

Established in 1963, Tokyo Electron (TEL) is a world-leading supplier of semiconductor production equipment (SPE) and related services for the semiconductor industry. The Company develops, manufactures and markets a broad lineup of products, including oxidation/diffusion/LP-CVD systems, metal CVD and PVD systems, coater/developers, spin-on dielectric (SOD) coaters, etch systems, cleaning systems, wafer probers and wafer-level burn-in & test systems.

Tokyo Electron also uses its accumulated expertise in SPE to develop, manufacture and market coater/developers and etch/ash systems for the manufacture of TFT-LCD panels. Most of the Company's semiconductor and TFT-LCD production systems hold the leading share in their respective markets.

Tokyo Electron also maintains a strong presence as a distributor, providing a wide array of semiconductor production systems, storage area network and Internet related products for broadband solutions, and electronic components in Japan from other leading suppliers.

With a network spanning 13 countries on three continents, Tokyo Electron provides superior products and services to its customers, and superior returns to its shareholders.

C O N T E N T S

1	Financial Highlights
2	To Our Shareholders
5	Interview with President Tetsuro Higashi
9	People. Technology. Commitment.
16	Review of Operations
20	Management's Discussion and Analysis
24	Board of Directors, Statutory Auditors and Corporate Senior Staff
25	Financial Section
36	Corporate Directory
37	Investor Information

Forward-Looking Statements

This publication contains forward-looking statements based on projections and estimates that involve many variables. Tokyo Electron operates in an extremely competitive business environment and in an industry characterized by rapid changes in technology and supply-demand balance. Certain risks and uncertainties could cause the Company's results to differ materially from any projections and estimates presented in this publication.