
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 28, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-7882

ADVANCED MICRO DEVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

94-1692300
(I.R.S. Employer
Identification No.)

One AMD Place
Sunnyvale, California
(Address of principal executive offices)

94088
(Zip Code)

Registrant's telephone number, including area code: **(408) 749-4000**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-12 of the Exchange Act). Yes No

Indicate the number of shares outstanding of the registrant's common stock, \$0.01 par value as of May 3, 2004: 353,582,380.

[Table of Contents](#)

[INDEX](#)

	<u>Page No.</u>
Part I. Financial Information	
Item 1. Financial Statements (unaudited)	3
Condensed Consolidated Statements of Operations – Quarters Ended March 28, 2004 and March 30, 2003	3
Condensed Consolidated Balance Sheets – March 28, 2004 and December 28, 2003	4
Condensed Consolidated Statements of Cash Flows – Quarters Ended March 28, 2004 and March 30, 2003	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	26
Item 3. Quantitative and Qualitative Disclosures About Market Risk	74
Item 4. Controls and Procedures	74
Part II. Other Information	
Item 6. Exhibits and Reports on Form 8-K	75
Signatures	76

[Table of Contents](#)PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Thousands except per share amounts)

	Quarter Ended	
	March 28, 2004	March 30, 2003
Net sales	\$ 931,851	\$ 714,555
Net sales to related party (see Note 3)	304,582	—
Total net sales	1,236,433	714,555
Expenses:		
Cost of sales	768,840	496,592
Research and development	226,090	203,062
Marketing, general and administrative	180,217	138,228
Restructuring and other special charges, net	—	2,146
	1,175,147	840,028
Operating income (loss)	61,286	(125,473)
Interest income and other, net	10,981	6,740
Interest expense	(30,154)	(25,805)
Income (loss) before minority interest, income taxes and equity in net income of Manufacturing Joint Venture	42,113	(144,538)
Minority interest in (income) loss of subsidiary	5,351	—
Income (loss) before income taxes and equity in net income of Manufacturing Joint Venture	47,464	(144,538)
Provision for income taxes	2,373	2,936
Income (loss) before equity in net income of Manufacturing Joint Venture	45,091	(147,474)
Equity in net income of Manufacturing Joint Venture	—	1,118
Net income (loss)	\$ 45,091	\$ (146,356)
Net income (loss) per common share:		
Basic	\$ 0.13	\$ (0.42)
Diluted	\$ 0.12	\$ (0.42)
Shares used in per share calculation:		
Basic	351,328	345,012
Diluted	417,963	345,012

See accompanying notes.

[Table of Contents](#)

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(Thousands except share amounts)

	March 28, 2004	December 28, 2003 *
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 957,423	\$ 968,183
Compensating balance	211,969	217,621
Short-term investments	138,964	127,563
	<hr/>	<hr/>
Total cash and cash equivalents, compensating balance and short-term investments	1,308,356	1,313,367
Accounts receivable	457,135	442,217
Accounts receivable from related party (see Note 3 & Note 11)	232,339	187,898
Allowance for doubtful accounts	(20,117)	(20,658)
	<hr/>	<hr/>
Total accounts receivable, net	669,357	609,457
Inventories:		
Raw materials	34,650	42,925
Work-in-process	490,172	504,861
Finished goods	167,766	149,872
	<hr/>	<hr/>
Total inventories	692,588	697,658
Deferred income taxes	119,546	102,651
Prepaid expenses and other current assets	153,829	177,145
	<hr/>	<hr/>
Total current assets	2,943,676	2,900,278
Property, plant and equipment:		
Land	60,740	61,002
Buildings and leasehold improvements	2,293,053	2,277,947
Equipment	7,635,559	7,581,241
Construction in progress	155,778	152,204
	<hr/>	<hr/>
Total property, plant and equipment	10,145,130	10,072,394
Accumulated depreciation and amortization	(6,414,293)	(6,223,902)
	<hr/>	<hr/>
Property, plant and equipment, net	3,730,837	3,848,492
Other assets	328,442	345,575
	<hr/>	<hr/>
Total Assets	\$ 7,002,955	\$ 7,094,345
	<hr/>	<hr/>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 471,302	\$ 460,271
Accounts payable to related party (see Note 3)	27,625	32,345
Accrued compensation and benefits	186,091	160,644
Accrued liabilities	286,776	327,122
Restructuring accruals, current portion	24,175	29,770
Income taxes payable	28,867	41,370
Deferred income on shipments to distributors	114,292	116,949
Current portion of long-term debt and capital lease obligations	253,235	193,266
Other current liabilities	86,673	90,533
	<hr/>	<hr/>
Total current liabilities	1,479,036	1,452,270
Deferred income taxes	172,866	157,690
Long-term debt and capital lease obligations, less current portion	1,761,002	1,859,674
Long-term debt payable to related party (see Note 3)	40,000	40,000

[Table of Contents](#)

Other long-term liabilities	383,048	428,761
Minority interest	716,481	717,640
Commitments and contingencies		
Stockholders' equity:		
Capital stock:		
Common stock, par value \$0.01; 750,000,000 shares authorized; shares issued: 359,024,852 on March 28, 2004 and 357,119,809 on December 28, 2003; shares outstanding: 352,168,073 on March 28, 2004 and 350,252,591 on December 28, 2003	3,522	3,502
Capital in excess of par value	2,071,327	2,051,254
Treasury stock, at cost (6,856,779 shares on March 28, 2004 and 6,867,218 shares on December 28, 2003)	(92,300)	(92,421)
Retained earnings	262,723	217,891
Accumulated other comprehensive income	205,250	258,084
Total stockholders' equity	2,450,522	2,438,310
Total Liabilities and Stockholders' Equity	\$ 7,002,955	\$ 7,094,345

* Amounts as of December 28, 2003 were derived from the December 28, 2003 audited financial statements

[See accompanying notes.](#)

[Table of Contents](#)

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Thousands)

	Quarter Ended	
	March 28, 2004	March 30, 2003
Cash flows from operating activities:		
Net income (loss)	\$ 45,091	\$ (146,356)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Minority interest in loss of subsidiary	(5,351)	—
Depreciation	287,023	198,287
Amortization	10,957	11,467
Provision for doubtful accounts	(541)	(211)
Provision (benefit) for deferred income taxes	(833)	—
Restructuring and other special charges, net	—	3,705
Foreign grant and subsidy income	(18,870)	(16,344)
Net gain on disposal of property, plant and equipment	(2,488)	(1,528)
Net gain realized on sale of available-for-sale securities	(7,188)	(2,204)
Compensation recognized under employee stock plans	331	488
Undistributed income of joint venture	—	(1,118)
Recognition of deferred gain on sale of building	(421)	(420)
Tax expense allocated to minority interest	516	—
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(14,918)	24,198
Increase in accounts receivable from related party	(44,441)	—
Decrease (increase) in inventories	5,070	(7,445)
Decrease (increase) in prepaid expenses	9,406	(36,288)
(Increase) decrease in other assets	(2,871)	17,832
(Decrease) increase in tax payable	(12,503)	19,124
Refund of customer deposits under LT purchase agreements	(20,500)	(26,500)
Net decrease in accounts payable and accrued liabilities	(51,545)	(133,120)
Decrease in accounts payable to related party	4,720	—
Increase in accrued compensation and benefits	25,616	18,065
Net cash provided by (used in) operating activities	206,260	(78,368)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(202,047)	(180,496)
Proceeds from sale of property, plant and equipment	6,058	2,071
Purchases of available-for-sale securities	(29,935)	(643,439)
Proceeds from sale and maturity of available-for-sale securities	18,197	882,284
Net cash (used in) provided by investing activities	(207,727)	60,420
Cash flows from financing activities:		
Proceeds from borrowings	6,653	7,350
Payments on debt and capital lease obligations	(60,203)	(28,744)
Proceeds from foreign grants and subsidies	—	25,926
Proceeds from sale leaseback transactions	27,614	—
Increase in compensating balance	—	(74,447)
Proceeds from issuance of stock	19,620	5,133
Net cash used in financing activities	(6,316)	(64,782)
Effect of exchange rate changes on cash and cash equivalents	(2,977)	1,022
Net decrease in cash and cash equivalents	(10,760)	(81,708)
Cash and cash equivalents at beginning of period	968,183	289,839
Cash and cash equivalents at end of period	\$ 957,423	\$ 208,131
Non-cash financing activities		
Equipment sale leaseback transaction	\$ 27,451	\$ —

See accompanying notes.

[Table of Contents](#)

ADVANCED MICRO DEVICES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
March 28, 2004

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Advanced Micro Devices, Inc. (the Company or AMD) have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. The results of operations for the interim periods shown in this report are not necessarily indicative of results to be expected for the full fiscal year ending December 26, 2004. In the opinion of the Company's management, the information contained herein reflects all adjustments necessary to make the results of operations for the interim periods a fair statement of such operations. All such adjustments are of a normal recurring nature. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2003. The Company and Fujitsu Limited formed FASL LLC effective June 30, 2003. FASL LLC is headquartered in Sunnyvale, California, and its manufacturing, research and assembly operations are in the United States and Asia. As the Company has a 60 percent controlling equity interest in FASL LLC, it began consolidating the results of FASL LLC's operations on June 30, 2003, the effective date of the transaction. Certain prior period amounts have been reclassified to conform to the current period presentation.

The Company uses a 52- to 53-week fiscal year ending on the last Sunday in December. The quarters ended March 28, 2004 and March 30, 2003 each consisted of 13 weeks.

2. Stock-Based Incentive Compensation Plans

The Company has elected to use the intrinsic value method under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25), as permitted by Statement of Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation" (SFAS 123), subsequently amended by SFAS 148, "Accounting for Stock-Based Compensation— Transition and Disclosure" to account for stock options issued to its employees under its stock option plans, and amortizes deferred compensation, if any, ratably over the vesting period of the options. Compensation expense resulting from the issuance of fixed term stock option awards is measured as the difference between the exercise price of the option and the fair market value of the underlying share of company stock subject to the option on the award's grant date. The Company also makes pro forma fair value disclosures required by SFAS 123 which reflect the impact on net income (loss) and net income (loss) per share had the Company applied the fair value method of accounting for its stock-based awards to employees. The Company estimates the fair value of its stock-based awards to employees using a Black-Scholes option pricing model. The pro forma effect on net income (loss) and net income (loss) per share are as follows for the quarters ended March 28, 2004 and March 30, 2003.

[Table of Contents](#)

	Quarter Ended	
	March 28, 2004	March 30, 2003
	(Thousands except per share amounts)	
Net income (loss)—as reported	\$ 45,091	\$ (146,356)
Plus: compensation expense recorded under APB 25	331	488
Less: SFAS 123 compensation expenses	(35,457)	(22,022)
Net income (loss)—pro forma	<u>\$ 9,965</u>	<u>\$ (167,890)</u>
Basic net income adjustment:		
Profit sharing expense	3,215	—
Adjusted numerator for basic income (loss) per common share	<u>\$ 13,180</u>	<u>\$ (167,890)</u>
Diluted net income adjustments:		
Interest expense	5,116	—
Profit sharing expense	2,703	—
Adjusted numerator for adjusted income (loss) per common share	<u>\$ 17,784</u>	<u>\$ (167,890)</u>
Basic net income (loss) per share—as reported	\$ 0.13	\$ (0.42)
Diluted net income (loss) per share—as reported	\$ 0.12	\$ (0.42)
Basic net income (loss) per share—pro forma	\$ 0.04	\$ (0.49)
Diluted net income (loss) per share—pro forma	\$ 0.04	\$ (0.49)

On June 27, 2003, the Company filed a Tender Offer Statement with the SEC and made an offer, which was approved by the Company's stockholders, to exchange certain stock options to purchase shares of the Company's common stock, outstanding under eligible option plans and held by eligible employees, for replacement options to be granted no sooner than six months and one day from the cancellation of the surrendered options. The offer to exchange expired on July 25, 2003. Options to purchase approximately 19.0 million shares of the Company's common stock were tendered for exchange and cancelled on July 28, 2003. On January 30, 2004, the Company granted options to purchase 12,111,371 shares of common stock to employees at an exercise price of \$14.86, which represented the closing price of the Company's common stock on that date, in exchange for options cancelled. The Company also granted options to purchase 25,165 shares of our common stock at an exercise price of \$15.55 in exchange for options cancelled. The Company did not record compensation expense as a result of the tender offer and exchange.

3. Related-Party Transactions

The Company and Fujitsu Limited formed FASL LLC effective June 30, 2003. FASL LLC is headquartered in Sunnyvale, California, and its manufacturing, research and assembly operations are in the United States and Asia. As the Company has a 60 percent controlling equity interest in FASL LLC, it began consolidating the results of FASL LLC's operations on June 30, 2003, the effective date of the transaction.

As part of the formation of FASL LLC, both the Company and Fujitsu contributed their respective investments in the previous manufacturing joint venture, Fujitsu AMD Semiconductor Limited (referred to as the Manufacturing Joint Venture in this report) to the new venture, which became FASL Japan Limited, a wholly owned subsidiary of FASL LLC. As a result of this transaction, the Company acquired an incremental 10.008 percent controlling interest in the net assets of the Manufacturing Joint Venture (the difference between the Company's 60 percent ownership of these net assets after their contribution to

[Table of Contents](#)

FASL LLC and its previous 49.992 percent ownership in these same net assets prior to their contribution to FASL LLC). Accordingly, the Company recorded its acquired incremental 10.008 percent interest in the Manufacturing Joint Venture's contributed net assets based on the assets' fair value on the effective date of the transaction. The remaining 89.992 percent interest in the Manufacturing Joint Venture's net assets was recorded at historical carrying value.

The following tables present the significant related-party transactions and account balances between the Company and the Manufacturing Joint Venture for the quarter ended March 30, 2003. During this period, the Company accounted for its investment in the Manufacturing Joint Venture under the equity method.

	Quarter ended March 30, 2003
	(Thousands)
Royalty income from Manufacturing Joint Venture	\$ 12,331
Purchases from Manufacturing Joint Venture	190,348
Sales to Manufacturing Joint Venture	109,758
	As of March 30, 2003
	(Thousands)
Royalty receivable from Manufacturing Joint Venture	\$ 22,680
Accounts receivable from Manufacturing Joint Venture	199,030
Accounts payable to Manufacturing Joint Venture	111,554

The following is condensed unaudited financial data for the Manufacturing Joint Venture for the quarter ended March 30, 2003:

(Thousands)	Quarter ended March 30, 2003
	(unaudited)
Net sales	\$ 291,102
Gross profit	9,917
Operating income	8,983
Net income	3,777
	March 30, 2003
	(unaudited)
Current assets	\$ 231,473
Non-current assets	1,001,823
Current liabilities	432,488

[Table of Contents](#)

The Company's share of the Manufacturing Joint Venture's net income (loss) differed from the equity in net income previously reported on the condensed consolidated statements of operations. The difference was due to adjustments resulting from intercompany profit eliminations and differences in U.S. and Japanese tax treatment of the Manufacturing Joint Venture's income, which were reflected on the Company's consolidated statements of operations. The Company never received cash dividends from the Manufacturing Joint Venture.

FASL Japan provided a defined benefit pension plan and a lump-sum retirement benefit plan to certain employees. These plans continue to be administered by Fujitsu and cover FASL Japan's employees formerly assigned from Fujitsu and employees hired directly by FASL Japan. A full actuarial valuation has not been completed for the specific portion of the plans that relate to FASL Japan's employees. As a result, the Company estimated FASL LLC's proportionate allocation of pension obligations, pension assets and elements of pension expense based on information provided by actuaries to determine the amounts to be recorded on its consolidated financial statements. For the three month period ended March 28, 2004, the Company recorded an estimated pension cost of approximately \$4 million. As of March 28, 2004, the Company has recorded an estimated pension benefit obligation liability of approximately \$27 million. As of March 28, 2004, the estimated projected benefit obligations under the plan related to FASL Japan's employees were approximately \$38 million and the estimated total pension plan assets were approximately \$5 million. Although the Company believes that the estimates and assumptions used are reasonable, the actual amounts recorded could vary when a full actuarial valuation is completed as of Fujitsu's fiscal year ending March 31, 2004. However, the Company does not expect that any such difference will have a material impact on its consolidated financial statements.

As a result of the FASL LLC transaction, Fujitsu became a related party of the Company effective June 30, 2003. The following tables present the significant transactions between the Company and Fujitsu and balances receivable from or payable to Fujitsu as of and for the quarter ended March 28, 2004:

	Quarter Ended March 28, 2004	
	(Thousands)	
Sales to Fujitsu	\$	304,582
Royalty expenses to Fujitsu		4,070
Distributor commission to Fujitsu		18,283
Service fees to Fujitsu		8,657
	March 28, 2004	December 28, 2003
	(Thousands)	
Accounts receivable from Fujitsu	\$232,339	\$ 187,898
Accounts payable to Fujitsu	27,625	32,345
Notes payable to Fujitsu	40,000	40,000

[Table of Contents](#)

The royalty expenses to Fujitsu represent the payments from FASL LLC for its use of Fujitsu's intellectual property. The commission expense to Fujitsu represents the compensation that FASL LLC pays to Fujitsu for being a distributor of Spansion™ Flash memory products. The service fees to Fujitsu represent charges incurred by FASL LLC for services provided by Fujitsu, including information technology support, research and development, quality assurance, insurance, facilities, environmental and human resources services. These services are provided primarily to FASL Japan.

The Company's transactions with Fujitsu are based on terms that are consistent with those of similar arms-length transactions executed with third parties.

4. Financial Instruments

The following is a summary of the available-for-sale securities held by the Company as of March 28, 2004:

	Amortized Cost	Fair Market Value
	(Thousands)	
Cash equivalents:		
Time deposits	\$ 313,180	\$ 313,180
Federal agency notes	8,284	8,253
Money market funds	508,800	508,800
Total cash equivalents	\$ 830,264	\$ 830,233
Short-term investments:		
Bank notes	\$ 2,727	\$ 2,987
Auction rate preferred stocks	117,625	117,716
Federal agency notes	9,967	9,967
Corporate notes	8,516	8,294
Total short-term investments	\$ 138,835	\$ 138,964
Long-term investments:		
Equity investments	\$ 4,842	\$ 8,828
Total long-term investments (included in other assets)	\$ 4,842	\$ 8,828
Grand Total	\$ 973,941	\$ 978,025

Long-term equity investments consist of marketable equity securities that, while available for sale, are not intended to be used to fund current operations.

The amortized cost and estimated fair value of available-for-sale marketable securities at March 28, 2004, by contractual maturity, are shown below. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations without call or prepayment penalties. The Company does not have any available-for-sale marketable securities with maturities greater than five years from March 28, 2004.

[Table of Contents](#)

	Amortized Cost	Estimated Fair Value
	(Thousands)	
Due in one year or less	\$ 135,956	\$ 135,964
Due after one year	2,879	3,000
Total	\$ 138,835	\$ 138,964

Available-for-sale securities with maturities greater than twelve months are classified as short-term when they include investments of cash that are intended to be used in current operations. The Company realized net gains from the sale of available-for-sale securities in the first quarter of 2004 of approximately \$7 million, which were included in interest income and other, net.

At March 28, 2004 and December 28, 2003, the Company had approximately \$12 million of investments classified as held to maturity, consisting of commercial paper and treasury notes used for long-term workers' compensation and leasehold deposits, that are included in other assets. The fair market value of these investments approximates their cost at March 28, 2004 and December 28, 2003.

The compensating balance of \$212 million at March 28, 2004 represents the minimum cash balance that AMD Saxony must maintain pursuant to the terms of the Dresden Loan Agreements (as defined in Note 8).

Included in other current assets is \$13 million of restricted cash associated with the advance receipt of interest subsidies from the Federal Republic of Germany and the State of Saxony. Restrictions over the Company's access to the restricted cash will lapse as the Company incurs qualifying interest expense on the Dresden term loans over the next four quarters.

5. Net Income (Loss) Per Common Share

Basic net income (loss) per common share is computed using the weighted-average common shares outstanding. Diluted net income (loss) per common share is computed using the weighted-average common shares outstanding plus any potential dilutive securities. Potential dilutive securities include stock options and shares issuable upon the conversion of convertible debt. The following table sets forth the components of basic and diluted income (loss) per common share:

	Quarter Ended	
	March 28, 2004	March 30, 2003
	(Thousands except per share data)	
Numerator:		
Numerator for basic income (loss) per common share	\$ 45,091	\$ (146,356)
Effect of assumed conversion of \$402.5 million 4.5% senior debentures:		
Interest expense	5,116	—
Profit sharing expense adjustment	(512)	—
Numerator for diluted income (loss) per common share	\$ 49,695	\$ (146,356)

Table of Contents

Denominator:		
Denominator for basic income (loss) per share - weighted-average shares	351,328	345,012
Effect of dilutive securities:		
Employee stock options	12,021	—
Convertible debentures	54,614	—
	<u>66,635</u>	<u>—</u>
Dilutive potential common shares	66,635	—
	<u>417,963</u>	<u>345,012</u>
Net income (loss) per common share:		
Basic	\$ 0.13	\$ (0.42)
	<u>0.13</u>	<u>(0.42)</u>
Diluted	\$ 0.12	\$ (0.42)
	<u>0.12</u>	<u>(0.42)</u>

6. Segment Reporting

Management reviews and assesses operating performance using segment revenues and operating income before interest, taxes and minority interest. These performance measures include the allocation of expenses to the operating segments based on management judgment. Prior to the third quarter of 2003, the Company had two reportable segments, the Core Products and Foundry Services segments. Primarily as a result of the formation of FASL LLC, the Company re-evaluated its reportable segments under SFAS 131.

Beginning in the third quarter of 2003, the Company changed its reportable segments to: the Computation Products segment, which includes microprocessor products for desktop and mobile PCs, servers and workstations and chipset products, and the Memory Products segment, which includes Flash memory products.

The All Other category is not a reportable segment, but rather it includes other small operating segments (Personal Connectivity Solutions products, which include low power MIPS and x86 solutions, and Foundry Services, which included fees from our former voice communications and programmable logic products subsidiaries) that represent less than ten percent of the Company's consolidated revenues and assets individually and in the aggregate. This category also includes certain operating expenses and credits that are not allocated to the operating segments. Prior period segment information has been reclassified to conform to the current period presentation. However, as FASL LLC did not exist prior to June 30, 2003, the Company's results of operations for prior periods did not include the consolidation of FASL LLC's operations. Accordingly, the segment operating information for the Memory Products segment for the quarter ended March 28, 2004 is not fully comparable to the reclassified segment information for the prior period presented.

Table of Contents

The following table is a summary of net sales and operating income (loss) by segment with reconciliation to net income (loss) for the quarters ended March 28, 2004 and March 30, 2003:

	Quarter Ended	
	March 28, 2004	March 30, 2003
	(Thousands)	
Computation Products		
Net sales	\$ 571,101	\$ 469,524
Operating income (loss)	\$ 67,283	\$ (53,444)
Memory Products		
Net sales	627,718	218,272
Operating income (loss)	13,812	(63,671)
All Other		
Net sales	37,614	26,759
Operating loss	(19,809)	(8,358)
Total AMD		
Net sales	1,236,433	714,555
Operating income (loss)	61,286	(125,473)
Interest income and other, net	10,981	6,740
Interest expense	(30,154)	(25,805)
Minority interest in loss of subsidiary	5,351	—
Provision for income taxes	2,373	2,936
Equity in net income of Manufacturing Joint Venture	—	1,118
Net income (loss)	\$ 45,091	\$ (146,356)

7. Comprehensive Income (Loss)

The following are the components of comprehensive income (loss):

	Quarter Ended	
	March 28, 2004	March 30, 2003
	(Thousands)	
Net income (loss)	\$ 45,091	\$ (146,356)
Net change in cumulative translation adjustments	(19,947)	40,573
Net change in unrealized gains (losses) on cash flow hedges	(29,415)	(3,484)
Net change in unrealized gains (losses) on available-for-sale securities	(3,472)	(1,699)
Other comprehensive (loss) income	(52,834)	35,390
Comprehensive loss	\$ (7,743)	\$ (110,966)

[Table of Contents](#)

The components of accumulated other comprehensive income (loss) are as follows:

	March 28, 2004	December 28, 2003
	(Thousands)	
Net unrealized gains on available-for-sale securities, net of taxes	\$ 2,667	\$ 6,139
Net unrealized (losses) gains on cash flow hedges, net of taxes	(11,393)	18,022
Minimum Pension Liability	(3,874)	(3,874)
Cumulative translation adjustments	217,850	237,797
	<u>\$ 205,250</u>	<u>\$ 258,084</u>

8. Guarantees

The Company accounts for guarantees in accordance with FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others."

Guarantees of Indebtedness Recorded on the Company's Unaudited Condensed Consolidated Balance Sheets

The following table summarizes the principal guarantees issued as of March 28, 2004 related to underlying liabilities that are already recorded on the Company's unaudited condensed consolidated balance sheets as of March 28, 2004 and their expected expiration dates by year:

(Thousands)	Amounts Guaranteed *	Amounts of guarantee expiration per period					
		2004	2005	2006	2007	2008	2009 and Beyond
Dresden intercompany guarantee	\$ 314,320	\$ 9,085	\$ 163,519	\$ 141,716	\$ —	\$ —	\$ —
July 2003 FASL term loan guarantee	39,134	16,500	16,500	6,134	—	—	—
FASL Japan term loan guarantee	95,175	20,395	33,991	27,192	13,597	—	—
FASL capital lease guarantees	131,274	31,782	51,814	44,407	3,271	—	—
Total guarantees	\$ 579,903	\$ 77,762	\$ 265,824	\$ 219,449	\$ 16,868	\$ —	\$ —

* Represent the principal amount of the underlying obligations guaranteed and are exclusive of obligations for interest, fees and expenses.

Because these guarantees were either issued before December 31, 2002 and the underlying liabilities were already recorded on the Company's unaudited condensed consolidated balance sheets or they are intercompany guarantees, the Company did not record any incremental liability associated with these guarantees.

[Table of Contents](#)

Dresden Term Loan Agreements and Dresden Intercompany Guarantee

AMD Saxony Limited Liability Company & Co. KG, (AMD Saxony, formerly known as AMD Saxony Manufacturing GmbH), an indirect wholly owned German subsidiary of AMD, continues to facilitate Fab 30, which began production in the third quarter of 2000. AMD, the Federal Republic of Germany, the State of Saxony, and a consortium of banks are providing financing for the project.

In March 1997, AMD Saxony entered into a loan agreement and other related agreements (the Dresden Loan Agreements) with a consortium of banks led by Dresdner Bank AG, a German financial institution, in order to finance the project. AMD Saxony has pledged substantially all of its property as security under the Dresden Loan Agreements. The Dresden Loan Agreements were amended in February 2004 to accommodate the construction, facilitization, and operation of Fab 36.

Because most of the amounts under the Dresden Loan Agreements are denominated in deutsche marks (converted to euros), the dollar amounts are subject to change based on applicable exchange rates. The Company used the exchange rate that was permanently fixed on January 1, 1999, of 1.95583 deutsche marks to one euro for the conversion of deutsche marks to euros, and then used exchange rate as of March 28, 2004, of 0.826 euro to one U.S. dollar to translate the amounts denominated in deutsche marks into U.S. dollars.

The Dresden Loan Agreements, as amended, provide for the funding of the construction and facilitization of Fab 30 and also require that the Company guarantee up to 50 percent of AMD Saxony's obligations under the Dresden Loan Agreements, which guarantee must not be less than \$135 million or more than \$363 million, until the bank loans are repaid in full. As of March 28, 2004, the amount outstanding under the guarantee was \$314 million.

July 2003 FASL Term Loan Guarantee

On July 11, 2003, the Company amended its September 2002 Loan Agreement and assigned it to FASL LLC. Under the Amended and Restated Term Loan Agreement (the July 2003 FASL Term Loan), amounts borrowed bear interest at a variable rate of LIBOR plus four percent, which was 5.16 percent at March 28, 2004. Repayment occurs in equal, consecutive, quarterly principal and interest installments ending in September 2006. As of March 28, 2004, \$65 million was outstanding under the July 2003 FASL Term Loan, of which 60 percent is guaranteed by the Company and 40 percent is guaranteed by Fujitsu. FASL LLC has granted a security interest in certain property, plant and equipment as security under the July 2003 FASL Term Loan.

FASL Japan Term Loan Guarantee

As a result of the formation of FASL LLC, the Manufacturing Joint Venture's third-party loans were refinanced from the proceeds of a term loan entered into between FASL Japan and a Japanese financial institution. Under the agreement, the amounts borrowed bear an interest rate of TIBOR plus a spread that is determined by Fujitsu's current debt rating and FASL Japan's non-consolidated net asset value as of the last day of its fiscal year. The interest rate was 0.98 percent as of March 28, 2004. Repayment occurs in equal, consecutive,

[Table of Contents](#)

quarterly principal installments ending in June 2007. As of March 28, 2004, \$159 million was outstanding under this term loan agreement. FASL Japan's assets are pledged as security for its borrowings under this agreement. Also, Fujitsu guaranteed 100 percent of the amounts outstanding under its facility. The Company has agreed to reimburse Fujitsu 60 percent of any amount paid by Fujitsu under its guarantee of this loan.

FASL Capital Lease Guarantees

The Company has guaranteed certain capital leases entered into by FASL LLC and its subsidiaries totaling approximately \$131 million as of March 28, 2004. The amount of the guarantees will be reduced by the actual amount of lease payments paid by FASL LLC over the lease term.

Guarantees of Indebtedness not Recorded on the Company's Unaudited Condensed Consolidated Balance Sheets

The following table summarizes the principal guarantees issued as of March 28, 2004 for which underlying liabilities are not recorded on the Company's unaudited condensed consolidated balance sheets as of March 28, 2004.

(Thousands)	Amounts Guaranteed *	Amounts of guarantee expiration per period					
		2004	2005	2006	2007	2008	2009 and Beyond
FASL LLC operating lease guarantees	\$ 24,681	\$ 9,929	\$ 8,794	\$ 5,958	\$ —	\$ —	\$ —
AMTC revolving loan guarantee	38,760	—	—	—	38,760	—	—
AMTC rental guarantee	136,043	—	—	—	—	—	136,043 **
Total guarantees	\$ 199,484	\$ 9,929	\$ 8,794	\$ 5,958	\$ 38,760	\$ —	\$ 136,043

* Represent the principal amount of the underlying obligations guaranteed and are exclusive of obligations for interest, fees and expenses.

** Amounts outstanding diminish as term loan is repaid.

FASL LLC Operating Lease Guarantees

The Company has guaranteed certain operating leases entered into by FASL LLC and its subsidiaries totaling approximately \$25 million as of March 28, 2004. The amount of the guarantees will be reduced by the actual amount of lease payments paid by FASL LLC over the lease term. No liability has been recognized for this guarantee under the provisions of FIN 45 because the guarantee is for a subsidiary's performance obligations.

Advanced Mask Technology Center and Maskhouse Building Administration Guarantees

The Advanced Mask Technology Center GmbH & Co. KG (AMTC), and Maskhouse Building Administration GmbH & Co., KG (BAC), are joint ventures formed by AMD, Infineon Technologies AG and DuPont Photomasks, Inc. for the purpose of constructing and operating a new advanced photomask facility in Dresden, Germany. To finance the project,

Table of Contents

BAC and AMTC entered into a \$145 million revolving credit facility and a \$91 million term loan in December 2002. Also in December 2002, in order to occupy the photomask facility, AMTC entered into a rental agreement with BAC. With regard to these commitments by BAC and AMTC, the Company guaranteed up to approximately \$30 million plus interest and expenses under the term loan, up to approximately \$39 million plus interest and expenses under the revolving loan, and up to approximately \$16 million, initially, under the rental agreement. The obligations under the rental agreement guarantee diminish over time through 2011 as the term loan is repaid. However, under certain circumstances of default by the other tenant of the photomask facility under its rental agreement with BAC and certain circumstances of default by more than one joint venture partner under its rental agreement guarantee obligations, the maximum potential amount of the Company's obligations under the rental agreement guarantee is approximately \$136 million. As of March 28, 2004, \$71 million was drawn under the revolving credit facility, and \$76 million was drawn under the term loan. These borrowings are subject to the guarantees described above, except that the Company's guarantee obligations with respect to the term loan terminated in February 2004 because AMTC occupied the photomask facility under the rental agreement, and the previously executed rental guarantee replaced the term loan guarantee.

The Company has not recorded any liability in its consolidated financial statements associated with these guarantees because they were issued prior to the effective date of FIN 45.

Warranties and Indemnities

The Company offers a three-year limited warranty to end users for certain of its boxed microprocessor products and generally offers a one-year limited warranty only to direct purchasers for all other products. From time to time, the Company may offer an extended warranty under limited circumstances.

Changes in the Company's liability for product warranty during the quarter ended March 28, 2004 and March 30, 2003 were as follows:

	<u>March 28, 2004</u>	<u>March 30, 2003</u>
	(Thousands)	
Balance, beginning of period	\$ 24,668	\$ 19,369
New warranties issued during the period	11,073	9,132
Settlements during the period	(4,556)	(8,685)
Changes in liability for pre-existing warranties during the period, including expirations	(6,843)	1,061
Balance, end of period	<u>\$ 24,342</u>	<u>\$ 20,877</u>

In addition to product warranties, the Company, from time to time in its normal course of business, indemnifies other parties with whom it enters into contractual relationships, including customers, lessors and parties to other transactions with the Company, with respect to certain matters. The Company has agreed to hold the other party harmless against specified losses, such as those arising from a breach of representations or covenants, third-party claims that the Company's products when used for their intended purpose(s) infringe the intellectual property rights of such third party or other claims made against certain parties. It is not possible to determine the maximum potential amount of liability under these

[Table of Contents](#)

indemnification obligations due to the limited history of prior indemnification claims and the unique facts and circumstances that are likely to be involved in each particular claim. Historically, payments made by the Company under these obligations have not been material.

9. Restructuring and Other Special Charges

2002 Restructuring Plan

In December 2002, the Company began implementing a restructuring plan (the 2002 Restructuring Plan) to further align its cost structure to the industry conditions at that time, including weak customer demand and industry-wide excess inventory.

As a result of the 2002 Restructuring Plan, as of March 28, 2004, 1,756 employees had been terminated pursuant to the 2002 Restructuring Plan resulting in cumulative cash payments of \$58 million in severance and employee benefit costs. The remaining accrual of approximately \$2 million represents the severance benefit cost obligations for individuals who were included in the 2002 Plan and who were individually notified in 2003 of their employment terminations, which will occur during the remainder of 2004.

With the exception of the exit costs consisting primarily of remaining lease payments on abandoned facilities, net of estimated sublease income, which are payable through 2011, the Company had substantially completed the activities associated with the 2002 Restructuring Plan as of March 28, 2004.

The following table summarizes activities under the 2002 Restructuring Plan from December 28, 2003 through March 28, 2004:

	Severance and Employee Benefits	Exit and Equipment Decommission Costs	Total
		(Thousands)	
Accruals at December 28, 2003	\$ 6,740	\$ 120,623	\$ 127,363
Q1 2004 cash charges	(4,664)	(5,437)	(10,101)
Accruals at March 28, 2004	\$ 2,076	\$ 115,186	\$ 117,262

As of March 28, 2004 and December 28, 2003, \$93 million and \$99 million of the total restructuring accruals of \$117 million and \$128 million were included in Other Liabilities (long-term) on the consolidated balance sheets. (See Note 10.)

2001 Restructuring Plan

In 2001, the Company announced a restructuring plan (the 2001 Restructuring Plan) due to the continued slowdown in the semiconductor industry and a resulting decline in revenues. The Company had completed the activities associated with the 2001 Restructuring Plan as of March 28, 2004 and during the quarter ended March 28, 2004, the Company did not record any additional charges or recoveries.

[Table of Contents](#)

10. Other Long-Term Liabilities

The Company's other long-term liabilities at March 28, 2004 and December 28, 2003 consisted of:

	March 28, 2004	December 28, 2003
	(In Thousands)	
Dresden deferred grants and subsidies	\$ 240,192	\$ 262,941
Customer deposits	—	17,500
Deferred gain on sale leaseback of building	23,068	23,488
Restructuring accrual	93,092	98,590
FASL LLC pension liabilities	26,696	26,242
	<u>\$ 383,048</u>	<u>\$ 428,761</u>

11. FASL Japan's Revolving Loan Agreements

Because most amounts under the FASL Japan Revolving Loan Agreements are denominated in yen, the dollar amounts are subject to change based on applicable exchange rates. The Company used the exchange rate as of March 28, 2004 of 105.91 yen to one U.S. dollar to translate the amounts denominated in yen into U.S. dollars.

In March 2004, FASL Japan entered into a revolving credit facility agreement with certain Japanese financial institutions in the aggregate amount of 15 billion yen (approximately \$142 million as of March 28, 2004). The revolving facility consists of two tranches: tranche A in the aggregate amount of up to nine billion yen (approximately \$85 million as of March 28, 2004) and tranche B in the aggregate amount of up to six billion yen (approximately \$57 million as of March 28, 2004). FASL Japan can draw under the facility from March 25, 2004 to March 24, 2005. However, as described in more detail below, the total amount that FASL Japan can draw is limited based on the value of FASL Japan's accounts receivable from Fujitsu, which are pledged as security to the lenders.

Amounts borrowed under tranche A bear interest at a rate of TIBOR plus 0.55 percent per annum. Amounts borrowed under tranche B, bear interest at a rate of TIBOR plus 1.2 percent per annum. FASL Japan must first fully draw under tranche A prior to drawing amounts under tranche B. Borrowings must be used for working capital purposes and must be repaid no later than April 24, 2005. As of March 28, 2004, there were no borrowings outstanding under this facility.

Pursuant to the terms of the revolving facility agreement, FASL Japan is required to comply with the following financial covenants:

- Ensure that assets exceed liabilities as of the end of each fiscal year and each six-month (mid-year) period;

Table of Contents

- Maintain an adjusted tangible net worth (as defined in the agreement) at an amount not less than 60 billion yen (approximately \$567 million as of March 28, 2004) as of the last day of each fiscal quarter;
- Maintain total net income plus depreciation, as of the last day of each fiscal period, as follows:

<u>Period</u>	<u>Amount</u>
First fiscal quarter 2004	\$ 24 million
First – second fiscal quarters 2004	\$ 69 million
Fiscal year 2004	\$216 million

- Ensure that as of the last day of any fiscal quarter, the ratio of (a) net income plus depreciation to (b) the sum of interest expenses plus the amount of scheduled debt repayments plus capital expenditures for its facilities located in Aizu-Wakamatsu, Japan, for such period, is not less than the following percentages:

<u>Period</u>	<u>Percentage</u>
First fiscal quarter 2004	100%
Second fiscal quarter 2004	110%
Third – fourth fiscal quarters 2004	120%

As of March 28, 2004, FASL Japan was in compliance with these financial covenants.

As security for amounts outstanding under the revolving facility, FASL Japan pledged its accounts receivable from Fujitsu. The accounts receivable are held in trust pursuant to the terms of a trust agreement. Under the trust agreement, FASL Japan is required to maintain the value of its accounts receivable at specified thresholds (as defined by the trust agreement), based upon the amounts outstanding under tranche A and tranche B. In addition, pursuant to the terms of the trust agreement, the trustee collects payments from Fujitsu into a separate trust account and releases these amounts to FASL Japan, subject to the calculated thresholds, upon instruction from the agent for the lenders. At any time when the accounts receivable balance in the trust account is less than the required thresholds, FASL Japan is required to do one of the following to cure the shortfall:

- Provide additional cash to the trust; or
- Repay a specified portion of the outstanding loans.

Amounts outstanding under the revolving credit facility may become automatically due and payable upon the occurrence of specified events with respect to FASL Japan, including filings or proceedings in bankruptcy, failure to pay any obligations under the revolving credit facility that have become due, failure to pay other third-party indebtedness where such debt exceeds 200 million yen (approximately \$2 million as of March 28, 2004), or if the value of the accounts receivable from Fujitsu held in trust is below the required thresholds and such shortfall is not remedied within three business days. In addition, amounts outstanding under the revolving credit facility may become automatically due and payable upon the occurrence of specified events with respect to Fujitsu including filings or proceedings in bankruptcy,

Table of Contents

default by Fujitsu with respect to payments to FASL Japan or other obligations under their purchase and sale agreement or default by Fujitsu with respect to other third-party indebtedness where such debt exceeds one billion yen (approximately \$9 million dollars as of March 28, 2004). As of March 28, 2004, the amount of principal held in the trust was approximately \$155 million.

12. Subsequent Events

Amendment of July 2003 Loan Agreement

On April 19, 2004, the Company amended its July 2003 Loan Agreement. The primary purpose of the April 2004 amendment was to eliminate any conflict between the Company's obligations under the July 2003 Loan Agreement and the Company's obligations under the Fab 36 Loan Agreements and partnership agreements.

Amendment of July 2003 FASL Term Loan Agreement

Effective March 29, 2004, FASL LLC amended its July 2003 FASL Term Loan Agreement. The primary purpose of the amendment was to revise the definition of enhanced covenant period. Pursuant to the terms of the March 2004 amendment, FASL LLC will enter into an enhanced covenant period if either its net domestic cash balance (as defined in the March 2004 amendment) as of the last day of any fiscal quarter is below \$60 million or if its net worldwide cash balance (as defined in the March 2004 amendment) as of the last day of any fiscal quarter is below \$130 million.

Fab 36 Term Loan and Guarantee and Fab 36 Partnership Agreements

On April 21, 2004, AMD Fab 36 KG entered into a term loan agreement and other related agreements (the Fab 36 Loan Agreements) with a consortium of banks led by Dresdner Bank AG, a German financial institution, to finance the purchase of equipment and tools required to construct and operate Fab 36. AMD Fab 36 KG pledged substantially all of its current and future assets as security under the Fab 36 Loan Agreements. The Company has guaranteed the obligations of AMD Fab 36 KG to the lenders under the Fab 36 Loan Agreements. This guarantee also guarantees repayment of grants and allowances by AMD Fab 36 KG, should such repayment be required pursuant to the terms of the subsidies provided by the Federal Republic of Germany and the State of Saxony.

Also on April 21, 2004, AMD, AMD Fab 36 KG, AMD Fab 36 LLC, AMD Fab 36 Holding GmbH, a German company and wholly-owned subsidiary of AMD that owns substantially all of the Company's limited partnership interest in AMD Fab 36 KG, and AMD Fab 36 Admin GmbH, a German company and wholly owned subsidiary of AMD Fab 36 Holding that owns the remainder of the Company's limited partnership interest in AMD Fab 36 KG, (collectively referred to as the AMD companies) entered into a series of agreements (the partnership agreements) with the unaffiliated limited partners of AMD Fab 36 KG, Leipziger Messe GmbH, a nominee of the State of Saxony, and Fab 36 Beteiligungs GmbH, an investment consortium arranged by M+W Zander Facility Engineering GmbH, the general contractor for the project, relating to the rights and obligations with respect to their equity and membership interests in AMD Fab 36 KG.

Table of Contents

Because most of the amounts under the Fab 36 Loan Agreements and the partnership agreements are denominated in euros, the dollar amounts are subject to change based on applicable exchange rates. The Company used the exchange rate as of March 28, 2004, of 0.826 euro to one U.S. dollar to translate the amounts denominated in euros into U.S. dollars.

The consortium of banks referred to above will make available up to \$848 million in loans to AMD Fab 36 KG upon its achievement of specified milestones, including attainment of “technical completion” at Fab 36, which requires certification by the banks’ technical advisor that AMD Fab 36 KG has a wafer fabrication process suitable for high volume production of advanced microprocessors and has achieved specified levels of average wafer starts per week and average wafer yields at Fab 36, as well as cumulative capital expenditures of \$1.2 billion.

The partnership agreements set forth each limited partner’s aggregate capital contribution to AMD Fab 36 KG and the milestones for such contributions. Pursuant to the terms of the partnership agreements, the Company, through AMD Fab 36 Holding and AMD Fab 36 Admin agreed to provide an aggregate of \$709 million; Leipziger Messe agreed to provide an aggregate of \$242 million and Fab 36 Beteiligungs agreed to provide an aggregate of \$145 million. The unaffiliated partners’ contributions are due at various dates upon the achievement of milestones relating to the construction and operation of Fab 36. The partnership agreements also specify that the unaffiliated partners receive a guaranteed payment of between 11 percent to 13 percent per annum of their total investment depending upon the monthly wafer output of Fab 36. The Company guaranteed these payments by AMD Fab 36 KG.

Pursuant to the terms of the partnership agreements and subject to the prior consent of the Federal Republic of Germany and the State of Saxony, AMD Fab 36 Holding and AMD Fab 36 Admin have a call option over the interests held by Leipziger Messe and Fab 36 Beteiligungs, first exercisable three and one-half years after the relevant partner has completed its capital contribution and every three years thereafter. Also, commencing five years after completion of the relevant partner’s capital contribution, Leipziger Messe and Fab 36 Beteiligungs each have the right to sell their interests to third parties (other than competitors), subject to a right of first refusal held by AMD Fab 36 Holding and AMD Fab 36 Admin, or to put their interests to AMD Fab 36 Holding and AMD Fab 36 Admin. The put option is thereafter exercisable every three years. Leipziger Messe and Fab 36 Beteiligungs also have a put option in the event they are outvoted at AMD Fab 36 KG partners’ meetings with respect to certain specified matters such as increases in the partners’ capital contributions beyond those required by the partnership agreements, investments significantly in excess of the business plan, or certain dispositions of the limited partnership interests of AMD Fab 36 Holding and AMD Fab 36 Admin. The purchase price under the put option is the partner’s capital account balance plus accumulated or accrued profits due to such limited partner. The purchase price under the call option is the same amount, plus a premium of \$4.2 million to Leipziger Messe or \$2.5 million to Fab 36 Beteiligungs. The right of first refusal price is the lower of the put option price or the price offered by the third party that triggered the right. The Company guaranteed the payments under the put options.

Table of Contents

In addition, AMD Fab 36 Holding and AMD Fab 36 Admin are obligated to repurchase a portion of Leipziger Messe's and Fab 36 Beteiligungs interests over time. Specifically, AMD Fab 36 Holding and AMD Fab 36 Admin are required to repurchase \$97 million of Leipziger Messe's interests in annual 25 percent installments commencing one year after Leipziger Messe has completed its applicable contributions and \$73 million of Fab 36 Beteiligungs' interests in annual 20 percent installments commencing one year after Fab 36 Beteiligungs has completed its applicable contributions.

The Fab 36 Loan Agreements also require that the Company:

- provide funding to AMD Fab 36 KG if cash shortfalls occur, including funding shortfalls in government subsidies resulting from any defaults caused by AMD Fab 36 KG or its affiliates; and
- guarantee 100 percent of AMD Fab 36 KG's obligations under the Fab 36 Loan Agreements until the bank loans are repaid in full.

AMD Fab 36 KG would be in default under the Fab 36 Loan Agreements if the Company or any of the AMD companies fail to comply with certain obligations thereunder or upon the occurrence of certain events and if, after the occurrence of the event, the lenders determine that their legal or risk position is adversely affected. Circumstances that could result in a default include:

- the failure of any limited partner to make contributions to AMD Fab 36 KG as required under the partnership agreements or the Company's failure to provide loans to AMD Fab 36 KG as required under the Fab 36 Loan Agreements or otherwise comply with its obligations under the Fab 36 Loan Agreements;
- the failure to pay any amount due under the Fab 36 Loan Agreements within five days of the due date;
- the occurrence of any event which the lenders reasonably believe has had or is likely to have a material adverse effect on the business, assets or condition of AMD Fab 36 KG or the Company or their ability to perform under the Fab 36 Loan Agreements;
- filings or proceedings in bankruptcy or insolvency with respect to the Company, AMD Fab 36 KG or any limited partner;
- the occurrence of a change in control (as defined in the Fab 36 Loan Agreements) of the Company; and
- AMD Fab 36 KG's noncompliance with certain financial covenants, including minimum tangible net worth, minimum interest cover ratio, loan to fixed asset value ratio and a minimum cash covenant.

In addition, generally any default with respect to other indebtedness of AMD Fab 36 KG that results in recourse to AMD Fab 36 KG of more than \$6 million or any default with respect to

[Table of Contents](#)

indebtedness made or guaranteed by the Company that results in recourse to the Company of more than \$24 million, and that is not cured, would result in a cross-default under the Fab 36 Loan Agreements.

The occurrence of a default under the Fab 36 Loan Agreements would permit the lenders to accelerate the repayment of all amounts outstanding under the Fab 36 Loan Agreements. In addition, the occurrence of a default under these agreements would likely result in a cross-default under the Indentures governing the Company's 4.75% Debentures and 4.50% Notes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement Regarding Forward-Looking Statements

The statements in this report include forward-looking statements. These forward-looking statements are based on current expectations and beliefs and involve numerous risks and uncertainties that could cause actual results to differ materially from expectations. These forward-looking statements should not be relied upon as predictions of future events as we cannot assure you that the events or circumstances reflected in these statements will be achieved or will occur. You can identify forward-looking statements by the use of forward-looking terminology including "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "pro forma," "estimates," or "anticipates" or the negative of these words and phrases or other variations of these words and phrases or comparable terminology. The forward-looking statements relate to, among other things, our ability to be profitable, our revenues and operating results; anticipated cash flows; capital expenditures; gross margins; adequacy of resources to fund operations and capital investments; customer and market acceptance of our AMD Opteron™ and AMD Athlon™ 64 microprocessors, and the AMD64 technology upon which they are based; customer and market acceptance of FASL LLC's Spansion™ Flash memory products based on MirrorBit™ and floating gate technology; the ability to produce these products in the volumes required by the market at acceptable yields and on a timely basis; our and FASL LLC's ability to maintain the level of investment in research and development that is required to remain competitive; our and FASL LLC's ability to transition to new products and technologies in a timely and effective way; our and FASL LLC's ability to achieve cost reductions in the amounts and in the timeframes anticipated; our ability to produce microprocessors in the volume required by customers on a timely basis; our ability to maintain or improve average selling prices of our products despite aggressive marketing and pricing strategies of our competitors; our ability, and the ability of third parties, to provide timely infrastructure solutions, such as motherboards and chipsets, to support our microprocessors; the process technology transitions in our wafer fabrication facilities in Dresden, Germany (Fab 30) and FASL LLC's wafer fabrication facilities in Austin, Texas (Fab 25) and in Aizu-Wakamatsu, Japan (JV1, JV2 and JV3); and the financing and construction of our 300-millimeter wafer fabrication facility (Fab 36) in Dresden, Germany. For a discussion of the factors that could cause actual results to differ materially from the forward-looking statements, see the "Financial Condition" and "Risk Factors" sections set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 26 below and such other risks and uncertainties as set forth below in this report or detailed in our other Securities and Exchange Commission reports and filings.

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in this report and our audited consolidated financial statements and related notes as of December 28, 2003 and December 29, 2002, and for each of the three years in the period ended December 28, 2003 as filed in our Annual Report on Form 10-K for the year ended December 28, 2003. Certain prior period amounts have been reclassified to conform to the current period presentation.

[Table of Contents](#)

AMD, Advanced Micro Devices, AMD Athlon, AMD Duron, AMD Opteron, and AMD Geode are either our trademarks or our registered trademarks in the United States and/or other jurisdictions. Spansion, FASL, MirrorBit, and combinations thereof, are trademarks of FASL LLC in the United States and/or other jurisdictions. Microsoft, Windows, Windows NT and MS-DOS are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other jurisdictions. MIPS is a registered trademark of MIPS Technologies, Inc. in the United States and/or other jurisdictions. Other terms used to identify companies and products may be trademarks of their respective owners.

Overview

We design, manufacture and market industry-standard digital integrated circuits that are used in diverse product applications such as desktop and mobile PCs, workstations and servers, communications equipment, and automotive and consumer electronics. Our products include microprocessors, Flash memory products, and Personal Connectivity Solutions products, which include our low power, high performance x86 and MIPS® architecture-based embedded microprocessors.

The semiconductor industry continued to show signs of recovery during the first quarter of 2004. Despite what is traditionally a seasonally down quarter, this continued recovery contributed to an improvement in our net sales of three percent during the first quarter of 2004 compared with the fourth quarter of 2003. This improvement was driven primarily by an increase in the average selling prices of both microprocessors and Flash memory products.

For the remainder of 2004, we believe critical success factors include: increasing market acceptance of 64-bit computing; our and FASL LLC's ability to successfully develop and transition to the latest manufacturing process technologies; developing and introducing new products for the server and workstation markets on a timely basis and increasing our share of those markets; expanding our participation in emerging global markets, including China, Latin America, India, and Eastern Europe; improving our share of the Flash memory market, including enabling the increased adoption of MirrorBit technology; and maximizing the synergies of FASL LLC.

We have two reportable segments: the Computation Products segment, which includes microprocessor products for desktop and mobile PCs, servers and workstations and chipset products, and the Memory Products segment, which includes Flash memory products. We review and assess operating performance using segment revenues and operating income before interest, taxes and minority interest. The minority interest adjustment is discussed below. These performance measures include the allocation of expenses to the operating segments based on management's judgment. Prior to the third quarter of 2003, we had two reportable segments: the Core Products and Foundry Services segments. Primarily as a result of the formation of FASL LLC, effective as of June 30, 2003, we re-evaluated our reportable segments, and beginning in the third quarter of 2003, we changed our reportable segments to the Computation Products segment and the Memory Products segment. We believe that separate reporting of these operating segments, given our focus on FASL LLC as a separate operating company and its separate market brand—Spansion, provides more useful information to our stockholders.

[Table of Contents](#)

In addition to our reportable segments, we also have the All Other category that is not a reportable segment, but rather includes other small operating segments that are neither individually nor in the aggregate greater than ten percent of our consolidated revenues or assets. This category also includes certain operating expenses and credits that are not allocated to the operating segments.

Prior period segment information has been reclassified to conform to the current period presentation. As FASL LLC did not exist prior to June 30, 2003, the results of our operations for periods prior to the third quarter of 2003 do not include the consolidation of FASL LLC's results of operations. Accordingly, our operating results for the quarter ended March 28, 2004 are not fully comparable with our results for the quarter ended March 30, 2003 and the segment operating information for the Memory Products segment for the quarter ended March 28, 2004 is not fully comparable to the reclassified segment information for the quarter ended March 30, 2003. As we have a 60 percent controlling interest in FASL LLC, Fujitsu's 40 percent share in the net income (loss) of FASL LLC is reflected as a minority interest adjustment to our consolidated financial statements. This minority interest adjustment will not correspond to Memory Products segment operating income (loss) because Memory Products segment operating income (loss) includes operations incremental to those of FASL LLC. In addition, the minority interest calculation is based on FASL LLC's net income (loss) rather than operating income (loss).

We intend the discussion of our financial condition and results of operations that follows to provide information that will assist you in understanding our financial statements, the changes in certain key items in those financial statements from year to year, the primary factors that resulted in those changes, and how certain accounting principles, policies and estimates affect our financial statements.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts in our consolidated financial statements. We evaluate our estimates on an on-going basis, including those related to our revenues, inventories, asset impairments, restructuring charges, income taxes and commitments and contingencies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Although actual results have historically been reasonably consistent with management's expectations, the actual results may differ from these estimates or our estimates may be affected by different assumptions or conditions.

Management believes there have been no significant changes during the quarter ended March 28, 2004 to the items that we disclosed as our critical accounting policies and estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 28, 2003.

[Table of Contents](#)

RESULTS OF OPERATIONS

We use a 52- to 53-week fiscal year ending on the last Sunday in December. The quarters ended March 28, 2004 and March 30, 2003 each included 13 weeks.

The following is a summary of our net sales by segment and category for the periods presented below:

	Quarter Ended		
	March 28, 2004	December 28, 2003	March 30, 2003
		(Millions)	
Computation Products	\$ 571	\$ 581	\$ 470
Memory Products	628	566	218
All Other	37	59	27
Total	\$ 1,236	\$ 1,206	\$ 715

Net Sales Comparison of Quarters Ended March 28, 2004 and December 28, 2003

Net sales of \$1,236 million for the first quarter of 2004 increased three percent compared to net sales of \$1,206 million for the fourth quarter of 2003.

Computation Products net sales of \$571 million in the first quarter of 2004 decreased two percent compared to net sales of \$581 million in the fourth quarter of 2003. The decrease in net sales was primarily due to a seven percent decrease in microprocessor unit shipments due primarily to lower seasonal market demand, partially offset by a seven percent increase in average selling prices of our microprocessor products. Average selling prices of our microprocessor products improved as a result of an improved product mix and increased market acceptance of both our higher-priced AMD Opteron processors in the enterprise market and our AMD Athlon 64 processors.

Memory Products net sales of \$628 million in the first quarter of 2004 increased 11 percent compared to net sales of \$566 million in the fourth quarter of 2003. The increase in net sales was primarily attributable to an increase of approximately 13 percent in average selling price, partially offset by a two percent decrease in unit shipments. Average selling prices of our Flash memory products improved primarily as a result of increased average bit densities in the products sold. Sales growth during the first quarter of 2004 was especially strong in the Americas, consisting of North America and Latin America, and Asia, which increased 30 percent and 18 percent, partially offset by a decrease of 19 percent in Europe.

All Other net sales of \$37 million in the first quarter of 2004 decreased 36 percent compared to net sales of \$59 million in the fourth quarter of 2003 and consisted primarily of net sales of

[Table of Contents](#)

our Personal Connectivity Solutions products. The decrease was due primarily to a \$14 million decrease in revenue resulting from discontinued production of selected mature embedded processors and decreased sales of AMD Geode products due to lower seasonal demand.

Net Sales Comparison of Quarters Ended March 28, 2004 and March 30, 2003

Net sales of \$1,236 million for the first quarter of 2004 increased 73 percent compared to net sales of \$715 million for the first quarter of 2003.

Computation Products net sales of \$571 million increased 22 percent in the first quarter of 2004 compared to the first quarter of 2003 as a result of improving market conditions across all geographic regions and also due to a 25 percent increase in microprocessor average selling prices, partially offset by a three percent decrease in microprocessor unit shipments. Average selling prices improved primarily as a result of sales of our higher priced AMD Opteron and AMD Athlon 64 microprocessors, which we introduced in April 2003 and September 2003 as well as higher average selling prices for our AMD Athlon XP processors.

Memory products net sales of \$628 million increased 188 percent in the first quarter of 2004 compared to the first quarter of 2003. The increase in net sales was primarily attributable to the effect of consolidating the operating results of FASL LLC, which include FASL LLC's sales to Fujitsu, as well as increased demand for Flash memory products. Further quantification of the breakdown in the sales increase is not practical due to the reorganization of customers and geographical sales territories between AMD and Fujitsu.

All Other net sales of \$37 million in the first quarter of 2004 increased 41 percent compared to net sales of \$27 million in the first quarter of 2003. The increase was primarily due to revenues from sales of AMD Geode products, a family of microprocessor products that we acquired from National Semiconductor Corporation in August 2003.

Comparison of Expenses, Gross Margin Percentage and Interest

The following is a summary of expenses, gross margin percentage and interest and other income, net for the periods presented below:

	Quarter Ended		
	March 28, 2004	December 28, 2003	March 30, 2003
	(Millions except for gross margin percentage)		
Cost of sales	\$ 769	\$ 779	\$ 497
Gross margin percentage	38 %	35 %	31 %
Research and development	\$ 226	\$ 227	\$ 203
Marketing, general and administrative	180	163	138
Restructuring and other special charges, net	—	(8)	2
Interest income and other, net	11	9	7
Interest expense	30	31	26
Income tax provision	2	—	3

[Table of Contents](#)

Gross margin percentage of 38 percent in the first quarter of 2004 improved from 35 percent in the fourth quarter of 2003 and 31 percent in the first quarter of 2003. The increase in gross margin from the fourth quarter of 2003 was primarily due to a richer product mix and higher average selling prices for both our microprocessor and Flash memory products in the first quarter of 2004. In addition, \$19 million was realized from the sale of microprocessor products that had been previously written off, offset by a charge of approximately \$9 million related to our settlement of an alleged patent infringement dispute with Intergraph Corporation relating to our microprocessors. The increase in gross margin from the first quarter of 2003 was primarily due to an increase in net sales of 73 percent, accompanied by an increase in cost of sales of only 55 percent. Our cost of sales increased at a lower rate than net sales primarily due to cost reductions from the 2002 Restructuring Plan and other cost reduction initiatives. Further quantification of the improvement in gross margin percentage is not practical due to the consolidation of FASL LLC's operating results from June 30, 2003.

We amortize capital grants and allowances and interest subsidies that we receive from the State of Saxony and the Federal Republic of Germany for Fab 30 as they are earned. The amortization of these grants and subsidies is recognized as credits to cost of sales. The credits to cost of sales totaled \$13.6 million in the first quarter of 2004, \$12.7 million in the fourth quarter of 2003 and \$10.9 million in the first quarter of 2003.

Research and development expenses of \$226 million in the first quarter of 2004 were flat compared to \$227 million in the fourth quarter of 2003. Research and development expenses increased 11 percent compared to the first quarter of 2003 due primarily to an increase in expenses as a result of an increase in headcount due to the formation of FASL LLC and increased research and development activities for our AMD64-based microprocessors.

From time to time, we also apply for and obtain subsidies from the State of Saxony and the Federal Republic of Germany for certain research and development projects. We record the research and development subsidies as a reduction of research and development expenses when all conditions and requirements are met. The credits to research and development expenses totaled \$5.3 million in the first quarter of 2004, \$13.3 million in the fourth quarter of 2003 and \$5.4 million in the first quarter of 2003.

Marketing, general and administrative expenses of \$180 million in the first quarter of 2004 increased 11 percent compared to \$163 million in the fourth quarter of 2003 primarily as a result of a one-time retirement benefit expense of \$5 million and approximately \$4 million associated with ongoing branding efforts. Marketing, general and administrative expenses increased 30 percent compared to \$138 million in the first quarter of 2003 primarily due to an increase in expenses as a result of the FASL LLC transaction and increased marketing efforts for our AMD64-based microprocessors.

In December 2002, we began implementing a restructuring plan (the 2002 Restructuring Plan) to further align our cost structure to the industry conditions at that time, including weak customer demand and industry-wide excess inventory.

[Table of Contents](#)

As a result of the 2002 Restructuring Plan, as of March 28, 2004, 1,756 employees had been terminated pursuant to the 2002 Restructuring Plan resulting in cumulative cash payments of \$58 million in severance and employee benefit costs. The remaining accrual of approximately \$2 million represents the severance benefit cost obligations for individuals who were included in the 2002 Plan and who were individually notified in 2003 of their employment terminations, which will occur during the remainder of 2004.

With the exception of the exit costs consisting primarily of remaining lease payments on abandoned facilities, net of estimated sublease income, which are payable through 2011, we substantially completed the activities associated with the 2002 Restructuring Plan as of March 28, 2004. As a result of the 2002 Restructuring Plan, we realized overall cumulative cost reductions of approximately \$194 million as of March 28, 2004.

The following table summarizes activities under the 2002 Restructuring Plan from December 28, 2003 through March 28, 2004:

	Severance and Employee Benefits	Exit and Equipment Decommission Costs	Total
		(Thousands)	
Accruals at December 28, 2003	\$ 6,740	\$ 120,623	\$ 127,363
Q1 2004 cash charges	(4,664)	(5,437)	(10,101)
Accruals at March 28, 2004	\$ 2,076	\$ 115,186	\$ 117,262

In 2001, we announced a restructuring plan (the 2001 Restructuring Plan) due to the continued slowdown in the semiconductor industry and a resulting decline in revenues. We completed the activities associated with the 2001 Restructuring Plan as of March 28, 2004, and during the quarter ended March 28, 2004, we did not record any additional charges or recoveries.

Interest income and other, net, of approximately \$11 million in the first quarter of 2004 increased from \$9 million in the fourth quarter of 2003 and from \$7 million in the first quarter of 2003. The increase was primarily due to a gain of approximately \$7.2 million from sales of equity investments in the first quarter of 2004 compared to a gain of \$2.2 million in the first quarter of 2003. In the fourth quarter of 2003, interest income and other, net, included a non-recurring gain of approximately \$6 million based on the difference between the carrying value and fair value of assets contributed by us to FASL LLC.

Interest expense of \$30 million in the first quarter of 2004 was flat compared to \$31 million in the fourth quarter of 2003 and increased from \$26 million in the first quarter of 2003. The increase from the first quarter of 2003 was due primarily to the FASL LLC transaction, which resulted in additional interest expense of approximately \$4 million.

[Table of Contents](#)

Income Taxes

We recorded an income tax provision of approximately \$2 million in the first quarter of 2004, a zero tax provision in the fourth quarter of 2003 and an income tax provision of approximately \$3 million in the first quarter of 2003. The income tax provision recorded in the first quarter of 2004 was primarily for taxes due on income generated in certain foreign jurisdictions. No income tax provision was required in the fourth quarter of 2003 since a tax benefit from a U.S. federal tax refund from a carryback claim offset taxes due on income in certain foreign jurisdictions. The income tax provision recorded in the first quarter of 2003 was primarily for taxes due on income generated in certain foreign tax jurisdictions. No tax benefit was recorded in the first quarter of 2003 on U.S. pre-tax losses due to our recent history of operating losses. The effective tax rates for the quarters ended March 28, 2004, December 28, 2003 and March 30, 2003 were five percent, zero percent and negative two percent.

Other Items

International sales as a percent of net sales were 82 percent in the first quarter of 2004, compared to 83 percent in the fourth quarter of 2003 and 75 percent in the first quarter of 2003. In the first and fourth quarter of 2003, sales to Latin America, constituting approximately two percent of total net sales, were originally reported as domestic sales and have been reclassified as international sales. During the first quarter of 2004, approximately 27 percent of our net sales were denominated in currencies other than the U.S. dollar, primarily the Japanese yen, as compared to 25 percent during the fourth quarter of 2003 and one percent during the first quarter of 2003. The increase was primarily due to the consolidation of FASL LLC's results of operations, which include sales by FASL LLC to Fujitsu, which are denominated in yen. Our foreign exchange risk exposure resulting from these sales is partially mitigated as a result of our yen-denominated manufacturing costs. In addition, we are subject to foreign currency risk related to our manufacturing costs in Fab 30, which are denominated in euros. We use foreign currency forward and option contracts to reduce our exposure to the euro, but future exchange rate fluctuations may cause increases or decreases to our Fab 30 manufacturing costs. The impact on our operating results from changes in foreign currency rates individually and in the aggregate has not been material, principally as a result of our foreign currency hedging activities.

Comparison of Segment Income (Loss)

The following is a summary of operating income (loss) for the periods presented below:

	Quarter Ended		
	March 28, 2004	December 28, 2003	March 30, 2003
		(Millions)	
Computation Products	\$ 67	\$ 63	\$ (53)
Memory Products	14	(3)	(64)
All Other	(20)	(14)	(8)
Total	\$ 61	\$ 46	\$ (125)

Computation Products operating income of \$67 million in the first quarter of 2004 was relatively flat compared to operating income of \$63 million in the fourth quarter of 2003.

[Table of Contents](#)

Included in the operating income in the first quarter of 2004 was \$19 million realized from the sale of microprocessor products that had been previously written off, partially offset by an approximately \$9 million charge related to our settlement of an alleged patent infringement dispute with Intergraph Corporation relating to our microprocessors. Computation Products operating income in the first quarter of 2004 improved by \$120 million compared to an operating loss of \$53 million in the first quarter of 2003 primarily due to an increase of average selling prices of 25 percent, partially offset by a three percent decrease in microprocessor unit shipments.

Memory Products operating income of \$14 million in the first quarter of 2004 improved by \$17 million compared to operating loss of \$3 million in the fourth quarter of 2003. The improvement was primarily due to an increase in average selling prices of Flash memory products of 13 percent as a result of increased average bit densities in products sold. Memory Products operating income improved by \$78 million from the first quarter of 2003. Quantification of the improvement in operating results is not practical due to the consolidation of FASL LLC's results of operations on June 30, 2003, which include sales to Fujitsu.

All Other operating loss of \$20 million in the first quarter of 2004 increased by \$6 million compared to the fourth quarter of 2003, primarily due to an \$8 million credit adjustment to the restructuring charge in the fourth quarter of 2003. All Other operating loss of \$20 million in the first quarter of 2004 increased \$12 million compared to first quarter of 2003 primarily due to increases in corporate profit sharing and bonus expenses, which are not allocated to reporting segments.

FINANCIAL CONDITION

Our cash, cash equivalents and short-term investments at March 28, 2004 totaled \$1.3 billion, which included approximately \$355 million in cash, cash equivalents, and short-term investments maintained by FASL LLC. FASL LLC's operating agreement governs its ability to use this cash balance for operations or to distribute it to us and Fujitsu. Pursuant to the operating agreement, and subject to restrictions contained in third party loan agreements, FASL LLC must first distribute any cash balance to us and Fujitsu in an amount sufficient to cover each party's estimated tax liability, if any, related to FASL LLC's taxable income for each fiscal year. Any remaining cash balance after the tax liability distribution would be used by FASL LLC to fund its operations in accordance with its budget. If any cash remains, it must be used to repay FASL LLC's outstanding debt to us and Fujitsu. Any remaining cash after such distributions is distributed at the discretion of FASL LLC's board of managers, to us and Fujitsu, pro rata, based on each party's membership interest at the time of distribution, which currently is 60 percent and 40 percent. In addition, we had a compensating balance of \$212 million at March 28, 2004, which represents the minimum cash balance that AMD Saxony must maintain pursuant to the terms of the Dresden Loan Agreements.

Net cash provided by operating activities in the first quarter of 2004 was approximately \$206 million. Our net income for the period was adjusted for non-cash charges, which were primarily depreciation and amortization. The net changes of payables and accrued liabilities in the first quarter of 2004 included refunds of \$21 million of customer deposits under long-term purchase agreements and \$16 million in royalty payments under a cross-license agreement. At March 28, 2004, Fujitsu accounted for approximately 35 percent of our consolidated net accounts receivable and approximately 25 percent of our consolidated net sales.

Net cash used by operating activities in the first quarter of 2003 was approximately \$78 million. This was primarily caused by our net loss for the period adjusted for non-cash charges, primarily depreciation and amortization. The net changes in payables and accrued liabilities in the first quarter of 2003 included refunds of \$27 million of customer deposits under long-term purchase agreements, a payment of \$90 million for a technology license from IBM and approximately \$23 million of payments under the 2002 Restructuring Plan.

Net cash used by investing activities was \$208 million in the first quarter of 2004, primarily used to purchase property, plant and equipment, including the continuing construction of the new 300-millimeter wafer fabrication facility in Dresden, Germany.

Net cash provided by investing activities was \$60 million during the first quarter of 2003 primarily as a result of \$239 million of net proceeds from purchases and sales of available-for-sale securities, offset by \$180 million used for the purchases of property, plant, and equipment, primarily for Fab 25 and Fab 30.

Net cash used by financing activities was \$6 million in the first quarter of 2004, primarily for payments on debt and capital lease obligations, offset by proceeds from an equipment sale and leaseback transaction and sale of stock under our Employee Stock Purchase Plan and employee stock option exercises.

[Table of Contents](#)

Net cash used by financing activities was \$65 million during the first quarter of 2003 primarily due to an increase of a compensating cash balance. The compensating cash balance represents the minimum cash balance that must be maintained by AMD Saxony in order to comply with the minimum liquidity covenant set forth in the Dresden Loan Agreements.

Notes Payable to Banks

On April 19, 2004, we amended our July 2003 Loan Agreement. The July 2003 Loan Agreement, as amended, provides for a secured revolving line of credit of up to \$125 million that expires in July 2007. We can borrow, subject to amounts set aside by the lenders, up to 85 percent of our eligible accounts receivable from OEMs and 50 percent of our eligible accounts receivable from distributors. As of March 28, 2004, no borrowings were outstanding under the July 2003 Loan Agreement, as amended. The primary purpose of the April amendment was to eliminate any conflict between our obligations under the July 2003 Loan Agreement and our obligations under the Fab 36 Loan Agreements and partnership agreements.

Pursuant to the terms of the July 2003 Loan Agreement, we have to comply with, among other things, the following financial covenants if our net domestic cash (as defined in the July 2003 Loan Agreement) declines below \$125 million:

- comply with restrictions on our ability to pay cash dividends on our common stock;
- maintain an adjusted tangible net worth (as defined in the July 2003 Loan Agreement) as follows:

<u>Measurement Date</u>	<u>Amount</u>
Last day of each fiscal quarter in 2004	\$1.425 billion
Last day of each fiscal quarter in 2005	\$1.85 billion
Last day of each fiscal quarter thereafter	\$2.0 billion

- achieve EBITDA (earnings before interest, taxes, depreciation and amortization) according to the following schedule:

<u>Period</u>	<u>Amount</u>
Four fiscal quarters ending March 31, 2004	\$550 million
Four fiscal quarters ending June 30, 2004	\$750 million
Four fiscal quarters ending September 30, 2004	\$850 million
Four fiscal quarters ending December 31, 2004	\$950 million
Four fiscal quarters ending March 31, 2005 and on each fiscal quarter thereafter	\$1,050 million

[Table of Contents](#)

As of March 28, 2004, net domestic cash, as defined, totaled \$483 million and the preceding financial covenants were not applicable. Our obligations under the July 2003 Loan Agreement are secured by all of our accounts receivable, inventory, general intangibles (excluding intellectual property) and the related proceeds, excluding FASL LLC's accounts receivable, inventory, and general intangibles.

FASL Japan's Revolving Loan Agreements

Because most amounts under the FASL Japan Revolving Loan Agreements are denominated in yen, the dollar amounts are subject to change based on applicable exchange rates. We used the exchange rate as of March 28, 2004 of 105.91 yen to one U.S. dollar to translate the amounts denominated in yen into U.S. dollars.

In March 2004, FASL Japan entered into a revolving facility credit agreement with certain Japanese financial institutions in the aggregate amount of 15 billion yen (approximately \$142 million as of March 28, 2004). The revolving facility consists of two tranches: tranche A in the aggregate amount of up to nine billion yen (approximately \$85 million as of March 28, 2004); and tranche B in the aggregate amount of up to six billion yen (approximately \$57 million as of March 28, 2004). FASL Japan can draw under the facility from March 25, 2004 to March 24, 2005. However, as described in more detail below, the total amount that FASL Japan can draw is limited based on the value of FASL Japan's accounts receivable from Fujitsu, which are pledged as security to the lenders.

Amounts borrowed under tranche A bear interest at a rate of TIBOR plus 0.55 percent per annum. Amounts borrowed under tranche B, bear interest at a rate of TIBOR plus 1.2 percent per annum. FASL Japan must first fully draw under tranche A prior to drawing amounts under tranche B. Borrowings must be used for working capital purposes and must be repaid no later than April 24, 2005. As of March 28, 2004, there were no borrowings outstanding under this facility.

Pursuant to the terms of the revolving facility agreement, FASL Japan is required to comply with the following financial covenants:

- Ensure that assets exceed liabilities as of the end of each fiscal year and each six-month (mid-year) period;
- Maintain an adjusted tangible net worth (as defined in the agreement) at an amount not less than 60 billion yen (approximately \$567 million as of March 28, 2004) as of the last day of each fiscal quarter;
- Maintain total net income plus depreciation, as of the last day of each fiscal period, as follows:

<u>Period</u>	<u>Amount</u>
First fiscal quarter 2004	\$24 million
First – second fiscal quarters 2004	\$69 million
Fiscal year 2004	\$216 million

Table of Contents

- Ensure that as of the last day of any fiscal quarter, the ratio of (a) net income plus depreciation to (b) the sum of interest expenses plus the amount of scheduled debt repayments plus capital expenditures for its facilities located in Aizu-Wakamatsu, Japan, for such period, is not less than the following percentages:

<u>Period</u>	<u>Percentage</u>
First fiscal quarter 2004	100%
Second fiscal quarter 2004	110%
Third – fourth fiscal quarters 2004	120%

As of March 28, 2004, FASL Japan was in compliance with these financial covenants.

As security for amounts outstanding under the revolving facility, FASL Japan pledged its accounts receivable from Fujitsu. The accounts receivable are held in trust pursuant to the terms of a trust agreement. Under the trust agreement, FASL Japan is required to maintain the value of its accounts receivable at specified thresholds (as defined by the trust agreement), based upon the amounts outstanding under tranche A and tranche B. In addition, pursuant to the terms of the trust agreement, the trustee collects payments from Fujitsu into a separate trust account and releases these amounts to FASL Japan, subject to the calculated thresholds, upon instruction from the agent for the lenders. At any time when the accounts receivable balance in the trust account is less than the required thresholds, FASL Japan is required to do one of the following to cure the shortfall:

- Provide additional cash to the trust; or
- Repay a specified portion of the outstanding loans.

Amounts outstanding under the revolving credit facility may become automatically due and payable upon the occurrence of specified events with respect to FASL Japan, including filings or proceedings in bankruptcy, failure to pay any obligations under the revolving credit facility that have become due, failure to pay other third party indebtedness where such debt exceeds 200 million yen (approximately \$2 million as of March 28, 2004), or if the value of the accounts receivable from Fujitsu held in trust is below the required thresholds and such shortfall is not remedied within three business days. In addition, amounts outstanding under the revolving credit facility may become automatically due and payable upon the occurrence of specified events with respect to Fujitsu including filings or proceedings in bankruptcy, default by Fujitsu with respect to payments to FASL Japan or other obligations under their purchase and sale agreement, or default by Fujitsu with respect to other third-party indebtedness where such debt exceeds one billion yen (approximately \$9 million as of March 28, 2004). As of March 28, 2004, the amount of principal held in the trust was approximately \$155 million.

[Table of Contents](#)

4.75% Convertible Senior Debentures Due 2022

On January 29, 2002, we issued \$500 million of our 4.75% Convertible Senior Debentures Due 2022 (the 4.75% Debentures) in a private offering pursuant to Rule 144A and Regulation S of the Securities Act.

The interest rate payable on the 4.75% Debentures will reset on August 1, 2008, August 1, 2011 and August 1, 2016 to a rate per annum equal to the interest rate payable 120 days prior to the reset dates on 5-year U.S. Treasury Notes, plus 43 basis points. The interest rate will not be less than 4.75 percent and will not exceed 6.75 percent. Holders have the right to require us to repurchase all or a portion of our 4.75% Debentures on February 1, 2009, February 1, 2012, and February 1, 2017. The holders of the 4.75% Debentures also have the ability to require us to repurchase the 4.75% Debentures in the event that we undergo specified fundamental changes, including a change of control. In each such case, the redemption or repurchase price would be 100 percent of the principal amount of the 4.75% Debentures plus accrued and unpaid interest. The 4.75% Debentures are convertible by the holders into our common stock at a conversion price of \$23.38 per share at any time. At this conversion price, each \$1,000 principal amount of the 4.75% Debentures will be convertible into approximately 43 shares of our common stock. Issuance costs incurred in the amount of approximately \$14 million are amortized ratably, which approximates the effective interest method, over the term of the 4.75% Debentures, as interest expense.

Beginning on February 5, 2005, the 4.75% Debentures are redeemable by us for cash at specified prices expressed as a percentage of the outstanding principal amount plus accrued and unpaid interest at our option, provided that we may not redeem the 4.75% Debentures prior to February 5, 2006, unless the last reported sale price of our common stock is at least 130 percent of the then effective conversion price for at least 20 trading days within a period of 30 consecutive trading days ending within five trading days of the date of the redemption notice.

The redemption prices for the specified periods are as follows:

<u>Period</u>	<u>Price as a percentage of principle amount</u>
Beginning on February 5, 2005 through February 4, 2006	102.375%
Beginning on February 5, 2006 through February 4, 2007	101.583%
Beginning on February 5, 2007 through February 4, 2008	100.792%
Beginning on February 5, 2008	100.000%

We may elect to purchase or otherwise retire our bonds with cash, stock or assets from time to time in open market or privately negotiated transactions, either directly or through intermediaries when we believe that market conditions are favorable to do so. Such purchases may have a material effect on our liquidity, financial condition and results of operations.

[Table of Contents](#)

4.50% Convertible Senior Notes Due 2007

On November 25, 2002, we sold \$402.5 million of 4.50% Convertible Senior Notes Due 2007 (the 4.50% Notes) in a registered offering. Interest on the 4.50% Notes is payable semiannually in arrears on June 1 and December 1 of each year, beginning June 1, 2003. Beginning on December 4, 2005, the 4.50% Notes are redeemable by us at our option for cash at specified prices expressed as a percentage of the outstanding principal amount plus accrued and unpaid interest provided that we may not redeem the 4.50% Notes unless the last reported sale price of our common stock is at least 150 percent of the then effective conversion price for at least 20 trading days within a period of 30 trading days ending within five trading days of the date of the redemption notice.

The redemption prices for the specified periods are as follows:

<u>Period</u>	<u>Price as a percentage of principle amount</u>
Beginning on December 4, 2005 through November 30, 2006	101.8%
Beginning on December 1, 2006 through November 30, 2007	100.9%
On December 1, 2007	100.0%

The 4.50% Notes are convertible at the option of the holder at any time prior to the close of business on the business day immediately preceding the maturity date of December 1, 2007, unless previously redeemed or repurchased, into shares of common stock at a conversion price of \$7.37 per share, subject to adjustment in certain circumstances. At this conversion price, each \$1,000 principal amount of the 4.50% Notes will be convertible into approximately 135 shares of our common stock. Issuance costs incurred in the amount of approximately \$12 million are amortized ratably, over the term of the 4.50% Notes, as interest expense, approximating the effective interest method.

Holders have the right to require us to repurchase all or a portion of our 4.50% Notes in the event that we undergo specified fundamental changes, including a change of control. In each such case, the redemption or repurchase price would be 100 percent of the principal amount of the 4.50% Notes plus accrued and unpaid interest.

We may elect to purchase or otherwise retire our notes with cash, stock or assets from time to time in open market or privately negotiated transactions, either directly or through intermediaries when we believe that market conditions are favorable to do so. Such purchases may have a material effect on our liquidity, financial condition and results of operations.

Dresden Term Loan and Dresden Intercompany Guarantee

AMD Saxony, our indirect, wholly owned German subsidiary, continues to facilitate Fab 30, which began production in the second quarter of 2000. AMD, the Federal Republic of Germany, the State of Saxony and a consortium of banks are providing financing for the project. We currently estimate that the construction and facilitation costs of Fab 30 will be \$2.5 billion when it is fully equipped by the end of 2005. As of March 28, 2004, we had invested approximately \$2.3 billion in AMD Saxony and we currently estimate that during the remainder of 2004 we will invest approximately \$138 million.

[Table of Contents](#)

In March 1997, AMD Saxony entered into a loan agreement and other related agreements (the Dresden Loan Agreements) with a consortium of banks led by Dresdner Bank AG, a German financial institution, in order to finance the project. AMD Saxony has pledged substantially all of its property as security under the Dresden Loan Agreements. The Dresden Loan Agreements were amended in February 2004 primarily to accommodate the construction, facilitization, and operation of Fab 36.

Because most of the amounts under the Dresden Loan Agreements are denominated in deutsche marks (converted to euros), the dollar amounts are subject to change based on applicable exchange rates. We used the exchange rate that was permanently fixed on January 1, 1999, of 1.95583 deutsche marks to one euro for the conversion of deutsche marks to euros, and then used the exchange rate as of March 28, 2004, of 0.826 euro to one U.S. dollar to translate the amounts denominated in deutsche marks into U.S. dollars.

The Dresden Loan Agreements, as amended, provide for the funding of the construction and facilitization of Fab 30. The funding consists of:

- equity contributions, subordinated and revolving loans and loan guarantees from, and full cost reimbursement through, AMD;
- loans from a consortium of banks; and
- investment grants, investment allowances, interest subsidies, and loan guarantees from the Federal Republic of Germany and the State of Saxony.

The Dresden Loan Agreements require that we partially fund Fab 30 project costs in the form of subordinated and revolving loans to, or equity investments in, AMD Saxony. In accordance with the terms of the Dresden Loan Agreements, as of March 28, 2004 we had provided \$176 million of subordinated loans and \$286 million of equity investments in AMD Saxony. These amounts have been eliminated in our unaudited condensed consolidated financial statements.

In addition to support from us, the consortium of banks referred to above made available \$929 million in loans to AMD Saxony to help fund Fab 30 project costs. The loans have been fully drawn and a portion has been repaid. AMD Saxony had \$629 million of such loans outstanding as of March 28, 2004, which are included in our unaudited condensed consolidated balance sheet.

Finally, pursuant to a Subsidy Agreement, the Federal Republic of Germany and the State of Saxony are supporting the Fab 30 project, in accordance with the Dresden Loan Agreements, in the form of:

- guarantees equal to 65 percent of AMD Saxony bank debt, or \$409 million;
- capital investment grants and allowances totaling up to approximately \$441 million; and
- interest subsidies totaling \$186 million.

[Table of Contents](#)

Of these amounts, AMD Saxony received approximately \$412 million in capital investment grants and allowances and \$140 million in interest subsidies. In addition, AMD Saxony has received advance payments for interest subsidies amounting to \$13 million as of March 28, 2004. AMD Saxony also received \$55 million in research and development subsidies through March 28, 2004. Amounts received under the Subsidy Agreement are recorded as a long-term liability on our financial statements and are being amortized to operations ratably over the contractual life of the Subsidy Agreement as a reduction to operating expenses. As of March 28, 2004, these amounts were amortized through December 2008. Historical exchange rates in effect at the time these investment grants and allowances and interest subsidies were received were used to translate amounts denominated in deutsche marks (converted to euros) into U.S. dollars.

Under the Subsidy Agreement for the construction and financing of Fab 30, AMD Saxony undertook to attain a certain employee headcount by December 2003 and to maintain such headcount until December 2008. Noncompliance with the conditions of the grants, allowances and subsidies contained in the Subsidy Agreement could result in the forfeiture of all or a portion of the future amounts to be received, as well as the repayment of all or a portion of amounts received to date. In December 2002, AMD Saxony reduced its anticipated employment levels as a result of the 2002 Restructuring Plan. Consequently, as of December 2003, headcount was below the level agreed to by AMD Saxony at which AMD Saxony would be entitled to receive the maximum amount of capital investment grants and allowances available. However, the aggregate amount of grants and allowances actually received by AMD Saxony to date, calculated as a percentage of the maximum amount of grants and allowances available, does not exceed the actual headcount at AMD Saxony at December 2003, calculated as a percentage of the headcount target undertaken in the Subsidy Agreement. Accordingly, AMD Saxony does not believe it has received grants and allowances in excess of its entitlement under the Subsidy Agreement. However, we anticipate that the maximum amount of capital investment grants and allowances available under the Subsidy Agreement will be reduced from an originally anticipated amount of \$504 million to approximately \$441 million. We adjusted the quarterly amortization of these amounts accordingly.

In April 2004, the German governmental authorities advised AMD Saxony that rather than maintaining employee headcount attained by December 2003 through December 2008, it would be required to maintain employee headcount attained as of December 2002 through December 2007. Beginning as of the second quarter of 2004, we will adjust the quarterly amortization of the grants and allowances accordingly. In addition, based on employee headcount attained as of December 2002, AMD Saxony does not believe that it has received grants and allowances in excess of its entitlement under the Subsidy Agreement.

The Dresden Loan Agreements, as amended, also require that we:

- provide interim funding to AMD Saxony if either the remaining capital investment grants and allowances or the remaining interest subsidies are delayed, such funding to be repaid to AMD, as AMD Saxony receives the investment grants and allowances or subsidies from the State of Saxony and the Federal Republic of Germany;

Table of Contents

- fund shortfalls in government subsidies resulting from any default under the Subsidy Agreement caused by AMD Saxony or its affiliates; and
- guarantee of up to 50 percent of AMD Saxony's obligations under the Dresden Loan Agreements, which guarantee must not be less than \$135 million or more than \$363 million, until the bank loans are repaid in full. As of March 28, 2004, the amount outstanding under the guarantee was \$314 million.

AMD Saxony would be in default under the Dresden Loan Agreements if we, AMD Saxony or AMD Saxony Holding GmbH (AMD Holding) fail to comply with certain obligations thereunder or upon the occurrence of certain events and if, after the occurrence of the event, the lenders determine that their legal or risk position is materially adversely affected. Circumstances that could result in a default include:

- our failure to fund equity contributions or loans or otherwise comply with our obligations relating to the Dresden Loan Agreements;
- the sale of shares in AMD Saxony or AMD Holding;
- the failure to pay material obligations;
- the occurrence of a material adverse change or filings or proceedings in bankruptcy or insolvency with respect to us, AMD Saxony or AMD Holding;
- the occurrence of a default under the July 2003 Loan Agreement; and
- AMD Saxony's noncompliance with certain financial covenants, including minimum tangible net worth, minimum interest cover ratio, asset cover ratio and a minimum liquidity covenant.

Generally, any default with respect to borrowings made or guaranteed by AMD that results in recourse to us of more than \$2.5 million, and that is not cured by us, would result in a cross-default under the Dresden Loan Agreements. As of March 28, 2004, we were in compliance with all conditions of the Dresden Loan Agreements.

In the event we are unable to meet our obligations to AMD Saxony as required under the Dresden Loan Agreements and the lenders determine that their legal or risk position is materially adversely affected, we will be in default under the Dresden Loan Agreements, which would permit acceleration of the outstanding loans of approximately \$629 million. The occurrence of a default under these agreements would likely result in a cross default under the Indentures governing our 4.75% Debentures and 4.50% Notes. We cannot assure that we would be able to obtain the funds necessary to fulfill these obligations. Any such failure would have a material adverse effect on us.

AMD Penang Term Loan

On January 29, 2004, our subsidiary in Malaysia, AMD Export Sdn. Bhd., or AMD Penang, entered into a term loan agreement with a local financial institution. Under the terms of the loan agreement, AMD Penang can borrow up to 30 million Malaysian Ringgit (approximately \$8 million) in order to fund the purchase of equipment. The loan bears a

[Table of Contents](#)

fixed annual interest rate of 5.9 percent and is payable in equal, consecutive, quarterly principal installments through February 2009. The total amount outstanding as of March 28, 2004 was approximately \$7 million.

July 2003 FASL Term Loan and Guarantee

Effective March 29, 2004, FASL LLC amended its July 2003 FASL Term Loan. Under July 2003 FASL Term Loan, as amended, amounts borrowed bear interest at a variable rate of LIBOR plus four percent, which was 5.16 percent at March 28, 2004. Repayment occurs in equal, consecutive, quarterly principal and interest installments ending in September 2006. As of March 28, 2004, \$65 million was outstanding under the July 2003 FASL Term Loan, of which 60 percent is guaranteed by us and 40 percent is guaranteed by Fujitsu. FASL LLC granted a security interest in certain property, plant and equipment as security under the July 2003 FASL Term Loan. In addition, as security for our guarantee obligations, we granted a security interest in certain of our assets, including our accounts receivable, inventory, general intangibles (excluding intellectual property) and the related proceeds.

Pursuant to the terms of the July 2003 FASL Term Loan, during an enhanced covenant period, FASL LLC is, among other things, restricted in its ability to pay cash dividends in respect of membership interests. In addition, during an enhanced covenant period, FASL LLC is also required to comply with the following financial covenants:

- maintain an adjusted tangible net worth (as defined in the July 2003 FASL Term Loan) of not less than \$850 million;
- achieve EBITDA according to the following schedule:

<u>Period</u>	<u>Amount</u>
For the nine months ending March 2004	\$170 million
For the four quarters ending June 2004	\$285 million
For the four quarters ending September 2004	\$475 million
For the four quarters ending December 2004	\$550 million
For the four quarters ending in 2005	\$640 million
For the four quarters ending in 2006	\$800 million

- maintain a fixed charge coverage ratio (as defined in the July 2003 FASL Term Loan) according to the following schedule:

<u>Period</u>	<u>Ratio</u>
First Fiscal Quarter of 2004	0.25 to 1.00
Period ending June 2004	0.4 to 1.00
Period ending September 2004	0.8 to 1.00
Period ending December 2004	1.0 to 1.00
Full Fiscal Year 2005	1.0 to 1.00
Full Fiscal Year 2006	0.9 to 1.00

[Table of Contents](#)

Prior to the March 2004 amendment, FASL LLC would enter into an enhanced covenant period if its net domestic cash balance (as defined in the July 2003 FASL Term Loan) declined below \$130 million through the first quarter of 2004, \$120 million during the second quarter of 2004 to the end of 2005 and \$100 million during 2006. At March 28, 2004, FASL LLC's net domestic cash totaled \$196 million, and the preceding financial covenants were not applicable.

As a result of the March 29, 2004 amendment, the definition of enhanced covenant period was revised such that FASL LLC enters into an enhanced covenant period if either its net domestic cash balance (as defined in the March 2004 amendment) as of the last day of any fiscal quarter is below \$60 million or if its net worldwide cash balance (as defined in the March 2004 amendment) as of the last day of any fiscal quarter is below \$130 million.

FASL Japan Term Loan and Guarantee

Because most amounts under the FASL Japan Term Loan are denominated in yen, the dollar amounts are subject to change based on applicable exchange rates. We used the exchange rate as of March 28, 2004 of 105.91 yen to one U.S. dollar to translate the amounts denominated in yen into U.S. dollars.

As a result of the FASL LLC transaction, the third-party loans of our previous manufacturing joint venture with Fujitsu, Fujitsu AMD Semiconductor Limited, or the Manufacturing Joint Venture, were refinanced from the proceeds of a term loan entered into between FASL Japan Limited, a wholly owned subsidiary of FASL LLC that owns the assets of the Manufacturing Joint Venture, and a Japanese financial institution. Under the agreement, the amounts borrowed bear an interest rate of TIBOR plus a spread that is determined by Fujitsu's current debt rating and FASL Japan's non-consolidated net asset value as of the last day of its fiscal year. The interest rate was 0.98 percent as of March 28, 2004. Repayment occurs in equal, consecutive, quarterly principal installments ending in June 2007. As of March 28, 2004, \$159 million was outstanding under this term loan agreement. FASL Japan's assets are pledged as security for its borrowings under this agreement. Also, Fujitsu guaranteed 100 percent of the amounts outstanding under this facility. We agreed to reimburse Fujitsu 60 percent of any amount paid by Fujitsu under its guarantee of this loan. Under this loan agreement, FASL Japan is required to comply with the following financial covenants:

- Ensure that assets exceed liabilities as of the end of each fiscal year and each six-month period during such fiscal year;
- Maintain an adjusted tangible net worth (as defined in the loan agreement), as of the last day of each fiscal quarter, of not less than 60 billion yen;
- Maintain total net income plus depreciation, as of the last day of each fiscal period, as follows:

<u>Period</u>	<u>Amount</u>
First fiscal quarter of 2004	\$ 24 million
First and second fiscal quarters of 2004	\$ 69 million
Fiscal year 2004	\$216 million
Fiscal year 2005	\$199 million
Fiscal year 2006	\$184 million

[Table of Contents](#)

- Ensure that as of the last day of any fiscal quarter the ratio of (a) net income plus depreciation to (b) the sum of (i) interest expense for such period plus (ii) scheduled amortization of debt for borrowed money (as defined in the loan agreement) for such period including lease rentals plus (iii) maintenance capital expenditures for FASL Japan's existing and after acquired real property and improvements at its manufacturing facilities located in Aizu-Wakamatsu, Japan, is not less than:

<u>Period</u>	<u>Percentage</u>
First fiscal quarter of 2004	100%
Second fiscal quarter of 2004	110%
Third and fourth fiscal quarters of 2004	120%
Fiscal year 2005	120%
Fiscal year 2006	120%

As of March 28, 2004, FASL Japan was in compliance with these financial covenants.

Fujitsu Cash Note

As a result of the FASL LLC transaction, Fujitsu loaned \$40 million to FASL LLC pursuant to a promissory note. The note bears an interest rate of LIBOR plus four percent, which was 5.16 percent as of March 28, 2004, and has a term of three years. The note is repayable in four equal payments, including interest, on September 30, 2005, December 31, 2005, March 31, 2006 and June 30, 2006.

Capital Lease Obligations

As of March 28, 2004, we had aggregate outstanding capital lease obligations of approximately \$253 million. Obligations under these lease agreements are collateralized by the assets leased and are payable through 2007. Leased assets consist principally of machinery and equipment. We guaranteed approximately \$131 million of FASL LLC's aggregate outstanding capital lease obligations as of March 28, 2004.

Other Long-term Liabilities

Included in other long-term liabilities as of March 28, 2004 is approximately \$93 million of restructuring accrual that will be paid through 2011. Excluded from contractual cash obligations are approximately \$240 million of deferred grants and subsidies related to the Fab 30 project and a \$23 million deferred gain as a result of the sale and leaseback of our corporate marketing, general and administrative facility in Sunnyvale, California in 1998, as these liabilities do not require cash payments.

[Table of Contents](#)

Principal Contractual Cash Obligations that are not Recorded on Our Unaudited Condensed Consolidated Balance Sheets at March 28, 2004 were:

	Payments Due By Period						
	Total	2004	2005	2006	2007	2008	2009 and beyond
				(Thousands)			
Operating leases	\$ 395,972	\$ 49,380	\$ 55,510	\$ 42,153	\$ 35,147	\$ 34,690	\$ 179,092
Unconditional purchase commitments	934,427	449,880	131,291	55,215	46,715	28,864	222,462
Total principal contractual cash obligations	\$ 1,330,399	\$ 499,260	\$ 186,801	\$ 97,368	\$ 81,862	\$ 63,554	\$ 401,554

Operating Leases and Unconditional Purchase Commitments

We lease certain of our facilities, including our executive offices in Sunnyvale, California, under lease agreements that expire at various dates through 2018. We lease certain of our manufacturing and office equipment for terms ranging from one to five years. Total future lease obligations as of March 28, 2004, were approximately \$396 million, of which \$122 million was recorded as a liability for certain facilities that were included in our 2002 Restructuring Plan.

We enter into purchase commitments for manufacturing supplies and services. Total purchase commitments as of March 28, 2004, were approximately \$934 million for periods through 2020. These purchase commitments included approximately \$379 million of payments to M+W Zander pursuant to an agreement for the design and construction of Fab 36. These payments will be made to M+W Zander as services are performed. Our purchase commitments also included \$70 million representing future payments to IBM under our joint development agreement. As IBM's services are being performed ratably over the life of the agreement, we expense the payments as incurred. Purchase commitments also included approximately \$69 million for software maintenance agreements that require periodic payments through 2007. As a result, we have not recorded any liabilities relating to these agreements. The remaining \$416 million primarily consists of commitments to purchase raw materials, natural resources and office supplies, including approximately \$260 million related to commitments by AMD Fab 36 KG to purchase energy and gas through 2020.

[Table of Contents](#)

Guarantees of Indebtedness not Recorded on Our Unaudited Condensed Consolidated Balance Sheets

The following table summarizes the principal guarantees issued as of March 28, 2004 for which the related underlying liabilities are not recorded on our unaudited condensed consolidated balance sheets as of March 28, 2004 and their expected expiration dates:

(Thousands)	Amounts Guaranteed *	Amounts of Guarantee Expiration per Period					
		2004	2005	2006	2007	2008	2009 and Beyond
FASL LLC operating lease guarantees	\$ 24,681	\$ 9,929	\$ 8,794	\$ 5,958	\$ —	\$ —	\$ —
AMTC revolving loan guarantee	38,760	—	—	—	38,760	—	—
AMTC rental guarantee	136,043	—	—	—	—	—	136,043 **
Total guarantees	\$ 199,484	\$ 9,929	\$ 8,794	\$ 5,958	\$ 38,760	\$ —	\$ 136,043

* Represent the principal amount of the underlying obligations guaranteed and are exclusive of obligations for interest, fees and expenses.

** Amounts outstanding diminish as term loan is repaid.

We have not recorded any liability in our consolidated financial statements associated with the guarantees because they were issued prior to the effective date of FIN 45.

FASL LLC Operating Lease Guarantees

We guaranteed certain operating leases entered into by FASL LLC and its subsidiaries totaling approximately \$25 million as of March 28, 2004. The amounts guaranteed are reduced by the actual amount of lease payments paid by FASL LLC over the lease terms.

AMTC and BAC Guarantees

The Advanced Mask Technology Center GmbH & Co. KG (AMTC) and Maskhouse Building Administration GmbH & Co., KG (BAC) are joint ventures formed by us, Infineon Technologies AG and DuPont Photomasks, Inc. for the purpose of constructing and operating a new advanced photomask facility in Dresden, Germany. To finance the project, BAC and AMTC entered into a \$145 million revolving credit facility and a \$91 million term loan in December 2002. Also in December 2002, in order to occupy the photomask facility, AMTC entered into a rental agreement with BAC. With regard to these commitments by BAC and AMTC, we guaranteed up to approximately \$30 million plus interest and expenses under the term loan, up to approximately \$39 million plus interest and expenses under the revolving loan, and up to approximately \$16 million, initially, under the rental agreement. The obligations under the rental agreement guarantee diminish over time through 2011 as the term loan is repaid. However, under certain circumstances of default by the other tenant of the photomask facility under its rental agreement with BAC and certain circumstances of default by more than one joint venture partner under its rental agreement guarantee obligations, the maximum potential amount of our obligations under the rental agreement guarantee is approximately \$136 million. As of March 28, 2004, \$71 million was drawn under the revolving credit facility, and \$76 million was drawn under the term loan. These borrowings are subject to the guarantees described above except that our guarantee obligations with respect to the term loan terminated in February 2004 because AMTC occupied the photomask facility under the rental agreement and the previously executed rental guarantee replaced the term loan guarantee.

Other Financial Matters

Fab 36 Term Loan and Guarantee and Fab 36 Partnership Agreements

In November 2003, we announced our intention to construct and facilitate a 300-millimeter wafer fabrication facility, Fab 36. Fab 36 is owned by a German limited partnership named AMD Fab 36 Limited Liability Company & Co. KG, or AMD Fab 36 KG, and is located in Dresden, Germany, adjacent to Fab 30. We control the management of AMD Fab 36 KG through a wholly owned Delaware subsidiary, AMD Fab 36 LLC, which is a general partner of AMD Fab 36 KG. We expect that Fab 36 will produce future generations of our microprocessor products, and that it will be in volume production in 2006. AMD, Leipziger Messe GmbH, a nominee of the State of Saxony, Fab 36 Beteiligungs GmbH, an investment consortium arranged by M+W Zander Facility Engineering GmbH, the general contractor for the project, and a consortium of banks are providing financing for the project. We also anticipate receiving up to approximately \$660 million in grants and allowances from federal and state German authorities for the project. We expect that capital expenditures for Fab 36 through 2007 will be approximately \$2.5 billion in the aggregate, of which approximately \$547 million will occur during the remainder of 2004.

On April 21, 2004, AMD Fab 36 KG entered into a term loan agreement and other related agreements (the Fab 36 Loan Agreements) with a consortium of banks led by Dresdner Bank AG, a German financial institution to finance the purchase of equipment and tools required to construct and operate Fab 36. AMD Fab 36 KG pledged substantially all of its current and future assets as security under the Fab 36 Loan Agreements. AMD guaranteed the obligations of AMD Fab 36 KG to the lenders under the Fab 36 Loan Agreements. This guarantee also guarantees repayment of grants and allowances by AMD Fab 36 KG, should such repayment be required pursuant to the terms of the subsidies provided by the federal and state German authorities.

Also on April 21, 2004, AMD, AMD Fab 36 KG, AMD Fab 36 LLC, AMD Fab 36 Holding GmbH, a German company and wholly-owned subsidiary of AMD that owns substantially all of our limited partnership interest in AMD Fab 36 KG, and AMD Fab 36 Admin GmbH, a German company and wholly owned subsidiary of AMD Fab 36 Holding that owns the remainder of our limited partnership interest in AMD Fab 36 KG, (collectively referred to as the AMD companies) entered into a series of agreements (the partnership agreements) with the unaffiliated limited partners of AMD Fab 36 KG, Leipziger Messe and Fab 36 Beteiligungs, relating to the rights and obligations with respect to their equity and membership interests in AMD Fab 36 KG.

Because most of the amounts under the Fab 36 Loan Agreements and the partnership agreements are denominated in euros, the dollar amounts are subject to change based on applicable exchange rates. We used the exchange rate as of March 28, 2004, of 0.826 euro to one U.S. dollar to translate the amounts denominated in euros into U.S. dollars.

The Fab 36 Loan Agreements provide funding for the purchase of equipment and tools required to construct and operate Fab 36. The funding consists of:

- equity contributions and revolving loans and a guarantee from, and full cost reimbursement through, AMD;

Table of Contents

- investments from the unaffiliated limited partners of AMD Fab 36 KG;
- loans from a consortium of banks; and
- subsidies consisting of grants and allowances, and a loan guarantee from the Federal Republic of Germany and the State of Saxony.

As of March 28, 2004 we had provided \$108 million of equity investments in AMD Fab 36 KG and we had not provided any loans. These amounts have been eliminated in our consolidated financial statements.

In addition to support from us, the consortium of banks referred to above will make available up to \$848 million in loans to AMD Fab 36 KG upon its achievement of specified milestones, including attainment of “technical completion” at Fab 36, which requires certification by the banks’ technical advisor that AMD Fab 36 KG has a wafer fabrication process suitable for high volume production of advanced microprocessors and has achieved specified levels of average wafer starts per week and average wafer yields, as well as cumulative capital expenditures of \$1.2 billion. We currently anticipate that AMD Fab 36 KG will attain these milestones and first be able to draw on the loans in 2006.

The partnership agreements set forth each limited partner’s aggregate capital contribution to AMD Fab 36 KG and the milestones for such contributions. Pursuant to the terms of the partnership agreements, AMD, through AMD Fab 36 Holding and AMD Fab 36 Admin agreed to provide an aggregate of \$709 million; Leipziger Messe agreed to provide an aggregate of \$242 million and Fab 36 Beteiligungs agreed to provide an aggregate of \$145 million. The unaffiliated partners’ contributions are due at various dates upon the achievement of milestones relating to the construction and operation of Fab 36. The partnership agreements also specify that the unaffiliated partners receive a guaranteed payment of between 11 percent and 13 percent per annum of their total investment depending upon the monthly wafer output of Fab 36. We guaranteed these payments by AMD Fab 36 KG.

Pursuant to the terms of the partnership agreements and subject to the prior consent of the Federal Republic of Germany and the State of Saxony, AMD Fab 36 Holding and AMD Fab 36 Admin have a call option over the interests held by Leipziger Messe and Fab 36 Beteiligungs, first exercisable three and one-half years after the relevant partner has completed its capital contribution and every three years thereafter. Also, commencing five years after completion of the relevant partner’s capital contribution, Leipziger Messe and Fab 36 Beteiligungs each have the right to sell their interests to third parties (other than competitors), subject to a right of first refusal held by AMD Fab 36 Holding and AMD Fab 36 Admin, or to put their interests to AMD Fab 36 Holding and AMD Fab 36 Admin. The put option is thereafter exercisable every three years. Leipziger Messe and Fab 36 Beteiligungs also have a put option in the event they are outvoted at AMD Fab 36 KG partners’ meetings with respect to certain specified matters such as increases in the partners’ capital contributions beyond those required by the partnership agreements, investments significantly in excess of the business plan, or certain dispositions of the limited partnership interests of AMD Fab 36 Holding and AMD Fab 36 Admin. The purchase price under the put option is the partner’s capital account balance plus accumulated or accrued profits due to

[Table of Contents](#)

such limited partner. The purchase price under the call option is the same amount, plus a premium of \$4.2 million to Leipziger Messe or \$2.5 million to Fab 36 Beteiligungs. The right of first refusal price is the lower of the put option price or the price offered by the third party that triggered the right. We guaranteed the payments under the put options.

In addition, AMD Fab 36 Holding and AMD Fab 36 Admin are obligated to repurchase a portion of Leipziger Messe's and Fab 36 Beteiligungs interests over time. Specifically, AMD Fab 36 Holding and AMD Fab 36 Admin are required to repurchase \$97 million of Leipziger Messe's interests in annual 25 percent installments commencing one year after Leipziger Messe has completed its applicable contributions and \$73 million of Fab 36 Beteiligungs' interests in annual 20 percent installments commencing one year after Fab 36 Beteiligungs has completed its applicable contributions.

In addition to support from us and the consortium of banks referred to above, the Federal Republic of Germany and the State of Saxony have agreed to support the Fab 36 project. We anticipate such support to be in the form of:

- deficiency guarantees equal to 80 percent of the amounts outstanding under the Fab 36 Loan Agreements; and
- subsidies consisting of grants and allowances totaling up to approximately \$660 million.

As of March 28, 2004, AMD Fab 36 KG has not received any grants or allowances.

The Fab 36 Loan Agreements also require that we:

- provide funding to AMD Fab 36 KG if cash shortfalls occur, including funding shortfalls in government subsidies resulting from any defaults caused by AMD Fab 36 KG or its affiliates; and
- guarantee 100 percent of AMD Fab 36 KG's obligations under the Fab 36 Loan Agreements until the bank loans are repaid in full.

AMD Fab 36 KG would be in default under the Fab 36 Loan Agreements if we or any of the AMD companies fail to comply with certain obligations thereunder or upon the occurrence of certain events and if, after the occurrence of the event, the lenders determine that their legal or risk position is adversely affected. Circumstances that could result in a default include:

- the failure of any limited partner to make contributions to AMD Fab 36 KG as required under the partnership agreements or our failure to provide loans to AMD Fab 36 KG as required under the Fab 36 Loan Agreements or otherwise comply with our obligations under the Fab 36 Loan Agreements;
- the failure to pay any amount due under the Fab 36 Loan Agreements within five days of the due date;

Table of Contents

- the occurrence of any event which the lenders reasonably believe has had or is likely to have a material adverse effect on the business, assets or condition of AMD Fab 36 KG or AMD or their ability to perform under the Fab 36 Loan Agreements;
- filings or proceedings in bankruptcy or insolvency with respect to us, AMD Fab 36 KG or any limited partner;
- the occurrence of a change in control (as defined in the Fab 36 Loan Agreements) of AMD; and
- AMD Fab 36 KG's noncompliance with certain financial covenants, including minimum tangible net worth, minimum interest cover ratio, loan to fixed asset value ratio and a minimum cash covenant.

In addition, generally any default with respect to other indebtedness of AMD Fab 36 KG that results in recourse to AMD Fab 36 KG of more than \$6 million or any default with respect to indebtedness made or guaranteed by AMD that results in recourse to us of more than \$24 million, and that is not cured, would result in a cross-default under the Fab 36 Loan Agreements.

The occurrence of a default under the Fab 36 Loan Agreements would permit the lenders to accelerate the repayment of all amounts outstanding under the Fab 36 Loan Agreements. In addition, the occurrence of a default under these agreements would likely result in a cross-default under the Indentures governing our 4.75% Debentures and 4.50% Notes. We cannot assure that we would be able to obtain the funds necessary to fulfill these obligations. Any such failure would have a material adverse effect on us.

FASL LLC

During the four-year period commencing on June 30, 2003, we are obligated to provide FASL LLC with additional funding to finance operations shortfalls, if any. Generally, FASL LLC is first required to seek any required financing from external sources. However, if such third-party financing is not available, we must provide funding to FASL LLC equal to our pro-rata ownership interest in FASL LLC, which is currently 60 percent. At this time, we believe that FASL LLC would be able to obtain such external financing when needed. However, there is no assurance that this will happen and currently we cannot estimate the amount of such additional funding, if any, that we are required to provide during this four-year period.

Short-Term and Long-Term Liquidity

We believe that cash flows from operations and current cash balances, together with available external financing and the extension of existing facilities, will be sufficient to fund operations and capital investments over the next twelve months and longer-term. Should additional funding be required, such as to meet the payment obligation of our long term debt when due, or to finance the construction and facilitization of Fab 36, we may need to raise the required funds through borrowings or public or private sales of debt or equity securities. Such funding may be obtained through bank borrowings, from additional securities which may be issued from

[Table of Contents](#)

time to time under an effective registration statement, through the issuance of securities in a transaction exempt from registration under the Securities Act of 1933, or a combination of one or more of the foregoing. We believe that, in the event of such requirements, we will be able to access the capital markets on terms and in amounts adequate to meet our objectives. However, given the possibility of changes in market conditions or other occurrences, there can be no certainty that such funding will be available in needed quantities or on terms favorable to us.

Outlook

During the second quarter of 2004, for our Computation Products segment, we expect net sales to decline modestly in accordance with industry seasonal patterns. For our Memory Products segment, we expect net sales to increase modestly for the second quarter of 2004. In the aggregate, we believe seasonal patterns will prevail and aggregate net sales will be approximately flat for the second quarter of 2004. During the second quarter of 2004, we expect gross margins could decrease modestly due to increased net sales of our Flash memory products relative to our microprocessor products. Sales of our Flash memory products typically generate lower gross margins than sales of our microprocessor products.

Supplementary Stock-Based Incentive Compensation Disclosures

Section I. Option Program Description

Our stock option programs are intended to attract, retain and motivate highly qualified employees. We have several stock option plans under which key employees have been granted incentive (ISOs) and nonqualified (NSOs) stock options to purchase our common stock. Generally, options vest and become exercisable over a four year period from the date of grant and expire five to ten years after the date of grant. ISOs granted under the plans have exercise prices of not less than 100 percent of the fair market value of the common stock on the date of grant. Exercise prices of NSOs range from \$0.01 to the fair market value of the common stock on the date of grant.

[Table of Contents](#)

Section II. General Option Information

The following is a summary of stock option activity for the quarter ended March 28, 2004 and year ended December 28, 2003:

	Quarter Ended March 28, 2004		Year Ended December 28, 2003	
	Number of Shares	Weighted- Average Exercise Price	Number of Shares	Weighted- Average Exercise Price
(Thousands except share price)				
Options:				
Outstanding at beginning of period	40,969	\$ 12.92	60,408	\$ 18.58
Granted	16,959	14.77	5,575	9.46
Canceled	(858)	26.04	(22,642)	27.69
Exercised	(1,579)	9.60	(2,372)	7.86
Outstanding at end of period	55,491	\$ 13.38	40,969	\$ 12.92
Exercisable at end of period	27,964	\$ 13.51	28,624	\$ 13.66
Available for grant at beginning of period	29,613		13,019	
Available for grant at end of period	13,502		29,613	

In-the-money and out-of-the-money stock option information as of March 28, 2004, was as follows:

As of End of Quarter	Exercisable		Unexercisable		Total	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
In-the-Money	20,283	\$ 9.18	(Thousands except share price) 25,721	N/A ⁽³⁾	46,004	\$ 11.22
Out-of-the-Money ⁽¹⁾	7,681	\$ 24.97	1,806	N/A ⁽³⁾	9,487	\$ 23.87
Total Options Outstanding	27,964	\$ 13.51	27,527		55,491⁽²⁾	\$ 13.38

⁽¹⁾ Out-of-the-money stock options have an exercise price equal to or above \$15.51, the market value of our common stock, on March 26, 2004, the last trading day of the first quarter of 2004.

⁽²⁾ Includes 380,675 shares granted from treasury stock as non-plan grants.

⁽³⁾ Weighted average exercise price information is not available.

Section III. Distribution and Dilutive Effect of Options

Options granted to employees, including officers, and non-employee directors were as follows:

	YTD 2004	2003	2002
Net grants ⁽¹⁾ during the period as % of outstanding shares ⁽²⁾	4.57%	(4.87)%	2.44%
Grants to listed officers ⁽³⁾ during the period as % of total options granted	1.29%	11.77%	14.33%
Grants to listed officers ⁽³⁾ during the period as % of outstanding shares	0.06%	0.19%	0.49%
Cumulative options held by listed officers ⁽³⁾ as % of total options outstanding	16.85%	22.90%	17.93%

⁽¹⁾ Options grants are net of options canceled.

⁽²⁾ Outstanding shares as of March 28, 2004, December 28, 2003 and December 29, 2002.

⁽³⁾ The "listed officers" are those executive officers listed in the summary compensation table in our proxy statements for our annual meeting of stockholders held in 2004, 2003 and 2002.

[Table of Contents](#)

Section IV. Executive Options

Options granted to listed officers for the quarter ended March 28, 2004 were as follows:

Name ⁽¹⁾	2004 Option Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
	Number of Securities Underlying Options Per Grant	Percent of Total Options Granted to Employees as of March 28, 2004	Exercise Price Per Share	Expiration Date	5%	10%
Hector de J. Ruiz	125,000	0.74%	\$ 14.64	2/2/2014	\$ 1,150,877	\$ 2,916,549
W. J. Sanders III	—	N/A	N/A	N/A	N/A	N/A
William T. Siegle	18,750	0.11%	\$ 14.64	2/2/2014	\$ 172,632	\$ 437,482
Derrick R. Meyer	37,500	0.22%	\$ 14.64	2/2/2014	\$ 345,263	\$ 874,965
Bertrand F. Cambou	37,500	0.22%	\$ 14.64	2/2/2014	\$ 345,263	\$ 874,965

⁽¹⁾ The “listed officers” are those executive officers listed in the summary compensation table in our proxy statement for our annual meeting of stockholders held on April 29, 2004.

Option exercises during 2004 and option values for listed officers⁽¹⁾ for the quarter ended March 28, 2004 were as follows:

Name	Shares Acquired on Exercise	Value Realized ⁽²⁾	Number of Securities Underlying Unexercised Options at March 28, 2004		Values of Unexercised In-the-Money Options at March 28, 2004	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Hector de J. Ruiz	—	\$ —	2,250,000	1,950,000	\$ —	\$ 3,206,250
W. J. Sanders III	200,000	\$ 441,569	3,600,000	—	\$ 18,564,000	—
William T. Siegle	12,000	\$ 202,520	563,916	102,084	\$ 1,966,665	\$ 546,198
Derrick R. Meyer	—	\$ —	343,544	242,406	\$ 1,125,857	\$ 1,166,895
Bertrand F. Cambou	—	\$ —	105,000	195,000	\$ —	\$ 679,500

⁽¹⁾ The “listed officers” are those executive officers listed in the summary compensation table in our proxy statement for our annual meeting of stockholders held on April 29, 2004.

⁽²⁾ Value for these purposes is based solely on the difference between market value of underlying shares on the applicable date (i.e., date of exercise or fiscal yearend) and exercise price of options.

[Table of Contents](#)

Section V. Equity Compensation Plan Information

The number of shares issuable upon exercise of outstanding options granted to employees and non-employee directors, as well as the number of shares remaining available for future issuance, under our equity compensation plans as of March 28, 2004, are summarized in the following table:

Plan category	Quarter Ended March 28, 2004		
	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted-Average Exercise Price of Outstanding Options (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a) (c)
Equity compensation plans approved by stockholders	29,959,189	\$ 14.79	9,160,903
Equity compensation plans not approved by stockholders	25,531,828 ⁽¹⁾	\$ 11.72	4,340,814 ⁽²⁾
TOTAL	55,491,017		13,501,717

⁽¹⁾ Includes 380,675 shares granted from treasury stock as non-plan grants.

⁽²⁾ Of these shares, approximately 1,677,767 shares could have been issued as restricted stock under the 1998 Stock Incentive Plan.

On June 27, 2003, we filed a Tender Offer Statement with the SEC and made an offer, which was approved by our stockholders, to exchange certain stock options to purchase shares of our common stock, outstanding under eligible option plans and held by eligible employees, for replacement options to be granted no sooner than six months and one day from the cancellation of the surrendered options. The offer to exchange expired on July 25, 2003. Options to purchase approximately 19 million shares of our common stock were tendered for exchange and cancelled on July 28, 2003. On January 30, 2004, we granted options to purchase 12,111,371 shares of our common stock at an exercise price of \$14.86, which represented the closing price of our common stock on that date, in exchange for options cancelled. On that date, we also granted additional options to purchase 25,165 shares of our common stock at an exercise price of \$15.55 to employees of one of our foreign subsidiaries in exchange for options cancelled. We did not record compensation expense as a result of the exchange.

On April 29, 2004 our stockholders approved the 2004 Equity Incentive Plan (the 2004 Plan), which had previously been approved by our Board of Directors. All of our equity compensation plans that were in effect prior to April 29, 2004, including those which had not been approved by our stockholders, were consolidated under the 2004 Plan. As of April 29, 2004 no further awards will be made under our prior equity incentive plans.

Risk Factors

We must achieve further market acceptance for our AMD Opteron and AMD Athlon 64 microprocessors, or we will be materially adversely affected. We introduced our AMD Opteron processors in April 2003, and we introduced our AMD Athlon 64 processors in September 2003. We designed these processors to provide users with the ability to take advantage of 64-bit applications while preserving their ability to run existing 32-bit applications on servers and workstations and on desktop and mobile PCs. The success of these processors is subject to risks and uncertainties including:

- continued market acceptance of our new 64-bit technology, AMD64, including the willingness of users to purchase products with 64-bit capability prior to having transitioned to 64-bit computing;

Table of Contents

- our ability to produce these processors in a timely manner on new process technologies, including 90-nanometer silicon-on-insulator technology, in the volume and with the performance and feature set required by customers;
- our ability to successfully transition to 90-nanometer manufacturing process technology on a timely basis;
- the availability, performance and feature set of motherboards and chipsets designed for these processors; and
- the support of operating system and application program providers for our 64-bit instruction set, including timely development of 64-bit applications.

We cannot be certain that our substantial investments for research and development of process technologies will lead to timely improvements in technology and equipment used to fabricate our products or that we will have sufficient resources to invest in the level of research and development that is required to remain competitive. We make substantial investments in research and development for process technologies in an effort to improve the technologies and equipment used to fabricate our products. In December 2002, we executed an agreement with IBM to jointly develop new logic process technologies, particularly 65- and 45-nanometer technologies to be implemented on 300-millimeter silicon wafers, for use in producing future high-performance microprocessor products. The successful and timely development and implementation of silicon-on-insulator technology and the achievement of other milestones set forth in this agreement are critical to our AMD Opteron and AMD Athlon 64 microprocessors and to our ability to commence operations at Fab 36 in accordance with our planned schedule. From the beginning of 2002 through March 28, 2004, we paid approximately \$200 million to IBM in connection with agreements and services related to research and development activities. We cannot be certain that we will be able to develop, or obtain or successfully implement leading-edge process technologies needed to fabricate future generations of our products profitably or on a timely basis. Furthermore, we cannot assure you that we will have sufficient resources to maintain the level of investment in research and development that is required for us to remain competitive or that our partnerships will be successful.

We have experienced substantial fluctuations in revenues since 2001, and we may experience declines in revenues and increases in operating losses in the future. Our historical financial results have been, and our future financial results are anticipated to be, subject to substantial fluctuations. Our total revenues were \$1,236 million for the first quarter of 2004 compared to \$1,206 million for the fourth quarter of 2003 and \$715 million for the first quarter of 2003. We generated net income of \$45 million for the first quarter of 2004 compared to net income of \$43 million for the fourth quarter of 2003 and a net loss of \$146 million for the first quarter of 2003. If conditions do not continue to improve in the microprocessor or Flash memory markets in accordance with our expectations, we may experience declines in revenue and operating losses. We cannot assure you that we will be able to sustain profitability.

[Table of Contents](#)

The semiconductor industry is highly cyclical and has until recently been in a severe downturn that adversely affected, and may in the future adversely affect, our business. The highly cyclical semiconductor industry has experienced significant downturns, often in connection with maturing product cycles, manufacturing overcapacity and declines in general economic conditions. The most recent downturn, which began in the fourth quarter of 2000, was severe and prolonged, and future downturns may also be severe and prolonged. Our financial performance has been negatively affected by these downturns, including the incurrence of substantial losses during the most recent downturn, as a result of:

- the cyclical nature of the supply/demand imbalances in the semiconductor industry;
- a decline in demand for end-user products that incorporate our semiconductors;
- excess inventory levels in the channels of distribution, including our customers;
- excess production capacity; and
- accelerated declines in average selling prices.

If conditions do not continue to improve in the near term in accordance with our expectations, or if these conditions in the semiconductor industry occur in the future, as they likely will to a lesser or greater degree, our business will be adversely affected.

Fluctuations in the computer market may continue to materially adversely affect us. The Computation Products segment of our business is dependent upon the market for computers, including PCs and servers. Industry-wide fluctuations in the computer marketplace have materially adversely affected us in the past and may materially adversely affect us in the future. Depending on the growth rate of computers sold, sales of our microprocessors may not grow and may even decrease. If end user demand for PCs is below our expectations or if market acceptance of our AMD Opteron processors by enterprises does not continue in accordance with our expectations, we may be adversely affected.

In addition, current trends of consolidation within the personal computer industry, as evidenced by the Hewlett-Packard/Compaq merger, as well as potential market share increases by customers who exclusively purchase microprocessors from Intel Corporation, such as Dell, Inc., could further materially adversely affect us.

We plan for significant capital expenditures in fiscal 2004, and if we cannot generate the capital required for these capital expenditures and other ongoing operating expenses through operating cash flow and external financing activities, we may be materially adversely affected. We plan for capital expenditures of approximately \$1.5 billion in fiscal 2004. Our ability to fund these expenditures depends on generating sufficient cash flow from operations and the availability of external financing, including third-party investments for the Fab 36 project and third-party financing for FASL LLC's expansion plans. Our capital expenditures for 2004 include approximately \$601 million for the Fab 36 project and approximately \$158 million for the Fab 30 project. In addition, FASL LLC expects to spend approximately \$621 million during fiscal 2004 in connection with its plans to increase the manufacturing capacity of its wafer fabrication and assembly and test facilities and for other research and development activities.

[Table of Contents](#)

During the four-year period commencing on June 30, 2003, we are also obligated to provide FASL LLC with additional funding to finance operational cash flow needs. Generally, FASL LLC is first required to seek any required financing from external sources. However, if such third-party financing is not available, we must provide funding to FASL LLC equal to our pro-rata ownership interest in FASL LLC, which is currently 60 percent.

In addition, a significant amount of the costs of the Fab 36 project are denominated in euros. When we initially forecasted our budget for the Fab 36 project, we modeled certain financial assumptions, including that the foreign exchange rate, over time, would be one euro to one U.S. dollar. Since our initial forecast, the U.S. dollar has depreciated against the euro. If the U.S. dollar continues to depreciate against the euro, the costs of the Fab 36 project will be higher than we planned, which could have a material adverse effect on us.

These capital expenditures, together with ongoing operating expenses, will be a substantial drain on our cash flow and will decrease our cash balances. The timing and amount of our capital requirements cannot be precisely determined at this time and will depend on a number of factors, including demand for products, product mix, changes in semiconductor industry conditions and competitive factors. We regularly assess markets for external financing opportunities, including debt and equity. Additional debt or equity financing may not be available when needed or, if available, may not be available on satisfactory terms. Our inability to obtain needed debt and/or equity financing or to generate sufficient cash from operations may require us to abandon planned projects or curtail capital expenditures. If we abandon projects such as the Fab 36 project, we may have to write off related costs that we capitalized and we may be required to continue to make payments or otherwise be liable pursuant to then-existing contracts that we cannot terminate at will or without significant penalties, which would have a material adverse effect on us.

We have a substantial amount of debt and debt service obligations, and may incur additional debt, which could adversely affect our financial position and prevent us from fulfilling our obligations under the agreements governing our indebtedness. We have a substantial amount of debt and we may incur additional debt in the future. At March 28, 2004, our total debt was \$2.1 billion and stockholders' equity was \$2.5 billion. In addition, at March 28, 2004, we had up to \$125 million of availability under our July 2003 Loan Agreement (subject to our borrowing base). We had also guaranteed approximately \$199 million of debt, which is not reflected as debt on our balance sheet.

In addition, we currently anticipate that AMD Fab 36 KG will be able to draw under the Fab 36 Loan Agreements during 2006. Repayments of amounts drawn under this facility commence on September 30, 2007 and continue through March 31, 2011. AMD guaranteed 100 percent of the obligations of AMD Fab 36 KG to the lenders under the Fab 36 Loan Agreements. This guarantee also guarantees repayment by AMD Fab 36 KG of grants and allowances provided by the Federal Republic of Germany and the State of Saxony should such repayment be required pursuant to the terms of the subsidy arrangements.

Table of Contents

Our high degree of leverage may:

- limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general corporate purposes;
- require a substantial portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

Our ability to make payments on and to refinance our debt or our guarantees of other parties' debts will depend on our financial and operating performance, which may fluctuate significantly from quarter to quarter and is subject to prevailing economic conditions and to financial, business and other factors many of which are beyond our control.

We cannot assure you that we will continue to generate sufficient cash flow or that we will be able to borrow funds under our credit facilities in amounts sufficient to enable us to service our debt, or meet our working capital and capital expenditure requirements. If we are not able to generate sufficient cash flow from operations or to borrow sufficient funds to service our debt, due to borrowing base restrictions or otherwise, we may be required to sell assets or equity, reduce capital expenditures, refinance all or a portion of our existing debt or obtain additional financing. We cannot assure you that we will be able to refinance our debt, sell assets or equity, or borrow more funds on terms acceptable to us, if at all.

If we are not successful in continuing to integrate the operations of FASL LLC, we could be materially adversely affected. Effective June 30, 2003, we and Fujitsu Limited executed several agreements that resulted in the integration of our and Fujitsu's Flash memory operations. We contributed Flash memory inventory, Fab 25 in Austin, Texas, the Submicron Development Center, or SDC, and our Flash memory assembly and test operations in Thailand, Malaysia and China. Fujitsu contributed its Flash memory division, including related inventory, cash, and its Flash memory assembly and test operations in Malaysia. In addition, both we and Fujitsu contributed our respective investments in our previous Manufacturing Joint Venture, Fujitsu AMD Semiconductor Limited, located in Aizu-Wakamatsu, Japan, which became a wholly owned subsidiary of FASL LLC.

[Table of Contents](#)

Our anticipated benefits from this transaction are subject to, among other things, the following risks:

- the possibility that FASL LLC will not be successful because of problems integrating the operations and employees of the two companies or achieving the efficiencies and other advantages intended by the transaction; and
- the possibility that global business and economic conditions will worsen, resulting in lower than currently expected demand for Flash memory products, particularly in the high-end cellular telephone sector.

We cannot assure you that we will be able to successfully integrate these operations or that we will be able to achieve and sustain any benefit from FASL LLC's creation.

Intel Corporation's dominance of the microprocessor market, its position in the Flash memory market and its business practices may limit our ability to compete effectively. Intel has dominated the market for microprocessors used in desktop and mobile PCs for many years. Intel is also a significant competitor in the server segment of the microprocessor market and in the Flash memory market. Intel's significant financial resources allow it to market its products aggressively, to target our customers and our channel partners with special incentives, and to discipline customers who do business with us. These aggressive activities can result in lower unit sales and average selling prices for our products, particularly microprocessors and Flash memory products, and adversely affect our margins and profitability. For example, Intel exerts substantial influence over PC manufacturers and their channels of distribution through the "Intel Inside" brand program and other marketing programs. As long as Intel remains in this dominant position, we may be materially adversely affected by its:

- pricing and allocation strategies and actions, including aggressive pricing for Flash memory products and microprocessors to increase market share;
- product mix and introduction schedules;
- product bundling, marketing and merchandising strategies;
- exclusivity payments to its current and potential customers;
- control over industry standards, PC manufacturers and other PC industry participants, including motherboard, chipset and basic input/output system, or BIOS, suppliers; and
- user brand loyalty.

Because of its dominant position in the microprocessor market, Intel has been able to control x86 microprocessor and PC system standards and dictate the type of products the microprocessor market requires of Intel's competitors. Intel also dominates the PC system platform. As a result, PC OEMs are highly dependent on Intel, less innovative on their own and, to a large extent, are distributors of Intel technology. Additionally, Intel is able to drive de facto standards for x86 microprocessors that could cause us and other third-party companies to have delayed access to such standards. In marketing our microprocessors to OEMs, we depend on third-party companies other than Intel for the design and

[Table of Contents](#)

manufacture of core-logic chipsets, graphics chips, motherboards, BIOS software and other components. In recent years, many of these third-party designers and manufacturers have lost significant market share to Intel or exited the business. In addition, these companies produce chipsets, motherboards, BIOS software and other components to support each new generation of Intel's microprocessors, and Intel has significant leverage over their business opportunities.

We do not currently plan to develop microprocessors that are bus interface protocol compatible with Intel microprocessors because our patent-cross license agreement with Intel does not extend to microprocessors that are bus interface protocol compatible with Intel's sixth and subsequent generation processors. Thus, our microprocessors are not designed to function with motherboards and chipsets designed to work with Intel microprocessors. Our ability to compete with Intel in the market for microprocessors will depend on our ability to develop relationships with infrastructure providers and ensure that these third-party designers and manufacturers design PC platforms to support new generations of our microprocessors. A failure of the designers and producers of motherboards, chipsets and other system components to support our microprocessor offerings, particularly our new AMD Athlon 64 and AMD Opteron microprocessors, would have a material adverse effect on us.

We expect Intel to maintain its dominant position in the microprocessor market, to continue to be a significant competitor in the Flash memory market and to continue to invest heavily in research and development, new manufacturing facilities and other technology companies. Intel has substantially greater financial resources than we do and accordingly spends substantially greater amounts on research and development than we do. We expect competition from Intel to increase in 2004 and beyond to the extent Intel reduces prices for either its microprocessor and/or Flash memory products and as Intel introduces new competitive products. For example, in February 2004, Intel announced that it intends to introduce 64-bit processors for servers and workstations that will be able to run existing 32-bit software applications in mid-2004. We believe that these processors will compete with our AMD Opteron microprocessors. In addition, Intel announced that it will offer 64-bit processors for the desktop market and other market segments that will be able to run existing 32-bit software applications in a time frame based on both timing and availability of the infrastructure required to support them and customer demand. These products would compete with our AMD Athlon 64 microprocessors. Moreover, Intel currently manufactures certain of its microprocessor products on 300-millimeter wafers using 90-nanometer process technology. Use of 90-nanometer technology can result in products that are higher performing, use less power and that cost less to manufacture. Use of 300-millimeter wafers can decrease manufacturing costs and increase capacity by yielding more equivalent chips per wafer than 200-millimeter wafers. We have not yet made comparable transitions at our microprocessor manufacturing facilities. As a result, we may be more vulnerable to Intel's aggressive pricing strategies for microprocessor products. Intel's strong position in the microprocessor market, its existing relationships with top-tier OEMs and its aggressive pricing strategies could result in lower unit sales and average selling prices for our products, which could adversely affect our revenues.

[Table of Contents](#)

If we are unable to develop, produce and successfully market higher-performing microprocessor products, we may be materially adversely affected. The microprocessor market is characterized by short product life cycles and migration to ever-higher performance microprocessors. To compete successfully, we must transition to new process technologies at a fast pace and offer higher-performance microprocessors in significantly greater volumes at competitive prices. If we fail to achieve yield and volume goals or to offer higher-performance microprocessors in significant volume on a timely basis and at competitive prices, we could be materially adversely affected.

To be successful, we must increase sales of our x86 microprocessor products to existing customers and develop new customers in both consumer and commercial markets, particularly the latter. Our production and sales plans for microprocessors are subject to other risks and uncertainties, including:

- continued market acceptance for the AMD Opteron and AMD Athlon 64 microprocessors, which rely on market acceptance and demand for our AMD64 technology;
- our ability to fund our planned 300-millimeter wafer fabrication facility and develop associated process technologies that will be required for long-term competitiveness;
- our ability to increase our share of the enterprise market with tier-one OEM customers in order to have the demand necessary to utilize the capacity of our planned 300-millimeter wafer fabrication facility;
- our ability to successfully market the AMD Athlon XP, AMD Opteron, AMD Athlon 64 and AMD Duron processors, which rely in part on market acceptance of a metric based on overall processor performance versus processor clock speed (measured in megahertz frequency);
- the pace at which we expect to be able to convert production in Fab 30 to 90-nanometer process technology;
- our ability to maintain adequate selling prices of microprocessors despite increasingly aggressive Intel pricing strategies, marketing programs, new product introductions and product bundlings of microprocessors, motherboards and chipsets;
- our ability, on a timely basis, to produce microprocessors in the volume and with the performance and feature set required by customers;
- our ability to attract and retain engineering and design talent;
- our ability to expand system design capabilities; and
- the availability and acceptance of motherboards and chipsets designed for our microprocessors.

[Table of Contents](#)

Our ability to increase microprocessor product revenues and benefit fully from the substantial investments we have made and continue to make related to microprocessors depends on the success of our AMD Opteron and AMD Athlon 64 processors and the continuing success of our AMD Athlon XP and AMD Duron microprocessors. If we fail to achieve continued and expanded market acceptance of our microprocessors, we may be materially adversely affected.

If we were to lose Microsoft Corporation's support for our products, our ability to market our processors would be materially adversely affected. Our ability to innovate beyond the x86 instruction set controlled by Intel depends on Microsoft's designing and developing its operating systems to run on or support our microprocessor products. If Microsoft does not continue to design and develop its operating systems so that they work with our x86 instruction sets, including a timely introduction of an operating system that works with our AMD64 technology introduced with our AMD Opteron and AMD Athlon 64 processors, independent software providers may forego designing their software applications to take advantage of our innovations and customers may not purchase PCs with our microprocessors. If we fail to retain the support of Microsoft, or if there is a significant delay in Microsoft's release of an operating system that works with our AMD64 technology our ability to market our processors could be materially adversely affected.

The loss of a significant customer for our Spansion Flash memory products in the high-end mobile telephone market, or a lack of continued market acceptance of FASL LLC's MirrorBit technology may have a material adverse effect on us. Since the third quarter of 2002, our Flash memory product sales growth was dependent on the strength in the high-end mobile phone market. To date, our sales in that market have been concentrated with a limited group of customers. In addition, we expect competition in the market for Flash memory devices to continue to increase as new competitors enter the Flash memory market, particularly the NOR segment, existing competing manufacturers introduce new products or pursue aggressive pricing strategies and industry wide production capacity increases. We may be unable to maintain or increase our market share in Flash memory devices as the market develops and other competitors introduce new competing products. A decline in unit sales of our Flash memory devices, lower average selling prices, a downturn in the mobile phone market or a loss of a significant mobile phone customer, would have a material adverse effect on us.

In July 2002, we commenced production shipments of the first product with MirrorBit technology. MirrorBit technology is a memory cell architecture that enables Flash memory products to hold twice as much data as standard Flash memory devices. A lack of continued customer or market acceptance of FASL LLC's MirrorBit technology, adoption of such technology at a slower rate than we anticipate, or any substantial difficulty in transitioning Flash memory products, including those based on MirrorBit technology, to any future process technology could reduce FASL LLC's ability to be competitive in the market and could have a material adverse effect on us.

Spansion Flash memory products are based on the NOR architecture, and a significant market shift to the NAND architecture could materially adversely affect us. Spansion Flash memory products are based on the Boolean logic-based NOR (Not Or) architecture, which is typically used for code execution. FASL LLC does not manufacture products based on NAND (Not And) architecture, which typically offers greater storage capacity. During 2003,

[Table of Contents](#)

sales of products based on NAND architecture have grown at higher rates than sales of NOR products. This has resulted in the NAND vendors gaining a greater share of the overall Flash market. Any significant shift in the marketplace to products based on NAND architecture or other architectures may reduce the total market available to us and therefore reduce our market share, which could have a material adverse effect on us.

Worldwide economic and political conditions may affect demand for our products and slow payment by our customers. The recent economic slowdown in the United States and worldwide, exacerbated by the occurrence and threat of terrorist attacks and consequences of sustained military action in the Middle East, adversely affected demand for our products. Although economic conditions began to improve in the second half of 2003, another decline of the worldwide semiconductor market or a future decline in economic conditions or a decline in consumer confidence in any significant geographic area would likely decrease the overall demand for our products, which could have a material adverse effect on us. If the economic slowdown returns as a result of terrorist activities, military action or otherwise, it could adversely impact our customers' ability to pay us in a timely manner.

Manufacturing capacity constraints and manufacturing capacity utilization rates may adversely affect us. There may be situations in which our manufacturing facilities are inadequate to meet the demand for certain of our products. Our inability to obtain sufficient manufacturing capacity to meet demand, either in our own facilities or through foundry or similar arrangements with others, could have a material adverse effect on us. If we do not transition to 90-nanometer manufacturing process technology at Fab 30 on a timely basis, we may not be able to meet the demand for certain of our microprocessor products. In addition, if FASL LLC does not transition to 110 - nanometer manufacturing process technology at its facilities on a timely basis, it may not be able to meet our or Fujitsu's demand for certain of its Flash memory products. If FASL LLC's manufacturing facilities are inadequate to meet our demand for certain Flash memory products, FASL LLC may not be able to provide us with sufficient quantities of these products to allow us to meet demand for these products from our customers.

At times we may underutilize our manufacturing facilities as a result of reduced demand for certain of our products. We are substantially increasing our manufacturing capacity by building Fab 36, transitioning to smaller manufacturing process technologies and making significant capital investments in Fab 30. In addition, FASL LLC is increasing its manufacturing capacity by transitioning to smaller manufacturing process technologies, expanding Fab 25, JV1, JV2, and JV3 and increasing the capacity of its assembly and test facilities to accommodate both a growth in units that transition to higher densities and an increase in MCP products. If the increase in demand for our products is not consistent with our expectations, we and FASL LLC may underutilize manufacturing facilities, and we could be materially adversely affected. This has in the past had, and in the future may have, a material adverse effect on our earnings and cash flow.

We believe that at this time, the most significant risk is manufacturing capacity constraint.

Unless we maintain manufacturing efficiency, our future profitability could be materially adversely affected. Manufacturing semiconductor components involves highly complex processes that require advanced equipment. We and our competitors continuously modify

[Table of Contents](#)

these processes in an effort to improve yields and product performance, and decrease costs. During 2004, we plan to begin to transition certain of our microprocessor production to 90-nanometer process technology, and FASL LLC intends to begin to transition the production of certain of its memory products to 110-nanometer process technology. During periods when we or FASL LLC are implementing new process technologies, our or FASL LLC's manufacturing facilities may not be fully productive. Substantial delay in the technology transitions in Fab 30 to smaller process technologies employing silicon-on-insulator technology and in FASL LLC's wafer fabrication facilities to smaller geometries could have a material adverse effect on us, particularly if our competitors transition to more cost effective technologies earlier than we do. For example, Intel currently manufactures certain microprocessor products on 300-millimeter wafers using 90-nanometer process technology. Use of 90-nanometer technology can result in products that are higher performing, use less power and that cost less to manufacture. Use of 300-millimeter wafers can decrease manufacturing costs and increase capacity by yielding more equivalent chips per wafer than 200-millimeter wafers. We have not yet made comparable transitions at our microprocessor manufacturing facilities. Furthermore, impurities or other difficulties in the manufacturing process can lower yields. Our manufacturing efficiency will be an important factor in our future profitability, and we cannot be sure that we will be able to maintain our manufacturing efficiency or increase manufacturing efficiency to the same extent as our competitors.

We may experience manufacturing problems in achieving acceptable yields or product delivery delays in the future as a result of, among other things, capacity constraints, construction delays, delays in meeting the milestones set forth in our joint development agreement with IBM, upgrading or expanding existing facilities, or changing our process technologies, which could result in a loss of future revenues. Our results of operations could also be adversely affected by the increase in fixed costs and operating expenses related to increases in production capacity if revenues do not increase proportionately.

External factors, such as the SARS virus and potential terrorist attacks and other acts of violence or war, may materially adversely affect us. In early 2003, the severe acute respiratory syndrome (SARS) virus had an adverse effect upon the Asian economies and affected demand for our products in Asia. A new outbreak of the virus could have a similar impact on demand for our products in Asia. In addition, if there were to be a case of SARS discovered in any of our operations in Asia, the measures to prevent the spread of the virus could disrupt our operations at that location.

Terrorist attacks may negatively affect our operations directly or indirectly and such attacks or related armed conflicts may directly impact our physical facilities or those of our suppliers or customers. Furthermore, these attacks may make travel and the transportation of our products more difficult and more expensive, and ultimately affect our sales.

Also as a result of terrorism, the United States may be involved in armed conflicts that could have a further impact on our sales, our supply chain and our ability to deliver products to our customers. Political and economic instability in some regions of the world may also result and could negatively impact our business. The consequences of armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business.

[Table of Contents](#)

More generally, any of these events could cause consumer confidence and spending to decrease or result in increased volatility to the United States economy and worldwide financial markets. Any of these occurrences could have a significant impact on our operating results and financial condition, and also may result in the volatility of the market price for our securities and on the future prices of our securities.

Intense competition in the integrated circuit industry may materially adversely affect us. The integrated circuit industry is intensely competitive. Products compete on performance, quality, reliability, price, adherence to industry standards, software and hardware compatibility, marketing and distribution capability, brand recognition, and availability. After a product is introduced, costs and average selling prices normally decrease over time as production efficiency improves, competitors enter the market, and successive generations of products are developed and introduced for sale. Failure to reduce our costs on existing products or to develop and introduce, on a cost-effective and timely basis, new products or enhanced versions of existing products with higher margins, would have a material adverse effect on us.

If our microprocessors are not compatible with some or all industry-standard software and hardware, we could be materially adversely affected. Our microprocessors may not be fully compatible with some or all industry-standard software and hardware. Further, we may be unsuccessful in correcting any such compatibility problems in a timely manner. If our customers are unable to achieve compatibility with software or hardware after our products are shipped in volume, we could be materially adversely affected. In addition, the mere announcement of an incompatibility problem relating to our products could have a material adverse effect on us.

Our debt instruments impose restrictions on us that may adversely affect our ability to operate our business. Our July 2003 Loan Agreement, as amended, contains restrictive covenants and also requires us to maintain specified financial ratios and satisfy other financial condition tests when our net domestic cash is below specified amounts, and the Dresden Loan Agreements impose restrictive covenants on AMD Saxony, including a restriction on its ability to pay dividends. The July 2003 FASL Term Loan, as amended, contains restrictive covenants, including a prohibition on FASL LLC's ability to pay dividends and also requires FASL LLC to maintain specified financial ratios and satisfy other financial condition tests when its net domestic cash or its net worldwide cash is below specified amounts.

Our ability to satisfy the covenants, financial ratios and tests of our debt instruments, and FASL LLC's ability to satisfy the covenants, financial ratios and tests of the July 2003 FASL Term Loan, can be affected by events beyond our or FASL LLC's control. We cannot assure you that we or FASL LLC will meet those requirements. A breach of any of these covenants, financial ratios or tests could result in a default under our July 2003 Loan Agreement, the July 2003 FASL Term Loan and/or the Dresden Loan Agreements. In addition, these

[Table of Contents](#)

agreements contain cross-default provisions whereby a default under one agreement would likely result in cross-default under agreements covering other borrowings. For example, the occurrence of a default under the July 2003 FASL Term Loan would cause a cross-default under the July 2003 Loan Agreement and a default under the July 2003 Loan Agreement or under the indentures governing our 4.75% Debentures and our 4.50% Notes would cause a cross-default under the Dresden Loan Agreements. The occurrence of a default under any of these borrowing arrangements would permit the applicable lenders or note holders to declare all amounts outstanding under those borrowing arrangements to be immediately due and payable and would permit the lenders to terminate all commitments to extend further credit. If we or FASL LLC were unable to repay those amounts, the lenders under the July 2003 Loan Agreement, the July 2003 FASL Term Loan Agreement and the Dresden Loan Agreements could proceed against the collateral granted to them to secure that indebtedness. We have granted a security interest in substantially all of our inventory and accounts receivable under our July 2003 Loan Agreement, FASL LLC has granted a security interest in certain property, plant and equipment as security under the July 2003 FASL Term Loan Agreement, and AMD Saxony has pledged substantially all of its property as security under the Dresden Loan Agreements. If the lenders under any of the credit facilities or the note holders or the trustee under the indentures governing our 4.75% Debentures and our 4.50% Notes accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay those borrowings and our other indebtedness.

Costs related to defective products could have a material adverse effect on us. One or more of our products may be found to be defective after the product has been shipped to customers in volume. The cost of a recall, software fix, product replacements and/or product returns may be substantial and could have a material adverse effect on us. In addition, modifications needed to fix the defect may impede performance of the product.

If essential raw materials are not available to manufacture our products, we could be materially adversely affected. Certain raw materials we use in the manufacture of our products and FASL LLC uses in the manufacture of its products are available from a limited number of suppliers. For example, we are dependent on key chemicals from a limited number of suppliers and rely on a few foreign companies to supply the majority of certain types of integrated circuit packages we purchase. Similarly, FASL LLC purchases commercial non-Flash memory die, such as SRAM, from third party suppliers and incorporates these die into its MCP products. Interruption of supply or increased demand in the industry could cause shortages and price increases in various essential materials. If we or FASL LLC are unable to procure certain of these materials, we or FASL LLC might have to reduce our manufacturing operations. Such a reduction could have a material adverse effect on us.

Our operations in foreign countries are subject to political and economic risks, which could have a material adverse effect on us. Nearly all product assembly and final testing of our microprocessor products are performed at our manufacturing facilities in Malaysia and Singapore. Nearly all product assembly and final testing of Spansion products are performed at FASL LLC's facilities in Malaysia, Thailand, and China. We manufacture our microprocessors in Germany. We also depend on foreign foundry suppliers for the production of our Personal Connectivity Solutions and chipset products, international joint ventures for the manufacture of optical photomasks that we intend to use in the manufacture of our microprocessors, and we have international sales operations.

[Table of Contents](#)

The political and economic risks associated with our operations in foreign countries include, without limitation:

- expropriation;
- changes in a specific country's or region's political or economic conditions;
- trade protection measures and import or export licensing requirements;
- difficulty in protecting our intellectual property;
- changes in foreign currency exchange rates and currency controls;
- changes in freight and interest rates;
- disruption in air transportation between the United States and our overseas facilities; and
- loss or modification of exemptions for taxes and tariffs;

Any of the above risks, should they occur, could have a material adverse effect on us.

As part of our business strategy, we are continuing to seek expansion of product sales in emerging overseas markets. Expansion into emerging overseas markets presents similar political and economic risks as described above, and we may be unsuccessful in our strategy to penetrate these emerging overseas markets.

Also, a significant portion of the manufacturing costs for our microprocessor products is denominated in euros while sales of those products are denominated primarily in U.S. dollars. If the U.S. dollar continues to depreciate against the euro in the foreign exchange market, our gross margins may deteriorate.

Our inability to continue to attract and retain key personnel may hinder our product development programs. Our future success depends upon the continued service of numerous key engineering, manufacturing, marketing, sales and executive personnel. If we are not able to continue to attract, retain and motivate qualified personnel necessary for our business, the progress of our product development programs could be hindered, and we could be otherwise materially adversely affected.

Our inability to effectively implement new modules of our enterprise resource planning system could have a material adverse effect on us. In November 2003, we restarted the implementation of the sales and distribution modules of the enterprise resource planning (ERP) system that we initially began implementing in early 2002 and postponed from

[Table of Contents](#)

September 2002 to November 2003 as part of our cost-cutting initiatives. The ERP system is intended to provide an integrated information system to serve all of AMD. We are heavily dependent on the proper function of our internal systems to conduct our business. System failure or malfunctioning may result in disruption of operations and the inability to process transactions. If we encounter unforeseen problems with regard to system operations or these additional module implementations, we could be materially adversely affected. In addition, if the semiconductor industry does not continue to improve in accordance with our expectations or undergoes another downturn or if demand for our products is lower than our expectations, we may again postpone implementation of these modules.

We rely on third parties to provide supply-chain logistics functions, including physical distribution of our products, and some information technology services. We rely on a third-party provider to deliver our products to our customers and to distribute materials for Fab 25 and the SDC. In addition, we rely on a third-party provider in India to provide certain information technology services to us, including helpdesk support, desktop application services, business and software support applications, server and storage administration, data center operations, database administration, and voice, video and remote access. Our relationships with these providers are governed by fixed term contracts. We cannot guarantee that these providers will fulfill their respective responsibilities in a timely manner in accordance with the contract terms, in which case our internal operations, the distribution of our products to our customers and the distribution of materials for Fab 25 and the SDC may be adversely affected. Also, we cannot guarantee that our contracts with these third-party providers will be renewed, in which case we would have to transition these functions in-house or secure new providers, which may have a material adverse effect on our business, results of operations and financial condition.

In addition, we decided to co-source these functions to third parties primarily to lower our operating expenses and create a more variable cost structure for the company. However, if the costs related to administration, communication and coordination of these third-party providers are greater than we expect, then we will not realize our anticipated cost savings.

Our operating results are subject to substantial seasonal fluctuations. Our operating results tend to vary seasonally. For example, our revenues are generally higher in the fourth quarter than the third quarter of each year. This seasonal pattern is largely a result of decreased demand in Europe during the summer months and higher demand in the retail sector of the PC market during the winter holiday season. In recent quarters, a substantial portion of our quarterly sales has been made in the last month of the quarter.

Uncertainties involving the ordering, and shipment of, and payment for our products could materially adversely affect us. Our sales are typically made pursuant to individual purchase orders, and we generally do not have long-term supply arrangements with our customers. Generally, our customers may cancel orders 30 days prior to shipment without incurring a significant penalty. We base our inventory levels on customers' estimates of demand for their products, which is difficult to predict. This difficulty may be compounded when we sell to OEMs indirectly through distributors, as our forecasts for demand are then based on estimates provided by multiple parties. In addition, our customers may change their inventory

[Table of Contents](#)

practices on short notice for any reason. The cancellation or deferral of product orders, the return of previously sold products or overproduction due to failure of anticipated orders to materialize could result in excess or obsolete inventory, which could result in write-downs of inventory. While we believe inventories in the supply chain are currently at reasonable levels, market conditions are uncertain and these and other factors could materially adversely affect our revenues.

Our price-protection obligations and return rights under specific provisions in our agreements with distributors may adversely affect us. Distributors typically maintain an inventory of our products. In most instances, our agreements with distributors protect their inventory of our products against price reductions, as well as products that are slow moving or have been discontinued. These agreements, which may be canceled by either party on a specified notice, generally allow for the return of our products. We defer the gross margins on our sales to distributors, resulting from both our deferral of revenue and related product costs, until the applicable products are re-sold by the distributors. The price protection and return rights we offer to our distributors could materially adversely affect us if distributors exercise these rights as a result of an unexpected significant decline in the price of our products or otherwise.

Our inability to effectively control the sales of our products on the gray market could have a material adverse effect on us. We market and sell our products directly to OEMs and through authorized third-party distributions. From time to time, our products are diverted from our authorized distribution channels and are sold on the “gray market.” Gray market products entering the market result in shadow inventory that is not visible to us, thus making it difficult to forecast demand accurately. Also, when gray market products enter the market, we and our channel compete with heavily discounted products, which adversely affects demand for our products. In addition, our inability to control gray marketing activities could result in customer satisfaction issues, because anytime products are purchased outside our authorized distribution channel, there is a risk that our customers are buying counterfeit or substandard products, including products that may have been altered in some way, or used products represented as new. Further, gray market products can be mishandled or damaged, which would cause additional customer satisfaction issues. Our inability to control sales of our products on the gray market can have a material adverse effect on us.

If we cannot adequately protect our technology or other intellectual property, in the United States and abroad, through patents, copyrights, trade secrets, trademarks and other measures, we may lose a competitive advantage and incur significant expenses. We may not be able to adequately protect our technology or other intellectual property, in the United States and abroad, through patents, copyrights, trade secrets, trademarks and other measures. Any patent licensed by us or issued to us could be challenged, invalidated or circumvented or rights granted thereunder may not provide a competitive advantage to us. Furthermore, patent applications that we file may not result in issuance of a patent. Despite our efforts to protect our rights, others may independently develop similar products, duplicate our products or design around our patents and other rights. In addition, it is difficult to cost-effectively monitor compliance with, and enforce, our intellectual property on a worldwide basis.

From time to time, we have been notified that we may be infringing intellectual property rights of others. If any such claims are asserted against us, we may seek to obtain a license under the third party’s intellectual property rights. We cannot assure you that all necessary licenses can be obtained on satisfactory terms, if at all. We could decide, in the alternative, to resort to litigation to challenge such claims. Such challenges could be extremely expensive and time-consuming and could have a material adverse effect on us. We cannot assure you that litigation related to the intellectual property rights of us and others will always be avoided or successfully concluded.

Failure to comply with any applicable environmental regulations could result in a range of consequences including fines, suspension of production, alteration of manufacturing process, sales limitations, and criminal and civil liabilities. Existing or future regulations could require us or FASL LLC to procure expensive pollution abatement or remediation equipment, to modify product designs or to incur other expenses associated with compliance with environmental regulations. Any failure to control the use of, disposal or storage of, or adequately restrict the discharge of, hazardous substances could subject us to future liabilities and could have a material adverse effect on our business.

[Table of Contents](#)

Future litigation proceedings may materially affect us. From time to time we are a defendant or plaintiff in various legal actions. Litigation can involve complex factual and legal questions and its outcome is uncertain. Any claim that is successfully asserted against us may cause us to pay substantial damages. In addition, future litigation may result in injunctions against future product sales. Even if we were to prevail, any litigation could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations, which could have a material adverse effect on us.

Our corporate headquarters in California and FASL LLC's manufacturing facilities in Japan are located in earthquake zones and these operations could be interrupted in the event of an earthquake. Our corporate headquarters are located near major earthquake fault lines in California and FASL LLC's wafer fabrication facilities are located near major earthquake fault lines in Japan. In the event of a major earthquake, we and FASL LLC could experience business interruptions, destruction of facilities and/or loss of life, all of which could materially adversely affect us.

The conversion of our outstanding 4.50% Notes could have a significant negative impact on our earnings per share and the market price of our common stock. On November 25, 2002, we sold \$402.5 million of our 4.50% Notes in a registered offering. The 4.50% Notes are convertible at the option of the holder at any time prior to the close of business on the business day immediately preceding the maturity date of December 1, 2007, unless previously redeemed or repurchased, into shares of common stock at a conversion price of \$7.37 per share, subject to adjustment in certain circumstances. At this conversion price, each \$1,000 principal amount of the 4.50% Notes will be convertible into approximately 135 shares of our common stock, for an aggregate potential issuance of approximately 54 million additional shares. On May 3, 2004, the closing price of our common stock, as reported on the New York Stock Exchange was \$14.22. If the holders of our 4.50% Notes elect to convert all or some of their notes into common stock, our existing stockholders will experience significant dilution.

[Table of Contents](#)

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to Part II, Item 7A, Quantitative and Qualitative Disclosures about Market Risk, in our Annual Report on Form 10-K for the fiscal year ended December 28, 2003. We experienced no significant changes in market risk during the first quarter of 2004. However, we cannot give any assurance as to the effect that future changes in foreign currency rates will have on our consolidated financial position, results of operations or cash flows.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of March 28, 2004, the end of the quarter covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

[Table of Contents](#)

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

- *** 10.53 AMD Distributor Agreement by and between Advanced Micro Devices, Inc. and FASL LLC dated as of June 20, 2003.
- *** 10.60 (a) Revolving Line Agreement (A) dated March 25, 2004 among FASL Japan Limited, Mizuho Corporate Bank, Ltd. and the banks party thereto.
- *** 10.60 (b) Revolving Line Agreement (B) dated March 25, 2004 among FASL Japan Limited, Mizuho Corporate Bank, Ltd. and the banks party thereto.
- *** 10.60 (c) Accounts Receivables Trust Agreement between FASL Japan Limited and Mizuho Trust and Banking Co., Ltd.
- 10.60 (d) Floating Pledge Agreement dated March 25, 2004 among FASL Japan Limited and Mizuho Corporate Bank, Ltd. and the financial institutions specified therein.
- 31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*** Confidential treatment has been requested as to certain portions of this Exhibit.

(b) Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 6, 2004

ADVANCED MICRO DEVICES, INC.

By: /s/ ROBERT J. RIVET

Robert J. Rivet
Executive Vice President,
Chief Financial Officer

Signing on behalf of the registrant and as the principal accounting officer

AMD DISTRIBUTION AGREEMENT

JUNE 30, 2003

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

AMD DISTRIBUTION AGREEMENT

THIS DISTRIBUTION AGREEMENT (this “**Agreement**”) is made and entered into as of June 30, 2003 (the “**Effective Date**”), by and between FASL LLC, a Delaware limited liability company (“**FASL**”), and Advanced Micro Devices, Inc., a Delaware corporation (“**AMD**”). FASL and AMD are hereinafter also referred to as the “**Parties**” and individually as a “**Party**.”

RECITALS

WHEREAS, pursuant to the Amended and Restated Limited Liability Company Operating Agreement, dated June 30, 2003 (the “**LLC Operating Agreement**”), among AMD, AMD Investments, Inc., a Delaware corporation (“**AMDI**”), Fujitsu Limited, a Japanese corporation (“**Fujitsu**”), and Fujitsu Microelectronics Holding, Inc., a Delaware corporation (“**FMH**”), and the Contribution and Assumption Agreement (the “**Contribution Agreement**”), among AMD, AMDI, Fujitsu, FMH and FASL, AMD and Fujitsu have formed FASL for the purpose of designing, manufacturing and marketing flash memory products; and

WHEREAS, as part of such joint venture arrangement, AMD and Fujitsu have agreed that FASL will appoint AMD and Fujitsu as FASL’s sole initial distributors of Products (as defined below).

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and other terms and conditions contained herein, FASL and AMD agree as follows:

AGREEMENT

1. DEFINITIONS; INTERPRETATION

1.1 **Capitalized but Undefined Terms.** Capitalized terms used in this Agreement but not defined herein shall have the meaning ascribed to such terms in the LLC Operating Agreement.

1.2 **Terms Defined in this Agreement.** The following terms when used in this Agreement shall have the following definitions:

1.2.1 “**Action Plan**” has the meaning set forth in Section 14.2.1.

1.2.2 “**Affiliate**” is defined in the LLC Operating Agreement.

1.2.3 **** means a Customer listed as such on Schedule 2.1.

1.2.4 “**AMD **** Customer**” means a Customer listed as such on Schedule 2.1.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

1.2.5 “**AMD **** Customers**” means the Customers set forth in Section A of Schedule 1.2.5 and such other Customers that are specified as AMD **** Customers in accordance with Section B of Schedule 1.2.5.

1.2.6 “**AMD **** Customer**” means a Customer listed as such on Schedule 2.1.

1.2.7 “**AMD Territory**” means the Americas and Europe.

1.2.8 “**AMD **** Customer**” means, collectively, the AMD **** Customers and the AMD **** Customers.

1.2.9 “**Americas**” means the countries and territories of North America, Central America and South America.

1.2.10 “**Best Efforts**” means the efforts that a prudent Entity or person desiring to achieve a particular result would use in order to achieve such result reasonably expeditiously. An obligation to use “Best Efforts” does not require the Entity or person subject to such obligation to take actions that would result in a materially adverse change in the benefits to such Entity or person of this Agreement.

1.2.11 “**Channel Partner**” means any Entity other than an AMD Subsidiary who is appointed by AMD as a sub-distributor or sales representative, pursuant to a written agreement between AMD and such Entity in accordance with Section 5.2. A list of Channel Partners as of the Effective Date is set forth in Schedule 1.2.11. AMD will provide FASL with an updated Schedule 1.2.11 or other reasonable form of notice from time to time whenever it ****.

1.2.12 “**Claims**” is defined in Section 19.

1.2.13 “**Combined Product**” means any Product that contains both (a) FASL Content, and (b) components or products manufactured by any other Entity, which components or products do not constitute FASL Content.

1.2.14 “**Confidential Information**” has the meaning set forth in Section 16.1.

1.2.15 “**Customer**” means an Entity, other than AMD in its capacity as distributor hereunder, that purchases Products, but excluding Channel Partners.

1.2.16 “**Custom Product**” means any Product that has sufficiently unique attributes that it may only be sold to a single Customer or to a limited number of Customers. In addition, if a Product is being discontinued or has been discontinued on a general basis, as set forth in Section 10.2 below, but may still be made available to specific Customers, then it too shall be considered a Custom Product. FASL will identify all Custom Products as such in FASL’s then-current Quarterly price list or other reasonable form of communication to AMD, including an end-of-life notice, if applicable.

1.2.17 “**Disclosing Party**” has the meaning set forth in Section 16.1.

1.2.18 “**Documentation**” means any and all documents or materials, whether in printed form or in any electronic form or media, that relate to Products and are provided by FASL to AMD hereunder, including marketing materials and brochures, manuals, published Product price lists and Product specifications, but expressly excluding documents that constitute Confidential Information of FASL.

1.2.19 “**Entity**” means a corporation, partnership, limited liability company, unincorporated organization, business association, firm, joint venture or other legal entity.

1.2.20 “**Europe**” means the countries and territories of Europe, as listed on Schedule 1.2.20.

1.2.21 “**FAE**” means a field applications engineer.

1.2.22 “**FASL Board**” means the Board of Managers of FASL.

1.2.23 “**FASL Content**” means components or products manufactured by FASL or a FASL Subsidiary, or components or products specifically manufactured by any other Entity, including AMD or Fujitsu or any third party subcontractor or foundry, on behalf of FASL or a FASL Subsidiary at FASL’s or the FASL Subsidiary’s direction and based on (a) technology or intellectual property owned by FASL, or which FASL otherwise has the right to use, or (b) designs provided by FASL, which designs are proprietary to FASL or a third party licensor of FASL.

1.2.24 “**FASL Content Only Product**” or “**FCO Product**” means any Product that contains only FASL Content.

1.2.25 [Intentionally omitted.]

1.2.26 “**Force Majeure**” has the meaning set forth in Section 21.9.1.

1.2.27 “**Forecast**” has the meaning set forth in Section 4.1.

1.2.28 “**Forecasted Product Requirements**” has the meaning set forth in Section 4.1.

1.2.29 **** means a Customer listed as such on Schedule 2.1.

1.2.30 “**Fujitsu **** Customer**” means a Customer listed as such on Schedule 2.1.

1.2.31 “**Fujitsu **** Customers**” means the Customers set forth in Section A of Schedule 1.2.31 and such other Customers that are specified as Fujitsu **** Customers in accordance with Section B of Schedule 1.2.31.

1.2.32 “**Fujitsu **** Customer**” means a Customer listed as such on Schedule 2.1.

1.2.33 “**Fujitsu Territory**” means Japan.

1.2.34 “**Fujitsu **** Customers**” means, collectively, the Fujitsu **** Customers and the Fujitsu **** Customers.

1.2.35 **** means a Customer listed as such on Schedule 2.1.

1.2.36 “**Guidelines**” has the meaning set forth in Section 6.4.

1.2.37 “**INCOTERMS 2000**” means the International Rules for the Interpretation of Trade Terms, published by the International Chamber of Commerce in the year 2000.

1.2.38 “**Intellectual Property Rights**” means, on a world-wide basis, any and all now known or existing, or hereafter known or existing, tangible and intangible (a) rights associated with works of authorship, including copyrights, moral rights and mask-works, (b) rights associated with trademarks, service marks, trade names, logos and similar rights, (c) trade secret rights, (d) rights in patents, designs and algorithms and other industrial property rights, (e) rights in domain names; (f) all other intellectual and industrial property rights of every kind and nature and however designated, whether arising by operation of law, contract, license or otherwise, and (f) all registrations, applications, renewals, extensions, continuations (including continuations in part), divisions, reexaminations or reissues thereof now or hereafter existing, made or in force (including any rights in any of the foregoing).

1.2.39 “**Joint Territory**” means anywhere in the world other than the AMD Territory and the Fujitsu Territory.

1.2.40 “**Leads**” has the meaning set forth in Section 11.4.

1.2.41 “**Marketing Plan**” has the meaning set forth in Section 11.1.2.

1.2.42 “**Ownership Interest**” means the percentage interest of FASL common membership interests then held collectively by AMD and its Subsidiaries, *divided by* all then issued and outstanding FASL common membership interests.

1.2.43 “**PRC**” means the People’s Republic of China.

1.2.44 “**Product Distribution Center**” has the meaning set forth in Section 7.1.

1.2.45 “**Production Volume**” means, for a particular Technology for a particular Quarter, FASL’s projected volume of Wafer Outputs for such Technology during such Quarter, as determined by FASL at the beginning of the relevant Quarter using FASL’s then-current QBP for such Quarter.

1.2.46 “**Product**” means any finished product of FASL.

1.2.47 “**Purchase Order**” has the meaning set forth in Section 3.1.

-
- 1.2.48 “**Purchase Price**” means the price per Product at which FASL shall sell such Product to AMD in accordance with Section 12.
- 1.2.49 “**Q0**” has the meaning set forth in Section 4.2.3.
- 1.2.50 “**Q1**” has the meaning set forth in Section 4.2.3.
- 1.2.51 “**Q2**” has the meaning set forth in Section 4.2.3(b).
- 1.2.52 “**Q3**” has the meaning set forth in Section 4.2.3(c).
- 1.2.53 “**Quarter**” means a FASL fiscal quarter.
- 1.2.54 “**Receiving Party**” has the meaning set forth in Section 16.1.
- 1.2.55 “**RSP**” has the meaning set forth in Section 12.1.
- 1.2.56 “**Standard Product**” means any Product that is not a Custom Product. FASL will identify all Standard Products as such in FASL’s then-current Quarterly price list.
- 1.2.57 “**Stocking Channel Partner**” means a Channel Partner that is designated as such by AMD pursuant to Section 5.3.3.
- 1.2.58 “**Subsidiary**” is defined in the Contribution Agreement.
- 1.2.59 “**Technology**” means each process technology used by FASL in the production of Products. A list of Technologies as of the Effective Date is set forth in Schedule 1.2.59. FASL will provide AMD with an updated Schedule 1.2.59 or other reasonable form of notice from time to time whenever it adds a new Technology, or whenever it decides to no longer produce Products using a then-existing Technology.
- 1.2.60 “**Term**” has the meaning set forth in Section 20.1.
- 1.2.61 “**Trademarks**” means any trademarks, trade names, service marks and logos used by FASL in connection with Products, including those marks, names and logos set forth in Schedule 1.2.61 attached hereto.
- 1.2.62 “**Transition Plan**” has the meaning set forth in Section 2.1.4.
- 1.2.63 “**VAT**” has the meaning set forth in Section 12.8.
- 1.2.64 “**Wafer Output**” means a semiconductor wafer manufactured by or for FASL for a specific Technology.
- 1.2.65 “**Warranty Period**” has the meaning set forth in Section 15.1.

1.3 Interpretation.

1.3.1 Certain Terms. The words “hereof,” “herein,” “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement. The term “including” is not limited and means “including without limitation.”

1.3.2 Section References; Titles and Subtitles. Unless otherwise noted, all references to Sections, Schedules and Exhibits herein are to Sections, Schedules and Exhibits of this Agreement. The titles, captions and headings of this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

1.3.3 Reference to Entities, Agreements, Statutes. Unless otherwise expressly provided herein, (a) references to an Entity include its successors and permitted assigns, (b) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments, restatements and other modifications thereto or supplements thereof and (c) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such statute or regulation.

2. APPOINTMENT; GRANT OF RIGHTS

2.1 Grant of Distribution Rights; Transitional Support.

2.1.1 Grant of Rights. Subject to the terms and conditions of this Agreement, FASL grants to AMD the right to market, sell and otherwise distribute Products during the Term (a) in the AMD Territory and in the Joint Territory, (b) to AMD Affiliates, ****. No other grant of distribution rights to AMD is implied by this Agreement.

2.1.2 Transitional Support.

(a) Subject to the terms and conditions of this Agreement, FASL grants AMD the following rights during the Term with respect to ****:

(i) With respect to ****, FASL grants AMD the right to market, sell and otherwise distribute Products ****; *provided, however*, that (A) AMD shall not **** in ****, and (B) AMD shall **** as soon as reasonably practicable (as reasonably determined by FASL, taking into account various factors, including ****). This right shall terminate as to **** upon completion of the **** with respect to ****.

(ii) With respect to **** that is ****, FASL grants AMD the right to market, sell and otherwise distribute Products throughout the world ****; *provided, however*, that (A) AMD **** anywhere in the world ****, and (B) AMD shall **** as soon as reasonably practicable (as reasonably determined by FASL, taking into account various factors, including ****). This right shall terminate as to **** upon completion of the **** with respect to ****.

(iii) With respect to ****, FASL grants to AMD the right to market, sell and otherwise distribute Products ****. At such time that FASL reasonably determines that (A) **** (as measured by various factors, including the ****), and (B) **** in writing to **** that ****. Upon receipt of such certification, ****.

(b) Subject to the terms and conditions of this Agreement:

(i) With respect to ****, AMD agrees and acknowledges that, pursuant to the ****, FASL shall grant to **** to market, sell and otherwise distribute Products ****; *provided, however*, that upon the **** in accordance with the ****.

(ii) With respect to ****, AMD agrees and acknowledges that, pursuant to the ****, FASL shall grant to **** to market, sell and otherwise distribute Products ****; *provided, however*, that upon **** in accordance with the ****.

(iii) With respect to ****, AMD agrees and acknowledges that, pursuant to the ****, FASL shall grant to **** to market, sell and otherwise distribute Products ****. At such time that FASL reasonably determines that (A) **** has **** (as measured by various factors, including the ****), and (B) ****, **** in writing to **** that ****. Upon receipt of such certification, ****.

2.1.3 Location of Sale. For purposes of determining the location of a sale of any Product, the “ship to” location on the Purchase Order shall be determinative.

2.1.4 Transition Plan. Promptly after the Effective Date, AMD and FASL shall meet and develop written transition plans for ****, each such plan setting forth in reasonable detail the steps and actions that each Party shall be required to take, and the events that shall be required to occur, in order for **** (each, a “Transition Plan”). Each Party will act in accordance with the Transition Plans. In addition, FASL shall use Best Efforts to **** to comply with the transition plans that are developed and agreed by FASL **** in accordance with the ****.

2.2 Appointment of **** Distributors by FASL.

2.2.1 In the Joint Territory. FASL shall have the right to **** distributors or sales representatives in the Joint Territory.

2.2.2 In the AMD Territory; Other Customers. Subject to Section 14 and for so long as AMD maintains an Ownership Interest of at least twenty-five percent (25%), FASL shall not have the right to appoint any additional distributors or sales representatives, or grant any existing distributor or sales representative (other than AMD) any additional rights, in the AMD Territory or with respect to **** without AMD’s prior written consent, which consent may be withheld in its sole discretion.

2.2.3 **** by FASL. Notwithstanding anything to the contrary herein, unless otherwise agreed by the parties on a case-by-case basis, **** or otherwise **** any Products (or any wafers, die or work-in-progress), except through (i) AMD pursuant to and in accordance

with the terms of this Agreement, (ii) Fujitsu pursuant to and in accordance with the terms of the Fujitsu Distribution Agreement, (iii) the appointment of additional distributors or sales representatives in accordance with the terms of this Agreement or the Fujitsu Distribution Agreement; or (iv) as may otherwise be permitted by procedures that may be added to the LLC Operating Agreement subsequent to the Effective Date in accordance with its terms.

2.3 AMD Obligations and Restrictions.

2.3.1 Best Efforts. AMD shall use its Best Efforts to promote the sale of Products in the AMD Territory. In light of the foregoing, the application of the provisions of Section 2306(2) of the California Commercial Code to the Parties is hereby excluded.

2.3.2 Commitments. Notwithstanding anything to the contrary herein, AMD shall have **** on behalf of FASL with respect to Product availability.

2.3.3 Inventory. ****, and ****, maintain an inventory of Products intended to be used ****, *provided* that AMD and any AMD Subsidiary may maintain a limited, reasonable number of Products to use as Product samples in connection with demand creation activities in accordance with Section 11.5. Notwithstanding anything to the contrary in the foregoing, AMD and its Subsidiaries shall have the right, as of the Effective Date, to collectively possess **** inventory of Products across all Technologies, which inventory AMD and its Subsidiaries may retain and sell in the ordinary course of business, *provided* that such inventory shall be **** after the Effective Date. The foregoing restrictions and obligations regarding inventory shall not apply to Channel Partners.

2.3.4 NADC. Notwithstanding anything to the contrary in the foregoing, AMD shall have the right, from and after the Effective Date, to hold up to **** inventory of Product in its North America Distribution Center (“NADC”), *provided* that NADC’s target level of Product inventory shall be **** inventory. From time to time, AMD may request the right to hold more than **** inventory at NADC to address special market opportunities and FASL will not unreasonably withhold its consent to permit AMD to hold additional inventory at NADC to address those opportunities, taking into account existing firm purchase orders from Customers and AMD’s then-current good faith forecast for quick-turn business opportunities. Title and risk of loss with respect to such inventory shall remain with FASL until such time that AMD places a Purchase Order for the relevant Products in accordance with Section 3.1. AMD will maintain any such inventory at no cost to FASL, and will report on the amount and status of such inventory from time-to-time as reasonably requested by FASL. Without limiting the foregoing, AMD agrees to use Best Efforts to provide FASL as soon as it may be practicable daily point-of-sales reports in a format and including the information reasonably designated by FASL regarding all such inventory. Initial point-of-sale reports will contain the types of information specified in Schedule 2.3.4. Notwithstanding anything to the contrary in Section 12.5 below, payments for Products held at the NADC in accordance with this Section 2.3.4 shall be made within sixty (60) days from the date of shipment of such Products to a Customer or Channel Partner.

3. ORDERING; SHIPPING

3.1 **Orders.** AMD will accept purchase orders for Products from Customers and Channel Partners in accordance with its customary practices. To purchase Product(s) from FASL, AMD shall issue purchase orders (“**Purchase Orders**”), which shall specify the Purchase Order number, type and quantity of Product(s) ordered, Purchase Price (and the **** by the **** or ****, but only if **** is **** the **** for the ****), place(s) of delivery (which shall be the location identified in the relevant Customer or Channel Partner purchase order issued to AMD), and delivery date(s). These Purchase Orders may take the form of electronic submissions in a mutually-acceptable format (including submissions currently referred to as “****”) so long as they contain the same information specified above for Purchase Orders, even if such submissions may not be referred to specifically as “purchase orders” when transmitted. AMD shall place each Purchase Order with FASL sufficiently in advance of the delivery date to allow for FASL’s Product delivery lead times, as set forth in FASL’s most recent lead time report provided to AMD. FASL shall accept any Purchase Order submitted by AMD to the extent that such Purchase Order (a) is within the Product allocation assured to AMD in accordance with Section 4.2, (b) conforms to the foregoing lead times, and (c) does not provide for a “ship to” location, Customer or Channel Partner that is inconsistent with AMD’s distribution rights hereunder. FASL will not accept any order to purchase Products under this Agreement from any Entity or person other than AMD without AMD’s prior written consent. Notwithstanding the foregoing, with respect to ****, FASL shall not be ****, but FASL shall not unreasonably withhold **** that is consistent with the terms of this Agreement, taking into account such factors as the ****, FASL shall not withhold acceptance of any Purchase Order for Custom Products on a basis that provides AMD less favorable treatment than any other FASL distributor or sales representative submitting orders for similar quantities of the same or similar Custom Products; *provided* that any pre-existing commitments to any distributor may take precedence over any new commitments for Custom Products so long as FASL makes such determinations on a commercially reasonable and non-discriminatory basis. FASL shall notify AMD as soon as possible if FASL believes that a Purchase Order for either Standard Products or Custom Products does not meet the foregoing requirements for acceptance by FASL. If the Purchase Order includes a pricing term inconsistent with the terms of this Agreement, such pricing term shall not apply and the pricing provisions set forth in Section 12 below shall take precedence.

3.2 **Cancellations.** AMD may cancel any Purchase Order or portion thereof for Standard Products, without charge, upon written notice to FASL at least **** days prior to the applicable delivery date. FASL will determine cancellation policies, procedures and charges with respect to Custom Products, and with respect to Standard Products where notice of cancellation is given less than **** prior to the applicable delivery date, in advance of AMD’s placement of the applicable Purchase Order and will inform all distributors of such cancellation policies and apply such policies to all distributors, although the parties acknowledge that exceptions may be made on a case-by-case basis to address particular Customer situations. The Parties will discuss in good faith any cancellations of delivery of Custom Products, or of Standard Products where notice of cancellation is given less than **** prior to the applicable delivery date, requested by AMD, but the final determination will be FASL’s.

3.3 **Reschedules.** AMD may reschedule the delivery of any Purchase Order or portion thereof for Standard Products, without charge, one time only, upon notice to FASL at least **** prior to the applicable delivery date. Standard Product reschedules may be made less than ****

prior to the applicable delivery date, but only upon the agreement of FASL. Any reschedules on less than **** prior notice shall be subject to reschedule fees payable to FASL in an amount set by FASL in advance of AMD's placement of the applicable Purchase Order. FASL will also determine reschedule policies, procedures and rights and charges with respect to Custom Products in advance of AMD's placement of the applicable Purchase Order. FASL will inform all distributors of its reschedule policies in respect of Standard Products and Custom Products and apply such policies to all distributors although the parties acknowledge that exceptions may be made on a case-by-case basis to address particular Customer situations. The Parties will discuss in good faith any rescheduling of delivery of Custom Products, or of Standard Products where notice of rescheduling is given less than **** prior to the applicable delivery date, requested by AMD, but the final determination will be FASL's.

3.4 **Shipping.** FASL shall notify AMD at the time of shipment as to the quantity of Product(s) shipped and the specific shipping information. Shipping quantities may not vary from those established by the Purchase Order unless otherwise mutually agreed upon in writing by the Parties. FASL shall deliver the ordered Product by the applicable delivery date(s), *provided* that FASL may not deliver such Product earlier than the delivery date specified in the applicable Purchase Order. Upon a bona fide, reasonable, ****, AMD may specify that **** and if FASL has agreed in advance for **** that a particular shipment—or shipments in general ****—will be ****, then in the event that any ****, AMD may direct FASL **** by AMD and FASL ****. FASL shall ship the ordered Product(s) to the delivery address(es) set forth in the applicable Purchase Order.

3.5 Title and Risk of Loss.

3.5.1 Shipment from FASL Facility Directly to Customers or Stocking Channel Partners. Delivery of Products from any FASL facility directly to Customers or Stocking Channel Partners, or to AMD's ****, shall be **** in accordance with INCOTERMS 2000, unless otherwise agreed in writing by the Parties, and title and risk of loss shall pass from FASL to AMD ****, which shall be ****, a **** or a ****.

3.5.2 Shipment from Product Distribution Centers. Delivery of Products from any Product Distribution Center to a Customer or a Stocking Channel Partner, or to AMD's ****, shall be **** in accordance with INCOTERMS 2000, unless otherwise agreed by the Parties, and title and risk of loss shall pass from FASL to AMD **** at **** at the ****, in accordance with ****, as interpreted in accordance with INCOTERMS 2000. Without limiting the foregoing, AMD will bear **** attributable to **** from the **** to a ****. FASL will bear **** to ship Products directly from FASL, a FASL Subsidiary or a FASL subcontractor facility to the Product Distribution Center, the AMD Sub ****.

4. FORECASTS; PRODUCT ALLOCATIONS

4.1 **Forecasts.** AMD working together with FASL shall, on or before the end of the last week of the first month of each Quarter, provide FASL with a non-binding forecast (a "**Forecast**") setting forth AMD's projected Product needs for each of the five (5) Quarters following such Quarter ("**Forecasted Product Requirements**"). Each Forecast will be organized by FASL on a Technology-by-Technology basis, and will contain a forecast for each Product within a particular Technology. AMD's initial Forecast is attached hereto as Schedule 4.1.

4.2 Short-Supply Guaranteed Allocation.

4.2.1 Allocation. Subject to Section 4.2.3 below, in the event that, in any Quarter, FASL does not produce enough wafers within a Technology to meet the total orders for Product falling within such Technology issued by AMD and Fujitsu, FASL will allocate its wafer fabrication and assembly, test and package Production Volume for such Technology as follows:

- (a) to AMD, **** of Production Volume for such Products for such Quarter;
- (b) to Fujitsu, **** of Production Volume for such Products for such Quarter; and
- (c) such **** of Production Volume for the relevant Technology to either AMD or Fujitsu or otherwise, as reasonably **** (**** to the interests of either AMD or Fujitsu).

4.2.2 Adjustments Based on ****. In the event that **** is **** as set forth below, then, in determining **** for purposes of Section 4.2.1, the **** in Section 4.2.1(b) shall be ****:

- (a) in the event **** is **** to or **** than **** and ****, the **** of Production Volume in Section 4.2.1(b) shall be **** to ****;
- (b) in the event **** is **** to or **** than **** and ****, the **** of Production Volume in Section 4.2.1(b) shall be ****; and
- (c) in the event **** is ****, the **** Production Volume in Section 4.2.1(b) shall be **** to ****.

4.2.3 Adjustments Based on ****. If (a) in any Quarter (for purposes hereof, "Q1"), FASL does not produce enough Product within a Technology to meet the total orders for Product falling within such Technology issued by AMD and Fujitsu, and (b) in the ****, AMD purchased Products falling within such Technology representing, as a ****, an amount **** in accordance with Sections 4.2.1 and 4.2.2 (unless such failure to purchase resulted from FASL's inability to provide AMD with the ****), then, in such event:

- (a) For such Quarter (Q1), FASL will **** AMD its wafer fabrication and assembly, test and package Production Volume for such Technology, the **** Production Volume for such Technology that is the **** of (i) the **** Production Volume for such Technology purchased by AMD ****, and (ii) the **** Production Volume for such Technology to which AMD is **** pursuant to Sections 4.2.1 and 4.2.2; and

(b) For the subsequent Quarter (for purposes hereof, "Q2"), **** that **** or that it forecasted it would purchase **** if such amount was lower, FASL will **** to AMD its wafer fabrication and assembly, test and package Production Volume for such Technology, the **** Production Volume for such Technology to which AMD is **** pursuant to Sections 4.2.1 and 4.2.2.

(c) If, however, **** for Q1 and **** for Q1, its **** for the **** be calculated as set forth in subsection (a) above. If AMD thereafter **** or that it forecasted, then for the subsequent Quarter ****, FASL will **** to AMD its wafer fabrication and assembly, test and package Production Volume for the applicable Technology, the **** Production Volume for such Technology to which AMD is entitled pursuant to Sections 4.2.1 and 4.2.2.

4.3 FASL Adjustments to Production Volume. Notwithstanding anything to the contrary in this Section 4, FASL shall use all commercially reasonable efforts to increase or reduce, as applicable, Production Volume to reflect AMD's Forecasted Product Requirements and Fujitsu's forecasted product requirements. FASL shall **** Production Volume ****, provided that FASL's ability to so adjust Production Volume shall be subject to the guidelines with respect to inventory build up set forth in Section 8.8 of the LLC Operating Agreement.

4.4 Additional Capacity.

4.4.1 FASL Adding Capacity. In the event that FASL adds additional production capacity that is not contemplated by the **** Financial Support Plan, AMD, FASL and Fujitsu shall negotiate, in good faith, and agree as to how additional Production Volume generated therefrom shall be shared among the parties; *provided, however*, that in no event shall **** to **** such **** or **** with respect thereto.

4.4.2 Request for Additional Capacity from AMD. In the event (a) AMD requests that FASL add additional capacity not contemplated by the **** Financial Support Plan, (b) ****.

4.4.3 Request for Additional Capacity from Fujitsu. ****.

5. SUBSIDIARIES AND CHANNEL PARTNERS

5.1 **Right to Appoint Subsidiaries.** FASL hereby grants to AMD the right during the Term to appoint any Subsidiary as a subdistributor or sales representative of AMD, *provided* that such appointment is on terms and conditions consistent with this Agreement, including that any such Subsidiary will abide by the inventory restrictions applicable to AMD pursuant to Section 2.3.3.

5.2 **Right to Appoint Channel Partners.** Subject to the terms and conditions of this Agreement, FASL hereby grants to AMD the right during the Term to appoint Channel Partners

(through multiple tiers), *provided* that each Channel Partner enters into a distribution or sales representative agreement with AMD pursuant to which each such Channel Partner acknowledges that its rights to market, sell or otherwise distribute Products are no broader than, and are subject to at least the same limitations as, the rights granted by FASL to AMD in this Agreement. Consistent with the goals of Section 2.3.1, AMD will use its Best Efforts to select and retain Channel Partners that will effectively promote and accomplish the sale of Products, regardless of what other business AMD may carry on with such Channel Partners. In addition, as part of the quarterly business review described in Section 13, the Parties will discuss the performance of the Channel Partners and discuss possible ways to improve the mix of Channel Partners or improve the performance of existing Channel Partners.

5.3 Channel Management. With respect to its Channel Partners, AMD will:

5.3.1 use commercially reasonable efforts to enforce the terms and conditions of its agreements with its Channel Partners, including the sub-distributor obligations set forth in Schedule 5.3.1;

5.3.2 provide each Channel Partner with commercially reasonable field sales and field applications support, and with commercially reasonable assistance in connection with each such Channel Partner's promotion and sale of Products; *provided* that AMD shall have no obligation to provide field applications support in the Fujitsu Territory;

5.3.3 use commercially reasonable efforts to ensure that each Channel Partner designated as a "stocking" Channel Partner by AMD (which designation shall be made by AMD in its sole discretion) maintains a representative minimum level of Product inventory in order to ensure timely off-the-shelf delivery of Products to Customers;

5.3.4 use commercially reasonable efforts to ensure that each Channel Partner complies with FASL's distribution policies and procedures; and

5.3.5 use Best Efforts to ensure its Channel Partners have the ability to successfully promote Products in the regions in which they are actively pursuing Product sales.

5.4 Stock Rotations. AMD shall have the right to accept Product stock rotation returns from its Stocking Channel Partners in accordance with FASL's **** stock rotation policies, *provided* that AMD shall not permit any Stocking Channel Partner to return **** Products held as inventory by such Stocking Channel Partner, based upon net shipments and in accordance with the time frames and procedures specified by FASL. FASL will notify AMD in advance of AMD's placement of the applicable Purchase Orders of its stock rotation policies and agrees to provide AMD ****. If AMD accepts Product stock rotation returns from any Stocking Channel Partner, AMD shall promptly return such Products to FASL. AMD will, on a Quarterly basis, provide FASL with a written report regarding stock rotation returns by AMD to FASL, such written report identifying the Stocking Channel Partner that returned Products and specifying the Products returned (by Product number, and amount). On a Quarterly basis, FASL shall perform an inspection and audit of the returned Products, and in the normal course of business ****. In order to pass inspection, all Products returned in accordance with this Section 5.4 must be in their original, unopened factory-sealed unit packaging containers and otherwise unaltered.

5.5 **Termination of a Channel Partner.** Upon termination of a Channel Partner relationship, AMD will promptly update Schedule 1.2.11 and, as applicable and if directed by FASL, ****. If so requested by FASL, AMD will **** to FASL at ****.

6. TRADEMARK LICENSE AND RESTRICTIONS; MAINTENANCE; DOCUMENTATION

6.1 **License.** Subject to the terms and conditions of this Agreement, FASL hereby grants to AMD a non-exclusive, royalty-free, fully paid up license (including the right to grant sublicenses), during the Term, to use and display the Trademarks in the AMD Territory and Joint Territory, and anywhere else in the world in connection with **** and AMD ****, in all cases solely in connection with the marketing, promotion, advertisement, sale and distribution of Products as expressly permitted herein, and in connection with AMD's obligations set forth in Sections 5, 9 and 11. AMD shall not have the right to use the Trademarks to form combination marks with other trademarks, service marks, trade names, designs and logos.

6.2 **No Additional Rights.** AMD shall not use any other trademark or service mark confusingly similar to the Trademarks without the prior written approval of FASL. AMD understands and agrees that (a) as between the Parties, FASL is the sole owner of all right, title and interest in and to the Trademarks, (b) the use of any Trademark in connection with this Agreement shall not create in AMD any right, title or interest in or to the Trademarks, and (c) all such use and goodwill associated therewith shall inure solely to the benefit of FASL. AMD shall not challenge the validity of the Trademarks, nor shall AMD challenge or take any action inconsistent with FASL's ownership of the Trademarks or the enforceability of FASL's rights therein, unless the Trademark in question is used (without violation of FASL's rights) or owned by AMD (whether or not such Trademark is registered in any particular jurisdiction) prior to FASL's adoption or use of the Trademark, as demonstrated by AMD.

6.3 **Registration.** FASL shall retain the exclusive right to apply for and obtain registrations for the Trademarks throughout the world. AMD, upon FASL's reasonable request, agrees to reasonably cooperate with FASL's preparation and filing of any applications, renewals or other documentation necessary or useful to protect FASL's Intellectual Property Rights in the Trademarks, including by providing FASL with brochures, manuals, advertisements and other materials concerning Products. Any cooperation that AMD provides in accordance with this Section 6.3 shall be at FASL's sole cost, *provided* that such costs are reasonably incurred.

6.4 **Quality Control.** All use of the Trademarks shall be in accordance with the FASL trademark guidelines attached hereto as Exhibit 6.4, as may be reasonably amended from time to time by FASL upon reasonable prior written notice to AMD ("**Guidelines**"), provided that the Guidelines shall apply to all distributors. AMD shall not use the Trademarks in any manner other than expressly authorized by this Agreement. From time to time upon FASL's request, AMD shall submit to FASL samples of all AMD materials bearing the Trademarks. If FASL discovers any use of the Trademarks inconsistent with the Guidelines on any such submitted samples, and delivers to AMD a writing describing in reasonable detail the improper use, AMD shall promptly cease or remedy such use.

6.5 Documentation. Subject to the terms and conditions of this Agreement, FASL grants to AMD a non-exclusive, royalty-free, fully paid up license (including the right to grant sublicenses), during the Term, to use, display, translate, modify to make consistent with in its own documentation, copy and otherwise reproduce and distribute (either on its own, or in conjunction with, or as incorporated in AMD product documentation) the Documentation in the AMD Territory and the Joint Territory, and anywhere in the world in connection with **** and AMD ****, solely in connection with the marketing, promotion, advertisement, sale and other distribution of Products as expressly permitted herein, and in connection with AMD's obligations set forth in Sections 5, 9 and 11. Notwithstanding the foregoing, AMD may not modify the Documentation in a manner that misrepresents the Products.

7. PRODUCT DISTRIBUTION CENTERS

7.1 Product Distribution Centers. AMD will set aside physical space reasonably acceptable to FASL in one of the storage or warehouse facilities it owns or leases in Europe for FASL to use as a storage and shipping facility for Products (the "Product Distribution Center"). The size of space allocated to FASL for the Product Distribution Center shall be agreed upon by the Parties in writing. To the extent feasible, AMD shall maintain the Product Distribution Center apart from the space allocated for AMD activities. The Product Distribution Center will be staffed by FASL employees or agents, or by FASL Subsidiary employees or agents, who shall be granted unlimited access to the Product Distribution Center, but who shall be under the general administrative supervision of AMD for site management at the applicable facility. Notwithstanding anything to the contrary in the foregoing, FASL and FASL Subsidiary employees and agents shall, and FASL or a FASL Subsidiary, as applicable, shall cause its employees and agents to: (a) not interfere with AMD's activities at the AMD facilities housing the Product Distribution Center; (b) comply with AMD's then-current workplace rules and procedures, as provided by AMD to FASL from time to time; and (c) take such other action or follow such other procedures as reasonably requested by AMD. FASL shall retain title and risk of loss with respect to Products stored in Product Distribution Center, and, as between the Parties, title and risk of loss shall pass to AMD only in accordance with Section 3.5.2. The Parties currently anticipate that it will not be possible to establish the Product Distribution Center on or before the Effective Date; the Parties will use Best Efforts to establish the Product Distribution Center as soon as possible after the Effective Date, but in any event will do so no later than January 1, 2004.

7.2 Product Distribution Center Operating Costs. AMD shall provide use of Product Distribution Center space at no cost to FASL, and AMD will bear all general maintenance costs and expenses incurred in connection with the Product Distribution Center, including, for example, rental payments, utilities, and security and safety expenses. Notwithstanding anything to the contrary in the foregoing, AMD shall not be responsible for any costs or expenses relating to FASL's or the FASL Subsidiary's operation of the Product Distribution Center, including costs relating to the FASL or FASL Subsidiary employees and/or agents working in the Product Distribution Center, and administrative expenses incurred by FASL or a FASL Subsidiary in connection with maintaining and tracking Product inventory and packaging and shipping Products.

7.3 Consignment Warehouses. Upon the agreement of the Parties, and without limiting Section 2.3.4, AMD may maintain an agreed level of Product inventory in one or more of its consignment warehouses. Title and risk of loss with respect to such inventory shall remain with FASL until such time that AMD places a Purchase Order for the relevant Products in accordance with Section 3.1; *provided, however*, that with respect to Products maintained at AMD's consignment warehouse in ****, title and risk of loss shall pass to AMD upon shipment of such Products from a FASL facility or the Product Distribution Center, and in accordance with Section 3.5. Any such inventory shall be maintained by AMD employees and at no cost to FASL. FASL will bear shipping costs for shipping Products to a consignment warehouse; AMD will bear shipping costs for shipping Products from a consignment warehouse. AMD will report on the amount and status of any such inventory from time-to-time as reasonably requested by FASL. Without limiting the foregoing, AMD agrees to use Best Efforts to provide FASL as soon as it may be practicable daily point-of-sales reports in a format and including the information reasonably designated by FASL regarding all such inventory on a consignment warehouse-by-consignment warehouse basis, providing the same types of information as specified in Schedule 7.3. Payments for Products held by AMD in accordance with this Section 7.3 shall be made within **** from the date of shipment of such Products to the applicable Customer or Channel Partner. An initial list of consignment warehouses is set forth in Schedule 7.3; AMD will update such list by reasonable form of notice to FASL if it adds a consignment warehouse location or ceases to use an existing location as a consignment warehouse.

8. VENDOR MANAGED INVENTORY PROGRAMS

The Parties may institute "vendor managed inventory programs," operated through either Product Distribution Centers or via one or more third parties, on terms and conditions to be agreed in writing in advance by FASL and AMD.

9. CUSTOMER SUPPORT RESPONSIBILITIES

9.1 ****. AMD will maintain a **** in order to better enable AMD ****. AMD will provide FASL with ****, to better enable FASL ****. FASL shall have no right to use, and shall not use, any ****. Information obtained by FASL from AMD with regard to AMD's independent sales activities, Product pricing or allocation decisions shall be subject to the obligations set forth in Section 16, and shall not be disclosed to Fujitsu or to any other Entity or person, except as otherwise expressly permitted hereunder.

9.2 **Post-Sale Applications Support.** AMD and FASL will provide reasonable field applications support to Customers that are designing in Products. Upon FASL's reasonable request, AMD shall dedicate a reasonable number of FAEs to any region in the Joint Territory, on terms and conditions to be agreed in writing by the Parties, *provided* that AMD reasonably determines that substantial sales revenues for AMD may be generated from such region.

9.3 Warranty, Field Support. AMD will reasonably assist FASL and Customers in connection with FASL's compliance with and fulfillment of its warranty policies and, specifically, with respect to the following FASL processes: Return Material Authorizations (RMAs); Customer Corrective Action Requests (CCARs); and Advanced Change Notifications (ACNs). **** written notification to AMD, and AMD will assist FASL in accordance with the revised processes, *provided that **** would require AMD to incur significant additional costs or compliance burdens, unless AMD consents thereto in writing, such consent not to be unreasonably conditioned, delayed or withheld.*

9.4 Subdistributor Channel Design Registration. AMD will assist FASL and Customers regarding Subdistribution Channel Design Registrations on terms and conditions, and in accordance with procedures, to be agreed by the Parties.

10. CHANGES IN SPECIFICATIONS AND DESIGNS

10.1 Product Transition. FASL will initially manufacture the Products set forth on Schedule 10.1 in accordance with the specifications used for such Products immediately prior to the Effective Date, and will label and market such Products under the Product part numbers used for such Products by AMD immediately prior to the Effective Date, for a reasonable period of time as reasonably determined by FASL, taking into account various factors, including the preservation of Customer relationships and Customer demands and requirements.

10.2 Product Change or Elimination (End-of-Life). With respect to any proposed change to the specifications or designs of any Product, or to a proposed change to cease further production of a Product, FASL shall notify AMD of the proposed change in accordance with FASL's then-current standard ACN procedures, a copy of which FASL shall provide to AMD from time to time, as and when updated. FASL will then commercially release such change, or phase out production of a Product, in accordance with its then-current standard ACN procedures; *provided, however,* that FASL will take into account in the timing of the release of such change, or the timing of the phase out of the Product, as applicable, any concerns expressed to FASL by AMD or any of AMD's Channel Partners or Customers regarding the timing of such release or termination.

11. MARKETING; SALES

11.1 Global Marketing Policies and Campaign.

11.1.1 Marketing Policies. FASL will establish global policies regarding public relations and marketing, including the form and content of Product marketing and promotional materials and advertisements, such policies to be amended by FASL from time to time in its reasonable discretion. FASL shall promptly notify AMD in writing of any amendments to such policies. AMD shall comply with such policies, to the extent permitted by Applicable Law.

11.1.2 Marketing Campaign. FASL will, on an annual basis, develop a global marketing plan for Products, in consultation with AMD and Fujitsu (each, a "**Marketing Plan**"). Each Party will be responsible for performing the obligations under each Marketing Plan which such Party has agreed to in writing, and shall bear all costs and expenses it has agreed in writing to bear in connection therewith. FASL will update each Marketing Plan on an as-needed basis. ****.

11.2 Joint Marketing.

11.2.1 Restriction. If agreed in writing by the Parties, AMD may engage in joint marketing or promotional campaigns in which both Parties are referenced. The Parties agree and acknowledge that using FASL-produced marketing materials and the Trademarks in connection with AMD's normal sales activities (including by modifying FASL marketing materials for incorporation into AMD's general product marketing materials in accordance with Section 11.6.2) shall not constitute a joint marketing campaign.

11.2.2 Joint Campaign Activities and Costs. Notwithstanding Section 11.2.1, AMD may request that FASL establish and implement a joint marketing campaign. Upon such request, FASL may agree to establish such a joint marketing campaign on terms to be agreed. All costs and expenses incurred **** in connection with any such joint marketing campaign shall be borne by ****; *provided, however*, that **** shall obtain **** prior written consent before incurring any costs or expenses in connection with any such joint marketing activities that will be charged to ****.

11.2.3 FASL Support. Upon AMD's request, FASL may, but ****, participate in AMD-led marketing activities directed at a specific Customer or group of Customers within the AMD Territory or the Joint Territory, or at any **** AMD **** Customer. FASL's decision as to whether it will participate in such activities will take into account ****.

11.3 **Market Intelligence**. AMD will use commercially reasonable efforts to keep FASL informed of industry trends and competitive conditions that may affect the sale of Products in the AMD Territory, and will use commercially reasonable efforts to provide FASL with such information for regions in the Joint Territory to the extent AMD becomes aware of such trends or conditions.

11.4 ****; **Efforts**. AMD will **** from time to time, and will use commercially reasonable efforts to ****, in each case ****. AMD will use commercially reasonable efforts to ****.

11.5 ****.

11.5.1 Activities. AMD will engage in the following demand creation activities with Customers and identified Leads in the AMD Territory, and, to the extent commercially reasonable, with Customers and identified Leads in the Joint Territory, *provided* that such demand creation activities are consistent with the then-current ****:

- (a) Providing Customers and identified Leads with a reasonable number of Product samples in support of AMD design win efforts;

(b) Providing Customers and identified Leads with any Documentation in AMD's possession that AMD reasonably determines to be useful in support of AMD design win efforts;

(c) Providing a reasonable level of field applications support to Customers that are designing-in Products;

(d) Providing FASL with data in AMD's possession that AMD reasonably determines to be useful in connection with FASL's tracking of design wins, to the extent permitted by and in accordance with Applicable Law and subject to Section 9.1 and any duty of confidentiality that AMD owes to any third party; and

(e) Performing such other activities that AMD reasonably determines to be useful in connection with AMD's promotion of Products.

11.5.2 Marketing Support. FASL will, at FASL's sole cost, provide AMD with all marketing application support reasonably requested by AMD in connection with AMD's demand creation activities, including by providing AMD with a reasonable number of Product samples for use in connection with AMD's demand creation activities.

11.6 Marketing Materials.

11.6.1 Customization Assistance. AMD will, upon FASL's reasonable request, assist FASL with the customization of FASL's Product marketing and promotional materials for particular geographic regions within the AMD Territory and the Joint Territory and for specifically identified Lead opportunities. Any assistance that AMD provides in accordance with this Section 11.6.1 shall be at ****, *provided* that such costs are reasonably incurred.

11.6.2 Marketing Materials. FASL will be solely responsible for producing general Product marketing and promotional materials. FASL will provide AMD with a reasonable amount of such materials, including for the purpose of enabling AMD to engage in demand creation activities pursuant to Section 11.5. AMD shall have the right at its own cost to modify such materials in order to incorporate FASL marketing materials into AMD's general product marketing materials in such a manner that conforms with AMD's general marketing practices.

11.7 **Training**. AMD will train all AMD field sales personnel, sales support personnel, and field applications personnel engaged in the promotion and sale of Products, and will provide training to such personnel of its Channel Partners to the extent it reasonably determines that its Channel Partners require such training. FASL will assist AMD with such training efforts, on terms and conditions to be agreed by the Parties.

11.8 **Other Assistance**. AMD shall provide FASL with such additional sales and/or marketing support activities as FASL may reasonably request from time to time, on terms and conditions to be agreed in writing by the Parties.

12. PRICE; PAYMENTS; TAXES

12.1 **Distributor Pricing.** AMD is free to establish prices for its re-sale of Products.

12.2 **Price List.** ****. The Parties will use Best Efforts to ****, but acknowledge that on the Effective Date means to establish such a procedure have not been implemented. Price changes shall apply to all Purchase Orders **** and FASL may in its discretion **** received prior to the effective date of the change. FASL will establish policies and procedures whereby FASL will honor long-term pricing commitments to AMD as agreed to by FASL.

12.3 **Purchase Price of FASL Content Only Products.** The Purchase Price for each FCO Product shall be equal to **** at the time the order was booked. The Purchase Price for each FCO Product ****:

12.3.1 **Price Increase.** In the event AMD sells an FCO Product to a Customer or Channel Partner in an amount ****, the Purchase Price shall be **** the actual sales price of such Product.

12.3.2 **Price Decrease.** In the event AMD sells an FCO Product to a Customer or Channel Partner in an amount **** the Purchase Price. In such case, **** the Purchase Price ****.

12.4 Purchase Price for Combined Products.

12.4.1 **Purchase Price.** The Purchase Price for each Combined Product shall be as follows:

- (a) for Combined Products with ****, the Purchase Price shall be **** at the time the order was booked for such Product;
- (b) for Combined Products with ****, the Purchase Price shall be **** at the time the order was booked for such Product;
- (c) for Combined Products with ****, the Purchase Price shall be **** at the time the order was booked for such Product;
- (d) for Combined Products with ****, the Purchase Price shall be **** at the time the order was booked for such Product;
- (e) for Combined Products with ****, the Purchase Price shall be **** at the time the order was booked for such Product; and
- (f) for Combined Products with ****, the Purchase Price shall be **** at the time the order was booked for the **** plus **** of the price that ****.

12.4.2 **Price Increase.** In the event AMD sells a Combined Product to a Customer or Channel Partner in an amount that is **** at the time the order was booked for such Product, the Purchase Price shall **** to the ****.

12.4.3 Price Decrease. In the event AMD sells a Combined Product to a Customer or Channel Partner in an amount that is **** at the time the order was booked for such Product, AMD may **** the Purchase Price. In such case, FASL may, ****.

12.4.4 Determination of FASL Content. The percentage of FASL Content of any Combined Product shall be determined by FASL using the following formula: ****.

12.4.5 Content Review; Breakdown. FASL shall, on a Quarterly basis, review the percentage of FASL Content for each Combined Product, and shall make adjustments to the ****, as required based on such review. For each Combined Product, FASL shall provide AMD with a **** of the non-FASL Content that was used in determining the percentage of FASL Content for such Product.

12.5 Payments Terms. FASL shall issue and deliver an invoice to AMD for any amount payable to FASL pursuant to this Agreement. Unless otherwise agreed by the Parties, payments for Products delivered in accordance with Section 2.3.3, and any other payments required hereunder, including pursuant Section 11.2.2, shall be made within **** from the date on which FASL **** relating to such payment obligation. In no event shall FASL deliver an invoice before shipping the Products (or, in the event of joint marketing costs payable in accordance with Section 11.2.2, incurring the costs) to which such invoice relates. If the end of the payment period falls on a non-business day of AMD, payment may be made on the following business day. All amounts payable by AMD to FASL shall be paid by wire transfer of U.S. Dollars in immediately available funds to such financial institution and account number as FASL may designate in writing to AMD. In the event that the purchase price at which AMD sells a Product to a Customer or Channel Partner is ****, AMD may so notify FASL ****, *provided* that in such case FASL shall ****.

12.6 Currency. All RSPs shall be quoted in ****.

12.7 Late Payments. If AMD fails to make any payment on or before the required payment date, AMD shall be liable for interest on such payment at the rate of **** per annum or the maximum amount allowed by Applicable Law, whichever is less.

12.8 Taxes. All amounts payable for Product sold by FASL to AMD hereunder are exclusive of any taxes. AMD shall reimburse FASL only for the following tax payments with respect to the sale of Product under this Agreement unless an exemption applies: state and local use taxes arising in the United States of America, value added taxes or other similar taxes on turnover (“VAT”) arising in relevant jurisdictions imposing VAT and consumption taxes arising in Japan. FASL shall cause all such amounts reimbursed by AMD to be paid to the appropriate Governmental Authorities as required by Applicable Law. If FASL is required by law to charge use, consumption, VAT or similar taxes to AMD, FASL will ensure its invoices are in proper form to enable AMD to claim VAT or other applicable deductions, if AMD is permitted by law to do so. In the event that AMD is required by Applicable Law to make any deduction or to withhold any amount from any sum payable by AMD to FASL hereunder, (a) AMD will remit

such amounts to the appropriate Governmental Authorities and promptly furnish FASL with original tax receipts evidencing the payment of such amounts, and (b) the sum payable by AMD upon which the deduction or withholding is based will be decreased accordingly.

13. ** BUSINESS REVIEW**

13.1 **Meetings.** AMD and FASL will meet once each Quarter, at a time and place to be agreed by the Parties. The Parties may attend these meetings in person, by telephone or via videoconference. Each Party will bear its own costs and expenses incurred in connection with attending such meetings. AMD and FASL may hold such meetings jointly **** and/or any other distributor or sales representative appointed by FASL in accordance with Section 2.2 or 14, as FASL reasonably determines is appropriate and subject to Sections 13.2 and 13.3.

13.2 **Meeting Topics.** At these Quarterly meetings, the Parties will, among other things: (a) review the status and overall effectiveness of FASL's marketing activities and, if applicable, the status and overall effectiveness of FASL-AMD joint marketing activities undertaken in accordance with Section 11.2.2; (b) discuss potential Leads and actual or potential Customer support issues; (c) discuss Customer and Channel Partner input and feedback regarding Products or proposed FASL new product offerings; (d) evaluate the general effectiveness of AMD's marketing activities in relation to FASL's then-current Marketing Plan; (e) evaluate the performance of AMD's Channel Partners; and (f) discuss other issues and concerns raised by the Parties. In no event will joint meetings in which FASL and two or more distributors or sales representatives participate (including AMD and Fujitsu), contain a discussion of any distributor's independent sales activities, Product pricing or allocation decisions. Information obtained by FASL from AMD with regard to AMD's independent sales activities, Product pricing or allocation shall be subject to the obligations set forth in Section 16, and shall not be disclosed to Fujitsu or to any other Entity or person, except as otherwise expressly permitted hereunder, including without limitation as permitted under Section 9.1.

13.3 **Not Corrective Action.** The Parties acknowledge and agree that (a) these quarterly meetings will not be used as a forum in which to institute the commencement of corrective action procedures ****.

14. DISTRIBUTOR CORRECTIVE ACTION

14.1 **Initiation of Process.** ****.

14.1.1 ****

14.1.2 ****

14.1.3 ****

14.1.4 ****

14.2 Process.

14.2.1 ****

14.2.2 ****

14.2.3 ****

14.2.4 ****

14.2.5 ****

14.3 Actions. **.**

14.3.1 ****

(a) ****

(b) ****

(c) ****

14.3.2 ****

14.3.3 ****

14.3.4 ****

15. WARRANTIES

15.1 **FASL Product Warranty.** FASL represents and warrants to AMD that the Products shall operate in accordance with the Documentation and other written specifications therefor, and shall be free from defects in functionality, materials and workmanship, for a period of **** from the date that such Products **** in accordance with Section 3 (the “**Warranty Period**”).

15.2 **Remedies.** In the event that AMD notifies FASL during the applicable Warranty Period that any Product does not conform to the warranty provisions set forth in Section 15.1, FASL shall, at FASL’s option, **** in accordance with the Product return and problem verification procedures **** (b) **** such **** at **** or (c) provide **** for such defective Product. FASL shall **** in connection with **** defective Products.

15.3 **No Warranty Pass Through.** AMD shall have the right to independently make Product warranties to Customers and Channel Partners consistent with the Product warranty made by FASL under this Agreement. AMD hereby indemnifies and holds FASL harmless from and against any liabilities, losses, damages, costs and expenses, including attorneys’ fees and costs, incurred by FASL resulting from any claims based on or related to any representation or warranty made by AMD regarding the Products that is inconsistent with the warranty made by FASL hereunder.

15.4 **Disclaimer.** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES (AND EACH PARTY HEREBY EXPRESSLY DISCLAIMS) ANY REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, AND ANY WARRANTIES THAT MAY ARISE FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.

16. CONFIDENTIAL INFORMATION

16.1 **Obligations.** The Parties acknowledge and agree that all proprietary or nonpublic information disclosed by one Party (the “**Disclosing Party**”) to the other Party (the “**Receiving Party**”) in connection with this Agreement, directly or indirectly, which information is (a) marked as “proprietary” or “confidential” or, if disclosed orally, is designated as confidential or proprietary at the time of disclosure and reduced in writing or other tangible (including electronic) form that includes a prominent confidentiality notice and delivered to the Receiving Party within thirty (30) days of disclosure, or (b) provided under circumstances reasonably indicating that it constitutes confidential and proprietary information, constitutes the confidential and proprietary information of the Disclosing Party (“**Confidential Information**”). The Receiving Party may disclose Confidential Information only to those employees who have a need to know such Confidential Information and who are bound to retain the confidentiality thereof under provisions (including provisions relating to nonuse and nondisclosure) no less restrictive than those required by the Receiving Party for its own confidential information. The Receiving Party shall, and shall cause its employees to, retain in confidence and not disclose to any third party (including any of its sub-contractors) any Confidential Information without the Disclosing Party’s express prior written consent, and the Receiving Party shall not use such Confidential Information except to exercise the rights and perform its obligations under this Agreement. Without limiting the foregoing, the Receiving Party shall use at least the same procedures and degree of care which it uses to protect its own confidential information of like importance, and in no event less than reasonable care. The Receiving Party shall be fully responsible for compliance by its employees with the foregoing, and any act or omission of an employee of the Receiving Party shall constitute an act or omission of the Receiving Party. The confidentiality obligations set forth in this Section 16.1 shall apply and continue, with regard to all Confidential Information disclosed hereunder, during the Term (as hereinafter defined) and for a period of five (5) years from the date of termination of this Agreement.

16.2 **Exceptions.** Notwithstanding the foregoing, Confidential Information will not include information that: (a) was already known by the Receiving Party, other than under an obligation of confidentiality to the Disclosing Party or any third party, at the time of disclosure hereunder, as evidenced by the Receiving Party’s tangible (including written or electronic) records in existence at such time; (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party hereunder; (c) became generally available to the public or otherwise part of the public domain after its disclosure other

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

than through any act or omission of the Receiving Party in breach of this Agreement; (d) was subsequently lawfully disclosed to the Receiving Party by an Entity or person other than the Disclosing Party not subject to any duty of confidentiality with respect thereto; or (e) was developed by the Receiving Party without reference to any Confidential Information disclosed by the Disclosing Party, as evidenced by the Receiving Party's tangible (including written or electronic) records in existence at such time.

16.3 Confidentiality of Agreement; Publicity. Each Party agrees that the terms and conditions of this Agreement shall be treated as Confidential Information and that no reference shall be made thereto without the prior written consent of the other Party (which consent shall not be unreasonably withheld) except (a) as required by Applicable Law, *provided* that in the case of any filing with a Governmental Authority that would result in public disclosure of the terms hereof, the Parties shall mutually cooperate to limit the scope of public disclosure to the greatest extent possible, (b) to its accountants, banks, financing sources, lawyers and other professional advisors, provided that such parties undertake in writing (or are otherwise bound by rules of professional conduct) to keep such information strictly confidential, (c) in connection with the enforcement of this Agreement, or (d) pursuant to agreed joint press releases prepared in good faith. The Parties will consult with each other, in advance, with regard to the terms of all proposed press releases, public announcements and other public statements with respect to the transactions contemplated hereby.

17. CONSEQUENTIAL DAMAGES WAIVER

TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY, OR ANY THIRD PARTY CLAIMING THROUGH OR UNDER SUCH PARTY, UNDER ANY LEGAL THEORY, FOR ANY COSTS (INCLUDING WITHOUT LIMITATION LABOR COSTS) FOR IN-THE-FIELD INSTALLATION OR REPAIR WORK, OR FOR OTHER SIMILAR REWORK COSTS, OR FOR ANY LOSS OF PROFITS, REVENUES OR GOODWILL, LOSS OF DATA, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING PROVISIONS OF THIS SECTION 17 SHALL NOT BE DEEMED TO LIMIT FASL'S INDEMNITY OBLIGATIONS UNDER SECTION 19.

18. LIMITATION OF LIABILITY

EXCEPT WITH RESPECT TO FASL'S INDEMNITY OBLIGATIONS UNDER SECTION 19, NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY'S AGGREGATE LIABILITY TO THE OTHER PARTY OR ANY THIRD PARTY FOR CLAIMS RELATING TO THIS AGREEMENT, WHETHER FOR BREACH, NEGLIGENCE, INFRINGEMENT, IN TORT OR OTHERWISE, SHALL BE LIMITED TO AN AMOUNT EQUAL TO THE ****.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

19. FASL INDEMNITY

19.1 Indemnity. FASL shall at its own expense defend AMD from and against any (a) third party action to the extent that it relates to or results from any defects of Products delivered by or for FASL that directly result in the death or bodily injury to any person or that result in damage to real or personal property, or (b) any third party claim, action or proceeding to the extent that it relates to or results from the Products allegedly infringing, violating or misappropriating any Intellectual Property Right of any third party (collectively, clauses (a) and (b) constitute "Claims"). For purposes of this Section 19, the term Intellectual Property Rights shall be limited to patents, copyrights, mask work rights, trade secrets and Trademarks; *provided, however*, that for purposes of this Section 19, the term Trademarks shall be limited to those Trademarks where FASL (or its subcontractors or agents), and not AMD or Fujitsu, has performed the research and registration work to validate the availability of the Trademark in the applicable jurisdictions. FASL agrees to indemnify AMD and hold it harmless from and against any damages, costs and expenses (including without limitation any reasonable attorneys' fees and costs) finally awarded against AMD by a court of competent jurisdiction that may result from any such Claim; provided that (i) AMD notifies FASL promptly in writing of the Claim; (ii) FASL has sole control of the defense and all related settlement negotiations; and (iii) AMD provides FASL, at FASL's expense, with all reasonable assistance, information, and authority to perform these duties. Any delay by AMD in notifying FASL of a Claim shall not relieve FASL of its obligations under this Section 19, except to the extent (and only to the extent) that FASL's ability to defend such Claim is materially prejudiced by such delay.

19.2 Exclusions. FASL shall have no liability for any Claim of infringement or liability based on or arising from (i) modification of the Products by AMD or any third party (unless such modification was specifically authorized or required by FASL and such authorization was delivered by an authorized FASL employee in the form of a detailed written requirements document listing in detail the specifications for the modification), to the extent the infringement or liability would have been avoided by use of the unmodified Products; or (ii) the combination or use of the Products furnished hereunder with materials or technology not furnished by FASL, to the extent such infringement or liability would have been avoided by use of the Products alone.

19.3 Alternatives. In the event the Products are held to, or FASL believes are likely to be held to, infringe, violate or misappropriate any Intellectual Property Right of any third party, FASL shall have the right at its sole option and expense to (i) substitute or modify the Products so that they are non-infringing, while retaining substantially equivalent features and functionality as set forth in the specifications and documentation; or (ii) obtain for AMD a license to continue offering the Products; or (iii) if (i) and (ii) are not reasonably practicable as determined by FASL, terminate further sales of the infringing Product.

19.4 Limit on Liability. In no event shall FASL's liability for (i) Claims relating to infringement, violation or misappropriation of third party Intellectual Property Rights, or (ii) Claims for loss of data exceed the amounts paid to AMD or its Affiliates by their respective Customers or Channel Partners for the affected Products.

19.5 **Sole Obligation.** The foregoing FASL indemnities state the sole obligation and exclusive liability of FASL to AMD, and AMD's sole recourse and remedy against FASL for any Claim of infringement or misappropriation of an Intellectual Property Right by the Products or for any Claim of product liability related to the Products.

20. TERM AND TERMINATION

20.1 **Term.** This Agreement will be effective as of the Effective Date, and will continue in full force and effect indefinitely, unless terminated as set forth in this Section 20 ("**Term**").

20.2 **Termination upon Mutual Agreement.** The Parties may terminate this Agreement upon mutual written consent at any time.

20.3 **Termination for Breach.** In the event that either Party materially defaults in the performance of a material obligation under this Agreement, then the non-defaulting Party may provide written notice to the defaulting Party indicating: (a) the nature and basis of such default with reference to the applicable provisions of this Agreement; and (b) the non-defaulting Party's intention to terminate this Agreement. Upon receipt of such notice, the defaulting Party shall use Best Efforts to cure the alleged breach in a timely manner, and the Parties shall meet to discuss the matter. If the breach has not been cured to the reasonable satisfaction of the non-defaulting Party within a reasonable period of time of not less than ****, and if the Parties are not otherwise able to resolve the matter, then the non-defaulting Party may terminate this Agreement upon written notice.

20.4 **Termination for Reduction in Ownership.** In the event that AMD's Ownership Interest is less than ten percent (10%), FASL shall have the right to terminate this Agreement immediately by giving ninety (90) days' written notice of termination to AMD.

20.5 **Cross-Termination.** Unless otherwise expressly agreed in writing by the Parties, this Agreement shall automatically terminate upon the termination of the LLC Operating Agreement.

20.6 Effect of Termination.

20.6.1 Return of Confidential Information.

(a) AMD shall promptly return to FASL (or destroy, at FASL's election) all Documentation and FASL Confidential Information then in the possession or under AMD's control, and FASL shall promptly return to AMD (or destroy, at AMD's election) all AMD Confidential Information then in the possession or under FASL's control, excluding historical point-of-sale reports and other historical information provided to FASL pursuant to Section 9.1 above. Notwithstanding the foregoing, (i) any AMD historical pricing information may only be retained by FASL for financial reporting and other similar reporting and audit purposes but may not be supplied to any other distributor, sales representative or the like; (ii) FASL shall not retain any information provided to AMD or its Affiliates by any of their respective Customers or Channel

Partners and marked specifically as Customer confidential information or Channel Partner confidential information, as applicable, unless such Customers or Channel Partners have agreed in writing to permit FASL to retain such information; and (iii) FASL may retain any AMD information relating to current proposals, price quotations or commitment, but FASL shall not supply any such information to any other distributor, sales representative or the like.

(b) Notwithstanding subsection (a) above, the Receiving Party shall not be liable to the Disclosing Party for the inadvertent use of the Disclosing Party's Residual Information for the Receiving Party's own business purposes by the Receiving Party's personnel who no longer have access to any tangible (including machine-readable) embodiments of any Confidential Information of the Disclosing Party; *provided, however*, that the foregoing shall not release or excuse the Receiving Party from any liability to the Disclosing Party for any disclosure of the Disclosing Party's Confidential Information by the Receiving Party to any other persons or Entities, including the Receiving Party's former personnel, or any use of such Confidential Information by such other persons or Entities. This subsection (b) shall not be deemed to (A) grant to the Receiving Party a license under any Intellectual Property Rights (excluding trade secrets) of the Disclosing Party or (B) authorize any use of the tangible (including machine-readable) embodiments of any Confidential Information of the Disclosing Party. For purposes hereof, "**Residual Information**" means with respect to Confidential Information, information in non-tangible form which may be incidentally retained in the unaided memory of the Receiving Party's personnel having had access to the Confidential Information of the Disclosing Party, and which such personnel cannot identify as Confidential Information of the Disclosing Party. Such personnel's memory is "unaided" if the personnel have not intentionally memorized any Confidential Information of the Disclosing Party.

20.6.2 Limitation of Liability. Neither FASL nor AMD shall be liable to the other, because of such termination, for compensation, reimbursement or damages: (i) for the loss of prospective profits, anticipated sales or goodwill; (ii) on account of any expenditures, investments or commitments made by either; or (iii) for any other reason whatsoever based upon the result of such termination.

20.6.3 Continuing Liability. The termination of this Agreement for any reason shall not release either Party from any liability, obligation or agreement which has already accrued at the time of termination. Termination of this Agreement for any reason shall not constitute a waiver or release of, or otherwise be deemed to prejudice or adversely affect, any rights, remedies or claims, whether for damages or otherwise, which a Party may have hereunder, at law or otherwise, or which may arise out of or in connection with such termination.

20.6.4 Outstanding Purchase Order Fulfillment. FASL shall complete all Purchase Orders that have been previously accepted by FASL and not specifically cancelled upon termination by AMD, and shall accept and fulfill any Purchase Orders issued by AMD for a period of **** after termination of this Agreement, *provided* that the reason for termination was not a failure by AMD to pay amounts previously due to FASL under this Agreement;

provided, further, that all inventories held by or on behalf of AMD and its Channel Partners shall be depleted by the end of such ****. During such period, AMD shall have no guaranteed allocation and FASL may freely appoint additional distributors in the AMD Territory and the Joint Territory, and with respect to ****, AMD Affiliates and AMD PRC Customers, unless otherwise restricted pursuant to the terms of the Fujitsu Distribution Agreement.

20.6.5 Payment Obligation. AMD shall pay for all Products previously delivered by FASL and all Products subsequently delivered by FASL pursuant to the Purchase Orders referred to in Section 20.6.4.

20.6.6 Trademark and Documentation Licenses. All licenses relating to Trademarks and Documentation shall terminate, *provided, however*, that AMD shall have the right to continue to use Trademarks and Documentation, in a manner consistent with Section 6, in connection with the sale of Products in accordance with Section 20.6.4.

20.6.7 ****. If this Agreement terminates at any time prior to **** pursuant to Section 2.1, then FASL may elect to transition such AMD **** effective upon the termination date either ****, regardless of the time periods or other requirements that may be set forth in Section 2.1 above. Unless termination resulted from a material breach by FASL, then AMD agrees to use Best Efforts to ****.

20.7 Survival. The provisions of Sections 3 (for purposes of fulfilling the terms of Section 20.6.4), 12, 15, 16 (in accordance with its terms), 17, 18, 19, 20.6, 20.7 and Section 21 shall survive any termination of this Agreement.

21. MISCELLANEOUS TERMS

21.1 **Relationship of the Parties**. In the exercise of their respective rights, and the performance of their respective obligations hereunder, the Parties are, and will remain independent contractors. Nothing in this Agreement will be construed to constitute the Parties as partners, or principal and agent for any purpose whatsoever. Neither Party will bind, or attempt to bind, the other Party hereto to any contract or other obligation, and neither Party will represent to any third party that it is authorized to act on behalf of the other Party to this Agreement.

21.2 **Governing Law**. This Agreement will be governed by and construed in accordance with the laws of the State of California, United States of America, as applied to agreements among California residents entered into and wholly to be performed within the State of California (without reference to any choice or conflicts of laws rules or principles that would require the application of the laws of any other jurisdiction and without regard to the United Nations Convention on Contracts for the International Sale of Goods).

21.3 **Dispute Resolution**. Any dispute arising under or relating to this Agreement shall be resolved in accordance with the dispute resolution procedures set forth in the LLC Operating Agreement, which procedures are incorporated herein and deemed to apply *mutatis mutandis* to the Parties.

21.4 **Language.** This Agreement is in the English language only, which language shall be controlling in all respects, and all versions hereof in any other language shall be for accommodation only and shall not be binding upon the Parties. All communications and notices to be made or given pursuant to this Agreement shall be in the English language.

21.5 **Successors and Assigns.** Except as expressly provided herein, the rights and obligations hereunder may not be assigned or delegated by either Party without the prior written consent of the other Party; *provided, however*, that AMD shall have the right to assign this Agreement in connection with the sale of substantially all of its business to which the Products relate. Any purported assignment, sale, transfer, delegation or other disposition of such rights or obligations by either Party, except as permitted herein, shall be null and void. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

21.6 **Entire Agreement; Amendment.** This Agreement (including the Schedules and Exhibits hereto) and the other Transaction Documents constitute the full and entire understanding and agreement between the Parties with regard to the subject matter hereof, and supercede any prior communications, representations, understandings and agreements, either oral or written, between the Parties with respect to such subject matter. This Agreement may not be altered except by a written instrument signed by authorized legal representatives of both Parties and Fujitsu. Any waiver of the provisions of this Agreement or of a Party's rights or remedies under this Agreement must be in writing to be effective. Failure, neglect or delay by a Party to enforce the provisions of this Agreement or its rights or remedies at any time will not be construed and will not be deemed to be a waiver of such Party's rights under this Agreement and will not in any way affect the validity of the whole or any part of this Agreement or prejudice such Party's right to take subsequent action. No single or partial exercise of any right, power or privilege granted under this Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies provided by law.

21.7 Notices and Other Communications. All notices required or permitted under this Agreement shall reference this Agreement and will be deemed given: (a) when delivered personally; (b) when sent by confirmed facsimile; (c) five (5) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) three (3) business days after deposit with an internationally recognized commercial overnight carrier specifying next-day delivery, with written verification of receipt. All such notices, requests, demands and other communications shall be addressed as follows:

If to FASL:

FASL LLC
One AMD Place M/S 150
P.O. Box 3453
Sunnyvale, CA 94086
Attention: General Counsel
Telephone: (408) 749-2400
Facsimile: (408) 774-7399

If to AMD:
Advanced MicroDevices, Inc.
One AMD Place M/S 150
P.O. Box 3453
Sunnyvale, CA 94086
Attention: General Counsel
Telephone: (408) 749-2400
Facsimile: (408) 774-7399

or to such other address or facsimile number as a Party may have specified to the other Party in writing delivered in accordance with this Section 21.7.

21.8 Expenses. Except as otherwise expressly set forth in this Agreement, each Party will bear its own costs and expenses, including fees and expenses of legal counsel and other representatives used or hired in connection with the transactions described in this Agreement.

21.9 Force Majeure.

21.9.1 Excuse. Neither Party will be liable to the other for failure or delay in performing its obligations hereunder if such failure or delay is due to circumstances beyond its reasonable control, including acts of any governmental body, war, terrorism, insurrection, sabotage, embargo, fire, flood, earthquake, strike or other labor disturbance, interruption of or delay in transportation, or unavailability of or interruption or delay in telecommunications or third party services (“**Force Majeure**”); *provided, however*, that (a) a lack of credit, funds or financing, or (b) strikes or other labor disturbances that are limited to FASL’s employees shall not constitute Force Majeure. This Section 21.9.1 shall not be interpreted as relieving a Party of an obligation to pay, but may serve to excuse delay in making a payment when due.

21.9.2 Mitigation. A Party seeking to be excused from performance as the result of Force Majeure will be excused to the extent such performance is delayed or prevented by Force Majeure, *provided* that such Party shall use the utmost reasonably practicable efforts to complete such performance. Each Party agrees to resume performance with the utmost dispatch whenever the causes of such excuse are cured or remedied.

21.9.3 **Notice.** Should any Party be prevented from or delayed in or become aware that it is likely to be prevented from or delayed in carrying out its obligations under this Agreement due to Force Majeure, such Party shall promptly give to the other Party a written notice setting forth the details of such Force Majeure.

21.10 **Severability.** If any provision in this Agreement will be found or be held to be invalid or unenforceable, then the meaning of said provision will be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would save such provision, it will be severed from the remainder of this Agreement which will remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by any Party. In such event, the Parties will use their respective Best Efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the Parties' intent in entering into this Agreement.

21.11 **No Third Party Beneficiaries.** The terms and provisions of this Agreement are intended solely for the benefit of each Party and their respective successors and permitted assigns, and the Parties do not intend to confer third party beneficiary rights upon any other Entity or person.

21.12 **Construction.** This Agreement shall be deemed to have been drafted by both Parties and, in the event of a dispute, no Party hereto shall be entitled to claim that any provision should be construed against any other Party by reason of the fact that it was drafted by one particular Party.

21.13 **Execution.** This Agreement may be executed in counterparts, each of which so executed will be deemed to be an original and such counterparts together will constitute one and the same agreement. Execution and delivery of this Agreement by exchange of facsimile copies bearing the facsimile signature of a Party shall constitute a valid and binding execution and delivery of this Agreement by such Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized representatives as of the date first above written.

FASL LLC:

By: /s/ Thomas M. McCoy

Name: Thomas M. McCoy

Title: Manager

ADVANCED MICRO DEVICES, INC.:

By: /s/ Thomas M. McCoy

Name: Thomas M. McCoy

Title: Senior Vice President, General Counsel

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 1.2.5

AMD ****

A. As of the Effective Date, the “AMD ****” are:

B. In addition, “AMD ****” shall include any Entity or person in **** that **** meets at least one of the following criteria:

1. Entities or persons doing business in **** but which are headquartered in the AMD Territory.
2. Entities or persons doing business in **** the ownership interest of which is held (i) by one or more **** Entities or persons and (ii) **** or more by an Entity or person headquartered in the AMD Territory.
3. Entities or persons doing business in **** the ownership interest of which is held by (i) an Entity or person headquartered in the AMD Territory, (ii) an Entity or person headquartered in the Fujitsu Territory and (iii) one or more **** Entities or persons, *provided* that the Entity or person headquartered in the AMD Territory owns the larger ownership interest as between (i) and (ii); *provided, further*, that the ownership interest of the Entity or person headquartered in the AMD Territory is equal to or greater than ****.
4. Entities or persons doing business in **** the ownership interest of which is held by (i) an Entity or person headquartered in the Joint Territory, (ii) an Entity or person headquartered in the AMD Territory and (iii) one or more **** Entities or persons, *provided* that the Entity or person headquartered in the AMD Territory owns the larger ownership interest as between (i) and (ii); *provided, further*, that the ownership interest of the Entity or person headquartered in the AMD Territory is equal to or greater than ****.

Upon **** making such demonstration to ****, **** shall promptly notify **** in writing (with a copy to ****) that such **** constitutes an AMD ****, after which time AMD shall have the exclusive right to market (except with respect to FASL), sell and otherwise distribute Products in **** to such ****.

C. Notwithstanding the foregoing, AMD acknowledges that, in the event that any Entity or person becomes an AMD **** following the Effective Date, **** shall have the right to sell and otherwise distribute Products to such AMD **** to the extent, but only to the extent, that **** has a written agreement or other commitment for the purchase and sale of Products at the time that any such **** is deemed to constitute an AMD **** in accordance with this Schedule 1.2.5, but only to the extent that failing to sell or so distribute would constitute a breach of such agreement or commitment; *provided*, that FASL shall use Best Efforts to require **** to transition sales support for such AMD **** to AMD as soon as reasonably practicable.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 1.2.11

CHANNEL PARTNERS

<u>REGION</u>	<u>DISTRIBUTOR</u>	<u>TERRITORY</u>
---------------	--------------------	------------------

** Channel Partners and representatives shall have rights consistent with the terms of this Agreement.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 1.2.20

EUROPE

Albania
Andorra
Armenia
Austria
Azerbaijan
Belarus
Belgium
Bosnia and Herzegovina
Bulgaria
Croatia
Cyprus (including TRNC)
Czech Republic
Denmark
Estonia
Faroe Islands
Finland
France
Georgia

Germany
Greece
Hungary
Iceland
Ireland
Italy
Kazakhstan
Kyrgyzstan
Latvia
Liechtenstein
Lithuania
Luxembourg
Macedonia
Malta
Moldova
Monaco
Netherlands
Norway

Poland
Portugal
Romania
Russia
San Marino
Serbia and Montenegro
Slovakia
Slovenia
Spain
Sweden
Switzerland
Tajikistan
Turkey
Turkmenistan
Ukraine
United Kingdom
Uzbekistan
Vatican City

SCHEDULE 1.2.31

FUJITSU ****

A. As of the Effective Date, the “Fujitsu ****” are:

B. In addition, “Fujitsu ****” shall include any Entity or person in **** specified as such in accordance with the Fujitsu Distribution Agreement.

In the event that an Entity or person becomes an Fujitsu **** following the Effective Date, FASL grants **** the right to sell and otherwise distribute Products to such Fujitsu **** to the extent, but only to the extent, that **** has a written agreement or other commitment for the purchase and sale of Products in effect at the time that such **** is deemed to constitute an Fujitsu **** in accordance with the Fujitsu Distribution Agreement, but only to the extent that failing to sell or so distribute would constitute a breach of such agreement or commitment; *provided* that **** shall use Best Efforts to transition sales support for such Fujitsu **** to Fujitsu as soon as reasonably practicable.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 1.2.59

TECHNOLOGIES

CS39S: 0.32um Floating Gate NOR Flash Memory technology
CS49S: 0.23um Floating Gate NOR Flash Memory technology
CS99DB: 0.23um MirrorBit/MirrorFlash NOR Flash Memory technology
CS59S: 0.17um Floating Gate NOR Flash Memory technology
CS69: 0.13um Floating Gate NOR Flash Memory technology
CS69S: Shrunken version of CS69 0.13um Floating Gate NOR Flash Memory technology

****.
****.
****.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 1.2.61

TRADEMARKS

<u>Current Owner</u>	<u>Country</u>	<u>Trademark</u>	<u>Application No.</u>	<u>Application Date</u>	<u>Registration No.</u>	<u>Registration Date.</u>
Current FASL (Aizu)	Japan	FASL (Abbreviated Company Name)	06-69270	19940713	3275769	19970404
	Japan	FASL (Abbreviated Company Name)	2002-79616	20020918		
	China	FASL (Abbreviated Company Name)	3353609	20021031		
	Malaysia	FASL (Abbreviated Company Name)	2002/13894	20021108		
	Thailand	FASL (Abbreviated Company Name)	500485	20021011		
	Taiwan	FASL (Abbreviated Company Name)	91046125	20021101		
	Hong Kong	FASL (Abbreviated Company Name)	03062/2003	20030228		
	USA	FASL	78/165266	20020918		
	Brazil	FASL	824961390	20020925		
	Canada	FASL	1153684	20020924		
	E.U. (CTM Application)	FASL	2869105	20020927		
	India	FASL	1136784	20020927		
	Mexico	FASL	586379	20030203		
	Russia	FASL	2002720027	20020925		
	USA	F.A.S.L.	78/165267	20020918		
	Brazil	F.A.S.L.	824961404	20020925		
	Canada	F.A.S.L.	1153683	20020924		

<u>Current Owner</u>	<u>Country</u>	<u>Trademark</u>	<u>Application No.</u>	<u>Application Date</u>	<u>Registration No.</u>	<u>Registration Date.</u>
	E.U. (CTM Application)	F.A.S.L.	2868032	20020927		
	India	F.A.S.L.	1136785	20020927		
	Mexico	F.A.S.L.	586380	20030203		
	Russia	F.A.S.L.	2002720026	20020925		
	Japan	FASL (Design Logo mark)	2001-074957	20010817	4603401	20020913
	China	FASL (Design Logo mark)	3014709	20011109	3014709	20030221
	South Korea	FASL (Design Logo mark)	2001/47579	20011030		
	Malaysia	FASL (Design Logo mark)	2001/14640	20011108		
	Thailand	FASL (Design Logo mark)	472528	20011119	kor166184	20011119
	Taiwan	FASL (Design Logo mark)	(90)044634	20011030	1016997	20021001
	Hong Kong	FASL (Design Logo mark)	00560/2003	20030115		
	USA	FASL (Design Logo mark)	76/353788	20020102		
	Japan	SPANSION (Design Logo Mark)	2003-37307	20030508		
	Japan	TRUENORTH (Character Only)	2003-31987	20030418		
	Japan	SPANSION (Character Only)	2003-31988	20030418		
AMD	USA	SPANSION (Word Mark)	78/239428	20030418		

Current Owner	Country	Trademark	Application No.	Application Date	Registration No.	Registration Date.
	USA	TRUENORTH (Word Mark)	78/239444	20030418		
	USA	SPANSION (Logo)	76/518185	20030530		
	USA	ExpressFlash	Common Law	n/a	n/a	n/a
	USA	ExpressROM	Common Law	n/a	n/a	n/a
	USA	FlashErase	Common Law	n/a	n/a	n/a
	USA	FlashRite	Common Law	n/a	n/a	n/a
	USA	Fusion Flash Card	Common Law	n/a	n/a	n/a
	Brazil	MirrorBit	824152603	11/16/01		
	China (PRC)	MirrorBit	3018580	11/16/01	3018580	2/21/03
	European Union (CTM)	MirrorBit	2463297	11/15/01	2463297	3/20/03
	Japan	MirrorBit	2001-106495	11/28/01	4620683	11/15/02
	South Korea	MirrorBit	50599/2001	11/15/01		
	Malaysia	MirrorBit	14858/01	11/15/01		
	Singapore	MirrorBit	T01/17733B	11/15/01	T01/17733B	5/15/2001* * Registered with U.S. priority date.
	Thailand	MirrorBit	472306	11/15/01		
	U.S.A.	MirrorBit	78/063726	5/15/01		
	USA	Memory Miser	Common Law	n/a	n/a	n/a
	USA	Spectrum	Common Law	n/a	n/a	n/a
	USA	QuickSwitch	Common Law	n/a	n/a	n/a
	USA	SecSI	Common Law	n/a	n/a	n/a
	USA	UltraNAND	Common Law	n/a	n/a	n/a

Current Owner	Country	Trademark	Application No.	Application Date	Registration No.	Registration Date.
FUJITSU	South Korea	FlexBank	99-40825	19991029	485133	20010110
	Singapore	FlexBank	T99/12484D	19991101	T99/12484D	19991101
	EU	FlexBank	1368984	19991028	1368984	20001220
	USA	FlexBank	75/869157	19991209		
	Japan	FlexBank	74096061	19991021	4418675	20000922
	South Korea	HiddenROM	99-12791	19990420	474845	20000808
	EU	HiddenROM	1149087	19990416	1149087	20000614
	Japan	MirrorFlash	76107975	20011204	4615491	20021025
	China	MirrorFlash	3216982	20020620		
	South Korea	MirrorFlash	2002-21243	20020509		
	Taiwan	MirrorFlash	91023285	20020607		
	EU	MirrorFlash	2704104	20020510		
	USA	MirrorFlash	76/421654	20020611		

SCHEDULE 2.1
EXCEPTIONS TO TERRITORY

Fujitsu ****

Fujitsu **** Support

AMD ****

Fujitsu **** Support

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

AMD ** Support**

AMD ** Support**

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 2.3.4

POINT-OF-SALE REPORT INFORMATION

AMD will provide FASL the following information in a format reasonably requested by FASL. FASL may request that reasonable additional information be provided in the point-of-sale reports, if FASL makes the same request of all its distributors and AMD will provide such information.

Sub-Distributor Name

Location

Sell Currency

Buy Currency

AMD Part number

Invoice Number

Invoice Date

Invoice Quantity

End Customer Code

End Customer Name and Country

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 4.1

INITIAL FORECAST

(See attached document).

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 5.3.1

CHANNEL PARTNER TERMS AND CONDITIONS

AMD Rules imposed on its Sub-distributors:

1. General Obligations

A sub-distributor must: (1) aggressively promote sales; (2) obtain **** from ****; (3) maintain a minimum level of inventory; (4) keep AMD informed of trends and competitive conditions; (5) exercise reasonable best efforts to participate in training; and (6) promptly inform customer of product changes, recalls, problems.

2. Altering Products

The sub-distributor may not alter any Products or Product markings, but may program field programmable products consistent with FASL specifications. The sub-distributor will indemnify AMD with respect to claims arising from such programming.

3. Keeping Records

The sub-distributor must keep complete and accurate records of all Products sales and provide detailed information to AMD and FASL.

4. Promotional Programs

The sub-distributor agrees to cooperate with AMD in sales and marketing promotional programs from time to time and **** in costs and expenses. The sub-distributor also agrees to create and maintain adequately informative advertising and merchandising programs consistent with FASL specifications.

5. Pricing/Tax and Policies

Prices paid by the sub-distributor follow the ****, net all taxes. In lieu of tax, the sub-distributor may provide AMD tax exemption certificates issued by AMD from time to time. The sub-distributor must also observe the policies stated in the ****.

6. Title/Risk of Loss

Title, risk of loss and right of possession passes to sub-distributor upon ****. For product returned by sub-distributor, title, risk of loss and right of possession ****.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

7. Payment for Products

The sub-distributor agrees to pay the **** for all Products delivered, net **** days from date of invoice. Any credit arrangements between AMD and the sub-distributor may be withdrawn or modified by ****.

8. Warranties

The sub-distributor will make no warranties which exceed those given by FASL, ****.

9. Backlog upon Termination

Upon termination of the agreement, the sub-distributor must meet with AMD to review existing backlog to determine order cancellation and sub-distributor's intent to purchase items on backlog. ****.

10. Notice of Termination

Upon termination of agreement, the sub-distributor shall take steps reasonably calculated to inform its customers of the termination of its status as an authorized sub-distributor of AMD.

Other Rules:

1. Appointments and Assignments

All Sub-distributor appointments and territory assignments regarding the Products require approval of FASL.

2. Price Protection

Upon AMD's announcement of a ****, the sub-distributor may ****.

3. Price Authorization

****.

4. Products Removed from Pricing Supplement

AMD shall give the sub-distributor written notice of any product removed from pricing supplement. Within 30 days of such notice, the sub-distributor may return removed products for credit.

5. Stock Rotations

Upon authorization by AMD, ****.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

6. **** for Credit

Subject to certain conditions, products maybe **** by the sub-distributor to AMD for credit.

7. Repurchase upon Termination

Subject to certain conditions, and provided the sub-distributor is not terminated for cause or in default of any material obligation, sub-distributor agrees to sell and AMD agrees to repurchase products upon termination of agreement.

8. Point of Sale Data

The sub-distributor agrees to provide point of sale data for **** transaction on a regular basis ****.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 7.3

**** WAREHOUSES

****	Warehouse	Address
****	****	****
****	****	****
****	****	****
****	****	****

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

SCHEDULE 10.1

TRANSITIONAL PRODUCTS
By AMD Ordering Part Number

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

EXHIBIT 6.4

TRADEMARK GUIDELINES

The following Guidelines shall apply to use of the Trademarks, as provided by Section 6.4 of the Agreement.

1. Correct Use of Word Trademarks in Written Materials. The Trademarks must be distinguished in print from surrounding text. Unless a Trademark is a Design Mark (as defined below), it should be graphically distinguished in one of the following manners:

- (a) printing the Trademark in upper case letters;
- (b) printing the Trademark in quotation marks;
- (c) printing the Trademark in italics;
- (d) printing the Trademark in bold face type;
- (e) underlining the Trademark.

If the Trademark is normally written in lower case letters, then it must be set off from the surrounding text in some manner (such as quotation marks or italic type) that makes it apparent it is a trademark. Trademarks registered in a stylized form must only be used in the style and form in which they are registered.

2. Correct Use of Design Marks. The proportions of any Trademark that is a design or is composed of stylized text (a “**Design Mark**”) must be maintained, even if the Design Mark is increased or decreased in size. The size of Design Marks must never be so small that the letters and shape of the logo are unrecognizable. Design Marks must always be surrounded by a clear area in which no lettering or design elements appear to ensure that the design Trademark is distinct and not attached or otherwise obscured by other graphic elements.

3. Use of Trademarks in Conjunction with Other Marks. The Trademarks may be used in conjunction with or in close proximity to the logos, designs, trademarks, service marks, names or symbols of another individual or entity only in such a manner that the overall appearance resulting from such use conveys the unequivocal impression that the Trademarks are associated with FASL and that the Trademarks are separate and distinct from any product or service of the other individual or entity. The Trademarks must be used only to refer to FASL’s products or to products that include FASL’s products.

4. No Alteration of Trademarks. The Trademarks must appear legibly, without alteration and in their complete form. Where these Guidelines (including any attachments) specify the exact style, positioning of the letters, spelling, dimensions and relative size of Trademarks, use of the Trademarks shall be in conformance therewith. FASL shall from time to time provide additional information regarding the proper form of Trademarks, and these Guidelines shall be updated to reflect such additional information, as provided in Section 6.4 of the Agreement. The Trademarks must be used as adjectives, not as verbs and not possessively. At least once in all printed materials where a particular Trademark is used (preferably the first reference to such Trademark), the

Trademark should be followed by the generic name of the Product identified by the Trademark.

5. Trademark Marking Requirements. The proper symbol—[®], [™] or SM— for each Trademark must be used. Although it is not necessary to use a trademark symbol every time a Trademark is used in printed materials or on packaging, labels or in electronic materials, the symbol should be noted at least once on printed materials, including packaging, labels, advertisements and on-line information such as websites, to designate a trademark of FASL. If it is not feasible or aesthetically desirable to place the [®], [™] or SM symbol with a Trademark, the Trademark should be followed, where feasible, by an asterisk (*) that references one of the following footnotes:

- (a) Reg. U.S. Patent and Trademark Office (if applicable).
- (b) This is a trademark of FASL LLC in the United States and other countries.
- (c) This is a registered trademark of FASL LLC in the United States and other countries (once again, if applicable).

Alternatively, a designation of Trademarks on a panel of packaging or at the end of printed materials will suffice. For example, if a press release or detailed advertisement refers to the Trademarks, the following note could appear at the end of the document:

TRADEMARK is a trademark of FASL LLC in the United States and other countries.

Additional factors need to be considered when identifying ownership of the Trademarks in countries other than the United States. For example, some countries do not recognize the [®] symbol. In other countries, improper use of the [®] symbol can result in the forfeiture of trademark rights. Therefore this last approach to identifying ownership of Trademark should be used for labels, packaging, brochures, advertising or promotional materials intended for use in countries other than the United States.

6. Proprietary Notices. In addition to use of the proper trademark and service mark designation, proper credit should be attributed to FASL for all use of Trademarks. An appropriate trademark proprietary notice must list all Trademarks that were used in any document or other materials and state that the Trademarks belong to FASL. Credits may be placed on the copyright page of a document, with other legal notices, or at the bottom of an advertisement, web page or other matter.

7. No Disparaging Use. The Trademarks must not be used in a manner that disparages FASL and/or the Products.

(Translation)

JPY9,000,000,000

REVOLVING LINE AGREEMENT (A)

FASL JAPAN LIMITED

as Borrower

MIZUHO CORPORATE BANK, LTD.

as Arranger and Agent

MIZUHO CORPORATE BANK, LTD.

SHINKIN CENTRAL BANK

THE BANK OF YOKOHAMA, LTD.

THE TOHO BANK, LTD.

THE NORINCHUKIN BANK

as Lender

March 25, 2004

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

TABLE OF CONTENTS

	<u>Page</u>
1. Definitions	1
2. Rights and Obligations of Lenders A	10
3. Use of Fund	11
4. Conditions Precedent for Effectiveness of this Agreement	11
5. Conditions Precedent for Loan Obligations A	11
6. Application for Drawdown	13
7. Making of Loans A	14
8. Refusal to Make Loans A	16
9. Repayment of Principal	16
10. Interest	17
11. Commitment Fee A	17
12. Exemption of Lender A	19
13. Increased Costs	19
14. Prepayment	20
15. Default Interest	22
16. Agency Fee	22
17. Expenses; Taxes and Public Charges	22
18. Performance of Borrower's Obligations	23
19. Distribution to Lenders A	24
20. Borrower's Representations and Warranties	26
21. Borrower's Covenants	28
22. Restrictions on Collateral	32
23. Financial Restrictions	32
24. Acceleration	33
25. Set-Off; Exercise of Floating Security	36
26. Arrangements Among Lenders A	37
27. Rights and Duties of the Agent	39
28. Resignation and Dismissal of the Agent	41
29. Decision-Making of the Majority Lenders A	42
30. Amendment to this Agreement	42
31. Assignment of this Agreement	43
32. Assignment of Loan Receivables A	44
33. Collection from Third Party	45
34. Termination of this Agreement	46
35. Renewal of Agreement	47
36. General Provisions	47

REVOLVING LINE AGREEMENT (A)

FASL JAPAN LIMITED (the "Borrower") and the financial institutions set forth as Lender A under Section 3 of Schedule 1 attached to this Agreement (respectively referred to as a "Lender A," and collectively referred to as "All Lenders A") enter into the following agreement (this "Agreement") as of March 25, 2004 (the "Execution Date"), with MIZUHO CORPORATE BANK, LTD. (the "Agent") acting as the agent.

1. DEFINITIONS

In this Agreement, the following terms shall have the meanings set forth below, unless it is apparent that such terms mean otherwise in the context hereof.

- 1.1 "**Accounts Receivables Trust Agreement**" means the Accounts Receivables Trust Agreement (as amended or renewed) attached hereto as Schedule 3, executed on March 25, 2004 by and between the Borrower and MIZUHO TRUST & BANKING CO., LTD.
- 1.2 "**Accrued Interest**" has the meaning given in Clause 14.2.
- 1.3 "**Adjusted Tangible Assets**" means all of the Borrower's assets, determined on a consolidated basis (provided that if the Borrower does not prepare its financial statements on a consolidated basis, the stand-alone basis financial statements shall apply) in accordance with generally accepted accounting standards in Japan, other than (a) deferred assets, other than prepaid insurance and prepaid taxes, (b) patents, copyright, trademarks, trade names, franchises, goodwill, and other similar intangibles and (c) unamortized debt discounts and expenses.
- 1.4 "**Adjusted Tangible Net Worth**" means, at any time, the amount calculated as (a) the book value (after deducting the related depreciation, obsolescence, amortization, valuation, and other proper reserves as determined in accordance with generally accepted accounting standards in Japan) of the Adjusted Tangible Assets shown on the Borrower's consolidated balance sheet (or the stand-alone basis balance sheet if the Borrower does not prepare its balance sheet on a consolidated basis) as of such time, prepared in accordance with that generally accepted accounting standards in Japan, less (b) the amount of the Borrower's liabilities (including all contingencies and other potential liabilities required to be shown on such balance sheet) shown on such consolidated balance sheet (or the stand-alone basis balance sheet if the Borrower does not prepare its balance sheet on a consolidated basis).
- 1.5 "**Affiliate**" means any party that, directly or indirectly, is in control of, is controlled by, or is under common control with, another party, or who owns, directly or indirectly, ten percent (10%) or more of the outstanding equity interest of another party. A party shall be deemed to be in control of another party if the controlling party possesses, directly or indirectly, the power to direct the management and policies of the other party for any reason, whether through the ownership of voting securities, by contract, or otherwise.

- 1.6 “**Agency Fee**” means the fees that the Borrower shall pay to the Agent in consideration of the Agent Services, as separately agreed upon between the Borrower and the Agent.
- 1.7 “**Agent Services**” means collectively, the Agent Services A and Agent Services B.
- 1.8 “**Agent’s Account**” means the checking deposit account (Account No. ****, Account Holder: FASL JAPAN LIMITED Agent Account T2) held by the Agent at the Head Office of MIZUHO CORPORATE BANK, LTD.
- 1.9 “**Agent Services A**” means the services set forth in the provisions of this Agreement that the Agent is entrusted by All Lenders A to perform for the benefit of All Lenders A.
- 1.10 “**Agent Services B**” means the services set forth in the provisions of the Loan Agreement B that the Agent is entrusted by All Lenders B to perform for the benefit of All Lenders B.
- 1.11 “**Aizu Facility**” means the real estate and the incidental facilities currently held, or to be acquired hereafter, by the Borrower at its Aizu manufacturing facilities and incidental facilities located in Aizu-Wakamatsu-shi, Fukushima, Japan.
- 1.12 “**Applicable Interest Rate A**” means the interest rate equal to the Base Rate plus the Spread A.
- 1.13 “**Assignable Loan Receivables A**” has the meaning given in Clause 31.2(ii).
- 1.14 “**Assignee**” means the party that accepts assignment of the Loan Receivables A in accordance with Clause 32.1.
- 1.15 “**Assigning Lender**” has the meaning given in Clause 31.2.
- 1.16 “**Assignor**” means the party that assigns the Loan Receivables A in accordance with Clause 32.1.
- 1.17 “**Base Rate**” means the interest rate for the relevant Loan Term according to the Japanese Yen TIBOR (page 17,097 of the Telerate) published by the Japanese Bankers Association at 11 a.m. or at the nearest possible time after 11 a.m. on the second (2nd) Business Day prior to the Drawdown Date. Provided, however, that in cases where such interest rate is not published for some reason, the Base Rate shall be the interest rate (indicated as an annual rate) that is reasonably decided upon by the Agent as the offered rate applicable for a drawdown in yen for the relevant Loan Term in the Tokyo Interbank Market as of 11 a.m. on the second (2nd) Business Day prior to the commencement date of the Loan Term or the nearest time prior thereto.
- 1.18 “**Borrower’s Settlement Account**” means the ordinary deposit account (Account No. ****, Account Holder: FASL JAPAN LIMITED) held by the Borrower at the Uchisaiwaicho Corporate Banking Division of MIZUHO CORPORATE BANK, LTD.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

- 1.19 **“Break Funding Cost”** means, in cases where the principal is repaid or set off on a day other than the Due Date of the Individual Loan A, and where the Reinvestment Rate in such case falls below the Applicable Interest Rate A, the amount calculated as the principal amount with respect to which such repayment or set-off was made, multiplied by the difference between the Reinvestment Rate and the Applicable Interest Rate A, and calculated on a per diem basis in accordance with the actual number of days of the Remaining Period. **“Remaining Period”** in this item means the period commencing on the day (inclusive) the repayment or set-off was made and ending on the Repayment Date (exclusive), and the **“Reinvestment Rate”** in this item means the interest rate reasonably determined by the Lenders A as the interest rate to be applied on the assumption that the prepaid or off-set principal amount will be reinvested in the Tokyo Interbank Market during the Remaining Period. The calculation method for such Break Funding Cost shall be on a per diem basis, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.
- 1.20 **“Business Day”** means any day other than those that are bank holidays in Japan.
- 1.21 **“Collection Calculation Date”** has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.22 **“Commitment Amount A”** means the total of the amounts set forth as the commitment amounts in Schedule 1, and the Commitment Amount A with respect to each Lender A means, respectively, the Commitment Amount A in relation to the amount set forth for each Lender A in Schedule 1; provided, however, that the Commitment Amount A with respect to each Lender A is subject to change in accordance with Clause 31 in the case of partial assignment of the status of the parties hereunder pursuant to Clause 31.
- 1.23 **“Commitment Fee A”** means the fees that the Borrower shall pay to the Lender A pursuant to the provisions of Clause 11.
- 1.24 **“Commitment Fee A Calculation Period”** means collectively, each of the periods commencing on the commencement date (inclusive) of the Commitment Fee A Calculation Period below and ending on the final date (inclusive) of the Commitment Fee A Calculation Period below.

	<u>Commencement Date of Commitment Fee A Calculation Period</u>	<u>Final Date of Commitment Fee A Calculation Period</u>
First	March 25, 2004	June 24, 2004
Second	June 25, 2004	September 24, 2004
Third	September 25, 2004	December 24, 2004
Fourth	December 25, 2004	March 24, 2005

- 1.25 **“Commitment Fee A Rate”** means 0.175% per annum.
- 1.26 **“Commitment Ratio A”** means the percentage of the Commitment Amount A of each Lender A to the Total Commitment Amount A.

- 1.27 “**Compulsory Execution**” has the meaning given in Clause 26.4.
- 1.28 “**Costs Increased Lender A**” means a Lender A that has incurred Increased Costs.
- 1.29 “**Counter-Performed Trust Receivables**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.30 “**Counter-Performed Trust Receivables Amount (Goods’ Value Equivalent)**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.31 “**Creditors’ Agreement**” means the Creditors’ Agreement (as amended or renewed) attached hereto as Schedule 4, executed on March 25, 2004 by and among the Lender A, the Lender B, the Agent and the Borrower.
- 1.32 “**Damages**” has the meaning given in Clause 19.2(a)(i).
- 1.33 “**Defaulted Obligations**” has the meaning given in Clause 15.1.
- 1.34 “**Defaulting Lender A**” has the meaning given in Clause 11.2.
- 1.35 “**Desired Drawdown Amount**” has the meaning given in Clause 6.1.
- 1.36 “**Desired Drawdown Date A**” has the meaning given in Clause 6.1.
- 1.37 “**Desired Prepayment Date**” has the meaning given in Clause 14.2.
- 1.38 “**Discovery Date**” has the meanings given in Clause 7.4 or Clause 14.4, respectively.
- 1.39 “**Distribution**” has the meaning given in Clause 21.3(v).
- 1.40 “**Drawdown Application**” has the meaning given in Clause 6.1.
- 1.41 “**Drawdown Application Period**” means the period commencing on the Execution Date (inclusive) and ending on the Drawdown Application Period Final Date (inclusive).
- 1.42 “**Drawdown Application Period Final Date**” means March 18, 2005.
- 1.43 “**Drawdown Date**” means the date of the drawdown of a Loan A.
- 1.44 “**Drawdown Period**” means the period commencing on the Execution Date (inclusive) and ending on the Drawdown Period Termination Date (inclusive).
- 1.45 “**Drawdown Period Termination Date**” means March 24, 2005.
- 1.46 “**Due Date**” means, with respect to the principal and interest in relation to the Loans A, the Repayment Date; and with respect to other amounts, the date set forth as the date on which payments shall be made in accordance with this Agreement.

- 1.47 “**Due Time**” means, if any Due Dates are provided for herein, 11 a.m. on such Due Date.
- 1.48 “**Enhanced Covenant Period**” means any period during which the Borrower fails to maintain a minimum cash balance of 1 billion yen.
- 1.49 “**Exemption Event**” means (i) the occurrence of a natural disaster or war, (ii) an interruption in or damage to electrical, communications or any settlement systems, (iii) any event that occurs within the Tokyo Interbank Market that disables loans in yen, and (iv) any other event not attributable to the Lenders A that results in the Majority Lenders A (if it is difficult for the Majority Lenders A to make a decision, the Agent) determining that it is impossible to make the Loan A.
- 1.50 “**Exemption Period**” means the period during which any Exemption Event has occurred and continues.
- 1.51 “**Exercise of Floating Security**” has the meaning given in Clause 25.3.
- 1.52 “**Extraordinary Collection Calculation Date**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.53 “**Fixed Trust Property Value**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.54 “**Fixed Trust Receivables**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.55 “**Fixed Trust Receivables Amount (Goods’ Value Equivalent)**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.56 “**Floating Pledge Agreement**” means the Floating Pledge Agreement (as amended or renewed) attached hereto as Schedule 5, executed on March 25, 2004 by and among the Lender A, the Lender B and the Borrower.
- 1.57 “**FMH**” means Fujitsu Microelectronics Holding, Inc.
- 1.58 “**Increased Costs**” means the increased portion (the amount reasonably calculated by such Lender A) of lending expenses, in cases where the Lender A’s lending expenses under this Agreement are substantially increased (excluding any increase caused by a change in tax rates on taxable incomes of such Lender A) due to, among other things, (i) any enactment or amendment of Laws and Ordinances, or any change in the interpretation or application thereof, or (ii) any establishment or increase in capital reserves.
- 1.59 “**Individual Loan A**” means a loan made by a Lender A respectively pursuant to the same Drawdown Application.
- 1.60 “**Individual Loan A Money**” means the money lent (or to be lent) by a Lender A to the Borrower as an Individual Loan A, and the “**Individual Loan A Amount**” means the amount of the Individual Loan Money A (the amount calculated by multiplying

the aggregate amount of Loan A in relation to the relevant Drawdown Application by the Commitment Ratio A of that Lender A).

- 1.61 “**Intended Distribution Amount A**” has the meaning given in Clause 26.1(i).
- 1.62 “**Interim Interest Payment Date**” has the meaning given in Clause 10.1.
- 1.63 “**Inventory**” means all kinds, nature and description of inventory, goods and merchandise, returned goods, raw materials, and other materials and supplies, regardless of location, to be furnished under any agreement of service or held for assignment or lease, that are currently owned or acquired hereafter by the Borrower (limited to those to be consumed in the Borrower’s business or used in connection with the packing, shipping, advertising, selling or processing of such goods, merchandise and such other articles), and all documents of title or other documents representing title thereto.
- 1.64 “**Investment**” means any acquisition of property in exchange for cash or other assets, whether in the form of an acquisition of stock, liabilities, or other obligations, or the purchase or acquisition of any other property, or a Loan A, capital contribution, subscription or otherwise.
- 1.65 “**Item Not Fully Covered**” has the meaning given in Clause 18.4.
- 1.66 “**Laws and Ordinances**” means any treaties, laws, cabinet orders, ministerial ordinances, rules, announcements, judgments, decisions, arbitral awards, directives, and policies of relevant authorities that apply to this Agreement, the transactions pursuant hereto or the parties hereto.
- 1.67 “**Lease**” means the lease of assets reflected as a lease on the Borrower’s consolidated balance sheet in accordance with generally accepted accounting standards in Japan.
- 1.68 “**Lender**” means collectively, the Lender A and the Lender B.
- 1.69 “**Lender B**” means MIZUHO CORPORATE BANK, LTD. (including its successors).
- 1.70 “**Lending Obligation A**” means a Lender A’s obligation to make Individual Loans A to the Borrower upon the condition that the requirements set forth under each item of Clause 5 are satisfied.
- 1.71 “**Loan Agreement B**” means the Revolving Line Agreement (B) (as amended or renewed) executed on March 25, 2004 by and between the Lender B and the Borrower, with MIZUHO CORPORATE BANK, LTD. acting as the agent.
- 1.72 “**Loan Receivables A**” means loan claims in relation to each Individual Loan A.
- 1.73 “**Loan Term**” means, with respect to each Individual Loan A, the period commencing on the Drawdown Date (inclusive) and ending on the Repayment Date (exclusive) in relation to such Individual Loan A.

- 1.74 “**Loan(s) A**” means the aggregate of the Individual Loans A made pursuant to this Agreement.
- 1.75 “**Majority Lenders A**” means more than one Lender A whose Commitment Ratio(s) A amount to 51% or more in total as of the Decision-Making Time (provided, however, that, for the period after All Lenders A’s Lending Obligations A are extinguished, and where the repayment of all obligations pursuant to this Agreement in relation to the Loan A have not been completed, the percentage shall be that of the total principal amount of the Outstanding Individual Loan A Money per each Lender A to the Total Outstanding Balance A as of the Decision-Making Time). “**Decision-Making Time**” means, in cases where the Lender A determines that any event requiring instructions by the Majority Lenders A has occurred, the point in time when the Agent receives notice under Clause 29.1(i), and in cases where the Agent determines that the decision of the Majority Lenders A is necessary, the point in time when the Agent gives notice under Clause 29.2.
- 1.76 “**Non-Drawdown Lender A**” has the meaning given in Clause 8.1.
- 1.77 “**Outstanding Individual Loan A Money**” means the principal, the interest, default interest, Break Funding Costs and any other payment obligation in relation to an Individual Loan A that the Borrower owes pursuant to this Agreement with respect to the Individual Loan A, and the “**Outstanding Individual Loan A Amount**” means the amount of such Outstanding Individual Loan A Money.
- 1.78 “**Pre-assignment Commitment Amount A**” has the meaning given in Clause 31.2(ii).
- 1.79 “**Pre-assignment Loan Receivables A**” has the meaning given in Clause 31.2(ii).
- 1.80 “**Prepayment**” has the meaning given in Clause 14.1.
- 1.81 “**Purchase and Sale Agreement**” means the “PURCHASE AND SALE AGREEMENT” dated February 23, 2004(as amended or renewed) between the Borrower and FUJITSU LIMITED.
- 1.82 “**Purchase and Sale Related Agreements**” means the Purchase and Sale Agreement and each of the individual agreements pursuant thereto.
- 1.83 “**Reduced Amount**” has the meaning given in Clause 31.2(ii).
- 1.84 “**Reduced Drawdown**” has the meaning given in Clause 7.4.
- 1.85 “**Reduced Drawdown Amount**” has the meaning given in Clause 7.4.
- 1.86 “**Reduced Drawdown Break Funding Cost**” means, in cases where a Reduced Drawdown is made and the Reinvestment Rate in such case falls below the Applicable Interest Rate A, the amount calculated as the difference between the Desired Drawdown Amount and the Reduced Drawdown Amount, multiplied by the difference between the Reinvestment Rate and the Applicable Interest Rate A, and calculated on a per diem basis in accordance with the actual number of days of the

Remaining Period. “**Remaining Period**” in this item means the period commencing on the Drawdown Date (inclusive) and ending on the Repayment Date (exclusive), and the “**Reinvestment Rate**” in this item means the interest rate reasonably determined by the Lenders A as the interest rate to be applied on the assumption that the difference between the Desired Drawdown Amount and the Reduced Drawdown Amount will be reinvested in the Tokyo Interbank Market during the Remaining Period. The calculation method for such Reduced Drawdown Break Funding Cost shall be on a per diem basis, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

- 1.87 “**Reduced Ratio**” has the meaning given in Clause 31.2(ii).
- 1.88 “**Refinanced Loan A**” means a Loan A that has already been made and the Due Date of which shall be the Desired Drawdown Date A of a Refinancing Loan A.
- 1.89 “**Refinancing Loan A**” means a Loan A with the Desired Drawdown Date A being the Due Date of a Loan A already made.
- 1.90 “**Regular Collection Calculation Date**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.91 “**Relevant Agreements**” means this Agreement, the Loan Agreement B, the Accounts Receivables Trust Agreement, the Floating Pledge Agreement, the Creditors’ Agreement and the documents related thereto.
- 1.92 “**Relevant Lender A**” has the meaning given in Clause 14.1.
- 1.93 “**Remaining Individual Loan A**” has the meaning given in Clause 26.1(i).
- 1.94 “**Remaining Lender A**” has the meaning given in Clause 26.1(i).
- 1.95 “**Repayment Date**” has the meaning given in Clause 6.1(iii).
- 1.96 “**Reports**” means (i) the audited annual report (*eigyō hōkokushyō*) prepared by the Borrower on a stand-alone basis (including the balance sheet, profit and loss statement, statement of cash flow, and other documents incidental thereto; and if any consolidated Subsidiary or Affiliate of the Borrower has been established, including the consolidated annual report (*eigyō hōkokushyō*)) within ninety (90) days from the end of the fiscal year, (ii) the unaudited annual report (*eigyō hōkokushyō*) prepared by the Borrower on a stand-alone basis (including the balance sheet, profit and loss statement, statement of cash flow, and other documents incidental thereto; and if any consolidated Subsidiary or Affiliate of the Borrower has been established, including the consolidated annual report (*eigyō hōkokushyō*)) within forty-five (45) days from the end of a fiscal quarter, (iii) the audited financial statements prepared by FASL LLC on a consolidated basis (including the balance sheet, profit and loss statement, statement of cash flow, and other documents incidental thereto) within ninety (90) days from the end of the fiscal year, and (iv) the unaudited financial statements prepared by FASL LLC on a consolidated basis (including the balance sheet, profit and loss statement, statement of cash flow, and other documents incidental thereto) within forty-five (45) days from the end of a fiscal quarter.

- 1.97 “**Set-off Initiating Lender A**” has the meaning given in Clause 26.1.
- 1.98 “**Set-off Receiving Lender A**” has the meaning given in Clause 26.2.
- 1.99 “**Settlor’s Extraordinary Report**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.100 “**Settlor’s Regular Report**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.101 “**Settlor’s Regular Report Deadline**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.102 “**Spread A**” means 0.550% per annum.
- 1.103 “**Status of the Establishment of the Collateral**” described in Schedule 2 means the specifics of the assets offered as security under the Security Assignment Agreement (*Joto Tanpo Settei Keiyaku*) executed on June 30, 2003 by and between the Borrower and FUJITSU LIMITED, and the specifics of the assets offered as a first-priority mortgage under the Mortgage Agreement and the Letter Concerning the Establishment of Security Interests (*Tanpo Sashiire Sho*) executed on June 30, 2003 by and between the Borrower and FUJITSU LIMITED.
- 1.104 “**Subsidiary**” means any corporation, association, partnership, joint venture or other business entity of which more than fifty percent (50%) of the voting stock or other equity interest (in the case of parties other than corporations) is owned or controlled directly or indirectly by a party, one or more of its Subsidiaries, or a combination thereof.
- 1.105 “**Successive Lender**” has the meaning given in Clause 31.2.
- 1.106 “**Taxes and Public Charges**” means all public taxes or public charges including income taxes, corporate taxes and other taxes, which are applicable in Japan.
- 1.107 “**Temporary Advancement**” means, with respect to the Borrower’s repayment on a Due Date, a payment made by the Agent to the Lenders A before the completion of the Borrower’s repayment of an amount equivalent to the amount to be distributed to the Lenders A in accordance with Clause 19; or with respect to the Individual Loans A made by the Lenders A on the Drawdown Date, a payment made by the Agent to the Borrower before the Lender A’s making the Individual Loan A of an amount equivalent to the amount of the Individual Loan A to be made to the Borrower.
- 1.108 “**Temporary Advancement Costs**” means, in cases where the Agent makes a Temporary Advancement, the amount calculated as the amount of Temporary Advancement, multiplied by (i) the Funding Rate, and (ii) the actual number of days of the Temporary Advancement Period. “**Temporary Advancement Period**” means the period commencing on the date (exclusive) that a Temporary

Advancement is made and ending on the date (inclusive) that such Temporary Advancement is cleared, and the “**Funding Rate**” means the interest rate that the Agent reasonably determines as the interest rate to fund the amount of Temporary Advancement throughout the Temporary Advancement Period. The calculation method for such Temporary Advancement Costs shall be on a per diem basis in accordance with the actual number of days of the Temporary Advancement Period, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

- 1.109 “**Total Commitment Amount A**” means the total of the Commitment Amounts A of All Lenders A.
- 1.110 “**Total Outstanding Balance A**” means the total principal amount of the Outstanding Individual Loan A Money owed to All Lenders A.
- 1.111 “**Trust Property Maintenance Standards**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.112 “**Trust Receivables**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.113 “**Trustee**” means MIZUHO TRUST & BANKING CO., LTD. (including its successor trustee), as the trustee pursuant to the Accounts Receivables Trust Agreement.
- 1.114 “**Trustee’s Extraordinary Report**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.115 “**Trustee’s Regular Report**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.116 “**Unused Commitment Amount A**” means the amount calculated as the Commitment Amount A less the total principal amount of the Outstanding Individual Loan A Money, and the Unused Commitment Amount A in relation to each Lender A shall mean the amount calculated as the Commitment Amount A in relation to such Lender A less the total principal amount of the Outstanding Individual Loan A Money in relation to such Lender A.

2. **RIGHTS AND OBLIGATIONS OF LENDERS A**

- 2.1 The Lenders A shall owe the Lending Obligations A.
- 2.2 Unless otherwise provided for in this Agreement, the obligations of each Lender A under this Agreement shall be independent, and a Lender A shall not be released from its obligations under this Agreement due to any other Lenders A failing to perform their obligations. A Lender A shall not be responsible for any failure of other Lenders A to perform their obligations under this Agreement.

2.3 If a Lender A, in breach of its Lending Obligation A, fails to make an Individual Loan A on the Desired Drawdown Date A, such Lender A shall, upon request by the Borrower, immediately compensate the Borrower for all damages, losses and expenses incurred by the Borrower as a result of such breach; provided, however, that the maximum amount of such compensation to the Borrower for the damages, losses and expenses incurred shall be the difference between (i) the interest and other expenses that is required or would be required to be paid if the Borrower separately made a drawdown as a result of such Lender A's failure to make the Individual Loan A on the Desired Drawdown Date A, and (ii) the interest and other expenses that would have been required to be paid if the Individual Loan A were made on the Desired Drawdown Date A.

2.4 Unless otherwise provided for in this Agreement, each Lender A may exercise its rights under this Agreement separately and independently.

3. **USE OF PROCEEDS**

The Borrower shall use the money raised by the Loan A as working capital.

4. **CONDITIONS PRECEDENT FOR EFFECTIVENESS OF THIS AGREEMENT**

This Agreement shall take effect upon the condition that the Borrower submit all of the following documents to the Agent and All Lenders A, and the Agent and All Lenders A are satisfied with the details thereof:

- (i) the certificate of seal registration of the representative of the Borrower who signs and affixes his seal to this Agreement dated on or after December 25, 2003;
- (ii) a certified copy of the certificate of corporate registration (certificate of complete company resume or the certificate of complete present company resume) of the Borrower dated on or after December 25, 2003;
- (iii) a copy of the Articles of Incorporation of the Borrower with certification (dated on or after December 25, 2003) attached thereto certifying that it is a copy of the original; and
- (iv) a written confirmation prepared by the Borrower's Representative Director certifying that all internal procedures necessary for the execution of this Agreement and the drawdown pursuant to this Agreement have been completed.

5. **CONDITIONS PRECEDENT FOR LENDING OBLIGATIONS A**

5.1 The Lender A shall owe the Lending Obligations A upon the condition (irrespective of whether or not notice under Clause 8.1 was given) that all of the conditions set forth in each of the following items are satisfied at the time of making the Individual Loan A. The satisfaction of such conditions shall be determined individually by each Lender A, and no other Lender A or the Agent shall be responsible for a Lender A's determination or refusal to make a Loan A.

- (i) The application for a drawdown satisfies the requirements set forth under Clause 6.1.
- (ii) The Lending Obligations A of All Lenders A have not been exempted pursuant to Clause 12.1.
- (iii) The Accounts Receivables Trust Agreement, the Floating Pledge Agreement and the Creditors' Agreement have all been entered into and are validly existing.
- (iv) All the matters described in each item of Clause 20 hereof, Clause 7.1 of the Accounts Receivables Trust Agreement and Clause 4.1 of the Floating Pledge Agreement are true and correct.
- (v) The Borrower has not breached any provision of this Agreement, the Accounts Receivables Trust Agreement or the Floating Pledge Agreement, and there is no threat that such breach may occur on or after the relevant Desired Drawdown Date A.
- (vi) No consultation pursuant to the provisions of Clause 34.2 has been held.
- (vii) The Borrower has obtained approval from FUJITSU LIMITED with respect to the assignment of Trust Receivables pursuant to the Accounts Receivables Trust Agreement, in the form of a document bearing a certified date (*kakutei-hizuke*), as provided for in Clause 10.1 of the Accounts Receivables Trust Agreement. (Further, the original of such written approval has been delivered to the Trustee, and the Trustee has delivered a copy thereof to the Agent, attaching thereto a certification certifying that such copy is a true and accurate copy of the original and that the original is retained by the Trustee.)
- (viii) The Borrower has obtained the Trustee's approval without objection with respect to the creation of the floating pledge pursuant to the Floating Pledge Agreement, in the form of a document bearing a certified date (*kakutei-hizuke*), as provided for in Clauses 3.2 and 3.3 of the Floating Pledge Agreement. (Further, the original of such written approval has been delivered to the Agent.)
- (ix) An account in the name of the Trustee has been established at the Uchisaiwaicho Corporate Banking Division of MIZUHO CORPORATE BANK, LTD. as the account for receiving transfer of the amount of Trust Receivables collections with respect to the Fixed Trust Receivables.
- (x) The Fixed Trust Property Value on the Trustee's Regular Report or the Trustee's Extraordinary Report, whichever is the most recent as of 10 a.m. on the third (3rd) Business Day prior to the Desired Drawdown Date A set forth in the Drawdown Application, is maintained at an amount that is no less than the Total Outstanding Balance A after making such Loan A.

- (xi) The Fixed Trust Property Value on the most recent Trustee's Regular Report or the Trustee's Extraordinary Report, whichever is the most recent as of 11 a.m. on the Business Day immediately preceding the Desired Drawdown Date A set forth in the Drawdown Application, is maintained at an amount that is no less than the Total Outstanding Balance A after making such Loan A.
- 5.2 Even if the condition provided for under Clause 5.1(xi) is not satisfied, if all of the other conditions provided for under each of the other items of Clause 5.1 are satisfied, the Lender A shall, in accordance with the provisions of Clause 7.4, owe the Lending Obligations A with respect to amounts that are no less than 100 million yen and in increments of 100 million yen, to the extent that the Fixed Trust Property Value is maintained at an amount that is no less than the Total Outstanding Balance A.

6. **APPLICATION FOR DRAWDOWN**

- 6.1 The Borrower may apply for a drawdown pursuant to the terms of this Agreement during the Drawdown Application Period. If the Borrower desires to drawdown a Loan A pursuant to this Agreement, the Borrower shall submit to the Agent a document specifying the matters set forth under each of the following items, indicating its intention to apply for a drawdown (the "Drawdown Application"), by 10 a.m. on the third (3rd) Business Day prior to the Desired Drawdown Date A. In this case, the matters set forth under each of the following items shall satisfy the conditions provided for in the respective items.
- (i) The amount of Individual Loan A that the Borrower desires to drawdown (the "Desired Drawdown Amount"):
The Desired Drawdown Amount shall be no less than 100 million yen and in increments of 100 million yen, and, at the same time, an amount where the Lending Obligation A of each Lender A does not exceed the Unused Commitment Amount A in relation to the relevant Lender A as of the Desired Drawdown Date A.
 - (ii) The date that the Borrower desires the drawdown (the "Desired Drawdown Date A"):
The Desired Drawdown Date A shall be a Business Day during the Drawdown Period.
 - (iii) The repayment time of the principal and interest of the Individual Loan A in relation to such Drawdown Application (the "Repayment Date"):
The Repayment Date shall be a day corresponding to one (1) month, two (2) months, three (3) months, six (6) months, or twelve (12) months after the Desired Drawdown Date A (provided, however, that if such corresponding day falls on a day other than a Business Day, the following Business Day shall be the Repayment Date, and if such following Business Day occurs in the following month, the immediately preceding Business Day shall be the Repayment Date), but may not be after April 24, 2005.

6.2 The indication of intention to apply for a drawdown pursuant to Clause 6.1 shall be effective with respect to All Lenders A upon the Agent receiving the Drawdown Application. When the Agent receives a Drawdown Application from the Borrower, the Agent shall notify All Lenders A of the Borrower's application for a drawdown and the details thereof, by sending a copy of the Drawdown Application to All Lenders A during the third (3rd) Business Day prior to the Desired Drawdown Date A. The Agent shall retain the original of the Drawdown Application on behalf of All Lenders A until the Outstanding Individual Loan A Money advanced in response to such application is fully repaid.

7. **MAKING OF LOANS A**

7.1 If a Lender A receives an application for a drawdown in accordance with Clause 6 and does not give notice pursuant to Clause 8.1, and all conditions set forth in Clause 5 are satisfied at the time of the drawdown of the Individual Loan A, the Lender A shall remit the Individual Loan A Amount to the Agent's Account by 11 a.m. on the Desired Drawdown Date A. The Individual Loan A shall be deemed to have been made by that Lender A as of the time that the Agent remits such money to the Borrower's Settlement Account from the Agent's Account. Provided, however, that with respect to the drawdown of the Individual Loan A in relation to a Refinancing Loan A, the Lender A shall offset (a) the principal amount of the Outstanding Individual Loan A Money in relation to the Refinanced Loan A as of the Desired Drawdown Date A, and (b) the Individual Loan A Amount in relation to the Refinancing Loan A, and according to the result thereof, shall treat the drawdown of such Individual Loan A as follows.

- (i) If the Individual Loan A Amount in relation to the Refinancing Loan A exceeds the amount equivalent to the principal of the Outstanding Individual Loan A Money in relation to the Refinanced Loan A:

If the Lender A receives an application for a drawdown in accordance with Clause 6 and does not give notice pursuant to Clause 8.1, and all conditions set forth in each item of Clause 5 are satisfied at the time of making the Individual Loan A, the Lender A shall remit to the Agent's Account the amount of the difference between the Individual Loan A Amount in relation to the Refinancing Loan A and the amount equivalent to the principal of the Outstanding Individual Loan A Money in relation to the Refinanced Loan A by 11 a.m. on the Desired Drawdown Date A. The Individual Loan A in relation to the Refinancing Loan A shall be deemed to have been made in the full Individual Loan A Amount in relation to the Refinancing Loan A as of the time that the Agent transfers such money to the Borrower's Settlement Account after withdrawing it from the Agent's Account. Provided, however, that even if the Lender A remits the amount of the difference between the Individual Loan A Amount and the amount equivalent to the principal of the Outstanding Individual Loan A Money to the Borrower's Settlement Account, if the interest on the Refinanced Loan A is not paid by the Due Time, the Individual Loan A in relation to the Refinancing Loan A shall be deemed not to have been made.

- (ii) If the Individual Loan A Amount in relation to the Refinancing Loan A is less than or equal to the amount equivalent to the principal of the Outstanding Individual Loan A Money in relation to the Refinanced Loan A:

If the Lender A receives an application for a drawdown in accordance with Clause 6 and does not give notice pursuant to Clause 8.1, and all conditions set forth in each item of Clause 5 are satisfied, the Individual Loan A in relation to the Refinancing Loan A shall be deemed to have been made in the full Individual Loan A Amount in relation to the Refinancing Loan A as of the Due Time of the Refinanced Loan A. Provided, however, that if the Borrower does not pay the full amount of the difference between the Outstanding Individual Loan A Amount in relation to the Refinanced Loan A and the Individual Loan A Amount and the interest accrued on the Refinanced Loan A by the Due Time, the Individual Loan A in relation to the Refinancing Loan A shall be deemed not to have been made.

- 7.2 When the Loan A is made pursuant to Clause 7.1, the Borrower shall immediately send to the Agent a written receipt describing the amount of the Loan A and the specifics of the Individual Loan A. The Agent shall, upon receiving such receipt, promptly provide a copy thereof to the Lender A who made the Individual Loan A. The Agent shall retain the original receipt on behalf of that Lender A until the Outstanding Individual Loan A Money in relation to such Individual Loan A is repaid in full.
- 7.3 If notice under Clause 8.1 is not given, the Agent may make the Individual Loan A on behalf of a Lender A through Temporary Advancement (provided, however, that the Agent shall be under no obligation to make such Temporary Advancement). After such Temporary Advancement, the relevant Lender A shall remit the full equivalent amount of the Individual Loan A Money to the Agent's Account by 11 a.m. on the Desired Drawdown Date A, and if such remittance is not completed by that time, the Lender A shall, promptly upon the Agent's request, pay to the Agent the Temporary Advancement Costs required in making such Temporary Advancement.
- 7.4 If it is found, on or after 10 a.m. on the third (3rd) Business Day prior to the Desired Drawdown Date A, and before 11 a.m. on the Business Day immediately preceding the same Desired Drawdown Date A, that the Fixed Trust Property Value on the most recent Trustee's Regular Report or Trustee's Extraordinary Report made by 11 a.m. on the Business Day immediately preceding that Desired Drawdown Date A cannot be maintained at an amount that is not less than the Total Outstanding Balance A after making such Loan A (the date on which such fact is found shall hereinafter be referred to as the "Discovery Date"), the Individual Loan A shall be made in the maximum amount (the "Reduced Drawdown Amount") to the extent that such Fixed Trust Property Value can be maintained at an amount that is not less than the Total Outstanding Balance A after making such Loan A, provided that such amount is not less than 100 million yen and in increments of 100 million yen, and the loan amount in relation to the Lending Obligation A of each Lender A in this case shall be the amount calculated as the Reduced Drawdown Amount multiplied by the Commitment Ratio A of each Lender A (making such loan in the amount less than the Desired Drawdown Amount shall hereinafter be referred to as the "Reduced Drawdown"). The Borrower shall be responsible for any damages, losses or expenses incurred by the Lender A or the Agent as a result of the Reduced Drawdown.

7.5 The procedures in relation to a Reduced Drawdown shall be as follows.

- (i) The Agent shall, during the Discovery Date, notify the Borrower and the Lender A (a) that a Reduced Drawdown is required to be made, (b) the loan amount in relation to the Lending Obligation A of each Lender A, and (c) that the Lender A is required to notify the Agent, by 12 p.m. on the second (2nd) Business Day after the Discovery Date of the amount of the Reduced Drawdown Break Funding Cost together with the calculation basis thereof.
- (ii) Each Lender A shall, by 12 p.m. on the second (2nd) Business Day after the Discovery Date, notify the Agent of the amount of the Reduced Drawdown Break Funding Cost in relation to such Lender A together with the calculation basis thereof.
- (iii) The Borrower shall, during the Business Day immediately preceding the Desired Drawdown Date A, submit to the Agent a written confirmation stating its approval of the Reduced Drawdown. If such written confirmation is not submitted during the Business Day immediately preceding the Desired Drawdown Date A, the Lender A may elect not to make the Reduced Drawdown.
- (iv) The Borrower shall pay the Reduced Drawdown Break Funding Cost in accordance with the provisions of Clause 18 on the third (3rd) Business Day after the Discovery Date.

8. **REFUSAL TO MAKE LOANS A**

8.1 A Lender A who decides not to make the Individual Loan A for the reason that all or part of the conditions under Clause 5 are not satisfied (the “Non-Drawdown Lender A”) may notify the Agent, the Borrower and all other Lenders A of the decision with the reason affixed thereto by 3 p.m. on one (1) Business Day prior to the Desired Drawdown Date A. Provided, however, that if, notwithstanding the satisfaction of all the conditions under Clause 5, such notice is given and the Individual Loan A is not made, the Non-Drawdown Lender A shall not be released from liabilities arising from a breach of its Lending Obligations A.

8.2 The Borrower shall be responsible for any damages, losses or expenses incurred by the Non-Drawdown Lender A or the Agent as a result of Non-Drawdown Lender A not being able to make the Individual Loan A. Provided, however, that the foregoing shall not apply if the failure to make the Individual Loan A constitutes a breach of such Non-Drawdown Lender A’s Lending Obligations A.

9. **REPAYMENT OF PRINCIPAL**

The Borrower shall pay the principal amount of each Individual Loan A on the Repayment Date in accordance with the provisions of Clause 18.

10. INTEREST

- 10.1 The Borrower shall, (a) with respect to those Individual Loans A for which the Loan Term is one (1) month, two (2) months, three (3) months or six (6) months, pay on the Repayment Date of such Individual Loan A, in accordance with the provisions of Clause 18, the amount of interest on such Individual Loan A calculated by multiplying the principal amount in relation to the Individual Loan A by the Applicable Interest Rate A, calculated on a per diem basis in accordance with the actual number of days of the Loan Term, and (b) with respect to those Individual Loans A for which the Loan Term is twelve (12) months, pay on the corresponding day (or the following Business Day if such date is not a Business Day; the "Interim Interest Payment Date") six (6) months after the Drawdown Date of such Individual Loan A, in accordance with the provisions of Clause 18, the amount of interest accrued on such Individual Loan A up to the Interim Interest Payment Date, calculated by multiplying the principal amount in relation to the Individual Loan A by the Applicable Interest Rate A, calculated on a per diem basis in accordance with the actual number of days from such Drawdown Date to the Interim Interest Payment Date, and, on the Repayment Date in relation to such Individual Loan A, pay in accordance with provisions of Clause 18, the amount of interest accrued on such Individual Loan A on and after the Interim Interest Payment Date, calculated by multiplying the principal amount in relation to the Individual Loan A by the Applicable Interest Rate A, calculated on a per diem basis in accordance with the actual number of days from the Interim Interest Payment Date to the Repayment Date.
- 10.2 The calculation method of interest under Clause 10.1 shall be on a per diem basis, inclusive of the first day and exclusive of the last day, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

11. COMMITMENT FEE A

- 11.1 The Borrower shall pay on the fifth (5th) Business Day after the final date of each Commitment Fee A Calculation Period, in accordance with the provisions of Clause 18, a Commitment Fee A in the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount A with respect to each Lender A on each day during each Commitment Fee A Calculation Period (provided that the Unused Commitment Amount A on the Drawdown Date shall be the Unused Commitment Amount A after making the Individual Loan A on that Drawdown Date), multiplied by the Commitment Fee A Rate, and divided by 365.
- 11.2 The Borrower shall not be required to make payments with respect to the Commitment Fee A in relation to the Default Period to any Lender A who fails to perform its Lending Obligations A (the "Defaulting Lender A"). The Commitment Fee A in relation to the Default Period shall be the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount A with respect to such Defaulting Lender A on each day during such Default Period, multiplied by the Commitment Fee A Rate, and divided by 365. In this Clause 11.2, the "Default Period" shall mean the period commencing on the

day (inclusive) on which an event of default occurs, and ending on the day (inclusive) before the day on which the default is remedied, and the day on which a default is remedied shall be determined as follows:

- (i) if the Defaulting Lender A offers to the Borrower via the Agent to make the Individual Loan A at a later date pursuant to the application for a drawdown in respect of which the Defaulting Lender A has failed to perform its Lending Obligation A, and the Borrower accepts such offer and such Individual Loan A is made, the date the Individual Loan A is made;
 - (ii) if the Borrower refuses the offer in the preceding item, the date that the offer is refused; if the Agent does not receive notice from the Borrower of its acceptance or refusal of the offer within two (2) Business Days after the offer is made under the preceding item, the offer shall be deemed to have been refused by the Borrower; and
 - (iii) for those cases other than the cases of the preceding two items, the date determined by the Borrower, the Defaulting Lender A and the Agent upon consultation.
- 11.3 If an Exemption Event occurs, the Borrower shall not be required to make payments to All Lenders A, with respect to the Commitment Fee A in relation to the Exemption Period. The Commitment Fee A in relation to the Exemption Period shall be the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount A with respect to each Lender A on each day during such Exemption Period, multiplied by the Commitment Fee A Rate, and divided by 365.
- 11.4 If the Costs Increased Lender A ceases to owe its Lending Obligations A pursuant to the provisions of Clause 13.5, the Borrower shall not be required to pay to such Costs Increased Lender A, with respect to the Commitment Fee A in relation to the period after the termination of this Agreement with respect to that Costs Increased Lender A, the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount A with respect to such Costs Increased Lender A on each day during the period commencing on the day (inclusive) on which the Costs Increased Lender A ceases to owe its Lending Obligations A and ending on the Drawdown Application Period Final Date (inclusive), multiplied by the Commitment Fee A Rate, and divided by 365.
- 11.5 If this Agreement is terminated with respect to any Lender A or All Lenders A pursuant to the provisions of Clause 34, the Borrower shall not be required to pay to that Lender A, with respect to the Commitment Fee A in relation to the period after the termination of this Agreement with respect to that Lender A, the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount A with respect to each Lender A on each day during the period from the day (inclusive) of termination of this Agreement with respect to that Lender A and ending on the Drawdown Period Termination Date (inclusive) (provided that the related provisions of this Agreement shall remain effective with respect to the Lender A after the termination of this Agreement to the extent necessary in calculating the Commitment Fee A that is not required to be paid

pursuant to this Clause 11.5; provided further, that with respect to the day repayment is made in relation to an Individual Loan A, the Unused Commitment Amount A after such repayment shall be used as the basis for such calculation), multiplied by the Commitment Fee A Rate, and divided by 365.

11.6 In calculating the Commitment Fee A pursuant to Clause 11.1, divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

12. **EXEMPTION OF LENDER A**

12.1 The Lender A shall not owe the Lending Obligations A during the Exemption Period.

12.2 If the Agent becomes aware that an Exemption Event has occurred, the Agent shall immediately notify the Borrower and All Lenders A of such event in writing.

12.3 After notice under Clause 12.2 is given, when the Majority Lenders A determine that the Exemption Event in relation to such notice has been resolved, the Agent shall immediately notify the Borrower and All Lenders A thereof.

13. **INCREASED COSTS**

13.1 A Costs Increased Lender A may, by notifying the Borrower in writing via the Agent, request the Borrower to elect either to bear the Increased Costs or to terminate this Agreement with respect to the Costs Increased Lender A. The Borrower shall respond to such request by giving written notice to the Costs Increased Lender A via the Agent.

13.2 If the Borrower elects to bear the Increased Costs in response to the Costs Increased Lender A's request under Clause 13.1, the Borrower shall pay, in accordance with the provisions of Clause 18, the Costs Increased Lender A the money equivalent to such Increased Costs.

13.3 If the Borrower elects to terminate this Agreement with respect to the Costs Increased Lender A in response to the request under Clause 13.1, the Borrower shall notify the Agent and All Lenders A in writing by ten (10) Business Days prior to the date the Borrower desires this Agreement to be terminated (the "Desired Termination Date"), of (a) the desire to terminate this Agreement with respect to the Costs Increased Lender A, and (b) the Desired Termination Date.

13.4 If there remains an Individual Loan A with a Repayment Date or Interim Interest Payment Date that arrives on or after the day following the Desired Termination Date, the Costs Increased Lender A shall notify the Agent of the Break Funding Cost by two (2) Business Days prior to the Desired Termination Date. After receiving such notice, the Agent shall notify the Borrower of the same by one (1) Business Day prior to the Desired Termination Date.

13.5 In the event that notice under Clause 13.3 is given, the Costs Increased Lender A's Lending Obligation A shall be extinguished, and thereupon this Agreement shall terminate only with respect to the Costs Increased Lender A. In this case, the

Borrower shall pay to the Costs Increased Lender A on the Desired Termination Date, in accordance with the provisions of Clause 18, all obligations it owes to the Costs Increased Lender A pursuant to this Agreement. Until the Borrower completes the performance of all obligations it owes to the Costs Increased Lender A under this Agreement, the relevant provisions of this Agreement regarding the performance of such obligations shall remain in full force and effect with respect to the Costs Increased Lender A. Further, in this case, the Commitment Ratio A of the Lenders A other than the Costs Increased Lender A shall be modified as follows:

- (i) The Total Commitment Amount A will be modified to an amount calculated as the Total Commitment Amount A before modification less the Commitment Amount A of such Costs Increased Lender A.
- (ii) The Commitment Ratio A of the Lenders A other than the Costs Increased Lender A shall be modified to the ratio of the loan amount of each Lender A to the Total Commitment Amount A after the modification under the immediately preceding Item (i).

14. **PREPAYMENT**

- 14.1 The Borrower may not prepay all or any part of the principal of the Loan A before its Due Date (a "Prepayment"). Provided, however, that this shall not apply if the Prepayment is made pursuant to Clause 13 or Clause 34, or if the Borrower, in accordance with the procedures set forth below, obtains the prior written approval of all of the Lenders A who made the Individual Loan A in respect of which the Borrower gives notice of its desire to make a Prepayment (the "Relevant Prepayment Lenders A"), and the Agent.
- 14.2 If the Borrower desires to make a Prepayment, the Borrower shall give a written notice to the Agent no later than ten (10) Business Days prior to the date the Borrower desires to make the Prepayment (the "Desired Prepayment Date"), stating (a) the Drawdown Date, the Repayment Date and the principal amount of the Individual Loan A for which the Borrower desires to make a Prepayment, (b) the principal amount for which the Borrower desires to make a Prepayment (not less than 100 million yen, and in increments of 100 million yen), (c) that the Borrower will pay in full on the Desired Prepayment Date, the interest on the principal amount for which the Borrower desires to make a Prepayment that has accrued by the Desired Prepayment Date (inclusive) (the "Accrued Interest"), and (d) the Desired Prepayment Date. The Agent shall notify the Relevant Prepayment Lenders A of items (a) through (d) of this Clause 14.2 by the Business Day immediately following the day the Agent receives notice from the Borrower, whereupon the Relevant Prepayment Lenders A shall notify the Agent no later than five (5) Business Days prior to the Desired Prepayment Date of whether or not they approve such Prepayment. If such notice by any of the Relevant Prepayment Lenders A does not reach the Agent by five (5) Business Days prior to the Desired Prepayment Date, it shall be deemed that the Relevant Prepayment Lenders A did not approve such Prepayment. The Agent shall judge the acceptability of the Prepayment by four (4) Business Days prior to the Desired Prepayment Date, and notify the result to the Borrower and the Relevant Prepayment Lenders A.

- 14.3 The Relevant Prepayment Lenders A who approve the Prepayment in accordance with Clause 14.2 shall notify the Agent of the Break Funding Cost no later than two (2) Business Days prior to the Desired Prepayment Date. After receiving such notice, the Agent shall notify the Borrower of the same no later than one (1) Business Day prior to the Desired Prepayment Date. The Borrower shall pay on the Desired Prepayment Date to the Relevant Prepayment Lenders A who approve the Prepayment, in accordance with Clause 18, the total of the principal, the Accrued Interest and the Break Funding Cost in respect of the Loan A subject to such Prepayment.
- 14.4 If it is found that (i) the Fixed Trust Property Value as of each Regular Collection Calculation Date cannot be maintained at an amount that is not less than 101% of the Total Outstanding Balance A, or (ii) the Fixed Trust Property Value as of each Extraordinary Collection Calculation Date cannot be maintained at an amount that is not less than the Total Outstanding Balance A, the Borrower shall make the Prepayment in accordance with the following procedures, no later than three (3) Business Days after the date such fact is found (if such fact is found at or after 11 a.m. on the Business Day immediately preceding the Drawdown Date to the Drawdown Date, including the Business Day immediately preceding the Drawdown Date; the "Discovery Date" in this Clause 14.4), with respect to all of the Loan Receivables A or a part sufficient to satisfy the Trust Property Maintenance Standards. Provided, however, that this shall not apply if the Borrower additionally entrusts the Trustee with monies sufficient to satisfy the Trust Property Maintenance Standards in accordance with the provisions of the Accounts Receivables Trust Agreement during the Business Day immediately following the Discovery Date, upon notifying the Trustee and the Agent of its intent to entrust additional funds (by submitting an Application for Additional Entrustment of Funds) no later than 11 a.m. on the Business Day immediately following the Discovery Date.
- (i) The Borrower shall notify the Agent of the principal amount subject to the Prepayment no later than 11 a.m. on the Business Day immediately following the Discovery Date (if it discovers such fact).
 - (ii) The Agent shall notify the Relevant Prepayment Lenders A and the Borrower by the Business Day immediately following the Discovery Date, of (a) the principal amount subject to the Prepayment, (b) the interest on the principal amount subject to the Prepayment that has accrued by the date (inclusive) the Prepayment will be made (the "Accrued Interest"), and (c) the date the Prepayment will be made.
 - (iii) Each of the Relevant Prepayment Lenders A receiving the notice pursuant to the preceding Item (i) shall notify the Agent of the Break Funding Cost in relation to such Relevant Prepayment Lender A no later than 12 p.m. on one (1) Business Day prior to the date the Prepayment will be made, and after receiving such notice, the Agent shall notify the Borrower of the same no later than one (1) Business Day prior to the date the Prepayment will be made.
 - (iv) The Borrower shall pay the total amount of the principal of the Loan A subject to Prepayment, and the Accrued Interest and Break Funding Costs

thereon on the third (3rd) Business Day after the Discovery Date, in accordance with the provisions of Clause 18.

- 14.5 The Borrower shall, in making the Prepayment of any parts of the Loan Receivables A pursuant to Clause 14.4, first repay the Loan Receivables A in relation to the Individual Loan A of which the Drawdown Date arrives last, in the whole or any part thereof in an amount not less than 100 million yen and in increments of 100 million yen sufficient to satisfy the Trust Property Maintenance Standards, and if the repayment of all of the Loan Receivables A in relation to the Individual Loan A of which the Drawdown Date arrives last is still not sufficient to satisfy the Trust Property Maintenance Standards, then the Borrower shall repay the Loan Receivables A in relation to the Individual Loan A of which the Drawdown Date arrives the next latest, in the whole or any part thereof in an amount not less than 100 million yen and in increments of 100 million yen sufficient to satisfy the Trust Property Maintenance Standards, and the same shall apply thereafter.

15. **DEFAULT INTEREST**

- 15.1 If the Borrower defaults in the performance of its obligations under this Agreement owing to a Lender A or the Agent, the Borrower shall, immediately upon the Agent's request and in accordance with Clause 18, for the period commencing on the Due Date (inclusive) of such defaulted obligation (the "Defaulted Obligations") and ending on the day (inclusive) the Borrower performs all Defaulted Obligations, pay default interest calculated by multiplying the amount of the Defaulted Obligations by the higher of either (to the extent permitted by Laws and Ordinances) (i) the rate obtained by adding the rate of 2% per annum to the reasonable cost (calculated at the interest rate that the creditor reasonably decides upon) incurred by the creditor of the Defaulted Obligations for raising the amount in default, or (ii) the rate of 14% per annum.
- 15.2 The calculation method for default interest under Clause 15.1 shall be on a per diem basis in accordance with the actual number of days from the Due Time (inclusive) of such obligations to the date (inclusive) such obligations are repaid, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

16. **AGENCY FEE**

The Borrower shall pay the Agency Fee to the Agent as separately agreed between the Borrower and the Agent, as consideration for the performance of the Agent Services.

17. **EXPENSES; TAXES AND PUBLIC CHARGES**

- 17.1 All expenses (including attorney's fees) incurred in connection with the preparation and any revision or amendment of this Agreement, and all expenses (including attorney's fees) incurred in relation to the maintenance and enforcement of the rights or the performance of the obligations by the Lender A and the Agent pursuant to this Agreement shall be borne by the Borrower to the extent permitted by Laws and Ordinances. If any Lender A or the Agent pays these expenses in the place of the

Borrower, the Borrower shall, immediately upon the Agent's request, pay the same in accordance with the provisions of Clause 18.

- 17.2 All stamp duties and any other similar Taxes and Public Charges incurred in relation to the preparation, amendment and enforcement of this Agreement and any documents related hereto shall be borne by the Borrower. If any Lender A or the Agent pays these Taxes and Public Charges in the place of the Borrower, the Borrower shall, immediately upon the Agent's request, pay the same in accordance with the provisions of Clause 18.
18. **PERFORMANCE OF BORROWER'S OBLIGATIONS**
- 18.1 In order to repay the obligations under this Agreement, the Borrower shall remit the relevant amount to the Agent's Account (i) by the Due Time, for those obligations with a Due Date provided for herein, or (ii) immediately upon the Agent's request, for those obligations with a Due Date not provided for herein. In such cases, the Borrower's obligations to the Agent or a Lender A shall be deemed to have been performed upon the time of the remittance of the relevant amount to the Agent's Account.
- 18.2 Unless otherwise provided for in this Agreement, a payment by the Borrower directly to a Lender A other than the Agent contrary to the provisions of Clause 18.1 of amounts owing under this Agreement shall not be deemed to constitute the due performance of obligations under this Agreement. In this case, the Lender A receiving such payment shall immediately pay the money it receives to the Agent, and the obligations with respect to such money shall be deemed to have been performed upon the Agent's receipt of such money. Provided, however, that in the case that the Borrower, upon giving prior written notice to the Agent, disposes (*nin-i-baikyaku*) of the assets subject to floating security interest (*ne-tanpoken*) (other than the floating pledge pursuant to the Floating Pledge Agreement) that have been granted in favor of a Lender A as the secured party of the floating security interest, and directly pays to that Lender A the proceeds it receives from such disposal in order to perform its obligations under this Agreement, such direct payment shall be considered to constitute the due performance of obligations under this Agreement. The Borrower may not perform its obligations under this Agreement by deed-in-lieu of performance (*daibutsu bensai*) unless the Agent and All Lenders A give their prior written approval.
- 18.3 The Borrower's payments pursuant to this Clause 18 shall be appropriated in the order set forth below; provided, however, that the provisions of Clause 19.4 shall apply if any obligation of the Borrower becomes immediately due and payable pursuant to Clause 24:
- (i) those expenses to be borne by the Borrower under this Agreement that the Agent has incurred in the place of the Borrower, and the Agency Fee;
 - (ii) those expenses to be borne by the Borrower under this Agreement that are payable to a third party;
 - (iii) those expenses to be borne by the Borrower under this Agreement that any Lender A has incurred in place of the Borrower;

- (iv) the default interest and the Break Funding Cost in relation to the Loan A;
 - (v) the Commitment Fee A;
 - (vi) the interest on the Loan A; and
 - (vii) the principal of the Loan A.
- 18.4 If, in appropriating the Borrower's payments under Clause 18.3, the amount to be appropriated falls short of the amount outlined in any of the items thereunder, with respect to the first item not fully covered (the "Item Not Fully Covered"), the amount remaining after appropriation to the item of the next highest order of priority shall be appropriated after prorating such remaining amount in proportion to the amount of the individual payment obligations owed by the Borrower regarding the Item Not Fully Covered that have become due and payable.
- 18.5 Unless otherwise required by Laws and Ordinances, the Borrower shall not deduct Taxes and Public Charges from the amount of obligations to be paid pursuant to this Agreement. If it is necessary to deduct Taxes and Public Charges from the amount payable by the Borrower, the Borrower shall additionally pay the amount necessary in order for the Lender A to be able to receive the amount that it would receive if no Taxes and Public Charges were imposed. In such cases, the Borrower shall, within thirty (30) days from the date of payment, directly send to the Lender A the certificate of tax payment in relation to withholding taxes issued by the tax authorities or other competent governmental authorities in Japan.
19. **DISTRIBUTION TO LENDERS A**
- 19.1 If any amounts remain after deducting an amount equivalent to the amounts described in Clause 18.3(i) and Clause 18.3(ii) from the amount paid by the Borrower pursuant to Clause 18, the Agent shall immediately distribute such remaining amount to the Lenders A in accordance with the provisions of this Clause 19. Provided, however, that if such money is paid by the Borrower pursuant to Clause 13.2 or Clause 13.5, notwithstanding the provisions of this Clause 19, the Agent shall promptly distribute such money to the Costs Increased Lender A.
- 19.2 If, prior to distribution by the Agent to the Lenders A pursuant to this Clause 19, (a) an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) in relation to the Loan Receivables A is served on the Borrower, or (b) an assignment in relation to the Loan Receivables A is made, the rights and obligations of the Borrower, the Agent and the Lenders A shall be regulated in accordance with the following provisions:
- (a) (i) If the Agent completes the distribution to the Lenders A pursuant to this Clause 19 before receiving notice from the Borrower pursuant to Clause 21.4 that the Borrower has been served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) with respect to the Loan Receivables A:

In this case, if the creditor obtaining an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*), the Borrower, the Lenders A or any other third party incurs damages, losses or expenses (the "Damages") as a result of such distribution, the Agent shall not be liable in relation thereto, and the Borrower shall deal with the Damages at its own cost and liability. The Borrower shall compensate the Agent for any Damages incurred by the Agent due to such distribution.

- (ii) If the Agent receives notice from the Borrower pursuant to Clause 21.4 that it has been served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) on or after the remittance to the Agent's Account by the Borrower and before completion of the distribution to the Lenders A pursuant to this Clause 19, with respect to the Loan Receivables A in relation to such distribution:
In this case, (1) with respect to the money relating to such notice, the Agent may withhold the distributions pursuant to this Clause 19, and may take other measures in a manner that the Agent deems reasonable; and (2) the Agent shall distribute to All Lenders A other than the Lender A subject to such notice the money paid by the Borrower excluding that which is subject to such notice. If the creditor obtaining an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*), the Borrower, the Lenders A or any other third party incurs any Damages as a result of the distribution by the Agent pursuant to (1) of this Item (ii), the Agent shall not be liable in relation thereto, and the Borrower shall deal with such Damages at its own cost and liability. The Borrower shall compensate the Agent for any Damages incurred by the Agent due to such distribution.
- (b) If the Assignor and the Assignee, under joint names, or if the Borrower, under its single name, notifies the Agent of an assignment of the Loan Receivables A in accordance with Clause 32.1:
In this case, the Agent shall, after receiving either of these notices, immediately commence all administrative procedures necessary in order to treat such Assignee as the creditor of such Loan Receivables A, and the Agent shall be exempt insofar as the Agent treats the previous Lender A as the party in interest until the Agent notifies the Borrower, the Assignor and the Assignee that such procedures have been completed. If the Assignee or any other third party suffers Damages due to such treatment by the Agent, the Agent shall not be liable in relation thereto, and the Borrower and the Assignor of such Loan Receivables A shall deal with such Damages at their own cost and liability. The Borrower and the Assignor of such Loan Receivables A shall jointly compensate the Agent for any Damages incurred by the Agent arising out of this Item (b).

19.3 The distributions by the Agent to the Lenders A shall be made in order, starting from Clause 18.3(iii) to Clause 18.3(vii). If there is an Item Not Fully Covered regarding

- the amounts to be distributed, the appropriation and distribution with respect to such Item Not Fully Covered shall be made in accordance with the provisions of Clause 18.4.
- 19.4 Notwithstanding Clause 18.3, Clause 18.4 and Clause 19.3, if the Borrower's obligations hereunder become immediately due and payable pursuant to Clause 24, the Agent shall distribute the amount remaining after deducting the amounts described under Clause 18.3(i) and Clause 18.3(ii) from the amount paid by the Borrower, in proportion to the amount of the obligations that the Borrower owes to the Lenders A under this Agreement, in which case such remaining amount shall be appropriated in the order and method that the Agent deems appropriate.
- 19.5 If the remittance of money by the Borrower provided for in Clause 18.1 fails to be completed by the Due Time, the Agent shall be under no obligation to make the distributions set forth in Clause 19.1 on the same date. In such cases, the Agent shall make such distributions immediately after receiving the remittance from the Borrower, and the Borrower shall bear any damages, losses and expenses incurred by the Lender A or the Agent in connection therewith.
- 19.6 Upon request from the Agent, and if there are reasonable grounds for such request, the Lenders A receiving such request shall immediately notify the Agent of the amount (including specifics) of the receivables they hold against the Borrower under this Agreement. In this case, the obligation of the Agent to make distributions set forth in Clause 19.1 shall arise at the time all such notices reach the Agent. In the case where a Lender A delays this notice without reasonable cause, such Lender A shall bear all damages, losses or expenses incurred by any Lender A or the Agent due to such delay.
- 19.7 The Agent may, before the Due Time of any of the Borrower's obligations, make the distributions to Lenders A in relation to such obligation by Temporary Advancement (provided that the Agent shall be under no obligation to make such Temporary Advancement). If the Borrower's obligations in relation to such Temporary Advancement are not repaid by the Due Time in accordance with Clause 18, the Lender A who received the distribution pursuant to this Clause 19.7 shall, immediately upon the Agent's request, reimburse to the Agent for the amount of such Temporary Advancement that it received. The Lender A shall, immediately upon the Agent's request, pay to the Agent any Temporary Advancement Costs required in making such Temporary Advancement, corresponding to the amount of Temporary Advancement that it received.

20. **BORROWER'S REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants to a Lender A and the Agent that each of the following matters is true and correct as of the Execution Date and the Drawdown Date. If any of the matters set forth under each of the following items is found to be untrue, the Borrower shall fully indemnify the Lender A and the Agent for all losses and expenses incurred thereby.

- (i) The Borrower is a stock company duly incorporated and validly existing under the laws of Japan.

- (ii) The Borrower has full legal competence necessary for the execution and performance of the Relevant Agreements, the execution and performance of the Relevant Agreements by the Borrower and any transactions associated therewith are within the corporate purposes of the Borrower and the Borrower has duly completed all procedures necessary therefor under Laws and Ordinances, the Articles of Incorporation and other internal company rules of the Borrower.
- (iii) The execution and performance of the Relevant Agreements by the Borrower and any transactions associated therewith will not result in (a) any violation of Laws and Ordinances that bind the Borrower, (b) any breach of the Articles of Incorporation or other internal company rules of the Borrower, or (c) any breach in any material respect of a third-party contract to which the Borrower is a party or which binds the Borrower or the assets of the Borrower.
- (iv) The person who signs or attaches his or her name and seal to the Relevant Agreements is authorised to sign or attach his or her name and seal to the Relevant Agreements as the representative of the Borrower by all procedures necessary pursuant to Laws and Ordinances, the Articles of Incorporation and other internal company rules of the Borrower.
- (v) The Relevant Agreements constitute legal, valid and binding obligations of the Borrower, and are enforceable against the Borrower in accordance with the terms thereof.
- (vi) The Relevant Agreements (other than this Agreement) are validly formed and exist with the same content as the agreements disclosed to the Agent.
- (vii) All Reports prepared by the Borrower are accurately and duly prepared in accordance with generally accepted accounting standards in Japan.
- (viii) After the last day of the fiscal year ended in March 2003, there has been no material change that will cause a significant deterioration of the business, assets, or financial condition of the Borrower described in the audited fiscal statement of that fiscal year or that may materially affect the performance of the obligations of the Borrower under the Relevant Agreements.
- (ix) No lawsuit, arbitration, administrative procedure, or any other dispute has commenced, or is likely to commence to the best knowledge of the Borrower, with respect to the Borrower, that will or may materially cause adverse effects on the performance of its obligations under the Relevant Agreements.
- (x) No event described in the items of Clauses 24.1 and 24.2 has occurred or is likely to occur.
- (xi) FUJITSU LIMITED owns 100% of the equity contributions to FMH, FMH's equity contributions to FASL LLC will not fall below 40%, and FASL LLC owns 100% of the equity contributions to the Borrower.

- (xii) The Borrower has not offered any security other than that described in Schedule 2.
- (xiii) The assets required for the continuation of the Borrower's business have been offered as security to FUJITSU LIMITED as described in Schedule 2.
- (xiv) Except for the Accounts Receivables Trust Agreement, the Borrower has not entered into with a Lender or any third party any agreement creating a security interest on or assigning all of the accounts receivables either currently held by the Borrower against FUJITSU LIMITED or that will accrue in the future before the termination date of the Accounts Receivables Trust Agreement.

21. **BORROWER'S COVENANTS**

- 21.1 The Borrower covenants to perform, at its expense, the matters described in each of the following items on and after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender A and the Agent.
- (i) If any event (including any acceleration event arising from a failure to cure a breach within the relevant curing period) described in each item of Clause 24.1 or 24.2 has occurred whether in respect of obligations hereunder or otherwise, or is likely to occur, the Borrower will immediately notify the Agent and All Lenders A in writing thereof.
 - (ii) The Borrower will submit a copy of the unaudited Reports to All Lenders A through the Agent, within sixty (60) days from the end of the first fiscal quarter, second fiscal quarter and third fiscal quarter, respectively.
 - (iii) The Borrower will submit a copy of the audited Reports to All Lenders A through the Agent, within one hundred and five (105) days from the end of the fiscal year.
 - (iv) The Borrower will submit to the Agent the documents prescribed by the Agent, in the number of copies designated by the Agent, that can confirm Borrower's compliance with matters described in Clause 22 and Clause 23 below, within one hundred and five (105) days from the end of the prescribed fiscal year, and within sixty (60) days from the end of each six-month (mid-year) period and the end of each fiscal quarter, respectively.
 - (v) The Borrower will submit a copy of the unaudited Reports of FASL LLC to All Lenders A through the Agent, within sixty (60) days from the end of the first fiscal quarter, second fiscal quarter and third fiscal quarter of FASL LLC, respectively.
 - (vi) The Borrower will submit a copy of the audited Reports of FASL LLC to All Lenders A through the Agent, within one hundred and five (105) days from the end of the fiscal year of FASL LLC.

- (vii) Upon request by the Agent or a Lender A through the Agent, the Borrower will immediately notify the Agent in writing of the condition of the assets, management, or businesses of the Borrower, its Subsidiaries and FASL LLC, and shall provide any assistance necessary to facilitate investigations thereof.
 - (viii) If any material change has occurred, or is found to be likely to occur with the passage of time, to the condition of the assets, management, or businesses of the Borrower and its Affiliates, or if any lawsuit, arbitration, administrative procedure, or any other dispute that will materially affect, or is likely to materially affect, the performance of the obligations of the Borrower under this Agreement has commenced, or is found to be likely to commence, the Borrower will immediately notify the Agent in writing thereof.
 - (ix) If any change has occurred to the Status of the Establishment of the Collateral described in Schedule 2, the Borrower will immediately notify the Agent in writing thereof.
 - (x) If any of the items described in Clause 20 is found to be untrue, the Borrower will immediately notify the Agent in writing thereof.
- 21.2 The Borrower shall not offer any security other than that which is pursuant to the Relevant Agreements to secure its obligations under this Agreement for the benefit of certain Lenders A on or after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender A and the Agent.
- 21.3 The Borrower shall, on and after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender A and the Agent, affirmatively covenant to comply with the following matters. Upon applying Items (iv) and (v) below, any action taken by the Borrower or any of its Subsidiaries and any event arising at any time that is not during an Enhanced Covenant Period and would not constitute a breach under this Agreement to the extent that such action or event is taken or occurs at such time, shall not constitute a breach during any subsequent Enhanced Covenant Period of the applicable covenant during such Enhanced Covenant Period, even if such action or event would be in violation of such covenant, had such action been taken by the Borrower or any of its Subsidiaries or such event occurred during such Enhanced Covenant Period.
- (i) The Borrower will maintain licenses and other similar permits that are necessary to conduct the Borrower's main business, and continue to carry out the business in compliance with all Laws and Ordinances.
 - (ii) The Borrower will not change its main business.

- (iii) The Borrower will not, unless otherwise specified in Laws and Ordinances, subordinate the payment of any of its debts under this Agreement to the payment of any unsecured debts (including any secured debts that will not be fully collected after a foreclosure sale of the security), but will at least give its debts under this Agreement equal priority.
- (iv) Neither the Borrower nor its Subsidiaries will, during the Enhanced Covenant Period, enter into any merger, reorganization or consolidation, or transfer, lease or otherwise dispose of all or any part of their assets, or enter into any agreement concerning such transactions; provided, however, that even if any of the foregoing occur during the Enhanced Covenant Period, the Borrower or its Subsidiaries may conduct such transactions if they constitute (a) a sale or other disposition of the Inventory in the ordinary course of their business; (b) a transfer or other disposition in the ordinary course of business of assets that have become obsolete, damaged or no longer useable in operation; (c) an Investment by the Borrower or any of its Subsidiaries in the Borrower or any of its Subsidiaries (except for cases where the aggregate amount of such Investment made by the Borrower or any of its Japanese Subsidiaries on and after the Execution Date exceeds three billion (3,000,000,000) yen); (d) a case where the aggregate book value of assets transferred by the Borrower and its Subsidiaries on and after the Execution Date is less than six billion (6,000,000,000) yen; (e) a merger or consolidation between the Borrower and any of its Subsidiaries or among the Borrower's Subsidiaries (provided that, with respect to any such transaction to which the Borrower is a party, to the extent that the Borrower shall be the continuing or surviving entity); (f) a disposition of the Inventory between the Borrower and its Subsidiaries or among the Borrower's Subsidiaries, on terms no less favorable to the Borrower and its Subsidiaries than would be obtained in a similar arm's length transaction with a third party who is not an Affiliate; or (g) any transaction set forth in Item (v) below. Notwithstanding the foregoing or whether such transaction takes place during the Enhanced Covenant Period, except as permitted under the preceding Item (f), the Borrower will not, without the consent of the Majority Lenders A, (1) enter into any consolidation or merger, or transfer, lease or otherwise dispose of all or substantially all of its assets or business, or (2) remove any equipment from the Aizu Facility or transfer or otherwise dispose of the Aizu Facility, in a manner that may substantially affect the Borrower's repayment of its obligations under this Agreement.
- (v) The Borrower and its Subsidiaries will not, to the extent that any obligation under this Agreement or agreements (other than this Agreement) entered into between the Borrower and a third party would not become immediately due and payable as a result, declare any dividend other than those to be declared after the end of each fiscal quarter, or redeem, repurchase, retire or otherwise acquire the capital stock of the Borrower or its Subsidiaries or any option for such capital stock (the "Distribution"), or, during the Enhanced Covenant Period, (a) make any Distribution (except (1) Distribution to the Borrower by any of its Subsidiaries, (2) Distribution to the Borrower or any of its direct or indirect wholly-owned Subsidiaries by any of the Borrower's direct or indirect wholly-owned Subsidiaries or (3) redemption, repurchase, retirement or other acquisitions of equity interests of the Borrower in

exchange for other equity interests of the Borrower or out of the proceeds of a substantially concurrent transfer (other than to its Subsidiaries) of other equity interests of the Borrower, in the conversion of the Borrower's equity interests and other equity interests), or (b) make any change in the Borrower's capital structure (including capital reduction) that may substantially affect the Borrower's repayment of its obligations under this Agreement.

- (vi) The Borrower will not change its accounting standards to accounting standards that are not generally accepted in Japan.
 - (vii) The Borrower and its Subsidiaries will not obtain any loans from a third party (other than those pursuant to the Loan Agreement B) or provide a guarantee or provide any loans to a third party, that may substantially affect the Borrower's repayment of the Borrower's obligations under this Agreement.
 - (viii) The Borrower and its Subsidiaries will not enter into any transaction that may substantially affect the Borrower's repayment of its obligations under this Agreement.
- 21.4 If the Borrower is served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*), or attachment (*sashiosae*) with respect to the Loan Receivables A, the Borrower shall immediately notify All Lenders A through the Agent in writing, together with a copy of such order.
- 21.5 The Borrower shall perform its obligations concerning the Accounts Receivables Trust Agreement and the Floating Pledge Agreement in accordance with the provisions thereof and the Agent's instructions. Such obligations include the following matters:
- (i) The Borrower shall make the Settlor's Regular Report to the Trustee by each Settlor's Regular Report Deadline.
 - (ii) If any of the matters described in the Settlor's Regular Report is found to be mistaken the Borrower shall immediately make the Settlor's Extraordinary Report, except in cases where it is evident that even if the correct Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) were used, (1) the Fixed Trust Property Value would equal or exceed the Total Outstanding Balance A at the time such mistake is found, and (2) the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) would equal or exceed 120% of the amount calculated as the Total Outstanding Balance at the time such mistake is found, less the Fixed Trust Property Value.
 - (iii) The Borrower shall obtain approval from FUJITSU LIMITED with respect to the trust assignment to the Trustee of the accounts receivables, in the form of a document bearing a certified date (*kakutei-hizuke*).

21.6 The Borrower shall not amend or revise the Relevant Agreements or the Purchase and Sale Agreement, without the approval of the Lender A, and shall not cause any event to occur that will cause the termination of the Relevant Agreements.

22. **RESTRICTIONS ON COLLATERAL**

The Borrower shall not offer any security to secure its obligations or any third party's obligations (other than those under this Agreement) on or after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender A and the Agent, unless the Majority Lenders A and the Agent give prior written consent therefor. Provided, however, that this provision shall not apply in the cases described below and if the Borrower gives prior written notice to the Agent of such offering of security. For the purpose of this Clause 22, offering security shall mean creating security interests on any assets of the Borrower, promising in advance to create security interests on any specific assets of the Borrower, or promising not to offer any specific assets of the Borrower as security for obligations other than specific obligations, and does not include any security pursuant to Laws and Ordinances, such as liens or possessory liens.

- (i) Cases where the Borrower offers security for loans from the Japan Bank for International Cooperation, the Development Bank of Japan, the Government Pension Investment Fund, the Employment and Human Resources Development Organization of Japan or other similar institutions, and such offer of security is required by Laws and Ordinances.
- (ii) Cases where the Borrower offers, regarding loans obtained for the purpose of acquiring assets, such assets as security.
- (iii) Cases where the Borrower newly acquires assets on which security interests have already been established.
- (iv) Cases where the Borrower offers security in its financing activities through the securitization of assets (or so-called liquidation of assets (*shisan-no-ryudoka*) under Japanese law).
- (v) Cases where the Borrower offers any security to FUJITSU LIMITED.

23. **FINANCIAL RESTRICTIONS**

The Borrower shall, on and after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender A and the Agent, affirmatively covenant to comply with the following matters:

- (i) The Borrower will ensure its liabilities do not exceed its assets in its stand-alone basis balance sheets as of the close of each fiscal year and six-month (mid-year) period.

- (ii) The Borrower will maintain the Adjusted Tangible Net Worth at an amount not less than sixty billion (60,000,000,000) yen as of the last day of each fiscal quarter.
- (iii) The Borrower will maintain its total net income and depreciation at an amount not less than the amount set forth below as of the last day of each fiscal period set forth below:

<u>Period</u>	<u>Amount</u>
First fiscal quarter 2004	2,490 million yen
First - second fiscal quarter 2004	7,320 million yen
Fiscal year 2004	22,920 million yen

- (iv) The Borrower shall not cause, as of the last day of each period set forth below, the ratio of (a) the net income plus depreciation to (b) the sum of interest expenses, the amount of scheduled repayments of borrowings including Lease rentals, and maintenance capital expenditures for the Aizu Facility, for such period, to be less than the following percentages.

<u>Period</u>	<u>Percentage</u>
First fiscal quarter 2004	100%
Second fiscal quarter 2004	110%
Third - fourth fiscal quarter 2004	120%

24. **ACCELERATION**

- 24.1 If any of the events described in the items below occurs with respect to the Borrower, all of the Borrower's debts under this Agreement payable to All Lenders A and the Agent shall automatically become due and payable without further notice or demand by any Lender A or the Agent, and the Borrower shall immediately pay the principal of the Loan A, and the interest and Break Funding Costs and any other payment obligation that the Borrower owes pursuant to this Agreement in accordance with the provisions of Clause 18, whereby All Lenders A's Lending Obligations A shall cease to be effective:
- (i) If any payment by the Borrower is suspended, or if a petition (including a similar petition filed outside Japan) of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjisaiseitetzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseitetzuki-kaishi*), commencement of corporate rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures is filed by or against the Borrower;
- (ii) If a resolution for dissolution is adopted or the Borrower receives an order of dissolution;
- (iii) If the Borrower abolishes its business;
- (iv) If any transaction of the Borrower is suspended by a clearinghouse; or

- (v) If any order or notice of provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*), or attachment (*sashiosae*) (including any similar procedure taken outside Japan) is issued, or any adjudication ordering the enforcement of a preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) is rendered, with respect to the deposit receivables or other receivables (including the various insurance claim receivables under insurance contracts) held by the Borrower against a Lender A. In this case, such Lender A shall immediately notify the Borrower, all other Lenders A, and the Agent of the occurrence of such event.
 - (vi) If the Borrower's obligations under the Loan Agreement B become immediately due and payable.
- 24.2 If any of the events described in the items below occurs with respect to the Borrower, all of the Borrower's debts under this Agreement payable to All Lenders A and the Agent shall become due and payable upon notice to the Borrower from the Agent, after a request by the Majority Lenders A, and the Borrower shall immediately pay the principal of the Loan A, and the interest and Break Funding Costs and any other payment obligation that the Borrower owes pursuant to this Agreement in accordance with the provisions of Clause 18, whereby All Lenders A's Lending Obligations A shall cease to be effective:
- (i) If the Borrower defaults in its payment of all or a part of its obligations that have become due, and are payable to a Lender A or the Agent, whether under this Agreement or not;
 - (ii) If any matters described in the items of Clause 20 is found to be untrue;
 - (iii) Except for the cases described in the preceding two items, if the Borrower breaches any of its obligations under this Agreement, and such breach is not cured for five (5) or more Business Days therefrom; provided, however, that this shall not apply to any breach of obligations under Clause 21.3(i) that is not considered to substantially affect the Borrower's repayment of its obligations under this Agreement;
 - (iv) If any order or notice of attachment (*sashiosae*), provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*), or provisional disposition (*kari-shobun*) (including any similar procedure taken outside Japan) is issued or auction procedures (*keibaitetuzuki*) commence with respect to any collateral offered by the Borrower to a Lender A;
 - (v) If any of the Borrower's debts other than those under this Agreement (except for those under the Loan Agreement B) becomes immediately due and payable; or if any of the Borrower's guaranty obligations for the benefit of a third party becomes due and payable, and the Borrower is unable to perform such obligations; provided, however, that such debts exceed two hundred million (200,000,000) yen in total at the time of acceleration or impossibility of performance;

- (vi) Notwithstanding any matters described in the foregoing items, if the business or financial condition of the Borrower deteriorates, or may deteriorate, and there are reasonable grounds to believe it is necessary to accelerate all of the Borrower's debts to preserve the receivables;
- (vii) If the Borrower suspends or resolves to abolish its business or is subject to a disposition such as a suspension of business by competent government authorities;
- (viii) If it is found that (1) the Fixed Trust Property Value as of each Regular Collection Calculation Date cannot be maintained at an amount that is not less than 101% of the Total Outstanding Balance A, or (2) the Fixed Trust Property Value as of each Extraordinary Collection Calculation Date cannot be maintained at an amount that is not less than the Total Outstanding Balance A, and such event remains unresolved after three (3) Business Days from the date such event is found, respectively;
- (ix) If the Borrower breaches any of its obligations under the Accounts Receivables Trust Agreement or the Floating Pledge Agreement, and such breach is not cured for five (5) or more Business Days therefrom;
- (x) If any of the events under (a) through (l) below occurs with respect to FUJITSU LIMITED:
 - (a) If any payment by FUJITSU LIMITED is suspended, or if a petition (including similar petition filed outside Japan) of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjiseitetsuzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseitetsuzuki-kaishi*), commencement of corporate rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures is filed by or against FUJITSU LIMITED;
 - (b) If a resolution for dissolution is adopted or FUJITSU LIMITED receives an order of dissolution;
 - (c) If FUJITSU LIMITED suspends or abolishes its business or is subject to a disposition such as a suspension of business by competent government authorities;
 - (d) If any check or note issued by FUJITSU LIMITED is dishonored;
 - (e) If an application is made for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*), attachment (*sashiosae*), provisional disposition (*kari-shobun*) compulsory execution or auction (*keibai*) with respect to any property held by FUJITSU LIMITED;
 - (f) If FUJITSU LIMITED is subject to a demand or a disposition to collect tax delinquencies due to its nonpayment of taxes;

- (g) If FUJITSU LIMITED defaults in its payment of all or a part of obligations that have become due under the Purchase and Sale Related Agreements;
 - (h) If FUJITSU LIMITED breaches any of its obligations under the Purchase and Sale Related Agreements;
 - (i) If any event for termination or acceleration under the Purchase and Sale Related Agreements occurs;
 - (j) If FUJITSU LIMITED fails, without justifiable reason, to perform any of its monetary obligations (only those amounting to one billion (1,000,000,000) yen or more) other than the obligations under the Purchase and Sale Related Agreements within five (5) Business Days after receiving notice requesting performance thereof;
 - (k) If FUJITSU LIMITED is not in compliance with the ordinary credit standards adopted by the Settlor; or
 - (l) If any other event acknowledged by the Trustee to affect the preservation of Trust Receivables occurs.
- 24.3 If a notice dispatched pursuant to Clause 24.2 is delayed or is not delivered to the Borrower due to fault of the Borrower, all of the Borrower's debts under this Agreement shall become due and payable at the time such request or notice should have been delivered, and the Borrower shall immediately pay the principal of the Loan A, and the interest and Break Funding Costs and any other payment obligations that the Borrower owes pursuant to this Agreement, in accordance with the provisions of Clause 18, whereby All Lenders A's Lending Obligations A shall cease to be effective.
- 24.4 If a Lender A becomes aware of the occurrence of any events described in the items of Clauses 24.1 or 24.2 with respect to the Borrower, the Lender A shall immediately notify the Agent of such occurrence, and the Agent shall notify all other Lenders A of the occurrence of such events.
25. **SET-OFF; EXERCISE OF FLOATING SECURITY**
- 25.1 When the Borrower is required to perform its obligations to a Lender A upon the due date thereof, acceleration or otherwise, (a) the Lender A may set off the receivables it has against the Borrower under this Agreement against its deposit obligations or other obligations (including the various insurance claim obligations under insurance contracts) it owes to the Borrower, whether or not such obligations are due and payable and regardless of Clause 18.2, and (b) the Lender A may also omit giving prior notice and following established procedures, may obtain the deposited amount on behalf of the Borrower, and may appropriate this amount for the payment of obligations. The interest, Break Funding Cost and default interest and other costs for the receivables and obligations involved in such a set-off or appropriation for

payment shall be calculated up to the time of such calculation, and in such calculation, the interest rate and default interest rate shall be in accordance with each agreement, and the foreign exchange rate at the time such calculation is made, as reasonably determined by the Lender A, shall be applied. If the amount to be set-off or appropriated for payment is not sufficient to extinguish all of the Borrower's debts, the Lender A may appropriate such set-off amount in the order and method it deems appropriate, and the Borrower shall not object to such appropriation.

- 25.2 The Borrower may, upon the Due Date of payment of the Loan A and if it is necessary for the Borrower to preserve its deposit receivables or any other receivables (including the various insurance claim receivables under insurance contracts) that it has against a Lender A that have become due, set off such receivables against the obligations it owes to the Lender A under this Agreement, regardless of Clause 18.2. In this case, the Borrower shall give a written set-off notice to the Lender A and immediately submit to the Lender A the receivables certificates for the deposit receivables or other receivables being set-off and the passbook impressed with the seal of the seal impression submitted. The interest and default interest for the receivables and obligations involved in such set-off shall be calculated up to the day of receipt of such set-off notice, and in such calculation, the interest rate and default interest rate shall be calculated in accordance with each agreement, and the foreign exchange rate at the time such calculation is made, as reasonably determined by the Lender A, shall be applied. If the Borrower's receivables to be set-off are not sufficient to extinguish all of its debts, the Borrower may appropriate such set-off amount in the order and method it deems appropriate. Provided, however, that if the Borrower does not instruct such order or method, any such amounts may be appropriated in the order and method deemed appropriate by each Lender A, and the Borrower shall not object to such appropriation.
- 25.3 When the Borrower is required to perform its obligations to a Lender A upon the due date thereof, acceleration or otherwise, the Lender A may exercise its floating security interest (other than the floating pledge under the Floating Pledge Agreement; the "Exercise of Floating Security") over the receivables against the Borrower under this Agreement, regardless of Clause 18.2.
- 25.4 If a set-off is performed pursuant to Clause 25.1 or 25.2 above, or if the Exercise of Floating Security is carried out pursuant to Clause 25.3, the Lender A in the case described in Clauses 25.1 and 25.3 and the Borrower in the case described in Clause 25.2 shall immediately notify the Agent of the details thereof in writing. If any damage, loss, or expenses are incurred by the Lender A or the Agent due to delay of such notice without any reasonable cause, either the Lender A or the Borrower, whichever has failed to give such notice, shall bear such damages.

26. **ARRANGEMENTS AMONG LENDERS A**

- 26.1 If a set-off is performed by a Lender A pursuant to Clause 25.1 (such Lender A, hereafter, the "Set-off Initiating Lender A"), the Lender A shall make arrangements for each Individual Loan A subject to such set-off (such Individual Loan A, in this Clause 26.1, the "Set-off Individual Loan A") by way of assigning receivables pursuant to the following procedures:
- (i) The Agent shall calculate each amount (the "Intended Distribution Amount A") that the Lender A (hereafter in this Clause 26.1, the "Remaining Lender A") who has made the Individual Loan A (other than the Set-off Individual Loan A) (hereafter in this Clause 26.1, the "Remaining Individual Loan A"), would have received pursuant to Clauses 19.1 through 19.4 if the amount of debt obligations in relation to the Set-off Individual Loan A, which has been extinguished due to the performance of a set-off, was paid to the Agent.

- (ii) The Set-off Initiating Lender A shall purchase from the Remaining Lender A the loan receivables in the amount equivalent to the Intended Distribution Amount A from and among the Remaining Individual Loan A at their face value; provided, however, that the Remaining Lender A may refuse such sale.
 - (iii) If the assignment under the immediately preceding item is made, the Remaining Lender A shall, at its own expense, notify the Borrower immediately after the assignment by a document bearing a certified date (*kakutei-hizuke*) pursuant to Article 467 of the Civil Code.
- 26.2 If a set-off is performed by the Borrower against a Lender A pursuant to Clause 25.2 (such Lender A, hereafter, the “Set-off Receiving Lender A”), only if a Set-off Receiving Lender A or a Lender A other than the Set-off Receiving Lender A requests, the Lender A shall make arrangement for each Individual Loan A subject to the set-off (such Individual Loan A, in this Clause 26.2, the “Set-off Individual Loan A”) by way of assigning receivables pursuant to the procedures described in the items below:
- (i) The Agent shall calculate each Intended Distribution Amount A that the Lender A (hereafter in this Clause 26.2, the “Remaining Lender A”), who has made the Individual Loan A (other than the Set-off Individual Loan A) (hereafter in this Clause 26.2, the “Remaining Individual Loan A”), would have received pursuant to Clauses 19.1 through 19.4 if the amount of debt obligations in relation to the Set-off Individual Loan A, which has been extinguished due to the performance of a set-off, was paid to the Agent.
 - (ii) The Set-off Receiving Lender A shall purchase from the Remaining Lender A the loan receivables in the amount equivalent to the Intended Distribution Amount A from and among the Remaining Individual Loan A at their face value.
 - (iii) If the assignment under the immediately preceding item is made, the Remaining Lender A shall, at its own expense, notify the Borrower immediately after the assignment by a document bearing a certified date (*kakutei-hizuke*) pursuant to Article 467 of the Civil Code.
- 26.3 If a Lender A carries out an Exercise of Floating Security pursuant to Clause 25.3, or if a Lender A receives any repayment of debt obligations it has against the Borrower under this Agreement with respect to its floating security interest as a result of any compulsory execution or Exercise of Floating Security through a foreclosure by a

third party, the assignment of receivables described in Clause 26.1 will not be performed. Provided, however, that if a Lender A carries out an Exercise of Floating Security with respect to the floating security established by the Borrower's violation of the provisions of Clause 21.2, or if a Lender A receives any repayment of debt obligations it has against the Borrower under this Agreement based on such security interest, the Lender A shall assign receivables pursuant to the provisions of Clause 26.1 above.

- 26.4 The provisions of Clause 26.1 shall apply to cases where a Lender A receives any repayment of debt obligations it has against the Borrower under this Agreement as a result of compulsory execution or exercise of security interests (excluding any security interest offered pursuant to Clause 22) through foreclosure by the Lender A's petition with respect to certain assets of the Borrower (hereafter, in this Clause 26.4, the "Compulsory Execution"), or as a result of the Lender A requesting a distribution in relation to the Compulsory Execution by any third party. Provided, however, that upon applying the provisions of Clause 26.1, the amount equal to any expenses arising from performance of Compulsory Execution (including attorney's fees) or any expenses arising from a request for a distribution in relation to the Compulsory Execution by any third party (including attorney's fees) shall be borne by the Lender A, and the Agent shall calculate the Intended Distribution Amount A assuming that the amount of any proceeds earned as a result of the Compulsory Execution, less such expenses, were paid to the Agent.

27. **RIGHTS AND DUTIES OF THE AGENT**

- 27.1 The Agent shall, pursuant to the entrustment by All Lenders A, perform the Agent Services A and exercise rights for the benefit of All Lenders A, and shall exercise the rights that, in the Agent's opinion, are ordinarily necessary or appropriate in performing the Agent Services A. The Agent shall not be liable for any duties other than those expressly specified in the provisions of this Agreement, and shall not be liable for any non-performance of obligations by the Lenders A under this Agreement. The Agent shall be an agent of the Lenders A and, unless otherwise provided, shall never act as an agent of the Borrower.
- 27.2 The Agent may rely upon any communication, instrument and document that has been delivered between appropriate persons and has been signed or has the name and seal attached by such appropriate persons and that the Agent believes to be true and correct, and may act in reliance upon any written opinion or explanatory letter of experts appointed by the Agent within the reasonably necessary extent in relation to this Agreement.
- 27.3 The Agent shall perform the duties and exercise the authority provided for in this Agreement with the due care of a good manager.
- 27.4 Neither the Agent nor any of its directors, employees or agents shall be liable to the Lenders A for any acts or omissions conducted by the Agent pursuant to, or in connection with, this Agreement, except for its or their willful misconduct or gross negligence. The Lenders A (other than Lenders A who act as the Agent) shall jointly and severally indemnify the Agent for any and all liabilities, damages, losses and expenses (including, without limitation, any expenses paid to avoid or minimize

- any damages or losses or to recover any damages or losses (including attorney's fees) incurred by the Agent in the course of the performance of its duties under this Agreement, to the extent that such liabilities, damages, losses and expenses are not reimbursed by the Borrower, and only for the amount outstanding after deducting the portion for which the Agent is obliged to contribute, calculated pursuant to the Agent's Commitment Ratio A. Provided, however, that if any of the Lenders A cannot perform the indemnity for which it is liable, the Agent's Commitment Ratio A shall be calculated by dividing the Agent's Commitment Ratio A by the aggregate of the Commitment Ratio A of the Lenders A other than such non-indemnifying Lenders A.
- 27.5 The Agent shall not be liable for the validity of this Agreement, and shall not guarantee any matters represented in this Agreement. The Lenders A shall enter into, and conduct transactions contemplated in, this Agreement at their sole discretion by conducting investigations as to the necessary matters, including the creditworthiness of the Borrower, on the basis of the documents, information and other data as it has deemed appropriate.
- 27.6 In cases where the Agent is also acting as a Lender A, the Agent shall have the same rights and obligations as the other Lenders A, irrespective of the Agent's obligations under this Agreement. The Agent may engage in commonly accepted banking transactions with the Borrower outside of this Agreement. In this case, the Agent shall not be required to disclose to other Lenders A information in relation to the Borrower it has obtained through transactions with the Borrower other than those contemplated under this Agreement, nor shall the Agent be required to distribute to other Lenders A any money it has received from the Borrower through transactions with the Borrower other than those contemplated under this Agreement. (Any information that has been disclosed to the Agent by the Borrower shall be, unless expressly identified as being made in relation to this Agreement, deemed disclosed in relation to the transactions with the Borrower other than those contemplated under this Agreement, and the Agent shall not be required to disclose any of the same to other Lenders A.)
- 27.7 Notwithstanding Clause 27.6, upon receiving the Trustee's Regular Report or the Trustee's Extraordinary Report, the Agent shall promptly (by the Business Day immediately following the day such Trustee's Regular Report is received, at the latest) report the details thereof to the other Lenders A.
- 27.8 In cases where the Agent is also acting as a Lender A, the calculation of the amounts to be distributed to each Lender A pursuant to the provisions of Clause 19 shall be made in accordance with the following: (i) for amounts to be distributed to each Lender A other than the Agent, any amount less than one yen shall be rounded down, and (ii) amounts to be distributed to a Lender A who is also appointed as the Agent shall be the difference between the aggregate of all amounts to be distributed and the amounts distributed to other Lenders A.
- 27.9 Except for the cases under Clause 27.8, all calculations of fractions less than one yen that are required under this Agreement shall be made in the manner the Agent deems appropriate.

- 27.10 If the Agent receives any notice from the Borrower that is required to be given to each Lender A in relation to this Agreement, the Agent shall immediately inform All Lenders A of the details of such notice, or if the Agent receives any notice from a Lender A that is required to be given to the Borrower or other Lenders A in relation to this Agreement, the Agent shall immediately inform the Borrower or All Lenders A, as the case may be, of the details of such notice. The Agent shall make any documents that it has obtained from the Borrower and has retained, available for review by a Lender A during its ordinary business hours.
28. **RESIGNATION AND DISMISSAL OF THE AGENT**
- 28.1 The Agent may resign as follows:
- (i) The Agent may resign its position as the Agent by giving written notice to All Lenders A and the Borrower; provided, however, that such resignation shall not become effective until a successor Agent is appointed and such successor accepts such appointment.
 - (ii) If the Agent gives notice pursuant to the preceding item, the Majority Lenders A may appoint a successor Agent upon obtaining consent from the Borrower.
 - (iii) If a successor Agent is not appointed by the Majority Lenders A within thirty (30) days (including the day of notice) after the notice of resignation is given as described in Item (i) above, or if the entity appointed by the Majority Lenders A as a successor Agent does not accept assumption of the office of the Agent, the Agent in office at that time shall, upon obtaining consent from the Borrower, appoint a successor Agent on behalf of the Majority Lenders A.
- 28.2 The Agent may be dismissed as follows:
- (i) The Majority Lenders A may dismiss the Agent by giving written notice thereof to each of the other Lenders A, the Borrower, and the Agent; provided, however, that such dismissal shall not become effective until a successor Agent is appointed and such successor accepts such appointment.
 - (ii) If the Majority Lenders A give notice pursuant to the preceding item, the Majority Lenders A may appoint a successor Agent upon obtaining consent from the Borrower.
- 28.3 If the entity appointed as the successor Agent pursuant to Clause 28.1 or 28.2 accepts assumption of the office, the former Agent shall deliver to the successor Agent all documents and materials it has kept as the Agent under this Agreement, and shall give all the support necessary for the successor Agent to perform the duties of the Agent under this Agreement.
- 28.4 The successor Agent shall succeed to the rights and obligations of the former Agent under this Agreement, and the former Agent shall, at the time of the assumption of office by the successor Agent, be exempted from all of its obligations as the Agent;

provided, however, that the provisions of this Agreement relevant to any actions (including omissions) conducted by the former Agent during the period it was in office shall remain in full force and effect.

29. **DECISION-MAKING OF THE MAJORITY LENDERS A**

29.1 The Majority Lenders A shall make decisions as follows:

- (i) If a Lender A deems that any event has occurred that requires instructions from the Majority Lenders A in this Agreement, such Lender A may give notice to the Agent to request the decision of the Majority Lenders A.
- (ii) The Agent shall, upon receipt of a notice described in the preceding item, immediately give notice to All Lenders A to seek the decision of the Majority Lenders A.
- (iii) Each Lender A shall, upon receipt of the notice described in the preceding item, make its decision on the relevant event and inform the Agent of such decision within three (3) Business Days after the receipt.
- (iv) If a decision of the Majority Lenders A is made pursuant to the preceding three items, the Agent shall immediately notify the Borrower and All Lenders A of such decision as the instruction by the Majority Lenders A.

29.2 If the Agent deems that any event has occurred that requires the decision of the Majority Lenders A, other than in the case of Clause 29.1, the Agent may give notice to All Lenders A to seek such decision. In such case, the procedures set out in Items (ii) through (iv) of Clause 29.1 shall be followed.

29.3 The provisions of this Clause 29 shall apply *mutatis mutandis* to the decision-making of the Majority Lenders A with respect to each Loan A.

30. **AMENDMENT TO THIS AGREEMENT**

This Agreement may be amended with the written agreement of the Agent, the Borrower, and the Majority Lenders A; provided, however, that the written agreement by the Agent, the Borrower, and All Lenders A shall be required in order to amend this Agreement with respect to the following matters that materially affect the rights and obligations of the Lender A:

- (i) any amendment to or waiver of the conditions precedent provided for in Clause 4 and Clause 5;
- (ii) any addition to or expansion of the obligations of the Lender A;
- (iii) any reduction of the amount of the principal and interest of the Individual Loan A or other amounts payable by the Borrower pursuant to this Agreement;

- (iv) any postponement of the payment date of the principal and interest of the Individual Loan A or other obligations of the Borrower pursuant to this Agreement;
- (v) any decrease in the Spread A or the Applicable Interest Rate A set forth in Clause 1;
- (vi) any amendment to the Commitment Ratio A set forth in Clause 1;
- (vii) any amendment to the restrictions on collateral provided for in Clause 22;
- (viii) any amendment to the financial restrictions provided for in Clause 23;
- (ix) any amendment to the events for acceleration provided for in Clause 24;
- (x) any amendment to this Clause 30;
- (xi) any amendment to the Relevant Agreements; and
- (xii) any other matters that the Agent considers will diminish the Lender A's rights, or increase the Lender A's obligations, in any material respect.

31. **ASSIGNMENT OF THIS AGREEMENT**

- 31.1 The Borrower may not assign to any third party its status as a party to the Loan A, or its rights and obligations under this Agreement, unless All Lenders A and the Agent give their prior consent in writing without objection.
- 31.2 A Lender A may assign to any third party its status as a party to this Agreement, or all or any part of its rights and obligations associated therewith, if the Borrower and the Agent give their prior consent in writing without objection (except for assignments of the Loan Receivables A set forth in Clause 26) and all requirements described in the items below are satisfied (hereinafter in this clause, a Lender A that makes such assignment as the "Assigning Lender" and that accepts such assignment as the "Successive Lender"). The Borrower and the Agent may not unreasonably withhold their consent, and the Agent, upon such assignment, shall notify All Lenders A of such assignment.
- (i) The Borrower's consent includes consent for assignment of the Loan Receivables A, and bears a certified date (*kakutei-hizuke*) as of the date of the assignment.
 - (ii) If any partial assignment of the status of a Lender A under this Agreement is made, both the Assigning Lender and the Successive Lender shall become a Lender A under this Agreement and each provision of this Agreement shall be applicable to such Lenders A on and after the date of the assignment, and the Commitment Amount A of the Assigning Lender prior to the assignment of the status (the "Pre-assignment Commitment Amount A") shall be reduced by an amount separately agreed upon between the Assigning Lender and the Successive Lender (the "Reduced Amount") and thereafter the Commitment Amount A equal to the Reduced Amount shall apply to the

Successive Lender. If the Assigning Lender owns any Loan Receivables A (such Loan Receivables A, hereafter, the “Pre-assignment Loan Receivables A”), all receivables in relation to the Pre-assignment Loan Receivables A, including any principal, interest and default interest, will be divided in proportion to the ratio obtained as the Reduced Amount divided by the Pre-assignment Commitment Amount A (the “Reduced Ratio”), and such divided receivables pursuant to the Reduced Ratio (the “Assignable Loan Receivables A”) shall be assigned to the Successive Lender.

- (iii) The Successive Lender is a corporation residing in Japan (having a head or branch office or place of business registered in Japan pursuant to the laws of Japan) and a financial institution (such as a bank, insurance company, institutional investor, etc.) or a special purpose entity incorporated for the liquidation of assets (securitization).
 - (iv) If a partial assignment is made with respect to the status of a Lender A under this Agreement, the value of both (i) the Reduced Amount and (ii) the difference between the Pre-assignment Commitment Amount A and the Reduced Amount are equal to or more than one billion (1,000,000,000) yen, and the value of both (i) the amount of the Assignable Loan Receivables A and (ii) the difference of the Pre-assignment Loan Receivables A and the Assignable Loan Receivables A are equal to or more than one billion (1,000,000,000) yen.
 - (v) No withholding tax or other taxes arise from any such assignment, and there is no increase in the amount of the Borrower’s interest expense payable to the Successive Lender.
- 31.3 All expenses incurred from the assignment set forth in Clause 31.2 shall be borne by the Assigning Lender; provided, however, that the provisions of Clause 13 shall apply with respect to any Increased Costs incurred in relation to the Successive Lender after the assignment. The Assigning Lender shall pay to the Agent, by the actual date of such assignment, an amount of five hundred thousand (500,000) yen per Successive Lender, together with applicable consumption tax, as consideration for administrative duties performed in connection with the assignment.

32. **ASSIGNMENT OF LOAN RECEIVABLES A**

- 32.1 The Lender A may assign its Loan Receivables A subject to the prior written consent without objection of the Borrower and the Agent (except for the assignment of Loan Receivables A set forth in Clause 26) and the satisfaction of all requirements described in each item below. The Borrower and the Agent may not unreasonably withhold their consent, and the Assignor and the Assignee shall perfect the assignment against third parties and debtors regarding the assignment of receivables promptly after the assignment as of the date of the assignment. In this case, the Assignor and Assignee shall, under their joint name, and the Borrower shall, in its sole name, notify the Agent of the fact that such assignment was made without delay. In the case an assignment of the Loan Receivables A has occurred pursuant to this Clause 32.1, the Assignee shall be treated as a Lender A in applying each provision in relation to the Loan Receivables A under this Agreement.

- (i) The Assignee shall, upon succession to the Loan Receivables A, be bound by each provision relating to the Loan Receivables A under this Agreement. (The Assignee shall not bear any Lending Obligations A.)
 - (ii) The Assignee is a corporation residing in Japan (having a head or branch office or place of business registered in Japan pursuant to the laws of Japan) and a financial institution (such as a bank, insurance company, institutional investor, etc.) or a special purpose entity incorporated for the liquidation of assets (securitization).
 - (iii) If the assignment is made in divided portions of the Loan Receivables A, the value of each Loan Receivables A after such division is equal to or more than one billion (1,000,000,000) yen.
 - (iv) No withholding tax or other taxes arise from the assignment, and there is no increase in the amount of the Borrower's interest expense payable to the Assignee.
- 32.2 All expenses incurred from the assignment set forth in Clause 32.1 shall be borne by the Assignor or the Assignee, as the case may be. The provisions of Clause 13 shall apply with respect to any Increased Costs incurred after the assignment. The Assignor or the Assignee shall pay to the Agent, by the actual date of such assignment, an amount of five hundred thousand (500,000) yen per Assignee, together with applicable consumption tax, as consideration for administrative duties performed in connection with the assignment.
33. **COLLECTION FROM THIRD PARTY**
- 33.1 No repayment of the Borrower's debt obligations under this Agreement by any party other than the Borrower is allowed, without the prior written consent of the Agent and All Lenders A.
- 33.2 The Borrower shall not, on or after the Execution Date, consign any third party to guarantee (including any property guarantee) the Borrower's performance of its debt obligations under this Agreement, nor shall the Borrower cause any third party to assume its debt obligations under this Agreement, without the prior written consent of the Agent and All Lenders A.
- 33.3 If a Lender A enters into a guarantee without consignment to the Guarantor by the Borrower (including any property guarantee) or a debt assumption with any third party with respect to the Borrower's obligations under this Agreement, the Lender shall obtain prior written consent from such third party with respect to each item described below. In this case, if the Lender receives any repayment from the third party pursuant to such guarantee or debt assumption, no arrangement among the Lenders pursuant to the assignment of receivables under Clause 26.1 shall be made.
- (i) The third party shall have the same obligations as a Lender A has against the Agent, other Lenders A and the Borrower under this Agreement with respect to any exercise of its right for recourse and contractual rights hereunder arising as a result of the performance of its guarantee obligation.

- (ii) The third party shall be bound by each provision of this Agreement.
- (iii) The third party is a corporation residing in Japan (having a head or branch office or place of business registered in Japan pursuant to the laws of Japan) and a financial institution (such as a bank, insurance company, institutional investor, etc.) or a special purpose entity incorporated for the liquidation of assets (securitization), and as of March 19, 2004, the third party is not a Subsidiary or an Affiliate of the Borrower and the Borrower is not a Subsidiary or an Affiliate of the third party.
- (iv) The value of the Loan Receivables A that the third party obtains by subrogation is equal to or more than one billion (1,000,000,000) yen.
- (v) There will be no increase in the amount of the Borrower's interest expense payable to the third party, and no withholding tax or other taxes will arise from any such obtainment by subrogation.

In the case of any obtainment by subrogation of the Loan Receivables A by a third party pursuant to the provisions of Item (i) above, such obtainment by subrogation shall be considered an assignment of the Loan Receivables A pursuant to Clause 32, and the provisions of Clause 32.2 shall apply.

34. **TERMINATION OF THIS AGREEMENT**

- 34.1 If any of the events described in the items below occurs, All Lenders A's Lending Obligations A during each of the Drawdown Application Periods shall cease as a matter of course. If the event described in Item (ii) below occurs, this Agreement shall automatically be terminated with respect to the relationship between All Lenders A and the Borrower. Until the Borrower completely pays all of its debts under this Agreement, the relevant clauses of this Agreement shall survive in full force and effect, to the extent related to such payment of the debts.
- (i) If the Drawdown Application Period Final Date arrives; or
 - (ii) If the debts of the Borrower become immediately due and payable pursuant to Clause 24.
- 34.2 If the execution and performance of this Agreement and any transactions contemplated under this Agreement become contrary to any Laws and Ordinances binding upon any Lender A, such Lender A shall consult with the Borrower and all other All Lenders A through the Agent and take measures to deal with the situation. In this case, the Borrower and All Lenders A excluding such Lender A may not refuse termination of this Agreement with respect to such Lender A without reasonable cause.

35. RENEWAL OF AGREEMENT

The Borrower may request the extension of the Drawdown Period by giving advance notice to the Agent by the day that is sixty (60) days prior to the Drawdown Period Termination Date; provided, however, that the Lender A and the Agent are not obliged to accept the request for the extension of the Drawdown Period. If such notice is given, the Borrower and the Agent shall hold consultation on the new terms and contents of the agreement and notify All Lenders A of the details of such consultation on or before the forty-fifth (45th) day preceding the Drawdown Period Termination Date.

36. GENERAL PROVISIONS**36.1 Confidentiality Obligations**

The Borrower shall raise no objection to the disclosure of information set forth in each item below:

- (i) If the notice of refusal to make an Individual Loan A has been given pursuant to the provisions of Clause 8.1, or if any of the events described in the items of Clause 24.1 or 24.2 have occurred, or if a decision of the Majority Lenders A is required pursuant to the provisions of Clause 29, the Agent and a Lender A may disclose such information with regard to the Borrower or the transaction with the Borrower, which either party has obtained through this Agreement or an agreement other than this Agreement, by imposing confidentiality obligations on the recipient to an extent reasonably required.
- (ii) Upon any assignment of status pursuant to Clause 31 or assignment of Loan Receivables A pursuant to Clause 32, a Lender A may disclose any information with regard to this Agreement to the Assignee or a person considering becoming an Assignee (including an intermediary of such assignment), on the condition that such parties agree to be bound by the confidentiality obligations. Information with regard to this Agreement in this item shall mean any information regarding the Borrower's credit that has been obtained in connection with this Agreement, any information regarding the contents of this Agreement and other information incidental hereto, and any information regarding the contents of the Loan Receivables A to be assigned and other information incidental thereto, and shall not include any information regarding the Borrower's credit that has been obtained in connection with any agreement other than this Agreement.

36.2 Risk Bearing; Exemption, Compensation, and Indemnification

- (i) If any documents furnished by the Borrower to the Agent or any Lender A are lost, destroyed, or damaged for any unavoidable reason, such as natural disasters or other incidents, the Borrower shall, upon consultation with the Agent, perform its obligations under this Agreement based on the records, such as books and vouchers, of the Agent or a Lender A. The Borrower shall, upon request of the Agent or a Lender A through the Agent, forthwith prepare substitute documents and furnish them to the Agent or the Lender A through the Agent.

- (ii) If any Lender A or the Agent performs transactions after comparing, with due care, the seal impression of the representative and agent of the Borrower to be used for the transactions in relation to this Agreement with the seal submitted by the Borrower in advance, the Borrower shall bear any damages, loss or expenses incurred as a result of an event such as forgery, alteration, or theft of its seal.
- (iii) The Borrower shall bear any damages, loss and expenses incurred by a Lender A or the Agent as a result of the Borrower's breach of this Agreement or as a result of a Lender A not indemnifying the Agent pursuant to the provisions of Clause 27.4.

36.3 Severability

Should any provision constituting a part of this Agreement be held null, illegal, or unenforceable, the validity, legality and enforceability of all other provisions shall in no way be prejudiced or affected.

36.4 Exceptions to the Application of the Bank Transactions Agreement

The Agreement on Bank Transactions and other documents separately submitted by the Borrower or made and entered into by and between the Borrower and a Lender A shall not apply to this Agreement or the transactions contemplated in this Agreement.

36.5 Notices

- (i) Any notice under this Agreement shall be made in writing expressly stating that it is made for the purpose of this Agreement, and given by any of the methods described in (a) to (d) below to the place of contact of the receiving party described in Schedule 1 of this Agreement. Each party to this Agreement may change its place of contact by giving notice thereof to the Agent.
 - (a) Personal delivery;
 - (b) Registered mail or courier service;
 - (c) Transmission by facsimile; or
 - (d) E/X (only for any notices among Lenders A and the Agent).
- (ii) Notice given pursuant to the preceding item shall be deemed to have been delivered at the time, in the case of transmission by facsimile, when receipt of facsimile is confirmed, and in the case of any other methods, when actually received.

36.6 Changes in Notified Matters

- (i) In the case of changes in the matters notified by a Lender A or the Borrower to the Agent, such as the trade name, representative, agent, signature, seal,

or address, the Lender A or the Borrower shall immediately notify the Agent of such changes in writing. In the case of any such change to the Agent, or upon such change to any contact information of the Borrower or the Lenders A, the Agent shall immediately notify All Lenders A and the Borrower of such changes in writing.

- (ii) If notice given under this Agreement is delayed or not delivered as a result of the failure to give notification of a change as described in the preceding item, such notice shall be deemed to have arrived at the time when it should have normally arrived.

36.7 Fund Transfers

- (i) Fund transfers between the Agent and the Lender A shall be settled by the JBA's Domestic Bank Data Telecommunications System (the "Zengin System") in principle, and if any Lender A desires to make such settlement by the Bank of Japan Financial Network System (the "BOJ-NET"), such Lender A shall consult with the Agent in advance. Provided, however, that if the Lender A is not a member of the Zengin System, fund transfers shall be settled by the bank account established in the name of such Lender A with a bank designated by the Lender A that is a member of the Zengin System.
- (ii) The fees for fund transfers provided in the preceding item shall be borne by the party making the relevant fund transfer.

36.8 Calculations

Unless otherwise expressly provided for with respect to any calculation under this Agreement, all calculations of the number of actual days in the relevant period shall be inclusive of the first and last day, and calculations on a per diem basis shall be on the assumption that there are 365 days per year, wherein the division shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

36.9 Preparation of Notarized Deeds

The Borrower shall, at any time upon request of the Agent or the Majority Lenders A, take the necessary procedures to entrust a notary public to execute a notarized deed in which the Borrower acknowledges its indebtedness under this Agreement and agrees to compulsory execution with regard thereto.

36.10 Governing Law and Jurisdiction

This Agreement shall be governed by the laws of Japan, and the Tokyo District Court shall have exclusive jurisdiction as the court of first instance over any disputes arising in connection with this Agreement.

36.11 Language

This Agreement shall be prepared in the Japanese language and the Japanese language version shall be deemed the original copy. The Agent shall prepare an English translation of this Agreement, provided that the Agent does not guarantee the accuracy or truthfulness of such translation and is not responsible in any way therefor.

36.12 Consultation

Any matters not provided for in this Agreement, or in the case of any doubt among the parties with respect to the interpretation of this Agreement, the Borrower and the Lenders A shall consult through the Agent and shall determine a response therefor.

IN WITNESS WHEREOF, the parties have caused one (1) copy of this Agreement to be signed and sealed, and the Agent has retained the original and has distributed one (1) copy thereof to each of the Borrower and All Lenders A.

March 25, 2004

THE BORROWER:

By: _____ /s/ SHINJI SUZUKI [seal]

FASL JAPAN LIMITED

Revenue
Stamp
4,000 yen

(Revolving Line Agreement (A) dated March 25, 2004 for FASL JAPAN LIMITED
JPY 9,000,000,000)

LENDER A AND AGENT:

By: _____ /s/ HIROSHI SAITO [seal]

MIZUHO CORPORATE BANK, LTD.

(Revolving Line Agreement (A) dated March 25, 2004 for FASL JAPAN LIMITED
JPY 9,000,000,000)

LENDER A:

By: /s/ YASUTAKA MIYAMOTO [seal]

SHINKIN CENTRAL BANK

(Revolving Line Agreement (A) dated March 25, 2004 for FASL JAPAN LIMITED
JPY 9,000,000,000)

LENDER A:

By: _____ /s/ SHINOBU SUZUKI [seal]

THE BANK OF YOKOHAMA, LTD.

(Revolving Line Agreement (A) dated March 25, 2004 for FASL JAPAN LIMITED
JPY 9,000,000,000)

LENDER A:

By: /s/ YOSHIAKI WASHIYAMA [seal]

THE TOHO BANK, LTD.

(Revolving Line Agreement (A) dated March 25, 2004 for FASL JAPAN LIMITED
JPY 9,000,000,000)

LENDER A:

By: _____ /s/ KOJI WATANABE [seal]

THE NORINCHUKIN BANK

Exhibit 10.60(a)

List of Schedule

- Schedule 1: Addresses of the Parties and the Commitment Amount of Lenders A
- Schedule 2: Status of the Establishment of the Collateral
- Schedule 3: Accounts Receivables Trust Agreement
- Schedule 4: Creditors' Agreement
- Schedule 5: Floating Pledge Agreement

Addresses of the Parties and the Commitment Amount of Lenders A**Section 1. The Borrower**

<u>Borrower and Responsible Department</u>	<u>Address</u>	<u>Telephone Facsimile</u>
FASL JAPAN LIMITED Business Promotion Division, Business Planning Department	33-4, Nishi-Shinjuku 4-chome, Shinjuku-ku, Tokyo 160-0023	Tel: 03-5302-2200 Fax: 03-5302-2674

Section 2. The Agent

<u>Agent and Responsible Department</u>	<u>Address</u>	<u>Telephone Facsimile</u>
MIZUHO CORPORATE BANK, LTD. Syndicated Finance Administration Division	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100- 8210	Tel: 03-5200-7085 Fax: 03-3201-0704

Section 3. The Lenders A

<u>Lender A and Responsible Department</u>	<u>Address Telephone Facsimile</u>	<u>Specifics of Lender A's Account</u>	<u>Commitment Amount (Yen) Commitment Ratio A (%) *</u>
MIZUHO CORPORATE BANK, LTD. Uchisaiwaicho Corporate Banking Division	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8210 Tel: 03-3510-0800 Fax: 03-3214-0656		3 Billion Yen 30/90
SHINKIN CENTRAL BANK Business Corporation Division	8-1, Kyobashi 3-chome, Chuo-ku, Tokyo 104-0031 Tel: 03-3563-7505 Fax: 03-3563-5437	Others Account Number: 9999999 Account Holder: Business Administration & Operations Division	3 Billion Yen 30/90
THE BANK OF YOKOHAMA, LTD. Tokyo Branch	8-2, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-0027 Tel: 03-3272-4171 Fax: 03-3272-0850	Special Deposit Account (<i>betsudan yokin</i>) Account Number: 9999999 Account Holder: FASL JAPAN LIMITED REVOLVING LINE	2 Billion Yen 20/90

THE TOHO BANK, LTD. Tokyo Branch	6-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104-0031 Tel: 03-3535-5835 Fax: 03-3535-5855	Special Deposit Account (<i>betsudan yokin</i>) Account Number: **** Account Holder: FASL JAPAN LIMITED	0.5 Billion Yen 5/90
THE NORINCHUKIN BANK Corporate Business Division III	13-2, Yurakuchō1-chome, Chiyoda-ku, Tokyo 100-8420 Tel: 03-5222-2373 Fax: 03-3218-5117	Others Account Number: 9999999 Account Holder: FASL JAPAN LIMITED FACILITY	0.5 Billion Yen 5/90
		Total	9 Billion Yen 90/90

* The Commitment Ratio A described above is the Commitment Ratio A at the time of execution of this Agreement, and may be amended pursuant to the provisions of this Agreement.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

Status of the Establishment of the Collateral (as of March 25, 2004)

[GRAPHIC]

[GRAPHIC] [GRAPHIC]

1 [GRAPHIC]

[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	[GRAPHIC]
E39100001	ION.IMPLANTATION	E220	[GRAPHIC]	199408
E39100002	ION.IMPLANTATION	E1000	[GRAPHIC]	199408
E39100003	ION-IMPLANTOR	E220	[GRAPHIC]	199508
E39100004	ION-IMPLANTOR	VIISION2 00	[GRAPHIC]	199508
E39100005	ION-IMPLANTATI	E220HP	[GRAPHIC]	199602
E39100006	ION-IMPLANTATI	VIISION 80	[GRAPHIC]	199602
E39100007	ION-IMPLANTATION	E220	[GRAPHIC]	199603
E39100008	ION-IMPLANTATION	VIISION 80	[GRAPHIC]	199603
E39100009	ION-IMPLANTATION	E220	[GRAPHIC]	199607
E39100010	ION-IMPLANTATION	VIISION80	[GRAPHIC]	199607
E39100011	ION-IMPLANTATION	VIISION 80	[GRAPHIC]	199703
E39100018	ION-IMPLANTATI	XR80	[GRAPHIC]	199806
E39600014	UV-ERASER	VUM-3359-C	[GRAPHIC]	199708
E39600015	UV-ERASER	VUM-3359-C	[GRAPHIC]	199708
E39600016	UV-ERASER	VUM-3359-C	[GRAPHIC]	199708
E48100002	PILOT ASHER	TCA-3822	[GRAPHIC]	199408
E48100003	ILD ASHER	TCA-3822	[GRAPHIC]	199408
E48100005	STACKED GETEETCH	P-5090E(3CHB)	[GRAPHIC]	199408
E48100006	HF VAPER ETC	EXCALIBUR1200	M-FSI	199408
E48100007	ASHER	RAM-8500	MC[GRAPHIC]	199409
E48100008	ASHER	RAM-8500	MC[GRAPHIC]	199409
E48100009	ASHER	RAM-8500	MC[GRAPHIC]	199409
E48100010	POLY SILICON	P-5020E	[GRAPHIC]	199409
E48100011	SILICON NITRIDE	TE-8400	[GRAPHIC]	199409
E48100012	SILICON OXIDEETCHE	TE8500	[GRAPHIC]	199409
E48100013	SILICON OXIDEETCHE	TE8500	[GRAPHIC]	199409
E48100016	AL-ETCHER	TCP-9600	[GRAPHIC]	199410
E48100017	AL-ETCHER	TCP-9600	[GRAPHIC]	199410
E48100021	ASHER	RAM-8500	MC[GRAPHIC]	199505
E48100023	ASHER	RAM-8500	MC[GRAPHIC]	199505
E48100025	ASHER	RAM-8500	MC[GRAPHIC]	199509
E48100026	ASHER	RAM-8500	MC[GRAPHIC]	199509
E48100027	ASHER	RAM-8500	MC[GRAPHIC]	199509
E48100028	W-ETCHBACK-ETC	TE8600	[GRAPHIC]	199509
E48100030	STACKED-GATE-E	P-5090E(3CHB)	[GRAPHIC]	199509
E48100031	ASHER	RAM-8500	MC[GRAPHIC]	199509
E48100035	AL-ETCHER	TCP-9600	[GRAPHIC]	199512
E48100036	ILD-ASHER	TCA-3822	[GRAPHIC]	199603
E48100037	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199604
E48100038	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199604
E48100039	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199604
E48100040	W-ETCHBACK-ETC	TE-8600	[GRAPHIC]	199604
E48100042	ASHER	RAM-8500	MC[GRAPHIC]	199605
E48100043	ASHER	RAM-8500	MC[GRAPHIC]	199605
E48100044	ASHER	RAM-8500	MC[GRAPHIC]	199605
E48100045	ASHER	RAM-8500	MC[GRAPHIC]	199605

E48100046	POLY-SILICON-ETCHER	P-5090E(3CHB)	[GRAPHIC]	199605
E48100047	POLY-SILICON-ETCHER	P-5090E(3CHB)	[GRAPHIC]	199605
E48100048	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100049	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100050	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100051	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199606
E48100052	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199606
E48100053	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100055	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100056	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100057	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100058	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100059	SILICON-OXIDE-ETCHE	UNITY85DATC(2CH+1)	[GRAPHIC]	199606
E48100060	SILICON-OXIDE-ETCHE	UNITY85DATC(2CH+1)	[GRAPHIC]	199606
E48100061	SILICON-OXIDE-ETCHE	UNITY85DATC(2CH+1)	[GRAPHIC]	199606
E48100062	SILICON-OXIDE-ETCHE	UNITY85D(2CH)	[GRAPHIC]	199606
E48100063	SILICON-OXIDE-ETCHE	UNITY85D(2CH)	[GRAPHIC]	199606
E48100064	SILICON-OXIDE-ETCHE	UNITY85D(2CH)	[GRAPHIC]	199606
E48100065	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100066	SILICON-OXIDE-ETCHE	UNITY85D(2CH)	[GRAPHIC]	199607
E48100067	POLY-SILICON-ETCHER	P-5090E(3CHB)	[GRAPHIC]	199607
E48100068	POLY-SILICON-ETCHER	P-5090E(3CHB)	[GRAPHIC]	199607
E48100069	AL-ETCHER	TCP-9600	[GRAPHIC]	199609
E48100070	AL-ETCHER	TCP-9600	[GRAPHIC]	199609
E48100071	AL-ETCHER	TCP-9600	[GRAPHIC]	199609
E48100072	AL-ETCHER	TCP-9600	[GRAPHIC]	199609
E48100073	AL-ETCHER	TCP-9600	[GRAPHIC]	199703
E48100075	POLY-ETCHER	TCP-9400	[GRAPHIC]	199703
E48100076	ASHER	RAM-8500	MC[GRAPHIC]	199703
E48100077	ASHER	RAM-8500	MC[GRAPHIC]	199704
E48100078	SILICON-OXIDE-ETCHE	UNITY85DATC(2CH+1)	[GRAPHIC]	199705
E48100107	ETCHER	CENTURA 5200 ETCH DPS	[GRAPHIC]	199807
E48200001	WET-STATION	WS-810	[GRAPHIC]	199408
E48200002	WET-STATION	WS-840	[GRAPHIC]	199408
E48200003	WET-STATION	WS-822	[GRAPHIC]	199408
E48200004	WET-STATION	WS-823	[GRAPHIC]	199408
E48200005	WET-STATION	WS-851	[GRAPHIC]	199408
E48200006	WET-STATION	WS-853	[GRAPHIC]	199408
E48200007	WET-STATION	WS-854	[GRAPHIC]	199408
E48200008	WET-STATION	WS-880	[GRAPHIC]	199408
E48200009	ISOTROPIC, ETCH	WS-860	[GRAPHIC]	199408
E48200010	WET-STATION	WS-821	[GRAPHIC]	199508
E48200011	WET-STATION	WS-852	[GRAPHIC]	199508
E48200012	WET-STATION	WS-825	[GRAPHIC]	199603
E48200013	WET-STATION	WS-827	[GRAPHIC]	199603
E48200014	WET-STATION	WS-852	[GRAPHIC]	199603
E48200015	WET-STATION	WS-851	[GRAPHIC]	199603
E48200016	WET-STATION	WS-852	[GRAPHIC]	199603
E48200017	WET-CLEANER	MERCURY	M-FSI	199603
E48200018	WET-CLEANER	MERCURY	M-FSI	199603
E48200019	WET-STATION	WS-825	[GRAPHIC]	199604
E48200020	WET-STATION	WS-826	[GRAPHIC]	199604
E48200021	WET-STATION	WS-852	[GRAPHIC]	199604
E48200022	WET-ETCH-SYSTEM	FWET	[GRAPHIC]	199605
E48200023	WET-STATION	WS-840	[GRAPHIC]	199704
E48200040	MERCURY-FOR-CM	MERCURY	M-FSI	199806

E48200041	MERCURY-FOR-II	MERCURY WITH ROBOT	M-FSI	199806
E48300003	PLASMA CVD SYS.	P-5000(3CHB)	[GRAPHIC]	199408
E48300004	PLASMA CVD SYSTEM	CONCEPTONE-W	[GRAPHIC]	199408
E48300005	PLASMA CVD SYS.	P-5000(2CHB)	[GRAPHIC]	199408
E48300008	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199505
E48300009	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199505
E48300011	PLASMA-CVD-SYS	P-5000(2CHB)	[GRAPHIC]	199510
E48300012	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199510
E48300013	BPSG-DEPOSITION-SYS	APT-5800	CANON	199602
E48300014	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199603
E48300015	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199603
E48300016	WSI-DEPOSITION-SYS	MB2-730	[GRAPHIC]	199603
E48300017	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199603
E48300018	BPSG-DEPOSITION-SYS	APT-5800	CANON	199603
E48300019	PLASMA-CVD-SYS	CONCEPT ONE	[GRAPHIC]	199603
E48300020	BPSG-DEPOSITION-SYS	APT-5800	CANON	199604
E48300021	PLASMA-CVD-SYSTEM	P-5000(3CHB)	[GRAPHIC]	199605
E48300022	PLASMA-CVD-SYSTEM	P-5000(3CHB)	[GRAPHIC]	199605
E48300023	PLASMA-CVD-SYSTEM	CONCEPT ONE-W	[GRAPHIC]	199607
E48300024	BPSG-DEPOSITION-SYS	APT-5800 BPSG	CANON	199610
E48300025	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199703
E49100001	WET STRIP	WSST	[GRAPHIC]	199408
E49100004	WET-STRIP	WSST	[GRAPHIC]	199505
E49100006	WET-STRIP	WSST(2CHB)	[GRAPHIC]	199511
E49100007	SPRAY-SOLVENT-TOOL	DUAL CHAMBER	[GRAPHIC]	199603
E49100008	SPRAY-SOLVENT-TOOL	DUAL CHAMBER	[GRAPHIC]	199603
E49200001	SPINS CRUBBER	SSW-80A-AR(2[GRAPHIC])	[GRAPHIC]	199408
E49200002	SPINS CRUBBER	SSW 80A AVR(2[GRAPHIC])	[GRAPHIC]	199408
E49200003	SPIN-SCRUBBER	SSW-80A-AR(2[GRAPHIC])	[GRAPHIC]	199504
E49200004	SOS-COATER	SC-W80A-AVG(BLQ)	[GRAPHIC]	199511
E49200005	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200006	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200007	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200008	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200009	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200011	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199703
E49200012	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199703
E49200013	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199706
E49200014	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199706
E49200015	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199706
E50100002	[GRAPHIC]	AVANTI472	[GRAPHIC]	199512
E50100003	[GRAPHIC]	MERCURY MP	M-FSI	199512
E50100008	POLISHER	AVANTI 472	[GRAPHIC]	199603
E50100009	POLISH	AVANTI472	[GRAPHIC]	199708
E50100013	CMP	STRB-6DS	[GRAPHIC]	199806
E51100002	SPUTTERING SYS	ENDURA HP	[GRAPHIC]	199408
E51100003	SPUTTERING SYS	ENDURA HP	[GRAPHIC]	199408
E51100005	SPUTTERING-SYS	ENDURA5500 HP	[GRAPHIC]	199507
E51100006	BACK-GRINDER	DFG-840	[GRAPHIC]	199603
E51100007	SPUTTERING-SYSTEM	ENDURA-5500-HP	[GRAPHIC]	199604
E51100008	SPUTTERING-SYSTEM	ENDURA-5500-HP	[GRAPHIC]	199604
E51100009	SPUTTERING-SYSTEM	ENDURA 5500 HP	[GRAPHIC]	199605
E51100010	SPUTTERING-SYSTEM	ENDURA 5500 HP	[GRAPHIC]	199605
E51100012	BACK-GRINDER	DFG-840	[GRAPHIC]	199801
E52100001	SOG SYSTEM	CLEANTRACK-MK8	[GRAPHIC]	199408
E52100002	COATER/DEVELOPE	CLEANTRACK-MK8	[GRAPHIC]	199408

E52100003	COATER/DEVELOPE	CLEANTRACK-MK8	[GRAPHIC]	199408
E52100004	COATER/DEVELOPE	CLEANTRACK-MK8	[GRAPHIC]	199408
E52100005	COATER/DEVELOPE	CLEANTRACK-MK8	[GRAPHIC]	199408
E52100006	COATER/DEVELOPE	CLEANTRACK-MK8	[GRAPHIC]	199408
E52100007	QUICK REWORK	CLEANTRACK-MK7	[GRAPHIC]	199408
E52100009	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199504
E52100012	COATER/DEVELOP	CLEANTRACKMK-8	[GRAPHIC]	199507
E52100013	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199508
E52100016	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199508
E52100017	SOG-SYSTEM	CLEANTRACK-MK8	[GRAPHIC]	199509
E52100018	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199509
E52100019	COATER/DEVELOP	CLEANTRACKMK-8	[GRAPHIC]	199510
E52100020	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199511
E52100021	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199511
E52100022	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199512
E52100023	COATER/DEVELOP	CLEANTRACK-MK8 AO	[GRAPHIC]	199602
E52100024	SOG-SYSTEM	CLEANTRACK-MK8	[GRAPHIC]	199603
E52100025	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199603
E52100026	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199604
E52100027	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199604
E52100028	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199604
E52100029	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199604
E52100030	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199604
E52100031	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199604
E52100032	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199604
E52100033	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199604
E52100034	COATER/DEVELOP	CLEANTRACKMARK-8	[GRAPHIC]	199605
E52100035	COATER/DEVELOP	CLEANTRACKMARK-8	[GRAPHIC]	199605
E52100036	COATER/DEVELOP	CLEANTRACKMARK-8	[GRAPHIC]	199605
E52100037	COATER/DEVELOP	CLEANTRACKMARK-8	[GRAPHIC]	199605
E52100038	COATER/DEVELOP	CLEANTRACKMARK-8	[GRAPHIC]	199605
E52100039	COATER/DEVELOP	CLEANTRACKMARK-8	[GRAPHIC]	199605
E52100040	SOG-SYSTEM	CLEANTRACK-MK8[GRAPHIC]	[GRAPHIC]	199607
E52100041	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199607
E52100042	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199705
E52100048	COATER/DEVELOP	CLEANTRACK-MK8 (TARC)	[GRAPHIC]	199806
E52100049	COATER/DEVELOP	CLEANTRACK-MK8 (TARC)	[GRAPHIC]	199806
E60100011	PROCESS-GAS-MONIT	RGA	[GRAPHIC]	199508
E60100016	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199605
E60100017	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199605
E60100018	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199605
E60100019	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199605
E60100020	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199610
E62100001	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100002	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100003	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100004	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100005	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100006	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100007	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100008	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100009	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100010	VERTICAL, FURNAC	[GRAPHIC]-808D	[GRAPHIC]	199408
E62100012	VERTICAL, CVD FU	[GRAPHIC]-808SC	[GRAPHIC]	199408
E62100013	VERTICAL, CVD FU	[GRAPHIC]-808SC	[GRAPHIC]	199408
E62100014	VERTICAL, CVD FU	[GRAPHIC]-808SC	[GRAPHIC]	199408

E62100015	VERTICAL, CVD FU	[GRAPHIC]-808SC	[GRAPHIC]	199408
E62100017	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199505
E62100018	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199509
E62100019	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199509
E62100020	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199509
E62100021	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199509
E62100022	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199509
E62100025	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199509
E62100026	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199509
E62100027	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SD (DCEOX)	[GRAPHIC]	199512
E62100028	FURNACE	[GRAPHIC]-808SD (SOS CURE)	[GRAPHIC]	199512
E62100029	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100030	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100031	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100032	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100033	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100034	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100035	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100036	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100037	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100038	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100039	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100040	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100041	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100043	VERTICAL-FURNACE	[GRAPHIC]-808D	[GRAPHIC]	199603
E62100044	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100045	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100046	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100047	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100048	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100049	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100050	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100051	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100052	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100053	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100054	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100055	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100056	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100057	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100058	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100059	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100060	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100063	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD (IOX/WL)	[GRAPHIC]	199703
E62100064	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD (TNOX/GOX)	[GRAPHIC]	199703
E62100065	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC (HTO)	[GRAPHIC]	199703
E62100066	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC (DASI)	[GRAPHIC]	199703
E62100067	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD IOX/WL	[GRAPHIC]	199705
E62100068	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD IOX/WL	[GRAPHIC]	199705
E62100069	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD WOX	[GRAPHIC]	199705
E62100101	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199806
E62100102	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199806
E62100103	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199806
E62100104	SOS-CURE-FURNN	[GRAPHIC]-808SD	[GRAPHIC]	199806
E62400001	RTA	LA-W815-AV2.5	[GRAPHIC]	199408
E62400003	RTA	LA-820	[GRAPHIC]	199603
E62400004	RTA	LA-820	[GRAPHIC]	199603

E62500001	UV-CURE	M200PCU	[GRAPHIC]	199408
E62500002	UV-CURE	M200PCU	[GRAPHIC]	199603
E63100003	RINSER DRIER	ST-880S	[GRAPHIC]	199408
E63100004	SPIN-RINSER-DRIER	ST-880S	[GRAPHIC]	199511
E67100001	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100002	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100003	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100004	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100005	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100009	STEPPER	M2241I	[GRAPHIC]	199507
E67100010	STEPPER	FPA-2500I3	CANON	199508
E67100011	STEPPER	FPA-2500I3	CANON	199508
E67100015	STEPPER	FPA-2500I3	CANON	199509
E67100016	STEPPER	FPA-2500I3	CANON	199509
E67100017	STEPPER	FPA-2500I3	CANON	199510
E67100019	STEPPER	FPA-3000I4	CANON	199601
E67100020	STEPPER	FPA-3000I4	CANON	199602
E67100021	STEPPER	FPA-3000IW	CANON	199603
E67100022	STEPPER	FPA-3000IW	CANON	199603
E67100023	STEPPER	FPA-3000IW	CANON	199604
E67100024	STEPPER	FPA-3000IW	CANON	199604
E67100025	STEPPER	FPA-3000IW	CANON	199604
E67100026	STEPPER	FPA-3000IW	CANON	199604
E67100027	STEPPER	FPA-3000I4	CANON	199604
E67100028	STEPPER	FPA-3000I4	CANON	199604
E67100029	STEPPER	FPA-3000I4	CANON	199604
E67100030	STEPPER	FPA-3000I4	CANON	199604
E67100031	STEPPER	FPA-3000I4	CANON	199604
E67100032	STEPPER	FPA-3000I4	CANON	199604
E67100033	STEPPER	FPA-3000I4	CANON	199604
E67100034	STEPPER	FPA-3000I4	CANON	199606
E67100035	STEPPER	FPA-3000I4	CANON	199607
E67100036	STEPPER	FPA-3000I4	CANON	199607
E67100037	STEPPER	FPA-3000I5	CANON	199703
E67100038	STEPPER	FPA-3000I5	CANON	199703
E67100039	STEPPER	FPA-3000I5	CANON	199705
E67100040	STEPPER	FPA-3000I5	CANON	199706
E67100041	STEPPER	FPA-3000I5	CANON	199706
E67100042	STEPPER	FPA-3000I5	CANON	199709
E67100054	STEPPER	FPA-3000I5	CANON	199806
E67100055	STEPPER	FPA-3000I5	CANON	199806
E70100001	TAPE LAMINATER	DR-8500	[GRAPHIC]	199408
E70100002	TAPE REMOVER	HR-8500	[GRAPHIC]	199408
F18200007	PARTICLE	SFS-6400	[GRAPHIC]	199408
F18200008	PARTICLE	SFS-6400	[GRAPHIC]	199408
F18200010	ANALSYS STATIO	KLA-2551X	[GRAPHIC]	199408
F18200011	REVIEWSTATION	KLA-2608	[GRAPHIC]	199408
F18200023	FILM THICKNESS	FT-530/E	[GRAPHIC]	199408
F18200024	X-RAY FLUORE	SYSTEM-3630	[GRAPHIC]	199408
F18200025	STRESS	FLX-2328	[GRAPHIC]	199408
F18200027	FILM THICKNESS	P2	[GRAPHIC]	199408
F18200029	DOSE MONITER	TP-400XP	[GRAPHIC]	199408
F18200031	MICROSCOPE	IM-15	[GRAPHIC]	199408
F18200032	MICROSCOPE	IM-15	[GRAPHIC]	199408
F18200036	FILM THICKNESS	P2	[GRAPHIC]	199408
F18200068	FILM-THICKNESS	FT-700	[GRAPHIC]	199504

F18200069	FILM-THICKNESS	FE-IV	[GRAPHIC]	199505
F18200070	MICROSCOPE	1M-15	[GRAPHIC]	199505
F18200071	MICROSCOPE	1M-15	[GRAPHIC]	199505
F18200083	ANALYSIS-STATI	KLA-2552	KLA	199507
F18200084	INSPECTION-SYS	KLA-2131	KLA	199507
F18200100	TILT-SEM	JWS-7500E	[GRAPHIC]	199511
F18200102	REFLECTANCE-MESURME	FT-750	[GRAPHIC]	199511
F18200103	[GRAPHIC]	SFS6420	[GRAPHIC]	199511
F18200104	MICROSCOPE	BIN (CAMERA)	[GRAPHIC]	199511
F18200112	FILM-THICKNESS	FE4	[GRAPHIC]	199602
F18200113	FILM-THICKNESS	FT-750	[GRAPHIC]	199602
F18200114	RESISTIVITY-MAPPING	OMNI MAP 55	[GRAPHIC]	199602
F18200115	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200116	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200117	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200118	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200119	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200120	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200121	SEM	S-8820	[GRAPHIC]	199602
F18200123	SEM	S-8820	[GRAPHIC]	199602
F18200124	REFLECTENCE-MESUREMENT	FT-750	[GRAPHIC]	199602
F18200127	PARTICLE-COUNTER	SFS-7700	[GRAPHIC]	199602
F18200128	WAFER-INSPECTI	KLA-2132	[GRAPHIC]	199602
F18200129	UV-TRANSMISIVITY	UV1050	[GRAPHIC]	199602
F18200130	REVIEW-STATION	INS2000	[GRAPHIC]	199602
F18200136	WAFER-INSPECTI	KLA-2112	[GRAPHIC]	199603
F18200137	WAFER-INSPECTI	KLA-2112	[GRAPHIC]	199603
F18200138	ANALYSIS-STATIO	KLA-2552	[GRAPHIC]	199603
F18200158	FILM-THICKNESS	FE7	[GRAPHIC]	199606
F18200161	OVERLAY-MEASUREMENT	KLA-5100	[GRAPHIC]	199607
F18200243	WAFER-INSPECTI	KLA-2115	KLA	199711
F20200001	MICROSCOPE (CAMERA)	CHIVI (BIN)	[GRAPHIC]	199408
F20200002	MICROSCOPE	CHIVI (BIN)	[GRAPHIC]	199408
F20200003	MICROSCOPE (CAM)	CHIVI (BIN)	[GRAPHIC]	199408
F20200004	MICROSCOPE (CAM)	CHIVI (BIN)	[GRAPHIC]	199408
F20200005	MICROSCOPE (CAM)	CHIVI (BIN)	[GRAPHIC]	199408
F20200006	MICROSCOPE (CAM)	CHIVI (BIN)	[GRAPHIC]	199408
F20200010	MICROSCOPE	CHIVI (BIN)	[GRAPHIC]	199408
F20200016	MICROSCOPE (CAM)	CHIVI (BIN)	[GRAPHIC]	199602
F20200018	MICROSCOPE (CAM)	CHIVI (BIN)	[GRAPHIC]	199602
F20200019	MICROSCOPE (CAM)	CHIVI (BIN)	[GRAPHIC]	199602
F20200020	MICROSCOPE (CAM)	CHIVI (BIN)	[GRAPHIC]	199602
F20200021	MICROSCOPE (CAM)	CHIVI (BIN)	[GRAPHIC]	199602
F20400002	[GRAPHIC]	PM-PB20	[GRAPHIC]	199408
F20500001	ANALYTICAL-BALANCE	MODEL AB-300	AMD	199602
F60100001	[GRAPHIC]	HP8452A	[GRAPHIC]	199411
H16600001	SHEET, RESIST	M-GAGE300	[GRAPHIC]	199408
J00000147	VERTICAL DIFF FURNACE	ALPHA-8/SD	[GRAPHIC]	199910
J00000156	[GRAPHIC]	TE8401	[GRAPHIC]	200003
J00000157	[GRAPHIC]	TE8401	[GRAPHIC]	200004
J00000198	PLASMA CVD SYSTEM	P-5000(SiN)	[GRAPHIC]	199912
J00000239	WSi CVD SYSTEM	MB2-730(DCS)	[GRAPHIC]	200002
J00000523	[GRAPHIC]	DD-823V-8BL	[GRAPHIC]	200004
J00000524	[GRAPHIC]	DD-823V-8BL	[GRAPHIC]	200004
J00000613	DRY ETCHER	CENTURA-5200	[GRAPHIC]	200007
J00000622	LAMP ANNEAL	LA-W820	[GRAPHIC]	200007

J00001122	Vertical Diffusion Furnace	ALPHA-8SE-ZA (Hi Temp)	[GRAPHIC]	200103
J00001209	CVD MACHINE	CONCEPT TWO	[GRAPHIC]	200110
J00001371	SPUTTERING SYSTEM	ENDURA-CVD	[GRAPHIC]	200208
J00001372	SPUTTERING SYSTEM	ENDURA-CVD	[GRAPHIC]	200212
J00001375	PLASMA CVD SYSTEM	P-5000 (ARC)	[GRAPHIC]	200208
J00001377	VERTICAL DIFF FURNACE	a-8SED (GOX)	[GRAPHIC]	200209
J00001381	COATER/DEVELOPER	ACT8 CAR	[GRAPHIC]	200211
J00001382	SPUTTERING SYSTEM	ENDURA-CVD	[GRAPHIC]	200208
J00001383	PLASMA CVD SYSTEM	MB2-730 (DCS)	[GRAPHIC]	200209
J00001386	POLY-ETCH	CENTURA-MXP	[GRAPHIC]	200210
J00001387	ETCHER	UNITY85-DI	[GRAPHIC]	200210
J00001388	ETCHER	UNITY85-DI	[GRAPHIC]	200210
J00001389	PLASMA CVD SYSTEM	P-5000SA (BPSG)	[GRAPHIC]	200212
J00001411	VERTICAL DIFF FURNACE	a-8SED (GOX)	[GRAPHIC]	200209
J00001414	STEPPER	FPA-3000 EX6	[GRAPHIC]	200211
J00001811	DRY ETCHER	TE8401	[GRAPHIC]	200209
J00001812	DRY ETCHER	TE8401	[GRAPHIC]	200209
K00000460	[GRAPHIC]	IS2510	[GRAPHIC]	199906
K00000461	[GRAPHIC]	NC110	KLA[GRAPHIC]	199905
K00000817	PARTICLE INSPECTION	IS1600	[GRAPHIC]	200006
K00002122	SEM	S9220 (Etch)	[GRAPHIC]	200209
K00002123	MICROSCOPE	Chivi-7	[GRAPHIC]	200206
K00002125	FILM THICKNESS	UV-1080	[GRAPHIC]	200208
K00002126	OVERLAY MEASUREMENT	KLA-5200XP	[GRAPHIC]	200208
K00002128	FILM THICKNESS	FE-7	[GRAPHIC]	200211
K00002129	OVERLAY MEASUREMENT	KLA 5200	[GRAPHIC]	200210
K00002131	SEM	S9200 (Etch)	[GRAPHIC]	200303
K00002132	SEM	S9200 (Photo)	[GRAPHIC]	200207
K00002135	FILM THICKNESS	UV-1280SE	[GRAPHIC]	200208
K00002137	STRESS MEASUREMENT	FLX-5410	[GRAPHIC]	200302
K00002138	RESISTIVITY MAPPING	OMNI RS-75/tc	[GRAPHIC]	200303
K00002190	PARTICLE	SFS6420	[GRAPHIC]	200211
K00002191	WAFER INSPECTION	KLA 2139	[GRAPHIC]	200303

[GRAPHIC]

[[GRAPHIC]

[GRAPHIC]		[GRAPHIC]	[GRAPHIC]	[GRAPHIC]
E39100012	ION-IMPLANTATI	E220HP	[GRAPHIC]	199801
E39100013	ION-IMPLANTATI	E220HP	[GRAPHIC]	199801
E39100014	ION-IMPLANTATI	VIISION	[GRAPHIC]	199801
E39100015	ION-IMPLANTATION	E220HP	[GRAPHIC]	199804
E39100016	ION-IMPLANTATION	VIISION 80	[GRAPHIC]	199804
E39100017	ION-IMPLANTATION	VIISION 80	[GRAPHIC]	199804
E39600009	UV-ERASER	VUM-33598	[GRAPHIC]	199607
E39600011	UV-ERASER	VUM-33598	[GRAPHIC]	199607
E39600018	UV-ERASER	VUM-3359C	[GRAPHIC]	199710
E48100041	W-ETCHBACK-ETC	TE-8600	[GRAPHIC]	199604
E48100054	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100074	ASHER	RAM-8500	MC[GRAPHIC]	199703
E48100079	SILICON-NITRID	TE-8400S	[GRAPHIC]	199710
E48100080	ASHER	RAM-8500 (BULK)	MC[GRAPHIC]	199710
E48100081	ASHER	RAM-8500 (METAL)	MC[GRAPHIC]	199710
E48100082	ASHER	RAM-8500 (II)	MC[GRAPHIC]	199710
E48100083	ILD-ASHER	L-3510	[GRAPHIC]	199710
E48100084	ILD-ASHER	L-3510	[GRAPHIC]	199710
E48100085	AL-ETCHER	TCP-9600	[GRAPHIC]	199711

E48100086	AL-ETCHER	TCP-9600	[GRAPHICS]	199711
E48100087	SILICON-NITRID	TE-8400S	[GRAPHIC]	199711
E48100088	SILICON-OXIDE-	UNITY85DATC (2+1CH)	[GRAPHIC]	199711
E48100089	SILICON-OXIDE-	UNITY85D (2CH)	[GRAPHIC]	199711
E48100090	SILICON-OXIDE-	UNITY85D (2CH)	[GRAPHIC]	199711
E48100091	POLY-ETCH	CENTURA MXP	[GRAPHIC]	199711
E48100092	POLY-ETCH	CENTURA MXP	[GRAPHIC]	199711
E48100093	ASHER	RAM-8500(II)	MC[GRAPHIC]	199802
E48100094	ASHER	RAM-8500(II)	MC[GRAPHIC]	199802
E48100095	AL-ETCHER	TCP-9600	[GRAPHIC]	199806
E48100096	ETCHER	UNITY-85DI	[GRAPHIC]	199806
E48100097	ASHER	RAM-8500 (METAL)	MC[GRAPHIC]	199802
E48100098	SILICON-OXIDE-	UNITY85VER2EDATC(2+1CH)	[GRAPHIC]	199802
E48100099	ASHER	RAM-8500 (BULK)	MC[GRAPHIC]	199802
E48100100	ASHER	RAM-8500 (BULK)	MC[GRAPHIC]	199802
E48100101	SILICON-NITRID	TE-8400S	[GRAPHIC]	199802
E48100102	SILICON-NITRIDE-ETC	TE-8400S	[GRAPHIC]	199805
E48100103	POLY-ETCH	CENTURA DPS	[GRAPHIC]	199806
E48100104	POLY-ETCH	CENTURA DPS	[GRAPHIC]	199804
E48100109	AL-ETCHER	TCP-9600	[GRAPHIC]	199812
E48100110	SILICON-NITRIDE-ETC	TE-8400 (S/D)	[GRAPHIC]	199812
E48100111	SILICON-OXIDE-ETCHE	UNITY85ATC	[GRAPHIC]	199812
E48200024	WET-STATION	WS-810	[GRAPHIC]	199710
E48200025	WET-STATION	WS-840	[GRAPHIC]	199710
E48200026	WET-STATION	WS-821	[GRAPHIC]	199710
E48200027	WET-STATION	WS-822	[GRAPHIC]	199710
E48200028	WET-STATION	WS-823	[GRAPHIC]	199710
E48200029	HF-VAPER-ETCHI	F-WET	[GRAPHIC]	199710
E48200030	WET-STRIP	WSST (DUAL)	[GRAPHIC]	199710
E48200032	MERCURY-WITH-R	MERCURY	M-FSI	199711
E48200033	CMP-POST-CLEAN	MERCURY (SIO)	M-FSI	199711
E48200034	WET-STATION	UW-851	[GRAPHIC]	199801
E48200035	WET-STATION	UW-852 (ETCH)	[GRAPHIC]	199801
E48200036	WET-STATION	UW-852(II)	[GRAPHIC]	199801
E48200037	MERCURY-WITH-R	MERCURY	M-FSI	199803
E48200038	WET-STATION	UW-851	[GRAPHIC]	199805
E48200039	WET-STRIP	WSST (DUAL)	[GRAPHIC]	199802
E48200042	WET-STATION	WS-822	[GRAPHIC]	199809
E48300027	PLASMA-CVD-SYS	P-5000 (3CHB) (SION)	[GRAPHIC]	199710
E48300028	PLASMA-CVD-SYS	P-5000 (2CHB) (SIN)	[GRAPHIC]	199710
E48300029	PLASMA-CVD-SYS	P-5000 (2CHB) (SIO)	[GRAPHIC]	199710
E48300030	PLASMA-CVD-SYS	CONCEPT TWO-W	[GRAPHIC]	199710
E48300031	BPSG-DEPOSITIO	P5000SA	[GRAPHIC]	199710
E48300032	WSI-DEPOSITION	MB2-730 (WSI DEPO)	[GRAPHIC]	199711
E48300033	WSI-DEPOSITION	MB2-730 (WSI DEPO)	[GRAPHIC]	199802
E48300034	PLASMA-CVD-SYS	P-5000 (2CHB) (SIN)	[GRAPHIC]	199802
E48300035	BPSG-DEPOSITIO	P5000SA	[GRAPHIC]	199805
E48300036	PLASMA-CVD-SYS	P-5000 (2CHB) (SIO)	[GRAPHIC]	199805
E49200016	SPIN-SCRUBBER	SSW-80A-AR (2[GRAPHIC])	[GRAPHIC]	199710
E49200017	SPIN-SCRUBBER	SSW-80A-AVR (2[GRAPHIC])	[GRAPHIC]	199710
E49200018	REWORK	SCW-80A	[GRAPHIC]	199710
E49200019	SOS-CURE-SYSTE	SOS	[GRAPHIC]	199711
E49200020	CMP-POST-CLEAN	DSS-200	[GRAPHIC]	199805
E49200021	SPIN-SCRUBBER	SSW-80A-AVR (2[GRAPHIC])	[GRAPHIC]	199802
E49200022	SPIN-SCRUBBER	SSW-80A-AR (2[GRAPHIC])	[GRAPHIC]	199802
E49200027	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199803

E49200028	COATER/DEVELOPER(IW)	CLEANTRACK-MK8	[GRAPHIC]	199805
E50100010	POLISHER	STRB-6DS	[GRAPHIC]	199711
E50100011	POLISHER	STRB-6DS-SP (SIO)	[GRAPHIC]	199804
E50100012	POLISHER	STRB-6DS-SP (W)	[GRAPHIC]	199806
E50300016	HCL,MINI,CSS	[GRAPHIC]	[GRAPHIC] VLSI	199408
E51100011	SPUTTERING-SYS	ENDURA 5500 HP	[GRAPHIC]	199710
E51100013	BACK-GRINDER	DFG-841	[GRAPHIC]	199801
E52100043	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199710
E52100044	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199711
E52100045	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199711
E52100046	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199711
E52100047	SOG-SYSTEM	CLEANTRACK-MK8	[GRAPHIC]	199711
E52100054	COATER/DEVELOPER	CLEANTRACK-MK8 (IW)	[GRAPHIC]	199812
E52100055	COATER/DEVELOPER	CLEANTRACK-MK8 (IW)	[GRAPHIC]	199812
E60100029	PROCESS-GAS-MO	QUALITORR OLION SYSTEM	[GRAPHIC]	199806
E62100070	VERTICAL-DIFF.	[GRAPHIC]808SD (IOX/WL/FOX)	[GRAPHIC]	199710
E62100071	VERTICAL-DIFF.	[GRAPHIC] 808SD (SINOX)	[GRAPHIC]	199710
E62100072	VERTICAL-DIFF.	[GRAPHIC] 808SD (GOX/TNOX)	[GRAPHIC]	199710
E62100073	VERTICAL-DIFF.	[GRAPHIC] 808SD (WOX)	[GRAPHIC]	199710
E62100074	VERTICAL-DIFF.	[GRAPHIC] 808SD (BAOX/SOX)	[GRAPHIC]	199710
E62100075	VERTICAL-CVD.F	[GRAPHIC] 808SC (ONOSN)	[GRAPHIC]	199710
E62100076	VERTICAL-CVD.F	[GRAPHIC] 808SC (FL-SIN)	[GRAPHIC]	199710
E62100077	VERTICAL-DIFF.	[GRAPHIC] 808SD (IOX/WL/FOX)	[GRAPHIC]	199710
E62100078	VERTICAL-DIFF.	[GRAPHIC] 808SD (IOX/WL/FOX)	[GRAPHIC]	199710
E62100079	VERTICAL-DIFF.	VERTEX-3 (BMLT)	[GRAPHIC]	199711
E62100080	VERTICAL-CVD-F	[GRAPHIC] 808SC (HTO)	[GRAPHIC]	199711
E62100081	VERTICAL-CVD-F	[GRAPHIC] 808SC (HTO)	[GRAPHIC]	199711
E62100082	VERTICAL-CVD-F	[GRAPHIC] 808SC (ONO HTO)	[GRAPHIC]	199711
E62100083	VERTICAL-CVD-F	[GRAPHIC] 808SC (DASI)	[GRAPHIC]	199711
E62100084	VERTICAL-CVD-F	[GRAPHIC] 808SC (PLY-CAP)	[GRAPHIC]	199711
E62100085	VERTICAL-FURNA	VERTEX-3 (HAN)	[GRAPHIC]	199711
E62100086	VERTICAL-DIFF.	[GRAPHIC] 808SD (IOX/WL/FOX)	[GRAPHIC]	199801
E62100087	VERTICAL-CVD-F	[GRAPHIC] 808SC (HTO)	[GRAPHIC]	199801
E62100088	VERTICAL-CVD-FURNAC	[GRAPHIC] 808SC (DASI)	[GRAPHIC]	199804
E62100089	VERTICAL-CVD-FURNAC	[GRAPHIC] 808SC (ONO HTO)	[GRAPHIC]	199805
E62100090	VERTICAL-CVD-F	[GRAPHIC] 808SC (HTO)	[GRAPHIC]	199802
E62100091	VERTICAL-CVD-F	[GRAPHIC] 808SC (HTO)	[GRAPHIC]	199802
E62100092	VERTICAL-CVD-FURNAC	[GRAPHIC] 808SC (FL-SIN)	[GRAPHIC]	199805
E62100093	VERTICAL-DIFF.	[GRAPHIC] 808SD (IOX/WL/FOX)	[GRAPHIC]	199802
E62100094	VERTICAL-DIFF.	[GRAPHIC] 808SD (IOX/WL/FOX)	[GRAPHIC]	199802
E62100095	VERTICAL-DIFF.	[GRAPHIC] 808SD (IOX/WL/FOX)	[GRAPHIC]	199802
E62100096	VERTICAL-DIFF.	[GRAPHIC] 808SD (IOX/WL/FOX)	[GRAPHIC]	199802
E62100097	VERTICAL-DIFF.	[GRAPHIC] 808SD (IOX/WL/FOX)	[GRAPHIC]	199802
E62100098	VERTICAL-DIFF.FURNA	[GRAPHIC] 808SD (BAOX)	[GRAPHIC]	199805
E62100099	VERTICAL-DIFF.FURNA	[GRAPHIC] 808SD (WOX)	[GRAPHIC]	199805
E62100100	VERTICAL-DIFF.FURNA	[GRAPHIC] 808SD (GOX/TNOX)	[GRAPHIC]	199805
E62100106	VERTICAL-DIFF-	VERTEX (HAN)	[GRAPHIC]	199812
E62100110	VERTICAL-CVD-FURNAC	[GRAPHIC]808SC (HTO)	[GRAPHIC]	199812
E62100111	VERTICAL-DIFF-FURNA	[GRAPHIC]808SD (WOX)	[GRAPHIC]	199812
E62400005	RTA	LA-820 (DIF)	[GRAPHIC]	199710
E62400006	RTA	LA-820 (TFM)	[GRAPHIC]	199710
E62500003	UV-CURE	UMA1002	[GRAPHIC]	199710
E63100005	SPIN-RINSER-DR	ST-880S	[GRAPHIC]	199710
E63100007	SPIN-RINSER-DR	ST-880S	[GRAPHIC]	199801
E63100010	RINSER-DRYER	MODEL 480S	[GRAPHIC]	199806
E67100043	STEPPER	FPA-300015	CANON	199710

E67100044	STEPPER	FPA-3000I5	CANON	199711
E67100045	STEPPER	FPA-3000IW	CANON	199711
E67100046	STEPPER	FPA-3000IW	CANON	199711
E67100047	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199711
E67100048	STEPPER	FPA-3000I5	CANON	199712
E67100052	STEPPER	FPA-3000IW	[GRAPHIC]	199803
E67100053	STEPPER	FPA-3000IW	CANON	199804
E69100016	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199710
E69100017	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199710
E69100018	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199710
E69100019	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199710
E69100020	MICROSCOPE (CAM	AL-1000	[GRAPHIC]	199710
E69100021	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199710
E69100022	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199710
E69100025	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199801
E69100026	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199801
E69100027	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199801
E69100028	MICROSCOPE (CAM	AL-100	[GRAPHIC]	199802
E69900055	ASID-SINK	DR-1300-A	[GRAPHIC]	199710
E69900056	SOLVENT-SINK	DR-1000	[GRAPHIC]	199710
E70100013	TAPE-LAMINATER	DR-8500	[GRAPHIC]	199802
E70100014	TAPE-REMOVER	HR-8500	[GRAPHIC]	199802
F18200147	WAFER-INSPECTI	KLA-2112	[GRAPHIC]	199604
F18200182	MICROSCOPE	IM-15	[GRAPHIC]	199611
F18200183	MICROSCOPE	IM-15	[GRAPHIC]	199611
F18200184	MICROSCOPE	IM-15	[GRAPHIC]	199611
F18200194	RESISTIVITY-MA	OMNIMAP RS75TC	[GRAPHIC]	199710
F18200195	FILM-THICKNESS	P11	[GRAPHIC]	199710
F18200196	STRESS-MEASURE	FLX-2320A	[GRAPHIC]	199710
F18200197	RESISTIVITY-MA	OMNIMAP RS75	[GRAPHIC]	199710
F18200208	RESISTIVITY-MA	OMNIMAP RS75	[GRAPHIC]	199710
F18200209	FILM-THICKNESS	P11	[GRAPHIC]	199710
F18200210	FILM-THICKNESS	UV1250	[GRAPHIC]	199710
F18200211	SEM	S-8840	[GRAPHIC]	199710
F18200212	WAFER-INSPECTI	KLA-2115	KLA	199710
F18200213	WAFER-INSPECTI	KLA-2115	KLA	199710
F18200214	ANALSYS-STATIO	KLA-2552	KLA	199710
F18200215	REVIEWSTATION	CRS-1010	[GRAPHIC]	199710
F18200216	REVIEWSTATION	CRS-1010	[GRAPHIC]	199710
F18200217	SEM	S-8840	[GRAPHIC]	199710
F18200218	OVERLAY-MEASUR	KLA-5200	KLA	199710
F18200224	PARTICLE	IS2500	[GRAPHIC]	199710
F18200225	WAFER-INSPECTI	KLA-2135	KLA	199711
F18200244	TILT-SEM	S-7800	[GRAPHIC]	199712
F18200245	OVERLAY-MEASUR	KLA-5200	KLA	199801
F18200249	X-RAY-FLUOR.	SYSTEM-3640	[GRAPHIC]	199801
F18200252	[GRAPHIC]	FE-VII	[GRAPHIC]	200008
F18200253	[GRAPHIC]	FE-VII	[GRAPHIC]	200008
F18200259	PARTICLE	SFS-6420	[GRAPHIC]	200010
F18200260	[GRAPHIC]	SFS6420	[GRAPHIC]	200008
F18200262	[GRAPHIC]	UV1050	[GRAPHIC]	200008
F18200263	[GRAPHIC]	UV1050	[GRAPHIC]	200008
F18200264	[GRAPHIC]	UV1250	[GRAPHIC]	200008
F18200282	MICROSCOPE (CAM	IM-15 (IM-800)	[GRAPHIC]	199802
F18200283	SEM	S-8840	[GRAPHIC]	199804
F18200284	OVERLAY-MEASUREMENT	KLA-5200	KLA	199805

F18200285	MICROSCOPE (CAM	IM-15(IM-800)	[GRAPHIC]	199802
F18200286	SEM	S-8840	[GRAPHIC]	199803
H16600002	SHEET-RESISTAN	NC110	[GRAPHIC]	199801
J00000019	PARTICLE	SFS-6420	[GRAPHIC]	199812
J00000020	UV-ERASER	VUM-3359A	[GRAPHIC]	199812
J00000021	RTA	LA-820(DIF)	[GRAPHIC]	199901
J00000022	FILM-THICKNESS	UV-1080	[GRAPHIC]	199812
J00000023	SOS-CURE-SYSTE	CTMK8(SOS)	[GRAPHIC]	199812
J00000055	COATER/DEVELOPER	CLEANTRACK-MK8(-5)	[GRAPHIC]	199904
J00000056	COATER/DEVELOPER	CLEANTRACK-MK8(-5)	[GRAPHIC]	199904
J00000057	COATER/DEVELOPER	CLEANTRACK-MK8(-5)	[GRAPHIC]	199904
J00000058	COATER/DEVELOPER	CLEANTRACK-MK8(-5)	[GRAPHIC]	199904
J00000059	COATER/DEVELOPER	CLEANTRACK-MK8(KRF)	[GRAPHIC]	199905
J00000060	POLISHER	6DS-SP(SIO)	[GRAPHIC]	199906
J00000061	UV-ERASER	VUM-3359C	[GRAPHIC]	199906
J00000065	POLY-ETCHER	CENTURA DPS	[GRAPHIC]	199907
J00000066	POLISHER	6DS-SP(W)	[GRAPHIC]	199907
J00000067	POLISHER	6DS-SP(W)	[GRAPHIC]	199907
J00000068	PLASMA-CVD-SYSTEM	P-5000(2CHB)	[GRAPHIC]	199907
J00000069	COATER/DEVELOPER	CLEANTRACK-MK8(15)	[GRAPHIC]	199907
J00000070	COATER/DEVELOPER	CLEANTRACK-ACT8(KRF)	[GRAPHIC]	199907
J00000072	ETCHER	UNITY85DI	[GRAPHIC]	199907
J00000073	ETCHER	UNITY85DI	[GRAPHIC]	199907
J00000075	CMP POST CLEAN	DSS-200	[GRAPHIC]	199908
J00000104	VERTICAL DIFF FURNACE	DD-853V-8DL G/OX	[GRAPHIC]	199910
J00000105	VERTICAL CVD FURNACE	DI-853V-8DL HTO	[GRAPHIC]	199910
J00000106	VERTICAL CVD FURNACE	DJ-853V-8DL Si3N4	[GRAPHIC]	199910
J00000182	PLASMA CVD SYSTEM	P-5000(SiO)	[GRAPHIC]	199911
J00000221	UV ERASER	VUW-3359C	[GRAPHIC]	200001
J00000222	UV ERASER	VUW-3359C	[GRAPHIC]	200001
J00000396	Brush Scruber	SSW-80A-AR(CVD)	[GRAPHIC]	200008
J00000397	BRUSH SCRUBER	SSW-80A-AR(Mtl)	[GRAPHIC]	200011
J00000398	WET STATION	WS-822	[GRAPHIC]	200006
J00000399	HSQ COATER	CTMK-8 β	[GRAPHIC]	200008
J00000400	SOG COATER	CTMK-8 β	[GRAPHIC]	200006
J00000415	[GRAPHIC]	SST-C-632-280K	[GRAPHIC]	200010
J00000416	ETCHER	UNITY85DI	[GRAPHIC]	200010
J00000417	VERTICAL DIFF FURNACE	a -808SED(HI)	[GRAPHIC]	200012
J00000418	VERTICAL DIFF FURNACE	a -808SED(HI)	[GRAPHIC]	200012
J00000419	VERTICAL DIFF FURNACE	a -808SED(SNOX)	[GRAPHIC]	200011
J00000420	SOG COATER	CTMK8(SOG)	[GRAPHIC]	200011
J00000421	COATER/DEVELOPER	CLEANTRACK-ACT8(i5)	[GRAPHIC]	200012
J00000422	COATER/DEVELOPER	CLEANTRACK-ACT8(i5)	[GRAPHIC]	200011
J00000525	CMP [GRAPHIC]	6DS-SP(SiO)	[GRAPHIC]	200004
J00000611	DRY ETCHER	CENTURA-DPS	[GRAPHIC]	200008
J00000612	DRY ETCHER	CENTURA-5200	[GRAPHIC]	200009
J00000615	PLASMA CVD SYSTEM	P-5000(ARL)	[GRAPHIC]	200007
J00000616	PLASMA CVD SYSTEM	P-5000(SiN)	[GRAPHIC]	200006
J00000617	PLASMA CVD SYSTEM	P-5000(SiO)	[GRAPHIC]	200009
J00000618	PLASMA CVD SYSTEM	P-5000(SiO)	[GRAPHIC]	200007
J00000619	PLASMA CVD SYSTEM	P-5000SA(BPSG)	[GRAPHIC]	200009
J00000620	STEPPER	FPA-3000I5	[GRAPHIC]	200006
J00000623	LAMP ANNEAL	LA-W820	[GRAPHIC]	200007
J00000624	WET STATION	WS-810	[GRAPHIC]	200008
J00000625	WET STATION	WS-852(II)	[GRAPHIC]	200006
J00000626	POST TREATMENT MACHINE	MERCURY	M-FSI	200006

J0000627	ASHER	PEP3510	[GRAPHIC]	200006
J0000628	ASHER	PEP3510	[GRAPHIC]	200008
J0000629	ASHER	PEP3510	[GRAPHIC]	200008
J0000630	WSI CVD MACHINE	MB2-730	[GRAPHIC]	200008
J0000631	VERTICAL CVD FURNACE	[GRAPHIC] -808SC(DASI)	[GRAPHIC]	200007
J0000632	VERTICAL DIFF FURNACE	[GRAPHIC] -808SC(ONSIN)	[GRAPHIC]	200009
J0000633	VERTICAL DIFF FURNACE	[GRAPHIC] -808SD(BAOX)	[GRAPHIC]	200006
J0000634	VERTICAL DIFF FURNACE	[GRAPHIC] -808SD(BAOX)	[GRAPHIC]	200006
J0000635	VERTICAL DIFF FURNACE	[GRAPHIC] -808SD(GOX)	[GRAPHIC]	200009
J0000636	VERTICAL DIFF FURNACE	[GRAPHIC] 808SD(HI)	[GRAPHIC]	200006
J0000637	VERTICAL DIFF FURNACE	[GRAPHIC] 808SD(HI)	[GRAPHIC]	200006
J0000638	VERTICAL DIFF FURNACE	[GRAPHIC] 808SD(HI)	[GRAPHIC]	200006
J0000639	VERTICAL DIFF FURNACE	[GRAPHIC] 808SD(HI)	[GRAPHIC]	200006
J0000640	COATER/DEVELOPER	ACT-8(CAR)	[GRAPHIC]	200007
J0000641	COATER/DEVELOPER	ACT-8(i5)	[GRAPHIC]	200006
J0000642	COATER/DEVELOPER	ACT-8(i5)	[GRAPHIC]	200006
J0000643	COATER/DEVELOPER	ACT-8(i5)	[GRAPHIC]	200007
J0000644	COATER/DEVELOPER	ACT-8(Iw)	[GRAPHIC]	200006
J0000645	COATER/DEVELOPER	ACT-8(Iw)	[GRAPHIC]	200007
J0000768	ASHER	RAM8500	[GRAPHIC]	200007
J0000769	ASHER	RAM8500	[GRAPHIC]	200007
J0000771	BG	DFG850	[GRAPHIC]	200007
J0000772	COATER/DEVELOPER	ACT-8(iw)	[GRAPHIC]	200007
J0000773	STEPPER	FPA-3000EX5	[GRAPHIC]	200007
J0000774	STEPPER	FPA-3000I5	[GRAPHIC]	200007
J0000854	POST TREATMENT MACHINE	MERCURY-MP	M-FSI	200011
J0000856	WSI CVD MACHINE	MB2-730	[GRAPHIC]	200008
J0000857	AL ETCHER	TCP-9600	[GRAPHIC]	200010
J0000858	AL ETCHER	TCP-9600	[GRAPHIC]	200008
J0000859	POST TREATMENT MACHINE	MERCURY-MP	M-FSI	200009
J0000860	POST TREATMENT MACHINE	MERCURY-MP	M-FSI	200010
J0000861	DRY ETCHER	CENTURA-5200	[GRAPHIC]	200102
J0000863	PLAZMA CVD MACHINE	P-5000CVD(Sio)	[GRAPHIC]	200102
J0000866	DRY ETCHER	UNITY85	[GRAPHIC]	200008
J0000867	STEPPER	FPA-3000I5	[GRAPHIC]	200008
J0000869	[GRAPHIC]	UMA-1002-HC93	[GRAPHIC]	200008
J0000870	[GRAPHIC]	OPTIMA9300	[GRAPHIC]	200008
J0000915	ETCHER	UNITY85DI	[GRAPHIC]	200010
J0000916	ETCHER	UNITY85DI	[GRAPHIC]	200010
J0000917	VERTICAL CVD FURNACE	a -808SEC(HTO)	[GRAPHIC]	200101
J0000918	VERTICAL CVD FURNACE	a -808SEC(HTO)	[GRAPHIC]	200011
J0000919	VERTICAL DIFF FURNACE	a -808SED(HI)	[GRAPHIC]	200011
J0000920	VERTICAL DIFF FURNACE	a -8SE-ZV(HI)	[GRAPHIC]	200012
J0000921	W CVD MACHINE	MB2-730(W)	[GRAPHIC]	200012
J0000924	WET-STATION	UW-851	[GRAPHIC]	200011
J0000925	BRUSH SCRUBER	AS-2000	[GRAPHIC]	200109
J0000946	ASHER	RAM8500	[GRAPHIC]	200011
J0000947	ASHER	RAM8500	[GRAPHIC]	200011
J0000948	ASHER	RAM8500	[GRAPHIC]	200011
J0000949	BRUSH SCRUBER	SSW-80A-AR	[GRAPHIC]	200101
J0000950	PLAZMA CVD MACHINE	P-5000CVD(SiN)	[GRAPHIC]	200011
J0000951	BRUSH SCRUBER	SSW-80A-AR	[GRAPHIC]	200012
J0000952	PLAZMA CVD MACHINE	P-5000CVD(ARL)	[GRAPHIC]	200012
J0000953	WET STATION	WS-840	[GRAPHIC]	200101
J0000956	DRY ETCHER	TE8401	[GRAPHIC]	200009
J0000957	DRY ETCHER	TE8401	[GRAPHIC]	200009

J0000968	COATER/DEVELOPER	CLEANTRACK-ACT8(i5)	[GRAPHIC]	200012
J0000969	COATER/DEVELOPER	CLEANTRACK-ACT8(i5)	[GRAPHIC]	200012
J0000970	COATER/DEVELOPER	CLEANTRACK-ACT8(iW)	[GRAPHIC]	200010
J0000971	COATER/DEVELOPER	CLEANTRACK-ACT8(iW)	[GRAPHIC]	200010
J0000972	COATER/DEVELOPER	CLEANTRACK-ACT8(iW)	[GRAPHIC]	200012
J0000973	WSi CVD MACHINE	MB2-730(DCS)	[GRAPHIC]	200012
J0000974	ASHER	RAM-8500	[GRAPHIC]	200010
J0000975	HSQ COATER	CTMK8+β(HSQ)	[GRAPHIC]	200010
J0000976	AL ETCHER	TCP-9600	[GRAPHIC]	200102
J0000977	AL ETCHER	TCP-9600	[GRAPHIC]	200011
J0000992	TREATMENT MACHINE	F-WET	[GRAPHIC]	200012
J0000997	STEPPER	FPA-3000i5	[GRAPHIC]	200011
J0001001	ETCHER	LAM4520i	AMD	200110
J0001004	PLAZMA CVD MACHINE	P-5000CVD(BPSG)	[GRAPHIC]	200011
J0001005	VERTICAL DIFF FURNACE	a -8SE-ZV(WOX)	[GRAPHIC]	200011
J0001006	VERTICAL CVD FURNACE	a -8SE-ZV(ONHTO)	[GRAPHIC]	200011
J0001007	WET STATION	WS-822	[GRAPHIC]	200011
J0001008	WET STATION	WS-821	[GRAPHIC]	200011
J0001010	VERTICAL CVD FURNACE	a -8SE-ZV(HTO)	[GRAPHIC]	200011
J0001011	PLAZMA CVD MACHINE	P-5000CVD(SiN)	[GRAPHIC]	200101
J0001012	[GRAPHIC]	SST-C-632-280K	[GRAPHIC]	200101
J0001013	PLAZMA CVD MACHINE	P-5000CVD(Sio)	[GRAPHIC]	200012
J0001017	CMP POST CLEAN	DSS-200	[GRAPHIC]	200012
J0001018	AL ETCHER TCP9600SE	TCP-9600	[GRAPHIC]	200012
J0001021	VERTICAL CVD FURNACE	a -808SEC(DASI)	[GRAPHIC]	200204
J0001031	PLAZMA CVD MACHINE	P-5000CVD(BPSG.Co)	[GRAPHIC]	200204
J0001032	VERTICAL DIFF FURNACE	a -8SE-ZV(HI)	[GRAPHIC]	200012
J0001035	POLY ETCHER	CENTURA-MXP	[GRAPHIC]	200012
J0001036	CMP END POINT CONTROLLER	OPTIMA9325	[GRAPHIC]	200012
J0001037	CMP END POINT CONTROLLER	OPTIMA9325	[GRAPHIC]	200012
J0001038	SPUTTERING SYSTEM	ENDURA-HP-PVD	[GRAPHIC]	200101
J0001039	VERTICAL CVD FURNACE	a -8SE-ZV(SIN)	[GRAPHIC]	200101
J0001040	VERTICAL CVD FURNACE	a -8SE-ZV(DASI)	[GRAPHIC]	200101
J0001043	STEPPER	FPA-3000EX6	[GRAPHIC]	200101
J0001050	OVERLAY	KLA5200XP	KLA[GRAPHIC]	200101
J0001051	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200101
J0001097	WET STATION	WS-822	[GRAPHIC]	200102
J0001102	PLAZMA CVD MACHINE	P-5000CVD(SiO)	[GRAPHIC]	200204
J0001103	NITRIDE ETCHER	TE8401	[GRAPHIC]	200103
J0001121	Vertical Diffusion Furnace	Vertex-III (Hi-Temp DRY)	[GRAPHIC]	200103
J0001128	Rinser Dryer	SRD8300	[GRAPHIC]	200104
J0001134	ETCHER	UNITY85DI	[GRAPHIC]	200105
J0001135	ETCHER	UNITY85DI	[GRAPHIC]	200105
J0001157	VERTICAL CVD FURNACE	a -8SE-ZV	[GRAPHIC]	200205
J0001164	COATER/DEVELOPER	ACT-8	[GRAPHIC]	200106
J0001306	WET STATION	WS-820L	[GRAPHIC]	200205
J0001307	VERTICAL CVD FURNACE	a -8SE-ZA	[GRAPHIC]	200205
J0001308	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200301
J0001364	AL ETCHER	TCP9600SE	[GRAPHIC]	200210
J0001365	VERTICAL DIFF FURNACE	a-8SED(GOX)	[GRAPHIC]	200301
J0001367	AL ETCHER	TCP9600-SE	[GRAPHIC]	200207
J0001368	ION IMPLANTATION	E220	[GRAPHIC]	200207
J0001419	POLY ETCHER	CENTURA-MxP-PLUS	[GRAPHIC]	200208
J0002634	STEPPER	FPA-3000EX5	[GRAPHIC]	200210
K00000785	FILM THICKNESS	UV1280SE	KLA[GRAPHIC]	200007
K00000786	[GRAPHIC]	FE-VII	[GRAPHIC]	200007

K00000787	[GRAPHIC]	FE-VII	[GRAPHIC]	200007
K00000788	FILM THICKNESS	UV1280SE	KLA[GRAPHIC]	200007
K00000789	Defect Review	KLA2118	KLA[GRAPHIC]	200007
K00000790	Defect Review	KLA2118	KLA[GRAPHIC]	200007
K00000791	DOSE MONITOR	TP500	[GRAPHIC]	200012
K00000792	[GRAPHIC]	IS2510	[GRAPHIC]	200012
K00000793	SEM	S9200	[GRAPHIC]	200007
K00000794	SEM	S9200	[GRAPHIC]	200007
K00000795	FILM THICKNESS	UV-1080	KLA[GRAPHIC]	200007
K00000796	OMNI MAP	AUTO-RS75TC	KLA[GRAPHIC]	200007
K00000797	SEM	S9200	[GRAPHIC]	200007
K00000798	SEM	S9200	[GRAPHIC]	200007
K00000799	SEM	S9200	[GRAPHIC]	200007
K00000800	PARTICLE INSPECTION	AIT II SINGLE	KLA[GRAPHIC]	200007
K00000802	OVERLAY	KLA5200XP	KLA[GRAPHIC]	200007
K00000803	[GRAPHIC]	IS2510	[GRAPHIC]	200007
K00000804	Defect Review	KLA2118	KLA[GRAPHIC]	200007
K00000805	FILM THICKNESS	UV1280SE	KLA[GRAPHIC]	200007
K00000806	[GRAPHIC]	FAaST230DP	[GRAPHIC]	200105
K00000807	PARTICLE INSPECTION	AIT II SINGLE	KLA[GRAPHIC]	200007
K00000815	[GRAPHIC]	AL-2100	[GRAPHIC]	200007
K00000816	[GRAPHIC]	AL-2100	[GRAPHIC]	200007
K00000819	[GRAPHIC]	AL-2100	[GRAPHIC]	200007
K00000820	FILM THICKNESS	UV1280SE	KLA[GRAPHIC]	200007
K00000851	[GRAPHIC]	IM-80D	[GRAPHIC]	200006
K00000852	[GRAPHIC]	IM-80D	[GRAPHIC]	200006
K00000853	[GRAPHIC]	IM-80D	[GRAPHIC]	200006
K00000855	[GRAPHIC]	IM-80D	[GRAPHIC]	200006
K00000895	[GRAPHIC]	FE-VII	[GRAPHIC]	200105
K00000918	DEFECT REVIEW	KLA2119	KLA[GRAPHIC]	200011
K00000919	PARTICLE	IS2510	[GRAPHIC]	200105
K00002037	DEFECT REVIEW	SEM VISION	[GRAPHIC]	200204
K00002117	MICROSCOPE	Chivi-7	[GRAPHIC]	200207
K00002118	MICROSCOPE	Chivi-7	[GRAPHIC]	200207
K00002119	PARTICLE INSPECTION	SFS6420	[GRAPHIC]	200207
K00002121	PARTICLE INSPECTION	AIT2	[GRAPHIC]	200302

[GRAPHIC]

[GRAPHIC]

[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	[GRAPHIC]
E39600010	UV-ERASER	VUM-33598	[GRAPHIC]	199607
E48100032	ASHER	RAM-8500	MC[GRAPHIC]	199509
E62100062	VERTICAL-CVD-FURNAC	VERTX3	[GRAPHIC]	199611
J00000148	[GRAPHIC]	CENTURA-MXP	[GRAPHIC]	199911
J00000149	[GRAPHIC]	RAM8500	[GRAPHIC]	199912
J00000160	[GRAPHIC]	RAM-8500	[GRAPHIC]	200001
J00000161	[GRAPHIC]	RAM-8500	[GRAPHIC]	200001
J00000177	UV ERASER	VUM3359A	[GRAPHIC]	200004
J00000993	POST TREATMENT MACHINE	MERCURY-MP	[GRAPHIC]	200303
J00000994	POST TREATMENT MACHINE	MERCURY-MP	[GRAPHIC]	200209
J00001024	VERTICAL CVD FURNACE	a -808SEC(TR-TEOS)	[GRAPHIC]	200208
J00001100	PLAZMA CVD MACHINE	P-5000CVD(SiN.Co)	[GRAPHIC]	200207
J00001101	PLAZMA CVD MACHINE	P-5000CVD(SiN.Co)	[GRAPHIC]	200207
J00001163	Oxide Etcher	Unity85DD(DRM)	[GRAPHIC]	200208
J00001310	STEPPER	FPA-3000IW	[GRAPHIC]	200207
J00001312	STEPPER	FPA-3000EX6	[GRAPHIC]	200208

J00001343	STEPPER	FPA-3000I5	[GRAPHIC]	200207
J00001391	PLASMA CVD SYSTEM	C2SPEED STI	[GRAPHIC]	200211
J00001392	SPUTTERING SYSTEM	ENDURA-CVD (B101)	[GRAPHIC]	200206
J00001393	SPUTTERING SYSTEM	ENDURA-PVD	[GRAPHIC]	200207
J00001394	CMP MACHINE	Mirra-T2 (CS69 STI)	[GRAPHIC]	200209
J00001395	AL ETCHER	TCP9600-SE (1ME)	[GRAPHIC]	200207
J00001396	CONCEPT TWO SPEED	C2SPEED	[GRAPHIC]	200212
J00001397	POLY ETCHER	CENTURA-DPS	[GRAPHIC]	200207
J00001398	CMP POST CLEAN	DSS200	[GRAPHIC]	200208
J00001399	PLASMA CVD SYSTEM	P-5000(ARL)-BULK	[GRAPHIC]	200207
J00001400	ASHER	RAMCO (ETCH)	[GRAPHIC]	200207
J00001401	ION IMPLANTER	VIIision	[GRAPHIC]	200206
J00001403	VERTICAL CVD FURNACE	a-8SEC (SIRN)	[GRAPHIC]	200210
J00001404	VERTICAL CVD FURNACE	a-8SEC (SNHTO)	[GRAPHIC]	200302
J00001405	VERTICAL DIFF FURNACE	≈-8SEC (GOX)	[GRAPHIC]	200207
J00001407	ION IMPLANTER	E220HP	[GRAPHIC]	200212
J00001408	POLISHER	STRASBAUGH	[GRAPHIC]	200211
J00001416	PHOTO BRUSH SCRUBBER	SSW-80A-AR	[GRAPHIC]	200210
J00001417	WET STRIP	WSST	[GRAPHIC]	200209
J00001418	WET STATION	WS-821	[GRAPHIC]	200212
J00001427	AL ETCHER	TCP9600SE	[GRAPHIC]	200210
J00001428	ION IMPLANTATION	VIIISION80	[GRAPHIC]	200210
J00001429	UV-CURE	UMA-1002-HC93	[GRAPHIC]	200301
J00001430	VERTICAL DIFF FURNACE	≈-808SED(GOX)	[GRAPHIC]	200210
J00001431	ETCHER	CENTURA-DPS	[GRAPHIC]	200301
J00001432	ENDURA-PVD	ENDURA-PVD	[GRAPHIC]	200301
J00001433	CMP MACHINE	STRB-6DS	[GRAPHIC]	200301
J00001434	PLASM CVD SYSTEM	CONCEPT-TWO Speed	[GRAPHIC]	200303
J00001667	UV-CURE	UMA-1002-HC93	[GRAPHIC]	200111
J00001707	CMP POST TREATMENT	DSS-200	[GRAPHIC]	200111
J00001709	CMP POST TREATMENT	DSS-200	[GRAPHIC]	200111
J00001715	RINSER DRYER	SRD880S-1-2-EML	[GRAPHIC]	200111
J00001717	RINSER DRYER	SRD880S-1-2-EML	[GRAPHIC]	200110
J00001718	RINSER DRYER	SRD880S-1-2-EML	[GRAPHIC]	200111
J00001719	CMP MACHINE	6DS-SP	[GRAPHIC]	200111
J00001720	CMP MACHINE	6DS-SP	[GRAPHIC]	200111
J00001721	CMP MACHINE	6DS-SP	[GRAPHIC]	200111
J00001728	PLASMA CVD SYSTEM	P-5000 (3CHB)	[GRAPHIC]	200209
J00001729	PLASMA CVD SYSTEM (ARL)	P-5000 (3CHB)	[GRAPHIC]	200111
J00001730	PLASMA CVD SYSTEM (CVD)	P-5000 (3CHB)	[GRAPHIC]	200111
J00001731	PLASMA CVD SYSTEM (SIN)	P-5000 (3CHB)	[GRAPHIC]	200110
J00001732	PLASMA CVD SYSTEM	P-5000 (3CHB)	[GRAPHIC]	200111
J00001733	PLASMA CVD SYSTEM	P-5000 (3CHB)	[GRAPHIC]	200111
J00001734	PLASMA CVD SYSTEM	P-5000 (3CHB)	[GRAPHIC]	200205
J00001735	PLASMA CVD SYSTEM	P-5000 (3CHB)	[GRAPHIC]	200209
J00001736	PLASMA CVD SYSTEM (SIN)	P-5000 (3CHB)	[GRAPHIC]	200111
J00001737	CVD MACHINE	P-5000SA	[GRAPHIC]	200111
J00001738	CVD MACHINE	P-5000SA	[GRAPHIC]	200111
J00001739	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200110
J00001740	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200110
J00001741	WET STATION	WS-810	[GRAPHIC]	200110
J00001742	VERTICAL CVD FURNACE	≈-808SEC (CAP/SIN)	[GRAPHIC]	200210
J00001743	VERTICAL CVD FURNACE	A-808SEC (DASI)	[GRAPHIC]	200110
J00001744	VERTICAL CVD FURNACE	A-808SEC (DASI)	[GRAPHIC]	200110
J00001747	VERTICAL CVD FURNACE	A-808SEC (HTO/SIN-2)	[GRAPHIC]	200110
J00001748	VERTICAL CVD FURNACE	A-808SEC (ONHTO)	[GRAPHIC]	200110

J00001749	VERTICAL CVD FURNACE	A-808SEC(ONHTO)	[GRAPHIC]	200203
J00001750	VERTICAL CVD FURNACE	A-808SEC(ONSIN)	[GRAPHIC]	200110
J00001751	VERTICAL CVD FURNACE	A-808SEC(POLY-2)	[GRAPHIC]	200203
J00001752	VERTICAL CVD FURNACE	A-808SEC(POLY-2)	[GRAPHIC]	200110
J00001753	VERTICAL CVD FURNACE	A-808SEC(SIN)	[GRAPHIC]	200110
J00001754	VERTICAL CVD FURNACE	A-808SEC(SIN)	[GRAPHIC]	200110
J00001755	VERTICAL CVD FURNACE	A-808SEC(TEOS)	[GRAPHIC]	200110
J00001756	VERTICAL CVD FURNACE	A-808SEC(TEOS)	[GRAPHIC]	200110
J00001757	VERTICAL CVD FURNACE	A-808SEC(TEOS2)	[GRAPHIC]	200110
J00001758	VERTICAL DIFFUSION FURNACE	A-808SED(BAOX)	[GRAPHIC]	200110
J00001759	VERTICAL DIFFUSION FURNACE	A-808SED(BAOX)	[GRAPHIC]	200110
J00001760	VERTICAL DIFFUSION FURNACE	A-808SED(BAOX)	[GRAPHIC]	200110
J00001761	VERTICAL DIFF FURNACE	a-808SED(BAOX)	[GRAPHIC]	200205
J00001762	VERTICAL DIFFUSION FURNACE	A-808SED(GOX)	[GRAPHIC]	200110
J00001763	VERTICAL DIFFUSION FURNACE	A-808SED(GOX)	[GRAPHIC]	200203
J00001764	VERTICAL DIFFUSION FURNACE	A-808SED(GOX)	[GRAPHIC]	200110
J00001766	VERTICAL DIFFUSION FURNACE	A-808SED(HI)	[GRAPHIC]	200110
J00001767	VERTICAL DIFFUSION FURNACE	A-808SED(HI)	[GRAPHIC]	200110
J00001770	VERTICAL DIFFUSION FURNACE	a-808SED(HI/BAOX)	[GRAPHIC]	200209
J00001771	VERTICAL DIFFUSION FURNACE	A-808SED(SNOX)	[GRAPHIC]	200110
J00001772	VERTICAL DIFFUSION FURNACE	A-808SED(WOX)	[GRAPHIC]	200110
J00001773	VERTICAL DIFFUSION FURNACE	a-808SED(WOX)	[GRAPHIC]	200208
J00001774	VERTICAL DIFFUSION FURNACE	A-808SED(WOX)	[GRAPHIC]	200110
J00001777	WET STATION	WS-821	[GRAPHIC]	200111
J00001778	WET STATION	WS-821	[GRAPHIC]	200110
J00001779	WET STATION	WS-822	[GRAPHIC]	200110
J00001780	WET STATION	WS-822	[GRAPHIC]	200110
J00001781	WET STATION	WS-822	[GRAPHIC]	200110
J00001782	WET STATION	WS-840	[GRAPHIC]	200110
J00001786	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001787	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001788	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001789	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001790	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001791	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001792	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200301
J00001793	ETCHER	LAM4520i	[GRAPHIC]	200110
J00001794	WET MACHINE	MERCURY-MP	[GRAPHIC]	200111
J00001795	WET MACHINE	MERCURY-MP	[GRAPHIC]	200110
J00001796	WET MACHINE	MERCURY-MP	[GRAPHIC]	200110
J00001797	WET MACHINE	MERCURY-MP	[GRAPHIC]	200110
J00001798	ASHER	PEP3510	[GRAPHIC]	200111
J00001799	ASHER	PEP3510	[GRAPHIC]	200111
J00001800	ASHER	PEP3510A(DESCUM)	[GRAPHIC]	200110
J00001801	ASHER	PEP3510A(DESCUM)	[GRAPHIC]	200110
J00001802	[GRAPHIC]	RAM8500	[GRAPHIC]	200110
J00001803	[GRAPHIC]	RAM8500	[GRAPHIC]	200110
J00001804	[GRAPHIC]	RAM8500	[GRAPHIC]	200110
J00001805	[GRAPHIC]	RAM8500	[GRAPHIC]	200110
J00001806	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001807	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001808	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001809	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001810	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001813	UV-CURE	UMA-1002-HC93	[GRAPHIC]	200110
J00001819	ETCHER	UNITY85DI	[GRAPHIC]	200111

J00001820	ETCHER	UNITY85DI	[GRAPHIC]	200111
J00001821	ETCHER	UNITY85DI	[GRAPHIC]	200203
J00001822	ETCHER	UNITY-85DP	[GRAPHIC]	200205
J00001823	ETCHER	UNITY-85DP	[GRAPHIC]	200111
J00001824	WET STATION	UW-851	[GRAPHIC]	200110
J00001825	WET STATION	UW-852	[GRAPHIC]	200110
J00001826	WET MACHINE	SST-C-632-280K	[GRAPHIC]	200111
J00001827	WET MACHINE	SST-C-632-280K	[GRAPHIC]	200111
J00001833	[GRAPHIC] (II)	RAM8500	[GRAPHIC]	200110
J00001834	[GRAPHIC] (II)	RAM8500	[GRAPHIC]	200110
J00001835	[GRAPHIC] (II)	RAM8500	[GRAPHIC]	200110
J00001836	[GRAPHIC] (II)	RAM8500	[GRAPHIC]	200203
J00001837	[GRAPHIC] (II)	RAM8500	[GRAPHIC]	200110
J00001841	WET STATION	WS-852 (II)	[GRAPHIC]	200110
J00001842	WET STATION	WS-852 (II)	[GRAPHIC]	200110
J00001844	COATER/DEVELOPER	ACT-8 (EX-6)	[GRAPHIC]	200208
J00001860	REWORK	SC-W80A-AV	[GRAPHIC]	200111
J00001889	WET MACHINE	FS-820L	[GRAPHIC]	200111
J00001890	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200111
J00001891	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200111
J00001892	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200112
J00001893	VERTICAL DIFFUSION FURNACE	VERTEX	[GRAPHIC]	200302
J00001894	VERTICAL DIFFUSION FURNACE	VERTEX (HAN)	[GRAPHIC]	200111
J00001895	UV ERASER	VUW-3359C	[GRAPHIC]	200111
J00001896	UV ERASER	VUW-3359C	[GRAPHIC]	200111
J00001897	UV ERASER	VUW-3359C	[GRAPHIC]	200111
J00002014	RETICLE STOCKER	UCSS-FR-F6	[GRAPHIC]	200110
J00002072	WSST	SST-C-632-280K	[GRAPHIC]	200112
J00002153	WET STRAGE SINK	DR-1300-S	[GRAPHIC]	200111
J00002154	WET STRAGE SINK	DR-1300-S	[GRAPHIC]	200111
J00002155	ACID DRAFT	DR-PVD (CMP)	[GRAPHIC]	200111
J00002156	SOLVENT DRAFT	DR-SUS (CMP)	[GRAPHIC]	200111
J00002177	[GRAPHIC]	0040-50S-III A	[GRAPHIC]	200111
J00002178	[GRAPHIC]	0040-50S-III A	[GRAPHIC]	200111
J00002179	[GRAPHIC]	0040-50S-III A	[GRAPHIC]	200111
J00002180	[GRAPHIC]	0040-50S-III A	[GRAPHIC]	200111
J00002189	FLR-E	CDE-80N	[GRAPHIC]	200110
J00002611	CVD MACHINE	P-5000	[GRAPHIC]	200203
J00002612	CVD MACHINE	P-5000SA	[GRAPHIC]	200204
J00002613	PLASMA CVD SYSTEM	P-5000 (SIN)	[GRAPHIC]	200204
J00002614	PLASMA CVD SYSTEM	P-5000 (ARL)	[GRAPHIC]	200204
J00002615	VERTICAL CVD FURNACE	á-8SEC	[GRAPHIC]	200204
J00002621	COATER/DEVELOPER	ACT-8 (15+)	[GRAPHIC]	200207
J00002622	COATER/DEVELOPER	ACT-8 (EX-6)	[GRAPHIC]	200208
J00002626	STEPPER	FPA-3000EX6	[GRAPHIC]	200208
J00002627	COATER/DEVELOPER	ACT-8(IW)	[GRAPHIC]	200207
J00002628	VERTICAL CVD FURNACE	á-8SE-ZV (SIN2)	[GRAPHIC]	200204
J00002630	WET MACHINE	MERCURY-MP	[GRAPHIC]	200204
J00002631	CMP MACHINE	6DS-SP (W)	[GRAPHIC]	200204
J00002632	PLASMA CVD SYSTEM	P-5000 (SIO)	[GRAPHIC]	200204
J00002633	PLASMA CVD SYSTEM	P-5000 (SIO)	[GRAPHIC]	200204
J00002645	WSI CVD MACHINE	MB2-730 (W)	[GRAPHIC]	200204
J00002646	WSI CVD MACHINE	MB2-730 (W)	[GRAPHIC]	200204
J00002660	FLR-E	CDE-80N	[GRAPHIC]	200201
J00002661	ETCHER	LAM4520i	[GRAPHIC]	200204
J00002662	AL ETCHER	TCP-9600	[GRAPHIC]	200202

K00000818	[GRAPHIC]	AL-2100	[GRAPHIC]	200007
K00001117	[GRAPHIC]	AL-2100	[GRAPHIC]	200102
K00001400	PARTICLE INSPECTION	AIT2	[GRAPHIC]	200110
K00001403	FILM THICKNESS	UV1280SE	[GRAPHIC]	200110
K00001404	FILM THICKNESS	UV-1080	[GRAPHIC]	200110
K00001405	STRESS MONITOR	FLX2320A	[GRAPHIC]	200110
K00001408	[GRAPHIC]	SYSTEM	[GRAPHIC]	200111
K00001414	REVIEW SEM	SEM VISION	[GRAPHIC]	200110
K00001415	PARTICLE INSPECTION	AIT2	[GRAPHIC]	200110
K00001416	[GRAPHIC]	FAaST230DP	[GRAPHIC]	200110
K00001417	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200110
K00001418	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200110
K00001420	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200110
K00001421	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200110
K00001422	DEGREE MONITOR	P-11	[GRAPHIC]	200111
K00001423	DEGREE MONITOR	P-22	[GRAPHIC]	200110
K00001430	FILM THICKNESS	UV-1080	[GRAPHIC]	200110
K00001431	FILM THICKNESS	UV-1080	[GRAPHIC]	200110
K00001433	PARTICLE INSPECTION	IS2510	[GRAPHIC]	200203
K00001437	CONTACT ANGLE MEASURE	CAX200	[GRAPHIC]	200110
K00001438	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001439	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001440	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001441	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001442	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001443	OVERLAY	NRM1000	[GRAPHIC]	200110
K00001444	OVERLAY	NRM1000	[GRAPHIC]	200110
K00001445	OVERLAY	NRM1000	[GRAPHIC]	200110
K00001447	FILM THICKNESS	UV-1080	[GRAPHIC]	200110
K00001449	DEGREE MONITOR	P-11	[GRAPHIC]	200111
K00001450	FILM THICKNESS	UV1280SE	[GRAPHIC]	200110
K00001451	FILM THICKNESS	UV1280SE	[GRAPHIC]	200110
K00001527	UV[GRAPHIC]	G1812AA	[GRAPHIC]	200111
K00001672	SHEET RESISTANCE	LRM-110	[GRAPHIC]	200201
K00001803	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001804	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001805	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001806	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001807	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001808	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001809	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001810	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001811	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001812	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001813	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001814	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001816	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001817	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001831	MICROSCOPE INSPECTION	AL1000	[GRAPHIC]	200111
K00002050	OPTIPROBE	OP5240	[GRAPHIC]	200210
K00002144	WAFER INSPECTION	KLA 2139	[GRAPHIC]	200208
K00002145	SEM	S9220(Photo)	[GRAPHIC]	200302
K00002146	REVIEW SEM	SEMVISION	[GRAPHIC]	200301
K00002147	WAFER INSPECTION	KLA 2119	[GRAPHIC]	200210
K00002173	SEM	S9220(Photo)	[GRAPHIC]	200206

[GRAPHIC]

[GRAPHIC]

ACCOUNTS RECEIVABLES TRUST AGREEMENT

FASL JAPAN LIMITED (the "Settlor") and Mizuho Trust & Banking Co., Ltd. (the "Trustee") enter into this trust agreement (this "Agreement," and the trust established under this Agreement, the "Trust"), which consists of the following terms and conditions.

CHAPTER 1 GENERAL PROVISIONS

1. DEFINITIONS

In this Agreement, the following terms shall have the meanings set forth below.

- 1.1 "Administration Method Instruction" has the meaning given in Clause 24.1 of this Agreement.
- 1.2 "Agent" means the Mizuho Corporate Bank, Ltd. in the capacity of the agent as appointed by the Lenders under the Creditors' Agreement.
- 1.3 "Application for Additional Entrustment of Funds" means a document substantially in the form attached hereto as Schedule 2.
- 1.4 "Beneficial Interests" means the beneficial interests accrued under this Agreement.
- 1.5 "Beneficiary" means a person having the Beneficial Interests.
- 1.6 "Business Day" means any day other than those that are bank holidays in Japan.
- 1.7 "Collection Account" means the following account:

Name and Branch of Bank:	Mizuho Corporate Bank, Ltd., Uchisaiwaicho 1 st Corporate Banking Division
Account Type:	Ordinary Savings Account
Account Number:	****
Account Name:	FASL JAPAN LIMITED Account held by Mizuho Trust & Banking Co., Ltd. as the trustee of the Monetary Receivables Trust

- 1.8 "Collection Calculation Date" means, collectively, the Regular Collection Calculation Date and the Extraordinary Collection Calculation Date; provided, however, that the Trust Termination Date shall be the last Collection Calculation Date.
- 1.9 "Collection Calculation Period" means the period commencing on the day (inclusive) immediately following the Collection Calculation Date immediately

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

preceding each Collection Calculation Date and ending on the relevant Collection Calculation Date (inclusive); provided, however, that the initial Collection Calculation Period shall commence on March 25, 2004 (inclusive) and the final Collection Calculation Period shall end on the Trust Termination Date.

- 1.10 “**Collection Delivery Date**” means, collectively, the Regular Collection Delivery Date and the Extraordinary Collection Delivery Date.
- 1.11 “**Consumption Tax**” means, collectively, consumption tax and local consumption tax in Japan.
- 1.12 “**Consumption Tax and Other Tax**” means Consumption Tax, goods and services tax (GST) in Singapore, value added tax (VAT) in Germany and any other taxes separately agreed between the Settlor and the Trustee as taxes payable by the Settlor that are directly imposed on the execution and performance of the Purchase and Sale Related Agreements.
- 1.13 “**Counter-Performed Trust Receivables**” means the Trust Receivables (excluding the Ineligible Receivables) corresponding to the accounts receivables for the items that are sold and purchased, the delivery and inspection of which is completed, except for the Trust Receivables that are the Fixed Trust Receivables.
- 1.14 “**Counter-Performed Trust Receivables Amount**” means the principal amount of the Counter-Performed Trust Receivables.
- 1.15 “**Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)**” means the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) relating to the Counter-Performed Trust Receivables Amount.
- 1.16 “**Counter-Performed Trust Receivables Amount (Goods’ Value Equivalent)**” means the Counter-Performed Trust Receivables Amount minus the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent).
- 1.17 “**Damages**” has the meaning given in Clause 6.1 (1) of this Agreement.
- 1.18 “**Estimated Trust Receivables Collection Amount**” has the meaning given in Clause 19.1 of this Agreement.
- 1.19 “**Estimated Trust Receivables Collection Amount (Consumption Tax and Other Tax Equivalent)**” means the amount to be paid as the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) among the Estimated Trust Receivables Collection Amount.
- 1.20 “**Estimated Trust Receivables Collection Amount (Goods’ Value Equivalent)**” means the amount to be paid as the Trust Receivables Amount (Goods’ Value Equivalent) among the Estimated Trust Receivables Collection Amount.
- 1.21 “**Exemption Event**” has the meaning given in Clause 1 of the Loan Agreements.

- 1.22 “**Existing Trust Receivables**” means the accounts receivables from the Third Party Obligor under the Purchase and Sale Related Agreements that exist as of the execution date of this Agreement.
- 1.23 “**Expenses**” means taxes and other public charges relating to the Trust Property and expenses necessary for the trust administrative services (including, without limitation, expenses relating to the delegation of the Trust Administrative Services under Clause 21).
- 1.24 “**Expiration Date**” means June 29, 2007 (or the immediately following Business Day if such date is not a Business Day).
- 1.25 “**Extraordinary Collection Calculation Date**” means, if the Trustee receives the Settlor’s Extraordinary Report, the day immediately preceding the date of receipt (or the immediately preceding Business Day if such date is not a Business Day). If the Extraordinary Collection Calculation Date corresponds to the Regular Collection Calculation Date, such date shall be deemed as the Regular Collection Calculation Date and not as the Extraordinary Collection Calculation Date.
- 1.26 “**Extraordinary Collection Delivery Date**” means the fourth (4th) Business Day after the Extraordinary Collection Calculation Date.
- 1.27 “**Fixed Trust Property Value**” means the sum of (i) the Fixed Trust Receivables Amount (Goods’ Value Equivalent) and (ii) the amount of the funds within the Trust Property minus the amount of the Trust Receivables Collections (Consumption Tax and Other Tax Equivalent).
- 1.28 “**Fixed Trust Receivables**” means the Trust Receivables (excluding the Ineligible Receivables) indicated in invoices sent by the Settlor to the Third Party Obligor under Clause 5.2 of the Purchase and Sale Agreement during each calendar month after the Set-off Treatment for such calendar month is complete.
- 1.29 “**Fixed Trust Receivables Amount**” means the principal amount of the Fixed Trust Receivables. Such amount shall be set forth in the Payment Notice relating to the relevant calendar month as the amount to be paid by the Third Party Obligor to the Trustee by the Trust Receivables Due Date.
- 1.30 “**Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)**” means the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) relating to the Fixed Trust Receivables.
- 1.31 “**Fixed Trust Receivables Amount (Goods’ Value Equivalent)**” means the Fixed Trust Receivables Amount minus the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent).
- 1.32 “**Floating Pledge**” has the meaning given in Clause 18.2 of this Agreement.
- 1.33 “**Floating Pledge Agreement**” means the Floating Pledge Agreement entered into between the Settlor and the Lenders as of March 25, 2004 (as amended).
- 1.34 “**Floating Pledge Enforcement Notice**” has the meaning given in Clause 20.1 of this Agreement.

- 1.35 “**Ineligible Receivables**” means the Trust Receivables that do not satisfy the eligibility criteria provided for in Clause 6.1, including the Existing Trust Receivables that cease to satisfy such eligibility criteria after the execution date of this Agreement and the Prospective Trust Receivables that cease to satisfy such eligibility criteria after the date on which such Prospective Trust Receivables arise.
- 1.36 “**Instructor**” has the meaning given in Clause 24.1 of this Agreement.
- 1.37 “**Interest Collections**” means the amounts received by the Trustee with respect to the Trust Property during each Collection Calculation Period, which constitute the trust proceeds pursuant to Clause 25.2.
- 1.38 “**Lenders**” means, collectively, Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd. and The Norinchukin Bank as the Lenders and their respective successors under the Loan Agreements.
- 1.39 “**Lending Obligation**” means, collectively, the Lending Obligation A and Lending Obligation B.
- 1.40 “**Lending Obligation A**” has the meaning given in Clause 1 of the Loan Agreement A.
- 1.41 “**Lending Obligation B**” has the meaning given in Clause 1 of the Loan Agreement B.
- 1.42 “**Loan Agreement A**” means the Revolving Line Agreement (A) (as amended or renewed) entered into by Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd. and The Norinchukin Bank, and the Settlor as of March 25, 2004.
- 1.43 “**Loan Agreement B**” means the Revolving Line Agreement (B) (as amended or renewed) entered into by Mizuho Corporate Bank, Ltd. and the Settlor as of March 25, 2004.
- 1.44 “**Loan Agreements**” means, collectively, the Loan Agreement A and the Loan Agreement B.
- 1.45 “**Loan Receivables**” means the Lenders’ loan receivables from the Settlor under the Loan Agreements.
- 1.46 “**Majority Lenders**” has the meaning given in Clause 1 of the Creditor’s Agreement.
- 1.47 “**Memorandum regarding Trust Fees**” has the meaning given in Clause 29.1 of this Agreement.
- 1.48 “**Payment Notice**” means a notice given by the Third Party Obligor to the Settlor on or before the second (2nd) Business Day after the last day of each month under the Purchase and Sale Related Agreements that specifies (i) the Trust Receivables the Third Party Obligor will pay to the Trustee on the forty-fifth (45th) day after the last

day of the calendar month after the Set-off Treatment and (ii) the amount of such Trust Receivables.

- 1.49 **“Principal Collections”** means the amounts that the Trustee receives with respect to the Trust Property during each Collection Calculation Period, which are to constitute the trust principal pursuant to Clause 25.1.
- 1.50 **“Prospective Trust Receivables”** means the accounts receivables from the Third Party Obligor under the Purchase and Sale Related Agreements that arise during a period from the day immediately following the execution date of this Agreement (inclusive) to the Trust Termination Date with respect to the Third Party Obligor (inclusive).
- 1.51 **“Purchase and Sale Agreement”** means the Purchase and Sale Agreement entered into between the Settlor and the Third Party Obligor as of February 23, 2004 (as amended).
- 1.52 **“Purchase and Sale Related Agreements”** means the Purchase and Sale Agreement and each individual agreement under the Purchase and Sale Agreement.
- 1.53 **“Regular Collection Calculation Date”** means the fifteenth (15th) day or the last day of each month (or the immediately following Business Day if such date is not a Business Day); provided, however, that the first Regular Collection Calculation Date shall be March 31, 2004.
- 1.54 **“Regular Collection Delivery Date”** means the fourth (4th) Business Day after the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to such Regular Collection Date, or the sixth (6th) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to such Regular Collection Date.
- 1.55 **“Related Documents”** means documents certifying the execution of the Purchase and Sale Related Agreements and any other documents relating to the Purchase and Sale Related Agreements.
- 1.56 **“Repayment Formula Revision Event”** has the meaning given in Clause 20.1 of this Agreement.
- 1.57 **“Repurchase Price”** has the meaning given in Clause 26.1 of this Agreement.
- 1.58 **“Set-off Treatment”** means the Third Party Obligor’s setting off of a certain amount of the Counter-Performed Trust Receivables against the equivalent amount of the Third Party Obligor’s receivables from the Settlor that become due in the relevant calendar month, by specifying its intention to do so on the Payment Notice to the Settlor on or before the second (2nd) Business Day after the last day of each calendar month.
- 1.59 **“Settlor’s Extraordinary Report”** has the meaning given in Clause 19.2 of this Agreement.

- 1.60 “**Settlor’s Regular Report**” has the meaning given in Clause 19.1 of this Agreement.
- 1.61 “**Settlor’s Regular Report Deadline**” means (i) 3 p.m. on the Business Day immediately following the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Settlor’s Regular Report relating to such Regular Collection Calculation Date, or (ii) 3 p.m. on the third (3rd) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Settlor’s Regular Report relating to such Regular Collection Calculation Date.
- 1.62 “**Settlor’s Report**” means, collectively, the Settlor’s Regular Report and the Settlor’s Extraordinary Report.
- 1.63 “**Settlor’s Report Form**” means the form attached hereto as Schedule 4. Provided, however, that the Settlor, the Trustee and the Agent may change such form upon mutual agreement.
- 1.64 “**Third Party Obligor**” means FUJITSU LIMITED.
- 1.65 “**Total Outstanding Balance**” means the sum of the Total Outstanding Balance A and the Total Outstanding Balance B.
- 1.66 “**Total Outstanding Balance A**” has the meaning given in Clause 1 of the Loan Agreement A.
- 1.67 “**Total Outstanding Balance B**” has the meaning given in Clause 1 of the Loan Agreement B.
- 1.68 “**Trust Administrative Services**” means the administrative services relating to the administration and collection of the Trust Receivables (including, without limitation, (i) custody and administration of the Related Documents; (ii) administration of the balances relating to the Trust Receivables; and (iii) receipt of payment relating to the Trust Receivables).
- 1.69 “**Trust Assignment**” means assignment of the Trust Receivables from the Settlor to the Trustee pursuant to this Agreement.
- 1.70 “**Trust Calculation Date**” means (i) the second (2nd) Business Day after the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) relating to such Collection Calculation Date, or (ii) the fourth (4th) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) relating to such Collection Calculation Date.
- 1.71 “**Trust Property Maintenance Standards**” means, in each case set forth below, the following conditions:
- (1) In the case where the Total Outstanding Balance A exists and Total Outstanding Balance B does not exist, the Fixed Trust Property Value shall be no less than 101% of the Total Outstanding Balance A;

- (2) In the case where both the Total Outstanding Balance A and the Total Outstanding Balance B exist, (i) the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) shall be no less than 120% of the Total Outstanding Balance minus the Fixed Trust Property Value, and (ii) the Fixed Trust Property Value shall be no less than 101% of the Total Outstanding Balance A, and for avoidance of doubt, this condition shall be satisfied if (i) the Fixed Trust Property Value is no less than the Total Outstanding Value and (ii) the Fixed Trust Property Value is no less than 101% of the Total Outstanding Balance A;
 - (3) In the case where the Total Outstanding Balance B exists and the Total Outstanding Balance A does not exist, the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) shall be no less than 120% of the Total Outstanding Balance B minus the Fixed Trust Property Value, and for avoidance of doubt, this condition shall be satisfied if the Fixed Trust Property Value is no less than the Total Outstanding Balance B; or
 - (4) In the case where neither the Total Outstanding Balance A nor the Total Outstanding Balance B exist, there shall be no conditions.
- 1.72 “**Trust Property**” means all property arising from the Trust Receivables and as a result of the management and disposal of the Trust Receivables.
- 1.73 “**Trust Receivables**” means, collectively, the Existing Trust Receivables and the Prospective Trust Receivables.
- 1.74 “**Trust Receivables Amount**” means the principal amount of the Trust Receivables.
- 1.75 “**Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)**” means, with respect to each Trust Receivables, if the Settlor incurs tax liabilities relating to Consumption Tax and Other Tax that are directly imposed on the execution and performance of the Purchase and Sale Related Agreements under which the Trust Receivables arise, the amount of such taxes payable by the Settlor among the Trust Receivables Amount relating to such Trust Receivables.
- 1.76 “**Trust Receivables Collections**” means all amounts that the Trustee receives from the Third Party Obligor or other persons as repayment of their debts relating to the Trust Receivables.
- 1.77 “**Trust Receivables Collections (Consumption Tax and Other Tax Equivalent)**” means the amounts that the Trustee deems as payments relating to the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) among the Trust Receivables Collections based on the Settlor’s Report, or the amounts that the Agent reasonably deems as payments relating to the Trust Receivables (Consumption Tax and Other Tax Equivalent) among the Trust Receivables Collections based on other reports from the Settlor if the Trustee cannot determine the amounts to be paid

relating to the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent), including the cases where the Estimated Trust Receivables Collection Amount set forth in the Settlor's Report are inconsistent with the amount of the Trust Receivables Collections, or any false information is discovered or possibly exists in the Settlor's Report.

- 1.78 **"Trust Receivables Due Date"** means, with respect to each Trust Receivables, the fifteenth (15th) day (or the immediately following Business Day if such date is not a Business Day) of the second (2nd) month after each calendar month in which the Settlor sends an invoice indicating such Trust Receivables to the Third Party Obligor under Clause 5.2 of the Purchase and Sale Agreement.
- 1.79 **"Trust Termination Date"** means the earliest of the following dates:
- (1) the Expiration Date (or if the Loan Receivables remains and the obligation of the Borrower relating to the Loan Receivables has become immediately due and payable as of the Expiration Date, the Regular Collection Calculation Date first occurring after the date three (3) months after the date on which such obligation of the Borrower becomes immediately due and payable);
 - (2) the Regular Collection Calculation Date first occurring after the date on which (i) the Loan Receivables cease to exist and (ii) the Agent recognizes that the prospect of the Loan Receivables arising thereafter has ceased to exist due to the termination of the Loan Agreements or extinguishment of the Lending Obligation;
 - (3) the Regular Collection Calculation Date first occurring after the date on which (i) the outstanding balance with respect to the Trust Receivables ceases to exist and (ii) the Agent recognizes that the prospect of the Trust Receivables arising thereafter has ceased to exist; or
 - (4) the Regular Collection Calculation Date first occurring after the date on which the Trustee dispatches a notice of its intent to terminate this Agreement under Clause 32 thereof.
- 1.80 **"Trustee's Extraordinary Report"** has the meaning given in Clause 27.2 of this Agreement.
- 1.81 **"Trustee's Regular Report"** has the meaning given in Clause 27.1 of this Agreement.
- 1.82 **"Trustee's Regular Report Deadline"** means (i) 12 p.m. on the third (3rd) Business Day after the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Trustee's Regular Report relating to such Regular Collection Calculation Date, or (ii) 12 p.m. on the fifth (5th) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Trustee's Regular Report relating to such Regular Collection Calculation Date.

2. PURPOSE OF THE TRUST

The Settlor has entrusted the Trust Receivables to the Trustee, and the Trustee has accepted such Trust Receivables as of the execution date of this Agreement for the purpose of managing and disposing such Trust Receivables for the benefit of the Beneficiary.

3. ADDITIONAL ENTRUSTMENT OF FUNDS

- 3.1 If it is found that the Trust Property Maintenance Standards are not satisfied, the Settlor shall first give notice of its intent to entrust additional funds pursuant to the provisions of Clause 3.2 to the Trustee (the "Notice of Additional Entrustment of Funds") and then entrust additional funds sufficient to satisfy the Trust Property Maintenance Standards to the Trustee on or before the Business Day immediately following the date on which it is found that the Trust Property Maintenance Standards are not satisfied, unless the Settlor notifies the Agent pursuant to Clause 14.4(i) of the Loan Agreements of its intent to pay to the Lenders all or any part (sufficient to satisfy the Trust Property Maintenance Standards) of the Loan Receivables (the "Prepayment Notice") by 11 a.m. on the Business Day immediately following the date on which it is found that the Trust Property Maintenance Standards are not satisfied. Upon receipt of the additional funds, the Trustee shall notify the Agent of the amount of the additional funds immediately (but no later than the second (2nd) Business Day after the date of receipt of the additional funds).
- 3.2 The Settlor shall give the Prepayment Notice and the Notice of Additional Entrustment of Funds to the Trustee and the Agent in a form separately agreed upon between the Settlor, the Trustee and the Agent by 11 a.m. on the Business Day immediately following the date on which it is found that the Trust Property Maintenance Standards set forth in Clause 3.1 are not satisfied. In addition, the Settlor shall submit the Application of Additional Entrustment of Funds in Schedule 2 to the Trustee (and at the same time deliver a copy of the Application for Additional Entrustment of Funds to the Agent) when it gives the Notice of Additional Entrustment of Funds.
- 3.3 In addition to the case set forth in Clause 3.1, if the Settlor, the Trustee and the Agent separately agree, the Settlor may submit the Application for Additional Entrustment of Funds to the Trustee (and at the same time deliver a copy of the Application for Additional Entrustment of Funds to the Agent) and entrust additional funds to the Trustee. Upon receipt of the additional funds, the Trustee shall notify the Agent of the amount of the additional funds immediately (but no later than the second (2nd) Business Day after the date of receipt of the additional funds).

4. TERM OF THE TRUST

The term of this Agreement shall commence on the execution date of this Agreement and end on the Trust Termination Date.

5. TRANSFER OF THE INITIAL TRUST RECEIVABLES

- 5.1 The Settlor shall assign the Trust Receivables to the Trustee as of the execution date of this Agreement as provided for in this Agreement, and the Settlor and the Trustee hereby confirm without objection that the Trust Assignment is a true and valid assignment and it is their intent that such assignment of the Trust Receivables will be a true and valid assignment. For avoidance of doubt, tax liabilities relating to Consumption Tax and Other Tax incurred by the Settlor shall not be assigned to the Trustee due to such Trust Assignment.
- 5.2 The assignment of the Existing Trust Receivables from the Settlor to the Trustee shall become valid as of the execution date of this Agreement.
- 5.3 The assignment of the Prospective Trust Receivables from the Settlor to the Trustee shall automatically become valid when the Prospective Trust Receivables arise without any action by the Settlor or the Trustee.

6. ELIGIBILITY CRITERIA FOR TRUST RECEIVABLES

- 6.1 The Settlor represents and warrants to the Trustee and the Beneficiary that each of the following matters is true and correct with respect to the Trust Receivables, the Purchase and Sale Related Agreements and the Third Party Obligor as of (i) the execution date of this Agreement with respect to the Existing Trust Receivables, or (ii) the date on which the Prospective Trust Receivables arise with respect to the Prospective Trust Receivables. Provided, however, that the Trustee is not obliged to verify whether the eligibility criteria set forth in this Clause 6.1 are satisfied.
- (1) The Trust Receivables satisfies all of the eligibility criteria set forth below as of (i) the execution date of this Agreement with respect to the Existing Trust Receivables, or (ii) the date on which the Prospective Trust Receivables arise with respect to the Prospective Trust Receivables:
- (i) the Third Party Obligor is a resident of Japan and is a corporation;
 - (ii) the payment terms of the Trust Receivables are subject to the provisions of the Purchase and Sale Agreement;
 - (iii) the outstanding balance and the payment date of the Counter-Performed Trust Receivables and the Fixed Trust Receivables among the Existing Trust Receivables (the outstanding balance of the Counter-Performed Trust Receivables shall be the amount as of March 15, 2004) is as set forth in Schedule 1 and all other provisions regarding the Trust Receivables in Schedule 1 are true and accurate, and the outstanding balance of the Counter-Performed Trust Receivables as of the execution date of this Agreement does not fall below the outstanding balance of the Counter-Performed Trust Receivables set forth in Schedule 1;
 - (iv) the Trust Receivables arise in the normal course of business of the Settlor;
 - (v) the Trust Receivables shall be collected on the Trust Receivables Due Date;
 - (vi) the Trust Receivables are the sole property of the Settlor, and the Settlor holds all right, title and interest in and to the Trust Receivables;
 - (vii) the Trust Receivables and the Purchase and Sale Agreement constitute the obligations of the Third Party Obligor that are lawful,

valid, binding and enforceable in accordance with the terms thereof;

- (viii) the Third Party Obligor has not been or is not likely to be in default or otherwise in breach of the Trust Receivables or the Purchase and Sale Agreement;
 - (ix) the Trust Receivables have not been entirely or partially extinguished due to nullification or termination of the Purchase and Sale Agreement, or payment or set-off of the Trust Receivables (except for the extinguishment due to the Set-off Treatment);
 - (x) no event has occurred that would cause all or a part of the Trust Receivables to lapse or give rise to defenses by the Third Party Obligor to the performance of its obligations thereunder on the prescribed payment date, including, without limitation, nullification, termination, cancellation or novation of the Trust Receivables or the Purchase and Sale Agreement (excluding defenses based on the Set-off Treatment), nor has the Third Party Obligor claimed that such an event has occurred, and there is no threat thereof. The accrual of the Trust Receivables from the Third Party Obligor shall not be subject to any avoiding power (*hinin-ken*);
 - (xi) no petition for attachment (*sashiosae*), provisional attachment (*kari-sashiosae*), provisional disposition (*kari-shobun*), preservative disposition (*hozen-shobun*), compulsory execution, auction, or disposition to collect tax delinquencies has been filed by a third party with respect to the Trust Receivables or against the Trust Receivables, nor are there any rights, security interests or other encumbrances that have caused, or are likely to cause, any damage, loss, expense or liability (collectively, the “Damages”) to the Trust Property;
 - (xii) assignment of the Trust Receivables is not prohibited for any reason, and neither prior notice to nor prior approval from the Third Party Obligor is required with respect to any assignment, transfer or other disposal of the Trust Receivables, and if such notice or approval is required, it has been provided or obtained;
 - (xiii) no provision of the Purchase and Sale Agreement has been amended, released or waived, and no disposal has been made that is likely to affect the Trust or any rights of the Beneficiary, including assignment or sale to a third party of, or creation of security interests on, the Trust Receivables;
 - (xiv) no promissory note, bill of exchange, check or other security has been issued with respect to the payment of the Trust Receivables; and
 - (xv) no lawsuit, arbitration, administrative procedure, or other dispute has commenced or is likely to commence with respect to the Trust Receivables or the Purchase and Sale Agreement, and no lawsuit, arbitration, administrative procedure, or other dispute, or any event that would give rise to such lawsuit, arbitration, administrative procedure, or other dispute, has occurred with the Third Party Obligor and any other third party.
- (2) None of the following events has occurred with respect to the Third Party Obligor as of (i) the execution date of this Agreement, with respect to the Existing Trust Receivables, or (ii) the date on which the Prospective Trust

Receivables arise, with respect to the Prospective Trust Receivables:

- (i) suspension of payment, or a petition of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjisaiseitetsuzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseitetsuzuki-kaishi*), commencement of corporate rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures (including, without limitation, similar procedures taken outside Japan);
- (ii) resolution for dissolution or order of dissolution;
- (iii) suspension or abolishment of the business, or disposition such as suspension of business by competent government authorities;
- (iv) dishonor of a check or note;
- (v) a petition for attachment (*sashiosae*), provisional attachment (*kari-sashiosae*), provisional disposition (*kari-shobun*), preservative disposition (*hozen-shobun*), compulsory execution, auction, or disposition to collect tax delinquencies filed against its property;
- (vi) a demand or a disposition to collect tax delinquencies due to nonpayment of taxes;
- (vii) failure to perform all or a part of its payment obligations under the Purchase and Sale Related Agreements when due;
- (viii) any breach of its obligations under the Purchase and Sale Related Agreements;
- (ix) occurrence of an event of termination or acceleration under the Purchase and Sale Related Agreements;
- (x) failure to perform its pecuniary obligations other than those under the Purchase and Sale Related Agreements without reasonable cause within five (5) Business Days of receiving a demand therefor (provided that the aggregate amount of a single pecuniary obligation shall exceed one billion (1,000,000,000) yen for this provision to apply);
- (xi) failure to satisfy the normal credit standards adopted by the Settlor; or
- (xii) occurrence of any event that the Trustee deems to affect the preservation of the Trust Receivables.

6.2 The Settlor acknowledges that the Trustee is entering into this Agreement in reliance upon the representations and warranties made by the Settlor in Clause 6.1.

7. REPRESENTATIONS AND WARRANTIES OF THE SETTLOR AND THE TRUSTEE

7.1 The Settlor represents and warrants to the Trustee and the Beneficiary that each of the following matters is true and correct as of the execution date of this Agreement.

- (1) The Settlor is a stock company duly incorporated and validly existing under the laws of Japan.

- (2) The Settlor has full legal competence necessary for the execution and performance of this Agreement, the execution and performance of this Agreement by the Settlor and any transactions associated therewith are within the corporate purposes of the Settlor and the Settlor has duly completed all procedures necessary therefor under laws and ordinances, the Articles of Incorporation and other internal company rules of the Settlor.
 - (3) The execution and performance of this Agreement by the Settlor and any transactions associated therewith will not result in (a) any violation of laws and ordinances that bind the Settlor, (b) any breach of the Articles of Incorporation or other internal company rules of the Settlor, or (c) any breach in any material respect of a third-party contract to which the Settlor is a party or which binds the Settlor or the assets of the Settlor.
 - (4) This Agreement constitutes legal, valid and binding obligations of the Settlor, and is enforceable against the Settlor in accordance with the terms of thereof.
 - (5) After the last day of the fiscal year ended in March 2003, there has been no material change that will cause a significant deterioration of the business, assets, or financial condition of the Settlor described in the audited fiscal statement of that fiscal year or that may materially affect the performance of the obligations of the Settlor under this Agreement.
 - (6) No lawsuit, arbitration, administrative procedure, or other dispute has commenced, or is likely to commence to the best knowledge of the Settlor, with respect to the Settlor, that will or may materially cause adverse effects on the performance of its obligations under this Agreement.
 - (7) No acceleration event described in the Loan Agreements has occurred or is likely to occur.
- 7.2 The Trustee represents and warrants to the Settlor and the Beneficiary that each of the following matters is true and correct as of the execution date of this Agreement.
- (1) The Trustee is a stock company duly incorporated and validly existing under the laws of Japan.
 - (2) The Trustee has full legal competence necessary for the execution and performance of this Agreement, the execution and performance of this Agreement by the Trustee and any transactions associated therewith are within the corporate purposes of the Trustee and the Trustee has duly completed all procedures necessary therefor under laws and ordinances, the Articles of Incorporation and other internal company rules of the Trustee.
 - (3) The execution and performance of this Agreement by the Trustee and any transactions associated therewith will not result in (a) any violation of laws and ordinances that bind the Trustee, (b) any breach of the Articles of Incorporation or other internal company rules of the Trustee, or (c) any breach in any material respect of a third-party contract to which the Trustee is a party or which binds the Trustee or the assets of the Trustee.

- (4) This Agreement constitutes legal, valid and binding obligations of the Trustee, and is enforceable against the Trustee in accordance with the terms of thereof.
- (5) After the last day of the fiscal year ended in March 2003, there has been no material change that will cause a significant deterioration of the business, assets, or financial condition of the Trustee described in the audited fiscal statement of that fiscal year or that may materially affect the performance of the obligations of the Trustee under this Agreement.
- (6) No lawsuit, arbitration, administrative procedure, or other dispute has commenced, or is likely to commence to the best knowledge of the Trustee, with respect to the Trustee, that will or may materially cause adverse effects on the performance of its obligations under this Agreement.
- (7) None of the following events has occurred or is likely to occur with respect to the Trustee:
 - (i) suspension of payment, or a petition of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjisaiteitetsuzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseitetsuzuki-kaishi*), commencement of corporate rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures (including, without limitation, similar procedures taken outside Japan);
 - (ii) resolution for dissolution or order of dissolution;
 - (iii) suspension or abolishment of the business, or disposition such as suspension of business by competent government authorities;
 - (iv) suspension of transactions by a clearing house; or
 - (v) deterioration of its business or financial conditions that would affect the performance of its obligations under this Agreement.

8. COVENANTS BY THE SETTLOR

The Settlor hereby covenants to the Trustee that, during the term of the Trust, the Settlor:

- (1) will immediately deliver to the Trustee, in readily cashable funds, any funds that should be included in the Trust Property, such as principal or delinquency charges, regardless of the name or nature of such funds, that are received by the Settlor with respect to the Trust Receivables after the execution date of this Agreement;
- (2) will duly exercise and perform all of its rights and obligations under the Purchase and Sale Related Agreements, in accordance with all applicable laws and ordinances and the terms of the Purchase and Sale Related Agreements;
- (3) will not take an action that is likely to cause Damages to the Trust Property or adversely affect the rights of the Trustee or the Beneficiary under this Agreement, including termination of the Purchase and Sale Agreement,

amendment, release or waiver of the terms of the Purchase and Sale Related Agreements, or assignment or pledge of, or creation of security interests on, the Trust Receivables to a third party other than the Trustee;

- (4) will not take any action that will allow the Third Party Obligor or another third party to acquire grounds for or a right of defense against the Trustee with respect to the Trust Receivables or otherwise prejudice the rights of the Trustee and the Beneficiary relating to the Trust Receivables;
- (5) will notify the Trustee without delay of the occurrence of any event that will materially affect the financial or business conditions of the Settlor; and
- (6) will comply with all matters prescribed in this Agreement.

9. INDEMNIFICATION

The Settlor shall indemnify the Trustee for any Damages suffered or incurred by the Trustee or the Trust Property due to the Settlor's breach of its representations and warranties set forth in Clauses 6.1 and 7.1 or its obligations under this Agreement. If the Settlor does not indemnify the Trustee for Damages suffered or incurred by the Trustee, the Trustee may be indemnified out of the funds within the Trust Property.

10. PERFECTION OF ASSIGNMENT

- 10.1 The Settlor shall obtain a written approval of the Third Party Obligor bearing a certified date (*kakutei-hizuke*) in the form prescribed in Schedule 3 with respect to the Trust Assignment and deliver such written approval to the Trustee.
- 10.2 Upon receipt of the written approval set forth in Clause 10.1, the Trustee shall deliver to the Agent a copy of such written approval together with a notarized document with the Trustee's seal affixed thereto certifying that such copy is a true copy of the original and the original is kept by the Trustee.
- 10.3 The Settlor shall bear all expenses necessary for the procedures set forth in Clause 10.2.

11. DELIVERY OF RECEIVABLES CERTIFICATES

- 11.1 The Settlor shall deliver the Related Documents held by the Settlor as of the execution date of this Agreement to the Trustee by way of agreement on possession (*senyu kaitei*) at the time of execution of this Agreement.
- 11.2 If the Settlor comes to hold, after the execution date of this Agreement, the Related Documents that were not held by the Settlor at the time of execution of this Agreement, the Settlor shall immediately deliver to the Trustee such Related Documents by way of agreement on possession (*senyu kaitei*).
- 11.3 Notwithstanding the provisions in Clauses 11.1 and 11.2, the Settlor shall, upon request by the Trustee, deliver the Related Documents to the Trustee by way of actual delivery, or provide the Trustee with access to the Related Documents.

12. INDICATION OF THE TRUST

- 12.1 With respect to the Trust Property, the Trustee may omit to register or record, or indicate or describe the trust unless it deems it necessary.
- 12.2 If the cooperation of the Settlor is needed with respect to the indication of the trust, the Settlor shall cooperate with the Trustee as necessary.

13. DUE DILIGENCE OBLIGATIONS

The Trustee shall not be liable for the Damages incurred by the Trust Property or the Beneficiary that are not due to its willful misconduct or negligence to the extent that the Trustee provides the Trust Administrative Services with the due care of a good manager and in accordance with the provisions of this Agreement.

CHAPTER 2 BENEFICIAL INTERESTS

14. BENEFICIARY

The initial Beneficiary of the principal and proceeds of the Trust under this Agreement shall be the Settlor.

15. TYPE OF THE BENEFICIAL INTERESTS

There shall be one (1) type of Beneficial Interests created in the Trust. The initial principal amount of the Beneficial Interests shall be 8,267,443,188yen, which corresponds to the amount of the initial trust principal.

16. DIVISION OF THE BENEFICIAL INTERESTS

The Beneficiary may not divide the Beneficial Interests into units without prior written approval from the Trustee.

17. ISSUANCE OF BENEFICIAL INTERESTS CERTIFICATES

- 17.1 The Trustee may omit issuing the Beneficial Interests certificates unless requested by the Beneficiary.
- 17.2 If the Beneficiary assigns all or a part of its Beneficial Interests in accordance with the provisions of Clause 18, the Trustee shall collect from the Beneficiary those Beneficial Interests certificates already issued (if any) and shall deliver new Beneficial Interests certificates to the new Beneficiary.

18. ASSIGNMENT AND PLEDGE OF THE BENEFICIAL INTERESTS

- 18.1 The Beneficiary may not assign to a third party, create a security interest on, or otherwise dispose of the Beneficial Interests, without prior written approval from the Trustee.

- 18.2 Notwithstanding the provisions of Clause 18.1, the Beneficiary may create first-priority and second-priority floating pledges (collectively, the "Floating Pledges") on the Beneficial Interests for the benefit of each Lenders. The Trustee shall approve the creation of the Floating Pledges by issuing a certificate bearing a certified date (*kakutei-hizuke*).
- 18.3 The Trustee hereby approves in advance that the Beneficial Interests may be assigned to the Lenders through enforcement of the Floating Pledges. The Trustee shall give written approval bearing a certified date (*kakutei-hizuke*) if necessary for the purpose of perfecting the assignment of the Beneficial Interests.

CHAPTER 3 MANAGEMENT AND DISPOSAL OF THE TRUST PROPERTY

19. REPORT REGARDING THE TRUST RECEIVABLES BY THE SETTLOR

- 19.1 The Settlor shall report to the Trustee in the Settlor's Report Form by each Settlor's Regular Report Deadline (i) the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)) as of the immediately preceding Regular Collection Calculation Date, (ii) the Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)) as of the immediately preceding Regular Collection Calculation Date, (iii) the amount to be paid by the Third Party Obligor as of the next Trust Receivables Due Date as the payment relating to the Trust Receivables (the "Estimated Trust Receivables Collection Amount") (broken down into the Estimated Trust Receivables Collection Amount (Goods' Value Equivalent) and the Estimated Trust Receivables Collection Amount (Consumption Tax and Other Tax Equivalent)), and (iv) any other matters required to be reported in the Settlor's Report Form (these reports shall be referred to as the "Settlor's Regular Report").
- 19.2 If it is discovered that the Settlor's Regular Report contains false information, the Settlor shall immediately report to the Trustee in the Settlor's Report Form the true information of the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), Estimated Trust Receivables Collection Amount (broken down into the Estimated Trust Receivables Collection Amount (Goods' Value Equivalent) and the Estimated Trust Receivables Collection Amount (Consumption Tax and Other Tax Equivalent)) and any other matters required to be reported in the Settlor's Report Form (these reports shall be referred to as the "Settlor's Extraordinary Report"), unless it is apparent that, even if based on the true information of the Fixed Trust Receivables Amount and Counter-Performed Trust Receivables Amount (and the breakdowns thereof), (i) the Fixed Trust Property Value is not less than the Total Outstanding Balance A at the time such information was discovered to be false, and

(ii) the Counter-Performed Trust Receivables Amount is not less than 120% of the Total Outstanding Balance at the time the such information was discovered to be false minus the Fixed Trust Property Value. If the Settlor makes the Settlor's Extraordinary Report, it shall reflect the details of such Settlor's Extraordinary Report in the next Settlor's Regular Report.

- 19.3 In addition to the report described in Clause 19.2, the Settlor shall, upon request by the Trustee, immediately report to the Trustee any matters regarding the Trust Property relating to such request.
- 19.4 The Settlor shall indemnify the Trustee, the Agent or the Lenders for any Damages suffered by them due to false information in the reports described in Clauses 19.1 and 19.2.

20. FLOATING PLEDGE ENFORCEMENT NOTICE

- 20.1 If the Trustee receives from the Agent a written notice to the effect that the Floating Pledges will be enforced (the "Floating Pledge Enforcement Notice") (the receipt of the Floating Pledge Enforcement Notice by the Trustee shall be referred to as a "Repayment Formula Revision Event"), the Trustee shall immediately prepare a written document bearing a certified date (*kakutei-hizuke*) that certifies the receipt of the Floating Pledge Enforcement Notice by the Trustee as described in the Floating Pledge Enforcement Notice, and deliver such document to the Agent.
- 20.2 The Trustee is not obliged to inspect and confirm whether the details of the Floating Pledge Enforcement Notice are valid under the Floating Pledge Agreement relating to the Floating Pledges, this Agreement or other agreements relating to the enforcement of the Floating Pledges. The Trustee shall not be liable for indemnifying the Settlor for any Damages suffered by the Settlor due to the Trustee treating the Floating Pledge Enforcement Notice as valid although it is invalid.

21. DELEGATION OF A PART OF THE TRUST ADMINISTRATIVE SERVICES

The Trustee may delegate all or a part of the Trust Administrative Services to the Settlor or another third party.

22. MANAGEMENT OF THE FUNDS WITHIN THE TRUST PROPERTY

The Trustee shall manage the funds within the Trust Property in the Collection Account.

23. OPENING OF THE ACCOUNT

The Trustee shall open the Collection Account for the purpose of managing the Trust Property.

24. INSTRUCTION OF BENEFICIARY

- 24.1 With respect to matters not provided for in this Agreement relating to the administration and management of the Trust Property, any of the following persons (the "Instructor") may give instructions relating to the method of administration of

the Trust Property (the "Administration Method Instruction") to the Trustee subject to the following categories and the Trustee may request the Administration Method Instruction from the Instructor.

- (1) If the Repayment Formula Revision Event has not occurred:
Beneficiary and Agent

The Beneficiary and the Agent shall, upon consultation, give instructions under their joint names. If the Beneficiary and the Agent fail to reach an agreement through consultation, the Agent may independently give instructions and the Trustee shall follow such instructions independently given by the Agent.

- (2) If the Repayment Formula Revision Event has occurred:
Agent

24.2 Notwithstanding the provisions of Clause 24.1, if the Trustee deems that the administration of the Trust Property in accordance with the Administration Method Instruction: (i) is significantly unreasonable in terms of executing the purpose of the Trust; (ii) violates laws and ordinances, directives or other similar rules; or (iii) is impossible or significantly difficult, the Trustee may choose not to follow the Administration Method Instruction.

24.3 The Trustee shall not be liable to the Settlor or the Beneficiary for any Damages incurred by the Trust Property due to any of the following events:

- (1) If the Trustee manages the Trust Property in accordance with the Administration Method Instruction;
(2) If the Trustee chooses not follow the Administration Method Instruction pursuant to Clause 24.2; or
(3) If the Trustee does not receive the Administration Method Instruction within a reasonable period of time although it has requested the Administration Method Instruction as provided for in Clause 24.1.

CHAPTER 4 CALCULATION OF THE TRUST

25. DEFINITION OF PRINCIPAL AND PROCEEDS

25.1 Under this Agreement, the trust principal shall be the sum of the following:

- (1) Fixed Trust Receivables and Counter-Performed Trust Receivables;
(2) Trust Receivables Collection relating to the Trust Receivables; and
(3) Funds entrusted to the Trust Property (including additional funds entrusted pursuant to Clause 3 and funds paid to the Trustee pursuant to Clause 26).

- 25.2 Under this Agreement, the trust proceeds shall be the sum of the following:
- (1) Proceeds from the management of the funds pursuant to Clause 22; and
 - (2) Proceeds otherwise accruing from the Trust Receivables other than the trust principal.

26. TREATMENT OF INELIGIBLE RECEIVABLES

- 26.1 If it is found that the Trust Receivables are or has become the Ineligible Receivables, the Trustee may request the Settlor repurchase the Ineligible Receivables at its nominal value (the "Repurchase Price") in accordance with a written instruction from the Agent, or, if all or a part of the Ineligible Receivables has already been extinguished due to assertion of grounds for defense by the Third Party Obligor (excluding defense based on the Set-off Treatment) or other reasons, the Trustee may request the Settlor pay the amount equivalent to all or a part of such Ineligible Receivables that has been extinguished.
- 26.2 The Trustee is not obliged to request the Settlor repurchase the Ineligible Receivables or pay the equivalent amount as described in Clause 26.1 and shall not be liable for indemnifying the Settlor or the Beneficiary for any Damages incurred by the Trust Property due to its failure to make such request, unless the Trustee has been instructed by the Agent under Clause 26.1.
- 26.3 The assignment of the Ineligible Receivables through repurchase thereof pursuant to Clause 26.1 shall become effective when the Settlor pays to the Trustee the Repurchase Price in full. The Trustee shall cooperate with the Settlor as necessary, to the extent possible for the Trustee, with respect to the perfection of the assignment of the Ineligible Receivables to the Settlor through repurchase thereof by the Settlor.
- 26.4 If the Settlor becomes aware that the Trust Receivables are or have become the Ineligible Receivables, it shall immediately notify the Trustee and the Agent. If the Trustee becomes aware that the Trust Receivables are or have become the Ineligible Receivables, it shall immediately notify the Beneficiary and the Agent. Provided, however, that the Trustee shall not be liable for indemnifying the Beneficiary and the Agent for the Damages arising due to its failure to give notice as provided for in this Clause 26.4, unless the Trustee intentionally fails to notify the Beneficiary and the Agent although it is aware that the Trust Receivables are or have become the Ineligible Receivables.

27. CALCULATION AND REPORT OF THE TRUST

- 27.1 The Trustee shall, upon receipt of the Settlor's Regular Report, calculate on the Trust Calculation Date profits and losses for the Collection Calculation Period during which the immediately preceding Regular Collection Calculation Date falls in accordance with such Settlor's Regular Report, and report to the Beneficiary and the Agent the result of such calculation in a form otherwise agreed upon between the Beneficiary, the Trustee and the Agent on or before each Trustee's Regular Report Deadline (or immediately after receiving the Settlor's Regular Report if the Settlor's Regular Report is not received by the Settlor's Regular Report Deadline) (such report shall be referred to as the "Trustee's Regular Report"). The Trustee's

Regular Report shall include the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), the Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)) and the amount of funds within the Trust Property (shown as the amount of the Trust Receivables Collections (Consumption Tax and Other Tax Equivalent)) as of the immediately preceding Regular Collection Calculation Date or other report relating to matters concerning the Trust Property as required by the Agent.

- 27.2 The Trustee shall, upon receipt of the Settlor's Extraordinary Report, report to the Agent in a form separately agreed upon between the Beneficiary, the Trustee and the Agent the true information of the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), the Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), the amount of funds within the Trust Property (the amount of the Trust Receivables Collections (Consumption Tax and Other Tax Equivalent) shall be shown), and any other matters required to be reported in a form separately agreed upon between the Beneficiary, the Trustee and the Agent (the "Trustee's Extraordinary Report") by 12 p.m. on the second (2nd) Business Day after the date on which the Trustee received the Settlor's Extraordinary Report. If the Trustee makes the Trustee's Extraordinary Report, it shall reflect the details of the changes made in such Trustee's Extraordinary Report in the next Trustee's Regular Report.
- 27.3 The Trustee may rely on the Settlor's Report in reporting the Fixed Trust Receivables Amount and the Counter-Performed Trust Receivables Amount under Clauses 27.1 and 27.2 and shall not be obliged to confirm on its own the truthfulness of the report made by the Settlor. The Trustee shall not be liable for indemnifying the Trust Property, the Agent or the Lenders for the Damages suffered by them due to any false information in the report made by the Settlor.
- 27.4 If the Beneficiary and the Agent make no objections to the reports described in Clauses 27.1 and 27.2 during a period of five (5) Business Days after receiving such report from the Trustee, the Beneficiary and the Agent shall be deemed to approve the details of such report.

28. PAYMENT OF TAXES AND EXPENSES

- 28.1 The Trustee may pay the Expenses out of the Trust Property in accordance with the provisions of this Agreement.
- 28.2 If the amount of the Trust Property is not sufficient to pay the Expenses as set forth in Clause 28.1, the Trustee may request the Settlor entrust additional funds equal to such shortfall. Upon receipt of such request, the Settlor shall immediately entrust such additional funds to the Trustee.

29. TRUST FEES

- 29.1 The Settlor shall pay the Trust Fees to the Trustee in accordance with the Memorandum regarding Trust Fees (the “Memorandum regarding Trust Fees”), which is set out as separately agreed between the Settlor and the Trustee.
- 29.2 If the Trust Fees set forth in the Memorandum regarding Trust Fees are not paid to the Trustee, the Trustee may receive the amount equal to the amount of the Trust Fees as set forth in the Memorandum regarding Trust Fees out of the Trust Property as the Trust Fees, and if the amount of the Trust Property is not sufficient to pay the Trust Fees as set forth in Clause 29.1, the Trustee may request the Settlor pay to the Trustee an amount equal to such shortfall. Upon receipt of such request, the Settlor shall immediately pay such an amount to the Trustee.

CHAPTER 5 DELIVERY OF PRINCIPAL AND PROCEEDS OF THE BENEFICIAL INTERESTS

30. REPAYMENT OF PRINCIPAL AND DELIVERY OF PROCEEDS DURING THE TERM OF THE TRUST

The Agent shall, by 12 p.m. on each Collection Delivery Date (or, if the Collection Calculation Date relating to such Collection Delivery Date corresponds to the Regular Collection Calculation Date and further if the Trustee’s Regular Report relating to such Regular Collection Calculation Date does not reach the Agent by the Trustee’s Regular Report Deadline, by 12 p.m. on the Business Day immediately following the Business Day which corresponds to (or, if the Agent receives the Trustee’s Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee’s Regular Report if it receives such report before 12 p.m., or by 12 p.m. on the second (2nd) Business Day after the Business Day which corresponds to (or, if the Agent receives the Trustee’s Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee’s Regular Report if it receives such report after 12 p.m.), instruct the Trustee to repay the trust principal and dispose of the trust proceeds in accordance with the following method and order based on the Trustee’s Regular Report relating to such Trustee’s Regular Report Deadline; provided, that if the Agent deems that there is, or may be, a material concern with respect to the collection of the Loan Receivables or any other emergency occurs or is likely to occur, the Agent shall follow the procedures for the decision-making of the Majority Lenders and may instruct the Trustee to dispose of the Principal Collections in a method other than that provided for in Clause 30.2 (2) with the consent of the Majority Lenders, and the Beneficiary shall give approval therefor in advance; and provided further, that if the Agent instructs the Principal Collections to be delivered to the Lenders, it shall instruct that such delivery be made through the Agent. The Trustee shall repay the trust principal and dispose of the trust proceeds in accordance with the instructions given by the Agent on or before each Collection Delivery Date (or, if the Trustee has not received instructions from the Agent by 12 p.m. on such Collection Delivery Date, on or before the Business Day immediately following the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day

on which the Trustee receives instructions from the Agent if it receives such instructions before 12 p.m., and on or before the second (2nd) Business Day after the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions after 12 p.m.).

- 30.1 The Interest Collections shall be disposed of in the following order.
- (1) Payment of the Expenses relating to the Trust Property that have become due and payable.
 - (2) Payment of the Trust Fees that have become payable.
 - (3) Incorporation into the trust principal of the outstanding amount after deducting the amounts provided in Clause 30.1 (1) and (2) above. In this case, the principal of the Beneficial Interests shall be increased to the extent of such outstanding amount.
- 30.2 The Principal Collections (including the funds incorporated into the trust principal pursuant to Clause 30.1 (3)) shall be disposed of in the following order:
- (1) If the Interest Collections are not sufficient to make payment provided for in Clause 30.1 (1) and (2) above, the Principal Collections will be appropriated for such payment. In this case, the equivalent amount shall be deducted from the principal of the Beneficial Interests.
 - (2) (i) As of the Regular Collection Delivery Date, the Principal Collections (after deducting the amount appropriated under this Clause 30.2 (1), if any) will be delivered to the Beneficiary in accordance with the written instruction given by the Agent to the extent that the Trust Property Maintenance Standards are satisfied.
 - (ii) As of the Extraordinary Collection Delivery Date, the Principal Collections (after deducting the amount appropriated under this Clause 30.2 (1), if any) will be retained in the Collection Account.

31. REPAYMENT OF TRUST PRINCIPAL AND DISPOSAL OF TRUST PROCEEDS AFTER THE OCCURRENCE OF REPAYMENT METHOD REVISION EVENT

Notwithstanding the provisions of Clause 30, if the Repayment Formula Revision Event occurs, the Agent shall, by 12 p.m. on each subsequent Collection Delivery Date (or, if the Collection Calculation Date relating to such Collection Delivery Date corresponds to the Regular Collection Calculation Date and further if the Trustee's Regular Report relating to such Regular Collection Calculation Date does not reach the Agent by the Trustee's Regular Report Deadline, by 12 p.m. on the Business Day immediately following the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular

Report if it receives such report before 12 p.m., or by 12 p.m. on the second (2nd) Business Day after the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular Report if it receives such report after 12 p.m.), instruct the Trustee to repay the trust principal and dispose of the trust proceeds in accordance with the following method and order based on the Trustee's Regular Report relating to such Trustee's Regular Report Deadline; provided, that the Agent may instruct the Trustee to dispose of the Principal Collections in a method other than that provided for in Clause 31.2 (2) with the consent of the Majority Lenders, and the Beneficiary shall give approval therefor in advance; and provided further, that if the Agent instructs the Principal Collections to be delivered to the Lenders, it shall instruct that such delivery be made through the Agent. The Trustee shall repay the trust principal and dispose of the trust proceeds in accordance with the instruction given by the Agent on or before each Collection Delivery Date (or, if the Trustee has not received instructions from the Agent by 12 p.m. on such Collection Delivery Date, on or before the Business Day immediately following the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions before 12 p.m., and on or before the second (2nd) Business Day after the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions after 12 p.m.).

31.1 The Interest Collections shall be disposed of in the following order.

- (1) Payment of the Expenses relating to the Trust Property that have become due and payable.
- (2) Payment of the Trust Fees that have become payable.
- (3) Incorporation into the trust principal of the outstanding amount after deducting the amounts provided in Clause 31.1 (1) and (2) above. In this case, the principal of the Beneficial Interests shall be increased to the extent of such outstanding amount.

31.2 The Principal Collections (including the funds incorporated into the trust principal pursuant to Clause 31.1 (3)) shall be disposed of in the following order:

- (1) If the Interest Collections are not sufficient to make payment provided for in Clause 31.1 (1) and (2), the Principal Collections will be appropriated for such payment. In this case, the equivalent amount shall be deducted from the principal of the Beneficial Interests.
- (2) All of the Principal Collections (after deducting the amount appropriated under this Clause 31.2 (1), if any) will be delivered to any person designated by the Agent in the Floating Pledge Enforcement Notice, in accordance with the written instruction given by the Agent; provided, however, that if the Principal Collections are delivered to the Lenders, such delivery shall be made through the Agent.

CHAPTER 6 TERMINATION OF TRUST**32. TERMINATION OF THE TRUST AGREEMENT**

- 32.1 The Settlor, the Trustee and the Beneficiary may not terminate this Agreement during the term of the Trust.
- 32.2 Notwithstanding the provisions of Clause 32.1, the Trustee may terminate this Agreement if any of the following events occurs. In this case, the Trustee shall notify the Settlor and the Beneficiary of its intent to terminate this Agreement and this Agreement shall terminate as of the first Regular Collection Calculation Date after the date on which the Trustee sends such notice.
- (1) If the Trustee considers that the achievement of the purpose of this Agreement or provision of the Trust Administrative Services by the Trustee has become impossible or significantly difficult from an objective perspective due to the occurrence of an event equivalent to the Exemption Event.
 - (2) If Trustee does not receive payment of the Trust Fees in full as of the Regular Collection Calculation Date and does not receive the payment of such Trust Fees by the tenth (10th) Business Day after such Regular Collection Calculation Date.
 - (3) If all of the Floating Pledges are extinguished.

33. DELIVERY OF PRINCIPAL AND PROCEEDS UPON TERMINATION OF THE TRUST

The Trustee shall make the final calculations with respect to the Trust Property immediately after receiving the report from the Settlor as set forth in Clause 19 relating to the final Collection Calculation Date, and then immediately deliver all of the property within the Trust Property based on such calculations in the following order of priority; provided, that if the Agent instructs the Principal Collections or the uncollected Trust Receivables to be delivered to the Lenders, it shall instruct that such delivery be made through the Agent.

- 33.1 The Interest Collections shall be disposed of in the following order.
- (1) Payment of the Expenses relating to the Trust Property that have become due and payable.
 - (2) Payment of the Trust Fees that have become payable.
 - (3) Incorporation into the trust principal of the outstanding amount after deducting the amounts provided in Clause 33.1 (1) and (2) above. In this case, the principal of the Beneficial Interests shall be increased to the extent of such outstanding amount.

33.2 The Principal Collections shall be disposed of in the following order:

- (1) If the Interest Collections are not sufficient to make payment provided for in Clause 33.1 (1) and (2), the Principal Collections will be appropriated for such payment. In this case, the equivalent amount shall be deducted from the principal of the Beneficial Interests.
- (2) All of the Principal Collections (after deducting the amount appropriated under this Clause 33.2 (1), if any) will be delivered to (i) any person designated by the Agent in the Floating Pledge Enforcement Notice (if delivered to the Lenders, such delivery shall be made through the Agent), if the Repayment Formula Revision Event has occurred, or (ii) the Beneficiary, in other cases, in accordance with written instructions given by the Agent; provided, however, that if the Loan Receivables exist in the case of (ii) in the preceding sentence, the Trustee shall deliver to the Agent the Principal Collections (after deducting the amount appropriated under this Clause 33.2 (1), if any), and the Beneficiary shall create a security interest over the amount of the Principal Collections in order to secure payment of the Loan Receivables to the Lenders subject to substantially the same terms and conditions as those of the Floating Pledge (the method of creating the security interest shall be determined upon consultation between the Agent and the Beneficiary) or appropriate the amount of the Principal Collections for payment of the Loan Receivables pursuant to the provisions of Clauses 14.1 through 14.3 of the Loan Agreements. If the delivery of the Principal Collections is made as set forth in this Clause 33.2(2), the Trustee shall be released from its liability to the Settlor, the Beneficiary, the Agent and the Lenders with respect to the disposal of the Trust Property.

33.3 The uncollected Trust Receivables (if any) shall be delivered to (i) any person designated by the Agent in the Floating Pledge Enforcement Notice (if delivered to the Lenders, such delivery shall be made through the Agent), if the Repayment Formula Revision Event has occurred, or (ii) the Beneficiary, in other cases; provided, however, that if the Loan Receivables exist in the case of (ii) in the preceding sentence, the Trustee shall deliver the uncollected Trust Receivables to the Agent, and the Beneficiary shall create a security interest over such uncollected Trust Receivables in order to secure payment of the Loan Receivables to the Lenders subject to substantially the same terms and conditions as those of the Floating Pledges (the method of creating the security interest shall be determined upon consultation between the Agent and the Beneficiary) or, if All Lenders agree thereto, appropriate such uncollected Trust Receivables for payment of the Loan Receivables by way of converting such uncollected Trust Receivables into cash or otherwise. If the delivery of the uncollected Trust Receivables is made as set forth in this Clause 33.3, the Trustee shall be released from its liability to the Settlor, the Beneficiary, the Agent and the Lenders with respect to disposal of the Trust Property.

CHAPTER 7 MISCELLANEOUS

34. NOTICE

Any notice to be given under this Agreement shall be in writing and given by personal delivery, certified mail, motorcycle delivery or facsimile transmission to the following addresses:

Settlor and Initial Beneficiary:

33-4, Nishi-Shinjuku 4-chome, Shinjuku-ku, Tokyo 160-0023

FASL JAPAN LIMITED

Business Promotion Division

TEL: 03-5302-2200

FAX: 03-5302-2674

Trustee:

5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8240 Mizuho Trust & Banking Co., Ltd.

Securitization Business Department I

TEL: 03-3240-7061

FAX: 03-3240-7213

35. SUBMISSION OF SEAL IMPRESSION

35.1 The seal impressions or signatures to be used by the Settlor and the Beneficiary shall be registered with the Trustee in advance.

35.2 If the Trustee delivers the Trust Property or takes any other action after comparing, with due care, the seal impression or signature used on a receipt or any other documents with the seal impression or signature submitted pursuant to Clause 35.1 and confirming that such seal impression or signature is true and correct, the Trustee shall not be liable for indemnifying any Damages caused thereby for any reason whatsoever, unless such Damages are caused due to the Trustee's willful misconduct or negligence.

36. NOTIFICATION

36.1 The Settlor and the Beneficiary shall notify the Trustee and carry out procedures prescribed by the Trustee if any of the following events occurs:

- (1) any changes to the name, organization, location, representatives, agents or registered seal or signature;
- (2) loss of any agreement, Beneficial Interests certificate or registered seal;
- (3) any other matter deemed material relating to this Agreement.

36.2 The Trustee shall not be liable for indemnifying any Damages arising as a result of a delay by the Settlor or Beneficiary in making a notification described in Clause 36.1.

37. **ACCESS TO THE DETAILS OF THE TRUST RECEIVABLES**

The Trustee shall, if requested by the Beneficiary, make available to the Beneficiary details of the Trust Receivables, during the Trustee's business hours at the principal office of the Trustee, except as deemed necessary to protect the Trust Receivables information of the obligor.

38. **FRACTIONS LESS THAN ONE YEN**

In respect of calculations of any amounts contemplated by this Agreement, any fractions less than one yen shall be rounded down to the nearest whole yen.

39. **GOVERNING LAW**

This Agreement shall be governed by, and construed in accordance with, the laws of Japan.

40. **JURISDICTION**

The Tokyo District Court shall have jurisdiction as the court of first instance with respect to any action or other dispute arising out of or in connection with this Agreement, unless the exclusive jurisdiction is otherwise prescribed by law.

41. **AMENDMENTS TO THIS AGREEMENT**

This Agreement may not be amended except as agreed in writing by the Settlor, the Trustee, and the Beneficiary and approved in writing by the Agent.

42. **EXPENSES**

All stamp duties, registration fees and any other similar public charges incurred by the Settlor or the Trustee in relation to the preparation, delivery, registration, enforcement, amendment or revision of this Agreement shall be borne by that party.

43. **APPLICATION OF THE LOAN AGREEMENTS**

The provisions of the Loan Agreements shall apply *mutatis mutandis* to matters relating to the rights and obligations of the Agent and any other provisions of this Agreement among those not provided for in this Agreement.

44. **CONSULTATION**

The parties hereto shall resolve any matters not provided for in this Agreement or doubts as to the meaning of the provisions of this Agreement upon mutual consultation in good faith.

(The space below has been intentionally left blank.)

List of Schedules

Schedule 1:	Description of Accounts Receivables
Schedule 2:	Application for Additional Entrustment of Funds
Schedule 3:	Request for Approval of Assignment of Receivables and Approval of Assignment of Receivables
Schedule 4:	Settlor's Report Form

CREDITORS' AGREEMENT

FASL JAPAN LIMITED (the "Borrower"), the financial institutions set forth as Lender A under Section 3 of the Schedule attached hereto (all of the Lenders A collectively referred to as "Lenders A" or "All Lenders A," and individual Lenders A referred to as "each Lender A," depending on the context thereof), and the financial institutions set forth as Lenders B under Section 4 of the Schedule attached hereto (all of the Lenders B collectively referred to as "Lenders B" or "All Lenders B," and individual Lenders B referred to as "each Lender B," depending on the context thereof; and All Lenders A and All Lenders B collectively referred to as "Lenders" or "All Lenders," and individual Lenders respectively referred to as "each Lender," depending on the context thereof) enter into the following agreement (this "Agreement") as of March 25, 2004, with MIZUHO CORPORATE BANK, LTD. acting as the Agent, concerning the Revolving Line Agreement (A) dated March 25, 2004 between the Borrower and the Lenders A (the "Loan Agreement A") and the Revolving Line Agreement (B) dated March 25, 2004 between the Borrower and the Lenders B (the "Loan Agreement B," and together with the Loan Agreement A, the "Loan Agreement").

CHAPTER 1 GENERAL PROVISIONS

1. **DEFINITIONS**

1.1 In this Agreement, the following terms shall have the meanings set forth below.

- (1) "**Agent Services**" means collectively, the Agent Services A and Agent Services B.
- (2) "**Commitment Amount**" means collectively, the Commitment Amount A and Commitment Amount B.
- (3) "**Commitment Ratio**" means the percentage of the Commitment Amount of each Lender to the Total Commitment Amount.
- (4) "**Costs Increased Lender**" means collectively, the Costs Increased Lender A and Costs Increased Lender B.
- (5) "**Decision-Making Time**" means, in cases where the Lenders determine that any event requiring instructions by the Majority Lenders has occurred, the point in time when the Agent receives notice under Clause 29.1(i) of each Loan Agreement, and in cases where the Agent determines that the decision of the Majority Lenders is necessary, the point in time when the Agent gives notice under Clause 29.2 of each Loan Agreement.
- (6) "**Desired Drawdown Date**" means collectively, the Desired Drawdown Date A and Desired Drawdown Date B.
- (7) "**Individual Loan**" means collectively, the Individual Loan A and Individual Loan B.

- (8) “**Majority Lenders**” means more than one (1) Lenders (if a particular Lender concurrently acts as the Lender A and Lender B, such Lender will be deemed to be one (1) Lender in relation to this item) whose Commitment Ratio(s) amount to 51% or more in total as of the Decision-Making Time (provided, however, that, for the period after All Lenders’ Lending Obligations are extinguished, and where the repayment of all obligations pursuant to the Loan Agreement in relation to the Loan have not been completed, the percentage shall be that of the total principal amount of the Outstanding Individual Loan Money per each of the Lenders to the Total Outstanding Balance as of the Decision-Making Time).
- (9) “**Lending Obligation**” means collectively, the Lending Obligation A and Lending Obligation B.
- (10) “**Loan(s)**” means collectively, the Loan A and Loan B.
- (11) “**Loan Receivables**” means collectively, the Loan Receivables A and Loan Receivables B.
- (12) “**Refinanced Loan**” means collectively, the Refinanced Loan A and Refinanced Loan B. “**Total Outstanding Balance**” means collectively, the Total Outstanding Balance A and Total Outstanding Balance B.
- (13) “**Refinancing Loan**” means collectively, the Refinancing Loan A and Refinancing Loan B.
- (14) “**Set-off Individual Loan**” means collectively, the Set-off Individual Loan A and Set-off Individual Loan B.
- (15) “**Set-off Initiating Lender**” means collectively, the Set-off Initiating Lender A and Set-off Initiating Lender B.
- (16) “**Total Commitment Amount**” means collectively, the Total Commitment Amount A and Total Commitment Amount B.

1.2 Except as otherwise specifically defined herein, the terms used in this Agreement shall have the meanings defined in the Loan Agreement.

2. **DECISION-MAKING OF THE MAJORITY LENDERS**

2.1 The Majority Lenders shall make decisions as follows:

- (i) If the Lenders deem that any event has occurred that requires instructions from the Majority Lenders in this Agreement, the Lenders may give notice to the Agent to request the decision of the Majority Lenders.
- (ii) The Agent shall, upon receipt of a notice described in the preceding item, immediately give notice to All Lenders to seek the decision of the Majority Lenders.

- (iii) The Lenders shall, upon receipt of the notice described in the preceding item, make its decision on the relevant event and inform the Agent of such decision within three (3) Business Days after the receipt.
 - (iv) If a decision of the Majority Lenders is made pursuant to the preceding three items, the Agent shall immediately notify the Borrower and All Lenders of such decision as the instruction by the Majority Lenders.
- 2.2 If the Agent deems that any event has occurred that requires the decision of the Majority Lenders, other than in the case of Clause 2.1, the Agent may give notice to All Lenders to seek such decision. In such case, the procedures set out in Items (ii) through (iv) of Clause 2.1 shall be followed.
- 2.3 The provisions of this Clause 2 shall apply *mutatis mutandis* to the decision-making of the Majority Lenders with respect to each Loan.

CHAPTER 2 SPECIAL PROVISIONS REGARDING THE LOAN AGREEMENT

3. **SPECIAL PROVISIONS REGARDING THE PROVISIO AND EACH ITEM OF CLAUSE 7.1 OF THE LOAN AGREEMENT**

With respect to Lenders who concurrently act as the Lenders A and Lenders B, the proviso and each item of Clause 7.1 of each Loan Agreement shall be replaced with the following, and the Lenders who concurrently act as the Lenders A and Lenders B may make the Individual Loans in the manner set forth below, as regards to (i) the Refinanced Loan A and the Refinancing Loan B, and (ii) the Refinanced Loan B and the Refinancing Loan A.

Description

“Provided, however, that with respect to the drawdown of the Individual Loan in relation to a Refinancing Loan, the Lender shall offset (a) the principal amount of the Outstanding Individual Loan Money in relation to the Refinanced Loan as of the Desired Drawdown Date, and (b) the Individual Loan Amount in relation to the Refinancing Loan, and according to the result thereof, shall treat the drawdown of such Individual Loan as follows.

- (i) If the Individual Loan Amount in relation to the Refinancing Loan exceeds the amount equivalent to the principal of the Outstanding Individual Loan Money in relation to the Refinanced Loan:

If the Lender receives an application for a drawdown in accordance with Clause 6 of each Loan Agreement and does not give notice pursuant to Clause 8.1 of each Loan Agreement, and all conditions set forth in each item of Clause 5 of each Loan Agreement are satisfied at the time of making the Individual Loan, the Lender shall remit to the Agent’s Account the amount of the difference between the Individual Loan Amount in relation to the Refinancing Loan and the amount equivalent to the principal of the Outstanding Individual Loan Money in relation to the Refinanced Loan by 11 a.m. on the Desired Drawdown Date. The Individual Loan in relation to the Refinancing Loan shall be deemed to have been made in the full Individual Loan Amount in relation to the Refinancing Loan as of the time

that the Agent transfers such money to the Borrower's Settlement Account after withdrawing it from the Agent's Account. Provided, however, that even if the Lender remits the amount of the difference between the Individual Loan Amount and the amount equivalent to the principal of the Outstanding Individual Loan Money to the Borrower's Settlement Account, if the interest on the Refinanced Loan is not paid by the Due Time, the Individual Loan in relation to the Refinancing Loan shall be deemed not to have been made.

- (ii) If the Individual Loan Amount in relation to the Refinancing Loan is less than or equal to the amount equivalent to the principal of the Outstanding Individual Loan Money in relation to the Refinanced Loan:

If the Lender receives an application for a drawdown in accordance with Clause 6 of each Loan Agreement and does not give notice pursuant to Clause 8.1 of each Loan Agreement, and all conditions set forth in each item of Clause 5 of each Loan Agreement are satisfied, the Individual Loan in relation to the Refinancing Loan shall be deemed to have been made in the full Individual Loan Amount in relation to the Refinancing Loan as of the Due Time of the Refinanced Loan. Provided, however, that if the Borrower does not pay the full amount of the difference between the Outstanding Individual Loan Amount in relation to the Refinanced Loan and the Individual Loan Amount and the interest accrued on the Refinanced Loan by the Due Time, the Individual Loan in relation to the Refinancing Loan shall be deemed not to have been made.”

4. **SPECIAL PROVISIONS REGARDING CLAUSE 18 OF THE LOAN AGREEMENT**

The provisions of Clause 18 of each Loan Agreement shall be replaced with the following in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B.

Description

- “18.1 In order to repay the obligations under the Loan Agreement, the Borrower shall remit the relevant amount to the Agent's Account (i) by the Due Time, for those obligations with a Due Date provided for in the Loan Agreement, or (ii) immediately upon the Agent's request, for those obligations with a Due Date not provided for in the Loan Agreement. In such cases, the Borrower's obligations to the Agent or a Lender shall be deemed to have been performed upon the time of the remittance of the relevant amount to the Agent's Account.
- 18.2 Unless otherwise provided for in the Loan Agreement, a payment by the Borrower directly to a Lender other than the Agent contrary to the provisions of Clause 18.1 of amounts owing under the Loan Agreement shall not be deemed to constitute the due performance of obligations under the Loan Agreement. In this case, the Lender receiving such payment shall immediately pay to the Agent the money it receives, and the obligations with respect to such money shall be deemed to have been

performed upon the Agent's receipt of such money. Provided, however, that in the case that the Borrower, upon giving prior written notice to the Agent, disposes (*nin-i-baikyaku*) of the assets subject to floating security interest (*ne-tanpoken*) (other than the floating pledge pursuant to the Floating Pledge Agreement) that have been granted in favor of a Lender as the secured party of the floating security interest, and directly pays to that Lender the proceeds it receives from such disposal in order to perform its obligations under the Loan Agreement, such direct payment shall be considered to constitute the due performance of obligations under the Loan Agreement. The Borrower may not perform its obligations under the Loan Agreement by deed-in-lieu of performance (*daibutsu bensai*) unless the Agent and All Lenders give their prior written approval.

- 18.3 The Borrower's payments pursuant to Clause 18 of each Loan Agreement shall be appropriated in the order set forth below; provided, however, that the payments by the Borrower for which the Due Time has arrived shall be appropriated first in the order set forth in the following items, and if, after such appropriation, any payment by the Borrower remain unappropriated, then the payments for which the Due Time has not arrived shall be appropriated in the order set forth in the following items:
- (i) those expenses to be borne by the Borrower under the Loan Agreement that the Agent has incurred in the place of the Borrower, and the Agency Fee;
 - (ii) those expenses to be borne by the Borrower under the Loan Agreement that are payable to a third party;
 - (iii) those expenses to be borne by the Borrower under the Loan Agreement that any Lender has incurred in place of the Borrower;
 - (iv) the default interest and the Break Funding Cost in relation to the Loan A;
 - (v) the Commitment Fee A;
 - (vi) the interest on the Loan A;
 - (vii) the principal of the Loan A;
 - (viii) the default interest and the Break Funding Cost in relation to the Loan B;
 - (ix) the Commitment Fee B;
 - (x) the interest on the Loan B; and
 - (xi) the principal of the Loan B.
- 18.4 Notwithstanding the provisions of Clause 18.3, if any obligation of the Borrower becomes immediately due and payable pursuant to Clause 24 of each Loan Agreement, the provisions of Clause 19.4 of each Loan Agreement shall apply with respect to the order of appropriating the Borrower's payments. Further, notwithstanding the provisions of Clause 18.3 above and Clauses 19.1 through 19.4 of each Loan Agreement, (i) the Lenders A may, pursuant to Clause 25.1 or 25.2 of the Loan Agreement A, set off the receivables they hold under the Loan Agreement A

against the obligations such Lenders A owe against the Borrower, and (ii) the Lenders B may, pursuant to Clause 25.1 or 25.2 of the Loan Agreement B, set off the receivables they hold under the Loan Agreement B against the obligations such Lenders B owe against the Borrower, and in the case of Item (i) above, the Lenders A shall only be required make the arrangement set forth in Clauses 26.1 and 26.2 of the Loan Agreement A, based on the Intended Distribution Amount A calculated on the assumption that the Borrower's repayments have been appropriated in accordance with the provisions of Clauses 18.3(i) through 18.3(vii) hereof in the order set forth in each item thereof, and in the case of Item (ii) above, the Lenders B shall only be required to make the arrangement set forth in Clauses 26.1 and 26.2 of the Loan Agreement B, based on the Intended Distribution Amount B calculated on the assumption that the Borrower's repayments have been appropriated in accordance with the provisions of Clauses 18.3(i) through 18.3(iii) and 18.3(viii) through 18.3(xi) hereof in the order set forth in each item thereof, respectively. In this case, as between the Lenders A and the Lenders B, no arrangement by way of receivables assignment in accordance with the receivables assignment provided for in Clauses 26.1 and 26.2 of each Loan Agreement or otherwise shall be made.

- 18.5 If, in appropriating the Borrower's payments under Clause 18.3, the amount to be appropriated falls short of the amount outlined in any of the items thereunder, with respect to the first item not fully covered (the "Item Not Fully Covered"), the amount remaining after appropriation to the item of the next highest order of priority shall be appropriated after prorating such remaining amount in proportion to the amount of the individual payment obligations owed by the Borrower regarding the Item Not Fully Covered that have become due and payable.
- 18.6 Unless otherwise required by Laws and Ordinances, the Borrower shall not deduct Taxes and Public Charges from the amount of obligations to be paid pursuant to the Loan Agreement. If it is necessary to deduct Taxes and Public Charges from the amount payable by the Borrower, the Borrower shall additionally pay the amount necessary in order for the Lender to be able to receive the amount that it would receive if no Taxes and Public Charges were imposed. In such cases, the Borrower shall, within thirty (30) days from the date of payment, directly send to the Lender the certificate of tax payment in relation to withholding taxes issued by the tax authorities or other competent governmental authorities in Japan."

5. **SPECIAL PROVISIONS REGARDING CLAUSE 19 OF THE LOAN AGREEMENT**

The provisions of Clause 19 of each Loan Agreement shall be replaced with the following in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B.

Description

- "19.1 If any amounts remain after deducting an amount equivalent to the amounts described in Clause 18.3(i) and Clause 18.3(ii) of each Loan Agreement from the amount paid by the Borrower pursuant to Clause 18 of each Loan Agreement, the Agent shall immediately distribute such remaining amount to the Lenders in

accordance with the provisions of this Clause 19. Provided, however, that if such money is paid by the Borrower pursuant to Clause 13.2 or Clause 13.5 of each Loan Agreement, notwithstanding the provisions of this Clause 19, the Agent shall promptly distribute such money to the Costs Increased Lender.

19.2 If, prior to distribution by the Agent to the Lenders pursuant to this Clause 19, (a) an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) in relation to the Loan Receivables is served on the Borrower, or (b) an assignment in relation to the Loan Receivables is made, the rights and obligations of the Borrower, the Agent and the Lenders shall be regulated in accordance with the following provisions:

(a)(i) If the Agent completes the distribution to the Lenders pursuant to this Clause 19 before receiving notice from the Borrower pursuant to Clause 21.4 of each Loan Agreement that the Borrower has been served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) with respect to the Loan Receivables:

In this case, if the creditor obtaining an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*), the Borrower, the Lenders or any other third party incurs damages, losses or expenses (the "Damages") as a result of such distribution, the Agent shall not be liable in relation thereto, and the Borrower shall deal with the Damages at its own cost and liability. The Borrower shall compensate the Agent for any Damages incurred by the Agent due to such distribution.

(ii) If the Agent receives notice from the Borrower pursuant to Clause 21.4 of each Loan Agreement that it has been served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) on or after the remittance to the Agent's Account by the Borrower and before completion of the distribution to the Lenders pursuant to this Clause 19, with respect to the Loan Receivables in relation to such distribution:

In this case, (1) with respect to the money relating to such notice, the Agent may withhold the distributions pursuant to this Clause 19, and may take other measures in a manner that the Agent deems reasonable; and (2) the Agent shall distribute to All Lenders other than the Lender subject to such notice the money paid by the Borrower excluding that which is subject to such notice. If the creditor obtaining an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*), the Borrower, the Lenders or any other third party incurs any Damages as a result of the distribution by the Agent pursuant to (1) of this Item (ii), the Agent shall not be liable in relation thereto, and the Borrower shall deal with such Damages at its own cost and liability. The Borrower shall compensate the Agent for any Damages incurred by the Agent due to such distribution.

- (b) If the Assignor and the Assignee, under joint names, or if the Borrower, under its single name, notifies the Agent of an assignment of the Loan Receivables in accordance with Clause 32.1 of each Loan Agreement:

In this case, the Agent shall, after receiving either of these notices, immediately commence all administrative procedures necessary in order to treat such Assignee as the creditor of such Loan Receivables, and the Agent shall be exempt insofar as the Agent treats the previous Lender as the party in interest until the Agent notifies the Borrower, the Assignor and the Assignee that such procedures have been completed. If the Assignee or any other third party suffers Damages due to such treatment by the Agent, the Agent shall not be liable in relation thereto, and the Borrower and the Assignor of such Loan Receivables shall deal with such Damages at their own cost and liability. The Borrower and the Assignor of such Loan Receivables shall jointly compensate the Agent for any Damages incurred by the Agent arising out of this Item (b).

- 19.3 The distributions by the Agent to the Lenders shall be made in order, starting from Clause 18.3(iii) to Clause 18.3(xii) of each Loan Agreement. If there is an Item Not Fully Covered regarding the amounts to be distributed, the appropriation and distribution with respect to such Item Not Fully Covered shall be made in accordance with the provisions of Clause 18.5 of each Loan Agreement.
- 19.4 Notwithstanding Clause 18.3, Clause 18.5 of each Loan Agreement and Clause 19.3 above, if the Borrower's obligations hereunder become immediately due and payable pursuant to Clause 24 of each Loan Agreement, the Agent shall distribute the amount remaining after deducting the amounts described under Clause 18.3(i) and Clause 18.3(ii) of each Loan Agreement from the amount paid by the Borrower, firstly to the Lenders A in proportion to the amount of the obligations that the Borrower owes to the Lenders A under the Loan Agreement A, and then to the Lenders B in proportion to the amount of the obligations that the Borrower owes to the Lenders B under the Loan Agreement B, in which case such remaining amount shall be appropriated in the order and method that the Agent deems appropriate.
- 19.5 If the remittance of money by the Borrower provided for in Clause 18.1 of each Loan Agreement fails to be completed by the Due Time, the Agent shall be under no obligation to make the distributions set forth in Clause 19.1 on the same date. In such cases, the Agent shall make such distributions immediately after receiving the remittance from the Borrower, and the Borrower shall bear any damages, losses and expenses incurred by the Lender or the Agent in connection therewith.
- 19.6 Upon request from the Agent, and if there are reasonable grounds for such request, the Lenders receiving such request shall immediately notify the Agent of the amount (including specifics) of the receivables they hold against the Borrower under the Loan Agreement. In this case, the obligation of the Agent to make distributions set forth in Clause 19.1 shall arise at the time all such notices reach the Agent. In the case where a Lender delays this notice without reasonable cause, such Lender shall bear all damages, losses or expenses incurred by any Lender or the Agent due to such delay.
- 19.7 The Agent may, before the Due Time of any of the Borrower's obligations, make the distributions to Lenders in relation to such obligation by Temporary Advancement

(provided that the Agent shall be under no obligation to make such Temporary Advancement). If the Borrower's obligations in relation to such Temporary Advancement are not repaid by the Due Time in accordance with Clause 18, the Lender who received the distribution pursuant to this Clause 19.7 shall, immediately upon the Agent's request, reimburse to the Agent for the amount of such Temporary Advancement that it received. The Lender shall, immediately upon the Agent's request, pay to the Agent any Temporary Advancement Costs required in making such Temporary Advancement, corresponding to the amount of Temporary Advancement that it received."

6. **SPECIAL PROVISIONS REGARDING CLAUSE 27 OF THE LOAN AGREEMENT**

The provisions of Clause 27 of each Loan Agreement shall be replaced with the following in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B.

Description

- “27.1 The Agent shall, pursuant to the entrustment by All Lenders, perform the Agent Services and exercise rights for the benefit of All Lenders, and shall exercise the rights that, in the Agent's opinion, are ordinarily necessary or appropriate in performing the Agent Services. The Agent shall not be liable for any duties other than those expressly specified in the provisions of this Agreement and the Creditors' Agreement, and shall not be liable for any non-performance of obligations by the Lenders under this Agreement and the Creditors' Agreement. The Agent shall be an agent of the Lenders and, unless otherwise provided, shall never act as an agent of the Borrower.
- 27.2 The Agent may rely upon any communication, instrument and document that has been delivered between appropriate persons and has been signed or has the name and seal attached by such appropriate persons and that the Agent believes to be true and correct, and may act in reliance upon any written opinion or explanatory letter of experts appointed by the Agent within the reasonably necessary extent in relation to this Agreement and the Creditors' Agreement.
- 27.3 The Agent shall perform the duties and exercise the authority provided for in this Agreement and the Creditors' Agreement with the due care of a good manager.
- 27.4 Neither the Agent nor any of its directors, employees or agents shall be liable to the Lenders for any acts or omissions conducted by the Agent pursuant to, or in connection with, this Agreement and the Creditors' Agreement, except for its or their willful misconduct or gross negligence. The Lenders (other than Lenders who act as the Agent) shall jointly and severally indemnify the Agent for any and all liabilities, damages, losses and expenses (including, without limitation, any expenses paid to avoid or minimize any damages or losses or to recover any damages or losses (including attorney's fees)) incurred by the Agent in the course of the performance of its duties under this Agreement and the Creditors' Agreement, to the extent that such liabilities, damages, losses and expenses are not reimbursed by the Borrower, and

- only for the amount outstanding after deducting the portion for which the Agent is obliged to contribute, calculated pursuant to the Agent's Commitment Ratio. Provided, however, that if any of the Lenders cannot perform the indemnity for which it is liable, the Agent's Commitment Ratio shall be calculated by dividing the Agent's Commitment Ratio by the aggregate of the Commitment Ratio of the Lenders other than such non-indemnifying Lenders.
- 27.5 The Agent shall not be liable for the validity of this Agreement and the Creditors' Agreement, and shall not guarantee any matters represented in this Agreement and the Creditors' Agreement. The Lenders shall enter into, and conduct transactions contemplated in, this Agreement and the Creditors' Agreement at their sole discretion by conducting investigations as to the necessary matters, including the creditworthiness of the Borrower, on the basis of the documents, information and other data as it has deemed appropriate.
- 27.6 In cases where the Agent is also acting as a Lender, the Agent shall have the same rights and obligations as the other Lenders under this Agreement and the Creditors' Agreement, irrespective of the Agent's obligations under this Agreement and the Creditors' Agreement. The Agent may engage in commonly accepted banking transactions with the Borrower outside of this Agreement and the Creditors' Agreement. In this case, the Agent shall not be required to disclose to other Lenders information in relation to the Borrower it has obtained through transactions with the Borrower other than those contemplated under this Agreement or the Creditors' Agreement, nor shall the Agent be required to distribute to other Lenders any money it has received from the Borrower through transactions with the Borrower other than those contemplated under this Agreement or the Creditors' Agreement. (Any information that has been disclosed to the Agent by the Borrower shall be, unless expressly identified as being made in relation to this Agreement and the Creditors' Agreement, deemed disclosed in relation to the transactions with the Borrower other than those contemplated under this Agreement or the Creditors' Agreement, and the Agent shall not be required to disclose any of the same to other Lenders.)
- 27.7 Notwithstanding Clause 27.6, upon receiving the Trustee's Regular Report or the Trustee's Extraordinary Report, the Agent shall promptly (by the Business Day immediately following the day such Trustee's Regular Report is received, at the latest) report the details thereof to the other Lenders.
- 27.8 In cases where the Agent is also acting as a Lender, the calculation of the amounts to be distributed to each Lender pursuant to the provisions of Clause 19 shall be made in accordance with the following: (i) for amounts to be distributed to each Lender other than the Agent, any amount less than one yen shall be rounded down, and (ii) amounts to be distributed to a Lender who is also appointed as the Agent shall be the difference between the aggregate of all amounts to be distributed and the amounts distributed to other Lenders.
- 27.9 Except for the cases under Clause 27.8, all calculations of fractions less than one yen that are required under this Agreement and the Creditors' Agreement shall be made in the manner the Agent deems appropriate.
- 27.10 If the Agent receives any notice from the Borrower that is required to be given to each Lender in relation to this Agreement and the Creditors' Agreement, the Agent

shall immediately inform All Lenders of the details of such notice, or if the Agent receives any notice from a Lender that is required to be given to the Borrower or other Lenders in relation to this Agreement and the Creditors' Agreement, the Agent shall immediately inform the Borrower or All Lenders, as the case may be, of the details of such notice. The Agent shall make any documents that it has obtained from the Borrower and has retained, available for review by a Lender during its ordinary business hours."

7. **SPECIAL PROVISIONS REGARDING CLAUSE 28 OF THE LOAN AGREEMENT**

The provisions of Clause 28 of each Loan Agreement shall be replaced with the following in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B.

Description

"28.1 The Agent may resign as follows:

- (i) The Agent may resign its position as the Agent by giving written notice to All Lenders and the Borrower; provided, however, that such resignation shall not become effective until a successor Agent is appointed and such successor accepts such appointment.
- (ii) If the Agent gives notice pursuant to the preceding item, the Majority Lenders may appoint a successor Agent upon obtaining consent from the Borrower.
- (iii) If a successor Agent is not appointed by the Majority Lenders within thirty (30) days (including the day of notice) after the notice of resignation is given as described in Item (i) above, or if the entity appointed by the Majority Lenders as a successor Agent does not accept assumption of the office of the Agent, the Agent in office at that time shall, upon obtaining consent from the Borrower, appoint a successor Agent on behalf of the Majority Lenders.

28.2 The Agent may be dismissed as follows:

- (i) The Majority Lenders may dismiss the Agent by giving written notice thereof to each of the other Lenders, the Borrower, and the Agent; provided, however, that such dismissal shall not become effective until a successor Agent is appointed and such successor accepts such appointment.
- (ii) If the Majority Lenders give notice pursuant to the preceding item, the Majority Lenders may appoint a successor Agent upon obtaining consent from the Borrower.

28.3 If the entity appointed as the successor Agent pursuant to Clause 28.1 or 28.2 accepts assumption of the office, the former Agent shall deliver to the successor Agent all

documents and materials it has kept as the Agent under this Agreement and the Creditors' Agreement, and shall give all the support necessary for the successor Agent to perform the duties of the Agent under this Agreement and the Creditors' Agreement.

28.4 The successor Agent shall succeed to the rights and obligations of the former Agent under this Agreement and the Creditors' Agreement, and the former Agent shall, at the time of the assumption of office by the successor Agent, be exempted from all of its obligations as the Agent; provided, however, that the provisions of this Agreement and the Creditors' Agreement relevant to any actions (including omissions) conducted by the former Agent during the period it was in office shall remain in full force and effect."

8. **SPECIAL PROVISIONS REGARDING CLAUSE 30 OF THE LOAN AGREEMENT A**

Notwithstanding the provisions of Clause 30 of the Loan Agreement A, in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B, the Loan Agreement A may not be amended with respect to matters which affect the rights and obligations of the Lenders B, unless with the written agreement of the Agent, the Borrower, the Majority Lenders A and the Majority Lenders B. Further, notwithstanding the provisions of Clause 30 of the Loan Agreement A, in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B, the written agreement by the Agent, the Borrower, and All Lenders shall be required in order to amend the Loan Agreement A with respect to the following matters that materially affect the rights and obligations of the Lenders B:

- (i) any amendment or addition to the conditions precedent provided for in Clause 4 and Clause 5 of the Loan Agreement A;
- (ii) any release or reduction of the obligations of the Lenders A;
- (iii) any reduction of the amount of the principal and interest of the Individual Loan A or other amounts payable by the Borrower pursuant to the Loan Agreement A;
- (iv) any advancement of the payment date of the principal and interest of the Individual Loan A or other obligations of the Borrower pursuant to the Loan Agreement A;
- (v) any increase in the Spread or the Applicable Interest Rate set forth in Clause 1 of the Loan Agreement A;
- (vi) any amendment to the restrictions on collateral provided for in Clause 22 of the Loan Agreement A;

- (vii) any amendment to the financial restrictions provided for in Clause 23 of the Loan Agreement A;
- (viii) any amendment to the events for acceleration provided for in Clause 24 of the Loan Agreement A;
- (ix) any amendment to Clause 30 of the Loan Agreement A;
- (x) any amendment to the Relevant Agreements; and
- (xi) any other amendment to the Loan Agreement A that the Majority Lenders B consider will diminish the Lenders B's rights, or increase the Lenders B's obligations, in any material respect.

CHAPTER 3 MISCELLANEOUS AND OTHER PROVISIONS

9. **AMENDMENT TO THIS AGREEMENT**

This Agreement may be amended with the written agreement of the Agent, the Borrower, the Majority Lenders A and the Majority Lenders B; provided, however, that the written agreement by the Agent, the Borrower, and All Lenders shall be required in order to amend this Agreement with respect to the following matters that materially affect the rights and obligations of the Lenders:

10. **ASSIGNMENT OF THIS AGREEMENT**

- 10.1 The Lenders may not assign to any third party their status as party to this Agreement or their rights and obligations hereunder except in cases of the assignment to a third party of the status as party to the Loan Agreement, the rights and obligations thereunder or the Loan Receivables in accordance with Clause 31 or Clause 32 of each Loan Agreement, and in making such assignment of the status as party to the Loan Agreement, the rights and obligations thereunder or the Loan Receivables in accordance with Clause 31 or Clause 32 of each Loan Agreement, the Lenders shall assign to such third party their status as party to this Agreement or their rights and obligations hereunder together therewith.
- 10.2 All expenses incurred from the assignment set forth in Clause 10.1 shall be borne by the assignor; provided, however, that the provisions of Clause 13 of each Loan Agreement shall apply with respect to any Increased Costs incurred in relation to the Successive Lender after the assignment.

11. **TERMINATION OF THIS AGREEMENT**

- 11.1 If the Loan Agreement is terminated, this Agreement shall automatically be terminated with respect to the relationship between All Lenders and the Borrower. If the Loan Agreement is terminated with respect to any of the Lenders, this Agreement shall automatically be terminated with respect to such Lender. Until the Borrower completely pays all of its debts under the Loan Agreement or this Agreement, the relevant clauses of this Agreement shall survive in full force and effect, to the extent related to such payment of the debts.

11.2 If the execution and performance of this Agreement and any transactions contemplated under this Agreement become contrary to any Laws and Ordinances binding upon any of the Lenders, such Lenders shall consult with the Borrower and all other All Lenders through the Agent and take measures to deal with the situation. In this case, the Borrower and All Lenders excluding such Lenders may not refuse termination of this Agreement with respect to such Lenders without reasonable cause.

12. **GENERAL PROVISIONS**

12.1 Confidentiality Obligations

The Borrower shall raise no objection to the disclosure of information set forth in each item below:

- (1) If a decision of the Majority Lenders is required pursuant to the provisions of Clause 2 of this Agreement, the Agent and any Lenders may disclose such information with regard to the Borrower or the transaction with the Borrower, which either party has obtained through the Loan Agreement or this Agreement or an agreement other than this Agreement, by imposing confidentiality obligations on the recipient to an extent reasonably required.
- (2) Upon any assignment of status or rights and obligations pursuant to Clause 11 of this Agreement, any Lenders may disclose any information with regard to this Agreement to the Assignee or a person considering becoming an Assignee (including an intermediary of such assignment), on the condition that such parties agree to be bound by the confidentiality obligations. Information with regard to this Agreement in this item shall mean any information regarding the Borrower's credit that has been obtained in connection with this Agreement, any information regarding the contents of this Agreement and other information incidental hereto, and any information regarding the contents of the Loan Receivables to be assigned and other information incidental thereto, and shall not include any information regarding the Borrower's credit that has been obtained in connection with any agreement other than this Agreement.

12.2 Notices

- (1) Any notice under this Agreement shall be made in writing expressly stating that it is made for the purpose of this Agreement, and given by any of the methods described in (i) to (iv) below to the place of contact of the receiving party described in the Schedule attached hereto. Each party to this Agreement may change its place of contact by giving notice thereof to the Agent.
 - (i) Personal delivery;
 - (ii) Registered mail or courier service;
 - (iii) Transmission by facsimile; or
 - (iv) E/X (only for any notices among Lenders and the Agent).

- (2) Notice given pursuant to the preceding item shall be deemed to have been delivered at the time, in the case of transmission by facsimile, when receipt of facsimile is confirmed, and in the case of any other methods, when actually received.
- 12.3 The provisions of Clauses 36.2 through 36.4 and Clauses 36.6 through 36.12 of each Loan Agreement shall apply *mutatis mutandis* to this Agreement. In this case, as used in the provisions of Clauses 36.2 through 36.4 and Clauses 36.6 through 36.12 of each Loan Agreement, the terms “Lender A” or “Lender B” shall be replaced with “Lenders,” and the terms “Majority Lenders A” or “Majority Lenders B” shall be replaced with “Majority Lenders,” respectively.

(The space below has been intentionally left blank.)

FLOATING PLEDGE AGREEMENT

FASL JAPAN LIMITED (the "Pledgor"), the financial institutions specified in Exhibit 1(1) as Pledges A (All pledges A shall be collectively referred to as "Pledges A" or "all Pledges A," and individual pledges A shall, depending on the context, be referred to as "each Pledge A."), and the financial institutions specified in Exhibit 1(2) as Pledges B (All pledges B shall be collectively referred to as "Pledges B" or "all Pledges B," and individual pledges B shall, depending on the context, be referred to as "each Pledge B." All Pledges A and Pledges B shall be collectively referred to as "Pledges" or "all Pledges," and individual pledges shall, depending on the context, be referred to as "each Pledge.") hereby enter into this agreement (this "Agreement") as follows with respect to the creation of floating pledges on the Security Beneficial Interests (as defined below) held by the Pledgor, under which Mizuho Corporate Bank, Ltd. will act as the Agent, as of March 25, 2004.

1. **DEFINITIONS**

Except as otherwise specifically defined herein, the terms in this Agreement shall have the meanings defined in (i) the Accounts Receivables Trust Agreement dated March 25, 2004 entered into by and between the Pledgor and Mizuho Trust & Banking Co., Ltd. (the "Trustee") (as amended, the "Trust Agreement"), (ii) the Revolving Line Agreement (A) dated March 25, 2004 entered into by and among Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd., The Norinchukin Bank and the Pledgor (as amended, the "Loan Agreement A"), (iii) the Revolving Line Agreement (B) dated March 25, 2004 entered into by and between Mizuho Corporate Bank and the Pledgor (as amended, the "Loan Agreement B," and together with the Loan Agreement A, the "Loan Agreements"), and (iv) the Creditors' Agreement dated March 25, 2004 entered into by and among Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd., The Norinchukin Bank and the Pledgor (as amended, the "Creditors' Agreement").

2. **CREATION OF FLOATING PLEDGE**

2.1 The Pledgor shall create first-priority floating pledges (collectively, the "Floating Pledge A") on its beneficial interests in trust under the Trust Agreement (the "Security Beneficial Interests") with respect to each Pledge A as follows.

DESCRIPTION

Scope of Secured Receivables:	The right to claim for the payment of principal and interest and any other receivables held by each Pledgee A against the Pledgor under the Loan Agreement A (collectively the "Secured Receivables A")
Maximum Amount:	JPY 9,000,000,000
Date to crystallize the receivables to be secured by Floating Pledge A:	No date is fixed.

2.2 The Pledgor shall create second-priority floating pledges (collectively the “Floating Pledge B,” and together with the Floating Pledge A, the “Floating Pledges”) on the Security Beneficial Interests with respect to each Pledgee B as follows.

DESCRIPTION

Scope of Secured Receivables:	The right to claim for the payment of principal and interest and any other receivables held by each Pledgee B against the Pledgor under the Loan Agreement B (collectively the “Secured Receivables B,” and together with the Secured Receivables A, the “Secured Receivables”)
Maximum Amount:	JPY 6,000,000,000
Date to crystallize the receivables to be secured by Floating Pledge B:	No date is fixed.

- 2.3 Each Pledgee A shall, as a result of creation of the Floating Pledge A described in Clause 2.1, acquire a floating pledge on the Security Beneficial Interests that has the same priority as those held by the other Pledges A. Each Pledgee B shall, as a result of creation of the Floating Pledge B described in Clause 2.2, acquire a floating pledge on the Security Beneficial Interests that has the same priority as those held by the other Pledges B.
- 2.4 The Pledges hereby authorize the Agent to exercise on behalf of the Pledges the rights of the Pledges under this Agreement to the extent such exercise does not breach applicable laws or ordinances. Provided, however, that the specific time, method and terms of exercising the rights as a Pledgee shall be in accordance with the decision-making of the Majority Lenders under the provisions of the Creditors’ Agreement.
- 2.5 The Pledges shall enforce the Floating Pledges only through the Agent and in accordance with the provisions of this Agreement, the Loan Agreements and the Creditors’ Agreement, and applicable laws and ordinances. Provided, however, that the Pledges are able to receive appropriation for repayment of the Loans in accordance with the provisions of the Loan Agreements and the Creditors’ Agreement.
- 2.6 The authority set forth in Clause 2.4 shall extinguish upon the resignation or dismissal of the Agent in accordance with Clause 28 of the Loan Agreements (or Clause 28 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 7 of the Creditor’s Agreement; hereinafter the same) and the provisions of the Creditors’ Agreement. Thereafter, the successor Agent assuming office in accordance with Clause 28 of the Loan Agreements shall exercise the rights and bear the obligations under this Clause. Immediately after such change in Agents, the former Agent and the successor Agent shall notify the Pledgor thereof in writing in their joint name.

3. **DELIVERY OF ORIGINAL COPY AND ACQUISITION OF TRUSTEE APPROVAL**

- 3.1 On the date of this Agreement, the Pledgor shall deliver to the Agent original copies of a certificate for the Security Beneficial Interests (provided, however, that this shall only apply if such certificate has been issued) and an agreement with respect to the Trust Agreement (such certificate and agreement shall be collectively referred to as "Trust Agreement and Certificate"). The Agent shall, upon receipt of the Trust Agreement and Certificate pursuant to this Paragraph, immediately deliver to each Pledgee copies thereof with wording certifying that such copies are accurate copies of the Trust Agreement and Certificate
- 3.2 On the date of this Agreement, the Pledgor shall obtain the Trustee's written approval of the creation of the Floating Pledge A on the Security Beneficial Interests with a certified date substantially in the form set out in Exhibit 2, and deliver the original copy thereof to the Agent, to complete (i) perfection against debtors and third parties under Articles 364(1) and 467 of the Civil Code with respect to the creation of the Floating Pledge A and (ii) prior perfection under Article 467 of the Civil Code with respect to acquisition of the Security Beneficial Interests as a result of enforcement by any Pledgee A of the Floating Pledge A pursuant to the provisions of Clause 7.1(3) of this Agreement. The Agent shall, upon obtaining approval from the Trustee pursuant to this Paragraph, immediately deliver to each Pledgee A copies thereof with wording certifying that such copies are accurate copies of the approval.
- 3.3 On the date of this Agreement and after carrying out the procedures provided in the preceding Paragraph, the Pledgor shall obtain the Trustee's written approval of the creation of the Floating Pledge B on the Security Beneficial Interests with a certified date substantially in the form set out in Exhibit 3, and deliver the original copy thereof to the Agent, to complete (i) perfection against debtors and third parties under Articles 364(1) and 467 of the Civil Code with respect to the creation of the Floating Pledge B and (ii) prior perfection under Article 467 of the Civil Code with respect to acquisition of the Security Beneficial Interests as a result of enforcement by any Pledgee B of the Floating Pledge B pursuant to the provisions of Clause 7.1(3) of this Agreement. The Agent shall, upon obtaining approval from the Trustee pursuant to this Paragraph, immediately deliver to each Pledgee B copies thereof with wording certifying that such copies are accurate copies of the approval.
- 3.4 Upon receipt of the Trust Agreement and Certificate or the Trustee's approval in accordance with the provisions of preceding three Paragraphs, the Agent shall exclusively possess the Trust Agreement and Certificate or the Trustee's approval for its own benefit and on behalf of each Pledgee for the benefit of each Pledgee, and each Pledgee agrees thereto.
- 3.5 Each Pledgee authorizes the Agent and the Agent agrees to receive the Trust Agreement and Certificate and the Trustee's approval on behalf of each Pledgee.
- 3.6 The Agent shall keep the original copies of the Trust Agreement and Certificate that are delivered by the Pledgor in accordance with Clause 3.1 for the benefit of each Pledgee with the duty of care of a good administrator, until the Pledgor satisfies all of the Secured Receivables and the Agent returns to the Pledgor the original copies of the Trust Agreement and Certificate in accordance with Clause 15 of this Agreement.

4. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF PLEDGOR**

4.1 The Pledgor represents and warrants that the following is true and correct as of the date of this Agreement.

- (1) The Trust Agreement is an agreement duly executed and effectively existing under the laws of Japan.
- (2) The Security Beneficial Interests solely belong to the Pledgor, and the Pledgor has the sole authority to dispose of the Security Beneficial Interests.
- (3) There are no encumbrances relating to real rights on the Security Beneficial Interests that have priority over or precede the Floating Pledge A, nor is there any other event that will interfere with the rights or interests of the Pledges A.
- (4) Other than the Floating Pledge A, there are no encumbrances relating to real rights on the Security Beneficial Interests that have priority over or precede the Floating Pledge B, nor is there any other event that will interfere with the rights or interests of the Pledges B.
- (5) No lawsuit, arbitration, mediation or other administrative procedure by a third party is pending with respect to the creation, continued existence, ownership or exercise of the Security Beneficial Interests, nor is there any threat of the commencement of any of the foregoing.
- (6) The Security Beneficial Interests are legal, valid and binding, and enforceable in accordance with the terms of this Agreement.
- (7) No principal has been redeemed before the due date with respect to the Security Beneficial Interests.
- (8) Neither the Settlor nor the Trustee is in default of any obligations under the Trust Agreement.
- (9) There are no grounds for defense that interfere with the creation, continued existence or exercise of the Security Beneficial Interests.
- (10) No provisions of the Trust Agreement have been amended, released or waived, the Security Beneficial Interests have not been transferred to a third party, had a security interest created thereon, or otherwise been disposed of in a way that adversely affects or is likely to adversely affect the rights of the Pledges under this Agreement, nor is the Pledgor under any obligation to make such a disposition for the benefit of a third party.
- (11) No petition for provisional attachment, preservative attachment, attachment or provisional disposition has been filed by any third party in respect of all or a part of the Security Beneficial Interests, nor are there any rights or encumbrances in respect of all or a part of the Security Beneficial Interests that have or are likely to have an adverse effect on the rights of the Pledges under this Agreement;
- (12) Each of the Pledgor's representations and warranties set out in the Trust Agreement are true and correct.

4.2 If it is found that any of the Pledgor's representations and warranties set out in Clause 4.1 are false or incorrect in any material respect, the Pledgor shall immediately notify the Agent thereof in writing, and shall compensate the Agent or each Pledgee for the losses incurred by them due to such breach of representations or warranties.

5. **PRESERVATION OF TRUST AGREEMENT**

The Pledgor shall not, without the Agent's prior written consent, amend any provision of the Trust Agreement, transfer the Security Beneficial Interests to a third party, create a security interest on or otherwise dispose of or cancel the Security Beneficial Interests, or conduct any other act which is likely to adversely affect the Floating Pledges.

6. **CHANGES IN DETAILS OF FLOATING PLEDGES**

If it becomes necessary to transfer all or a part of the Floating Pledges (including changing the scope of the secured receivables in connection with such transfer) or otherwise change or dispose of the Floating Pledges (excluding the case where such change or disposal materially and adversely affects the Pledgor), the Pledgor shall agree to or approve the Agent's requests or take other procedures necessary therefor. If required by the Agent to change the scope of the secured receivables with respect to the Floating Pledges (excluding those in connection with the transfer of all or a part of the Floating Pledges), the Pledgor shall consult with the Agent in good faith.

7. **ENFORCEMENT OF THE PLEDGE**

7.1 If the obligations that the Pledgor owes with respect to any of the Secured Receivables become due or immediately payable, the Pledgees may enforce the Floating Pledges in accordance with any of the following methods. In such case, each Pledgee may enforce the Floating Pledges only through the Agent by times, methods and terms determined in accordance with the decision-making of the Majority Lenders under Clause 2 of the Creditors' Agreement, and the Agent shall enforce the Floating Pledges on behalf of each Pledgee. The Agent shall, in enforcing the Floating Pledges, notify the Trustee, Pledgor and each Pledgee in writing of the enforcement of the Floating Pledges under this Agreement (the "Floating Pledge Enforcement Notice").

- (1) Method of (i) directly collecting money equal to the amount of the Trustee's obligations to pay distributions and principal redemptions with respect to the Security Beneficial Interests or any other obligation owed by the Trustee to the Pledgor under the Trust Agreement, and (ii) using such collected amount (the "Directly Collected Amount") to repay the Secured Receivables.
- (2) Method of (i) disposing of the Security Beneficial Interests by times, methods, prices, etc., which are generally acknowledged as appropriate, and (ii) using the proceeds from such disposal (the "Disposal Proceeds") to repay the Secured Receivables.
- (3) Method of (i) acquiring the Security Beneficial Interests by evaluating them by times, methods, prices, etc., which are generally acknowledged as appropriate, and (ii) deeming that the Secured Receivables cease to be effective at the same amount as such value of the Security Beneficial Interests (the "Valued Amount").

- 7.2 Notwithstanding the provisions of the preceding Paragraph, if the Agent reasonably deems it necessary to urgently enforce the Floating Pledges, the Agent may immediately enforce the Floating Pledges without following decision-making procedures of the Majority Lenders set forth in Clause 2 of the Creditors' Agreement. Provided, however, that the Agent shall not be obliged to enforce the Floating Pledges unless instructed by the Majority Lenders.
- 7.3 If the Agent enforces the Floating Pledges, the Agent shall simultaneously enforce all of the Floating Pledges held by the Pledgees.
- 7.4 If the Pledgees enforce the Floating Pledges in accordance with Clause 7.1(1) or (2), the Pledgees shall cause the party obliged to pay the Directly Collected Amount or the Disposal Proceeds to transfer such Directly Collected Amount or Disposal Proceeds to an account designated and managed by the Agent (the "Agent's Account"). Upon payment of the Directly Collected Amount or the Disposal Proceeds (the "Directly Collected Amount, Etc.") to the Agent's Account, the Directly Collected Amount, Etc. shall be used to repay the Secured Receivables in the order and manner set forth in Clause 18 of the Loan Agreements (or Clause 18 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 4 of the Creditors' Agreement; hereinafter the same), and the Agent shall distribute the Directly Collected Amount, Etc. to each Pledgee in accordance with Clause 19 of the Loan Agreements (or Clause 19 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 5 of the Creditors' Agreement).
- 7.5 If the Pledgees enforce the Floating Pledges in accordance with Clause 7.1(3), an amount equivalent to the amount that would be appropriated if the money equal to the Valued Amount was appropriated in the order and manner set forth in Clause 18 of the Loan Agreements, shall be used to repay the Secured Receivables at the time the Agent acquires the Security Beneficial Interests. If the Agent acquires money by exercising, transferring or otherwise disposing of the Security Beneficial Interests acquired in accordance with Clause 7.1(3), the Agent shall cause the party obliged to pay such money to transfer such money to the Agent's Account, and upon payment of such money, the Agent shall immediately distribute such transferred money to each Pledgee in accordance with Clause 19 of the Loan Agreements.
- 7.6 If the Agent receives the trust principal, trust proceeds or other property upon enforcement of the Floating Pledges and such property is not money (the "Receivables in Kind"), the Majority Lenders shall determine the method to acquire or dispose of the Receivables in Kind. In this case, an amount equivalent to the amount that would be appropriated if the money equal to the Valued Amount of the Receivables in Kind evaluated by times, methods, prices, etc., that are generally acknowledged as appropriate was appropriated in the order and manner set forth in Clause 18 of the Loan Agreements, shall be used to repay the Secured Receivables. In this case, if the Agent acquires money by exercising, transferring or otherwise disposing of the Receivables in Kind, the Agent shall cause the party obliged to pay such money to transfer such money to the Agent's Account, and upon payment of such money, the Agent shall immediately distribute such transferred money to each Pledgee in accordance with Clause 19 of the Loan Agreements.

7.7 Each Pledgee acknowledges without objection that, notwithstanding the priority between the Floating Pledge A and the Floating Pledge B set forth in Clauses 2.1 and 2.2, the Directly Collected Amount, the Disposal Proceeds, money equal to the Valued Amount and other money acquired through enforcing the Floating Pledges that are set forth in preceding three Paragraphs shall be used and distributed to each Pledgee in the order set forth in Clauses 18 and 19 of the Loan Agreements, and no receivables or obligations will remain between each Pledgee and the Agent with respect to such money after the distribution thereof.

8. **INSTRUCTIONS TO TRUSTEE**

The Pledgor shall follow the provisions of Clause 24.1 of the Trust Agreement with respect to instructing the Trustee, and (i) if no Repayment Formula Revision Event has occurred, the Beneficiary and the Agent shall, upon consultation, give instructions in their joint name, and if the Beneficiary and the Agent do not come to an agreement though consultation, the Agent may independently give instructions, and (ii) if a Repayment Formula Revision Event has occurred, the Agent may give instructions.

9. **COMMON SERVICE FEES**

If the Agent pays any fees for the common benefit of the Pledgees pursuant to the provisions of this Agreement, notwithstanding the provisions of Clauses 7.5 through 7.7 (including the case where such provisions apply *mutatis mutandis* in accordance with the provisions of Clause 8), the Agent may receive priority distribution of an amount equal to such paid expenses from the Agent's Account.

10. **RECEIPT BY PLEDGOR OF DISTRIBUTION OF PROCEEDS OR OTHER MONEYS**

Notwithstanding the creation of the Floating Pledges, the Pledgor is authorized to receive distributions of proceeds, principal redemptions and other money in respect of the Security Beneficial Interests until the Floating Pledge Enforcement Notice is given.

11. **PRESERVATION OF PLEDGE**

- 11.1 The Pledgor shall obtain the Agent's written approval prior to conducting any act to collect the Trust Receivables by itself or any other acts that reduce or which are likely to reduce the amount of the Trust Receivables or the Security Beneficial Interests.
- 11.2 If the Agent is requested by the Pledgor for the approval described in Clause 11.1, the Agent may, as a condition for giving such approval, request the Pledgor to entrust additional funds in respect of the Trust Agreement, offer additional pledges, or repay all or a part of the Secured Receivables.
- 11.3 If requested by the Agent, the Pledgor shall deliver to the Agent all documents reasonably necessary for the preservation and exercise of the Pledgees' rights hereunder, and take all necessary steps for the preservation and exercise of the rights of the Pledgees hereunder in accordance with the Agent's instructions.

12. **NO ASSUMPTION OF DEBT**

The Pledgor acknowledges without objection that none of the Pledges shall assume any debt in respect of the Trust Agreement due to the creation of the Floating Pledges under this Agreement.

13. **EXEMPTION FROM LIABILITY WITH RESPECT TO OBLIGATION TO PRESERVE THE PLEDGE, ETC.**

13.1 The Floating Pledge shall be created in addition to other pledges and guarantees held by the Pledges in respect of the Secured Receivables, and shall not affect the validity of such other pledges or guarantees.

13.2 The Pledgor shall not claim exemption from liability if any Pledgee changes or cancels other pledges or guarantees at such Pledgee's discretion.

14. **INDEMNIFICATION**

If the Agent or the Pledges suffer damages due to breach by the Pledgor of the obligations under this Agreement, the Pledgor shall immediately compensate the Agent or the Pledges upon request from the Agent or the Pledges for such damages.

15. **EXTINGUISHMENT OF FLOATING PLEDGES**

If the Floating Pledges cease to exist, the Agent shall immediately return to the Pledgor the original copies of the Trust Agreement and Certificate with respect to such extinguished Floating Pledges that have been delivered by the Pledgor in accordance with Clause 3.1 and kept for the benefit of each Pledgee. Upon receipt of the original copies of the Trust Agreement and Certificate pursuant to this Clause, the Pledgor shall notify the Trustee thereof in joint names with the Pledges.

16. **COSTS AND EXPENSES**

The Pledgor shall bear any and all costs and expenses (including, but not limited to, taxes and public charges and attorney's fees) required to exercise the rights or perform the obligations under this Agreement. If the Agent or any Pledges pays such costs or expenses, the Pledgor shall compensate the Agent or such Pledgee immediately after the Pledgor receives from the Agent or such Pledgee the details of such costs and expenses.

17. **AGENT**

The parties to this Agreement acknowledge that the services specified in this Agreement to be performed by the Agent shall constitute a part of the Agent Services set forth in Clause 27 of the Loan Agreements (or Clause 27 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 6 of the Creditor's Agreement). It is acknowledged that the provisions concerning the Agent in the Creditors' Agreement shall automatically apply to the Agent's authority, responsibility, obligations, exemption from liability and other matters with respect to the performance by the Agent of its services set forth in this Agreement.

18. **NO ASSIGNMENT**

None of the Pledges nor the Pledgor shall assign, create a security interest on or otherwise dispose of all or a part of their contractual status, rights or obligations hereunder. Provided,

however, that this shall not apply if such disposal is made as a result of the Pledges assigning or otherwise disposing of the Secured Receivables in accordance with the Loan Agreements.

19. **AMENDMENTS TO THE AGREEMENT**

The provisions of this Agreement may be amended only by the written consent of the Agent, the Pledgor and all Lenders (provided, however, amendments concerning matters solely relating to the Floating Pledge A may be made with the consent of the Agent, the Pledgor and all Pledges A, and amendments concerning matters solely relating to the Floating Pledge B may be made with the consent of the Agent, the Pledgor and all Pledges B).

20. **ADDITIONAL MEASURES**

Each Pledgee and the Pledgor shall prepare, execute and deliver any agreements and other documents required by each Pledgee or the Pledgor as necessary or appropriate to a reasonable extent for the purpose of attaining the object of this Agreement.

21. **GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of Japan.

22. **JURISDICTION**

The Tokyo District Court shall have exclusive jurisdiction as the court of first instance with respect to any action arising out of or in connection with this Agreement.

23. **APPLICATION OF THE TRUST AGREEMENT**

The provisions of the Loan Agreements and the Creditors' Agreement shall apply *mutatis mutandis* to matters relating to the provisions of this Agreement among those not provided for in this Agreement.

24. **CONSULTATION**

The Agent, the Pledges and the Pledgor shall resolve any matters not provided for in this Agreement or doubts arising from this Agreement upon mutual consultation.

List of Schedules

Schedule 1	List of Pledgees
Schedule 2	Application for Approval on Creating First-Priority Floating Pledge and Approval on Creating Floating Pledge
Schedule 3	Application for Approval on Creating Second-Priority Floating Pledge and Approval on Creating Floating Pledge

(Translation)

JPY6,000,000,000

REVOLVING LINE AGREEMENT (B)

FASL JAPAN LIMITED

as Borrower

MIZUHO CORPORATE BANK, LTD.

as Arranger and Agent

MIZUHO CORPORATE BANK, LTD.

as Lender

March 25, 2004

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

TABLE OF CONTENTS

	<u>PAGE</u>
1. Definitions	1
2. Rights and Obligations of Lenders B	10
3. Use of Fund	11
4. Conditions Precedent for Effectiveness of this Agreement	11
5. Conditions Precedent for Loan Obligations B	11
6. Application for Drawdown	13
7. Making of Loans B	14
8. Refusal to Make Loans B	17
9. Repayment of Principal	17
10. Interest	17
11. Commitment Fee B	17
12. Exemption of Lender B	19
13. Increased Costs	19
14. Prepayment	20
15. Default Interest	22
16. Agency Fee	23
17. Expenses; Taxes and Public Charges	23
18. Performance of Borrower's Obligations	23
19. Distribution to Lenders B	24
20. Borrower's Representations and Warranties	27
21. Borrower's Covenants	28
22. Restrictions on Collateral	32
23. Financial Restrictions	33
24. Acceleration	33
25. Set-Off; Exercise of Floating Security	37
26. Arrangements Among Lenders B	38
27. Rights and Duties of the Agent	39
28. Resignation and Dismissal of the Agent	41
29. Decision-Making of the Majority Lenders B	42
30. Amendment to this Agreement	42
31. Assignment of this Agreement	43
32. Assignment of Loan Receivables B	44
33. Collection from Third Party	45
34. Termination of this Agreement	46
35. Renewal of Agreement	47
36. General Provisions	47

REVOLVING LINE AGREEMENT (B)

FASL JAPAN LIMITED (the "Borrower") and the financial institutions set forth as Lender B under Section 3 of Schedule 1 attached to this Agreement (respectively referred to as a "Lender B," and collectively referred to as "All Lenders B") enter into the following agreement (this "Agreement") as of March 25, 2004 (the "Execution Date"), with MIZUHO CORPORATE BANK, LTD. (the "Agent") acting as the agent.

1. DEFINITIONS

In this Agreement, the following terms shall have the meanings set forth below, unless it is apparent that such terms mean otherwise in the context hereof.

- 1.1 "**Accounts Receivables Trust Agreement**" means the Accounts Receivables Trust Agreement (as amended or renewed) attached hereto as Schedule 3, executed on March 25, 2004 by and between the Borrower and MIZUHO TRUST & BANKING CO., LTD.
- 1.2 "**Accrued Interest**" has the meaning given in Clause 14.2.
- 1.3 "**Adjusted Tangible Assets**" means all of the Borrower's assets, determined on a consolidated basis (provided that if the Borrower does not prepare its financial statements on a consolidated basis, the stand-alone basis financial statements shall apply) in accordance with generally accepted accounting standards in Japan, other than (a) deferred assets, other than prepaid insurance and prepaid taxes, (b) patents, copyright, trademarks, trade names, franchises, goodwill, and other similar intangibles and (c) unamortized debt discounts and expenses.
- 1.4 "**Adjusted Tangible Net Worth**" means, at any time, the amount calculated as (a) the book value (after deducting the related depreciation, obsolescence, amortization, valuation, and other proper reserves as determined in accordance with generally accepted accounting standards in Japan) of the Adjusted Tangible Assets shown on the Borrower's consolidated balance sheet (or the stand-alone basis balance sheet if the Borrower does not prepare its balance sheet on a consolidated basis) as of such time, prepared in accordance with that generally accepted accounting standards in Japan, less (b) the amount of the Borrower's liabilities (including all contingencies and other potential liabilities required to be shown on such balance sheet) shown on such consolidated balance sheet (or the stand-alone basis balance sheet if the Borrower does not prepare its balance sheet on a consolidated basis).
- 1.5 "**Affiliate**" means any party that, directly or indirectly, is in control of, is controlled by, or is under common control with, another party, or who owns, directly or indirectly, ten percent (10%) or more of the outstanding equity interest of another party. A party shall be deemed to be in control of another party if the controlling party possesses, directly or indirectly, the power to direct the management and policies of the other party for any reason, whether through the ownership of voting securities, by contract, or otherwise.

- 1.6 “**Agency Fee**” means the fees that the Borrower shall pay to the Agent in consideration of the Agent Services, as separately agreed upon between the Borrower and the Agent.
- 1.7 “**Agent Services**” means collectively, the Agent Services A and Agent Services B.
- 1.8 “**Agent Services A**” means the services set forth in the provisions of this Agreement that the Agent is entrusted by All Lenders A to perform for the benefit of All Lenders A.
- 1.9 “**Agent Services B**” means the services set forth in the provisions of the Loan Agreement B that the Agent is entrusted by All Lenders B to perform for the benefit of All Lenders B.
- 1.10 “**Agent’s Account**” means the checking deposit account (Account No. **** Account Holder: FASL JAPAN LIMITED Agent Account T2) held by the Agent at the Head Office of MIZUHO CORPORATE BANK, LTD.
- 1.11 “**Aizu Facility**” means the real estate and the incidental facilities currently held, or to be acquired hereafter, by the Borrower at its Aizu manufacturing facilities and incidental facilities located in Aizu-Wakamatsu-shi, Fukushima, Japan.
- 1.12 “**Applicable Interest Rate B**” means the interest rate equal to the Base Rate plus the Spread B.
- 1.13 “**Assignable Loan Receivables B**” has the meaning given in Clause 31.2(ii).
- 1.14 “**Assignee**” means the party that accepts assignment of the Loan Receivables B in accordance with Clause 32.1.
- 1.15 “**Assigning Lender**” has the meaning given in Clause 31.2.
- 1.16 “**Assignor**” means the party that assigns the Loan Receivables B in accordance with Clause 32.1.
- 1.17 “**Base Rate**” means the interest rate for the relevant Loan Term according to the Japanese Yen TIBOR (page 17,097 of the Telerate) published by the Japanese Bankers Association at 11 a.m. or at the nearest possible time after 11 a.m. on the second (2nd) Business Day prior to the Drawdown Date. Provided, however, that in cases where such interest rate is not published for some reason, the Base Rate shall be the interest rate (indicated as an annual rate) that is reasonably decided upon by the Agent as the offered rate applicable for a drawdown in yen for the relevant Loan Term in the Tokyo Interbank Market as of 11 a.m. on the second (2nd) Business Day prior to the commencement date of the Loan Term or the nearest time prior thereto.
- 1.18 “**Borrower’s Settlement Account**” means the ordinary deposit account (Account No. ****, Account Holder: FASL JAPAN LIMITED) held by the Borrower at the Uchisaiwaicho Corporate Banking Division of MIZUHO CORPORATE BANK, LTD.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

- 1.19 **“Break Funding Cost”** means, in cases where the principal is repaid or set off on a day other than the Due Date of the Individual Loan B, and where the Reinvestment Rate in such case falls below the Applicable Interest Rate B, the amount calculated as the principal amount with respect to which such repayment or set-off was made, multiplied by the difference between the Reinvestment Rate and the Applicable Interest Rate B, and calculated on a per diem basis in accordance with the actual number of days of the Remaining Period. **“Remaining Period”** in this item means the period commencing on the day (inclusive) the repayment or set-off was made and ending on the Repayment Date (exclusive), and the **“Reinvestment Rate”** in this item means the interest rate reasonably determined by the Lenders B as the interest rate to be applied on the assumption that the prepaid or off-set principal amount will be reinvested in the Tokyo Interbank Market during the Remaining Period. The calculation method for such Break Funding Cost shall be on a per diem basis, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.
- 1.20 **“Business Day”** means any day other than those that are bank holidays in Japan.
- 1.21 **“Collection Calculation Date”** has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.22 **“Commitment Amount B”** means the total of the amounts set forth as the commitment amounts in Schedule 1, and the Commitment Amount B with respect to each Lender B means, respectively, the Commitment Amount B in relation to the amount set forth for each Lender B in Schedule 1; provided, however, that the Commitment Amount B with respect to each Lender B is subject to change in accordance with Clause 31 in the case of partial assignment of the status of the parties hereunder pursuant to Clause 31.
- 1.23 **“Commitment Fee B”** means the fees that the Borrower shall pay to the Lender B pursuant to the provisions of Clause 11.
- 1.24 **“Commitment Fee B Calculation Period”** means collectively, each of the periods commencing on the commencement date (inclusive) of the commitment fee B calculation period below and ending on the final date (inclusive) of the commitment fee B calculation period below.

	Commencement Date of Commitment Fee B Calculation Period	Final Date of Commitment Fee B Calculation Period
First	March 25, 2004	June 24, 2004
Second	June 25, 2004	September 24, 2004
Third	September 25, 2004	December 24, 2004
Fourth	December 25, 2004	March 24, 2005

- 1.25 **“Commitment Fee B Rate”** means 0.450% per annum.
- 1.26 **“Commitment Ratio B”** means the percentage of the Commitment Amount B of each Lender B to the Total Commitment Amount B.

- 1.27 “**Compulsory Execution**” has the meaning given in Clause 26.4.
- 1.28 “**Costs Increased Lender B**” means a Lender B that has incurred Increased Costs.
- 1.29 “**Counter-Performed Trust Receivables**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.30 “**Counter-Performed Trust Receivables Amount (Goods’ Value Equivalent)**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.31 “**Creditors’ Agreement**” means the Creditors’ Agreement (as amended or renewed) attached hereto as Schedule 4, executed on March 25, 2004 by and among the Lender A, the Lender B, the Agent and the Borrower.
- 1.32 “**Damages**” has the meaning given in Clause 19.2(a)(i).
- 1.33 “**Defaulted Obligations**” has the meaning given in Clause 15.1.
- 1.34 “**Defaulting Lender B**” has the meaning given in Clause 11.2.
- 1.35 “**Desired Drawdown Amount**” has the meaning given in Clause 6.1.
- 1.36 “**Desired Drawdown Date B**” has the meaning given in Clause 6.1.
- 1.37 “**Desired Prepayment Date**” has the meaning given in 14.2.
- 1.38 “**Discovery Date**” has the meanings given in Clause 7.4 or Clause 14.4, respectively.
- 1.39 “**Distribution**” has the meaning given in Clause 21.3(v).
- 1.40 “**Drawdown Application**” has the meaning given in Clause 6.1.
- 1.41 “**Drawdown Application Period**” means the period commencing on the Execution Date (inclusive) and ending on the Drawdown Application Period Final Date (inclusive).
- 1.42 “**Drawdown Application Period Final Date**” means March 18, 2005.
- 1.43 “**Drawdown Date**” means the date of the drawdown of a Loan B.
- 1.44 “**Drawdown Period**” means the period commencing on the Execution Date (inclusive) and ending on the Drawdown Period Termination Date (inclusive).
- 1.45 “**Drawdown Period Termination Date**” means March 24, 2005.
- 1.46 “**Due Date**” means, with respect to the principal and interest in relation to the Loans B, the Repayment Date; and with respect to other amounts, the date set forth as the date on which payments shall be made in accordance with this Agreement.

- 1.47 “**Due Time**” means, if any Due Dates are provided for herein, 11 a.m. on such Due Date.
- 1.48 “**Enhanced Covenant Period**” means any period during which the Borrower fails to maintain a minimum cash balance of 1 billion yen.
- 1.49 “**Exemption Event**” means (i) the occurrence of a natural disaster or war, (ii) an interruption in or damage to electrical, communications or any settlement systems, (iii) any event that occurs within the Tokyo Interbank Market that disables loans in yen, and (iv) any other event not attributable to the Lenders B that results in the Majority Lenders B (if it is difficult for the Majority Lenders B to make a decision, the Agent) determining that it is impossible to make the Loan B.
- 1.50 “**Exemption Period**” means the period during which any Exemption Event has occurred and continues.
- 1.51 “**Exercise of Floating Security**” has the meaning given in Clause 25.3.
- 1.52 “**Extraordinary Collection Calculation Date**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.53 “**Fixed Trust Property Value**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.54 “**Fixed Trust Receivables**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.55 “**Fixed Trust Receivables Amount (Goods’ Value Equivalent)**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.56 “**Floating Pledge Agreement**” means the Floating Pledge Agreement (as amended or renewed) attached hereto as Schedule 5, executed on March 25, 2004 by and among the Lender A, the Lender B and the Borrower.
- 1.57 “**FMH**” means Fujitsu Microelectronics Holding, Inc.
- 1.58 “**Increased Costs**” means the increased portion (the amount reasonably calculated by such Lender B) of lending expenses, in cases where the Lender B’s lending expenses under this Agreement are substantially increased (excluding any increase caused by a change in tax rates on taxable incomes of such Lender B) due to, among other things, (i) any enactment or amendment of Laws and Ordinances, or any change in the interpretation or application thereof, or (ii) any establishment or increase in capital reserves.
- 1.59 “**Individual Loan B**” means a loan made by a Lender B respectively pursuant to the same Drawdown Application.
- 1.60 “**Individual Loan B Money**” means the money lent (or to be lent) by a Lender B to the Borrower as an Individual Loan B, and the “**Individual Loan B Amount**” means the amount of the Individual Loan Money B (the amount calculated by multiplying

the aggregate amount of Loan B in relation to the relevant Drawdown Application by the Commitment Ratio B of that Lender B).

- 1.61 “**Intended Distribution Amount B**” has the meaning given in Clause 26.1(i).
- 1.62 “**Inventory**” means all kinds, nature and description of inventory, goods and merchandise, returned goods, raw materials, and other materials and supplies, regardless of location, to be furnished under any agreement of service or held for assignment or lease, that are currently owned or acquired hereafter by the Borrower (limited to those to be consumed in the Borrower’s business or used in connection with the packing, shipping, advertising, selling or processing of such goods, merchandise and such other articles), and all documents of title or other documents representing title thereto.
- 1.63 “**Investment**” means any acquisition of property in exchange for cash or other assets, whether in the form of an acquisition of stock, liabilities, or other obligations, or the purchase or acquisition of any other property, or a Loan B, capital contribution, subscription or otherwise.
- 1.64 “**Item Not Fully Covered**” has the meaning given in Clause 18.4.
- 1.65 “**Laws and Ordinances**” means any treaties, laws, cabinet orders, ministerial ordinances, rules, announcements, judgments, decisions, arbitral awards, directives, and policies of relevant authorities that apply to this Agreement, the transactions pursuant hereto or the parties hereto.
- 1.66 “**Lease**” means the lease of assets reflected as a lease on the Borrower’s consolidated balance sheet in accordance with generally accepted accounting standards in Japan.
- 1.67 “**Lender**” means collectively, the Lender A and the Lender B.
- 1.68 “**Lender A**” means Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd. and The Norinchukin Bank (including their respective successors).
- 1.69 “**Lending Obligation B**” means a Lender B’s obligation to make Individual Loans B to the Borrower upon the condition that the requirements set forth under each item of Clause 5 are satisfied.
- 1.70 “**Loan Agreement A**” means the Revolving Line Agreement (A) (as amended or renewed) executed on March 25, 2004 by and between the Lender A and the Borrower, with MIZUHO CORPORATE BANK, LTD. acting as the agent.
- 1.71 “**Loan Receivables B**” means loan claims in relation to each Individual Loan B.
- 1.72 “**Loan Term**” means, with respect to each Individual Loan B, the period commencing on the Drawdown Date (inclusive) and ending on the Repayment Date (exclusive) in relation to such Individual Loan B.
- 1.73 “**Loan(s) B**” means the aggregate of the Individual Loans B made pursuant to this Agreement.

- 1.74 **“Majority Lenders B”** means one or more Lender B whose Commitment Ratio(s) B amount to 51% or more in total as of the Decision-Making Time (provided, however, that, for the period after All Lenders B’s Lending Obligations B are extinguished, and where the repayment of all obligations pursuant to this Agreement in relation to the Loan B have not been completed, the percentage shall be that of the total principal amount of the Outstanding Individual Loan B Money per each Lender B to the Total Outstanding Balance B as of the Decision-Making Time). **“Decision-Making Time”** means, in cases where the Lender B determines that any event requiring instructions by the Majority Lenders B has occurred, the point in time when the Agent receives notice under Clause 29.1(i), and in cases where the Agent determines that the decision of the Majority Lenders B is necessary, the point in time when the Agent gives notice under Clause 29.2.
- 1.75 **“Non-Drawdown Lender B”** has the meaning given in Clause 8.1.
- 1.76 **“Outstanding Individual Loan B Money”** means the principal, the interest, default interest, Break Funding Costs and any other payment obligation in relation to an Individual Loan B that the Borrower owes pursuant to this Agreement with respect to the Individual Loan B, and the **“Outstanding Individual Loan B Amount”** means the amount of such Outstanding Individual Loan B Money.
- 1.77 **“Pre-assignment Commitment Amount B”** has the meaning given in Clause 31.2(ii).
- 1.78 **“Pre-assignment Loan Receivables B”** has the meaning given in Clause 31.2(ii).
- 1.79 **“Prepayment”** has the meaning given in Clause 14.1.
- 1.80 **“Purchase and Sale Agreement”** means the “PURCHASE AND SALE AGREEMENT” dated February 23, 2004 (as amended or renewed) between the Borrower and FUJITSU LIMITED.
- 1.81 **“Purchase and Sale Related Agreement”** means the Purchase and Sale Agreement and each of the individual agreements pursuant thereto.
- 1.82 **“Reduced Amount”** has the meaning given in Clause 31.2(ii).
- 1.83 **“Reduced Drawdown”** has the meaning given in Clause 7.4.
- 1.84 **“Reduced Drawdown Amount”** has the meaning given in Clause 7.4.
- 1.85 **“Reduced Drawdown Break Funding Cost”** means, in cases where a Reduced Drawdown is made and the Reinvestment Rate in such case falls below the Applicable Interest RateB, the amount calculated as the difference between the Desired Drawdown Amount and the Reduced Drawdown Amount, multiplied by the difference between the Reinvestment Rate and the Applicable Interest RateB, and calculated on a per diem basis in accordance with the actual number of days of the Remaining Period. **“Remaining Period”** in this item means the period

commencing on the Drawdown Date (inclusive) and ending on the Repayment Date (exclusive), and the “**Reinvestment Rate**” in this item means the interest rate reasonably determined by the Lenders B as the interest rate to be applied on the assumption that the difference between the Desired Drawdown Amount and the Reduced Drawdown Amount will be reinvested in the Tokyo Interbank Market during the Remaining Period. The calculation method for such Reduced Drawdown Break Funding Cost shall be on a per diem basis, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

- 1.86 “**Reduced Ratio**” has the meaning given in Clause 31.2(ii).
- 1.87 “**Refinancing Loan B**” means a Loan B with the Desired Drawdown Date B being the Due Date of a Loan B already made.
- 1.88 “**Refinanced Loan B**” means a Loan B that has already been made and the Due Date of which shall be the Desired Drawdown Date B of a Refinancing Loan B.
- 1.89 “**Regular Collection Calculation Date**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.90 “**Relevant Agreements**” means this Agreement, the Loan Agreement A, the Accounts Receivables Trust Agreement, the Floating Pledge Agreement, the Creditors’ Agreement and the documents related thereto.
- 1.91 “**Relevant Lender B**” has the meaning given in Clause 14.1.
- 1.92 “**Remaining Individual Loan B**” has the meaning given in Clause 26.1(i).
- 1.93 “**Remaining Lender B**” has the meaning given in Clause 26.1(i).
- 1.94 “**Repayment Date**” has the meaning given in Clause 6.1(iii).
- 1.95 “**Reports**” means (i) the audited annual report (*eigyō hōkokusho*) prepared by the Borrower on a stand-alone basis (including the balance sheet, profit and loss statement, statement of cash flow, and other documents incidental thereto; and if any consolidated Subsidiary or Affiliate of the Borrower has been established, including the consolidated annual report (*eigyō hōkokusho*)) within ninety (90) days from the end of the fiscal year, (ii) the unaudited annual report (*eigyō hōkokusho*) prepared by the Borrower on a stand-alone basis (including the balance sheet, profit and loss statement, statement of cash flow, and other documents incidental thereto; and if any consolidated Subsidiary or Affiliate of the Borrower has been established, including the consolidated annual report (*eigyō hōkokusho*)) within forty-five (45) days from the end of a fiscal quarter, (iii) the audited financial statements prepared by FASL LLC on a consolidated basis (including the balance sheet, profit and loss statement, statement of cash flow, and other documents incidental thereto) within ninety (90) days from the end of the fiscal year, and (iv) the unaudited financial statements prepared by FASL LLC on a consolidated basis (including the balance sheet, profit and loss statement, statement of cash flow, and other documents incidental thereto) within forty-five (45) days from the end of a fiscal quarter.

- 1.96 “**Set-off Initiating Lender B**” has the meaning given in Clause 26.1.
- 1.97 “**Set-off Receiving Lender B**” has the meaning given in Clause 26.2.
- 1.98 “**Settlor’s Extraordinary Report**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.99 “**Settlor’s Regular Report**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.100 “**Settlor’s Regular Report Deadline**” has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.101 “**Spread B**” means 1.200% per annum.
- 1.102 “**Status of the Establishment of the Collateral**” described in Schedule 2 means the specifics of the assets offered as security under the Security Assignment Agreement (*Joto Tanpo Settei Keiyaku*) executed on June 30, 2003 by and between the Borrower and FUJITSU LIMITED, and the specifics of the assets offered as a first-priority mortgage under the Mortgage Agreement and the Letter Concerning the Establishment of Security Interests (*Tanpo Sashiire Sho*) executed on June 30, 2003 by and between the Borrower and FUJITSU LIMITED.
- 1.103 “**Subsidiary**” means any corporation, association, partnership, joint venture or other business entity of which more than fifty percent (50%) of the voting stock or other equity interest (in the case of parties other than corporations) is owned or controlled directly or indirectly by a party, one or more of its Subsidiaries, or a combination thereof.
- 1.104 “**Successive Lender**” has the meaning given in Clause 31.2.
- 1.105 “**Taxes and Public Charges**” means all public taxes or public charges including income taxes, corporate taxes and other taxes, which are applicable in Japan.
- 1.106 “**Temporary Advancement**” means, with respect to the Borrower’s repayment on a Due Date, a payment made by the Agent to the Lenders B before the completion of the Borrower’s repayment of an amount equivalent to the amount to be distributed to the Lenders B in accordance with Clause 19; or with respect to the Individual Loans B made by the Lenders B on the Drawdown Date, a payment made by the Agent to the Borrower before the Lender B’s making the Individual Loan B of an amount equivalent to the amount of the Individual Loan B to be made to the Borrower.
- 1.107 “**Temporary Advancement Costs**” means, in cases where the Agent makes a Temporary Advancement, the amount calculated as the amount of Temporary Advancement, multiplied by (i) the Funding Rate, and (ii) the actual number of days of the Temporary Advancement Period. “**Temporary Advancement Period**” means the period commencing on the date (exclusive) that a Temporary Advancement is made and ending on the date (inclusive) that such Temporary Advancement is cleared, and the “**Funding Rate**” means the interest rate that the

Agent reasonably determines as the interest rate to fund the amount of Temporary Advancement throughout the Temporary Advancement Period. The calculation method for such Temporary Advancement Costs shall be on a per diem basis in accordance with the actual number of days of the Temporary Advancement Period, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

- 1.108 **“Total Commitment Amount B”** means the total of the Commitment Amounts B of All Lenders B.
- 1.109 **“Total Outstanding Balance B”** means the total principal amount of the Outstanding Individual Loan B Money owed to All Lenders B.
- 1.110 **“Trustee”** means MIZUHO TRUST & BANKING CO., LTD. (including its successor trustee), as the trustee pursuant to the Accounts Receivables Trust Agreement.
- 1.111 **“Trustee’s Extraordinary Report”** has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.112 **“Trustee’s Regular Report”** has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.113 **“Trust Property Maintenance Standards”** has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.114 **“Trust Receivables”** has the meaning given in Clause 1 of the Accounts Receivables Trust Agreement.
- 1.115 **“Unused Commitment Amount B”** means the amount calculated as the Commitment Amount B less the total principal amount of the Outstanding Individual Loan B Money, and the Unused Commitment Amount B in relation to each Lender B shall mean the amount calculated as the Commitment Amount B in relation to such Lender B less the total principal amount of the Outstanding Individual Loan B Money in relation to such Lender B.

2. RIGHTS AND OBLIGATIONS OF LENDERS B

- 2.1 The Lenders B shall owe the Lending Obligations B.
- 2.2 Unless otherwise provided for in this Agreement, the obligations of each Lender B under this Agreement shall be independent, and a Lender B shall not be released from its obligations under this Agreement due to any other Lenders B failing to perform their obligations. A Lender B shall not be responsible for any failure of other Lenders B to perform their obligations under this Agreement.
- 2.3 If a Lender B, in breach of its Lending Obligation B, fails to make an Individual Loan B on the Desired Drawdown Date B, such Lender B shall, upon request by the Borrower, immediately compensate the Borrower for all damages, losses and expenses incurred by the Borrower as a result of such breach; provided, however,

that the maximum amount of such compensation to the Borrower for the damages, losses and expenses incurred shall be the difference between (i) the interest and other expenses that is required or would be required to be paid if the Borrower separately made a drawdown as a result of such Lender B's failure to make the Individual Loan B on the Desired Drawdown Date B, and (ii) the interest and other expenses that would have been required to be paid if the Individual Loan B were made on the Desired Drawdown Date B.

2.4 Unless otherwise provided for in this Agreement, each Lender B may exercise its rights under this Agreement separately and independently.

3. **USE OF PROCEEDS**

The Borrower shall use the money raised by the Loan B as working capital.

4. **CONDITIONS PRECEDENT FOR EFFECTIVENESS OF THIS AGREEMENT**

This Agreement shall take effect upon the condition that the Borrower submit all of the following documents to the Agent and All Lenders B, and the Agent and All Lenders B are satisfied with the details thereof:

- (i) the certificate of seal registration of the representative of the Borrower who signs and affixes his seal to this Agreement dated on or after December 25, 2003;
- (ii) a certified copy of the certificate of corporate registration (certificate of complete company resume or the certificate of complete present company resume) of the Borrower dated on or after December 25, 2003;
- (iii) a copy of the Articles of Incorporation of the Borrower with certification (dated on or after December 25, 2003) attached thereto certifying that it is a copy of the original; and
- (iv) a written confirmation prepared by the Borrower's Representative Director certifying that all internal procedures necessary for the execution of this Agreement and the drawdown pursuant to this Agreement have been completed.

5. **CONDITIONS PRECEDENT FOR LENDING OBLIGATIONS B**

5.1 The Lender B shall owe the Lending Obligations B upon the condition (irrespective of whether or not notice under Clause 8.1 was given) that all of the conditions set forth in each of the following items are satisfied at the time of making the Individual Loan B. The satisfaction of such conditions shall be determined individually by each Lender B, and no other Lender B or the Agent shall be responsible for a Lender B's determination or refusal to make a Loan B.

- (i) The application for a drawdown satisfies the requirements set forth under Clause 6.1.

- (ii) The Lending Obligations B of All Lenders B have not been exempted pursuant to Clause 12.1.
- (iii) The Accounts Receivables Trust Agreement, the Floating Pledge Agreement and the Creditors' Agreement have all been entered into and are validly existing.
- (iv) All the matters described in each item of Clause 20 hereof, Clause 7.1 of the Accounts Receivables Trust Agreement and Clause 4.1 of the Floating Pledge Agreement are true and correct.
- (v) The Borrower has not breached any provision of this Agreement, the Accounts Receivables Trust Agreement or the Floating Pledge Agreement, and there is no threat that such breach may occur on or after the relevant Desired Drawdown Date B.
- (vi) No consultation pursuant to the provisions of Clause 34.2 has been held.
- (vii) The Borrower has obtained approval from FUJITSU LIMITED with respect to the assignment of Trust Receivables pursuant to the Accounts Receivables Trust Agreement, in the form of a document bearing a certified date (*kakutei-hizuke*), as provided for in Clause 10.1 of the Accounts Receivables Trust Agreement. (Further, the original of such written approval has been delivered to the Trustee, and the Trustee has delivered a copy thereof to the Agent, attaching thereto a certification certifying that such copy is a true and accurate copy of the original and that the original is retained by the Trustee.)
- (viii) The Borrower has obtained the Trustee's approval without objection with respect to the creation of the floating pledge pursuant to the Floating Pledge Agreement, in the form of a document bearing a certified date (*kakutei-hizuke*), as provided for in Clauses 3.2 and 3.3 of the Floating Pledge Agreement. (Further, the original of such written approval has been delivered to the Agent.)
- (ix) An account in the name of the Trustee has been established at the Uchisaiwaicho Corporate Banking Division of MIZUHO CORPORATE BANK, LTD. as the account for receiving transfer of the amount of Trust Receivables collections with respect to the Fixed Trust Receivables.
- (x) The Unused Commitment Amount A is zero as of the Desired Drawdown Date B set forth in the Drawdown Application.
- (xi) (i) The Fixed Trust Property Value on the Trustee's Regular Report or the Trustee's Extraordinary Report, whichever is the most recent as of 10 a.m. on the third (3rd) Business Day prior to the Desired Drawdown Date B set forth in the Drawdown Application, is maintained at an amount that is no less than the Total Outstanding Balance A as of the Desired Drawdown Date B, and (ii) the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) on the Trustee's Regular Report or the Trustee's Extraordinary

Report, whichever is the most recent as of 10 a.m. on the third (3rd) Business Day prior to the Desired Drawdown Date B set forth in the Drawdown Application, is maintained at an amount that is no less than 120% of the Total Outstanding Balance after making the Individual Loan B minus the Fixed Trust Property Value on the Trustee's Regular Report or the Trustee's Extraordinary Report.

- (xii) The Fixed Trust Property Value on the Trustee's Regular Report or the Trustee's Extraordinary Report, whichever is the most recent as of 11 a.m. on the Business Day immediately preceding the Desired Drawdown Date B set forth in the Drawdown Application, is maintained at an amount that is no less than the Total Outstanding Balance A as of the Desired Drawdown Date B, and (ii) the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) on the Trustee's Regular Report or the Trustee's Extraordinary Report, whichever is the most recent as of 11 a.m. on the Business Day immediately preceding the Desired Drawdown Date B set forth in the Drawdown Application, is maintained at an amount that is no less than 120% of the Total Outstanding Balance after making the Individual Loan B minus the Fixed Trust Property Value on the Trustee's Regular Report or the Trustee's Extraordinary Report.
- 5.2 Even if the condition provided for under Clause 5.1(xii) is not satisfied, if all of the other conditions provided for under each of the other items of Clause 5.1 are satisfied, the Lender B shall, in accordance with the provisions of Clause 7.4, owe the Lending Obligations B with respect to amounts that are no less than 100 million yen and in increments of 100 million yen, to the extent that (i) the Fixed Trust Property Value is maintained at an amount that is no less than the Total Outstanding Balance A, and (ii) the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) is maintained at an amount that is no less than 120% of the Total Outstanding Balance minus the Fixed Trust Property Value.

6. **APPLICATION FOR DRAWDOWN**

6.1 The Borrower may apply for a drawdown pursuant to the terms of this Agreement during the Drawdown Application Period. If the Borrower desires to drawdown a Loan B pursuant to this Agreement, the Borrower shall submit to the Agent a document specifying the matters set forth under each of the following items, indicating its intention to apply for a drawdown (the "Drawdown Application"), by 10 a.m. on the third (3rd) Business Day prior to the Desired Drawdown Date B. In this case, the matters set forth under each of the following items shall satisfy the conditions provided for in the respective items.

- (i) The amount of Individual Loan B that the Borrower desires to drawdown (the "Desired Drawdown Amount"):
The Desired Drawdown Amount shall be no less than 100 million yen and in increments of 100 million yen, and, at the same time, an amount where the Lending Obligation B of each Lender B does not exceed the Unused Commitment Amount B in relation to the relevant Lender B as of the Desired Drawdown Date B.

- (ii) The date that the Borrower desires the drawdown (the “Desired Drawdown Date B”):
The Desired Drawdown Date B shall be a Business Day during the Drawdown Period.
 - (iii) The repayment time of the principal and interest of the Individual Loan B in relation to such Drawdown Application (the “Repayment Date”):
The Repayment Date shall be a day corresponding to one (1) week or one (1) month after the Desired Drawdown Date B (provided, however, that if such corresponding day falls on a day other than a Business Day, the following Business Day shall be the Repayment Date, and if such following Business Day occurs in the following month, the immediately preceding Business Day shall be the Repayment Date), but may not be after April 24, 2005.
- 6.2 The indication of intention to apply for a drawdown pursuant to Clause 6.1 shall be effective with respect to All Lenders B upon the Agent receiving the Drawdown Application. When the Agent receives a Drawdown Application from the Borrower, the Agent shall notify All Lenders B of the Borrower’s application for a drawdown and the details thereof, by sending a copy of the Drawdown Application to All Lenders B during the third (3rd) Business Day prior to the Desired Drawdown Date B. The Agent shall retain the original of the Drawdown Application on behalf of All Lenders B until the Outstanding Individual Loan B Money advanced in response to such application is fully repaid.

7. **MAKING OF LOANS B**

- 7.1 If a Lender B receives an application for a drawdown in accordance with Clause 6 and does not give notice pursuant to Clause 8.1, and all conditions set forth in Clause 5 are satisfied at the time of the drawdown of the Individual Loan B, the Lender B shall remit the Individual Loan B Amount to the Agent’s Account by 11 a.m. on the Desired Drawdown Date B. The Individual Loan B shall be deemed to have been made by that Lender B as of the time that the Agent remits such money to the Borrower’s Settlement Account from the Agent’s Account. Provided, however, that with respect to the drawdown of the Individual Loan B in relation to a Refinancing Loan B, the Lender B shall offset (a) the principal amount of the Outstanding Individual Loan B Money in relation to the Refinanced Loan B as of the Desired Drawdown Date B, and (b) the Individual Loan B Amount in relation to the Refinancing Loan B, and according to the result thereof, shall treat the drawdown of such Individual Loan B as follows.
- (i) If the Individual Loan B Amount in relation to the Refinancing Loan B exceeds the amount equivalent to the principal of the Outstanding Individual Loan B Money in relation to the Refinanced Loan B:
If the Lender B receives an application for a drawdown in accordance with Clause 6 and does not give notice pursuant to Clause 8.1, and all conditions

set forth in each item of Clause 5 are satisfied at the time of making the Individual Loan B, the Lender B shall remit to the Agent's Account the amount of the difference between the Individual Loan B Amount in relation to the Refinancing Loan B and the amount equivalent to the principal of the Outstanding Individual Loan B Money in relation to the Refinanced Loan B by 11 a.m. on the Desired Drawdown Date B. The Individual Loan B in relation to the Refinancing Loan B shall be deemed to have been made in the full Individual Loan B Amount in relation to the Refinancing Loan B as of the time that the Agent transfers such money to the Borrower's Settlement Account after withdrawing it from the Agent's Account. Provided, however, that even if the Lender B remits the amount of the difference between the Individual Loan B Amount and the amount equivalent to the principal of the Outstanding Individual Loan B Money to the Borrower's Settlement Account, if the interest on the Refinanced Loan B is not paid by the Due Time, the Individual Loan B in relation to the Refinancing Loan B shall be deemed not to have been made.

- (ii) If the Individual Loan B Amount in relation to the Refinancing Loan B is less than or equal to the amount equivalent to the principal of the Outstanding Individual Loan B Money in relation to the Refinanced Loan B:

If the Lender B receives an application for a drawdown in accordance with Clause 6 and does not give notice pursuant to Clause 8.1, and all conditions set forth in each item of Clause 5 are satisfied, the Individual Loan B in relation to the Refinancing Loan B shall be deemed to have been made in the full Individual Loan B Amount in relation to the Refinancing Loan B as of the Due Time of the Refinanced Loan B. Provided, however, that if the Borrower does not pay the full amount of the difference between the Outstanding Individual Loan B Amount in relation to the Refinanced Loan B and the Individual Loan B Amount and the interest accrued on the Refinanced Loan B by the Due Time, the Individual Loan B in relation to the Refinancing Loan B shall be deemed not to have been made.

- 7.2 When the Loan B is made pursuant to Clause 7.1, the Borrower shall immediately send to the Agent a written receipt describing the amount of the Loan B and the specifics of the Individual Loan B. The Agent shall, upon receiving such receipt, promptly provide a copy thereof to the Lender B who made the Individual Loan B. The Agent shall retain the original receipt on behalf of that Lender B until the Outstanding Individual Loan B Money in relation to such Individual Loan B is repaid in full.
- 7.3 If notice under Clause 8.1 is not given, the Agent may make the Individual Loan B on behalf of a Lender B through Temporary Advancement (provided, however, that the Agent shall be under no obligation to make such Temporary Advancement). After such Temporary Advancement, the relevant Lender B shall remit the full equivalent amount of the Individual Loan B Money to the Agent's Account by 11 a.m. on the Desired Drawdown Date B, and if such remittance is not completed by that time, the Lender B shall, promptly upon the Agent's request, pay to the Agent the Temporary Advancement Costs required in making such Temporary Advancement.

- 7.4 If it is found, on or after 10 a.m. on the third (3rd) Business Day prior to the Desired Drawdown Date B, and before 11 a.m. on the Business Day immediately preceding the same Desired Drawdown Date B, that (i) the Fixed Trust Property Value on the most recent Trustee's Regular Report or the Trustee's Extraordinary Report made by 11 a.m. on the Business Day immediately preceding that Desired Drawdown Date B cannot be maintained at an amount that is not less than the Total Outstanding Balance A as of the Desired Drawdown Date B, or (ii) the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) on the most recent Trustee's Regular Report or the Trustee's Extraordinary Report made by 11 a.m. on the Business Day immediately preceding that Desired Drawdown Date B cannot be maintained at an amount that is not less than 120% of the Total Outstanding Balance after making the Individual Loan B minus the Fixed Trust Property Value on the Trustee's Regular Report or the Trustee's Extraordinary Report (the date on which such fact is found shall hereinafter be referred to as the "Discovery Date"), the Individual Loan B shall be made in the maximum amount (the "Reduced Drawdown Amount") to the extent that (i) such Fixed Trust Property Value can be maintained at an amount that is not less than the Total Outstanding Balance A as of the Desired Drawdown Date B, and (ii) such Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) can be maintained at an amount that is not less than 120% of the Total Outstanding Balance after making the Individual Loan B minus such Fixed Trust Property Value, provided that such amount is not less than 100 million yen and in increments of 100 million yen, and the loan amount in relation to the Lending Obligation B of each Lender B in this case shall be the amount calculated as the Reduced Drawdown Amount multiplied by the Commitment Ratio B of each Lender B (making such loan in the amount less than the Desired Drawdown Amount shall hereinafter be referred to as the "Reduced Drawdown"). The Borrower shall be responsible for any damages, losses or expenses incurred by the Lender B or the Agent as a result of the Reduced Drawdown.
- 7.5 The procedures in relation to a Reduced Drawdown shall be as follows.
- (i) The Agent shall, during the Discovery Date, notify the Borrower and the Lender B (a) that a Reduced Drawdown is required to be made, (b) the loan amount in relation to the Lending Obligation B of each Lender B, and (c) that the Lender B is required to notify the Agent, by 12 p.m. on the second (2nd) Business Day after the Discovery Date of the amount of the Reduced Drawdown Break Funding Cost together with the calculation basis thereof.
 - (ii) Each Lender B shall, by 12 p.m. on the second (2nd) Business Day after the Discovery Date, notify the Agent of the amount of the Reduced Drawdown Break Funding Cost in relation to such Lender B together with the calculation basis thereof.
 - (iii) The Borrower shall, during the Business Day immediately preceding the Desired Drawdown Date B, submit to the Agent a written confirmation stating its approval of the Reduced Drawdown. If such written confirmation is not submitted during the Business Day immediately preceding the Desired Drawdown Date B, the Lender B may elect not to make the Reduced Drawdown.

(iv) The Borrower shall pay the Reduced Drawdown Break Funding Cost in accordance with the provisions of Clause 18 on the third (3rd) Business Day after the Discovery Date.

8. **REFUSAL TO MAKE LOANS B**

8.1 A Lender B who decides not to make the Individual Loan B for the reason that all or part of the conditions under Clause 5 are not satisfied (the “Non-Drawdown Lender B”) may notify the Agent, the Borrower and all other Lenders B of the decision with the reason affixed thereto by 3 p.m. on one (1) Business Day prior to the Desired Drawdown Date B. Provided, however, that if, notwithstanding the satisfaction of all the conditions under Clause 5, such notice is given and the Individual Loan B is not made, the Non-Drawdown Lender B shall not be released from liabilities arising from a breach of its Lending Obligations B.

8.2 The Borrower shall be responsible for any damages, losses or expenses incurred by the Non-Drawdown Lender B or the Agent as a result of Non-Drawdown Lender B not being able to make the Individual Loan B. Provided, however, that the foregoing shall not apply if the failure to make the Individual Loan B constitutes a breach of such Non-Drawdown Lender B’s Lending Obligations B.

9. **REPAYMENT OF PRINCIPAL**

The Borrower shall pay the principal amount of each Individual Loan B on the Repayment Date in accordance with the provisions of Clause 18.

10. **INTEREST**

10.1 The Borrower shall pay on the Repayment Date of the Individual Loan B, in accordance with the provisions of Clause 18, the amount of interest on such Individual Loan B calculated by multiplying the principal amount in relation to the Individual Loan B by the Applicable Interest Rate B, calculated on a per diem basis in accordance with the actual number of days of the Loan Term.

10.2 The calculation method of interest under Clause 10.1 shall be on a per diem basis, inclusive of the first day and exclusive of the last day, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

11. **COMMITMENT FEE B**

11.1 The Borrower shall pay on the fifth (5th) Business Day after the final date of each Commitment Fee B Calculation Period, in accordance with the provisions of Clause 18, a Commitment Fee B in the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount B with respect to each Lender B on each day during each Commitment Fee B Calculation Period (provided that the Unused Commitment Amount B on the Drawdown Date shall be the Unused Commitment Amount B after making the Individual Loan B on that Drawdown Date), multiplied by the Commitment Fee B Rate, and divided by 365.

- 11.2 The Borrower shall not be required to make payments with respect to the Commitment Fee B in relation to the Default Period to any Lender B who fails to perform its Lending Obligations B (the "Defaulting Lender B"). The Commitment Fee B in relation to the Default Period shall be the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount B with respect to such Defaulting Lender B on each day during such Default Period, multiplied by the Commitment Fee B Rate, and divided by 365. In this Clause 11.2, the "Default Period" shall mean the period commencing on the day (inclusive) on which an event of default occurs, and ending on the day (inclusive) before the day on which the default is remedied, and the day on which a default is remedied shall be determined as follows:
- (i) if the Defaulting Lender B offers to the Borrower via the Agent to make the Individual Loan B at a later date pursuant to the application for a drawdown in respect of which the Defaulting Lender B has failed to perform its Lending Obligation B, and the Borrower accepts such offer and such Individual Loan B is made, the date the Individual Loan B is made;
 - (ii) if the Borrower refuses the offer in the preceding item, the date that the offer is refused; if the Agent does not receive notice from the Borrower of its acceptance or refusal of the offer within two (2) Business Days after the offer is made under the preceding item, the offer shall be deemed to have been refused by the Borrower; and
 - (iii) for those cases other than the cases of the preceding two items, the date determined by the Borrower, the Defaulting Lender B and the Agent upon consultation.
- 11.3 If an Exemption Event occurs, the Borrower shall not be required to make payments to All Lenders B, with respect to the Commitment Fee B in relation to the Exemption Period. The Commitment Fee B in relation to the Exemption Period shall be the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount B with respect to each Lender B on each day during such Exemption Period, multiplied by the Commitment Fee B Rate, and divided by 365.
- 11.4 If the Costs Increased Lender B ceases to owe its Lending Obligations B pursuant to the provisions of Clause 13.5, the Borrower shall not be required to pay to such Costs Increased Lender B, with respect to the Commitment Fee B in relation to the period after the termination of this Agreement with respect to that Costs Increased Lender B, the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount B with respect to such Costs Increased Lender B on each day during the period commencing on the day (inclusive) on which the Costs Increased Lender B ceases to owe its Lending Obligations B and ending on the Drawdown Application Period Final Date (inclusive), multiplied by the Commitment Fee B Rate, and divided by 365.
- 11.5 If this Agreement is terminated with respect to any Lender B or All Lenders B pursuant to the provisions of Clause 34, the Borrower shall not be required to pay to

that Lender B, with respect to the Commitment Fee B in relation to the period after the termination of this Agreement with respect to that Lender B, the amount (fractions less than one yen shall be rounded down) calculated as the total amount of the Unused Commitment Amount B with respect to each Lender B on each day during the period from the day (inclusive) of termination of this Agreement with respect to that Lender B and ending on the Drawdown Period Termination Date (inclusive) (provided that the related provisions of this Agreement shall remain effective with respect to the Lender B after the termination of this Agreement to the extent necessary in calculating the Commitment Fee B that is not required to be paid pursuant to this Clause 11.5; provided further, that with respect to the day repayment is made in relation to an Individual Loan B, the Unused Commitment Amount B after such repayment shall be used as the basis for such calculation), multiplied by the Commitment Fee B Rate, and divided by 365.

11.6 In calculating the Commitment Fee B pursuant to Clause 11.1, divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

12. **EXEMPTION OF LENDER B**

12.1 The Lender B shall not owe the Lending Obligations B during the Exemption Period.

12.2 If the Agent becomes aware that an Exemption Event has occurred, the Agent shall immediately notify the Borrower and All Lenders B of such event in writing.

12.3 After notice under Clause 12.2 is given, when the Majority Lenders B determine that the Exemption Event in relation to such notice has been resolved, the Agent shall immediately notify the Borrower and All Lenders B thereof.

13. **INCREASED COSTS**

13.1 A Costs Increased Lender B may, by notifying the Borrower in writing via the Agent, request the Borrower to elect either to bear the Increased Costs or to terminate this Agreement with respect to the Costs Increased Lender B. The Borrower shall respond to such request by giving written notice to the Costs Increased Lender B via the Agent.

13.2 If the Borrower elects to bear the Increased Costs in response to the Costs Increased Lender B's request under Clause 13.1, the Borrower shall pay, in accordance with the provisions of Clause 18, the Costs Increased Lender B the money equivalent to such Increased Costs.

13.3 If the Borrower elects to terminate this Agreement with respect to the Costs Increased Lender B in response to the request under Clause 13.1, the Borrower shall notify the Agent and All Lenders B in writing by ten (10) Business Days prior to the date the Borrower desires this Agreement to be terminated (the "Desired Termination Date"), of (a) the desire to terminate this Agreement with respect to the Costs Increased Lender B, and (b) the Desired Termination Date.

- 13.4 If there remains an Individual Loan B with a Repayment Date that arrives on or after the day following the Desired Termination Date, the Costs Increased Lender B shall notify the Agent of the Break Funding Cost by two (2) Business Days prior to the Desired Termination Date. After receiving such notice, the Agent shall notify the Borrower of the same by one (1) Business Day prior to the Desired Termination Date.
- 13.5 In the event that notice under Clause 13.3 is given, the Costs Increased Lender B's Lending Obligation B shall be extinguished, and thereupon this Agreement shall terminate only with respect to the Costs Increased Lender B. In this case, the Borrower shall pay to the Costs Increased Lender B on the Desired Termination Date, in accordance with the provisions of Clause 18, all obligations it owes to the Costs Increased Lender B pursuant to this Agreement. Until the Borrower completes the performance of all obligations it owes to the Costs Increased Lender B under this Agreement, the relevant provisions of this Agreement regarding the performance of such obligations shall remain in full force and effect with respect to the Costs Increased Lender B. Further, in this case, the Commitment Ratio B of the Lenders B other than the Costs Increased Lender B shall be modified as follows:
- (i) The Total Commitment Amount B will be modified to an amount calculated as the Total Commitment Amount B before modification less the Commitment Amount B of such Costs Increased Lender B.
 - (ii) The Commitment Ratio B of the Lenders B other than the Costs Increased Lender B shall be modified to the ratio of the loan amount of each Lender B to the Total Commitment Amount B after the modification under the immediately preceding Item (i).

14. **PREPAYMENT**

- 14.1 The Borrower may not prepay all or any part of the principal of the Loan B before its Due Date (a "Prepayment"). Provided, however, that this shall not apply if the Prepayment is made pursuant to Clause 13 or Clause 34, or if the Borrower, in accordance with the procedures set forth below, obtains the prior written approval of all of the Lenders B who made the Individual Loan B in respect of which the Borrower gives notice of its desire to make a Prepayment (the "Relevant Prepayment Lenders B"), and the Agent.
- 14.2 If the Borrower desires to make a Prepayment, the Borrower shall give a written notice to the Agent no later than ten (10) Business Days prior to the date the Borrower desires to make the Prepayment (the "Desired Prepayment Date"), stating (a) the Drawdown Date, the Repayment Date and the principal amount of the Individual Loan B for which the Borrower desires to make a Prepayment, (b) the principal amount for which the Borrower desires to make a Prepayment (not less than 100 million yen, and in increments of 100 million yen), (c) that the Borrower will pay in full on the Desired Prepayment Date, the interest on the principal amount for which the Borrower desires to make a Prepayment that has accrued by the Desired Prepayment Date (inclusive) (the "Accrued Interest"), and (d) the Desired Prepayment Date. The Agent shall notify the Relevant Prepayment Lenders B of items (a) through (d) of this Clause 14.2 by the Business Day immediately following the day the Agent receives notice from the Borrower, whereupon the Relevant

Prepayment Lenders B shall notify the Agent no later than five (5) Business Days prior to the Desired Prepayment Date of whether or not they approve such Prepayment. If such notice by any of the Relevant Prepayment Lenders B does not reach the Agent by five (5) Business Days prior to the Desired Prepayment Date, it shall be deemed that the Relevant Prepayment Lenders B did not approve such Prepayment. The Agent shall judge the acceptability of the Prepayment by four (4) Business Days prior to the Desired Prepayment Date, and notify the result to the Borrower and the Relevant Prepayment Lenders B.

- 14.3 The Relevant Prepayment Lenders B who approve the Prepayment in accordance with Clause 14.2 shall notify the Agent of the Break Funding Cost no later than two (2) Business Days prior to the Desired Prepayment Date. After receiving such notice, the Agent shall notify the Borrower of the same no later than one (1) Business Day prior to the Desired Prepayment Date. The Borrower shall pay on the Desired Prepayment Date to the Relevant Prepayment Lenders B who approve the Prepayment, in accordance with Clause 18, the total of the principal, the Accrued Interest and the Break Funding Cost in respect of the Loan B subject to such Prepayment.
- 14.4 If it is found that the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) cannot be maintained at an amount that is not less than 120% of the Total Outstanding Balance minus the Fixed Trust Property Value as of each Collection Calculation Date, the Borrower shall make the Prepayment in accordance with the following procedures, no later than three (3) Business Days after the date such fact is found (if such fact is found at or after 11 a.m. on the Business Day immediately preceding the Drawdown Date to the Drawdown Date, including the Business Day immediately preceding the Drawdown Date; the "Discovery Date" in this Clause 14.4), with respect to all of the Loan Receivables B or a part sufficient to maintain the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) as of such Collection Calculation Date at an amount that is not less than 120% of the Total Outstanding Balance minus the Fixed Trust Property Value as of such Collection Calculation Date. Provided, however, that this shall not apply if the Borrower additionally entrusts the Trustee with monies sufficient to satisfy the Trust Property Maintenance Standards in accordance with the provisions of the Accounts Receivables Trust Agreement during the Business Day immediately following the Discovery Date, upon notifying the Trustee and the Agent of its intent to entrust additional funds (by submitting an Application for Additional Entrustment of Funds) no later than 11 a.m. on the Business Day immediately following the Discovery Date.
- (i) The Borrower shall notify the Agent of the principal amount subject to the Prepayment no later than 11 a.m. on the Business Day immediately following the Discovery Date (if it discovers such fact).
 - (ii) The Agent shall notify the Relevant Prepayment Lenders B and the Borrower by the Business Day immediately following the Discovery Date, of (a) the principal amount subject to the Prepayment, (b) the interest on the principal amount subject to the Prepayment that has accrued by the date (inclusive) the Prepayment will be made (the "Accrued Interest"), and (c) the date the Prepayment will be made.

- (iii) Each of the Relevant Prepayment Lenders B receiving the notice pursuant to the preceding Item (i) shall notify the Agent of the Break Funding Cost in relation to such Relevant Prepayment Lender B no later than 12 p.m. on one (1) Business Day prior to the date the Prepayment will be made, and after receiving such notice, the Agent shall notify the Borrower of the same no later than one (1) Business Day prior to the date the Prepayment will be made.
 - (iv) The Borrower shall pay the total amount of the principal of the Loan B subject to Prepayment, and the Accrued Interest and Break Funding Costs thereon on the third (3rd) Business Day after the Discovery Date, in accordance with the provisions of Clause 18.
- 14.5 If the Borrower makes the Prepayment with respect to a part of the Loan Receivables B in accordance with Clause 14.4, the Borrower shall first repay the Loan Receivables B in relation to the Individual Loan B of which the Drawdown Date arrives last, in the whole or any part thereof in an amount not less than 100 million yen and in increments of 100 million yen sufficient to satisfy the Trust Property Maintenance Standards, and if the repayment of all of the Loan Receivables B in relation to the Individual Loan B of which the Drawdown Date arrives last is still not sufficient to satisfy the Trust Property Maintenance Standards, then the Borrower shall repay the Loan Receivables B in relation to the Individual Loan B of which the Drawdown Date arrives the next latest, in the whole or any part thereof in an amount not less than 100 million yen and in increments of 100 million yen sufficient to satisfy the Trust Property Maintenance Standards, and the same shall apply thereafter.
15. **DEFAULT INTEREST**
- 15.1 If the Borrower defaults in the performance of its obligations under this Agreement owing to a Lender B or the Agent, the Borrower shall, immediately upon the Agent's request and in accordance with Clause 18, for the period commencing on the Due Date (inclusive) of such defaulted obligation (the "Defaulted Obligations") and ending on the day (inclusive) the Borrower performs all Defaulted Obligations, pay default interest calculated by multiplying the amount of the Defaulted Obligations by the higher of either (to the extent permitted by Laws and Ordinances) (i) the rate obtained by adding the rate of 2% per annum to the reasonable cost (calculated at the interest rate that the creditor reasonably decides upon) incurred by the creditor of the Defaulted Obligations for raising the amount in default, or (ii) the rate of 14% per annum.
- 15.2 The calculation method for default interest under Clause 15.1 shall be on a per diem basis in accordance with the actual number of days from the Due Time (inclusive) of such obligations to the date (inclusive) such obligations are repaid, assuming that there are 365 days per year, wherein divisions shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

16. AGENCY FEE

The Borrower shall pay the Agency Fee to the Agent as separately agreed between the Borrower and the Agent, as consideration for the performance of the Agent Services.

17. EXPENSES; TAXES AND PUBLIC CHARGES

17.1 All expenses (including attorney's fees) incurred in connection with the preparation and any revision or amendment of this Agreement, and all expenses (including attorney's fees) incurred in relation to the maintenance and enforcement of the rights or the performance of the obligations by the Lender B and the Agent pursuant to this Agreement shall be borne by the Borrower to the extent permitted by Laws and Ordinances. If any Lender B or the Agent pays these expenses in the place of the Borrower, the Borrower shall, immediately upon the Agent's request, pay the same in accordance with the provisions of Clause 18.

17.2 All stamp duties and any other similar Taxes and Public Charges incurred in relation to the preparation, amendment and enforcement of this Agreement and any documents related hereto shall be borne by the Borrower. If any Lender B or the Agent pays these Taxes and Public Charges in the place of the Borrower, the Borrower shall, immediately upon the Agent's request, pay the same in accordance with the provisions of Clause 18.

18. PERFORMANCE OF BORROWER'S OBLIGATIONS

18.1 In order to repay the obligations under this Agreement, the Borrower shall remit the relevant amount to the Agent's Account (i) by the Due Time, for those obligations with a Due Date provided for herein, or (ii) immediately upon the Agent's request, for those obligations with a Due Date not provided for herein. In such cases, the Borrower's obligations to the Agent or a Lender B shall be deemed to have been performed upon the time of the remittance of the relevant amount to the Agent's Account.

18.2 Unless otherwise provided for in this Agreement, a payment by the Borrower directly to a Lender B other than the Agent contrary to the provisions of Clause 18.1 of amounts owing under this Agreement shall not be deemed to constitute the due performance of obligations under this Agreement. In this case, the Lender B receiving such payment shall immediately pay the money it receives to the Agent, and the obligations with respect to such money shall be deemed to have been performed upon the Agent's receipt of such money. Provided, however, that in the case that the Borrower, upon giving prior written notice to the Agent, disposes (*nin-i-baikyaku*) of the assets subject to floating security interest (*ne-tanpoken*) (other than the floating pledge pursuant to the Floating Pledge Agreement) that have been granted in favor of a Lender B as the secured party of the floating security interest, and directly pays to that Lender B the proceeds it receives from such disposal in order to perform its obligations under this Agreement, such direct payment shall be considered to constitute the due performance of obligations under this Agreement. The Borrower may not perform its obligations under this Agreement by deed-in-lieu of performance (*daibutsu bensai*) unless the Agent and All Lenders B give their prior written approval.

- 18.3 The Borrower's payments pursuant to this Clause 18 shall be appropriated in the order set forth below; provided, however, that the provisions of Clause 19.4 shall apply if any obligation of the Borrower becomes immediately due and payable pursuant to Clause 24:
- (i) those expenses to be borne by the Borrower under this Agreement that the Agent has incurred in the place of the Borrower, and the Agency Fee;
 - (ii) those expenses to be borne by the Borrower under this Agreement that are payable to a third party;
 - (iii) those expenses to be borne by the Borrower under this Agreement that any Lender B has incurred in place of the Borrower;
 - (iv) the default interest and the Break Funding Cost in relation to the Loan B;
 - (v) the Commitment Fee B;
 - (vi) the interest on the Loan B; and
 - (vii) the principal of the Loan B.
- 18.4 If, in appropriating the Borrower's payments under Clause 18.3, the amount to be appropriated falls short of the amount outlined in any of the items thereunder, with respect to the first item not fully covered (the "Item Not Fully Covered"), the amount remaining after appropriation to the item of the next highest order of priority shall be appropriated after prorating such remaining amount in proportion to the amount of the individual payment obligations owed by the Borrower regarding the Item Not Fully Covered that have become due and payable.
- 18.5 Unless otherwise required by Laws and Ordinances, the Borrower shall not deduct Taxes and Public Charges from the amount of obligations to be paid pursuant to this Agreement. If it is necessary to deduct Taxes and Public Charges from the amount payable by the Borrower, the Borrower shall additionally pay the amount necessary in order for the Lender B to be able to receive the amount that it would receive if no Taxes and Public Charges were imposed. In such cases, the Borrower shall, within thirty (30) days from the date of payment, directly send to the Lender B the certificate of tax payment in relation to withholding taxes issued by the tax authorities or other competent governmental authorities in Japan.
19. **DISTRIBUTION TO LENDERS B**
- 19.1 If any amounts remain after deducting an amount equivalent to the amounts described in Clause 18.3(i) and Clause 18.3(ii) from the amount paid by the Borrower pursuant to Clause 18, the Agent shall immediately distribute such remaining amount to the Lenders B in accordance with the provisions of this Clause 19. Provided, however, that if such money is paid by the Borrower pursuant to Clause 13.2 or Clause 13.5, notwithstanding the provisions of this Clause 19, the Agent shall promptly distribute such money to the Costs Increased Lender B.

- 19.2 If, prior to distribution by the Agent to the Lenders B pursuant to this Clause 19, (a) an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) in relation to the Loan Receivables B is served on the Borrower, or (b) an assignment in relation to the Loan Receivables B is made, the rights and obligations of the Borrower, the Agent and the Lenders B shall be regulated in accordance with the following provisions:
- (a)(i) If the Agent completes the distribution to the Lenders B pursuant to this Clause 19 before receiving notice from the Borrower pursuant to Clause 21.4 that the Borrower has been served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) with respect to the Loan Receivables B:
- In this case, if the creditor obtaining an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*), the Borrower, the Lenders B or any other third party incurs damages, losses or expenses (the "Damages") as a result of such distribution, the Agent shall not be liable in relation thereto, and the Borrower shall deal with the Damages at its own cost and liability. The Borrower shall compensate the Agent for any Damages incurred by the Agent due to such distribution.
- (ii) If the Agent receives notice from the Borrower pursuant to Clause 21.4 that it has been served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) on or after the remittance to the Agent's Account by the Borrower and before completion of the distribution to the Lenders B pursuant to this Clause 19, with respect to the Loan Receivables B in relation to such distribution:
- In this case, (1) with respect to the money relating to such notice, the Agent may withhold the distributions pursuant to this Clause 19, and may take other measures in a manner that the Agent deems reasonable; and (2) the Agent shall distribute to All Lenders B other than the Lender B subject to such notice the money paid by the Borrower excluding that which is subject to such notice. If the creditor obtaining an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*), the Borrower, the Lenders B or any other third party incurs any Damages as a result of the distribution by the Agent pursuant to (1) of this Item (ii), the Agent shall not be liable in relation thereto, and the Borrower shall deal with such Damages at its own cost and liability. The Borrower shall compensate the Agent for any Damages incurred by the Agent due to such distribution.
- (b) If the Assignor and the Assignee, under joint names, or if the Borrower, under its single name, notifies the Agent of an assignment of the Loan Receivables B in accordance with Clause 32.1:
- In this case, the Agent shall, after receiving either of these notices, immediately commence all administrative procedures necessary in order to treat such Assignee as the creditor of such Loan Receivables B, and the Agent shall be exempt insofar as the Agent treats the previous Lender B as

the party in interest until the Agent notifies the Borrower, the Assignor and the Assignee that such procedures have been completed. If the Assignee or any other third party suffers Damages due to such treatment by the Agent, the Agent shall not be liable in relation thereto, and the Borrower and the Assignor of such Loan Receivables B shall deal with such Damages at their own cost and liability. The Borrower and the Assignor of such Loan Receivables B shall jointly compensate the Agent for any Damages incurred by the Agent arising out of this Item (b).

- 19.3 The distributions by the Agent to the Lenders B shall be made in order, starting from Clause 18.3(iii) to Clause 18.3(vii). If there is an Item Not Fully Covered regarding the amounts to be distributed, the appropriation and distribution with respect to such Item Not Fully Covered shall be made in accordance with the provisions of Clause 18.4.
- 19.4 Notwithstanding Clause 18.3, Clause 18.4 and Clause 19.3, if the Borrower's obligations hereunder become immediately due and payable pursuant to Clause 24, the Agent shall distribute the amount remaining after deducting the amounts described under Clause 18.3(i) and Clause 18.3(ii) from the amount paid by the Borrower, in proportion to the amount of the obligations that the Borrower owes to the Lenders B under this Agreement, in which case such remaining amount shall be appropriated in the order and method that the Agent deems appropriate.
- 19.5 If the remittance of money by the Borrower provided for in Clause 18.1 fails to be completed by the Due Time, the Agent shall be under no obligation to make the distributions set forth in Clause 19.1 on the same date. In such cases, the Agent shall make such distributions immediately after receiving the remittance from the Borrower, and the Borrower shall bear any damages, losses and expenses incurred by the Lender B or the Agent in connection therewith.
- 19.6 Upon request from the Agent, and if there are reasonable grounds for such request, the Lenders B receiving such request shall immediately notify the Agent of the amount (including specifics) of the receivables they hold against the Borrower under this Agreement. In this case, the obligation of the Agent to make distributions set forth in Clause 19.1 shall arise at the time all such notices reach the Agent. In the case where a Lender B delays this notice without reasonable cause, such Lender B shall bear all damages, losses or expenses incurred by any Lender B or the Agent due to such delay.
- 19.7 The Agent may, before the Due Time of any of the Borrower's obligations, make the distributions to Lenders B in relation to such obligation by Temporary Advancement (provided that the Agent shall be under no obligation to make such Temporary Advancement). If the Borrower's obligations in relation to such Temporary Advancement are not repaid by the Due Time in accordance with Clause 18, the Lender B who received the distribution pursuant to this Clause 19.7 shall, immediately upon the Agent's request, reimburse to the Agent for the amount of such Temporary Advancement that it received. The Lender B shall, immediately upon the Agent's request, pay to the Agent any Temporary Advancement Costs required in making such Temporary Advancement, corresponding to the amount of Temporary Advancement that it received.

20. BORROWER'S REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to a Lender B and the Agent that each of the following matters is true and correct as of the Execution Date and the Drawdown Date. If any of the matters set forth under each of the following items is found to be untrue, the Borrower shall fully indemnify the Lender B and the Agent for all losses and expenses incurred thereby.

- (i) The Borrower is a stock company duly incorporated and validly existing under the laws of Japan.
- (ii) The Borrower has full legal competence necessary for the execution and performance of the Relevant Agreements, the execution and performance of the Relevant Agreements by the Borrower and any transactions associated therewith are within the corporate purposes of the Borrower and the Borrower has duly completed all procedures necessary therefor under Laws and Ordinances, the Articles of Incorporation and other internal company rules of the Borrower.
- (iii) The execution and performance of the Relevant Agreements by the Borrower and any transactions associated therewith will not result in (a) any violation of Laws and Ordinances that bind the Borrower, (b) any breach of the Articles of Incorporation or other internal company rules of the Borrower, or (c) any breach in any material respect of a third-party contract to which the Borrower is a party or which binds the Borrower or the assets of the Borrower.
- (iv) The person who signs or attaches his or her name and seal to the Relevant Agreements is authorised to sign or attach his or her name and seal to the Relevant Agreements as the representative of the Borrower by all procedures necessary pursuant to Laws and Ordinances, the Articles of Incorporation and other internal company rules of the Borrower.
- (v) The Relevant Agreements constitute legal, valid and binding obligations of the Borrower, and are enforceable against the Borrower in accordance with the terms thereof.
- (vi) The Relevant Agreements (other than this Agreement) are validly formed and exist with the same content as the agreements disclosed to the Agent.
- (vii) All Reports prepared by the Borrower are accurately and duly prepared in accordance with generally accepted accounting standards in Japan.
- (viii) After the last day of the fiscal year ended in March 2003, there has been no material change that will cause a significant deterioration of the business, assets, or financial condition of the Borrower described in the audited fiscal statement of that fiscal year or that may materially affect the performance of the obligations of the Borrower under the Relevant Agreements.

- (ix) No lawsuit, arbitration, administrative procedure, or any other dispute has commenced, or is likely to commence to the best knowledge of the Borrower, with respect to the Borrower, that will or may materially cause adverse effects on the performance of its obligations under the Relevant Agreements.
- (x) No event described in the items of Clauses 24.1 and 24.2 has occurred or is likely to occur.
- (xi) FUJITSU LIMITED owns 100% of the equity contributions to FMH, FMH's equity contributions to FASL LLC will not fall below 40%, and FASL LLC owns 100% of the equity contributions to the Borrower.
- (xii) The Borrower has not offered any security other than that described in Schedule 2.
- (xiii) The assets required for the continuation of the Borrower's business have been offered as security to FUJITSU LIMITED as described in Schedule 2.
- (xiv) Except for the Accounts Receivables Trust Agreement, the Borrower has not entered into with a Lender or any third party any agreement creating a security interest on or assigning all of the accounts receivables either currently held by the Borrower against FUJITSU LIMITED or that will accrue in the future before the termination date of the Accounts Receivables Trust Agreement.

21. **BORROWER'S COVENANTS**

- 21.1 The Borrower covenants to perform, at its expense, the matters described in each of the following items on and after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender B and the Agent.
- (i) If any event (including any acceleration event arising from a failure to cure a breach within the relevant curing period) described in each item of Clause 24.1 or 24.2 has occurred whether in respect of obligations hereunder or otherwise, or is likely to occur, the Borrower will immediately notify the Agent and All Lenders B in writing thereof.
 - (ii) The Borrower will submit a copy of the unaudited Reports to All Lenders B through the Agent, within sixty (60) days from the end of the first fiscal quarter, second fiscal quarter and third fiscal quarter, respectively.
 - (iii) The Borrower will submit a copy of the audited Reports to All Lenders B through the Agent, within one hundred and five (105) days from the end of the fiscal year.
 - (iv) The Borrower will submit to the Agent the documents prescribed by the Agent, in the number of copies designated by the Agent, that can confirm Borrower's compliance with matters described in Clause 22 and Clause 23

below, within one hundred and five (105) days from the end of the prescribed fiscal year, and within sixty (60) days from the end of each six-month (mid-year) period and the end of each fiscal quarter, respectively.

- (v) The Borrower will submit a copy of the unaudited Reports of FASL LLC to All Lenders B through the Agent, within sixty (60) days from the end of the first fiscal quarter, second fiscal quarter and third fiscal quarter of FASL LLC, respectively.
 - (vi) The Borrower will submit a copy of the audited Reports of FASL LLC to All Lenders B through the Agent, within one hundred and five (105) days from the end of the fiscal year of FASL LLC.
 - (vii) Upon request by the Agent or a Lender B through the Agent, the Borrower will immediately notify the Agent in writing of the condition of the assets, management, or businesses of the Borrower, its Subsidiaries and FASL LLC, and shall provide any assistance necessary to facilitate investigations thereof.
 - (viii) If any material change has occurred, or is found to be likely to occur with the passage of time, to the condition of the assets, management, or businesses of the Borrower and its Affiliates, or if any lawsuit, arbitration, administrative procedure, or any other dispute that will materially affect, or is likely to materially affect, the performance of the obligations of the Borrower under this Agreement has commenced, or is found to be likely to commence, the Borrower will immediately notify the Agent in writing thereof.
 - (ix) If any change has occurred to the Status of the Establishment of the Collateral described in Schedule 2, the Borrower will immediately notify the Agent in writing thereof.
 - (x) If any of the items described in Clause 20 is found to be untrue, the Borrower will immediately notify the Agent in writing thereof.
- 21.2 The Borrower shall not offer any security other than that which is pursuant to the Relevant Agreements to secure its obligations under this Agreement for the benefit of certain Lenders B on or after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender B and the Agent.
- 21.3 The Borrower shall, on and after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender B and the Agent, affirmatively covenant to comply with the following matters. Upon applying Items (iv) and (v) below, any action taken by the Borrower or any of its Subsidiaries and any event arising at any time that is not during an Enhanced Covenant Period and would not constitute a breach under this Agreement to the extent that such action or event is taken or occurs at such time, shall not constitute a breach during any subsequent Enhanced Covenant Period of the applicable covenant during such Enhanced Covenant Period, even if

such action or event would be in violation of such covenant, had such action been taken by the Borrower or any of its Subsidiaries or such event occurred during such Enhanced Covenant Period.

- (i) The Borrower will maintain licenses and other similar permits that are necessary to conduct the Borrower's main business, and continue to carry out the business in compliance with all Laws and Ordinances.
- (ii) The Borrower will not change its main business.
- (iii) The Borrower will not, unless otherwise specified in Laws and Ordinances, subordinate the payment of any of its debts under this Agreement to the payment of any unsecured debts (including any secured debts that will not be fully collected after a foreclosure sale of the security), but will at least give its debts under this Agreement equal priority.
- (iv) Neither the Borrower nor its Subsidiaries will, during the Enhanced Covenant Period, enter into any merger, reorganization or consolidation, or transfer, lease or otherwise dispose of all or any part of their assets, or enter into any agreement concerning such transactions; provided, however, that even if any of the foregoing occur during the Enhanced Covenant Period, the Borrower or its Subsidiaries may conduct such transactions if they constitute (a) a sale or other disposition of the Inventory in the ordinary course of their business; (b) a transfer or other disposition in the ordinary course of business of assets that have become obsolete, damaged or no longer useable in operation; (c) an Investment by the Borrower or any of its Subsidiaries in the Borrower or any of its Subsidiaries (except for cases where the aggregate amount of such Investment made by the Borrower or any of its Japanese Subsidiaries on and after the Execution Date exceeds three billion (3,000,000,000) yen); (d) a case where the aggregate book value of assets transferred by the Borrower and its Subsidiaries on and after the Execution Date is less than six billion (6,000,000,000) yen; (e) a merger or consolidation between the Borrower and any of its Subsidiaries or among the Borrower's Subsidiaries (provided that, with respect to any such transaction to which the Borrower is a party, to the extent that the Borrower shall be the continuing or surviving entity); (f) a disposition of the Inventory between the Borrower and its Subsidiaries or among the Borrower's Subsidiaries, on terms no less favorable to the Borrower and its Subsidiaries than would be obtained in a similar arm's length transaction with a third party who is not an Affiliate; or (g) any transaction set forth in Item (v) below. Notwithstanding the foregoing or whether such transaction takes place during the Enhanced Covenant Period, except as permitted under the preceding Item (f), the Borrower will not, without the consent of the Majority Lenders B, (1) enter into any consolidation or merger, or transfer, lease or otherwise dispose of all or substantially all of its assets or business, or (2) remove any equipment from the Aizu Facility or transfer or otherwise dispose of the Aizu Facility, in a manner that may substantially affect the Borrower's repayment of its obligations under this Agreement.

- (v) The Borrower and its Subsidiaries will not, to the extent that any obligation under this Agreement or agreements (other than this Agreement) entered into between the Borrower and a third party would become immediately due and payable as a result, declare any dividend other than those to be declared after the end of each fiscal quarter, or redeem, repurchase, retire or otherwise acquire the capital stock of the Borrower or its Subsidiaries or any option for such capital stock (the "Distribution"), or, during the Enhanced Covenant Period, (a) make any Distribution (except (1) Distribution to the Borrower by any of its Subsidiaries, (2) Distribution to the Borrower or any of its direct or indirect wholly-owned Subsidiaries by any of the Borrower's direct or indirect wholly-owned Subsidiaries or (3) redemption, repurchase, retirement or other acquisitions of equity interests of the Borrower in exchange for other equity interests of the Borrower or out of the proceeds of a substantially concurrent transfer (other than to its Subsidiaries) of other equity interests of the Borrower, in the conversion of the Borrower's equity interests and other equity interests), or (b) make any change in the Borrower's capital structure (including capital reduction) that may substantially affect the Borrower's repayment of its obligations under this Agreement.
 - (vi) The Borrower will not change its accounting standards to accounting standards that are not generally accepted in Japan.
 - (vii) The Borrower and its Subsidiaries will not obtain any loans from a third party (other than those pursuant to the Loan Agreement A) or provide a guarantee or provide any loans to a third party, that may substantially affect the Borrower's repayment of the Borrower's obligations under this Agreement.
 - (viii) The Borrower and its Subsidiaries will not enter into any transaction that may substantially affect the Borrower's repayment of its obligations under this Agreement.
- 21.4 If the Borrower is served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*), or attachment (*sashiosae*) with respect to the Loan Receivables B, the Borrower shall immediately notify All Lenders B through the Agent in writing, together with a copy of such order.
- 21.5 The Borrower shall perform its obligations concerning the Accounts Receivables Trust Agreement and the Floating Pledge Agreement in accordance with the provisions thereof and the Agent's instructions. Such obligations include the following matters:
- (i) The Borrower shall make the Settlor's Regular Report to the Trustee by each Settlor's Regular Report Deadline.
 - (ii) If any of the matters described in the Settlor's Regular Report is found to be mistaken the Borrower shall immediately make the Settlor's Extraordinary Report, except in cases where it is evident that even if the correct Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent)

were used, (1) the Fixed Trust Property Value would equal or exceed the Total Outstanding Balance A at the time such mistake is found, and (2) Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) would equal or exceed 120% of the amount calculated as the Total Outstanding Balance at the time such mistake is found, less the Fixed Trust Property Value.

- (iii) The Borrower shall obtain approval from FUJITSU LIMITED with respect to the trust assignment to the Trustee of the accounts receivables, in the form of a document bearing a certified date (*kakutei-hizuke*).
- 21.6 The Borrower shall not amend or revise the Relevant Agreements or the Purchase and Sale Agreement, without the approval of the Lender B, and shall not cause any event to occur that will cause the termination of the Relevant Agreements.

22. RESTRICTIONS ON COLLATERAL

The Borrower shall not offer any security to secure its obligations or any third party's obligations (other than those under this Agreement) on or after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender B and the Agent, unless the Majority Lenders B and the Agent give prior written consent therefor. Provided, however, that this provision shall not apply in the cases described below and if the Borrower gives prior written notice to the Agent of such offering of security. For the purpose of this Clause 22, offering security shall mean creating security interests on any assets of the Borrower, promising in advance to create security interests on any specific assets of the Borrower, or promising not to offer any specific assets of the Borrower as security for obligations other than specific obligations, and does not include any security pursuant to Laws and Ordinances, such as liens or possessory liens.

- (i) Cases where the Borrower offers security for loans from the Japan Bank for International Cooperation, the Development Bank of Japan, the Government Pension Investment Fund, the Employment and Human Resources Development Organization of Japan or other similar institutions, and such offer of security is required by Laws and Ordinances.
- (ii) Cases where the Borrower offers, regarding loans obtained for the purpose of acquiring assets, such assets as security.
- (iii) Cases where the Borrower newly acquires assets on which security interests have already been established.
- (iv) Cases where the Borrower offers security in its financing activities through the securitization of assets (or so-called liquidation of assets (*shisan-no-ryudoka*) under Japanese law).
- (v) Cases where the Borrower offers any security to FUJITSU LIMITED.

23. FINANCIAL RESTRICTIONS

The Borrower shall, on and after the Execution Date, and until this Agreement is terminated and the Borrower completes the performance of all of its obligations under this Agreement to each Lender B and the Agent, affirmatively covenant to comply with the following matters:

- (i) The Borrower will ensure its liabilities do not exceed its assets in its stand-alone basis balance sheets as of the close of each fiscal year and six-month (mid-year) period.
- (ii) The Borrower will maintain the Adjusted Tangible Net Worth at an amount not less than sixty billion (60,000,000,000) yen as of the last day of each fiscal quarter.
- (iii) The Borrower will maintain its total net income and depreciation at an amount not less than the amount set forth below as of the last day of each fiscal period set forth below:

<u>Period</u>	<u>Amount</u>
First fiscal quarter 2004	2,490 million yen
First - second fiscal quarter 2004	7,320 million yen
Fiscal year 2004	22,920 million yen

- (iv) The Borrower shall not cause, as of the last day of each period set forth below, the ratio of (a) the net income plus depreciation to (b) the sum of interest expenses, the amount of scheduled repayments of borrowings including Lease rentals, and maintenance capital expenditures for the Aizu Facility, for such period, to be less than the following percentages.

<u>Period</u>	<u>Percentage</u>
First fiscal quarter 2004	100%
Second fiscal quarter 2004	110%
Third - fourth fiscal quarter 2004	120%

24. ACCELERATION

- 24.1 If any of the events described in the items below occurs with respect to the Borrower, all of the Borrower's debts under this Agreement payable to All Lenders B and the Agent shall automatically become due and payable without further notice or demand by any Lender B or the Agent, and the Borrower shall immediately pay the principal of the Loan B, and the interest and Break Funding Costs and any other payment obligation that the Borrower owes pursuant to this Agreement in accordance with the provisions of Clause 18, whereby All Lenders B's Lending Obligations B shall cease to be effective:

- (i) If any payment by the Borrower is suspended, or if a petition (including a similar petition filed outside Japan) of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjisaiseitetzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseitetzuki-kaishi*), commencement of corporate

rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures is filed by or against the Borrower;

- (ii) If a resolution for dissolution is adopted or the Borrower receives an order of dissolution;
 - (iii) If the Borrower abolishes its business;
 - (iv) If any transaction of the Borrower is suspended by a clearinghouse; or
 - (v) If any order or notice of provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*), or attachment (*sashiosae*) (including any similar procedure taken outside Japan) is issued, or any adjudication ordering the enforcement of a preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) is rendered, with respect to the deposit receivables or other receivables (including the various insurance claim receivables under insurance contracts) held by the Borrower against a Lender B. In this case, such Lender B shall immediately notify the Borrower, all other Lenders B, and the Agent of the occurrence of such event.
 - (vi) If the Borrower's obligations under the Loan Agreement A become immediately due and payable.
- 24.2 If any of the events described in the items below occurs with respect to the Borrower, all of the Borrower's debts under this Agreement payable to All Lenders B and the Agent shall become due and payable upon notice to the Borrower from the Agent, after a request by the Majority Lenders B, and the Borrower shall immediately pay the principal of the Loan B, and the interest and Break Funding Costs and any other payment obligation that the Borrower owes pursuant to this Agreement in accordance with the provisions of Clause 18, whereby All Lenders B's Lending Obligations B shall cease to be effective:
- (i) If the Borrower defaults in its payment of all or a part of its obligations that have become due, and are payable to a Lender B or the Agent, whether under this Agreement or not;
 - (ii) If any matters described in the items of Clause 20 is found to be untrue;
 - (iii) Except for the cases described in the preceding two items, if the Borrower breaches any of its obligations under this Agreement, and such breach is not cured for five (5) or more Business Days therefrom; provided, however, that this shall not apply to any breach of obligations under Clause 21.3(i) that is not considered to substantially affect the Borrower's repayment of its obligations under this Agreement;
 - (iv) If any order or notice of attachment (*sashiosae*), provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*), or provisional disposition (*kari-shobun*) (including any similar procedure taken outside

Japan) is issued or auction procedures (*keibaitetuzuki*) commence with respect to any collateral offered by the Borrower to a Lender B;

- (v) If any of the Borrower's debts other than those under this Agreement (except for those under the Loan Agreement B) becomes immediately due and payable; or if any of the Borrower's guaranty obligations for the benefit of a third party becomes due and payable, and the Borrower is unable to perform such obligations; provided, however, that such debts exceed two hundred million (200,000,000) yen in total at the time of acceleration or impossibility of performance;
- (vi) Notwithstanding any matters described in the foregoing items, if the business or financial condition of the Borrower deteriorates, or may deteriorate, and there are reasonable grounds to believe it is necessary to accelerate all of the Borrower's debts to preserve the receivables;
- (vii) If the Borrower suspends or resolves to abolish its business or is subject to a disposition such as a suspension of business by competent government authorities;
- (viii) If it is found that the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) cannot be maintained at an amount that is not less than 120% of the Total Outstanding Balance minus the Fixed Trust Property Value as of each Collection Calculation Date, and such event remains unresolved after three (3) Business Days from the date such event is found, respectively;
- (ix) If the Borrower breaches any of its obligations under the Accounts Receivables Trust Agreement or the Floating Pledge Agreement, and such breach is not cured for five (5) or more Business Days therefrom;
- (x) If any of the events under (a) through (l) below occurs with respect to FUJITSU LIMITED:
 - (a) If any payment by FUJITSU LIMITED is suspended, or if a petition (including similar petition filed outside Japan) of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjisaiseituzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseituzuki-kaishi*), commencement of corporate rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures is filed by or against FUJITSU LIMITED;
 - (b) If a resolution for dissolution is adopted or FUJITSU LIMITED receives an order of dissolution;
 - (c) If FUJITSU LIMITED suspends or abolishes its business or is subject to a disposition such as a suspension of business by competent government authorities;

- (d) If any check or note issued by FUJITSU LIMITED is dishonored;
 - (e) If an application is made for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*), attachment (*sashiosae*), provisional disposition (*kari-shobun*) compulsory execution or auction (*keibai*) with respect to any property held by FUJITSU LIMITED;
 - (f) If FUJITSU LIMITED is subject to a demand or a disposition to collect tax delinquencies due to its nonpayment of taxes;
 - (g) If FUJITSU LIMITED defaults in its payment of all or a part of obligations that have become due under the Purchase and Sale Related Agreements;
 - (h) If FUJITSU LIMITED breaches any of its obligations under the Purchase and Sale Related Agreements;
 - (i) If any event for termination or acceleration under the Purchase and Sale Related Agreements occurs;
 - (j) If FUJITSU LIMITED fails, without justifiable reason, to perform any of its monetary obligations (only those amounting to one billion (1,000,000,000) yen or more) other than the obligations under the Purchase and Sale Related Agreements within five (5) Business Days after receiving notice requesting performance thereof;
 - (k) If FUJITSU LIMITED is not in compliance with the ordinary credit standards adopted by the Settlor; or
 - (l) If any other event acknowledged by the Trustee to affect the preservation of Trust Receivables occurs.
- 24.3 If a notice dispatched pursuant to Clause 24.2 is delayed or is not delivered to the Borrower due to fault of the Borrower, all of the Borrower's debts under this Agreement shall become due and payable at the time such request or notice should have been delivered, and the Borrower shall immediately pay the principal of the Loan B, and the interest and Break Funding Costs and any other payment obligations that the Borrower owes pursuant to this Agreement, in accordance with the provisions of Clause 18, whereby All Lenders B's Lending Obligations B shall cease to be effective.
- 24.4 If a Lender B becomes aware of the occurrence of any events described in the items of Clauses 24.1 or 24.2 with respect to the Borrower, the Lender B shall immediately notify the Agent of such occurrence, and the Agent shall notify all other Lenders B of the occurrence of such events.

25. SET-OFF; EXERCISE OF FLOATING SECURITY

- 25.1 When the Borrower is required to perform its obligations to a Lender B upon the due date thereof, acceleration or otherwise, (a) the Lender B may set off the receivables it has against the Borrower under this Agreement against its deposit obligations or other obligations (including the various insurance claim obligations under insurance contracts) it owes to the Borrower, whether or not such obligations are due and payable and regardless of Clause 18.2, and (b) the Lender B may also omit giving prior notice and following established procedures, may obtain the deposited amount on behalf of the Borrower, and may appropriate this amount for the payment of obligations. The interest, Break Funding Cost and default interest and other costs for the receivables and obligations involved in such a set-off or appropriation for payment shall be calculated up to the time of such calculation, and in such calculation, the interest rate and default interest rate shall be in accordance with each agreement, and the foreign exchange rate at the time such calculation is made, as reasonably determined by the Lender B, shall be applied. If the amount to be set-off or appropriated for payment is not sufficient to extinguish all of the Borrower's debts, the Lender B may appropriate such set-off amount in the order and method it deems appropriate, and the Borrower shall not object to such appropriation.
- 25.2 The Borrower may, upon the Due Date of payment of the Loan B and if it is necessary for the Borrower to preserve its deposit receivables or any other receivables (including the various insurance claim receivables under insurance contracts) that it has against a Lender B that have become due, set off such receivables against the obligations it owes to the Lender B under this Agreement, regardless of Clause 18.2. In this case, the Borrower shall give a written set-off notice to the Lender B and immediately submit to the Lender B the receivables certificates for the deposit receivables or other receivables being set-off and the passbook impressed with the seal of the seal impression submitted. The interest and default interest for the receivables and obligations involved in such set-off shall be calculated up to the day of receipt of such set-off notice, and in such calculation, the interest rate and default interest rate shall be calculated in accordance with each agreement, and the foreign exchange rate at the time such calculation is made, as reasonably determined by the Lender B, shall be applied. If the Borrower's receivables to be set-off are not sufficient to extinguish all of its debts, the Borrower may appropriate such set-off amount in the order and method it deems appropriate. Provided, however, that if the Borrower does not instruct such order or method, any such amounts may be appropriated in the order and method deemed appropriate by each Lender B, and the Borrower shall not object to such appropriation.
- 25.3 When the Borrower is required to perform its obligations to a Lender B upon the due date thereof, acceleration or otherwise, the Lender B may exercise its floating security interest (other than the floating pledge under the Floating Pledge Agreement; the "Exercise of Floating Security") over the receivables against the Borrower under this Agreement, regardless of Clause 18.2.
- 25.4 If a set-off is performed pursuant to Clause 25.1 or 25.2 above, or if the Exercise of Floating Security is carried out pursuant to Clause 25.3, the Lender B in the case described in Clauses 25.1 and 25.3 and the Borrower in the case described in Clause 25.2 shall immediately notify the Agent of the details thereof in writing. If any damage, loss, or expenses are incurred by the Lender B or the Agent due to delay of

such notice without any reasonable cause, either the Lender B or the Borrower, whichever has failed to give such notice, shall bear such damages.

26. **ARRANGEMENTS AMONG LENDERS B**

- 26.1 If a set-off is performed by a Lender B pursuant to Clause 25.1 (such Lender B, hereafter, the “Set-off Initiating Lender B”), the Lender B shall make arrangements for each Individual Loan B subject to such set-off (such Individual Loan B, in this Clause 26.1, the “Set-off Individual Loan B”) by way of assigning receivables pursuant to the following procedures:
- (i) The Agent shall calculate each amount (the “Intended Distribution Amount B”) that the Lender B (hereafter in this Clause 26.1, the “Remaining Lender B”) who has made the Individual Loan B (other than the Set-off Individual Loan B) (hereafter in this Clause 26.1, the “Remaining Individual Loan B”), would have received pursuant to Clauses 19.1 through 19.4 if the amount of debt obligations in relation to the Set-off Individual Loan B, which has been extinguished due to the performance of a set-off, was paid to the Agent.
 - (ii) The Set-off Initiating Lender B shall purchase from the Remaining Lender B the loan receivables in the amount equivalent to the Intended Distribution Amount B from and among the Remaining Individual Loan B at their face value; provided, however, that the Remaining Lender B may refuse such sale.
 - (iii) If the assignment under the immediately preceding item is made, the Remaining Lender B shall, at its own expense, notify the Borrower immediately after the assignment by a document bearing a certified date (*kakutei-hizuke*) pursuant to Article 467 of the Civil Code.
- 26.2 If a set-off is performed by the Borrower against a Lender B pursuant to Clause 25.2 (such Lender B, hereafter, the “Set-off Receiving Lender B”), only if a Set-off Receiving Lender B or a Lender B other than the Set-off Receiving Lender B requests, the Lender B shall make arrangement for each Individual Loan B subject to the set-off (such Individual Loan B, in this Clause 26.2, the “Set-off Individual Loan B”) by way of assigning receivables pursuant to the procedures described in the items below:
- (i) The Agent shall calculate each Intended Distribution Amount B that the Lender B, who has made the Individual Loan B (other than the Set-off Individual Loan B), would have received pursuant to Clauses 19.1 through 19.4 if the amount of debt obligations in relation to the Set-off Individual Loan B, which has been extinguished due to the performance of a set-off, was paid to the Agent.
 - (ii) The Set-off Receiving Lender B shall purchase from the Remaining Lender B the loan receivables in the amount equivalent to the Intended Distribution Amount B from and among the Remaining Individual Loan B at their face value.

- (iii) If the assignment under the immediately preceding item is made, the Remaining Lender B shall, at its own expense, notify the Borrower immediately after the assignment by a document bearing a certified date (*kakutei-hizuke*) pursuant to Article 467 of the Civil Code.
- 26.3 If a Lender B carries out an Exercise of Floating Security pursuant to Clause 25.3, or if a Lender B receives any repayment of debt obligations it has against the Borrower under this Agreement with respect to its floating security interest as a result of any compulsory execution or Exercise of Floating Security through a foreclosure by a third party, the assignment of receivables described in Clause 26.1 will not be performed. Provided, however, that if a Lender B carries out an Exercise of Floating Security with respect to the floating security established by the Borrower's violation of the provisions of Clause 21.2, or if a Lender B receives any repayment of debt obligations it has against the Borrower under this Agreement based on such security interest, the Lender B shall assign receivables pursuant to the provisions of Clause 26.1 above.
- 26.4 The provisions of Clause 26.1 shall apply to cases where a Lender B receives any repayment of debt obligations it has against the Borrower under this Agreement as a result of compulsory execution or exercise of security interests (excluding any security interest offered pursuant to Clause 22) through foreclosure by the Lender B's petition with respect to certain assets of the Borrower (hereafter, in this Clause 26.4, the "Compulsory Execution"), or as a result of the Lender B requesting a distribution in relation to the Compulsory Execution by any third party. Provided, however, that upon applying the provisions of Clause 26.1, the amount equal to any expenses arising from performance of Compulsory Execution (including attorney's fees) or any expenses arising from a request for a distribution in relation to the Compulsory Execution by any third party (including attorney's fees) shall be borne by the Lender B, and the Agent shall calculate the Intended Distribution Amount B assuming that the amount of any proceeds earned as a result of the Compulsory Execution, less such expenses, were paid to the Agent.
27. **RIGHTS AND DUTIES OF THE AGENT**
- 27.1 The Agent shall, pursuant to the entrustment by All Lenders B, perform the Agent Services B and exercise rights for the benefit of All Lenders B, and shall exercise the rights that, in the Agent's opinion, are ordinarily necessary or appropriate in performing the Agent Services B. The Agent shall not be liable for any duties other than those expressly specified in the provisions of this Agreement, and shall not be liable for any non-performance of obligations by the Lenders B under this Agreement. The Agent shall be an agent of the Lenders B and, unless otherwise provided, shall never act as an agent of the Borrower.
- 27.2 The Agent may rely upon any communication, instrument and document that has been delivered between appropriate persons and has been signed or has the name and seal attached by such appropriate persons and that the Agent believes to be true and correct, and may act in reliance upon any written opinion or explanatory letter of experts appointed by the Agent within the reasonably necessary extent in relation to this Agreement.

- 27.3 The Agent shall perform the duties and exercise the authority provided for in this Agreement with the due care of a good manager.
- 27.4 Neither the Agent nor any of its directors, employees or agents shall be liable to the Lenders B for any acts or omissions conducted by the Agent pursuant to, or in connection with, this Agreement, except for its or their willful misconduct or gross negligence. The Lenders B (other than Lenders B who act as the Agent) shall jointly and severally indemnify the Agent for any and all liabilities, damages, losses and expenses (including, without limitation, any expenses paid to avoid or minimize any damages or losses or to recover any damages or losses (including attorney's fees)) incurred by the Agent in the course of the performance of its duties under this Agreement, to the extent that such liabilities, damages, losses and expenses are not reimbursed by the Borrower, and only for the amount outstanding after deducting the portion for which the Agent is obliged to contribute, calculated pursuant to the Agent's Commitment Ratio B. Provided, however, that if any of the Lenders B cannot perform the indemnity for which it is liable, the Agent's Commitment Ratio B shall be calculated by dividing the Agent's Commitment Ratio B by the aggregate of the Commitment Ratio B of the Lenders B other than such non-indemnifying Lenders B.
- 27.5 The Agent shall not be liable for the validity of this Agreement, and shall not guarantee any matters represented in this Agreement. The Lenders B shall enter into, and conduct transactions contemplated in, this Agreement at their sole discretion by conducting investigations as to the necessary matters, including the creditworthiness of the Borrower, on the basis of the documents, information and other data as it has deemed appropriate.
- 27.6 In cases where the Agent is also acting as a Lender B, the Agent shall have the same rights and obligations as the other Lenders B, irrespective of the Agent's obligations under this Agreement. The Agent may engage in commonly accepted banking transactions with the Borrower outside of this Agreement. In this case, the Agent shall not be required to disclose to other Lenders B information in relation to the Borrower it has obtained through transactions with the Borrower other than those contemplated under this Agreement, nor shall the Agent be required to distribute to other Lenders B any money it has received from the Borrower through transactions with the Borrower other than those contemplated under this Agreement. (Any information that has been disclosed to the Agent by the Borrower shall be, unless expressly identified as being made in relation to this Agreement, deemed disclosed in relation to the transactions with the Borrower other than those contemplated under this Agreement, and the Agent shall not be required to disclose any of the same to other Lenders B.)
- 27.7 Notwithstanding Clause 27.6, upon receiving the Trustee's Regular Report or the Trustee's Extraordinary Report, the Agent shall promptly (by the Business Day immediately following the day such Trustee's Regular Report is received, at the latest) report the details thereof to the other Lenders B.
- 27.8 In cases where the Agent is also acting as a Lender B, the calculation of the amounts to be distributed to each Lender B pursuant to the provisions of Clause 19 shall be made in accordance with the following: (i) for amounts to be distributed to each

Lender B other than the Agent, any amount less than one yen shall be rounded down, and (ii) amounts to be distributed to a Lender B who is also appointed as the Agent shall be the difference between the aggregate of all amounts to be distributed and the amounts distributed to other Lenders B.

27.9 Except for the cases under Clause 27.8, all calculations of fractions less than one yen that are required under this Agreement shall be made in the manner the Agent deems appropriate.

27.10 If the Agent receives any notice from the Borrower that is required to be given to each Lender B in relation to this Agreement, the Agent shall immediately inform All Lenders B of the details of such notice, or if the Agent receives any notice from a Lender B that is required to be given to the Borrower or other Lenders B in relation to this Agreement, the Agent shall immediately inform the Borrower or All Lenders B, as the case may be, of the details of such notice. The Agent shall make any documents that it has obtained from the Borrower and has retained, available for review by a Lender B during its ordinary business hours.

28. **RESIGNATION AND DISMISSAL OF THE AGENT**

28.1 The Agent may resign as follows:

- (i) The Agent may resign its position as the Agent by giving written notice to All Lenders B and the Borrower; provided, however, that such resignation shall not become effective until a successor Agent is appointed and such successor accepts such appointment.
- (ii) If the Agent gives notice pursuant to the preceding item, the Majority Lenders B may appoint a successor Agent upon obtaining consent from the Borrower.
- (iii) If a successor Agent is not appointed by the Majority Lenders B within thirty (30) days (including the day of notice) after the notice of resignation is given as described in Item (i) above, or if the entity appointed by the Majority Lenders B as a successor Agent does not accept assumption of the office of the Agent, the Agent in office at that time shall, upon obtaining consent from the Borrower, appoint a successor Agent on behalf of the Majority Lenders B.

28.2 The Agent may be dismissed as follows:

- (i) The Majority Lenders B may dismiss the Agent by giving written notice thereof to each of the other Lenders B, the Borrower, and the Agent; provided, however, that such dismissal shall not become effective until a successor Agent is appointed and such successor accepts such appointment.
- (ii) If the Majority Lenders B give notice pursuant to the preceding item, the Majority Lenders B may appoint a successor Agent upon obtaining consent from the Borrower.

- 28.3 If the entity appointed as the successor Agent pursuant to Clause 28.1 or 28.2 accepts assumption of the office, the former Agent shall deliver to the successor Agent all documents and materials it has kept as the Agent under this Agreement, and shall give all the support necessary for the successor Agent to perform the duties of the Agent under this Agreement.
- 28.4 The successor Agent shall succeed to the rights and obligations of the former Agent under this Agreement, and the former Agent shall, at the time of the assumption of office by the successor Agent, be exempted from all of its obligations as the Agent; provided, however, that the provisions of this Agreement relevant to any actions (including omissions) conducted by the former Agent during the period it was in office shall remain in full force and effect.

29. **DECISION-MAKING OF THE MAJORITY LENDERS B**

- 29.1 The Majority Lenders B shall make decisions as follows:
- (i) If a Lender B deems that any event has occurred that requires instructions from the Majority Lenders B in this Agreement, such Lender B may give notice to the Agent to request the decision of the Majority Lenders B.
 - (ii) The Agent shall, upon receipt of a notice described in the preceding item, immediately give notice to All Lenders B to seek the decision of the Majority Lenders B.
 - (iii) Each Lender B shall, upon receipt of the notice described in the preceding item, make its decision on the relevant event and inform the Agent of such decision within three (3) Business Days after the receipt.
 - (iv) If a decision of the Majority Lenders B is made pursuant to the preceding three items, the Agent shall immediately notify the Borrower and All Lenders B of such decision as the instruction by the Majority Lenders B.
- 29.2 If the Agent deems that any event has occurred that requires the decision of the Majority Lenders B, other than in the case of Clause 29.1, the Agent may give notice to All Lenders B to seek such decision. In such case, the procedures set out in Items (ii) through (iv) of Clause 29.1 shall be followed.
- 29.3 The provisions of this Clause 29 shall apply *mutatis mutandis* to the decision-making of the Majority Lenders B with respect to each Loan B.

30. **AMENDMENT TO THIS AGREEMENT**

This Agreement may be amended with the written agreement of the Agent, the Borrower, and the Majority Lenders B; provided, however, that the written agreement by the Agent, the Borrower, and All Lenders B shall be required in order to amend this Agreement with respect to the following matters that materially affect the rights and obligations of the Lender B:

- (i) any amendment to or waiver of the conditions precedent provided for in Clause 4 and Clause 5;

-
- (ii) any addition to or expansion of the obligations of the Lender B;
 - (iii) any reduction of the amount of the principal and interest of the Individual Loan B or other amounts payable by the Borrower pursuant to this Agreement;
 - (iv) any postponement of the payment date of the principal and interest of the Individual Loan B or other obligations of the Borrower pursuant to this Agreement;
 - (v) any decrease in the Spread B or the Applicable Interest Rate B set forth in Clause 1;
 - (vi) any amendment to the Commitment Ratio B set forth in Clause 1;
 - (vii) any amendment to the restrictions on collateral provided for in Clause 22;
 - (viii) any amendment to the financial restrictions provided for in Clause 23;
 - (ix) any amendment to the events for acceleration provided for in Clause 24;
 - (x) any amendment to this Clause 30;
 - (xi) any amendment to the Relevant Agreements; and
 - (xii) any other matters that the Agent considers will diminish the Lender B's rights, or increase the Lender B's obligations, in any material respect.

31. **ASSIGNMENT OF THIS AGREEMENT**

- 31.1 The Borrower may not assign to any third party its status as a party to the Loan B, or its rights and obligations under this Agreement, unless All Lenders B and the Agent give their prior consent in writing without objection.
- 31.2 A Lender B may assign to any third party its status as a party to this Agreement, or all or any part of its rights and obligations associated therewith, if the Borrower and the Agent give their prior consent in writing without objection (except for assignments of the Loan Receivables B set forth in Clause 26) and all requirements described in the items below are satisfied (hereinafter in this clause, a Lender B that makes such assignment as the "Assigning Lender" and that accepts such assignment as the "Successive Lender"). The Borrower and the Agent may not unreasonably withhold their consent, and the Agent, upon such assignment, shall notify All Lenders B of such assignment.
 - (i) The Borrower's consent includes consent for assignment of the Loan Receivables B, and bears a certified date (*kakutei-hizuke*) as of the date of the assignment.

-
- (ii) If any partial assignment of the status of a Lender B under this Agreement is made, both the Assigning Lender and the Successive Lender shall become a Lender B under this Agreement and each provision of this Agreement shall be applicable to such Lenders B on and after the date of the assignment, and the Commitment Amount B of the Assigning Lender prior to the assignment of the status (the "Pre-assignment Commitment Amount B") shall be reduced by an amount separately agreed upon between the Assigning Lender and the Successive Lender (the "Reduced Amount") and thereafter the Commitment Amount B equal to the Reduced Amount shall apply to the Successive Lender. If the Assigning Lender owns any Loan Receivables B (such Loan Receivables B, hereafter, the "Pre-assignment Loan Receivables B"), all receivables in relation to the Pre-assignment Loan Receivables B, including any principal, interest and default interest, will be divided in proportion to the ratio obtained as the Reduced Amount divided by the Pre-assignment Commitment Amount B (the "Reduced Ratio"), and such divided receivables pursuant to the Reduced Ratio (the "Assignable Loan Receivables B") shall be assigned to the Successive Lender.
- (iii) The Successive Lender is a corporation residing in Japan (having a head or branch office or place of business registered in Japan pursuant to the laws of Japan) and a financial institution (such as a bank, insurance company, institutional investor, etc.) or a special purpose entity incorporated for the liquidation of assets (securitization).
- (iv) If a partial assignment is made with respect to the status of a Lender B under this Agreement, the value of both (i) the Reduced Amount and (ii) the difference between the Pre-assignment Commitment Amount B and the Reduced Amount are equal to or more than one billion (1,000,000,000) yen, and the value of both (i) the amount of the Assignable Loan Receivables B and (ii) the difference of the Pre-assignment Loan Receivables B and the Assignable Loan Receivables B are equal to or more than one billion (1,000,000,000) yen.
- (v) No withholding tax or other taxes arise from any such assignment, and there is no increase in the amount of the Borrower's interest expense payable to the Successive Lender.
- 31.3 All expenses incurred from the assignment set forth in Clause 31.2 shall be borne by the Assigning Lender; provided, however, that the provisions of Clause 13 shall apply with respect to any Increased Costs incurred in relation to the Successive Lender after the assignment. The Assigning Lender shall pay to the Agent, by the actual date of such assignment, an amount of five hundred thousand (500,000) yen per Successive Lender, together with applicable consumption tax, as consideration for administrative duties performed in connection with the assignment.
32. **ASSIGNMENT OF LOAN RECEIVABLES B**
- 32.1 The Lender B may assign its Loan Receivables B subject to the prior written consent without objection of the Borrower and the Agent (except for the assignment of Loan Receivables B set forth in Clause 26) and the satisfaction of all requirements

described in each item below. The Borrower and the Agent may not unreasonably withhold their consent, and the Assignor and the Assignee shall perfect the assignment against third parties and debtors regarding the assignment of receivables promptly after the assignment as of the date of the assignment. In this case, the Assignor and Assignee shall, under their joint name, and the Borrower shall, in its sole name, notify the Agent of the fact that such assignment was made without delay. In the case an assignment of the Loan Receivables B has occurred pursuant to this Clause 32.1, the Assignee shall be treated as a Lender B in applying each provision in relation to the Loan Receivables B under this Agreement.

- (i) The Assignee shall, upon succession to the Loan Receivables B, be bound by each provision relating to the Loan Receivables B under this Agreement. (The Assignee shall not bear any Lending Obligations B.)
 - (ii) The Assignee is a corporation residing in Japan (having a head or branch office or place of business registered in Japan pursuant to the laws of Japan) and a financial institution (such as a bank, insurance company, institutional investor, etc.) or a special purpose entity incorporated for the liquidation of assets (securitization).
 - (iii) If the assignment is made in divided portions of the Loan Receivables B, the value of each Loan Receivables B after such division is equal to or more than one billion (1,000,000,000) yen.
 - (iv) No withholding tax or other taxes arise from the assignment, and there is no increase in the amount of the Borrower's interest expense payable to the Assignee.
- 32.2 All expenses incurred from the assignment set forth in Clause 32.1 shall be borne by the Assignor or the Assignee, as the case may be. The provisions of Clause 13 shall apply with respect to any Increased Costs incurred after the assignment. The Assignor or the Assignee shall pay to the Agent, by the actual date of such assignment, an amount of five hundred thousand (500,000) yen per Assignee, together with applicable consumption tax, as consideration for administrative duties performed in connection with the assignment.
33. **COLLECTION FROM THIRD PARTY**
- 33.1 No repayment of the Borrower's debt obligations under this Agreement by any party other than the Borrower is allowed, without the prior written consent of the Agent and All Lenders B.
- 33.2 The Borrower shall not, on or after the Execution Date, consign any third party to guarantee (including any property guarantee) the Borrower's performance of its debt obligations under this Agreement, nor shall the Borrower cause any third party to assume its debt obligations under this Agreement, without the prior written consent of the Agent and All Lenders B.
- 33.3 If a Lender B enters into a guarantee without consignment to the Guarantor by the Borrower (including any property guarantee) or a debt assumption with any third

party with respect to the Borrower's obligations under this Agreement, the Lender shall obtain prior written consent from such third party with respect to each item described below. In this case, if the Lender receives any repayment from the third party pursuant to such guarantee or debt assumption, no arrangement among the Lenders pursuant to the assignment of receivables under Clause 26.1 shall be made.

- (i) The third party shall have the same obligations as a Lender B has against the Agent, other Lenders B and the Borrower under this Agreement with respect to any exercise of its right for recourse and contractual rights hereunder arising as a result of the performance of its guarantee obligation.
- (ii) The third party shall be bound by each provision of this Agreement.
- (iii) The third party is a corporation residing in Japan (having a head or branch office or place of business registered in Japan pursuant to the laws of Japan) and a financial institution (such as a bank, insurance company, institutional investor, etc.) or a special purpose entity incorporated for the liquidation of assets (securitization), and as of March 19, 2004, the third party is not a Subsidiary or an Affiliate of the Borrower and the Borrower is not a Subsidiary or an Affiliate of the third party.
- (iv) The value of the Loan Receivables B that the third party obtains by subrogation is equal to or more than one billion (1,000,000,000) yen.
- (v) There will be no increase in the amount of the Borrower's interest expense payable to the third party, and no withholding tax or other taxes will arise from any such obtainment by subrogation.

In the case of any obtainment by subrogation of the Loan Receivables B by a third party pursuant to the provisions of Item (i) above, such obtainment by subrogation shall be considered an assignment of the Loan Receivables B pursuant to Clause 32, and the provisions of Clause 32.2 shall apply.

34. **TERMINATION OF THIS AGREEMENT**

34.1 If any of the events described in the items below occurs, All Lenders B's Lending Obligations B during each of the Drawdown Application Periods shall cease as a matter of course. If the event described in Item (ii) below occurs, this Agreement shall automatically be terminated with respect to the relationship between All Lenders B and the Borrower. Until the Borrower completely pays all of its debts under this Agreement, the relevant clauses of this Agreement shall survive in full force and effect, to the extent related to such payment of the debts.

- (i) If the Drawdown Application Period Final Date arrives; or
- (ii) If the debts of the Borrower become immediately due and payable pursuant to Clause 24.

34.2 If the execution and performance of this Agreement and any transactions contemplated under this Agreement become contrary to any Laws and Ordinances

binding upon any Lender B, such Lender B shall consult with the Borrower and all other All Lenders B through the Agent and take measures to deal with the situation. In this case, the Borrower and All Lenders B excluding such Lender B may not refuse termination of this Agreement with respect to such Lender B without reasonable cause.

35. **RENEWAL OF AGREEMENT**

The Borrower may request the extension of the Drawdown Period by giving advance notice to the Agent by the day that is sixty (60) days prior to the Drawdown Period Termination Date; provided, however, that the Lender B and the Agent are not obliged to accept the request for the extension of the Drawdown Period. If such notice is given, the Borrower and the Agent shall hold consultation on the new terms and contents of the agreement and notify All Lenders B of the details of such consultation on or before the forty-fifth (45th) day preceding the Drawdown Period Termination Date.

36. **GENERAL PROVISIONS**

36.1 Confidentiality Obligations

The Borrower shall raise no objection to the disclosure of information set forth in each item below:

- (i) If the notice of refusal to make an Individual Loan B has been given pursuant to the provisions of Clause 8.1, or if any of the events described in the items of Clause 24.1 or 24.2 have occurred, or if a decision of the Majority Lenders B is required pursuant to the provisions of Clause 29, the Agent and a Lender B may disclose such information with regard to the Borrower or the transaction with the Borrower, which either party has obtained through this Agreement or an agreement other than this Agreement, by imposing confidentiality obligations on the recipient to an extent reasonably required.
- (ii) Upon any assignment of status pursuant to Clause 31 or assignment of Loan Receivables B pursuant to Clause 32, a Lender B may disclose any information with regard to this Agreement to the Assignee or a person considering becoming an Assignee (including an intermediary of such assignment), on the condition that such parties agree to be bound by the confidentiality obligations. Information with regard to this Agreement in this item shall mean any information regarding the Borrower's credit that has been obtained in connection with this Agreement, any information regarding the contents of this Agreement and other information incidental hereto, and any information regarding the contents of the Loan Receivables B to be assigned and other information incidental thereto, and shall not include any information regarding the Borrower's credit that has been obtained in connection with any agreement other than this Agreement.

36.2 Risk Bearing; Exemption, Compensation, and Indemnification

- (i) If any documents furnished by the Borrower to the Agent or any Lender B are lost, destroyed, or damaged for any unavoidable reason, such as natural disasters or other incidents, the Borrower shall, upon consultation with the Agent, perform its obligations under this Agreement based on the records, such as books and vouchers, of the Agent or a Lender B. The Borrower shall, upon request of the Agent or a Lender B through the Agent, forthwith prepare substitute documents and furnish them to the Agent or the Lender B through the Agent.
- (ii) If any Lender B or the Agent performs transactions after comparing, with due care, the seal impression of the representative and agent of the Borrower to be used for the transactions in relation to this Agreement with the seal submitted by the Borrower in advance, the Borrower shall bear any damages, loss or expenses incurred as a result of an event such as forgery, alteration, or theft of its seal.
- (iii) The Borrower shall bear any damages, loss and expenses incurred by a Lender B or the Agent as a result of the Borrower's breach of this Agreement or as a result of a Lender B not indemnifying the Agent pursuant to the provisions of Clause 27.4.

36.3 Severability

Should any provision constituting a part of this Agreement be held null, illegal, or unenforceable, the validity, legality and enforceability of all other provisions shall in no way be prejudiced or affected.

36.4 Exceptions to the Application of the Bank Transactions Agreement

The Agreement on Bank Transactions and other documents separately submitted by the Borrower or made and entered into by and between the Borrower and a Lender B shall not apply to this Agreement or the transactions contemplated in this Agreement.

36.5 Notices

- (i) Any notice under this Agreement shall be made in writing expressly stating that it is made for the purpose of this Agreement, and given by any of the methods described in (a) to (d) below to the place of contact of the receiving party described in Schedule 1 of this Agreement. Each party to this Agreement may change its place of contact by giving notice thereof to the Agent.
 - (a) Personal delivery;
 - (b) Registered mail or courier service;
 - (c) Transmission by facsimile; or
 - (d) E/X (only for any notices among Lenders B and the Agent).

- (ii) Notice given pursuant to the preceding item shall be deemed to have been delivered at the time, in the case of transmission by facsimile, when receipt of facsimile is confirmed, and in the case of any other methods, when actually received.

36.6 Changes in Notified Matters

- (i) In the case of changes in the matters notified by a Lender B or the Borrower to the Agent, such as the trade name, representative, agent, signature, seal, or address, the Lender B or the Borrower shall immediately notify the Agent of such changes in writing. In the case of any such change to the Agent, or upon such change to any contact information of the Borrower or the Lenders B, the Agent shall immediately notify All Lenders B and the Borrower of such changes in writing.
- (ii) If notice given under this Agreement is delayed or not delivered as a result of the failure to give notification of a change as described in the preceding item, such notice shall be deemed to have arrived at the time when it should have normally arrived.

36.7 Fund Transfers

- (i) Fund transfers between the Agent and the Lender B shall be settled by the JBA's Domestic Bank Data Telecommunications System (the "Zengin System") in principle, and if any Lender B desires to make such settlement by the Bank of Japan Financial Network System (the "BOJ-NET"), such Lender B shall consult with the Agent in advance. Provided, however, that if the Lender B is not a member of the Zengin System, fund transfers shall be settled by the bank account established in the name of such Lender B with a bank designated by the Lender B that is a member of the Zengin System.
- (ii) The fees for fund transfers provided in the preceding item shall be borne by the party making the relevant fund transfer.

36.8 Calculations

Unless otherwise expressly provided for with respect to any calculation under this Agreement, all calculations of the number of actual days in the relevant period shall be inclusive of the first and last day, and calculations on a per diem basis shall be on the assumption that there are 365 days per year, wherein the division shall be done at the end of the calculation, and fractions less than one yen shall be rounded down.

36.9 Preparation of Notarized Deeds

The Borrower shall, at any time upon request of the Agent or the Majority Lenders B, take the necessary procedures to entrust a notary public to execute a notarized deed in which the Borrower acknowledges its indebtedness under this Agreement and agrees to compulsory execution with regard thereto.

36.10 Governing Law and Jurisdiction

This Agreement shall be governed by the laws of Japan, and the Tokyo District Court shall have exclusive jurisdiction as the court of first instance over any disputes arising in connection with this Agreement.

36.11 Language

This Agreement shall be prepared in the Japanese language and the Japanese language version shall be deemed the original copy. The Agent shall prepare an English translation of this Agreement, provided that the Agent does not guarantee the accuracy or truthfulness of such translation and is not responsible in any way therefor.

36.12 Consultation

Any matters not provided for in this Agreement, or in the case of any doubt among the parties with respect to the interpretation of this Agreement, the Borrower and the Lenders B shall consult through the Agent and shall determine a response therefor.

IN WITNESS WHEREOF, the parties have caused one (1) copy of this Agreement to be signed and sealed, and the Agent has retained the original and has distributed one (1) copy thereof to each of the Borrower and All Lenders B.

March 25, 2004

THE BORROWER:

By: _____ /s/ SHINJI SUZUKI [seal]

FASL JAPAN LIMITED

Revenue
Stamp
4,000 yen

Exhibit 10.60(b)
List of Schedules

- Schedule 1: Addresses of the Parties and the Commitment Amount of Lenders B
- Schedule 2: Status of the Establishment of the Collateral
- Schedule 3: Accounts Receivables Trust Agreement
- Schedule 4: Creditors' Agreement
- Schedule 5: Floating Pledge Agreement

Addresses of the Parties and the Commitment Amount of Lenders B**Section 1. The Borrower**

<u>Borrower and Responsible Department</u>	<u>Address</u>	<u>Telephone Facsimile</u>
FASL JAPAN LIMITED Business Promotion Division, Business Planning Department	33-4, Nishi-Shinjuku 4-chome, Shinjuku-ku, Tokyo 160-0023	Tel: 03-5302-2200 Fax: 03-5302-2674

Section 2. The Agent

<u>Agent and Responsible Department</u>	<u>Address</u>	<u>Telephone Facsimile</u>
MIZUHO CORPORATE BANK, LTD. Syndicated Finance Administration Division	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8210	Tel: 03-5200-7085 Fax: 03-3201-0704

Section 3. The Lenders B

<u>Lender B and Responsible Department</u>	<u>Address Telephone Facsimile</u>	<u>Specifics of Lender B's Account</u>	<u>Commitment Amount (Yen) Commitment Ratio B (%) *</u>
MIZUHO CORPORATE BANK, LTD. Uchisaiwaicho Corporate Banking Division	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8210 Tel: 03-3510-0800 Fax: 03-3214-0656		6 Billion Yen 60/60
		Total	6 Billion Yen 60/60

* The Commitment Ratio B described above is the Commitment Ratio B at the time of execution of this Agreement, and may be amended pursuant to the provisions of this Agreement.

Status of the Establishment of the Collateral (as of March 25, 2004)

[GRAPHIC]

[GRAPHIC]

[GRAPHIC]

[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	[GRAPHIC]
E39100001	ION.IMPLANTATION	E220	[GRAPHIC]	199408
E39100002	ION,IMPLANTATION	E1000	[GRAPHIC]	199408
E39100003	ION-IMPLANTOR	E220	[GRAPHIC]	199508
E39100004	ION-IMPLANTOR	VIISION2 00	[GRAPHIC]	199508
E39100005	ION-IMPLANTATI	E220HP	[GRAPHIC]	199602
E39100006	ION-IMPLANTATI	VIISION 80	[GRAPHIC]	199602
E39100007	ION-IMPLANTATION	E220	[GRAPHIC]	199603
E39100008	ION-IMPLANTATION	VIISION 80	[GRAPHIC]	199603
E39100009	ION-IMPLANTATION	E220	[GRAPHIC]	199607
E39100010	ION-IMPLANTATION	VIISION80	[GRAPHIC]	199607
E39100011	ION-IMPLANTATION	VIISION 80	[GRAPHIC]	199703
E39100018	ION-IMPLANTATI	XR80	[GRAPHIC]	199806
E39600014	UV-ERASER	VUM-3359-C	[GRAPHIC]	199708
E39600015	UV-ERASER	VUM-3359-C	[GRAPHIC]	199708
E39600016	UV-ERASER	VUM-3359-C	[GRAPHIC]	199708
E48100002	PILOT ASHER	TCA-3822	[GRAPHIC]	199408
E48100003	ILD ASHER	TCA-3822	[GRAPHIC]	199408
E48100005	STACKED GETE ETCH	P-5090E(3CHB)	[GRAPHIC]	199408
E48100006	HF VAPER ETC	EXCALIBUR1200	M-FSI	199408
E48100007	ASHER	RAM-8500	MC[GRAPHIC]	199409
E48100008	ASHER	RAM-8500	MC[GRAPHIC]	199409
E48100009	ASHER	RAM-8500	MC[GRAPHIC]	199409
E48100010	POLY SILICON	P-5020E	[GRAPHIC]	199409
E48100011	SILICON NITRIDE	TE-8400	[GRAPHIC]	199409
E48100012	SILICON OXIDE ETCHE	TE8500	[GRAPHIC]	199409
E48100013	SILICON OXIDE ETCHE	TE8500	[GRAPHIC]	199409
E48100016	AL-ETCHER	TCP-9600	[GRAPHIC]	199410
E48100017	AL-ETCHER	TCP-9600	[GRAPHIC]	199410
E48100021	ASHER	RAM-8500	MC[GRAPHIC]	199505
E48100023	ASHER	RAM-8500	MC[GRAPHIC]	199505
E48100025	ASHER	RAM-8500	MC[GRAPHIC]	199509
E48100026	ASHER	RAM-8500	MC[GRAPHIC]	199509
E48100027	ASHER	RAM-8500	MC[GRAPHIC]	199509
E48100028	W-ETCHBACK-ETC	TE8600	[GRAPHIC]	199509
E48100030	STACKED-GATE-E	P-5090E(3CHB)	[GRAPHIC]	199509
E48100031	ASHER	RAM-8500	MC[GRAPHIC]	199509
E48100035	AL-ETCHER	TCP-9600	[GRAPHIC]	199512
E48100036	ILD-ASHER	TCA-3822	[GRAPHIC]	199603
E48100037	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199604
E48100038	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199604
E48100039	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199604
E48100040	W-ETCHBACK-ETC	TE-8600	[GRAPHIC]	199604
E48100042	ASHER	RAM-8500	MC[GRAPHIC]	199605
E48100043	ASHER	RAM-8500	MC[GRAPHIC]	199605
E48100044	ASHER	RAM-8500	MC[GRAPHIC]	199605
E48100045	ASHER	RAM-8500	MC[GRAPHIC]	199605

E48100046	POLY-SILICON-ETCHER	P-5090E(3CHB)	[GRAPHIC]	199605
E48100047	POLY-SILICON-ETCHER	P-5090E(3CHB)	[GRAPHIC]	199605
E48100048	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100049	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100050	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100051	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199606
E48100052	SILICON-NITRIDE-ETC	TE-8400	[GRAPHIC]	199606
E48100053	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100055	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100056	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100057	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100058	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100059	SILICON-OXIDE-ETCHE	UNITY85DATC(2CH+1)	[GRAPHIC]	199606
E48100060	SILICON-OXIDE-ETCHE	UNITY85DATC(2CH+1)	[GRAPHIC]	199606
E48100061	SILICON-OXIDE-ETCHE	UNITY85DATC(2CH+1)	[GRAPHIC]	199606
E48100062	SILICON-OXIDE-ETCHE	UNITY85D(2CH)	[GRAPHIC]	199606
E48100063	SILICON-OXIDE-ETCHE	UNITY85D(2CH)	[GRAPHIC]	199606
E48100064	SILICON-OXIDE-ETCHE	UNITY85D(2CH)	[GRAPHIC]	199606
E48100065	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100066	SILICON-OXIDE-ETCHE	UNITY85D(2CH)	[GRAPHIC]	199607
E48100067	POLY-SILICON-ETCHER	P-5090E(3CHB)	[GRAPHIC]	199607
E48100068	POLY-SILICON-ETCHER	P-5090E(3CHB)	[GRAPHIC]	199607
E48100069	AL-ETCHER	TCP-9600	[GRAPHIC]	199609
E48100070	AL-ETCHER	TCP-9600	[GRAPHIC]	199609
E48100071	AL-ETCHER	TCP-9600	[GRAPHIC]	199609
E48100072	AL-ETCHER	TCP-9600	[GRAPHIC]	199609
E48100073	AL-ETCHER	TCP-9600	[GRAPHIC]	199703
E48100075	POLY-ETCHER	TCP-9400	[GRAPHIC]	199703
E48100076	ASHER	RAM-8500	MC[GRAPHIC]	199703
E48100077	ASHER	RAM-8500	MC[GRAPHIC]	199704
E48100078	SILICON-OXIDE-ETCHE	UNITY85DATC(2CH+1)	[GRAPHIC]	199705
E48100107	ETCHER	CENTURA 5200 ETCH DPS	[GRAPHIC]	199807
E48200001	WET-STATION	WS-810	[GRAPHIC]	199408
E48200002	WET-STATION	WS-840	[GRAPHIC]	199408
E48200003	WET-STATION	WS-822	[GRAPHIC]	199408
E48200004	WET-STATION	WS-823	[GRAPHIC]	199408
E48200005	WET-STATION	WS-851	[GRAPHIC]	199408
E48200006	WET-STATION	WS-853	[GRAPHIC]	199408
E48200007	WET-STATION	WS-854	[GRAPHIC]	199408
E48200008	WET-STATION	WS-880	[GRAPHIC]	199408
E48200009	I SOTROPIC, ETCH	WS-860	[GRAPHIC]	199408
E48200010	WET-STATION	WS-821	[GRAPHIC]	199508
E48200011	WET-STATION	WS-852	[GRAPHIC]	199508
E48200012	WET-STATION	WS-825	[GRAPHIC]	199603
E48200013	WET-STATION	WS-827	[GRAPHIC]	199603
E48200014	WET-STATION	WS-852	[GRAPHIC]	199603
E48200015	WET-STATION	WS-851	[GRAPHIC]	199603
E48200016	WET-STATION	WS-852	[GRAPHIC]	199603
E48200017	WET-CLEANER	MERCURY	M- FSI[GRAPHIC]	199603
E48200018	WET-CLEANER	MERCURY	M- FSI[GRAPHIC]	199603
E48200019	WET-STATION	WS-825	[GRAPHIC]	199604
E48200020	WET-STATION	WS-826	[GRAPHIC]	199604
E48200021	WET-STATION	WS-852	[GRAPHIC]	199604
E48200022	WET-ETCH-SYSTEM	FWET	[GRAPHIC]	199605
E48200023	WET-STATION	WS-840	[GRAPHIC]	199704
E48200040	MERCURY-FOR-CM	MERCURY	M- FSI[GRAPHIC]	199806

E48200041	MERCURY-FOR-II	MERCURY WITH ROBOT	M-FSI	199806
E48300003	PLASMA CVD SYS.	P-5000 (3CHB)	[GRAPHIC]	199408
E48300004	PLASMA CVD SYSTEM	CONCEPTONE-W	[GRAPHIC]	199408
E48300005	PLASMA CVD SYS.	P-5000 (2CHB)	[GRAPHIC]	199408
E48300008	PLASMA-CVD-SYS	P-5000 (3CHB)	[GRAPHIC]	199505
E48300009	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199505
E48300011	PLASMA-CVD-SYS	P-5000(2CHB)	[GRAPHIC]	199510
E48300012	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199510
E48300013	BPSG-DEPOSITION-SYS	APT-5800	CANON	199602
E48300014	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199603
E48300015	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199603
E48300016	WSI-DEPOSITION-SYS	MB2-730	[GRAPHIC]	199603
E48300017	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199603
E48300018	BPSG-DEPOSITION-SYS	APT-5800	CANON	199603
E48300019	PLASMA-CVD-SYS	CONCEPT ONE	[GRAPHIC]	199603
E48300020	BPSG-DEPOSITION-SYS	APT-5800	CANON	199604
E48300021	PLASMA-CVD-SYSTEM	P-5000(3CHB)	[GRAPHIC]	199605
E48300022	PLASMA-CVD-SYSTEM	P-5000(3CHB)	[GRAPHIC]	199605
E48300023	PLASMA-CVD-SYSTEM	CONCEPT ONE-W	[GRAPHIC]	199607
E48300024	BPSG-DEPOSITION-SYS	APT-5800 BPSG	CANON	199610
E48300025	PLASMA-CVD-SYS	P-5000(3CHB)	[GRAPHIC]	199703
E49100001	WET STRIP	WSST	[GRAPHIC]	199408
E49100004	WET-STRIP	WSST	[GRAPHIC]	199505
E49100006	WET-STRIP	WSST(2CHB)	[GRAPHIC]	199511
E49100007	SPRAY-SOLVENT-TOOL	DUAL CHAMBER	[GRAPHIC]	199603
E49100008	SPRAY-SOLVENT-TOOL	DUAL CHAMBER	[GRAPHIC]	199603
E49200001	SPIN SCRUBBER	SSW -80A -AR(2[GRAPHIC])	[GRAPHIC]	199408
E49200002	SPIN SCRUBBER	SSW 80A AVR(2[GRAPHIC])	[GRAPHIC]	199408
E49200003	SPIN-SCRUBBER	SSW -80A -AR(2[GRAPHIC])	[GRAPHIC]	199504
E49200004	SOS-COATER	SC-W80A-AVG(BLQ)	[GRAPHIC]	199511
E49200005	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200006	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200007	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200008	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200009	SPIN-SURUBBER	SSW-80A-AVR	[GRAPHIC]	199603
E49200011	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199703
E49200012	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199703
E49200013	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199706
E49200014	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199706
E49200015	COATER/DEVELOPER	CLEANTRACK-MK8	[GRAPHIC]	199706
E50100002	[GRAPHIC]	AVANTI472	[GRAPHIC]	199512
E50100003	[GRAPHIC]	MERCURY MP	M-FSI	199512
E50100008	POLISHER	AVANTI 472	[GRAPHIC]	199603
E50100009	POLISH	AVANTI472	[GRAPHIC]	199708
E50100013	CMP	STRB-6DS	[GRAPHIC]	199806
E51100002	SPUTTERING SYS	ENDURA HP	[GRAPHIC]	199408
E51100003	SPUTTERING SYS	ENDURA HP	[GRAPHIC]	199408
E51100005	SPUTTERING-SYS	ENDURA5500 HP	[GRAPHIC]	199507
E51100006	BACK-GRINDER	DFG-840	[GRAPHIC]	199603
E51100007	SPUTTERING-SYSTEM	ENDURA-5500-HP	[GRAPHIC]	199604
E51100008	SPUTTERING-SYSTEM	ENDURA-5500-HP	[GRAPHIC]	199604
E51100009	SPUTTERING-SYSTEM	ENDURA 5500 HP	[GRAPHIC]	199605
E51100010	SPUTTERING-SYSTEM	ENDURA 5500 HP	[GRAPHIC]	199605
E51100012	BACK-GRINDER	DFG-840	[GRAPHIC]	199801
E52100001	SOG SYSTEM	CLEANTRACK-MK8	[GRAPHIC]	199408
E52100002	COATER/DEVELOPE	CLEANTRACK-MK8	[GRAPHIC]	199408

E52100003	COATER/DEVELOPE	CLEANTRACK- MK8	[GRAPHIC]	199408
E52100004	COATER/DEVELOPE	CLEANTRACK- MK8	[GRAPHIC]	199408
E52100005	COATER/DEVELOPE	CLEANTRACK- MK8	[GRAPHIC]	199408
E52100006	COATER/DEVELOPE	CLEANTRACK- MK8	[GRAPHIC]	199408
E52100007	QUICK REWORK	CLEANTRACK- MK7	[GRAPHIC]	199408
E52100009	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199504
E52100012	COATER/DEVELOP	CLEANTRACKMK- 8	[GRAPHIC]	199507
E52100013	COATER/DEVELOPER	CLEANTRACK- MK8	[GRAPHIC]	199508
E52100016	COATER/DEVELOPER	CLEANTRACK- MK8	[GRAPHIC]	199508
E52100017	SOG-SYSTEM	CLEANTRACK- MK8	[GRAPHIC]	199509
E52100018	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199509
E52100019	COATER/DEVELOP	CLEANTRACKMK- 8	[GRAPHIC]	199510
E52100020	COATER/DEVELOPER	CLEANTRACK- MK8	[GRAPHIC]	199511
E52100021	COATER/DEVELOPER	CLEANTRACK- MK8	[GRAPHIC]	199511
E52100022	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199512
E52100023	COATER/DEVELOP	CLEANTRACK- MK8 A0	[GRAPHIC]	199602
E52100024	SOG-SYSTEM	CLEANTRACK- MK8	[GRAPHIC]	199603
E52100025	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199603
E52100026	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199604
E52100027	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199604
E52100028	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199604
E52100029	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199604
E52100030	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199604
E52100031	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199604
E52100032	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199604
E52100033	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199604
E52100034	COATER/DEVELOP	CLEANTRACKMARK - 8	[GRAPHIC]	199605
E52100035	COATER/DEVELOP	CLEANTRACKMARK - 8	[GRAPHIC]	199605
E52100036	COATER/DEVELOP	CLEANTRACKMARK - 8	[GRAPHIC]	199605
E52100037	COATER/DEVELOP	CLEANTRACKMARK - 8	[GRAPHIC]	199605
E52100038	COATER/DEVELOP	CLEANTRACKMARK - 8	[GRAPHIC]	199605
E52100039	COATER/DEVELOP	CLEANTRACKMARK - 8	[GRAPHIC]	199605
E52100040	SOG-SYSTEM	CLEANTRACK- MK8[GRAPHIC]	[GRAPHIC]	199607
E52100041	COATER/DEVELOP	CLEANTRACK- MK8	[GRAPHIC]	199607
E52100042	COATER/DEVELOPER	CLEANTRACK- MK8	[GRAPHIC]	199705
E52100048	COATER/DEVELOP	CLEANTRACK- MK8(TARC)	[GRAPHIC]	199806
E52100049	COATER/DEVELOP	CLEANTRACK- MK8(TARC)	[GRAPHIC]	199806
E60100011	PROCESS-GAS-MONIT	RGA	[GRAPHIC]	199508
E60100016	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199605
E60100017	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199605
E60100018	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199605
E60100019	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199605
E60100020	PROCESS-GAS-MONITOR	RGA	[GRAPHIC]	199610
E62100001	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100002	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100003	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100004	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100005	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100006	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100007	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100008	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100009	VERTICAL, DIFF	[GRAPHIC]-808SD	[GRAPHIC]	199408
E62100010	VERTICAL, FURNAC	[GRAPHIC]-808D	[GRAPHIC]	199408
E62100012	VERTICAL, CVD FU	[GRAPHIC]-808SC	[GRAPHIC]	199408
E62100013	VERTICAL, CVD FU	[GRAPHIC]-808SC	[GRAPHIC]	199408
E62100014	VERTICAL, CVD FU	[GRAPHIC]-808SC	[GRAPHIC]	199408

E62100015	VERTICAL, CVD FU	[GRAPHIC]-808SC	[GRAPHIC]	199408
E62100017	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199505
E62100018	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199509
E62100019	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199509
E62100020	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199509
E62100021	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199509
E62100022	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199509
E62100025	VERTICAL-DIFF-	[GRAPHIC]-808SD	[GRAPHIC]	199509
E62100026	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199509
E62100027	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SD(DCEOX)	[GRAPHIC]	199512
E62100028	FURNACE	[GRAPHIC]-808SD(SOS CURE)	[GRAPHIC]	199512
E62100029	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100030	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100031	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100032	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100033	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100034	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100035	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100036	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SD	[GRAPHIC]	199603
E62100037	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100038	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100039	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100040	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100041	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100043	VERTICAL- FURNACE	[GRAPHIC]-808D	[GRAPHIC]	199603
E62100044	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100045	VERTICAL-CVD. FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199603
E62100046	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100047	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100048	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100049	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100050	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100051	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100052	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100053	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100054	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100055	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100056	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100057	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100058	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100059	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC	[GRAPHIC]	199604
E62100060	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD	[GRAPHIC]	199604
E62100063	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD(IOX/WL)	[GRAPHIC]	199703
E62100064	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD(TNOX/GOX)	[GRAPHIC]	199703
E62100065	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC(HTO)	[GRAPHIC]	199703
E62100066	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC(DASI)	[GRAPHIC]	199703
E62100067	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD IOX/WL	[GRAPHIC]	199705
E62100068	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD IOX/WL	[GRAPHIC]	199705
E62100069	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD WOX	[GRAPHIC]	199705
E62100101	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199806
E62100102	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199806
E62100103	VERTICAL-CVD-F	[GRAPHIC]-808SC	[GRAPHIC]	199806
E62100104	SOS-CURE-FURNN	[GRAPHIC]-808SD	[GRAPHIC]	199806
E62400001	RTA	LA-W815-AV2. 5	[GRAPHIC]	199408
E62400003	RTA	LA-820	[GRAPHIC]	199603
E62400004	RTA	LA-820	[GRAPHIC]	199603

E62500001	UV-CURE	M200PCU	[GRAPHIC]	199408
E62500002	UV-CURE	M200PCU	[GRAPHIC]	199603
E63100003	RINSER DRIER	ST-880S	[GRAPHIC]	199408
E63100004	SPIN-RINSER-DRIER	ST-880S	[GRAPHIC]	199511
E67100001	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100002	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100003	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100004	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100005	STEPPER	FPA-2500I3	[GRAPHIC]	199408
E67100009	STEPPER	M2241I	[GRAPHIC]	199507
E67100010	STEPPER	FPA-2500I3	CANON	199508
E67100011	STEPPER	FPA-2500I3	CANON	199508
E67100015	STEPPER	FPA-2500I3	CANON	199509
E67100016	STEPPER	FPA-2500I3	CANON	199509
E67100017	STEPPER	FPA-2500I3	CANON	199510
E67100019	STEPPER	FPA-3000I4	CANON	199601
E67100020	STEPPER	FPA-3000I4	CANON	199602
E67100021	STEPPER	FPA-3000IW	CANON	199603
E67100022	STEPPER	FPA-3000IW	CANON	199603
E67100023	STEPPER	FPA-3000IW	CANON	199604
E67100024	STEPPER	FPA-3000IW	CANON	199604
E67100025	STEPPER	FPA-3000IW	CANON	199604
E67100026	STEPPER	FPA-3000IW	CANON	199604
E67100027	STEPPER	FPA-3000I4	CANON	199604
E67100028	STEPPER	FPA-3000I4	CANON	199604
E67100029	STEPPER	FPA-3000I4	CANON	199604
E67100030	STEPPER	FPA-3000I4	CANON	199604
E67100031	STEPPER	FPA-3000I4	CANON	199604
E67100032	STEPPER	FPA-3000I4	CANON	199604
E67100033	STEPPER	FPA-3000I4	CANON	199604
E67100034	STEPPER	FPA-3000I4	CANON	199606
E67100035	STEPPER	FPA-3000I4	CANON	199607
E67100036	STEPPER	FPA-3000I4	CANON	199607
E67100037	STEPPER	FPA-3000I5	CANON	199703
E67100038	STEPPER	FPA-3000I5	CANON	199703
E67100039	STEPPER	FPA-3000I5	CANON	199705
E67100040	STEPPER	FPA-3000I5	CANON	199706
E67100041	STEPPER	FPA-3000I5	CANON	199706
E67100042	STEPPER	FPA-3000I5	CANON	199709
E67100054	STEPPER	FPA-3000I5	CANON	199806
E67100055	STEPPER	FPA-3000I5	CANON	199806
E70100001	TAPE LAMINATER	DR-8500	[GRAPHIC]	199408
E70100002	TAPE REMOVER	HR-8500	[GRAPHIC]	199408
F18200007	PARTICLE	SFS-6400	[GRAPHIC]	199408
F18200008	PARTICLE	SFS-6400	[GRAPHIC]	199408
F18200010	ANALSYS STATIO	KLA-2551X	[GRAPHIC]	199408
F18200011	REVIEWSTATION	KLA-2608	[GRAPHIC]	199408
F18200023	FILM THICKNESS	FT-530/E	[GRAPHIC]	199408
F18200024	X-RAY FLUORE	SYSTEM-3630	[GRAPHIC]	199408
F18200025	STRESS	FLX-2328	[GRAPHIC]	199408
F18200027	FILM THICKNESS	P2	[GRAPHIC]	199408
F18200029	DOSE MONITER	TP-400XP	[GRAPHIC]	199408
F18200031	MICROSCOPE	IM-15	[GRAPHIC]	199408
F18200032	MICROSCOPE	IM-15	[GRAPHIC]	199408
F18200036	FILM THICKNESS	P2	[GRAPHIC]	199408
F18200068	FILM-THICKNESS	FT-700	[GRAPHIC]	199504

F18200069	FILM-THICKNESS	FE-IV	[GRAPHIC]	199505
F18200070	MICROSCOPE	IM-15	[GRAPHIC]	199505
F18200071	MICROSCOPE	IM-15	[GRAPHIC]	199505
F18200083	ANALYSIS-STATI	KLA-2552	KLA	199507
F18200084	INSPECTION-SYS	KLA-2131	KLA	199507
F18200100	TILT-SEM	JWS-7500E	[GRAPHIC]	199511
F18200102	REFLECTANCE-MESURME	FT-750	[GRAPHIC]	199511
F18200103	[GRAPHIC]	SFS6420	[GRAPHIC]	199511
F18200104	MICROSCOPE	BIN (CAMERA)	[GRAPHIC]	199511
F18200112	FILM-THICKNESS	FE4	[GRAPHIC]	199602
F18200113	FILM-THICKNESS	FT-750	[GRAPHIC]	199602
F18200114	RESISTIVITY-MAPPING	OMNI MAP 55	[GRAPHIC]	199602
F18200115	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200116	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200117	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200118	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200119	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200120	MICROSCOPE	IM-15	[GRAPHIC]	199602
F18200121	SEM	S-8820	[GRAPHIC]	199602
F18200123	SEM	S-8820	[GRAPHIC]	199602
F18200124	REFLECTENCE-MESUREMENT	FT-750	[GRAPHIC]	199602
F18200127	PARTICLE-COUNTER	SFS-7700	[GRAPHIC]	199602
F18200128	WAFER-INSPECTI	KLA-2132	[GRAPHIC]	199602
F18200129	UV-TRANSMISIVITY	UV1050	[GRAPHIC]	199602
F18200130	REVIEW-STATION	INS2000	[GRAPHIC]	199602
F18200136	WAFER-INSPECTI	KLA-2112	[GRAPHIC]	199603
F18200137	WAFER-INSPECTI	KLA-2112	[GRAPHIC]	199603
F18200138	ANALYSIS-STATIO	KLA-2552	[GRAPHIC]	199603
F18200158	FILM-THICKNESS	FE7	[GRAPHIC]	199606
F18200161	OVERLAY-MEASUREMENT	KLA-5100	[GRAPHIC]	199607
F18200243	WAFER-INSPECTI	KLA-2115	KLA	199711
F20200001	MICROSCOPE(CAMERA)	CHIVI (BIN)	[GRAPHIC]	199408
F20200002	MICROSCOPE	CHIVI (BIN)	[GRAPHIC]	199408
F20200003	MICROSCOPE (CAM	CHIVI (BIN)	[GRAPHIC]	199408
F20200004	MICROSCOPE (CAM	CHIVI (BIN)	[GRAPHIC]	199408
F20200005	MICROSCOPE (CAM	CHIVI (BIN)	[GRAPHIC]	199408
F20200006	MICROSCOPE (CAM	CHIVI (BIN)	[GRAPHIC]	199408
F20200010	MICROSCOPE	CHIVI (BIN)	[GRAPHIC]	199408
F20200016	MICROSCOPE (CAM	CHIVI (BIN)	[GRAPHIC]	199602
F20200018	MICROSCOPE (CAM	CHIVI (BIN)	[GRAPHIC]	199602
F20200019	MICROSCOPE (CAM	CHIVI (BIN)	[GRAPHIC]	199602
F20200020	MICROSCOPE (CAM	CHIVI (BIN)	[GRAPHIC]	199602
F20200021	MICROSCOPE (CAM	CHIVI (BIN)	[GRAPHIC]	199602
F20400002	[GRAPHIC]	PM-PB20	[GRAPHIC]	199408
F20500001	ANALYTICAL-BALANCE	MODEL AB-300	AMD	199602
F60100001	[GRAPHIC]	HP8452A	[GRAPHIC]	199411
H16600001	SHEET, RESIST	M-GAGE300	[GRAPHIC]	199408
J00000147	VERTICAL DIFF FURNACE	ALPHA-8/SD	[GRAPHIC]	199910
J00000156	[GRAPHIC]	TE8401	[GRAPHIC]	200003
J00000157	[GRAPHIC]	TE8401	[GRAPHIC]	200004
J00000198	PLASMA CVD SYSTEM	P-5000(SiN)	[GRAPHIC]	199912
J00000239	WSi CVD SYSTEM	MB2-730(DCS)	[GRAPHIC]	200002
J00000523	[GRAPHIC]	DD-823V-8BL	[GRAPHIC]	200004
J00000524	[GRAPHIC]	DD-823V-8BL	[GRAPHIC]	200004
J00000613	DRY ETCHER	CENTURA-5200	[GRAPHIC]	200007
J00000622	LAMP ANNEAL	LA-W820	[GRAPHIC]	200007

J00001122	Vertical Diffusion Furnace	ALPHA-8SE-ZA(Hi Temp)	[GRAPHIC]	200103
J00001209	CVD MACHINE	CONCEPT TWO	[GRAPHIC]	200110
J00001371	SPUTTERING SYSTEM	ENDURA-CVD	[GRAPHIC]	200208
J00001372	SPUTTERING SYSTEM	ENDURA-CVD	[GRAPHIC]	200212
J00001375	PLASMA CVD SYSTEM	P-5000(ARC)	[GRAPHIC]	200208
J00001377	VERTICAL DIFF FURNACE	a-8SED(GOX)	[GRAPHIC]	200209
J00001381	COATER/DEVELOPER	ACT8 CAR	[GRAPHIC]	200211
J00001382	SPUTTERING SYSTEM	ENDURA-CVD	[GRAPHIC]	200208
J00001383	PLASMA CVD SYSTEM	MB2-730(DCS)	[GRAPHIC]	200209
J00001386	POLY-ETCH	CENTURA-MXP	[GRAPHIC]	200210
J00001387	ETCHER	UNITY85-DI	[GRAPHIC]	200210
J00001388	ETCHER	UNITY85-DI	[GRAPHIC]	200210
J00001389	PLASMA CVD SYSTEM	P-5000SA(BPSG)	[GRAPHIC]	200212
J00001411	VERTICAL DIFF FURNACE	a-8SED(GOX)	[GRAPHIC]	200209
J00001414	STEPPER	FPA-3000EX6	[GRAPHIC]	200211
J00001811	DRY ETCHER	TE8401	[GRAPHIC]	200209
J00001812	DRY ETCHER	TE8401	[GRAPHIC]	200209
K00000460	[GRAPHIC]	IS2510	[GRAPHIC]	199906
K00000461	[GRAPHIC]	NC110	KLA[GRAPHIC]	199905
K00000817	PARTICLE INSPECTION	IS1600	[GRAPHIC]	200006
K00002122	SEM	S9220(Etch)	[GRAPHIC]	200209
K00002123	MICROSCOPE	Chivi-7	[GRAPHIC]	200206
K00002125	FILM THICKNESS	UV-1080	[GRAPHIC]	200208
K00002126	OVERLAY MEASUREMENT	KLA-5200XP	[GRAPHIC]	200208
K00002128	FILM THICKNESS	FE-7	[GRAPHIC]	200211
K00002129	OVERLAY MEASUREMENT	KLA 5200	[GRAPHIC]	200210
K00002131	SEM	S9200(Etch)	[GRAPHIC]	200303
K00002132	SEM	S9200(Photo)	[GRAPHIC]	200207
K00002135	FILM THICKNESS	UV-1280SE	[GRAPHIC]	200208
K00002137	STRESS MEASUREMENT	FLX-5410	[GRAPHIC]	200302
K00002138	RESISTIVITY MAPPING	OMNI RS-75/tc	[GRAPHIC]	200303
K00002190	PARTICLE	SFS6420	[GRAPHIC]	200211
K00002191	WAFER INSPECTION	KLA 2139	[GRAPHIC]	200303

[GRAPHIC]

[GRAPHIC]

<u>2 [GRAPHIC]</u>	<u>[GRAPHIC]</u>	<u>[GRAPHIC]</u>	<u>[GRAPHIC]</u>	<u>[GRAPHIC]</u>
E39100012	ION-IMPLANTATI	E220HP	[GRAPHIC]	199801
E39100013	ION-IMPLANTATI	E220HP	[GRAPHIC]	199801
E39100014	ION-IMPLANTATI	VIISION	[GRAPHIC]	199801
E39100015	ION-IMPLANTATION	E220HP	[GRAPHIC]	199804
E39100016	ION-IMPLANTATION	VIISION 80	[GRAPHIC]	199804
E39100017	ION-IMPLANTATION	VIISION 80	[GRAPHIC]	199804
E39600009	UV-ERASER	VUM-33598	[GRAPHIC]	199607
E39600011	UV-ERASER	VUM-33598	[GRAPHIC]	199607
E39600018	UV-ERASER	VUM-3359C	[GRAPHIC]	199710
E48100041	W-ETCHBACK-ETC	TE-8600	[GRAPHIC]	199604
E48100054	ASHER	RAM-8500	MC[GRAPHIC]	199606
E48100074	ASHER	RAM-8500	MC[GRAPHIC]	199703
E48100079	SILICON-NITRID	TE-8400S	[GRAPHIC]	199710
E48100080	ASHER	RAM-8500(BULK)	MC[GRAPHIC]	199710
E48100081	ASHER	RAM-8500(METAL)	MC[GRAPHIC]	199710
E48100082	ASHER	RAM-8500(II)	MC[GRAPHIC]	199710
E48100083	ILD-ASHER	L-3510	[GRAPHIC]	199710
E48100084	ILD-ASHER	L-3510	[GRAPHIC]	199710
E48100085	AL-ETCHER	TCP-9600	[GRAPHIC]	199711

E48100086	AL-ETCHER	TCP-9600	[GRAPHIC]	199711
E48100087	SILICON-NITRID	TE-8400S	[GRAPHIC]	199711
E48100088	SILICON-OXIDE -	UNITY85DATC(2+1CH)	[GRAPHIC]	199711
E48100089	SILICON-OXIDE -	UNITY85D(2CH)	[GRAPHIC]	199711
E48100090	SILICON-OXIDE -	UNITY85D(2CH)	[GRAPHIC]	199711
E48100091	POLY-ETCH	CENTURA MXP	[GRAPHIC]	199711
E48100092	POLY-ETCH	CENTURA MXP	[GRAPHIC]	199711
E48100093	ASHER	RAM-8500(II)	MC [GRAPHIC]	199802
E48100094	ASHER	RAM-8500(II)	MC [GRAPHIC]	199802
E48100095	AL-ETCHER	TCP-9600	[GRAPHIC]	199806
E48100096	ETCHER	UNITY-85DI	[GRAPHIC]	199806
E48100097	ASHER	RAM-8500(METAL)	MC [GRAPHIC]	199802
E48100098	SILICON-OXIDE -	UNITY85VER2EDATC(2+1CH)	[GRAPHIC]	199802
E48100099	ASHER	RAM-8500(BULK)	MC [GRAPHIC]	199802
E48100100	ASHER	RAM-8500(BULK)	MC [GRAPHIC]	199802
E48100101	SILICON-NITRID	TE-8400S	[GRAPHIC]	199802
E48100102	SILICON-NITRIDE-ETC	TE-8400S	[GRAPHIC]	199805
E48100103	POLY-ETCH	CENTURA DPS	[GRAPHIC]	199806
E48100104	POLY-ETCH	CENTURA DPS	[GRAPHIC]	199804
E48100109	AL-ETCHER	TCP-9600	[GRAPHIC]	199812
E48100110	SILICON-NITRIDE-ETC	TE-8400(S/D)	[GRAPHIC]	199812
E48100111	SILICON-OXIDE-ETCHE	UNITY85ATC	[GRAPHIC]	199812
E48200024	WET-STATION	WS-810	[GRAPHIC]	199710
E48200025	WET-STATION	WS-840	[GRAPHIC]	199710
E48200026	WET-STATION	WS-821	[GRAPHIC]	199710
E48200027	WET-STATION	WS-822	[GRAPHIC]	199710
E48200028	WET-STATION	WS-823	[GRAPHIC]	199710
E48200029	HF-VAPER-ETCHI	F-WET	[GRAPHIC]	199710
E48200030	WET-STRIP	WSST(DUAL)	[GRAPHIC]	199710
E48200032	MERCURY-WITH-R	MERCURY	M-FSI	199711
E48200033	CMP-POST-CLEAN	MERCURY(SIO)	M-FSI	199711
E48200034	WET-STATION	UW-851	[GRAPHIC]	199801
E48200035	WET-STATION	UW-852(ETCH)	[GRAPHIC]	199801
E48200036	WET-STATION	UW-852(II)	[GRAPHIC]	199801
E48200037	MERCURY-WITH-R	MERCURY	M-FSI	199803
E48200038	WET-STATION	UW-851	[GRAPHIC]	199805
E48200039	WET-STRIP	WSST(DUAL)	[GRAPHIC]	199802
E48200042	WET-STATION	WS-822	[GRAPHIC]	199809
E48300027	PLASMA-CVD-SYS	P-5000(3CHB)(SION)	[GRAPHIC]	199710
E48300028	PLASMA-CVD-SYS	P-5000(2CHB)(SIN)	[GRAPHIC]	199710
E48300029	PLASMA-CVD-SYS	P-5000(2CHB)(SIO)	[GRAPHIC]	199710
E48300030	PLASMA-CVD-SYS	CONCEPT TWO-W	[GRAPHIC]	199710
E48300031	BPSG-DEPOSITIO	P5000SA	[GRAPHIC]	199710
E48300032	WSI-DEPOSITION	MB2-730(WSI DEPO)	[GRAPHIC]	199711
E48300033	WSI-DEPOSITION	MB2-730(WSI DEPO)	[GRAPHIC]	199802
E48300034	PLASMA-CVD-SYS	P-5000(2CHB)(SIN)	[GRAPHIC]	199802
E48300035	BPSG-DEPOSITIO	P5000SA	[GRAPHIC]	199805
E48300036	PLASMA-CVD-SYS	P-5000(2CHB)(SIO)	[GRAPHIC]	199805
E49200016	SPIN-SCRUBBER	SSW-80A-AR(2[GRAPHIC])	[GRAPHIC]	199710
E49200017	SPIN-SCRUBBER	SSW-80A-AVR(2[GRAPHIC])	[GRAPHIC]	199710
E49200018	REWORK	SCW-80A	[GRAPHIC]	199710
E49200019	SOS-CURE-SYSTE	SOS	[GRAPHIC]	199711
E49200020	CMP-POST-CLEAN	DSS-200	[GRAPHIC]	199805
E49200021	SPIN-SCRUBBER	SSW-80A-AVR(2[GRAPHIC])	[GRAPHIC]	199802
E49200022	SPIN-SCRUBBER	SSW-80A-AR(2[GRAPHIC])	[GRAPHIC]	199802
E49200027	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199803

E49200028	COATER/DEVELOPER (IW)	CLEANTRACK-MK8	[GRAPHIC]	199805
E50100010	POLISHER	STRB-6DS	[GRAPHIC]	199711
E50100011	POLISHER	STRB-6DS-SP(SIO)	[GRAPHIC]	199804
E50100012	POLISHER	STRB-6DS-SP(W)	[GRAPHIC]	199806
E50300016	HCL, MINI, CSS	[GRAPHIC]	[GRAPHIC] VLSI	199408
E51100011	SPUTTERING-SYS	ENDURA 5500 HP	[GRAPHIC]	199710
E51100013	BACK-GRINDER	DFG-841	[GRAPHIC]	199801
E52100043	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199710
E52100044	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199711
E52100045	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199711
E52100046	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199711
E52100047	SOG-SYSTEM	CLEANTRACK-MK8	[GRAPHIC]	199711
E52100054	COATER/DEVELOPER	CLEANTRACK-MK8(IW)	[GRAPHIC]	199812
E52100055	COATER/DEVELOPER	CLEANTRACK-MK8(IW)	[GRAPHIC]	199812
E60100029	PROCESS-GAS-MO	QUALITORR OLION SYSTEM	[GRAPHIC]	199806
E62100070	VERTICAL-DIFF.	[GRAPHIC] 808SD(IOX/WL/FOX)	[GRAPHIC]	199710
E62100071	VERTICAL-DIFF.	[GRAPHIC]808SD(SINOX)	[GRAPHIC]	199710
E62100072	VERTICAL-DIFF.	[GRAPHIC]808SD(GOX/TNOX)	[GRAPHIC]	199710
E62100073	VERTICAL-DIFF.	[GRAPHIC]808SD(WOX)	[GRAPHIC]	199710
E62100074	VERTICAL-DIFF.	[GRAPHIC]808SD(BAOX/SOX)	[GRAPHIC]	199710
E62100075	VERTICAL-CVD. F	[GRAPHIC]808SC(ONOSN)	[GRAPHIC]	199710
E62100076	VERTICAL-CVD. F	[GRAPHIC]808SC(FL-SIN)	[GRAPHIC]	199710
E62100077	VERTICAL-DIFF.	[GRAPHIC]808SD(IOX/WL/FOX)	[GRAPHIC]	199710
E62100078	VERTICAL-DIFF.	[GRAPHIC]808SD(IOX/WL/FOX)	[GRAPHIC]	199710
E62100079	VERTICAL-DIFF.	VERTEX-3(BMLT)	[GRAPHIC]	199711
E62100080	VERTICAL-CVD-F	[GRAPHIC]-808SC(HTO)	[GRAPHIC]	199711
E62100081	VERTICAL-CVD-F	[GRAPHIC]-808SC(HTO)	[GRAPHIC]	199711
E62100082	VERTICAL-CVD-F	[GRAPHIC]-808SC(ONO HTO)	[GRAPHIC]	199711
E62100083	VERTICAL-CVD-F	[GRAPHIC]-808SC(DASI)	[GRAPHIC]	199711
E62100084	VERTICAL-CVD-F	[GRAPHIC]-808SC(PLY-CAP)	[GRAPHIC]	199711
E62100085	VERTICAL-FURNA	VERTEX-3(HAN)	[GRAPHIC]	199711
E62100086	VERTICAL-DIFF.	[GRAPHIC]-808SD(IOX/WL/FOX)	[GRAPHIC]	199801
E62100087	VERTICAL-CVD-F	[GRAPHIC]-808SC(HTO)	[GRAPHIC]	199801
E62100088	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC(DASI)	[GRAPHIC]	199804
E62100089	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC(ONO HTO)	[GRAPHIC]	199805
E62100090	VERTICAL-CVD-F	[GRAPHIC]-808SC(HTO)	[GRAPHIC]	199802
E62100091	VERTICAL-CVD-F	[GRAPHIC]-808SC(HTO)	[GRAPHIC]	199802
E62100092	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC(FL-SIN)	[GRAPHIC]	199805
E62100093	VERTICAL-DIFF.	[GRAPHIC]-808SD(IOX/WL/FOX)	[GRAPHIC]	199802
E62100094	VERTICAL-DIFF.	[GRAPHIC]-808SD(IOX/WL/FOX)	[GRAPHIC]	199802
E62100095	VERTICAL-DIFF.	[GRAPHIC]-808SD(IOX/WL/FOX)	[GRAPHIC]	199802
E62100096	VERTICAL-DIFF.	[GRAPHIC]-808SD(IOX/WL/FOX)	[GRAPHIC]	199802
E62100097	VERTICAL-DIFF.	[GRAPHIC]-808SD(IOX/WL/FOX)	[GRAPHIC]	199802
E62100098	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD(BAOX)	[GRAPHIC]	199805
E62100099	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD(WOX)	[GRAPHIC]	199805
E62100100	VERTICAL-DIFF. FURNA	[GRAPHIC]-808SD(GOX/TNOX)	[GRAPHIC]	199805
E62100106	VERTICAL-DIFF-	VERTEX(HAN)	[GRAPHIC]	199812
E62100110	VERTICAL-CVD-FURNAC	[GRAPHIC]-808SC(HTO)	[GRAPHIC]	199812
E62100111	VERTICAL-DIFF-FURNA	[GRAPHIC]-808SD(WOX)	[GRAPHIC]	199812
E62400005	RTA	LA-820 (DIF)	[GRAPHIC]	199710
E62400006	RTA	LA-820 (TFM)	[GRAPHIC]	199710
E62500003	UV-CURE	UMA1002	[GRAPHIC]	199710
E63100005	SPIN-RINSER-DR	ST-880S	[GRAPHIC]	199710
E63100007	SPIN-RINSER-DR	ST-880S	[GRAPHIC]	199801
E63100010	RINSER-DRYER	MODEL 480S	[GRAPHIC]	199806
E67100043	STEPPER	FPA-300015	CANON	199710

E67100044	STEPPER	FPA-3000I5	CANON	199711
E67100045	STEPPER	FPA-3000IW	CANON	199711
E67100046	STEPPER	FPA-3000IW	CANON	199711
E67100047	COATER/DEVELOP	CLEANTRACK-MK8	[GRAPHIC]	199711
E67100048	STEPPER	FPA-3000I5	CANON	199712
E67100052	STEPPER	FPA-3000IW	[GRAPHIC]	199803
E67100053	STEPPER	FPA-3000IW	CANON	199804
E69100016	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199710
E69100017	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199710
E69100018	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199710
E69100019	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199710
E69100020	MICROSCOPE(CAM	AL-1000	[GRAPHIC]	199710
E69100021	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199710
E69100022	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199710
E69100025	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199801
E69100026	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199801
E69100027	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199801
E69100028	MICROSCOPE(CAM	AL-100	[GRAPHIC]	199802
E69900055	ASID-SINK	DR-1300-A	[GRAPHIC]	199710
E69900056	SOLVENT-SINK	DR-1000	[GRAPHIC]	199710
E70100013	TAPE-LAMINATER	DR-8500	[GRAPHIC]	199802
E70100014	TAPE-REMOVER	HR-8500	[GRAPHIC]	199802
F18200147	WAFER-INSPECTI	KLA-2112	[GRAPHIC]	199604
F18200182	MICROSCOPE	IM-15	[GRAPHIC]	199611
F18200183	MICROSCOPE	IM-15	[GRAPHIC]	199611
F18200184	MICROSCOPE	IM-15	[GRAPHIC]	199611
F18200194	RESISTIVITY-MA	OMNIMAP RS75TC	[GRAPHIC]	199710
F18200195	FILM-THICKNESS	P11	[GRAPHIC]	199710
F18200196	STRESS-MEASURE	FLX-2320A	[GRAPHIC]	199710
F18200197	RESISTIVITY-MA	OMNIMAP RS75	[GRAPHIC]	199710
F18200208	RESISTIVITY-MA	OMNIMAP RS75	[GRAPHIC]	199710
F18200209	FILM-THICKNESS	P11	[GRAPHIC]	199710
F18200210	FILM-THICKNESS	UV1250	[GRAPHIC]	199710
F18200211	SEM	S-8840	[GRAPHIC]	199710
F18200212	WAFER-INSPECTI	KLA-2115	KLA	199710
F18200213	WAFER-INSPECTI	KLA-2115	KLA	199710
F18200214	ANALYSYS-STATIO	KLA-2552	KLA	199710
F18200215	REVIEWSTATION	CRS-1010	[GRAPHIC]	199710
F18200216	REVIEWSTATION	CRS-1010	[GRAPHIC]	199710
F18200217	SEM	S-8840	[GRAPHIC]	199710
F18200218	OVERLAY-MEASUR	KLA-5200	KLA	199710
F18200224	PARTICLE	IS2500	[GRAPHIC]	199710
F18200225	WAFER-INSPECTI	KLA-2135	KLA	199711
F18200244	TILT-SEM	S-7800	[GRAPHIC]	199712
F18200245	OVERLAY-MEASUR	KLA-5200	KLA	199801
F18200249	X-RAY-FLUOR.	SYSTEM-3640	[GRAPHIC]	199801
F18200252	[GRAPHIC]	FE-VII	[GRAPHIC]	200008
F18200253	[GRAPHIC]	FE-VII	[GRAPHIC]	200008
F18200259	PARTICLE	SFS-6420	[GRAPHIC]	200010
F18200260	[GRAPHIC]	SFS6420	[GRAPHIC]	200008
F18200262	[GRAPHIC]	UV1050	[GRAPHIC]	200008
F18200263	[GRAPHIC]	UV1050	[GRAPHIC]	200008
F18200264	[GRAPHIC]	UV1250	[GRAPHIC]	200008
F18200282	MICROSCOPE(CAM	IM-15(IM-800)	[GRAPHIC]	199802
F18200283	SEM	S-8840	[GRAPHIC]	199804
F18200284	OVERLAY-MEASUREMENT	KLA-5200	KLA	199805

F18200285	MICROSCOPE (CAM	IM-15(IM-800)	[GRAPHIC]	199802
F18200286	SEM	S-8840	[GRAPHIC]	199803
H16600002	SHEET-RESISTAN	NC110	[GRAPHIC]	199801
J00000019	PARTICLE	SFS-6420	[GRAPHIC]	199812
J00000020	UV-ERASER	VUM-3359A	[GRAPHIC]	199812
J00000021	RTA	LA-820(DIF)	[GRAPHIC]	199901
J00000022	FILM-THICKNESS	UV-1080	[GRAPHIC]	199812
J00000023	SOS-CURE-SYSTE	CTMK8(SOS)	[GRAPHIC]	199812
J00000055	COATER/DEVELOPER	CLEANTRACK-MK8(-5)	[GRAPHIC]	199904
J00000056	COATER/DEVELOPER	CLEANTRACK-MK8(-5)	[GRAPHIC]	199904
J00000057	COATER/DEVELOPER	CLEANTRACK-MK8(-5)	[GRAPHIC]	199904
J00000058	COATER/DEVELOPER	CLEANTRACK-MK8(-5)	[GRAPHIC]	199904
J00000059	COATER/DEVELOPER	CLEANTRACK-MK8(KRF)	[GRAPHIC]	199905
J00000060	POLISHER	6DS-SP(SIO)	[GRAPHIC]	199906
J00000061	UV-ERASER	VUM-3359C	[GRAPHIC]	199906
J00000065	POLY-ETCHER	CENTURA DPS	[GRAPHIC]	199907
J00000066	POLISHER	6DS-SP(W)	[GRAPHIC]	199907
J00000067	POLISHER	6DS-SP(W)	[GRAPHIC]	199907
J00000068	PLASMA-CVD-SYSTEM	P-5000(2CHB)	[GRAPHIC]	199907
J00000069	COATER/DEVELOPER	CLEANTRACK-MK8(I5)	[GRAPHIC]	199907
J00000070	COATER/DEVELOPER	CLEANTRACK-ACT8(KRF)	[GRAPHIC]	199907
J00000072	ETCHER	UNITY85DI	[GRAPHIC]	199907
J00000073	ETCHER	UNITY85DI	[GRAPHIC]	199907
J00000075	CMP POST CLEAN	DSS-200	[GRAPHIC]	199908
J00000104	VERTICAL DIFF FURNACE	DD-853V-8DL G/OX	[GRAPHIC]	199910
J00000105	VERTICAL CVD FURNACE	DJ-853V-8DL HTO	[GRAPHIC]	199910
J00000106	VERTICAL CVD FURNACE	DJ-853V-8DL Si3N4	[GRAPHIC]	199910
J00000182	PLASMA CVD SYSTEM	P-5000(SiO)	[GRAPHIC]	199911
J00000221	UV ERASER	VUW-3359C	[GRAPHIC]	200001
J00000222	UV ERASER	VUW-3359C	[GRAPHIC]	200001
J00000396	Brush Scruber	SSW-80A-AR(CVD)	[GRAPHIC]	200008
J00000397	BRUSH SCRUBER	SSW-80A-AR(Mtl)	[GRAPHIC]	200011
J00000398	WET STATION	WS-822	[GRAPHIC]	200006
J00000399	HSQ COATER	CTMK-8B	[GRAPHIC]	200008
J00000400	SOG COATER	CTMK-8B	[GRAPHIC]	200006
J00000415	[GRAPHIC]	SST-C-632-280K	[GRAPHIC]	200010
J00000416	ETCHER	UNITY85DI	[GRAPHIC]	200010
J00000417	VERTICAL DIFF FURNACE	a-808SED(HI)	[GRAPHIC]	200012
J00000418	VERTICAL DIFF FURNACE	a-808SED(HI)	[GRAPHIC]	200012
J00000419	VERTICAL DIFF FURNACE	a-808SED(SNOX)	[GRAPHIC]	200011
J00000420	SOG COATER	CTMK8(SOG)	[GRAPHIC]	200011
J00000421	COATER/DEVELOPER	CLEANTRACK-ACT8(i5)	[GRAPHIC]	200012
J00000422	COATER/DEVELOPER	CLEANTRACK-ACT8(i5)	[GRAPHIC]	200011
J00000525	CMP [GRAPHIC]	6DS-SP(SiO)	[GRAPHIC]	200004
J00000611	DRY ETCHER	CENTURA-DPS	[GRAPHIC]	200008
J00000612	DRY ETCHER	CENTURA-5200	[GRAPHIC]	200009
J00000615	PLASMA CVD SYSTEM	P-5000(ARL)	[GRAPHIC]	200007
J00000616	PLASMA CVD SYSTEM	P-5000(SiN)	[GRAPHIC]	200006
J00000617	PLASMA CVD SYSTEM	P-5000(SiO)	[GRAPHIC]	200009
J00000618	PLASMA CVD SYSTEM	P-5000(SiO)	[GRAPHIC]	200007
J00000619	PLASMA CVD SYSTEM	P-5000SA(BPSG)	[GRAPHIC]	200009
J00000620	STEPPER	FPA-3000I5	[GRAPHIC]	200006
J00000623	LAMP ANNEAL	LA-W820	[GRAPHIC]	200007
J00000624	WET STATION	WS-810	[GRAPHIC]	200008
J00000625	WET STATION	WS-852(II)	[GRAPHIC]	200006
J00000626	POST TREATMENT MACHINE	MERCURY	M-FSI	200006

J0000627	ASHER	PEP3510	[GRAPHIC]	200006
J0000628	ASHER	PEP3510	[GRAPHIC]	200008
J0000629	ASHER	PEP3510	[GRAPHIC]	200008
J0000630	WSI CVD MACHINE	MB2-730	[GRAPHIC]	200008
J0000631	VERTICAL CVD FURNACE	[GRAPHIC]808SC(DASI)	[GRAPHIC]	200007
J0000632	VERTICAL DIFF FURNACE	[GRAPHIC]808SC(ONSIN)	[GRAPHIC]	200009
J0000633	VERTICAL DIFF FURNACE	[GRAPHIC]808SD(BAOX)	[GRAPHIC]	200006
J0000634	VERTICAL DIFF FURNACE	[GRAPHIC]808SD(BAOX)	[GRAPHIC]	200006
J0000635	VERTICAL DIFF FURNACE	[GRAPHIC]808SD(GOX)	[GRAPHIC]	200009
J0000636	VERTICAL DIFF FURNACE	[GRAPHIC]808SD(HI)	[GRAPHIC]	200006
J0000637	VERTICAL DIFF FURNACE	[GRAPHIC]808SD(HI)	[GRAPHIC]	200006
J0000638	VERTICAL DIFF FURNACE	[GRAPHIC]808SD(HI)	[GRAPHIC]	200006
J0000639	VERTICAL DIFF FURNACE	[GRAPHIC]808SD(HI)	[GRAPHIC]	200006
J0000640	COATER/DEVELOPER	ACT-8(CAR)	[GRAPHIC]	200007
J0000641	COATER/DEVELOPER	ACT-8(i5)	[GRAPHIC]	200006
J0000642	COATER/DEVELOPER	ACT-8(i5)	[GRAPHIC]	200006
J0000643	COATER/DEVELOPER	ACT-8(i5)	[GRAPHIC]	200007
J0000644	COATER/DEVELOPER	ACT-8(Iw)	[GRAPHIC]	200006
J0000645	COATER/DEVELOPER	ACT-8(Iw)	[GRAPHIC]	200007
J0000768	ASHER	RAM8500	[GRAPHIC]	200007
J0000769	ASHER	RAM8500	[GRAPHIC]	200007
J0000771	BG	DFG850	[GRAPHIC]	200007
J0000772	COATER/DEVELOPER	ACT-8(iw)	[GRAPHIC]	200007
J0000773	STEPPER	FPA-3000EX5	[GRAPHIC]	200007
J0000774	STEPPER	FPA-3000I5	[GRAPHIC]	200007
J0000854	POST TREATMENT MACHINE	MERCURY-MP	M-FSI	200011
J0000856	WSI CVD MACHINE	MB2-730	[GRAPHIC]	200008
J0000857	AL ETCHER	TCP-9600	[GRAPHIC]	200010
J0000858	AL ETCHER	TCP-9600	[GRAPHIC]	200008
J0000859	POST TREATMENT MACHINE	MERCURY-MP	M-FSI	200009
J0000860	POST TREATMENT MACHINE	MERCURY-MP	M-FSI	200010
J0000861	DRY ETCHER	CENTURA-5200	[GRAPHIC]	200102
J0000863	PLAZMA CVD MACHINE	P-5000CVD(Sio)	[GRAPHIC]	200102
J0000866	DRY ETCHER	UNITY85	[GRAPHIC]	200008
J0000867	STEPPER	FPA-3000I5	[GRAPHIC]	200008
J0000869	[GRAPHIC]	UMA-1002-HC93	[GRAPHIC]	200008
J0000870	[GRAPHIC]	OPTIMA9300	[GRAPHIC]	200008
J0000915	ETCHER	UNITY85DI	[GRAPHIC]	200010
J0000916	ETCHER	UNITY85DI	[GRAPHIC]	200010
J0000917	VERTICAL CVD FURNACE	a-808SEC(HTO)	[GRAPHIC]	200101
J0000918	VERTICAL CVD FURNACE	a-808SEC(HTO)	[GRAPHIC]	200011
J0000919	VERTICAL DIFF FURNACE	a-808SED(HI)	[GRAPHIC]	200011
J0000920	VERTICAL DIFF FURNACE	a-8SE-ZV(HI)	[GRAPHIC]	200012
J0000921	W CVD MACHINE	MB2-730(W)	[GRAPHIC]	200012
J0000924	WET-STATION	UW-851	[GRAPHIC]	200011
J0000925	BRUSH SCRUBER	AS-2000	[GRAPHIC]	200109
J0000946	ASHER	RAM8500	[GRAPHIC]	200011
J0000947	ASHER	RAM8500	[GRAPHIC]	200011
J0000948	ASHER	RAM8500	[GRAPHIC]	200011
J0000949	BRUSH SCRUBER	SSW-80A-AR	[GRAPHIC]	200101
J0000950	PLAZMA CVD MACHINE	P-5000CVD(SiN)	[GRAPHIC]	200011
J0000951	BRUSH SCRUBER	SSW-80A-AR	[GRAPHIC]	200012
J0000952	PLAZMA CVD MACHINE	P-5000CVD(ARL)	[GRAPHIC]	200012
J0000953	WET STATION	WS-840	[GRAPHIC]	200101
J0000956	DRY ETCHER	TE8401	[GRAPHIC]	200009
J0000957	DRY ETCHER	TE8401	[GRAPHIC]	200009

J0000968	COATER/DEVELOPER	CLEANTRACK-ACT8 (i5)	[GRAPHIC]	200012
J0000969	COATER/DEVELOPER	CLEANTRACK-ACT8 (i5)	[GRAPHIC]	200012
J0000970	COATER/DEVELOPER	CLEANTRACK-ACT8 (iW)	[GRAPHIC]	200010
J0000971	COATER/DEVELOPER	CLEANTRACK-ACT8 (iW)	[GRAPHIC]	200010
J0000972	COATER/DEVELOPER	CLEANTRACK-ACT8 (iW)	[GRAPHIC]	200012
J0000973	WSi CVD MACHINE	MB2-730 (DCS)	[GRAPHIC]	200012
J0000974	ASHER	RAM-8500	[GRAPHIC]	200010
J0000975	HSQ COATER	CTMK8+ β (HSQ)	[GRAPHIC]	200010
J0000976	AL ETCHER	TCP-9600	[GRAPHIC]	200102
J0000977	AL ETCHER	TCP-9600	[GRAPHIC]	200011
J0000992	TREATMENT MACHINE	F-WET	[GRAPHIC]	200012
J0000997	STEPPER	FPA-3000i5	[GRAPHIC]	200011
J0001001	ETCHER	LAM4520i	AMD	200110
J0001004	PLAZMA CVD MACHINE	P-5000CVD (BPSG)	[GRAPHIC]	200011
J0001005	VERTICAL DIFF FURNACE	a -8SE-ZV(WOX)	[GRAPHIC]	200011
J0001006	VERTICAL CVD FURNACE	a -8SE-ZV(ONHTO)	[GRAPHIC]	200011
J0001007	WET STATION	WS-822	[GRAPHIC]	200011
J0001008	WET STATION	WS-821	[GRAPHIC]	200011
J0001010	VERTICAL CVD FURNACE	a -8SE-ZV(HTO)	[GRAPHIC]	200011
J0001011	PLAZMA CVD MACHINE	P-5000CVD (SiN)	[GRAPHIC]	200101
J0001012	[GRAPHIC]	SST-C-632-280K	[GRAPHIC]	200101
J0001013	PLAZMA CVD MACHINE	P-5000CVD (SiO)	[GRAPHIC]	200012
J0001017	CMP POST CLEAN	DSS-200	[GRAPHIC]	200012
J0001018	AL ETCHER TCP9600SE	TCP-9600	[GRAPHIC]	200012
J0001021	VERTICAL CVD FURNACE	a -808SEC (DASI)	[GRAPHIC]	200204
J0001031	PLAZMA CVD MACHINE	P-5000CVD (BPSG. Co)	[GRAPHIC]	200204
J0001032	VERTICAL DIFF FURNACE	a -8SE-ZV(HI)	[GRAPHIC]	200012
J0001035	POLY ETCHER	CENTURA-MXP	[GRAPHIC]	200012
J0001036	CMP END POINT CONTROLLER	OPTIMA9325	[GRAPHIC]	200012
J0001037	CMP END POINT CONTROLLER	OPTIMA9325	[GRAPHIC]	200012
J0001038	SPUTTERING SYSTEM	ENDURA-HP-PVD	[GRAPHIC]	200101
J0001039	VERTICAL CVD FURNACE	a -8SE-ZV(SiN)	[GRAPHIC]	200101
J0001040	VERTICAL CVD FURNACE	a -8SE-ZV(DASI)	[GRAPHIC]	200101
J0001043	STEPPER	FPA-3000EX6	[GRAPHIC]	200101
J0001050	OVERLAY	KLA5200XP	KLA[GRAPHIC]	200101
J0001051	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200101
J0001097	WET STATION	WS-822	[GRAPHIC]	200102
J0001102	PLAZMA CVD MACHINE	P-5000CVD(SiO)	[GRAPHIC]	200204
J0001103	NITRIDE ETCHER	TE8401	[GRAPHIC]	200103
J0001121	Vertical Diffusion Furnace	Vertex-III (Hi-Temp DRY)	[GRAPHIC]	200103
J0001128	Rinser Dryer	SRD8300	[GRAPHIC]	200104
J0001134	ETCHER	UNITY85DI	[GRAPHIC]	200105
J0001135	ETCHER	UNITY85DI	[GRAPHIC]	200105
J0001157	VERTICAL CVD FURNACE	a -8SE-ZV	[GRAPHIC]	200205
J0001164	COATER/DEVELOPER	ACT-8	[GRAPHIC]	200106
J0001306	WET STATION	WS-820L	[GRAPHIC]	200205
J0001307	VERTICAL CVD FURNACE	a -8SE-ZA	[GRAPHIC]	200205
J0001308	POLYETCH	CENTURA MXP	[GRAPHIC]	200301
J0001364	AL ETCHER	TCP9600SE	[GRAPHIC]	200210
J0001365	VERTICAL DIFF FURNACE	a -8SED (GOX)	[GRAPHIC]	200301
J0001367	AL ETCHER	TCP9600-SE	[GRAPHIC]	200207
J0001368	ION IMPLANTATION	E220	[GRAPHIC]	200207
J0001419	POLY ETCHER	CENTURA-MxP-PLUS	[GRAPHIC]	200208
J0002634	STEPPER	FPA-3000EX5	[GRAPHIC]	200210
K0000785	FILM THICKNESS	UV1280SE	KLA[GRAPHIC]	200007
K0000786	[GRAPHIC]	FE-VII	[GRAPHIC]	200007

K00000787	[GRAPHIC]	FE-VII	[GRAPHIC]	200007
K00000788	FILM THICKNESS	UV1280SE	KLA[GRAPHIC]	200007
K00000789	Defect Review	KLA2118	KLA[GRAPHIC]	200007
K00000790	Defect Review	KLA2118	KLA[GRAPHIC]	200007
K00000791	DOSE MONITOR	TP500	[GRAPHIC]	200012
K00000792	[GRAPHIC]	IS2510	[GRAPHIC]	200012
K00000793	SEM	S9200	[GRAPHIC]	200007
K00000794	SEM	S9200	[GRAPHIC]	200007
K00000795	FILM THICKNESS	UV-1080	KLA[GRAPHIC]	200007
K00000796	OMNI MAP	AUTO-RS75TC	KLA[GRAPHIC]	200007
K00000797	SEM	S9200	[GRAPHIC]	200007
K00000798	SEM	S9200	[GRAPHIC]	200007
K00000799	SEM	S9200	[GRAPHIC]	200007
K00000800	PARTICLE INSPECTION	AIT II SINGLE	KLA[GRAPHIC]	200007
K00000802	OVERLAY	KLA5200XP	KLA[GRAPHIC]	200007
K00000803	[GRAPHIC]	IS2510	[GRAPHIC]	200007
K00000804	Defect Review	KLA2118	KLA[GRAPHIC]	200007
K00000805	FILM THICKNESS	UV1280SE	KLA[GRAPHIC]	200007
K00000806	[GRAPHIC]	FAaST230DP	[GRAPHIC]	200105
K00000807	PARTICLE INSPECTION	AIT II SINGLE	KLA[GRAPHIC]	200007
K00000815	[GRAPHIC]	AL-2100	[GRAPHIC]	200007
K00000816	[GRAPHIC]	AL-2100	[GRAPHIC]	200007
K00000819	[GRAPHIC]	AL-2100	[GRAPHIC]	200007
K00000820	FILM THICKNESS	UV1280SE	KLA[GRAPHIC]	200007
K00000851	[GRAPHIC]	IM-80D	[GRAPHIC]	200006
K00000852	[GRAPHIC]	IM-80D	[GRAPHIC]	200006
K00000853	[GRAPHIC]	IM-80D	[GRAPHIC]	200006
K00000855	[GRAPHIC]	IM-80D	[GRAPHIC]	200006
K00000895	[GRAPHIC]	FE-VII	[GRAPHIC]	200105
K00000918	DEFECT REVIEW	KLA2119	KLA[GRAPHIC]	200011
K00000919	PARTICLE	IS2510	[GRAPHIC]	200105
K00002037	DEFECT REVIEW	SEM VISION	[GRAPHIC]	200204
K00002117	MICROSCOPE	Chivi-7	[GRAPHIC]	200207
K00002118	MICROSCOPE	Chivi-7	[GRAPHIC]	200207
K00002119	PARTICLE INSPECTION	SFS6420	[GRAPHIC]	200207
K00002121	PARTICLE INSPECTION	AIT2	[GRAPHIC]	200302

[GRAPHIC]
[GRAPHIC]

<u>3</u> [GRAPHIC]	[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	[GRAPHIC]
E39600010	UV-ERASER	VUM-33598	[GRAPHIC]	199607
E48100032	ASHER	RAM-8500	MC[GRAPHIC]	199509
E62100062	VERTICAL-CVD-FURNAC	VERTX3	[GRAPHIC]	199611
J00000148	[GRAPHIC]	CENTURA-MXP	[GRAPHIC]	199911
J00000149	[GRAPHIC]	RAM8500	[GRAPHIC]	199912
J00000160	[GRAPHIC]	RAM-8500	[GRAPHIC]	200001
J00000161	[GRAPHIC]	RAM-8500	[GRAPHIC]	200001
J00000177	UV ERASER	VUM3359A	[GRAPHIC]	200004
J00000993	POST TREATMENT MACHINE	MERCURY-MP	[GRAPHIC]	200303
J00000994	POST TREATMENT MACHINE	MERCURY-MP	[GRAPHIC]	200209
J00001024	VERTICAL CVD FURNACE	a -808SEC (TR-TEOS)	[GRAPHIC]	200208
J00001100	PLAZMA CVD MACHINE	P-5000CVD (SiN.Co)	[GRAPHIC]	200207
J00001101	PLAZMA CVD MACHINE	P-5000CVD (SiN.Co)	[GRAPHIC]	200207
J00001163	Oxide Etcher	Unity85DD (DRM)	[GRAPHIC]	200208
J00001310	STEPPER	FPA-3000IW	[GRAPHIC]	200207
J00001312	STEPPER	FPA-3000EX6	[GRAPHIC]	200208

J00001343	STEPPER	FPA-3000I5	[GRAPHIC]	200207
J00001391	PLASMA CVD SYSTEM	C2SPEED STI	[GRAPHIC]	200211
J00001392	SPUTTERING SYSTEM	ENDURA-CVD (B101)	[GRAPHIC]	200206
J00001393	SPUTTERING SYSTEM	ENDURA-PVD	[GRAPHIC]	200207
J00001394	CMP MACHINE	Mirra-T2(CS69 STI)	[GRAPHIC]	200209
J00001395	AL ETCHER	TCP9600-SE(1ME)	[GRAPHIC]	200207
J00001396	CONCEPT TWO SPEED	C2SPEED	[GRAPHIC]	200212
J00001397	POLY ETCHER	CENTURA-DPS	[GRAPHIC]	200207
J00001398	CMP POST CLEAN	DSS200	[GRAPHIC]	200208
J00001399	PLASMA CVD SYSTEM	P-5000(ARL)-BULK	[GRAPHIC]	200207
J00001400	ASHER	RAMCO(ETCH)	[GRAPHIC]	200207
J00001401	ION IMPLANTER	VIIISion	[GRAPHIC]	200206
J00001403	VERTICAL CVD FURNACE	a-8SEC(SIRN)	[GRAPHIC]	200210
J00001404	VERTICAL CVD FURNACE	a-8SEC(SNHTO)	[GRAPHIC]	200302
J00001405	VERTICAL DIFF FURNACE	a-8SED(GOX)	[GRAPHIC]	200207
J00001407	ION IMPLANTER	E220HP	[GRAPHIC]	200212
J00001408	POLISHER	STRASBAUGH	[GRAPHIC]	200211
J00001416	PHOTO BRUSH SCRUBBER	SSW-80A-AR	[GRAPHIC]	200210
J00001417	WET STRIP	WSST	[GRAPHIC]	200209
J00001418	WET STATION	WS-821	[GRAPHIC]	200212
J00001427	AL ETCHER	TCP9600SE	[GRAPHIC]	200210
J00001428	ION IMPLANTATION	VIIISION80	[GRAPHIC]	200210
J00001429	UV-CURE	UMA-1002-HC93	[GRAPHIC]	200301
J00001430	VERTICAL DIFF FURNACE	a-808SED(GOX)	[GRAPHIC]	200210
J00001431	ETCHER	CENTURA-DPS	[GRAPHIC]	200301
J00001432	ENDURA-PVD	ENDURA-PVD	[GRAPHIC]	200301
J00001433	CMP MACHINE	STRB-6DS	[GRAPHIC]	200301
J00001434	PLASMA CVD SYSTEM	CONCEPT-TWO Speed	[GRAPHIC]	200303
J00001667	UV-CURE	UMA-1002-HC93	[GRAPHIC]	200111
J00001707	CMP POST TREATMENT	DSS-200	[GRAPHIC]	200111
J00001709	CMP POST TREATMENT	DSS-200	[GRAPHIC]	200111
J00001715	RINSER DRYER	SRD880S-1-2-EML	[GRAPHIC]	200111
J00001717	RINSER DRYER	SRD880S-1-2-EML	[GRAPHIC]	200110
J00001718	RINSER DRYER	SRD880S-1-2-EML	[GRAPHIC]	200111
J00001719	CMP MACHINE	6DS-SP	[GRAPHIC]	200111
J00001720	CMP MACHINE	6DS-SP	[GRAPHIC]	200111
J00001721	CMP MACHINE	6DS-SP	[GRAPHIC]	200111
J00001728	PLASMA CVD SYSTEM	P-5000(3CHB)	[GRAPHIC]	200209
J00001729	PLASMA CVD SYSTEM(ARL)	P-5000(3CHB)	[GRAPHIC]	200111
J00001730	PLASMA CVD SYSTEM(CVD)	P-5000(3CHB)	[GRAPHIC]	200111
J00001731	PLASMA CVD SYSTEM(SIN)	P-5000(3CHB)	[GRAPHIC]	200110
J00001732	PLASMA CVD SYSTEM	P-5000(3CHB)	[GRAPHIC]	200111
J00001733	PLASMA CVD SYSTEM	P-5000(3CHB)	[GRAPHIC]	200111
J00001734	PLASMA CVD SYSTEM	P-5000(3CHB)	[GRAPHIC]	200205
J00001735	PLASMA CVD SYSTEM	P-5000(3CHB)	[GRAPHIC]	200209
J00001736	PLASMA CVD SYSTEM(SIN)	P-5000(3CHB)	[GRAPHIC]	200111
J00001737	CVD MACHINE	P-5000SA	[GRAPHIC]	200111
J00001738	CVD MACHINE	P-5000SA	[GRAPHIC]	200111
J00001739	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200110
J00001740	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200110
J00001741	WET STATION	WS-810	[GRAPHIC]	200110
J00001742	VERTICAL CVD FURNACE	a-808SEC(CAP/SIN)	[GRAPHIC]	200210
J00001743	VERTICAL CVD FURNACE	A-808SEC(DASI)	[GRAPHIC]	200110
J00001744	VERTICAL CVD FURNACE	A-808SEC(DASI)	[GRAPHIC]	200110
J00001747	VERTICAL CVD FURNACE	A-808SEC(HTO/SIN-2)	[GRAPHIC]	200110
J00001748	VERTICAL CVD FURNACE	A-808SEC(ONHTO)	[GRAPHIC]	200110

J00001749	VERTICAL CVD FURNACE	A-808SEC(ONHTO)	[GRAPHIC]	200203
J00001750	VERTICAL CVD FURNACE	A-808SEC(ONSIN)	[GRAPHIC]	200110
J00001751	VERTICAL CVD FURNACE	A-808SEC(POLY-2)	[GRAPHIC]	200203
J00001752	VERTICAL CVD FURNACE	A-808SEC(POLY-2)	[GRAPHIC]	200110
J00001753	VERTICAL CVD FURNACE	A-808SEC(SIN)	[GRAPHIC]	200110
J00001754	VERTICAL CVD FURNACE	A-808SEC(SIN)	[GRAPHIC]	200110
J00001755	VERTICAL CVD FURNACE	A-808SEC(TEOS)	[GRAPHIC]	200110
J00001756	VERTICAL CVD FURNACE	A-808SEC(TEOS)	[GRAPHIC]	200110
J00001757	VERTICAL CVD FURNACE	A-808SEC(TEOS2)	[GRAPHIC]	200110
J00001758	VERTICAL DIFFUSION FURNACE	A-808SED(BAOX)	[GRAPHIC]	200110
J00001759	VERTICAL DIFFUSION FURNACE	A-808SED(BAOX)	[GRAPHIC]	200110
J00001760	VERTICAL DIFFUSION FURNACE	A-808SED(BAOX)	[GRAPHIC]	200110
J00001761	VERTICAL DIFF FURNACE	a-808SED(BAOX	[GRAPHIC]	200205
J00001762	VERTICAL DIFFUSION FURNACE	A-808SED(GOX)	[GRAPHIC]	200110
J00001763	VERTICAL DIFFUSION FURNACE	A-808SED(GOX)	[GRAPHIC]	200203
J00001764	VERTICAL DIFFUSION FURNACE	A-808SED(GOX)	[GRAPHIC]	200110
J00001766	VERTICAL DIFFUSION FURNACE	A-808SED(HI)	[GRAPHIC]	200110
J00001767	VERTICAL DIFFUSION FURNACE	A-808SED(HI)	[GRAPHIC]	200110
J00001770	VERTICAL DIFFUSION FURNACE	a-808SED(HI/BAOX)	[GRAPHIC]	200209
J00001771	VERTICAL DIFFUSION FURNACE	A-808SED(SNOX)	[GRAPHIC]	200110
J00001772	VERTICAL DIFFUSION FURNACE	A-808SED(WOX)	[GRAPHIC]	200110
J00001773	VERTICAL DIFFUSION FURNACE	a-808SED(WOX)	[GRAPHIC]	200208
J00001774	VERTICAL DIFFUSION FURNACE	A-808SED(WOX)	[GRAPHIC]	200110
J00001777	WET STATION	WS-821	[GRAPHIC]	200111
J00001778	WET STATION	WS-821	[GRAPHIC]	200110
J00001779	WET STATION	WS-822	[GRAPHIC]	200110
J00001780	WET STATION	WS-822	[GRAPHIC]	200110
J00001781	WET STATION	WS-822	[GRAPHIC]	200110
J00001782	WET STATION	WS-840	[GRAPHIC]	200110
J00001786	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001787	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001788	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001789	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001790	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001791	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200110
J00001792	POLY-ETCH	CENTURA MXP	[GRAPHIC]	200301
J00001793	ETCHER	LAM4520i	[GRAPHIC]	200110
J00001794	WET MACHINE	MERCURY-MP	[GRAPHIC]	200111
J00001795	WET MACHINE	MERCURY-MP	[GRAPHIC]	200110
J00001796	WET MACHINE	MERCURY-MP	[GRAPHIC]	200110
J00001797	WET MACHINE	MERCURY-MP	[GRAPHIC]	200110
J00001798	ASHER	PEP3510	[GRAPHIC]	200111
J00001799	ASHER	PEP3510	[GRAPHIC]	200111
J00001800	ASHER	PEP3510A(DESCUM)	[GRAPHIC]	200110
J00001801	ASHER	PEP3510A(DESCUM)	[GRAPHIC]	200110
J00001802	[GRAPHIC]	RAM8500	[GRAPHIC]	200110
J00001803	[GRAPHIC]	RAM8500	[GRAPHIC]	200110
J00001804	[GRAPHIC]	RAM8500	[GRAPHIC]	200110
J00001805	[GRAPHIC]	RAM8500	[GRAPHIC]	200110
J00001806	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001807	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001808	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001809	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001810	AL ETCHER(TCP9600SE)	TCP-9600	[GRAPHIC]	200111
J00001813	UV-CURE	UMA-1002-HC93	[GRAPHIC]	200110
J00001819	ETCHER	UNITY85DI	[GRAPHIC]	200111

J00001820	ETCHER	UNITY85DI	[GRAPHIC]	200111
J00001821	ETCHER	UNITY85DI	[GRAPHIC]	200203
J00001822	ETCHER	UNITY-85DP	[GRAPHIC]	200205
J00001823	ETCHER	UNITY-85DP	[GRAPHIC]	200111
J00001824	WET STATION	UW-851	[GRAPHIC]	200110
J00001825	WET STATION	UW-852	[GRAPHIC]	200110
J00001826	WET MACHINE	SST-C-632-280K	[GRAPHIC]	200111
J00001827	WET MACHINE	SST-C-632-280K	[GRAPHIC]	200111
J00001833	[GRAPHIC](II)	RAM8500	[GRAPHIC]	200110
J00001834	[GRAPHIC](II)	RAM8500	[GRAPHIC]	200110
J00001835	[GRAPHIC](II)	RAM8500	[GRAPHIC]	200110
J00001836	[GRAPHIC](II)	RAM8500	[GRAPHIC]	200203
J00001837	[GRAPHIC](II)	RAM8500	[GRAPHIC]	200110
J00001841	WET STATION	WS-852(II)	[GRAPHIC]	200110
J00001842	WET STATION	WS-852(II)	[GRAPHIC]	200110
J00001844	COATER/DEVELOPER	ACT-8(EX-6)	[GRAPHIC]	200208
J00001860	REWORK	SC-W80A-AV	[GRAPHIC]	200111
J00001889	WET MACHINE	FS-820L	[GRAPHIC]	200111
J00001890	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200111
J00001891	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200111
J00001892	BRUSH SCRUBBER	SS-80BW-AR	[GRAPHIC]	200112
J00001893	VERTICAL DIFFUSION FURNACE	VERTEX	[GRAPHIC]	200302
J00001894	VERTICAL DIFFUSION FURNACE	VERTEX(HAN)	[GRAPHIC]	200111
J00001895	UV ERASER	VUW-3359C	[GRAPHIC]	200111
J00001896	UV ERASER	VUW-3359C	[GRAPHIC]	200111
J00001897	UV ERASER	VUW-3359C	[GRAPHIC]	200111
J00002014	RETICLE STOCKER	UCSS-FR-F6	[GRAPHIC]	200110
J00002072	WSST	SST-C-632-280K	[GRAPHIC]	200112
J00002153	WET STRAGE SINK	DR-1300-S	[GRAPHIC]	200111
J00002154	WET STRAGE SINK	DR-1300-S	[GRAPHIC]	200111
J00002155	ACID DRAFT	DR-PVD(CMP)	[GRAPHIC]	200111
J00002156	SOLVENT DRAFT	DR-SUS(CMP)	[GRAPHIC]	200111
J00002177	[GRAPHIC]	0040-50S-III A	[GRAPHIC]	200111
J00002178	[GRAPHIC]	0040-50S-III A	[GRAPHIC]	200111
J00002179	[GRAPHIC]	0040-50S-III A	[GRAPHIC]	200111
J00002180	[GRAPHIC]	0040-50S-III A	[GRAPHIC]	200111
J00002189	FLR-E	CDE-80N	[GRAPHIC]	200110
J00002611	CVD MACHINE	P-5000	[GRAPHIC]	200203
J00002612	CVD MACHINE	P-5000SA	[GRAPHIC]	200204
J00002613	PLASMA CVD SYSTEM	P-5000(SIN)	[GRAPHIC]	200204
J00002614	PLASMA CVD SYSTEM	P-5000(ARL)	[GRAPHIC]	200204
J00002615	VERTICAL CVD FURNACE	a-8SEC	[GRAPHIC]	200204
J00002621	COATER/DEVELOPER	ACT-8(I5+)	[GRAPHIC]	200207
J00002622	COATER/DEVELOPER	ACT-8(EX-6)	[GRAPHIC]	200208
J00002626	STEPPER	FPA-3000EX6	[GRAPHIC]	200208
J00002627	COATER/DEVELOPER	ACT-8(IW)	[GRAPHIC]	200207
J00002628	VERTICAL CVD FURNACE	a-8SE-ZV(SIN2)	[GRAPHIC]	200204
J00002630	WET MACHINE	MERCURY-MP	[GRAPHIC]	200204
J00002631	CMP MACHINE	6DS-SP(W)	[GRAPHIC]	200204
J00002632	PLASMA CVD SYSTEM	P-5000(SIO)	[GRAPHIC]	200204
J00002633	PLASMA CVD SYSTEM	P-5000(SIO)	[GRAPHIC]	200204
J00002645	WSI CVD MACHINE	MB2-730(W)	[GRAPHIC]	200204
J00002646	WSI CVD MACHINE	MB2-730(W)	[GRAPHIC]	200204
J00002660	FLR-E	CDE-80N	[GRAPHIC]	200201
J00002661	ETCHER	LAM4520i	[GRAPHIC]	200204
J00002662	AL ETCHER	TCP-9600	[GRAPHIC]	200202

K00000818	[GRAPHIC]	AL-2100	[GRAPHIC]	200007
K00001117	[GRAPHIC]	AL-2100	[GRAPHIC]	200102
K00001400	PARTICLE INSPECTION	AIT2	[GRAPHIC]	200110
K00001403	FILM THICKNESS	UV1280SE	[GRAPHIC]	200110
K00001404	FILM THICKNESS	UV-1080	[GRAPHIC]	200110
K00001405	STRESS MONITOR	FLX2320A	[GRAPHIC]	200110
K00001408	[GRAPHIC]	SYSTEM	[GRAPHIC]	200111
K00001414	REVIEW SEM	SEM VISION	[GRAPHIC]	200110
K00001415	PARTICLE INSPECTION	AIT2	[GRAPHIC]	200110
K00001416	[GRAPHIC]	FAaST230DP	[GRAPHIC]	200110
K00001417	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200110
K00001418	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200110
K00001420	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200110
K00001421	FILM THICKNESS	MATRIX S200	[GRAPHIC]	200110
K00001422	DEGREE MONITOR	P-11	[GRAPHIC]	200111
K00001423	DEGREE MONITOR	P-22	[GRAPHIC]	200110
K00001430	FILM THICKNESS	UV-1080	[GRAPHIC]	200110
K00001431	FILM THICKNESS	UV-1080	[GRAPHIC]	200110
K00001433	PARTICLE INSPECTION	IS2510	[GRAPHIC]	200203
K00001437	CONTACT ANGLE MEASURE	CAX200	[GRAPHIC]	200110
K00001438	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001439	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001440	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001441	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001442	MICROSCOPE INSPECTION	AL2100	[GRAPHIC]	200111
K00001443	OVERLAY	NRM1000	[GRAPHIC]	200110
K00001444	OVERLAY	NRM1000	[GRAPHIC]	200110
K00001445	OVERLAY	NRM1000	[GRAPHIC]	200110
K00001447	FILM THICKNESS	UV-1080	[GRAPHIC]	200110
K00001449	DEGREE MONITOR	P-11	[GRAPHIC]	200111
K00001450	FILM THICKNESS	UV1280SE	[GRAPHIC]	200110
K00001451	FILM THICKNESS	UV1280SE	[GRAPHIC]	200110
K00001527	UV [GRAPHIC]	G1812AA	[GRAPHIC]	200111
K00001672	SHEET RESISTANCE	LRM-110	[GRAPHIC]	200201
K00001803	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001804	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001805	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001806	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001807	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001808	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001809	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001810	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001811	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001812	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001813	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001814	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001816	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001817	MICROSCOPE	AL100	[GRAPHIC]	200111
K00001831	MICROSCOPE INSPECTION	AL1000	[GRAPHIC]	200111
K00002050	OPTIPROBE	OP5240	[GRAPHIC]	200210
K00002144	WAFER INSPECTION	KLA 2139	[GRAPHIC]	200208
K00002145	SEM	S9220 (Photo)	[GRAPHIC]	200302
K00002146	REVIEW SEM	SEMVISION	[GRAPHIC]	200301
K00002147	WAFER INSPECTION	KLA 2119	[GRAPHIC]	200210
K00002173	SEM	S9220 (Photo)	[GRAPHIC]	200206

[GRAPHIC]

[GRAPHIC]

ACCOUNTS RECEIVABLES TRUST AGREEMENT

FASL JAPAN LIMITED (the "Settlor") and Mizuho Trust & Banking Co., Ltd. (the "Trustee") enter into this trust agreement (this "Agreement," and the trust established under this Agreement, the "Trust"), which consists of the following terms and conditions.

CHAPTER 1 GENERAL PROVISIONS

1. DEFINITIONS

In this Agreement, the following terms shall have the meanings set forth below.

- 1.1 "Administration Method Instruction" has the meaning given in Clause 24.1 of this Agreement.
- 1.2 "Agent" means the Mizuho Corporate Bank, Ltd. in the capacity of the agent as appointed by the Lenders under the Creditors' Agreement.
- 1.3 "Application for Additional Entrustment of Funds" means a document substantially in the form attached hereto as Schedule 2.
- 1.4 "Beneficial Interests" means the beneficial interests accrued under this Agreement.
- 1.5 "Beneficiary" means a person having the Beneficial Interests.
- 1.6 "Business Day" means any day other than those that are bank holidays in Japan.
- 1.7 "Collection Account" means the following account:

Name and Branch of Bank:	Mizuho Corporate Bank, Ltd., Uchisaiwaicho 1 st Corporate Banking Division
Account Type:	Ordinary Savings Account
Account Number:	****
Account Name:	FASL JAPAN LIMITED Account held by Mizuho Trust & Banking Co., Ltd. as the trustee of the Monetary Receivables Trust

- 1.8 "Collection Calculation Date" means, collectively, the Regular Collection Calculation Date and the Extraordinary Collection Calculation Date; provided, however, that the Trust Termination Date shall be the last Collection Calculation Date.
- 1.9 "Collection Calculation Period" means the period commencing on the day (inclusive) immediately following the Collection Calculation Date immediately

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

preceding each Collection Calculation Date and ending on the relevant Collection Calculation Date (inclusive); provided, however, that the initial Collection Calculation Period shall commence on March 25, 2004 (inclusive) and the final Collection Calculation Period shall end on the Trust Termination Date.

- 1.10 **“Collection Delivery Date”** means, collectively, the Regular Collection Delivery Date and the Extraordinary Collection Delivery Date.
- 1.11 **“Consumption Tax”** means, collectively, consumption tax and local consumption tax in Japan.
- 1.12 **“Consumption Tax and Other Tax”** means Consumption Tax, goods and services tax (GST) in Singapore, value added tax (VAT) in Germany and any other taxes separately agreed between the Settlor and the Trustee as taxes payable by the Settlor that are directly imposed on the execution and performance of the Purchase and Sale Related Agreements.
- 1.13 **“Counter-Performed Trust Receivables”** means the Trust Receivables (excluding the Ineligible Receivables) corresponding to the accounts receivables for the items that are sold and purchased, the delivery and inspection of which is completed, except for the Trust Receivables that are the Fixed Trust Receivables.
- 1.14 **“Counter-Performed Trust Receivables Amount”** means the principal amount of the Counter-Performed Trust Receivables.
- 1.15 **“Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)”** means the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) relating to the Counter-Performed Trust Receivables Amount.
- 1.16 **“Counter-Performed Trust Receivables Amount (Goods’ Value Equivalent)”** means the Counter-Performed Trust Receivables Amount minus the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent).
- 1.17 **“Damages”** has the meaning given in Clause 6.1 (1) of this Agreement.
- 1.18 **“Estimated Trust Receivables Collection Amount”** has the meaning given in Clause 19.1 of this Agreement.
- 1.19 **“Estimated Trust Receivables Collection Amount (Consumption Tax and Other Tax Equivalent)”** means the amount to be paid as the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) among the Estimated Trust Receivables Collection Amount.
- 1.20 **“Estimated Trust Receivables Collection Amount (Goods’ Value Equivalent)”** means the amount to be paid as the Trust Receivables Amount (Goods’ Value Equivalent) among the Estimated Trust Receivables Collection Amount.
- 1.21 **“Exemption Event”** has the meaning given in Clause 1 of the Loan Agreements.
- 1.22 **“Existing Trust Receivables”** means the accounts receivables from the Third Party

Obligor under the Purchase and Sale Related Agreements that exist as of the execution date of this Agreement.

- 1.23 “**Expenses**” means taxes and other public charges relating to the Trust Property and expenses necessary for the trust administrative services (including, without limitation, expenses relating to the delegation of the Trust Administrative Services under Clause 21).
- 1.24 “**Expiration Date**” means June 29, 2007 (or the immediately following Business Day if such date is not a Business Day).
- 1.25 “**Extraordinary Collection Calculation Date**” means, if the Trustee receives the Settlor’s Extraordinary Report, the day immediately preceding the date of receipt (or the immediately preceding Business Day if such date is not a Business Day). If the Extraordinary Collection Calculation Date corresponds to the Regular Collection Calculation Date, such date shall be deemed as the Regular Collection Calculation Date and not as the Extraordinary Collection Calculation Date.
- 1.26 “**Extraordinary Collection Delivery Date**” means the fourth (4th) Business Day after the Extraordinary Collection Calculation Date.
- 1.27 “**Fixed Trust Property Value**” means the sum of (i) the Fixed Trust Receivables Amount (Goods’ Value Equivalent) and (ii) the amount of the funds within the Trust Property minus the amount of the Trust Receivables Collections (Consumption Tax and Other Tax Equivalent).
- 1.28 “**Fixed Trust Receivables**” means the Trust Receivables (excluding the Ineligible Receivables) indicated in invoices sent by the Settlor to the Third Party Obligor under Clause 5.2 of the Purchase and Sale Agreement during each calendar month after the Set-off Treatment for such calendar month is complete.
- 1.29 “**Fixed Trust Receivables Amount**” means the principal amount of the Fixed Trust Receivables. Such amount shall be set forth in the Payment Notice relating to the relevant calendar month as the amount to be paid by the Third Party Obligor to the Trustee by the Trust Receivables Due Date.
- 1.30 “**Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)**” means the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) relating to the Fixed Trust Receivables.
- 1.31 “**Fixed Trust Receivables Amount (Goods’ Value Equivalent)**” means the Fixed Trust Receivables Amount minus the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent).
- 1.32 “**Floating Pledge**” has the meaning given in Clause 18.2 of this Agreement.
- 1.33 “**Floating Pledge Agreement**” means the Floating Pledge Agreement entered into between the Settlor and the Lenders as of March 25, 2004 (as amended).
- 1.34 “**Floating Pledge Enforcement Notice**” has the meaning given in Clause 20.1 of this Agreement.

- 1.35 “**Ineligible Receivables**” means the Trust Receivables that do not satisfy the eligibility criteria provided for in Clause 6.1, including the Existing Trust Receivables that cease to satisfy such eligibility criteria after the execution date of this Agreement and the Prospective Trust Receivables that cease to satisfy such eligibility criteria after the date on which such Prospective Trust Receivables arise.
- 1.36 “**Instructor**” has the meaning given in Clause 24.1 of this Agreement.
- 1.37 “**Interest Collections**” means the amounts received by the Trustee with respect to the Trust Property during each Collection Calculation Period, which constitute the trust proceeds pursuant to Clause 25.2.
- 1.38 “**Lenders**” means, collectively, Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd. and The Norinchukin Bank as the Lenders and their respective successors under the Loan Agreements.
- 1.39 “**Lending Obligation**” means, collectively, the Lending Obligation A and Lending Obligation B.
- 1.40 “**Lending Obligation A**” has the meaning given in Clause 1 of the Loan Agreement A.
- 1.41 “**Lending Obligation B**” has the meaning given in Clause 1 of the Loan Agreement B.
- 1.42 “**Loan Agreement A**” means the Revolving Line Agreement (A) (as amended or renewed) entered into by Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd. and The Norinchukin Bank, and the Settlor as of March 25, 2004.
- 1.43 “**Loan Agreement B**” means the Revolving Line Agreement (B) (as amended or renewed) entered into by Mizuho Corporate Bank, Ltd. and the Settlor as of March 25, 2004.
- 1.44 “**Loan Agreements**” means, collectively, the Loan Agreement A and the Loan Agreement B.
- 1.45 “**Loan Receivables**” means the Lenders’ loan receivables from the Settlor under the Loan Agreements.
- 1.46 “**Majority Lenders**” has the meaning given in Clause 1 of the Creditor’s Agreement.
- 1.47 “**Memorandum regarding Trust Fees**” has the meaning given in Clause 29.1 of this Agreement.
- 1.48 “**Payment Notice**” means a notice given by the Third Party Obligor to the Settlor on or before the second (2nd) Business Day after the last day of each month under the Purchase and Sale Related Agreements that specifies (i) the Trust Receivables the Third Party Obligor will pay to the Trustee on the forty-fifth (45th) day after the last

day of the calendar month after the Set-off Treatment and (ii) the amount of such Trust Receivables.

- 1.49 **“Principal Collections”** means the amounts that the Trustee receives with respect to the Trust Property during each Collection Calculation Period, which are to constitute the trust principal pursuant to Clause 25.1.
- 1.50 **“Prospective Trust Receivables”** means the accounts receivables from the Third Party Obligor under the Purchase and Sale Related Agreements that arise during a period from the day immediately following the execution date of this Agreement (inclusive) to the Trust Termination Date with respect to the Third Party Obligor (inclusive).
- 1.51 **“Purchase and Sale Agreement”** means the Purchase and Sale Agreement entered into between the Settlor and the Third Party Obligor as of February 23, 2004 (as amended).
- 1.52 **“Purchase and Sale Related Agreements”** means the Purchase and Sale Agreement and each individual agreement under the Purchase and Sale Agreement.
- 1.53 **“Regular Collection Calculation Date”** means the fifteenth (15th) day or the last day of each month (or the immediately following Business Day if such date is not a Business Day); provided, however, that the first Regular Collection Calculation Date shall be March 31, 2004.
- 1.54 **“Regular Collection Delivery Date”** means the fourth (4th) Business Day after the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to such Regular Collection Date, or the sixth (6th) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to such Regular Collection Date.
- 1.55 **“Related Documents”** means documents certifying the execution of the Purchase and Sale Related Agreements and any other documents relating to the Purchase and Sale Related Agreements.
- 1.56 **“Repayment Formula Revision Event”** has the meaning given in Clause 20.1 of this Agreement.
- 1.57 **“Repurchase Price”** has the meaning given in Clause 26.1 of this Agreement.
- 1.58 **“Set-off Treatment”** means the Third Party Obligor’s setting off of a certain amount of the Counter-Performed Trust Receivables against the equivalent amount of the Third Party Obligor’s receivables from the Settlor that become due in the relevant calendar month, by specifying its intention to do so on the Payment Notice to the Settlor on or before the second (2nd) Business Day after the last day of each calendar month.
- 1.59 **“Settlor’s Extraordinary Report”** has the meaning given in Clause 19.2 of this Agreement.

- 1.60 “**Settlor’s Regular Report**” has the meaning given in Clause 19.1 of this Agreement.
- 1.61 “**Settlor’s Regular Report Deadline**” means (i) 3 p.m. on the Business Day immediately following the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Settlor’s Regular Report relating to such Regular Collection Calculation Date, or (ii) 3 p.m. on the third (3rd) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Settlor’s Regular Report relating to such Regular Collection Calculation Date.
- 1.62 “**Settlor’s Report**” means, collectively, the Settlor’s Regular Report and the Settlor’s Extraordinary Report.
- 1.63 “**Settlor’s Report Form**” means the form attached hereto as Schedule 4. Provided, however, that the Settlor, the Trustee and the Agent may change such form upon mutual agreement.
- 1.64 “**Third Party Obligor**” means FUJITSU LIMITED.
- 1.65 “**Total Outstanding Balance**” means the sum of the Total Outstanding Balance A and the Total Outstanding Balance B.
- 1.66 “**Total Outstanding Balance A**” has the meaning given in Clause 1 of the Loan Agreement A.
- 1.67 “**Total Outstanding Balance B**” has the meaning given in Clause 1 of the Loan Agreement B.
- 1.68 “**Trust Administrative Services**” means the administrative services relating to the administration and collection of the Trust Receivables (including, without limitation, (i) custody and administration of the Related Documents; (ii) administration of the balances relating to the Trust Receivables; and (iii) receipt of payment relating to the Trust Receivables).
- 1.69 “**Trust Assignment**” means assignment of the Trust Receivables from the Settlor to the Trustee pursuant to this Agreement.
- 1.70 “**Trust Calculation Date**” means (i) the second (2nd) Business Day after the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) relating to such Collection Calculation Date, or (ii) the fourth (4th) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) relating to such Collection Calculation Date.

- 1.71 **“Trust Property Maintenance Standards”** means, in each case set forth below, the following conditions:
- (1) In the case where the Total Outstanding Balance A exists and Total Outstanding Balance B does not exist, the Fixed Trust Property Value shall be no less than 101% of the Total Outstanding Balance A;
 - (2) In the case where both the Total Outstanding Balance A and the Total Outstanding Balance B exist, (i) the Counter-Performed Trust Receivables Amount (Goods’ Value Equivalent) shall be no less than 120% of the Total Outstanding Balance minus the Fixed Trust Property Value, and (ii) the Fixed Trust Property Value shall be no less than 101% of the Total Outstanding Balance A, and for avoidance of doubt, this condition shall be satisfied if (i) the Fixed Trust Property Value is no less than the Total Outstanding Value and (ii) the Fixed Trust Property Value is no less than 101% of the Total Outstanding Balance A;
 - (3) In the case where the Total Outstanding Balance B exists and the Total Outstanding Balance A does not exist, the Counter-Performed Trust Receivables Amount (Goods’ Value Equivalent) shall be no less than 120% of the Total Outstanding Balance B minus the Fixed Trust Property Value, and for avoidance of doubt, this condition shall be satisfied if the Fixed Trust Property Value is no less than the Total Outstanding Balance B; or
 - (4) In the case where neither the Total Outstanding Balance A nor the Total Outstanding Balance B exist, there shall be no conditions.
- 1.72 **“Trust Property”** means all property arising from the Trust Receivables and as a result of the management and disposal of the Trust Receivables.
- 1.73 **“Trust Receivables”** means, collectively, the Existing Trust Receivables and the Prospective Trust Receivables.
- 1.74 **“Trust Receivables Amount”** means the principal amount of the Trust Receivables.
- 1.75 **“Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)”** means, with respect to each Trust Receivables, if the Settlor incurs tax liabilities relating to Consumption Tax and Other Tax that are directly imposed on the execution and performance of the Purchase and Sale Related Agreements under which the Trust Receivables arise, the amount of such taxes payable by the Settlor among the Trust Receivables Amount relating to such Trust Receivables.
- 1.76 **“Trust Receivables Collections”** means all amounts that the Trustee receives from the Third Party Obligor or other persons as repayment of their debts relating to the Trust Receivables.
- 1.77 **“Trust Receivables Collections (Consumption Tax and Other Tax Equivalent)”** means the amounts that the Trustee deems as payments relating to the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) among the Trust Receivables Collections based on the Settlor’s Report, or the amounts that the Agent reasonably deems as payments relating to the Trust Receivables (Consumption Tax and Other Tax Equivalent) among the Trust Receivables Collections based on other reports from the Settlor if the Trustee cannot determine the amounts to be paid

relating to the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent), including the cases where the Estimated Trust Receivables Collection Amount set forth in the Settlor's Report are inconsistent with the amount of the Trust Receivables Collections, or any false information is discovered or possibly exists in the Settlor's Report.

- 1.78 **"Trust Receivables Due Date"** means, with respect to each Trust Receivables, the fifteenth (15th) day (or the immediately following Business Day if such date is not a Business Day) of the second (2nd) month after each calendar month in which the Settlor sends an invoice indicating such Trust Receivables to the Third Party Obligor under Clause 5.2 of the Purchase and Sale Agreement.
- 1.79 **"Trust Termination Date"** means the earliest of the following dates:
- (1) the Expiration Date (or if the Loan Receivables remains and the obligation of the Borrower relating to the Loan Receivables has become immediately due and payable as of the Expiration Date, the Regular Collection Calculation Date first occurring after the date three (3) months after the date on which such obligation of the Borrower becomes immediately due and payable);
 - (2) the Regular Collection Calculation Date first occurring after the date on which (i) the Loan Receivables cease to exist and (ii) the Agent recognizes that the prospect of the Loan Receivables arising thereafter has ceased to exist due to the termination of the Loan Agreements or extinguishment of the Lending Obligation;
 - (3) the Regular Collection Calculation Date first occurring after the date on which (i) the outstanding balance with respect to the Trust Receivables ceases to exist and (ii) the Agent recognizes that the prospect of the Trust Receivables arising thereafter has ceased to exist; or
 - (4) the Regular Collection Calculation Date first occurring after the date on which the Trustee dispatches a notice of its intent to terminate this Agreement under Clause 32 hereof.
- 1.80 **"Trustee's Extraordinary Report"** has the meaning given in Clause 27.2 of this Agreement.
- 1.81 **"Trustee's Regular Report"** has the meaning given in Clause 27.1 of this Agreement.
- 1.82 **"Trustee's Regular Report Deadline"** means (i) 12 p.m. on the third (3rd) Business Day after the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Trustee's Regular Report relating to such Regular Collection Calculation Date, or (ii) 12 p.m. on the fifth (5th) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Trustee's Regular Report relating to such Regular Collection Calculation Date.

2. PURPOSE OF THE TRUST

The Settlor has entrusted the Trust Receivables to the Trustee, and the Trustee has accepted such Trust Receivables as of the execution date of this Agreement for the purpose of managing and disposing such Trust Receivables for the benefit of the Beneficiary.

3. ADDITIONAL ENTRUSTMENT OF FUNDS

- 3.1 If it is found that the Trust Property Maintenance Standards are not satisfied, the Settlor shall first give notice of its intent to entrust additional funds pursuant to the provisions of Clause 3.2 to the Trustee (the "Notice of Additional Entrustment of Funds") and then entrust additional funds sufficient to satisfy the Trust Property Maintenance Standards to the Trustee on or before the Business Day immediately following the date on which it is found that the Trust Property Maintenance Standards are not satisfied, unless the Settlor notifies the Agent pursuant to Clause 14.4(i) of the Loan Agreements of its intent to pay to the Lenders all or any part (sufficient to satisfy the Trust Property Maintenance Standards) of the Loan Receivables (the "Prepayment Notice") by 11 a.m. on the Business Day immediately following the date on which it is found that the Trust Property Maintenance Standards are not satisfied. Upon receipt of the additional funds, the Trustee shall notify the Agent of the amount of the additional funds immediately (but no later than the second (2nd) Business Day after the date of receipt of the additional funds).
- 3.2 The Settlor shall give the Prepayment Notice and the Notice of Additional Entrustment of Funds to the Trustee and the Agent in a form separately agreed upon between the Settlor, the Trustee and the Agent by 11 a.m. on the Business Day immediately following the date on which it is found that the Trust Property Maintenance Standards set forth in Clause 3.1 are not satisfied. In addition, the Settlor shall submit the Application of Additional Entrustment of Funds in Schedule 2 to the Trustee (and at the same time deliver a copy of the Application for Additional Entrustment of Funds to the Agent) when it gives the Notice of Additional Entrustment of Funds.
- 3.3 In addition to the case set forth in Clause 3.1, if the Settlor, the Trustee and the Agent separately agree, the Settlor may submit the Application for Additional Entrustment of Funds to the Trustee (and at the same time deliver a copy of the Application for Additional Entrustment of Funds to the Agent) and entrust additional funds to the Trustee. Upon receipt of the additional funds, the Trustee shall notify the Agent of the amount of the additional funds immediately (but no later than the second (2nd) Business Day after the date of receipt of the additional funds).

4. TERM OF THE TRUST

The term of this Agreement shall commence on the execution date of this Agreement and end on the Trust Termination Date.

5. TRANSFER OF THE INITIAL TRUST RECEIVABLES

- 5.1 The Settlor shall assign the Trust Receivables to the Trustee as of the execution date of this Agreement as provided for in this Agreement, and the Settlor and the Trustee hereby confirm without objection that the Trust Assignment is a true and valid assignment and it is their intent that such assignment of the Trust Receivables will be a true and valid assignment. For avoidance of doubt, tax liabilities relating to Consumption Tax and Other Tax incurred by the Settlor shall not be assigned to the Trustee due to such Trust Assignment.
- 5.2 The assignment of the Existing Trust Receivables from the Settlor to the Trustee shall become valid as of the execution date of this Agreement.
- 5.3 The assignment of the Prospective Trust Receivables from the Settlor to the Trustee shall automatically become valid when the Prospective Trust Receivables arise without any action by the Settlor or the Trustee.

6. ELIGIBILITY CRITERIA FOR TRUST RECEIVABLES

- 6.1 The Settlor represents and warrants to the Trustee and the Beneficiary that each of the following matters is true and correct with respect to the Trust Receivables, the Purchase and Sale Related Agreements and the Third Party Obligor as of (i) the execution date of this Agreement with respect to the Existing Trust Receivables, or (ii) the date on which the Prospective Trust Receivables arise with respect to the Prospective Trust Receivables. Provided, however, that the Trustee is not obliged to verify whether the eligibility criteria set forth in this Clause 6.1 are satisfied.
- (1) The Trust Receivables satisfies all of the eligibility criteria set forth below as of (i) the execution date of this Agreement with respect to the Existing Trust Receivables, or (ii) the date on which the Prospective Trust Receivables arise with respect to the Prospective Trust Receivables:
- (i) the Third Party Obligor is a resident of Japan and is a corporation;
 - (ii) the payment terms of the Trust Receivables are subject to the provisions of the Purchase and Sale Agreement;
 - (iii) the outstanding balance and the payment date of the Counter-Performed Trust Receivables and the Fixed Trust Receivables among the Existing Trust Receivables (the outstanding balance of the Counter-Performed Trust Receivables shall be the amount as of March 15, 2004) is as set forth in Schedule 1 and all other provisions regarding the Trust Receivables in Schedule 1 are true and accurate, and the outstanding balance of the Counter-Performed Trust Receivables as of the execution date of this Agreement does not fall below the outstanding balance of the Counter-Performed Trust Receivables set forth in Schedule 1;
 - (iv) the Trust Receivables arise in the normal course of business of the Settlor;
 - (v) the Trust Receivables shall be collected on the Trust Receivables Due Date;
 - (vi) the Trust Receivables are the sole property of the Settlor, and the Settlor holds all right, title and interest in and to the Trust Receivables;
 - (vii) the Trust Receivables and the Purchase and Sale Agreement constitute the obligations of the Third Party Obligor that are lawful, valid, binding and enforceable in accordance with the terms thereof;

- (viii) the Third Party Obligor has not been or is not likely to be in default or otherwise in breach of the Trust Receivables or the Purchase and Sale Agreement;
- (ix) the Trust Receivables have not been entirely or partially extinguished due to nullification or termination of the Purchase and Sale Agreement, or payment or set-off of the Trust Receivables (except for the extinguishment due to the Set-off Treatment);
- (x) no event has occurred that would cause all or a part of the Trust Receivables to lapse or give rise to defenses by the Third Party Obligor to the performance of its obligations thereunder on the prescribed payment date, including, without limitation, nullification, termination, cancellation or novation of the Trust Receivables or the Purchase and Sale Agreement (excluding defenses based on the Set-off Treatment), nor has the Third Party Obligor claimed that such an event has occurred, and there is no threat thereof. The accrual of the Trust Receivables from the Third Party Obligor shall not be subject to any avoiding power (*hinin-ken*);
- (xi) no petition for attachment (*sashiosae*), provisional attachment (*kari-sashiosae*), provisional disposition (*kari-shobun*), preservative disposition (*hozen-shobun*), compulsory execution, auction, or disposition to collect tax delinquencies has been filed by a third party with respect to the Trust Receivables or against the Trust Receivables, nor are there any rights, security interests or other encumbrances that have caused, or are likely to cause any damage, loss, expense or liability (collectively, the “Damages”) to the Trust Property;
- (xii) assignment of the Trust Receivables is not prohibited for any reason, and neither prior notice to nor prior approval from the Third Party Obligor is required with respect to any assignment, transfer or other disposal of the Trust Receivables, and if such notice or approval is required, it has been provided or obtained;
- (xiii) no provision of the Purchase and Sale Agreement has been amended, released or waived, and no disposal has been made that is likely to affect the Trust or any rights of the Beneficiary, including assignment or sale to a third party of, or creation of security interests on, the Trust Receivables;
- (xiv) no promissory note, bill of exchange, check or other security has been issued with respect to the payment of the Trust Receivables; and
- (xv) no lawsuit, arbitration, administrative procedure, or other dispute has commenced or is likely to commence with respect to the Trust Receivables or the Purchase and Sale Agreement, and no lawsuit, arbitration, administrative procedure, or other dispute, or any event that would give rise to such lawsuit, arbitration, administrative procedure, or other dispute, has occurred with the Third Party Obligor and any other third party.

- (2) None of the following events has occurred with respect to the Third Party Obligor as of (i) the execution date of this Agreement, with respect to the Existing Trust Receivables, or (ii) the date on which the Prospective Trust Receivables arise, with respect to the Prospective Trust Receivables:
- (i) suspension of payment, or a petition of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjisaieitetsuzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseitetsuzuki-kaishi*), commencement of corporate rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures (including, without limitation, similar procedures taken outside Japan);
 - (ii) resolution for dissolution or order of dissolution;
 - (iii) suspension or abolishment of the business, or disposition such as suspension of business by competent government authorities;
 - (iv) dishonor of a check or note;
 - (v) a petition for attachment (*sashiosae*), provisional attachment (*kari-sashiosae*), provisional disposition (*kari-shobun*), preservative disposition (*hozen-shobun*), compulsory execution, auction, or disposition to collect tax delinquencies filed against its property;
 - (vi) a demand or a disposition to collect tax delinquencies due to nonpayment of taxes;
 - (vii) failure to perform all or a part of its payment obligations under the Purchase and Sale Related Agreements when due;
 - (viii) any breach of its obligations under the Purchase and Sale Related Agreements;
 - (ix) occurrence of an event of termination or acceleration under the Purchase and Sale Related Agreements;
 - (x) failure to perform its pecuniary obligations other than those under the Purchase and Sale Related Agreements without reasonable cause within five (5) Business Days of receiving a demand therefor (provided that the aggregate amount of a single pecuniary obligation shall exceed one billion (1,000,000,000) yen for this provision to apply);
 - (xi) failure to satisfy the normal credit standards adopted by the Settlor; or
 - (xii) occurrence of any event that the Trustee deems to affect the preservation of the Trust Receivables.
- 6.2 The Settlor acknowledges that the Trustee is entering into this Agreement in reliance upon the representations and warranties made by the Settlor in Clause 6.1.

7. REPRESENTATIONS AND WARRANTIES OF THE SETTLOR AND THE TRUSTEE

- 7.1 The Settlor represents and warrants to the Trustee and the Beneficiary that each of the following matters is true and correct as of the execution date of this Agreement.
- (1) The Settlor is a stock company duly incorporated and validly existing under the laws of Japan.
 - (2) The Settlor has full legal competence necessary for the execution and

performance of this Agreement, the execution and performance of this Agreement by the Settlor and any transactions associated therewith are within the corporate purposes of the Settlor and the Settlor has duly completed all procedures necessary therefor under laws and ordinances, the Articles of Incorporation and other internal company rules of the Settlor.

- (3) The execution and performance of this Agreement by the Settlor and any transactions associated therewith will not result in (a) any violation of laws and ordinances that bind the Settlor, (b) any breach of the Articles of Incorporation or other internal company rules of the Settlor, or (c) any breach in any material respect of a third-party contract to which the Settlor is a party or which binds the Settlor or the assets of the Settlor.
 - (4) This Agreement constitutes legal, valid and binding obligations of the Settlor, and is enforceable against the Settlor in accordance with the terms of thereof.
 - (5) After the last day of the fiscal year ended in March 2003, there has been no material change that will cause a significant deterioration of the business, assets, or financial condition of the Settlor described in the audited fiscal statement of that fiscal year or that may materially affect the performance of the obligations of the Settlor under this Agreement.
 - (6) No lawsuit, arbitration, administrative procedure, or other dispute has commenced, or is likely to commence to the best knowledge of the Settlor, with respect to the Settlor, that will or may materially cause adverse effects on the performance of its obligations under this Agreement.
 - (7) No acceleration event described in the Loan Agreements has occurred or is likely to occur.
- 7.2 The Trustee represents and warrants to the Settlor and the Beneficiary that each of the following matters is true and correct as of the execution date of this Agreement.
- (1) The Trustee is a stock company duly incorporated and validly existing under the laws of Japan.
 - (2) The Trustee has full legal competence necessary for the execution and performance of this Agreement, the execution and performance of this Agreement by the Trustee and any transactions associated therewith are within the corporate purposes of the Trustee and the Trustee has duly completed all procedures necessary therefor under laws and ordinances, the Articles of Incorporation and other internal company rules of the Trustee.
 - (3) The execution and performance of this Agreement by the Trustee and any transactions associated therewith will not result in (a) any violation of laws and ordinances that bind the Trustee, (b) any breach of the Articles of Incorporation or other internal company rules of the Trustee, or (c) any breach in any material respect of a third-party contract to which the Trustee is a party or which binds the Trustee or the assets of the Trustee.
 - (4) This Agreement constitutes legal, valid and binding obligations of the Trustee,

and is enforceable against the Trustee in accordance with the terms of thereof.

- (5) After the last day of the fiscal year ended in March 2003, there has been no material change that will cause a significant deterioration of the business, assets, or financial condition of the Trustee described in the audited fiscal statement of that fiscal year or that may materially affect the performance of the obligations of the Trustee under this Agreement.
- (6) No lawsuit, arbitration, administrative procedure, or other dispute has commenced, or is likely to commence to the best knowledge of the Trustee, with respect to the Trustee, that will or may materially cause adverse effects on the performance of its obligations under this Agreement.
- (7) None of the following events has occurred or is likely to occur with respect to the Trustee:
 - (i) suspension of payment, or a petition of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjisaiteitetsuzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseitetsuzuki-kaishi*), commencement of corporate rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures (including, without limitation, similar procedures taken outside Japan);
 - (ii) resolution for dissolution or order of dissolution;
 - (iii) suspension or abolishment of the business, or disposition such as suspension of business by competent government authorities;
 - (iv) suspension of transactions by a clearing house; or
 - (v) deterioration of its business or financial conditions that would affect the performance of its obligations under this Agreement.

8. COVENANTS BY THE SETTLOR

The Settlor hereby covenants to the Trustee that, during the term of the Trust, the Settlor:

- (1) will immediately deliver to the Trustee, in readily cashable funds, any funds that should be included in the Trust Property, such as principal or delinquency charges, regardless of the name or nature of such funds, that are received by the Settlor with respect to the Trust Receivables after the execution date of this Agreement;
- (2) will duly exercise and perform all of its rights and obligations under the Purchase and Sale Related Agreements, in accordance with all applicable laws and ordinances and the terms of the Purchase and Sale Related Agreements;
- (3) will not take an action that is likely to cause Damages to the Trust Property or adversely affect the rights of the Trustee or the Beneficiary under this Agreement, including termination of the Purchase and Sale Agreement,

amendment, release or waiver of the terms of the Purchase and Sale Related Agreements, or assignment or pledge of, or creation of security interests on, the Trust Receivables to a third party other than the Trustee;

- (4) will not take any action that will allow the Third Party Obligor or another third party to acquire grounds for or a right of defense against the Trustee with respect to the Trust Receivables or otherwise prejudice the rights of the Trustee and the Beneficiary relating to the Trust Receivables;
- (5) will notify the Trustee without delay of the occurrence of any event that will materially affect the financial or business conditions of the Settlor; and
- (6) will comply with all matters prescribed in this Agreement.

9. INDEMNIFICATION

The Settlor shall indemnify the Trustee for any Damages suffered or incurred by the Trustee or the Trust Property due to the Settlor's breach of its representations and warranties set forth in Clauses 6.1 and 7.1 or its obligations under this Agreement. If the Settlor does not indemnify the Trustee for Damages suffered or incurred by the Trustee, the Trustee may be indemnified out of the funds within the Trust Property.

10. PERFECTION OF ASSIGNMENT

- 10.1 The Settlor shall obtain a written approval of the Third Party Obligor bearing a certified date (*kakutei-hizuke*) in the form prescribed in Schedule 3 with respect to the Trust Assignment and deliver such written approval to the Trustee.
- 10.2 Upon receipt of the written approval set forth in Clause 10.1, the Trustee shall deliver to the Agent a copy of such written approval together with a notarized document with the Trustee's seal affixed thereto certifying that such copy is a true copy of the original and the original is kept by the Trustee.
- 10.3 The Settlor shall bear all expenses necessary for the procedures set forth in Clause 10.2.

11. DELIVERY OF RECEIVABLES CERTIFICATES

- 11.1 The Settlor shall deliver the Related Documents held by the Settlor as of the execution date of this Agreement to the Trustee by way of agreement on possession (*senyu kaitei*) at the time of execution of this Agreement.
- 11.2 If the Settlor comes to hold, after the execution date of this Agreement, the Related Documents that were not held by the Settlor at the time of execution of this Agreement, the Settlor shall immediately deliver to the Trustee such Related Documents by way of agreement on possession (*senyu kaitei*).
- 11.3 Notwithstanding the provisions in Clauses 11.1 and 11.2, the Settlor shall, upon request by the Trustee, deliver the Related Documents to the Trustee by way of actual delivery, or provide the Trustee with access to the Related Documents.

12. INDICATION OF THE TRUST

- 12.1 With respect to the Trust Property, the Trustee may omit to register or record, or indicate or describe the trust unless it deems it necessary.
- 12.2 If the cooperation of the Settlor is needed with respect to the indication of the trust, the Settlor shall cooperate with the Trustee as necessary.

13. DUE DILIGENCE OBLIGATIONS

The Trustee shall not be liable for the Damages incurred by the Trust Property or the Beneficiary that are not due to its willful misconduct or negligence to the extent that the Trustee provides the Trust Administrative Services with the due care of a good manager and in accordance with the provisions of this Agreement.

CHAPTER 2 BENEFICIAL INTERESTS

14. BENEFICIARY

The initial Beneficiary of the principal and proceeds of the Trust under this Agreement shall be the Settlor.

15. TYPE OF THE BENEFICIAL INTERESTS

There shall be one (1) type of Beneficial Interests created in the Trust. The initial principal amount of the Beneficial Interests shall be 8,267,443,188yen, which corresponds to the amount of the initial trust principal.

16. DIVISION OF THE BENEFICIAL INTERESTS

The Beneficiary may not divide the Beneficial Interests into units without prior written approval from the Trustee.

17. ISSUANCE OF BENEFICIAL INTERESTS CERTIFICATES

- 17.1 The Trustee may omit issuing the Beneficial Interests certificates unless requested by the Beneficiary.
- 17.2 If the Beneficiary assigns all or a part of its Beneficial Interests in accordance with the provisions of Clause 18, the Trustee shall collect from the Beneficiary those Beneficial Interests certificates already issued (if any) and shall deliver new Beneficial Interests certificates to the new Beneficiary.

18. ASSIGNMENT AND PLEDGE OF THE BENEFICIAL INTERESTS

- 18.1 The Beneficiary may not assign to a third party, create a security interest on, or otherwise dispose of the Beneficial Interests, without prior written approval from the Trustee.

- 18.2 Notwithstanding the provisions of Clause 18.1, the Beneficiary may create first-priority and second-priority floating pledges (collectively, the "Floating Pledges") on the Beneficial Interests for the benefit of each Lenders. The Trustee shall approve the creation of the Floating Pledges by issuing a certificate bearing a certified date (*kakutei-hizuke*).
- 18.3 The Trustee hereby approves in advance that the Beneficial Interests may be assigned to the Lenders through enforcement of the Floating Pledges. The Trustee shall give written approval bearing a certified date (*kakutei-hizuke*) if necessary for the purpose of perfecting the assignment of the Beneficial Interests.

CHAPTER 3 MANAGEMENT AND DISPOSAL OF THE TRUST PROPERTY

19. REPORT REGARDING THE TRUST RECEIVABLES BY THE SETTLOR

- 19.1 The Settlor shall report to the Trustee in the Settlor's Report Form by each Settlor's Regular Report Deadline (i) the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)) as of the immediately preceding Regular Collection Calculation Date, (ii) the Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)) as of the immediately preceding Regular Collection Calculation Date, (iii) the amount to be paid by the Third Party Obligor as of the next Trust Receivables Due Date as the payment relating to the Trust Receivables (the "Estimated Trust Receivables Collection Amount") (broken down into the Estimated Trust Receivables Collection Amount (Goods' Value Equivalent) and the Estimated Trust Receivables Collection Amount (Consumption Tax and Other Tax Equivalent)), and (iv) any other matters required to be reported in the Settlor's Report Form (these reports shall be referred to as the "Settlor's Regular Report").
- 19.2 If it is discovered that the Settlor's Regular Report contains false information, the Settlor shall immediately report to the Trustee in the Settlor's Report Form the true information of the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), Estimated Trust Receivables Collection Amount (broken down into the Estimated Trust Receivables Collection Amount (Goods' Value Equivalent) and the Estimated Trust Receivables Collection Amount (Consumption Tax and Other Tax Equivalent)) and any other matters required to be reported in the Settlor's Report Form (these reports shall be referred to as the "Settlor's Extraordinary Report"), unless it is apparent that, even if based on the true information of the Fixed Trust Receivables Amount and Counter-Performed Trust Receivables Amount (and the breakdowns thereof), (i) the Fixed Trust Property Value is not less than the Total Outstanding Balance A at the time such information was discovered to be false, and

(ii) the Counter-Performed Trust Receivables Amount is not less than 120% of the Total Outstanding Balance at the time the such information was discovered to be false minus the Fixed Trust Property Value. If the Settlor makes the Settlor's Extraordinary Report, it shall reflect the details of such Settlor's Extraordinary Report in the next Settlor's Regular Report.

- 19.3 In addition to the report described in Clause 19.2, the Settlor shall, upon request by the Trustee, immediately report to the Trustee any matters regarding the Trust Property relating to such request.
- 19.4 The Settlor shall indemnify the Trustee, the Agent or the Lenders for any Damages suffered by them due to false information in the reports described in Clauses 19.1 and 19.2.

20. FLOATING PLEDGE ENFORCEMENT NOTICE

- 20.1 If the Trustee receives from the Agent a written notice to the effect that the Floating Pledges will be enforced (the "Floating Pledge Enforcement Notice") (the receipt of the Floating Pledge Enforcement Notice by the Trustee shall be referred to as a "Repayment Formula Revision Event"), the Trustee shall immediately prepare a written document bearing a certified date (*kakutei-hizuke*) that certifies the receipt of the Floating Pledge Enforcement Notice by the Trustee as described in the Floating Pledge Enforcement Notice, and deliver such document to the Agent.
- 20.2 The Trustee is not obliged to inspect and confirm whether the details of the Floating Pledge Enforcement Notice are valid under the Floating Pledge Agreement relating to the Floating Pledges, this Agreement or other agreements relating to the enforcement of the Floating Pledges. The Trustee shall not be liable for indemnifying the Settlor for any Damages suffered by the Settlor due to the Trustee treating the Floating Pledge Enforcement Notice as valid although it is invalid.

21. DELEGATION OF A PART OF THE TRUST ADMINISTRATIVE SERVICES

The Trustee may delegate all or a part of the Trust Administrative Services to the Settlor or another third party.

22. MANAGEMENT OF THE FUNDS WITHIN THE TRUST PROPERTY

The Trustee shall manage the funds within the Trust Property in the Collection Account.

23. OPENING OF THE ACCOUNT

The Trustee shall open the Collection Account for the purpose of managing the Trust Property.

24. INSTRUCTION OF BENEFICIARY

- 24.1 With respect to matters not provided for in this Agreement relating to the administration and management of the Trust Property, any of the following persons (the "Instructor") may give instructions relating to the method of administration of

the Trust Property (the "Administration Method Instruction") to the Trustee subject to the following categories and the Trustee may request the Administration Method Instruction from the Instructor.

- (1) If the Repayment Formula Revision Event has not occurred:
Beneficiary and Agent

The Beneficiary and the Agent shall, upon consultation, give instructions under their joint names. If the Beneficiary and the Agent fail to reach an agreement through consultation, the Agent may independently give instructions and the Trustee shall follow such instructions independently given by the Agent.

- (2) If the Repayment Formula Revision Event has occurred:
Agent

24.2 Notwithstanding the provisions of Clause 24.1, if the Trustee deems that the administration of the Trust Property in accordance with the Administration Method Instruction: (i) is significantly unreasonable in terms of executing the purpose of the Trust; (ii) violates laws and ordinances, directives or other similar rules; or (iii) is impossible or significantly difficult, the Trustee may choose not to follow the Administration Method Instruction.

24.3 The Trustee shall not be liable to the Settlor or the Beneficiary for any Damages incurred by the Trust Property due to any of the following events:

- (1) If the Trustee manages the Trust Property in accordance with the Administration Method Instruction;
- (2) If the Trustee chooses not follow the Administration Method Instruction pursuant to Clause 24.2; or
- (3) If the Trustee does not receive the Administration Method Instruction within a reasonable period of time although it has requested the Administration Method Instruction as provided for in Clause 24.1.

CHAPTER 4 CALCULATION OF THE TRUST

25. DEFINITION OF PRINCIPAL AND PROCEEDS

25.1 Under this Agreement, the trust principal shall be the sum of the following:

- (1) Fixed Trust Receivables and Counter-Performed Trust Receivables;
- (2) Trust Receivables Collection relating to the Trust Receivables; and
- (3) Funds entrusted to the Trust Property (including additional funds entrusted pursuant to Clause 3 and funds paid to the Trustee pursuant to Clause 26).

- 25.2 Under this Agreement, the trust proceeds shall be the sum of the following:
- (1) Proceeds from the management of the funds pursuant to Clause 22; and
 - (2) Proceeds otherwise accruing from the Trust Receivables other than the trust principal.

26. TREATMENT OF INELIGIBLE RECEIVABLES

- 26.1 If it is found that the Trust Receivables are or has become the Ineligible Receivables, the Trustee may request the Settlor repurchase the Ineligible Receivables at its nominal value (the "Repurchase Price") in accordance with a written instruction from the Agent, or, if all or a part of the Ineligible Receivables has already been extinguished due to assertion of grounds for defense by the Third Party Obligor (excluding defense based on the Set-off Treatment) or other reasons, the Trustee may request the Settlor pay the amount equivalent to all or a part of such Ineligible Receivables that has been extinguished.
- 26.2 The Trustee is not obliged to request the Settlor repurchase the Ineligible Receivables or pay the equivalent amount as described in Clause 26.1 and shall not be liable for indemnifying the Settlor or the Beneficiary for any Damages incurred by the Trust Property due to its failure to make such request, unless the Trustee has been instructed by the Agent under Clause 26.1.
- 26.3 The assignment of the Ineligible Receivables through repurchase thereof pursuant to Clause 26.1 shall become effective when the Settlor pays to the Trustee the Repurchase Price in full. The Trustee shall cooperate with the Settlor as necessary, to the extent possible for the Trustee, with respect to the perfection of the assignment of the Ineligible Receivables to the Settlor through repurchase thereof by the Settlor.
- 26.4 If the Settlor becomes aware that the Trust Receivables are or have become the Ineligible Receivables, it shall immediately notify the Trustee and the Agent. If the Trustee becomes aware that the Trust Receivables are or have become the Ineligible Receivables, it shall immediately notify the Beneficiary and the Agent. Provided, however, that the Trustee shall not be liable for indemnifying the Beneficiary and the Agent for the Damages arising due to its failure to give notice as provided for in this Clause 26.4, unless the Trustee intentionally fails to notify the Beneficiary and the Agent although it is aware that the Trust Receivables are or have become the Ineligible Receivables.

27. CALCULATION AND REPORT OF THE TRUST

- 27.1 The Trustee shall, upon receipt of the Settlor's Regular Report, calculate on the Trust Calculation Date profits and losses for the Collection Calculation Period during which the immediately preceding Regular Collection Calculation Date falls in accordance with such Settlor's Regular Report, and report to the Beneficiary and the Agent the result of such calculation in a form otherwise agreed upon between the Beneficiary, the Trustee and the Agent on or before each Trustee's Regular Report Deadline (or immediately after receiving the Settlor's Regular Report if the Settlor's Regular Report is not received by the Settlor's Regular Report Deadline) (such report shall be referred to as the "Trustee's Regular Report"). The Trustee's

Regular Report shall include the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), the Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)) and the amount of funds within the Trust Property (shown as the amount of the Trust Receivables Collections (Consumption Tax and Other Tax Equivalent)) as of the immediately preceding Regular Collection Calculation Date or other report relating to matters concerning the Trust Property as required by the Agent.

- 27.2 The Trustee shall, upon receipt of the Settlor's Extraordinary Report, report to the Agent in a form separately agreed upon between the Beneficiary, the Trustee and the Agent the true information of the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), the Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), the amount of funds within the Trust Property (the amount of the Trust Receivables Collections (Consumption Tax and Other Tax Equivalent) shall be shown), and any other matters required to be reported in a form separately agreed upon between the Beneficiary, the Trustee and the Agent (the "Trustee's Extraordinary Report") by 12 p.m. on the second (2nd) Business Day after the date on which the Trustee received the Settlor's Extraordinary Report. If the Trustee makes the Trustee's Extraordinary Report, it shall reflect the details of the changes made in such Trustee's Extraordinary Report in the next Trustee's Regular Report.
- 27.3 The Trustee may rely on the Settlor's Report in reporting the Fixed Trust Receivables Amount and the Counter-Performed Trust Receivables Amount under Clauses 27.1 and 27.2 and shall not be obliged to confirm on its own the truthfulness of the report made by the Settlor. The Trustee shall not be liable for indemnifying the Trust Property, the Agent or the Lenders for the Damages suffered by them due to any false information in the report made by the Settlor.
- 27.4 If the Beneficiary and the Agent make no objections to the reports described in Clauses 27.1 and 27.2 during a period of five (5) Business Days after receiving such report from the Trustee, the Beneficiary and the Agent shall be deemed to approve the details of such report.

28. PAYMENT OF TAXES AND EXPENSES

- 28.1 The Trustee may pay the Expenses out of the Trust Property in accordance with the provisions of this Agreement.
- 28.2 If the amount of the Trust Property is not sufficient to pay the Expenses as set forth in Clause 28.1, the Trustee may request the Settlor entrust additional funds equal to such shortfall. Upon receipt of such request, the Settlor shall immediately entrust such additional funds to the Trustee.

29. TRUST FEES

- 29.1 The Settlor shall pay the Trust Fees to the Trustee in accordance with the Memorandum regarding Trust Fees (the "Memorandum regarding Trust Fees"), which is set out as separately agreed between the Settlor and the Trustee.
- 29.2 If the Trust Fees set forth in the Memorandum regarding Trust Fees are not paid to the Trustee, the Trustee may receive the amount equal to the amount of the Trust Fees as set forth in the Memorandum regarding Trust Fees out of the Trust Property as the Trust Fees, and if the amount of the Trust Property is not sufficient to pay the Trust Fees as set forth in Clause 29.1, the Trustee may request the Settlor pay to the Trustee an amount equal to such shortfall. Upon receipt of such request, the Settlor shall immediately pay such an amount to the Trustee.

CHAPTER 5 DELIVERY OF PRINCIPAL AND PROCEEDS OF THE BENEFICIAL INTERESTS**30. REPAYMENT OF PRINCIPAL AND DELIVERY OF PROCEEDS DURING THE TERM OF THE TRUST**

The Agent shall, by 12 p.m. on each Collection Delivery Date (or, if the Collection Calculation Date relating to such Collection Delivery Date corresponds to the Regular Collection Calculation Date and further if the Trustee's Regular Report relating to such Regular Collection Calculation Date does not reach the Agent by the Trustee's Regular Report Deadline, by 12 p.m. on the Business Day immediately following the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular Report if it receives such report before 12 p.m., or by 12 p.m. on the second (2nd) Business Day after the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular Report if it receives such report after 12 p.m.), instruct the Trustee to repay the trust principal and dispose of the trust proceeds in accordance with the following method and order based on the Trustee's Regular Report relating to such Trustee's Regular Report Deadline; provided, that if the Agent deems that there is, or may be, a material concern with respect to the collection of the Loan Receivables or any other emergency occurs or is likely to occur, the Agent shall follow the procedures for the decision-making of the Majority Lenders and may instruct the Trustee to dispose of the Principal Collections in a method other than that provided for in Clause 30.2 (2) with the consent of the Majority Lenders, and the Beneficiary shall give approval therefor in advance; and provided further, that if the Agent instructs the Principal Collections to be delivered to the Lenders, it shall instruct that such delivery be made through the Agent. The Trustee shall repay the trust principal and dispose of the trust proceeds in accordance with the instructions given by the Agent on or before each Collection Delivery Date (or, if the Trustee has not received instructions from the Agent by 12 p.m. on such Collection Delivery Date, on or before the Business Day immediately following the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day

on which the Trustee receives instructions from the Agent if it receives such instructions before 12 p.m., and on or before the second (2nd) Business Day after the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions after 12 p.m.).

- 30.1 The Interest Collections shall be disposed of in the following order.
- (1) Payment of the Expenses relating to the Trust Property that have become due and payable.
 - (2) Payment of the Trust Fees that have become payable.
 - (3) Incorporation into the trust principal of the outstanding amount after deducting the amounts provided in Clause 30.1 (1) and (2) above. In this case, the principal of the Beneficial Interests shall be increased to the extent of such outstanding amount.
- 30.2 The Principal Collections (including the funds incorporated into the trust principal pursuant to Clause 30.1 (3)) shall be disposed of in the following order:
- (1) If the Interest Collections are not sufficient to make payment provided for in Clause 30.1 (1) and (2) above, the Principal Collections will be appropriated for such payment. In this case, the equivalent amount shall be deducted from the principal of the Beneficial Interests.
 - (2)
 - (i) As of the Regular Collection Delivery Date, the Principal Collections (after deducting the amount appropriated under this Clause 30.2 (1), if any) will be delivered to the Beneficiary in accordance with the written instruction given by the Agent to the extent that the Trust Property Maintenance Standards are satisfied.
 - (ii) As of the Extraordinary Collection Delivery Date, the Principal Collections (after deducting the amount appropriated under this Clause 30.2 (1), if any) will be retained in the Collection Account.

31. REPAYMENT OF TRUST PRINCIPAL AND DISPOSAL OF TRUST PROCEEDS AFTER THE OCCURRENCE OF REPAYMENT METHOD REVISION EVENT

Notwithstanding the provisions of Clause 30, if the Repayment Formula Revision Event occurs, the Agent shall, by 12 p.m. on each subsequent Collection Delivery Date (or, if the Collection Calculation Date relating to such Collection Delivery Date corresponds to the Regular Collection Calculation Date and further if the Trustee's Regular Report relating to such Regular Collection Calculation Date does not reach the Agent by the Trustee's Regular Report Deadline, by 12 p.m. on the Business Day immediately following the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular

Report if it receives such report before 12 p.m., or by 12 p.m. on the second (2nd) Business Day after the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular Report if it receives such report after 12 p.m.), instruct the Trustee to repay the trust principal and dispose of the trust proceeds in accordance with the following method and order based on the Trustee's Regular Report relating to such Trustee's Regular Report Deadline; provided, that the Agent may instruct the Trustee to dispose of the Principal Collections in a method other than that provided for in Clause 31.2 (2) with the consent of the Majority Lenders, and the Beneficiary shall give approval therefor in advance; and provided further, that if the Agent instructs the Principal Collections to be delivered to the Lenders, it shall instruct that such delivery be made through the Agent. The Trustee shall repay the trust principal and dispose of the trust proceeds in accordance with the instruction given by the Agent on or before each Collection Delivery Date (or, if the Trustee has not received instructions from the Agent by 12 p.m. on such Collection Delivery Date, on or before the Business Day immediately following the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions before 12 p.m., and on or before the second (2nd) Business Day after the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions after 12 p.m.).

31.1 The Interest Collections shall be disposed of in the following order.

- (1) Payment of the Expenses relating to the Trust Property that have become due and payable.
- (2) Payment of the Trust Fees that have become payable.
- (3) Incorporation into the trust principal of the outstanding amount after deducting the amounts provided in Clause 31.1 (1) and (2) above. In this case, the principal of the Beneficial Interests shall be increased to the extent of such outstanding amount.

31.2 The Principal Collections (including the funds incorporated into the trust principal pursuant to Clause 31.1 (3)) shall be disposed of in the following order:

- (1) If the Interest Collections are not sufficient to make payment provided for in Clause 31.1 (1) and (2), the Principal Collections will be appropriated for such payment. In this case, the equivalent amount shall be deducted from the principal of the Beneficial Interests.
- (2) All of the Principal Collections (after deducting the amount appropriated under this Clause 31.2 (1), if any) will be delivered to any person designated by the Agent in the Floating Pledge Enforcement Notice, in accordance with the written instruction given by the Agent; provided, however, that if the Principal Collections are delivered to the Lenders, such delivery shall be made through the Agent.

CHAPTER 6 TERMINATION OF TRUST**32. TERMINATION OF THE TRUST AGREEMENT**

- 32.1 The Settlor, the Trustee and the Beneficiary may not terminate this Agreement during the term of the Trust.
- 32.2 Notwithstanding the provisions of Clause 32.1, the Trustee may terminate this Agreement if any of the following events occurs. In this case, the Trustee shall notify the Settlor and the Beneficiary of its intent to terminate this Agreement and this Agreement shall terminate as of the first Regular Collection Calculation Date after the date on which the Trustee sends such notice.
- (1) If the Trustee considers that the achievement of the purpose of this Agreement or provision of the Trust Administrative Services by the Trustee has become impossible or significantly difficult from an objective perspective due to the occurrence of an event equivalent to the Exemption Event.
 - (2) If Trustee does not receive payment of the Trust Fees in full as of the Regular Collection Calculation Date and does not receive the payment of such Trust Fees by the tenth (10th) Business Day after such Regular Collection Calculation Date.
 - (3) If all of the Floating Pledges are extinguished.

33. DELIVERY OF PRINCIPAL AND PROCEEDS UPON TERMINATION OF THE TRUST

The Trustee shall make the final calculations with respect to the Trust Property immediately after receiving the report from the Settlor as set forth in Clause 19 relating to the final Collection Calculation Date, and then immediately deliver all of the property within the Trust Property based on such calculations in the following order of priority; provided, that if the Agent instructs the Principal Collections or the uncollected Trust Receivables to be delivered to the Lenders, it shall instruct that such delivery be made through the Agent.

- 33.1 The Interest Collections shall be disposed of in the following order.
- (1) Payment of the Expenses relating to the Trust Property that have become due and payable.
 - (2) Payment of the Trust Fees that have become payable.
 - (3) Incorporation into the trust principal of the outstanding amount after deducting the amounts provided in Clause 33.1 (1) and (2) above. In this case, the principal of the Beneficial Interests shall be increased to the extent of such outstanding amount.

33.2 The Principal Collections shall be disposed of in the following order:

- (1) If the Interest Collections are not sufficient to make payment provided for in Clause 33.1 (1) and (2), the Principal Collections will be appropriated for such payment. In this case, the equivalent amount shall be deducted from the principal of the Beneficial Interests.
- (2) All of the Principal Collections (after deducting the amount appropriated under this Clause 33.2 (1), if any) will be delivered to (i) any person designated by the Agent in the Floating Pledge Enforcement Notice (if delivered to the Lenders, such delivery shall be made through the Agent), if the Repayment Formula Revision Event has occurred, or (ii) the Beneficiary, in other cases, in accordance with written instructions given by the Agent; provided, however, that if the Loan Receivables exist in the case of (ii) in the preceding sentence, the Trustee shall deliver to the Agent the Principal Collections (after deducting the amount appropriated under this Clause 33.2 (1), if any), and the Beneficiary shall create a security interest over the amount of the Principal Collections in order to secure payment of the Loan Receivables to the Lenders subject to substantially the same terms and conditions as those of the Floating Pledge (the method of creating the security interest shall be determined upon consultation between the Agent and the Beneficiary) or appropriate the amount of the Principal Collections for payment of the Loan Receivables pursuant to the provisions of Clauses 14.1 through 14.3 of the Loan Agreements. If the delivery of the Principal Collections is made as set forth in this Clause 33.2(2), the Trustee shall be released from its liability to the Settlor, the Beneficiary, the Agent and the Lenders with respect to the disposal of the Trust Property.

33.3 The uncollected Trust Receivables (if any) shall be delivered to (i) any person designated by the Agent in the Floating Pledge Enforcement Notice (if delivered to the Lenders, such delivery shall be made through the Agent), if the Repayment Formula Revision Event has occurred, or (ii) the Beneficiary, in other cases; provided, however, that if the Loan Receivables exist in the case of (ii) in the preceding sentence, the Trustee shall deliver the uncollected Trust Receivables to the Agent, and the Beneficiary shall create a security interest over such uncollected Trust Receivables in order to secure payment of the Loan Receivables to the Lenders subject to substantially the same terms and conditions as those of the Floating Pledges (the method of creating the security interest shall be determined upon consultation between the Agent and the Beneficiary) or, if All Lenders agree thereto, appropriate such uncollected Trust Receivables for payment of the Loan Receivables by way of converting such uncollected Trust Receivables into cash or otherwise. If the delivery of the uncollected Trust Receivables is made as set forth in this Clause 33.3, the Trustee shall be released from its liability to the Settlor, the Beneficiary, the Agent and the Lenders with respect to disposal of the Trust Property.

CHAPTER 7 MISCELLANEOUS

34. NOTICE

Any notice to be given under this Agreement shall be in writing and given by personal delivery, certified mail, motorcycle delivery or facsimile transmission to the following addresses:

Settlor and Initial Beneficiary:

33-4, Nishi-Shinjuku 4-chome, Shinjuku-ku, Tokyo 160-0023

FASL JAPAN LIMITED

Business Promotion Division

TEL: 03-5302-2200

FAX: 03-5302-2674

Trustee:

5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8240 Mizuho Trust & Banking Co., Ltd.

Securitization Business Department I

TEL: 03-3240-7061

FAX: 03-3240-7213

35. SUBMISSION OF SEAL IMPRESSION

35.1 The seal impressions or signatures to be used by the Settlor and the Beneficiary shall be registered with the Trustee in advance.

35.2 If the Trustee delivers the Trust Property or takes any other action after comparing, with due care, the seal impression or signature used on a receipt or any other documents with the seal impression or signature submitted pursuant to Clause 35.1 and confirming that such seal impression or signature is true and correct, the Trustee shall not be liable for indemnifying any Damages caused thereby for any reason whatsoever, unless such Damages are caused due to the Trustee's willful misconduct or negligence.

36. NOTIFICATION

36.1 The Settlor and the Beneficiary shall notify the Trustee and carry out procedures prescribed by the Trustee if any of the following events occurs:

- (1) any changes to the name, organization, location, representatives, agents or registered seal or signature;
- (2) loss of any agreement, Beneficial Interests certificate or registered seal;
- (3) any other matter deemed material relating to this Agreement.

36.2 The Trustee shall not be liable for indemnifying any Damages arising as a result of a delay by the Settlor or Beneficiary in making a notification described in Clause 36.1.

37. **ACCESS TO THE DETAILS OF THE TRUST RECEIVABLES**

The Trustee shall, if requested by the Beneficiary, make available to the Beneficiary details of the Trust Receivables, during the Trustee's business hours at the principal office of the Trustee, except as deemed necessary to protect the Trust Receivables information of the obligor.

38. **FRACTIONS LESS THAN ONE YEN**

In respect of calculations of any amounts contemplated by this Agreement, any fractions less than one yen shall be rounded down to the nearest whole yen.

39. **GOVERNING LAW**

This Agreement shall be governed by, and construed in accordance with, the laws of Japan.

40. **JURISDICTION**

The Tokyo District Court shall have jurisdiction as the court of first instance with respect to any action or other dispute arising out of or in connection with this Agreement, unless the exclusive jurisdiction is otherwise prescribed by law.

41. **AMENDMENTS TO THIS AGREEMENT**

This Agreement may not be amended except as agreed in writing by the Settlor, the Trustee, and the Beneficiary and approved in writing by the Agent.

42. **EXPENSES**

All stamp duties, registration fees and any other similar public charges incurred by the Settlor or the Trustee in relation to the preparation, delivery, registration, enforcement, amendment or revision of this Agreement shall be borne by that party.

43. **APPLICATION OF THE LOAN AGREEMENTS**

The provisions of the Loan Agreements shall apply *mutatis mutandis* to matters relating to the rights and obligations of the Agent and any other provisions of this Agreement among those not provided for in this Agreement.

44. **CONSULTATION**

The parties hereto shall resolve any matters not provided for in this Agreement or doubts as to the meaning of the provisions of this Agreement upon mutual consultation in good faith.

(The space below has been intentionally left blank.)

List of Schedules

Schedule 1:	Description of Accounts Receivables
Schedule 2:	Application for Additional Entrustment of Funds
Schedule 3:	Request for Approval of Assignment of Receivables and Approval of Assignment of Receivables
Schedule 4:	Settlor's Report Form

CREDITORS' AGREEMENT

FASL JAPAN LIMITED (the "Borrower"), the financial institutions set forth as Lender A under Section 3 of the Schedule attached hereto (all of the Lenders A collectively referred to as "Lenders A" or "All Lenders A," and individual Lenders A referred to as "each Lender A," depending on the context thereof), and the financial institutions set forth as Lenders B under Section 4 of the Schedule attached hereto (all of the Lenders B collectively referred to as "Lenders B" or "All Lenders B," and individual Lenders B referred to as "each Lender B," depending on the context thereof; and All Lenders A and All Lenders B collectively referred to as "Lenders" or "All Lenders," and individual Lenders respectively referred to as "each Lender," depending on the context thereof) enter into the following agreement (this "Agreement") as of March 25, 2004, with MIZUHO CORPORATE BANK, LTD. acting as the Agent, concerning the Revolving Line Agreement (A) dated March 25, 2004 between the Borrower and the Lenders A (the "Loan Agreement A") and the Revolving Line Agreement (B) dated March 25, 2004 between the Borrower and the Lenders B (the "Loan Agreement B," and together with the Loan Agreement A, the "Loan Agreement").

CHAPTER 1 GENERAL PROVISIONS

1. **DEFINITIONS**

1.1 In this Agreement, the following terms shall have the meanings set forth below.

- (1) "**Agent Services**" means collectively, the Agent Services A and Agent Services B.
- (2) "**Commitment Amount**" means collectively, the Commitment Amount A and Commitment Amount B.
- (3) "**Commitment Ratio**" means the percentage of the Commitment Amount of each Lender to the Total Commitment Amount.
- (4) "**Costs Increased Lender**" means collectively, the Costs Increased Lender A and Costs Increased Lender B.
- (5) "**Decision-Making Time**" means, in cases where the Lenders determine that any event requiring instructions by the Majority Lenders has occurred, the point in time when the Agent receives notice under Clause 29.1(i) of each Loan Agreement, and in cases where the Agent determines that the decision of the Majority Lenders is necessary, the point in time when the Agent gives notice under Clause 29.2 of each Loan Agreement.
- (6) "**Desired Drawdown Date**" means collectively, the Desired Drawdown Date A and Desired Drawdown Date B.
- (7) "**Individual Loan**" means collectively, the Individual Loan A and Individual Loan B.

- (8) “**Majority Lenders**” means more than one (1) Lenders (if a particular Lender concurrently acts as the Lender A and Lender B, such Lender will be deemed to be one (1) Lender in relation to this item) whose Commitment Ratio(s) amount to 51% or more in total as of the Decision-Making Time (provided, however, that, for the period after All Lenders’ Lending Obligations are extinguished, and where the repayment of all obligations pursuant to the Loan Agreement in relation to the Loan have not been completed, the percentage shall be that of the total principal amount of the Outstanding Individual Loan Money per each of the Lenders to the Total Outstanding Balance as of the Decision-Making Time).
 - (9) “**Lending Obligation**” means collectively, the Lending Obligation A and Lending Obligation B.
 - (10) “**Loan(s)**” means collectively, the Loan A and Loan B.
 - (11) “**Loan Receivables**” means collectively, the Loan Receivables A and Loan Receivables B.
 - (12) “**Refinanced Loan**” means collectively, the Refinanced Loan A and Refinanced Loan B. “**Total Outstanding Balance**” means collectively, the Total Outstanding Balance A and Total Outstanding Balance B.
 - (13) “**Refinancing Loan**” means collectively, the Refinancing Loan A and Refinancing Loan B.
 - (14) “**Set-off Individual Loan**” means collectively, the Set-off Individual Loan A and Set-off Individual Loan B.
 - (15) “**Set-off Initiating Lender**” means collectively, the Set-off Initiating Lender A and Set-off Initiating Lender B.
 - (16) “**Total Commitment Amount**” means collectively, the Total Commitment Amount A and Total Commitment Amount B.
- 1.2 Except as otherwise specifically defined herein, the terms used in this Agreement shall have the meanings defined in the Loan Agreement.

2. **DECISION-MAKING OF THE MAJORITY LENDERS**

2.1 The Majority Lenders shall make decisions as follows:

- (i) If the Lenders deem that any event has occurred that requires instructions from the Majority Lenders in this Agreement, the Lenders may give notice to the Agent to request the decision of the Majority Lenders.
- (ii) The Agent shall, upon receipt of a notice described in the preceding item, immediately give notice to All Lenders to seek the decision of the Majority Lenders.
- (iii) The Lenders shall, upon receipt of the notice described in the preceding item,

make its decision on the relevant event and inform the Agent of such decision within three (3) Business Days after the receipt.

- (iv) If a decision of the Majority Lenders is made pursuant to the preceding three items, the Agent shall immediately notify the Borrower and All Lenders of such decision as the instruction by the Majority Lenders.
- 2.2 If the Agent deems that any event has occurred that requires the decision of the Majority Lenders, other than in the case of Clause 2.1, the Agent may give notice to All Lenders to seek such decision. In such case, the procedures set out in Items (ii) through (iv) of Clause 2.1 shall be followed.
- 2.3 The provisions of this Clause 2 shall apply *mutatis mutandis* to the decision-making of the Majority Lenders with respect to each Loan.

CHAPTER 2 SPECIAL PROVISIONS REGARDING THE LOAN AGREEMENT

3. SPECIAL PROVISIONS REGARDING THE PROVISIO AND EACH ITEM OF CLAUSE 7.1 OF THE LOAN AGREEMENT

With respect to Lenders who concurrently act as the Lenders A and Lenders B, the proviso and each item of Clause 7.1 of each Loan Agreement shall be replaced with the following, and the Lenders who concurrently act as the Lenders A and Lenders B may make the Individual Loans in the manner set forth below, as regards to (i) the Refinanced Loan A and the Refinancing Loan B, and (ii) the Refinanced Loan B and the Refinancing Loan A.

Description

“Provided, however, that with respect to the drawdown of the Individual Loan in relation to a Refinancing Loan, the Lender shall offset (a) the principal amount of the Outstanding Individual Loan Money in relation to the Refinanced Loan as of the Desired Drawdown Date, and (b) the Individual Loan Amount in relation to the Refinancing Loan, and according to the result thereof, shall treat the drawdown of such Individual Loan as follows.

- (i) If the Individual Loan Amount in relation to the Refinancing Loan exceeds the amount equivalent to the principal of the Outstanding Individual Loan Money in relation to the Refinanced Loan:

If the Lender receives an application for a drawdown in accordance with Clause 6 of each Loan Agreement and does not give notice pursuant to Clause 8.1 of each Loan Agreement, and all conditions set forth in each item of Clause 5 of each Loan Agreement are satisfied at the time of making the Individual Loan, the Lender shall remit to the Agent’s Account the amount of the difference between the Individual Loan Amount in relation to the Refinancing Loan and the amount equivalent to the principal of the Outstanding Individual Loan Money in relation to the Refinanced Loan by 11 a.m. on the Desired Drawdown Date. The Individual Loan in relation to the Refinancing Loan shall be deemed to have been made in the full Individual Loan Amount in relation to the Refinancing Loan as of the time

that the Agent transfers such money to the Borrower's Settlement Account after withdrawing it from the Agent's Account. Provided, however, that even if the Lender remits the amount of the difference between the Individual Loan Amount and the amount equivalent to the principal of the Outstanding Individual Loan Money to the Borrower's Settlement Account, if the interest on the Refinanced Loan is not paid by the Due Time, the Individual Loan in relation to the Refinancing Loan shall be deemed not to have been made.

- (ii) If the Individual Loan Amount in relation to the Refinancing Loan is less than or equal to the amount equivalent to the principal of the Outstanding Individual Loan Money in relation to the Refinanced Loan:

If the Lender receives an application for a drawdown in accordance with Clause 6 of each Loan Agreement and does not give notice pursuant to Clause 8.1 of each Loan Agreement, and all conditions set forth in each item of Clause 5 of each Loan Agreement are satisfied, the Individual Loan in relation to the Refinancing Loan shall be deemed to have been made in the full Individual Loan Amount in relation to the Refinancing Loan as of the Due Time of the Refinanced Loan. Provided, however, that if the Borrower does not pay the full amount of the difference between the Outstanding Individual Loan Amount in relation to the Refinanced Loan and the Individual Loan Amount and the interest accrued on the Refinanced Loan by the Due Time, the Individual Loan in relation to the Refinancing Loan shall be deemed not to have been made.”

4. **SPECIAL PROVISIONS REGARDING CLAUSE 18 OF THE LOAN AGREEMENT**

The provisions of Clause 18 of each Loan Agreement shall be replaced with the following in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B.

Description

- “18.1 In order to repay the obligations under the Loan Agreement, the Borrower shall remit the relevant amount to the Agent's Account (i) by the Due Time, for those obligations with a Due Date provided for in the Loan Agreement, or (ii) immediately upon the Agent's request, for those obligations with a Due Date not provided for in the Loan Agreement. In such cases, the Borrower's obligations to the Agent or a Lender shall be deemed to have been performed upon the time of the remittance of the relevant amount to the Agent's Account.
- 18.2 Unless otherwise provided for in the Loan Agreement, a payment by the Borrower directly to a Lender other than the Agent contrary to the provisions of Clause 18.1 of amounts owing under the Loan Agreement shall not be deemed to constitute the due performance of obligations under the Loan Agreement. In this case, the Lender receiving such payment shall immediately pay to the Agent the money it receives, and the obligations with respect to such money shall be deemed to have been

performed upon the Agent's receipt of such money. Provided, however, that in the case that the Borrower, upon giving prior written notice to the Agent, disposes (*nin-i-baikyaku*) of the assets subject to floating security interest (*ne-tanpoken*) (other than the floating pledge pursuant to the Floating Pledge Agreement) that have been granted in favor of a Lender as the secured party of the floating security interest, and directly pays to that Lender the proceeds it receives from such disposal in order to perform its obligations under the Loan Agreement, such direct payment shall be considered to constitute the due performance of obligations under the Loan Agreement. The Borrower may not perform its obligations under the Loan Agreement by deed-in-lieu of performance (*daibutsu bensai*) unless the Agent and All Lenders give their prior written approval.

18.3 The Borrower's payments pursuant to Clause 18 of each Loan Agreement shall be appropriated in the order set forth below; provided, however, that the payments by the Borrower for which the Due Time has arrived shall be appropriated first in the order set forth in the following items, and if, after such appropriation, any payment by the Borrower remain unappropriated, then the payments for which the Due Time has not arrived shall be appropriated in the order set forth in the following items:

- (i) those expenses to be borne by the Borrower under the Loan Agreement that the Agent has incurred in the place of the Borrower, and the Agency Fee;
- (ii) those expenses to be borne by the Borrower under the Loan Agreement that are payable to a third party;
- (iii) those expenses to be borne by the Borrower under the Loan Agreement that any Lender has incurred in place of the Borrower;
- (iv) the default interest and the Break Funding Cost in relation to the Loan A;
- (v) the Commitment Fee A;
- (vi) the interest on the Loan A;
- (vii) the principal of the Loan A;
- (viii) the default interest and the Break Funding Cost in relation to the Loan B;
- (ix) the Commitment Fee B;
- (x) the interest on the Loan B; and
- (xi) the principal of the Loan B.

18.4 Notwithstanding the provisions of Clause 18.3, if any obligation of the Borrower becomes immediately due and payable pursuant to Clause 24 of each Loan Agreement, the provisions of Clause 19.4 of each Loan Agreement shall apply with respect to the order of appropriating the Borrower's payments. Further, notwithstanding the provisions of Clause 18.3 above and Clauses 19.1 through 19.4 of each Loan Agreement, (i) the Lenders A may, pursuant to Clause 25.1 or 25.2 of the Loan Agreement A, set off the receivables they hold under the Loan Agreement A

against the obligations such Lenders A owe against the Borrower, and (ii) the Lenders B may, pursuant to Clause 25.1 or 25.2 of the Loan Agreement B, set off the receivables they hold under the Loan Agreement B against the obligations such Lenders B owe against the Borrower, and in the case of Item (i) above, the Lenders A shall only be required make the arrangement set forth in Clauses 26.1 and 26.2 of the Loan Agreement A, based on the Intended Distribution Amount A calculated on the assumption that the Borrower's repayments have been appropriated in accordance with the provisions of Clauses 18.3(i) through 18.3(vii) hereof in the order set forth in each item thereof, and in the case of Item (ii) above, the Lenders B shall only be required to make the arrangement set forth in Clauses 26.1 and 26.2 of the Loan Agreement B, based on the Intended Distribution Amount B calculated on the assumption that the Borrower's repayments have been appropriated in accordance with the provisions of Clauses 18.3(i) through 18.3(iii) and 18.3(viii) through 18.3(xi) hereof in the order set forth in each item thereof, respectively. In this case, as between the Lenders A and the Lenders B, no arrangement by way of receivables assignment in accordance with the receivables assignment provided for in Clauses 26.1 and 26.2 of each Loan Agreement or otherwise shall be made.

- 18.5 If, in appropriating the Borrower's payments under Clause 18.3, the amount to be appropriated falls short of the amount outlined in any of the items thereunder, with respect to the first item not fully covered (the "Item Not Fully Covered"), the amount remaining after appropriation to the item of the next highest order of priority shall be appropriated after prorating such remaining amount in proportion to the amount of the individual payment obligations owed by the Borrower regarding the Item Not Fully Covered that have become due and payable.
- 18.6 Unless otherwise required by Laws and Ordinances, the Borrower shall not deduct Taxes and Public Charges from the amount of obligations to be paid pursuant to the Loan Agreement. If it is necessary to deduct Taxes and Public Charges from the amount payable by the Borrower, the Borrower shall additionally pay the amount necessary in order for the Lender to be able to receive the amount that it would receive if no Taxes and Public Charges were imposed. In such cases, the Borrower shall, within thirty (30) days from the date of payment, directly send to the Lender the certificate of tax payment in relation to withholding taxes issued by the tax authorities or other competent governmental authorities in Japan."

5. **SPECIAL PROVISIONS REGARDING CLAUSE 19 OF THE LOAN AGREEMENT**

The provisions of Clause 19 of each Loan Agreement shall be replaced with the following in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B.

Description

- "19.1 If any amounts remain after deducting an amount equivalent to the amounts described in Clause 18.3(i) and Clause 18.3(ii) of each Loan Agreement from the amount paid by the Borrower pursuant to Clause 18 of each Loan Agreement, the Agent shall immediately distribute such remaining amount to the Lenders in

accordance with the provisions of this Clause 19. Provided, however, that if such money is paid by the Borrower pursuant to Clause 13.2 or Clause 13.5 of each Loan Agreement, notwithstanding the provisions of this Clause 19, the Agent shall promptly distribute such money to the Costs Increased Lender.

19.2 If, prior to distribution by the Agent to the Lenders pursuant to this Clause 19, (a) an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) in relation to the Loan Receivables is served on the Borrower, or (b) an assignment in relation to the Loan Receivables is made, the rights and obligations of the Borrower, the Agent and the Lenders shall be regulated in accordance with the following provisions:

(a)(i) If the Agent completes the distribution to the Lenders pursuant to this Clause 19 before receiving notice from the Borrower pursuant to Clause 21.4 of each Loan Agreement that the Borrower has been served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) with respect to the Loan Receivables:

In this case, if the creditor obtaining an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*), the Borrower, the Lenders or any other third party incurs damages, losses or expenses (the "Damages") as a result of such distribution, the Agent shall not be liable in relation thereto, and the Borrower shall deal with the Damages at its own cost and liability. The Borrower shall compensate the Agent for any Damages incurred by the Agent due to such distribution.

(ii) If the Agent receives notice from the Borrower pursuant to Clause 21.4 of each Loan Agreement that it has been served an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*) on or after the remittance to the Agent's Account by the Borrower and before completion of the distribution to the Lenders pursuant to this Clause 19, with respect to the Loan Receivables in relation to such distribution:

In this case, (1) with respect to the money relating to such notice, the Agent may withhold the distributions pursuant to this Clause 19, and may take other measures in a manner that the Agent deems reasonable; and (2) the Agent shall distribute to All Lenders other than the Lender subject to such notice the money paid by the Borrower excluding that which is subject to such notice. If the creditor obtaining an order for provisional attachment (*kari-sashiosae*), preservative attachment (*hozen-sashiosae*) or attachment (*sashiosae*), the Borrower, the Lenders or any other third party incurs any Damages as a result of the distribution by the Agent pursuant to (1) of this Item (ii), the Agent shall not be liable in relation thereto, and the Borrower shall deal with such Damages at its own cost and liability. The Borrower shall compensate the Agent for any Damages incurred by the Agent due to such distribution.

(b) If the Assignor and the Assignee, under joint names, or if the Borrower,

under its single name, notifies the Agent of an assignment of the Loan Receivables in accordance with Clause 32.1 of each Loan Agreement:

In this case, the Agent shall, after receiving either of these notices, immediately commence all administrative procedures necessary in order to treat such Assignee as the creditor of such Loan Receivables, and the Agent shall be exempt insofar as the Agent treats the previous Lender as the party in interest until the Agent notifies the Borrower, the Assignor and the Assignee that such procedures have been completed. If the Assignee or any other third party suffers Damages due to such treatment by the Agent, the Agent shall not be liable in relation thereto, and the Borrower and the Assignor of such Loan Receivables shall deal with such Damages at their own cost and liability. The Borrower and the Assignor of such Loan Receivables shall jointly compensate the Agent for any Damages incurred by the Agent arising out of this Item (b).

- 19.3 The distributions by the Agent to the Lenders shall be made in order, starting from Clause 18.3(iii) to Clause 18.3(xii) of each Loan Agreement. If there is an Item Not Fully Covered regarding the amounts to be distributed, the appropriation and distribution with respect to such Item Not Fully Covered shall be made in accordance with the provisions of Clause 18.5 of each Loan Agreement.
- 19.4 Notwithstanding Clause 18.3, Clause 18.5 of each Loan Agreement and Clause 19.3 above, if the Borrower's obligations hereunder become immediately due and payable pursuant to Clause 24 of each Loan Agreement, the Agent shall distribute the amount remaining after deducting the amounts described under Clause 18.3(i) and Clause 18.3(ii) of each Loan Agreement from the amount paid by the Borrower, firstly to the Lenders A in proportion to the amount of the obligations that the Borrower owes to the Lenders A under the Loan Agreement A, and then to the Lenders B in proportion to the amount of the obligations that the Borrower owes to the Lenders B under the Loan Agreement B, in which case such remaining amount shall be appropriated in the order and method that the Agent deems appropriate.
- 19.5 If the remittance of money by the Borrower provided for in Clause 18.1 of each Loan Agreement fails to be completed by the Due Time, the Agent shall be under no obligation to make the distributions set forth in Clause 19.1 on the same date. In such cases, the Agent shall make such distributions immediately after receiving the remittance from the Borrower, and the Borrower shall bear any damages, losses and expenses incurred by the Lender or the Agent in connection therewith.
- 19.6 Upon request from the Agent, and if there are reasonable grounds for such request, the Lenders receiving such request shall immediately notify the Agent of the amount (including specifics) of the receivables they hold against the Borrower under the Loan Agreement. In this case, the obligation of the Agent to make distributions set forth in Clause 19.1 shall arise at the time all such notices reach the Agent. In the case where a Lender delays this notice without reasonable cause, such Lender shall bear all damages, losses or expenses incurred by any Lender or the Agent due to such delay.
- 19.7 The Agent may, before the Due Time of any of the Borrower's obligations, make the distributions to Lenders in relation to such obligation by Temporary Advancement

(provided that the Agent shall be under no obligation to make such Temporary Advancement). If the Borrower's obligations in relation to such Temporary Advancement are not repaid by the Due Time in accordance with Clause 18, the Lender who received the distribution pursuant to this Clause 19.7 shall, immediately upon the Agent's request, reimburse to the Agent for the amount of such Temporary Advancement that it received. The Lender shall, immediately upon the Agent's request, pay to the Agent any Temporary Advancement Costs required in making such Temporary Advancement, corresponding to the amount of Temporary Advancement that it received."

6. **SPECIAL PROVISIONS REGARDING CLAUSE 27 OF THE LOAN AGREEMENT**

The provisions of Clause 27 of each Loan Agreement shall be replaced with the following in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B.

Description

- “27.1 The Agent shall, pursuant to the entrustment by All Lenders, perform the Agent Services and exercise rights for the benefit of All Lenders, and shall exercise the rights that, in the Agent's opinion, are ordinarily necessary or appropriate in performing the Agent Services. The Agent shall not be liable for any duties other than those expressly specified in the provisions of this Agreement and the Creditors' Agreement, and shall not be liable for any non-performance of obligations by the Lenders under this Agreement and the Creditors' Agreement. The Agent shall be an agent of the Lenders and, unless otherwise provided, shall never act as an agent of the Borrower.
- 27.2 The Agent may rely upon any communication, instrument and document that has been delivered between appropriate persons and has been signed or has the name and seal attached by such appropriate persons and that the Agent believes to be true and correct, and may act in reliance upon any written opinion or explanatory letter of experts appointed by the Agent within the reasonably necessary extent in relation to this Agreement and the Creditors' Agreement.
- 27.3 The Agent shall perform the duties and exercise the authority provided for in this Agreement and the Creditors' Agreement with the due care of a good manager.
- 27.4 Neither the Agent nor any of its directors, employees or agents shall be liable to the Lenders for any acts or omissions conducted by the Agent pursuant to, or in connection with, this Agreement and the Creditors' Agreement, except for its or their willful misconduct or gross negligence. The Lenders (other than Lenders who act as the Agent) shall jointly and severally indemnify the Agent for any and all liabilities, damages, losses and expenses (including, without limitation, any expenses paid to avoid or minimize any damages or losses or to recover any damages or losses (including attorney's fees)) incurred by the Agent in the course of the performance of its duties under this Agreement and the Creditors' Agreement, to the extent that such liabilities, damages, losses and expenses are not reimbursed by the Borrower, and

only for the amount outstanding after deducting the portion for which the Agent is obliged to contribute, calculated pursuant to the Agent's Commitment Ratio. Provided, however, that if any of the Lenders cannot perform the indemnity for which it is liable, the Agent's Commitment Ratio shall be calculated by dividing the Agent's Commitment Ratio by the aggregate of the Commitment Ratio of the Lenders other than such non-indemnifying Lenders.

- 27.5 The Agent shall not be liable for the validity of this Agreement and the Creditors' Agreement, and shall not guarantee any matters represented in this Agreement and the Creditors' Agreement. The Lenders shall enter into, and conduct transactions contemplated in, this Agreement and the Creditors' Agreement at their sole discretion by conducting investigations as to the necessary matters, including the creditworthiness of the Borrower, on the basis of the documents, information and other data as it has deemed appropriate.
- 27.6 In cases where the Agent is also acting as a Lender, the Agent shall have the same rights and obligations as the other Lenders under this Agreement and the Creditors' Agreement, irrespective of the Agent's obligations under this Agreement and the Creditors' Agreement. The Agent may engage in commonly accepted banking transactions with the Borrower outside of this Agreement and the Creditors' Agreement. In this case, the Agent shall not be required to disclose to other Lenders information in relation to the Borrower it has obtained through transactions with the Borrower other than those contemplated under this Agreement or the Creditors' Agreement, nor shall the Agent be required to distribute to other Lenders any money it has received from the Borrower through transactions with the Borrower other than those contemplated under this Agreement or the Creditors' Agreement. (Any information that has been disclosed to the Agent by the Borrower shall be, unless expressly identified as being made in relation to this Agreement and the Creditors' Agreement, deemed disclosed in relation to the transactions with the Borrower other than those contemplated under this Agreement or the Creditors' Agreement, and the Agent shall not be required to disclose any of the same to other Lenders.)
- 27.7 Notwithstanding Clause 27.6, upon receiving the Trustee's Regular Report or the Trustee's Extraordinary Report, the Agent shall promptly (by the Business Day immediately following the day such Trustee's Regular Report is received, at the latest) report the details thereof to the other Lenders.
- 27.8 In cases where the Agent is also acting as a Lender, the calculation of the amounts to be distributed to each Lender pursuant to the provisions of Clause 19 shall be made in accordance with the following: (i) for amounts to be distributed to each Lender other than the Agent, any amount less than one yen shall be rounded down, and (ii) amounts to be distributed to a Lender who is also appointed as the Agent shall be the difference between the aggregate of all amounts to be distributed and the amounts distributed to other Lenders.
- 27.9 Except for the cases under Clause 27.8, all calculations of fractions less than one yen that are required under this Agreement and the Creditors' Agreement shall be made in the manner the Agent deems appropriate.
- 27.10 If the Agent receives any notice from the Borrower that is required to be given to each Lender in relation to this Agreement and the Creditors' Agreement, the Agent

shall immediately inform All Lenders of the details of such notice, or if the Agent receives any notice from a Lender that is required to be given to the Borrower or other Lenders in relation to this Agreement and the Creditors' Agreement, the Agent shall immediately inform the Borrower or All Lenders, as the case may be, of the details of such notice. The Agent shall make any documents that it has obtained from the Borrower and has retained, available for review by a Lender during its ordinary business hours."

7. **SPECIAL PROVISIONS REGARDING CLAUSE 28 OF THE LOAN AGREEMENT**

The provisions of Clause 28 of each Loan Agreement shall be replaced with the following in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B.

Description

"28.1 The Agent may resign as follows:

- (i) The Agent may resign its position as the Agent by giving written notice to All Lenders and the Borrower; provided, however, that such resignation shall not become effective until a successor Agent is appointed and such successor accepts such appointment.
- (ii) If the Agent gives notice pursuant to the preceding item, the Majority Lenders may appoint a successor Agent upon obtaining consent from the Borrower.
- (iii) If a successor Agent is not appointed by the Majority Lenders within thirty (30) days (including the day of notice) after the notice of resignation is given as described in Item (i) above, or if the entity appointed by the Majority Lenders as a successor Agent does not accept assumption of the office of the Agent, the Agent in office at that time shall, upon obtaining consent from the Borrower, appoint a successor Agent on behalf of the Majority Lenders.

28.2 The Agent may be dismissed as follows:

- (i) The Majority Lenders may dismiss the Agent by giving written notice thereof to each of the other Lenders, the Borrower, and the Agent; provided, however, that such dismissal shall not become effective until a successor Agent is appointed and such successor accepts such appointment.
- (ii) If the Majority Lenders give notice pursuant to the preceding item, the Majority Lenders may appoint a successor Agent upon obtaining consent from the Borrower.

28.3 If the entity appointed as the successor Agent pursuant to Clause 28.1 or 28.2 accepts assumption of the office, the former Agent shall deliver to the successor Agent all

documents and materials it has kept as the Agent under this Agreement and the Creditors' Agreement, and shall give all the support necessary for the successor Agent to perform the duties of the Agent under this Agreement and the Creditors' Agreement.

28.4 The successor Agent shall succeed to the rights and obligations of the former Agent under this Agreement and the Creditors' Agreement, and the former Agent shall, at the time of the assumption of office by the successor Agent, be exempted from all of its obligations as the Agent; provided, however, that the provisions of this Agreement and the Creditors' Agreement relevant to any actions (including omissions) conducted by the former Agent during the period it was in office shall remain in full force and effect."

8. **SPECIAL PROVISIONS REGARDING CLAUSE 30 OF THE LOAN AGREEMENT A**

Notwithstanding the provisions of Clause 30 of the Loan Agreement A, in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B, the Loan Agreement A may not be amended with respect to matters which affect the rights and obligations of the Lenders B, unless with the written agreement of the Agent, the Borrower, the Majority Lenders A and the Majority Lenders B. Further, notwithstanding the provisions of Clause 30 of the Loan Agreement A, in cases where the Loan Agreement A is validly existing or the Borrower is liable for its obligations under the Loan Agreement A, and at the same time, the Loan Agreement B is validly existing or the Borrower is liable for its obligations under the Loan Agreement B, the written agreement by the Agent, the Borrower, and All Lenders shall be required in order to amend the Loan Agreement A with respect to the following matters that materially affect the rights and obligations of the Lenders B:

- (i) any amendment or addition to the conditions precedent provided for in Clause 4 and Clause 5 of the Loan Agreement A;
- (ii) any release or reduction of the obligations of the Lenders A;
- (iii) any reduction of the amount of the principal and interest of the Individual Loan A or other amounts payable by the Borrower pursuant to the Loan Agreement A;
- (iv) any advancement of the payment date of the principal and interest of the Individual Loan A or other obligations of the Borrower pursuant to the Loan Agreement A;
- (v) any increase in the Spread or the Applicable Interest Rate set forth in Clause 1 of the Loan Agreement A;
- (vi) any amendment to the restrictions on collateral provided for in Clause 22 of the Loan Agreement A;

- (vii) any amendment to the financial restrictions provided for in Clause 23 of the Loan Agreement A;
- (viii) any amendment to the events for acceleration provided for in Clause 24 of the Loan Agreement A;
- (ix) any amendment to Clause 30 of the Loan Agreement A;
- (x) any amendment to the Relevant Agreements; and
- (xi) any other amendment to the Loan Agreement A that the Majority Lenders B consider will diminish the Lenders B's rights, or increase the Lenders B's obligations, in any material respect.

CHAPTER 3 MISCELLANEOUS AND OTHER PROVISIONS

9. **AMENDMENT TO THIS AGREEMENT**

This Agreement may be amended with the written agreement of the Agent, the Borrower, the Majority Lenders A and the Majority Lenders B; provided, however, that the written agreement by the Agent, the Borrower, and All Lenders shall be required in order to amend this Agreement with respect to the following matters that materially affect the rights and obligations of the Lenders:

10. **ASSIGNMENT OF THIS AGREEMENT**

- 10.1 The Lenders may not assign to any third party their status as party to this Agreement or their rights and obligations hereunder except in cases of the assignment to a third party of the status as party to the Loan Agreement, the rights and obligations thereunder or the Loan Receivables in accordance with Clause 31 or Clause 32 of each Loan Agreement, and in making such assignment of the status as party to the Loan Agreement, the rights and obligations thereunder or the Loan Receivables in accordance with Clause 31 or Clause 32 of each Loan Agreement, the Lenders shall assign to such third party their status as party to this Agreement or their rights and obligations hereunder together therewith.
- 10.2 All expenses incurred from the assignment set forth in Clause 10.1 shall be borne by the assignor; provided, however, that the provisions of Clause 13 of each Loan Agreement shall apply with respect to any Increased Costs incurred in relation to the Successive Lender after the assignment.

11. **TERMINATION OF THIS AGREEMENT**

- 11.1 If the Loan Agreement is terminated, this Agreement shall automatically be terminated with respect to the relationship between All Lenders and the Borrower. If the Loan Agreement is terminated with respect to any of the Lenders, this Agreement shall automatically be terminated with respect to such Lender. Until the Borrower completely pays all of its debts under the Loan Agreement or this Agreement, the relevant clauses of this Agreement shall survive in full force and effect, to the extent related to such payment of the debts.

11.2 If the execution and performance of this Agreement and any transactions contemplated under this Agreement become contrary to any Laws and Ordinances binding upon any of the Lenders, such Lenders shall consult with the Borrower and all other All Lenders through the Agent and take measures to deal with the situation. In this case, the Borrower and All Lenders excluding such Lenders may not refuse termination of this Agreement with respect to such Lenders without reasonable cause.

12. **GENERAL PROVISIONS**

12.1 Confidentiality Obligations

The Borrower shall raise no objection to the disclosure of information set forth in each item below:

- (1) If a decision of the Majority Lenders is required pursuant to the provisions of Clause 2 of this Agreement, the Agent and any Lenders may disclose such information with regard to the Borrower or the transaction with the Borrower, which either party has obtained through the Loan Agreement or this Agreement or an agreement other than this Agreement, by imposing confidentiality obligations on the recipient to an extent reasonably required.
- (2) Upon any assignment of status or rights and obligations pursuant to Clause 11 of this Agreement, any Lenders may disclose any information with regard to this Agreement to the Assignee or a person considering becoming an Assignee (including an intermediary of such assignment), on the condition that such parties agree to be bound by the confidentiality obligations. Information with regard to this Agreement in this item shall mean any information regarding the Borrower's credit that has been obtained in connection with this Agreement, any information regarding the contents of this Agreement and other information incidental hereto, and any information regarding the contents of the Loan Receivables to be assigned and other information incidental thereto, and shall not include any information regarding the Borrower's credit that has been obtained in connection with any agreement other than this Agreement.

12.2 Notices

- (1) Any notice under this Agreement shall be made in writing expressly stating that it is made for the purpose of this Agreement, and given by any of the methods described in (i) to (iv) below to the place of contact of the receiving party described in the Schedule attached hereto. Each party to this Agreement may change its place of contact by giving notice thereof to the Agent.
 - (i) Personal delivery;
 - (ii) Registered mail or courier service;
 - (iii) Transmission by facsimile; or
 - (iv) E/X (only for any notices among Lenders and the Agent).

- (2) Notice given pursuant to the preceding item shall be deemed to have been delivered at the time, in the case of transmission by facsimile, when receipt of facsimile is confirmed, and in the case of any other methods, when actually received.
- 12.3 The provisions of Clauses 36.2 through 36.4 and Clauses 36.6 through 36.12 of each Loan Agreement shall apply *mutatis mutandis* to this Agreement. In this case, as used in the provisions of Clauses 36.2 through 36.4 and Clauses 36.6 through 36.12 of each Loan Agreement, the terms “Lender A” or “Lender B” shall be replaced with “Lenders,” and the terms “Majority Lenders A” or “Majority Lenders B” shall be replaced with “Majority Lenders,” respectively.

(The space below has been intentionally left blank.)

FLOATING PLEDGE AGREEMENT

FASL JAPAN LIMITED (the "Pledgor"), the financial institutions specified in Exhibit 1(1) as Pledges A (All pledges A shall be collectively referred to as "Pledges A" or "all Pledges A," and individual pledges A shall, depending on the context, be referred to as "each Pledge A."), and the financial institutions specified in Exhibit 1(2) as Pledges B (All pledges B shall be collectively referred to as "Pledges B" or "all Pledges B," and individual pledges B shall, depending on the context, be referred to as "each Pledge B." All Pledges A and Pledges B shall be collectively referred to as "Pledges" or "all Pledges," and individual pledges shall, depending on the context, be referred to as "each Pledge.") hereby enter into this agreement (this "Agreement") as follows with respect to the creation of floating pledges on the Security Beneficial Interests (as defined below) held by the Pledgor, under which Mizuho Corporate Bank, Ltd. will act as the Agent, as of March 25, 2004.

1. **DEFINITIONS**

Except as otherwise specifically defined herein, the terms in this Agreement shall have the meanings defined in (i) the Accounts Receivables Trust Agreement dated March 25, 2004 entered into by and between the Pledgor and Mizuho Trust & Banking Co., Ltd. (the "Trustee") (as amended, the "Trust Agreement"), (ii) the Revolving Line Agreement (A) dated March 25, 2004 entered into by and among Mizuho Corporate Bank, Ltd., Shinkin CentralBank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd., The Norinchukin Bank and the Pledgor (as amended, the "Loan Agreement A"), (iii) the Revolving Line Agreement (B) dated March 25, 2004 entered into by and between Mizuho Corporate Bank and the Pledgor (as amended, the "Loan Agreement B," and together with the Loan Agreement A, the "Loan Agreements"), and (iv) the Creditors' Agreement dated March 25, 2004 entered into by and among Mizuho Corporate Bank, Ltd., Shinkin CentralBank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd., The Norinchukin Bank and the Pledgor (as amended, the "Creditors' Agreement").

2. **CREATION OF FLOATING PLEDGE**

2.1 The Pledgor shall create first-priority floating pledges (collectively, the "Floating Pledge A") on its beneficial interests in trust under the Trust Agreement (the "Security Beneficial Interests") with respect to each Pledgee A as follows.

DESCRIPTION

Scope of Secured Receivables:	The right to claim for the payment of principal and interest and any other receivables held by each Pledgee A against the Pledgor under the Loan Agreement A (collectively the "Secured Receivables A")
Maximum Amount:	JPY 9,000,000,000
Date to crystallize the receivables to be secured by Floating Pledge A:	No date is fixed.

2.2 The Pledgor shall create second-priority floating pledges (collectively the “Floating Pledge B,” and together with the Floating Pledge A, the “Floating Pledges”) on the Security Beneficial Interests with respect to each Pledgee B as follows.

DESCRIPTION

Scope of Secured Receivables:	The right to claim for the payment of principal and interest and any other receivables held by each Pledgee B against the Pledgor under the Loan Agreement B (collectively the “Secured Receivables B,” and together with the Secured Receivables A, the “Secured Receivables”)
Maximum Amount:	JPY 6,000,000,000
Date to crystallize the receivables to be secured by Floating Pledge B:	No date is fixed.

- 2.3 Each Pledgee A shall, as a result of creation of the Floating Pledge A described in Clause 2.1, acquire a floating pledge on the Security Beneficial Interests that has the same priority as those held by the other Pledgees A. Each Pledgee B shall, as a result of creation of the Floating Pledge B described in Clause 2.2, acquire a floating pledge on the Security Beneficial Interests that has the same priority as those held by the other Pledgees B.
- 2.4 The Pledgees hereby authorize the Agent to exercise on behalf of the Pledgees the rights of the Pledgees under this Agreement to the extent such exercise does not breach applicable laws or ordinances. Provided, however, that the specific time, method and terms of exercising the rights as a Pledgee shall be in accordance with the decision-making of the Majority Lenders under the provisions of the Creditors’ Agreement.
- 2.5 The Pledgees shall enforce the Floating Pledges only through the Agent and in accordance with the provisions of this Agreement, the Loan Agreements and the Creditors’ Agreement, and applicable laws and ordinances. Provided, however, that the Pledgees are able to receive appropriation for repayment of the Loans in accordance with the provisions of the Loan Agreements and the Creditors’ Agreement.
- 2.6 The authority set forth in Clause 2.4 shall extinguish upon the resignation or dismissal of the Agent in accordance with Clause 28 of the Loan Agreements (or Clause 28 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 7 of the Creditor’s Agreement; hereinafter the same) and the provisions of the Creditors’ Agreement. Thereafter, the successor Agent assuming office in accordance with Clause 28 of the Loan Agreements shall exercise the rights and bear the obligations under this Clause. Immediately after such change in Agents, the former Agent and the successor Agent shall notify the Pledgor thereof in writing in their joint name.

3. **DELIVERY OF ORIGINAL COPY AND ACQUISITION OF TRUSTEE APPROVAL**

- 3.1 On the date of this Agreement, the Pledgor shall deliver to the Agent original copies of a certificate for the Security Beneficial Interests (provided, however, that this shall only apply if such certificate has been issued) and an agreement with respect to the Trust Agreement (such certificate and agreement shall be collectively referred to as "Trust Agreement and Certificate"). The Agent shall, upon receipt of the Trust Agreement and Certificate pursuant to this Paragraph, immediately deliver to each Pledgee copies thereof with wording certifying that such copies are accurate copies of the Trust Agreement and Certificate
- 3.2 On the date of this Agreement, the Pledgor shall obtain the Trustee's written approval of the creation of the Floating Pledge A on the Security Beneficial Interests with a certified date substantially in the form set out in Exhibit 2, and deliver the original copy thereof to the Agent, to complete (i) perfection against debtors and third parties under Articles 364(1) and 467 of the Civil Code with respect to the creation of the Floating Pledge A and (ii) prior perfection under Article 467 of the Civil Code with respect to acquisition of the Security Beneficial Interests as a result of enforcement by any Pledgee A of the Floating Pledge A pursuant to the provisions of Clause 7.1(3) of this Agreement. The Agent shall, upon obtaining approval from the Trustee pursuant to this Paragraph, immediately deliver to each Pledgee A copies thereof with wording certifying that such copies are accurate copies of the approval.
- 3.3 On the date of this Agreement and after carrying out the procedures provided in the preceding Paragraph, the Pledgor shall obtain the Trustee's written approval of the creation of the Floating Pledge B on the Security Beneficial Interests with a certified date substantially in the form set out in Exhibit 3, and deliver the original copy thereof to the Agent, to complete (i) perfection against debtors and third parties under Articles 364(1) and 467 of the Civil Code with respect to the creation of the Floating Pledge B and (ii) prior perfection under Article 467 of the Civil Code with respect to acquisition of the Security Beneficial Interests as a result of enforcement by any Pledgee B of the Floating Pledge B pursuant to the provisions of Clause 7.1(3) of this Agreement. The Agent shall, upon obtaining approval from the Trustee pursuant to this Paragraph, immediately deliver to each Pledgee B copies thereof with wording certifying that such copies are accurate copies of the approval.
- 3.4 Upon receipt of the Trust Agreement and Certificate or the Trustee's approval in accordance with the provisions of preceding three Paragraphs, the Agent shall exclusively possess the Trust Agreement and Certificate or the Trustee's approval for its own benefit and on behalf of each Pledgee for the benefit of each Pledgee, and each Pledgee agrees thereto.
- 3.5 Each Pledgee authorizes the Agent and the Agent agrees to receive the Trust Agreement and Certificate and the Trustee's approval on behalf of each Pledgee.
- 3.6 The Agent shall keep the original copies of the Trust Agreement and Certificate that are delivered by the Pledgor in accordance with Clause 3.1 for the benefit of each Pledgee with the duty of care of a good administrator, until the Pledgor satisfies all of the Secured Receivables and the Agent returns to the Pledgor the original copies of the Trust Agreement and Certificate in accordance with Clause 15 of this Agreement.

4. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF PLEDGOR**

4.1 The Pledgor represents and warrants that the following is true and correct as of the date of this Agreement.

- (1) The Trust Agreement is an agreement duly executed and effectively existing under the laws of Japan.
- (2) The Security Beneficial Interests solely belong to the Pledgor, and the Pledgor has the sole authority to dispose of the Security Beneficial Interests.
- (3) There are no encumbrances relating to real rights on the Security Beneficial Interests that have priority over or precede the Floating Pledge A, nor is there any other event that will interfere with the rights or interests of the Pledgees A.
- (4) Other than the Floating Pledge A, there are no encumbrances relating to real rights on the Security Beneficial Interests that have priority over or precede the Floating Pledge B, nor is there any other event that will interfere with the rights or interests of the Pledgees B.
- (5) No lawsuit, arbitration, mediation or other administrative procedure by a third party is pending with respect to the creation, continued existence, ownership or exercise of the Security Beneficial Interests, nor is there any threat of the commencement of any of the foregoing.
- (6) The Security Beneficial Interests are legal, valid and binding, and enforceable in accordance with the terms of this Agreement.
- (7) No principal has been redeemed before the due date with respect to the Security Beneficial Interests.
- (8) Neither the Settlor nor the Trustee is in default of any obligations under the Trust Agreement.
- (9) There are no grounds for defense that interfere with the creation, continued existence or exercise of the Security Beneficial Interests.
- (10) No provisions of the Trust Agreement have been amended, released or waived, the Security Beneficial Interests have not been transferred to a third party, had a security interest created thereon, or otherwise been disposed of in a way that adversely affects or is likely to adversely affect the rights of the Pledgees under this Agreement, nor is the Pledgor under any obligation to make such a disposition for the benefit of a third party.
- (11) No petition for provisional attachment, preservative attachment, attachment or provisional disposition has been filed by any third party in respect of all or a part of the Security Beneficial Interests, nor are there any rights or encumbrances in respect of all or a part of the Security Beneficial Interests that have or are likely to have an adverse effect on the rights of the Pledgees under this Agreement;
- (12) Each of the Pledgor's representations and warranties set out in the Trust Agreement are true and correct.

4.2 If it is found that any of the Pledgor's representations and warranties set out in Clause 4.1 are false or incorrect in any material respect, the Pledgor shall immediately notify the Agent thereof in writing, and shall compensate the Agent or each Pledgee for the losses incurred by them due to such breach of representations or warranties.

5. **PRESERVATION OF TRUST AGREEMENT**

The Pledgor shall not, without the Agent's prior written consent, amend any provision of the Trust Agreement, transfer the Security Beneficial Interests to a third party, create a security interest on or otherwise dispose of or cancel the Security Beneficial Interests, or conduct any other act which is likely to adversely affect the Floating Pledges.

6. **CHANGES IN DETAILS OF FLOATING PLEDGES**

If it becomes necessary to transfer all or a part of the Floating Pledges (including changing the scope of the secured receivables in connection with such transfer) or otherwise change or dispose of the Floating Pledges (excluding the case where such change or disposal materially and adversely affects the Pledgor), the Pledgor shall agree to or approve the Agent's requests or take other procedures necessary therefor. If required by the Agent to change the scope of the secured receivables with respect to the Floating Pledges (excluding those in connection with the transfer of all or a part of the Floating Pledges), the Pledgor shall consult with the Agent in good faith.

7. **ENFORCEMENT OF THE PLEDGE**

7.1 If the obligations that the Pledgor owes with respect to any of the Secured Receivables become due or immediately payable, the Pledgees may enforce the Floating Pledges in accordance with any of the following methods. In such case, each Pledgee may enforce the Floating Pledges only through the Agent by times, methods and terms determined in accordance with the decision-making of the Majority Lenders under Clause 2 of the Creditors' Agreement, and the Agent shall enforce the Floating Pledges on behalf of each Pledgee. The Agent shall, in enforcing the Floating Pledges, notify the Trustee, Pledgor and each Pledgee in writing of the enforcement of the Floating Pledges under this Agreement (the "Floating Pledge Enforcement Notice").

- (1) Method of (i) directly collecting money equal to the amount of the Trustee's obligations to pay distributions and principal redemptions with respect to the Security Beneficial Interests or any other obligation owed by the Trustee to the Pledgor under the Trust Agreement, and (ii) using such collected amount (the "Directly Collected Amount") to repay the Secured Receivables.
- (2) Method of (i) disposing of the Security Beneficial Interests by times, methods, prices, etc., which are generally acknowledged as appropriate, and (ii) using the proceeds from such disposal (the "Disposal Proceeds") to repay the Secured Receivables.
- (3) Method of (i) acquiring the Security Beneficial Interests by evaluating them by times, methods, prices, etc., which are generally acknowledged as appropriate, and (ii) deeming that the Secured Receivables cease to be effective at the same amount as such value of the Security Beneficial Interests (the "Valued Amount").

- 7.2 Notwithstanding the provisions of the preceding Paragraph, if the Agent reasonably deems it necessary to urgently enforce the Floating Pledges, the Agent may immediately enforce the Floating Pledges without following decision-making procedures of the Majority Lenders set forth in Clause 2 of the Creditors' Agreement. Provided, however, that the Agent shall not be obliged to enforce the Floating Pledges unless instructed by the Majority Lenders.
- 7.3 If the Agent enforces the Floating Pledges, the Agent shall simultaneously enforce all of the Floating Pledges held by the Pledgees.
- 7.4 If the Pledgees enforce the Floating Pledges in accordance with Clause 7.1(1) or (2), the Pledgees shall cause the party obliged to pay the Directly Collected Amount or the Disposal Proceeds to transfer such Directly Collected Amount or Disposal Proceeds to an account designated and managed by the Agent (the "Agent's Account"). Upon payment of the Directly Collected Amount or the Disposal Proceeds (the "Directly Collected Amount, Etc.") to the Agent's Account, the Directly Collected Amount, Etc. shall be used to repay the Secured Receivables in the order and manner set forth in Clause 18 of the Loan Agreements (or Clause 18 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 4 of the Creditors' Agreement; hereinafter the same), and the Agent shall distribute the Directly Collected Amount, Etc. to each Pledgee in accordance with Clause 19 of the Loan Agreements (or Clause 19 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 5 of the Creditors' Agreement).
- 7.5 If the Pledgees enforce the Floating Pledges in accordance with Clause 7.1(3), an amount equivalent to the amount that would be appropriated if the money equal to the Valued Amount was appropriated in the order and manner set forth in Clause 18 of the Loan Agreements, shall be used to repay the Secured Receivables at the time the Agent acquires the Security Beneficial Interests. If the Agent acquires money by exercising, transferring or otherwise disposing of the Security Beneficial Interests acquired in accordance with Clause 7.1(3), the Agent shall cause the party obliged to pay such money to transfer such money to the Agent's Account, and upon payment of such money, the Agent shall immediately distribute such transferred money to each Pledgee in accordance with Clause 19 of the Loan Agreements.
- 7.6 If the Agent receives the trust principal, trust proceeds or other property upon enforcement of the Floating Pledges and such property is not money (the "Receivables in Kind"), the Majority Lenders shall determine the method to acquire or dispose of the Receivables in Kind. In this case, an amount equivalent to the amount that would be appropriated if the money equal to the Valued Amount of the Receivables in Kind evaluated by times, methods, prices, etc., that are generally acknowledged as appropriate was appropriated in the order and manner set forth in Clause 18 of the Loan Agreements, shall be used to repay the Secured Receivables. In this case, if the Agent acquires money by exercising, transferring or otherwise disposing of the Receivables in Kind, the Agent shall cause the party obliged to pay such money to transfer such money to the Agent's Account, and upon payment of such money, the Agent shall immediately distribute such transferred money to each Pledgee in accordance with Clause 19 of the Loan Agreements.

7.7 Each Pledgee acknowledges without objection that, notwithstanding the priority between the Floating Pledge A and the Floating Pledge B set forth in Clauses 2.1 and 2.2, the Directly Collected Amount, the Disposal Proceeds, money equal to the Valued Amount and other money acquired through enforcing the Floating Pledges that are set forth in preceding three Paragraphs shall be used and distributed to each Pledgee in the order set forth in Clauses 18 and 19 of the Loan Agreements, and no receivables or obligations will remain between each Pledgee and the Agent with respect to such money after the distribution thereof.

8. **INSTRUCTIONS TO TRUSTEE**

The Pledgor shall follow the provisions of Clause 24.1 of the Trust Agreement with respect to instructing the Trustee, and (i) if no Repayment Formula Revision Event has occurred, the Beneficiary and the Agent shall, upon consultation, give instructions in their joint name, and if the Beneficiary and the Agent do not come to an agreement though consultation, the Agent may independently give instructions, and (ii) if a Repayment Formula Revision Event has occurred, the Agent may give instructions.

9. **COMMON SERVICE FEES**

If the Agent pays any fees for the common benefit of the Pledgees pursuant to the provisions of this Agreement, notwithstanding the provisions of Clauses 7.5 through 7.7 (including the case where such provisions apply *mutatis mutandis* in accordance with the provisions of Clause 8), the Agent may receive priority distribution of an amount equal to such paid expenses from the Agent's Account.

10. **RECEIPT BY PLEDGOR OF DISTRIBUTION OF PROCEEDS OR OTHER MONEYS**

Notwithstanding the creation of the Floating Pledges, the Pledgor is authorized to receive distributions of proceeds, principal redemptions and other money in respect of the Security Beneficial Interests until the Floating Pledge Enforcement Notice is given.

11. **PRESERVATION OF PLEDGE**

- 11.1 The Pledgor shall obtain the Agent's written approval prior to conducting any act to collect the Trust Receivables by itself or any other acts that reduce or which are likely to reduce the amount of the Trust Receivables or the Security Beneficial Interests.
- 11.2 If the Agent is requested by the Pledgor for the approval described in Clause 11.1, the Agent may, as a condition for giving such approval, request the Pledgor to entrust additional funds in respect of the Trust Agreement, offer additional pledges, or repay all or a part of the Secured Receivables.
- 11.3 If requested by the Agent, the Pledgor shall deliver to the Agent all documents reasonably necessary for the preservation and exercise of the Pledgees' rights hereunder, and take all necessary steps for the preservation and exercise of the rights of the Pledgees hereunder in accordance with the Agent's instructions.

12. **NO ASSUMPTION OF DEBT**

The Pledgor acknowledges without objection that none of the Pledges shall assume any debt in respect of the Trust Agreement due to the creation of the Floating Pledges under this Agreement.

13. **EXEMPTION FROM LIABILITY WITH RESPECT TO OBLIGATION TO PRESERVE THE PLEDGE, ETC.**

13.1 The Floating Pledge shall be created in addition to other pledges and guarantees held by the Pledges in respect of the Secured Receivables, and shall not affect the validity of such other pledges or guarantees.

13.2 The Pledgor shall not claim exemption from liability if any Pledgee changes or cancels other pledges or guarantees at such Pledgee's discretion.

14. **INDEMNIFICATION**

If the Agent or the Pledges suffer damages due to breach by the Pledgor of the obligations under this Agreement, the Pledgor shall immediately compensate the Agent or the Pledges upon request from the Agent or the Pledges for such damages.

15. **EXTINGUISHMENT OF FLOATING PLEDGES**

If the Floating Pledges cease to exist, the Agent shall immediately return to the Pledgor the original copies of the Trust Agreement and Certificate with respect to such extinguished Floating Pledges that have been delivered by the Pledgor in accordance with Clause 3.1 and kept for the benefit of each Pledgee. Upon receipt of the original copies of the Trust Agreement and Certificate pursuant to this Clause, the Pledgor shall notify the Trustee thereof in joint names with the Pledges.

16. **COSTS AND EXPENSES**

The Pledgor shall bear any and all costs and expenses (including, but not limited to, taxes and public charges and attorney's fees) required to exercise the rights or perform the obligations under this Agreement. If the Agent or any Pledges pays such costs or expenses, the Pledgor shall compensate the Agent or such Pledgee immediately after the Pledgor receives from the Agent or such Pledgee the details of such costs and expenses.

17. **AGENT**

The parties to this Agreement acknowledge that the services specified in this Agreement to be performed by the Agent shall constitute a part of the Agent Services set forth in Clause 27 of the Loan Agreements (or Clause 27 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 6 of the Creditor's Agreement). It is acknowledged that the provisions concerning the Agent in the Creditors' Agreement shall automatically apply to the Agent's authority, responsibility, obligations, exemption from liability and other matters with respect to the performance by the Agent of its services set forth in this Agreement.

18. **NO ASSIGNMENT**

None of the Pledges nor the Pledgor shall assign, create a security interest on or otherwise dispose of all or a part of their contractual status, rights or obligations hereunder. Provided,

however, that this shall not apply if such disposal is made as a result of the Pledges assigning or otherwise disposing of the Secured Receivables in accordance with the Loan Agreements.

19. **AMENDMENTS TO THE AGREEMENT**

The provisions of this Agreement may be amended only by the written consent of the Agent, the Pledgor and all Lenders (provided, however, amendments concerning matters solely relating to the Floating Pledge A may be made with the consent of the Agent, the Pledgor and all Pledges A, and amendments concerning matters solely relating to the Floating Pledge B may be made with the consent of the Agent, the Pledgor and all Pledges B).

20. **ADDITIONAL MEASURES**

Each Pledgee and the Pledgor shall prepare, execute and deliver any agreements and other documents required by each Pledgee or the Pledgor as necessary or appropriate to a reasonable extent for the purpose of attaining the object of this Agreement.

21. **GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of Japan.

22. **JURISDICTION**

The Tokyo District Court shall have exclusive jurisdiction as the court of first instance with respect to any action arising out of or in connection with this Agreement.

23. **APPLICATION OF THE TRUST AGREEMENT**

The provisions of the Loan Agreements and the Creditors' Agreement shall apply *mutatis mutandis* to matters relating to the provisions of this Agreement among those not provided for in this Agreement.

24. **CONSULTATION**

The Agent, the Pledges and the Pledgor shall resolve any matters not provided for in this Agreement or doubts arising from this Agreement upon mutual consultation.

List of Schedules

Schedule 1	List of Pledges
Schedule 2	Application for Approval on Creating First-Priority Floating Pledge and Approval on Creating Floating Pledge
Schedule 3	Application for Approval on Creating Second-Priority Floating Pledge and Approval on Creating Floating Pledge

ACCOUNTS RECEIVABLES TRUST AGREEMENT

Settlor: FASL JAPAN LIMITED
Trustee: MIZUHO TRUST & BANKING CO., LTD.

March 25, 2004

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

TABLE OF CONTENTS

CHAPTER 1 GENERAL PROVISIONS	3
1. Definitions	3
2. Purpose of the Trust	11
3. Additional Entrustment of Funds	11
4. Term of The Trust	12
5. Transfer of the Initial Trust Receivables	12
6. Eligibility Criteria for Trust Receivables	12
7. Representations and Warranties of the Settlor and the Trustee	15
8. Covenants by the Settlor	16
9. Indemnification	17
10. Perfection of Assignment	17
11. Delivery of Receivables Certificates	18
12. Indication of the Trust	18
13. Due Diligence Obligations	18
CHAPTER 2 BENEFICIAL INTERESTS	18
14. Beneficiary	18
15. Type of the Beneficial Interests	18
16. Division of the Beneficial Interests	18
17. Issuance of Beneficial Interests Certificates	19
18. Assignment and Pledge of the Beneficial Interests	19
CHAPTER 3 MANAGEMENT AND DISPOSAL OF THE TRUST PROPERTY	19
19. Report regarding the Trust Receivables by the Settlor	19
20. Floating Pledge Enforcement Notice	20
21. Delegation of a Part of the Trust Administrative Services	20
22. Management of the Funds within the Trust Property	21
23. Opening of the Account	21
24. Instruction of Beneficiary	21
CHAPTER 4 CALCULATION OF THE TRUST	22
25. Definition of Principal and Proceeds	22
26. Treatment of Ineligible Receivables	22
27. Calculation and Report of the Trust	23
28. Payment of Taxes and Expenses	24
29. Trust Fees	24
CHAPTER 5 DELIVERY OF PRINCIPAL AND PROCEEDS OF THE BENEFICIAL INTERESTS	24
30. Prepayment of Principal and Delivery of Proceeds during the Term of the Trust	24
31. Repayment of Trust Principal and Disposal of Trust Proceeds after the Occurrence of Repayment Formula Revision Event	26
CHAPTER 6 TERMINATION OF TRUST	27
32. Termination of the Trust Agreement	27
33. Delivery of Principal and Proceeds upon Termination of the Trust	28
CHAPTER 7 MISCELLANEOUS	29
34. Notice	29
35. Submission of Seal Impression	29
36. Notification	30
37. Access to the Details of the Trust Receivables	30
38. Fractions Less than One Yen	30
39. Governing Law	30
40. Jurisdiction	30
41. Amendments to This Agreement	31
42. Expenses	31
43. Application of the Loan Agreements	31
44. Consultation	31

ACCOUNTS RECEIVABLES TRUST AGREEMENT

FASL JAPAN LIMITED (the "Settlor") and Mizuho Trust & Banking Co., Ltd. (the "Trustee") enter into this trust agreement (this "Agreement," and the trust established under this Agreement, the "Trust"), which consists of the following terms and conditions.

CHAPTER 1 GENERAL PROVISIONS

1. DEFINITIONS

In this Agreement, the following terms shall have the meanings set forth below.

- 1.1 "Administration Method Instruction" has the meaning given in Clause 24.1 of this Agreement.
- 1.2 "Agent" means the Mizuho Corporate Bank, Ltd. in the capacity of the agent as appointed by the Lenders under the Creditors' Agreement.
- 1.3 "Application for Additional Entrustment of Funds" means a document substantially in the form attached hereto as Schedule 2.
- 1.4 "Beneficial Interests" means the beneficial interests accrued under this Agreement.
- 1.5 "Beneficiary" means a person having the Beneficial Interests.
- 1.6 "Business Day" means any day other than those that are bank holidays in Japan.
- 1.7 "Collection Account" means the following account:

Name and Branch of Bank:	Mizuho Corporate Bank, Ltd., Uchisaiwaicho 1st Corporate Banking
	Division
Account Type:	Ordinary Savings Account
Account Number:	****
Account Name:	FASL JAPAN LIMITED Account held by Mizuho Trust & Banking Co., Ltd. as the trustee of the Monetary Receivables Trust
- 1.8 "Collection Calculation Date" means, collectively, the Regular Collection Calculation Date and the Extraordinary Collection Calculation Date; provided, however, that the Trust Termination Date shall be the last Collection Calculation Date.
- 1.9 "Collection Calculation Period" means the period commencing on the day (inclusive) immediately following the Collection Calculation Date immediately preceding each Collection Calculation Date and ending on the relevant Collection

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission.*

Calculation Date (inclusive); provided, however, that the initial Collection Calculation Period shall commence on March 25, 2004 (inclusive) and the final Collection Calculation Period shall end on the Trust Termination Date.

- 1.10 **“Collection Delivery Date”** means, collectively, the Regular Collection Delivery Date and the Extraordinary Collection Delivery Date.
- 1.11 **“Consumption Tax”** means, collectively, consumption tax and local consumption tax in Japan.
- 1.12 **“Consumption Tax and Other Tax”** means Consumption Tax, goods and services tax (GST) in Singapore, value added tax (VAT) in Germany and any other taxes separately agreed between the Settlor and the Trustee as taxes payable by the Settlor that are directly imposed on the execution and performance of the Purchase and Sale Related Agreements.
- 1.13 **“Counter-Performed Trust Receivables”** means the Trust Receivables (excluding the Ineligible Receivables) corresponding to the accounts receivables for the items that are sold and purchased, the delivery and inspection of which is completed, except for the Trust Receivables that are the Fixed Trust Receivables.
- 1.14 **“Counter-Performed Trust Receivables Amount”** means the principal amount of the Counter-Performed Trust Receivables.
- 1.15 **“Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)”** means the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) relating to the Counter-Performed Trust Receivables Amount.
- 1.16 **“Counter-Performed Trust Receivables Amount (Goods’ Value Equivalent)”** means the Counter-Performed Trust Receivables Amount minus the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent).
- 1.17 **“Damages”** has the meaning given in Clause 6.1 (1) of this Agreement.
- 1.18 **“Estimated Trust Receivables Collection Amount”** has the meaning given in Clause 19.1 of this Agreement.
- 1.19 **“Estimated Trust Receivables Collection Amount (Consumption Tax and Other Tax Equivalent)”** means the amount to be paid as the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) among the Estimated Trust Receivables Collection Amount.
- 1.20 **“Estimated Trust Receivables Collection Amount (Goods’ Value Equivalent)”** means the amount to be paid as the Trust Receivables Amount (Goods’ Value Equivalent) among the Estimated Trust Receivables Collection Amount.
- 1.21 **“Exemption Event”** has the meaning given in Clause 1 of the Loan Agreements.
- 1.22 **“Existing Trust Receivables”** means the accounts receivables from the Third Party Obligor under the Purchase and Sale Related Agreements that exist as of the execution date of this Agreement.

- 1.23 “**Expenses**” means taxes and other public charges relating to the Trust Property and expenses necessary for the trust administrative services (including, without limitation, expenses relating to the delegation of the Trust Administrative Services under Clause 21).
- 1.24 “**Expiration Date**” means June 29, 2007 (or the immediately following Business Day if such date is not a Business Day).
- 1.25 “**Extraordinary Collection Calculation Date**” means, if the Trustee receives the Settlor’s Extraordinary Report, the day immediately preceding the date of receipt (or the immediately preceding Business Day if such date is not a Business Day). If the Extraordinary Collection Calculation Date corresponds to the Regular Collection Calculation Date, such date shall be deemed as the Regular Collection Calculation Date and not as the Extraordinary Collection Calculation Date.
- 1.26 “**Extraordinary Collection Delivery Date**” means the fourth (4th) Business Day after the Extraordinary Collection Calculation Date.
- 1.27 “**Fixed Trust Property Value**” means the sum of (i) the Fixed Trust Receivables Amount (Goods’ Value Equivalent) and (ii) the amount of the funds within the Trust Property minus the amount of the Trust Receivables Collections (Consumption Tax and Other Tax Equivalent).
- 1.28 “**Fixed Trust Receivables**” means the Trust Receivables (excluding the Ineligible Receivables) indicated in invoices sent by the Settlor to the Third Party Obligor under Clause 5.2 of the Purchase and Sale Agreement during each calendar month after the Set-off Treatment for such calendar month is complete.
- 1.29 “**Fixed Trust Receivables Amount**” means the principal amount of the Fixed Trust Receivables. Such amount shall be set forth in the Payment Notice relating to the relevant calendar month as the amount to be paid by the Third Party Obligor to the Trustee by the Trust Receivables Due Date.
- 1.30 “**Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)**” means the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent) relating to the Fixed Trust Receivables.
- 1.31 “**Fixed Trust Receivables Amount (Goods’ Value Equivalent)**” means the Fixed Trust Receivables Amount minus the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent).
- 1.32 “**Floating Pledge**” has the meaning given in Clause 18.2 of this Agreement.
- 1.33 “**Floating Pledge Agreement**” means the Floating Pledge Agreement entered into between the Settlor and the Lenders as of March 25, 2004 (as amended).
- 1.34 “**Floating Pledge Enforcement Notice**” has the meaning given in Clause 20.1 of this Agreement.

- 1.35 “**Ineligible Receivables**” means the Trust Receivables that do not satisfy the eligibility criteria provided for in Clause 6.1, including the Existing Trust Receivables that cease to satisfy such eligibility criteria after the execution date of this Agreement and the Prospective Trust Receivables that cease to satisfy such eligibility criteria after the date on which such Prospective Trust Receivables arise.
- 1.36 “**Instructor**” has the meaning given in Clause 24.1 of this Agreement.
- 1.37 “**Interest Collections**” means the amounts received by the Trustee with respect to the Trust Property during each Collection Calculation Period, which constitute the trust proceeds pursuant to Clause 25.2.
- 1.38 “**Lenders**” means, collectively, Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd. and The Norinchukin Bank as the Lenders and their respective successors under the Loan Agreements.
- 1.39 “**Lending Obligation**” means, collectively, the Lending Obligation A and Lending Obligation B.
- 1.40 “**Lending Obligation A**” has the meaning given in Clause 1 of the Loan Agreement A.
- 1.41 “**Lending Obligation B**” has the meaning given in Clause 1 of the Loan Agreement B.
- 1.42 “**Loan Agreement A**” means the Revolving Line Agreement (A) (as amended or renewed) entered into by Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd. and The Norinchukin Bank, and the Settlor as of March 25, 2004.
- 1.43 “**Loan Agreement B**” means the Revolving Line Agreement (B) (as amended or renewed) entered into by Mizuho Corporate Bank, Ltd. and the Settlor as of March 25, 2004.
- 1.44 “**Loan Agreements**” means, collectively, the Loan Agreement A and the Loan Agreement B.
- 1.45 “**Loan Receivables**” means the Lenders’ loan receivables from the Settlor under the Loan Agreements.
- 1.46 “**Majority Lenders**” has the meaning given in Clause 1 of the Creditor’s Agreement.
- 1.47 “**Memorandum regarding Trust Fees**” has the meaning given in Clause 29.1 of this Agreement.
- 1.48 “**Payment Notice**” means a notice given by the Third Party Obligor to the Settlor on or before the second (2nd) Business Day after the last day of each month under the Purchase and Sale Related Agreements that specifies (i) the Trust Receivables the

Third Party Obligor will pay to the Trustee on the forty-fifth (45th) day after the last day of the calendar month after the Set-off Treatment and (ii) the amount of such Trust Receivables.

- 1.49 **“Principal Collections”** means the amounts that the Trustee receives with respect to the Trust Property during each Collection Calculation Period, which are to constitute the trust principal pursuant to Clause 25.1.
- 1.50 **“Prospective Trust Receivables”** means the accounts receivables from the Third Party Obligor under the Purchase and Sale Related Agreements that arise during a period from the day immediately following the execution date of this Agreement (inclusive) to the Trust Termination Date with respect to the Third Party Obligor (inclusive).
- 1.51 **“Purchase and Sale Agreement”** means the Purchase and Sale Agreement entered into between the Settlor and the Third Party Obligor as of February 23, 2004 (as amended).
- 1.52 **“Purchase and Sale Related Agreements”** means the Purchase and Sale Agreement and each individual agreement under the Purchase and Sale Agreement.
- 1.53 **“Regular Collection Calculation Date”** means the fifteenth (15th) day or the last day of each month (or the immediately following Business Day if such date is not a Business Day); provided, however, that the first Regular Collection Calculation Date shall be March 31, 2004.
- 1.54 **“Regular Collection Delivery Date”** means the fourth (4th) Business Day after the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to such Regular Collection Date, or the sixth (6th) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to such Regular Collection Date.
- 1.55 **“Related Documents”** means documents certifying the execution of the Purchase and Sale Related Agreements and any other documents relating to the Purchase and Sale Related Agreements.
- 1.56 **“Repayment Formula Revision Event”** has the meaning given in Clause 20.1 of this Agreement.
- 1.57 **“Repurchase Price”** has the meaning given in Clause 26.1 of this Agreement.
- 1.58 **“Set-off Treatment”** means the Third Party Obligor’s setting off of a certain amount of the Counter-Performed Trust Receivables against the equivalent amount of the Third Party Obligor’s receivables from the Settlor that become due in the relevant calendar month, by specifying its intention to do so on the Payment Notice to the Settlor on or before the second (2nd) Business Day after the last day of each calendar month.

- 1.59 “**Settlor’s Extraordinary Report**” has the meaning given in Clause 19.2 of this Agreement.
- 1.60 “**Settlor’s Regular Report**” has the meaning given in Clause 19.1 of this Agreement.
- 1.61 “**Settlor’s Regular Report Deadline**” means (i) 3 p.m. on the Business Day immediately following the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Settlor’s Regular Report relating to such Regular Collection Calculation Date, or (ii) 3 p.m. on the third (3rd) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Settlor’s Regular Report relating to such Regular Collection Calculation Date.
- 1.62 “**Settlor’s Report**” means, collectively, the Settlor’s Regular Report and the Settlor’s Extraordinary Report.
- 1.63 “**Settlor’s Report Form**” means the form attached hereto as Schedule 4. Provided, however, that the Settlor, the Trustee and the Agent may change such form upon mutual agreement.
- 1.64 “**Third Party Obligor**” means FUJITSU LIMITED.
- 1.65 “**Total Outstanding Balance**” means the sum of the Total Outstanding Balance A and the Total Outstanding Balance B.
- 1.66 “**Total Outstanding Balance A**” has the meaning given in Clause 1 of the Loan Agreement A.
- 1.67 “**Total Outstanding Balance B**” has the meaning given in Clause 1 of the Loan Agreement B.
- 1.68 “**Trust Administrative Services**” means the administrative services relating to the administration and collection of the Trust Receivables (including, without limitation, (i) custody and administration of the Related Documents; (ii) administration of the balances relating to the Trust Receivables; and (iii) receipt of payment relating to the Trust Receivables).
- 1.69 “**Trust Assignment**” means assignment of the Trust Receivables from the Settlor to the Trustee pursuant to this Agreement.
- 1.70 “**Trust Calculation Date**” means (i) the second (2nd) Business Day after the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is not a Business Day) relating to such Collection Calculation Date, or (ii) the fourth (4th) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) relating to such Collection Calculation Date.

- 1.71 **“Trust Property Maintenance Standards”** means, in each case set forth below, the following conditions:
- (1) In the case where the Total Outstanding Balance A exists and Total Outstanding Balance B does not exist, the Fixed Trust Property Value shall be no less than 101% of the Total Outstanding Balance A;
 - (2) In the case where both the Total Outstanding Balance A and the Total Outstanding Balance B exist, (i) the Counter-Performed Trust Receivables Amount (Goods’ Value Equivalent) shall be no less than 120% of the Total Outstanding Balance minus the Fixed Trust Property Value, and (ii) the Fixed Trust Property Value shall be no less than 101% of the Total Outstanding Balance A, and for avoidance of doubt, this condition shall be satisfied if (i) the Fixed Trust Property Value is no less than the Total Outstanding Value and (ii) the Fixed Trust Property Value is no less than 101% of the Total Outstanding Balance A;
 - (3) In the case where the Total Outstanding Balance B exists and the Total Outstanding Balance A does not exist, the Counter-Performed Trust Receivables Amount (Goods’ Value Equivalent) shall be no less than 120% of the Total Outstanding Balance B minus the Fixed Trust Property Value, and for avoidance of doubt, this condition shall be satisfied if the Fixed Trust Property Value is no less than the Total Outstanding Balance B; or
 - (4) In the case where neither the Total Outstanding Balance A nor the Total Outstanding Balance B exist, there shall be no conditions.
- 1.72 **“Trust Property”** means all property arising from the Trust Receivables and as a result of the management and disposal of the Trust Receivables.
- 1.73 **“Trust Receivables”** means, collectively, the Existing Trust Receivables and the Prospective Trust Receivables.
- 1.74 **“Trust Receivables Amount”** means the principal amount of the Trust Receivables.
- 1.75 **“Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)”** means, with respect to each Trust Receivables, if the Settlor incurs tax liabilities relating to Consumption Tax and Other Tax that are directly imposed on the execution and performance of the Purchase and Sale Related Agreements under which the Trust Receivables arise, the amount of such taxes payable by the Settlor among the Trust Receivables Amount relating to such Trust Receivables.
- 1.76 **“Trust Receivables Collections”** means all amounts that the Trustee receives from the Third Party Obligor or other persons as repayment of their debts relating to the Trust Receivables.
- 1.77 **“Trust Receivables Collections (Consumption Tax and Other Tax Equivalent)”** means the amounts that the Trustee deems as payments relating to the Trust

Receivables Amount (Consumption Tax and Other Tax Equivalent) among the Trust Receivables Collections based on the Settlor's Report, or the amounts that the Agent reasonably deems as payments relating to the Trust Receivables (Consumption Tax and Other Tax Equivalent) among the Trust Receivables Collections based on other reports from the Settlor if the Trustee cannot determine the amounts to be paid relating to the Trust Receivables Amount (Consumption Tax and Other Tax Equivalent), including the cases where the Estimated Trust Receivables Collection Amount set forth in the Settlor's Report are inconsistent with the amount of the Trust Receivables Collections, or any false information is discovered or possibly exists in the Settlor's Report.

- 1.78 **"Trust Receivables Due Date"** means, with respect to each Trust Receivables, the fifteenth (15th) day (or the immediately following Business Day if such date is not a Business Day) of the second (2nd) month after each calendar month in which the Settlor sends an invoice indicating such Trust Receivables to the Third Party Obligor under Clause 5.2 of the Purchase and Sale Agreement.
- 1.79 **"Trust Termination Date"** means the earliest of the following dates:
- (1) the Expiration Date (or if the Loan Receivables remains and the obligation of the Borrower relating to the Loan Receivables has become immediately due and payable as of the Expiration Date, the Regular Collection Calculation Date first occurring after the date three (3) months after the date on which such obligation of the Borrower becomes immediately due and payable);
 - (2) the Regular Collection Calculation Date first occurring after the date on which (i) the Loan Receivables cease to exist and (ii) the Agent recognizes that the prospect of the Loan Receivables arising thereafter has ceased to exist due to the termination of the Loan Agreements or extinguishment of the Lending Obligation;
 - (3) the Regular Collection Calculation Date first occurring after the date on which (i) the outstanding balance with respect to the Trust Receivables ceases to exist and (ii) the Agent recognizes that the prospect of the Trust Receivables arising thereafter has ceased to exist; or
 - (4) the Regular Collection Calculation Date first occurring after the date on which the Trustee dispatches a notice of its intent to terminate this Agreement under Clause 32 thereof.
- 1.80 **"Trustee's Extraordinary Report"** has the meaning given in Clause 27.2 of this Agreement.
- 1.81 **"Trustee's Regular Report"** has the meaning given in Clause 27.1 of this Agreement.
- 1.82 **"Trustee's Regular Report Deadline"** means (i) 12 p.m. on the third (3rd) Business Day after the Regular Collection Calculation Date corresponding to the fifteenth (15th) day of each month (or the immediately following Business Day if such date is

not a Business Day) with respect to the Trustee's Regular Report relating to such Regular Collection Calculation Date, or (ii) 12 p.m. on the fifth (5th) Business Day after the Regular Collection Calculation Date corresponding to the last day of each month (or the immediately following Business Day if such date is not a Business Day) with respect to the Trustee's Regular Report relating to such Regular Collection Calculation Date.

2. PURPOSE OF THE TRUST

The Settlor has entrusted the Trust Receivables to the Trustee, and the Trustee has accepted such Trust Receivables as of the execution date of this Agreement for the purpose of managing and disposing such Trust Receivables for the benefit of the Beneficiary.

3. ADDITIONAL ENTRUSTMENT OF FUNDS

- 3.1 If it is found that the Trust Property Maintenance Standards are not satisfied, the Settlor shall first give notice of its intent to entrust additional funds pursuant to the provisions of Clause 3.2 to the Trustee (the "Notice of Additional Entrustment of Funds") and then entrust additional funds sufficient to satisfy the Trust Property Maintenance Standards to the Trustee on or before the Business Day immediately following the date on which it is found that the Trust Property Maintenance Standards are not satisfied, unless the Settlor notifies the Agent pursuant to Clause 14.4(i) of the Loan Agreements of its intent to pay to the Lenders all or any part (sufficient to satisfy the Trust Property Maintenance Standards) of the Loan Receivables (the "Prepayment Notice") by 11 a.m. on the Business Day immediately following the date on which it is found that the Trust Property Maintenance Standards are not satisfied. Upon receipt of the additional funds, the Trustee shall notify the Agent of the amount of the additional funds immediately (but no later than the second (2nd) Business Day after the date of receipt of the additional funds).
- 3.2 The Settlor shall give the Prepayment Notice and the Notice of Additional Entrustment of Funds to the Trustee and the Agent in a form separately agreed upon between the Settlor, the Trustee and the Agent by 11 a.m. on the Business Day immediately following the date on which it is found that the Trust Property Maintenance Standards set forth in Clause 3.1 are not satisfied. In addition, the Settlor shall submit the Application of Additional Entrustment of Funds in Schedule 2 to the Trustee (and at the same time deliver a copy of the Application for Additional Entrustment of Funds to the Agent) when it gives the Notice of Additional Entrustment of Funds.
- 3.3 In addition to the case set forth in Clause 3.1, if the Settlor, the Trustee and the Agent separately agree, the Settlor may submit the Application for Additional Entrustment of Funds to the Trustee (and at the same time deliver a copy of the Application for Additional Entrustment of Funds to the Agent) and entrust additional funds to the Trustee. Upon receipt of the additional funds, the Trustee shall notify the Agent of the amount of the additional funds immediately (but no later than the second (2nd) Business Day after the date of receipt of the additional funds).

4. TERM OF THE TRUST

The term of this Agreement shall commence on the execution date of this Agreement and end on the Trust Termination Date.

5. TRANSFER OF THE INITIAL TRUST RECEIVABLES

- 5.1 The Settlor shall assign the Trust Receivables to the Trustee as of the execution date of this Agreement as provided for in this Agreement, and the Settlor and the Trustee hereby confirm without objection that the Trust Assignment is a true and valid assignment and it is their intent that such assignment of the Trust Receivables will be a true and valid assignment. For avoidance of doubt, tax liabilities relating to Consumption Tax and Other Tax incurred by the Settlor shall not be assigned to the Trustee due to such Trust Assignment.
- 5.2 The assignment of the Existing Trust Receivables from the Settlor to the Trustee shall become valid as of the execution date of this Agreement.
- 5.3 The assignment of the Prospective Trust Receivables from the Settlor to the Trustee shall automatically become valid when the Prospective Trust Receivables arise without any action by the Settlor or the Trustee.

6. ELIGIBILITY CRITERIA FOR TRUST RECEIVABLES

- 6.1 The Settlor represents and warrants to the Trustee and the Beneficiary that each of the following matters is true and correct with respect to the Trust Receivables, the Purchase and Sale Related Agreements and the Third Party Obligor as of (i) the execution date of this Agreement with respect to the Existing Trust Receivables, or (ii) the date on which the Prospective Trust Receivables arise with respect to the Prospective Trust Receivables. Provided, however, that the Trustee is not obliged to verify whether the eligibility criteria set forth in this Clause 6.1 are satisfied.
- (1) The Trust Receivables satisfies all of the eligibility criteria set forth below as of (i) the execution date of this Agreement with respect to the Existing Trust Receivables, or (ii) the date on which the Prospective Trust Receivables arise with respect to the Prospective Trust Receivables:
- (i) the Third Party Obligor is a resident of Japan and is a corporation;
 - (ii) the payment terms of the Trust Receivables are subject to the provisions of the Purchase and Sale Agreement;
 - (iii) the outstanding balance and the payment date of the Counter-Performed Trust Receivables and the Fixed Trust Receivables among the Existing Trust Receivables (the outstanding balance of the Counter-Performed Trust Receivables shall be the amount as of March 15, 2004) is as set forth in Schedule 1 and all other provisions regarding the Trust Receivables in Schedule 1 are true and accurate, and the outstanding balance of the Counter-Performed Trust Receivables as of the execution date of this Agreement does not fall below the outstanding balance of the Counter-Performed Trust Receivables set forth in Schedule 1;
 - (iv) the Trust Receivables arise in the normal course of business of the Settlor;

- (v) the Trust Receivables shall be collected on the Trust Receivables Due Date;
- (vi) the Trust Receivables are the sole property of the Settlor, and the Settlor holds all right, title and interest in and to the Trust Receivables;
- (vii) the Trust Receivables and the Purchase and Sale Agreement constitute the obligations of the Third Party Obligor that are lawful, valid, binding and enforceable in accordance with the terms thereof;
- (viii) the Third Party Obligor has not been or is not likely to be in default or otherwise in breach of the Trust Receivables or the Purchase and Sale Agreement;
- (ix) the Trust Receivables have not been entirely or partially extinguished due to nullification or termination of the Purchase and Sale Agreement, or payment or set-off of the Trust Receivables (except for the extinguishment due to the Set-off Treatment);
- (x) no event has occurred that would cause all or a part of the Trust Receivables to lapse or give rise to defenses by the Third Party Obligor to the performance of its obligations thereunder on the prescribed payment date, including, without limitation, nullification, termination, cancellation or novation of the Trust Receivables or the Purchase and Sale Agreement (excluding defenses based on the Set-off Treatment), nor has the Third Party Obligor claimed that such an event has occurred, and there is no threat thereof. The accrual of the Trust Receivables from the Third Party Obligor shall not be subject to any avoiding power (*hinin-ken*);
- (xi) no petition for attachment (*sashiosae*), provisional attachment (*kari-sashiosae*), provisional disposition (*kari-shobun*), preservative disposition (*hozen-shobun*), compulsory execution, auction, or disposition to collect tax delinquencies has been filed by a third party with respect to the Trust Receivables or against the Trust Receivables, nor are there any rights, security interests or other encumbrances that have caused, or are likely to cause, any damage, loss, expense or liability (collectively, the "Damages") to the Trust Property;
- (xii) assignment of the Trust Receivables is not prohibited for any reason, and neither prior notice to nor prior approval from the Third Party Obligor is required with respect to any assignment, transfer or other disposal of the Trust Receivables, and if such notice or approval is required, it has been provided or obtained;
- (xiii) no provision of the Purchase and Sale Agreement has been amended, released or waived, and no disposal has been made that is likely to affect the Trust or any rights of the Beneficiary, including assignment or sale to a third party of, or creation of security interests on, the Trust Receivables;
- (xiv) no promissory note, bill of exchange, check or other security has been issued with respect to the payment of the Trust Receivables; and
- (xv) no lawsuit, arbitration, administrative procedure, or other dispute has commenced or is likely to commence with respect to the Trust

Receivables or the Purchase and Sale Agreement, and no lawsuit, arbitration, administrative procedure, or other dispute, or any event that would give rise to such lawsuit, arbitration, administrative procedure, or other dispute, has occurred with the Third Party Obligor and any other third party.

- (2) None of the following events has occurred with respect to the Third Party Obligor as of (i) the execution date of this Agreement, with respect to the Existing Trust Receivables, or (ii) the date on which the Prospective Trust Receivables arise, with respect to the Prospective Trust Receivables:
- (i) suspension of payment, or a petition of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjiseitetsuzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseitetsuzuki-kaishi*), commencement of corporate rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures (including, without limitation, similar procedures taken outside Japan);
 - (ii) resolution for dissolution or order of dissolution;
 - (iii) suspension or abolishment of the business, or disposition such as suspension of business by competent government authorities;
 - (iv) dishonor of a check or note;
 - (v) a petition for attachment (*sashiosae*), provisional attachment (*kari-sashiosae*), provisional disposition (*kari-shobun*), preservative disposition (*hozen-shobun*), compulsory execution, auction, or disposition to collect tax delinquencies filed against its property;
 - (vi) a demand or a disposition to collect tax delinquencies due to nonpayment of taxes;
 - (vii) failure to perform all or a part of its payment obligations under the Purchase and Sale Related Agreements when due;
 - (viii) any breach of its obligations under the Purchase and Sale Related Agreements;
 - (ix) occurrence of an event of termination or acceleration under the Purchase and Sale Related Agreements;
 - (x) failure to perform its pecuniary obligations other than those under the Purchase and Sale Related Agreements without reasonable cause within five (5) Business Days of receiving a demand therefor (provided that the aggregate amount of a single pecuniary obligation shall exceed one billion (1,000,000,000) yen for this provision to apply);
 - (xi) failure to satisfy the normal credit standards adopted by the Settlor; or
 - (xii) occurrence of any event that the Trustee deems to affect the preservation of the Trust Receivables.
- 6.2 The Settlor acknowledges that the Trustee is entering into this Agreement in reliance upon the representations and warranties made by the Settlor in Clause 6.1.

7. REPRESENTATIONS AND WARRANTIES OF THE SETTLOR AND THE TRUSTEE

- 7.1 The Settlor represents and warrants to the Trustee and the Beneficiary that each of the following matters is true and correct as of the execution date of this Agreement.
- (1) The Settlor is a stock company duly incorporated and validly existing under the laws of Japan.
 - (2) The Settlor has full legal competence necessary for the execution and performance of this Agreement, the execution and performance of this Agreement by the Settlor and any transactions associated therewith are within the corporate purposes of the Settlor and the Settlor has duly completed all procedures necessary therefor under laws and ordinances, the Articles of Incorporation and other internal company rules of the Settlor.
 - (3) The execution and performance of this Agreement by the Settlor and any transactions associated therewith will not result in (a) any violation of laws and ordinances that bind the Settlor, (b) any breach of the Articles of Incorporation or other internal company rules of the Settlor, or (c) any breach in any material respect of a third-party contract to which the Settlor is a party or which binds the Settlor or the assets of the Settlor.
 - (4) This Agreement constitutes legal, valid and binding obligations of the Settlor, and is enforceable against the Settlor in accordance with the terms of thereof.
 - (5) After the last day of the fiscal year ended in March 2003, there has been no material change that will cause a significant deterioration of the business, assets, or financial condition of the Settlor described in the audited fiscal statement of that fiscal year or that may materially affect the performance of the obligations of the Settlor under this Agreement.
 - (6) No lawsuit, arbitration, administrative procedure, or other dispute has commenced, or is likely to commence to the best knowledge of the Settlor, with respect to the Settlor, that will or may materially cause adverse effects on the performance of its obligations under this Agreement.
 - (7) No acceleration event described in the Loan Agreements has occurred or is likely to occur.
- 7.2 The Trustee represents and warrants to the Settlor and the Beneficiary that each of the following matters is true and correct as of the execution date of this Agreement.
- (1) The Trustee is a stock company duly incorporated and validly existing under the laws of Japan.
 - (2) The Trustee has full legal competence necessary for the execution and performance of this Agreement, the execution and performance of this Agreement by the Trustee and any transactions associated therewith are within the corporate purposes of the Trustee and the Trustee has duly

completed all procedures necessary therefor under laws and ordinances, the Articles of Incorporation and other internal company rules of the Trustee.

- (3) The execution and performance of this Agreement by the Trustee and any transactions associated therewith will not result in (a) any violation of laws and ordinances that bind the Trustee, (b) any breach of the Articles of Incorporation or other internal company rules of the Trustee, or (c) any breach in any material respect of a third-party contract to which the Trustee is a party or which binds the Trustee or the assets of the Trustee.
- (4) This Agreement constitutes legal, valid and binding obligations of the Trustee, and is enforceable against the Trustee in accordance with the terms of thereof.
- (5) After the last day of the fiscal year ended in March 2003, there has been no material change that will cause a significant deterioration of the business, assets, or financial condition of the Trustee described in the audited fiscal statement of that fiscal year or that may materially affect the performance of the obligations of the Trustee under this Agreement.
- (6) No lawsuit, arbitration, administrative procedure, or other dispute has commenced, or is likely to commence to the best knowledge of the Trustee, with respect to the Trustee, that will or may materially cause adverse effects on the performance of its obligations under this Agreement.
- (7) None of the following events has occurred or is likely to occur with respect to the Trustee:
 - (i) suspension of payment, or a petition of specific conciliation (*tokutei-chotei*), bankruptcy (*hasan*), commencement of civil rehabilitation procedures (*minjiseitetsuzuki-kaishi*), commencement of corporate reorganization procedures (*kaishakoseitetsuzuki-kaishi*), commencement of corporate rearrangement (*kaishaseiri-kaishi*), commencement of special liquidation (*tokubetuseisan-kaishi*), or commencement of any other similar legal procedures (including, without limitation, similar procedures taken outside Japan);
 - (ii) resolution for dissolution or order of dissolution;
 - (iii) suspension or abolishment of the business, or disposition such as suspension of business by competent government authorities;
 - (iv) suspension of transactions by a clearing house; or
 - (v) deterioration of its business or financial conditions that would affect the performance of its obligations under this Agreement.

8. COVENANTS BY THE SETTLOR

The Settlor hereby covenants to the Trustee that, during the term of the Trust, the Settlor:

- (1) will immediately deliver to the Trustee, in readily cashable funds, any funds that should be included in the Trust Property, such as principal or

delinquency charges, regardless of the name or nature of such funds, that are received by the Settlor with respect to the Trust Receivables after the execution date of this Agreement;

- (2) will duly exercise and perform all of its rights and obligations under the Purchase and Sale Related Agreements, in accordance with all applicable laws and ordinances and the terms of the Purchase and Sale Related Agreements;
- (3) will not take an action that is likely to cause Damages to the Trust Property or adversely affect the rights of the Trustee or the Beneficiary under this Agreement, including termination of the Purchase and Sale Agreement, amendment, release or waiver of the terms of the Purchase and Sale Related Agreements, or assignment or pledge of, or creation of security interests on, the Trust Receivables to a third party other than the Trustee;
- (4) will not take any action that will allow the Third Party Obligor or another third party to acquire grounds for or a right of defense against the Trustee with respect to the Trust Receivables or otherwise prejudice the rights of the Trustee and the Beneficiary relating to the Trust Receivables;
- (5) will notify the Trustee without delay of the occurrence of any event that will materially affect the financial or business conditions of the Settlor; and
- (6) will comply with all matters prescribed in this Agreement.

9. INDEMNIFICATION

The Settlor shall indemnify the Trustee for any Damages suffered or incurred by the Trustee or the Trust Property due to the Settlor's breach of its representations and warranties set forth in Clauses 6.1 and 7.1 or its obligations under this Agreement. If the Settlor does not indemnify the Trustee for Damages suffered or incurred by the Trustee, the Trustee may be indemnified out of the funds within the Trust Property.

10. PERFECTION OF ASSIGNMENT

- 10.1 The Settlor shall obtain a written approval of the Third Party Obligor bearing a certified date (*kakutei-hizuke*) in the form prescribed in Schedule 3 with respect to the Trust Assignment and deliver such written approval to the Trustee.
- 10.2 Upon receipt of the written approval set forth in Clause 10.1, the Trustee shall deliver to the Agent a copy of such written approval together with a notarized document with the Trustee's seal affixed thereto certifying that such copy is a true copy of the original and the original is kept by the Trustee.
- 10.3 The Settlor shall bear all expenses necessary for the procedures set forth in Clause 10.2.

11. DELIVERY OF RECEIVABLES CERTIFICATES

- 11.1 The Settlor shall deliver the Related Documents held by the Settlor as of the execution date of this Agreement to the Trustee by way of agreement on possession (*senyu kaitei*) at the time of execution of this Agreement.
- 11.2 If the Settlor comes to hold, after the execution date of this Agreement, the Related Documents that were not held by the Settlor at the time of execution of this Agreement, the Settlor shall immediately deliver to the Trustee such Related Documents by way of agreement on possession (*senyu kaitei*).
- 11.3 Notwithstanding the provisions in Clauses 11.1 and 11.2, the Settlor shall, upon request by the Trustee, deliver the Related Documents to the Trustee by way of actual delivery, or provide the Trustee with access to the Related Documents.

12. INDICATION OF THE TRUST

- 12.1 With respect to the Trust Property, the Trustee may omit to register or record, or indicate or describe the trust unless it deems it necessary.
- 12.2 If the cooperation of the Settlor is needed with respect to the indication of the trust, the Settlor shall cooperate with the Trustee as necessary.

13. DUE DILIGENCE OBLIGATIONS

The Trustee shall not be liable for the Damages incurred by the Trust Property or the Beneficiary that are not due to its willful misconduct or negligence to the extent that the Trustee provides the Trust Administrative Services with the due care of a good manager and in accordance with the provisions of this Agreement.

CHAPTER 2 BENEFICIAL INTERESTS

14. BENEFICIARY

The initial Beneficiary of the principal and proceeds of the Trust under this Agreement shall be the Settlor.

15. TYPE OF THE BENEFICIAL INTERESTS

There shall be one (1) type of Beneficial Interests created in the Trust. The initial principal amount of the Beneficial Interests shall be 8,267,443,188 yen, which corresponds to the amount of the initial trust principal.

16. DIVISION OF THE BENEFICIAL INTERESTS

The Beneficiary may not divide the Beneficial Interests into units without prior written approval from the Trustee.

17. ISSUANCE OF BENEFICIAL INTERESTS CERTIFICATES

- 17.1 The Trustee may omit issuing the Beneficial Interests certificates unless requested by the Beneficiary.
- 17.2 If the Beneficiary assigns all or a part of its Beneficial Interests in accordance with the provisions of Clause 18, the Trustee shall collect from the Beneficiary those Beneficial Interests certificates already issued (if any) and shall deliver new Beneficial Interests certificates to the new Beneficiary.

18. ASSIGNMENT AND PLEDGE OF THE BENEFICIAL INTERESTS

- 18.1 The Beneficiary may not assign to a third party, create a security interest on, or otherwise dispose of the Beneficial Interests, without prior written approval from the Trustee.
- 18.2 Notwithstanding the provisions of Clause 18.1, the Beneficiary may create first-priority and second-priority floating pledges (collectively, the "Floating Pledges") on the Beneficial Interests for the benefit of each Lenders. The Trustee shall approve the creation of the Floating Pledges by issuing a certificate bearing a certified date (*kakutei-hizuke*).
- 18.3 The Trustee hereby approves in advance that the Beneficial Interests may be assigned to the Lenders through enforcement of the Floating Pledges. The Trustee shall give written approval bearing a certified date (*kakutei-hizuke*) if necessary for the purpose of perfecting the assignment of the Beneficial Interests.

CHAPTER 3 MANAGEMENT AND DISPOSAL OF THE TRUST PROPERTY**19. REPORT REGARDING THE TRUST RECEIVABLES BY THE SETTLOR**

- 19.1 The Settlor shall report to the Trustee in the Settlor's Report Form by each Settlor's Regular Report Deadline (i) the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)) as of the immediately preceding Regular Collection Calculation Date, (ii) the Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)) as of the immediately preceding Regular Collection Calculation Date, (iii) the amount to be paid by the Third Party Obligor as of the next Trust Receivables Due Date as the payment relating to the Trust Receivables (the "Estimated Trust Receivables Collection Amount") (broken down into the Estimated Trust Receivables Collection Amount (Goods' Value Equivalent) and the Estimated Trust Receivables Collection Amount (Consumption Tax and Other Tax Equivalent)), and (iv) any other matters required to be reported in the Settlor's Report Form (these reports shall be referred to as the "Settlor's Regular Report").
- 19.2 If it is discovered that the Settlor's Regular Report contains false information, the Settlor shall immediately report to the Trustee in the Settlor's Report Form the true

information of the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), Estimated Trust Receivables Collection Amount (broken down into the Estimated Trust Receivables Collection Amount (Goods' Value Equivalent) and the Estimated Trust Receivables Collection Amount (Consumption Tax and Other Tax Equivalent)) and any other matters required to be reported in the Settlor's Report Form (these reports shall be referred to as the "Settlor's Extraordinary Report"), unless it is apparent that, even if based on the true information of the Fixed Trust Receivables Amount and Counter-Performed Trust Receivables Amount (and the breakdowns thereof), (i) the Fixed Trust Property Value is not less than the Total Outstanding Balance A at the time such information was discovered to be false, and (ii) the Counter-Performed Trust Receivables Amount is not less than 120% of the Total Outstanding Balance at the time the such information was discovered to be false minus the Fixed Trust Property Value. If the Settlor makes the Settlor's Extraordinary Report, it shall reflect the details of such Settlor's Extraordinary Report in the next Settlor's Regular Report.

- 19.3 In addition to the report described in Clause 19.2, the Settlor shall, upon request by the Trustee, immediately report to the Trustee any matters regarding the Trust Property relating to such request.
- 19.4 The Settlor shall indemnify the Trustee, the Agent or the Lenders for any Damages suffered by them due to false information in the reports described in Clauses 19.1 and 19.2.

20. FLOATING PLEDGE ENFORCEMENT NOTICE

- 20.1 If the Trustee receives from the Agent a written notice to the effect that the Floating Pledges will be enforced (the "Floating Pledge Enforcement Notice") (the receipt of the Floating Pledge Enforcement Notice by the Trustee shall be referred to as a "Repayment Formula Revision Event"), the Trustee shall immediately prepare a written document bearing a certified date (kakutei-hizuke) that certifies the receipt of the Floating Pledge Enforcement Notice by the Trustee as described in the Floating Pledge Enforcement Notice, and deliver such document to the Agent.
- 20.2 The Trustee is not obliged to inspect and confirm whether the details of the Floating Pledge Enforcement Notice are valid under the Floating Pledge Agreement relating to the Floating Pledges, this Agreement or other agreements relating to the enforcement of the Floating Pledges. The Trustee shall not be liable for indemnifying the Settlor for any Damages suffered by the Settlor due to the Trustee treating the Floating Pledge Enforcement Notice as valid although it is invalid.

21. DELEGATION OF A PART OF THE TRUST ADMINISTRATIVE SERVICES

The Trustee may delegate all or a part of the Trust Administrative Services to the Settlor or another third party.

22. MANAGEMENT OF THE FUNDS WITHIN THE TRUST PROPERTY

The Trustee shall manage the funds within the Trust Property in the Collection Account.

23. OPENING OF THE ACCOUNT

The Trustee shall open the Collection Account for the purpose of managing the Trust Property.

24 INSTRUCTION OF BENEFICIARY

24.1 With respect to matters not provided for in this Agreement relating to the administration and management of the Trust Property, any of the following persons (the “Instructor”) may give instructions relating to the method of administration of the Trust Property (the “Administration Method Instruction”) to the Trustee subject to the following categories and the Trustee may request the Administration Method Instruction from the Instructor.

(1) If the Repayment Formula Revision Event has not occurred:
Beneficiary and Agent

The Beneficiary and the Agent shall, upon consultation, give instructions under their joint names. If the Beneficiary and the Agent fail to reach an agreement through consultation, the Agent may independently give instructions and the Trustee shall follow such instructions independently given by the Agent.

(2) If the Repayment Formula Revision Event has occurred:
Agent

24.2 Notwithstanding the provisions of Clause 24.1, if the Trustee deems that the administration of the Trust Property in accordance with the Administration Method Instruction: (i) is significantly unreasonable in terms of executing the purpose of the Trust; (ii) violates laws and ordinances, directives or other similar rules; or (iii) is impossible or significantly difficult, the Trustee may choose not to follow the Administration Method Instruction.

24.3 The Trustee shall not be liable to the Settlor or the Beneficiary for any Damages incurred by the Trust Property due to any of the following events:

(1) If the Trustee manages the Trust Property in accordance with the Administration Method Instruction;

(2) If the Trustee chooses not follow the Administration Method Instruction pursuant to Clause 24.2; or

(3) If the Trustee does not receive the Administration Method Instruction within a reasonable period of time although it has requested the Administration Method Instruction as provided for in Clause 24.1.

CHAPTER 4 CALCULATION OF THE TRUST**25. DEFINITION OF PRINCIPAL AND PROCEEDS**

- 25.1 Under this Agreement, the trust principal shall be the sum of the following:
- (1) Fixed Trust Receivables and Counter-Performed Trust Receivables;
 - (2) Trust Receivables Collection relating to the Trust Receivables; and
 - (3) Funds entrusted to the Trust Property (including additional funds entrusted pursuant to Clause 3 and funds paid to the Trustee pursuant to Clause 26).
- 25.2 Under this Agreement, the trust proceeds shall be the sum of the following:
- (1) Proceeds from the management of the funds pursuant to Clause 22; and
 - (2) Proceeds otherwise accruing from the Trust Receivables other than the trust principal.

26. TREATMENT OF INELIGIBLE RECEIVABLES

- 26.1 If it is found that the Trust Receivables are or has become the Ineligible Receivables, the Trustee may request the Settlor repurchase the Ineligible Receivables at its nominal value (the "Repurchase Price") in accordance with a written instruction from the Agent, or, if all or a part of the Ineligible Receivables has already been extinguished due to assertion of grounds for defense by the Third Party Obligor (excluding defense based on the Set-off Treatment) or other reasons, the Trustee may request the Settlor pay the amount equivalent to all or a part of such Ineligible Receivables that has been extinguished.
- 26.2 The Trustee is not obliged to request the Settlor repurchase the Ineligible Receivables or pay the equivalent amount as described in Clause 26.1 and shall not be liable for indemnifying the Settlor or the Beneficiary for any Damages incurred by the Trust Property due to its failure to make such request, unless the Trustee has been instructed by the Agent under Clause 26.1.
- 26.3 The assignment of the Ineligible Receivables through repurchase thereof pursuant to Clause 26.1 shall become effective when the Settlor pays to the Trustee the Repurchase Price in full. The Trustee shall cooperate with the Settlor as necessary, to the extent possible for the Trustee, with respect to the perfection of the assignment of the Ineligible Receivables to the Settlor through repurchase thereof by the Settlor.
- 26.4 If the Settlor becomes aware that the Trust Receivables are or have become the Ineligible Receivables, it shall immediately notify the Trustee and the Agent. If the Trustee becomes aware that the Trust Receivables are or have become the Ineligible

Receivables, it shall immediately notify the Beneficiary and the Agent. Provided, however, that the Trustee shall not be liable for indemnifying the Beneficiary and the Agent for the Damages arising due to its failure to give notice as provided for in this Clause 26.4, unless the Trustee intentionally fails to notify the Beneficiary and the Agent although it is aware that the Trust Receivables are or have become the Ineligible Receivables.

27. CALCULATION AND REPORT OF THE TRUST

- 27.1 The Trustee shall, upon receipt of the Settlor's Regular Report, calculate on the Trust Calculation Date profits and losses for the Collection Calculation Period during which the immediately preceding Regular Collection Calculation Date falls in accordance with such Settlor's Regular Report, and report to the Beneficiary and the Agent the result of such calculation in a form otherwise agreed upon between the Beneficiary, the Trustee and the Agent on or before each Trustee's Regular Report Deadline (or immediately after receiving the Settlor's Regular Report if the Settlor's Regular Report is not received by the Settlor's Regular Report Deadline) (such report shall be referred to as the "Trustee's Regular Report"). The Trustee's Regular Report shall include the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), the Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)) and the amount of funds within the Trust Property (shown as the amount of the Trust Receivables Collections (Consumption Tax and Other Tax Equivalent)) as of the immediately preceding Regular Collection Calculation Date or other report relating to matters concerning the Trust Property as required by the Agent.
- 27.2 The Trustee shall, upon receipt of the Settlor's Extraordinary Report, report to the Agent in a form separately agreed upon between the Beneficiary, the Trustee and the Agent the true information of the Fixed Trust Receivables Amount (broken down into the Fixed Trust Receivables Amount (Goods' Value Equivalent) and the Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), the Counter-Performed Trust Receivables Amount (broken down into the Counter-Performed Trust Receivables Amount (Goods' Value Equivalent) and the Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)), the amount of funds within the Trust Property (the amount of the Trust Receivables Collections (Consumption Tax and Other Tax Equivalent) shall be shown), and any other matters required to be reported in a form separately agreed upon between the Beneficiary, the Trustee and the Agent (the "Trustee's Extraordinary Report") by 12 p.m. on the second (2nd) Business Day after the date on which the Trustee received the Settlor's Extraordinary Report. If the Trustee makes the Trustee's Extraordinary Report, it shall reflect the details of the changes made in such Trustee's Extraordinary Report in the next Trustee's Regular Report.
- 27.3 The Trustee may rely on the Settlor's Report in reporting the Fixed Trust Receivables Amount and the Counter-Performed Trust Receivables Amount under Clauses 27.1 and 27.2 and shall not be obliged to confirm on its own the truthfulness

of the report made by the Settlor. The Trustee shall not be liable for indemnifying the Trust Property, the Agent or the Lenders for the Damages suffered by them due to any false information in the report made by the Settlor.

- 27.4 If the Beneficiary and the Agent make no objections to the reports described in Clauses 27.1 and 27.2 during a period of five (5) Business Days after receiving such report from the Trustee, the Beneficiary and the Agent shall be deemed to approve the details of such report.

28. PAYMENT OF TAXES AND EXPENSES

- 28.1 The Trustee may pay the Expenses out of the Trust Property in accordance with the provisions of this Agreement.
- 28.2 If the amount of the Trust Property is not sufficient to pay the Expenses as set forth in Clause 28.1, the Trustee may request the Settlor entrust additional funds equal to such shortfall. Upon receipt of such request, the Settlor shall immediately entrust such additional funds to the Trustee.

29. TRUST FEES

- 29.1 The Settlor shall pay the Trust Fees to the Trustee in accordance with the Memorandum regarding Trust Fees (the "Memorandum regarding Trust Fees"), which is set out as separately agreed between the Settlor and the Trustee.
- 29.2 If the Trust Fees set forth in the Memorandum regarding Trust Fees are not paid to the Trustee, the Trustee may receive the amount equal to the amount of the Trust Fees as set forth in the Memorandum regarding Trust Fees out of the Trust Property as the Trust Fees, and if the amount of the Trust Property is not sufficient to pay the Trust Fees as set forth in Clause 29.1, the Trustee may request the Settlor pay to the Trustee an amount equal to such shortfall. Upon receipt of such request, the Settlor shall immediately pay such an amount to the Trustee.

CHAPTER 5 DELIVERY OF PRINCIPAL AND PROCEEDS OF THE BENEFICIAL INTERESTS

30. REPAYMENT OF PRINCIPAL AND DELIVERY OF PROCEEDS DURING THE TERM OF THE TRUST

The Agent shall, by 12 p.m. on each Collection Delivery Date (or, if the Collection Calculation Date relating to such Collection Delivery Date corresponds to the Regular Collection Calculation Date and further if the Trustee's Regular Report relating to such Regular Collection Calculation Date does not reach the Agent by the Trustee's Regular Report Deadline, by 12 p.m. on the Business Day immediately following the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular Report if it receives such report before 12 p.m., or by 12 p.m. on the second (2nd) Business Day

after the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular Report if it receives such report after 12 p.m.), instruct the Trustee to repay the trust principal and dispose of the trust proceeds in accordance with the following method and order based on the Trustee's Regular Report relating to such Trustee's Regular Report Deadline; provided, that if the Agent deems that there is, or may be, a material concern with respect to the collection of the Loan Receivables or any other emergency occurs or is likely to occur, the Agent shall follow the procedures for the decision-making of the Majority Lenders and may instruct the Trustee to dispose of the Principal Collections in a method other than that provided for in Clause 30.2 (2) with the consent of the Majority Lenders, and the Beneficiary shall give approval therefor in advance; and provided further, that if the Agent instructs the Principal Collections to be delivered to the Lenders, it shall instruct that such delivery be made through the Agent. The Trustee shall repay the trust principal and dispose of the trust proceeds in accordance with the instructions given by the Agent on or before each Collection Delivery Date (or, if the Trustee has not received instructions from the Agent by 12 p.m. on such Collection Delivery Date, on or before the Business Day immediately following the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions before 12 p.m., and on or before the second (2nd) Business Day after the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions after 12 p.m.).

30.1 The Interest Collections shall be disposed of in the following order.

- (1) Payment of the Expenses relating to the Trust Property that have become due and payable.
- (2) Payment of the Trust Fees that have become payable.
- (3) Incorporation into the trust principal of the outstanding amount after deducting the amounts provided in Clause 30.1 (1) and (2) above. In this case, the principal of the Beneficial Interests shall be increased to the extent of such outstanding amount.

30.2 The Principal Collections (including the funds incorporated into the trust principal pursuant to Clause 30.1 (3)) shall be disposed of in the following order:

- (1) If the Interest Collections are not sufficient to make payment provided for in Clause 30.1 (1) and (2) above, the Principal Collections will be appropriated for such payment. In this case, the equivalent amount shall be deducted from the principal of the Beneficial Interests.
 - (2) (i) As of the Regular Collection Delivery Date, the Principal Collections (after deducting the amount appropriated under this Clause 30.2 (1), if any) will be delivered to the Beneficiary in accordance with the written instruction given by the Agent to the extent that the Trust Property Maintenance Standards are satisfied.

- (ii) As of the Extraordinary Collection Delivery Date, the Principal Collections (after deducting the amount appropriated under this Clause 30.2 (1), if any) will be retained in the Collection Account.

31. REPAYMENT OF TRUST PRINCIPAL AND DISPOSAL OF TRUST PROCEEDS AFTER THE OCCURRENCE OF REPAYMENT METHOD REVISION EVENT

Notwithstanding the provisions of Clause 30, if the Repayment Formula Revision Event occurs, the Agent shall, by 12 p.m. on each subsequent Collection Delivery Date (or, if the Collection Calculation Date relating to such Collection Delivery Date corresponds to the Regular Collection Calculation Date and further if the Trustee's Regular Report relating to such Regular Collection Calculation Date does not reach the Agent by the Trustee's Regular Report Deadline, by 12 p.m. on the Business Day immediately following the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular Report if it receives such report before 12 p.m., or by 12 p.m. on the second (2nd) Business Day after the Business Day which corresponds to (or, if the Agent receives the Trustee's Regular Report on the day other than a Business Day, which immediately follows) the day on which the Agent receives the Trustee's Regular Report if it receives such report after 12 p.m.), instruct the Trustee to repay the trust principal and dispose of the trust proceeds in accordance with the following method and order based on the Trustee's Regular Report relating to such Trustee's Regular Report Deadline; provided, that the Agent may instruct the Trustee to dispose of the Principal Collections in a method other than that provided for in Clause 31.2 (2) with the consent of the Majority Lenders, and the Beneficiary shall give approval therefor in advance; and provided further, that if the Agent instructs the Principal Collections to be delivered to the Lenders, it shall instruct that such delivery be made through the Agent. The Trustee shall repay the trust principal and dispose of the trust proceeds in accordance with the instruction given by the Agent on or before each Collection Delivery Date (or, if the Trustee has not received instructions from the Agent by 12 p.m. on such Collection Delivery Date, on or before the Business Day immediately following the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions before 12 p.m., and on or before the second (2nd) Business Day after the Business Day which corresponds to (or, if the Trustee receives the instructions from the Agent on the day other than a Business Day, which immediately follows) the day on which the Trustee receives instructions from the Agent if it receives such instructions after 12 p.m.).

31.1 The Interest Collections shall be disposed of in the following order.

- (1) Payment of the Expenses relating to the Trust Property that have become due and payable.

- (2) Payment of the Trust Fees that have become payable.
 - (3) Incorporation into the trust principal of the outstanding amount after deducting the amounts provided in Clause 31.1 (1) and (2) above. In this case, the principal of the Beneficial Interests shall be increased to the extent of such outstanding amount.
- 31.2 The Principal Collections (including the funds incorporated into the trust principal pursuant to Clause 31.1 (3)) shall be disposed of in the following order:
- (1) If the Interest Collections are not sufficient to make payment provided for in Clause 31.1 (1) and (2), the Principal Collections will be appropriated for such payment. In this case, the equivalent amount shall be deducted from the principal of the Beneficial Interests.
 - (2) All of the Principal Collections (after deducting the amount appropriated under this Clause 31.2 (1), if any) will be delivered to any person designated by the Agent in the Floating Pledge Enforcement Notice, in accordance with the written instruction given by the Agent; provided, however, that if the Principal Collections are delivered to the Lenders, such delivery shall be made through the Agent.

CHAPTER 6 TERMINATION OF TRUST

32. TERMINATION OF THE TRUST AGREEMENT

- 32.1 The Settlor, the Trustee and the Beneficiary may not terminate this Agreement during the term of the Trust.
- 32.2 Notwithstanding the provisions of Clause 32.1, the Trustee may terminate this Agreement if any of the following events occurs. In this case, the Trustee shall notify the Settlor and the Beneficiary of its intent to terminate this Agreement and this Agreement shall terminate as of the first Regular Collection Calculation Date after the date on which the Trustee sends such notice.
- (1) If the Trustee considers that the achievement of the purpose of this Agreement or provision of the Trust Administrative Services by the Trustee has become impossible or significantly difficult from an objective perspective due to the occurrence of an event equivalent to the Exemption Event.
 - (2) If Trustee does not receive payment of the Trust Fees in full as of the Regular Collection Calculation Date and does not receive the payment of such Trust Fees by the tenth (10th) Business Day after such Regular Collection Calculation Date.
 - (3) If all of the Floating Pledges are extinguished.

33. DELIVERY OF PRINCIPAL AND PROCEEDS UPON TERMINATION OF THE TRUST

The Trustee shall make the final calculations with respect to the Trust Property immediately after receiving the report from the Settlor as set forth in Clause 19 relating to the final Collection Calculation Date, and then immediately deliver all of the property within the Trust Property based on such calculations in the following order of priority; provided, that if the Agent instructs the Principal Collections or the uncollected Trust Receivables to be delivered to the Lenders, it shall instruct that such delivery be made through the Agent.

33.1 The Interest Collections shall be disposed of in the following order.

- (1) Payment of the Expenses relating to the Trust Property that have become due and payable.
- (2) Payment of the Trust Fees that have become payable.
- (3) Incorporation into the trust principal of the outstanding amount after deducting the amounts provided in Clause 33.1 (1) and (2) above. In this case, the principal of the Beneficial Interests shall be increased to the extent of such outstanding amount.

33.2 The Principal Collections shall be disposed of in the following order:

- (1) If the Interest Collections are not sufficient to make payment provided for in Clause 33.1 (1) and (2), the Principal Collections will be appropriated for such payment. In this case, the equivalent amount shall be deducted from the principal of the Beneficial Interests.
- (2) All of the Principal Collections (after deducting the amount appropriated under this Clause 33.2 (1), if any) will be delivered to (i) any person designated by the Agent in the Floating Pledge Enforcement Notice (if delivered to the Lenders, such delivery shall be made through the Agent), if the Repayment Formula Revision Event has occurred, or (ii) the Beneficiary, in other cases, in accordance with written instructions given by the Agent; provided, however, that if the Loan Receivables exist in the case of (ii) in the preceding sentence, the Trustee shall deliver to the Agent the Principal Collections (after deducting the amount appropriated under this Clause 33.2 (1), if any), and the Beneficiary shall create a security interest over the amount of the Principal Collections in order to secure payment of the Loan Receivables to the Lenders subject to substantially the same terms and conditions as those of the Floating Pledge (the method of creating the security interest shall be determined upon consultation between the Agent and the Beneficiary) or appropriate the amount of the Principal Collections for payment of the Loan Receivables pursuant to the provisions of Clauses 14.1 through 14.3 of the Loan Agreements. If the delivery of the Principal Collections is made as set forth in this Clause 33.2(2), the Trustee shall be released from its liability to the Settlor, the Beneficiary, the Agent and the Lenders with respect to the disposal of the Trust Property.

- 33.3 The uncollected Trust Receivables (if any) shall be delivered to (i) any person designated by the Agent in the Floating Pledge Enforcement Notice (if delivered to the Lenders, such delivery shall be made through the Agent), if the Repayment Formula Revision Event has occurred, or (ii) the Beneficiary, in other cases; provided, however, that if the Loan Receivables exist in the case of (ii) in the preceding sentence, the Trustee shall deliver the uncollected Trust Receivables to the Agent, and the Beneficiary shall create a security interest over such uncollected Trust Receivables in order to secure payment of the Loan Receivables to the Lenders subject to substantially the same terms and conditions as those of the Floating Pledges (the method of creating the security interest shall be determined upon consultation between the Agent and the Beneficiary) or, if All Lenders agree thereto, appropriate such uncollected Trust Receivables for payment of the Loan Receivables by way of converting such uncollected Trust Receivables into cash or otherwise. If the delivery of the uncollected Trust Receivables is made as set forth in this Clause 33.3, the Trustee shall be released from its liability to the Settlor, the Beneficiary, the Agent and the Lenders with respect to disposal of the Trust Property.

CHAPTER 7 MISCELLANEOUS

34. **NOTICE**

Any notice to be given under this Agreement shall be in writing and given by personal delivery, certified mail, motorcycle delivery or facsimile transmission to the following addresses:

Settlor and Initial Beneficiary:

33-4, Nishi-Shinjuku 4-chome, Shinjuku-ku, Tokyo 160-0023

FASL JAPAN LIMITED

Business Promotion Division

TEL: 03-5302-2200

FAX: 03-5302-2674

Trustee:

5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8240 Mizuho Trust & Banking Co., Ltd.

Securitization Business Department I

TEL: 03-3240-7061

FAX: 03-3240-7213

35. **SUBMISSION OF SEAL IMPRESSION**

- 35.1 The seal impressions or signatures to be used by the Settlor and the Beneficiary shall be registered with the Trustee in advance.

- 35.2 If the Trustee delivers the Trust Property or takes any other action after comparing, with due care, the seal impression or signature used on a receipt or any other documents with the seal impression or signature submitted pursuant to Clause 35.1 and confirming that such seal impression or signature is true and correct, the Trustee shall not be liable for indemnifying any Damages caused thereby for any reason whatsoever, unless such Damages are caused due to the Trustee's willful misconduct or negligence.
- 36. NOTIFICATION**
- 36.1 The Settlor and the Beneficiary shall notify the Trustee and carry out procedures prescribed by the Trustee if any of the following events occurs:
- (1) any changes to the name, organization, location, representatives, agents or registered seal or signature;
 - (2) loss of any agreement, Beneficial Interests certificate or registered seal;
 - (3) any other matter deemed material relating to this Agreement.
- 36.2 The Trustee shall not be liable for indemnifying any Damages arising as a result of a delay by the Settlor or Beneficiary in making a notification described in Clause 36.1.
- 37. ACCESS TO THE DETAILS OF THE TRUST RECEIVABLES**
- The Trustee shall, if requested by the Beneficiary, make available to the Beneficiary details of the Trust Receivables, during the Trustee's business hours at the principal office of the Trustee, except as deemed necessary to protect the Trust Receivables information of the obligor.
- 38. FRACTIONS LESS THAN ONE YEN**
- In respect of calculations of any amounts contemplated by this Agreement, any fractions less than one yen shall be rounded down to the nearest whole yen.
- 39. GOVERNING LAW**
- This Agreement shall be governed by, and construed in accordance with, the laws of Japan.
- 40. JURISDICTION**
- The Tokyo District Court shall have jurisdiction as the court of first instance with respect to any action or other dispute arising out of or in connection with this Agreement, unless the exclusive jurisdiction is otherwise prescribed by law.

41. **AMENDMENTS TO THIS AGREEMENT**

This Agreement may not be amended except as agreed in writing by the Settlor, the Trustee, and the Beneficiary and approved in writing by the Agent.

42. **EXPENSES**

All stamp duties, registration fees and any other similar public charges incurred by the Settlor or the Trustee in relation to the preparation, delivery, registration, enforcement, amendment or revision of this Agreement shall be borne by that party.

43. **APPLICATION OF THE LOAN AGREEMENTS**

The provisions of the Loan Agreements shall apply *mutatis mutandis* to matters relating to the rights and obligations of the Agent and any other provisions of this Agreement among those not provided for in this Agreement.

44. **CONSULTATION**

The parties hereto shall resolve any matters not provided for in this Agreement or doubts as to the meaning of the provisions of this Agreement upon mutual consultation in good faith.

(The space below has been intentionally left blank.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed in duplicate, and the Settlor and the Trustee shall each retain one original.

March 25, 2004

Settlor: /s/ Shinji Suzuki
33-4, Nishi-Shinjuku 4-chome, Shinjuku-ku, Tokyo 160-0023
FASL JAPAN LIMITED
Shinji Suzuki
President, Representative Director

Trustee: /s/ Masanori Watanabe
5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8240
Mizuho Trust & Banking Co., Ltd.
Masanori Watanabe
Managing Executive Officer

List of Schedules

Schedule 1:	Description of Accounts Receivables
Schedule 2:	Application for Additional Entrustment of Funds
Schedule 3:	Request for Approval of Assignment of Receivables and Approval of Assignment of Receivables
Schedule 4:	Settlor's Report Form

Schedule 1 (Existing Trust Receivables)

1. Fixed Trust Receivables
 - Fixed Trust Receivables Amount
2,705,479,664 yen
 - Fixed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)
2,575,679,856 yen
 - Fixed Trust Receivables Amount (Goods' Value Equivalent)
129,799,808 yen
 - Payment Date: April 15, 2004
2. Counter-Performed Trust Receivables (as of March 15, 2004)
 - Counter-Performed Trust Receivables Amount
5,561,963,524 yen
 - Counter-Performed Trust Receivables Amount (Consumption Tax and Other Tax Equivalent)
5,284,110,293 yen
 - Counter-Performed Trust Receivables Amount (Goods' Value Equivalent)
277,853,231 yen
 - Payment Date: May 17, 2004

Schedule 2 Application for Additional Entrustment of Funds

[Date]

To: Mizuho Trust & Banking Co., Ltd.
(CC: Mizuho Corporate Bank, Ltd.)

Application for Additional Entrustment of Funds

(Settlor)

The Settlor hereby applies for the additional entrustment of funds as set forth below in accordance with Clause 3.2 of the Accounts Receivables Trust Agreement entered into between the Settlor and the Trustee as of March 25, 2004 (the "Trust Agreement").

As used in this Application, unless otherwise provided herein, the meaning of each term shall be as defined in the Trust Agreement.

<Details of Additional Entrustment of Funds>

Date of Additional Entrustment of Funds
(same as the date on which this Application is submitted)
Amount of Additional Entrustment of Funds

[Date]
[] yen

To: FUJITSU LIMITED

**Request for Approval of Assignment of Receivables and
Approval of Assignment of Receivables**

1. FASL LAPAN LIMITED (the "Settlor") has, pursuant to the Accounts Receivables Trust Agreement entered into between the Settlor and Mizuho Trust & Banking Co., Ltd. (the "Trustee") (the "Trust Agreement"), entrusted and assigned (the "Trust Assignment") to the Trustee as of March 25, 2004 all of the accounts receivables from you that are currently held by the Settlor and all of the prospective accounts receivables that may accrue to the Settlor before June 29, 2007 (the "Receivables") pursuant to the Purchase and Sale Agreement entered into between you and the Settlor as of February 23, 2004 (as amended) (the "Original Agreement") and each individual sale and purchase agreement under the Original Agreement (the "Individual Agreement"). We therefore request that you kindly approve the Trust Assignment notwithstanding the provisions of Clause 10.4 of the Original Agreement, and also approve the assignment of the Receivables to the Settlor or the floating pledgee on the trust beneficial interests under the Trust Agreement that may be carried out by the Trustee.
2. On or after March 25, 2004, we request that you make payment with respect to the Receivables to the following bank account held in the name of the Trustee (the "Trustee's Account").

Details	
Name and Branch of Bank:	Mizuho Corporate Bank, Ltd., Uchisaiwaicho Corporate Banking Division
Account Type:	Ordinary Savings Account
Account Number:	****
Account Name:	FASL JAPAN Account held by Mizuho Trust & Banking Co., Ltd. as the trustee of the Monetary Receivables Trust

3. Even after giving this approval, you may set off the Receivables that accrue during the period from March 1, 2004 to the date on which such approval is given against the equivalent amount of your receivables from the Settlor that has become due during the same period by specifying your intent to do so in the payment notice that you send to the Settlor on or before the second (2nd) Business Day after March 31, 2004.

*Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as ****. A complete version of the exhibit has been filed separately with the Securities and Exchange Commission*

In addition, even after giving this approval, you may set off the Receivables that may accrue in the future against the equivalent amount of your receivables from the Settlor that has become due during the calendar month in which such Receivables accrue by specifying your intent to do so in the payment notice that you send to the Settlor on or before the second (2nd) Business Day after the last day of such calendar month.

4. Even after giving this approval, you may cancel the purchase order relating to the items that are sold and purchased that give rise to each Receivables pursuant to Clause 3.2 of the Fujitsu Distribution Agreement dated June 30, 2003, which shall apply *mutatis mutandis* to Clause 3 of the Original Agreement to the extent that such cancellation is before the completion of the delivery and inspection of the items that are sold and purchased.
5. Even after giving this approval, you may reschedule the delivery date of the items that are sold and purchased that give rise to each Receivables pursuant to Clause 3.3 of the Fujitsu Distribution Agreement dated June 30, 2003, which shall apply *mutatis mutandis* to Clause 3 of the Original Agreement to the extent that such reschedule is before the completion of the delivery and inspection of the items that are sold and purchased.

Best regards

(Request for Approval of Assignment of Receivables and Approval of Assignment of Receivables as of March 25, 2004)
March 25, 2004

Settlor:
[Address]
FASL JAPAN LIMITED
[Title] [Name]

(Request for Approval of Assignment of Receivables and Approval of Assignment of Receivables as of March 25, 2004)

March 25, 2004

Trustee:

[Address]

Mizuho Trust & Banking Co., Ltd.

[Title] [Name]

(Request for Approval of Assignment of Receivables and Approval of Assignment of Receivables as of March 25, 2004)

March 25, 2004

To: Mizuho Trust & Banking Co., Ltd.
To: FASL JAPAN LIMITED

We hereby approve the matters provided for in Paragraphs 1 through 5 above pursuant to Article 467 of the Civil Code.

[Address]
FUJITSU LIMITED
[Title] [Name] (seal)

Certified date (*kakutei-hizuke*)

Floating Pledge Agreement

Agent: Mizuho Corporate Bank, Ltd.
Pledgee: Financial Institutions specified in Exhibit 1
Pledgor: FASL JAPAN LIMITED

March 25, 2004

FLOATING PLEDGE AGREEMENT

FASL JAPAN LIMITED (the "Pledgor"), the financial institutions specified in Exhibit 1(1) as Pledgees A (All pledgees A shall be collectively referred to as "Pledgees A" or "all Pledgees A," and individual pledgees A shall, depending on the context, be referred to as "each Pledgee A."), and the financial institutions specified in Exhibit 1(2) as Pledgees B (All pledgees B shall be collectively referred to as "Pledgees B" or "all Pledgees B," and individual pledgees B shall, depending on the context, be referred to as "each Pledgee B.") All Pledgees A and Pledgees B shall be collectively referred to as "Pledgees" or "all Pledgees," and individual pledgees shall, depending on the context, be referred to as "each Pledgee.") hereby enter into this agreement (this "Agreement") as follows with respect to the creation of floating pledges on the Security Beneficial Interests (as defined below) held by the Pledgor, under which Mizuho Corporate Bank, Ltd. will act as the Agent, as of March 25, 2004.

1. DEFINITIONS

Except as otherwise specifically defined herein, the terms in this Agreement shall have the meanings defined in (i) the Accounts Receivables Trust Agreement dated March 25, 2004 entered into by and between the Pledgor and Mizuho Trust & Banking Co., Ltd. (the "Trustee") (as amended, the "Trust Agreement"), (ii) the Revolving Line Agreement (A) dated March 25, 2004 entered into by and among Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd., The Norinchukin Bank and the Pledgor (as amended, the "Loan Agreement A"), (iii) the Revolving Line Agreement (B) dated March 25, 2004 entered into by and between Mizuho Corporate Bank and the Pledgor (as amended, the "Loan Agreement B," and together with the Loan Agreement A, the "Loan Agreements"), and (iv) the Creditors' Agreement dated March 25, 2004 entered into by and among Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd., The Norinchukin Bank and the Pledgor (as amended, the "Creditors' Agreement").

2. CREATION OF FLOATING PLEDGE

2.1 The Pledgor shall create first-priority floating pledges (collectively, the "Floating Pledge A") on its beneficial interests in trust under the Trust Agreement (the "Security Beneficial Interests") with respect to each Pledgee A as follows.

DESCRIPTION

Scope of Secured Receivables:	The right to claim for the payment of principal and interest and any other receivables held by each Pledgee A against the Pledgor under the Loan Agreement A (collectively the "Secured Receivables A")
Maximum Amount:	JPY 9,000,000,000
Date to crystallize the receivables to be secured by Floating Pledge A:	No date is fixed.

2.2 The Pledgor shall create second-priority floating pledges (collectively the “Floating Pledge B,” and together with the Floating Pledge A, the “Floating Pledges”) on the Security Beneficial Interests with respect to each Pledgee B as follows.

DESCRIPTION

Scope of Secured Receivables: The right to claim for the payment of principal and interest and any other receivables held by each Pledgee B against the Pledgor under the Loan Agreement B (collectively the “Secured Receivables B,” and together with the Secured Receivables A, the “Secured Receivables”)

Maximum Amount: JPY 6,000,000,000

Date to crystallize the receivables to be secured by Floating Pledge B: No date is fixed.

2.3 Each Pledgee A shall, as a result of creation of the Floating Pledge A described in Clause 2.1, acquire a floating pledge on the Security Beneficial Interests that has the same priority as those held by the other Pledgees A. Each Pledgee B shall, as a result of creation of the Floating Pledge B described in Clause 2.2, acquire a floating pledge on the Security Beneficial Interests that has the same priority as those held by the other Pledgees B.

2.4 The Pledgees hereby authorize the Agent to exercise on behalf of the Pledgees the rights of the Pledgees under this Agreement to the extent such exercise does not breach applicable laws or ordinances. Provided, however, that the specific time, method and terms of exercising the rights as a Pledgee shall be in accordance with the decision-making of the Majority Lenders under the provisions of the Creditors’ Agreement.

2.5 The Pledgees shall enforce the Floating Pledges only through the Agent and in accordance with the provisions of this Agreement, the Loan Agreements and the Creditors’ Agreement, and applicable laws and ordinances. Provided, however, that the Pledgees are able to receive appropriation for repayment of the Loans in accordance with the provisions of the Loan Agreements and the Creditors’ Agreement.

2.6 The authority set forth in Clause 2.4 shall extinguish upon the resignation or dismissal of the Agent in accordance with Clause 28 of the Loan Agreements (or Clause 28 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 7 of the Creditor’s Agreement; hereinafter the same) and the provisions of the Creditors’ Agreement. Thereafter, the successor Agent assuming office in accordance with Clause 28 of the Loan Agreements shall exercise the rights and bear the obligations under this Clause. Immediately after such change in Agents, the former Agent and the successor Agent shall notify the Pledgor thereof in writing in their joint name.

3. **DELIVERY OF ORIGINAL COPY AND ACQUISITION OF TRUSTEE APPROVAL**

- 3.1 On the date of this Agreement, the Pledgor shall deliver to the Agent original copies of a certificate for the Security Beneficial Interests (provided, however, that this shall only apply if such certificate has been issued) and an agreement with respect to the Trust Agreement (such certificate and agreement shall be collectively referred to as "Trust Agreement and Certificate"). The Agent shall, upon receipt of the Trust Agreement and Certificate pursuant to this Paragraph, immediately deliver to each Pledgee copies thereof with wording certifying that such copies are accurate copies of the Trust Agreement and Certificate
- 3.2 On the date of this Agreement, the Pledgor shall obtain the Trustee's written approval of the creation of the Floating Pledge A on the Security Beneficial Interests with a certified date substantially in the form set out in Exhibit 2, and deliver the original copy thereof to the Agent, to complete (i) perfection against debtors and third parties under Articles 364(1) and 467 of the Civil Code with respect to the creation of the Floating Pledge A and (ii) prior perfection under Article 467 of the Civil Code with respect to acquisition of the Security Beneficial Interests as a result of enforcement by any Pledgee A of the Floating Pledge A pursuant to the provisions of Clause 7.1(3) of this Agreement. The Agent shall, upon obtaining approval from the Trustee pursuant to this Paragraph, immediately deliver to each Pledgee A copies thereof with wording certifying that such copies are accurate copies of the approval.
- 3.3 On the date of this Agreement and after carrying out the procedures provided in the preceding Paragraph, the Pledgor shall obtain the Trustee's written approval of the creation of the Floating Pledge B on the Security Beneficial Interests with a certified date substantially in the form set out in Exhibit 3, and deliver the original copy thereof to the Agent, to complete (i) perfection against debtors and third parties under Articles 364(1) and 467 of the Civil Code with respect to the creation of the Floating Pledge B and (ii) prior perfection under Article 467 of the Civil Code with respect to acquisition of the Security Beneficial Interests as a result of enforcement by any Pledgee B of the Floating Pledge B pursuant to the provisions of Clause 7.1(3) of this Agreement. The Agent shall, upon obtaining approval from the Trustee pursuant to this Paragraph, immediately deliver to each Pledgee B copies thereof with wording certifying that such copies are accurate copies of the approval.
- 3.4 Upon receipt of the Trust Agreement and Certificate or the Trustee's approval in accordance with the provisions of preceding three Paragraphs, the Agent shall exclusively possess the Trust Agreement and Certificate or the Trustee's approval for its own benefit and on behalf of each Pledgee for the benefit of each Pledgee, and each Pledgee agrees thereto.
- 3.5 Each Pledgee authorizes the Agent and the Agent agrees to receive the Trust Agreement and Certificate and the Trustee's approval on behalf of each Pledgee.
- 3.6 The Agent shall keep the original copies of the Trust Agreement and Certificate that are delivered by the Pledgor in accordance with Clause 3.1 for the benefit of each Pledgee with the duty of care of a good administrator, until the Pledgor satisfies all of the Secured Receivables and the Agent returns to the Pledgor the original copies of the Trust Agreement and Certificate in accordance with Clause 15 of this Agreement.

4. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF PLEDGOR**

- 4.1 The Pledgor represents and warrants that the following is true and correct as of the date of this Agreement.
- (1) The Trust Agreement is an agreement duly executed and effectively existing under the laws of Japan.
 - (2) The Security Beneficial Interests solely belong to the Pledgor, and the Pledgor has the sole authority to dispose of the Security Beneficial Interests.
 - (3) There are no encumbrances relating to real rights on the Security Beneficial Interests that have priority over or precede the Floating Pledge A, nor is there any other event that will interfere with the rights or interests of the Pledges A.
 - (4) Other than the Floating Pledge A, there are no encumbrances relating to real rights on the Security Beneficial Interests that have priority over or precede the Floating Pledge B, nor is there any other event that will interfere with the rights or interests of the Pledges B.
 - (5) No lawsuit, arbitration, mediation or other administrative procedure by a third party is pending with respect to the creation, continued existence, ownership or exercise of the Security Beneficial Interests, nor is there any threat of the commencement of any of the foregoing.
 - (6) The Security Beneficial Interests are legal, valid and binding, and enforceable in accordance with the terms of this Agreement.
 - (7) No principal has been redeemed before the due date with respect to the Security Beneficial Interests.
 - (8) Neither the Settlor nor the Trustee is in default of any obligations under the Trust Agreement.
 - (9) There are no grounds for defense that interfere with the creation, continued existence or exercise of the Security Beneficial Interests.
 - (10) No provisions of the Trust Agreement have been amended, released or waived, the Security Beneficial Interests have not been transferred to a third party, had a security interest created thereon, or otherwise been disposed of in a way that adversely affects or is likely to adversely affect the rights of the Pledges under this Agreement, nor is the Pledgor under any obligation to make such a disposition for the benefit of a third party.
 - (11) No petition for provisional attachment, preservative attachment, attachment or provisional disposition has been filed by any third party in respect of all or a part of the Security Beneficial Interests, nor are there any rights or encumbrances in respect of all or a part of the Security Beneficial Interests that have or are likely to have an adverse effect on the rights of the Pledges under this Agreement;
 - (12) Each of the Pledgor's representations and warranties set out in the Trust Agreement are true and correct.

4.2 If it is found that any of the Pledgor's representations and warranties set out in Clause 4.1 are false or incorrect in any material respect, the Pledgor shall immediately notify the Agent thereof in writing, and shall compensate the Agent or each Pledgee for the losses incurred by them due to such breach of representations or warranties.

5. **PRESERVATION OF TRUST AGREEMENT**

The Pledgor shall not, without the Agent's prior written consent, amend any provision of the Trust Agreement, transfer the Security Beneficial Interests to a third party, create a security interest on or otherwise dispose of or cancel the Security Beneficial Interests, or conduct any other act which is likely to adversely affect the Floating Pledges.

6. **CHANGES IN DETAILS OF FLOATING PLEDGES**

If it becomes necessary to transfer all or a part of the Floating Pledges (including changing the scope of the secured receivables in connection with such transfer) or otherwise change or dispose of the Floating Pledges (excluding the case where such change or disposal materially and adversely affects the Pledgor), the Pledgor shall agree to or approve the Agent's requests or take other procedures necessary therefor. If required by the Agent to change the scope of the secured receivables with respect to the Floating Pledges (excluding those in connection with the transfer of all or a part of the Floating Pledges), the Pledgor shall consult with the Agent in good faith.

7. **ENFORCEMENT OF THE PLEDGE**

7.1 If the obligations that the Pledgor owes with respect to any of the Secured Receivables become due or immediately payable, the Pledgees may enforce the Floating Pledges in accordance with any of the following methods. In such case, each Pledgee may enforce the Floating Pledges only through the Agent by times, methods and terms determined in accordance with the decision-making of the Majority Lenders under Clause 2 of the Creditors' Agreement, and the Agent shall enforce the Floating Pledges on behalf of each Pledgee. The Agent shall, in enforcing the Floating Pledges, notify the Trustee, Pledgor and each Pledgee in writing of the enforcement of the Floating Pledges under this Agreement (the "Floating Pledge Enforcement Notice").

- (1) Method of (i) directly collecting money equal to the amount of the Trustee's obligations to pay distributions and principal redemptions with respect to the Security Beneficial Interests or any other obligation owed by the Trustee to the Pledgor under the Trust Agreement, and (ii) using such collected amount (the "Directly Collected Amount") to repay the Secured Receivables.
- (2) Method of (i) disposing of the Security Beneficial Interests by times, methods, prices, etc., which are generally acknowledged as appropriate, and (ii) using the proceeds from such disposal (the "Disposal Proceeds") to repay the Secured Receivables.
- (3) Method of (i) acquiring the Security Beneficial Interests by evaluating them by times, methods, prices, etc., which are generally acknowledged as appropriate, and (ii) deeming that the Secured Receivables cease to be effective at the same amount as such value of the Security Beneficial Interests (the "Valued Amount").

- 7.2 Notwithstanding the provisions of the preceding Paragraph, if the Agent reasonably deems it necessary to urgently enforce the Floating Pledges, the Agent may immediately enforce the Floating Pledges without following decision-making procedures of the Majority Lenders set forth in Clause 2 of the Creditors' Agreement. Provided, however, that the Agent shall not be obliged to enforce the Floating Pledges unless instructed by the Majority Lenders.
- 7.3 If the Agent enforces the Floating Pledges, the Agent shall simultaneously enforce all of the Floating Pledges held by the Pledgees.
- 7.4 If the Pledgees enforce the Floating Pledges in accordance with Clause 7.1(1) or (2), the Pledgees shall cause the party obliged to pay the Directly Collected Amount or the Disposal Proceeds to transfer such Directly Collected Amount or Disposal Proceeds to an account designated and managed by the Agent (the "Agent's Account"). Upon payment of the Directly Collected Amount or the Disposal Proceeds (the "Directly Collected Amount, Etc.") to the Agent's Account, the Directly Collected Amount, Etc. shall be used to repay the Secured Receivables in the order and manner set forth in Clause 18 of the Loan Agreements (or Clause 18 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 4 of the Creditors' Agreement; hereinafter the same), and the Agent shall distribute the Directly Collected Amount, Etc. to each Pledgee in accordance with Clause 19 of the Loan Agreements (or Clause 19 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 5 of the Creditors' Agreement).
- 7.5 If the Pledgees enforce the Floating Pledges in accordance with Clause 7.1(3), an amount equivalent to the amount that would be appropriated if the money equal to the Valued Amount was appropriated in the order and manner set forth in Clause 18 of the Loan Agreements, shall be used to repay the Secured Receivables at the time the Agent acquires the Security Beneficial Interests. If the Agent acquires money by exercising, transferring or otherwise disposing of the Security Beneficial Interests acquired in accordance with Clause 7.1(3), the Agent shall cause the party obliged to pay such money to transfer such money to the Agent's Account, and upon payment of such money, the Agent shall immediately distribute such transferred money to each Pledgee in accordance with Clause 19 of the Loan Agreements.
- 7.6 If the Agent receives the trust principal, trust proceeds or other property upon enforcement of the Floating Pledges and such property is not money (the "Receivables in Kind"), the Majority Lenders shall determine the method to acquire or dispose of the Receivables in Kind. In this case, an amount equivalent to the amount that would be appropriated if the money equal to the Valued Amount of the Receivables in Kind evaluated by times, methods, prices, etc., that are generally acknowledged as appropriate was appropriated in the order and manner set forth in Clause 18 of the Loan Agreements, shall be used to repay the Secured Receivables. In this case, if the Agent acquires money by exercising, transferring or otherwise disposing of the Receivables in Kind, the Agent shall cause the party obliged to pay such money to transfer such money to the Agent's Account, and upon payment of such money, the Agent shall immediately distribute such transferred money to each Pledgee in accordance with Clause 19 of the Loan Agreements.

7.7 Each Pledgee acknowledges without objection that, notwithstanding the priority between the Floating Pledge A and the Floating Pledge B set forth in Clauses 2.1 and 2.2, the Directly Collected Amount, the Disposal Proceeds, money equal to the Valued Amount and other money acquired through enforcing the Floating Pledges that are set forth in preceding three Paragraphs shall be used and distributed to each Pledgee in the order set forth in Clauses 18 and 19 of the Loan Agreements, and no receivables or obligations will remain between each Pledgee and the Agent with respect to such money after the distribution thereof.

8. **INSTRUCTIONS TO TRUSTEE**

The Pledgor shall follow the provisions of Clause 24.1 of the Trust Agreement with respect to instructing the Trustee, and (i) if no Repayment Formula Revision Event has occurred, the Beneficiary and the Agent shall, upon consultation, give instructions in their joint name, and if the Beneficiary and the Agent do not come to an agreement though consultation, the Agent may independently give instructions, and (ii) if a Repayment Formula Revision Event has occurred, the Agent may give instructions.

9. **COMMON SERVICE FEES**

If the Agent pays any fees for the common benefit of the Pledgees pursuant to the provisions of this Agreement, notwithstanding the provisions of Clauses 7.5 through 7.7 (including the case where such provisions apply *mutatis mutandis* in accordance with the provisions of Clause 8), the Agent may receive priority distribution of an amount equal to such paid expenses from the Agent's Account.

10. **RECEIPT BY PLEDGOR OF DISTRIBUTION OF PROCEEDS OR OTHER MONEYS**

Notwithstanding the creation of the Floating Pledges, the Pledgor is authorized to receive distributions of proceeds, principal redemptions and other money in respect of the Security Beneficial Interests until the Floating Pledge Enforcement Notice is given.

11. **PRESERVATION OF PLEDGE**

- 11.1 The Pledgor shall obtain the Agent's written approval prior to conducting any act to collect the Trust Receivables by itself or any other acts that reduce or which are likely to reduce the amount of the Trust Receivables or the Security Beneficial Interests.
- 11.2 If the Agent is requested by the Pledgor for the approval described in Clause 11.1, the Agent may, as a condition for giving such approval, request the Pledgor to entrust additional funds in respect of the Trust Agreement, offer additional pledges, or repay all or a part of the Secured Receivables.
- 11.3 If requested by the Agent, the Pledgor shall deliver to the Agent all documents reasonably necessary for the preservation and exercise of the Pledgees' rights hereunder, and take all necessary steps for the preservation and exercise of the rights of the Pledgees hereunder in accordance with the Agent's instructions.

12. **NO ASSUMPTION OF DEBT**

The Pledgor acknowledges without objection that none of the Pledges shall assume any debt in respect of the Trust Agreement due to the creation of the Floating Pledges under this Agreement.

13. **EXEMPTION FROM LIABILITY WITH RESPECT TO OBLIGATION TO PRESERVE THE PLEDGE, ETC.**

13.1 The Floating Pledge shall be created in addition to other pledges and guarantees held by the Pledges in respect of the Secured Receivables, and shall not affect the validity of such other pledges or guarantees.

13.2 The Pledgor shall not claim exemption from liability if any Pledgee changes or cancels other pledges or guarantees at such Pledgee's discretion.

14. **INDEMNIFICATION**

If the Agent or the Pledges suffer damages due to breach by the Pledgor of the obligations under this Agreement, the Pledgor shall immediately compensate the Agent or the Pledges upon request from the Agent or the Pledges for such damages.

15. **EXTINGUISHMENT OF FLOATING PLEDGES**

If the Floating Pledges cease to exist, the Agent shall immediately return to the Pledgor the original copies of the Trust Agreement and Certificate with respect to such extinguished Floating Pledges that have been delivered by the Pledgor in accordance with Clause 3.1 and kept for the benefit of each Pledgee. Upon receipt of the original copies of the Trust Agreement and Certificate pursuant to this Clause, the Pledgor shall notify the Trustee thereof in joint names with the Pledges.

16. **COSTS AND EXPENSES**

The Pledgor shall bear any and all costs and expenses (including, but not limited to, taxes and public charges and attorney's fees) required to exercise the rights or perform the obligations under this Agreement. If the Agent or any Pledges pays such costs or expenses, the Pledgor shall compensate the Agent or such Pledgee immediately after the Pledgor receives from the Agent or such Pledgee the details of such costs and expenses.

17. **AGENT**

The parties to this Agreement acknowledge that the services specified in this Agreement to be performed by the Agent shall constitute a part of the Agent Services set forth in Clause 27 of the Loan Agreements (or Clause 27 of the Loan Agreements that has been replaced in accordance with the provisions of Clause 6 of the Creditor's Agreement). It is acknowledged that the provisions concerning the Agent in the Creditors' Agreement shall automatically apply to the Agent's authority, responsibility, obligations, exemption from liability and other matters with respect to the performance by the Agent of its services set forth in this Agreement.

18. **NO ASSIGNMENT**

None of the Pledges nor the Pledgor shall assign, create a security interest on or otherwise dispose of all or a part of their contractual status, rights or obligations hereunder. Provided, however, that this shall not apply if such disposal is made as a result of the Pledges assigning or otherwise disposing of the Secured Receivables in accordance with the Loan Agreements.

19. **AMENDMENTS TO THE AGREEMENT**

The provisions of this Agreement may be amended only by the written consent of the Agent, the Pledgor and all Lenders (provided, however, amendments concerning matters solely relating to the Floating Pledge A may be made with the consent of the Agent, the Pledgor and all Pledges A, and amendments concerning matters solely relating to the Floating Pledge B may be made with the consent of the Agent, the Pledgor and all Pledges B).

20. **ADDITIONAL MEASURES**

Each Pledgee and the Pledgor shall prepare, execute and deliver any agreements and other documents required by each Pledgee or the Pledgor as necessary or appropriate to a reasonable extent for the purpose of attaining the object of this Agreement.

21. **GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of Japan.

22. **JURISDICTION**

The Tokyo District Court shall have exclusive jurisdiction as the court of first instance with respect to any action arising out of or in connection with this Agreement.

23. **APPLICATION OF THE TRUST AGREEMENT**

The provisions of the Loan Agreements and the Creditors' Agreement shall apply *mutatis mutandis* to matters relating to the provisions of this Agreement among those not provided for in this Agreement.

24. **CONSULTATION**

The Agent, the Pledges and the Pledgor shall resolve any matters not provided for in this Agreement or doubts arising from this Agreement upon mutual consultation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed, the Agent has kept the original and has delivered copies thereof to the Pledgor and each of the Pledgees, other than the Agent, with a certificate confirming the original is kept by the Agent.

March 25, 2004

First-Priority Pledgee,
Second-Priority Pledgee,
and Agent

/s/ HIROSHI SAITO

Mizuho Corporate Bank, Ltd.

(Floating Pledge Agreement as of March 25, 2004)

First-Priority Pledgee

/s/ YASUTAKA MIYAMOTO

Shinkin Central Bank

(Floating Pledge Agreement as of March 25, 2004)

First-Priority Pledgee

/s/ SHINOBU SUZUKI

The Bank of Yokohama, Ltd.

(Floating Pledge Agreement as of March 25, 2004)

First-Priority Pledge

/s/ YOSHIKI WASHIYAMA

The Toho Bank, Ltd.

(Floating Pledge Agreement as of March 25, 2004)

First-Priority Pledgee

/s/ KOJI WATANABE

The Norinchukin Bank

(Floating Pledge Agreement as of March 25, 2004)

Pledgor

/s/ SHINJI SUZUKI

FASL JAPAN LIMITED

List of Schedules

- Schedule 1 List of Pledges
- Schedule 2 Application for Approval on Creating First-Priority Floating Pledge and Approval on Creating Floating Pledge
- Schedule 3 Application for Approval on Creating Second-Priority Floating Pledge and Approval on Creating Floating Pledge

Schedule 1 List of Pledgees

- (1) Pledgees A
 - Mizuho Corporate Bank, Ltd.
 - Shinkin Central Bank
 - The Bank of Yokohama, Ltd.
 - The Toho Bank, Ltd.
 - The Norinchukin Bank
- (2) Pledgees B
 - Mizuho Corporate Bank, Ltd.

Schedule 2 **APPLICATION FOR APPROVAL ON CREATING FIRST-PRIORITY FLOATING PLEDGE AND APPROVAL ON CREATING FLOATING PLEDGE**

March 25, 2004

To: Mizuho Trust & Banking Co., Ltd.

**Application for Approval
on Creating First-Priority Floating Pledge**

FASL JAPAN LIMITED, as the Settlor in the Trust Agreement described in Item 1 below (the "Trust Agreement"), has recently created first-priority floating pledges on each beneficial interest in trust under the Trust Agreement (the "Security Beneficial Interests"), in order to secure the obligations owed by FASL JAPAN LIMITED to Parties A-1 through A-5, who are the Pledges described in Item 3 below, (collectively the "Secured Receivables") in accordance with the Floating Pledge Agreement described in Item 2 below (the "Floating Pledge Agreement").

Accordingly, we would like to ask you to pay money directly to the Agent, an agent of the Pledges, which is payable by you to FASL JAPAN LIMITED as a delivery of distributions or redemption of principal in respect of the Security Beneficial Interests, if you receive a Floating Pledge Enforcement Notice under the Floating Pledge Agreement.

We make the above request under our joint name. The Settlor does not request you exercise the right to terminate or agree to terminate the Trust Agreement without the consent of the Pledges.

DESCRIPTION

1. Trust Agreement
Accounts Receivables Trust Agreement entered into as of March 25, 2004 between you, as the Trustee, and FASL JAPAN LIMITED, as the Settlor.
2. Floating Pledge Agreement
Floating Pledge Agreement entered into as of March 25, 2004 among Parties A-1 through A-5, as the first-priority pledges, Mizuho Corporate Bank, Ltd., as the second-priority pledgee, Party A-1, as the Agent, and FASL JAPAN LIMITED, as the Pledgor.
3. Secured Receivables
Right to claim for principal and interest payments and other receivables held by each of Parties A-1 through A-5 against the Pledgor under the Revolving Line Agreement (A) (as amended) entered into as of March 25, 2004 among Parties A-1 through A-5, as the Lenders, Party A-1 as the Agent, and FASL JAPAN LIMITED, as the Borrower.

The Agent hereby represents and acknowledges that the Agent has direct rights and obligations to you under the Trust Agreement, understands the details of such rights and obligations, and has no objection thereto. We would like to request you confirm that you have direct rights and obligations to the Agent under the Trust Agreement, understand the details of such rights and obligations, and have no objection thereto.

Party A-1:

Agent and First-Priority Pledgee

/s/ HIROSHI SAITO

Mizuho Corporate Bank, Ltd.

(Application for Approval on Creating First-Priority Floating Pledge dated March 25, 2004)

Party A-2:

First-Priority Pledgee

/s/ YASUTAKA MIYAMOTO

Shinkin Central Bank

(Application for Approval on Creating First-Priority Floating Pledge dated March 25, 2004)

Party A-3:

First-Priority Pledgee

/s/ SHINOBU SUZUKI

The Bank of Yokohama, Ltd.

(Application for Approval on Creating First-Priority Floating Pledge dated March 25, 2004)

Party A-4:

First-Priority Pledgee

/s/ YOSHIKI WASHIYAMA

The Toho Bank, Ltd.

(Application for Approval on Creating First-Priority Floating Pledge dated March 25, 2004)

Party A-5:

First-Priority Pledgee

/s/ KOJI WATANABE

The Norinchukin Bank

(Application for Approval on Creating First-Priority Floating Pledge dated March 25, 2004)

FASL JAPAN LIMITED:

Pledgor

/s/ SHINJI SUZUKI

FASL JAPAN LIMITED

March 25, 2004

To: Mizuho Corporate Bank, Ltd.
Shinkin Central Bank
The Bank of Yokohama, Ltd.
The Toho Bank, Ltd.
The Norinchukin Bank
FASL JAPAN LIMITED

Approval on Creating First-Priority Floating Pledge

We approve without objection the creation of the floating pledge on the Security Beneficial Interests.

We also represent and acknowledge that we have direct rights and obligations to the Agent under the Trust Agreement, understand the details of such rights and obligations, and have no objection thereto.

(Trustee)

/s/ MASANORI WATANABE

Mizuho Trust & Banking Co., Ltd

Date Certified by Notary Public

Schedule 3 **APPLICATION FOR APPROVAL ON CREATING SECOND-PRIORITY FLOATING PLEDGE AND APPROVAL ON CREATING FLOATING PLEDGE**

March 25, 2004

To: Mizuho Trust & Banking Co., Ltd.

**Application for Approval
on Creating Second-Priority Floating Pledge**

FASL JAPAN LIMITED, as the Settlor in the Trust Agreement described in Item 1 below (the "Trust Agreement"), has recently created second-priority floating pledges on each beneficial interest in trust under the Trust Agreement (the "Security Beneficial Interests"), in order to secure the obligations owed by FASL JAPAN LIMITED to Parties A-1 through A-4, who are the Pledgees described in Item 3 below, (collectively the "Secured Receivables") in accordance with the Floating Pledge Agreement described in Item 2 below (the "Floating Pledge Agreement").

Accordingly, we would like to ask you to pay money directly to the Agent, an agent of the Pledgees, which is payable by you to FASL JAPAN LIMITED as a delivery of distributions or redemption of principal in respect of the Security Beneficial Interests, if you receive a Floating Pledge Enforcement Notice under the Floating Pledge Agreement.

We make the above request under our joint name. The Settlor does not request you exercise the right to terminate or agree to terminate the Trust Agreement without the consent of the Pledgees.

DESCRIPTION

1. Trust Agreement
Accounts Receivables Trust Agreement entered into as of March 25, 2004 between you, as the Trustee, and FASL JAPAN LIMITED, as the Settlor.
2. Floating Pledge Agreement
Floating Pledge Agreement entered into as of March 25, 2004 among Mizuho Corporate Bank, Ltd., Shinkin Central Bank, The Bank of Yokohama, Ltd., The Toho Bank, Ltd. and The Norinchukin Bank, as the first-priority pledgees, Mizuho Corporate Bank, Ltd., as the second-priority pledgee and the Agent, and FASL JAPAN LIMITED, as the Pledgor.
3. Secured Receivables
Right to claim for principal and interest payments and other receivables held by Mizuho Corporate Bank, Ltd. against the Pledgor under the Revolving Line Agreement (B) (as amended) entered into as of March 25, 2004 between Mizuho Corporate Bank, Ltd., as the Lender and the Agent, and FASL JAPAN LIMITED, as the Borrower.

The Agent hereby represents and acknowledges that the Agent has direct rights and obligations to you under the Trust Agreement, understands the details of such rights and obligations, and has no objection thereto. We would like to request you confirm that you have direct rights and obligations to the Agent under the Trust Agreement, understand the details of such rights and obligations, and have no objection thereto.

Mizuho Corporate Bank, Ltd.:

Agent and Second-Priority Pledgee

/s/ Hiroshi Saito

President & CEO, Representative Director
Mizuho Corporate Bank, Ltd.

(Application for Approval on Creating Second-Priority Floating Pledge as of March 25, 2004)

FASL JAPAN:

Pledgor

/s/ Shinji Suzuki

President, Representative Director
FASL JAPAN LIMITED

March 25, 2004

To: Mizuho Corporate Bank, Ltd.
FASL JAPAN LIMITED

Approval on Creating Second-Priority Floating Pledge

We approve without objection the creation of the floating pledge on the Security Beneficial Interests.

We also represent and acknowledge that we have direct rights and obligations to the Agent under the Trust Agreement, understand the details of such rights and obligations, and have no objection thereto.

(Trustee)

/s/ Masanori Watanabe

Managing Executive Officer
Mizuho Trust & Banking Co., Ltd.

Date Certified by Notary Public

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Hector de J. Ruiz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Advanced Micro Devices, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2004

/s/ HECTOR DE J. RUIZ

**Hector de J. Ruiz
Chief Executive Officer**

**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Robert J. Rivet, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Advanced Micro Devices, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2004

/s/ ROBERT J. RIVET

Robert J. Rivet
Chief Financial Officer

Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Advanced Micro Devices, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 28, 2004 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2004

/s/ HECTOR DE J. RUIZ

Hector de J. Ruiz
Chairman of the Board,
President, Chief Executive Officer

Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Advanced Micro Devices, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 28, 2004 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2004

/S/ ROBERT J. RIVET

Robert J. Rivet
Executive Vice President,
Chief Financial Officer