

# TOKYO ELECTRON

## 1Q FY2011 Financial Announcement

July 30, 2010

### **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.



**TOKYO ELECTRON**

# 1Q FY2011 Financial Summary

1Q FY2011: April 1, 2010 - June 30, 2010  
FY2011: April 1, 2010 - March 31, 2011

July 30, 2010

- All figures are rounded down to the nearest hundred million yen.
- YoY change (growth) is calculated using full amounts, before rounding.



**TOKYO ELECTRON**

# 1Q FY2011 Financial Summary

## Consolidated Financial Results

(Billions of Yen)

|                          | FY2010                          |                               |                               |                               | FY2011                        |                |
|--------------------------|---------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------|
|                          | 1Q                              | 2Q                            | 3Q                            | 4Q                            | 1Q                            | YoY Change     |
| <b>Net sales</b>         | <b>68.9</b>                     | <b>84.9</b>                   | <b>114.2</b>                  | <b>150.4</b>                  | <b>144.8</b>                  | <b>+110.2%</b> |
| <b>SPE</b>               | <b>30.4</b>                     | <b>51.6</b>                   | <b>76.5</b>                   | <b>103.7</b>                  | <b>103.1</b>                  | <b>+238.9%</b> |
| <b>FPD/PVE</b>           | <b>19.9</b>                     | <b>10.7</b>                   | <b>16.6</b>                   | <b>23.9</b>                   | <b>20.3</b>                   | <b>+1.8%</b>   |
| <b>EC/CN</b>             | <b>18.4</b>                     | <b>22.3</b>                   | <b>21.0</b>                   | <b>22.6</b>                   | <b>21.3</b>                   | <b>+15.6%</b>  |
| <b>Others</b>            | <b>0.0</b>                      | <b>0.1</b>                    | <b>0.0</b>                    | <b>0.1</b>                    | <b>0.0</b>                    | <b>+7.2%</b>   |
| <b>Gross profit</b>      | <b>11.1</b><br><b>(16.3%)</b>   | <b>19.6</b><br><b>(23.1%)</b> | <b>32.2</b><br><b>(28.2%)</b> | <b>45.2</b><br><b>(30.1%)</b> | <b>49.1</b><br><b>(33.9%)</b> | <b>+338.8%</b> |
| <b>SG&amp;A expenses</b> | <b>25.5</b>                     | <b>26.9</b>                   | <b>26.7</b>                   | <b>31.2</b>                   | <b>30.8</b>                   | <b>+5.2B</b>   |
| <b>Operating income</b>  | <b>-14.3</b><br><b>(-20.9%)</b> | <b>-7.2</b><br><b>(-8.5%)</b> | <b>5.5</b><br><b>(4.8%)</b>   | <b>13.9</b><br><b>(9.3%)</b>  | <b>18.3</b><br><b>(12.6%)</b> | <b>+32.7B</b>  |
| <b>Ordinary income</b>   | <b>-14.0</b>                    | <b>-5.1</b>                   | <b>6.5</b>                    | <b>15.1</b>                   | <b>19.0</b>                   | <b>+33.0B</b>  |
| <b>EBIT</b>              | <b>-18.4</b>                    | <b>-7.8</b>                   | <b>3.7</b>                    | <b>14.7</b>                   | <b>19.2</b>                   | <b>+37.6B</b>  |
| <b>Net income</b>        | <b>-11.0</b>                    | <b>-5.1</b>                   | <b>-0.0</b>                   | <b>7.1</b>                    | <b>14.7</b>                   | <b>+25.7B</b>  |

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.

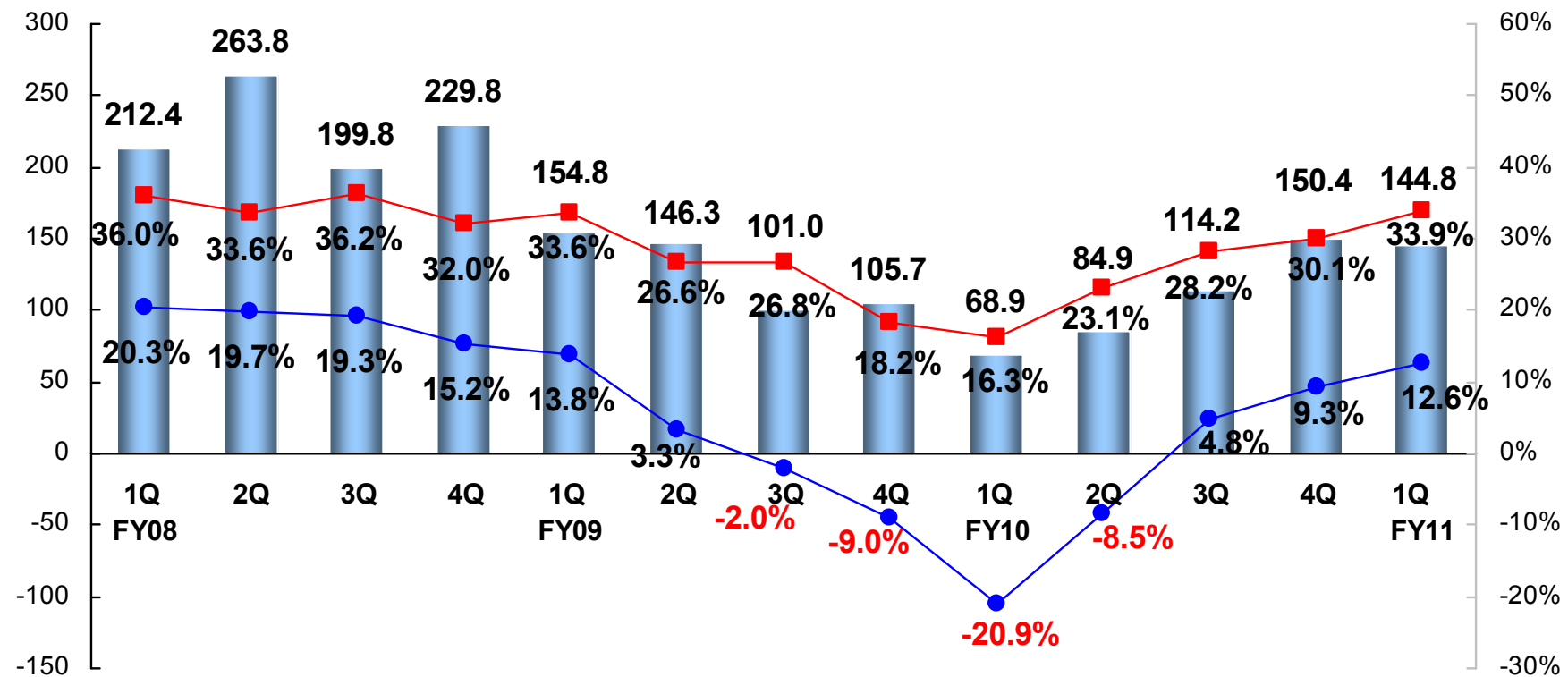
1. SPE: Semiconductor Production Equipment, FPD/PVE: Flat Panel Display and Photovoltaic Cell Production Equipment, EC/CN: Electronic Components and Computer Networks
2. Numbers shown in ( ): profit ratios
3. YoY changes and profit ratios are calculated using full amounts, before rounding.



# 1Q FY2011 Financial Summary

## Net Sales & Profit Ratio

(Billions of Yen)



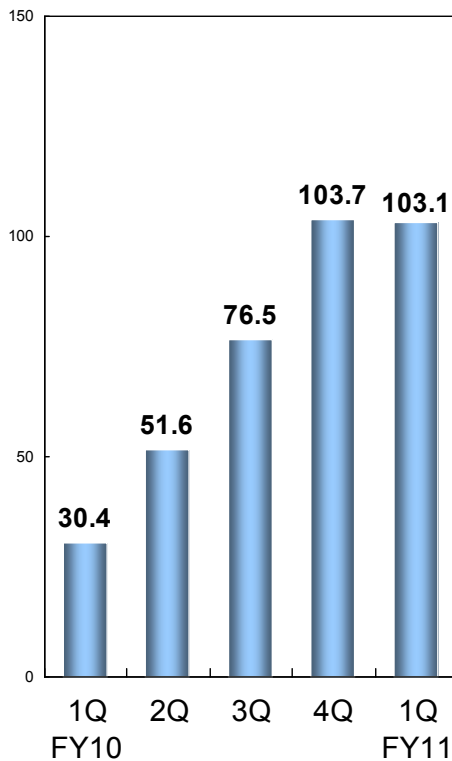
# 1Q FY2011 Financial Summary

## Sales by Division

### SPE Division

(Semiconductor Production Equipment)

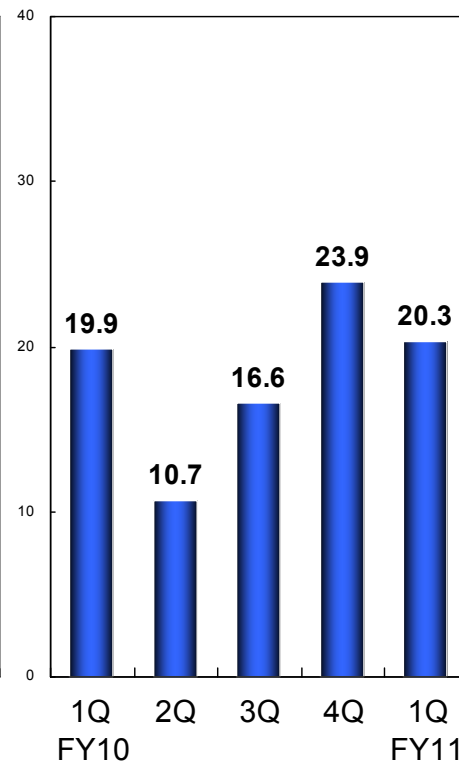
(Billions of Yen)



### FPD/PVE Division

(FPD/PV Cell Production Equipment)

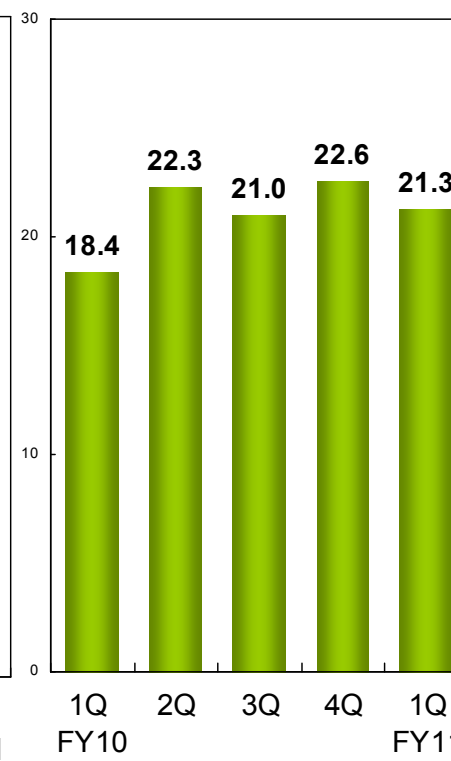
(Billions of Yen)



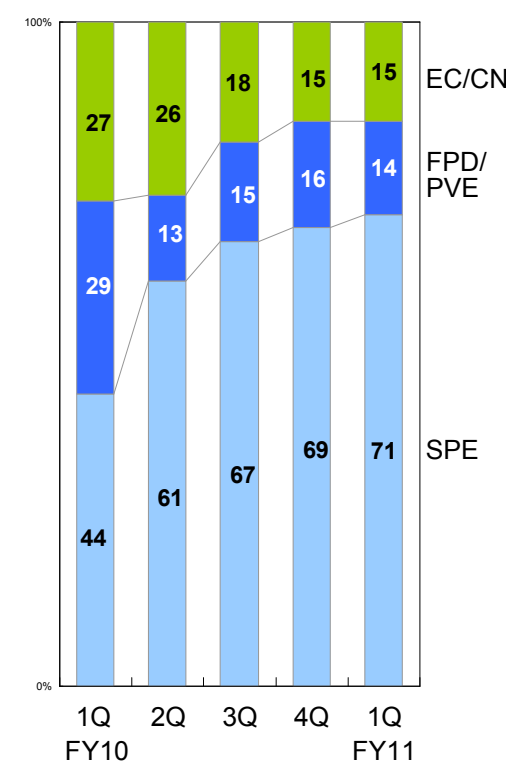
### EC/CN Division

(Electronic Components, Computer Networks)

(Billions of Yen)



### Composition



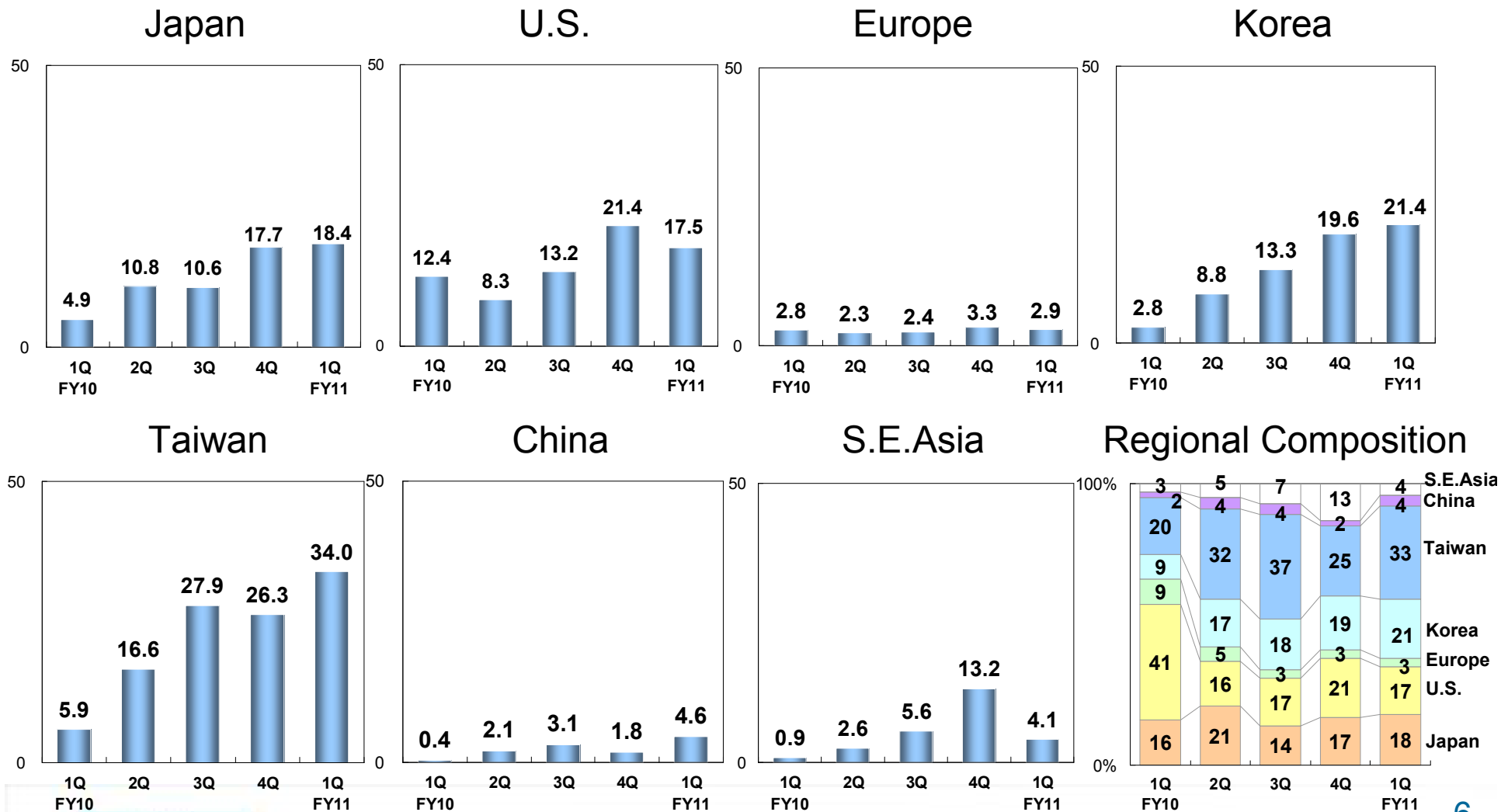
● In addition to the above 3 divisions, there is "Others" division. (FY11/1Q sales of 95 million yen)



# 1Q FY2011 Financial Summary

## SPE Sales by Region

(Billions of Yen)

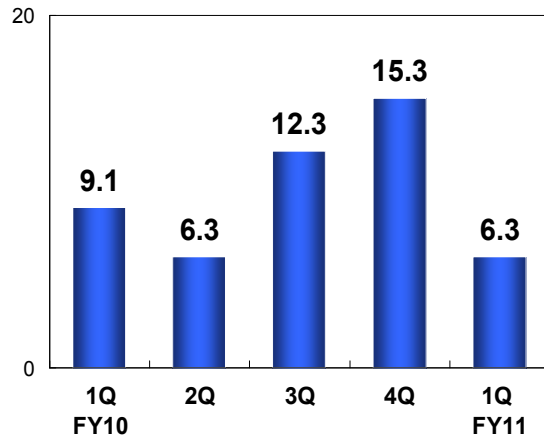


# 1Q FY2011 Financial Summary

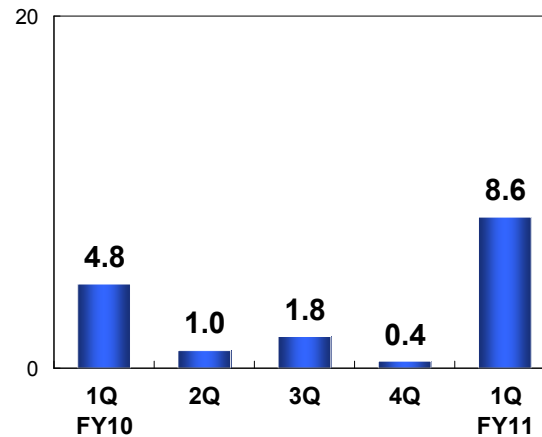
## FPD/PVE Sales by Region

(Billions of Yen)

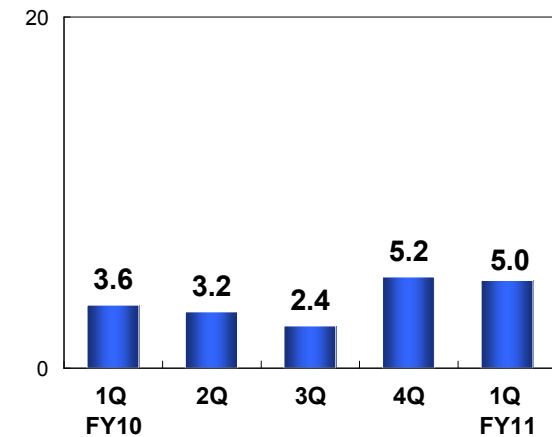
### Japan



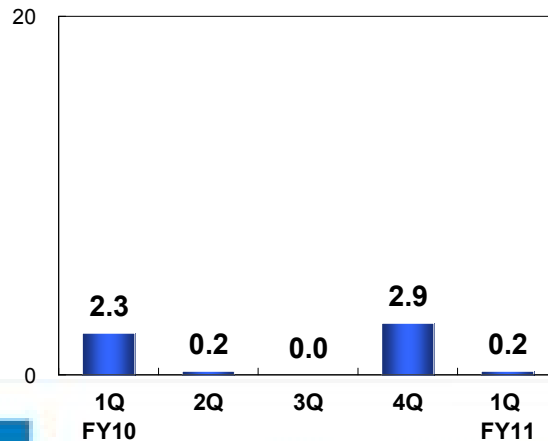
### Korea



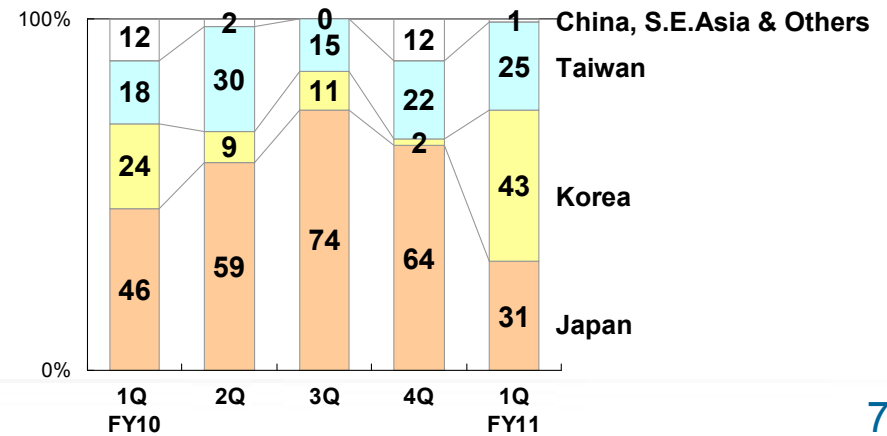
### Taiwan



### China, Southeast Asia & Others

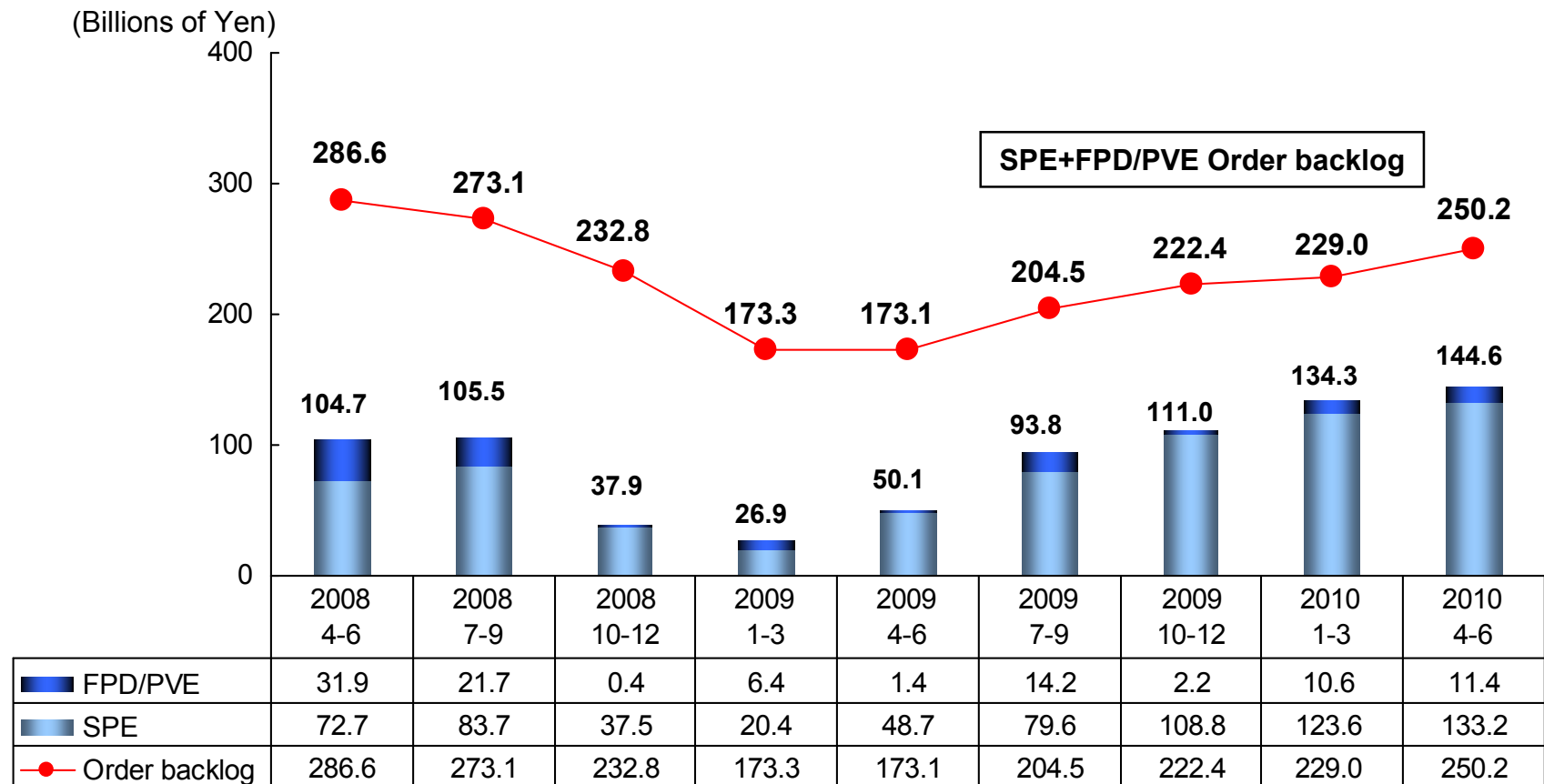


### Regional Composition



## 1Q FY2011 Financial Summary

# SPE+FPD/PVE Orders, Order Backlog



### Order backlog breakdown

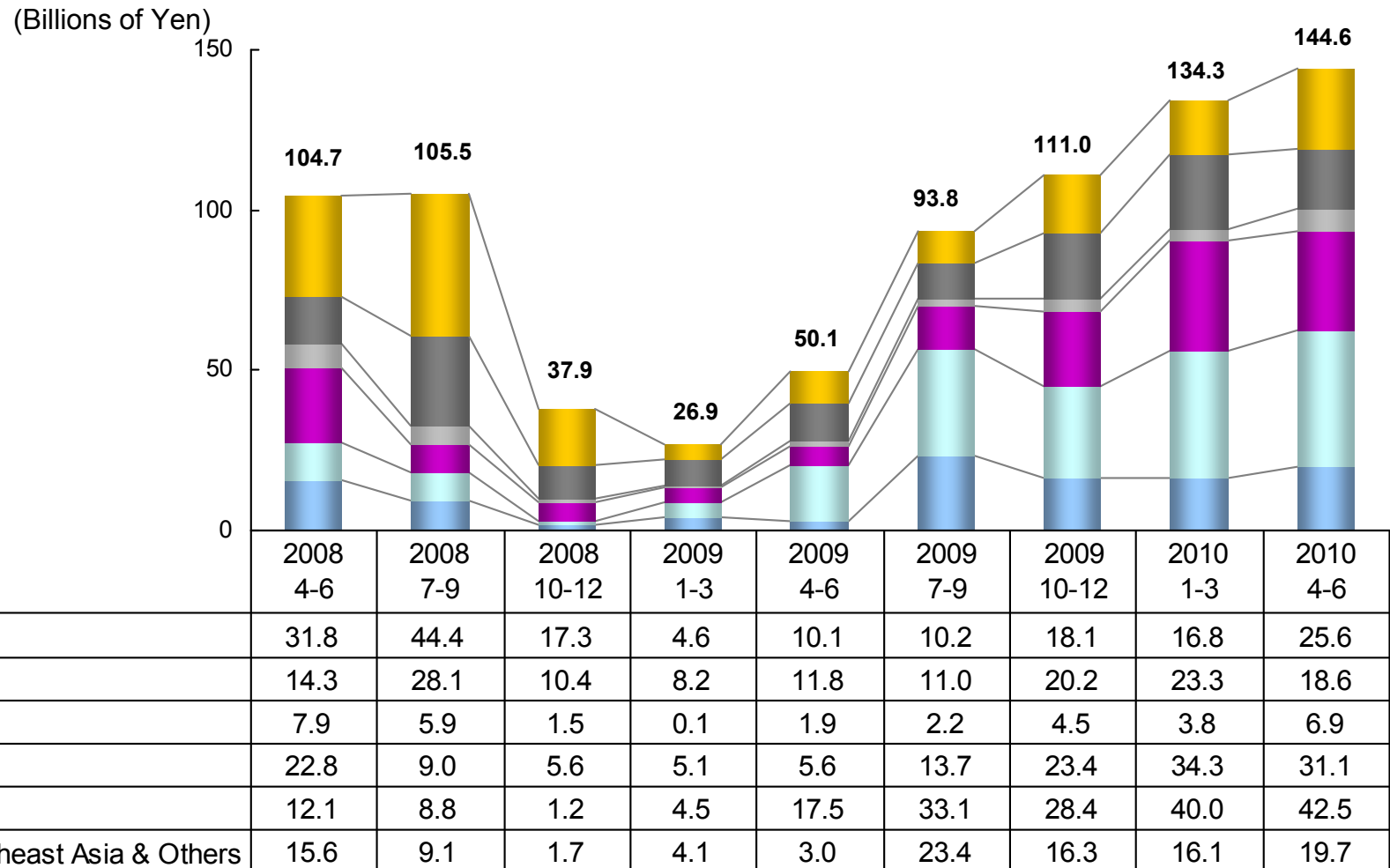
|         |       |       |       |      |      |       |       |       |       |
|---------|-------|-------|-------|------|------|-------|-------|-------|-------|
| FPD/PVE | 141.7 | 140.6 | 120.6 | 99.5 | 81.0 | 84.4  | 70.0  | 56.7  | 47.9  |
| SPE     | 144.8 | 132.5 | 112.2 | 73.7 | 92.0 | 120.0 | 152.3 | 172.3 | 202.3 |





# 1Q FY2011 Financial Summary

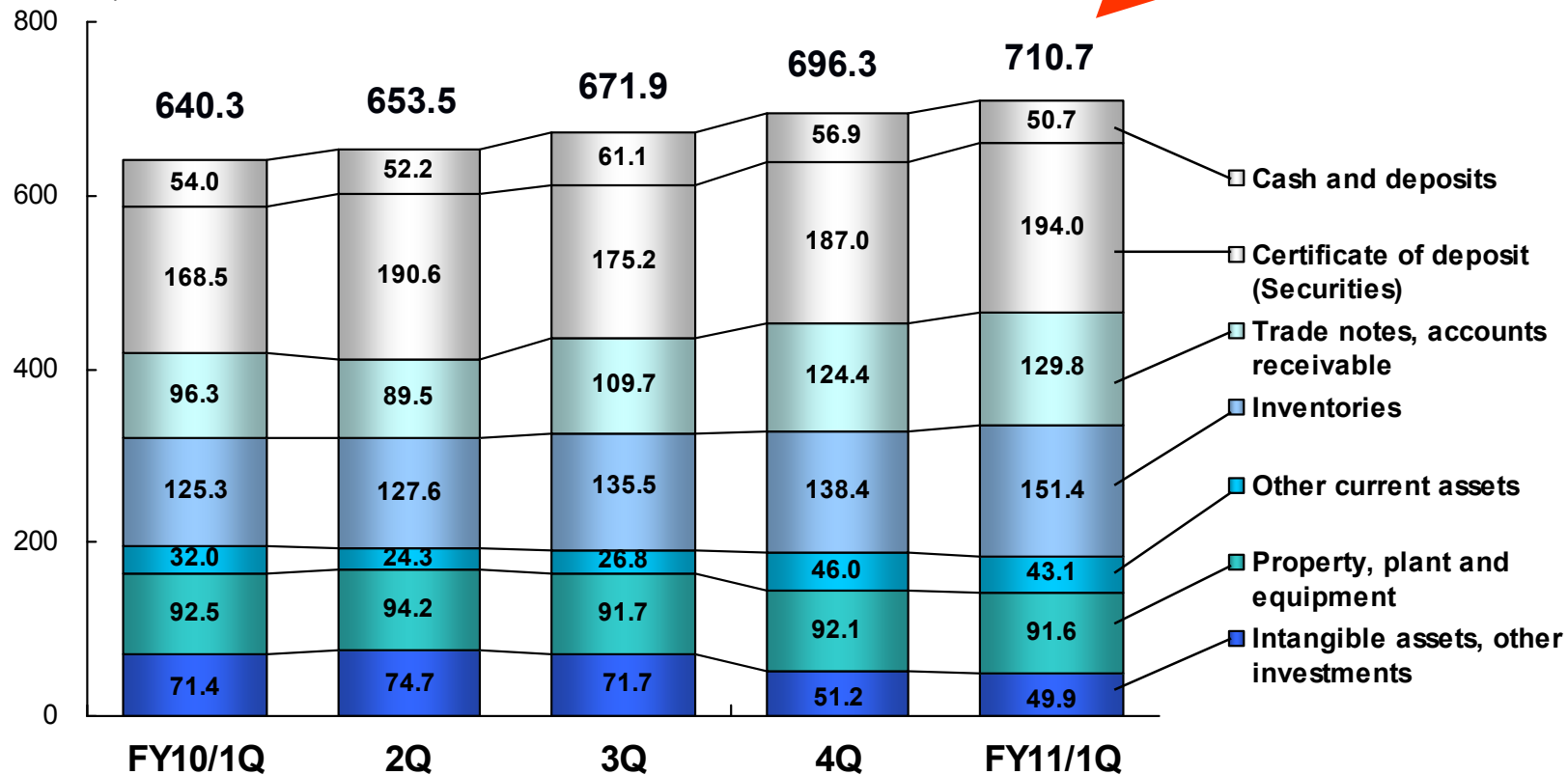
## SPE+FPD/PVE Orders by Region



# 1Q FY2011 Financial Summary

## Assets

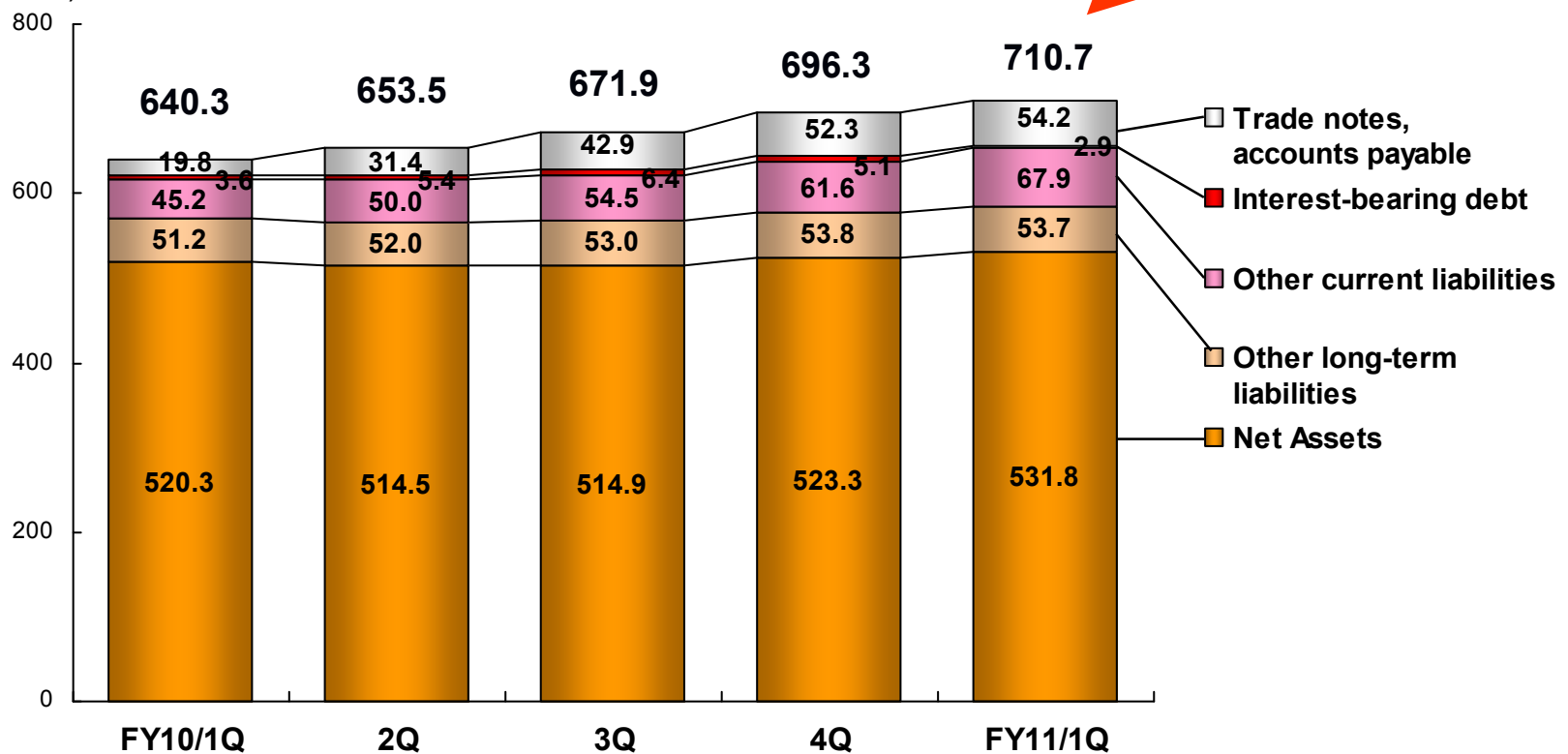
(Billions of Yen)



# 1Q FY2011 Financial Summary

## Liabilities & Net Assets

(Billions of Yen)



### Debt to Equity Ratio

0.7%

1.1%

1.3%

1.0%

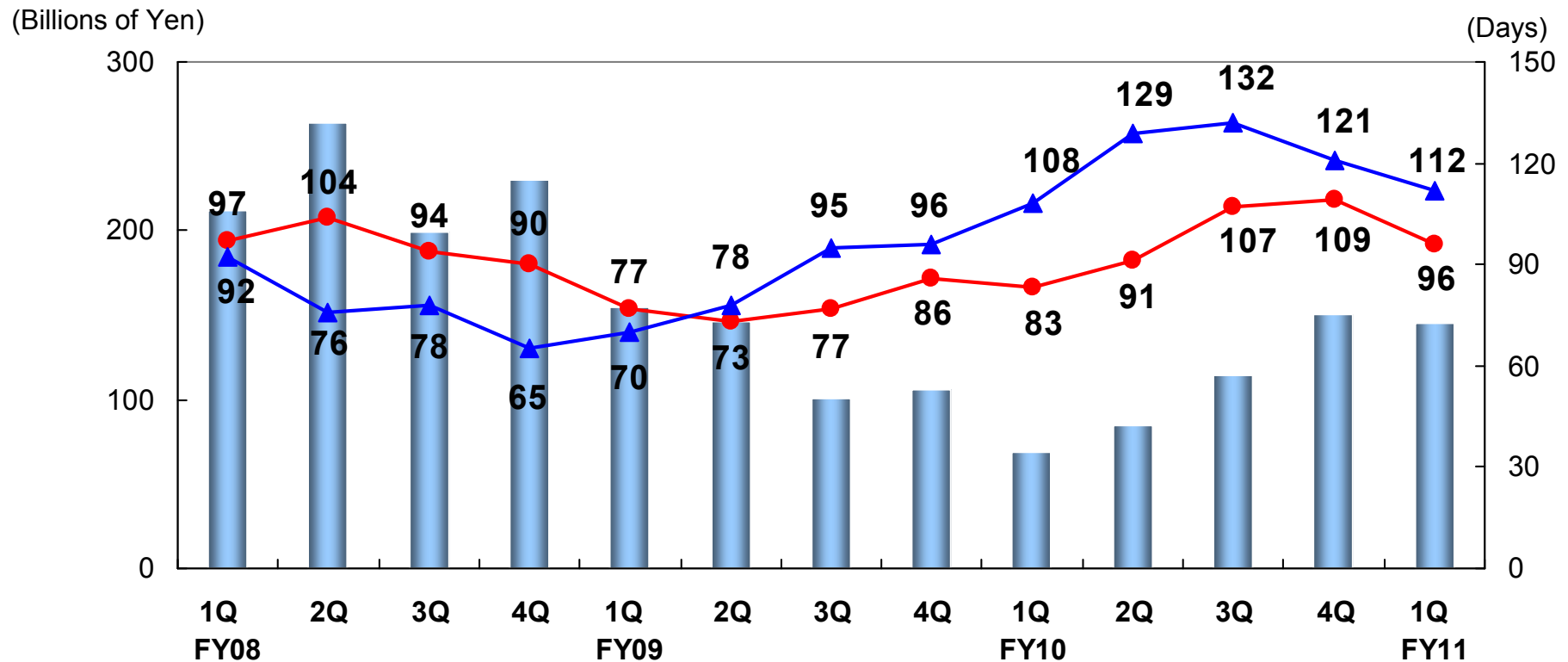
0.6%

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



# 1Q FY2011 Financial Summary

## Inventory Turnover and AR Turnover



● Turnover days = Inventory or AR at the end of each quarter / last 12-month sales x 365



# 1Q FY2011 Financial Summary

## Cash Flow

(Billions of Yen) 

|   |   | FY2010       |              |              |              | FY2011       |
|---|---|--------------|--------------|--------------|--------------|--------------|
|   |   | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           |
| <b>Cash flow from operating activities</b>  |   | <b>14.3</b>  | <b>25.9</b>  | <b>-5.4</b>  | <b>13.3</b>  | <b>9.8</b>   |
|   | Income before income taxes                              | -18.4        | -7.8         | 3.7          | 14.7         | 19.2         |
|   | Depreciation and amortization                           | 4.9          | 4.9          | 5.0          | 5.0          | 3.7          |
|   | Increase in AP, AR and inventories                      | 28.0         | 15.2         | -16.6        | -8.4         | -18.5        |
|   | Others  | -0.1         | 13.5         | 2.4          | 1.9          | 5.4          |
| <b>Cash flow from investing activities</b>  |   | <b>-5.3</b>  | <b>-51.7</b> | <b>59.7</b>  | <b>6.9</b>   | <b>-4.4</b>  |
|   | Payment for purchase of property, plant, equipment, etc | -1.3         | -7.0         | -1.3         | -4.0         | -4.1         |
|   | Others (Time deposits over 3 months, etc)               | -4.0         | -44.7        | 61.1         | 11.0         | -0.3         |
| <b>Cash flow from financing activities</b>  |   | <b>-1.0</b>  | <b>1.9</b>   | <b>0.0</b>   | <b>-1.3</b>  | <b>-3.7</b>  |
|   | Increase in interest bearing debt                       | -0.1         | 1.7          | 0.9          | -1.3         | -2.1         |
|   | Dividends paid  | -0.7         | -            | -0.7         | -            | -1.4         |
|   | Others  | -0.1         | 0.1          | -0.1         | 0.0          | -0.1         |
| Effect of exchange rate changes on cash and cash equivalents                          |   | 0.6          | -0.3         | -0.0         | 0.0          | -0.9         |
| <b>Net increase in cash and cash equivalents</b>                                      |   | <b>8.6</b>   | <b>-24.1</b> | <b>54.3</b>  | <b>19.1</b>  | <b>0.7</b>   |
| Cash and cash equivalents at beginning of term  |   | 65.8         | 74.5         | 50.4         | 104.8        | 123.9        |
| Cash and cash equivalents at end of term  |   | 74.5         | 50.4         | 104.8        | 123.9        | 124.7        |
| <b>Reference; Cash and deposits at end of term (certificate of deposits included)</b> |   | <b>222.5</b> | <b>242.9</b> | <b>236.3</b> | <b>243.9</b> | <b>244.7</b> |



# 1Q FY2011 Financial Summary

## Segment Information

(Billions of Yen)

|   | Reportable Segment |              |             | Others       | Eliminations | Consolidated Total |
|---|--------------------|--------------|-------------|--------------|--------------|--------------------|
|   | SPE                | FPD/PVE      | EC/CN       |              |              |                    |
| <b>Sales</b>                                | <b>103.1</b>       | <b>20.3</b>  | <b>21.5</b> | <b>3.6</b>   | <b>-3.7</b>  | <b>144.8</b>       |
| <b>Segment Income</b><br><b>(EBIT base)</b> | <b>22.3</b>        | <b>2.7</b>   | <b>0.4</b>  | <b>0.6</b>   | <b>-6.8</b>  | <b>19.2</b>        |
| <b>Segment Profit Margin</b>                | <b>21.6%</b>       | <b>13.7%</b> | <b>1.9%</b> | <b>17.1%</b> | <b>-</b>     | <b>13.3%</b>       |

The reportable segments by the company provide separate financial information pertaining to the various segments of the company, which is reviewed periodically by the management to evaluate corporate performance as well as make decisions about the allocation of management resources.

1. The "Others" segment includes all other businesses which are not included in the reported business segments, such as the transportation of products, etc. of the Tokyo Electron Group companies, equipment leasing and insurance, etc.
2. The eliminations of segment income amounting to 6.8 billion yen includes corporate expenses pertaining to the corporate account which are not allocated to any specific reportable segments. The corporate account expenses are mainly R&D expenses of 4.9 billion yen, pertaining to fundamental research and element research conducted by the company not related to any of the reportable segments.
3. Segment income is adjusted against quarterly net income before taxes in the quarterly consolidated income statement.
4. Profit ratios are calculated using full amounts, before rounding.

