#### **Revision of FY2009 Financial Estimates**

FY2009: April 1, 2008 – March 31, 2009

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August 8, 2008



#### **2008 Business Environment Outlook**

#### ► SPE capex

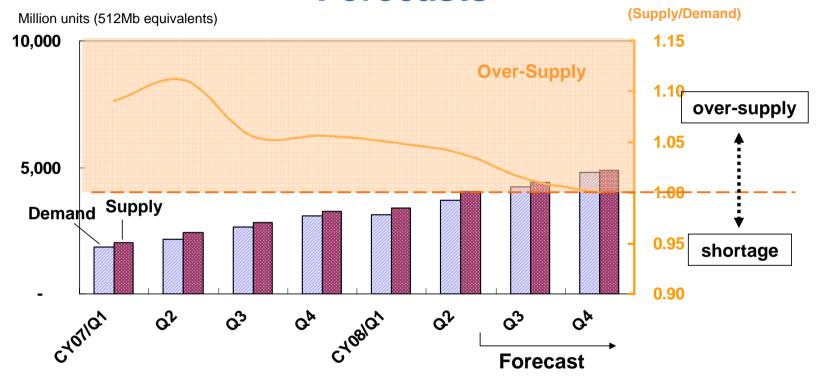
- Continued tough environment for orders due to worsening economic background.
- DRAM: DRAM demand weaker than expected, market and investment recovery forecasted in 2009.
- NAND: Severe price declines amid weakening demand, investment to boost capacity is weak. Some customers expected to sustain miniaturization investment for 4xnm NAND.
- LOGIC/Foundries: Strong growth in MPUs for mobile PCs but other areas remain sluggish.

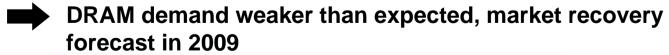
#### ► FPD capex

 Below forecast demand for large format TV panels is resulting in some production cuts. Emerging risk of some postponements from the second half of the fiscal year.



# CY08 DRAM Supply/Demand Balance Forecasts





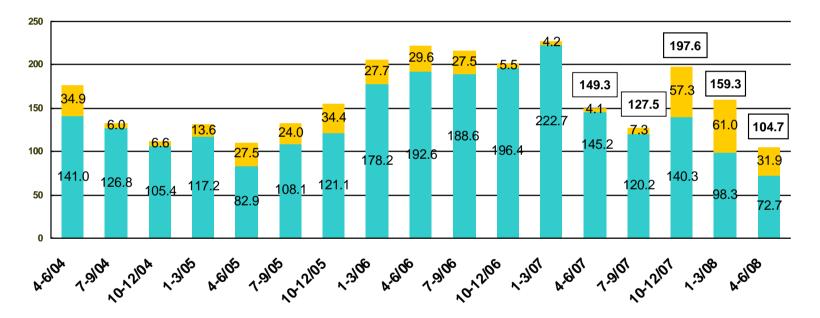


Source: TEL estimate based on research companies' data

### **Quarterly SPE+FPD Orders**



(Billions of Yen)

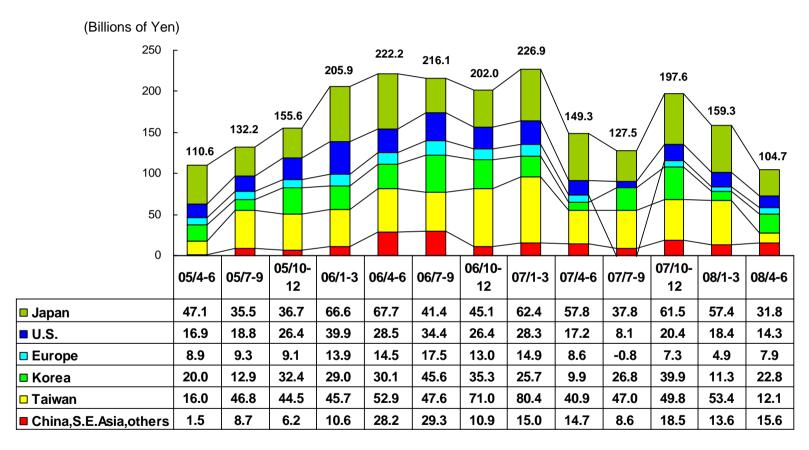


<sup>\*</sup>Figures until Oct-Dec 2005 are non-consolidated, figures from Jan-Mar 2006 are consolidated.

<sup>\*</sup>Main difference between consolidated and non-consolidated: Consolidated figures include post-sales orders at overseas subsidiaries.



## Quarterly SPE+FPD Orders by Region

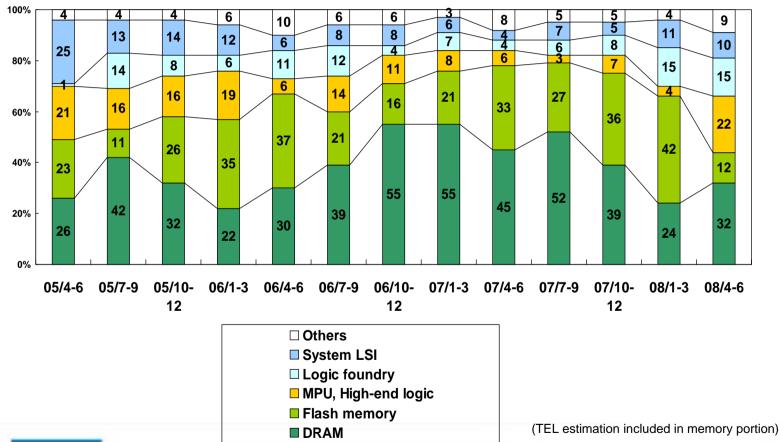


Order numbers are on a consolidated basis from 2006/1-3 guarter.



# **Quarterly SPE Orders by Application**

(Equipment only)





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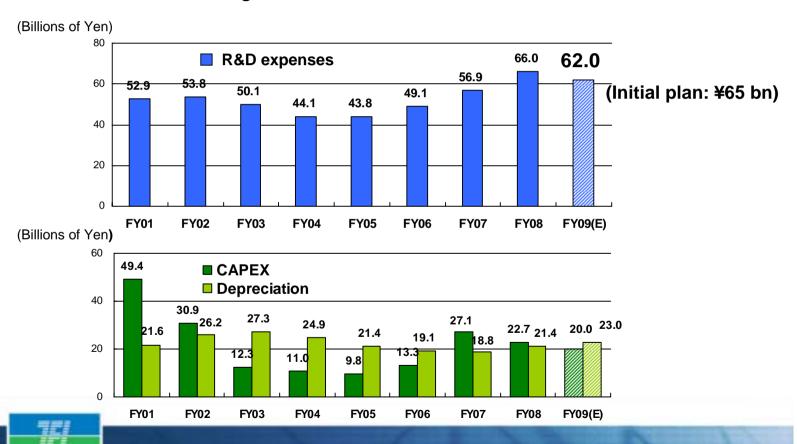
(Billions of yen)

(Zimierie di yeri)																
	EV2000		FY2009 (E)													
FY2008		-Y2008	Initial estimates as of May 13						Revised estimates							
	Full year			1H (E)	(E) 2H (E)		Full year (E)		1H (E)		2H (E)		Fu	Full year (E)		YoY change
sales		906.0		300.0		400.0		700.0		301.5		328.	5		630.0	-30%
SPE		726.4		208.0		288.0		496.0		206.8		213.	7		420.5	-42%
FPD		68.0		38.0		52.0		90.0		41.0		55.0	)		96.0	+41%
EC/CN		111.1		53.5		59.5		113.0		53.5		59.	5		113.0	+2%
Others		0.4		0.5		0.5		1.0		0.2		0.3	3		0.5	+10%
Operating income		168.4 (18.6)		26.0 (8.7) 58.0 (14.5)		84.0 (12.0)		22.5 (7.5)		28.5 (8.7)		) !	51.0 (8.1)		-70%	
Ordinary income		172.7 (19.1)		28.0 (9.3) 60.0 (15.0)		88.0 (12.6)		25.0 (8.3)		30.0 (9.1)		) !	55.0 (8.7)		-68%	
EBIT		169.2 (18.7)		28.0 (9.3)	60.0 (15.0)		88.0 (12.6)		25.0 (8.3)		30.0 (9.1)		) !	55.0 (8.7)		-68%
Net income		106.2 (11.7)		17.0 (5.7) 38.0 (9.5		38.0 (9.5)	55.0 (7.9)		15.0 (5.0)		18.0 (5.5)		) 3	33.0 (5.2)		-69%
dends		125 ven		19 ven		43 ven		62 ven		19 ven		21 vei	1	4	0 ven	
	sales SPE FPD EC/CN Others rating me nary me ncome	sales SPE FPD EC/CN Others rating me 17 ne 16 nary me 17 ncome 10	sales     906.0       SPE     726.4       FPD     68.0       EC/CN     111.1       Others     0.4       rating me     168.4 (18.6)       nary me     172.7 (19.1)       169.2 (18.7)     106.2 (11.7)       dends     125 ven	Full year  sales 906.0  SPE 726.4  FPD 68.0  EC/CN 111.1  Others 0.4  rating 168.4 (18.6)  nary 172.7 (19.1)  169.2 (18.7)  ncome 106.2 (11.7)	Full year 1H (E)  sales 906.0 300.0  SPE 726.4 208.0  FPD 68.0 38.0  EC/CN 111.1 53.5  Others 0.4 0.5  rating me 168.4 (18.6) 26.0 (8.7)  mary me 172.7 (19.1) 28.0 (9.3)  169.2 (18.7) 28.0 (9.3)  ncome 106.2 (11.7) 17.0 (5.7)	Full year 1H (E)  Sales 906.0 300.0  SPE 726.4 208.0  FPD 68.0 38.0  EC/CN 111.1 53.5  Others 0.4 0.5  rating me 168.4 (18.6) 26.0 (8.7) 10.0  nary me 172.7 (19.1) 28.0 (9.3) 10.0  169.2 (18.7) 28.0 (9.3) 10.0  dends 125 year 19 year	Full year	Full year 1H (E) 2H (E) Full sales 906.0 300.0 400.0 SPE 726.4 208.0 288.0 FPD 68.0 38.0 52.0 EC/CN 111.1 53.5 59.5 Others 168.4 (18.6) 26.0 (8.7) 58.0 (14.5) 8 mary me 172.7 (19.1) 28.0 (9.3) 60.0 (15.0) 8 mary me 169.2 (18.7) 28.0 (9.3) 60.0 (15.0) 8 mary me 106.2 (11.7) 17.0 (5.7) 38.0 (9.5) 8 mary me 106.2 (11.7) 17.0 (5.7) 38.0 (9.5) 8 mary me 106.2 (11.7) 17.0 (5.7) 38.0 (9.5) 8 mary me 106.2 (11.7) 17.0 (5.7) 38.0 (9.5) 8 mary me 106.2 (11.7) 17.0 (5.7) 38.0 (9.5)	FY2008	FY2008	FY2008 Initial estimates as of May 13  Full year  1H (E) 2H (E) Full year (E) 1H (E)  301.5  SPE 726.4 208.0 208.0 288.0 496.0 206.8  FPD 68.0 38.0 52.0 90.0 41.0  EC/CN 111.1 53.5 59.5 113.0 53.5  Others 0.4 0.5 0.5 1.0 0.2  rating me 168.4 (18.6) 26.0 (8.7) 172.7 (19.1) 28.0 (9.3) 60.0 (15.0) 88.0 (12.6) 25.0 (8.3)  ncome 106.2 (11.7) 17.0 (5.7) 38.0 (9.5) 55.0 (7.9) 19.400	FY2008  Initial estimates as of May 13  Full year  1H (E)  2H (E)  Full year (E)  1H (E)  301.5  SPE  726.4  208.0  288.0  496.0  206.8  FPD  68.0  38.0  52.0  90.0  41.0  EC/CN  111.1  53.5  59.5  113.0  53.5  Others  0.4  0.5  0.5  1.0  0.2  rating me  168.4 (18.6)  26.0 (8.7)  78.0 (14.5)  84.0 (12.0)  22.5 (7.5)  200.0  169.2 (18.7)  28.0 (9.3)  60.0 (15.0)  88.0 (12.6)  25.0 (8.3)  300.0  100.	FY2008	FY2008 Initial estimates as of May 13 Revised estimates as of May 14 Revised estimates as of May 13 Revised estimates as of May 14 Revised estimates as of May 13 Revised estimates as of May 14 Revised estimates as of May 13 Revised estimates as of May 14 Revised estimates as of	FY2008  Initial estimates as of May 13  Revised estimates  Full year  Full year  1H (E)  2H (E)  Full year (E)  1H (E)  2H (E)  Full year  Sales  906.0  300.0  400.0  700.0  301.5  328.5  SPE  726.4  208.0  288.0  496.0  206.8  213.7  FPD  68.0  38.0  52.0  90.0  41.0  55.0  EC/CN  111.1  53.5  59.5  113.0  53.5  59.5  Others  0.4  0.5  0.5  0.5  1.0  0.2  0.3  Tating me  168.4 (18.6)  26.0 (8.7)  58.0 (14.5)  84.0 (12.0)  22.5 (7.5)  28.5 (8.7)  51.0  Tating me  172.7 (19.1)  28.0 (9.3)  60.0 (15.0)  88.0 (12.6)  25.0 (8.3)  30.0 (9.1)  55.0  10	FY2008

- 1. SPE: Semiconductor Production Equipment. FPD: FPD Production Equipment, EC/CN: Electronic Components/Computer Networks
- 2. Numbers shown in ( ): profit ratios
- 3. YoY changes are calculated using full amounts, before rounding.

# **Projected R&D Expenses and CAPEX**

R&D expenses: Slightly reduced from initial forecasts but will be maintained at a high level



## **Summary**

- SPE business environment: Severe market adjustment continued, mainly in memory investment. Adjustment is expected to take longer than the initial expectations.
- **FPD business environment:** Although this fiscal year will show strong YonY growth, some are cutting production of LCD panels, uncertainty on investment in the 2<sup>nd</sup> half is increasing.
- TEL results: Based on the assumption that SPE market adjustment will be extended, we have revised down consolidated forecasts for the current fiscal year.
- Reflecting the worsening business environment we will pursue all possible cost controls, while not compromising future growth.

