

Non-consolidated Interim Financial Review for the Six Months Ended September 30, 2004

Company name:	 TOKYO ELECTRON LIMITED
URL:	http://www.tel.com
Headquarters address:	3-6 Akasaka 5-chome, Minato-ku, Tokyo 107-8481 Japan
Telephone number:	(03) 5561-7000
Stock exchange listing:	Tokyo Stock Exchange 1st Section
Code number:	8035
Company representative:	Kiyoshi Sato, President & CEO
Person-in-charge:	Yukio Saeki, Director, Accounting Department
Interim Board of Directors Meeting:	November 11, 2004
Date of interim dividend payment:	December 10, 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 six months ended September 30, 2004 (4/1/04 - 9/30/04)

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	%
Six months ended 9/30/04	229,154	30.8	9,353	-	12,143	-
Six months ended 9/30/03	175,163	(2.8)	(11,039)	-	(4,437)	-
Year ended 3/31/04	433,708		193		8,294	

	Net income		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Six months ended 9/30/04	(67)	-	(0.38)	-
Six months ended 9/30/03	(4,362)	-	(24.97)	-
Year ended 3/31/04	3,778		21.11	20.87

Notes:

1. Average number of shares of common stock issued:

Six months ended 9/30/04:	178,420,803 shares
Six months ended 9/30/03:	174,669,000 shares
Year ended 3/31/04:	176,629,342 shares

2. Changes in accounting methods: Changed

3. Percentages for net sales, operating income, ordinary income and net income indicate changes from the previous term.

(2) Cash dividends

	Interim cash dividends per share	Annual cash dividends per share
	Yen	Yen
Six months ended 9/30/04	15.00	-
Six months ended 9/30/03	4.00	-
Year ended 3/31/04	-	10.00

(3) Financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of 9/30/04	505,288	231,057	45.7	1,297.44
As of 9/30/03	448,166	227,413	50.7	1,273.38
As of 3/31/04	495,055	235,860	47.6	1,320.41

Notes:

1. Number of shares of common stock issued as of:
September 30, 2004: 178,086,447 shares
September 30, 2003: 178,590,118 shares
March 31, 2004: 178,588,568 shares
2. Number of shares of treasury stock as of:
September 30, 2004: 2,524,464 shares
September 30, 2003: 2,020,793 shares
March 31, 2004: 2,022,343 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	
				Year end	
Year ending 3/31/05	Millions of yen 520,000	Millions of yen 31,000	Millions of yen 37,000	Yen 15.00	Yen 30.00

For reference: Estimate of net income per share for the year ending March 31, 2005: 207.76 yen

Non-consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2004		As of September 30, 2003		Increase (decrease)	As of March 31, 2004	
	Amount	Compo- sition (%)	Amount	Compo- sition (%)	Amount	Amount	Compo- sition (%)
(Assets)							
Current Assets	416,795	82.5	350,615	78.2	66,180	402,087	81.2
Cash and time deposits	31,996		34,995		(2,998)	35,001	
Trade notes	5,453		2,796		2,657	2,037	
Accounts receivable - trade	172,142		151,411		20,730	207,889	
Inventories	86,038		44,547		41,491	28,478	
Short-term loans	97,333		103,264		(5,930)	107,170	
Deferred tax assets	995		-		995	-	
Others	22,923		13,625		9,298	21,584	
Allowance for doubtful accounts	(89)		(26)		(63)	(75)	
Long-term Assets	88,492	17.5	97,551	21.8	(9,058)	92,968	18.8
Tangible fixed assets	31,002		34,700		(3,697)	32,806	
Intangible fixed assets	7,565		8,506		(941)	8,110	
Investments and other assets	49,924		54,344		(4,419)	52,051	
Investments in subsidiaries	39,194		41,980		(2,786)	39,194	
Others	12,619		14,092		(1,472)	14,615	
Allowance for doubtful accounts	(1,889)		(1,729)		(160)	(1,758)	
Total Assets	505,288	100.0	448,166	100.0	57,121	495,055	100.0

Non-consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2004		As of September 30, 2003		Increase (decrease) Amount	As of March 31, 2004	
	Amount	Compo- sition (%)	Amount	Compo- sition (%)		Amount	Compo- sition (%)
(Liabilities)							
Current liabilities	194,133	38.4	114,476	25.6	79,656	150,198	30.4
Trade notes	0		-		0	0	
Accounts payable - trade	82,528		59,062		23,465	86,244	
Short-term borrowings	917		1,673		(756)	1,142	
Commercial paper	-		5,000		(5,000)	-	
Bonds due within 1 year	30,000		20,000		10,000	20,000	
Accrued income taxes	232		8		223	8	
Advance from customer	34,925		2,497		32,428	12,069	
Allowance for employees' bonuses	1,550		1,136		413	1,131	
Warranty reserves	13,906		-		13,906	-	
Provision for loss resulting from lawsuits	73		73		-	73	
Provision for loss on transaction liabilities	-		324		(324)	-	
Provision for loss on restructuring	-		189		(189)	-	
Stock purchase warrant	1,059		1,109		(50)	1,084	
Others	28,939		23,400		5,539	28,444	
Long-term liabilities	80,097	15.9	106,276	23.7	(26,178)	108,997	22.0
Straight bonds	60,000		90,000		(30,000)	90,000	
Long-term loans	-		600		(600)	200	
Deferred tax liabilities	1,754		1,032		722	2,307	
Allowance for retirement and severance benefits	11,642		9,691		1,950	10,899	
Allowance for retirement and severance benefits for directors	427		421		6	456	
Allowance for losses on investments in subsidiaries	6,272		4,530		1,742	5,132	
Deposits received for guarantees	0		0		-	0	
Total Liabilities	274,231	54.3	220,752	49.3	53,478	259,195	52.4
(Shareholders' Equity)							
Common stock	54,961	10.9	54,961	12.2	-	54,961	11.1
Capital surplus	78,023	15.4	78,023	17.4	-	78,023	15.8
Additional paid in capital	78,023		78,023		-	78,023	
Retained earnings	112,778	22.3	106,542	23.8	6,236	113,967	23.0
Legal reserve	5,660		5,660		-	5,660	
Voluntary reserve	105,752		104,923		829	104,923	
Unappropriated retained profits (losses)	1,365		(4,041)		5,407	3,384	
Revaluation of investment in securities	1,305	0.3	1,072	0.2	232	2,111	0.4
Treasury stock at cost	(16,011)	(3.2)	(13,185)	(2.9)	(2,825)	(13,203)	(2.7)
Total Shareholders' Equity	231,057	45.7	227,413	50.7	3,643	235,860	47.6
Total Liabilities and Shareholders' Equity	505,288	100.0	448,166	100.0	57,121	495,055	100.0

Non-consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2004		Six months ended September 30, 2003		Increase (decrease)		Year ended March 31, 2004	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	%	Amount	Ratio to net sales
Net sales	229,154	100.0	175,163	100.0	53,990	30.8	433,708	100.0
Cost of sales	197,452	86.2	162,941	93.0	34,510	21.2	389,073	89.7
Gross profit	31,701	13.8	12,221	7.0	19,480	159.4	44,634	10.3
Selling, general & administrative expenses	22,348	9.7	23,261	13.3	(913)	(3.9)	44,440	10.3
Operating income (loss)	9,353	4.1	(11,039)	(6.3)	20,393	-	193	0.0
Non-operating income								
Interest income	272		322		(49)		584	
Dividend income	1,613		6,312		(4,698)		6,971	
Rent revenue	1,473		1,577		(104)		3,171	
Miscellaneous income	1,016		414		602		1,103	
Non-operating expenses								
Interest expenses	49		27		21		49	
Bond interest	490		496		(6)		1,039	
New stock issuing expenses	-		117		(117)		117	
New bond issuing expenses	-		232		(232)		232	
Rent expenses	831		927		(96)		1,924	
Foreign currency translation loss	116		38		77		117	
Miscellaneous expenses	98		182		(84)		247	
Ordinary income (loss)	12,143	5.3	(4,437)	(2.5)	16,580	-	8,294	1.9
Unusual or infrequent profit	106		1,012		(905)		1,727	
Unusual or infrequent loss	13,312		928		12,384		5,664	
Income (loss) before income taxes	(1,063)	(0.5)	(4,353)	(2.5)	3,290	-	4,357	1.0
Provision for income taxes and enterprise	(995)		9		(1,004)		16	
Deferred income taxes	-		-		-		562	
Net income (loss)	(67)	(0.0)	(4,362)	(2.5)	4,294	-	3,778	0.9
Profit and loss carried forward	1,433		320		1,112		320	
Treasury stock disposal loss	-		0		(0)		0	
Interim dividend	-		-		-		714	
Unappropriated retained earnings (losses)	1,365		(4,041)		5,407		3,384	