



**Results for the Second Quarter of
Fiscal Year Ending March 31, 2015**

**November 5, 2014
Nihon Unisys, Ltd.**

General Overview

Settlement Summary

Progress of the Mid-term Management Plan(2012→2014)

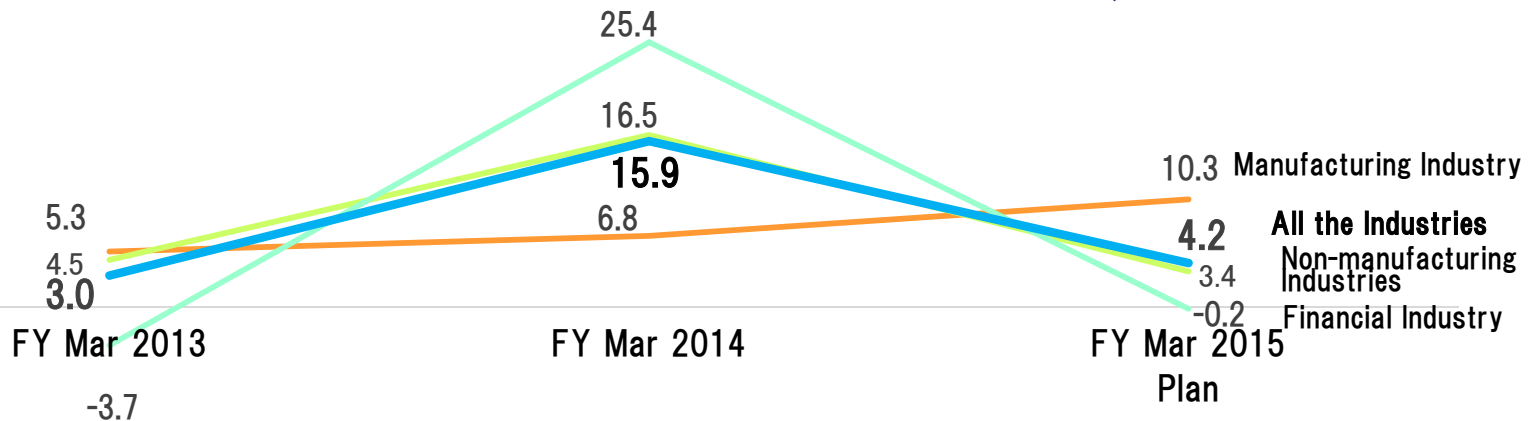
Recognition of the External Environment (BOJ's Tankan Survey)

- ✓ The IT investment amounts will increase in this fiscal year, with the manufacturing industry being the main benefactor.
- ✓ Despite a gradual improvement, there remains uncertainty in the business environments in the second half.

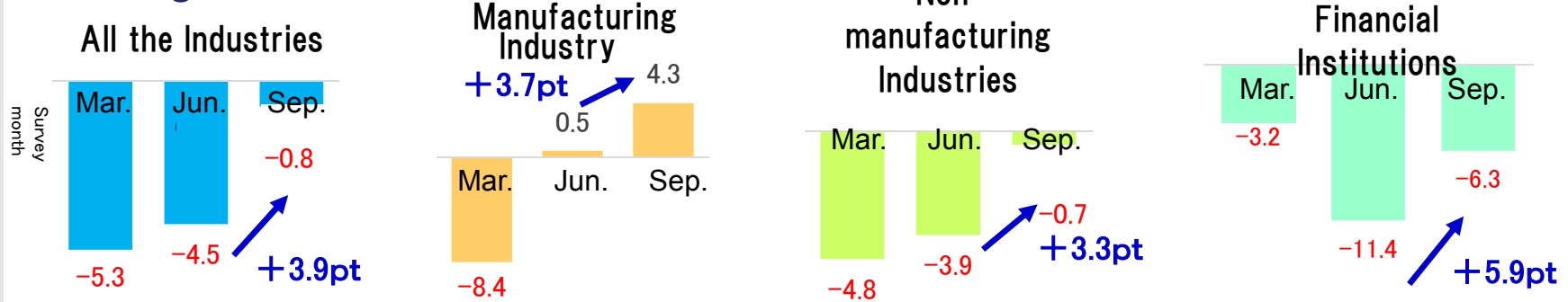
【Software Investment Plans for FY Mar 2015 (BOJ's Tankan Survey)】

■ Full-Year Plan

(Growth % vs FY Mar 2014)



■ Changes in 2H Plans



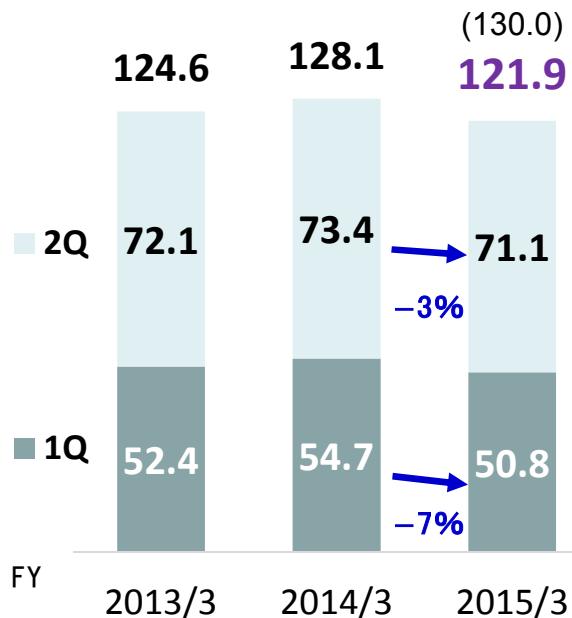
Source: Bank of Japan 'National Short-Term Economic Survey of Enterprises in Japan'

General Overview of the Results of FY March 2015 1H

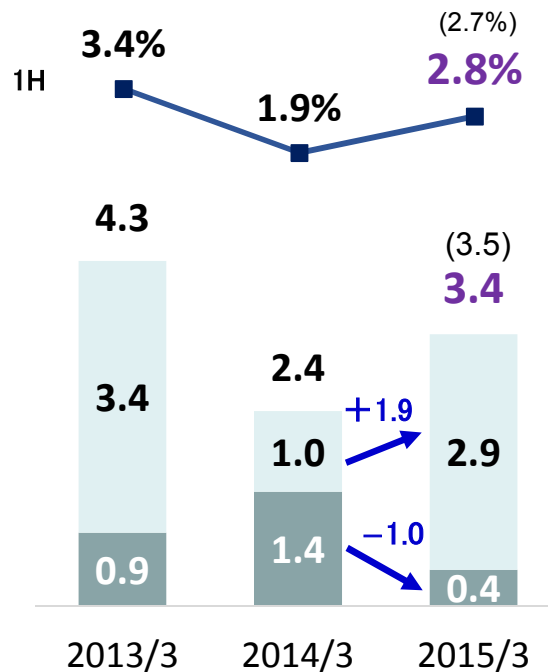
- ✓ Net sales were negatively impacted partly by pullback.
However, operating income increased due to an improvement of gross margin.
- ✓ Net income outperformed the forecast, although net sales did not.

(Billion Yen)

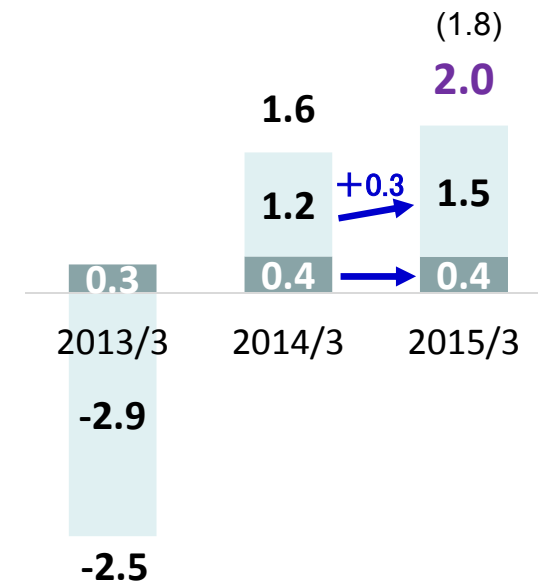
Net Sales



Operating Income/ Operating Margin



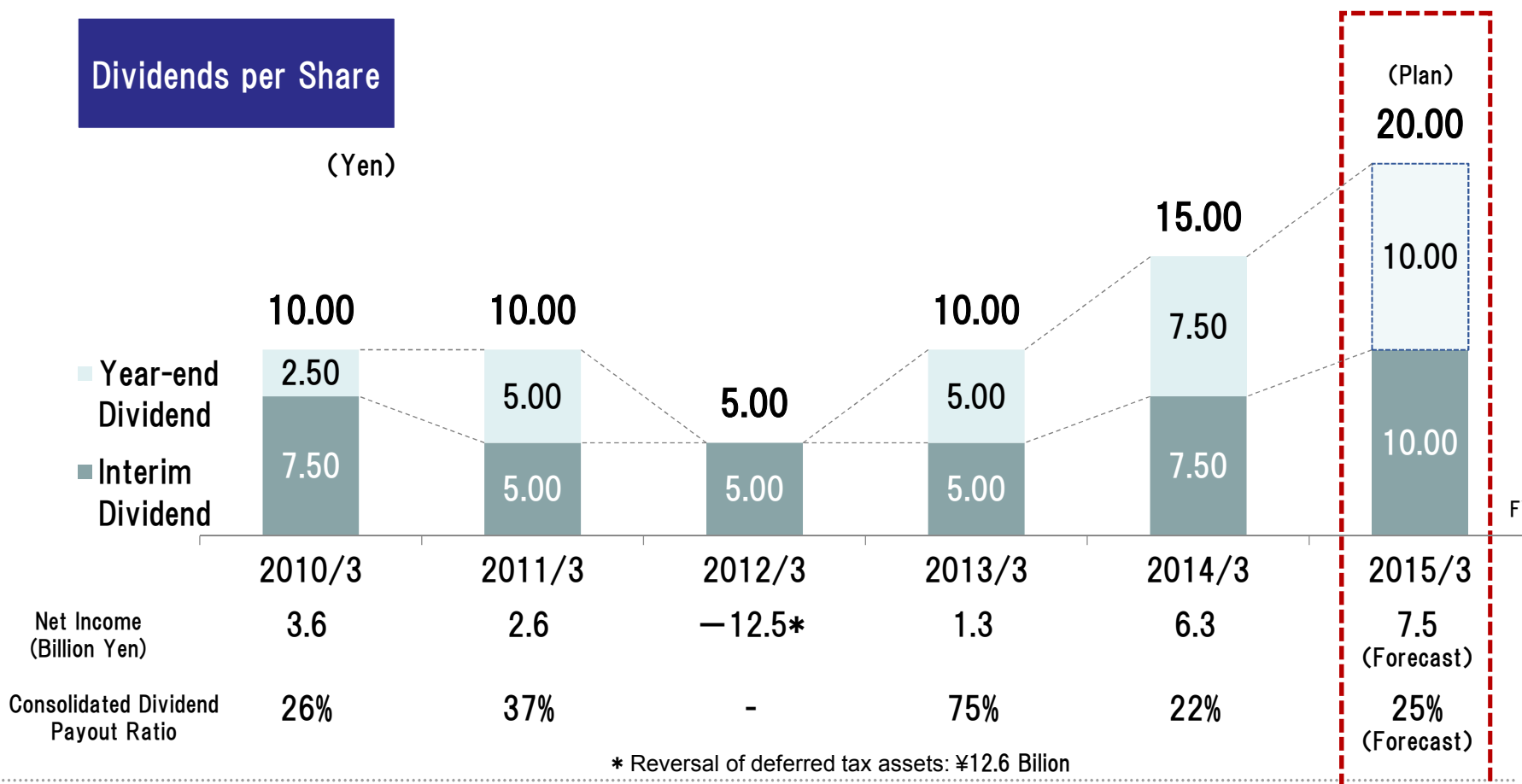
Net Income



- ✓ Interim dividends remain as forecasted at the beginning of this fiscal year (¥10/share up by ¥2.5).
- ✓ Full-year dividends will be ¥20/share (up by ¥5/share, a 25% payout ratio).

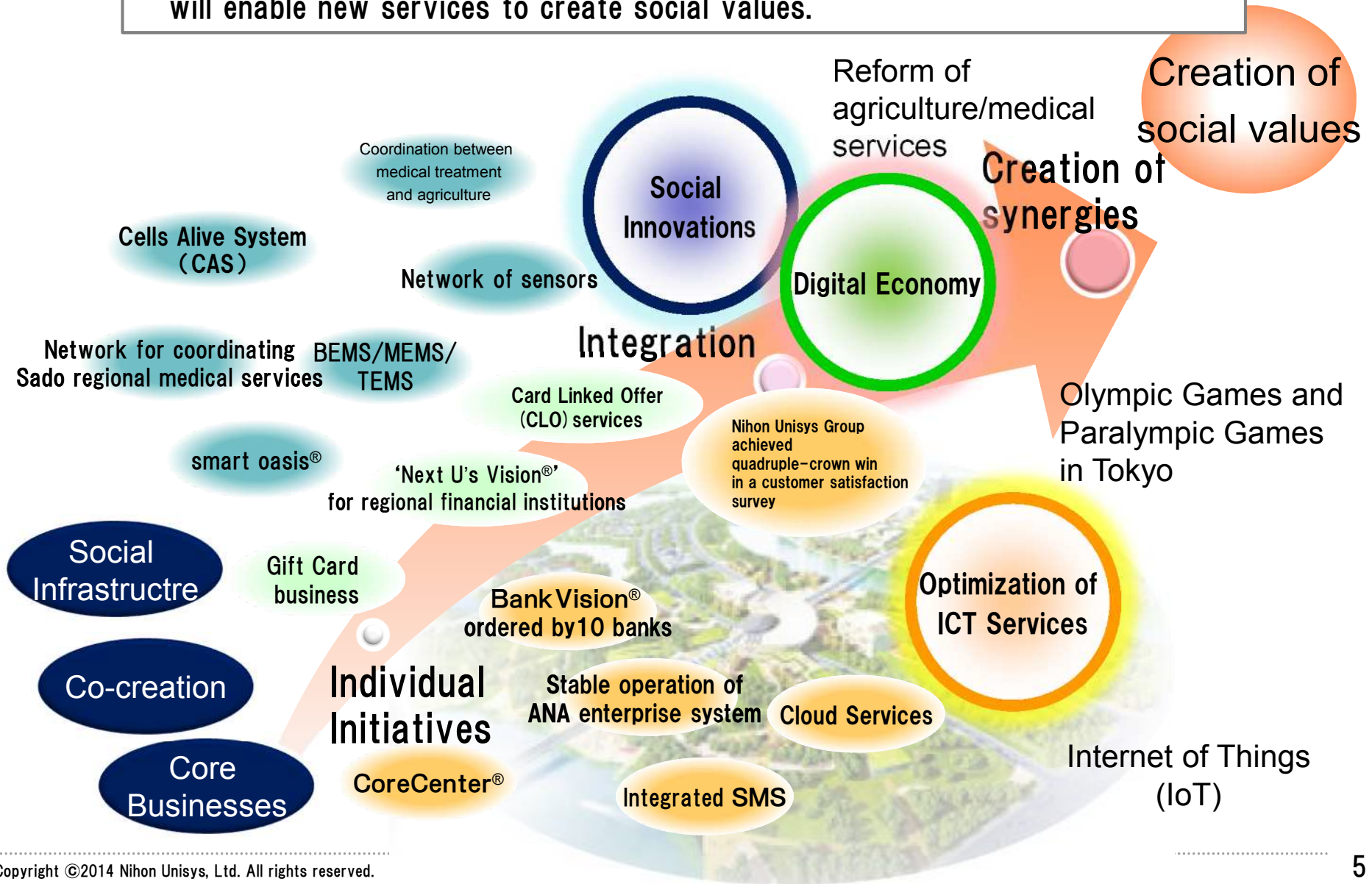
Dividends per Share

(Yen)



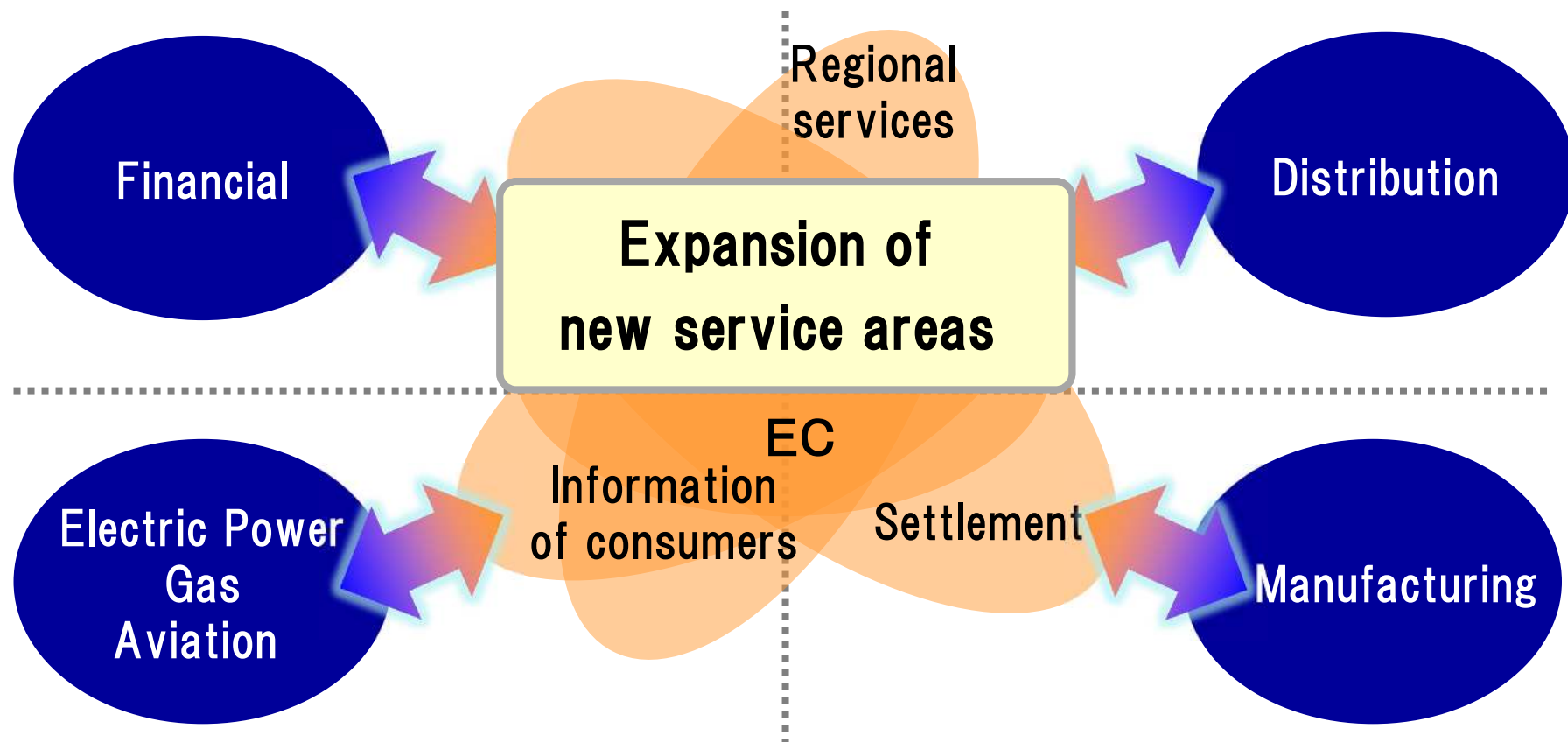
Progress of Mid-term Management Plan

✓ The integration of individual achievements of key strategies will enable new services to create social values.



✓ Services need to be provided beyond the existing divisions of industries, due to fewer barriers to enter other industries.

Emergence of new markets due to the enhanced use of cloud, SNS and IoT by consumers, and expansion of services beyond the division of industries



✓ Changing ourselves and aiming in a new direction

Performances based on the current mid-term management plan

Expansion of the areas of ICT use

Reform to enable optimized ICT services that respond to 'Cloud First'

Strengthening of our position in the emerging area of 'Digital Economy' due to consumer activity

Creation of new businesses that support and develop our society

General Overview

Settlement Summary

Progress of the Mid-term Management Plan(2012→2014)

Consolidated Performance Results for FY March 2015 1H

Net sales decreased due to pullbacks from the same period of the previous fiscal year.
Net income increased.

(unit: Billion Yen)

	1H	vs FY March 2014 1H		vs Forecast (as of July 31)	
Net Sales	121.9	-6.2	-4.9%	-8.1	-6.2%
Gross Profit	30.0	+0.8	+2.8%	±0	±0%
Operating Income	3.4	+1.0	+39.6%	-0.1	-4.1%
Net Income	2.0	+0.3	+19.4%	+0.2	+9.0%

<Key Points of 1H Results (on a year-over-year basis)>

■ Net Sales

Net sales decreased due to pullbacks from large-scale projects of the previous period.

■ Operating Income

Operating income increased due to a decrease in unprofitable projects.

■ Net Income

Net income increased as a result of the increase in operating income.

(For Reference)

(unit: Billion Yen)

	1Q	Yr/Yr Change	2Q	Yr/Yr Change
	Net Sales	50.8	-3.9	71.1
Operating Income	0.5	-1.0	2.9	+2.0

<Varying Factors for Q2 (on a year-over-year basis)>

■ Net Sales

Net sales decreased due to a decrease in product sales.

■ Operating Income

Operating income increased attributable to a continued strength of system services.

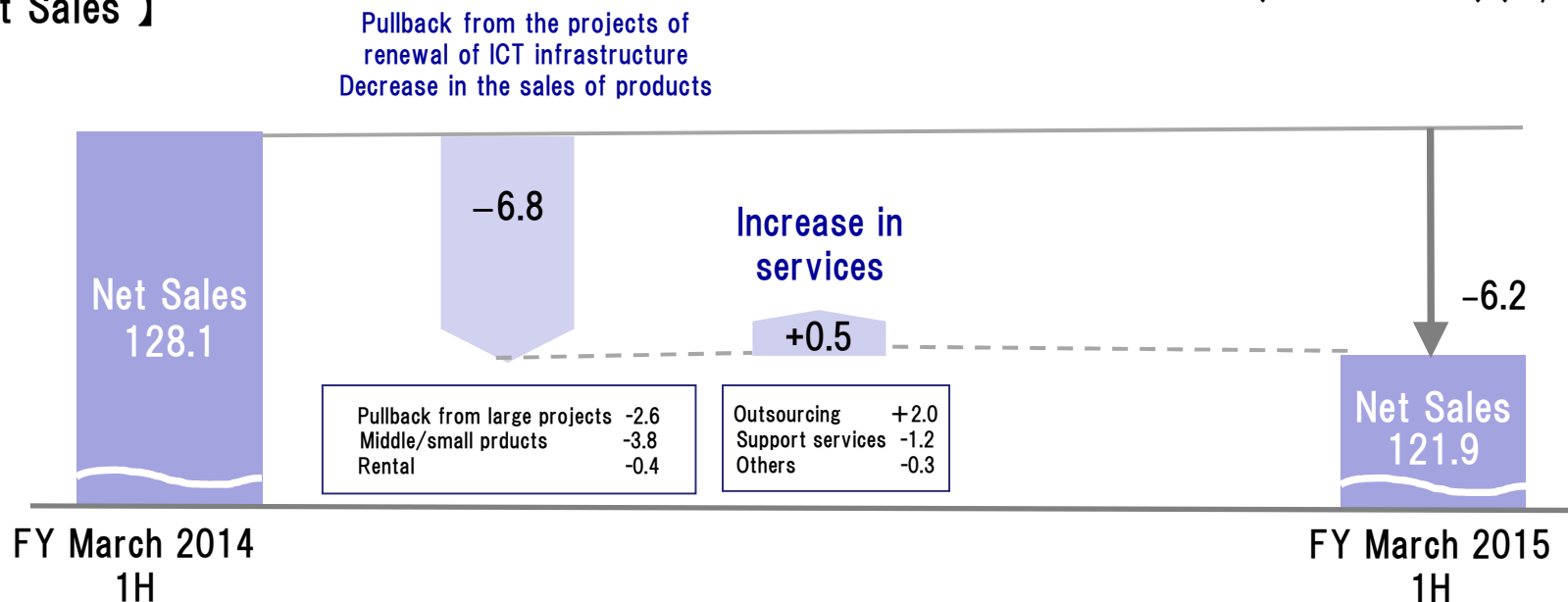


Varying Factors for Net Sales and Operating Income for FY March 2015 1H

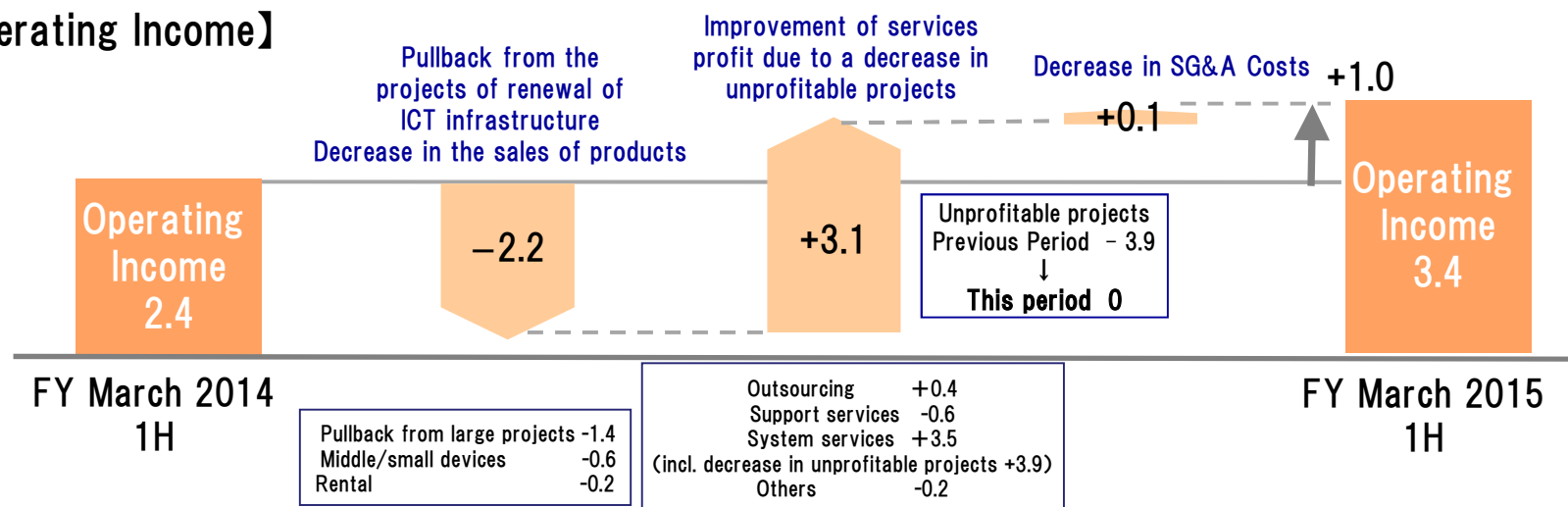


(Unit: Billion Yen) (Yr/Yr Changes)

【 Net Sales 】



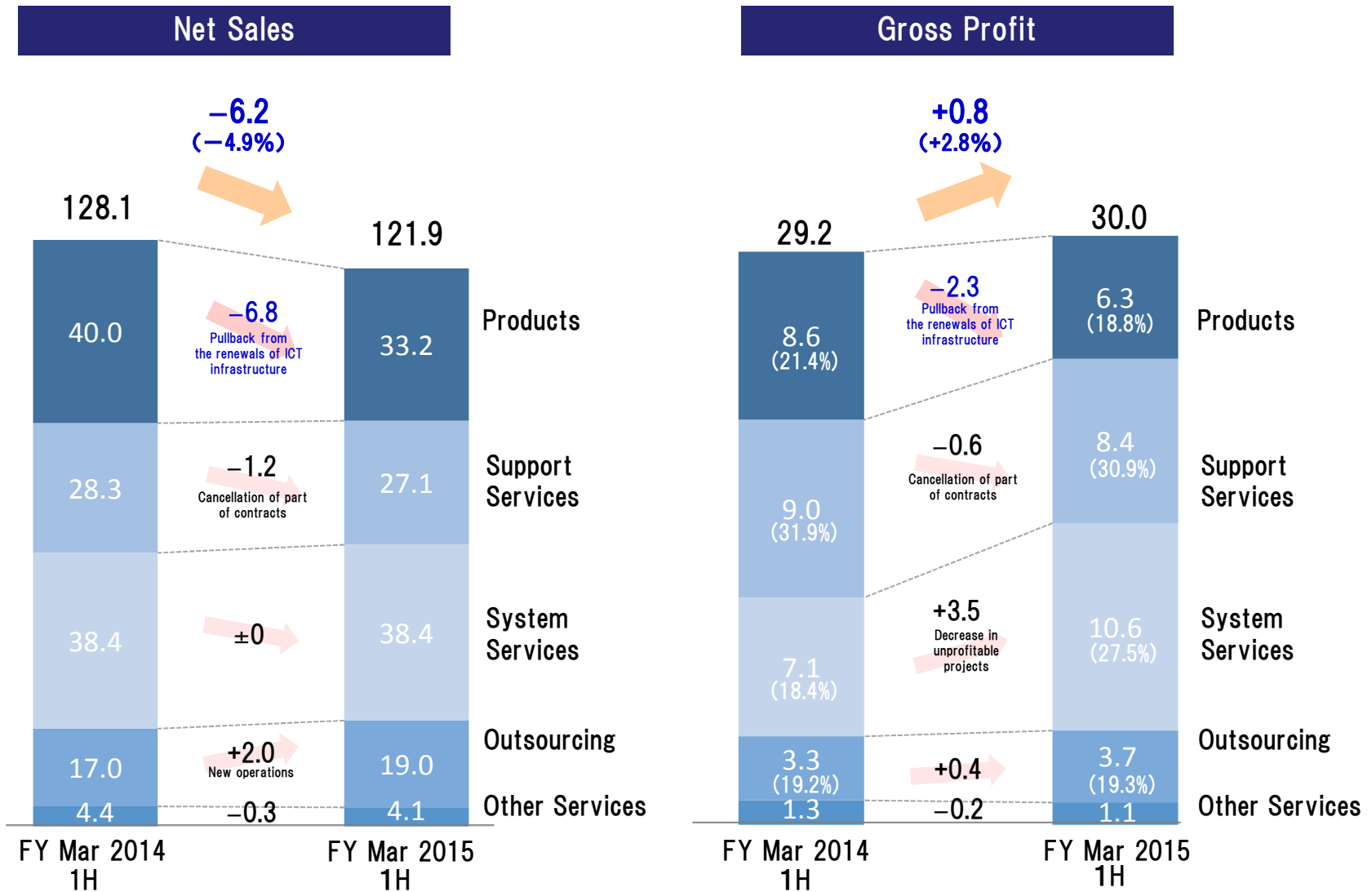
【 Operating Income 】



Net Sales and Gross Profit by Segment for FY March 2015 1H



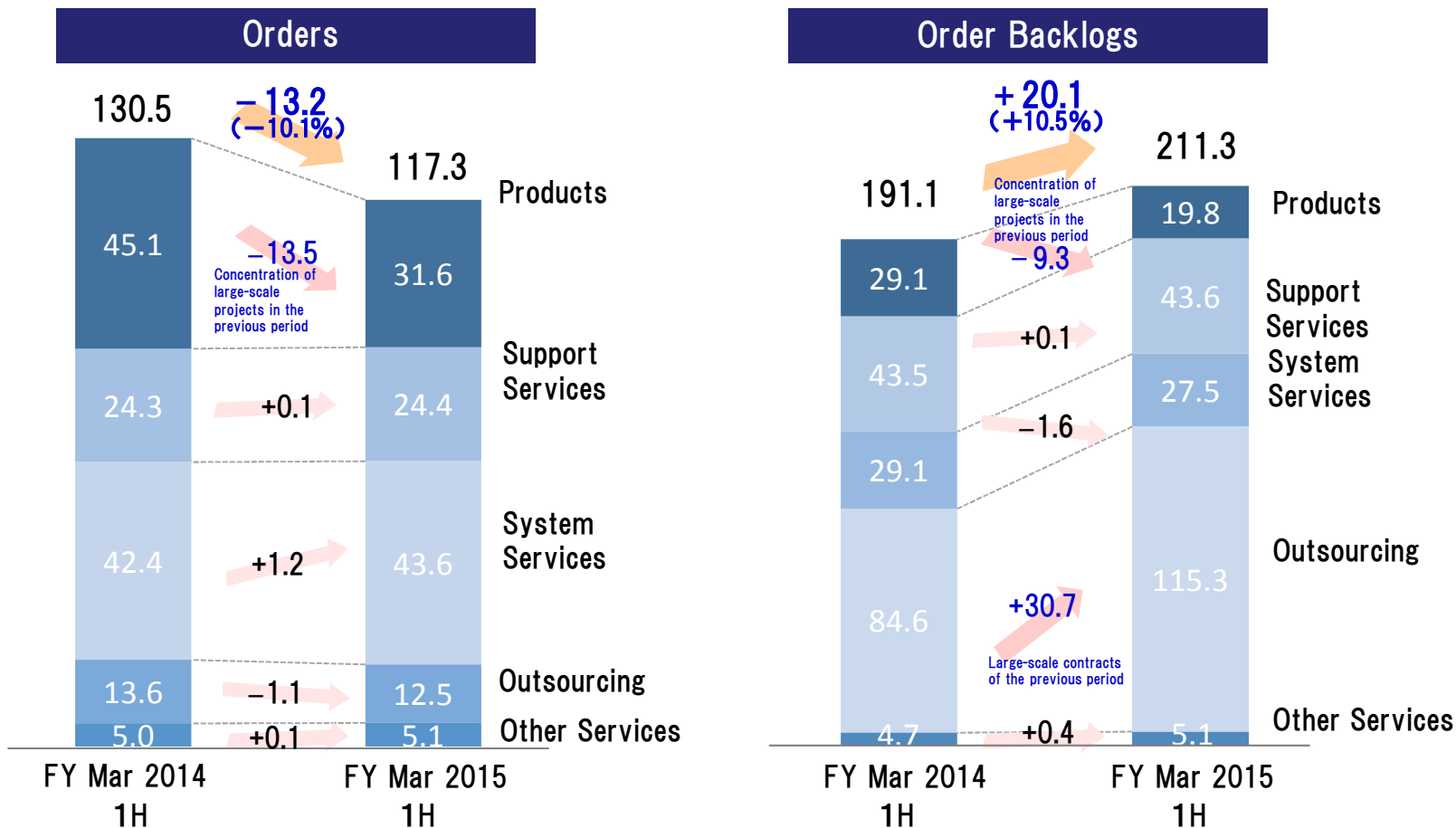
(unit: Billion Yen)



(The value in brackets shows a gross margin.)

Orders and Order Backlogs for FY March 2015 1H

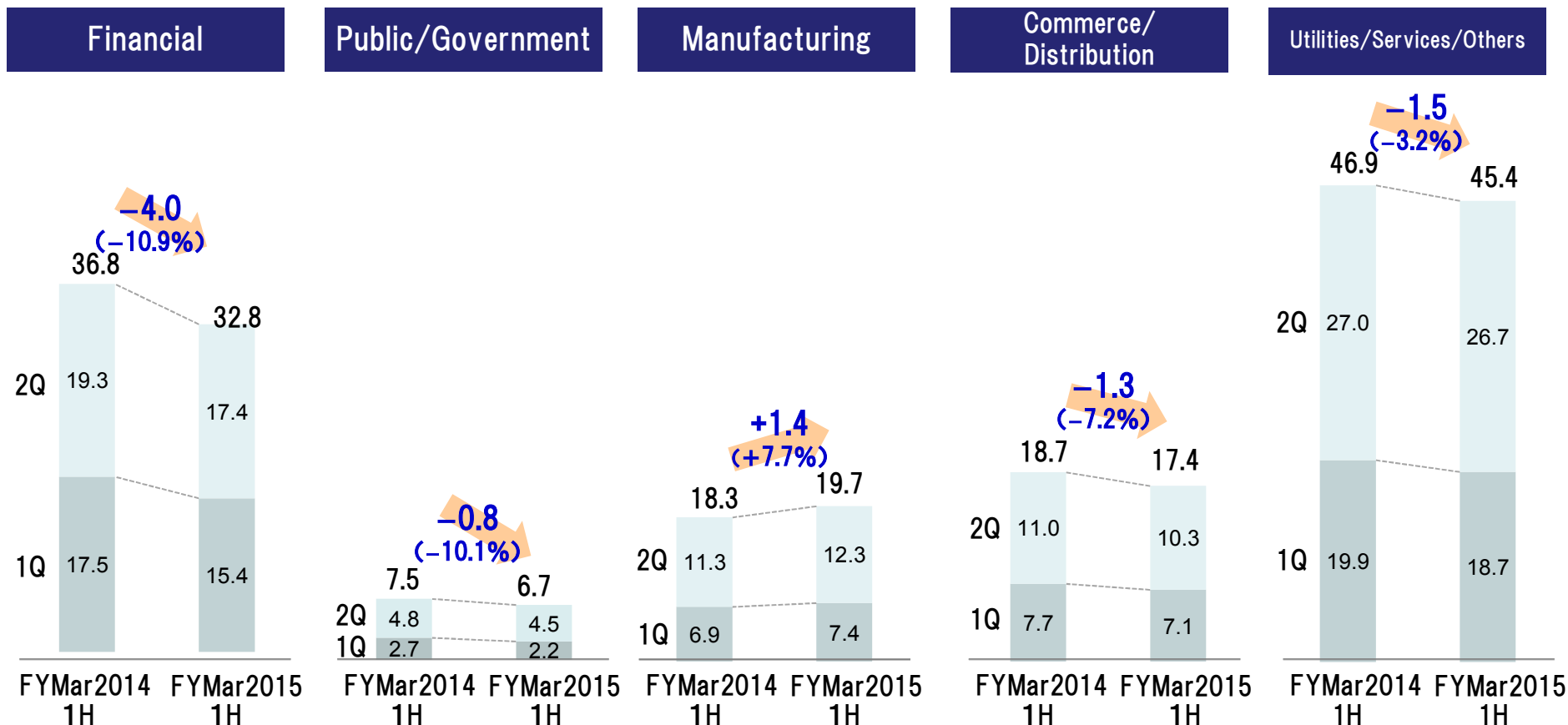
(unit: Billion Yen)



	FY Mar 2015 1H	Yr/Yr Change	
Orders	117.3	-13.2	-10.1%
Order Backlogs	211.3	+20.1	+10.5%

Net Sales by Market for FY March 2015 1H

(unit: Billion Yen)



(Financial)
Despite net sales negatively impacted by a pullback, this is a busy market with many projects.

(Public/Government)
Large-scale development projects finished. Project risks were cautiously examined before bidding.

(Manufacturing)
There are signs that IT investment has been resumed in the food industry and others as well as in the auto industry.

(Commerce/Distribution)
Despite a strong business in the distribution market, there are concerns about lingering effects of the consumption-tax hike.

(Utilities/Services/Others)
Despite a decrease in product sales to the telecommunications industry, sales activities have been intensified towards transportation and medical services.



Performance Forecast for FY March 2015

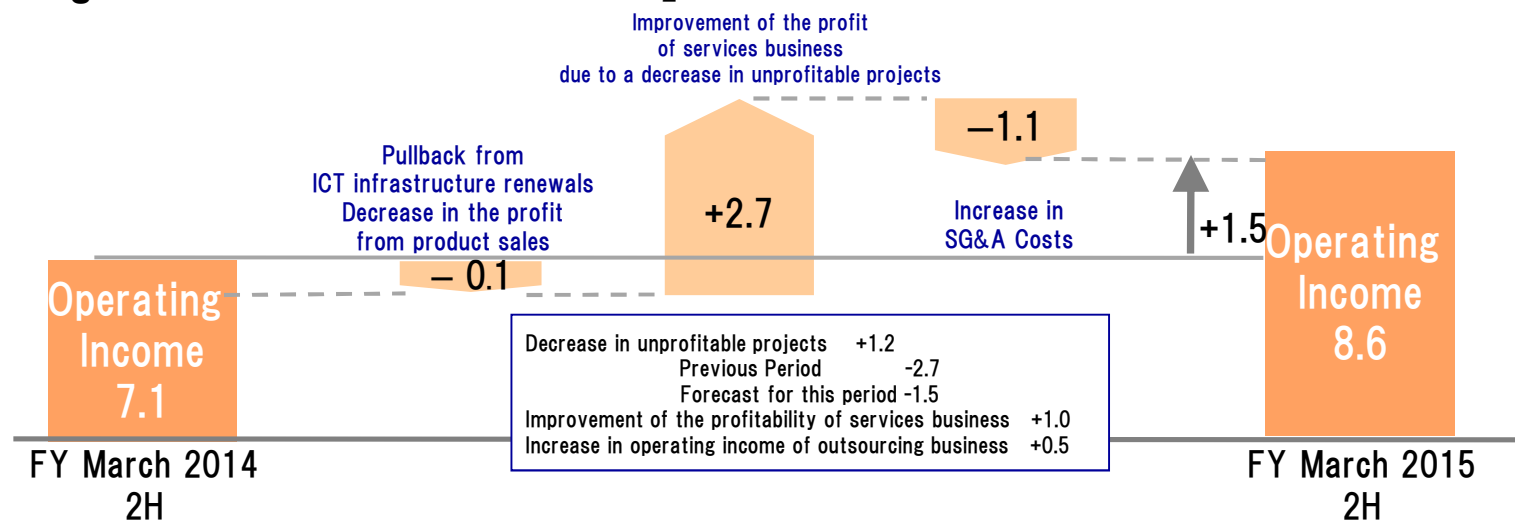
The full-year forecasts for net sales, operating income and net income have not been revised since they were publicly announced on July 31.

(unit: Billion Yen)

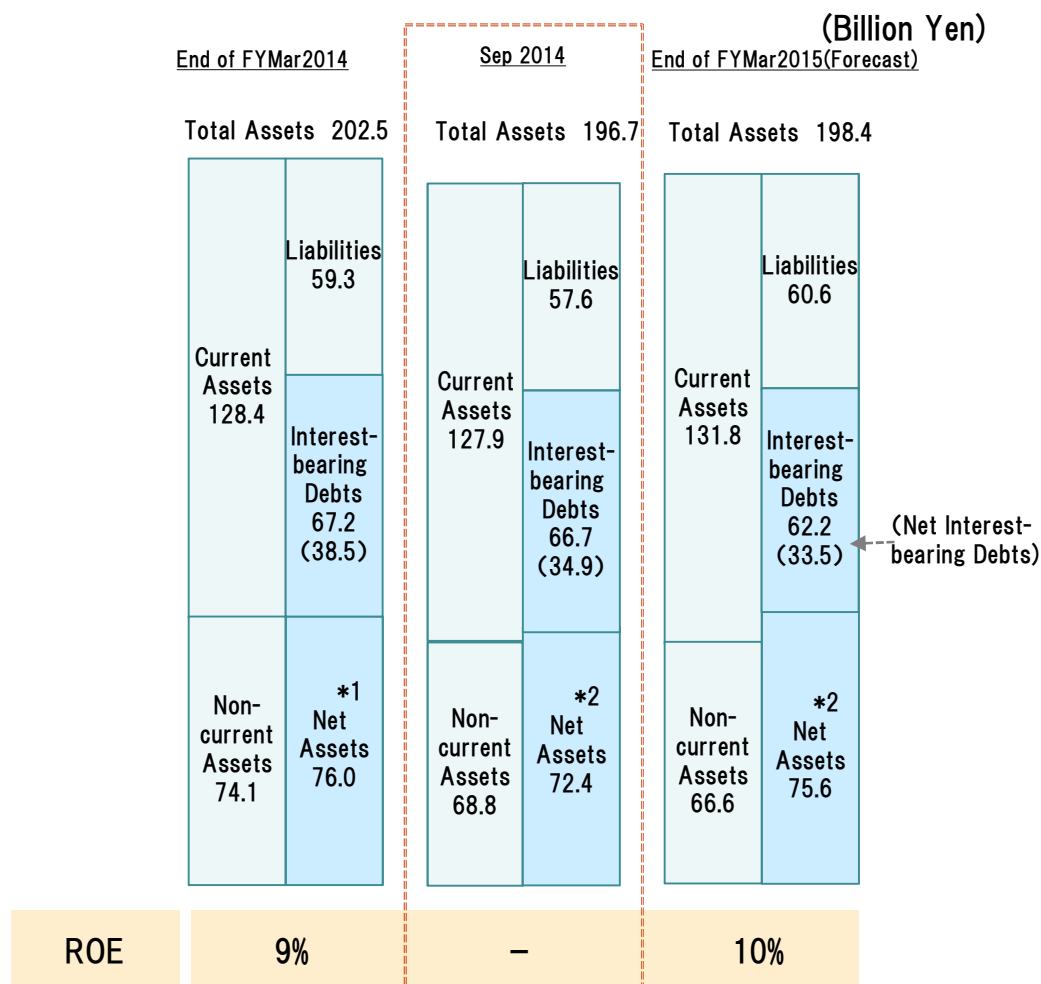
	FY March 2015 2H Forecast	Yr/Yr Change		FY March 2015 Full Year Forecast	Yr/Yr Change	
Net Sales	163.1	+8.5	+5.5%	285.0	+2.3	+0.8%
Gross Profit	37.0	+2.6	+7.5%	67.0	+3.4	+5.3%
Operating Income	8.6	+1.5	+20.6%	12.0	+2.4	+25.3%
Net Income	5.5	+0.9	+18.8%	7.5	+1.2	+18.9%

* See the supplementary materials for the breakdown of full-year forecast.

【Operating Income for FY March 2015 2H】



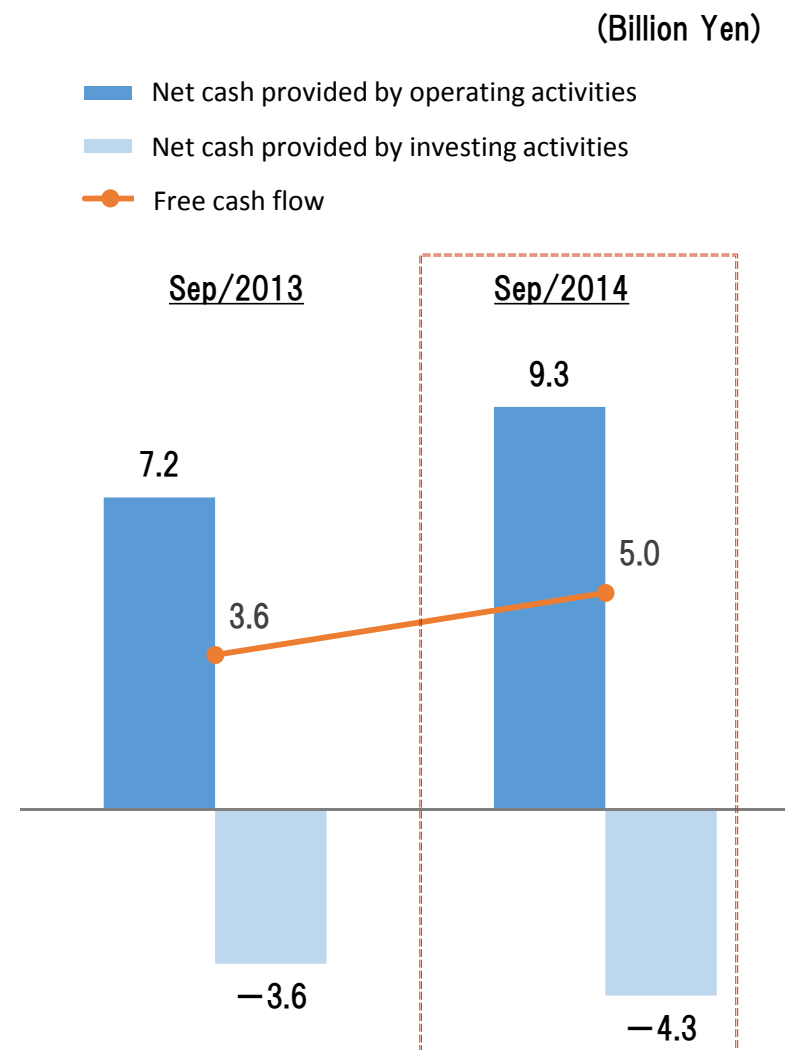
Balance Sheet



*1 The amount of re-measurements of retirement benefits (¥1.7 billion) due to changes in the accounting standards has been reflected.

*2 The amount of impact from reduction of discount rate (-¥5.8 billion) as a result of adoption of new accounting standards has been reflected.

Cash Flows

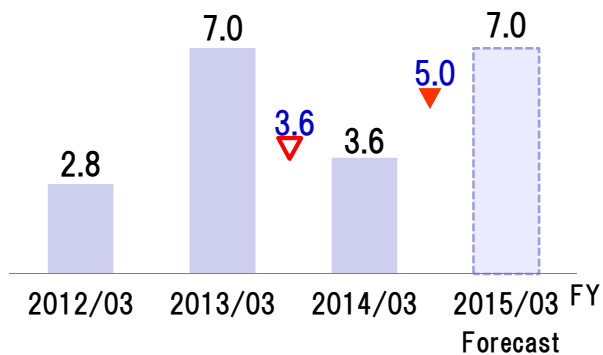


Progress towards Strengthened Financial Standings

▼ Actual performances of this fiscal year 1H ▼ Actual performances of the previous fiscal year 1H

Free Cash Flow

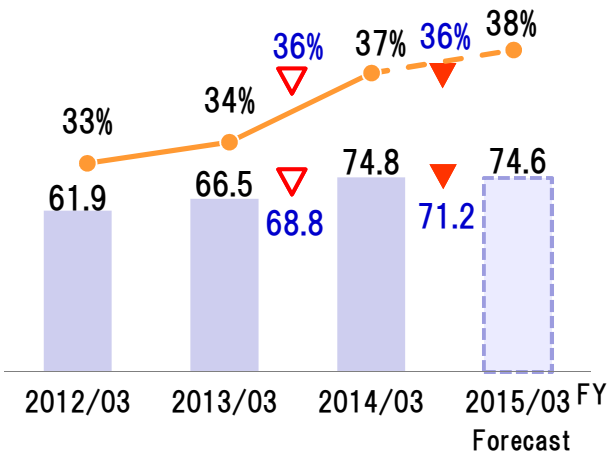
(unit: Billion Yen)



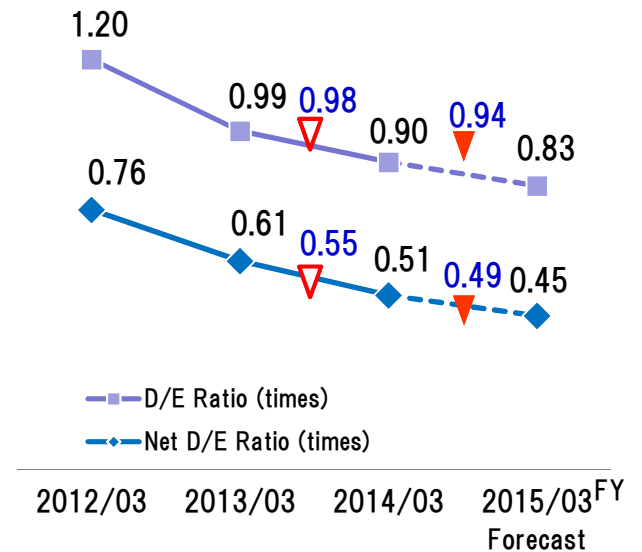
Shareholders' Equity

(unit: Billion Yen)

■ Shareholders' Equity (Billion Yen)



D/E Ratio



General Overview

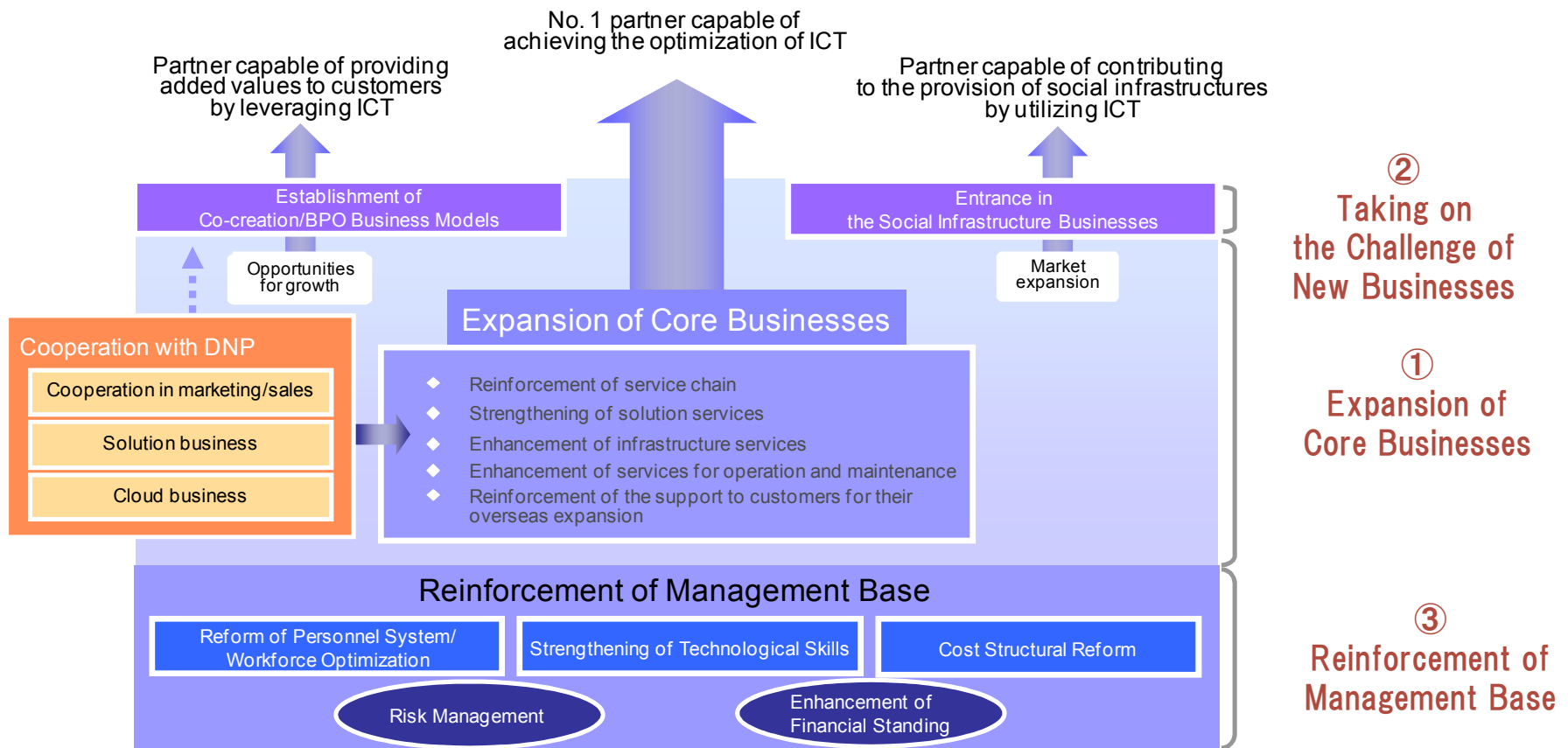
Settlement Summary

Progress of the Mid-term Management Plan (2012→2014)



The Mid-term Management Plan (2012→2014)

- ✓ Strengthening of income base on the basis of enhancement of core businesses (*)
- ✓ Future business increase by taking on the new opportunities
- ✓ Enhancement of management base toward a sustainable growth



(*) The existing business domains such as system & network integration, and operation and maintenance/support services

Progress on Mid-term Management Plan in FY 2014 1H

(1) Expansion of Core Businesses

- ✓ Net income increased compared with the previous fiscal year, attributable to the continued strong businesses of enterprise systems and ICT infrastructure services, and also due to a decrease in unprofitable projects.
- ✓ A further expansion of core businesses has been attempted through the use of our strengths.

Strengths/ Features

Technological strength for furnishing the backbone systems for customers

Capabilities of solution technologies for creating businesses together with customers

Provision of the full-range of services

Expansion of Core Businesses through the use of Strengths and Features

- ✓ We were awarded the municipal orders for a backbone system that support child welfare and libraries in the context of the declining birth rate.
- ✓ UNIADDEX launched a new service based on the coordination with cloud computing as part of the **'Cloud Federation Services'**.
- ✓ Increase in the sales of 'BANK_FIT-NE', a next-generation system for banking offices that will significantly decrease the teller tasks and help the bank employees increase their opportunities to talk with customers
- ✓ Deployment of new marketing technologies that will promote **the communications with customers**
 - ✓ Cooperation with DNP in the CLO business scheme that will attract credit card members to shops
 - ✓ Provision of the O2O service that dispenses with close-up photography through the use of Chameleon Code
 - ✓ Development of a platform for settlement through the use of debit cards and pre-paid cards of international credit card brands

※ CLO: Card Linked Offer, Chameleon Code: 4-fundamental color QR code, O2O:Online to Online



YOUR ICT FORCE

✓ Provision of new services based on synergistic effects created by UNIADEX and NETMARKS

Pursuit of synergistic effects on the entire Group by widely deploying services

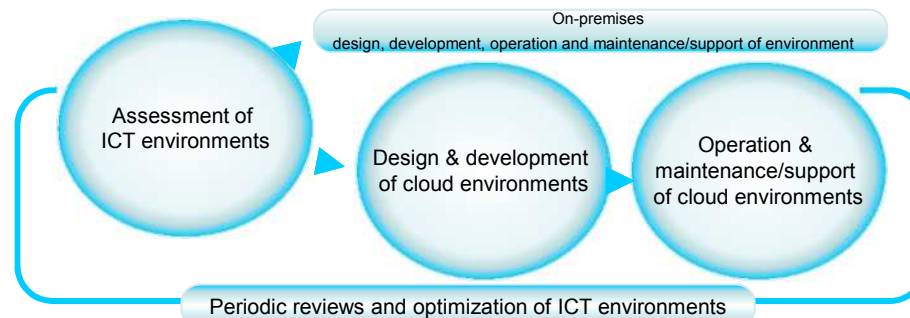
Concretization of next-generation service businesses
Enhancement of high value-added service businesses

Deployment of new products/services based on the integration of technologies and assets of the both companies

Cross-selling and integration of services
Integration of management base

UNIADEX launched new services based on the strengthened cloud services that will optimize the ICT environments of customers through the coordination and visualization of cloud environments. (October 8, 2014)

Cloud Services provided by UNIADEX



Enabling the optimization of ICT environments at customers

Cloud Federation Provided by UNIADEX

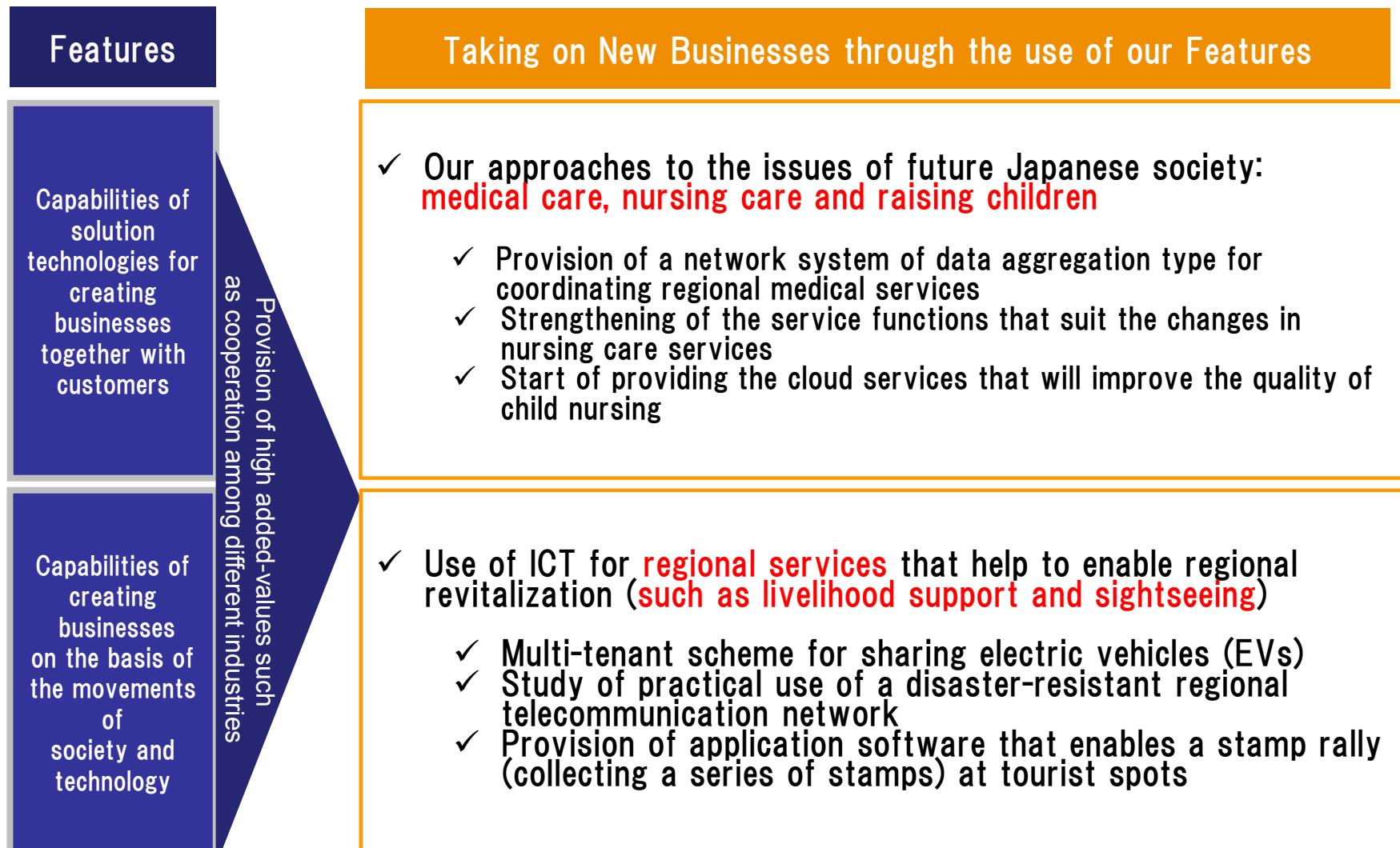
Connection of Cloud Environments

Visualization of Cloud

Progress on Mid-term Management Plan in FY2014 1H

(2) Taking on New Businesses

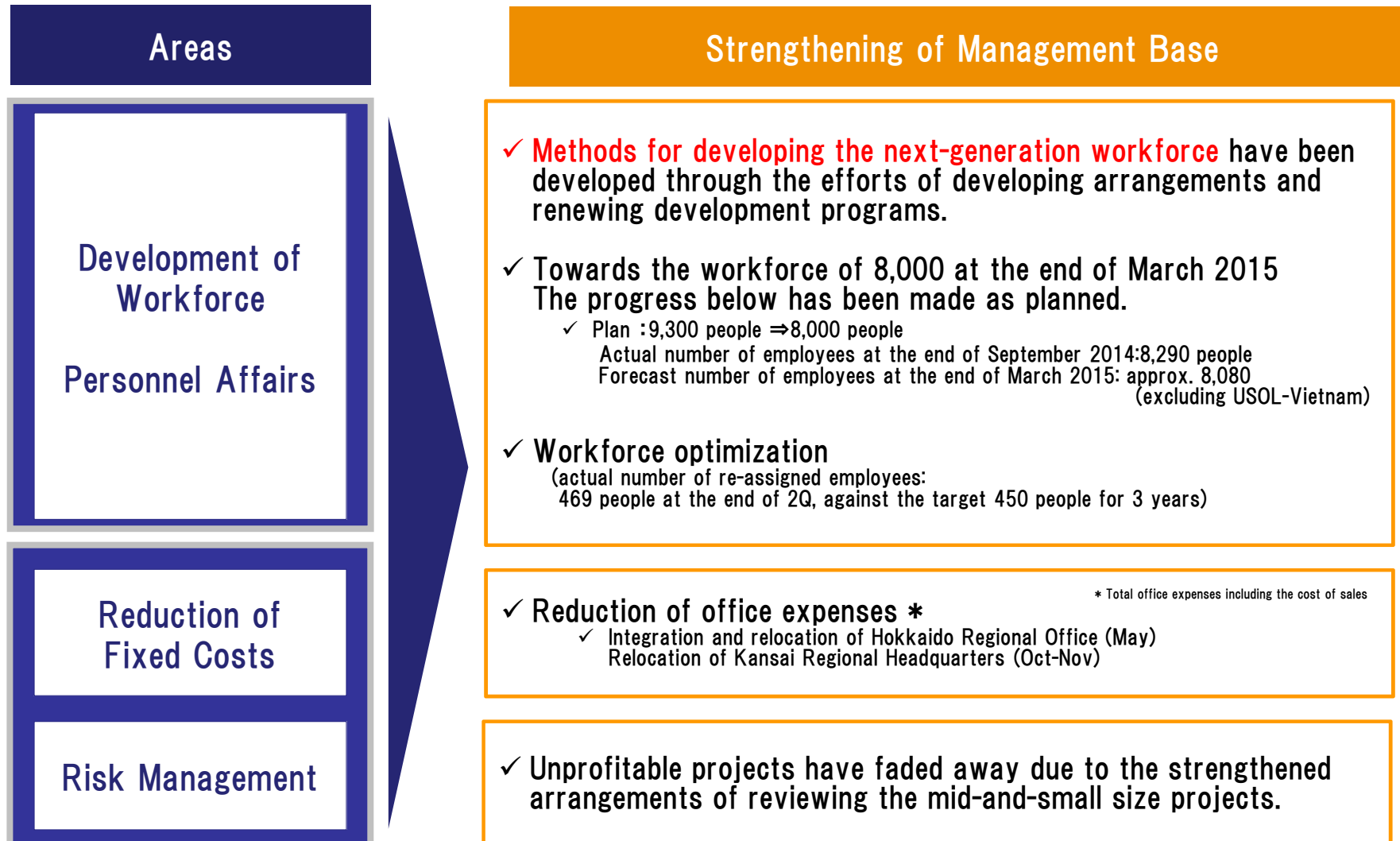
- ✓ Various business initiatives started internally and from the side of customers and business partners.
- ✓ They have favorably impacted our core businesses.



Progress on Mid-term Management Plan in FY2014 1H

(3) Strengthening of Management Base

- ✓ The engagements in the efforts of revitalizing our material assets of workforce were focused on.
- ✓ Continuous improvements of cost structures were promoted.





Customer Satisfaction Ranking – Cloud Business



The Nihon Unisys Group ranked 1 st in 4 out of 26 categories
in the Customer Satisfaction Survey 2014-2015 by Nikkei Computer
(August 21, 2014 Issue of Nikkei Computer)

Nihon Unisys

- ◇ 1st Place Consulting and Upstream Design-related Services (manufacturers)
- ◇ 1st Place System Development-related Services (manufacturers)
- ◇ 1st Place System Operation-related Services (manufacturers)

UNIADEX (Nihon Unisys Group)

- ◇ 1st Place System Operation-related Services (information service providers)
(for 3 consecutive years)



Source:Nikkei Computer (August 21, 2014 Issue) Customer Satisfaction Survey 2014-2015

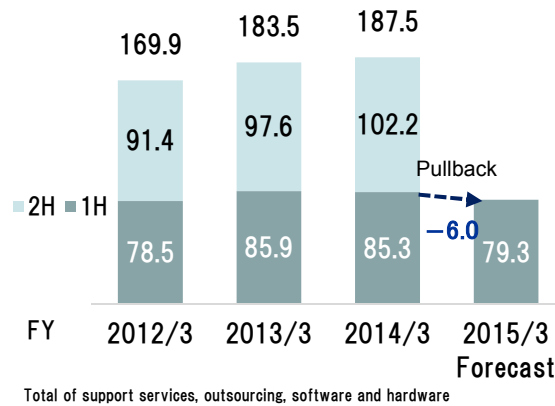
Nikkei Computer (August 16, 2014 Issue)



(For Reference) Progress of Key Measures

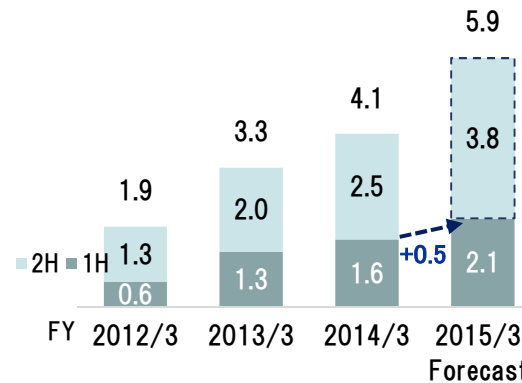
Strengthening of ICT Infrastructure Services

Net Sales from ICT Infrastructure Services (Billion Yen)



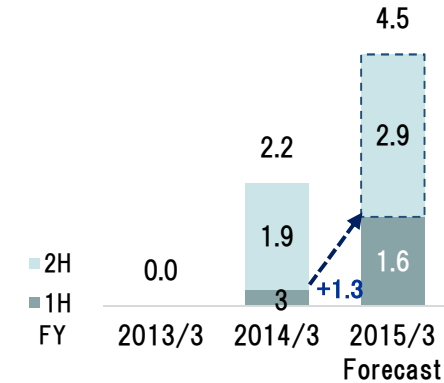
Taking on New Businesses

Net Sales from New Businesses (Billion Yen)



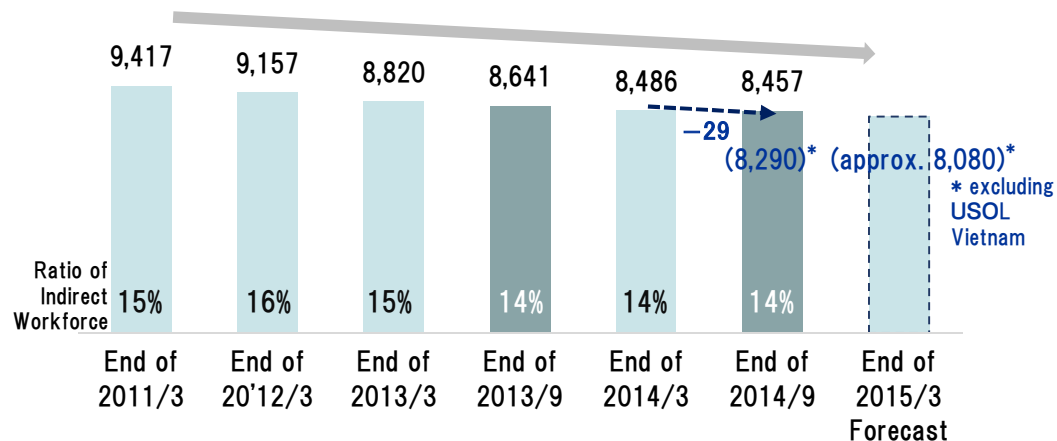
Cooperation with DNP

Net Sales from the Cooperative Businesses with DNP (Billion Yen)

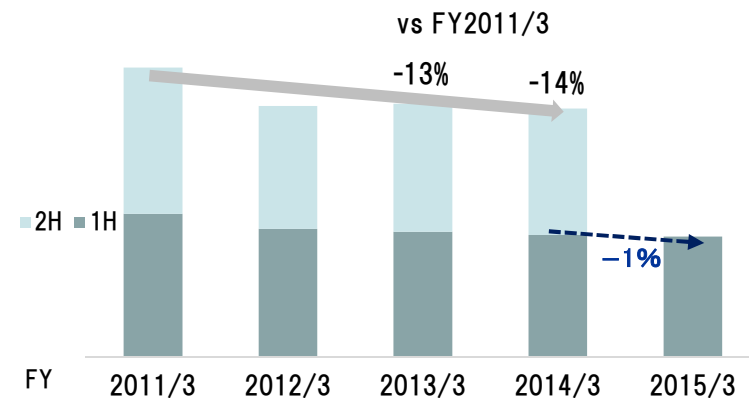


[Strengthening of Management Base]

Changes in the Number of Employees on a Consolidated Basis (people)



Total Costs



U&U

Users & Unisys

UNISYS

(Note)

Forecasts in this document rely on judgments and assumptions based on information available at present, and are subject to changes in risks, uncertainties, economy and other factors that could cause actual results to be different from expectations.

Thus, the certainty of these forecasts is not guaranteed by our Group.

Also, the information is subject to change without prior notice in future.

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