Business Environment

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Quarterly SPE+FPD/PVE Orders

- Figures until Oct-Dec/05 are non-consolidated, figures from Jan-Mar/06 are consolidated.
- Main difference between consolidated and non-consolidated: Consolidated figures include post-sales orders at overseas subsidiaries.

**10-12/09**
- SPE 108.8 (+37%)
- FPD/PVE 2.2 (-84%)
- Total: 111.0 (+18%)

((): change from 7-9/09
SPE Orders by Application
(Equipment only)
Business Environment in 2010

▶ SPE capex
Continued positive order-booking environment, due to strong consumers demand and reaction to capex reductions in 2009
- NAND: Solid smartphone–related demand, 3xnm capacity investment expected
- DRAM: Major customers expanding scaling investment in 4xnm
- Logic/Foundry: Fab utilization increased, investment in 40nm/32nm continuing

▶ FPD capex
Investment in new fab lines driven by sustained boom in Chinese demand for TVs.

▶ PV capex
Uncertainty still remains, but expecting recovery of capex later this year along with global economic upturn
Restart Plans for New Miyagi Plant

Shorten development/production period of leading-edge etch systems

- Integrate development and mass production functions
- Aim to maximize productivity through supply chain and logistics enhancement
- Secure latest technology and top-class engineers through academic-industrial collaboration

<table>
<thead>
<tr>
<th>Location:</th>
<th>Taiwa Research Park, Miyagi, Japan</th>
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<tr>
<td>Area:</td>
<td>290,569 m²</td>
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<tr>
<td>Construction:</td>
<td>Start summer 2010, complete spring 2011 at earliest</td>
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<td>Total investment:</td>
<td>25 billion yen</td>
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Tokyo Electron Technology Development Institute, Inc. in Sendai City, Miyagi, Japan
Summary

- Expecting larger-scale capex by memory customers, and better business environment

- Further reduced forecast deficit for FY2010 full year, due to increasing sales and good progress on cost cut program. Forecasting 2nd half operating income to turn positive

- Decided to start construction of new Miyagi plant, aiming to strengthen development and mass production functions for leading-edge products