

FY2012 (April 1, 2011 – March 31, 2012)

Financial Announcement

TOKYO ELECTRON

April 27, 2012



TOKYO ELECTRON

CORP IR/April 27, 2012



FY2012 (April 1, 2011 – March 31, 2012)

Consolidated Financial Summary

April 27, 2012



TOKYO ELECTRON

CORP IR/April 27, 2012



Results Highlights

FY2012 Financial Summary

	Net Sales	¥633.0B	-5.3% year on year
	Operating income	¥60.4B	-38.2% year on year
	Operating margin	9.5%	-5.1 pts. year on year
	Net income	¥36.7B	-48.9% year on year
	Operating cash flow	¥29.7B	-¥53.5B year on year
	Cash and cash equivalents	¥247.6B	-¥37.4B on FY11 end

Cash and cash equivalents: Cash and deposits + Certificate of deposit, etc (Securities in B/S).

Profit and Loss

FY2012 Financial Summary

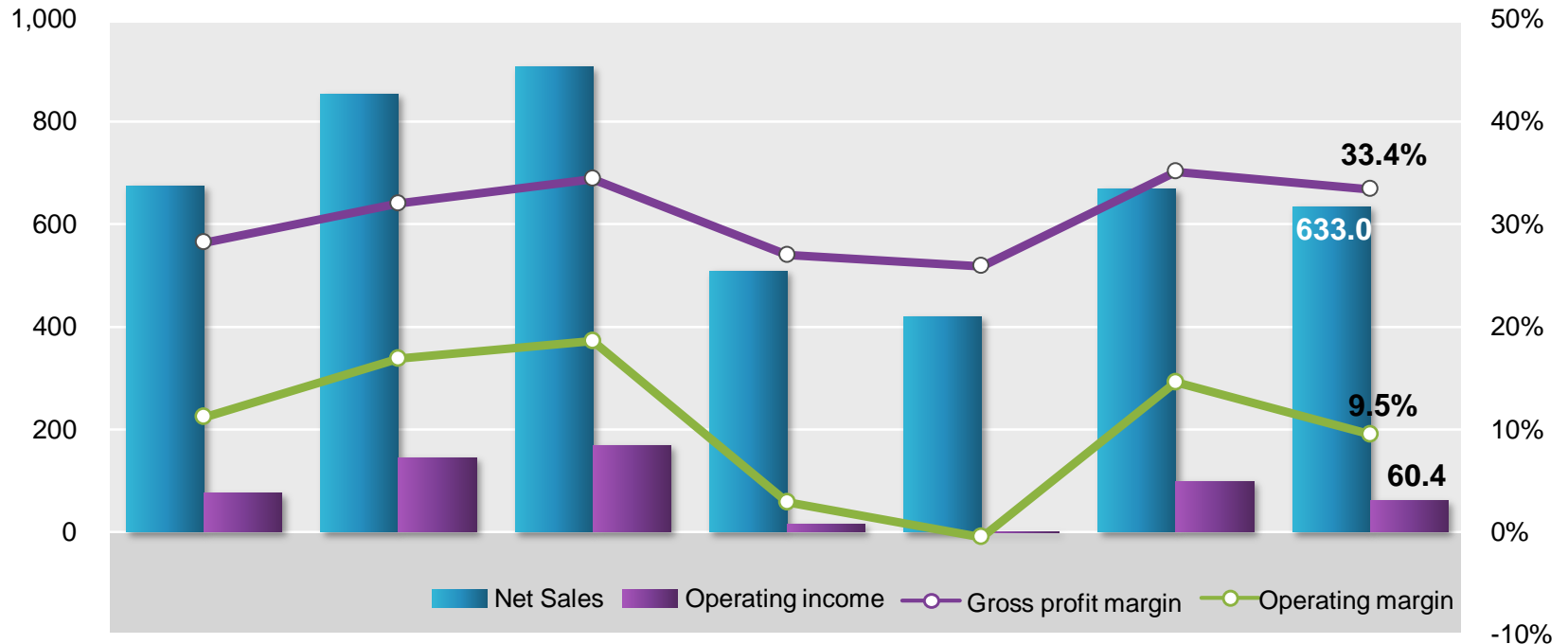
(Billions of Yen)

	FY2011	FY2012	Y o Y Change
Net sales	668.7	633.0	-5.3%
SPE	511.3	477.8	-6.5%
FPD/PVE	66.7	69.8	+4.7%
EC/CN	90.2	84.8	-5.9%
Others	0.4	0.4	+1.8%
Operating income	97.8 (14.6%)	60.4 (9.5%)	-38.2%
Income before income taxes	99.5	60.6	-39.1%
Net income	71.9	36.7	-48.9%
EPS(yen)	401.73	205.04	-49.0%
R&D expenses	70.5	81.5	+15.5%
Capital expenditures	39.1	39.5	+1.0%
Depreciation and amortization	17.7	24.1	+36.7%

1. SPE : Semiconductor Production Equipment, FPD/PVE : Flat Panel Display and Photovoltaic Cell Production Equipment, EC/CN: Electric Components and Computer Networks
2. Numbers shown in (): Profit ratios
3. Profit ratios are calculated using full amounts, before rounding.
4. FY2012 net income of 36.7B yen includes -3.5B yen corporate tax rate change effect.

Net Sales & Operating Margin FY2012 Financial Summary

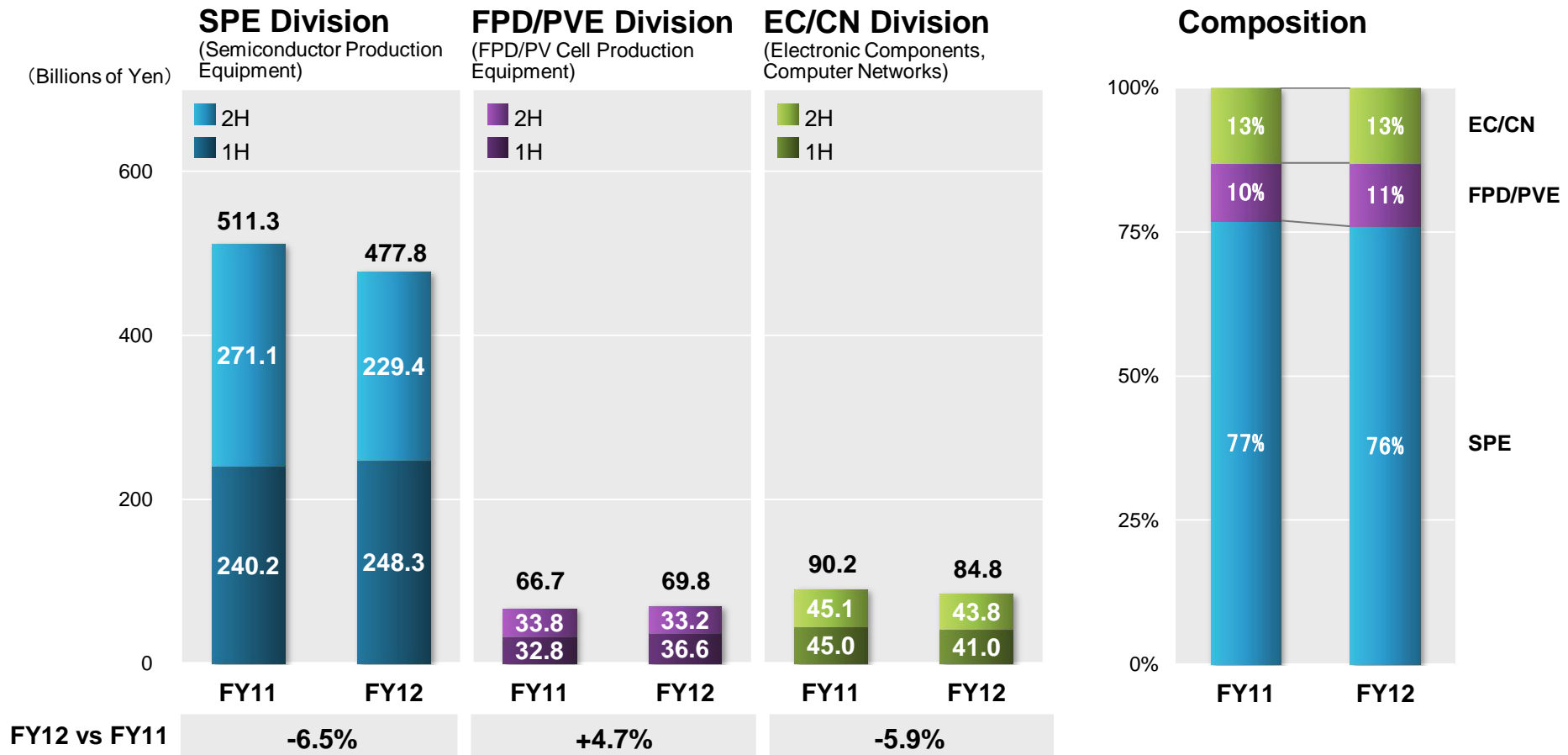
(Billions of Yen)



	FY06	FY07	FY08	FY09	FY10	FY11	FY12
Net sales	673.6	851.9	906.0	508.0	418.6	668.7	633.0
Operating income	75.7	143.9	168.4	14.7	-2.1	97.8	60.4
Gross profit margin	28.2%	32.0%	34.4%	27.0%	25.9%	35.1%	33.4%
Operating margin	11.2%	16.9%	18.6%	2.9%	-0.5%	14.6%	9.5%

Net Sales by Division

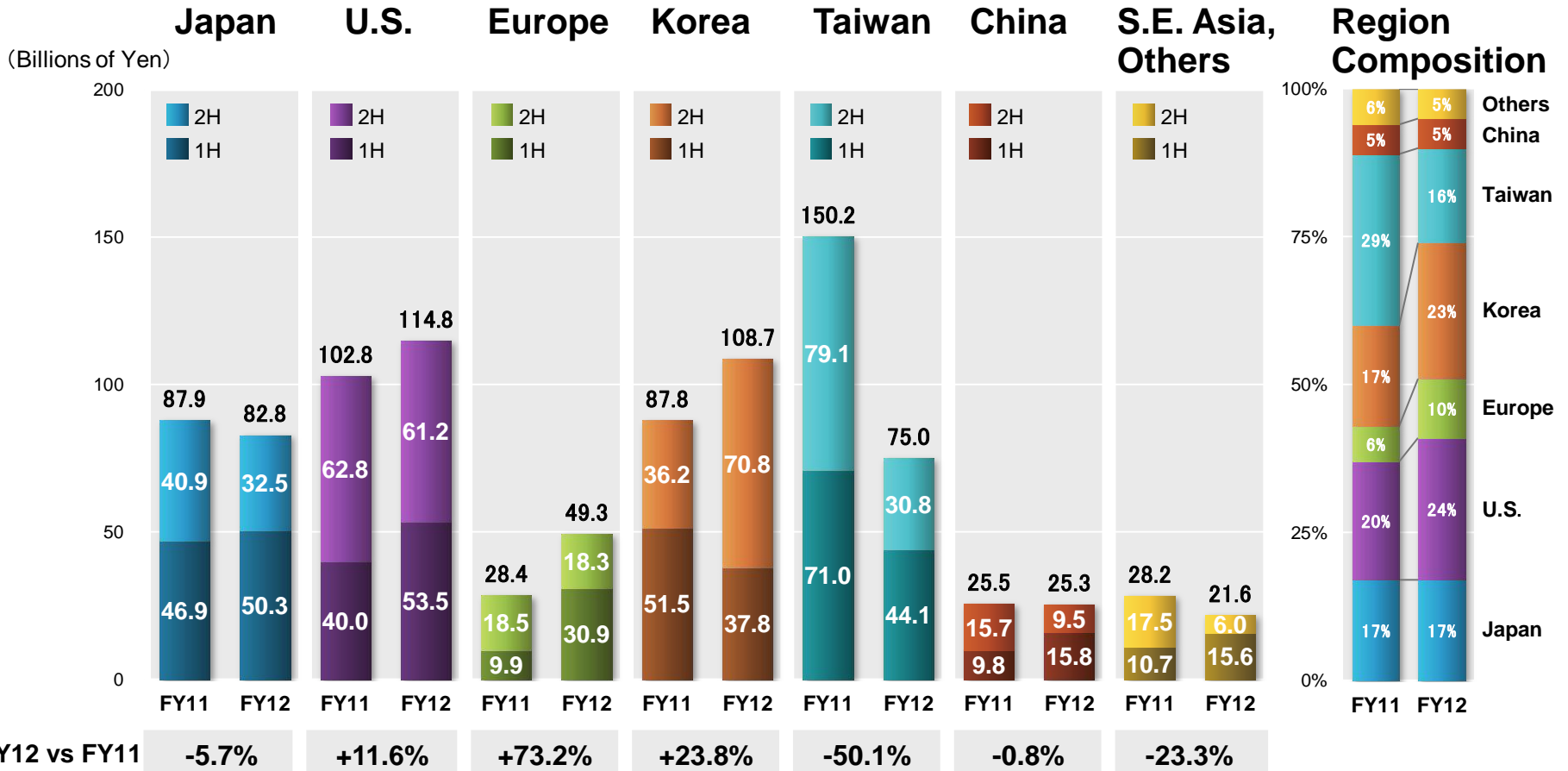
FY2012 Financial Summary



In addition to the above 3 divisions, there is "Others" division.

SPE Sales by Region

FY2012 Financial Summary

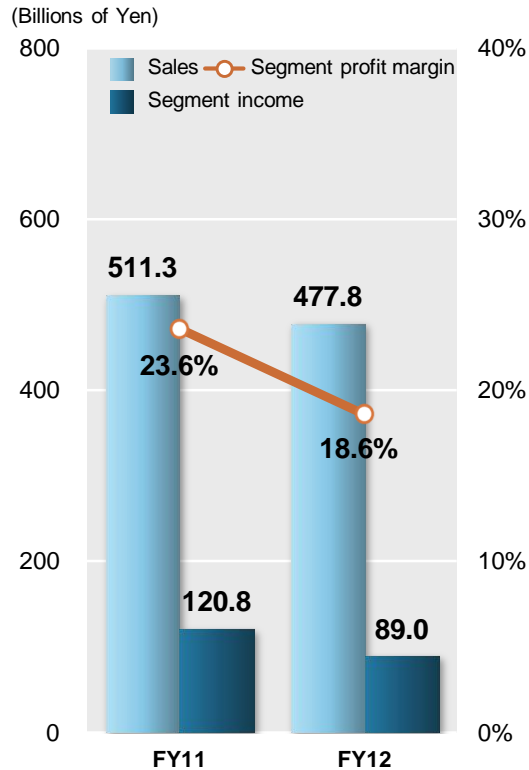


Segment Information

FY2012 Financial Summary

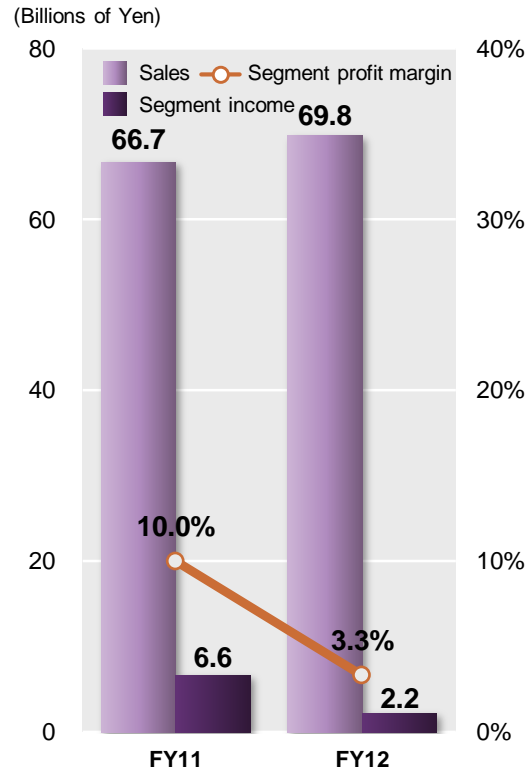
SPE

(Semiconductor Production Equipment)



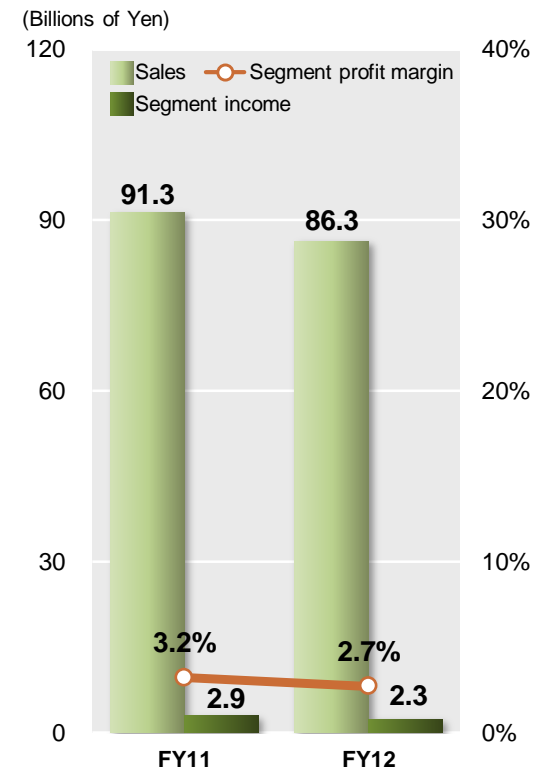
FPD/PVE

(FPD/PV Cell Production Equipment)



EC/CN

(Electronic Components and Computer Networks)



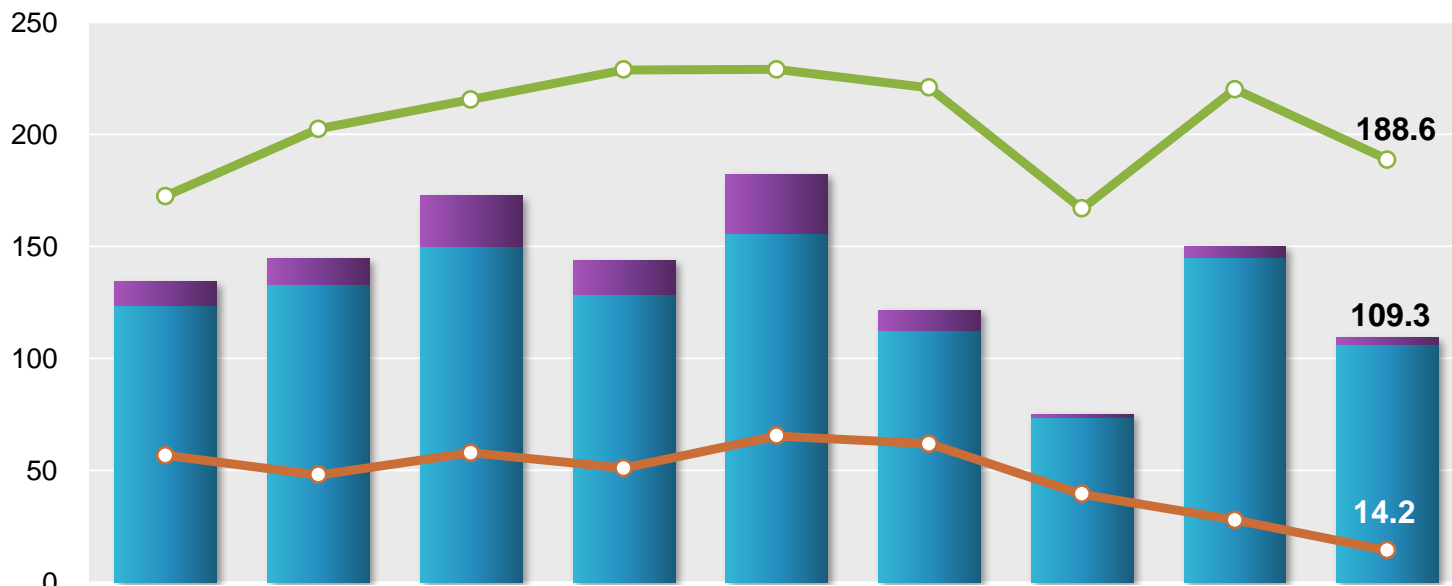
The reportable segments by the company provide separate financial information pertaining to the various segments of the company, which is reviewed periodically by the management to evaluate corporate performance as well as make decisions about the allocation of management resources.

1. Segment income is adjusted against income before income taxes in the consolidated statement of income.
2. Profit ratios are calculated using full amounts, before rounding.

Orders, Order Backlog

FY2012 Financial Summary

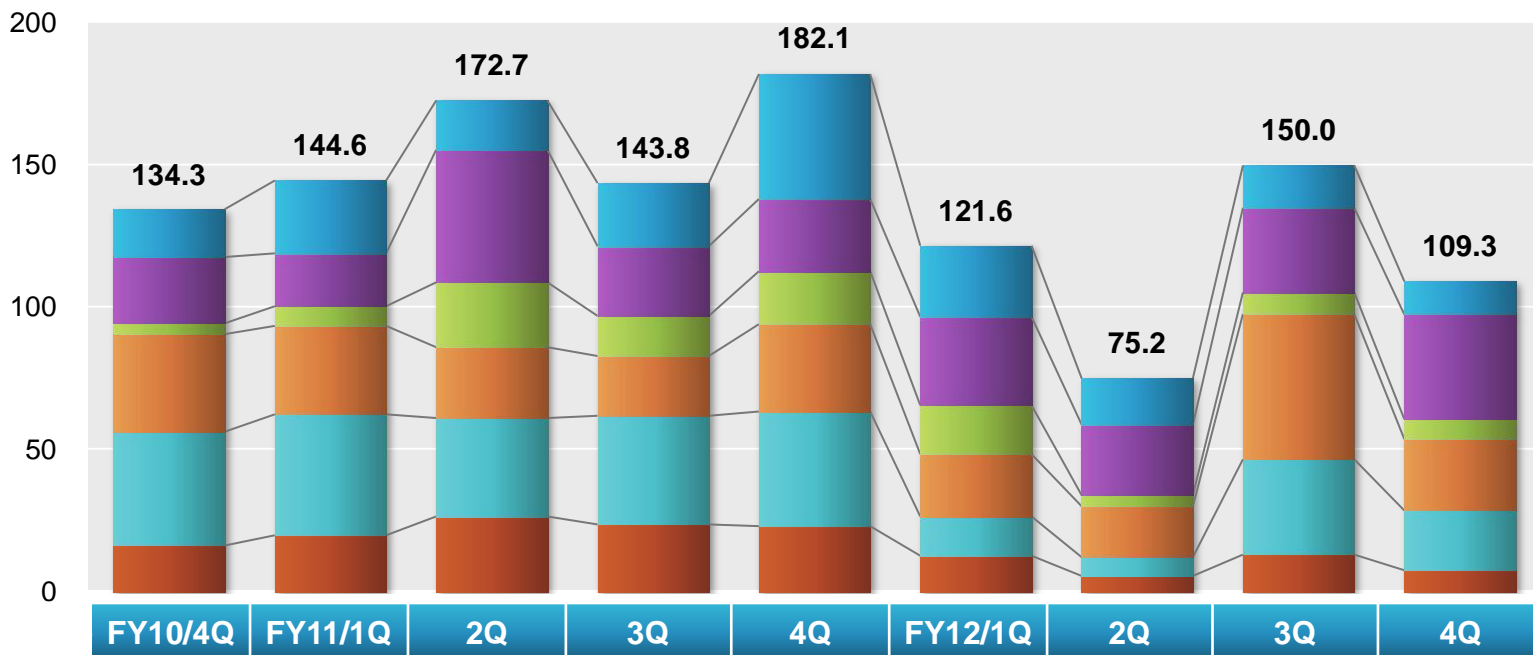
(Billions of Yen)



	FY10/4Q	FY11/1Q	2Q	3Q	4Q	FY12/1Q	2Q	3Q	4Q
■ SPE Orders	123.6	133.2	150.2	128.6	155.8	112.6	73.5	144.9	106.4
■ FPD/PVE Orders	10.6	11.4	22.4	15.2	26.3	8.9	1.7	5.0	2.8
○ SPE Order backlog	172.3	202.3	215.5	228.8	228.9	220.7	166.7	220.1	188.6
○ FPD/PVE Order backlog	56.7	47.9	57.8	51.0	65.4	61.8	39.4	27.8	14.2

Orders by Region: SPE, FPD/PVE FY2012 Financial Summary

(Billions of Yen)



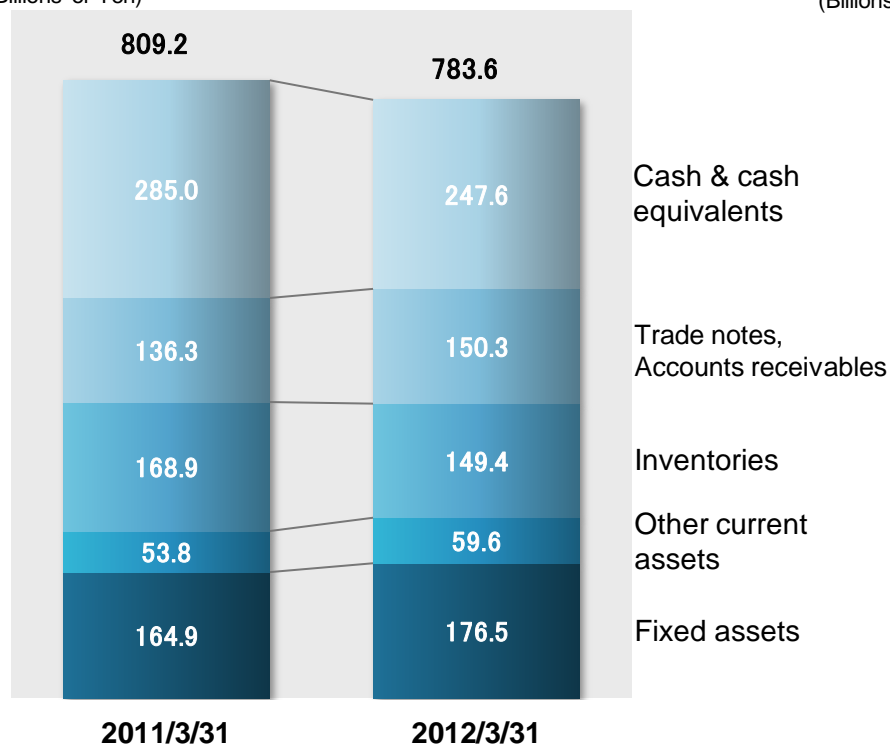
	FY10/4Q	FY11/1Q	2Q	3Q	4Q	FY12/1Q	2Q	3Q	4Q
Japan	16.8	25.6	17.3	22.2	43.9	25.0	16.3	14.9	11.7
U.S.	23.3	18.6	46.6	24.5	25.4	31.1	24.8	29.7	36.8
Europe	3.8	6.9	22.8	14.1	18.6	17.2	3.9	7.6	7.0
Korea	34.3	31.1	24.9	21.0	30.7	21.9	17.9	51.1	25.1
Taiwan	40.0	42.5	34.6	38.2	40.3	13.7	6.6	33.5	21.0
China, S.E. Asia, Others	16.1	19.7	26.3	23.5	22.9	12.5	5.4	12.9	7.4

Balance Sheet

FY2012 Financial Summary

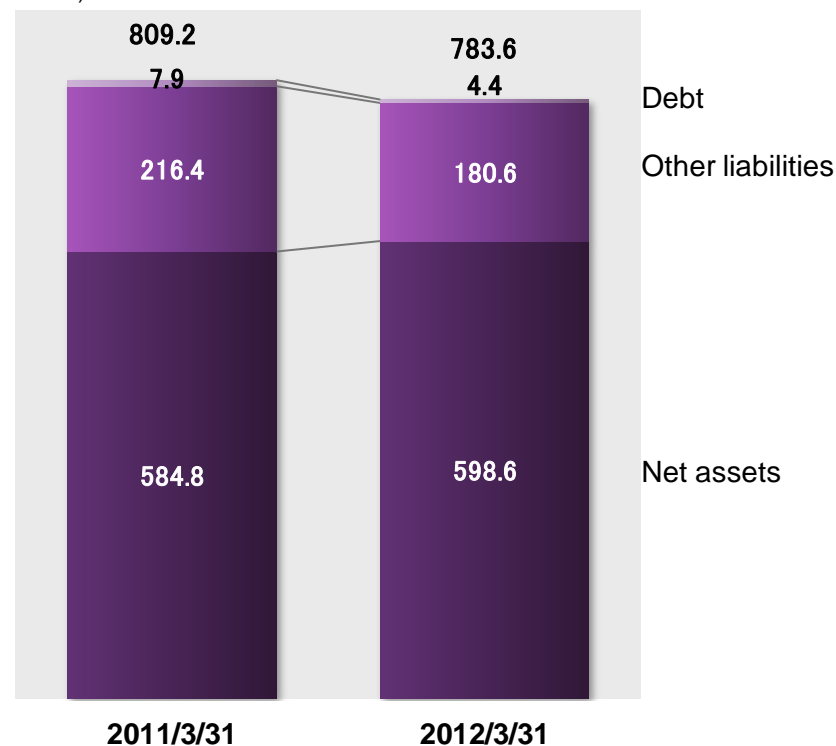
Assets

(Billions of Yen)



Liabilities & Net Assets

(Billions of Yen)

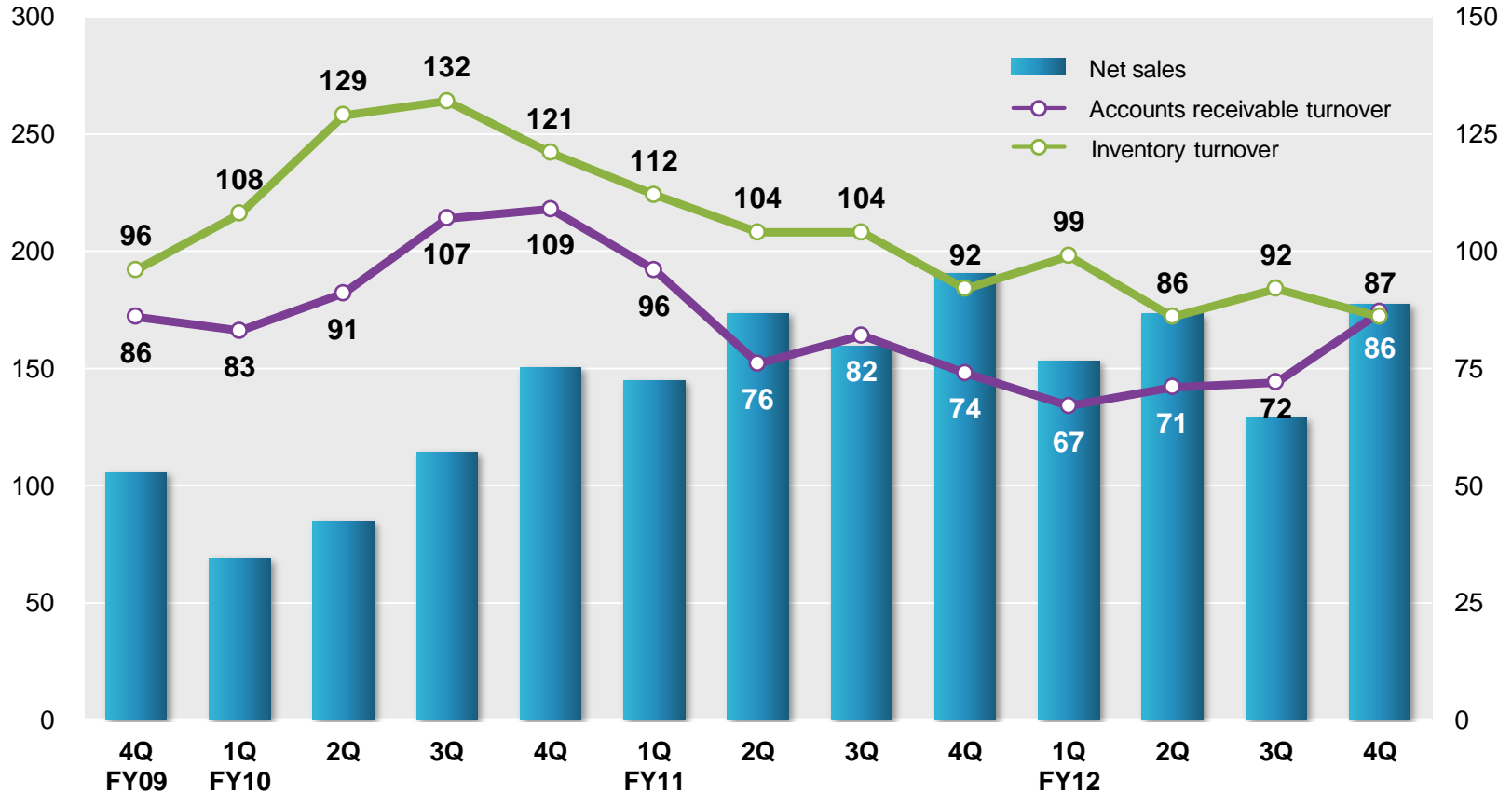


Cash and cash equivalents: Cash and deposits + Certificate of deposit, etc (Securities in B/S).

Inventory Turnover and AR Turnover FY2012 Financial Summary

(Billions of Yen)

(Days)



*Turnover days=Inventory or AR at the end of each quarter/ last 12 months sales × 365

Cash Flow

FY2012 Financial Summary

(Billions of Yen)

	FY2011	FY2012
Cash flow from operating activities	83.2	29.7
Cash flow from investing activities	-35.8	-8.3
Payment for purchase of property, plant, equipment and others	-35.8	-39.3
Term deposits over 3 months	-	31.0
Cash flow from financing activities	-5.2	-27.3
Cash and cash equivalents at end of term	165.0	158.7
Cash and deposits at end of term (certificates of deposit, etc included)	285.0	247.6

Supplement Data



Profit and Loss

(Billions of Yen)

	FY2011				FY2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	144.8	173.5	159.6	190.6	153.1	173.2	129.1	177.5
Gross profit	49.1 (33.9%)	59.5 (34.3%)	58.7 (36.8%)	67.3 (35.3%)	58.4 (38.2%)	55.0 (31.8%)	41.4 (32.1%)	56.4 (31.8%)
Operating income	18.3 (12.6%)	24.0 (13.8%)	25.8 (16.2%)	29.7 (15.6%)	23.0 (15.1%)	13.7 (7.9%)	6.0 (4.7%)	17.4 (9.8%)
Income before income taxes	19.2	25.7	26.6	27.9	23.4	15.8	6.7	14.6
Net income	14.7	18.7	18.6	19.8	16.6	10.0	0.7	9.3
R&D expenses	14.8	19.2	16.8	19.5	18.1	22.9	18.7	21.6
Capital expenditures	3.7	12.6	12.4	10.2	5.9	16.6	7.6	9.3
Depreciation and amortization	3.7	4.0	4.6	5.2	4.7	5.7	6.4	7.1

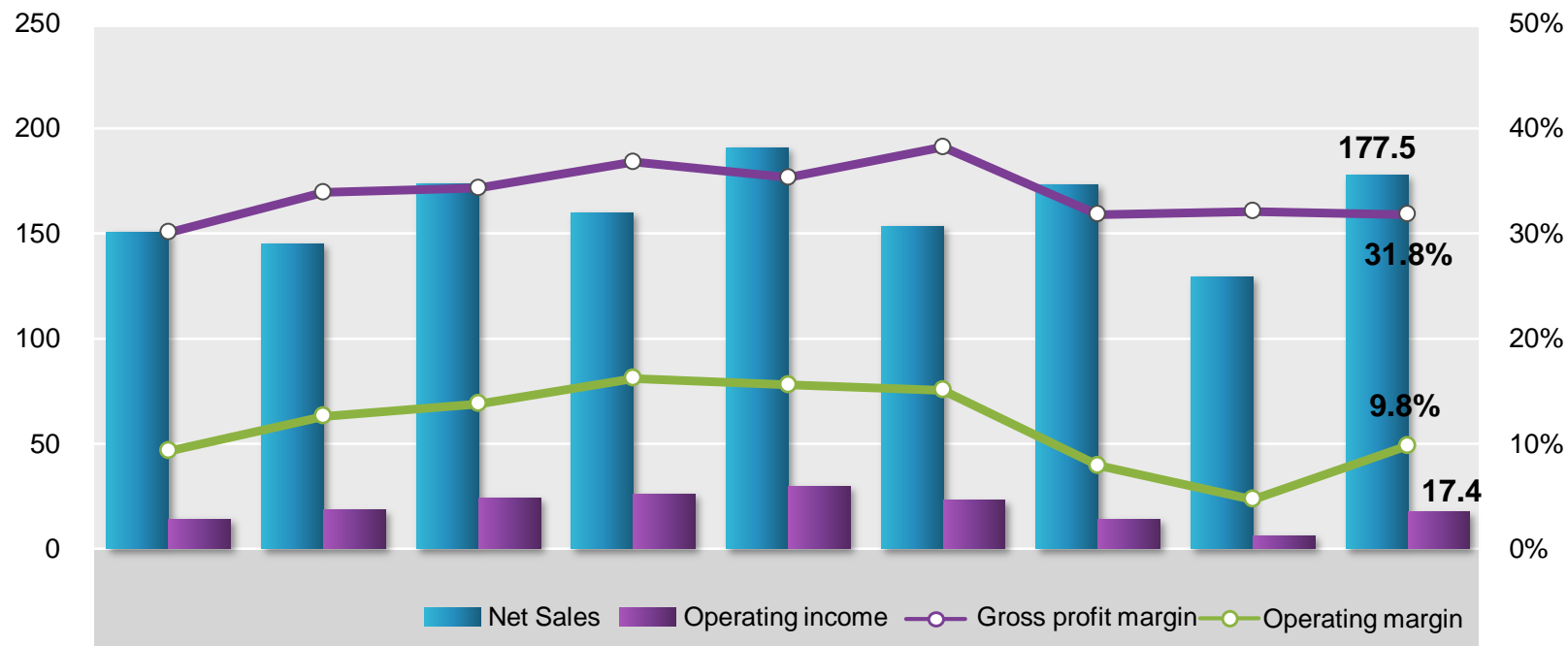
In principle, export sales of Tokyo Electron's mainstay semiconductor and FPD/PV cell production equipment are denominated in yen. While some settlements are denominated in dollars, exchange risk is hedged as forward exchange contracts are made individually at the time of booking. Accordingly, the effect of exchange rates on profits is negligible.

1. Numbers shown in (): profit ratios

2. Profit ratios are calculated using full amounts, before rounding.

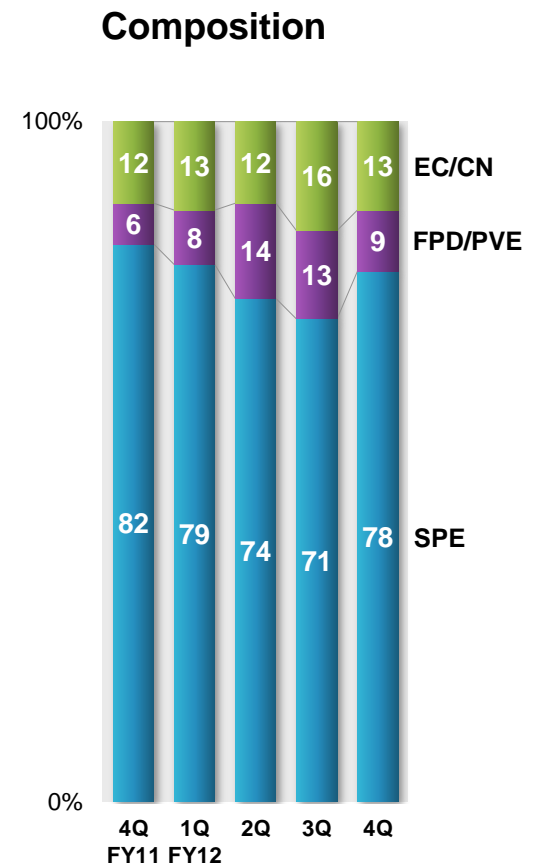
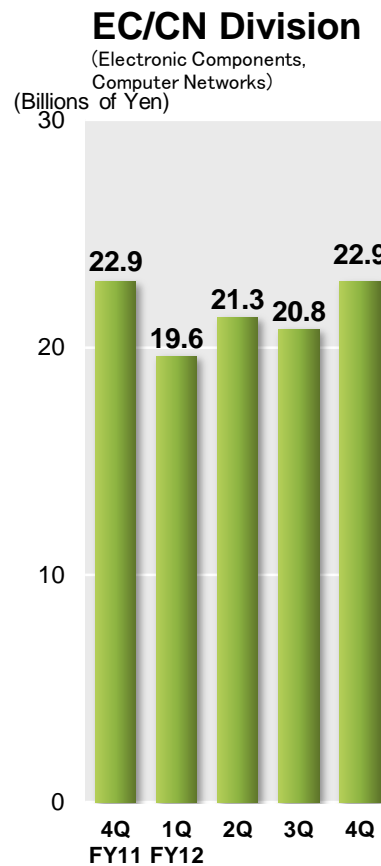
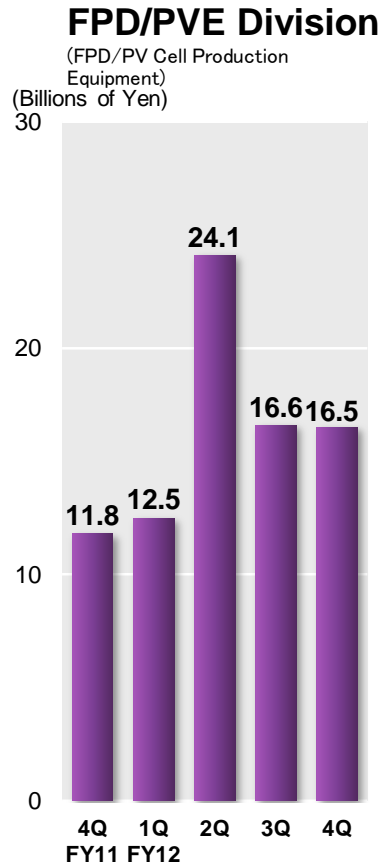
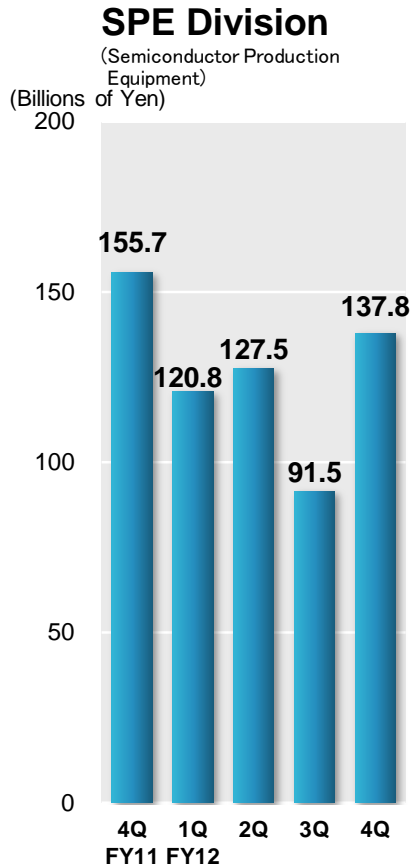
Net Sales & Operating Margin

(Billions of Yen)



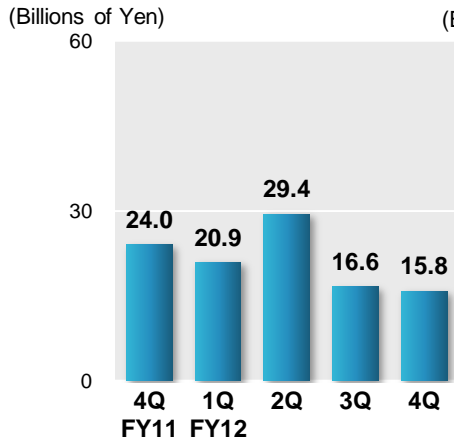
	FY10/4Q	FY11/1Q	2Q	3Q	4Q	FY12/1Q	2Q	3Q	4Q
Net Sales	150.4	144.8	173.5	159.6	190.6	153.1	173.2	129.1	177.5
Operating income	13.9	18.3	24.0	25.8	29.7	23.0	13.7	6.0	17.4
Gross profit margin	30.1%	33.9%	34.3%	36.8%	35.3%	38.2%	31.8%	32.1%	31.8%
Operating margin	9.3%	12.6%	13.8%	16.2%	15.6%	15.1%	7.9%	4.7%	9.8%

Net Sales by Division

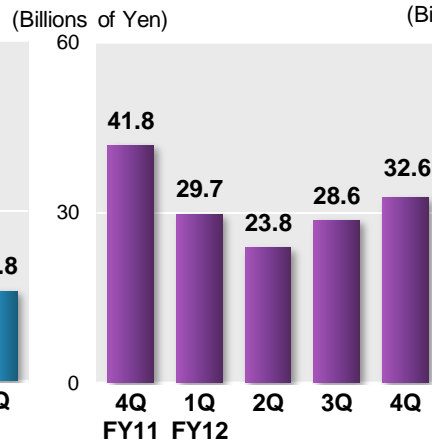


SPE Sales by Region

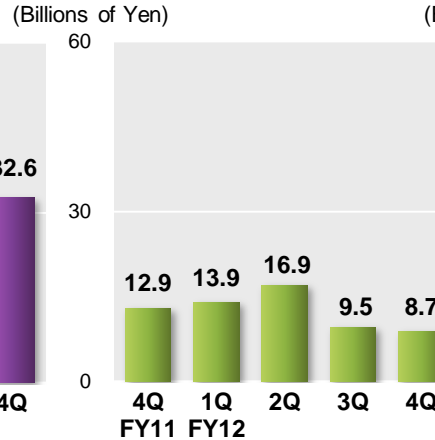
Japan



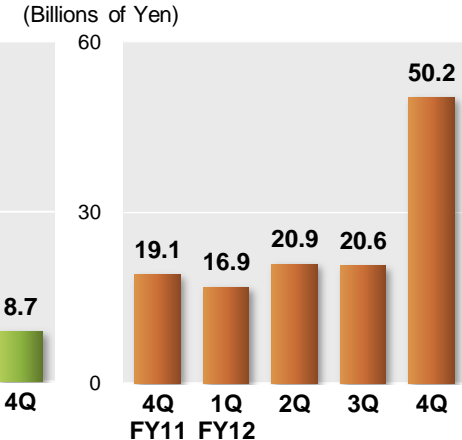
U.S.



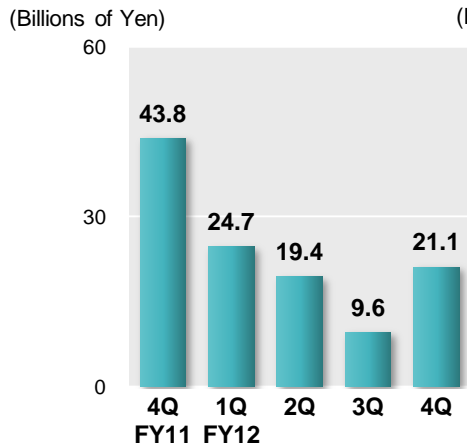
Europe



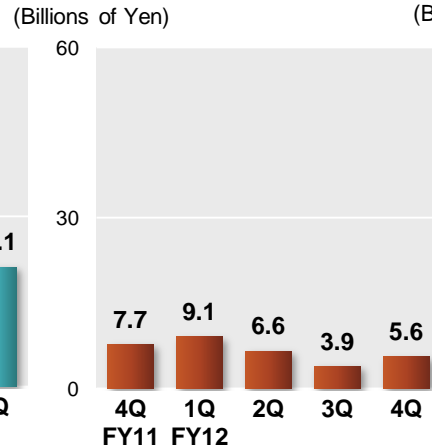
Korea



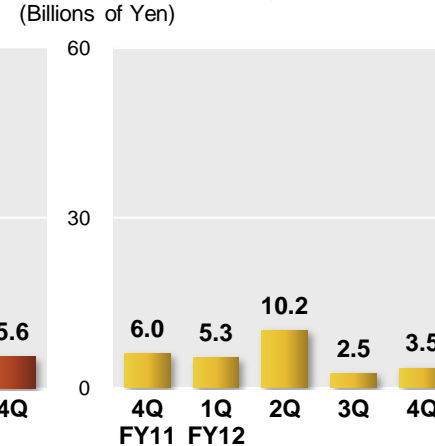
Taiwan



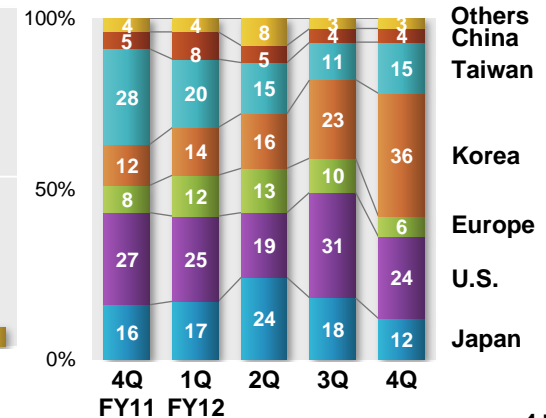
China



S.E. Asia, Others



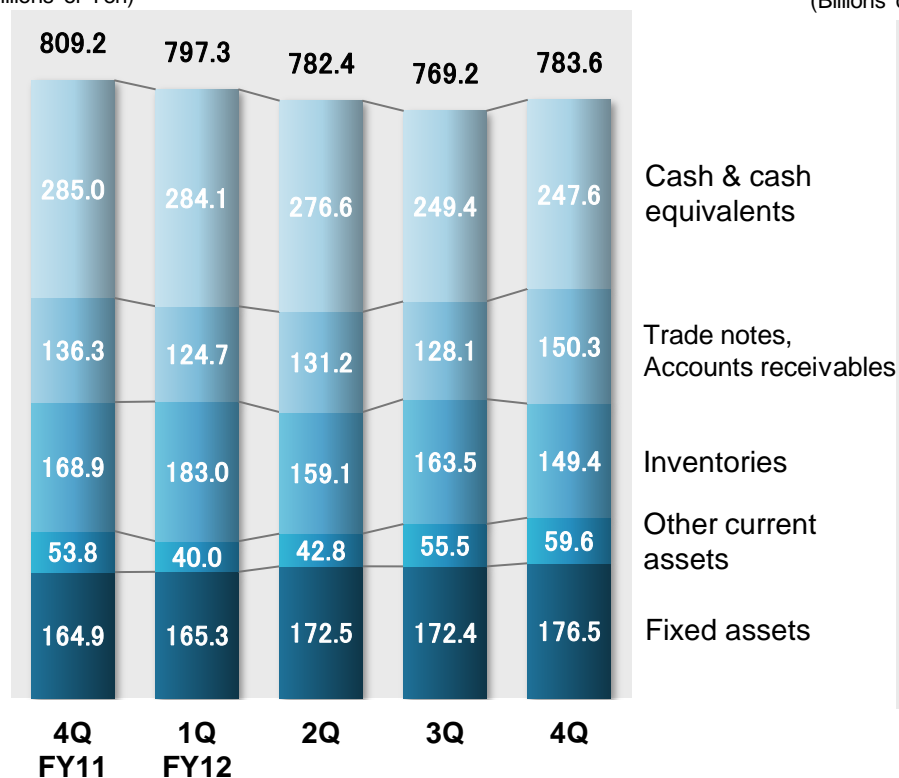
Region Composition



Balance Sheet

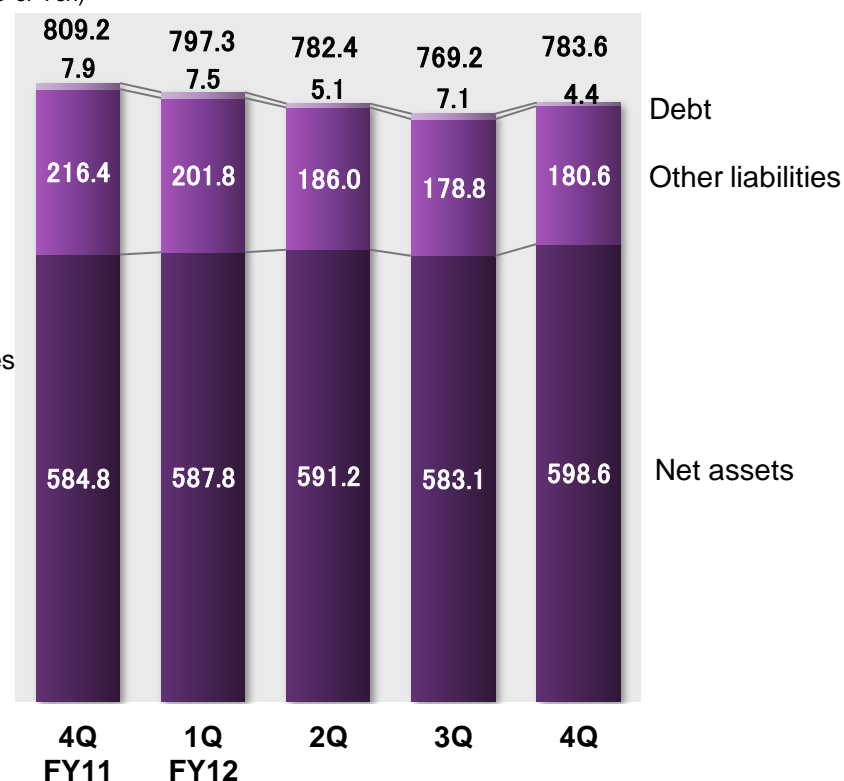
Assets

(Billions of Yen)



Liabilities & Net Assets

(Billions of Yen)



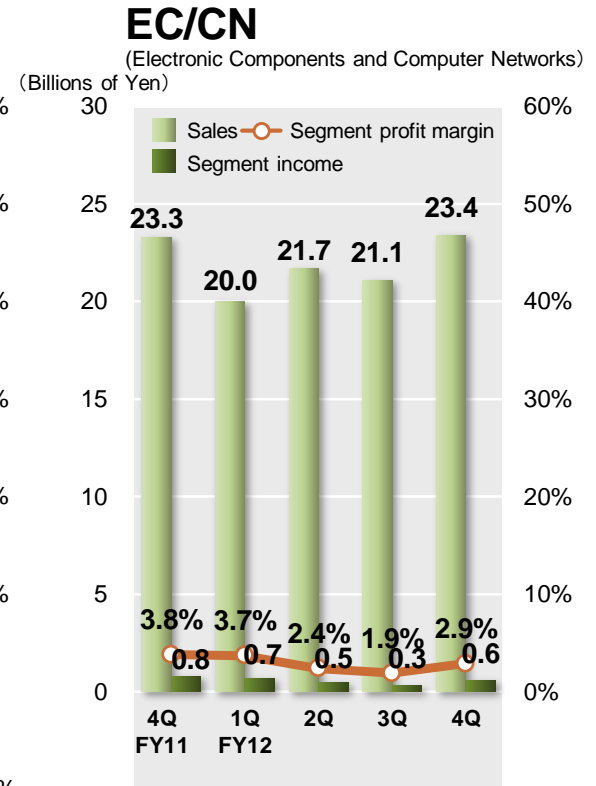
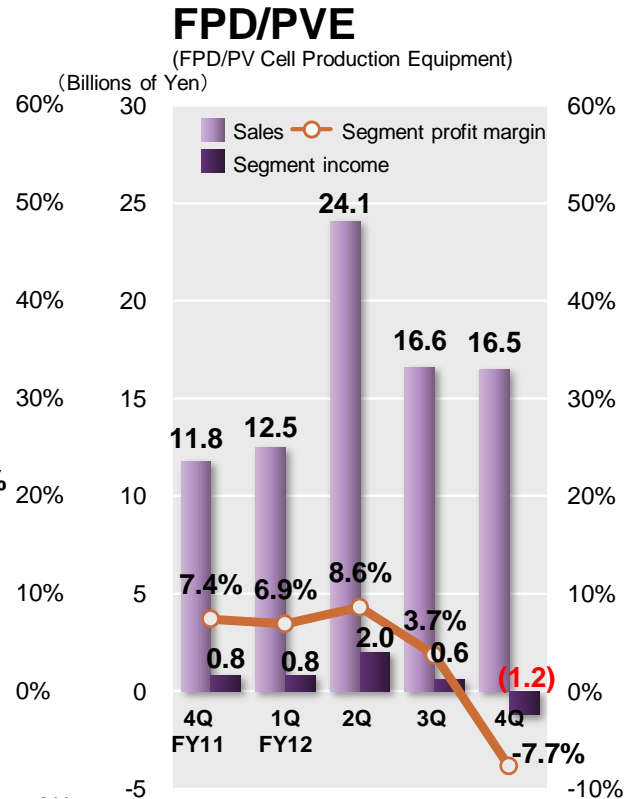
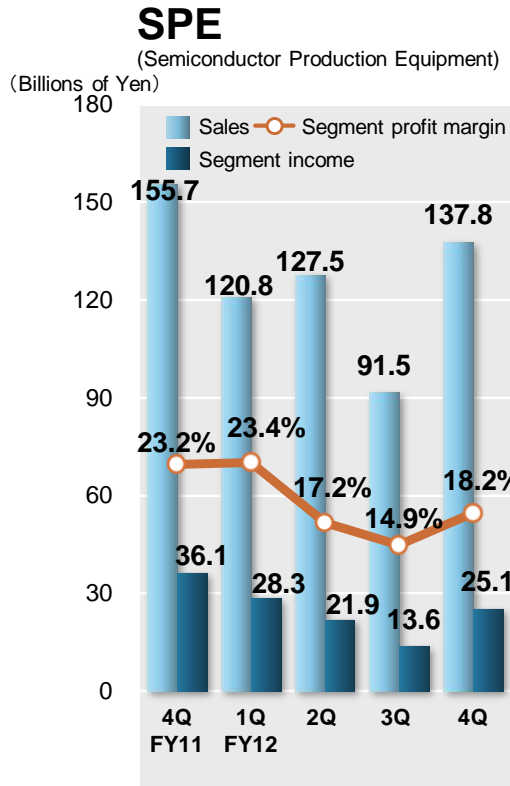
Cash and cash equivalents: Cash and deposits + Certificate of deposit, etc (Securities in B/S).

Cash Flow

(Billions of Yen)

	FY2011		FY2012			
	3Q	4Q	1Q	2Q	3Q	4Q
Cash flow from operating activities	-21.4	63.4	18.0	8.6	-4.9	7.9
Cash flow from investing activities	-10.9	-8.9	-58.7	-13.7	53.3	10.8
Payment for purchase of property, plant, equipment and others	-10.9	-8.9	-4.7	-12.2	-14.1	-8.1
Term deposits over 3 months	-	-	-54.0	-1.4	67.4	19.0
Cash flow from financing activities	-2.5	-3.0	-14.2	-2.5	-7.7	-2.8
Cash and cash equivalents at end of term	113.2	165.0	110.1	101.1	141.4	158.7
Cash and deposits at end of term (certificates of deposit, etc included)	233.2	285.0	284.1	276.6	249.4	247.6

Segment Information



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.

1. Segment income is adjusted against income before income taxes in the consolidated statement of income.
2. Profit ratios are calculated using full amounts, before rounding.

Number of Employees

(person)

	FY2008	FY2009	FY2010	FY2011	FY2012
Japan	7,789	7,865	7,820	7,908	8,004
U.S.	1,281	1,226	1,017	1,084	1,150
Europe	450	376	310	305	313
Asia	909	924	921	1,046	1,217
Total	10,429	10,391	10,068	10,343	10,684

FY2013 Financial Forecast and Management Policy

Hiroshi Takenaka, President & CEO

April 27, 2012



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FY2012 Review



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FY2012 Highlights

- ▶ Enhanced our position in focused areas
Etch 26% →33%, Cleaning 14%→16% (Source: Gartner)
- ▶ R&D expenses for future growth: ¥81.5bn
- ▶ Medium to long term strategic investment: ¥39.5bn
Miyagi new plant, Kunshan plant (China)
TEL Technology Center Tsukuba, TEL Technology Center Korea
- ▶ Announced two acquisitions* in growth areas :
Oerlikon Solar (Switzerland), NEXX Systems (US)

* Oerlikon Solar (acquisition contract signed March 2), NEXX Systems (signed March 16), as of April 27 neither deal has closed.

FY2012 New Products

▶ High productivity models for finer design rules

- ◆ Single wafer cleaning system CELLESTA™ -i
- ◆ Auto wet station EXPEDIUS™ -i
- ◆ Scrubber system NS300+ HT
- ◆ Coater/developer CLEAN TRACK™ LITHIUS Pro™ Z



▶ New products for 3DI chip stack technologies

- ◆ Deep Si etcher for TSV Tactras™ FAVIAS
- ◆ Dielectric liner deposition TELINDY PLUS™ VDP
- ◆ Wafer bonder, de-bonder Synapse™ series



Business Environment



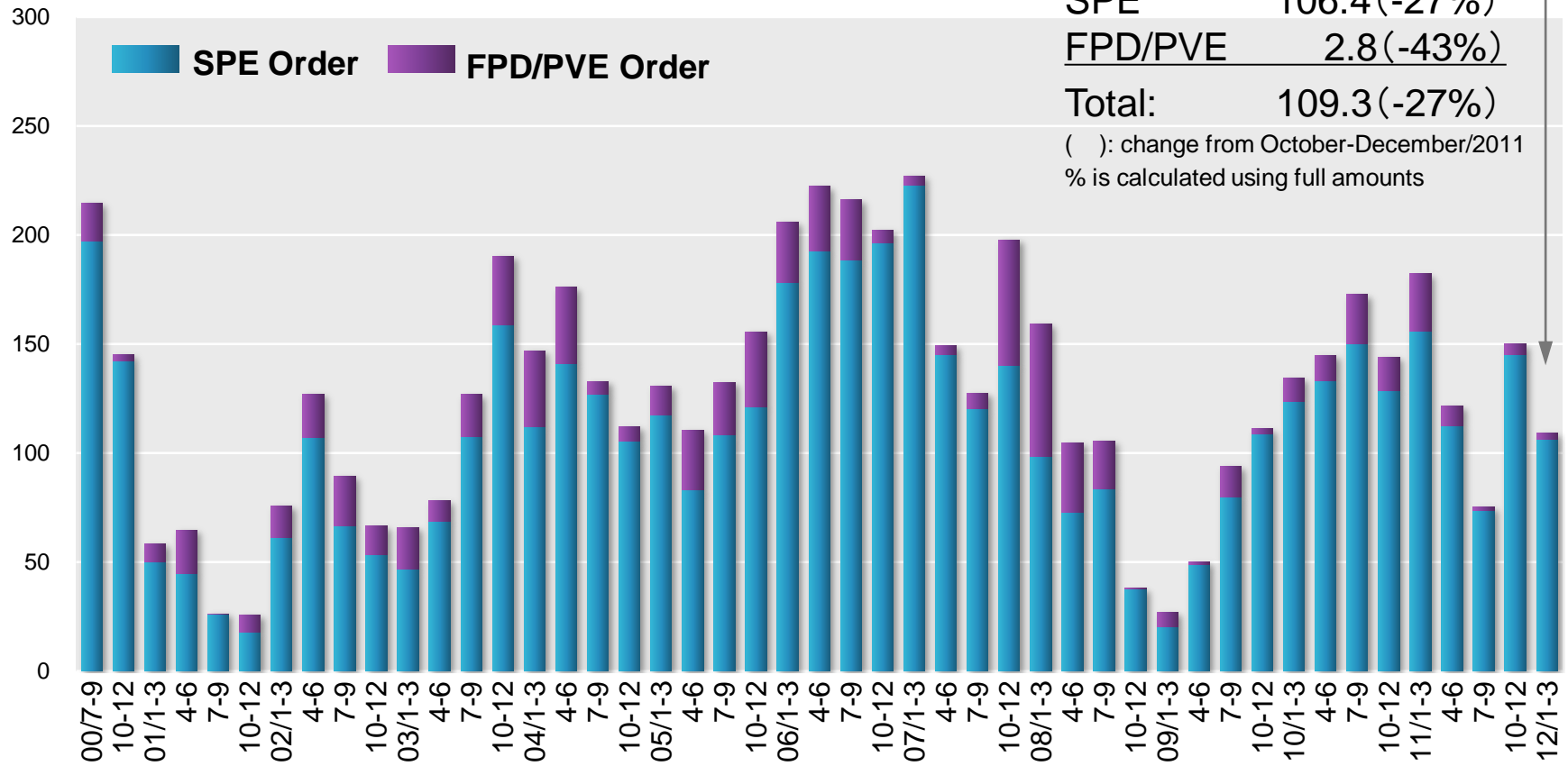
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Quarterly Orders

(Billions of Yen)



January-March/2012

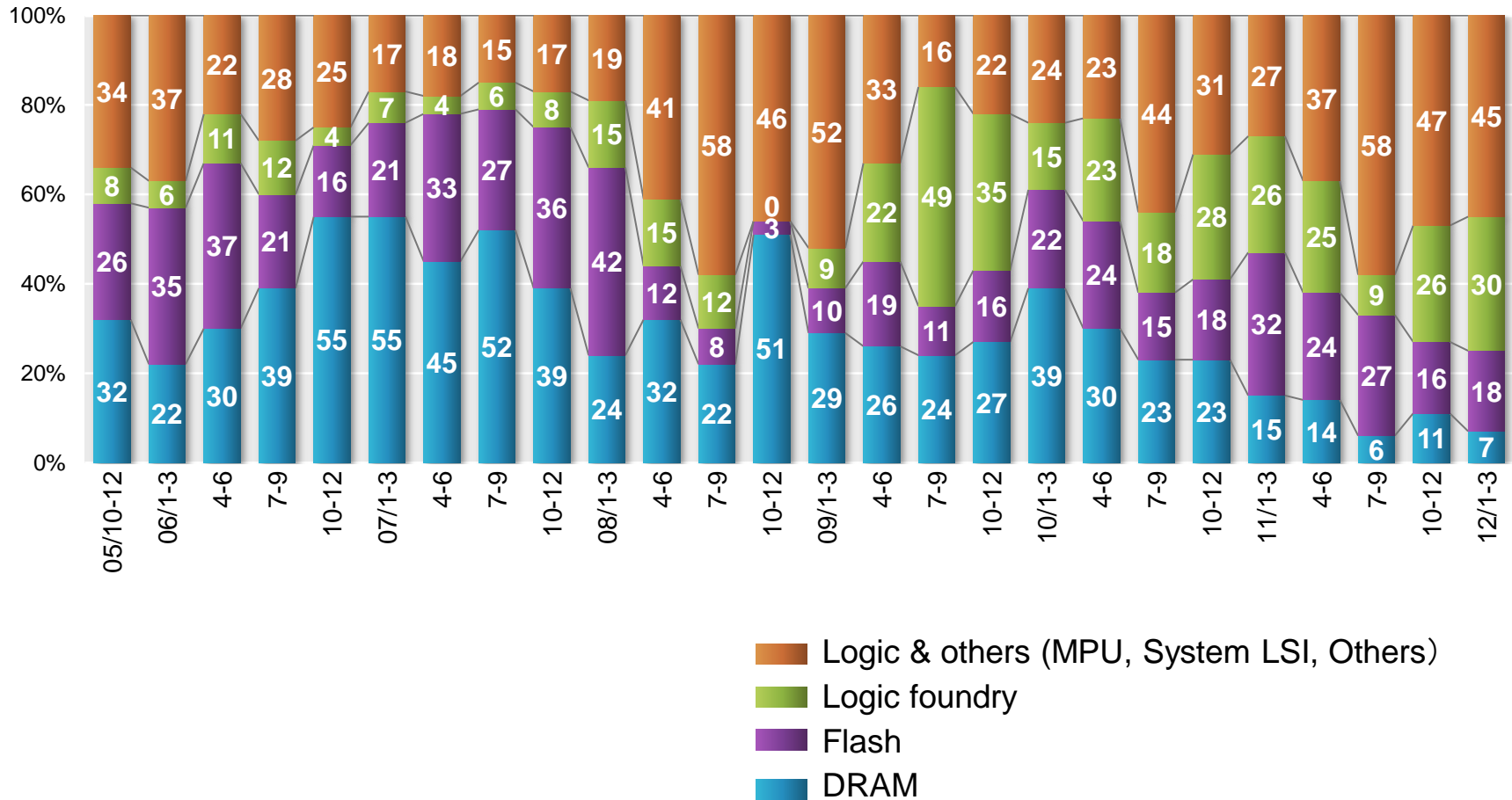
SPE 106.4 (-27%)

FPD/PVE 2.8 (-43%)

Total: 109.3 (-27%)

() : change from October-December/2011
% is calculated using full amounts

SPE Orders by Application: Equipment only



Business Environment (as of April 2012)

▶ SPE capex

Memory demand still weak, recovery of overall chip market is delayed, 2012 capex expected to be slightly below 2011. However, expected investment by logic foundries due to uptake of cutting-edge 32/28nm process for mobile devices might provide some upside.

▶ FPD capex

Sluggish market due to over-supply of panels, large decline expected in 2012. However small/medium-sized panel equipment demand and growth in emerging nations TV markets expected to lead to growth in equipment market in 2013.

▶ PV capex

Continued growth expected in medium/long-term, but due to overcapacity and resulting price declines, capex expected to remain sluggish.

FY2013 Financial Estimates



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FY2013 Financial Estimates

(Billions of Yen)

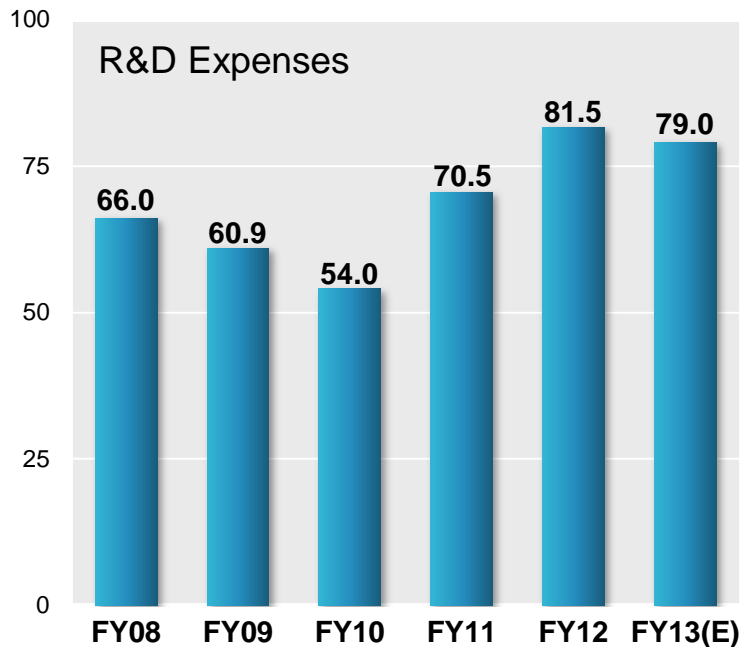
	FY2012	FY2013 (E)			
		1 st half	2 nd half	Full year	YoY change
Net sales	633.0	275.0	315.0	590.0	-7%
SPE	477.8	223.0	251.0	474.0	-1%
FPD/PVE	69.8	9.0	11.0	20.0	-71%
EC/CN	84.8	43.0	53.0	96.0	+13%
Others	0.4	-	-	-	-
Operating income	60.4	12.5	34.5	47.0	-13.4
	9.5%	4.5%	11.0%	8.0%	-1.5pts
Income before income taxes	60.6	12.5	35.5	48.0	-12.6
Net income	36.7	7.4	22.6	30.0	-6.7
EPS (Yen)	205.0	41.3	126.1	167.4	-37.6

1. SPE: Semiconductor Production Equipment, FPD/PVE: Flat Panel Display and Photovoltaic Cell Production Equipment, EC/CN: Electronic Components and Computer Networks
2. YoY changes and profit ratios are calculated using full amounts, before rounding.

Recovery in sales and profits expected from second half

R&D Expenses and CAPEX

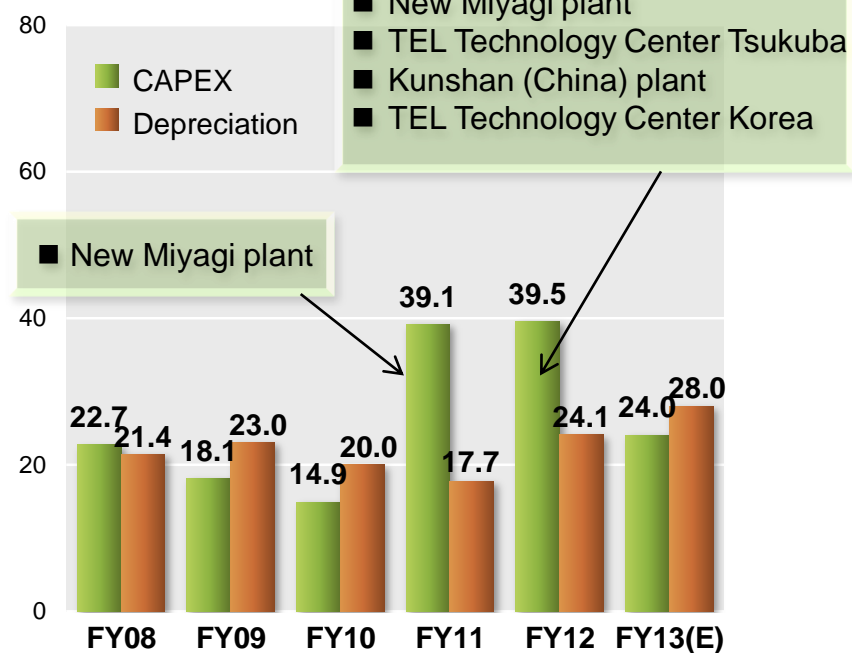
(Billions of Yen)



FY13(E) R&D

- Existing business: around 60%
 - New business field: around 40%
- (RLSA application expansion, 3DI, OLED, Test, PV, New memory, etc)

(Billions of Yen)

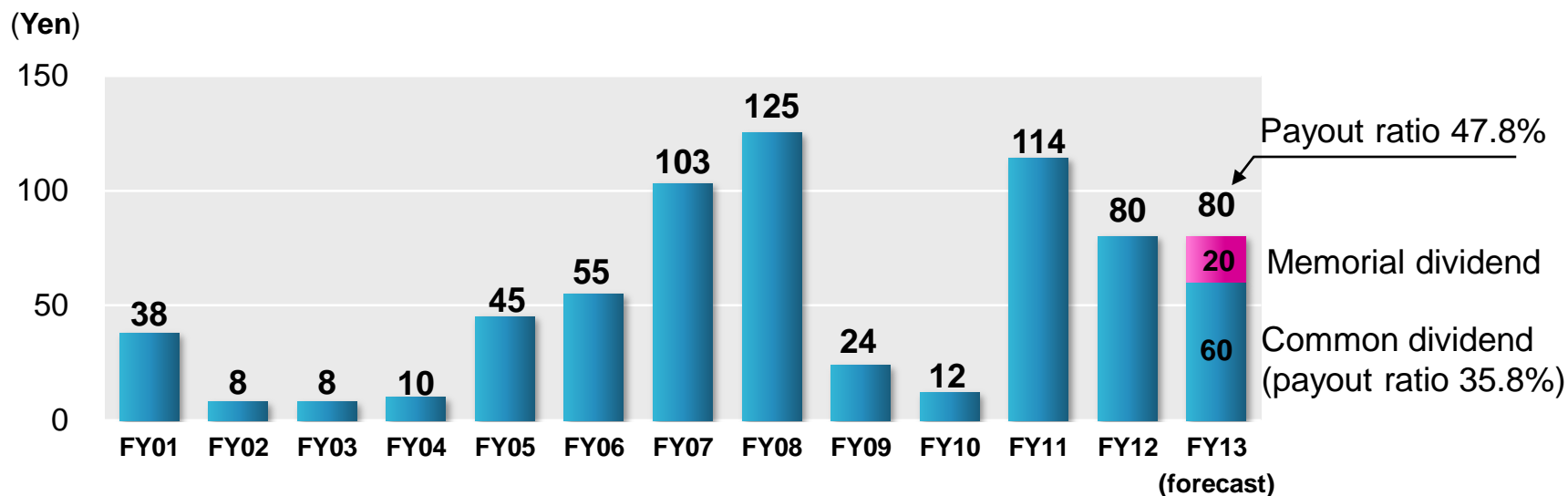


Maintain high R&D spending, get capex back to normal level

FY2013 Dividend Forecast

Dividend per share (E)		
Interim	Year-end	Year total
¥25	¥55	¥80

20 yen memorial dividend of 50th anniversary is included above (interim 10, year-end 10).



Plan memorial dividend in addition to common dividend

*Changed dividend payout ratio from around 20% to around 35% from FY11 year end dividend.

Business Strategies



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SPE Business: Key Issues

- ▶ Strengthen core areas
- ▶ Expand business opportunities by using in-house technologies
- ▶ Enhance development with leading customers from upper streams
- ▶ Strengthen high growth areas: Packaging and 3DI
- ▶ Focus on achieving volume production technology of promising next generation devices (STT-MRAM)

Strengthen Core Areas

Etching system

▶ Fiscal 2012 achievement

- Share up from 26% to 33% (Source: Gartner)
 - Oxide etch: Further expand in memory High Aspect Ratio Contact (HARC) process and logic BEOL interconnect formation process
 - Poly Etch: Increase in gate formation related process for logic

▶ Fiscal 2013 key issues

- Unify development and production at new Miyagi plant, use new production method to double development speed, halve production lead time
- Expand share in Poly Etch market with RLSA™ Etch

▶ Growth strategy

- Develop technologies for Fin-FET, 3D-NAND and next generation memory

Tactras™ RLSA™ Etch



RLSA :Radial Line Slot Antenna

Strengthen Core Areas

Cleaning system

▶ Fiscal 2012 achievement

- Share: Up from 14% to 16% (Source: Gartner)
 - Increase single wafer cleaning position at major logic makers
 - Expand dry cleaning system share at major memory/logic makers

▶ Fiscal 2013 key issues

- Expand single wafer cleaning system share by introducing new product CELLESTA™-i (announced July 2011)
- Expand use of Certas in dry cleaning processes



CELLESTA™ -i

Expand Business Opportunities by using in-house Technology

Thermal processing system

- Expand sales of new product NT333 (Taking orders from Oct. 2012)
 - High quality, high productivity ALD equipment with targeting SiO₂ film formation
 - Target markets: 1Xnm generation, 3D NAND, next generation memory
 - Steadily expand applications in single wafer deposition market



NT333

Wafer deposition system

- Develop new metal deposition products
- Expand sales of new products launched in gate formation related process
 - High-k CVD, SPAi Bais (plasma oxidation/nitridation tool)

Coater/Developer

- Accelerate cutting-edge lithography R&D
 - EUV*¹: Collaboration with imec, SEMATEC
 - DSA*²: Collaboration with imec, Wisconsin University
 - EB*³: Participate in CEA-Leti imagine program consortium

*1 Extreme Ultra-Violet
*2 Direct Self Assembly
*3 Electron Beam

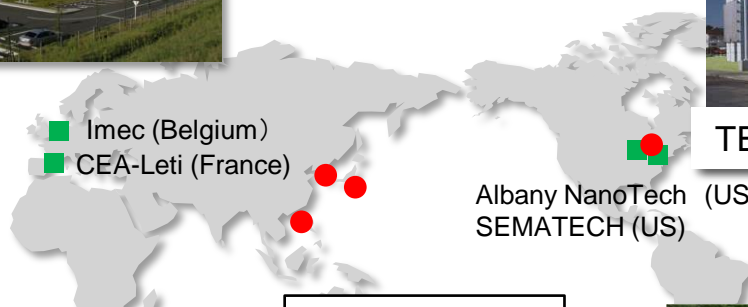
Enhance Development with Customers from Upper Streams



TDC, LPDC, TDI



TEL Technology Center America (TTCA)



- Imec (Belgium)
- CEA-Leti (France)

Albany NanoTech (US)
SEMATECH (US)

- TEL R&D base
- Consortium



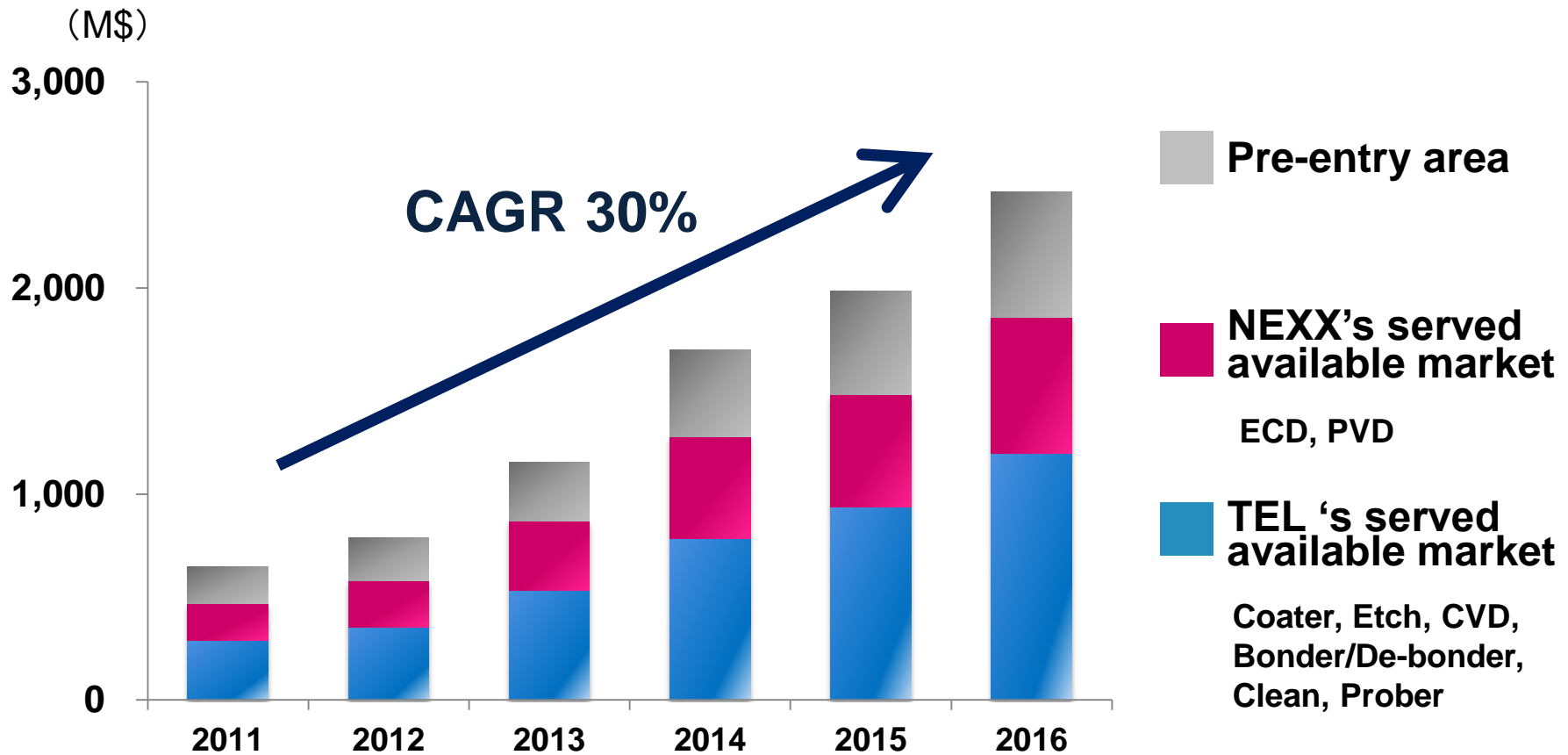
TEL Technology Center Taiwan (TTCT)



TEL Technology Center Korea (TTCK)

R&D closely linked to customers allows rapid response

Equipment Market for Wafer Level Packaging (WLP)



CAGR 30% in the WLP equipment market including for TSV

(Source: TEL estimate based on Yole's data) 40

Acquisition of U.S. NEXX Systems*

Contract date: March 15, 2012

Purchase cost: approx. \$206M (¥17.0B)

Planned closing of acquisition: May 2012



- ◆ Deposition tools for Wafer Label Packaging (WLP)
Electrochemical Deposition (ECD), Sputter (PVD)
- ◆ High growth expected in WLP tool market
CAGR 30%, \$2.5B market by 2015
- ◆ Has sold 142 units to over 40 customers, including major customers
- ◆ Differentiated technologies (high-productivity tool)

Excellent track record as a leading company in the WLP market

*Based in Billerica, Massachusetts, U.S., \$76.5M in sales as of December 2011

TEL Products in Advanced Packaging Area

Tactras™ FAVIAS
Deep Si etcher



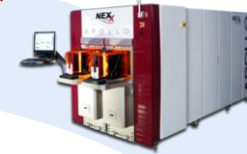
CELLESTA™+
Cleaning



TELINDY PLUS™ VDP
Dielectric liner deposition



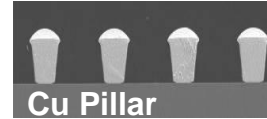
Apollo
Physical vapor deposition



CLEAN TRACK™ LITHIUS™ Pro
Patterning



TSV



Cu Pillar



NEXX* products



Stratus
Electro chemical deposition



Synapse™ V
Wafer bonder



Synapse™ Z
Wafer de-bonder

Strengthen product line-up in wafer level packaging market

*NEXX Systems acquisition expected to complete in May 2012

Using STT-MRAM to Overcome Issues with Existing Devices

DRAM issues

1. Limits to large capacity
2. Volatile memory
3. Difficult to achieve low energy consumption

LOGIC issues

Limits to cache memory
Large surface area needed, in standby mode requires energy source

Issues overcome by STT-MRAM

- Overcoming limits by magnetic storage method

Miniaturization possible due to small capacitor surface area

- Non-volatile memory

Due to magnetic storage method

- Low energy consumption possible

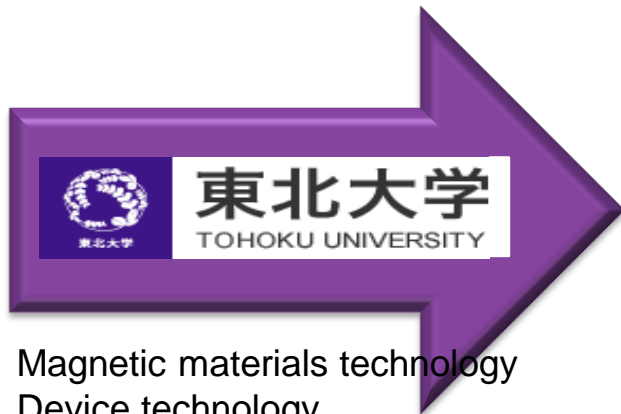
Due to non-volatile memory

- Reduced chip size and low energy consumption possible

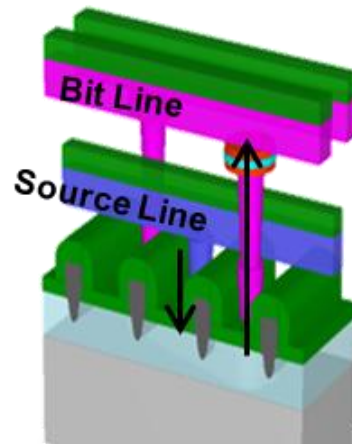
Due to low cell area and non-volatile

STT-MRAM is a strong candidate for next-generation devices

Joint Development of STT-MRAM with Tohoku University



Magnetic materials technology
Device technology
Design technology



STT-MRAM



Process technology
Equipment technology

- Joint development of integration technology and production technology
- Establish volume production technology and production process technology by combining each parties technology

Accelerate development aiming to rapidly attain volume production capability

Initiatives in FPD Business

- ▶ Launching high-performance and high-productivity dry-etch system for hi-resolution mobile panels and OLED TFT backplanes
- ▶ Improving cost-competitiveness of coater/developer
- ▶ Reduce costs and increase customer responsiveness at Kunshan plant in China
- ▶ Reallocation of resources for OLED equipment development



Location: Kunshan, Jiangsu, China
Floor area: 28,246m²

Tokyo Electron (Kunshan) Limited

Entry to OLED Equipment Market

Two types of deposition equipment to form light emission layer

Evaporation method

(TEL original technology)

- ◆ High precision deposition control
- ◆ Highly efficient usage of organic materials
- ◆ High productivity of in-line method
- ◆ Space-saving design

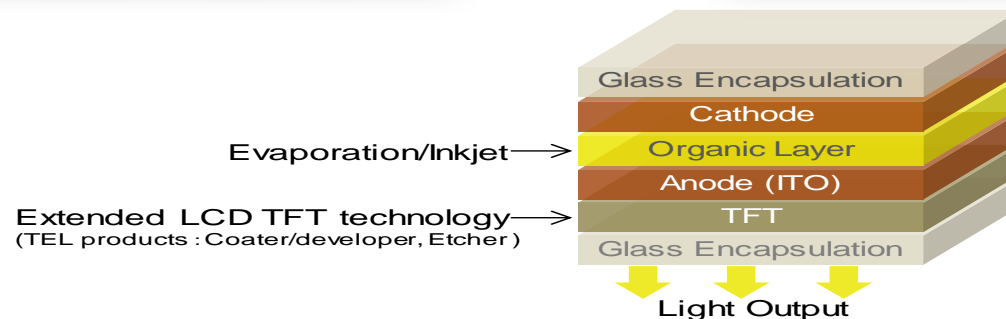
White OLED + color filter

Inkjet method

(JD with Seiko Epson)

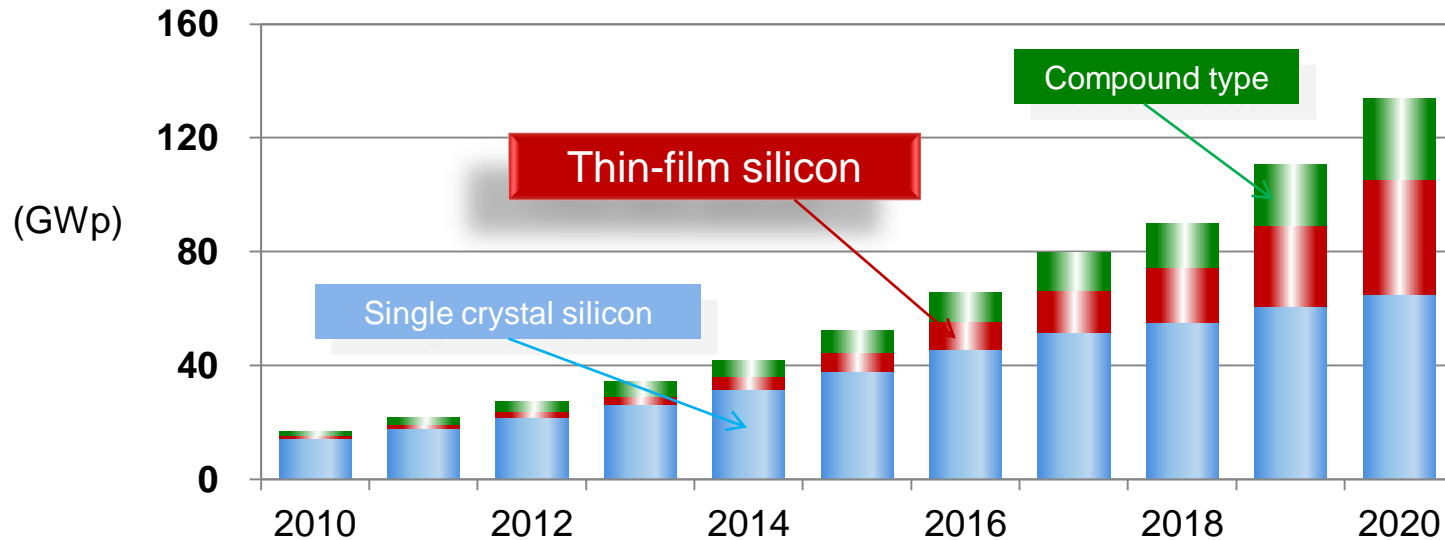
- ◆ Next generation printing technology
- ◆ Minimize use of organic materials
- ◆ RGB coating by single application
- ◆ High scalability to large substrate

RGB OLED



Customer evaluation begins in 2012, target large size panel production equipment market (from 2013)

Approach to PV business



Advantages of thin film silicon PV

- ◆ Low materials cost in panel production and simple production process
➡ **Low production cost**
- ◆ High generating capacity in high temperature environment and unfavorable daylight regions
➡ **High electricity generation**
- ◆ Short energy payback time
- ◆ Toxic/rare materials not required

Major medium/long term growth opportunity in thin film PV

Acquisition of Oerlikon Solar*

Contract date: March 2, 2012

Purchase cost: CHF250M (¥22.5B)

Planned closing of acquisition: June/July 2012



- Thin-film silicon technology, end-to-end solution
- Low-cost power generation technology
- Technology for large-scale power plant with high power output
- Global top-class R&D capability
 - Renewing world class record of conversion rate in thin film Si every year
 - Technology base from Neuchatel University , Switzerland

Aiming at production cost under €0.35/Wp, power generation cost under \$0.08/kWh

*Based in Trubbach, Switzerland, CHF323M in sales as of December 2011

*Tokyo Electron has acted as Oerlikon Solar's Asia/Oceania sales representative since 2009

TEL Technology Center Tsukuba

■ PV Business

- Process development and evaluation in thin-film silicon PV technology
- Introducing Oerlikon Solar equipment for use in R&D

■ SPE Business:

- R&D for new base technology and core technology



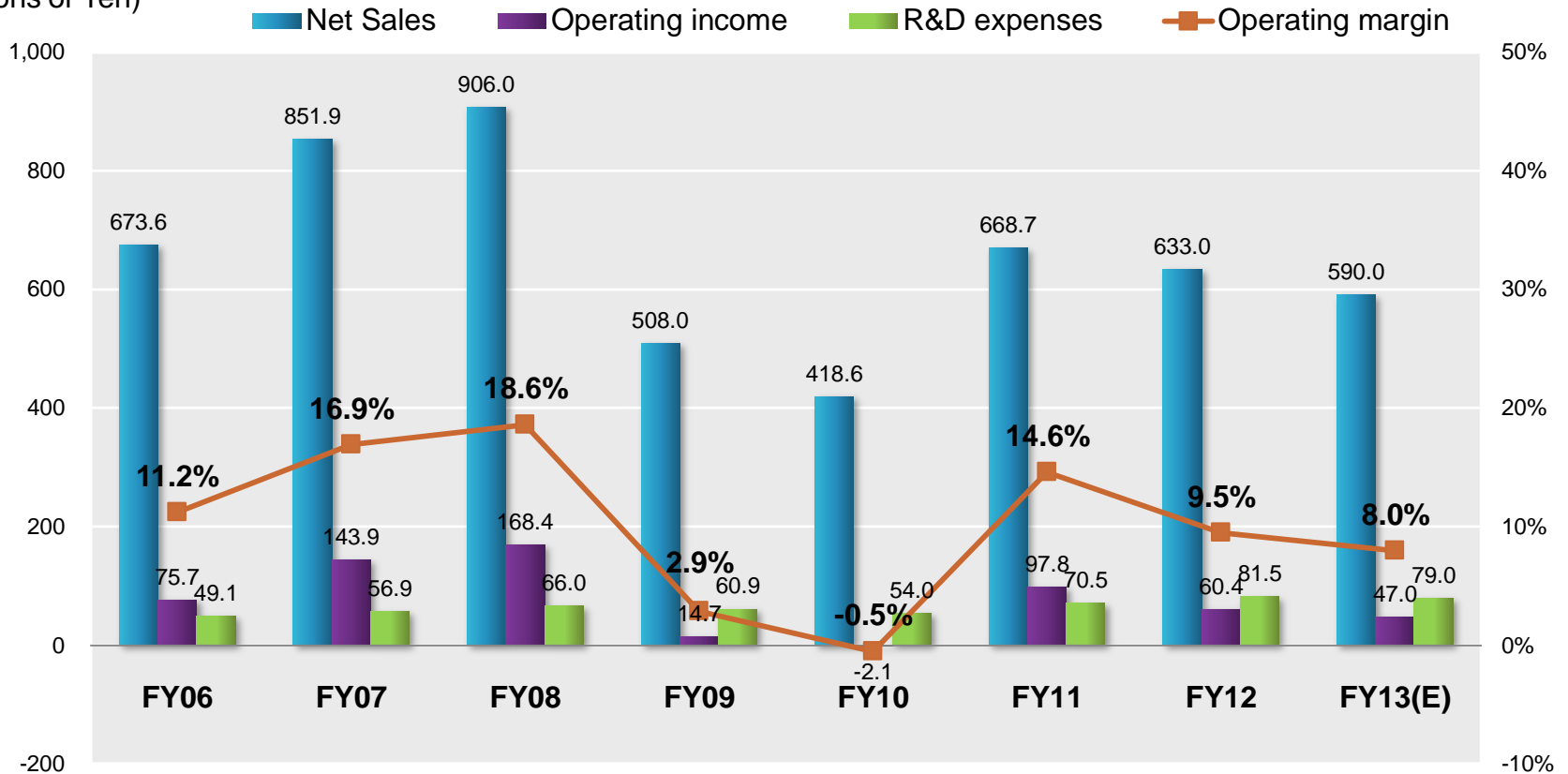
Location: Tsukuba City,
Ibaraki Prefecture
Floor area: 13,234m²
Staff: approx.: 110 (1st year)

Expected
benefits

- Organic cooperation with research institutes and universities
- Recruit top class engineers

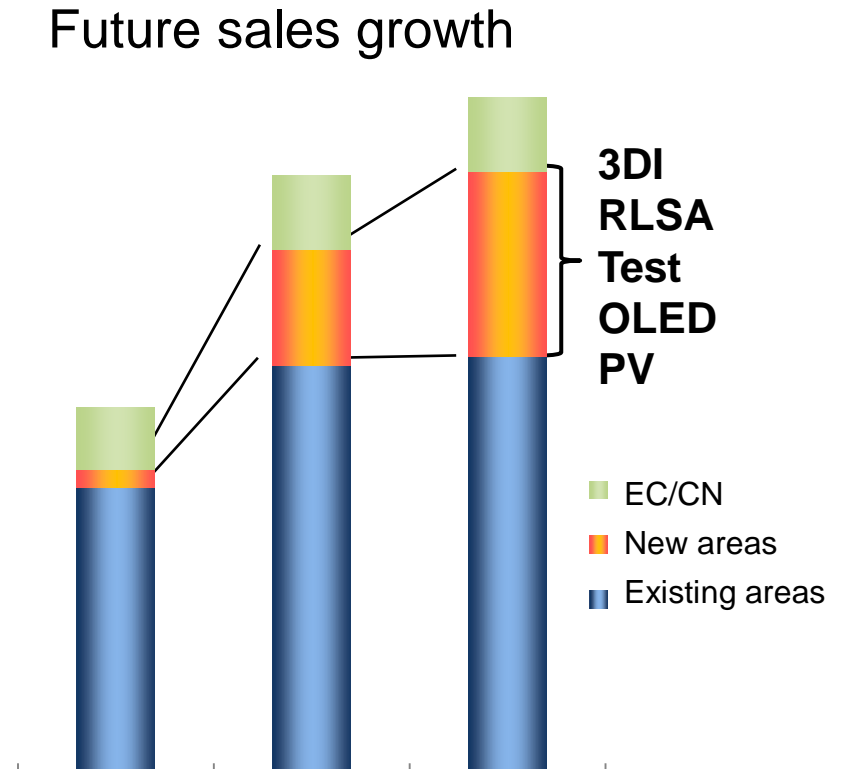
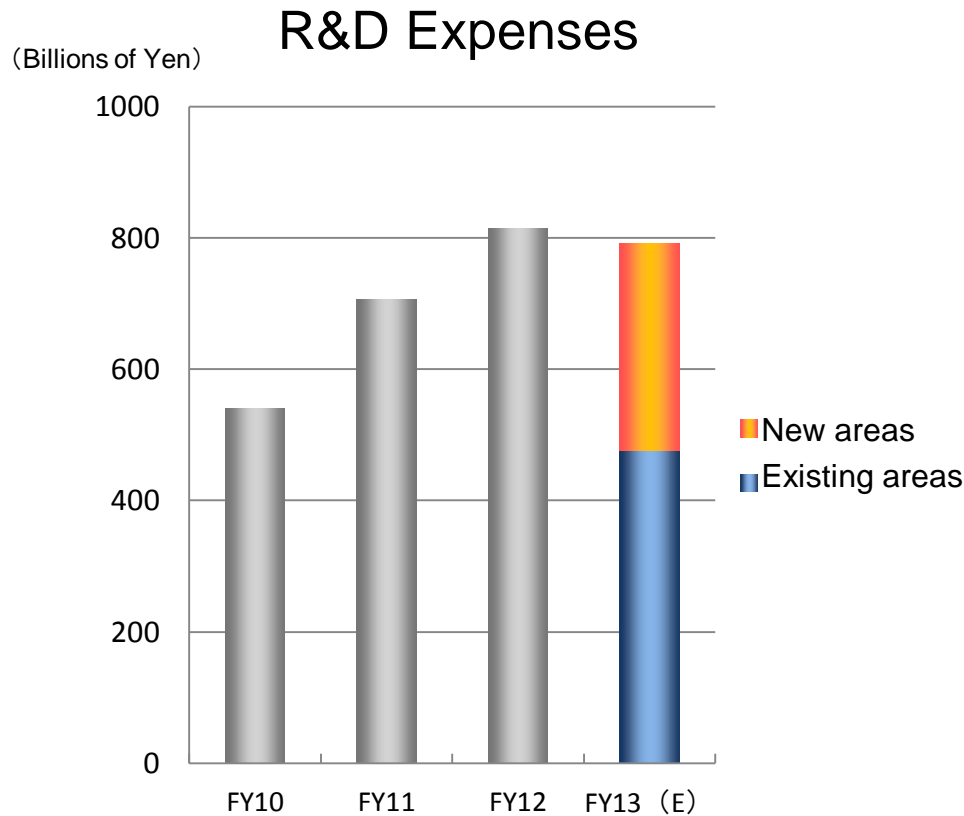
Consolidated Financial Outlook

(Billions of Yen)



From FY11, maintain active investment for mid/long-term growth

For Achieving Medium/Long-term Growth



Aiming for medium/long-term growth through active investment in new areas

▶ **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

