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 Fiscal Year Ended March 31, 2014 [Japan GAAP]

May 9, 2014

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 Date for Ordinary General Meeting of Shareholders:	June 26, 2014
Scheduled Starting Date for Dividend Payment:	June 27, 2014
Scheduled Submission Date for Securities Report:	June 27, 2014
Earnings Supplementary Explanatory Documents:	yes
Earnings Results Briefing:	yes (for institutional investors, analysts and press)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results in FY2014 (from April 1, 2013 to March 31, 2014)

(1) Consolidated Results of Operations

(Percentage below represents increase (decrease) from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2014	282,690	5.0	9,574	15.2	9,822	18.1	6,305	404.0
FY2013	269,170	5.5	8,311	13.7	8,315	17.2	1,250	—

(Note) Comprehensive Income FY2014: 7,802 Million Yen (51.1%) FY2013: 5,163 Million Yen (—%)

	Earnings Per Share	Diluted Earnings Per Share	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
FY2014	67.08	59.49	8.9	4.9	3.4
FY2013	13.31	13.31	1.9	4.3	3.1

(Reference) Equity in Earnings of Affiliates FY2014: 44 Million Yen FY2013: 42 Million Yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
FY2014	202,468	76,016	36.9	795.61
FY2013	197,779	67,916	33.6	707.57

(Reference) Equity FY2014: 74,796 Million Yen FY2013: 66,505 Million Yen

(3) Consolidated Cash Flow Status

	Operating Activities	Investing Activities	Financial Activities	Cash and Cash Equivalents at End of Period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY2014	11,889	(8,289)	(151)	28,723
FY2013	18,447	(11,442)	(8,985)	25,274

2. Dividends

	Dividends Per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2013	—	5.00	—	5.00	10.00	939	75.1	1.5
FY2014	—	7.50	—	7.50	15.00	1,409	22.4	2.0
FY2015 (Forecast)	—	10.00	—	10.00	20.00		25.1	

3. Consolidated Earnings Forecast for FY2015 (from April 1, 2014 to March 31, 2015)

(Percentage below represents increase (decrease) from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of yen	%	Yen
FY2015 1st Half	130,000	1.5	3,500	45.6	3,300	22.1	1,800	9.5	19.15
FY2015	285,000	0.8	12,000	25.3	11,300	15.0	7,500	18.9	79.79

* Notes

(1) Change in the scope of consolidation (change of condition of significant consolidated subsidiaries) during the period: Yes
New:-company(Company Name:-) Excluded: 1 company (Company Name: Netmarks, Inc.)

(2) 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

(3) Number of shares outstanding (common stock) (shares)

1. Number of shares outstanding (including treasury stock)	FY2014	109,663,524	FY2013	109,663,524
2. Number of shares of treasury stock	FY2014	15,651,708	FY2013	15,672,347
3. Average number of shares outstanding (during the period)	FY2014	93,993,453	FY2013	93,989,539

(Reference) Summary of Non-Consolidated Performance Results

1. Non-Consolidated Financial Results in FY2014 (from April 1, 2013 to March 31, 2014)

(1) Non-Consolidated Results of Operations

(Percentage below presents increase (decrease) from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2014	170,794	(0.3)	4,409	7.0	6,748	1.7	4,038	440.9
FY2013	171,379	6.9	4,119	263.1	6,634	59.8	746	—

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY2014	42.97	37.97
FY2013	7.94	7.94

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
FY2014	167,783	60,930	35.9	641.08
FY2013	168,143	56,793	33.3	595.10

(Reference) Equity FY2014: 60,269 Million Yen FY2013: 55,934 Million Yen

2. Non-Consolidated Earnings Forecast for FY2015 (from April 1, 2014 to March 31, 2015)

(Percentage below represents increase(decrease)from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2015 1st Half	78,000	(3.5)	1,800	112.7	3,500	37.0	2,100	13.1	22.34
FY2015	170,000	(0.5)	7,000	58.8	8,500	25.9	6,000	48.6	63.83

* Implementation status of audit procedures
This earnings report is not subject to audit procedures based upon the Financial Instruments and Exchange Act. Thus, the audit procedures for the consolidated financial statements were being conducted when this report was disclosed.

* 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.

(Appendix)
Contents

1. [Results of Business Operations and Financial Conditions]

(1) Analysis of Business Operations

① Overview of performance for the fiscal year under review

During the fiscal year ending March 2014, the Japanese economy has steadily recovered as a whole, due to the effects of various types of economic measures implemented by the government. A wide range of companies have improved their performances, and there are signs that they have resumed capital investments mainly in the non-manufacturing industries. The resumption is reflected in an increase in software investment in the domestic information services market. With respect to future prospects, our Japanese clients will continue to increase their IT investments, considering that the Japanese economy has been back on course for recovery and demands due to the 2020 Olympic Games in Tokyo is expected. Despite this prospect, we recognize that we continue to be in a harsh business environments due to uncertain world situations such as worsened U.S.-Russia relations, slackening Chinese economic growth, and chilly relations of Japan with China and South Korea, pullback due to the last-minute surge in demand ahead of the consumption tax hike, and intensified rivalries against our competitors.

In this environment, the Nihon Unisys group aimed to further increase the corporate values. In the second year of our three-year "Mid-term Management Plan 2012→2014", we endeavored to strengthen the income base through the expansion of our core businesses, and also create new income sources through challenging ourselves to take on new businesses. The challenges included the efforts to put co-creation/BPO (Business Process Outsourcing) and social infrastructure businesses on the growth path. Also, we actively deployed the cooperative businesses with Dai Nippon Printing Co., Ltd., with which we formed a business alliance in 2012 in order to accelerate the efforts. Furthermore, we made efforts to reform our personnel system and cost structure in order to strengthen the management base.

With regard to the expansion of core businesses, BankVision®, a next-generation open core-banking system, has further strengthened its performance record, and has now been adopted by its 10th regional bank. A mission-critical large-scale domestic passenger system is now in service for a major Japanese airline after the world-first renovation on the basis of open system. Furthermore, our ICT infrastructure service businesses have steadily grown mainly through a newly awarded order from a regional financial institution for the renewal of their integrated infrastructure of internal information system. Also, the CoreCenter® series of implementation-type solutions have newly begun serving six companies. The series consists of CoreCenter® for Retail, solution for retailers; Lease Vision® (CoreCenter® for Lease), newly launched core system for the leasing industry; and CoreCenter® for DM, solution for the mail order industry. As above, our core businesses have steadily grown as a whole.

With regard to our new businesses which establish co-creation/BPO business models, we launched the Next U's Vision® project, an initiative to cooperate with regional financial institutions and create a new business platform for them. This project will enable us to support the customers of a range of industries in cooperation with the regional financial institutions through the use of our ICT expertise in the proven core-banking system, and eventually help us promote our efforts towards revitalizing the regional economies and establishing a regional social infrastructure. Our efforts for the social infrastructure businesses include: MEMS (Note) that has led the growth of our energy management business; a continued provision of the conventional charging infrastructure service, smart oasis®; and participation in a demonstration experiment about system services for an EV (electric vehicle) car-sharing scheme business. From now on, new service models will be attempted in combination with smart oasis, or in cooperation with other business operators. Besides the above, our system services business for community health-care has also grown and helped a steady development of all the new businesses.

With respect to the last point of strengthening the management base, we have continued to reduce costs through optimization of personnel assignment and reform of cost structure. A relatively good progress has been made on the continued efforts of shifting back-office personnel to operation workforce and consolidating offices.

Thus, our whole group has endeavored to achieve as stated in the Mid-term Management Plan.

(Note) MEMS (Mansion Energy Management System): system for managing energy for condominium buildings

Net sales for the fiscal year under review were ¥282,690 million, an increase of 5.0% compared with the previous fiscal year, as a result of a continued strength of system services that outweighed sluggish support services. Operating income was ¥9,574 million, up by 15.2% from a year earlier, and ordinary income was ¥9,822 million, up by 18.1%, attributable to the efforts of cutting costs such as selling and general administrative expenses in addition to the impacts of increase in net sales. Partly as a result of posting as extraordinary loss a ¥1,605 million impairment loss of non-current assets for outsourcing, net income was ¥6,305 million, a 404.0% increase from a year earlier. It achieved an improvement of ¥5,054 million against the net income of ¥1,250 million of the previous fiscal year when a ¥4,248 million loss on the valuation of investment securities was posted as extraordinary loss.

The breakdown of net sales shows that services sales were ¥199,694 million, a 7.0% or ¥13,115 million increase from the previous fiscal year; software sales were ¥31,337 million, a 1.9% or ¥574 million increase from a year earlier; and hardware sales were ¥51,658 million, a 0.3% or ¥169 million decrease from a year earlier.

For the net sales contribution ratios, services sales were 70.6% (against 69.3% in the previous period); software sales were 11.1% (against 11.4% in the previous period); and hardware sales were 18.3% (against 19.3% in the previous period).

For the results on a non-consolidated basis, net sales were ¥170,794 million, down by 0.3% from the previous fiscal year; operating income was ¥4,409 million, up by 7.0%; ordinary income was ¥6,748 million, up by 1.7%; and net income was ¥4,038 million, up by 440.9%.

② Forecast for the next fiscal year

There are concerns about the Japanese economy such as a temporary slump in consumption against the backdrop of the hike of consumption tax rate, and an increase in the prices of imported raw materials attributable to a weakened yen. However, due to various types of economic measures by the government, the Japanese economy is forecasted to continue to be on a recovery track, and companies will gradually resume capital investment. In this business environment, we plan to post ¥285,000 million net sales for the next fiscal year, up by 0.8 % , on a consolidated basis.

Also, we plan a ¥12,000 million operating income (up by 25.3%), a ¥11, 300 million ordinary income (up by 15.0%) and a ¥7,500 million net income (up by 18.9%), mainly through the efforts to increase net sales and improve further the profitability of system services.

Forecast of the consolidated performance for FY 2015 (Millions of yen)

	FY2015	FY2014	Changes
Net sales	285,000	282,690	0.8%
Operating income	12,000	9,574	25.3%
Ordinary income	11,300	9,822	15.0%
Net income	7,500	6,305	18.9%

(2) Analysis of Financial Condition

In the fiscal year under review, partly due to an increase in inventories, total assets were ¥202,468 million, an increase of ¥4,688 million compared with the end of the previous fiscal year.

Despite the issuance of convertible bond-type bonds with subscription rights to shares, liabilities were ¥126,451 million, a ¥3,411 million decrease from the end of the previous fiscal year, partly ascribable to a decrease in accounts payable-trade and redemption of commercial paper.

Net assets were ¥76,016 million, a ¥8,100 million increase compared with the end of the previous fiscal year, partly attributable to an increase in retained earnings.

With respect to cash and cash equivalents (hereinafter referred to as ‘cash’) at the end of the fiscal year under review, cash provided by operating activities was allocated to investments in computers for sales activities and software for outsourcing. As a result, cash and cash equivalents were ¥28,723 million at the end of the fiscal year, up by ¥3,449 million compared with the beginning of this fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥11,889 million (a decrease of ¥6,557 million in proceeds from the previous fiscal year). This reflects proceeds of ¥8,158 million in income before income taxes and minority interests (up by ¥5,521 million from the previous period), the elements of decreasing the proceeds and the elements of increasing the proceeds. The elements of decreasing the proceeds include a ¥4,952 million increase of inventories (which has the effect of decreasing the proceeds of ¥3,775 million from the previous period) and a ¥1,082 million decrease in notes and accounts-payable trade (which has the effect of decreasing the proceeds of ¥3,222 million from the previous period). The elements of increasing the proceeds include non-cash expenses of ¥10,182 million in depreciation and amortization (which has the effect of decreasing the proceeds of ¥185 million from the previous period) and a decrease of ¥1,231 million in notes and accounts-receivable trade (which has the effect of increasing the proceeds of ¥5,999 million from the previous period).

(Cash flows from investing activities)

Net cash spent in investing activities was ¥8,289 million (a decrease of ¥3,153 million in expenditures compared with the previous period). This includes expenditures of ¥3,031 million as a result of purchasing property, plant and equipment such as computers for sales activities (a decrease of ¥785 million in expenditures compared with the previous period) and expenditures of ¥5,460 million due to the acquisitions of intangible assets such as the investments in software for outsourcing (a decrease of ¥2,608 million in expenditures compared with the previous period).

(Cash flows from financing activities)

Net cash spent in the financing activities was ¥151 million (a decrease of ¥8,833 million from the previous period). This reflects a net decrease of ¥13,000 million of commercial paper (an increase of ¥14,000 million in expenditures from the previous period) and expenditures of ¥2,290 million as a result of repayment of long-term loans payable (a decrease of ¥7,883 million in expenditures from the previous period), against the proceeds of ¥15,225 million as a result of issuance of convertible bond-type bonds with subscription rights to shares (an increase in proceeds of ¥15,225 million from the previous period).

(Reference) Changes of the shareholders' equity ratio and the indicators related to cash flow

	FY2014	FY2013	FY2012	FY2011
Shareholders' equity ratio (%)	36.9	33.6	32.6	36.4
Equity ratio (Market cap.) (%)	46.9	39.0	28.7	24.8
Ratio of cash flow to interest-bearing debts (years)	5.7	3.6	5.5	3.6
Interest coverage ratio (times)	20.4	27.5	16.2	22.1

(Notes) Shareholders' equity ratio: Shareholders' equity/Total assets
Equity ratio (Market cap.): Market capitalization /Total assets
Ratio of cash flow to interest-bearing debt: Interest-bearing debt/Cash flow from operating activities
Interest coverage ratio: Cash flow from operating activities/Interest payments
** All of the above indicators are calculated using financial figures on a consolidated basis.

(3) Basic Policy on Distribution of Profits

Recognizing that increasing corporate value is the most important return to our shareholders, the Company seeks to achieve a stable and continuous distribution of profits. This approach is in line with a policy of paying dividends in accordance with our performance. The specific amount of dividends will be determined taking into consideration the need to secure internal reserves for business development, and also comprehensively considering the business environment and other factors. We aim for a payout ratio of 20% on a consolidated basis.

For the fiscal year under review, we will pay a ¥15 annual dividend per share (¥7.50 for the mid-term dividend and ¥7.50 for the term-end dividend), which is ¥5 more than the previous full fiscal year, as we announced previously.

For the dividend of the next period, we expect an increase in net income. Thus, we plan to pay a ¥20 annual dividend per share (¥10.00 for the mid-term dividend and ¥10.00 for the term-end dividend), which is more than this fiscal year.

2. [Management Policy]

(1) Fundamental Policies of Management

The Group will continue to respond to the expectations and needs of society, pursuant to the corporate philosophy.

<Nihon Unisys Group Corporate Philosophy>

Our Mission

Work with all people to contribute to creating a society that is friendly to people and the environment

Our Vision

Be a group that strives to be sensitive to the expectations and needs of society and that thinks through how ICT can contribute to meet them

Our Values

1. Pursuit of High Quality and High Technology
   Always have the latest knowledge that is useful for society while improving our skills
2. Respect for Individuals and Importance of Teamwork
   Identify each other’s good points, encourage each other to improve those good points and harness the strength of each person
3. Attractive Company for Society, Customers, Shareholders and Employees
   Listen sincerely to our stakeholders to improve our corporate value

(2) Ideals of Partnership that We Aim For

Our Group aims for the three ideals of partnership below as our mid-term management goals, with a keen awareness of our duty that is to “create a society that benefits human beings and the environment through ICT together with our customers”.

- To become the No.1 partner capable of achieving the optimization of ICT
- To become a partner capable of providing added values to customers by leveraging ICT
- To become a partner capable of contributing to the provision of social infrastructures by utilizing ICT

(3) Mid-and-Long Term Management Strategies

Our Group has operated businesses with the goal of developing from a system integrator into a service provider, as laid out in the “Mid-term Management Plan (2012→2014)”.

Our entire Group will strive to provide services suitable to new environments of society and economy, using our strengths (capabilities of creating large-scale transaction platforms and providing support services, knowledge about businesses and solutions, and capabilities of data analysis) and also the technical capabilities such as those of M2M(Note 1) and O2O(Note 2), which we have accumulated as a service provider.

(Note 1) M2M（Machine to Machine）:

M2M describes any technology that enables devices on networks such as the Internet and wireless LAN to communicate among themselves automatically in order to exchange data or work in conjunction with each other

(Note 2) O2O（Online to Offline, Offline to Online）:

O2O means bilateral coordination and integration of purchase behaviors that customers perform, both on the web-based platforms such as electronic commerce sites or social media and offline, at bricks-and-mortar shops or at actual events of sales promotion.

(4) Financial Target

Our Group positions an increase in sales and income as our critical agenda. Our plan on a consolidated basis for the fiscal year ending March 2015 indicates net sales of ¥285,000 million, operating margin of 4.2%, and net income of ¥7,500 million. We will aim to regain soon net sales of ¥300,000 million on a consolidated basis.

(5) Issues to Be Dealt with

Our Group bears in mind the important issues of increasing sales and income, strengthening risk management and enhancing the quality of our business, and sincerely has endeavored to achieve as indicated in the “Mid-term Management Plan (2012→2014)”.

① Increase in sales and income

Our Group aims for a business change; we intend to phase out the businesses that are oriented towards system integration, and establish a scheme to integrate multiple services including third-party services and provide them to customers. Pursuant to the “Mid-term Management Plan (2012→2014)” that establishes the foundation for the change, we have conducted our businesses under the following basic policies: expansion of our core businesses; taking on the challenge of new businesses; and strengthening of management base.

We are expected to complete the plan in the fiscal year ending March 2015, the final fiscal year for the plan. We will focus on the important themes, acceleration of the sales of solution services and genuine engagement in global businesses. The themes represent our efforts to secure earnings through the further strengthened risk management and extend the strategies that we have taken so far.

Accordingly, we will strive to strengthen the growth strategies, re-organize ourselves, and reform various types of our in-company systems, across the Group. Also, we will prepare ourselves for the next mid-term management plan by creating the business structures that will serve the purposes of improving operation services through standardization or stylization, expanding businesses concerning the phase of operation such as planning new business, and strengthening ICT infrastructure technologies (such as those for security, mobility, cloud, and network) that will respond to the propagation of social media.

② Enhancement of risk management

The enhancement of risk management arrangements pertains to the important issue of reducing potential risks in large-scale development projects that may impact significantly the profits or losses of the entire Group. We have multilaterally assessed the contents of risks at the Business Review Committee when system creation proposals are made and accepted for implementation. Also, we have increased our responses to diverse risks by spreading the mechanism of reducing potential risks. The mechanism enabled us to expose risks of individual proposals on the basis of business assessment tables and implement measures against them. We will continue to operate this mechanism in order to stabilize further our business management.

③ Strengthening of corporate structure

We recognize the issue of strengthening our corporate structure continuously in order to put our Group on a growth track. We will continue to decrease fixed costs such as personnel expenses and office expenses as a reform of our cost structure. Also, we will continue to implement our personnel management and personnel training systems in order to become a company where each one of the employees can achieve high performance and feel rewarded.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of Yen

	FY2013 (As of March 31, 2013)	FY2014 (As of March 31, 2014)
ASSETS		
Current assets		
Cash and deposits	25,274	28,723
Notes and accounts receivable-trade	69,189	67,958
Merchandise and finished goods	6,043	10,489
Work in process	2,594	2,908
Raw materials and supplies	178	370
Deferred tax assets	6,024	6,290
Prepaid expenses	6,932	7,610
Others	7,945	4,106
Allowance for doubtful accounts	(145)	(97)
Total current assets	**124,037**	**128,361**
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,996	12,126
Accumulated depreciation	(8,657)	(8,766)
Buildings and structures, net	3,338	3,360
Machinery, equipment and vehicles	40,632	35,935
Accumulated depreciation	(34,355)	(30,243)
Machinery, equipment and vehicles, net	6,276	5,692
Land	633	618
Others	12,563	10,713
Accumulated depreciation	(9,287)	(8,229)
Others, net	3,275	2,483
Total property, plant and equipment	**13,524**	**12,155**
Intangible assets		
Goodwill	2,072	1,935
Software	21,926	18,815
Others	93	67
Total intangible assets	**24,092**	**20,817**
Investments and other assets		
Investment securities	14,586	16,199
Deferred tax assets	6,807	4,089
Prepaid pension cost	1,523	—
Net defined benefit assets	—	7,123
Others	13,692	14,202
Allowance for doubtful accounts	(484)	(481)
Total investments and other assets	**36,124**	**41,133**
Total non-current assets	**73,742**	**74,106**
Total assets	**197,779**	**202,468**

	FY2013 (As of March 31, 2013)	FY2014 (As of March 31, 2014)
		Millions of Yen
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	25,517	24,434
Current portion of bonds	—	10,000
Current portion of long-term loans payable	2,290	3,940
Commercial papers	13,000	—
Income taxes payable	753	540
Accrued expenses	7,315	7,676
Advances received	11,228	12,764
Allowance for loss on contract development	1,757	3,271
Other provision	650	665
Others	14,144	7,974
Total current liabilities	**76,657**	**71,268**
Non-current liabilities		
Bonds payable	10,000	—
Convertible bond	—	15,162
Long-term loans payable	39,560	36,770
Deferred tax liabilities	47	32
Provision for retirement benefits	958	—
Other provision	665	501
Net defined benefit liability	—	1,019
Asset retirement obligations	1,281	1,307
Others	692	389
Total non-current liabilities	**53,205**	**55,183**
Total liabilities	**129,863**	**126,451**
NET ASSETS		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	15,281	15,281
Retained earnings	63,141	68,267
Treasury stock	(19,344)	(19,318)
Total shareholders' equity	**64,561**	**69,714**
Accumulated other comprehensive income (loss)		
Valuation difference on available-for-sale securities	1,957	3,437
Deferred gains or losses on hedges	(13)	(20)
Remeasurements of defined benefit plans	—	1,665
Total accumulated other comprehensive income (loss)	**1,943**	**5,082**
Subscription rights to shares	858	661
Minority interests	552	558
Total net assets	**67,916**	**76,016**
Total liabilities and net assets	**197,779**	**202,468**

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

(Consolidated Statements of Income)

Millions of Yen

	FY2013 (Fiscal year ended March 31, 2013)	FY2014 (Fiscal year ended March 31, 2014)
Net sales	**269,170**	**282,690**
Cost of sales	**205,624**	**219,079**
Gross profit	**63,545**	**63,610**
Selling, general and administrative expenses		
Selling expenses	9,550	10,900
General and administrative expenses	45,683	43,135
Total selling, general and administrative expenses	**55,234**	**54,036**
Operating income	**8,311**	**9,574**
Non-operating income		
Interest income	59	60
Dividends income	370	360
Equity in earnings of affiliates	42	44
Gain on sales of listed securities	121	—
Foreign exchange gains	—	261
Others	155	233
Total non-operating income	**749**	**960**
Non-operating expense		
Interest expenses	651	518
Loss on sales of listed securities	—	87
Others	93	106
Total non-operating expense	**745**	**712**
Ordinary income	**8,315**	**9,822**
Extraordinary income		
Gain on sales of investment securities	7	325
Gain on donation of non-current assets	52	—
Gain on reversal of subscription rights to share	—	266
Others	4	25
Total extraordinary income	**65**	**616**
Extraordinary loss		
Loss on sales and retirement of non-current assets	36	95
Impairment loss	1,335	1,605
Loss on valuation of investment securities	4,248	577
Others	121	2
Total extraordinary loss	**5,742**	**2,280**
Income before income taxes and minority interests	**2,637**	**8,158**
Income taxes-current	**1,115**	**887**
Income taxes-deferred	**152**	**942**
Total income taxes	**1,268**	**1,829**
Income before minority interests	**1,369**	**6,329**
Minority interests in income	**118**	**24**
Net income	**1,250**	**6,305**

(Consolidated Statements of Comprehensive Income)

	FY2013 (Fiscal year ended March 31, 2013)	FY2014 (Fiscal year ended March 31, 2014)
	Millions of Yen	
Income before minority interests	**1,369**	**6,329**
Other comprehensive income		
Valuation difference on available-for-sale securities	3,825	1,479
Deferred gains or losses on hedges	(31)	(6)
Share of other comprehensive income of associates accounted for using equity method	0	(0)
Total other comprehensive income	**3,794**	**1,472**
Comprehensive income	**5,163**	**7,802**
(Breakdown)		
Comprehensive income attributable to owners of the parent	5,045	7,778
Comprehensive income attributable to minority interests	118	24

(3) Consolidated Statements of Changes in Net Assets

FY2013 [From April 1, 2012 to March 31, 2013]

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at beginning of period	5,483	15,281	62,369	(19,360)	63,773
Changes of items during the period					
Dividends from surplus			(469)		(469)
Net income			1,250		1,250
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock			(9)	16	7
Net changes of items other than shareholder's equity					—
Total changes of items during the period	—	—	771	16	788
Balance at end of period	5,483	15,281	63,141	(19,344)	64,561

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Re-measurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(1,868)	17	—	(1,850)	847	452	63,223
Changes of items during the period							
Dividends from surplus							(469)
Net income							1,250
Purchase of treasury stock							(0)
Disposal of treasury stock							7
Net changes of items other than shareholder's equity	3,826	(31)		3,794	10	100	3,905
Total changes of items during the period	3,826	(31)	—	3,794	10	100	4,693
Balance at end of period	1,957	(13)	—	1,943	858	552	67,916

FY2014 [From April 1, 2013 to March 31, 2014]

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at beginning of period	5,483	15,281	63,141	(19,344)	64,561
Changes of items during the period					
Dividends from surplus			(1,174)		(1,174)
Net income			6,305		6,305
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock			(3)	27	23
Net changes of items other than shareholder's equity					―
Total changes of items during the period	―	―	5,126	25	5,152
Balance at end of period	5,483	15,281	68,267	(19,318)	69,714

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Re-measurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,957	(13)	―	1,943	858	552	67,916
Changes of items during the period							
Dividends from surplus						(18)	(1,193)
Net income							6,305
Purchase of treasury stock							(1)
Disposal of treasury stock							23
Net changes of items other than shareholder's equity	1,479	(6)	1,665	3,138	(197)	24	2,965
Total changes of items during the period	1,479	(6)	1,665	3,138	(197)	6	8,100
Balance at end of period	3,437	(20)	1,665	5,082	661	558	76,016

(4) Consolidated Statements of Cash Flows

Millions of Yen

	FY2013 (Fiscal year ended March 31, 2013)	FY2014 (Fiscal year ended March 31, 2014)
Net cash provided by (used in) operating activities:		
Income (loss) before income taxes and minority interests	2,637	8,158
Depreciation and amortization	10,368	10,182
Impairment loss	1,335	1,605
Amortization of goodwill	137	138
Amortization of negative goodwill	(7)	―
Loss (gain) on sales of investment securities	(128)	(237)
Loss (gain) on valuation of investment securities	4,248	577
Increase (decrease) in allowance for loss on contract development	(1,981)	1,514
Increase (decrease) in provisions for retirement benefits	70	(958)
Increase (decrease) in net defined benefit liabilities	―	1,019
Decrease (increase) in prepaid pension cost	82	1,523
Decrease (increase) in net defined benefit asset	―	(7,123)
Increase (decrease) in other provisions	(64)	(200)
Interest and dividends income	(430)	(421)
Interest expenses	651	518
Decrease (increase) in notes and accounts receivable-trade	(4,768)	1,231
Decrease (increase) in inventories	(1,177)	(4,952)
Increase (decrease) in notes and accounts payable-trade	2,139	(1,082)
Increase (decrease) in accrued expenses	3,721	360
Increase (decrease) in deposits received	2,308	(551)
Others	1,111	1,304
Subtotal	20,255	12,605
Interest and dividends income received	437	422
Interest expenses paid	(670)	(582)
Income taxes paid	(1,574)	(555)
Net cash provided by (used in) operating activities	18,447	11,889
Net cash provided by (used in) investing activities:		
Purchase of property, plant and equipment	(3,817)	(3,031)
Proceeds from sales of property, plant and equipment	1	53
Purchase of intangible assets	(8,069)	(5,460)
Purchase of investment securities	(29)	(700)
Proceeds from sales of investment securities	500	779
Others	(27)	69
Net cash provided by (used in) investing activities	(11,442)	(8,289)

	FY2013 (Fiscal year ended March 31, 2013)	FY2014 (Fiscal year ended March 31, 2014)
		Millions of Yen
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	300	450
Proceeds from long-term loans payable	10,862	1,150
Repayment of long-term loans payable	(10,173)	(2,290)
Redemption of bonds	(10,000)	—
Proceeds from insurance of convertible bond	—	15,255
Repayment of other borrowings	(497)	(484)
Increase (decrease) in commercial papers	1,000	(13,000)
Purchase of treasury stock	(0)	(1)
Proceeds from sales of treasury stock	7	—
Cash dividends paid	(469)	(1,174)
Cash dividends paid to minority shareholders	(14)	(18)
Others	—	(7)
Net cash provided by (used in) financing activities	(8,985)	(151)
Net increase (decrease) in cash and cash equivalents	(1,980)	3,449
Cash and cash equivalents at beginning of period	27,254	25,274
Cash and cash equivalents at end of period	25,274	28,723

(5) Notes regarding Assumptions as a Going Concern

None applicable

(6) Changes in Representation Methods

(Adoption of Accounting Standard for Retirement Benefits)

During the fiscal year under review, the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan, ASBJ, Statement No.26, issued May 17, 2012, hereinafter referred to as “Accounting Standards for Retirement Benefits”) and the "Implementation Guidance on Accounting Standard for Retirement Benefits" (ASBJ Statement No. 25, issued May 17, 2012, hereinafter referred to as “Guidance on Accounting Standard for Retirement Benefits”) were adopted. (Note that the stipulations in the text of paragraph 35 of Accounting Standard for Retirement Benefits and the text of paragraph 67 of Guidance on Accounting Standard for Retirement Benefits are excluded.) As a result of this adoption, we changed to the method of subtracting the amount of plan assets from retirement benefit obligations, and recording the balance in net defined benefit liabilities. The unrecognized actuarial differences were posted in net defined benefit liabilities.

Note that if the amount of plan assets surpasses the amount of retirement benefit obligations, the unrecognized actuarial differences were posted in net defined benefit assets.

Due to the adoption of Accounting Standard for Retirement Benefits in accordance with the provision for transitional treatment as stated in paragraph 37 of Accounting Standard for Retirement Benefits, the amount of the impact stemming from this change was added to or subtracted from re-measurements of defined benefit plans under accumulated other comprehensive income for the fiscal year under review.

As a result, accumulated other comprehensive income increased by ¥1,665 million at the end of the fiscal year under review.

Also, the amount of net assets per share increased by ¥17.72.

(7) Additional Information

(Business Combination)

(Business Combination under Common Control)

1. Summary of the Business Combination

(1) Name and business of the companies of business combination

① Company surviving the absorption-type merger

Name: UNIADEX, Ltd. (Consolidated subsidiary of Nihon Unisys, Ltd.)

Business: Support services, outsourcing, and hardware sales

② Company absorbed in the absorption-type merger

Name: Netmarks, Inc. (Consolidated subsidiary of Nihon Unisys, Ltd.)

Business: Creation of network system

(2) Date of the combination

March 1, 2014

(3) Legal form of the combination

Absorption-type merger where UNIADEX, Ltd. is the surviving company and Netmarks, Inc. is the absorbed company

(4) Name of the company after the combination

UNIADEX, Ltd. (Consolidated subsidiary of Nihon Unisys, Ltd.)

(5) Other

The combination is aimed at integrating the management resources of both companies and enhancing overall capabilities in order to provide 'total infrastructure service' of higher quality.

2. Summary of the accounting treatment implemented

The combination was implemented as a business combination under common control, based on the "Accounting Standard for Business Combinations" (ASBJ Statement No.21, December 26, 2008) and "Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

(8) Notes to Consolidated Financial Statements

(Segment Information and Others)

(Segment information)

1. Overview of reportable segments

The reportable segments of the Company are those units among the constituent units of the Company for which separate financial statements can be obtained and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

By fully harnessing the collective capabilities of the Group, the Company provides comprehensive IT solution services, from identifying customers' management issues to providing solutions to them. Our businesses involve proposing comprehensive strategies for products and services that together constitute IT solution services.

The Company's operations therefore consist of segments on the basis of products and services that constitute our IT solution services. We have six reportable segments; System Services, Support Services, Outsourcing, Netmarks Services, Software, and Hardware.

Details of the reportable segments are as follows:

- System Services: Entrusted software development business, system engineer services and consulting
- Support Services: Software and hardware maintenance, installation support and related services
- Outsourcing: Entrusted management of information systems, and related services
- Netmarks Services: Overall construction of network systems
- Software: Provision of software based on software license agreements
- Hardware: Provision of hardware based on equipment sales agreements or rental agreements

2. Methods to determine net sales, income or loss, assets and other amounts by reportable segment

The accounting methods by business segment reported herein are the same as described in the "Basis of Presentation of the Consolidated Financial Statements."

3. Information on net sales, income or loss, assets and other amounts by reportable segment

FY 2013 (from April 1, 2012 to March 31, 2013) (Millions of Yen)

	Reportable segment							Other (Note 1)	Total	Adjust ment (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
	System Services	Support Services	Out sourcing	Netmarks Services	Software	Hardware	Total				
Net Sales	72,334	51,334	32,356	21,758	30,762	51,828	260,374	8,795	269,170	-	269,170
Segment profits	12,963	17,484	3,660	3,936	10,511	11,556	60,113	3,431	63,545	(55,234)	8,311
Segment assets	2,070	2,301	17,971	2,312	4,378	5,977	35,012	314	35,326	162,452	197,779
Other items Depreciation and amortization	135	357	3,889	464	2,443	1,067	8,357	157	8,515	1,852	10,368
Increased amount of property, plant and equipment and intangible assets	163	350	6,350	344	1,881	1,462	10,552	105	10,657	1,695	12,352

(Note 1) The Other category is a business segment that is not included in the reportable segments. It includes the installation.

(Note 2) The contents of adjustment are described below.

(1) The adjustment of ¥55,234million to segment profits includes development expenses of ¥4,861million, amortization of goodwill of ¥137 million, and selling, general and administrative expenses of ¥50,235 million that have not been distributed to each reportable segment.

(2) The adjustment of ¥162,452 million to segment assets represents the corporate assets that have not been distributed to each reportable segment.

(3) The adjustment of ¥1,852 million to depreciation and amortization represents the depreciation and amortization of the corporate assets that have not been distributed to each reportable segment.

(4) The adjustment of ¥1,695 million to increased amount of property, plant and equipment and intangible assets represents the increase in the corporate assets that have not been distributed to each reportable segment.

(Note 3) Segment profits have been adjusted with the operating income recorded in the consolidated financial statements.

FY 2014 (from April 1, 2013 to March 31, 2014) (Millions of Yen)

	Reportable segment							Other (Note 1)	Total	Adjust ment (Note 2)	Amount recorded in the consolidated financial statements (Note 3)
	System Services	Support Services	Out sourcing	Netmarks Services	Software	Hardware	Total				
Net Sales	79,436	49,142	35,336	26,486	31,337	51,658	273,397	9,292	282,690	-	282,690
Segment profits	15,935	16,387	7,129	4,493	9,588	7,660	61,194	2,416	63,610	(54,036)	9,574
Segment assets	2,348	2,105	16,317	2,871	4,883	7,563	36,089	319	36,409	166,058	202,468
Other items Depreciation and amortization	177	488	4,395	410	1,825	858	8,154	83	8,238	1,944	10,182
Increased amount of property, plant and equipment and intangible assets	228	273	3,649	151	1,877	381	6,560	80	6,641	1,930	8,572

(Note 1) The Other category is a business segment that is not included in the reportable segments. It includes the installation.

(Note 2) The contents of adjustment are described below.

(1) The adjustment of ¥54,036million to segment profits includes development expenses of ¥4,659 million, amortization of goodwill of ¥137 million, and selling, general and administrative expenses of ¥49,239 million that have not been distributed to each reportable segment.

(2) The adjustment of ¥166,058 million to segment assets represents the corporate assets that have not been distributed to each reportable segment.

(3) The adjustment of ¥1,944 million to depreciation and amortization represents the depreciation and amortization of the corporate assets that have not been distributed to each reportable segment.

(4) The adjustment of ¥1,930 million to increased amount of property, plant and equipment and intangible assets represents the increase in the corporate assets that have not been distributed to each reportable segment.

(Note 3) Segment profits have been adjusted with the operating income recorded in the consolidated financial statements.

(Related information)

FY2013 (from April 1, 2012 to March 31, 2013)

1. Information by product and service

Information by product and service is not described because the same information is stated as part of segment information.

2. Information by region

(1) Net sales

Net sales by region are not disclosed because the amount of net sales to customers in Japan accounts for more than 90% of the amount of net sales of consolidated statements of income.

(2) Property, plant and equipment

Property, plant and equipment by region are not disclosed because the amount of property, plant and equipment that are located in Japan accounts for more than 90% of the amount of property, plant and equipment of consolidated balance sheets.

3. Information by major customer

No major customer is stated because no customer accounted for more than 10% of net sales as stated in the consolidated statements of income.

FY2014 (from April 1, 2013 to March 31, 2014)

1. Information by product and service

Information by product and service is not described because the same information is stated as part of segment information.

2. Information by region

(1) Net sales

Net sales by region are not disclosed because the amount of net sales to customers in Japan accounts for more than 90% of the amount of net sales of consolidated statements of income.

(2) Property, plant and equipment

Property, plant and equipment by region are not disclosed because the amount of property, plant and equipment that are located in Japan accounts for more than 90% of the amount of property, plant and equipment of consolidated balance sheets.

3. Information by major customer

No major customer is stated because no customer accounted for more than 10% of net sales as stated in the consolidated statements of income.

(Information on impairment loss of non-current assets by reportable segment)

FY 2013 (from April 1, 2012 to March 31, 2013) (Millions of Yen)

	System Services	Support Services	Outsourcing	Netmarks Services	Software	Hardware	Other	Eliminations and Corporate	Total
Impairment loss	–	–	1,335	–	–	–	–	–	1,335

FY 2014 (from April 1, 2013 to March 31, 2014) (Millions of Yen)

	System Services	Support Services	Outsourcing	Netmarks Services	Software	Hardware	Other	Eliminations and Corporate	Total
Impairment loss	–	–	1,605	–	–	–	–	–	1,605

(Information about the amount of amortization of goodwill and the amount of the unamortized balance of goodwill by reportable segment)

FY 2013 (from April 1, 2012 to March 31, 2013)

(Millions of Yen)

	System Services	Support Services	Outsourcing	Netmarks Services	Software	Hardware	Other	Eliminations and Corporate	Total
Amount of amortization for this period	—	—	—	—	—	—	—	137	137
Balance at the end of this period	—	—	—	—	—	—	—	2,072	2,072

The amount of amortization of negative goodwill and the amount of the unamortized balance of negative goodwill are stated as below.

(Millions of Yen)

	System Services	Support Services	Outsourcing	Netmarks Services	Software	Hardware	Other	Eliminations and Corporate	Total
Amount of amortization for this period	—	—	—	—	—	—	—	7	7
Balance at the end of this period	—	—	—	—	—	—	—	—	—

FY 2014 (from April 1, 2013 to March 31, 2014)

(Millions of Yen)

	System Services	Support Services	Outsourcing	Netmarks Services	Software	Hardware	Other	Eliminations and Corporate	Total
Amount of amortization for this period	—	—	—	—	—	—	—	137	137
Balance at the end of this period	—	—	—	—	—	—	—	1,935	1,935

The amount of amortization of negative goodwill and the amount of the unamortized balance of negative goodwill are stated as below.

(Millions of Yen)

	System Services	Support Services	Outsourcing	Netmarks Services	Software	Hardware	Other	Eliminations and Corporate	Total
Amount of amortization for this period	—	—	—	—	—	—	—	—	—
Balance at the end of this period	—	—	—	—	—	—	—	—	—

(Information about gain on negative goodwill by reportable segment)

FY 2013 (from April 1, 2012 to March 31, 2013)

None

FY 2014 (from April 1, 2013 to March 31, 2014)

None

(Per-Share Information)

	FY 2013 (from April 1, 2012 to March 31, 2013)	FY 2014 (from April 1, 2013 to March 31, 2014)
Net assets per share (¥)	707.57	795.61
Earnings per share (¥)	13.31	67.08
Diluted earnings per share (¥)	13.31	59.49

Note: 1. The basic information used to calculate earnings per share or diluted earnings per share for the years ended March 31, 2013 and 2014 is as follows.

	FY 2013 (from April 1, 2012 to March 31, 2013)	FY 2014 (from April 1, 2013 to March 31, 2014)
Earnings per share		
Net income for the year (¥ mil)	1,250	6,305
Amount that does not belong to ordinary shareholders (¥ mil)	—	—
Net income attributable to common stock (¥ mil)	1,250	6,305
Average number of common stock outstanding during the year (thousand shares)	93,989	93,993
Diluted earnings per share		
Net income adjustments (¥ mil)	—	38
(Interest expenses (after the adjustment of amount equivalent to tax) (¥mi)) (Note 2)	—	(38)
Increase of common stock (thousand shares)	19	11,349
(Convertible bond-type bonds with subscription rights to shares (thousand shares))	—	(11,220)
(Subscription rights to shares (thousand shares))	(19)	(129)
Dilutive shares, which were not included in the calculation of diluted earnings per share, due to lack of dilution effect	Subscription rights to shares Days when an extraordinary resolution was adopted at general shareholders' meetings June 22, 2006 (4,906 units of subscription rights to shares) June 28, 2007 (7,061 units of subscription rights to shares) June 27, 2008 (4,582 units of subscription rights to shares) June 26, 2009 (4,680 units of subscription rights to shares)	Subscription rights to shares Days when an extraordinary resolution was adopted at general shareholders' meetings June 28, 2007 (7,029 units of subscription rights to shares) June 27, 2008 (4,539 units of subscription rights to shares)

Note: 2. The amount represents the amount of amortization for the fiscal year ended March 31, 2014 for the amount of difference resulted from issuing at a higher price than the face amount of bond.

3. The basic information used to calculate net asset per share at the end of the years ended March 31, 2013 and 2014 is as follows.

	FY 2013 (from April 1, 2012 to March 31, 2013)	FY 2013 (from April 1, 2012 to March 31, 2013)
Total net assets (¥ mil)	67,916	76,016
Amounts to be deducted from the total net assets (¥ mil)	1,411	1,220
(Subscription rights to shares) (¥ mil)	(858)	(661)
(Minority interests) (¥ mil)	(552)	(558)
Net assets at the end of period attributable to common stock (¥ mil)	66,505	74,796
Number of common stock at the end of period utilized for the calculation of net assets per share (thousand shares)	93,991	94,011

(Significant Subsequent Events)

None