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Revision of Financial Results Forecast for the Fiscal Year Ending March 31, 2006

As per our announcement “Revision of Technical Information/Support Fee and License Fee Agreement with Unisys Corporation”, we have revised our agreement with Unisys Corporation and agreed upon the revised contract. With this and also including the current financial trends, we would like to announce our revision of our previous financial forecast, which was announced on May 9, 2005, for the period ending March 2006.

- Forecast for consolidated financial results for the twelve-month period ending March 31, 2006
 (April 1, 2005 ~ March 31, 2006)

(Millions of Yen, %)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecast (A) (Announced on May 9, 2005)	315,000	10,500	10,100	5,200
Revised Forecast (B)	315,000	4,000	3,700	1,700
Variance (B-A)	0	(6,500)	(6,400)	(3,500)
Variance (%)	0.0	(61.9)	(63.4)	(67.3)
(Reference) Results for the 12-month period ended March 31, 2005	308,868	10,413	10,533	4,716

- Forecast for consolidated financial results for the six-month period ending September 30, 2005
 (April 1, 2005 ~ September 30, 2005)

(Millions of Yen, %)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecast (A) (Announced on May 9, 2005)	134,000	600	500	100
Revised Forecast (B)	134,000	100	100	0
Variance (B-A)	0	(500)	(400)	(100)
Variance (%)	0.0	(83.3)	(80.0)	(100.0)
(Reference) Results for the 6-month period ended September 30, 2004	138,907	3,667	3,778	1,090

3. Forecast for non-consolidated financial results for the twelve-month period ending March 31, 2006
(April 1, 2005 ~ March 31, 2006)

(Millions of Yen, %)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecast (A) (Announced on May 9, 2005)	250,000	1,100	2,500	1,600
Revised Forecast (B)	250,000	(4,400)	(2,900)	(1,700)
Variance (B-A)	0	(5,500)	(5,400)	(3,300)
Variance (%)	0.0	-	-	-
(Reference) Results for the 12-month period ended March 31, 2005	241,793	5,486	7,204	3,644

4. Forecast for non-consolidated financial results for the six-month period ending September 30, 2005
(April 1, 2005 ~ September 30, 2005)

(Millions of Yen, %)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecast (A) (Announced on May 9, 2005)	100,000	(2,300)	(1,000)	(300)
Revised Forecast (B)	100,000	(3,400)	(2,000)	(900)
Variance (B-A)	0	(1,100)	(1,000)	(600)
Variance (%)	0.0	-	-	-
(Reference) Results for the 6-month period ended September 30, 2005	106,586	2,632	3,693	1,651

5. Reasons for the revision of the forecast

- (1) Revision of Technical Information/Support Fee and License Fee Agreement with Unisys Corporation

Nihon Unisys, Ltd. and Unisys Corporation have agreed on a basic revision of the technical information/support fee and license fee conditions that have been approved at the Board of Directors Meeting held today. We would like to report effects on the financial result due to these changes.

(Detail of Changes)

Nihon Unisys, Ltd. has been operating as a Japanese sales representative for Unisys Corporation products since its establishment and owns a technical information/support and license fee agreement signed by both companies. Since it was time for renewal of this agreement, under consideration of current Japanese market, we underwent re-evaluation of the original agreement.

Revision is about license fee being onetime payment without termination period and also about accrual payment for high-level technical information/support services necessary for our clients.

- (A) Details of changes

- (a) License fee

Consideration:	Onetime payment	US\$225 million
Contract period:	Effective from April 1, 2005 (without expiry)	
Payment date:	October 2005	US\$112.5 million
	October 2006	US\$112.5 million

- (b) Provision of technological information/support necessary for support services

Consideration:	Annual fee of US\$20 million (renegotiation after 5 years)
Contract period:	5 years starting from April 1, 2005 (renewal after 5 years)
Payment date:	Quarterly basis

(B) Accounting

(a) Onetime payment for license fee

Expensed in 2 years starting the fiscal year ending March 2006

(b) Support services fee

Expensed on an accrual basis

(C) Impact on consolidated and non-consolidated results

As a result of these payments mentioned above, consolidated operating income and net income for the year ending March 31, 2006 will be decreased by ¥3,973 million and ¥2,355 million, respectively. Consolidated operating income and net income for the six-month period ending September 30, 2005 will be decreased by ¥2,619 million and ¥1,553 million, respectively.

On a non-consolidated basis, operating income and net income for the year ending March 31, 2006 will be decreased by ¥4,592 million and ¥2,723 million, respectively. Non-consolidated operating income and net income for the six-month period ending September 30, 2005 will be decreased by ¥3,245 million and ¥1,924 million, respectively.

Same cost will occur for year ending March 2007, but starting from year ending March 2008, we will not have to pay above mentioned (A)(a) onetime license fee anymore.

(2) Others

(A) Forecast for consolidated results

(For the 6-month period ending September 30, 2005)

Forecast for net sales has not changed from the previous announcement. With regard to profits, however, operating income will be ¥100 million (decreased by ¥500 million) as a result of increased expense of ¥2,600 million as mentioned above, more-than-expected profitability of system services, and various cost reductions of ¥2,100 million. Hence, both recurring profit and net income will be decreased accordingly from the previous forecast.

(For the 12-month period ending March 31, 2006)

Forecast for net sales has not changed from the previous announcement. However, operating income will be ¥4,000 million (decreased by ¥6,500 million) due mainly to the ¥4,000 million impact of license fee revision as mentioned above, and ¥2,500 million downward impact on profits from the ordinary course of business such as stagnant sales of hardware/software, and expectation of non-profitable system services business and decrease of support service contracts. Recurring profit and net income will be decreased accordingly from the previous forecast.

(B) Forecast for non-consolidated results

(For the 6-month period ending September 30, 2005)

Forecast for net sales has not changed from the previous announcement. With regard to profits, however, operating income, recurring profit, and net income will not achieve the previous forecast as a result of the increased expense of license fee and various cost reductions.

(For the 12-month period ending March 31, 2006)

Forecast for net sales has not changed from the previous announcement. Profits, however, will not achieve the previous forecast for the same reason as the consolidated basis.

* The above forecast is based on judgments, assumptions and information available as of today, and is subject to changes as a result of material changes that might occur in the future.