

Results for the 3rd Quarter of FY March 2019

February 1, 2019
Nihon Unisys, Ltd.

(Note) The expression 'FY/Fiscal Year' utilized in this document indicates a fiscal year which finishes at the end of March of the following year.
Example: The expression of FY2018 refers to the fiscal year ending March 2019.

Foresight in sight

FY2018 Q3 Consolidated Performance Results

Foresight in sight

Services businesses became stronger in a favorable business environment. They have driven net sales as well as operating income and profit. Their improved profitability increased operating margin by 1.3pt. Thus, the performance shows a good progress from the viewpoint of a full-year forecast.

(Unit: Billion Yen)

	Q3 (Apr-Dec)		Changes	
	FY2018	FY2017		
Net Sales	198.9	196.6	+2.3	+1.2%
Gross Profit	50.3	47.7	+2.7	+5.6%
SG&A Costs	-38.2	-38.2	+0.0	+0.0%
Operating Income	12.1	9.4	+2.7	+28.3%
(Operating Margin)	(6.1%)	(4.8%)		(+1.3pt)
Profit Attributable to Owners of Parent	9.0	6.8	+2.2	+33.0%
Orders	204.1	206.2	-2.1	-1.0%
Order Backlogs	225.9	220.3	+5.5	+2.5%

<Key Points of Q3 Performance Results>

■ Net sales

Net sales increased due to an increase in System Services and Outsourcing. The increase made up for a decrease in Product Sales.

■ Operating income

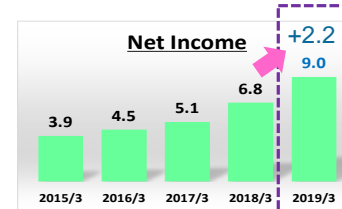
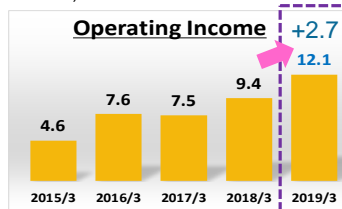
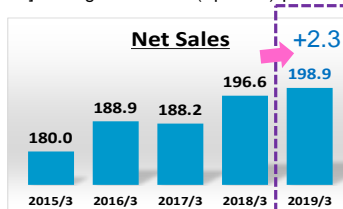
Operating income increased due to the increase in net sales as well as improved gross margin mainly of Services Businesses. Operating margin increased by 1.3 pt.

■ Orders and order backlogs

An accumulation of System Services orders in this Q3 was impressive. However, the total orders seem humble in contrast with Q3 of the previous fiscal year when multiple large-scale outsourcing projects were posted.

On the other hand, the accumulation of System Service orders helped to steadily increase order backlogs.

[Reference] Changes in the Q3(Apr-Dec) performance (Unit: Billion Yen)



FY2018 Q3 Net Sales and Gross Profit by Segment

Foresight in sight

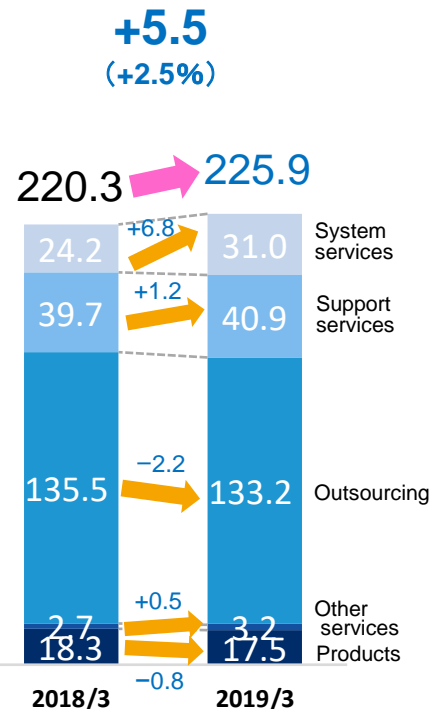
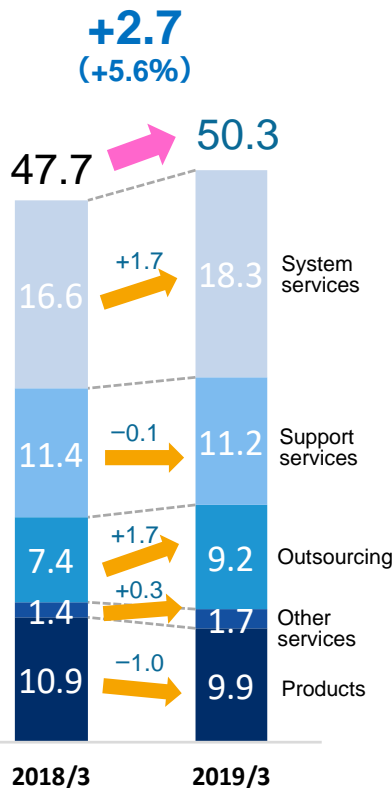
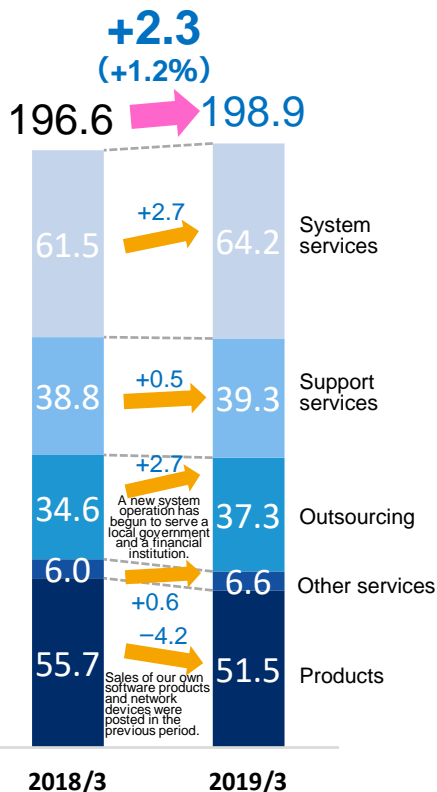
(Unit: Billion Yen)

Net Sales

Gross Profit

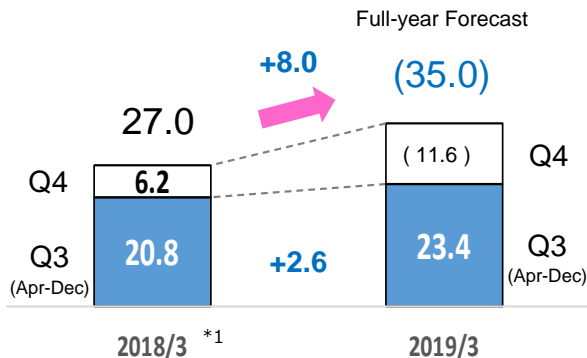
【Reference】

Order Backlogs



(Unit: Billion Yen)

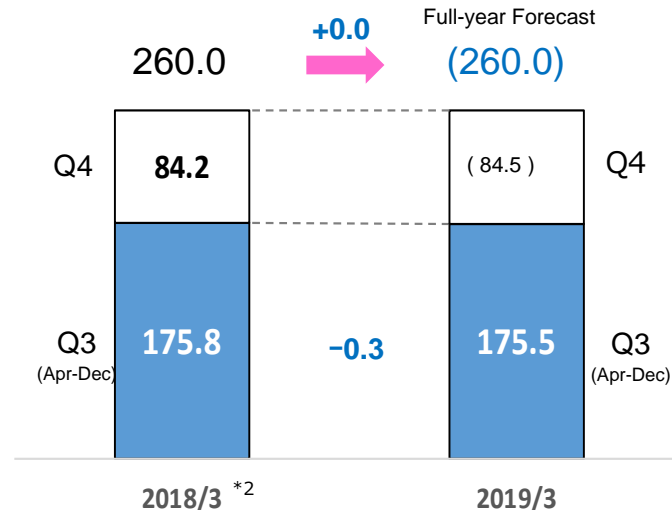
Focal Areas



- The transaction volume of QR and bar code payment/settlement services has increased gradually. Efforts (such as coordination with JCB) to increase the number of member shops have been intensified.
- 'Origami Pay[®]' services (enabling direct payments via bank accounts) have been released on our open API platform 'Resonatex[®]' in cooperation with Hyakugo Bank.
- Our bank sales office counter operation support system has been purchased more by financial institutions.

*1 The 2018/3 bar indicates the total of 'Digital Innovation' and 'Life Innovation' net sales defined in the previous mid-term management plan.

ICT Core Areas



- Steady system development continues for financial institutions
- New outsourcing services have begun for a local government and financial institutions.
- Network device sales to telecommunications carriers decreased compared with Q3 FY2017.

*2 The 2018/3 bar indicates the 'Business ICT Platform' net sales defined in the previous mid-term management plan.

Full-Year Performance Forecast for FY2018

Foresight in sight

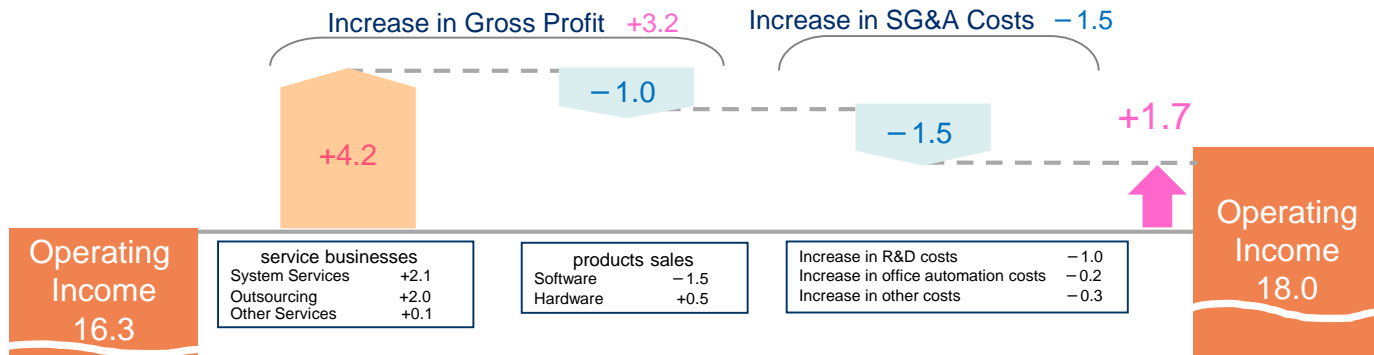
The full-year forecasts of net sales, operating income, and profit attributable to owners of parent have not been revised since they were announced on November 6, 2018. (Unit: Billion Yen)

	FY2018 Q3(Apr-Dec) Actual		FY2018 Q4 Forecast		FY2018 Full-Year Forecast	
	Amount	Yr/Yr	Amount	Yr/Yr	Amount	Yr/Yr
Net Sales	198.9	+2.3	96.1	+5.7	295.0	+8.0
Operating Income	12.1	+2.7	5.9	-1.0	18.0	+1.7
(Operating Margin)	(6.1%)		(6.1%)		(6.1%)	
Profit Attributable to Owners of Parent	9.0	+2.2	3.5	-1.7	12.5	+0.6

* See the supplementary material for a breakdown of the forecast above.

【Details of FY2018 Full-Year Operating Income Forecast】

(Unit: Billion Yen) (Yr/Yr changes)



FY2017 Full-Year

FY2018 Full-Year

Foresight in sight

UNISYS

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(Note)

Forecasts in this document rely on judgments and assumptions based on information available at present. Actual results may differ from the forecasts due to changes in risks, uncertainties, economy and other factors.

Thus, the certainty of these forecast is not guaranteed by our Group.

Also, the information is subject to change without prior notice in future.

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