



PALTEK

(OTC:7587)

Results Explanatory Meeting

***Fiscal Year 2001
Second Quarter, First Half***

FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001

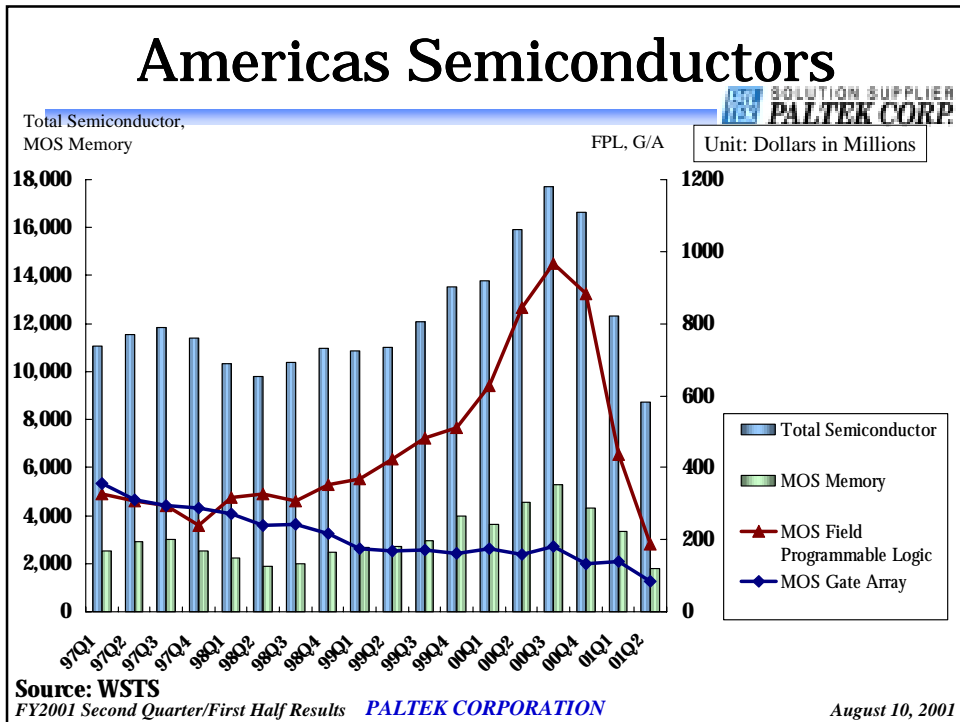
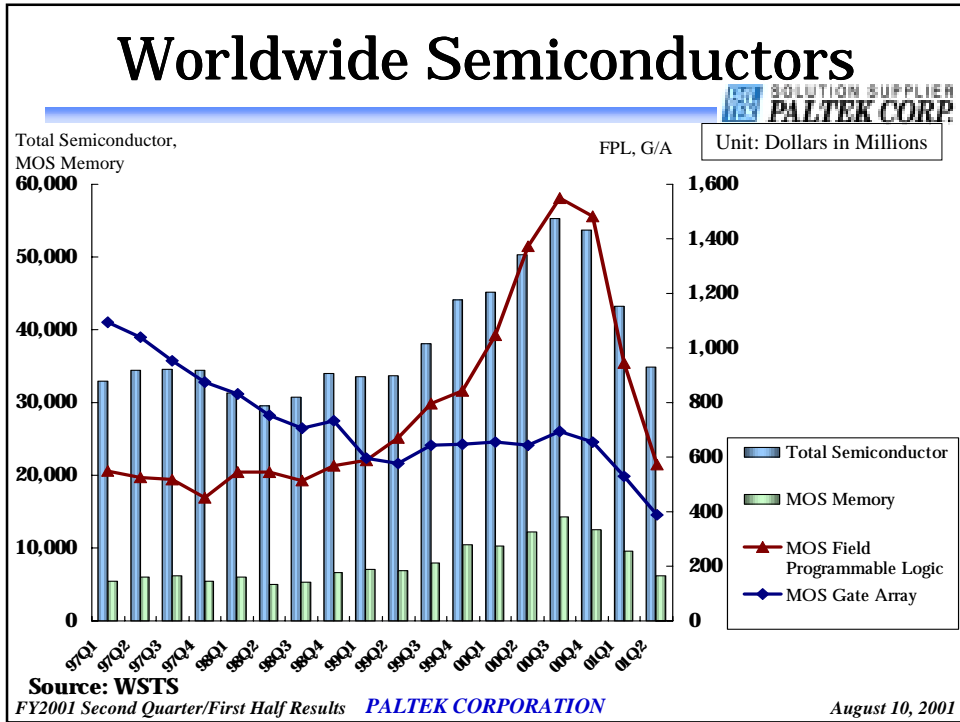
Agenda

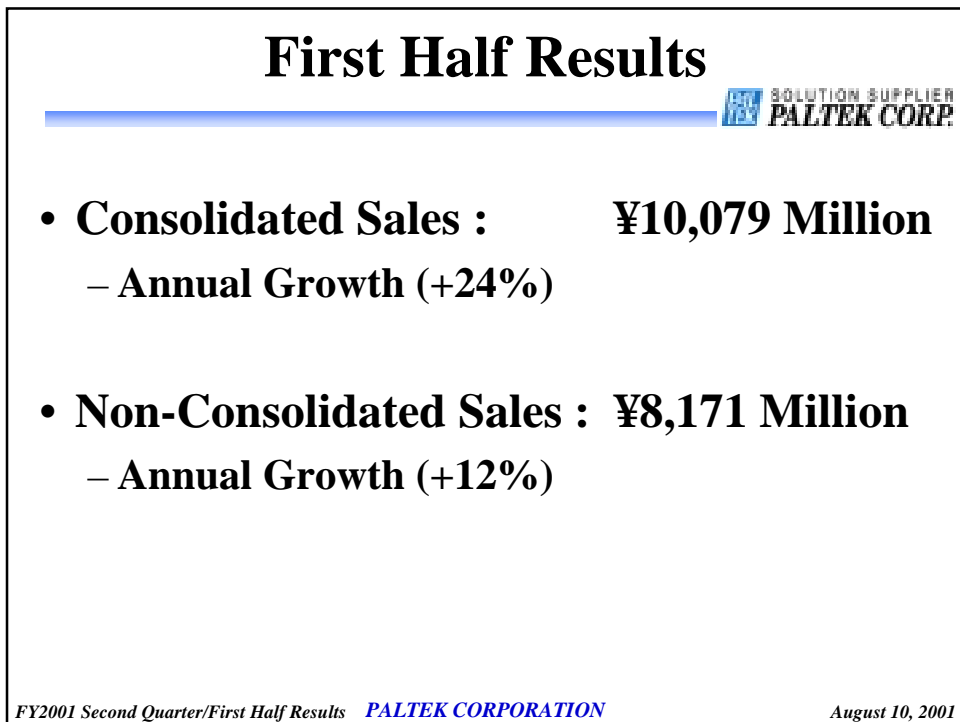
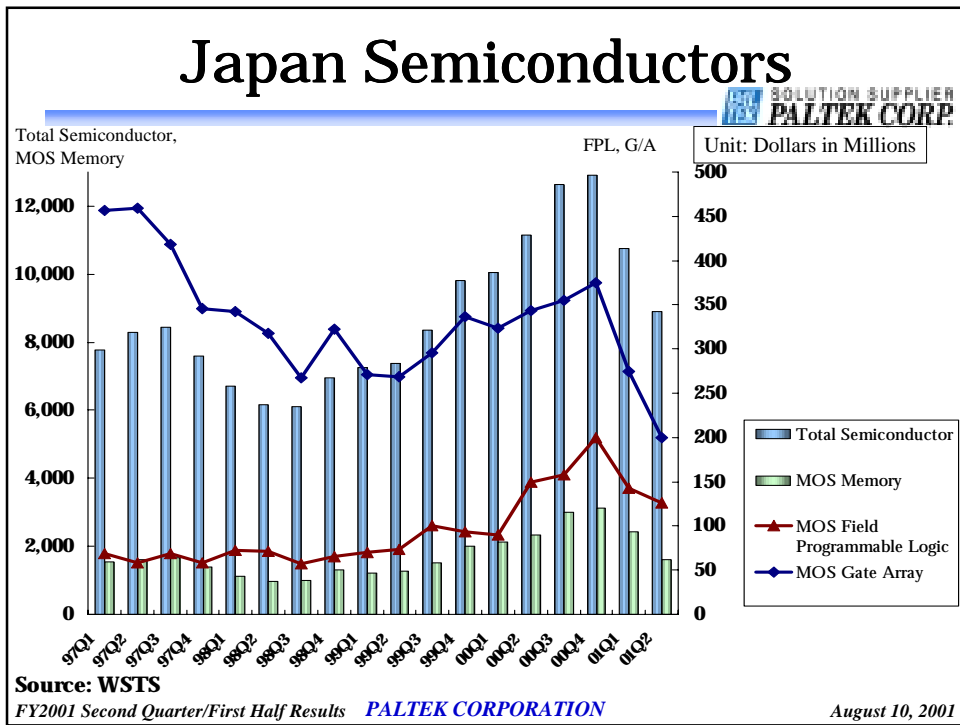


- Semiconductor Market Overview
- First Half Results
- PALTEK Business Conditions (Parent)
- Subsidiaries & New Business Developments
- Year End Projections

FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001





First Half Results



	Unit: Million Yen	Annual Growth
Sales	10,079	24%
Operating Profit	518	△52%
Recurring Profit	454	△60%
Net Profit	63	△91%

Consolidated Results

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August 10, 2001

First Half Results

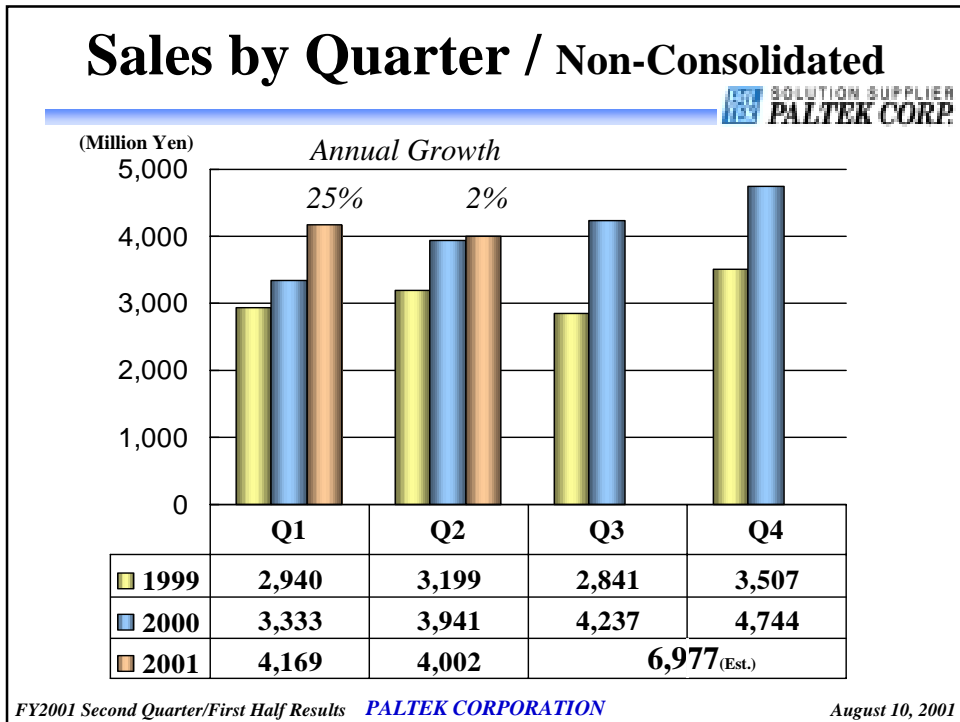
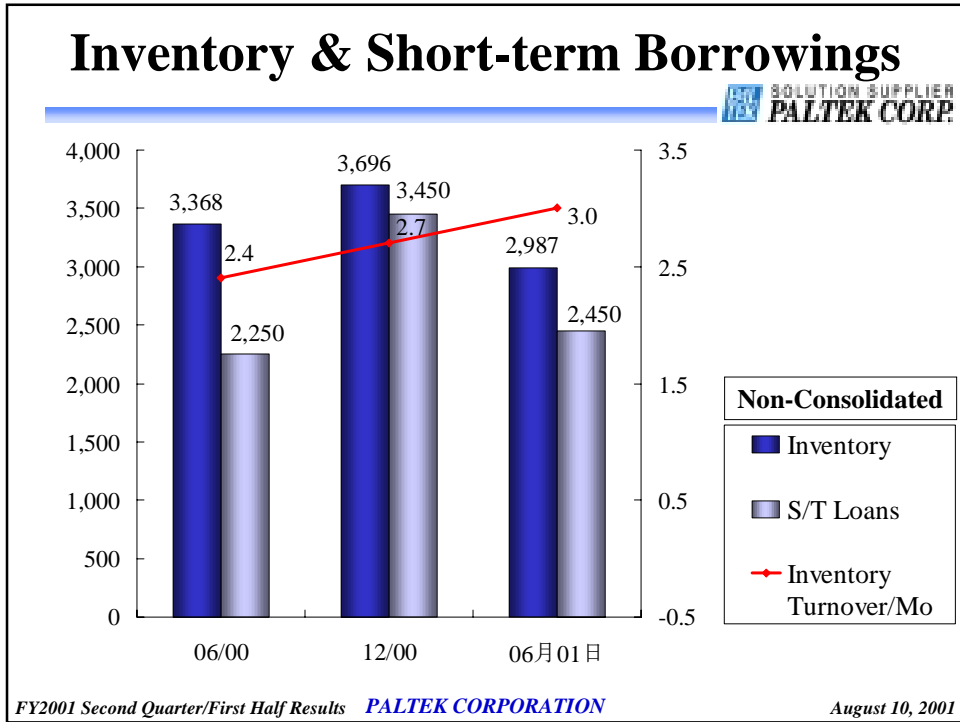


	Unit: Million Yen	Annual Growth
Sales	8,171	12%
Operating Profit	919	△15%
Recurring Profit	846	△26%
Net Profit	500	△28%

Non-Consolidated Results

FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001



Sales Breakdown (First-Half)

SOLUTION SUPPLIER
PALTEK CORP.

Non-Consolidated

- **PLD Solutions**
81% (Annual Growth 6%)
- **NETWORK Solutions**
19% (Annual Growth 60%)

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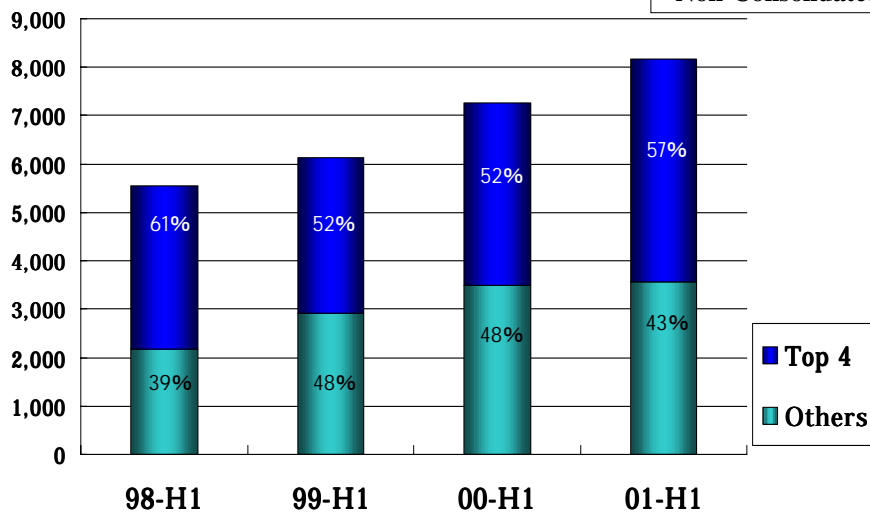
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Sales to Customers Breakdown

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PALTEK CORP.

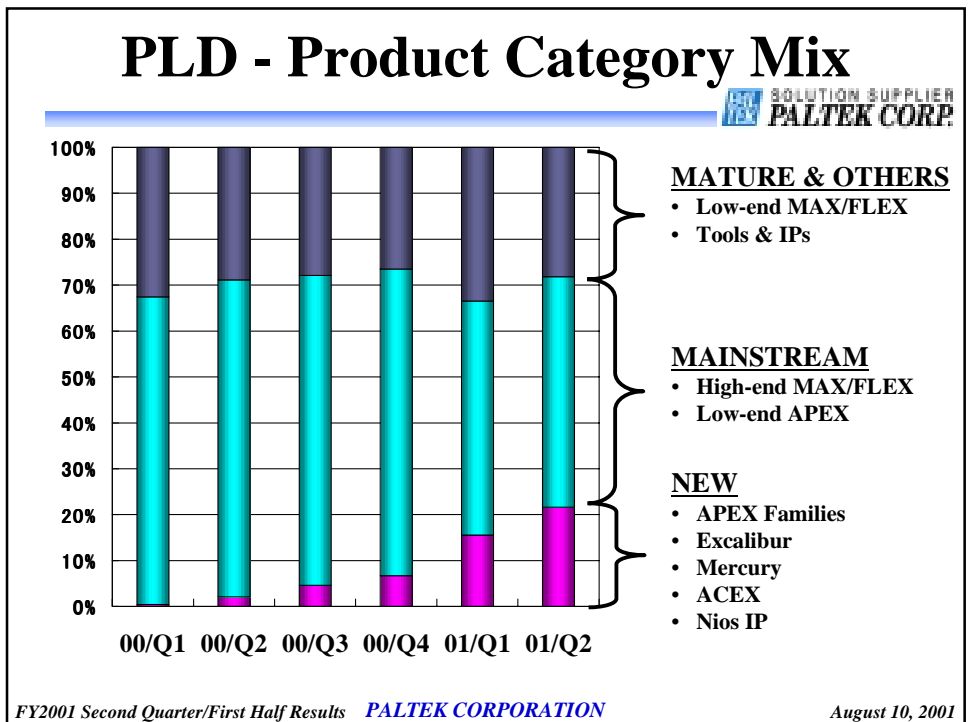
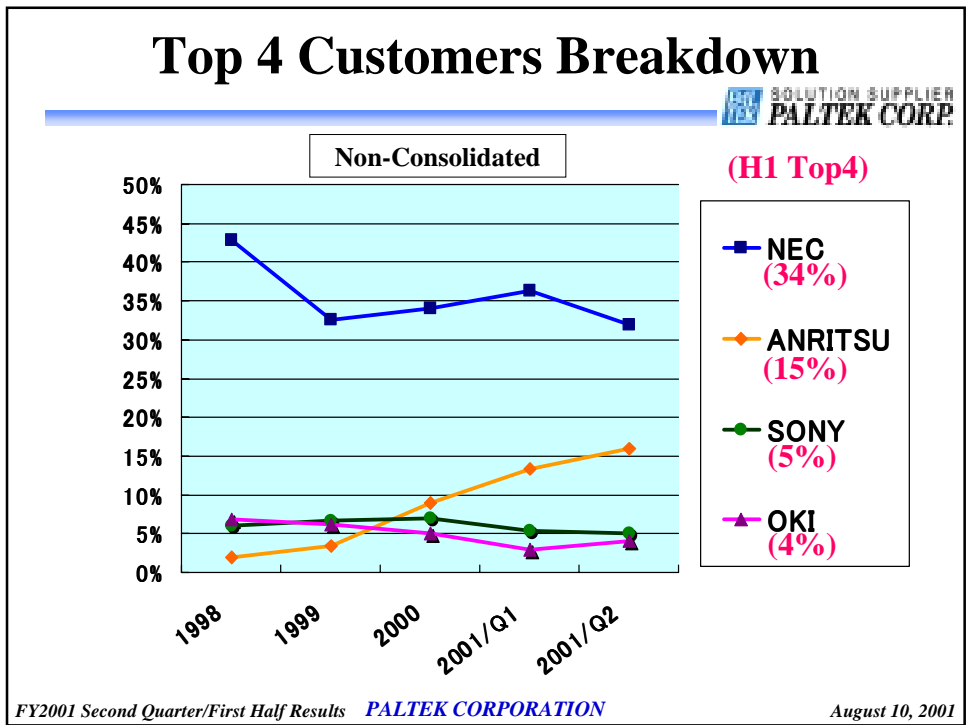
Non-Consolidated

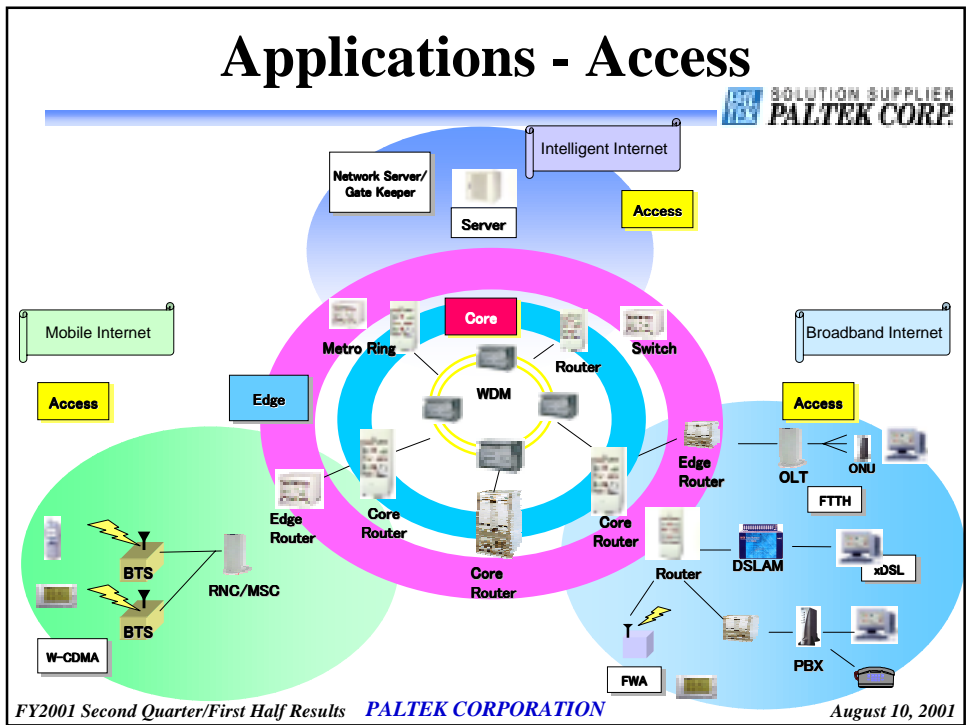
(Unit: Million Yen)



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August 10, 2001





axelec Corporation


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

Name: axelec Corporation
Established: June 1, 2001
Headquarters: 2-3-12 Shin-Yokohama Kouhoku-ku, Yokohama 222-0033 JAPAN
Capital: 10 Million Yen
President: Yoshio Sakurai
Business:
Provides Total Solutions that develop and enable the Broadband Network

- Offerings include Hardware, Software, Support, Consulting Services
 - SAN (Storage Area Network) Technologies
 - Storage Router Technologies
 - Residential Gateway Technologies
 - Home Networking Technologies


Plans to sign on various distributor contracts with suppliers of FTTH, optical and InfiniBand technologies

FY2001 Second Quarter/First Half Results **PALTEK CORPORATION** August 10, 2001



SOLUTION SUPPLIER
axelec

axelec Corporation




SOLUTION SUPPLIER
PALTEK CORP

- **Executive Biography, Yoshio Sakurai**

- **1967 Joined NEC Corporation**
- **1995 Assistant General Manager, Switching Division**
- **1995 General Manager, Access Systems Division**
- **1998 General Manager, Engineering Division, NEC Communication Systems Co., Ltd.**
- **1999 Vice President, NEC Communication Systems Kyushu Co., Ltd.**
- **2001 Joined PALTEK Corporation**
- **2001 Established *axelec* Corporation, President&CEO**


FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001





SOLUTION SUPPLIER
axelec

axelec Corporation




SOLUTION SUPPLIER
PALTEK CORP

<u>Company:</u>	PLX Technology, Inc.	
<u>Website:</u>	www.plxtech.com	
<u>Founded:</u>	1986	
<u>Located:</u>	Sunnyvale, California	
<u>Listed:</u>	Nasdaq: PLXT	
<u>Revenues:</u>	\$65 Million in 2000	
<u>Solutions:</u>	High-speed interconnect silicon & software, for PCI-based designs (Industry standard) <i>(PCI - Peripheral Component Interconnect)</i>	
<u>Customers:</u>	Communication Equipment Makers (Cisco, Lucent, Nortel, etc.)	




FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001





SOLUTION SUPPLIER
axelec

axelec Corporation




SOLUTION SUPPLIER
PALTEK CORP

<p><u>Company:</u></p> <p><u>Website:</u></p> <p><u>Founded:</u></p> <p><u>Located:</u></p> <p><u>Listed:</u></p> <p><u>Revenues:</u></p> <p><u>Solutions:</u></p> <p><u>Customers:</u></p>	<p>NETsilicon, Inc.</p> <p>www.netsilicon.com</p> <p>1984</p> <p>Waltham, Massachusetts</p> <p>Nasdaq: NSIL</p> <p>\$38 Million in 2000 (est.)</p> <p>Ethernet Microprocessing Solutions Package Ethernet Interface (ARM + Ethernet) Connecting equipment to Network/Ethernet</p> <p>Nortel Networks, NEC, Kyocera, Ricoh, Sharp, Mitsubishi Electric, Minolta, Konica, etc.</p>	 
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August 10, 2001



CYGN
TECHNOLOGIES



SOLUTION SUPPLIER
PALTEK CORP

Technologies offered by Cygnet

<http://www.cygnetc.com>

- **VDSL** (Very High Bit-Rate Digital Subscriber Line)
 - Over 10Mbps
- **HPNA 2.0** (Home Phoneline Networking Alliance)
 - Less than 10Mbps
- **Gigabit Ethernet**

***Technology Tie-up with Novell,
Joint Development Contract***

Novell “BrainShare” Conference Participant
(<http://www.paltek.co.jp/corp/cygnetc/index.htm>)

FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

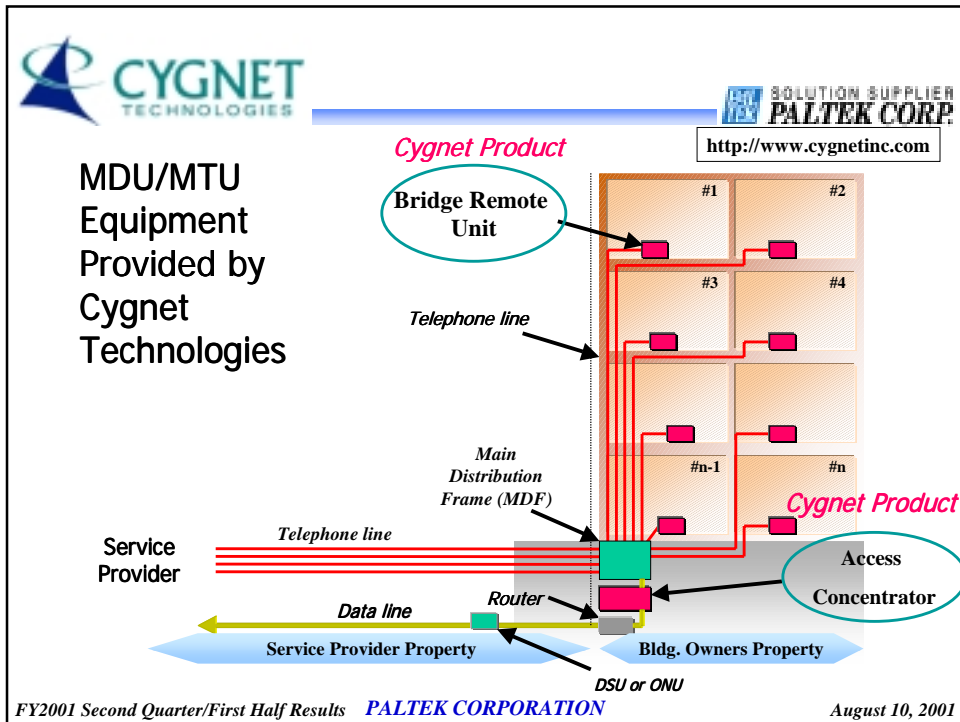
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CYGNET TECHNOLOGIES SOLUTION SUPPLIER **PALTEK CORP.**
<http://www.cygnetic.com>

Bridge Remote Unit Access Concentrator

Cygnet Software

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HYPER-PALTEK

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<http://www.hyper-paltek.com>

- First Accredited **BQTF (Bluetooth Qualification Test Facility)** Worldwide, and in North America
- One of four accredited laboratory facilities worldwide
 - **HYPER** is the only one in North America
- **HYPER-PALTEK** targets becoming a **BQTF** by year end 2001

Worldwide **Bluetooth** Qualified Products (BQB): 200~300 items

- In Japan: 10% of Worldwide
- **HYPER-PALTEK** already has 20 qualifications in process
- HYPER-PALTEK takes majority share of Qualifications in Japan***

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August 10, 2001



Spinnaker Systems

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<http://www.spinnaker.co.jp>

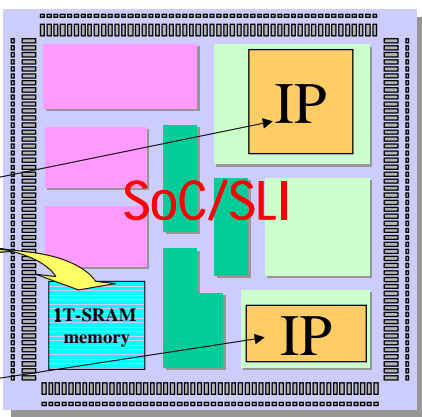
Various IPs

-- *Recipe*

IP

1T-SRAM memory

IP



SoC/SLI

Best Platform: PLDs

EDA TOOLS

-- *Cooking Tools*

-- 3rd Party EDA Tools


SoC Design

-- *Chef, Kitchen*

-- Design Engineers


-- Design Center, Lab

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August 10, 2001



MoSys - The SoC Embedded Memory

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<http://www.mosysinc.com>

Monolithic System Technology, Inc.
NASDAQ: (MOSY) IPO on June 28, 2001

1T-SRAM: Revolutionary Memory Technology

Two to three times as dense as traditional SRAMs
& consumes significantly less power

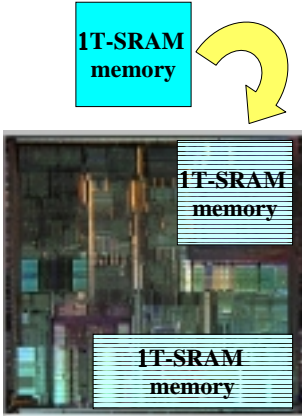
- 1) High Density
- 2) Low Power Consumption
- 3) High Speed
- 4) Low Cost

Product:

- 1) IP (License) -- Fit large memory into SoC design
- 2) Semiconductor (Memory) -- For Volume Shipments

Customers: Tier One Electronics, Semiconductor, and Foundry Companies

Markets: Communications
Consumer Electronics



FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001



Announced Partners

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<http://www.mosysinc.com>

Through partnerships, MoSys is expanding the availability of the 1T-SRAM technology throughout the semiconductor market









Foundry Companies :

Our foundry partners enable us to provide silicon proven 1T-SRAM technology in the most popular processes to fabless semiconductor companies.


Partners like Spinnaker :

Other partnerships enable MoSys to provide the 1T-SRAM technology in the form of memory compilers.


Development of SoC/SystemLSI


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August 10, 2001




Announced Licensees





<http://www.mosysinc.com>

Next Generation SoCs for Communications/Electronics Market




MoSys licenses its 1T-SRAM memory technology intellectual property to semiconductor and systems companies including those on this page for the development of Systems On Chips (SOCs).



These SOC's cover a wide range of applications in the communications and consumer electronics markets.

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August 10, 2001

Alpha Electronics



<http://www.alpha-denshi.co.jp>

- **First Half Sales: ¥1,667 Mil (59%)**
- **Year End Sales: ¥3,353 Mil (41%)**

- **Strong digital consumer demand, customers like SANYO**

FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001

Year End Projections



	Unit: Million Yen	Annual Growth
Sales	18,947	1%
Operating Profit	654	△69%
Recurring Profit	576	△73%
Net Profit	72	△94%

Consolidated Results

FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001

Year End Projections



	Unit: Million Yen	Annual Growth
Sales	15,148	△7%
Operating Profit	1,142	△49%
Recurring Profit	1,064	△54%
Net Profit	627	△53%

Non-Consolidated Results

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August 10, 2001

Safe Harbor Disclaimer



This presentation may provide projections or other forward-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.

FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001

IR Contact



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FY2001 Second Quarter/First Half Results **PALTEK CORPORATION**

August 10, 2001