

## **FY10/3 Third Quarter (Oct. – Dec.) Q&A**

### **Q1. How were financial results for the third quarter compared to the estimation?**

A1: Semiconductor sales for the third quarter were 113.1 billion yen, a decrease by 1% from previous quarter (July– Sept.), and slightly lower than original expectation. This was due to lower than expected sales of LSIs for Consumer Electronics and Communications, while multi-purpose products, such as microcontrollers and discrete semiconductors, as well as automotive semiconductors showed strong growth.

Operating loss was 9.3 billion yen, a significant improvement from the previous quarter and in line with the expectation. This was due to cost improvements and reduction in R&D expenses, although there was an impact from strong yen.

### **Q2:What is the outlook for the fourth quarter (Jan. – Mar.)? How will the company achieve profit improvement which is estimated to be more than sales growth?**

A2:Semiconductor sales for the fourth quarter are expected to increase by more than 5% from the third quarter. By application, sales of Automotive, Multi-purpose, and Discrete, Optical and Microwave will continue to show solid growth. In addition, Communications and Computing and Peripherals, which ended the third quarter with lower than expected results, are expected to grow, owing to good performance on cutting-edge process products.

We expect to see profit improvement on operating basis, driven by expanded production of microcontrollers in demand, capacity increase in back-end production, and higher utilization rate for the 300 mm fabrication line, in addition to sales increase.

### **Q3: What are the products contributing to the 300mm fab utilization?**

A4: The 300mm fabrication line is expected to become fully utilized on an input base in the fourth quarter, attributable to expanded production of 40nm and 55nm process products used for digital AV equipment, such as digital televisions and digital cameras, and PC related equipment, such as printers.