

First Half/FY2004 Financial Summary and Revision of FY2004 Financial Estimates

1H FY2004: April 1, 2003 - September 30, 2003
FY2004: April 1, 2003 - March 31, 2004

October 31, 2003



1H FY2004 Financial Summary

Consolidated Financial Results

2

1H/FY2003 vs. 1H/FY2004

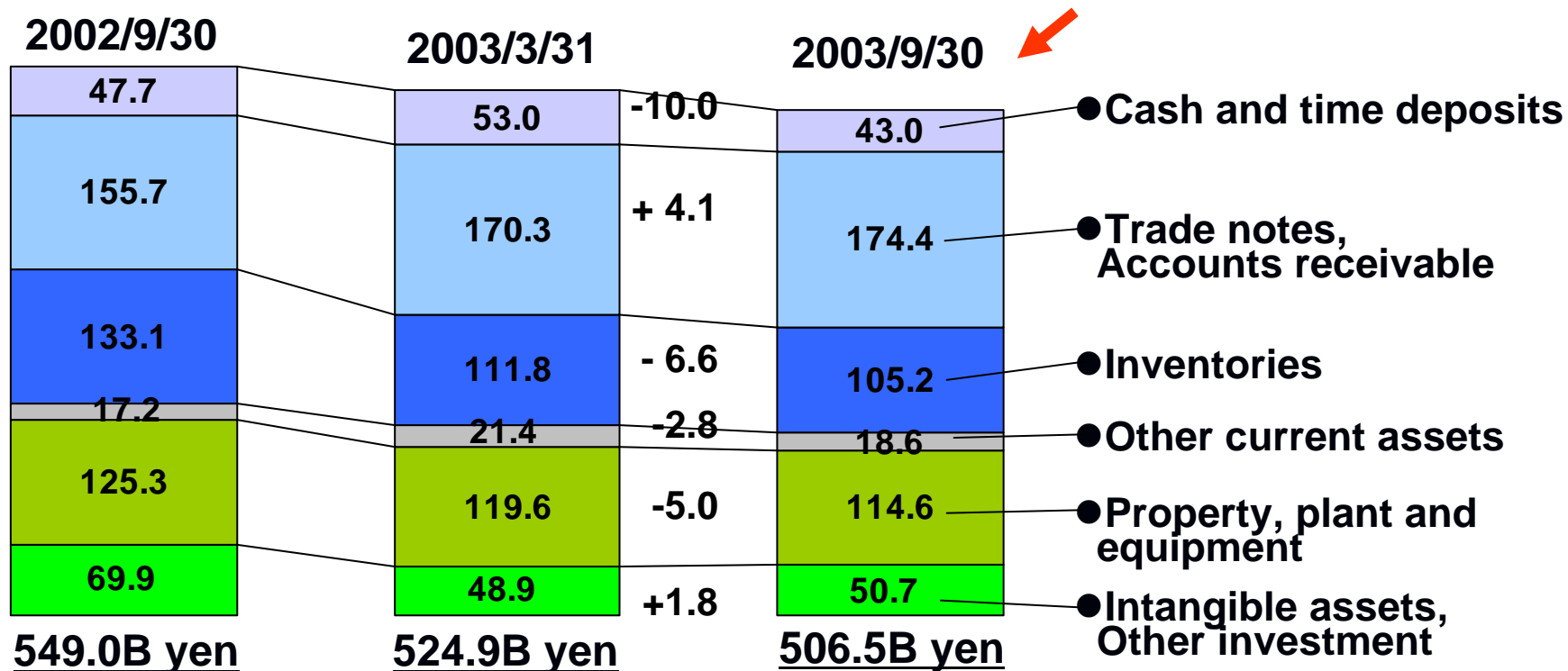


(Billions of Yen)

	1H FY2003	1H FY2004	YoY Change	Primary factors for change	1H/FY2004 forecast as of April 30	Improve- ment from the forecast
Net Sales	223.4	221.4	- 0.9%	SPE: - 2.8%, CN: +6.4% EC: +6.8%	209.0	+12.4
Gross Profit	68.2	56.3 (25.4%)	- 17.5%	Re-classification of TFE expenses from SG&A into COGS : net effect 6.1 bil yen (Ref.: Estimated gross margin before re-classification is 28.2%)		
(SG&A Expenses)	67.7	61.1	- 6.6 bil.yen	• R&D expenses: -3.3 bil. yen • Personnel expenses such as expenses related to retirement benefit : +1.3 bil yen		
Operating Income	0.5	- 4.8	- 5.3 bil.yen	• Gross profit: -11.9 bil yen • SG&A expenses: -6.6 bil yen	- 12.5	+ 7.7
Ordinary Income	- 0.7	- 5.6	- 4.9 bil.yen		- 13.0	+ 7.4
Unusual Gain/Losses	0.0	- 3.0	- 3.0 bil.yen	• Losses on withdrawal from ECLIPSE business: 0.85 bil.yen • Losses on restructuring including early retirement expenses and shutdown of TEL Texas: 1.9 bil yen	- 2.0	- 1.0
I.B.I.T.	- 0.7	- 8.6	- 7.9 bil.yen		- 15.0	+ 6.4
Net Sales	- 2.5	- 9.8	- 7.3 bil.yen		- 17.5	+ 7.7



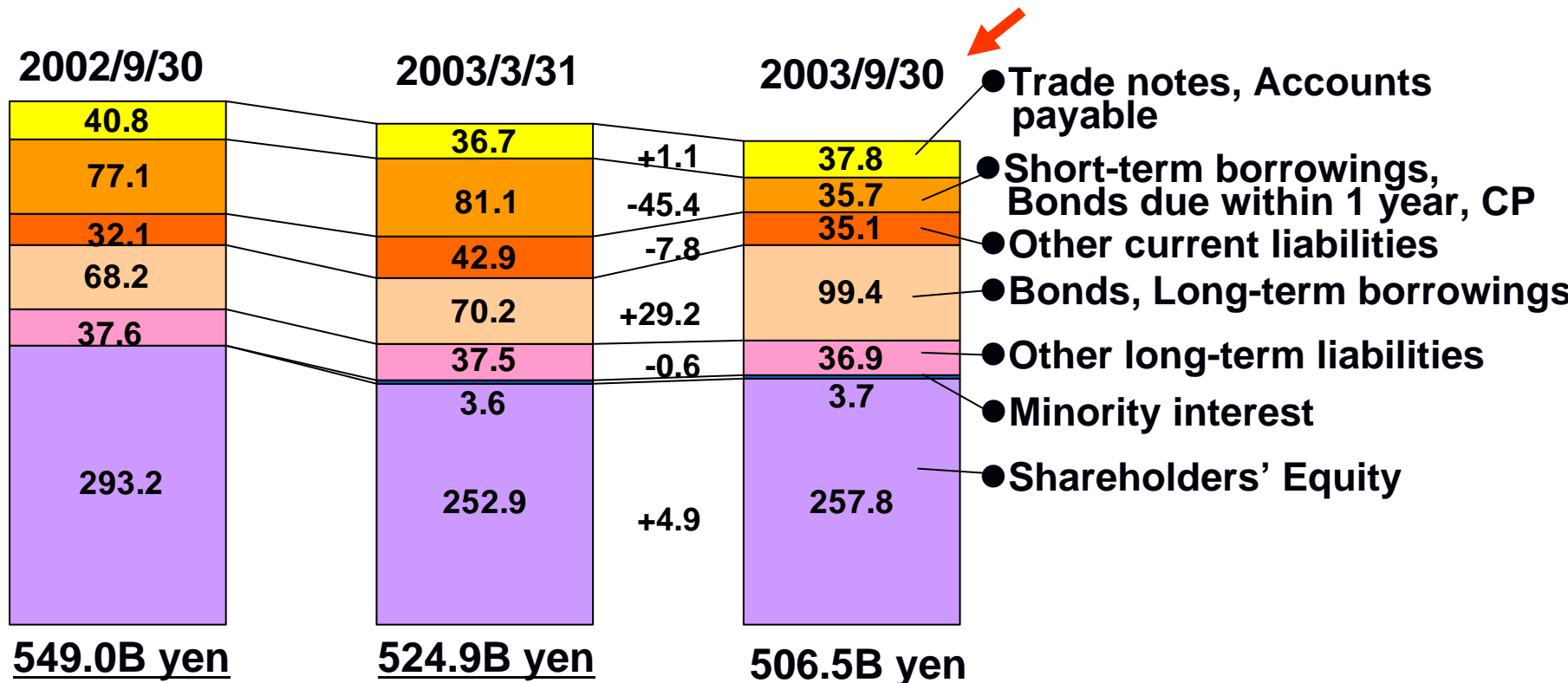
Assets



2003/3/31 vs 2003/9/30

Inventories	- 6.6	Due to increase in sales of excess inventories Decrease in work-in-process inventories
Property, Plant & Equipment	- 5.0	Depreciation (-3.2)

Liabilities & Shareholders' Equity



2003/3/31 vs 2003/9/30

Short-term borrowings, Bonds due within 1 year, CP	- 45.4	Decrease in CP(-30.0), CB conversion to stocks due maturity date(-15.4)
Other current liabilities	- 7.8	Reversal of allowances for restructuring (-7.4)
Bonds, Long-term borrowings	+29.2	SB issuance (+50.0), SB (-20.0 transferred to current liabilities)
Shareholders' Equity	+4.9	Decrease in retained earnings (-9.5) Increase due to conversion of CB to stocks (+15.4)



Cash Flow

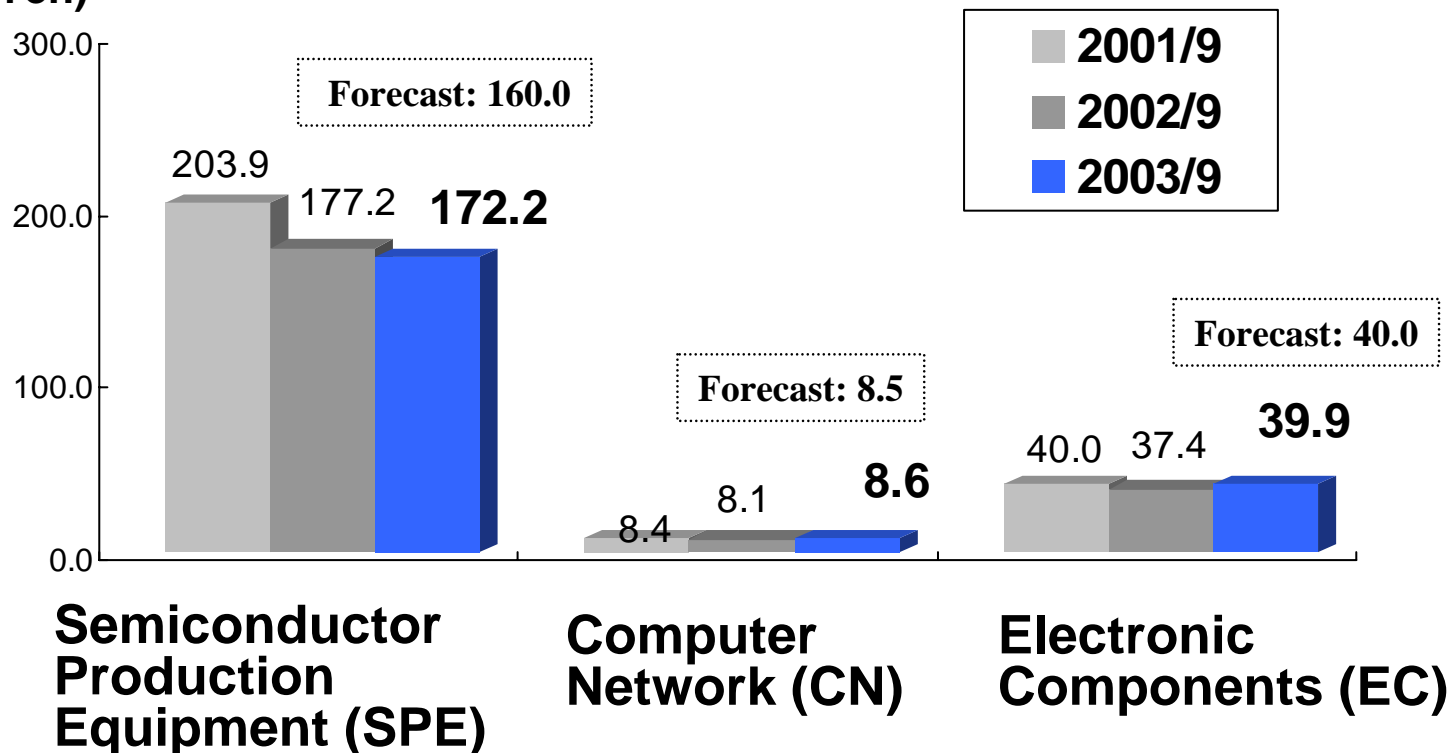
(Billions of Yen)

		1H/FY2004	Full year/ FY2003
Cash flow from operating activities		- 4.6	21.3
	Income before income taxes	- 8.5	- 23.0
	Depreciation and amortization	12.3	27.3
	Others	- 8.3	17.0
Cash flow from investing activities		- 4.8	- 7.2
	Payment for purchase of property, plant, equipment, etc	- 4.8	- 7.2
Cash flow from financial activities		- 1.6	- 9.8
	Increase in bonds and debt	- 0.7	- 4.0
	Dividends paid	- 0.6	- 1.3
	Others	- 0.1	- 4.4
Effect of exchange rate changes on cash and cash equivalents		0.3	0.3
Net increase in cash and cash equivalents		- 10.6	4.5
Cash and cash equivalents at beginning of year		52.9	48.4
Cash and cash equivalents at end of period		42.3	52.9

1H FY2004 Financial Summary

Net Sales by Division

(Billions of Yen)



YOY Growth

- 2.8%

+ 6.4%

+ 6.8%

Composition

77.8%

3.9%

18.0%

Other sales for 1H/FY2004: 0.6 billion yen



TOKYO ELECTRON

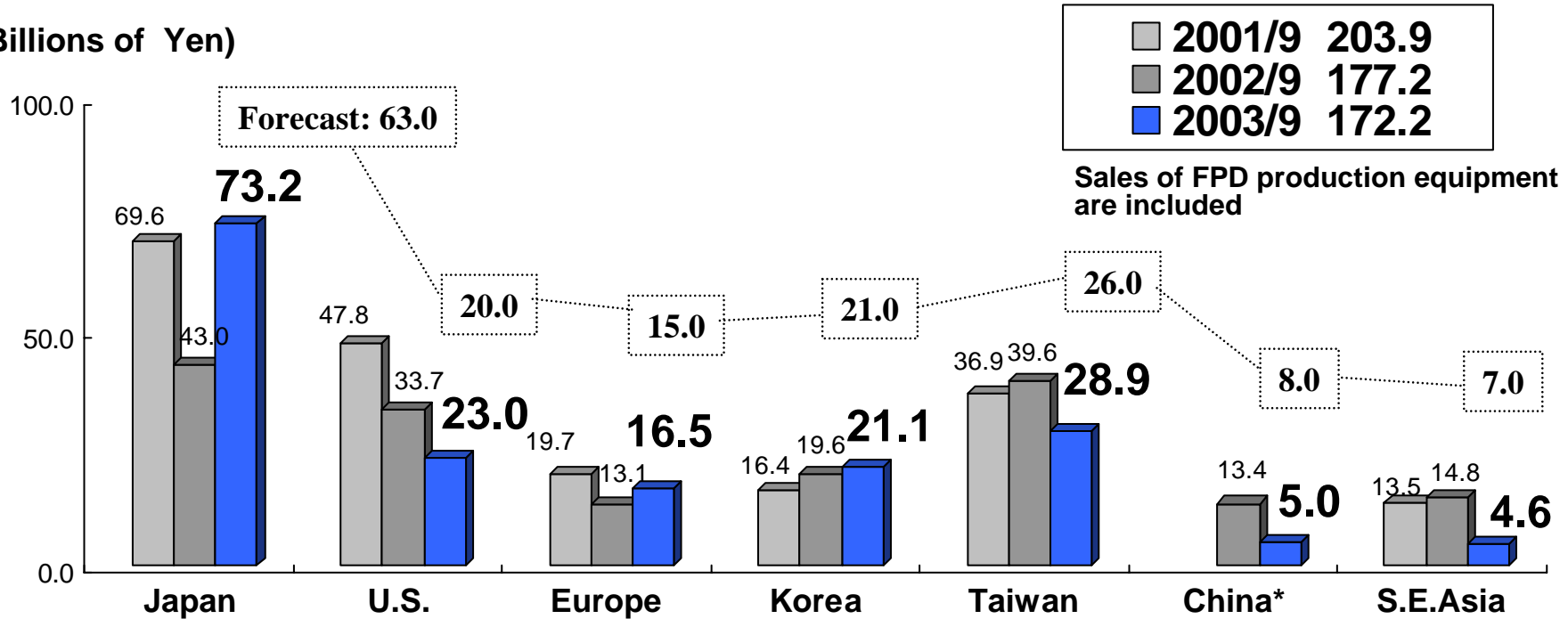
Corp IR/October 31, 2003



1H FY2004 Financial Summary

SPE Sales by Region

(Billions of Yen)



YoY Growth	+ 70.2%	- 31.8%	+ 26.0%	+ 7.7%	- 27.0%	- 62.7%	- 68.9%
Composition	42.5%	13.3%	9.6%	12.3%	16.8%	2.9%	2.7%

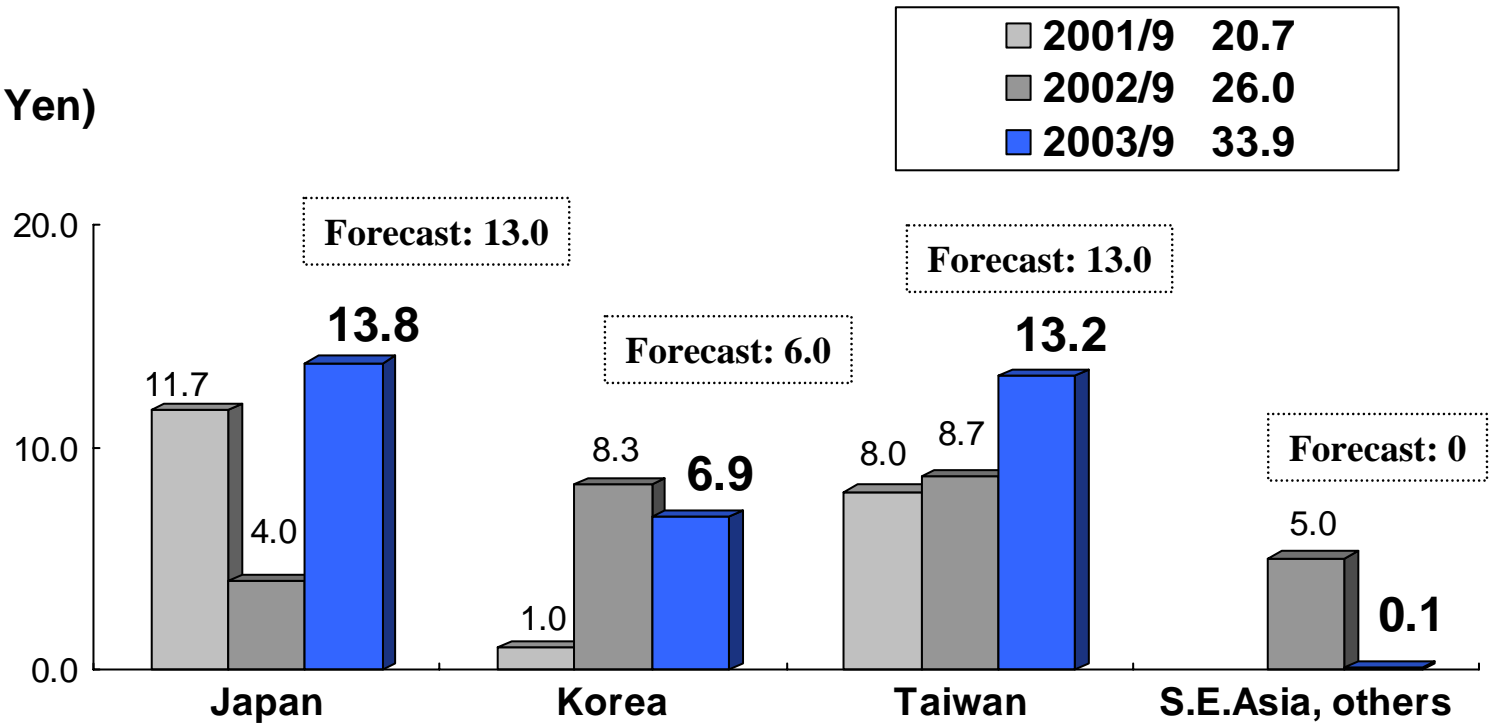
*Sales in China is included in sales in Southeast Asia for 2001/9.



FPD Production Equipment Sales

Non-consolidated Basis

(Billions of Yen)



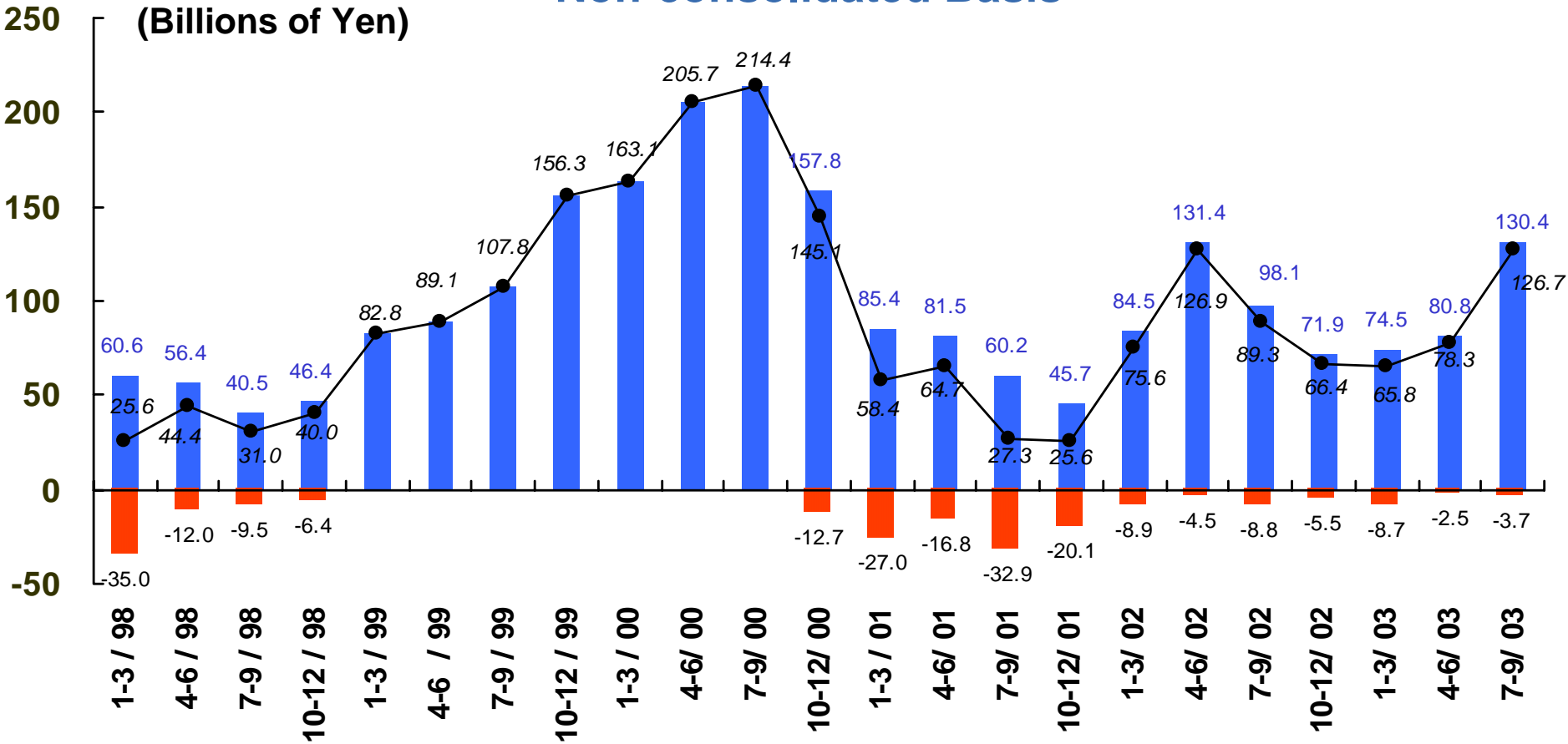
YoY Growth	+245.0%	- 16.9%	+51.7%	-98.0%
Composition	40.7%	20.4%	38.9%	0%



SPE Division Quarterly Order Trend

Non-consolidated Basis

(Billions of Yen)



■ New orders
 ■ Order write-off
 ●— Net

Orders for FPD production equipment are included.

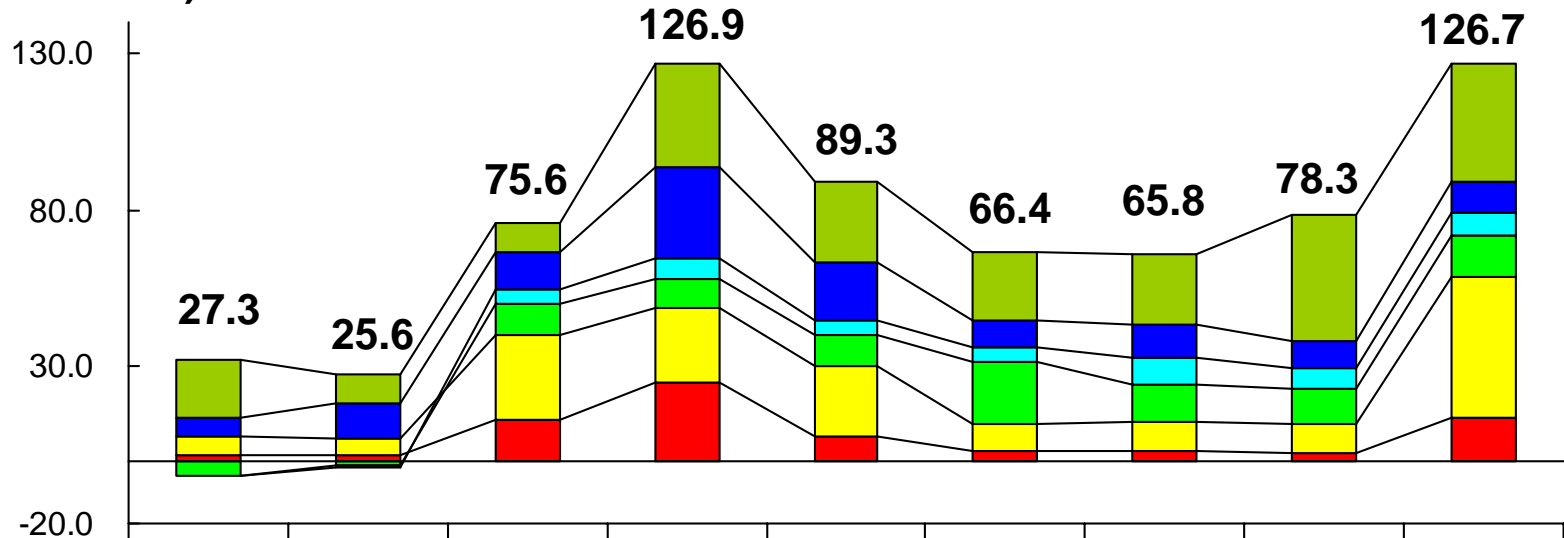


1H FY2004 Financial Summary

SPE Division Quarterly Order Breakdown by Region

Non-consolidated Basis

(Billions of Yen)



	2001/7-9	2001/10-12	2002/1-3	2002/4-6	2002/7-9	2002/10-12	2003/1-3	2003/4-6	2003/7-9
■ Japan	18.4	9.1	9.3	33.3	26.3	21.5	22.5	40.1	37.4
■ U.S.	5.8	11.6	11.8	29.3	18.3	8.4	10.1	8.6	9.8
■ Europe	-0.3	-0.3	4.4	6.4	4.4	5.0	8.7	6.2	7.7
■ Korea	-4.5	-1.7	10.2	9.0	9.8	19.9	11.8	11.4	13.0
■ Taiwan	5.8	5.1	27.0	24.2	22.8	8.3	9.3	9.1	45.0
■ China, S.E.Asia, other	2.0	1.8	13.1	24.7	7.7	3.2	3.4	2.8	13.8

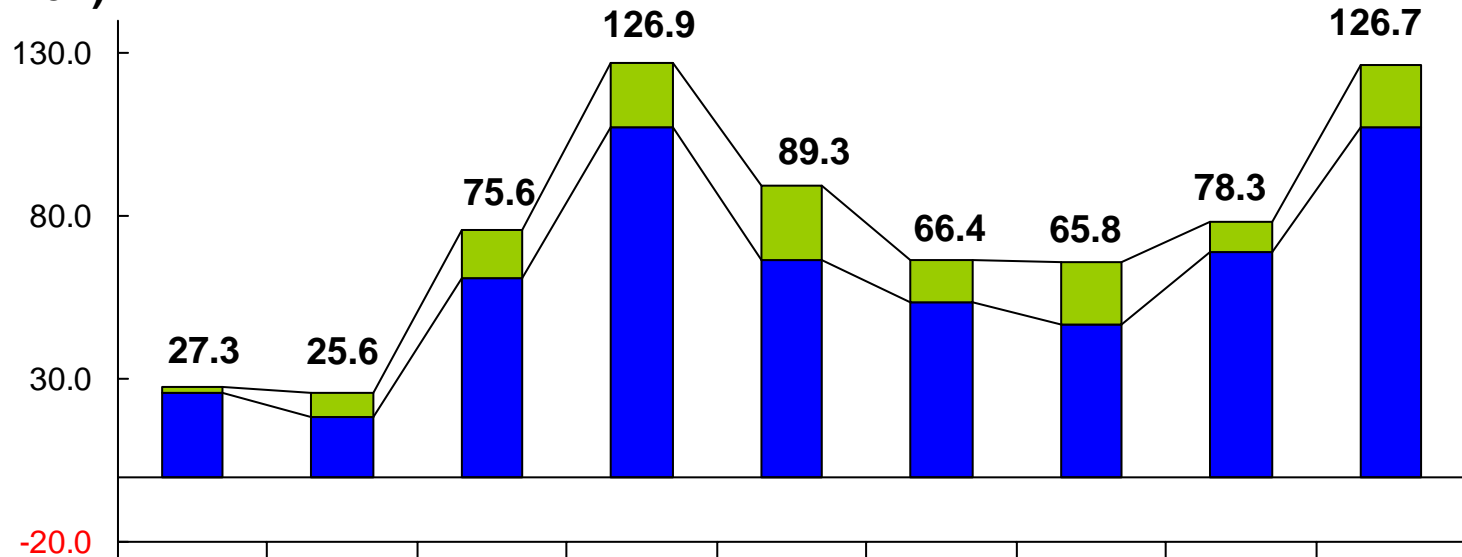


1H FY2004 Financial Summary

SPE Division Quarterly Order Breakdown by Equipment

Non-consolidated Basis

(Billions of Yen)



	2001/ 7-9	2001/ 10-12	2002/ 1-3	2002/ 4-6	2002/ 7-9	2002/ 10-12	2003/ 1-3	2003/ 4-6	2003/ 7-9
■ FPD Production Equipment	1.3	7.6	14.4	19.9	22.8	13.1	19.2	9.4	19.2
■ Semiconductor Production Equipment	26.0	18.0	61.2	107.0	66.5	53.3	46.6	68.9	107.5

FY2004 Revision of Financial Estimates

(April 1, 2003 – March 31, 2004)



Consolidated Financial Forecast

(Billions of Yen)

	FY2003	FY2004				YoY Change
		Previous Full Year Forecast*	1H	2H (E) Revised	Full year (E) Revised	
Net Sales	460.6	465.0	221.4	273.6	495.0	+7.5%
SPE	364.7	365.0	172.2	221.8	394.0	+8.0%
CN	17.2	17.0	8.6	9.4	18.0	+4.7%
EC	77.4	82.0	39.9	42.1	82.0	+5.9%
Others	1.3	1.0	0.6	0.4	1.0	
Operating Income	1.1	6.0	-4.8	13.3	8.5	+7.4 bil yen
Ordinary Income	-0.2	5.0	-5.6	13.6	8.0	+8.2 bil yen
I.B.I.T.	-23.0	3.0	-8.6	13.1	4.5	+27.5 bil yen
Net Income	-41.6	-6.0	-9.8	10.8	1.0	+42.6 bil yen

* Announced on April 30th

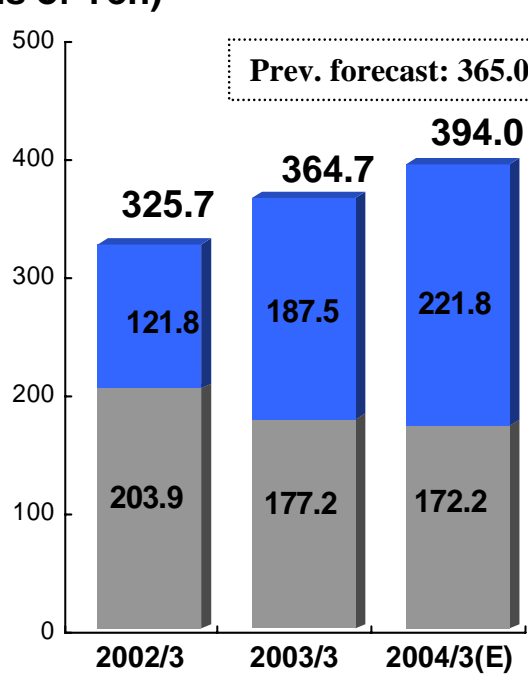
I.B.I.T. = Income Before Income Taxes



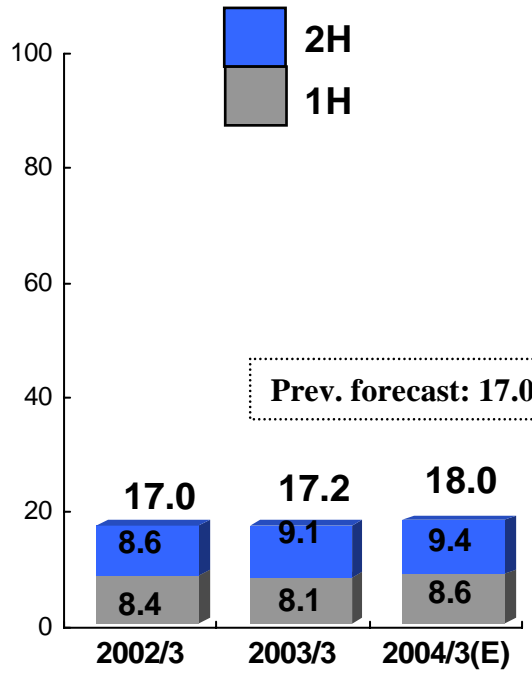
TOKYO ELECTRON

Projected Net Sales by Division

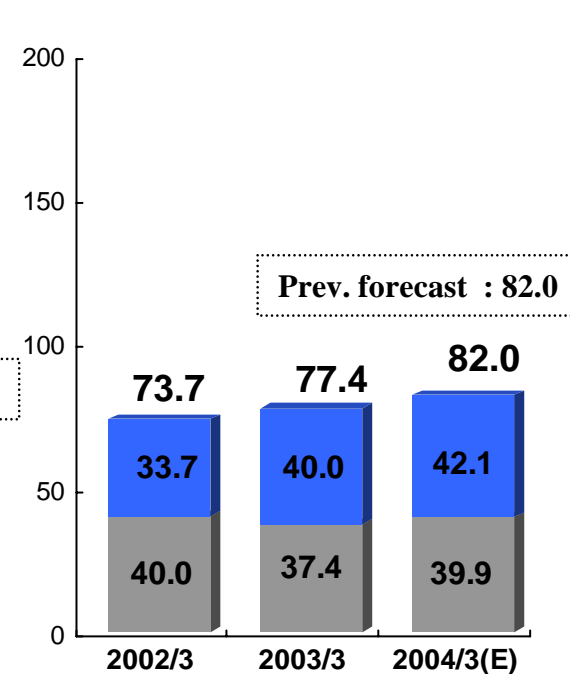
(Billions of Yen)



Semiconductor Production Equipment (SPE)



Computer Network (CN)



Electronic Components (EC)

YoY Growth	+ 8.0%	+ 4.7%	+ 5.9%
Composition	79.6%	3.6%	16.6%

Other sales for 2004/3(E): 1.0 billion yen



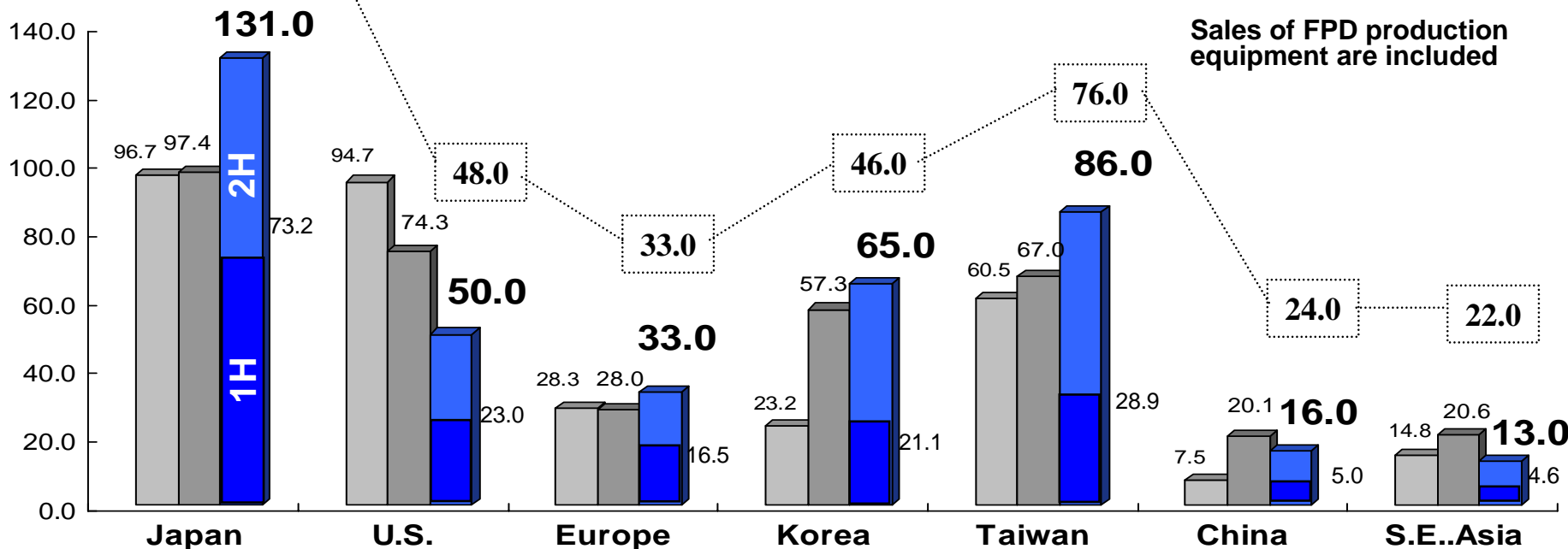
Projected SPE Sales by Region

(Billions of Yen)

Prev. forecast: 116.0

2002/3	325.7
2003/3	364.7
2004/3(E)	394.0

Sales of FPD production equipment are included



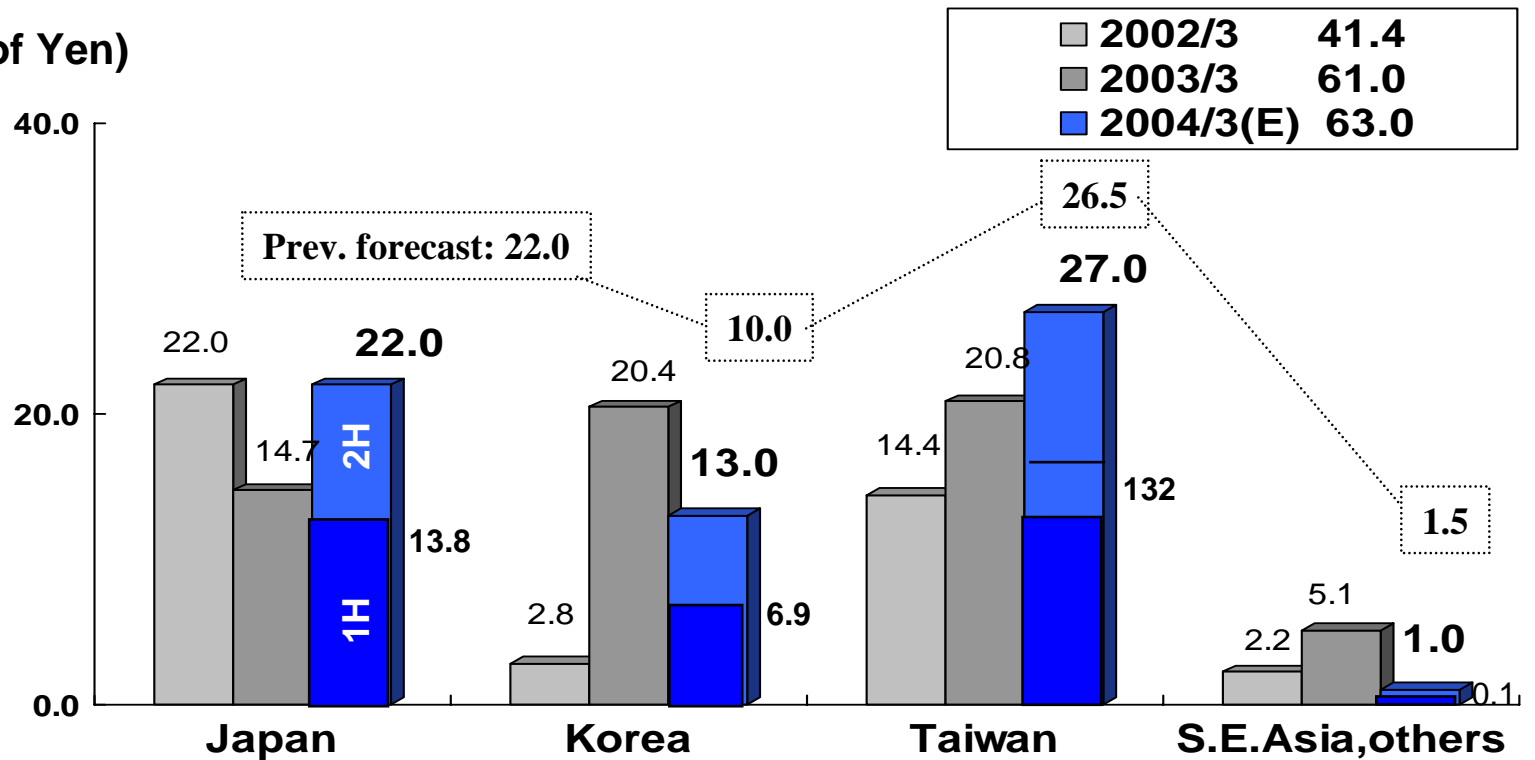
YoY Growth	+ 34.5%	- 32.7%	+ 17.8%	+ 13.4%	+ 28.4%	- 20.4%	- 36.9%
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Composition	33.2%	12.7%	8.4%	16.5%	21.8%	4.1%	3.3%
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Projected FPD Production Equipment Sales Non-consolidated

(Billions of Yen)



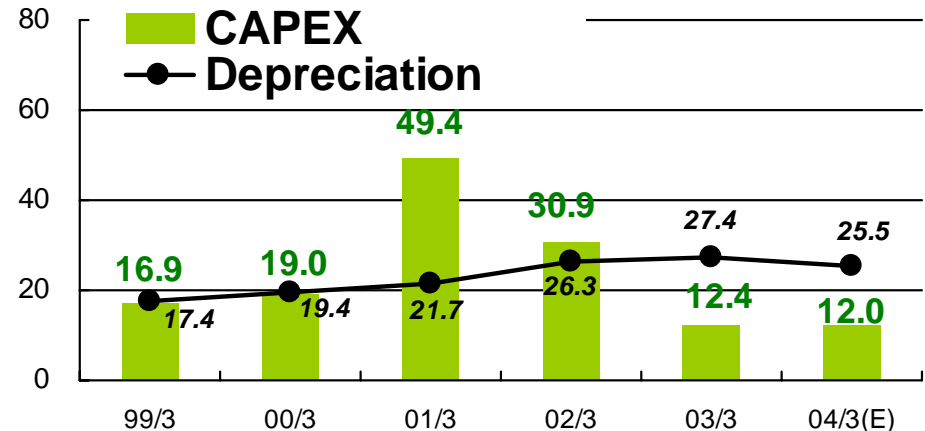
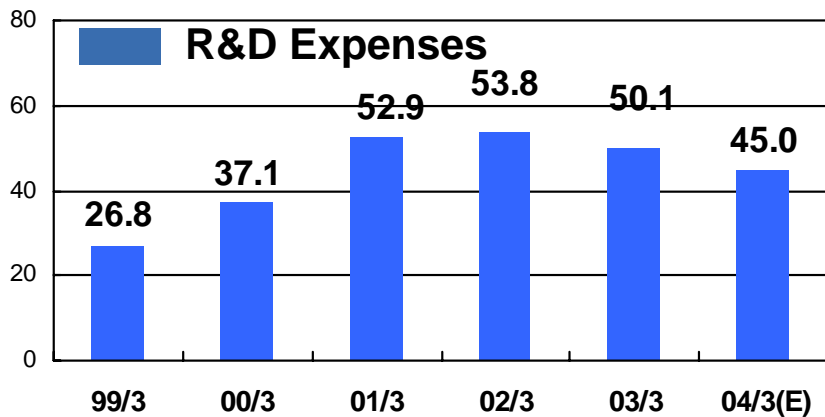
YoY Growth	+49.7%	- 36.2%	+29.8%	- 80.4%
Composition	34.9%	20.6%	42.9%	1.6%



Projected R&D Expenses and Capital Expenditures

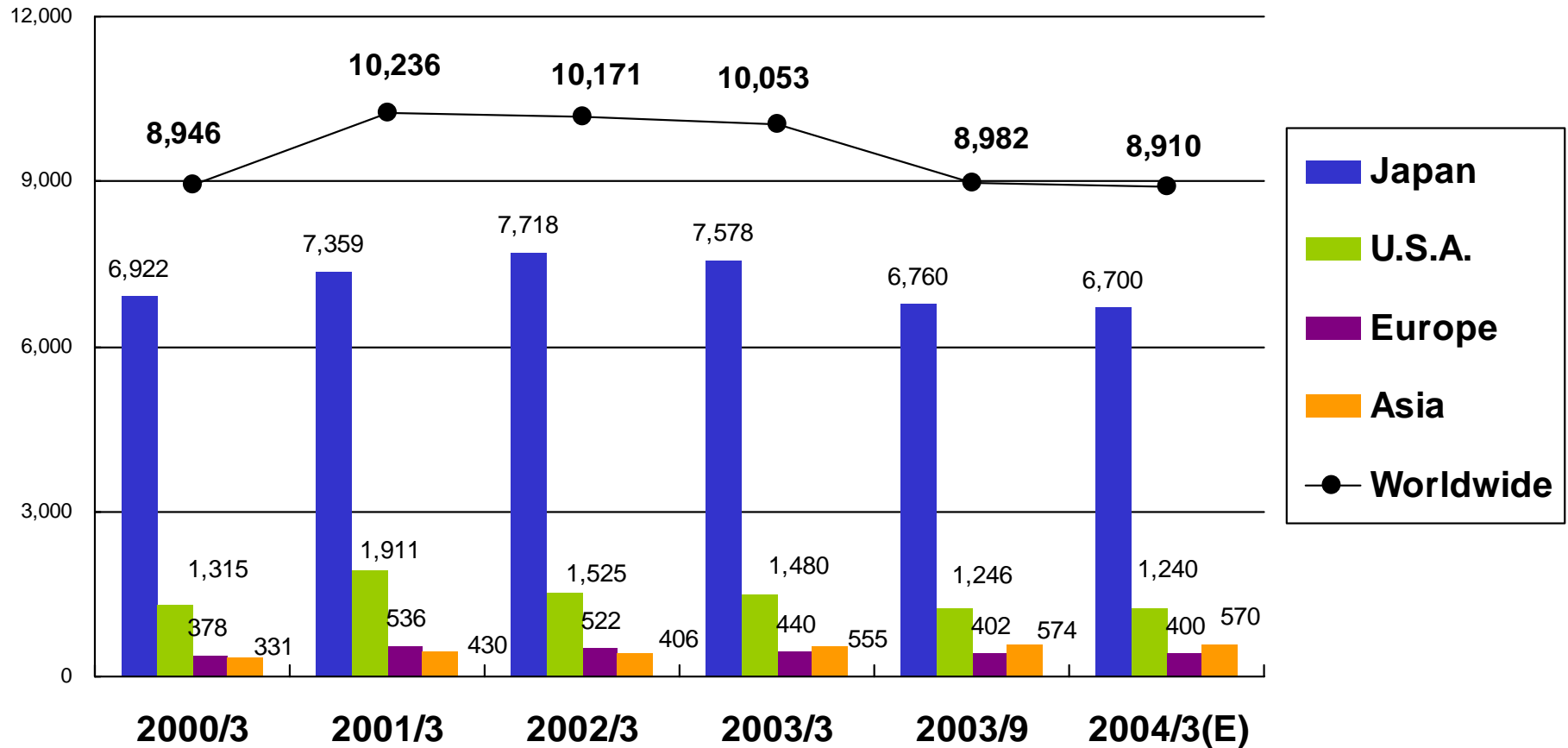
(Billions of Yen)

	FY2003	FY2004			
		Previous Full Year Plan	Revised		
			1H	2H (E)	Full Year (E)
R&D Expenses	50.1	47.0	22.5	22.5	45.0
Capital Expenditures	12.4	15.0	4.4	7.6	12.0
Depreciation	27.4	26.0	12.3	13.2	25.5



FY2004 Revision of Financial Estimates

Projected Number of Employees



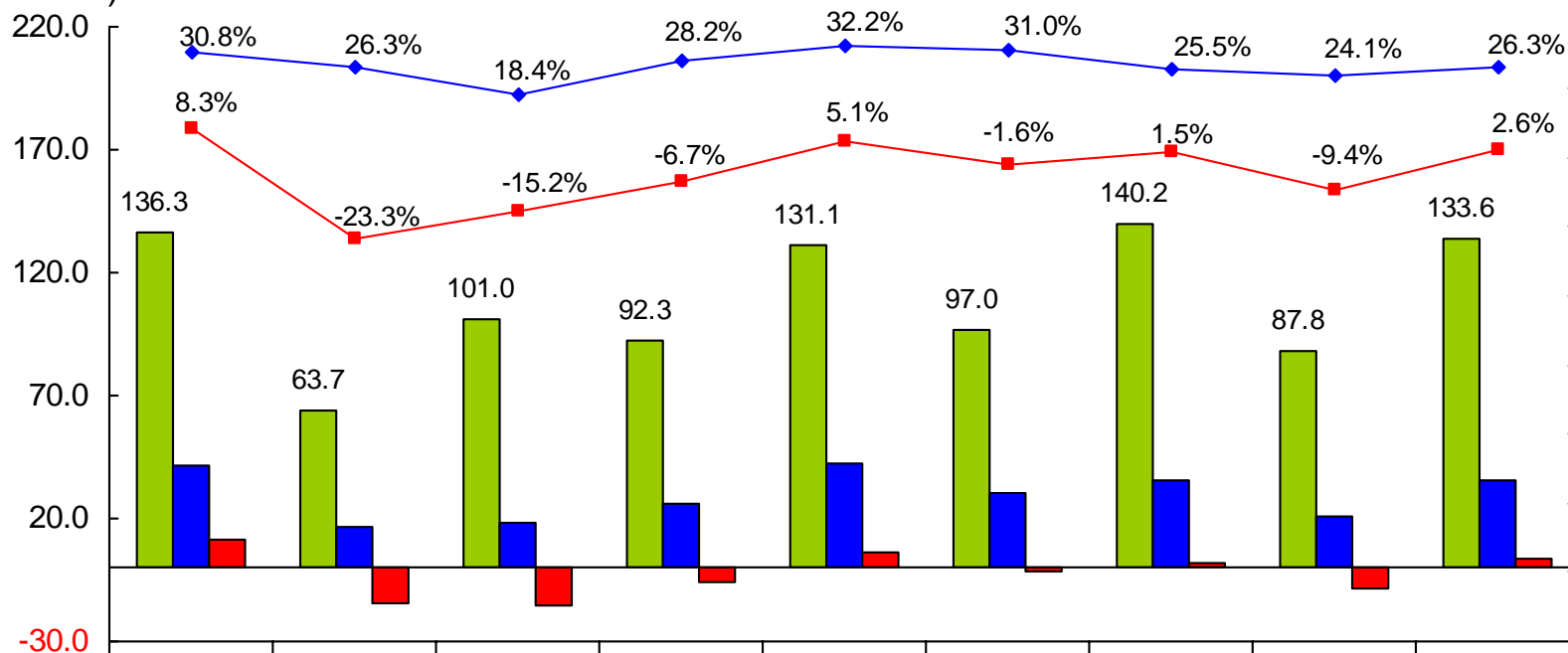
2Q FY2004 Financial Summary



2Q FY2004 Financial Summary

Quarterly Net Sales & Profits

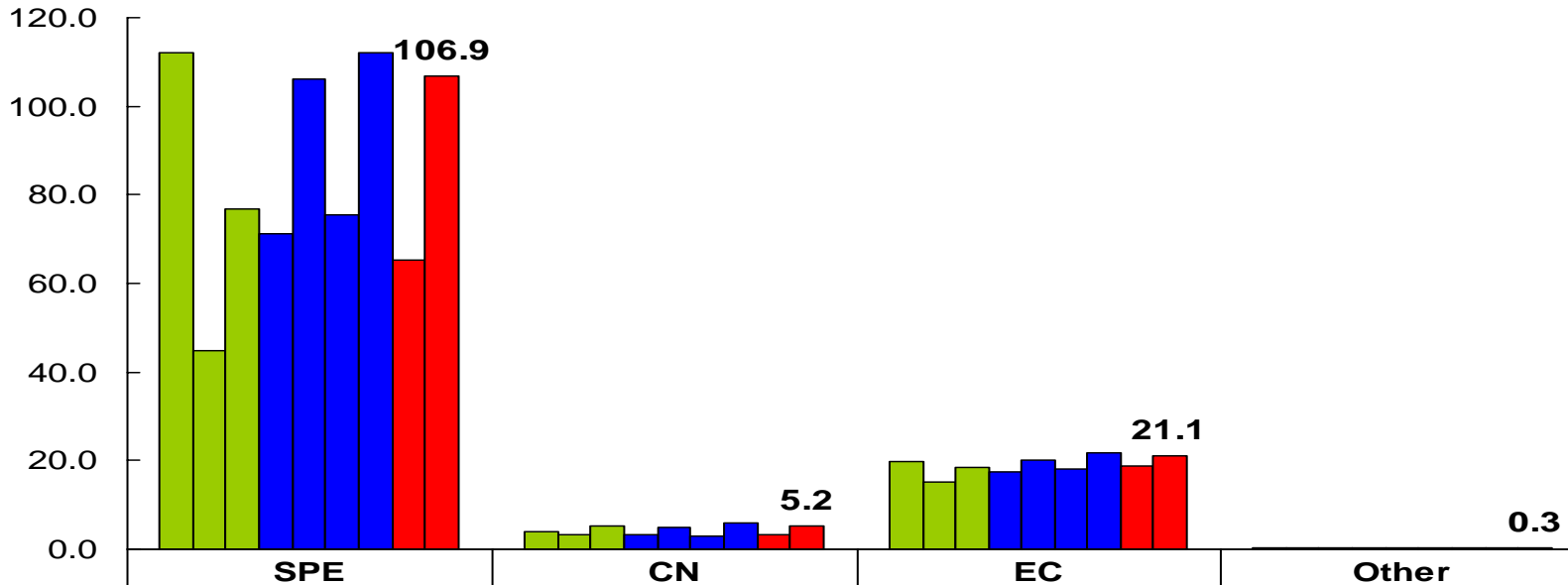
(Billions of Yen)



	FY02/2Q	3Q	4Q	FY03/1Q	2Q	3Q	4Q	FY04/1Q	2Q
Net Sales	136.3	63.7	101.0	92.3	131.1	97.0	140.2	87.8	133.6
Gross Profit	41.9	16.8	18.6	26.0	42.2	30.1	35.7	21.2	35.1
Operating Income	11.3	-14.9	-15.4	-6.1	6.6	-1.5	2.1	-8.3	3.5
Gross Margin	30.8%	26.3%	18.4%	28.2%	32.2%	31.0%	25.5%	24.1%	26.3%
Operating Margin	8.3%	-23.3%	-15.2%	-6.7%	5.1%	-1.6%	1.5%	-9.4%	2.6%

Quarterly Net Sales by Division

(Billions of Yen)

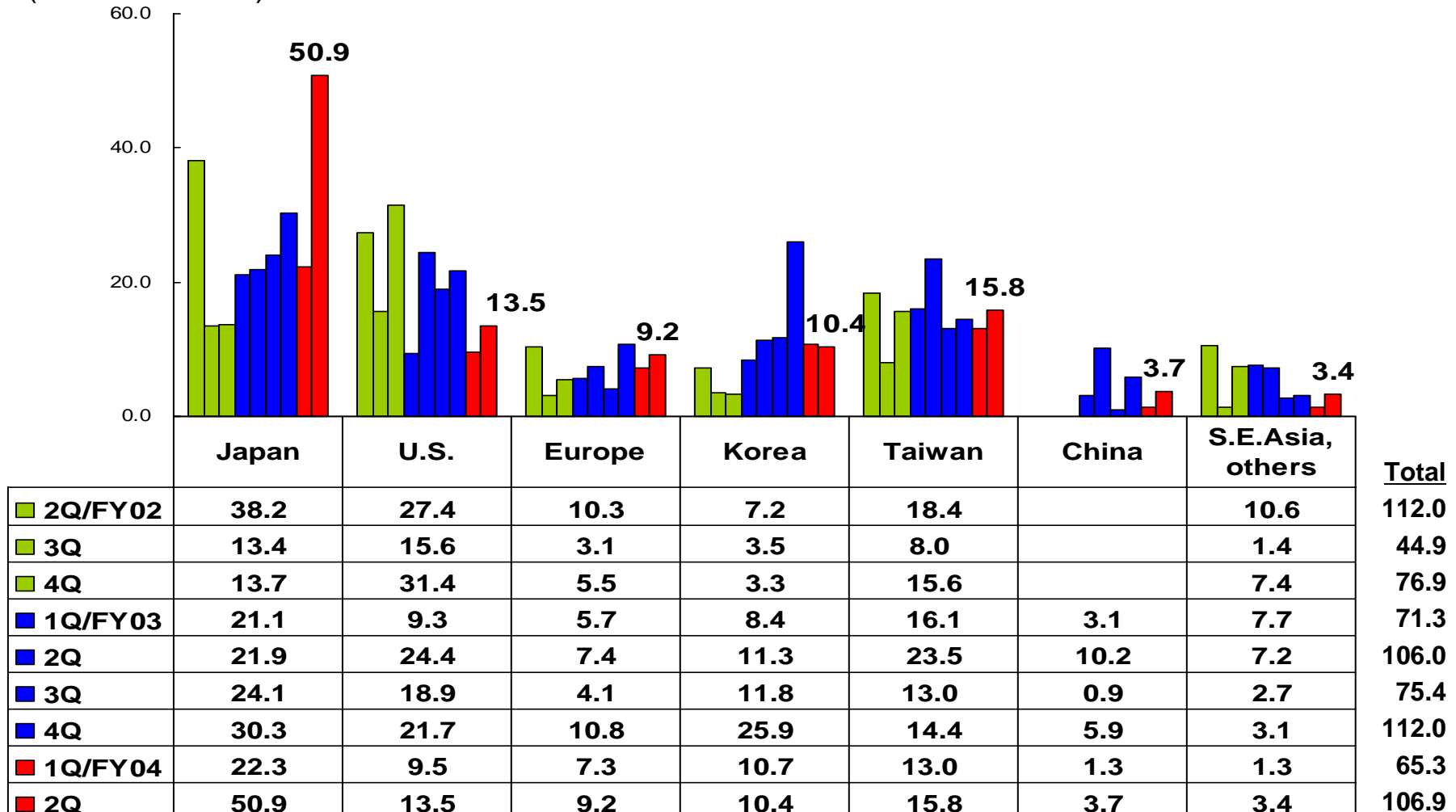


	SPE	CN	EC	Other	Total
2Q/FY02	112.0	4.0	19.9	0.4	136.3
3Q	44.9	3.3	15.2	0.3	63.7
4Q	76.9	5.3	18.4	0.3	101.0
1Q/FY03	71.3	3.3	17.4	0.3	92.3
2Q	106.0	4.8	20.0	0.3	131.1
3Q	75.4	3.1	18.2	0.3	97.0
4Q	112.0	6.0	21.8	0.3	140.2
1Q/FY04	65.3	3.4	18.8	0.3	87.8
2Q	106.9	5.2	21.1	0.3	133.6



Quarterly SPE Sales by Region

(Billions of Yen)



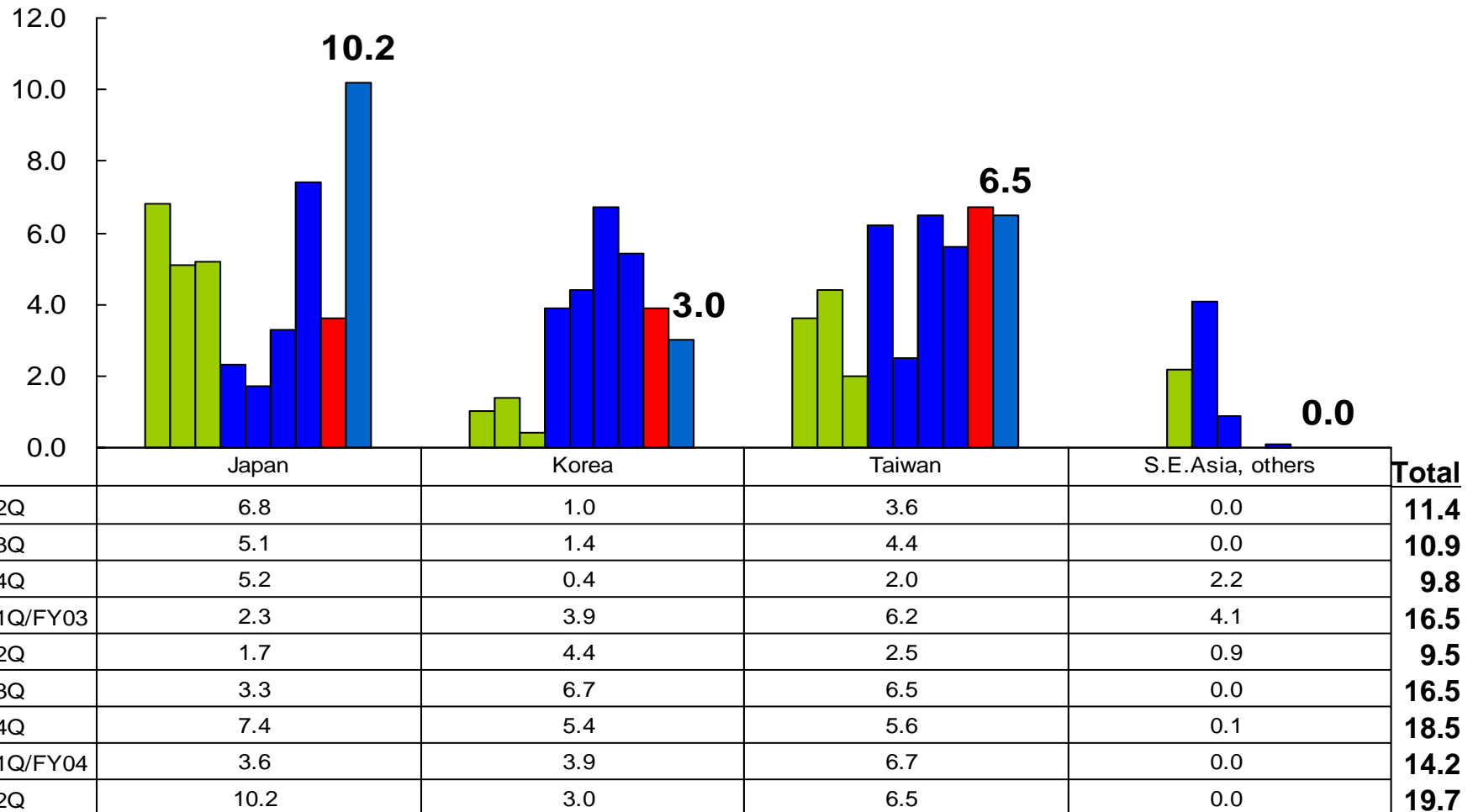
Quarterly sales in China are included in Southeast Asia for FY2002 and previous FY.



Quarterly FPD Production Equipment Sales

Non-consolidated Basis

(Billions of Yen)





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 the changes are large.