

PLEASE NOTE THIS IS A JOINT RELEASE BETWEEN GUNZE LIMITED AND NIHON UNISYS, LTD. AND THE SAME INFORMATION MAY BE PROVIDED BY THE TWO COMPANIES.

**Gunze and Nihon Unisys Form Joint-Venture Company: G&U System Service, Ltd.; Operations to Start in October**

**Gunze and Nihon Unisys Reach Basic Agreement on Comprehensive IT Outsourcing Service Over 10-Year Term**

On September 1, 2005, Gunze Limited (Headquarters: Osaka; President & CEO: Shigeo Kodani) and Nihon Unisys, Ltd. (Headquarters: Koto-ku, Tokyo; President & CEO: Katsuto Momii) announced that they would establish a joint venture company on September 2 with the aim of reinforcing the development of IT solutions for the retail/distribution and manufacturing industries and offering outsourcing services. Named G&U System Service, Ltd. (Headquarters: Osaka; President: Yasuo Masaoka), the new company is slated to begin operations on October 1, 2005.

In addition, both companies agreed that Gunze would outsource information systems-related operations, which had formerly been handled in-house, to Nihon Unisys over the next ten years. These operations include systems development, maintenance and operation, while excluding development of IT strategies and planning. G&U System Service in turn will be entrusted to undertake this project and offer required services to Gunze.

1. Objectives of Joint Venture

(1) For Gunze:

- a) Strengthen IT strategies/planning and IT security management systems
- b) Strengthen outside sales of software products in collaboration with Nihon Unisys
- c) Increase IT technological prowess and reduce IT costs

(2) For Nihon Unisys:

- a) Promote development of solutions for retail/distribution and manufacturing industries

- b) Secure systems specialists equipped with business know-how in the field of retail/distribution and manufacturing as well as immediately adaptable knowledge and skills
- c) Expand outsourcing business to cover the field of applications as well

## 2. Outline of the Joint-Venture Company

- (1) Company Name: G&U System Service, Ltd.
- (2) Location: 5-5-1 Fukushima, Fukushima-ku, Osaka, Japan
- (3) Date of Establishment: September 2, 2005
- (4) Directors:
  - Yasuo Masaoka, President
  - Shinichi Nakai, Senior Managing Director
  - Takao Mori, Director
  - Kenji Yamamoto, Director
  - Tetsuro Yoshioka, Director
- (5) Capital: 50 million yen
- (6) Ratio of Capitalization: Nihon Unisys: 51.0%, Gunze: 49.0%
- (7) Employees: 73 (initially)
- (8) Sales Target: Yearly sales of over 1.5 billion yen in FY2007 (two years after establishment)
- (9) Lines of Business:
  - a) Provision, operation, and maintenance of information processing services
  - b) Manufacture, development, maintenance, sale and lease of computer software
  - c) Training of information specialists
  - d) Sale of computers, related equipment and consumables
  - e) Consulting for information processing systems
  - f) All services related to the above

## 3. Description of Main Business

Providing outsourcing services to Gunze Group companies

Services covering the entire systems-related business process from systems design and development to maintenance/support and operation.

## New business development

### (1) Application of solutions

Development of new solutions for retail/distribution and manufacturing areas, and application of solutions.

Providing information systems development services, mainly including the application of solutions owned by Nihon Unisys (e.g., MartSolution<sup>®</sup>).

### (2) Entrusted development for retail/distribution and manufacturing industries

Providing entrusted services based on Gunze's business expertise and Nihon Unisys' systems development know-how.

### (3) Expanding outsourcing business to other customers

Expanding outsourcing business to other customers by making effective use of company resources.