

Notification Regarding the Revision of Earnings Estimates

As a result of various factors including recent trends in business results, the projections announced on May 21, 2002 will be revised as follows:

1. Revised projections for interim results for the year ended March 31, 2003 (April 1, 2002 to September 30, 2002)

Unit: ¥million, %

	Net sales	Operating income	Ordinary income	Net income
Expected results announced on March 21, 2002 (A)	96,000	(1,000)	(1,800)	(900)
Revised projection (B)	103,000	(2,000)	(3,500)	(2,500)
Increase/decrease (B-A)	7,000	(1,000)	(1,700)	(1,600)
Rate of change	7.3	(100)	(94)	(178)
Interim results for the year ended March 31, 2002	99,228	(2,430)	(1,601)	(243)

2. Revised projections for consolidated interim results for the year ended March 31, 2003 (April 1, 2002 to September 30, 2002)

Unit: ¥million, %

	Net sales	Operating income	Ordinary income	Net income
Expected results announced on March 21, 2002 (A)	136,000	0	(1,500)	(1,000)
Revised projection (B)	151,000	(2,000)	(2,500)	(2,500)
Increase/decrease (B-A)	15,000	(2,000)	(1,000)	(1,500)
Rate of change	11.0	—	(67)	(150)
Interim results for the year ended March 31, 2002	139,092	(3,839)	(365)	1,096

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

Unit: ¥million, %

	Net sales	Operating income	Ordinary income	Net income
Expected results announced on March 21, 2002 (A)	203,000	2,000	1,000	1,500
Revised projection (B)	208,000	(1,000)	(1,000)	0
Increase/decrease (B-A)	5,000	(3,000)	(2,000)	(1,500)
Rate of change	2	—	—	(100)
Results for the year ended March 31, 2002	193,840	(4,112)	(2,678)	(3,363)

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

Unit: ¥million, %

	Net sales	Operating income	Ordinary income	Net income
Expected results announced on March 21, 2002 (A)	287,000	5,000	2,500	2,000
Revised projection (B)	309,000	1,500	1,000	500
Increase/decrease (B-A)	22,000	(3,500)	(1,500)	(1,500)
Rate of change	8	(70)	(60)	(75)
Results for the year ended March 31, 2002	275,709	(6,786)	(3,775)	(4,234)

5. Reasons

With market conditions for methanol and other general-purpose chemicals improving, net sales are rising at a faster-than-expected rate. Nevertheless, as shown above, business results for the interim period are expected to come in below original projections. This is because factors such as rising prices for raw materials used in making chemical products, weaker-than-expected recovery in demand for printed circuit boards for functional products, a declining market for engineering plastics, and the impact of yen appreciation are expected to outweigh increased income (resulting from the improving market conditions noted above) on investments recorded under the equity method.

Entering the second half, MGC is committed to achieving a non-consolidated profit and improving its consolidated profit through redoubled company-wide efforts to increase sales, improve production efficiency, and cut fixed costs.

【Note】

The results projections shown above were prepared by MGC based on certain assumptions judged to be reasonable at the time these projections were prepared. Actual results may differ from projections.