

Results for the 1st Quarter of FY March 2021

August 6, 2020
Nihon Unisys, Ltd.

Foresight in sight

(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.

FY2020 Q1 Consolidated Performance Results

Foresight in sight

- ✓ Despite a continued strength of outsourcing services, net sales were lower in contrast with Q1 of FY2019 when a large-scale product sale was posted.
- ✓ Sales activities were limited in response to COVID-19, while R&D efforts remained active. As a result, SG&A costs were reduced. Operating income was thus increased.

(Unit: Billion Yen)

	Q1 (Apr-Jun)		Changes	
	FY2020	FY2019		
Net Sales	64.1	65.2	-1.0	-1.6%
Gross Profit	15.7	15.7	-0.1	-0.4%
SG&A Costs	-12.4	-12.7	+0.3	+2.1%
Operating Income	3.3	3.1	+0.2	+6.7%
(Operating Margin)	(5.1%)	(4.7%)		(+0.4pts)
Profit Attributable to Owners of Parent	2.1	2.6	-0.6	-21.0%
Orders	54.8	67.6	-12.7	-18.8%
Order Backlogs	221.3	229.0	-7.6	-3.3%

<Key Points of Q1 Performance Results>

■ Net sales

Outsourcing services remained strong. However, net sales were lower in contrast with Q1 of FY2019 when a large-scale product sale had been posted.

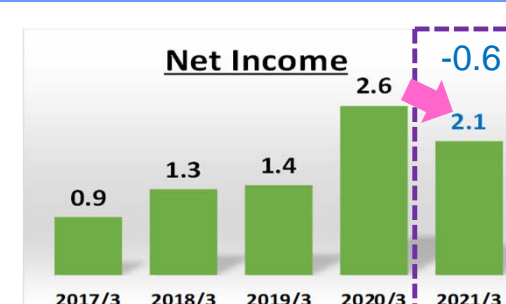
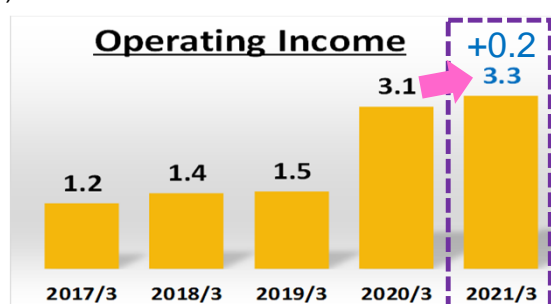
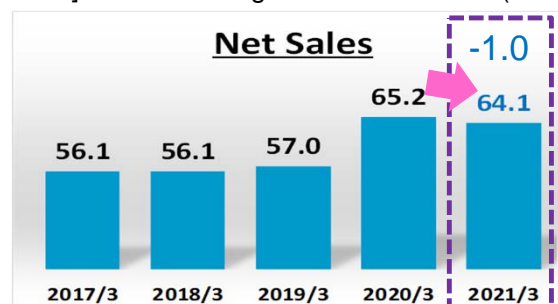
■ Operating income

The decrease in net sales made only limited impacts on gross profit, as Products Sales performed. Lower SG&A costs mainly composed of general expenses contributed to an increase in operating income despite continuous implementation of active R&D efforts.

■ Orders and order backlogs

Orders and order backlogs decreased due to customers considering system development for a longer time than before as well as our limiting sales activities in response to COVID-19.

[Reference] 5-Year Changes of Q1 Results (Unit: Billion Yen)



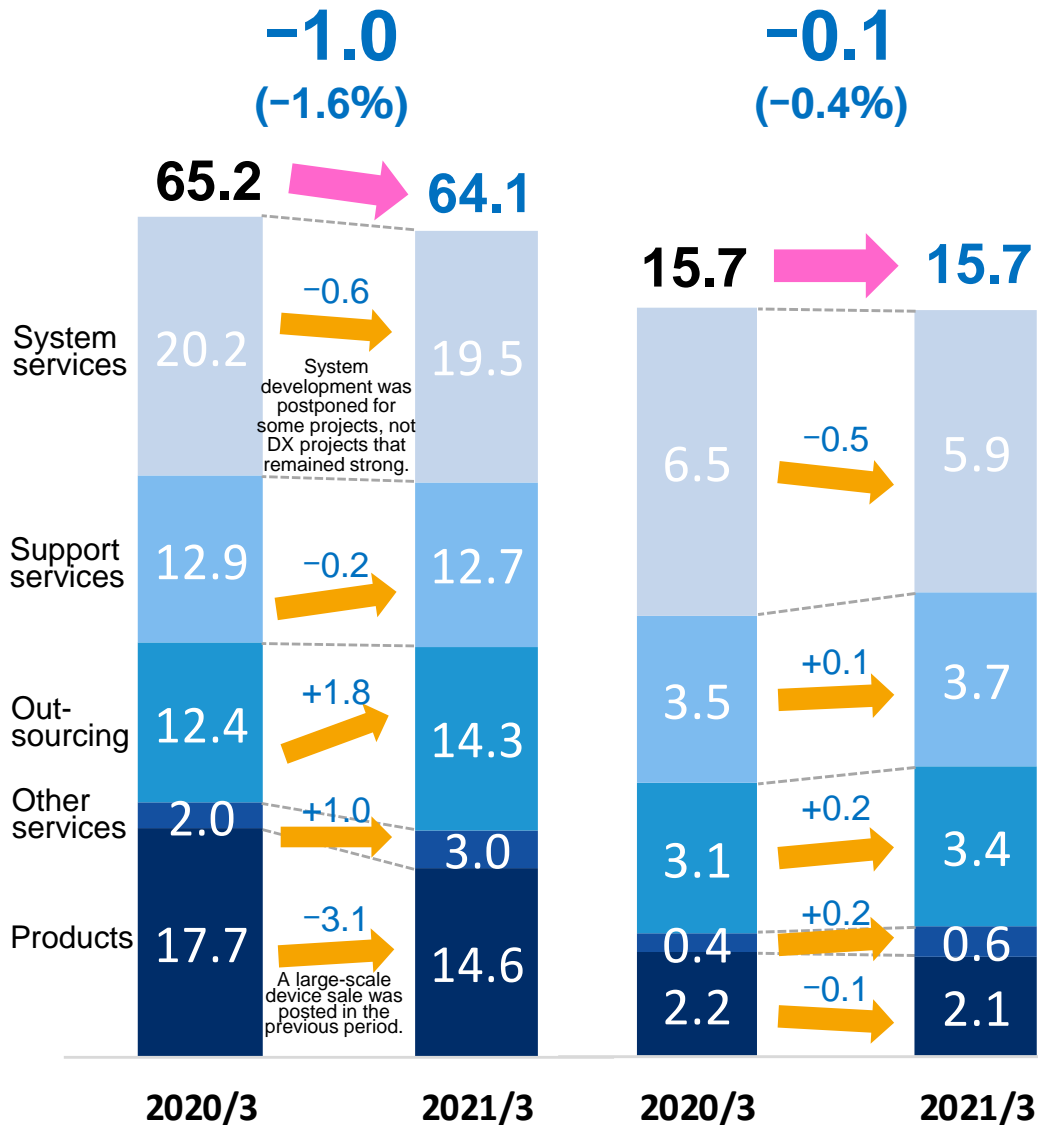
FY2020 Q1 Net Sales and Gross Profit by Segment

Foresight in sight

(Unit: Billion Yen)

Net Sales

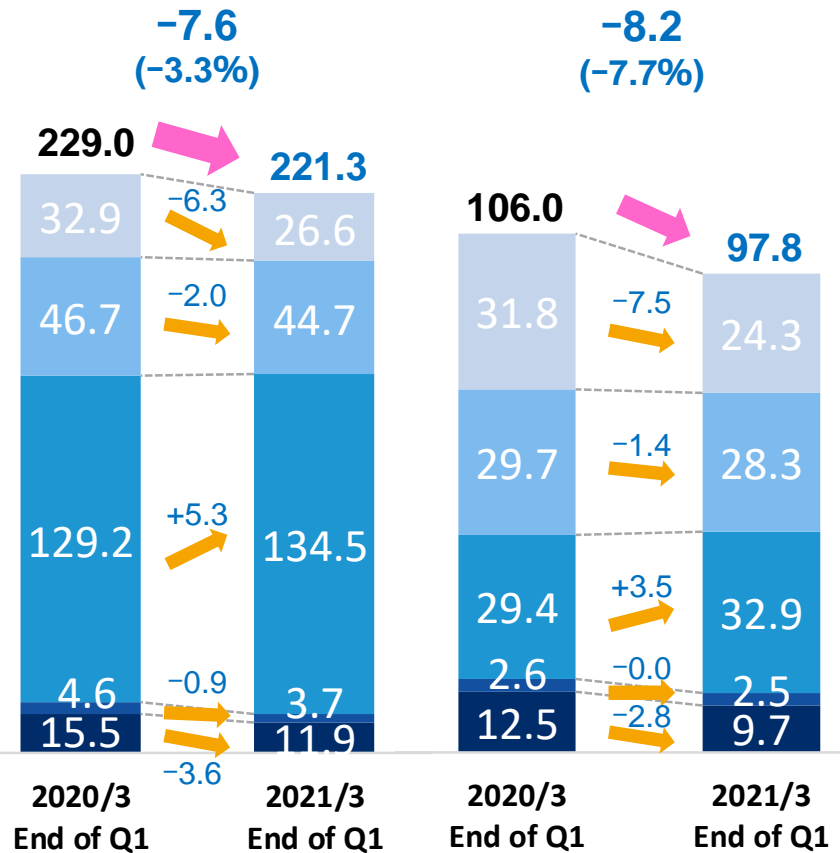
Gross Profit



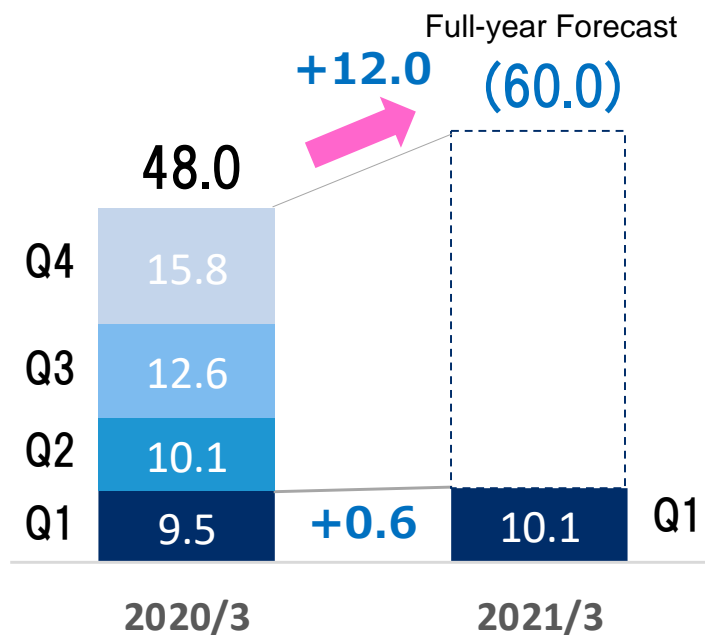
【Reference】

Order Backlogs (Total)

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

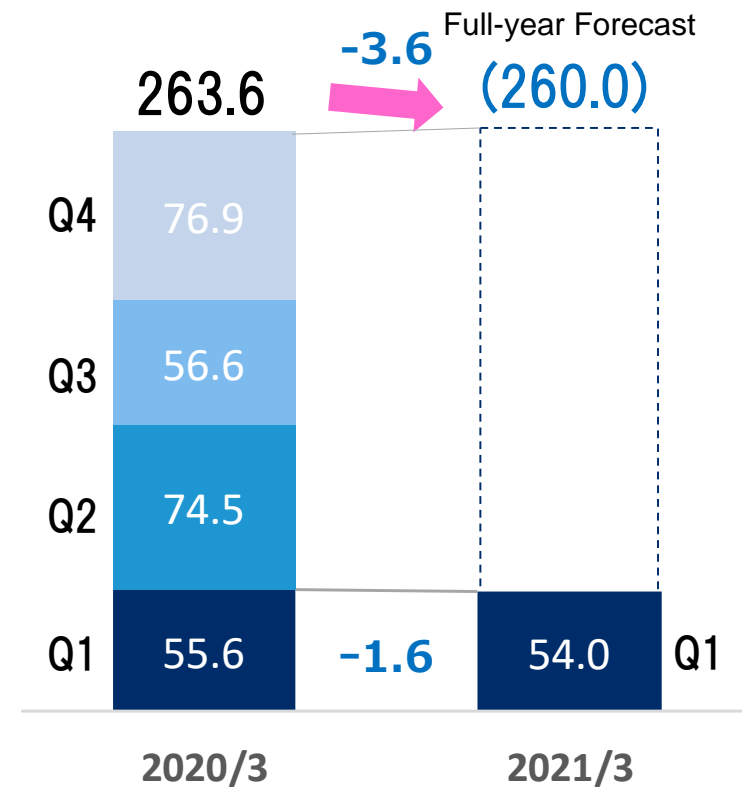


Net Sales of Focal Areas



- Robust DX-related businesses mainly based on customer interaction system
- Steady increase in the usage of dashcams (event data recorders) and energy-management services

Net Sales of ICT Core Areas



- Impacts of postponing a production operation phase or an entire project mainly on part of mission-critical system renewal projects
- Steady increase in outsourcing service quantity

- ✓ We keep the growth prediction numbers indicated in the mid-term management plan.
(No revisions of the previous announcement on May 18, 2020)

(Unit : Billion Yen)

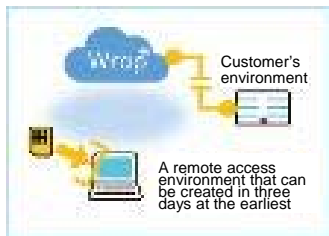
	FY2019 Full-Year Actual			FY2020 Full-Year Forecast			FY2020 Targets stipulated in the mid-term management plan
	Amount	Yr/Yr Changes		Amount	Yr/Yr Change		Amount
Net Sales	311.6	+12.5	+4.2%	320.0	+8.4	+2.7%	320.0
Operating Income	26.1	+5.5	+26.8%	26.0	-0.1	-0.5%	
(Operating Margin)	(8.4%)		(+1.5pt)	(8.1%)		(-0.3pt)	8.0% or more
Profit attributable to Owners of Parent	18.2	+3.9	+27.7%	17.0	-1.2	-6.5%	

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

- ✓ Strong demands for services related to workstyle reforms such as telework as well as security enhancement
- ✓ Provide services to help customers solve issues about their business continuity

➤ Services related to telework

■ Wrap®, a cloud-type network service



We launched a free-of-charge Wrap service in the early part of March.
Inquirers about the free Wrap service:
51 companies
Approx. 70% continue the service

Case of implementation: **JAPANET HOLDINGS Co., Ltd.**

The system was launched in April as a platform for workstyle reform promotion. It is used as part of the customer's ICT infrastructure to enable a scheme 'Hotel Juchuh (accept orders at hotel)* to continue a Call Center business.



The scheme to ensure social distancing at Call Center

➤ Service related to workstyle reform

■ AFER™, automatic form-data input solution

A trial operation for a new function of our existing service AFER™ began. The new function via smartphone can help the service promote paperless businesses without compromising social distancing.

■ Packaged solution for telework

A ready-to-use packaged Wrap service for telework was released on June 1. The solution comprises providing PCs and managing operations.

■ Uni-Contract®

The service breaks away from traditional seal usage by interlaying electronic signature with existing business workflows.

■ Network infrastructure development

Solve issues about creating a network infrastructure.

Case of implementation: **A major cram school operator (provider of private extra classes)**

Prompt development of a wide range of network infrastructure capable of coping with an increase in teleworking employees in response to cancelling in-person classes due to the spreading COVID-19 pandemic. The network infrastructure can support 74 school facilities in total without security concerns.

➤ Service related to security

■ Uniadex CloudPas™, cloud security service,

Providing a cloud-type security service with an awareness of zero trust security.

*new attempt to lease an entire wing of hotel that suffers a loss of demands due to the COVID-19 pandemic, and use it as a Call Center facility

Foresight in sight

UNISYS

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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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