

A RECORD OF SOLID GROWTH

TOKYO ELECTRON LIMITED

2001

F A C T B O O K

A s o f M a r c h 3 1 , 2 0 0 1

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Tokyo Electron Group Corporate Organization

Corporate Headquarters

Tokyo Electron Limited

Marketing, sales and R&D

Marketing, sales

Semiconductor production equipment

LCD production equipment

Computer network

Corporate R&D

Corporate Administration

Domestic

Engineering and Manufacturing

Tokyo Electron Tohoku Limited

Tokyo Electron AT Limited*²

Tokyo Electron Kyushu Limited

Tokyo Electron Sapporo Limited

Field Support & Equipment Engineering

Tokyo Electron FE Limited

Tokyo Electron EE Limited

Electronic Components Sales

Tokyo Electron Device Limited

Service-Related

Tokyo Electron Leasing Co., Ltd.

Tokyo Electron Logistics Limited

Tokyo Electron Agency Limited

Overseas

Sales and Technical Support

Tokyo Electron America, Inc.

Tokyo Electron Europe Limited

Tokyo Electron Italia S.p.A.

Tokyo Electron Deutschland GmbH

Tokyo Electron France S.A.R.L.

Tokyo Electron Nederland B.V.

Tokyo Electron España S.L.

Tokyo Electron Ireland Limited

Tokyo Electron Israel Limited

Tokyo Electron Korea Limited

Tokyo Electron Taiwan Limited

Engineering and Manufacturing

Tokyo Electron Oregon, LLC

Tokyo Electron Massachusetts, Inc.

Tokyo Electron Texas, Inc.

Tokyo Electron Phoenix Laboratories, Inc.

Tokyo Electron Arizona, Inc.

Tokyo Electron Switzerland Limited

Supercritical Systems, Inc.

Timbre Technologies, Inc.

(As of June 2001)

Notes: 1. All of the TEL group companies above were consolidated from fiscal 2000.
2. The new name of the company formed by the merger of Tokyo Electron Yamanashi Limited and Tokyo Electron Miyagi Limited on April 1, 2001.

Tokyo Electron Limited (TEL) is one of the world's leading suppliers of semiconductor and liquid crystal display (LCD) production equipment. Established in 1963, TEL was the first company to introduce American semiconductor production equipment and integrated circuit (IC) testers to Japan, and it has played an extremely important role in the development of the Japanese semiconductor industry ever since. Owing to its shift to manufacturing in the second half of the 1980s, and its rapid but smooth globalization since the first half of the 1990s, TEL is now highly regarded as a company which supports the international semiconductor industry from its foundation.

TEL strives to provide customers around the world with the highest-quality products and services. The Company therefore emphasizes the development and manufacture of advanced products that suit customer needs and the provision of tailored field services. In addition to a global-scale sales and service network, TEL has commenced the construction of development and manufacturing bases overseas in order to seize market opportunities even more promptly.

TEL also provides superior electronic components and computer network from around the world. The Company's business comprises the following three fields: semiconductor production equipment (SPE), electronic components (EC) and computer network (CN).

Semiconductor Production Equipment

TEL has a lineup of leading-edge systems covering most stages of the semiconductor wafer production process, and has acquired a large share of the world market. TEL's own-brand products represent approximately 98% of divisional sales. TEL also imports and sells products from leading overseas manufacturers. The proportion of TEL's own-brand products accounted for by exports is increasing in response to growing demand in overseas markets. In addition to aggressively expanding its worldwide sales and service network in recent years, TEL has pushed forward strongly with the construction of overseas development and production facilities, starting with a factory in Oregon, in the United States. TEL is also putting its utmost effort into the development of next-generation new technologies,

such as technology compatible with 300mm wafers. LCD production equipment, for which large market growth is forecast in the future, was transferred to the SPE division from the CS division in April 1996.

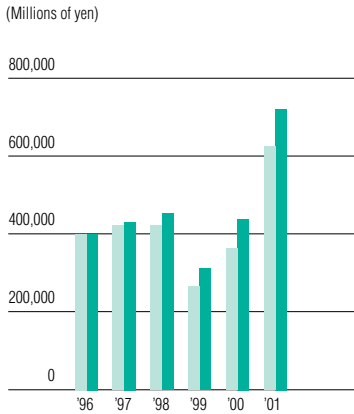
Electronic Components

TEL deals in a wide range of the world's top-brand products in the field of semiconductor devices, including microprocessors, LSIs for communications applications and memory devices, and provides them to the Japanese market. As a distributor of electronic components, TEL has three design centers boasting the largest scale and best technology in Japan. The Company also designs application-specific ICs and develops TEL original ICs. From July 1998, sales of all electronic components will be handled by wholly-owned subsidiary Tokyo Electron Device.

Computer Network

By providing core products for the information age, such as leading-edge workstations, storage area networks, Internet technologies, and other core technologies for the broadband era, from around the world, along with a comprehensive support system, TEL has earned a solid reputation as a distributor with technological expertise. TEL's extensive products and services enable it to function as a total systems integrator and an effective partner to its customers in various leading-edge industries.

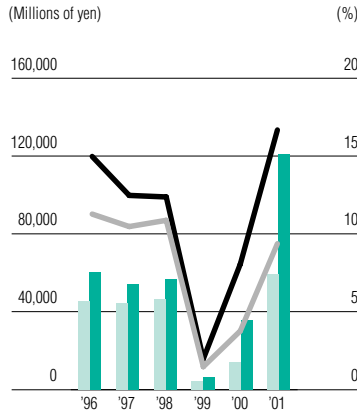
Net Sales



■ Non-consolidated
■ Consolidated

Fiscal year	(Millions of yen)	
	Non-consolidated	Consolidated
1996	402,407	401,775
1997	423,570	432,785
1998	423,752	455,585
1999	266,397	313,820
2000	364,212	440,729
2001	626,807	723,880

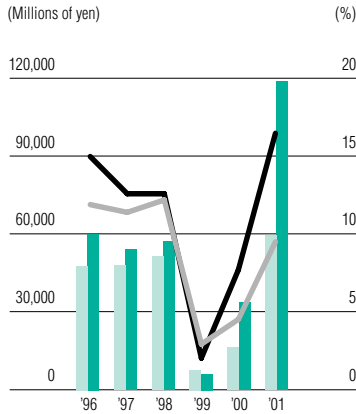
Operating Income and Operating Margin



■ Non-consolidated operating income
■ Consolidated operating income^A
— Non-consolidated operating margin
— Consolidated operating margin

Fiscal year	Non-consolidated		(Millions of yen) Consolidated ^A	
	Operating income	Operating margin (%)	Operating income	Operating margin (%)
1996	45,357	11.3	60,179	15.0
1997	44,342	10.5	54,124	12.5
1998	46,360	10.9	56,522	12.4
1999	4,117	1.5	6,383	2.0
2000	13,936	3.8	35,816	8.1
2001	59,056	9.4	121,086	16.7

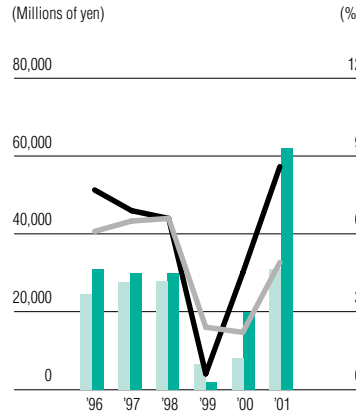
Ordinary Income and Ordinary Profit Margin



■ Non-consolidated ordinary income
■ Consolidated ordinary income^A
— Non-consolidated ordinary profit margin^A
— Consolidated ordinary profit margin^A

Fiscal year	Non-consolidated		(Millions of yen) Consolidated	
	Ordinary income	Ordinary profit margin (%)	Ordinary income	Ordinary profit margin (%)
1996	47,910	11.9	60,380	15.0
1997	48,250	11.4	54,433	12.6
1998	51,660	12.2	57,376	12.6
1999	7,748	2.9	6,200	2.0
2000	16,481	4.5	33,838	7.7
2001	59,698	9.5	119,223	16.5

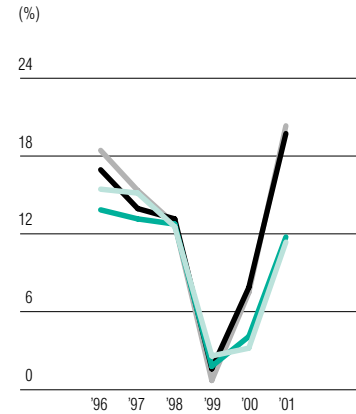
Net Income and Return on Sales



■ Non-consolidated net income
■ Consolidated net income^A
— Non-consolidated return on sales
— Consolidated return on sales

Fiscal year	Non-consolidated		(Millions of yen) Consolidated	
	Net income	Return on sales (%)	Net income	Return on sales (%)
1996	24,532	6.1	30,964	7.7
1997	27,686	6.5	29,975	6.9
1998	27,782	6.6	30,009	6.6
1999	6,503	2.4	1,866	0.6
2000	8,128	2.2	19,848	4.5
2001	30,934	4.9	62,012	8.6

Return on Equity (ROE) and Return on Assets (ROA)



— Non-consolidated ROE
— Non-consolidated ROA
— Consolidated ROE
— Consolidated ROA

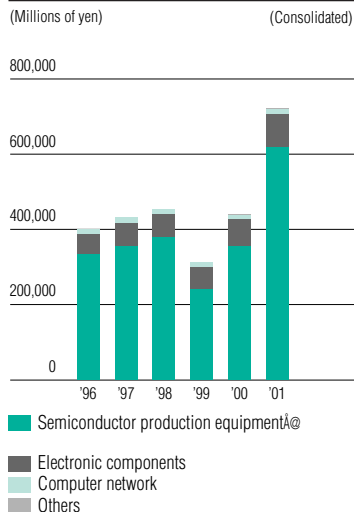
Fiscal year	Non-consolidated		(%) Consolidated	
	ROE	ROA	ROE	ROA
1996	15.5	13.9	18.5	17.0
1997	15.2	13.2	15.4	14.0
1998	12.6	12.8	12.8	13.2
1999	2.6	1.8	0.7	1.6
2000	3.2	4.1	7.5	7.9
2001	11.4	11.8	20.4	19.8

ROE = (Net income/average total shareholders' equity) × 100

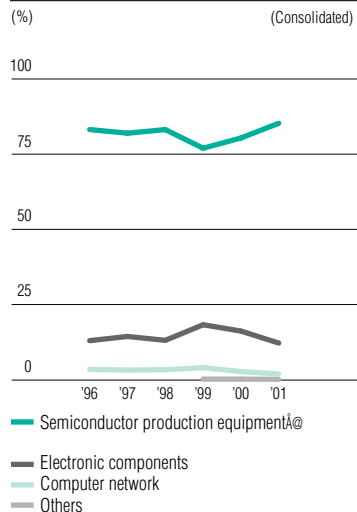
ROA = (Operating income + interest and dividend income) / average total assets × 100

Notes: 1. TEL's fiscal year ends March 31. The Company's fiscal year is identified by the year in which it ends.
2. Enterprise taxes, formerly included in selling, general and administrative expenses, are included in the provision for income taxes from 1999.

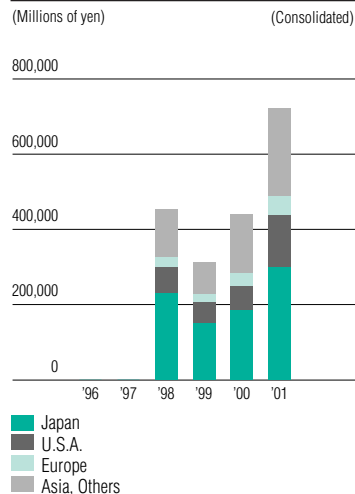
Net Sales by Division



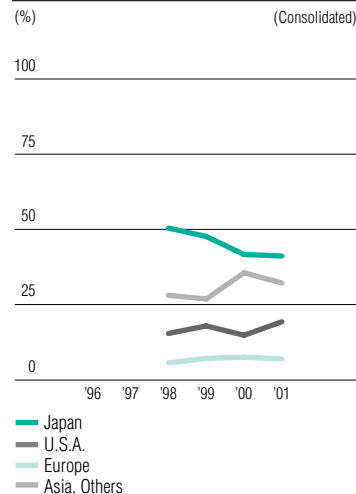
Composition of Net Sales by Division



Net Sales by Region

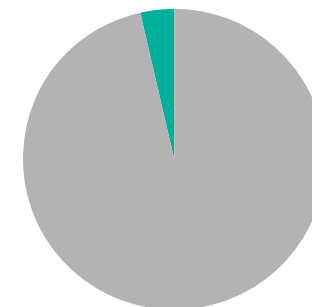


Composition of Net Sales by Region



Percentage of TEL Products to Net Sales

(%) (Non-consolidated) (FY 2001)



■ Sales of TEL products
■ Sales of non-TEL products

Fiscal year	Semiconductor production equipment	Electronic components	Computer network	Others
1996	334,983	52,478	14,314	—
1997	355,877	62,500	14,408	—
1998	380,184	60,139	15,262	—
1999	242,240	57,734	12,878	968
2000	355,103	72,051	12,357	1,218
2001	619,001	89,211	14,054	1,614

Fiscal year	Semiconductor production equipment	Electronic components	Computer network	Others
1996	83.4	13.1	3.5	—
1997	82.2	14.5	3.3	—
1998	83.4	13.2	3.4	—
1999	77.2	18.4	4.1	0.3
2000	80.6	16.3	2.8	0.3
2001	85.5	12.3	2.0	0.2

Fiscal year	Japan	U.S.A.	Europe	Asia, Others
1996	—	—	—	—
1997	—	—	—	—
1998	230,550	70,759	25,768	128,508
1999	149,838	56,489	22,702	84,791
2000	183,987	65,637	33,588	157,516
2001	299,272	140,228	50,463	233,915

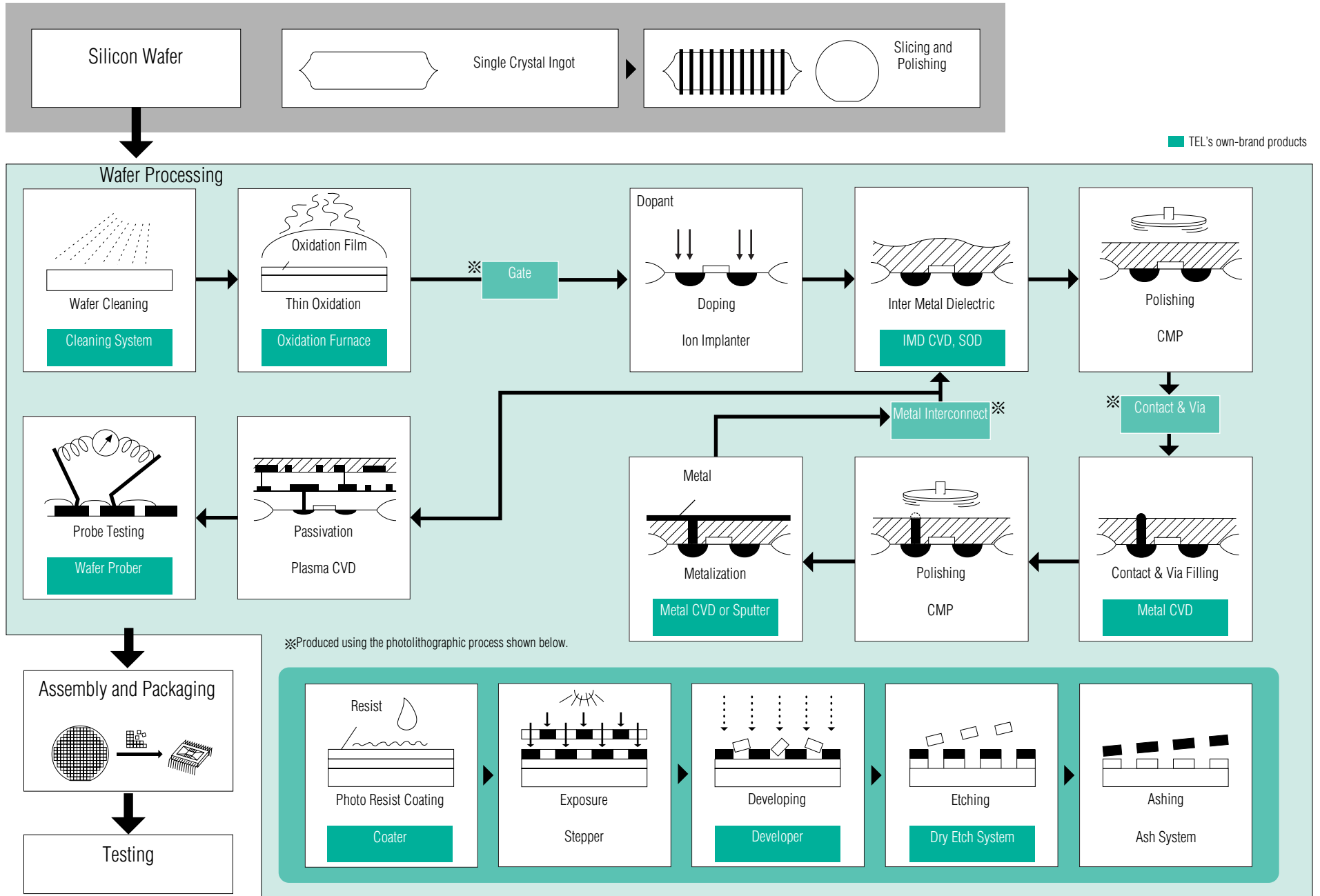
Fiscal year	Japan	U.S.A.	Europe	Asia, Others
1996	—	—	—	—
1997	—	—	—	—
1998	50.6	15.5	5.7	28.2
1999	47.8	18.0	7.2	27.0
2000	41.8	14.9	7.6	35.7
2001	41.3	19.4	7.0	32.3

	(Millions of yen)	(%)
Sales of TEL products	604,729	96.5
Sales of non-TEL products	22,078	3.5

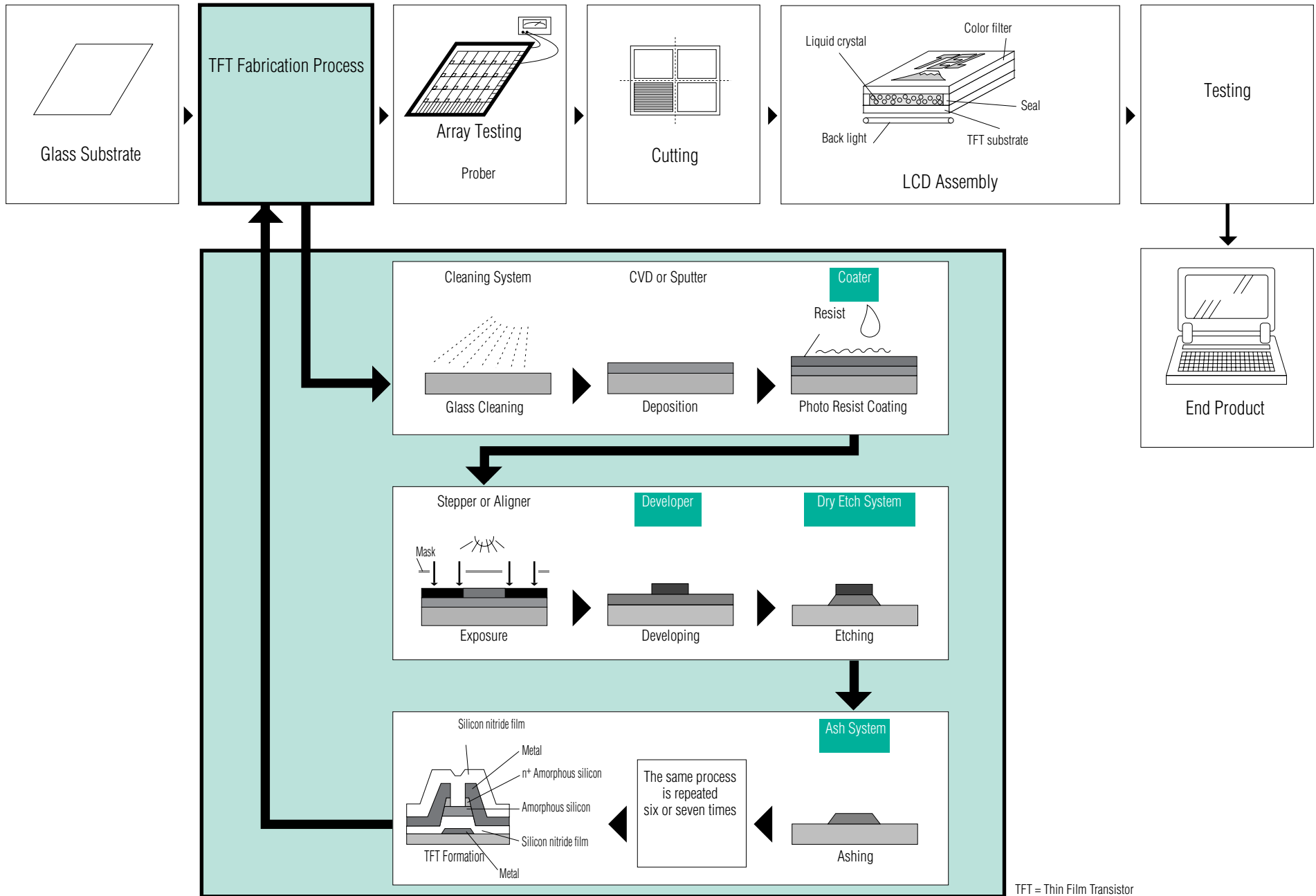
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Computer Systems—have been included in the results of Semiconductor Production Equipment to facilitate year-on-year comparison.
3. On April 1, 2000, the Computer Systems Division changed its name to the Computer Network Division.

SEMICONDUCTOR MANUFACTURING PROCESS AND TEL PRODUCTS



TFT-LCD MANUFACTURING PROCESS AND TEL PRODUCTS



Global Wafer Processing and Fabrication Equipment Market by Region

(Millions of US\$)

36,000

27,000

18,000

9,000

0

6

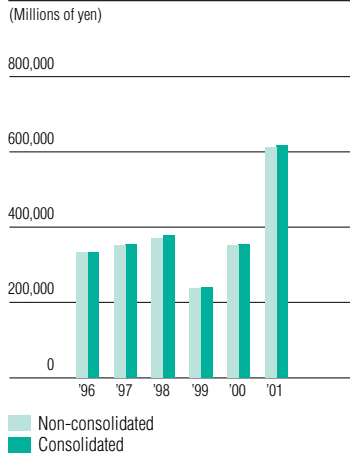


Calendar year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Japan	3,025	2,984	2,118	2,423	3,660	6,299	6,540	4,986	3,427	3,705	6,792
Americas	1,598	1,502	1,590	2,134	3,204	5,339	5,872	6,861	4,823	5,210	8,923
Europe, Middle East and Africa	770	653	662	1,028	1,396	2,369	2,839	2,427	2,137	2,450	4,675
Asia/Pacific	537	841	795	1,361	2,620	5,151	6,534	6,063	4,300	6,625	12,779
Total	5,930	5,980	5,165	6,945	10,880	19,159	21,785	20,337	14,686	17,990	33,169

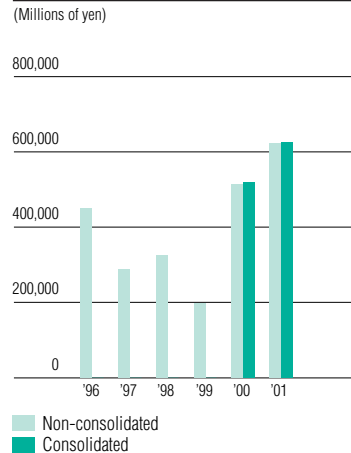
(Millions of US\$)

TEL'S SEMICONDUCTOR PRODUCTION EQUIPMENT [SPE]

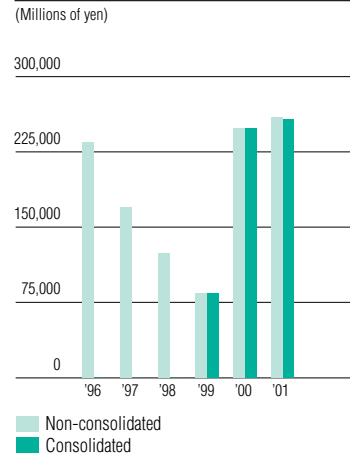
SPE Sales



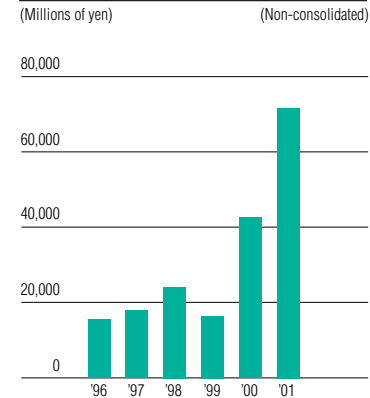
Orders



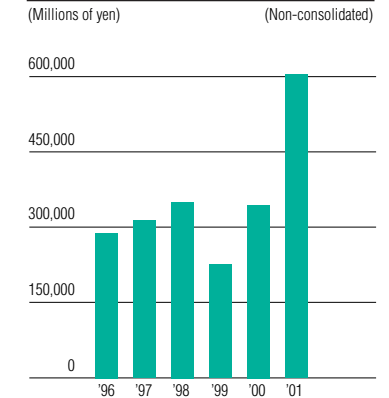
Order Backlog



Sales of LCD Production Equipment



Sales of TEL Products



Fiscal year	Non-consolidated	Consolidated
1996	335,427	334,983
1997	353,215	355,877
1998	371,457	380,184
1999	238,542	242,240
2000	351,639	355,103
2001	612,540	619,001

Fiscal year	Non-consolidated	Consolidated
1996	451,225	—
1997	287,863	—
1998	325,910	—
1999	198,091	—
2000	516,313	520,472
2001	623,640	627,573

Fiscal year	Non-consolidated	Consolidated
1996	235,335	—
1997	169,984	—
1998	124,436	—
1999	83,985	84,175
2000	248,659	249,545
2001	259,759	258,117

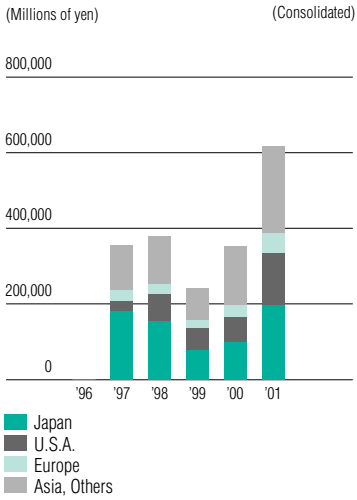
Fiscal year	(Millions of yen)
1996	15,561
1997	17,988
1998	24,222
1999	16,540
2000	42,639
2001	71,779

Fiscal year	(Millions of yen)
1996	289,544
1997	313,955
1998	351,055
1999	226,397
2000	345,224
2001	604,729

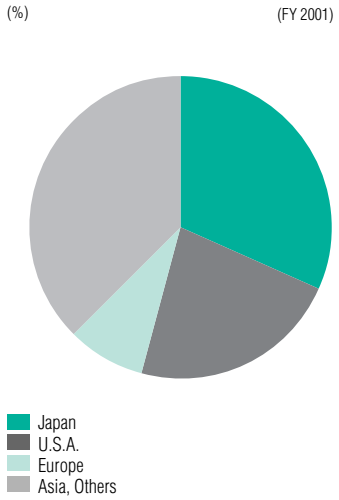
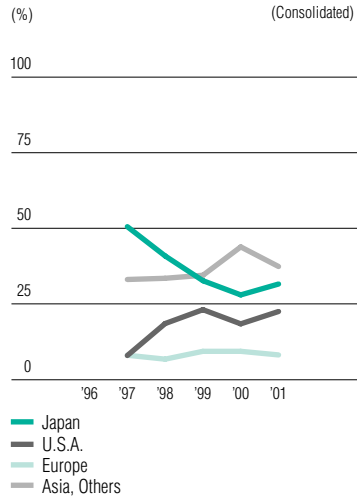
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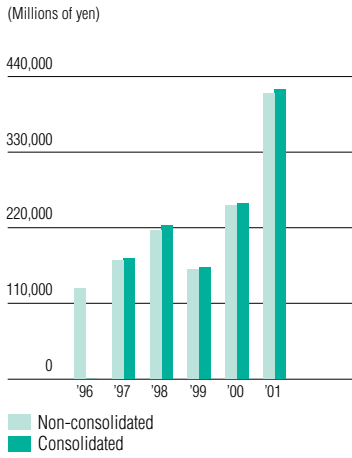
SPE Sales by Region



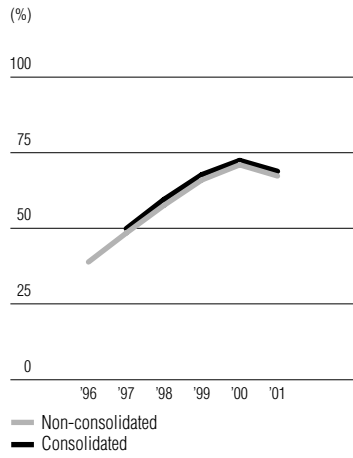
Composition of SPE Sales by Region



Overseas Sales of SPE



Percentage of SPE



Fiscal year	Japan (% of tota)	U.S.A.	Europe	Asia,Others	(Millions of yen) Total
1996	—	—	—	—	—
1997	180,277 (50.7)	28,651 (8.0)	28,707 (8.1)	118,242 (33.2)	355,877
1998	155,982 (41.0)	70,642 (18.6)	25,768 (6.8)	127,792 (33.6)	380,184
1999	79,477 (32.8)	56,150 (23.2)	22,701 (9.4)	83,912 (34.6)	242,240
2000	99,650 (28.1)	65,537 (18.5)	33,559 (9.4)	156,357 (44.0)	355,103
2001	196,469 (31.7)	140,158 (22.6)	50,463 (8.2)	231,911 (37.5)	619,001

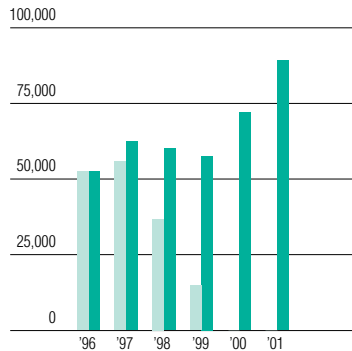
Fiscal year	Non-consolidated	(Millions of yen) Consolidated
1996	132,596	—
1997	173,267	175,600
1998	216,430	224,202
1999	159,066	162,763
2000	252,242	255,453
2001	416,272	422,532

Fiscal year	Non-consolidated	(%) Consolidated
1996	39.5	—
1997	49.1	49.3
1998	58.3	59.0
1999	66.7	67.2
2000	71.7	71.9
2001	68.0	68.3

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EC Sales

(Millions of yen)

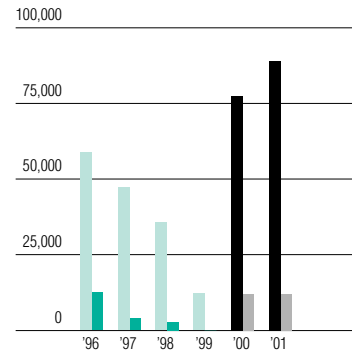


Non-consolidated
Consolidated

Fiscal year	(Millions of yen)	
	Non-consolidated	Consolidated
1996	52,500	52,478
1997	55,895	62,500
1998	36,761	60,139
1999	14,811	57,734
2000	—	72,051
2001	—	89,211

Orders and Order Backlog

(Millions of yen)

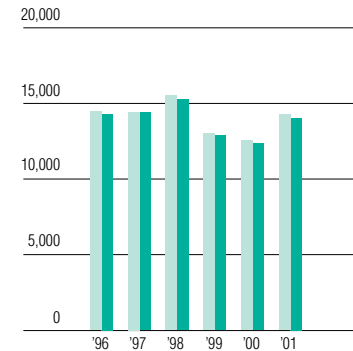


(Non-consolidated)
Orders
Order backlog
(Consolidated)
Orders
Order backlog

Fiscal year	(Millions of yen)	
	Orders	Order backlog
(Non-consolidated)		
1996	58,771	12,466
1997	47,338	3,909
1998	35,569	2,717
1999	12,093	—
(Consolidated)		
2000	77,558	11,968
2001	89,178	11,937

CN Sales

(Millions of yen)

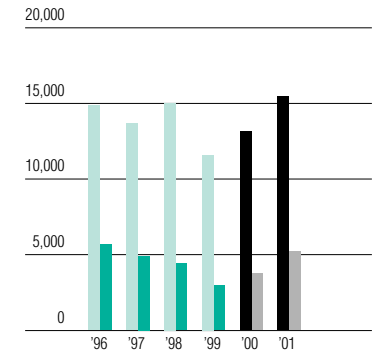


Non-consolidated
Consolidated

Fiscal year	(Millions of yen)	
	Non-consolidated	Consolidated
1996	14,480	14,314
1997	14,459	14,408
1998	15,532	15,262
1999	13,044	12,878
2000	12,573	12,357
2001	14,267	14,054

Orders and Order Backlog

(Millions of yen)



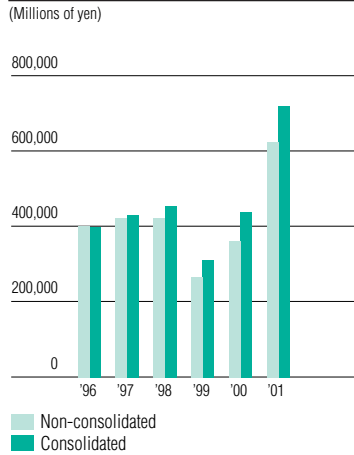
(Non-consolidated)
Orders
Order backlog
(Consolidated)
Orders
Order backlog

Fiscal year	(Millions of yen)	
	Orders	Order backlog
(Non-consolidated)		
1996	14,868	5,685
1997	13,686	4,911
1998	15,039	4,417
1999	11,607	2,980
(Consolidated)		
2000	13,150	3,767
2001	15,476	5,190

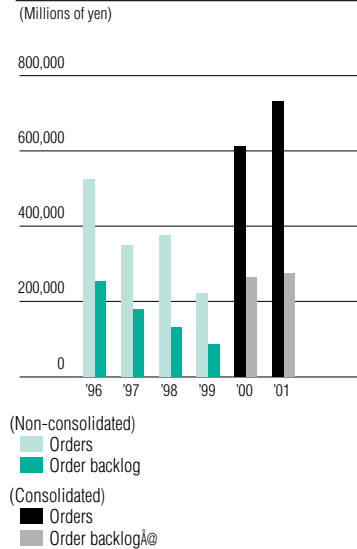
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Net Sales

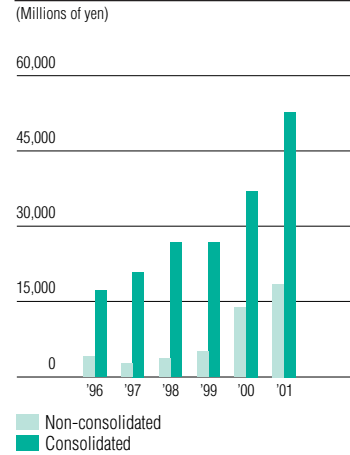


Orders and Order Backlog



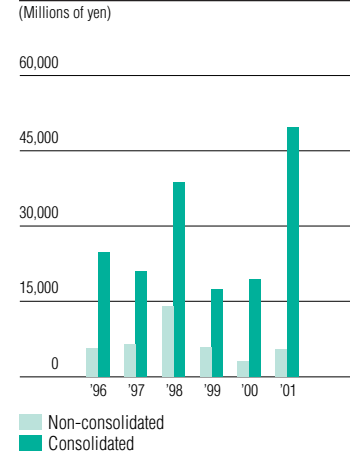
Fiscal year	(Millions of yen)	
	Orders	Order backlog
	(Non-consolidated)	
1996	524,865	253,486
1997	348,888	178,805
1998	376,519	131,571
1999	221,792	86,966
	(Consolidated)	
2000	612,399	265,281
2001	733,843	275,244

R&D Expenses



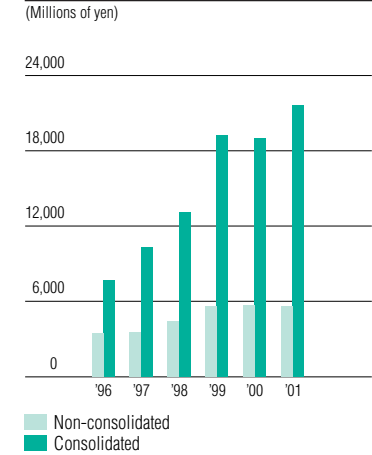
Fiscal year	(Millions of yen)	
	Non-consolidated	Consolidated
1996	4,052	17,277
1997	2,779	20,988
1998	3,654	26,813
1999	5,161	26,842
2000	13,858	37,135
2001	18,580	52,911

Capital Expenditures



Fiscal year	(Millions of yen)	
	Non-consolidated	Consolidated
1996	5,765	24,831
1997	6,473	21,035
1998	14,169	39,002
1999	5,863	17,452
2000	3,124	18,999
2001	5,420	49,403

Depreciation Expenses



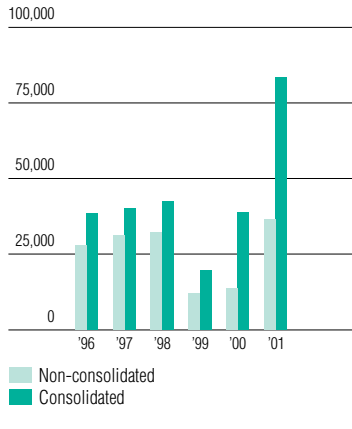
Fiscal year	(Millions of yen)	
	Non-consolidated	Consolidated
1996	3,445	7,730
1997	3,552	10,357
1998	4,414	13,125
1999	5,629	19,290
2000	5,719	19,446
2001	5,634	21,679

Notes: 1. TEL's fiscal year ends March 31. The Company's fiscal year is identified by the year in which it ends.
2. In the past, TEL released orders received and orders backlog data only on a non-consolidated basis. As of the fiscal year ended March 31, 2000, this data is expressed on a consolidated basis.

3. Prior to 1999, figures for capital expenditures and depreciation expenses were listed under Group Data, which included figures for non-consolidated subsidiaries.

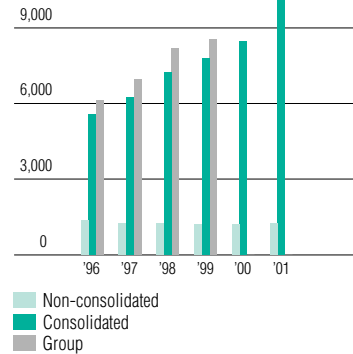
Cash Flow

(Millions of yen)



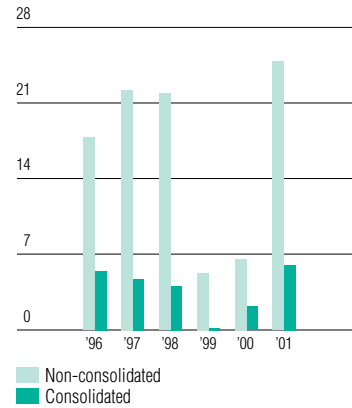
Number of Employees

12,000



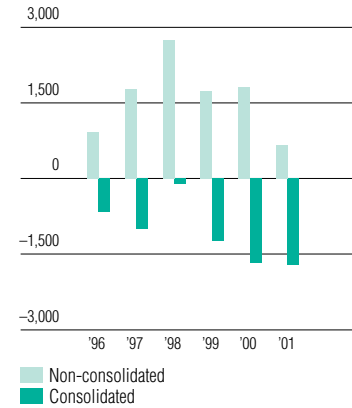
Net Income per Person

(Millions of yen)



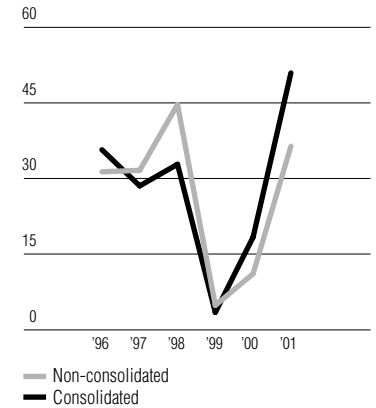
Balance of Financial Revenue and Expense

(Millions of yen)



Interest Coverage Ratio

(Times)



Fiscal year	(Millions of yen)	
	Non-consolidated	Consolidated
1996	27,978	38,694
1997	31,239	40,142
1998	32,197	42,661
1999	12,133	19,787
2000	13,848	39,294
2001	36,568	83,691

Fiscal year	(People)		
	Non-consolidated	Consolidated	Group
1996	1,372	5,616	6,139
1997	1,242	6,277	6,979
1998	1,265	7,287	8,233
1999	1,218	7,835	8,567
2000	1,227	8,946	—
2001	1,239	10,236	—

Fiscal year	(Millions of yen)	
	Non-consolidated	Consolidated
1996	17.88	5.51
1997	22.29	4.77
1998	21.96	4.11
1999	5.33	0.23
2000	6.62	2.21
2001	24.96	6.06

Fiscal year	(Millions of yen)	
	Non-consolidated	Consolidated
1996	929	(658)
1997	1,776	(1,012)
1998	2,755	(102)
1999	1,730	(1,251)
2000	1,827	(1,687)
2001	673	(1,712)

Fiscal year	(Times)	
	Non-consolidated	Consolidated
1996	31.4	35.8
1997	31.7	28.6
1998	44.8	32.9
1999	4.8	3.4
2000	11.1	18.4
2001	36.5	51.1

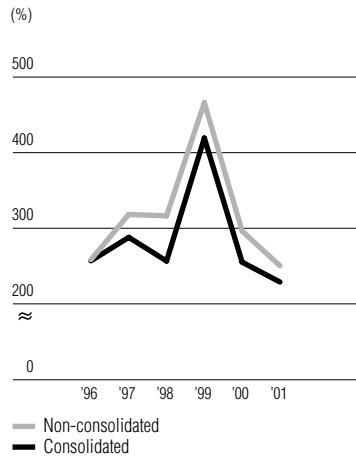
Cash flow = Net income + depreciation

Balance of financial revenue and expense = Interest and dividend income - (interest expenses + debt service expenses)

Interest coverage ratio = (Operating income + interest and dividend income) / (interest expenses + debt service expenses)

Note: TEL's fiscal year ends March 31. The Company's fiscal year is identified by the year in which it ends.

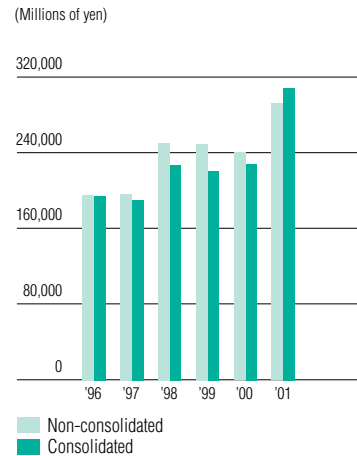
Current Ratio



Fiscal year	Non-consolidated (%)	Consolidated (%)
1996	259.6	258.0
1997	319.6	289.2
1998	317.7	257.8
1999	468.0	421.0
2000	297.4	256.2
2001	251.5	229.9

Current ratio = (Current assets/current liabilities) × 100

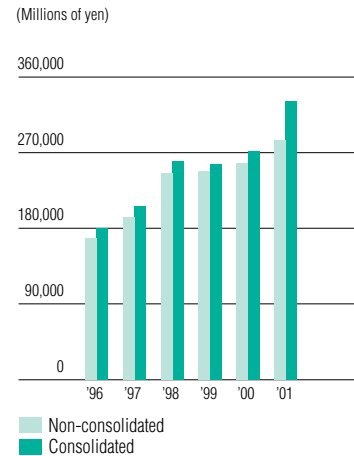
Working Capital



Fiscal year	Non-consolidated (Millions of yen)	Consolidated (Millions of yen)
1996	196,652	195,088
1997	197,248	191,154
1998	251,693	228,368
1999	250,458	221,693
2000	241,219	228,699
2001	293,223	309,800

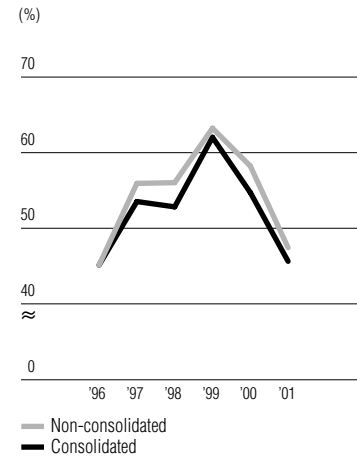
Working capital = Current assets – current liabilities

Shareholder's Equity



Fiscal year	Non-consolidated (Millions of yen)	Consolidated (Millions of yen)
1996	169,444	180,842
1997	194,434	207,476
1998	246,787	261,009
1999	249,695	257,716
2000	258,380	273,603
2001	285,638	333,281

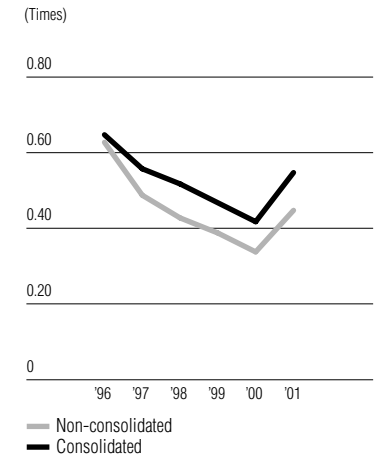
Equity Ratio



Fiscal year	Non-consolidated (%)	Consolidated (%)
1996	45.2	45.2
1997	56.0	53.6
1998	56.1	52.9
1999	63.3	62.1
2000	58.3	54.8
2001	47.5	45.7

Equity ratio = (Shareholders' equity/total liabilities and shareholder's equity) × 100

Debt-to-Equity Ratio

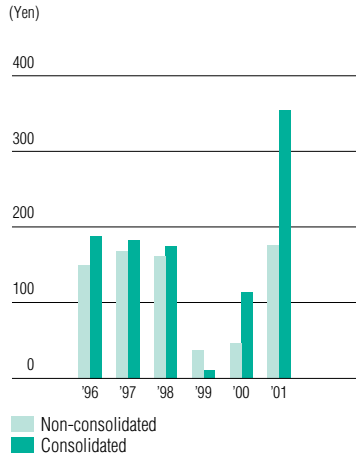


Fiscal year	Non-consolidated (Times)	Consolidated (Times)
1996	0.63	0.65
1997	0.49	0.56
1998	0.43	0.52
1999	0.39	0.47
2000	0.34	0.42
2001	0.45	0.55

Debt-to-equity ratio = (Average short-term debt + average long-term debt)/ average shareholders' equity

Note: TEL's fiscal year ends March 31. The Company's fiscal year is identified by the year in which it ends.

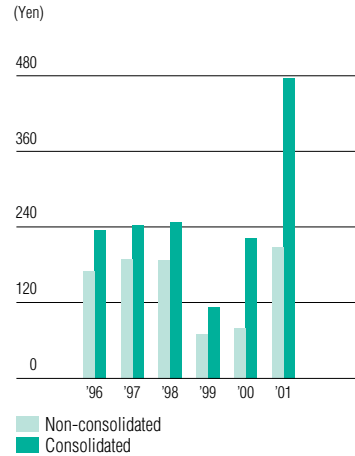
Net Income per Share



Fiscal year	Non-consolidated	Consolidated
1996	148.99	188.05
1997	168.07	181.97
1998	161.69	174.68
1999	37.25	10.70
2000	46.42	113.53
2001	176.08	353.76

Net income per share = Net income/average total number of shares issued

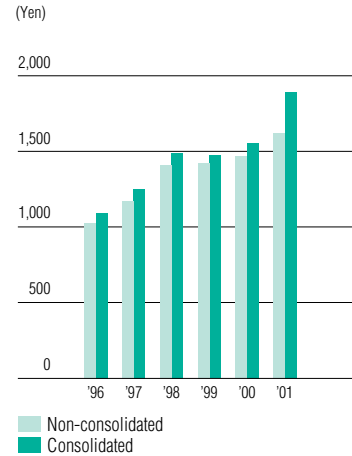
Cash Flow per Share



Fiscal year	Non-consolidated	Consolidated
1996	169.91	234.99
1997	189.64	243.68
1998	187.38	248.33
1999	69.50	113.46
2000	79.08	224.75
2001	208.15	477.20

Cash flow per share = Cash flow/average total number of shares issued

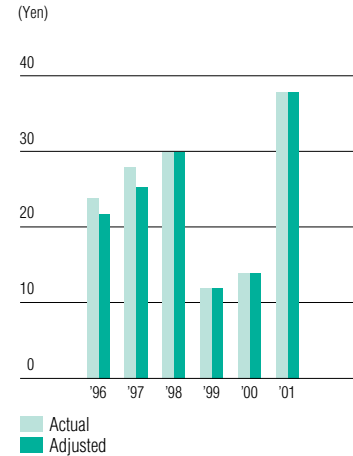
Shareholders' Equity per Share



Fiscal year	Non-consolidated	Consolidated
1996	1,028.95	1,098.18
1997	1,176.91	1,255.88
1998	1,413.70	1,495.20
1999	1,429.91	1,477.93
2000	1,470.91	1,560.27
2001	1,625.80	1,901.38

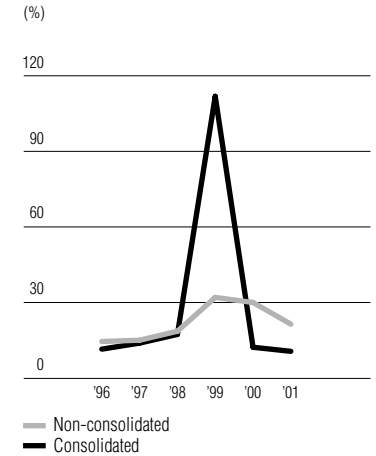
Shareholders' equity per share = Shareholders'equity/total number of shares issued

Cash Dividends per Share



Fiscal year	Actual	Adjusted
1996	24.00	21.82
1997	28.00	25.45
1998	30.00	30.00
1999	12.00	12.00
2000	14.00	14.00
2001	38.00	38.00

Payout Ratio



Fiscal year	Non-consolidated	Consolidated
1996	14.64	11.60
1997	15.16	14.01
1998	18.73	17.34
1999	32.17	112.14
2000	30.16	12.35
2001	21.53	10.74

Payout ratio = (Total cash dividends / net income) × 100

Notes: 1. TEL's fiscal year ends March 31. The Company's fiscal year is identified by the year in which it ends.
2. Per share amounts prior to 1998 have been restated to reflect a 1.1-for-1 stock split.

Consolidated Statement of Income (11-Year Summary)

	(Millions of yen)										
Fiscal year	1991 ¹	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Net sales	108,110	197,297	153,914	189,712	251,683	401,775	432,785	455,585	313,820	440,729	723,880
Cost of sales	77,619	144,227	121,029	145,877	178,923	270,125	297,546	304,825	225,962	303,839	458,902
Gross profit	30,491	53,070	32,885	43,835	72,760	131,650	135,239	150,760	87,858	136,890	264,978
Selling, general and administrative expenses	19,766	37,762	30,050	34,060	51,186	71,471	81,114	94,237	81,475	101,074	143,892
Portion of enterprise tax included in selling, general and administrative expenses ³	1,266	1,737	700	1,123	2,851	7,575	6,264	6,773	—	—	—
Operating income (loss)	10,725	15,308	2,835	9,775	21,574	60,179	54,124	56,522	6,383	35,816	121,086
Other income (expenses)	(733)	273	1,860	169	(1,777)	(2,656)	98	(462)	(345)	(6,127)	(21,954)
Interest and dividend income	859	3,844	3,624	2,128	2,436	1,053	909	1,664	898	276	669
Interest expenses	(1,134)	(2,645)	(2,563)	(2,245)	(2,045)	(1,711)	(1,870)	(1,640)	(2,003)	(1,960)	(2,378)
Other, net	(458)	(926)	799	286	(2,168)	(1,998)	1,059	(486)	760	(4,443)	(20,245)
Income (loss) before income taxes	9,992	15,581	4,695	9,944	19,797	57,523	54,222	56,060	6,038	29,689	99,132
Provision for income taxes ^{3,4}	4,452	6,964	2,852	4,500	10,310	26,873	24,247	26,051	4,167	9,836	37,099
Equity in income (loss) of affiliates	106	(184)	(223)	(313)	194	314	—	—	—	—	—
Foreign currency translation adjustment and other	(117)	(82)	172	(2)	50	—	—	—	—	—	—
Minority interest	—	—	—	—	—	—	—	—	5	5	21
Net income (loss)	5,529	8,351	1,792	5,129	9,731	30,964	29,975	30,009	1,866	19,848	62,012

Notes: 1. The Company's fiscal year is identified by the year in which it ends. Until 1990, the Company's fiscal year ended on September 30. Since 1991, the Company's fiscal year has ended on March 31. Consequently, fiscal 1991 is the six-month period from October 1, 1990 to March 31, 1991.

2. Certain parts of the fiscal 1997 financial statements have been reclassified. Prior year amounts have been restated to conform with the fiscal 1997 presentation.

3. Enterprise taxes, formerly included in selling, general and administrative expenses, are included in provision for income taxes from 1999.

4. TEL began using tax-effect accounting during the fiscal year ended March 31, 2000. Consequently, adjustments to income and enterprise taxes are included.

Non-Consolidated Statement of Income (11-Year Summary)

	(Millions of yen)										
Fiscal year	1991 ¹	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Operating income (loss)											
Net sales	107,678	196,335	153,724	189,716	251,853	402,407	423,570	423,752	266,397	364,212	626,807
Cost of sales	81,746	151,437	126,834	158,404	206,162	320,527	345,905	341,931	236,783	315,125	518,655
Gross profit	25,932	44,897	26,890	31,312	45,691	81,879	77,664	81,821	29,613	49,087	108,152
Selling, general and administrative expenses	16,759	31,478	24,507	24,491	29,126	36,522	33,321	35,460	25,496	35,151	49,095
Portion of enterprise tax included in selling, general and administrative expenses ³	1,117	1,687	628	1,095	2,371	6,109	5,484	6,222	—	—	—
Operating income (loss)	9,172	13,419	2,382	6,821	16,564	45,357	44,342	46,360	4,117	13,936	59,056
Other income (expenses)											
Other income	2,522	7,014	6,880	4,942	5,766	5,440	6,539	7,968	7,129	6,628	4,811
Interest and dividend income	1,537	4,822	4,596	2,779	3,168	2,451	3,277	3,876	3,281	3,394	2,356
Other	984	2,191	2,283	2,163	2,597	2,989	3,262	4,092	3,848	3,234	2,455
Other expenses	1,573	4,217	3,203	3,412	3,716	2,888	2,632	2,669	3,498	4,083	4,169
Interest expenses	976	2,342	2,352	2,084	1,891	1,521	1,450	994	1,403	1,563	1,680
Other	597	1,875	850	1,327	1,824	1,366	1,182	1,674	2,095	2,519	2,488
Ordinary income	10,121	16,215	6,059	8,351	18,613	47,910	48,250	51,660	7,748	16,481	59,698
Unusual or infrequent income											
Unusual or infrequent income	2	431	115	1,335	1	64	188	38	430	550	492
Unusual or infrequent losses	763	1,579	387	1,427	2,282	2,711	455	1,184	296	3,792	6,957
Income before income taxes	9,360	15,068	5,787	8,258	16,333	45,262	47,982	50,513	7,882	13,239	53,234
Provision for income taxes ^{3,4}	4,047	6,795	2,615	4,354	8,622	20,730	20,296	22,731	1,378	5,110	22,299
Net income	5,313	8,273	3,172	3,904	7,711	24,532	27,686	27,782	6,503	8,128	30,934

Notes: 1. The Company's fiscal year is identified by the year in which it ends. Until 1990, the Company's fiscal year ended on September 30. Since 1991, the Company's fiscal year has ended on March 31. Consequently, fiscal 1991 is the six-month period from October 1, 1990 to March 31, 1991.
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3. Enterprise taxes, formerly included in selling, general and administrative expenses, are included in provision for income taxes from 1999.
4. TEL began using tax-effect accounting during the fiscal year ended March 31, 2000. Consequently, adjustments to income and enterprise taxes are included.

Consolidated Balance Sheet (11-Year Summary)

	(Millions of yen)										
Fiscal year	1991 ¹	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
ASSETS											
Current assets											
Cash and cash equivalents	5,285	69,670	63,770	75,448	81,687	49,336	31,016	71,057	46,910	79,519	65,320
Marketable securities	1,082	1,762	1,064	1,064	1,010	985	978	835	835	835	—
Trade notes and accounts receivable	122,815	88,105	76,271	93,797	118,434	191,242	180,648	192,005	140,746	175,153	302,953
Allowance for doubtful accounts	(1,366)	(844)	(758)	(934)	(1,140)	(1,810)	(1,692)	(1,822)	(1,134)	(1,029)	(1,720)
Inventories	36,091	35,039	38,803	38,000	47,247	74,587	76,335	100,372	88,085	112,481	161,981
Deferred tax assets	—	—	—	—	—	—	—	—	—	5,306	12,659
Prepaid expenses and other current assets	13,567	4,107	4,009	5,577	4,621	4,260	4,901	10,636	15,306	2,892	7,048
Total current assets	177,474	197,839	183,159	212,952	251,859	318,600	292,186	373,083	290,748	375,157	548,241
Investments and other assets	20,258	24,982	22,194	18,497	21,115	23,336	28,765	33,618	32,063	25,522	56,549
Foreign currency translation adjustments	55	41	48	92	100	—	—	—	—	1,094	—
Property, plant and equipment											
Land	7,969	7,969	8,472	8,331	8,839	10,135	10,306	13,678	17,163	16,554	19,698
Buildings	28,288	28,900	32,193	37,271	41,541	48,666	56,949	73,847	81,527	89,795	106,753
Machinery and equipment	15,301	16,472	18,184	22,516	27,524	29,790	38,555	46,967	62,777	67,520	84,607
Construction in progress	148	4	1,196	24	206	3,955	2,504	4,181	97	877	853
Total property, plant and equipment	51,706	53,345	60,045	68,142	78,110	92,546	108,314	138,673	161,564	174,746	211,911
Accumulated depreciation	(19,933)	(21,451)	(27,040)	(30,494)	(32,909)	(34,432)	(42,188)	(51,774)	(69,472)	(77,020)	(87,190)
Net property, plant and equipment	31,773	31,894	33,005	37,648	45,201	58,114	66,126	86,899	92,092	97,726	124,721
Total assets	229,560	254,756	238,406	269,189	318,275	400,050	387,077	493,600	414,903	499,499	729,511

Notes: 1. TEL's fiscal year ends March 31. The Company's fiscal year is identified by the year in which it ends. Until 1990, the Company's fiscal year ended on September 30. Since 1991, the Company's fiscal

year has ended on March 31. Consequently, fiscal 1991 is the six-month period from October 1, 1990 to March 31, 1991.
2. Certain parts of the fiscal 1997 statements have been reclassified. Prior year amounts have been

restated to conform with the fiscal 1997 presentation.

3. Short-term loans to subsidiaries and affiliates until 1999 are included in other current assets.

(Millions of yen)

Fiscal year	1991 ¹	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current liabilities											
Short-term borrowings and commercial paper	27,152	11,281	12,156	9,258	3,866	19,393	12,066	56,917	21,657	23,998	78,462
Current portion of long-term debt	88	16,282	—	—	39,685	9,000	17,919	9,358	1,536	32,699	2,970
Trade notes and accounts payable	25,725	19,012	21,231	29,403	36,963	58,187	46,049	48,734	36,235	62,574	87,350
Accrued income taxes	5,976	2,477	1,424	4,092	11,010	27,554	15,514	18,818	1,488	11,843	41,440
Allowance for employees' bonuses	2,920	3,237	2,478	2,596	4,285	4,781	5,410	6,507	4,117	7,375	10,948
Accrued expenses and other current liabilities	2,031	3,249	2,562	3,165	3,773	4,596	4,074	4,381	4,022	7,969	17,271
Total current liabilities	63,892	55,538	39,851	48,514	99,582	123,511	101,032	144,715	69,055	146,458	238,441
Long-term debt, less current portion	25,282	49,485	49,707	68,439	58,596	87,834	70,592	77,657	77,709	67,278	126,348
Allowance for retirement and severance benefits	2,778	3,155	3,433	3,907	5,972	7,075	7,028	8,362	9,344	11,581	29,807
Other non-current liabilities	1,410	2,698	1,105	2,181	858	423	105	141	777	545	1,576
Total liabilities	93,362	110,876	94,096	123,041	165,008	218,843	178,757	230,875	156,885	225,862	396,172
Foreign currency translation adjustment	—	—	—	—	—	365	844	1,716	276	—	—
Minority interest	—	—	—	—	—	—	—	—	26	34	58
Shareholders' equity											
Common stock	28,872	29,611	29,867	29,867	29,867	29,922	30,755	45,445	45,532	47,163	47,213
Additional paid-in capital	51,942	52,681	52,937	52,937	52,937	52,991	53,823	68,507	68,594	70,225	70,275
Legal reserve	2,131	2,339	2,561	2,775	3,000	3,300	3,739	4,228	—	—	—
Retained earnings	53,322	59,256	58,953	60,575	67,468	94,640	119,175	142,854	144,715	157,876	214,920
Unrealized gains on securities	—	—	—	—	—	—	—	—	—	—	1,658
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	2,734
Treasury stock at cost	(69)	(7)	(8)	(6)	(5)	(11)	(16)	(25)	(1,125)	(1,661)	(3,519)
Total shareholders' equity	136,198	143,880	144,310	146,148	153,267	180,842	207,476	261,009	257,716	273,603	333,281
Total liabilities and shareholders' equity	229,560	254,756	238,406	269,189	318,275	400,050	387,077	493,600	414,903	499,499	729,511

Notes: 1. The Company's fiscal year is identified by the year in which it ends. Until 1990, the Company's fiscal year ended on September 30. Since 1991, the Company's fiscal year has ended on March 31. Consequently, fiscal 1991 is the six-month period from October 1, 1990 to March 31, 1991.

2. Certain parts of the fiscal 1997 financial statements have been reclassified. Prior year amounts have been restated to conform with the fiscal 1997 presentation.

Non-Consolidated Balance Sheet (11-Year Summary)

	(Millions of yen)										
Fiscal year	1991 ¹	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
ASSETS											
Current assets											
Cash and time deposits	4,900	69,053	62,734	75,011	80,909	46,465	27,974	67,827	41,477	72,635	51,420
Trade notes and accounts receivable	123,695	89,249	77,617	94,837	119,064	190,919	176,197	183,428	124,290	155,194	271,659
Marketable securities	1,082	1,761	1,063	1,063	1,009	984	977	834	834	834	—
Inventories	27,520	29,479	30,730	26,555	23,452	30,937	29,130	35,976	27,075	27,610	39,608
Short-term loans to subsidiaries and affiliates	8,010	5,940	10,875	21,524	33,273	49,472	51,361	77,059	123,159	105,014	112,875
Allowance for doubtful accounts	(1,347)	(899)	(847)	(1,114)	(1,444)	(2,277)	(2,148)	(2,427)	(1,848)	(1,563)	(1,774)
Prepaid expenses and other current assets	11,835	2,599	1,232	1,699	3,104	3,338	3,563	4,612	3,529	3,707	13,026
Total current assets	175,695	197,182	183,404	219,575	259,369	319,840	287,055	367,311	318,519	363,433	486,815
Fixed assets											
Net property, plant and equipment	23,945	23,985	23,443	24,012	26,405	26,115	28,702	38,576	38,665	36,100	33,735
Buildings	12,278	11,827	10,712	11,053	10,515	10,450	12,523	20,396	18,727	16,700	13,029
Machinery and equipment	4,009	4,649	3,532	5,248	7,518	5,400	6,024	6,619	6,619	6,018	5,806
Land	7,509	7,508	8,011	7,688	8,195	9,106	9,054	11,372	13,318	13,318	14,835
Construction in progress	147	—	1,186	21	175	1,158	1,100	187	—	64	64
Intangible assets	104	102	98	171	164	157	274	625	546	3,261	5,878
Investments	24,029	26,301	25,454	23,407	25,283	28,677	31,218	33,351	36,695	40,482	74,986
Total fixed assets	48,079	50,390	48,995	47,591	51,853	54,950	60,195	72,553	75,907	79,844	114,600
Total assets	223,774	247,572	232,400	267,167	311,222	374,790	347,251	439,864	394,427	443,278	601,416

Notes: 1. The Company's fiscal year is identified by the year in which it ends. Until 1990, the Company's fiscal year ended on September 30. Since 1991, the Company's fiscal year has ended on March 31. Consequently, fiscal 1991 is the six-month period from October 1, 1990 to March 31, 1991.

2. Certain parts of the fiscal 1997 financial statements have been reclassified. Prior year amounts have been restated to conform with the fiscal 1997 presentation.

(Millions of yen)

Fiscal year	1991 ¹	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current liabilities											
Trade notes and accounts payable	31,272	23,506	26,620	38,395	47,026	75,308	54,426	61,603	55,007	82,446	120,036
Short-term bank loans and commercial paper	23,352	7,181	7,719	6,600	1,508	13,606	1,468	35,457	11,226	951	41,063
Current portion of long-term debt	—	16,282	—	—	39,685	9,000	17,919	—	—	30,000	—
Accrued income taxes	5,296	2,283	1,235	3,900	8,868	21,004	12,916	15,950	—	5,525	23,518
Allowance for employees' bonuses	1,941	1,836	1,216	1,204	1,455	1,514	1,425	1,580	824	1,508	2,061
Accrued expenses and other current liabilities	1,851	3,215	2,446	2,973	2,997	2,754	1,651	1,026	1,003	1,783	3,470
Total current liabilities	63,713	54,306	39,238	53,075	101,541	123,188	89,807	115,618	68,061	122,214	193,591
Long-term liabilities											
Long-term debt, less current portion	25,282	49,485	49,485	67,404	57,719	77,915	59,990	74,038	73,064	59,001	112,602
Allowance for retirement and severance benefits ³	1,969	2,106	2,111	2,286	3,347	3,820	2,974	3,375	3,570	3,652	8,878
Other long-term liabilities	1,410	2,697	1,104	2,181	858	423	45	45	35	30	705
Total long-term liabilities	28,662	54,290	52,701	71,871	61,924	82,158	63,009	77,459	76,670	62,683	122,185
Shareholders' equity											
Common stock	28,872	29,611	29,867	29,867	29,867	29,922	30,755	45,444	45,531	47,163	47,212
Required reserve	54,073	55,020	55,497	55,712	55,937	56,290	57,562	72,734	73,206	75,052	75,585
Additional paid-in capital	51,942	52,680	52,937	52,937	52,937	52,991	53,823	68,506	68,593	70,225	70,274
Legal reserve	2,131	2,339	2,560	2,775	3,000	3,299	3,739	4,227	4,612	4,827	5,310
Retained earnings	48,453	54,344	55,096	56,640	61,952	83,231	106,118	128,607	130,957	136,164	161,825
Total shareholders' equity	131,399	138,976	140,461	142,220	147,757	169,444	194,435	246,787	249,695	258,380	285,638
Total liabilities and shareholders' equity	223,774	247,572	232,400	267,167	311,222	374,790	347,251	439,864	394,427	443,278	601,416

Notes: 1. The Company's fiscal year is identified by the year in which it ends. Until 1990, the Company's fiscal year ended on September 30. Since 1991, the Company's fiscal year has ended on March 31. Consequently, fiscal 1991 is the six-month period from October 1, 1990 to March 31, 1991.

2. Certain parts of the fiscal 1997 financial statements have been reclassified. Prior year amounts have been restated to

conform with the fiscal 1997 presentation.

3. The Company introduced retirement benefit accounting from the year ended March 31, 2001. As a result, the reserve for employees' retirement allowances (shown on the Balance Sheets up to and including the year ended March 31, 2000) is now listed as reserve for employees' retirement benefits.

Consolidated Statement of Cash Flows

Fiscal year	2000	2001
Cash flow from operating activities		
Income before income taxes	29,689	99,132
Depreciation and amortization	19,446	21,679
Increase in allowance for retirement and severance benefits	2,153	18,228
Increase in allowance for employees' bonuses	3,175	3,482
Interest expenses	1,964	2,381
Loss on disposal of fixed assets	2,149	2,492
Devaluation of investments in securities	—	1,552
Loss from devaluation of golf memberships	1,253	35
Increase in trade notes and accounts receivable	(31,675)	(121,669)
Increase in inventories	(27,196)	(53,666)
Increase in accounts payable	22,416	9,709
Increase in prepaid consumption tax	(3,542)	(4,859)
Others	10,695	13,282
Subtotal	30,527	(8,222)
Receipts from interest and dividends	280	671
Interest paid	(1,923)	(2,295)
Income taxes paid	(3,757)	(19,596)
Net cash provided by (used in) operating activities	25,127	(29,442)

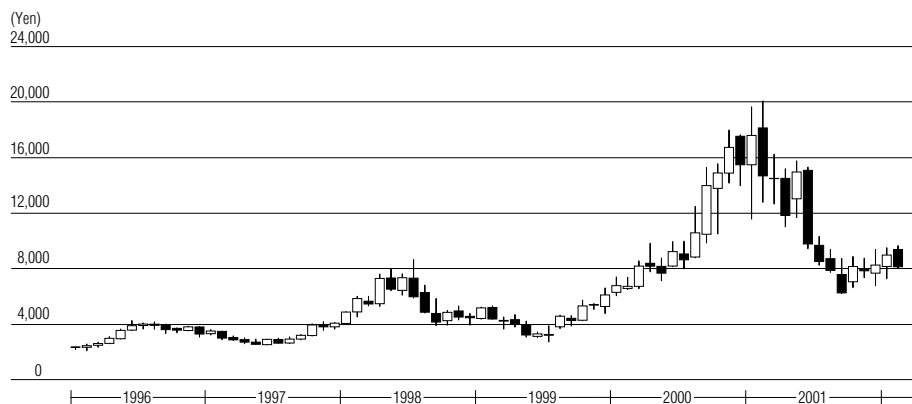
Cash flow from investing activities

Payment for purchase of property, plant and equipment	(14,577)	(39,155)
Payment for acquisition of intangible assets	(4,100)	(4,568)
Payment for purchase of newly consolidated subsidiaries	—	(18,867)
Others	2,485	231
Net cash used in investing activities	(16,192)	(62,359)

Fiscal year	2000	2001
Cash flow from financing activities		
Increase in short-term borrowings	13,022	23,927
Increase/decrease in commercial paper	(10,000)	30,000
Proceeds from long-term debt	5,700	8,671
Repayment of long-term debt	(2,477)	(3,757)
Proceeds from issuance of bonds	19,899	54,938
Redemption of unsecured bonds	—	(30,000)
Increase in treasury stock	(454)	(1,859)
Dividends paid	(2,095)	(4,733)
Others	(25)	(5)
Net cash provided by financing activities	23,570	77,182
Effect of exchange rate changes on cash and cash equivalents	(469)	391
Net increase/decrease in cash and cash equivalents	32,036	(14,228)
Cash and cash equivalents at beginning of year	46,761	79,519
Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	722	—
Cash and cash equivalents at end of year	79,519	65,291

Note: From fiscal 2000, TEL presents its consolidated statement of cash flows in accordance with the format outlined by the revised Securities and Exchange Law.

Stock Price Range



Year ended March 31

	1996	1997	1998	1999	2000	2001
High (yen)	4,290	4,200	8,670	6,630	18,000	20,090
Low (yen)	2,118	2,545	3,920	2,755	6,080	6,240

Note: Prices have been adjusted to reflect stock splits.

Number of Shares Issued (Fiscal Year-End)

Fiscal year	1996	1997	1998	1999	2000	2001
Number of shares issued	149,706	150,189	174,569	174,624	175,660	175,691

Public Offering of Common Stock

Public Offering of Common Stock

Date of issue	Subscribed shares (thousands)	Issuing price (yen)
June 2, 1980	4,131	1,540
July 1, 1981	2,000	4,730
October 16, 1982	4,000	3,050
May 6, 1983	20	2,550
June 23, 1984	3,000	4,015
November 15, 1989	6,000	3,233

Stock Splits

Date of issue	Ratio of distribution
October 1, 1980	1:1.25
October 1, 1981	1:1.3
November 20, 1982	1:1.3
February 1, 1983	1:2.0
November 20, 1984	1:1.2
November 15, 1989	1:1.1
November 15, 1990	1:1.2
May 20, 1997	1:1.1

No. 2 Unsecured Convertible Bonds (As of March 31, 2001)

Date of issue	April 27, 1994
Amount/ Coupon rate	¥30 billion / 0.9% per year
Maturity date	September 30, 2003
Balance	¥15,502 million
Conversion rate/ Conversion price	48.33% / ¥3,150
Percentage of potential shares	2.8%

No. 4 Unsecured Bonds with Warrants (As of March 31, 2001)

Date of issue	June 9, 2000
Amount/ Coupon rate	¥4.5 billion / 1.59% per year
Expiry date	June 8, 2006
Subscription ratio/ Exercise price	0% / ¥14,070
Percentage of potential shares	0.18%

The Leading 10 Shareholders in TEL (As of March 31, 2001)

Name	Shares (thousands)	Percentage
Tokyo Broadcasting System, Inc.	13,938	7.93
Japan Trustee Services Bank, Ltd. (Trust Account)	9,003	5.12
The Chase Manhattan Bank N.A. London Secs Lending Omnibus Account	8,378	4.76
The Tokai Bank., Ltd.	7,011	3.99
Dai-ichi Mutual Life Insurance Co.	6,000	3.41
The Mitsubishi Trust & Banking Co., Ltd. (Trust Account)	5,474	3.11
Nippon Life Insurance Co.	4,444	2.52
State Street Bank And Trust Company	4,101	2.33
Boston Safe Deposit BSDT Treaty Clients Omnibus	3,756	2.13
The Chase Manhattan Bank N.A. London	3,589	2.04
Total number of shares	65,694	37.34

Composition of Shareholders by Category

Category	2000			2001		
	Number of shareholders/ shares (thousands)/composition			Number of shareholders/ shares (thousands)/composition		
Financial institutions and securities companies	239	81,559	46.4%	321	78,534	44.7%
Foreigners	594	65,693	37.4%	611	63,663	36.2%
Other individual investors	6,071	10,628	6.1%	41,204	17,241	9.8%
Other corporate investors	243	17,780	10.1%	645	16,253	9.3%
Total	7,147	175,660	100.0%	42,781	175,691	100.0%



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