

TOKYO ELECTRON

1H FY2008 Financial Announcement

November 13, 2007

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 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. Round applies for percentage calculations.



1H FY2008 Financial Summary

1H FY2008: April 1, 2007 - September 30, 2007
FY2008: April 1, 2007 - March 31, 2008

November 13, 2007



1H FY2008 Financial Summary

Consolidated Financial Results

(Billions of Yen)

	FY2007 1H	FY2008 1H	YoY change	FY2008 1H (11 May, estimate)	Variance
Net Sales	390.5	476.3	85.8 22.0%	445.0	31.3
SPE	283.9	379.2	95.3 33.6%	354.0	25.2
FPD	52.5	43.6	-8.9 -17.1%	40.0	3.6
EC/CN	53.5	53.2	-0.2 -0.4%	50.5	2.7
Others	0.5	0.2	-0.3 -56.5%	0.5	-0.2
Gross Profit	119.3 (30.6%)	165.3 (34.7%)	45.9 38.5%	-	-
SG&A Expense	61.1 (15.7%)	70.3 (14.8%)	9.2 15.1%	-	-
Operating Income	58.2 (14.9%)	95.0 (19.9%)	36.7 63.1%	77.0 (17.3%)	18.0
Ordinary Income	58.2 (14.9%)	95.7 (20.1%)	37.5 64.6%	79.0 (17.8%)	16.7
EBIT	58.4 (15.0%)	98.2 (20.6%)	39.7 67.9%	79.0 (17.8%)	19.2
Net Income	37.2 (9.5%)	62.4 (13.1%)	25.2 67.8%	50.0 (11.2%)	12.4

() Profit ratio

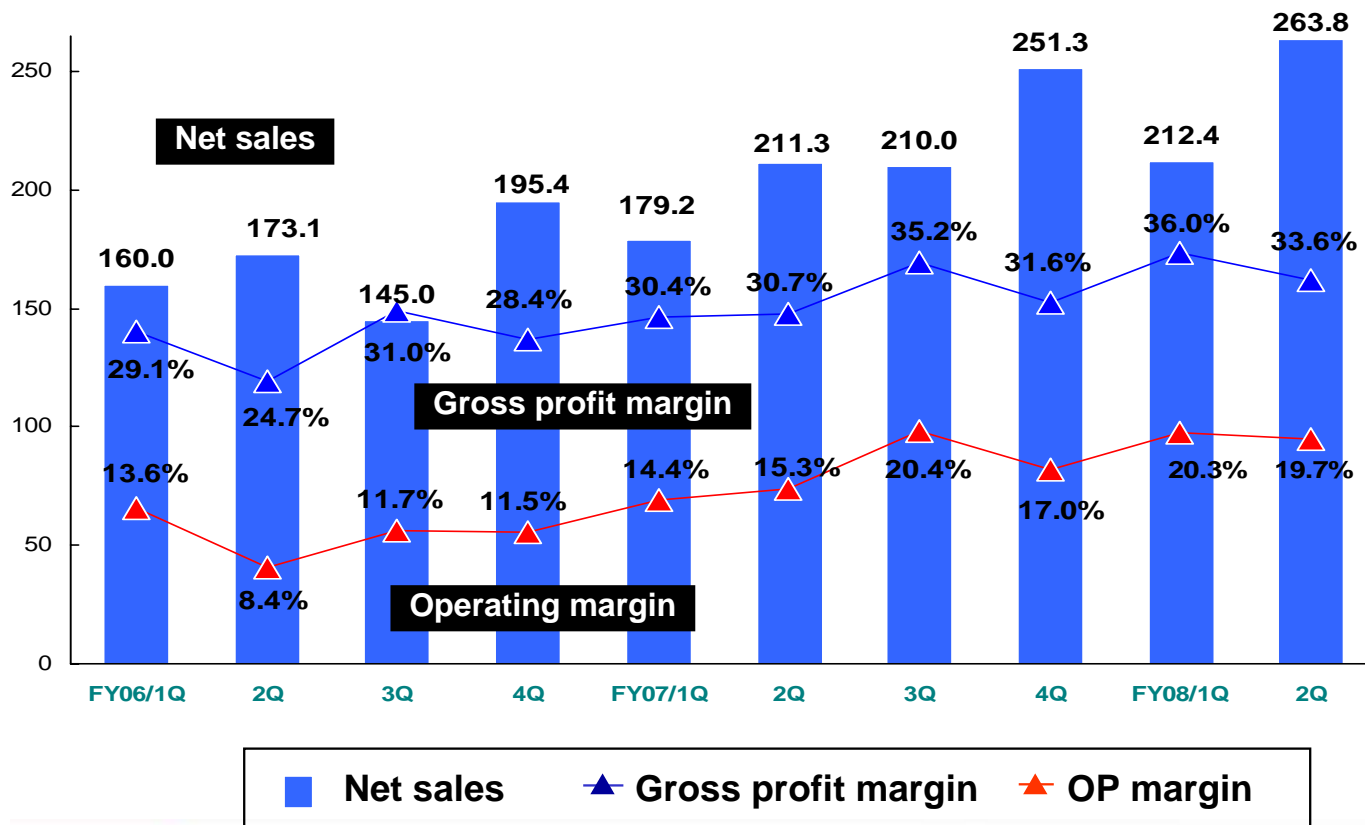
SPE: Semiconductor Production Equipment, FPD: Flat Panel Display Production Equipment,
EC/CN: Electronic Components and Computer Network



1H FY2008 Financial Summary

Net Sales & Profit Ratio

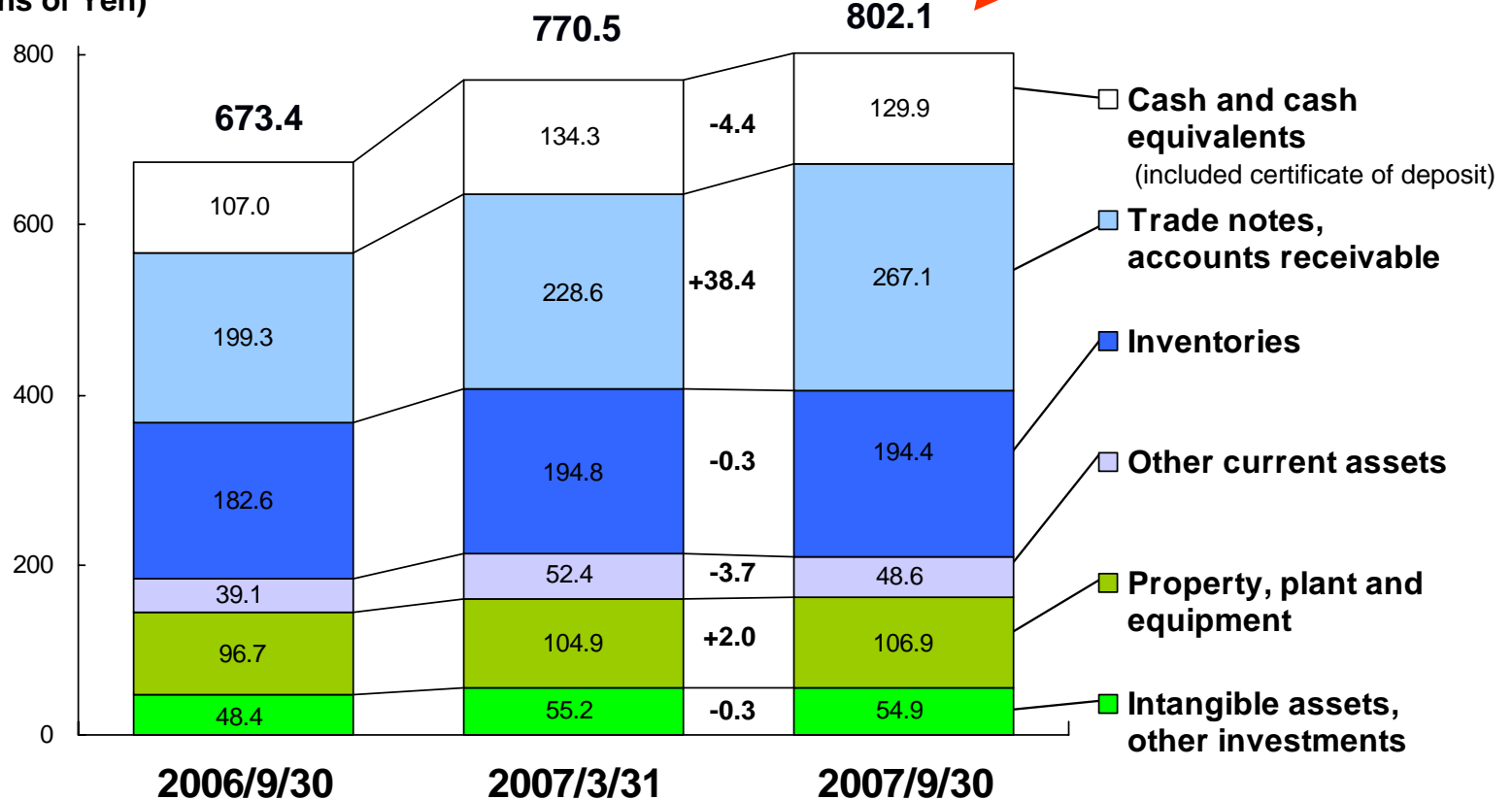
(Billions of Yen)



1H FY2008 Financial Summary

Assets

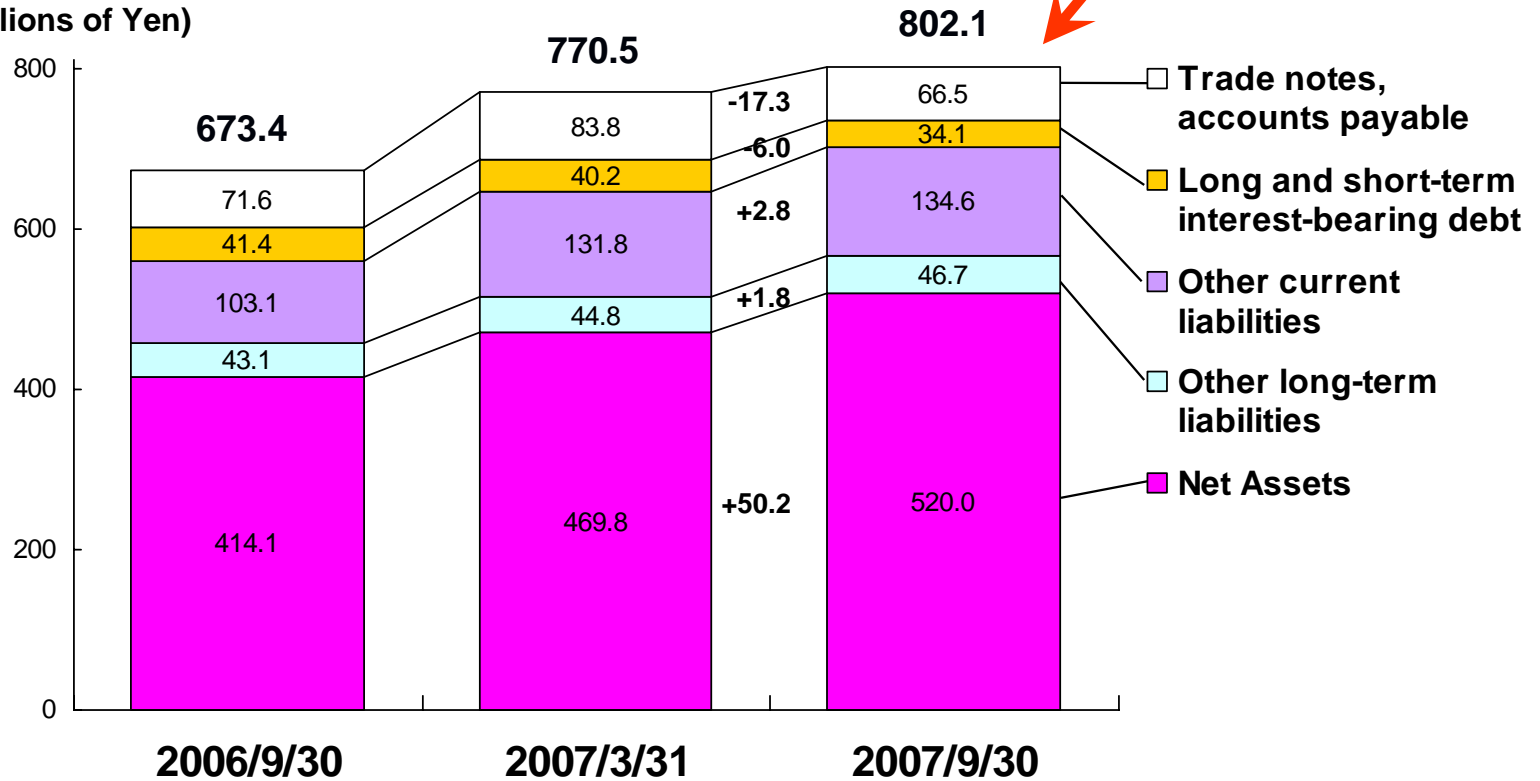
(Billions of Yen)



1H FY2008 Financial Summary

Liabilities & Net Assets

(Billions of Yen)



Debt to Equity	10.1%	8.7%	6.7%
-----------------------	--------------	-------------	-------------

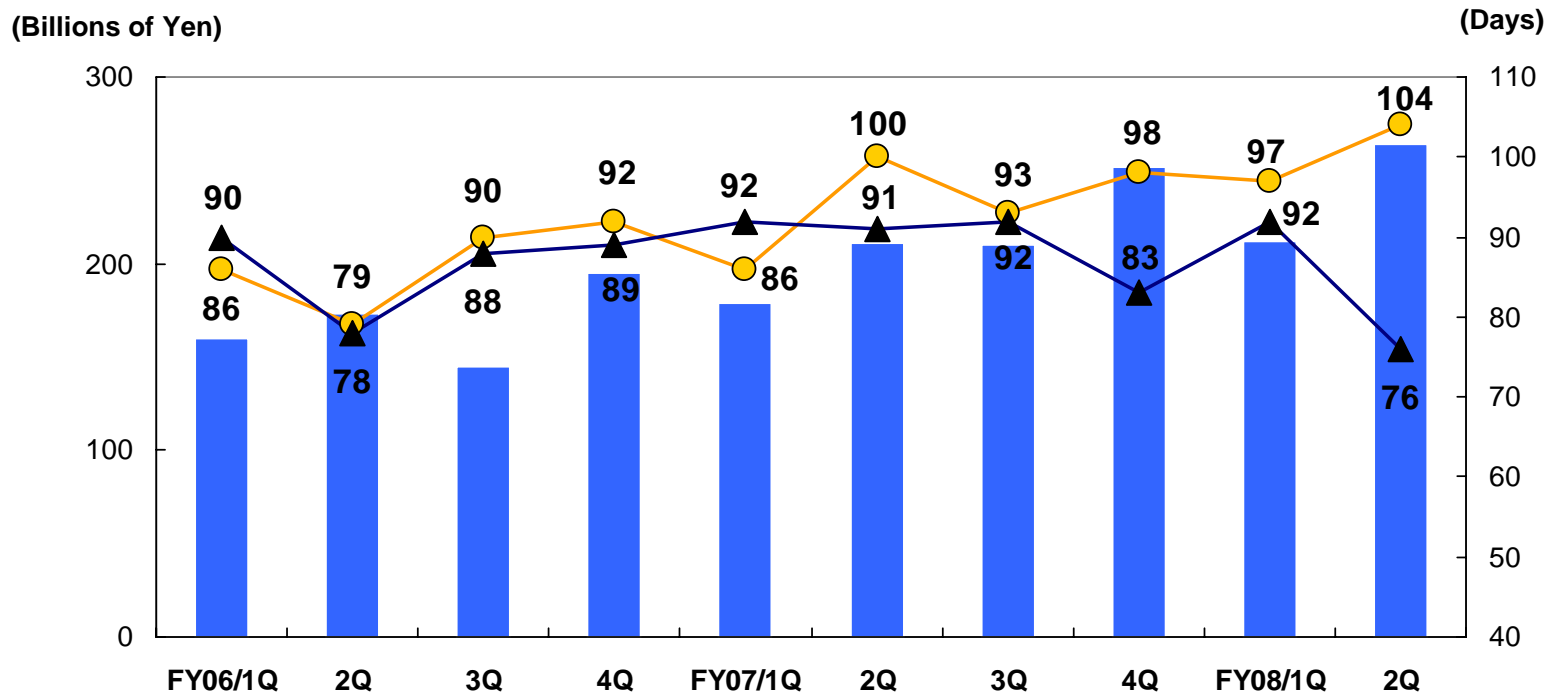
● Equity = Net Assets – (Subscription rights to shares + Minority interests)



1H FY2008 Financial Summary

Inventory Turnover and AR Turnover

■ Net sales
 ● Accounts receivable turnover
 ▲ Inventory turnover



- Turnover days = Inventory or AR at the end of each quarter / 12-month moving-average sales x 365
- For calculating turnovers for 1Q/FY2006, "6 months sales (1H/FY2005) on a basis of new accounting policy x 1/2" is used as a figure for 2Q/FY2005 sales.



1H FY2008 Financial Summary

Cash Flow

(Billions of Yen)

	FY2007 1H 6months	FY2008 1H 6months	FY2007 Full year (Reference)
Cash flow from operating activities	4.4	20.5	54.2
Income before income taxes	58.4	98.2	144.4
Depreciation and amortization	8.8	9.8	18.8
AR/Inventories/AP/Customer advances	- 47.2	-43.1	-85.1
Tax paid	- 23.1	-44.1	-37.7
Others	7.6	-0.1	14.0
Cash flow from investing activities	- 39.4	-8.5	-25.2
Payment for purchase of property, plant, equipment, etc	- 9.1	-8.2	-26.5
Others	- 30.2	-0.2	1.2
Cash flow from financing activities	- 28.0	-16.3	-34.7
Decrease in interest-bearing debt	- 23.6	-6.1	-24.9
Dividends paid	- 5.3	-10.9	-12.8
Others	0.9	0.6	3.0
Net increase in cash and cash equivalents	- 62.9	-4.4	-5.6
Cash and cash equivalents at end of term	77.0	129.9	134.3

Free cash flow is 12 billion yen positive (5 billion yen negative in FY2007 1H*)

*After adjustment of 30 billion yen payment into time deposits 8



1H FY2008 Financial Summary

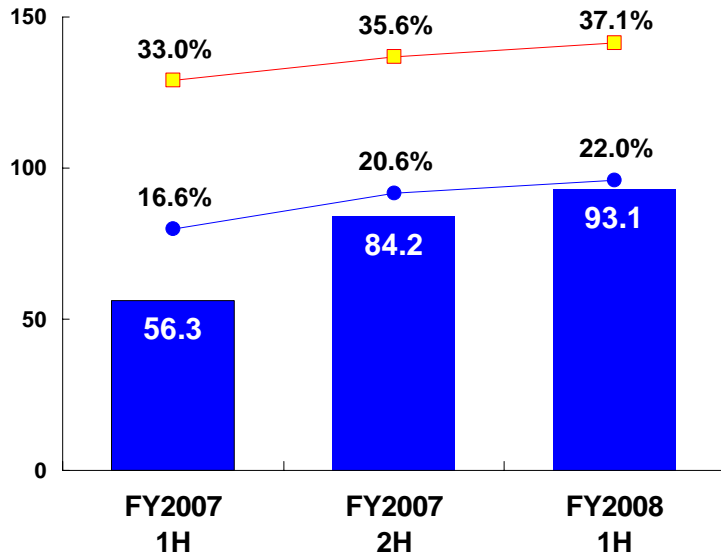
Segment Information by Business Type

Operating income/Operating margin

Industrial electronic equipment

(SPE, FPD, other)

(Billions of Yen)

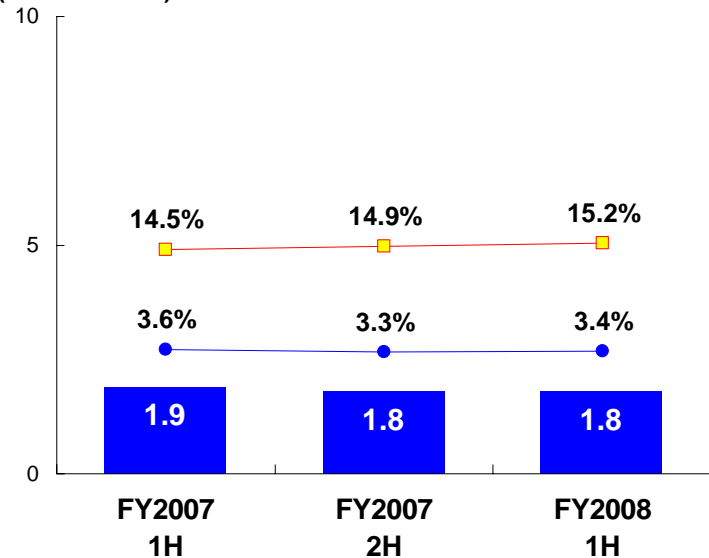


■ Operating income ● Operating margin
■ Gross margin

Electronic components & Computer network

(Electronic components, Computer network)

(Billions of Yen)



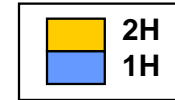
■ Operating income ● Operating margin
■ Gross margin

- Segment gross margin is provided for reference.
- Computer network division has been transferred to "Electronic components & Computer networks" segment from FY2007 2H. Data of FY2007 1H is provided by new segment definition.

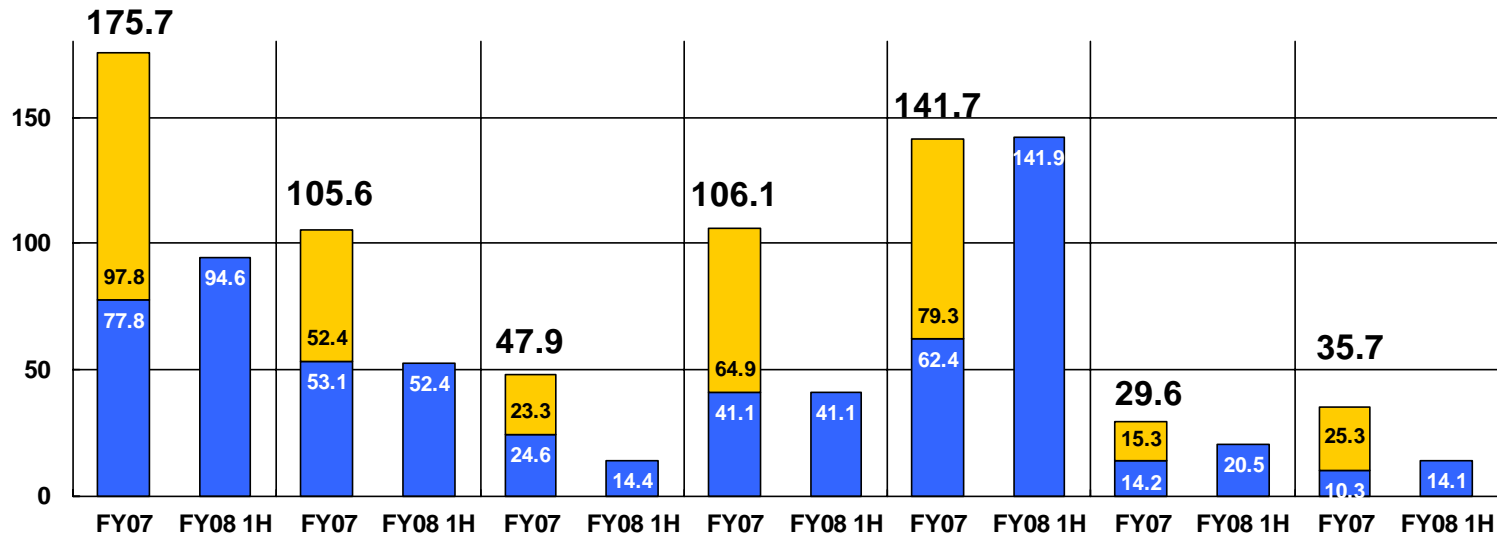
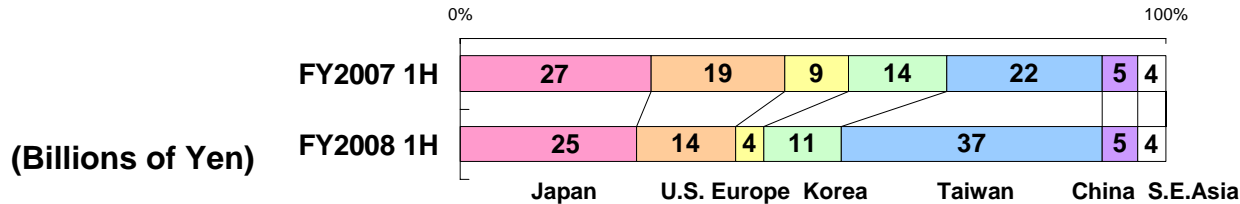


1H FY2008 Financial Summary

SPE Sales by Region



FY2007 1H 283.9 bil yen
FY2008 1H 379.2 bil yen



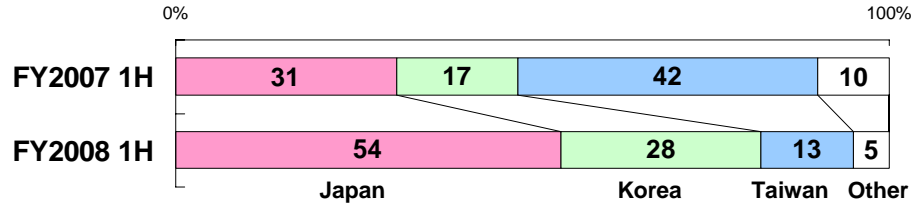
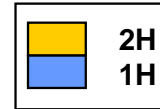
1H/FY08 vs 1H/FY07

Region	U.S.	Europe	Korea	Taiwan	China	S.E.Asia
Japan	22%	-41%	0%	127%	44%	36%



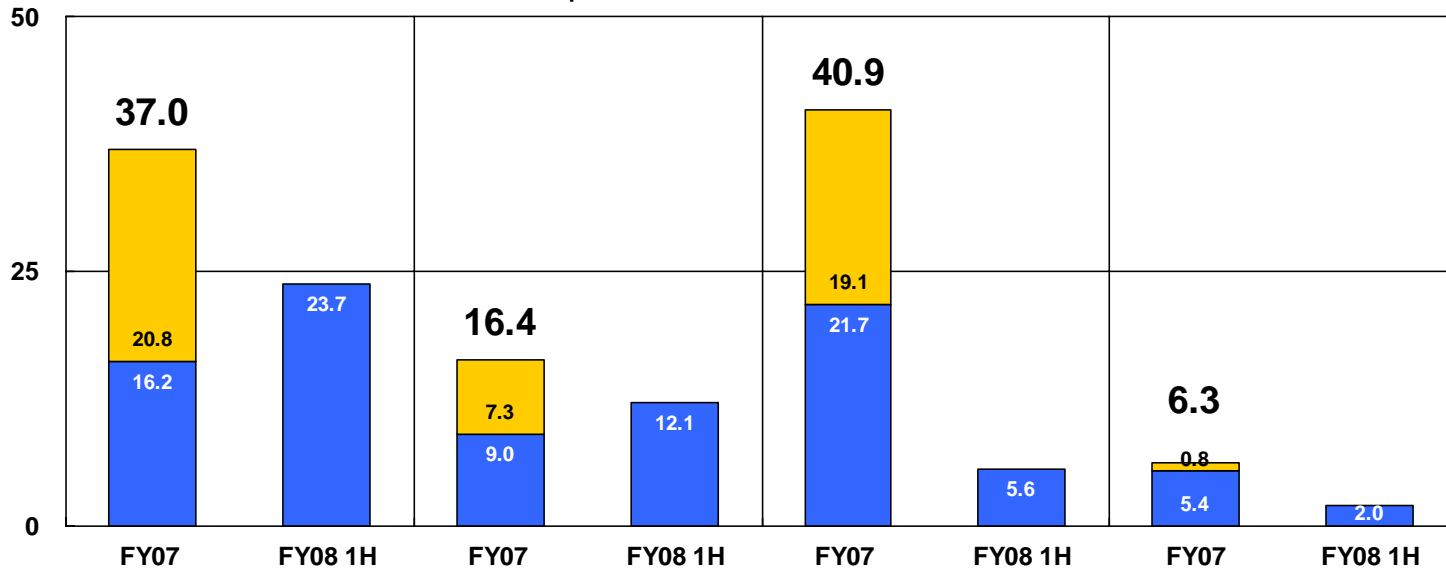
1H FY2008 Financial Summary

FPD Sales by Region



FY2007 1H 52.5 bil yen
FY2008 1H 43.6 bil yen

(Billions of Yen)



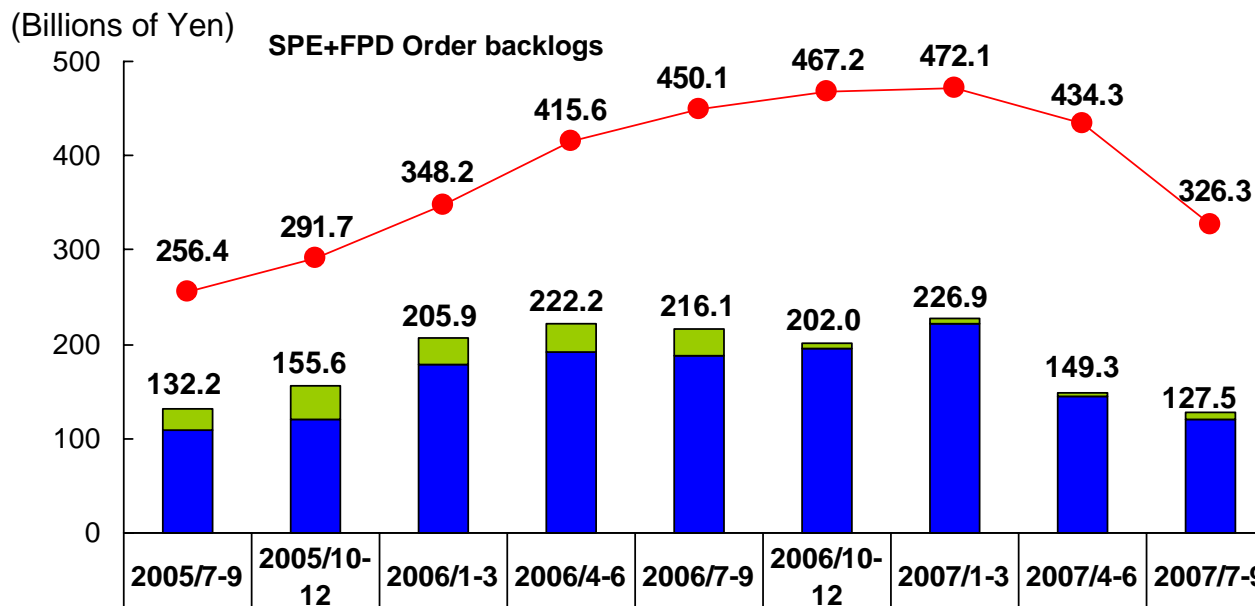
1H/FY08 vs 1H/FY07

Region	Japan	Korea	Taiwan	Other area
Change (%)	46%	34%	-74%	-62%



1H FY2008 Financial Summary

SPE+FPD Orders, Order Backlog



FPD Production Equipment	24.0	34.4	27.7	29.6	27.5	5.5	4.2	4.1	7.3
SPE	108.1	121.1	178.2	192.6	188.6	196.4	222.7	145.2	120.2
Order backlog	256.4	291.7	348.2	415.6	450.1	467.2	472.1	434.3	326.3

Order backlog breakdown

FPD	74.8	92.7	99.0	99.7	103.6	83.1	65.2	47.9	33.1
SPE	181.6	199.0	249.1	315.8	346.4	384.1	406.9	386.4	293.1

●Orders and order backlog are on a consolidated basis from 2006/1-3 quarter.



Quarterly Results



1H FY2008 Financial Summary

Consolidated Financial Results

(Billions of Yen)

	FY2007				FY2008			
	3Q		4Q		1Q		2Q	
Net Sales	210.0		251.3		212.4		263.8	
Gross Profit	73.9	35.2%	79.3	31.6%	76.5	36.0%	88.7	33.6%
SG&A Expense	31.0	14.8%	36.4	14.6%	33.5	15.7%	36.8	13.9%
Operating Income	42.9	20.4%	42.8	17.0%	43.0	20.3%	51.9	19.7%
Ordinary Income	42.1	20.0%	43.6	17.4%	41.1	19.4%	54.6	20.7%
EBIT	42.1	20.0%	43.7	17.4%	42.4	20.0%	55.7	21.1%
Net Income	26.9	12.8%	27.0	10.8%	26.1	12.3%	36.2	13.7%

R&D Expenses	13.3	16.4	14.8	17.0
Capex	9.3	8.1	7.0	5.7
Depreciation	4.8	5.1	4.6	5.1

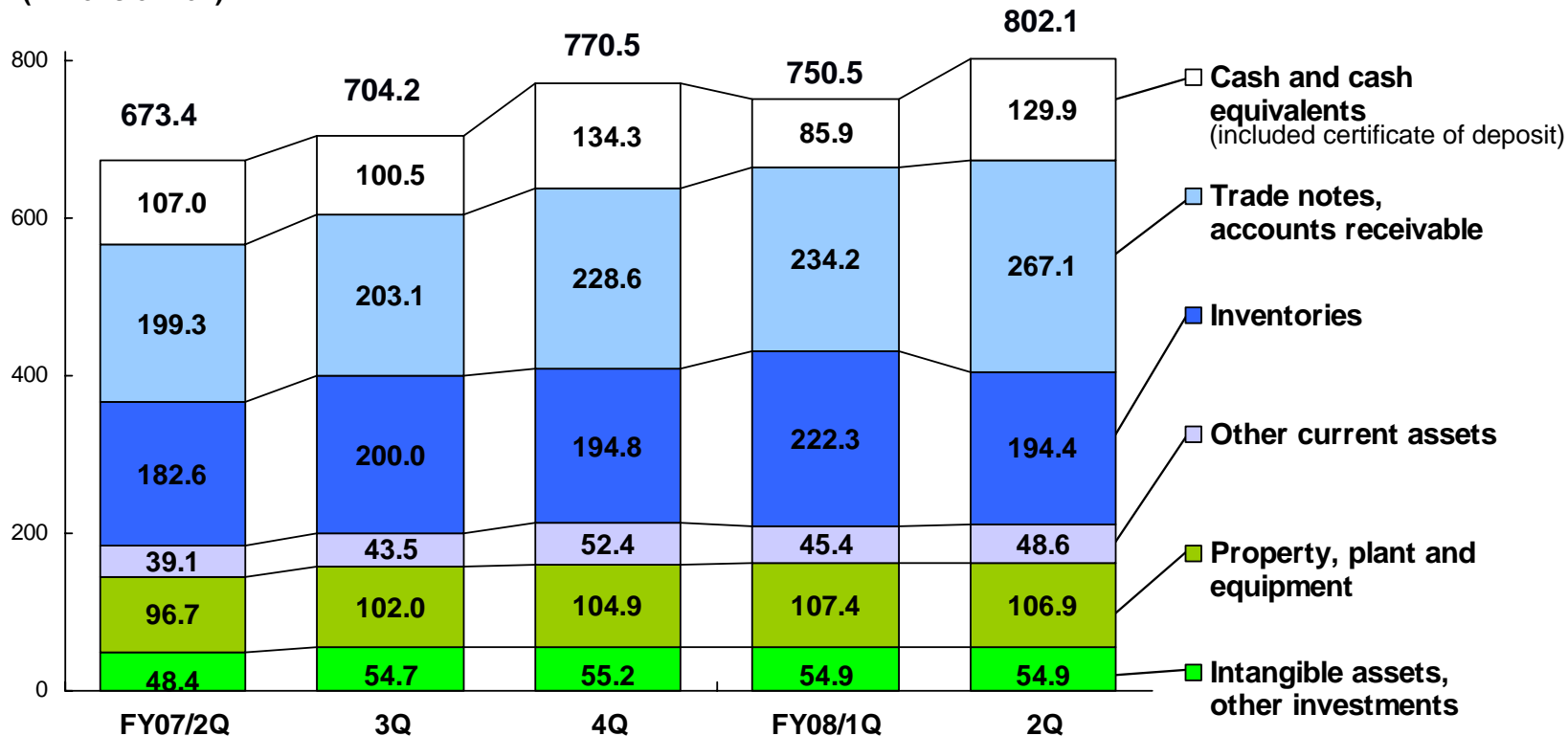
Right column: Ratio to Net Sales



1H FY2008 Financial Summary

Assets

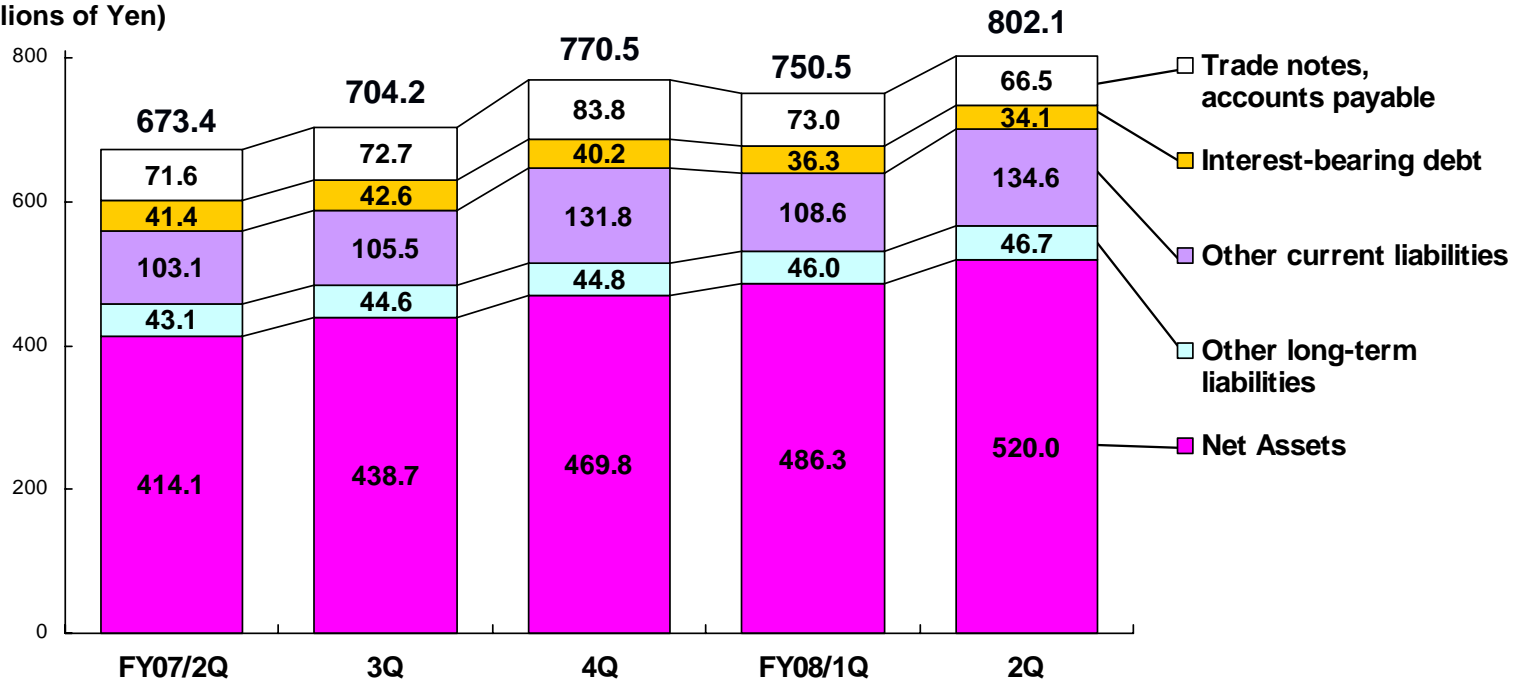
(Billions of Yen)



1H FY2008 Financial Summary

Liabilities & Net Assets

(Billions of Yen)



Debt to Equity Ratio

10.1%

9.9%

8.7%

7.6%

6.7%

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



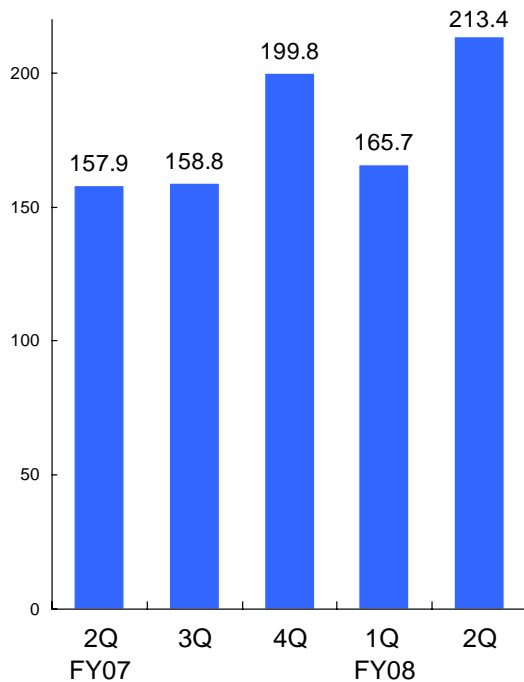
1H FY2008 Financial Summary

Sales by Division

SPE Division

(Semiconductor Production Equipment)

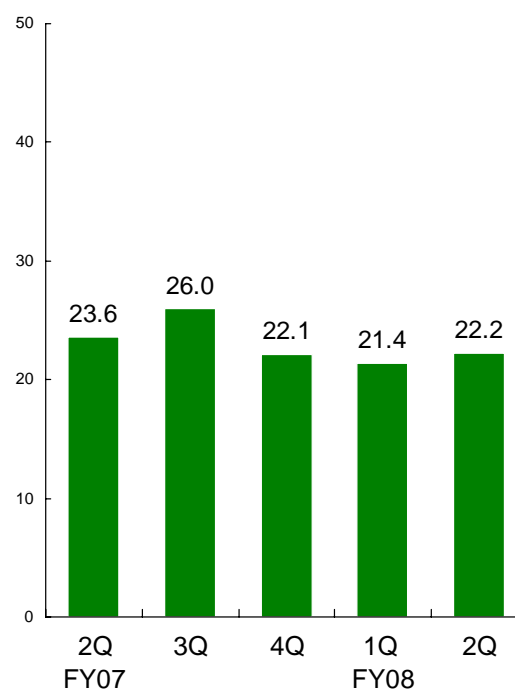
(Billions of Yen)



FPD Division

(FPD Production Equipment)

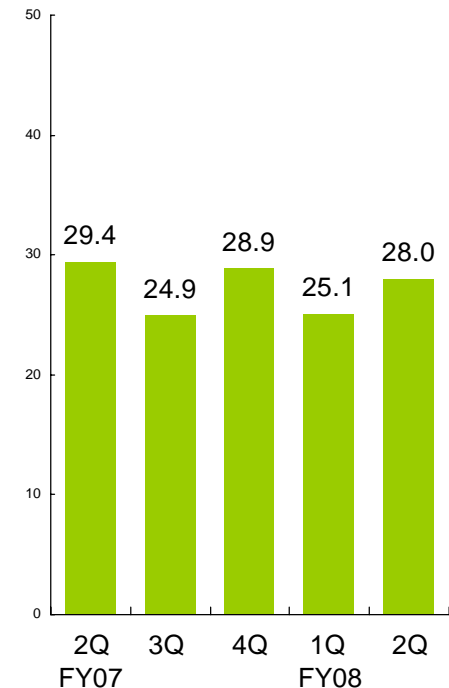
(Billions of Yen)



EC/CN Division

(Electronic components/Computer network)

(Billions of Yen)



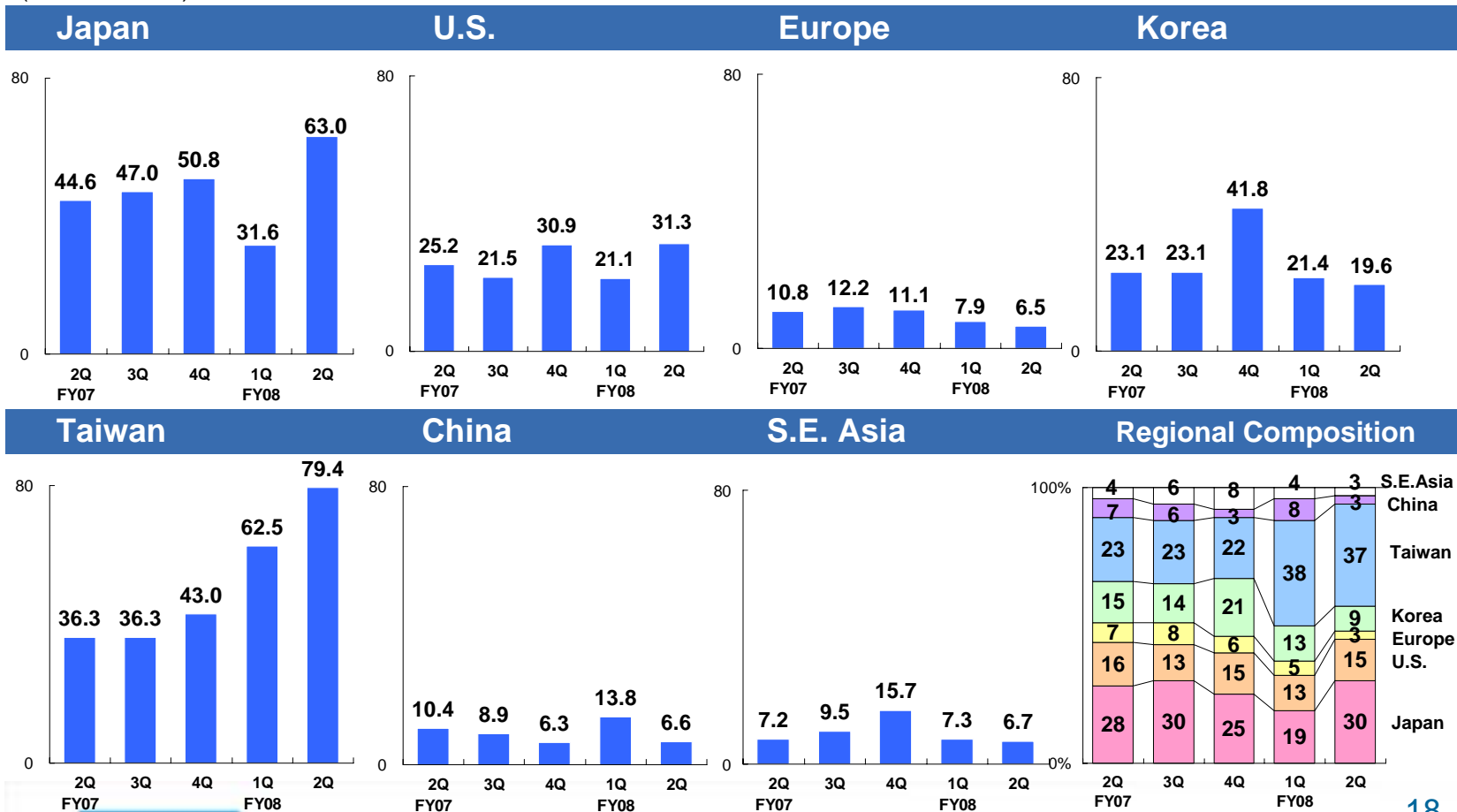
- In addition to the above 3 divisions, there is "Others" division. (2Q sales of 0.1 billion yen)



1H FY2008 Financial Summary

SPE Sales by Region

(Billions of Yen)

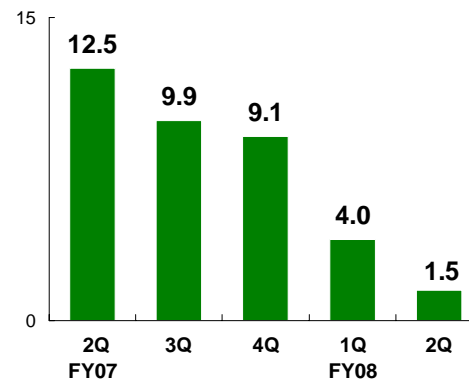
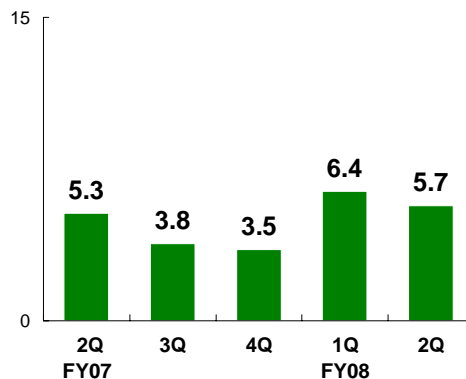
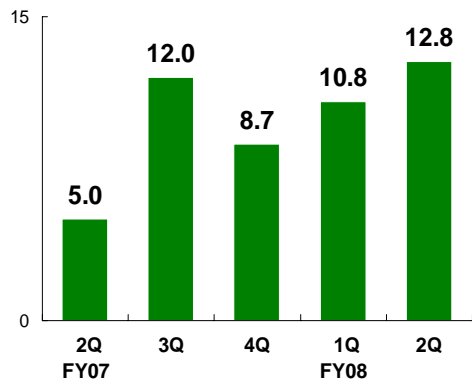


1H FY2008 Financial Summary

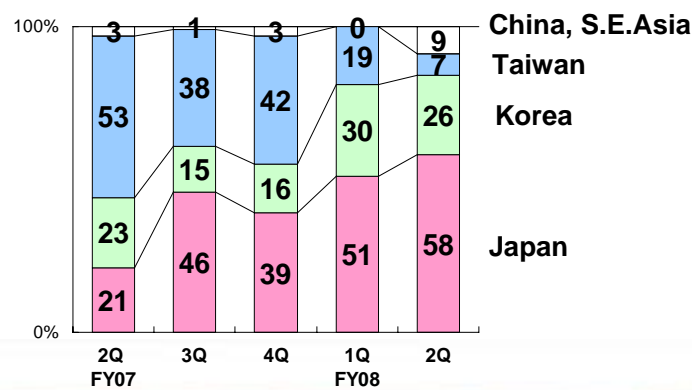
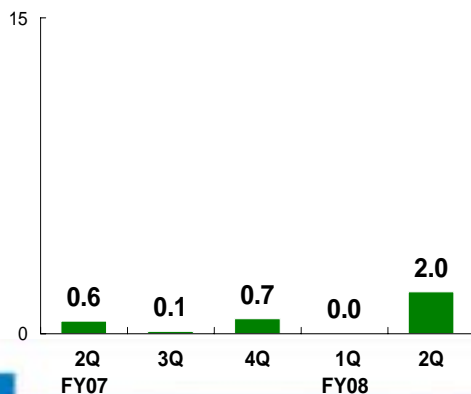
FPD Equipment Sales by Region

(Billions of Yen)

Japan Korea Taiwan



China, Southeast Asia & Other Regional Composition



1H FY2008 Financial Summary

Cash Flow

(Billions of Yen)

	FY2007				FY2008	
	1Q	2Q	3Q	4Q	1Q	2Q
Cash flow from operating activities	3.8	0.6	13.3	36.4	-29.5	50.0
Cash flow from investing activities	-4.2	-35.1	14.6	-0.5	-4.6	-3.9
Cash flow from financing activities	-9.3	-18.6	- 4.6	-1.9	-14.2	-2.1

Net increases in cash and cash equivalents	-9.7	-53.1	23.5	33.8	-48.4	43.9
--	------	-------	------	------	-------	------

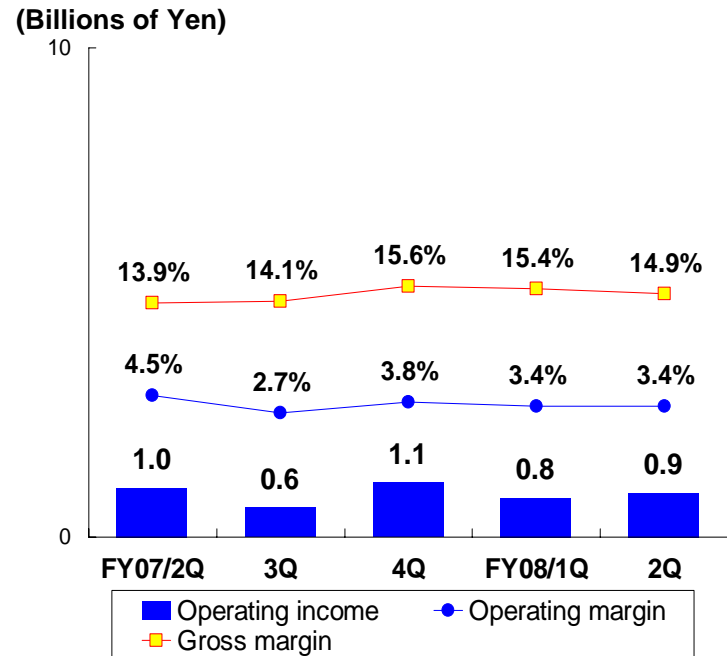
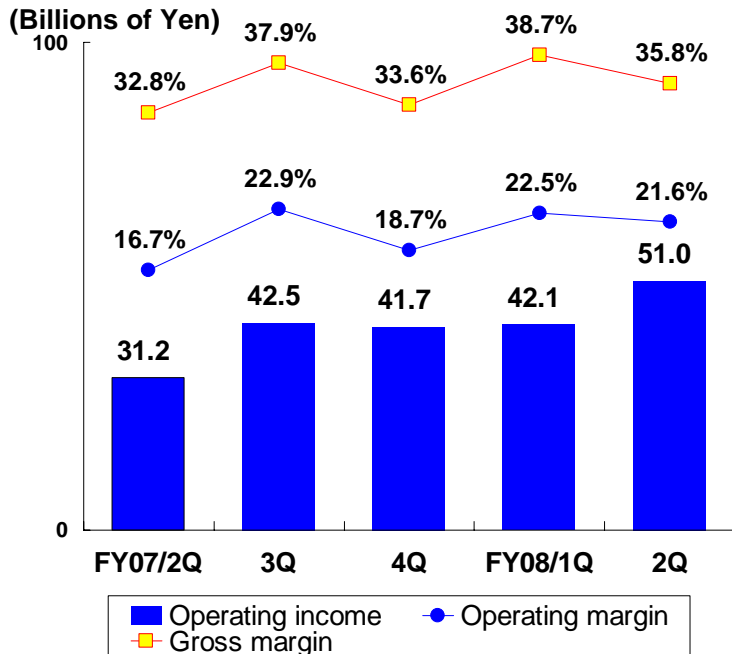
Cash and cash equivalents at end of term	130.2	77.0	100.5	134.3	85.9	129.9
--	-------	------	-------	-------	------	-------



Segment Information by Business Type

Industrial electronic equipment
(SPE, FPD, other)

Electronic components & Computer network
(Electronic components, Computer network)



- Segment gross margin is provided for reference.
- Data of FY2007 2Q is provided by previous segment definition.

