

TOKYO ELECTRON

FY2008 Financial Announcement

May 13, 2008

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.



FY2008 Financial Summary

FY2007: April 1, 2006 - March 31, 2007
FY2008: April 1, 2007 - March 31, 2008

May 13, 2008

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

Consolidated Financial Results

▶▶ Record sales and profit

(Billions of Yen)

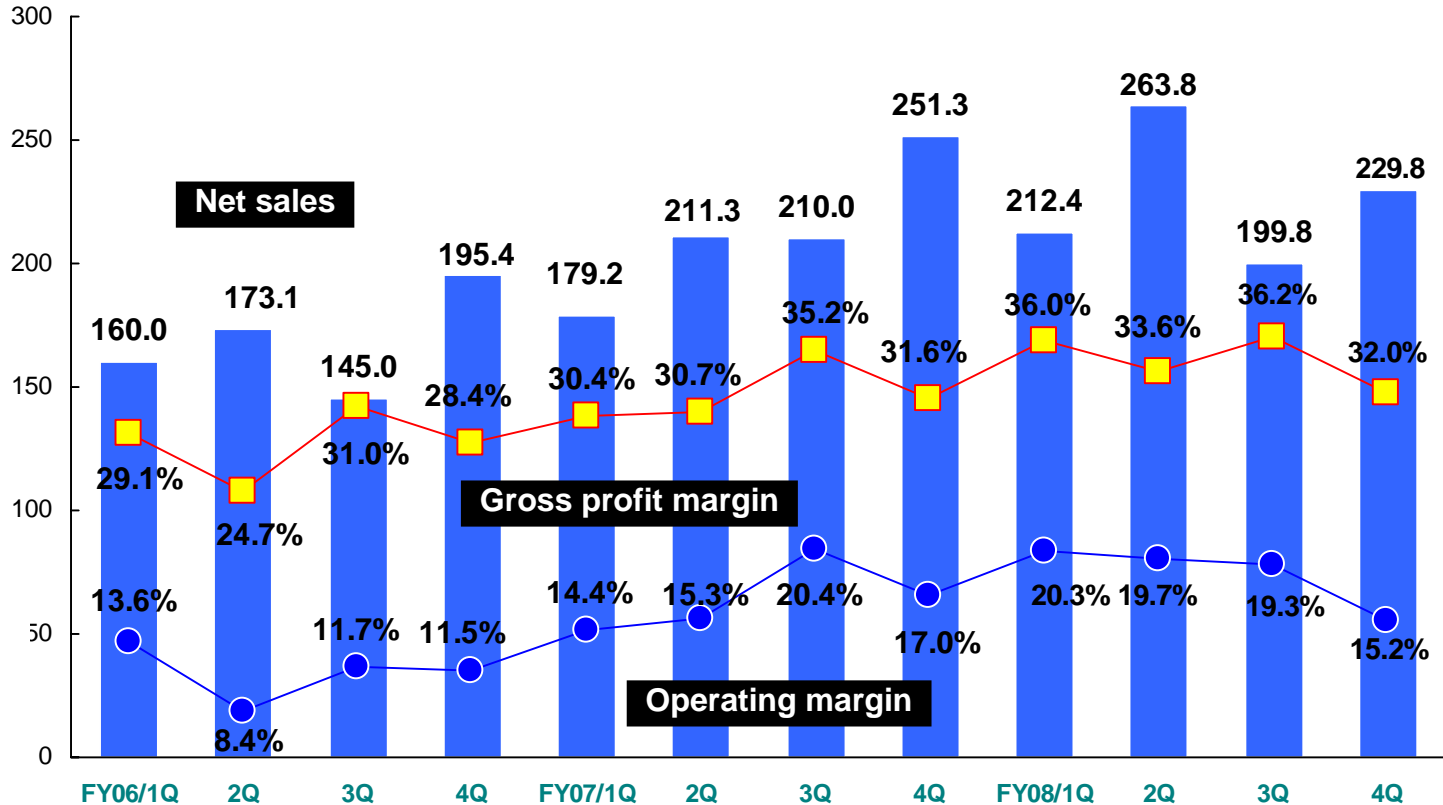
	FY2007	FY2008	YoY change	YoY change (%)
Net sales	851.9	906.0	54.1	+6.4%
SPE	642.6	726.4	83.8	+13.0%
FPD	100.7	68.0	-32.7	-32.5%
EC/CN	107.4	111.1	3.7	+3.5%
Others	1.1	0.4	-0.6	-59.4%
Gross profit	272.6 (32.0%)	311.2 (34.4%)	38.6	+14.2%
SG&A expenses	128.6	142.7	14.1	+11.0%
Operating income	143.9 (16.9%)	168.4 (18.6%)	24.5	+17.0%
Ordinary income	143.9	172.7	28.7	+20.0%
EBIT	144.4	169.2	24.8	+17.2%
Net income	91.2	106.2	15.0	+16.4%
R&D Expenses	56.9	66.0	9.1	+16.0%
Capital Expenditures	27.1	22.7	-4.4	-16.3%
Depreciation	18.8	21.4	2.5	+13.8%

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



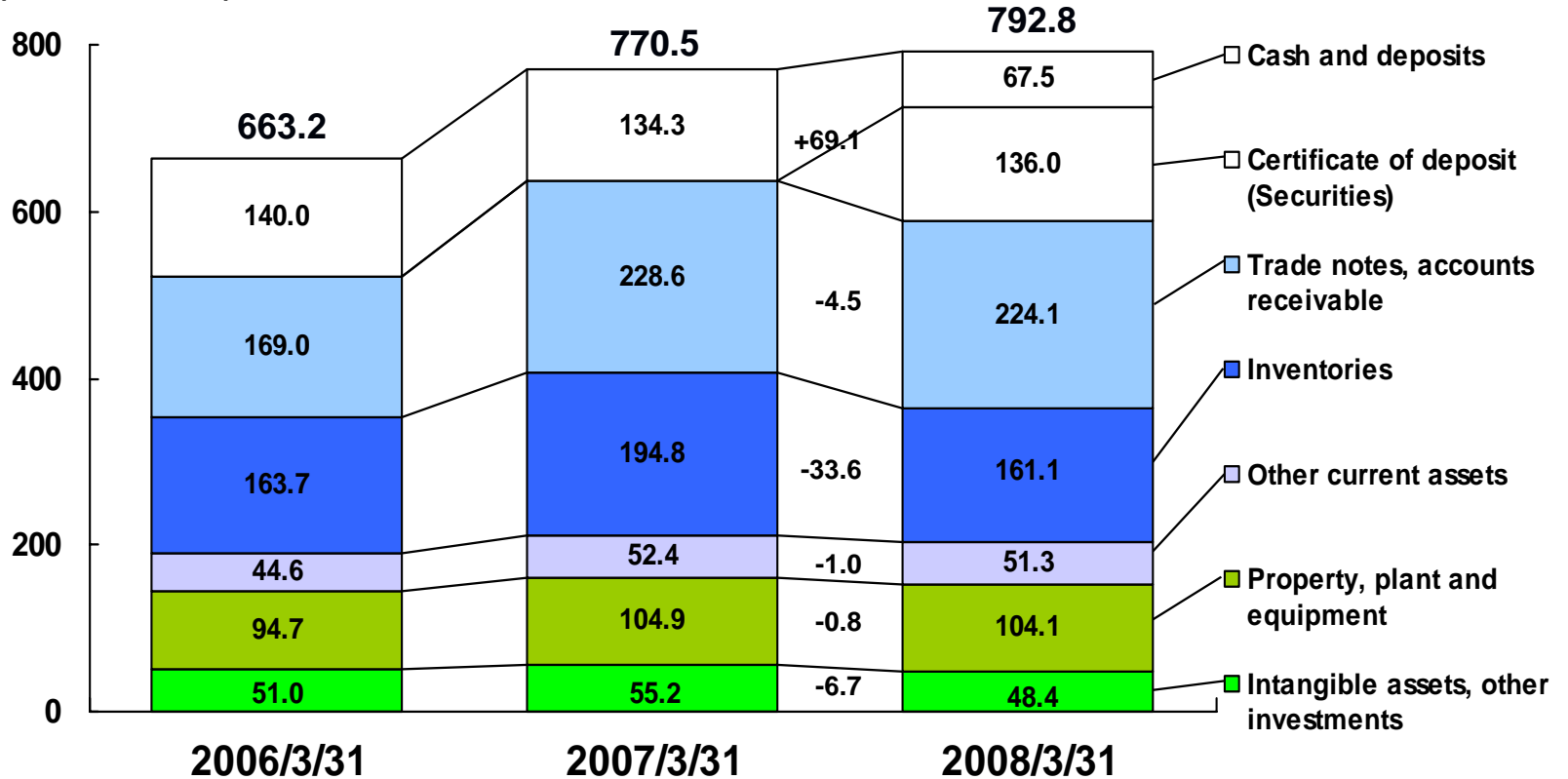
Net Sales & Profit Ratio

(Billions of Yen)



Assets

(Billions of Yen)

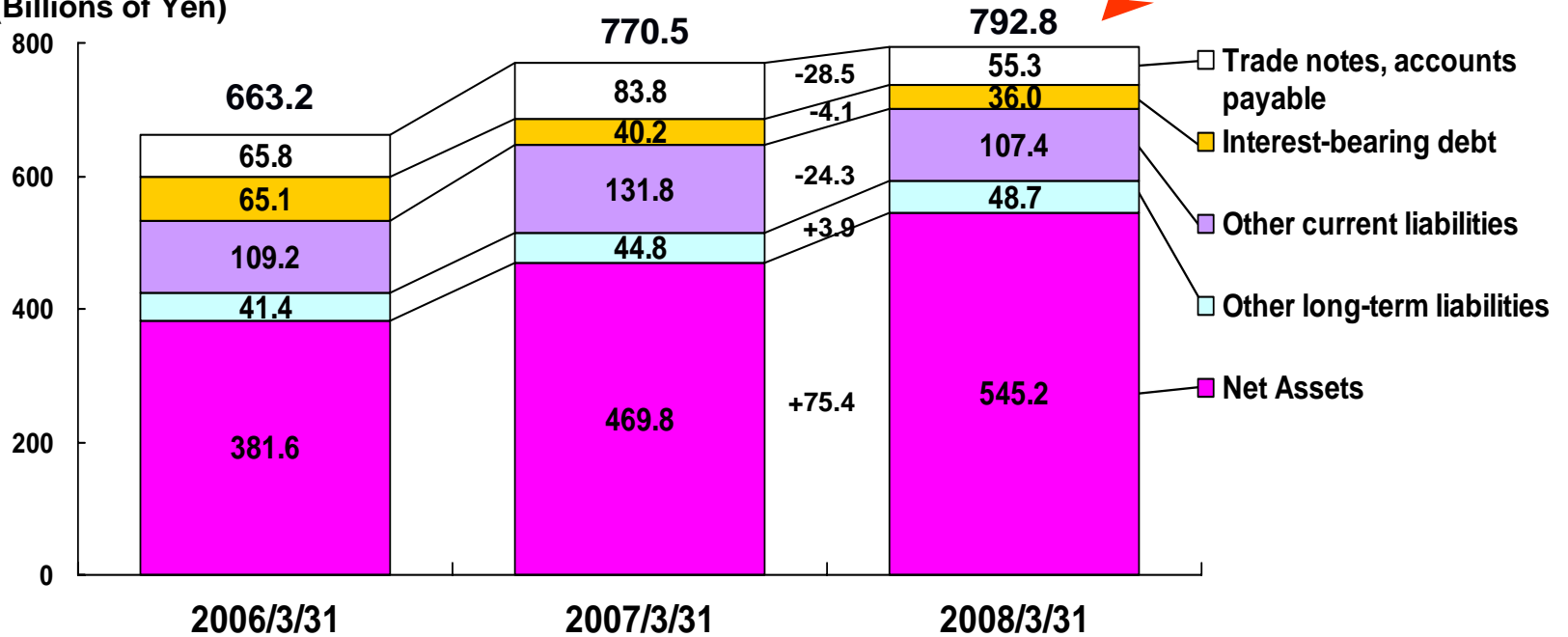


● "Certificate of deposit" is separated from "Cash and deposits" from 2008/3/31.

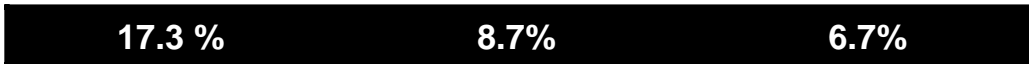


Liabilities & Net Assets

(Billions of Yen)



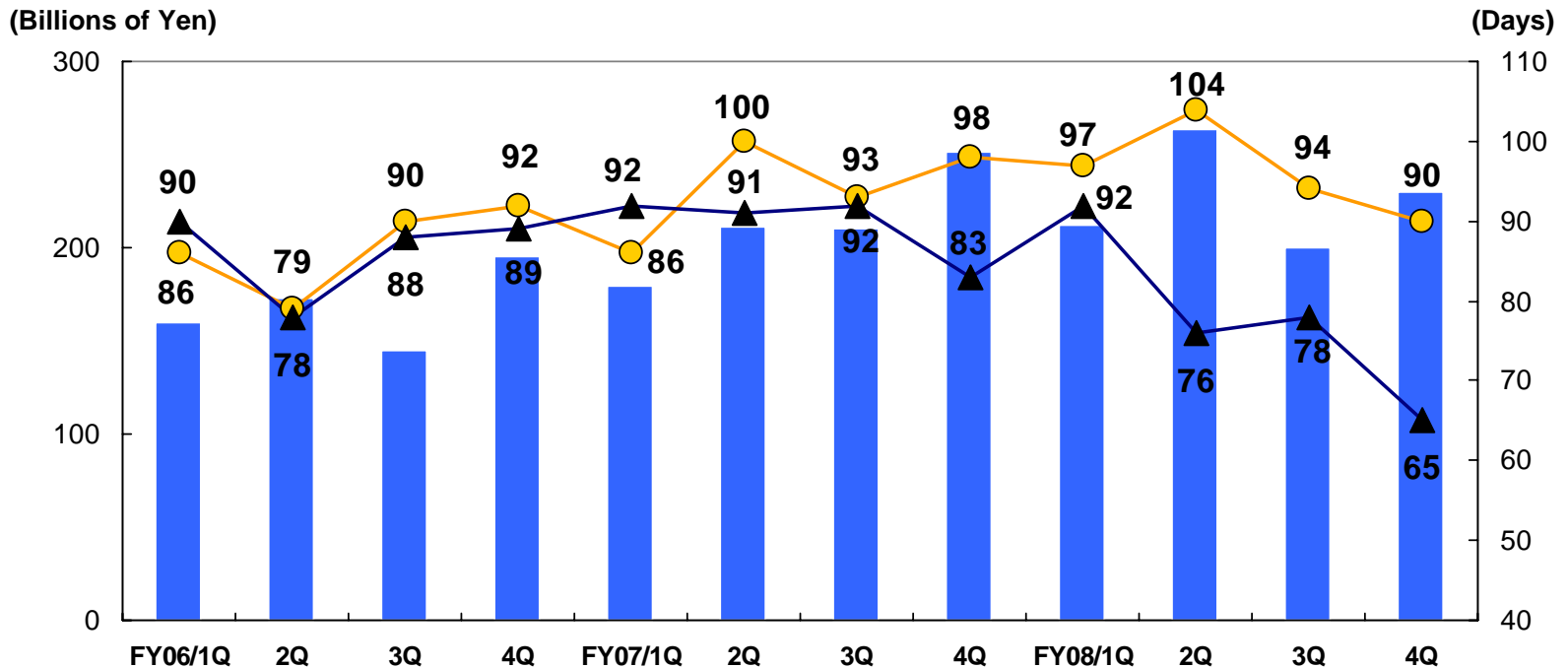
Debt to Equity Ratio



- 2007/3/31, 2008/3/31 : Equity = Net Assets – (Subscription rights to shares + Minority interest)
- 2006/3/31 : Minority interest is included in Net Assets.



Inventory Turnover and AR Turnover



- Turnover days = Inventory or AR at the end of each quarter / last 12-month sales x 365
- For turnovers for 1Q/FY2006, 2Q/2005 figure is used, which is calculated by 6 months sales (1H/FY2005) on a basis of new accounting policy x 1/2.



FY2008 Financial Summary

Cash Flow

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(Billions of Yen)

		2006/3	2007/3	2008/3
Cash flow from operating activities		78.8	54.2	116.9
	Income before income taxes	75.3	144.4	169.2
	Depreciation and amortization	19.1	18.8	21.4
	Increase in AP, AR and inventories	6.4	-72.7	3.4
	Others	- 22.0	-36.2	-77.1
Cash flow from investing activities		-10.5	-25.2	-30.1
	Payment for purchase of property, plant, equipment, etc	-10.5	-26.4	-19.0
	Others	0	1.1	-11.0
Cash flow from financing activities		-43.4	-34.7	-27.0
	Increase in interest bearing debt	-34.4	-24.9	-4.1
	Dividends paid	-9.7	-12.8	-23.4
	Others	0.8	3.0	0.5
Effect of exchange rate changes on cash and cash equivalents		- 0.3	0.0	-0.6
Net increase in cash and cash equivalents		24.5	-5.6	59.1
Cash and cash equivalents at beginning of year		115.4	140.0	134.3
Cash and cash equivalents at end of year		140.0	134.3	193.4

Free cash flow is positive of 86 billion yen.



FY2008 Financial Summary

Segment Information by Business Type

Operating income/Operating margin

Industrial electronic equipment

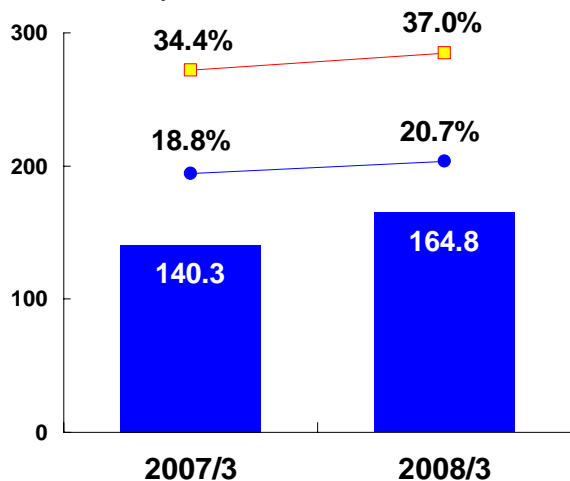
(SPE, FPD, other)

Electronic components & Computer networks

(Semiconductor products, computer systems and networks middleware and software, other electronic components)

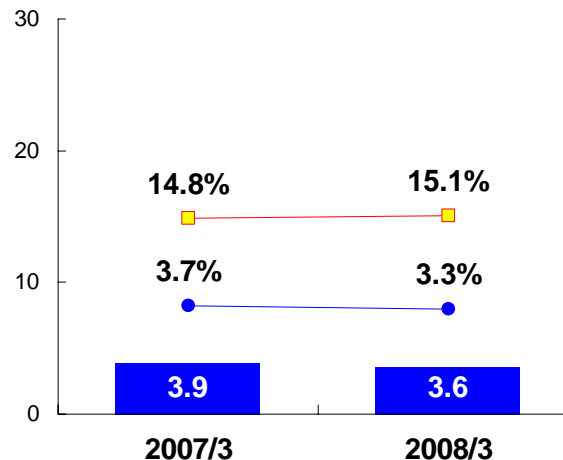
- Computer network division has been transferred to “Electronic components & Computer networks” segment from FY2007.

(Billions of Yen)



■ Operating income ● Operating margin
 ■ Gross margin

(Billions of Yen)



■ Operating income ● Operating margin
 ■ Gross margin

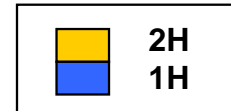
- Segment gross margin is provided for reference.



FY2008 Financial Summary

Net Sales by Division

10



SPE Division

(Semiconductor Production Equipment)

FPD Division

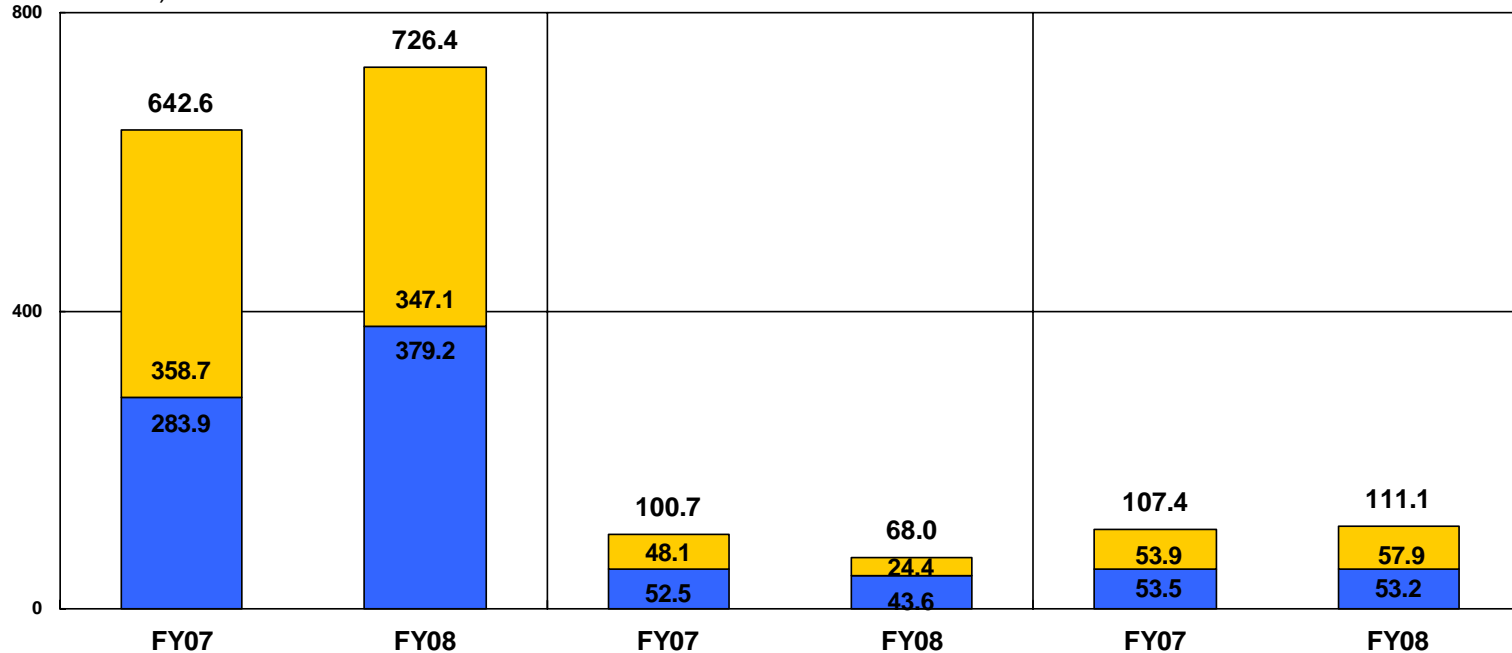
(FPD Production Equipment)

EC/CN Division

(Electronic Components /Computer Networks)

(Billions of Yen)

● In addition to the above 3 divisions, there is "Others" division.



FY08 vs FY07

+13.0%

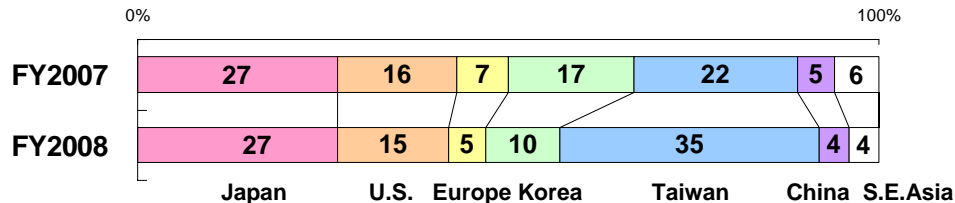
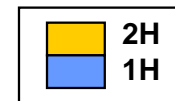
-32.5%

+3.5%



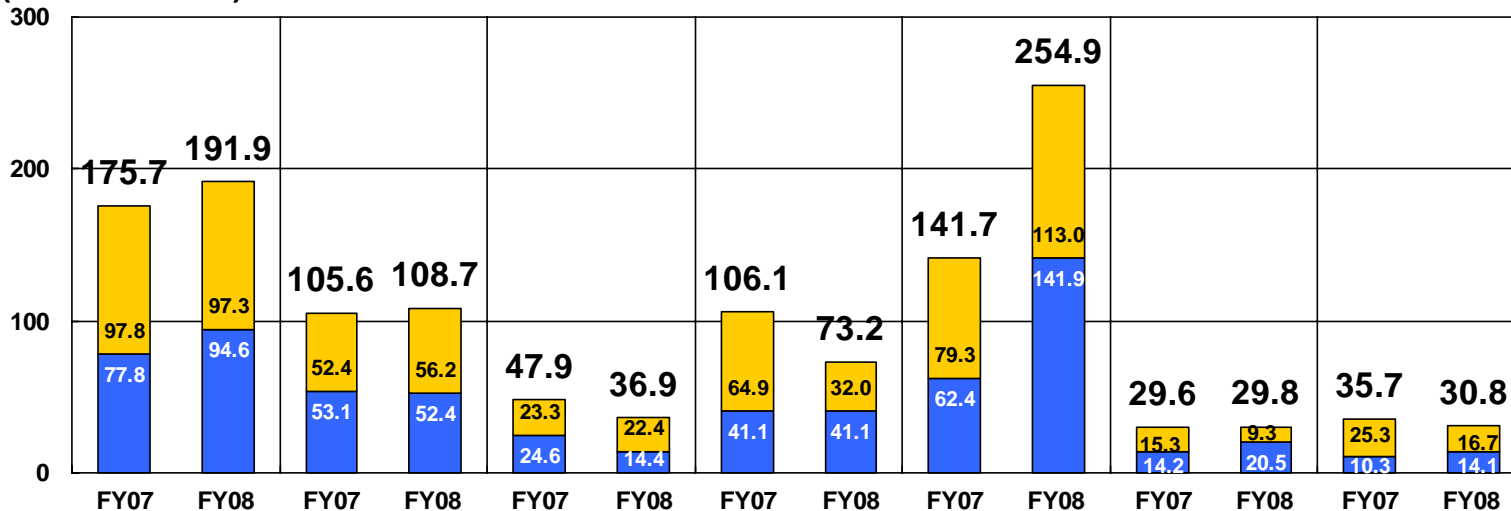
FY2008 Financial Summary

SPE Sales by Region



FY2007 642.6 bil yen
FY2008 726.4 bil yen

(Billions of Yen)



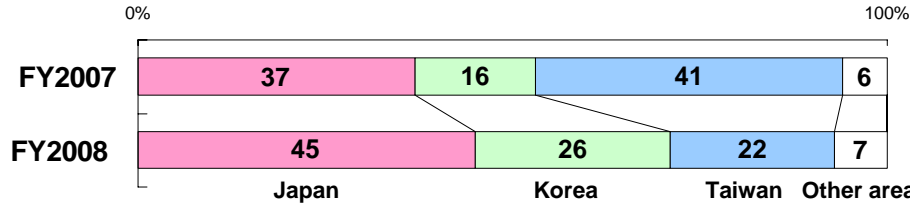
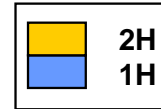
FY08 vs FY07

Japan	U.S.	Europe	Korea	Taiwan	China	S.E.Asia
+9.2%	+2.9%	-23.0%	-31.0%	+79.8%	+0.7%	-13.7%



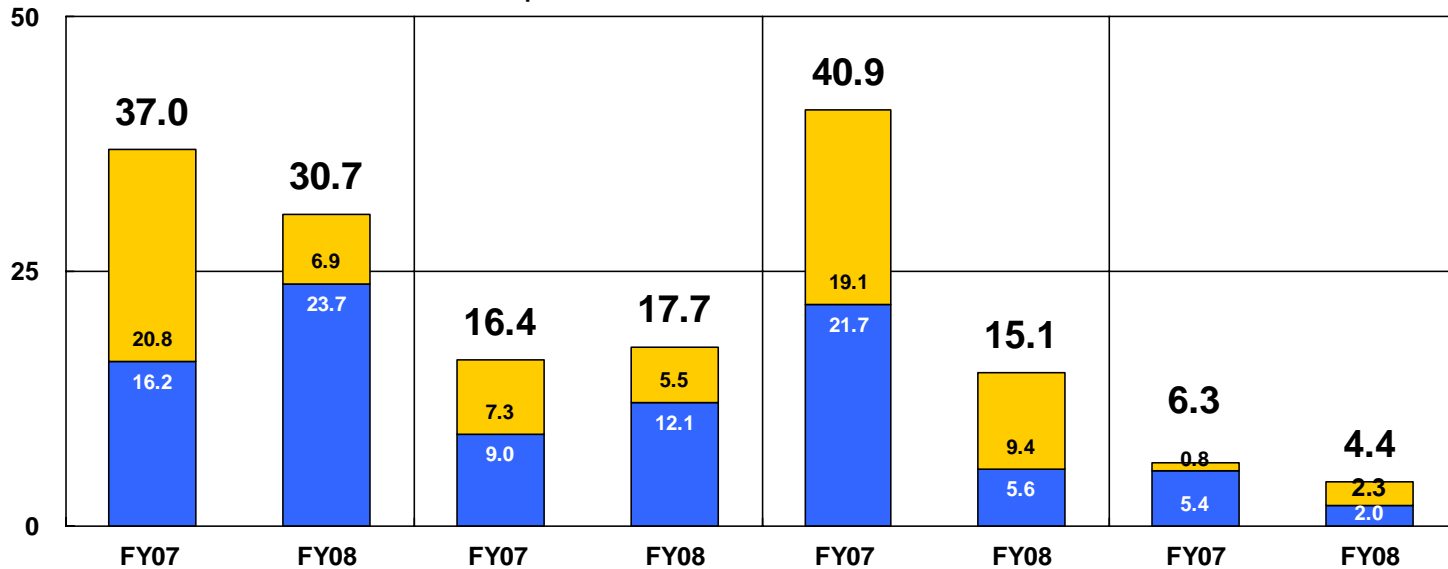
FY2008 Financial Summary

FPD Sales by Region



FY2007 100.7 bil yen
 FY2008 68.0 bil yen

(Billions of Yen)

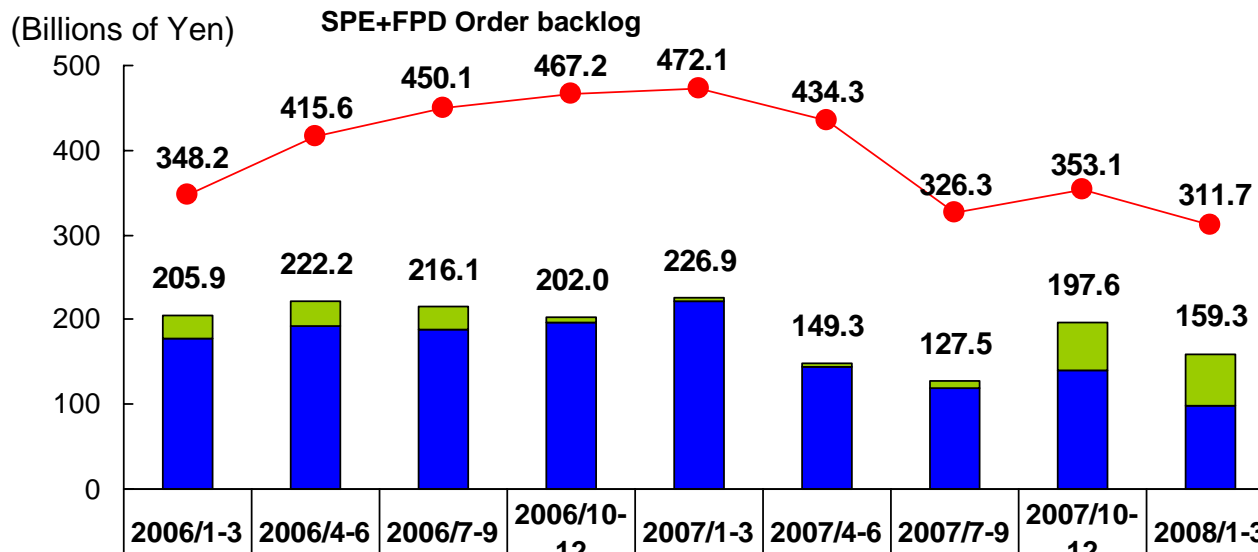


FY08 vs FY07

Region	Change (%)
Japan	-17.1%
Korea	+7.7%
Taiwan	-63.1%
Other area	-29.4%



SPE+FPD Orders, Order Backlog



FPD Production Equipment	27.7	29.6	27.5	5.5	4.2	4.1	7.3	57.3	61.0
SPE	178.2	192.6	188.6	196.4	222.7	145.2	120.2	140.3	98.3
Order total	205.9	222.2	216.1	202.0	226.9	149.3	127.5	197.6	159.3
Order backlog	348.2	415.6	450.1	467.2	472.1	434.3	326.3	353.1	311.7

Order backlog
breakdown

FPD	99.0	99.7	103.6	83.1	65.2	47.9	33.1	80.3	127.1
SPE	249.1	315.8	346.4	384.1	406.9	386.4	293.1	272.7	184.6



FY2008 Quarterly Data



Quarterly Financial Summary

(Billions of Yen)

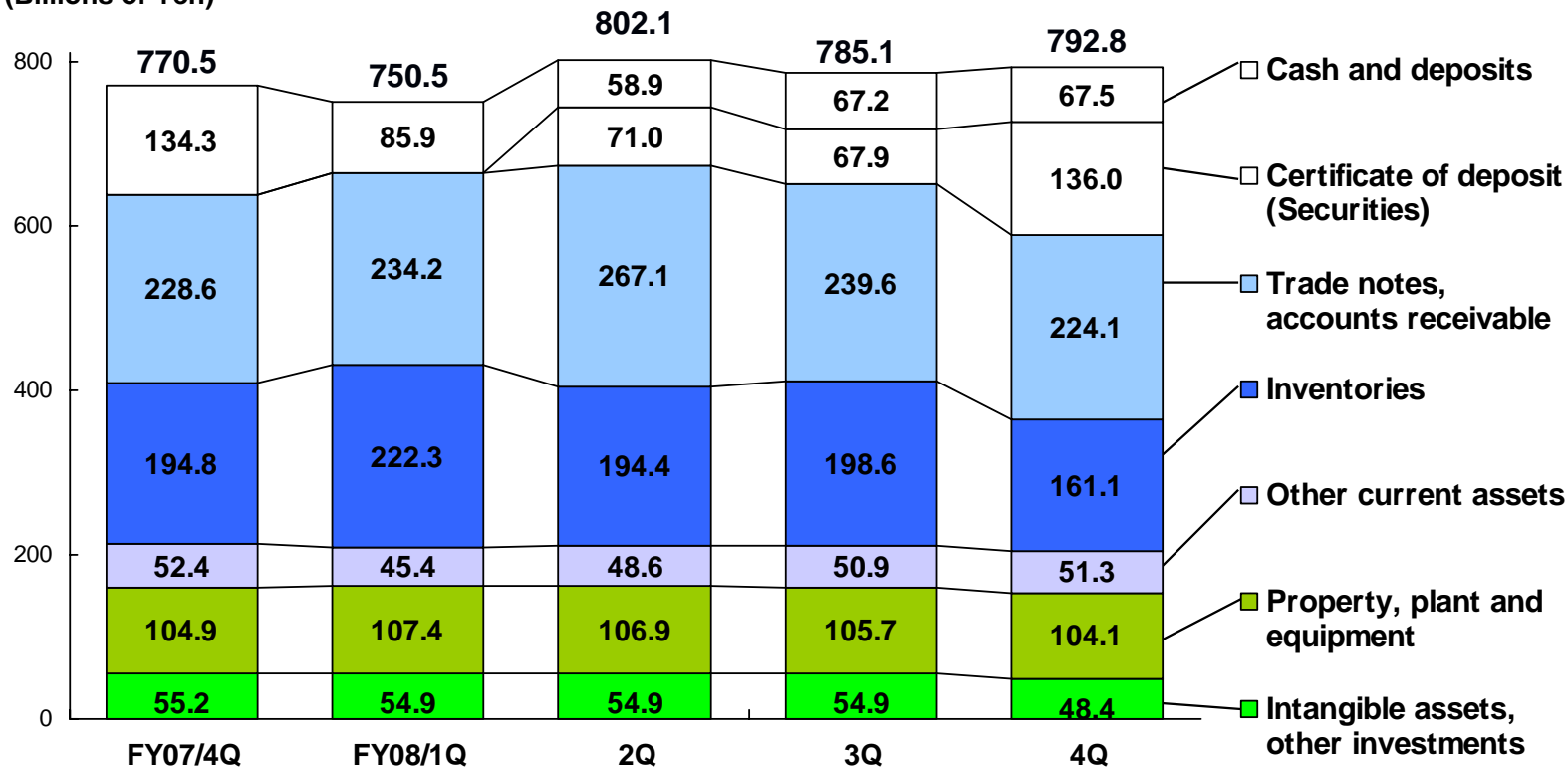
	FY2008				
	1Q	2Q	3Q	4Q	Total
Net Sales	212.4	263.8	199.8	229.8	906.0
Gross profit	76.5	88.7	72.4	73.5	311.2
SG&A expenses	33.5	36.8	33.9	38.5	142.7
Operating income	43.0	51.9	38.4	34.9	168.4
Ordinary income	41.1	54.6	39.7	37.1	172.7
EBIT	42.4	55.7	40.0	31.0	169.2
Net income	26.1	36.2	25.6	18.2	106.2

R&D expenses	14.8	17.0	15.9	18.2	66.0
CAPEX	7.0	5.7	4.1	5.7	22.7
Depreciation	4.6	5.1	5.5	6.0	21.4



Assets

(Billions of Yen)

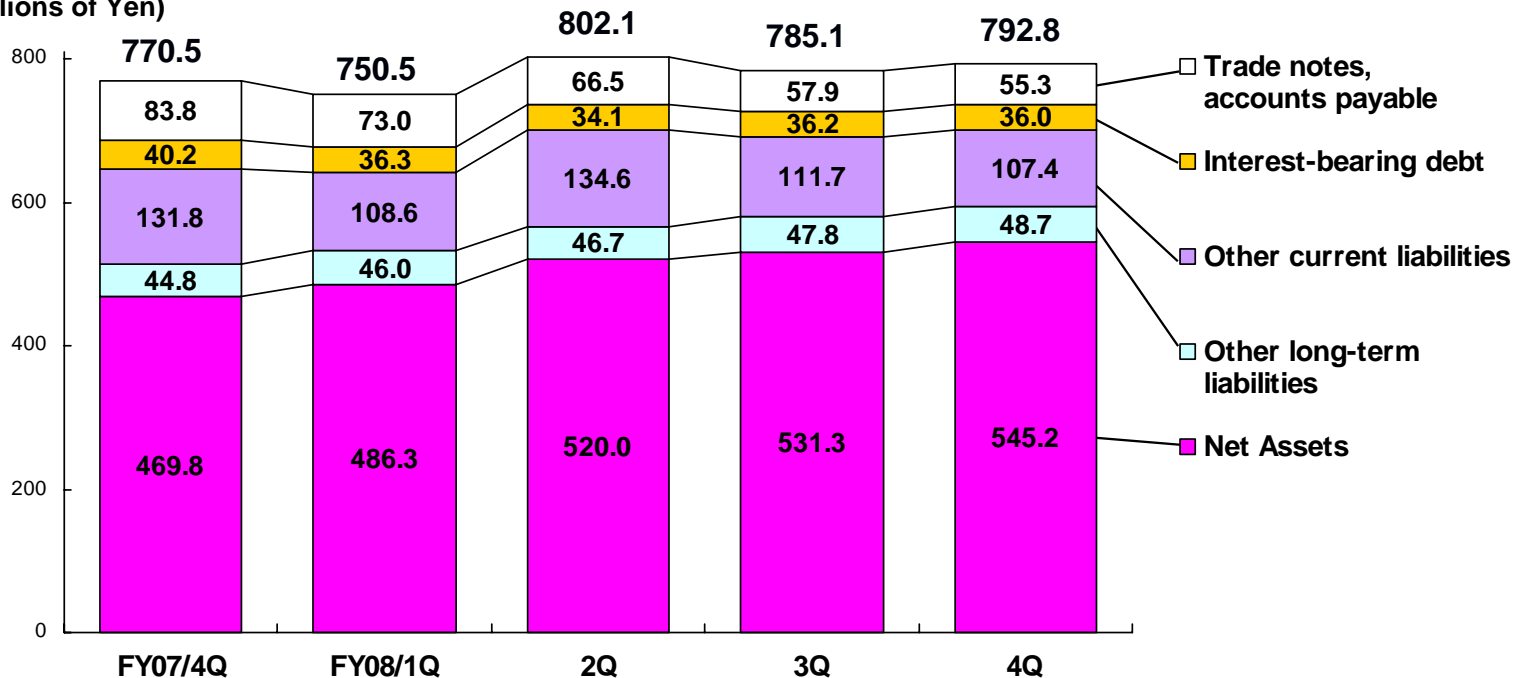


● “Certificate of deposit” is separated from “Cash and deposits” from FY08/2Q .



Liabilities & Net Assets

(Billions of Yen)



Debt to Equity Ratio



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

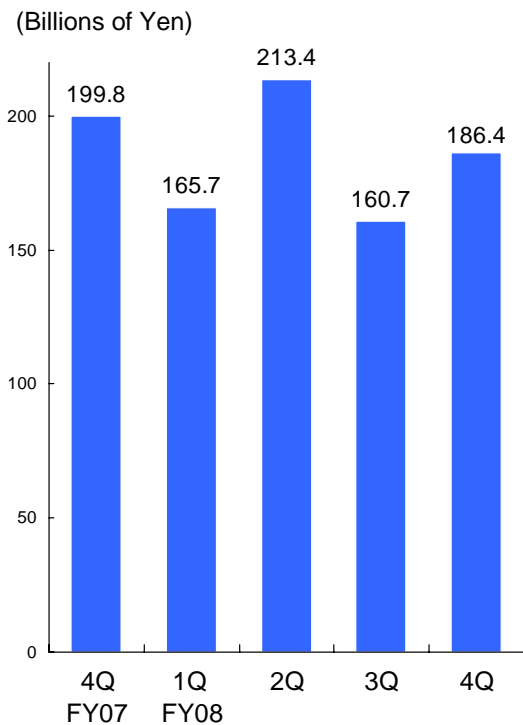


FY2008 Financial Summary

Sales by Division

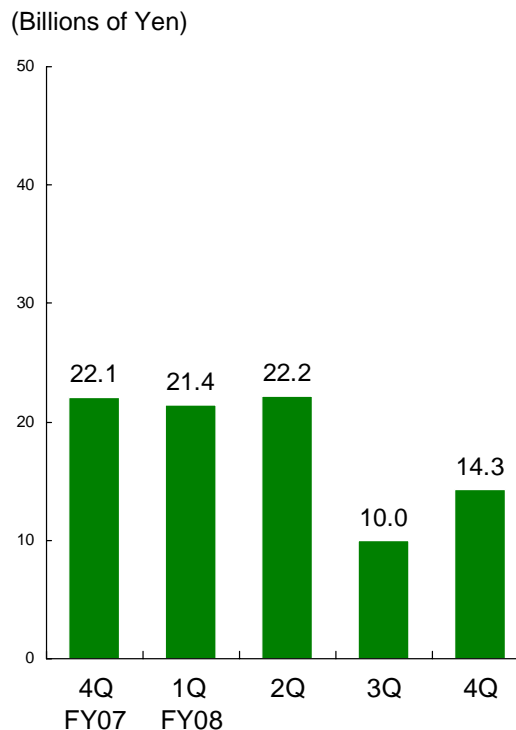
SPE Division

(Semiconductor Production Equipment)



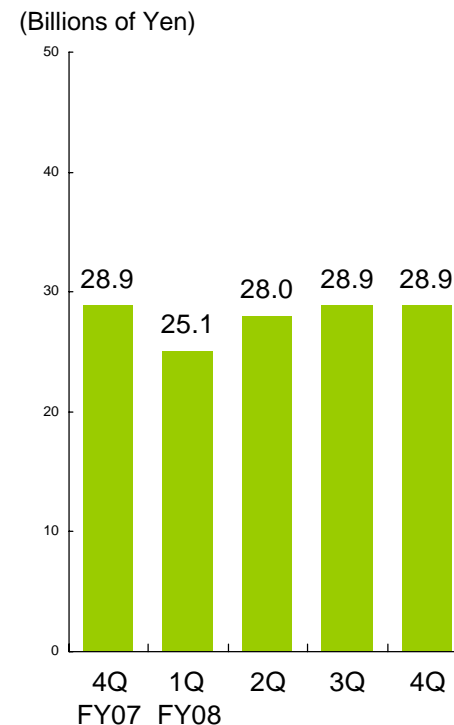
FPD Division

(FPD Production Equipment)



EC/CN Division

(Electronic components/Computer networks)

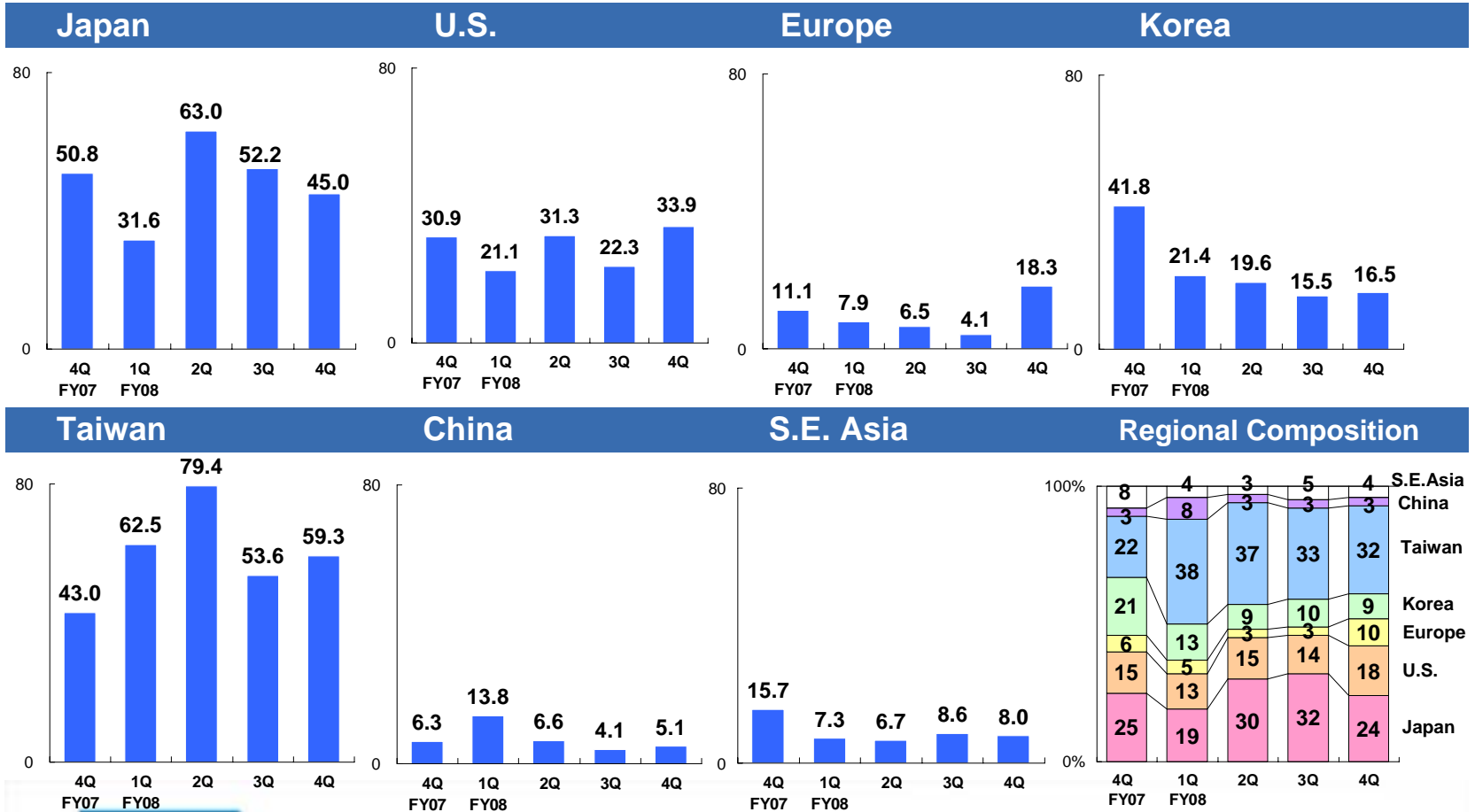


● In addition to the above 3 divisions, there is "Others" division. (4Q/FY08 sales of 0.1 billion yen)



SPE Sales by Region

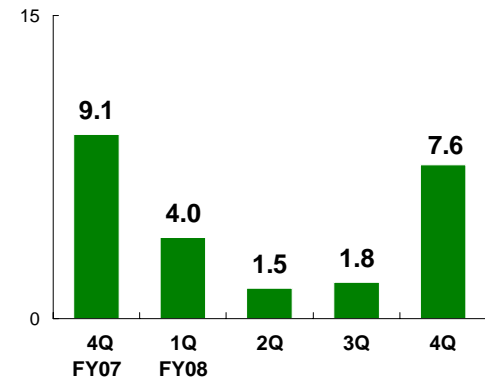
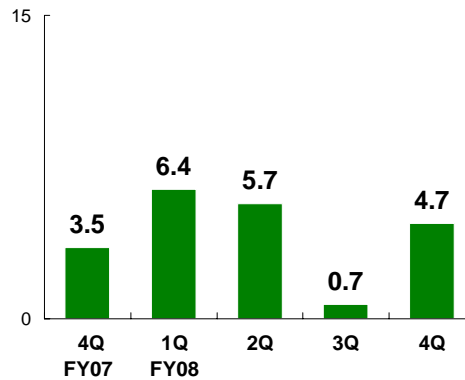
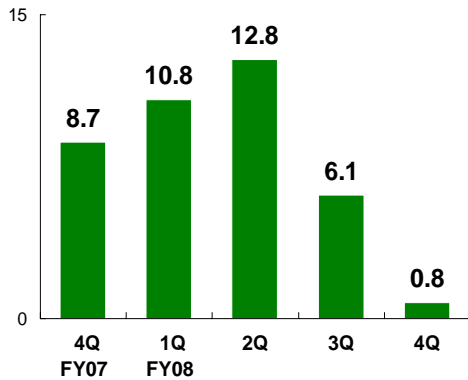
(Billions of Yen)



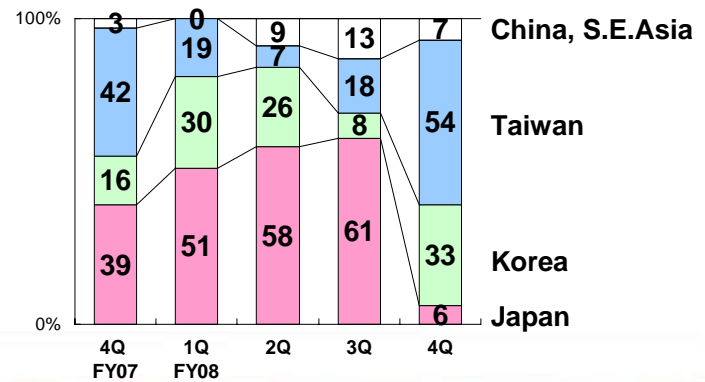
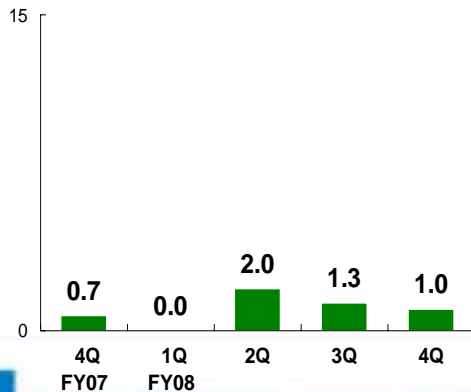
FPD Equipment Sales by Region

(Billions of Yen)

Japan Korea Taiwan



China, Southeast Asia & Other Regional Composition



Segment Information by Business Type

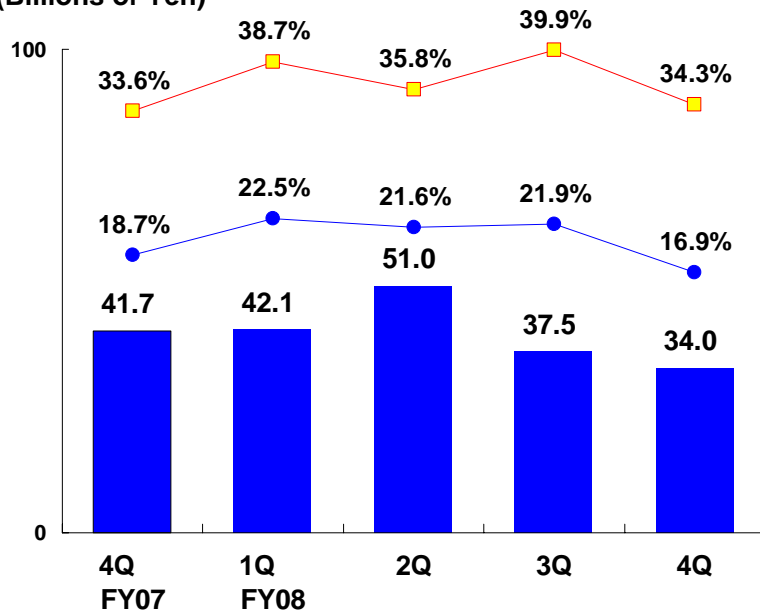
Industrial electronic equipment

(SPE, FPD, other)

Electronic components & Computer networks

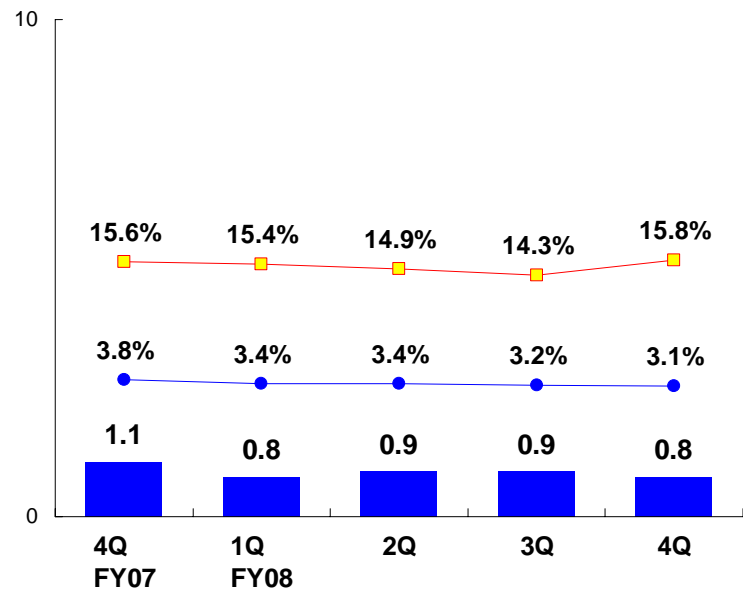
(Semiconductor products, computer systems and networks middleware and software, other electronic components)

(Billions of Yen)



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(Billions of Yen)



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