



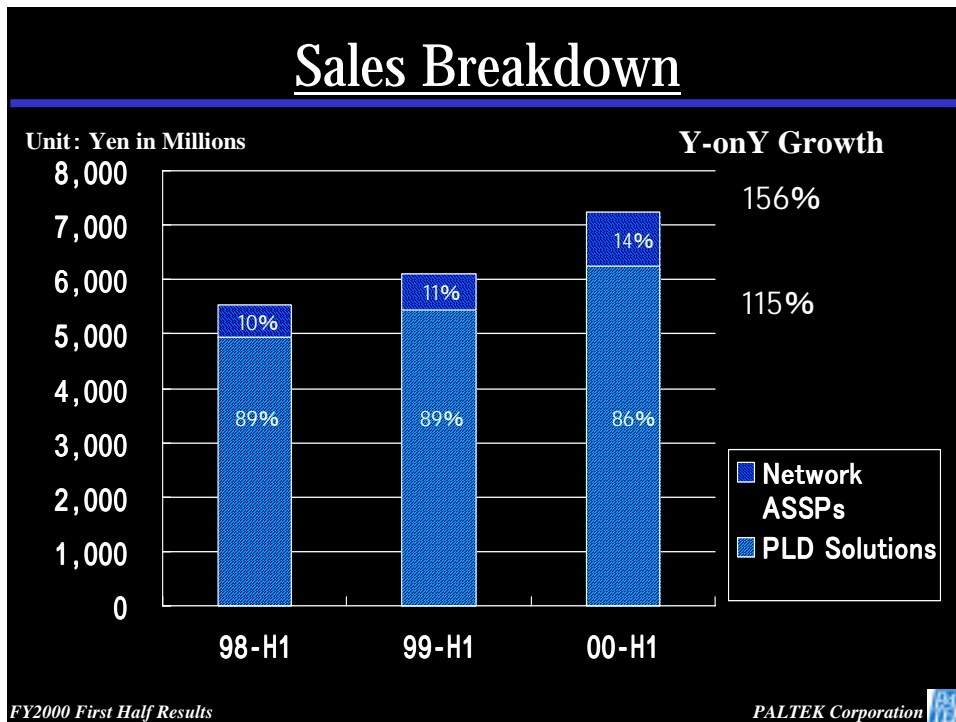
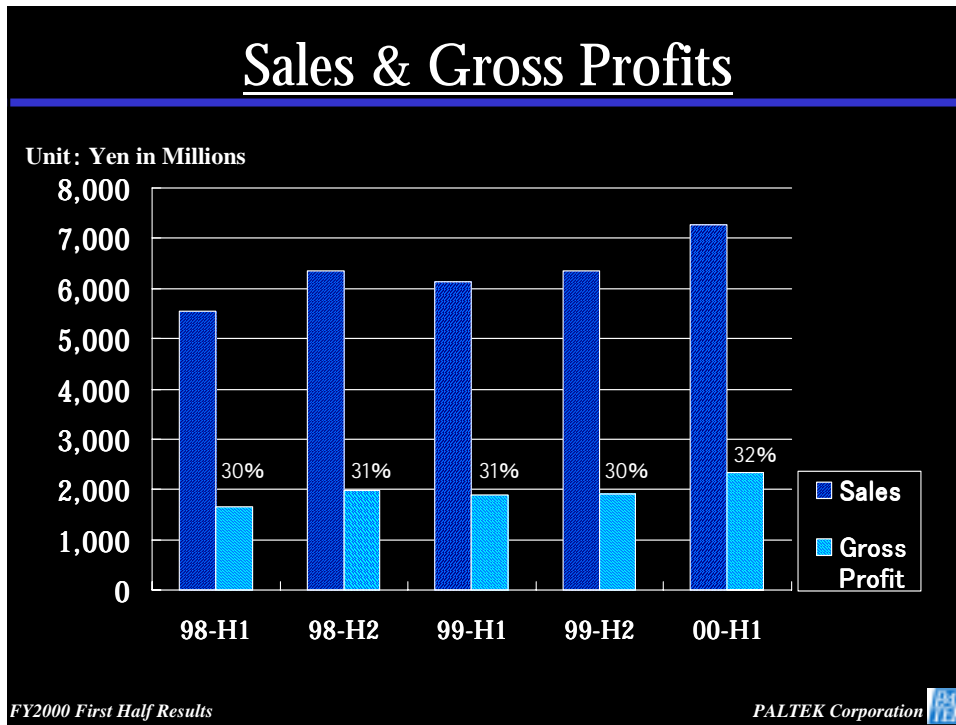
## ***PALTEK CORPORATION***

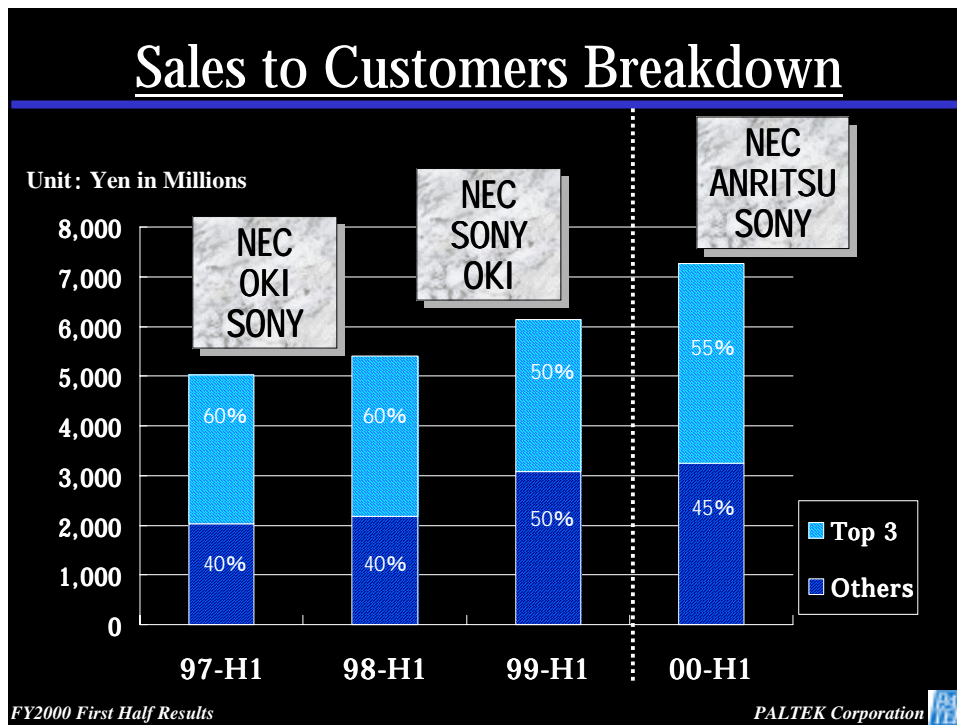
### **First Half Results (FY2000)**

#### **NON-CONSOLIDATED**

		<b>Y-on-Y Growth</b>
Sales	¥7,274M	119%
Operating Profit	¥1,076M	117%
Recurring Profit	¥1,140M	118%
Net Profit	¥695M	174%
Earnings per Share	¥72.83	144%
<b>ROA</b>	21.42%	
<b>ROE</b>	21.11%	







## NEC & ANRITSU

### Publicly Announced Projects


- **NEC**
  - Wide spread usage of ISDN due to ever growing Internet Traffic
  - Ongoing need of Core Switches for Domestic Carriers due to exponentially increasing mobile phones
  - W-CDMA Base Stations required for Next Generation Wireless Infrastructure
  - Strong Procurement from South American Carriers
- **ANRITSU**
  - SONET/SDH Analyzers
  - W-CDMA related Testers & Measurement equipment

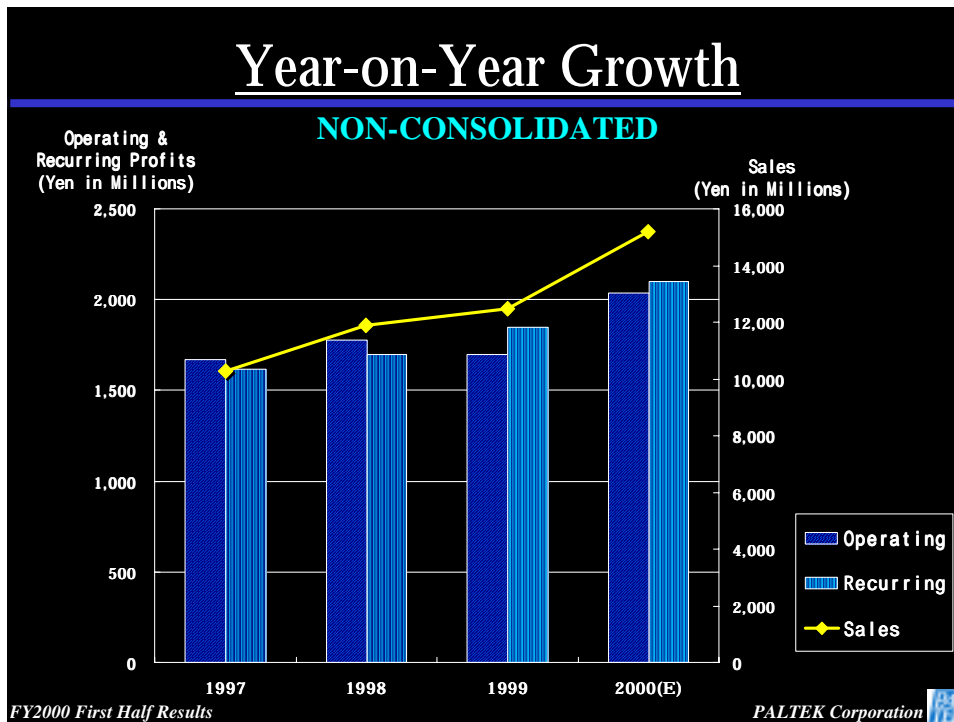
FY2000 First Half Results PALTEK Corporation

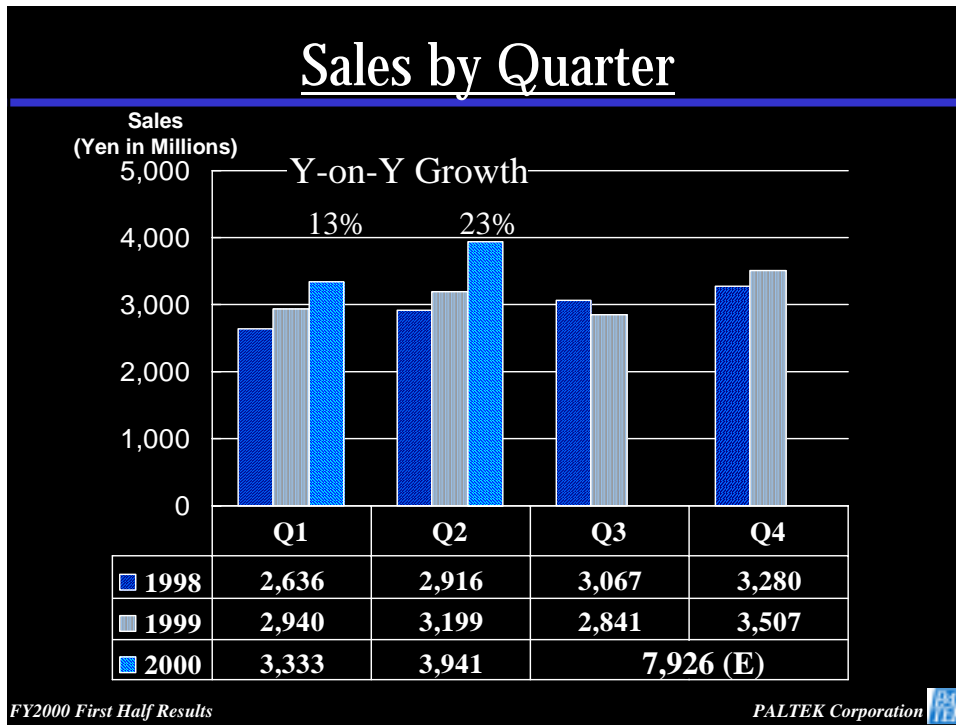
## Projections for FYE 2000

**NON-CONSOLIDATED**

	Original Plan	Revised Plan	Y-on-Y Growth
Sales	¥14,400M	¥15,200M	122%
Operating Profit	¥1,942M	¥2,035M	120%
Recurring Profit	¥1,899M	¥2,076M	112%
Net Profit	¥954M	¥1,215M	152%
Earnings per Share	¥100.52	¥123.15	123%

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### First Half Results (FY2000)

**CONSOLIDATED**


		Y-onY Growth
Sales	¥8,140M	119%
Operating Profit	¥1,088M	123%
Recurring Profit	¥1,124M	121%
Net Profit	¥693M	206%
Earnings per Share	¥72.66	170%
<b>ROA</b>	18.99%	
<b>ROE</b>	19.70%	

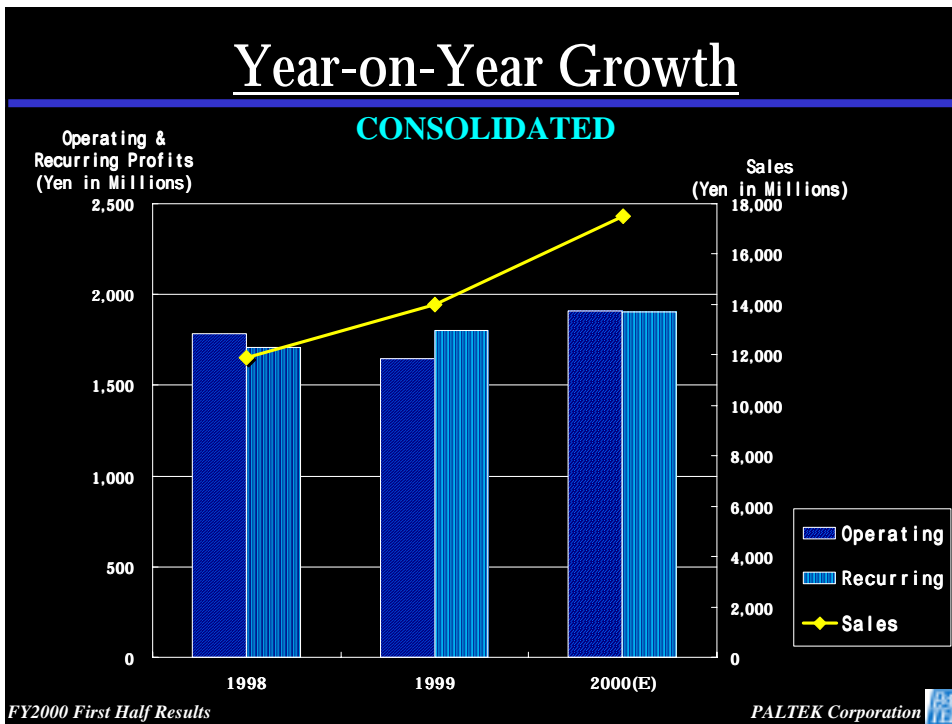
*FY2000 First Half Results* *PALTEK Corporation*

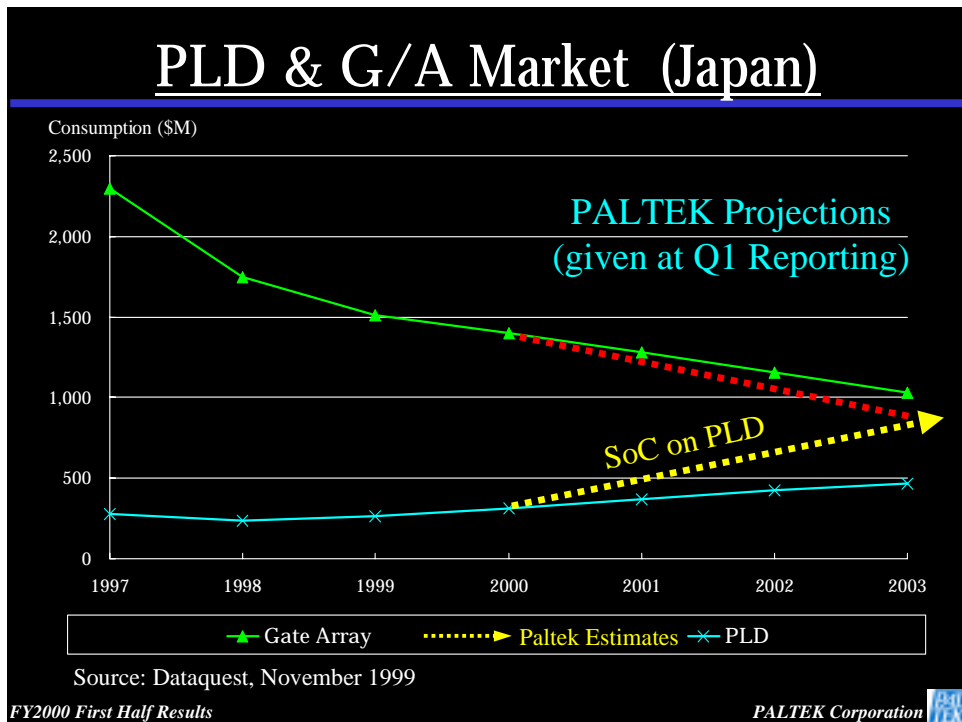
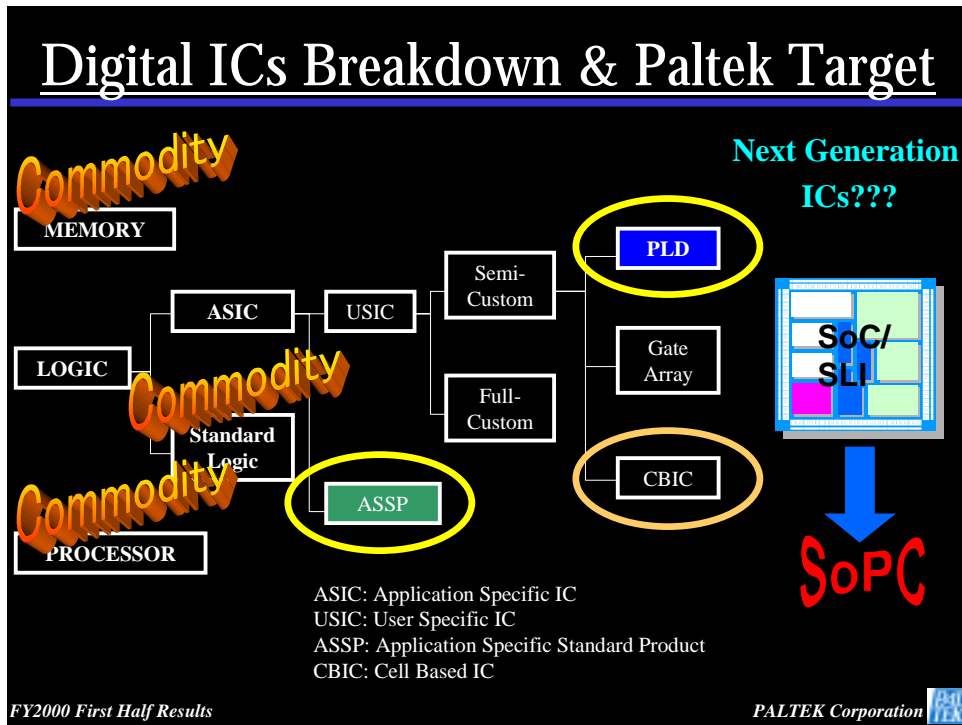
## Projections for FYE 2000

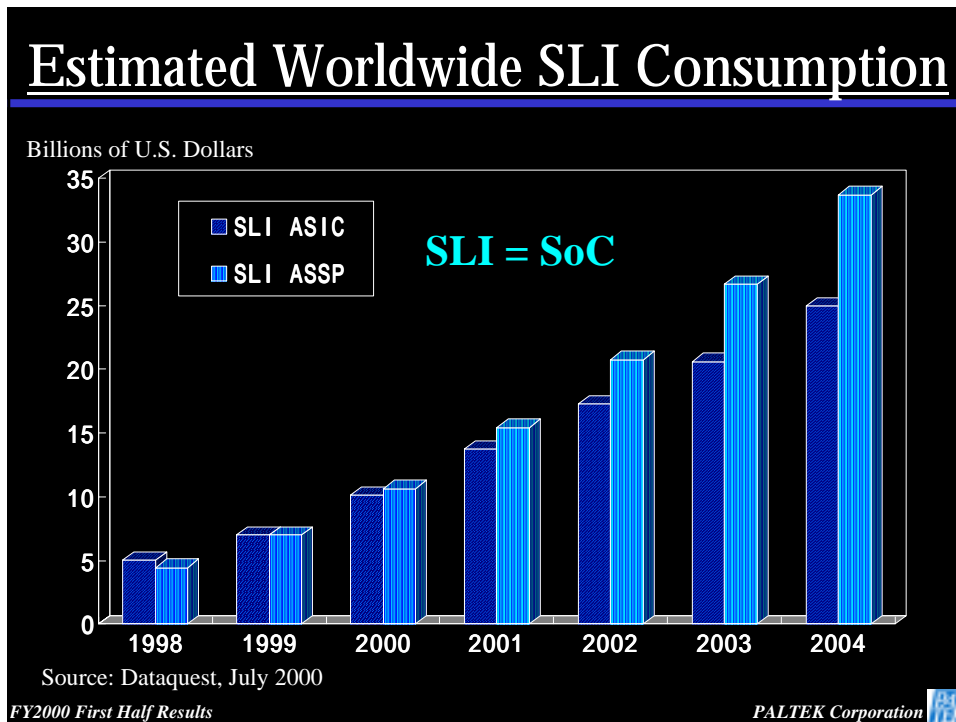
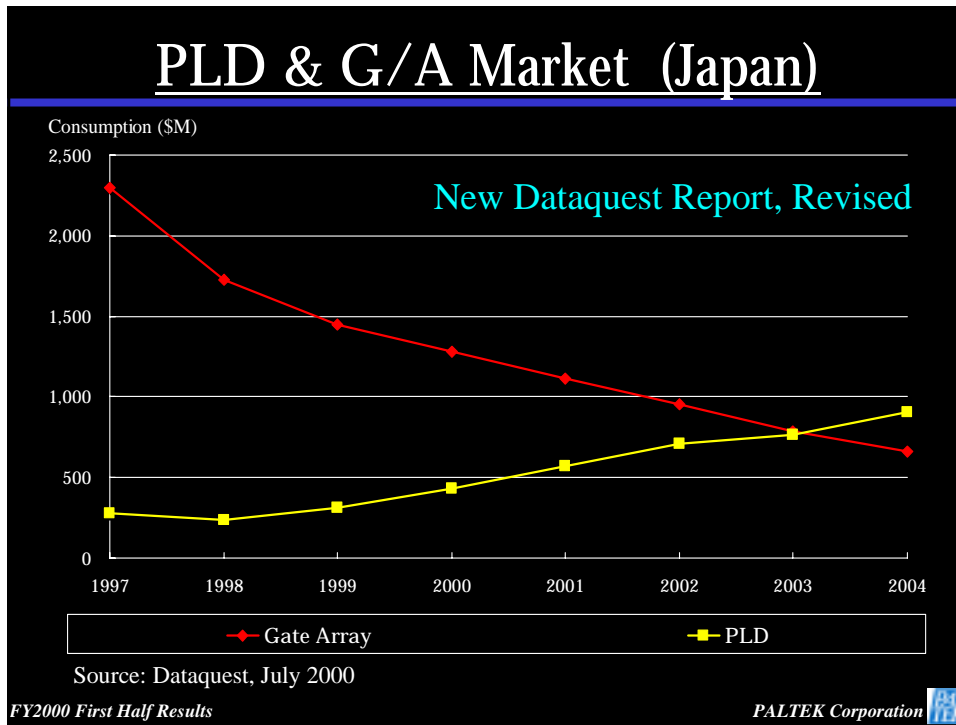
**CONSOLIDATED**

	Original Plan	Revised Plan	Y-on-Y Growth
Sales	¥16,000M	¥17,500M	125%
Operating Profit	¥1,990M	¥1,907M	116%
Recurring Profit	¥1,930M	¥1,903M	106%
Net Profit	¥970M	¥995M	138%
Earnings per Share	¥102.21	¥100.85	111%

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## Future Business

### Silicon Level Integration

– SoC/SLI

### System Level Integration

– Integration of PLDs, ASSPs, etc.  
--> Sub-systems, Equipment

System/Component Synergy Tornado

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## Silicon Level Integration - SoC

Best Platform: PLDs

SoPC = "System-on-Programmable-Chip"

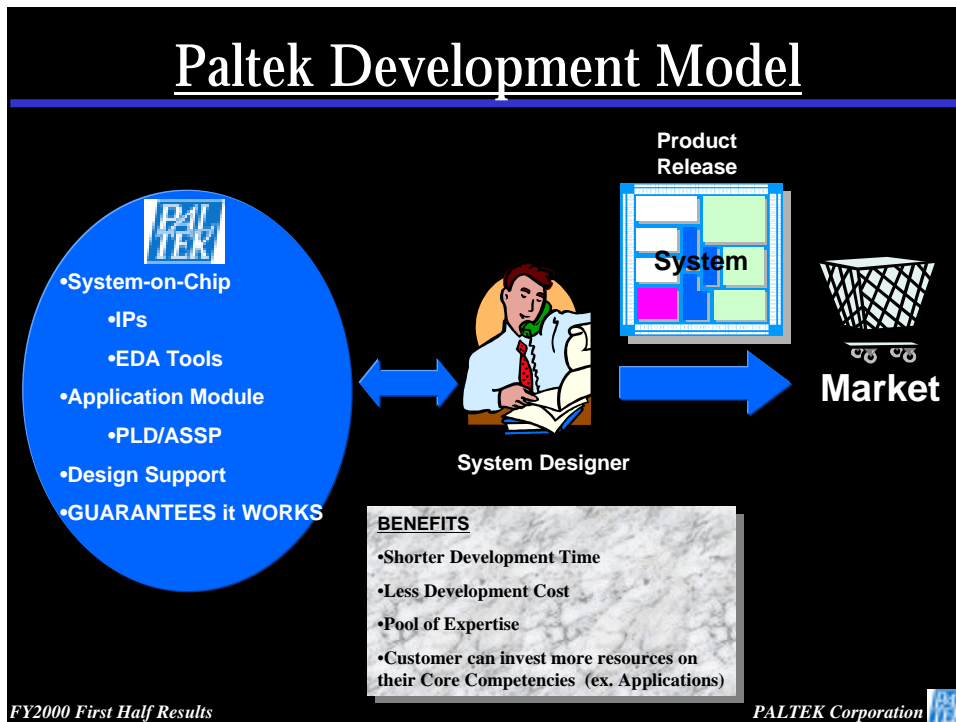
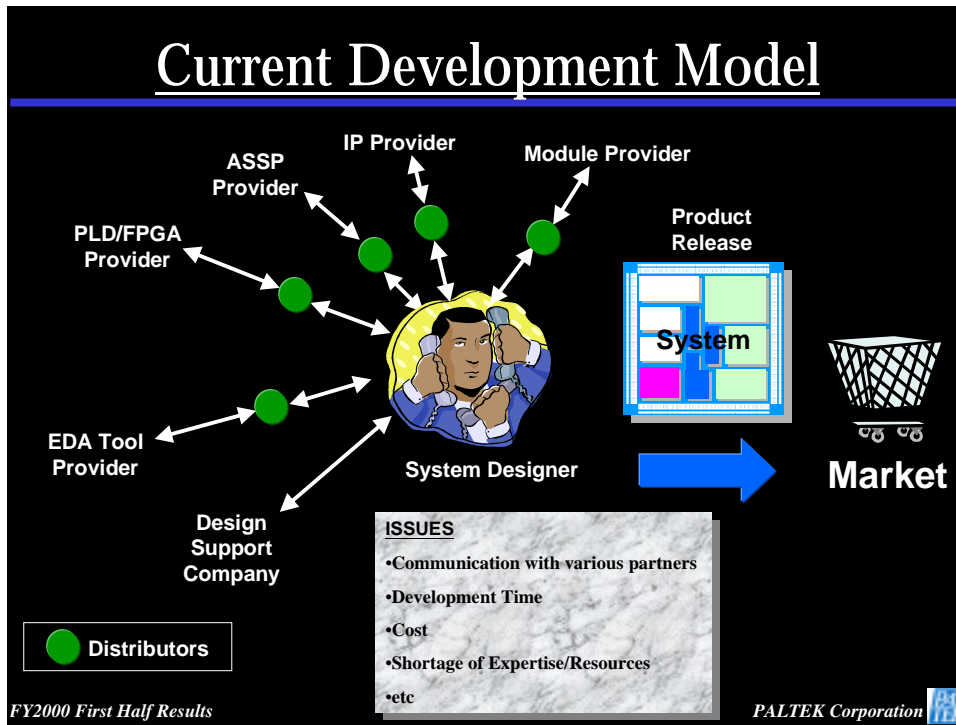
### EDA TOOLS


- Device Dependent:  
Altera Tools
- Non-device Dependent:  
3rd Party Tools

### SoC Design


- Expertise, knowhow (人)
- Design Center, Facility

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# Spinnaker Systems



<http://www.spinnaker.co.jp>

EDA Tools 《Electronic Design Automation》

- Distributor of EDA Tools and Software
- Synthesis tools for ASIC/PLD/FPGA, enabling IP integration

IP 《Intellectual Property》


- Largest IP distributor in Japan, attains largest IP base and library
- Licensing of designs and royalty fees

SoC Design Center 《System on Chip》

- Fully equipped design house
- System-level expertise and knowhow
- High level engineering and designing capabilities
- Track record designing ASIC/PLD/FPGA, and Next Generation ICs (SoC/SLI)

Business Synergy

- Providing Third Party IPs and EDA tools to existing PLD users
- Making Next Generation ICs (SoC/SLI) using PLDs as the best platform
- Strong PLD engineering base + Integration of Ips + SoC Design Center

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## System Level Integration

- Up until now, Provider of Solutions only at the Component Level
  - PLDs, ASSPs, sold individually
    - ALTERA guarantees PLDs to work,
    - PMC-SIERRA guarantees ASSPs to work,


**HOWEVER...**

No one guarantees them to work after integrated


- PALTEK's most Value-added factor, Strength,  
**Provider of System-Level Solutions**

**MODULES; Board-level Integration**

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# Cygnet Technologies



http://www.cygnetc.com


Majority Ownership 《86.9% as of May 2000》

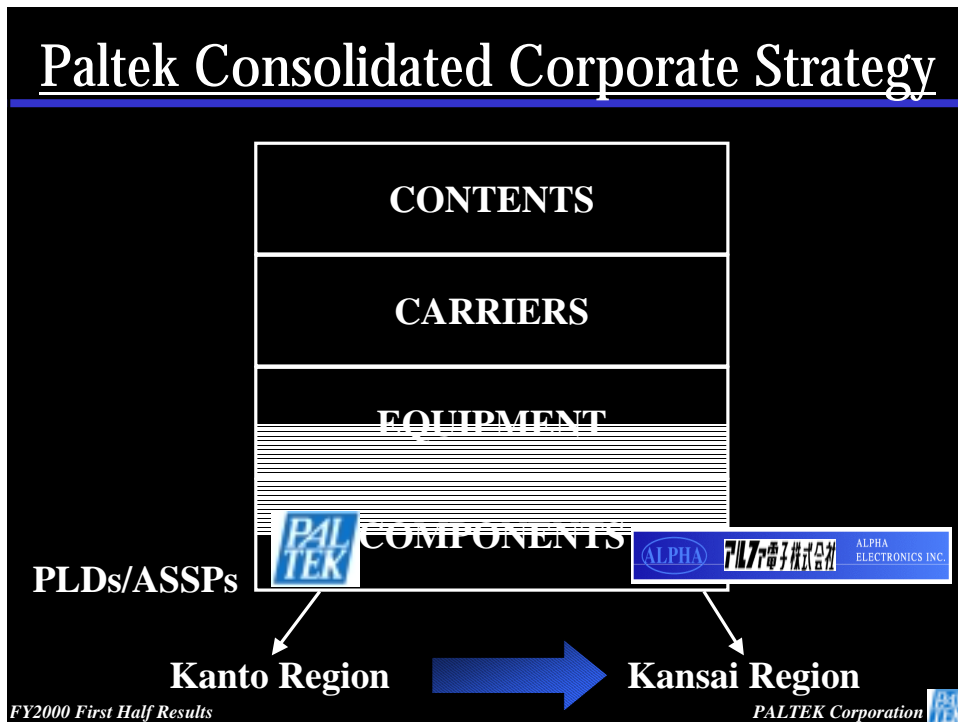
Purpose

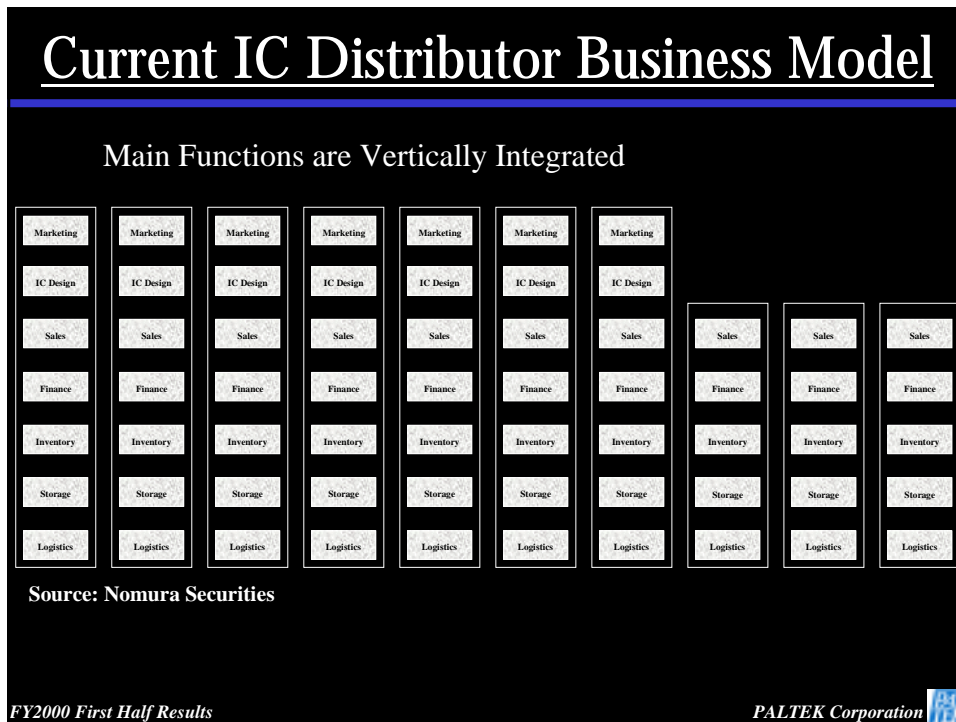
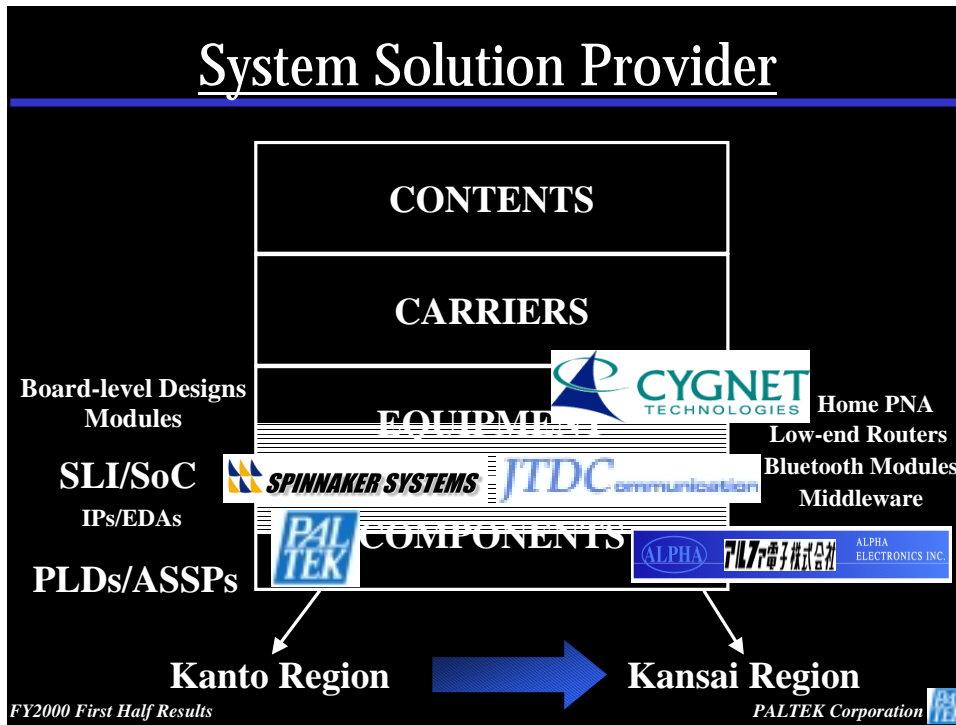
- Enabling Equipment-level development, gaining of designing and engineering expertise
  - Able to provide System-level Solutions
  - Strong synergy with existing Component Business

Areas of Expertise

- Home Networks
  - MDUs(Multi-dwelling units), MTUs(Multi-tenant units), Home-PNA 2.0, xDSL, SOHO Routers
- High-Speed LANs
  - Gigabit Ethernet, Network Management

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## Business Model Migration of IC Distributors

### Vertical Integration to Horizontal Orientation

Source: Nomura Securities

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## Silicon Solution Provider (SiSP)

### Silicon = System

Source: Nomura Securities

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## Major Player in the Network Market as a SiSP (Silicon Solution Provider)

CONTENTS

CARRIERS



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## Safe Harbor Disclaimer

This presentation may provide projections or other forward-looking 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.

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**JASDAQ: 7587**