

Results for the 2nd Quarter FY March 2016

November 5, 2015
Nihon Unisys, Ltd.

Foresight in sight

1 General Overview

2 Progress on the Mid-term Management Plan

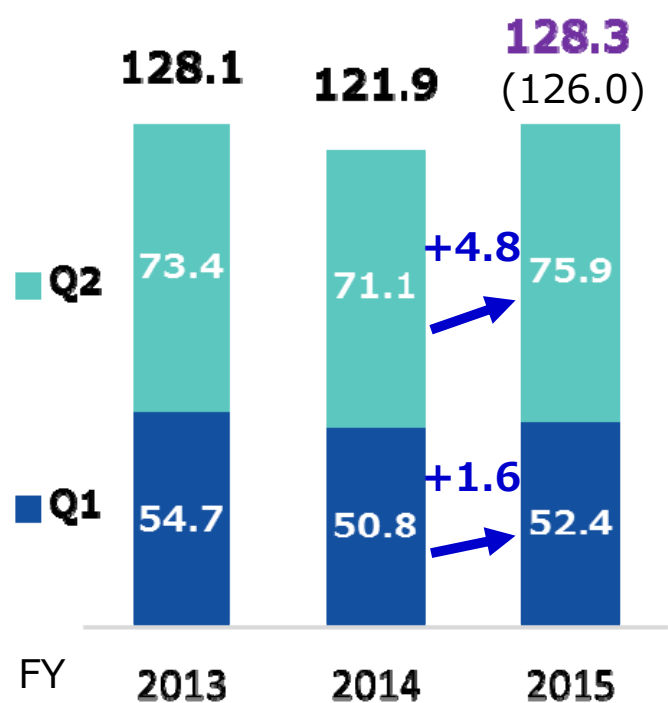
3 Settlement Summary

Summary of the Results for FY2015 H1

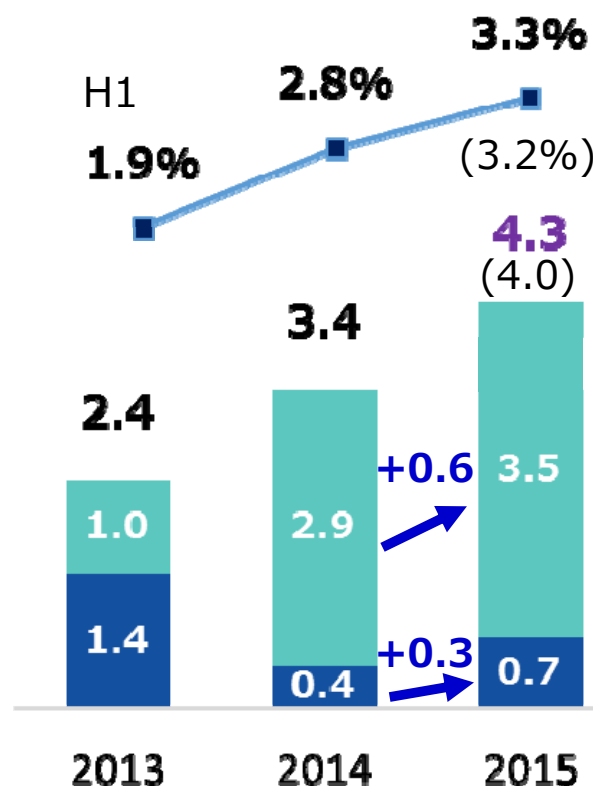
Foresight in sight

- ✓ Strong product sales boosted net sales, operating income and net income on a year-on-year basis.
- ✓ Net sales, operating income and net income have exceeded the forecast.

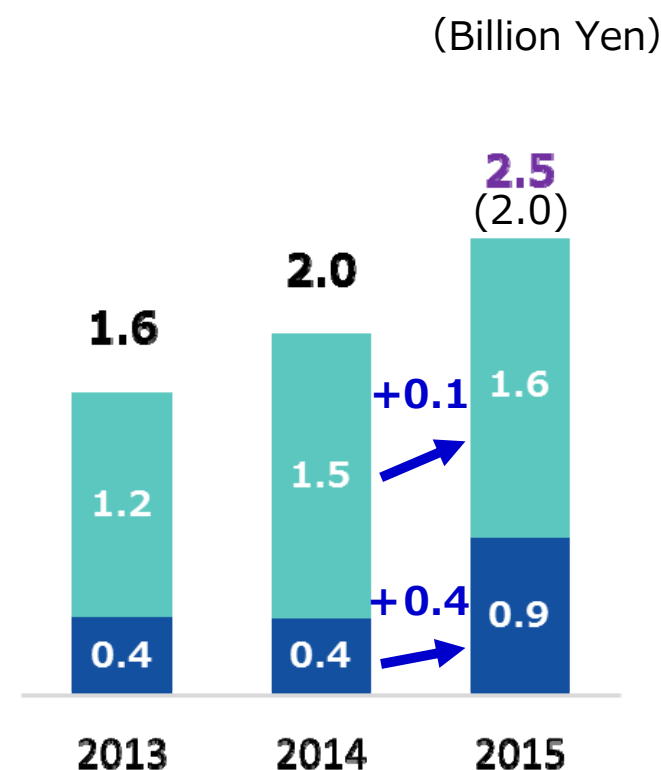
Net Sales



Operating Income Operating Margin

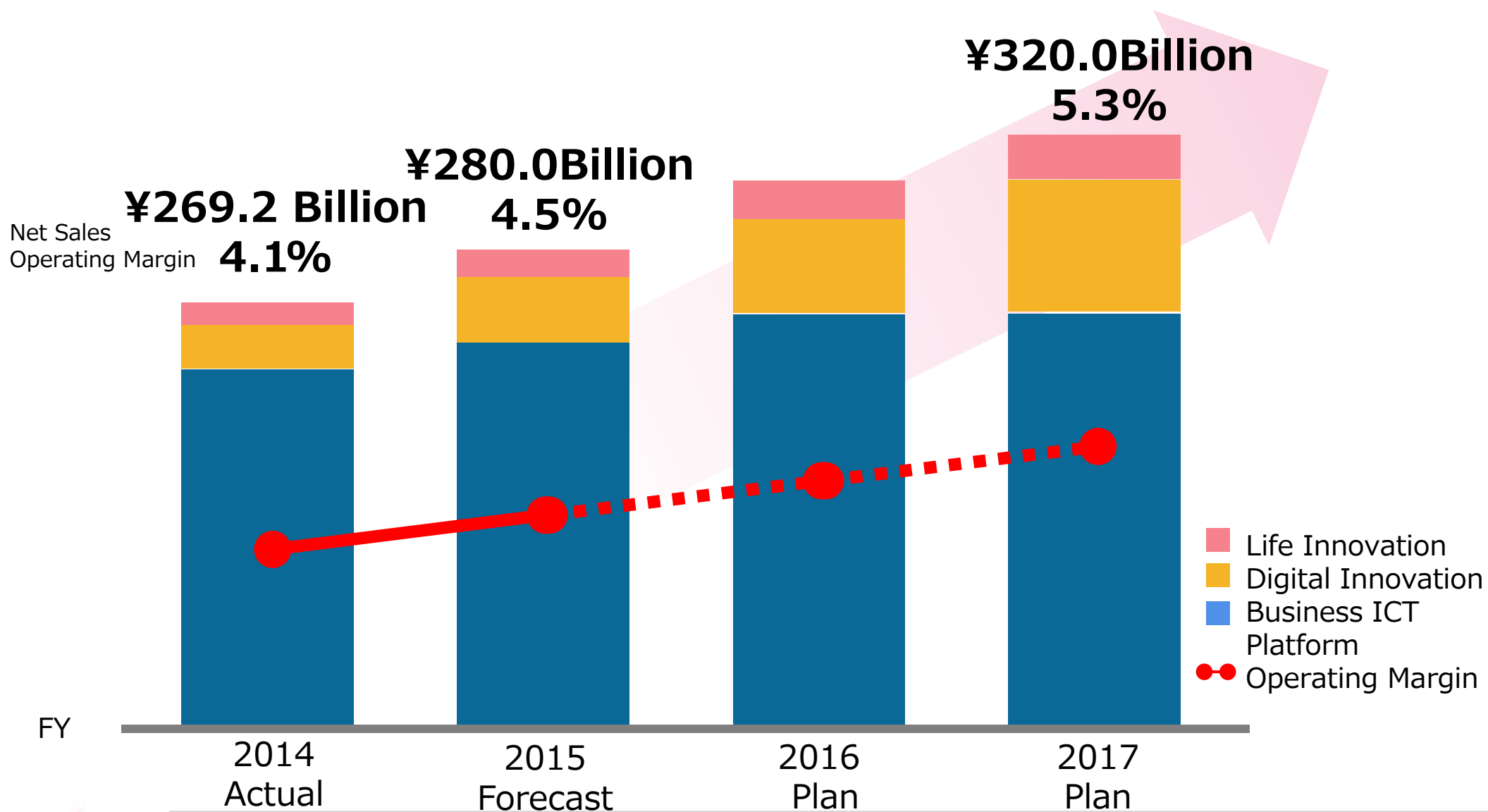


Net Income



() shows the values forecasted in Q1.

✓ A smooth transition was enabled in the first year of Mid-term Management Plan.



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Mid-term Management Plan

'Mobilize services based on the interconnected businesses.
Build our future through ICT advances.'

Digital Economy – Innovation

Creation of new sustainable business models
based on societal needs and issues

Digital Innovation
Creation of new value in
the area of Digital Economy



Life Innovation
Creation of services that
help build an affluent society



Business ICT Platform
Furnishing services
that will accelerate businesses



Reform of Corporate Culture/
Strength of Human Resources Capabilities

Investment Strategies

Strategic Policies Defined in the Plan

Summaries of our H1 Efforts

Challenge 1 Digital Innovation

- ✓ **Release of trailblazing service businesses in the areas of settlement and marketing**

<Examples>

- Release of settlement services
- Provision of evolutionary form of CLO marketing services enabled in conjunction with settlement

Challenge 2 Life Innovation

- ✓ **Enhancement of medical/childcare services from the viewpoint of citizens**

<Examples>

- Release of 'ChiReaff Space®' a childcare support service
- Deployment of a model for coordinating medical information

Reform Business ICT Platform

- ✓ **Release of PaaS platform that furnishes digital/life innovation services**

<Example>

- Release of IoT/Big Data services platform

Digital Innovation

Provision of new services based on the coordination among sales promotion schemes for enticing customers, settlement platform and customer information management schemes

Customers

Retail, distribution, food services, tourism and recreation, education, finance and insurance, real estate, and life-style related services

Manufacturing (Consumer products, automobiles, discretionary items, etc.)

Payment cards
Banking
Telecommunications



Creation of a Chain of Value

Solutions

Comprehensive Sales Promotion Efforts to Attract Customers

Practical Use of Customer Information

Settlement

System Platform



DataBase/
DWH

Basic Control Functions
(Portal, Data Coordination, Authentication)

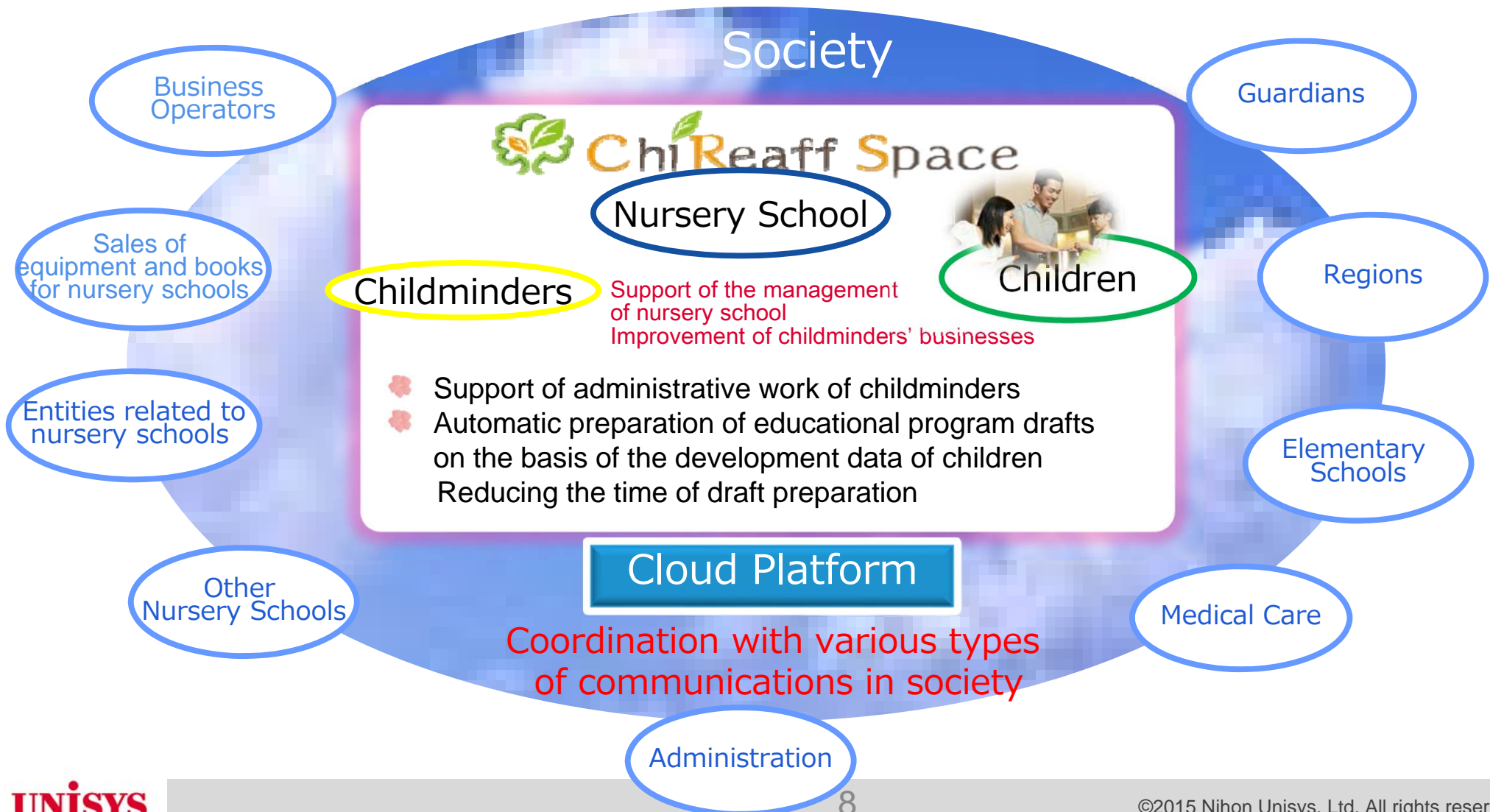
Marketing Platform

(Provision of evolutionary form of CLO marketing services enabled in conjunction with settlement)

Settlement Platform

Life Innovation

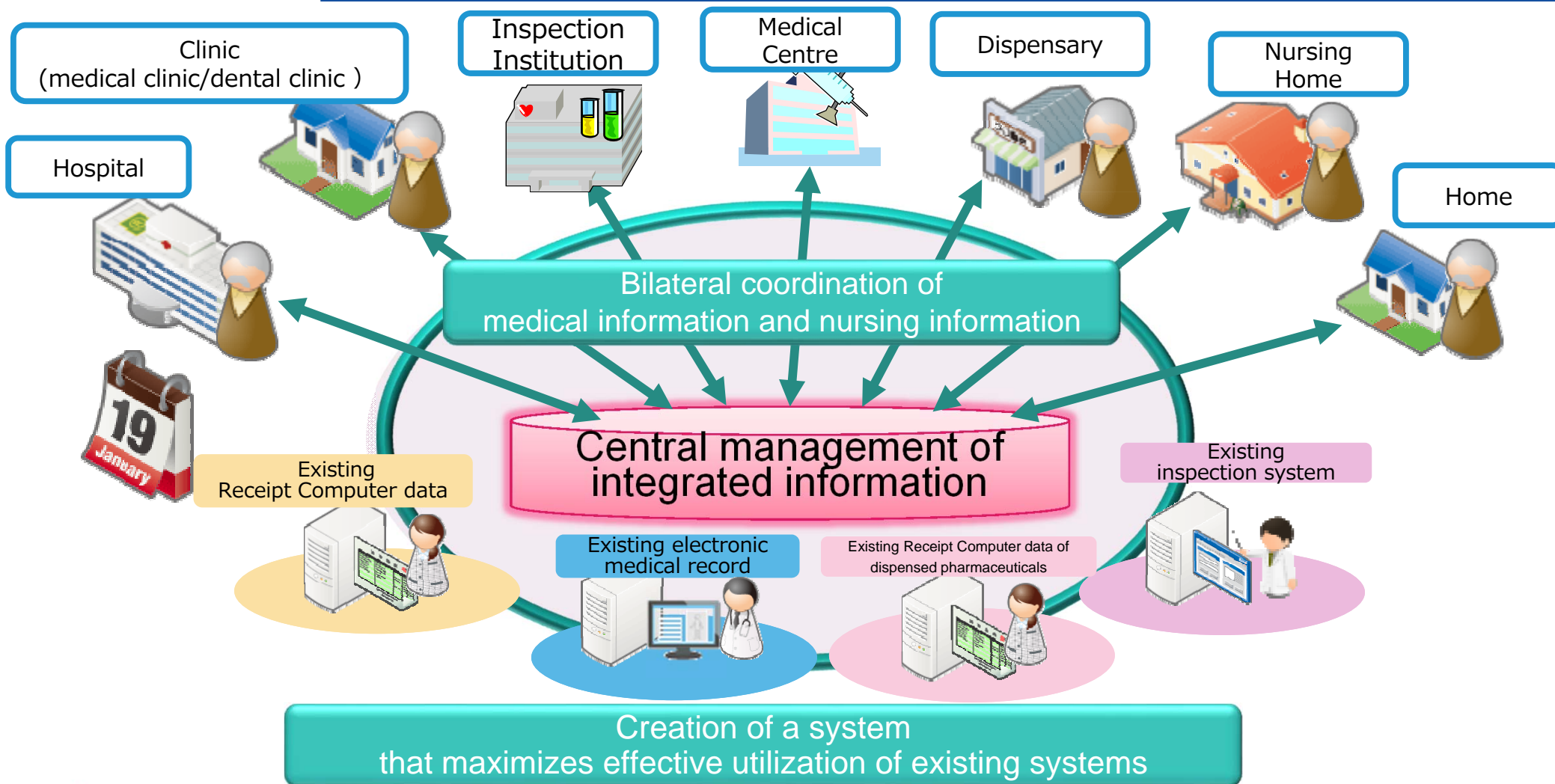
Cloud service that supports an 'improvement of childcare quality' and childcare business (information)



Life Innovation

Regional network of coordinating medical information that enables the professionals concerned to share and use patients' information over the boundaries of industry

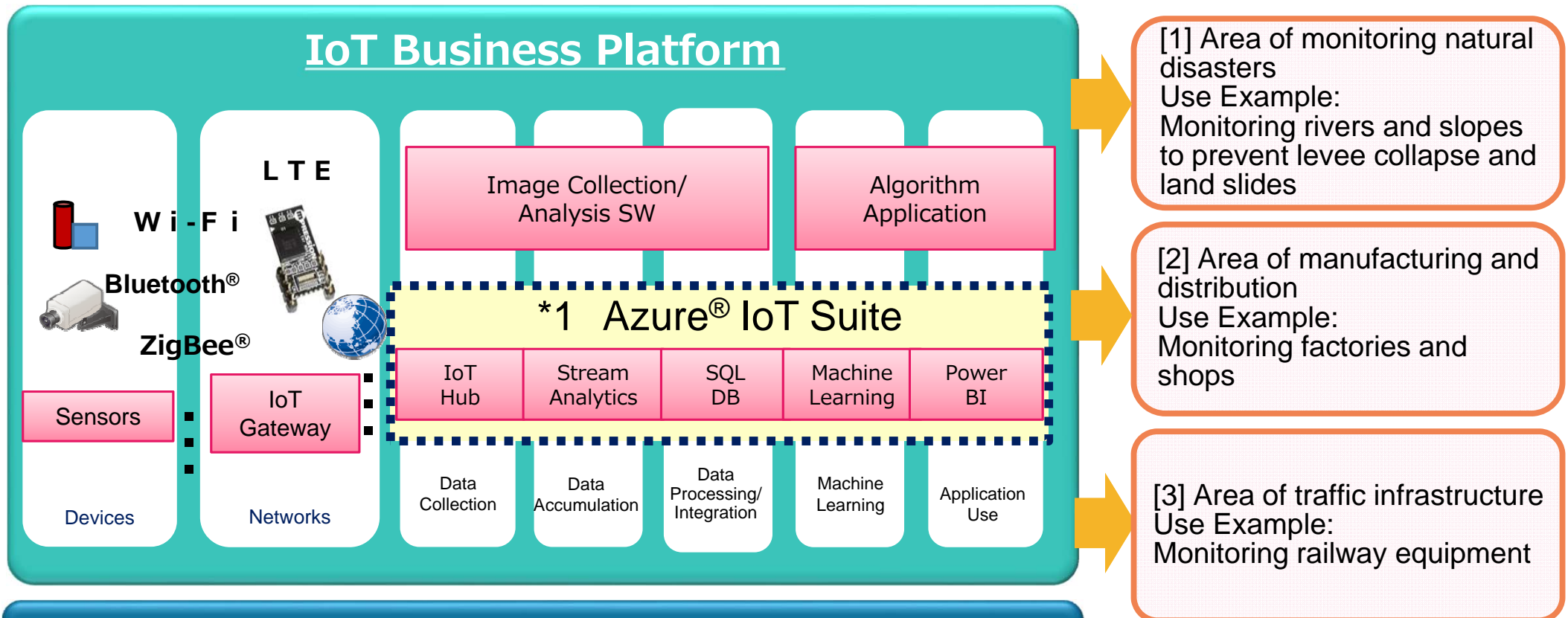
Bilateral system that enables all the participating institutions to provide and browse the information



Business ICT Platform

Start to develop 'IoT business platform services'

One-stop provision of devices such as sensors and services of: collecting and distributing data; and processing and analyzing data



Common PaaS Platform Services

(practical use of OSS, our Middleware, and *2 MapR and *3 Vertica®, etc.)




*1 Azure IoT Suite services are provided by Microsoft Corporation.

*2 MapR software is provided by MapR Technologies, Inc.

*3 Vertica software is provided by Hewlett-Packard Japan, Ltd.

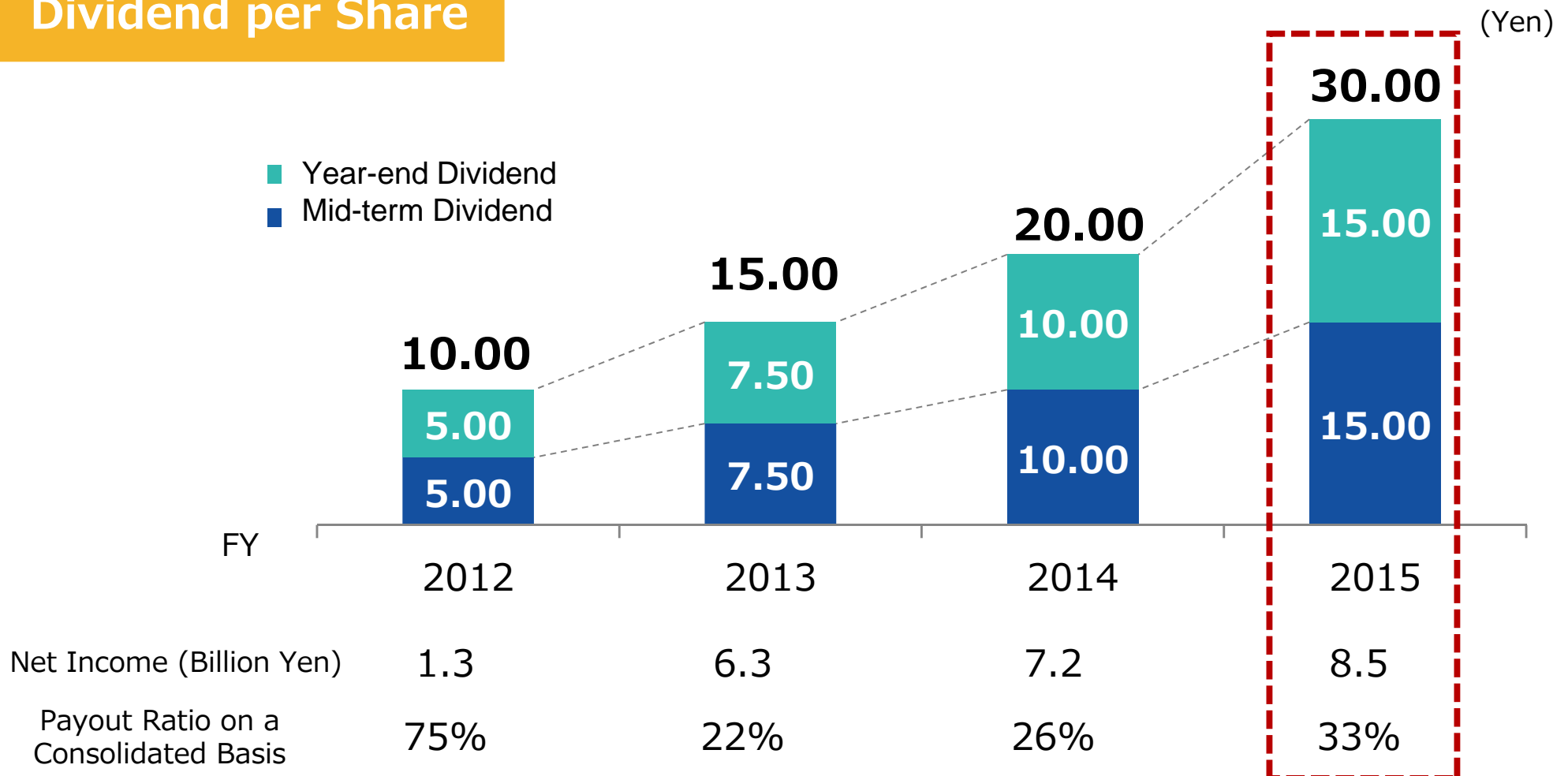
Investment Strategies

Investment in the areas of growth in order to expand businesses of the next generation

Areas of Investment	Status of Investment	Key Investment Projects
Investment in technologies and solutions		<ul style="list-style-type: none"> ✓ Enhancement of services in the settlement and marketing areas ✓ Provision of 'ChiReaff Space®' a childrearing support ✓ POC for regional communication networks for the occasions of disaster ✓ POC for regional revitalization/ projects through the use of open data based on the cooperation with local public entities and regional financial institutions ✓ Creation of common PaaS for data integration and analysis ✓ Creation of IoT business platform services
Capital investment		<ul style="list-style-type: none"> ✓ Expansion of individual outsourcing businesses ✓ Strengthening of cloud-type service equipment
Business investment		<ul style="list-style-type: none"> ✓ Investment in digital businesses

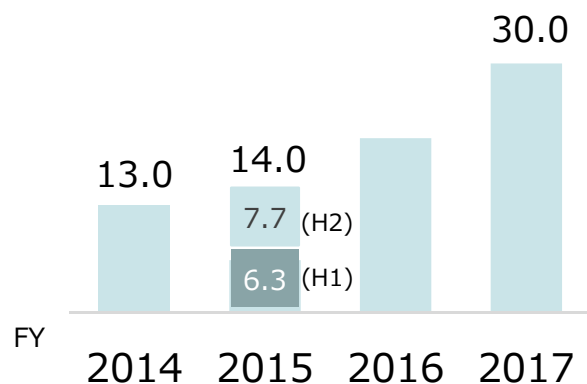
- ✓The dividend forecasted on May 8, 2015 has not been revised.
- ✓FY2015 : planned annual dividends of ¥30/share
(up by ¥10/share) (33% payout ratio)

Dividend per Share



Net Sales of Digital Innovation

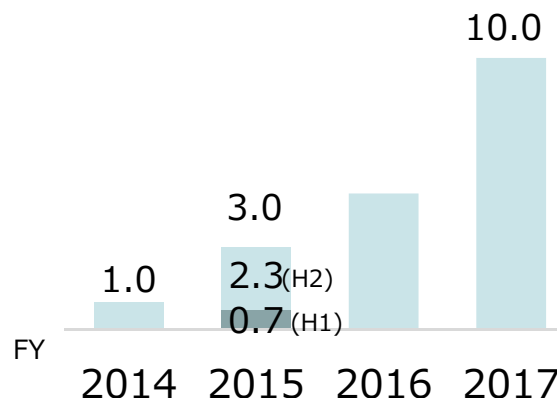
Net Sales (Billion Yen)



*FY2015H2 through to FY2017 have been forecasted

Net Sales of Life Innovation

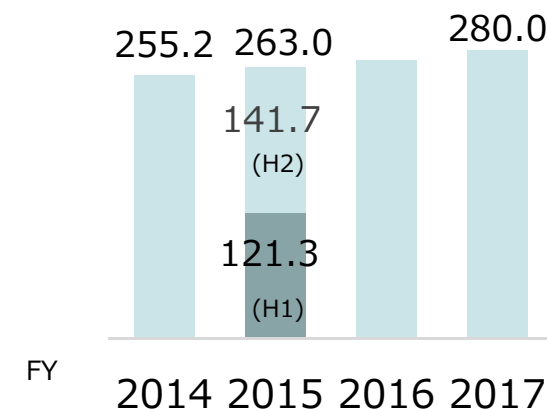
Net Sales (Billion Yen)



*FY2015H2 through to FY2017 have been forecasted

Net Sales of Business ICT Platform

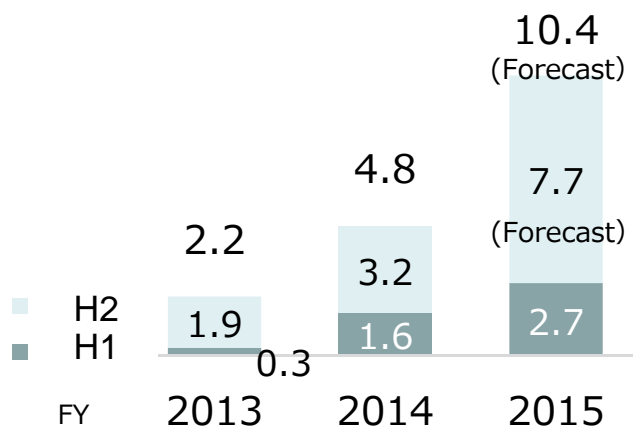
Net Sales (Billion Yen)



*FY2015H2 through to FY2017 have been forecasted

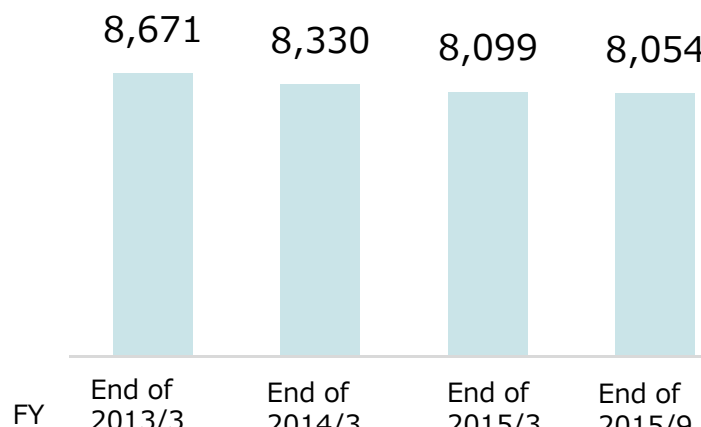
Net Sales of the Businesses in Cooperation with DNP

Net Sales (Billion Yen)



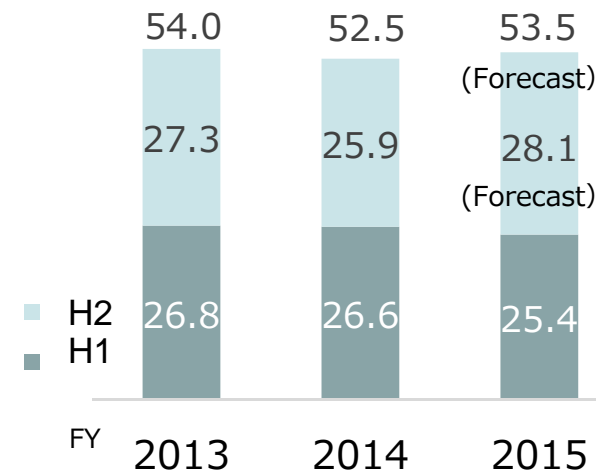
Strengthened Management Base

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



*The number of employees on a consolidated basis excluding USOL Vietnam

SG&A Costs (Billion Yen)



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FYMar2016 H1 Results on a Consolidated Basis

Foresight in sight

An increase in net sales due to strong product sales and system services boosted operating income and net income both. (Unit: Billion Yen)

	H1 (Apr-Sep)		Changes	
	FYMar2016	FYMar2015		
Net Sales	128.3	1,219	+6.4	+5.3%
Gross Profit	29.7	30.0	-0.3	-1.1%
SG&A Costs	-25.4	-26.6	+1.3	+4.7%
Operating Income	4.3	3.4	+0.9	+27.6%
Net Income Attributable to Owners of parent	2.5	2.0	+0.5	+27.2%
Orders	132.5	117.3	+15.3	+13.0%
Order Backlogs	214.4	211.3	+3.2	+1.5%

<Key Points of H1 Results>

■ Net Sales

Net sales were boosted by an increase in product sales and the sales of system services.

■ Operating Income

Operating income increased due to reduced personnel costs and other SG&A costs.

■ Profit Attributable to Owners of Parent

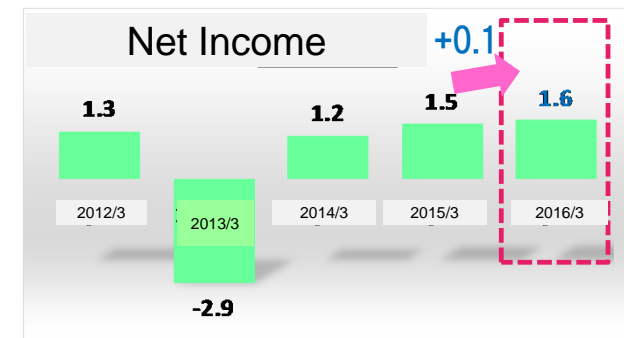
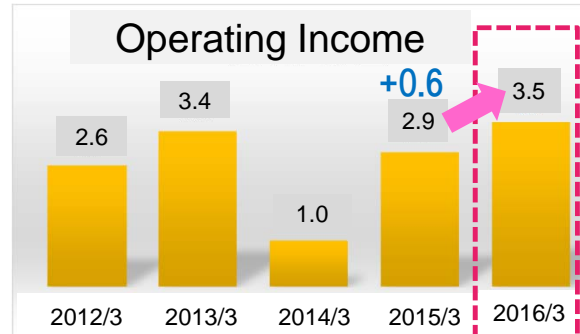
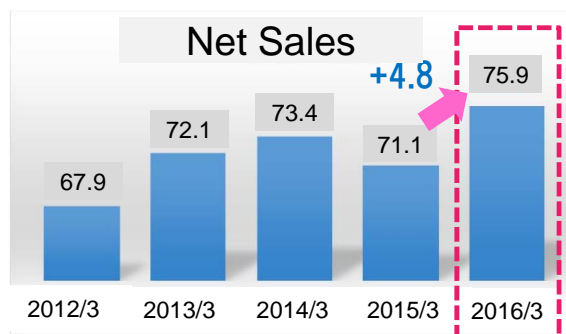
Profit attributable to owners of parent increased as a result of an increase in operating income.

■ Orders and Order Backlogs

Orders in the strong businesses such as of finance and utilities & services increased. Order backlogs grew as a result of an increase in the order volume of outsourcing business.

[Reference]

Q2 (Jul-Sep) Discrete Changes for 5 Years (Unit: Billion Yen)

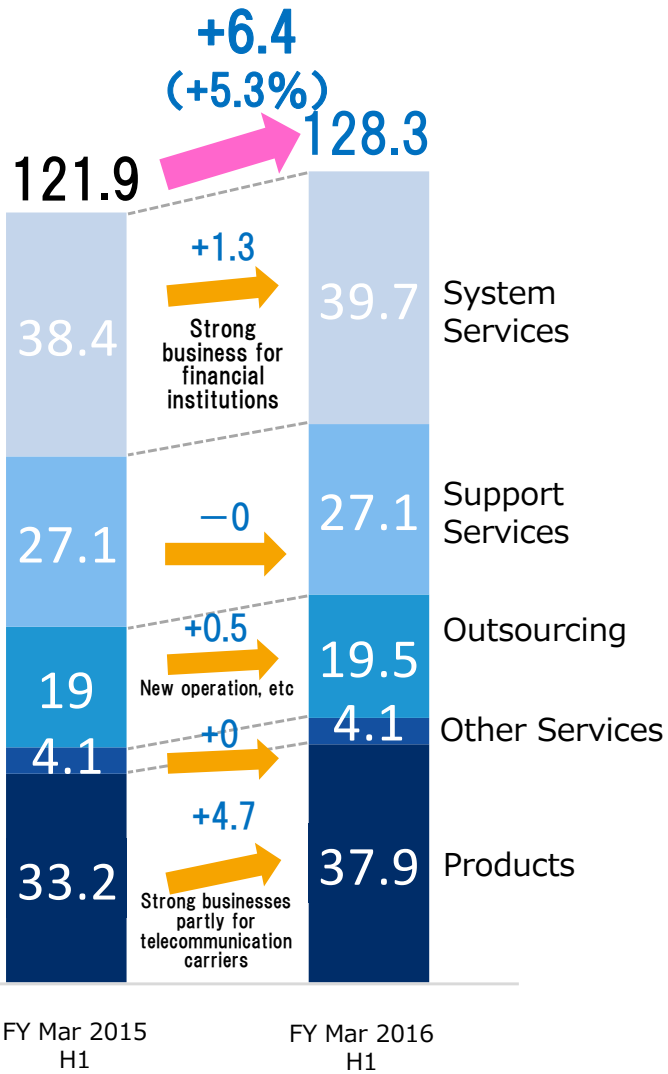


Net Sales and Gross Profit for FY March 2016 H1

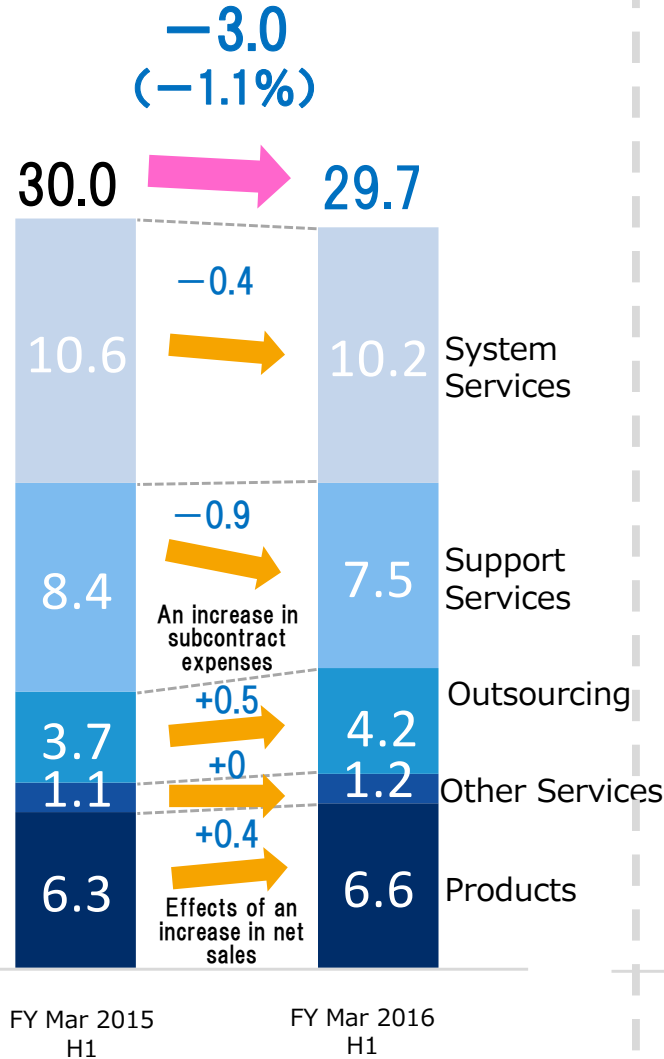
Foresight in sight

(Unit: Billion Yen)

Net Sales

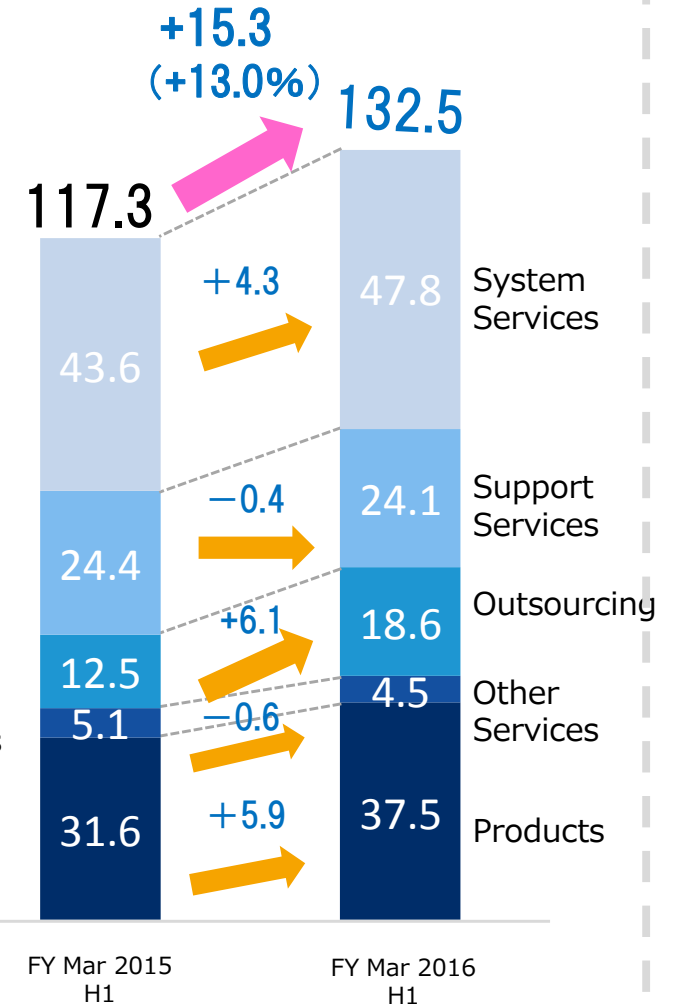


Gross Profit



【Reference】

Orders



(The value in brackets shows a percentage change.)

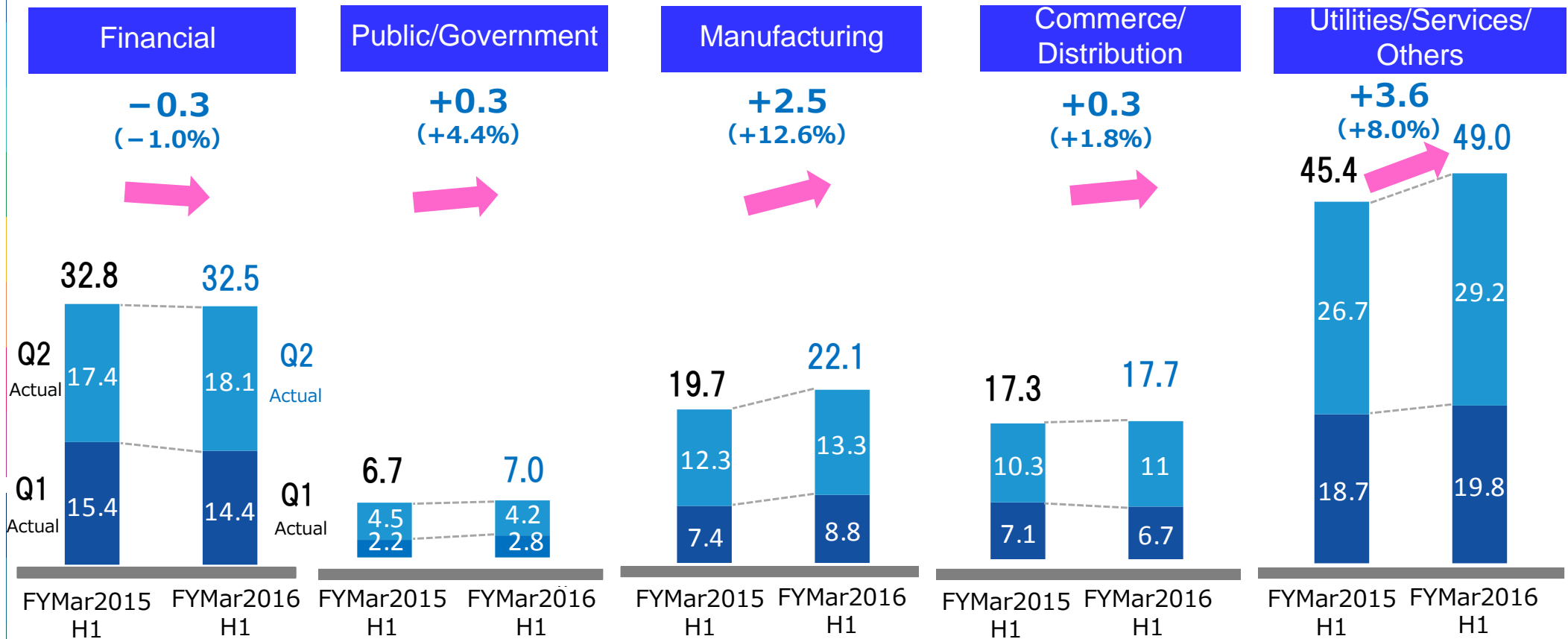
(The value in brackets shows a percentage change.)

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Net Sales by Market for FY March 2016 H1

Foresight in sight

(Unit : Billion Yen)



(Financial)
This market has been invigorated with: projects of system renewal for regional banks and Shinkin banks. We have participated in the settlement area. There is an expected increase in ICT asset investment by regional financial institutions due to re-organization.

(Public / Government)
Demands from local governments for system renewal remained strong. Businesses related to regional revitalization have been deployed.

(Manufacturing)
The car industry market has taken the lead in continuing to keep its upward momentum. Efforts have been made to develop businesses in the IoT area.

(Commerce/Distribution)
Retail and mail-order businesses have remained strong. EC solutions will be deployed.

(Utilities, Services, etc.)
This market has been invigorated mainly through projects against the backdrop of the liberalization of retail electricity sales. Network device sales to telecommunication carriers have been strong as have the businesses targeted to their customers in cooperation with the carriers.

Full-Year Performance Forecast for FY March 2016

Foresight in sight

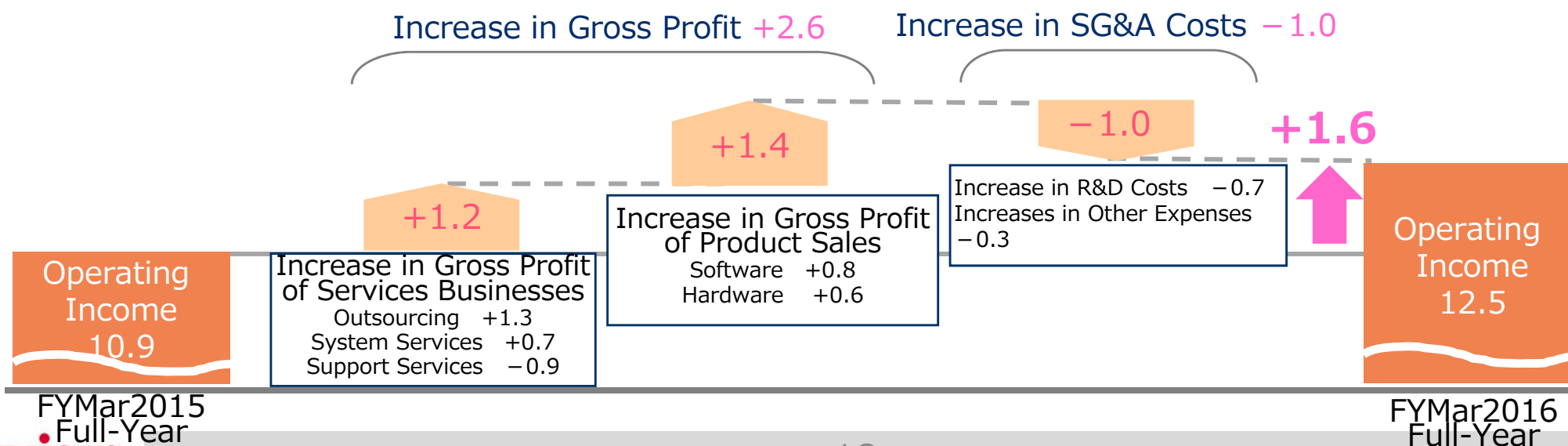
The full-year performance forecasts announced on July 31 have not been revised.

(Unit : Billion Yen)

	FYMar2016 H1 Actual		FYMar2016 H2 Forecast		FYMar2016 Full-Year Forecast		
	Amount	Yr/Yr Changes	Amount	Yr/Yr Changes	Amount	Yr/Yr Changes	
Net Sales	128.3	+6.4	151.7	+4.4	280.0	+10.8	+4.0%
Operating Income	4.3	+0.9	8.2	+0.6	12.5	+1.6	+14.4%
Profit Attributable to Owners of Parent	2.5	+0.5	6.0	+0.7	8.5	+1.3	+17.3%

[FYMarch2016 Full-Year Changes in Operating Income]

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

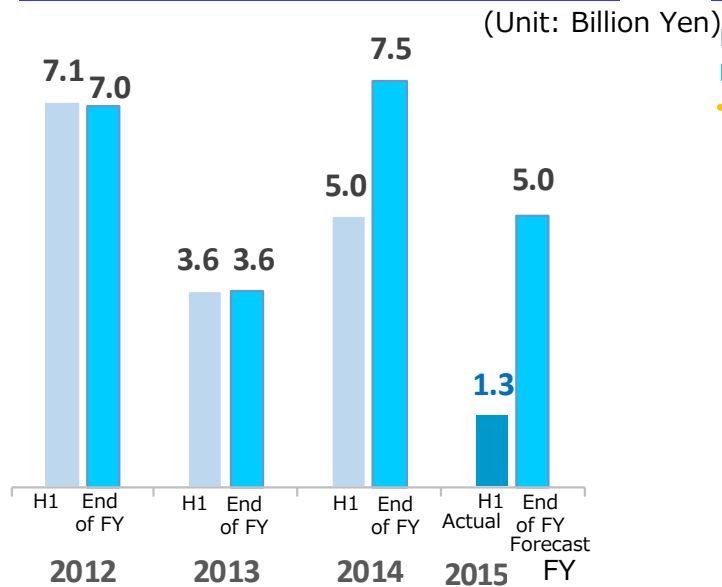


(Reference) Changes in Financial Indicators

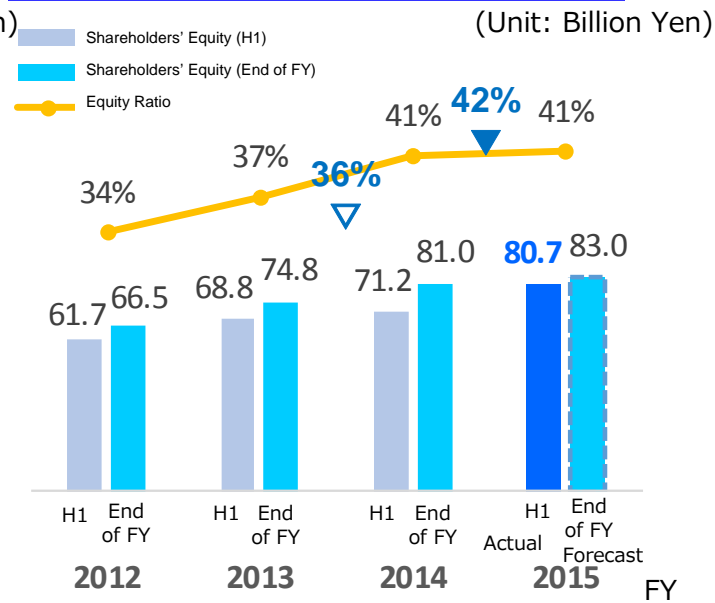
Foresight in sight

- ▼ This FY H1 Actual
- ▽ The Previous FY H1 Actual

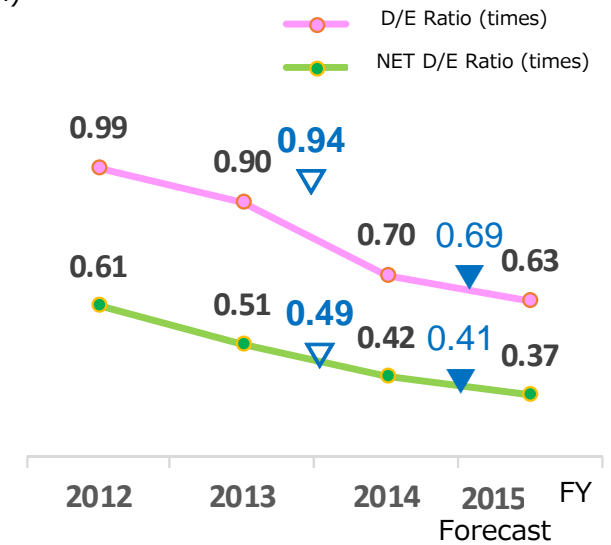
Free Cash Flow



Shareholders' Equity



D/E Ratio



Foresight in sight

UNISYS