

**Revised Forecasts for Business Performance for Fiscal 2006**

In light of our recent business performance, we have revised upward our forecasts for our business performance for the first-half and full-year periods in fiscal 2006 (from April 1, 2006 to March 31, 2007). The current estimates are shown below.

**1. Revised First-Half Period Forecasts for Fiscal 2006  
(April 1, 2006 - September 30, 2006)****Revised First-Half Period (Consolidated)**

Forecasts of business performance for the first six months of fiscal 2006 (April 1 to September 30, 2006) on a consolidated basis.

(¥ Million, %)

	Net sales	Recurring profit	Net income
Previous forecasts released May 17, 2006 (A)	210,000	14,000	7,000
Current estimates (B)	215,000	18,800	9,500
Increase in amount (B-A)	5,000	4,800	2,500
Change in percentage points (B-A)/A	2.4	34.3	35.7
First-half results for the previous term	185,444	12,265	6,424

**Revised First-Half Period (Non-Consolidated)**

(¥ Million, %)

	Net sales	Recurring profit	Net income
Previous forecasts released May 17, 2006 (A)	118,000	8,500	4,500
Current estimates (B)	122,000	10,500	5,400
Increase in amount (B-A)	4,000	2,000	900
Change in percentage points (B-A)/A	3.4	23.5	20.0
First-half results for the previous term	109,708	7,190	4,062

### Reasons for the Revisions

Regarding our performance on a non-consolidated basis, shipments of specialty gases for use by the electronics industry remained strong. In addition, revenue from our equipment business related to facility construction for the electronics industry exceeded initial forecasts. In our large-scale air separation plant construction business, progress in construction was steady, and the cost-to-sales ratio is expected to show more improvement than initially expected. Thanks to an increase in earnings and the benefits of an improved cost-to-sales ratio, our recurring profit and net income also exceeded initial forecasts for the first-half period.

As for consolidated results, we revised upwards our recurring profit and net income forecasts taking into account higher revenue resulting from growth in sales of specialty gas shipments by Matheson Tri-Gas, Inc, our U.S. subsidiary.

### 2. Revised Full-Term Forecasts for Fiscal 2006

(April 1, 2006 - March 31, 2007)

#### Revised Full-Term Forecasts (Consolidated)

(¥ Million, %)

	Net sales	Recurring profit	Net income
Previous forecasts released May 17, 2006 (A)	430,000	30,000	16,000
Current estimates (B)	440,000	34,500	18,500
Increase in amount (B-A)	10,000	4,500	2,500
Change in percentage points (B-A)/A	2.3	15.0	15.6
Full-term results for the previous term	397,308	27,115	14,444

**Revised Full-Term Forecasts (Non-Consolidated)**

(¥ Million, %)

	Net sales	Recurring profit	Net income
Previous forecasts released May 17, 2006 (A)	245,000	18,500	10,000
Current estimates (B)	248,000	20,700	12,000
Increase in amount (B-A)	3,000	2,200	2,000
Change in percentage points (B-A)/A	1.2	11.9	20.0
Full-term results for the previous term	235,400	17,060	9,439

**Reasons for the Revisions**

Although the inclusion of the earnings results of Linweld, Inc., acquired in August, will lead to a rise in earnings for the second-half period, this factor will mostly be offset by rising procurement costs, which are expected to put downward pressure on earnings. We maintain our forecasts for the second-half period. Consequently, we have revised our full-term forecasts by simply adding to our initial estimates the amount of increase for the first-half period.