

(Translation)

To All Persons Concerned

Tadahito Takahashi, President
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Notice about the merger of two consolidated subsidiaries

PALTEK Corporation announced that a resolution was passed at the Board of Directors' meeting held on December 8, 2008, that 2 wholly owned subsidiaries, Alpha Electronics, Inc. ("Alpha") and NS Microelectronics Co., Ltd. ("NSM"), are to be merged into PALTEK Corporation. The details of the merger are as follows.

1. Purpose and details of merger

In the electronics industry PALTEK Group operates and provides products and services, because of the needs of higher performance and high speed on many electronics applications, more and more customers are requesting system-based solutions from semiconductor distributors beyond selling individual parts. Amid such increasing trend, PALTEK wishes to consolidate all sales and engineering resources to strengthen its engineering support and system-based solution capabilities. Additionally, consolidation of office locations and logistics will result in more efficient and cost competitive business operations.

By this merger, PALTEK aims to deliver greater management efficiency and a stronger business base.

2. Summary of merger

(1) Schedule

Board of directors' meeting regarding resolution of merger	December 8, 2008
Signing of merger contract	December 8, 2008
Approval of merger at general assembly of shareholders	March 28, 2009 (tentative)
Effective date of merger	April 1, 2009

(2) Method of merger

Alpha and NSM are to be merged into PALTEK. Alpha and NSM are to be dissolved.

(3) Ratio of merger

Alpha Electronics and NS Microelectronics are 100% owned subsidiaries. Therefore, PALTEK does not issue share warrant and there will be no increase in paid-in capital.

(4) Deal with share warrant and convertible bond issue by Alpha and NSM

Alpha and NSM do not issue share warrant and convertible bond.

3. Outline of companies involved in merger (as of December 31, 2007)

(1) Name of Company	PALTEK Corporation (merging company)	Alpha Electronics (company to be merged)	NS Microelectronics (company to be merged)
(2) Major business segments	Distribution of semiconductors and design services	Distribution of semiconductors	Distribution of semiconductors
(3) Date of establishment	October 14, 1982	September 4, 1974	February 24, 1997
(4) Head office	Shin-Yokohama 2-3-12 Kohoku-ku, Yokohama City Kanagawa	Esaka-cho 1-14-33 Suita City, Osaka	Shibaura 3-16-1 Minato-ku, Tokyo
(5) Representative	President and CEO Tadahito Takahashi	President Katsuya Matsui	President Yukihiko Maruyama
(6) Paid-in-capital	1,339 (millions of yen)	97 (millions of yen)	90 (millions of yen)
(7) Number of shares issued	11,849,899	119,000	1,800
(8) Total shareholders' equity	7,910 (millions of yen)	720 (millions of yen)	603 (millions of yen)
(9) Total assets	9,561(millions of yen)	1,201(millions of yen)	3,795(millions of yen)
(10) Fiscal term	December 31	December 31	December 31
(11) Name of major shareholders and investment ratio	Tadahito Takahashi 21.65% Bank of New York 8.70% GCM client accounts EISG Dave Brauer 6.54% Bank of New York 5.21% Europe Limited Luxembourg 131800 Endeavor Limited 5.00%	PALTEK 100%	PALTEK 100%

4. Outline of PALTEK Corporation following the merger

(1) Name of Company	PALTEK Corporation
(2) Major Business Segments	Marketing and Distribution of semiconductors and design services
(3) Head Office	Shin-Yokohama 2-3-12, Kohoku-ku, Yokohama City, Kanagawa
(4) Representative	President and CEO Tadahito Takahashi
(5) Paid-in Capital	1,339 million yen (There will be no increase in Paid-in capital due to this merger)
(6) Fiscal Term	December 31
(7) Impact on financial forecasts	There is little impact to be caused by this merger

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Questions concerning this Press Release

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