

Targeting Further Business Growth

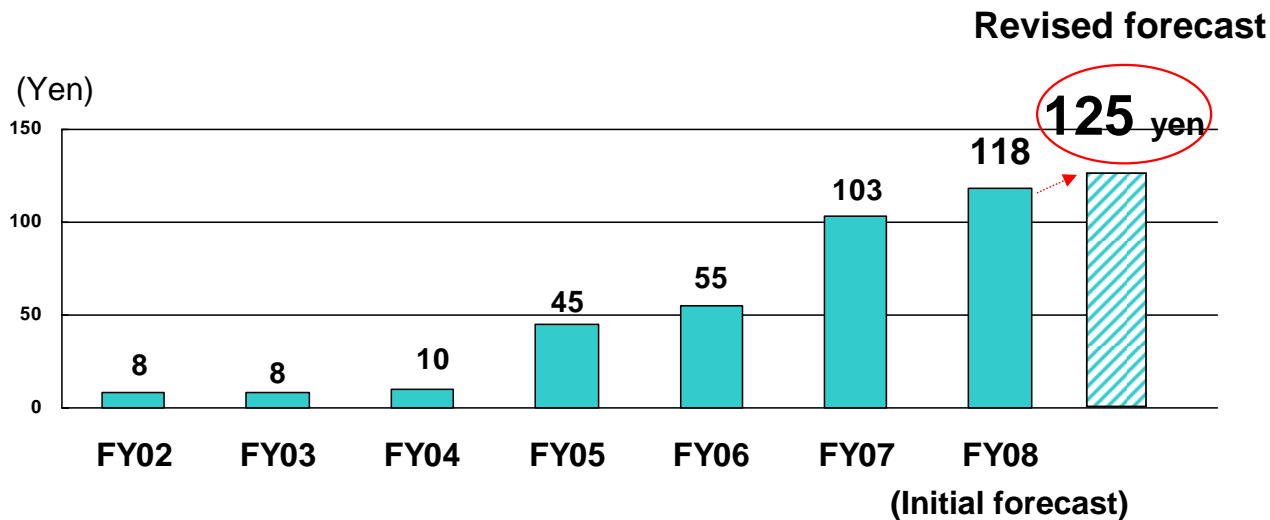
Tetsuro Higashi, Chairman & CEO

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Achieved record interim results

- ▶ Net sales: 476.3B yen; Operating income: 95.0B yen; Net income: 62.4B yen
- ▶ Operating Margin: 19.9%
- ▶ Interim dividend per share: 70 yen



Annual dividend forecast revised upwards from 118 yen to 125 yen



Future Market Environment and TEL's Management Stance

1. **FY08 1H: Achieved record results. Orders adjustment**
FY08 2H: Adjustment period in sales, but orders to start recovery
FY09: Recovery expected from 2nd half

2. **TEL's management focus is achieving major growth at the next cycle peak. Therefore, we will:**
 - i. **Compete using technological strength in miniaturization and low power consumption requirement. Provide strong products and solutions to customers.**
 - ii. **Make inroads into new business domains.**
(RLSA products, GCIB, MEMS etc.)

3. **Despite market beginning to slow down, no easing up on investment for growth (R&D, M&A, etc.) and productivity enhancement investment.**

RLSA: Radial Line Slot Antenna
GCIB: Gas Cluster Ion Beam



