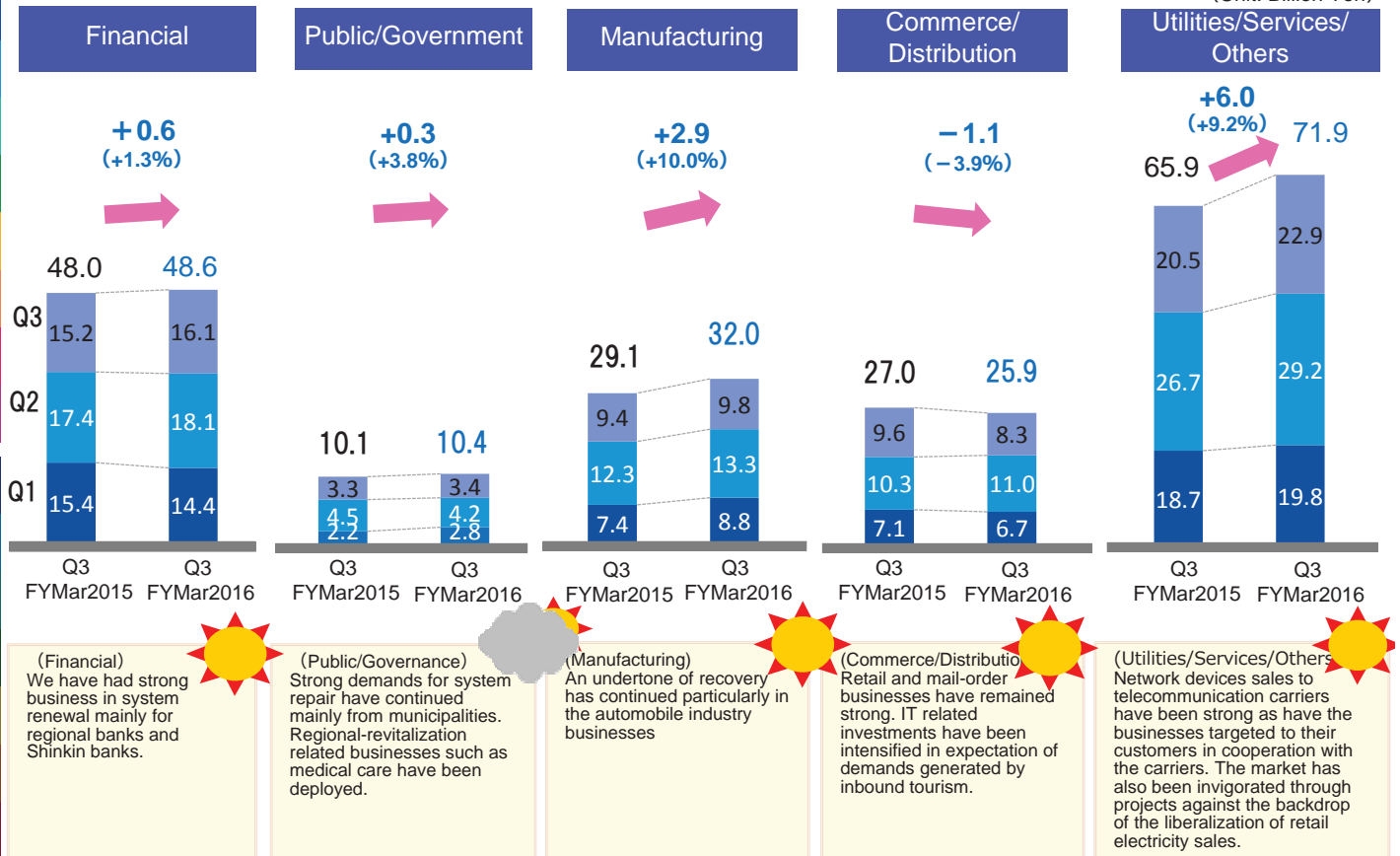
The net sales and gross profit of the outsourcing business continued to increase. This was attributable to: a start of service for a new user by S-BITS, core-banking system for regional banks in January 2015; and an increase in mid-and small-size projects.

The net sales of software products increased by ¥ 0.7 billion, and the net sales of hardware products increased by ¥4.5 billion from the third quarter of the previous fiscal year. The significant increase in net sales contributed to an increase in gross profit.

Net Sales by Market

Foresight in sight

(Unit: Billion Yen)



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The manufacturing sector has been contributed to by the automobile industry business continuingly showing signs of recovery. The utilities and services sector has been invigorated through: sales of network devices to telecommunication carriers; and projects that keep an eye on retail electricity liberalization. Thus, the net sales were boosted significantly.

The financial business has remained busy with system renewal projects mainly for regional banks and Shinkin banks.

The net sales of commerce/distribution businesses decreased partly due to effects after posting a large-scale project in the third quarter of the previous fiscal year. However, the sector has been in a favorable order environment.

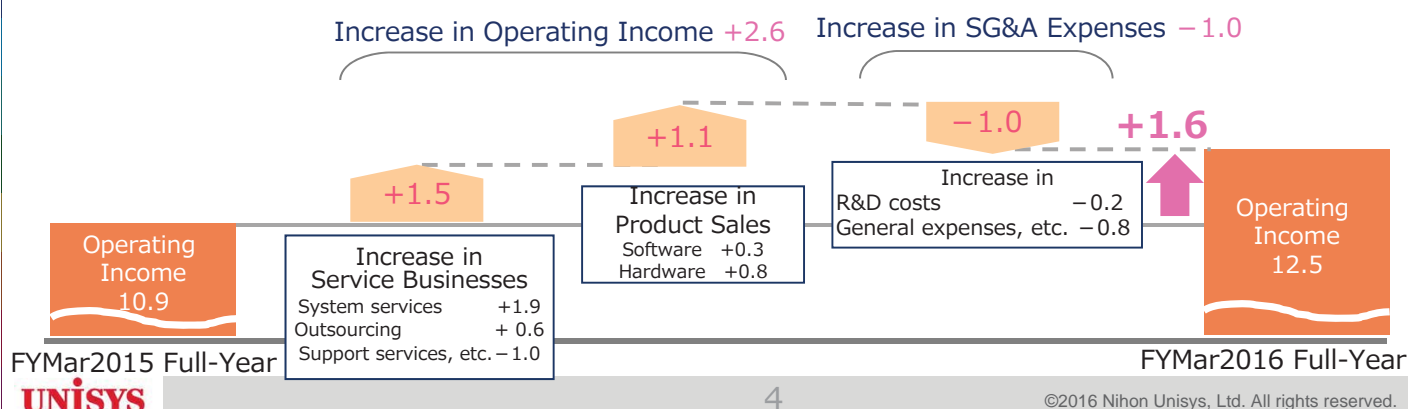
Full-year forecasts for net sales, operating income and profit attributable to owners of parent have not been revised since they were announced on November 5, 2015.

(Unit: 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%
Profit Attributable to Owners of Parent	8.5	7.2	+1.3	+17.3%

【Details of FYMar2016 Full-Year Operating Income】

(Unit : Billion Yen) (Yr/Yr Changes)



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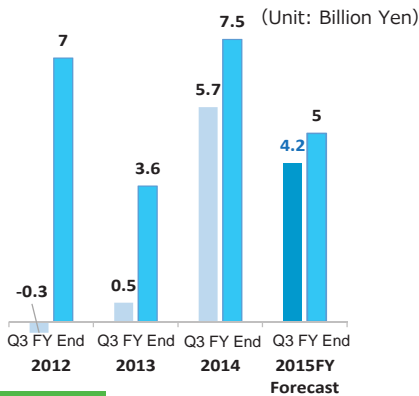
The full-year forecasts of net sales, operating income and profit attributable to owners of parent have not been revised since they were announced on November 5, 2015.

An anticipated increase in the operating income of system services and product sales businesses will be one of the factors to influence the full-year operating income. Due to this factor, the full-year operating income is expected to increase by ¥ 1.6 billion from a year earlier.

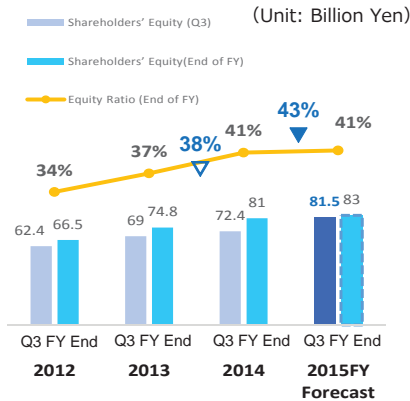
(Reference)
Changes in Financial Indices and Progress under the Mid-term Management Plan

- ▼ This FY Q3 Actual
- ▽ The Previous FY Q3 Actual

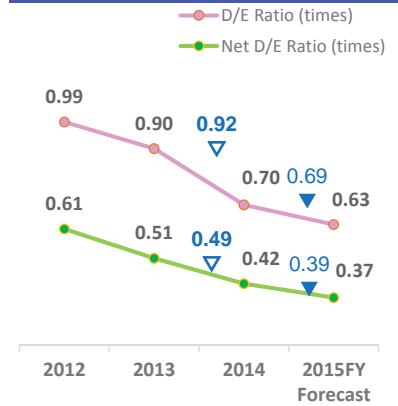
Free Cash Flow



Shareholders' Equity

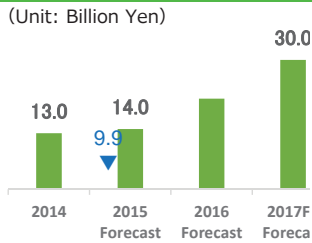


D/E Ratio

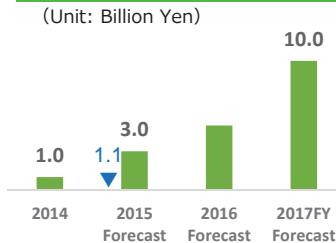


Net Sales

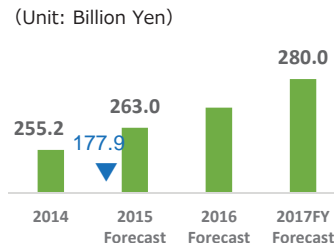
Digital Innovation



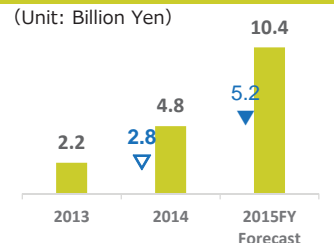
Life Innovation



Business ICT Platform



Net Sales of Cooperative Businesses with DNP



For reference, the financial strengths have continued to be steadily improved during the third quarter under review: a ¥4.2 billion free cash flow; a 43% equity ratio; and 0.39 times net D/E ratio.

(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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