

3Q FY2013 (April 1, 2012 – December 31, 2012)

Financial Announcement

Agenda :

- 3Q FY2013 Consolidated Financial Summary

Yoshiteru Harada, Corporate Director, Executive Officer

- Revision of FY2013 Financial Estimates and Measures for Earnings Growth

Hiroshi Takenaka, President & CEO

February 5, 2013

3Q FY2013 Consolidated Financial Summary

3Q FY2013: October 1, 2012 - December 31, 2012
FY2013 : April 1, 2012 - March 31, 2013

Yoshiteru Harada
Corporate Director, Executive Officer

February 5, 2013

Profit and Loss

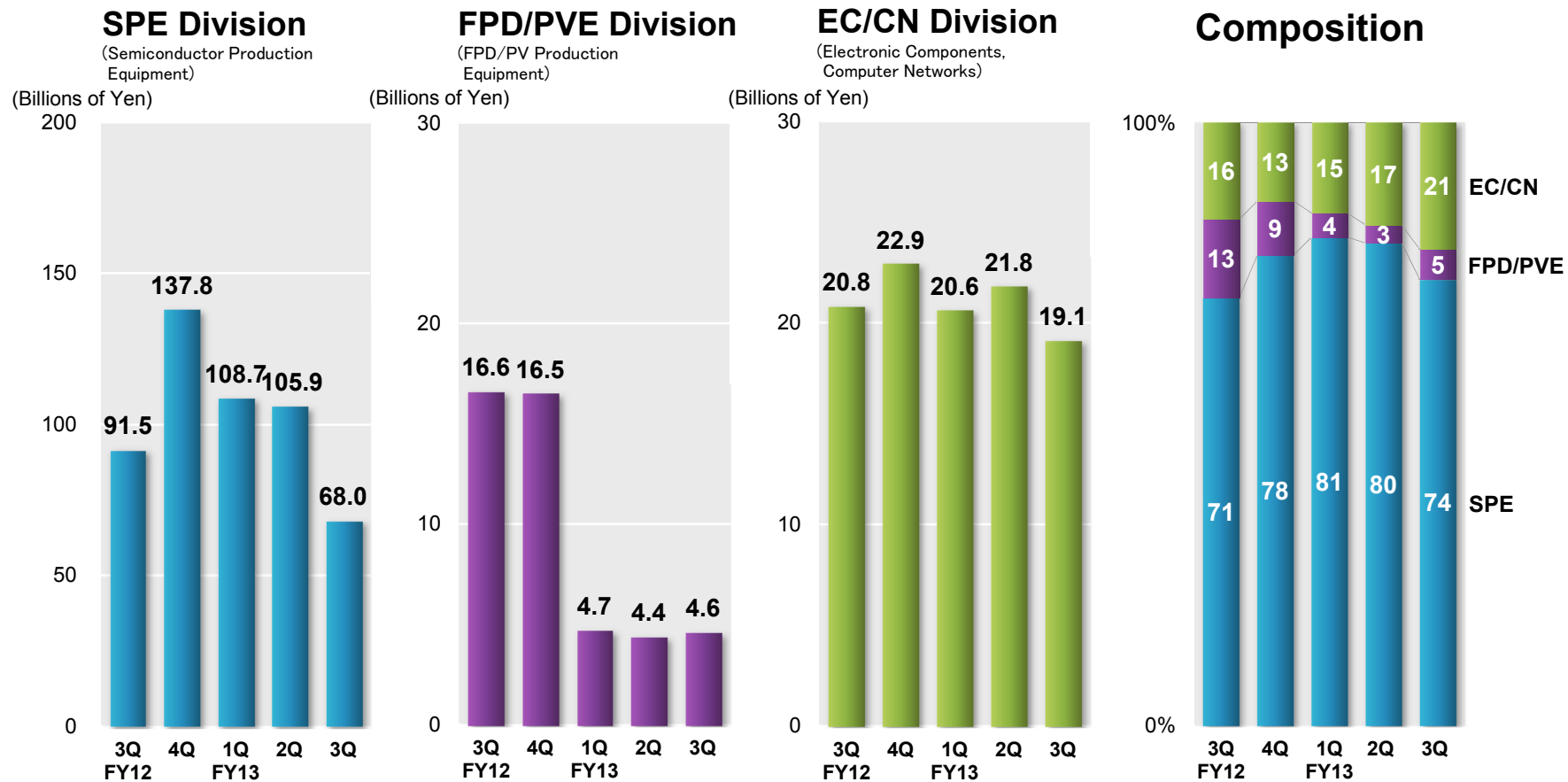
(Billions of Yen)

	FY2013			1Q-3Q		
	1Q	2Q	3Q	FY13	FY12	YoY Change
Net Sales	134.1	132.4	91.9	358.5	455.5	-21.3%
SPE	108.7	105.9	68.0	282.7	339.9	-16.8%
FPD/PVE	4.7	4.4	4.6	13.9	53.3	-73.9%
EC/CN	20.6	21.8	19.1	61.5	61.9	-0.5%
Others	0.1	0.1	0.0	0.3	0.3	-1.6%
Gross profit	44.1 (32.9%)	41.5 (31.4%)	28.2 (30.7%)	113.8 (31.8%)	154.9 (34.0%)	-26.5%
SG&A	34.8	38.6	35.1	108.5	112.0	-3.1%
Operating income	9.2 (6.9%)	2.9 (2.2%)	-6.8 (-7.5%)	5.3 (1.5%)	42.9 (9.4%)	-87.6%
Income before income taxes	11.2	4.3	-6.1	9.3	45.9	-79.7%
Net income	5.7	0.3	-7.0	-0.9	27.4	-
EPS(yen)	31.93	2.07	-39.22	-5.23	153.06	-
R&D expenses	17.9	19.4	17.4	54.8	59.8	-8.4%

1. SPE: Semiconductor Production Equipment, FPD/PVE: Flat Panel Display and Photovoltaic Panel 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.

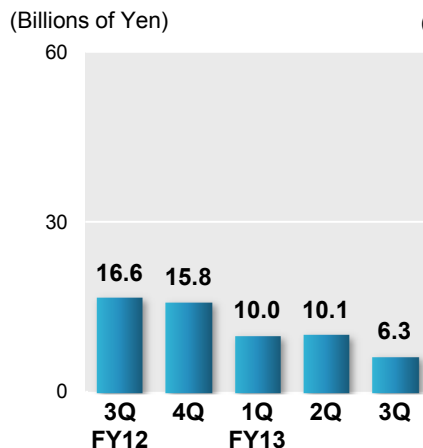
2

Net Sales by Division

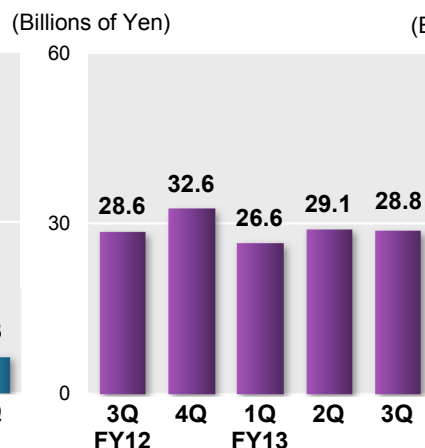


SPE Sales by Region

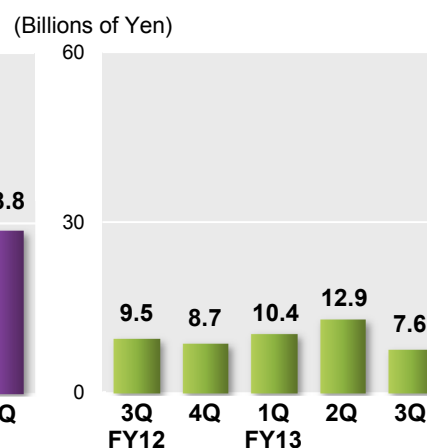
Japan



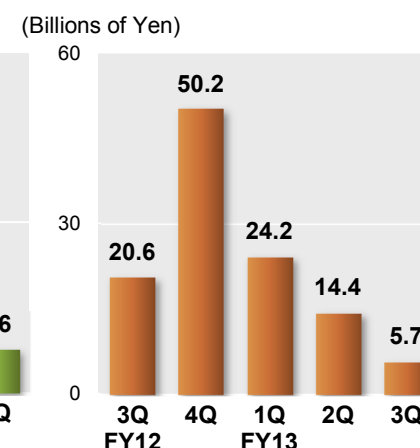
U.S.



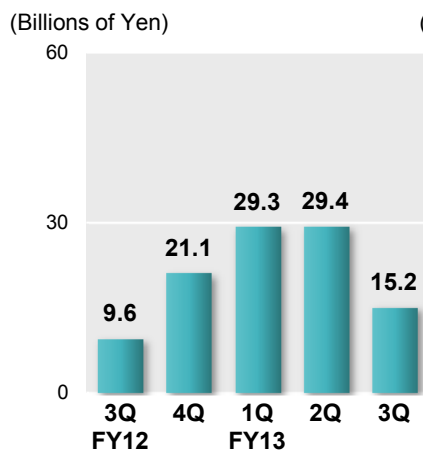
Europe



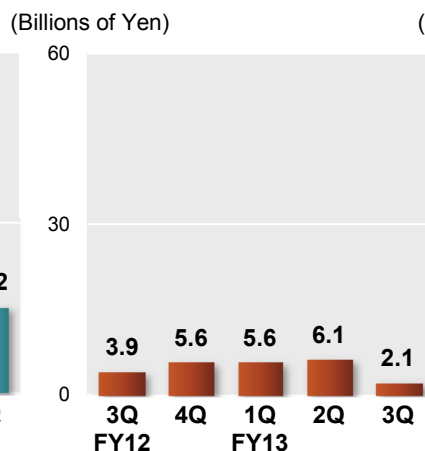
Korea



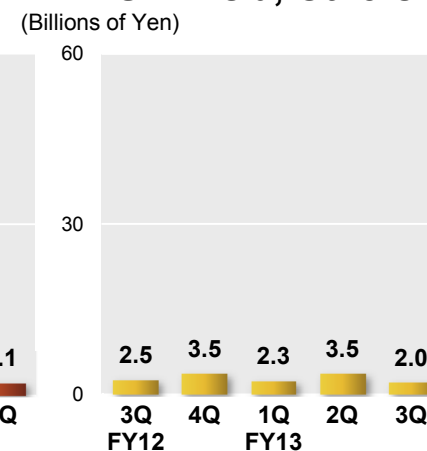
Taiwan



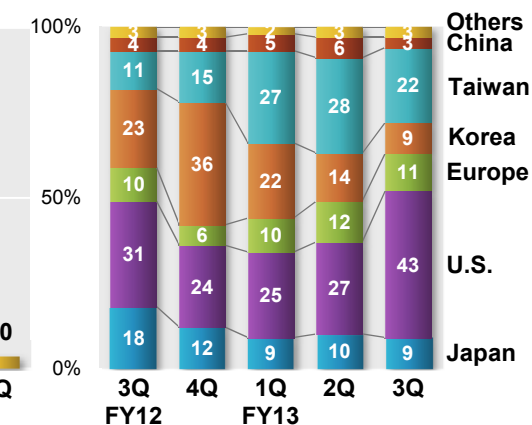
China



S.E. Asia, Others

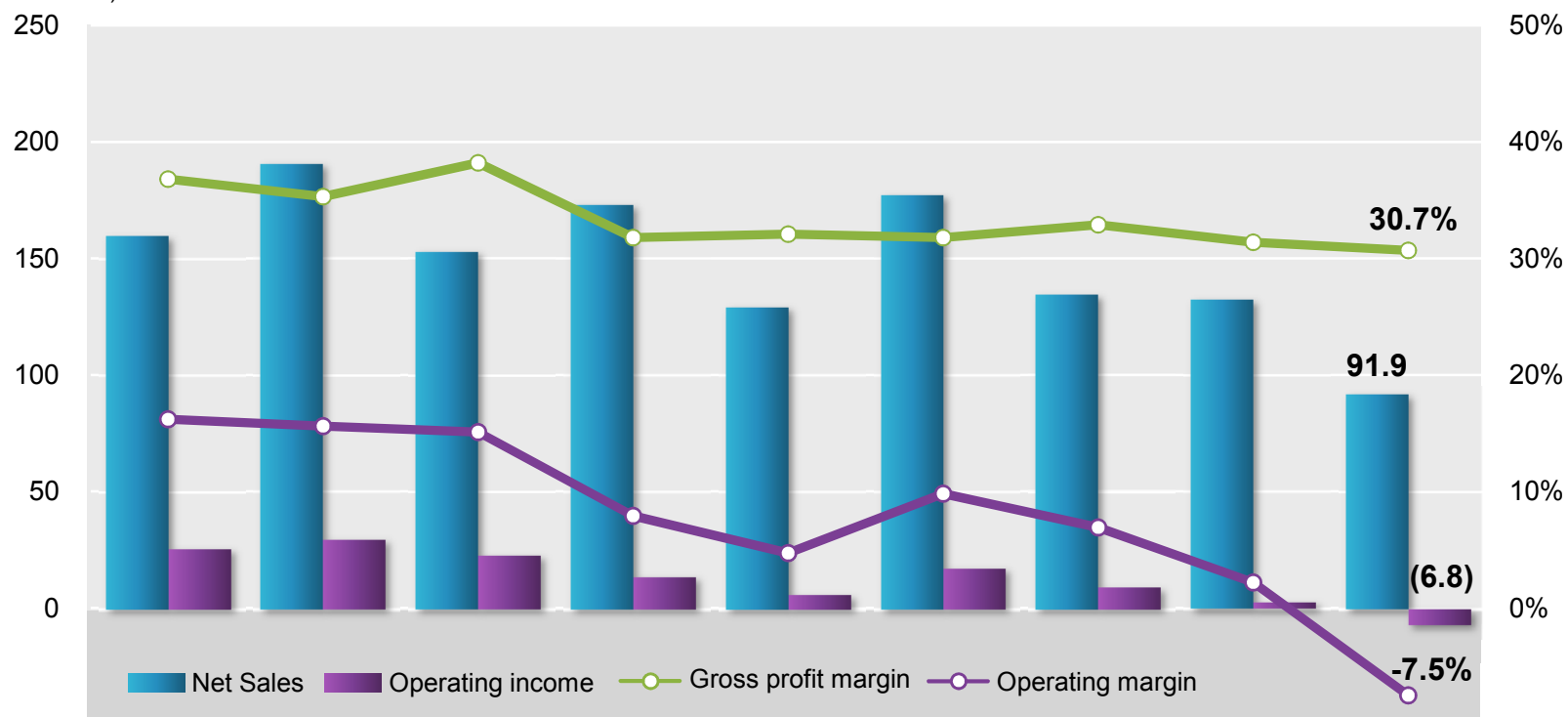


Region Composition



Net Sales & Operating Margin

(Billions of Yen)

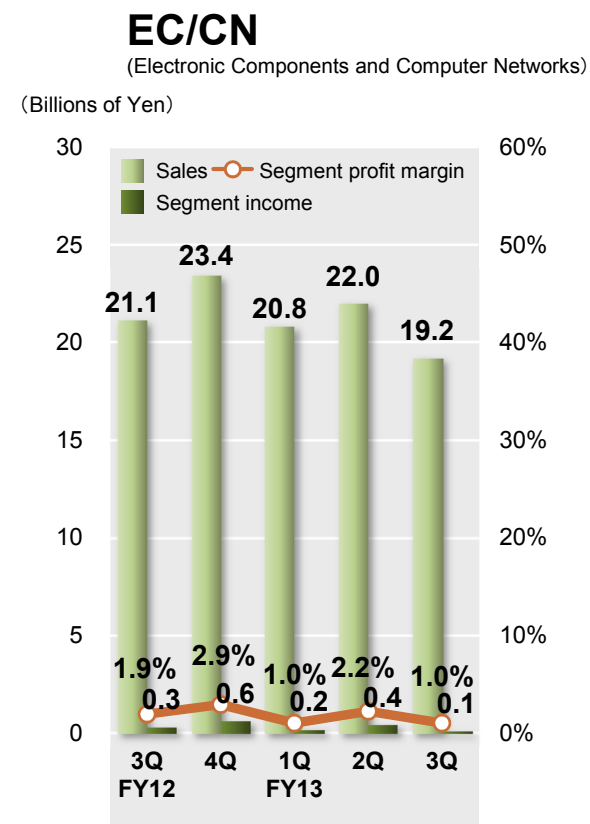
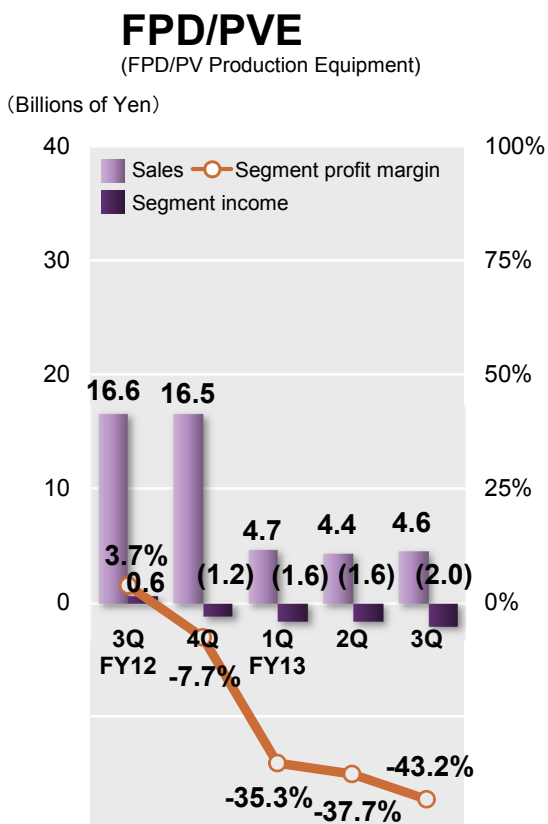
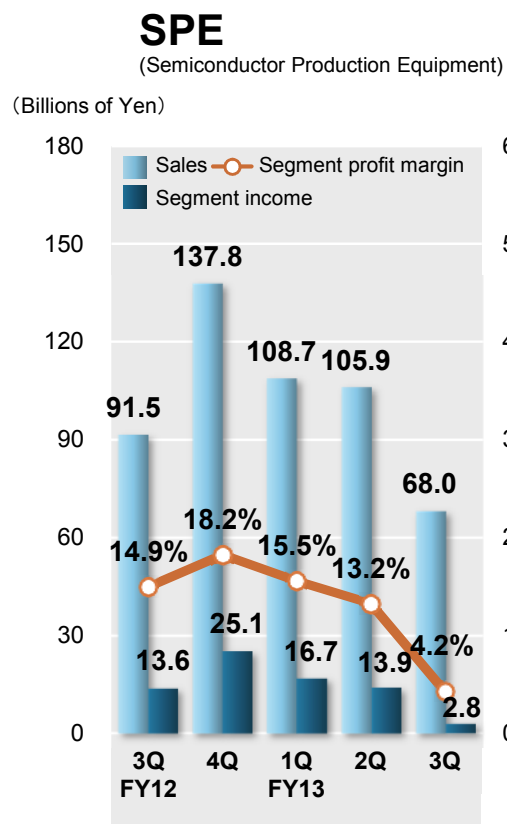


	FY11/3Q	4Q	FY12/1Q	2Q	3Q	4Q	FY13/1Q	2Q	3Q
--	---------	----	---------	----	----	----	---------	----	----

Net Sales	159.6	190.6	153.1	173.2	129.1	177.5	134.1	132.4	91.9
Operating income	25.8	29.7	23.0	13.7	6.0	17.4	9.2	2.9	-6.8
Gross profit margin	36.8%	35.3%	38.2%	31.8%	32.1%	31.8%	32.9%	31.4%	30.7%
Operating margin	16.2%	15.6%	15.1%	7.9%	4.7%	9.8%	6.9%	2.2%	-7.5%

5

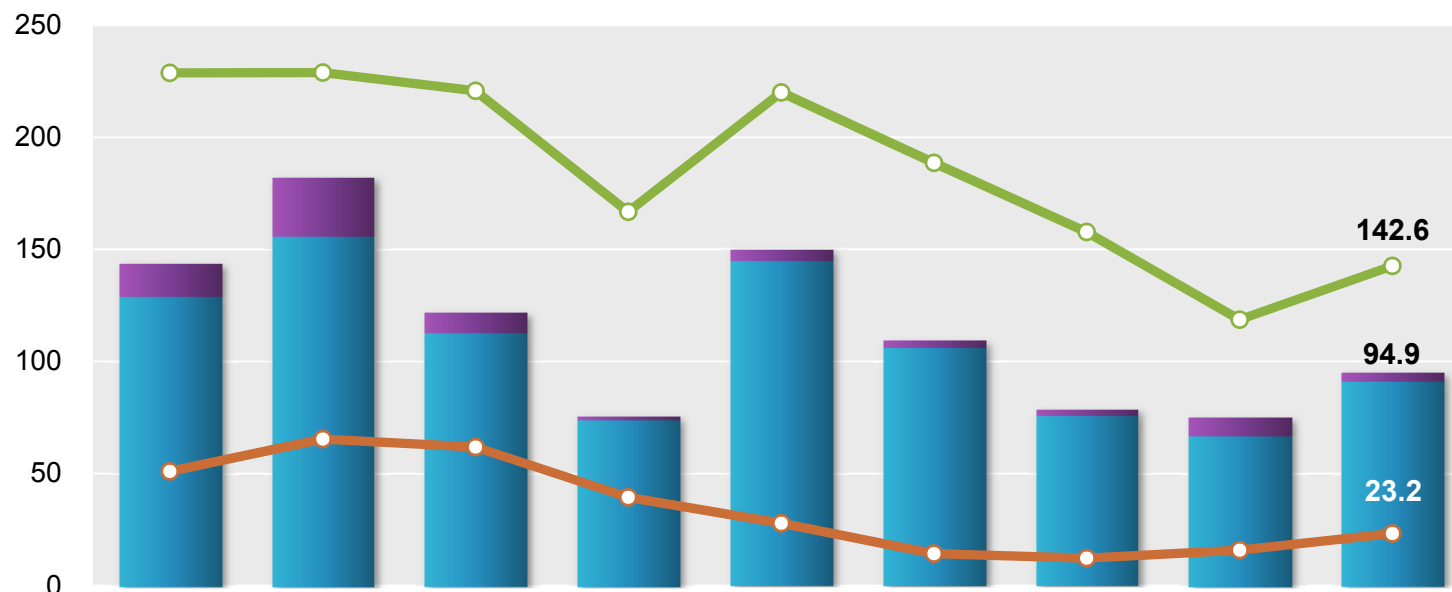
Segment Information



1. R&D expenses such as fundamental research and element research are not included in above reportable segments.
2. Segment income is based on income before income taxes.
3. Profit ratios are calculated using full amounts, before rounding.

Orders, Order Backlog

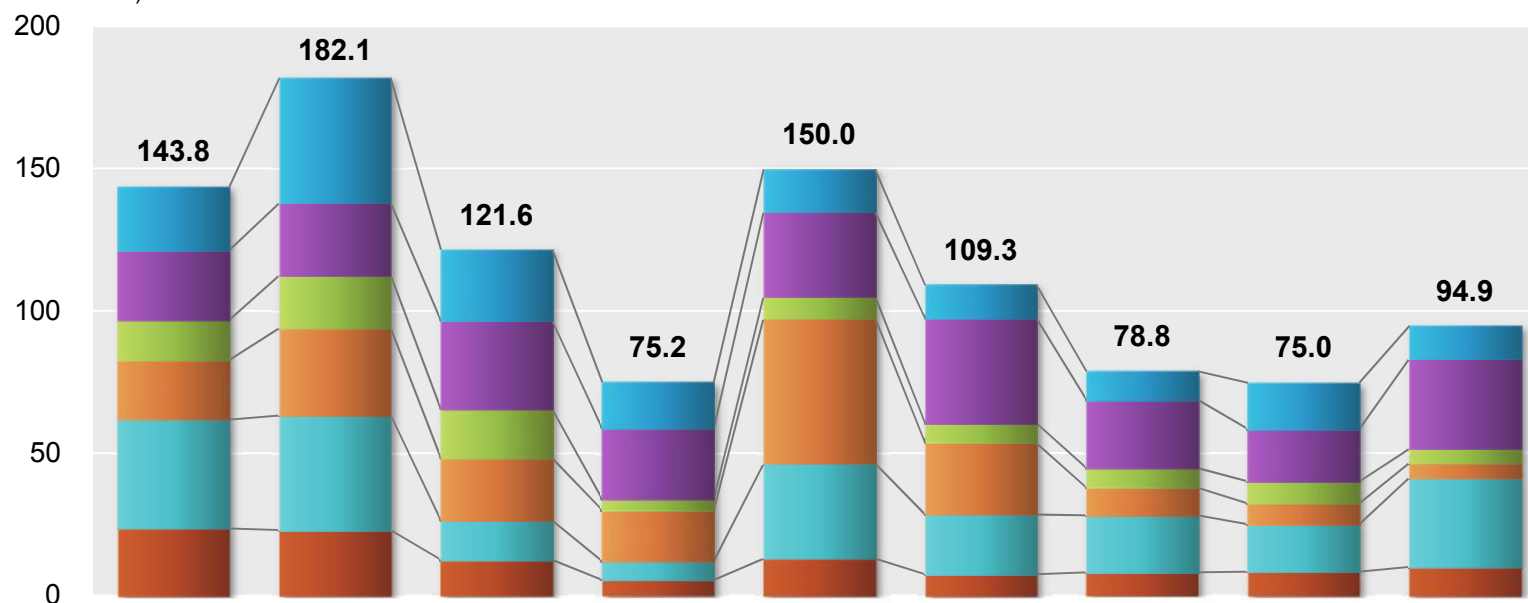
(Billions of Yen)



	FY11/3Q	4Q	FY12/1Q	2Q	3Q	4Q	FY13/1Q	2Q	3Q
SPE Orders	128.6	155.8	112.6	73.5	144.9	106.4	76.0	66.9	91.3
FPD/PVE Orders	15.2	26.3	8.9	1.7	5.0	2.8	2.8	8.0	3.6
SPE Order backlog	228.8	228.9	220.7	166.7	220.1	188.6	157.7	118.7	142.6
FPD/PVE Order backlog	51.0	65.4	61.8	39.4	27.8	14.2	12.2	15.8	23.2

Orders by Region: SPE, FPD/PVE

(Billions of Yen)

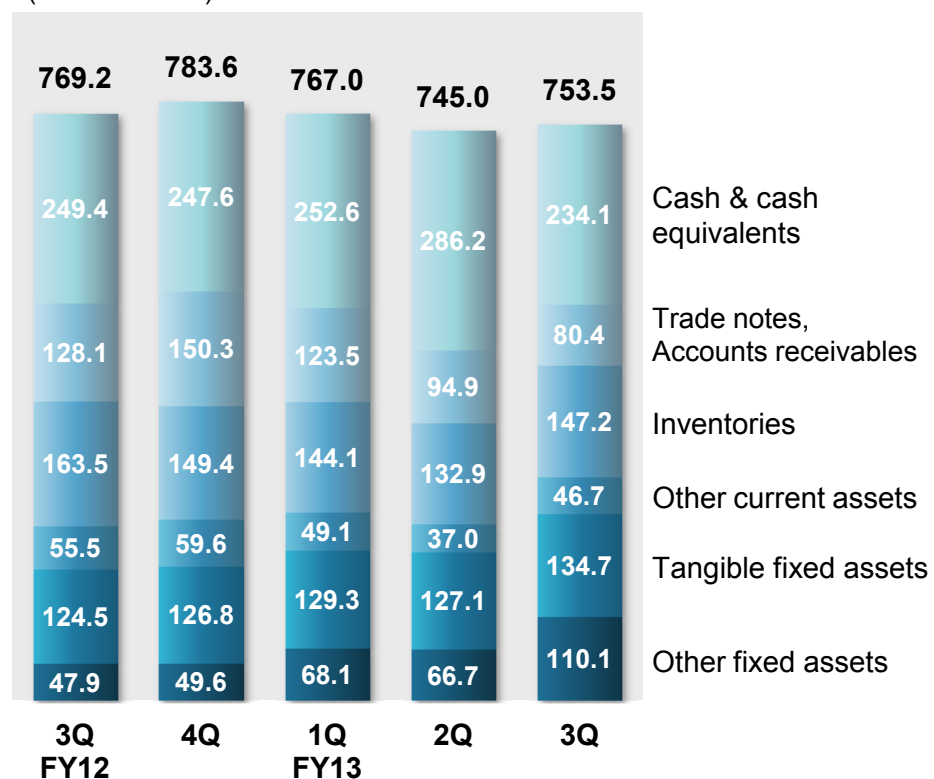


	FY11/3Q	4Q	FY12/1Q	2Q	3Q	4Q	FY13/1Q	2Q	3Q
Japan	22.2	43.9	25.0	16.3	14.9	11.7	10.0	16.3	11.5
U.S.	24.5	25.4	31.1	24.8	29.7	36.8	24.0	18.4	31.7
Europe	14.1	18.6	17.2	3.9	7.6	7.0	6.8	7.7	5.0
Korea	21.0	30.7	21.9	17.9	51.1	25.1	9.7	7.3	5.2
Taiwan	38.2	40.3	13.7	6.6	33.5	21.0	20.0	16.7	31.3
China, S.E. Asia, Others	23.5	22.9	12.5	5.4	12.9	7.4	8.1	8.3	10.0

Balance Sheet

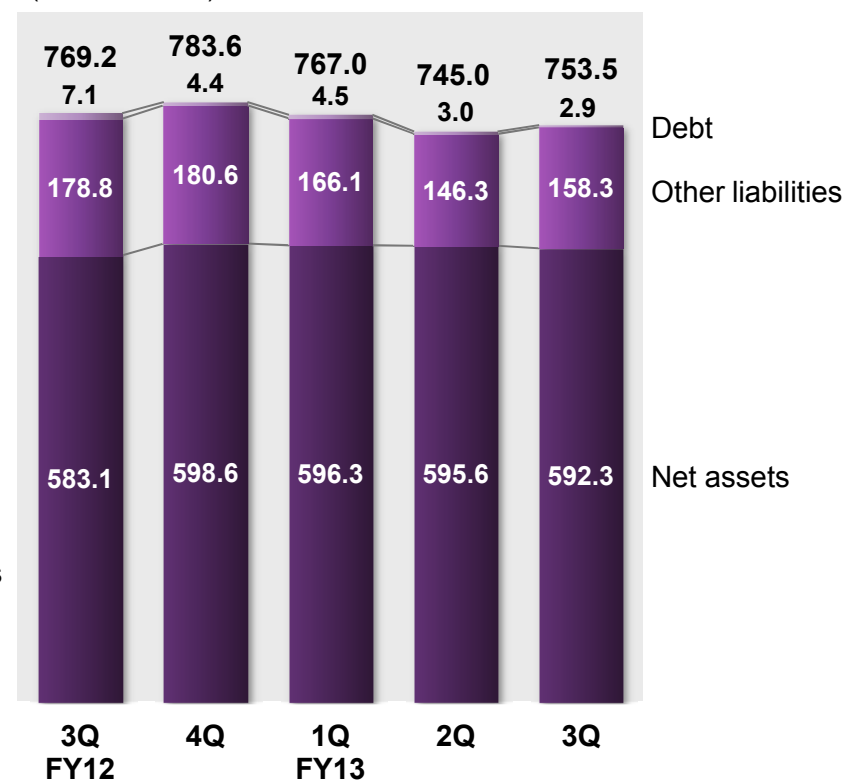
Assets

(Billions of Yen)



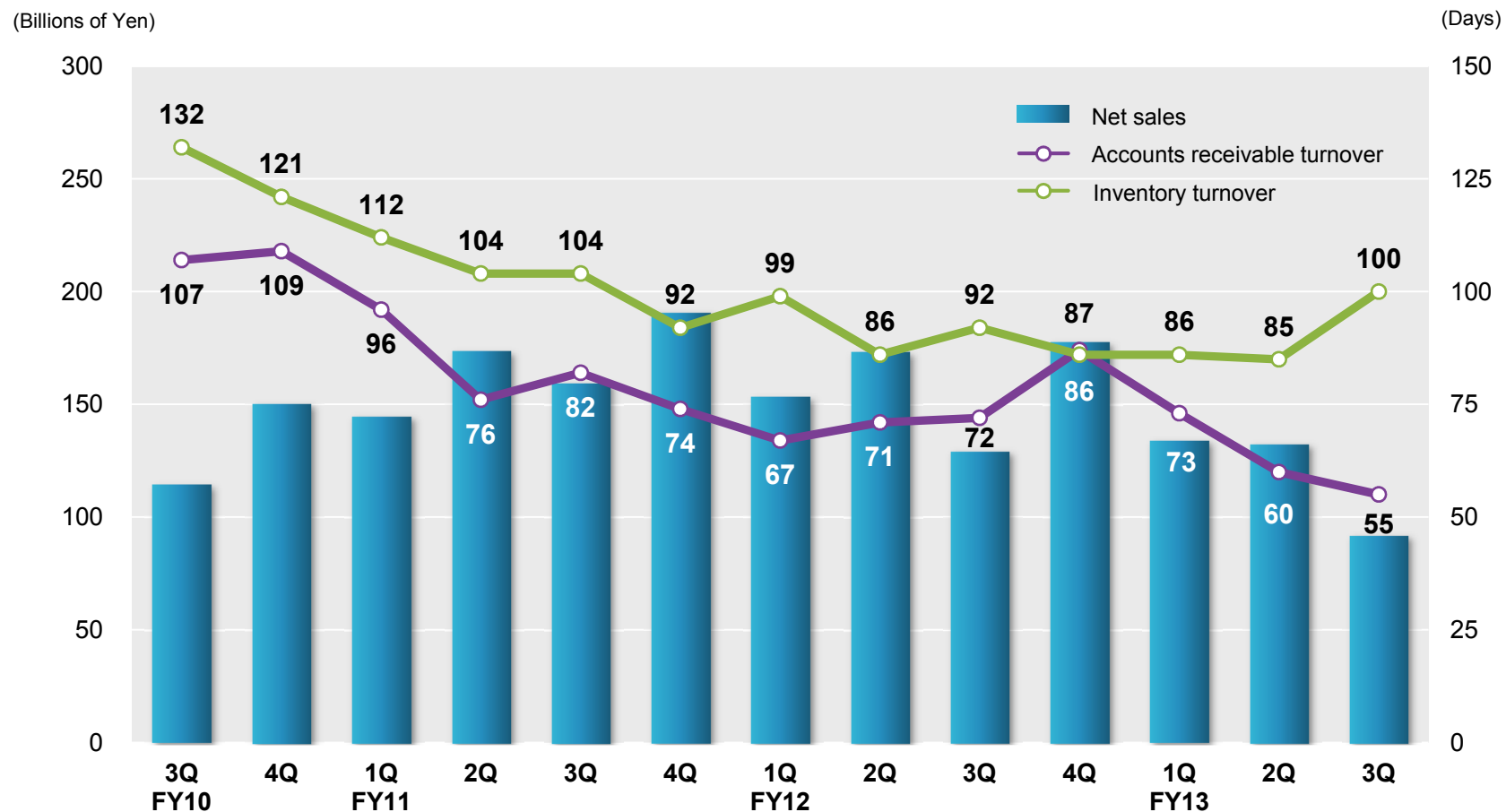
Liabilities & Net Assets

(Billions of Yen)



1. The 110.1 billion yen of other fixed assets as of 3QFY13 end includes 54.1 billion yen of goodwill from corporate acquisitions, etc. The increase of other fixed assets by 60.5 billion yen from the 4QFY12 end is mainly due to the 54.1 billion yen goodwill increase.
2. Cash and cash equivalents: Cash and deposits + Short-term investments, etc. (Securities in B/S).

Inventory Turnover and AR Turnover



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

Cash Flow

(Billions of Yen)

	FY12		FY13		
	3Q	4Q	1Q	2Q	3Q
Cash flow from operating activities	-4.9	7.9	35.8	38.0	-2.2
Cash flow from investing activities	53.3	10.8	-46.0	-38.1	-66.1
Payment for corporate acquisition *	-	-	-15.8	-	-39.2
Payment for purchase of property, plant, equipment and others	-14.1	-8.1	-9.2	-3.4	-2.6
Term deposits over 3 months	67.4	19.0	-21.0	-34.7	-24.2
Cash flow from financing activities	-7.7	-2.8	-4.8	-1.5	-4.9
Cash and cash equivalents at end of term	141.4	158.7	142.8	141.6	65.3
Cash and deposits at end of term (Short-term investments, etc. included)	249.4	247.6	252.6	286.2	234.1

* Payment for corporate acquisition:

NEXX Systems 15.8 billion yen, FSI International 15.9 billion yen , Magnetic Solutions 1.9 billion yen , Oerlikon Solar 21.3 billion yen

Revision of FY2013 Financial Estimates and Measures for Earnings Growth

Hiroshi Takenaka, President & CEO

February 5, 2013

Business Environment

Business Environment (as of early February 2013)

▶ SPE capex

Demand for PCs weak, causing memory investment to remain sluggish. Furthermore logic-related investment is in declining trend. With these reasons, CY2013 capex expected to decline around 10% YoY. However, in the second half of the year we expect increases in investment for NAND due to higher SSD demand and some mobile DRAM.

▶ FPD capex

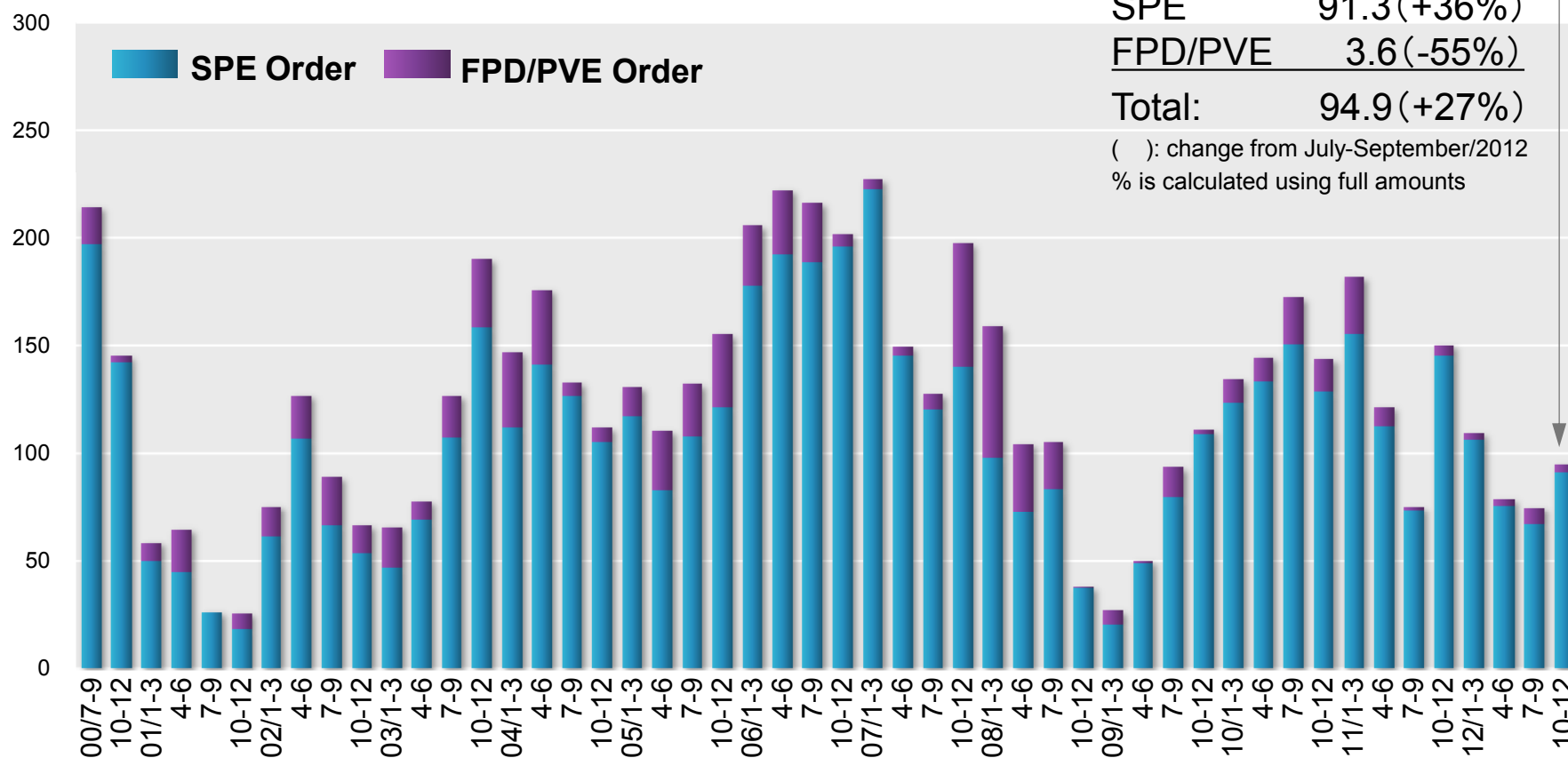
CY2013 demand for manufacturing equipment for large LCD panels is expected to be weak overall despite some improvement in investment in China. Investment in small and medium-sized panels is continuing. As the OLED TV market will be established from 2016, we expect capex to begin in earnest in 2015.

▶ PV capex

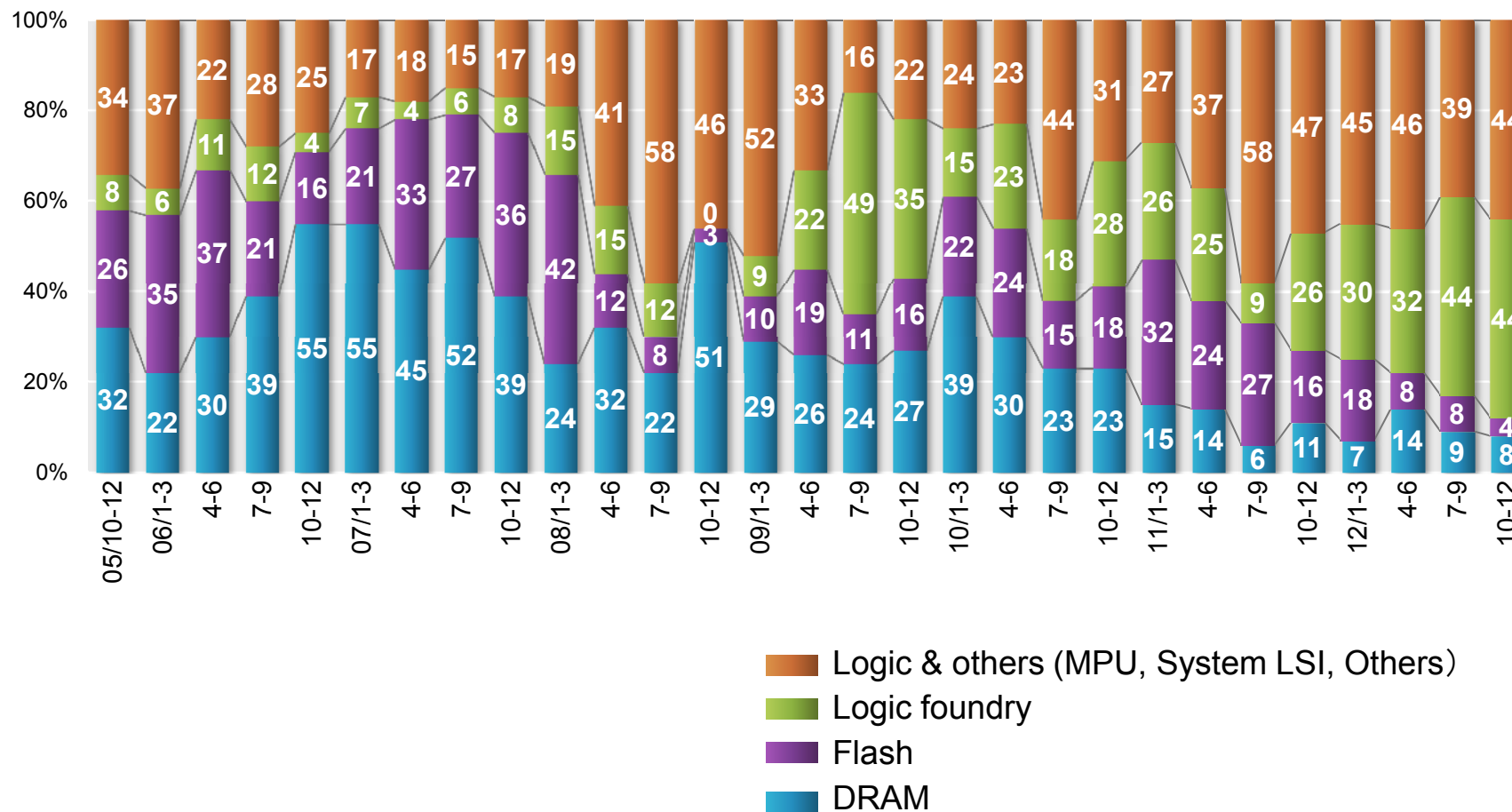
The market for solar panels is continuing to grow, and while the EU market slows, we expect demand for power generation in China and the sunbelt to increase from 2013 and expect investment in thin-film silicon panels.

Quarterly Orders

(Billions of Yen)



SPE Orders by Application: Equipment only



Revision of FY2013 Financial Estimates



TOKYO ELECTRON

CORP IR/February 5, 2013



Revision of FY2013 Financial Estimates

(Billions of Yen)

	FY2012	FY2013					YoY change
		1H	2H	Full year			
		Actual	New estimates	Adjustments	New estimates	Adjustments	
Net sales	633.0	266.6	228.4	-6.0	495.0	-6.0	-22%
SPE	477.8	214.6	178.3	-	393.0	-	-18%
FPD/PVE	69.8	9.2	9.7	-	19.0	-	-73%
EC/CN	84.8	42.4	40.0	-6.0	82.5	-6.0	-3%
Others	0.4	0.2	0.2	-	0.5	-	-
Operating income	60.4	12.2	-2.7	-3.0	9.5	-3.0	-50.9
Lower line : OP margin	9.5%	4.6%	-1.2%		1.9%		
Income before income taxes	60.6	15.5	-0.5	-3.0	15.0	-3.0	-45.6
Net income	36.7	6.0	-1.5	-2.5	4.5	-2.5	-32.2

Adjustments : changes from the figures announced on October 31, 2012

<Main reason for the downward revision>

Lowered profitability due to higher fixed cost ratio along with lower factory production utilization

18

Related to FY2013 Financial Estimates

1. Fixed cost reduction

» ¥16billion* from last fiscal year

*Includes the fixed costs and the goodwill of NEXX Systems and FSI International acquired in the current fiscal year

2. Dividend forecast

» Annual dividend of ¥51 including the commemorative dividend (unchanged)

Measures for Earnings Growth

▶ SPE business

- Increase product competitiveness (etch and cleaning)
Progress: Despite increasing customer oligopoly, maintain share and profitability.

▶ FPD business

- LCD
 - Optimize operations to match market scale
 - Focus on profitable business
 - Begin production in Kunshan, China
- OLED
 - Focus closely on timing of the OLED TV market's establishment
 - Right-size scale of R&D investment

▶ PV business

- Rapidly realize module cost below \$0.4/Wp for exceeding grid-parity
- Promote business in sunbelt region where we expect surge in future energy demand and also where the thin-film Si will demonstrate its competitive edge

Summary

1. Recovery in semiconductor capex delayed, due to sluggish PC demand and weaker-than-expected growth in smartphone market
2. Market readjustment expected to continue until mid year, focus on profit improvement
3. Increase market share of strategic products, expecting overall semi market recovery, including memory from the latter half of the year

▶ **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

