

■ Consolidated Balance Sheets

Consolidated Balance Sheets

Tokyo Electron Limited and Subsidiaries
As of March 31, 2013 and 2012

ASSETS	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Current assets:			
Cash and cash equivalents	¥ 85,314	¥158,776	\$ 907,113
Short-term investments	154,816	88,849	1,646,103
Trade notes and accounts receivable	100,501	150,306	1,068,591
Allowance for doubtful accounts	(1,180)	(1,376)	(12,546)
Inventories	135,698	149,470	1,442,828
Deferred income taxes	15,669	23,546	166,603
Prepaid expenses and other current assets	30,683	37,480	326,242
Total current assets	521,501	607,051	5,544,934
Property, plant and equipment:			
Land	25,030	26,260	266,135
Buildings	163,857	143,462	1,742,233
Machinery and equipment	140,066	115,834	1,489,271
Construction in progress	6,076	9,515	64,604
Total property, plant and equipment	335,029	295,071	3,562,243
Less: Accumulated depreciation	199,331	168,186	2,119,415
Net property, plant and equipment	135,698	126,885	1,442,828
Investments and other assets:			
Investment securities	18,669	16,082	198,501
Deferred income taxes	23,206	17,585	246,741
Goodwill	38,373	—	408,006
Intangible assets	21,545	4,704	229,080
Other assets	18,648	15,152	198,278
Allowance for doubtful accounts	(2,112)	(3,848)	(22,456)
Total investments and other assets	118,329	49,675	1,258,150
Total assets	¥775,528	¥783,611	\$8,245,912

See accompanying Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Current liabilities:			
Trade notes and accounts payable	¥ 36,261	¥ 46,987	\$ 385,550
Customer advances	18,985	26,373	201,861
Accrued warranty expenses	8,345	8,904	88,729
Accrued expenses and other current liabilities	43,079	42,530	458,044
Total current liabilities	106,670	124,794	1,134,184
Accrued pension and severance costs	57,225	55,266	608,453
Other liabilities	6,506	4,948	69,176
Total liabilities	170,401	185,008	1,811,813
Net assets:			
Shareholders' equity			
Common stock			
Authorized: 300,000,000 shares	54,961	54,961	584,381
Issued: 180,610,911 shares as of March 31, 2013 and 2012	78,023	78,023	829,591
Capital surplus	78,023	78,023	829,591
Retained earnings	467,921	471,186	4,975,237
Treasury stock, at cost			
1,424,203 and 1,446,079 shares	(9,589)	(9,748)	(101,956)
as of March 31, 2013 and 2012, respectively			
Accumulated other comprehensive income			
Net unrealized gains on investment securities	4,214	3,576	44,805
Net deferred losses on hedging instruments	(15)	(51)	(159)
Foreign currency translation adjustments	(2,484)	(11,158)	(26,412)
Share subscription rights	1,375	1,157	14,620
Minority interests	10,721	10,657	113,992
Total net assets	605,127	598,603	6,434,099
Total liabilities and net assets	¥775,528	¥783,611	\$8,245,912

Consolidated Statements of Income

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Net sales	¥497,300	¥633,091	\$5,287,613
Cost of sales	338,545	421,646	3,599,628
Gross profit	158,755	211,445	1,687,985
Selling, general and administrative expenses	146,206	151,002	1,554,556
Operating income	12,549	60,443	133,429
Other income (expenses):			
Interest and dividend income	1,659	1,010	17,640
Revenue from grants	2,672	1,740	28,410
Provision of allowance for doubtful accounts	—	(1,848)	—
Reversal of allowance for doubtful accounts	558	—	5,933
Gain on sale of property, plant and equipment	943	566	10,027
Loss on sale and disposal of property, plant and equipment	(153)	(406)	(1,627)
Gain on collection of written-off receivables	—	1,437	—
Foreign exchange loss, net	(1,520)	(32)	(16,162)
Loss on liquidation of subsidiaries and affiliates	(134)	—	(1,425)
Reorganization costs	(132)	—	(1,403)
Loss on business restructuring	—	(849)	—
Loss on devaluation of investment securities, net	(44)	(817)	(468)
Loss from natural disasters	—	(936)	—
Other, net	1,369	294	14,556
Income before income taxes and minority interests	17,767	60,602	188,910
Income taxes:			
Current	6,255	15,023	66,507
Prior years	2,195	—	23,339
Deferred	2,959	8,400	31,462
Income before minority interests	6,358	37,179	67,602
Minority interests	282	453	2,998
Net income	¥ 6,076	¥ 36,726	\$ 64,604

	Yen	U.S. dollars
Per share of common stock:		
Net income — basic	¥ 33.91	\$ 0.36
Net income — diluted	33.85	0.36
Net assets	3,309.58	35.19
Cash dividends	51.00	0.54

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Income before minority interests	¥ 6,358	¥37,179	\$ 67,602
Other comprehensive income (loss):			
Changes in fair value of investment securities	652	769	6,933
Changes in deferred gains (losses) on hedging instruments	56	(69)	595
Foreign currency translation adjustments	8,760	(925)	93,142
Total other comprehensive income (loss)	9,468	(225)	100,670
Comprehensive income	15,826	36,954	168,272
Total comprehensive income attributable to:			
Owners of the Company	15,426	36,532	164,019
Minority interests	400	422	4,253

See accompanying Notes to Consolidated Financial Statements.

■ Consolidated Statements of Changes in Net Assets ■ Consolidated Statements of Cash Flows

Consolidated Statements of Changes in Net Assets

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen									
	Shareholders' equity				Accumulated other comprehensive income			Share subscription rights	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains on investment securities	Deferred losses on hedging instruments	Foreign currency translation adjustments			
Balance as of April 1, 2011	¥54,961	¥78,046	¥457,658	¥(10,484)	¥2,807	¥(12)	¥(10,234)	¥1,499	¥10,561	¥584,802
Cash dividends	—	—	(23,102)	—	—	—	—	—	—	(23,102)
Net income	—	—	36,726	—	—	—	—	—	—	36,726
Repurchase of treasury stock	—	—	—	(12)	—	—	—	—	—	(12)
Disposal of treasury stock	—	(23)	(96)	748	—	—	—	—	—	629
Other, net	—	—	—	—	769	(39)	(924)	(342)	96	(440)
Balance as of March 31, 2012	¥54,961	¥78,023	¥471,186	¥ (9,748)	¥3,576	¥(51)	¥(11,158)	¥1,157	¥10,657	¥598,603
Cash dividends	—	—	(9,317)	—	—	—	—	—	—	(9,317)
Net income	—	—	6,076	—	—	—	—	—	—	6,076
Repurchase of treasury stock	—	—	—	(15)	—	—	—	—	—	(15)
Disposal of treasury stock	—	—	(24)	174	—	—	—	—	—	150
Other, net	—	—	—	—	638	36	8,674	218	64	9,630
Balance as of March 31, 2013	¥54,961	¥78,023	¥467,921	¥ (9,589)	¥4,214	¥(15)	¥ (2,484)	¥1,375	¥10,721	¥605,127

	Thousands of U.S. dollars									
	Shareholders' equity				Accumulated other comprehensive income			Share subscription rights	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains on investment securities	Deferred losses on hedging instruments	Foreign currency translation adjustments			
Balance as of March 31, 2012	\$584,381	\$829,591	\$5,009,952	\$(103,647)	\$38,022	\$(542)	\$(118,639)	\$12,302	\$113,312	\$6,364,732
Cash dividends	—	—	(99,064)	—	—	—	—	—	—	(99,064)
Net income	—	—	64,604	—	—	—	—	—	—	64,604
Repurchase of treasury stock	—	—	—	(159)	—	—	—	—	—	(159)
Disposal of treasury stock	—	—	(255)	1,850	—	—	—	—	—	1,595
Other, net	—	—	—	—	6,783	383	92,227	2,318	680	102,391
Balance as of March 31, 2013	\$584,381	\$829,591	\$4,975,237	\$(101,956)	\$44,805	\$(159)	\$ (26,412)	\$14,620	\$113,992	\$6,434,099

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
	Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 17,767	¥ 60,602	\$ 188,910
Depreciation and amortization	26,631	24,198	283,158
Amortization of goodwill	1,141	—	12,132
Increase in accrued pension and severance costs	1,825	2,446	19,405
Increase (decrease) in allowance for doubtful accounts	(2,167)	2,111	(23,041)
Decrease in accrued employees' bonuses	(2,750)	(2,506)	(29,240)
Increase (decrease) in accrued warranty expenses	(2,918)	1,343	(31,026)
Interest and dividend income	(1,659)	(1,010)	(17,640)
(Increase) decrease in trade notes and accounts receivable	57,549	(15,540)	611,898
Decrease in inventories	20,279	16,023	215,619
Decrease in prepaid consumption tax	2,862	1,508	30,431
Increase (decrease) in accrued consumption tax	596	(2,417)	6,337
Decrease in trade notes and accounts payable	(15,482)	(5,807)	(164,615)
Decrease in customer advances	(12,456)	(4,567)	(132,440)
(Increase) decrease in specific doubtful receivables	1,928	(1,890)	20,500
Other, net	(2,726)	1,912	(28,984)
Subtotal	90,420	76,406	961,404
Receipts from interest and dividends	1,587	978	16,874
Interest paid	(68)	(43)	(723)
Income taxes paid	(7,672)	(47,629)	(81,574)
Net cash provided by operating activities	84,267	29,712	895,981
Cash flows from investing activities:			
Payment for purchases of short-term investments	(192,057)	(284,500)	(2,042,073)
Proceeds from maturities of short-term investments	126,000	315,500	1,339,713
Payment for purchase of property, plant and equipment	(19,012)	(36,010)	(202,148)
Proceeds from sale of property, plant and equipment	3,630	1,102	38,596
Payment for acquisition of intangible assets	(1,234)	(2,140)	(13,121)
Payment for acquisition of investments in newly consolidated subsidiaries	(55,079)	(348)	(585,635)
Payments for transfer of business	(1,097)	—	(11,664)
Other, net	(2,920)	(1,956)	(31,047)
Net cash used in investing activities	(141,769)	(8,352)	(1,507,379)
Cash flows from financing activities:			
Decrease in short-term borrowings	(646)	(3,594)	(6,869)
Increase in treasury stock, net	(15)	(12)	(159)
Dividends paid	(9,317)	(23,102)	(99,064)
Other, net	(647)	(627)	(6,880)
Net cash used in financing activities	(10,625)	(27,335)	(112,972)
Effect of exchange rate changes on cash and cash equivalents	(5,335)	(300)	(56,725)
Net decrease in cash and cash equivalents	(73,462)	(6,275)	(781,095)
Cash and cash equivalents at beginning of year	158,776	165,051	1,688,208
Cash and cash equivalents at end of year	¥ 85,314	¥158,776	\$ 907,113

See accompanying Notes to Consolidated Financial Statements.