

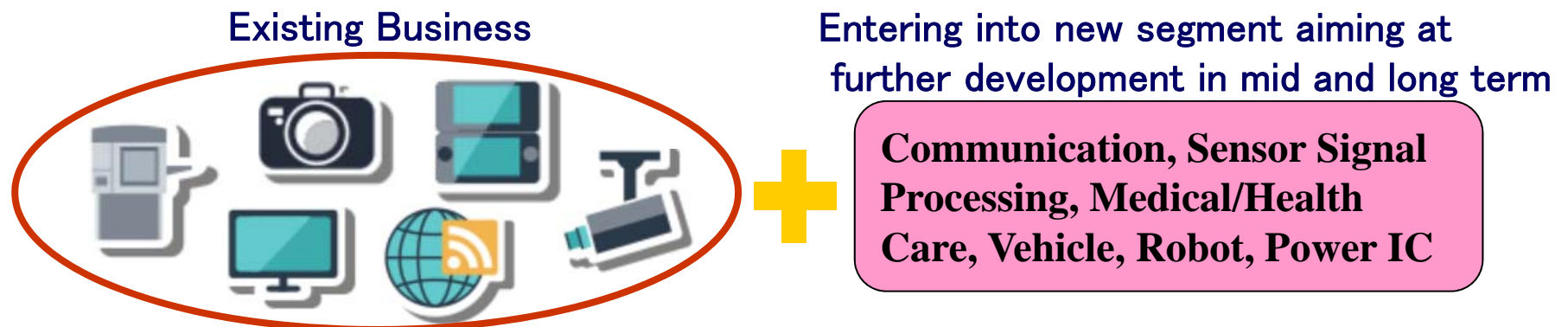
Medium-Term Management Strategy

① Establish new business of ASSP (LSI for specific purpose) and standard LSI in growing industrial segments

→ Establish new ASSP business in the segments of communication, vehicle, sensor signal processing, medical/health care and robot

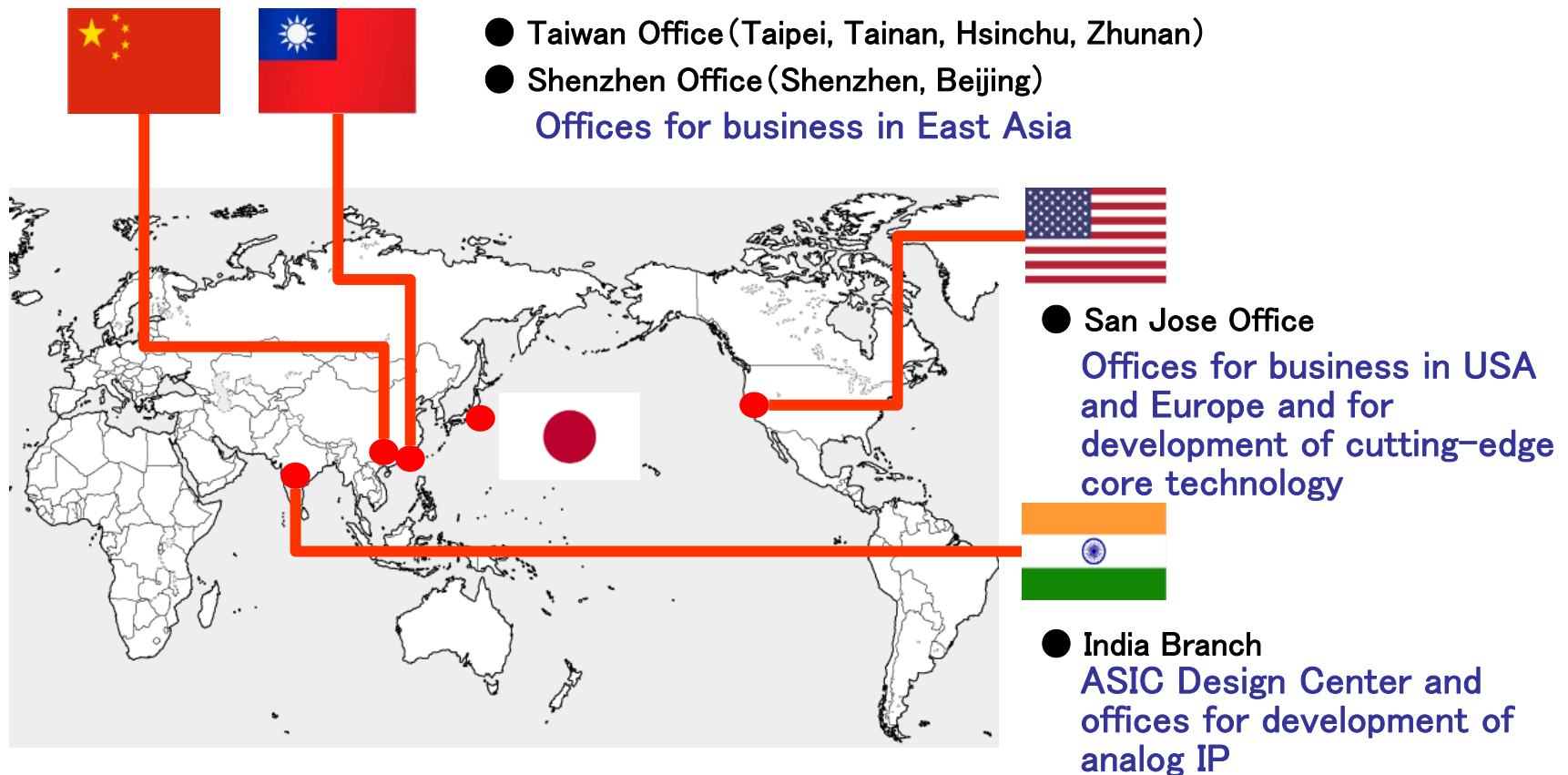
→ Develop new ASSP business by active M&A, strategic alliance and new investment

→ Establish required structure and system, expand the product line and extend the channel to overseas customers



Medium-Term Management Strategy

② Make investment in overseas offices for enhancement of their functions into the core for entering the global market



Medium-Term Management Strategy

③ Strengthen ASIC business base

- The enhancement of competitiveness through integration of LSI development and application knowledge in ASIC business will boost the shares in the markets with higher profit rate like OA and industrial equipment.
- Render stable and high-quality service to domestic customers by integrating necessary support in total, ranging from planning/development to overseas foundry, assembly and test
- Establish off-shore development and foundry most suitable for the products
- Acquire the core technology by quick technology development, strategic alliance and M&A

Medium-Term Management Strategy

④ Returns to Shareholders

【Dividend Policy】

- ① Aiming at continuous increase of enterprise value, the raised funds will be allocated for medium and long term growth, including basic research for creation of innovative technology, development of original products, structure of proper business portfolio and acquisition of excellent human resources. For the maintenance of the sound financial conditions endurable to any change of business environment, necessary internal reservation will be secured.
- ② Distribution of surplus will be made at the rate of whichever higher, (i) around 30% of distribution rate or (ii) 2% of distribution on equity (“DOE”) on a consolidated basis.
- ③ For enhancement of capital efficiency, the stock repurchase will be made flexibly and efficiently, considering the market conditions, stock price and finance conditions (excluding special element in the closing account.)

