

02/17/2004

Listed Company Name Celartem Technology, Inc.
Representative Name Yasuo Kano, President
Head Office Location Tokyo Metropolis Minato-ku Roppongi 1-chome, 6-1
Hercules Market (Hercules: 4330), Japan
Kyoto City Kita-ku Kamigamo

Subject: Celartem Announces Financial Results for Six Month Period Ending December 31, 2003

Celartem Technology, Inc. (Headquarters: Tokyo Minato-ku, Representative President: Yasuo Kano) announced financial results for the six month period ending December 31, 2003. On consolidated basis, the total revenue reached JPY 1,619 mil (US\$ 15.1 mil), surpassing original forecast of JPY 1,500 mil (US\$ 14.0 mil) by JPY 119 mil. This was due to increased sales to government and municipal offices, an improvement in revenue at our US subsidiaries, supported by economic recovery and new product launches. Ordinary loss was JPY 543 mil (US\$ 5.0 mil) (original forecast: JPY 700 mil), and a net loss JPY 661 mil (US\$ 6.1 mil), the original forecast of JPY 750 mil.

As previously announced, non-consolidated revenue increased while loss increased during the same period. Mainly due to an increase in operating expenses for management of subsidiaries as well as exchange losses incurred by the weak US dollar. Consolidated financial results are better due to cost reduction and integration along with improvement of profitability in our overseas operations.

Celartem Technology is conducting management on a consolidated basis, therefore we see the current restructuring proceeding as planned.

In future, disclosure of financial results will be reported in a timely manner and quarterly financial results, (including detailed information on income statements), instead of monthly sales amounts – will be given in order to more accurately reflect financial details.



About Celartem Technology Inc:

Celartem Technology Inc. was established in 1996 to research, develop and market storage and distribution technologies for digital images. Celartem develops and invests in technology for the compression, scaling, secure distribution and management of digital images. Celartem is headquartered in Tokyo with offices in New York and Paris and also operates in the US and Europe through its wholly owned subsidiaries Extensis, Inc. and LizardTech, Inc.; whose software and services dramatically increase the value of complex digital content, and is the standard in the geospatial imaging arena. Celartem is listed on the Osaka Securities Exchange, Hercules Market (Hercules: 4330). Please visit <http://www.celartem.com> for more information.

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