

First Half/FY2003 Financial Summary and Revision of FY2003 Financial Estimates

1H FY2003: April 1, 2002 - September 30, 2002
FY2003: April 1, 2002 - March 31, 2003

Noriyuki Kuga
Vice President, Accounting Dept., CSS

November 8, 2002



TOKYO ELECTRON

Corp IR/November 8, 2002



1H FY2003 Financial Summary

Consolidated Financial Results

(Billions of Yen)

	1H ended Sept 30, 2001	1H ended Sept 30, 2002	Change (amount)	Change (%)
Net Sales	253.1	223.4	-29.7	-12%
Gross Profit	80.2	68.2	-12.0	-15%
(SG&A Expenses)	(68.2)	(67.7)	-0.5	-1%
Operating Income	11.9	0.5	-11.4	- 96%
Ordinary Income	11.0	-0.7	-11.7	-
I.B.I.T.	11.7	-0.7	-12.4	-
Net Income	2.6	-2.5	-5.1	-

Consolidated subsidiaries: 29 (companies using equity method: none)

I.B.I.T. = Income Before Income Taxes



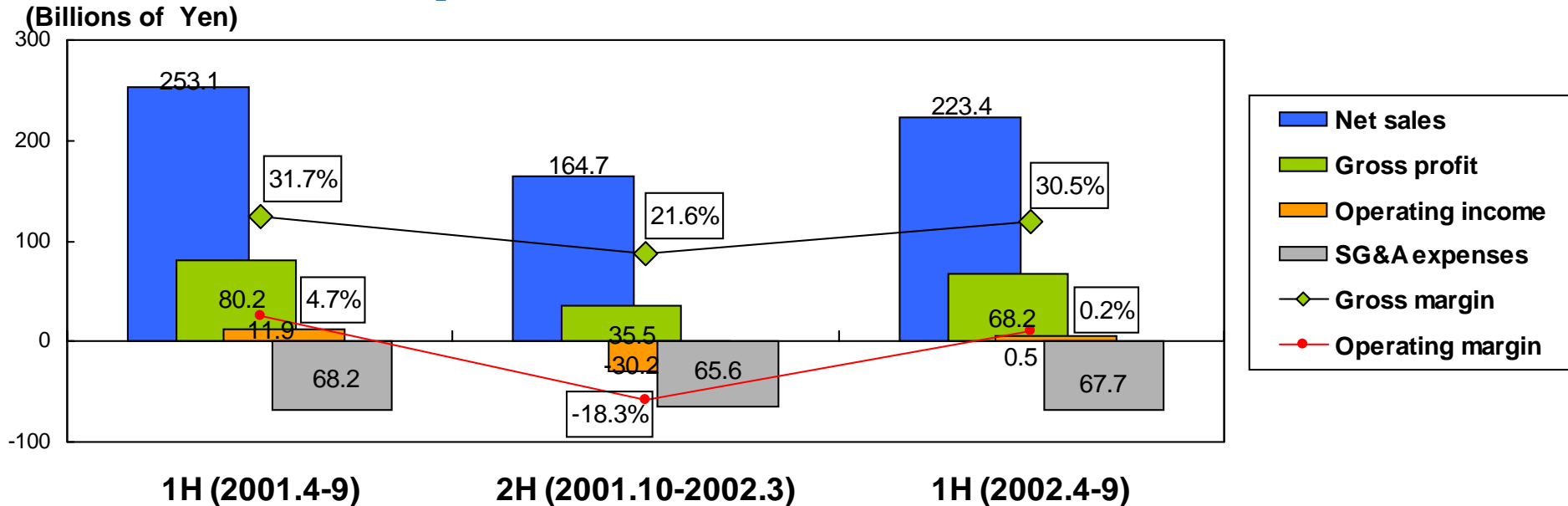
TOKYO ELECTRON

Corp IR/November 8, 2002



1H FY2003 Financial Summary

Comparison with Previous 1H



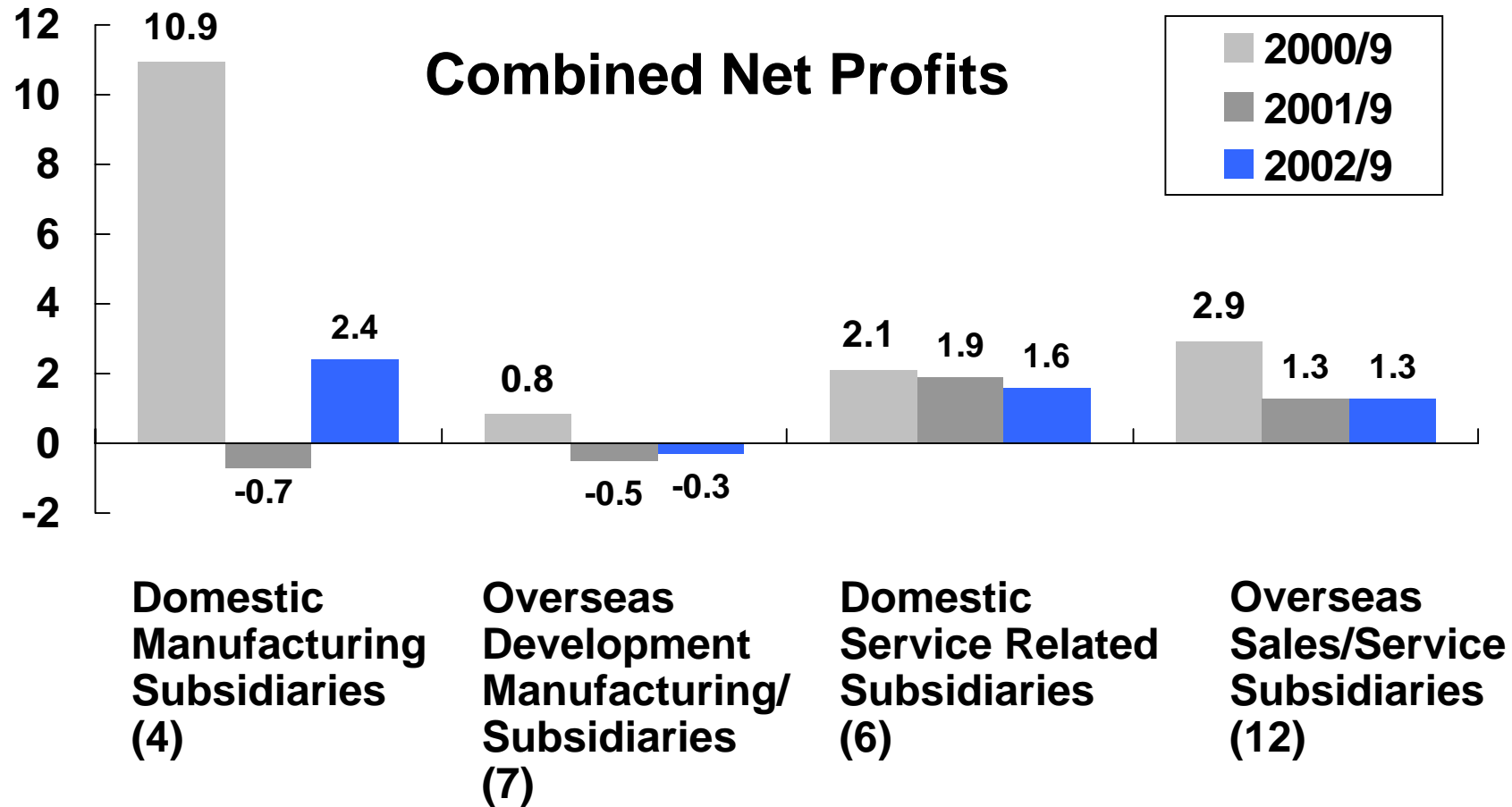
- **Net Sales --- 11.7% decrease**
 - SPE division (13.0% decrease) --- Japan (-38%) U.S.A. (-29%)
- **Gross Margin --- 31.7% → 30.5% (1.2 point decrease)**
 - Increase in modification charge for remodeling the products to be sold to other customers.
 - Strong pricing pressure
 - Plus factor: decrease in fixed costs (outsourcing fee 6.0 billion yen)
- **Operating Income --- Decreased by 11.4 billion yen to 0.5 billion yen**
 - Lower gross profit (decreased by 12.0 billion yen)
 - SG&A expenses – almost flat



1H FY2003 Financial Summary

Earnings of Subsidiaries

(Billions of Yen)



() Number of subsidiaries at the end of Sept 30, 2002



TOKYO ELECTRON



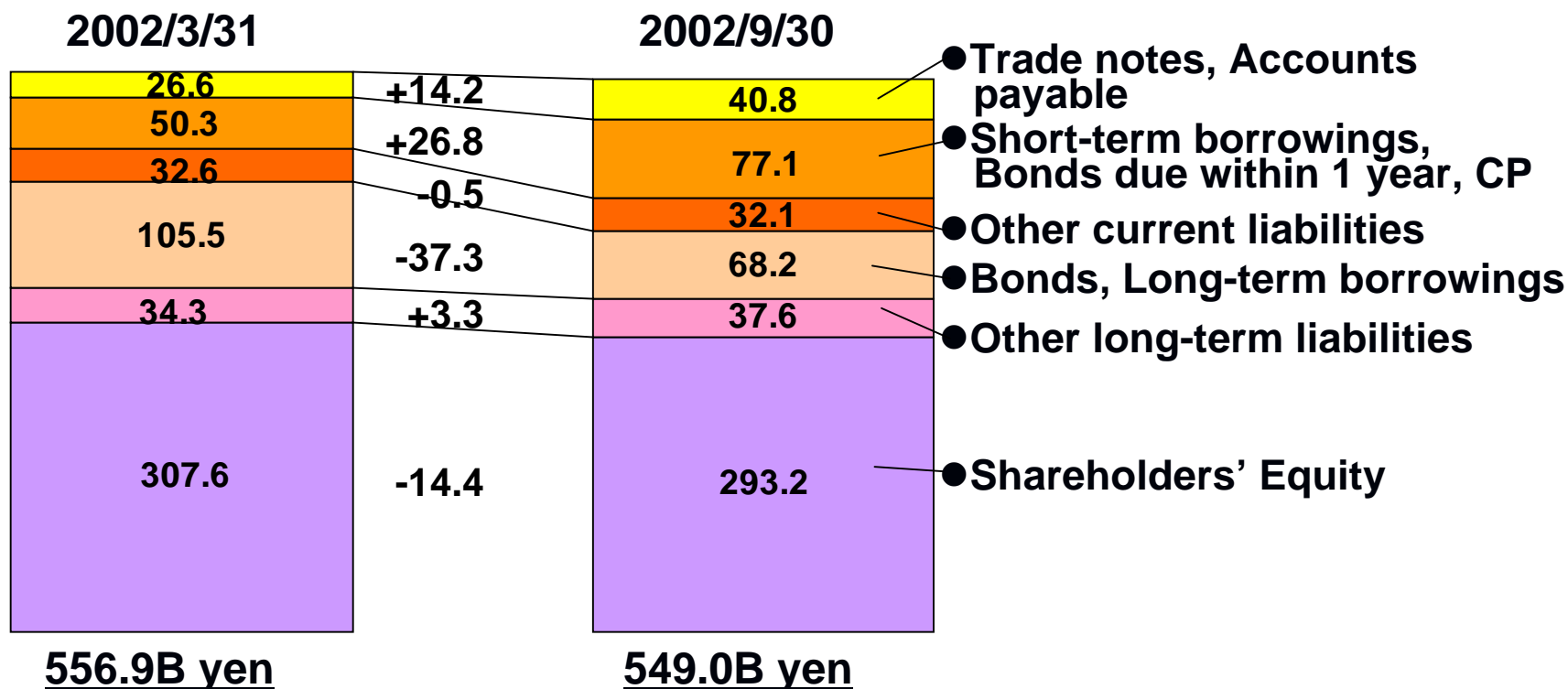
Assets

2001/3/31		2002/9/30	
48.4	-0.7	47.7	● Cash and time deposits
157.4	-1.7	155.7	● Trade notes, Accounts receivable
127.4	+5.7	133.1	● Inventories
20.2	-3.0	17.2	● Other current assets
134.5	-9.2	125.3	● Property, plant and equipment
69.0	+0.9	69.9	● Intangible assets, Other investment
556.9B yen		549.0B yen	

Property Plant and Equipment	-9.2	Sale of assets (TEL Oregon -2.0)
------------------------------	------	----------------------------------



Liabilities & Shareholders' Equity



Trade notes & accounts payable	+14.2	Increase in procurement due to recovery of order
Short-term & Long-term Debt	-10.5	CP(+10.0), Redemption of SB(-20.0)
Shareholders' equity	-14.4	Decrease in retained earnings (-3.2), Increase in treasury stocks (-8.1)



Cash Flow

(Billions of Yen)

For the 6 months ended
9/2002 9/2001

Cash & cash equivalents at begging of year		48.4	65.3
Operating activities	EBITDA^{*1}	15.4	19.4
	(Receivables+Inventories) - (Payables)	6.4	36.6
	Taxes paid	0.7	△ 40.5
	Other	△ 0.5	△ 0.3
		22.0	15.2
Investing activities		△ 3.4	△ 21.5
Financing Activities	Bonds & debt	△ 10.2	7.0
	Dividends paid & other	△ 8.8	△ 4.9
		△ 19.0	2.1
Translation adjustments & others		△ 0.3	△ 1.3
Net decrease in cash & cash equivalents		△ 0.7	△ 5.5
Cash & cash equivalents at end of period		47.7	59.8

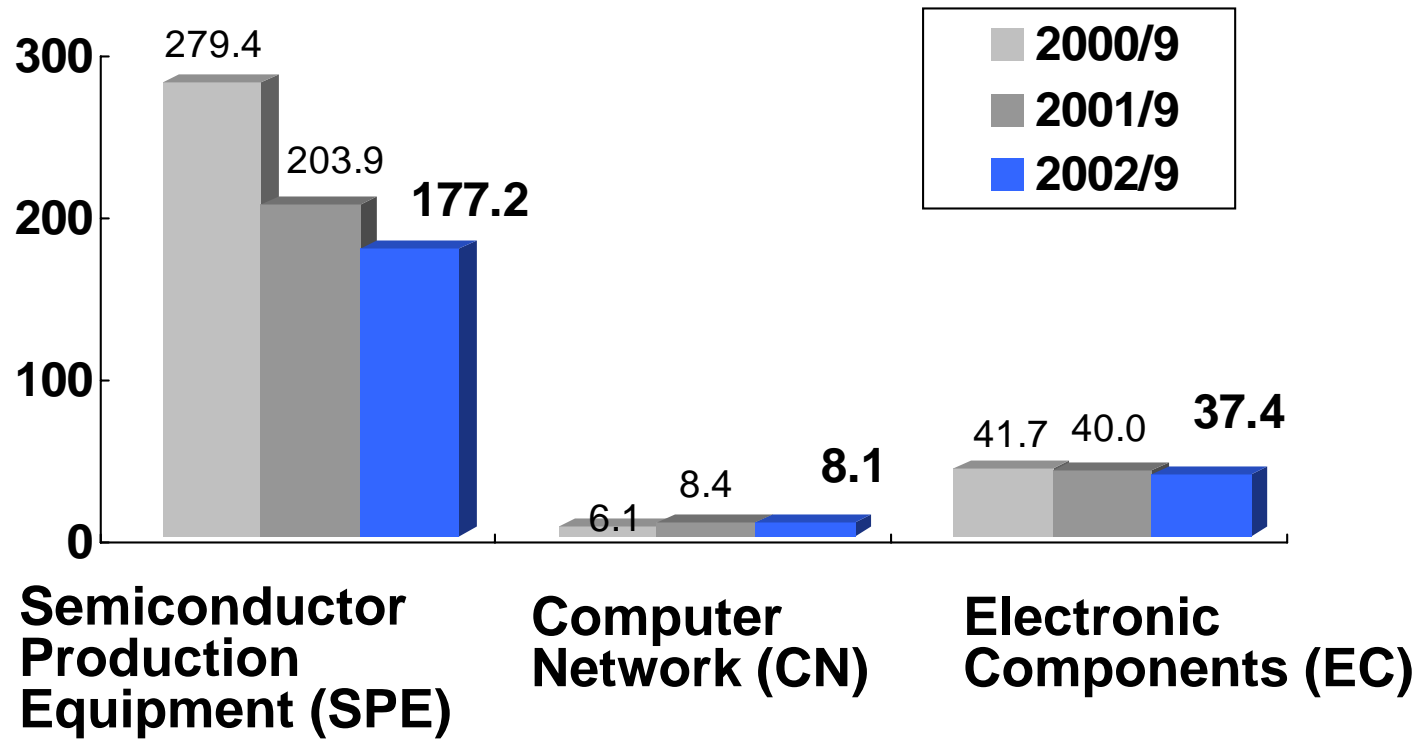
^{*1} EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization



1H 2003 Financial Summary

Net Sales by Division

(Billions of Yen)



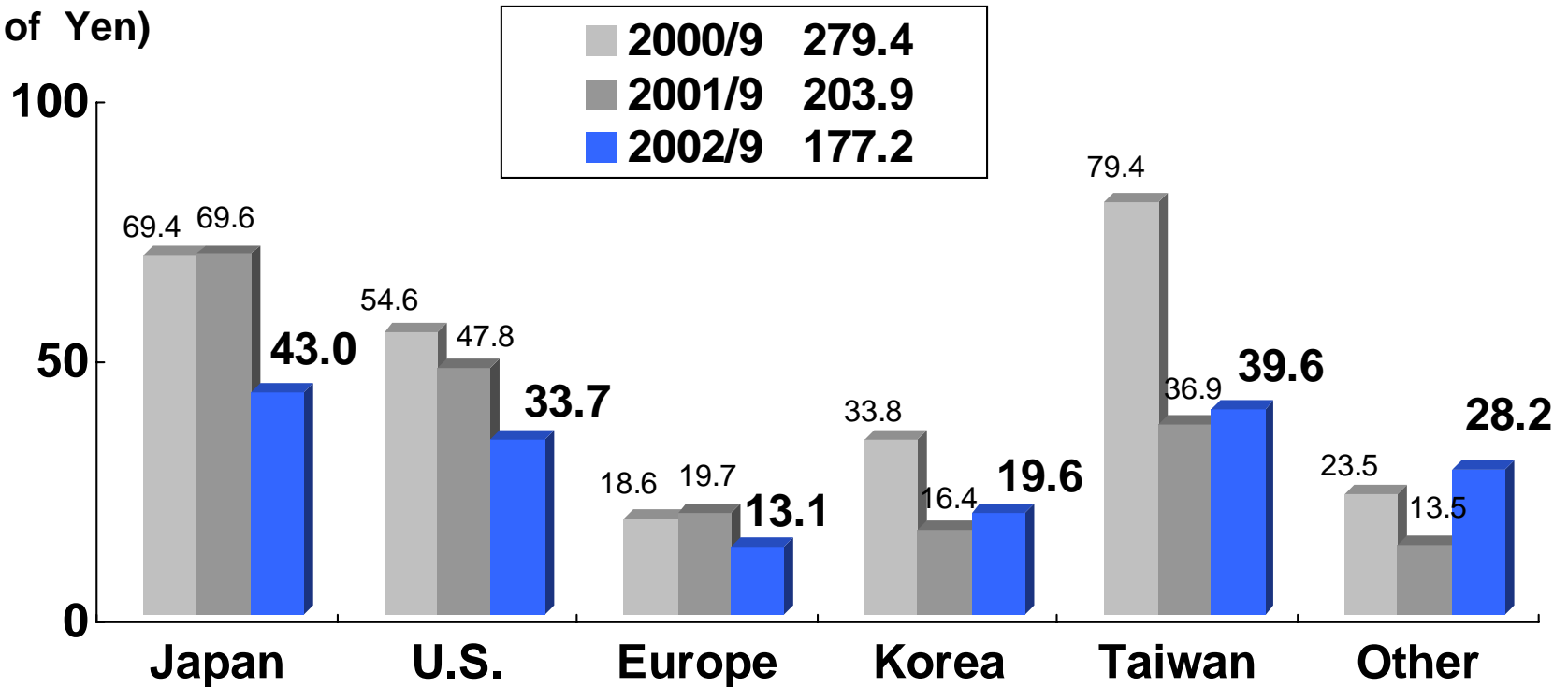
YOY Growth	- 13%	- 3%	- 7%
Composition	79%	4%	17%



1H 2003 Financial Summary

SPE Sales by Region

(Billions of Yen)



YOY Growth	- 38%	- 29%	- 33%	+20%	+7%	+108%
Composition	24%	19%	7%	11%	22%	16%



TOKYO ELECTRON

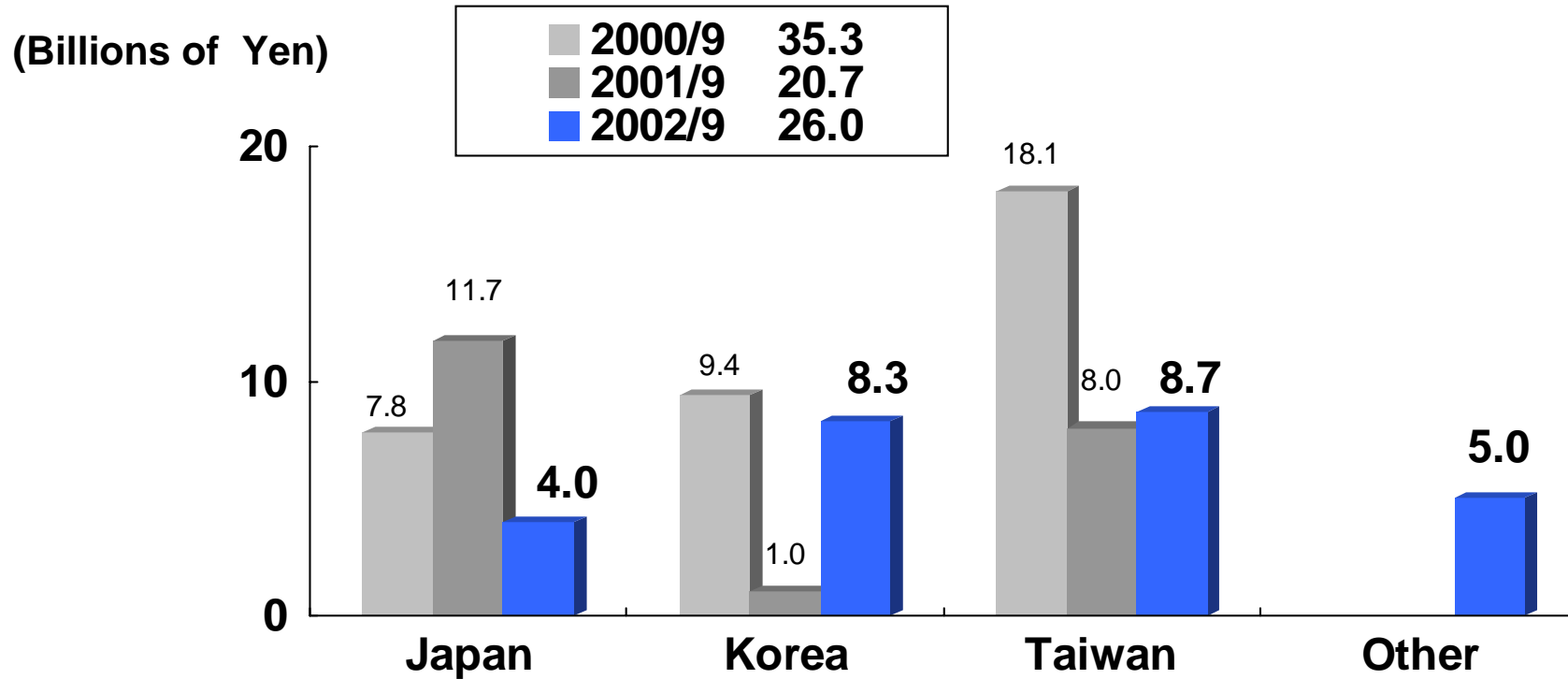
Corp IR/November 8, 2002



1H 2003 Financial Summary

FPD Production Equipment Sales

Non-consolidated Basis



YOY Growth	- 66%	+730%	+9%	
Composition	15%	32%	34%	19%



2Q FY2003 Financial Summary

(July 1, 2002 – September 30, 2002)



TOKYO ELECTRON

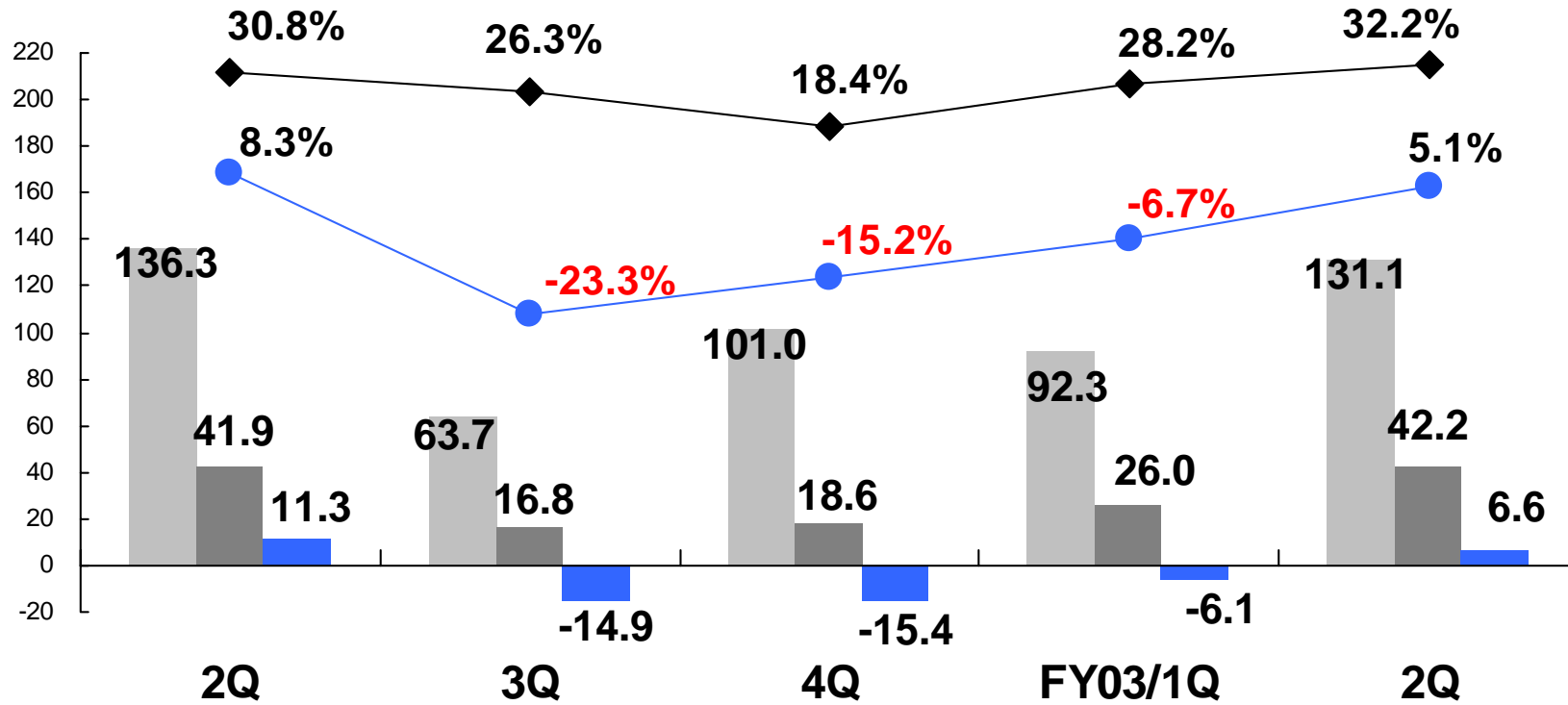
Corp IR/November 8, 2002



2Q FY2003 Financial Summary

Quarterly Net Sales and Profits

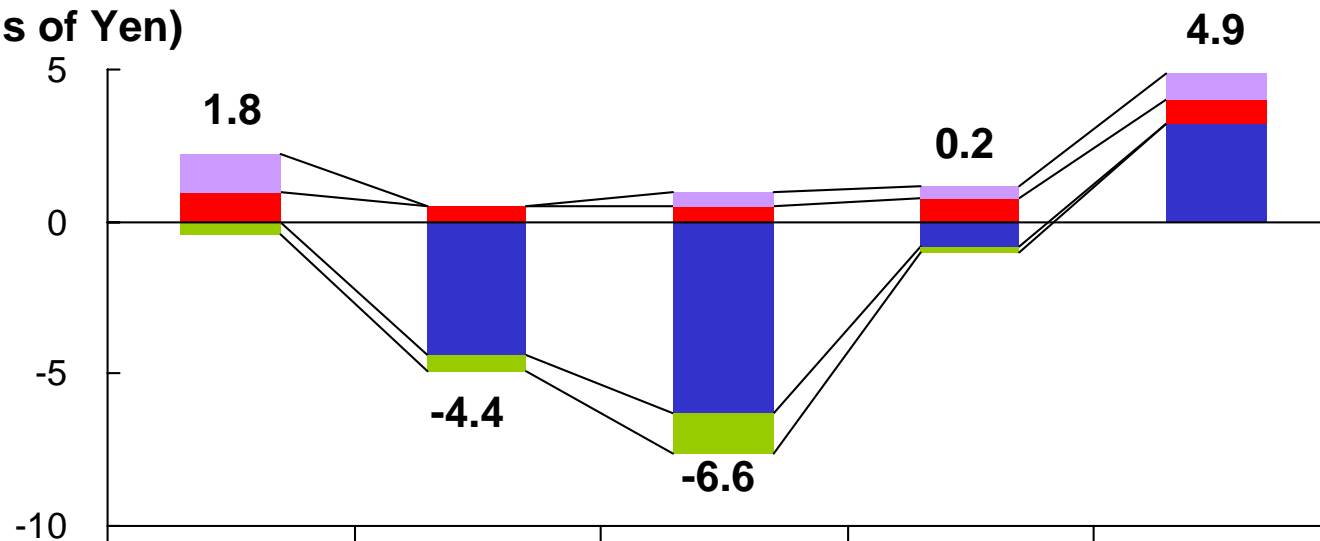
(Billions of Yen)



Quarterly Earnings of Subsidiaries

Combined Net Income (loss)

(Billions of Yen)

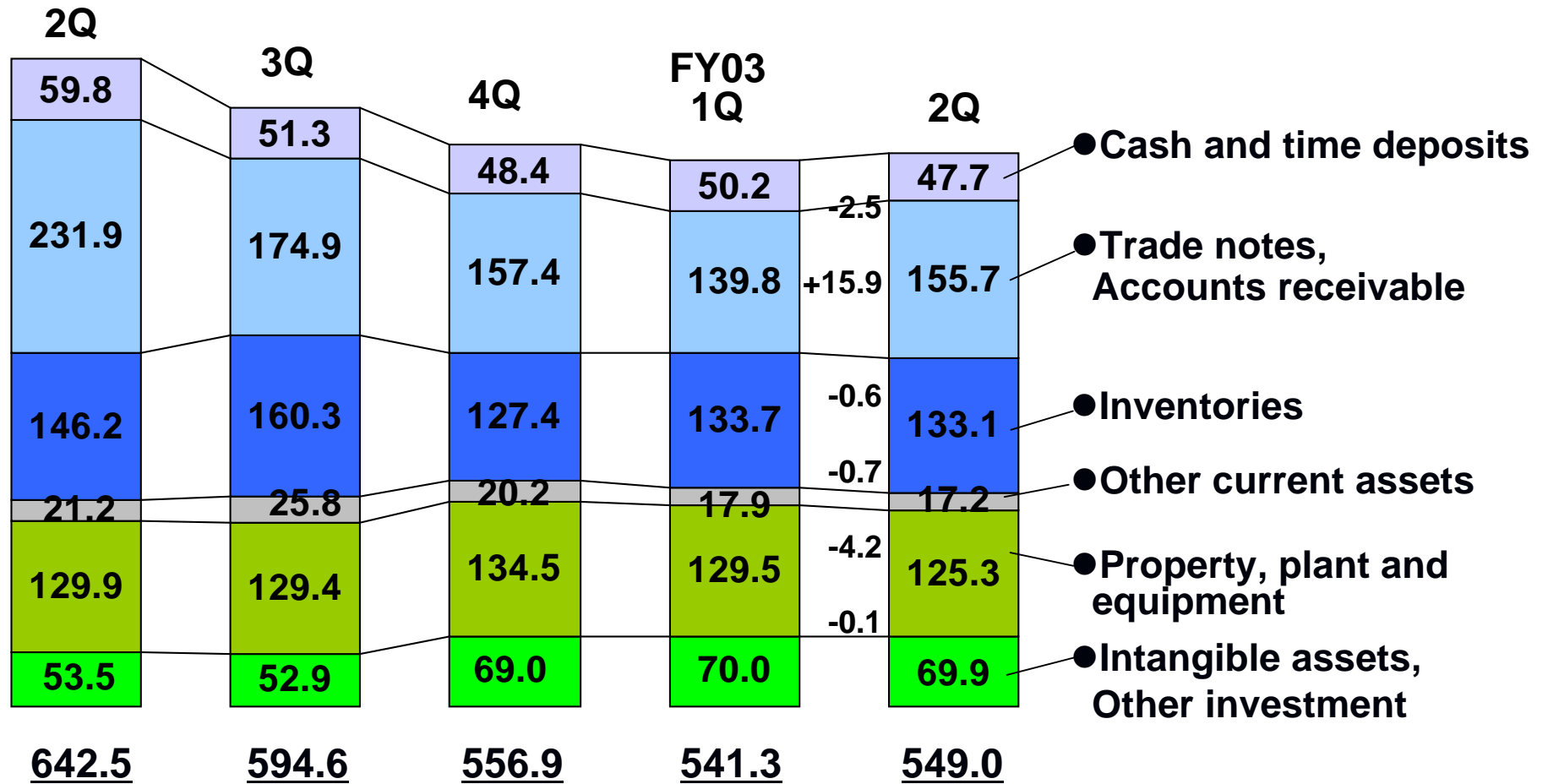


	2Q	3Q	4Q	FY03/1Q	2Q
Overseas Sales/Service	1.2	0.0	0.5	0.4	0.9
Domestic Service Related	1.0	0.5	0.5	0.8	0.8
Overseas Development and Manufacturing	-0.4	-0.5	-1.3	-0.2	0.0
Domestic Development and Manufacturing	0.0	-4.4	-6.3	-0.8	3.2

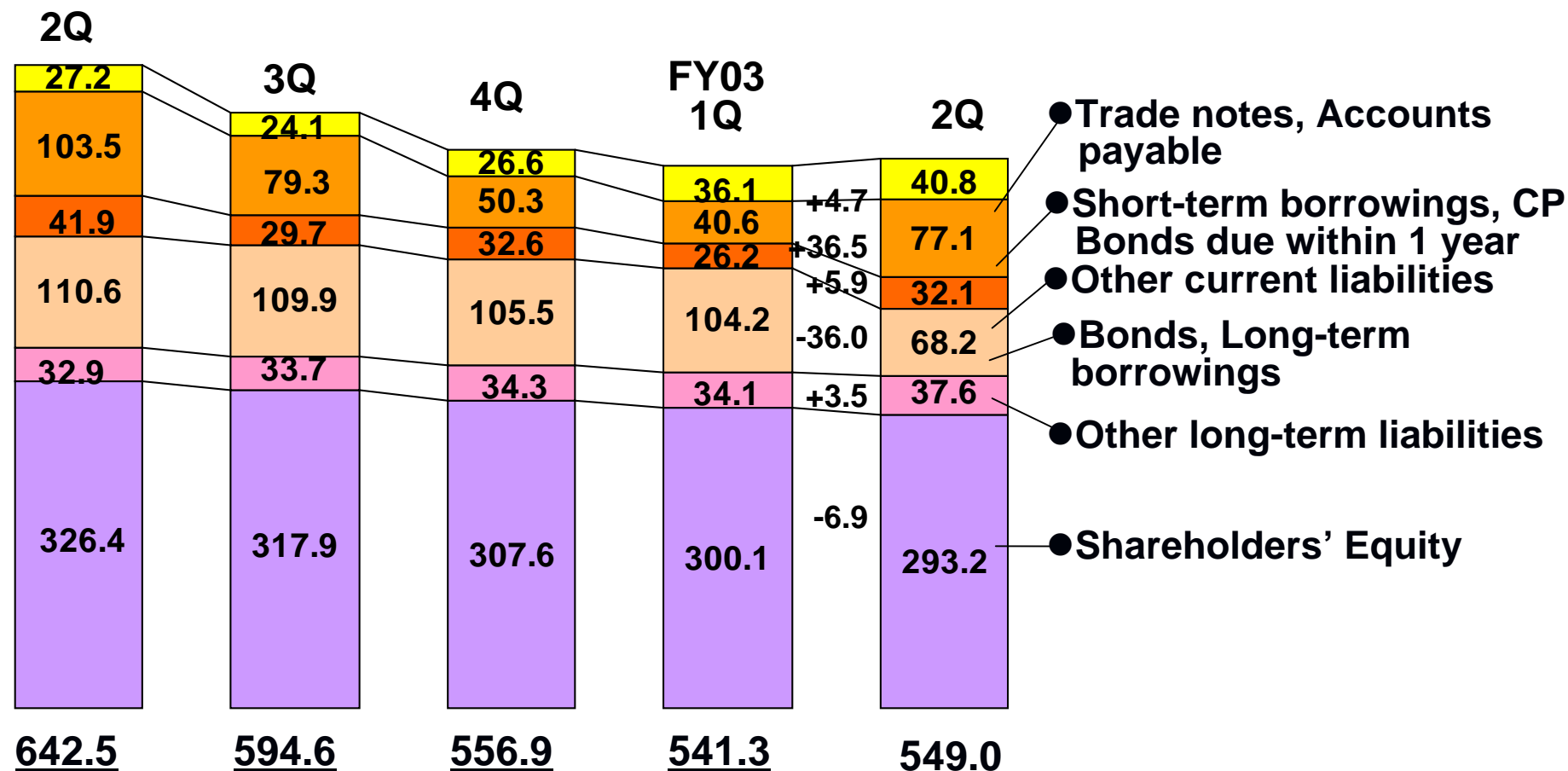


2Q FY2003 Financial Summary

Quarterly Assets



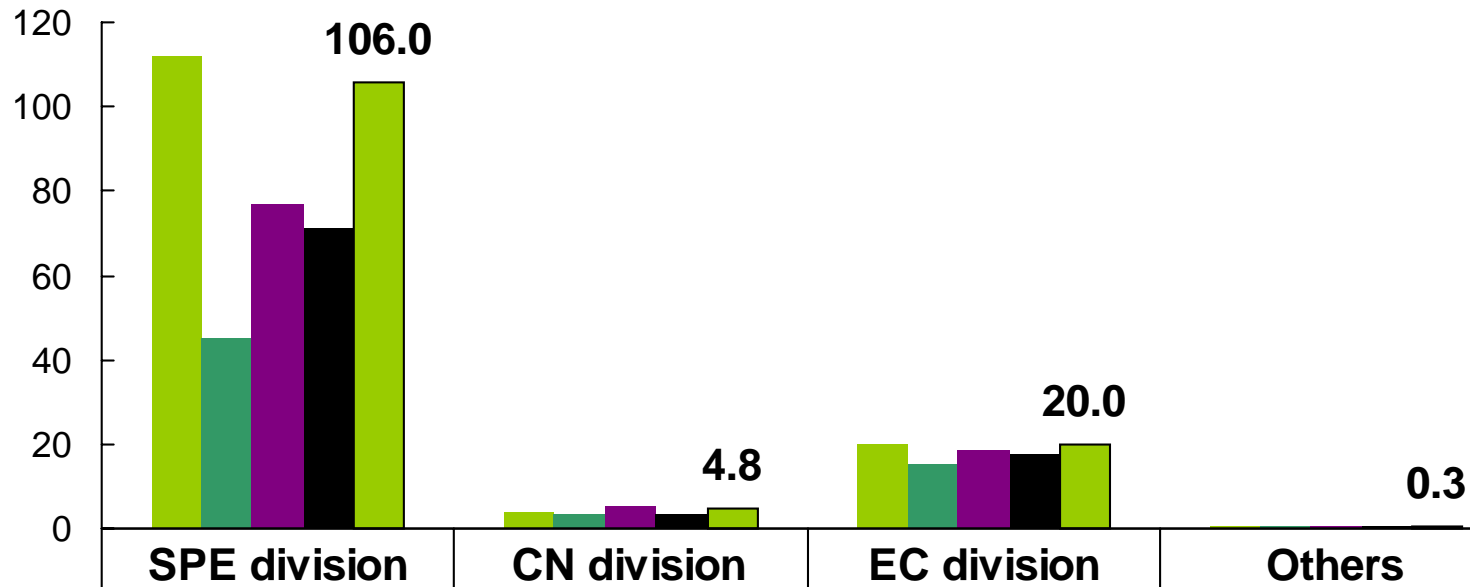
Quarterly Liabilities & Shareholders' Equity



2Q FY2003 Financial Summary

Quarterly Net Sales by Division

(Billions of Yen)



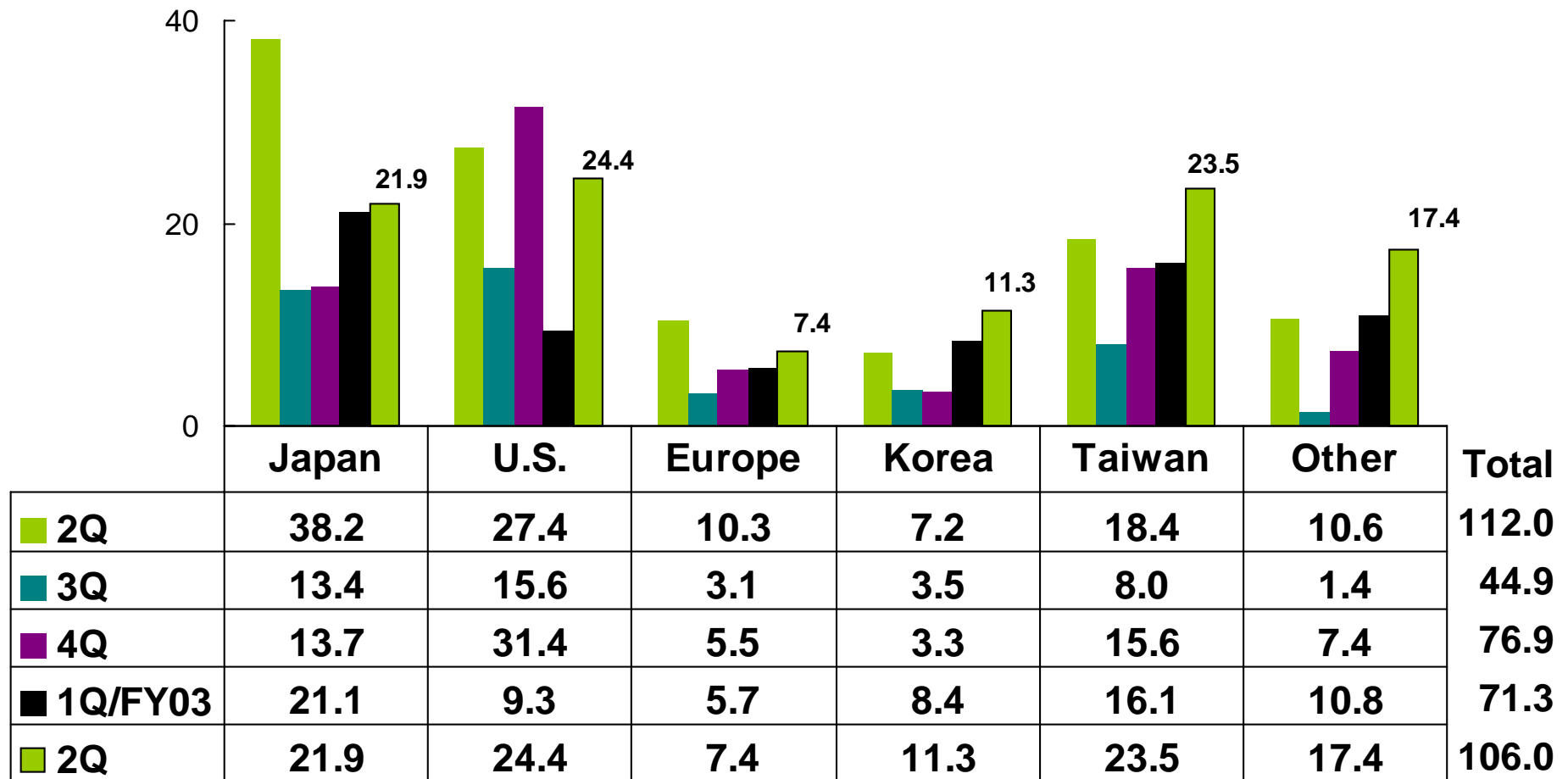
	SPE division	CN division	EC division	Others	Total
■ 2Q	112.0	4.0	19.9	0.4	136.3
■ 3Q	44.9	3.3	15.2	0.3	63.7
■ 4Q	76.9	5.3	18.4	0.3	101.0
■ 1Q/FY03	71.3	3.3	17.4	0.3	92.3
■ 2Q	106.0	4.8	20.0	0.3	131.1



2Q FY2003 Financial Summary

Quarterly SPE Sales by Region

(Billions of Yen)



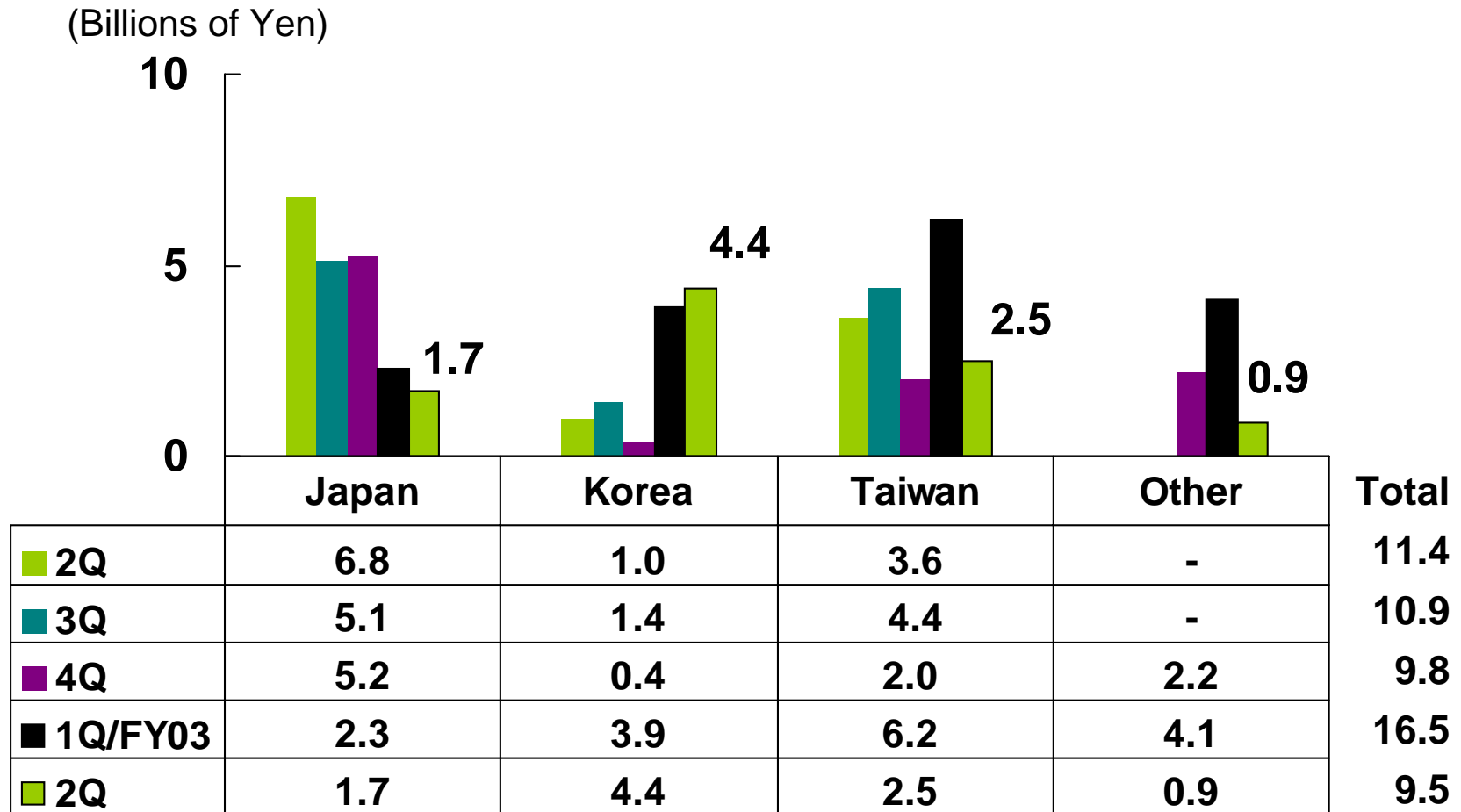
TOKYO ELECTRON

Corp IR/November 8, 2002



2Q FY2003 Financial Summary

Quarterly FPD Production Equipment Sales Non-consolidated Basis

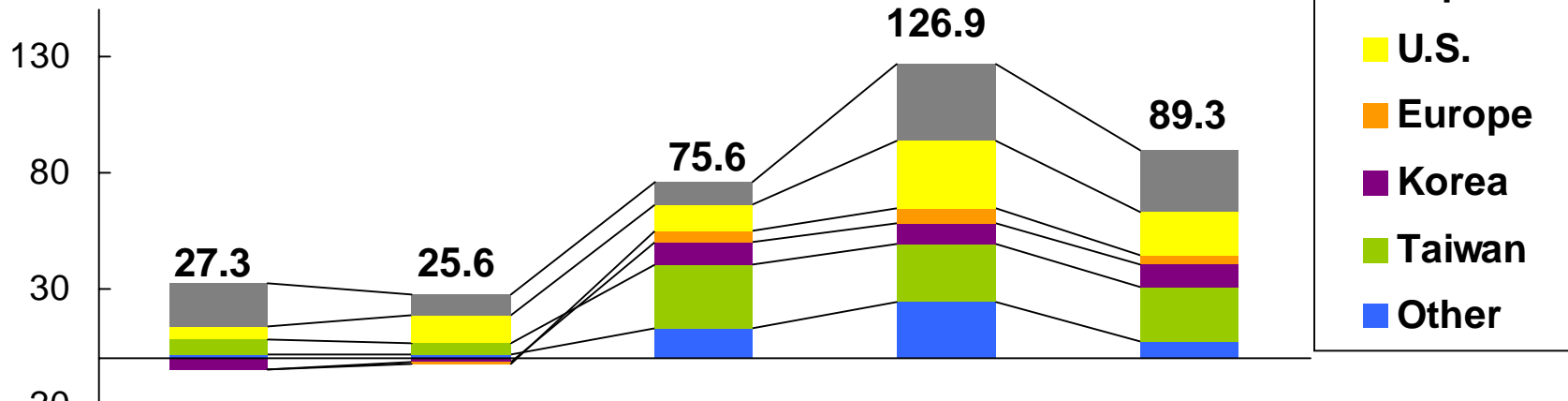


2Q FY2003 Financial Summary

SPE Quarterly Orders by Region

Non-consolidated Basis

(Billions of Yen)



	2001/7-9 2Q	2001/10-12 3Q	2002/1-3 4Q	2002/4-6 FY03/1Q	2002/7-9 2Q
■ Japan	18.4	9.1	9.3	33.3	26.3
■ U.S.	5.8	11.6	11.8	29.3	18.3
■ Europe	-0.3	-0.3	4.4	6.4	4.4
■ Korea	-4.5	-1.7	10.2	9.0	9.8
■ Taiwan	5.8	5.1	27.0	24.2	22.8
■ Other	2.0	1.8	13.1	24.7	7.7



FY2003 Revision of Financial Estimates

(April 1, 2002 – March 31, 2003)



TOKYO ELECTRON

Corp IR/November 8, 2002



FY2003 Revision of Financial Estimates

Consolidated Financial Forecast

(Billions of Yen)

	FY2002	FY2003				YOY Change
		Previous Full Year Forecast*	Revised			
			1H	2H (E)	Full Year (E)	
Net Sale	417.8	453.0	223.4	226.6	450.0	+8%
Operating Income	-18.3	5.0	0.5	3.5	4.0	+22.3 bil. yen
Ordinary Income	-19.5	3.0	-0.7	2.7	2.0	+21.5 bil. yen
I.B.I.T.	-22.9	3.0	-0.7	2.2	1.5	+24.4 bil. yen
Net Income	-19.9	2.0	-2.5	3.0	0.5	+20.4 bil. yen

* Announced on August 2nd

I.B.I.T. = Income Before Income Taxes



TOKYO ELECTRON

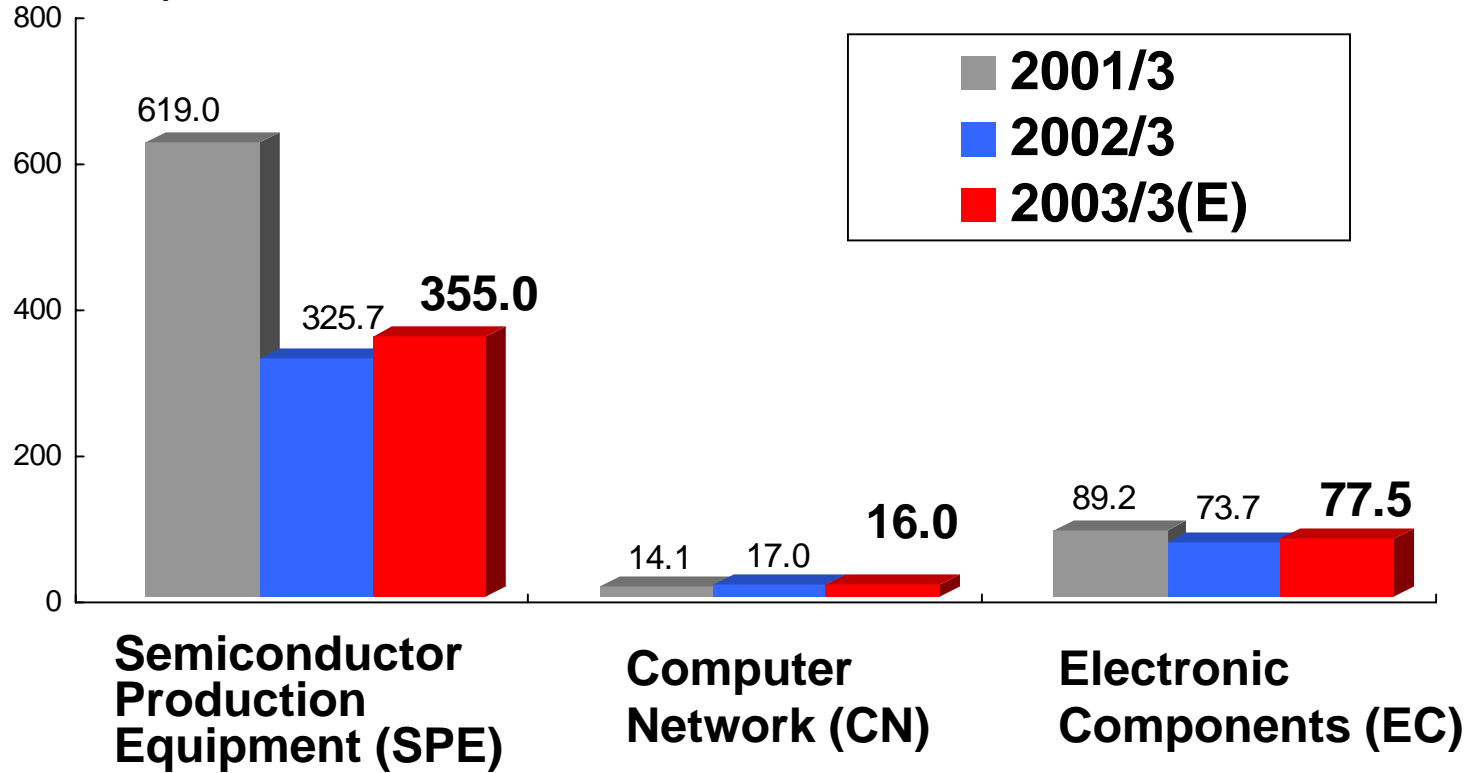
Corp IR/November 8, 2002



FY2003 Revision of Financial Estimates

Projected Net Sales by Division

(Billions of Yen)



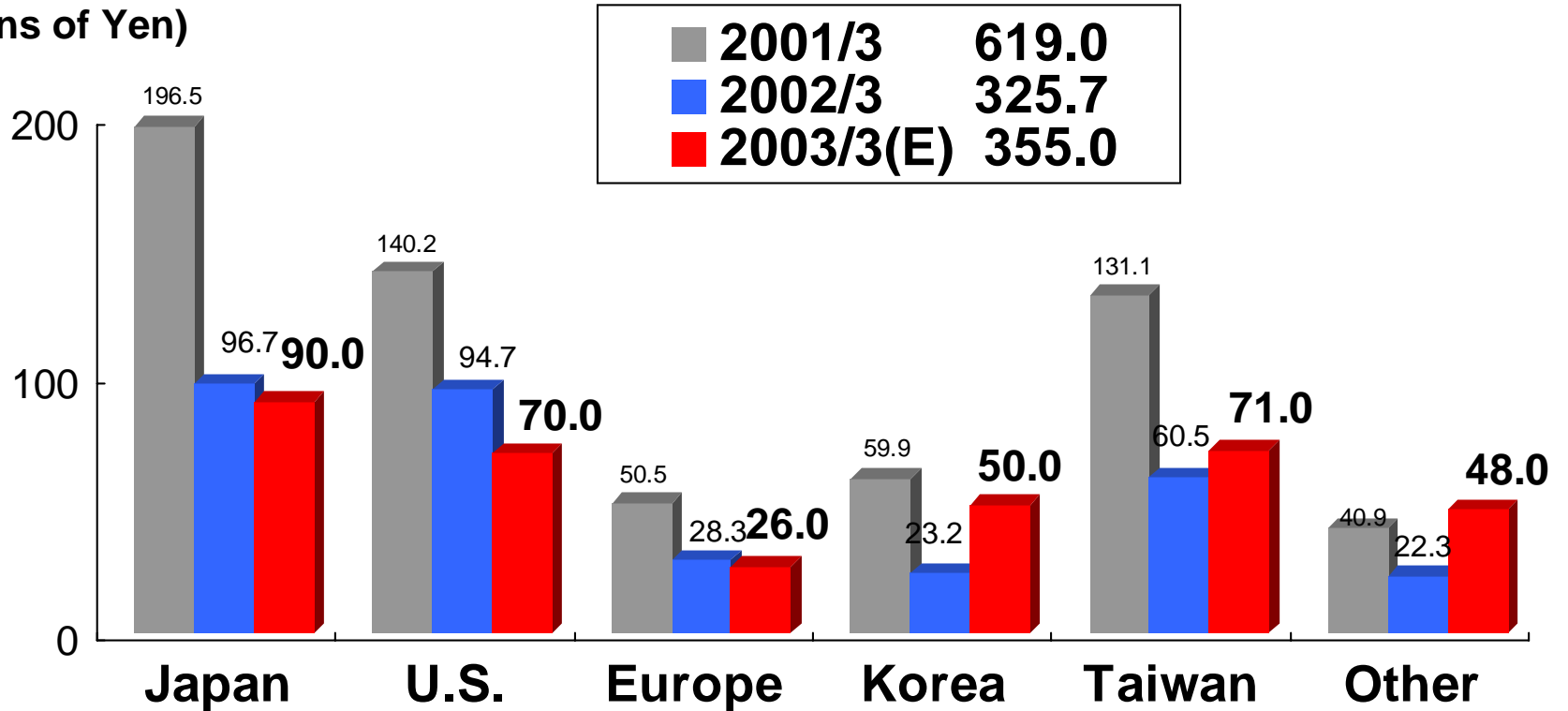
YoY Growth	+ 9%	- 6%	+ 5%
Composition	79 %	4%	17%



FY2003 Revision of Financial Estimates

Projected SPE Sales by Region

(Billions of Yen)

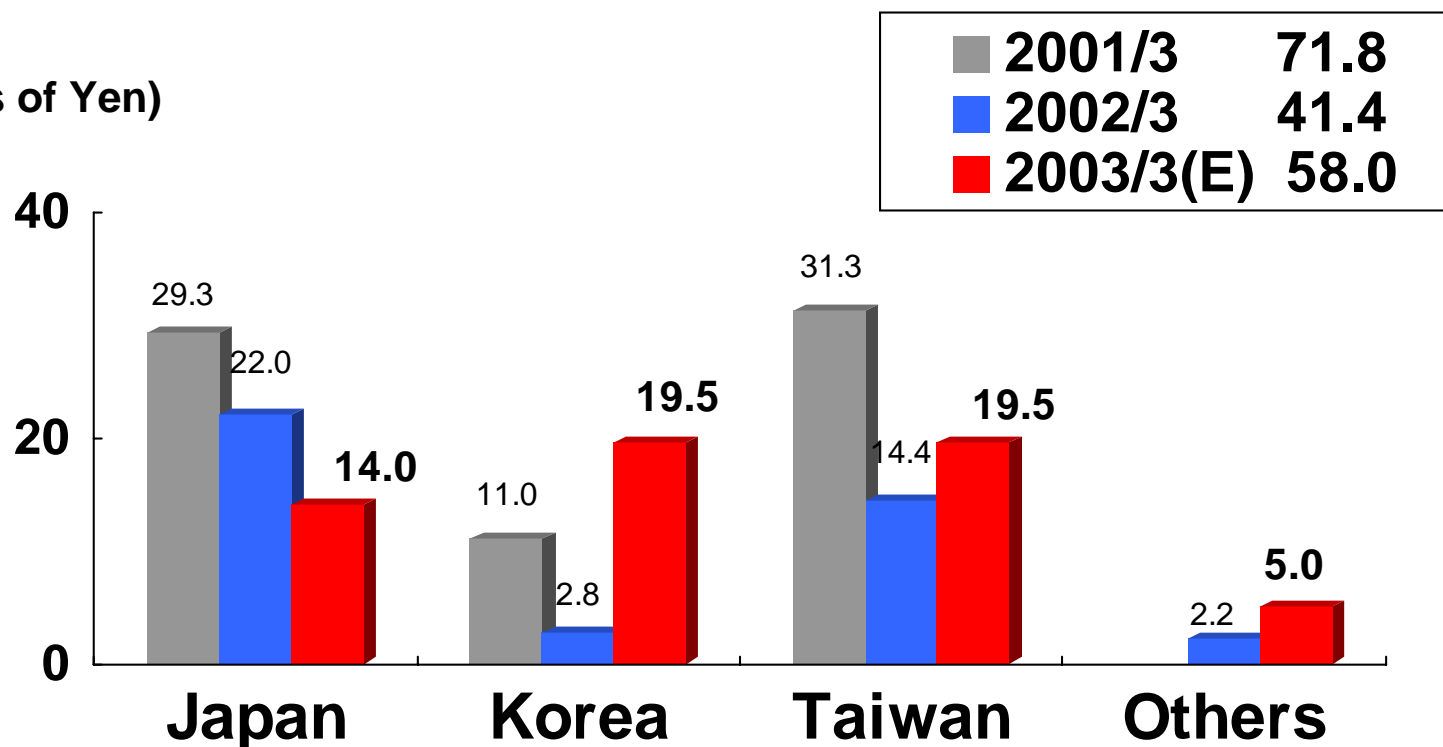


YoY Growth	- 7%	- 26%	- 8%	+116%	+17%	+116%
Composition	25%	20%	7%	14%	20%	14%



Projected FPD Production Equipment Sales Non-consolidated

(Billions of Yen)



YOY Growth	- 36%	+596%	+35 %	+127 %
Composition	24%	34%	34%	9%

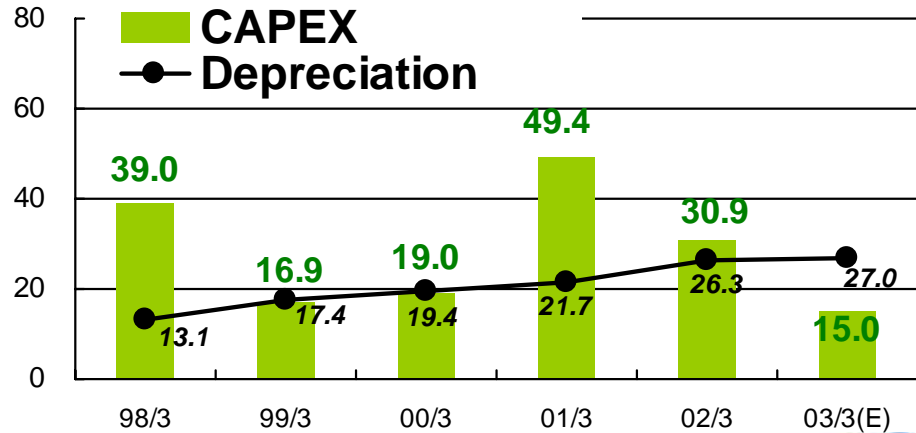
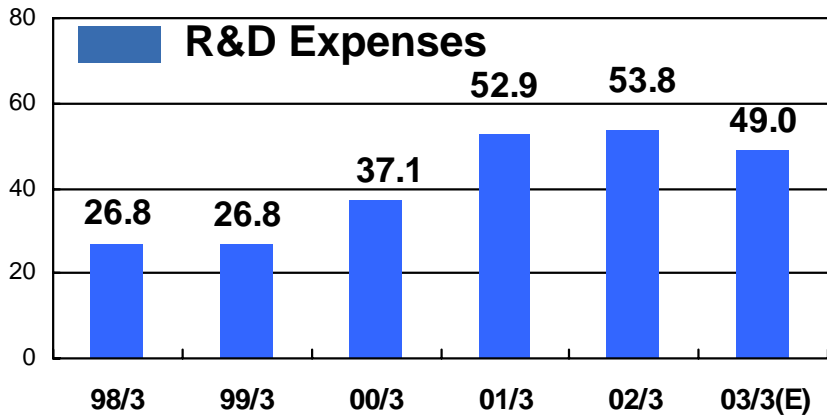


FY2003 Revision of Financial Estimates

Projected R&D Expenses and Capital Expenditures

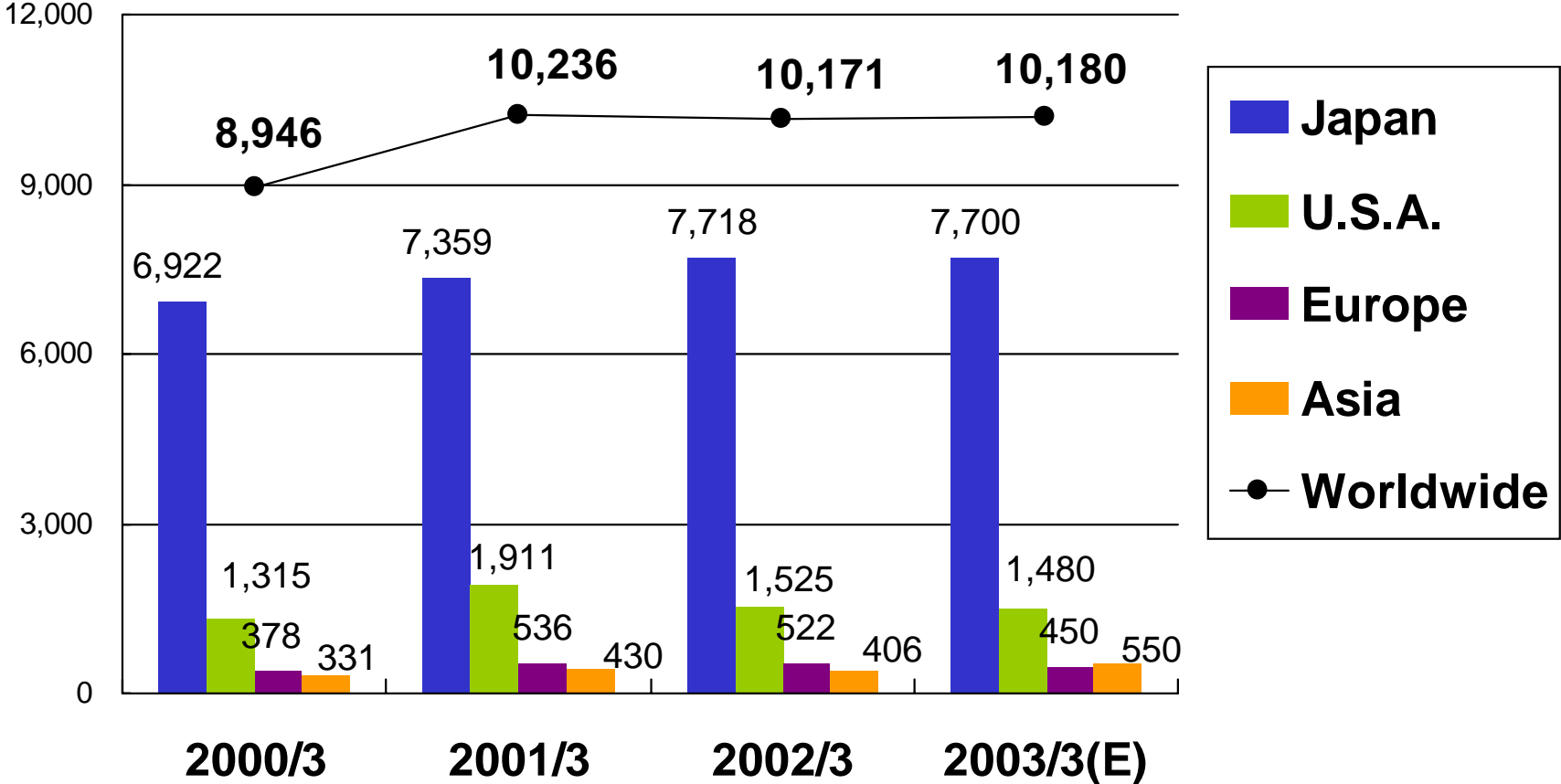
(Billions of Yen)

	FY2002	FY2003			
		Previous Full Year Plan*	Revised		
			1H	2H (E)	Full Year (E)
R&D Expenses	53.8	53.0	25.9	23.1	49.0
Capital Expenditures	30.9	20.0	4.6	10.4	15.0
Depreciation	26.3	28.0	13.4	13.6	27.0



FY2003 Revision of Financial Estimates

Projected Number of Employees



The projections outlined in this presentation were created based on the best information available at the time they were created. The semiconductor production equipment industry is characterized by large and rapid technological change and fierce competition. There are also various factors such as world economic conditions and semiconductor market conditions which directly and indirectly impact the Company's results. As a result, future projections may differ from those in this presentation. The company makes announcements when changes are significant.



