

January 28, 2004

Listed Company Name Celartem Technology, Inc.  
 Representative Name Yasuo Kano, President  
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### **Celartem Announces Revision of the Financial Forecast**

Regarding the forecast of the non-consolidated and the consolidated financial statements for the fiscal year ending June 30, 2004, Celartem Technology Inc. announces today the following changes to the forecast announced on August 12, 2003, reflecting the preliminary First Half financial results.

1. Comparison between Revised Non-Consolidated First Half Forecast and the Previous Non-Consolidated First Half Forecast announced in August, 2003 (from July 1, 2003 to December 31, 2003)

#### **Non-Consolidated Financial Forecast of the First Half of FY2004**

(In millions of Yen, except percentage figures)

	Original Forecast	Revised Forecast	Change from Original Forecast	First Half of FY2003 Actual
Sales	300	350	16.7%	680
Ordinary income (loss)	(30)	(160)	(433.3%)	66
Net income (loss)	(130)	(320)	(146.2%)	26

On a consolidated basis, however, there is no change in our original forecast for the First Half ending December 31, 2003, as indicated below.

#### **Consolidated Financial Forecast of the First Half of FY2004**

(In millions of Yen, except percentage figures)

	Forecast
Sales	1,500
Ordinary income (loss)	(700)
Net income (loss)	(750)



2. Comparison between Revised Non-Consolidated Annual Forecast and the Original Non-Consolidated Annual Forecast announced in August, 2003 (from July 1, 2003 to June 30, 2004)

**Non-Consolidated Annual Financial Forecast of FY2004**

(In millions of Yen, except percentage figures)

	Original Forecast	Revised Forecast	Change from Original Forecast	FY2003 Actual
Sales	550	600	9.1%	567
Ordinary income (loss)	(50)	(180)	(260.0%)	(564)
Net income (loss)	(150)	(340)	(126.7%)	(676)

On a consolidated basis, however, there is no change in our original annual forecast, as indicated below.

**Consolidated Annual Financial Forecast**

(In millions of Yen, except percentage figures)

	Forecast
Sales	3,300
Ordinary income (loss)	(1,100)
Net income (loss)	(1,150)

3. The major reasons for the revisions are as follows;
- a. Non-Consolidated Semi-annual Revenue Forecast Revision  
Sales is expected to improve over the original forecast due to an increase in government related projects, while ordinary loss is expected to be larger than the original forecast due to the rapid depreciation of US dollar against Japanese yen during the past 6 months as well as increase in general and administrative expenses which incurred during the reorganization and integration process for our group companies.
  - b. Non-Consolidated Annual Forecast Revision  
Revision is made reflecting the revision of semi-annual financial forecasts as mentioned above.
  - c. Consolidated Financial Forecasts  
In spite of the revision of non-consolidated forecasts, it is not necessary to change our original semi-annual and annual consolidated financial forecast, since we believe we can absorb the above incremental losses and expenses within our original forecast.