

October 10, 2003

Notice of Change to Performance Forecasts

In view of the recent trends in the Company's performance and other factors, we have made the following adjustments to the interim and full-year performance forecasts for the fiscal year ending March 2004 (from April 1, 2003 to March 31, 2004), which were announced simultaneously with the financial results for the previous year on May 14, 2003.

1. Adjustments to Interim Performance Forecasts for Fiscal Year ending March 2004 (from April 1, 2003 to September 30, 2003)

(1) Consolidated

(Unit: million yen, %)

	Sales	Ordinary Income	Net Income
Previous Forecast (A) (Announced May 14, 2003)	255,000	6,000	2,600
Revised Forecast (B)	255,000	7,700	2,400
Change (B-A)	-	1,700	(200)
Percentage change (%)	-	28.3	(7.7)
Previous Interim Results (for half year ended September 2002)	249,565	6,115	4,432

(2) Non-consolidated

(Unit: million yen, %)

	Sales	Ordinary Income	Net Income
Previous Forecast (A) (Announced May 14, 2003)	210,000	4,100	1,800
Revised Forecast (B)	210,000	5,400	1,300
Change (B-A)	-	1,300	(500)
Percentage change (%)	-	31.7	(27.8)
Previous Interim Results (for half year ended September 2002)	207,278	3,854	2,838

2. **Adjustments to Full-year Performance Forecasts for Fiscal Year ending March 2004 (from April 1, 2003 to March 31, 2004)**

(1) Consolidated

(Unit: million yen, %)

	Sales	Ordinary Income	Net Income
Previous Forecast (A) (Announced May 14, 2003)	509,000	11,800	6,000
Revised Forecast (B)	509,000	12,600	7,000
Change (B- A)	-	800	1,000
Percentage change (%)	-	6.8	16.7
Results for Previous Year (ended March 2003)	503,688	11,284	4,186

(Reference) Projected net income per share (on a full-year basis) ¥54.56

(2) Non-consolidated

(Unit: million yen, %)

	Sales	Ordinary Income	Net Income
Previous Forecast (A) (Announced May 14, 2003)	420,000	6,900	3,400
Revised Forecast (B)	420,000	7,500	4,600
Change (B- A)	-	600	1,200
Percentage change (%)	-	8.7	35.3
Results for Previous Year (ended March 2003)	418,004	6,671	1,126

(Reference) Projected net income per share (on a full-year basis) ¥35.76

3. **Reasons for Adjustments**

(1) Interim Performance Forecasts

The Company's non-consolidated business performance was better than initially expected in terms of ordinary income, owing to the increase in gross profit on sales, driven by the dramatic growth of the highly profitable electronics business and the solid overall performance of the chemicals business, and due to the effects of reducing selling, general and administrative expenses. Due to the revision of the accounting standards for retirement benefits^{*1}, however, expenses relating to retirement benefits in the previous periods, such as unrecognized actuarial differences, etc., are to be written off all at once. As a result, net income is expected to fall short of the level initially projected. The forecasts have been adjusted accordingly, as shown above.

Adjustments to the consolidated performance forecasts have been made primarily due to adjustments to the Company's non-consolidated performance forecasts.

(2) Full-year Performance Forecasts

As for the Company's non-consolidated performance forecasts, the future remains uncertain despite some signs of recovery in its business environment, including the recovery of the stock market. However, the forecasts have been adjusted as shown above, partly because gains on the return of the substitutional portion of welfare pension fund plans^{*2} are expected in the second half of the year.

Adjustments to the consolidated performance forecasts have been made primarily due to adjustments to the Company's non-consolidated performance forecasts.

*1: Revision of Accounting Standards for Retirement Benefits

The number of years over which unrecognized obligations are to be amortized are changed as follows.

Unrecognized Obligations	Before Revision	After Revision
Actuarial differences	Amortized in equal amounts over a period of 10 years from the period subsequent to the period in which it accrued.	Written off in the period subsequent to the period in which it accrued.
Past service obligations	Amortized in equal amounts over a period of 3 years from the accrual date.	Written off at the time of accrual.

In conjunction with the revision stated above, unrecognized past service obligations accrued up until the previous period amounting to ¥4.2 billion will be declared as an extraordinary gain, and unrecognized actuarial differences in the amount of ¥8.2 billion will be declared as an extraordinary loss for the interim period.

*2: Return of the Substitutional Portion of Welfare Pension Fund Plans

Approval for the return of the substitutional portion of welfare pension fund plans is expected in the second half of the year. In conjunction with this, a gain on the return of the substitution portion of welfare pension fund plans in the amount of ¥2.8 billion is expected to be declared as an extraordinary gain.

<Notes on Performance Forecasts, etc.>

The performance forecasts and other figures stated in this document are based on the best information currently available and are subject to a variety of uncertainties. For this reason, the actual business performance, etc. may differ from the projections indicated here, due to changes in business conditions and other factors.