

To Our Investors

INVESTORS GUIDE 2009



TOKYO ELECTRON DEVICE LIMITED

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profile

1965	Tokyo Electron Limited (TEL) starts selling Electronic Components (Fairchild and others)
September 1990	Tokyo Electron Device Limited (TED) starts selling Electronic Components
July 1998	All TEL's Electronic Components operation transferred to TED
March 2003	Listed on the Second Section of the Tokyo Stock Exchange
January 2004	TED (Shanghai) Limited, a subsidiary, established in Shanghai, China
January 2005	TED Hong Kong Limited, a subsidiary, established in Hong Kong, China.
October 2006	Sales of Computer Networks solutions start by taking over TEL's Computer Networks operation
January 2008	Tokyo Electron Device Singapore Pte. Ltd., a subsidiary, established in Singapore
February 2008	Pan Electron Ltd. founded as a sales subsidiary in Japan

Note on forward-looking statements

This investors' guide was prepared on July 1, 2009. Forward-looking statements, including business strategies and business forecasts, were made by the Company's management, based on information available at that time, and may be revised due to changes in the business environment. Therefore, please be advised that the Company cannot guarantee the accuracy or the credibility of the statements. For the latest information, please refer to our information releases or our website.



Toshiaki Sunagawa
President

In the fiscal year ended March 2009, Tokyo Electron Device Limited (TED) sought to expand its business by pursuing the following policies in Electronic Components Business.

1. Focusing on finding new customers in the industrial equipment sector;
2. Emphasizing sales in the Asian market;
3. Accelerating the development of new private brand ("inrevium") products;

and pursuing the following policies in Computer Networks Business:

1. Advancing our system building business;
2. Expanding sales of information security software products.

However, the worldwide economic downturn had serious repercussions for the electronics and IT sectors. Demand suddenly began to slow in November, and the Company's operating environment also became extremely challenging.

In the fiscal year ended March 31, 2009, consolidated net sales amounted to 94,701 million yen (down 15.5% year on year), ordinary income stood at 2,041 million yen (down 47.0% year on year), and net income was 617 million yen (down 71.8% year on year). These results included extraordinary losses, such as the provision of an allowance for doubtful accounts and head office relocation expenses. The Company paid an annual dividend of 6,600 yen per share, as planned.

In the fiscal year ending March 2010, we expect that the semiconductor market will recover modestly through the second half of the year but will not fully recover, and we predict the IT market will also see negative growth.

Taking this into account, we forecast net sales of 78,000 million yen (down 17.6% year on year), ordinary income of 1,300 million yen (down 36.3% year on year), and net income of 620 million yen (up 0.4% year on year). We plan to pay an annual dividend of 5,000 yen per share.

Despite the challenging operating environment, directors and employees will work together to improve performance and bolster corporate value. We ask for your continued support and understanding.

Management Strategies and Pending Issues

1. Building a profit-making structure

- We do not expect a rapid recovery in business conditions in the fiscal year ending March 31, 2010. Recognizing this, our Company is united in its commitment to slashing controllable expenses.
- We aim for efficient marketing and will introduce structural reforms in anticipation of future growth.

2. Strategies in anticipation of future growth

- In the Electronic Components business, we will seek to expand our commercial supremacy alongside moves such as business reorganization and alliances. We will also focus on finding new customers and developing new products to further bolster business. In addition to business for existing customers in the industrial equipment sector, we will also concentrate on sales activities

directed at areas in which growth can be expected in the future (environment, security, etc.).

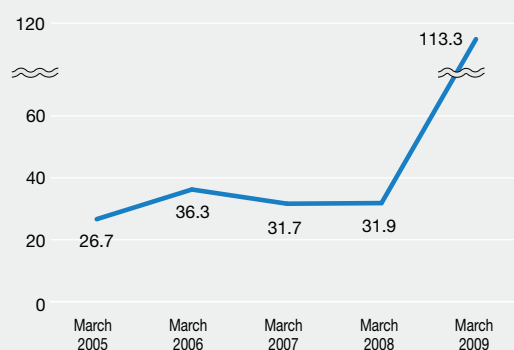
- In overseas business, we will improve our customer support structure in the ASEAN region, and seek to sell high value added Private brand products on overseas markets.
- In Computer Networks business, we will shift the emphasis of our marketing structure from individual product sales to customers, and focus more on customer-based marketing to bolster our performance.
- In Development business, we will continue to put effort into the development of private-brand inrevium products. We will also establish an integrated manufacturing structure covering the entire production process from design to manufacturing and quality assurance, and will aim to expand our OEM business.

Dividend Policy

In the fiscal year ended March 31, 2009, the Company's operating environment became extremely challenging, but with a basic policy of maintaining stable dividends, we paid an interim dividend of 3,300 yen and a year-end dividend of 3,300 yen, bringing the total annual dividend to 6,600 yen per share. In the fiscal year ending March 31, 2010, we plan to pay an annual dividend of 5,000 yen per share (interim dividend of 2,500 yen and year-end dividend of 2,500 yen).

	March 2009		March 2009 (Forecast)	
	Interim	Year-end	Interim	Year-end
Dividend per share (yen)	3,300	3,300	2,500	2,500
Payout ratio	113.3%		85.5%	

Payout ratio (%)



Note: Consolidated payout ratio from the fiscal year ended March 31, 2006.

Corporate Governance

In light of the growing need for effective corporate governance, our top priority is to ensure fairness in management and to increase management transparency and accountability to shareholders and stakeholders. To this end, we have the following systems of internal control in place. Under the Internal Control Committee, which is tasked with strengthening and applying all internal control systems, the Ethics Committee is responsible for compliance systems, the Risk Management Committee is responsible for risk management systems, and the Information Security Committee is in charge of information storage and management systems.

In addition, the Board of Corporate Auditors makes proposals on internal control to the Board of Directors and also conducts audits of the Internal Control Committee.

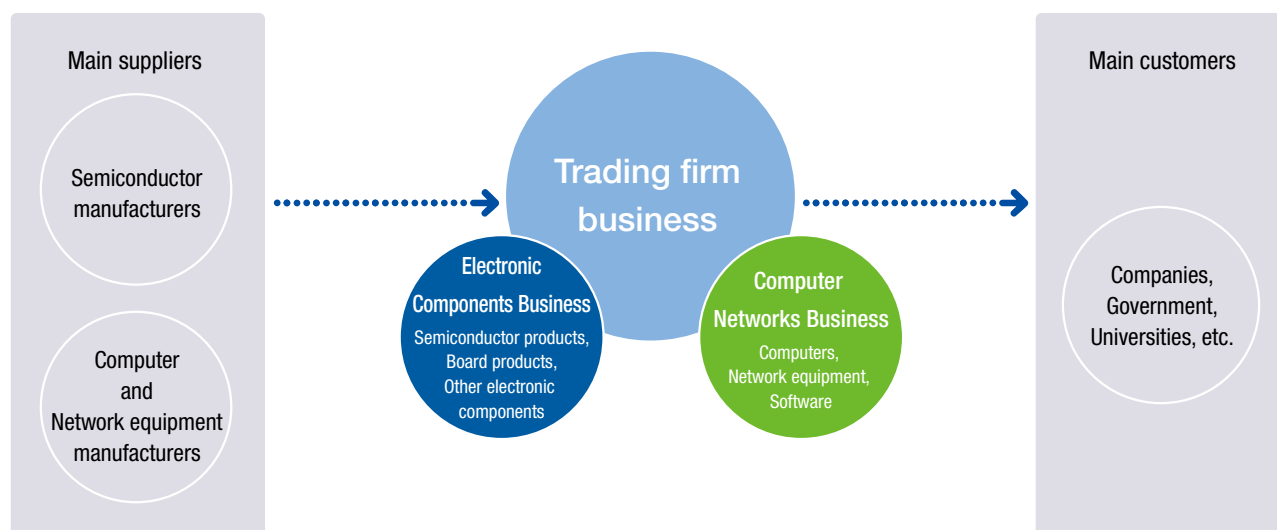
Moving forward, we will continue our efforts to increase management fairness and transparency.

Corporate Internal Control Systems



Introduction of Business

The Tokyo Electron Device Group consists of specialty trading firms that procure Semiconductor products, Board products, Other electronic components, Computer Network equipment, and Software products, Centering on Integrated Circuits (ICs), from Japanese and overseas manufacturers, and sell them mainly to leading Electronics equipment makers in Japan.



Segment Information

Electronic Components Business

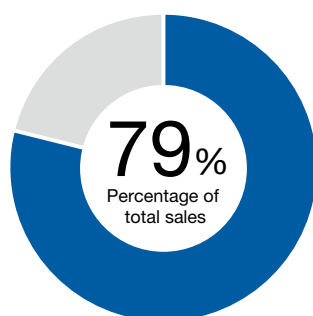
FY 2009

Sales

74,980 million yen

Operating income

736 million yen



Computer Networks Business

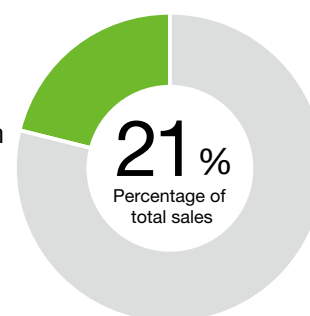
FY 2009

Sales

19,721 million yen

Operating income

1,103 million yen

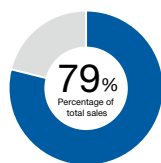


Priority: Development Business (Private-Brand Business)

The Development Business is where the Company provides its technical expertise to customers in the form of added value. The Company designs semiconductor and board products based on customers' requirements. The Company also plans, develops and manufactures semiconductor products under the original inrevium brand to meet the needs of the market. (For details, see page 9).

inrevium

The name "inrevium" was created by combining the first letters of the words "intellectual" and "revolutionary," with the suffix "-ium" (meaning element). It signifies our ongoing mission to help solve customer problems and aid their business activities through our groundbreaking proprietary information, technology and services.



Electronic Components Business



Results for the term ended March 2009

In Electronic Components business, we concentrated on the Development Business, including the development of private-brand inrevium products, and on the strategically important industrial equipment sector. We also focused on customer-based marketing and finding new customers with the launch of a business by a domestic sales subsidiary and the promotion of overseas business development.

Although sales of custom ICs for mobile phone base stations and memory ICs for PCs remained comparatively firm during the first six months of the year, from the third quarter sales weakened in the face of rapidly deteriorating market conditions.

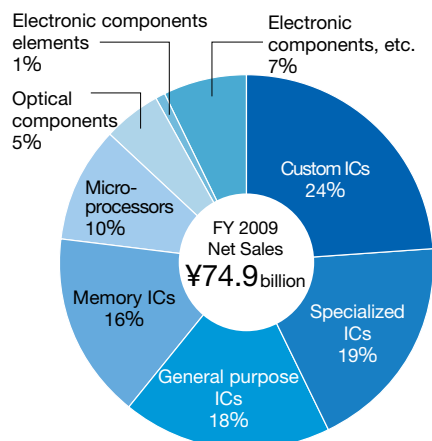
Results were also influenced by cuts in production across every sector, notably the consumer appliances and industrial equipment sectors, and sales of Electronic components business amounted to 74,980 million yen and operating income was 736 million yen.

Sales Breakdown by Product

A breakdown of sales by product shows that high value-added products that require technical support, such as Custom ICs, Specialized ICs, and General-purpose Analog ICs, have been accounting for a growing percentage of total sales, and the Company is winning the confidence of its customers.

One of the features of the term ended March 2009 was that while sales of microprocessors rose 6% year on year, bolstered by an increase in commercial supremacy, sales of other products fell year on year because of deteriorating business conditions from the second half.

Breakdown of sales by product



Change in Sales by product

Product	Supplier	Year-on-year change (%)
Custom ICs	Xilinx, Fujitsu	(10%)
Specialized ICs	PixelWorks, IDT	(12%)
General purpose ICs	Linear Technology, TI	(8%)
Memory ICs	Spansion	(30%)
Microprocessors	Freescall Semiconductor, Fujitsu, TI	6%
Optical components, Discrete devices	Avago Technologies	(19%)
Electronic components, etc.	Cosel	(13%)

Note: Abbreviated corporate names are used.

High Value-added Technical Support

For each product and application, our field application engineers (FAEs) work together with our clients from the planning stages to manufacturing. We provide integrated services to offer the latest in technical information, answering technical queries, troubleshooting and quality assurance information to our customers, while assisting our suppliers with product evaluation and technical surveys. Through these activities, we have been able to obtain the confidence of both our clients and our suppliers, as a technology trading company capable of providing solutions.

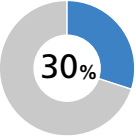
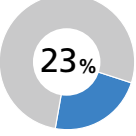
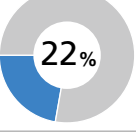
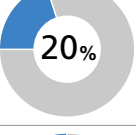
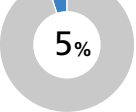


Main Applications and Customers

In Electronic Components business, the Company has at least 1,000 customers, mainly electronic devices manufacturers. Leading domestic electronics groups, such as Panasonic, Toshiba, Fujitsu and NEC, account for a significant percentage of sales.

A sales breakdown by application shows that products handled by TED have application in a broad range of sectors, including Communications equipment, Industrial equipment, Consumer appliances, Computers & peripheral devices, and others.

One of the features of the term ended March 2009 was that the industrial equipment sector was hardest hit by the recession, and its share of total sales fell from 29% to 23%.

Sales according to use category	Main applications	Main customers
 30% Communications equipment	Mobile phones, router, transmission equipment, mobile phone base station	Fujitsu, Hitachi, NEC, Panasonic and other
 23% Industrial equipment	Semiconductor testing devices, medical equipment, broadcasting equipment, robots, measuring equipment	Hitachi, Mitsubishi Electric, Panasonic, Toshiba and other
 22% Consumer appliances	Digital cameras, digital camcorders, flat-screen TVs, AV equipment	Panasonic, Sharp, Sony, Yamaha and other
 20% Computers & peripherals	Printers, projectors, POS systems, PCs and peripheral devices	Epson, Fuji Xerox, Panasonic, Toshiba and other
 5% Automotive equipment	Car navigation systems and car audio equipment	Aisin, Mitsubishi Electric, Panasonic and other

Note: Abbreviated corporate names are used. (Alphabetical order)

Providing High-Quality Semiconductors and Other Electronic Components in Asia

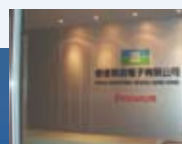
The Company has built sales offices in the Asia region to services Japanese-affiliated companies, its major customers. In 2005, we founded Tokyo Electron Device Hong Kong. Since then, we have emphasized multi-language service and quality distribution services and have expanded our operations in Shanghai, Dalian, and Singapore. In January 2008, we set up a local subsidiary in Singapore.

In the fiscal year ended March 2009, sales of consolidated overseas subsidiaries held firm despite the global economic downturn, amounting to 71 million dollars.

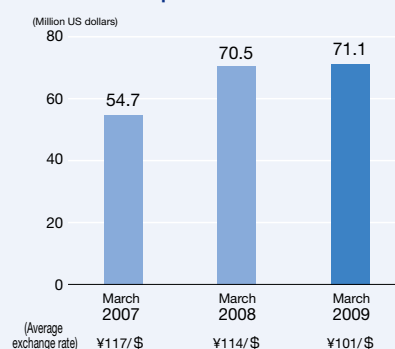
Moving forward, we will continue our efforts to find customers in the Asia region with a view to expanding the scale of our operations.



Tokyo Electron Device Hong Kong



Overseas Operation Sales



Products Handled



Custom ICs The main products are specific ICs—ASICs and PLDs—that are made to the customers' specifications

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Main products	Main applications	Main suppliers (in alphabetic order)
<ul style="list-style-type: none"> • ASIC^{*1} • PLD^{*2} (FPGA, CPLD) 	Digital home appliances, mobile phone base station, measuring equipment, office automation equipment, broadcasting equipment, medical devices and semiconductor testing devices	Fujitsu Electronics, Xilinx



Specialized ICs Specialized ICs made for specific applications, such as communications and image processing

Main products	Main applications	Main suppliers (in alphabetic order)
<ul style="list-style-type: none"> • For communications and networks • For image processing • For interfaces • For security • For peripheral control 	Digital home appliances, office automation equipment, router, communication terminals, projectors, car navigation systems and security cameras	Cavium Networks, Freescale Semiconductor, Fujitsu Electronics, Intersil, Pixelworks



Generalpurpose ICs ICs used for various purposes, including analogue ICs and logic ICs

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Main products	Main applications	Main suppliers (in alphabetic order)
<ul style="list-style-type: none"> • Analogue IC • Logic IC 	Mobile phones, mobile phone base station, factory automation equipment, car navigation systems, office automation equipment and semiconductor testing devices	Linear Technology, ON Semiconductor, Texas Instruments



Memory ICs ICs exclusively for memory, RAM for writing and reading, ROM for reading only, etc

Main products	Main applications	Main suppliers (in alphabetic order)
<ul style="list-style-type: none"> • Flash memory^{*3} • DRAM/SRAM • FRAM 	Digital home appliances, mobile phones, PCs, measuring equipment, office automation equipment, broadcasting equipment, medical devices, semiconductor testing devices and car navigation systems	Fujitsu Electronics, IDT, Ramtron International



Microprocessors ICs having operation and control functions that make them the brains of computers

Main products	Main applications	Main suppliers (in alphabetic order)
<ul style="list-style-type: none"> • Microprocessors • Microcontrollers • DSP 	Digital home appliances, mobile phones, PBXs, measuring equipment, office automation equipment, broadcasting equipment, medical devices, semiconductor testing devices and car navigation systems	Freescale Semiconductor, Fujitsu Electronics, Texas Instruments



Optical Components Electronic components that convert electricity into light for use

Main products	Main applications	Main suppliers (in alphabetic order)
<ul style="list-style-type: none"> • LED^{*4} • Photo coupler^{*5} • Optical fibers • IrDA^{*6} 	PBXs, mobile phones, factory automation equipment and PCs	Avago Technologies, Eudyna Devices



Electronic Components Elements Components having basic electronic functions such as amplification and rectification

Main products	Main applications	Main suppliers (in alphabetic order)
<ul style="list-style-type: none"> • Diodes^{*7} • Transistors 	Mobile phones, PCs and office automation equipment	ON Semiconductor



Electronic Components, etc. General electronics components such as board products, power supplies, and connectors

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Main products	Main applications	Main suppliers (in alphabetic order)
<ul style="list-style-type: none"> • Interface boards • Evaluation boards • Built-in boards • Panel PCs LCDs^{*8} • Power supplies • Connectors 	Servers, factory automation equipment, medical devices, measuring equipment, semiconductor production devices and robots	Cosel, PFU

^{*1} [ASIC] Custom IC from which high performance can be expected but that takes a long time to develop.

^{*2} [PLD] Custom IC consisting of programmable logic elements. Shorter development time than ASIC.

^{*3} [Flash memory] Medium that stores data electrically. It is possible to retain data even if it is powered off.

^{*4} [LED] Diode that glows when an electric current passes. It is used in lamps and indicators.

^{*5} [Photo coupler] Element that converts and transmits electric signals into light. The element's advantage is its property of electrical insulation.

^{*6} [IrDA] Communication function using infrared radiation defined by a standard setting body. It is used in mobile equipment.

^{*7} [Diode] Electronic component that has a rectification function to pass an electric current in one direction only.

^{*8} [LCD] Display using liquid crystal. It is used in laptop personal computers.



Computer Networks Business



Results for the term ended March 2009

In Computer Networks business, we worked to expand our operations to be able to meet growth in demand for computer systems in anticipation that companies will strengthen their internal control systems. However, the deterioration in corporate earnings and uncertainty over the future of the economy prompted companies to reduce capital expenditure, including new IT investment, and net sales amounted to 19,721 million yen and operating income was 1,103 million yen.

Sales Breakdown by Product

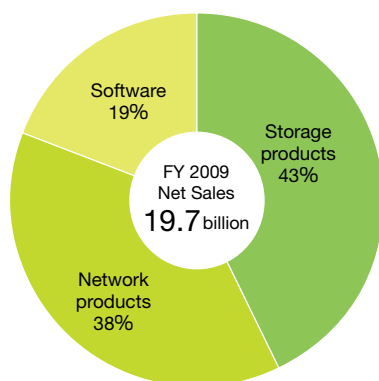
The leading vendor of Storage products is the US firm Brocade, which accounts for more than 80% of the world SAN switch market and the Japan SAN switch market.

The leading vendor of Network products is US-based F5 Networks, which commands a large share of the network load-balancing market.

The leading software vendor is Microsoft. Microsoft's Windows Embedded products for use in embedded systems are used in equipment besides personal computers.

One of the features of the term ended March 2009 was that Storage products and Network products were affected by reduced corporate IT investment, and sales declined year on year. Software sales fell year on year due to a decrease in sales of POS software and the presentation of sales of certain products as a net amount following a change in accounting standards.

Breakdown of sales by product



Change in Sales by product

Item	Supplier	Year-on-year change (%)
Storage products	Brocade	(21%)
Network products	F5 Networks	(15%)
Software	Microsoft	(39%)

Note: Abbreviated corporate names are used.

Quality Assurance System

Our product is backed by checks of product quality, support quality and technology quality. These three quality checks are bolstering satisfaction and trust among our customers and partners. For example, a dedicated organization handles incoming inspections, shipment adjustments, quality control, quality improvement, inspection work and data analysis. And to ensure all our products provide reliable service, we offer maintenance services and product guarantees.



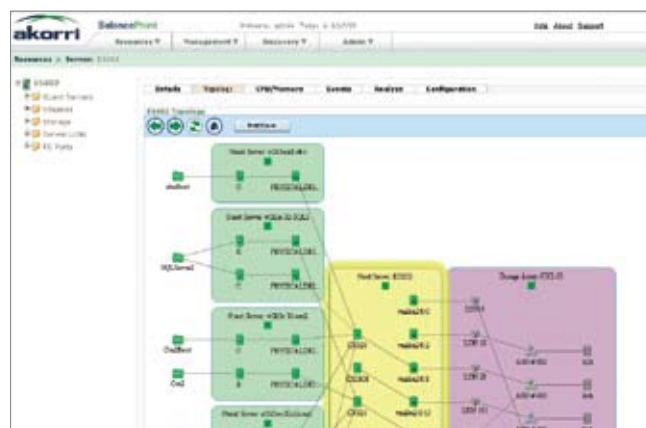
Priorities

- Promotes system building business centered on F5 Networks
- Builds storage systems and increases sales of Software products for internal control.
- Expands the maintenance and operation support business

Marketing of State-of-the-Art Technologies

In Computer Networks business, we keep abreast of the latest news and information about state-of-the-art technologies, and endeavor to provide the optimum products to our customers in Japan.

The products of Akorri that TED began handling in April 2009 are Software that provide visibility to help users understand at a glance whether or not an application will run properly on a virtual server.



Products Handled



Storage Products SAN (storage area network) switches, SAN connection equipment, storage security equipment, etc.

Main products

- SAN fabric switches
- Backup appliances
- Tape libraries
- Fiber channel host bus adapters
- Cluster storage
- Data compression appliances

Main suppliers (in alphabetic order)

Akorri, Brocade Communications Systems, Data Domain, Emulex, Isilon Systems, Quantum, Storewiz, Symantec



Network Products Internet access devices (load balancing, security), enterprise network system equipment, etc.

Main products

- Application traffic managers
- LAN switches
- Firewalls
- Web application firewalls
- Hardware security modules
- File virtualization appliances

Main suppliers (in alphabetic order)

Extreme Networks, F5 Networks, Imperva, Infoblox, Juniper Networks, Thales



Software Database, etc. to control operating systems data for embedded devices

Main products

- OS
- Development tools
- In-memory databases
- Long-term log storage/analysis tools
- Data warehouse databases and engines

Main suppliers (in alphabetic order)

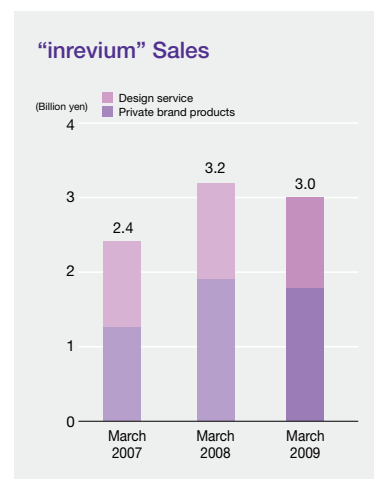
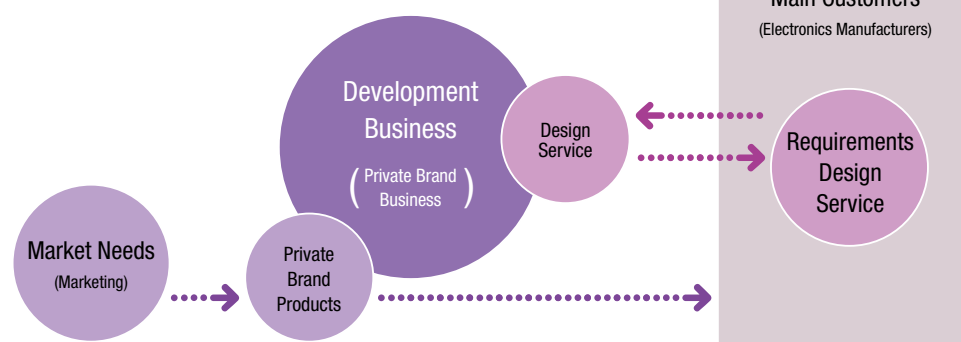
Greenplum, IntervalZero, Microsoft, Oracle, Phoenix Technologies, SenSage

Development Business

inrevium

Although Tokyo Electron Device is a trading firm, we also design and develop its own brand products, and so play the role of manufacturer in part. The Development Business (private brand business) consists of design

services where we design custom ICs and boards based on customers' requirements, and products that we have planned and developed and sold under the original "inrevium" brand to meet the needs of the market.



Private Brand Products ("inrevium" Brand Products)

To respond to customer needs, TED develops a wide range of products under its own inrevium brand, leveraging years of experience in sales, design and development, as well as in marketing. Currently we offer more than 60 types of brand products and services, all incorporating our technologies in image processing, memory control, and communication interfaces.



Design Service ("inrevium" Design Service)

By outsourcing the work to experienced experts, customers are able to reduce the time taken for design, mitigate the design risks, use leading-edge technologies and reduce capital expenditures and maintenance costs. Reducing development time makes it possible for us to complete the products more quickly for the customer.



Design and Development Center ("inrevium" Development Center)

The Design & Development Center, which opened in 1985 uses its wealth of experience and the latest equipment to provide customized customer design services, and develop products under its own "inrevium" brand name. In this way, the center helps customers launch new products more quickly and more cheaply.

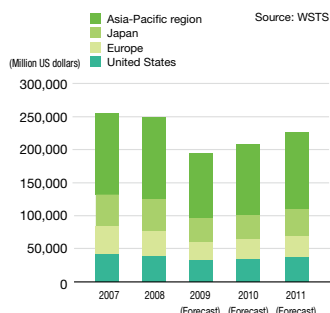
There are four Design and Development Centers, two in Japan (Yokohama and Sendai) and two in China (Shanghai and Wuxi).

Experience in product development is deployed in business proposals and technical support in the Trading Firm Business and in creating synergy, an effect unique to the leading technology trading company.



Market Information

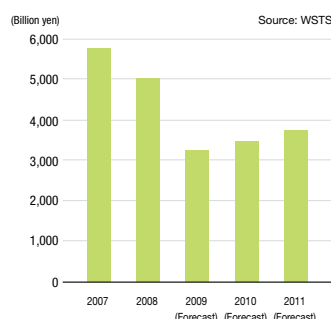
Trend in Global Semiconductor Market



World-wide semiconductor market growth for 2008 fell 2.8% (248.6 billion dollars) year on year, reflecting the impact of the global financial crisis on the world economy, which became evident in the fourth quarter. Although market growth for 2009 is expected to fall 21.6%, staying in negative territory another year due to the stubborn, lingering effects of the financial crisis in the first half, 2010 is likely to see growth get back on track, rising to 7.3%, followed by a forecast 8.9% in 2011. Accordingly, the average annual rate of

growth for the period 2008 to 2011 should be -2.9%, and the global semiconductor market is expected to be smaller in 2011 than it was in 2008. In 2009, the global semiconductor market is estimated at 194.8 billion dollars (18,210 billion yen), a decrease of 53.8 billion dollars from the scale of the previous year.

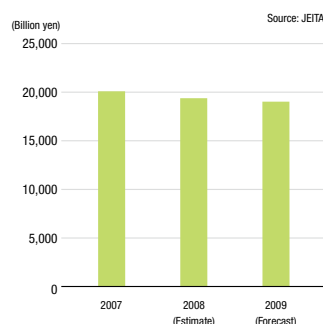
Trend in Japanese Semiconductor Market



The yen-based growth rate of the Japanese semiconductor market for 2008 dropped 12.6% year on year, turning negative as a result of the global economic fallout in the fourth quarter, compared with firm 6.4% growth year on year for 2007. Although market growth for 2009 is expected to drop 35.5% year on year, sinking further into negative territory, market growth for 2010 is likely to be back on track, recovering to 6.9% year on year. This should be followed by growth of 8.1% in 2011. In yen terms,

the Japanese semiconductor market in 2008 was estimated at approximately 5,030 billion yen, but the market size is expected to be approximately 3,240 billion yen in 2009, 3,460 billion yen in 2010, and 3,740 billion yen in 2011. The average annual growth rate from 2008 to 2011 is therefore expected to be -9.4%.

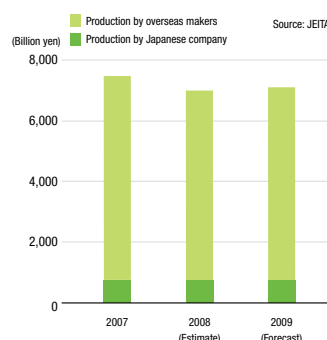
Production of Japanese Electronics Industry



The gross domestic product for the Japanese electronics industry for 2009 is estimated at 19,038.7 billion yen (down 2% year on year), representing the third consecutive year of negative growth. Although production of products such as flat-screen televisions and blu-ray recorders is likely to continue increasing in the run-up to the full digital switchover in 2011, in general the downturn will inevitably dampen people's desire to buy electronic products, while intensified price competition is expected to accelerate the shift to overseas production.

There is also concern over a slowdown in exports of semiconductors, a significant percentage of which are produced in Japan. With domestic Japanese output of electronics by Japanese manufacturers and their affiliates accounting for 44% of the total electronics production of the industry in 2008, Japan-affiliated makers already produce more electronics overseas than they do in Japan. However, they are expected to continue to produce a high percentage of products that require high reliable quality, such as semiconductors and display devices, in Japan.

Server and Storage Production Trends in the World and Japan



Global production of servers and storages for 2008 reached 6,999 billion yen. Production by Japanese companies and their affiliates accounted for around 11% of world production, or 763.1 billion yen. Domestic Japanese production is estimated to account to 527.6 billion yen, or 69% of this. Worldwide, spending on IT over the past few years has trended upward and global production of servers and storages has grown steadily. However, it is now likely to start shrinking amid deteriorating business confidence.

Although the market will be influenced by the shift from mainframes to open servers, moderate market growth is expected in the coming years because of the ongoing development of networking and action on information security.

Domestic production of servers especially open servers is expected to trend downward as manufacturers move production overseas to increase their competitiveness.

Operational Review and Outlook for the Next Term

Report on Results for the Term under Review (Year Ended March 2009)

During the period under review, the Japanese economy was at a standstill at the beginning of the year and slowed sharply in the autumn amid the growing financial panic that broke out in the United States the previous fiscal year. The deepening financial crisis spilled over into the real economy, affecting corporate earnings, the labor market and consumption and fuelling concerns about a worldwide economic crisis.

The Group operates in the electronics industry, where demand for digital home appliances was expected to increase during the first half, ahead of the Beijing Olympic Games. Generally, however, demand for electronic products was slack as business confidence crumbled. From the second half, markedly from November, demand for almost all electronic

products—notably digital home appliances but also personal computers, mobile phones and industrial equipment—fell off sharply against the backdrop of an unprecedented economic crisis, rendering conditions extremely difficult.

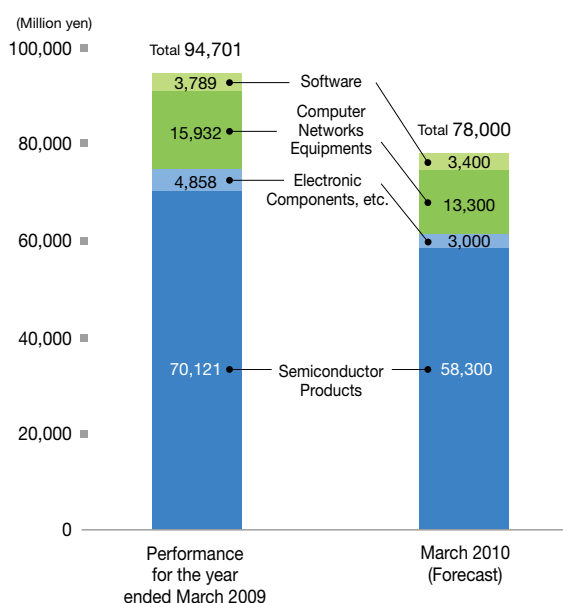
Under these conditions, sales for the fiscal year ended March 2009 were 94,701 million yen (down 15.5% year on year), operating income stood at 1,840 million yen (down 50.0%), and ordinary income was 2,041 million yen (down 47.0%). Net income amounted to 617 million yen (down 71.8%), largely because the Group posted a provision of allowance for doubtful receivables under extraordinary losses.

Outlook for the Next Term

Governments worldwide have taken steps to tackle the global economic crisis, but the risk that economic conditions will deteriorate further still exists and cannot be ignored. In the electronics industry, demand for semiconductors is expected to recover temporarily as inventory adjustments begin to wind down, but the prospects for a medium-to-long-term recovery are still extremely uncertain because demand for electronics products in general is weak. The impact of exchange rate fluctuations on imports and exports also gives cause for concern.

Given these conditions, the Group is determined to improve its performance by rebuilding its business through restructuring and bolstering its business structure to minimize the negative external economic impact. We consequently forecast net sales of 78,000 million yen (down 17.6% year on year), operating income of 1,450 million yen (down 21.2% year on year), ordinary income of 1,300 million yen (down 36.3% year on year), and net income of 620 million yen (up 0.4% year on year) for the consolidated fiscal year ending March 2010.

Forecast consolidated sales by product for the year ending March 2010



Forecast consolidated performances for the year ending March 2010

(Unit: Million yen)	1st half forecast	2nd half forecast	Full year
Net sales	37,000	41,000	78,000
Operating income	360	1,090	1,450
Ordinary income	300	1,000	1,300
Net income	140	480	620

Financial Statements

Consolidated Financial Statements

Consolidated Balance Sheet

Assets	Previous term	Term under review
	(as of March 31, 2008)	(as of March 31, 2009)
	Thousand yen	Thousand yen
Current assets	47,005,467	35,854,988
Cash and time deposits	1,367,624	1,245,602
Notes and accounts receivable	25,633,561	15,479,382
Inventories	17,649,887	–
Merchandise and products	–	15,812,839
Goods in process	–	66,631
Deferred tax assets	624,533	497,069
Consumption tax receivable	811,642	1,144,199
Others	929,676	1,610,822
Allowance for doubtful receivables	(11,458)	(1,559)
Fixed assets	4,453,012	4,825,237
Property, plant and equipment	1,012,699	1,334,856
Buildings and structures, net	550,745	865,581
Machinery and equipment, net	461,954	446,955
Leased assets, net	–	22,320
Intangible fixed assets	785,538	643,933
Investments and other assets	2,654,774	2,846,446
Investment securities	119,797	49,115
Deferred tax assets	1,401,918	1,622,276
Others	1,141,758	1,686,565
Allowance for doubtful receivables	(8,699)	(511,509)
Total assets	51,458,480	40,680,225

(Note) The above amounts are rounded down to the nearest thousand yen.

Assets

Total assets fell 10,778 million yen from the previous fiscal year, to 40,680 million yen. The decrease is mainly attributable to declines in notes and accounts receivable and merchandise and products.

Liabilities

Total liabilities decreased 10,586 million yen from the previous fiscal year, to 19,266 million yen. The decrease reflects mainly declines in accounts payable-trade and short-term borrowing.

Liabilities	Previous term	Term under review
	(as of March 31, 2008)	(as of March 31, 2009)
	Thousand yen	Thousand yen
Current liabilities	25,584,200	14,482,369
Accounts payable-trade	13,897,701	6,706,615
Short-term borrowing	6,069,679	3,806,681
Accounts payable-non-trade	1,582,518	856,930
Accrued income taxes	1,043,627	177,903
Advances received	–	2,137,465
Allowance for bonuses	663,307	488,256
Allowance for officers' bonuses	44,550	–
Others	2,282,815	308,517
Long-term liabilities	4,269,405	4,784,484
Allowance for retirement and severance benefits	3,859,577	4,304,637
Allowance for officers' retirement bonuses	129,928	115,100
Others	279,900	364,747
Total liabilities	29,853,605	19,266,854
Net assets		
Shareholders' equity	21,579,799	21,492,916
Capital stock	2,495,750	2,495,750
Capital surplus	5,645,240	5,645,240
Retained earnings	13,438,808	13,351,925
Valuation and translation adjustments	25,074	(79,545)
Valuation difference on securities	(5,420)	(6,002)
Deferred hedge gains or losses	64,622	(28,442)
Foreign exchange adjustment	(34,127)	(45,100)
Total net assets	21,604,874	21,413,370
Total liabilities and net assets	51,458,480	40,680,225

(Note) The above amounts are rounded down to the nearest thousand yen.

Net assets

Total net assets sank 191 million yen from the previous fiscal year, to 21,413 million yen.

Consolidated Financial Statements

Consolidated Statement of Income

Account	Previous term	Term under review
	From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
	Thousand yen	Thousand yen
Net sales	112,104,644	94,701,532
Cost of sales	95,147,030	79,992,053
Gross profit	16,957,614	14,709,479
Selling, general and administrative expenses	13,278,745	12,869,389
Salaries and allowances	4,560,679	4,600,607
Provision for bonuses	651,225	471,960
Provision for officers' bonuses	44,550	—
Transfer from retirement allowance reserve	573,239	753,610
Others	7,449,050	7,043,211
Operating income	3,678,869	1,840,090
Non-operating revenues	428,747	413,161
Interest income	2,189	896
Dividends income	—	249
Foreign exchange gain	394,956	348,361
Revenue from seminars held	6,173	2,893
Insurance bonuses	—	25,260
Insurance dividends	18,226	23,231
Others	7,201	12,268
Non-operating expenses	258,348	212,021
Interest expenses	80,833	72,862
Loss on sale of accounts receivable	167,732	132,678
Others	9,782	6,479
Ordinary income	3,849,269	2,041,230
Extraordinary gains	133	—
Gain from sale of fixed assets	133	—
Extraordinary losses	21,437	746,487
Loss from sale of fixed assets	—	183
Loss from disposal of fixed assets	7,507	20,525
Provision of allowance for doubtful receivables	—	497,860
Provision of allowance for doubtful receivables of golf club membership	—	469
Loss on valuation of golf club membership	—	14,879
Cost of office restoration	13,930	—
Head office relocation expenses	—	212,569
Income before income taxes	3,827,964	1,294,743
Income, residential and enterprise taxes	1,723,550	705,777
Corporate tax adjustment	(88,669)	(28,474)
Net income	2,193,084	617,440

(Note) The above amounts are rounded down to the nearest thousand yen.

Consolidated Statement of Cash Flows

Account	Previous term	Term under review
	From April 1, 2007 to March 31, 2008	From April 1, 2008 to March 31, 2009
	Thousand yen	Thousand yen
Cash flow from operating activities		
Income before income taxes	3,827,964	1,294,743
Depreciation and amortization	364,982	473,286
Increase (decrease) in allowance for doubtful receivables	9,666	492,864
Increase (decrease) in allowance for employee bonuses	(158,364)	(174,868)
Increase (decrease) in allowance for officers' bonuses	18,550	(44,550)
Increase (decrease) in allowance for retirement and severance benefits	244,454	445,060
Increase (decrease) in allowance for officers' retirement bonuses	18,021	(14,828)
Interest and dividends revenues	(2,189)	(1,146)
Interest paid	80,833	72,862
Foreign exchange gain or loss	1,491	(57)
Gain or loss from sale of property, plant and equipment	(133)	183
Loss on disposal of property, plant and equipment	7,507	18,828
Loss on disposal of intangible fixed assets	—	1,696
Loss on valuation of golf club membership	—	14,879
Decrease (increase) in accounts receivable	(2,465,392)	10,140,781
Decrease (increase) in inventories	(859,855)	1,870,104
Increase (decrease) in accounts payable	1,202,636	(7,181,805)
Decrease (increase) in consumption taxes receivable	(281,497)	(332,489)
Others	134,729	(1,878,928)
Subtotal	2,143,405	5,196,618
Receipts from interest and dividends	2,189	1,146
Interest paid	(83,028)	(72,895)
Income taxes paid	(1,680,815)	(1,557,953)
Cash flow from operating activities	381,751	3,566,916
Cash flow from investing activities		
Payment for purchase of property, plant and equipment	(373,581)	(618,441)
Proceeds from sale of property, plant and equipment	399	1,075
Payment for acquisition of intangible fixed assets	(598,530)	(112,622)
Payment for acquisition of investment securities	(69,702)	—
Others	(214,535)	(71,307)
Cash flow from investing activities	(1,255,951)	(801,295)
Cash flow from financing activities		
Increase (decrease) in short-term borrowings	4,801,944	(2,253,780)
Repayment of long-term debt	(3,000,000)	—
Dividends paid	(667,800)	(699,600)
Repayment of lease obligations	—	(1,490)
Cash flow from financing activities	1,134,144	(2,954,870)
Effect of exchange rate changes on cash and cash equivalents	(34,987)	124
Net increase (decrease) in cash and cash equivalents	224,956	(189,125)
Cash and cash equivalents at beginning of year	1,142,667	1,367,624
Cash and cash equivalents of newly consolidated subsidiaries	—	67,103
Cash and cash equivalents at end of year	1,367,624	1,245,602

(Note) The above amounts are rounded down to the nearest thousand yen.

Consolidated Statement of Change in Shareholders' Equity

	Shareholders' Equity				Valuation and translation adjustments				Total net assets
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on securities	Deferred hedge gains or losses	Foreign currency translation adjustments	Total valuation and translation adjustments	
Thousand yen									
Balance on March 31, 2008	2,495,750	5,645,240	13,438,808	21,579,799	(5,420)	64,622	(34,127)	25,074	21,604,874
Changes during the consolidated accounting period									
Change in scope of consolidation			(4,724)	(4,724)					(4,724)
Dividends from surplus			(699,600)	(699,600)					(699,600)
Net income			617,440	617,440					617,440
Changes (net) during the consolidated accounting period, with the exception of shareholders' equity					(582)	(93,064)	(10,973)	(104,620)	(104,620)
Changes during the consolidated accounting period	—	—	(86,883)	(86,883)	(582)	(93,064)	(10,973)	(104,620)	(191,503)
Balance on March 31, 2009	2,495,750	5,645,240	13,351,925	21,492,916	(6,002)	(28,442)	(45,100)	(79,545)	21,413,370

(Note) The above amounts are rounded down to the nearest thousand yen.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

Assets	Term under review (as of March 31, 2009)	Liabilities	Term under review (as of March 31, 2009)
Thousand yen		Thousand yen	
Current assets	35,253,948	Current liabilities	13,954,381
Cash and time deposits	1,185,547	Accounts payable-trade	6,493,653
Notes receivable	369,627	Short-term borrowing	3,100,000
Accounts receivable-trade	14,080,558	Lease obligations	5,534
Merchandise and products	15,132,031	Accounts payable-non- trade	1,264,579
Goods in process	66,631	Accrued expenses	167,665
Advance paid	290	Accrued income taxes	174,724
Prepaid expenses	754,080	Advance received	2,137,465
Deferred tax assets	491,610	Deposits received	49,793
Accrued income	1,310,731	Unearned income	—
Consumption tax receivable	1,141,953	Allowance for bonuses	479,382
Advanced paid	720,898	Allowance for officers' bonuses	—
Others	1,634	Others	81,582
Allowance for doubtful receivables	(1,648)		
Fixed assets	4,915,189	Long-term liabilities	4,784,484
Property, plant and equipment	1,321,700	Lease obligations	18,347
Buildings, net	852,272	Allowance for retirement and severance benefits	4,304,637
Structures, net	9,878	Allowance for officers' retirement bonuses	115,100
Machinery and equipment, net	437,229	Others	346,400
Leased assets, net	22,320		
Intangible fixed assets	631,736	Total liabilities	18,738,866
Investments and other asset	2,961,753	Net assets	
Investment securities	49,115	Shareholders' equity	21,464,716
Deferred tax assets	1,629,401	Capital stock	2,495,750
Others	1,283,236	Capital surplus	5,645,240
		Retained earnings	13,323,725
Total assets	40,169,137	Valuation and translation adjustments	(34,444)
		Valuation difference on securities	(6,002)
		Deferred hedge gains or losses	(28,442)
		Total net assets	21,430,271
		Total liabilities and net assets	40,169,137

(Note) The above amounts are rounded down to the nearest thousand yen.

Non-consolidated Statement of Income

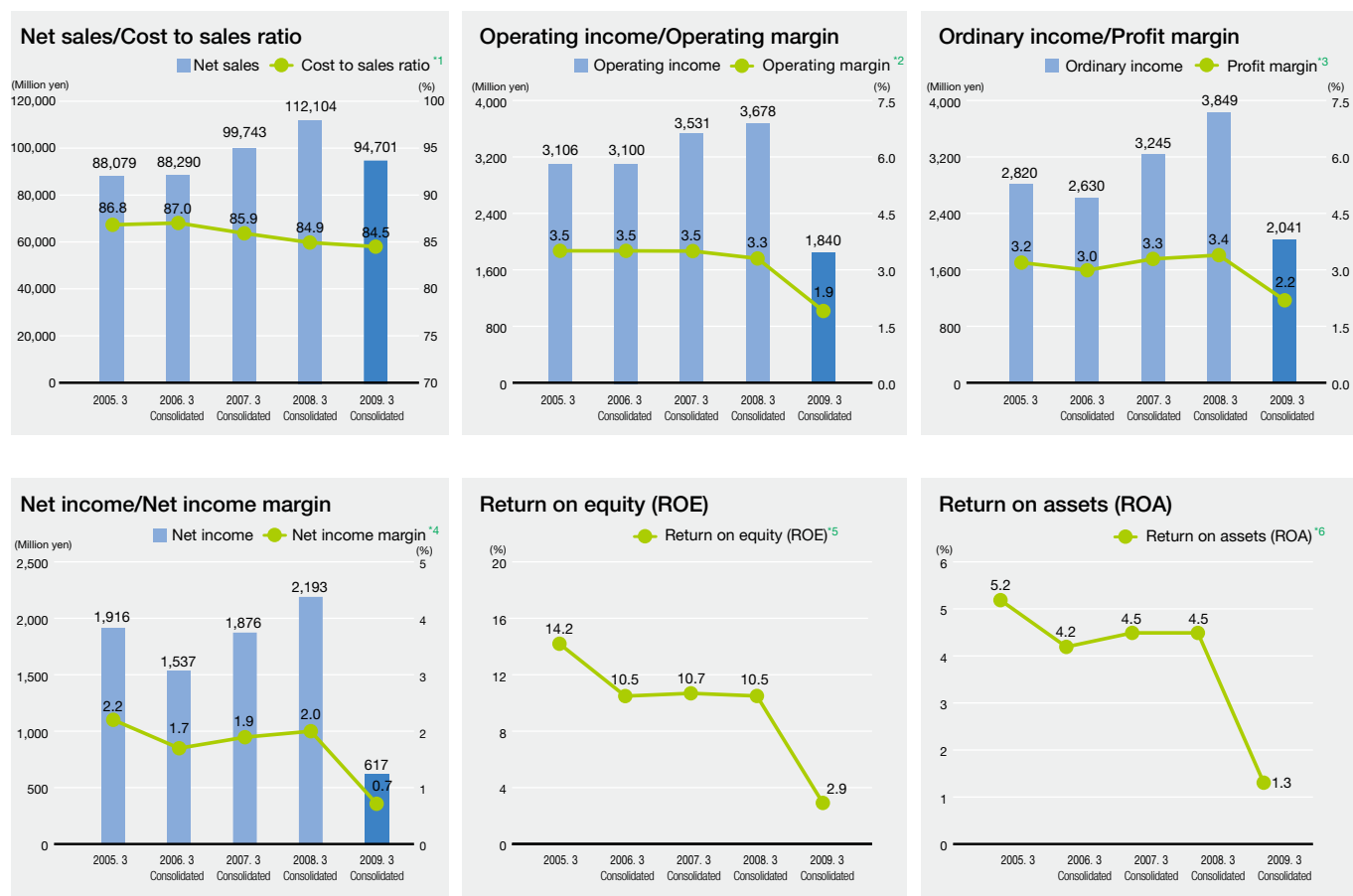
Account	Term under review From April 1, 2008 to March 31, 2009
Thousand yen	
Net sales	88,009,490
Cost of sales	73,921,218
Gross profit	14,088,272
Selling, general and administrative expenses	12,218,979
Employees' salaries	4,335,243
Provision for bonuses	432,710
Transfer from retirement allowance reserve	726,254
Depreciation expenses	442,527
Research and development expenses	253,758
Others	6,028,484
Operating income	1,869,292
Non-operating revenues	534,369
Interest income	835
Dividend income	249
Foreign exchange loss	287,234
Others	246,047
Non-operating expenses	199,196
Interest expenses	46,928
Loss on sales of accounts receivable	132,668
Others	19,599
Ordinary income	2,204,465
Extraordinary gains	—
Extraordinary losses	743,806
Loss from sale of fixed assets	183
Loss from disposal of fixed assets	20,525
Provision for bonuses	501,479
Head office relocation expenses	206,269
Others	15,348
Income before income taxes	1,460,659
Income, residential and enterprise taxes	677,278
Corporate tax adjustment	13,835
Net income	769,545

(Note) The above amounts are rounded down to the nearest thousand yen.

(Note) The above amounts are rounded down to the nearest thousand yen.

Financial Data

Profitability



	2005.3	2006.3 Consolidated	2007.3 Consolidated	2008.3 Consolidated	2009.3 Consolidated
Net sales (Million yen)	88,079	88,290	99,743	112,104	94,701
Cost to sales ratio (%) ^{*1}	86.8	87.0	85.9	84.9	84.5
Operating income (Million yen)	3,106	3,100	3,531	3,678	1,840
Operating margin (%) ^{*2}	3.5	3.5	3.5	3.3	1.9
Ordinary income (Million yen)	2,820	2,630	3,245	3,849	2,041
Profit margin (%) ^{*3}	3.2	3.0	3.3	3.4	2.2
Net income (Million yen)	1,916	1,537	1,876	2,193	617
Net income margin (%) ^{*4}	2.2	1.7	1.9	2.0	0.7
Return on equity (ROE) (%) ^{*5}	14.2	10.5	10.7	10.5	2.9
Return on assets (ROA) (%) ^{*6}	5.2	4.2	4.5	4.5	1.3

^{*1}. Cost to sales ratio = Cost of sales / Net sales

^{*2}. Operating margin = Operating income / Net sales

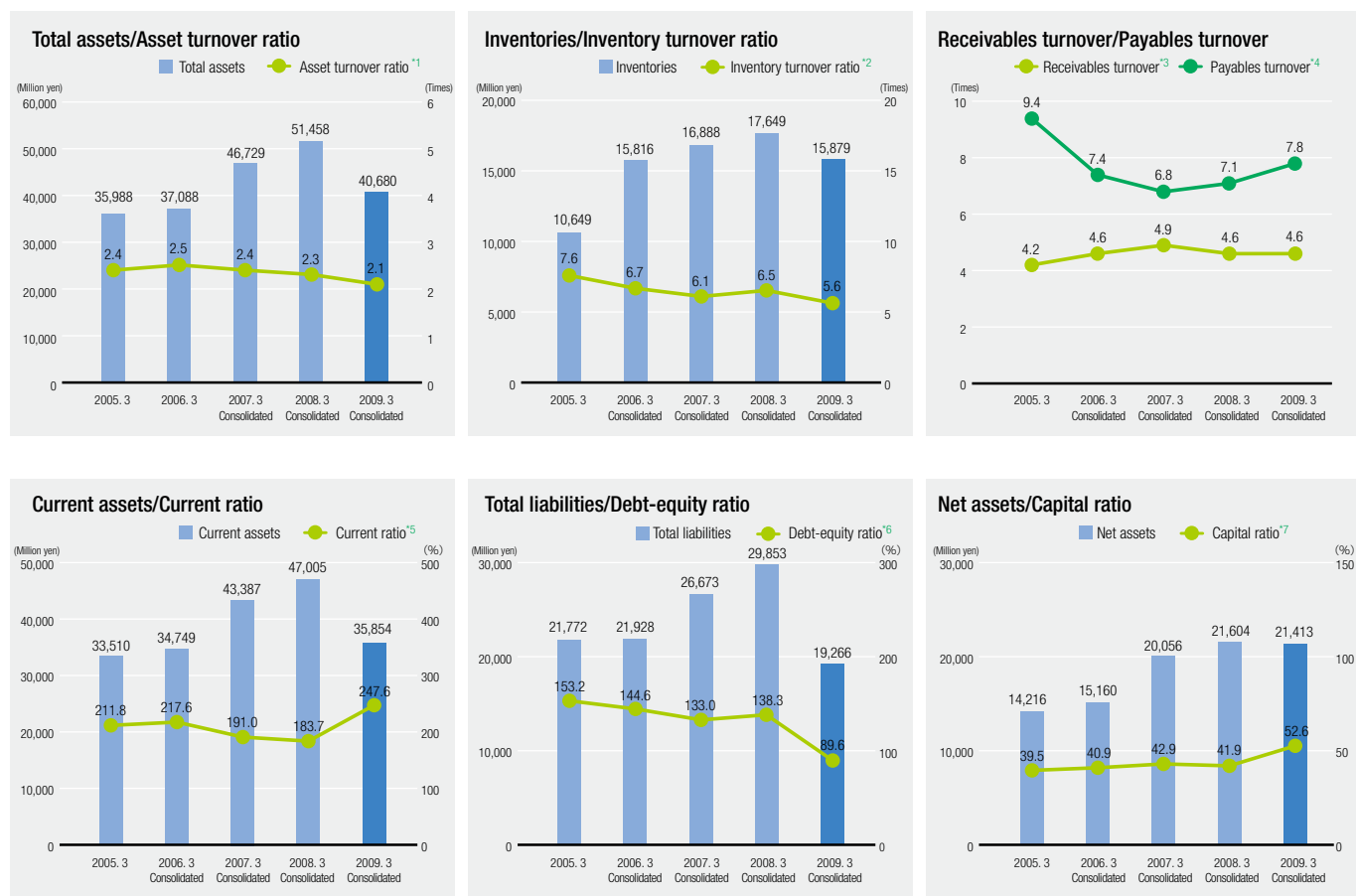
^{*3}. Profit margin = Ordinary income / Net sales

^{*4}. Net income margin = Net income / Net sales

^{*5}. Return on equity (ROE) = Net income / Average shareholders' equity at the beginning and end of the term

^{*6}. Return on assets (ROA) = Net income / Average total assets at the beginning and end of the term

Efficiency, Safety



	2005.3	2006.3 Consolidated	2007.3 Consolidated	2008.3 Consolidated	2009.3 Consolidated
Total assets (Million yen)	35,988	37,088	46,729	51,458	40,680
Asset turnover ratio (Times) ^{*1}	2.4	2.5	2.4	2.3	2.1
Inventories (Million yen)	10,649	15,816	16,888	17,649	15,879
Inventory turnover ratio (Times) ^{*2}	7.6	6.7	6.1	6.5	5.6
Receivables turnover (Times) ^{*3}	4.2	4.6	4.9	4.6	4.6
Payables turnover (Times) ^{*4}	9.4	7.4	6.8	7.1	7.8
Current assets (Million yen)	33,510	34,749	43,387	47,005	35,854
Current ratio (%) ^{*5}	211.8	217.6	191.0	183.7	247.6
Total liabilities (Million yen)	21,772	21,928	26,673	29,853	19,266
Debt-equity ratio (%) ^{*6}	153.2	144.6	133.0	138.3	89.6
Net assets (Million yen)	14,216	15,160	20,056	21,604	21,413
Capital ratio (%) ^{*7}	39.5	40.9	42.9	41.9	52.6

^{*1}. Asset turnover ratio = Net sales / Average total assets at the beginning and end of the term

^{*2}. Inventory turnover ratio = Net sales / Average inventories at the beginning and end of the term

^{*3}. Receivables turnover = Net sales / Average notes and accounts receivable at the beginning and end of the term

^{*4}. Payables turnover = Cost of sales / Average accounts payable at the beginning and end of the term

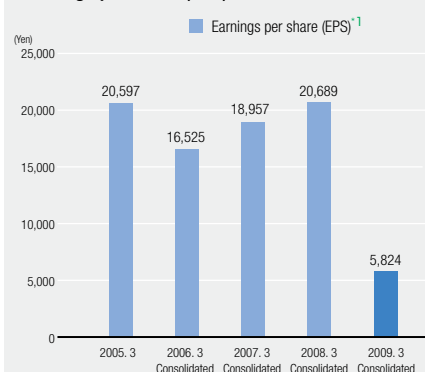
^{*5}. Current ratio = Current assets / Current liabilities

^{*6}. Debt-equity ratio = Liabilities / Shareholders' equity

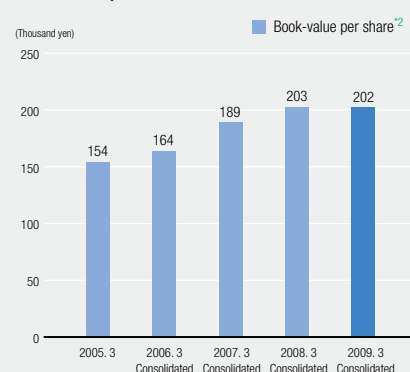
^{*7}. Capital ratio = Shareholders' equity / Total assets

Financial Data

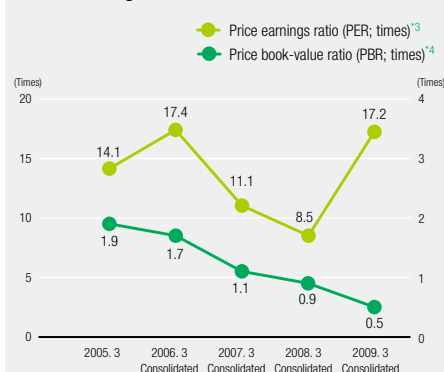
Earnings per share (EPS)



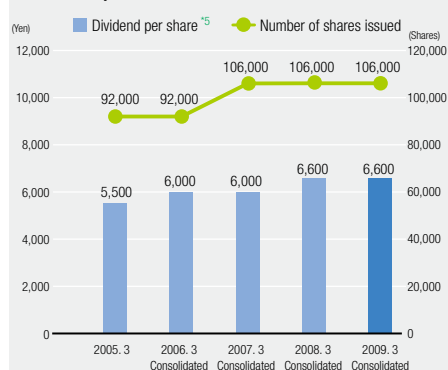
Book-value per share



Price earnings ratio/Price book-value ratio



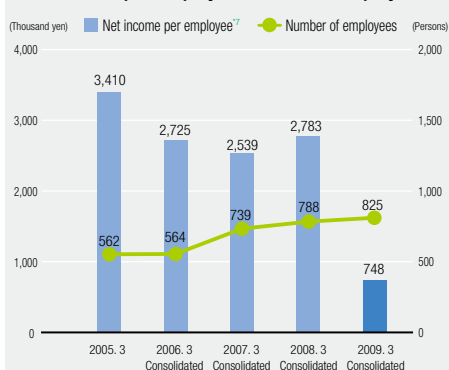
Dividend per share/Number of shares issued



Dividend/Payout ratio



Net income per employee/Number of employees



	2005.3	2006.3 Consolidated	2007.3 Consolidated	2008.3 Consolidated	2009.3 Consolidated
Earnings per share (EPS: Thousand yen)*1	20,597	16,525	18,957	20,689	5,824
Book-value per share (Thousand yen)*2	154	164	189	203	202
Price earnings ratio (PER: times)*3	14.1	17.4	11.1	8.5	17.2
Price book-value ratio (PBR: times)*4	1.9	1.7	1.1	0.9	0.5
Dividend per share (Yen) *5	5,500	6,000	6,000	6,600	6,600
Number of shares issued (Shares)	92,000	92,000	106,000	106,000	106,000
Dividend (Thousand yen)	506,000	552,000	594,000	699,600	699,600
Payout ratio (%)*6	26.7	36.3	31.7	31.9	113.3
Net income per employee (Thousand yen) *7	3,410	2,725	2,539	2,783	748
Number of employees (Persons)	562	564	739	788	825

*1. Earnings per share (EPS) = Net income / Average number of shares issued in the term

*2. Book-value per share = Net assets at the end of the term / Number of shares issued at the end of the term

*3. Price earnings ratio (PER) = Share price at the end of the term / Net income per share

*4. Price book-value ratio (PBR) = Share price at the end of the term / Net assets per share

*5. Dividend per share = Paid interim dividend and year-end dividend / Number of shares issued

*6. Payout ratio = Paid interim dividend and year-end dividend / Net income

*7. Net income per employee = Net income / Number of employees at the end of the term

Corporate Profile, Stock Information

Corporate Profile

Corporate Profile (As of March 31, 2009)

Company Name: TOKYO ELECTRON DEVICE LIMITED
 Established: March 3, 1986
 Capital: ¥2,495.75 million
 Employees: 825 (consolidated)



World Headquarters
 1-4, Kinko-cho, Kanagawa-ku, Yokohama City,
 Kanagawa 221-0056, Japan

Officers (As of June 17, 2009)

Corporate Directory

President &
 Representative Director Toshiaki Sunagawa
 Corporate Director Noriyuki Kuga
 Corporate Director Tsutomu Kimura
 Corporate Director Katsuyuki Amano
 Corporate Director Atsushi Tokushige
 Corporate Director Tetsuro Higashi
 Corporate Director Mamoru Hara
 Corporate Director Yoshifumi Iwata

Auditor

Standing Auditor Masunori Asano
 Auditor Takeo Tanaka
 Auditor Kenichiro Hayashida
 Auditor Masaaki Kawakatsu

(Notes) 1. Yoshifumi Iwata is an external director.

2. Kenichiro Hayashida and Masaaki Kawakatsu are external statutory auditors.

Vice President

Toshiaki Sunagawa
 Noriyuki Kuga
 Tsutomu Kimura
 Katsuyuki Amano
 Atsushi Tokushige
 Hiroaki Shishikura
 Masayuki Ohsaki
 Kohshi Yahata
 Hiroshi Takei
 Shuji Kuroda
 Shinji Yamada
 Hideki Hayashi

Office Network (As of March 31, 2009)

Headquarters
 Headquarters Sales Department
 Kitakanto Branch Office
 Osaka Branch Office
 Sendai Sales Office
 Mito Sales Office
 Matsumoto Sales Office
 Hamamatsu Sales Office
 Kyoto Sales Office
 Fukuoka Sales Office
 Utsunomiya Subbranch
 Atsugi Subbranch
 Matsuyama Subbranch
 Nagaoka Sales Office
 Tachikawa Sales Office
 Mishima Sales Office
 Nagoya Sales Office
 Okayama Sales Office
 Tokyo Electron Device (Shanghai) Limited
 Tokyo Electron Device Hong Kong Limited
 Tokyo Electron Device (Wuxi) Limited
 Tokyo Electron Device Singapore Pte, Ltd.
 Pan Electron Limited

Shares of the Company (As of March 31, 2009)

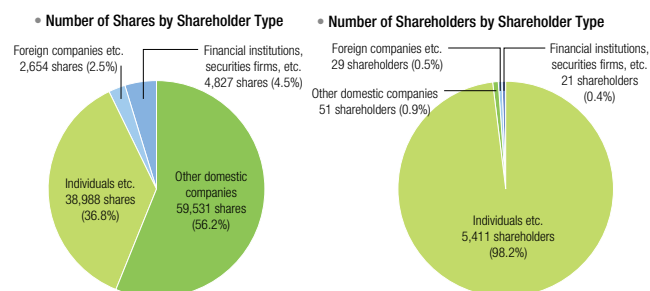
Shares of the Company

- Number of authorized shares 256,000 shares
- Number of issued shares 106,000 shares
- Number of shareholders 5,512 shareholders

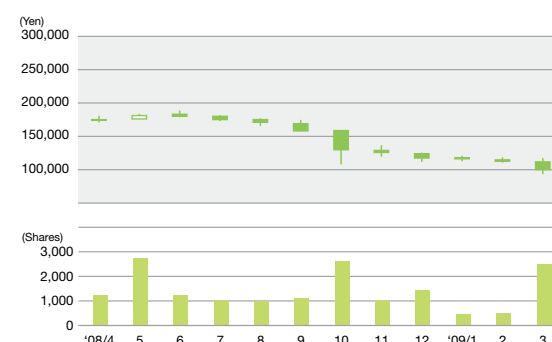
Major Shareholders

Shareholders	Number of shares held	Shareholding ratio
	Shares	%
Tokyo Electron Limited	58,753	55.42
Tachibana Securities Co., Ltd.	3,709	3.49
Tokyo Electron Device Employee Shareholder Association	3,679	3.47
Northern Trust Company AVFC RE Northern Trust Guernsey non Treaty Clients	889	0.83
Barclays Bank PLC Barclays Capital Securities	829	0.78
Japan Trustee Services Bank Limited (Trust Account)	477	0.45

Distribution of Shares



Stock Price and Trading Volume



IR activities for individual investors

Tokyo Electron Device takes part in IR fairs organized by newspaper companies, securities companies, etc. and briefing sessions for individual investors.



Nikkei IR Fair 2008 (August 23, 2008: Tokyo Big Sight)

Website

Tokyo Electron Device publishes a range of information on its website, including a company guide, product and technical information, and IR materials. (<http://www.teldevice.co.jp/>)



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IR information page

Contact



TOKYO ELECTRON DEVICE LIMITED

Corporate Communication Dept.
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Yokohama City, Kanagawa, JAPAN 221-0056
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