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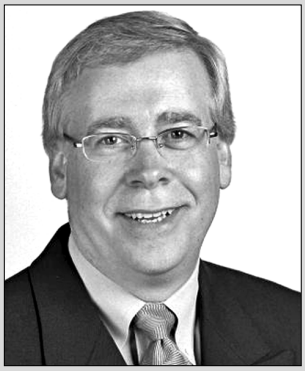
THE WALL STREET TRANSCRIPT

Questioning Market Leaders For Long Term Investors

Monolithic System Technology, Inc. (MOSY)



MARK VOLL is Vice President of Finance and Administration and Chief Financial Officer of Monolithic System Technology, Inc. He is currently serving as Interim Chief Executive Officer. Mr. Voll previously held the position of CFO with MoSys from March 1998 to June 2000. He returned to MoSys in 2002 from Axis Systems where he served as CFO from June 2000. Since 1984, he has held the top financial spot in a number of Santa Clara Valley companies, including Lextel, Mountain Network Solutions, Unisil Corporation and Virtual Media. Mr. Voll earned his Bachelor's degree in Business Administration from Providence College in Rhode Island and a Master's degree from the University of Hartford in Connecticut.

(SAZ228) TWST: We'd like to begin with a brief historical sketch of Monolithic System Technology and a picture of things as they are now.

Mr. Voll: MoSys was founded in 1991, originally as a fabless semiconductor company developing new memory architecture that would benefit companies using large memories, primarily in the computer and graphics market. Along the way, we developed a proprietary technology in 1998 called 1T-SRAM, or one-transistor SRAM. The benefit of one-transistor SRAM was that it used a DRAM cell but functioned as an SRAM to provide a memory that was twice as dense as traditional SRAM or 6T-SRAM or six-transistor SRAM, yet had all the benefits of SRAM. We quickly recognized that the best opportunity to capitalize on this technology was in the embedded memory market, allowing us to embed our memory onto a semiconductor device, and address one particular part of the semiconductor market, that being the system-on-a-chip market.

In 1999, we began licensing our technology to semiconductor companies. We've had quite a few successes in licensing our technology with several companies, including NEC, which incorporates our memory onto chips that go into the Game Cube game console for Nintendo. We've also had success at Sony, where our embedded memories have been placed on the chips used in many Sony products, most of which have been incorporated into their digital camera and digital camcorder product lines.

Last year, the company entered into an agreement with Synopsys to be acquired for $12.50 per share. The transaction was announced in February; however, in April, Synopsys terminated the merger agreement. Since that time, we've been re-engineering our company and refocusing our resources to take advantage of the growth in the semiconductor market that require larger amounts of embedded memories.

TWST: What is the outlook for the 1T-SRAM technology?

Mr. Voll: We believe it's quite bright. We see that the amount of embedded memory required on many semiconductor devices is rapidly growing and companies are looking for cost-effective, high-density embedded memory solutions. Really, MoSys is the only one able to offer companies that kind of solution today.

TWST: Regarding the proposed acquisition that didn't go through, could you explain it further? How does the company feel about it?

Mr. Voll: I think at the time we were very dismayed and it has been very disruptive to our business. But today, overall, we're quite confident that we can create more value in the company than would have been realized by our shareholders in the Synopsys transaction.

TWST: Did Synopsys give any reasons for withdrawing the offer?

Mr. Voll: No, not really. I believe they decided after announcing the transaction that they wanted to go in a different direction than addressing this part of the intellectual property market.

TWST: What is the competitive landscape like and what makes Monolithic System distinguished within it?

Mr. Voll: We don't see competitors offering the exact kind of high-density embedded memory that MoSys offers. In fact, when we first announced our 1T-SRAM technology, it was half the density of traditional 6T-SRAM embedded memories. Today, we've expanded on our technology and now have a technology called 1T-SRAM Q or quad density, which is 4 times the density of six- transistor SRAM, so we've further escalated the difference between our technology and the traditional technology that's available today.

TWST: What are the main things on your agenda for the next two or three years?

Mr. Voll: We see that with the increasing amount of embedded memory, particularly in consumer devices, this is going to bode well for our particular technology. Increasingly, semiconductor companies are looking for cost-effective, high-density embedded memory, for their cost-sensitive devices, and again, we are the only ones who can offer them that type of solution.

TWST: What about challenges or problems? Is there anything to be concerned about?

Mr. Voll: As always with the chain of innovation, there could be a new technology that's introduced that would compete favorably against ours, but at the moment we just don't see any competing technology that would be a detriment to what we're offering.

TWST: What would you expect the company to look like three years from now?

Mr. Voll: I think that we're just beginning to see the emergence of these large blocks of embedded memory requirements on SoC devices today, so I think we're at the right place at the right time to take advantage of those opportunities in the market.

TWST: Can you tell us about the backgrounds and the expertise of a couple of the key officers of the company?

Mr. Voll: One of our co-founders, Dr. Wing-Yu Leung, is our Chief Technology Officer. Dr. Leung co-founded MoSys and continues helping it and the technology grow. Today, we have more than 70 US patents that Dr. Leung and his engineering team have developed, so we think we have a solid foundation as far as our current technology is concerned. We also think we have some quite interesting technologies that we can offer in the future.

Karen Lamar is our Vice President of Sales and Marketing, bringing the company an extensive background in the sales and marketing of intellectual property. She joined us in September 2004 and we see her as a key member of the team in the proliferation of our technologies to semiconductor customers throughout the world.

TWST: How long have you been with the company?

Mr. Voll: I've been with the company twice. I was first here when it was a private company in 2000. I left in 2002 when the company was going to be acquired. I came back to the company in 2002 after it became a public company and have been here ever since.

TWST: What attracted you to work for the company two times?

Mr. Voll: The technology is quite unique and it's highly differentiated from anything else that's available on the market today. While we think that the market has been a little bit slow in developing to get to the overall needs for our technology, we're seeing an increase in the opportunities for more and more design wins because the embedded memory requirements are substantially growing.

TWST: How many employees does the company have now?

Mr. Voll: Today, we have approximately 75 employees, of whom more than 60 are on the engineering design team.

TWST: Were there more in the past?

Mr. Voll: There were more in the past. We downsized a little bit after the failed merger, and I would expect that this year we would increase our engineering design team in particular, as we see more and more opportunities in the marketplace.

TWST: Do you see any reason to improve the company's capital structure?

Mr. Voll: No. I think we're very well capitalized. As of 12/31/04 we had more than $90 million in cash and cash equivalents. I think the company is well capitalized and can take advantage of any opportunities in the market today.

TWST: What are your feelings about future merger activity?

Mr. Voll: In the semiconductor market, we do see general consolidations occurring within the next two to three years, so I think that either we would have to become a larger company through ac-

quisition of other companies and technologies or there is always the possibility that another company would acquire us.

TWST: Have you taken a leading part in investor relations within the company?

Mr. Voll: Yes, I have, and I've done so for some time. We see value investors today participating and acquiring shares of the company. We think that as we start to gain momentum, we will get more of the technology investors that have been a large part of our investor base in the past.

TWST: What would be the two or three best reasons for the long-term investor to take a very good look at Monolithic?

Mr. Voll: I think we start with the base that the technology is unique and we are seeing real opportunities for new, emerging applications in the market. We also see large amounts of embedded memory being designed into future consumer devices, such as cell phones, MP3 players and digital cameras, which will drive the need for companies to acquire our technology. We see that as really being the driver for our business in the future.

TWST: Do you have anything to add, particularly with regard to the company's long-term objectives?

Mr. Voll: We're very enthusiastic about our company as we stand today. We have a new Board of Directors made up of highly successful technology executives. They are an important influence on our strategy going forward and will assist us in taking advantage of the opportunities in the market.

TWST: Thank you.

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