

# TOKYO ELECTRON

## FY2007 Financial Announcement



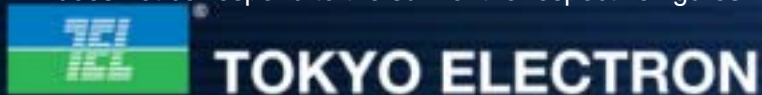
May 11, 2007

### **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.



# FY2007 Financial Summary

FY2006: April 1, 2005 - March 31, 2006  
FY2007: April 1, 2006 - March 31, 2007

May 11, 2007

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

# FY2007 Financial Summary

## Consolidated Financial Results

(Billions of Yen)

	FY2006	FY2007	YoY change	YoY change (%)
<b>Net sales</b>	<b>673.6</b>	<b>851.9</b>	<b>178.2</b>	<b>+26.5%</b>
SPE	486.8	642.6	155.7	+32.0%
FPD	81.1	100.7	19.5	+24.1%
CN	17.4	19.1	1.6	+9.6%
EC	86.8	88.2	1.4	+1.6%
Others	1.2	1.1	-0.1	-10.3%
<b>Gross profit</b>	<b>189.7 (28.2%)</b>	<b>272.6 (32.0%)</b>	<b>82.9</b>	<b>+43.7%</b>
<b>SG&amp;A expenses</b>	<b>114.0</b>	<b>128.6</b>	<b>14.6</b>	<b>+12.8%</b>
<b>Operating income</b>	<b>75.7 (11.2%)</b>	<b>143.9 (16.9%)</b>	<b>68.2</b>	<b>+90.2%</b>
<b>Ordinary income</b>	<b>75.9</b>	<b>143.9</b>	<b>67.9</b>	<b>+89.5%</b>
<b>EBIT</b>	<b>75.3</b>	<b>144.4</b>	<b>69.0</b>	<b>+91.7%</b>
<b>Net income</b>	<b>48.0</b>	<b>91.2</b>	<b>43.2</b>	<b>+90.1%</b>
<b>R&amp;D Expenses</b>	<b>49.1</b>	<b>56.9</b>	<b>7.7</b>	<b>+15.8%</b>
<b>Capital Expenditures</b>	<b>13.3</b>	<b>27.1</b>	<b>13.7</b>	<b>+103.4%</b>
<b>Depreciation</b>	<b>19.1</b>	<b>18.8</b>	<b>-0.3</b>	<b>-1.8%</b>

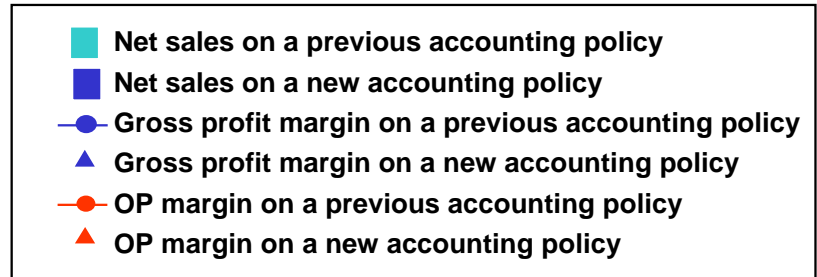
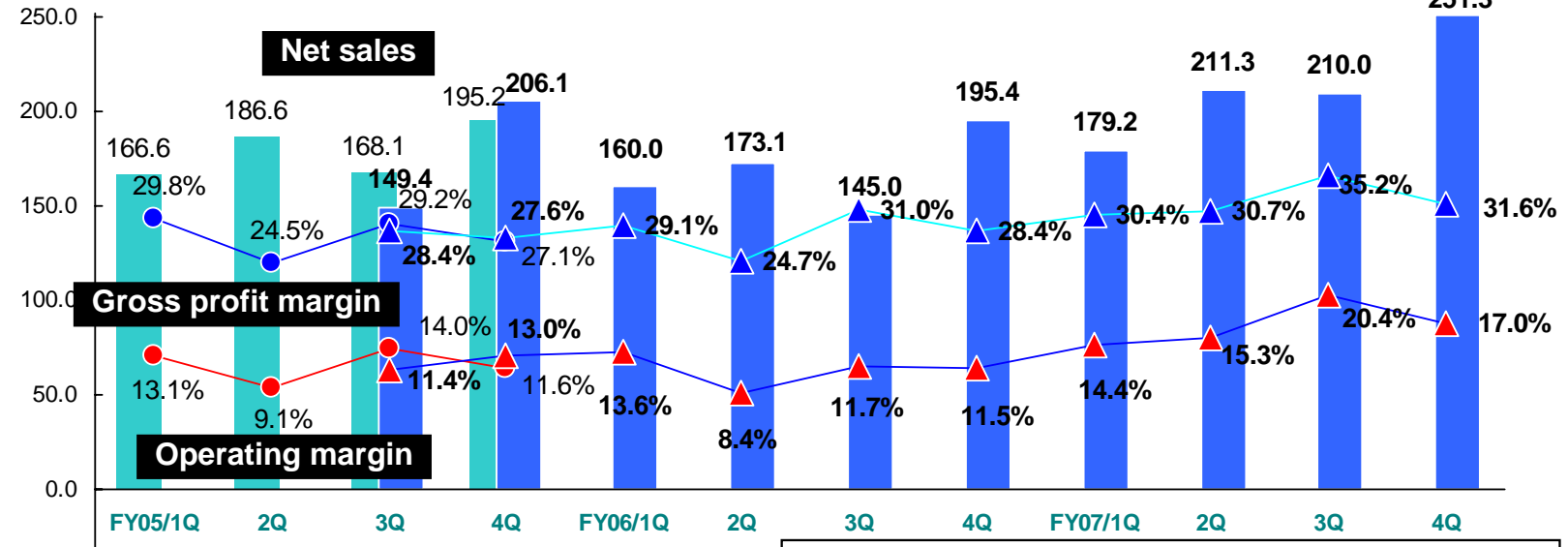
SPE: Semiconductor Production Equipment, FPD: Flat Panel Display Production Equipment,  
CN: Computer Network, EC: Electronic Components



## FY2007 Financial Summary

# Quarterly Net Sales & Profit Ratio

(Billions of Yen)

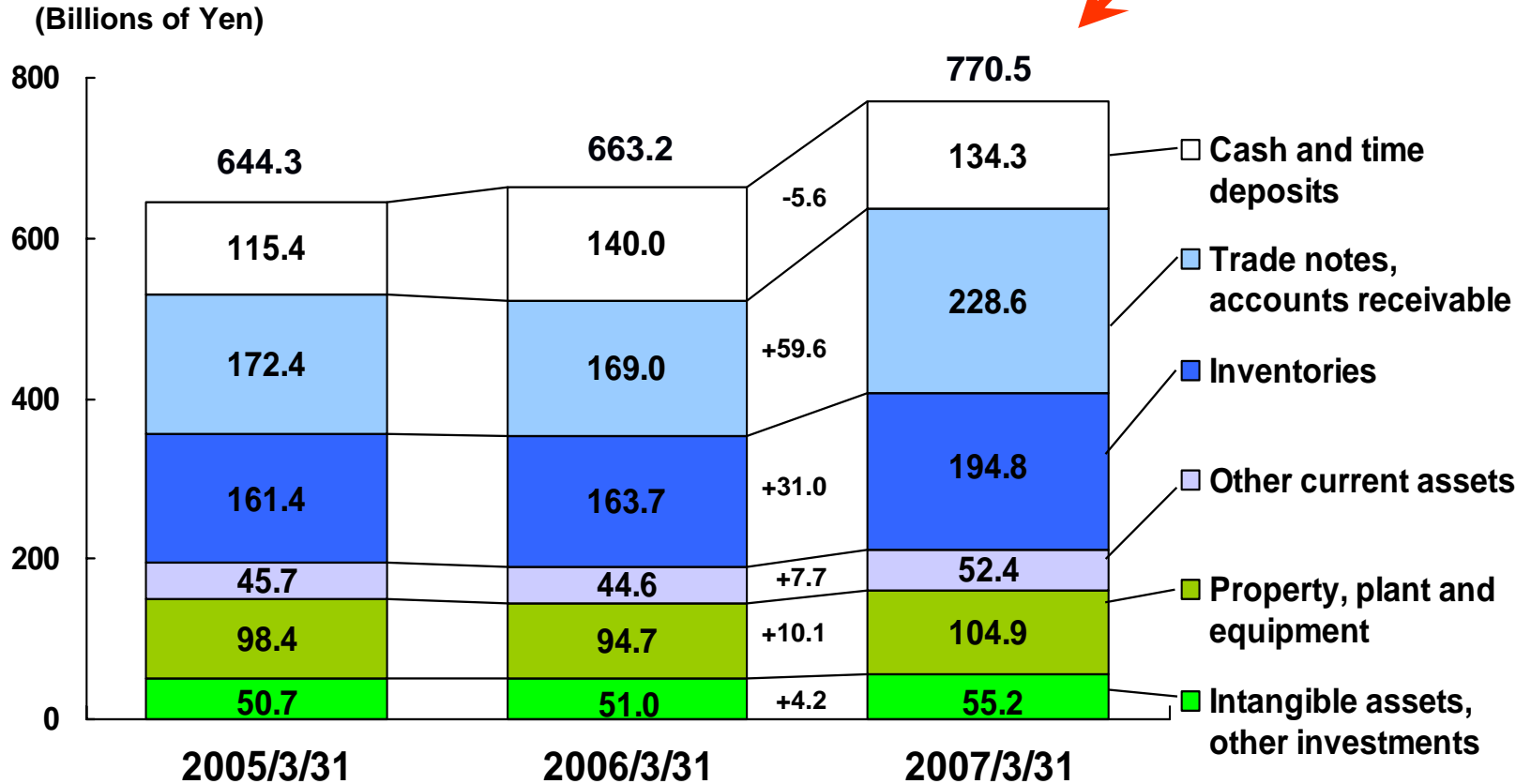


- Previous policy : Shipment base
- New policy : Confirmation of set up & testing base, and Warranty reserve



# FY2007 Financial Summary

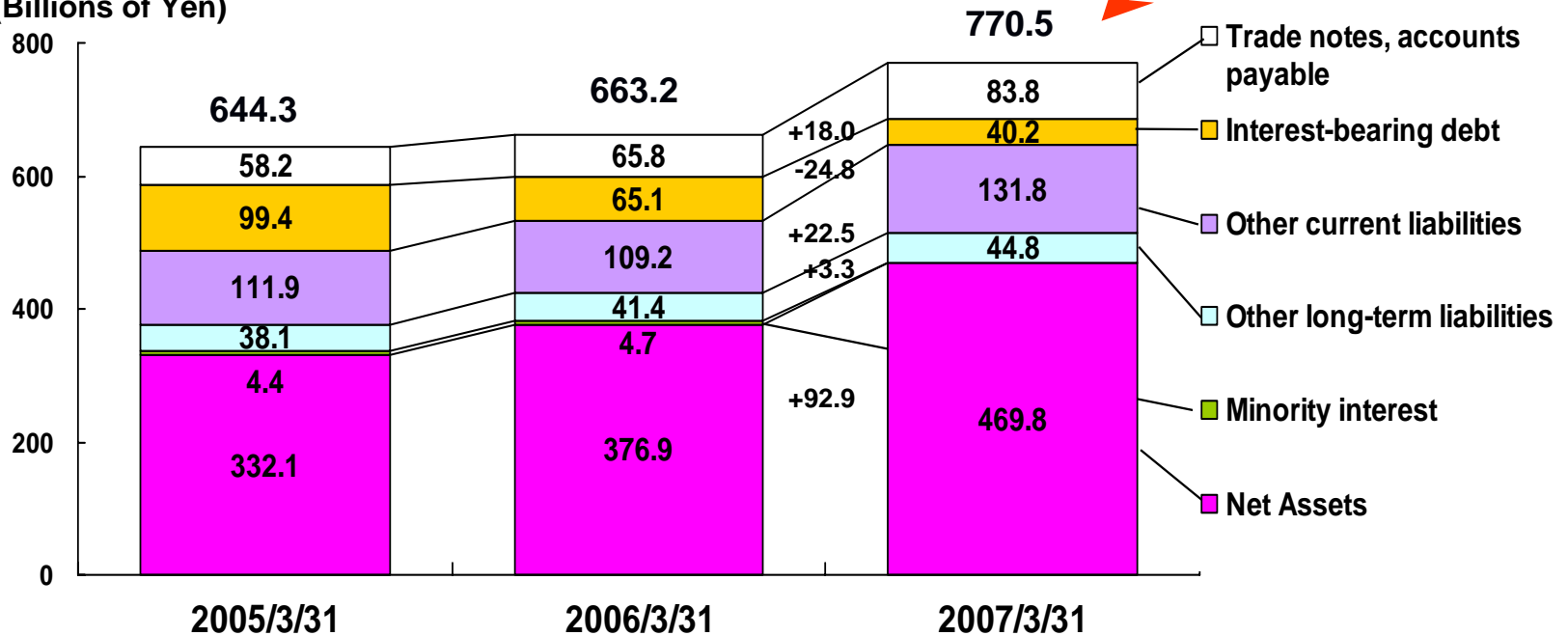
## Assets



# FY2007 Financial Summary

## Liabilities & Net Assets

(Billions of Yen)



Debt to Equity Ratio

29.9%

17.3 %

8.7%

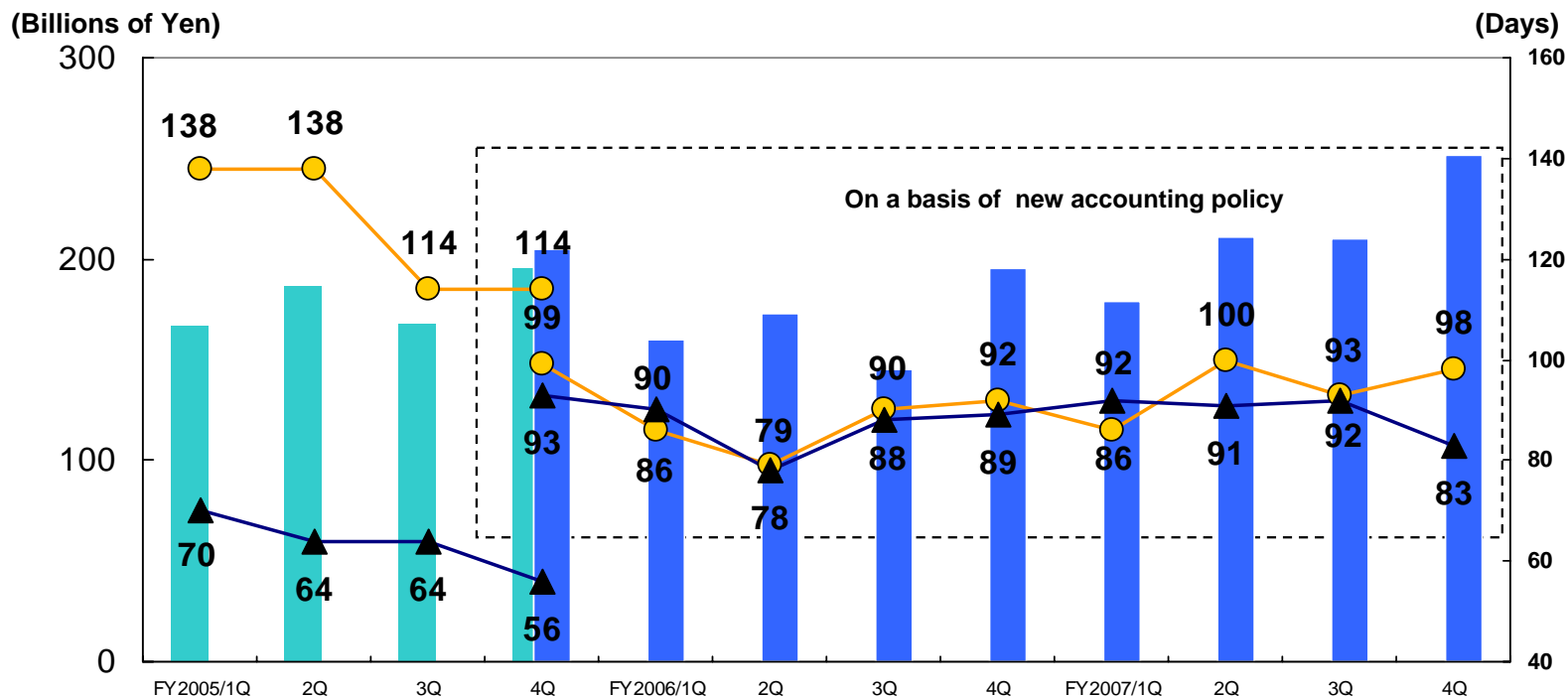
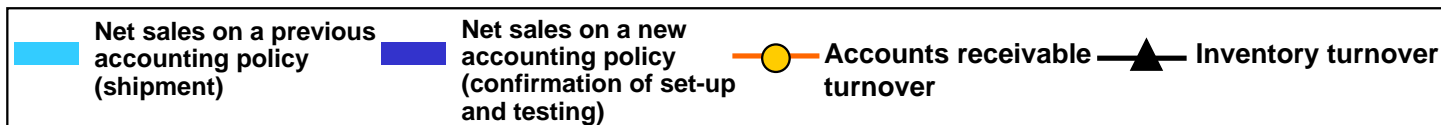
- FY2007 :
- FY2005, 2006 :

Equity = Net Assets – (Subscription rights to shares + Minority interest)  
 Shareholders' equity shown as Net Assets.



# 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.



# FY2007 Financial Summary

## Cash Flow

(Billions of Yen) 

		2005/3	2006/3	2007/3
<b>Cash flow from operating activities</b>		<b>114.3</b>	<b>78.8</b>	<b>54.2</b>
	Income before income taxes	55.7	75.3	144.4
	Depreciation and amortization	21.4	19.1	18.8
	Increase in AP, AR and inventories	-8.2	6.4	-72.7
	Others	45.3	- 22.0	-36.2
<b>Cash flow from investing activities</b>		<b>-7.4</b>	<b>-10.5</b>	<b>-25.2</b>
	Investment securities and subsidiary stocks	0.8	0	1.1
	Payment for purchase of property, plant, equipment, etc	-8.2	-10.5	-26.4
<b>Cash flow from financial activities</b>		<b>-34.3</b>	<b>-43.4</b>	<b>-34.7</b>
	Increase in interest bearing debt	-27.6	-34.4	-24.9
	Dividends paid	-3.7	-9.7	-12.8
	Others	-2.9	0.8	3.0
Effect of exchange rate changes on cash and cash equivalents		0.2	- 0.3	0.0
<b>Net increase in cash and cash equivalents</b>		<b>72.7</b>	<b>24.5</b>	<b>-5.6</b>
Cash and cash equivalents at beginning of year		42.6	115.4	140.0
Cash and cash equivalents at end of year		115.4	140.0	134.3

**Free cash flow is positive of 29 billion yen.**



# FY2007 Financial Summary

## Segment Information by Business Type

### Operating income/Operating margin

#### Industrial electronic equipment

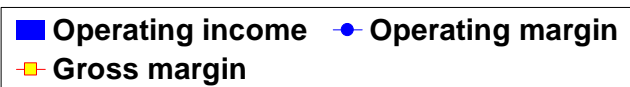
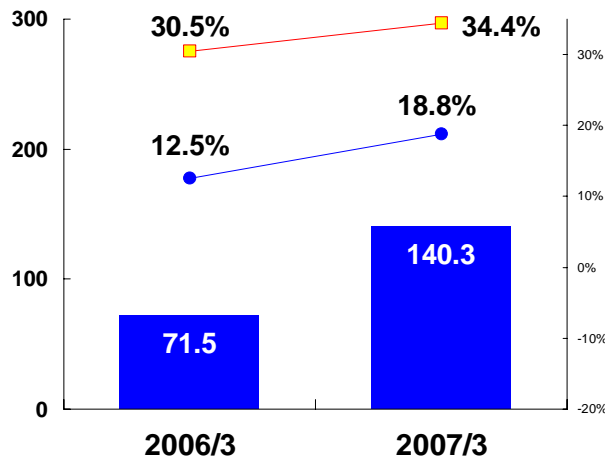
(SPE, FPD, other)

#### Electronic components & Computer networks

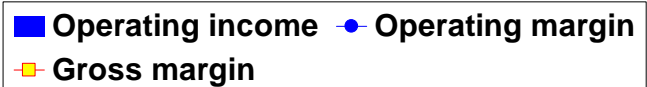
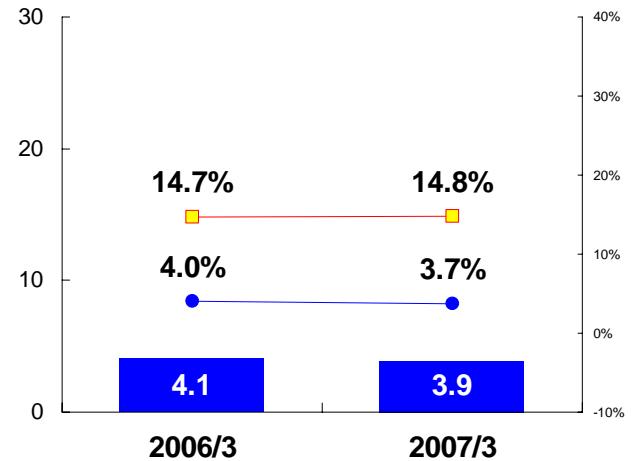
(Semiconductor products, Boards, Software, Other electronic components, Computer systems and Networks)

- Computer network division has been transferred to "Electronic components & Computer networks" segment from FY2007.

(Billions of Yen)



(Billions of Yen)

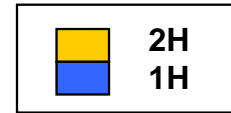


- Segment gross margin is provided for reference.
- FY2006 is provided by new segment definition.



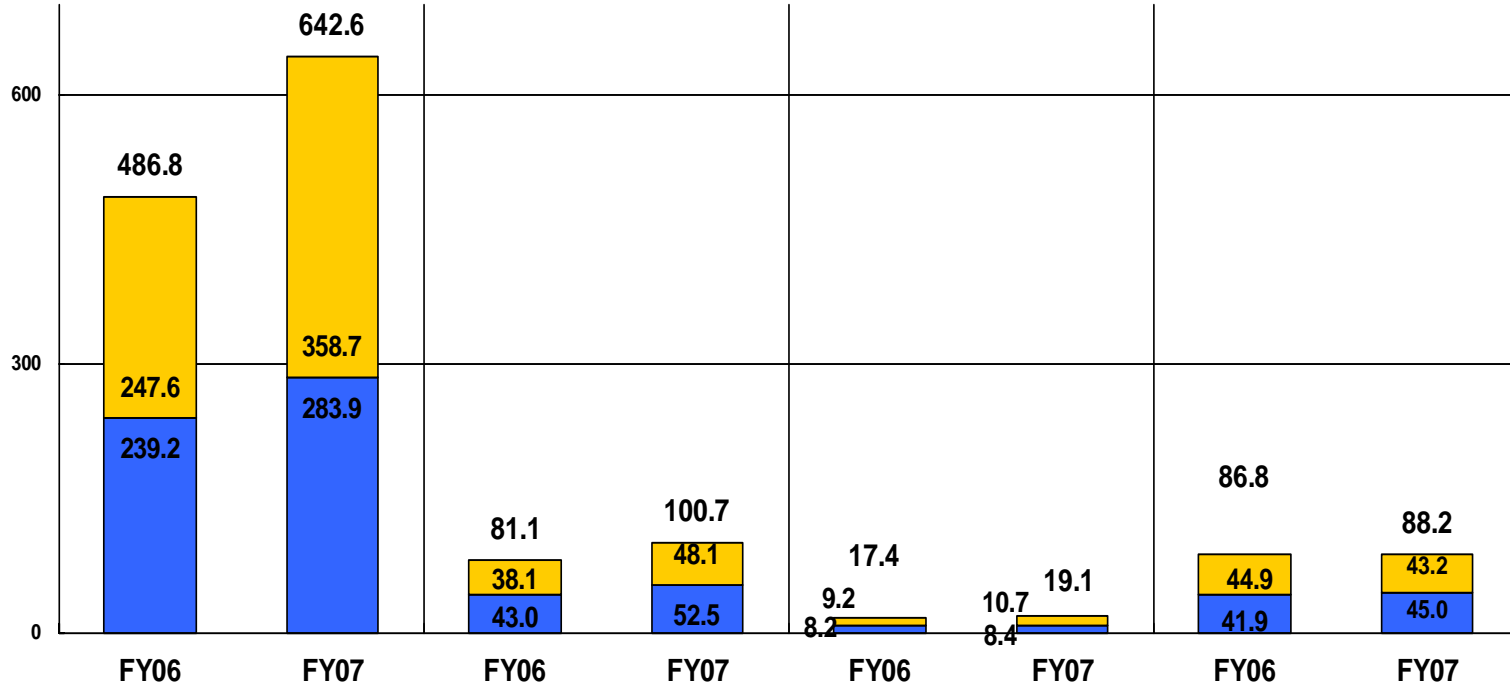
# FY2007 Financial Summary

## Net Sales by Division



<b>SPE Division</b> (Semiconductor Production Equipment)	<b>FPD Division</b> (FPD Production Equipment)	<b>CN Division</b> (Computer Network)	<b>EC Division</b> (Electronic Components)
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(Billions of Yen)

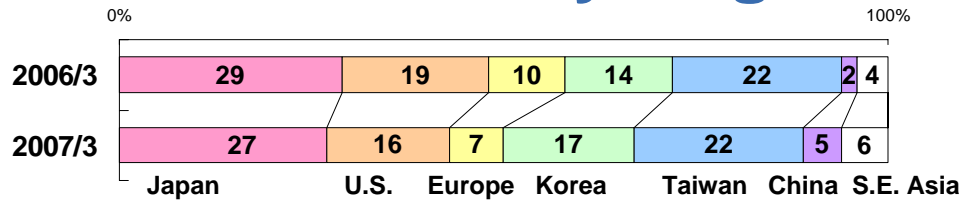
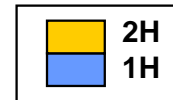


<b>YoY change</b>	<b>+32.0%</b>	<b>+24.1%</b>	<b>+9.6%</b>	<b>+1.6%</b>
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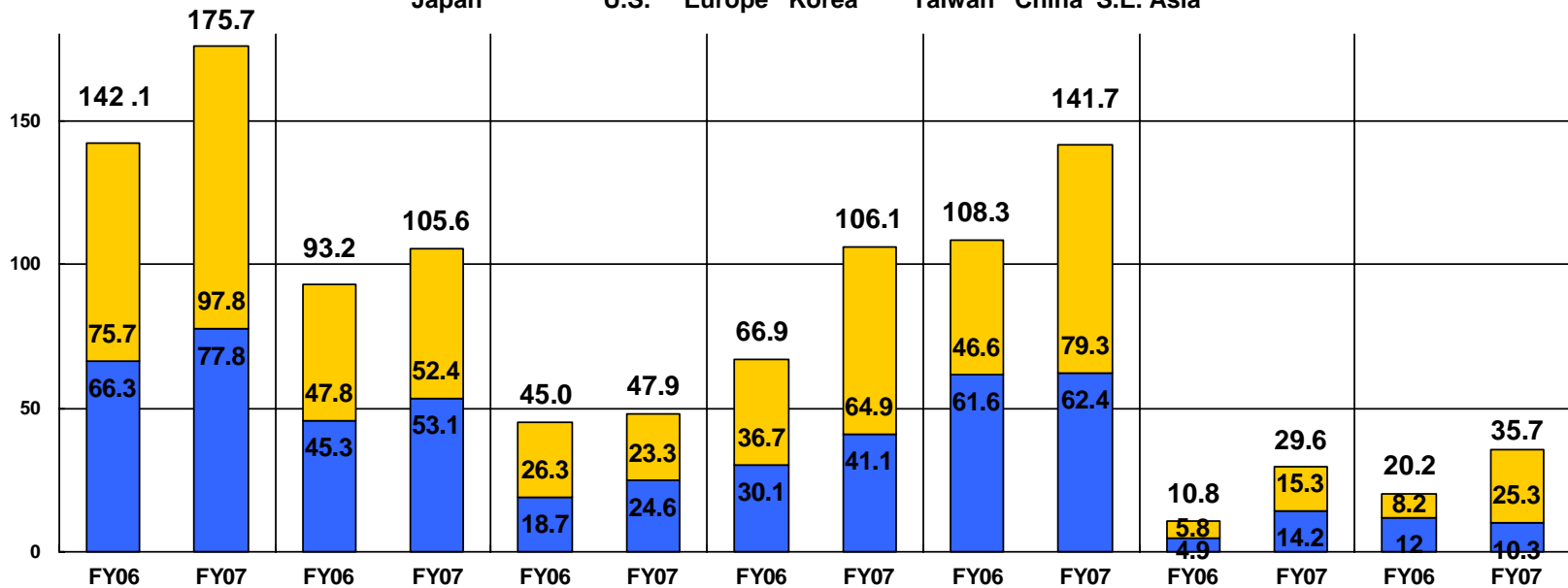
# FY2007 Financial Summary

## SPE Sales by Region



2006/3 486.8 bil yen  
2007/3 642.6 bil yen

(Billions of Yen)

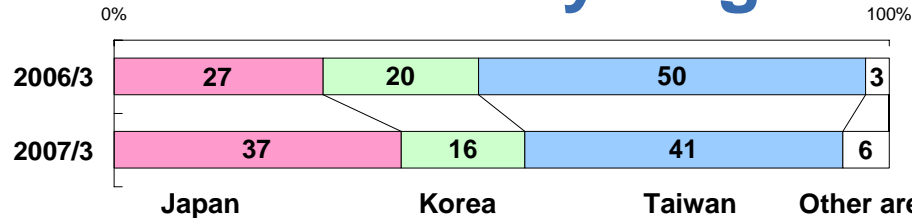
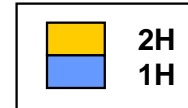


Japan	U.S.	Europe	Korea	Taiwan	China	S.E.Asia
YoY change +24%	+13%	+6%	+59%	+31%	+174%	+76%



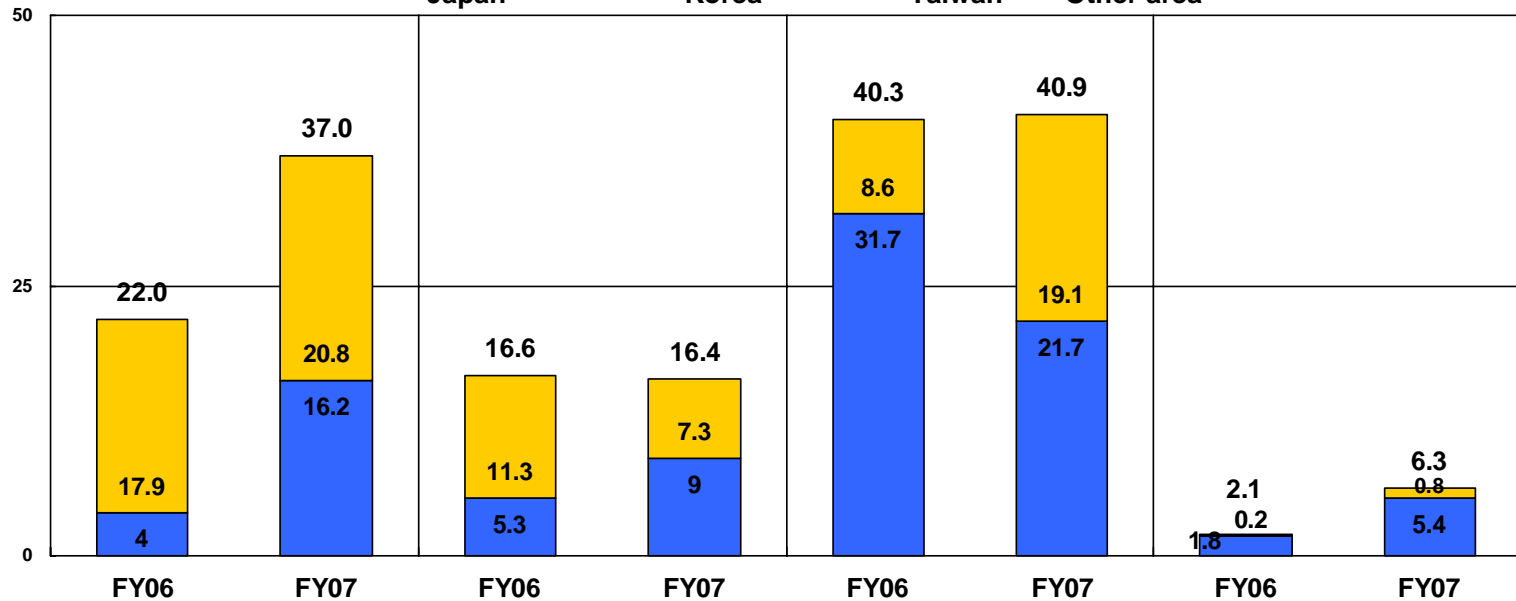
# FY2007 Financial Summary

## FPD Sales by Region



2006/3 81.1 bil yen  
2007/3 100.7 bil yen

(Billions of Yen)



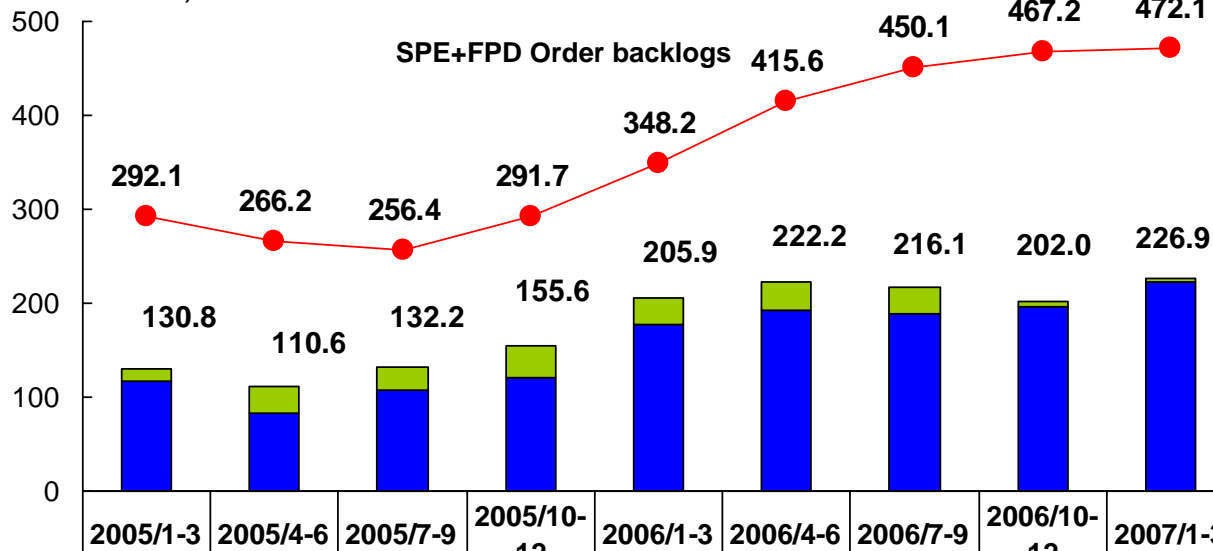
Japan	Korea	Taiwan	Other area
YoY change +68%	-1%	+1%	+193%



## FY2007 Financial Summary

# Quarterly SPE+FPD Order, Order Backlog

(Billions of Yen)



FPD Production Equipment	13.6	27.6	24.0	34.4	27.7	29.6	27.5	5.5	4.2
SPE	117.2	82.9	108.1	121.1	178.2	192.6	188.6	196.4	222.7
Order backlog	292.1	266.2	256.4	291.7	348.2	415.6	450.1	467.2	472.1

**Order backlog  
breakdown**

FPD	66.0	69.8	74.8	92.7	99.0	99.7	103.6	83.1	65.2
SPE	226.0	196.3	181.6	199.0	249.1	315.8	346.4	384.1	406.9

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



# FY2007 Quarterly Data



## FY2007 Quarterly Data

# Quarterly Financial Summary

(Billions of Yen)

	FY2007				
	1Q	2Q	3Q	4Q	Total
<b>Net Sales</b>	179.2	211.3	210.0	251.3	851.9
<b>Gross profit</b>	54.4	64.9	73.9	79.3	272.6
<b>SG&amp;A expenses</b>	28.5	32.5	31.0	36.4	128.6
<b>Operating income</b>	25.8	32.3	42.9	42.8	143.9
<b>Ordinary income</b>	26.7	31.4	42.1	43.6	143.9
<b>EBIT</b>	27.3	31.1	42.1	43.7	144.4
<b>Net income</b>	16.2	20.9	26.9	27.0	91.2

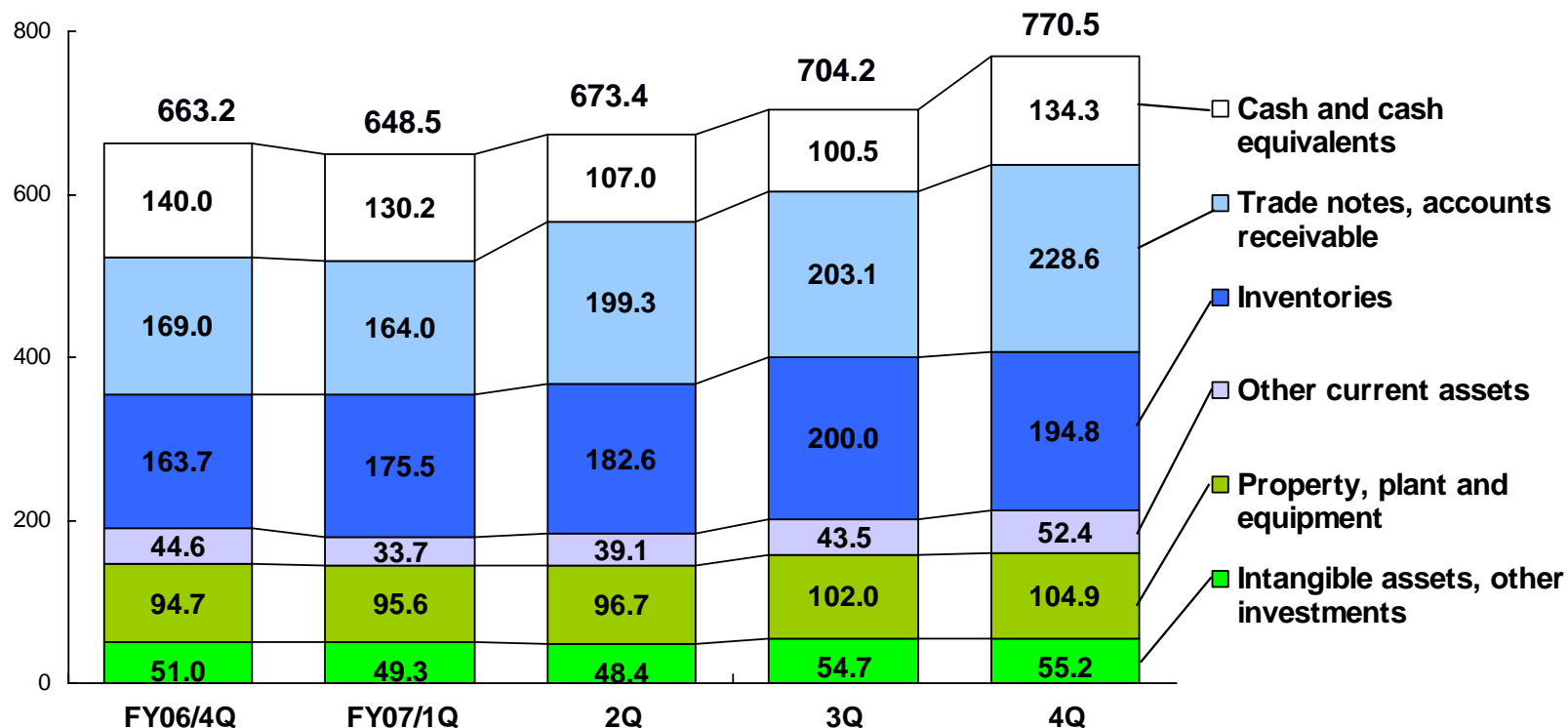
<b>R&amp;D expenses</b>	12.6	14.5	13.3	16.4	56.9
<b>CAPEX</b>	4.7	4.9	9.3	8.1	27.1
<b>Depreciation</b>	4.2	4.5	4.8	5.1	18.8



# FY2007 Financial Summary

## Assets

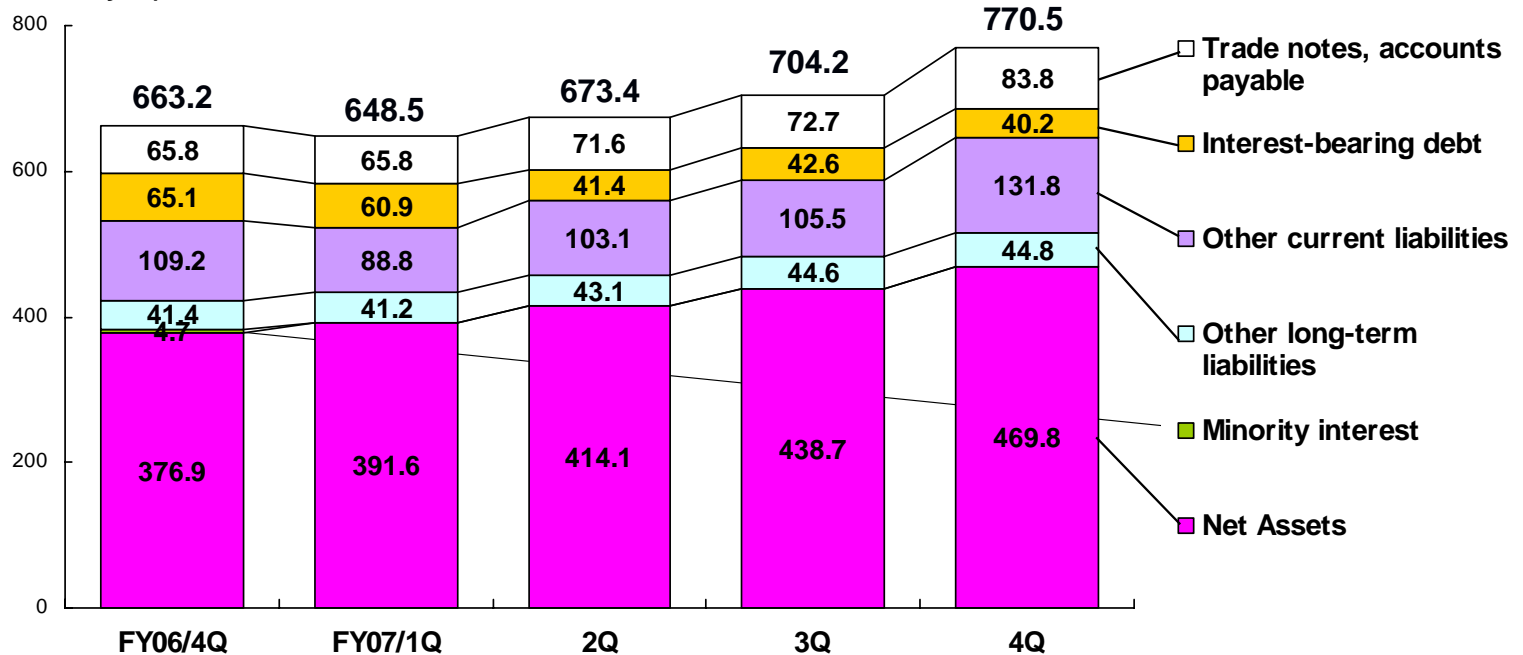
(Billions of Yen)



# FY2007 Financial Summary

## Liabilities & Net Assets

(Billions of yen)



Debt to Equity Ratio

17.3 %

15.8 %

10.1 %

9.9 %

8.7 %

● FY2007 :

● FY2005, 2006 :

Equity = Net Assets – (Subscription rights to shares + Minority interest)

Shareholders' equity shown as Net Assets.

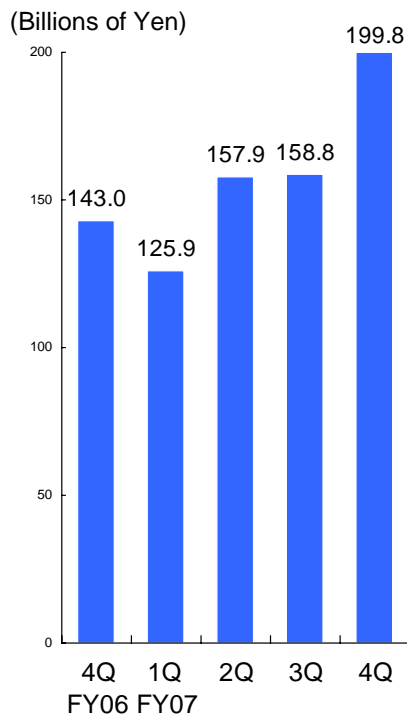


# FY2007 Financial Summary

## Quarterly Sales by Division

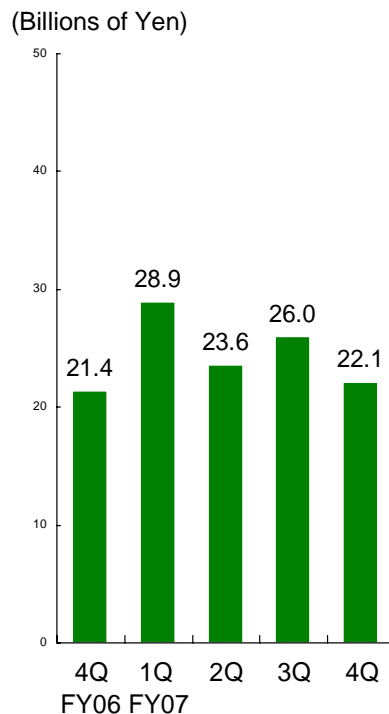
### SPE Division

(Semiconductor Production Equipment)



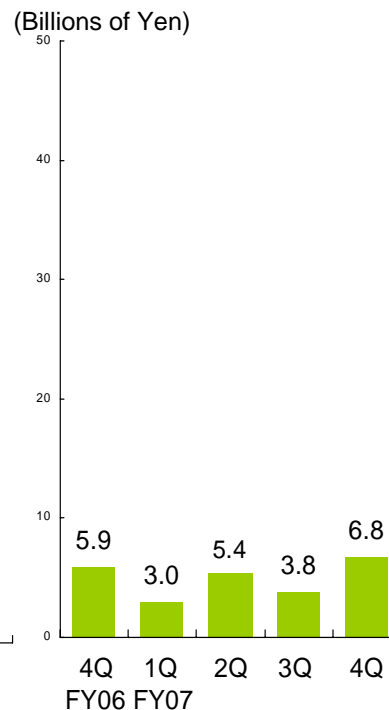
### FPD Division

(FPD Production Equipment)



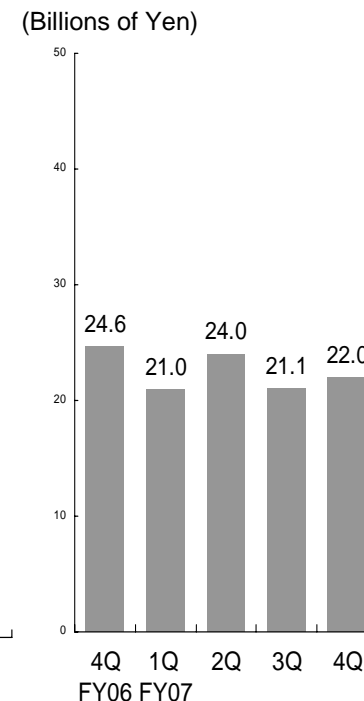
### CN Division

(Computer Network)



### EC Division

(Electronic Components)



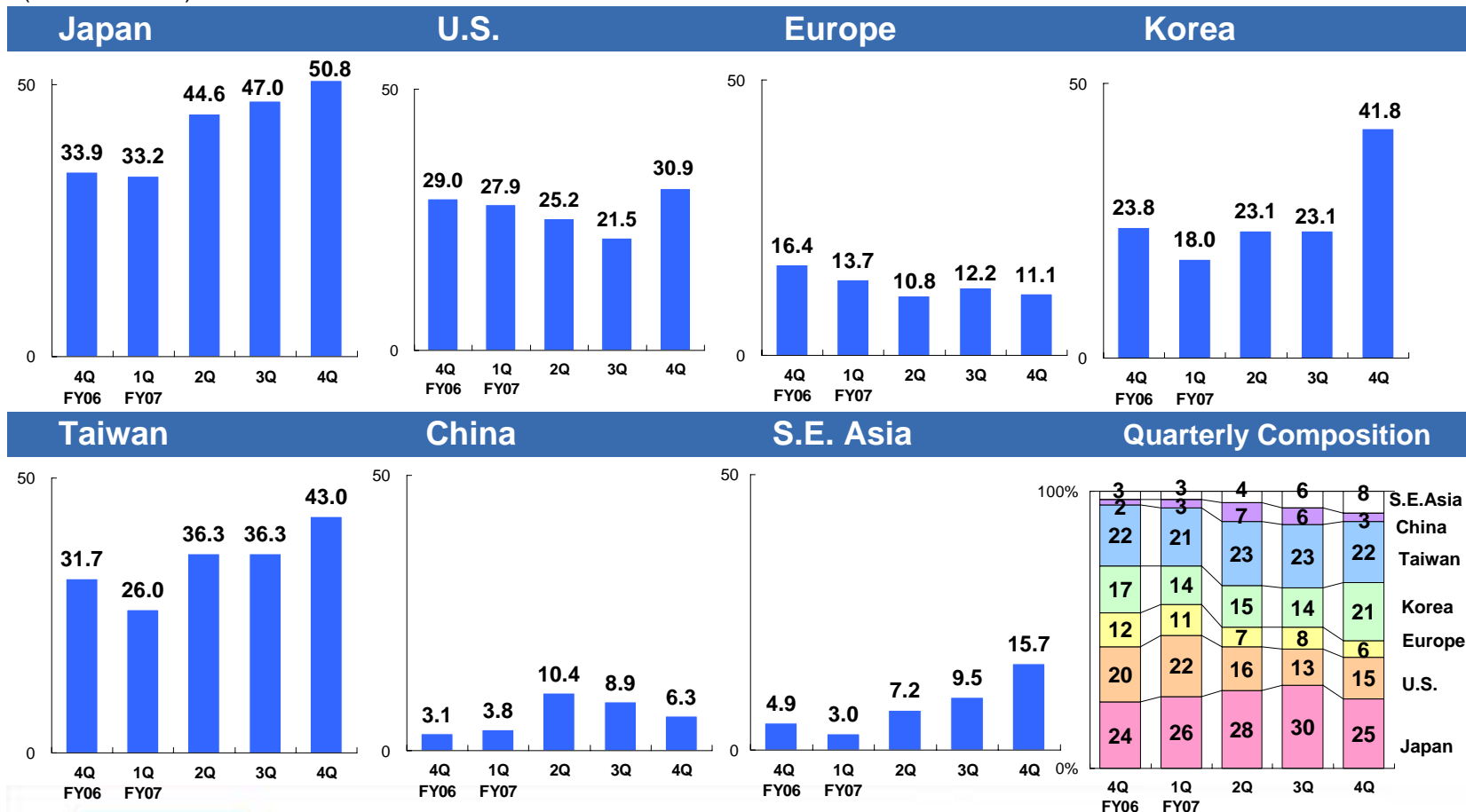
- In addition to the above 4 divisions, there is "Others" division. (4Q sales of 0.2 billion yen)



# FY2007 Financial Summary

## Quarterly SPE Sales by Region

(Billions of Yen)

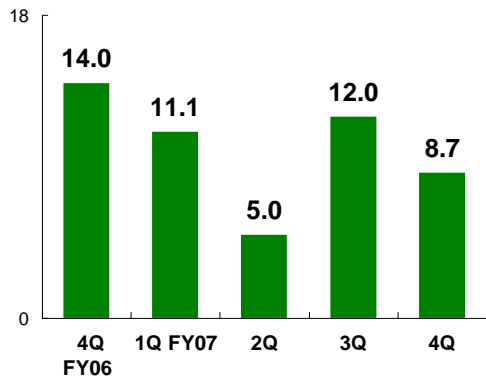


## FY2007 Financial Summary

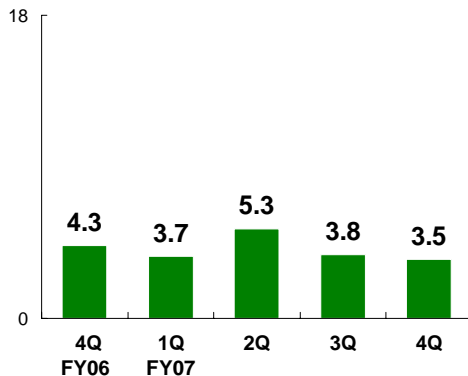
# Quarterly FPD Equipment Sales by Region

(Billions of Yen)

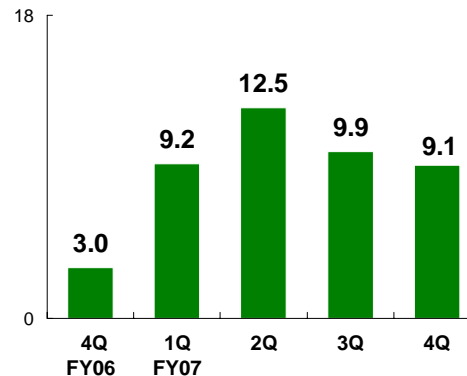
### Japan



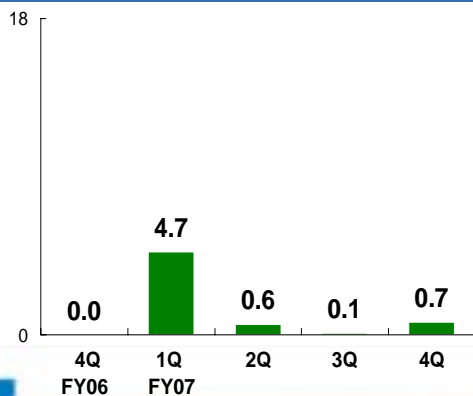
### Korea



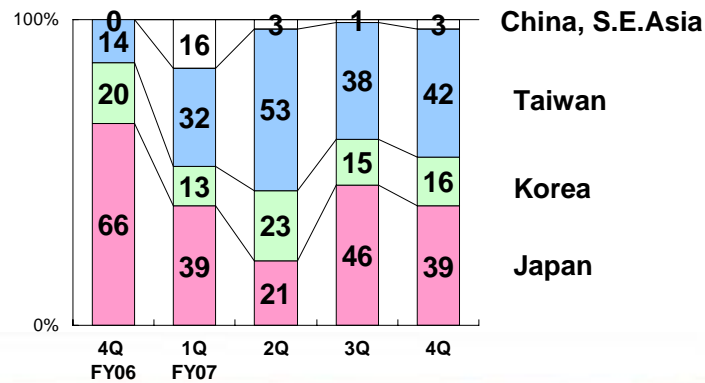
### Taiwan



### China, Southeast Asia & Other



### Quarterly Composition



# FY2007 Financial Summary

## Segment Information by Business Type

### Operating income/Operating margin

#### Industrial electronic equipment

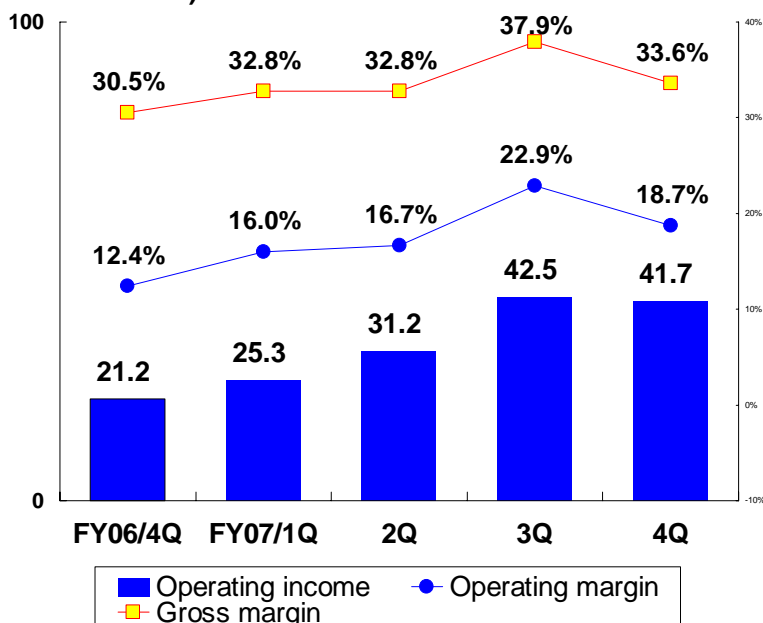
(SPE, FPD, other)

#### Electronic components & Computer networks

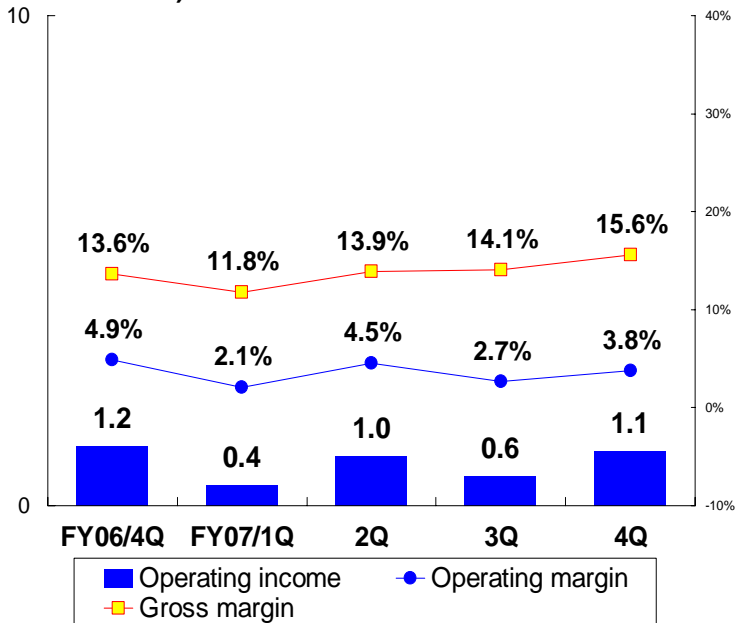
(Semiconductor products, Boards, Software, Other electronic components, Computer systems and Networks)

• Computer network division has been transferred to “Electronic components & Computer networks” segment from FY2007.

(Billions of Yen)



(Billions of Yen)



- Segment gross margin is provided for reference.
- Data before FY2007 2Q is provided by previous segment definition.



