Note: This is an English translation of the Notice of the 74th Ordinary General Meeting of Shareholders of Nihon Unisys, Ltd. prepared for the reader's convenience. Should there be any inconsistency between this translation and the original Japanese text, the latter shall prevail.

Securities code: 8056
June 5, 2018

Dear Shareholders:

Akiyoshi Hiraoka
Representative Director, President & CEO
Nihon Unisys, Ltd.
1-1, Toyosu 1-chome, Koto-ku, Tokyo

NOTICE OF THE 74th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby invite you to attend the 74th Ordinary General Meeting of Shareholders of Nihon Unisys, Ltd. (the "Company"). The meeting will be held as described below.
If you are unable to attend the meeting, you may exercise your voting rights either in writing or by electronic means, such as the Internet. Please review the "Reference Documents for Shareholders Meeting" that follow (page 3 to 21 of this English translation) and exercise your voting rights by 5:30 p.m., Tuesday, June 26, 2018 (Japan Standard Time).

Meeting Details

1. Date and Time: Wednesday, June 27, 2018 at 10:00 a.m. (Japan Standard Time)

2. Venue: Conference Room of the Company's Head Office (29th Floor)
1-1, Toyosu 1-chome, Koto-ku, Tokyo

3. Purpose:

Items to be reported:

1. Business Report, Consolidated Financial Statements and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and the Audit & Supervisory Board for the 74th fiscal year (from April 1, 2017 to March 31, 2018)
2. Non-Consolidated Financial Statements for the 74th fiscal year (from April 1, 2017 to March 31, 2018)

Items to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of Nine (9) Directors
Proposal 3: Election of Two (2) Auditors
Proposal 4: Issuance of Stock Options to Directors as Stock-based Compensation

4. Notes Regarding the Handling of Votes:

(1) If there is no indication of either approval or disapproval for any proposal on the voting card, you will be deemed to have approved the proposal and your vote will be counted accordingly.

(2) If you cast multiple votes by using both the voting card and via the Internet, the Internet vote will be deemed valid.

(3) If you have exercised your voting rights more than once via the Internet, the last exercise will be deemed valid.

(4) If you are a shareholder who has accepted to receive this notice via the Internet but you wish to receive the printed form, the Company will deliver this notice, the Reference Documents for Shareholders Meeting, and the voting card to you by mail.

Notes: Exercise of Voting Rights:

(1) Exercise of voting rights by voting card:
Please exercise your voting rights by stating whether you are for or against the agenda items on the voting card and send it back to us so that it reaches us by Tuesday, June 26, 2018 at 5:30 p.m. (Japan Standard Time).

(2) Exercise of voting rights via the Internet , etc.:
Please access the website that has been designated by the Company for exercising voting rights by either method described below and indicate your approval or disapproval in accordance with the instructions on the screen.
Deadline for exercising voting rights: Received by 5:30 p.m., Tuesday June 26, 2018

・Read QR code with your smartphone;
You can login to the website designated by the Company to vote without entering the code for exercising voting rights and password.

1) Read the QR code printed on the right bottom corner of the Voting Rights Exercise Form enclosed herewith.
(NOTE)
If you exercise your voting rights for the second time in order to change the contents of your first-time exercise, please read the QR code® again and enter the 'Code for Voting Rights Exercise' and 'Password' described on the Voting Rights Exercise Form.
2) Then, indicate your approval or disapproval in accordance with the instructions on the screen.

・Input the Code for Voting Rights Exercise and Password;
1) Access the website for exercising voting rights (https://www.web54.net).
2) Input the 'Code for Voting Rights Exercise' printed on the Voting Rights Exercise Form.
3) Input the 'Password' printed on the Voting Rights Exercise Form.
4) Then, indicate your approval or disapproval in accordance with the instructions on the screen.

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If there are corrections to the Reference Documents for Shareholders Meeting, Business Report, Non-Consolidated Financial Statements or Consolidated Financial Statements, such corrections will be published on the Internet.

<The Company's Website>
http://www.unisys.co.jp/invest-e/stock/meeting.html

Reference Documents for Shareholders Meeting

(Items of Resolution and Reference Items)

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Matters related to year-end dividends

The Company makes efforts for the stable and continued distribution of dividends to shareholders in line with the policy of paying dividends in accordance with our performance. The specific amount of dividends shall be determined by taking into consideration the managerial environment as well as securing an internal reserve for business expansion.

Taking into account the future managerial environment, business expansion and other factors, the Company intends to pay 40 yen per share (the dividend payout ratio: 33.6%) for annual dividends.
Since the Company paid interim dividends of 20 yen per share in December 2017, the year-end dividends will be as proposed below:

(1) Type of dividends:
Cash

(2) Matters related to the allocation of dividends and total amount thereof:
Per share of ordinary shares: 20 yen
Total dividends: 2,006,460,060 yen

(3) Effective date of dividends from surplus:
June 28, 2018

Proposal 2: Election of Nine (9) Directors

Since the terms of office of the present nine (9) Directors of the Company will expire as of the conclusion of the Ordinary General Meeting of Shareholders, the Company proposes to elect nine (9) Directors.
The candidates for Director of the Company are as follows (Their brief personal histories follow the table.).

Candidate Number	Name	Current positions and areas of responsibility in the Company		Board of Directors meeting attendance	Term of Office as Director
1	Akiyoshi Hiraoka	Representative Director, President CEO (Chief Executive Officer) CHO (Chief Health Officer)	Re-appointed	11 times／ 11 meetings	9 years
2	Susumu Mukai	Representative Director, Executive Corporate Officer CAO (Chief Administrative Officer) CCO (Chief Compliance Officer)	Re-appointed	11 times／ 11 meetings	6 years
3	Toshio Mukai	Representative Director, Executive Corporate Officer CFO (Chief Financial Officer)	Re-appointed	11 times／ 11 meetings	4 years
4	Noboru Saito	Senior Corporate Officer CMO (Chief Marketing Officer)	Re-appointed	11 times／ 11 meetings	2 years
5	Koji Katsuya	Senior Corporate Officer CDO (Chief Digital Officer)	Re-appointed	11 times／ 11 meetings	2 years
6	Toshiki Sugimoto		Newly appointed		
7	Go Kawada	Outside Director	Re-appointed Outside Director Independent Director	11 times／ 11 meetings	5 years
8	Ayako Sonoda	Outside Director	Re-appointed Outside Director Independent Director	11 times／ 11 meetings	3 years
9	Chie Sato	Outside Director	Re-appointed Outside Director Independent Director	9 times／ 9 meetings	1 year

Candidate Number 1　Akiyoshi Hiraoka 【Re-appointed】

Date of Birth: June 6, 1956 (age: 61)
Number of the Company's shares held:　20,800 shares
Term of Office as Director: 9 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2018:
11 times／11 meetings

■Career summary, positions and areas of responsibility in the Company

Apr. 1980	Joined Nihon Unisys, Ltd.
Apr. 2002	General Manager, Business Aggregation, Nihon Unisys, Ltd.
Jun. 2002	Corporate Officer, Nihon Unisys, Ltd.
Jun. 2005	Director, Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2007	Director, Superior Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2007	Superior Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2011	Executive Corporate Officer, Nihon Unisys, Ltd.
Jun. 2011	Representative Director, Executive Corporate Officer, Nihon Unisys, Ltd.
Apr. 2016	Representative Director, President & CEO, Nihon Unisys, Ltd. (present)

(Role)

- CEO (Chief Executive Officer), CHO (Chief Health Officer)
- In charge: Entirety of the Company, Internal Audit

■ Significant concurrent positions held in other organizations:　None

■ Special interests with the Company:　None

■ Reasons for appointment as Director

Mr. Akiyoshi Hiraoka is the longest serving Corporate Officer at the Company (serving since 2002) and has a vision for change. He has a wealth of industry knowledge and experience, giving insight into future movements, as well as management strategies. Furthermore, he has a vast network in and abundant knowledge about other areas of the industry and political and business circles. Thus, we believe that Mr. Hiraoka is well qualified for taking the lead in creating the cross-industry eco-systems envisioned by the Company Group and we propose to elect him as Director again.

Candidate Number 2　Susumu Mukai 【Re-appointed】

Date of Birth: November 1, 1955 (age: 62)
Number of the Company's shares held:　9,600 shares
Term of Office as Director: 6 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2018:
11 times／11 meetings

■ Career summary, positions and areas of responsibility in the Company

Apr. 1976	Joined Nihon Unisys, Ltd.
Apr. 2004	Corporate Officer, Nihon Unisys Software Kaisha, Ltd.
Jan. 2006	Corporate Officer, Nihon Unisys Solutions, Ltd.
Apr. 2007	S-BITS Project Group Manager, SW & Services Division, Nihon Unisys, Ltd.
Apr. 2009	Corporate Officer, Nihon Unisys, Ltd.
Apr. 2011	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2012	Representative Director, Senior Corporate Officer; System Technology Division Manager, Nihon Unisys, Ltd.
Apr, 2016	Representative Director, Executive Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)
・CAO (Chief Administrative Officer)
・CCO (Chief Compliance Officer)
・In charge: Corporate Planning, Procurement Management, Human Resources,
Business Management, Organization Development, Quality Management & Assurance,
Group companies

■ Significant concurrent positions held in other organizations:　None

■ Special interests with the Company:　None

■ Reasons for appointment as Director

Mr. Susumu Mukai has extensive experience and achievements in system developments for banks/financial institutions including some of largest-scale projects of our Company. Furthermore, Mr. Mukai has been in charge of corporate staff divisions such as Corporate Planning and Human Resources, as well as serving as Chief Administrative Officer (CAO) and Chief Compliance Officer (CCO); he has a wealth of experience and knowledge of the overall management of the Company.
We believe that Mr. Mukai will be able to make management and business decisions from a broad perspective based on that professional knowledge and experience in the course of management and business judgement for the Company Group. Therefore, we propose to elect him as Director again.

Candidate Number 3　Toshio Mukai 【Re-appointed】

Date of Birth: February 9, 1955 (Age: 63)
Number of the Company's shares held:　16,800 shares
Term of Office as Director: 4 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2018:
11 times／11 meetings

■ Career summary, positions and areas of responsibility in the Company

Apr. 1978	Joined Mitsui & Co., Ltd.
Apr. 2007	Senior Vice President & Chief Financial Officer, Mitsui & Co. (U.S.A.), INC.
Jun. 2010	Internal Auditor, Internal Auditing Division, Mitsui & Co., Ltd.
Apr. 2012	Corporate Officer; General Manager, Accounting, Nihon Unisys, Ltd.
Apr. 2014	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2014	Director, Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2015	Representative Director, Senior Corporate Officer Nihon Unisys, Ltd.
Apr. 2016	Representative Director, Executive Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)
- CFO (Chief Financial Officer)
- In charge: Legal Division, Finance, Accounting, Business Accounting

■ Significant concurrent positions held in other organizations:　None

■ Special interests with the Company:　None

■ Reasons for appointment as Director:

Mr. Toshio Mukai has a wealth of professional knowledge in the fields of overall business management as well as administration and operation that he amassed through his long service in the General Accounting Division and the Internal Auditing Division at Mitsui & Co., Ltd. and his service as Chief Financial Officer (CFO) and an executive officer in charge of promoting corporate governance at the Company. Thus, we believe that Mr. Mukai will be able to use his professional knowledge and experience to make management and business decisions from his broad perspective in the course of management and business judgement for our company. Therefore we propose to elect him as Director again.

Candidate Number 4　Noboru Saito 【Re-appointed】

Date of Birth: August 8, 1961 (Age: 56)
Number of the Company's shares held:　7,500 shares
Term of Office as Director:　2 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2018:
11 times／11 meetings　-

■ Career summary, positions and areas of responsibility in the Company

Apr. 1986	Joined Nihon Unisys, Ltd.
Apr. 2004	General Manager, Industry & Commerce 2, Nihon Unisys, Ltd.
Apr. 2009	General Manager, Industry& Commerce, Nihon Unisys, Ltd.
Apr. 2010	General Manager, Industry & Commerce 2, Nihon Unisys, Ltd.
Apr. 2012	General Manager, Business Services, Nihon Unisys, Ltd.
Apr. 2013	Corporate Officer, Nihon Unisys, Ltd.
Apr. 2016	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2016	Director, Senior Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)
- CMO (Chief Marketing Officer)
- In charge: Business Innovation Division, Incubation Division, Group Marketing, Corporate Communications, Regional Headquarters and Regional Offices

■ Significant concurrent positions held in other organizations:　None

■ Special interests with the Company:　None

■ Reasons for appointment as Director

Mr. Noboru Saito has abundant industry knowledge and experience, offering insight into its future movements as well as business strategies, as a result of his long service as Corporate Officer and General Manager specializing in the manufacturing and distribution sectors before his current service of presiding over sales division and business development initiatives in general.
Thus, we believe that Mr. Saito will be able to use his professional knowledge and experience to make management and business decisions from his broad perspective in the course of management and business judgement for the Company Group. Therefore we propose to elect him as Director again.

Candidate Number 5　Koji Katsuya 【Re-appointed】

Date of Birth: October 24, 1963 (Age: 54)
Number of the Company's shares held:　3,184 shares
Term of Office as Director:　2 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2018:
11 times／11 meetings

■ Career summary, positions and areas of responsibility in the Company

Jan. 1985	Joined Nihon Unisys, Ltd.
Jul. 2007	Senior Project Manager, S-BITS Project, Software & Services, Nihon Unisys, Ltd.
Apr. 2011	General Manager, Financial 3, Nihon Unisys, Ltd.
Apr. 2012	Deputy Division Manager, Financial Business Division; General Manager, Financial 3, Nihon Unisys, Ltd.
Apr. 2014	Corporate Officer; General Manager, Corporate Planning, Nihon Unisys, Ltd.
Apr. 2016	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun.　2016	Director, Senior Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)
- CDO (Chief Digital Officer)
- In charge：Business Service Division, BizDevOps Division,
  Technology Research & Innovation

■ Significant concurrent positions held in other organizations:　None

■ Special interests with the Company:　None

■ Reasons for appointment as Director

Mr. Koji Katsuya has a wealth of knowledge of and experience in management decisions and business strategies of the Nihon Unisys group as a result of his Corporate Officer service of presiding over divisions such as the systems division, quality management & assurance division, and the research & development division as well as Corporate Planning after his service in the financial business and system development of the Company.
Thus, we believe that Mr. Katsuya will be able to use his professional knowledge and experience to make management and business decisions from his broad perspective in the course of management and business judgement for the Company Group. Therefore we propose to elect him as Director again.

Candidate Number 6　Toshiki Sugimoto【Newly appointed】

Date of Birth: July 25, 1955 (Age: 62)
Number of the Company's shares held:　0
Term of Office as Director:　-
Board of Directors meeting attendance during the fiscal year ended March 31, 2018:　-

■ Career summary

Dec. 1992	General Manager of 2nd Research & Development Department, Manufacturing Technology Integration Laboratory, Strategic Manufacturing & Information Control System Division, Dai Nippon Printing Co., Ltd.
Oct. 2000	General Manager of 1st Technical Department, Production Division, Business Form & Securities Printing Operations (concurrently serving as) General Manager of Business Form & Securities Printing Laboratory, Dai Nippon Printing Co., Ltd.
Apr. 2002	General Manager of Production Division, DNP Data Techno Co., Ltd.
Jun. 2003	President, DNP Data Techno Co., Ltd.
Oct. 2009	General Manager of Research & Development Center, Dai Nippon Printing Co., Ltd.
Jun. 2010	Corporate Officer; General Manager of Research & Development Center, General Manager of Corporate R&D Division, Dai Nippon Printing Co., Ltd.
Jun. 2011	Corporate Officer in charge of Research & Development Center, Intellectual Property Division, Corporate R&D Division, MEMS Center, Dai Nippon Printing Co., Ltd.
Jun. 2014	Senior Corporate Officer in charge of Research & Development Center, Intellectual Property Division, Corporate R&D Division, MEMS Center, General Manager, 3rd Division Advanced Business Center, Dai Nippon Printing Co., Ltd.
Apr. 2018	Senior Corporate Officer in charge of ICT Business Development Division, Advanced Business Center, General Manager, 3rd Division Advanced Business Center, Dai Nippon Printing Co., Ltd. (present)

■ Significant concurrent positions held in other organizations

Senior Corporate Officer
in charge of ICT Business Development Division, Advanced Business Center,
General Manager, 3rd Division Advanced Business Center, Dai Nippon Printing Co., Ltd.

■ Special interests with the Company

Dai Nippon Printing Co., Ltd. where Mr. Toshiki Sugimoto serves as Senior Corporate Officer is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract. The companies have trading relationships mainly in system development, business outsourcing and product purchasing. The trading amount is less than 2% of the Company's net sales of the latest fiscal year on a consolidated basis or less than 0.1% of Dai Nippon Printing Co., Ltd.'s net sales on a consolidated basis.

■ Reasons for appointment as Director

Mr. Toshiki Sugimoto has excellent judgement as a Senior Corporate Officer and abundant

experience as a person responsible for the research and development division at Dai Nippon Printing Co., Ltd. We believe that Mr. Toshiki Sugimoto will provide advice and support and effectively supervise the Company's management from a technical and managerial viewpoint in order to promote the business model transformation that the Company advocates.
We propose to elect him as Director.
As per Note 2, Mr. Sugimito concurrently holds the post of Senior Corporate Officer at Dai Nippon Printing Co., Ltd. a major shareholder of the Company. Thus, the Company has not designated him as an Independent Director. He is not designated as an Outside Director candidate in this proposal. This determination was made in light of a higher level of independence being recently expected for Outside Officers.

Candidate Number 7　Go Kawada

【Re-appointed, Outside Director, Independent Director】

Date of Birth: December 3, 1942 (Age: 75)
Number of the Company's shares held:　0
Term of Office as Director:　5 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2018:
11 times／11 meetings

■ Career summary

From Apr. 1967	Joined the National Tax Agency Head of the Kaibara Taxation Office, Osaka Regional Taxation Bureau Consul of the Consulate-General of Japan in San Francisco Director, Office of International Operation of the National Tax Agency Commissioner's Secretariat Director, Administration Office, Collection Department of the National Tax Agency Regional Commissioner of the Sendai Regional Taxation Bureau
Sep. 1996	Started practice as a certified tax accountant
Apr. 1997	Professor, Department of Politics and Economics, Kokushikan University
Jun. 2002	Chairman, Yamada & Partners Certified Public Tax Accountants' Co.
Apr. 2003	Professor, Department of Economics, Kokugakuin University
Apr. 2004	Professor, Graduate School of Global Business, Meiji University
Jun. 2004	Outside Auditor, BANDAI Co., Ltd.
Jun. 2006	Outside Auditor, Murata Manufacturing Co., Ltd.
Jun. 2012	Outside Auditor, DAIREI CO., LTD. (present)
Jun. 2013	Outside Director, Nihon Unisys, Ltd. (present)
May 2015	Outside Director, Gulliver International Co., Ltd. (present: IDOM)
Jun. 2015	Advisor, Yamada & Partners Certified Public Tax Accountants' Co. (present)

■ Significant concurrent positions held in other organizations:

Outside Auditor, DAIREI CO., Ltd.

■ Special interests with the Company:　None

■ Reasons for appointment as Outside Director:

Mr. Go Kawada offers abundant experience as an Outside Director as well as sophisticated professional knowledge and expertise in the fields of taxation and accounting. We believe that he will be able to utilize his experience and knowledge as well as expertise in giving advice on the management of the Company, and supervise management from an objective and neutral perspective as an Outside Director. We propose to elect him as Outside Director again.

Candidate Number 8　Ayako Sonoda

【Re-appointed, Outside Director, Independent Director】

Date of Birth: August 28, 1963 (Age: 54)
Number of the Company's shares held:　0
Term of Office as Director:　3 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2018:
11 times／11 meetings

■ Career summary

Aug. 1988	Established Cre-en Incorporated and assumed position of Representative Director (present)
Oct. 2003	Secretary-General, Sustainability Forum Japan (Specified Nonprofit Corporation) (present)
Jun. 2004	Director, Japan Sustainability Investment Forum (Specified Nonprofit Corporation) (present)
Jun. 2015	Outside Director, Nihon Unisys, Ltd. (present)
Feb. 2017	Representative Director, Mirai RITA Foundation (General Incorporated Foundation) (present)

■ Significant concurrent positions held in other organizations:

Representative Director, Cre-en Incorporated
Secretary-General, Sustainability Forum Japan (Specified Nonprofit Corporation)
Director, Japan Sustainability Investment Forum (Specified Nonprofit Corporation)
Representative Director, Mirai RITA Foundation (general incorporated foundation)

■ Special interests with the Company: None

■ Reasons for appointment as Outside Director

The Company expects Ms. Ayako Sonoda to utilize her abundant experience supporting many companies in the fields of CSR and environmental management as well as her dedication to various activities promoting the employment and utilization of female workers. Thus, she is in a position to give advice to the Company's management from multiple perspectives as an Outside Director. The Company proposes to elect her as Outside Director again.

Candidate Number 9　Chie Sato

【Re-appointed, Outside Director, Independent Director】

Date of Birth: January 30, 1970 (Age: 48)
Number of the Company's shares held:　0
Term of Office as Director: 1 year (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2018:
9 times／9 meetings

■ Career summary

Apr. 1992	Joined Japan Broadcasting Corporation (NHK)
May 2001	Graduated from Columbia Business School
Aug. 2001	Joined the Boston Consulting Group
Jun. 2003	Joined the Walt Disney Company (Japan) Ltd.
Jan. 2012	Became independent as author and consultant
Apr. 2014	Member of the Professional Graduate Business School Certified Evaluation and Accreditation Committee, The Japan University Accreditation Association (present)
Apr. 2016	Tokyo Broadcasting System Television (TBS) Program Practice Council Member (present)
Jun. 2017	Outside Director, Nihon Unisys, Ltd. (present)

■ Significant concurrent positions held in other organizations

Member of the Committee of Certified Evaluation and Accreditation for Management and Professional Graduate Schools Member
The Japan University Accreditation Association, JUAA (public interest incorporated foundation)
TBS Television Program Council Member

■ Special interests with the Company: None

■ Reasons for appointment as Outside Director

Ms. Sato has abundant management experience and expertise as evidenced in her numerous books about business schools in the United States. Furthermore, she played an active role as management strategy consultant in the Boston Consulting Group. The Company expects her to give effective advice and support to the Company to promote business model reforms from an objective and professional perspective as an Outside Director. The Company proposes to elect her as Outside Director again.

(Note) The Company submitted a notification to the Tokyo Stock Exchange, Inc. designating Mr. Go Kawada, Ms. Ayako Sonoda and Ms. Chieko Sato, three Outside Director candidates as Independent Directors, in light of the standards on the independence of outside directors indicated by the Tokyo Stock Exchange, Inc. and the counterparts of the Company.

(Note) Dai Nippon Printing Co., Ltd. where Mr. Toshiki Sugimoto serves as Senior Corporate Officer is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract. The companies have trading relationships mainly in system development, business outsourcing and product purchasing. The trading amount is less than 2% of the Company's net sales of the latest fiscal year on a consolidated basis or less than 0.1% of Dai Nippon Printing Co., Ltd.'s net sales on a

consolidated basis.

(Note) Pursuant to Article 427, Paragraph 1 of the Companies Act of Japan (the "Act"), the Company has entered into an agreement with Mr. Go Kawada, Ms. Ayako Sonoda, and Ms. Chie Sato to limit their liability as provided for in Article 423, Paragraph 1 of the Act. The limit stipulated in that agreement is the higher of either 5 million yen or the amount stipulated by laws and regulations. If their reelection is approved, the agreement will continue for each of them.

If Mr. Toshiki Sugimoto is elected, the Company will enter into the same agreement with him who is a Non-executive director.

(Note) The age of individual director-candidates given herein is as of the date of delivering of this notice.

<Reference>
The Company`s "Standards on the Independence of Outside Directors/Auditors" are as follows.

■ Standards on the Independence of Outside Directors/Auditors

The Company deems that outside directors and outside auditors as defined by the Companies Act have independence if they satisfy the independence criteria stipulated by the Tokyo Stock Exchange and do not fall under any one of the categories below

(1) Major shareholders holding voting rights equivalent to 10% or more of the total voting rights of the Company, or in the case of a corporation or organization, an executive of that corporation or organization
(2) A major client of the Company or its subsidiaries (*1), or executive of a corporation or organization that deals with the Company or its subsidiaries as a major business partner (*2)
(3) An executive of a financial institution to which the Company owes significant borrowings (*3)
(4) A person who receives significant amounts of compensation or other economic benefit (*4) (other than their remuneration as a director) as a consultant, accountant, or lawyer for the Company or its subsidiaries, or where a corporation or organization, a person belonging thereto
(5) An executive of a corporation or organization that receive significant donations (*5) from the Company or its subsidiaries
(6) A person who served a corporation or organization falling under any of the categories (1) to (5) above as an executive within the past 3 years
(7) A spouse or relative within two degrees of kinship of a person falling under any of the categories below
  • A person falling under any of the categories (1) to (5) above
  • A person who is a director or executive of a subsidiary of the Company

* 1 Classification into the category of 'major client of the Company or its subsidiaries' is judged according to the net sales that the Company or its subsidiaries had with the client in the fiscal year immediately before: whether or not they exceed 2% of the consolidated net sales of the Company.

* 2 Classification into the category of a 'corporation or organization that deals with the Company or its subsidiaries as a major business partner' is judged according to the net sales that the corporation or organization had with the Company or its subsidiaries in the fiscal year immediately before: whether or not they exceed 2% of the consolidated net sales of the corporation or organization that deals with the Company or its subsidiaries, or ¥10 million, whichever is higher.

*3 Classification into the category of 'significant borrowings' is judged according to the amount of those borrowings: whether or not they exceed 2% of the gross assets of the Company for the fiscal year immediately before.

*4 Classification into the category of 'significant amounts of compensation or other economic benefit' is judged according to the benefit that the person has received from the Company (other than their remuneration as a director) in the fiscal year immediately before: whether or not the person has received remuneration or other economic benefit of ¥10 million or more; or where the person belongs to a corporation or organization, whether or not that corporation or organization has received from the Company or its subsidiaries remuneration or other economic benefit that exceeds 2% of the consolidated net sales of the corporation or organization for the fiscal year immediately before or ¥10 million, whichever is higher.

*5 Classification into the category of 'significant donations' is judged according to the amount of donations that have been received from the Company or its subsidiaries: whether or not they exceed ¥10 million a year or 2% of the annual total costs of the corporation or organization of the fiscal year immediately before, whichever is higher.

Proposal 3: Election of Two (2) Auditors

Since the term of office of Auditor Etsuo Uchiyama will expire and Auditor Shigemi Furuya will resign as of the conclusion of the Ordinary General Meeting of Shareholders, the Company proposes to elect two (2) Auditors.
The proposal has been agreed to by the Audit & Supervisory Board.

The candidate for Auditors are as follows:

Candidate Number 1 Mr. Etsuo Uchiyama
【Re- appointed, Outside Auditor, Independent Officer】

Date of Birth: December 10, 1956 (Age: 61)
Number of the Company's shares held: 3,200 shares
Term of Office as Auditor: 4 years (at the conclusion of the shareholders' meeting)
Board of Directors meeting attendance during the fiscal year ended March 31, 2018: 11 times /11 meetings
Audit & Supervisory Board meeting attendance during the fiscal year ended March 31, 2018: 15 times / 15 meetings

■ Career summary

Apr. 1979	Joined The Norinchukin Bank.
Jul. 1999	General Manager, Nagano Branch, The Norinchukin Bank.
Jan. 2001	General Manager, Branch Administration Department, Planning Division, The Norinchukin Bank.
Jul. 2003	General Manager, Sendai Branch, The Norinchukin Bank.
Jul. 2005	General Manager, Coordination Division, The Norinchukin Bank.
Jun. 2007	Managing Director, Member of the Board, The Norinchukin Bank.
Jun. 2009	President & CEO, Nochu Business Support Co., Ltd.
Jun. 2014	Outside Auditor, Nihon Unisys, Ltd. (present)

■ Significant concurrent positions held in other organizations: None

■ Special interests with the Company: None

■ Reasons for appointment as Auditor
Mr. Etsuo Uchiyama has considerable business experience as well as expertise and knowledge in finance and accounting that he amassed through his service at a financial institution for many years, and furthermore a wealth of managerial knowledge that he gained there. Mr. Uchiyama has performed appropriate auditing of the Company's overall management since he assumed office of Auditor in June, 2014. We believe he can utilize his expertise as an Outside Auditor. The Company proposes to elect him as Outside Auditor again.
Mr. Uchiyama previously worked for the Norinchukin Bank, a major business partner and a major lender for the Company. Nine years have passed since Mr. Uchiyama left the Norinchukin Bank (Four years have passed since he left a group company of the Norinchukin Bank.). The Company has submitted a notification to the Tokyo Stock Exchange, Inc. designating Mr. Uchiyama as an Independent Director in light of the Standards of the Independence of Outside Directors of the Company. See page 15 regarding the Standards.

Candidate Number 2　Mr. Hirofumi Hashimoto【Newly appointed】

Date of Birth: July 8, 1957 (Age: 60)
Number of the Company's shares held:　0
Term of Office as Auditor: -
Board of Directors meeting attendance during the fiscal year ended March 31, 2018: -
Audit & Supervisory Board meeting attendance during the fiscal year ended March 31, 2018: -

■ Career summary

Jun. 1992	Manager of Control Section, Planning & Control Department, Business Form & Securities Printing Operations, Dai Nippon Printing Co., Ltd.
Jan. 1997	P.T. DNP Indonesia
Apr. 2002	General Manager of Planning & Control Department, Commercial Planning Operations, Dai Nippon Printing Co., Ltd.
Apr. 2007	General Manager of Dynamic Advanced Communication Division, Commercial Planning Operations, Dai Nippon Printing Co., Ltd.
Nov. 2009	General Manager of Strategic Business Planning Department, Dai Nippon Printing Co., Ltd.
Jun. 2015	Corporate Officer; General Manager of Strategic Business Planning Department, Dai Nippon Printing Co., Ltd.
Oct. 2017	Corporate Officer; General Manager of Strategic Business Planning & Development Division, Dai Nippon Printing Co., Ltd.
Apr. 2018	Corporate Officer in charge of Strategic Business Planning & Development Division, Value Creation & Promotion Division, Dai Nippon Printing Co., Ltd.(present)

■ Significant concurrent positions held in other organizations

Corporate Officer
in charge of Strategic Business Planning & Development Division, Value Creation & Promotion Division, Dai Nippon Printing Co., Ltd.
Director, Maruzen CHI Holdings Co., Ltd.
Director, Hokkaido Coca-Cola Bottling Co., Ltd.

■ Special interests with the Company

Dai Nippon Printing Co., Ltd. where Mr. Hirofumi Hashimoto serves as Corporate Officer is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract. The companies have trading relationships mainly in system development, business outsourcing and product purchasing. The trading amount is less than 2% of the Company's net sales of the latest fiscal year on a consolidated basis or less than 0.1% of Dai Nippon Printing Co., Ltd.'s net sales on a consolidated basis.
Mr. Hashimoto will assume office as Senior Corporate Officer at Dai Nippon Printing Co., Ltd. in late June, 2018.

■ Reasons for appointment as Auditor

Mr. Hirofumi Hashimoto gained global experience through his service as Finance Manager at an overseas subsidiary of Dai Nippon Printing Co., Ltd., experience serving as the person responsible for the corporate planning division of the Company as well as managerial experience that he gained while serving as a director at other listed companies. Mr. Hashimoto has a considerable degree of financial and accounting expertise and is well-versed in managerial accounting. Mr. Hashimoto has not been involved in executing the business of the

Company. Thus, his independence from management and those who execute business of the Company is maintained. We believe he will be able to utilize his abundant knowledge and experience as well as his shareholder viewpoint for auditing the overall management of the Company. We propose to elect him as Auditor.
Mr. Hashimoto concurrently holds the post of Corporate Officer at Dai Nippon Printing Co., Ltd., a major shareholder of the Company. Thus, we have not designated him as an Independent Officer and he is not designated as an Outside Auditor candidate in this proposal. This determination was made in light of the higher level of independence being recently expected of outside officers.

(Note) Dai Nippon Printing Co., Ltd. where Mr. Hirofumi Hashimoto serves as Corporate Officer is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract. The companies have trading relationships mainly in system development, business outsourcing and product purchasing. The trading amount is less than 2% of the Company's net sales of the latest fiscal year on a consolidated basis or less than 0.1% of Dai Nippon Printing Co., Ltd.'s net sales on a consolidated basis.
Mr. Hashimoto will assume office as Senior Corporate Officer at Dai Nippon Printing Co., Ltd. in late June, 2018.

(Note) Pursuant to Article 427, Paragraph 1 of the Companies Act of Japan (the "Act"), the Company has entered into an agreement with Mr. Etsuo Uchiyama to limit his liability as provided for in Article 423, Paragraph 1 of the Act. The limit stipulated in that agreement is the higher of either 5 million yen or the amount stipulated in the laws and regulations. If his reelection is approved, the contract will continue.
If Mr. Hirofumi Hashimoto is elected, the Company will enter into the same agreement with him.

(Note) The age of Mr. Etsuo Uchiyama and Mr. Hirofumi Hashimoto given herein are as of the date of delivering of this notice.

<Reference> Structure of the Board of Directors and the Audit & Supervisory Board
If Proposal 2 and Proposal 3 are approved as submitted, the Board of Directors and the Audit & Supervisory Board of the Company are scheduled to be comprised of the following.

	Number of Constituents (person(s))	Outside Officers (person(s))	(Independent Officers included) (person(s))	Ratios of Independent Officers
Board of Directors	9	3	3	33.3%
Audit & Supervisory Board	5	3	3	60.0%
Total	14	6	6	42.9%

The Board of Directors will comprise of nine Directors including three Outside Directors who are all Independent Directors, as indicated above.
The Audit & Supervisory Board comprising of five members will have a majority of three Outside Auditors. These Outside Auditors are all Independent Directors. Thus, the independence of the Audit & Supervisory Board will be further guaranteed.
As above, both the Board of Directors and the Audit & Supervisory Board will be in a position to supervise management in a highly effective manner.

Proposal 4: Issuance of Stock Options to Directors as Stock-based Compensation

The Company requests approval to issue Stock Options as Stock-based Compensation to Directors (excluding non-executive Directors) of the Company with the aim of clearly linking their compensation with consolidated business performance and having them share the benefits and risks in the share price with the shareholders and increasing their motivation to pursue continuous growth in the Company's performance and corporate value.
These Stock Options will be granted to the Directors of the Company as part of their compensation (which is uniformly 10% regardless of duty position) instead of cash. If the target current profit attributable to owners of the parent (12,500 million yen) for the fiscal year ending March 31, 2019 is achieved, as planned at the beginning of the fiscal year, and also any other conditions are satisfied, the Company will calculate the actual achievement rate as 100%. The number of exercisable Stock Options will fluctuate in the range of 0% to 200% in accordance with the actual achievement rate. Therefore, the Company believes it is appropriate to grant these Stock Options as medium- to long-term incentive compensation for improvements in the consolidated results.

(Details of proposal)

1. We would like to propose that the amount of compensation by the Stock Options to be granted as Stock-based Compensation for one year after the date of the Ordinary General Meeting of Shareholders shall be within a limit of 70 million yen a year.

   This amount of compensation concerning the Stock Options is within the range of 35 million yen per month that was authorized as the upper limit for the Company's Directors' compensation at the 49th Ordinary General Meeting of Shareholders held on June 25, 1993.

   Please note that, upon approval of Proposal 2, the number of Directors of the Company will be nine (9) (including four (4) Non-executive Directors) at the closing of this Ordinary General Meeting of Shareholders. Non-executive Directors including Outside Directors are and will be paid a fixed monthly compensation only and they are not granted the Stock Options.

2. Details of the Stock Options to be granted as Stock-based Compensation are as follows:

   (1) Total number of the Stock Options
   The number of the Stock Options to be issued within one year from the date of the Ordinary General Meeting of Shareholders shall not exceed 315 units, and shall be limited to 70 million yen a year as set out in Paragraph 1 above.

   (2) Type and number of shares to be granted upon the exercise of the Stock Options
   The type of shares to be granted upon exercise of one Stock Option will be ordinary shares of the Company. The number of shares to be issued upon exercise of each Stock Option (the "Number of Shares Granted") shall be 100 ordinary shares of the Company.

   In the event that adjustment of the Number of Shares Granted is necessary including the case where the Company carries out a stock split or stock consolidation, the Company shall adjust the Number of Shares Granted to a reasonable extent. Any fraction less than one share resulting from this adjustment will be rounded down.

   (3) Amount to be paid in for the Stock Options
   The amount to be paid in for the Stock Options will be based on the fair value calculated according to an equitable formula such as the Black-Scholes model, taking into account

various conditions including the share price of the Company on the allotment day and the exercise price. Instead of a monetary payment, the amount to be paid in for the Stock Options will be offset against the compensation receivable from the Company.

(4) Amount of assets to be contributed upon exercise of the Stock Options
The amount of assets to be contributed upon exercise of the Stock Options will be one (1) yen for each one (1) share to be acquired upon exercise of the Stock Options, multiplied by the Number of Shares Granted.

(5) Exercise period for the Stock Options
Thirty (30) years from July 1, 2019

(6) Restriction on acquisition of the Stock Options by transfer
Any transfer of the Stock Options shall be subject to approval by a resolution of the Board of Directors of the Company.

(7) Terms and conditions for exercising the Stock Options

1) The holders of the Stock Options are required to continuously serve in the position of a Director or Corporate Officer of the Company or subsidiaries of the Company throughout the performance appraisal period ending March 31, 2019 (excluding cases such as loss of position through death or similar).

2) A stock option holder is not entitled to exercise the Stock Options while he or she remains in the position of either Director, Auditor, or Corporate Officer of the Company or the subsidiaries of the Company.

3) The holders of the Stock Options may exercise the Stock Options from July 1, 2019 until the earlier of either the day on which 10 years have elapsed since the day following the day on which they lose their positions as Director, Auditor or Corporate Officer of the Company or subsidiaries of the Company, or the last day of the exercise period of the Stock Options.

(8) Other matters concerning the Stock Options
Other matters concerning the Stock Options will be determined by the Board of Directors of the Company where the details of the offering terms of the Stock Options will be resolved.

<Reference>
The Company Group introduced a “Performance-based Compensation System” in the fiscal year ended March 31, 2013 for the Directors and Corporate Officers of the Company and UNIADEX, Ltd., an important consolidated subsidiary of the Company, which have an important role regarding the consolidated results.
Thus, the Company plans to grant Stock Options to the Corporate Officers of the Company and the Directors and Corporate Officers of UNIADEX, Ltd. besides the Directors of the Company, on the condition that the Proposal 4 is approved and following the approval of the Board of Directors of the Company. The Stock Options are the same as the Proposal 4 Stock Options to be approved and granted as Stock Options for Performance-based Compensation System.
In the event that this proposal is approved as originally proposed, the number of the Stock Options to be granted to the Directors and Corporate Officers of the Company and UNIADEX, Ltd., the (maximum) total number of ordinary shares of the Company to be issued upon exercise of the Stock Options, and the number of eligible grantees will be as follows:

Eligible Grantees	Number of Grantees	Number of Stock Options to be granted and (maximum) total number of ordinary shares of the Company to be issued upon exercise of Stock Options
Directors (excluding Non-executive Directors) of the Company	5	315 units (31,500 shares)
Corporate Officers of the Company	10	366 units (36,600 shares)
Directors and Corporate Officers* of UNIADEX, Ltd.	9	315 units (31,500 shares)
Total	24	996 units (99,600 shares)

* Excluding Directors and Corporate Officers who concurrently serve as Corporate Officers or employees of the Company

End of proposals

Attachment to Notice

Business Report (for the fiscal year from April 1, 2017 through March 31, 2018)

1 Current Situation of the Nihon Unisys Group

(1) Progress and Results of the Businesses

During the fiscal year ended March 2018, the Japanese economy continued to show signs of gradual recovery enabled through improvements in employment and income environments as well as earnings of companies. However, its future remained unpredictable due to uncertain overseas political and economic factors such as Brexit (the United Kingdom's withdrawal from the European Union), policy management by the US administration, and heightened geopolitical risks arising from the situations involving North Korea. Against that backdrop, software investments have managed to remain almost unchanged in the domestic information services market. However, our environment has continued to be difficult due to: uncertain overseas economies in the rest of the world; impacts of fluctuating financial and capital markets; and further intensified rivalries.

In this environment, the Nihon Unisys Group has entered the third and final year of the Midterm Management Plan that was launched in the fiscal year ending March 2016.

It has further intensified our growth strategies of expanding digital/life innovation areas and changes in business ICT platform area, and has been promoting efforts on key strategies such as reforming corporate culture and strengthening human resources capabilities. Our efforts in the digital innovation area where we challenge ourselves as described in the Mid-term Management Plan resulted in an increase in the sales of: 'BANK_FIT-NE®', a next-generation sales office system; and 'SmileBranch®', a system supporting front office business operations at sales offices. These systems for regional financial institutions are intended to strengthen consulting business and advising capabilities and also enable discussions with and make proposals to customers. We will continue to accelerate further these types of reforms at sales offices of regional financial institutions. Our aim is to strengthen the sales of our systems in the fields of UI (user interface)/UX (user experience) where front office duties of interacting with customers are performed. Furthermore, a joint project was launched by our company and Microsoft Japan Co., Ltd. in a core-banking system area. The intention is to enable the nation's first comprehensive banking system on a public cloud. The expectation of the project is to help us to: make proposals enabling a cloud-computing system through the use of Microsoft's Azure on the sequential occasions of platform renewal for BankVision® user banks; create new earnings opportunities for financial institutions; and aim to create new commodities through the use of Business Ecosystems across boundaries of business types and business categories.

Our efforts in the payment/settlement business area made through 'Canal Payment Service, Ltd.', a subsidiary of ours, has enabled an expansion of the availability of Alipay® services to various shops and facilities including those of a large-scale volume-sales electronics retailer. Furthermore, Nihon Unisys, Ltd., Canal Payment Service, Ltd., and bitFlyer, Inc. together have launched a business aimed at increasing the use of the cryptocurrency bitcoin® for payment/settlement transactions of product sales and food/beverage services. We will continue to develop and improve an environment where non-Japanese visitors can have convenient and reassuring shopping experiences, keeping in mind the 40 million visitors expected in the year 2020 (figures according to the Japanese government targets).

In the area of life innovation, we started to provide our storage service platform in order to enable dry cleaning/laundry pickup and delivery web services for clothes. The platform will be widely provided as a service platform capable of interconnecting different types of business operators such as real estate agents, apparel makers, rental business operators, and sharing business operators. Our approaches to sharing economy in the life innovation field have supported Nissan Motor Co., Ltd. through our 'smart oasis® for Carsharing' mobility service platform enabling the 'Nissan e-share mobi' launched on January 15, 2018. We will continue to create innovative services by accelerating creation of IT platforms capable of supporting

enhanced use of EVs and Mobility-as-a-Service, in order to facilitate convenient and reassuring transit.

Our efforts in the business ICT platform business area have continued in standardizing development methods and business processes, re-using knowledge and expertise, and enhancing implementation-type businesses. These attempts have enabled a smooth transition from conventional business models to service-type business models.

Our efforts to reform corporate culture and workforce capabilities include workstyle reforms mainly through: using satellite offices; fully operating the telecommuting system; as well as a campaign to promote wasteless and well-focused work; and promoting the use of paid-leave. Furthermore, our diversity promotion initiative 'Diversity Foresight®' exemplified in the approaches to promote women in workplace was accredited pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace, and granted Three-star (highest rank) ERUBOSHI certification.

In summary, the Nihon Unisys Group as a whole diligently promoted the Mid-term Management Plan. We are prepared to take on the challenges in our next mid-term management plan, 'Foresight in sight® 2020'.

For this fiscal year, net sales were ¥ 286,977 million (a 1.7 % increase compared with the previous fiscal year) as a result of the continued strength of outsourcing and hardware sales. As a result of an increase in gross profit mainly boosted by outsourcing's gross profit, we posted: ¥16,332 million operating income (a 14.1 % increase); ¥ 16,092 million ordinary income (a 16.2% increase); and ¥ 11,949 million profit attributable to owners of parent (a 16.4 % increase).

The breakdown of net sales shows that services sales were ¥199,776 million, a 0.7 % or ¥ 1,359 million increase from the previous fiscal year; software sales were ¥ 33,103 million, a 11.3% or ¥ 3,369 million increase; and hardware sales were ¥54,097 million, a 0.0 % or ¥1 million decrease.

As for the net sales contribution ratios, services sales were 69.6 % (against 70.3 % in the previous period);software sales were 11.5 % (against 10.5% in the previous period); and hardware sales were 18.9% (against 19.2% in the previous period).

(Note) Bitcoin is a globally circulated cryptocurrency used for payment/settlement services with approx. 20 million wallets (accounts) used by approx. 200,000 business operators. Physical retail shops in Japan have been authorized to use the cryptocurrency since April, 2017. An increasing number of shops aware of the demands from inbound tourism targeted for 2020 have come to use the virtual currency that will be increasingly prevalent among domestic users.

(Note) Azure is a registered trademark or trademark of Microsoft Corporation in the United States and other countries.

(Note) Alipay is a registered trademark of Ant Financial Services Group which is an affiliate company of Alibaba Group.

(Note) Bitcoin is a registered trademark of bitFlyer, Inc.

(Note) Other names of companies or products herein described are trademarks or registered trademarks of their respective organizations.

(2) Changes in the value of group assets and operating results

	Fiscal Year 71	Fiscal Year 72	Fiscal Year 73	Fiscal Year 74 (current consolidated fiscal year)
Category	from April 1, 2014 to March 31, 2015	from April 1, 2015 to March 31, 2016	from April 1, 2016 to March 31, 2017	from April 1, 2017 to March 31, 2018
Orders (¥mil)	263,478	279,415	281,394	296,956
Net sales (¥mil)	269,154	278,039	282,249	286,977
(Breakdown)				
Services (¥mil)	187,089	194,162	198,416	199,776
(composition ratio)	(69.5)	(69.8)	(70.3)	(69.6)
Software (¥mil)	30,727	30,003	29,733	33,103
(composition ratio)	(11.4)	(10.8)	(10.5)	(11.5)
Hardware (¥mil)	51,337	53,873	54,099	54,097
(composition ratio)	(19.1)	(19.4)	(19.2)	(18.9)
Current profit attributable to owners of the parent (¥mil)	7,246	8,920	10,261	11,949
Current net profit per share (¥)	77.07	93.71	96.49	119.12
Net assets (¥mil)	81,975	91,213	90,772	104,674
Total assets (¥mil)	199,772	193,094	192,694	198,636

(Notes)

1. Any fractional amount less than one million yen is disregarded.

2. Current net profit per share is calculated by using the average number of shares outstanding during each fiscal year after deducting treasury shares therefrom, and are expressed by rounding off to two decimal places.

(3) Outline of Capital Investment

Major capital investments during the current consolidated fiscal year were made in computers for business activities and software for outsourcing.

(4) Outline of Financing

The Company Group procures working capital mainly through own funds, loans, and issuance of bonds. Furthermore, in order to ensure flexible and stable access to funds, the Group has established commitment lines totaling 10,500 million yen with major banks. There is no balance used under commitment lines as of March 31, 2018.

(5) Issues to Be Dealt with

The Nihon Unisys Group has been in an increasingly competitive business environment due to: the growing sophisticated and diversified IT service needs of customers; and, further intensified competition as a result of participation by businesses in different areas, against the backdrop of society's rapid digitization.

Furthermore, companies have been recently expected to contribute to creating a sustainable society by: aiming to resolve social issues on a global scale; satisfying SDGs through efforts to enable Society 5.0; and putting into practice a business management that takes into consideration ESG (environment, society and governance). We recognize that our corporate value will eventually increase through our efforts to respond to expectations.

The Company's Group will take on implementing the key initiatives below as indicated in 'Foresight in sight® 2020' the new mid-term management plan that positions the Group as '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.

① Selection of and concentration on areas of focus

The Company aims to accelerate an increase in and monetization of new service businesses that were created in accordance with the previous mid-term management plan. It will establish areas of focus in the markets where medium- and long-term development is expected on the basis of solutions for social issues. It will concentrate its management resources on the focal areas where customers and business partners can join it in using assets of the Group.

② Strengthening of relationships with customers in order to increase their added value

The Company understands that it is faced with fiercer competition in velocity and price regarding ICT development and operation in its key traditional business area where cloud service businesses have been increasing. Thus, we will depend more on highly productive service-type and implementation-type businesses in order to further help customers' businesses.

Furthermore, we realize that any company will find it difficult to enable a competitive advantage by themselves in such a business environment. We aim to become a strategic business partner for customers through efforts to strengthen our relationships with them, by enabling the digital transformation of their businesses, and creating new businesses based on business ecosystems in cooperation with them.

③ Strengthening of capabilities to enable platforms capable of businesses support

There are customers that aim to gain a competitive advantage through digital transformation. We need a mechanism that enables us to create services rapidly based on combined

businesses and operate them if we provide value to the customers. The Company will enable stronger processes for creating socially beneficial services that are capable of eventually solving social issues. It will provide the processes as platforms where the Group's assets are connected with business partners and customers as well as third-party services. The platforms will become part of the business ecosystems we envision.

④ Corporate Culture Reform

The Company will: 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 in creating value by themselves and designing business ecosystems; enable Diversity and Inclusion; and, implement reform of business processes as well as internal systems.

⑤ Investment Strategies

The Company aims to accelerate its creation of new businesses through open innovation. For this aim, the Company will continue and promote its 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.

We believe that our Group's sustainable growth will only be enabled through business strategies as well as a robust management base where they are supported. Thus, the Company will further enhance its corporate governance system, and will continuously perform appropriate business operations. The appropriate business operations will be predicated on: systems capable of ensuring appropriate operations (internal control systems) resolved by the board of directors; and efforts to infiltrate and thoroughly embed compliance awareness.

In addition, business risks are expected to be diversified in the future through our efforts to further strengthen coordination among the Group companies and enable business growth. The Company's Group will address them by further strengthening our current business risk management.

(6) Parent Company and Major Subsidiaries, etc.

(i) Relationship with Parent Company

Not applicable

(ii) Major Subsidiaries

Name of Subsidiary	Capital (¥ mil)	Percentage owned by the Company(%)	Key Businesses
UNIADEX, Ltd.	750	100	(1) Offering services and selling devices related to network system creation (2) Providing services of operating/managing computer systems and maintenance services

(7) Principal Businesses (as of March 31, 2018)

The Group provides services such as cloud computing and outsourcing; sells and leases computer systems and network systems; creates and sells software; and provides various types of system-related services

(8) Principal Offices (as of March 31, 2018)

Company Name	Office Name	Location
Nihon Unisys, Ltd.	Headquarters	Koto-ku, Tokyo
	Kansai RHQ	Osaka city
	Chubu RHQ	Nagoya city
	Kyushu RHQ	Fukuoka city
	Hokkaido RO	Sapporo city
	Touhoku RO	Sendai city
	Niigata RO	Niigata city
	Hokuriku RO	Kanazawa city
	Shizuoka RO	Shizuoka city
	Chugoku RO	Hiroshima city
UNIADEX, Ltd.	Headquarters	Koto-ku, Tokyo
	Kansai RO	Osaka city
	Chubu RO	Nagoya city
	Kyushu RO	Fukuoka city

** RHQ: Regional Headquarters
RO: Regional Office

(9) Group Employees (as of March 31, 2018)

(i) Employees of the Group

Number of Employees (persons)	Change from March 31, 2017 (persons)
7,817	−171

Category of occupation	Number of Employees (persons)
Sales representatives	1,389
System engineers	3,306
System service engineers, etc.	1,948
Staff	1,174
Total	7,817 (against 7,988 at March 31, 2017)

(Note)
1. The Group conducts a broad range of business segments within the organization related to computer, software and other related products. Thus, the employee numbers are described by the unit of occupational category.
2. The employee numbers exclude secondees from the Group to outside the Group, and include secondees to the Group from outside.

(ii) Employees of the Company

Number of Employees (persons)	Change from March 31, 2017 (persons)	Average Age	Average Length of Service
4,190	+29	45.2	20.4

(10) Principal Sources of Borrowings (as of March 31, 2018)

Source of Borrowings	Amount of Loan (¥ mil)
Sumitomo Mitsui Banking Corporation	8,070
The Norinchukin Bank	6,130
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,840

(Note)
The Bank of Tokyo-Mitsubishi UFJ, Ltd., has changed its name to MUFG Bank, Ltd., as of April 1, 2018.

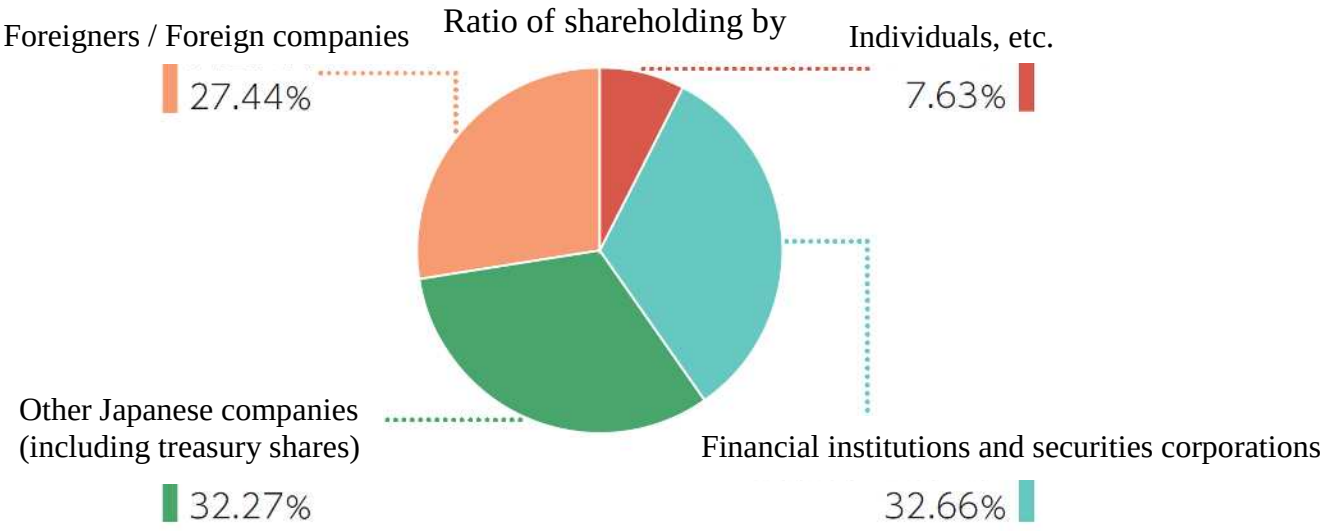
2. Matters about the Company Stock (as of March 31, 2018)

(1) Total Number of Authorized Shares: 300,000,000 shares
(2) Total Number of Shares Outstanding: 109,663,524 shares
(3) Number of Shareholders: 8,812 shareholders
(4) Major Shareholders:

Name	Number of Shares Held (Thousands of Shares)	Holding Ratio
Dai Nippon Printing Co., Ltd.	20,727	20.66%
Japan Trustee Services Bank, Ltd. (Trust Account)	10,104	10.07%
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,507	6.48%
The Norinchukin Bank	4,653	4.63%
GOVERNMENT OF NORWAY	2,571	2.56%
Mitsui & Co., Ltd.	2,448	2.44%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,381	2.37%
Nihon Unisys Employee Stock Ownership Plan	1,983	1.97%
ANA HOLDINGS INC.	1,794	1.78%
J.P. MORGAN BANK LUXEMBOURG S. A. 380578	1,662	1.65%

(Note)
1. Numbers of shares less than one thousand has been omitted
2. The Company retains 9,340,521 treasury shares without voting rights. Thus, they are excluded from the major shareholder list above.
3. The ratios are calculated by deducting treasury shares and expressed by rounding down to two decimal places.

(5) Other Material Matters regarding Shares
None



3. Details about the Company's Stock Options, etc.

(1) Overview of the stock options, etc. granted to and held by Officers of the Company as compensation for execution of duties as of March 31, 2018

Name	First Issuance Stock Options (Stock-based Compensation)	Second Issuance Stock Options (Stock-based Compensation)	Fourth Issuance Stock Options (Stock-based Compensation)
Number of holders (persons)			
Directors of the Company (excluding the non-executive Directors)	3 (Note)	4 (Note)	5 (Note)
Outside Directors of the Company	–	–	–
Auditors of the Company	–	–	–
Number of Stock Options	20	146	155
Type of shares to be granted upon the exercise of the Stock Options	Ordinary shares	Ordinary shares	Ordinary shares
Number of shares to be granted upon the exercise of the Stock Options	2,000 shares	14,600 shares	15,500 shares
Amounts of assets to be contributed upon exercise of the Stock Options	\1 per share	\1 per share	¥1 per share
Exercise period for the Stock Options	July 1, 2013 to June 30, 2043	July 1, 2014 to June 30, 2044	July 1,2016 to June 30, 2046

(Note 1) The three Directors include one Director who was granted the Stock Option when he served as Corporate Officer of the Company.
(Note 2) The four Directors include two Directors who were granted the Stock Option when they served as Corporate Officer of the Company.
(Note 3) The five Directors include two Directors who were granted the Stock Option when they served as Corporate Officer of the Company.

Name	Fifth Issuance Stock Options (Stock-based Compensation)	Sixth Issuance Stock Options (Stock-based Compensation)
Number of holders (persons) Directors of the Company (excluding the non-executive Directors) Outside Directors of the Company Auditors of the Company	5 – –	5 – –
Number of Stock Options	226	270
Type of shares to be granted upon the exercise of the Stock Options	Ordinary shares	Ordinary shares
Number of shares to be granted upon the exercise of the Stock Options	22,600 shares	27,000 shares
Amounts of assets to be contributed upon exercise of the Stock Options	¥1 per share	¥1 per share
Exercise period for the Stock Options	July 1, 2017 to June 30, 2047	July 1, 2018 to June 30, 2048

(2) Overview of the stock options granted to the employees of the Company as well as the Officers and employees of the Company's subsidiaries as compensation for execution of duties during the fiscal year ended March 31, 2018

Name	Sixth Issuance Stock Options (Stock-based Compensation)
Date of resolution of issuance	June 28, 2017
Number of persons granted Stock Options Employees of the Company Officers and employees of the subsidiary	 13 (Note 1) 9 (Note 2)
Number of Stock Options	670
Type of shares to be granted upon the exercise of the Stock Options	Ordinary shares
Number of shares to be granted upon the exercise of the Stock Options	67,000 shares
Amounts of assets to be contributed upon exercise of the Stock Options	\1 per share
Exercise period for the Stock Options	July 1, 2018 to June 30, 2048

(Note) 1 The Stock Options were granted to the Corporate Officer of the Company.
2 The Stock Options were granted to the Directors and Corporate Officer of the Company's subsidiaries

4. Details about the Company's Officers

(1) Company Officers

Directors and Auditors (as of March 31, 2018)

Title	Name	Principal Positions and Significant Concurrent Position(s) Held in Other Organizations
Representative Director, President	Akiyoshi Hiraoka	CEO (Chief Executive Officer) CHO (Chief Health Officer) In charge: Entirety of the Company, Internal Audit
Representative Director, Executive Corporate Officer	Susumu Mukai	CAO (Chief Administrative Officer) CCO (Chief Compliance Officer) In charge: Corporate Planning, Human Resources, Corporate Communications, Organization Development, Business Management, Procurement Management, Group companies
Representative Director, Executive Corporate Officer	Toshio Mukai	CFO (Chief Financial Officer) In charge: Finance, Accounting, Business Accounting, Legal Division
Director, Senior Corporate Officer	Noboru Saito	CMO (Chief Marketing Officer) In charge: Business Innovation Division, Incubation Division, Corporate Marketing, Regional Headquarters and Regional Offices
Director, Senior Corporate Officer	Koji Katsuya	CDO (Chief Digital Officer) In charge: Business Service Division, Quality Management & Assurance, Technology Research & Innovation

Director	Morihiro Muramoto	Senior Corporate Officer; General Manager, Communication Development Division; in charge of ICT Business Development Division Advanced Business Center, Dai Nippon Printing Co., Ltd.
Director	Go Kawada	Outside Auditor, DAIREI CO., LTD.
Director	Ayako Sonoda	Representative Director, Cre-en Incorporated Secretary-General, Sustainability Forum Japan (Specified Nonprofit Corporation) Director, Japan Sustainability Investment Forum (Specified Nonprofit Corporation) Representative Director, Mirai RITA Foundation (general incorporated foundation)
Director	Chie Sato	Member of the Committee of Certified Evaluation and Accreditation for Management and Professional Graduate Schools Member The Japan University Accreditation Association, JUAA (public interest incorporated foundation) TBS Television Program Council Member
Full-Time Auditor	Shinji Kuriyama	
Full-Time Auditor	Etsuo Uchiyama	
Auditor	Shigemi Furuya	Senior Corporate Officer; in charge of Strategic Business Planning & Development Division, Dai Nippon Printing Co., Ltd.
Auditor	Harumi Kojo	Partner for Sakurazaka Law Offices
Auditor	Norimitsu Yanai	Auditor (part time), Japan Pension Service.

(Note)

1. Go Kawada, Ayako Sonoda and Chie Sato are Outside Directors.

2. Etsuo Uchiyama, Harumi Kojo, and Norimitsu Yanai are Outside Auditors.

3. The Company has submitted a notification with Tokyo Stock Exchange designating Directors Go Kawada, Ayako Sonoda and Chie Sato as Independent Directors.

4. The Company has submitted a notification with Tokyo Stock Exchange designating Auditors Etsuo Uchiyama, Harumi Kojo and Norimitsu Yanai as Independent Officers.

5. Dai Nippon Printing, Co., Ltd. is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract.

6. Etsuo Uchiyama has considerable expertise in finance and accounting due to his long service in financial institutions.

7. Shigemi Furuya has considerable expertise in finance and accounting partly due to his service as General Manager of 1st Department, Finance & Accounting Division of Dai Nippon Printing Co., Ltd.

8. Norimitsu Yanai has considerable degree of financial and accounting expertise as indicated by his certificate of public certified accountant.

9. Other than the above, there is no special interest between the organizations at which Outside Directors and Auditors are concurrently posted and the Company.

* The Company has introduced a system of Corporate Officers. The Corporate Officers except Directors as of March 31, 2018 are listed below.

Title	Name	Position and Responsibility
Senior Corporate Officer	Hirokazu Konishi	Responsibility: Business Innovation Division Second Unit (Industry Market 1, Public Utility & Social Services, Transportation & Logistics, LOB - Financial Industries)
Senior Corporate Officer	Kazuo Nagai	Responsibility: Business Innovation Division First Unit (LOB-Community Banking Industry, LOB-Regional Banking Industry, Financial-Major Nationwide Institution, Industry Market 2)
Superior Corporate Officer	Michihiko Tsunoda	Responsibility: Global Business Division
Superior Corporate Officer	Norihiko Murata	Responsibility: DXN Business Incubation
Corporate Officer	Hiroki Hyodo	General Manager, Kansai Regional Headquarters Responsibility: Regional Headquarters and Regional Offices
Corporate Officer	Shinobu Sasao	CISO (Chief Information Security Officer) CPO (Chief Privacy Officer) CRMO (Chief Risk Management Officer) Responsibility: Technology Research & Innovation, Business Management, Quality Management & Assurance, Procurement Management
Corporate Officer	Yasuhide Hatta	Responsibility: Business Development Initiative
Corporate Officer	Hirofumi Hashimoto	Responsibility: Business Service Division Second Unit (Manufacturing System Services, Commerce System Services, Payment Platform Project)
Corporate Officer	Kazuo Sato	General Manager, Social & Public System Services 2 Responsibility: Business Service Division Third Unit (Social & Public System Services 1,Social & Public System Services 2)
Corporate Officer	Takashi Hayashi	Responsibility: Business Service Division First Unit (Financial System Services 1, Financial System Services 2, Financial System Services 3)
Corporate Officer	Mitsuru Tamura	General Manager, Legal Division Responsibility: Legal Division
Corporate Officer	Tatsuya Sugai	CIO (Chief Information Officer) General Manager, Platform Services Responsibility: Business Service Division Fourth Unit (Platform Services, New Technology Services, Outsourcing Services, Information Systems Service)

(2) Overview of Liability Limitation Agreement
Pursuant to Article 427, Paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with each non-executive Director and Auditor to limit their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act.
The limit stipulated in that agreement is the higher of either 5 million yen or the amount stipulated in the laws and regulations. The limitation of liability is applicable only when they conduct their duties in good faith and without gross negligence.

(3) Compensation, etc. for Directors and Auditors

Classification	Number of Recipients	Compensation, etc.
Directors	10	¥288 million
Auditors	7	¥75 million
Total	17	¥364 million

(Note) 1. Any fraction amount less than one million yen is disregarded.

2. The compensation limit for Directors approved at the 49th Ordinary General Meeting of Shareholders held on June 25, 1993 is ¥35 million per month.

3. The compensation limit for Auditors approved at the 62nd Ordinary General Meeting of Shareholders held on June 22, 2006 is ¥8 million per month.

4. The compensation, etc. listed above includes the amount of compensation, etc. for one (1) Director and two (2) Auditors who served until their term expired as of the conclusion of the 73rd Ordinary General Meeting of Shareholders held on June 28, 2017.

5. The total compensation, etc. for the five (5) Outside Directors and six (6) Outside Auditors for the business year under review is ¥62 million.

6. Compensation, etc. for Directors includes ¥35 million of bonus to directors and ¥24 million of stock options as stock-based compensation.

(4) Matters regarding Outside Officers

(i) The situation of significant concurrent positions and relationships with the Company are stated in (1) ‘Company Officers.

(ii) Major Activities of Outside Officers

- Director Go Kawada

Mr. Kawada attended all 11 Board of Directors meetings held during the business year under review, and appropriately asked questions and expressed opinions through the use of his wealth of experience and expertise in the taxation and accounting field. Mr. Kawada is a member of the Nomination and Remuneration Committee.

- Director Ayako Sonoda

Ms. Sonoda attended all 11 Board of Directors meetings held during the business year under review, and appropriately asked questions and expressed opinions from multiple perspectives through the use of her experience in the fields of CSR and environmental management.

- Director Chie Sato

Ms. Sato attended all 9 Board of Directors meetings held since June 28, 2017, when she took office, and appropriately asked questions and expressed opinions from a broad point of view through the use of her abundant business experience.

- Auditor Etsuo Uchiyama

Mr. Uchiyama attended all 11 Board of Directors meetings and all 15 Audit & Supervisory Board meetings held during the business year under review, and appropriately asked questions and expressed opinions through the use of his abundant business experience and expertise about finance and accounting.

- Auditor Harumi Kojo

Ms. Kojo attended all 9 Board of Directors meetings and all 11 Audit & Supervisory Board meetings since she took her office of Auditor on June 28, 2017. She appropriately asked questions and expressed opinions mainly from a professional viewpoint as lawyer.

- Auditor Norimitsu Yanai

Mr. Yanai attended all 9 Board of Directors meetings and all 11 Audit & Supervisory Board meetings since he took his office of Auditor on June 28, 2017. He appropriately asked questions and expressed opinions mainly from a professional financial and accounting viewpoint.

5. Details about Accounting Auditor

(1) Name of Accounting Auditor
Deloitte Touche Tohmatsu LLC

(2) Compensation, etc. Paid to Accounting Auditor

(i) Total compensation paid by the Company to its Accounting Auditor relating to the business year under review	¥75 million
(ii) Total amount of monetary and other economic benefits payable by the Company and its subsidiaries to the Accounting Auditor	¥102 million

(Note)

1. The Company has not drawn any distinction between the compensation for the audit services pursuant to the Companies Act and that pursuant to the Financial Instruments and Exchange Act of Japan in the audit agreement with the Accounting Auditor. It is not practically possible to categorize the amounts. Thus, the amount listed in (i) above indicates the aggregated of those amounts.

2. The Company has paid the compensation to the Accounting Auditor for the consultation services, etc. pertaining to financial information disclosure, being services falling outside the services of Article 2, Paragraph 1 of the Certified Accountants Act.

3. The Audit & Supervisory Board of the Company deliberated on the compensation for the Accounting Auditor, Deloitte Touche Tohmatsu LLC, for their audit services pertaining to the 74th fiscal year, pursuant to Article 399, Paragraph 1 and Paragraph 2 of the Companies Act. As a result, the Audit & Supervisory Board recognized the reasonability of: an estimate vs. actual amount comparison of the audit compensation of the previous period; the plan of audit time and personnel assignment and a compensation estimate for the audit plan of this period; as well as the subsequent amount and ratio of change in the audit compensation amount as compared with the previous fiscal year on the basis of considerations of the above.

(3) Policy for Decisions on Dismissal or Refusal of Reappointment of Accounting Auditor

(i) If the Audit & Supervisory Board has judged that dismissal or refusal of reappointment of Accounting Auditor is appropriate due to the duty execution status of the Accounting Auditor, the Audit & Supervisory Board then requests the Board of Directors to submit an proposal calling for the ‘dismissal or refusal of reappointment of the Accounting Auditor’ and the ‘appointment of an Accounting Auditor’ to the General Meeting of Shareholders after deciding on the contents of the proposal. The Board of Directors then submits the proposal to the General Meeting of Shareholders.

(ii) If the Accounting Auditor is deemed to fall under the items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board may dismiss the Accounting Auditor pursuant to the consent from all members of the Audit & Supervisory Board.

6. Necessary Systems to Ensure Appropriate Operations and Status of Operation of the Systems

The 'Necessary Systems to Ensure Appropriate Operations and Status of Operations of the System' (in Japanese) can be found via the following link on the website of the Company.
http://www.unisys.co.jp/invest-j/stock/meeting.html

An outline of the status of operation of the systems to ensure appropriateness of business for the fiscal year under review is as follows.

Systems to Ensure the Performance of Duties of Directors and Employees Comply with Laws and Regulations, and the Articles of Incorporation
· The Company has made efforts to improve the knowledge and awareness of its officers and employees regarding compliance through: establishing the Nihon Unisys Group Code of Conduct as well as the Nihon Unisys Group Charter of Corporate Behavior and the Group Compliance Basic Regulations and posting them on the Intranet; and training and communication activities such as e-learning and various types of workshops (including anger management workshops). · The Company responds promptly and appropriately to concerns that have been reported (including those to the compliance hotline) and irregularities revealed, severely punishes individuals in breach, analyzes the causes thereof, and takes measures to prevent recurrences. The outline of reports and irregularities as well as the responses thereto have been made available to the President & CEO, Chief Compliance Officer (CCO) and Auditors. · The status of compliance activities has been reported to Executive Council and the Board of Directors.

Systems to Store and Control Information related to Duties Performed by Directors
· The Company's departments in charge appropriately store and control material documents such as minutes of meetings such as the General Meeting of Shareholders, Board of Directors meetings, and Executive Council, as well as written requests for decision, account books, contracts, etc. pursuant to laws and regulations as well as the internal rules.

Regulations and Systems related to Management of Risk of Loss
· The Company has taken measures to prevent risks occurring in individual departments on a regular basis, pursuant to the risk management system of the Nihon Unisys Group. Furthermore, the Company has established the Risk Management Committee that appropriately deals with risks that may significantly impact the management of the Group. · The Company makes efforts to strengthen its risk management system by setting targets and key initiatives for individual fiscal years and enabling countermeasures and training sessions. · The status of activities taken by the Risk Management Committee, the Information Security Committee, and the BCP Project have been reported to the Executive Council and the Board of Directors.

Systems to Ensure Efficient Execution of Duties by Directors
· The Company enables the prompt and efficient execution of duties in accordance with the importance of issues through deliberations at the Board of Directors, the Executive Council and various advisory panels as well as authority delegations performed in accordance with the Collective Decision-Making (Ringi) System. · The Company expects its directors to properly assume roles and responsibilities as a member of the Board to perform governance functions of a listed company. For that, the Company has enhanced training sessions where directors can gain necessary knowledge and renew the same.

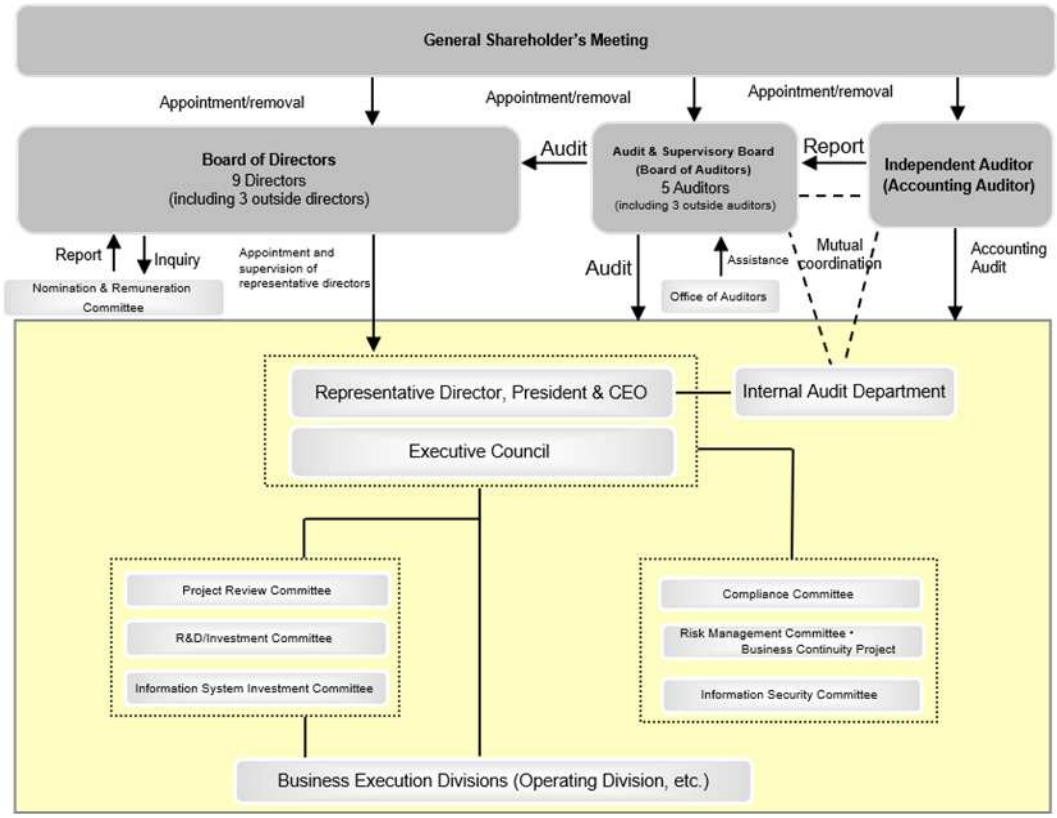
Necessary Systems to Ensure Appropriate Operations in the Company and the Group
· The Company conducts appropriate and effective management of Group companies through a supervising department designated for individual Group companies pursuant to the regulations for managing affiliated companies. · The Company dispatches its employees as directors and auditors to its group companies where they supervise the execution of duties by the directors of those companies.

Matters related to Employees Assigned to Assist Auditors, the Independence of Such Employees from Directors, and Ensuring the Effectiveness of Auditors' Directions to Such Employees
· One full-time employee and one employee who perform concurrent duties are appointed to the Office of Auditors, a dedicated department to help Auditors execute their duties. · The personnel of the Office of Auditors are decided after they are approved by the Audit & Supervisory Board.

Systems to Report to Auditors
· Auditors attend important meetings such as meetings of the Board of Directors and the Executive Council. Important documents such as copies of application and approval for the Collective Decision Making (Ringi) System are submitted to Auditors. · Auditors have obtained opinions from the President & CEO, Directors, Corporate Officers, General Managers, etc. through inquiries as required in order to exchange opinions about situations and issues of management as well as issues of risk and compliance. · The "Auditor Hotline" has been put in place as a route for direct reporting and consultation. · Auditors visit key group companies in order to perform audits as needed. Furthermore, they have held a liaison conference each quarter with the Auditors of the key group companies in order to share information. Thus, Auditors review and confirm the situation regarding the group-wide management and governance.

Other Systems to Ensure Effective Auditing by Auditors
· The Audit & Supervisory Board meets quarterly with the Accounting Auditor and the Internal Audit Division in order to collaborate in effectively performing their functions. · Full-time Auditors participate in regular meetings with Internal Audit and review meetings about internal audits in order to share information and conduct necessary exchanges of opinions. · The Company bears all expenses related to the execution of Auditors' duties.

【 Organizational Chart for Corporate Governance and Internal Control 】 (as of April 1,2018)



Audit Report

Accounting Auditor's Report on the Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 15, 2018

To the Board of Directors of Nihon Unisys, Ltd.:

Deloitte Touche Tohmatsu LLC
Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Kazunari Todoroki [seal]

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Masato Shohji [seal]

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of Nihon Unisys, Ltd. (the "Company") for the consolidated fiscal year from April 1, 2017 through March 31, 2018, namely, the consolidated balance sheet, the consolidated profit and loss statement, the consolidated statement of changes in net assets and the consolidated list of explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements from an independent standpoint based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. These standards require that we formulate an audit plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used, its application method and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion
In our opinion, the consolidated financial statements referred to above, prepared pursuant to corporate accounting standards generally accepted in Japan, present fairly, in all material respects, the assets, and profit and loss status of the Company and its consolidated subsidiaries that make up the corporate group in the period of those consolidated financial statements.

Interests
Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

End of auditor’s report

Accounting Auditor's Report on the Non-Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 15, 2018

To the Board of Directors of Nihon Unisys, Ltd.:

Deloitte Touche Tohmatsu LLC
Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Kazunari Todoroki [seal]

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Masato Shohji [seal]

Pursuant to Article 436, Paragraph 2, Item (1) of the Companies Act, we have audited the financial statements of Nihon Unisys, Ltd. (the "Company") for the 74th fiscal year from April 1, 2017 through March 31, 2018, namely, the balance sheet, the profit and loss statement, the statement of changes in net assets and the individual list of explanatory notes, and the annexed detailed statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements and the annexed detailed statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and the annexed detailed statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements and the annexed detailed statements from an independent standpoint based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. These standards require that we formulate an audit plan and perform the audit to obtain reasonable assurance about whether the financial statements and the annexed detailed statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the annexed detailed statements. The procedures selected and applied depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements and the annexed detailed statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements and the annexed detailed statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used, its application method and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the annexed detailed statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion
In our opinion, the financial statements and the annexed detailed statements referred to above, prepared pursuant to corporate accounting standards generally accepted in Japan, present fairly, in all material respects, the assets, and profit and loss status in the period of those financial statements and the annexed detailed statements.

Interests
Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

End of auditor’s report

Audit & Supervisory Board's Audit Report

AUDIT REPORT

Having examined the Directors' performance of their duties during the 74th fiscal year from April 1, 2017 to March 31, 2018, we, the Audit & Supervisory Board, prepare and make this report as follows, based upon discussion on the basis of the auditors' reports prepared by each member of the Audit & Supervisory Board.

1. Methods and Content of Audit by Auditors and Audit & Supervisory Board

(1) The Audit & Supervisory Board set out auditing policies, allocation of work duties, etc., received a report on the auditing work performed and the results thereof from each Auditor, and received a report on their status of work executed from the Directors and the Accounting Auditor and requested their explanations as necessary.

(2) While conforming to the auditing standards as set out by the Audit & Supervisory Board, and in accordance with the auditing policies, the allocation of duties, etc., each Auditor endeavored to facilitate mutual understanding with the Directors, the internal auditing department, and other employees in order to collect information and to maintain the auditing environment. They performed the audit pursuant to the methods below.
   (i) They attended meetings of the Board of Directors and other important meetings, received from the Directors and the employees reports on their status of work duties and requested their explanations as necessary, inspected material internal decision-making documents, etc., and investigated the status of operations and assets of the headquarters and major business sites. With respect to significant subsidiaries, we endeavored to facilitate mutual understanding and exchange of information with their directors, auditors, etc., and collected reports on their business as necessary.
   (ii) They were regularly reported to by the Directors and other employees on, requested explanations about as necessary and expressed opinions on: (i) the contents of the Board of Directors' resolutions regarding the maintenance of the system to ensure that the Directors' performance of their duties described in the Business Report comply with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a corporate group comprised of a stock company (*kabushiki kaisha*) and its subsidiaries; and (ii) the systems (internal control systems) based on such resolutions, and the construction and operation of those systems.
   (iii) Regarding internal control of financial reporting, the Directors and Deloitte Touche Tohmatsu LLC provided us with reports assessing the internal control procedures and audit status, as well as explanations where necessary.
   (iv) In addition, we examined and verified whether the independence of the Accounting Auditor was maintained and whether an appropriate audit was being undertaken, received reports on, and requested explanations on as necessary, the execution by the Accounting Auditor of its duties from the Accounting Auditor. We also received notifications from the Accounting Auditor that "Necessary systems to ensure appropriate execution of operations" (matters listed in each item of Article 131 of the Corporate Accounting Regulations of Japan) were maintained in line with "Quality control standards for auditing" (issued by the Japan Corporate Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above approach, the Audit & Supervisory Board examined the business reports and the annexed detailed statements and financial statements (balance sheet, profit

and loss statement, statement of changes in net assets, and individual list of explanatory notes) and the annexed detailed statements of the Company as well as the consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in net assets, and consolidated list of explanatory notes) for the fiscal year under review.

2. Results of Audit
   (1) Results of audit of the business report, etc.
      (i) In our opinion, the business report and the annexed detailed statements are in conformity with the applicable laws and regulations of Japan and the Articles of Incorporation of the Company and fairly present the state of the Company's status;
      (ii) We have found no misconduct or material fact constituting a violation of any applicable laws and regulations of Japan or the Articles of Incorporation in connection with the Directors' performance of their duties; and
      (iii) In our opinion, the contents of the resolutions of the Board of Directors with regard to the internal control systems is appropriate. Furthermore, we find no matters that require noting with regard to the Directors' performance of their duties, the details contained in the Business Report with regard to the internal control systems or the internal control systems in connection with the financial statements.
      The risks which the Group may face will be further diversified and complicated as a result of implementing various measures as stipulated in the new mid-term management plan.
      The Audit & Supervisory Board will keep in mind this anticipation and continue to supervise and verify the status of development and operation of internal control systems for the Company and its group companies.
   (2) Results of audit of the financial statements and the annexed detailed statements
      In our opinion, the auditing methods used and the conclusions reached by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.
   (3) Results of audit of the consolidated financial statements
      In our opinion, the auditing methods used and the conclusions reached by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

End of audit report

May 16, 2018
Audit & Supervisory Board
Nihon Unisys, Ltd.

Auditor, Full-Time	Shinji Kuriyama [seal]
Auditor, Full-Time, Outside Auditor	Etsuo Uchiyama [seal]
Auditor	Shigemi Furuya [seal]
Auditor, Outside Auditor	Harumi Kojo [seal]
Auditor, Outside Auditor	Norimitsu Yanai [seal]