



February 18, 2000

Press Release

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Paltek Corporation to Acquire Spinnaker Systems, Inc.

Yokohama, JAPAN February 18, 2000... Paltek Corporation (JASDAQ:7587) today announced a definitive agreement to acquire Spinnaker Systems, Inc. (Chuo-ku, Tokyo, CEO: Yasushi Yamamoto), a leading provider of EDA software, IP solutions, technical consultation and training, engineering and design services.

Both parties have agreed that upon closing of the deal, Paltek will own Spinnaker shares in entirety. Other details within the terms and conditions of this agreement, such as deal price, ratio of shares to be exchanged, and scheduling up to the completion date, are still under negotiation. Mr. Yasushi Yamamoto, will continue as President & CEO of Spinnaker following acquisition,. Mr. Tadahito Takahashi, President & CEO of Paltek, will join Spinnaker's board as a Director.

Paltek is a value-added reseller of leading-edge semiconductors (Large Scale Integrated circuits - LSI). Main products include Programmable Logic Devices (PLDs), specialized semiconductors for networking and telecom applications (Application Specific Standard Products - ASSPs), and related software. More than 60% of the market applications are in the field of telecommunications, in networking equipment.

Rapid technological advancements in recent years have enabled PLDs to attain densities large enough to implement entire systems on a single chip. This drives PLD users' needs for design support and services, semiconductor design software (EDA tools), and engineering consultation.

Spinnaker Systems is a provider of EDA tools, IP design licenses, System-on-a-Chip (SoC) design support using PLDs as platforms, and has the engineering/consulting ability to support System Level Integration (SLI).

This acquisition leverages Paltek's established sales channels and engineering/consulting services with Spinnaker's advanced software and system design resources, creating a mutually beneficial and synergistic business relationship.