

Nihon Unisys, Ltd.
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Revision of Financial Results Forecast for the 1st Half of FY2004

Nihon Unisys, Ltd. revises the previous forecast for consolidated and non-consolidated financial results for the 1st half of fiscal year ending March 31, 2004, which was announced on May 7, 2003.

- Forecast for consolidated financial results for the 1st half of FY2004 (April 1, 2003 ~ September 30, 2003)

(Millions of Yen, %)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecast (A) (Announced on May 7, 2003)	140,000	1,300	1,100	250
Revised Forecast (B)	136,000	1,110	2,080	700
Variance (B-A)	(4,000)	(190)	980	450
Variance (%)	(2.9)	(14.6)	89.1	180.0
(Reference) Results for the 1st half of FY2003	136,941	2,970	3,158	6,079

Note) As a result of an exemption from future pension obligation of the governmental program, extraordinary gain of 7,798 million yen was recognized in the 1st half of FY2003.

- Forecast for non-consolidated financial results for the 1st half of FY2004 (April 1, 2003 ~ September 30, 2003)

(Millions of Yen, %)

	Net Sales	Operating Income	Recurring Profit	Net Income
Previous Forecast (A) (Announced on May 7, 2003)	115,000	100	1,600	1,300
Revised Forecast (B)	111,000	330	3,370	2,500
Variance (B-A)	(4,000)	230	1,770	1,200
Variance (%)	(3.5)	230.0	110.6	92.3
(Reference) Results for the 1st half of FY2003	115,822	1,443	2,067	5,042

Note) As a result of an exemption from future pension obligation of the governmental program, extraordinary gain of 6,674 million yen was recognized in the 1st half of FY2003.

- Reasons for the revision of the forecast

(1) Forecast for consolidated financial results for the 1st half of FY2004

There were some bright signs such as upturn of the stock market and recovery in IT spending, which, however, were yet to directly contribute to sales growth of the company's 1st half revenue. Especially in sales of hardware and software, the previous plan seems to be difficult to achieve. As a result, net sales will be slightly lower than the previous forecast.

On the contrary, as for profitability, thanks to contribution by high-margin software sales, gross margin increased, as a result, decline of operating income is expected to be small. Meanwhile, both recurring profit and net income will increase substantially by booking gains from selling investment securities through acceleration of dissolution of cross-holding stocks, etc.

(2) Forecast for non-consolidated financial results for the 1st half of FY2004

Non-consolidated net sales will be lower than expected, especially because of unachievement of hardware sales. However, thanks to improvement of gross margin, operating income will be slightly larger than the previous plan. Both recurring profit and net income are expected to increase substantially as a result of sales of investment securities and so on.

(3) Forecast for the full-year financial results for FY2004

The full-year forecast, which is under review now, will be announced on October 31, 2003 in consideration of uncertainties in the market environments in the 2nd half together with the official actual results of the 1st half.