

Current Business Environment

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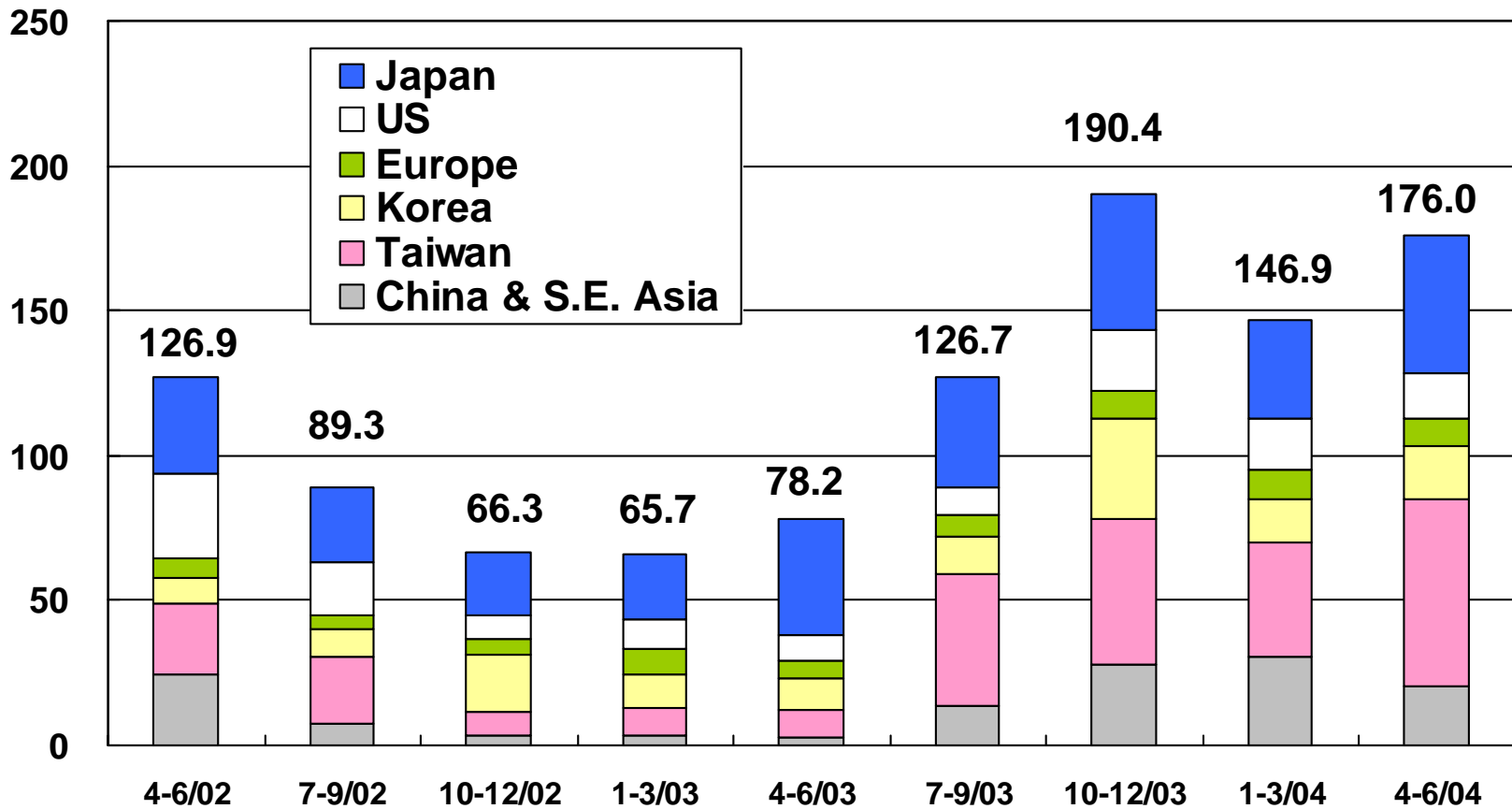
July 30, 2004



SPE Quarterly Order Trend

(Net orders, Non-consolidated)

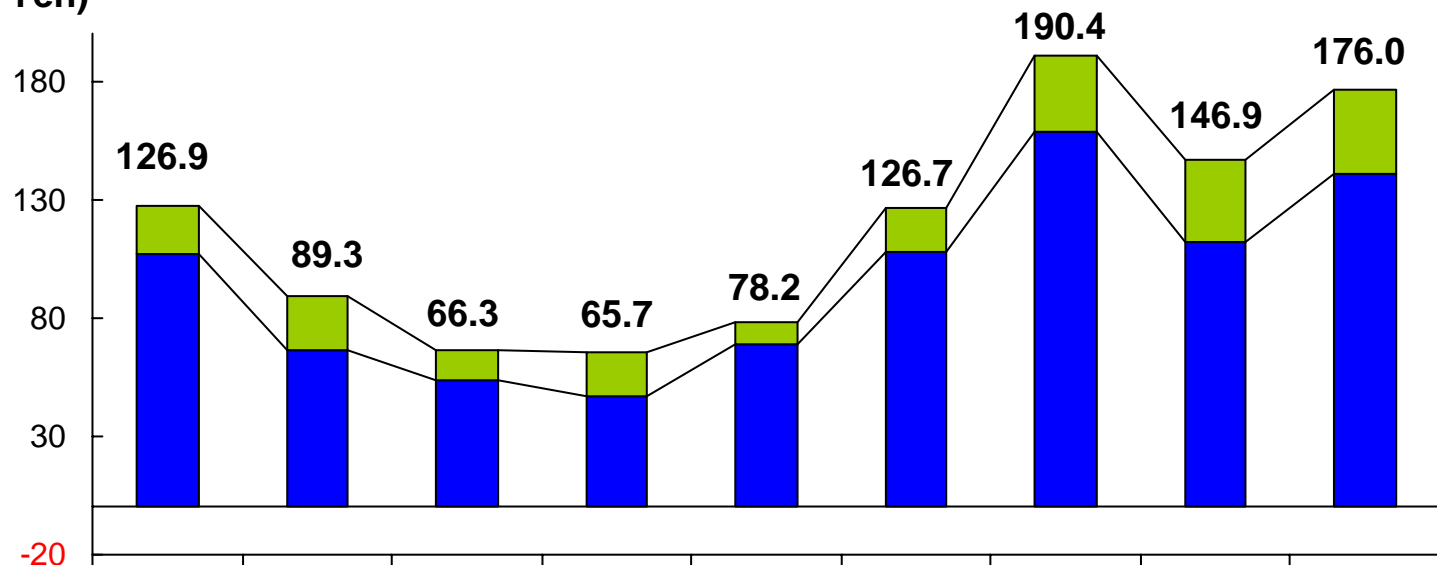
(Billions of Yen)



Quarterly SPE+FPD Order

Net, Non-consolidated Basis

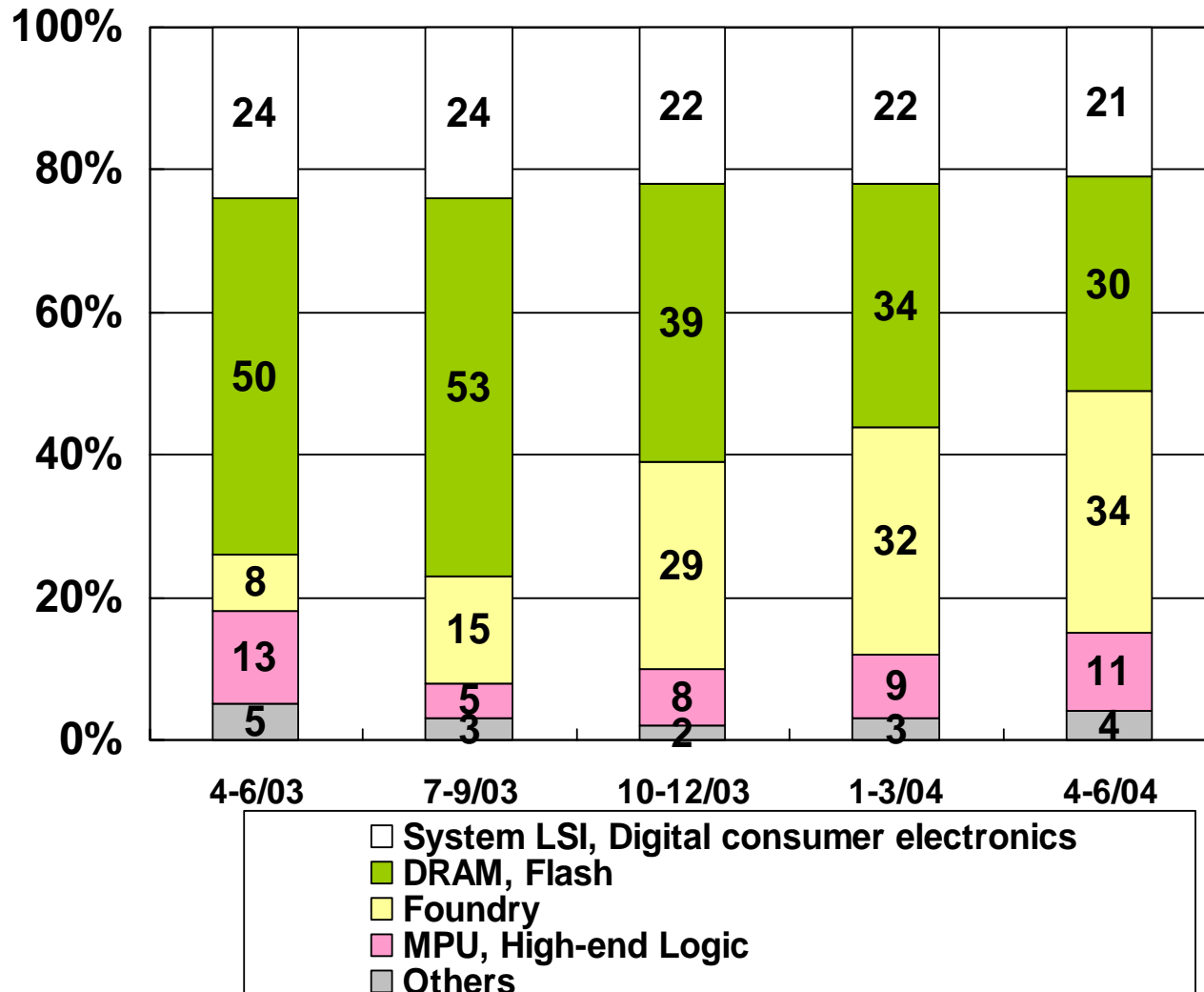
(Billions of Yen)



	2002/ 4-6	2002/ 7-9	2002/ 10-12	2003/ 1-3	2003/ 4-6	2003/ 7-9	2003/ 10-12	2004/ 1-3	2004/ 4-6
■ FPD Production Equipment	19.9	22.8	13.0	19.2	9.3	19.2	31.6	34.7	34.9
■ Semiconductor Production Equipment	107.0	66.4	53.2	46.5	68.8	107.5	158.7	112.1	141.0

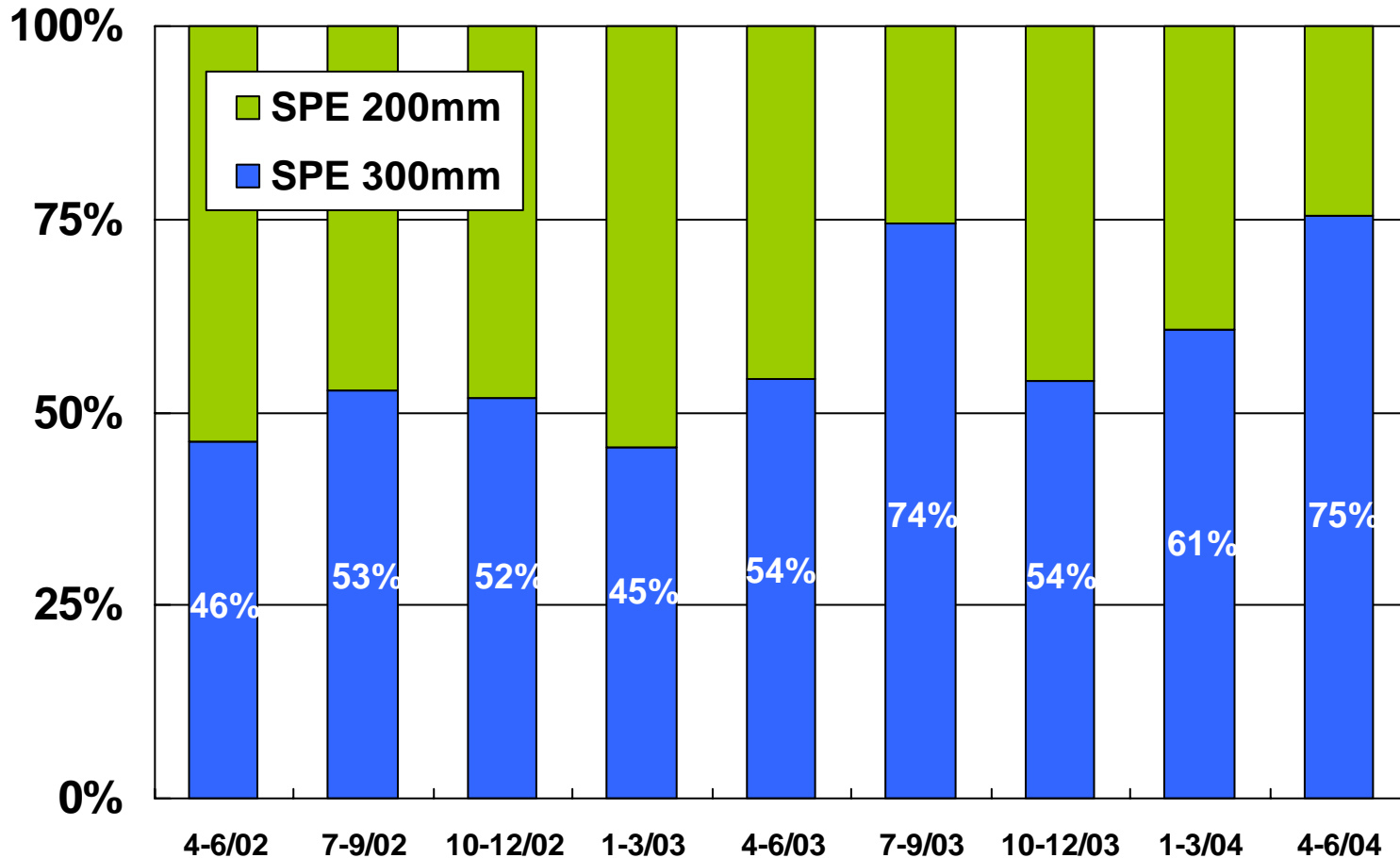
SPE Quarterly Orders Analysis

(by Applications, Non-consolidated)



SPE Quarterly Orders Analysis

(200mm vs. 300mm, Net Orders, Non-consolidated)



Current Business Environment

Semiconductor production equipment

Japan: Planned investment for new fab will continue

Korea: Investment for memories will continue

Taiwan: Investment for memories and planned investment by foundries will continue

Capacity investment to meet expansion of demand will slow down

US and Europe: Increasing trend of investment for MPU and memories

FPD production equipment

Orders for 6G equipment have been placed by almost every panel makers

Orders for over 7G equipment will become the mainstream from next quarter

FY 2005 Financial Estimates

(Billions of Yen)

	FY2004 Full Year	FY2005(E)			Y/Y Change
		1H(E)	2H(E)	Full Year (E)	
Net Sales	529.6	350.0	350.0	700.0	+32%
SPE	425.7	254.0	255.0	509.0	+39%
FPD		41.5	40.5	82.0	
CN		9.0	9.0	18.0	
EC		45.0	45.0	90.0	
Others		0.5	0.5	1.0	
Operating Income	22.2 (4.2%)	37.0 (10.6%)	46.0 (13.1%)	83.0 (11.9%)	+60.8 bil. Yen
Ordinary Income	21.1 (4.0%)	38.0 (10.9%)	47.0 (13.4%)	85.0 (12.1%)	+63.9 bil. Yen
EBIT	14.9 (2.8%)	37.5 (10.7%)	47.0 (13.4%)	84.5 (12.1%)	+69.6 bil. Yen
Net Income	8.2 (1.6%)	33.0 (9.4%)	34.0 (9.7%)	67.0 (9.6%)	+58.8 bil. Yen

From FY2005, sales of FPD production equipment are separately stated on a consolidated basis.



Structural Reforms Phase 2

- ◆ **Enhancement of technology development and products planning capabilities**
- ◆ **Improvement of products quality and cost competitiveness**
- ◆ **Shortening manufacturing lead time**
- ◆ **Maintaining appropriate inventory level**



Increase of marginal profit / Control of fixed costs
Improvement of balance sheet and cash flow

Today's Message

- ◆ **Higher level of sales, compared with the past, will be achieved in this fiscal year**
- ◆ **Profitability is improving gradually by increasing sales of high value added products and effect of cost reduction**
- ◆ **Inventory level and account receivable turnover are improving aiming to strengthen financial position**
- ◆ **Accelerated investment is going to settle down and favorable business environment in long term will be expected**



The projections outlined in this presentation were created based on the best information available at the time they were created. The semiconductor production equipment industry is characterized by large and rapid technological change and fierce competition. There are also various factors such as world economic conditions and semiconductor market conditions which directly and indirectly impact the Company's results. As a result, future projections may differ from those in this presentation. The Company makes announcements when the changes are large.