

Current Business Environment

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FY2008 Consolidated Financial Forecast

▶▶ No change in full year forecast

(Billions of Yen)

	FY2007	FY2008 (E)			
	Full year	H1 (E)	H2 (E)	Full year (E)	YoY change
Net sales	851.9	445.0	455.0	900.0	+5.6%
SPE	642.6	354.0	376.0	730.0	+13.6%
FPD	100.7	40.0	20.0	60.0	- 40.5%
EC/CN	107.4	50.5	58.5	109.0	+1.4%
Others	1.1	0.5	0.5	1.0	- 10.8%
Operating income	143.9 (16.9)	77.0 (17.3)	83.0 (18.2)	160.0 (17.8)	+11.1%
Ordinary income	143.9 (16.9)	79.0 (17.8)	85.0 (18.7)	164.0 (18.2)	+13.9%
EBIT	144.4 (17.0)	79.0 (17.8)	85.0 (18.7)	164.0 (18.2)	+13.6%
Net income	91.2 (10.7)	50.0 (11.2)	54.0 (11.9)	104.0 (11.6)	+14.0%

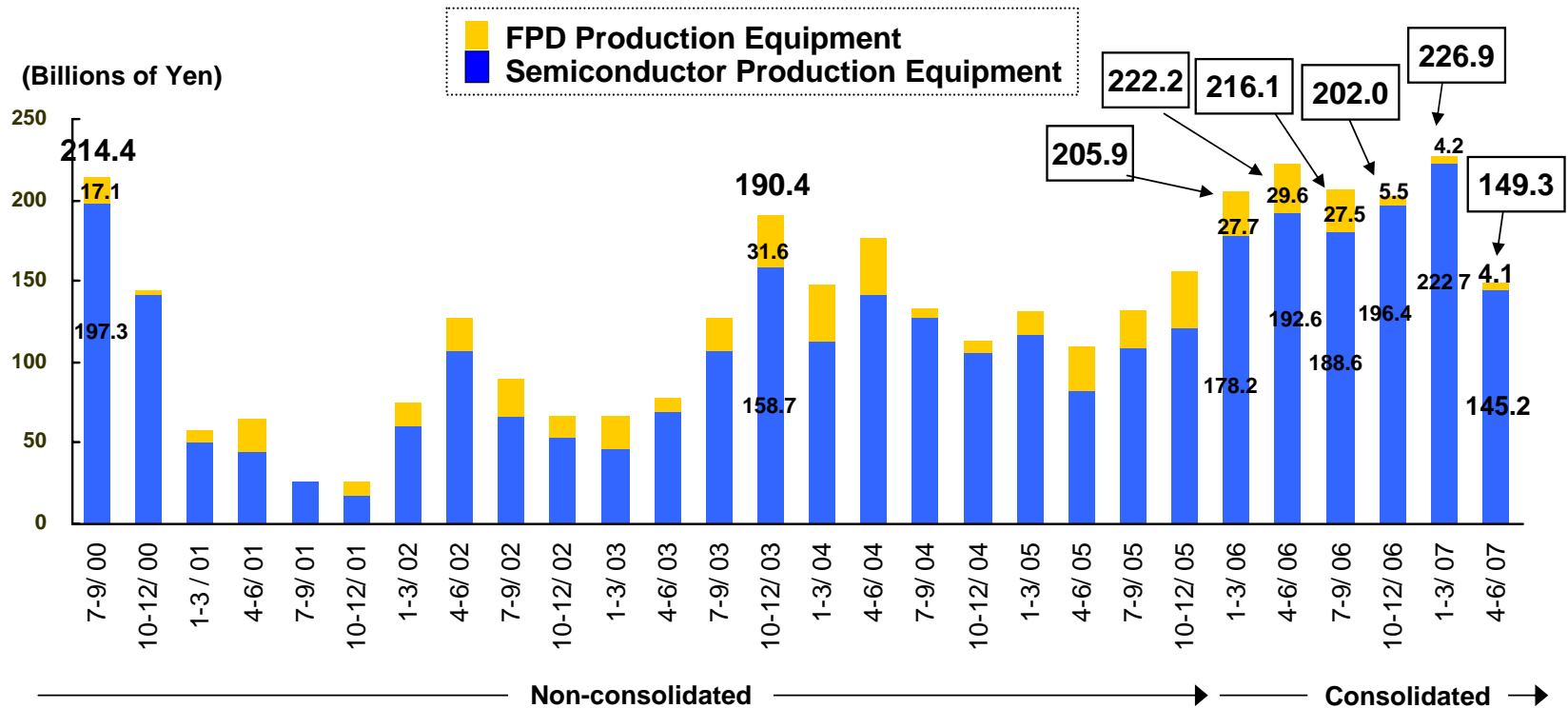
() Profit ratio%

SPE: Semiconductor Production Equipment, FPD: FPD Production Equipment, EC: Electronic Components, CN: Computer Network



Quarterly SPE+FPD Orders

► Orders entered short-term adjustment phase following period of strength



*Figures until 2005 Oct-Dec are non-consolidated, figures from Jan-Mar 2006 are consolidated.

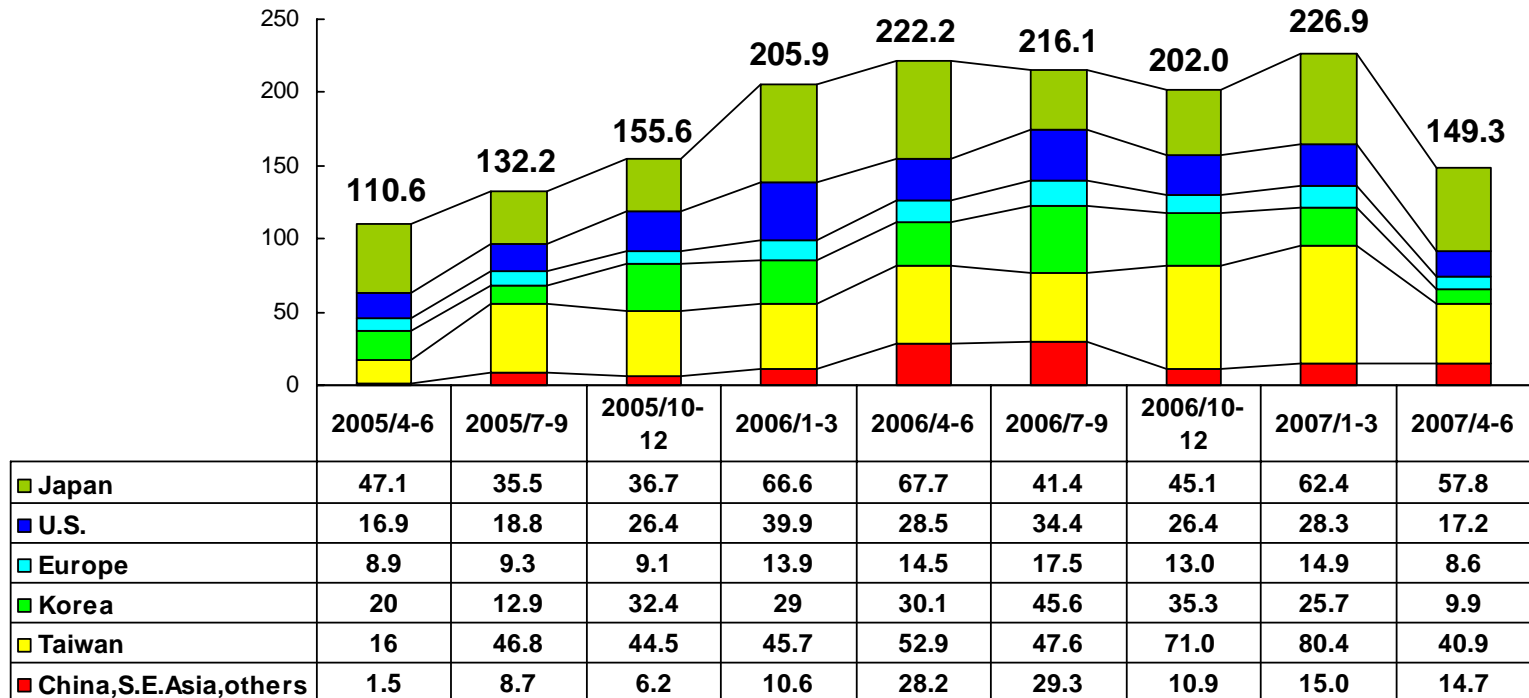
*Main difference between consolidated and non-consolidated: Consolidated figures include post-sales orders at overseas subsidiaries.



Quarterly SPE+FPD Orders by Region

▶ Apr-Jun: Orders level declined in Taiwan region

(Billions of Yen)

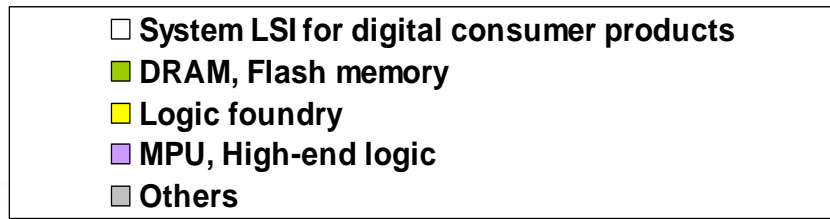
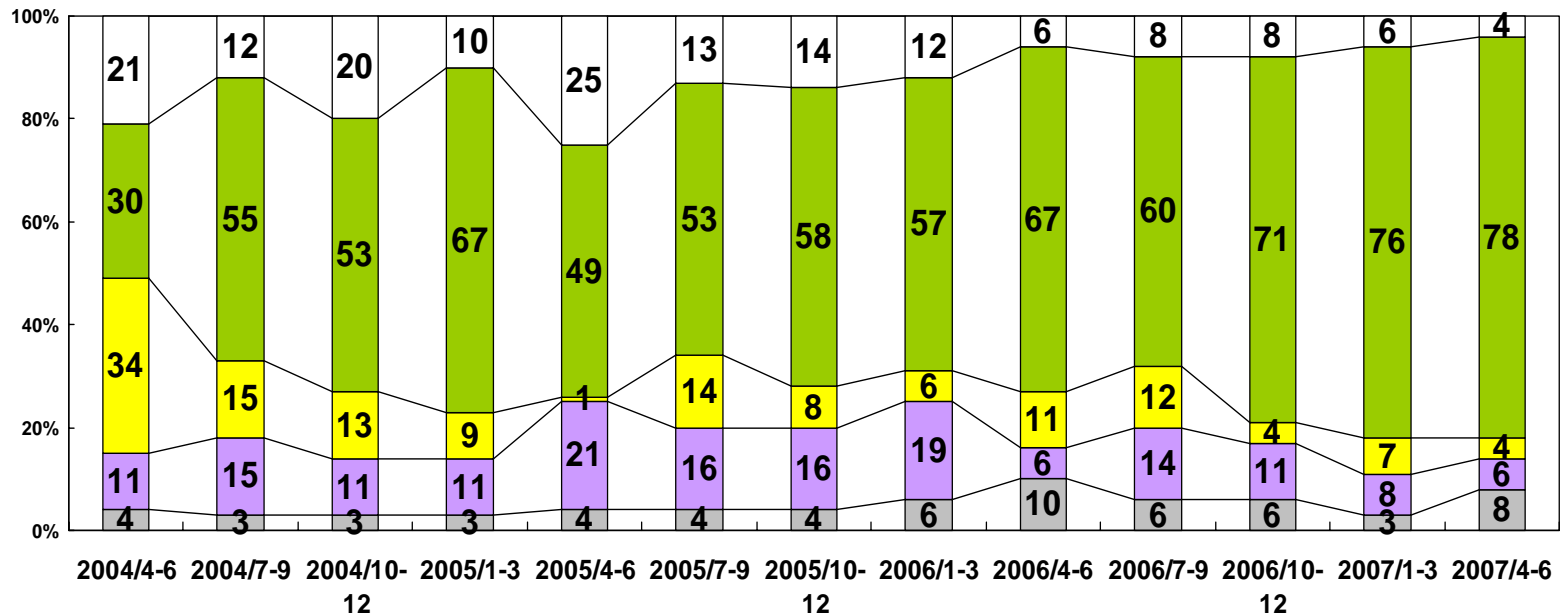


Order numbers are on a consolidated basis from 2006/1-3 quarter.



SPE Quarterly Orders by Application

(Equipment only)



Business Environment

▶ Semiconductor CAPEX

- DRAM: Capex strong at some customers and weak at others, expected to enter recovery towards end of 2007
- NAND: Capex recovering based on demand recovery from 2nd half of 2007
- LOGIC/Foundry: Investment in cutting-edge equipment to recover from 2nd half of 2007 ahead of expanding demand for electronic equipment in 2008

➡ Expect 5-10% YoY growth

▶ FPD CAPEX

- Orders expected to recover after summer, mainly for large substrate glass equipment
- Capex expected to grow in 2008

➡ Expect 40% YoY decline



CY2007 Growth forecast by research firms

	Semiconductor	Semiconductor CAPEX
Gartner Dataquest (Jul.07)	+ 2.5%	- 0.6%
VLSI Research (Jun.07)	+ 5.4%	+ 0.1%
IC Insights (Apr.07)	+ 1.5%	+ 2.9%

	SPE	WFE
SEMI (Jul.07)	+1.1%	+3.5%
SEAJ (Jul.07)	+10.5%	---
Gartner Dataquest (Jul.07)	+2.7%	+5.0%
VLSI Research (Jun.07)	+7.1%	+7.8%

WFE: Wafer Fab equipment



Summary

- ◆ **Financial forecast: No change in full year forecasts**
- ◆ **Business environment: Orders declined in Q1 but hardly any delivery push-out and this is not expected to become a major dip**
- ◆ **Aim for further growth through new product launches and accelerated development in new business domains**

