



**Q1 of Fiscal Year Ending March 2011**

# **Summary of Earnings Report**

**July 29, 2010**

**Nihon Unisys, Ltd.**

**Representative Director, Senior Corporate Officer**

**Ryuji Tatsuno**

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## Consolidated Business Results for Q1 of FY Ending March 2011

- Despite a year-on-year decrease in net sales, operating loss was reduced, mainly attributable to cost-cutting efforts.
- Despite the booking of asset retirement obligations of the past years as extraordinary loss, net loss slightly decreased, too.

(Millions of yen)

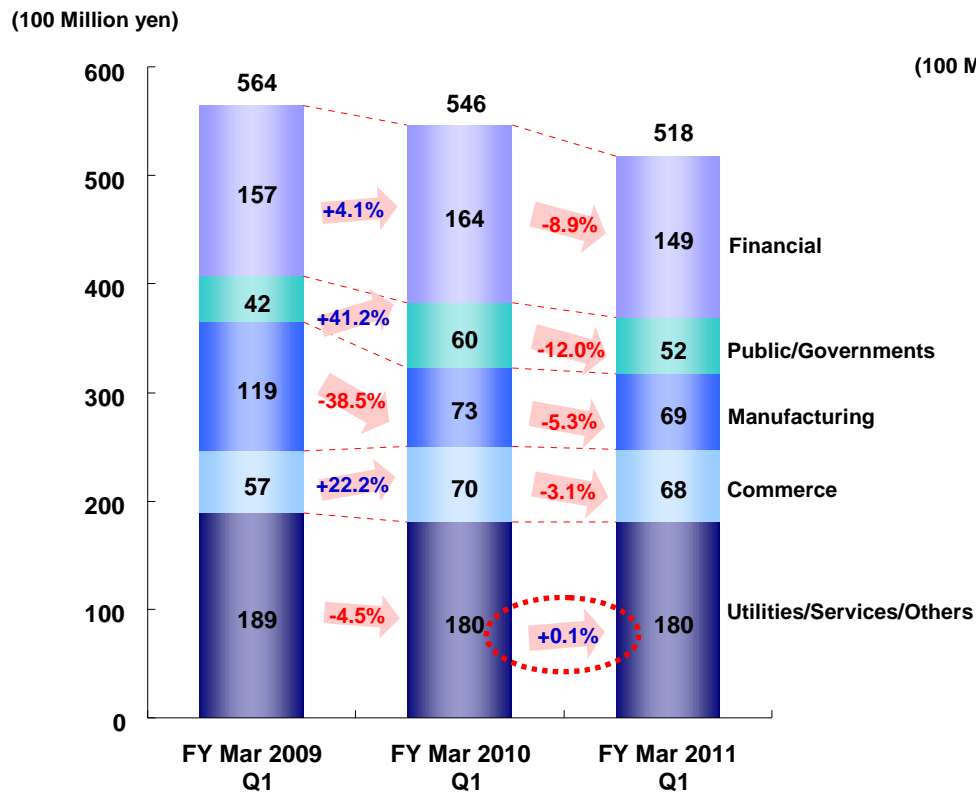
	Q1 of FY March 2010		Q1 of FY March 2011		Change	
	Amount	VS Net Sales	Amount	VS Net Sales	Amount	%
Net Sales	54,619	-	51,855	-	-2,763	-5.1%
Gross Profit	12,489	22.9%	12,613	24.3%	+124	+1.0%
SG&A Expenses	16,207	29.7%	15,223	29.4%	-983	-6.1%
Operating Income	-3,718	-6.8%	-2,610	-5.0%	+1,107	-
Ordinary Income	-3,765	-6.9%	-2,668	-5.1%	+1,097	-
Income before Income Taxes and Minority Interests	-3,910	-7.2%	-3,720	-7.2%	+189	-
Net Income	-2,669	-4.9%	-2,497	-4.8%	+171	-

(Note) In this document, amounts are rounded down to the nearest million yen, and rounded up or down to the nearest 100 million yen.

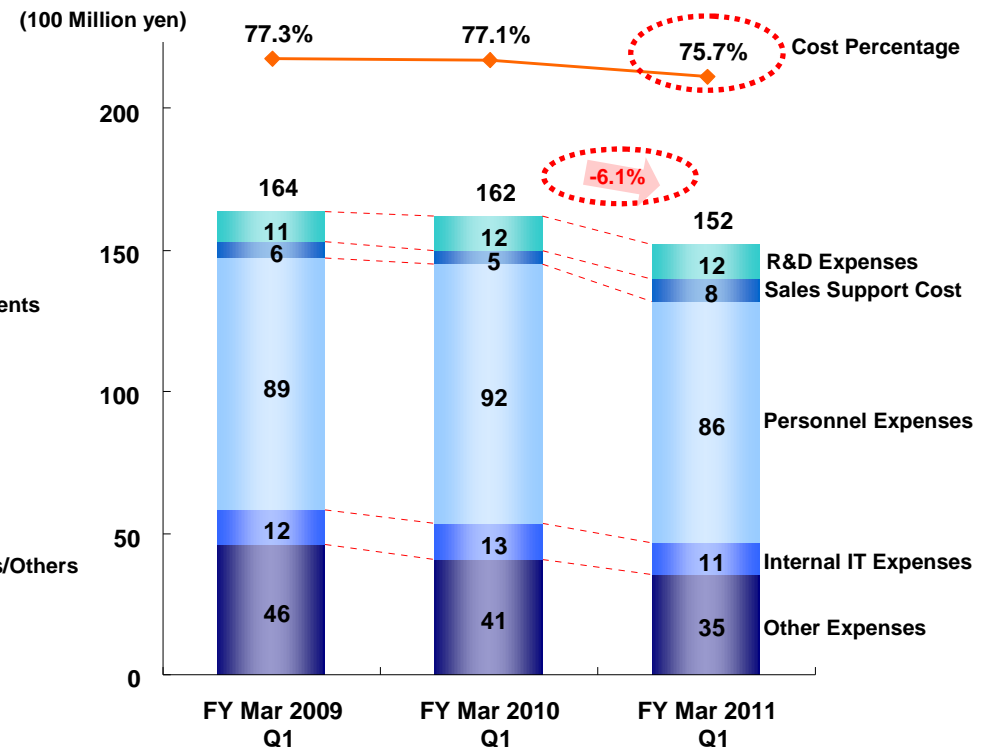
# Supplementary Data for Q1 of FY Ending March 2011

- Net sales in the domains of financial and public/government decreased because of a reaction to the posting of gains in the same period of the previous year, and net sales in the manufacturing sector continued to decrease. On the other hand, net sales in the utilities/services/others sectors showed a slight sign of recovery.
- Cost percentage and SG&A expenses decreased mainly due to cost reduction efforts.

[Graph 1] Net Sales by Market



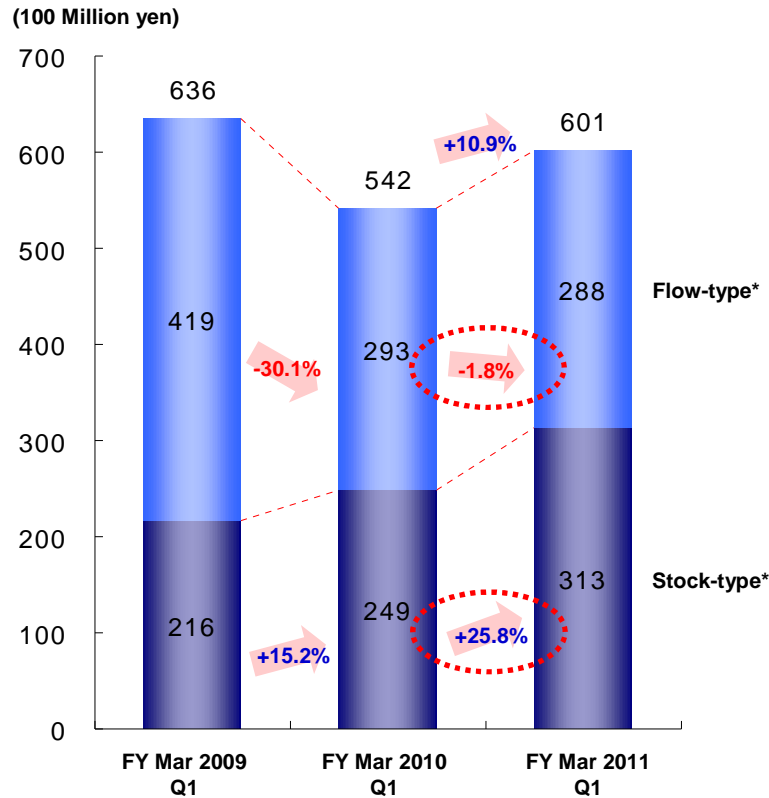
[Graph 2] Cost Percentage and Breakdown of SG&A Expenses



# Progress Status of Growth Plan for FY ending March 2011

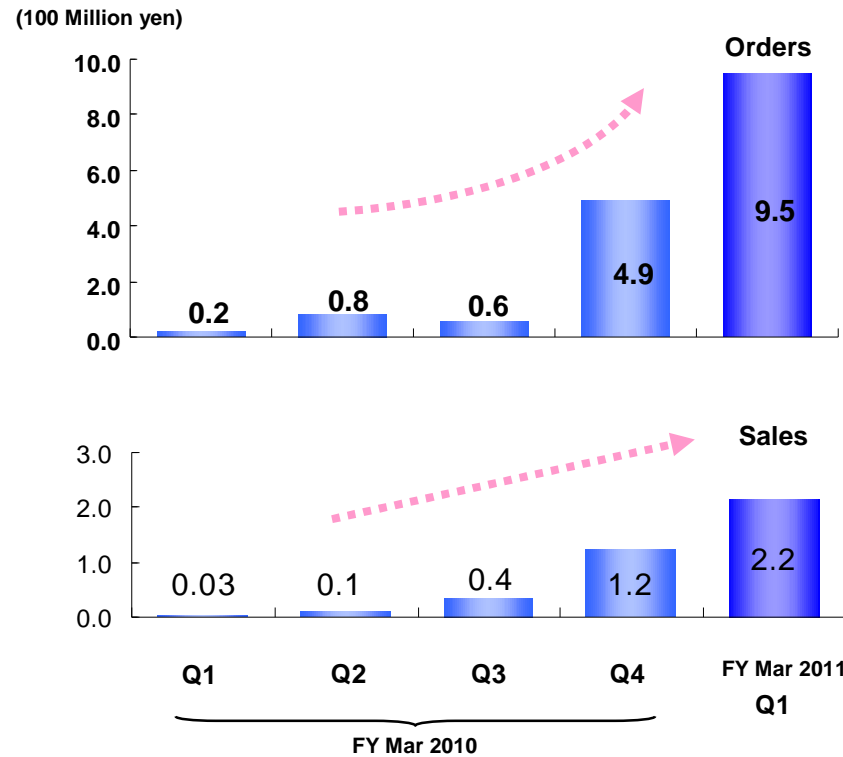
- Orders steadily increased from the stock-type businesses which we have focused on.
- Amongst ICT services business, orders from new businesses dealing with cloud-type technology such as SaaS and hosting demonstrated an upward trend, and so did sales.
- The core-banking system managed in the S-BITS joint outsourcing project for regional banks has operated smoothly for 2 new regional banks since the cutovers in May.

[Graph 3] Orders



\*Flow-type: system services, Netmarks services (excluding support services), product sales, etc.  
Stock-type: support services (including Netmarks services), outsourcing and rental

[Graph 4] Orders and Sales of ICT New Businesses\*\*  
(Quarterly Trend)



\*\*ICT New Businesses: Cloud-type services such as ICT hosting and SaaS that are deployed on the next-generation iDC platform

## Cash Flows and Balance Sheet

- Due to an increase in cash flows from operating activities, free cash flow amounted to positive 11.7 billion yen.
- Interest-bearing debts were reduced by 8.1 billion yen compared to the end of the previous period. Net interest-bearing debts decreased by 11.3 billion yen.

(Millions of yen)

	Q1 of FY March 2010	Q1 of FY March 2011	Change
CF from Operating Activities	10,426	14,931	+4,505
CF from Investing Activities	-1,991	-3,221	-1,229
Free Cash Flows	8,434	11,710	+3,275

(Millions of yen)

	End of FY March 2010	End of FY March 2011	Change
Total Assets	218,066	199,434	-18,631
Liabilities	141,139	125,413	-15,726
Net Assets	76,927	74,021	-2,905
Interest-Bearing Debts	81,848	73,725	-8,123
Net Interest-Bearing Debts	56,387	45,093	-11,293
Cash and Deposits	25,461	28,631	+3,169
Debt Equity Ratio (times)	1.08	1.01	-0.07
Net Debt Equity Ratio (times)	0.75	0.62	-0.13

Net Interest-Bearing Debts = Interest-Bearing Debts – Cash and Deposits

## Forecast for FY 2011 First Half

- Forecasts, made at the beginning of the period under review, for the first half and full year period were not revised.

(Millions of yen)

	FY March 2010 First Half		FY March 2011 First Half		Change	
	Amount	vs Net Sales	Amount	vs Net Sales	Amount	%
<b>Net Sales</b>	125,869	-	125,000	-	-869	-0.7%
<b>Gross Profit</b>	33,062	26.3%	31,500	25.2%	-1,562	-4.7%
<b>SG&amp;A Expenses</b>	31,660	25.2%	30,000	24.0%	-1,660	-5.2%
<b>Operating Income</b>	1,401	1.1%	1,500	1.2%	+98	+7.0%
<b>Ordinary Income</b>	1,266	1.0%	1,200	1.0%	-66	-5.3%
<b>Net Income</b>	-237	-0.2%	-500	-0.4%	-262	-

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**Note: Forecasts in this document rely on judgments and assumptions based on information available at present, and are subject to changes in risks, uncertainties, economy and other factors that could cause actual results to be materially different from expectations. Information in this document is intended to provide further understanding of Nihon Unisys, and is not intended to solicit investment.**