

Business Update

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TOKYO ELECTRON

2011 Business Environment

▶ **SPE capex**

Fall in DRAM price has led to some adjustment of capex plans, but capex for NAND, MPU and Foundry performing well.

2011 WFE market expected to be up by around 10%.

▶ **FPD capex**

Large panel investment in adjustment phase but investment for tablet PCs and smartphones continues to grow.

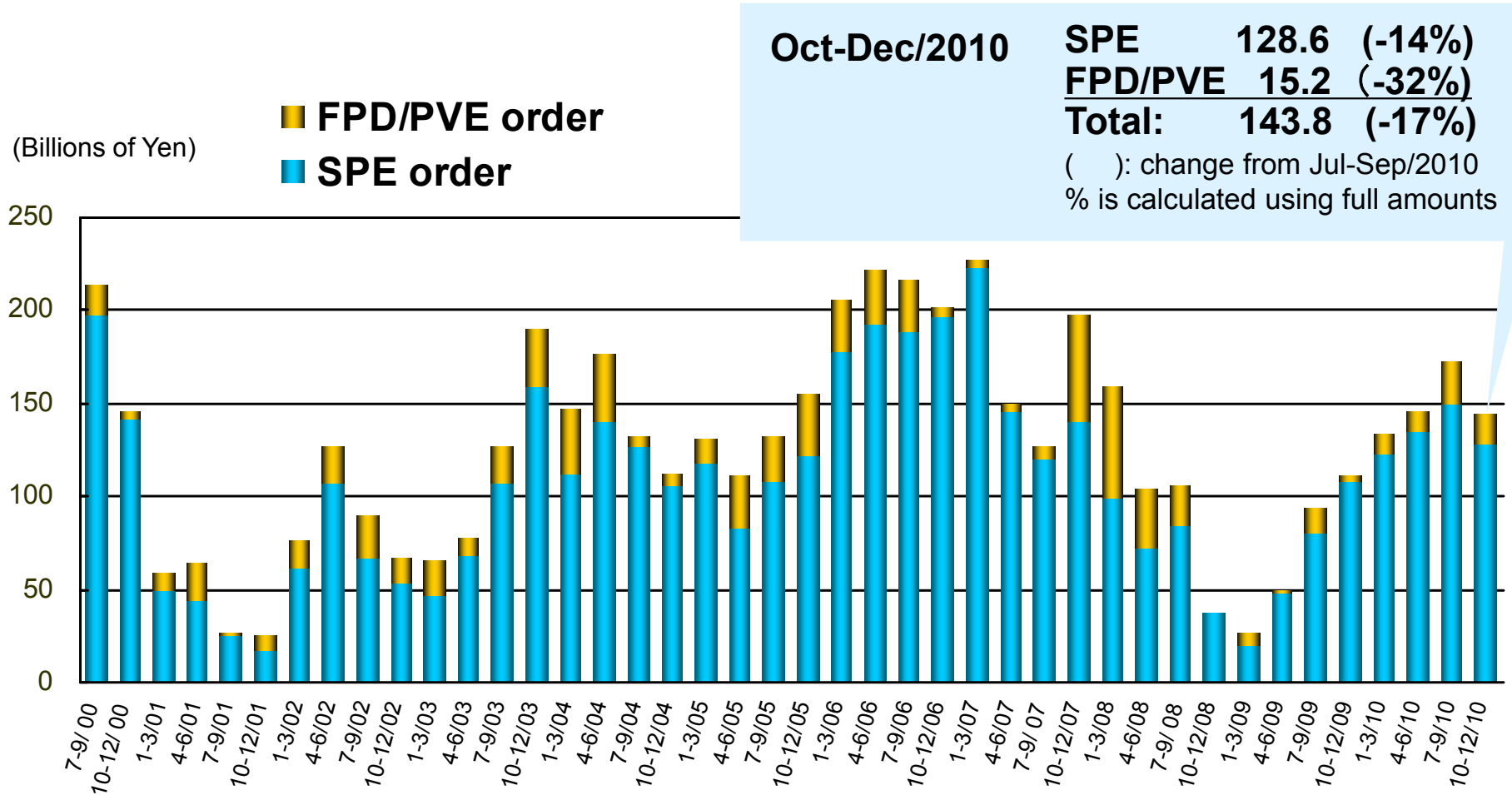
Overall capex expected to be about same level as 2010.

▶ **PV capex**

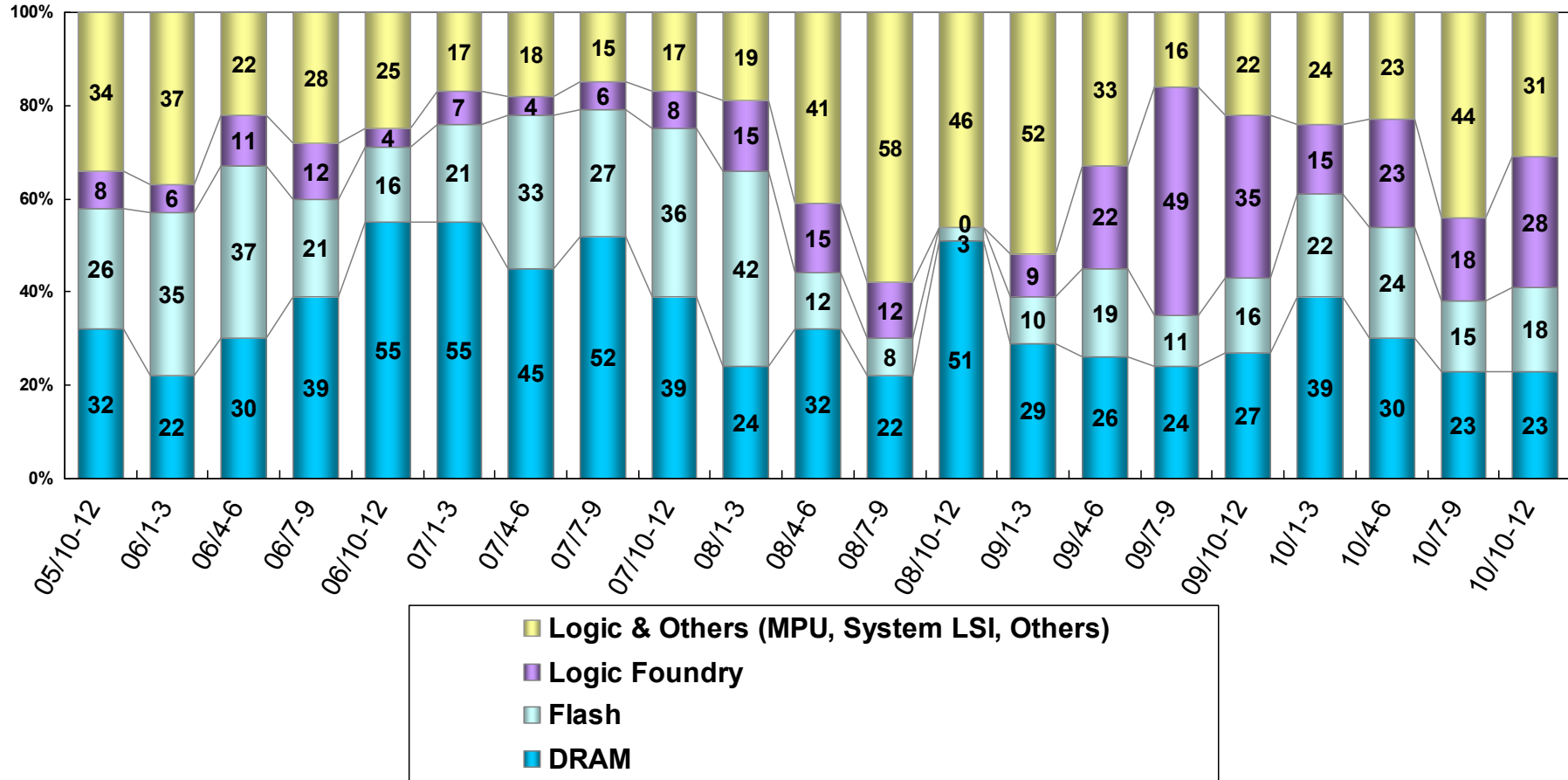
While single-crystal silicon and compound (Cd-Te) currently performing well, good future for thin-film silicon prospected, based on continued improvements in conversion efficiency.



Quarterly SPE+FPD/PVE Orders



SPE Orders by Application (Equipment only)



(TEL estimate)



Next FY: Key Issues

- ▶ **Expand market share of core SPE products**
- ▶ **Strengthen cutting-edge technology development with key customers**
- ▶ **Pursue cost reductions**
- ▶ **Restructure FPD business**
- ▶ **Strengthen 3DI, OLED, and PV businesses**



- **Disclaimer regarding forward-looking statement**

Forecast of TEL's performance and future prospects and other sort of information published are made based on information available at the time of publication. Actual performance and results may differ significantly from the forecast described here due to changes in various external and internal factors, including the economic situation, semiconductor/FPD/PV market conditions, intensification of sales competition, safety and product quality management, and intellectual property-related risks.

- **Processing of numbers**

For the amount listed, because fractions are rounded down, there may be the cases where the total for certain account titles does not correspond to the sum of the respective figures for account titles. Percentages are calculated using full amounts, before rounding.

- **Exchange Risk**

In principle, export sales of Tokyo Electron's mainstay semiconductor and FPD/PV cell production equipment are denominated in yen. While some settlements are denominated in dollars, exchange risk is hedged as forward exchange contracts are made individually at the time of booking. Accordingly, the effect of exchange rates on profits is negligible.

FPD/PV: Flat panel display/Photovoltaic



