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

[Summary]Consolidated Financial Report for the Second Quarter of Fiscal Year Ending March 31, 2019 [Japan GAAP]

November 06, 2018

Nihon Unisys, Ltd.

Stock Listing:	Tokyo Stock Exchange 1st Section
Stock Code:	8056
URL:	http://www.unisys.co.jp/
Representative:	Akiyoshi Hiraoka, Representative Director, President & CEO
Scheduled Submission Date for Quarterly Report:	November 09 , 2018
Scheduled Starting Date for Dividend Payment:	December 04 , 2018
Earnings Supplementary Explanatory Documents:	yes
Earnings Results Briefing:	yes (for institutional investors, analysts and press)

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

1. Consolidated Financial Results in FY2019 Q2 (from April 1, 2018 to September 30, 2018)

(1) Consolidated Results of Operations

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

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2019 Q2	133,821	1.5	8,117	21.3	8,541	23.0	6,192	31.1
FY2018 Q2	131,867	3.5	6,693	34.4	6,944	38.8	4,724	34.6

(Note) Comprehensive Income FY2019 Q2: 6,978 Million Yen (-5.6 %) FY2018 Q2: 7,396 Million Yen (103.1 %)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY2019 Q2	61.72	61.50
FY2018 Q2	47.10	46.94

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
FY2019 Q2	194,561	109,606	55.5%
FY2018	197,278	104,674	52.2%

(Reference) Shareholders' Equity FY2019 Q2: 107,966 Million Yen FY2018: 103,001 Million Yen

2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2018	—	20.00	—	20.00	40.00
FY2019	—	25.00			
FY2019 (Forecast)			—	25.00	50.00

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

3. Consolidated Earnings Forecast for FY2019 (from April 1, 2018 to March 31, 2019)

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

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2019	295,000	2.8	18,000	10.2	17,800	10.6	12,500	4.6	124.60

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

* Notes

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

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

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

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

(4) Number of shares outstanding (common stock)

(shares)

1. Number of shares outstanding at the end of the period (including treasury stock)	FY2019 Q2	109,663,524	FY2018	109,663,524
2. Number of shares of treasury stock at the end of the period	FY2019 Q2	9,324,334	FY2018	9,341,775
3. Average number of shares outstanding during the period	FY2019 Q2	100,332,209	FY2018 Q2	100,313,140

*This consolidated financial report is not subject to quarterly review procedures.

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

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

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of Yen

	FY2018 (As of March 31, 2018)	FY2019 Q2 (As of September 30, 2018)
Assets		
Current assets		
Cash and deposits	18,575	21,388
Notes and accounts receivable - trade	68,650	59,042
Merchandise and finished goods	5,210	6,253
Work in process	1,426	3,003
Raw materials and supplies	127	141
Other	16,523	18,726
Allowance for doubtful accounts	(56)	(61)
Total current assets	**110,458**	**108,494**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,348	4,106
Machinery, equipment and vehicles, net	8,278	7,537
Other, net	3,766	3,868
Total property, plant and equipment	**16,393**	**15,512**
Intangible assets		
Goodwill	753	711
Software	22,253	21,812
Other	60	50
Total intangible assets	**23,066**	**22,574**
Investments and other assets		
Investment securities	23,282	25,141
Deferred tax assets	4,182	2,387
Net defined benefit asset	3,556	4,724
Other	16,653	16,040
Allowance for doubtful accounts	(314)	(314)
Total investments and other assets	**47,360**	**47,980**
Total non-current assets	**86,819**	**86,067**
Total assets	**197,278**	**194,561**

Millions of Yen

	FY2018 (As of March 31, 2018)	FY2019 Q2 (As of September 30, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,820	19,654
Short-term loans payable	1,350	350
Current portion of long-term loans payable	5,492	5,048
Income taxes payable	2,067	712
Accrued expenses	10,532	9,620
Advances received	14,457	17,556
Allowance for loss on contract development	227	184
Other provision	1,618	1,487
Other	10,559	8,340
Total current liabilities	**68,125**	**62,954**
Non-current liabilities		
Long-term loans payable	21,152	18,875
Provision	783	479
Net defined benefit liability	687	715
Asset retirement obligations	1,127	1,122
Other	727	808
Total non-current liabilities	**24,478**	**22,000**
Total liabilities	**92,604**	**84,955**
Net assets		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	14,361	14,361
Retained earnings	88,185	92,360
Treasury shares	(13,578)	(13,553)
Total shareholders' equity	**94,451**	**98,651**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,547	7,110
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	5	(56)
Remeasurements of defined benefit plans	1,997	2,259
Total accumulated other comprehensive income	**8,550**	**9,314**
Subscription rights to shares	369	379
Non-controlling interests	1,302	1,260
Total net assets	**104,674**	**109,606**
Total liabilities and net assets	**197,278**	**194,561**

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

(Consolidated Statements of Income)

Millions of Yen

	FY2018 Q2 (Six months ended September 30, 2017)	FY2019 Q2 (Six months ended September 30, 2018)
Net sales	**131,867**	**133,821**
Cost of sales	**99,731**	**99,997**
Gross profit	**32,135**	**33,824**
Selling, general and administrative expenses	**25,442**	**25,706**
Operating income	**6,693**	**8,117**
Non-operating income		
Interest income	1	3
Dividend income	312	341
Other	149	225
Total non-operating income	**464**	**570**
Non-operating expenses		
Interest expenses	66	51
Settlement package	66	-
Loss on investments in partnership	49	63
Other	32	31
Total non-operating expenses	**213**	**146**
Ordinary income	**6,944**	**8,541**
Extraordinary income		
Gain on sales of investment securities	-	57
Gain on transfer of business	108	-
Other	9	-
Total extraordinary income	118	**57**
Extraordinary losses		
Impairment loss	213	89
Loss on valuation of investment securities	29	232
Other	51	8
Total extraordinary losses	**294**	**330**
Profit before income taxes	**6,768**	**8,268**
Income taxes - current	**83**	**609**
Income taxes - deferred	**1,936**	**1,444**
Total income taxes	**2,020**	**2,053**
Profit	**4,747**	**6,214**
Profit (loss) attributable to non-controlling interests	**23**	**22**
Profit attributable to owners of parent	**4,724**	**6,192**

(Consolidated Statements of Comprehensive Income)

Millions of Yen

	FY2018 Q2 (Six months ended September 30, 2017)	FY2019 Q2 (Six months ended September 30, 2018)
Profit	**4,747**	**6,214**
Other comprehensive income		
Valuation difference on available-for-sale securities	1,658	563
Deferred gains or losses on hedges	(0)	1
Remeasurements of defined benefit plans	991	262
Share of other comprehensive income of entities accounted for using equity method	0	(62)
Total other comprehensive income	**2,648**	**764**
Comprehensive income	**7,396**	**6,978**
(Breakdown)		
Comprehensive income attributable to owners of parent	7,373	6,956
Comprehensive income attributable to non-controlling interests	23	22

(3) Consolidated Statements of Cash Flows

Millions of Yen

	FY2018 Q2 (six months ended September 30, 2017)	FY2019 Q2 (six months ended September 30, 2018)
Net cash provided by (used in) operating activities:		
Profit before income taxes	6,768	8,268
Depreciation and amortization	5,069	5,593
Impairment loss	213	89
Amortization of goodwill	41	41
Loss (gain) on sales of investment securities	-	(52)
Loss (gain) on valuation of investment securities	29	232
Increase (decrease) in allowance for loss on contract development	(116)	(42)
Increase (decrease) in other provision	(144)	(430)
Increase (decrease) in net defined benefit liability	(1,138)	27
Decrease (increase) in net defined benefit asset	(164)	(1,168)
Increase (decrease) in remeasurements of defined benefit plans	1,434	377
Interest and dividends income	(314)	(344)
Interest expenses	66	51
Decrease (increase) in notes and accounts receivable-trade	12,159	9,607
Decrease (increase) in inventories	(3,338)	(2,633)
Increase (decrease) in notes and accounts payable-trade	(2,500)	(2,166)
Increase (decrease) in accrued expenses	(2,461)	(912)
Other	906	45
Subtotal	**16,508**	**16,585**
Interest and dividends income received	316	346
Interest expenses paid	(66)	(52)
Income taxes (paid) refund	(1,329)	(2,255)
Net cash provided by (used in) operating activities	**15,429**	**14,623**
Investing activities:		
Purchase of property, plant and equipment	(1,446)	(1,720)
Proceeds from sales of property, plant and equipment	27	0
Purchase of intangible assets	(3,218)	(2,691)
Purchase of investment securities	(1,647)	(1,455)
Proceeds from sales of investment securities	22	73
Payments of loans receivable from subsidiaries and associates	-	(230)
Proceeds from transfer of business	110	-
Other	(0)	(19)
Net cash provided by (used in) investing activities	**(6,152)**	**(6,043)**
Financing activities:		
Net increase (decrease) in short-term loans payable	-	(1,000)
Repayment of long-term loans payable	(2,816)	(2,721)
Proceeds from sales and leasebacks	1	329
Repayments of other borrowings	(226)	(305)
Increase (decrease) in commercial papers	(6,000)	-
Cash dividends paid	(1,754)	(2,005)
Dividends paid to non-controlling interests	(41)	(64)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	930	-
Other	(0)	(0)
Net cash provided by (used in) financing activities	**(9,907)**	**(5,767)**
Net increase (decrease) in cash and cash equivalents	**(630)**	**2,812**
Cash and cash equivalents at beginning of period	**17,823**	**18,575**
Cash and cash equivalents at end of period	**17,192**	**21,388**