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