

3Q FY2005 Financial Summary

3Q FY2005: October 1, 2004 - December 31, 2004
FY2005: April 1, 2004 - March 31, 2005

February 10, 2005

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



(Billions of Yen)

Consolidated Financial Results

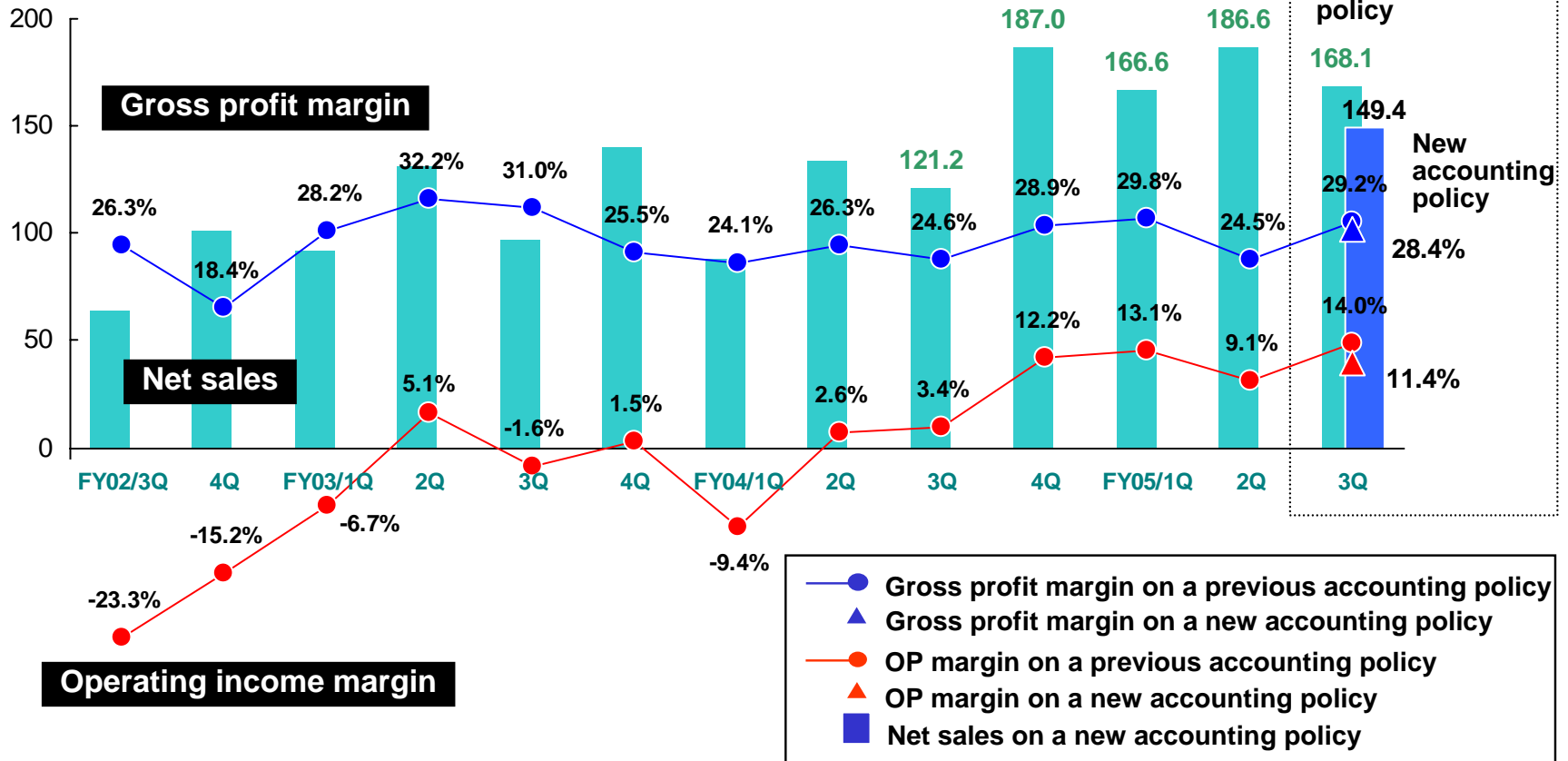


	FY2004 Previous accounting policy	FY2005 (by previous accounting policy)		FY2005 New accounting policy	
	1Q-3Q total	1Q-3Q total (a)	YoY change	1Q-3Q total (b)	Factors of differences (b)- (a)
Net sales	342.6	521.3	+52%	429.6	• Change in revenue recognition standards (-91.7)
SPE	268.7	372.3	+66%	308.1	
FPD		73.8		46.2	
CN	12.4	10.4	-16%	10.4	
EC	60.5	63.8	+5%	63.8	
Others	0.9	0.9	-2%	0.9	
Gross profit	86.0 (25.1%)	144.3 (27.7%)	+58.2 bil yen	119.1 (27.7%)	• One-off effects on gross profit by the change in revenue recognition standards (-25.0)
SG&A expenses	86.6	81.8	-4.7 bil yen	81.8	
Operating income	-0.6 (-0.2%)	62.4 (12.0%)	+63.0 bil yen	37.2 (8.7%)	
Ordinary income	-1.5	63.4	+65.0 bil yen	38.3	
Unusual & infrequent gains/losses	-3.2	-0.6	+2.5 bil yen	-13.0	• Warranty expenses for the products sold in the past FY (-12.4)
EBIT	-4.7	62.8	+67.6 bil yen	25.2	
Net income	-7.0			14.6	
R&D expenses	32.7	31.5	-1.1	31.5	
CAPEX	6.9	6.6	-0.2	6.6	
Depreciation	18.6	15.8	-2.7	15.8	



Quarterly Net Sales & Profit Ratio

(Billions of Yen)

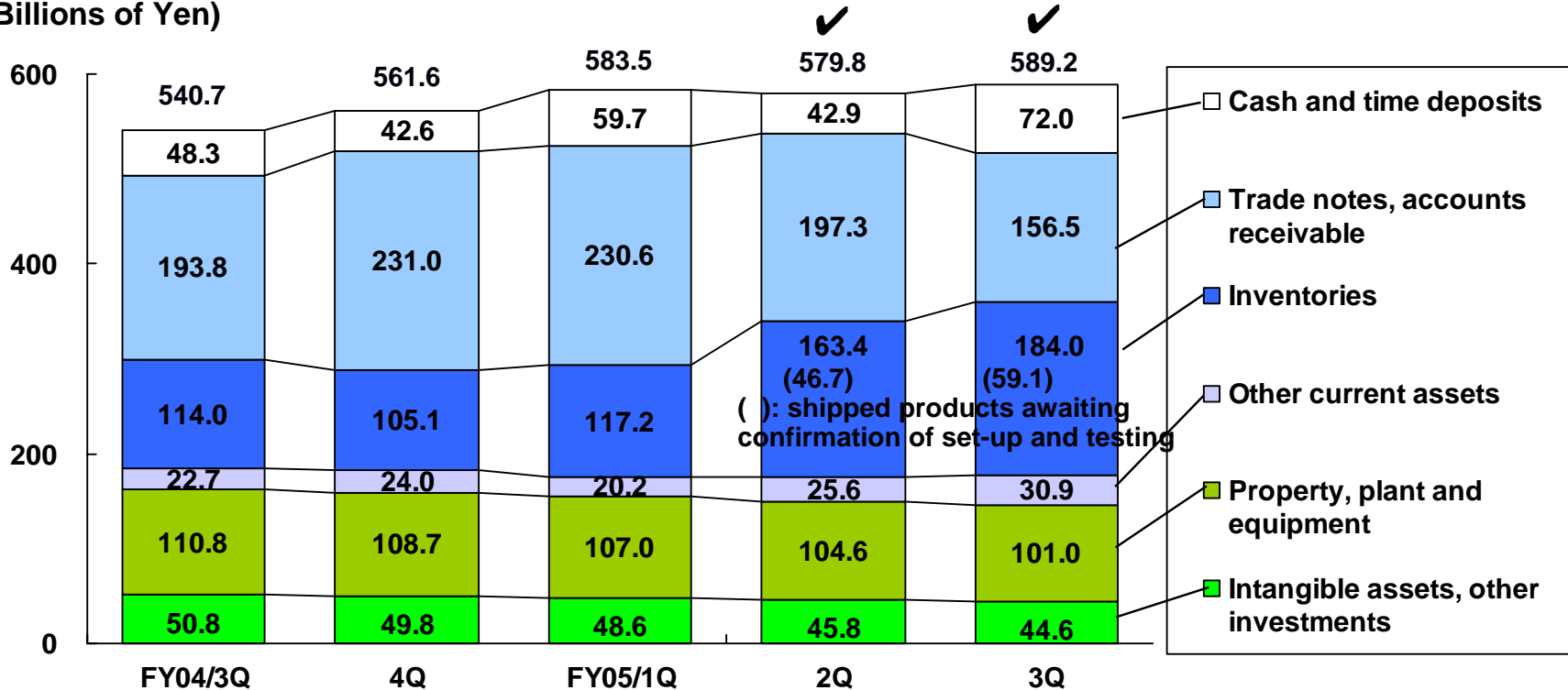


● From 1Q FY2004, some of the field engineering related expenses, which were previously included in SG&A, are classified as COGS.

3Q FY2005 Financial Summary

Quarterly Assets

(Billions of Yen)



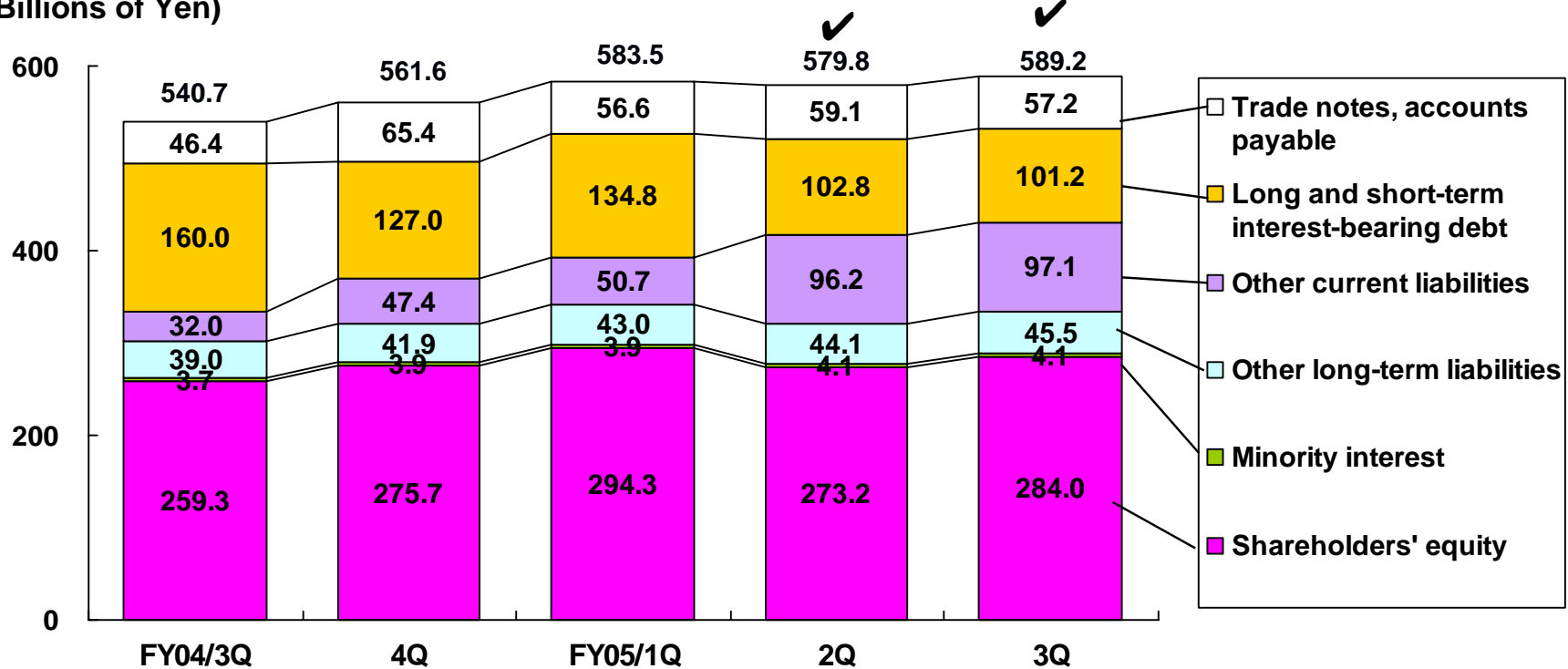
2004/9/30 (2Q end) vs 2004/12/31 (3Q end)

Trade notes, accounts receivable	-40.8	Faster recovery of accounts receivable (-40.8)
Inventories	+20.5	Increase in shipped products awaiting confirmation of set-up and testing (+12.3)



Quarterly Liabilities & Shareholders' Equity

(Billions of Yen)



2004/9/30 (2Q end) vs 2004/12/31 (3Q end)

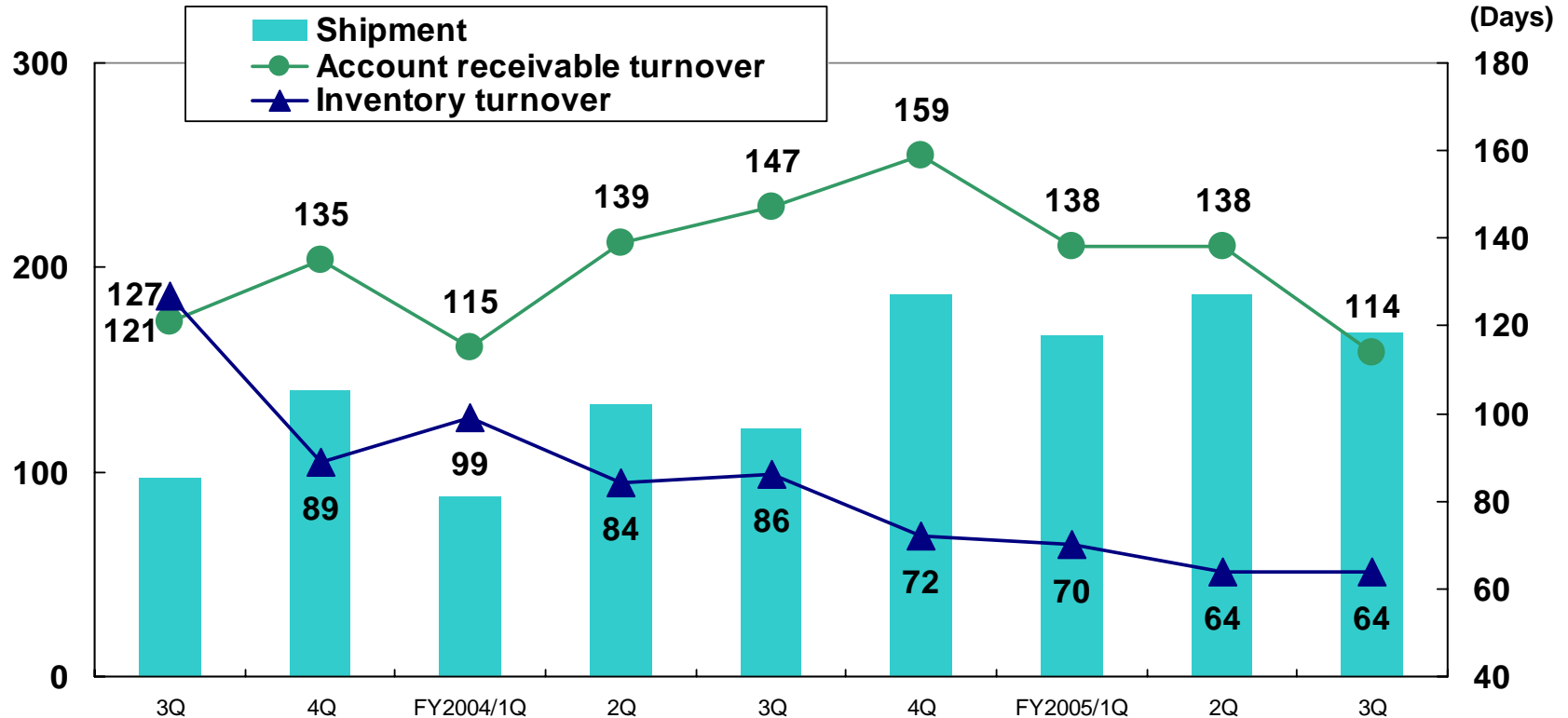
Shareholders' equity	+10.7	Increase in retained earnings (+10.7)
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Inventory Turnover and AR Turnover

<on a Shipment Basis>


(Billions of Yen)



Turnover days = Inventory or AR at the end of each quarter / 12-month moving-average shipment amount x 365

Cash Flow

(Billions of Yen)

	FY2005 		FY2004
	3Q (three months)	1Q-3Q (nine months)	1Q-3Q (nine months)
Cash flow from operating activities	34.4	67.4	- 21.7
Cash flow from investing activities	- 1.6	- 5.8	- 5.9
Cash flow from financing activities	- 4.3	- 32.5	22.7
Effect of exchange rate changes on cash and cash equivalents	0.6	0.4	0.3
Net increase in cash and cash equivalents	29.1	29.4	- 4.6
Cash and cash equivalents at end of term		72.0	48.3

- Operating CF: Increase through raising operating income, faster recovery of accounts receivable, and controlling inventories
- Investing CF: Limit investment in R&D evaluation equipment
- Financing CF: Use cash to reduce interest-bearing debt



Quarterly Shipment by Division

SPE Division

(Semiconductor Production Equipment)

FPD Division

(FPD Production Equipment)

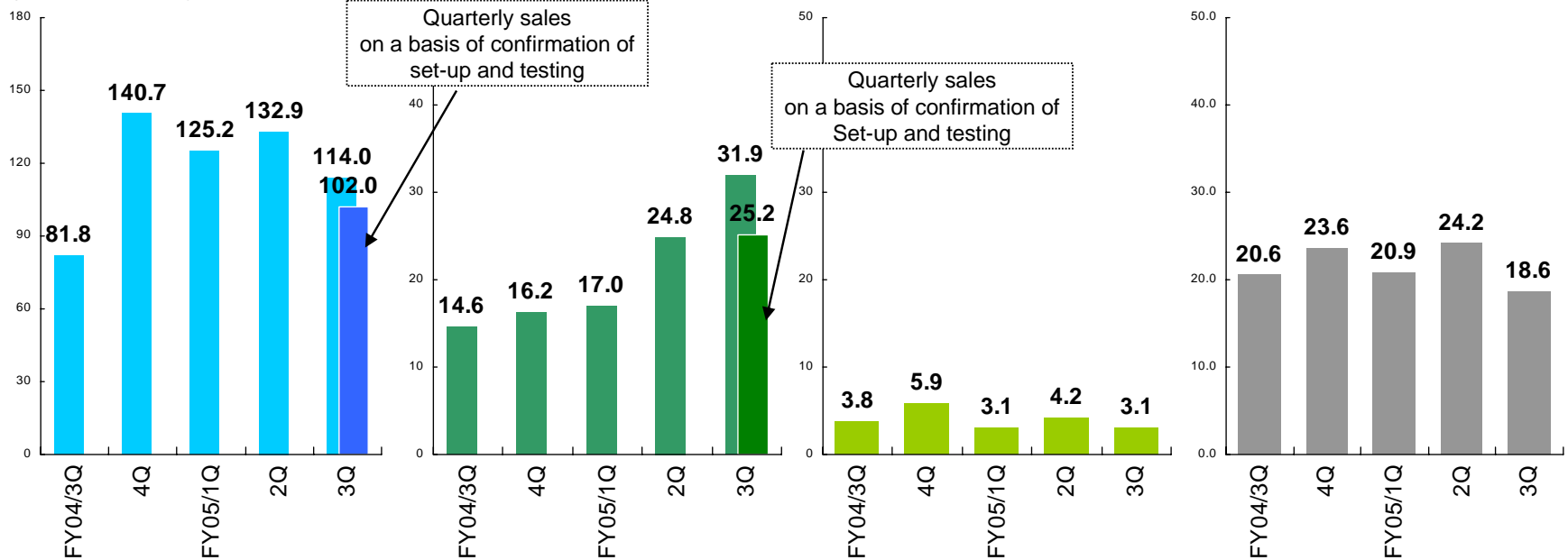
CN Division

(Computer Network)

EC Division

(Electronic Components)

(Billions of Yen)



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:

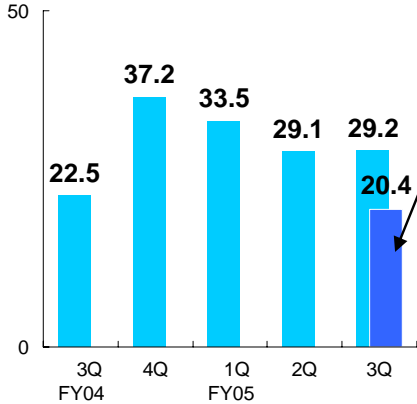
- FY2003 and FY2004 SPE sales: consolidated SPE sales – non-consolidated FPD sales
- FY2003 and FY2004 FPD sales: non-consolidated FPD sales



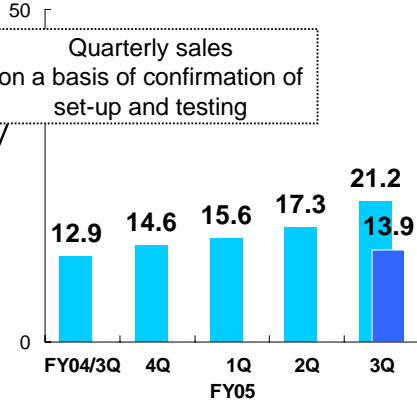
Quarterly SPE Shipment by Region

(Billions of Yen)

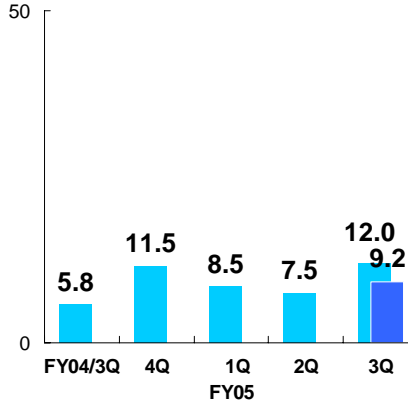
Japan



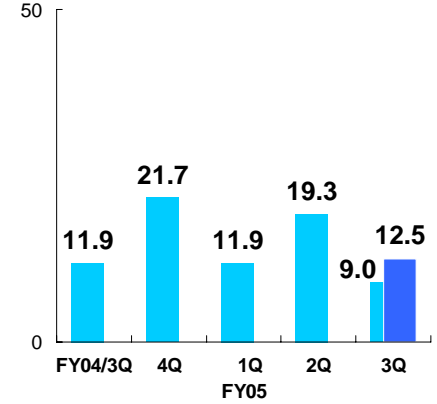
U.S.



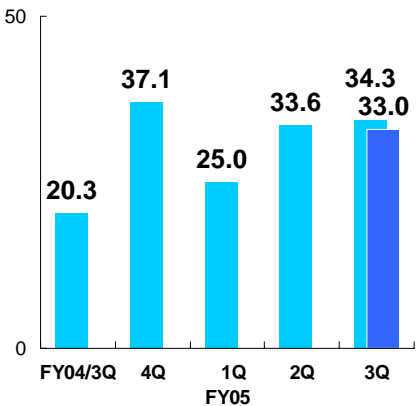
Europe



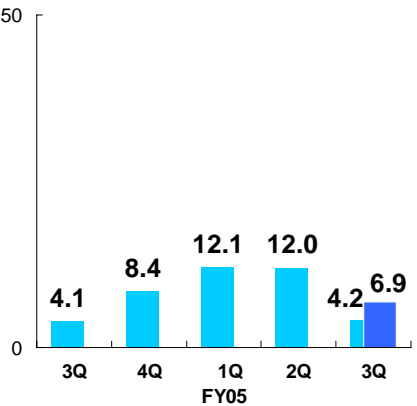
Korea



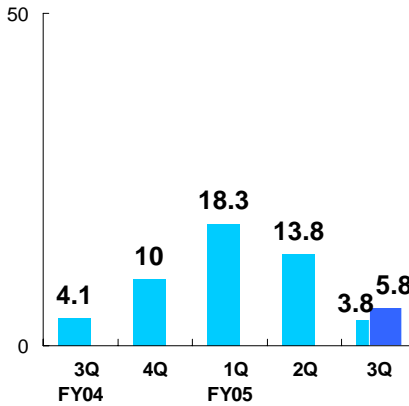
Taiwan



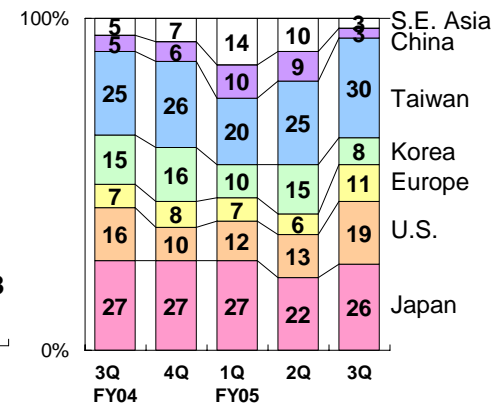
China



S.E. Asia



Quarterly Composition



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



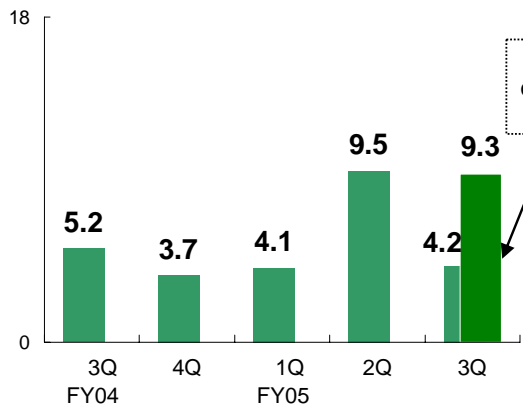
TOKYO ELECTRON



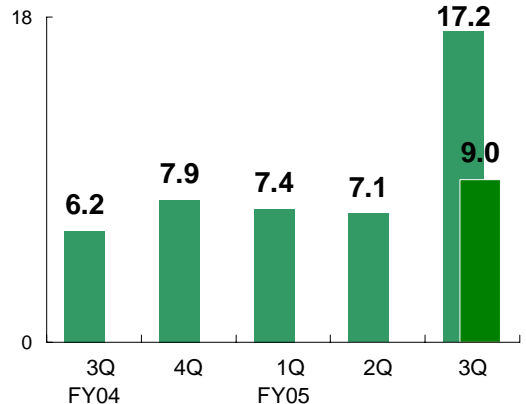
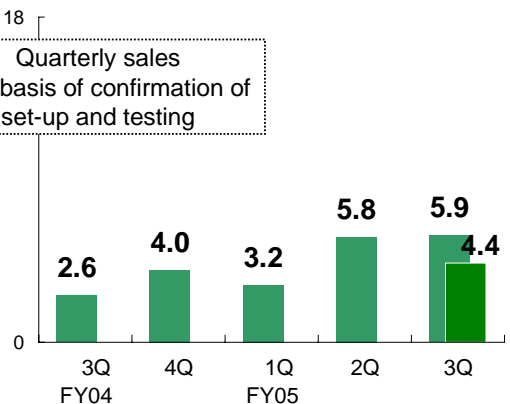
Quarterly FPD Equipment Shipment by Region

(Billions of Yen)

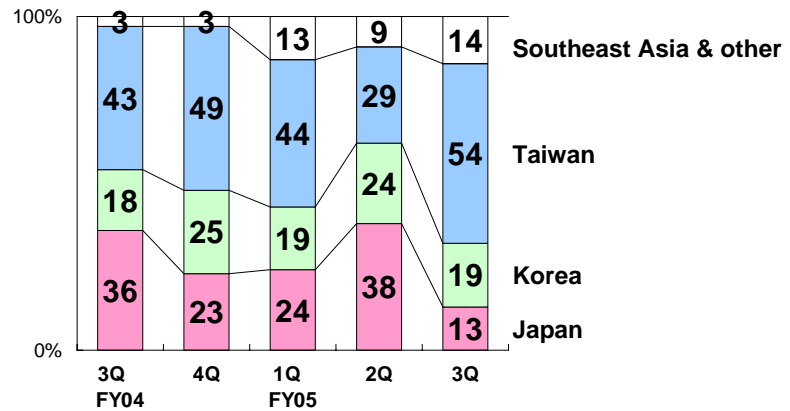
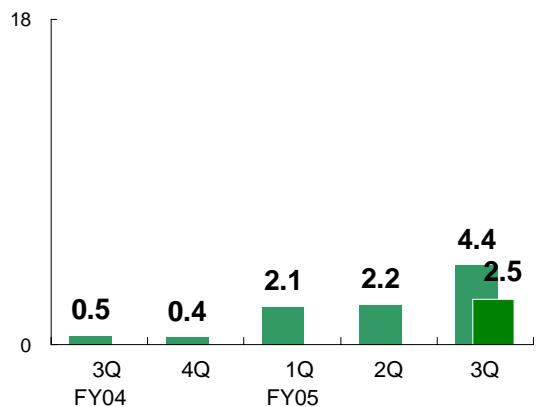
Japan Korea Taiwan



Quarterly sales on a basis of confirmation of set-up and testing



Southeast Asia and other Quarterly Composition



FY2003 and FY2004: non-consolidated, FY2005: consolidated



TOKYO ELECTRON



Segment Information by Business Type

Net sales/Operating income/Operating income margin

(Billions of Yen)		FY2005 New accounting policy		FY2004 Previous accounting policy	
		1Q-3Q Nine months		1Q-3Q Nine months	Full year Twelve months
Industrial electronic equipment *1	Net sales	366.5	282.8	446.4	
	Operating income	35.0	-2.6	18.9	
	Operating margin	9.6%	-1.0%	4.2%	
Electronic components *2	Net sales	65.0	61.4	85.7	
	Operating income	2.1	1.9	3.1	
	Operating margin	3.3%	3.2%	3.7%	
Elimination or Corporate	Net sales	-2.0	-1.6	-2.5	
	Operating income	0.0	0.1	0.1	
Consolidated	Net sales	429.6	342.6	529.6	
	Operating income	37.2	-0.6	22.2	
	Operating margin	8.7%	-0.2%	4.2%	

*1 Industrial electronic equipment:

- Semiconductor Production Equipment
- FPD Production Equipment
- Computer Systems and Networks
- Other

*2 Electronic Components:

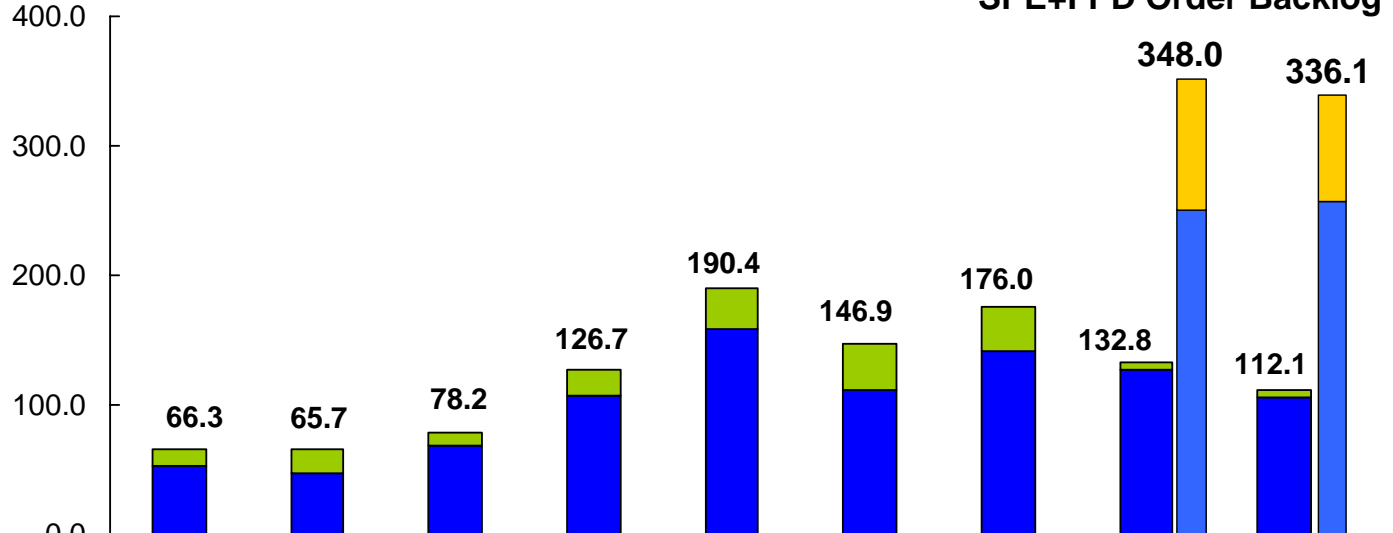
- Semiconductor products
- Boards
- Software
- Other electronic components



Quarterly SPE+FPD Order, Order Backlog

Net, Non-consolidated Basis

(Billions of Yen)



	2002/10-12	2003/1-3	2003/4-6	2003/7-9	2003/10-12	2004/1-3	2004/4-6	2004/7-9	2004/10-12
FPD Production Equipment	13.0	19.2	9.3	19.2	31.6	34.7	34.9	6.0	6.6
Semiconductor Production Equipment	53.2	46.5	68.8	107.5	158.7	112.1	141.0	126.8	105.4

■ FPD Production Equipment Order backlog
■ Semiconductor Production Equipment Order backlog

99.6 81.0
 248.3 255.1

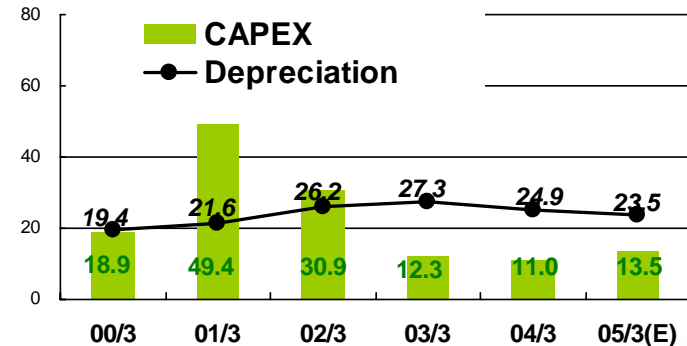
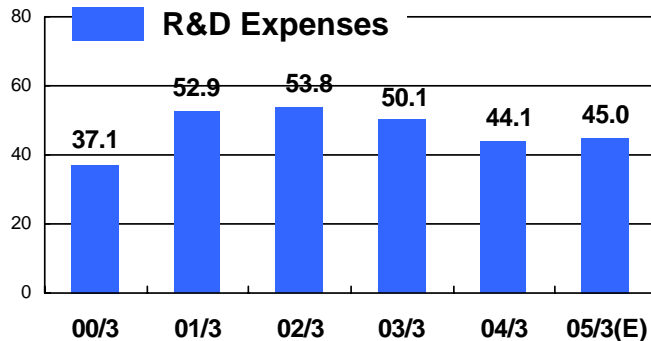
3Q FY2005 Financial Summary

Full Year Financial Estimates

Remain unchanged from the forecast announced on Nov. 11, 2004

(Billions of Yen)

	FY2004	FY2005 (E)		
		Previous accounting policy	YoY change	New accounting policy
Net sales	529.6	700.0	+32%	620.0
Operating income	22.2 (4.2%)	80.0 (11.4%)	+57.8 bil yen	62.0 (10.0%)
Ordinary income	21.1	82.0	+60.9 bil yen	64.0
Unusual & infrequent gains/losses	-6.2	-0.5	+5.7 bil yen	-13.0
EBIT	14.9	81.5	+66.6 bil yen	51.0
Net income	8.2			60.0



Revision of Dividend Forecast

TEL has revised upward its year-end dividend forecast for FY2005, considering the strong performance and the importance of returning profits to shareholders.

For the year ending March 2005 (FY2005)

Interim	Year-end		Full year	
	Previous	Revised	Previous	Revised
15.00 yen	15.00 yen	→ 30.00 yen	30.00 yen	→ 45.00 yen

Payout ratio projection: **21.7%** on a non-consolidated basis
13.4% on a consolidated basis