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, 2020 [Japan GAAP]

November 6, 2019

Nihon Unisys, Ltd.

Stock Listing:	Tokyo Stock Exchange 1st Section
Stock Code:	8056
URL:	https://www.unisys.co.jp/
Representative:	Akiyoshi Hiraoka, Representative Director, President & CEO
Scheduled Submission Date for Quarterly Report:	November 12 , 2019
Scheduled Starting Date for Dividend Payment:	December 3 , 2019
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 for FY2020 Q2(from April 1, 2019 to September 30, 2019)

(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	%
FY2020 Q2	149,726	11.9	11,020	35.8	11,656	36.5	7,928	28.1
FY2019 Q2	133,821	1.5	8,117	21.3	8,541	23.0	6,192	31.1

(Note) Comprehensive Income FY2020 Q2: 7,692 Million Yen (10.2 %) FY2019 Q2: 6,978 Million Yen (-5.6 %)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY2020 Q2	79.01	78.74
FY2019 Q2	61.72	61.50

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
FY2020 Q2	205,993	121,312	57.9%
FY2019	211,421	116,615	54.2%

(Reference) Shareholders' Equity FY2020 Q2: 119,339 Million Yen FY2019: 114,638 Million Yen

2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2019	—	25.00	—	30.00	55.00
FY2020	—	32.50			
FY2020 (Forecast)			—	32.50	65.00

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

3. Consolidated Earnings Forecast for FY2020 (from April 1, 2019 to March 31, 2020)

(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
FY2020	307,000	2.7	23,000	11.5	22,800	11.1	16,000	12.4	159.44

(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)	FY2020 Q2	109,663,524	FY2019	109,663,524
2. Number of shares of treasury stock at the end of the period	FY2020 Q2	9,311,571	FY2019	9,315,429
3. Average number of shares outstanding during the period	FY2020 Q2	100,351,203	FY2019 Q2	100,332,209

*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.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of Yen

	FY2019 (As of March 31, 2019)	FY2020 Q2 (As of September 30, 2019)
Assets		
Current assets		
Cash and deposits	27,200	28,328
Notes and accounts receivable - trade	72,479	61,262
Merchandise and finished goods	8,248	9,716
Work in process	1,947	3,710
Raw materials and supplies	86	80
Other	18,364	20,147
Allowance for doubtful accounts	(56)	(49)
Total current assets	**128,270**	**123,195**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,082	3,971
Machinery, equipment and vehicles, net	6,670	6,342
Other, net	3,496	3,244
Total property, plant and equipment	**14,249**	**13,558**
Intangible assets		
Goodwill	1,288	1,708
Software	19,982	18,973
Other	102	96
Total intangible assets	**21,373**	**20,778**
Investments and other assets		
Investment securities	23,854	24,971
Deferred tax assets	1,656	1,019
Net defined benefit asset	7,087	8,036
Other	15,237	14,730
Allowance for doubtful accounts	(307)	(297)
Total investments and other assets	**47,528**	**48,461**
Total non-current assets	**83,151**	**82,798**
Total assets	**211,421**	**205,993**

Millions of Yen

	FY2019 (As of March 31, 2019)	FY2020 Q2 (As of September 30, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,009	19,272
Current portion of long-term loans payable	5,255	5,180
Income taxes payable	2,905	2,215
Accrued expenses	11,155	10,780
Advances received	15,761	20,063
Allowance for loss on contract development	652	717
Other provision	1,555	1,099
Other	11,304	8,058
Total current liabilities	**74,600**	**67,386**
Non-current liabilities		
Long-term loans payable	16,635	14,782
Provision	416	208
Net defined benefit liability	614	634
Asset retirement obligations	1,131	1,141
Other	1,408	527
Total non-current liabilities	**20,206**	**17,293**
Total liabilities	**94,806**	**84,680**
Net assets		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	14,909	14,909
Retained earnings	97,893	102,809
Treasury shares	(13,540)	(13,535)
Total shareholders' equity	**104,745**	**109,666**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,561	6,978
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(31)	(59)
Remeasurements of defined benefit plans	3,361	2,754
Total accumulated other comprehensive income	**9,892**	**9,673**
Stock acquisition rights	432	451
Non-controlling interests	1,544	1,520
Total net assets	**116,615**	**121,312**
Total liabilities and net assets	**211,421**	**205,993**

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

(Consolidated Statements of Income)

Millions of Yen

	FY2019 Q2 (Six months ended September 30, 2018)	FY2020 Q2 (Six months ended September 30, 2019)
Net sales	**133,821**	**149,726**
Cost of sales	**99,997**	**112,337**
Gross profit	**33,824**	**37,388**
Selling, general and administrative expenses	**25,706**	**26,368**
Operating income	**8,117**	**11,020**
Non-operating income		
Interest income	3	4
Dividend income	341	354
Reversal of reserve for contingent losses	92	300
Other	132	174
Total non-operating income	**570**	**833**
Non-operating expenses		
Interest expenses	51	36
Settlement package	-	65
Loss on investments in partnership	63	62
Other	31	32
Total non-operating expenses	**146**	**196**
Ordinary income	**8,541**	**11,656**
Extraordinary income		
Gain on sales of investment securities	57	33
Other	-	0
Total extraordinary income	57	**34**
Extraordinary losses		
Impairment loss	89	284
Loss on valuation of investment securities	232	68
Other	8	7
Total extraordinary losses	**330**	**361**
Profit before income taxes	**8,268**	**11,329**
Income taxes - current	**609**	**2,704**
Income taxes - deferred	**1,444**	**713**
Total income taxes	**2,053**	**3,417**
Profit	**6,214**	**7,912**
Profit (loss) attributable to non-controlling interests	**22**	**(16)**
Profit attributable to owners of parent	**6,192**	**7,928**

(Consolidated Statements of Comprehensive Income)

Millions of Yen

	FY2019 Q2 (Six months ended September 30, 2018)	FY2020 Q2 (Six months ended September 30, 2019)
Profit	**6,214**	**7,912**
Other comprehensive income		
Valuation difference on available-for-sale securities	563	416
Deferred gains or losses on hedges	1	(0)
Remeasurements of defined benefit plans	262	(607)
Share of other comprehensive income of entities accounted for using equity method	(62)	(27)
Total other comprehensive income	**764**	**(219)**
Comprehensive income	**6,978**	**7,692**
(Breakdown)		
Comprehensive income attributable to owners of parent	6,956	7,709
Comprehensive income attributable to non-controlling interests	22	(17)

(3) Consolidated Statements of Cash Flows

Millions of Yen

	FY2018 Q2 (Six months ended September 30, 2018)	FY2019 Q2 (Six months ended September 30, 2019)
Net cash provided by (used in) operating activities:		
Profit before income taxes	8,268	11,329
Depreciation and amortization	5,593	5,436
Impairment loss	89	284
Amortization of goodwill	41	106
Loss (gain) on sales of investment securities	(52)	(31)
Loss (gain) on valuation of investment securities	232	68
Increase (decrease) in allowance for loss on contract development	(42)	64
Increase (decrease) in other provision	(430)	(686)
Increase (decrease) in net defined benefit liability	27	19
Decrease (increase) in net defined benefit asset	(1,168)	(948)
Increase (decrease) in remeasurements of defined benefit plans	377	(875)
Interest and dividends income	(344)	(358)
Interest expenses	51	36
Decrease (increase) in notes and accounts receivable-trade	9,607	11,364
Decrease (increase) in inventories	(2,633)	(3,225)
Decrease (increase) in advances paid	(651)	(763)
Increase (decrease) in notes and accounts payable-trade	(2,166)	(6,838)
Increase (decrease) in accrued expenses	(912)	(404)
Other	697	1,025
Subtotal	**16,585**	**15,601**
Interest and dividends received	346	360
Interest paid	(52)	(37)
Income taxes (paid) refund	(2,255)	(3,321)
Net cash provided by (used in) operating activities	**14,623**	**12,603**
Investing activities:		
Purchase of property, plant and equipment	(1,720)	(1,466)
Purchase of intangible assets	(2,691)	(2,635)
Purchase of investment securities	(1,455)	(761)
Proceeds from sales of investment securities	73	70
Loan advances to subsidiaries and associates	(230)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(524)
Other	(18)	48
Net cash provided by (used in) investing activities	**(6,043)**	**(5,269)**
Financing activities:		
Net increase (decrease) in short-term loans payable	(1,000)	(1,050)
Proceeds from long-term borrowings	-	350
Repayments of long-term borrowings	(2,721)	(2,277)
Proceeds from sales and leasebacks	329	28
Repayments of other borrowings	(305)	(163)
Cash dividends paid	(2,005)	(3,007)
Dividends paid to non-controlling interests	(64)	(84)
Other	(0)	(1)
Net cash provided by (used in) financing activities	**(5,767)**	**(6,206)**
Net increase (decrease) in cash and cash equivalents	**2,812**	**1,127**
Cash and cash equivalents at beginning of period	**18,575**	**27,200**
Cash and cash equivalents at end of period	**21,388**	**28,328**