



## Consolidated Financial Report for the First Quarter of Fiscal Year Ending March 31, 2014 [Japan GAAP]

July 31, 2013

### Nihon Unisys, Ltd.

Stock Listing:	Tokyo Stock Exchange 1st Section
Stock Code:	8056
URL:	<a href="http://www.unisys.co.jp/">http://www.unisys.co.jp/</a>
Representative:	Shigeru Kurokawa, Representative Director, President & CEO
Contact:	Yukihiko Hayashi, General Manager, Corporate Communications
TEL:	+81-3-5546-7404
Scheduled Submission Date for Quarterly Report:	August 12, 2013
Scheduled Starting Date for Dividend Payment:	—
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 Q1 (from April 1, 2013 to June 30, 2013)

#### (1) Consolidated Results of Operations

(Percentage below represents increase from the same period of previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
<b>FY2014 Q1</b>	54,694	4.3	1,409	55.8	1,620	49.4	424	29.0
<b>FY2013 Q1</b>	52,437	6.7	904	—	1,084	—	329	—

(Note) Comprehensive Income FY2014 Q1: 1,115 Million Yen (—%) FY2013 Q1: -89 Million Yen (—%)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
<b>FY2014 Q1</b>	4.52	4.27
<b>FY2013 Q1</b>	3.50	—

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
<b>FY2014 Q1</b>	187,912	68,543	35.7
<b>FY2013</b>	197,779	67,916	33.6

(Reference) Shareholders' Equity FY2014 Q1: 67,149 Million Yen FY2013: 66,505 Million Yen

### 2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
<b>FY2013</b>	—	5.00	—	5.00	10.00
<b>FY2014</b>	—	7.50	—	7.50	15.00
<b>FY2014 (Forecast)</b>	—	7.50	—	7.50	15.00

(Note) Revisions to the latest forecast of dividends: No

### 3. Consolidated Earnings Forecast for FY2014 (from April 1, 2013 to March 31, 2014)

(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
<b>FY2014 1st Half</b>	120,000	(3.7)	2,500	(41.3)	2,300	(47.4)	1,400	—	14.90
<b>FY2014</b>	275,000	2.2	12,000	44.4	11,300	35.9	7,000	459.6	74.48

(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: No

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)	FY2014 Q1	109,663,524	FY2013	109,663,524
2. Number of shares of treasury stock	FY2014 Q1	15,672,622	FY2013	15,672,347
3. Average number of shares outstanding (during the period)	FY2014 Q1	93,990,989	FY2013 Q1	93,985,464

# 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

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.

#### **4. Qualitative Information on the Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2014**

##### **(1) Analysis of Business Operation**

During the first quarter of the fiscal year ending March 2014, the Japanese economy steadily recovered, attributable to the effects of various economic measures spearheaded by the new government. Capital investments by companies have gradually ceased to fall, while exporting and other large companies were the first to get on the path to recovery. However, we recognize that other companies have continued to be under harsh conditions. In the information services market, it is thought that they may take slightly more time before making a full-scale IT investment, despite a discernible undertone of recovery. Thus, we have continued to be in a severe business environment where we have also been faced with as fierce competition as ever in the industry.

Against this backdrop, the Nihon Unisys group aimed to further increase the corporate values. In the fiscal year of this quarter under review, the second year of our “Mid-term Management Plan 2012->2014”, we endeavoured to strengthen the income base through the expansion of our core businesses. Also, we aimed to put co-creation/BPO (Business Process Outsourcing) businesses and social infrastructure businesses on the track of growth by taking on the challenge of new businesses and actively deploying the cooperative businesses with Dai Nippon Printing Co., Ltd. which we formed a business alliance with last year. Furthermore, we made efforts to reform personnel system and cost structure in order to reinforce the management base.

With regard to our efforts to expand core businesses, a large-scale, mission-critical domestic passenger system started to serve a large airline company in Japan after a renovation through the world’s first use of open system. Also, we were recognized as a system partner that extends BPO services of handling administrative work of bills and notes (negotiable instruments) for 12 Shinkin banks in Shizuoka prefecture in Japan’s first work sharing scheme. Furthermore, our ICT infrastructure business continued to be strong, as reflected in our being awarded the large-scale project of ICT infrastructure procurement for a life-insurance company of Japan Post Group.

With respect to taking on the challenge of new businesses, we launched a new project of creating a business platform that will support the regional financial institutions for their future growth on the basis of the core technologies of our market-proven mission-critical core-banking system that has been implemented at many of them. This project involves various customers that are served by the regional financial institutions. Our support to be extended to those customers through this business platform will enable us to increase the opportunities of selling our ICT solutions, enhance the presence of their financial service providers in the region and stimulate the local economies.

With regard to reinforcing the management base, the initiatives of workforce optimization and cost structural reform have been progressing smoothly towards our goal in the mid-term management plan. Indirect workforce has been shifted to operation workforce and fixed costs were reduced, partly through the efforts of consolidating offices.

As regards the consolidated results for the first quarter under review, net sales totaled ¥ 54,694 million, up by 4.3% compared with the same period of the previous fiscal year. This is due to the strength of service and software sales.

Concerning profit, due to the increase in net sales and also efforts in reducing costs such as selling, general and administrative expenses, operating income was ¥1,409 million (a 55.8 % increase on a year-to-year comparison), and ordinary income was ¥ 1,620 million (a 49.4% increase on a year-to-year comparison). The Group posted a net income of ¥ 424 million (a 29.0 % increase on a year-to-year comparison).

##### **(2) Analysis of Financial Condition**

In the first quarter under review, partly due to a decrease in accounts receivable-trade, total assets were ¥187,912million, down by ¥9,867 million compared with the end of the previous fiscal year.

The impact of the issuance of convertible bond-type bonds with subscription rights to shares were alleviated by a decrease in accounts payable-trade and the redemption of commercial paper. Thus, liabilities totaled ¥119,368 million, down by ¥10,494 million from the end of the previous fiscal year.

Net assets were ¥68,543 million at the end of this period. The shareholders’ equity ratio was 35.7%, an improvement of 2.1 percentage points from the end of the previous fiscal year.

##### **(3) Comments on the Forward-Looking Statements such as Consolidated Financial Forecast**

Our consolidated performance forecast and non-consolidated performance forecast as announced on May 9, 2013 have not been revised.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

Millions of Yen

	FY2013 (As of March 31, 2013)	FY2014 Q1 (As of June 30, 2013)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Deposits	25,274	34,961
Notes and Accounts Receivable-Trade	69,189	46,504
Merchandise and Finished Goods	6,043	9,206
Work in Process	2,594	5,127
Raw Materials and Supplies	178	174
Deferred Tax Assets	6,024	5,724
Others	14,878	12,064
Allowance for Doubtful Accounts	(145)	(106)
<b>Total Current Assets</b>	<b>124,037</b>	<b>113,657</b>
<b>Non-Current Assets</b>		
<b>Property, Plant and Equipment</b>		
Buildings and Structures, Net	3,338	3,269
Machinery, Equipment and Vehicles, Net	6,276	5,980
Others, Net	3,909	3,800
<b>Total Property, Plant and Equipment</b>	<b>13,524</b>	<b>13,050</b>
<b>Intangible Assets</b>		
Goodwill	2,072	2,037
Software	21,926	21,561
Others	93	87
<b>Total Intangible Assets</b>	<b>24,092</b>	<b>23,686</b>
<b>Investments and Other Assets</b>		
Investment Securities	14,586	15,183
Deferred Tax Assets	6,807	6,218
Prepaid Pension Cost	1,523	2,289
Others	13,692	14,312
Allowance for Doubtful Accounts	(484)	(486)
<b>Total Investments and Other Assets</b>	<b>36,124</b>	<b>37,517</b>
<b>Total Non-Current Assets</b>	<b>73,742</b>	<b>74,254</b>
<b>Total Assets</b>	<b>197,779</b>	<b>187,912</b>

Millions of Yen

	FY2013 (As of March 31, 2013)	FY2014 Q1 (As of June 30, 2013)
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Notes and Accounts Payable-Trade	25,517	17,838
Current Portion of Long-Term Loans Payable	2,290	2,290
Commercial Papers	13,000	-
Income Taxes Payable	753	115
Allowance for Loss on Contract Development	1,757	1,824
Other Provision	650	803
Others	32,688	28,352
<b>Total Current Liabilities</b>	<b>76,657</b>	<b>51,224</b>
<b>Non-Current Liabilities</b>		
Bonds Payable	10,000	10,000
Convertible Bond-Type Bonds with Subscription Rights to Shares	-	15,218
Long-Term Loans Payable	39,560	39,360
Deferred Tax Liabilities	47	58
Provision for Retirement Benefits	958	976
Other Provision	665	644
Asset Retirement Obligations	1,281	1,288
Others	692	597
<b>Total Non-Current Liabilities</b>	<b>53,205</b>	<b>68,144</b>
<b>Total Liabilities</b>	<b>129,863</b>	<b>119,368</b>
<b>NET ASSETS</b>		
<b>Shareholders' Equity</b>		
Capital Stock	5,483	5,483
Capital Surplus	15,281	15,281
Retained Earnings	63,141	63,095
Treasury Stock	(19,344)	(19,344)
<b>Total Shareholders' Equity</b>	<b>64,561</b>	<b>64,516</b>
<b>Accumulated Other Comprehensive Income</b>		
Valuation Difference on Available-for-Sale Securities	1,957	2,559
Deferred Gains (Losses) on Hedges	(13)	73
<b>Total Accumulated Other Comprehensive Income</b>	<b>1,943</b>	<b>2,633</b>
Subscription Rights to Shares	858	858
Minority Interests	552	535
<b>Total Net Assets</b>	<b>67,916</b>	<b>68,543</b>
<b>Total Liabilities and Net Assets</b>	<b>197,779</b>	<b>187,912</b>

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

Millions of Yen

	FY2013 Q1 (Three months ended June 30, 2012)	FY2014 Q1 (Three months ended June 30, 2013)
<b>Net Sales</b>	<b>52,437</b>	<b>54,694</b>
<b>Cost of Sales</b>	<b>38,692</b>	<b>40,597</b>
<b>Gross Profit</b>	<b>13,744</b>	<b>14,096</b>
<b>SG&amp;A Expenses</b>	<b>12,840</b>	<b>12,687</b>
<b>Operating Income</b>	<b>904</b>	<b>1,409</b>
<b>Non-Operating Income</b>		
Interest Income	17	13
Dividends Income	266	259
Others	129	119
<b>Total Non-Operating Income</b>	<b>413</b>	<b>392</b>
<b>Non-Operating Expense</b>		
Interest Expenses	178	121
Others	55	59
<b>Total Non-Operating Expense</b>	<b>233</b>	<b>180</b>
<b>Ordinary Income</b>	<b>1,084</b>	<b>1,620</b>
<b>Extraordinary Income</b>		
Gain on Sales of Golf Club Memberships	0	-
Others	0	-
<b>Total Extraordinary Income</b>	<b>0</b>	<b>-</b>
<b>Extraordinary Loss</b>		
Loss on Sales and Retirement of Non-Current Assets	13	7
Loss on Valuation of Investment Securities	310	592
Loss on Valuation of Golf Club Membership	5	-
Others	8	0
<b>Total Extraordinary Loss</b>	<b>337</b>	<b>600</b>
<b>Income Before Income Taxes and Minority Interests</b>	<b>748</b>	<b>1,020</b>
<b>Income taxes-current</b>	<b>61</b>	<b>76</b>
<b>Income taxes-deferred</b>	<b>350</b>	<b>518</b>
<b>Total Income Taxes</b>	<b>411</b>	<b>594</b>
<b>Income Before Minority Interests</b>	<b>336</b>	<b>425</b>
<b>Minority Interests in Income</b>	<b>7</b>	<b>1</b>
<b>Net Income</b>	<b>329</b>	<b>424</b>

(Consolidated Statements of Comprehensive Income)

Millions of Yen

	FY2013 Q1	FY2014 Q1
	(Three months ended June 30, 2012)	(Three months ended June 30, 2013)
<b>Income before minority interests</b>	<b>336</b>	<b>425</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(388)	601
Deferred gains (losses) on hedges	(37)	87
Share of other comprehensive income (loss) of associates accounted for using equity method	(0)	0
<b>Total other comprehensive income (loss)</b>	<b>(425)</b>	<b>689</b>
<b>Comprehensive income (loss)</b>	<b>(89)</b>	<b>1,115</b>
<b>(Breakdown)</b>		
Comprehensive income (loss) attributable to owners of the parent	(96)	1,114
Comprehensive income attributable to minority interests	7	1

(3) Notes concerning the Quarterly Consolidated Financial Statements  
(Notes concerning Going Concern Assumption)

Not applicable

(Notes in the Event of Material Changes in amount of Shareholders' Equity)

Not applicable