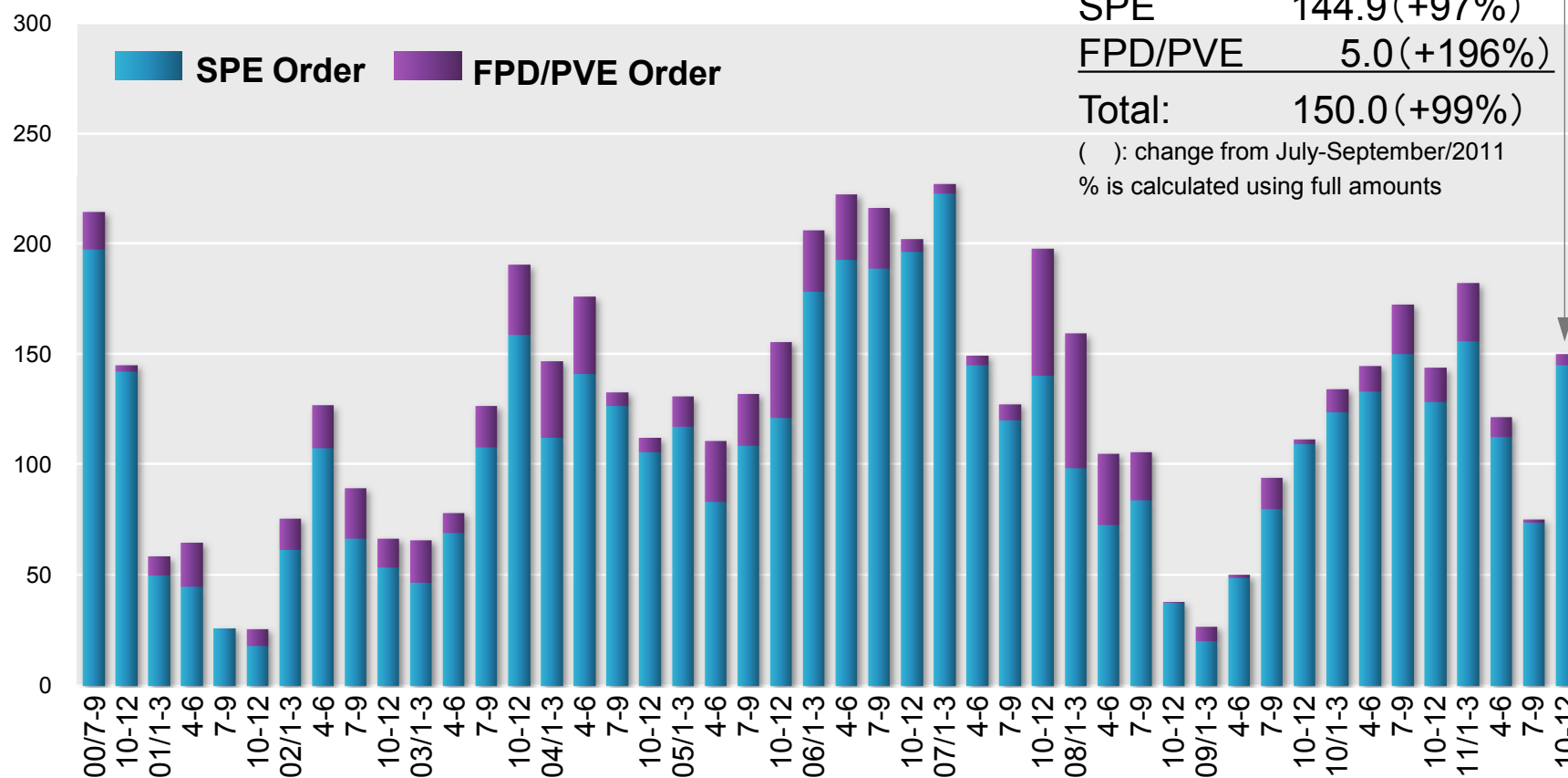

Business Update

Hiroshi Takenaka, President & CEO

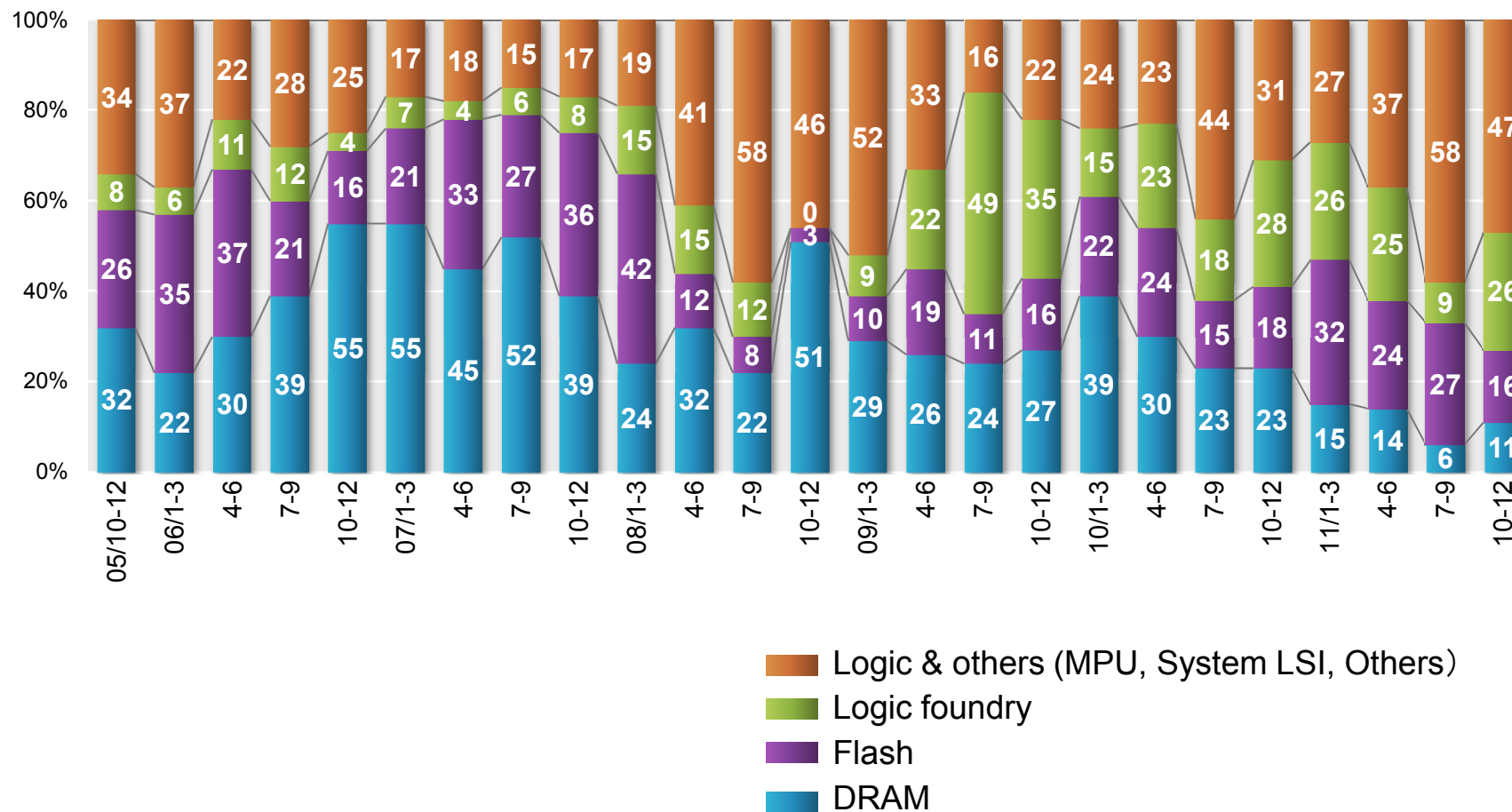
February 3, 2012

Quarterly Orders

(Billions of Yen)



SPE Orders by Application: Equipment only



Business Environment: As of early February 2012

▶ SPE capex

Semiconductor market recovery delayed by global economic slowdown and uncertain outlook. In 2012, expect an overall YoY decline of around 10%, despite expected investment by logic/foundries due to uptake of cutting-edge 32/28nm process for new mobile devices.

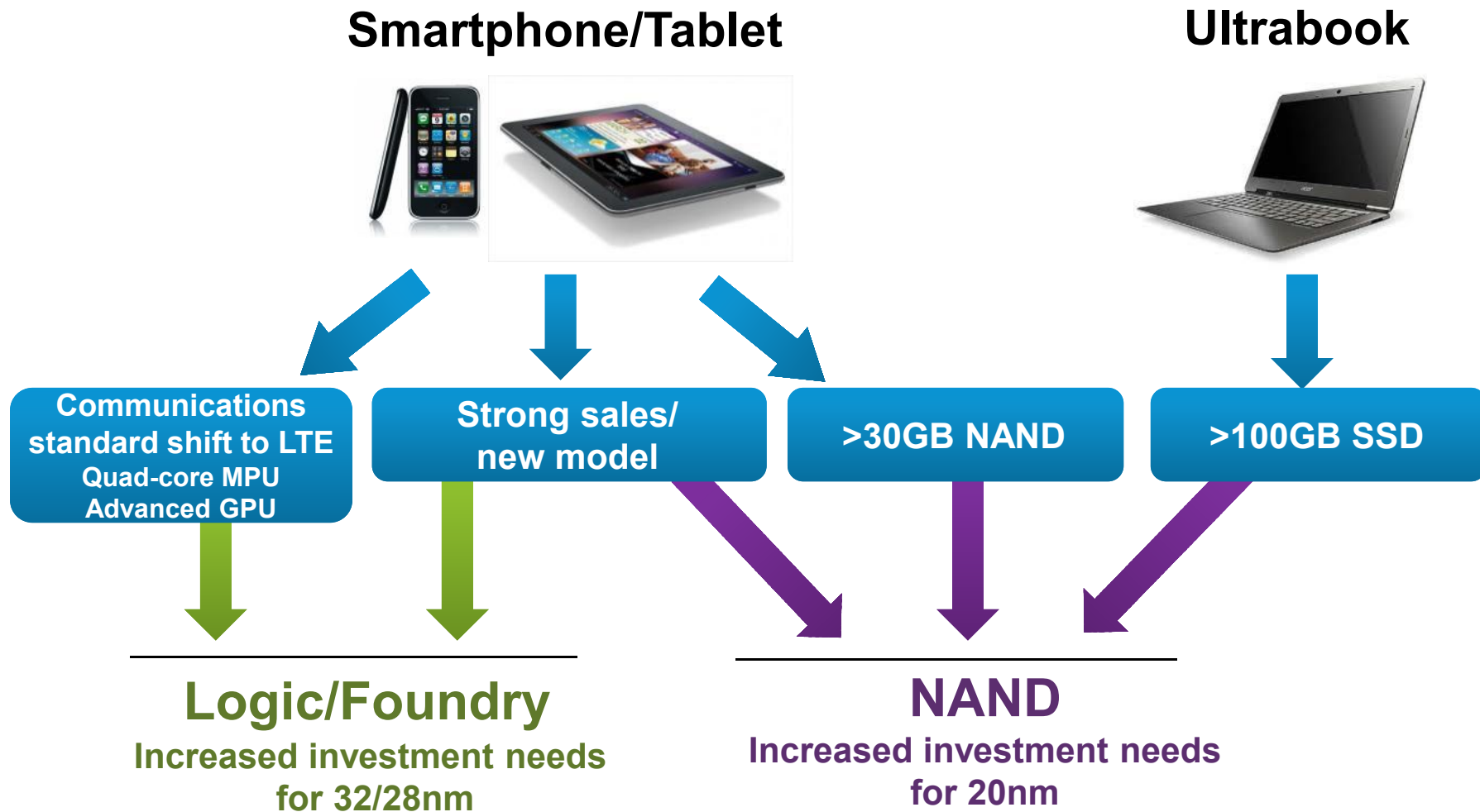
▶ FPD capex

Small- and medium-sized panel investment expected to decline in 2012. Large panel capex will remain sluggish due to collapse in TV prices. Capex in 2012 expected to be around half 2011 level. Improvement in supply/demand balance expected from 2013.

▶ PV capex

Continued growth expected in medium- and long-term but due to panel price decline by overcapacity, capex will be sluggish in short-term.

2012: Mobile Devices Driving Investment



*LTE: Next generation high speed data transmission for mobile phones. Currently planned to be introduced by companies worldwide.

Developing New Memory with Tohoku University

Limits to miniaturization, expectation for next memory after DRAM

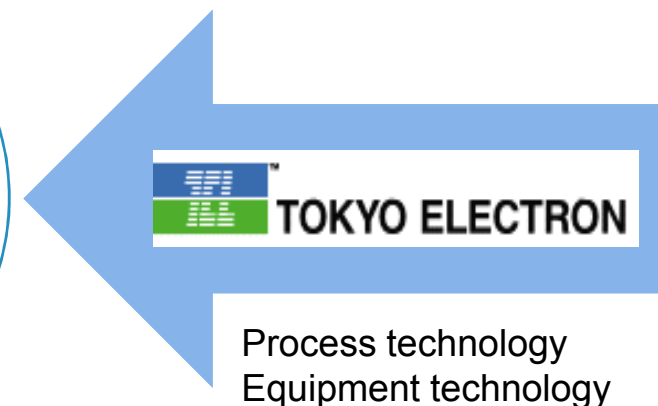
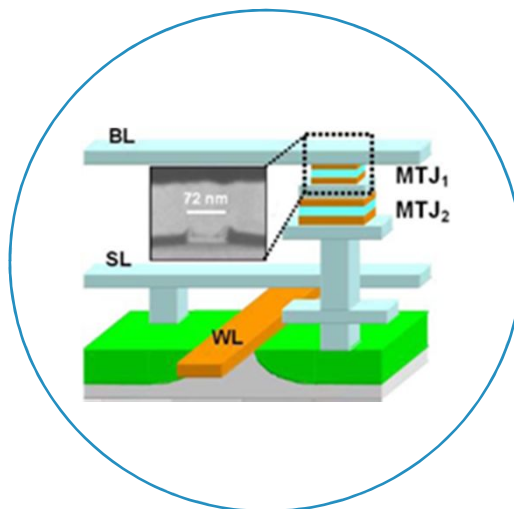
SPINTRONICS MEMORY

Global leader in Spintronics
memory development



Led by Professor Tetsuo Endoh

Magnetic materials technology
Device technology
Design technology



Process technology
Equipment technology

- Nonvolatile memory
- Low power consumption with high writing speed
- New memory in use of magnetic orientation

Aiming early establishment of leading-edge production technology

▶ **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.

▶ **Exchange Risk**

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.

FPD/PV: Flat panel display/Photovoltaic