August 2, 2001

Consolidated Financial Review for the First Quarter Ended June 30, 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, 2001
Application of U.S. GAAP:	None

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 ended June 30, 2001 (4/1/01 - 6/30/01)

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	(%)
Three months ended 6/30/01	116,821	(-22.5%)	586	(-97.9%)	200	(-99.3%)
Three months ended 6/30/00	150,812	(- %)	27,303	(- %)	26,909	(- %)
Year ended 3/31/01	723,880		121,086		119,223	

	Net income		Net income per share	Fully diluted net income per share
	Millions of yen	(%)	Yen	Yen
Three months ended 6/30/01	-3,513	(- %)	-20.04	-
Three months ended 6/30/00	15,240	(- %)	86.91	84.66
Year ended 3/31/01	62,011		353.76	344.75

Notes:

1. Profit/loss on equity method:

Three months ended 6/30/01:	None
Three months ended 6/30/00:	None
Year ended 3/31/01:	None

2. Average number of shares of common stock (consolidated) issued:

Three months ended 6/30/01:	175,284,219 shares
Three months ended 6/30/00:	175,364,152 shares
Year ended 3/31/01:	175,292,610 shares

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
As of 6/30/01	661,201	323,730	49.0%	1,846.89
As of 3/31/01	729,511	333,281	45.7%	1,901.38

Note:

Number of shares of common stock (consolidated) issued as of:

June 30, 2001	175,284,410 shares
June 30, 2000	175,368,897 shares
March 31, 2001	175,283,713 shares

(3) Scope of consolidation and application of equity method

Consolidated subsidiaries:	29 companies
Unconsolidated subsidiaries:	0 companies
Affiliates using the equity method:	0 companies

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

Consolidated companies:	Additions: 0 companies	Deletions: 1 company
Companies using the equity method:	Additions: 0 companies	Deletions: 0 companies

2. Corporate estimates for the year ending March 31, 2002 (4/1/01 - 3/31/02)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Six months ending 9/30/01	253,000	4,000	0
Year ending 3/31/02	477,000	5,000	500

For reference: Estimate of net income per share for the year ending March 31, 2002: 2.85 yen

Note: Financial figures other than those for the year ended March 31, 2001, are unaudited.

1. Summary of Results

First Quarter (Three Months Ended June 30, 2001)

During the first quarter of the current fiscal year, severe conditions prevailed in semiconductor- and LCD-related industries as well as the information and communications sectors. Sales of key electronic products such as personal computers and mobile phones declined due to economic downturns in the United States, Europe, Japan and Asia. Demand for semiconductors, the basic components of these products, also weakened, prompting sharp production cutbacks and large reductions in capital investment among semiconductor and LCD manufacturers.

The deteriorating business environment had a major impact on Tokyo Electron's first-quarter results. Sales in the core Semiconductor Production Equipment (SPE) division declined sharply, while the Company incurred higher costs due to factors such as depreciation of plant equipment and increased personnel expenses associated with our business expansion last year. These factors resulted in a significant deterioration in profits.

Consolidated net sales for the first quarter decreased 22.5 percent over the same period in the previous year to ¥116,821 million, and ordinary income decreased 99.3 percent to ¥200 million, and income before income taxes decreased 96.4 percent to ¥890 million. In net-income, the Company regrettably posted a net loss due to the tax burden.

(For reference)

Consolidated (Millions of yen)

			1Q	2Q(E)	1st Half(E)	2nd Half(E)	Full year (E)
Net sales	Semiconductor Production Equip.	Japan	31,405	38,595	70,000	46,000	116,000
		U.S.	20,401	29,599	50,000	41,000	91,000
		Europe	9,413	8,587	18,000	15,000	33,000
		Korea	9,216	6,784	16,000	15,000	31,000
		Taiwan	18,516	16,484	35,000	28,000	63,000
		Others	2,970	11,030	14,000	25,000	39,000
		Total	91,923	111,077	203,000	170,000	373,000
	Computer Network		4,384	3,616	8,000	9,000	17,000
	Electronic Components		20,095	20,905	41,000	44,000	85,000
	Others		417	583	1,000	1,000	2,000
	Total		116,821	136,179	253,000	224,000	477,000
Ordinary income			200	3,800	4,000	1,000	5,000
Income before income taxes			890	4,110	5,000	1,000	6,000
Net income (loss)			(3,513)	3,513	0	500	500

Non-consolidated (Millions of yen)

		1Q	2Q(E)	1st Half(E)	2nd Half(E)	Full year (E)
Net sales	Semiconductor Production Equip.	91,333	109,667	201,000	168,000	369,000
	Computer Network	4,398	3,602	8,000	9,000	17,000
	Total	95,732	113,268	209,000	177,000	386,000
Ordinary income (loss)		4,387	(1,387)	3,000	500	3,500
Income before income taxes (loss)		5,228	(1,428)	3,800	500	4,300
Net income (loss)		3,172	(872)	2,300	300	2,600

2. Outlook

Sluggish economic conditions worldwide originating from the slowdown of the U.S. economy have in turn triggered a rapid chilling effect on demand for semiconductors. The resulting business environment has become challenging, with one semiconductor manufacturer after another making downward revisions to its planned capital expenditures. In addition, recovery has been delayed beyond original projections, and conditions are expected to remain severe through the second half. Tokyo Electron will therefore carry out thorough cost reductions to secure earnings. We have revised our results forecast as follows:

Consolidated forecast (Billions of yen)

Note: Figures in the brackets were announced on May 18, 2001.

		Interim	Full year
Net sales		253.0 (265.0)	477.0 (556.0)
	Semiconductor Production Equipment	203.0 (212.0)	373.0 (437.0)
	Computer Network	8.0 (7.0)	17.0 (17.0)
	Electronic Components	41.0 (45.0)	85.0 (100.0)
	Others	1.0 (1.0)	2.0 (2.0)
Ordinary income		4.0 (7.0)	5.0 (25.0)
Income before income taxes		5.0 (7.5)	6.0 (25.5)
Net income		0.0 (3.5)	0.5 (14.0)

Non-consolidated forecast (Billions of yen)

Note: Figures in the brackets were announced on May 18, 2001.

		Interim	Full year
Net sales		209.0 (217.0)	386.0 (450.0)
	Semiconductor Production Equipment	201.0 (210.0)	369.0 (433.0)
	Computer Network	8.0 (7.0)	17.0 (17.0)
Ordinary income		3.0 (4.0)	3.5 (13.0)
Income before income taxes		3.8 (4.5)	4.3 (13.5)
Net income		2.3 (2.5)	2.6 (7.5)

Note: The results forecast above is based on certain assumptions that the Company's management deems reasonable at the present time. Actual results may differ materially from the projected figures presented here.

Consolidated Balance Sheet

(Millions of yen)

	As of June 30, 2001		As of March 31, 2001		Increase (decrease)	
	Amount	Compo-sition (%)	Amount	Compo-sition (%)	Amount	(%)
(Assets)	661,201	100.0	729,511	100.0	(68,309)	(9.4)
Current Assets	474,579	71.8	548,241	75.2	(73,661)	(13.4)
Cash and time deposits	43,664		65,320			
Trade notes and accounts receivable	238,245		287,968			
Inventories	169,004		161,980			
Others	24,712		34,691			
Allowance for doubtful accounts	(1,047)		(1,720)			
Long-term Assets	186,622	28.2	181,270	24.8	5,352	3.0
Tangible fixed assets	130,659	19.7	124,720	17.1	5,938	4.8
Intangible fixed assets	26,973	4.1	27,524	3.7	(550)	(2.0)
Investments and other assets	28,989	4.4	29,025	4.0	(35)	(0.1)
Total Assets	661,201	100.0	729,511	100.0	(68,309)	(9.4)

Consolidated Balance Sheet

(Millions of yen)

	As of June 30, 2001		As of March 31, 2001		Increase (decrease)	
	Amount	Compo-sition (%)	Amount	Compo-sition (%)	Amount	(%)
(Liabilities)	337,417	51.0	396,171	54.3	(58,754)	(14.8)
Current liabilities	172,923	26.1	238,441	32.7	(65,518)	(27.5)
Trade notes and accounts payable	35,630		60,541			
Short-term borrowings	46,773		51,431			
Commercial paper	45,000		30,000			
Accrued income taxes	4,777		41,440			
Allowance for employees' bonuses	4,996		10,948			
Others	35,744		44,079			
Long-term liabilities	164,494	24.9	157,730	21.6	6,764	4.3
Straight bonds	100,000		94,500			
Convertible bonds	15,500		15,502			
Long-term loans	15,734		16,345			
Allowance for retirement and severance benefits	29,812		28,698			
Allowance for retirement and severance benefits for directors	1,121		1,108			
Stock purchase warrant	1,333		705			
Others	992		870			
(Minority interest)	53	0.0	58	0.0	(4)	(7.2)
(Shareholders' equity)	323,730	49.0	333,281	45.7	(9,551)	(2.9)
Common stock	47,213	7.1	47,212	6.5	0	0.0
Additional paid in capital	70,275	10.6	70,274	9.6	0	0.0
Consolidated retained earnings	207,320	31.4	214,920	29.5	(7,600)	(3.5)
Revaluation of investment in securities	831	0.1	1,658	0.2	(827)	(49.9)
Foreign currency translation adjustment	1,607	0.3	2,734	0.4	(1,127)	(41.2)
Treasury stock, at cost	(3,517)	(0.5)	(3,519)	(0.5)	1	(0.0)
Total liabilities, minority interest and shareholders' equity	661,201	100.0	729,511	100.0	(68,309)	(9.4)

Consolidated Statement of Income

(Millions of yen)

	Three months ended June 30, 2001		Three months ended June 30, 2000		Increase (decrease)		Year ended March 31, 2001	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	(%)	Amount	Ratio to net sales
Net sales	116,821	100.0	150,812	100.0	(33,991)	(22.5)	723,880	100.0
Cost of sales	78,574	67.3	94,547	62.7	(15,972)	(16.9)	458,902	63.4
Gross profit	38,246	32.7	56,265	37.3	(18,018)	(32.0)	264,978	36.6
Selling, general & administrative expenses	37,659	32.2	28,961	19.2	8,698	30.0	143,891	19.9
Operating income	586	0.5	27,303	18.1	(26,716)	(97.9)	121,086	16.7
Non-operating income	419		436				1,628	
Non-operating expenses	805		830				3,491	
Ordinary income	200	0.2	26,909	17.8	(26,708)	(99.3)	119,223	16.5
Unusual or infrequent profit	714		143				184	
Unusual or infrequent loss	25		2,064				20,275	
Income before income taxes	890	0.8	24,989	16.6	(24,099)	(96.4)	99,131	13.7
Provision for income taxes and enterprise taxes	4,400	3.8	9,745	6.5	(5,345)	(54.8)	50,588	7.0
Deferred income taxes	-	-	-	-			(13,489)	(1.9)
Minority interest	3	0.0	3	0.0	0	2.0	20	0.0
Net income (loss)	(3,513)	(3.0)	15,240	10.1	(18,754)	-	62,011	8.6

Note:

For tax expenses in the first quarter, because the Company applies tax effect accounting using simplified procedures, "Deferred income taxes" is included in "Provision for income taxes and enterprise taxes".

Net Sales Outside Japan

(Millions of yen)

Three months ended June 30, 2001				
	U.S.	Taiwan	Others	Total
Net sales outside Japan	20,401	18,518	22,015	60,935
Consolidated net sales				116,821
Ratio to consolidated net sales (%)	17.5	15.9	18.8	52.2

(Millions of yen)

Three months ended June 30, 2000				
	Taiwan	U.S.	Others	Total
Net sales outside Japan	41,798	21,799	37,012	100,609
Consolidated net sales				150,812
Ratio to consolidated net sales (%)	27.7	14.5	24.5	66.7

(Millions of yen)

Year ended March 31, 2001				
	U.S.	Taiwan	Others	Total
Net sales outside Japan	140,228	131,152	153,226	424,608
Consolidated net sales				723,880
Ratio to consolidated net sales (%)	19.4	18.1	21.2	58.7

Notes:

1. Classifications of countries and regions are based on geographical proximity.
2. Principal countries included in others:
   Korea
   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

(Millions of yen)

Division	Three months ended June 30, 2001	Three months ended June 30, 2000	Year ended March 31, 2001
	Amount	Amount	Amount
Semiconductor Production Equipment	117,811	128,083	672,312
Total	117,811	128,083	672,312

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

2. Orders

(Millions of yen)

Division	Three months ended June 30, 2001	Three months ended June 30, 2000	Year ended March 31, 2001
	Orders	Orders	Orders
Semiconductor Production Equipment	66,694	207,044	627,573
Computer Network	3,299	2,334	15,476
Electronic Components	17,667	20,765	89,178
Others	417	359	1,614
Total	88,079	230,503	733,843

Division	As of June 30, 2001	As of March 31, 2001
	Backlog	Backlog
Semiconductor Production Equipment	232,887	258,117
Computer Network	4,105	5,190
Electronic Components	9,509	11,937
Others	-	-
Total	246,502	275,244

Note: The above amounts do not include consumption taxes.

3. Sales

(Millions of yen)

Division	Three months ended June 30, 2001	Three months ended June 30, 2000	Year ended March 31, 2001
	Amount	Amount	Amount
Semiconductor Production Equipment	91,923	127,798	619,001
Computer Network	4,384	2,329	14,053
Electronic Components	20,095	20,324	89,210
Others	417	359	1,614
Total	116,821	150,812	723,880

Note: The above amounts do not include consumption taxes.