

FY09/3 First Quarter (April-June) Q&A

1. How does the company analyze the first quarter financial results compared with the estimates at the beginning of the quarter?

- A. Semiconductor sales for the first quarter were in line with expectation, recording 159.2 billion yen, a 2% increase from the previous quarter. There was an increase in sales of semiconductors for automotive application and LCD driver ICs for large panels used for televisions and PC monitors, while general-purpose products performed worse than expected. We recorded operating income of 1.7 billion yen, a fourth consecutive quarter to keep black in the operating basis. Operating profit improved from the previous quarter by 1.5 billion yen, mainly due to higher fab utilization rates and lower depreciation, even though there was a negative impact from currency fluctuations.

2. What is the outlook for the second quarter financial results?

- A. We estimate semiconductor sales to slightly increase in the second quarter from the first quarter. We expect hikes in oil prices and weaker automotive industry to bring some impact to semiconductors for automotive application. However, semiconductors for Blu-Ray related devices are estimated grow strongly, contributing to sales increase in Computing and Peripherals and Consumer Electronics application. We aim to exceed our operating profit target of 3.0 billion yen for the first half of the fiscal year. We expect sales to increase from quarter on quarter, and we are likely to benefit from weaker yen.

3. Semiconductor market conditions seem to be increasingly severe. Are there changes made to the latter half forecasts and will the Company recover net profit?

- A. The market conditions are becoming more severe than our original estimates at the beginning of the fiscal year, notably in the automotive related areas particularly in North America, and general purpose products. We will monitor market trends and customer demand carefully to determine the outlook for the second half business performance. However, we continue with our goal to restore net profit for the fiscal year ending March 2009.

4. Are there any changes to 60 billion yen CAPEX estimated to be spent for the full year? What are the fab utilization rates for the first quarter and for the second quarter going forward?

- A. There is no change made to 60 billion yen of the CAPEX plans. The first quarter utilization rates were about 89% (quarter average), a 3% improvement from the previous quarter. The second quarter utilization rates are expected to be at about 90%.