

Q1 Results

First Quarter Sales:	¥3,333M
– Yr-on-Yr Growth:	113.4%
Operating Profit:	¥484M
– OP Margin:	14.5%
– Yr-on-Yr Growth:	112%
Recurring Profit:	¥487M
– RP Margin:	14.6%
– Yr-on-Yr Growth:	112%

Sales Breakdown

- **PLD Solutions**
83.4% (Yr-on-Yr: 110%)
- **NETWORK Solutions**
15.4% (Yr-onYr: 131%)

H1 and FYE 2000

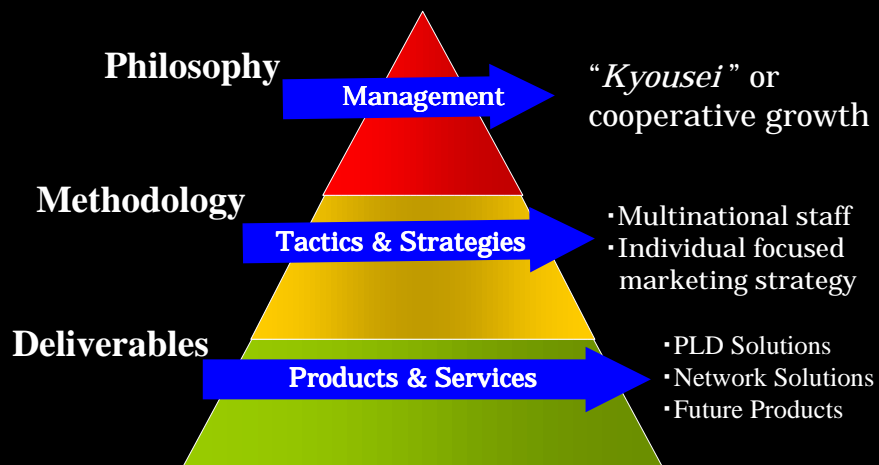
■ Mid-term Projections

– Sales	¥6,812M
– Recurring Profit	970M
– Net Profit	488M

■ FYE 2000 Projections

– Sales	¥14,400M
– Recurring Profit	1,899M
– Net Profit	954M

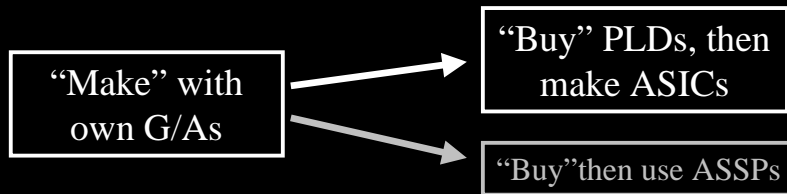
3 Layer Management System



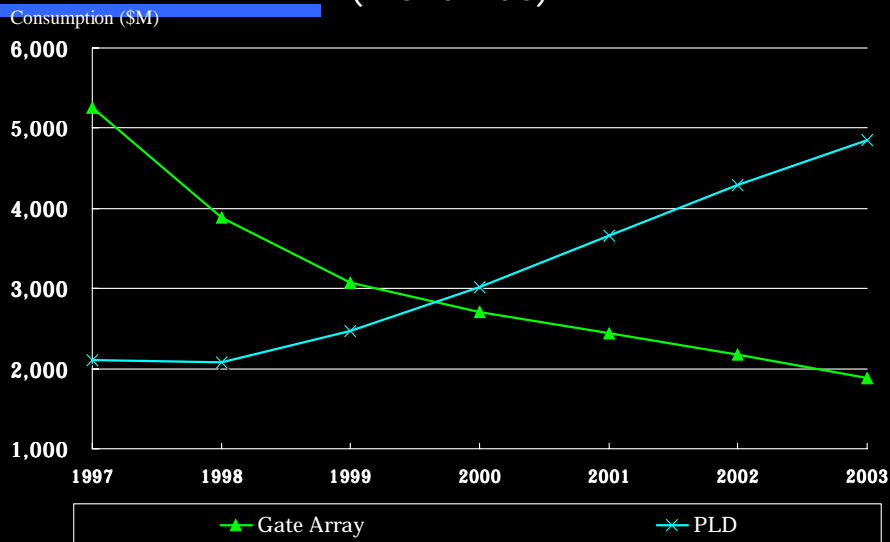
PLD SOLUTIONS

- Established Business
- Core Business
- Developed Market
- Maintain Growth of over 15%

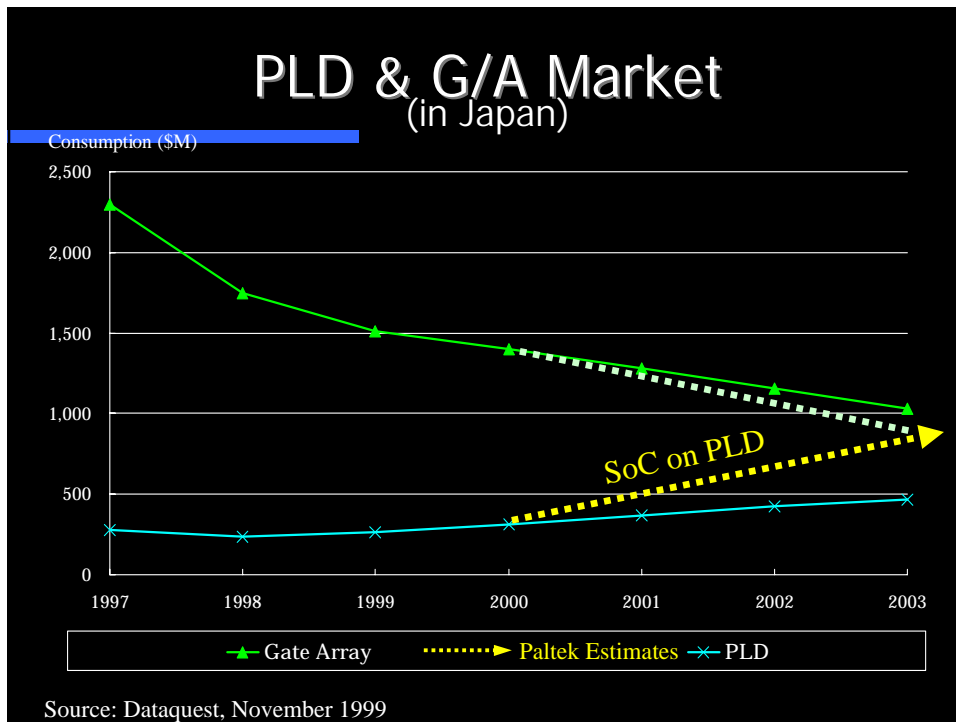
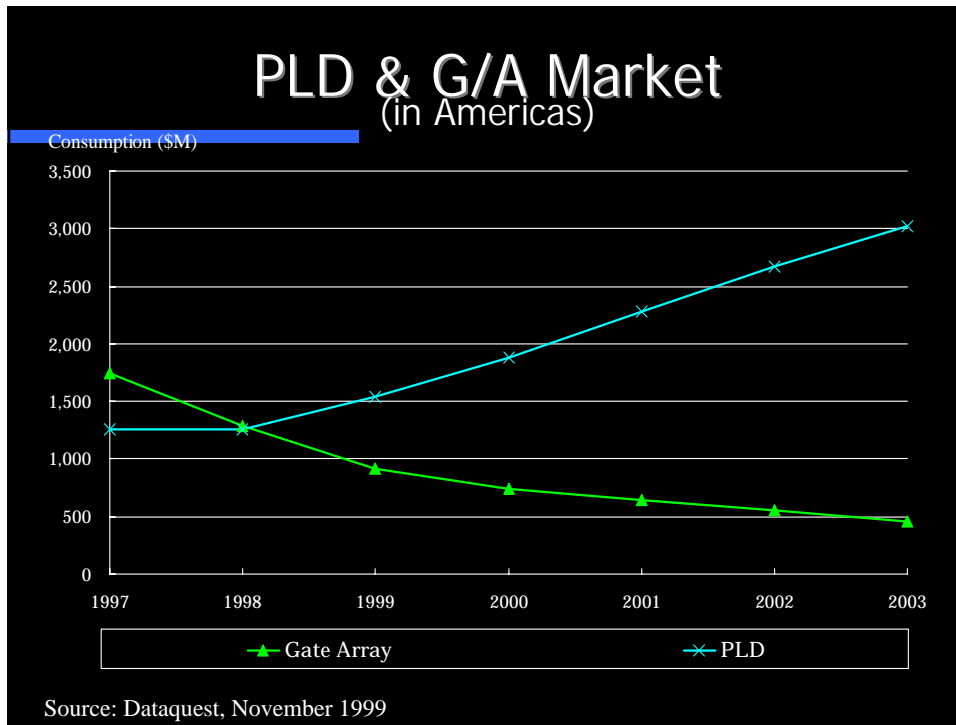
- Migration of ASIC Users

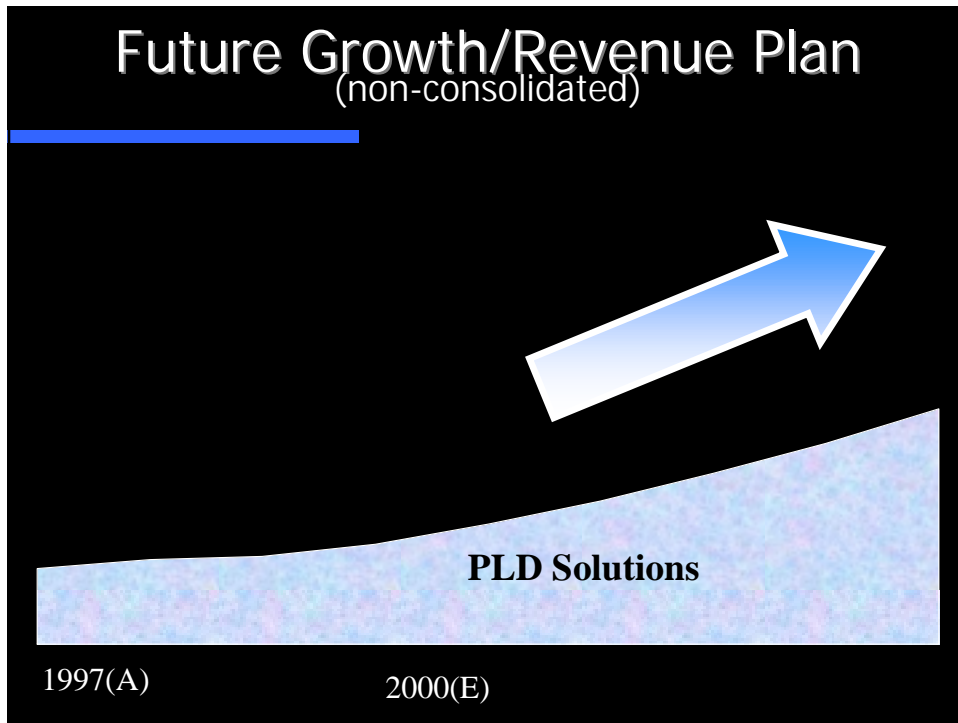


PLD & G/A Market (Worldwide)



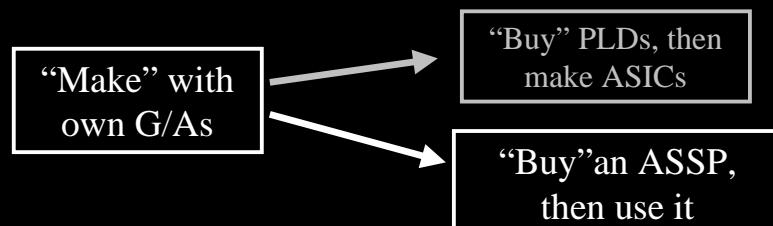
Source: Dataquest, November 1999

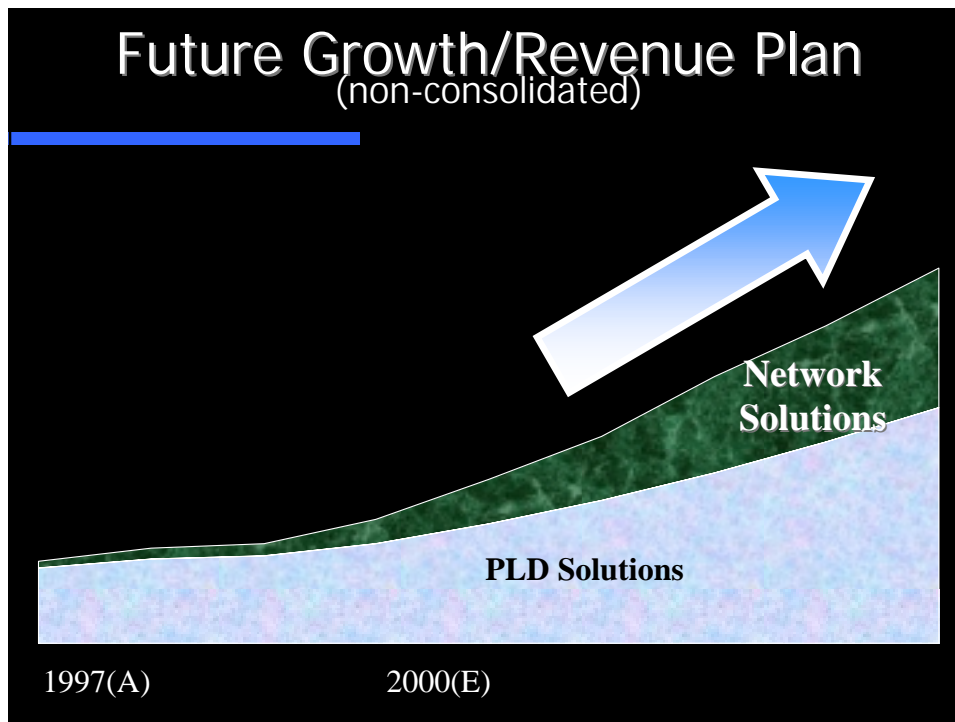




NETWORK SOLUTIONS

- Developing Business
- Developing Market
- Strong Growth, More than 50%
- Migration of ASIC Users





NEW BUSINESS

- Total Solution Supplier
 - In addition to PLDs & ASSPs sold individually, the integration of them & other Key devices.
- Complete Networking Solutions
 - SoC, IPs, Design Consulting, Integration Engineering
 - First example: "The BlueWave Project"
 - A Bluetooth Total Solution
- Over 30% Growth Opportunities

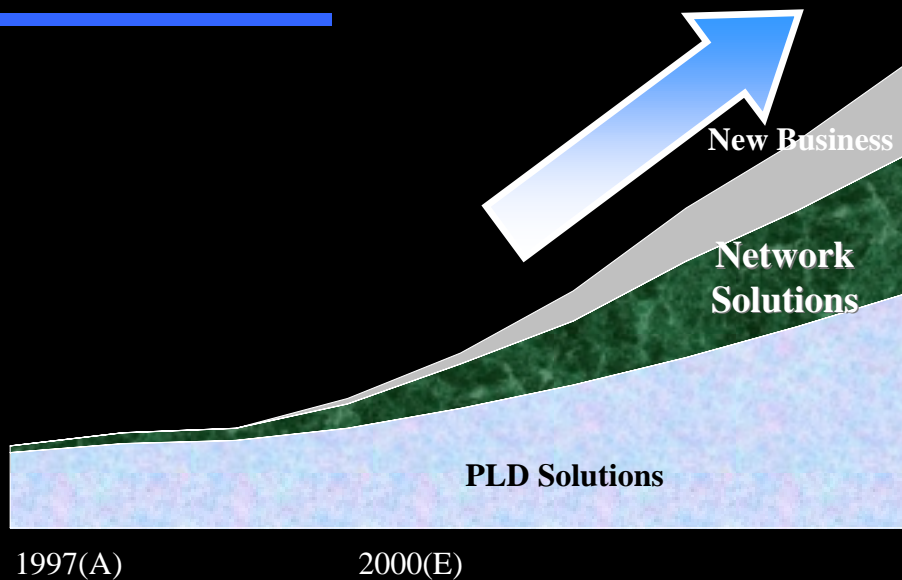
Spinnaker Synergy Effects

(Not included into FYE 2000 disclosed projections)

- SoC "System-on-a-Chip"
 - IPs, EDA tools, high-level engineering of Design & Integration
 - High usage of very large scale PLDs can be expected, as the best SoC platform

- As an example and a first-step towards delivering SoC Solutions
 - BlueWave Project Partner

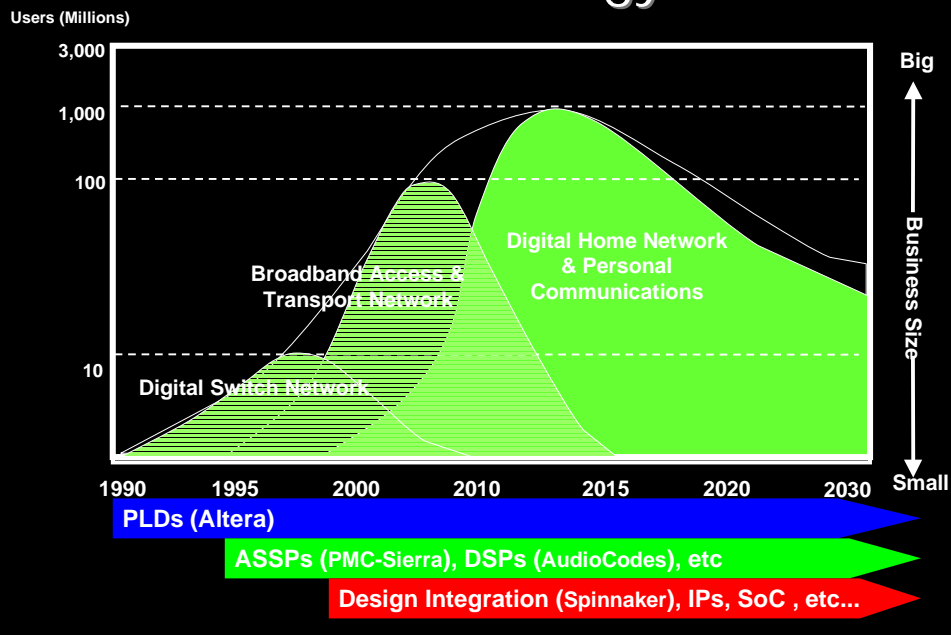
Future Growth/Revenue Plan (non-consolidated)

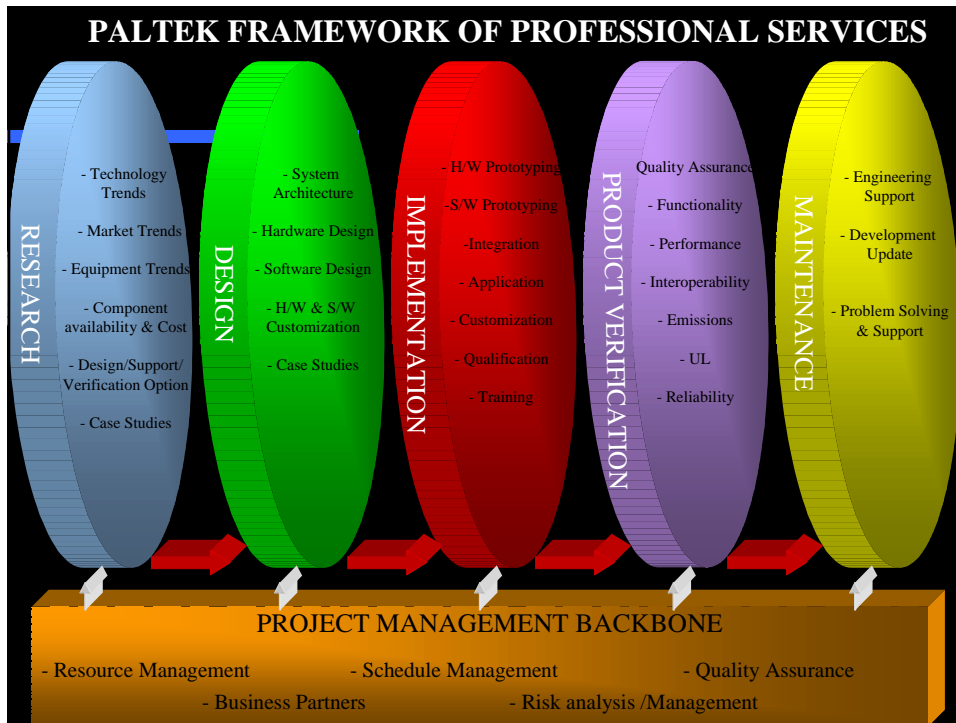


2003 Sales Breakdown

- PLD Solutions
50%
- Network Solutions
30%
- New Businesses
20%

Network Technology Wave





Example of Professional Services

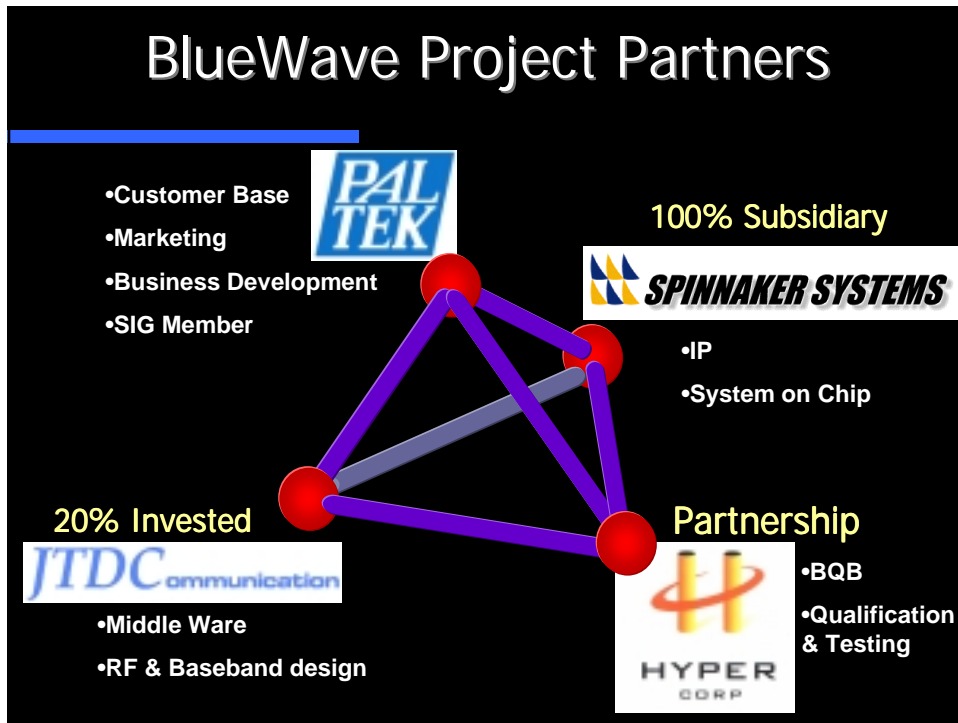
The BlueWave Project "Bluetooth Total Solutions"

-- From Concept to Product --

- Idea/Concept => Research
- Technology(SoC,IP,M) => Design
- Qualification => Implementation
- Testing, Interoperability => Verification

Bluetooth Product Release

- Product Support => Maintenance



BROADBAND SUMMIT 2000

"Convergence"

- DATE: May 24, 2000 (Wed)
- TIME: 9:00-20:00
- PLACE: Meiji Kinenkan
- Presentation of PALTEK Mid-term Business Plan
- Dynamic Keynotes by Leading Network Thinkers
- To attend, subscribe at <http://www.paltek.co.jp/summit/form-e.htm>



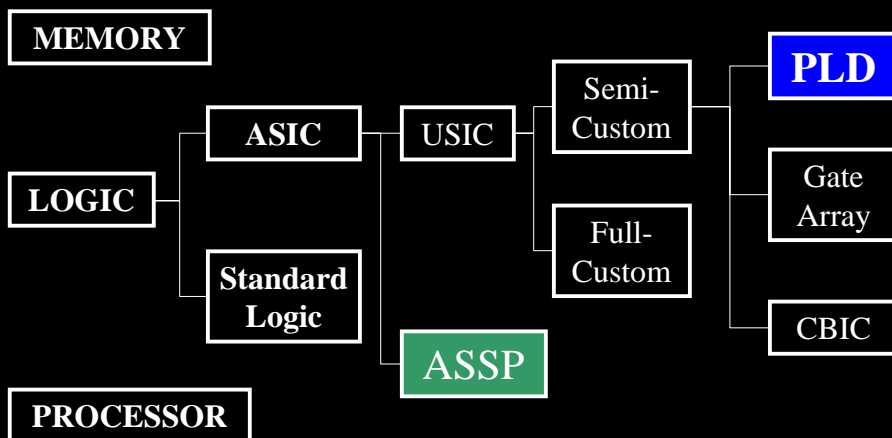
PALTEK CORPORATION

JASDAQ: 7587

Note: This presentation contains forward looking statements and actual results may differ materially. The company will not secure its accuracy due to possible environmental changes. Projections and plans are subject to change without notice due to changes in the market or other business conditions.

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Digital Integrated Circuits Breakdown



ASIC: Application Specific IC
 USIC: User Specific IC
 ASSP: Application Specific Standard Product
 CBIC: Cell Based IC

