

■ CONSOLIDATED BALANCE SHEETS

CONSOLIDATED BALANCE SHEETS

Tokyo Electron Limited and Subsidiaries
As of March 31, 2012 and 2011

ASSETS	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Current assets:			
Cash and cash equivalents.....	¥158,776	¥165,051	\$1,931,817
Short-term investments	88,849	120,000	1,081,020
Trade notes and accounts receivable.....	150,306	136,385	1,828,763
Allowance for doubtful accounts.....	(1,376)	(1,154)	(16,742)
Inventories	149,470	168,925	1,818,591
Deferred income taxes.....	23,546	27,610	286,482
Prepaid expenses and other current assets.....	37,480	27,414	456,016
Total current assets	607,051	644,231	7,385,947
Property, plant and equipment:			
Land.....	26,260	25,773	319,504
Buildings	143,462	121,598	1,745,492
Machinery and equipment.....	115,834	104,699	1,409,344
Construction in progress	9,515	19,509	115,768
Total property, plant and equipment	295,071	271,579	3,590,108
Less: Accumulated depreciation.....	168,186	159,027	2,046,307
Net property, plant and equipment	126,885	112,552	1,543,801
Investments and other assets:			
Investment securities	16,082	15,726	195,669
Deferred income taxes.....	17,585	20,728	213,955
Intangible assets.....	4,704	4,212	57,233
Other assets	15,152	13,787	184,353
Allowance for doubtful accounts.....	(3,848)	(2,031)	(46,818)
Total investments and other assets.....	49,675	52,422	604,392
Total assets	¥783,611	¥809,205	\$9,534,140

See accompanying Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Current liabilities:			
Short-term borrowings	¥ 4,403	¥ 7,996	\$ 53,572
Trade notes and accounts payable	58,243	63,766	708,639
Customer advances	26,373	31,925	320,878
Income taxes payable	4,289	25,328	52,184
Accrued employees' bonuses.....	8,646	11,131	105,195
Accrued warranty expenses.....	8,904	7,594	108,334
Accrued expenses and other current liabilities.....	13,936	20,298	169,558
Total current liabilities	124,794	168,038	1,518,360
Accrued pension and severance costs	55,266	52,826	672,418
Other liabilities.....	4,948	3,539	60,201
Total liabilities	185,008	224,403	2,250,979
Contingent liabilities			
Net assets:			
Shareholders' equity			
Common stock	54,961	54,961	668,707
Authorized: 300,000,000 shares Issued: 180,610,911 shares as of March 31, 2012 and 2011			
Capital surplus.....	78,023	78,046	949,300
Retained earnings.....	471,186	457,658	5,732,888
Treasury stock, at cost.....	(9,748)	(10,484)	(118,603)
1,446,079 and 1,554,231 shares as of March 31, 2012 and 2011, respectively			
Accumulated other comprehensive income			
Net unrealized gains on investment securities	3,576	2,807	43,509
Net deferred losses on hedging instruments.....	(51)	(12)	(621)
Foreign currency translation adjustments	(11,158)	(10,234)	(135,759)
Share subscription rights	1,157	1,499	14,077
Minority interests	10,657	10,561	129,663
Total net assets	598,603	584,802	7,283,161
Total liabilities and net assets	¥783,611	¥809,205	\$9,534,140

CONSOLIDATED STATEMENTS OF INCOMETokyo Electron Limited and Subsidiaries
Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Net sales	¥ 633,091	¥ 668,722	\$7,702,774
Cost of sales.....	421,646	433,964	5,130,137
Gross profit	211,445	234,758	2,572,637
Selling, general and administrative expenses.....	151,002	136,888	1,837,231
Operating income	60,443	97,870	735,406
Other income (expenses):			
Interest and dividend income.....	1,010	696	12,289
Revenue from development grants.....	1,131	3,027	13,761
Provision of allowance for doubtful accounts.....	(1,848)	0	(22,485)
Reversal of allowance for doubtful accounts.....	—	1,892	—
Gain on sale of property, plant and equipment.....	566	34	6,886
Gain on collection of written-off receivables.....	1,437	—	17,484
Loss on business restructuring	(849)	—	(10,330)
Loss on devaluation of investment securities.....	(817)	(74)	(9,940)
Maintenance cost for closed domestic facilities.....	(112)	(186)	(1,363)
Loss from natural disasters	(936)	(1,114)	(11,388)
Expenses for plant relocation.....	(144)	(1,839)	(1,752)
Other, net	721	(727)	8,772
Income before income taxes and minority interests	60,602	99,579	737,340
Income taxes:			
Current	15,023	29,483	182,784
Deferred.....	8,400	(2,712)	102,202
Income before minority interests	37,179	72,808	452,354
Minority interests.....	453	884	5,511
Net income	¥ 36,726	¥ 71,924	\$ 446,843
Per share of common stock:			
		Yen	U.S. dollars
Net income — basic	¥ 205.04	¥ 401.73	\$ 2.49
Net income — diluted	204.72	401.10	2.49
Net assets.....	3,275.14	3,198.66	39.85
Cash dividends.....	80.00	114.00	0.97

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOMETokyo Electron Limited and Subsidiaries
As of March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Income before minority interests	¥37,179	¥72,808	\$452,354
Other comprehensive income (loss):			
Changes in fair value of investment securities.....	769	303	9,356
Changes in deferred gains (losses) on hedging instruments	(69)	72	(839)
Foreign currency translation adjustments.....	(925)	(3,585)	(11,254)
Total other comprehensive income (loss).....	(225)	(3,210)	(2,737)
Comprehensive income	36,954	69,598	449,617
Total comprehensive income attributable to:			
Owners of the Company	36,532	68,732	444,482
Minority interests	422	866	5,135

See accompanying Notes to Consolidated Financial Statements.

■ CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS | ■ CONSOLIDATED STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2012 and 2011

	Millions of yen										
	Shareholders' equity				Accumulated other comprehensive income						Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains on investment securities	Deferred losses on hedging instruments	Foreign currency translation adjustments	Share subscription rights	Minority interests		
Balance as of April 1, 2010	¥54,961	¥78,034	¥393,970	¥(10,900)	¥2,504	¥(68)	¥(6,683)	¥1,578	¥9,974	¥523,370	
Cash dividends	-	-	(8,236)	-	-	-	-	-	-	(8,236)	
Net income	-	-	71,924	-	-	-	-	-	-	71,924	
Repurchase of treasury stocks	-	-	-	(37)	-	-	-	-	-	(37)	
Disposal of treasury stocks	-	12	-	453	-	-	-	-	-	465	
Other, net	-	-	-	-	303	56	(3,551)	(79)	587	(2,684)	
Balance as of March 31, 2011	¥54,961	¥78,046	¥457,658	¥(10,484)	¥2,807	¥(12)	¥(10,234)	¥1,499	¥10,561	¥584,802	
Cash dividends	-	-	(23,102)	-	-	-	-	-	-	(23,102)	
Net income	-	-	36,726	-	-	-	-	-	-	36,726	
Repurchase of treasury stocks	-	-	-	(12)	-	-	-	-	-	(12)	
Disposal of treasury stocks	-	(23)	(96)	748	-	-	-	-	-	629	
Other, net	-	-	-	-	769	(39)	(924)	(342)	96	(440)	
Balance as of March 31, 2012	¥54,961	¥78,023	¥471,186	¥(9,748)	¥3,576	¥(51)	¥(11,158)	¥1,157	¥10,657	¥598,603	

	Thousands of U.S. dollars										
	Shareholders' equity				Accumulated other comprehensive income						Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized gains on investment securities	Deferred losses on hedging instruments	Foreign currency translation adjustments	Share subscription rights	Minority interests		
Balance as of March 31, 2011	\$668,707	\$949,580	\$5,568,293	\$(127,558)	\$34,153	\$(146)	\$(124,516)	\$18,238	\$128,494	\$7,115,245	
Cash dividends	-	-	(281,080)	-	-	-	-	-	-	(281,080)	
Net income	-	-	446,843	-	-	-	-	-	-	446,843	
Repurchase of treasury stocks	-	-	-	(146)	-	-	-	-	-	(146)	
Disposal of treasury stocks	-	(280)	(1,168)	9,101	-	-	-	-	-	7,653	
Other, net	-	-	-	-	9,356	(475)	(11,243)	(4,161)	1,169	(5,354)	
Balance as of March 31, 2012	\$668,707	\$949,300	\$5,732,888	\$(118,603)	\$43,509	\$(621)	\$(135,759)	\$14,077	\$129,663	\$7,283,161	

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 60,602	¥ 99,579	\$ 737,340
Depreciation and amortization	24,198	17,707	294,415
Amortization of goodwill	-	242	-
Increase in accrued pension and severance costs	2,446	2,317	29,760
Increase (decrease) in allowance for doubtful accounts	2,111	(4,341)	25,684
Increase (decrease) in accrued employees' bonuses	(2,506)	5,087	(30,490)
Increase in accrued warranty expenses	1,343	2,352	16,340
Interest and dividend income	(1,010)	(696)	(12,289)
Increase in trade notes and accounts receivable	(15,540)	(13,319)	(189,074)
(Increase) decrease in inventories	16,023	(36,533)	194,951
(Increase) decrease in prepaid consumption tax	1,508	(8,025)	18,348
Increase (decrease) in accrued consumption tax	(2,417)	2,305	(29,408)
Increase (decrease) in trade notes and accounts payable	(5,807)	1,667	(70,653)
Increase (decrease) in customer advances	(4,567)	9,575	(55,566)
(Increase) decrease in specific doubtful receivables	(1,890)	5,303	(22,995)
Other, net	1,912	6,902	23,263
Subtotal	76,406	90,122	929,626
Receipts from interest and dividends	978	746	11,900
Interest paid	(43)	(46)	(523)
Income taxes paid	(47,629)	(7,583)	(579,499)
Net cash provided by operating activities	29,712	83,239	361,504
Cash flows from investing activities:			
Payment for purchases of short-term investments	(284,500)	(360,000)	(3,461,492)
Proceeds from maturities of short-term investments	315,500	360,000	3,838,667
Payment for purchase of property, plant and equipment	(36,010)	(33,542)	(438,131)
Proceeds from sale of property, plant and equipment	1,102	509	13,408
Payment for acquisition of intangible assets	(2,140)	(926)	(26,037)
Other, net	(2,304)	(1,923)	(28,033)
Net cash used in investing activities	(8,352)	(35,882)	(101,618)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings	(3,594)	2,891	(43,728)
(Increase) decrease in treasury stock, net	(12)	428	(146)
Dividends paid	(23,102)	(8,236)	(281,080)
Other, net	(627)	(320)	(7,629)
Net cash used in financing activities	(27,335)	(5,237)	(332,583)
Effect of exchange rate changes on cash and cash equivalents	(300)	(1,009)	(3,650)
Net increase (decrease) in cash and cash equivalents	(6,275)	41,111	(76,347)
Cash and cash equivalents at beginning of year	165,051	123,940	2,008,164
Cash and cash equivalents at end of year	¥ 158,776	¥ 165,051	\$ 1,931,817

See accompanying Notes to Consolidated Financial Statements.