

**(Translation)**

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### **Infineon Technologies Japan and PALTEK Corporation Enter Into Distribution Agreement**

Infineon Technologies Japan, a subsidiary of Infineon Technologies AG based in Munich, Germany, and PALTEK Corporation have signed the distribution agreement on the sales of application-oriented semiconductors, which are popularly used in applications like wired and wireless communication equipment, security-related and industry-related applications.

Utilizing strong expertise in the application specific semiconductor market, which includes PLDs and ASSPs, PALTEK Corporation intends to provide highly skilled technical support to Infineon's ASIC and ASSP users. Actual distribution services will commence in January , 2002. It is expected that the new agreement will allow us to boost our sales of the network-related products as well as the security and industry-related products.

Infineon Technologies AG was founded on April 1, 1999, as a wholly owned subsidiary of Siemens company and receive international attention as one of the largest semiconductor companies in Europe. Infineon Technologies Japan is conducting all sales operation of Infineon Technologies AG in Japan. They started their business as a distributor of Siemens' semiconductor products in Japan under the name of Siemens components K.K. In September 1999, they became a wholly owned company of Infineon Technologies AG and changed their company name to Infineon Technologies Japan. By teaming up with PALTEK Corporation, Infineon Technologies Japan expects to strengthen market presence in Japan.

PALTEK Corporation is a solution supplier of Programmable Logic Devices (PLDs) produced by San Jose-based Altera Corporation. It has been providing the total support from development to designs for the Japanese communication equipment manufacturers since the foundation of the company in 1982. It is our strong belief that this distribution contract with Infineon Technologies will give the two companies the strong synergy effects not only in the communication market but also in the broad markets.

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### **About Infineon**

Infineon Technologies AG, Munich, Germany, offers semiconductor and system solutions for applications in the wired and wireless communications markets, for security systems and smart cards, for the automotive and industrial sectors, as well as memory products. In the fiscal year 2001 (ending September), the Company achieved sales of Euro 5.67 billion with about 33,800 employees worldwide. Infineon's shares are listed on the Frankfurt Stock Exchange and its ADSs (American Depositary Shares) are listed on the New York Stock Exchange since March 2000. Business operation in Japan is conducted by Infineon Technologies Japan which is wholly owned by Infineon Technologies AG. Further information is available at <http://www.infineon.com>.

### **About PALTEK**

Since the foundation in 1982, PALTEK Corporation has been providing Programmable Logic Devices (PLDs) produced by the San Jose-based Altera Corporation. Based on the sound business performance, PALTEK made initial public offering of stock on JASDAQ in 1998. PALTEK's philosophy is expressed in the phrase of "Kyo-Sei", or "cooperative growth" and is continuously making effort to link people and technologies worldwide and foster common growth through business activities. Further information is available at <http://www.paltek.co.jp>.

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