TOKYO ELECTRON LIMITED

April 30, 2013

Consolidated Financial Review for the Year Ended March 31, 2013

Company name:	**Tokyo Electron Limited**
URL:	http://www.tel.com
Telephone number:	(03) 5561-7000
Stock exchange listing:	Tokyo Stock Exchange 1st Section (Code 8035)

Notes:
1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
2. Amounts are rounded down to the nearest million yen.

1. Consolidated financial highlights for the year ended March 31, 2013

(1) Operating results

	Year ended	
	March 31, 2012	March 31, 2013
Net sales (Millions of yen)	633,091	497,299
Operating income (Millions of yen)	60,443	12,548
Ordinary income (Millions of yen)	64,046	16,696
Net income (Millions of yen)	36,725	6,076
Net income per share (Yen)	205.04	33.91
Fully diluted net income per share (Yen)	204.72	33.85
Return on equity (%)	6.3	1.0
Ordinary income to total assets (%)	8.0	2.1
Operating income to net sales (%)	9.5	2.5

Comprehensive income: Year ended March 31, 2013: 15,826 million yen
Year ended March 31, 2012: 36,953 million yen

Profit/loss on equity method: Year ended March 31, 2013: - million yen
Year ended March 31, 2012: - million yen

(2) Financial position

	As of March 31, 2012	As of March 31, 2013
Total assets (Millions of yen)	783,610	775,527
Net assets (Millions of yen)	598,602	605,127
Equity ratio (%)	74.9	76.5
Net assets per share (Yen)	3,275.14	3,309.58

Equity: 593,032 million yen (as of March 31, 2013)
586,789 million yen (as of March 31, 2012)

(3) Cash flow

(Millions of yen)

	Year ended	
	March 31, 2012	March 31, 2013
Cash flow from operating activities	29,712	84,266
Cash flow from investing activities	(8,352)	(141,769)
Cash flow from financing activities	(27,334)	(10,625)
Cash and cash equivalents at end of period	158,776	85,313

2. Dividends

	Year ended March 31, 2012	Year ended March 31, 2013	Year ending March 31, 2014 (Forecast)
1Q-end dividend per share (Yen)	-	-	-
2Q-end dividend per share (Yen)	53.00	25.00	25.00
3Q-end dividend per share (Yen)	-	-	-
Year-end dividend per share (Yen)	27.00	26.00	25.00
Annual dividend per share (Yen)	80.00	51.00	50.00
Total dividend (Millions of yen)	14,331	9,138	-
Payout ratio (%)	39.0	150.4	68.9
Dividend on equity (%)	2.5	1.5	-

The interim dividend for the second quarter ended September 2012 was made up of ordinary dividend 15 yen and commemorative dividend 10 yen.
The year-end dividend for the year ended March 2013 was made up of ordinary dividend 16 yen and commemorative dividend 10 yen.

3. Earnings forecasts for the year ending March 31, 2014

	Year ending September 30, 2013 (Cumulative)	Year ending March 31, 2014
Net sales (Millions of yen)	252,000	570,000
Operating income (Millions of yen)	(8,000)	18,000
Net income (Millions of yen)	(3,000)	13,000
Net income per share (Yen)	(16.74)	72.55

4. Others

(1) Important changes in subsidiaries: None
(Changes on specific subsidiaries with changes in scope of consolidation)

(2) Changes in accounting principles, accounting estimation and restatement
1. Changes in accounting policies along with changes in accountins standards: Yes
2. Other changes of accounting policies besides number 1 above: None
3. Changes in accounting estimation: Yes
4. Restatement: None

(3) Number of shares issued and outstanding (common stock)
1. Number of shares issued and outstanding (including treasury stock)
   As of March 31, 2013: 180,610,911 shares
   As of March 31, 2012: 180,610,911 shares
2. Number of shares of treasury stock
   As of March 31, 2013: 1,424,203 shares
   As of March 31, 2012: 1,446,079 shares
3. Average number of shares outstanding
   As of March 31, 2013: 179,177,531 shares
   As of March 31, 2012: 179,112,754 shares

(Reference) Non-consolidated financial review for the year ended March 31, 2013

(1) Operating results

Note: Percentages indicate changes from the previous fiscal year.

	Year ended March 31, 2012		Year ended March 31, 2013	
		%		%
Net sales (Millions of yen)	516,524	(9.3)	375,485	(27.3)
Operating income (Millions of yen)	7,131	(76.7)	5,717	(19.8)
Ordinary income (Millions of yen)	44,286	8.1	27,314	(38.3)
Net income (Millions of yen)	39,144	22.6	22,984	(41.3)
Net income per share (Yen)	218.55	-	128.28	-
Fully diluted net income per share (Yen)	218.20	-	128.04	-

(2) Financial position

	As of March 31, 2012	As of March 31, 2013
Total assets (Millions of yen)	599,411	570,042
Net assets (Millions of yen)	375,761	390,303
Equity ratio (%)	62.5	68.2
Net assets per share (Yen)	2,090.84	2,170.52

Equity: 388,929 million yen (as of March 31, 2013)
374,605 million yen (as of March 31, 2012)

* Notes on the status of auditing procedure execution:

This earnings report is outside the jurisdiction of auditing procedures outlined in the Financial Instruments and Exchange Act and remain incomplete at the time of announcing this report.

* Explanation of the appropriate use of earnings forecast:

The performance forecasts and estimates stated in this Financial Review are based on certain assumptions judged to be reasonable at the present time in light of currently available information. Consequently, actual operating results may differ substantially from the projections in this Financial Review.
The company plans to hold a financial meeting for analysts and investors on Tuesday, April 30, 2013. The supplementary materials to these financial reports that will be handed out at this meeting will be posted simultaneously on our company website.

1. Operating Results

(1) Analysis of Operating Results

(i) Business Environment during the Fiscal Year Ended March 31, 2013

Concerns regarding the economy increased globally, including uncertainty regarding the future due to the prolonging debt crisis in Europe and financial problems in the United States as well as slowing growth in China and other emerging economies, but there were signs of a moderate recovery at the end of the fiscal year. Significant correction was made to yen appreciation at the end of the fiscal year, but the Japanese economy trended sluggishly and the recovery was only moderate when considered from a whole-year perspective, due to the impact of the long-term high value of the yen and concerns about a global economic recession.

In the electronics industry, the primary area of the Tokyo Electron Group's business activities, smartphone penetration rates were high and were a driving force in the industry, but demand for PCs and televisions was sluggish and the business environment remained challenging.

(ii) Overview of Profit and Losses during the Fiscal Year Ended March 31, 2013

Under these circumstances, profit and losses for the fiscal year were as follows.

Consolidated net sales for the fiscal year decreased by 21.4% from the previous fiscal year, to 497,299 million yen. Domestic net sales decreased by 30.8%, to 118,503 million yen, and overseas net sales decreased 18.0%, to 378,795 million yen, with overseas net sales accounting for 76.2% of consolidated net sales. Consolidated orders for the fiscal year decreased 16.7%, to 450,627 million yen, and consolidated order backlogs fell 16.5%, to 180,829 million yen.

Cost of sales for the fiscal year dropped 19.7%, to 338,545 million yen, and gross profit decreased 24.9%, to 158,754 million yen. As a result, gross profit margin decreased by 1.5 percentage points, to 31.9%.

Selling, general, and administrative (SG&A) expenses decreased 3.2% to 146,206 million yen, and the ratio to consolidated net sales increased by 5.5 percentage points to 29.4%.

As a result of these developments, operating income was down 79.2% to 12,548 million yen. Ordinary income, adjusted for non-operating income of 6,125 million yen and non-operating expenses of 1,977 million yen, was down 73.9% to 16,696 million yen.

Meanwhile, extraordinary income was 1,070 million yen, compared to extraordinary losses of 3,444 million yen in the previous fiscal year.

Income before income taxes for the fiscal year decreased 70.7% to 17,766 million yen, and net income decreased 83.5% to 6,076 million yen.

As a result, net income per share was 33.91 yen (205.04 yen in the previous fiscal year).

(iii) Overview of Operations during the Fiscal Year Ended March 31, 2013 by Business Segment

Semiconductor Production Equipment

Demand for semiconductors used in smartphones was favorable, but overall, the phase of inventory adjustments continued as a result of sluggish PC sales. Capital investment by semiconductor manufacturers in logic-based products was robust, but investment in memory continued to slump. In the second half of the year, however, manufacturers made production and inventory adjustments including a shift from PC semiconductors to mobile device semiconductors, and the balance of supply and demand for memory semiconductors began to improve. The strong demand for mobile memory is expected to lead to orders for production equipment in the future. Given these circumstances, net sales from external customers in this segment during the fiscal year were 392,026 million yen (down 18.0% compared to the previous year).

During the fiscal year, the TEL Group launched the “NT333™” atomic layer deposition system, “Trias*e*+™ EX-II™ TiN” single wafer deposition system, and other new products.

FPD/PV (Flat-Panel Display/Photovoltaic Panel) Production Equipment

In the television market, sales were sluggish, particularly in developed countries, as a result of cooling consumer confidence caused by uncertainty concerning future economic developments and a reversal of the replacement demand created in the lead-up to the switch to digital broadcasting. Sales of panels for smartphones and tablet PCs, primarily high-performance units, were robust, but the downturn in PC sales continued, and as a result panel manufacturers did not invest to increase production capacity and the FPD production equipment market remained slow. Demand in low-latitude regions is expected to grow for thin-film silicon photovoltaic panel production equipment, a business which the TEL Group entered from a medium- to long-term perspective, and the Group reinforced development to raise conversion efficiency. Given these circumstances, net sales from external customers in this segment were 20,160 million yen (down 71.2% compared to the previous year).

Electronic Components and Computer Networks

In the electronic components segment, demand in Japan for semiconductor products was low, as was demand for consumer electronic devices and industrial equipment, but overseas business grew as a result of an expansion of commercial rights in Asia. In the computer networks segment, sales of computer network products and maintenance services were strong. Given these circumstances, net sales from external customers in this segment were 84,664 million yen (down 0.2% compared to the previous year).

Other

Net sales from external customers in this segment were 448 million yen (down 2.9% compared to the previous year).

(For reference)
Consolidated

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013						
		1Q	2Q	First Half	3Q	4Q	Second Half	Full Year
Net Sales	633,091	134,179	132,421	266,600	91,910	138,788	230,699	497,299
Semiconductor Production Equipment	477,873	108,703	105,963	214,666	68,056	109,303	177,359	392,026
Japan	82,887	10,032	10,186	20,218	6,349	13,709	20,059	40,278
U.S.	114,821	26,629	29,152	55,782	28,879	32,431	61,310	117,092
Europe	49,325	10,457	12,944	23,402	7,673	7,626	15,299	38,701
Korea	108,740	24,214	14,463	38,677	5,759	13,074	18,833	57,510
Taiwan	75,018	29,338	29,456	58,795	15,238	31,352	46,591	105,386
China	25,395	5,666	6,196	11,863	2,153	5,935	8,088	19,951
S.E.Asia	21,683	2,363	3,563	5,927	2,003	5,174	7,177	13,104
FPD/PV Production Equipment	69,888	4,769	4,460	9,230	4,682	6,247	10,930	20,160
Electronic Components & Computer Networks	84,867	20,605	21,859	42,465	19,105	23,093	42,199	84,664
Others	461	101	137	238	66	142	209	448
Operating Income(loss)	60,443	9,283	2,918	12,202	(6,865)	7,211	346	12,548
Ordinary Income(loss)	64,046	11,248	4,211	15,459	(6,654)	7,891	1,237	16,696
Net Income(loss)	36,725	5,720	370	6,090	(7,026)	7,012	(14)	6,076

Note: Offset elimination has been carried out on the dealing between segments.

(iv) Projected Operating Results for the Next Fiscal Year Ending March 31, 2014

In the semiconductor market, the balance between supply and demand has started to improve as a result of strong demand for mobile terminals, and we expect a recovery in demand for our core semiconductor production equipment starting mid-year. In the FPD segment, investment in large-panel production equipment has been pushed back and the market for production equipment contracted sharply, but new investment in large-panel production equipment in China is expected to resume and demand for medium- and small-panel production equipment will likely remain strong. The financial forecast for the next fiscal year (the fiscal year ending March 31, 2014) based on these projections is set forth below.

Consolidated Forecast

(Billions of yen, Y/Y change)

Year ending March 31, 2014	Interim		Full Year	
Net Sales	252.0	-5.5%	570.0	14.6%
Semiconductor Production Equipment	190.0	-11.5%	430.0	9.7%
FPD/PV Production Equipment	20.0	116.7%	51.0	153.0%
Electronic Components & Computer Networks	42.0	-1.1%	89.0	5.1%
Others	0.0	-	0.0	-
Operating Income(loss)	(8.0)	-	18.0	43.4%
Net Income(loss)	(3.0)	-	13.0	113.9%

Note: Offset elimination has been carried out on the dealing between segments.

Note: The financial forecasts and estimates stated in this announcement are based on certain assumptions judged to be reasonable by the TEL Group in light of information currently available concerning economic conditions in Japan and overseas, fluctuations in foreign exchange rates, and other factors that may have an impact on performance. The company does not promise that the forecasts or estimates will be accurate.

They are therefore susceptible to the impact of many uncertainties, including market conditions, competition, the launching of new products (and their success or failure), and global conditions in the semiconductor related industry. Consequently, actual sales and profits may differ substantially from the projections stated in this announcement.

(2) Qualitative Information on Consolidated Financial Conditions

(i) Financial Conditions

Current assets at the end of the fiscal year were 521,501 million yen, down 85,549 million yen compared to the end of the previous fiscal year. The major factors influencing this result were a 49,804 million yen decrease in trade notes and accounts receivable, a 21,292 million yen decrease in short-term investments included in securities, a 13,772 million yen decrease in inventory, and a 13,797 million yen increase in cash and deposits.

Tangible fixed assets increased by 8,812 million yen from the end of the previous fiscal year, to 135,697 million yen.

Intangible fixed assets increased by 55,214 million yen from the end of the previous fiscal year to 59,918 million yen as a result of an increase in goodwill from acquisitions of companies in the United States and Europe and other factors.

Investments and other assets increased by 13,439 million yen from the end of the previous fiscal year, to 58,410 million yen.

As a result, total assets decreased by 8,082 million yen compared to the end of the previous fiscal year, to 775,527 million yen.

Current liabilities were down 18,123 million yen compared to the end of the previous fiscal year, to 106,670 million yen. The major factors causing the decline were a 10,725 million yen decrease in trade notes and accounts payable and a 7,388 million yen decrease in customer advances.

Long-term liabilities were up 3,516 million yen compared to the end of the previous fiscal year, to 63,730 million yen.

Net assets were 605,127 million yen, up 6,524 million yen from the end of the previous fiscal year. The main factors were an increase due to a net income of 6,076 million yen reported for the fiscal year, an increase of 8,674 million yen from translation adjustments due to effects from the depreciation of the yen, and a decrease due to payment of 4,837 million yen in year-end dividends for the previous fiscal year and payment of 4,479 million yen in interim dividends for the current fiscal year. The equity ratio was 76.5%.

(ii) Cash Flow

Cash and cash equivalents at the end of the fiscal year decreased by 73,462 million yen compared to the end of the previous fiscal year, to 85,313 million yen. The combined balance including the 154,815 million yen in time deposits and short-term investments with periods to maturity or redemption of at least three months that are not included in cash and cash equivalents, was 240,129 million yen, down 7,495 million yen from the end of the previous fiscal year. The overall situation regarding cash flow during the fiscal year was as follows.

Cash flow from operating activities increased by 54,554 million yen compared to the previous fiscal year to 84,266 million yen. The main positive factors included 17,766 million yen in net income before income taxes, a 57,549 million yen decrease in trade notes and accounts receivable, 26,630 million yen in depreciation and amortization, and a 20,278 million yen decrease in inventories. The main negative factors were a 15,481 million yen decrease in accounts payable and a 12,455 million yen decrease in customer advances.

Cash flow from investing activities was negative 141,769 million yen, compared to negative 8,352 million yen in the previous year. This was primarily the result of a 66,056 million yen increase in time deposits and short-term investments, 55,079 million yen in purchase of investments in subsidiaries resulting in changes in the scope of consolidation, and 19,012 million yen in payments for purchase of tangible fixed assets.

Cash flow from financing activities was negative 10,625 million yen, primarily as a result of the payment of 9,316 million yen in dividends. Cash flow from financing activities in the previous fiscal year was negative 27,334 million yen.

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Equity ratio (%)	74.9	76.5
Equity ratio at market value (%)	108.3	96.2
Interest-bearing debt to cash flow ratio (times)	0.1	0.0
Interest coverage ratio (times)	691.25	1,227.59

Equity ratio: (Equity / Total assets) x 100

Equity ratio at market value: (Market capitalization / Total assets) x 100

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest expenses

* All indicators are calculated using financial figures on a consolidated basis.

* Market capitalization is calculated based on the following formula: Closing stock price at fiscal year-end × Number of shares outstanding at fiscal year-end after deduction of treasury stock.

* Cash flow from operating activities corresponds to the cash flow from operating activities in the consolidated statement of cash flow. Interest-bearing debt includes all liabilities for which the Company is paying interest among the liabilities reported on the consolidated balance sheet. Interest expenses correspond to the interest paid in the consolidated statement of cash flow.

(3) Basic Policy on Profit Allocation and Payment of Dividends for Current and Next Fiscal Years

The dividend policy of TEL is to link dividend payments to business performance and earnings on an ongoing basis. Its basic policy for returning profits to shareholders is to maintain a payout ratio of around

35% based on consolidated net income.

TEL will effectively use internal capital reserves and concentrate investment in growth areas to raise corporate value through earnings growth, and TEL provides returns directly to shareholders by linking dividend payments to business performance and earnings.

In the current fiscal year (ended March 2013), the figures announced on July 30, 2012 remain unchanged, and a year-end dividend of 26 yen per share (a 16-yen ordinary dividend and a 10-yen commemorative dividend) is planned. As a result, the dividend for the entire fiscal year including the interim dividend (25 yen per share) is 51 yen per share.

For the following fiscal year (ending March 31, 2014), the above dividend policy will remain unchanged, and in addition to performance-based policies, TEL takes account of the Group financial conditions, global financial and economic trends, and plans to pay a total dividend of 50 yen per share (a 25-yen interim dividend and 25-yen year-end dividend) as a special measure on shareholder returns, significantly surpassing the 35% target payout ratio.

	Dividend per share		
	2Q-end	Year-end	Total
Current fiscal year (ended March, 2013)	25 yen (Ordinary dividend) 15 yen (Commemorative dividend) 10 yen	26 yen (Ordinary dividend) 16 yen (Commemorative dividend) 10 yen	51 yen (Ordinary dividend) 31 yen (Commemorative dividend) 20 yen
Next fiscal year (ending March, 2014)	25 yen	25 yen	50 yen

2. Management Policy

(1) Basic Management Policy

The basic management policy of the TEL Group is to raise its corporate value through profit-oriented operations by placing the highest priority on customers, enhancing product and technology development capabilities, and invigorating its workforce.

Under this fundamental policy, the TEL Group will engage in the development of vibrant and internationally competitive companies, with high growth potential and profitability that are attractive to investors.

(2) Management Tasks

The Group, one of the world’s leading suppliers of semiconductor and flat-panel display (FPD) production equipment, engages in dynamic business activities in the electronics industry, a field characterized by rapid technological innovation, with its corporate mission to support the development of a dream-inspiring society through our cutting-edge technologies and reliable services.

In the markets in which we operate, the increasing market domination by our customers (semiconductor manufacturers and others) has continued, and so it is vital that we acquire and maintain our high position in terms of market share in the fields in which we are already operating. In addition, it is important that we develop products and establish businesses that can serve as new sources of earnings. Furthermore, we will continue our efforts to reduce fixed costs. It is vital that we enhance synergy effects between the four overseas companies acquired during the fiscal year and the TEL Group's technological and marketing service capabilities. With these issues in mind, we have adopted the following priority policies.

(i) Improving product strength to expand market share

To acquire and maintain a high share in markets where we are already operating, further improvements to the processing performance, productivity and reliability of our products are required to resolve issues faced by our customers. The TEL Group will work to increase market share by improving the competitiveness of our products such as etching equipment, cleaning equipment, coater/developer, and wafer deposition equipment. In particular, we are aiming to substantially expand our market share in the field of etching equipment, a market expected to grow in future years, by distinguishing our technology from competitors, increasing the pace of development, promoting cost reductions, and other measures. In the cleaning equipment segment, we will generate synergy effects between our existing “CELLESTA™” single-wafer cleaning system series and the products and technologies of TEL FSI, Inc., which was recently acquired, and work to increase sales of the “Certas™” series of best-selling gas chemical etching system. We will accelerate development of semiconductor production equipment compatible with large-diameter silicon wafers to solidify our position. In the FPD production equipment business, we will use our plant in Kunshan City, China to raise profitability.

(ii) Technological innovation for continuous growth

The TEL Group is focusing its efforts on the development of new business such as creating equipment and technologies for mass production of MRAM, which is gaining prominence as next-generation memory, through collaboration between industry, government and academia as well as creating mass production technologies for large organic EL panels. The thin-film solar panel production equipment segment is expected to become a new core business in the medium- to long-term, and we are accelerating development to achieve high conversion rates at the earliest possible time, the key to low-cost electricity generation based on the technological capabilities of TEL Solar which was recently acquired. In addition, we are selecting and consolidating research development topics based on future business feasibility and investment efficiency.

(iii) Pursuit of best solutions

As increasing market domination by our customer base continues, we will look to strengthen our partnerships with our customers through implementing a sales and service system. These policies will allow us to contribute to the technological development of our customers at an early stage and thus understand their needs so as to provide them with the best solution quickly. In back end of line fields such as test systems and packaging, we are also providing best solutions through integrated proposals that include multiple products to make use of our strengths. In addition to the marketing and sale of cutting edge equipment, we are also working to expand our business, responding to shift to longer equipment lifecycles in our field solutions business. This covers areas such as the moving and remodeling and improvement of sold equipment and the spare parts business.

(iv) Measures to fulfill our corporate social responsibility

Based on our "Safety First" principle, the TEL Group believes that ensuring that all individuals involved in our business activities can work safely, use safe equipment, and remain healthy is an important part of our corporate social responsibility. Based on the principle of "solving environmental problems with technology", to promote more environmentally friendly practices at customer factories, we are developing manufacturing equipment which will lead to reduced emission of greenhouse gases, reduced power consumption and lower water usage. Moreover, as a group, we will promote activities such as the introduction of photovoltaic power generation equipment in our main factories to reduce the environmental impact of our business practices and logistics. Furthermore, we are building relationships built on trust through communications with local residents and various other stakeholders to maintain our status as a good corporate citizen with strong community ties and to achieve growth in tandem with society.

In addition to the policies described above, for the human resources who will be the source of growth, we think that the placement of the right people in the right positions and proactive development of training programs to educate our human resources to equip them to respond to changes in the business environment will help the Group to make rapid progress in the future. We will also continue to provide evaluation and compensation which fairly recognize the extent of individual contributions, and seek to create a company that is brimming with dreams and vitality.

The Group will continue, on the basis of its profit-oriented management, to further enhance its corporate value by placing customers first, improving product and technology development capabilities, strengthening international competitiveness, and motivating employees.

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
ASSETS		
Current assets		
Cash and deposit	35,834	49,632
Trade notes and accounts receivable	150,305	100,500
Securities	211,790	190,497
Merchandise and finished goods	101,789	87,397
Work in process	35,104	33,402
Raw materials and supplies	12,575	14,898
Deferred income taxes	23,546	15,669
Others	37,480	30,682
Allowance for doubtful accounts	(1,376)	(1,179)
Total current assets	607,050	521,501
Long-term assets		
Tangible fixed assets		
Buildings and structures	143,461	163,857
Accumulated depreciation	(79,077)	(92,009)
Buildings and structures, net	64,384	71,847
Machinery and carriers	85,499	108,360
Accumulated depreciation	(63,835)	(81,233)
Machinery and carriers, net	21,664	27,126
Land	26,260	25,030
Others	39,849	37,781
Accumulated depreciation	(25,272)	(26,087)
Others, net	14,576	11,693
Total tangible fixed assets	126,885	135,697
Intangible fixed assets		
Goodwill	-	38,372
Others	4,703	21,545
Total intangible fixed assets	4,703	59,918
Investments and other assets		
Investment securities	16,081	18,669
Deferred income taxes	17,585	23,205
Others	15,152	18,647
Allowance for doubtful accounts	(3,848)	(2,112)
Total investments and other assets	44,971	58,410
Total long-term assets	176,560	254,026
Total assets	783,610	775,527

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	46,986	36,261
Accrued warranty expenses	8,903	8,344
Others	68,903	62,064
Total current liabilities	124,794	106,670
Long-term liabilities		
Accrued pension and severance costs	54,646	56,643
Others	5,567	7,086
Total long-term liabilities	60,213	63,730
Total liabilities	185,007	170,400
NET ASSETS		
Shareholders' equity		
Common stock	54,961	54,961
Capital surplus	78,023	78,023
Retained earnings	471,186	467,920
Treasury stock	(9,747)	(9,588)
Total shareholders' equity	594,422	591,315
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,575	4,214
Deferred gains or losses on hedges	(51)	(14)
Translation adjustments	(11,157)	(2,483)
Total accumulated other comprehensive income	(7,633)	1,716
Subscription rights to shares	1,156	1,374
Minority interests	10,656	10,720
Total net assets	598,602	605,127
Total liabilities and net assets	783,610	775,527

Consolidated Statement of Income

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Net sales	633,091	497,299
Cost of sales	421,646	338,545
Gross profit	211,444	158,754
Selling, general & administrative expenses		
Salaries and allowances	21,446	24,619
Research and development expenses	81,506	73,248
Others	48,048	48,338
Total selling, general & administrative expenses	151,001	146,206
Operating income (loss)	60,443	12,548
Non-operating income		
Interest income	775	1,392
Revenue from development grants	1,130	987
Others	2,192	3,745
Total non-operating income	4,097	6,125
Non-operating expenses		
Foreign currency translation loss	31	1,520
Others	462	457
Total non-operating expenses	494	1,977
Ordinary income (loss)	64,046	16,696
Unusual or infrequent profit		
Gain on sale of fixed assets	565	943
Reversal of allowance for doubtful accounts	-	558
Gain on collection written-off claims	1,437	-
Others	171	-
Total unusual or infrequent profit	2,174	1,501
Unusual or infrequent loss		
Loss on sale of fixed assets	406	153
Loss from earthquake damage	935	-
Loss on liquidation of subsidiaries and affiliates	-	134
Reorganization costs	-	132
Provision of allowance for doubtful accounts	1,848	-
Loss from restructuring	848	-
Loss on revaluation of investment securities	696	-
Others	883	11
Total unusual or infrequent loss	5,619	431
Income (loss) before income taxes	60,602	17,766
Provision for income taxes and enterprise taxes	15,022	6,254
Prior year's corporate tax	-	2,194
Deferred income taxes	8,400	2,958
Total income taxes	23,422	11,408
Income (loss) before minority interests	37,179	6,358
Minority interests	453	282
Net income (loss)	36,725	6,076

Consolidated Statement of Comprehensive Income

	Year ended March 31, 2012	Year ended March 31, 2013
		(Millions of yen)
Income (loss) before minority interests	37,179	6,358
Other comprehensive income		
Valuation difference on available-for-sale securities	768	651
Deferred gains or losses on hedges	(68)	55
Translation adjustments	(925)	8,760
Total other comprehensive income	(225)	9,467
Comprehensive income	36,953	15,826
(Breakdown)		
Comprehensive income attributable to owners	36,531	15,425
Comprehensive income attributable to minority interests	422	400

Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Shareholders' equity		
Common stock		
Balance at beginning of period	54,961	54,961
Balance at end of period	54,961	54,961
Capital surplus		
Balance at beginning of period	78,045	78,023
Disposal of treasury stock	(22)	-
Balance at end of period	78,023	78,023
Retained earnings		
Balance at beginning of period	457,658	471,186
Cash dividends	(23,101)	(9,316)
Net income (loss)	36,725	6,076
Disposal of treasury stock	(96)	(24)
Balance at end of period	471,186	467,920
Treasury stock		
Balance at beginning of period	(10,484)	(9,747)
Purchase of treasury stock	(12)	(15)
Disposal of treasury stock	749	173
Balance at end of period	(9,747)	(9,588)
Total shareholders' equity		
Balance at beginning of period	580,180	594,422
Cash dividends	(23,101)	(9,316)
Net income (loss)	36,725	6,076
Purchase of treasury stock	(12)	(15)
Disposal of treasury stock	630	148
Balance at end of period	594,422	591,315

Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of period	2,807	3,575
Net change except shareholders' equity	768	638
Balance at end of period	3,575	4,214
Deferred gains or losses on hedges		
Balance at beginning of period	(12)	(51)
Net change except shareholders' equity	(38)	36
Balance at end of period	(51)	(14)
Translation adjustments		
Balance at beginning of period	(10,234)	(11,157)
Net change except shareholders' equity	(923)	8,674
Balance at end of period	(11,157)	(2,483)
Total accumulated other comprehensive income		
Balance at beginning of period	(7,439)	(7,633)
Net change except shareholders' equity	(194)	9,349
Balance at end of period	(7,633)	1,716
Subscription rights to shares		
Balance at beginning of period	1,499	1,156
Net change except shareholders' equity	(342)	217
Balance at end of period	1,156	1,374
Minority interests		
Balance at beginning of period	10,560	10,656
Net change except shareholders' equity	96	63
Balance at end of period	10,656	10,720
Total net assets		
Balance at beginning of period	584,801	598,602
Cash dividends	(23,101)	(9,316)
Net income (loss)	36,725	6,076
Purchase of treasury stock	(12)	(15)
Disposal of treasury stock	630	148
Net change except shareholders' equity	(440)	9,631
Balance at end of period	598,602	605,127

Consolidated Cash Flow

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Cash flow from operating activities		
Income (loss) before income taxes	60,602	17,766
Depreciation and amortization	24,197	26,630
Amortization of goodwill	-	1,141
Increase in accrued pension and severance costs (decrease)	2,422	1,864
Increase in allowance for doubtful accounts (decrease)	2,111	(2,166)
Increase in accrued employees' bonuses (decrease)	(2,506)	(2,750)
Increase in accrued warranty expenses (decrease)	1,343	(2,918)
Interest and dividend revenue	(1,009)	(1,659)
Decrease in trade notes and accounts receivable (increase)	(15,540)	57,549
Decrease in inventories (increase)	16,022	20,278
Increase in accounts payable (decrease)	(5,807)	(15,481)
Decrease in prepaid consumption tax (increase)	1,507	2,862
Increase in accrued consumption tax (decrease)	(2,417)	596
Increase in customer advances (decrease)	(4,566)	(12,455)
Decrease in specific doubtful receivables (increase)	(1,889)	1,928
Others	1,935	(2,766)
Subtotal	76,405	90,420
Receipts from interest and dividends	978	1,586
Interest paid	(42)	(68)
Income taxes paid or refund (paid)	(47,628)	(7,671)
Net cash generated by operating activities	29,712	84,266
Cash flow from investing activities		
Payment into time deposits	(35,000)	(15,056)
Proceeds from time deposits	55,000	15,000
Payment for purchase of short-term investments	(249,500)	(177,000)
Proceeds from redemption of short-term investments	260,500	111,000
Payment for purchase of tangible fixed assets	(36,010)	(19,012)
Proceeds from sale of tangible fixed assets	1,102	3,630
Payment for purchase of intangible fixed assets	(2,140)	(1,234)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(348)	(55,079)
Payments for transfer of business	-	(1,097)
Others	(1,955)	(2,920)
Net cash used in investing activities	(8,352)	(141,769)
Cash flow from financing activities		
Net increase in short-term borrowings (decrease)	(3,593)	(646)
Net decrease in treasury stock (increase)	(12)	(15)
Dividends paid	(23,101)	(9,316)
Others	(626)	(646)
Net cash generated by financing activities	(27,334)	(10,625)
Effect of exchange rate changes on cash and cash equivalents	(299)	(5,334)
Net increase in cash and cash equivalents (decrease)	(6,274)	(73,462)
Cash and cash equivalents at beginning of period	165,050	158,776
Cash and cash equivalents at end of period	158,776	85,313

Segment Information

(i) Overview of reportable segments

The reportable segments by the company provide separate financial information pertaining to the various segments of the company, which is reviewed periodically by the management to evaluate corporate performance as well as make decisions about the allocation of management resources.

The corporate structure consists of product and service segments based on business units (BUs), and the reportable segments are as follows: Semiconductor Production Equipment, FPD/PV (Flat Panel Display and Photovoltaic Panel) Production Equipment, and Electronic Components and Computer Networks.

The Semiconductor Production Equipment segment consists of coaters/developers, plasma etch systems, thermal processing systems, single wafer deposition systems, cleaning systems used in wafer processing, wafer probers used in the wafer testing process and other semiconductor production equipment, and we are engaged in the development, manufacturing, sales and provision of maintenance services, etc. for such products.

The FPD/PV Production Equipment segment consists of coaters/developers, plasma etch/ash systems used in the manufacturing of flat panel displays, and photovoltaic panel production equipment used in the manufacturing of thin film silicon photovoltaic panels, and we are engaged in the development, manufacturing, sales and provision of maintenance services, etc. for such products.

The Electronic Components and Computer Networks segment consists of semiconductor products centering on integrated circuits (IC), other electronic components, computer networks and software, etc., and we are engaged in the design, development, procurement, and sales, etc. for such products.

(ii) Ways of estimating net sales, profits or losses, assets, and other amounts in reportable segment.

Accounting method used in each reportable segment is almost the same as the method used to prepare consolidated financial statements. Inter-segment revenues or transfers are based on prevailing market prices. Moreover, shared assets have not been allotted to each reportable segments, but associated costs have been distributed among them according to rational standards.

(iii) Net sales, profits or losses, assets, and other amounts in reportable segment

Year ended March 31, 2013 (Millions of yen)

	Reportable Segment			Others *1
	Semiconductor Production Equipment	FPD/PV Production Equipment	Electronic Components & Computer Networks	
Sales to external customers	392,026	20,160	84,664	448
Inter-segment sales or transfers	43	-	813	10,612
Net sales	392,069	20,160	85,477	11,060
Segment income (loss)	48,600	(6,355)	1,283	1,320
Segment assets	223,955	49,489	47,557	1,549
Depreciation and amortization	12,330	461	448	77
Amortization of goodwill	1,038	-	102	-
Increase in the amount of tangible fixed assets and intangible fixed assets	13,463	1,660	482	53

	Total Segment	Eliminations *2	Consolidated Total *3
Sales to external customers	497,299	-	497,299
Inter-segment sales or transfers	11,468	(11,468)	-
Net sales	508,768	(11,468)	497,299
Segment income (loss)	44,849	(27,082)	17,766
Segment assets	322,551	452,976	775,527
Depreciation and amortization	13,317	13,313	26,630
Amortization of goodwill	1,141	-	1,141
Increase in the amount of tangible fixed assets and intangible fixed assets	15,660	9,834	25,494

Notes:

*1 The "Others" segment includes all other businesses which are not included in the reported business segments, such as the transportation of products of the Tokyo Electron Group companies, equipment leasing and insurance, etc.

*2 a) The eliminations of segment income or loss amounting to 27,082 million yen includes corporate expenses pertaining to the corporate account which are not allocated to any specific reportable segments. The corporate account expenses are mainly R&D expenses of 20,358 million yen, pertaining to fundamental research and element research conducted by the company not related to any of the reportable segments.

b) The main constituents of the eliminations of segment assets worth 452,976 million yen are cash, savings, securities, buildings and structures, etc. unallocated to each reportable segment.

c) The main constituent of the eliminations of tangible fixed assets and intangible fixed assets worth 9,834 million yen is capital investments in buildings, structures, machinery and carriers unallocated to each reportable segment.

*3 Segment income or loss is adjusted against net income before taxes in consolidated income statement.

(iv) Impairment loss on fixed assets in reportable segments

The information is not material and has been omitted.

(v) Amortization and un-depreciated balance of goodwill in reportable segments

Year ended March 31, 2013 (Millions of yen)

	Semiconductor Production Equipment	FPD/PV Production Equipment	Electronic Components & Computer Networks	Total Segment
Amortization of goodwill	1,038	-	102	1,141
Balance at end of period	14,565	23,396	411	38,372

(vi) Income related to negative goodwill in reportable segments

None