

Briefing of Earning Results (for the Fiscal Year ended March 2021) and Management Policies (2021-2023)

May 7, 2021

Nihon Unisys, Ltd.

Foresight in sight

1 Summary of the Results for FYMar2021

2 Towards a New Growth

3 Management Policies (2021-2023)

4 Performance Forecast for FYMar2022

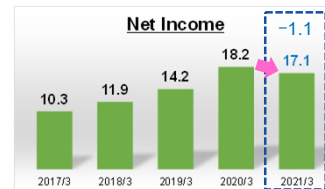
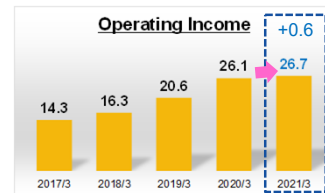
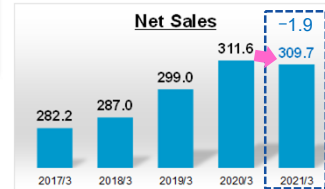
Results for FYMar2021

Foresight in sight

- ✓ Outsourcing services drastically grew and drove up gross profit.
- ✓ Operating income beating the initial plan was at a level above the mid-term management plan target.

(Unit : Billion Yen)

■ Changes in the Full-Year Results



	Full Year (Apr-Mar)		Changes	
	FYMar2021	FYMar2020		
Net Sales	309.7	311.6	-1.9	-0.6%
Gross Profit	81.1	79.8	+1.3	+1.6
SG&A Expenses	-54.4	-53.7	-0.7	-1.3%
Operating Income	26.7	26.1	+0.6	+2.2%
(Operating Margin)	(8.6%)	(8.4%)		(+0.2pt)
Profit attributable to Owners of Parent	17.1	18.2	+1.1	+6.1%
Orders	322.3	315.6	+6.6	+2.1%
Order Backlogs	243.2	230.6	+12.6	+5.5%
(Order backlogs in the current FY)	113.3	113.4	+0.1	+0.1%

<Key Points>

■ Net sales

Outsourcing services grew and DX-related projects showed a continued strength. However, net sales decreased due to postponed investment plans in the ICT Core area.

■ Operating income

Gross profit was driven up by strong outsourcing services that complemented the weakness of system services. Despite SG&A expenses pushed up by intensified R&D focus, operating income increased for 10 consecutive fiscal years.

■ Orders and order backlogs

Long-term outsourcing projects were accumulated steadily for the entire fiscal year. As a result, orders and order backlogs increased both.

FYMar2021 Net Sales and Gross Profit by Segment

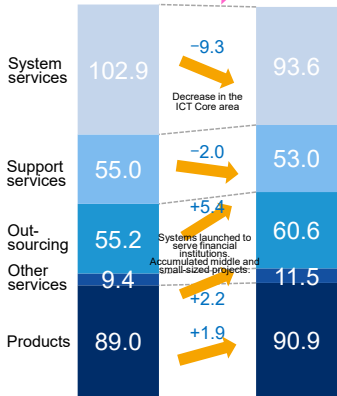
Foresight in sight

(Unit : Billion Yen)

Net Sales

-1.9
(-0.6%)

311.6 → **309.7**



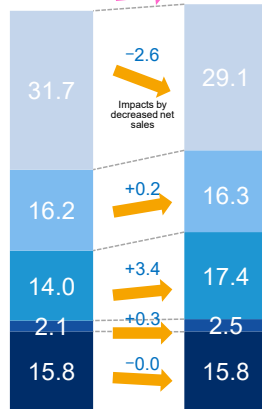
2020/3

2021/3

Gross Profit

+1.3
(+1.6%)

79.8 → **81.1**



2020/3

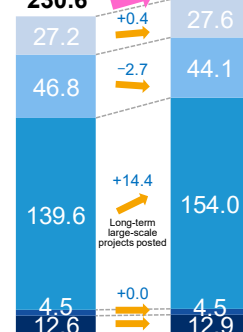
2021/3

[Reference]

Order Backlogs (Total)

+12.6
(+5.5%)

230.6 → **243.2**



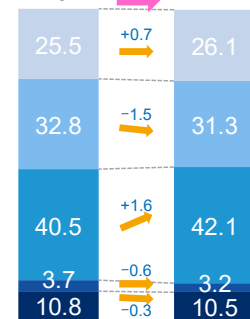
2020/3
End of Q4

2021/3
End of Q4

Order Backlogs (to be posted as net sales within the FY)

-0.1
(-0.1%)

113.4 → **113.3**

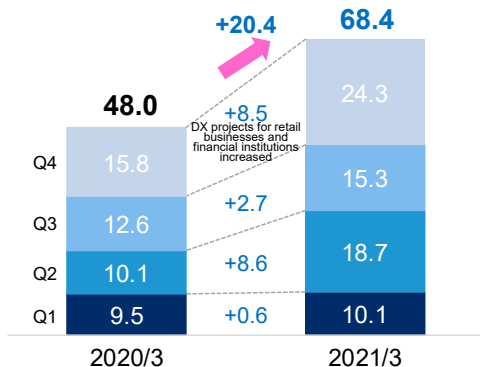


2020/3
End of Q4

2021/3
End of Q4

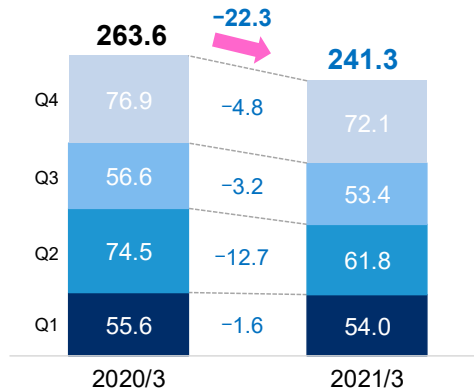
(Unit : Billion Yen)

Focal Areas Net Sales



- DX-related projects for a broad range of business sector such as retail businesses and financial institutions increased.
- Energy management related businesses steadily expanded.

ICT Core Areas Net Sales



- Some business sectors continued to reduce investments.
- Decrease due to a drop-off period in large-scale projects.

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Towards a New Growth



Foresight in sight

**Society has been transformed and expectations of companies have shifted.
We have re-considered our roles in society and the value we should provide.**

- ▶ **Purpose**
- ▶ **Corporate Brand**
- ▶ **Vision and Management Policies**

Create a sustainable society using foresight and insight to unlock the full potential of technology.

**Foresight and
insight**



Technology



**Business
Ecosystem**



**Company that Creates
Social Value**

Nihon Unisys, Ltd.

UNISYS



BIPROGY Inc.



BIPROGY

The change will take effect as of April 1, 2022 on the premise of an approval obtained at an ordinary general meeting of shareholders scheduled to be convened on June 25, 2021



BIPROGY

We will mix the colors of light of various business partners and various individuals and we will transform ourselves into a company that creates social value and suggests promising future directions

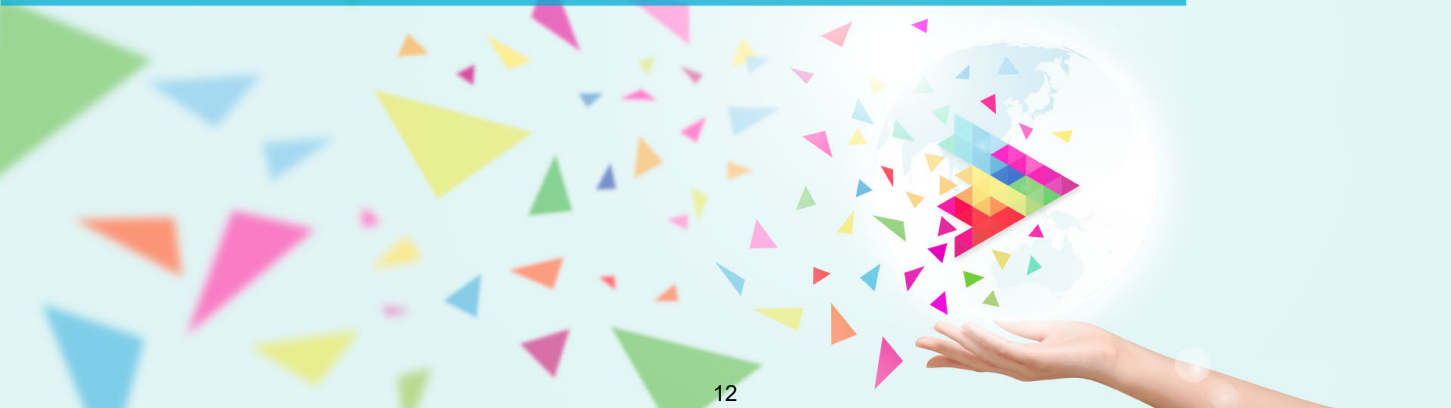
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Management Policies (2021-2023)





Vision 2030



Basic Policy



Corporate Culture Reforms



Investment Strategy



Consolidated Performance Targets

We will develop the Digital Commons which is a platform that helps create a society where everyone can live happily.

Resilience

Viable and resilient autonomous distributed environments

Regenerative

Regenerative systems for a net positive society

Zero Emissions

Environmental contributions and reduced environmental loads using digital technologies

Work / Life



Healthcare / Education



Digital Security



Transportation / Mobility



Green Energy



Digital Commons

Nihon Unisys Group will achieve the Vision 2030 plan by pursuing digital transformation (DX) for both customers and society, developing its business through a large framework that encompasses all of society, and working with partners and the community to expand business ecosystems.



Pursue DX that leads to sustained growth for customers by strengthening value creation capabilities and generating social value.

For Customers DX for Customers

Work with customers to implement corporate and industry DX that supports DX for society

Agility

Co-Creation

For Society

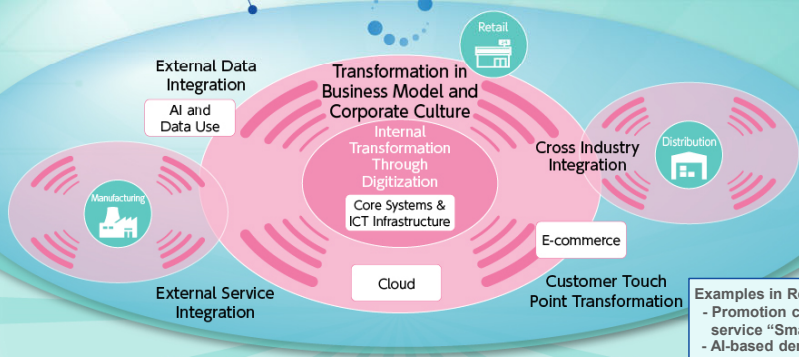
DX for Society

Solutions to social issues for a better world

Transformation

Implementation

Hands-on



- Examples in Retail
- Promotion campaign management service "Smart Campaign"
 - AI-based demand forecast and automated ordering service "AI-Order Foresight"



Use relationships with customers and partners in a wide range of industries, together with best practices, to realize business concepts that benefit all of society and the world.

For Society DX for Society

Solutions to social issues for a better world



Pursue cultural reforms to strengthen value creation capabilities and achieve the Vision 2030 plan.



Accelerate strategic investment on leading-edge technologies aiming for the sustainable innovation.

Strategic Investment

- Continue investment in and alliance with startups with innovative technologies, in various industries including ICT, in order to pursue solutions to social issues from a longer-term perspective.
- Actively seek out and realize M&A opportunities.
- Promote investments in new businesses with partners.

R&D

- Accelerate DX based on an in-depth understanding of customers and industries, and promote the development of various services.
- Strengthen R&D centered on leading-edge technologies.
- Enhance service development and technical capabilities to accelerate service businesses.

Capital Investment

- Continued investment in outsourcing and service businesses.

Structural Reform Investment

- Human resource reforms to acquire new capabilities.
- Promote new and flexible work styles.
- Internal reforms of the Nihon Unisys Group for further digitization of business (internal DX).

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Full-Year Performance Forecast for FYMar2022

Foresight in sight

(Unit: Billion Yen)

- ✓ We apply the International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 2022
- ✓ Our revenue base is further stabilized by expanding outsourcing service

	FYMar2021 Reference (IFRS)*1	FYMar2022 Forecast (IFRS)	Changes	
	Amounts	Amounts	Amounts	%
Revenue	308.8	320.0	+11.2	+3.6%
Operating Income	24.6	26.0	+1.4	+5.8%
(Operating Margin)	(8.0%)	(8.1%)	(+0.1pt)	
Profit Attributable to Owners of Parent	16.8	17.5	+0.7	+3.9%
Adjusted Operating Income*2	25.1	26.5	+1.4	+5.4%
(Adjusted Operating Margin)	(8.1%)	(8.3%)	(+0.2pt)	

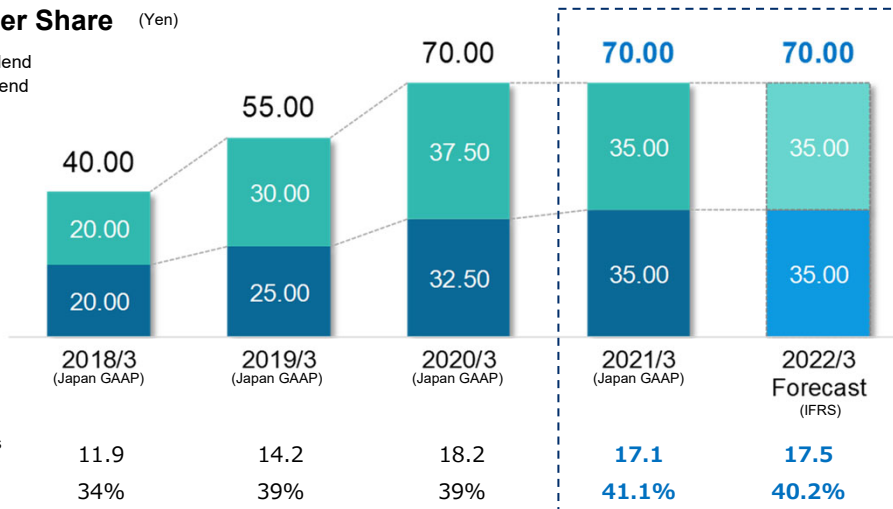
*1 Reference value before audits that only reflects impacts of and key differences of new revenue standards in comparison with the Japan GAAP. The value may be subject to changes depending upon accounting audit results.

*2 Adjusted Operating Income: Revenue minus cost of sales and SG&A expenses.

- ✓ We target a dividend payout ratio of 40% as indicated in the Management Policies (2021-2023).
- ✓ We plan annual dividends of ¥70 per share for the fiscal year ending March 2022.

Dividends per Share (Yen)

■ Year-end Dividend
■ Mid-term Dividend



Profit attributable to Owners of Parent (Billion Yen)

11.9

14.2

18.2

17.1

17.5

Dividend Payout Ratio

34%

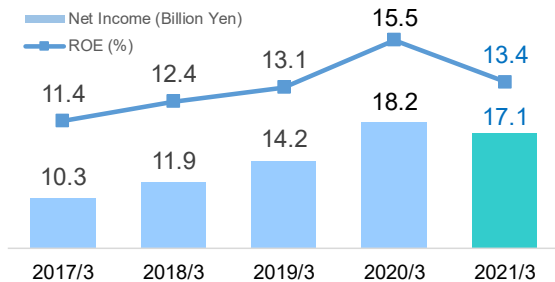
39%

39%

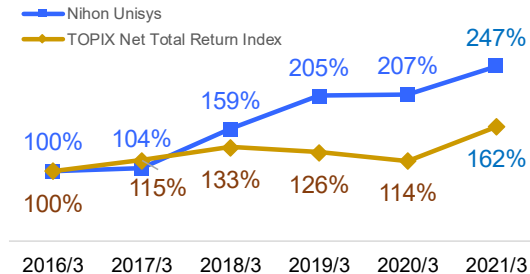
41.1%

40.2%

Profit Attributable to Owners of the Parent, ROE

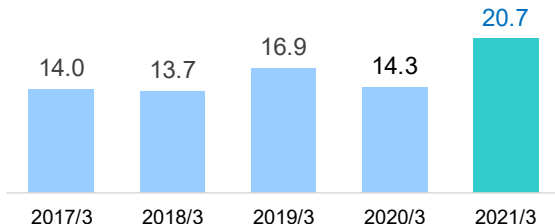


Total Shareholder Return (TSR)

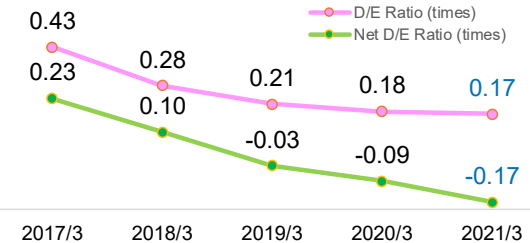


Free Cash Flow

(Unit: Billion Yen)



D/E Ratio





BIPROGY

Names of companies or products herein described are trademarks or registered trademarks of their respective organizations.

(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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