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Revisions to the Consolidated and Non-Consolidated Business Forecasts for the First Half and Fiscal Year (ending December 2002)

PALTEK Corporation announced today its revision of consolidated and non-consolidated results forecast for the first half and fiscal year ending December 31, 2002 from those announced on February 18, 2002

1. Revision to the Consolidated Business Forecast

(1) First Half Revisions (January 1, 2002 – June 30, 2002)

(Yen in Millions)

	Sales	Recurring profit	Net Income
Previous Forecast (A)	6,344	10	6
Revised Forecast (B)	6,304	343	386
Increase/Decrease Amount (B-A)	(39)	333	380
Increase/Decrease Percentage	(0.6)	3,338.8	6,347.8

(1) Fiscal Year End Revisions (January 1, 2002 – December 31, 2002)

(Yen in Millions)

	Sales	Recurring Profit	Net Income
Previous Forecast (A)	17,644	433	247
Revised Forecast (B)	17,073	609	600
Increase/Decrease Amount (B-A)	(571)	176	353
Increase/Decrease Percentage	(3.2)	40.6	142.9

(2) For Reference: Previous Results (Fiscal Year Ended December 31, 2001)

(Yen in Millions)

	Sales	Recurring Profit	Net Income
Half-Year (1/1-6/30)	10,079	454	63
Full-Year (1/1-12/31)	17,443	239	(459)

(Translation)

(2) Revision to the Non-Consolidated Business Forecast

(1) First Half Revisions (January 1, 2002 – June 30, 2002)

(Yen in Millions)

	Sales	Recurring profit	Net Income
Previous Forecast (A)	4,800	10	6
Revised Forecast (B)	4,794	482	185
Increase/Decrease Amount (B-A)	(5)	472	179
Increase/Decrease Percentage	(0.1)	4,727.9	2,995.3

(1) Fiscal Year End Revisions (January 1, 2002 – December 31, 2002)

(Yen in Millions)

	Sales	Recurring Profit	Net Income
Previous Forecast (A)	14,000	451	262
Revised Forecast (B)	14,000	849	398
Increase/Decrease Amount (B-A)	-	398	136
Increase/Decrease Percentage	-	88.2	51.9

(3) For Reference: Previous Results (Fiscal Year Ended December 31, 2001)

(Yen in Millions)

	Sales	Recurring Profit	Net Income
Half-Year (1/1-6/30)	8,171	846	500
Full-Year (1/1-12/31)	13,624	1,151	(163)

3. Reason for Revision

Consolidated

Efforts in expansion of customer base and cost reduction were emphasized to maintain the expected profit level. Including some other minor reasons, the decision to liquidate a subsidiary, Cygnet Technologies, Inc. incurred the extraordinary expense, but resulted in tax benefits. As a result, the consolidated net profit for the first half was increased, and the projection for the entire fiscal year 2002 was also increased.

Non-consolidated

Sales and cost reduction efforts together helped to increase the profits from operation. Additionally, stronger yen helped to increase the net profit.

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Questions concerning this Press Release:

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