



Vol . 211

High-tech Sector

Week ended July 9, 2006

KDDI (9433 TSE1) Ranked at the Top in June Mobile Phone Sales

KDDI Corp. (Stock code: 9433) was ranked at the top, for the second month in a row, in terms of new subscriptions for mobile phones and PHS systems in June, according to the Telecommunications Carriers Association. KDDI reported a net increase of 156,000 subscribers in June. NTT DoCoMo (Stock code: 9437) came in second with 141,000 new subscribers. Vodafone signed up 16,600 new subscribers. NTT DoCoMo, however, regained the lead for the first half. This was the first time for NTT DoCoMo to capture the lead for the first time in two half-year periods.

Orders Rise Sharply at Tokyo Electron (8035 TSE1)

Tokyo Electron (Stock code: 8035) said Friday that April-June SPE orders on a non-consolidated basis rose 10% from the previous quarter to ¥214 billion. Orders for semiconductor manufacturing equipment totaled ¥185 billion, an 11% increase from the previous quarter. Orders for LCD manufacturing equipment rose 6% to ¥29 billion.

Toshiba (6502 TSE1) to Hike Semiconductor Sales

Toshiba Corp. (Stock code: 6502) is planning to increase semiconductor sales by 70%, compared to FY2005, to ¥1.8 trillion in FY2008, according to its plans for semiconductor operations. The company plans to invest aggressively for boosting output of NAND flash memories.

SPE Sales to Reach 2.29 Trillion in FY2006

Sales of semiconductor and flat panel display production equipment in fiscal 2006 are likely to increase 12.0% year-on-year to ¥2.29 trillion, according to SEAJ, the sector's trade body, and exceed the past record of ¥2.1 trillion set in FY2004. The trade body expects the momentum to continue in FY2007, when it expects sales to reach ¥2.55 trillion, up 11.5% from FY2006. SEAJ forecast sees sales growing at an average annual rate of 8.4% through FY1008.

Global Electronic Component Shipments Rise in April

Shipments of electronic components worldwide rose 14% year-on-year in April to ¥379.4 billion, according to JEITA. This was the 14 consecutive year-on-year gain in monthly orders, JEITA said. Moreover shipments rose at double-digit rates for 9 months in a row. Power supply parts recorded the highest gain, with shipments up 40%. Shipments of high-frequency components were up 33%. Connector shipments were up 20%.

Earnings Roundup

Oracle Japan (4716 TSE1) Reports Higher Profit

Oracle Corp. Japan (Stock code: 4716) reported pre-tax profit of ¥32.2 billion, up 11.8% from

the previous fiscal year, on revenues of ¥91.56 billion, an increase of 10%, for the fiscal year ended May 2006. Sales rose on strong demand for its database systems and software. For the current fiscal year, the company forecasts non-consolidated pre-tax of ¥35.55 billion on revenues of ¥101.0 billion.

<http://www.tokyoipo.com/top/en/index.php?id=&seqid=>

No new initial public offerings were approved in the week ended April 9.

JIN (3046 HRLS)

JIN Co., Ltd, an eye-glass manufacturer, will list on the Hercules market of the Osaka Securities Exchange on August 8. The company will offer one million newly issued shares to the public in its initial public offering. The tentative price range will be announced on July 18 and the fixed offering price will be announced on July 27. For the current fiscal year ending August 2006, the company forecasts non-consolidated net income of ¥408 million on sales of ¥3.9 billion. Mizuho Investors Securities is the lead underwriter of the offer.

GameOn (3812 MTH)

GameOn LTD., an online game service firm, will list on the Mothers Market of the Tokyo Stock Exchange on August 9. The company will offer 17,130 shares to the public in its initial public offering. Of those 3,000 are newly issued shares and 14,130 are shares currently held in private. The company expects to net ¥2.2 billion from the IPO and plans to use the proceeds for purchasing new game software and for developing new games in-house. For the current fiscal year through December 2006, the company forecasts non-consolidated net income of ¥1.02 billion on revenues of ¥5.4 billion and an earnings per share of ¥14,085.45. The tentative price range will be announced on May 21. The fixed offering price will be announced on August 1. Nikko Citigroup Securities is the lead underwriter of the offer.

E-Supportlink (2493 HRLS)

E-Supportlink, Ltd., a company specializing in developing systems for fresh food wholesalers, will list on the Hercules market of the Osaka Securities Exchange on August 10. The company will offer 3,200 shares to the public in its initial public offering. Of those 2,200 are newly issued shares and 1,000 are shares currently held in private. The tentative price range will be announced on July 20. The fixed offering price will be announced on July 31. For the current fiscal year through November 2006, the company forecasts non-consolidated net income of ¥124 million on revenues of ¥5.4 billion and an earnings per share of ¥4,268.34. Mizuho Investors Securities is the lead underwriter of the offer.

Info Mart (2492 MTH)

Info Mart Corp., a BtoB food sales service company, will list on Mothers Market of the Tokyo Stock Exchange on August 8. The company will offer 3,600 shares to the public in its initial public offering. Of those 1,600 are newly issued shares and 2,000 are shares currently held in private. The lead underwriter, of the offer, Daiwa Securities SMBC, also has a green shoe option, allowing it to offer an additional 400 shares in the event of exceptional demand. The tentative price range will be announced on July 19. The fixed offering price will be announced on July 28. The company expects to net ¥527 million from the IPO and plans to use the proceeds for capital investment and business expansion. For the current fiscal year through December 2006, the company is forecasting non-consolidated net income of ¥238 million on revenues of ¥1,91 billion and earnings per share of ¥8,022.70. Daiwa Securities SMBC is the lead underwriter of the offer.

Truck-One (3047 FSE)

Truck-One Co., Ltd. will list on the Fukuoka Stock Exchange on August 8. The company will offer 1,000 newly issued shares to the public in its initial public offering. The tentative price range will be announced on July 12. The fixed offering price will be announced on July 25. D Brain Securities is the lead underwriter of the offer.

Basic Electronics Industry Statistics

	Prod	Ship.	Inv.	Capacity utilization	H. Elec. machinery	Cons. appliances	Electronics Sector	Cons. electronics	Industrial electronics	Electronic devices	Semicon (Production)	Consumer electronics (sales)
June	106.5	113.4	86.7	123.3	2,409	2,040	16,111	2,134	6,215	7,762	3,440	233
July	102.1	106.8	87.8	110.2	2,270	1,804	15,145	2,028	5,545	7,572	3,370	268
Aug	110.8	113.1	88.5	74.1	2,180	1,249	15,156	1,985	5,439	7,733	3,522	224
Sept	104.0	109.0	86.1	79.0	2,762	1,331	17,721	2,394	6,937	8,390	3,701	206
Oct	107.4	113.0	86.4	80.1	2,261	1,432	15,800	2,450	5,196	8,154	3,573	224
Nov	109.4	115.7	85.5	84.6	2,376	1,472	16,973	2,728	5,919	8,326	3,614	252
Dec	108.2	114.5	82.7	83.9	2,490	1,438	16,787	2,326	6,438	8,023	3,465	336
Jan	110.7	116.5	82.4	81.1	2,197	1,291	14,977	1,754	5,420	7,803	3,521	282
Feb	108.2	112.3	81.8	94.8	2,440	1,500	16,763	2,055	6,704	8,005	3,572	181
Mar	101.4	109.7	81.4	103.4	3,440	1,549	20,718	2,305	9,447	8,967	4,103	225
Apr	106.9	110.1	86.9	101.6	1,244	1,698	15,977	2,308	5,655	8,014	3,586	214
May	105.5#	113.4#	85.6#									205
YoY	4.1	6.8	0.1	-2.0	5.1	-0.5	8.9	10.6	3.8	12.3	12.8	-1.8

Base year 2000 = 100 (seasonally adjusted); 100 million yen, YoY: Year-on-year percentage change

Source: Ministry of Economy, Trade and Industry, Japan Electronics Industry Association and other trade associations