

Results for the Fiscal Year Ended March 2016

May 10, 2016

Nihon Unisys, Ltd.

Foresight in sight

1 General Overview

2 Efforts under the Mid-term Management Plan and towards the Year 2020

Note: The expression "FY/ fiscal year" utilized in this document indicates the fiscal year which finishes at the end of March of the following year.
(Example: The expression FY2015 refers to the fiscal year ended March 2016.)

I thank you so much for your kind attendance at our financial results briefing despite your busy schedules. My name is Hiraoka. I took the office of CEO since this April.

I would like to summarize the business performance for the fiscal year, and explain about the progress under the mid-term management plan and efforts towards the year 2020.

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

Our 3-year mid-term management plan was launched in the fiscal year ended March 2016, together with our corporate message 'Foresight in sight®'. This message is intended to convey our intention to foresee the future, visualize and digitize what will be needed in the future, and enable us to provide insightful offerings to society.

Against the backdrop of digitization further infiltrating society, we have made efforts to innovate for the digital economy in the three fields: digital innovation; life innovation through the use of digital technologies; and business ICT platforms to support the innovations. The intention is to make changes to enable the most suitable platforms in the fastest way in an environment where customers businesses have experienced changes or further acceleration.

In this connection, we have finished our first year for the three-year plan in which we have made efforts to reform the corporate culture, strengthen the human resources capabilities, and improve investment strategies.

- ✓ System services and outsourcing took initiative in enabling an increase in net sales and income.
- ✓ Goals for operating income and net income were both achieved as planned.

(unit : Billion Yen)

	Full Year (April through March)		Changes	
	FYMar2016	FYMar2015		
Net Sales	278.0	269.2	+8.9	+3.3%
Gross Profit	64.6	63.4	+1.2	+1.8%
SG&A Costs	-52.1	-52.5	+0.4	+0.8%
Operating Income	12.5	10.9	+1.6	+14.6%
Profit attributable to Owners of Parent	8.9	7.2	+1.7	+23.1%
Orders	279.4	263.5	+15.9	+6.0%
Order Backlog	211.6	210.2	+1.4	+0.7%

<Key Points>

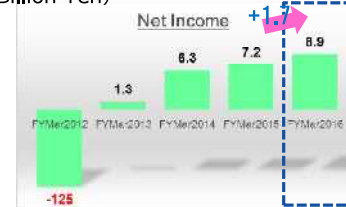
Net sales and income grew due to an increase in system services and outsourcing.

■ Operating income increased partly due to an increase in net sales and improved profit of services.

■ Net income attributable to Owners of Parent increased as a result of an increase in operating income.

■ Orders and order backlog both increased mainly in the fields of finance and utilities/services.

[For Reference] 5-year Changes in Net Sales, Operating Income, and Net Income (unit : Billion Yen)



As a result of these efforts made during the fiscal year under review, net sales were ¥278.0 billion, up by ¥8.9 billion compared with the previous fiscal year; operating income was ¥12.5 billion, up by ¥1.6 billion; and profit attributable to owners of parent was ¥8.9 billion, up by ¥1.7 billion.

Net sales landed slightly below the publicly announced forecast with an insignificant difference.

Net sales were boosted further than in the previous fiscal year mainly by system services and outsourcing. Operating income and profit attributable to owners of parent increased from a year earlier mainly due to improved profitability of services.

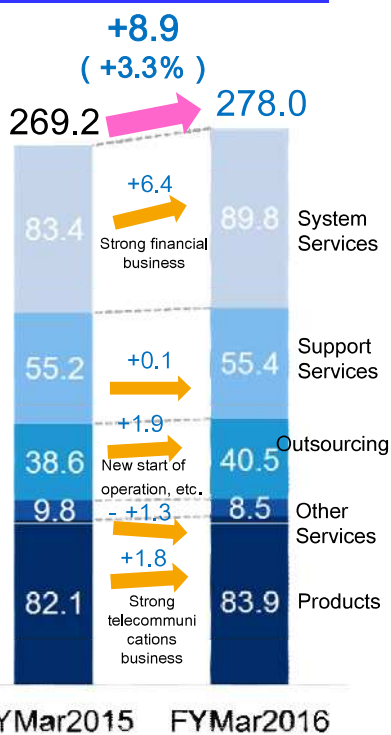
Orders were ¥279.4 billion, up by ¥15.9 billion from the previous fiscal year.

Brisk proposal activities mainly in the business fields of financial institutions and utilities/services have enabled favorable conditions for more orders.

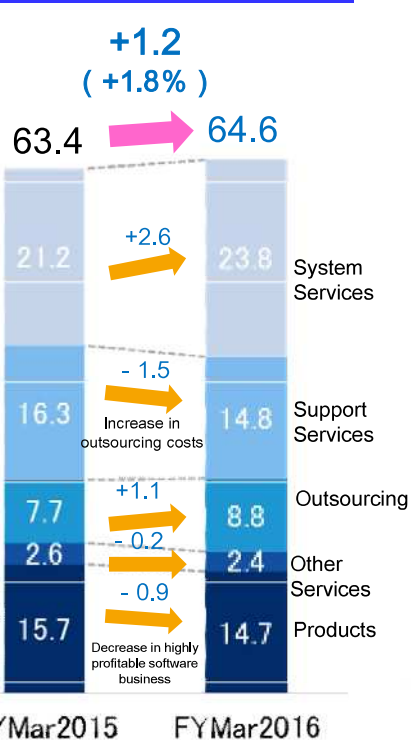
Order backlogs were ¥211.6 billion, up by ¥1.4 billion from a year earlier due to an increase in orders for system services and outsourcing.

(unit : Billion Yen)

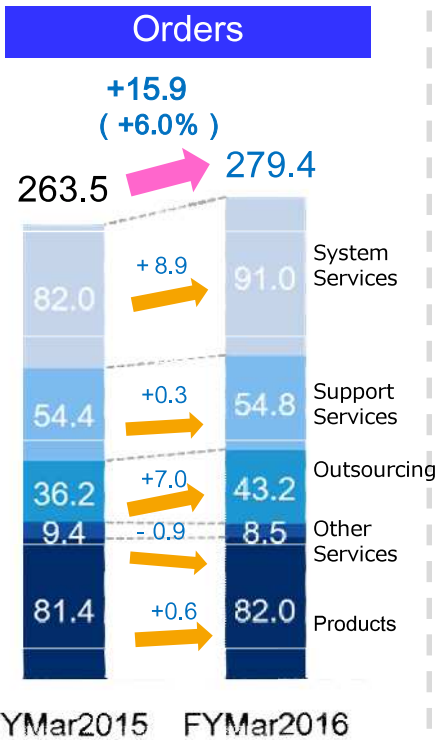
Net Sales



Gross Profit



【For Reference】 Orders



(The value in brackets represents the change rate)

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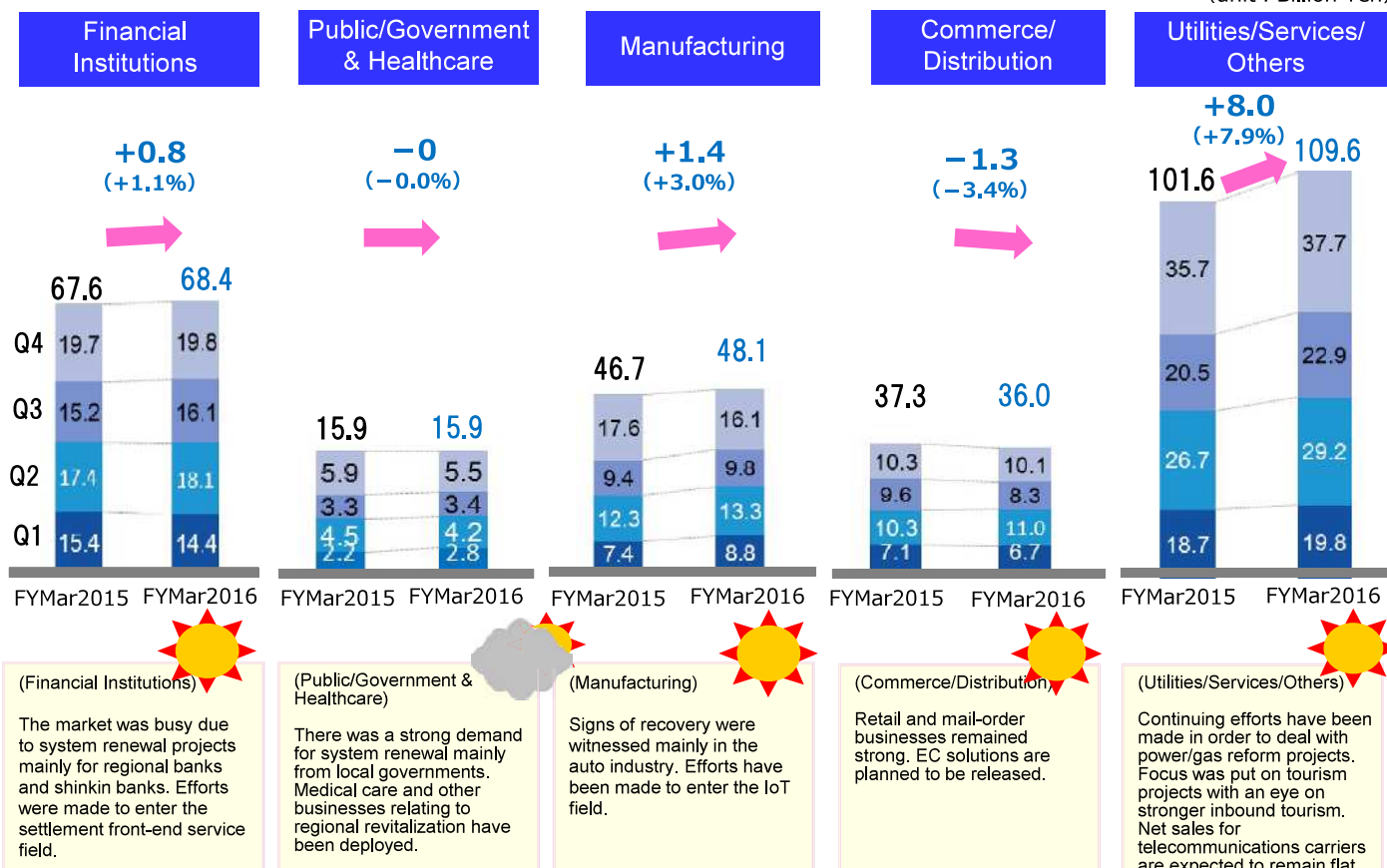
Net sales increased by ¥8.9 billion; gross profit increased by ¥1.2 billion; and orders increased by ¥15.9 billion. Net sales and gross profit increased in the fields of system services and outsourcing. Orders significantly increased, as well.

Outsourcing business includes: S-BITS with a focus on Bankvision that started to serve a new user in January 2015; and cloud computing services and SaaS services where small-and mid-sized projects increased.

Net Sales by Market

Foresight in sight

(unit : Billion Yen)



(Financial Institutions)

The market was busy due to system renewal projects mainly for regional banks and shinkin banks. Efforts were made to enter the settlement front-end service field.

(Public/Government & Healthcare)

There was a strong demand for system renewal mainly from local governments. Medical care and other businesses relating to regional revitalization have been deployed.

(Manufacturing)

Signs of recovery were witnessed mainly in the auto industry. Efforts have been made to enter the IoT field.

(Commerce/Distribution)

Retail and mail-order businesses remained strong. EC solutions are planned to be released.

(Utilities/Services/Others)

Continuing efforts have been made in order to deal with power/gas reform projects. Focus was put on tourism projects with an eye on stronger inbound tourism. Net sales for telecommunications carriers are expected to remain flat.

UNISYS

The business in the financial market has continued to be strong.

As for the business in the Public/Government & Healthcare market, we have prioritized profitability and discreetly examined local governments' projects before bidding. Net sales remained flat, due to a growth in our business of regional medical care collaboration.

The manufacturing net sales increased as a result of a heightened appetite for investment in the auto industry.

Despite orders having been awarded, commerce/distribution net sales decreased due to a large-scale projects having been posted in the previous fiscal year. However, due to the continued order strength, retail, mail-order and EC businesses are capable of further sales growth.

With respect to the utilities/services/others market business, the electric power industry has been undergoing a reform. Net sales in the market has markedly increased on the basis of the reform-related orders that we have been awarded.

Furthermore, we expect net sales to increase due to projects related to the liberalization of retail electricity sales and in-bound tourism.

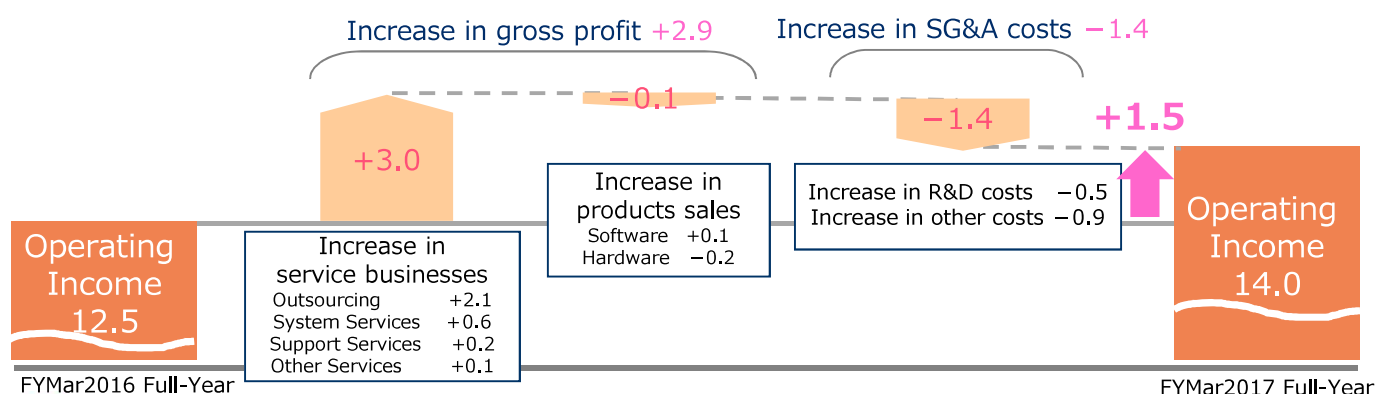
✓ Sales and income/profit increase is expected as a result of the increase in net sales and improved profitability.

(unit : Billion Yen)

	FYMar2017 Full-Year Forecast	FyMar2016 Full-Year Actual	Changes	
Net Sales	285.0	278.0	+7.0	+2.5%
Operating Income	14.0	12.5	+1.5	+11.8%
Profit attributable to Owners of Parent	10.0	8.9	+1.1	+12.1%

[Operating Income Changes]

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



This chart shows a full-year business forecast for the fiscal year ending March 2017.

We forecast: ¥285 billion full-year net sales, up by ¥7.0 billion; ¥14 billion operating income, up by ¥1.5 billion; and ¥10 billion profit up by ¥1.1 billion.

The bottom graph shows factors of causing operating income fluctuations.

A ¥3.0 billion gross profit increase in outsourcing and other service businesses is expected.

It is anticipated that further commoditization will make it difficult to increase product profit.

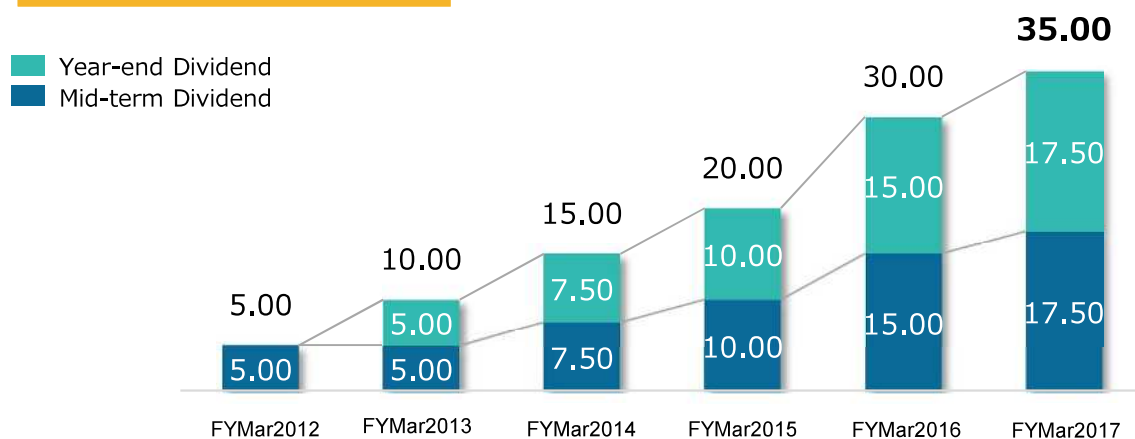
R&D is an investment towards a growth in the future, and thus will be increased.

As a result of these factors, we expect a ¥1.5 billion increase in operating income.

- ✓ Increase in dividends will continue for 5 consecutive periods.
- ✓ Fiscal Year ending March 2017
 expected annual dividends ¥35 per share
 (up by ¥5) (dividend payout ratio 37%)

Dividend per Share

(Yen)



Net Income (Billion Yen)	-12.5	1.3	6.3	7.2	8.9	10.0
Dividend Payout Ratio (Consolidated)	-	75%	22%	26%	32%	37%

With regard to shareholder returns in the form of dividends, we propose a ¥30 per share dividend for an approval by the ordinary general meeting of shareholders for the fiscal year under review. We plan a ¥35 per share dividend or an increase in the dividend payout ratio up to 37% for the fiscal year ending March 2017.



1 General Overview

2 Efforts under the Mid-term Management Plan and towards the Year 2020

- ✓ Speedily enabling newly created businesses in digital innovation and life innovation through the use of Business ICT Platform

Designing service models on the basis of movements and issues in society and industries

Providing combinations of optimum ICT environments suitable for realizing service models

Digital Innovation

- ✓ Launching new services in the settlement field
- ✓ Launching O2O* marketing services in conjunction with marketing

Life Innovation

- ✓ Promptly operating 'Mirai Kanae Net' on the basis of the achievements
- ✓ Launching new services in the childcare field
- ✓ Increasing achievements relating to such fields as energy management and vehicle dispatching system

Business ICT Platforms

- ✓ Offering in the fastest manner the most suitable service platforms supporting customers' businesses
- ✓ Strengthening services capable of accommodating new technologies and accelerating service businesses

* O2O

Online to Offline or Offline to Online commerce is a business measure that merges online customers' purchasing activities recognized through the Internet platforms with their offline counterparts at brick-and-mortar shops, and enables bidirectional coordination between them.

Next, I would like to explain about our progress under the mid-term management plan and our efforts towards the year 2020.

As I mentioned in the beginning of this briefing session, we have made efforts to transition towards the year 2020 with the focus on: new business areas of digital innovation and life innovation; and offering business ICT platforms capable of supporting changes in customers' accelerating businesses and further capable of helping to solve societal issues. We have already achieved several results in FY2015.

The digital innovation area is noteworthy for a settlement field focused on by our company and Dai Nippon Printing, Co., Ltd. through our business collaboration. We released a global brand prepaid card service, and we launched a global brand debit service for banks. Furthermore, we have released an evolutionary CLO (card linked offer) service to enable marketing activities in conjunction with settlement.

In the field of life innovation, we have intensified our efforts in the medical care, nursing care and childcare. These efforts are intended to provide services capable of helping to solve societal issues related to such developments as low birth rate and longevity and energy. We have provided a scheme of coordinating regional medical information as a solution to respond to an increase in medical cost and shortage of medical resources against the backdrop of further increasing aging population.

We have also begun to make efforts to relieve burdens from childminders at nursery schools as much as possible. The intention is to extend parenting support and help to create an environment that is kind to working parents with children on the waiting list for nursery schools.

In addition, we have provided a scheme to enable teleworking, that is, working without reporting to work.

In the business ICT platform area, our aim is to enable optimum services in the fastest way. We have released platforms capable of easily supporting IoT and Big Data, the recent topics alongside the conventional platforms.

✓ Accommodating the diversified settlement methods and improving the convenience and efficiency of settlement in a cashless society

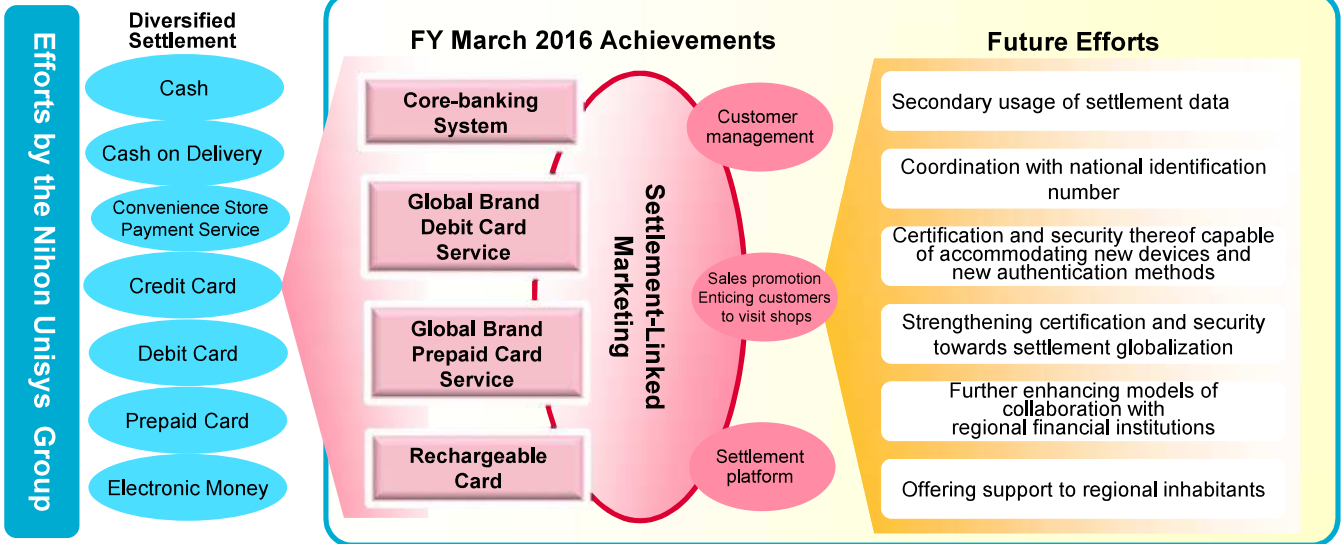
Market environment

Year 2015

- Diversified settlement methods
- Propagation of digital marketing

Year 2020 Forecast

- Development of an environment for payment via overseas-issued credit cards
- Further use of credit cards at regional areas and tourist resorts.
- Common practice of processing credit card payment/settlement in the presence of card holder at a department store



There are movements of payment/settlement diversification including the efforts by the Japanese government to create a cashless society towards the year 2020. Against this backdrop, we have started to make efforts to improve the convenience and efficiency of settlement.

Various settlement methods have become available such as via debit card, prepaid card, and electronic money in addition to cash, COD (collect on delivery), payment receiving agent service via convenience store, and credit card.

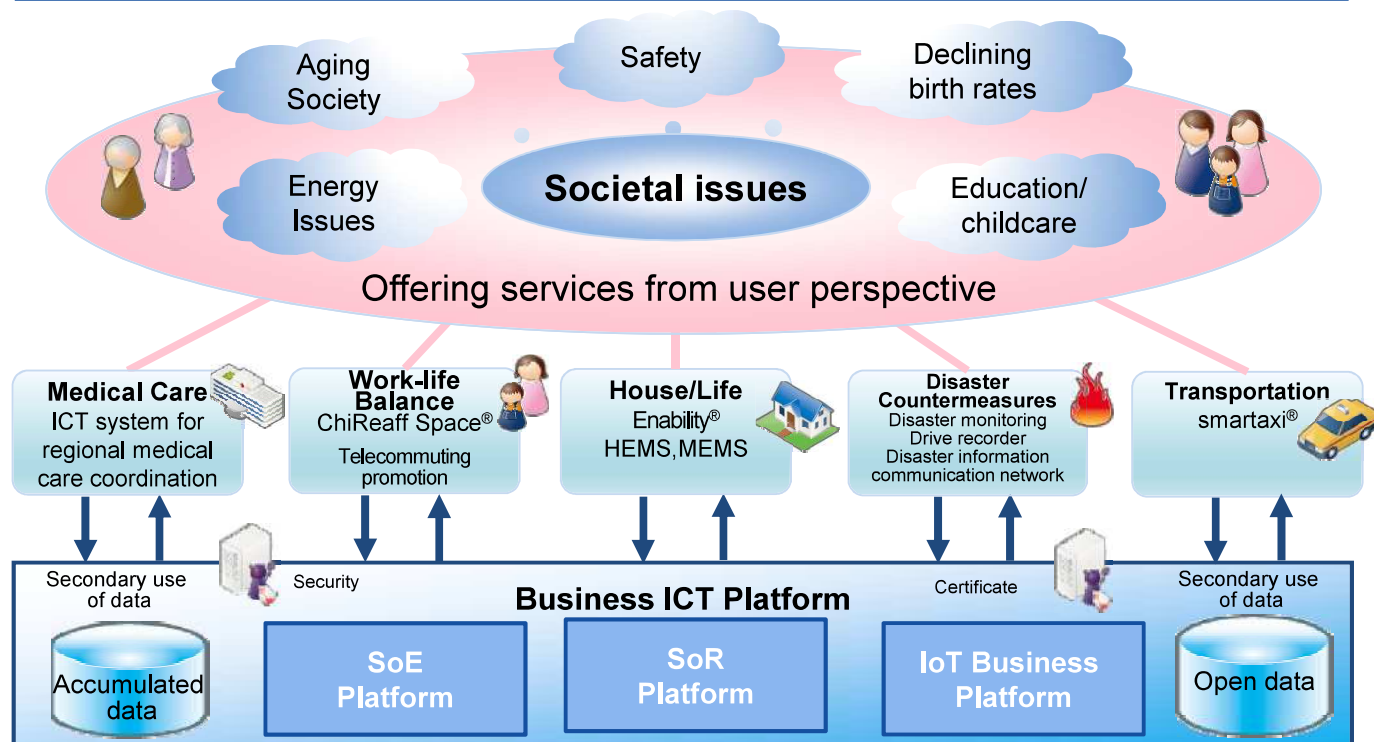
We have gradually provided more service platforms capable of supporting these methods. We have operated a business in dealing with various types of prepaid cards through convenience stores for several years. This business has become an income source due to a significant increase in payment card use.

Furthermore, we started to issue prepaid cards equipped with global brands such as JCB and VISA, and also launched a direct debit service. We will introduce a settlement service that does not use payment cards, such as a prepayment mechanism that uses digital codes on smartphone. In fact, we have already started a POC (proof of concept) for a mechanism that will enable non-Japanese visitors to use electronic money as it is used overseas. We plan to release the mechanism in the future.

Furthermore, we plan to strengthen marketing as well as settlement schemes. We will develop marketing methods in conjunction with settlement through the cooperation with Dai Nippon Printing, Co., Ltd., such as about secondary use of settlement data; and use of smartphone as well as payment cards. Those efforts will be intensified through the cooperation with the company against the backdrop of further use of the national identification number in society.

Moreover, these efforts will bring about results that can be used for regional revitalization through cooperation with regional financial institutions. We would like to help to solve issues such as so-called shopping refugees (local civilians who have no easy access to stores for daily necessities) through these efforts.

✓ Solving societal issues through further coordinating achievements of trailblazing services



In addition to our efforts in the medical care area, we have been promoting internally the efforts to strike a work-life balance in order to support the governmental project of promoting dynamic engagement of all citizens. Some of the efforts include helping employees with parental support, and supporting them to work from home.

The Ministry of Internal Affairs and Communications announced 100 companies that take initiative in promoting telework. Our company is the only major system integrator chosen.

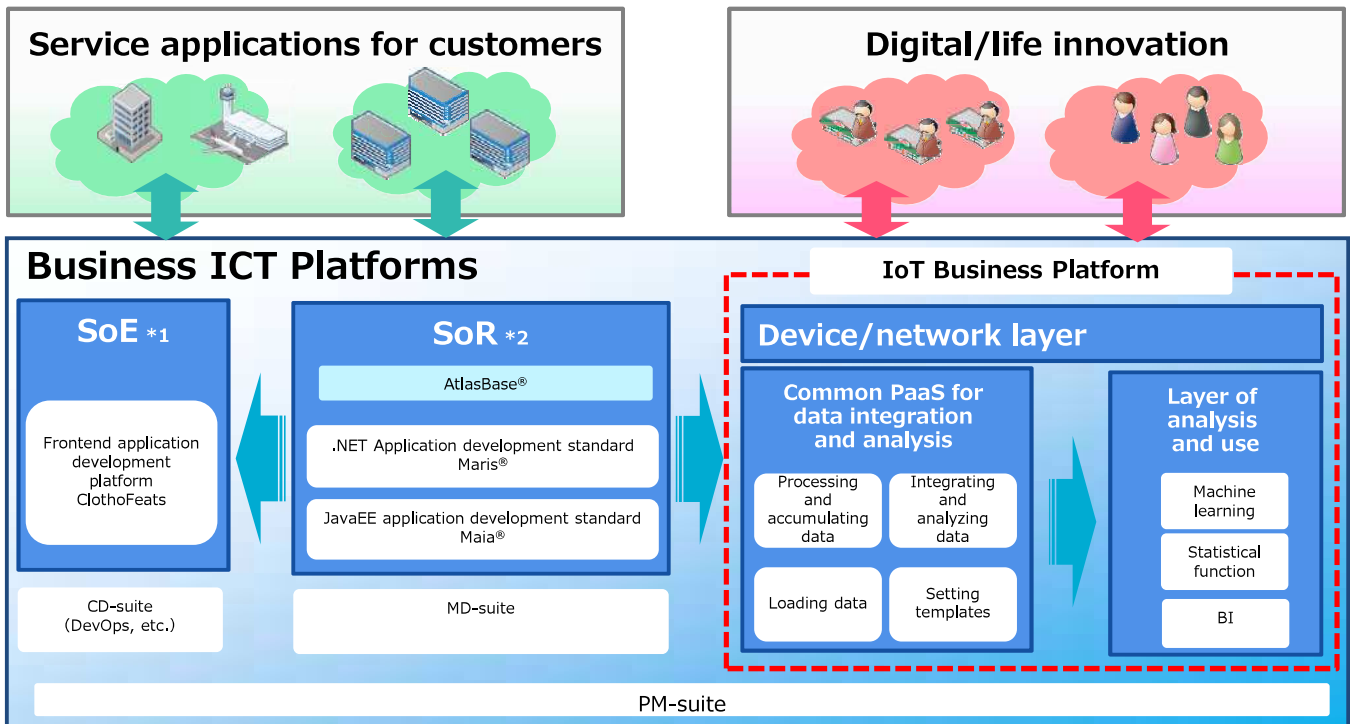
We will further propagate this project in society.

With respect to the energy area, we have promoted energy management through the efforts about carsharing, a scheme of sharing economy focusing on common use rather than ownership.

Japan is a country likely to experience natural disasters. Thus, we have taken on the challenge of creating a system that will enable forecasts of landslides and floods through the use of special camera devices monitoring disasters and artificial intelligence. Furthermore, we have begun to conduct POCs in several regions in order to examine strong networks against disasters.

With respect to taxi system such as UBER enabling easy rides for visitors from abroad, we have made efforts to enable Japanese taxis to be easily used through the use of smartphones over several years. Settlements can be made without direct communications with drivers. Directions are indicated through specifying locations on a smartphone map. Eventually, we were awarded an order for large-scale project. We have been hoping that our system 'smartaxi' would be used in one out of 7 taxis in Tokyo for the past year.

✓ Strengthening technological bases to accommodate new needs and further creating platforms therefrom



* 1 : SoE (System of Engagement) prioritizes customer contact points and focuses on using various types of data for marketing purposes
 * 2 : SoR (System of Record) is a traditional recording system that logs data of backbone systems and service systems.

Against the backdrop of further digitization, customers' businesses have experienced changes and acceleration. It has become necessary to have a mechanism that coordinates multiple categories of industry in order to solve a variety of societal issues that cannot be solved by one single company.

We are aware of the need to provide the most suitable services and ICT platforms that support the services as soon as possible. Accordingly, we have made proactive efforts to create the platforms in advance and provide environments where they are ready to use.

We have launched SoE (Systems of Engagement) a mechanism capable of processing combinations of various types of data alongside SoR (System of Record) performing processing conventional types of transactions.

Moreover, we have developed SoR to IoT (Internet of Things) a mechanism connecting various types of sensors to computers, collecting data therefrom, learning from the data and helping to create new business models. We have provided a service comprised of the mechanism and concepts of big data and AI deep learning. I will give you examples of our advanced efforts later. Also, we have strengthened platforms capable of providing service models that have been designed in the area of digital innovation/life innovation in the fastest and optimal manners.

✓ Strengthening new efforts in order to achieve **Foresight in sight**

Efforts relating to Robots, AI, and IoT

- Implementing a proof-of-concept of using NAVII™, autonomous mobile robot created by Fellow Robots, Inc. at a shop of YAMADA DENKI Co., Ltd.
- Comprehensive support to enable meeting rooms capable of actively judging, performing and learning through further merging artificial intelligence (AI) technologies and ITOKI CORPORATION's knowledge about office design



Promoting open innovations

- Participating as a partner in a seed accelerator program TECH PLANTER sponsored by Leave a Nest Co., Ltd. that is designed to find and grow venture businesses aiming at creating new businesses through the use of science and technology
- Investing in JICT, Fund Corporation for the Overseas Development of Japan's ICT and Postal Services (Japan ICT Fund)
- Investing in 'REALTECH-FUND' venture capital fund



Let me give you examples of our advanced efforts.

AI and IoT have advanced to enable robotics. As was announced in our news release, we have conducted a POC at a YAMADA DENKI shop. It was about an autonomous mobile robot with a 360° motion sensor embedded capable of moving 100 m and ushering to specific sales floors without touching people.

Furthermore, we have conducted a POC in cooperation with ITOKI CORPORATION in order to know what the next generation of meeting rooms should be through the use of combinations of artificial intelligence (AI) and our natural language processing technologies (Japanese). If everything goes well, we hope a commercialization this autumn.

Silicon Valley has been a place where venture businesses and start-ups have provided various types of services. Their activities have become brisk in Japan as well. We think that we should take on open innovation initiatives together with the start-up companies. We are promoting the activities.

We have sponsored an accelerator program of Leave a Nest Co., Ltd that is designed to grow start-ups and help them to operate businesses. We have made efforts such as about the Nihon Unisys Award in order to enable smooth cooperation with start-ups.

Also, we have created a mechanism to enable us to contribute to overseas business operations through funding JICT launched by Ministry of Internal Affairs and Communications

Furthermore, we have invested in 'REALTECH-FUND' venture capital fund in order to invest directly in start-ups and venture businesses.

We would like to provide new platforms through these efforts.

Promoting changes in order to establish a new position towards the Year 2020

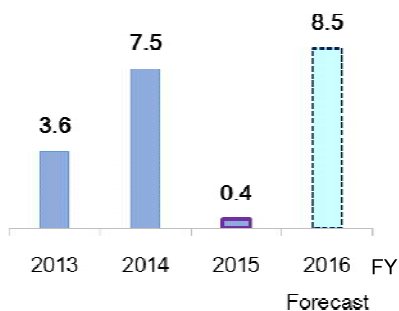


Last but not least, I would like to brief you on reforms to enable us to stand on a new position towards the year 2020. We have made efforts to create new businesses and solve societal issues through connecting various types of industry in the growing area of digital economy. It seems that we have actually come to connect the results of these initiatives and generate synergies, and then leverage these synergies to create further value through these efforts. We would like to be a frontrunner providing services useful for solving societal issues and creating future business scenarios.

This concludes my presentation about the financial results, progress status under the mid-term management plan, and our efforts towards the year 2020.

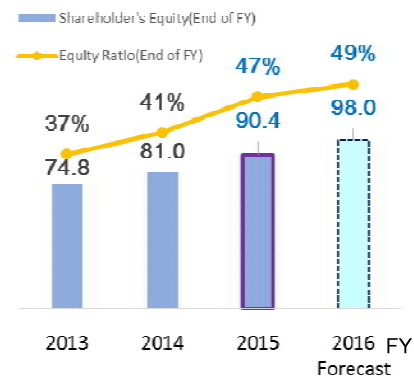
Free Cash Flow

(unit : Billion Yen)



Equity Capital

(unit : Billion Yen)



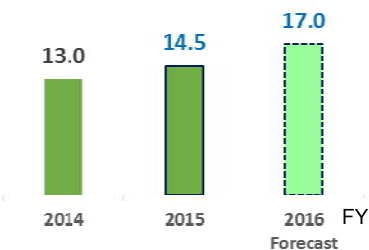
D/E Ratio



Net Sales

Digital Innovation

(unit : Billion Yen)



Life Innovation

(unit : Billion Yen)



Business ICT Platform

(unit : Billion Yen)



Foresight in sight

UNISYS

(Note)

Forecasts in this document rely on judgments and assumptions based on information available at present. Actual results may differ from the forecasts due to changes in risks, uncertainties, economy and other factors. Thus, the certainty of these forecast is not guaranteed by our Group.

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

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