



## Third Quarter Results

NON-CONSOLIDATED

 SOLUTION SUPPLIER  
PALTEK CORP.

- **Third Quarter Sales: ¥4,236 Million**
  - Annual Growth (149%)
  - Sequential Growth (108%)
- **For Nine Months Ended,  
September 30, 2000: ¥11,511 Million**
  - Annual Growth (128%)

## Third Quarter Results

 **PALTEK CORP.**

NON-CONSOLIDATED

- **Operating Profits: ¥604 Million**
  - Annual Growth (184%)
  - OP Margin (14.3%)
- **Recurring Profits: ¥646 Million**
  - Annual Growth (183%)
  - RP Margin (15.3%)

\*Note: Figures above given orally at Reporting Meeting on October 13, 2000

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## Sales Breakdown

 **PALTEK CORP.**

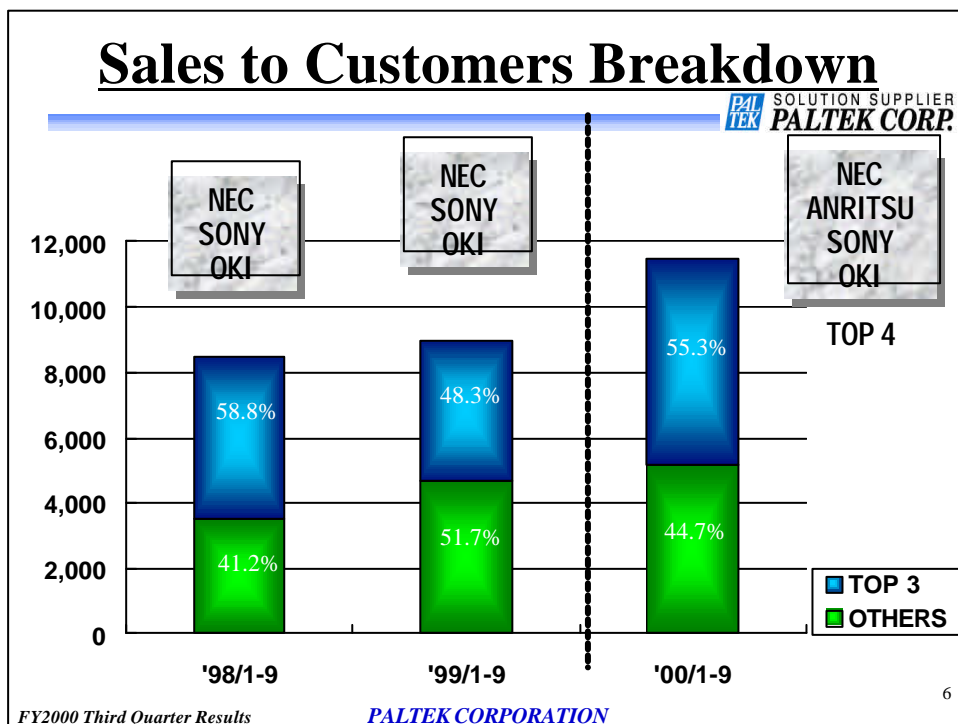
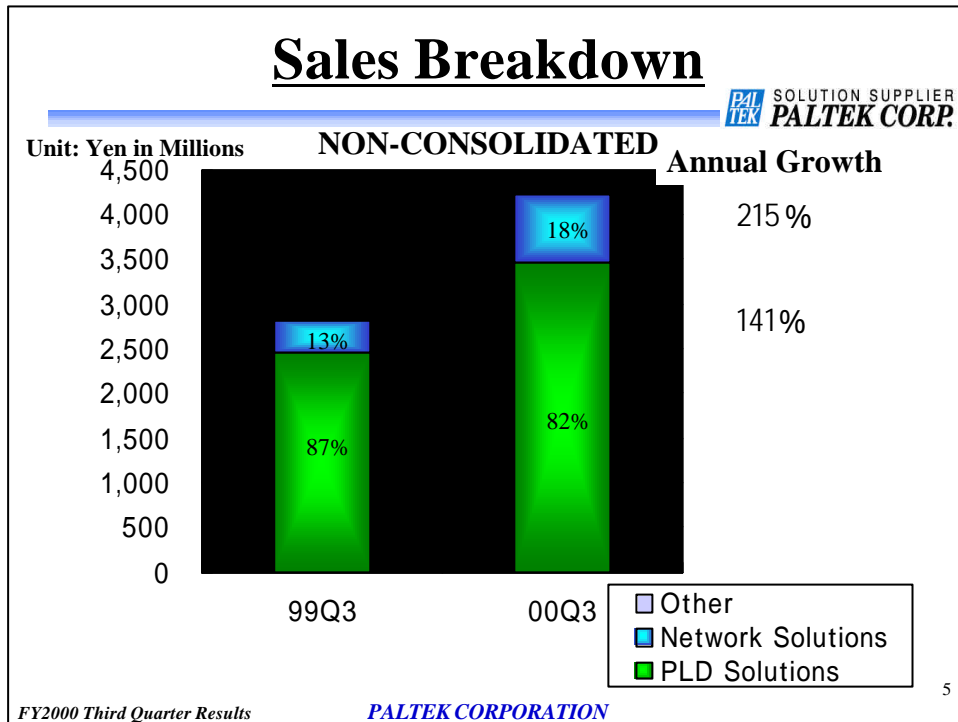
NON-CONSOLIDATED

- **PLD Solutions**  
**81.8% (Annual Growth 141%)**
- **NETWORK Solutions**  
**18.1% (Annual Growth 215%)**

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## Top Customer Conditions - NEC

**PALTEK** SOLUTION SUPPLIER  
**PALTEK CORP.**

Recent “design-wins” due to co-managed projects of PLD Solutions and NETWORK Solutions

- Systems required for Next Generation Wireless Infrastructure
  - (W-CDMA Systems and Base Stations for Major Carriers)
- Wide spread usage of ISDN due to ever growing Internet (IP) Traffic
  - (IP Networking Systems, MHN - Multimedia Handling Node)
- Ongoing need of Core Switches for Domestic Carriers due to exponentially increasing mobile phones
  - (ATM Core Switches, ex. ATOMIS & NEAX)

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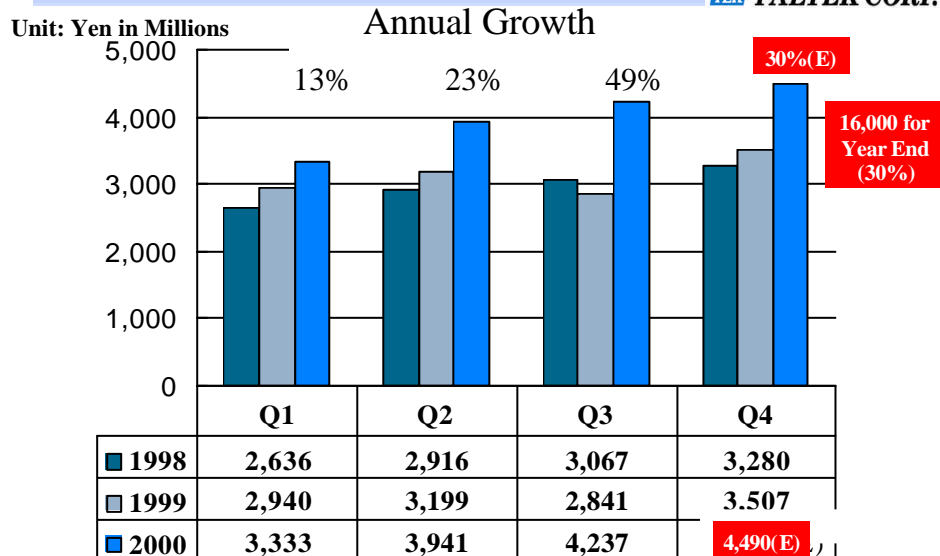
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**\*Note: Figures In Red, Given Orally**

## Sales by Quarter

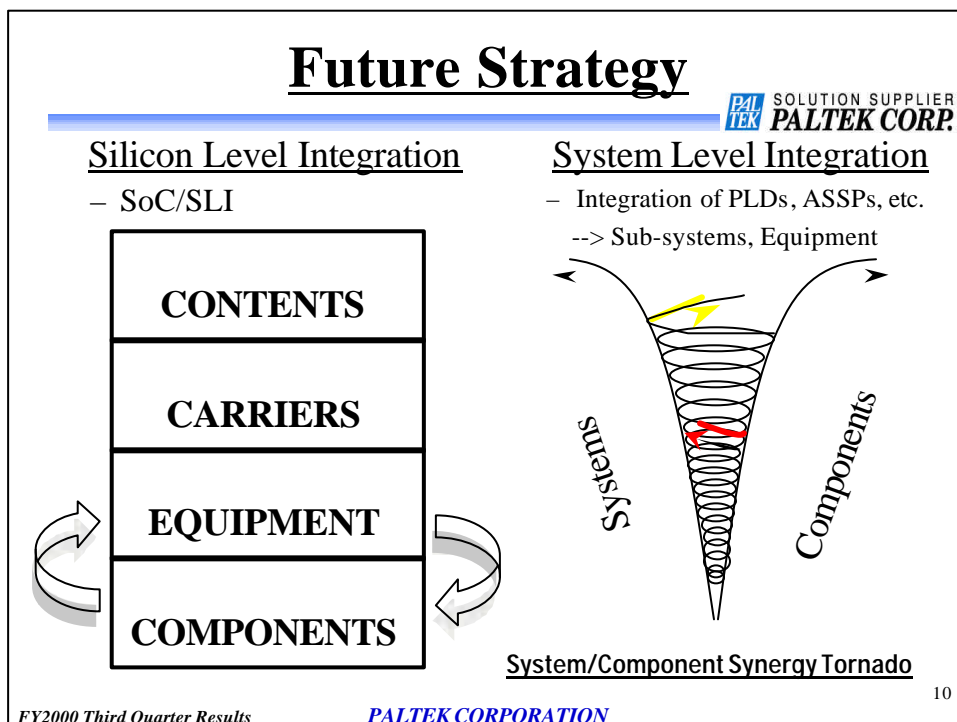
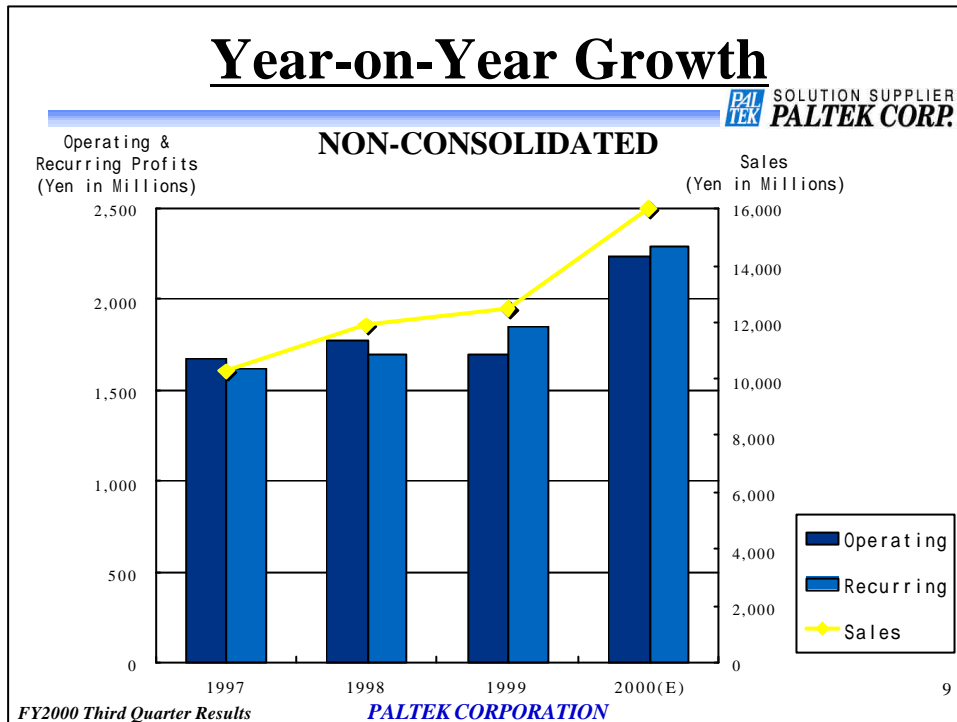
**PALTEK** SOLUTION SUPPLIER  
**PALTEK CORP.**

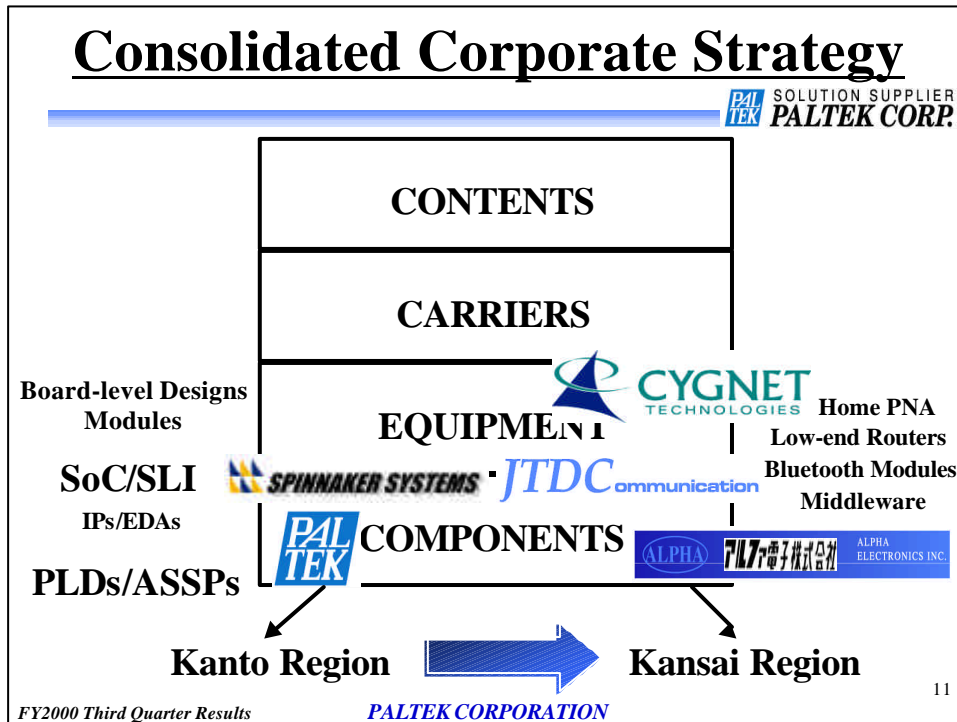


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## Alpha Electronics

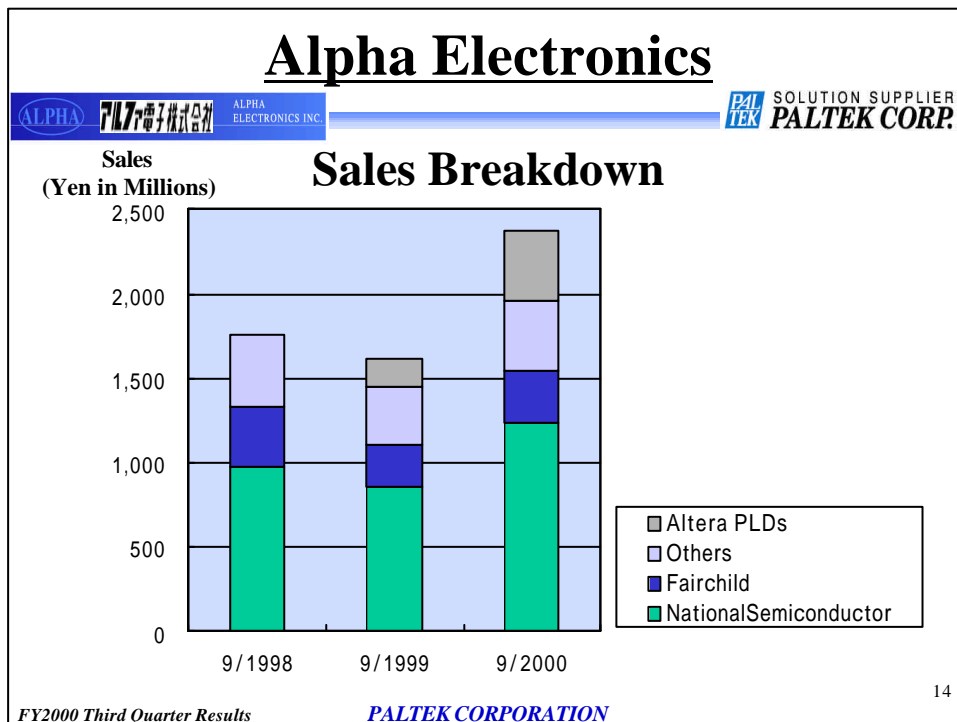
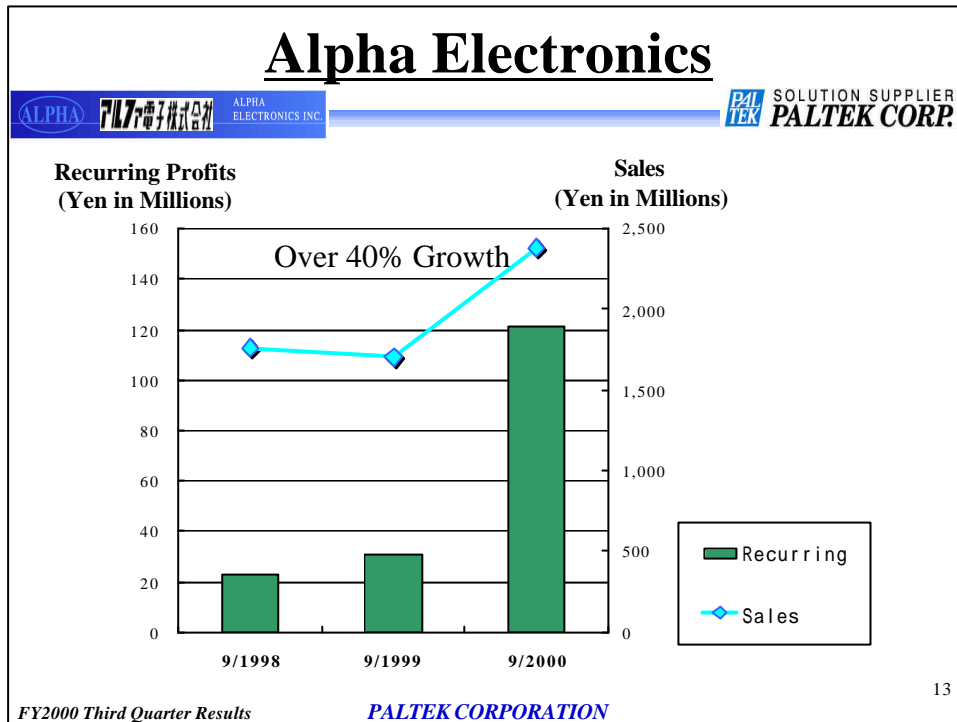
SOLUTION SUPPLIER  
**PALTEK CORP.**

- Fiscal Year End 2000 Completed
  - As of September 30, 2000
  - Posted Record Results, in both Sales and Profits
- Target Market
  - Consumer and Digital Electronics, as centralized in West Japan (Kansai Region)
- Main Customers
  - Sanyo, Omron, Kyocera, Matsushita Group
- Synergistic Effects
  - Strong results in delivering Altera PLDs

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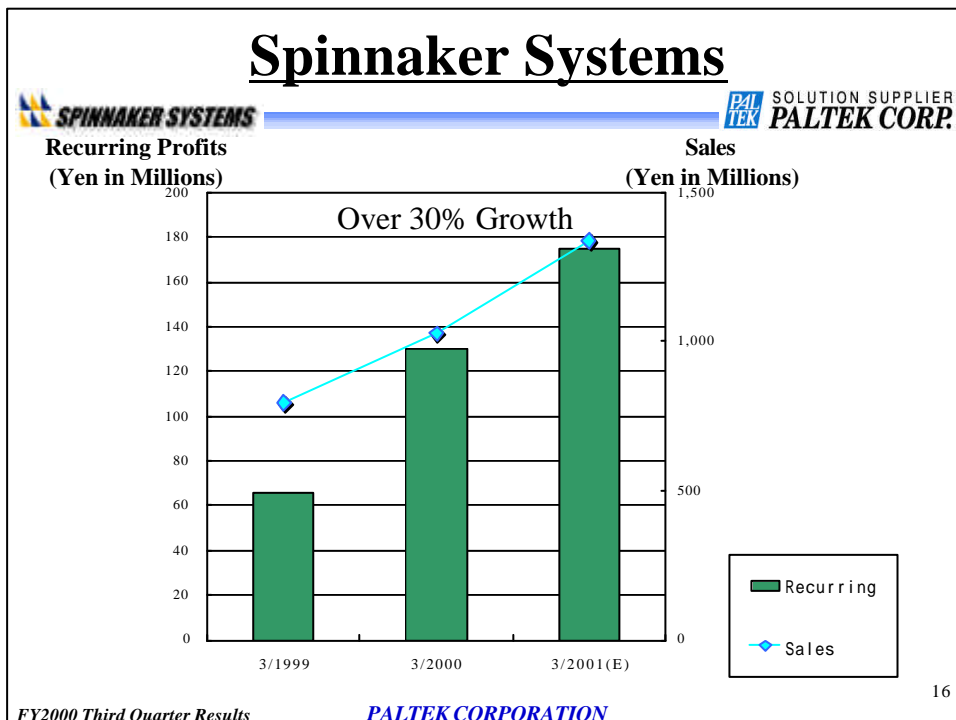
## Spinnaker Systems

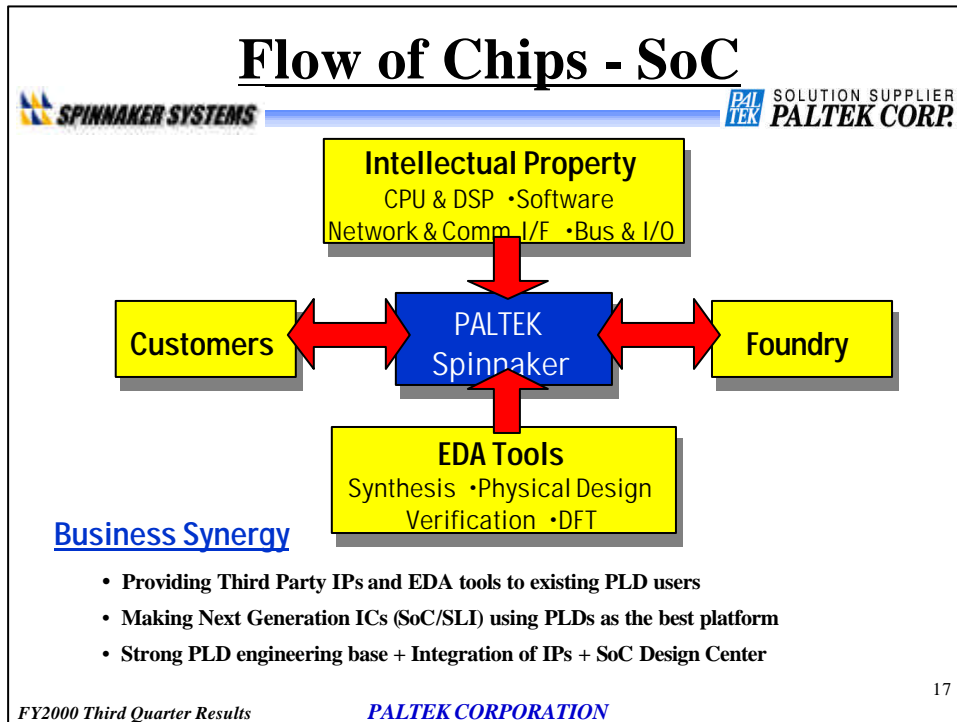



### Target Market

- **Semiconductor Manufacturers**
- **Electronics, Systems, Makers**
  - **New Standards**
    - PCs & Related, Wireless LANs, Networking products
  - **Data Storage**
    - DVD, HDD, Tape
  - **Consumer Goods, Multimedia**
    - MPEG, DSP, MP3, RISC processors

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# 米で脚光

## ビル内通信 高度化請け負い

2000年(平成12年)10月28日(月曜日)

米の通信BLEC (特長)

△サービス  
BLECの専分け。サービスを提供するビルが、建設費は約1000万円に過ぎず、システムに高度化公開済み。今年4-6月期の売上高は330万円。

△クラウドサービス  
ユーザー企業が使用するパソコンの台数等に応じた無償方式など分かりやすい料金体系も提供。今年4-6月期の売上高は197万円。

△BtoB  
有償のクライアント、パークスのほか、マイクログラフなどが対象。通信サービスだけでなく、ウェブ管理などの関連サービスも提供。売り上げ非公表。

(株)パルテック

**Cygnit Technologies**

*Target Market*

Article on BLECs, Building Local Exchange Carriers. BLEC market is forming in the U.S., potential to grow in Japan. Mentions three BLECs in U.S., Cypress Communications, Allied Riser, and Broadband Office.

**中小に的、丸ごと受託**

Nikkei Keizai Shimbun  
of October 2, 2000

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# Cygnet Technologies

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**PALTEK CORP.**

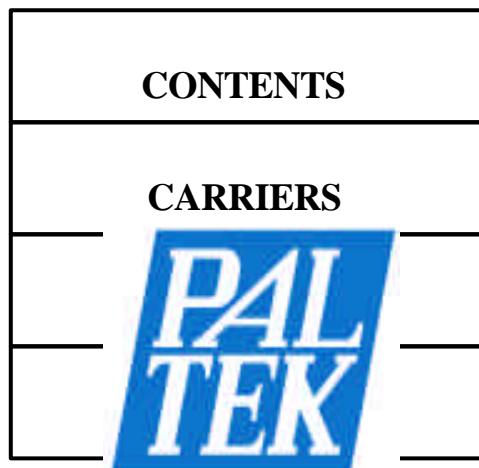
- Focused on the MDU Market (**Multi-Dwelling Unit**)
- Changing of their Business Model
  - From a Design House with Services and Support to a Product Company
- New Management, appointed CEO & President

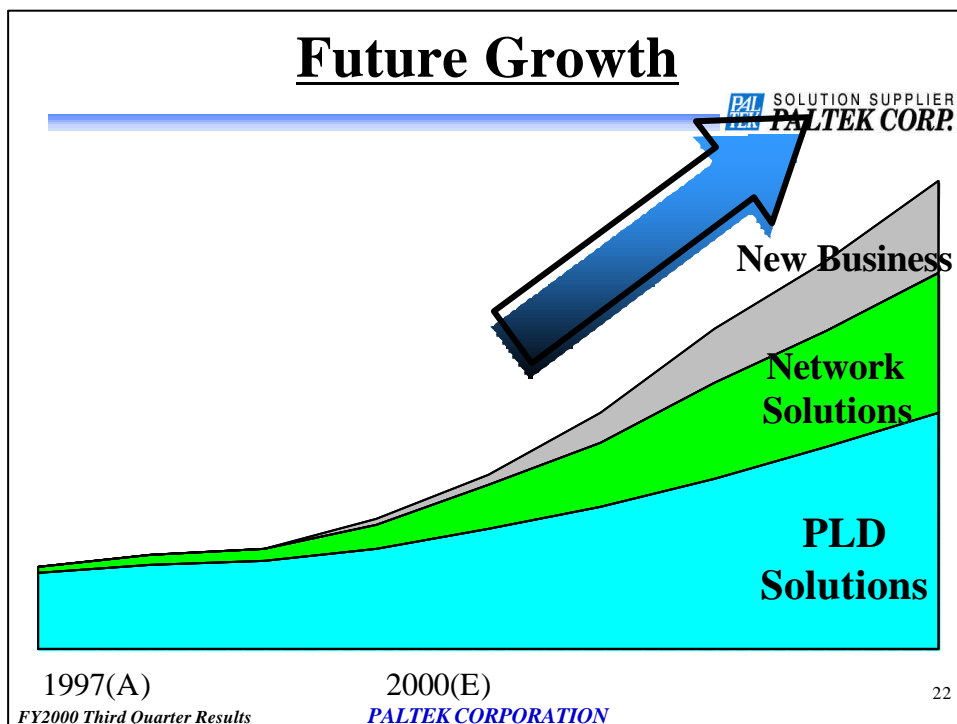
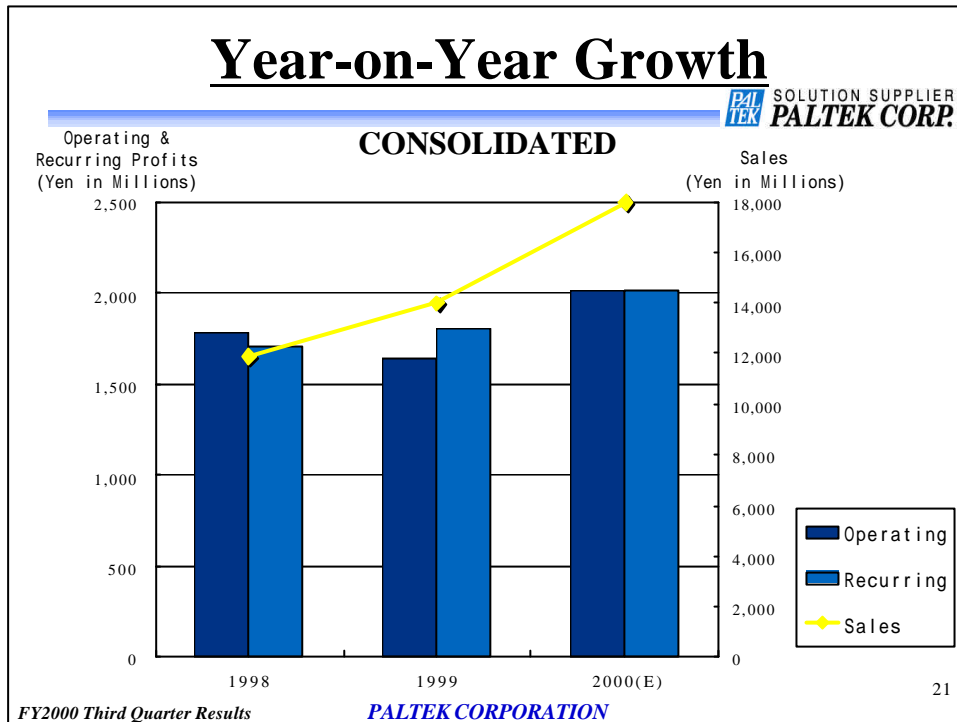
- Home Networks
  - MDU, MTU (Home-PNA 2.0, xDSL), SOHO Routers
- High-Speed LANs
  - Gigabit Ethernet, Network Management

# System Solution Provider

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**PALTEK CORP.**

“A Major Player in the Network Industry”





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***Thank You***

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## **Safe Harbor Disclaimer**

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This presentation may provide projections or other forward-looking looking statements regarding future events and/or future financial performance. We wish to caution you that such statements are just predictions and that actual events or results may differ materially due to changes in the market and/or other business conditions.

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