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, 2018 [Japan GAAP]

November 06, 2017

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 10 , 2017
Scheduled Starting Date for Dividend Payment:	December 5 , 2017
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 FY2018 Q2 (from April 1, 2017 to September 30, 2017)

(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	%
FY2018 Q2	131,867	3.5	6,693	34.4	6,944	38.8	4,724	34.6
FY2017 Q2	127,449	(0.7)	4,981	16.3	5,002	34.3	3,511	40.7

(Note) Comprehensive Income FY2018 Q2: 7,396 Million Yen (103.1 %) FY2017 Q2: 3,641 Million Yen (164.4 %)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY2018 Q2	47.10	46.94
FY2017 Q2	32.72	32.54

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
FY2018 Q2	184,677	97,225	51.8%
FY2017	192,694	90,772	46.7%

(Reference) Shareholders' Equity FY2018 Q2: 95,698 Million Yen FY2017: 89,918 Million Yen

2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2017	—	17.50	—	17.50	35.00
FY2018	—	20.00			
FY2018 (Forecast)			—	20.00	40.00

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

3. Consolidated Earnings Forecast for FY2018 (from April 1, 2017 to March 31, 2018)

(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
FY2018	290,000	2.7	16,000	11.8	15,800	14.1	11,000	7.2	109.66

(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 at the end of the period (including treasury stock)	FY2018 Q2	109,663,524	FY2017	109,663,524
2. Number of shares of treasury stock at the end of the period	FY2018 Q2	9,348,219	FY2017	9,351,876
3. Average number of shares outstanding during the period	FY2018 Q2	100,313,140	FY2017 Q2	107,309,156

*This Consolidated Financial Report is not subject to quarterly review procedures.

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

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

	FY2017 (As of March 31, 2017)	FY2018 Q2 (As of September 30, 2017)
Assets		
Current assets		
Cash and deposits	17,823	17,192
Notes and accounts receivable - trade	70,275	58,116
Merchandise and finished goods	5,708	7,305
Work in process	1,684	3,591
Raw materials and supplies	317	152
Deferred tax assets	6,307	4,439
Other	16,196	17,127
Allowance for doubtful accounts	(59)	(53)
Total current assets	**118,255**	**107,871**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,098	3,903
Machinery, equipment and vehicles, net	8,467	8,193
Other, net	3,953	3,832
Total property, plant and equipment	**16,519**	**15,929**
Intangible assets		
Goodwill	836	794
Software	21,602	21,823
Other	300	62
Total intangible assets	**22,739**	**22,681**
Investments and other assets		
Investment securities	17,911	21,850
Deferred tax assets	1,463	246
Net defined benefit asset	945	1,110
Other	15,175	15,302
Allowance for doubtful accounts	(316)	(315)
Total investments and other assets	**35,179**	**38,194**
Total non-current assets	**74,439**	**76,805**
Total assets	**192,694**	**184,677**

Millions of Yen

	FY2017 (As of March 31, 2017)	FY2018 Q2 (As of September 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,609	20,109
Short-term loans payable	350	350
Current portion of long-term loans payable	11,007	10,912
Commercial papers	6,000	—
Income taxes payable	1,965	657
Accrued expenses	9,985	7,523
Advances received	13,838	16,883
Allowance for loss on contract development	312	195
Other provision	1,232	933
Other	9,146	8,226
Total current liabilities	**76,448**	**65,791**
Non-current liabilities		
Long-term loans payable	20,282	17,561
Provision	1,147	1,308
Net defined benefit liability	1,813	674
Asset retirement obligations	1,132	1,118
Other	1,097	997
Total non-current liabilities	**25,473**	**21,660**
Total liabilities	**101,921**	**87,451**
Net assets		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	14,200	14,361
Retained earnings	80,005	82,971
Treasury shares	(13,592)	(13,587)
Total shareholders' equity	**86,096**	**89,228**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,625	6,284
Deferred gains or losses on hedges	1	0
Remeasurements of defined benefit plans	(805)	185
Total accumulated other comprehensive income	**3,821**	**6,470**
Subscription rights to shares	294	317
Non-controlling interests	560	1,209
Total net assets	**90,772**	**97,225**
Total liabilities and net assets	**192,694**	**184,677**

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

(Consolidated Statements of Income)

Millions of Yen

	FY2017 Q2 (Six months ended September 30, 2016)	FY2018 Q2 (Six months ended September 30, 2017)
Net sales	**127,449**	**131,867**
Cost of sales	**96,663**	**99,731**
Gross profit	**30,786**	**32,135**
Selling, general and administrative expenses	**25,805**	**25,442**
Operating income	**4,981**	**6,693**
Non-operating income		
Interest income	4	1
Dividend income	279	312
Other	202	149
Total non-operating income	**486**	**464**
Non-operating expenses		
Interest expenses	106	66
Settlement package	240	66
Loss on investments in partnership	―	49
Other	119	32
Total non-operating expenses	**465**	**213**
Ordinary income	**5,002**	**6,944**
Extraordinary income		
Gain on transfer of business	―	108
Gain on sales of investment securities	100	―
Gain on reversal of subscription rights to shares	64	―
Other	6	9
Total extraordinary income	171	**118**
Extraordinary losses		
Impairment loss	―	213
Loss on sales of investment securities	43	―
Other	29	81
Total extraordinary losses	**72**	**294**
Profit before income taxes	**5,101**	**6,768**
Income taxes - current	**110**	**83**
Income taxes - deferred	**1,470**	**1,936**
Total income taxes	**1,581**	**2,020**
Profit	**3,519**	**4,747**
Profit attributable to non-controlling interests	**8**	**23**
Profit attributable to owners of parent	**3,511**	**4,724**

(Consolidated Statements of Comprehensive Income)

Millions of Yen

	FY2017 Q2 (Six months ended September 30, 2016)	FY2018 Q2 (Six months ended September 30, 2017)
Profit	**3,519**	**4,747**
Other comprehensive income		
Valuation difference on available-for-sale securities	(859)	1,658
Deferred gains or losses on hedges	9	(0)
Remeasurements of defined benefit plans	972	991
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	**121**	**2,648**
Comprehensive income	**3,641**	**7,396**
(Breakdown)		
Comprehensive income attributable to owners of parent	3,632	7,373
Comprehensive income attributable to non-controlling interests	8	23

(3) Consolidated Statements of Cash Flows

Millions of Yen

	FY2017 Q2 (Six months ended September 30, 2016)	FY2018 Q2 (Six months ended September 30, 2017)
Net cash provided by (used in) operating activities:		
Profit before income taxes	5,101	6,768
Depreciation and amortization	4,563	5,069
Impairment loss	—	213
Amortization of goodwill	41	41
Loss (gain) on sales of investment securities	(57)	—
Increase(decrease) in allowance for loss on contract development	1	(116)
Increase (decrease) in other provision	(29)	(144)
Increase (decrease) in net defined benefit liability	(1,292)	(1,138)
Decrease (increase) in net defined benefit asset	(1)	(164)
Increase (decrease) in remeasurements of defined benefit plans	1,405	1,434
Interest and dividend income	(284)	(314)
Interest expenses	106	66
Decrease (increase) in notes and accounts receivable - trade	16,526	12,159
Decrease (increase) in inventories	(1,850)	(3,338)
Increase (decrease) in notes and accounts payable - trade	(5,588)	(2,500)
Increase (decrease) in accrued expenses	(2,121)	(2,461)
Others	(648)	935
Subtotal	**15,872**	**16,508**
Interest and dividends income received	287	316
Interest expenses paid	(107)	(66)
Income taxes (paid) refund	(995)	(1,329)
Net cash provided by (used in) operating activities	**15,056**	**15,429**
Investing activities:		
Purchase of property, plant and equipment	(1,946)	(1,446)
Proceeds from sales of property, plant and equipment	2	27
Purchase of intangible assets	(3,911)	(3,218)
Purchase of investment securities	(52)	(1,647)
Proceeds from sales of investment securities	238	22
Proceeds from redemption of investment securities	300	—
Payments for asset retirement obligations	(438)	(8)
Proceeds from transfer of business	—	110
Others	26	8
Net cash provided by (used in) investing activities	**(5,780)**	**(6,152)**
Financing activities:		
Net increase (decrease) in short-term loans payable	(175)	—
Proceeds from long-term loans payable	300	—
Repayments of long-term loans payable	(5,445)	(2,816)
Proceeds from sales and leasebacks	839	1
Repayments of other borrowings	(314)	(226)
Increase (decrease) in commercial papers	—	(6,000)
Cash dividends paid	(1,597)	(1,754)
Dividends paid to non-controlling interests	(46)	(41)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	930
Others	42	(0)
Net cash provided by (used in) financing activities	**(6,396)**	**(9,907)**
Net increase (decrease) in cash and cash equivalents	**2,878**	**(630)**
Cash and cash equivalents at beginning of period	**15,564**	**17,823**
Cash and cash equivalents at end of period	**18,443**	**17,192**