

Revision of FY2009 Financial Estimates

[FY2009: April 1, 2008 – March 31, 2009]

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2008 Business Environment Outlook

▶ SPE capex

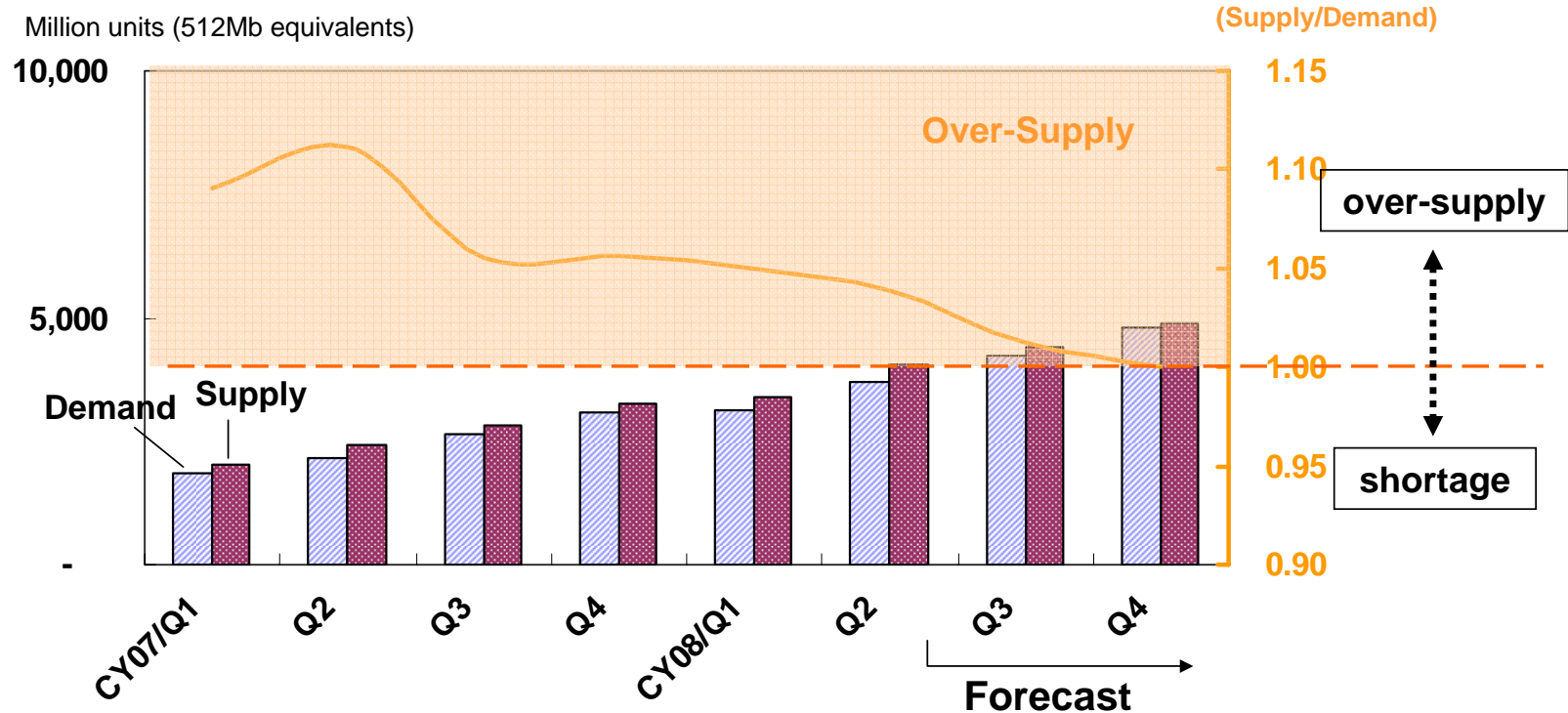
- Continued tough environment for orders due to worsening economic background.
- DRAM: DRAM demand weaker than expected, market and investment recovery forecasted in 2009.
- NAND: Severe price declines amid weakening demand, investment to boost capacity is weak. Some customers expected to sustain miniaturization 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

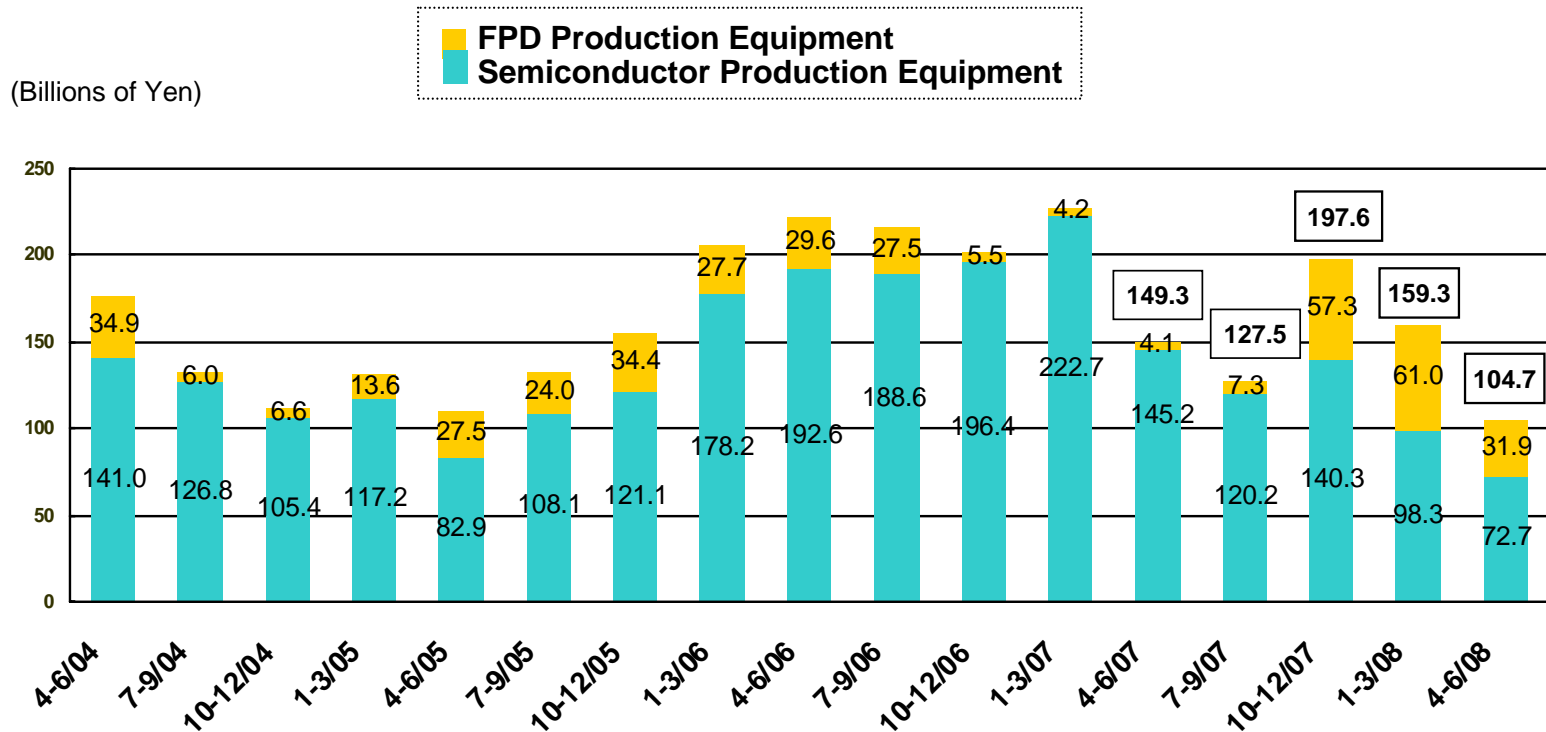


➔ DRAM demand weaker than expected, market recovery forecast in 2009

Source: TEL estimate based on research companies' data



Quarterly SPE+FPD Orders



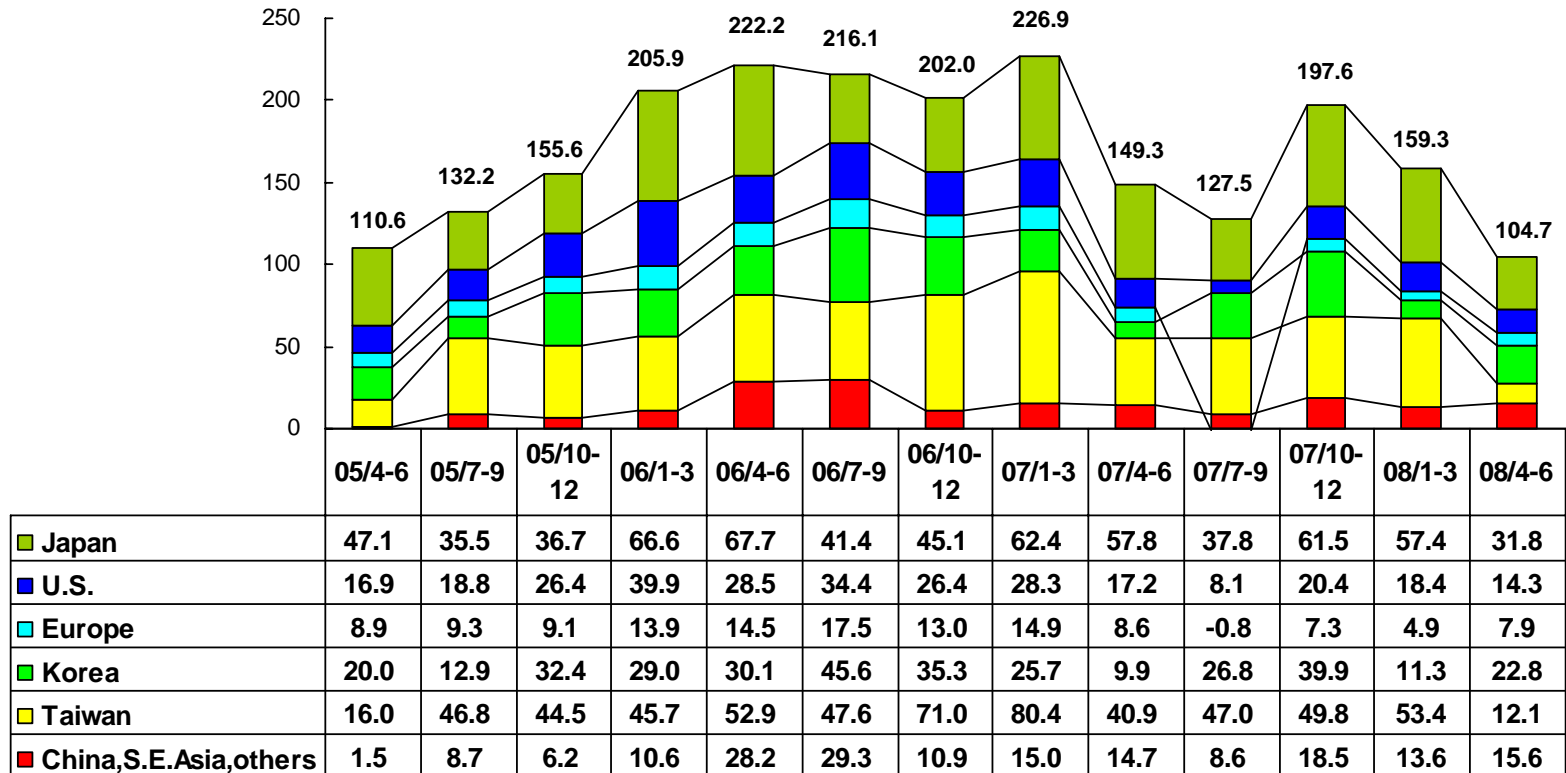
*Figures until Oct-Dec 2005 are non-consolidated, figures from Jan-Mar 2006 are consolidated.

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



Quarterly SPE+FPD Orders by Region

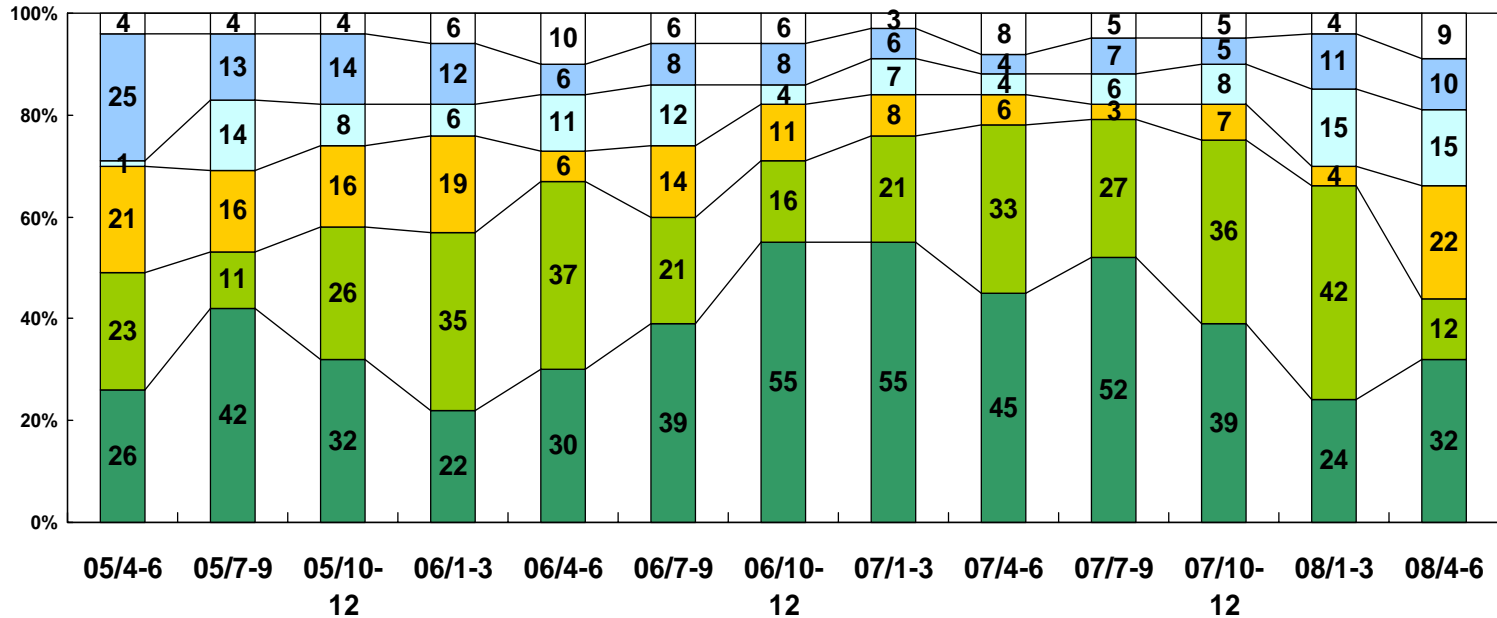
(Billions of Yen)



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



Quarterly SPE Orders by Application (Equipment only)



- Others
- System LSI
- Logic foundry
- MPU, High-end logic
- Flash memory
- DRAM

(TEL estimation included in memory portion)



Revision of FY2009 Financial Estimates

(Billions of yen)

	FY2008	FY2009 (E)						
		Initial estimates as of May 13			Revised estimates			
		Full year	1H (E)	2H (E)	Full year (E)	1H (E)	2H (E)	Full year (E)
Net 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	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)	55.0 (7.9)	15.0 (5.0)	18.0 (5.5)	33.0 (5.2)	-69%
Dividends per share	125 yen	19 yen	43 yen	62 yen	19 yen	21 yen	40 yen	

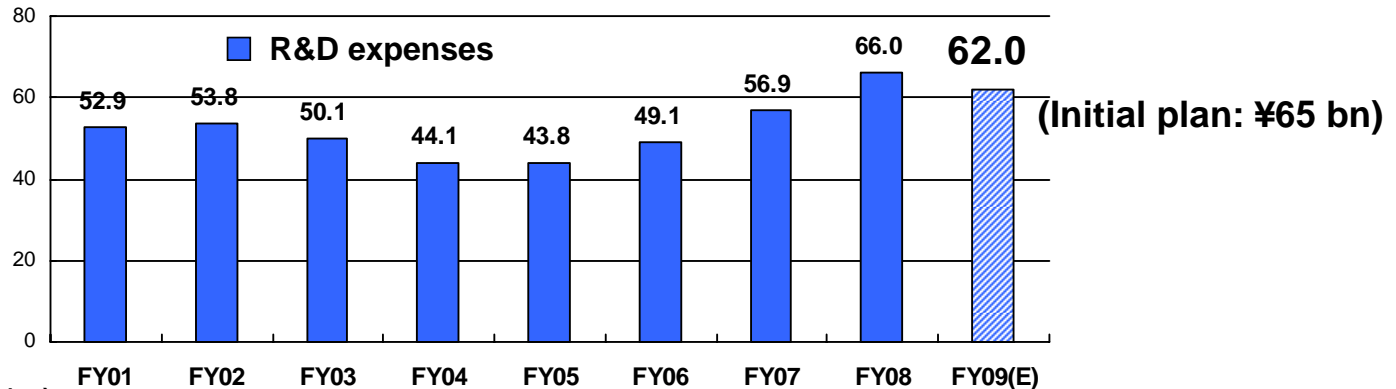
1. SPE: Semiconductor Production Equipment. FPD: FPD Production Equipment, EC/CN: Electronic Components/Computer Networks
2. Numbers shown in (): profit ratios
3. YoY changes are calculated using full amounts, before rounding.



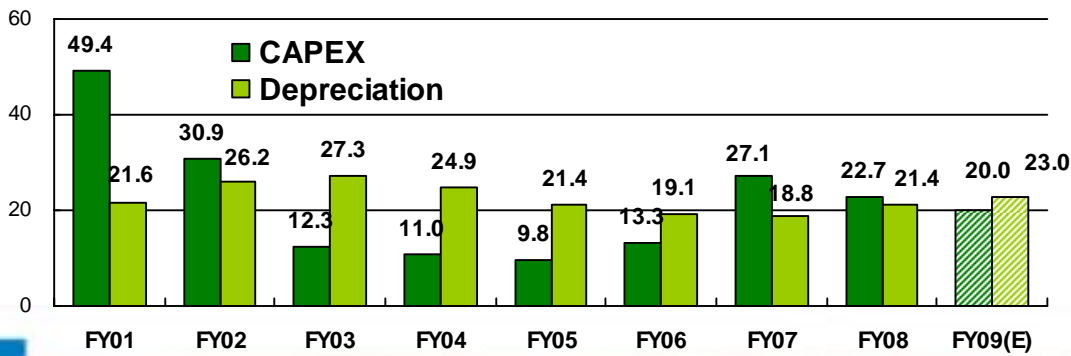
Projected R&D Expenses and CAPEX

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

(Billions of Yen)



(Billions of Yen)



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 YoY growth, some are cutting production of LCD panels, uncertainty on investment in the 2nd 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.

