



FY07 Financial Result SK-Electronics Co., LTD.

November 8, 2007

1. FY07 Financial Summary

2. FY08 Financial Forecast

FY07 Market review

First Half (2006.10~2007/3)

- ◆ Price down of PM more than expectations, renouncement of financial forecast at the time of 1Q
- ◆ Low demand of PM in Taiwan in the 1Q and some recovery since 2Q
- ◆ 42.4% increase Y-on-Y for the domestic sales
- ◆ Highest sales record for the PM business for the 2Q ever since

Second Half (2007.4~9)

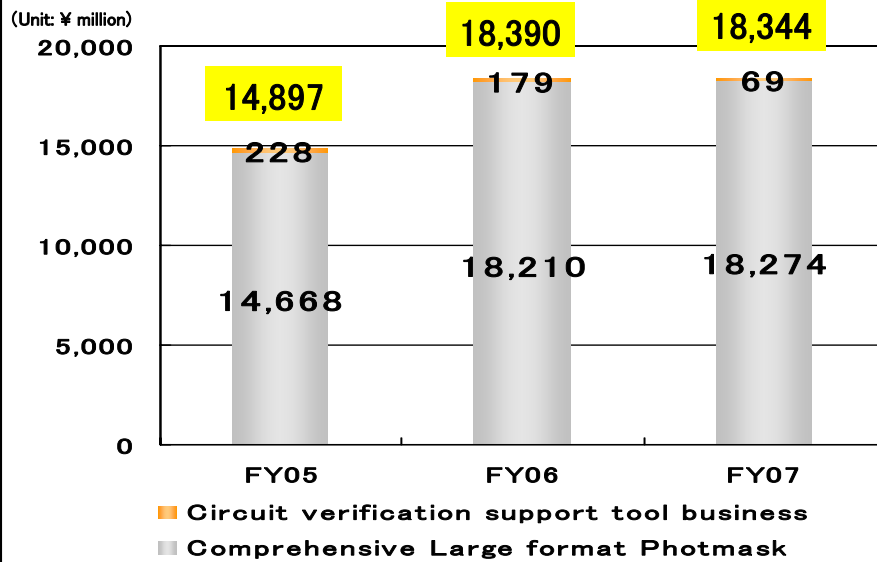
- ◆ Sharp drop of PM demand in domestic sales
- ◆ Low demand for PM to be used in new development caused by full production conditions by panel manufactures
- ◆ Steady PM sales growth in Korea thanks to G8 start-up

Consolidated Financial Forecasts for the Year Ending on Sept. 30, 2007

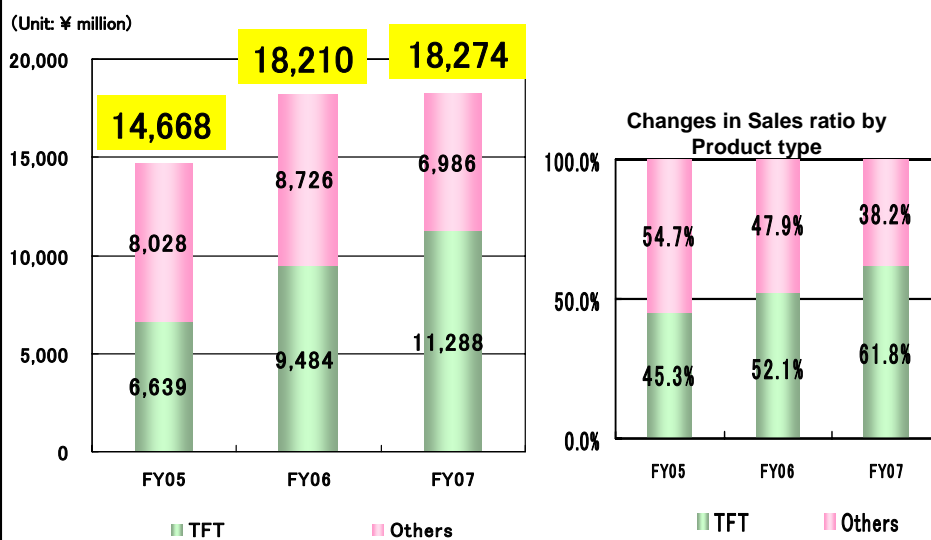
(Yen in millions)

	Sept. 2006	ratio	Sept. 2007	ratio	% Change
Net Sales	18,390	100.0	18,344	100.0	-0.2
Gross profit	3,985	21.7	2,062	11.2	-48.2
Operating Income	1,859	10.1	174	0.9	-90.6
Ordinary Income	1,878	10.2	133	0.7	-92.9
Net Income	1,030	5.6	52	0.3	-94.9

Sales by Business Segment

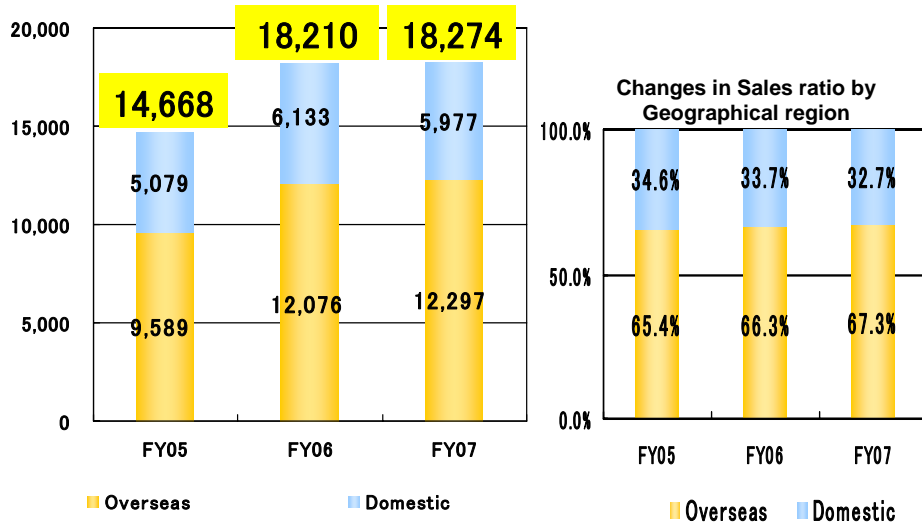


Comprehensive Large Format Photomask Changes in Sales by Product type (Y on Y)

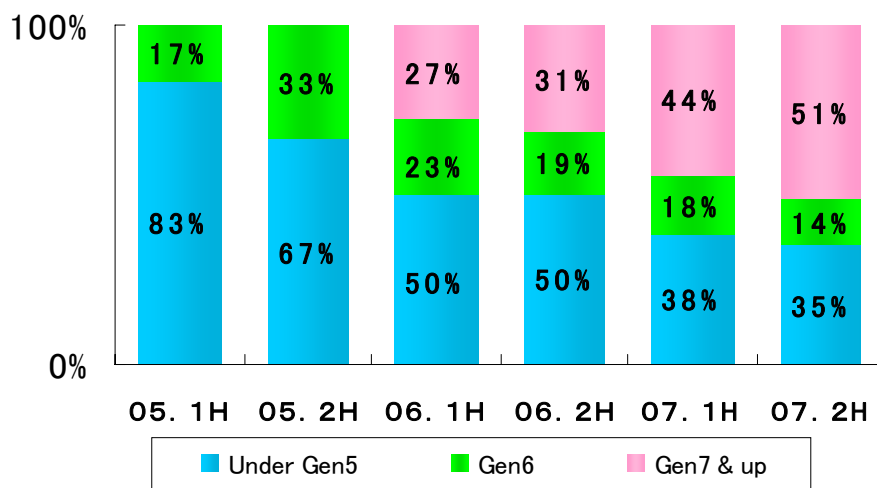


Comprehensive Large Format Photomask Changes in Sales by Geographical Segment

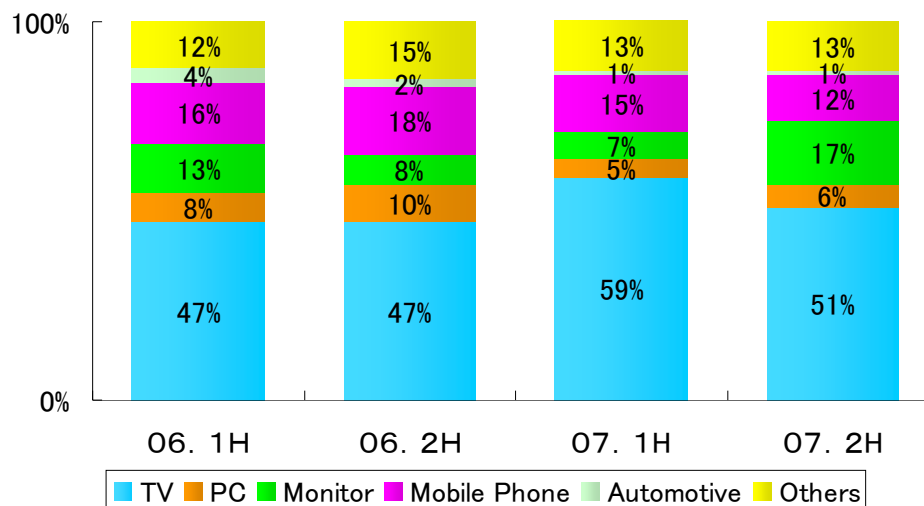
(Unit: ¥ million)



Changes in Sales ratio by Photomask generations (HonH)



Changes in Sales ratio by Photomask applications (HonH)

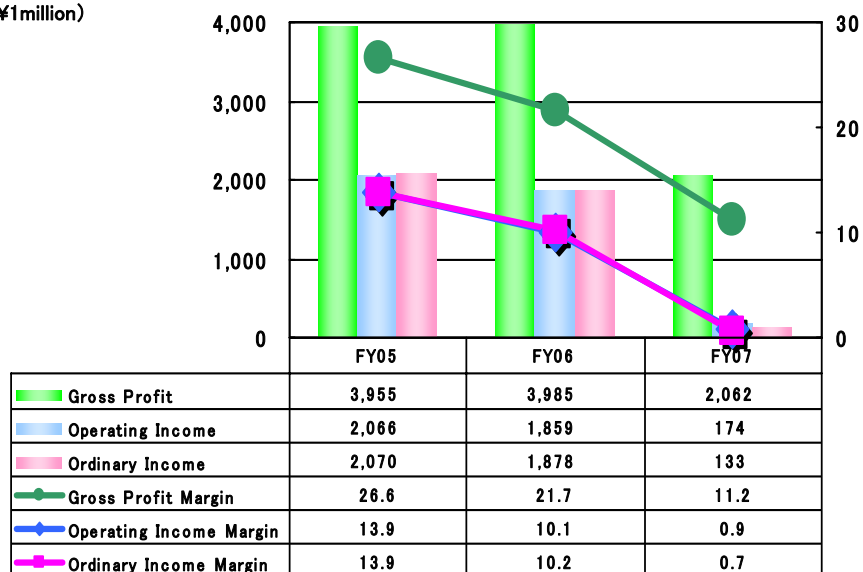


Income trend (Consolidated)

Trends of Gross profit/Operating income/Ordinary income

(%)

(Unit: ¥1million)



連結貸借対照表

(Unit:¥1million)			
	31-Sep-06	31-Sep-07	Changes
Total assets	27,062	25,376	▲ 1,686
Current assets	10,960	9,657	▲ 1,303
Cash on hand and in banks	1,553	1,599	▲ 46
Trade notes and account receivable	5,736	4,818	▲ 917
Inventories	3,304	2,327	▲ 977
Other current assets	404	944	540
Allowance for doubtful accounts	▲ 38	▲ 31	6
Fixed assets	16,102	15,719	▲ 382
Property, plant and equipment	15,551	15,186	▲ 364
Intangible fixed assets	101	86	▲ 14
Investments and other assets	449	445	▲ 3
Total liabilities	14,094	12,149	▲ 1,944
Current liabilities	9,895	7,290	▲ 2,605
Trade notes and account payable	4,276	3,843	▲ 432
Short-term borrowings	2,571	502	▲ 2,069
Current portion of long-term debt	1,197	1,844	646
Current portion of bonds	113	139	25
Account liabilities	237	257	20
Income taxes payable	185	-	▲ 185
Current portion of accrued long-term liabilities on equipment	506	338	▲ 168
Other current liabilities	806	365	▲ 441
Long-term Liabilities	4,198	4,859	661
Long-term debt	3,177	4,196	1,019
Accrued long-term liabilities on equipment	933	595	▲ 338
Other long-term liabilities	87	67	▲ 19
Net assets	12,968	13,226	258
Interest-bearing debt	8,387	7,476	▲ 910

◆Main reasons of changes

<Assets>

Current asset

¥1.33billion decrease

Tangible fixed assets

¥364million decrease

<Liabilities/Capital>

Liabilities

¥1.944billion decrease

Interest-bearing debt ¥7.476billion

Owners equity ratio 44.4%(+4.8point)

→Reduction of Total assets & Influence of Capital increase

Cash Flows and others (Consolidated)

(Unit:¥1million)			
	06/9	07/9	Changes
CF from Operating activities	4,193	4,010	▲ 183
CF from Investing activities	▲ 4,870	▲ 3,586	1,284
CF from Financing activities	1,293	▲ 375	▲ 1,668
Effect of exchange rate changes on cash and cash equivalents	4	▲ 2	▲ 6
Net change in cash and cash equivalents	619	46	▲ 573
Cash and cash equivalents at beginning of period	933	1,553	619
Cash and cash equivalents at end of period	1,553	1,599	46

◆Main reason of Changes

<CF from Operating activities>

- (-)Current income before income taxes & minority interests ¥118million
- (+)Depreciation ¥3.449billion
- (+)Decrease in trade notes & accounts receivable ¥854million
- (+)Decrease in inventories ¥982million
- (+)Decrease in trade notes & account payable ¥416million
- (-)Income taxes paid 428million

<CF from Investing activities>

- (-)Payments for purchases of property, plant & equipment ¥5.092billion
- (+)Proceeds from sale of property, plant & equipment ¥1.584billion

<CF from Financing activities>

- (-)Net decrease in short term borrowings ¥2.071billion
- (+)Proceeds from long-term debt ¥3.295billion
- (-) Payments for repayments for long-term borrowings ¥1.568billion

	06/9	07/9	Changes
Capex	4,811	3,491	▲ 1,320
Depreciation	2,885	3,449	564
R&D	274	277	3

<Capex> Equipment for Photomask

<Depreciation>

Equipment in Finex Co., Ltd. (subsidiary)

<R&D>

Value-added fine resolution photomask &

New business development

1. FY07 Financial Summary

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FY08 Market Forecast

First Half (2007.10~2008.3)

- Continuation of full production condition by panel manufactures
- G6 will start in Taiwan
- G7.5 2nd Phase will start in Taiwan

Second Half (2008.4~9)

- Special demand of LCD TV for Beijing Olympics
- Increase demand of LCD TV for the digitization of TV (North America, Australia, Sweden)

Consolidated Financial Forecasts for the Year Ending on Sept. 30, 2008

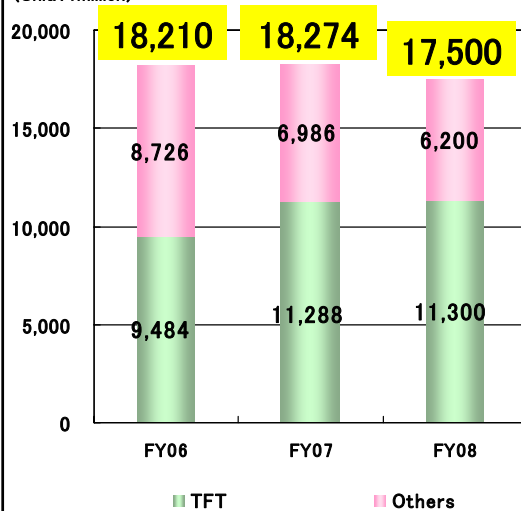
(Yen in millions)

	Sept. 2007	Sept. 2008	% Change
Net Sales	18,344	17,500	-4.6
Gross Profit	2,062	2,827	37.1
Operating Income	174	450	158.6
Ordinary Income	133	490	268.4
Net Income	52	250	380.8

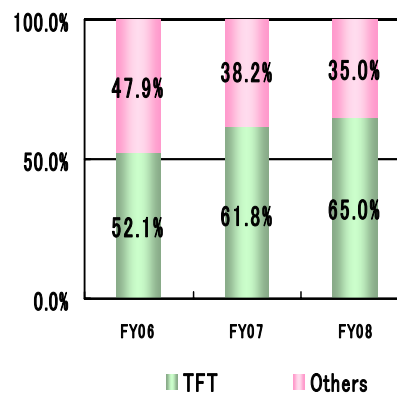
Comprehensive Large format Photomask Increase of TFT share

Changes in Sales by Product type

(Unit: ¥1million)

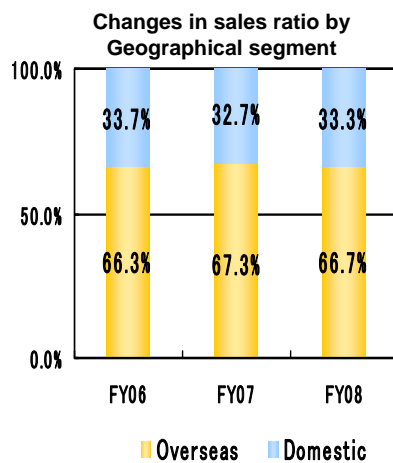
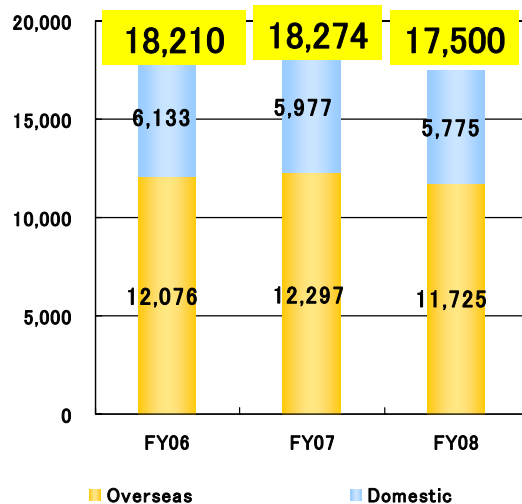


Changes in sales ratio by Product type



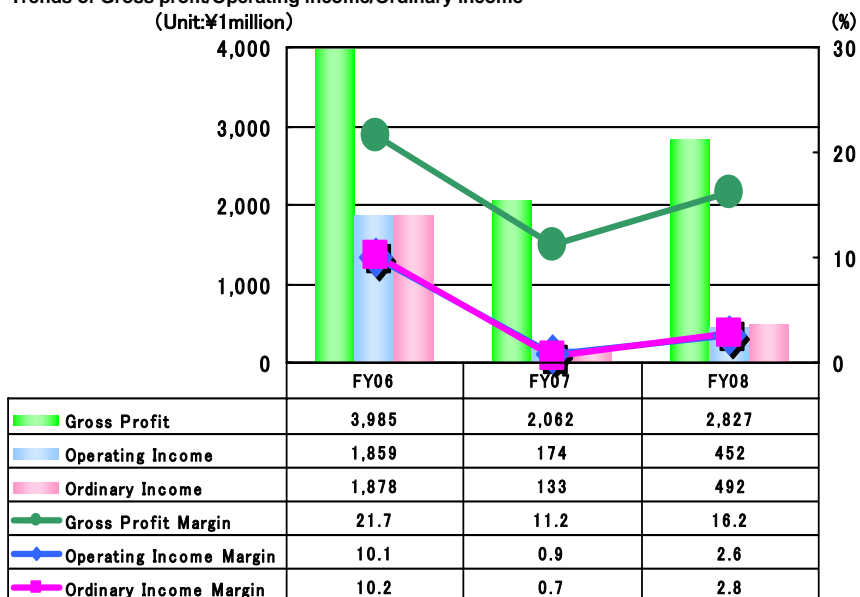
Comprehensive Large format Photomask

(Unit: ¥1million) **Changes in Sales by Geographical segment**

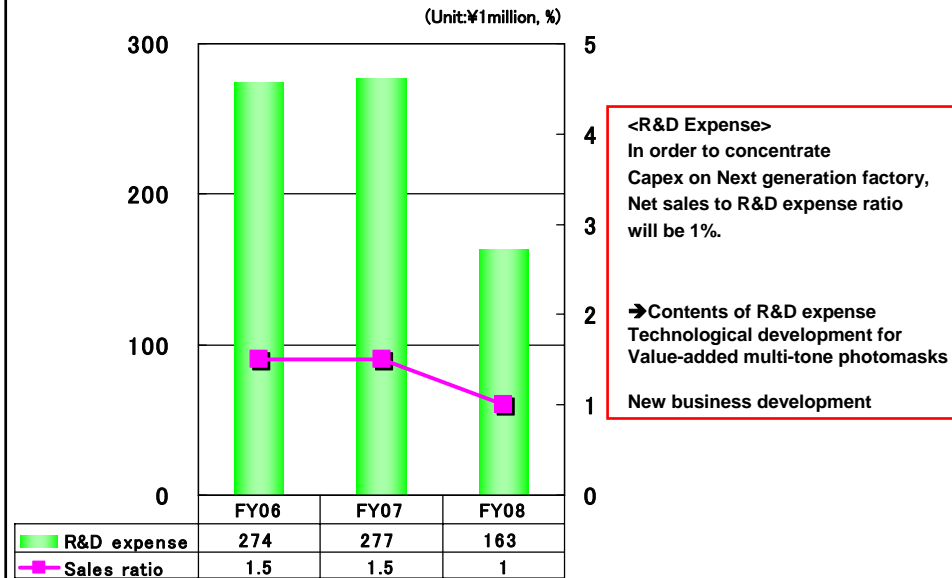


Income trend (Consolidated)

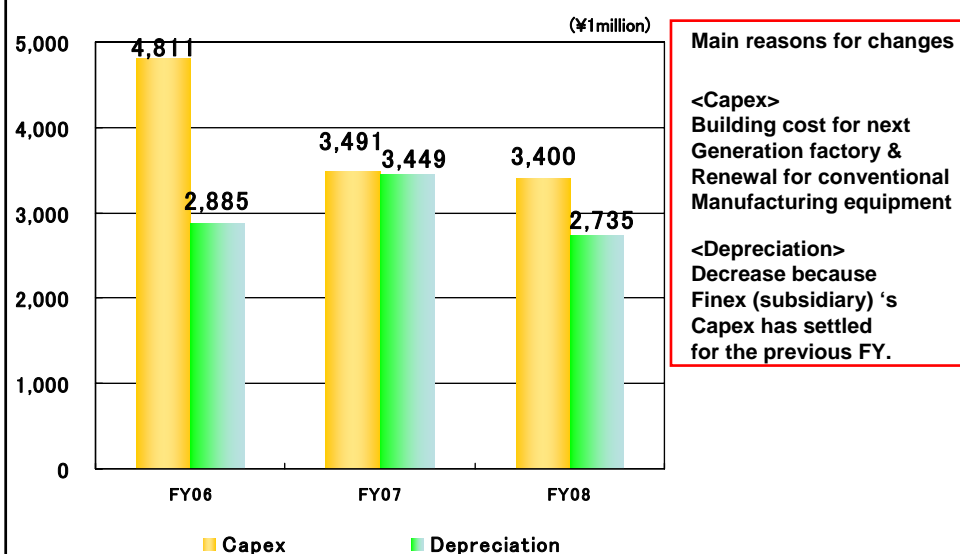
Trends of Gross profit/Operating income/Ordinary income
(Unit: ¥1million)



R&D expense & its sales ratio



Capex & Depreciation



FPD Market



- Taiwan---G7.5 2nd phase & add new G7.5 line , G6
- Korea---G8 2nd phase at the end of 2008, G10 plan?
- Japan---G10 start construction
- LCDvsPDP(+50 inches TV market)
- OLED getting into TV market(smaller than 20 inches)

Management strategy & Important issues

Important issues for this fiscal year

- Greater profitability in our current Comprehensive Large-Format Photomask Business

Mid- and Long-Term Management Strategy and Important Issues

- Vertical profitability in our current Comprehensive Large-Format Photomask Business
- Early Commercialization of New Business Segments

TOPICS

New Shiga Plant

Investment details

New Plant Location : Minakuchi Koka-city, SHIGA

Capital expenditure : ¥13.7 billion (including land cost)



Schedule

Building completion : August 2008

Move-in : September 2008

Start Production : December 2008

Mass production start : January 2009

TOPICS

Technical and Capital alliance with Nikon

