

# TOKYO ELECTRON

## 1Q FY2007 Financial Announcement

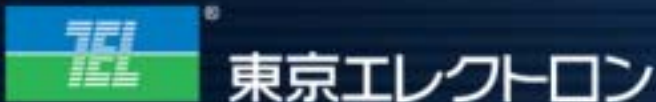
July 28, 2006

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.



# 1Q FY2007 Financial Summary

1Q FY2007: April 1, 2006 - June 30, 2006

FY2007: April 1, 2006 - March 31, 2007

July 28, 2006

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

# 1Q FY2007 Financial Summary

## Consolidated Financial Results



(Billions of Yen)

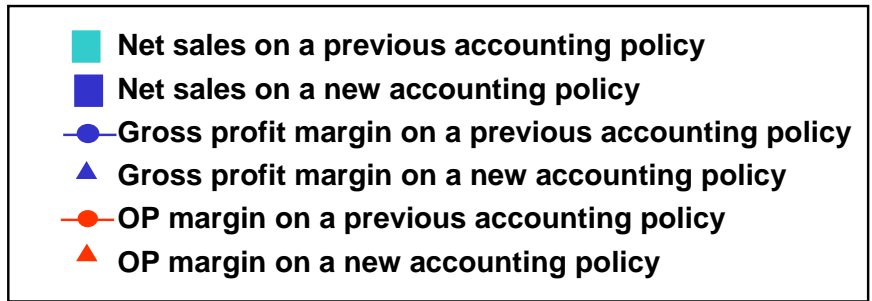
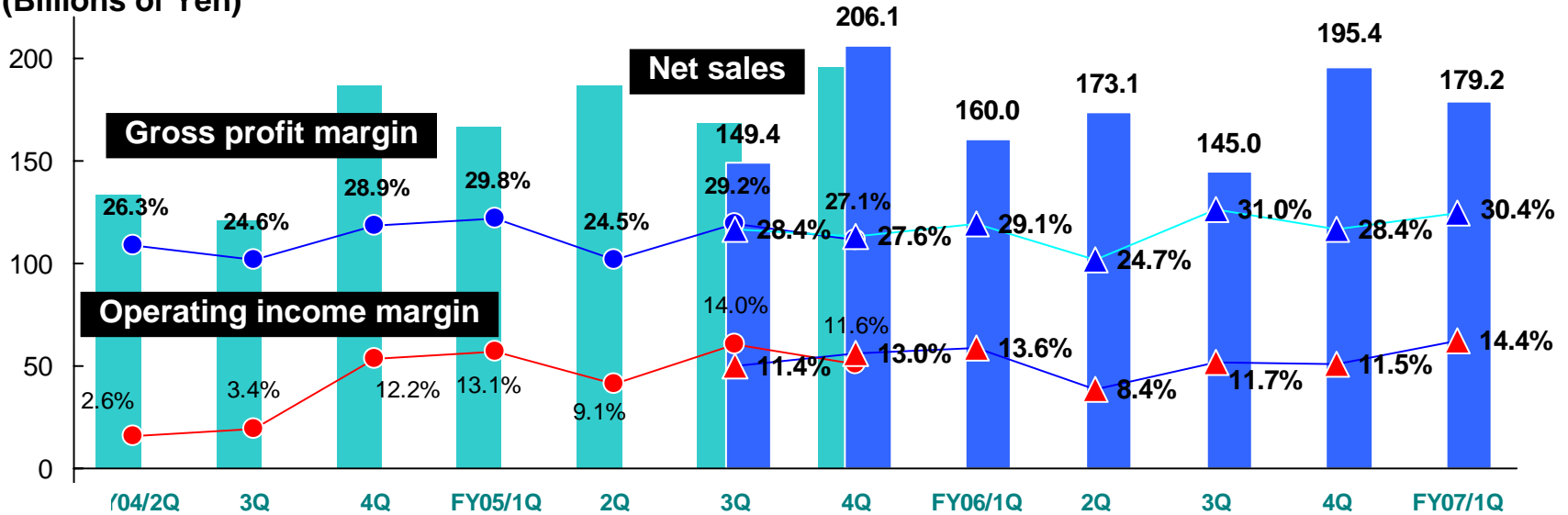
	FY2006								FY2007	
	1Q		2Q		3Q		4Q		1Q	
Net Sales	160.0	100.0%	173.1	100.0%	145.0	100.0%	195.4	100.0%	179.2	100.0%
Gross Profit	46.5	29.1%	42.7	24.7%	44.9	31.0%	55.5	28.4%	54.4	30.4%
SG&A Expense	24.7	15.5%	28.2	16.3%	27.9	19.3%	33.0	16.9%	28.5	16.0%
Operating Income	21.7	13.6%	14.5	8.4%	16.9	11.7%	22.4	11.5%	25.8	14.4%
Ordinary Income	21.7	13.6%	15.0	8.7%	16.9	11.7%	22.2	11.4%	26.7	14.9%
EBIT	22.0	13.8%	14.4	8.4%	16.9	11.7%	21.7	11.1%	27.3	15.2%
Net Income	13.2	8.3%	10.7	6.2%	10.1	7.0%	13.8	7.1%	16.2	9.1%
R&D	9.8		12.0		12.1		15.0		12.6	
Capex	3.7		2.6		3.5		3.3		4.7	
Depreciation	4.5		4.7		4.8		5.0		4.2	



# 1Q FY2007 Financial Summary

## Quarterly Net Sales & Profit Ratio

(Billions of Yen)



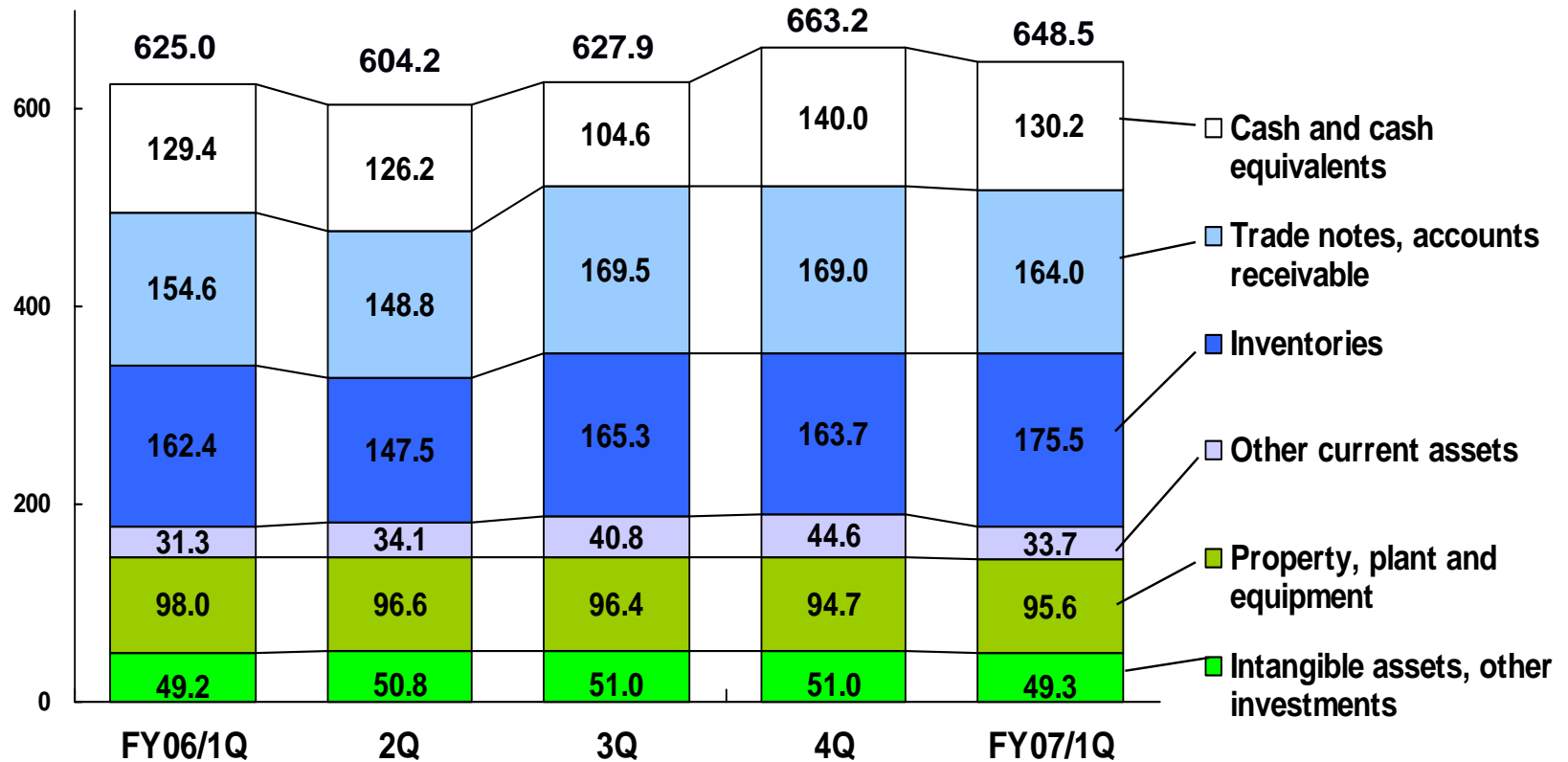
- Previous policy : Shipment base
- New policy : Confirmation of set up & testing base, and Warranty reserve 4



# 1Q FY2007 Financial Summary

## Assets

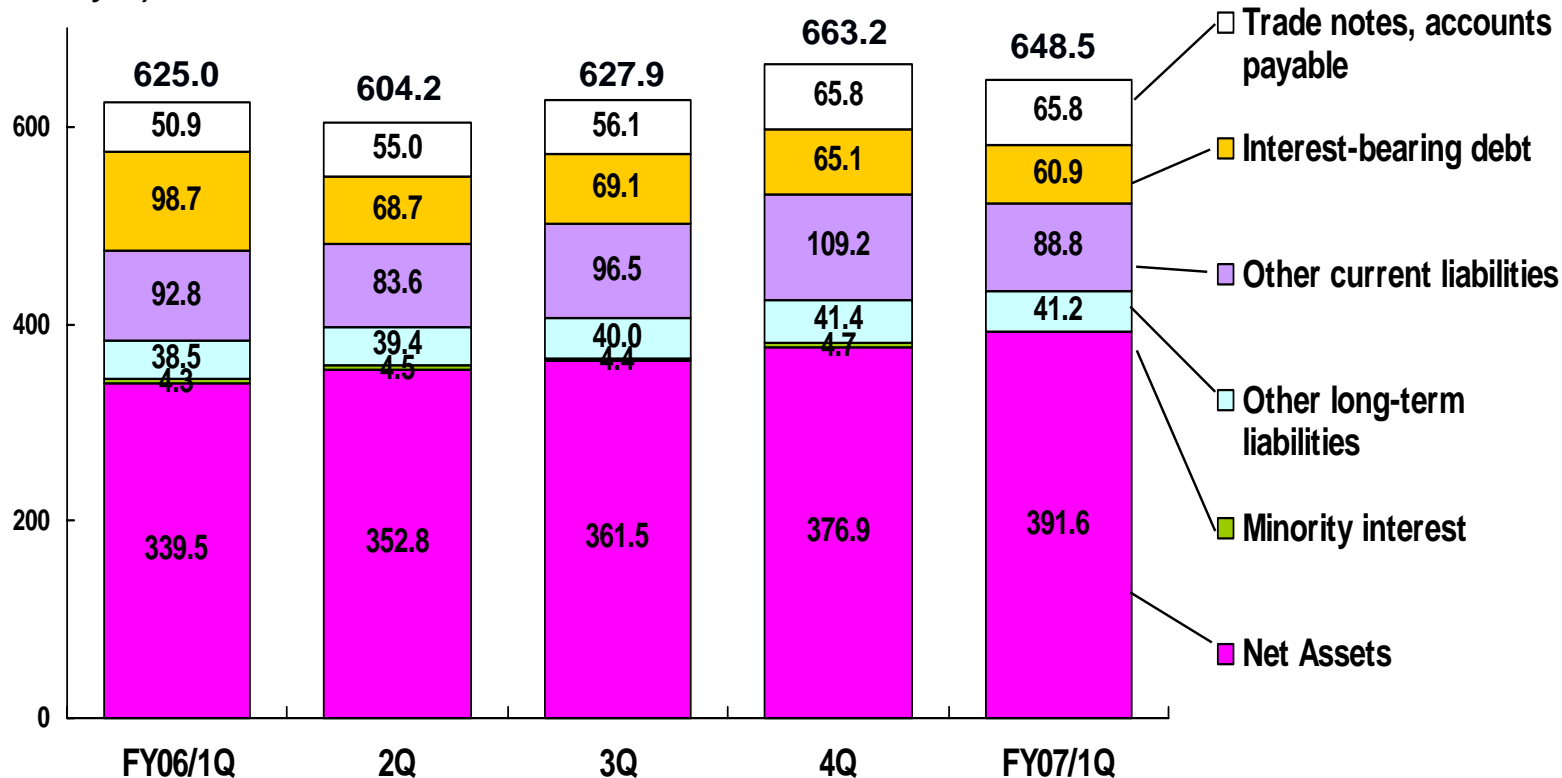
(Billions of Yen)



# 1Q FY2007 Financial Summary

## Liabilities & Net Asset

(Billions of yen)



Debt to Equity Ratio

29.1%

19.5%

19.1%

17.3%

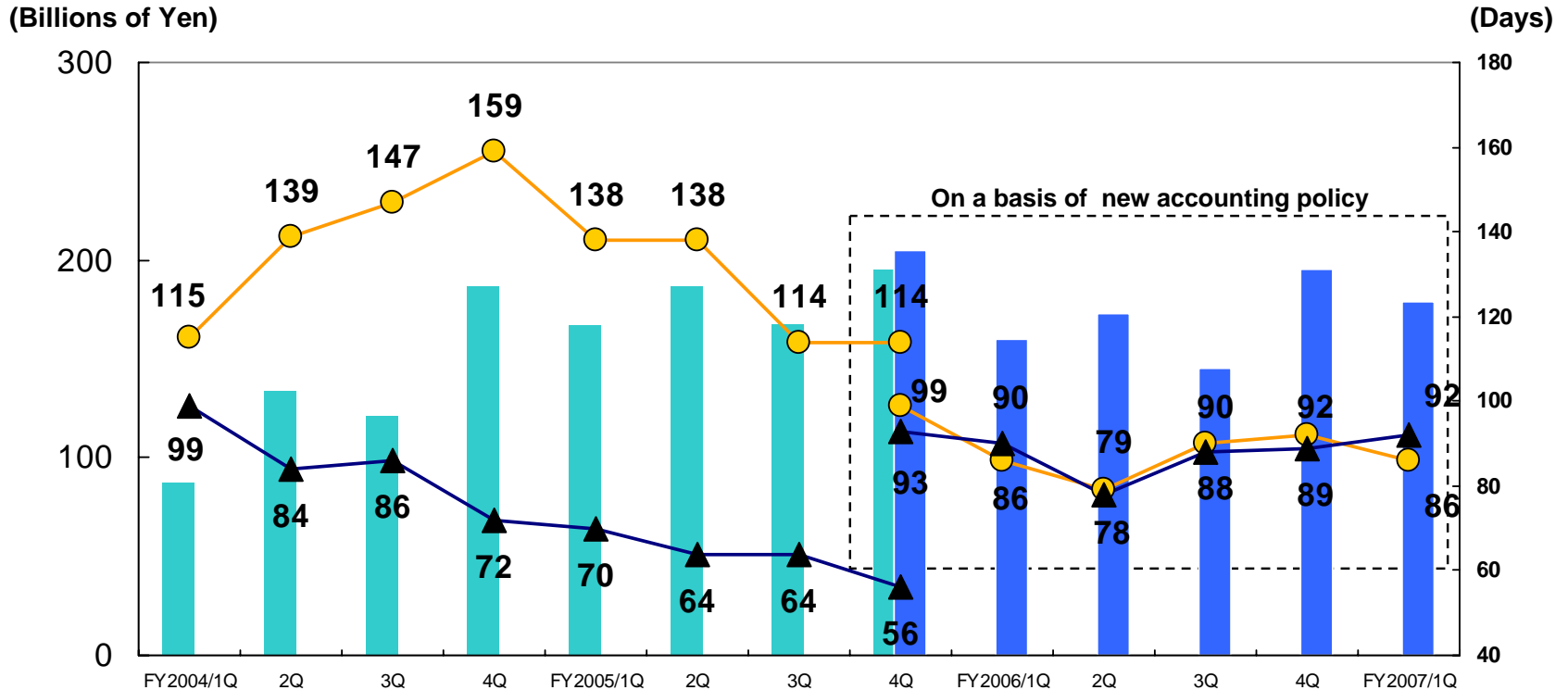
15.8%

- FY2007 : Total Owners' equity = Net Asset – (Subscription rights to shares + Minority interests)
- FY2006 : Shareholders' equity shown as Net Asset.



# 1Q FY2007 Financial Summary

## 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.



# 1Q FY2007 Financial Summary

## Cash Flow

(Billions of Yen)



	FY2006					FY2007
	1Q	2Q	3Q	4Q	Total	1Q
Cash flow from operating activities	24.5	28.9	-15.9	41.3	78.8	3.8
Cash flow from investing activities	-4.0	-2.3	-1.5	-2.5	-10.5	-4.2
Cash flow from financing activities	-6.1	-29.7	-4.0	-3.5	-43.4	-9.3
Effect of exchange rate changes on cash and cash equivalents	-0.4	- 0.0	0.0	0.1	-0.3	-0.0
Net increases in cash and cash equivalents	13.9	-3.2	- 21.5	35.3	24.5	-9.7
Cash and cash equivalents at end of term	129.4	126.2	104.6	140.0		130.2



# 1Q FY2007 Financial Summary

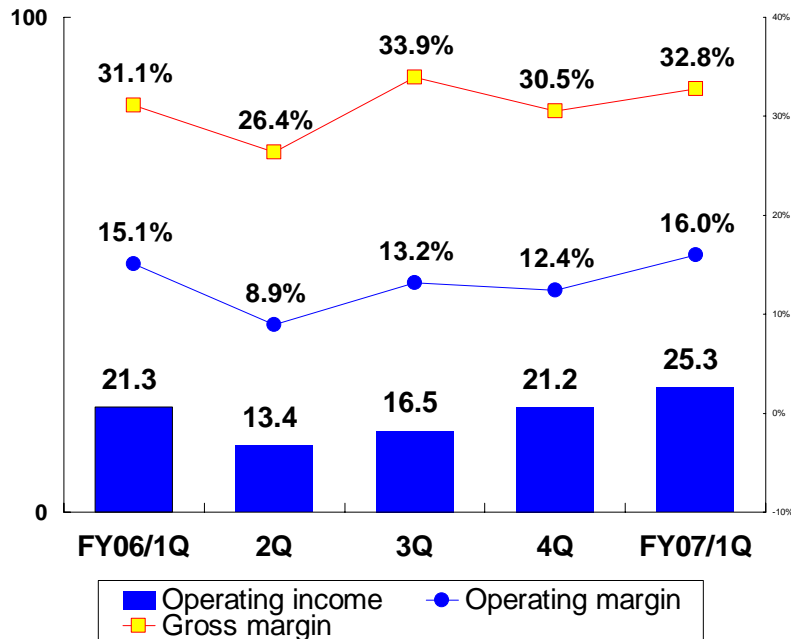
## Segment Information by Business Type

Operating income/Operating income margin

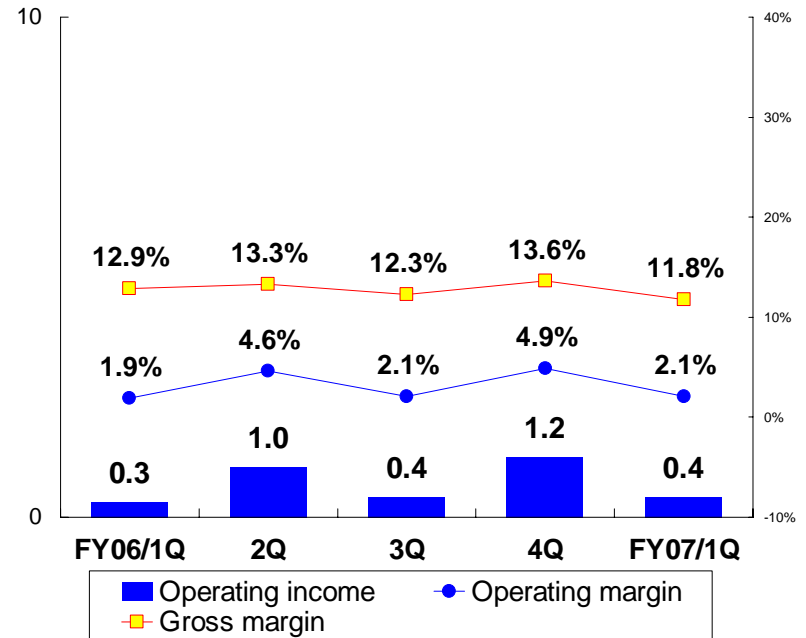
**Industrial electronic equipment**  
(SPE, FPD, Computer systems and Networks, other)

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

(Billions of Yen)



(Billions of Yen)



- Segment gross margin is provided just for reference.



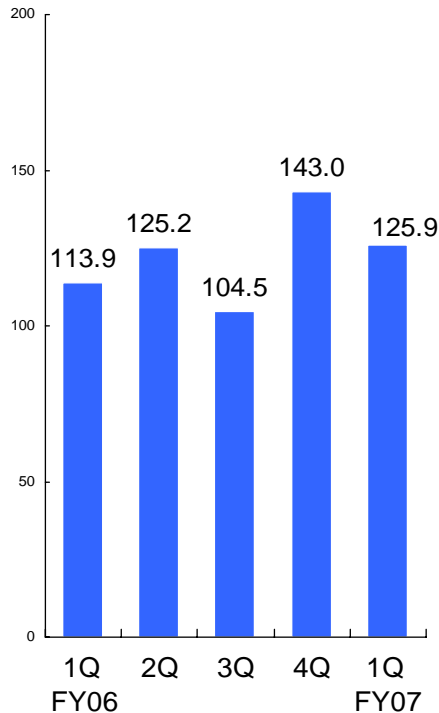
# 1Q FY2007 Financial Summary

## Quarterly Sales by Division

### SPE Division

(Semiconductor Production Equipment)

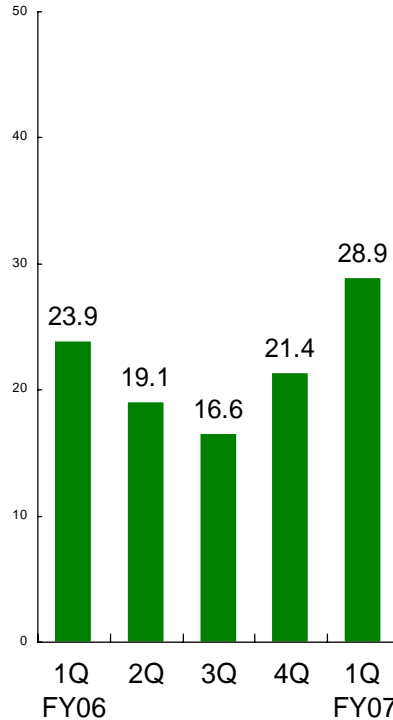
(Billions of Yen)



### FPD Division

(FPD Production Equipment)

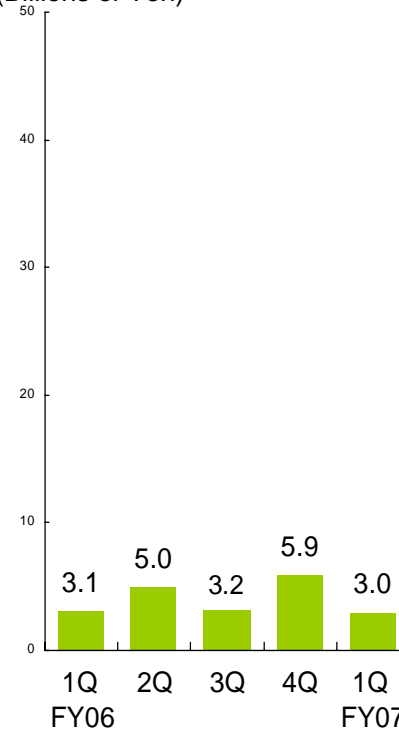
(Billions of Yen)



### CN Division

(Computer Network)

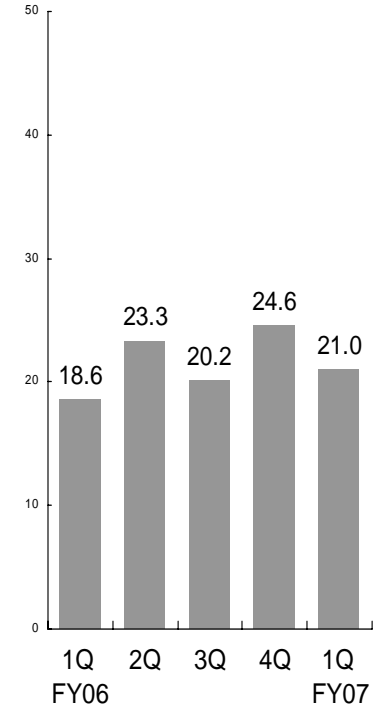
(Billions of Yen)



### EC Division

(Electronic Components)

(Billions of Yen)



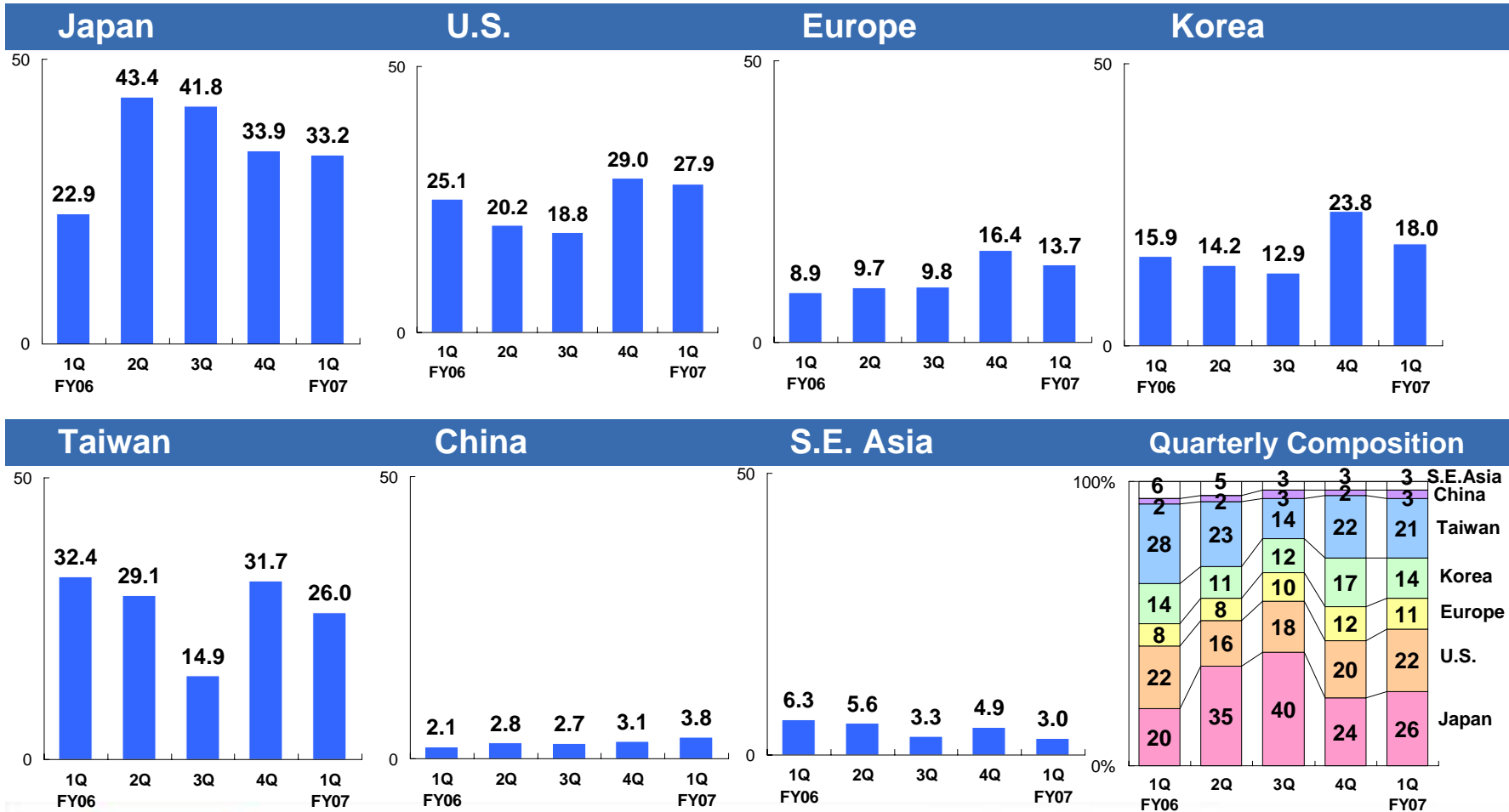
● In addition to the above 4 divisions, there is "Others" division. (1Q sales of 0.2 billion yen)



# 1Q FY2007 Financial Summary

## Quarterly SPE Sales by Region

(Billions of Yen)

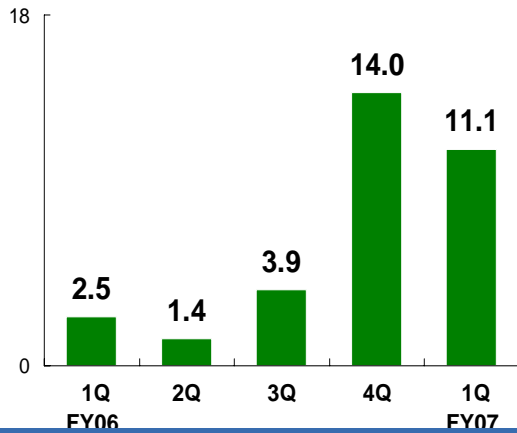


# 1Q FY2007 Financial Summary

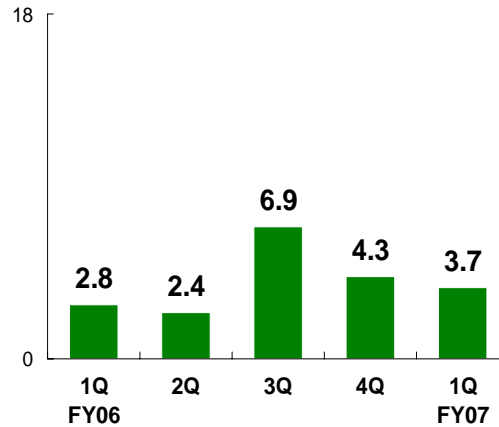
## Quarterly FPD Equipment Sales by Region

(Billions of Yen)

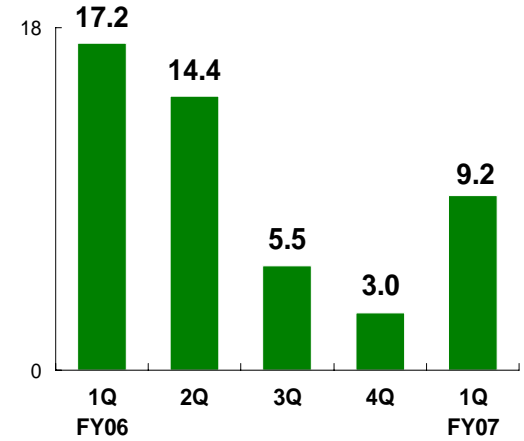
### Japan



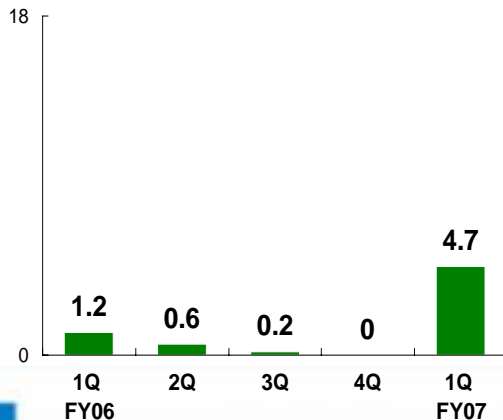
### Korea



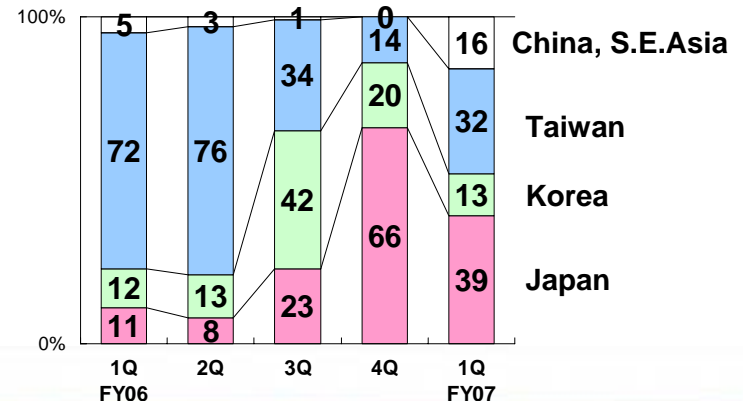
### Taiwan



### Southeast Asia and other

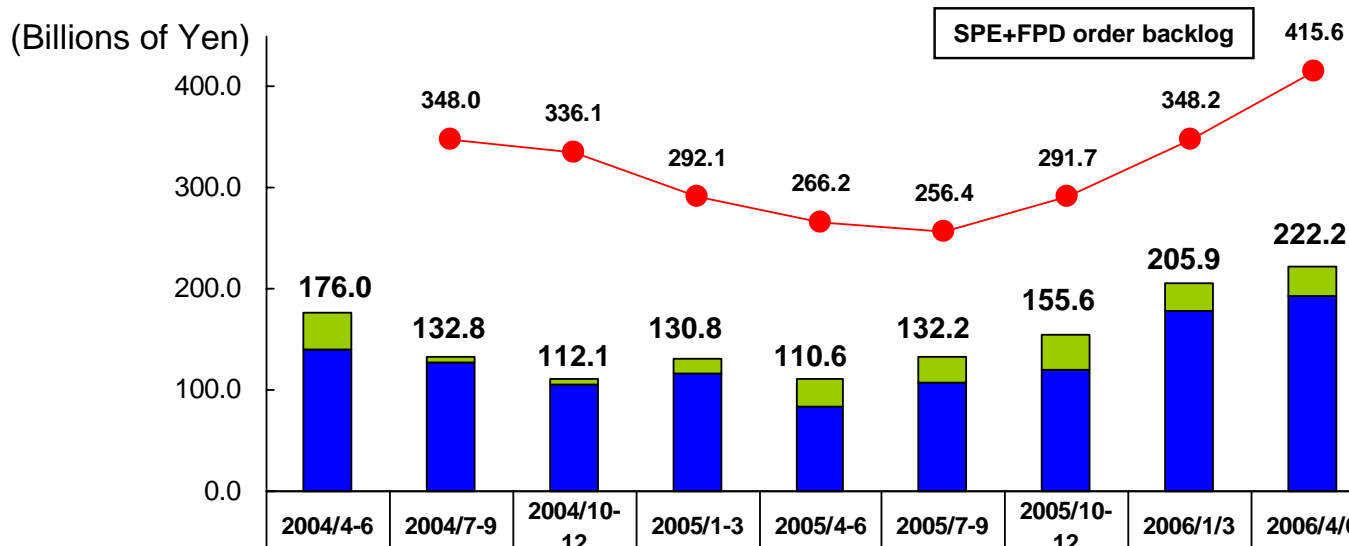


### Quarterly Composition



# 1Q FY2007 Financial Summary

## Quarterly SPE+FPD Order, Order Backlog Net, Non-consolidated Basis



FPD Production Equipment	34.9	6.0	6.6	13.6	27.6	24.0	34.4	27.7	29.6
SPE	141.0	126.8	105.4	117.2	82.9	108.1	121.1	178.2	192.6
Order backlog (confirmation of set-up and testing basis)		348.0	336.1	292.1	266.2	256.4	291.7	348.2	415.6

### Order backlog breakdown

FPD	69.8	74.8	92.7	99.0	99.7
SPE	196.3	181.6	199.0	249.1	315.8

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



# SPE Sales Composition by Product

Non-consolidated Basis

	FY2006 1Q	FY2007 1Q
Coater/developers	32.2%	31.0%
Etch Systems	30.2%	30.8%
Thermal Processing Systems	16.8%	16.6%
Single Wafer Deposition Systems	7.5%	7.2%
Cleaning Systems	7.3%	4.6%
Wafer Probers	5.9%	8.7%
Import Products, others	0.1%	1.1%
Total	100.0%	100.0%

- Sales of parts and after-sale service are included



