

(Translation)

To All Persons Concerned

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PALTEK SIGNS DISTRIBUTION AGREEMENT WITH XILINX

PALTEK Corporation (“PALTEK”) announced today that it has formally signed a distribution agreement with Xilinx Inc..

1. Purpose and Contents of the Distribution Agreement

PALTEK and Xilinx previously announced that the two companies signed a letter of intent to enter into a distribution agreement last November. Today, the two companies formally concluded and signed the distribution agreement.

Since the foundation in 1982, PALTEK Corporation has been providing silicon and software solutions to Japanese electronics manufacturers. PALTEK started the distribution and services of Programmable Logic Devices (PLDs) in 1985 when PLD was just introduced to the market. The company grew successfully by contributing to the acceptance and expansion of the PLDs in Japanese market. The PLD market is expanding rapidly in Japan and, at the same time, the market is diversifying as well as increasing as the application coverage is growing from the traditionally strong communication field to the new fields of consumer, industrial and even to automotive applications.

The distribution agreement between Altera Corporation and PALTEK will be terminated as of March 31, 2006, as previously announced on November 16, 2005.

Upon the conclusion of the distribution agreement with Xilinx, the global PLD leader, PALTEK plans to expedite business development by taking advantage of its strong track records of customer support and its capabilities of system-based solution. Starting February 1, 2006, PALTEK will commence marketing Xilinx products, with shipments beginning April 1, 2006. Due to the above mentioned change of PLD suppliers, some temporary impact is expected..

2. Information about Xilinx Inc.

(1) Name	Xilinx Inc
(2) Business	Design, develop and market PLD solutions
(3) Founding	1984
(4) Location	San Jose, California, USA
(5) President	William P. Roelandts, President, CEO and Chairman of the Board of Directors
(6) Shareholder’s Equity	\$2,673 million (FY2005)
(7) Revenue	\$1,573 million (FY2005)

3. Revenue and Profit Estimate from the Agreement

PALTEK plans to announce the estimate for fiscal year 2006 at the time of the fiscal year 2005 announcement, currently scheduled on February 14, 2006.

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Questions concerning this Press Release

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