Current Business Environment and Calendar 2005 Key Issues

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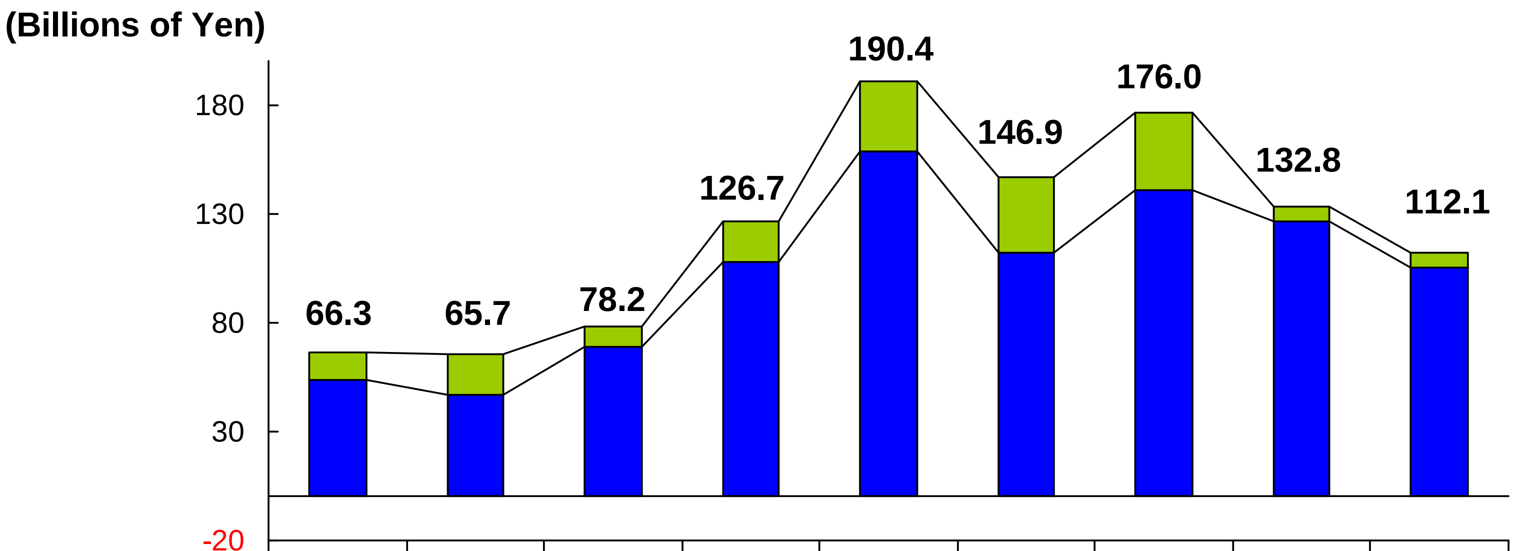
February 10, 2005

Quarterly SPE+FPD Order

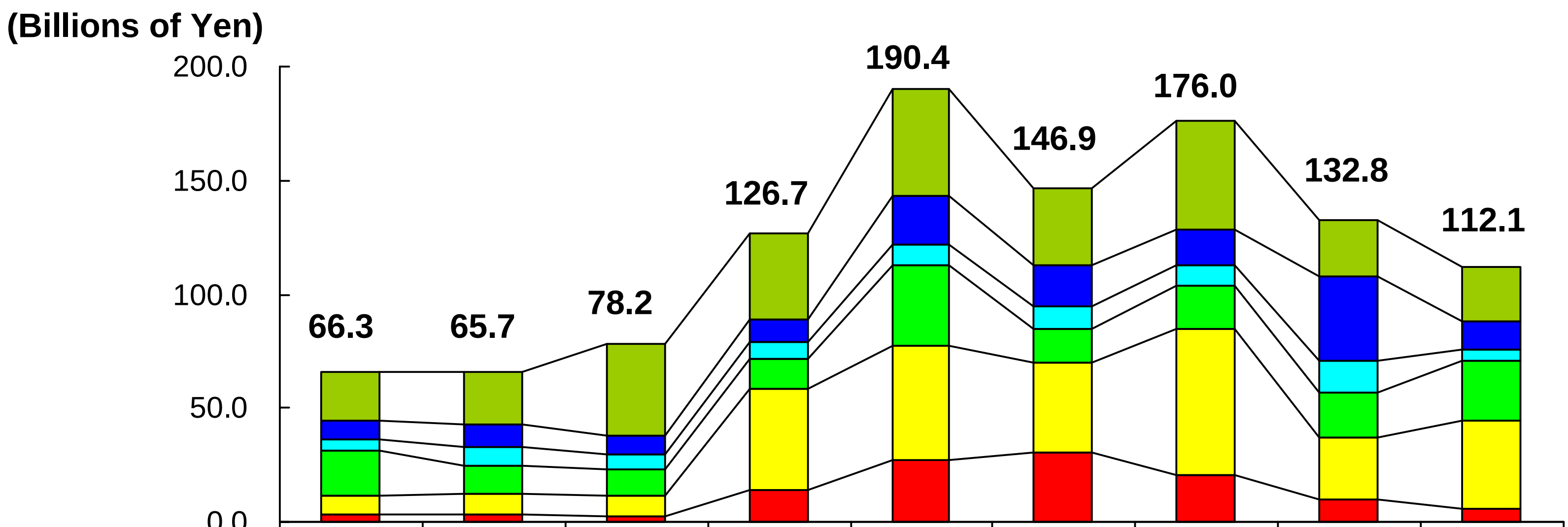
Net, Non-consolidated Basis



	2002/ 10-12	2003/ 1-3	2003/ 4-6	2003/ 7-9	2003/ 10-12	2004/ 1-3	2004/ 4-6	2004/ 7-9	2004/ 10-12
FPD Production Equipment	13.0	19.2	9.3	19.2	31.6	34.7	34.9	6.0	6.6
Semiconductor Production Equipment	53.2	46.5	68.8	107.5	158.7	112.1	141.0	126.8	105.4

Quarterly SPE+FPD Order by Region

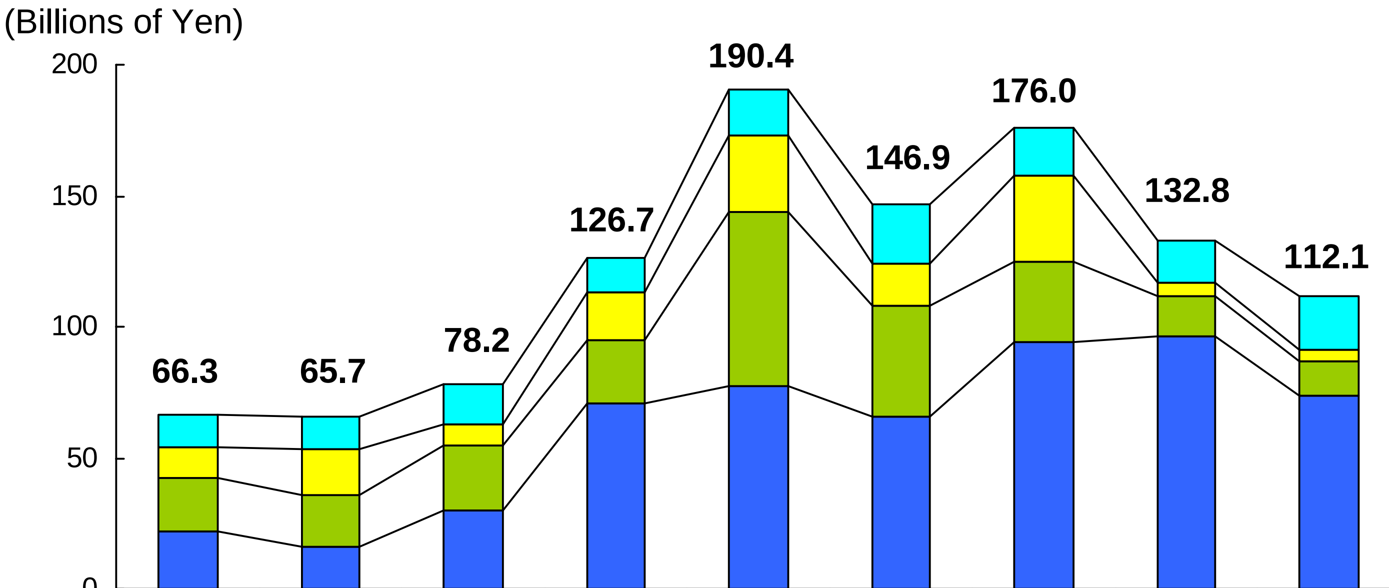
Net, Non-consolidated Basis



	2002/10-12	2003/1-3	2003/4-6	2003/7-9	2003/10-12	2004/1-3	2004/4-6	2004/7-9	2004/10-12
Japan	21.5	22.5	40.1	37.4	46.8	33.8	47.6	24.4	24.0
U.S.	8.4	10.0	8.5	9.8	21.4	18.1	15.6	37.1	12.1
Europe	4.9	8.7	6.2	7.6	9.2	9.9	9.0	14.5	4.8
Korea	19.9	11.8	11.4	13.0	35.0	15.1	18.9	19.3	26.5
Taiwan	8.3	9.2	9.1	45.0	50.2	39.4	64.1	27.5	38.6
China, S.E.Asia, others	3.1	3.4	2.8	13.7	27.5	30.4	20.6	9.7	5.9

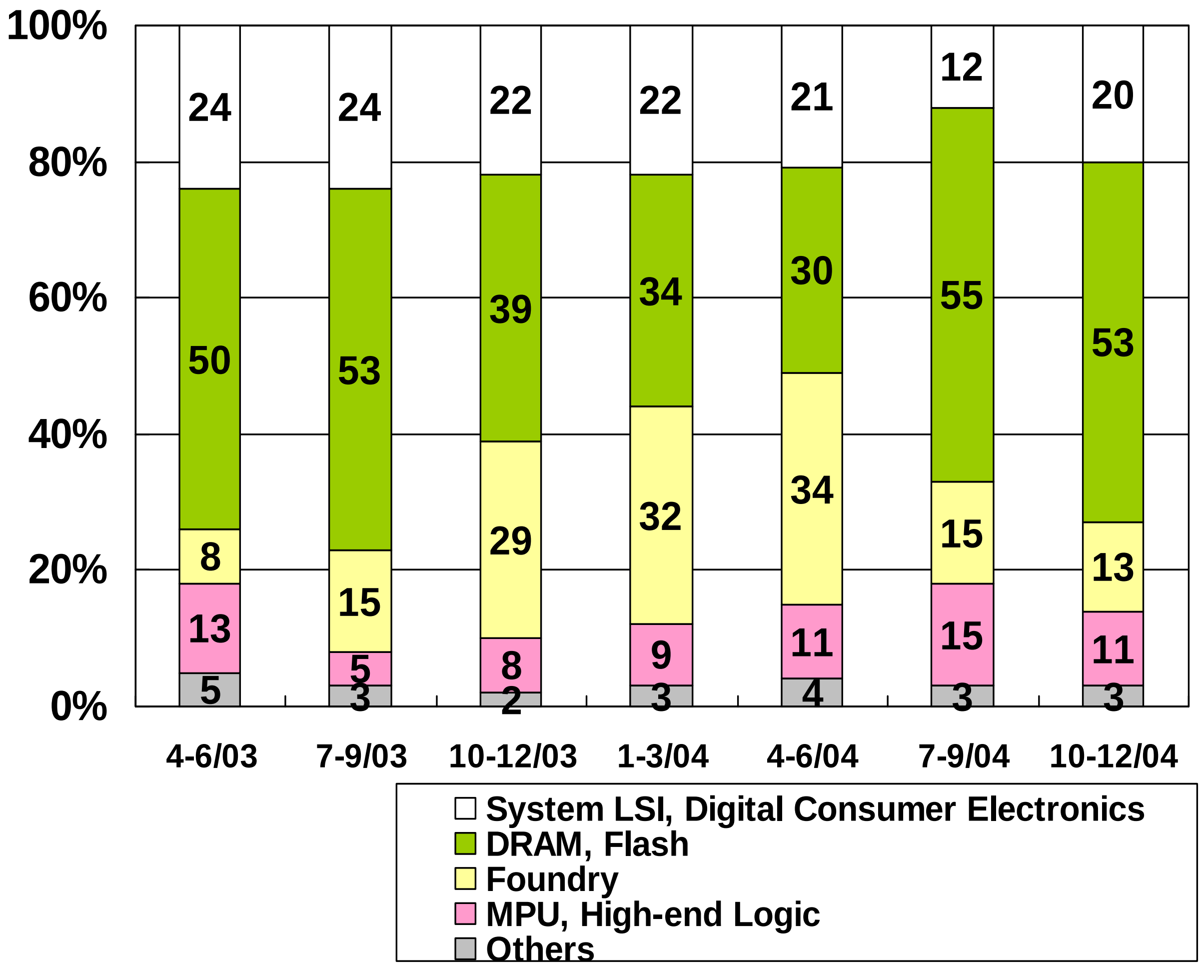
Quarterly SPE+FPD Order

Net, Non-consolidated Basis



	2002/10-12	2003/1-3	2003/4-6	2003/7-9	2003/10-12	2004/1-3	2004/4-6	2004/7-9	2004/10-12
Parts	12.2	12.2	15.1	13.2	16.9	22.8	18.2	16.1	20.9
FPD Prod. System	12.0	17.6	8.1	18.2	29.8	15.9	33.0	5.1	4.5
SPE 200mm System	20.3	19.6	25.2	24.4	66.0	42.6	30.6	14.9	13.1
SPE 300mm System	21.8	16.4	29.7	70.8	77.5	65.5	94.0	96.6	73.5
Ratio of 300mm equipment	52%	45%	54%	74%	54%	61%	75%	86%	85%

SPE Quarterly Order Analysis
(by Application, Non-consolidated)



Calendar 2005 First Half: Investment Trends

Semiconductor production equipment

- DRAM, flash memory related investment - **equipment orders strong**
- MPU related investment - **orders up year-on-year**
- Logic chip foundries and manufacturers of digital home appliance devices - **cautious**

FPD production equipment

- Apart from the leading manufacturers, investment in large panel facilities is slowing down
- Some manufacturers are increasing investment in high definition panel production on expectations of growth in LCD TV market

Calendar 2005 – Key Issues

1. Accelerate new product development

- Develop a wide range of commercial applications for RLSA plasma equipment (SPA)
- Develop new CVD and etching system for LCD applications
- Differentiate our products using TEL's integrated metrology technology
- Aggressively reinvest improved cash flow in product development

2. Sustained implementation of structural reforms

- Aim to reduce costs by more than 10 billion yen at next peak sales period through further quality improvements

New Development Organization

Technology Development
Masao Kubodera, SVP
Ben Tsai, SVP

- Technology & Development Center
- Corporate Process Integration
  - Process Integration Center
  - Intellectual Property Dept.
- RLSA Plasma Project
- Technology Strategy
- MEMS Business Development Dept.

Our mid-term profit target

Operating Margin $\geq$ 20%

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