



● Revisions to Earnings Estimates

November 5, 2001

Notification Regarding the Revision of Earnings Estimates

As a result of various factors including recent trends in business results, the projections announced on August 31, 2001 will be revised as follows:

1. Revised projections for interim results for the year ended March 31, 2002 (April 1, 2001 to September 30, 2001)

(Units: Million yen/%)

	Net sales	Ordinary income	Net income
Expected results announced on August 31, 2001 (A)	103,000	(1,000)	0
Revised projections (B)	99,000	(1,600)	(250)
Increase/decrease (B-A)	(4,000)	(600)	(250)
Rate of change (%)	(3.9)	-----	-----
Interim results for the year ended March 31, 2001	112,018	440	607

2. Revised projections for consolidated interim results for the year ended March 31, 2002 (April 1, 2001 to September 30, 2001)

(Units: Million yen/%)

	Net sales	Ordinary income	Net income
Expected results announced on August 31, 2001 (A)	140,000	(500)	1,000
Revised projections (B)	139,000	(400)	1,100
Increase/decrease (B-A)	(1,000)	100	100
Rate of change (%)	(0.7)	-----	10.0
Interim results for the year ended March 31, 2001	155,981	4,707	2,062

3. Revised projections for results for the year ended March 31, 2002 (April 1, 2001 to March 31, 2002)

(Units: Million yen/%)

	Net sales	Ordinary income	Net income
Expected results announced on August 31, 2001 (A)	213,000	1,500	1,000
Revised projections (B)	200,000	0	500
Increase/decrease (B-A)	(13,000)	(1,500)	(500)
Rate of change (%)	(6.1)	(100.0)	(50.0)
Results for the year ended March 31, 2001	228,817	4,593	2,355

4. Revised projections for consolidated results for the year ended March 31, 2002 (April 1, 2001 to March 31, 2002)

(Units: Million yen/%)

	Net sales	Ordinary income	Net income
Expected results announced on August 31, 2001 (A)	290,000	500	500
Revised projections (B)	280,000	(1,500)	(700)
Increase/decrease (B-A)	(10,000)	(2,300)	(1,200)
Rate of change (%)	(3.4)	-----	-----
Results for the year ended March 31, 2001	323,075	13,633	7,285

5. Reasons

Non-consolidated business results for the interim period, as outlined in the above table, are expected to fall below previous projections due mainly to the depressed market for chemical products. However, on a consolidated basis MGC expects losses for recurring income and net income to remain almost the same as previously projected due to an improvement in other expenses at subsidiaries.

For the full fiscal year ending March 31, 2002, the worldwide economic slump is expected to continue due to the downturn in demand in the IT sector and the influence of the terrorist attacks in the United States. For this reason, MGC expects the overall operating environment, outlined in the above table, to be worse than previously announced and has revised its projections accordingly.

MGC has made dramatic reductions in fixed expenses in information technology-related sectors as an emergency measure and is working resolutely to enact the measures outlined in the Company's medium-term management plan MGC SHINKA 21, which aims to achieve a stable earnings base.

(Reference) Operating income

(Unit: Million yen)

	Previous projections	Revised projections
Interim non-consolidated	(2,000)	(2,400)
Interim consolidated	(3,500)	(3,800)
Full-year non-consolidated	0	(1,200)
Full-year consolidated	(1,500)	(4,000)

[Inquiries]

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