

Note: This is an English translation of the Notice of the 73rd Ordinary General Meeting of Shareholders of Nihon Unisys, Ltd. prepared for the reader's convenience. Should there be any inconsistency between this translation and the original Japanese text, the latter shall prevail.

Securities code: 8056

June 13, 2017

Dear Shareholders:

Akiyoshi Hiraoka
Representative Director, President & CEO
Nihon Unisys, Ltd.
1-1, Toyosu 1-chome, Koto-ku, Tokyo

NOTICE OF THE 73rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby invite you to attend the 73rd Ordinary General Meeting of Shareholders of Nihon Unisys, Ltd. (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights either in writing or by electronic means, such as the Internet. Please review the "Reference Documents for Shareholders Meeting" that follow (page 3 to 23 of this English translation) and exercise your voting rights by 5:30 p.m., Tuesday, June 27, 2017 (Japan Standard Time).

Meeting Details

1. Date and Time: Wednesday, June 28, 2017 at 10:00 a.m. (Japan Standard Time)

2. Venue: Conference Room of the Company's Head Office (29th Floor)
1-1, Toyosu 1-chome, Koto-ku, Tokyo

3. Purpose:

Items to be reported:

1. Business Report, Consolidated Financial Statements and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and the Audit & Supervisory Board for the 73rd fiscal year (from April 1, 2016 to March 31, 2017)
2. Non-Consolidated Financial Statements for the 73rd fiscal year (from April 1, 2016 to March 31, 2017)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Nine (9) Directors
Proposal 3: Election of Three (3) Auditors
Proposal 4: Issuance of Stock Options to Directors as Stock-based Compensation

4. Notes Regarding the Handling of Votes:

- (1) If there is no indication of either approval or disapproval for any proposal on the voting card, you will be deemed to have approved the proposal and your vote will be counted accordingly.
- (2) If you cast multiple votes by using both the voting card and via the Internet, the Internet vote will be deemed valid.
- (3) If you have exercised your voting rights more than once via the Internet, the last exercise will be deemed valid.
- (4) If you are a shareholder who has accepted to receive this notice via the Internet but you wish to receive the printed form, the Company will deliver this notice, the Reference Documents for Shareholders Meeting, and the voting card to you by mail.

Notes: Exercise of Voting Rights:

- (1) Exercise of voting rights by voting card:
Please exercise your voting rights by stating whether you are for or against the agenda items on the voting card and send it back to us so that it reaches us by Tuesday, June 27, 2017 at 5:30 p.m. (Japan Standard Time).
- (2) Exercise of voting rights via the Internet:
Please access the website designated by the Company for exercising voting rights (<http://www.web54.net>), and use the voting rights exercise code and password shown on the voting card. Then, indicate your approval or disapproval for each of the proposals following the instructions on the display. Your vote must be transmitted by no later than Tuesday, June 27, 2017 at 5:30 p.m. (Japan Standard Time).
There is no need to mail the voting card if you exercise voting rights via the Internet.

*** *** ***

If there are corrections to the Reference Documents for Shareholders Meeting, Business Report, Non-Consolidated Financial Statements or Consolidated Financial Statements, such corrections will be published on the Internet.

<The Company's Website>

<http://www.unisys.co.jp/invest-e/stock/meeting.html>

Reference Documents for Shareholders Meeting (Items of Resolution and Reference Items)

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Matters related to year-end dividends

The Company makes efforts for the stable and continued distribution of dividends to shareholders in line with the policy of paying dividends in accordance with our performance. The specific amount of dividends shall be determined by taking into consideration the managerial environment as well as securing an internal reserve for business expansion.

Taking into account the future managerial environment, business expansion and other factors, the Company intends to pay 35 yen per share (the dividend payout ratio: 36.3%) for annual dividends.

Since the Company paid interim dividends of 17.5 yen per share in December 2016, the year-end dividends will be as proposed below:

- (1) Type of dividends:
Cash
- (2) Matters related to the allocation of dividends and total amount thereof:
Per share of ordinary shares: 17.5 yen
Total dividends: 1,755,475,785 yen
- (3) Effective date of dividends from surplus:
June 29, 2017

Proposal 2: Election of Nine (9) Directors

Since the terms of office of the present nine (9) Directors of the Company will expire as of the conclusion of the Ordinary General Meeting of Shareholders, the Company proposes to elect nine (9) Directors.

The candidates for Director of the Company are as follows (Their brief personal histories follow the table.).

Candidate Number	Name	Current positions and areas of responsibility in the Company	
1	Akiyoshi Hiraoka	Representative Director, President CEO (Chief Executive Officer) CHO (Chief Health Officer)	Re-appointed
2	Susumu Mukai	Representative Director, Executive Corporate Officer CAO (Chief Administrative Officer) CCO (Chief Compliance Officer)	Re-appointed
3	Toshio Mukai	Representative Director, Executive Corporate Officer CFO (Chief Financial Officer)	Re-appointed
4	Noboru Saito	Senior Corporate Officer CMO (Chief Marketing Officer)	Re-appointed
5	Koji Katsuya	Senior Corporate Officer CDO (Chief Digital Officer)	Re-appointed
6	Morihiro Muramoto	Outside Director	Re-appointed
7	Go Kawada	Outside Director	Re-appointed Outside Director Independent Director
8	Ayako Sonoda	Outside Director	Re-appointed Outside Director Independent Director
9	Chie Sato		Newly appointed Outside Director Independent Director

Candidate Number 1 Akiyoshi Hiraoka **【Re-appointed】**

Date of Birth: June 6, 1956 (age: 61)

Number of the Company's shares held: 20,200 shares

Term of Office as Director: 8 years (at the conclusion of the shareholders' meeting)

Board of Directors meeting attendance during the fiscal year ended March 31, 2017:
11 times / 11 meetings

■ Career summary, positions and areas of responsibility in the Company

Apr. 1980	Joined Nihon Unisys, Ltd.
Apr. 2002	General Manager, Business Aggregation, Nihon Unisys, Ltd.
Jun. 2002	Corporate Officer, Nihon Unisys, Ltd.
Jun. 2005	Director, Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2007	Director, Superior Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2007	Superior Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2011	Executive Corporate Officer, Nihon Unisys, Ltd.
Jun. 2011	Representative Director, Executive Corporate Officer, Nihon Unisys, Ltd.
Apr. 2016	Representative Director, President & CEO, Nihon Unisys, Ltd. (present)

(Role)

- CEO (Chief Executive Officer), CHO (Chief Health Officer)
- In charge: Entirety of the Company, Internal Audit Department
- Significant concurrent positions held in other organizations: None
- Special interests with the Company: None

■ Reasons for appointment as Director

Mr. Akiyoshi Hiraoka has the longest experience as a Corporate Officer in the Company (since 2002) and has a vision for change. He has a wealth of knowledge and experience in the industry and its future movements, as well as management strategies. Furthermore, he has numerous acquaintances in and abundant knowledge about other categories of the industry and political and business circles. Thus, the Company expects much of him representing the Company Group that aims to become a leader in creating eco-systems over the boundaries of industry in the future. The Company proposes to elect him as Director.

Candidate Number 2 Susumu Mukai 【Re-appointed】

Date of Birth: November 1, 1955 (age 61)

Number of the Company's shares held: 9,300 shares

Term of Office as Director: 5 years (at the conclusion of the shareholders' meeting)

Board of Directors meeting attendance during the fiscal year ended March 31, 2017:
11 times / 11 meetings

■ Career summary, positions and areas of responsibility in the Company

Apr. 1976	Joined Nihon Unisys, Ltd.
Apr. 2004	Corporate Officer, Nihon Unisys Software Kaisha, Ltd.
Jan. 2006	Corporate Officer, Nihon Unisys Solutions, Ltd.
Apr. 2007	S-BITS Project Group Manager, SW & Services Division, Nihon Unisys, Ltd.
Apr. 2009	Corporate Officer, Nihon Unisys, Ltd.
Apr. 2011	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2012	Representative Director, Senior Corporate Officer; System Technology Division Manager, Nihon Unisys, Ltd.
Apr, 2016	Representative Director, Executive Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)

- CAO (Chief Administrative Officer)
- CCO (Chief Compliance Officer)
- In charge: Corporate Planning, Human Resources, Corporate Communications,
Organization Development, Business Management, Procurement Management,
Group companies

■ Significant concurrent positions held in other organizations: None

■ Special interests with the Company: None

■ Reasons for appointment as Director

Mr. Susumu Mukai has extensive experience and knowledge of large-scale financial system developments amassed over many years.

The Company expects Mr. Mukai to make judgements about management and business from his broad perspectives based on his professional knowledge and experience in the process of management decision-making and business judgement by the Company Group in the future.

The Company proposes to elect him as Director.

Candidate Number 3 Toshio Mukai 【Re-appointed】

Date of Birth: February 9, 1955 (Age: 62)

Number of the Company's shares held: 14,900 shares

Term of Office as Director: 3 years (at the conclusion of the shareholders' meeting)

Board of Directors meeting attendance during the fiscal year ended March 31, 2017:
11 times / 11 meetings

■ Career summary, positions and areas of responsibility in the Company

Apr. 1978	Joined Mitsui & Co., Ltd.
Apr. 2007	Senior Vice President & Chief Financial Officer, Mitsui & Co. (U.S.A.), INC.
Jun. 2010	Internal Auditor, Internal Auditing Division, Mitsui & Co., Ltd.
Apr. 2012	Corporate Officer; General Manager, Accounting, Nihon Unisys, Ltd.
Apr. 2014	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2014	Director, Senior Corporate Officer, Nihon Unisys, Ltd.
Apr. 2015	Representative Director, Senior Corporate Officer Nihon Unisys, Ltd.
Apr. 2016	Representative Director, Executive Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)

- CFO (Chief Financial Officer)
- In charge: Finance, Accounting, Business Accounting, Legal

■ Significant concurrent positions held in other organizations: None

■ Special interests with the Company: None

■ Reasons for appointment as Director:

Mr. Toshio Mukai has a wealth of professional knowledge in the fields of entire business management as well as administration and operation that he amassed through his long service in the General Accounting Division and the Internal Auditing Division at Mitsui & Co., Ltd. and his service as Corporate Officer and General Manager, Accounting at the Company. Thus, the Company expects Mr. Mukai to make judgements about management and business from his broad perspectives based on his professional knowledge and experience in the process of management decision-making and business judgement by the Company Group in the future. The Company proposes to elect him as Director.

Candidate Number 4 Noboru Saito **【Re-appointed】**

Date of Birth: August 8, 1961 (Age: 55)

Number of the Company's shares held: 6,300 shares

Term of Office as Director: 1 year (at the conclusion of the shareholders' meeting)

Board of Directors meeting attendance during the fiscal year ended March 31, 2017: -
9 times / 9 meetings -

■ Career summary, positions and areas of responsibility in the Company

Apr. 1986	Joined Nihon Unisys, Ltd.
Apr. 2004	General Manager, Industry & Commerce 2, Nihon Unisys, Ltd.
Apr. 2009	General Manager, Industry & Commerce, Nihon Unisys, Ltd.
Apr. 2010	General Manager, Industry & Commerce 2, Nihon Unisys, Ltd.
Apr. 2012	General Manager, Business Services, Nihon Unisys, Ltd.
Apr. 2013	Corporate Officer, Nihon Unisys, Ltd.
Apr. 2016	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2016	Director, Senior Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)

- CMO (Chief Marketing Officer)
- In charge: Business Innovation Division, Incubation Division, Corporate Marketing, Regional Headquarters and Regional Offices

■ Significant concurrent positions held in other organizations: None

■ Special interests with the Company: None

■ Reasons for appointment as Director

Mr. Noboru Saito has abundant knowledge and experience of the industry and its future movements as well as business strategies as a result of his long service as Corporate Officer and General Manager specializing in the manufacturing and distribution sectors.

Thus, the Company expects Mr. Saito to make judgements about management and business from his broad perspectives based on his professional knowledge and experience in the process of management decision-making and business judgement by the Company Group in the future. The Company proposes to elect him as Director.

Candidate Number 5 Koji Katsuya 【Re-appointed】

Date of Birth: October 24, 1963 (Age: 53)

Number of the Company's shares held: 2,784 shares

Term of Office as Director: 1 year (at the conclusion of the shareholders' meeting)

Board of Directors meeting attendance during the fiscal year ended March 31, 2017: -
9 times / 9 meetings

■ Career summary, positions and areas of responsibility in the Company

Jan. 1985	Joined Nihon Unisys, Ltd.
Jul. 2007	Senior Project Manager, S-BITS Project, Software & Services, Nihon Unisys, Ltd.
Apr. 2011	General Manager, Financial 3, Nihon Unisys, Ltd.
Apr. 2012	Deputy Division Manager, Financial Business Division; General Manager, Financial 3, Nihon Unisys, Ltd.
Apr. 2014	Corporate Officer; General Manager, Corporate Planning, Nihon Unisys, Ltd.
Apr. 2016	Senior Corporate Officer, Nihon Unisys, Ltd.
Jun. 2016	Director, Senior Corporate Officer, Nihon Unisys, Ltd. (present)

(Role)

- CDO (Chief Digital Officer)
- In charge : Business Service Division, Quality Management & Assurance,
Technology Research & Innovation

■ Significant concurrent positions held in other organizations: None

■ Special interests with the Company: None

■ Reasons for appointment as Director

Mr. Koji Katsuya has a wealth of knowledge and experience of management decisions and business strategies of the Nihon Unisys group partly through his Corporate Officer service for Corporate Planning. Furthermore, Mr. Katsuya has abundant experience and knowledge through his service in the financial business and system development of the Company. Thus, the Company expects Mr. Katsuya to make judgements about management and business from his broad perspectives based on his professional knowledge and experience in the process of management decision-making and business judgement by the Company Group in the future. The Company proposes to elect him as Director.

Candidate Number 6 Morihiro Muramoto 【Re-appointed】

Date of Birth: May 13, 1953 (Age: 64)

Number of the Company's shares held: 0 shares

Term of Office as Director: 1 year (at the conclusion of the shareholders' meeting)

Board of Directors meeting attendance during the fiscal year ended March 31, 2017:
9 times / 9 meetings -

■ Career summary

Apr. 1976	Joined Dai Nippon Printing Co., Ltd.
Oct. 2000	General Manager, Smart Card Division, Business Forms & Securities Printing Operations, Dai Nippon Printing Co., Ltd.
Jun. 2009	Corporate Officer; General Manager, Information Processing Solutions Operations, Dai Nippon Printing Co., Ltd.
May 2013	Corporate Officer; General Manager, Advanced Optics Operations, Dai Nippon Printing Co., Ltd.
Jun. 2013	Senior Corporate Officer; General Manager of Advanced Optics Operations, Dai Nippon Printing Co., Ltd.
Nov. 2015	Senior Corporate Officer (present); Dai Nippon Printing Co., Ltd.
Jun. 2016	Outside Director, Nihon Unisys, Ltd. (present)

■ Significant concurrent positions held in other organizations

Senior Corporate Officer;

General Manager, Communication Development Division Advanced Business Center;
in charge of ICT Business Development Division, Dai Nippon Printing Co., Ltd.

■ Special interests with the Company

Dai Nippon Printing Co., Ltd. where Mr. Muramoto serves as Senior Corporate Officer is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract. The companies have trading relationships mainly in system development, business outsourcing, and product purchasing. The trading amount is less than 2% of the Company's net sales of the latest fiscal year on a consolidated basis or less than 0.1% of Dai Nippon Printing Co., Ltd.'s net sales on a consolidated basis.

■ Reasons for appointment as Director

The Company expects Mr. Morihiro Muramoto to utilize his excellent judgement as Senior Corporate Officer at Dai Nippon Printing Co., Ltd., and his abundant business experience in the information industry in order to give advice and effectively supervise the Company's management. The Company proposes to elect him as Director.

Mr. Muramoto concurrently holds the post of Senior Corporate Officer at Dai Nippon Printing Co., Ltd. a major shareholder of the Company as described above. Thus, the Company has not designated him as an Independent Director. He is not designated as an Outside Director candidate in this proposal. This judgement was made in light of a higher level of independence being recently expected for Outside Officers.

Candidate Number 7 Go Kawada

【Re-appointed, Outside Director, Independent Director】

Date of Birth: December 3, 1942 (Age: 74)

Number of the Company's shares held: 0

Term of Office as Director: 4 years (at the conclusion of the shareholders' meeting)

Board of Directors meeting attendance during the fiscal year ended March 31, 2017:

11 times / 11 meetings

■ Career summary

From Apr. 1967	Joined the National Tax Agency Head of the Kaibara Taxation Office, Osaka Regional Taxation Bureau Consul of the Consulate-General of Japan in San Francisco Director, Office of International Operation of the National Tax Agency Commissioner's Secretariat Director, Administration Office, Collection Department of the National Tax Agency Regional Commissioner of the Sendai Regional Taxation Bureau
Sep. 1996	Started practice as a certified tax accountant
Apr. 1997	Professor, Department of Politics and Economics, Kokushikan University
Jun. 2002	Chairman, Yamada & Partners Certified Public Tax Accountants' Co.
Apr. 2003	Professor, Department of Economics, Kokugakuin University
Apr. 2004	Professor, Graduate School of Global Business, Meiji University
Jun. 2004	Outside Auditor, BANDAI Co., Ltd.
Jun. 2006	Outside Auditor, Murata Manufacturing Co., Ltd.
Jun. 2012	Outside Auditor, DAIREI CO., LTD. (present)
Jun. 2013	Outside Director, Nihon Unisys, Ltd. (present)
May 2015	Outside Director, Gulliver International Co., Ltd. (present: IDOM)
Jun. 2015	Advisor, Yamada & Partners Certified Public Tax Accountants' Co. (present)

■ Significant concurrent positions held in other organizations:

Outside Auditor, DAIREI CO., Ltd.

■ Special interests with the Company: None

■ Reasons for appointment as Outside Director:

Mr. Go Kawada has abundant experience as an outside director as well as sophisticated professional knowledge and expertise in the taxation and accounting fields. The Company expects him to give advice and supervise the Company's overall management from an objective and neutral perspective as an Outside Director. The Company proposes to elect him as Outside Director.

Candidate Number 8 Ayako Sonoda

【Re-appointed, Outside Director, Independent Director】

Date of Birth: August 28, 1963 (Age: 53)

Number of the Company's shares held: 0

Term of Office as Director: 2 years (at the conclusion of the shareholders' meeting)

Board of Directors meeting attendance during the fiscal year ended March 31, 2017:

11 times / 11 meetings

■ Career summary

Aug. 1988	Established Cre-en Incorporated and assumed position of Representative Director (present)
Oct. 2003	Secretary-General, Sustainability Forum Japan (Specified Nonprofit Corporation) (present)
Jun. 2004	Director, Japan Sustainability Investment Forum (Specified Nonprofit Corporation) (present)
Jun. 2015	Outside Director, Nihon Unisys, Ltd. (present)
Feb. 2017	Representative Director, Mirai Rita Foundation (general incorporated foundation) (present)

■ Significant concurrent positions held in other organizations:

Representative Director, Cre-en Incorporated

Secretary-General, Sustainability Forum Japan (Specified Nonprofit Corporation)

Director, Japan Sustainability Investment Forum (Specified Nonprofit Corporation)

Representative Director, Mirai Rita Foundation (general incorporated foundation)

■ Special interests with the Company:

The Company receives consulting services concerning its CSR activities from Cre-en Incorporated where Ms. Sonoda serves as Representative Director. The payment for the services was 1.5 million yen (which was less than 0.3% of the net sales of Cre-en Incorporated's latest fiscal year).

■ Reasons for appointment as Outside Director

The Company expects Ms. Ayako Sonoda to utilize her abundant experience supporting many companies in the fields of CSR and environmental management as well as her dedication to various activities promoting the employment and utilization of female workers. Thus, she is in a position to give advice to the Company's management from multiple perspectives as an Outside Director. The Company proposes to elect her as Outside Director.

Candidate Number 9 Chie Sato

【Newly appointed, Outside Director, Independent Director】

Date of Birth: January 30, 1970 (Age: 47)

Number of the Company's shares held: 0

Term of Office as Director: -

Board of Directors meeting attendance during the fiscal year ended March 31, 2017: -

■ Career summary

Apr. 1992	Joined Japan Broadcasting Corporation (NHK)
May 2001	Graduated from Columbia Business School
Aug. 2001	Joined the Boston Consulting Group
Jun. 2003	Joined the Walt Disney Company (Japan) Ltd.
Jan. 2012	Became independent as author and consultant
Apr. 2014	Member of the Professional Graduate Business School Certified Evaluation and Accreditation Committee, The Japan University Accreditation Association (present)
Apr. 2016	Tokyo Broadcasting System Television (TBS) Program Practice Council Member (present)

■ Significant concurrent positions held in other organizations

Member of the Committee of Certified Evaluation and Accreditation for Management and Professional Graduate Schools Member (present)

The Japan University Accreditation Association, JUAA (public interest incorporated foundation)

TBS Television Program Council Member

■ Special interests with the Company:

Ms. Chie Sato delivered a lecture in a seminar held by the Company in the latest fiscal year. The payment by the Company was less than 1 million yen.

■ Reasons for appointment as Outside Director

Ms. Sato has abundant management experience and expertise as evidenced in her numerous books about business schools in the United States. Furthermore, she plays an active role as management strategy consultant in the Boston Consulting Group. The Company expects her to give effective advice and support the Company to promote business model reforms from an objective and professional perspective as an Outside Director. The Company proposes to elect her as Outside Director.

(Note) Mr. Go Kawada, Ms. Ayako Sonoda, and Ms. Chie Sato are the Outside Director candidates.

(Note) The Company submitted a notification with the Tokyo Stock Exchange, Inc. designating Mr. Go Kawada and Ms. Ayako Sonoda, two Outside Director candidates as Independent Directors. The Company will file a notification designating Ms. Chie Sato as an Independent Director as well. See below the Company's "Standards on the Independence of Outside Directors".

(Note) Pursuant to Article 427, Paragraph 1 of the Companies Act of Japan (the "Act"), the Company has entered into an agreement with Mr. Morihiro Muramoto, Mr. Go Kawada, and Ms. Ayako Sonoda to limit their liability as provided for in Article 423, Paragraph 1

of the Act. The limit stipulated in that agreement is the higher of either 5 million yen or the amount stipulated by laws and regulations. If their reelection is approved, the contract will continue for each of the Non-executive directors.

If Ms. Chie Sato is elected, the Company will enter into the same agreement with her.

(Note) The age of individual director-candidates given herein is as of the date of delivering of this notice.

<Reference>

The Company's "Standards on the Independence of Outside Directors/Auditors" are as follows.

■ Standards on the Independence of Outside Directors/Auditors

The Company deems that outside directors and outside auditors as defined by the Companies Act have independence if they satisfy the independence criteria stipulated by the Tokyo Stock Exchange and do not fall under any one of the categories below

- (1) Major shareholders holding voting rights equivalent to 10% or more of the total voting rights of the Company, or in the case of a corporation or organization, an executive of that corporation or organization
- (2) An executive of a major client of the Company or its subsidiaries (*1), or executive of a corporation or organization that deals with the Company or its subsidiaries as a major business partner (*2)
- (3) An executive of a financial institution to which the Company owes significant borrowings (*3)
- (4) A person who receives significant amounts of compensation or other economic benefit (*4) (other than their remuneration as a director) as a consultant, accountant, or lawyer for the Company or its subsidiaries, or where a corporation or organization, a person belonging thereto
- (5) An executive of a corporation or organization that receive significant donations (*5) from the Company or its subsidiaries
- (6) A person who served a corporation or organization falling under any of the categories (1) to (5) above as an executive within the past 3 years
- (7) A spouse or relative within two degrees of kinship of a person falling under any of the categories below
 - A person falling under any of the categories (1) to (5) above
 - A person who is a director or executive of a subsidiary of the Company

*1 Classification into the category of 'major client of the Company or its subsidiaries' is judged according to the net sales that the Company or its subsidiaries had with the client in the fiscal year immediately before: whether or not they exceed 2% of the consolidated net sales of the Company.

*2 Classification into the category of a 'corporation or organization that deals with the Company or its subsidiaries as a major business partner' is judged according to the net sales that the corporation or organization had with the Company or its subsidiaries in the fiscal year immediately before: whether or not they exceed 2% of the consolidated net sales of the corporation or organization that deals with the Company or its subsidiaries, or ¥10 million, whichever is higher.

*3 Classification into the category of 'significant borrowings' is judged according to the amount of those borrowings: whether or not they exceed 2% of the gross assets of the Company for the fiscal year immediately before.

*4 Classification into the category of 'significant amounts of compensation or other economic benefit' is judged according to the benefit that the person has received from the Company (other than their remuneration as a director) in the fiscal year immediately before: whether or not the person has received remuneration or other economic benefit of ¥10 million or more; or where the person belongs to a corporation or organization, whether or not that corporation or organization has received from the Company or its subsidiaries remuneration or other economic benefit that exceeds 2% of the consolidated net sales of the corporation or organization for the fiscal year immediately before or ¥10 million, whichever is higher.

*5 Classification into the category of 'significant donations' is judged according to the amount of donations that have been received from the Company or its subsidiaries: whether or not they exceed ¥10 million a year or 2% of the annual total costs of the corporation or organization of the fiscal year immediately before, whichever is higher.

Proposal 3: Election of Three (3) Auditors

Since the terms of office of Auditors Akihiro Imura, Shigemi Furuya and Masao Noda will expire as of the conclusion of the Ordinary General Meeting of Shareholders, the Company proposes to elect three (3) Auditors.

The proposal has been agreed to by the Audit & Supervisory Board.

The candidate for Auditors are as follows:

	Number of Constituents (person(s))	Outside Officers (person(s))		Ratios of Independent Officers
			(Independent Officers included) (person(s))	
Board of Directors	9	3	3	33.3%
Audit & Supervisory Board	5	3	3	60.0%
Total	14	6	6	42.9%

Since the Company proposes to elect two new Outside Auditors, the Audit & Supervisory Board comprising five members will have a majority of three Outside Auditors, as indicated above. The Company will submit a notification designating all the three Outside Auditors as Independent Officers. Thus, the independence of the Audit & Supervisory Board will be further guaranteed. The Board of Directors will comprise nine Directors including three Outside Directors who are all Independent Directors. Thus, both the Board of Directors and the Audit & Supervisory Board will be in a position to supervise the management highly effectively.

Candidate Number 1 Mr. Shigemi Furuya 【Re- appointed】

Date of Birth: September 10, 1950 (Age: 66)

Number of the Company's shares held: 0

Term of Office as Auditor: 4 years (at the conclusion of the shareholders' meeting)

Board of Directors meeting attendance during the fiscal year ended March 31, 2017: 9 times /11 meetings

Audit & Supervisory Board meeting attendance during the fiscal year ended March 31, 2017: 10 times / 13 meetings

■ Career summary

Apr. 1973	Joined Dai Nippon Printing Co., Ltd.
Jun. 1994	General Manager, Accounting Department 1, Accounting Division, Dai Nippon Printing Co., Ltd.
Jun. 2002	President, DNP Offset Co., Ltd.
Apr. 2004	General Manager, Related Business Department, Dai Nippon Printing Co., Ltd.
Oct. 2004	General Manager, Management Department, Dai Nippon Printing Co., Ltd.
Jun. 2006	Corporate Officer and General Manager, Management Department, Dai Nippon Printing Co., Ltd.
Jun. 2010	Managing Director, Dai Nippon Printing Co., Ltd.
Jun. 2013	Audit & Supervisory Board Member, Part-Time, Outside, Nihon Unisys, Ltd. (present)
Nov. 2015	Senior Corporate Officer (present), Dai Nippon Printing Co., Ltd.

■ Significant concurrent positions held in other organizations

Senior Corporate Officer, and General Manager, Management Department , Dai Nippon Printing Co., Ltd.

■ Special interests with the Company:

Dai Nippon Printing Co., Ltd. where Mr. Furutani serves as Senior Corporate Officer is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract. The companies have a trading relationship mainly in system development, business outsourcing, and product purchasing. The trading amount is less than 2% of the Company's net sales of the latest fiscal year on a consolidated basis or less than 0.1% of Dai Nippon Printing Co., Ltd.'s net sales on a consolidated basis.

■ Reasons for appointment as Auditor

Mr. Shigemi Furuya has expertise in finance and accounting partly due to his service as General Manager of Finance & Accounting Division of Dai Nippon Printing Co., Ltd. Furthermore, he has abundant management experience and wisdom mainly accumulated through his service in the Control Department of Dai Nippon Printing Co., Ltd. Mr. Furuya has not been involved in business execution of the Company and thus his independence from the management and personnel executing the business of the Company is ensured. The Company believes Mr. Furuya will utilize his perspective as a shareholder when performing his duties as Auditor. The Company recognizes his value gleaned from serving the Company as Auditor for the past four years and expects him to utilize the experience on an ongoing basis to supervise the overall management of the Company. The Company proposes to elect him as Auditor. Mr. Furuya concurrently holds the post of Senior Corporate Officer at Dai Nippon Printing Co., Ltd., a major shareholder of the Company, as described in above. Thus, the Company has not designated him as an Independent Officer and he is not designated as an Outside Auditor candidate in this proposal. This judgement was made in light of the higher level of independence being recently expected from outside officers.

Candidate Number 2 Ms. Harumi Kojo
【Newly appointed, Outside Auditor, Independent Officer】

Date of Birth: January 10, 1950 (Age: 67)

Number of the Company's shares held: 0

Term of Office as Auditor: -

Board of Directors meeting attendance during the fiscal year ended March 31, 2017: -

Audit & Supervisory Board meeting attendance during the fiscal year ended March 31, 2017: -

■ Career summary

Apr. 1976	Admitted as an attorney-at-law in Japan (<i>bengoshi</i>)
Jun. 1983	LLM at the University of Virginia School of Law, Master of Laws
Apr. 2001	Served as judge in the Tokyo High Court, Intellectual Property Division
Oct. 2005	Joined Sakai Mimura Law Office (name at the time)
Jan. 2015	Established Sakurazaka Law Offices (as Partner) (present)

■ Significant concurrent positions held in other organizations

Partner for Sakurazaka Law Offices

■ Special interests with the Company: None

■ Reasons for appointment as Outside Auditor

Ms. Kojo has abundant knowledge and experience accumulated in her career as a lawyer and judge expert. The Company expects her to utilize her knowledge and experience in order to audit the execution of duties by Directors, from an independent perspective as an Outside Auditor. The Company proposes to elect her as Outside Auditor.

Candidate Number 3 Norimitsu Yanai
 【Newly appointed, Outside Auditor, Independent Officer】

Date of Birth: December 2, 1953 (Age: 63)

Number of the Company's shares held: 0

Term of Office as Auditor: -

Board of Directors meeting attendance during the fiscal year ended March 31, 2017: -

Audit & Supervisory Board meeting attendance during the fiscal year ended March 31, 2017: -

■ Career summary

Nov. 1981	Joined Showa Audit Corporation (presently known as Ernst & Young ShinNihon LLC)
Mar. 1985	Registered as a Certified Public Accountant with the Japanese Institute of Certified Public Accountants (JICPA)
Jul. 1996	Partner of Showa Ota & Co. (presently known as Ernst & Young ShinNihon LLC)
Jul. 2000	Ernst & Young London
May. 2002	Senior Partner of Ernst & Young ShinNihon LLC
Sep. 2007	Ernst & Young New York
Apr. 2009	Head of MNC (Multinational Client) Division, Ernst & Young ShinNihon LLC
Jul. 2011	Deputy Head of Assurance Division 3, Ernst & Young ShinNihon LLC
Jan. 2016	Part-time Auditor, Japan Pension Service (present)

- Significant concurrent positions held in other organizations
 Auditor (part time), Japan Pension Service.

- Special interests with the Company: None

■ Reasons for appointment as Outside Auditor

Mr. Yanai has professional expertise and experience in corporate accounting accumulated as a certified public accountant as well as international expertise and experience. The Company expects him to utilize his expertise and experience in order to audit the execution of duties by Directors from an independent perspective as an Outside Auditor. Thus, the Company proposes to elect him as Outside Auditor.

(Note) Ms. Harumi Kojo, and Mr. Norimitsu Yanai are the candidates for Outside Auditor.

(Note) The Company has no business relationship with Ms. Harumi Kojo and Sakurazaka Law Offices where she serves as a Partner. The Company has no business relationship with Japan Pension Service where Mr. Yanai serves as a part-time Auditor, and Ernst & Young ShinNihon LLC where he used to serve.

The Company will submit a notification to the Tokyo Stock Exchange, Inc. designating Ms. Harumi Kojo and Mr. Norimitsu Yanai as Independent Officers. See the Company's "Standards on the Independence of Outside Directors/Auditors" (page 14).

(Note) Pursuant to Article 427, Paragraph 1 of the Companies Act of Japan (the "Act"), the Company has entered into an agreement with Mr. Shigemi Furuya to limit his liability as provided for in Article 423, Paragraph 1 of the Act. The limit stipulated in that agreement is the higher of either 5 million yen or the amount stipulated in the laws and regulations. If his reelection is approved, the contract will continue.

If Ms. Harumi Kojo and Mr. Norimitsu Yanai are elected, the Company will enter into the same agreement with them.

(Note) The age of Mr. Shigemi Furuya, Ms. Harumi Kojo and Mr. Norimitsu Yanai given herein are as of the date of delivering of this notice.

Proposal 4: Issuance of Stock Options to Directors as Stock-based Compensation

The Company requests approval to issue Stock Options as Stock-based Compensation to Directors (excluding non-executive Directors) of the Company with the aim of clearly linking their compensation with consolidated business performance and having them share the benefits and risks in the share price with the shareholders and increasing their motivation to pursue continuous growth in the Company's performance and corporate value.

These Stock Options will be granted to the Directors of the Company as part of their compensation (which is uniformly 10% regardless of duty position) instead of cash. If the target current profit attributable to owners of the parent (11,000 million yen) for the fiscal year ending March 31, 2018 is achieved, as planned at the beginning of the fiscal year, and also any other conditions are satisfied, the Company will calculate the actual achievement rate as 100%. The number of exercisable Stock Options will fluctuate in the range of 0% to 200% in accordance with the actual achievement rate. Therefore, the Company believes it is appropriate to grant these Stock Options as medium- to long-term incentive compensation for improvements in the consolidated results.

(Details of proposal)

1. We would like to propose that the amount of compensation by the Stock Options to be granted as Stock-based Compensation for one year after the date of the Ordinary General Meeting of Shareholders shall be within a limit of 70 million yen a year.

This amount of compensation concerning the Stock Options is within the range of 35 million yen per month that was authorized as the upper limit for the Company's Directors' compensation at the 49th Ordinary General Meeting of Shareholders held on June 25, 1993.

Please note that, upon approval of Proposal 2, the number of Directors of the Company will be nine (9) (including four (4) Non-executive Directors) at the closing of this Ordinary General Meeting of Shareholders. Non-executive Directors including Outside Directors are and will be paid a fixed monthly compensation only and they are not granted the Stock Options.

2. Details of the Stock Options to be granted as Stock-based Compensation are as follows:

- (1) Total number of the Stock Options

The number of the Stock Options to be issued within one year from the date of the Ordinary General Meeting of Shareholders shall not exceed 456 units, and shall be limited to 70 million yen a year as set out in Paragraph 1 above.

- (2) Type and number of shares to be granted upon the exercise of the Stock Options

The type of shares to be granted upon exercise of one Stock Option will be ordinary shares of the Company. The number of shares to be issued upon exercise of each Stock Option (the "Number of Shares Granted") shall be 100 ordinary shares of the Company.

In the event that adjustment of the Number of Shares Granted is necessary including the case where the Company carries out a stock split or stock consolidation, the Company shall adjust the Number of Shares Granted to a reasonable extent. Any fraction less than one share resulting from this adjustment will be rounded down.

- (3) Amount to be paid in for the Stock Options

The amount to be paid in for the Stock Options will be based on the fair value calculated according to an equitable formula such as the Black-Scholes model, taking into account

various conditions including the share price of the Company on the allotment day and the exercise price. Instead of a monetary payment, the amount to be paid in for the Stock Options will be offset against the compensation receivable from the Company.

- (4) Amount of assets to be contributed upon exercise of the Stock Options
The amount of assets to be contributed upon exercise of the Stock Options will be one (1) yen for each one (1) share to be acquired upon exercise of the Stock Options, multiplied by the Number of Shares Granted.
- (5) Exercise period for the Stock Options
Thirty (30) years from July 1, 2018
- (6) Restriction on acquisition of the Stock Options by transfer
Any transfer of the Stock Options shall be subject to approval by a resolution of the Board of Directors of the Company.
- (7) Terms and conditions for exercising the Stock Options
 - 1) The holders of the Stock Options are required to continuously serve in the position of a Director or Corporate Officer of the Company or subsidiaries of the Company throughout the performance appraisal period ending March 31, 2018 (excluding cases such as loss of position through death or similar).
 - 2) A stock option holder is not entitled to exercise the Stock Options while he or she remains in the position of either Director, Auditor, or Corporate Officer of the Company or the subsidiaries of the Company.
 - 3) The holders of the Stock Options may exercise the Stock Options from July 1, 2018 until the earlier of either the day on which 10 years have elapsed since the day following the day on which they lose their positions as Director, Auditor or Corporate Officer of the Company or subsidiaries of the Company, or the last day of the exercise period of the Stock Options.
- (8) Other matters concerning the Stock Options
Other matters concerning the Stock Options will be determined by the Board of Directors of the Company where the details of the offering terms of the Stock Options will be resolved.

<Reference>

The Company Group introduced a “Performance-based Compensation System” in the fiscal year ended March 31, 2013 for the Directors and Corporate Officers of the Company and UNIADEx, Ltd., an important consolidated subsidiary of the Company, which have an important role regarding the consolidated results.

Thus, the Company plans to grant Stock Options to the Corporate Officers of the Company and the Directors and Corporate Officers of UNIADEx, Ltd. besides the Directors of the Company, on the condition that the Proposal 4 is approved and following the approval of the Board of Directors of the Company. The Stock Options are the same as the Proposal 4 Stock Options to be approved and granted as Stock Options for Performance-based Compensation System. In the event that this proposal is approved as originally proposed, the number of the Stock Options to be granted to the Directors and Corporate Officers of the Company and UNIADEx, Ltd., the (maximum) total number of ordinary shares of the Company to be issued upon exercise of the Stock Options, and the number of eligible grantees will be as follows:

Eligible Grantees	Number of Grantees	Number of Stock Options to be granted and (maximum) total number of ordinary shares of the Company to be issued upon exercise of Stock Options
Directors (excluding Non-executive Directors) of the Company	5	456 units (45,600 shares)
Corporate Officers of the Company	13	681 units (68,100 shares)
Directors and Corporate Officers* of UNIADEx, Ltd.	9	441 units (44,100 shares)
Total	27	1,578 units (157,800 shares)

*Excluding Corporate Officers who concurrently serve as Corporate Officers of the Company

End of proposals

Business Report (for the fiscal year from April 1, 2016 through March 31, 2017)

1 Current Situation of the Nihon Unisys Group

(1) Progress and Results of the Businesses

During the fiscal year ended March 2017, the Japanese economy continued to show signs of gradual recovery enabled through improvements in employment and income environments. However, its future remained uncertain due to factors of concern such as decelerating emerging economies and Brexit, the United Kingdom's withdrawal from the European Union, as well as impacts from the new US administration on financial markets. Its domestic information services markets saw investments almost always levelling off in software assets. Thus, we know that we are continuing to operate in difficult environments where we are faced with fiercer rivalries in addition to uncertain overseas economies and changes in money and capital markets.

In this environment, the Nihon Unisys Group has entered the second year of the Mid-term Management Plan that was launched in the fiscal year ending March 2016. It has been further intensifying our growth strategies of expanding digital/life innovation areas and changes of business ICT platform area, and has been promoting efforts on key strategies mainly of reforming corporate culture and strengthening human resources capabilities.

In the digital innovation area where we challenge ourselves to take on such businesses as indicated in the Mid-term Management Plan, we released 'Alipay® (Note)' a Chinese mobile payment service in the Japanese market in addition to the proven prepaid card business. Furthermore, we have witnessed a steady growth of payment/settlement related services businesses such as payment-linked marketing and global brand prepaid card payment service. We expect a further increase in demands for Chinese payment services and Charge Point services. Thus, in March 2017, we established 'Canal Payment Service, Ltd.' a new company capable of a quick and significant increase in business. In addition, we have intensified our services targeting customer contact points: proof-of-concept of customer services supports through collaborative use of two different types of robots at a commercial complex; and release of a tablet solution for regional financial institutions.

In the area of life innovation, we enabled a proven ICT system coordinating medical care and nursing care with the development of child-care support services. Furthermore, we have provided a monitoring service for a proof-of-concept of a next-generation wind power generation service. It is a one-stop remote service for monitoring generators' operation statuses and detecting any aberrations. In addition, we enhanced the functions of a cloud-computing service, that we had developed for electricity retailers, eyeing a deregulation of electric utilities. This enhancement targeted a liberalization of the city gas industry scheduled for April 2017. We have steadily received orders for the enhanced service. Further, we have promoted new efforts towards an expansion of business areas. Such efforts include those for: solving societal issues through the use of a proof-of-concept mesh network of regional communication that was originally designed to improve the disaster-resistance capabilities of local governments; enhancing digital contents services in order to support tourism-related businesses; and starting to provide authentic AI services in personalized, real-world contexts. For our overseas business activities, we started to serve the South East Asian region through the use of an automobile EDR (event data recorder) service, which is highly appreciated in the domestic market.

In the area of business ICT platforms, we have promoted efforts of standardization and knowledge re-use in order to enable positive changes. Our attempts to provide services in an optimized manner were enabled through cooperation with IoT business platform services and data utilization platforms. They have resulted in an improved profitability.

Finally, in a key-strategy area of reforming corporate culture and workforce capabilities, we have mainly made efforts to implement projects for developing new management talents and reform-minded leaders, and developing working environments. The efforts of diversifying working environments include those for: promoting a system of working from home and

telecommuting as part of workstyle reforms; increasing non-territorial offices; and creating satellite offices. Furthermore, we played a role of partner in the ‘TECH PLANTER’ seed acceleration program. This has enabled us to create a corporate culture where employees autonomously take initiative in creating innovations capable of achieving targets, as indicated in the Mid-term Management Plan. Also, this program has enabled us to future-proof both our research and business creation.

In summary, the Group has been diligently promoting the Mid-term Management Plan as a whole.

For this fiscal year, net sales were ¥282,249 million (a 1.5% increase compared with the previous fiscal year) as a result of the continued strength of outsourcing and hardware sales. As a result of an increase in gross profit mainly boosted by outsourcing’s gross profit, we posted: ¥14,314 million operating income (a 14.3% increase); ¥13,852 million ordinary income (a 14.0% increase); and ¥10,261 million profit attributable to owners of parent (a 15.0% increase).

The breakdown of net sales shows that services sales were ¥198,416 million, a 2.2% or ¥4,254 million increase from the previous fiscal year; software sales were ¥29,733 million, a 0.9% or ¥270 million decrease; and hardware sales were ¥54,099 million, a 0.4% or ¥225 million increase.

As for the net sales contribution ratios, services sales were 70.3% (against 69.8% in the previous period); software sales were 10.5% (against 10.8% in the previous period); and hardware sales were 19.2% (against 19.4% in the previous period).

(Note) Alipay is a registered trademark of Alibaba Group Holding Limited.

(2) Changes in the value of group assets and operating results

	Fiscal Year 70	Fiscal Year 71	Fiscal Year 72	Fiscal Year 73 (current consolidated fiscal year)
Category	from April 1, 2013 to March 31, 2014	from April 1, 2014 to March 31, 2015	from April 1, 2015 to March 31, 2016	from April 1, 2016 to March 31, 2017
Orders (¥mil)	309,790	263,478	279,415	281,394
Net sales (¥mil)	282,690	269,154	278,039	282,249
(Breakdown)				
Services (¥mil)	188,155	187,089	194,162	198,416
(composition ratio)	(66.6)	(69.5)	(69.8)	(70.3)
Software (¥mil)	31,337	30,727	30,003	29,733
(composition ratio)	(11.1)	(11.4)	(10.8)	(10.5)
Hardware (¥mil)	63,197	51,337	53,873	54,099
(composition ratio)	(22.3)	(19.1)	(19.4)	(19.2)
Current profit attributable to owners of the parent (¥mil)	6,305	7,246	8,920	10,261
Current net profit per share (¥)	67.08	77.07	93.71	96.49
Net assets (¥mil)	76,016	81,975	91,213	90,772
Total assets (¥mil)	202,468	199,772	193,094	192,694

(Notes)

1. Any fractional amount less than one million yen is disregarded.
2. Current net profit per share is calculated by using the average number of shares outstanding during each fiscal year after deducting treasury shares therefrom, and are expressed by rounding off to two decimal places.
3. Categories of Reportable Segments have changed since Fiscal Year 71. The net sales breakdowns for Fiscal Year 70 are expressed through the use of the revised categories of Reportable Segments.

(3) Outline of Capital Investment

Major capital investments during the current consolidated fiscal year were made in computers for business activities and software for outsourcing.

(4) Outline of Financing

The Company Group procures working capital mainly through own funds, loans, and issuance of bonds. Furthermore, in order to ensure flexible and stable access to funds, the Group has established commitment lines totaling 10,500 million yen with major banks. There is no balance of these commitment lines as of March 31, 2017.

(5) Issues to Be Dealt with

The Nihon Unisys group endeavors to achieve the mid-term management plan ‘The Mid-term Management Plan’ toward our critical aim of an increase in sales and income. The Mid-term Management Plan is based on the key strategies: reforming the field of business ICT platforms; expanding the fields of digital innovation and life innovation and a foundation of reform of corporate culture and strengthening of human resources capabilities.

We will focus on service type businesses and expedite the reforms in order to enhance our future growth strategies by steadily implementing the plans in the fiscal year ending March 2018, the final fiscal year of the Mid-term Management Plan.

(i) Strengthening of our efforts in the areas of ‘Challenge’ and ‘Reform’ (Acceleration of service-type businesses)

We will accelerate a shift to service-type businesses by: re-organizing the Business Innovation Division and attempting to strengthen coordination among the teams therein; and promoting our efforts to create a business ecosystem which crosses traditional industry market boundaries.

We will streamline the Business Service Division, currently comprising 5 units, into an organization comprising 4 units, each of which will include a service planning function in order to concentrate on service-type business. In addition, we will newly establish ‘Platform Services’ and ‘New Technology Services’ departments that will help us to increase net sales by strengthening business schemes in our platform business and enhancing our ability to create new services and new technologies.

(Integration of Strategy Promotion and Common Functions)

The Company will establish the ‘Business Innovation Promotions’ department in the Business Innovation Division directly overseen by the CMO (Note 1). The organization will enhance the capabilities of strategic planning and sales administration process reform.

Furthermore, the Company will establish the ‘Business Service Promotions’ department under the direct control of the CDO (Note 2) in the Business Service Division in order to accelerate our implementation of strategic measures. The Company will promote our effort to enhance service-type businesses through strengthened cooperation between the two organizations.

(Integration of Procurement & Purchase Functions and New Establishment of Organization)

As we have been changing our focus to the service-type business, we have become aware of the need to strengthen our capabilities for planning and developing products and services in new business areas relating to IoT and robotics, etc. We will respond to the issue by creating the ‘Procurement Management’ department with the aim of improving the efficiency of procurement and purchasing activities of the entire Group.

(ii) Reform of Corporate Culture and Workforce

We have set forth the reform of corporate culture and workforce as one of our key strategies, due to our understanding that a continued improvement of corporate culture is material in order to put our Group back on track toward growth. The Company has made efforts to implement projects for developing managerial talents and reform-minded leaders, as well as developing new working environments. The efforts of diversifying working environments include those for:

promoting a system of working from home and telecommuting as part of work style reforms; increasing non-territorial offices; and creating satellite offices. The foregoing has been promoted by the Organization Development department, newly established in the fiscal year ended March 2017.

Also, the Group will further enhance the current efforts to manage business risks in order to cope with an expected diversification of these risks mainly due to: a strengthening of our future group coordination; a shift in our priorities to service-type businesses; and changes in society caused by a progress in digital revolution.

Note 1: CMO (Chief Marketing Officer) supervises marketing functions of the entire Nihon Unisys group.

Note 2: CDO (Chief Digital Officer) supervises service provision operations conducted by the entire Nihon Unisys group.

(6) Parent Company and Major Subsidiaries, etc.

(i) Relationship with Parent Company

Not applicable

(ii) Major Subsidiaries

Name of Subsidiary	Capital (¥ mil)	Percentage owned by the Company(%)	Key Businesses
UNIADEX, Ltd.	750	100	(1) Offering services and selling devices related to network system creation (2) Providing services of operating/managing computer systems and maintenance services

(7) Principal Businesses (as of March 31, 2017)

The Group provides services such as cloud computing and outsourcing; sells and leases computer systems and network systems; creates and sells software; and provides various types of system-related services

(8) Principal Offices (as of March 31, 2017)

Company Name	Office Name	Location
Nihon Unisys, Ltd.	Headquarters	Koto-ku, Tokyo
	Kansai RHQ	Osaka city
	Chubu RHQ	Nagoya city
	Kyushu RHQ	Fukuoka city
	Hokkaido RO	Sapporo city
	Touhoku RO	Sendai city
	Niigata RO	Niigata city
	Hokuriku RO	Kanazawa city
	Shizuoka RO	Shizuoka city
UNIADEX, Ltd.	Chugoku RO	Hiroshima city
	Headquarters	Koto-ku, Tokyo
	Kansai RO	Osaka city
	Chubu RO	Nagoya city
	Kyushu RO	Fukuoka city

** RHQ: Regional Headquarters
RO: Regional Office

(9) Group Employees (as of March 31, 2017)

(i) Employees of the Group

Number of Employees (persons)	Change from March 31, 2016 (persons)
7,988	- 115

Category of occupation	Number of Employees (persons)
Sales representatives	1,323
System engineers	3,271
System service engineers, etc.	2,117
Staff	1,277
Total	7,988 (against 8,103 at March 31, 2016)

(Note)

1. The Group conducts a broad range of business segments within the organization related to computer, software and other related products. Thus, the employee numbers are described by the unit of occupational category.
2. The employee numbers exclude secondees from the Group to outside the Group, and include secondees to the Group from outside.
3. System engineers and customer engineers of the key consolidated subsidiaries are combined and described as system service engineers for the period under review.

(ii) Employees of the Company

Number of Employees (persons)	Change from March 31, 2016 (persons)	Average Age	Average Length of Service
4,161	-80	44.6	19.7

(10) Principal Sources of Borrowings (as of March 31, 2017)

Source of Borrowings	Amount of Loan (¥ mil)
Sumitomo Mitsui Banking Corporation	7,900
The Norinchukin Bank	7,100
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,500

2. Matters about the Company Stock (as of March 31, 2017)

- (1) Total Number of Authorized Shares: 300,000,000 shares
 (2) Total Number of Shares Outstanding: 109,663,524 shares
 (3) Number of Shareholders: 9,436 shareholders
 (4) Major Shareholders:

Name	Number of Shares Held (Thousands of Shares)	Holding Ratio
Dai Nippon Printing Co., Ltd.	20,727	20.66%
Japan Trustee Services Bank, Ltd. (Trust Account)	12,352	12.31%
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,644	7.62%
The Norinchukin Bank	4,653	4.63%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	3,413	3.40%
J.P. MORGAN BANK LUXEMBOURG S. A. 380578	3,007	2.99%
Mitsui & Co., Ltd.	2,448	2.44%
Nihon Unisys Employee Stock Ownership Plan	2,273	2.26%
GOVERNMENT OF NORWAY	2,171	2.16%
The Nomura Trust and Banking Company, Limited (Investment Trust Account)	1,847	1.84%

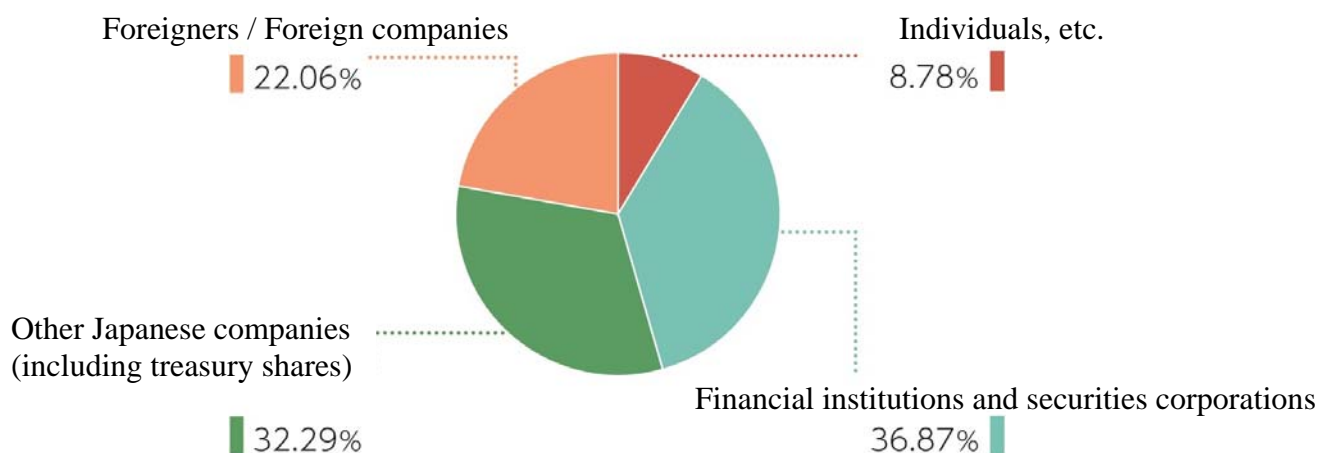
(Note)

- Numbers of shares less than one thousand has been omitted
- The Company retains 9,350,622 treasury shares without voting rights. Thus, they are excluded from the major shareholder list above.
- The ratios are calculated by deducting treasury shares and expressed by rounding down to two decimal places.

(5) Other Material Matters regarding Shares

The Company obtained 7,356,800 treasury shares as of February 24, 2017 pursuant to the resolution by the Board of Directors of the Company passed on February 23, 2017.

Ratio of shareholding by owner



3. Details about the Company's Stock Options, etc.

(1) Overview of the stock options, etc. granted to and held by Officers of the Company as compensation for execution of duties as of March 31, 2017

Name	First Issuance Stock Options (Stock-based Compensation)	Second Issuance Stock Options (Stock-based Compensation)
Number of holders (persons)		
Directors of the Company (excluding the Outside Directors)	3 ^(Note)	4 ^(Note)
Outside Directors of the Company	-	-
Auditors of the Company	-	-
Number of Stock Options	20	146
Type of shares to be granted upon the exercise of the Stock Options	Ordinary shares	Ordinary shares
Number of shares to be granted upon the exercise of the Stock Options	2,000 shares	14,600 shares
Amounts of assets to be contributed upon exercise of the Stock Options	¥1 per share	¥1 per share
Exercise period for the Stock Options	July 1, 2013 to June 30, 2043	July 1, 2014 to June 30, 2044

(Note 1) The three Directors include one Director who was granted the Stock Option when he served as Corporate Officer of the Company.

(Note 2) The four Directors include two Directors who were granted the Stock Option when they served as Corporate Officer of the Company.

Name	Fourth Issuance Stock Options (Stock-based Compensation)	Fifth Issuance Stock Options (Stock-based Compensation)
Number of holders (persons)		
Directors of the Company (excluding the Outside Directors)	5 ^(Note 3)	5
Outside Directors of the Company	-	-
Auditors of the Company	-	-
Number of Stock Options	155	440
Type of shares to be granted upon the exercise of the Stock Options	Ordinary shares	Ordinary shares
Number of shares to be granted upon the exercise of the Stock Options	15,500 shares	44,000 shares
Amounts of assets to be contributed upon exercise of the Stock Options	¥1 per share	¥1 per share
Exercise period for the Stock Options	July 1, 2016 to June 30, 2046	July 1, 2017 to June 30, 2047

(Note 3) The five Directors include two Directors who were granted the Stock Option when they served as Corporate Officer of the Company.

(2) Overview of the stock options granted to the employees of the Company as well as the Officers and employees of the Company's subsidiaries as compensation for execution of duties during the fiscal year ended March 31, 2017

Name	Fifth Issuance Stock Options (Stock-based Compensation)
Date of resolution of issuance	June 28, 2016
Number of persons granted Stock Options	
Employees of the Company	14 ^(Note 1)
Officers and employees of the subsidiary	11 ^(Note 2)
Number of Stock Options	1,240
Type of shares to be granted upon the exercise of the Stock Options	Ordinary shares
Number of shares to be granted upon the exercise of the Stock Options	124,000 shares
Amounts of assets to be contributed upon exercise of the Stock Options	¥1 per share
Exercise period for the Stock Options	July 1, 2017 to June 30, 2047

(Note) 1 The Stock Options were granted to the Corporate Officer of the Company.

2 The Stock Options were granted to the Directors and Corporate Officer of the Company's subsidiaries

4. Details about the Company's Officers

(1) Company Officers

Directors and Auditors (as of March 31, 2017)

Title	Name	Principal Positions and Significant Concurrent Position(s) Held in Other Organizations
Representative Director, President	Akiyoshi Hiraoka	CEO (Chief Executive Officer) CHO (Chief Health Officer) In charge: Entirety of the Company, Internal Audit
Representative Director, Executive Corporate Officer	Susumu Mukai	CAO (Chief Administrative Officer) CCO (Chief Compliance Officer) In charge: Corporate Planning, Human Resources, Organization Development, Business Management, Group companies
Representative Director, Executive Corporate Officer	Toshio Mukai	CFO (Chief Financial Officer) In charge: Finance, Accounting, Business Accounting, Legal
Director, Senior Corporate Officer	Noboru Saito	CMO (Chief Marketing Officer) In charge: Business Innovation, Incubation, Regional Headquarters, Regional Offices
Director, Senior Corporate Officer	Koji Katsuya	CSO (Chief Service Officer) CIO (Chief Information Officer) In charge: Business Services, Quality Management & Assurance, Technology Research & Innovation Corporate Communications

Director	Go Kawada	Outside Auditor, DAIREI CO., LTD. Outside Director, IDOM Inc.
Director	Takeshi Yamada	General Manager, IT Solution Business Div., IT & Communication Business Unit, Mitsui & Co., Ltd.
Director	Ayako Sonoda	Representative Director, Cre-en Incorporated Secretary-General, Sustainability Forum Japan (Specified Nonprofit Corporation) Director, Japan Sustainability Investment Forum (Specified Nonprofit Corporation) Director, JKSK (Empowering Women Empowering Society) (Approved Specified Nonprofit Corporation) Representative Director, Mirai Rita Foundation (general incorporated foundation)
Director	Morihiro Muramoto	Senior Corporate Officer; General Manager, 2nd Division Advanced Business Center ; General Manager, Marketing Research Department; General Manager, SI Business Development Division, Dai Nippon Printing Co., Ltd.
Full-Time Auditor	Akihiro Imura	
Full-Time Auditor	Etsuo Uchiyama	
Full-Time Auditor	Shinji Kuriyama	
Auditor	Shigemi Furuya	Senior Corporate Officer, Management Department, Dai Nippon Printing Co., Ltd.
Auditor	Masao Noda	Partner, Noda Sogo Law Office Civil Conciliation Commissioner, Tokyo District Court Outside Director, Hokkaido Gas Co., Ltd. Auditor, Japanese Foundation for Cancer Research

(Note)

1. Go Kawada, Takeshi Yamada, Ayako Sonoda and Morihiro Muramoto are Outside Directors.
2. Akihiro Imura, Etsuo Uchiyama, Shigemi Furuya, and Masao Noda are Outside Auditors.
3. The Company has submitted a notification with Tokyo Stock Exchange designating Directors Go Kawada and Ayako Sonoda as independent directors.
4. Mitsui & Co., Ltd. is a major shareholder of the Company.
5. The Company receives services to promote our CSR activities from Cre-en Incorporated.
6. Dai Nippon Printing, Co., Ltd. is a major shareholder of the Company. The Company and Dai Nippon Printing Co., Ltd. have a business alliance contract.
7. Etsuo Uchiyama has considerable expertise in finance and accounting due to his long service in financial institutions.

8. Shigemi Furuya has considerable expertise in finance and accounting partly due to his service as General Manager of 1st Department, Finance & Accounting Division of Dai Nippon Printing Co., Ltd.

9. Noda Sogo Law Office is a corporate legal counsel of the Company.

10. Other than the above, there is no special interest between the organizations at which Outside Directors and Auditors are concurrently posted and the Company.

* The Company has introduced a system of Corporate Officers. The Corporate Officers except Directors as of March 31, 2017 are listed below.

Title	Name	Position and Responsibility
Superior Corporate Officer	Masayuki Okada	Responsibility: Business Service Division Second Unit, Manufacturing System Services, Commerce System Services
Superior Corporate Officer	Michihiko Tsunoda	Responsibility: Global Business Division
Corporate Officer	Minoru Tasaki	Responsibility: DXN Business Incubation
Corporate Officer	Kouichi Ishiyama	Responsibility: Business Service Division Third Unit, Social & Public System Services, System Service Operations
Corporate Officer	Hirokazu Konishi	Responsibility: Business Innovation Division Third Unit, Public Utility & Social Services, Transportation & Logistics, LOB-Financial Industries
Corporate Officer	Hiroki Hyodo	General Manager, Kansai Regional Headquarters Responsibility: Regional Headquarters and Regional Offices
Corporate Officer	Keiji Matsuo	President, Nihon Unisys Business, Ltd.
Corporate Officer	Shinobu Sasao	CISO (Chief Information Security Officer) CPO (Chief Privacy Officer) CRMO (Chief Risk Management Officer) General Manager, Quality Management & Assurance Responsibility: Technology Research & Innovation, Business Management, Quality Assurance & Management
Corporate Officer	Kazuo Nagai	Responsibility: Business Innovation Division First Unit, LOB-Community Banking Industry, LOB-Regional Banking Industry, Financial-Major Nationwide Institution
Corporate Officer	Yasuhide Hatta	Responsibility: Corporate Marketing, Business Development Initiative
Corporate Officer	Hirofumi Hashimoto	Responsibility: Business Service Division First Unit, Financial System Services 1, Financial System Services 2, Financial System Services 3
Corporate Officer	Kazuo Sato	Responsibility: Business Service Division Fourth Unit, Advanced Technology, Service and Product Planning
Corporate Officer	Takashi Hayashi	Responsibility: Business Service Division Fifth Unit, Outsourcing Services, Information Systems Service
Corporate Officer	Kensuke Kohno	General Manager, Business Accounting Responsibility: Accounting, Business Accounting

(2) Overview of Liability Limitation Agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with each Outside Director and Auditor to limit their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act.

The limit stipulated in that agreement is the higher of either 5 million yen or the amount stipulated in the laws and regulations. The limitation of liability is applicable only when they conduct their duties in good faith and without gross negligence.

(3) Compensation, etc. for Directors and Auditors

Classification	Number of Recipients	Compensation, etc.
Directors	11	¥285 million
Auditors	6	¥91 million
Total	17	¥377 million

(Note) 1. Any fraction amount less than one million yen is disregarded.

2. The compensation limit for Directors approved at the 49th Ordinary General Meeting of Shareholders held on June 25, 1993 is ¥35 million per month.
3. The compensation limit for Auditors approved at the 62nd Ordinary General Meeting of Shareholders held on June 22, 2006 is ¥8 million per month.
4. The compensation, etc. listed above includes the amount of compensation, etc. for two (2) Directors and one (1) Auditor who served until their term expired as of the conclusion of the 72nd Ordinary General Meeting of Shareholders held on June 28, 2016.
5. The total compensation, etc. for the five (5) Outside Directors and four (4) Outside Auditors for the business year under review is ¥82 million.
6. Compensation, etc. for Directors includes ¥30 million of bonus to directors and ¥26 million of stock options as stock-based compensation.

(4) Matters regarding Outside Officers

(i) The situation of significant concurrent positions and relationships with the Company are stated in (1) 'Company Officers.

(ii) Major Activities of Outside Officers

● Director Go Kawada

Mr. Kawada attended all 11 Board of Directors meetings held during the business year under review, and appropriately asked questions and expressed opinions through the use of his wealth of experience and expertise in the taxation and accounting field. Mr. Kawada is a member of the Nomination and Remuneration Committee.

● Director Takeshi Yamada

Mr. Yamada attended all 11 Board of Directors meetings held during the business year under review, when he took office, and appropriately asked questions and expressed opinions from a broad point of view through the use of his abundant business experience.

- Director Ayako Sonoda

Ms. Sonoda attended all 11 Board of Directors meetings held during the business year under review, and appropriately asked questions and expressed opinions from multiple perspectives through the use of her experience in the fields of CSR and environmental management.

- Director Morihiko Muramoto

Mr. Takada attended all 9 Board of Directors meetings held since June 28, 2016, when he took office, and appropriately asked questions and expressed opinions from a broad point of view through the use of his abundant business experience.

- Auditor Akihiro Imura

Mr. Imura attended all 11 Board of Directors meetings and 13 Audit & Supervisory Board meetings held during the business year under review, and appropriately asked questions and expressed opinions through the use of his abundant business experience and expertise about internal audit.

- Auditor Etsuo Uchiyama

Mr. Uchiyama attended all 11 Board of Directors meetings and 13 Audit & Supervisory Board meetings held during the business year under review, and appropriately asked questions and expressed opinions through the use of his abundant business experience and expertise about finance and accounting.

- Auditor Shigemi Furuya

Mr. Furuya attended 9 of the 11 Board of Directors meetings and 10 of 13 Audit & Supervisory Board meetings held during the business year under review, and appropriately asked questions and expressed opinions mainly from a professional viewpoint about financing and accounting.

- Auditor Masao Noda

Mr. Noda attended all 11 Board of Directors meetings and all 13 Audit & Supervisory Board meetings held during the business year under review, and appropriately asked questions and expressed opinions from a professional viewpoint mainly as attorney.

5. Details about Accounting Auditor

(1) Name of Accounting Auditor
Deloitte Touche Tohmatsu LLC

(2) Compensation, etc. Paid to Accounting Auditor

(i) Total compensation paid by the Company to its Accounting Auditor relating to the business year under review	¥71 million
(ii) Total amount of monetary and other economic benefits payable by the Company and its subsidiaries to the Accounting Auditor	¥94 million

(Note)

1. The Company has not drawn any distinction between the compensation for the audit services pursuant to the Companies Act and that pursuant to the Financial Instruments and Exchange Act of Japan in the audit agreement with the Accounting Auditor. It is not practically possible to categorize the amounts. Thus, the amount listed in (i) above indicates the aggregated of those amounts.
2. The Company has paid the compensation to the Accounting Auditor for the consultation services, etc. pertaining to financial information disclosure, being services falling outside the services of Article 2, Paragraph 1 of the Certified Accountants Act.
3. The Audit & Supervisory Board of the Company deliberated on the compensation for the Accounting Auditor, Deloitte Touche Tohmatsu LLC, for their audit services pertaining to the 73rd fiscal year, pursuant to Article 399, Paragraph 1 and Paragraph 2 of the Companies Act. As a result, the Audit & Supervisory Board recognized the reasonability of: an estimate vs. actual amount comparison of the audit compensation of the previous period; the plan of audit time and personnel assignment and a compensation estimate for the audit plan of this period; as well as the subsequent amount and ratio of change in the audit compensation amount as compared with the previous fiscal year on the basis of considerations of the above.

(3) Policy for Decisions on Dismissal or Refusal of Reappointment of Accounting Auditor

- (i) If the Audit & Supervisory Board has judged that dismissal or refusal of reappointment of Accounting Auditor is appropriate due to the duty execution status of the Accounting Auditor, the Audit & Supervisory Board then requests the Board of Directors to submit a proposal calling for the 'dismissal or refusal of reappointment of the Accounting Auditor' and the 'appointment of an Accounting Auditor' to the General Meeting of Shareholders after deciding on the contents of the proposal. The Board of Directors then submits the proposal to the General Meeting of Shareholders.
- (ii) If the Accounting Auditor is deemed to fall under the items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board may dismiss the Accounting Auditor pursuant to the consent from all members of the Audit & Supervisory Board.

6. Necessary Systems to Ensure Appropriate Operations and Status of Operation of the Systems

The 'Necessary Systems to Ensure Appropriate Operations and Status of Operations of the System' (in Japanese) can be found via the following link on the website of the Company.

<http://www.unisys.co.jp/invest-j/stock/meeting.html>

An outline of the status of operation of the systems to ensure appropriateness of business for the fiscal year under review is as follows.

Systems to Ensure the Performance of Duties of Directors and Employees Comply with Laws and Regulations, and the Articles of Incorporation

- | |
|--|
| <ul style="list-style-type: none">· The Company has made efforts to improve the knowledge and awareness of officers and employees about compliance through: establishing the Nihon Unisys Group Code of Conduct as well as the Nihon Unisys Group Charter of Corporate Behavior and the Group Compliance Basic Regulations and posting them on the intranet; and training and communication activities such as e-learning and various types of workshops.· The Company makes prompt and appropriate responses to concerns reported (including those to the compliance hotline), severely punishes those in breach, analyzes the causes thereof, and takes measures to prevent recurrences. The outline of reports and the responses thereto have been made available to the President & CEO, Chief Compliance Officer (CCO) and Auditors.· The Company conducts a compliance awareness survey to assess compliance awareness among all the officers and employees of the Group, and uses the results for improving the compliance system. The status of these compliance activities has been reported to Executive Council and the Board of Directors. |
|--|

Systems to Store and Control Information related to Duties Performed by Directors
--

- | |
|--|
| <ul style="list-style-type: none">· The Company's departments in charge appropriately store and control material documents such as minutes of meetings such as the General Meeting of Shareholders, Board of Directors meetings, and Executive Council, as well as written requests for decision, account books, contracts, etc. pursuant to laws and regulations as well as the internal rules. |
|--|

Regulations and Systems related to Management of Risk of Loss
--

- | |
|--|
| <ul style="list-style-type: none">· The Company has taken measures to prevent risks occurring in individual departments on a regular basis, pursuant to the risk management system of the Nihon Unisys Group. Furthermore, the Company has established the Risk Management Committee that appropriately deals with risks that may significantly impact the management of the Group.· The status of activities taken by the Risk Management Committee, the Information Security Committee, and the BCP Project have been reported to the Executive Council and the Board of Directors. |
|--|

Systems to Ensure Efficient Execution of Duties by Directors

- | |
|--|
| <ul style="list-style-type: none">· The Directors delegate decision-making authority to the Executive Council and various advisory panels as well as the Collective Decision-Making (Ringi) System in accordance with the severity of the issue in order to execute duties promptly and efficiently. |
|--|

Necessary Systems to Ensure Appropriate Operations in the Company and the Group
--

- | |
|--|
| <ul style="list-style-type: none">· The Company conducts appropriate and effective management of Group companies through a supervising department designated for individual Group companies pursuant to the regulations for managing affiliated companies.· The Company dispatches its employees as directors and auditors to its group companies where they supervise the execution of duties by the directors of those companies. |
|--|

Matters related to Employees Assigned to Assist Auditors, the Independence of Such Employees from Directors, and Ensuring the Effectiveness of Auditors' Directions to Such Employees
--

- | |
|--|
| <ul style="list-style-type: none">· One full-time employee is appointed to the Office of Auditors, a dedicated department to help Auditors execute their duties.· The personnel of the Office of Auditors are decided after they are approved by the Audit & Supervisory Board. |
|--|

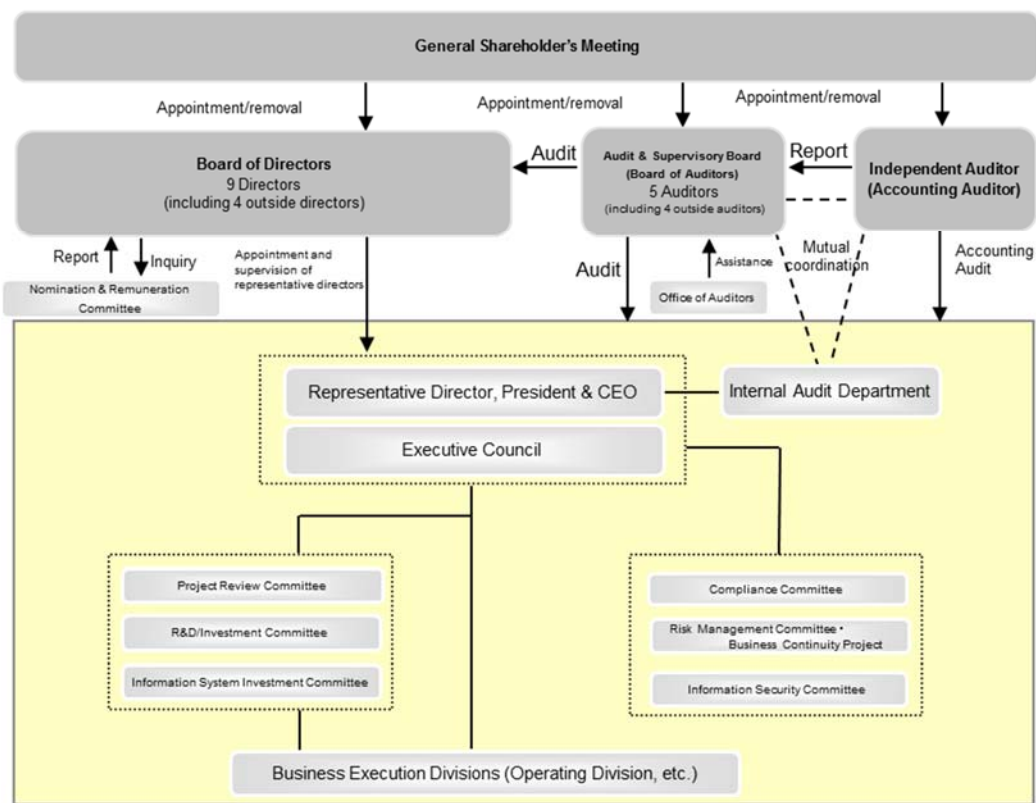
Systems to Report to Auditors

- | |
|---|
| <ul style="list-style-type: none">· Auditors attend important meetings such as meetings of the Board of Directors and the Executive Council. Important documents such as written requests for decision are referred to Auditors.· Auditors have obtained opinions from the President & CEO, Directors, Corporate Officers, General Managers, etc. through hearings as required.· The "Auditor Hotline" has been put in place as a route for direct reporting and consultation.· Auditors have held a liaison conference each quarter with the Auditors of the key group companies in order to share information. |
|---|

Other Systems to Ensure Effective Auditing by Auditors

- | |
|--|
| <ul style="list-style-type: none">· The Audit & Supervisory Board holds quarterly Triple Audit Liaison Committee meetings with the Accounting Auditor and the Internal Audit Division in order to enable collaboration.· Full-time Auditors participate in regular meetings with Internal Audit and review meetings about internal audits in order to share information and conduct necessary exchanges of opinions.· The Company bears all expenses related to the execution of Auditors' duties. |
|--|

[Organizational Chart for Corporate Governance and Internal Control] (as of April 1, 2017)



Note The Company has established the CSR Committee and the MOT (Management of Technology) Committee as advisory bodies in addition to the above committees, etc.

Audit Report

Accounting Auditor's Report on the Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 15, 2017

To the Board of Directors of Nihon Unisys, Ltd.:

Deloitte Touche Tohmatsu LLC
Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Kazunari Todoroki [seal]

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Masato Shohji [seal]

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of Nihon Unisys, Ltd. (the "Company") for the consolidated fiscal year from April 1, 2016 through March 31, 2017, namely, the consolidated balance sheet, the consolidated profit and loss statement, the consolidated statement of changes in net assets and the consolidated list of explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements from an independent standpoint based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. These standards require that we formulate an audit plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used, its application method and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared pursuant to corporate accounting standards generally accepted in Japan, present fairly, in all material respects, the assets, and profit and loss status of the Company and its consolidated subsidiaries that make up the corporate group in the period of those consolidated financial statements.

Interests

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

End of auditor's report

Accounting Auditor's Report on the Non-Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 15, 2017

To the Board of Directors of Nihon Unisys, Ltd.:

Deloitte Touche Tohmatsu LLC
Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Kazunari Todoroki [seal]

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Masato Shohji [seal]

Pursuant to Article 436, Paragraph 2, Item (1) of the Companies Act, we have audited the financial statements of Nihon Unisys, Ltd. (the "Company") for the 73rd fiscal year from April 1, 2016 through March 31, 2017, namely, the balance sheet, the profit and loss statement, the statement of changes in net assets and the individual list of explanatory notes, and the annexed detailed statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements and the annexed detailed statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and the annexed detailed statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the annexed detailed statements from an independent standpoint based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. These standards require that we formulate an audit plan and perform the audit to obtain reasonable assurance about whether the financial statements and the annexed detailed statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the annexed detailed statements. The procedures selected and applied depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements and the annexed detailed statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements and the annexed detailed statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used, its application method and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the annexed detailed statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the annexed detailed statements referred to above, prepared pursuant to corporate accounting standards generally accepted in Japan, present fairly, in all material respects, the assets, and profit and loss status in the period of those financial statements and the annexed detailed statements.

Interests

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

End of auditor's report

Audit & Supervisory Board's Audit Report

AUDIT REPORT

Having examined the Directors' performance of their duties during the 73rd fiscal year from April 1, 2016 to March 31, 2017, we, the Audit & Supervisory Board, prepare and make this report as follows, based upon discussion on the basis of the auditors' reports prepared by each member of the Audit & Supervisory Board.

1. Methods and Content of Audit by Auditors and Audit & Supervisory Board
 - (1) The Audit & Supervisory Board set out auditing policies, allocation of work duties, etc., received a report on the auditing work performed and the results thereof from each Auditor, and received a report on their status of work executed from the Directors and the Accounting Auditor and requested their explanations as necessary.
 - (2) While conforming to the auditing standards as set out by the Audit & Supervisory Board, and in accordance with the auditing policies, the allocation of duties, etc., each Auditor endeavored to facilitate mutual understanding with the Directors, the internal auditing department, and other employees in order to collect information and to maintain the auditing environment. They performed the audit pursuant to the methods below.
 - (i) They attended meetings of the Board of Directors and other important meetings, received from the Directors and the employees reports on their status of work duties and requested their explanations as necessary, inspected material internal decision-making documents, etc., and investigated the status of operations and assets of the headquarters and major business sites. With respect to significant subsidiaries, we endeavored to facilitate mutual understanding and exchange of information with their directors, auditors, etc., and collected reports on their business as necessary.
 - (ii) They were regularly reported to by the Directors and other employees on, requested explanations about as necessary and expressed opinions on: (i) the contents of the Board of Directors' resolutions regarding the maintenance of the system to ensure that the Directors' performance of their duties described in the Business Report comply with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a corporate group comprised of a stock company (*kabushiki kaisha*) and its subsidiaries; and (ii) the systems (internal control systems) based on such resolutions, and the construction and operation of those systems.
 - (iii) Regarding internal control of financial reporting, the Directors and Deloitte Touche Tohmatsu LLC provided us with reports assessing the internal control procedures and audit status, as well as explanations where necessary.
 - (iv) In addition, we examined and verified whether the independence of the Accounting Auditor was maintained and whether an appropriate audit was being undertaken, received reports on, and requested explanations on as necessary, the execution by the Accounting Auditor of its duties from the Accounting Auditor. We also received notifications from the Accounting Auditor that "Necessary systems to ensure appropriate execution of operations" (matters listed in each item of Article 131 of the Corporate Accounting Regulations of Japan) were maintained in line with "Quality control standards for auditing" (issued by the Japan Corporate Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above approach, the Audit & Supervisory Board examined the business reports and the annexed detailed statements and financial statements (balance sheet, profit

and loss statement, statement of changes in net assets, and individual list of explanatory notes) and the annexed detailed statements of the Company as well as the consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in net assets, and consolidated list of explanatory notes) for the fiscal year under review.

2. Results of Audit

(1) Results of audit of the business report, etc.

- (i) In our opinion, the business report and the annexed detailed statements are in conformity with the applicable laws and regulations of Japan and the Articles of Incorporation of the Company and fairly present the state of the Company's status;
- (ii) We have found no misconduct or material fact constituting a violation of any applicable laws and regulations of Japan or the Articles of Incorporation in connection with the Directors' performance of their duties; and
- (iii) In our opinion, the contents of the resolutions of the Board of Directors with regard to the internal control systems is appropriate. Furthermore, we find no matters that require noting with regard to the Directors' performance of their duties, the details contained in the Business Report with regard to the internal control systems or the internal control systems in connection with the financial statements.

Due to changes in the social environment and business model reforms, new business investments are expected to increase, and various types of further diversified and complicated risks need to be dealt with. The Audit & Supervisory Board will continue to supervise and verify the status of implementation and operation of governance systems and internal control systems for the corporate group.

(2) Results of audit of the financial statements and the annexed detailed statements

In our opinion, the auditing methods used and the conclusions reached by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of audit of the consolidated financial statements

In our opinion, the auditing methods used and the conclusions reached by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

End of audit report

May 18, 2017

Audit & Supervisory Board
Nihon Unisys, Ltd.

Auditor, Full-Time, Outside Auditor	Akihiro Imura [seal]
Auditor, Full-Time, Outside Auditor	Etsuo Uchiyama [seal]
Auditor, Full-Time	Shinji Kuriyama [seal]
Auditor, Outside Auditor	Shigemi Furuya [seal]
Auditor, Outside Auditor	Masao Noda [seal]