



FY09 1st Quarter Financial Result SK-Electronics Co., LTD.

February 9, 2009

1. FY09 1st Quarter Financial Summary

2. FY09 Financial Forecast

FY09 1st Quarter Review (From Oct. to Dec. 08)

LCD Panel Market Review

*Lower LCD end product demand than expected caused by recession of World economy.

*Drastic Panel price decline.

*Very low Panel makers' operation rate and prolongment of inventory adjustment.

*All panel makes fell to the deficit for this period.

*Announcement of postponement, reduction, and cancel of panel production facility investment

SK-Electronics Review

*Postponement, reduction, and cancel of panel production facility investment and bad financial result and low production operation rate by panel makers caused low photomask demand especially since November 2008.

*Because of low photomask demand, competition became more severe and photomask price went down.

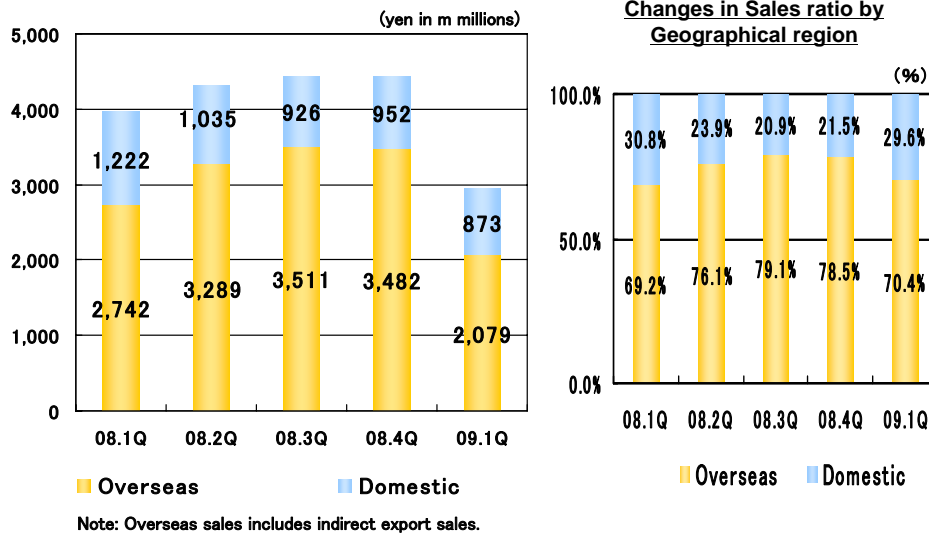
*Execution of cost reduction measures, such as fixed and variable costs under internal emergency declaration.

FY09 1st Quarter Consolidated Financial Results

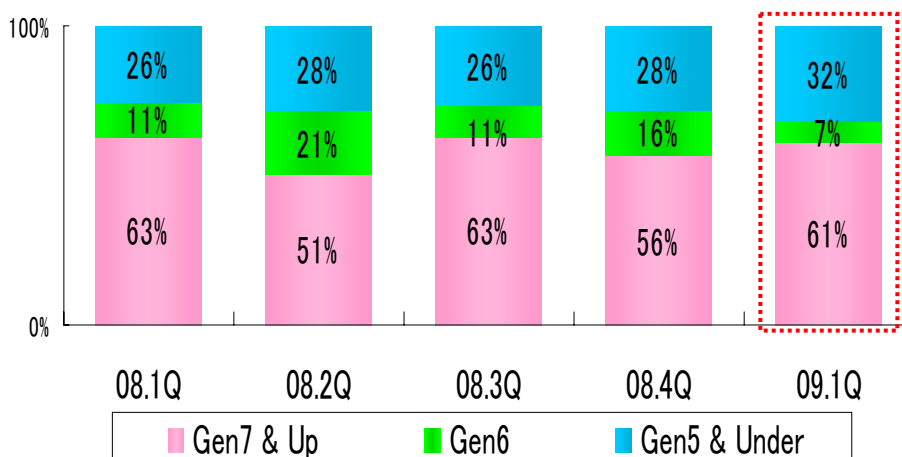
(yen in millions)

	FY08 1Q	FY09 1Q	Change (%)
Net Sales	3,964	2,953	-25.5
Operating Income	-92	-627	—
Ordinary Income	-131	-712	—
Net Income	-72	-690	—
Capex	60	3,220	5,366.7
Depreciation	651	628	96.5

Changes in Sales and Sales ratio by Geographical Segment

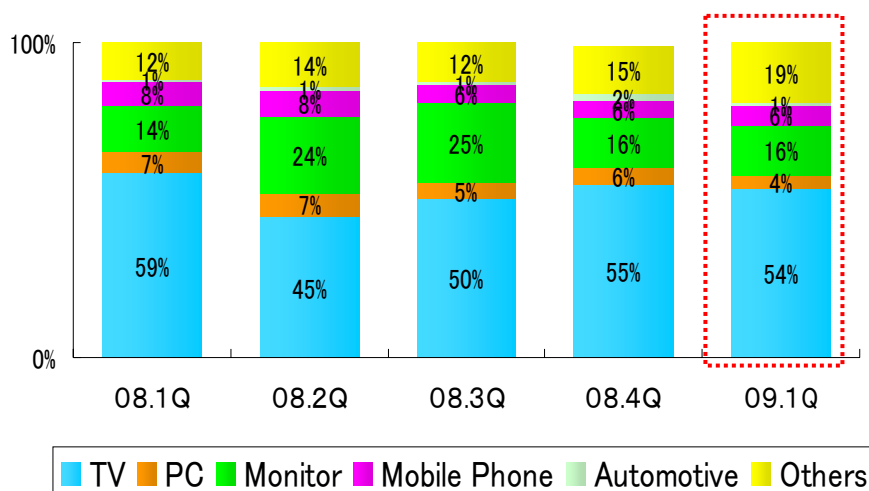


Changes in Sales ratio by Photomask generations (QonQ)



Decrease sales ratio of Gen6 = Lower demand because of Low photomask demand from Taiwan.

Changes in Sales ratio by Photomask applications (QonQ)



Consolidated Balance Sheet

(Yen in millions)

Consolidated B/S	Sep. 2008	Dec. 2008	Change
(ASSETS)	25,709	28,956	3,247
Cash and deposits	2,167	2,267	100
Notes and accounts receivable-trade	3,942	3,055	- 887
Raw materials and supplies	2,180	1,939	- 241
Current assets	783	623	- 160
Property, plant and equipment	15,985	20,418	4,433
Intangible assets	316	308	- 8
Other, net	333	343	10
(LIABILITIES)	12,500	17,325	4,825
Notes and accounts payable-trade	3,336	3,715	379
Short-term loans payable	600	570	- 30
Current portion of long-term loans payable	6,757	8,318	1,561
Other	1,806	4,721	2,915
(NET ASSETS)	13,209	11,631	- 1,578
Equity Capital	11,324	10,118	- 1,206
Minority interests	1,885	1,512	- 373
Owner's equity ratio	44.00%	34.90%	-9.10%

Cash Flows

(Yen in millions)
(Ref.)

	FY08 1Q	FY09 1Q	FY08 Total
CF from Operating activities	1,627	931	4,568
CF from Investing activities	- 1,277	- 2,081	- 4,533
Free Cash Flow	350	- 1,150	35
CF from Financing activities	908	1,378	603
Net increase (decrease) in cash and cash equivalents	1,248	99	568
Cash and cash equivalents	2,848	2,267	2,167

1. FY09 1st Quarter Financial Results

2. FY09 Financial Forecasts

FY09 Market Forecast

LCD panel market trend

*Preparation of Sharp Corp's Gen 10 LCD panel factory start-up and increase capacity of Korean Panel maker's Gen8 factory.

*The recovery time of the panel manufacturer utilization rates is still opaque though the improvement is expected as for the panel supply and demand balance in the latter half of 09. (Recovery timing might be different among panel makers)

*Expectation of increase of TV demand by Digitization of TV broadcasting starting from June in North America.

SK-Electronics trend

*Shiga Plant starts production for next generation photomasks.

(Depreciation of Shiga plant starts from February)

*Possibility of sluggish demand for Conventional photomasks (under Gen8) similar to the 1st Quarter. Recovery of photomask demand depends highly on financial condition and operation rate of panel makers.

Consolidated FY09 Financial Forecasts (revised from Nov. 2008)

(Yen in millions)

	1 st Half of FY09		FY09	
	Previous	Revised	Previous	Revise
Net Sales	9,765	5,840	24,000	17,000
Changes		(-40.2)		(-29.2%)
Operating Income	-660	-1,850	290	-1,600
Changes		(-)		(-)
Ordinary Income	-745	-1,980	120	-1,800
Changes		(-)		(-)
Net Income	-770	-1,880	35	-1,540
Changes		(-)		(-)

Capex	—	—	14,700	14,400
Depreciation	—	—	6,500	5,400
R&D	—	—	550	370

Approach for profitability improvement

Cost reduction Plan

1. Board of Directors: Reduction of 10-20% of monthly salary
2. Corporate officers: Reduction of a part of allowance
3. Auditors: Voluntarily return 5% of monthly reward
4. Stop operation of a part of Kyoto Plant
(Production efficiency improvement)
5. Freezing of Capex (Except Shiga Plant)
6. Drastic reduction of R&D expense
7. Reduction in labor cost
(Overwork reduction, review of shift changes, etc...)

Approaches to Strategic issues

- * Early profitability improvement of Shiga Plant
- * Profitability improvement of conventional plants (Under Gen8)
- * Construction of state-of-the-art technology as a leading company in the industry
(Differentiate from competitors)