

Consolidated Financial Review for the First Quarter March 31, 2001

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
 Inquiries: Yukio Saeki, Vice President, Accounting Department

Board of Directors Meeting: August 2, 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 first quarter (4/1/00 - 6/30/00)

(1) Operating results (Figures are rounded down to the nearest million yen.)

| | Net sales | | Operating income | | Ordinary income | |
|-----------------------------|-----------------|-------|------------------|-------|-----------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| First quarter ended 6/30/00 | 150,812 | (-) | 27,303 | (-) | 26,909 | (-) |
| First quarter ended 6/30/99 | - | (-) | - | (-) | - | (-) |
| Year ended 3/31/00 | 440,728 | | 35,816 | | 33,838 | |

| | Net income | | Earnings per share | Fully diluted earnings per share |
|-----------------------------|-----------------|-------|--------------------|----------------------------------|
| | Millions of yen | % | Yen | Yen |
| First quarter ended 6/30/00 | 15,240 | (-) | 86.91 | 84.66 |
| First quarter ended 6/30/99 | - | (-) | - | - |
| Year ended 3/31/00 | 19,847 | | 113.53 | 110.64 |

Notes:

- Profit/loss on equity method:

| | |
|-----------------------------|---|
| First quarter ended 6/30/00 | - |
| First quarter ended 6/30/99 | - |
| Year ended 3/31/00 | - |
- Changes in accounting methods: None
- Because it is the first time to disclose consolidated financial results for the first quarter, changes from the previous term are not indicated.

(2) Financial position

| | Total assets | Shareholders' equity | Equity ratio | Shareholders' equity per share |
|-----------------------------|-----------------|----------------------|--------------|--------------------------------|
| | Millions of yen | Millions of yen | % | Yen |
| First quarter ended 6/30/00 | 523,584 | 289,709 | 55.3 | 1,652.00 |
| First quarter ended 6/30/99 | - | - | - | - |
| Year ended 3/31/00 | 499,499 | 273,602 | 54.8 | 1,560.27 |

(3) Scope of consolidation and application of equity method

Consolidated subsidiaries: 28 companies
 Unconsolidated subsidiaries using the equity method: None
 Affiliates using the equity method: None

(4) Change in scope of consolidation and application of equity method (in comparison to the end of 3/31/00)

Consolidated subsidiaries: Additions: None Deletions: None
 Companies using the equity method: Additions: None Deletions: None

2. Corporate estimates for the year ending March 31, 2001 (April 1, 2000 - March 31, 2001)

| | Net sales | Ordinary income | Net income |
|---------------------------|-----------------|-----------------|-----------------|
| | Millions of yen | Millions of yen | Millions of yen |
| Six months ending 9/30/00 | 315,500 | 42,000 | 23,000 |
| Year ending 3/31/01 | 690,000 | 100,000 | 56,000 |

For reference: Estimate of earnings per share for the year ending March 31, 2001: 319.33 yen

Notes:

Figures other than those for the year ended March 31, 2000 have not been audited.

Consolidated Balance Sheet

(Millions of yen)

| | As of June 30, 2000 | | As of March 31, 2000 | |
|---|---------------------|-----------------|----------------------|-----------------|
| | Amount | Composition (%) | Amount | Composition (%) |
| (Assets) | 523,584 | 100.0 | 499,499 | 100.0 |
| Current Assets | 391,399 | 74.8 | 375,157 | 75.1 |
| Cash and cash equivalents | 65,294 | | 79,518 | |
| Trade notes and accounts receivable | 184,841 | | 165,053 | |
| Inventory | 128,564 | | 112,481 | |
| Other current assets | 13,596 | | 19,132 | |
| Allowance for doubtful accounts | (897) | | (1,028) | |
| Fixed Assets | 132,184 | 25.2 | 123,248 | 24.7 |
| Tangible fixed assets 1 | 100,196 | | 97,726 | |
| Intangible fixed assets | 5,908 | | 5,696 | |
| Investments and other assets | 26,317 | | 20,060 | |
| Allowance for doubtful accounts | (237) | | (234) | |
| Foreign currency translation adjustment | - | - | 1,093 | 0.2 |
| Total Assets | 523,584 | 100.0 | 499,499 | 100.0 |

Consolidated Balance Sheet

(Millions of yen)

| | As of June 30, 2000 | | As of March 31, 2000 | |
|---|---------------------|-----------------|----------------------|-----------------|
| | Amount | Composition (%) | Amount | Composition (%) |
| (Liabilities) | 233,837 | 44.7 | 225,861 | 45.2 |
| Current liabilities | 145,350 | 27.8 | 146,457 | 29.3 |
| Trade notes and accounts payable | 51,598 | | 50,103 | |
| Short-term loans | 28,463 | | 26,696 | |
| Bonds due within 1 year | 30,000 | | 30,000 | |
| Accrued income taxes | 10,580 | | 11,843 | |
| Allowance for employees' bonuses | 3,320 | | 7,375 | |
| Other current liabilities | 21,388 | | 20,439 | |
| Long-term liabilities | 88,487 | 16.9 | 79,404 | 15.9 |
| Straight bonds | 44,500 | | 40,000 | |
| Convertible bonds | 15,560 | | 15,601 | |
| Long-term debt | 11,514 | | 11,676 | |
| Allowance for retirement and severance benefits ² | - | | 11,581 | |
| Allowance for retirement and severance benefits ² | 13,212 | | - | |
| Allowance for retirement and severance benefits for directors | 963 | | - | |
| Stock purchase warrant | 715 | | - | |
| Other long-term liabilities | 2,021 | | 545 | |
| (Minority interest) | 38 | 0.0 | 34 | 0.0 |
| (Shareholders' equity) | 289,709 | 55.3 | 273,602 | 54.8 |
| Common stock | 47,183 | 9.0 | 47,163 | 9.4 |
| Additional paid in capital | 70,245 | 13.4 | 70,225 | 14.1 |
| Consolidated retained earnings | 171,479 | 32.7 | 157,875 | 31.6 |
| Revaluation of investment in securities | 3,755 | 0.7 | - | - |
| Foreign currency translation adjustment | (1,264) | (0.2) | - | - |
| Treasury stock, at cost ³ | (1,690) | (0.3) | (1,661) | (0.3) |
| Total liabilities, minority interest and shareholders' equity | 523,584 | 100.0 | 499,499 | 100.0 |

Notes:

- | | |
|---|--------------------|
| 1 Accumulated depreciation of tangible fixed assets: | 71,870 million yen |
| 2 New accounting standards have been adopted for benefit obligations from the year ending March 31, 2001. | |
| 3 Number of shares of treasury stock: | 303,965 shares |

Consolidated Statement of Income

(Millions of yen)

| | First quarter ended June 30, 2000 | | Year ended March 31, 2000 | |
|---|-----------------------------------|------------------------|---------------------------|------------------------|
| | Amount | Ratio to net sales (%) | Amount | Ratio to net sales (%) |
| Net sales | 150,812 | 100.0 | 440,728 | 100.0 |
| Cost of sales | 94,547 | 62.7 | 303,838 | 68.9 |
| Gross margin | 56,265 | 37.3 | 136,890 | 31.1 |
| Selling, general & administrative expenses | 28,961 | 19.2 | 101,074 | 23.0 |
| Operating income | 27,303 | 18.1 | 35,816 | 8.1 |
| Non-operating income | 436 | | 1,608 | |
| Non-operating expenses | 830 | | 3,585 | |
| Ordinary income | 26,909 | 17.8 | 33,838 | 7.7 |
| Unusual or infrequent profit | 143 | | 908 | |
| Unusual or infrequent loss | 2,064 | | 5,058 | |
| Earnings before income taxes | 24,989 | 16.6 | 29,689 | 6.7 |
| Provision for income taxes and enterprise taxes | 10,559 | 7.0 | 14,544 | 3.3 |
| Deferred income taxes | (814) | (0.5) | (4,708) | (1.1) |
| Minority interest | 3 | 0.0 | 5 | 0.0 |
| Net income | 15,240 | 10.1 | 19,847 | 4.5 |

Net sales outside Japan

(Millions of yen)

| First quarter ended June 30, 2000 | | | | | |
|-------------------------------------|--------|--------|--------|--------|---------|
| | Taiwan | U.S. | Korea | Others | Total |
| Net sales outside Japan | 41,798 | 21,799 | 18,004 | 19,007 | 100,609 |
| Consolidated net sales | | | | | 150,812 |
| Ratio to consolidated net sales (%) | 27.7 | 14.5 | 11.9 | 12.6 | 66.7 |

(Millions of yen)

| Year ended March 31, 2000 | | | | | |
|-------------------------------------|---------|--------|--------|--------|---------|
| | Taiwan | U.S. | Korea | Others | Total |
| Net sales outside Japan | 101,065 | 65,637 | 36,826 | 53,212 | 256,741 |
| Consolidated net sales | | | | | 440,728 |
| Ratio to consolidated net sales (%) | 23.0 | 14.9 | 8.4 | 12.0 | 58.3 |

Notes:

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

Production, Orders and Sales

1. Production Results (Millions of yen)

| Division | First quarter ended June 30, 2000 | Year ended March 31, 2000 |
|------------------------------------|-----------------------------------|---------------------------|
| | Amount | Amount |
| Semiconductor Production Equipment | 128,083 | 351,485 |
| Total | 128,083 | 351,485 |

Notes:

1. Amounts are based on selling prices.
2. The above amounts do not include consumption taxes.

2. Orders (Millions of yen)

| Division | First quarter ended June 30, 2000 | |
|------------------------------------|-----------------------------------|---------|
| | Orders | Backlog |
| Semiconductor Production Equipment | 207,044 | 328,790 |
| Computer Network | 2,334 | 3,771 |
| Electronic Components | 20,765 | 12,409 |
| Others | 359 | - |
| Total | 230,503 | 344,971 |

Note: The above amounts do not include consumption taxes.

3. Sales Results (Millions of yen)

| Division | First quarter ended June 30, 2000 | Year ended March 31, 2000 |
|------------------------------------|-----------------------------------|---------------------------|
| | Amount | Amount |
| Semiconductor Production Equipment | 127,798 | 355,102 |
| Computer Network | 2,329 | 12,357 |
| Electronic Components | 20,324 | 72,051 |
| Others | 359 | 1,217 |
| Total | 150,812 | 440,728 |

Note: The above amounts do not include consumption taxes.