Note) This is an English translation of summarized consolidated financial results prepared for readers' convenience. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.

[Summary] Consolidated Financial Report for the Second Quarter of Fiscal Year Ending March 31, 2017 [Japan GAAP]

Novemver 4, 2016

Nihon Unisys, Ltd.

Stock Listing:	Tokyo Stock Exchange 1st Section
Stock Code:	8056
URL:	http://www.unisys.co.jp/
Representative:	Akiyoshi Hiraoka, Representative Director, President & CEO
Scheduled Submission Date for Quarterly Report:	November 11 , 2016
Scheduled Starting Date for Dividend Payment:	December 6 , 2016
Earnings Supplementary Explanatory Documents:	yes
Earnings Results Briefing:	yes (for institutional investors, analysts and press)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results in FY2017 Q2 (from April 1, 2016 to September 30, 2016)

(1) Consolidated Results of Operations

(Percentage below represents increase (decrease) from the same period of previous year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2017 Q2	127,449	(0.7)	4,981	16.3	5,002	34.3	3,511	40.7
FY2016 Q2	128,308	5.3	4,283	27.6	3,724	6.9	2,495	27.2

(Note) Comprehensive Income FY2017 Q2: 3,641 Million Yen (164.4 %) FY2016 Q2: 1,377 Million Yen (-53.2 %)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY2017 Q2	32.72	32.54
FY2016 Q2	26.53	22.91

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
FY2017 Q2	180,782	94,306	51.7
FY2016	193,094	91,213	46.8

(Reference) Shareholders' Equity FY2017 Q2: 93,547 Million Yen FY2016: 90,374 Million Yen

2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2016	—	15.00	—	15.00	30.00
FY2017	—	17.50			
FY2017 (Forecast)			—	17.50	35.00

(Note) Revisions to the latest forecast of dividends: No

3. Consolidated Earnings Forecast for FY2017 (from April 1, 2016 to March 31, 2017)

(Percentage below represents increase (decrease) from previous year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2017	285,000	2.5	14,000	11.8	13,800	13.5	10,000	12.1	93.05

(Note) Revisions to the latest forecast of consolidated earnings: No

* Notes

(1) Change in the scope of consolidation (change of condition of significant consolidated subsidiaries) during this quarterly period: No

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatement of corrections

1. Changes in accounting policies in association with revision in accounting standards: No
2. Other changes in accounting policies: No
3. Changes in accounting estimates: No
4. Restatement of corrections: No

(4) Number of shares outstanding (common stock) (shares)

1. Number of shares outstanding (including treasury stock)	FY2016 Q2	109,663,524	FY2015	109,663,524
2. Number of shares of treasury stock	FY2016 Q2	1,996,904	FY2015	3,035,570
3. Average number of shares outstanding (during the period)	FY2016 Q2	107,309,156	FY2015 Q2	94,054,714

** Indication of quarterly review procedure implementation status

This quarterly earnings report is not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. Thus, at the time of disclosure of the financial results, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act have not been completed.

*** Comment regarding appropriate usage of earnings forecast, and other special notes

(Note on forward-looking statements)

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. The Company makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of Yen

	FY2016 (As of March 31, 2016)	FY2017 Q2 (As of September 30, 2016)
Assets		
Current assets		
Cash and deposits	15,564	18,443
Notes and accounts receivable - trade	70,446	53,920
Merchandise and finished goods	9,374	9,942
Work in process	2,341	3,207
Raw materials and supplies	223	639
Deferred tax assets	6,194	5,154
Other	18,539	18,797
Allowance for doubtful accounts	(163)	(152)
Total current assets	**122,520**	**109,953**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,167	3,618
Machinery, equipment and vehicles, net	7,371	7,086
Other, net	3,481	3,749
Total property, plant and equipment	**14,019**	**14,454**
Intangible assets		
Goodwill	920	878
Software	19,933	20,485
Other	269	793
Total intangible assets	**21,123**	**22,157**
Investments and other assets		
Investment securities	15,544	14,180
Deferred tax assets	4,175	3,692
Net defined benefit asset	832	834
Other	15,353	15,983
Allowance for doubtful accounts	(475)	(473)
Total investments and other assets	**35,431**	**34,217**
Total non-current assets	**70,574**	**70,829**
Total assets	**193,094**	**180,782**

Millions of Yen

	FY2016 (As of March 31, 2016)	FY2017 Q2 (As of September 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,940	17,352
Short-term loans payable	475	300
Current portion of convertible bond	1,085	—
Current portion of long-term loans payable	16,015	12,246
Income taxes payable	1,173	586
Accrued expenses	8,922	6,800
Advances received	13,637	16,398
Allowance for loss on contract development	55	56
Other provision	820	635
Asset retirement obligations	517	—
Other	9,631	7,640
Total current liabilities	**75,273**	**62,017**
Non-current liabilities		
Long-term loans payable	18,915	17,538
Provision	1,136	1,303
Net defined benefit liability	4,822	3,529
Asset retirement obligations	974	1,123
Other	760	963
Total non-current liabilities	**26,608**	**24,458**
Total liabilities	**101,881**	**86,476**
Net assets		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	14,200	14,200
Retained earnings	73,364	75,140
Treasury shares	(3,746)	(2,464)
Deposit for subscriptions to treasury shares	6	—
Total shareholders' equity	**89,309**	**92,360**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,297	3,437
Deferred gains or losses on hedges	(16)	(6)
Remeasurements of defined benefit plans	(3,216)	(2,244)
Total accumulated other comprehensive income	**1,065**	**1,187**
Subscription rights to shares	269	227
Non-controlling interests	569	531
Total net assets	**91,213**	**94,306**
Total liabilities and net assets	**193,094**	**180,782**

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

Millions of Yen

	FY2016 Q2 (Six months ended September 30, 2015)	FY2017 Q2 (Six months ended September 30, 2016)
Net sales	**128,308**	**127,449**
Cost of sales	**98,645**	**96,663**
Gross profit	**29,663**	**30,786**
Selling, general and administrative expenses	**25,379**	**25,805**
Operating income	**4,283**	**4,981**
Non-operating income		
Interest income	23	4
Dividend income	280	279
Other	110	202
Total non-operating income	**414**	**486**
Non-operating expenses		
Interest expenses	129	106
Settlement package	200	240
Other	642	119
Total non-operating expenses	**973**	**465**
Ordinary income	**3,724**	**5,002**
Extraordinary income		
Gain on sales of investment securities	509	100
Gain on reversal of subscription rights to shares	188	64
Other	1	6
Total extraordinary income	698	**171**
Extraordinary losses		
Loss on sales and retirement of non-current assets	6	25
Loss on sales of investment securities	―	43
Other	0	3
Total extraordinary losses	**6**	**72**
Profit before income taxes	**4,416**	**5,101**
Income taxes - current	**184**	**110**
Income taxes - deferred	**1,727**	**1,470**
Total income taxes	**1,911**	**1,581**
Profit	**2,505**	**3,519**
Profit attributable to non-controlling interests	**10**	**8**
Profit attributable to owners of parent	**2,495**	**3,511**

(Consolidated Statements of Comprehensive Income)

Millions of Yen

	FY2016 Q2 (Six months ended September 30, 2015)	FY2017 Q2 (Six months ended September 30, 2016)
Profit	**2,505**	**3,519**
Other comprehensive income		
Valuation difference on available-for-sale securities	(932)	(859)
Deferred gains or losses on hedges	(0)	9
Remeasurements of defined benefit plans	(195)	972
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	**(1,128)**	**121**
Comprehensive income	**1,377**	**3,641**
(Breakdown)		
Comprehensive income attributable to owners of parent	1,367	3,632
Comprehensive income attributable to non-controlling interests	10	8

(3) Consolidated Statements of Cash Flows

Millions of Yen

	FY2016 Q2 (Six months ended September 30, 2015)	FY2017 Q2 (Six months ended September 30, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,416	5,101
Depreciation and amortization	4,761	4,563
Amortization of goodwill	41	41
Loss (gain) on sales of investment securities	(509)	(57)
Increase(decrease) in allowance for loss on contract development	(1,457)	1
Increase (decrease) in other provision	735	(29)
Increase (decrease) in net defined benefit liability	22	(1,292)
Decrease (increase) in net defined benefit asset	(1,153)	(1)
Increase (decrease) in remeasurements of defined benefit plans	(308)	1,405
Interest and dividend income	(303)	(284)
Interest expenses	129	106
Decrease (increase) in notes and accounts receivable - trade	8,510	16,526
Decrease (increase) in inventories	(2,926)	(1,850)
Increase (decrease) in notes and accounts payable - trade	(4,338)	(5,588)
Increase (decrease) in accrued expenses	(1,299)	(2,121)
Other, net	(293)	(648)
Subtotal	**6,026**	**15,872**
Interest and dividend income received	305	287
Interest expenses paid	(168)	(107)
Income taxes (paid) refund	99	(995)
Net cash provided by (used in) operating activities	**6,263**	**15,056**
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,856)	(1,946)
Proceeds from sales of property, plant and equipment	0	2
Purchase of intangible assets	(3,646)	(3,911)
Purchase of investment securities	(544)	(52)
Proceeds from sales of investment securities	1,025	238
Proceeds from redemption of investment securities	—	300
Payments for asset retirement obligations	—	(438)
Other, net	24	26
Net cash provided by (used in) investing activities	**(4,995)**	**(5,780)**
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	—	(175)
Proceeds from long-term loans payable	—	300
Repayments of long-term loans payable	(645)	(5,445)
Repayments of other borrowings	(251)	(314)
Proceeds from other borrowings	—	839
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(939)	(1,597)
Dividends paid to non-controlling interests	(48)	(46)
Other, net	25	42
Net cash provided by (used in) financing activities	**(1,860)**	**(6,396)**
Net increase (decrease) in cash and cash equivalents	**(592)**	**2,878**
Cash and cash equivalents at beginning of period	**23,326**	**15,564**
Cash and cash equivalents at end of period	**22,733**	**18,443**