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The First Quarter Results for the fiscal year Ended December 2003

PALTEK Corporation today announced the results for the first quarter (from January 1, 2003 through March 31, 2003) of fiscal year 2003, ended March 31, 2003. Please be advised that these results are not audited, and the figures are not adjusted as in the annual and interim report.

1. Summary of Consolidated Results

(1) Business Performance

(round-down to millions of yen)

	January. 1, 2003 – Mar. 31, 2003	January. 1, 2002 - December. 31, 2002
	millions	millions
Net Sales	4,634	15,614
Operating Income	445	660
Ordinary Income	508	762

(note) This is the first time for PALTEK to disclose the first quarter results in this manner, therefore the comparison to the previous year in the same time frame is not possible. Please note that the figures for the previous year shown above cover the entire year.

(2) Assets and Liabilities

(round-down to millions of yen)

	As of Mar. 31, 2003	As of December. 31, 2002	Increase
(Assets)	millions	millions	millions
Cash and bank deposits	1,897	1,187	710
Notes and accounts receivable	4,787	4,670	117
Inventories	3,596	3,411	185
(Liabilities)			
Notes and accounts payable	1,415	1,292	123
Short term bank loans	2,078	1,524	554

(note) This is the first time for PALTEK to disclose the first quarter results in this manner, therefore the comparison to the previous year in the same time frame is not possible. Please note that the figures for the previous year shown above cover the entire year.

2. Summary of Non-Consolidated Results

(1) Business Performance

(round-down fractions to million yen)

	January. 1, 2003 – Mar. 31, 2003	January. 1, 2002 - December. 31, 2002
Net Sales	3,706 millions	11,554 millions
Operating Income	378	884
Ordinary Income	438	988

(note) This is the first time for PALTEK to disclose the first quarter results in this manner, therefore the comparison to the previous year in the same time frame is not possible. Please note that the figures for the previous year shown above cover the entire year.

(2) Assets and Liabilities

(round-down fractions to million yen)

	As of Mar. 31, 2003	As of December. 31, 2002	Increase
(Assets)	millions	millions	millions
Cash and bank deposits	1,280	746	534
Notes and accounts receivable	3,956	3,912	44
Merchandise	3,295	3,113	182
(Liabilities)			
Notes and accounts payable	1,051	1,082	31
Short term bank loans	1,750	1,150	600

(note) This is the first time for PALTEK to disclose the first quarter results in this manner, therefore the comparison to the previous year in the same time frame is not possible. Please note that the figures for the previous year shown above cover the entire year.

3. Outline of Results (the period from January 1, 2003 to March 31, 2003)

During the first quarter of FY2003, industrial equipments including broadcasting-related products and consumer equipment including mobile phones showed active demand. In addition, new product families of Altera PLD (Programmable Logic Device) showed strong sales. With these favorable results, net sales in the first quarter are 4,634 million yen.

Our efforts in strengthening corporate structure and cost reduction since 2001 are showing strong results in our profits this quarter. Operating income was 445 million yen (operating income ratio: 9.6%) while ordinary income was 508 million yen (ordinary income ratio: 10.9%).

Short-term borrowings were increased in preparation for future financial requirement of further business expansion.

Business environment surrounding PALTEK is still uncertain due to continued capital investment cutback in the information and telecommunications market and realignment of our major customers in the industry. In consideration of these factors, we maintain the business forecast for FY2003 as announced on February 18, 2003.

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Questions concerning this Press Release:

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