

TOKYO ELECTRON

FY2006 Financial Announcement



May 12, 2006

Disclaimer regarding forward-looking statement

Forecast of TEL's performance and future prospects and other sort of information published are made based on information available at the time of publication. Actual performance and results may differ significantly from the forecast described here due to changes in various external and internal factors, including the economic situation, semiconductor/FPD market conditions, intensification of sales competition, safety and product quality management, and intellectual property-related risks.

Processing of numbers

For the amount listed, because fractions are rounded down, there may be the cases where the total for certain account titles does not correspond to the sum of the respective figures for account titles. Round applies for percentage calculations.



TOKYO ELECTRON

FY2006 Financial Summary

FY2005: April 1, 2004 - March 31, 2005
FY2006: April 1, 2005 - March 31, 2006

May 12, 2006



Consolidated Financial Results

(Billions of Yen)

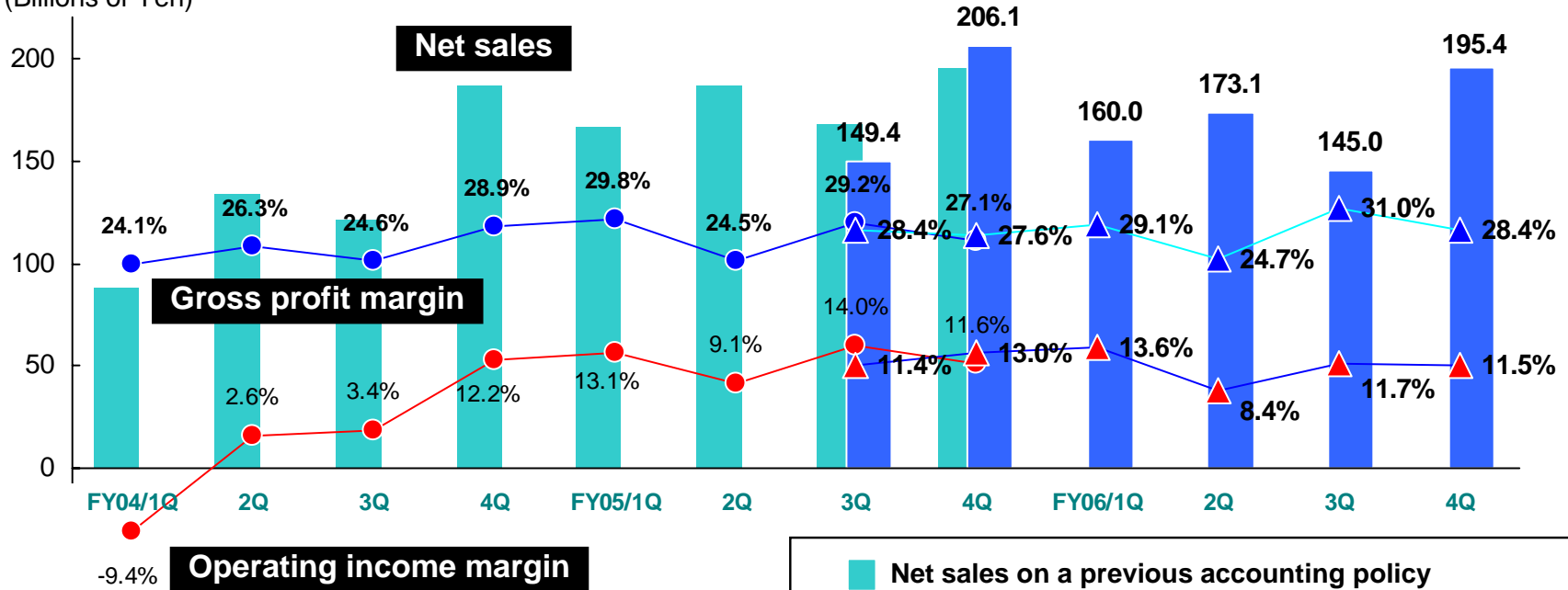
	FY2005	FY2006	YoY change	YoY change (%)
Net sales	635.7	673.6	37.9	+6.0%
SPE	457.1	486.8	29.6	+6.5%
FPD	75.0	81.1	6.1	+8.2%
CN	15.9	17.4	1.5	+9.6%
EC	86.2	86.8	0.6	+0.7%
Others	1.2	1.2	-0.0	-1.4%
Gross profit	175.9 (27.7%)	189.7 (28.2%)	13.8	+7.9%
SG&A expenses	111.9	114.0	2.0	+1.9%
Operating income	63.9 (10.1%)	75.7 (11.2%)	11.7	+18.3%
Ordinary income	65.6	75.9	10.3	+15.7%
EBIT	55.7	75.3	19.5	+35.1%
Net income	61.6	48.0	-13.5	-22.1%

Deferred tax assets
of prior year (27.9B)

R&D Expenses	43.8	49.1	+5.2	+12.1%
Capital Expenditures	9.8	13.3	+3.4	+35.0%
Depreciation	21.4	19.1	-2.2	-10.7%

Quarterly Net Sales & Profit Ratio

(Billions of Yen)



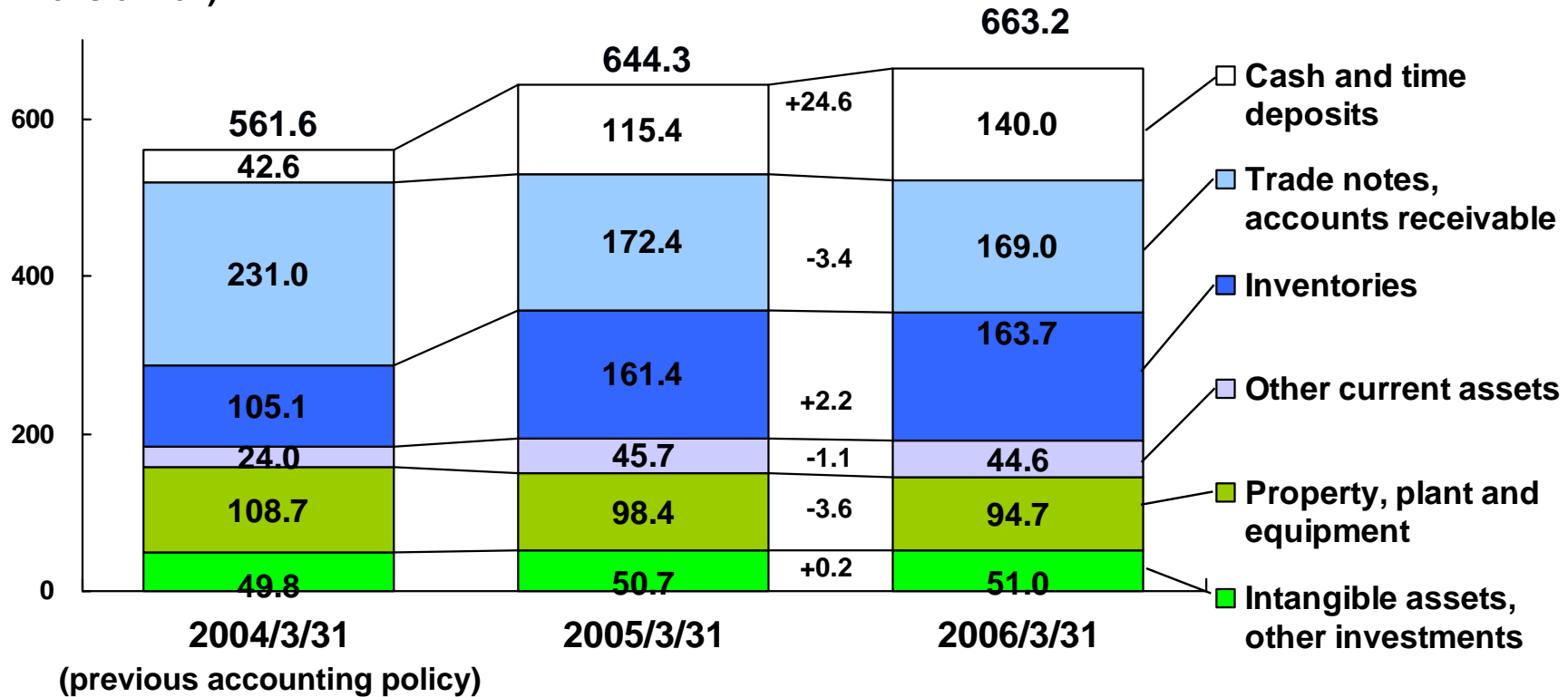
- Net sales on a previous accounting policy
- Net sales on a new accounting policy
- Gross profit margin on a previous accounting policy
- ▲ Gross profit margin on a new accounting policy
- OP margin on a previous accounting policy
- ▲ OP margin on a new accounting policy



FY2006 Financial Summary

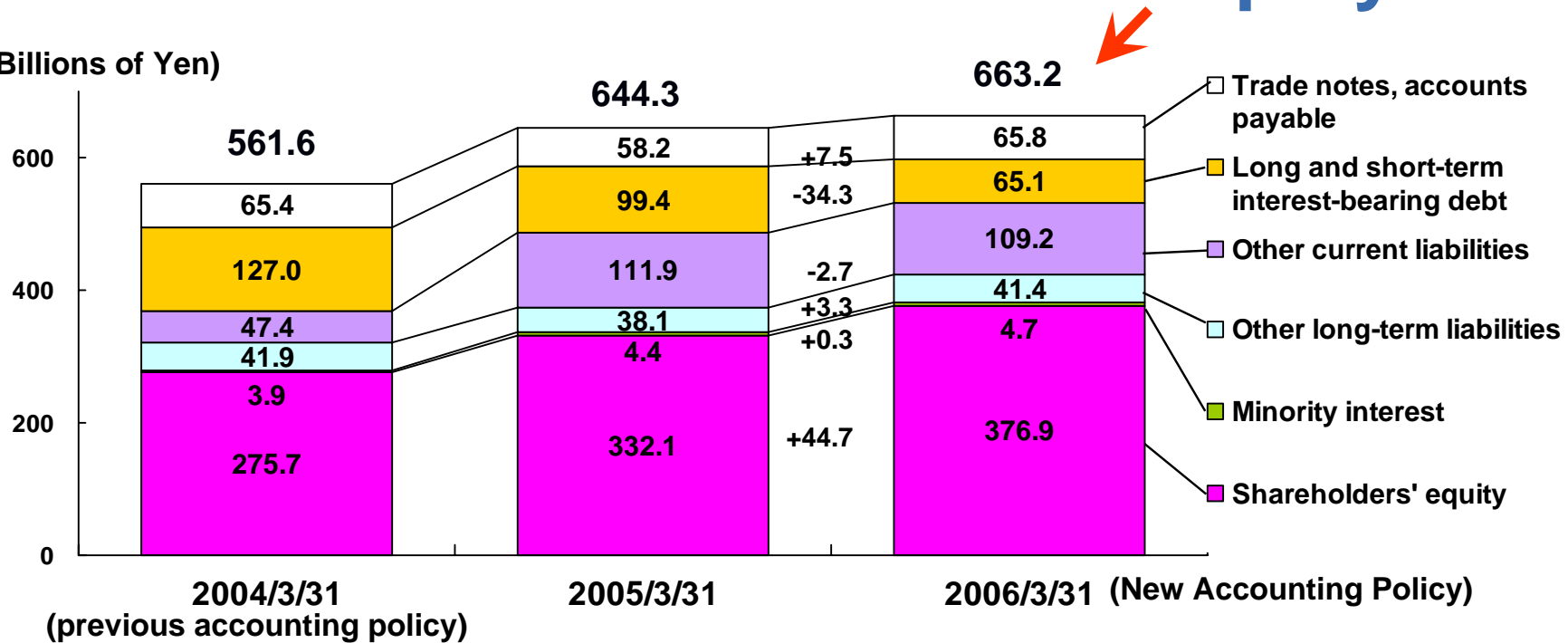
Assets

(Billions of Yen)



Liabilities & Shareholders' Equity

(Billions of Yen)

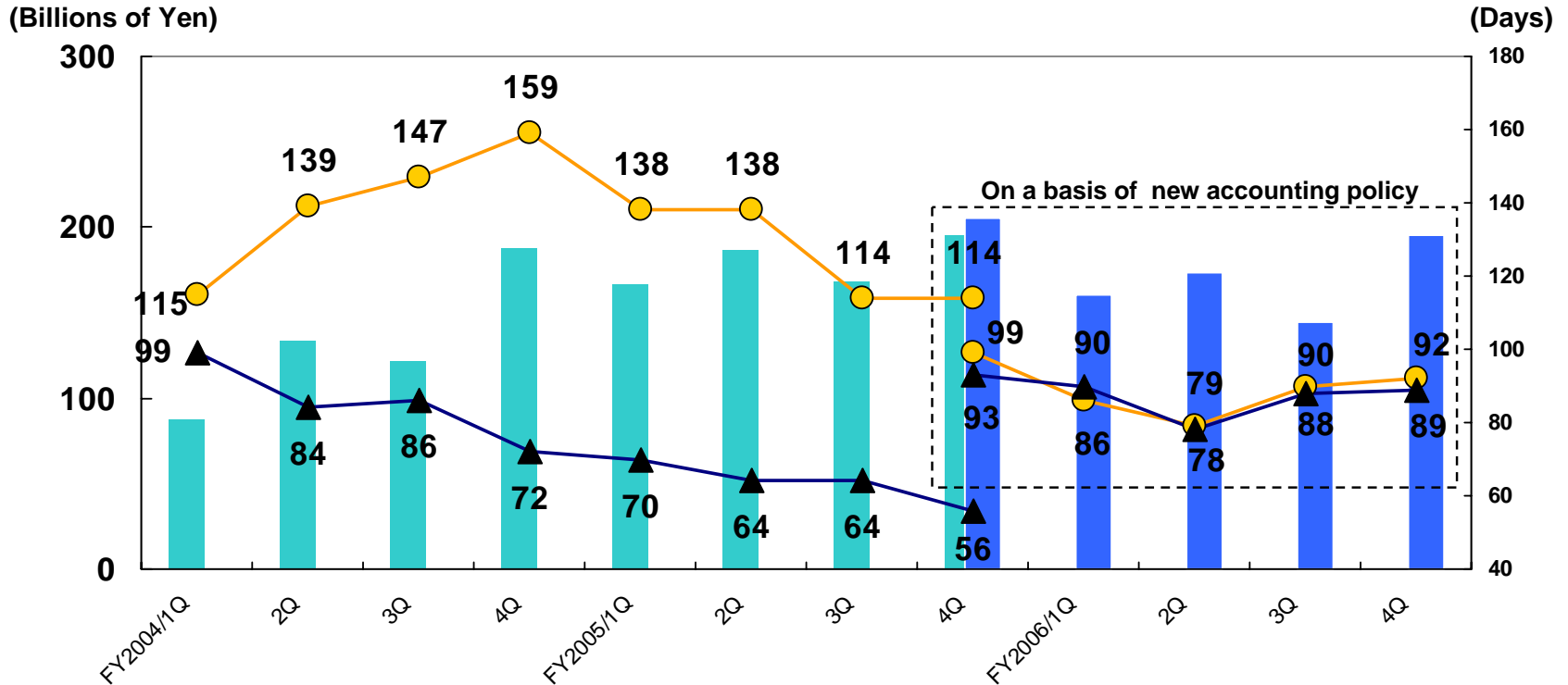
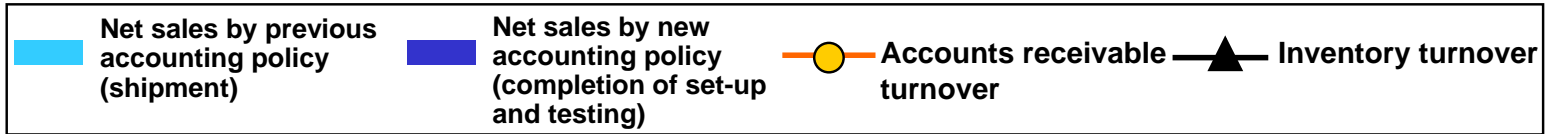


Debt / Equity	46.1%	29.9%	17.3%
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2005/3/31 vs 2006/3/31

Long and short-term interest-bearing debt	-34.3	Redemption of SB (-30.0), decrease in bank borrowings (-4.3)
Shareholders' equity	+44.7	Increase in retained earnings (+37.8)

Inventory Turnover and AR Turnover



- Turnover days = Inventory or AR at the end of each quarter / 12-month moving-average sales x 365
- For calculating turnovers for 1Q/FY2006, "6 months sales (1H/FY2005) on a basis of new accounting policy x 1/2" is used as a figure for 2Q/FY2005 sales.

Cash Flow

(Billions of Yen)

		2004/3	2005/3	2006/3
Cash flow from operating activities		7.8	114.3	78.8
	Income before income taxes	14.9	55.7	75.3
	Depreciation and amortization	24.9	21.4	19.1
	Others	▲ 32.0	37.1	▲ 15.6
Cash flow from investing activities		▲ 8.5	▲ 7.4	▲ 10.5
	Payment for purchase of property, plant, equipment, etc	▲ 8.5	▲ 7.4	▲ 10.5
Cash flow from financial activities		▲ 10.2	▲ 34.3	▲ 43.4
	Increase in interest bearing debt (▲decrease)	▲ 8.6	▲ 27.6	▲ 34.4
	Dividends paid	▲ 1.4	▲ 3.7	▲ 9.7
	Others	▲ 0.2	▲ 2.9	0.8
Effect of exchange rate changes on cash and cash equivalents		0.5	0.2	▲ 0.3
Net increase in cash and cash equivalents(▲decrease)		▲ 10.3	72.7	24.5
Cash and cash equivalents at beginning of year		52.9	42.6	115.4
Cash and cash equivalents at end of year		42.6	115.4	140.0

- Operating CF: Increase through raising operating income, faster recovery of accounts receivable, and increase in accounts payable
- Investing CF: Acquisition of fixed assets
- Financing CF: Used cash for reducing interest-bearing debt



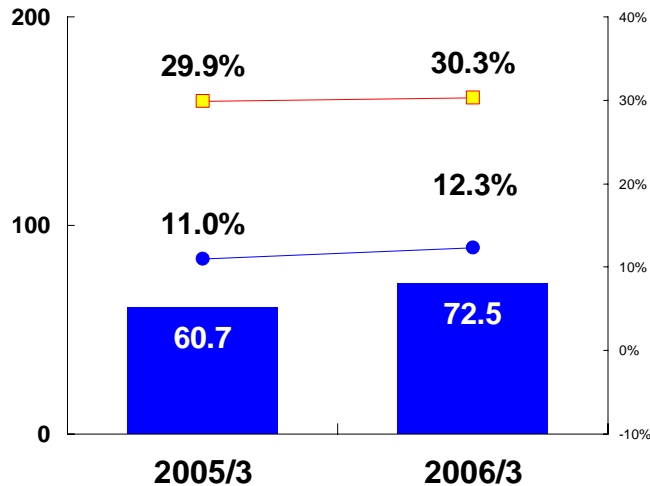
Segment Information by Business Type

Operating income/Operating income margin

Industrial electronic equipment
(SPE, FPD, Computer systems and Networks, other)

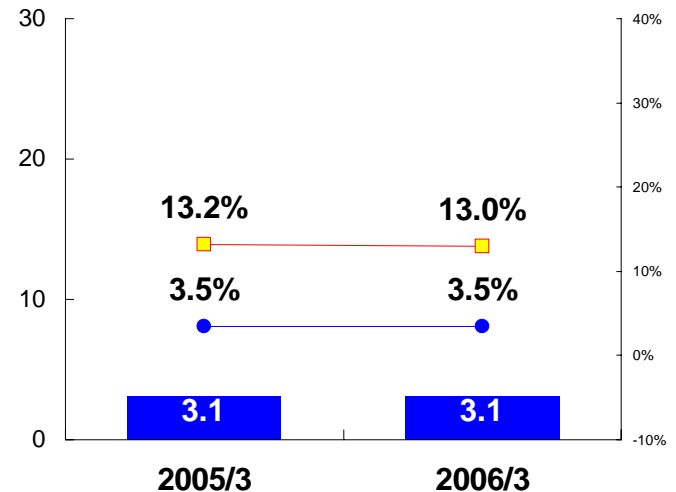
Electronic components
(Semiconductor products, Boards, Software, Other electronic components)

(Billions of Yen)



■ Operating income ● Operating margin
■ Gross margin

(Billions of Yen)

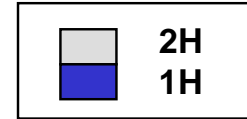


■ Operating income ● Operating margin
■ Gross margin

● Segment gross margin is provided just for reference.

FY2006 Financial Summary

Net Sales by Division



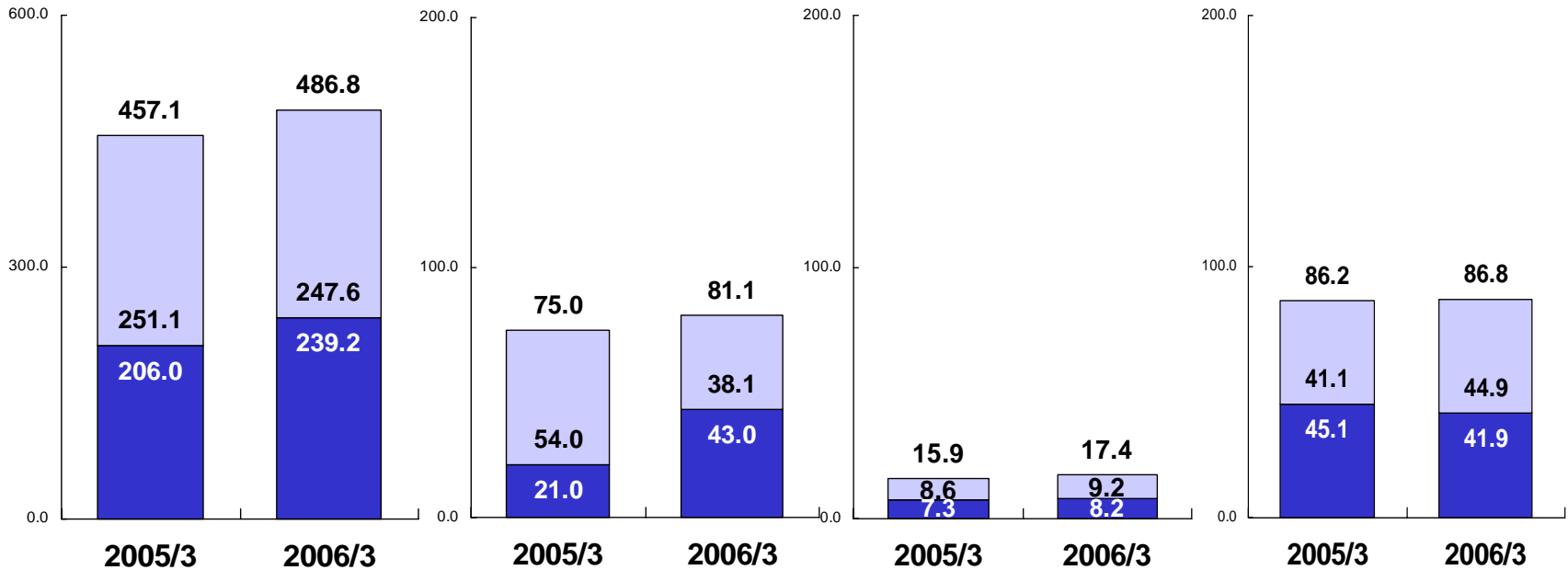
SPE Division
(Semiconductor Production Equipment)

FPD Division
(FPD Production Equipment)

CN Division
(Computer Network)

EC Division
(Electronic Components)

(Billions of Yen)



YoY change +6.5%

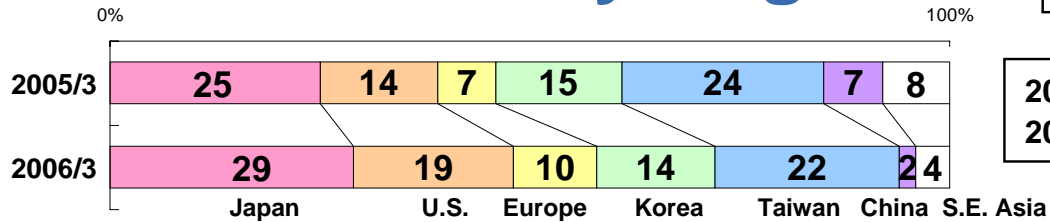
+8.2%

+9.6%

+0.7%

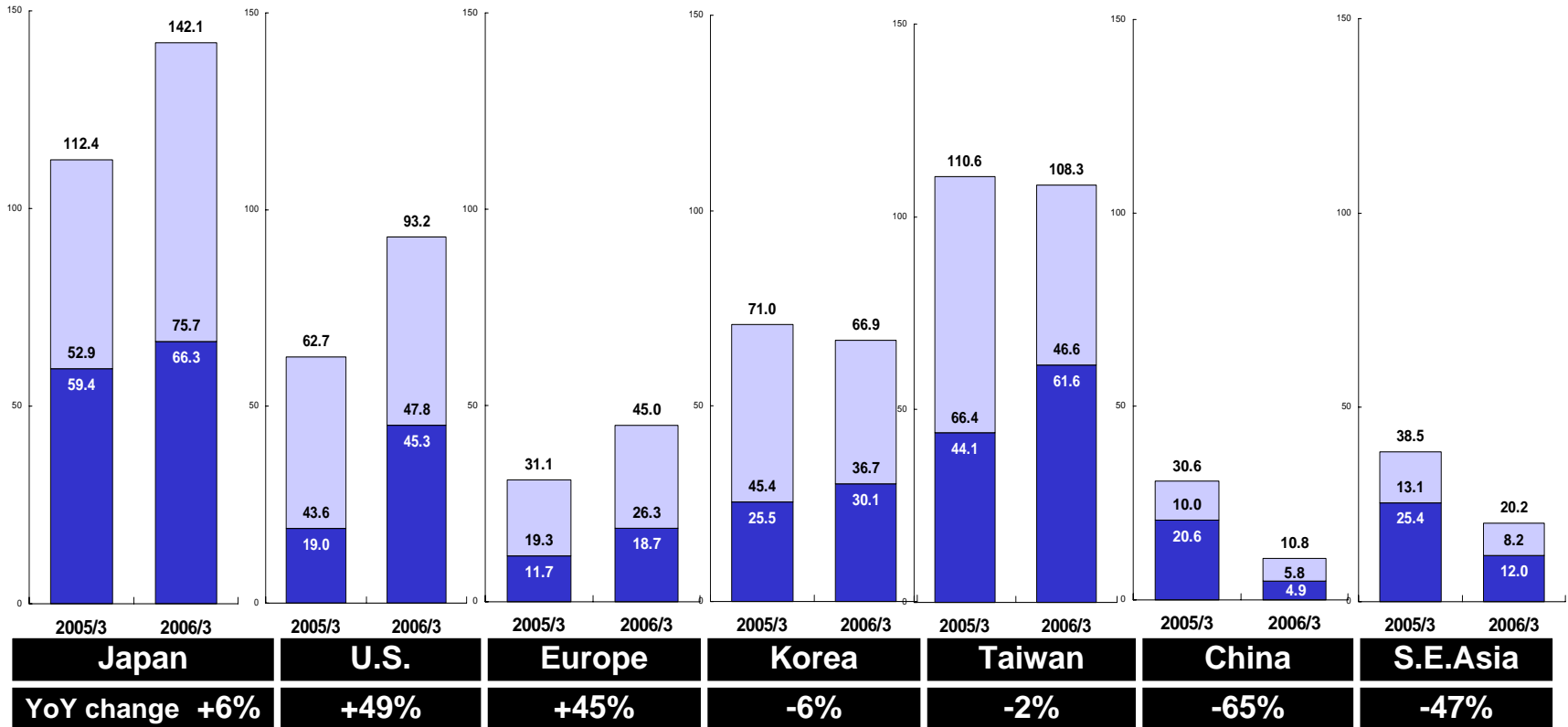
FY2006 Financial Summary

SPE Sales by Region

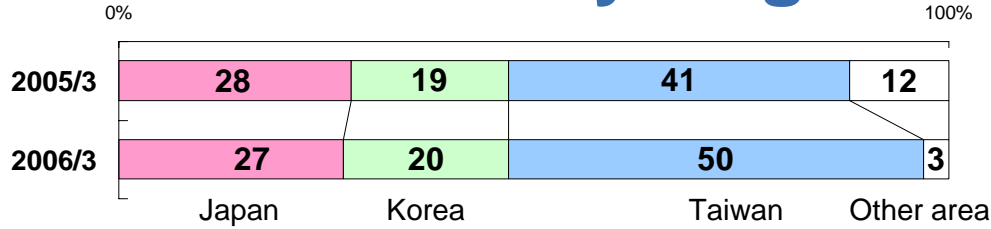
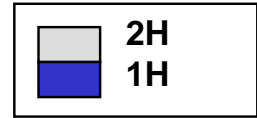


2005/3 457.1 bil yen
2006/3 486.8 bil yen

(Billions of Yen)

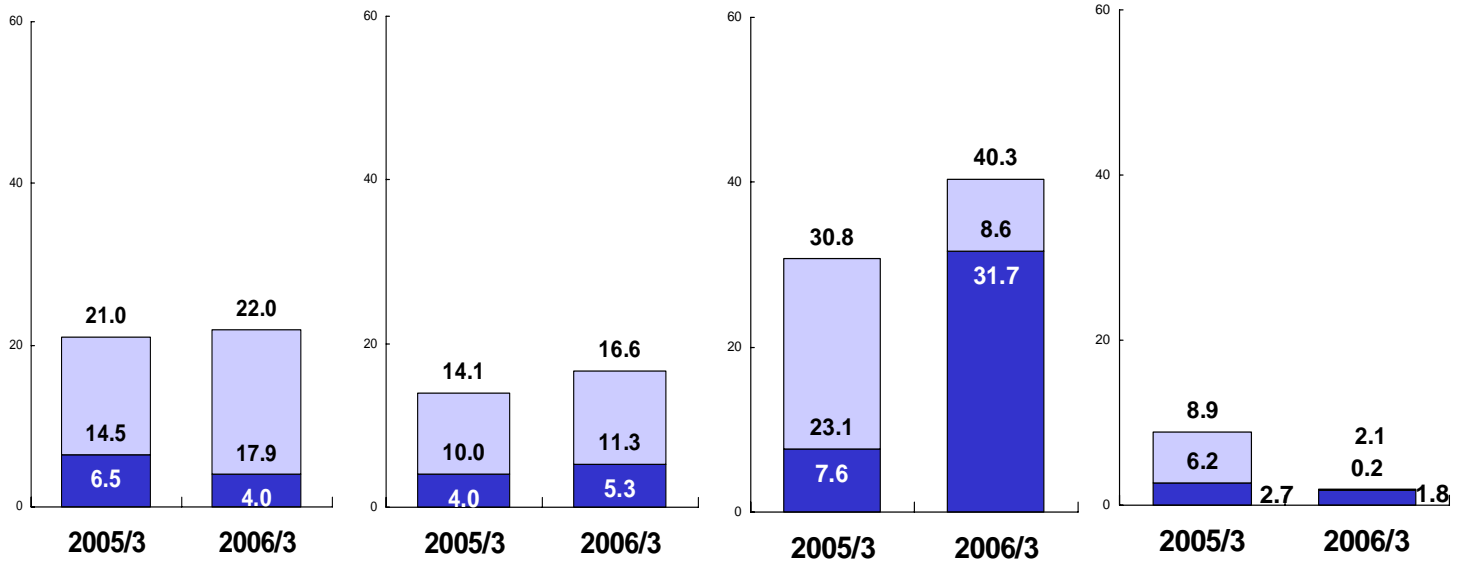


FPD Sales by Region



2005/3 75.0 bil yen
2006/3 81.1 bil yen

(Billions of Yen)

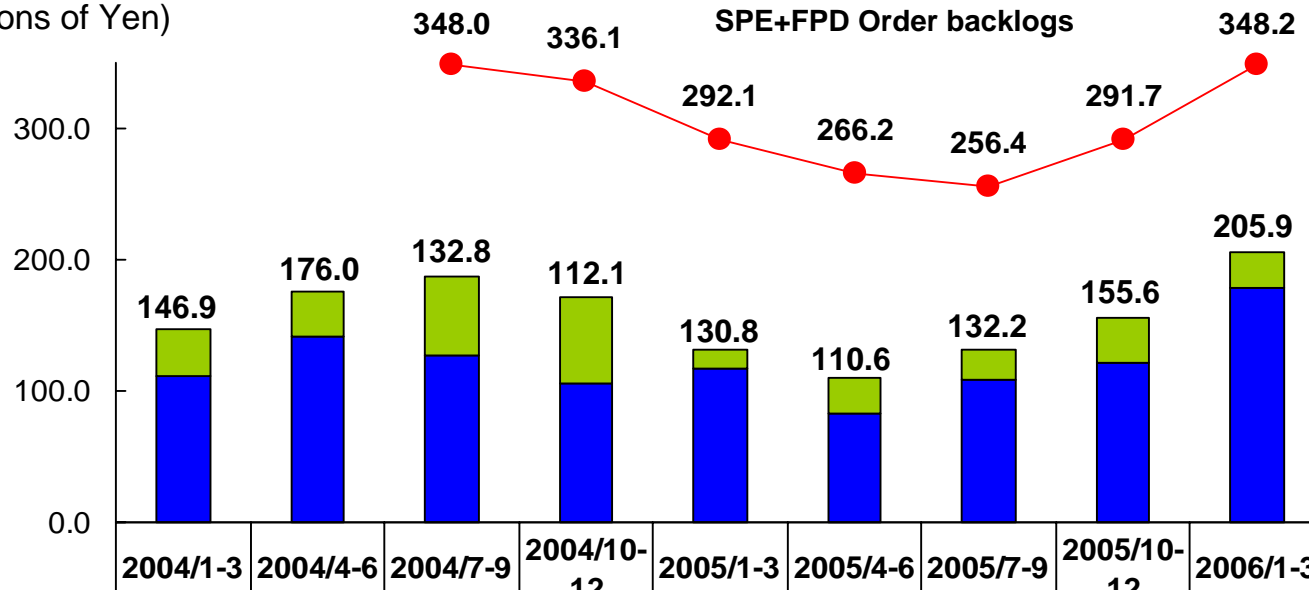


Japan	Korea	Taiwan	Other area
YoY change +5%	+17%	+31%	-76%



Quarterly SPE+FPD Order, Order Backlog

(Billions of Yen)



FPD Production Equipment	34.7	34.9	60.0	66.0	13.6	27.6	24.0	34.4	27.7
SPE	112.1	141.0	126.8	105.4	117.2	82.9	108.1	121.1	178.2
Order backlog (confirmation of set-up and testing basis)			348.0	336.1	292.1	266.2	256.4	291.7	348.2

Order backlog breakdown

FPD	66.0	69.8	74.8	92.7	99.0
SPE	226.0	196.3	181.6	199.0	249.1

● Order and backlogs are consolidated base from 2006/1-3 quarter.



FY2006 Quarterly Data



TOKYO ELECTRON

CORP IR/May 12, 2006



Quarterly Financial Summary

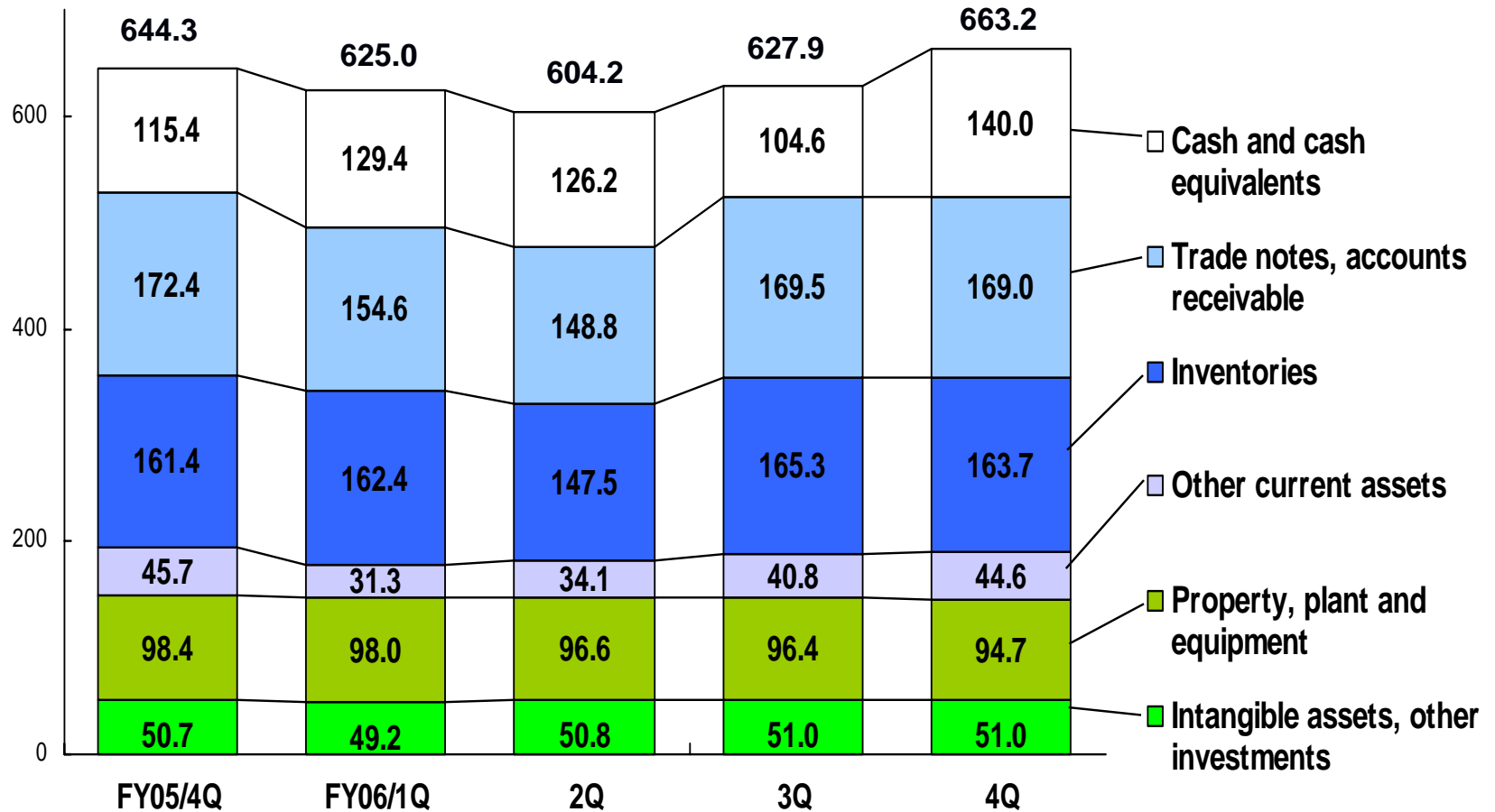
(Billions of Yen)

	FY2006				
	1Q	2Q	3Q	4Q	Total
Net Sales	160.0	173.1	145.0	195.4	673.6
Gross profit	46.5	42.7	44.9	55.5	189.7
SG&A expenses	24.7	28.2	27.9	33.0	1,140
Operating income	21.7	14.5	16.9	22.4	75.7
Ordinary income	21.7	15.0	16.9	22.2	75.9
EBIT	22.0	14.4	16.9	21.7	75.3
Net income	13.2	10.7	10.1	13.8	48.0

R&D expenses	9.8	12.0	12.1	15.0	49.1
CAPEX	3.7	2.6	3.5	3.3	13.3
Depreciation	4.5	4.7	4.8	5.0	19.1

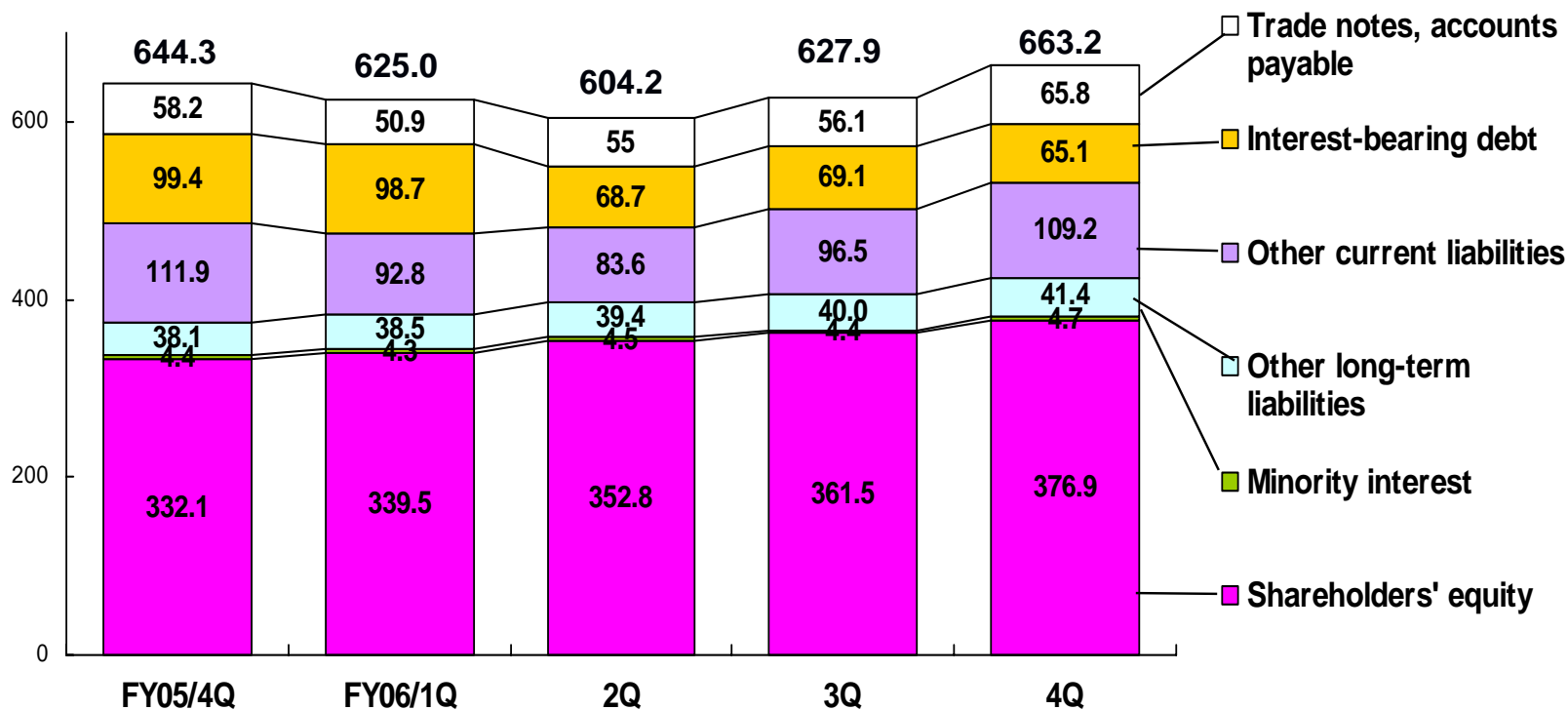
Assets

(Billions of Yen)



Liabilities & Shareholders' Equity

(Billions of yen)



Debt to Equity Ratio



Quarterly Sales by Division

SPE Division

(Semiconductor Production Equipment)

FPD Division

(FPD Production Equipment)

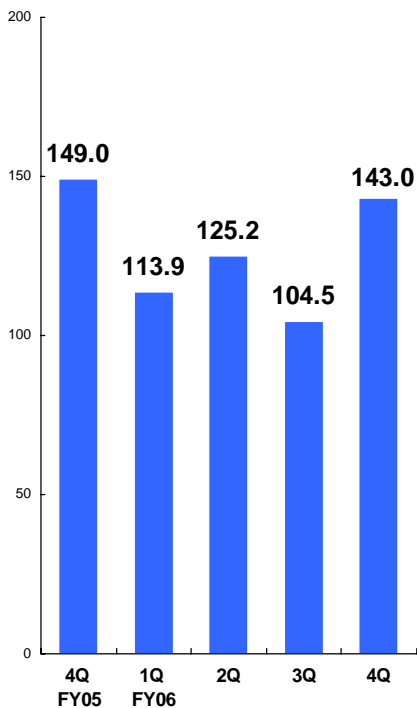
CN Division

(Computer Network)

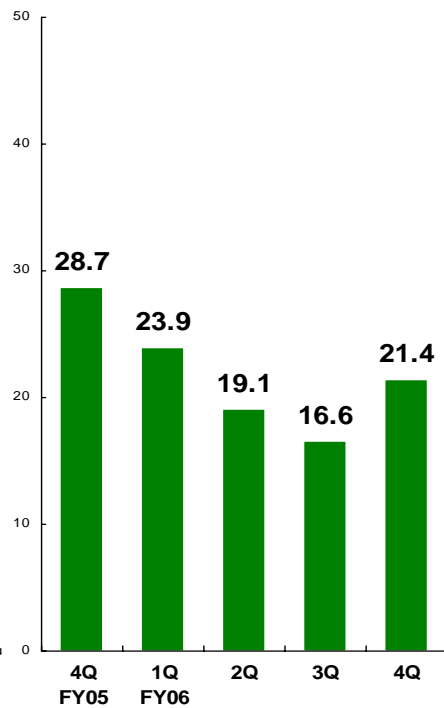
EC Division

(Electronic Components)

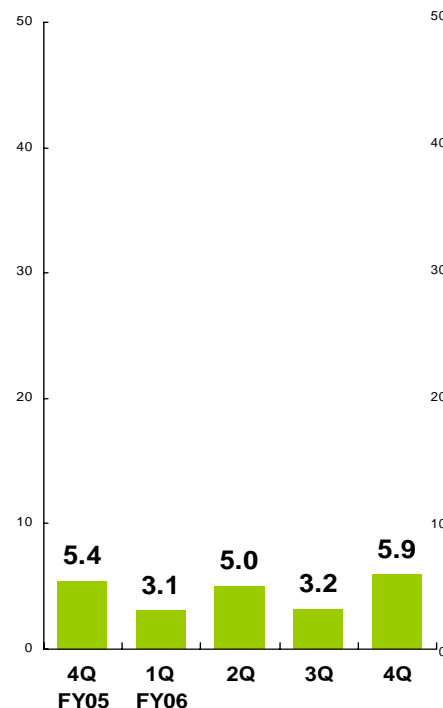
(Billions of Yen)



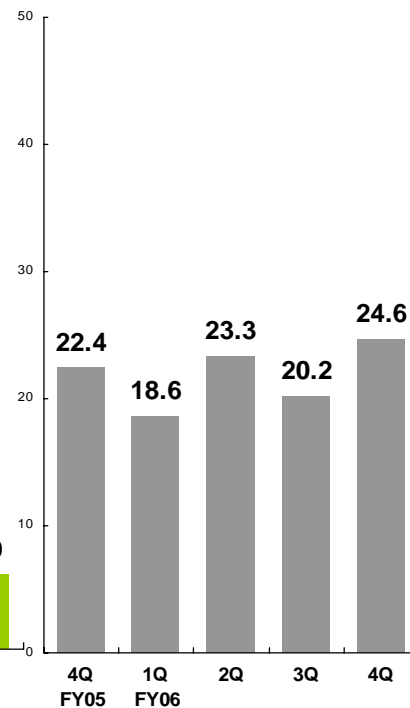
(Billions of Yen)



(Billions of Yen)



(Billions of Yen)

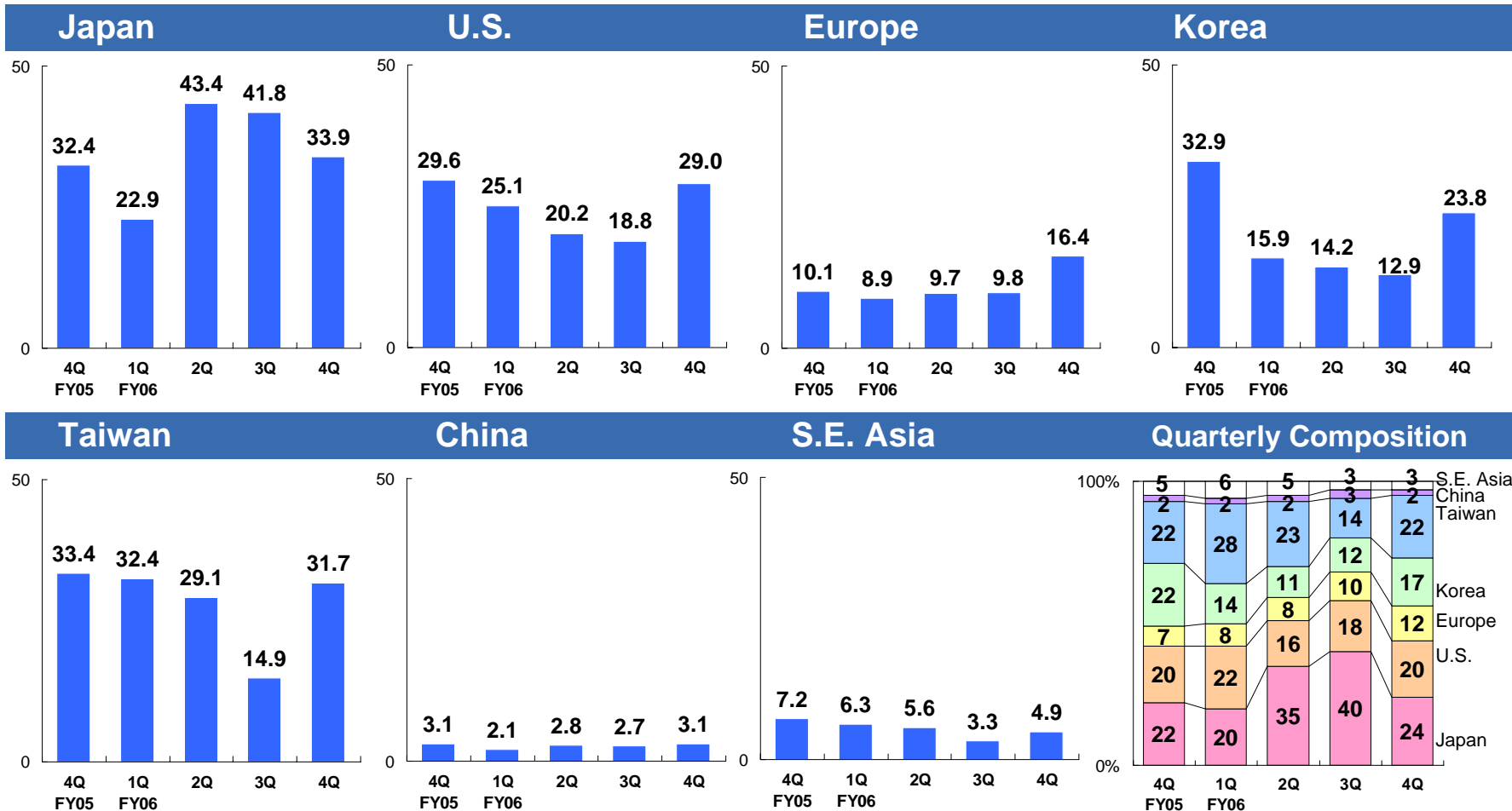


● In addition to the above 4 divisions, there is “Others” division. (4Q sales of 0.3 billion yen)



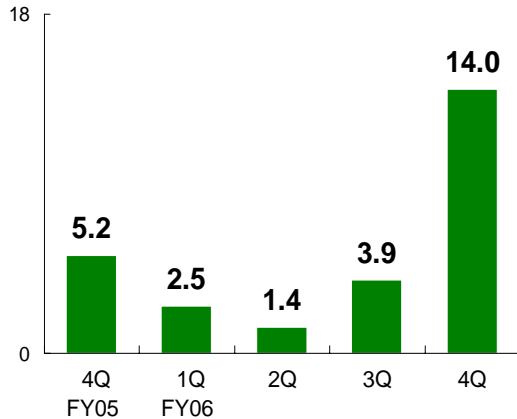
Quarterly SPE Sales by Region

(Billions of Yen)

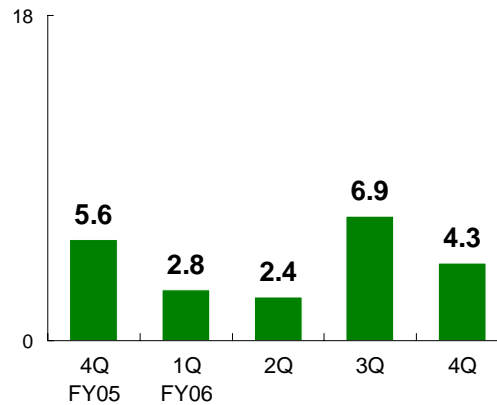


Quarterly FPD Equipment Sales by Region

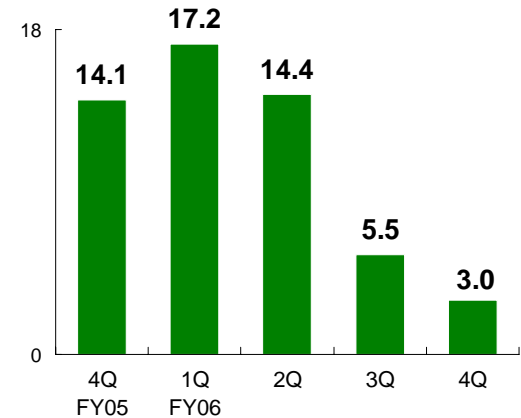
Japan



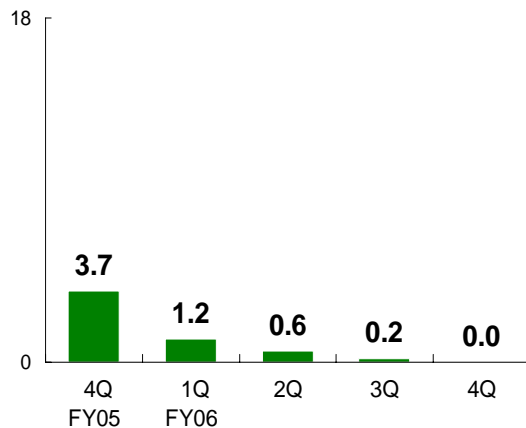
Korea



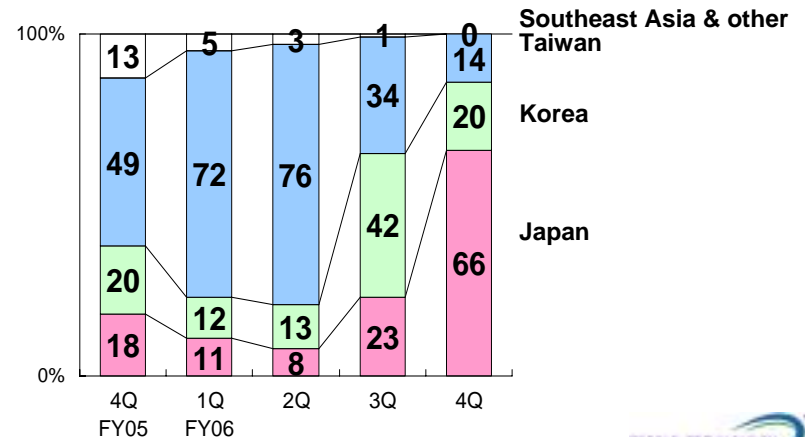
Taiwan



Southeast Asia and other



Quarterly Composition



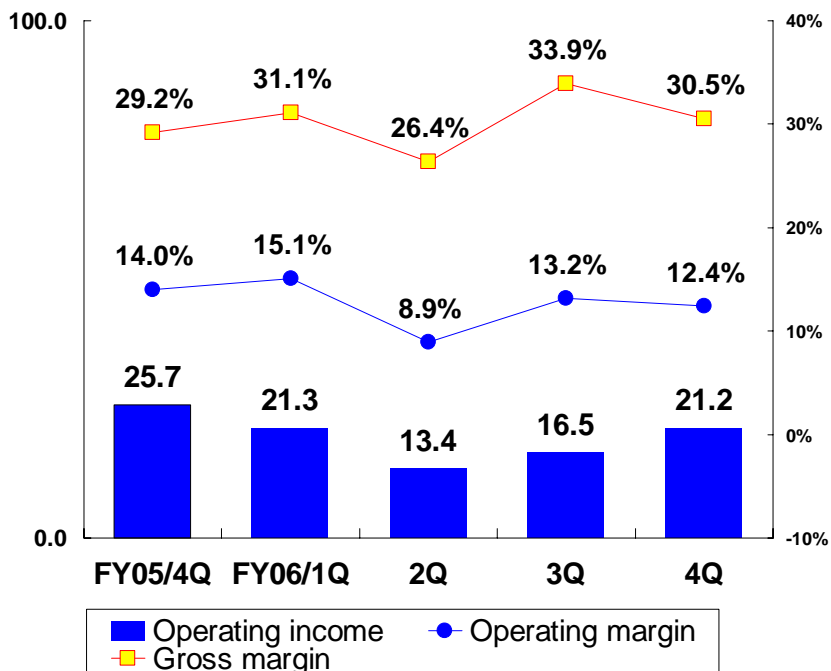
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Operating income/Operating income margin

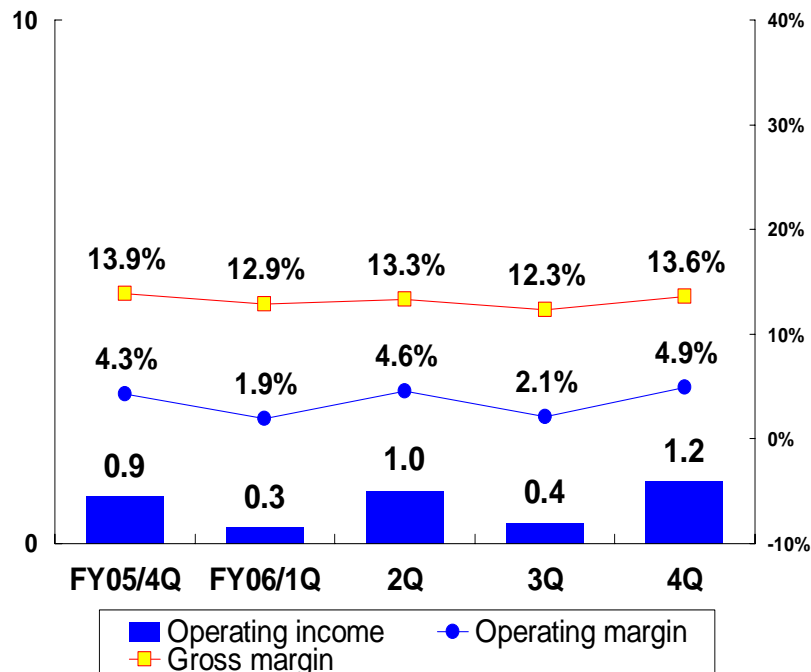
Industrial electronic equipment
(SPE, FPD, Computer systems and Networks, other)

Electronic components
(Semiconductor products, Boards, Software, Other electronic components)

(Billions of Yen)



(Billions of Yen)



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