

TOKYO ELECTRON

2Q FY2009 Financial Announcement

October 31, 2008

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.



2Q FY2009 Financial Summary

1H FY2009: April 1, 2008 - September 30, 2008
2Q FY2009: July 1, 2008 - September 30, 2008
FY2009: April 1, 2008 - March 31, 2009



2Q FY2009 Financial Summary

Consolidated Financial Results

(Billions of Yen)

	FY2008 1H	FY2009 1H	YoY change	FY2009 1H (8 August, estimate)	Variance
Net Sales	476.3	301.2	-175.1 -36.8%	301.5	-0.2
SPE	379.2	208.7	-170.5 -45.0%	206.8	1.9
FPD	43.6	40.1	-3.4 -7.8%	41.0	-0.8
EC/CN	53.2	52.1	-1.1 -2.2%	53.5	-1.3
Others	0.2	0.2	-0.0 -14.4%	0.2	0.0
Gross Profit	165.3 (34.7%)	91.0 (30.2%)	-74.3 -44.9%	-	-
SG&A Expense	70.3 (14.8%)	64.7 (21.5%)	-5.5 -7.9%	-	-
Operating Income	95.0 (19.9%)	26.2 (8.7%)	-68.7 -72.3%	22.5 (7.5%)	3.7
Ordinary Income	95.7 (20.1%)	28.9 (9.6%)	-66.8 -69.8%	25.0 (8.3%)	3.9
EBIT	98.2 (20.6%)	28.6 (9.5%)	-69.5 -70.8%	25.0 (8.3%)	3.6
Net Income	62.4 (13.1%)	17.3 (5.8%)	-45.1 -72.2%	15.0 (5.0%)	2.3

() Profit ratio

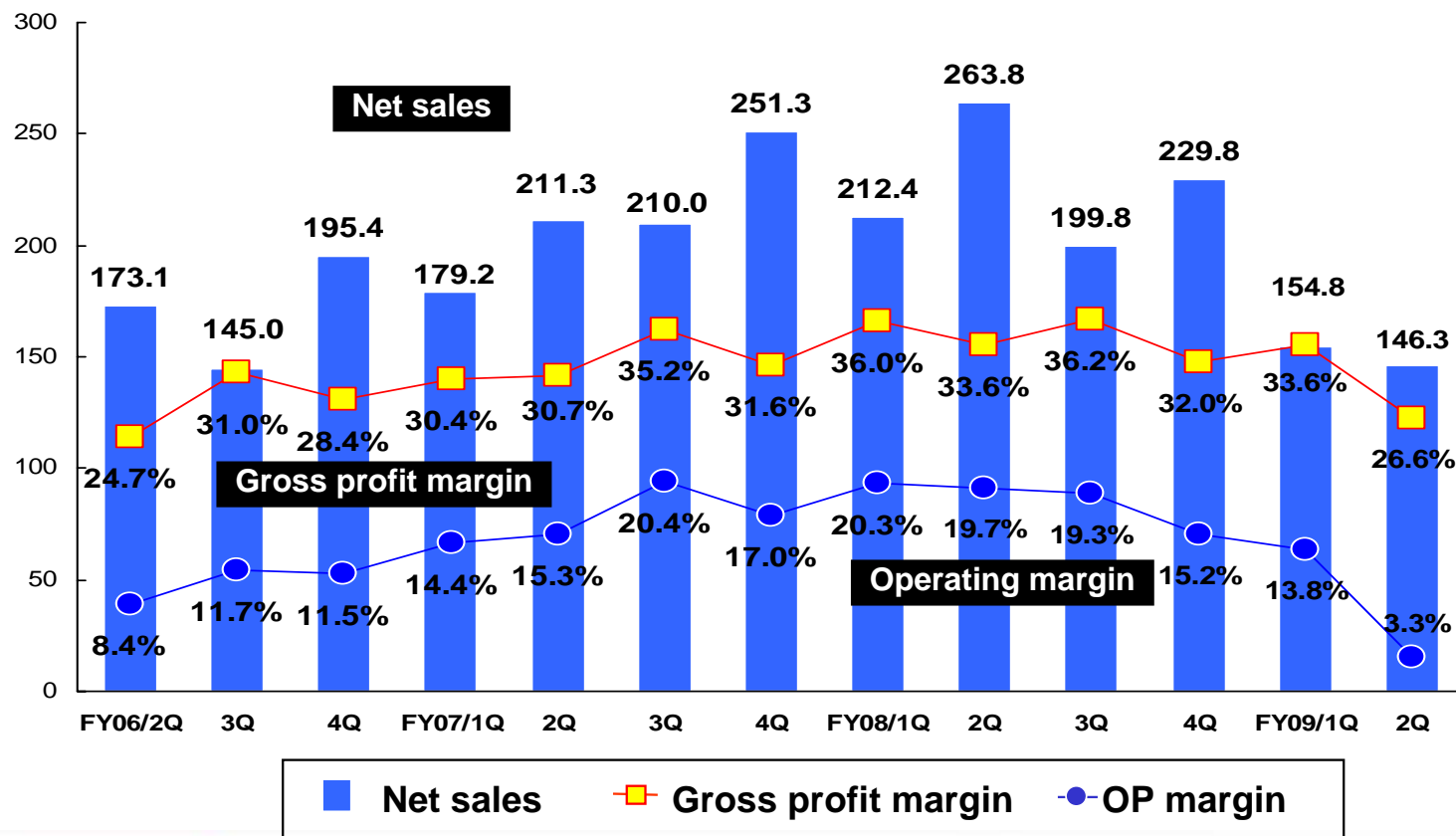
SPE: Semiconductor Production Equipment, FPD: Flat Panel Display Production Equipment,
EC/CN: Electronic Components and Computer Networks



2Q FY2009 Financial Summary

Net Sales & Profit Ratio

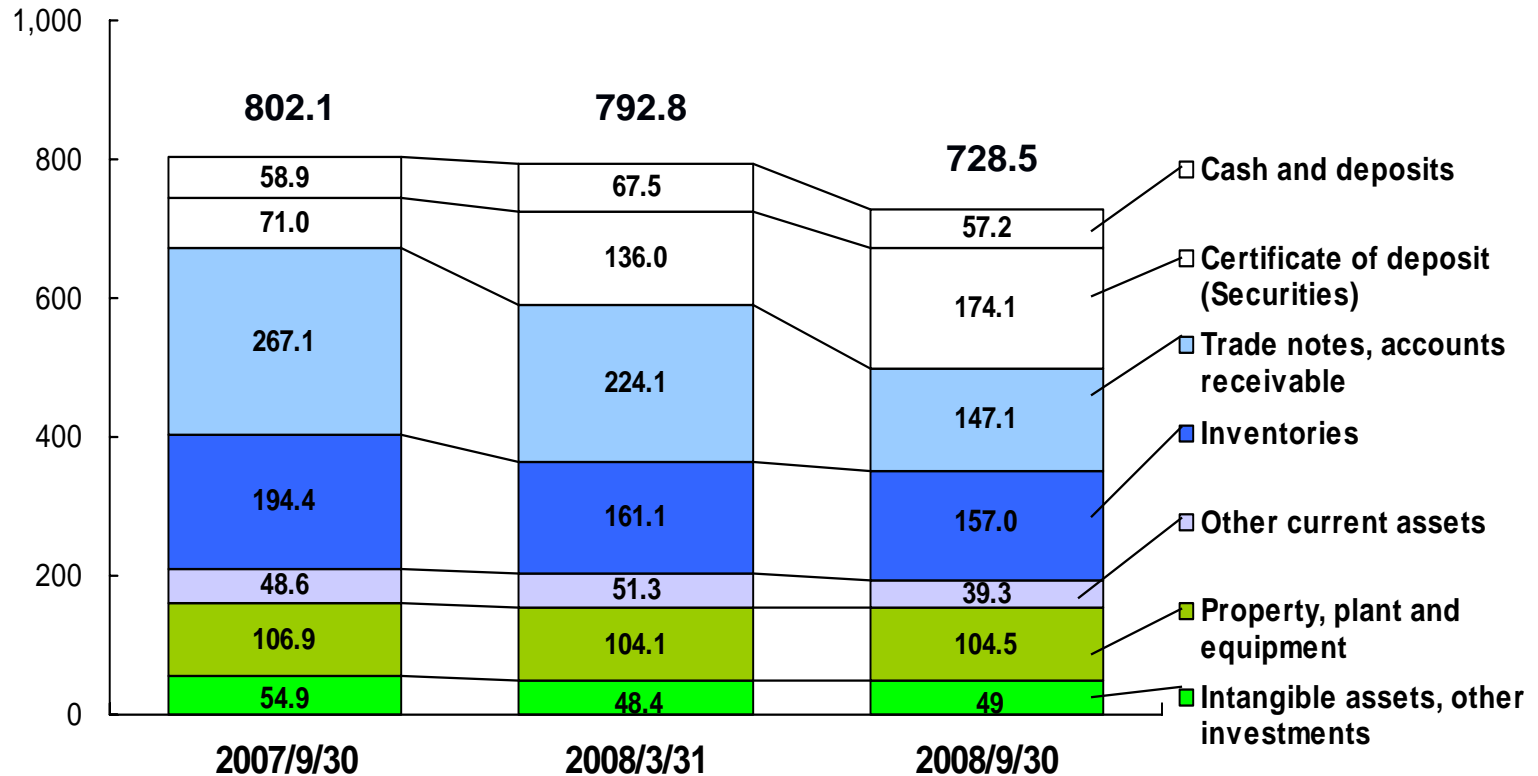
(Billions of Yen)



2Q FY2009 Financial Summary

Assets

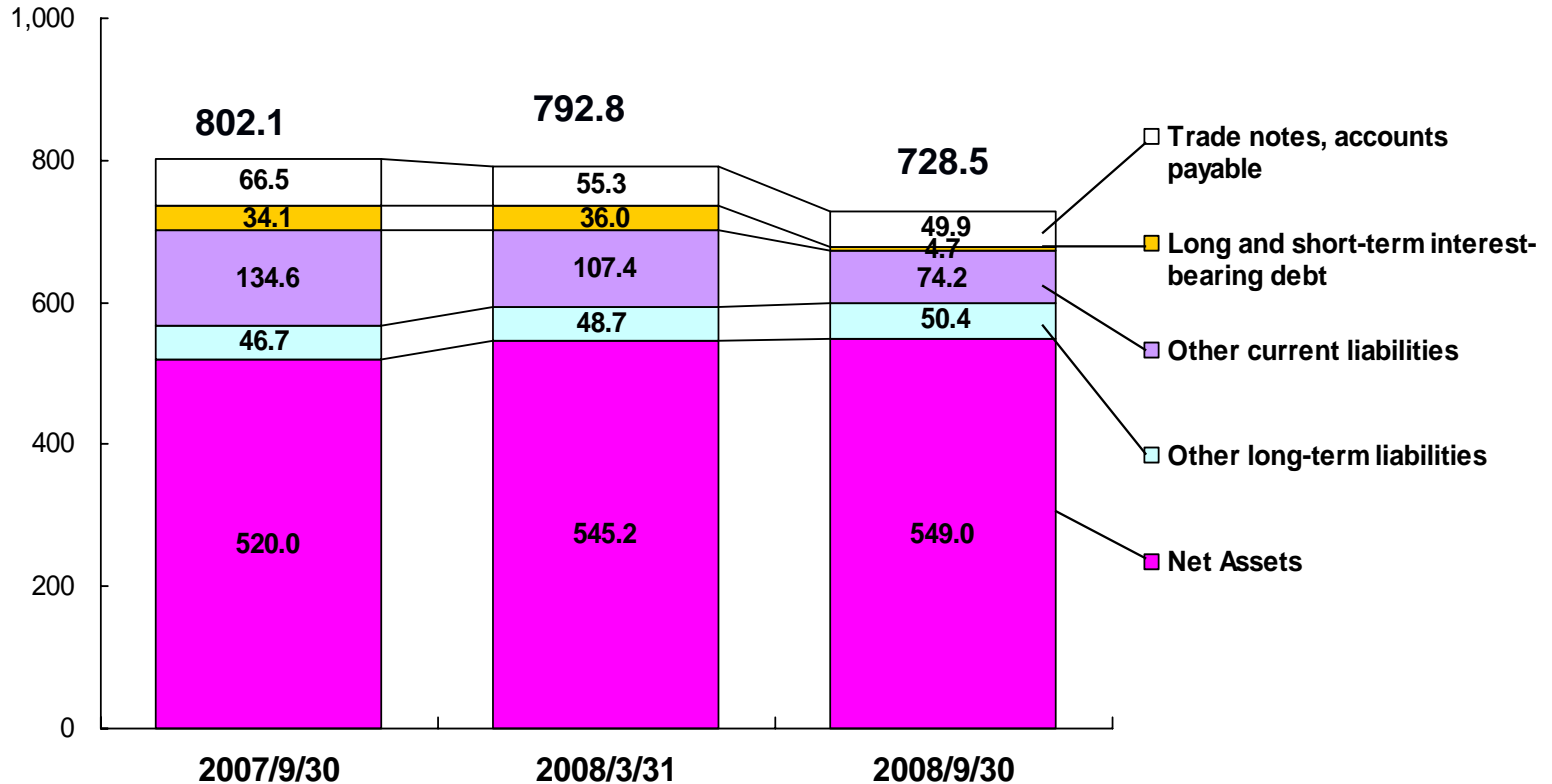
(Billions of Yen)



2Q FY2009 Financial Summary

Liabilities & Net Assets

(Billions of Yen)



Debt to Equity	2007/9/30	2008/3/31	2008/9/30
	6.7%	6.7%	0.9%

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



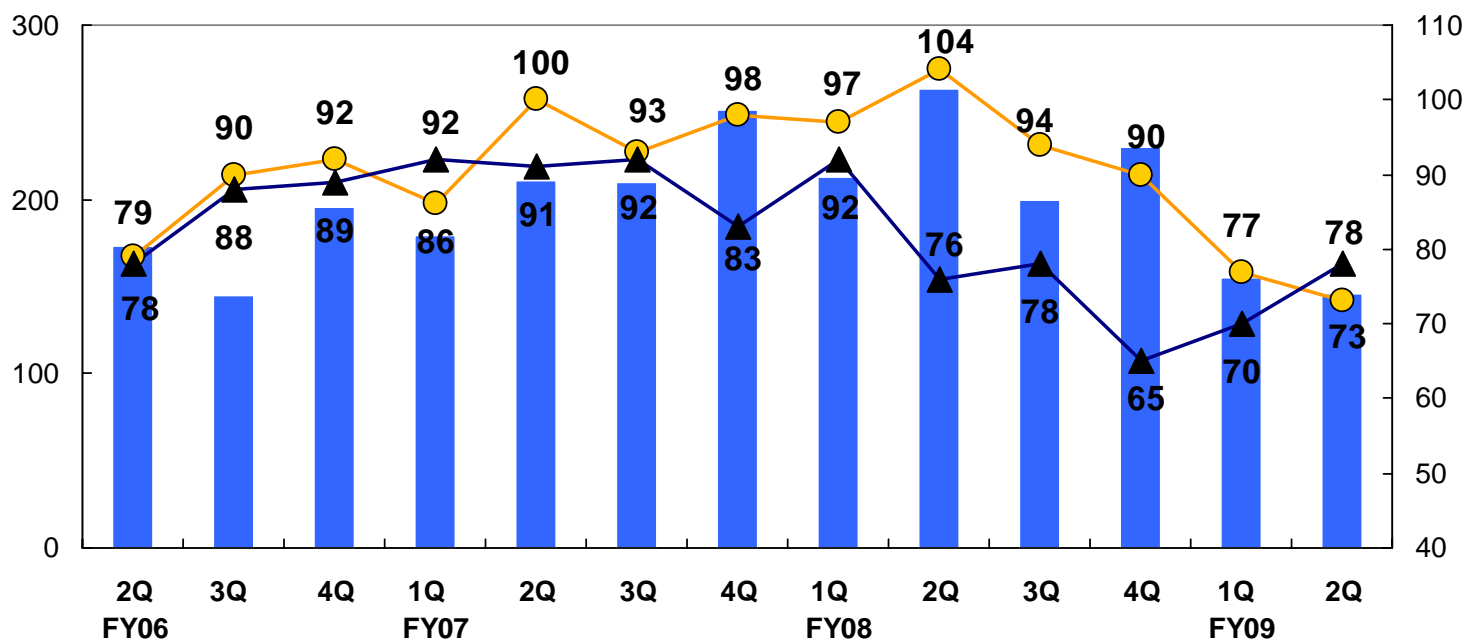
2Q FY2009 Financial Summary

Inventory Turnover and AR Turnover

■ Net sales
 ● Accounts receivable turnover
 ▲ Inventory turnover

(Billions of Yen)

(Days)



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



2Q FY2009 Financial Summary

Cash Flow

(Billions of Yen)

	FY2008 1H 6months	FY2009 1H 6months	FY2008 Full year (Reference)
Cash flow from operating activities	20.5	84.6	116.9
Income before income taxes	98.2	28.6	169.2
Depreciation and amortization	9.8	10.7	21.4
AR/Inventories/AP/Customer advances	-43.1	80.3	5.5
Tax paid	-44.1	-28.2	-73.7
Others	-0.1	-6.8	-5.5
Cash flow from investing activities	-8.5	-103.9	-30.1
Payment for purchase of property, plant, equipment, etc	-8.2	-10.9	-19.0
Others	-0.2	-92.9	-11.0
Cash flow from financing activities	-16.3	-41.3	-27.0
Decrease in interest-bearing debt	-6.1	-31.3	-4.1
Dividends paid	-10.9	-9.8	-23.4
Others	0.6	-0.1	0.5
Net increase in cash and cash equivalents	-4.4	-61.5	59.1
Cash and cash equivalents at end of term	129.9	132.0	193.4
Cash and deposits at end of term (certificate of deposits included)	129.9	231.4	203.5



2Q FY2009 Financial Summary

Segment Information by Business Type

Operating income/Operating margin

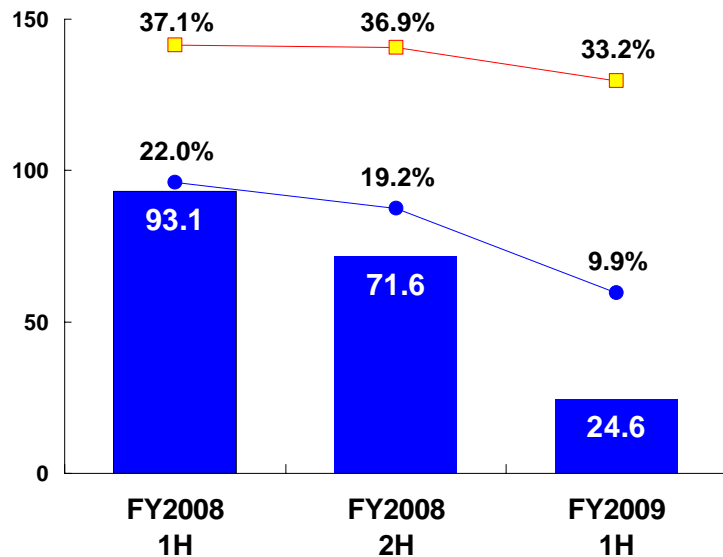
Industrial electronic equipment

(SPE, FPD, other)

Electronic components & Computer networks

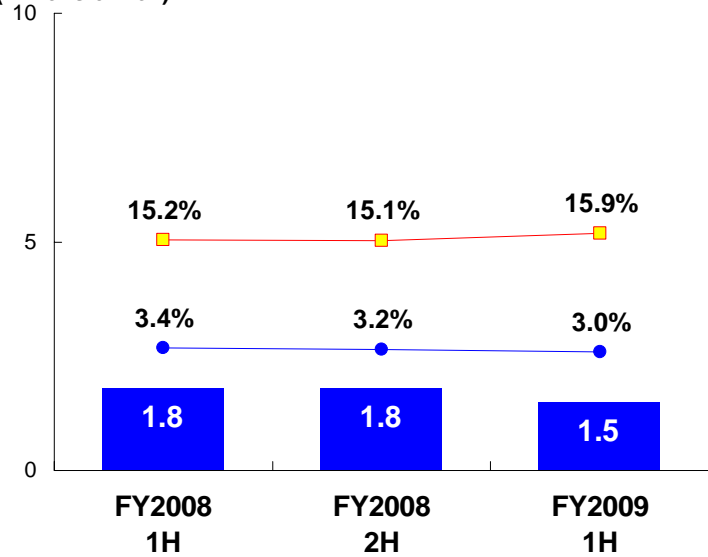
(Semiconductor products, computer systems and networks middleware and software, other electronic components)

(Billions of Yen)



■ Operating income ● Operating margin
■ Gross margin

(Billions of Yen)



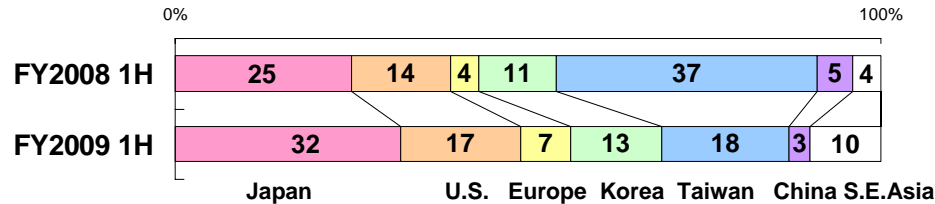
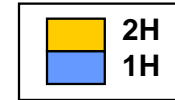
■ Operating income ● Operating margin
■ Gross margin



● Segment gross margin is provided for reference.

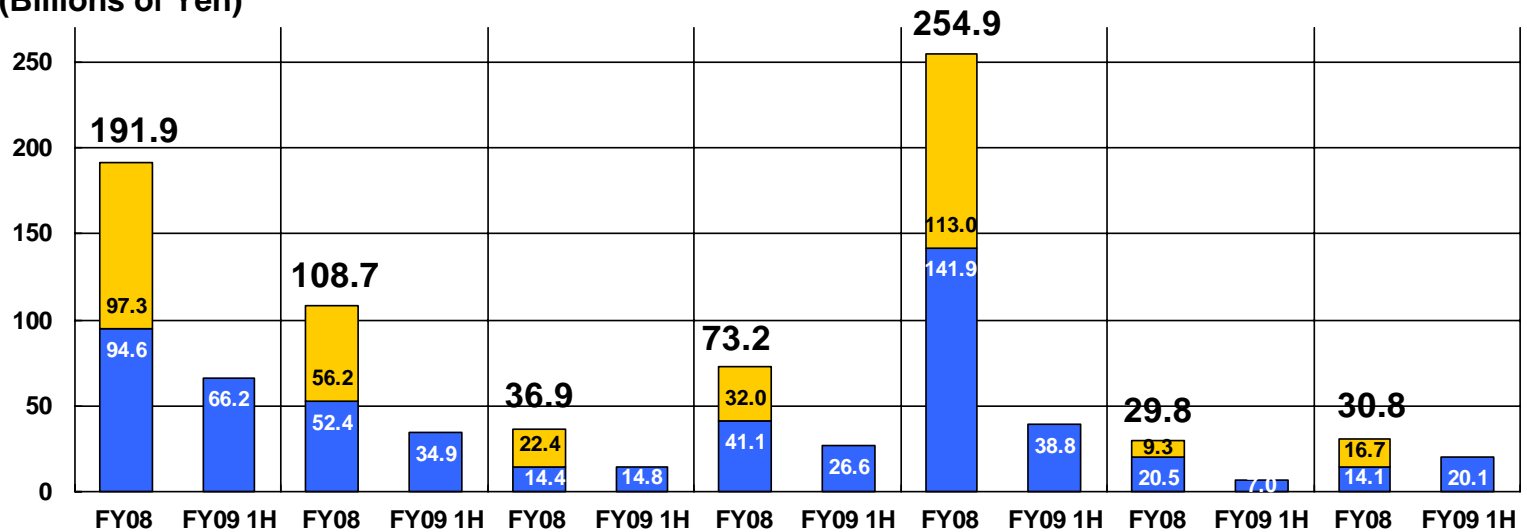
2Q FY2009 Financial Summary

SPE Sales by Region



FY2008 1H 379.2 bil yen
FY2009 1H 208.7 bil yen

(Billions of Yen)



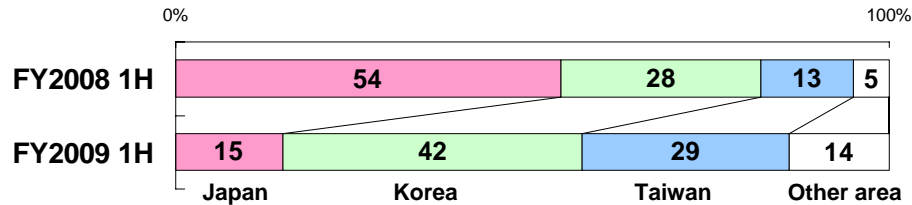
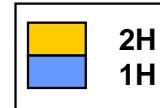
1H/FY09 vs 1H/FY08

Region	U.S.	Europe	Korea	Taiwan	China	S.E.Asia
Japan	-30.0%	-33.5%	2.7%	-35.2%	-72.6%	-65.8%
						42.6%



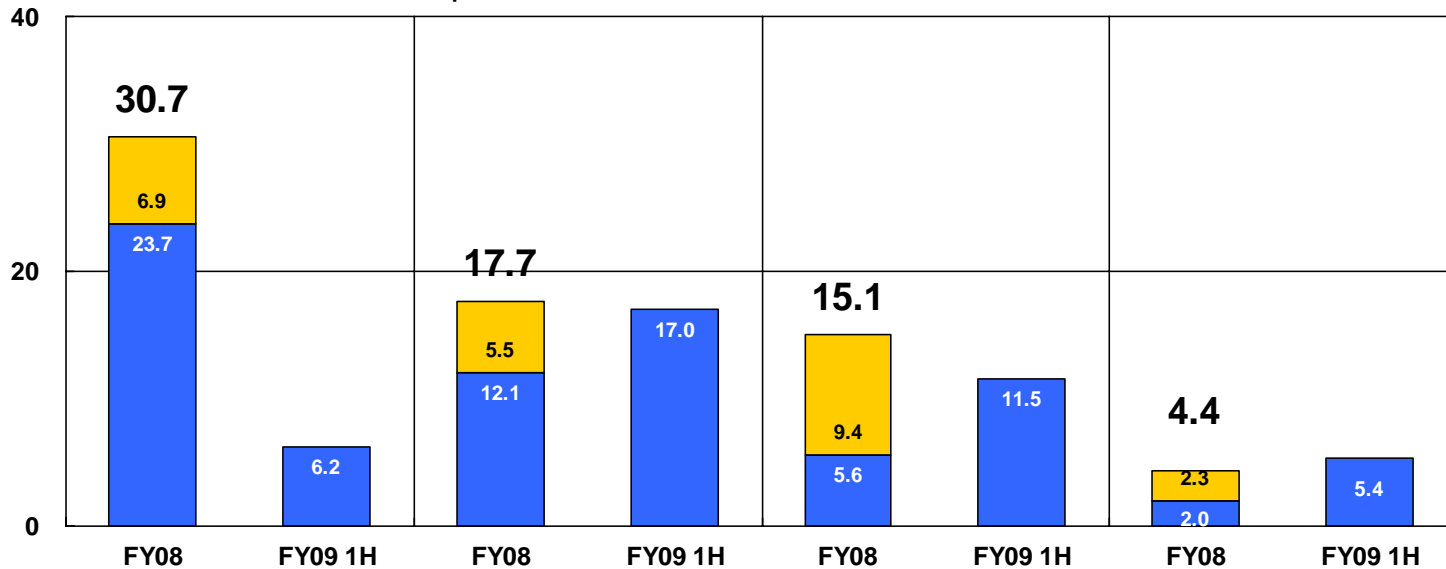
2Q FY2009 Financial Summary

FPD Sales by Region



FY2008 1H 43.6 bil yen
FY2009 1H 40.1 bil yen

(Billions of Yen)



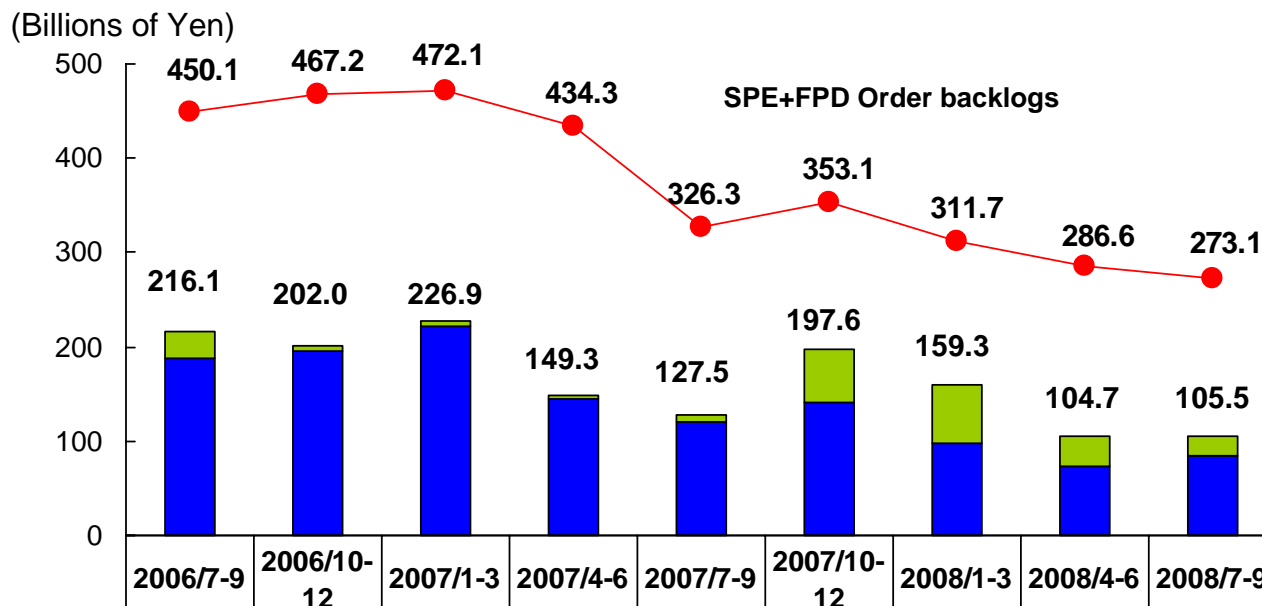
1H/FY09 vs 1H/FY08

Japan	Korea	Taiwan	Other area
-73.8%	40.1%	105.1%	159.5%



2Q FY2009 Financial Summary

SPE+FPD Orders, Order Backlog



FPD Production Equipment	27.5	5.5	4.2	4.1	7.3	57.3	61.0	31.9	21.7
SPE	188.6	196.4	222.7	145.2	120.2	140.3	98.3	72.7	83.7
Order backlog	450.1	467.2	472.1	434.3	326.3	353.1	311.7	286.6	273.1

Order backlog
breakdown

FPD	103.6	83.1	65.2	47.9	33.1	80.3	127.1	141.7	140.6
SPE	346.4	384.1	406.9	386.4	293.1	272.7	184.6	144.8	132.5

*2008/7-9 FPD orders include orders for Photovoltaic Cell Production Equipment.



Quarterly Results



2Q FY2009 Financial Summary

Consolidated Financial Results

(Billions of Yen)

	FY2008				FY2009			
	3Q		4Q		1Q		2Q	
Net Sales	199.8		229.8		154.8		146.3	
Gross Profit	72.4	36.2%	73.5	32.0%	52.0	33.6%	38.9	26.6%
SG&A Expense	33.9	17.0%	38.5	16.8%	30.6	19.8%	34.1	23.3%
Operating Income	38.4	19.3%	34.9	15.2%	21.4	13.8%	4.8	3.3%
Ordinary Income	39.7	19.9%	37.1	16.2%	22.2	14.4%	6.6	4.5%
EBIT	40.0	20.0%	31.0	13.5%	22.2	14.4%	6.4	4.4%
Net Income	25.6	12.8%	18.2	7.9%	12.8	8.3%	4.5	3.1%
R&D Expenses	15.9		18.2		14.5		17.0	
Capex	4.1		5.7		5.5		4.8	
Depreciation	5.5		6.0		5.1		5.6	

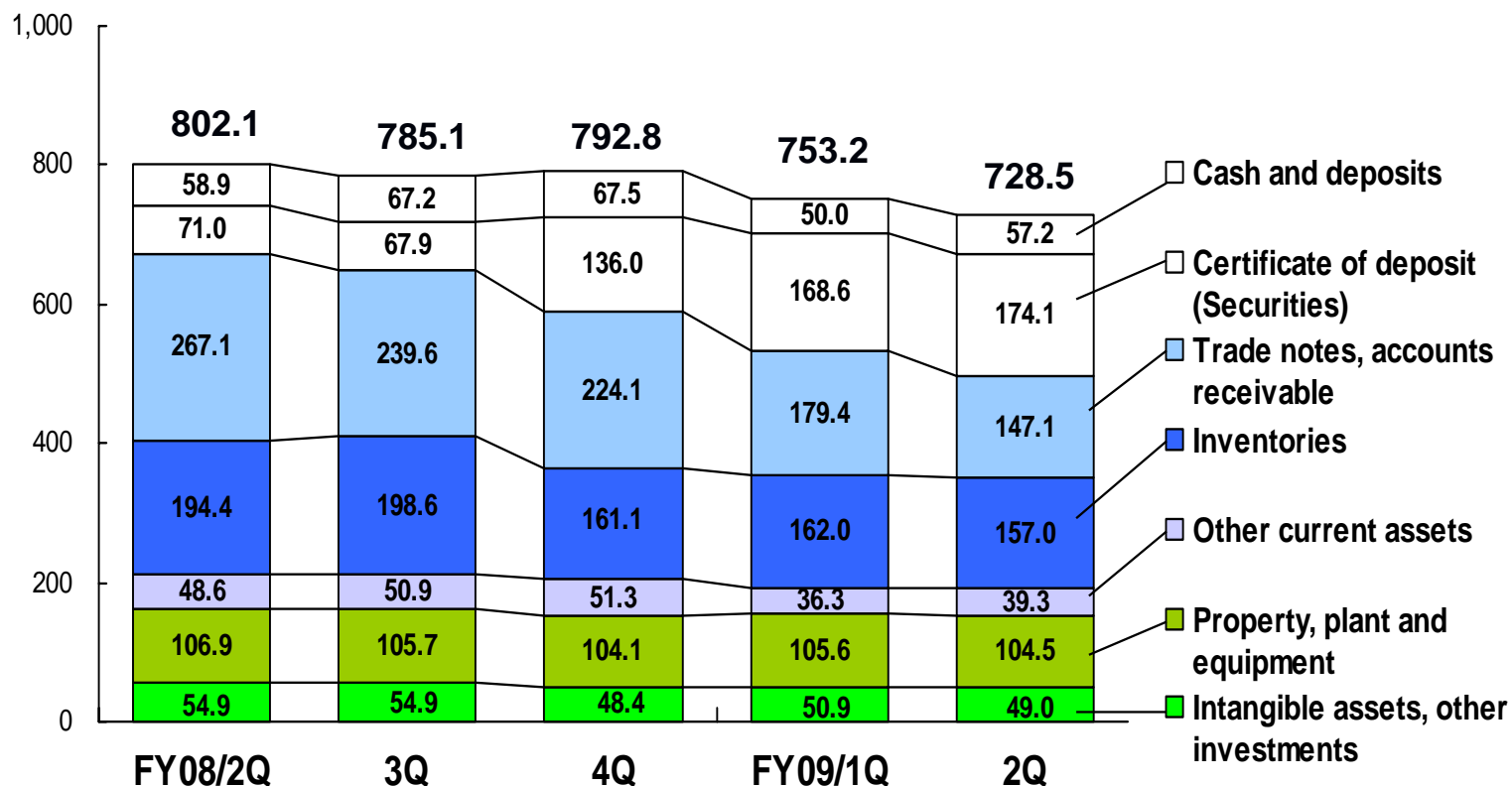
Right column: Ratio to Net Sales



2Q FY2009 Financial Summary

Assets

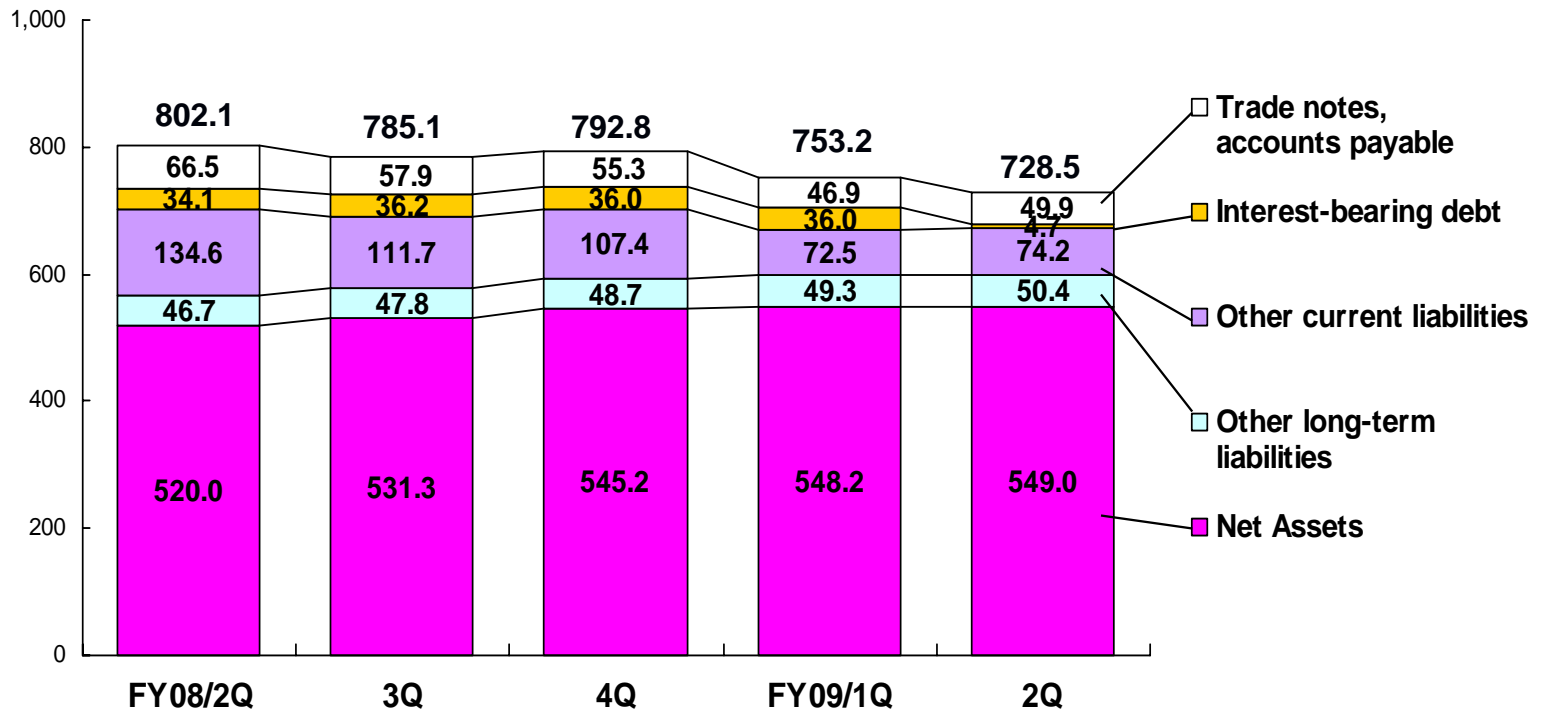
(Billions of Yen)



2Q FY2009 Financial Summary

Liabilities & Net Assets

(Billions of Yen)



Debt to Equity Ratio

6.7%

7.0%

6.7%

6.7%

0.9%

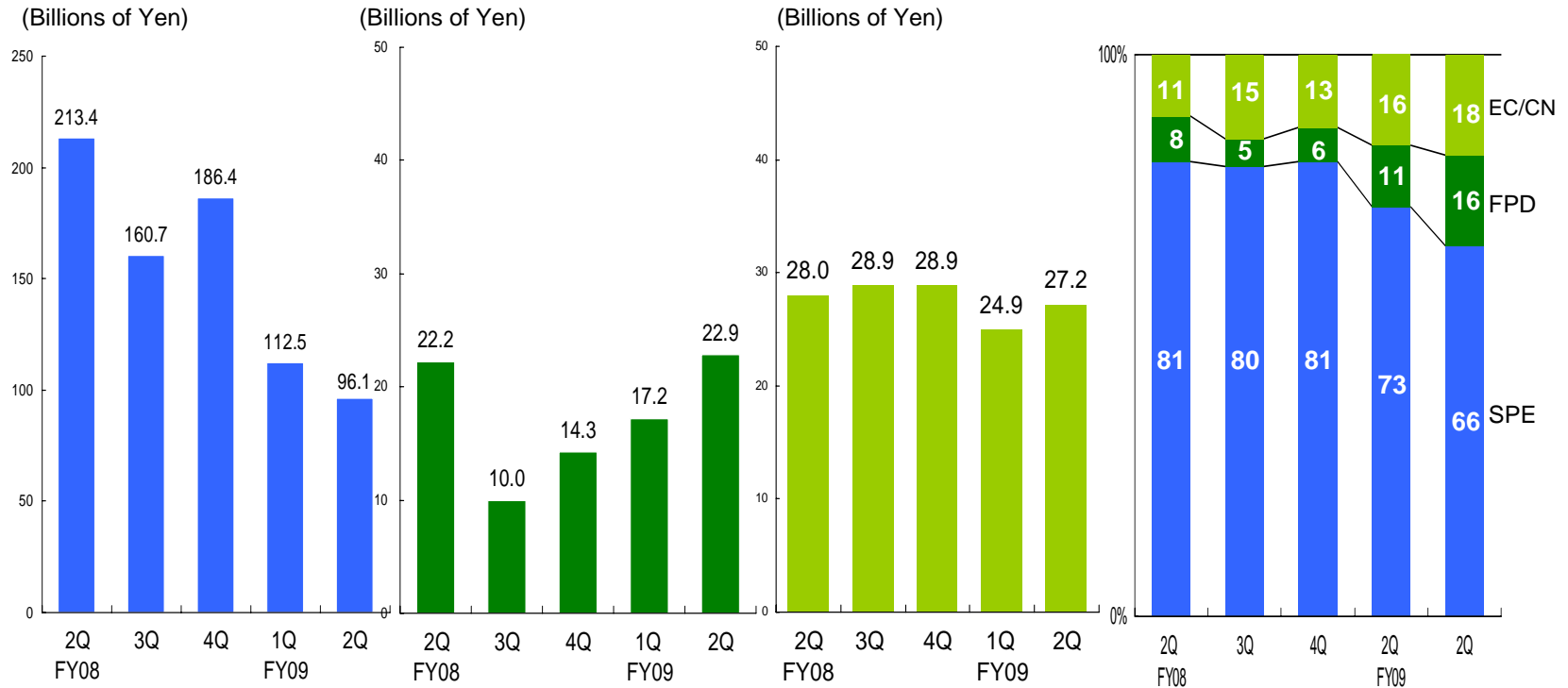
● Equity = Net Assets – (Subscription rights to shares + Minority interests)



2Q FY2009 Financial Summary

Sales by Division

SPE Division <small>(Semiconductor Production Equipment)</small>	FPD Division <small>(FPD Production Equipment)</small>	EC/CN Division <small>(Electronic components/Computer networks)</small>	Composition
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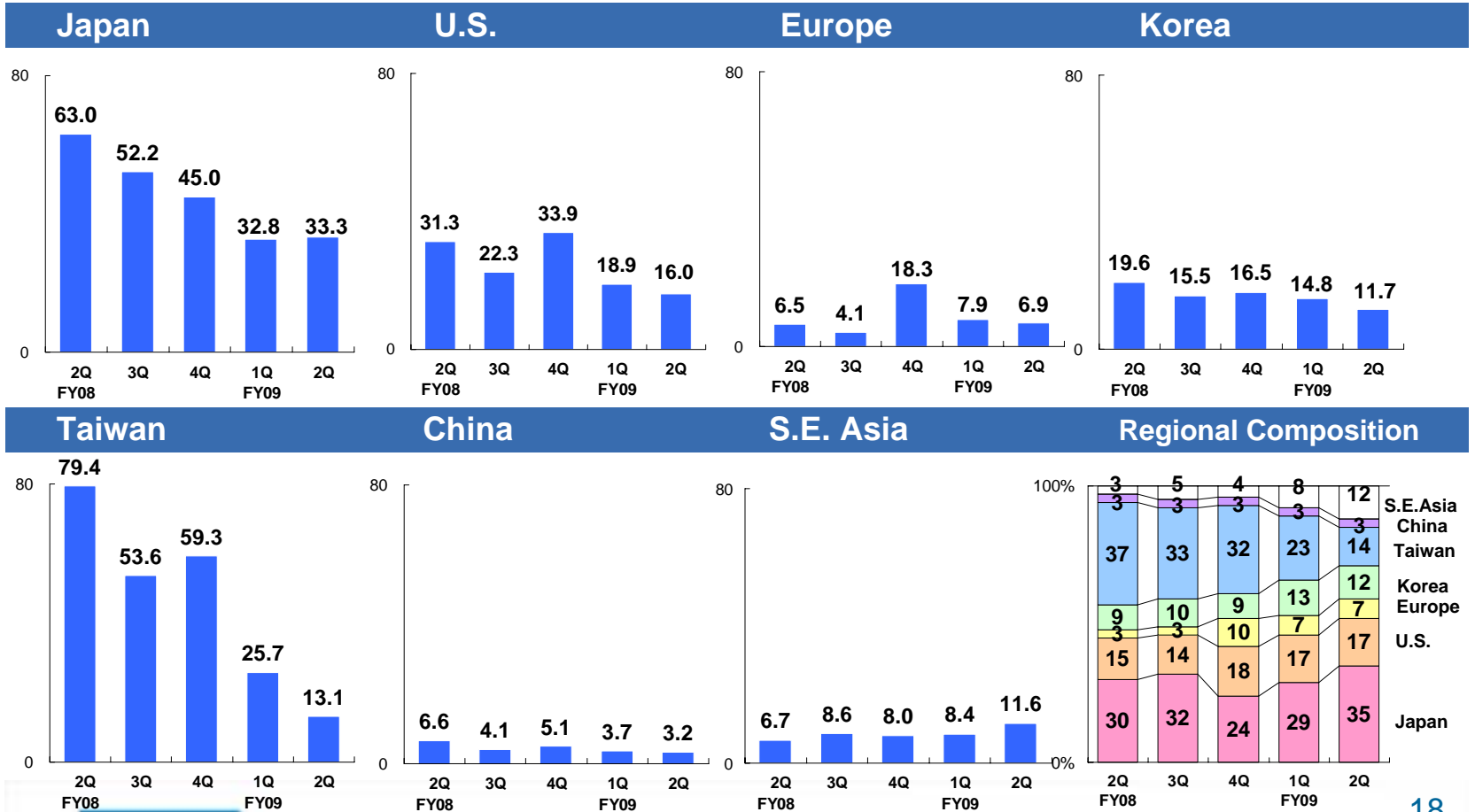
● In addition to the above 3 divisions, there is "Others" division. (FY09/2Q sales of 0.1 billion yen)



2Q FY2009 Financial Summary

SPE Sales by Region

(Billions of Yen)

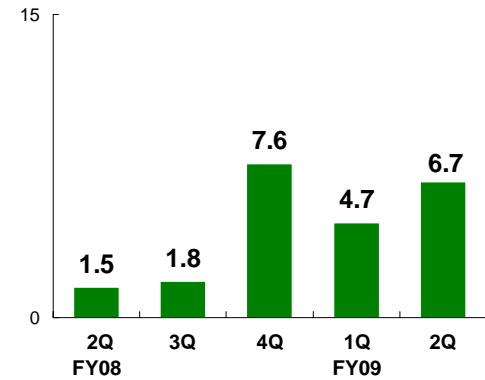
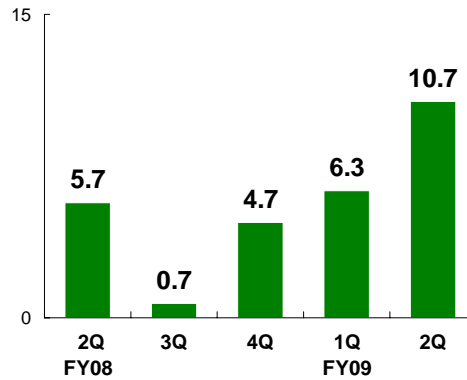
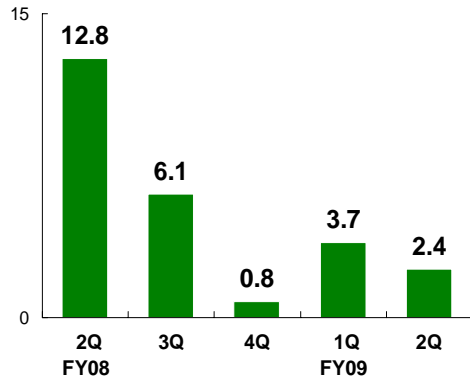


2Q FY2009 Financial Summary

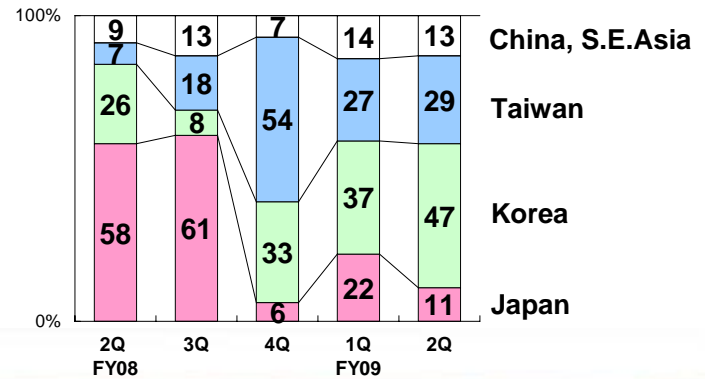
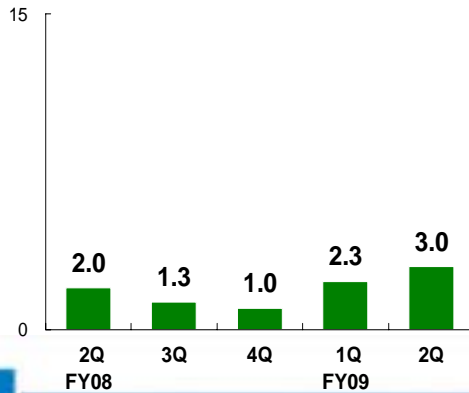
FPD Equipment Sales by Region

(Billions of Yen)

Japan Korea Taiwan



China, Southeast Asia & Other Regional Composition



2Q FY2009 Financial Summary

Cash Flow

(Billions of Yen)

	FY2008				FY2009	
	1Q	2Q	3Q	4Q	1Q	2Q
Cash flow from operating activities	-29.5	50.0	20.6	75.6	34.6	49.9
Cash flow from investing activities	-4.6	-3.9	-38.9	17.3	-0.6	-103.2
Cash flow from financing activities	-14.2	-2.1	-10.4	-0.2	-10.0	-31.2

Net increases in cash and cash equivalents	-48.4	43.9	-28.7	92.3	24.1	-85.5
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Cash and cash equivalents at end of term	85.9	129.9	101.1	193.4	217.6	132.0
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Cash and deposits at end of term (certificate of deposits included)	85.9	129.9	135.1	203.5	218.7	231.4
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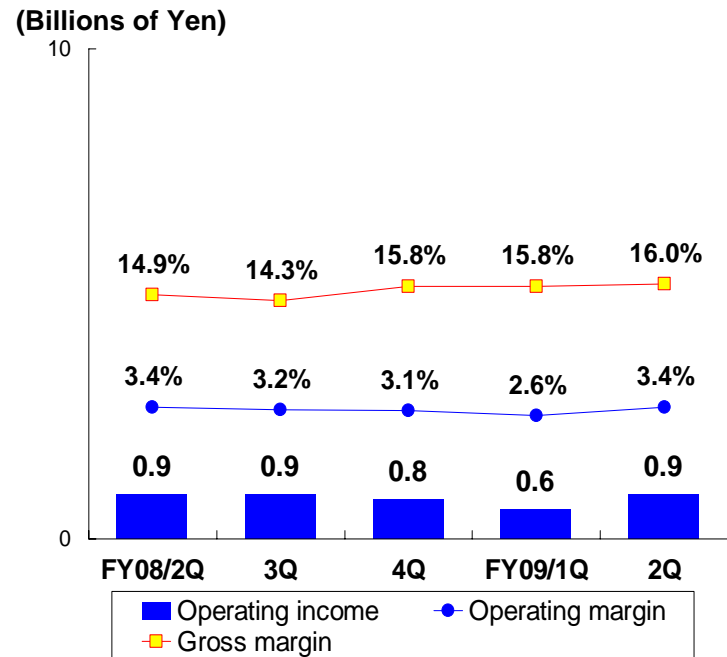
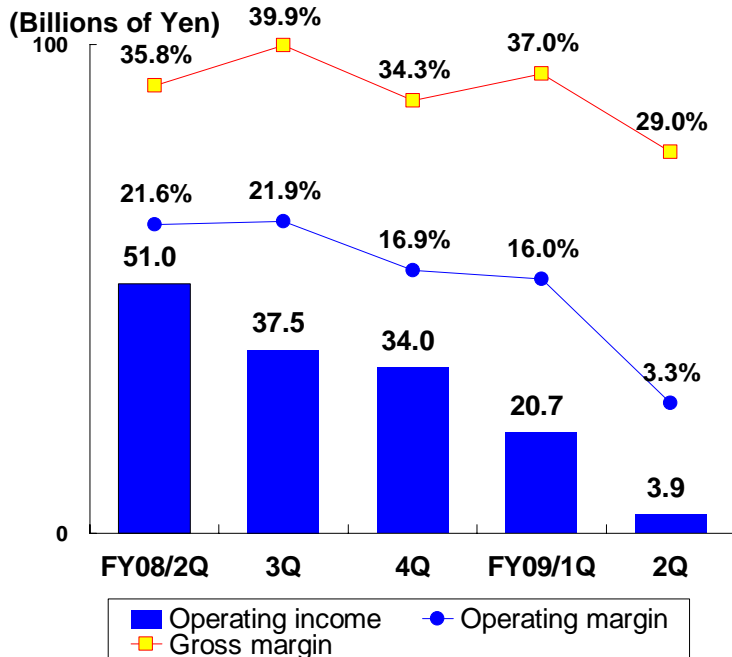
Segment Information by Business Type

Industrial electronic equipment

(SPE, FPD, other)

Electronic components & Computer networks

(Semiconductor products, computer systems and networks middleware and software, other electronic components)



● Segment gross margin is provided for reference.

