

*Date : January 19, 2007***Announcement of Revisions to 2006 Forecasts**

BancTec Japan, Inc. has made the following revisions to its forecasts for 2006 sales and earnings due to recent trends in operating results.

1. Revisions to 2006 forecasts (January 1, 2006 – December 31, 2006)

Yen in millions

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A)	9,563	—	683	410
Revised forecast (B)	10,000	370	330	200
Change (B-A)	437	—	-353	-210
Pct. change (%)	4.6	—	-51.7	-51.2
(Reference) FY Dec. 2005	8,244	325	328	216

2. Reasons for revisions

The sales forecast has been raised to reflect strength in new orders resulting from the capture of large orders and growth in new business fields. The high volume of orders is the result of increasing use of imaging data to improve business processes as companies raise their capital expenditure budgets.

The earnings forecasts have been lowered because of a decline in the gross profit margin. One cause is higher expenses associated with slow progress at large projects and with delays in raising the efficiency of offshore development work. In addition, the company is still working on raising the profitability of a large-scale outsourcing contract received in 2005. As a result, the decision was made to reduce the ordinary profit and net income forecasts.

Despite the lower earnings forecasts, BancTec Japan believes that the growth of its business activities will create more opportunities to generate earnings due to increases in maintenance contracts, follow-up orders and other sources of business. In addition, the profit margin is climbing due to gradual improvements at large outsourcing operations.

3. Supplementary information: Orders received

Yen in millions

	Orders		Order backlog	
	FY12.2006	FY12.2005	FY12.2006	FY12.2005
Image data solutions	(7,650)	6,243	(3,750)	2,997

* Figures in parentheses are estimates.

* Forecasts reflect judgments based on information currently available. Actual operating results may differ from these forecasts for a number of reasons.