

# Tokyo Electron

## 3Q FY2008 Financial Announcement

February 5, 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.



# 3Q FY2008 Financial Summary

3Q FY2008: October 1, 2007 - December 31, 2007  
FY2008: April 1, 2007 - March 31, 2008

February 5, 2008



# 3Q FY2008 Financial Summary

## Consolidated Financial Results (Billions of Yen)

	FY2007		FY2008			
	3Q	1Q-3Q	3Q	YoY change	1Q-3Q	YoY change
<b>Net Sales</b>	<b>210.0</b>	<b>600.6</b>	<b>199.8</b>	<b>-4.9%</b>	<b>676.2</b>	<b>12.6%</b>
SPE	158.8	442.7	160.7	1.2%	539.9	22.0%
FPD	26.0	78.5	10.0	-61.4%	53.6	-31.7%
EC/CN	24.9	78.5	28.9	15.9%	82.2	4.8%
Others	0.2	0.8	0.0	-71.2%	0.3	-60.8%
<b>Gross Profit</b>	<b>73.9</b> <b>(35.2%)</b>	<b>193.3</b> <b>(32.2%)</b>	<b>72.4</b> <b>(36.2%)</b>	<b>-2.1%</b>	<b>237.7</b> <b>(35.2%)</b>	<b>23.0%</b>
<b>SG&amp;A Expenses</b>	<b>31.0</b>	<b>92.1</b>	<b>33.9</b>	<b>2.8B</b>	<b>104.2</b>	<b>12.0B</b>
<b>Operating Income</b>	<b>42.9</b> <b>(20.4%)</b>	<b>101.1</b> <b>(16.8%)</b>	<b>38.4</b> <b>(19.3%)</b>	<b>-4.4B</b>	<b>133.5</b> <b>(19.7%)</b>	<b>32.3B</b>
<b>Ordinary Income</b>	<b>42.1</b>	<b>100.3</b>	<b>39.7</b>	<b>-2.3B</b>	<b>135.5</b>	<b>35.2B</b>
<b>EBIT</b>	<b>42.1</b>	<b>100.6</b>	<b>40.0</b>	<b>-2.1B</b>	<b>138.2</b>	<b>37.6B</b>
<b>Net Income</b>	<b>26.9</b>	<b>64.2</b>	<b>25.6</b>	<b>-1.3B</b>	<b>88.0</b>	<b>23.8B</b>
<b>R&amp;D</b>	<b>13.3</b>	<b>40.4</b>	<b>15.9</b>	<b>2.5B</b>	<b>47.8</b>	<b>7.3B</b>
<b>Capex</b>	<b>9.3</b>	<b>18.9</b>	<b>4.1</b>	<b>-5.1B</b>	<b>16.9</b>	<b>-2.0B</b>
<b>Depreciation</b>	<b>4.8</b>	<b>13.6</b>	<b>5.5</b>	<b>0.7B</b>	<b>15.3</b>	<b>1.7B</b>

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

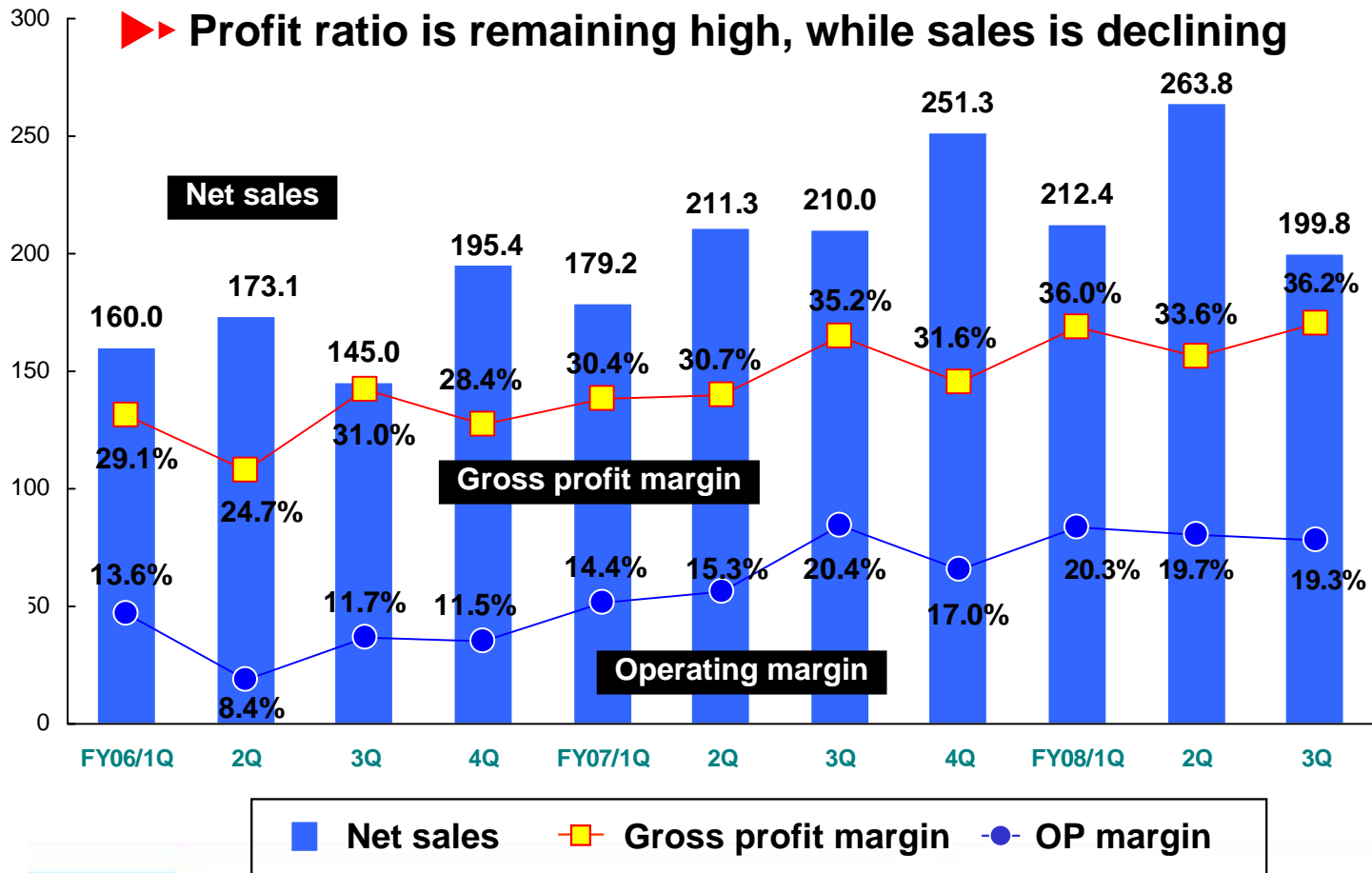


## 3Q FY2008 Financial Summary

# Net Sales & Profit Ratio

(Billions of Yen)

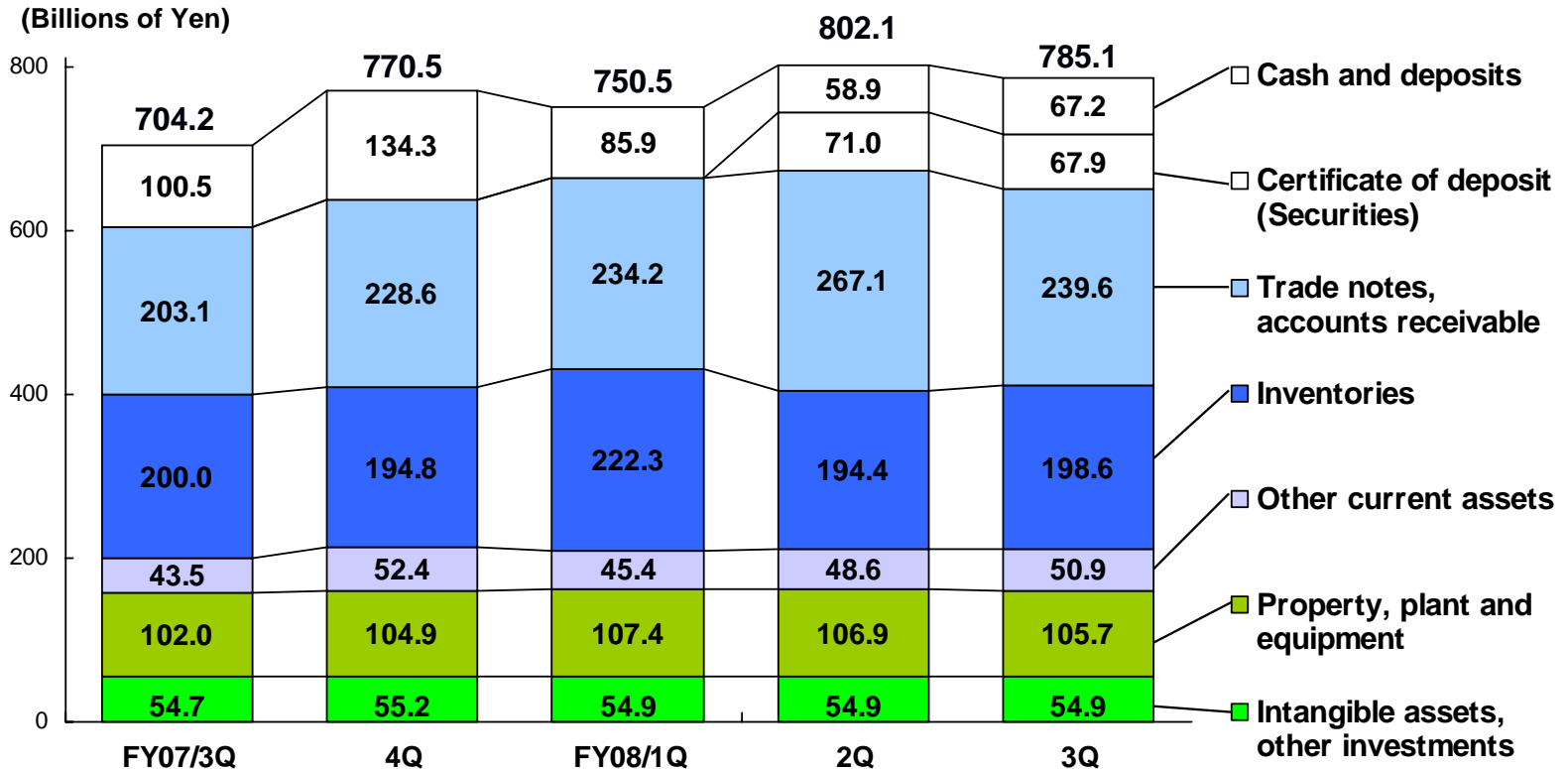
▶▶ Profit ratio is remaining high, while sales is declining



# 3Q FY2008 Financial Summary

## Assets

▶ Total assets increased by 14.6 billion yen compared to FY07/4Q



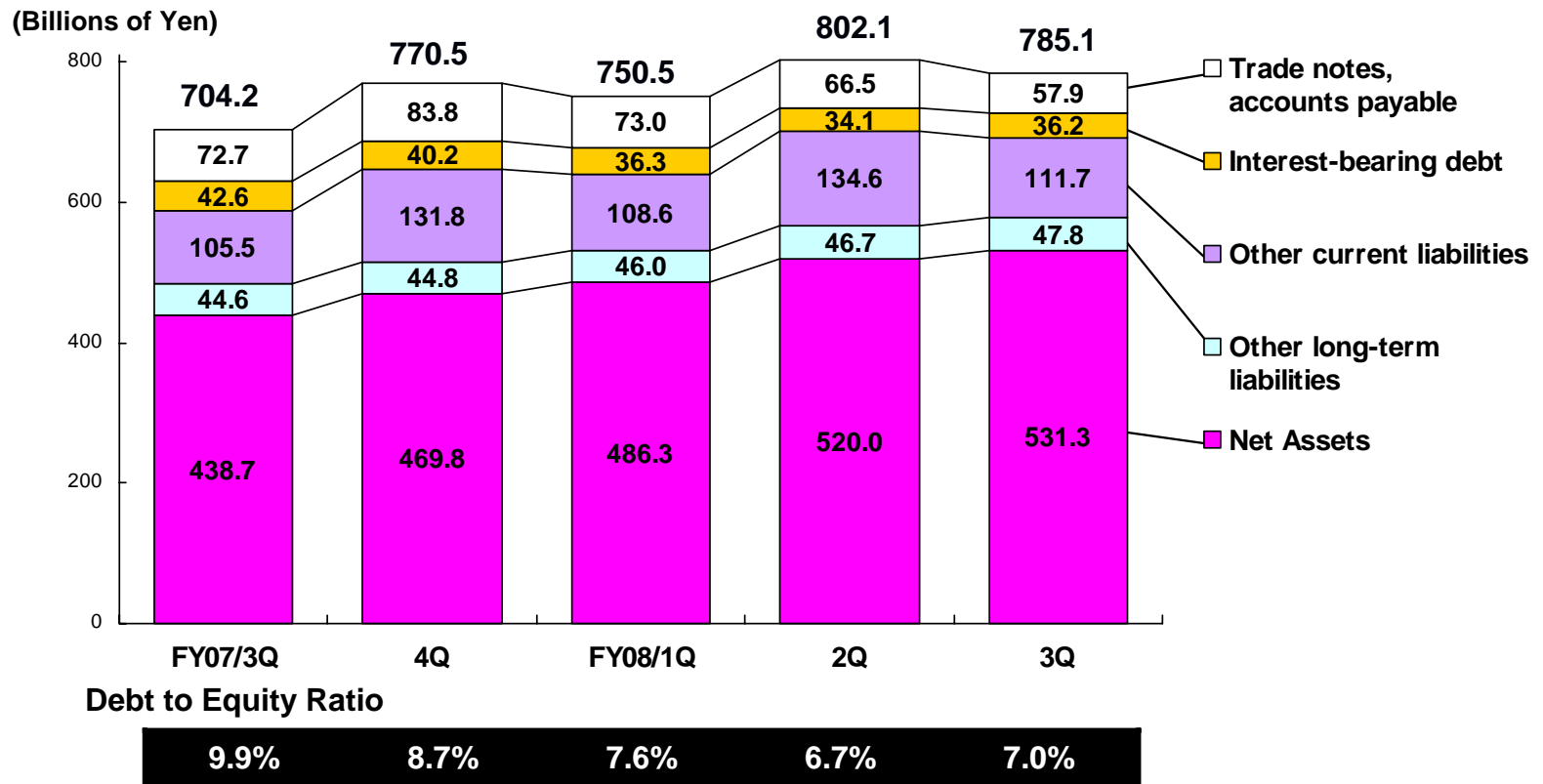
● “Certificate of deposit” is separated from “Cash and deposits” from FY08/2Q .



# 3Q FY2008 Financial Summary

## Liabilities & Net Assets

▶ Net assets increased by 61.5 billion yen compared to FY07/4Q, as retained earnings increased



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



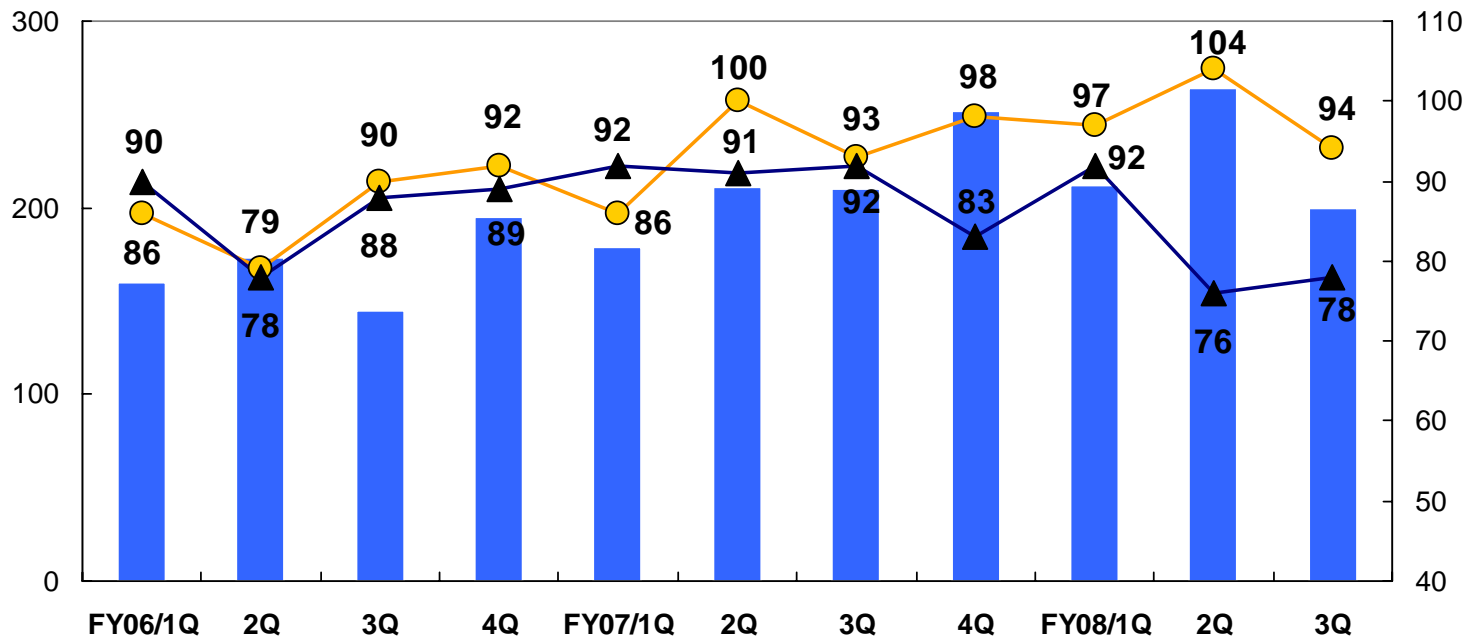
### 3Q FY2008 Financial Summary

# Inventory Turnover and AR Turnover



(Billions of Yen)

(Days)



- 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.



## 3Q FY2008 Financial Summary

# Cash Flow

▶▶ 1Q-3Q 9 month: Cash flow from operating activities increased by 23.4 billion yen, compared to FY07 1Q-3Q

(Billions of Yen)

	FY2007	FY2008	
	1Q-3Q (9 month)	3Q (3 month)	1Q-3Q (9 month)
Cash flow from operating activities	17.8	20.6	41.2
Cash flow from investing activities	-24.7	-38.9	-47.4
Cash flow from financing activities	-32.7	-10.4	-26.8
Effect of exchange rate changes on cash and cash equivalents	0.2	-0.0	-0.1
Net increases in cash and cash equivalents	-39.4	-28.7	-33.2
Cash and cash equivalents at end of term	100.5	101.1	



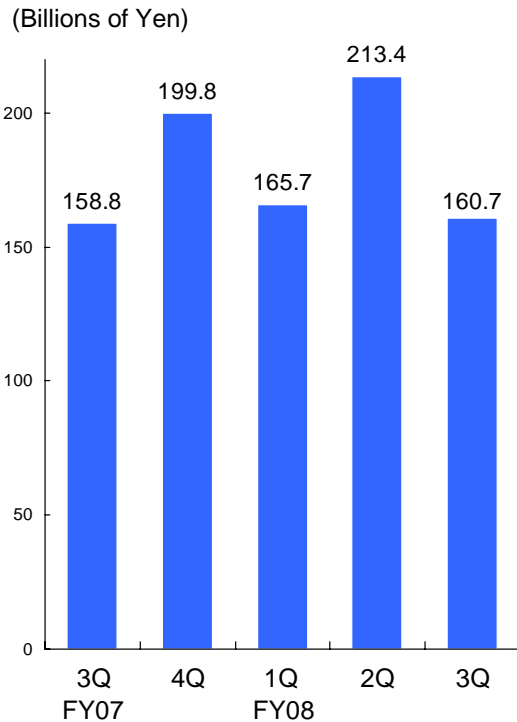


# 3Q FY2008 Financial Summary

## Sales by Division

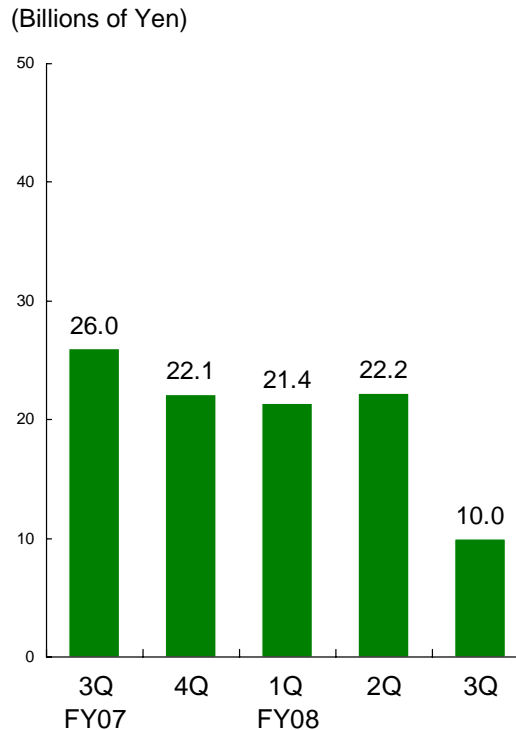
### SPE Division

(Semiconductor Production Equipment)



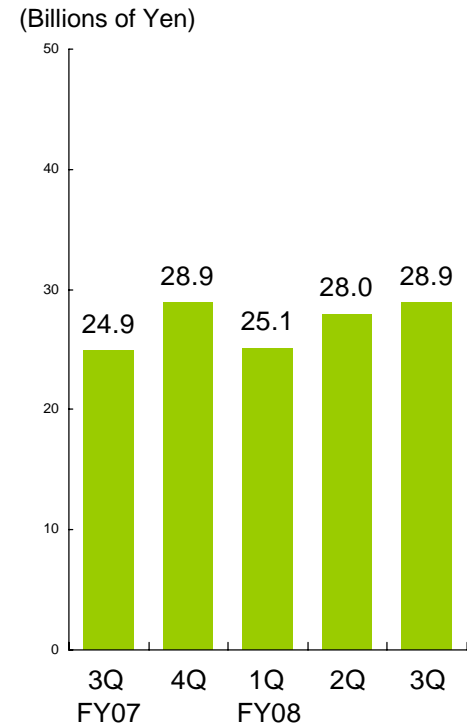
### FPD Division

(FPD Production Equipment)



### EC/CN Division

(Electronic components/Computer network)



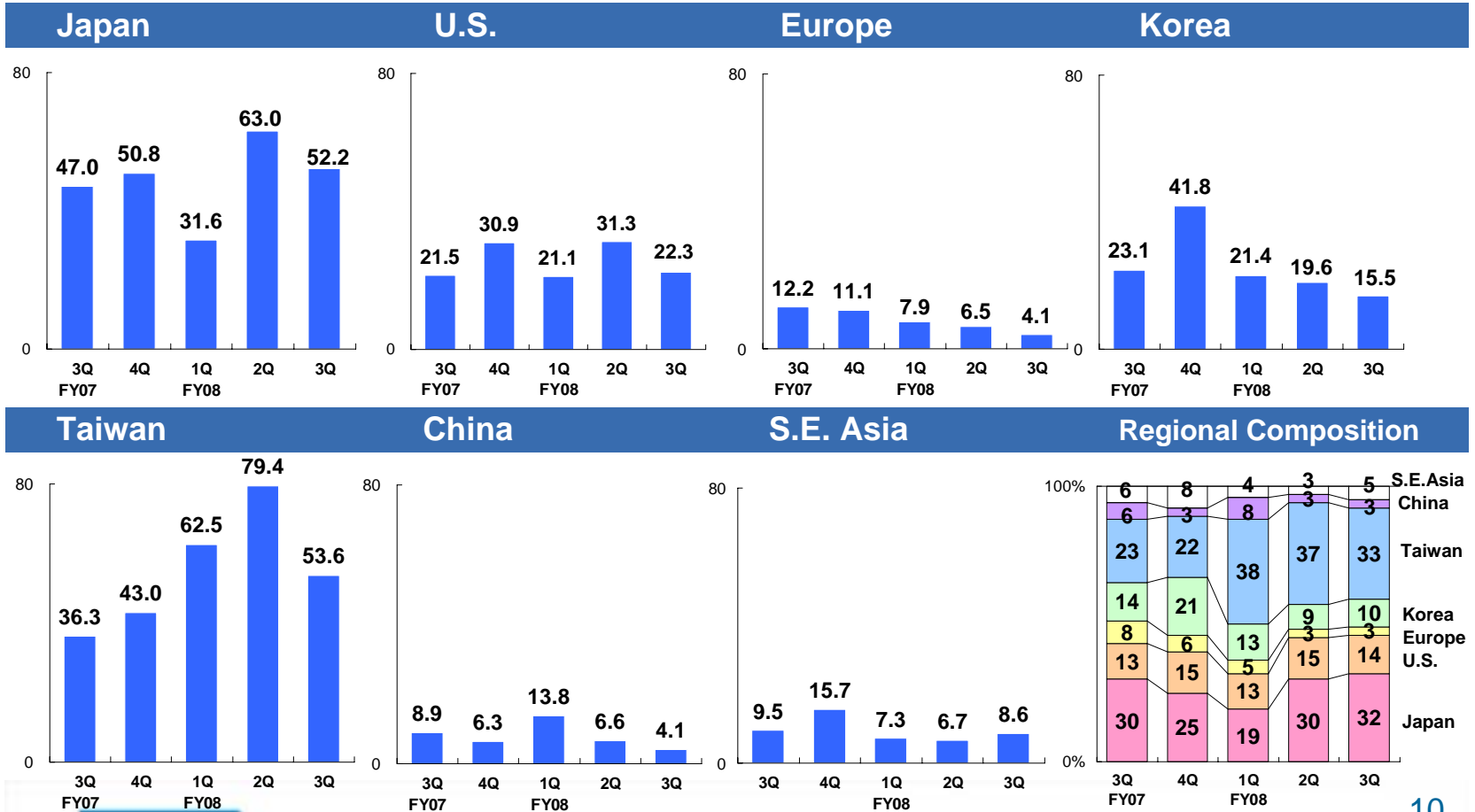
- In addition to the above 3 divisions, there is "Others" division. (3Q sales of less than 0.1 billion yen) 9



# 3Q FY2008 Financial Summary

## SPE Sales by Region

(Billions of Yen)

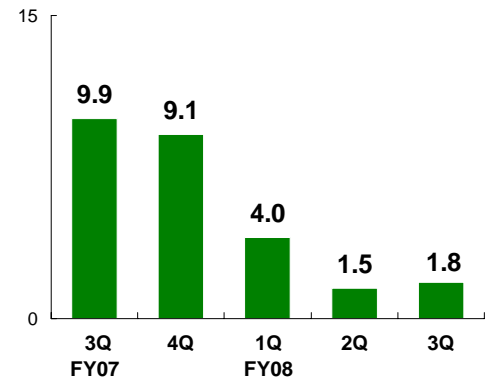
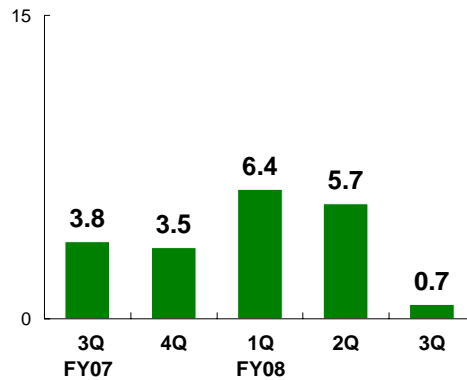
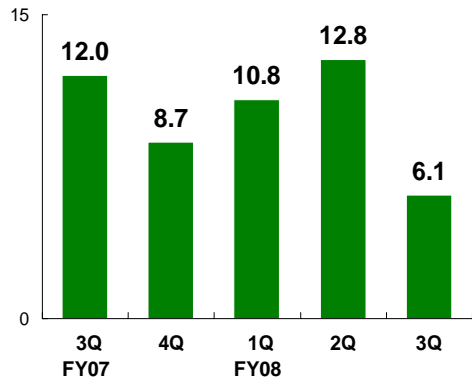


## 3Q FY2008 Financial Summary

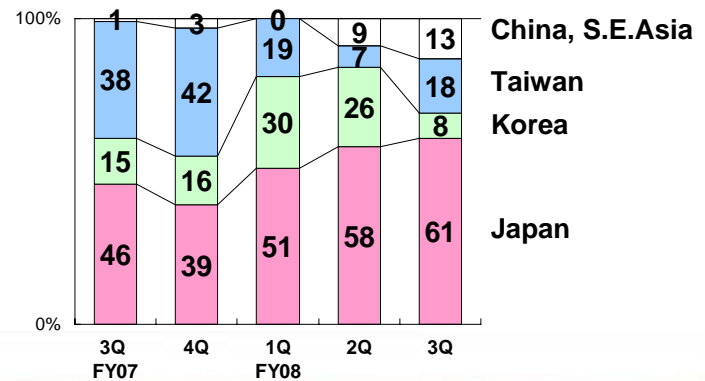
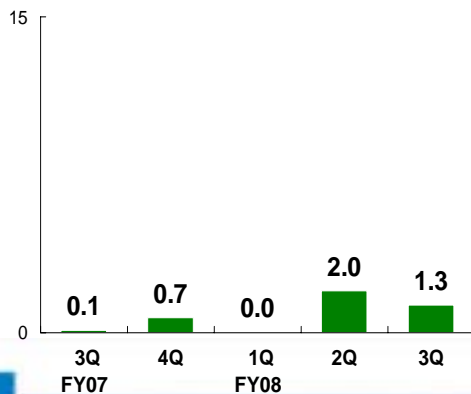
# FPD Equipment Sales by Region

(Billions of Yen)

### Japan Korea Taiwan



### China, Southeast Asia & Other Regional Composition



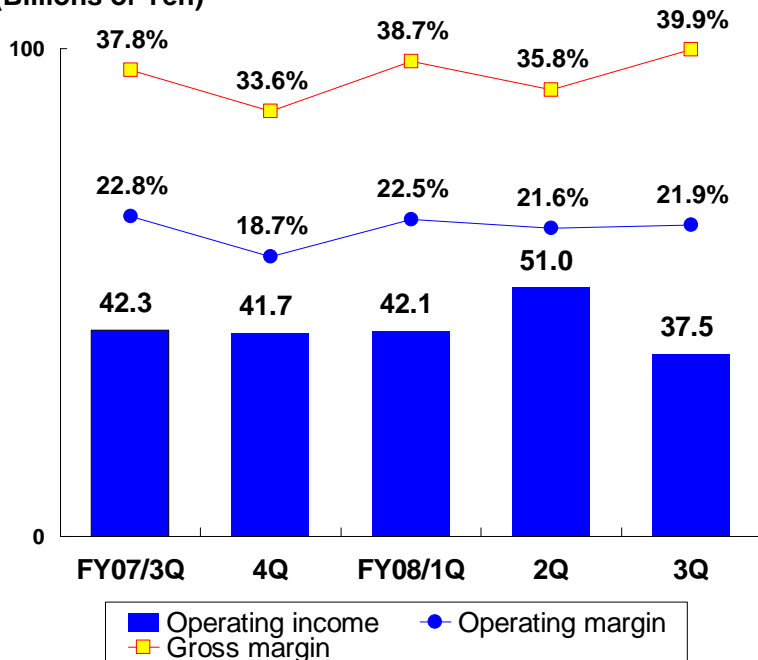
## 3Q FY2008 Financial Summary

# Segment Information by Business Type

### Industrial electronic equipment

(SPE, FPD, other)

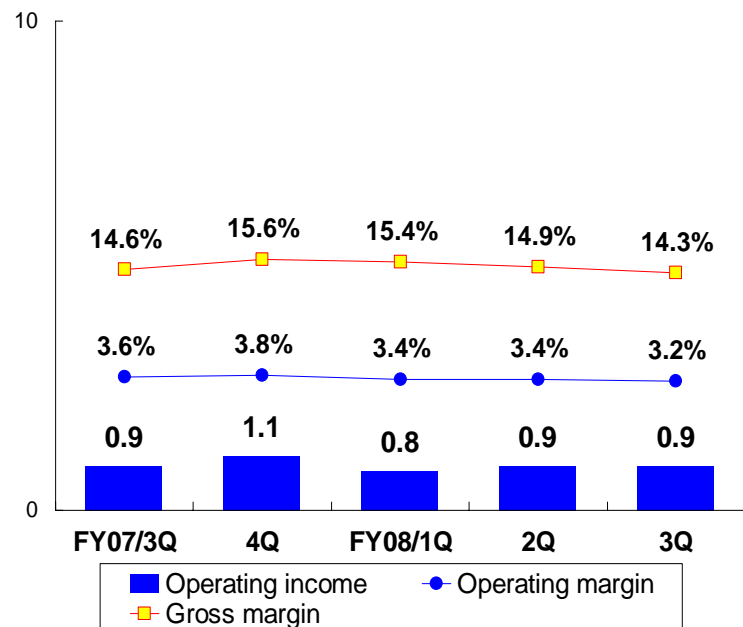
(Billions of Yen)



### Electronic components & Computer network

(Electronic components, Computer network)

(Billions of Yen)

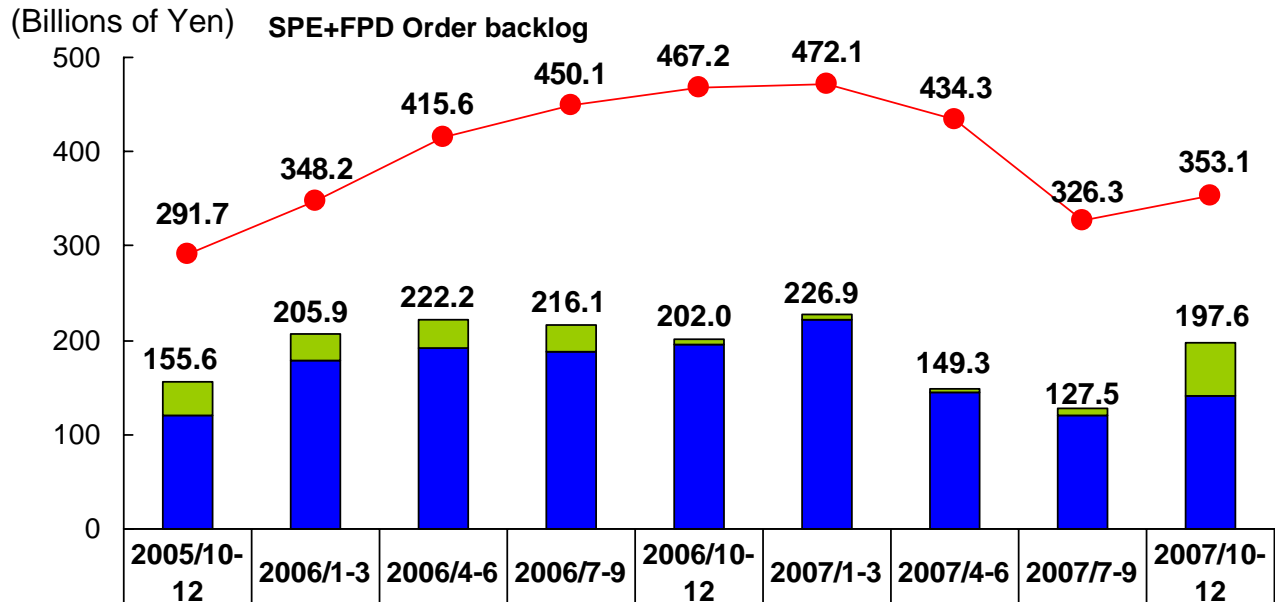


● Segment gross margin is provided for reference.



## 3Q FY2008 Financial Summary

# SPE+FPD Orders, Order Backlog



FPD Production Equipment	34.4	27.7	29.6	27.5	5.5	4.2	4.1	7.3	57.3
SPE	121.1	178.2	192.6	188.6	196.4	222.7	145.2	120.2	140.3
Order backlog	291.7	348.2	415.6	450.1	467.2	472.1	434.3	326.3	353.1

Order backlog  
breakdown

FPD	92.7	99.0	99.7	103.6	83.1	65.2	47.9	33.1	80.3
SPE	199.0	249.1	315.8	346.4	384.1	406.9	386.4	293.1	272.7

●Orders and order backlog are on a consolidated basis from 2006/1-3 quarter.



