

# Non-consolidated Interim Financial Review for the Six Months Ended September 30, 2005

Company name:	 TOKYO ELECTRON LIMITED
URL:	<a href="http://www.tel.com">http://www.tel.com</a>
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 & COO
Person-in-charge:	Yukio Saeki, Director, Accounting Department
Interim Board of Directors Meeting:	November 9, 2005
Date of interim dividend payment:	December 7, 2005
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, 2005 (4/1/05 - 9/30/05)

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 9/30/05	286,784	25.1	18,248	95.1	20,515	68.9
Six months ended 9/30/04	229,154	30.8	9,353	-	12,143	-
Year ended 3/31/05	536,711		28,118		33,227	

  

	Net income		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Six months ended 9/30/05	13,835	-	77.68	77.65
Six months ended 9/30/04	(67)	-	(0.38)	-
Year ended 3/31/05	33,805		188.51	188.46

### Notes:

- Average number of shares of common stock issued:
 

Six months ended 9/30/05:	178,096,861 shares
Six months ended 9/30/04:	178,420,803 shares
Year ended 3/31/05:	178,252,161 shares
- Changes in accounting methods: None
- 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 9/30/05	25.00	-
Six months ended 9/30/04	15.00	-
Year ended 3/31/05	-	45.00

(3) Financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of 9/30/05	483,607	272,370	56.3	1,528.97
As of 9/30/04	505,288	231,057	45.7	1,297.44
As of 3/31/05	555,987	262,814	47.3	1,474.67

Notes:

1. Number of shares of common stock issued as of:  
September 30, 2005: 178,139,876 shares  
September 30, 2004: 178,086,447 shares  
March 31, 2005: 178,081,239 shares
2. Number of shares of treasury stock as of:  
September 30, 2005: 2,471,035 shares  
September 30, 2004: 2,524,464 shares  
March 31, 2005: 2,529,672 shares

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

	Net sales	Ordinary income	Net income	Annual cash dividends per share	
				Year end	
Year ending 3/31/06	Millions of yen 550,000	Millions of yen 37,000	Millions of yen 24,000	Yen 25.00	Yen 50.00

For reference: Estimate of net income per share for the year ending March 31, 2006: 134.73 yen

# Non-consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2005		As of September 30, 2004		Increase (decrease)	As of March 31, 2005	
	Amount	Compo- sition (%)	Amount	Compo- sition (%)	Amount	Amount	Compo- sition (%)
<b>(Assets)</b>							
<b>Current Assets</b>	391,004	80.9	416,795	82.5	(25,791)	463,014	83.3
Cash and cash equivalents	109,651		31,996		77,654	101,434	
Trade notes	371		5,453		(5,082)	1,527	
Accounts receivable - trade	121,482		172,142		(50,659)	148,275	
Inventories	63,747		86,038		(22,290)	89,644	
Short-term loans	67,053		97,333		(30,280)	83,463	
Others	28,762		23,919		4,843	38,731	
Allowance for doubtful accounts	(64)		(89)		24	(63)	
<b>Long-term Assets</b>	92,603	19.1	88,492	17.5	4,110	92,972	16.7
Tangible fixed assets	29,336		31,002		(1,665)	29,714	
Intangible fixed assets	7,145		7,565		(420)	6,760	
Investments and other assets	56,121		49,924		6,196	56,497	
Investments in subsidiaries	39,280		39,194		86	39,994	
Others	17,205		12,619		4,585	16,861	
Allowance for doubtful accounts	(364)		(1,889)		1,524	(358)	
<b>Total Assets</b>	483,607	100.0	505,288	100.0	(21,680)	555,987	100.0

# Non-consolidated Balance Sheet

(Millions of yen)

	As of September 30, 2005		As of September 30, 2004		Increase (decrease) Amount	As of March 31, 2005	
	Amount	Compo- sition (%)	Amount	Compo- sition (%)		Amount	Compo- sition (%)
<b>(Liabilities)</b>							
<b>Current liabilities</b>	158,589	32.8	194,133	38.4	(35,543)	215,129	38.7
Trade notes	-		0		(0)	-	
Accounts payable - trade	64,208		82,528		(18,320)	92,346	
Short-term borrowings	194		917		(723)	394	
Bonds due within 1 year	24,500		30,000		(5,500)	30,000	
Income taxes payable	10,147		232		9,915	870	
Customer advances	19,799		34,925		(15,126)	42,814	
Accrued employees' bonuses	1,221		1,550		(329)	1,561	
Accrued warranty expenses	12,861		13,906		(1,044)	15,505	
Provision for loss resulting from lawsuits	73		73		-	73	
Stock purchase warrant	1,039		1,059		(19)	1,043	
Others	24,543		28,939		(4,396)	30,521	
<b>Long-term liabilities</b>	52,647	10.9	80,097	15.9	(27,450)	78,043	14.0
Straight bonds	35,500		60,000		(24,500)	60,000	
Deferred tax liabilities	-		1,754		(1,754)	-	
Accrued pension and severance costs	10,385		11,642		(1,256)	9,972	
Accrued pension and severance costs for directors	457		427		30	465	
Allowance for losses on investments in subsidiaries	6,303		6,272		30	7,604	
Deposits received for guarantees	0		0		-	0	
<b>Total Liabilities</b>	211,237	43.7	274,231	54.3	(62,993)	293,172	52.7
<b>(Shareholders' Equity)</b>							
<b>Common stock</b>	54,961	11.4	54,961	10.9	-	54,961	9.9
<b>Capital surplus</b>	78,023	16.1	78,023	15.4	-	78,023	14.0
Additional paid in capital	78,023		78,023		-	78,023	
<b>Retained earnings</b>	152,269	31.5	112,778	22.3	39,491	143,980	25.9
Legal reserve	5,660		5,660		-	5,660	
Voluntary reserve	125,962		105,752		20,209	105,752	
Unappropriated retained profits (losses)	20,647		1,365		19,281	32,568	
<b>Revaluation of investment in securities</b>	2,895	0.6	1,305	0.3	1,590	1,891	0.4
<b>Treasury stock, at cost</b>	(15,779)	(3.3)	(16,011)	(3.2)	231	(16,042)	(2.9)
<b>Total Shareholders' Equity</b>	272,370	56.3	231,057	45.7	41,313	262,814	47.3
<b>Total Liabilities and Shareholders' Equity</b>	483,607	100.0	505,288	100.0	(21,680)	555,987	100.0

# Non-consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2005		Six months ended September 30, 2004		Increase (decrease)		Year ended March 31, 2005	
	Amount	Ratio to net sales	Amount	Ratio to net sales	Amount	%	Amount	Ratio to net sales
Net sales	286,784	100.0	229,154	100.0	57,630	25.1	536,711	100.0
Cost of sales	247,175	86.2	197,452	86.2	49,723	25.2	462,631	86.2
<b>Gross profit</b>	<b>39,608</b>	<b>13.8</b>	<b>31,701</b>	<b>13.8</b>	<b>7,907</b>	<b>24.9</b>	<b>74,080</b>	<b>13.8</b>
Selling, general & administrative expenses	21,360	7.4	22,348	9.7	(988)	(4.4)	45,961	8.6
<b>Operating income (loss)</b>	<b>18,248</b>	<b>6.4</b>	<b>9,353</b>	<b>4.1</b>	<b>8,895</b>	<b>95.1</b>	<b>28,118</b>	<b>5.2</b>
Non-operating income								
Interest income	360		272		87		590	
Dividend income	1,433		1,613		(180)		3,299	
Rent revenue	821		1,473		(651)		2,594	
Miscellaneous income	675		1,016		(341)		1,600	
Non-operating expenses								
Interest expenses	13		49		(35)		68	
Bond interest	358		490		(132)		894	
Rent expenses	483		831		(348)		1,485	
Foreign currency translation loss	138		116		22		364	
Miscellaneous expenses	30		98		(68)		162	
<b>Ordinary income (loss)</b>	<b>20,515</b>	<b>7.2</b>	<b>12,143</b>	<b>5.3</b>	<b>8,372</b>	<b>68.9</b>	<b>33,227</b>	<b>6.2</b>
Unusual or infrequent profit	1,654		106		1,548		3,595	
Unusual or infrequent loss	940		13,312		(12,371)		18,026	
<b>Income (loss) before income taxes</b>	<b>21,229</b>	<b>7.4</b>	<b>(1,063)</b>	<b>(0.5)</b>	<b>22,292</b>	<b>-</b>	<b>18,796</b>	<b>3.5</b>
Provision for income taxes and enterprise taxes	7,394		(995)		8,389		1,185	
Deferred income taxes	-		-		-		(16,194)	
<b>Net income (loss)</b>	<b>13,835</b>	<b>4.8</b>	<b>(67)</b>	<b>(0.0)</b>	<b>13,902</b>	<b>-</b>	<b>33,805</b>	<b>6.3</b>
Profit and loss carried forward	6,811		1,433		5,378		1,433	
Treasury stock disposal loss	0		-		0		-	
Interim dividend	-		-		-		2,671	
Unappropriated retained earnings (losses)	20,647		1,365		19,281		32,568	