

Consolidated Financial Review for the Year Ended March 31, 2000

Company name: TOKYO ELECTRON LIMITED
 Headquarters address: 3-6 Akasaka 5-chome, Minato-ku, Tokyo 107-8481 Japan
 Telephone number: (03) 5561-7000
 Stock exchange listing: Tokyo Stock Exchange 1st Section
 Code number: 8035
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Board of Directors Meeting: May 19, 2000

For reference only: The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

1. Financial highlights for the year ended March 31, 2000

Note: All figures are rounded down to the nearest million yen.

(1) Operating results

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 3/31/00	440,728	40.4	35,816	461.1	33,838	445.7
Year ended 3/31/99	313,820	(-31.1)	6,382	(-88.7)	6,200	(-89.2)

	Net income		Earnings per share	Fully diluted earnings per share	Return on equity	Ordinary income to total assets	Ordinary income to sales
	Millions of yen	%	Yen	Yen	%	%	%
Year ended 3/31/00	19,847	963.8	113.53	110.64	7.5	7.4	7.7
Year ended 3/31/99	1,865	(-93.8)	10.70	-	0.7	1.4	2.0

Notes:

1. Profit/loss on equity method:

Year ending March 31, 2000: None
 Year ending March 31, 1999: None

2. Difference between market value and book value:

Securities: 4,904 million yen
 Derivative transactions: -240 million yen

3. Changes in accounting methods:

None

4. Percentages for net sales, operating income, ordinary income and net income indicated changes from the previous term.

(2) Financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Year ended 3/31/00	499,499	273,602	54.8	1560.27
Year ended 3/31/99	414,902	257,715	62.1	1477.93

(3) Consolidated cash flow position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 3/31/00	25,126	(-16,192)	23,569	79,518
Year ended 3/31/99	-	-	-	-

(4) Scope of consolidation and application of equity method

Consolidated subsidiaries: 28 companies
Unconsolidated subsidiaries: 0 companies
Number of companies using the equity method: 0 companies

(5) Change in scope of consolidation and application of equity method

Consolidated companies: Additions: 7 companies Deletions: 0 companies
Companies using the equity method: Additions: 0 companies Deletions: 0 companies

2. Corporate estimates for the year ending March 31, 2001

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Six months ending 9/30/00	294,000	34,000	18,000
Year ending 3/31/01	610,000	78,000	42,000

For reference: Estimate of earnings per share for the year ending March 31, 2001: 239.51 yen

Consolidated Balance Sheet

(Millions of yen)

	Year ended March 31, 2000		Year ended March 31, 1999		Increase (decrease)	
	Amount	Compo- sition (%)	Amount	Compo- sition (%)	Amount	%
(Assets)	499,499	100.0	414,902	100.0	84,596	20.4
Current Assets	375,157	75.1	290,748	70.1	84,408	29.0
Cash and cash equivalents	79,518		46,910			
Trade notes and accounts receivable	165,053		133,651			
Marketable securities	834		834			
Inventory	112,481		88,084			
Deferred tax assets	5,305		-			
Other current assets	12,991		22,401			
Allowance for doubtful accounts	(1,028)		(1,134)			
Fixed Assets	123,248	24.7	124,154	29.9	(905)	(0.7)
Tangible fixed assets	97,726	19.6	92,091	22.2	5,634	6.1
Buildings & structures	50,828		49,579			
Machinery & carriers	20,477		16,023			
Tools, furniture & fixtures	8,988		9,228			
Land	16,554		17,163			
Construction in progress	876		96			
Intangible fixed assets	5,696	1.1	601	0.1	5,095	847.7
Investments and other assets	19,826	4.0	31,461	7.6	(11,635)	(37.0)
Investment securities	9,009		17,995			
Long-term loans	153		170			
Deferred tax assets	2,144		-			
Other intangible fixed assets	8,752		13,298			
Allowance for doubtful accounts	(234)		(4)			
Foreign currency translation adjustment	1,093	0.2	-	-	1,093	-
Total Assets	499,499	100.0	414,902	100.0	84,596	20.4

Consolidated Balance Sheet

	(Millions of yen)					
	Year ended March 31, 2000		Year ended March 31, 1999		Increase (decrease)	
	Amount	Compo- sition (%)	Amount	Compo- sition (%)	Amount	%
(Liabilities)	225,861	45.2	157,160	37.9	68,701	43.7
Current liabilities	146,457	29.3	69,054	16.6	77,402	112.1
Trade notes and accounts payable	50,103		28,135			
Short-term loans	26,696		13,192			
Commercial paper	-		10,000			
Current portion of long-term loans	30,000		-			
Accrued income taxes	11,843		1,488			
Allowance for employees' bonuses	7,375		4,117			
Other current liabilities	20,439		12,121			
Long-term liabilities	79,404	15.9	87,829	21.2	(8,425)	(9.6)
Straight bonds	40,000		50,000			
Convertible bonds	15,601		18,864			
Long-term loans	11,676		8,845			
Deferred tax liabilities	24		-			
Allowance for retirement and severance benefits	11,581		9,344			
Other long-term liabilities	520		776			
Foreign currency translation adjustment	-	-	276	0.1	(276)	-
(Minority interest)	34	0.0	25	0.0	8	33.5
(Shareholders' equity)	273,602	54.8	257,715	62.1	15,886	6.2
Common stock	47,163	9.4	45,531	11.0	1,631	3.6
Additional paid in capital	70,225	14.1	68,593	16.5	1,631	2.4
Consolidated retained earnings	157,875	31.6	144,714	34.9	13,160	9.1
Treasury stock	(1,661)	(0.3)	(1,124)	(0.3)	(536)	47.7
Total liabilities, minority interest and shareholders' equity	499,499	100.0	414,902	100.0	84,596	20.4

Notes:

Accumulated depreciation of property, plant and equipment:	¥77,019 million
Number of shares of treasury stock:	303,761 shares

Consolidated Statement of Income

(Millions of yen)

	Year ended March 31, 2000		Year ended March 31, 1999		Increase (decrease)	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	% Change
Net sales	440,728	100.0	313,820	100.0	126,908	40.4
Cost of sales	303,838	68.9	225,962	72.0	77,876	34.5
Gross margin	136,890	31.1	87,857	28.0	49,032	55.8
Selling, general & administrative expenses	101,074	22.9	81,474	26.0	19,599	24.1
Operating income	35,816	8.1	6,382	2.0	29,433	461.1
Non-operating income						
Interest income	216	0.0	838	0.3		
Dividend income	60	0.0	60	0.0		
Rent revenue	387	0.1	321	0.1		
Other non-operating income	944	0.2	1,486	0.4		
Non-operating expenses						
Interest expenses	1,959	0.4	2,002	0.6		
New stock issuing expenses	24	0.0	1	0.0		
New bond issuing expenses	100	0.0	-	-		
Rent expenses	268	0.1	111	0.0		
Other non-operating expenses	1,231	0.3	773	0.2		
Ordinary income	33,838	7.7	6,200	2.0	27,638	445.7
Unusual or infrequent profit						
Prior term adjustment	397	0.1	-	-		
Reversal of allowance for doubtful accounts	-	-	512	0.1		
Gain on sale of fixed assets	410	0.1	43	0.0		
Other unusual or infrequent profit	100	0.0	13	0.0		
Unusual or infrequent loss						
Prior term adjustment	-	-	2	0.0		
Loss on proceeds or disposal of fixed assets	2,168	0.5	425	0.1		
Patent royalties for prior years	1,574	0.4	-	-		
Devaluation of golf memberships	1,253	0.3	-	-		
Devaluation of securities	-	-	111	0.0		
Redemption loss on investment securities	-	-	127	0.1		
Other unusual or infrequent loss	61	0.0	65	0.0		
Earnings before income taxes	29,689	6.7	6,038	1.9	23,650	391.7
Provision for income taxes and enterprise taxes	14,544	3.3	4,167	1.3	10,377	249.0
Deferred income taxes	(4,708)	(1.1)	-	-	(4,708)	-
Minority interest	5	0.0	5	0.0	(0)	(10.1)
Net income	19,847	4.5	1,865	0.6	17,982	963.8

Consolidated Statement of Retained Earnings

(Millions of yen)

	Year ended	Year ended	Increase
	March 31, 2000	March 31, 1999	(Decrease)
	Amount	Amount	Amount
Consolidated retained earnings at beginning of year	144,714	147,081	(2,366)
Increase in consolidated retained earnings			
Deferred income taxes - cumulative effect from prior periods	2,717	-	2,717
Decrease in consolidated retained earnings			
Cash dividends	2,095	3,664	(1,569)
Bonuses to directors	-	358	(358)
Decrease resulting from increase in consolidated subsidiaries	7,309	209	7,100
Net income	19,847	1,865	17,982
Consolidated retained earnings to be carried forward	157,875	144,714	13,160

Consolidated Statement of Cash Flows

(Millions of yen)

		Year Ended March 31, 2000
		Amount
I	Cash flow from operating activities	
	Earnings before income taxes	29,689
	Depreciation and amortization	19,445
	Increase in allowances	5,540
	Interest and dividend revenue	(276)
	Interest expenses	1,963
	Foreign currency translation loss	747
	Bond issuance cost	100
	Gain on sale of securities	(82)
	Devaluation of investment securities	20
	Gain/loss on sale of fixed assets	(391)
	Loss on disposal of fixed assets	2,149
	Increase in trade notes and accounts receivable	(31,675)
	Increase in inventories	(27,196)
	Increase in accounts payable	22,415
	Others	8,076
	Subtotal	30,527
	Receipts from interest and dividends	280
	Interest paid	(1,922)
	Income taxes paid	(3,757)
	Net cash generated by operating activities	25,126
II	Cash flow from investing activities	
	Payment for purchase of property, plant and equipment	(14,577)
	Proceeds from sale of property, plant and equipment	1,566
	Payment for acquisition of intangible fixed assets	(4,100)
	Payment for acquisition of investment securities	(500)
	Proceeds from sale of investment securities	103
	Others	1,316
	Net cash used in investing activities	(16,192)
III	Cash flow from financing activities	
	Increase/decrease in short-term borrowings	13,021
	Increase/decrease in commercial paper	(10,000)
	Proceeds from long-term debt	5,700
	Repayment of long-term debt	(2,477)
	Proceeds from issuance of bonds	19,899
	Increase/decrease in treasury stock	(454)
	Dividends paid	(2,095)
	Others	(24)
	Net cash generated by financing activities	23,569
IV	Foreign currency translation difference in cash and cash equivalents	(468)
V	Net increase in cash and cash equivalents	32,036
VI	Cash and cash equivalents at beginning of year	46,760
VII	Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	721
VIII	Cash and cash equivalents at end of year	79,518

Segment Information

1. Segment information by business type

Tokyo Electron Limited and its consolidated subsidiaries are primarily engaged in manufacturing and marketing industrial electronic equipment, and are deemed to operate in a single segment. Segment information has therefore been omitted.

2. Segment information by country

Segment information by country is abbreviated, as both net sales and the assets of the consolidated subsidiaries situated outside Japan are less than 10% of consolidated net sales or assets.

3. Net sales outside Japan

(Millions of yen)

Year ended March 31, 2000				
	Taiwan	U.S.	Others	Total
Net sales outside Japan	101,065	65,637	90,038	256,741
Consolidated net sales				440,728
Ratio to consolidated net sales (%)	23.0	14.9	20.4	58.3

(Millions of yen)

Year ended March 31, 1999				
	U.S.	Taiwan	Others	Total
Net sales outside Japan	56,489	50,723	56,769	163,982
Consolidated net sales				313,820
Ratio to consolidated net sales (%)	18.0	16.2	18.1	52.3

Notes:

- Classifications of countries and regions are based on geographical proximity.
- Principal countries included in others:
 - Korea
 - U.K.
 - France
 - Germany
 - Singapore
- Net sales outside Japan represent net sales in countries and regions outside of Japan from Tokyo Electron Limited and its consolidated subsidiaries.

Production, Orders and Sales

1. Production Results (Millions of yen)

Division	Year Ending March 31, 2000	
	Amount	
Semiconductor Production Equipment	351,485	
Total	351,485	

Notes:

1. Amounts depend on sales prices
2. The above amounts do not include consumption taxes.

2. Orders (Millions of yen)

Division	Year Ending March 31, 2000	
	Orders	Backlog
Semiconductor Production Equipment	520,472	249,545
Computer Systems	13,150	3,767
Electronic Components	77,558	11,968
Others	1,217	-
Total	612,399	265,281

Note: The above amounts do not include consumption taxes.

3. Sales Results (Millions of yen)

Division	Year Ending March 31, 2000	Year Ending March 31, 1999	Change from previous term
	Amount	Amount	(%)
Semiconductor Production Equipment	355,102	242,239	146.6
Computer Systems	12,357	12,878	96.0
Electronic Components	72,051	57,733	124.8
Others	1,217	968	125.8
Total	440,728	313,820	140.4

Note: The above amounts do not include consumption taxes.