



ANNUAL REPORT 2000

Year ended March 31, 2000

IT Revolution

Breakthrough Technology

New Materials

Shrinkage

$$S = \iiint \int (\text{Low-k}) d\epsilon_n d\rho dl dE$$

300mm Wafers

IT Revolution

Breakthrough Technology

300mm Wafers

New Mega Trends Drive SPE Demand

Breakthrough Technology

Shrinkage

New Mega Trends Drive SPE Demand

IT Revolution

300mm Wafers

New Materials

Established in 1963, Tokyo Electron is a world-leading supplier of semiconductor production equipment (SPE) and related services for the semiconductor industry. The Company develops, manufactures and markets a broad lineup of products, including oxidation/diffusion/LP-CVD systems, metal CVD and PVD systems, coater/developers, spin-on dielectric (SOD) systems, etch systems, cleaning systems, wafer probers and wafer-level burn-in & test systems.

Tokyo Electron also uses its accumulated expertise in SPE to develop, manufacture and market coater/developers and etch/ash systems for the manufacture of TFT-LCD panels. Most of the Company's semiconductor and TFT-LCD production systems hold the leading share in their respective markets.

Tokyo Electron also maintains a strong presence as a distributor, providing a wide array of semiconductor production systems, computer/networking systems and electronic components in Japan from other leading suppliers.

With a network spanning 13 countries on three continents, Tokyo Electron provides superior products and services to its customers, and superior returns to its shareholders.

C O N T E N T S

1	Financial Highlights
2	To Our Shareholders
6	Tokyo Electron at a Glance
8	Feature
16	Review of Operations
19	Management's Discussion and Analysis
23	Financial Section
33	Board of Directors, Statutory Auditors and Corporate Senior Staff
34	Corporate Directory
36	Investor Information

Forward-Looking Statements

This publication contains forward-looking statements based on projections and estimates that involve many variables. Tokyo Electron operates in an extremely competitive business environment and in an industry characterized by rapid changes in technology and supply-demand balance. Certain risks and uncertainties could cause the Company's results to differ materially from any projections and estimates presented in this publication.

FINANCIAL HIGHLIGHTS

Tokyo Electron Limited and its Subsidiaries
Years ended March 31, 2000, 1999 and 1998

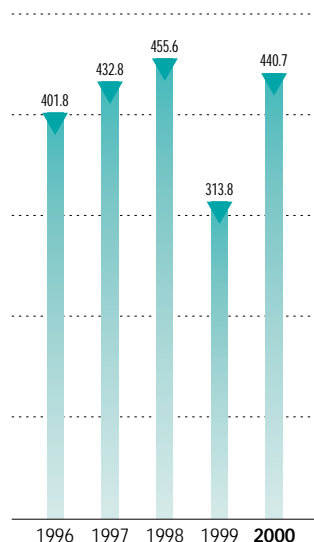
	Millions of yen (Note 1)			Thousands of U.S. dollars (Note 1)
	2000	1999	1998	2000
FOR THE YEAR				
Net sales	¥440,729	¥313,820	¥455,585	\$4,151,945
Operating income	35,816	6,383	63,296	337,409
Income before income taxes	29,689	6,038	62,834	279,689
Net income.....	19,848	1,866	30,009	186,981
Net income per share of common stock (Note 2):				
Basic.....	¥ 113.53	¥ 10.70	¥ 174.68	\$ 1.07
Diluted (Note 3)	110.64	10.70	168.43	1.04
Cash dividends per share of common stock.....	14.00	12.00	30.00	0.13
AT YEAR-END				
Total assets.....	¥499,499	¥414,903	¥493,600	\$4,705,596
Total shareholders' equity	273,603	257,716	261,009	2,577,513

Notes 1: U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥106.15=\$1. Per share figures are stated in yen and dollars.
2: Net income per share is computed based on the weighted average number of shares of common stock outstanding during each fiscal year.
3: Dilution not assumed for year ended March 1999.

NET SALES

(¥ Billions)

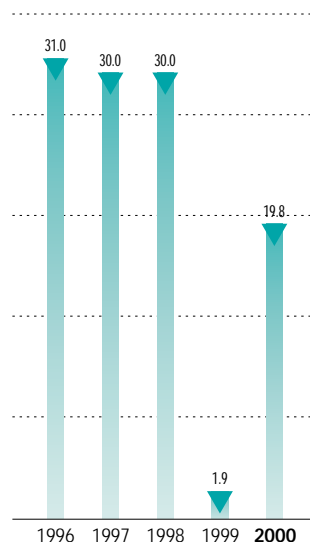
A recovery in the semiconductor industry and increased capital investment among manufacturers contributed to a strong rebound in net sales.



NET INCOME

(¥ Billions)

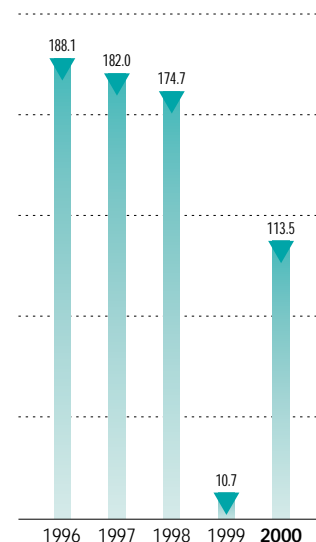
Net income increased to ¥19.8 billion, reflecting the substantial gain in net sales and the Company's efforts to control costs.



NET INCOME PER SHARE

(¥)

Shareholder satisfaction remains a Tokyo Electron priority.



TO OUR SHAREHOLDERS



For Tokyo Electron, the fiscal year ended March 31, 2000 was a year bearing a lot of bright news worthy of the dawn of the new millennium. The rapidly accelerating revolution in information and communications moved into high gear due to the spread of the Internet and mobile phones. In addition, the economies of Asia, which now play a large role in the stability of the global economy, recovered from a prolonged slump. As a result, the semiconductor and liquid crystal display (LCD) industries in which we participate broke out of their adjustment phases and turned upward, marking this year as a turning point.

Tokyo Electron's results also staged a powerful recovery. Consolidated net sales increased 40.4 percent year-on-year to ¥440.7 billion. Operating income increased from ¥6.4 billion to ¥35.8 billion and net income jumped from ¥1.9 billion to ¥19.8 billion, or ¥113.5 per share. Cash dividends per share for the full year were revised up ¥2 from our original forecast to ¥14.

Net sales for the mainstay Semiconductor Production Equipment (SPE) division, supported by a remarkable recovery in the second half, increased 46.6 percent to ¥355.1 billion. In addition, with orders received by the division setting consecutive records in the third and fourth quarters, we were able to carry over consolidated backlogs of ¥265.3 billion into the current fiscal year. We believe that Tokyo Electron's excellent products, highly reliable service offerings, global operations and a manufacturing organization capable of promptly meeting the rapid recovery in demand allowed us to fully benefit from the upturn in the business environment.

Consistently strong investment in R&D has strengthened our market position, and we continue to focus on core competencies.

We are entering an age where globalization is advancing with incredible speed, and competition among companies is intensifying. In the midst of these changes, the level of development in semiconductor and LCD production equipment is rising every year, and shortening development cycles is becoming crucial, so only companies that can respond will survive. Tokyo Electron realizes that the development of products and processes for the next generation and beyond is the key to winning in megacompetition, and we are continuously striving to enhance our development strategies to further improve our market position.

In addition, customers are now demanding that their suppliers provide integrated technologies that offer optimum solutions for their process modules as well as total support spanning development, manufacturing, sales and service. Our Process Technology Center constructed in 1998 for 300mm equipment is a base to relentlessly pursue these horizontally and vertically integrated technologies with our customers. The Center has attracted attention worldwide as one of the foremost facilities of its kind. Our new-concept fast thermal pro-

cessing system that enables in-situ sequential processing and our wafer-level burn-in & test system also grew out of this philosophy of integration.

Tokyo Electron's product strategy revolves around focusing on markets with high barriers to entry and high potential for growth where we can offer our own original, high-value-added technologies. This approach enables us to maintain a leading position in the market segments in which we choose to compete. We are working to offer integrated technologies with our own competitive core products, while also evaluating alliances with other companies in our industry.

In the past fiscal year, Tokyo Electron invested ¥37.1 billion in research and development, representing approximately 10 percent of SPE division sales. This investment was efficiently put toward the development of new versions of seven existing products, 300mm equipment and new business opportunities. We expect that new products brought about by this investment will account for at least 40 percent of our product portfolio in the next few years. With our solid financial base, we will continue to win in the global race to develop new technology.

Tokyo Electron's low-k toolset is a superior solution for the new era of interconnect processes.

Today, in order to further advance the performance of semiconductor chips, solutions to three technical challenges are being demanded: shrinking feature sizes, increasing speed, and reducing power consumption. In the area of shrinkage, evaluations of 0.13 μ m design rules have already begun in 2000. In addition, new materials in the interconnect process — namely copper and low-k dielectric materials — have been adopted as methods of increasing speed and lowering power consumption, especially in logic applications. These new materials will become mainstream in the future.

Tokyo Electron has introduced a breakthrough toolset that will have a major impact on the interconnect process in the next generation and beyond. It is an integrated solution realized by the *CLEAN TRACK ACT[®] 8 SOD* system that spins low-k films on intermetal layers, in conjunction with several other core products. Today, the superiority of low-k spin coating for 0.13 μ m and beyond continues to be demonstrated by leading semiconductor makers, which has opened up new horizons for our business. By establishing leadership in the processes surrounding the interconnects, we have created an outstanding opportunity in the next generation of interconnect processes.

We are committed to playing a key role in helping customers successfully execute their own particular device strategies. From that standpoint, by forming alliances with various materials makers, we are making preparations for whatever low-k materials our customers may choose.

Challenge toward change – reforming our operating structure through information technology

In addition to enhancing our product strategy for the future, Tokyo Electron continues to build a lean business structure that can adapt flexibly to the changes in the market. As demand for our products is growing, expanding production capacity is currently a top priority. But even while we find ourselves in this expansion phase, we have taken up the challenge of streamlining our operations to raise asset efficiency and maximize earnings.

One such initiative is the Total Cost Down Project, which is designed to drastically shorten lead times from order to delivery. During the past fiscal year, we thoroughly reevaluated our manufacturing structure, resulting in a comprehensive plan for creating an ideal manufacturing model for Tokyo Electron. Looking forward, we will work to improve the manufacturing flow itself by combining it with integrated IT tools, with the lofty objective of reducing lead times by half within two to three years, and thus make a significant contribution to customer satisfaction.

Tokyo Electron is also moving to generate optimum value from its most valuable assets — people — by implementing a project to improve efficiency at the administration level. People are the source of knowledge, so we aim to build a structure over the mid term that enables them to make the most of their talents to create value. In achieving this goal as well, the promotion of an IT strategy is key. We will continue to implement measures to streamline our organization, including making the best use of outside resources.

Further promoting management from the perspective of shareholders

Tokyo Electron was one of the first publicly listed companies in Japan to recognize and embrace modern corporate governance issues. Since 1997, we have swiftly implemented a wide range of reforms to maximize returns for our shareholders, including reorganizing the Board of Directors, implementing stock option and performance-based incentive plans and disclosing compensation of corporate officers.

As a new development, in the current fiscal year, we will expand our stock option plan on a groupwide basis around the world. The existing Japanese Commercial Code limits the scope of stock options. However, Tokyo Electron can widen the scope by introducing quasi stock options with warrants, and by taking advantage of the Law on Special Measures for Industrial Revitalization. We expect this system to have a large and positive effect on our ability to hire and retain superior personnel on a global basis.

In order to raise ROE at the tactical level, we have set ROA as a metric using net utilized assets on a business unit basis for evaluating management

and its business performance. We firmly believe that this will be an effective method of instilling awareness of shareholder value through the efficient utilization and control of assets. In doing so, we aim to raise ROE to 20 percent or more as a short-term goal.

Furthermore, we will begin disclosing quarterly results to increase the trust that we have gained from the global capital markets.

The IT revolution drives progress at Tokyo Electron.

Today, we are in the midst of an information and communications renaissance — an age where the Internet and mobile phones are soon to become as commonplace in everyday life as automobiles, an age where the twentieth century paradigm of industry classifications will completely change due to the spread of e-commerce. Furthermore, new and advanced digital consumer electronics are rapidly emerging, meaning both the number of applications for and quantity of semiconductor chips and LCDs will explode in the future. When thinking about just how much semiconductor and LCD production equipment will be necessary to make these key devices, you can imagine the great opportunities Tokyo Electron will enjoy.

Tokyo Electron also participates in the IT revolution as a distributor of the world's superior electronic components and computer/networking systems. Our product lineup is focused on high-value-added and high-potential fields, so we expect to achieve high growth in these segments as well. By delivering superior products and services, we will both benefit from and support the IT revolution from the ground up.

In April 2000, the list of companies comprising the Nikkei average of 225 companies was revised, and Tokyo Electron's stock was added to this select corporate group. While changes in the industrial structure are spurred on by the IT revolution, our stock was included because it mirrors the trends of the new era. Beginning August 1, we will reduce the minimum round lot of shares from 1,000 to 100 so that more people can have the opportunity to become Tokyo Electron shareholders.

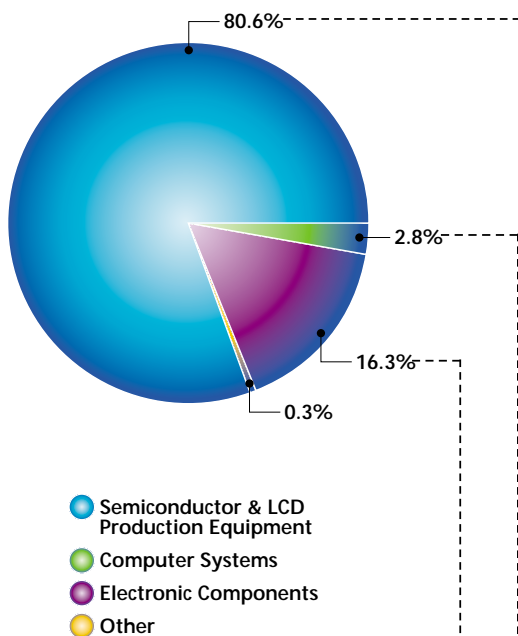
Tokyo Electron is not only being driven by the dynamism of the new era, but is also contributing to it. We are dedicated to creating corporate value and to sharing the benefits of this dynamism with all of our shareholders and other stakeholders.



Tetsuro Higashi
C.E.O., President
June 2000

TOKYO ELECTRON AT A GLANCE

Percentage of consolidated net sales by sector for the year ended March 31, 2000



Semiconductor Production Equipment

Tokyo Electron develops and manufactures a broad range of superior semiconductor production equipment, and complements its original lineup by distributing high-value-added products from other suppliers.

Original Products

- Oxidation/diffusion/LP-CVD systems
- Metal CVD systems
- PVD systems (Sputtering systems)
- Coater/developer systems
- Spin-on dielectric systems
- Etch systems
- Carrierless cleaning systems
- Scrubber systems
- Fully automatic wafer probers
- Wafer-level burn-in & test systems



Oxidation/Diffusion/ LP-CVD system
TEL - ATP/ATPF - 300

LCD Production Equipment

Leveraging the technology and expertise accumulated from its semiconductor production equipment business, Tokyo Electron has created a strong lineup of leading-edge LCD production equipment.

Computer Systems

In order to fulfill its goal of providing solutions tailored to user needs, Tokyo Electron distributes a comprehensive range of world-class computer systems and related products from top suppliers.

- Computer systems
- Network products
- Data management software
- Board test systems

Electronic Components

Tokyo Electron selects and offers the world's best products from leading suppliers. With a full product lineup and flexible technical support, the Company provides total solutions to meet diversifying user needs. Operations are handled by wholly owned subsidiary Tokyo Electron Device Ltd.

- Semiconductor devices
- Board products
- Components
- Software



Metal CVD system
UNITY®-EP



Etch system
UNITY®Ver. IIe



Carrierless cleaning system
UW200Z



Coater/developer system
CLEAN TRACK ACT®12



Fully automatic wafer prober
P-12XL



Wafer-level burn-in & test system
WX-8

Distributed Products

FEI Company

- FIB systems

Rudolph Technologies, Inc.

- Film metrology tools

ISOA, Inc.

- Macro Inspection System

Yield Dynamics, Inc.

- Yield Management Software

Original Products

- LCD coater/developer systems
- LCD plasma etch/ash systems



LCD Coater/developer system
CS800



LCD Plasma etch/ash system
HT-800



Hewlett-Packard Co.
HP Visualize Workstation



Extreme Networks, Inc.
Gigabit ETHERNET Switch

- Brocade Communications Systems, Inc.
- Ciprico, Inc.
- Conax Florida Corp.
- Cycomm International, Inc.
- Emulex Corporation
- Extreme Networks, Inc.
- F5 Networks, Inc.
- Gadzoox Networks, Inc.
- GenRad, Inc.
- Genroco, Inc.
- H. Koch & Sons Co.

- Hewlett-Packard Co.
- Hitachi, Ltd.
- Interstate Electronics Corp.
- ITT Aerospace Controls Corp.
- Marconi Communications, Inc.
- nCipher Corporation Ltd.
- NTT-X, Inc.
- OEA Aerospace, Inc.
- Pathlight Technology, Inc.
- Prisa Networks, Inc.
- Process Dynamics, Inc.

- Sanders, a Lockheed Martin Co.
- Silicon Graphics, Inc.
- Sony Corp.
- VERITAS Software Corp.



Semiconductor devices



Board products

- Advanced Micro Devices, Inc.
- Agilent Technologies, Inc.
- Conexant Systems, Inc.
- Cosel Co., Ltd.
- Dallas Semiconductor Corp.
- Dialogic Corp. (an Intel Company)
- Digital Electronics Corp.
- Eicon Technology Corp. (Trisignal Div.)
- Fujifilm Microdevices Co., Ltd.
- Fujitsu Ltd.
- Fujitsu Quantum Devices Ltd.
- Fujitsu Media Devices Ltd.

- Integrated Device Technology, Inc.
- Intersil Corp.
- Intoto Inc.
- Linear Technology Corp.
- Metrowerks, Inc.
- Microsoft Corp.
- Mitel Corp.
- Motion Engineering, Inc.
- Motorola, Inc.
- ON Semiconductor
- Phoenix Technologies Ltd.
- Pixelworks, Inc.
- Portwell, Inc.

- Ramtron International Corp.
- Robinson Nugent, Inc.
- Sharp Semiconductor Corp.
- Siber Core Technologies Inc.
- Tokyo Electron Device Ltd.
- Trillium Digital Systems, Inc.
- Tundra Semiconductor Corp.
- VenturCom, Inc.
- WESTTEK, L. L. C.
- Winchester Electronics
- Xicor, Inc.
- Xilinx, Inc.

Semiconductor Production Equipment

Continuous advances in semiconductors are driving the information and without continuous advances in the semiconductor production equipment (SPE) tion by helping chipmakers execute their product strategies successfully.



RAPIDLY EXPANDING END-USE APPLICATIONS DRIVE INDUSTRY GROWTH

At one time, personal computers were the main end-use application for semiconductors. Today, however, a broad array of products rely on semiconductors to offer increased performance and functionality, including mobile phones, personal digital assistants (PDAs), game consoles, DVD players and other digital consumer electronic products. Furthermore, new, yet-to-be-imagined applications will continue to fuel demand for chips.

TOKYO ELECTRON IS A LEADER IN WAFER FABRICATION EQUIPMENT

Wafer fabrication equipment uses mainly physical and chemical processes to create minute, multi-layer circuits on round silicon wafers. While various types of equipment are used for performing these microscopic processes, most of these products can be grouped into several broad categories. Most equipment suppliers focus on a single market segment, but Tokyo Electron is a world leader in many of them.

Wafer Fabrication Equipment

- Thermal Systems
- Ion Implantation Systems
- Film Deposition Systems
- Lithography/Patterning Systems
- Removal Systems

— The Source of Innovation

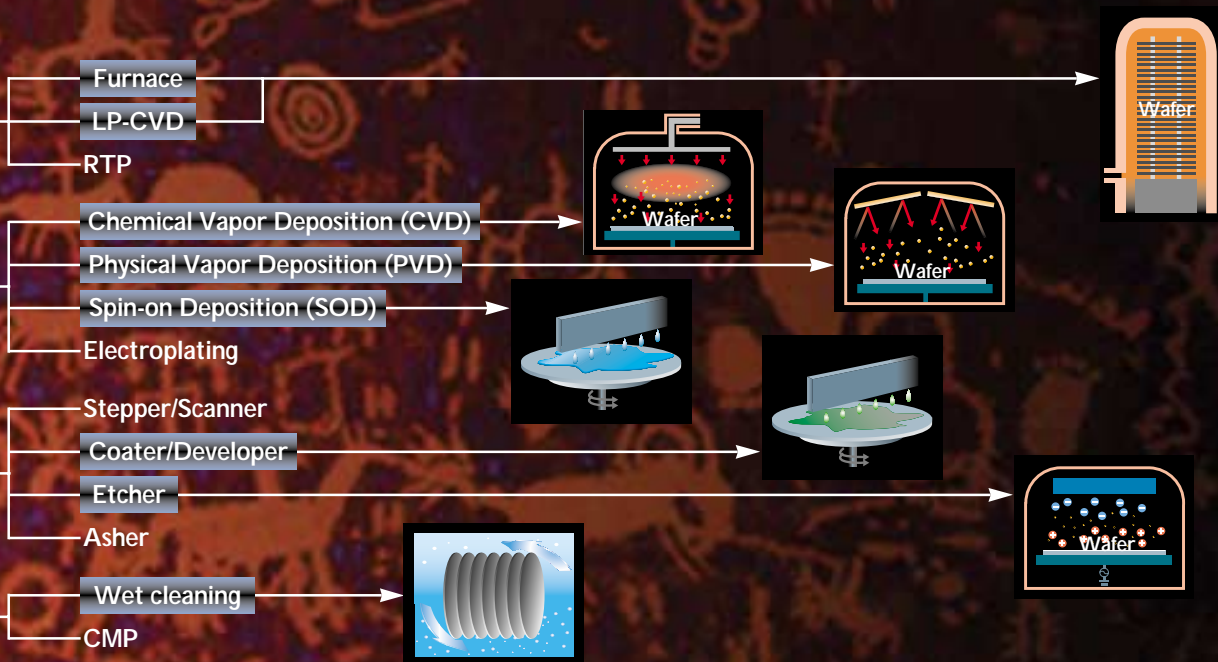
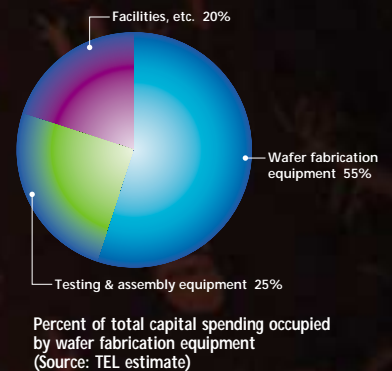
communications revolution. This revolution, however, would not be possible that is used to make chips. Tokyo Electron operates at the heart of this revolu-


SEMICONDUCTOR PRODUCTION EQUIPMENT – A LARGE AND INTEGRAL PART OF THE SEMICONDUCTOR INDUSTRY

The semiconductor production equipment industry is a large and integral part of the semiconductor industry. Information and communications products demand higher performance chips from chipmakers, who demand higher performance equipment from equipment suppliers, whose advances drive the information and communications revolution.

WAFER FABRICATION EQUIPMENT IS A PRIMARY SPE MARKET

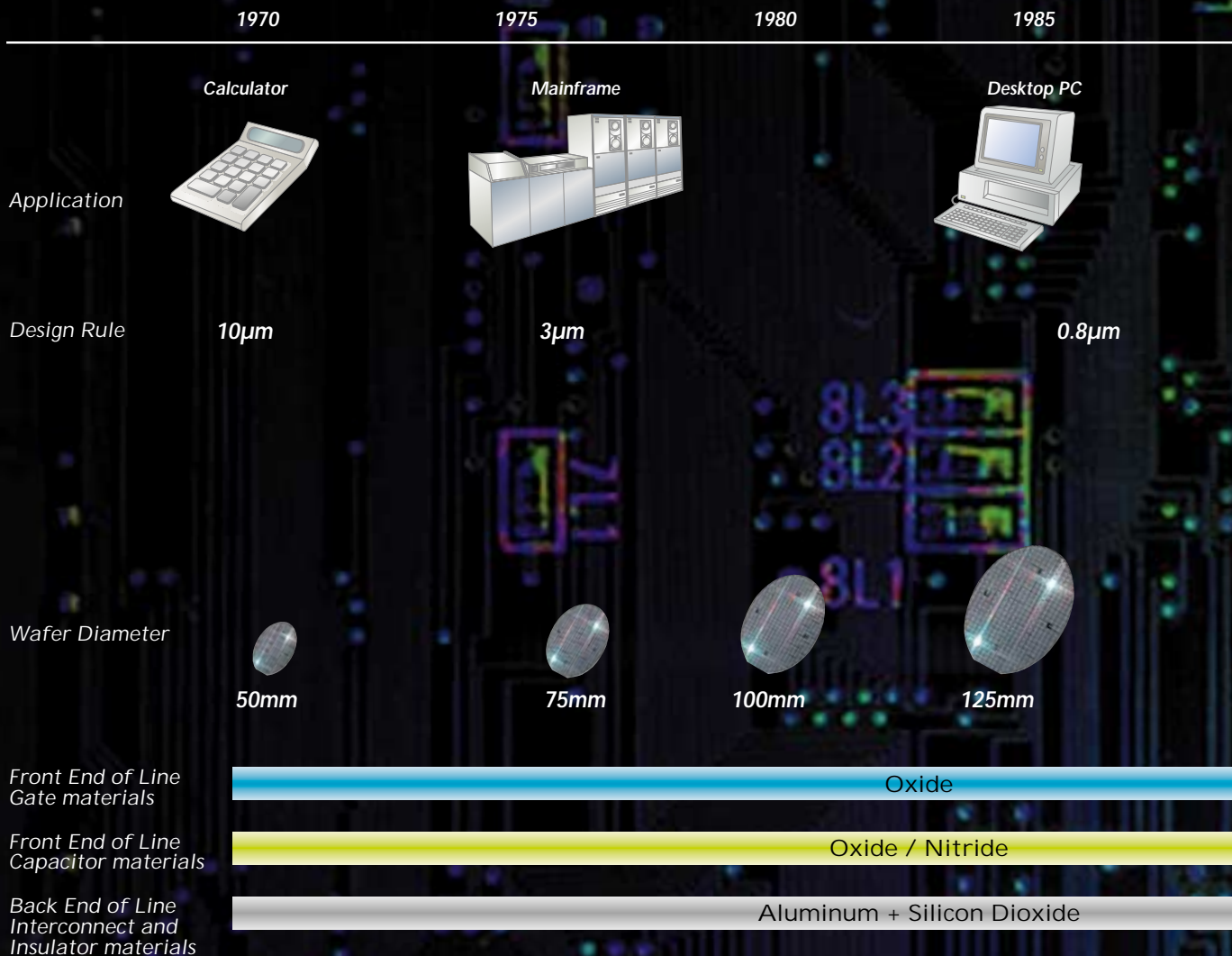
Semiconductor production equipment is largely segmented into wafer fabrication equipment that is used in the initial stages of semiconductor production, and testing and assembly equipment that is used in the latter stages. Wafer fabrication equipment accounted for about 55 percent of the \$33 billion of total world capital spending for semiconductors in 1999. Tokyo Electron primarily participates in this wafer fabrication equipment market and it maintains a very strong presence globally.



 Tokyo Electron has its own products in these segments

New Mega Trends Drive SPE Demand

Three major trends are taking place simultaneously in the semiconductor industry: – in particular, copper for metalization and low-k (k = dielectric constant) dielectrics SPE to stay at the leading edge of technology. Tokyo Electron already offers proven



LARGER WAFER SIZE REDUCES UNIT COST OF CHIPS

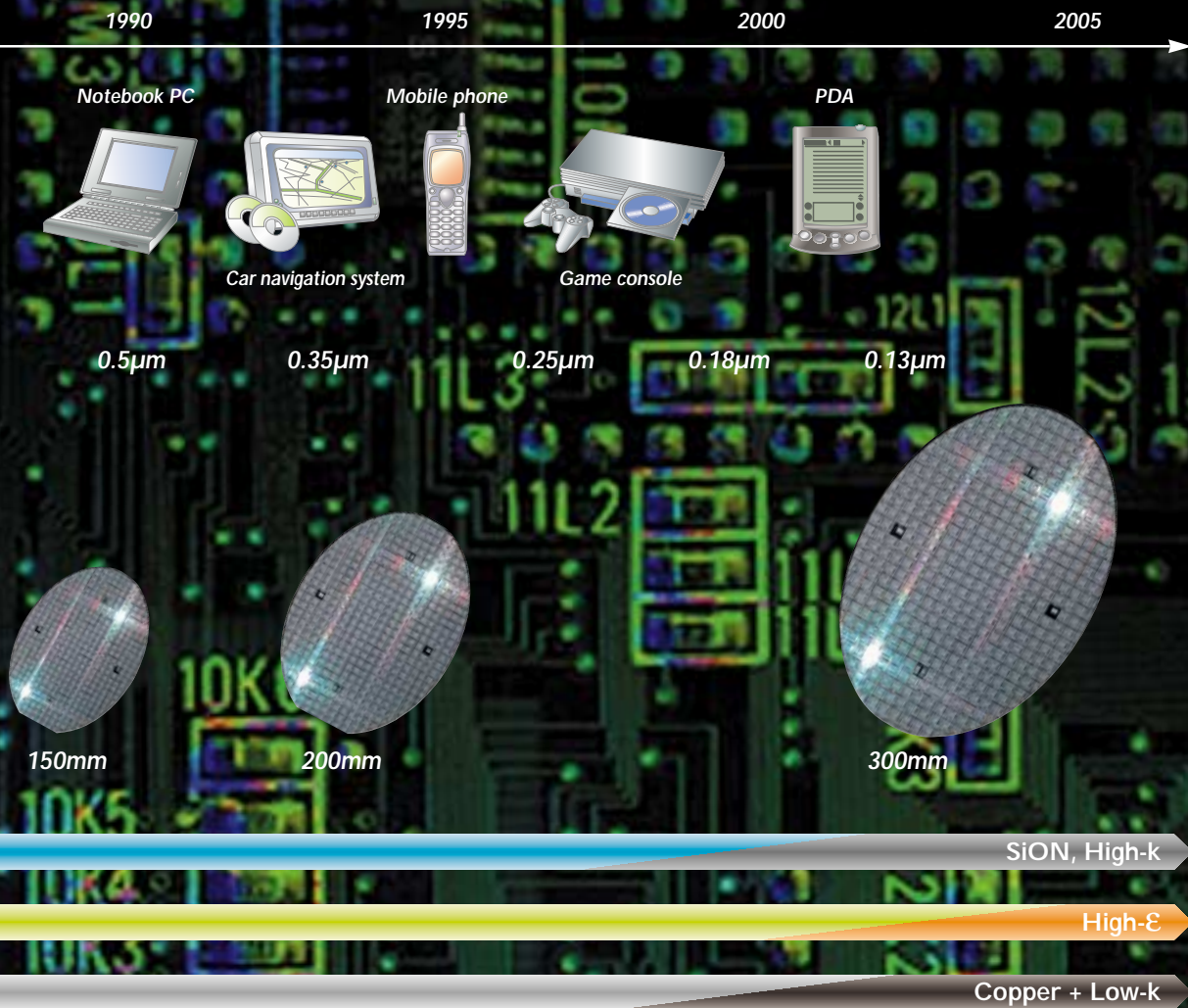
Larger wafers reduce unit costs because processing a 300mm wafer costs little more than processing the current industry standard 200mm wafer, but the larger wafers yield significantly more chips. Tokyo Electron is in

a particularly strong position to capitalize on this trend, with a comprehensive lineup of 300mm-ready equipment, and a fully dedicated 300mm New Process Technology Center to support customers' demands in their transition to 300mm technology.

SMALLER FEATURE SIZES INCREASE YIELDS AND PERFORMANCE

Current feature sizes are approximately 100 times smaller than they were just three decades ago, allowing for smaller, faster chips with substantially increased performance. Decreasing chip size by shrinking fea-

the move toward larger 300mm wafers, smaller feature sizes and new materials as insulators. These trends are driving chipmakers to invest in new, highly advanced solutions for 300mm wafers, smaller feature sizes and low-k dielectrics.



ture sizes allows more chips to be produced from the same wafer. As the world's leading supplier of coater/developers and oxide etch systems that are directly related to reducing feature sizes, Tokyo Electron is well positioned to take advantage of this trend.

NEW MATERIALS BOOST CHIP PERFORMANCE

In the 0.13µm generation and beyond, decreasing signal delay will become critical in creating faster chips. The solution to this problem is new materials. In the early 2000s, two dramatic changes will begin to take place: the adoption of high-k and high-ε materials for gate and capacitor formation in the

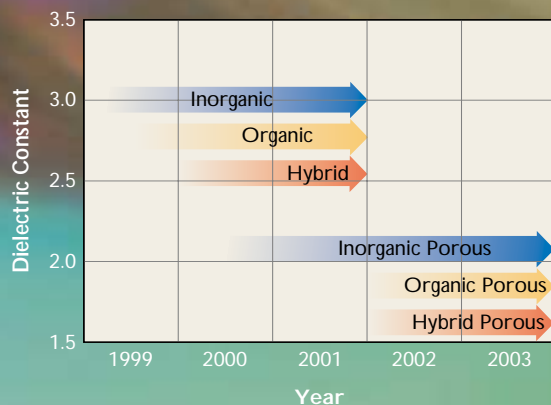
FEOL (transistor) process, and copper and low-k materials as interconnect and insulation materials in the BEOL (interconnect) process. Historically strong in providing FEOL solutions, Tokyo Electron is also working to provide integrated BEOL solutions around its core spin-on dielectric system for low-k materials.

Tokyo Electron's Low-k Toolset Offers Interconnect Processes

Continuous improvements in semiconductor device performance and Law, which states that chip density doubles approximately every 18 months, because the signal time delay has become the largest bottleneck.

Breakthrough Technology

SOD Materials



Integrated Solutions for Advanced

*functionality have been achieved by scaling devices according to Moore's
Further improvements, however, cannot be achieved by scaling alone*

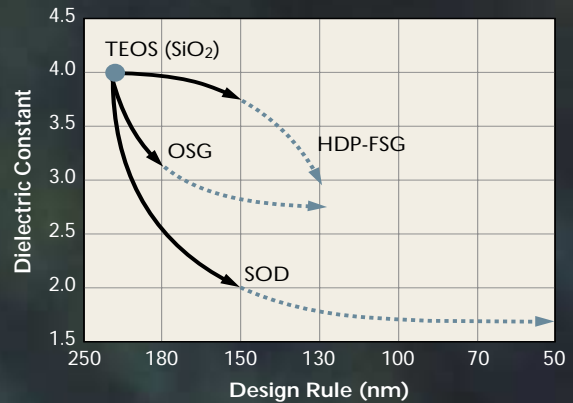
TEL'S LOW-K TECHNOLOGY SOLUTIONS

Copper interconnects recently started to come into use as a partial solution to the signal delay barrier. To further improve device performance and complete the solution, low-k dielectric materials are currently being developed.

Tokyo Electron's low-k toolset provides chipmakers with the current-best dielectric k value at the mass-produc-

tion level. By employing spin-on dielectric (SOD) low-k technology, Tokyo Electron enables numerous materials to be used on its tool platforms for coating, curing, etching and cleaning. Our longstanding collaborative alliances with leading SOD material suppliers around the world also ensure that chipmakers receive the optimum technological solutions with the freedom to choose the chemistry that best suits their needs.

Low-k Materials



Furnace
• ALPHA (α)-8SE



Etch System
• UNITY® Ver. IIe



Cleaning System
• PR200Z

Spin-on Dielectric System
• CLEAN TRACK ACT® 8 SOD



ENVIRONMENT

A COMMITMENT TO SOCIAL RESPONSIBILITY

Tokyo Electron believes that preserving and constantly improving the global environment are objectives of the highest priority both for the Company and for humanity, and must be considered in management. Based on this philosophy, we are determined to remain in harmony with the global environment through a wide range of environmental protection activities as we expand our business. Doing so will help us retain the trust of customers, shareholders, employees, local communities and society in general.

Milestones in Environmental Protection

To 1995:	Carried out studies for an environmental management system Eliminated CFC usage
1996:	Established first Tokyo Electron Environmental Committee Implemented environmental management system
1997-1999:	Obtained ISO 14001 certification of the environmental management systems at seven main domestic plants
1999:	Created Product EHS Roadmap
2000:	Began environmental accounting

Specific Activities

ISO 14001 Certification

Tokyo Electron has devoted substantial resources to obtaining ISO 14001 certification, an international standard for environmental management systems. The Company began working to obtain this certification in 1997, and obtained it for all domestic plants by the end of 1999, with the exception of Tokyo Electron Miyagi Limited. As the certifying body, Tokyo Electron used Det Norske Veritas (DNV), which has extensive experience in environmental management and had carried out the Company's audit for ISO 9001 certification. Preparations for certification are under way at Tokyo Electron Miyagi Limited, which began operations in 1998, and the Company is aiming for certification in April 2002. In the future, Tokyo Electron plans to obtain ISO 14001 certification for its U.S. plants.

Development of Environmentally Friendly Products

Tokyo Electron is active in developing products with reduced environmental impact. The *CLEAN TRACK ACT® 8* coater/developer and the *UW200Z* cleaning system both incorporate new design concepts that significantly reduce footprint, energy consumption and chemical usage compared with previous models. Moreover, the Company is conducting R&D with C_5F_8 , a fluorine gas that reduces the effects that lead to global warming without any sacrifice in technical specifications, and is now using it in the etching system process. The C_5F_8 process received recognition as a method to combat global warming from



Semiconductor Equipment and Materials International (SEMI) Japan in December 1999. Also in 1999, Tokyo Electron created its Product EHS Roadmap to support concrete measures to reduce the environmental impact of each system the Company supplies, in an effort to produce products that are even more environmentally friendly.

Chemical Management

The control of chemical substances requires not only compliance with the law, but also comprehensive management that includes toxicity evaluation and measures for safe storage and dealing with emergencies. Tokyo Electron is therefore striving to establish a system for reviewing and registering newly purchased chemical substances, and is moving forward with a rigorous program to stop pollution before it is produced. Moreover, in April 2000, domestic facilities implemented the Pollutant Release and Transfer Register (PRTR) system, which entails computing the amounts of each listed chemical substance released into the environment and providing reports to governmental and trade organizations.

Waste Reduction, Recycling and Other Activities

Demonstrating the effectiveness of Tokyo Electron's efforts to reduce waste products and consumption of energy and resources and to promote recycling and green purchasing, domestic facilities produced 21 percent less waste in 1998 than in 1997. The Company's recycling ratio has increased significantly, from 15.3 percent in 1996 to 40.9 percent in 1997 and 49.7 percent in 1998. Administrative divisions are promoting the purchase of environmentally friendly paper products, office supplies and printed matter.

Contribution to Customers, Communities and the Industry

Tokyo Electron's proactive efforts to develop environmentally friendly products make a material contribution to our customers' efforts to protect the environment. We also cooperate with environmental initiatives in every region we serve. In addition, we actively participate at every stage, from planning to implementation, of industry efforts regarding disclosure and standards. We intend to further build on our record of corporate citizenship.

Implementation of Environmental Accounting

From the year ending March 2001, Tokyo Electron's domestic operations will begin using environmental accounting in order to quantify the effectiveness of environmental protection activities.

Disclosure

Tokyo Electron will promote broader awareness and understanding of its efforts to protect the environment by publishing an annual environmental report beginning in 2001.

REVIEW OF OPERATIONS

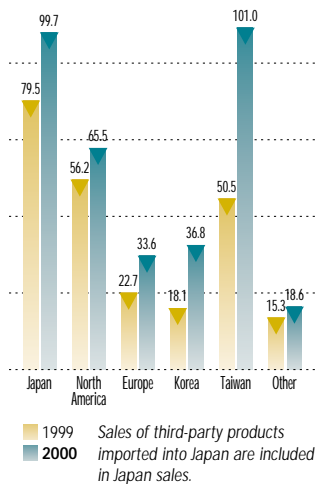
SEMICONDUCTOR PRODUCTION EQUIPMENT

During 1999, the semiconductor production equipment industry experienced a strong turnaround from the previous year's severe recession, especially in the latter half of the year. Chipmakers began to invest aggressively in capital equipment to meet resurgent demand, in what is believed to be the early stages of a multi-year upturn.

With its global reach and broad lineup of leading-edge products, Tokyo Electron was well positioned to benefit from this recovery. Consolidated net sales of the Semiconductor Production Equipment (SPE) division increased 46.6 percent year-on-year to ¥355.1 billion. Moreover, orders for semiconductor production equipment increased steadily in each quarter, particularly in the second half of the fiscal year.

SPE Sales by Geographic Region (¥ Billions)

Sales increased in every region in the past fiscal year. Taiwan accounted for the largest proportion of net sales, signifying Tokyo Electron's progress in globalizing its operations.



Review by Geographic Region

SPE division sales expanded in every region in which Tokyo Electron operates. In Japan, chipmakers began investing in equipment for new SOC and flash memory fabs, while continuing to invest in equipment for upgrading existing lines. As a result, sales in Japan increased 25 percent to ¥99.7 billion. In North America, sales rose 17 percent to ¥65.5 billion as Tokyo Electron continued to make large inroads into the market. In Europe, investment in equipment for manufacturing communications-related devices increased, leading to a 48 percent gain in sales to ¥33.6 billion. In Taiwan, despite suffering a devastating earthquake, chipmakers were able to recover quickly. Sales jumped 100 percent to ¥101.0 billion as U.S. and Japanese chipmakers steadily increased outsourcing to Taiwanese foundries. Of note, sales in Taiwan were the highest among the regions in which Tokyo Electron operates. This was the first time in Company history that a region other than Japan accounted for the largest proportion of total net sales, highlighting the progress that Tokyo Electron has made in globalizing its operations. In Korea, chipmakers started to invest heavily in new equipment due to a strong recovery in DRAM and LCD demand, resulting in a 103 percent increase in sales to ¥36.8 billion.

Review by Product

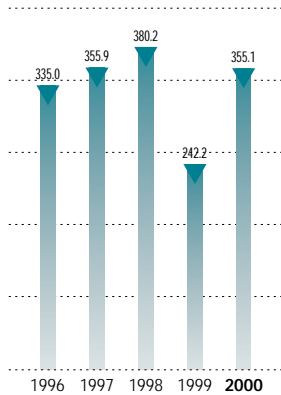
Sales in all product categories increased year-on-year, with ACT[®] 8 series coater/developer systems and UNITY[®] series etching systems generating particularly strong sales gains. In addition, sales of furnaces/LP-CVD systems equipped with a Fast Thermal Processing System (FTPS) also showed solid growth as chipmakers brought new lines onstream. Sales of TFT-LCD production equipment more than doubled as LCD manufacturers in Taiwan, Korea and Japan raced to add new capacity to meet soaring demand for TFT-LCDs. Sales in Taiwan were especially strong as several new fabs were

Note: Years in all graphs refer to fiscal years ended March 31.

SPE Sales

(¥ Billions)

Renewed investment among chipmakers and LCD manufacturers created brisk demand for Tokyo Electron's advanced semiconductor and TFT-LCD production equipment.



brought online.

Tokyo Electron is currently putting its efforts into moving several new products to volume production, including the *CLEAN TRACK ACT® 8 SOD* system, the *WX-8* wafer-level burn-in & test system and the *UW200Z* and *PR200Z* cleaning systems. Growth prospects are excellent for the *CLEAN TRACK ACT® 8 SOD* system, which uses the same platform as the Company's best-selling coater/developer system, as the industry moves toward spin-on technology to apply new low-k materials as insulators. The *WX-8* is a revolutionary new product that enables burn-in and testing at the wafer level. Hereto considered technologically infeasible, this system is designed to contribute to substantial cost savings compared with conventional burn-in testing at the chip level after packaging. The *UW200Z* has reduced bath volume, footprint and chemical and D1 water consumption, thus representing a new standard for Front-End-of-Line cleaning applications. The *PR200Z* incorporates unique cleaning technology for Back-End-of-Line processes, particularly for cleaning in high aspect ratio via holes. Shipments of all of these systems have commenced, and evaluations from R&D institutions and customers alike have been extremely favorable. Shipments of 300mm tools have also started, which will contribute to even further growth in the future.

COMPUTER SYSTEMS AND ELECTRONIC COMPONENTS

Computer Systems

In the past fiscal year, consolidated net sales decreased 4.0 percent to ¥12.4 billion, due to continued weakness in domestic corporate demand.

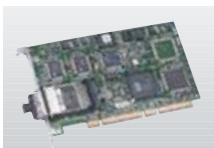
In the second half, however, IT-related investment by Japanese corporations began to pick up, fueling an increase in sales of servers and high-speed networking systems that form the backbone of Internet-related business.

Sales of networking equipment, including Extreme Networks' Gigabit Ethernet switch, increased 1.5 times year-on-year. In addition, sales of Fibre Channel products for Storage Area Networks (SANs) more than doubled. The market for SANs is expected to grow further, and the division will continue to strengthen its product lineup in the Fibre Channel area as a core segment. Also in the past fiscal year, the division began handling Pathlight Technology router products.

Expansion in the e-commerce market has resulted in growing demand for security systems. Beginning in the past fiscal year, the division began handling



Brocade Communications Systems, Inc.
Fibre Channel Fabric Switch



Emulex Corp.
Fibre Channel PCI Host Adapter

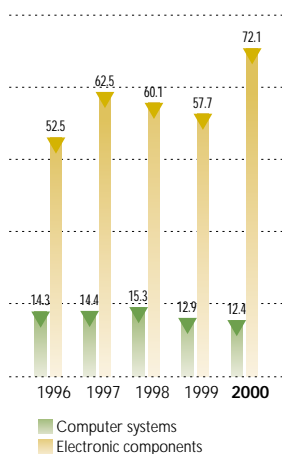


GenRad, Inc.
Combination Test System

CS & EC Sales

(¥ Billions)

While computer systems sales remained essentially unchanged, sales of electronic components rose to a record high.



the products of nCipher, a leader in SSL accelerator products. The division also entered the market for Internet traffic administration products by adding equipment from F5 Networks to its product lineup.

In addition to distributing hardware, the division is also developing consulting and outsourcing services that enable customers to use their information systems in an optimal environment. For example, the TEL Engineering Office™ provides a pleasant engineering environment for Hewlett-Packard users, and the DigiGuard™ data center gives users the option of outsourcing their IT administration functions. The division also entered a new field by initiating distribution of Cycomm environment-resistant computers.

Electronic Components

The first full year since electronic components operations were transferred to wholly owned subsidiary Tokyo Electron Device Limited (TED) in July 1998 has passed.

In the past fiscal year, consolidated net sales of the Electronic Components division increased 24.8 percent to a record ¥72.1 billion. Sales of devices related to communications, networking and personal computers showed remarkable growth, and sales of digital consumer electronics were solid. This is a result of increasing our ratio of high-value-added products by focusing on these high-growth areas over the past few years. In particular, sales generated by the products of four companies that we recently started dealing with more than doubled year-on-year, and have already come to account for nearly 5 percent of division sales. The division will continue to actively introduce new products in high-potential fields.

The division distributes the products of nearly 40 leading companies from around the world, and also provides its own originally designed and developed products.

The latter include the TE4000 series

of flash memory controllers, which have high growth prospects as devices that support multimedia applications. In addition, the division deploys its extensive development skills and top-notch facilities to create more than 100 custom LSIs for customers each year. Recently, the scale of the design work the division takes in for ASIC devices has been getting larger.

Strengthening and expanding electronic transactions is another objective. In the past fiscal year, the volume of shipments handled via electronic data interchange (EDI) grew to approximately 80 percent of all shipments, which has contributed significantly to greater operating efficiency.



AMD is a trademark of Advanced Micro Devices, Inc.

Power PC is a trademark of International Business Machines Corp. (IBM) and is used by Motorola, Inc. under license from IBM.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Sales and Income

Sales

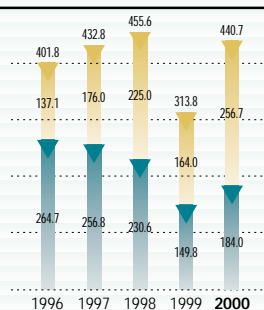
For the year ended March 31, 2000, consolidated net sales increased 40.4 percent from the prior fiscal year to ¥440.7 billion (US\$4,152 million), as the semiconductor industry rapidly recovered from the 1998 downturn and entered a period of capacity expansion and investment in advanced technology. Geographically, domestic sales grew 22.8 percent to ¥184.0 billion and overseas sales jumped 56.6 percent to ¥256.7 billion. Sales outside of Japan thus exceeded domestic sales for the second consecutive year.

Domestic and Overseas Sales

(¥ Billions)

Net sales outside Japan grew a robust 56.6 percent in the year ended March 2000, surpassing domestic sales for the second straight year.

Overseas
Japan



By division, Semiconductor Production Equipment (SPE) sales, which include sales of LCD production equipment, increased 46.6 percent to ¥355.1 billion. Computer Systems (CS) sales were essentially unchanged at ¥12.4 billion, and Electronic Components (EC) sales rose 24.8 percent to ¥72.1 billion.

Tokyo Electron now reports orders received and order backlog on a consolidated basis, beginning with the year ended March 2000. Orders received for the SPE division increased to ¥520.5 billion as non-memory chipmakers and foundries ramped up capital investment to remain in step with increasing demand. Consequently, order backlog for the SPE division rose to ¥249.5 billion. Strong order flow in the fourth quarter of the fiscal year indicates continuing sales growth during the year ending March 2001. For reference, non-consolidated orders received in the prior fis-

cal year were ¥198.1 billion and order backlog was ¥84.0 billion.

Because exports from Japan are generally denominated in yen, changes in exchange rates have no material effect on Tokyo Electron's results. However, a stronger yen vis-a-vis the U.S. dollar typically raises prices from the purchaser's perspective. The ratio of U.S. dollar-denominated transactions involving equipment imported to Japan is comparatively low and did not have a material effect in the year ended March 31, 2000.

Cost of Sales and SG&A Expenses

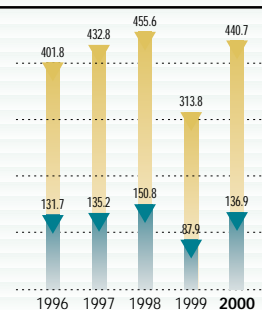
Cost of sales increased 34.5 percent to ¥303.8 billion, a rate of increase well below the rate of sales growth. Consequently, cost of sales as a percentage of net sales improved to 68.9 percent from 72.0 percent for the prior fiscal year. Gross profit increased 55.8 percent to ¥136.9 billion and the gross profit margin rose 3.1 percentage points to 31.1 percent, reflecting higher business volume and the favorable effects of Tokyo Electron's drive to improve productivity and reduce costs.

Net Sales & Gross Profit

(¥ Billions)

Higher business volume and Tokyo Electron's efforts to improve productivity contributed to a solid gain in gross profit.

Net sales
Gross profit



Selling, general and administrative expenses increased 24.1 percent to ¥101.1 billion, again substantially below the rate of sales growth due to Tokyo Electron's successful cost-control measures. Research and development expenses, which are included in SG&A expenses, increased 38.3 percent to ¥37.1 billion. R&D was focused primarily on development of

Note: Years in all graphs refer to fiscal years ended March 31.

equipment for 0.13μm and beyond, 300mm equipment and new business opportunities. Consistent and substantial R&D spending, even during market slow-downs, has been a key factor supporting Tokyo Electron's ability to maintain a competitive advantage in the products and services it provides, and is allowing the Company to benefit fully from the current market recovery. Operating income increased more than five times to ¥35.8 billion as sales growth strongly outpaced expense increases. The operating margin was 8.1 percent, compared to 2.0 percent for the prior fiscal year.

R&D Expenses

(¥ Billions)

R&D expenses rose significantly, reflecting Tokyo Electron's aggressive investment in developing next-generation technology.



Other Income (Expenses) and Net Income

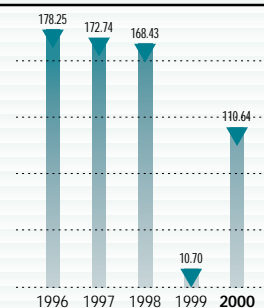
Net other expenses increased sharply to ¥6.1 billion, primarily because of non-recurring charges, which consisted mainly of losses on the sale and disposal of fixed assets and patent royalty payments for

past fiscal years. Income before income taxes increased nearly five times to ¥29.7 billion. Net income totaled ¥19.8 billion, compared to ¥1.9 billion for the prior fiscal year, and fully diluted net income per share increased from ¥10.70 to ¥110.64. Tokyo Electron increased cash dividends by ¥2.00 per share to ¥14.00 per share; the payout ratio was 12.7 percent, which is in line with the Company's historical norm.

Net Income per Share

(¥)

Fully diluted net income per share rebounded nearly ¥100 to ¥110.64.

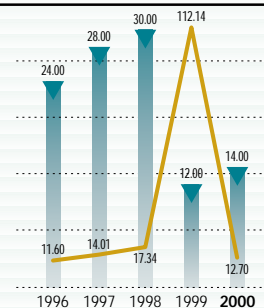


Cash Dividends per Share & Payout Ratio

(¥ / %)

Due to the solid recovery in net income, Tokyo Electron revised its original forecast for cash dividends upward by ¥2 to ¥14 per share for the full fiscal year.

■ Cash dividends
— Payout ratio



	Millions of yen (percentage of net sales)		Thousands of U.S. dollars	
	2000	1999	1998	2000
Net sales.....	¥440,729 (100.0)	¥313,820 (100.0)	¥455,585 (100.0)	\$4,151,945
Cost of sales.....	303,839 (68.9)	225,962 (72.0)	304,825 (66.9)	2,862,355
Gross profit.....	136,890 (31.1)	87,858 (28.0)	150,760 (33.1)	1,289,590
SG&A expenses.....	101,074 (22.9)	81,475 (26.0)	87,464 (19.2)	952,181
Operating income.....	35,816 (8.1)	6,383 (2.0)	63,296 (13.9)	337,409
Other income (expenses).....	(6,127) —	(345) —	(462) —	(57,720)
Income before income taxes.....	29,689 (6.7)	6,038 (1.9)	62,834 (13.8)	279,689
Provision for income taxes.....	9,836 (2.2)	4,167 (1.3)	32,825 (7.2)	92,661
Net income.....	¥ 19,848 (4.5)	¥ 1,866 (0.6)	¥ 30,009 (6.6)	\$ 186,981

Financial Position and Cash Flows

Financial Position

Current assets at March 31, 2000 increased 29.0 percent from a year earlier to ¥375.2 billion as both trade notes and accounts receivable and inventories expanded in reflection of the gain in sales. However, inventory turnover improved to 4.39 times compared with 3.33 times in the previous fiscal year. Trade notes and accounts receivable turnover was 2.79 times, compared to 1.89 times for the prior fiscal year. Current liabilities more than doubled to ¥146.5 billion, mainly because of increased short-term borrowings outstanding at the balance sheet date and an increase in trade notes and accounts payable due to the ramp-up in production to meet higher demand. Working capital increased to ¥228.7 billion, while the current ratio decreased to 2.6 to 1 from 4.2 to 1 a year earlier. The current ratio decreased primarily because of an increase in current liabilities, but still signifies excellent liquidity. Total assets increased 20.4 percent to ¥499.5 billion, mainly because of the rise in current assets coupled with an increase in fixed assets as capital projects came onstream.

Tokyo Electron reduced long-term debt 13.4 per-

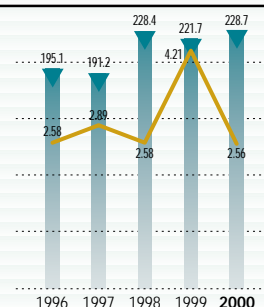
cent from a year earlier to ¥67.3 billion as ¥30.0 billion in bonds were transferred to current liabilities.

Working Capital & Current Ratio

(¥ Billions / Times)

Working capital increased; the current ratio decreased, but continued to signify excellent liquidity.

■ Working capital
— Current ratio

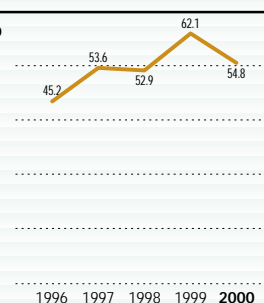


Shareholders' equity increased 6.2 percent to ¥273.6 billion, due mainly to an increase in retained earnings. As a percentage of total assets, shareholders' equity was 54.8 percent, compared to 62.1 percent a year earlier. Return on average total shareholders' equity improved to 7.5 percent.

Shareholders' Equity Ratio

(%)

Despite higher shareholders' equity, the equity ratio declined in reflection of the increase in current assets resulting from higher sales.



	Millions of yen (percentage of total assets)		Thousands of U.S. dollars
	2000	1999	2000
Total assets	¥499,499 (100.0)	¥414,903 (100.0)	\$4,705,596
Trade notes and accounts receivable	175,153 (35.0)	140,746 (33.9)	1,650,052
Cash and time deposits	79,519 (15.9)	46,910 (11.3)	749,119
Inventories	112,481 (22.5)	88,085 (21.2)	1,059,642
Investments and other assets	25,522 (5.1)	32,063 (7.7)	240,433
Property, plant and equipment	97,726 (19.6)	92,092 (22.2)	920,641
Total liabilities	225,862 (45.2)	156,885 (37.8)	2,127,763
Trade notes and accounts payable	62,574 (12.5)	35,019 (8.4)	589,487
Short-term borrowings	23,998 (4.8)	21,657 (5.2)	226,076
Accrued income taxes	11,843 (2.4)	1,488 (0.4)	111,569
Long-term debt	67,278 (13.5)	77,709 (18.7)	633,801
Shareholders' equity	¥273,603 (54.8)	¥257,716 (62.1)	\$2,577,513

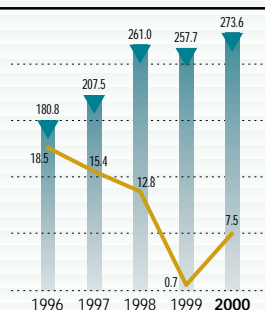
The balance of convertible bonds outstanding at March 31, 2000 was ¥15.6 billion. The potential number of shares if all convertible bonds had been converted at the balance sheet date represented 2.8 percent of total common stock issued and outstanding.

Shareholders' Equity & ROE

(¥ Billions / %)

Return on equity improved to 7.5 percent due to increased earnings, while shareholders' equity increased 6.2 percent.

■ Shareholders' equity
— Return on equity



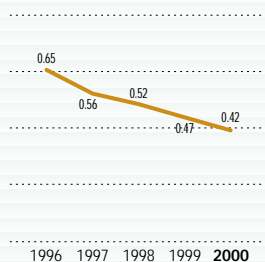
Cash Flows

Operating activities generated net cash of ¥25.1 billion, 49.6 percent below the ¥49.8 billion in net cash generated in the prior fiscal year. Net cash flow, defined as the sum of net income and depreciation, increased 2 times to ¥39.3 billion, due to the increase in net income. Net changes in assets and liabilities, however, tend to represent a use of cash during periods of revenue growth because Tokyo Electron generally incurs costs and expends cash in advance of receiving cash from its customers. In the past fiscal year, increases in trade notes and accounts receivable and in inventories were the primary factors reducing net cash generated by operating activities.

Debt-to-Equity Ratio

(Times)

Strong cash flow allowed Tokyo Electron to rely less on external funding for operations; consequently, the debt-to-equity ratio improved to 0.42 times.



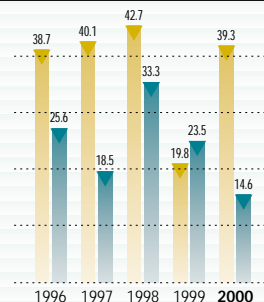
Investing activities used net cash of ¥16.2 billion, down 33.5 percent from ¥24.3 billion in the prior fiscal year. Payment for purchase of property, plant and equipment amounted to ¥14.6 billion. Beginning in the year ended March 31, 2000, this item excludes the amount of Tokyo Electron's own equipment capitalized as fixed assets. Including this amount, capital expenditures for property, plant and equipment would have totaled ¥19.0 billion. Capital investments were mainly directed toward equipment for evaluation; Tokyo Electron made no major investments in buildings or land during the past fiscal year. Tokyo Electron reduced capital investment in response to the downturn in the semiconductor industry during 1998 and early 1999, but anticipates additional investment to expand capacity and ensure the continued availability of innovative technology during the fiscal year ending March 2001.

Net Cash Flow & Capital Expenditures

(¥ Billions)

Net cash flow consistently outpaces capital expenditures, reflecting Tokyo Electron's disciplined approach to financial management.

■ Net cash flow
■ Capital expenditures



Net cash generated by financing activities totaled ¥23.6 billion; in the prior fiscal year, financing activities used net cash of ¥48.2 billion. Tokyo Electron increased short-term borrowings by ¥13.0 billion, and issued unsecured bonds of ¥20.0 billion.

Cash and cash equivalents at the end of the year were ¥79.5 billion, a significant increase from ¥47.7 billion at the end of the prior fiscal year. Management believes that Tokyo Electron's positive cash flow, manageable debt and strong working capital give the Company the liquidity and financial base necessary to continue expanding internationally while meeting customer demand during the upward cycle of the semiconductor industry.

CONSOLIDATED SIX-YEAR SUMMARY

Tokyo Electron Limited and its Subsidiaries

Years ended March 31, 2000, 1999, 1998, 1997, 1996 and 1995

	Thousands of U.S. dollars		Millions of yen				
	2000	2000	1999	1998	1997	1996	1995
Net sales	\$4,151,945	¥440,729	¥313,820	¥455,585	¥432,785	¥401,775	¥251,683
Semiconductor production equipment ¹	3,345,294	355,103	242,240	380,184	355,877	334,983	188,661
Computer systems ¹	116,411	12,357	12,878	15,262	14,408	14,314	14,071
Electronic components	678,766	72,051	57,734	60,139	62,500	52,478	48,951
Other	11,474	1,218	968	-	-	-	-
Operating income	337,409	35,816	6,383	63,296	60,389	67,754	24,425
Income before income taxes	279,689	29,689	6,038	62,834	60,487	65,098	22,648
Net income	186,981	19,848	1,866	30,009	29,975	30,964	9,731
Domestic sales	1,733,274	183,987	149,838	230,550	256,808	264,660	187,305
Overseas sales	2,418,671	256,742	163,982	225,035	175,977	137,115	64,378
Depreciation and amortization	183,194	19,446	17,921	12,652	10,167	7,730	5,911
Capital expenditures ²	221,441	23,506	23,478	33,302	18,456	25,606	14,884
R&D expenses	349,835	37,135	26,842	26,813	20,988	17,277	12,068
Total assets	4,705,596	499,499	414,903	493,600	387,077	400,050	318,275
Total shareholders' equity	2,577,513	273,603	257,716	261,009	207,476	180,842	153,267
Number of employees		8,946	7,835	7,287	6,277	5,616	4,751
	U.S. dollars		Yen				
Net income per share of common stock: ³							
Basic	\$ 1.07	¥ 113.53	¥ 10.70	¥ 174.68	¥ 181.97	¥ 188.05	¥ 59.11
Diluted ⁴	1.04	110.64	10.70	168.43	172.74	178.25	59.11
Cash dividends per share of common stock:							
Actual	0.13	14.00	12.00	30.00	28.00	24.00	16.00
Adjusted ³	0.13	14.00	12.00	30.00	25.45	21.82	14.55
Number of shares outstanding (thousands) ..		175,660	174,624	174,569	150,189	149,706	149,674
Number of shareholders		7,147	8,576	9,562	11,097	12,676	12,231
			Percent				
ROE		7.5	0.7	12.8	15.4	18.5	6.5
Operating income margin		8.1	2.0	13.9	14.0	16.9	9.7
Shareholders' equity ratio		54.8	62.1	52.9	53.6	45.2	48.2
Asset turnover (times)		0.96	0.69	1.03	1.10	1.12	0.86
	U.S. dollars		Thousands of yen				
Net sales per employee	\$ 464,107	¥ 49,265	¥ 40,054	¥ 62,520	¥ 68,948	¥ 71,541	¥ 52,975

1 Results are retroactively restated due to a structural reorganization in fiscal 1997. The LCD Department, formerly part of Computer systems, has been included in Semiconductor production equipment.

2 Capital expenditures represent the gross increase in property, plant and equipment, intangible assets and other depreciable assets in each fiscal year.

3 Per share amounts prior to the year ended March 1998 have been restated to reflect a 1.1-for-1 stock split.

4 Dilution is not assumed for years ended March 1995 and March 1999.

CONSOLIDATED BALANCE SHEET

Tokyo Electron Limited and its Subsidiaries
March 31, 2000 and 1999

ASSETS	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Current assets:			
Cash and time deposits.....	¥ 79,519	¥ 46,910	\$ 749,119
Marketable securities (Note 3).....	835	835	7,866
Trade notes and accounts receivable.....	175,153	140,746	1,650,052
Allowance for doubtful accounts.....	(1,029)	(1,134)	(9,694)
Inventories (Note 4).....	112,481	88,085	1,059,642
Deferred tax assets (Note 7).....	5,306	–	49,986
Prepaid expenses and other current assets ¹	2,892	15,306	27,245
Total current assets.....	375,157	290,748	3,534,216
Investments and other assets:			
Investments in securities (Note 3).....	9,010	8,633	84,880
Intangible and other assets ¹	14,367	23,430	135,346
Deferred tax assets (Note 7).....	2,145	–	20,207
Total investments and other assets.....	25,522	32,063	240,433
Foreign currency translation adjustment.....	1,094	–	10,306
Property, plant and equipment:			
Land.....	16,554	17,163	155,949
Buildings.....	89,795	81,527	845,926
Machinery and equipment.....	67,520	62,777	636,081
Construction in progress.....	877	97	8,262
Total property, plant and equipment.....	174,746	161,564	1,646,218
Less: Accumulated depreciation.....	77,020	69,472	725,577
Net property, plant and equipment.....	97,726	92,092	920,641
Total assets	¥499,499	¥414,903	\$4,705,596

See accompanying Notes to Consolidated Financial Statements.

¹ Due to a change in reporting entity, short-term loans to subsidiaries and affiliates in 1999 are included in prepaid expenses and other current assets in 1999. Also, investments in and advances to subsidiaries and affiliates in 1999 are included in intangible and other assets in 1999.

LIABILITIES AND SHAREHOLDERS' EQUITY

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Current liabilities:			
Short-term borrowings (Note 6)	¥ 23,998	¥ 21,657	\$ 226,076
Current portion of long-term debt (Note 6)	32,699	1,536	308,045
Trade notes and accounts payable	62,574	35,019	589,487
Accrued income taxes	11,843	1,488	111,569
Allowance for employees' bonuses	7,375	4,117	69,477
Accrued expenses and other current liabilities	7,969	5,238	75,073
Total current liabilities	146,458	69,055	1,379,727
Long-term debt, less current portion (Note 6)	67,278	77,709	633,801
Allowance for retirement and severance benefits	11,581	9,344	109,100
Other non-current liabilities	545	777	5,135
Total liabilities	225,862	156,885	2,127,763
Foreign currency translation adjustment	-	276	-
Minority interest	34	26	320
Shareholders' equity:			
Common stock, par value ¥50 per share (Note 8)	47,163	45,532	444,305
Authorized: 300,000,000 shares			
Issued and outstanding: 175,659,848 at March 31, 2000			
174,623,995 at March 31, 1999			
Additional paid-in capital (Note 8)	70,225	68,594	661,564
Retained earnings	157,876	144,715	1,487,292
Treasury stock at cost (Note 9)	(1,661)	(1,125)	(15,648)
Total shareholders' equity	273,603	257,716	2,577,513
Total liabilities and shareholders' equity	¥499,499	¥414,903	\$4,705,596

CONSOLIDATED STATEMENT OF INCOME

Tokyo Electron Limited and its Subsidiaries
Years ended March 31, 2000, 1999 and 1998

	Millions of yen			Thousands of U.S. dollars
	2000	1999	1998	2000
Net sales	¥440,729	¥313,820	¥455,585	\$4,151,945
Cost of sales	303,839	225,962	304,825	2,862,355
Gross profit	136,890	87,858	150,760	1,289,590
Selling, general and administrative expenses	101,074	81,475	87,464	952,181
Operating income	35,816	6,383	63,296	337,409
Other income (expenses):				
Interest and dividend income	276	898	1,664	2,600
Interest expenses	(1,960)	(2,003)	(1,640)	(18,464)
Patent royalties for prior years	(1,575)	–	–	(14,837)
Devaluation of golf memberships	(1,253)	–	–	(11,804)
Other, net	(1,615)	760	(486)	(15,215)
Income before income taxes	29,689	6,038	62,834	279,689
Provision for income taxes (Note 7):				
Current.....	14,545	4,167	32,825	137,023
Deferred	(4,709)	–	–	(44,362)
Minority interest	5	5	–	47
Net income	¥ 19,848	¥ 1,866	¥ 30,009	\$ 186,981
Per share of common stock:				
		Yen		U.S. dollars
Net income — basic.....	¥ 113.53	¥ 10.70	¥ 174.68	\$ 1.07
Net income — diluted.....	110.64	10.70	168.43	1.04
Cash dividends.....	14.00	12.00	30.00	0.13

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Tokyo Electron Limited and its Subsidiaries
Years ended March 31, 2000, 1999 and 1998

	Millions of yen			Thousands of U.S. dollars
	2000	1999	1998	2000
Common stock				
Balance at beginning of year.....	¥ 45,532	¥ 45,445	¥ 30,755	\$ 428,940
Conversion of convertible bonds (Note 8)	1,631	87	5,476	15,365
Exercise of warrants	-	-	9,214	-
Balance at end of year	47,163	45,532	45,445	444,305
Additional paid-in capital				
Balance at beginning of year.....	68,594	68,507	53,823	646,199
Conversion of convertible bonds (Note 8)	1,631	87	5,476	15,365
Exercise of warrants	-	-	9,208	-
Balance at end of year	70,225	68,594	68,507	661,564
Retained earnings				
Balance at beginning of year.....	144,715	147,082	122,914	1,363,307
Increase (decrease) resulting from change in reporting entity, net.....	(7,309)	(210)	(816)	(68,856)
Cumulative effect of applying deferred tax accounting ..	2,717	-	-	25,596
Net income for year	19,848	1,866	30,009	186,981
Cash dividends	(2,095)	(3,665)	(4,689)	(19,736)
Bonuses to directors.....	-	(358)	(336)	-
Balance at end of year	157,876	144,715	147,082	1,487,292
Treasury stock, at cost (Note 9)	(1,661)	(1,125)	(25)	(15,648)
(1998: 4,101 shares; 1999: 247,191 shares; 2000: 303,761 shares)				
Total shareholders' equity	¥273,603	¥257,716	¥261,009	\$2,577,513

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Tokyo Electron Limited and its Subsidiaries
Year ended March 31, 2000

	Millions of yen	Thousands of U.S. dollars
	2000	2000
Cash flow from operating activities:		
Income before income taxes	¥29,689	\$279,689
Depreciation and amortization	19,446	183,194
Increase in allowance for retirement and severance benefits	2,153	20,283
Increase in allowance for doubtful accounts	213	2,007
Increase in allowance for employees' bonuses	3,175	29,911
Interest and dividend revenue	(276)	(2,600)
Interest expenses	1,964	18,502
Foreign currency translation loss	747	7,037
Bond issuance cost	101	951
Stock issuance cost	24	226
Gain (loss) from prior year adjustment	(398)	(3,749)
Gain (loss) on sale of fixed assets	(392)	(3,693)
Loss on disposal of fixed assets	2,149	20,245
Loss from devaluation of golf memberships	1,253	11,804
Increase in trade notes and accounts receivable	(31,675)	(298,398)
Increase in inventories	(27,196)	(256,203)
Increase in accounts payable	22,416	211,173
Increase in prepaid consumption tax	(3,542)	(33,368)
Others	10,676	100,573
Subtotal	30,527	287,584
Receipts from interest and dividends	280	2,638
Interest paid	(1,923)	(18,116)
Income taxes paid	(3,757)	(35,394)
Net cash generated by operating activities	25,127	236,712
Cash flow from investing activities:		
Proceeds from repayment of time deposits	150	1,413
Payment for purchase of property, plant and equipment	(14,577)	(137,325)
Proceeds from sale of property, plant and equipment	1,566	14,753
Payment for acquisition of intangible assets	(4,100)	(38,625)
Proceeds from sale of intangible assets	26	245
Payment for acquisition of investment securities	(500)	(4,710)
Proceeds from sale of investment securities	103	970
Loans to third parties	(68)	(641)
Collection of loans	90	848
Others	1,118	10,533
Net cash used in investing activities	(16,192)	(152,539)
Cash flow from financing activities:		
Increase in short-term borrowings	13,022	122,675
Decrease in commercial paper	(10,000)	(94,206)
Proceeds from long-term debt	5,700	53,698
Repayment of long-term debt	(2,477)	(23,335)
Proceeds from issuance of bonds	19,899	187,461
Increase in treasury stock	(454)	(4,277)
Dividends paid	(2,095)	(19,736)
Others	(25)	(236)
Net cash generated by financing activities	23,570	222,044
Foreign currency translation difference in cash and cash equivalents	(469)	(4,418)
Net increase in cash and cash equivalents	32,036	301,799
Cash and cash equivalents at beginning of year	46,761	440,518
Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	722	6,802
Cash and cash equivalents at end of year	¥79,519	\$749,119

Please refer to Note 2 (k) regarding cash flow data for prior years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Tokyo Electron Limited and its Subsidiaries

1. Basis of Presentation of Consolidated Financial Statements

The accompanying consolidated financial statements of Tokyo Electron Limited and its subsidiaries (hereinafter "the Company") have been prepared from those that have been filed with the Minister of Finance of Japan as required by the Securities and Exchange Law and that conform with accounting principles generally accepted in Japan.

For the convenience of readers outside Japan, however, the presentation of the consolidated financial statements and the information contained therein have been modified in some respects.

2. Summary of Significant Accounting Policies

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and all of its 28 subsidiaries. Seven subsidiaries reported as non-consolidated subsidiaries in prior fiscal years are consolidated in 2000 due to the increasing significance of their aggregated impact to the consolidated financial statements. The effect of this change has been shown as decreasing the cumulative retained earnings of prior years by ¥7,309 million at the beginning of the year ended March 31, 2000.

All significant inter-company accounts, transactions and unrealized profits or losses have been eliminated in consolidation. The fiscal years of all the subsidiaries end on March 31, the fiscal year-end of the Parent Company.

U.S. dollar amounts included herein are solely for the convenience of readers and are made at the rate of ¥106.15 to \$1.00, the exchange rate prevailing at March 31, 2000. The translation should not be construed as a representation that the Japanese yen amounts shown could be converted into U.S. dollars at that or any other rate.

(b) Foreign currency translation

Current assets and liabilities denominated in foreign currencies are translated into Japanese yen at the rate prevailing at the balance sheet date, except for those hedged by forward exchange contracts, which are translated at the contracted rates. Non-current assets and liabilities denominated in foreign currencies are translated at historical rates.

The financial statements of foreign subsidiaries have been translated in accordance with current accounting standards in Japan.

(c) Marketable securities and investments in securities

Marketable securities and investments in securities are stated principally at cost, cost being determined principally by the weighted average method.

(d) Inventories

Inventories other than raw materials are stated principally at cost, cost being determined principally by the individual method.

Raw materials are stated principally at cost, cost being determined principally by the moving-average method.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed on the declining-balance method for the Parent Company and its domestic subsidiaries at rates based on the estimated useful lives of assets as prescribed by Japanese tax laws, while the straight-line method is mainly applied for foreign subsidiaries over the estimated useful lives of their assets.

(f) Retirement and severance benefits

The Parent Company and certain of its subsidiaries have funded pension plans to provide retirement and severance benefits to substantially all directors, statutory auditors, and employees to the extent of the amount required according to internal regulations for directors and statutory auditors, and the maximum amount allowable according to each country's tax laws or internal regulations for employees. Under the plans, employees are entitled to lump-sum payments based on the current rate of pay and the length of service upon retirement or termination of employment for reasons other than cause for dismissal.

(g) Leases

Finance lease transactions, unless the lessee practically acquires legal title to the leased asset, are treated as operating lease transactions.

(h) Income taxes

In accordance with the revised accounting standards effective April 1, 1999, the Company records deferred tax assets and liabilities on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

(i) Derivatives

The Company makes use of derivatives only to reduce exchange risk of foreign currencies. The amount of derivatives is limited to the extent of foreign currency assets, debt and actual orders, and the Company does not trade in derivatives for investment purposes.

(j) Per share information

Net income per share is computed based on the weighted average number of shares of common stock outstanding during each year.

Dividends per share have been presented on an accrual basis and include, in each fiscal year ended March 31, dividends approved or to be approved after such March 31 but applicable to the year then ended.

(k) Statement of cash flows

Beginning from the year ended March 31, 2000, the Company presents the consolidated statement of cash flows with the format instructed by the revised Securities and Exchange Law effective April 1,

1999. The Company has not retroactively restated the prior year's presentation, and therefore prior year figures are not presented so as not to mislead readers outside Japan. Following is a summary of cash flows already presented in prior years.

	Millions of yen	
	1999	1998
Net cash generated by operating activities	¥ 49,828	¥ 17,473
Net cash used in investing activities	(24,346)	(45,326)
Net cash generated by (used in)		
financing activities	(48,189)	66,878
Effect of exchange rate changes	(1,440)	873
Net increase (decrease) in cash and		
cash equivalents	(24,147)	39,898
Cash and cash equivalents at end of year	¥47,745	¥71,892

(I) Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows include cash on hand, cash in banks and time deposits whose expiration dates are within three months.

3. Marketable Securities and Investments in Securities

Marketable securities at March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of
	2000	1999	U.S. dollars
Listed stock	¥825	¥825	\$7,772
Other	10	10	94
Total	¥835	¥835	\$7,866

Investments in securities at March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of
	2000	1999	U.S. dollars
Listed stock	¥8,086	¥8,107	\$76,175
Mutual funds	810	216	7,631
Other	114	310	1,074
Total	¥9,010	¥8,633	\$84,880

4. Inventories

Inventories at March 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of
	2000	1999	U.S. dollars
Finished products	¥ 38,909	¥32,595	\$ 366,547
Work in process,			
raw materials and supplies	73,572	55,490	693,095
Total	¥112,481	¥88,085	\$1,059,642

5. Pledged Assets

The Company did not hold any assets pledged as collateral at March 31, 2000 and 1999.

6. Short-Term Borrowings and Long-Term Debt

Short-term bank loans are represented by 365-day notes issued by the Company to banks and bore interest at the average annual rate of 1.47% at March 31, 2000. Long-term debt at March 31, 2000 and 1999 was as follows:

	Millions of yen		Thousands of
	2000	1999	U.S. dollars
0.90% unsecured convertible			
bonds due 2003	¥15,601	¥18,864	\$146,971
2.45% unsecured bonds			
due 2000	30,000	30,000	282,619
2.00% unsecured bonds			
due 2002	20,000	20,000	188,413
1.39% unsecured bonds			
due 2004	20,000	–	188,413
Other loans from banks	14,376	10,381	135,430
Current portion	(32,699)	(1,536)	(308,045)
Total	¥67,278	¥77,709	\$633,801

The 0.90% yen unsecured convertible bonds due 2003 are convertible at the option of holders into common stock through September 29, 2003. At March 31, 2000, the conversion price was ¥3,150.00 per share, subject to adjustment in certain events.

7. Income Taxes

The Parent Company and its domestic subsidiaries are subject to several taxes based on income, with an aggregate statutory tax rate of approximately 42% in 2000 and 48% in 1999.

Significant components of the deferred tax assets and liabilities of the Company as of March 31, 2000 were as follows:

	Millions of yen		Thousands of
	2000	1999	U.S. dollars
Deferred tax assets			
Tax loss carryforwards	¥ 4,882		\$ 45,992
Elimination of unrealized gain on inventories	3,172		29,882
Allowance for bonuses	1,350		12,718
Elimination of unrealized gain			
on fixed assets	1,173		11,050
Enterprise taxes payable	1,007		9,487
Allowance for retirement benefits	838		7,894
Devaluation of golf memberships	519		4,889
Other	2,188		20,613
Subtotal of deferred tax assets	15,129		142,525
Valuation allowance	(5,936)		(55,921)
Total amount of deferred tax assets	9,193		86,604
Deferred tax liabilities			
Allowance for extraordinary depreciation	(1,028)		(9,684)
Elimination of unrealized gain			
on allowance for doubtful accounts	(314)		(2,958)
Allowance for domestic market			
development for imported products	(252)		(2,374)
Other	(173)		(1,630)
Total amount of deferred tax liabilities	(1,767)		(16,646)
Net deferred tax assets	¥ 7,426		\$ 69,958

The differences between the aggregate statutory tax rate and the effective tax rate of the Company for financial statement purposes for the year ended March 31, 2000 were as follows:

Domestic statutory tax rate.....	42.05%
Non-recognition of temporary differences.....	-4.27
Tax credits and others.....	-2.57
Permanent differences such as non-taxable dividend income.....	-1.87
Tax rate difference.....	-1.42
Expenses not deductible for tax purposes.....	0.86
Others.....	0.35
Effective tax rate.....	33.13

8. Shareholders' Equity

The Company issued 1,035,853 shares and 55,237 shares of common stock in 2000 and 1999, respectively, in connection with conversion of convertible bonds.

Conversion of convertible bonds into common stock has been accounted for in accordance with the provisions of the Japanese Commercial Code by crediting one-half of the conversion price to both the common stock account and the additional paid-in capital account.

9. Share Repurchase Under Stock Option Program

At the Annual Shareholders' Meeting held on June 26, 1998 and on June 29, 1999, stock option plans were approved in order to further increase directors' incentive and motivation to raise corporate performance with the aim of maximizing corporate value. Pursuant to this approval, from July 1, 1998 to March 31, 2000, the Company repurchased 299,000 shares of its common stock with a total value of ¥1,612 million.

10. Leases

Information relating to finance leases, excluding those leases for which the ownership of the leased assets is considered to be transferred to the lessee, as of and for the years ended March 31, 2000 and 1999, was as follows:

Leased assets not recorded in the consolidated balance sheets:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Acquisition cost.....	¥52	¥76	\$480
Accumulated depreciation.....	37	53	339
Net leased property.....	¥15	¥23	\$141

Future minimum lease payments (Machinery and Equipment) :

	Millions of yen		Thousands of U.S. dollars
	2000	2000	2000
Due within one year.....	¥11	4	\$103
Due over one year.....	4	38	38
Total.....	¥15	42	\$141

Lease payments and depreciation computed by the straight-line method over the lease terms with no residual value and imputed interest expense were ¥11 million in the year ended March 31, 2000 and ¥16 million in the year ended March 31, 1999.

Future minimum operating lease payments:

	Millions of yen		Thousands of U.S. dollars
	2000	2000	2000
Due within one year.....	¥ 98	76	\$ 923
Due over one year.....	76	716	716
Total.....	¥174	792	\$1,639

11. Segment Information

The Company does not disclose segment information as it operates in a single segment.

12. Contingent Liabilities

The Company did not hold any contingent liabilities at March 31, 2000 and 1999.

13. Subsequent Event

On June 9, 2000, 1.59% unsecured bonds with warrants due 2006 were issued as approved at the Board Meeting held on May 17, 2000. This was in relation to the stock-based compensation plan introduced and implemented as of the same date of the issuance of the bonds with warrants. Under this plan, the bond portion (¥4,500 million) was sold to the public and the warrant portion (¥715,950 thousand) was repurchased by the Company and granted to its eligible employees worldwide as an incentive linked to the Company's future stake. A summary of terms and conditions of the bonds with warrants are as follows:

Bond amount.....	¥4,500 million
Interest rate.....	1.59%
Issued stocks.....	Common stock, ¥50 par value
Exercise price.....	¥14,070
Exercise period.....	July 1, 2002 – June 8, 2006

INDEPENDENT AUDITORS' REPORT

To the Board of Directors, Tokyo Electron Limited

We have examined the consolidated balance sheets of Tokyo Electron Limited and its consolidated subsidiaries as of March 31, 2000 and 1999, the related statements of income and shareholders' equity for each of the three years in the period ended March 31, 2000, and the statement of cash flows for the year ended March 31, 2000, all expressed in yen. Our examinations were made in accordance with auditing standards generally accepted in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

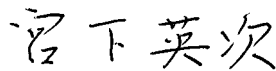
In our opinion, the consolidated statements present fairly the financial position of Tokyo Electron Limited and its consolidated subsidiaries at March 31, 2000 and 1999, the results of their operations for each of the three years in the period ended March 31, 2000, and their cash flows for the year ended March 31, 2000, in conformity with accounting principles generally accepted in Japan applied on a consistent basis.

The amounts expressed in U.S. dollars have been translated on the basis described in Note 2-a.

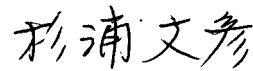
Tokyo, Japan
June 28, 2000



Masatoshi Yoshino
Certified Public Accountant



Eiji Miyashita
Certified Public Accountant



Fumihiko Sugiura
Certified Public Accountant

BOARD OF DIRECTORS, STATUTORY AUDITORS AND CORPORATE SENIOR STAFF

(as of July 1, 2000)



Left to right: Mitsutaka Yoshida, Tetsuro Higashi, Tetsuo Tsuneishi, Takeo Tanaka

Board of Directors

Tetsuro Higashi

C.E.O., President
Tokyo Electron Limited

Tetsuo Tsuneishi

Corporate Officer
Executive Vice President
Tokyo Electron Limited

Takeo Tanaka*

Corporate Officer
Senior Vice President
Tokyo Electron Limited

Mitsutaka Yoshida

Corporate Officer
Senior Vice President
Tokyo Electron Limited

Keiichiro Kuriyama*

Chairman
Tokyo Electron Device Limited

Kuniyuki Matsuba**

Chairman
Tokyo Electron FE Limited

Hiroshi Takashima*

Chairman
Tokyo Electron Kyushu Limited

Junichi Inoue

Chairman
Tokyo Electron Yamanashi Limited

Yukio Sunahara

President
Tokyo Broadcasting System, Inc.

Statutory Auditors

Hirosuke Ishibashi

Tokyo Electron Limited

Yoriaki Miyoshi

Tokyo Electron Limited

Takanori Suzuki

Tokyo Electron Limited

Hiroshi Shiho

Chairman
Tokyo Broadcasting System, Inc.

* Compensation Committee

** Chief Business Ethics Director

Corporate Senior Staff

Tetsuro Higashi

C.E.O., President

Tetsuo Tsuneishi

Corporate Officer, Executive Vice President

Takeo Tanaka

Corporate Officer, Senior Vice President

Mitsutaka Yoshida

Corporate Officer, Senior Vice President

Yuichi Honda

Executive Manager, Accounting,
Finance, Order Process, Information Systems

Kousuke Ishii

Corporate Staff, Global Operation of
Administration, Personnel, General Affairs

Yasuyuki Kuriki

General Manager, Diffusion Systems B.U.

Mitsuru Onozato

General Manager, Etch Systems B.U.

Yoshinori Inoue

General Manager, Test Systems B.U.

Hideyuki Takamori

General Manager, Clean Track B.U.

Haruo Iwatsu

General Manager, Cleaning Systems B.U.

Hiroshi Tomita

General Manager, LCD Systems B.U.

Kiyoshi Sunohara

General Manager, Sales Promotion,
North America / Europe

Hironobu Sato

General Manager, Sales Promotion, Asia

Makoto Mizokuchi

General Manager, Sales Promotion, Japan

Ryuichi Komatsubara

General Manager, Corporate Marketing

Takaaki Matsuoka

Corporate Technology Strategist

Satoru Matsumoto

Corporate Staff, Corporate Technology
Development

Kengo Kuroiwa

President, Tokyo Electron Tohoku Limited

Yasuo Inoue

President, Tokyo Electron Yamanashi Limited

Megumi Yamashiro

President, Tokyo Electron Kyushu Limited

Masao Kubodera

President, Tokyo Electron Miyagi Limited

Mamoru Hara

President, Tokyo Electron EE Limited

Keiichi Furugaki

President, Tokyo Electron FE Limited

Toshiaki Sunagawa

President, Tokyo Electron Device

Barry R. Rapozo

President, Tokyo Electron America, Inc.

Gerald Thurgood

President, Tokyo Electron Europe Limited

T. K. Kwak

President, Tokyo Electron Korea Limited

Archie Hwang

President, Tokyo Electron Taiwan Limited

* "B.U." indicates Tokyo Electron's product-specific business unit.

CORPORATE DIRECTORY

(as of June 28, 2000)

JAPAN

TOKYO ELECTRON LIMITED

World Headquarters

TBS Broadcast Center

3-6 Akasaka 5-chome, Minato-ku, Tokyo 107-8481

Tel: 03-5561-7000

Fax: 03-5561-7400

URL: <http://www.tel.co.jp/tel-e/>

Regional Offices

Fuchu Technology Center, Osaka Branch Office,

Kyushu Branch Office, Tohoku Regional Office,

Yamanashi Regional Office, Central Research

Laboratory/Process Technology Center

Sales Offices

Sendai, Nagoya

TOKYO ELECTRON TOHOKU LIMITED

Tohoku Plant

52 Matsunagane, Iwayado

Esashi City, Iwate 023-1101

Tel: 0197-35-5101

Sagami Plant

2-41 Machiya 1-chome, Shiroyama-machi

Tsukui-gun, Kanagawa 220-0101

Tel: 042-782-8111

TOKYO ELECTRON YAMANASHI LIMITED

Fujii Plant

2381-1 Kitagejo, Fujii-cho

Nirasaki City, Yamanashi 407-8511

Tel: 0551-22-8611

Hosaka Plant

650 Mitsusawa, Hosaka-cho

Nirasaki City, Yamanashi 407-0192

Tel: 0551-22-8611

TOKYO ELECTRON KYUSHU LIMITED

Saga Plant

1375-41 Nishi-Shinmachi

Tosu City, Saga 841-0074

Tel: 0942-81-1800

Kumamoto Plant

2655 Tsukure, Kikuyo-machi

Kikuchi-gun, Kumamoto 869-1197

Tel: 096-292-3111

Ozu Plant

272-4 Takaono, Ozu-machi

Kikuchi-gun, Kumamoto 869-1232

Tel: 096-292-1600

Koshi Plant

1-1 Fukuhara, Koshi-machi

Kikuchi-gun, Kumamoto 861-1116

Tel: 096-349-5500

TOKYO ELECTRON MIYAGI LIMITED

1-1 Nekohazama, Nemawari, Matsushima-machi

Miyagi-gun, Miyagi 981-0203

Tel: 022-355-1500

TOKYO ELECTRON EE LIMITED

2-41 Machiya 1-chome, Shiroyama-machi

Tsukui-gun, Kanagawa 220-0101

Tel: 042-783-1331

TOKYO ELECTRON SAPPORO LIMITED

Marumasa Building No.18

Nishi 1-chome, Kita 7-jo, Kita-ku

Sapporo City, Hokkaido 060-0807

Tel: 011-700-2211

TOKYO ELECTRON FE LIMITED

30-7 Sumiyoshi-cho 2-chome

Fuchu City, Tokyo 183-8705

Tel: 042-333-8411

District Offices

Osaka, Kumamoto, Iwate, Tsuruoka, Sendai,

Aizuwakamatsu, Takasaki, Mito, Nirasaki, Toyama,

Kuwana, Fukuyama, Higashi-Hiroshima, Saijo, Oita,

Nagasaki, Kikuyo, Kagoshima

TOKYO ELECTRON DEVICE LIMITED

1 Higashikata-cho, Tsuzuki-ku

Yokohama City, Kanagawa 224-0045

Tel: 045-474-7000

Sales Offices

Utsunomiya, Mito, Kumagaya, Kanda, Tachikawa,

Yamanashi, Matsumoto, Nagoya, Osaka, Fukuoka

TOKYO ELECTRON LEASING CO., LTD.

30-7 Sumiyoshi-cho 2-chome

Fuchu City, Tokyo 183-8705

Tel: 042-333-8337

TOKYO ELECTRON LOGISTICS LIMITED

30-7 Sumiyoshi-cho 2-chome

Fuchu City, Tokyo 183-8705

Tel: 042-333-8100

TOKYO ELECTRON AGENCY LIMITED

30-7 Sumiyoshi-cho 2-chome

Fuchu City, Tokyo 183-8705

Tel: 042-333-8300



Tokyo Electron Europe Limited
Crawley Office



Tokyo Electron Limited
World Headquarters
(TBS Broadcast Center, Floors 15-18)



Tokyo Electron Taiwan Limited



Tokyo Electron Korea Limited
Pundang Office

AMERICA

TOKYO ELECTRON AMERICA, INC.

Austin Office
2400 Grove Boulevard
Austin, Texas 78741
Tel: 512-424-1000

Branch Offices

Albuquerque Office, Boise Office, Burlington Office,
Dallas Office, Fishkill Office, Eugene Office,
Los Angeles Office, Manassas Office, Orlando Office,
Phoenix Office, Portland Office, Richmond Office,
Roseville Office, Santa Clara Office, South Portland
Office

TOKYO ELECTRON OREGON, INC.

5350 N.E. Dawson Creek Drive
Hillsboro, Oregon 97124
Tel: 503-615-2100

TOKYO ELECTRON TEXAS, INC.

2500 Montopolis Drive
Austin, Texas 78741
Tel: 512-486-4000

TOKYO ELECTRON MASSACHUSETTS, INC.

123 Brimbal Avenue
Beverly, Massachusetts 01915
Tel: 978-921-0031

Branch Office

Santa Clara Office

TOKYO ELECTRON PHOENIX LABORATORIES, INC.

1829 W. Drake Drive, Suite 103
Tempe, Arizona 85283
Tel: 480-345-6470

TOKYO ELECTRON ARIZONA, INC.

2120 West Guadalupe Road
Gilbert, Arizona 85233
Tel: 480-507-8100

EUROPE

TOKYO ELECTRON EUROPE LIMITED

Crawley Office
Premiere House
Betts Way, London Road
Crawley, West Sussex, RH10 2GB England
Tel: 1293-655800

Branch Offices

European Distribution Centre, Livingston Office

TOKYO ELECTRON ITALIA S.p.A.

Milan Office
Centro Direzionale Colleoni
Via Paracelso 26
20041 Agrate Brianza, Milan, Italy
Tel: 039-656081

Branch Offices

Avezzano Office, Catania Office

TOKYO ELECTRON DEUTSCHLAND GmbH

Munich Office

Office-Center-Ismaning
Carl-Zeiss-Ring 5
85737, Ismaning, Germany
Tel: 89-96278-0

Branch Office

Dresden Office

TOKYO ELECTRON SWITZERLAND LIMITED

Chemin de Buchaux 38
CH-2022, Bevaix, Switzerland
Tel: 32-846-20-60

TOKYO ELECTRON NEDERLAND B.V.

Kerkenbos 10-15, Unit C
6546 BB Nijmegen,
The Netherlands
Tel: 243-726630

TOKYO ELECTRON FRANCE S.A.R.L.

1, Chemin de la Dhuy
Batiment Alicante
38240 Meylan, France
Tel: 4760-41244

TOKYO ELECTRON ISRAEL LIMITED

S Habarzel St.
Gat 2000 Industrial Zone
Kiryat Gat, Israel
Tel: 7-681-0860

TOKYO ELECTRON ESPAÑA S.L.

TOKYO ELECTRON IRELAND LIMITED

c/o Intel Ir5 Mfg.
Collinstown Industrial Park
Leixlip, Co. Kildare, Ireland
Tel: 1-606-7923

ASIA

TOKYO ELECTRON KOREA LIMITED

Pundang Office

325-230, Dongchun-ri
Suji-up, Yongin-city
Kyonggi-do, 449-840 Korea
Tel: 0331-260-5000

Branch Offices

Cheongju Office, Gumi Office, Icheon Office,
Kiheung Office, Pucheon Office

TOKYO ELECTRON TAIWAN LIMITED

2Fl, No. 346, Pei Da Road
Hsin-chu, Taiwan, R.O.C.
Tel: 3-525-3400

TOKYO ELECTRON LIMITED

SHANGHAI REPRESENTATIVE OFFICE

Suite 1004
777 Zhao Jia Bang Road
Shanghai 200032, China
Tel: 21-6443-8067



Tokyo Electron Oregon, Inc.



Tokyo Electron Massachusetts, Inc.



Tokyo Electron Arizona, Inc.



Tokyo Electron America, Inc.
Austin Office



Tokyo Electron Texas, Inc.

INVESTOR INFORMATION

(as of March 31, 2000)

Corporate Name: Tokyo Electron Limited

Established: November 11, 1963

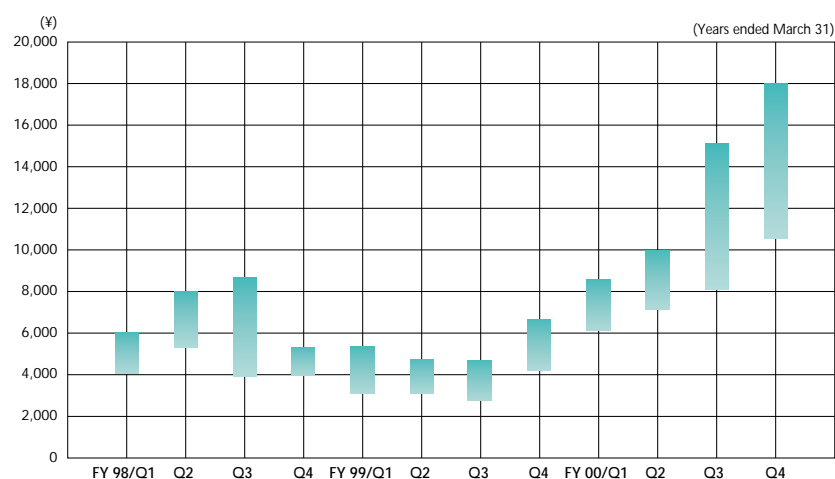
Common Stock: Par value ¥50
Authorized 300,000,000 shares
Issued and outstanding 175,659,848 shares

Number of Shareholders: 7,147

**Transfer Agent for
Common Stock:** Chuo Mitsui Trust and Banking Co., Ltd.
1-7-1 Kyobashi, Chuo-ku, Tokyo 104-8345, Japan

Common Stock Listed on: The Tokyo Stock Exchange 1st Section (#8035)

Quarterly Stock Price Range



Investor Relations: Tokyo Electron Limited
Investor Relations Group
3-6 Akasaka 5-chome
Minato-ku, Tokyo 107-8481
Tel: 81-3-5561-7003
Fax: 81-3-5561-7365
E-mail: ir@corp.tel.co.jp



TOKYO ELECTRON LIMITED

World Headquarters

TBS Broadcast Center, 3-6 Akasaka 5-chome, Minato-ku,
Tokyo 107-8481 Tel: 03-5561-7000 Fax: 03-5561-7400
Visit TEL on the World Wide Web at <http://www.tel.co.jp/tel-e/>