

Non-consolidated Financial Review for the Year Ended March 31, 2004

Company name:	 TOKYO ELECTRON LIMITED
Headquarters address:	3-6 Akasaka 5-chome, Minato-ku, Tokyo 107-8481 Japan
Telephone number:	(03) 5561-7000
URL:	http://www.tel.com
Stock exchange listing:	Tokyo Stock Exchange 1st Section
Code number:	8035
Representative:	Kiyoshi Sato, President & CEO
Person-in-charge:	Yukio Saeki, Director, Accounting Department
Board of Directors Meeting:	April 30, 2004
General Shareholders Meeting:	June 22, 2004
Declaration of interim dividends:	Yes
Number of shares per unit:	100 shares

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, 2004 (4/1/03 - 3/31/04)

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 3/31/04	433,708	17.4	193	-	8,294	-
Year ended 3/31/03	369,384	11.1	(14,827)	-	(11,313)	-

	Net income		Net income per share	Fully diluted net income per share	Return on equity	Ordinary income to total assets	Ordinary income to sales
	Millions of yen	%	Yen	Yen	%	%	%
Year ended 3/31/04	3,778	-	21.11	20.87	1.7	1.7	1.9
Year ended 3/31/03	(43,161)	-	(247.73)	-	(17.8)	(2.4)	(3.1)

Notes:

- Average number of shares of common stock issued:

Year ended 3/31/04:	176,629,342 shares
Year ended 3/31/03:	174,228,135 shares
- Changes in accounting methods: None
- Percentages for net sales, operating income, ordinary income and net income indicated changes from the previous term.

(2) Cash dividends

	Annual dividends per share			Total dividends paid (Full year)	Payout ratio	Annual dividends to shareholders' equity
	Interim	F.Y. end				
	Yen	Yen	Yen	Millions of yen	%	%
Year ended 3/31/04	10.00	4.00	6.00	1,785	47.4	0.8
Year ended 3/31/03	8.00	4.00	4.00	1,389	-	0.6

(3) Financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen		Yen
Year ended 3/31/04	495,055	235,860	47.6	1,320.41
Year ended 3/31/03	461,521	216,055	46.8	1,244.11

Notes:

1. Number of shares of common stock issued as of:

March 31, 2004	178,588,568 shares
March 31, 2003	173,663,175 shares

2. Number of shares of treasury stock as of:

March 31, 2004	2,022,343 shares
March 31, 2003	2,034,755 shares

2. Corporate estimates for the year ending March 31, 2005 (4/1/04 - 3/31/05)

	Net sales	Ordinary income	Net income	Annual cash dividends per share		
				Interim	F.Y. end	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
Six months ending 9/30/04	261,000	14,000	14,000	15.00	-	-
Year ending 3/31/05	530,000	30,000	30,000	-	15.00	30.00

For reference: Estimate of net income per share for the year ending March 31, 2005: 167.98 yen

Note:

The performance forecasts and estimates stated in this Financial Review are based on certain assumptions judged to be reasonable at the present time in light of information currently available concerning economic conditions in Japan and overseas, fluctuations in exchange rates and other factors that may have an impact on performance.

They are therefore susceptible to the impact of many uncertainties, including market conditions, competition, the launching of new products and their success or failure, and global conditions in the semiconductor production equipment business. Consequently, actual sales and profits may differ substantially from the projections stated in this Financial Review.

Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2004		As of March 31, 2003		Increase (decrease)	
	Amount	Compo- sition (%)	Amount	Compo- sition (%)	Amount	(%)
(Assets)						
Current Assets	402,087	81.2	368,093	79.8	33,993	9.2
Cash and time deposits	35,001		46,434		(11,432)	
Trade notes	2,037		381		1,655	
Accounts receivable - trade	207,889		148,679		59,209	
Inventories	28,445		47,274		(18,829)	
Supplies	32		61		(28)	
Advances paid	595		1,202		(606)	
Prepaid expenses	654		868		(213)	
Short-term loans to subsidiaries	107,170		108,345		(1,175)	
Accounts receivable - other	14,518		11,434		3,083	
Others	5,815		3,781		2,034	
Allowance for doubtful accounts	(75)		(371)		295	
Long-term Assets	92,968	18.8	93,428	20.2	(459)	(0.5)
Tangible fixed assets	32,806	6.6	34,164	7.4	(1,357)	(4.0)
Buildings	10,544		11,335		(791)	
Structures	226		255		(29)	
Machinery & equipment	5,152		5,442		(289)	
Vehicles & carriers	0		4		(4)	
Tools, furniture & fixtures	1,908		2,149		(240)	
Land	14,842		14,842		-	
Construction in progress	133		134		(1)	
Intangible fixed assets	8,110	1.7	8,015	1.7	95	1.2
Patent rights	3,655		4,429		(773)	
Software	4,257		3,183		1,074	
Telephone rights and others	53		53		-	
Others	143		348		(205)	
Investments and other assets	52,051	10.5	51,248	11.1	803	1.6
Investment securities	8,323		5,536		2,786	
Investments in subsidiaries	39,194		41,055		(1,861)	
Long-term loans to employees	10		47		(37)	
Long-term loans to subsidiaries	1,280		1,995		(714)	
Long-term prepaid expenses	593		1,120		(526)	
Long-term deposits	2,074		2,088		(13)	
Others	2,332		1,157		1,175	
Allowance for doubtful accounts	(1,758)		(1,753)		(4)	
Total Assets	495,055	100.0	461,521	100.0	33,534	7.3

Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2004		As of March 31, 2003		Increase (decrease)	
	Amount	Compo- sition (%)	Amount	Compo- sition (%)	Amount	(%)
(Liabilities)						
Current liabilities	150,198	30.4	169,577	36.7	(19,378)	(11.4)
Trade notes	0		-		0	
Accounts payable - trade	86,244		65,274		20,969	
Short-term borrowings	1,142		1,448		(306)	
Commercial paper	-		35,000		(35,000)	
Bonds due within 1 year	20,000		20,000		-	
Convertible bonds due within 1 year	-		15,481		(15,481)	
Accounts payable - other	22,198		17,889		4,309	
Accrued expenses	309		242		66	
Accrued income taxes	8		520		(512)	
Unearned revenue	12,069		1,391		10,677	
Advances received	5,544		6,439		(895)	
Deposits received	42		43		(0)	
Allowance for employees' bonuses	1,131		776		354	
Provision for loss resulting from lawsuits	73		73		-	
Provision for loss on transaction liabilities	-		869		(869)	
Provision for loss on restructuring	-		2,714		(2,714)	
Stock purchase warrant	1,084		1,273		(188)	
Other current liabilities	349		138		210	
Long-term liabilities	108,997	22.0	75,888	16.5	33,108	43.6
Straight bonds	90,000		60,000		30,000	
Long-term loans	200		1,000		(800)	
Deferred tax liabilities	2,307		424		1,883	
Allowance for retirement and severance benefits	10,899		10,343		555	
Allowance for retirement and severance benefits for directors	456		430		26	
Allowance for losses on investments in subsidiaries	5,132		3,689		1,443	
Deposits received for guarantees	0		0		0	
Total Liabilities	259,195	52.4	245,466	53.2	13,729	5.6
(Shareholders' equity)						
Common stock	54,961	11.1	47,223	10.3	7,737	16.4
Capital surplus	78,023	15.8	70,285	15.2	7,737	11.0
Additional paid in capital	78,023		70,285		7,737	
Retained earnings	113,967	23.0	111,598	24.2	2,369	2.1
Legal reserve	5,660		5,660		-	
Appropriated retained earnings	104,923		148,086		(43,163)	
Reserve for special depreciation	423		586		(163)	
Special reserve fund	104,500		147,500		(43,000)	
Unappropriated retained earnings at the end of the year [of which net income (net loss)]	3,384		(42,147)		45,532	
Revaluation of investment in securities	2,111	0.4	186	0.0	1,924	1,030.0
Treasury stock, at cost	(13,203)	(2.7)	(13,238)	(2.9)	35	(0.3)
Total shareholders' equity	235,860	47.6	216,055	46.8	19,804	9.2
Total liabilities and shareholders' equity	495,055	100.0	461,521	100.0	33,534	7.3

Non-consolidated Statement of Income

(Millions of yen)

	Year ended March 31, 2004		Year ended March 31, 2003		Increase (decrease)	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	(%)
Net sales	433,708	100.0	369,384	100.0	64,323	17.4
Cost of sales	389,073	89.7	339,654	92.0	49,419	14.5
Gross profit	44,634	10.3	29,730	8.0	14,903	50.1
Selling, general & administrative expenses	44,440	10.3	44,557	12.0	(117)	(0.3)
Operating income (loss)	193	0.0	(14,827)	(4.0)	15,021	-
Non-operating income						
Interest income	584		852		(268)	
Dividend income	6,971		2,422		4,549	
Rent revenue	3,171		2,106		1,065	
Miscellaneous income	1,103		742		361	
Non-operating expenses						
Interest expenses	49		61		(12)	
Bond interest	1,039		1,239		(199)	
New stock issuing expenses	117		0		117	
New bond issuing expenses	232		-		232	
Rent expenses	1,924		896		1,028	
Foreign currency translation loss	117		343		(226)	
Miscellaneous expenses	247		68		179	
Ordinary income (loss)	8,294	1.9	(11,313)	(3.1)	19,608	-
Unusual or infrequent profit						
Gain on sale of fixed assets	738		46		692	
Gain on sale of product line	637		-		637	
Reversal of allowance for doubtful accounts	351		320		30	
Unusual or infrequent loss						
Loss on proceeds or disposal of fixed assets	216		1,295		(1,078)	
Devaluation of investment in subsidiary	2,786		-		2,786	
Provision to reserve for losses on investments in subsidiaries	1,443		2,633		(1,190)	
Loss on disposal of R&D assets	577		-		577	
Devaluation of investment securities	469		738		(269)	
Provision for losses on investments in subsidiaries	171		614		(443)	
Reconstructing costs	-		8,561		(8,561)	
Loss on sale of stocks of subsidiaries	-		2,931		(2,931)	
Transfer to allowance for restructuring costs	-		2,714		(2,714)	
Devaluation of golf memberships	-		44		(44)	
Income before income taxes (loss)	4,357	1.0	(30,480)	(8.3)	34,837	-
Provision for income taxes and enterprise taxes	16	0.0	777	0.2	(761)	(97.9)
Deferred income taxes	562	0.1	11,903	3.2	(11,340)	(95.3)
Net income (loss)	3,778	0.9	(43,161)	(11.7)	46,939	-
Profit carried forward	320		1,708			
Loss on disposal of treasury stocks	0		-			
Interim dividends	714		694			
Unappropriated retained earnings at the end of the year (Unappropriated loss at the end of the year)	3,384		(42,147)			

Proposal for Appropriation of Surplus

(Millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2003	Increase (decrease)
	Amount	Amount	Amount
Unappropriated retained earnings at the end of the year (Unappropriated loss at the end of the year)	3,384	(42,147)	45,532
Reversal of Appropriated retained earnings			
Reversal of reserve for special depreciation	153	169	(15)
Reversal of special reserve fund	-	43,000	(43,000)
Total	3,537	1,021	2,516
Appropriations			
Cash dividends	1,071 [6 yen per share]	694 [4 yen per share]	376
Bonuses to board members	50	-	50
Appropriated retained earnings			
Reserve for special depreciation	982	6	976
Retained earnings to be carried forward	1,433	320	1,112

Notes:

1. Interim cash dividends of 714 million yen (4 yen per share) were implemented on December 8, 2003.
2. Reversals of the reserve for special depreciation is conducted in accordance with the Special Taxation Measure Law.