

First Half/FY2005 Financial Summary and Revision of FY2005 Financial Estimates

1H FY2005: April 1, 2004 - September 30, 2004
FY2005: April 1, 2004 - March 31, 2005

November 11, 2004

- All figures are rounded to the nearest hundred million yen.
- YoY change (growth) is calculated based on figures in millions of yen.

Changes in Accounting Policies

beginning with this 1H/FY2005

1. Changes in method for revenue recognition

Previous	Shipment
New	Completion of setup and inspection of products Applicable to: Semiconductor production equipment except Wafer Probers and imported products, and FPD production equipment

2. Allocation of warranty reserves

Previous	After-sale service expenses incurred during the warranty period for SPE and FPD production equipment were reported when such expenses emerged.
New	Warranty reserves estimated to incur during the warranty period are reported

3. Segment information disclosure along with the changes in classifying businesses

Previous	A single segment
New	TEL Business was given two classifications: "Industrial electronic equipment" and "electronic components"

1H FY2005 Financial Summary

Consolidated Financial Results

(Billions of Yen)

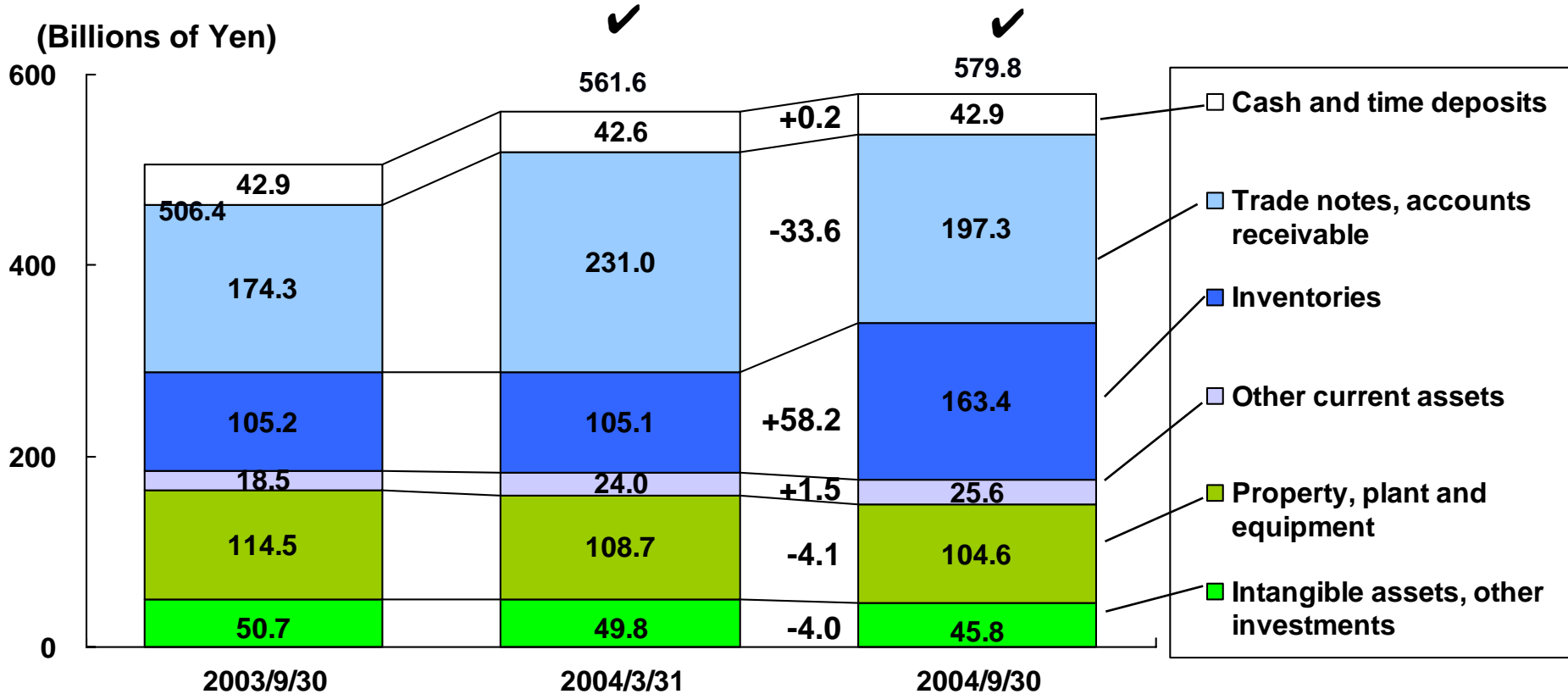
	2004/3 1H	2005/3 1H	YoY change	2005/3 1H	Differ- ences (a)-(b)	Factors of differences (a-b)
	Previous accounting policy	Previous accounting policy (b)		New accounting policy (a)		
Net sales	221.4	353.2	+59.5%	280.1	-73.0	-73.0 changes in revenue recognition timing
Gross Profit	56.2 (25.4%)	95.2 (27.0%)	+69.3%	76.7 (27.4%)	-18.5	-19.2 revenue recognition related* + 0.6 warranty reserves
SG&A expenses	61.0	56.4	-4.6bil yn	56.4		
Operating income	-4.7 (-2.2%)	38.8 (11.0%)	+43.6bil yn	20.2 (7.2%)	-18.5	-19.2 revenue recognition related + 0.6 warranty reserves
Ordinary income	-5.6 (-2.5%)	39.5 (11.2%)	+45.1bil yn	20.9 (7.5%)		
Unusual& infrequent gains/losses	-2.9	-0.5	+2.3bil yn	-13.0	-12.4	-12.4 warranty fees for the products sold in the past FY
EBIT	-8.5 (-3.9%)	38.9 (11.0%)	+47.5bil yn	7.9 (2.8%)	-31.0	-19.2 revenue recognition related + 0.6 warranty reserves -12.4 warranty fees for the products in the past FY
Net income	-9.8 (-4.4%)			1.2 (0.5%)		

*Impacts of changes in revenue recognition timing on costs:

1. corresponding to decrease in sales amount -24.6 bil yen
2. change of accounting method for startup fee from accrued to prepaid expense +5.3 bil yen



Quarterly Assets

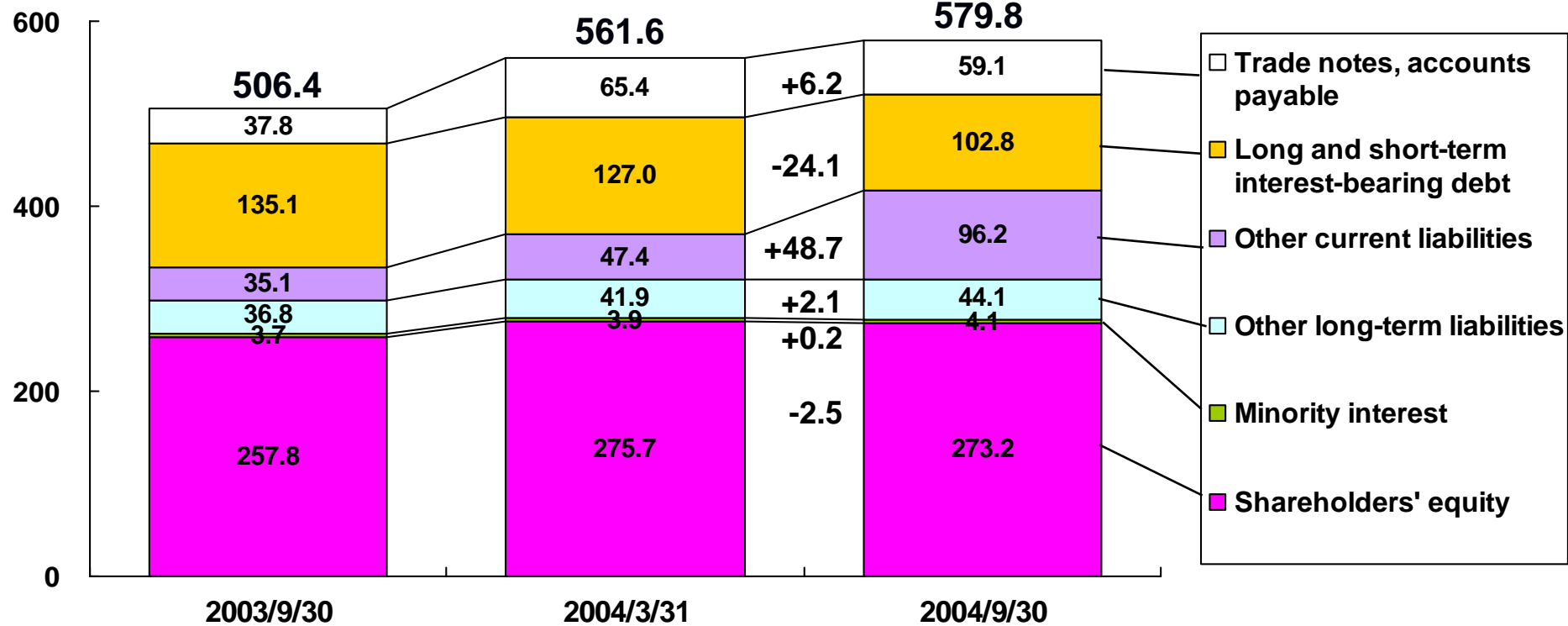


2004/3/31 vs 2004/9/30

Trade notes, accounts receivable	- 33.6	Changes in revenue recognition timing (-52.3)
Inventories	+58.2	Changes in revenue recognition timing (+46.7)

Quarterly Liabilities & Shareholders' Equity

(Billions of Yen)



2004/3/31 vs 2004/9/30

Long and short-term interest-bearing debt	-24.1	Redemption of SB (-20.0)
Other current liabilities	+48.7	Allocation of warranty reserve (+11.8) Increase in advance receipt due to change in revenue recognition timing (+21.6)



Cash Flow

(Billions of Yen)

		2005/3 1H (6 months)	2004/3 Full year
Cash flow from operating activities		32.9	7.8
	Income before income taxes	7.9	14.9
	Depreciation and amortization	10.4	24.9
	Others	14.5	▲ 32.0
Cash flow from investing activities		▲ 4.2	▲ 8.5
	Payment for purchase of property, plant, equipment, etc	▲ 4.2	▲ 8.5
Cash flow from financial activities		▲ 28.2	▲ 10.2
	Increase in interest bearing dept (▲decrease)	▲ 24.2	▲ 8.6
	Dividends paid	▲ 1.0	▲ 1.4
	Others	▲ 2.8	▲ 0.2
Effect of exchange rate changes on cash and cash equivalents		▲ 0.1	0.5
Net increase in cash and cash equivalents(▲decrease)		0.2	▲ 10.3
Cash and cash equivalents at beginning of year		42.6	52.9
Cash and cash equivalents end of the period		42.9	42.6



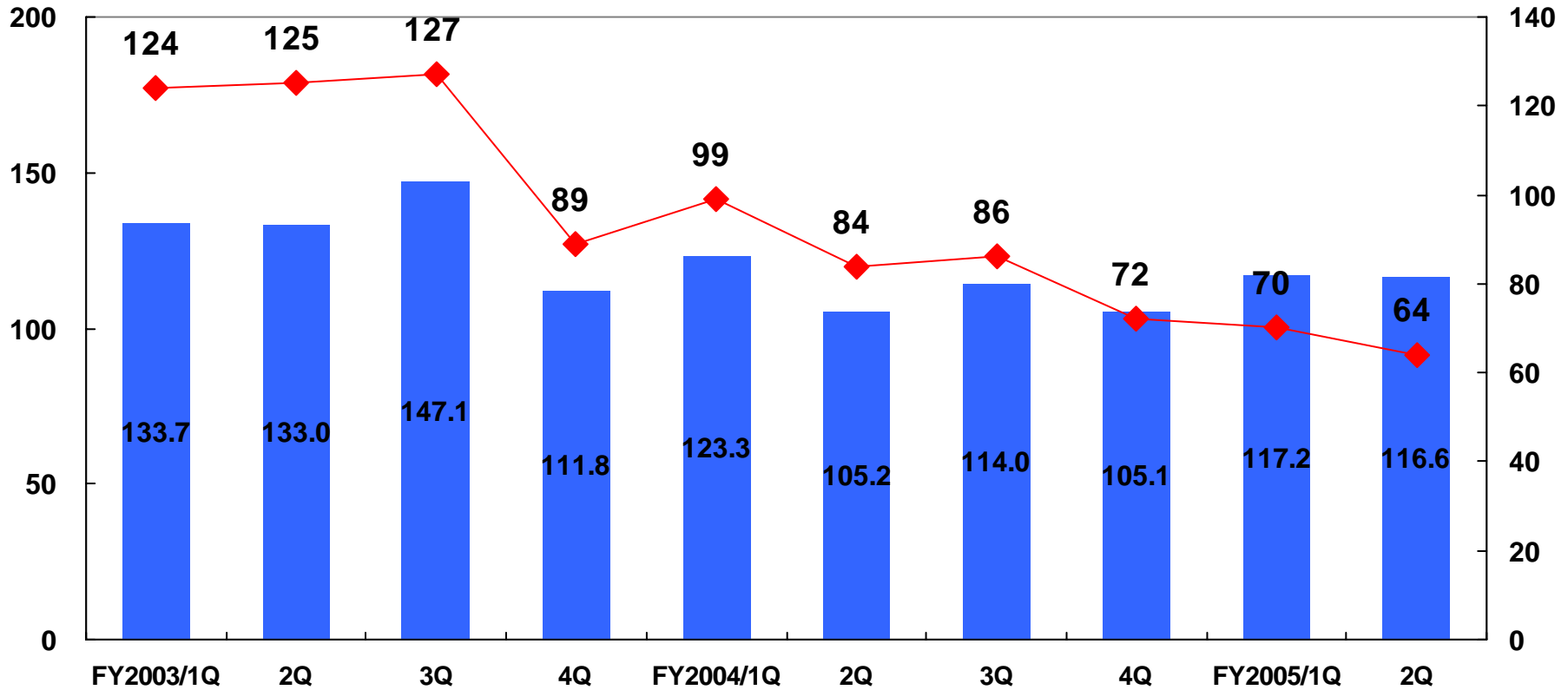
1H FY2005 Financial Summary

Inventory Turnover

(Billions of Yen)

<On a Shipment Basis>

(Days)



Inventory Inventory turnover

Turnover days = Inventories at end of each quarter / 12-month moving-average shipment x 365



Segment Information by Business Type

(Billions of Yen)

Operating income/margin

		2004/3			2005/3
		1H	2H	Full year	1H New accounting policy
Industrial electronic equipment *1	Net sales	181.9	264.4	446.4	235.5
	Operating income	-6.2	25.1	18.9	18.4
	Operating margin	-3.4%	9.5%	4.2%	7.8%
Electronic components *2	Net sales	40.4	45.2	85.7	46.0
	Operating income	1.3	1.8	3.1	1.7
	Operating margin	3.3%	4.0%	3.7%	3.8%
Elimination or Corporate	Net sales	-1.0	-1.4	-2.5	-1.4
	Operating income	0.0	0.0	0.1	0.0
Consolidated	Net sales	221.4	308.2	529.6	280.1
	Operating income	-4.7	27.0	22.2	20.2
	Operating margin	-2.2%	8.8%	4.2%	7.2%

*1 Industrial electronic equipment:

Semiconductor Production Equipment, FPD Production Equipment,
Computer Systems/networks, others

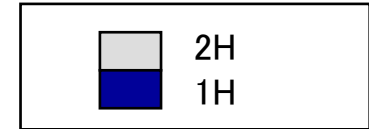
*2 Electronic Components:

Semiconductor products, Board products, Software, other electronic components

1H FY2005 Financial Summary

Net Sales by Division

<Shipment basis>



SPE Division

(Semiconductor Production Equipment)

FPD Division

(FPD Production Equipment)

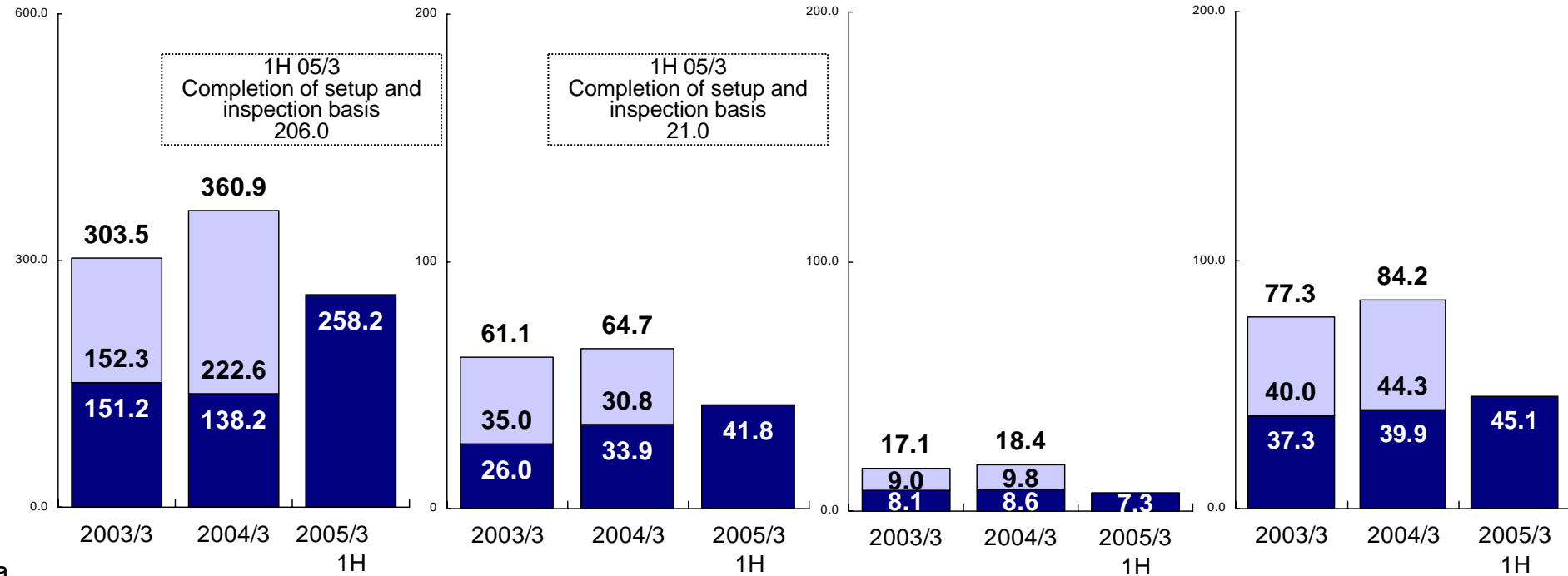
CN Division

(Compute Network)

EC Division

(Electronic Components)

(Billions of Yen)



1H YoY change +87%

+23%

-15%

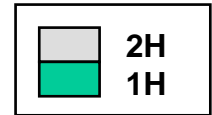
+13%

From FY2005, sales of FPD Production Equipment Division, which were included in sales of SPE Division, are disclosed separately on a consolidated basis. The figures for FY2003 and FY2004 were calculated as below:

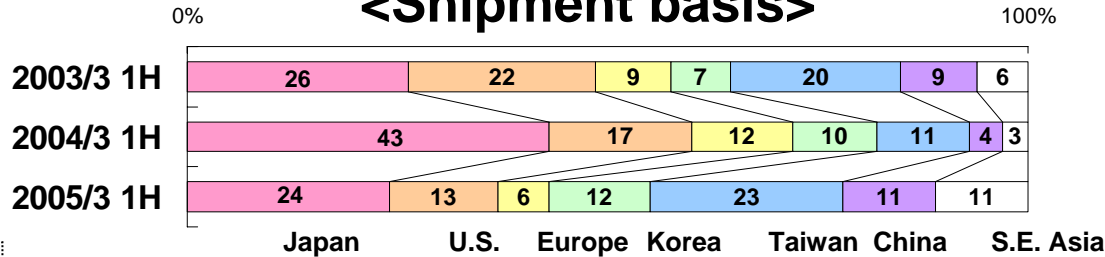
- FY2003 and FY2004 SPE sales: consolidated SPE sales – non-consolidated FPD sales
- FY2003 and FY2004 FPD sales: non-consolidated FPD sales

1H FY2005 Financial Summary

SPE Sales by Region

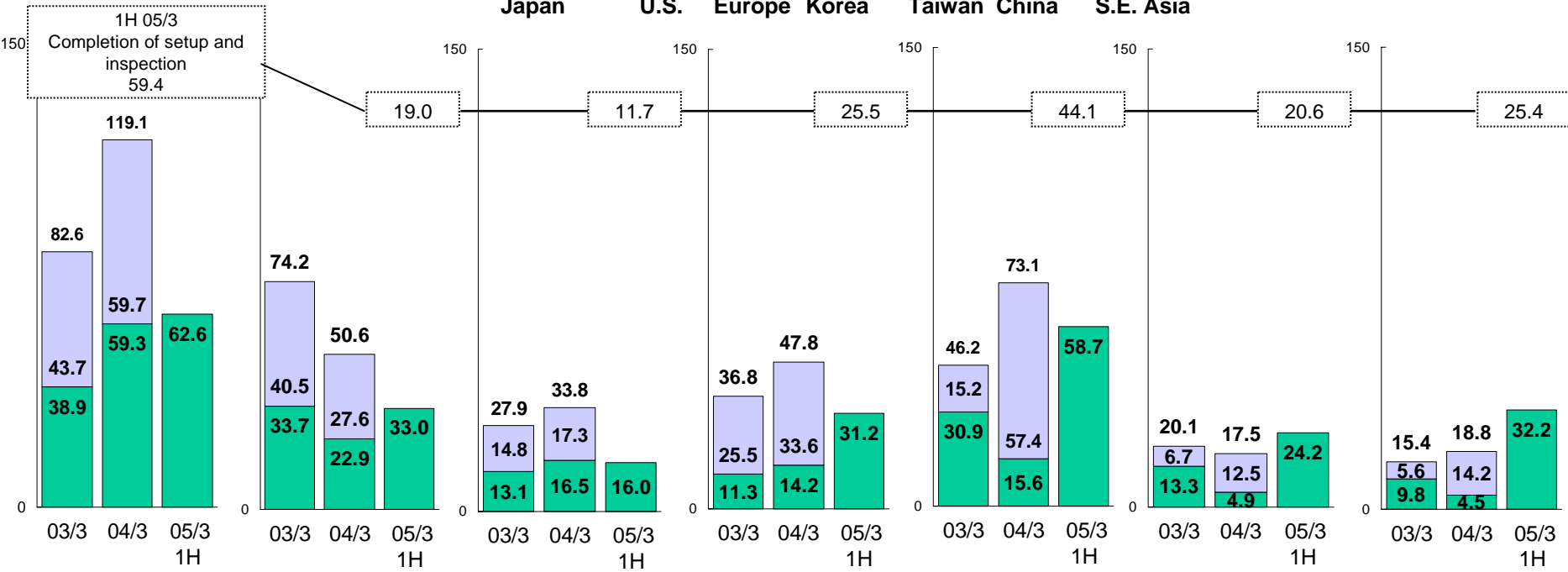


<Shipment basis>



2003/3 1H	151.2
2004/3 1H	138.2
2005/3 1H	258.2

(Billions of Yen)



Region	1H YoY change
Japan	+6%
U.S.	+44%
Europe	- 3%
Korea	+120%
Taiwan	+275%
China	+388%
S.E. Asia	+604%

FY2003 and FY2004 SPE sales: consolidated SPE sales – non-consolidated FPD sales



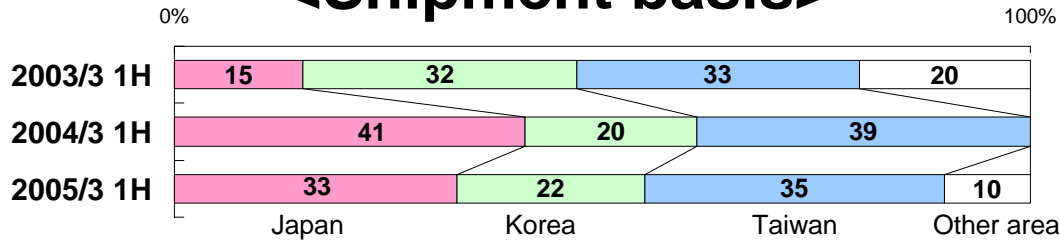
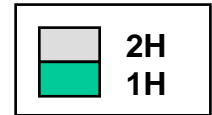
TOKYO ELECTRON



1H FY2005 Financial Summary

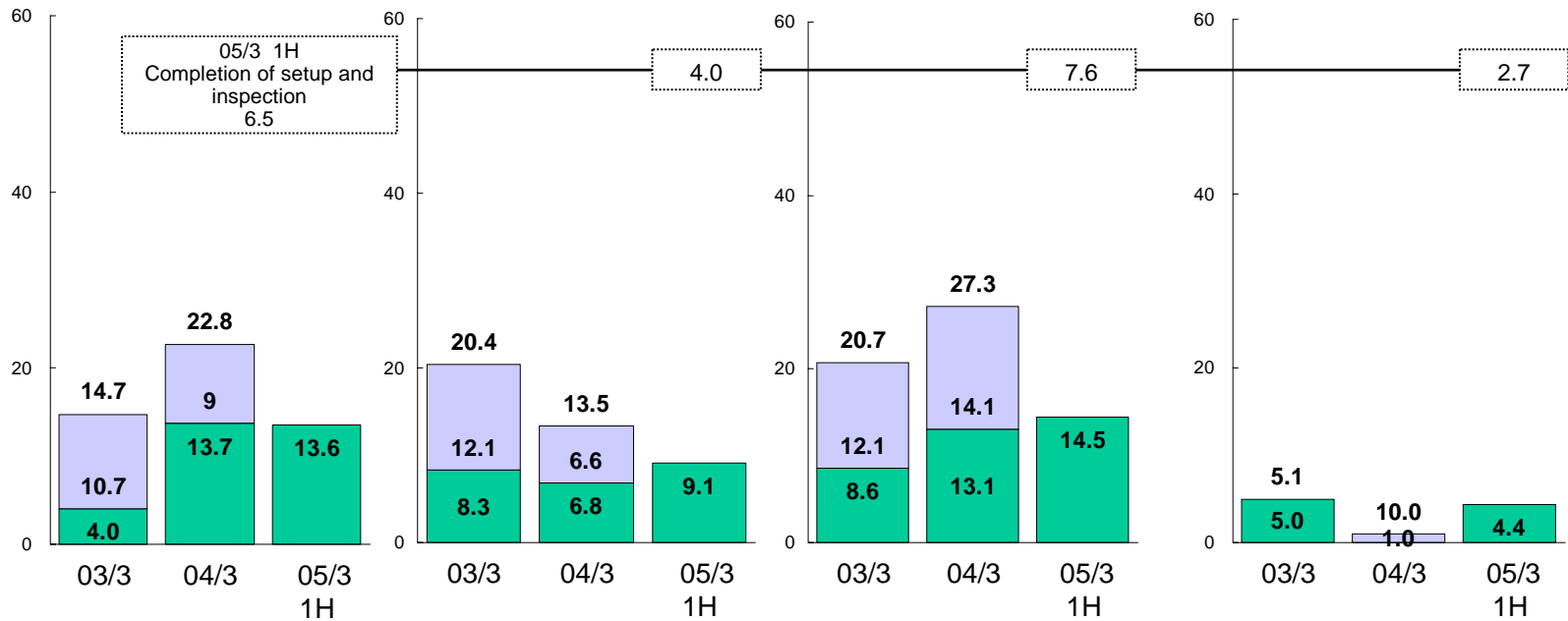
FPD Sales by Region

<Shipment basis>



2003/3 1H	26.0
2004/3 1H	33.9
2005/3 1H	41.8

(Billions of Yen)



Japan	Korea	Taiwan	Other area
YoY change - 1%	+33%	+11%	

FY2003 and FY2004: non-consolidated
 FY2005: consolidated

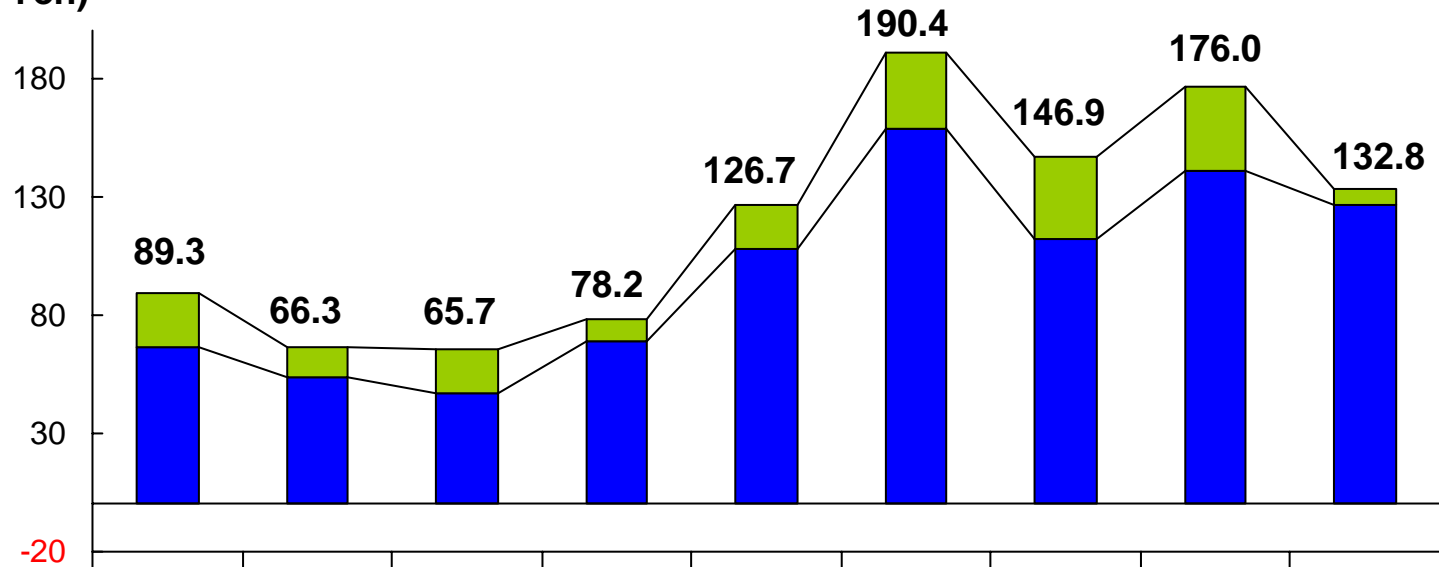


1H FY2005 Financial Summary

Quarterly SPE+FPD Order

Net, Non-consolidated Basis

(Billions of Yen)

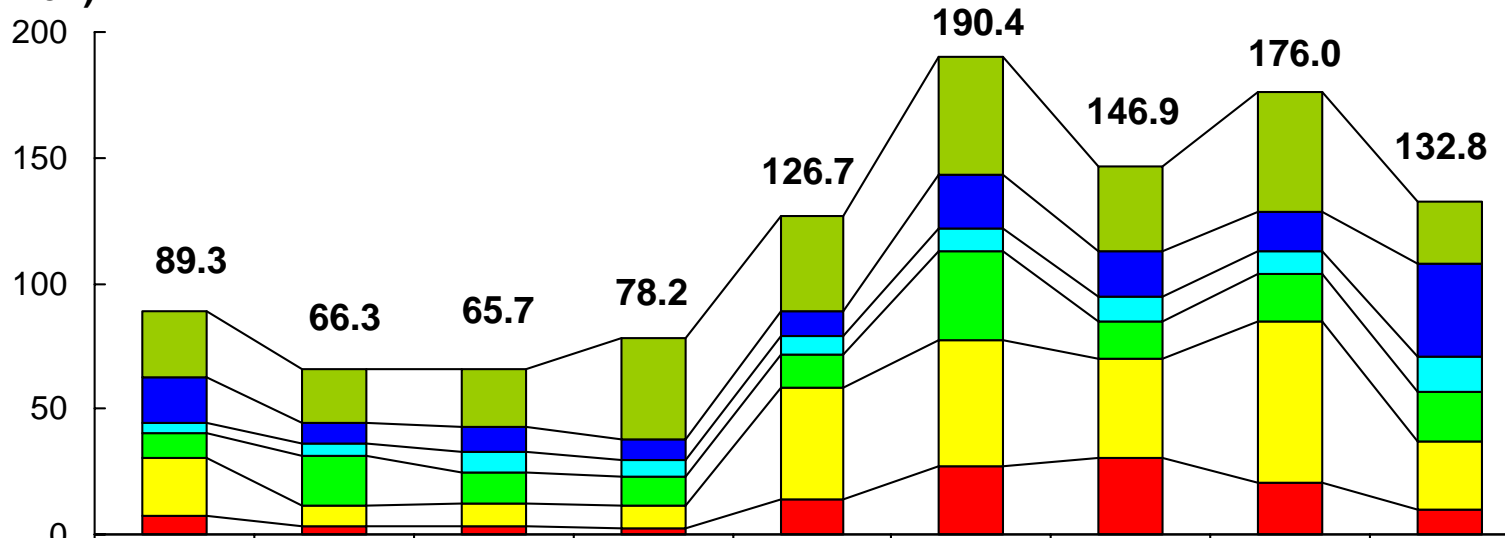


	2002/ 7-9	2002/ 10-12	2003/ 1-3	2003/ 4-6	2003/ 7-9	2003/ 10-12	2004/ 1-3	2004/ 4-6	2004/ 7-9
■ FPD Production Equipment	22.8	13.0	19.2	9.3	19.2	31.6	34.7	34.9	6.0
■ Semiconductor Production Equipment	66.4	53.2	46.5	68.8	107.5	158.7	112.1	141.0	126.8

Quarterly SPE+FPD Order by Region

Net, Non-consolidated Basis

(Billions of Yen)



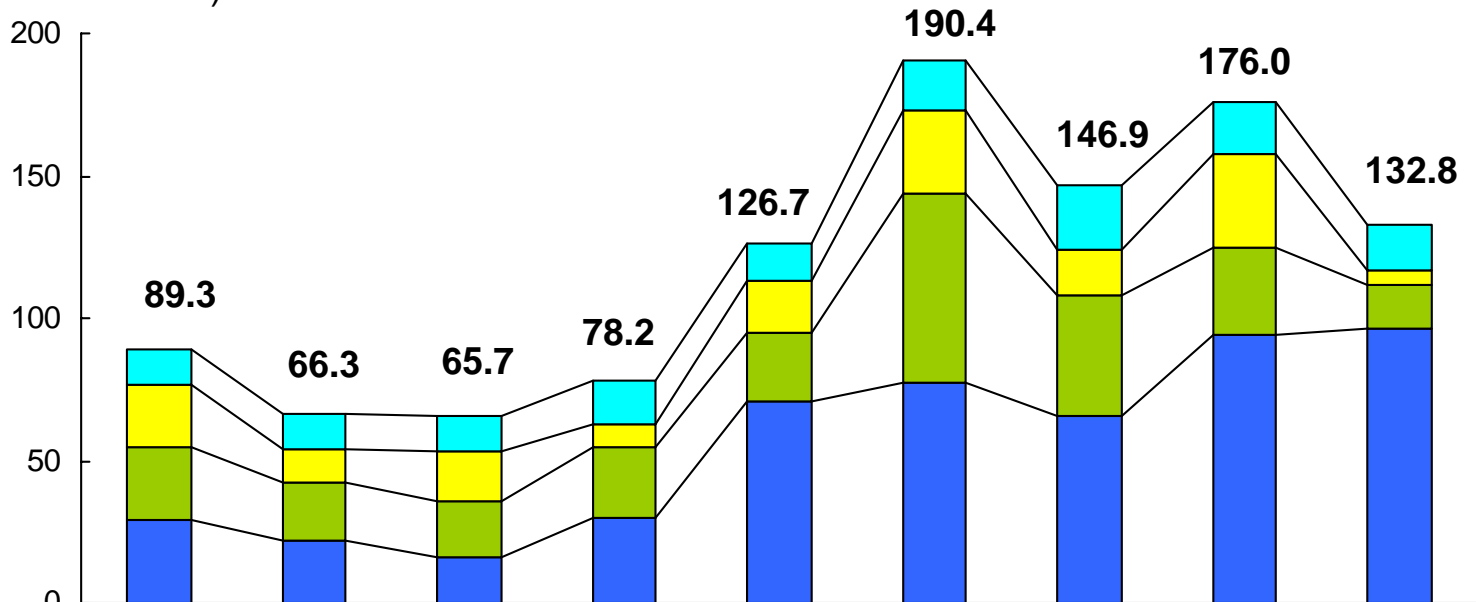
	2002/7-9	2002/10-12	2003/1-3	2003/4-6	2003/7-9	2003/10-12	2004/1-3	2004/4-6	2004/7-9
■ Japan	26.3	21.5	22.5	40.1	37.4	46.8	33.8	47.6	24.4
■ U.S.	18.3	8.4	10.0	8.5	9.8	21.4	18.1	15.6	37.1
■ Europe	4.4	4.9	8.7	6.2	7.6	9.2	9.9	9.0	14.5
■ Korea	9.7	19.9	11.8	11.4	13.0	35.0	15.1	18.9	19.3
■ Taiwan	22.7	8.3	9.2	9.1	45.0	50.2	39.4	64.1	27.5
■ China, S.E.Asia, other	7.7	3.1	3.4	2.8	13.7	27.5	30.4	20.6	9.7



1H FY2005 Financial Summary

Quarterly SPE+FPD Order Net, Non-consolidated Basis

(Billions of Yen)



	2002/7-9	2002/10-12	2003/1-3	2003/4-6	2003/7-9	2003/10-12	2004/1-3	2004/4-6	2004/7-9
■ Parts	12.6	12.2	12.2	15.1	13.2	16.9	22.8	18.2	16.1
■ FPD Prod. System	21.6	12.0	17.6	8.1	18.2	29.8	15.9	33.0	5.1
■ SPE 200mm System	25.9	20.3	19.6	25.2	24.4	66.0	42.6	30.6	14.9
■ SPE 300mm System	29.0	21.8	16.4	29.7	70.8	77.5	65.5	94.0	96.6



FY2005 Revision of Financial Estimates



Consolidated Financial Forecast

(Billions of Yen)

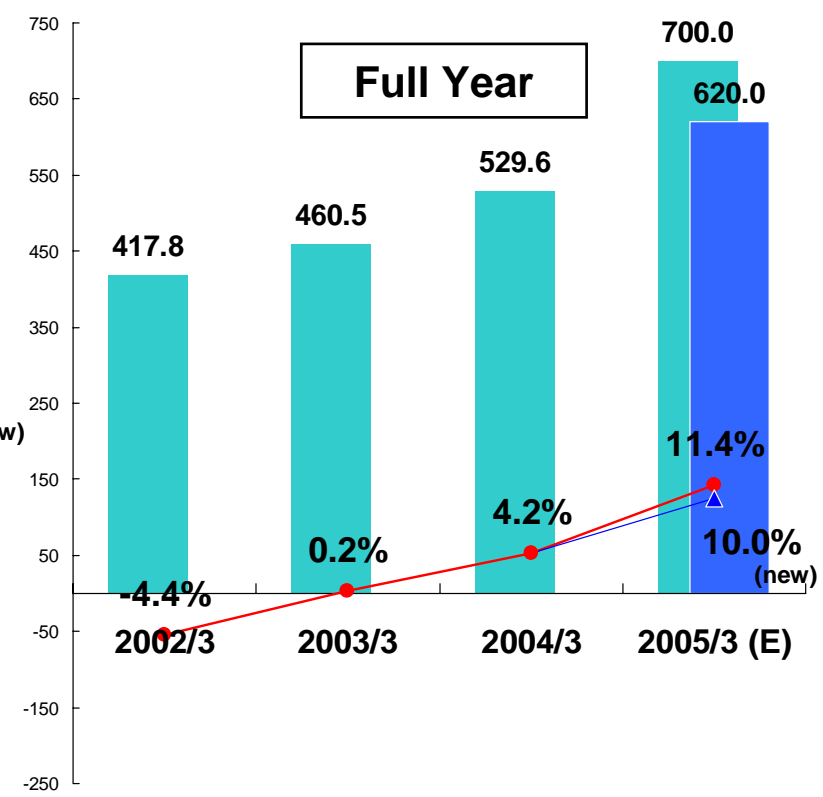
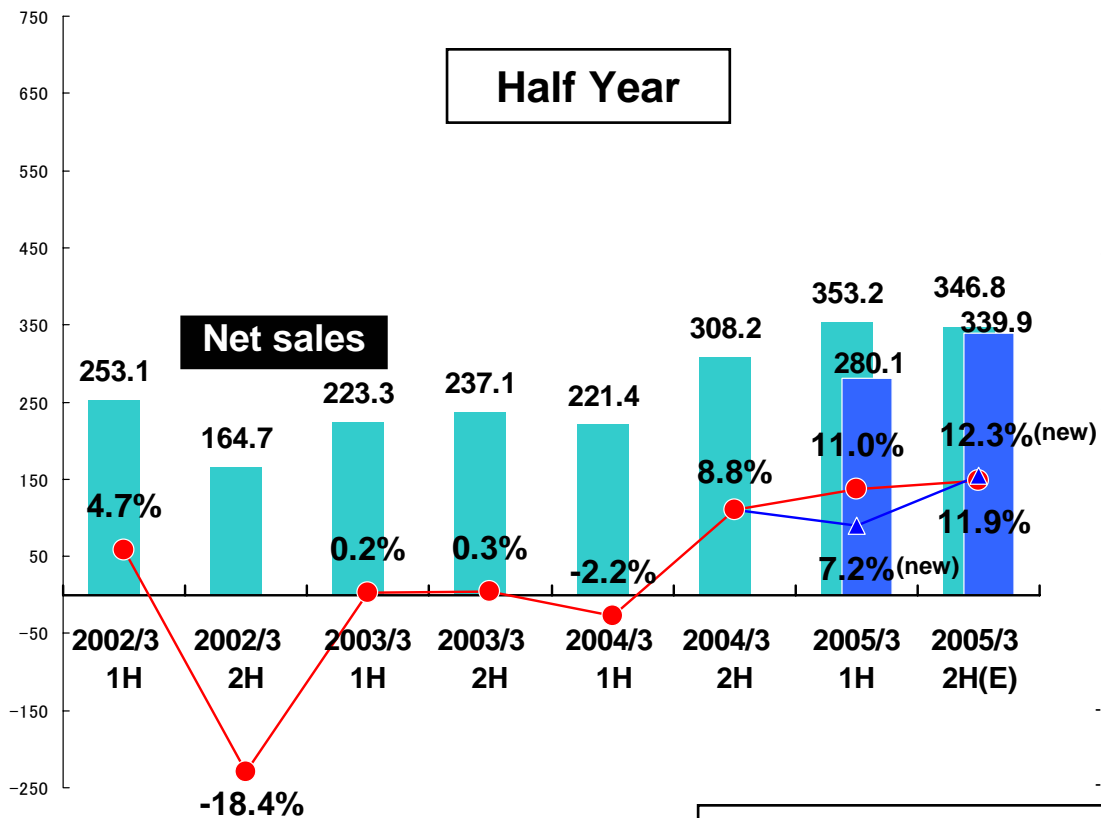
	2004/3	2005/3 (on a basis of previous accounting policy)			2005/3 New accounting policy			
		Previous forecast (Jul.30)	Latest forecast (Nov.11)	YoY change	Previous forecast (Sep.7)	Latest forecast (Nov.11)		
		Full year	Full year		Full year (E)	1H	2H(E)	Full year (E)
Net sales	529.6	700.0	700.0	+32%	620.0	280.1	339.9	620.0
SPE	425.7	509.0	497.0	+39%	459.0	206.0	239.0	445.0
FPD		82.0	96.0		52.0	21.0	47.0	68.0
CN	18.4	18.0	16.0	- 13%	18.0	7.3	8.7	16.0
EC	84.2	90.0	90.0	+7%	90.0	45.1	44.9	90.0
Others	1.2	1.0	1.0	- 19%	1.0	0.6	0.4	1.0
Operating income	22.2 (4.2%)	83.0 (11.9%)	80.0 (11.4%)	3.6倍	58.0 (9.4%)	20.2 (7.2%)	41.8 (12.3%)	62.0 (10.0%)
Ordinary income	21.1 (4.0%)	85.0 (12.1%)	82.0 (11.7%)	3.9倍	60.0 (9.7%)	20.9 (7.5%)	43.1 (12.7%)	64.0 (10.3%)
Unusual& infrequent gains/losses	-6.2	-0.5	-0.5		-7.5	-13.0	0.0	-13.0
EBIT	14.9	84.5	81.5	5.5倍	52.5	7.9	43.1	51.0
Net sales	8.2 (1.6%)	67.0 (9.6%)			60.0 (9.7%)	1.2 (0.5%)	58.8 (17.3%)	60.0 (9.7%)



Net Sales & Profit Ratio

(Billions of Yen)

Half Year



Operating income margin

- OP margin on a basis of previous accounting policy
- Net sales on a basis of new accounting policy
- ▲ OP margin on a basis of new accounting policy



FY2005 Revision of Financial Estimates

Projected Net Sales by Division

<Shipment basis>

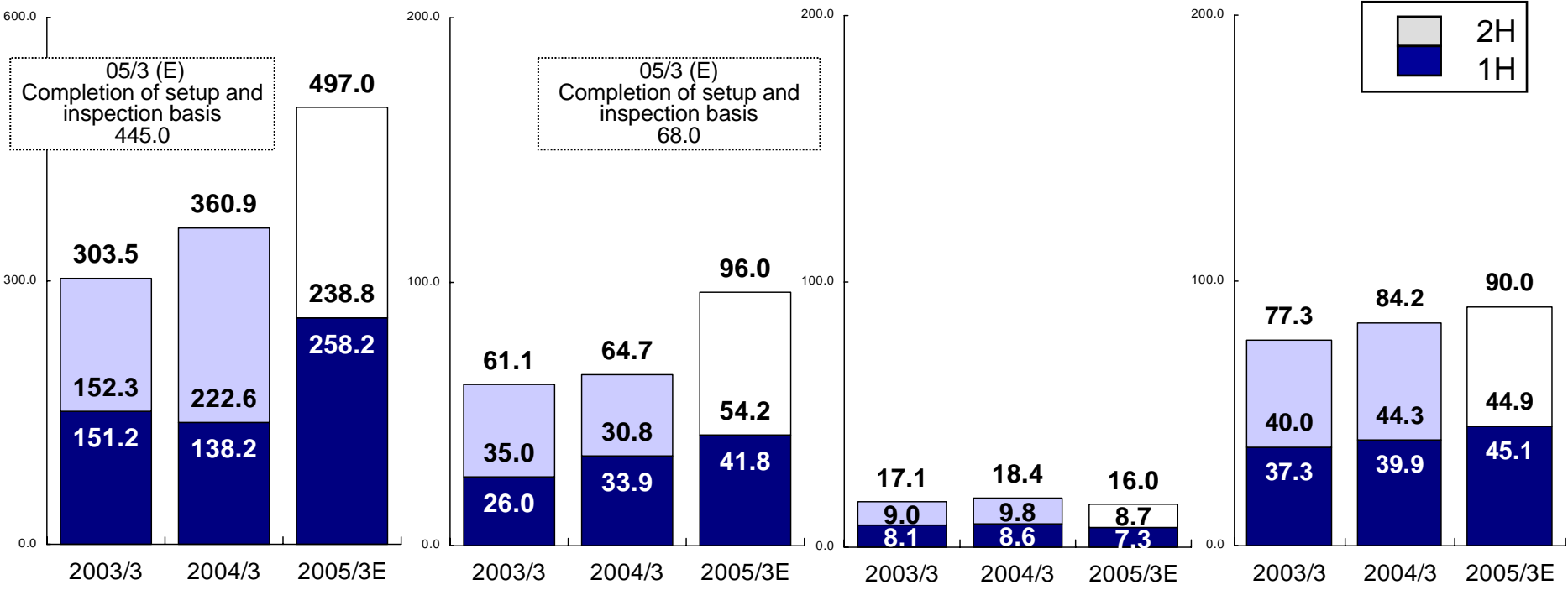
SPE Division
(Semiconductor Production Equipment)

FPD Division
(FPD Production Equipment)

CN Division
(Compute Network)

EC Division
(Electronic Components)

(Billions of Yen)



YoY change +38%

+48%

-13%

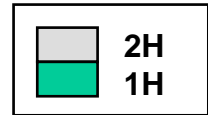
+7%

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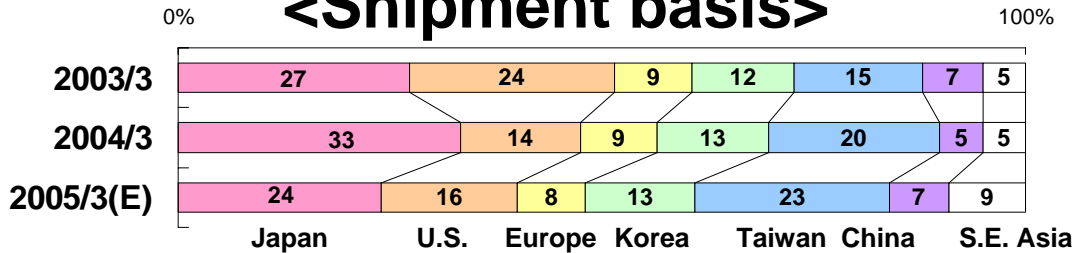
- FY2003 and FY2004 SPE sales: consolidated SPE sales – non-consolidated FPD sales
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FY2005 Revision of Financial Estimates

Projected SPE Sales by Region

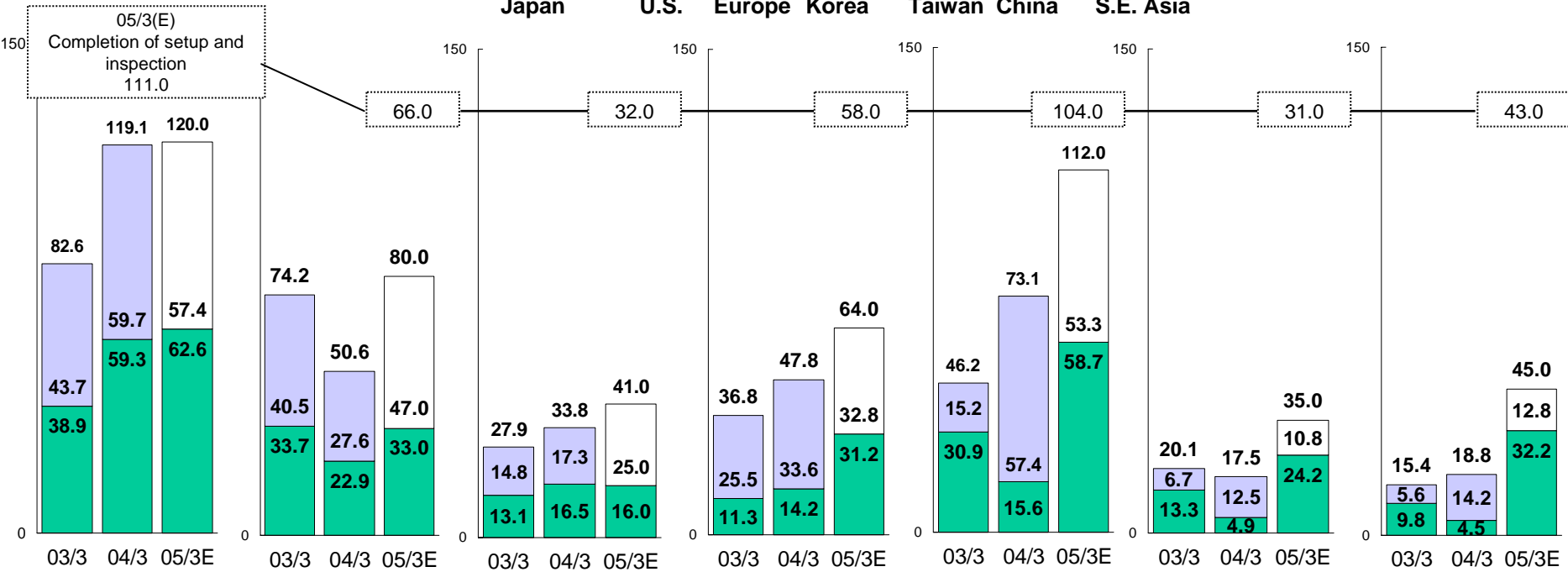


<Shipment basis>



2003/3	303.5
2004/3	360.9
2005/3(E)	497.0

(Billions of Yen)



05/3(E)
Completion of setup and inspection
111.0

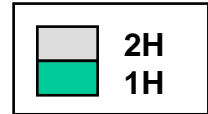
Region	YoY change
Japan	+1%
U.S.	+58%
Europe	+21%
Korea	+34%
Taiwan	+53%
China	+100%
S.E. Asia	+139%

FY2003 and FY2004 SPE sales: consolidated SPE sales – non-consolidated FPD sales

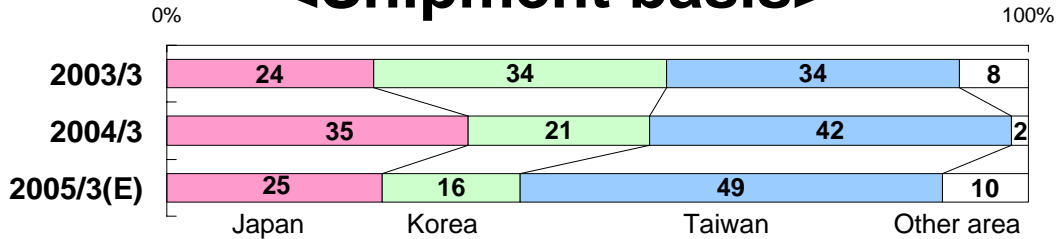


FY2005 Revision of Financial Estimates

Projected FPD Sales by Region

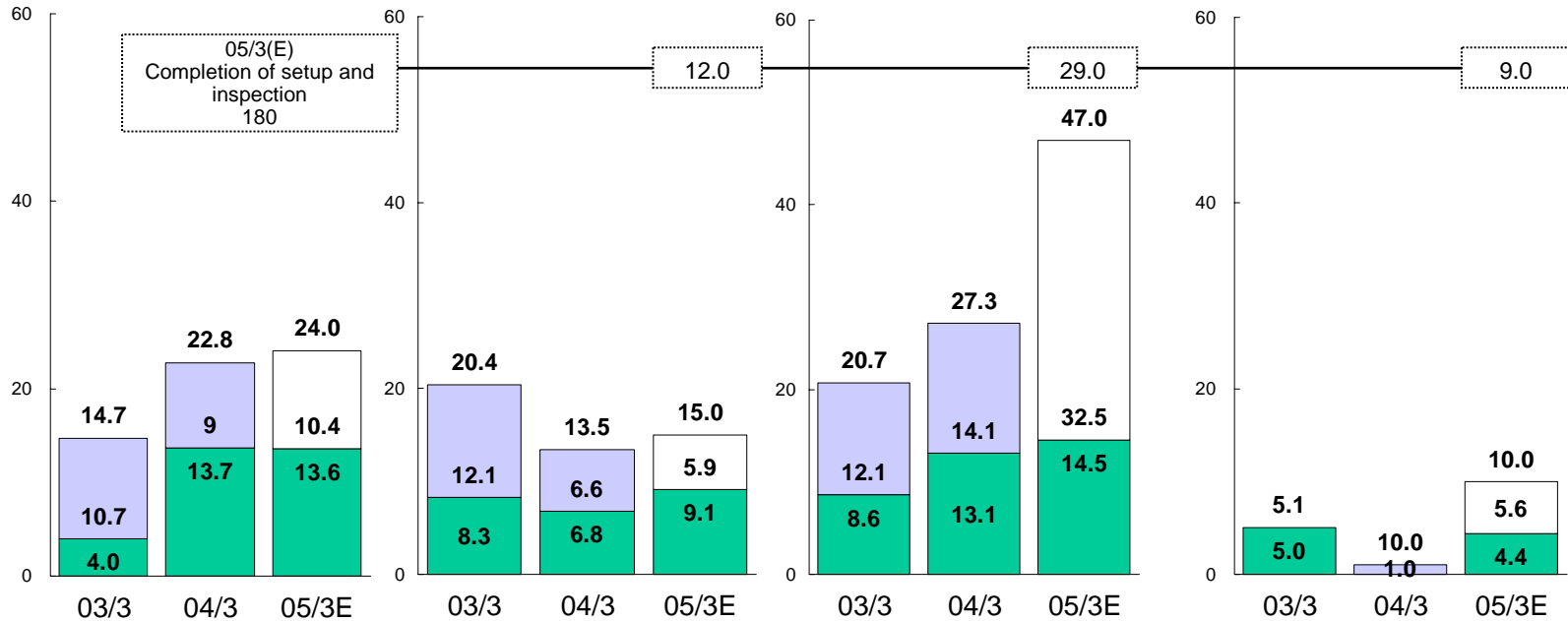


<Shipment basis>



2003/3	61.1
2004/3	64.7
2005/3(E)	96.0

(Billions of Yen)



Region	YoY change
Japan	+5%
Korea	+11%
Taiwan	+72%
Other area	10 times

FY2003 and FY2004: non-consolidated
 FY2005: consolidated



Projected R&D Expenses and Capital Expenditures

(Billions of Yen)

