

Results for the Fiscal Year  
Ended March 2018 /  
Mid-term Management Plan

May 9, 2018  
Nihon Unisys, Ltd.

Foresight in sight

Summary of the Results for FYMar2018

Mid-term Management Plan

Performance Forecast for FYMar2019

Outsourcing and product sales boosted sales and earnings as well as operating margin.  
Profit attributable to owners of parent broke its record for three consecutive years.

(Unit : Billion Yen)

	Full Year (Apr-Mar)		Changes	
	FYMar2018	FYMar2017		
Net Sales	287.0	282.2	+4.7	+1.7%
Gross Profit	68.8	66.7	+2.1	+3.1%
SG&A Costs	-52.5	-52.4	-0.1	-0.1%
Operating Income	16.3	14.3	+2.0	+14.1%
(Operating Margin)	(5.7%)	(5.1%)		(+0.6pt)
Profit attributable to Owners of Parent	11.9	10.3	+1.7	+16.4%
Orders	297.0	281.4	+15.6	+5.5%
Order Backlogs	220.7	210.7	+10.0	+4.7%

### <Key Points>

#### ■ Net sales

New outsourcing operations and continued strength of our in-house software products drove net sales.

#### ■ Operating income

The improved net sales and profitability (of system services and software products) boosted operating income.

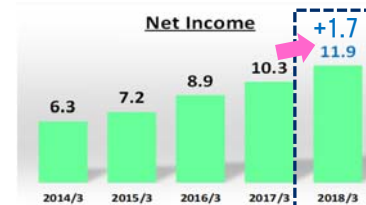
#### ■ Profit attributable to owners of parent

A record-breaking profit was a result of the strong operating income.

#### ■ Orders and order backlogs

Steady accumulation of outsourcing and system services resulted in an increase in orders and order backlogs, both.

### ■ Changes in the Full-Year Results (Unit: Billion Yen)



First of all, let me summarize the results of the fiscal year ended March 2018.

Net sales were ¥287.0 billion, an increase of ¥4.7 billion compared with the previous fiscal year. Operating income was ¥16.3 billion, an increase of ¥2.0 billion, and net income was ¥11.9 billion, up by ¥1.7 billion.

Due to our efforts to enable business models where profitability is prioritized, our profitability was improved. As a result, operating income and net income outperformed the planned values, although net sales were slightly less than planned. A record-breaking net income was posted.

Due to steadily accumulated orders of outsourcing and system services, orders were ¥297.0 billion, an increase of ¥15.6 billion compared with the previous period. Order backlogs were ¥220.7 billion, an increase of ¥10.0 billion.

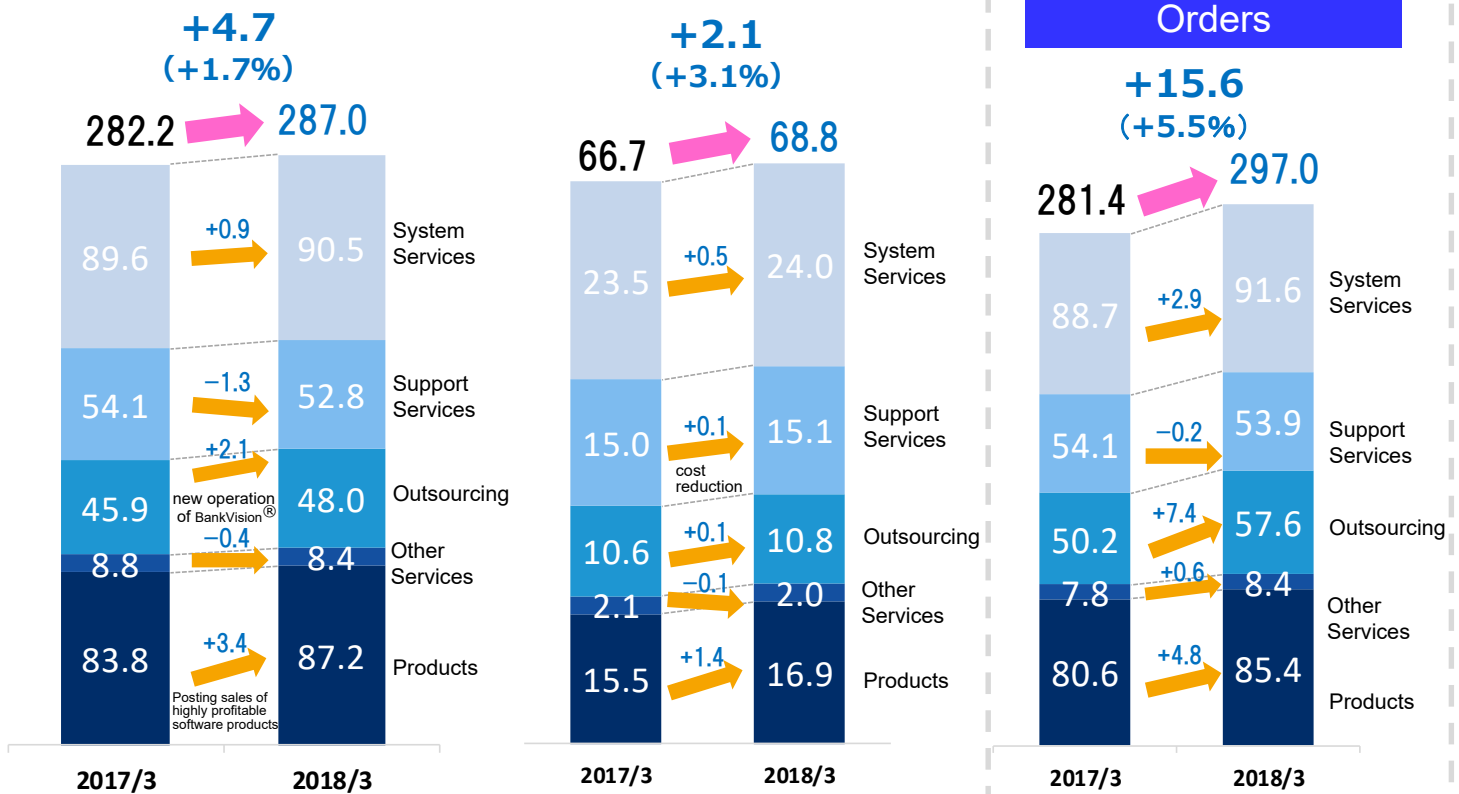
( Unit : Billion Yen )

## Net Sales

## Gross Profit

【 Reference 】

## Orders



Next, let me explain the situations by segment.

The System Services segment saw an increase in net sales and gross profit, due to projects for the financial industry and the services industry as well as accumulated small- and mid-sized other projects. It is noteworthy that no cost overruns occurred in any projects for three consecutive fiscal years.

Support Services suffered a decrease in net sales due to expired contracts. However, the negative impacts were outweighed by efforts to reduce outsourcing and other costs. As a result, a small increase in gross profit was managed.

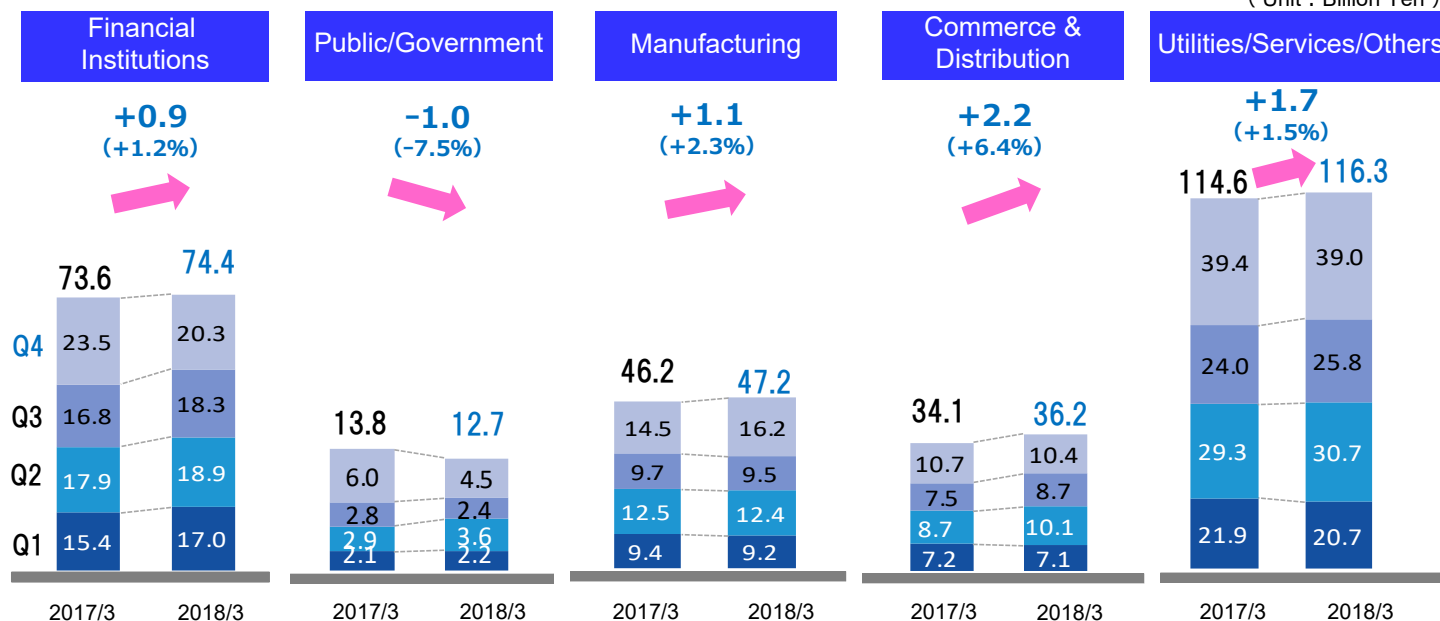
Outsourcing enabled an increase in net sales on the basis of accumulated small- and mid-sized projects as well as new BankVision® operation that started for its 10th bank last May. However, its gross profit was unchanged compared with the previous fiscal year when a highly profitable project was posted.

Strength of in-house software product sales boosted net sales and gross profit of Product Sales.

# Net Sales by Market

Foresight in sight

(Unit : Billion Yen)



## Market Overview

<p>(Financial Institutions) Sales activities for front-office solutions capable of reforming branch offices were actively promoted. Efforts are being made to increase businesses related to Fintech exemplified by open API platforms.</p>	<p>(Public/Government) Examining risk factors was prioritized in selecting bidding projects. Focus has been made on regional revitalization businesses targeted at local governments.</p>	<p>(Manufacturing) Strong demands mainly from car industry continued. Activities to sell IoT platform services have been intensified.</p>	<p>(Commerce &amp; Distribution) Steady sales of implementation-type solutions targeted at retail/EC businesses continued. One aim is a practical use of AI + shop-guide/inventory-management robots for retailers.</p>	<p>(Utilities/Services/Others) Our Sharing Platform scheme has been further accepted. Energy management systems and inbound tourism businesses have been promoted.</p>
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UNISYS

Let me explain the situations by market.

Generally speaking, strong net sales were witnessed in the financial and commerce & distribution markets.

Net sales were boosted partly due to system operations having started for a regional bank and a shinkin bank. Their increase was also enabled by our front-office solutions capable of reforming sales offices for which we received many inquiries.

Many activities about businesses related to Fintech were promoted. The most recent results include a decision by a regional bank to use our API open platform and a release of open API services for shinkin banks.

Risk factors have been rigorously examined before putting in a bid for public/governmental projects. We have made efforts to take on municipal businesses capable of revitalizing regional areas.

Our manufacturing sector saw continuing strong demands mainly from car industry. Efforts have been made to increase and enhance our IoT platform services for the sector.

In the commerce & distribution sector, we receive a steady number of inquiries about implementation-type solutions for retail and EC businesses. Efforts have been made to put in practice robot/AI-use services for retailers.

The Utilities/Services/Others sector enabled a steady increase in the business of sharing platforms such as storage service platform. Furthermore, efforts have been made in the businesses related to energy and tourism.

This concludes the report on our performance for the fiscal year ended March 2018.

We will share with you our earnings guidance for the fiscal year ending March 2019 after explaining our new mid-term management plan that was launched in this fiscal year.

Summary of the Results for FYMar2018

Mid-term Management Plan

Performance Forecast for FYMar2019

# Mid-term Management Plan Foresight in sight 2020

The UNISYS logo is displayed in a white rectangular box. The word "UNISYS" is written in a bold, red, serif font. The background of the slide features a central graphic of a globe composed of a network of colorful lines (red, blue, green, yellow) and dots, with various images of people and technology integrated into the globe's structure. The overall design is modern and digital, with a light blue background and scattered geometric shapes and dots.

I would like to brief you on our new mid-term management plan for the period from FYMar2019 to FYMar2021.



# Mid-term Management Plan (2018-2020)

## Foresight in sight 2020

The Nihon Unisys Group has made efforts to improve its brand under the corporate mission statement 'Foresight in sight®' since 2015.

"Foresight" consists of foreseeing and understanding industry changes, customer needs, and future social issues in advance, and "in sight" has the double meaning of being able to see and understand things combined with the meaning of "insight."

We established our mid-term management vision towards 2020: 'Mobilize services based on the interconnected businesses. Build our future through ICT advances.'

This vision is encapsulated in our corporate statement 'Foresight in sight'.

'Foresight in sight 2020' concisely indicates that our new mid-term management plan contains strategies in order to enable achievements as we envisioned.

'Foresight in sight' contains values shared among the employees. It is a manifestation of the employees to further put it in practice.



## **1** Review of the Previous Mid-term Management Plan

## **2** Policies of the Mid-term Management Plan 'Foresight in sight 2020'

## **3** Key Initiatives of the Mid-term Management Plan

## **4** Growth Prediction

I would like to explain our 'Foresight in sight 2020'.

First, I would like to review our previous mid-term management plan before describing our policies of new mid-term management plan and key initiatives. I will conclude my explanation by referring to our growth prediction.

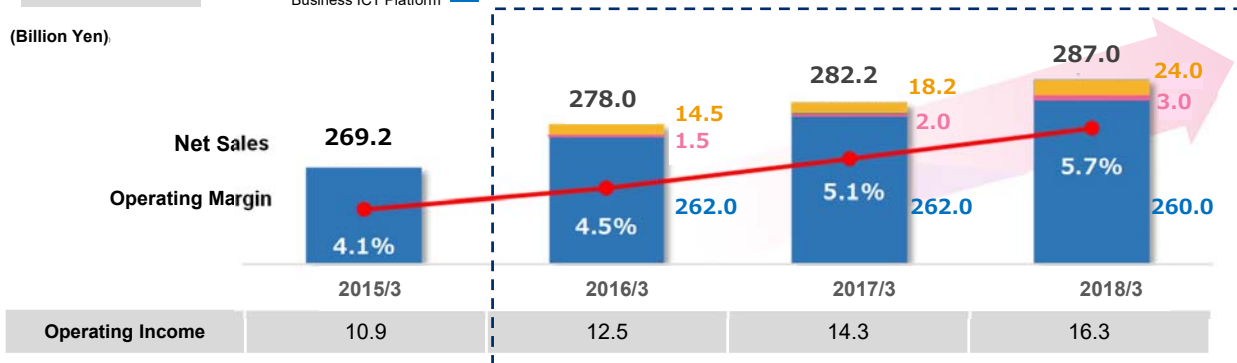
A sustained business recovery was enabled by increases in new businesses and improved productivity. We achieved targeted values previously indicated in the Mid-term Management Plan.

### Changes in the Performance

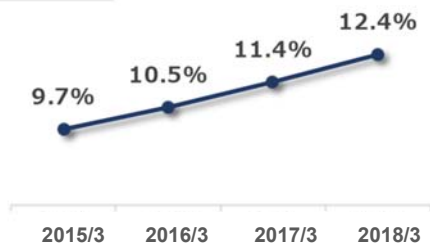
(Billion Yen)

Digital Innovation  
Life Innovation  
Business ICT Platform

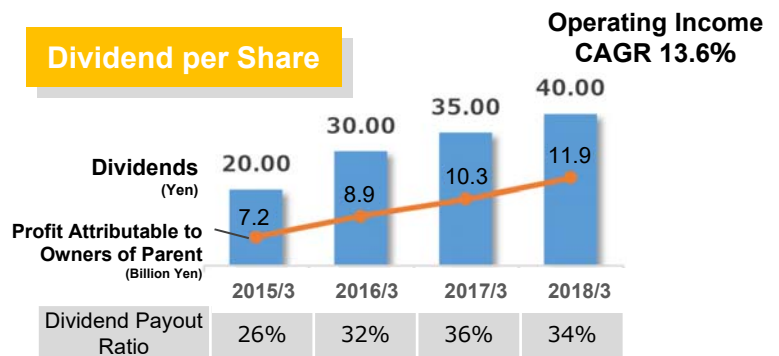
### Previous Mid-term Management Plan



### ROE

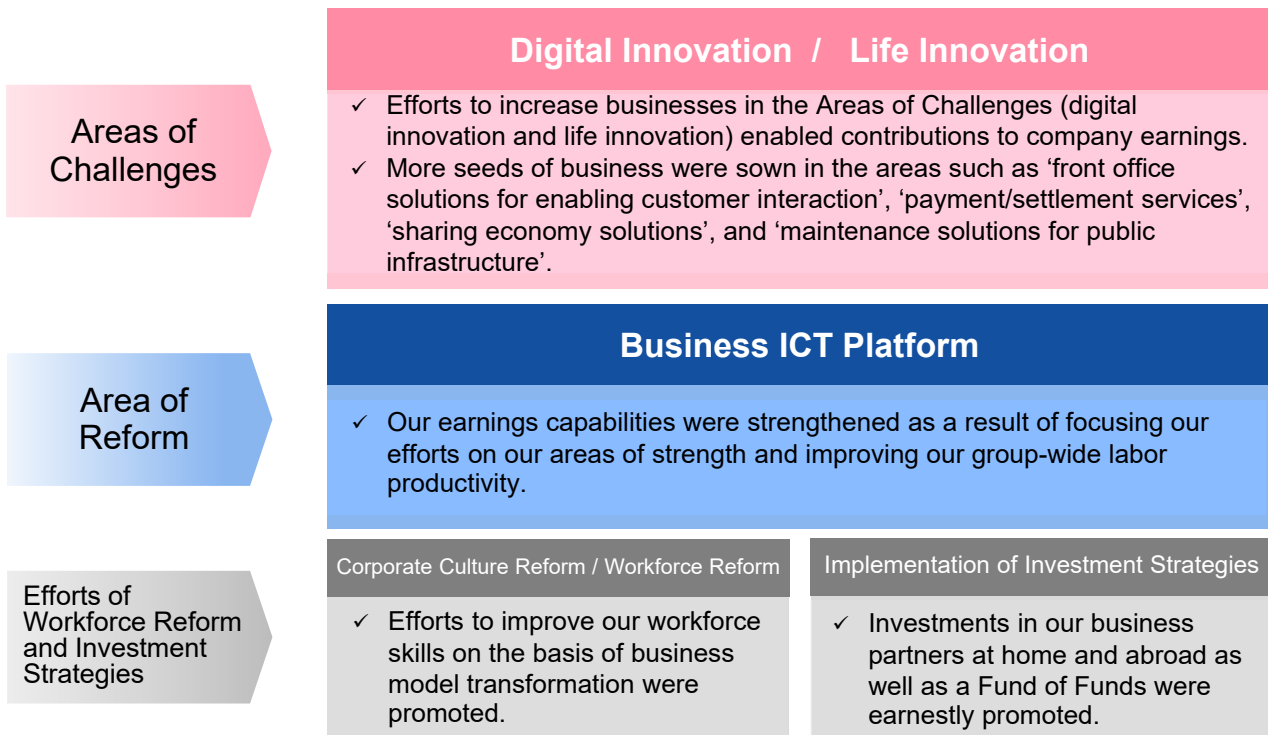


### Dividend per Share



As was mentioned in the previous section of performance results, we managed to steadily keep our quantitative strengths. Operating margin and dividend payout ratio outperformed the targets planned when the previous mid-term management plan was established.

**We made a success of taking on challenges in the new business areas, and developed robust bases capable of further growth.**



We promoted our efforts to take on key initiatives of: expanding the areas of digital innovation and life innovation; reforming the area of business ICT platforms; and reforming corporate culture/strengthening of human resources capabilities in order to enable our growth.

Our efforts made in order to enable an expansion of digital/life innovation areas increased our businesses and contributed to our sales and income, although they did not bring about the results as we originally envisioned. Furthermore, we see more seeds of business sown in the areas.

We servitized our businesses through transformative efforts to re-use our expertise and services/products accumulated in the past. We also promoted implementation-type businesses in the area of reforming our business ICT platform businesses. This, coupled with an improved efficiency predicated on workstyle reforms taking root, eventually enhanced profitability.

Our cash flow generating capabilities strengthened through these initiatives eventually enabled us to increase in investments in a Fund of Funds and businesses necessary for implementing our growth strategies.

We think that we have created a foundation for reforms as a result of the efforts made through our implementation of the previous mid-term management plan. This has enabled us to begin a new mid-term management plan.

## The Nihon Unisys Group X Business Ecosystems

### The Significance of the Existence of the Nihon Unisys Group

'A corporate group solving social issues through socially beneficial services capable of creating a more affluent society together with customers and business partners'

To become a core capable of creating business ecosystems that connect different types/categories of businesses across conventional boundaries, and to provide platforms capable of digital transformation.

Increase businesses and promote efforts to reform workforce and corporate culture in specified areas of focus where the Group is to provide value.

Improve the corporate value through efforts to solve social issues together with customers and business partners.

Next, I would like to explain our new mid-term management plan, 'Foresight in sight 2020'.

This year marks the 60 th anniversary of Nihon Unisys, Ltd.

Year 2020, the final year of our new mid-term management plan 'Foresight in sight 2020', will mark the stage for envisioning the future. We are determined to provide value continuously as a sustainable company of the coming age.

We set forth our target corporate orientation of becoming a company which solves social issues. We will become a company capable of creating business ecosystems that connect different types/categories of businesses across conventional boundaries. We have defined ourselves to become a company that provides platforms capable of digital transformation which will be further developed in society.

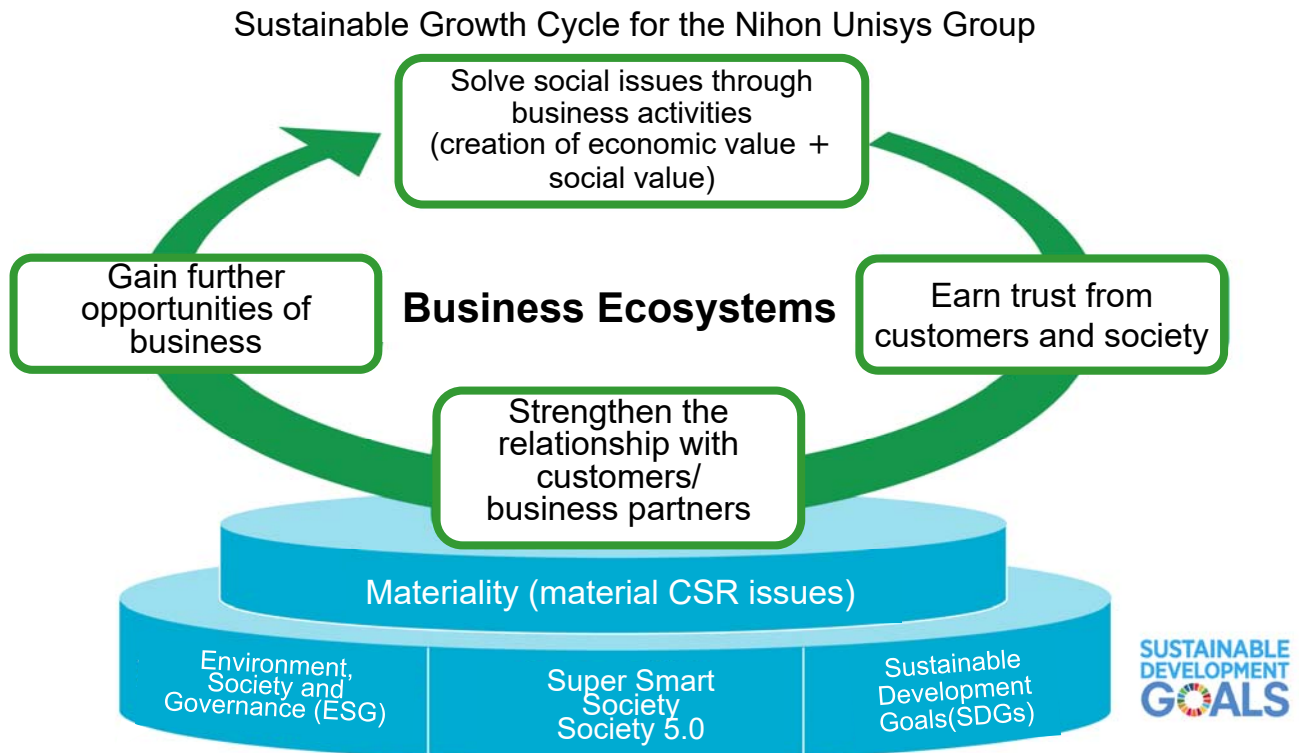
Our previous mid-term management plan enables us to develop capabilities of designing and delivering new services in addition to the three capabilities that we had developed as a system integrator (capabilities of: enabling successful system implementation; enabling one-stop support that is free from vendor lock-in; and collaborative relationship with customers of various types of industries).

Results are indicated by 150 or more news releases on service-type businesses for the past three years. Approx. 60% of news releases were issued on service-type businesses in the last fiscal year.

We are determined to be a catalyst for business ecosystems that are capable of solving social issues, and we aim to maximize these four capabilities.

Thus, we will perform based on our corporate beliefs.

**Become a sustainable company following a cycle of sustainable growth that is predicated on solving, through business activities in our areas of focus, social issues that lie behind issues experienced by customers .**



As you know, the United Nations adopted SDGs, sustainable development goals. The Japanese government advocates Society 5.0, a super smart society, as an envisioned future society.

This is a vision of society where economic development is consistent with solving social issues through systems capable of effectively integrating cyber space and physical space. We aim to keep social credibility by meeting expectations and requests in society. We have already identified CSR material issues and been promoting them through a defined set of KPIs.

We will create business ecosystems together with customers of various business types through the use of our accumulated ICT experience and achievements. The intention is to solve social issues that cannot be solved by a sole company.

<p><b>[1] Selection of and concentration on areas of focus</b></p>	<p>Establish areas of focus in the markets where a medium- and long-term development is expected on the basis of solutions for social issues. Concentrate our management resources on the focal areas where customers and business partners can join us in using assets of the Group.</p>
<p><b>[2] Strengthening of relationship with customers in order to increase their added value</b></p>	<p>Strengthen relationships with customers that will enable us to become their strategic business partners, through the efforts to: cooperate with customers in creating and operating ICT assets capable of helping their businesses; conducting digital transformation of their businesses; and creating new businesses.</p>
<p><b>[3] Strengthening of capabilities of enabling platforms capable of business support</b></p>	<p>Enable stronger processes of creating corporate value capable of eventually solving social issues. Create platforms thereon where the Group's assets are connected with business partners and customers as well as third-party services. Provide the platforms as part of business ecosystems.</p>
<p><b>[4] Corporate Culture Reform</b></p>	<p>Improve corporate capabilities/organizational capabilities enabling agile responses to cope with changes of the times; make reformative efforts to develop a corporate culture where employees are encouraged to strengthen skills and take on challenges; enable Diversity and Inclusion; and, implement reform of business processes as well as internal systems.</p>
<p><b>[5] Investment Strategies</b></p>	<p>Continue and promote the efforts in: strategic investments that are needed for growth such as those in the areas of focus and advanced technologies; and investments in developing services such as platform creation.</p>

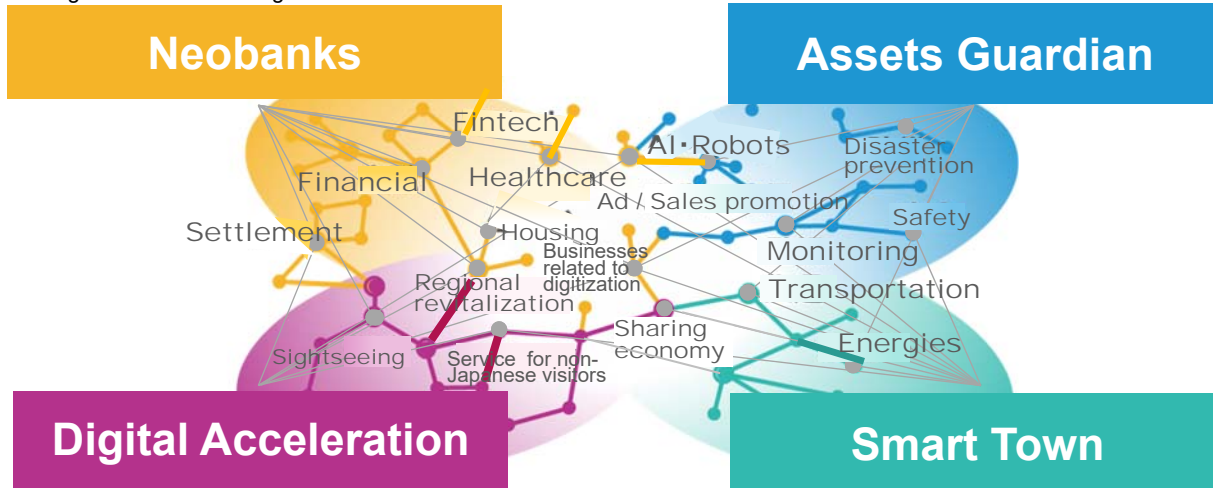
We have defined five key initiatives for the three years as the base for our becoming a company capable of solving social issues through our principal business.

I will describe them from the next page.

**Specify our areas of focus where customers and business partners can join us in utilizing the Group's assets. Identify these focal areas in markets where a medium- and long-term growth is anticipated on the basis of expected solutions of social issues.**

Promote business digitization in coordination with financial institutions and companies in order to improve convenience for ordinary citizens and revitalize industries. They experience economic disparities that are widened between large cities and local regions.

Reform business environments and improve business productivity through the use of IoT and AI technologies. Issues of aging public infrastructure as well as aging engineer population are experienced in the environments.



Re-create relationships among manufacturers, wholesalers/retailers and consumers by accelerating efforts of business digitization and visualizing economic activities. The purpose is to improve convenience of ordinary citizens and revitalize industries.

Enable comfortable environments for ordinary citizens who suffer issues such as population concentration in urban areas and labor demand-supply gap, by coordinating services such as energy, transportation, health care and tourism.

Our Key Initiative 1 is to focus our management resources on our specified areas.

We have specified our focal areas where: social issues have begun to appear; mid-and long-term business growth is expected; and our assets can be used.

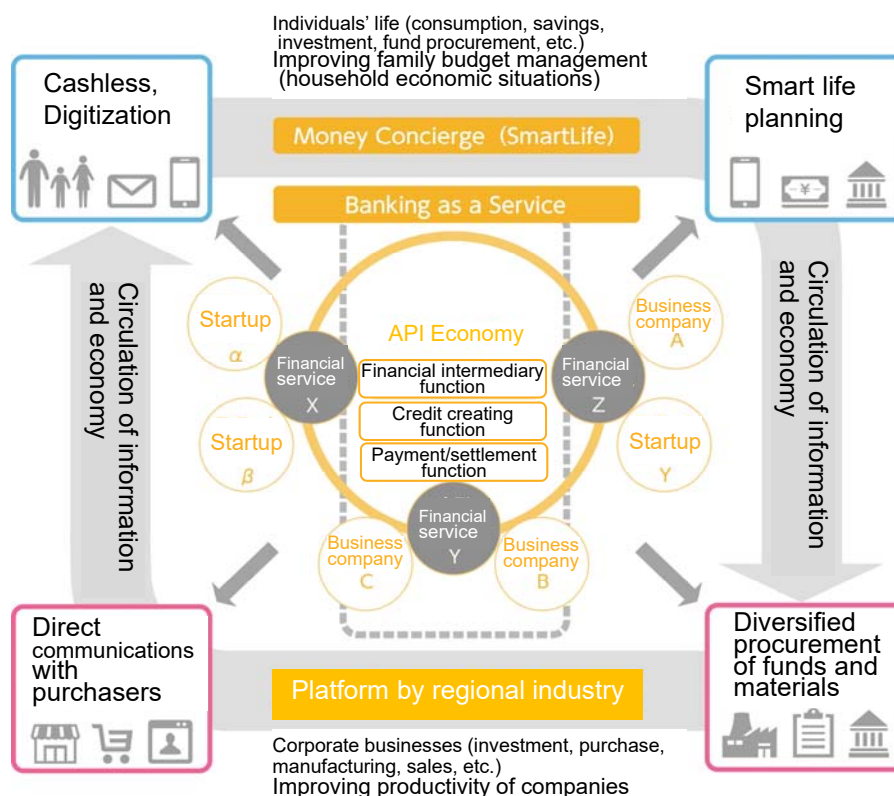
We have defined four focal areas: Neobanks; Digital Acceleration; Smart Town; and Assets Guardian.

We have created various businesses pursuant to the previous mid-term management plan. We will create platforms that are predicated on these businesses connecting with each other in these areas.

Let me explain the four focal areas from the next page.



**Improve convenience for ordinary citizens and revitalize industries by connecting unbundled financial services with different types of businesses through digitization, and assimilating them into life and businesses.**



Our first focal area is Neobanks.

Boundaries that separate businesses have been lowered due to open API banking services and entries by other types of businesses in the financial industry. We have specified the area where we can contribute to increasing value used by living citizens through our efforts to take on Fintech services and cross-industrial cooperation.

Our strategy consists of three pillars.

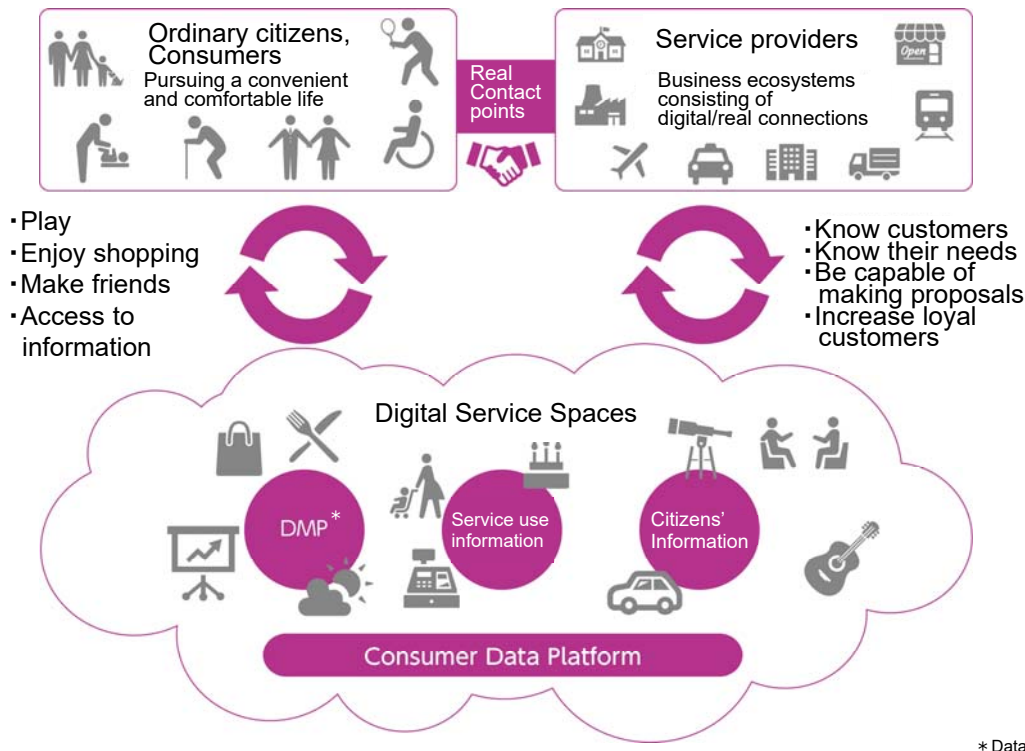
Pillar 1 is a business of ‘Platform by regional industry’, or platforms specialized for individual local industries. We will revitalize regional areas through optimization of value chains and improved productivity.

Pillar 2 is a ‘Banking as a Service’ business predicated on partnerships with financial institutions. We will provide widely financial services accessible to citizens through coordinating with businesses in the manufacturing, distribution, and services industries.

Pillar 3 is a ‘Money Concierge’ business that enables affluent lives for citizens. We released FortunePocket, service for managing personal assets, in the previous fiscal year. Furthermore, we have invested in Origami that provides smartphone-based payment/settlement services. We will deploy new services for citizens enabled via smartphone, and use data related thereto for digital marketing.

These efforts have been made partly due to our awareness of a cashless society. They also have been closely related to Digital Acceleration and Smart Town that I will describe next.

**Become the best partner for companies that intend to accelerate businesses in all aspects of: new business creation; business design; platform creation; service provision; sales promotion; and customer retention.**



Our second focal area is Digital Acceleration.

In this area, we will deploy services capable of helping customers perform a digital transformation that is a key to their continuing and increasing businesses. Customers will see an increase in their sales and income as a result of our efforts to help them use the key.

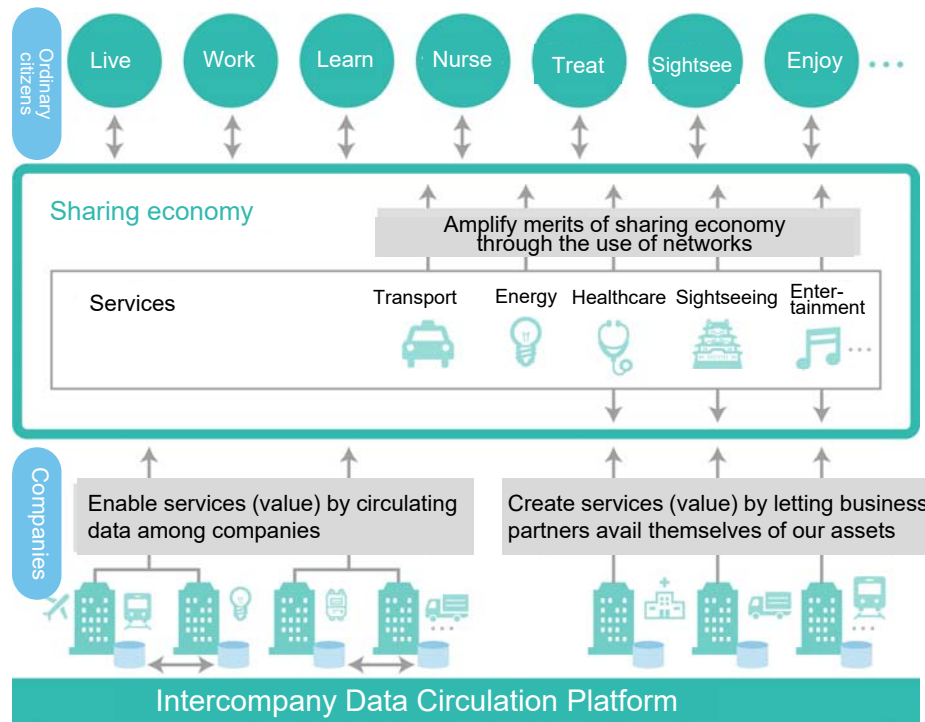
Again, we will take on our Digital Acceleration business pursuant to three pillars.

Pillar 1 is about the 'Smart Campaign' that has been promoted in cooperation with Dai Nippon Printing, Co., Ltd. This service is intended to entice customers to visit retailers of the distribution industry and purchase commodities there. We will strengthen the campaign and implement it widely. We will create a community where food/daily necessities manufacturers can connect with retailers. This community will be predicated on our new digitized campaign service mechanism, where sales promotion effects can be verified through the use of accumulated data of purchases at real stores enabled by the Smart Campaign.

Pillar 2 is a service of making proposals to clients about increasing sales and number of their customers, and implementing the proposals. This service will be enabled by utilizing a sales promotion effects verification mechanism to be developed through our Smart Campaign efforts.

Pillar 3 is our helping clients perform a digital transformation through a servitized set of service menu items such as creating and operating website, consulting on websites, and planning marketing strategies.

**Create services designed to solve social issues on the basis of business platforms for sharing economy and business matching in cooperation with companies and startups including those in local industries. Provide them in the acceptable forms from the viewpoint of ordinary citizens.**



Our third focal area is Smart Town.

Energy and traffic infrastructures have been computerized and sophisticated under the leadership of private business operators. Smart Cities used to be expected to provide services specifically optimized for those social infrastructures. However, Smart Cities and Smart Towns have come to prioritize total optimization in using IoT and AI for citizens and local communities, the users at the center of their care.

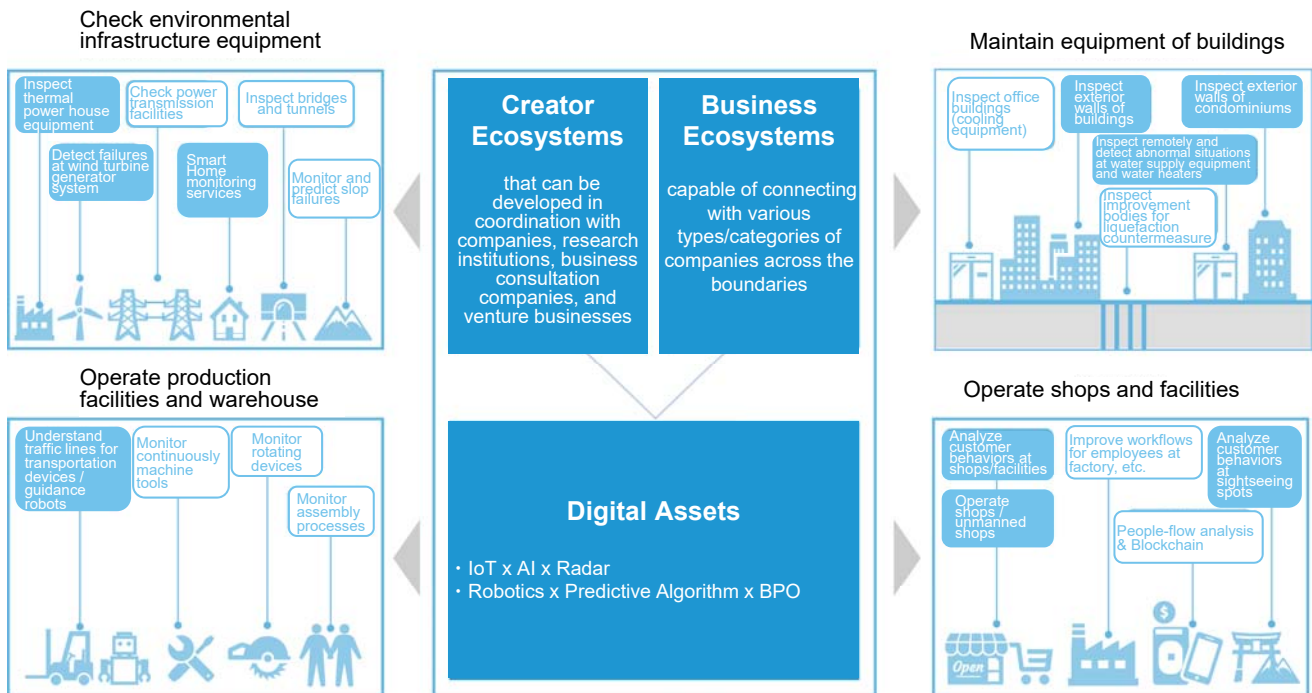
Our Smart Town scheme will be based on sharing economy platforms/business matching platforms (such as smart oasis platform for Carsharing and shared-office services platform). We will create services designed to solve social issues in cooperation with regional players, and provide them in manners acceptable to citizens.

We have already taken on inbound tourism and entertainment services as indicated in our previous mid-term management plan. We are now planning to provide them as large pieces that shape a Smart Town. For example, we will deploy services capable of revitalizing local communities through the use of entertainment contents such as animated TV shows, 'Love Live! Sunshine!!' and 'Crayon Shin-chan'. The services will increase nonresident population in local areas where consumption will be encouraged with the increasing presence of payment/settlement services such as Alipay and OrigamiPay. This is one of business ecosystems that we will enable in cooperation with start-up companies and business partners.

Furthermore, we will continue to take on energy-related services with a desirable Smart Town envisioned in mind.

When we create and provide services, an important resource is data. We have enabled services such as consultation for local businesses through the use of open data. We would like to provide platforms where high value-added services are created through B2B data distributions predicated on such use of open data.

Use IoT and AI technologies in order to drastically improve workstyles and productivity of workers who are exposed to social issues such as the dilapidation of public infrastructure and decrease in skilled workers in Japan.



Our fourth focal area is Assets Guardian.

In our focal area of Assets Guardian, we will use IoT and AI technologies in order to digitize wisdom of skilled workers. The digitized wisdom will enable us to contribute to an improved productivity of equipment inspection and maintenance operation. Deploying services capable of supporting urban infrastructures is a critical element that underpins a safe and secure Smart Town.

We will thus serve the four areas: environmental infrastructure equipment; production facilities/warehouse management; equipment of buildings; and, shops/facilities operations.

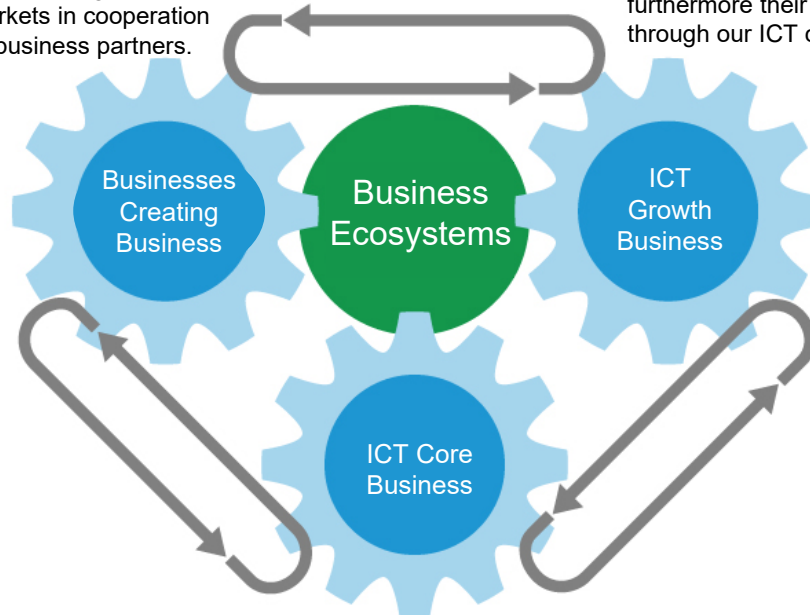
We will develop our unique algorithms as a result of our efforts to conduct R&Ds and POCs mainly for sensing devices, cameras, smart glasses, and robotics. The unique algorithms will enable us to provide services of forecasting equipment failures as well as conducting marketing activities for commercial facilities and operating crime prevention activities.

We think that bonding over social issues, businesses have been connected and assimilated into markets of Neobanks, Digital Acceleration, Smart Town, and Assets Guardian as I have described.

**Become a strategic business partner for customers by joining them in creating and operating ICT assets capable of helping their businesses, enabling digital transformation of their businesses, and creating new businesses.**

Business that the Company discovers/creates new offerings and provides them to markets in cooperation with customers and business partners.

Business to help customers digitally transform their sales functions and furthermore their business management through our ICT capabilities.



Business to satisfy business needs of customers through our ICT capabilities

It shows how to increase economic value for customers through strengthened relationships with customers.

Economic value will be increased by the three cogwheels of business area that interrelate with each other.

A business area that has been traditionally referred to as system integration is named ICT Core. There is an area referred to as ICT Growth. Here, business issues of customers are addressed. Also, this is an area where competitive advantages will be created through ICT as well as digital transformation promoted by customers' business division. The last area is referred to as Businesses Creating. This is where we will create services and provide them to markets together with customers and business partners.

The area ICT Core will continue to be our key business area for the next three years. However, due to changes in the environment as a result of an advent of various cloud services, speed and price competitions have been intensified. We would not be able to satisfy customers if we stand by for orders from customers. We will conduct our ICT Core businesses through the use of more highly productive service-type and implementation-type of businesses, rather than our conventional business model where we only design or develop a system after customers come and ask.

Next, in the area of ICT Growth, we will take into consideration our customers creating new competitive edges based on their digitized management and business divisions.

We will identify customer contact points in our strong relationships with customers that we create in the area of ICT Core. We will expand our network of contact points spanning the divisions of management, business operation, marketing and planning. The network will help us find out issues of customers that have not been identified in the past.

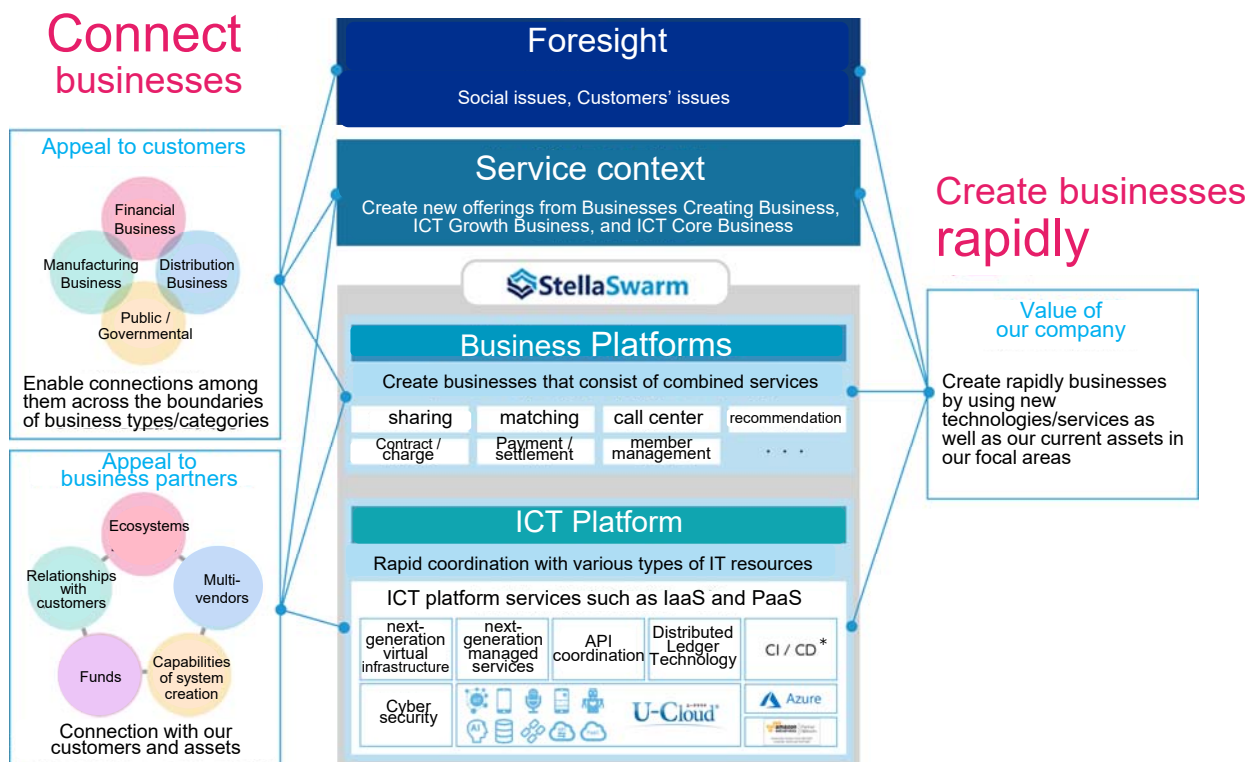
We have helped our customers of various industries digitally transform their customer interactions at tellers of financial institutions, supermarkets, consumer electronics retail shops, etc.

Furthermore, our future housing market vision helped us release 'My Home Market'. This is a virtual housing exhibition where on-line home sales are enabled.

We anticipate a continually rapid increase in full automation/labor-saving schemes against the backdrop of a shrinking labor force and digitization trends.



Enable stronger processes of creating offerings with solving social issues in perspective. Create platforms thereon where the Group's assets are connected with business partners and customers as well as third-party services. Provide the platforms as part of business ecosystems.



\* Continuous Integration/Continuous Delivery

(Note) The names of companies or products as well as the marks herein described are trademarks or registered trademarks of their respective organizations.

Our Key Initiative 3 indicates stronger capabilities of providing platforms where operational efficiency at customers is enabled and eventually social issues are solved through digital transformation and ICT.

Customers aim to attain competitive advantages through digital transformation. In this connection, we are expected to create mechanisms where services can be created quickly by combining businesses and operated.

For that, we will develop mechanisms where businesses are combined through the use of open innovation and partnerships with various types of companies. We will refer to them as business platforms. We will also develop platforms that enable us to deliver business platforms. These are referred to as ICT platforms where business platform operations will be designed and coordination between businesses will be attempted.

Promote reform in order to help employees to develop more capabilities of spontaneously creating offerings and designing business ecosystems. The reform consists of : workforce reform from the viewpoints of management capabilities and innovative acumen; and, organizational reform in order to encourage diverse types of individuals to make positive impacts.

Workstyle Foresight®		Diversity Foresight®	Management Foresight®
<b>Organizational reform and Workforce Reform</b>	<b>Workstyle Reform</b>	<b>Diversity Promotion</b>	<b>Business Process Reform, Internal System Reform</b>
<ul style="list-style-type: none"> <li>•Enhancing employee engagement</li> <li>•Developing employees of business production</li> <li>•Developing management leaders</li> <li>•Focusing on promoting young employees</li> </ul>	<ul style="list-style-type: none"> <li>•Reform of environment, values, workstyles, and arrangements</li> <li>•Improving labor productivity and create new value</li> <li>•Developing environments that accommodate various types of workstyles</li> </ul>	<ul style="list-style-type: none"> <li>•Employing various types of individuals, and enabling a comfortable work environment for them</li> <li>•Creation of a corporate culture where diversity is accepted</li> <li>•Relying on a wide variety of employees in creating Business Ecosystems</li> <li>•Increasing to 10%, the ratio of women in managerial positions (in FY2020)</li> </ul>	<ul style="list-style-type: none"> <li>•Review business structures and business processes, and standardize them</li> <li>•Establish a Backcasting Management</li> <li>•Strengthen communications between management and members</li> </ul>

Our Key Initiative 4 indicates a creation of corporate culture capable of strengthening our internal assets and sustained competitive advantages.

We know that our corporate mission of becoming a company solving social issues requires enormous efforts.

Reforms of workforce are eventually indispensable if we attempt to transform business models. Our internal efforts such as measures of strengthening internal assets and investments that are entailed will be extremely important.

We will promote our corporate culture reforms as guided by the three pillars, Workstyle Foresight, Diversity Foresight, and Management Foresight.

For example, we have operated a coaching scheme under the leadership of reform leaders across the Group. Furthermore, we have a management commitment to promoting design-oriented innovations. The coaching scheme and the management commitment both have been beginning to take root.

Our internal motivation study shows that approx. 60% of employees replied by saying that they are conscious of innovations when they act. I am well confident of the fact that our employees' awareness has been significantly changing as evidenced by an increase in spontaneous participants in internal events such as ideathons, hackathons, Principal Projects, and Acceleration Programs.

We will further strengthen effectiveness of our workforce through our efforts to reform workstyles and business structures as well as business processes that enable a co-existence with AI and robotics.

A further effective workforce will enable us to create through innovations new frames for value creation and value chains that are suitable for us a company creating business ecosystems capable of solving social issues.

We have continuously focused on non-financial investments. We will update the investment contents and make investments closely fit the society that is at a juncture of change.



<b>Strategic Investments</b>		<ul style="list-style-type: none"> <li>• Further focus on areas of focus, continue and increase investments in service providers that are expected to enable synergies</li> <li>• Continue and increase investments in and M&amp;A activities of business partners that have advanced technologies and expertise at home and abroad</li> <li>• Continue and increase investments in startup companies and funds specialized for investment into startup companies in the areas of focus</li> </ul>
<b>Service Development Investments</b>	<b>R&amp;D</b>	<ul style="list-style-type: none"> <li>• Implement POC (proof of conduct) activities in coordination with various types of stakeholders, accelerate efforts related to open innovation, and continue to further acquire expertise and knowledge</li> <li>• Strengthen research and development in the areas of focus and specified areas of advanced technologies (such as AI and IoT)</li> <li>• Create services that can eventually further strengthen capabilities of enabling business platforms. Strengthen related technical capabilities.</li> </ul>
	<b>Capital Investment</b>	<ul style="list-style-type: none"> <li>• Continue investments in outsourcing businesses and business platforms</li> </ul>

We will implement strategic investments focused on our focal areas in order to strengthen our capabilities as well as workforce investments. Furthermore, we will be continuously proactive in making prior investments in a revenue base, which is service development.

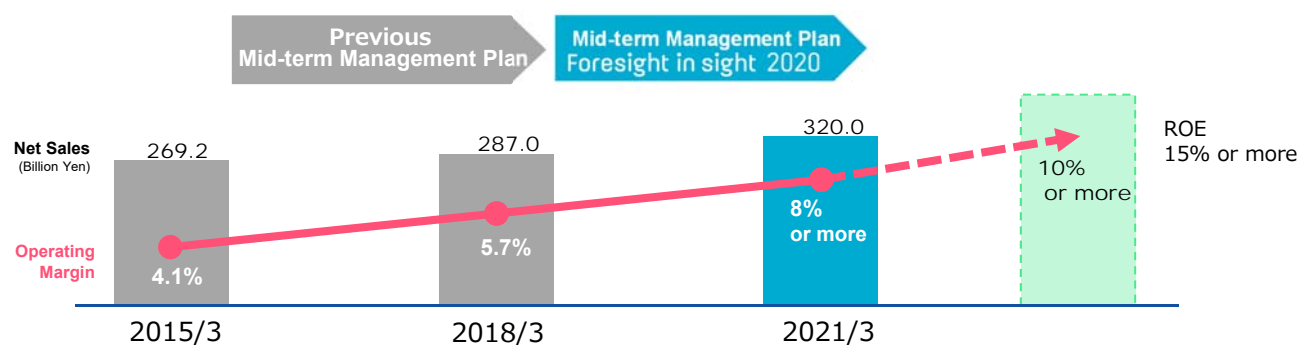
We will strongly take on strategic investments such as M&A and other types of investments in focal areas where synergy effects can be expected, such as advanced technologies and service businesses. Our investments are not limited to IT. We have invested in businesses themselves such as Origami, a smartphone-based payment/settlement service as well as promising-looking platforms such as a digital grid that supports a distributed energy transaction necessary for Smart Town.

As announced in our news releases yesterday and today, we aim to solve social issues through agricultural reforms in Japan. Thus, we made an investment in Kakaxi and Agri Holdings, Inc.

These investments will create robust partnerships through which we enable joint efforts to create business ecosystems.

In addition, we will increase service development investments in studying advanced technologies as well as creating platforms which businesses of our focal areas are predicated on.

(Billion Yen)	FYMar2018 Actual	FYMar2021 Forecast	
<b>Operating Margin</b>	<b>5.7%</b>	<b>8% or more</b>	Aim to improve profitability on the basis of improving efficiency of work processes in the existing areas, as well as establishing and expanding our areas of focus
<b>Net Sales</b>	<b>287.0</b>	<b>320.0</b>	Prioritize profitability in implementing efforts to enable an aimed net sales increase in the focal areas
<b>Net sales in the focal areas</b>	<b>27.0</b>	<b>60.0</b>	Make efforts to create businesses in four focal areas, worth 60 billion of Yen in total
<b>ROE</b>	<b>12.4%</b>	<b>12 - 15%</b>	Continue efforts to improve ROE with a target range of 12 to 15 % during the period of Mid-term Management Plan.
<b>Dividend per Share</b>	<b>33.6%</b>	<b>40% (Target)</b>	Increase shareholder returns by targeting a 40% dividend payout ratio during the period of Mid-term Management Plan.



Last but not least, I would like to describe our growth prediction towards Year 2020.

We have set operating margin as the most important index for the mid-term management plan. We aim for 8% or higher of operating margin.

We will continually take on improving capital efficiency from ROE12% to ROE15%. ROE15% is considered to indicate an operating margin of 10%.

We have made a stable and continuous profit distribution pursuant to the basic principle of distributing profit in accordance with performance. We will increase returns for shareholders, with a dividend payout ratio target of 40%.

This concludes my explanation of our mid-term management plan, Foresight in sight 2020.

Summary of the Results for FYMar2018

Mid-term Management Plan

Performance Forecast for FYMar2019

Strong sales and earnings are planned based on an increase in net sales and improved profitability.

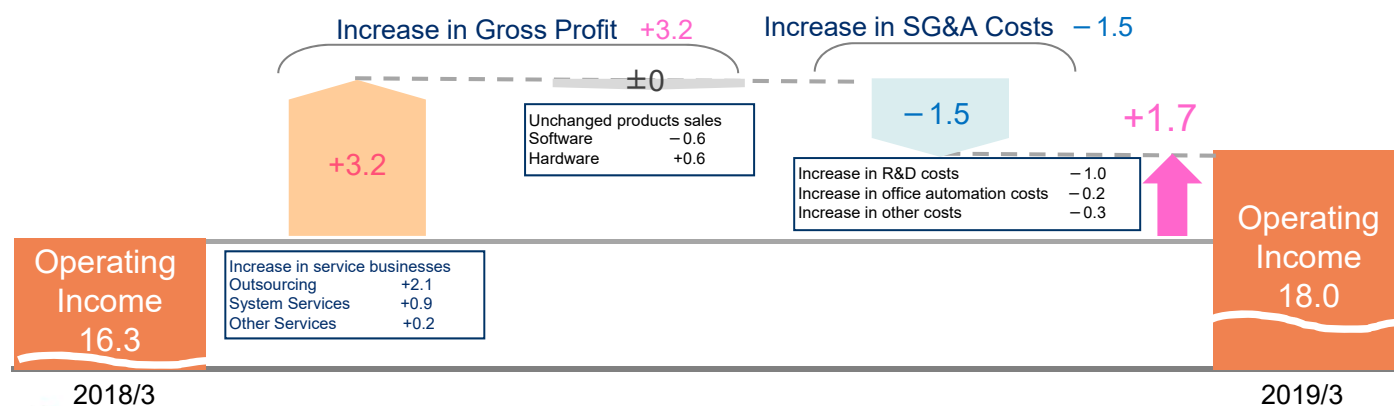
(Unit : Billion Yen)

	FYMar2018 Full-Year Actual			FYMar2019 Full-Year Forecast		
	Amount	Yr/Yr Changes		Amount	Yr/Yr Change	
Net Sales	287.0	+4.7	+1.7%	295.0	+8.0	+2.8%
Operating Income	16.3	+2.0	+14.1%	18.0	+1.7	+10.2%
(Operating Margin)	(5.7%)		(+0.6pt)	(6.1%)		(+0.4pt)
Profit attributable to Owners of Parent	11.9	+1.7	+16.4%	12.5	+0.6	+4.6%

(Note) See the supplementary material for the full-year forecast breakdown.

## 【Operating Income Changes】

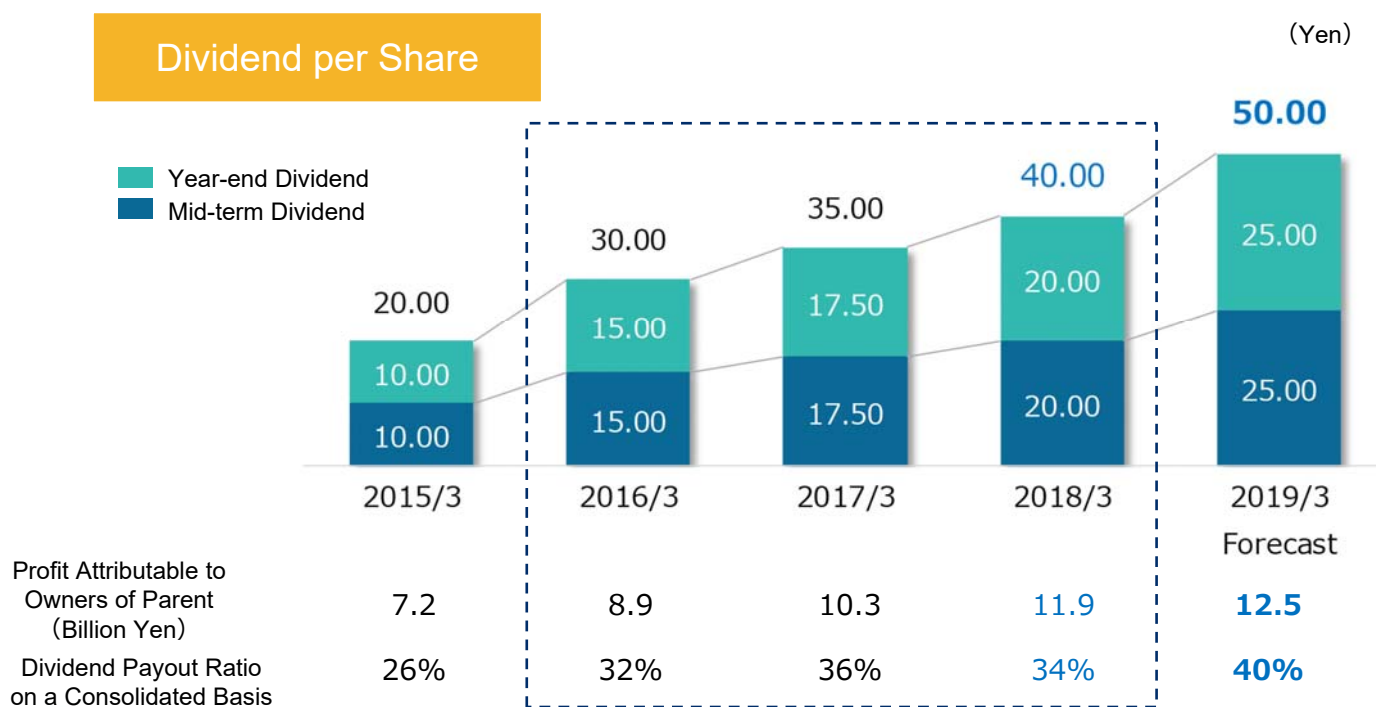
(unit: Billion Yen) (Yr/Yr Changes)



Let me describe our performance forecast for the fiscal year ending March 2019, the first year for the three-year mid-term management plan.

We will take on improving our profitability in the existing business areas and expanding our focal areas for the fiscal year ending March 2019. Thus, we anticipate ¥295.0 billion of net sales, an increase of ¥8.0 billion compared with the previous fiscal year; ¥18.0 billion of operating income, an increase of ¥1.7 billion; and ¥12.5 billion of net income, an increase of ¥0.6 billion.

- ✓ Continued increase in dividends for seven consecutive periods
- ✓ Fiscal year ending March 2019  
expected annual dividends ¥50 per share (up by ¥10 / dividend payout ratio 40 %)



Let me explain about shareholders' return.

We will propose at the general meeting of shareholders an annual dividend of ¥40 per share as planned for the fiscal year ended March 2018.

We advocated an increase in shareholder returns as indicated in our previous mid-term management plan that was finished in the fiscal year ended March 2018. A dividend payout ratio of 30% was set forth. Our performance results exceeded it for each of the three fiscal years.

We target a dividend payout ratio of 40% as indicated in our new mid-term management plan. Thus, we plan a dividend payout ratio of 40% or an annual dividend of ¥50 per share, up by ¥10, on the assumption of a net income forecast of ¥12.5 billion.

This concludes my explanation of our performance results for the fiscal year ended March 2018 and our new mid-term management plan.

Thank you.

# Foresight in sight 2020

**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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