

(Translation)

To All Persons Concerned

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PALTEK Issues Revised Business Forecast for FY2005 (ending December 31, 2005)

PALTEK Corporation today issued revised consolidated and non-consolidated business forecasts for the fiscal year ending December 31, 2005, from those announced on February 14, 2005. The key points are as in the table below.

1. Consolidated Forecast

(1) Fiscal Year 2005 Revisions (January 1, 2005 – December 31, 2005)

(Yen in Millions)

	Sales	Operating Profit	Recurring Profit	Net Income
Previous Forecast (A)	20,900	865	804	463
Revised Forecast (B)	19,500	770	600	417
Increase/Decrease Amount (B-A)	-1,400	-95	-204	-46
Increase/Decrease Percentage (%)	-6.7	-11.0	-25.4	-9.9

(2) For Reference: Previous Year's Results (January 1, 2004 – December 30, 2004)

(Yen in Millions)

	Sales	Operating Profit	Recurring Profit	Net Income
Full-Year (1/1-12/31)	19,355	798	935	483

2. Non-Consolidated Forecast

(3) (1) Fiscal Year 2005 Revisions (January 1, 2005 – December 31, 2005)

(Yen in Millions)

	Sales	Operating Profit	Recurring Profit	Net Income
Previous Forecast (A)	17,500	704	666	395
Revised Forecast (B)	16,150	606	473	348
Increase/Decrease Amount (B-A)	-1,350	-98	-193	-47
Increase/Decrease Percentage(%)	-7.7	-13.9	-29.0	-11.9

(2) For Reference: Previous Year's Results (January 1, 2004 – December 31, 2004)

(Yen in Millions)

	Sales	Operating Profit	Recurring Profit	Net Income
Full-Year (1/1-12/31)	15,697	673	845	484

3. Reason for Revision

Revenue is expected to fall short of the initial guidance announced on February 14th, 2005. The shortfall is mainly due to delayed market recovery in several market segments, namely digital consumer and communication applications.

Operating income is expected to fall short accordingly as revenue falls short although cost saving measures continue.

Loss from exchange rate fluctuation is recorded during the first half of 2005 and will impact ordinary income throughout the fiscal year.

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Questions concerning this Press Release

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