

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, 2021 [Japan GAAP]

November 6, 2020

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, 2020
Scheduled Starting Date for Dividend Payment:	December 4, 2020
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 FY2021 Q2 (from April 1, 2020 to September 30, 2020)

(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	%
FY2021 Q2	144,571	(3.4)	11,567	5.0	11,533	(1.1)	7,566	(4.6)
FY2020 Q2	149,726	11.9	11,020	35.8	11,656	36.5	7,928	28.1

(Note) Comprehensive Income FY2021 Q2: 8,572 Million Yen (11.4 %) FY2020 Q2: 7,692 Million Yen (10.2 %)

	Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
FY2021 Q2	75.38	75.12
FY2020 Q2	79.01	78.74

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
FY2021 Q2	211,307	127,451	59.3%
FY2020	214,975	122,598	56.0%

(Reference) Shareholders' Equity FY2021 Q2: 125,388 Million Yen FY2020: 120,473 Million Yen

2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	32.50	—	37.50	70.00
FY2021	—	35.00			
FY2021 (Forecast)			—	35.00	70.00

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

3. Consolidated Earnings Forecast for FY2021 (from April 1, 2020 to March 31, 2021)

(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
FY2021	320,000	2.7	26,000	(0.5)	25,600	(3.8)	17,000	(6.5)	169.38

(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: Yes
Newly consolidated company : CVCF2 Investment Limited Partnership

(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)	FY2021 Q2	109,663,524	FY2020	109,663,524
2. Number of shares of treasury stock at the end of the period	FY2021 Q2	9,290,432	FY2020	9,295,807
3. Average number of shares outstanding during the period	FY2021 Q2	100,369,371	FY2020 Q2	100,351,203

*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

	FY2020	FY2021 Q2
	(As of March 31, 2020)	(As of September 30, 2020)
Assets		
Current assets		
Cash and deposits	33,287	39,869
Notes and accounts receivable - trade	70,840	58,876
Merchandise and finished goods	7,443	6,714
Work in process	1,843	3,305
Raw materials and supplies	77	73
Other	19,825	20,129
Allowance for doubtful accounts	(21)	(54)
Total current assets	133,297	128,914
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,764	3,682
Machinery, equipment and vehicles, net	6,414	5,933
Other, net	3,286	3,386
Total property, plant and equipment	13,465	13,002
Intangible assets		
Goodwill	1,509	1,529
Software	18,711	18,642
Other	203	709
Total intangible assets	20,423	20,881
Investments and other assets		
Investment securities	23,272	25,139
Deferred tax assets	3,818	2,287
Retirement benefit asset	4,357	5,288
Other	16,637	16,085
Allowance for doubtful accounts	(296)	(292)
Total investments and other assets	47,789	48,508
Total non-current assets	81,678	82,392
Total assets	214,975	211,307

Millions of Yen

	FY2020 (As of March 31, 2020)	FY2021 Q2 (As of September 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,475	20,287
Current portion of long-term borrowings	5,617	4,555
Income taxes payable	4,654	1,465
Accrued expenses	10,905	9,260
Advances received	18,477	20,595
Provision for loss on contract development	708	545
Other provisions	846	1,038
Other	10,431	8,157
Total current liabilities	74,117	65,906
Non-current liabilities		
Long-term borrowings	15,717	14,577
Provisions	94	47
Retirement benefit liability	651	671
Asset retirement obligations	1,128	1,169
Other	668	1,483
Total non-current liabilities	18,260	17,949
Total liabilities	92,377	83,855
Net assets		
Shareholders' equity		
Capital stock	5,483	5,483
Capital surplus	14,909	14,909
Retained earnings	109,795	113,607
Treasury shares	(13,513)	(13,505)
Total shareholders' equity	116,675	120,494
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,886	6,183
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(33)	(62)
Remeasurements of defined benefit plans	(1,056)	(1,227)
Total accumulated other comprehensive income	3,798	4,893
Stock acquisition rights	491	505
Non-controlling interests	1,633	1,557
Total net assets	122,598	127,451
Total liabilities and net assets	214,975	211,307

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

(Consolidated Statements of Income)

Millions of Yen

	FY2020 Q2 (Six months ended September 30, 2019)	FY2021 Q2 (Six months ended September 30, 2020)
Net sales	149,726	144,571
Cost of sales	112,337	106,848
Gross profit	37,388	37,723
Selling, general and administrative expenses	26,368	26,155
Operating income	11,020	11,567
Non-operating income		
Interest income	4	4
Dividend income	354	258
Other	474	81
Total non-operating income	833	345
Non-operating expenses		
Interest expenses	36	51
Share of loss of entities accounted for using equity method	14	138
Loss on investments in partnership	62	131
Other	83	58
Total non-operating expenses	196	379
Ordinary income	11,656	11,533
Extraordinary income		
Gain on sales of investment securities	33	8
Other	0	9
Total extraordinary income	34	18
Extraordinary losses		
Loss on valuation of investment securities	68	470
Other	292	16
Total extraordinary losses	361	487
Profit before income taxes	11,329	11,064
Income taxes - current	2,704	2,536
Income taxes - deferred	713	1,044
Total income taxes	3,417	3,581
Profit	7,912	7,483
Profit (loss) attributable to non-controlling interests	(16)	(82)
Profit attributable to owners of parent	7,928	7,566

(Consolidated Statements of Comprehensive Income)

Millions of Yen

	FY2020 Q2	FY2021 Q2
	(Six months ended September 30, 2019)	(Six months ended September 30, 2020)
Profit	7,912	7,483
Other comprehensive income		
Valuation difference on available-for-sale securities	416	1,298
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	-	(35)
Remeasurements of defined benefit plans	(607)	(171)
Share of other comprehensive income of entities accounted for using equity method	(27)	(0)
Total other comprehensive income	(219)	1,088
Comprehensive income	7,692	8,572
(Breakdown)		
Comprehensive income attributable to owners of parent	7,709	8,662
Comprehensive income attributable to non-controlling interests	(17)	(89)

(3) Consolidated Statements of Cash Flows

Millions of Yen

	FY2020 Q2 (Six months ended September 30, 2019)	FY2021 Q2 (Six months ended September 30, 2020)
Net cash provided by (used in) operating activities:		
Profit before income taxes	11,329	11,064
Depreciation and amortization	5,436	5,325
Impairment loss	284	-
Amortization of goodwill	106	212
Share of loss (profit) of entities accounted for using equity method	14	138
Loss (gain) on sales of investment securities	(31)	(8)
Loss (gain) on valuation of investment securities	68	470
Increase (decrease) in provision for loss on contract development	64	(163)
Increase (decrease) in other provisions	(686)	174
Increase (decrease) in retirement benefit liability	19	20
Decrease (increase) in retirement benefit asset	(948)	(930)
Increase (decrease) in remeasurements of defined benefit plans	(875)	(246)
Interest and dividends income	(358)	(263)
Interest expenses	36	51
Decrease (increase) in notes and accounts receivable-trade	11,364	11,956
Decrease (increase) in inventories	(3,225)	(728)
Decrease (increase) in advances paid	(763)	1,298
Increase (decrease) in notes and accounts payable-trade	(6,838)	(2,183)
Increase (decrease) in accrued expenses	(404)	(1,643)
Other	1,011	(1,024)
Subtotal	15,601	23,518
Interest and dividends received	360	275
Interest paid	(37)	(52)
Income taxes (paid) refund	(3,321)	(5,650)
Net cash provided by (used in) operating activities	12,603	18,091
Investing activities:		
Purchase of property, plant and equipment	(1,466)	(1,223)
Purchase of intangible assets	(2,635)	(3,180)
Purchase of investment securities	(761)	(746)
Proceeds from sales of investment securities	70	12
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(524)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	146
Other	48	(11)
Net cash provided by (used in) investing activities	(5,269)	(5,001)
Financing activities:		
Net increase (decrease) in short-term borrowings	(1,050)	-
Proceeds from long-term borrowings	350	-
Repayments of long-term borrowings	(2,277)	(2,202)
Proceeds from sales and leasebacks	28	166
Repayments of other borrowings	(163)	(320)
Cash dividends paid	(3,007)	(3,764)
Dividends paid to non-controlling interests	(84)	(96)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(281)
Other	(1)	(0)
Net cash provided by (used in) financing activities	(6,206)	(6,498)
Effect of exchange rate change on cash and cash equivalents	-	(8)
Net increase (decrease) in cash and cash equivalents	1,127	6,582
Cash and cash equivalents at beginning of period	27,200	33,287
Cash and cash equivalents at end of period	28,328	39,869