

(Translation)

To All Persons Concerned

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PALTEK Issues Revised Forecast for FY2006 (Ending December 31, 2006)

PALTEK Corporation today issued revised consolidated and non-consolidated business forecasts for the fiscal year ending December 31, 2006, from those announced on October 30, 2006. The key points are in the tables below.

1. Consolidated Forecast for Fiscal Year 2006

(1) Fiscal Year 2006 Revisions (January 1, 2006 – December 31, 2006)

(Yen in Millions)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	14,340	-500	-210	-140
Revised Forecast (B)	14,730	-410	-40	-60
Increase/Decrease Amount (B-A)	390	90	170	80
Increase/Decrease Percentage (%)	2.7	18.0	81.0	57.1

(2) For Reference: Previous Year's Results (January 1, 2005 – December, 2005)

(Yen in Millions)

	Net Sales	Operating Income	Ordinary Income	Net Income
Full-Year (1/1-12/31)	17,946	541	373	243

2. Non-Consolidated Forecast for Fiscal Year 2006

(1) Fiscal Year 2006 Revisions (January 1, 2006 – December 31, 2006)

(Yen in Millions)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	6,320	-720	-410	-260
Revised Forecast (B)	6,540	-720	-400	-250
Increase/Decrease Amount (B-A)	220	0	10	10
Increase/Decrease Percentage (%)	3.5	0	2.4	3.8

(2) For Reference: Previous Year's Results (January 1, 2005 – December 31, 2005)

(Yen in Millions)

	Net Sales	Operating Income	Ordinary Income	Net Income
Full-Year (1/1-12/31)	14,774	402	259	174

3. Reason for Revision

Sales is expected to be slightly higher than the previous guidance due to strong sales from memory products as well as analog products. The loss from operation is expected to be reduced due to higher sales level as well as continuous cost saving efforts. As for ordinary loss, in addition to improvement in operating loss, the value of a derivative security product, employed at NS Microelectronics, has appreciated due to weaker yen and resulted in contributing to the reduction of the ordinary loss and the net loss is reduced accordingly.

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This release provides 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.

Questions concerning this Press Release

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