

Results for the 2nd Quarter FY March 2018

November 6, 2017
Nihon Unisys, Ltd.

1 General Overview

2 Progress on Mid-term Management Plan

(Note) The expression 'FY/Fiscal Year' utilized in this document indicates a fiscal year which finishes at the end of March of the following year.

Example: The expression of FY2017 refers to the fiscal year ended March 2018.)

Summary of the Results for FY2017 1H

Foresight in sight

An increase in software and outsourcing as well as continued strength of system services contributed to a 34% increase in operating income.

(Unit: Billion Yen)

	1H (Apr-Sep)		Changes	
	FY2017	FY2016		
Net Sales	131.9	127.4	+4.4	+3.5%
Gross Profit	32.1	30.8	+1.3	+4.4%
SG&A Costs	-25.4	-25.8	+0.4	+1.4%
Operating Income	6.7	5.0	+1.7	+34.4%
(Operating Margin)	(5.1%)	(3.9%)		(1.2pt)
Profit attributable to Owners of Parent	4.7	3.5	+1.2	+34.6%
Orders	146.2	132.7	+13.4	+10.1%
Order Backlogs	225.0	216.9	+8.2	+3.8%

<Key Points of 1H Results>

■ Net sales

Net sales were boosted by an increase in software and outsourcing. They were contributed to by continuingly strong system services, as well.

■ Operating income

Operating income increased partly due to the increase in net sales as well as a decrease in SG&A costs.

■ Profit attributable to Owners of Parent

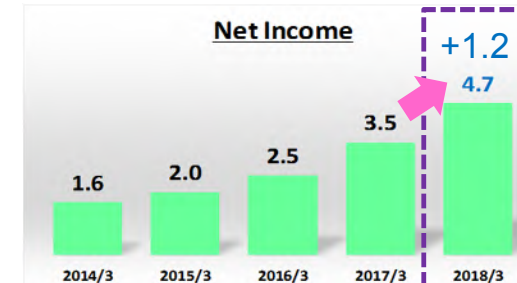
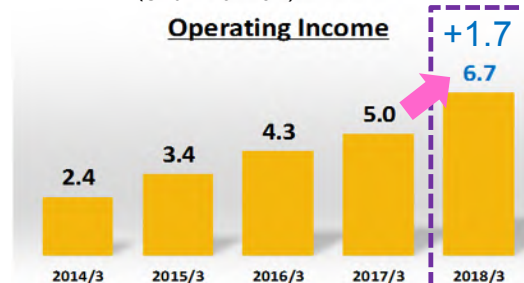
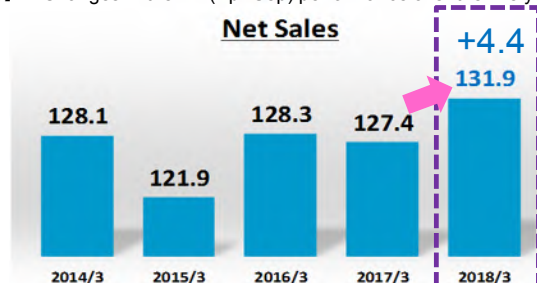
Profit attributable to Owners of Parent increased attributable to the increase in operating income.

■ Orders / Order backlogs

An increase in both orders and order backlogs centers on outsourcing and system services.

[Reference] Changes in the 1H (Apr-Sep) performance over the five years

(Unit: Billion Yen)

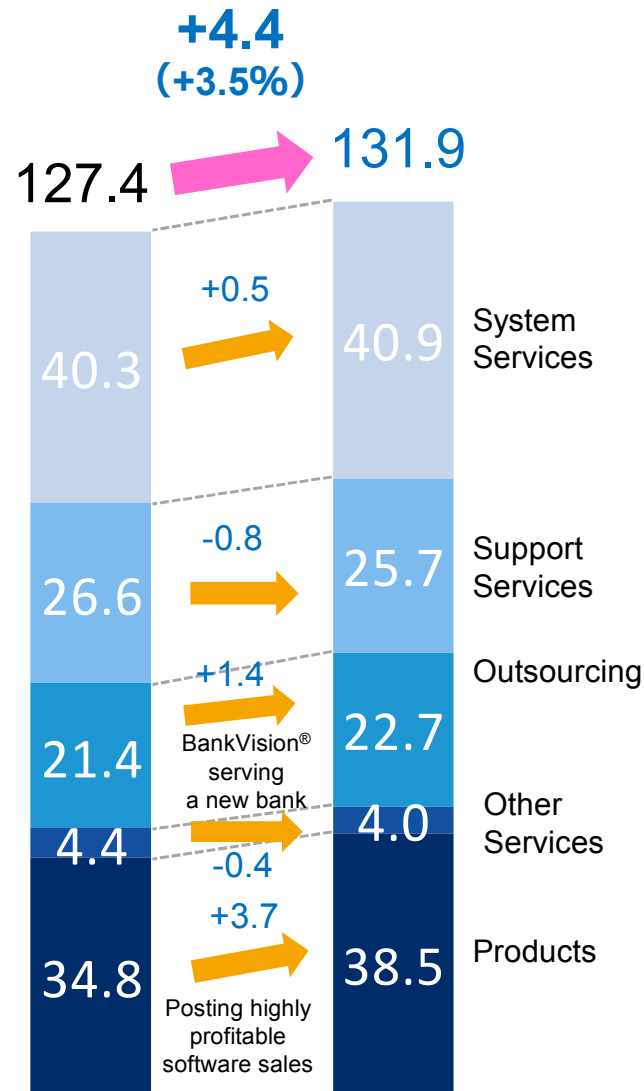


Net Sales and Gross Profit by Segment

Foresight in sight

(Unit: Billion Yen)

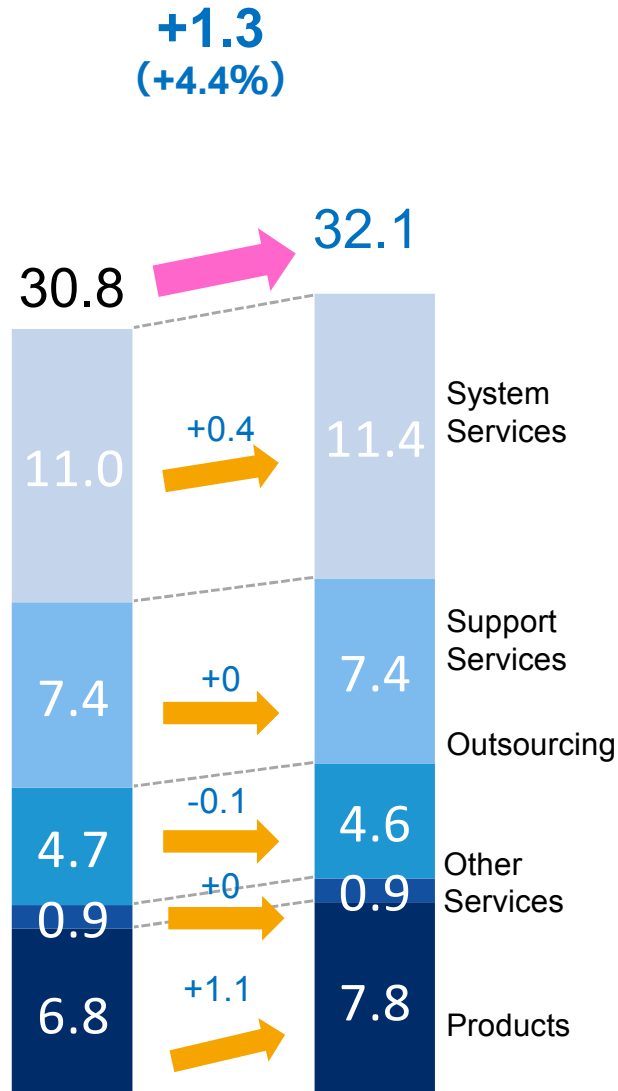
Net Sales



2017/3 1H

2018/3 1H

Gross Profit

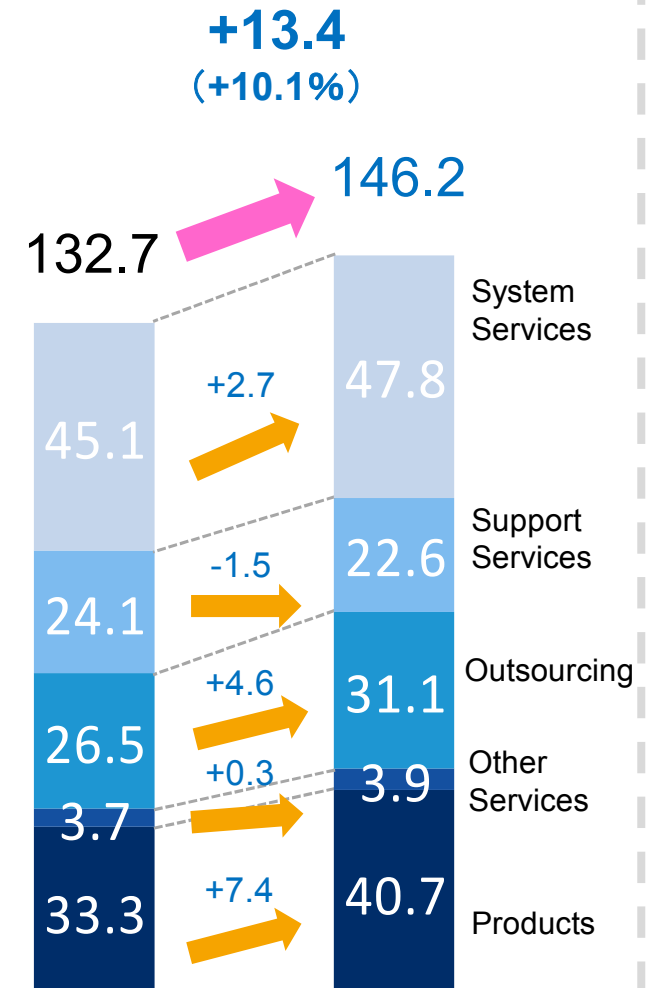


2017/3 1H

2018/3 1H

【Reference】

Orders



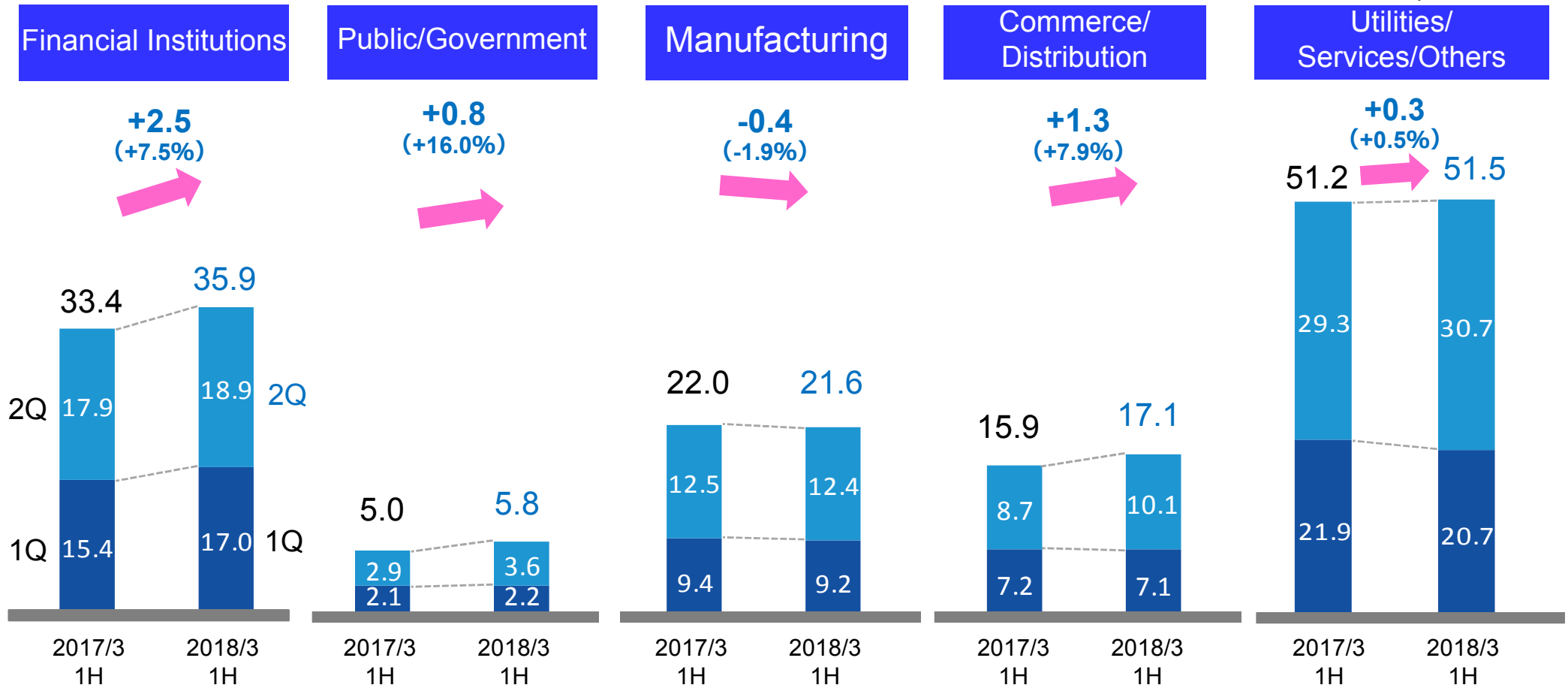
2017/3 1H

2018/3 1H

Net Sales by Market

Foresight in sight

(Unit: Billion Yen)



Market Summaries

(Financial Institutions)

The Company has been keen on customer contact businesses capable of helping financial institutions to reform their sales offices. Furthermore, it has been strengthening sales activities for new services that use FinTech.

(Public/Government)

The Company has taken on efforts to create municipality businesses capable of regional revitalization.

(Manufacturing)

The business has been based on strong demands mainly from automobile industry. The Company has been promoting IoT platform businesses. It has been keen on increasing AI related businesses.

(Commerce/Distribution)

The Company has attempted to increase implementation-type businesses among retail and EC business operators. It began to make approaches to solutions capable of customer data analysis through the use of big data.

(Utilities/Services/Others)

The Company has focused on energy management systems with the aim of strengthening businesses in the social infrastructure area. It has been enhancing tourism platforms for non-Japanese travellers.

Full-Year Performance Forecast for FY2017

Foresight in sight

The full-year forecasts of net sales, operating income, and profit attributable to owners of parent have not been revised since they were announced on August 1, 2017.

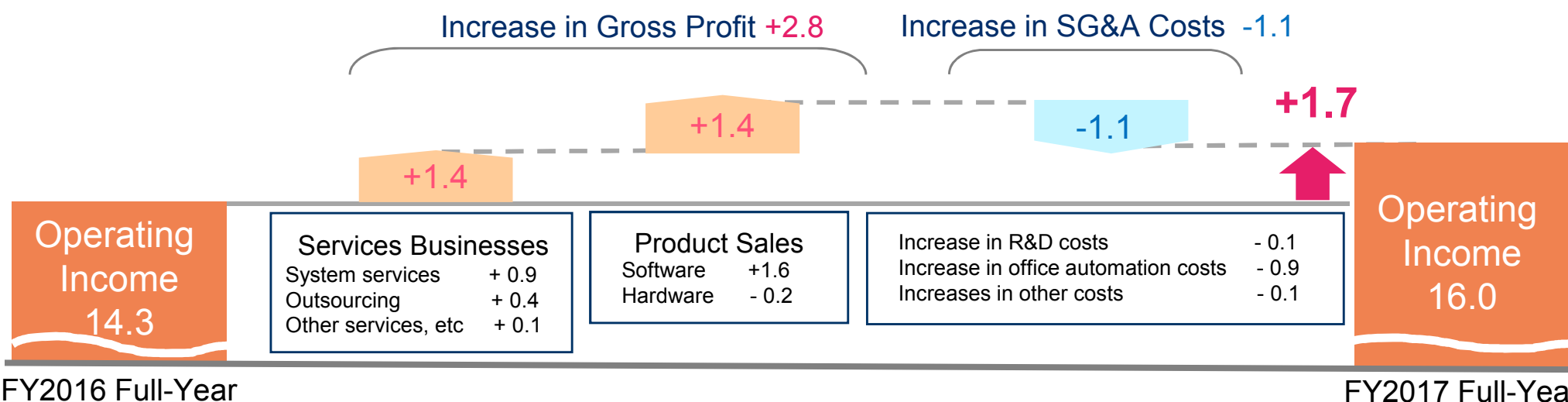
(Unit: Billion Yen)

	FY2017 1H Actual		FY2017 2H Forecast		FY2017 Full-Year Forecast	
	Amount	Yr/Yr	Amount	Yr/Yr	Amount	Yr/Yr
Net Sales	131.9	+4.4	158.1	+3.3	290.0	+7.8
Operating Income	6.7	+1.7	9.3	-0	16.0	+1.7
(Operating Margin)	(5.1%)		(5.9%)		(5.5%)	
Profit attributable to Owners of Parent	4.7	+1.2	6.3	-0.5	11.0	+0.7

* See the supplementary material for a breakdown of the forecast above.

【Details of FY2017 Full-Year Operating Income Forecast】

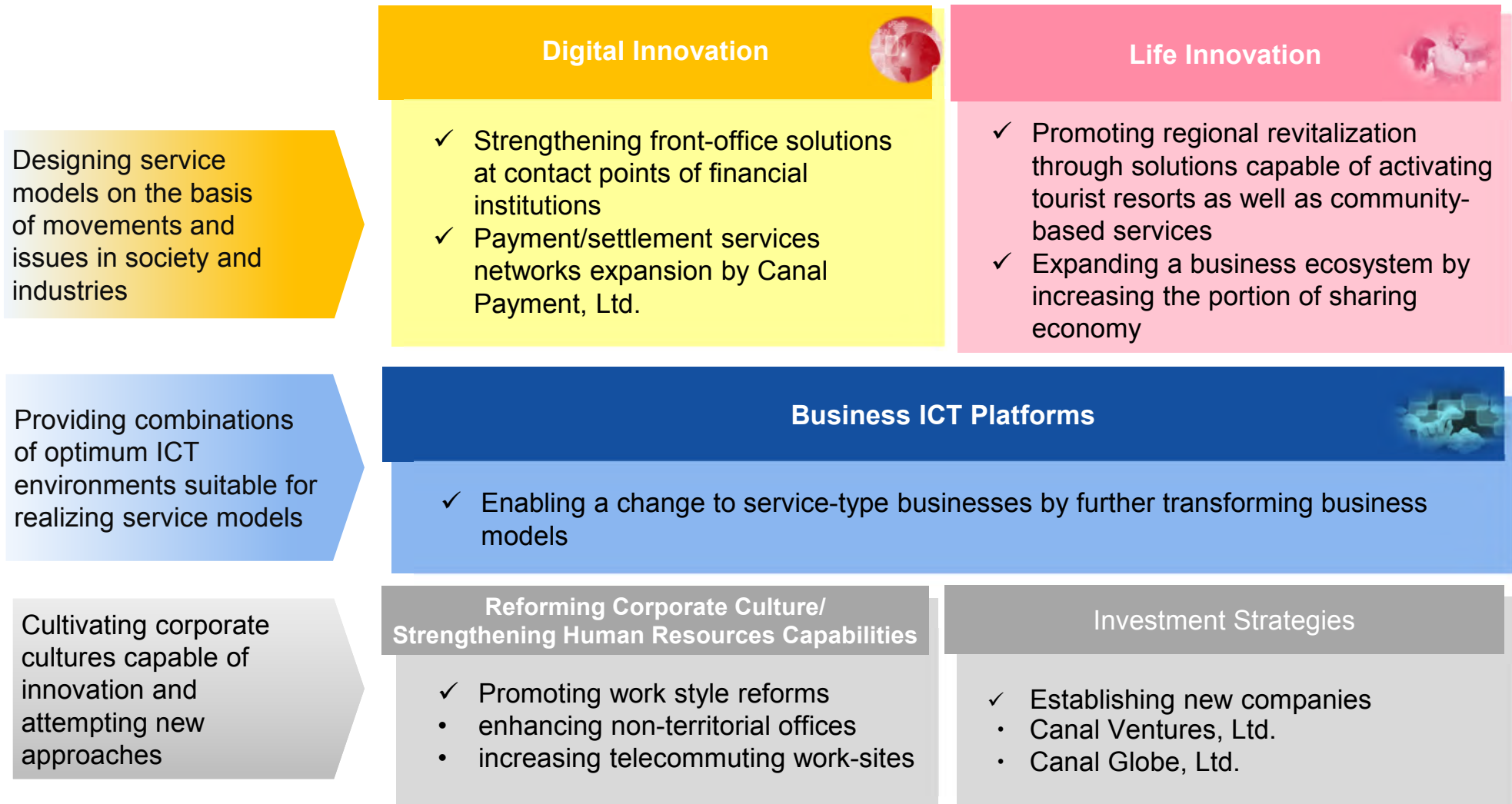
(Unit: Billion Yen) (Yr/Yr Changes)



1 General Overview

2 Progress on Mid-term Management Plan

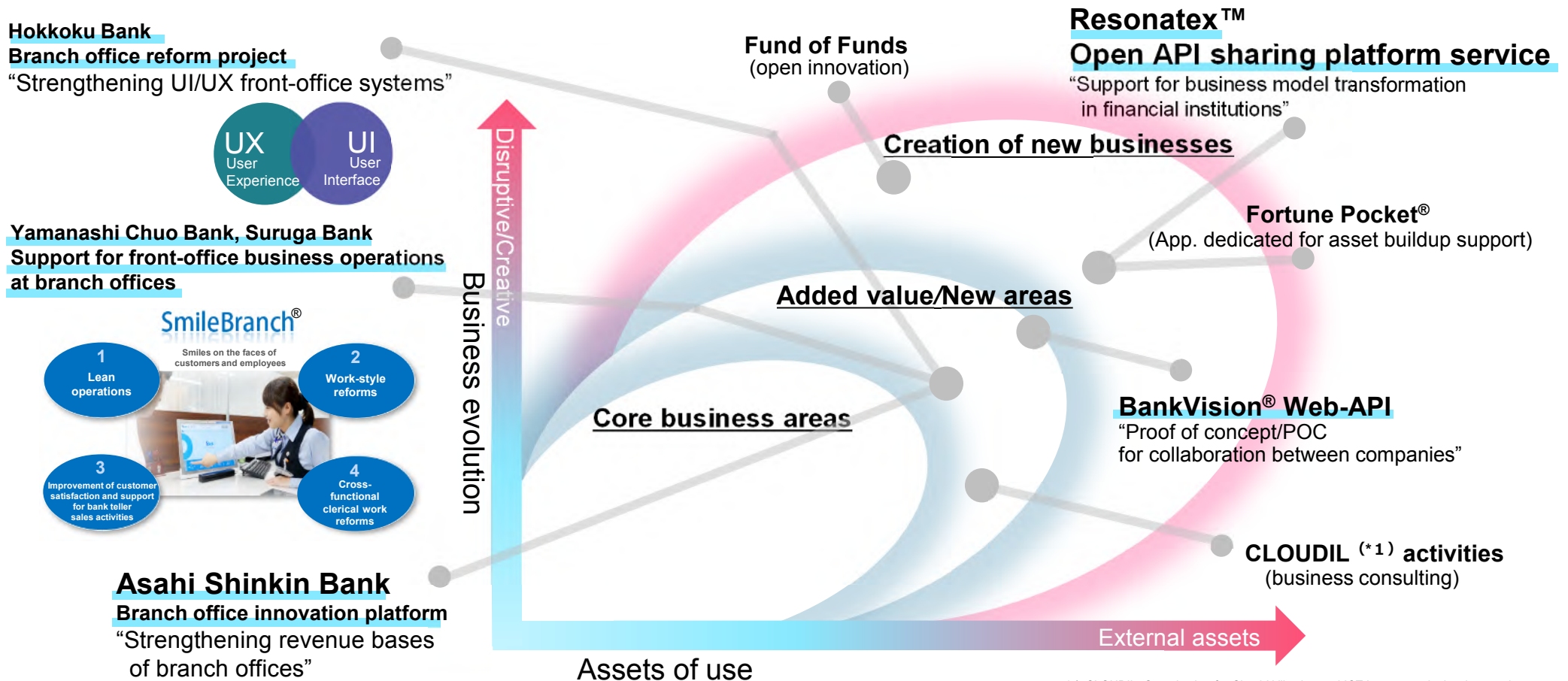
✓ Statuses of efforts in the areas pursuant to the Mid-term Management Plan



Digital Innovation

- ✓ Strengthening customer-contact front office solutions in order to expand our business area in the financial industry

We envisage the creation of new value regardless of the boundaries existing in the conventional financial industry, and aim at continually playing the role of partner for financial institutions.

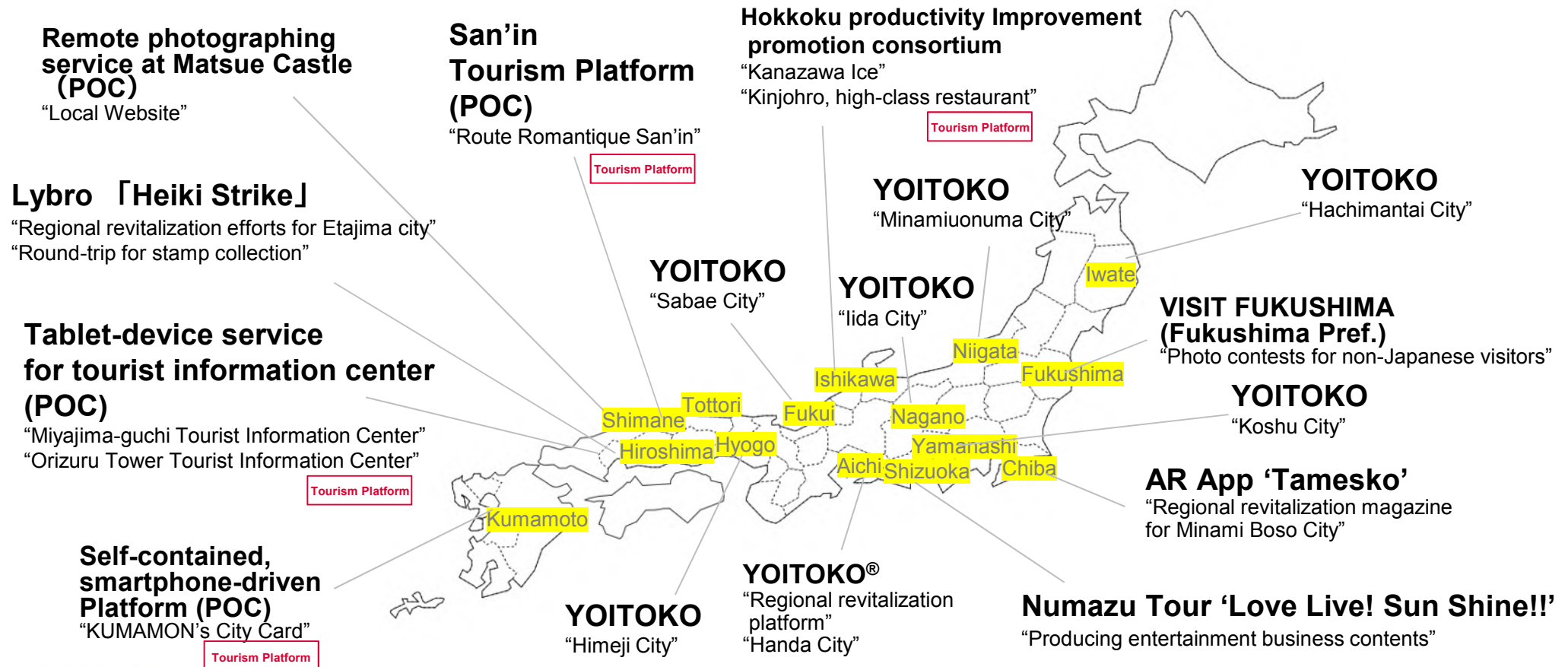


* 1 CLOUDIL: Organization for Cloud Utilization and ICT Investment by local enterprises

Life Innovation

- ✓ Promoting regional revitalization through efforts to activate tourist resorts by using the Tourism Business Platform in coordination with owners of characteristic regional contents

We are keen on our efforts to revitalize local areas by using the Tourism Business Platform capable of indiscreetly providing tourist services, and cooperating with owners of unique regional contents and business operators.

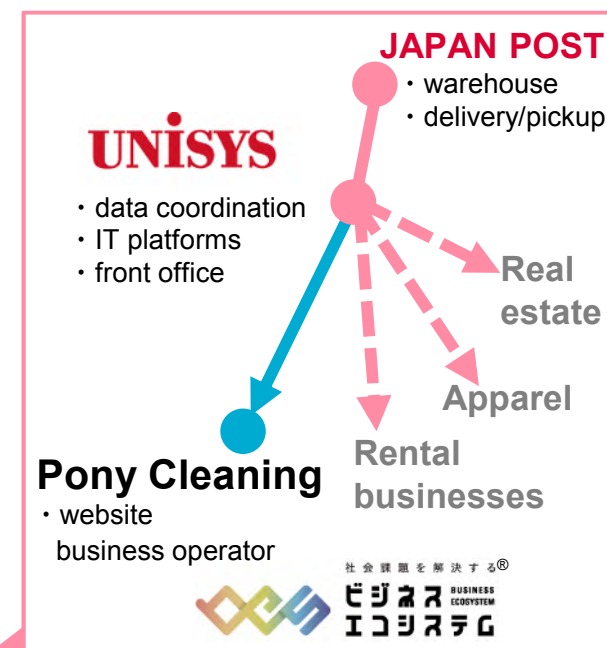
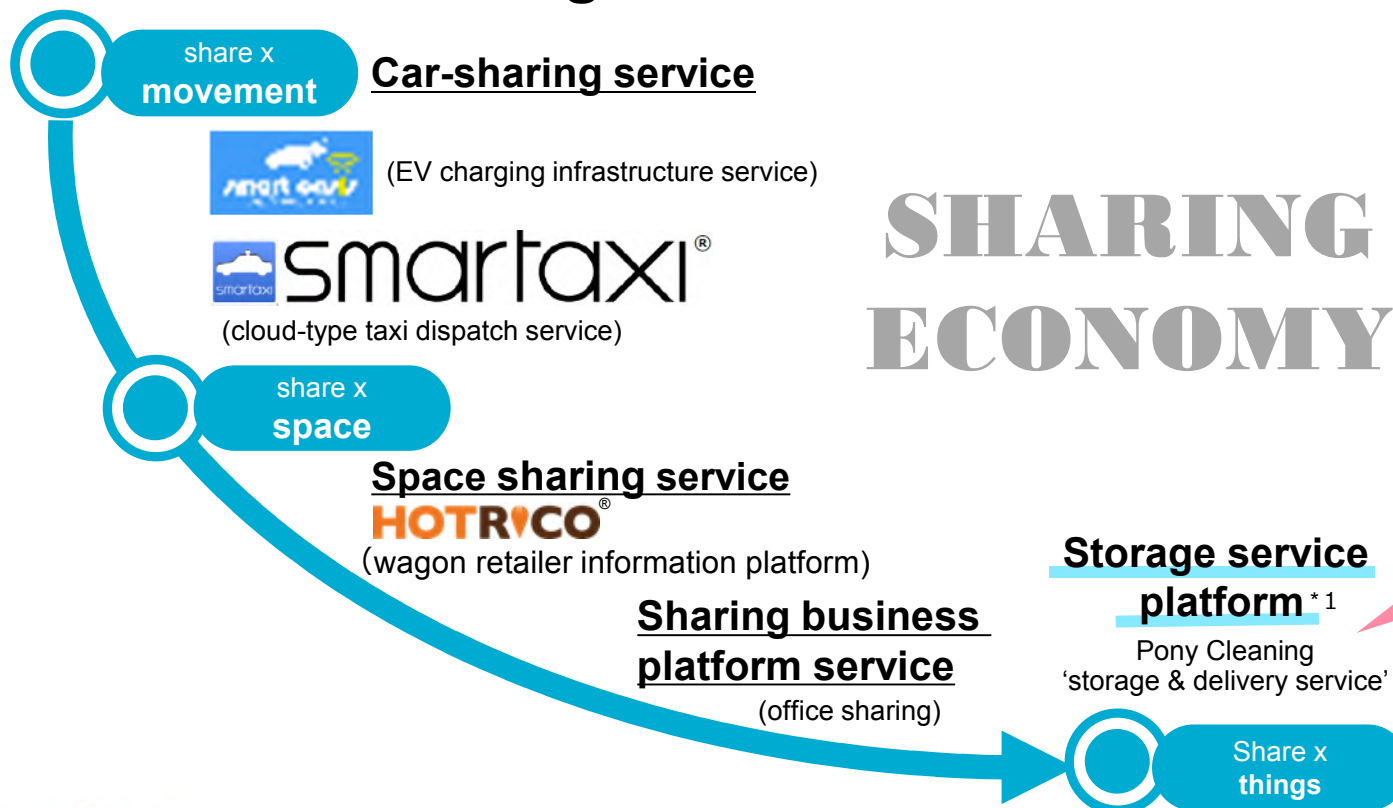


Life Innovation

- ✓ Developing a business ecosystem composed of sharing platforms where various types of added value services are enabled

We will develop more platforms in the sharing economy area where mutual collaboration is enabled among different service businesses enticed to use their techniques and assets.

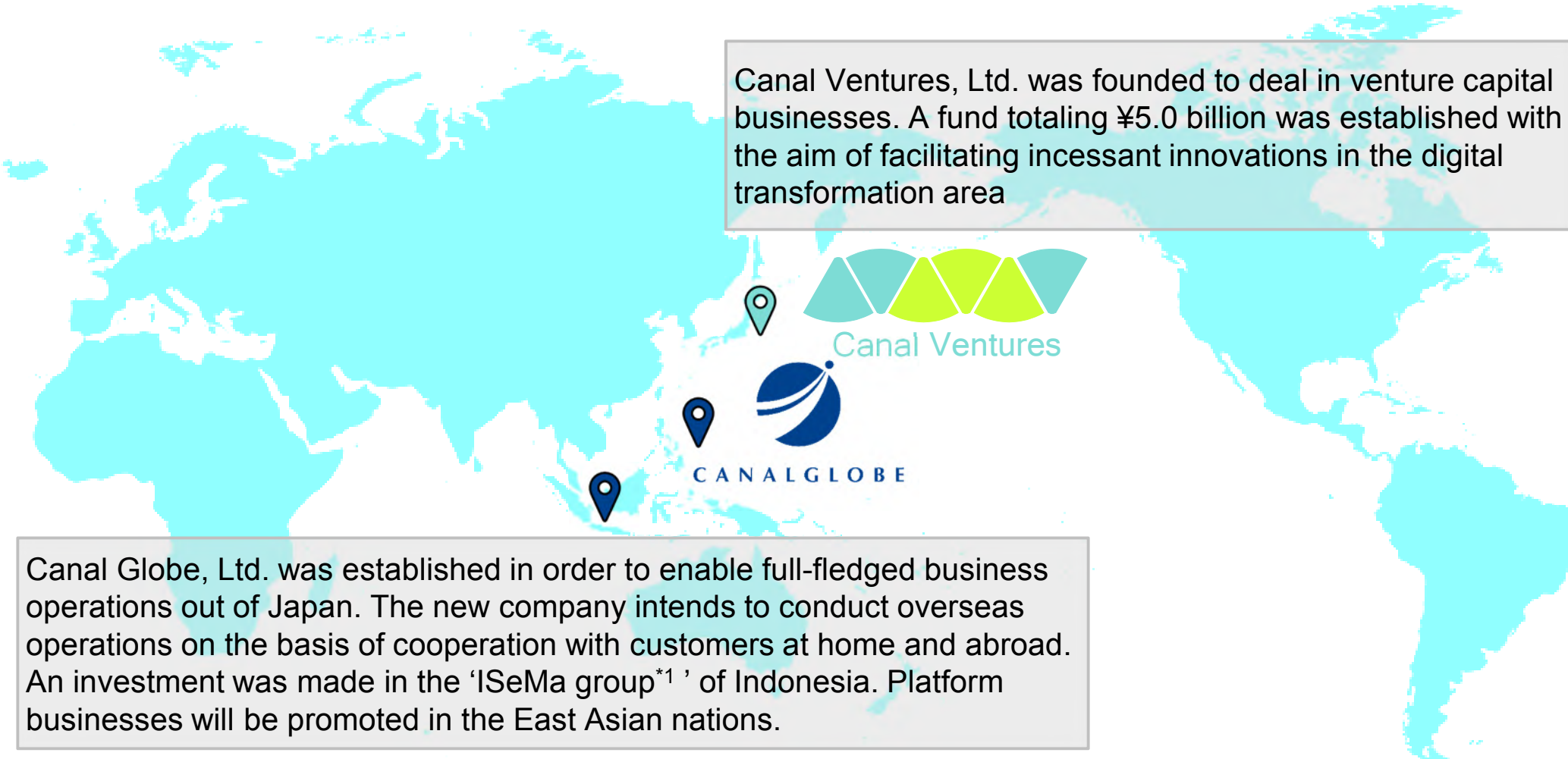
Increase in Sharing Platforms



*1
Cloud-type storage service enabled by Nihon Unisys for real estate agents, apparel makers, rental business operators, and sharing business operators through the use of Japan Post's warehouse and courier network

Investment Strategies

- ✓ Establishing two subsidiaries in order to set the stage for investment in the digital transformation area and full-fledged overseas business operations



Canal Ventures, Ltd. was founded to deal in venture capital businesses. A fund totaling ¥5.0 billion was established with the aim of facilitating incessant innovations in the digital transformation area

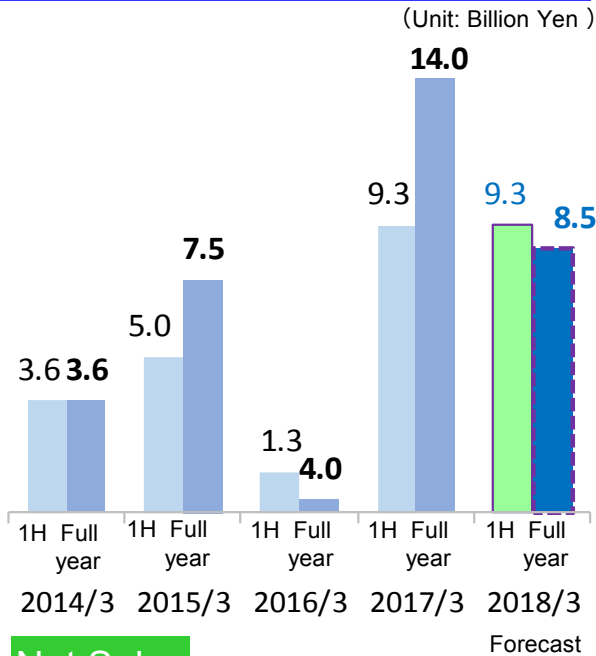
Canal Globe, Ltd. was established in order to enable full-fledged business operations out of Japan. The new company intends to conduct overseas operations on the basis of cooperation with customers at home and abroad. An investment was made in the 'ISeMa group^{*1}' of Indonesia. Platform businesses will be promoted in the East Asian nations.

*1 PT. INDIVARA SEJAHTERA MANDIRI group (Headquarter : Jakarta, Indonesia)

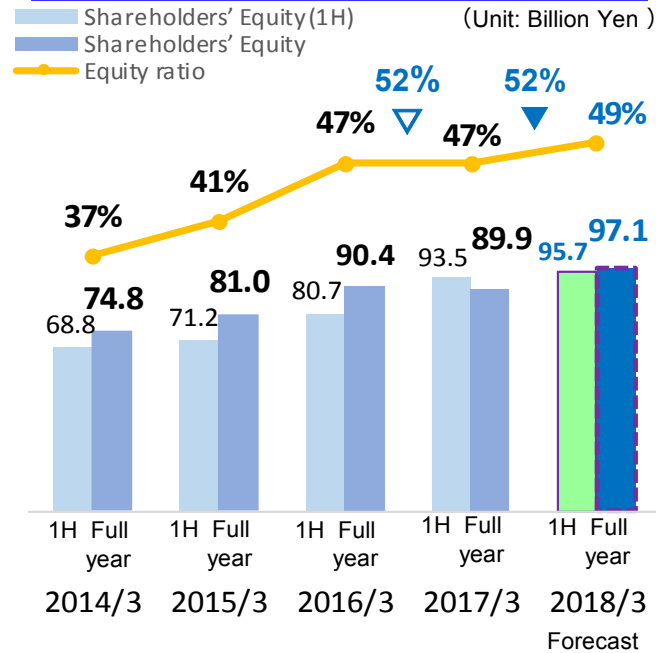
(Reference) Changes in Financial Indices and Progress under the Mid-term Management Plan

▼ FY2017 1H Actual ▼ FY2016 1H Actual

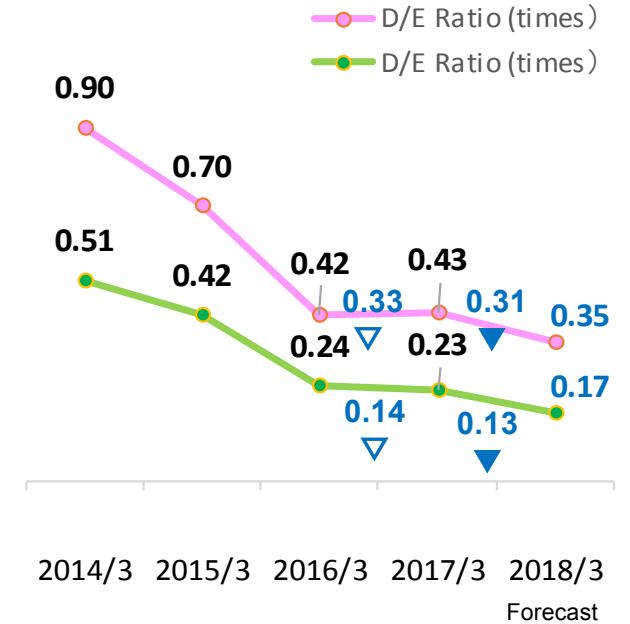
Free Cash Flow



Shareholders' Equity

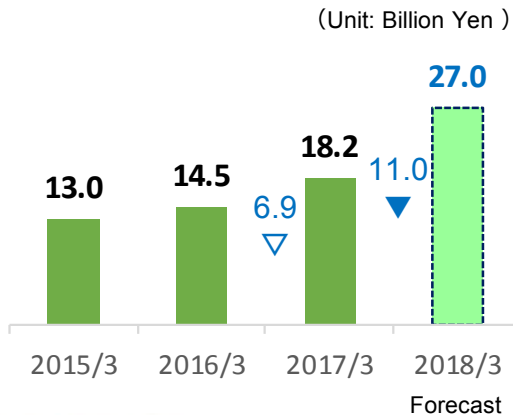


D/E Ratio

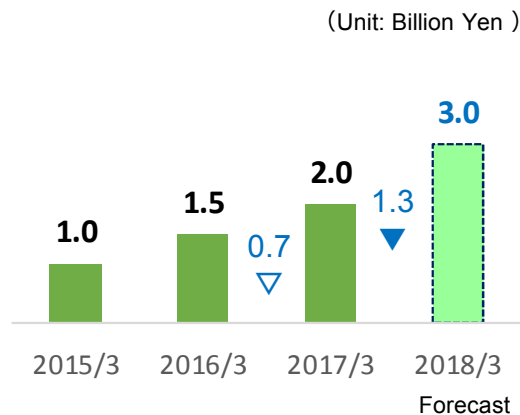


Net Sales

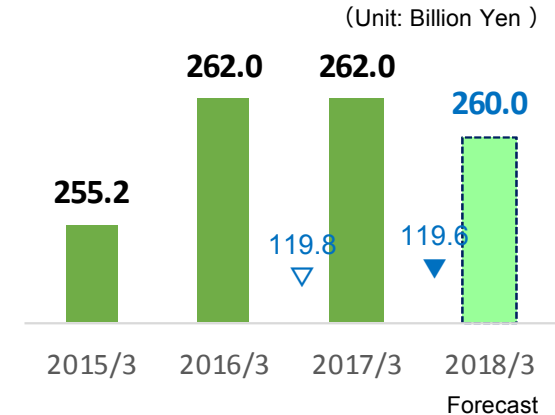
Digital Innovation



Life Innovation



Business ICT Platform



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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