

(Translation)

To All Persons Concerned

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## **Distribution Agreement to be terminated between National Semiconductor Japan and PALTEK**

PALTEK Corporation (“PALTEK”) today announced that the distribution agreement between National Semiconductor Japan, Ltd. (“NSJ”) and PALTEK would be terminated as of March 31, 2011.

### 1. Notice

PALTEK Group has served as a distributor for NSJ in Japanese market since 1998. Due to changes of distribution policies by NSJ, NSJ has notified its decision to terminate the distribution agreement with PALTEK effective March 31, 2011.

### 2. Details

(1)	Supplier Name	National Semiconductor Japan, Ltd.
(2)	Types of Agreement	Distribution of National Semiconductor products
(3)	Sales and its ratio to the total Sales	¥3,027 Million Yen (20.5% of Consolidated Sales) (Fiscal Year 2009)
(4)	Terms and Conditions of Termination	The distribution agreement between NSJ and PALTEK is to be terminated effective March 31, 2011 in Japan. Detailed terms and conditions are being discussed.

### 3. Impacts to the current fiscal year

There is minimum impact expected on this current fiscal year by the upcoming termination of the agreement.

### 4. Future Prospects and Plans

PALTEK has built strong business by utilizing its engineering expertise and system-based solutions. The Company will continue to drive analog business as well as other business by strengthening the sales promotion of other existing products and bringing new product lines.

(Reference) Current Guidance of Fiscal Year 2010 (announced on August 10, 2010) and FY2009

(Unit: Million yen)

	Sales	Operating Income	Ordinary Income	Net Income
Current FCST (FY2010)	17,200	265	285	155
FY2009	14,762	(182)	(103)	(60)

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Questions concerning this Press Release

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