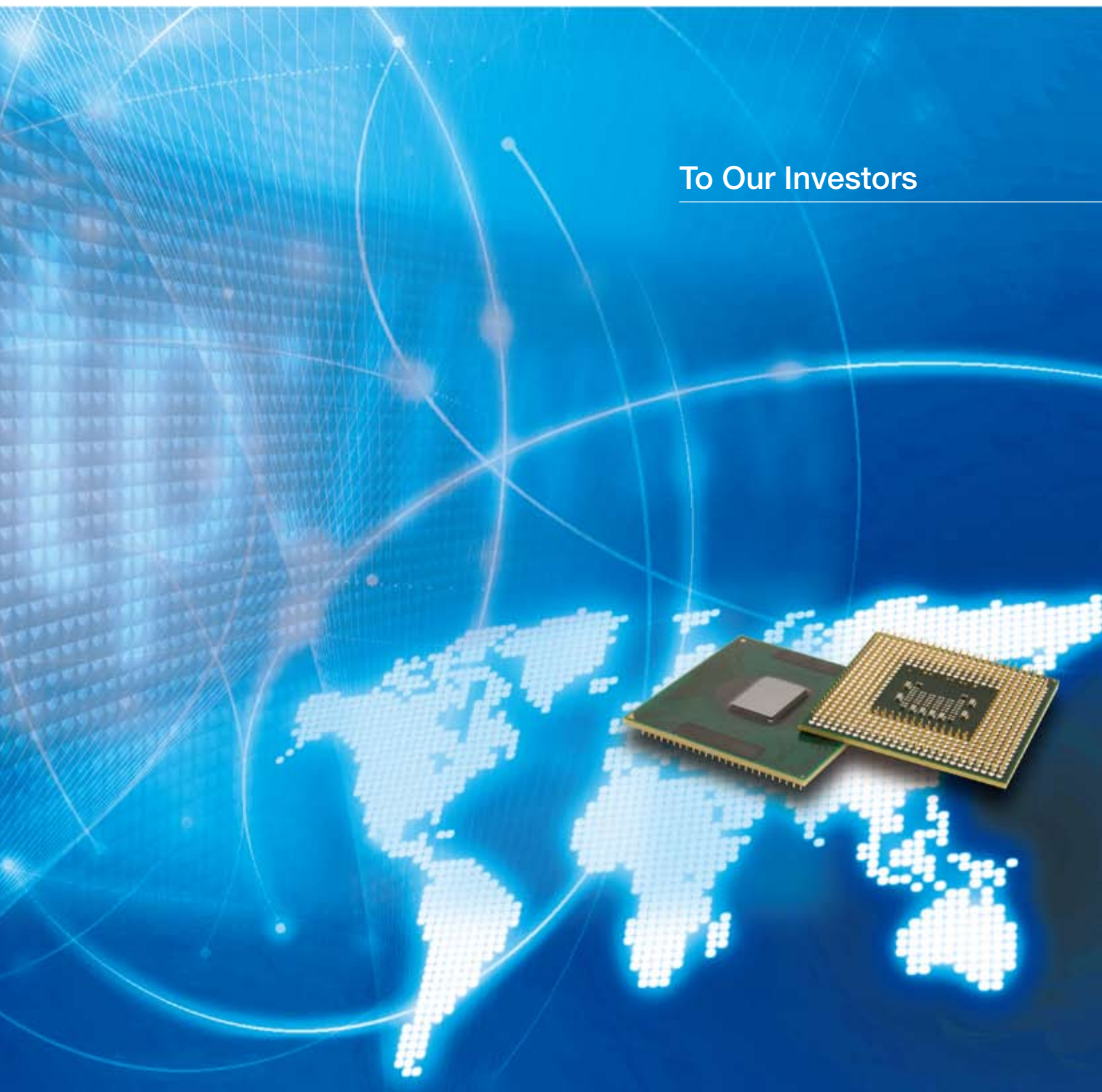


INVESTORS GUIDE 2010

To Our Investors



TOKYO ELECTRON DEVICE

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History

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, 2010. 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
Chairman

Yasuyuki Kuriki
President

Looking back over the fiscal year ended March 2010, which began with serious economic concerns associated with the global downturn in the aftermath of the collapse of Lehman Brothers, our Electronic Components Business made fundamental steps toward recovery. Inventory adjustments in the semiconductor industry were completed midway through the year and semiconductors for consumer appliances sold steadily. Nonetheless, results for the Business still felt short of the level posted in the previous fiscal year. Consequently, net sales for the Business declined 10.1% year on year. In the Computer Networks Business, maintenance services achieved strong results, but product sales faced a difficult market as corporate customers remained reluctant to invest in IT, causing net sales to fall 10.2% year on year.

As a result, consolidated net sales amounted to 85,145 million yen (down 10.1% year on year). Looking at profit, ordinary income reached 2,117 million yen (up 3.7% year on year), reflecting factors such as an improved gross margin and the effects of cost cutting. Net income also grew 88.9% year on year, to 1,166 million yen, owing to the disappearance of extraordinary losses, such as the provision of an allowance for doubtful receivables and head office relocation expenses, posted in the previous fiscal year.

With respect to dividends, Tokyo Electron Device Limited (TED) decided to pay an annual dividend of 5,000 yen per share (at a payout ratio of 45.5%), including an interim dividend of 2,500 yen per share and a year-end dividend of 2,500 yen per share, under its basic dividend policy of sustaining stable profit distribution.

In the fiscal year ending March 2011, we expect the semiconductor market to continue to recover and the IT market to start its rebound in the second half.

Taking these forecasts in account, we anticipate consolidated net sales of 91,000 million yen (up 6.9% year on year), consolidated ordinary income of 2,600 million yen (up 22.8% year on year) and consolidated net income of 1,640 million yen (up 40.6% year on year) for the fiscal year ending March 2011.

With respect to dividends, we plan to increase our annual dividend by 1,000 yen per share, to 6,000 yen per share, including an interim dividend of 3,000 yen per share and a year-end dividend of 3,000 yen per share.

Fiscal year ending March 2011 is the first year for the new TED organization under President Yasuyuki Kuriki. We respectfully ask for your continued support and encouragement.

(Toshiaki Sunagawa, Chairman)

Action Policies for the Fiscal Year Ending March 2011

[Electronic Components Business]

○ Promoting Onsite Marketing

We will promote community-based marketing at business sites by expanding our sales network nationwide. Under this policy, we opened sales offices in Himeji and Hiroshima in April 2010.

○ Attracting New Customers

We will attract new customers by improving our technical support, a traditional area of strength. At the same time, we will seek to expand our commercial supremacy in products such as custom ICs and analog ICs.

○ Launching New Products

We signed a distribution agreement with Intel in March 2010 and will work aggressively to develop our non-PC markets.

[Development Business]

○ Promoting OEM

Short for "original equipment manufacturing," OEM is a business involving the mass-production of products to customer specifications. Over the past several years, we have taken steps to bolster our manufacturing structure, covering processes such as manufacturing and quality assurance, to expand our OEM Business. In the fiscal year ending March 2011, we will focus on customer acquisition.

○ Strengthening the Development of Private-Brand Inrevium Products

- ① We will step up our efforts to develop image processing LSIs for security equipment, such as security cameras and drive recorders, and memory card controller LSIs used in products such as digital cameras.
- ② We will redouble our efforts to develop evaluation boards mounted with the latest FPGA released by Xilinx.

[Computer Networks Business]

○ Promoting Direct Marketing

We will propose solutions focused on software and will seek new customers to promote direct marketing.

○ Improving Our Maintenance Service System

Maintenance services are rising in importance with each year because of the need to sustain a stable network environment. We will expand our maintenance business by improving our system for such services.

[New Business]

○ Marketing Promotion for Ecological and Energy-Saving Products

We have set up the Green Product Promotion Department as a section dedicated to marketing activities for our ecological and energy-saving products, which are likely to benefit from future market growth. In the fiscal year ending March 2011, we will focus our efforts on sales of high-performance lithium batteries made by Infinite Power Solutions, with which we signed a new agreement.



An ultra-thin (0.17 millimeters) and long-life high-performance lithium battery made by Infinite Power Solutions

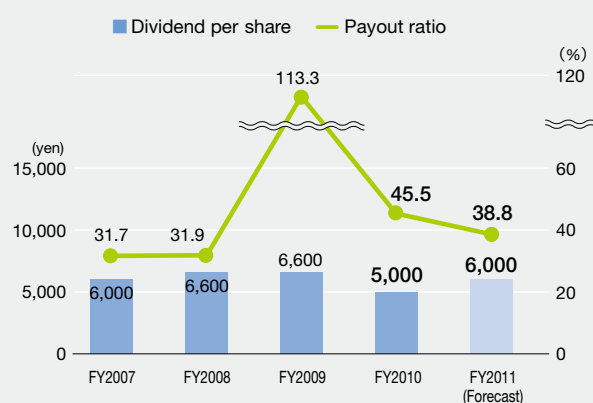
Shareholder Returns

Placing emphasis on our basic policy of sustaining stable dividends, we elected to pay an annual dividend of 5,000 yen per share for the fiscal year ended March 2010, including an interim dividend of 2,500 yen per share and year-end dividend of 2,500 yen per share.

For the fiscal year ending March 2011, we plan to increase these returns and pay an annual dividend of 6,000 yen per share, including an interim dividend of 3,000 yen per share and a year-end dividend of 3,000 yen per share.

	March 2010		March 2011 (Forecast)	
	Interim	Year-end	Interim	Year-end
Dividend per share (yen)	2,500	2,500	3,000	3,000
Payout ratio	45.5%		38.8%	

Dividend per share/ Payout ratio



Message from the New President

My name is Yasuyuki Kuriki and I became the President of Tokyo Electron Device Limited (TED) followed resolutions at a General Meeting of Shareholders and a meeting of the Board of Directors, both held on June 16, 2010. I am pleased to offer these greetings to coincide with my appointment.

Tokyo Electron Device has a long history as a trading firm specializing in semiconductors and electronic components. Taking advantage of the technological capabilities it has developed through its provision of technical support, TED has sought new growth, for instance by launching original "inrevium" brand products and broadening its field of operations to encompass IT.

I believe my mission as the new TED president is to continue with the Company's traditional operations, while seeking new areas of business. To fulfill this mission, I plan to run the Company based on the following policies:

(1) Maintaining Action Policies

We will maintain our action policies, including policies for attracting new customers, finding new products and promoting marketing activities in Asia, and seek to achieve the targets set under these action policies.

(2) Strengthening Corporate Governance

Compliance with laws is a matter of course. We aim to manage our organization with a commitment to EHS (environment, health and safety).

(3) Informing Investors and Returning Profits to Shareholders

I consider dialogue with all stakeholders, including investors, to be my duty as president. As we have done in the past, we intend to disclose information to investors in a manner that is fair and timely, and we will continue to pay stable dividends to our shareholders.

The operating environment remains uncertain, given economic problems in Europe, in spite of the upswing that began in 2009 when the economy hit bottom. We take the current situation seriously, and we will execute our operations with determination, so that we can transform these challenges into opportunities.



Yasuyuki Kuriki
President

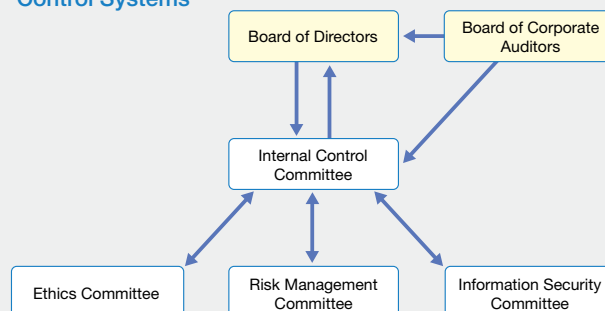
Corporate Governance

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.

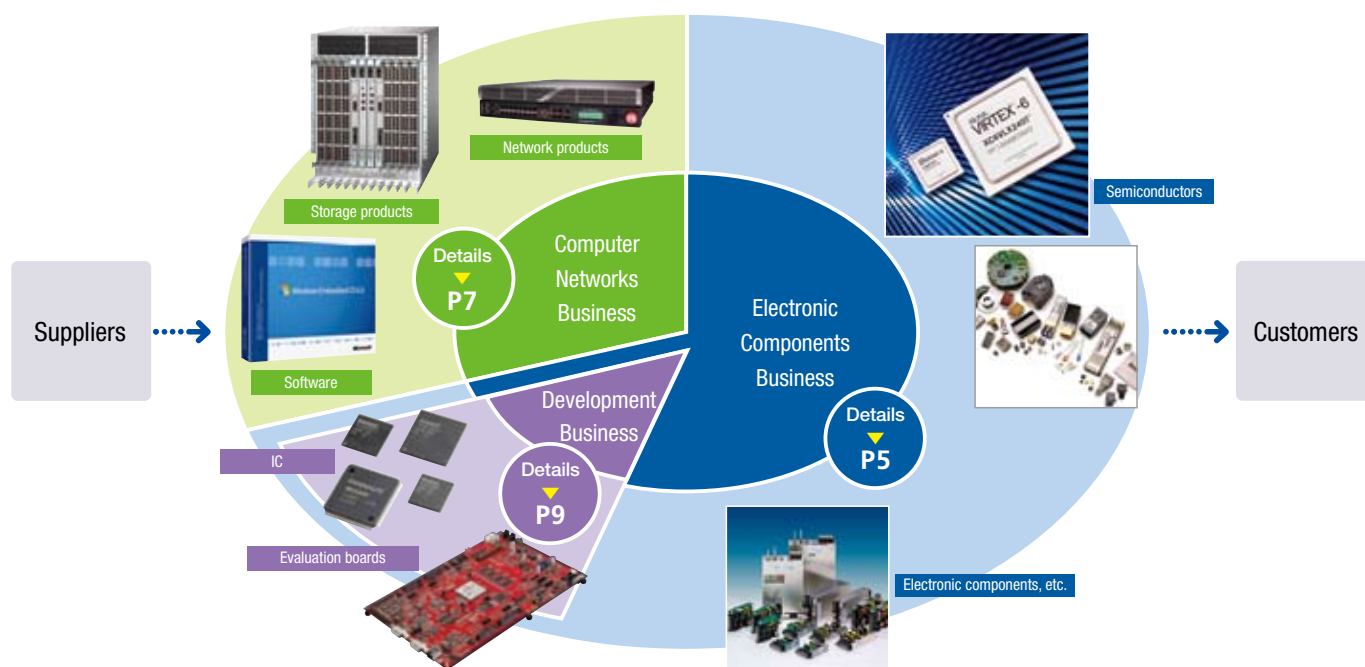
Moving forward, we will continue our efforts to increase management fairness and transparency.

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

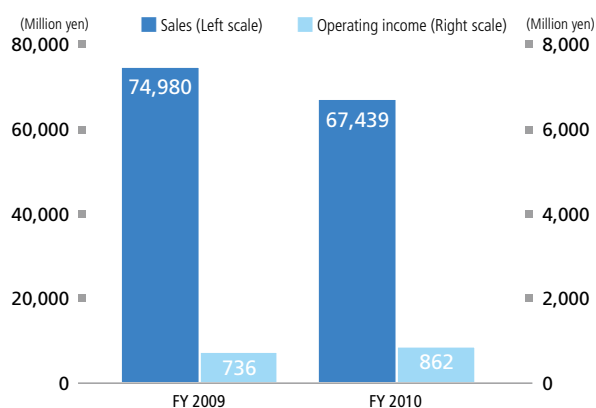
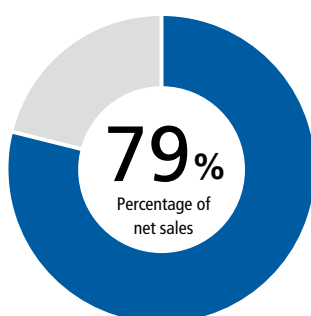
FY 2010

Sales

67,439 million yen

Operating income

862 million yen



Computer Networks Business

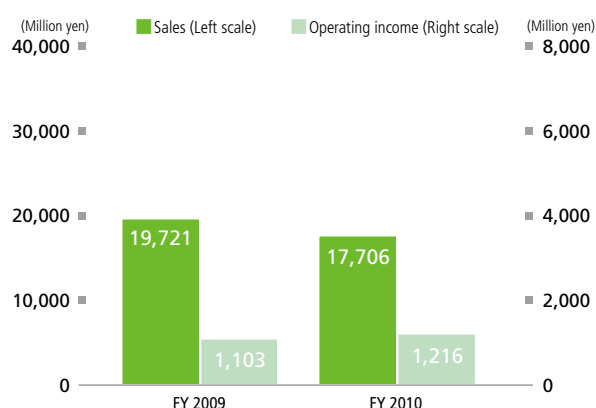
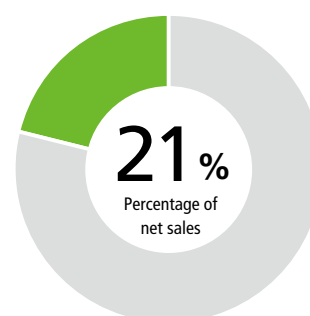
FY 2010

Sales

17,706 million yen

Operating income

1,216 million yen



Introduction of Business

Electronic Components Business

Results for the term ended March 2010

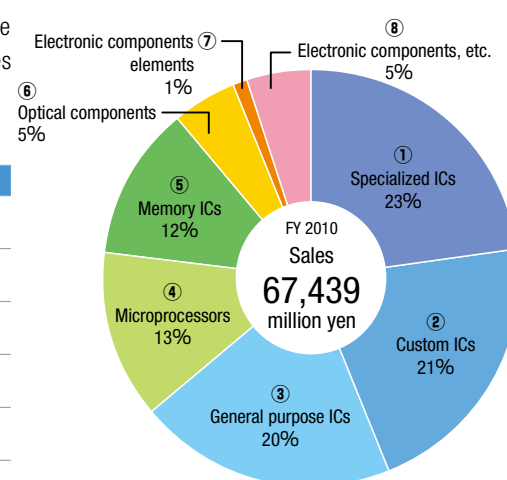
Semiconductors for consumer appliances, such as flat-screen televisions, their peripherals and other digital home appliances, performed strongly from the first quarter to the second quarter, influenced by factors that included countercyclical measures. Moreover, specialized ICs and microprocessors achieved growth, reflecting contributions from developing existing customers and acquiring new customers. Towards the end of the term, results also improved for industrial equipment and semiconductors for computers, which had been weak. As a result, net sales for the Electronic Components Business came to 67,439 million yen (down 10.1% year on year) and operating income for the Business was 862 million yen (up 17.1% year on year).

Sales Breakdown by Product Handled









A breakdown of sales by product handled shows high ratios of semiconductors that require technical support, such as specialized ICs and custom ICs, to total sales. Their high percentages demonstrate that the Company is winning the confidence of its customers.

Change in Sales by product

Product	Year-on-year change (%)	Key factors
Specialized ICs	9%	Higher sales for flat-screen televisions and other digital home appliances
Custom ICs	– 20%	Lower sales for mobile phone base stations
General purpose ICs	1%	Higher sales for digital home appliances and lower sales for industrial equipment
Microprocessors	12%	Higher sales for multifunctional printers
Memory ICs	– 36%	Lower sales for mobile phones



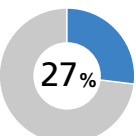

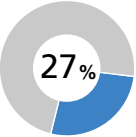

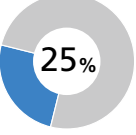

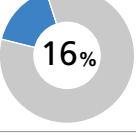

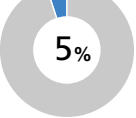

Products Handled

<p>① Specialized ICs</p> <p>ICs made for specific applications</p>  <p>Main Products and Suppliers</p> <p>ICs for image correction (Pixelworks) ICs for image compression (ViXS Systems) ICs for communication (Zarlink Semiconductor) ICs for security (Inrevium) inrevium</p>	<p>② Custom ICs</p> <p>ICs made to customer specifications</p>  <p>Main Products and Suppliers</p> <p>ASIC^{*1} (Fujitsu Semiconductor) PLD^{*2} (Xilinx)</p>	<p>③ General purpose ICs</p> <p>ICs used for various purposes</p>  <p>Main Products and Suppliers</p> <p>Analog ICs (Linear Technology) Logic ICs (Texas Instruments)</p>
<p>④ Microprocessors</p> <p>ICs having operation and control functions that make them the brains of computers</p>  <p>Main Products and Suppliers</p> <p>Microprocessors (Freescale Semiconductor) DSP (Texas Instruments)</p>	<p>⑤ Memory ICs</p> <p>ICs used exclusively for memory</p>  <p>Main Products and Suppliers</p> <p>Flash memories^{*3} (Fujitsu Electronics) SRAM (IDT)</p>	<p>⑥ Optical components</p> <p>Electronic components that convert electricity into light for use</p>  <p>Main Products and Suppliers</p> <p>LED^{*4}, Photo couplers^{*5} (Avago Technologies)</p>
<p>⑦ Electronic components elements</p> <p>Components having single functions such as amplification and rectification</p>  <p>Main Products and Suppliers</p> <p>Discrete components (ON Semiconductor)</p>	<p>⑧ Electronic components, etc.</p> <p>Boards and Power supplies</p>  <p>Main Products and Suppliers</p> <p>Evaluation boards (Inrevium) inrevium Power supplies (Cosel)</p>	<p>^{*1} [ASIC] Custom ICs expected to offer high performance that take a long time to develop</p> <p>^{*2} [PLD] Custom ICs consisting of programmable logic elements that can be developed more quickly than ASIC</p> <p>^{*3} [Flash memories] A medium that stores data electrically even when power is switched off</p> <p>^{*4} [LED] A diode that glows when an electric current passes through which is used in lamps and indicators</p> <p>^{*5} [Photo couplers] Elements that convert electric signals into light for transmission. They have an advantage of electrical insulation.</p>

Main Applications and Customers

The Company presently has more than 1,000 main customers. Many of them manufacture electronic devices. Leading electronics groups based in Japan, such as Panasonic, Toshiba and Fujitsu rank high in terms of their contributions to the Company's sales.

The products handled by TED have been used in a broad range of applications, including communications equipment, industrial equipment, consumer appliances, and computers and peripheral devices.

Sales ratio by application	Main applications	Main customers	Trends for TED (compared with the previous fiscal year)
 27% Consumer appliances	Digital cameras, flatscreen TVs, AV equipment	Hitachi Panasonic Sharp Sony Toshiba	 Generally favorable
 27% Communications equipment	Mobile phones, router, transmission equipment, mobile phone base station	Fujitsu Hitachi NEC Panasonic	 Slight weakness for both mobile phone base stations and mobile phones
 25% Industrial equipment	Medical equipment, broadcasting equipment, Semiconductor testing devices, robots, measuring equipment	Hitachi Oki Panasonic Toshiba	 Weakness in the first half Recovery in the second half
 16% Computers & peripherals	multifunctional printers, projectors, PCs and peripheral devices	Fuji Xerox NEC Panasonic Toshiba	 Favorable results for multifunctional printers Weakness for others
 5% Automotive equipment	Car navigation systems and car audio equipment	Aisin Panasonic	 Results unchanged

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

Technical Support with High Added Value

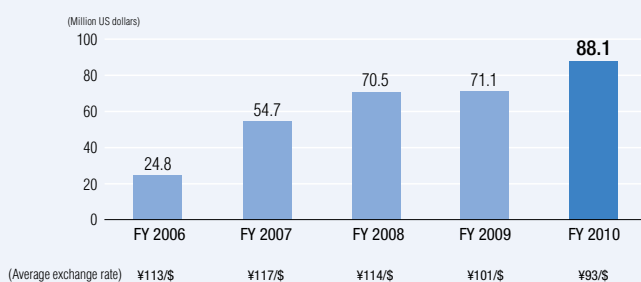
We position field application engineers (FAEs) at each of our suppliers to offer them in-depth technical support in stages ranging from planning to manufacturing. In addition to their core work of explaining the technical aspects of new products to clients and answering their questions, our FAEs quickly address any issues that emerge. They also assist our suppliers with product evaluation and technical surveys. Through these activities, we have earned the trust of both our clients and suppliers as a trading company specializing in technology that is able to offer solutions.



Focusing on Overseas Operations

We have established facilities for marketing our semiconductors and electronic components in other Asian countries. We have expanded our overseas operations by setting up bases in Shanghai, Dalian and Singapore since 2005 when we established Tokyo Electron Device Hong Kong. In December 2009, we set up a new facility in Shenzhen to step up our technical support organization. We are pursuing activities focused on identifying new customers in Asia. Our consolidated overseas subsidiaries achieved net sales of 88 million dollars (up 23.9% year on year) in the fiscal year ended March 2010. Their net sales have been rising at a steady pace.

Net sales for consolidated overseas subsidiaries



Introduction of Business

Computer Networks Business

Results for the term ended March 2010

We struggled to sell storage and other products in the term under review, as our corporate customers took a cautious stand on IT investment under severe operating conditions. However, demand for our maintenance services remained strong, because of the need to maintain a network environment. As a result, net sales for the Computer Networks Business amounted to 17,706 million yen (down 10.2% year on year). Operating income for the Business was 1,216 million yen (up 10.3% year on year).

Sales Breakdown by Product Handled

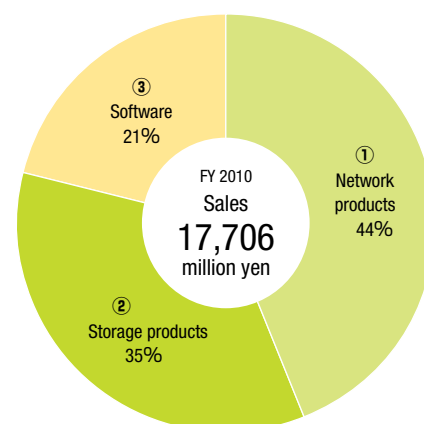
We are buying and selling products, centering on those manufactured by companies that dominate of IT, through our Computer Networks Business.

Our key network product is a network load-balancer made by F5 Networks of the United States. It boasts a large market share.




In the area of storage products, we are handling products designed for data application, centering on SAN switches made by Brocade of the United States.

Change in Sales by product

Item	Year-on-year change (%)	Key factors
Network products	4%	Unchanged product sales and higher maintenance service sales
Storage products	- 27%	Decline due to business flow changes
Software	- 2%	Lower sales for POS terminal software



Products Handled

① Network products Distribution of Internet connection loads and security enhancement  Main suppliers Extreme Networks F5 Networks Thales and others	② Storage products Realization of large-volume data storage and compression on a network  Main suppliers Brocade Communications Systems EMC Emulex Quantum and others	③ Software Databases for controlling operating systems and data for embedded devices  Main suppliers Microsoft Oracle and others
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Note: Abbreviated corporate names are used. (Alphabetical order)

Quality Assurance System/ Three Qualities for Offering Safety and Reliability

Technical quality

We perform technical inspections to permit maximum use of functions peculiar to our products.

Product quality

We offer reliable products to our customers by performing product quality inspections.

Support quality

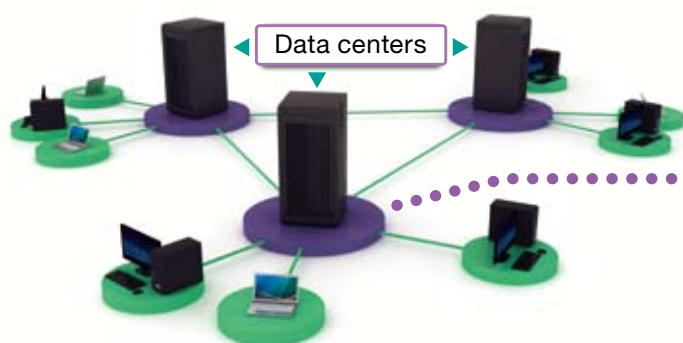
We offer total support, including inventory adjustment and troubleshooting, by assigning specialist engineers to support services and taking other steps.



Priority Fields

○ Promoting product introduction to data centers that streamline the Internet environment

Data centers are facilities where communications equipment necessary for using the Internet, such as servers, are installed and operated in a concentrated manner. We are supplying storage products that highly compress large volumes of data, as well as network products enabling stable connections to data centers.

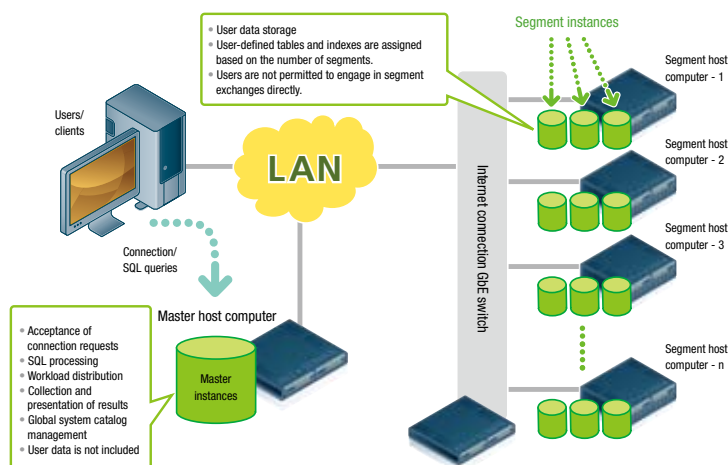


Data centers

○ Focusing on selling a data warehouse engine

A data warehouse (DWH) engine called "Greenplum Database," which achieves high-speed processing of large volumes of data, has been attracting attention.

"Greenplum Database" can parallel-process large volumes of data more efficiently compared to its predecessor DWH engines. We are selling this engine to companies that need to process large volumes of data, such as Internet-related service providers. In the term ended March 2010, we focused on boosting sales, with steps that included the opening of inspection centers dedicated to "Greenplum Database" and package sales with Dell servers.



Maintenance Support Services

We are offering maintenance support services to keep our customers' IT environments at peak performance, with safety and stability. Our specialist support staff members deal speedily with network and system troubles. Our IT support system benefits from the multiple products we handle as a trading firm.



Introduction of Business

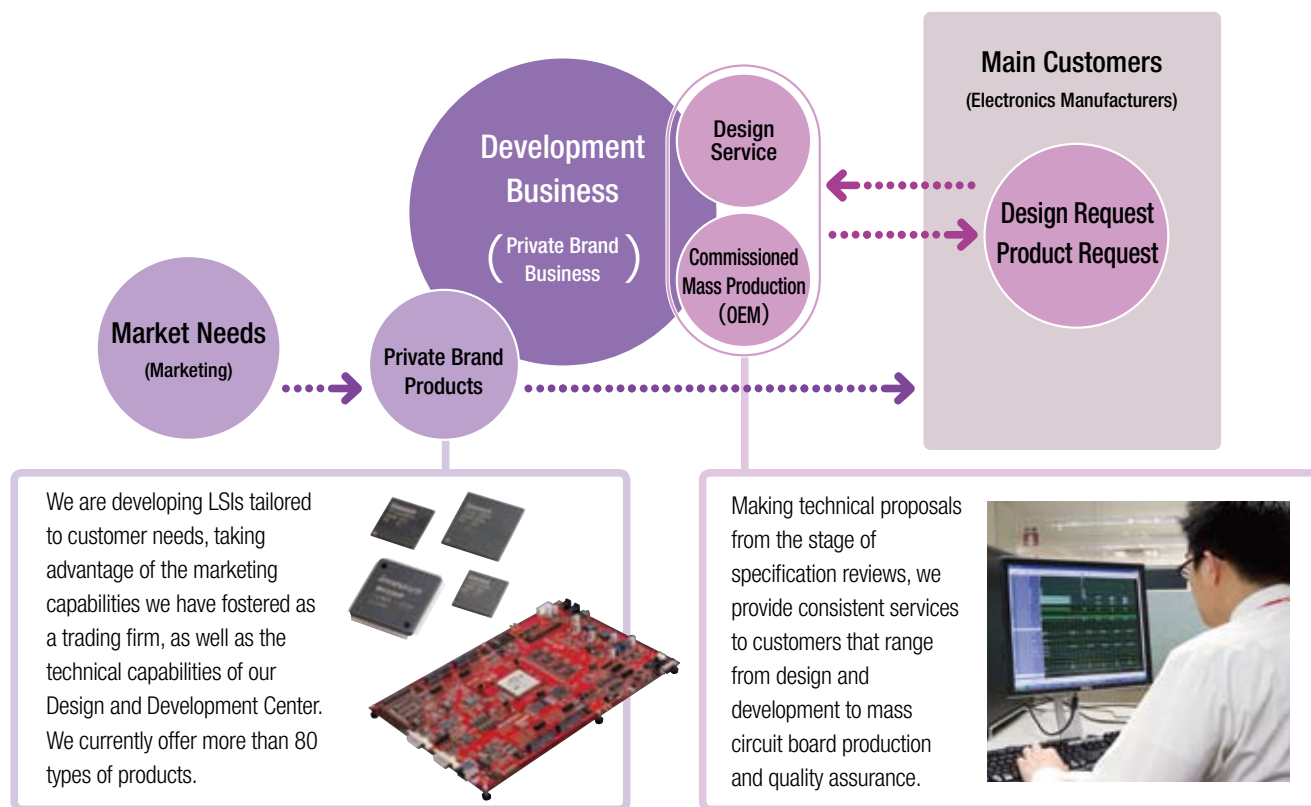
Development Business

inrevium

We coined the word "inrevium" by combining elements of the existing words and suffixes "intellectual," "revolutionary" and "ium." This coinage embodies our determination to solve customer problems and contribute to their business activities through the commercialization of our information, technologies, services and other assets.

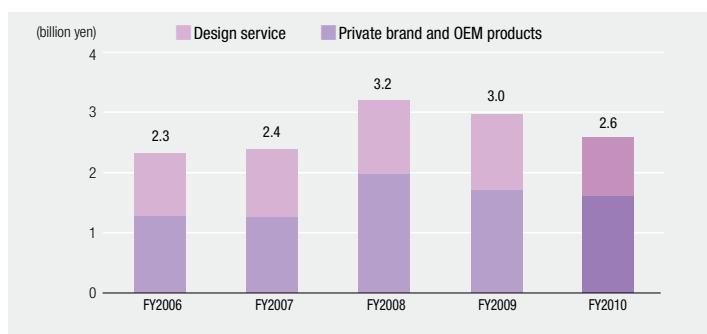
Although we operate as a trading firm, we also have functions associated with a manufacturer. We call these functions the Development Business (private brand business).

Our Development Business consists of contract design (design services), through which we design products such as custom ICs and boards, based on customer demand, contract mass production (OEM), in which we provide finished products, and the development of private brand products through which we plan and develop products that satisfy market needs.



“inrevium” Sales

Results for the Development Business began to recover in the second half of the fiscal year ended March 2010 as did our performance in the semiconductor market. However, the results fell short of levels achieved in the previous fiscal year. As a result, net sales for the Business amounted to 2,580 million yen, falling about 400 million yen from the previous year. We expect net sales for the Business to rise substantially to between 3,800 million yen and 4,000 million yen in the fiscal year ending March 2011.



Design and Development Center

Established in 1985, the Design and Development Center is involved in more than 200 development projects each year. The Center is designing and developing products at four locations, including Yokohama and Sendai in Japan, and Shanghai and Wuxi in China.



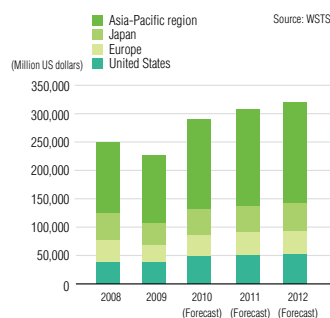
Quality Assurance System

The Inrevium Division has obtained certification under ISO9001, an international standard for quality management systems.



Market Information

Trends in Global Semiconductor Market



Dollar-based global semiconductor market growth fell 9.0% year on year, to 226.3 billion dollars in 2009. On a year-on-year basis, the market contracted for about one year in the wake of the global financial crisis that occurred in the fourth quarter of 2008, returning to growth in October 2009. The global semiconductor market is set to return to steady growth in 2010, achieving a substantial full-year recovery at a rate of 28.6% year on year, with strong demand for electronic products in emerging nations in the background, in addition to the market reaction to the negative growth in 2009. Accordingly,

the global semiconductor market is set to rise 64.6 billion dollars year on year and reach a scale of 291 billion dollars (approximately 26,390 billion yen) in 2010, surpassing the previous record of 255.6 billion dollars achieved in 2007. The market is expected to keep growing at a year-on-year rate of 5.6% in 2011. Moderate market growth at a year-on-year rate of 4.2% is forecast for 2012 as well. The average annual rate of growth for the period from 2009 to 2012 will be 12.3%. The global semiconductor market is predicted to reach 320.2 billion dollars in size in 2012.

Trend in Japanese Semiconductor Market

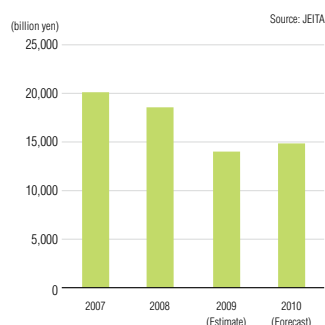


The yen-based growth rate for the Japanese semiconductor market fell into negative territory in 2009, declining 28.8% year on year, influenced by the global financial crisis that began in the fourth quarter of 2008.

The market is likely to return to growth at a year-on-year rate of 13.5% in 2010, keep growing at 5.6% in 2011, and achieve moderate growth of 4.0% in 2012. Accordingly, the Japanese semiconductor market, which was worth approximately 3,580 billion yen in

2009, is set to expand to around 4,060 billion yen in 2010, around 4,290 billion yen in size in 2011, and approximately 4,460 billion yen in 2012. The annual rate of growth is expected to average 7.6% for the period from 2009 to 2012. However, the Japanese semiconductor market is likely to fall short of its record scale of 5,750 billion yen achieved in 2007, given factors such as the sharp appreciation in the yen in the period from 2009.

Production of Japanese Electronics Industry

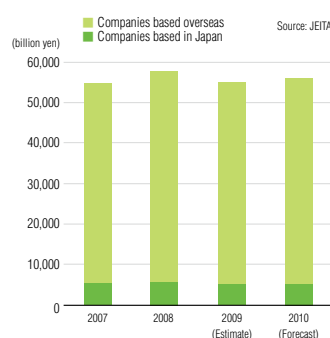


Gross domestic production for the Japanese electronics industry appeared to fall for the third consecutive year, to 14,013.4 billion yen, in 2009, slipping 25% from the previous year. Domestic production fell with the sudden plummet in exports, reflecting a strong yen and inventory adjustments overseas, and with smaller domestic demand for mobile phones.

Gross domestic production for the industry is expected to rise for the first time in four years, to 854.5 billion yen (up 6% year on year) in 2010. Intensifying price

competition is likely to accelerate the shift to overseas production, but replacement demand is anticipated for flat-screen televisions ahead of the full switch to digital terrestrial television broadcasting in 2011. The production of electronic components and devices is also expected to grow as a result of a recovery in the global market for electronic products. The domestic production ratio for Japanese electronics manufacturers stood at 42% in 2009. This ratio is likely to remain high in product areas where high reliability and quality are required.

IT Solutions Service Trends in the World and Japan



The market for IT solutions services is believed to have reached 55,185 billion yen worldwide in 2009. Companies based in Japan are estimated to have accounted for 5,415.9 billion yen of this total, corresponding to about 10% of global sales. Demand for IT solutions services appears likely to remain robust worldwide in 2010, as companies increasingly look to IT as effective tools and link it with strategic differentiation in advanced economies in North America and Europe, while informatization in emerging nations associated with economic growth will work in favor of

SI development and software introduction.

Japanese companies are likely to attach greater weight to IT investment in 2010, given recovering demand across areas such as finance, manufacturing, logistics services and the public sector that can be expected from operational process optimization and other changes accompanying the improving economy. The market for companies based in Japan is also likely to remain strong, as the use of IT (green IT) as a measure against global warming is expected and the introduction of cloud computing drives growth in IT investment.

Operational Review and Outlook for the Next Term

Report on Results for the Term under Review (Year Ended March 2010)

During the term ended March 2010, despite concerns such as the protracted period of deflation and employment problems, the Japanese economy staged a gradual recovery. This was aided by a number of successful official stimulus packages, as well as a rebound in corporate earnings reflecting a revival in emerging economies.

In the electronics industry, demand is perceived to be generally recovering. In the semiconductor market, with the inventory adjustments that began in the previous term finally concluding, the balance between supply and demand has now reached an appropriate level. Meanwhile, since the third quarter of the term under review, demand for semiconductor products for personal computers, smart phones and industrial equipment grew sharply.

In the IT and network market, with the growing popularity of services provided through the network, such as cloud computing, the market is set to grow in the future. However, even with the economy showing signs of a recovery, sluggish capital spending meant that a number of indicators related to the shipment of servers were down on a year-on-year basis.

In this environment, sales for the fiscal year ended March 2010 on a consolidated basis were 85,145 million yen (down 10.1% year on year), operating income stood at 2,079 million yen (up 13.0%), ordinary income was 2,117 million yen (rising 3.7%), and net income amounted to 1,166 million yen (a rise of 88.9%).

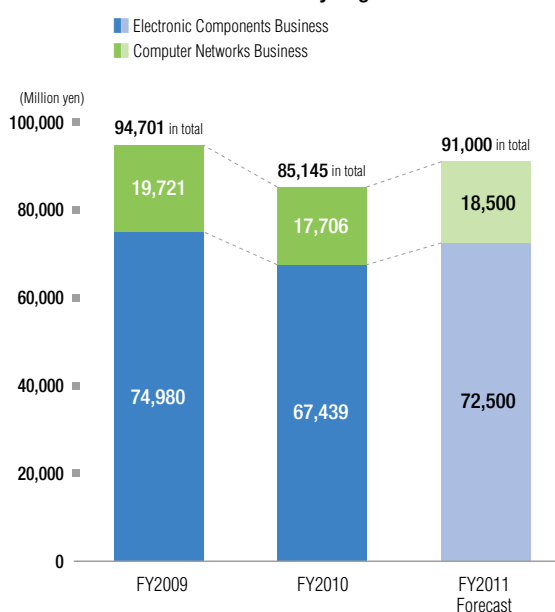
Outlook for the Term ending March 2011

Certain aspects of the economy look likely to remain challenging, including the severe employment environment and declining commodity prices, reflecting the protracted deflationary economy. Nonetheless, given the extension of stimulus packages in Japan and strong growth in demand in the Asian region, the Japanese economy appears set to continue to recover for the foreseeable future.

This recovery is likely to be apparent in the electronics industry. Demand for semiconductor products should continue to improve, and investments in information technologies, sluggish until recently, are expected to

gradually rise from the second half of the term. Given these conditions, the Group is determined to strengthen its business structure by improving its sales system, strengthening its support capabilities, and focusing on the development of its own products. We consequently forecast net sales of 91,000 million yen (up 6.9% year on year) on a consolidated basis, operating income of 2,690 million yen (rising 29.4%), ordinary income of 2,600 million yen (an increase of 22.8%), and net income of 1,640 million yen (up 40.6%) for the fiscal year ending March 2011.

Trends in consolidated net sales by segment



Forecast consolidated performances for the year ending March 2011

(Unit: Million yen)	1st half forecast	2nd half forecast	Full year forecast
Net sales	43,500	47,500	91,000
Operating income	870	1,820	2,690
Ordinary income	850	1,750	2,600
Net income	490	1,150	1,640

Financial Statements

Consolidated Financial Statements

Consolidated Balance Sheet

Assets	FY 2009	FY 2010
	(as of March 31, 2009)	(as of March 31, 2010)
	Thousand yen	Thousand yen
Current assets	35,854,988	41,136,668
Cash and time deposits	1,245,602	1,621,262
Notes and accounts receivable	15,479,382	20,890,706
Merchandise and products	15,812,839	15,508,551
Goods in process	66,631	128,158
Deferred tax assets	497,069	941,475
Consumption tax receivable	1,144,199	943,823
Others	1,610,822	1,104,692
Allowance for doubtful receivables	(1,559)	(2,002)
Fixed assets	4,825,237	4,512,349
Property, plant and equipment	1,334,856	1,121,766
Buildings and structures, net	865,581	773,858
Machinery and equipment, net	446,955	329,354
Leased assets, net	22,320	18,553
Intangible fixed assets	643,933	464,922
Investments and other assets	2,846,446	2,925,660
Investment securities	49,115	18,000
Deferred tax assets	1,622,276	1,791,118
Others	1,686,565	1,630,786
Allowance for doubtful receivables	(511,509)	(514,244)
Total assets	40,680,225	45,649,018

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

Assets

Total assets rose 4,968 million yen from the end of the previous consolidated fiscal year, to 45,649 million yen. The rise is mainly attributable to an increase in notes and accounts receivable.

Liabilities

Total liabilities rose 4,470 million yen from the end of the previous consolidated fiscal year, to 23,737 million yen. Key components included increases in account payable-trade, short-term borrowings, and accrued income taxes.

Liabilities	FY 2009	FY 2010
	(as of March 31, 2009)	(as of March 31, 2010)
	Thousand yen	Thousand yen
Current liabilities	14,482,369	18,538,665
Accounts payable-trade	6,706,615	7,255,698
Short-term borrowing	3,806,681	5,105,824
Accounts payable-non-trade	856,930	1,441,405
Accrued income taxes	177,903	1,132,170
Advances received	2,137,465	2,153,103
Allowance for bonuses	488,256	856,855
Allowance for officers' bonuses	—	26,158
Others	308,517	567,449
Long-term liabilities	4,784,484	5,198,928
Allowance for retirement and severance benefits	4,304,637	4,715,170
Allowance for officers' retirement bonuses	115,100	102,523
Others	364,747	381,234
Total liabilities	19,266,854	23,737,593
Net assets		
Shareholders' equity	21,492,916	22,044,207
Capital stock	2,495,750	2,495,750
Capital surplus	5,645,240	5,645,240
Retained earnings	13,351,925	13,903,216
Valuation and translation adjustments	(79,545)	(132,781)
Valuation difference on securities	(6,002)	—
Deferred hedge gains or losses	(28,442)	(67,167)
Foreign exchange adjustment	(45,100)	(65,614)
Total net assets	21,413,370	21,911,425
Total liabilities and net assets	40,680,225	45,649,018

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

Net assets

Total net assets rose 498 million yen from the end of the previous consolidated fiscal year, to 21,911 million yen.

Consolidated Financial Statements

Consolidated Statement of Income

Account	FY 2009	FY 2010
	From April 1, 2008 to March 31, 2009	From April 1, 2009 to March 31, 2010
	Thousand yen	Thousand yen
Net sales	94,701,532	85,145,487
Cost of sales	79,992,053	70,671,609
Gross profit	14,709,479	14,473,878
Selling, general and administrative expenses	12,869,389	12,394,288
Salaries and allowances	4,600,607	4,596,268
Provision for bonuses	471,960	820,895
Provision for officers' bonuses	—	26,158
Transfer from retirement allowance reserve	753,610	844,067
Others	7,043,211	6,106,898
Operating income	1,840,090	2,079,589
Non-operating revenues	413,161	121,845
Interest income	896	171
Dividends income	249	251
Foreign exchange gain	348,361	68,874
Revenue from seminars held	2,893	1,949
Insurance bonuses	25,260	—
Insurance dividends	23,231	22,324
Income from consumption tax redemption	—	14,235
Others	12,268	14,038
Non-operating expenses	212,021	84,187
Interest expenses	72,862	32,642
Loss on sale of accounts receivable	132,678	44,902
Others	6,479	6,642
Ordinary income	2,041,230	2,117,246
Extraordinary losses	746,487	90,177
Loss from sale of fixed assets	183	—
Loss from disposal of fixed assets	20,525	26,736
Provision of allowance for doubtful receivables	497,860	—
Provision of allowance for doubtful receivables of golf club membership	469	3,970
Loss on valuation of investments in securities	—	59,219
Loss on valuation of golf club membership	14,879	251
Head office relocation expenses	212,569	—
Income before income taxes	1,294,743	2,027,069
Income, residential and enterprise taxes	705,777	1,451,796
Corporate tax adjustment	(28,474)	(590,817)
Net income	617,440	1,166,091

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

Consolidated Statement of Cash Flows

Account	FY 2009	FY 2010
	From April 1, 2008 to March 31, 2009	From April 1, 2009 to March 31, 2010
	Thousand yen	Thousand yen
Cash flow from operating activities		
Income before income taxes	1,294,743	2,027,069
Depreciation and amortization	473,286	485,461
Increase (decrease) in allowance for doubtful receivables	492,864	3,178
Increase (decrease) in allowance for employee bonuses	(174,868)	369,137
Increase (decrease) in allowance for officers' bonuses	(44,550)	26,158
Increase (decrease) in allowance for retirement and severance benefits	445,060	410,533
Increase (decrease) in allowance for officers' retirement bonuses	(14,828)	(12,577)
Interest and dividends revenues	(1,146)	(422)
Interest paid	72,862	32,642
Foreign exchange gain or loss	(57)	579
Gain or loss from sale of property, plant and equipment	183	—
Loss on disposal of property, plant and equipment	18,828	7,788
Loss on disposal of intangible fixed assets	1,696	18,948
Loss (gain) on valuation of investments in securities	—	59,219
Loss on valuation of golf club membership	14,879	251
Decrease (increase) in accounts receivable	10,140,781	(5,449,221)
Decrease (increase) in inventories	1,870,104	208,598
Increase (decrease) in accounts payable	(7,181,805)	579,908
Decrease (increase) in consumption taxes receivable	(332,489)	200,376
Others	(1,878,928)	1,355,869
Subtotal	5,196,618	323,499
Receipts from interest and dividends	1,146	422
Interest paid	(72,895)	(32,653)
Income taxes paid	(1,557,953)	(517,061)
Cash flow from operating activities	3,566,916	(225,792)
Cash flow from investing activities		
Payment for purchase of property, plant and equipment	(618,441)	(66,991)
Proceeds from sale of property, plant and equipment	1,075	167
Payment for acquisition of intangible fixed assets	(112,622)	(12,851)
Payment for acquisition of investment securities	—	(18,000)
Others	(71,307)	(2,467)
Cash flow from investing activities	(801,295)	(100,143)
Cash flow from financing activities		
Increase (decrease) in short-term borrowings	(2,253,780)	1,324,151
Dividends paid	(699,600)	(614,800)
Repayment of lease obligations	(1,490)	(5,813)
Cash flow from financing activities	(2,954,870)	703,537
Effect of exchange rate changes on cash and cash equivalents	124	(1,941)
Net increase (decrease) in cash and cash equivalents	(189,125)	375,660
Cash and cash equivalents at beginning of year	1,367,624	1,245,602
Cash and cash equivalents of newly consolidated subsidiaries	67,103	—
Cash and cash equivalents at end of year	1,245,602	1,621,262

(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, 2009	2,495,750	5,645,240	13,351,925	21,492,916	(6,002)	(28,442)	(45,100)	(79,545)	21,413,370
Changes during the consolidated accounting period									
Change in scope of consolidation			(614,800)	(614,800)					(614,800)
Dividends from surplus			1,166,091	1,166,091					1,166,091
Changes (net) during the consolidated accounting period, with the exception of shareholders' equity					6,002	(38,724)	(20,513)	(53,236)	(53,236)
Changes during the consolidated accounting period	—	—	551,291	551,291	6,002	(38,724)	(20,513)	(53,236)	498,054
Balance on March 31, 2010	2,495,750	5,645,240	13,903,216	22,044,207	—	(67,167)	(65,614)	(132,781)	21,911,425

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

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

Assets	FY 2010 (as of March 31, 2010)	Liabilities	FY 2010 (as of March 31, 2010)
Thousand yen		Thousand yen	
Current assets	40,868,988	Current liabilities	18,519,497
Cash and time deposits	1,396,353	Accounts payable-trade	6,998,167
Notes receivable	827,859	Short-term borrowing	4,700,000
Accounts receivable-trade	18,582,529	Lease obligations	5,908
Merchandise and products	14,831,415	Accounts payable-non- trade	2,125,418
Goods in process	128,158	Accrued expenses	288,345
Advance paid	35	Accrued income taxes	1,115,396
Prepaid expenses	906,379	Advance received	2,153,103
Deferred tax assets	892,043	Deposits received	51,547
Accrued income	2,240,304	Allowance for bonuses	842,684
Consumption tax receivable	943,823	Allowance for officers' bonuses	26,158
Advanced paid	122,261	Others	212,768
Allowance for doubtful receivables	(2,177)	Long-term liabilities	5,198,928
Fixed assets	4,613,921	Lease obligations	13,834
Property, plant and equipment	1,113,799	Allowance for retirement and severance benefits	4,715,170
Buildings, net	761,960	Allowance for officers' retirement bonuses	102,523
Structures, net	9,086	Others	367,399
Machinery and equipment, net	324,198	Total liabilities	23,718,425
Leased assets, net	18,553	Net assets	
Intangible fixed assets	456,554	Shareholders' equity	21,831,650
Investments and other asset	3,043,567	Capital stock	2,495,750
Investment securities	18,000	Capital surplus	5,645,240
Deferred tax assets	1,801,825	Retained earnings	13,690,660
Others	1,223,741	Valuation and translation adjustments	(67,167)
Total assets	45,482,909	Deferred hedge gains or losses	(67,167)
		Total net assets	21,764,483
		Total liabilities and net assets	45,482,909

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

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

Non-consolidated Statement of Income

Account	FY 2010 From April 1, 2009 to March 31, 2010
Thousand yen	
Net sales	75,888,901
Cost of sales	62,441,612
Gross profit	13,447,289
Selling, general and administrative expenses	11,747,226
Employees' salaries	4,180,888
Provision for bonuses	767,272
Transfer from retirement allowance reserve	814,981
Depreciation expenses	431,496
Research and development expenses	257,118
Others	5,295,468
Operating income	1,700,062
Non-operating revenues	314,132
Interest income	154
Dividend income	25,996
Foreign exchange loss	81,736
Others	206,245
Non-operating expenses	79,017
Interest expenses	28,817
Loss on sales of accounts receivable	43,557
Others	6,642
Ordinary income	1,935,178
Extraordinary losses	90,177
Loss from disposal of fixed assets	26,736
Provision of allowance for doubtful receivables of golf club memberships	3,970
Loss on valuation of investments in securities	59,219
Loss on valuation of golf club membership	251
Income before income taxes	1,845,001
Income, residential and enterprise taxes	1,413,758
Corporate tax adjustment	(550,492)
Net income	981,734

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

Financial Data

Profitability



	FY2006	FY2007	FY2008	FY2009	FY2010
Net sales (Million yen)	88,290	99,743	112,104	94,701	85,145
Cost to sales ratio (%) ^{*1}	87.0	85.9	84.9	84.5	83.0
Operating income (Million yen)	3,100	3,531	3,678	1,840	2,079
Operating margin (%) ^{*2}	3.5	3.5	3.3	1.9	2.4
Ordinary income (Million yen)	2,630	3,245	3,849	2,041	2,117
Profit margin (%) ^{*3}	3.0	3.3	3.4	2.2	2.5
Net income (Million yen)	1,537	1,876	2,193	617	1,166
Net income margin (%) ^{*4}	1.7	1.9	2.0	0.7	1.4
Return on equity (ROE) (%) ^{*5}	10.5	10.7	10.5	2.9	5.4
Return on assets (ROA) (%) ^{*6}	4.2	4.5	4.5	1.3	2.7

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

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

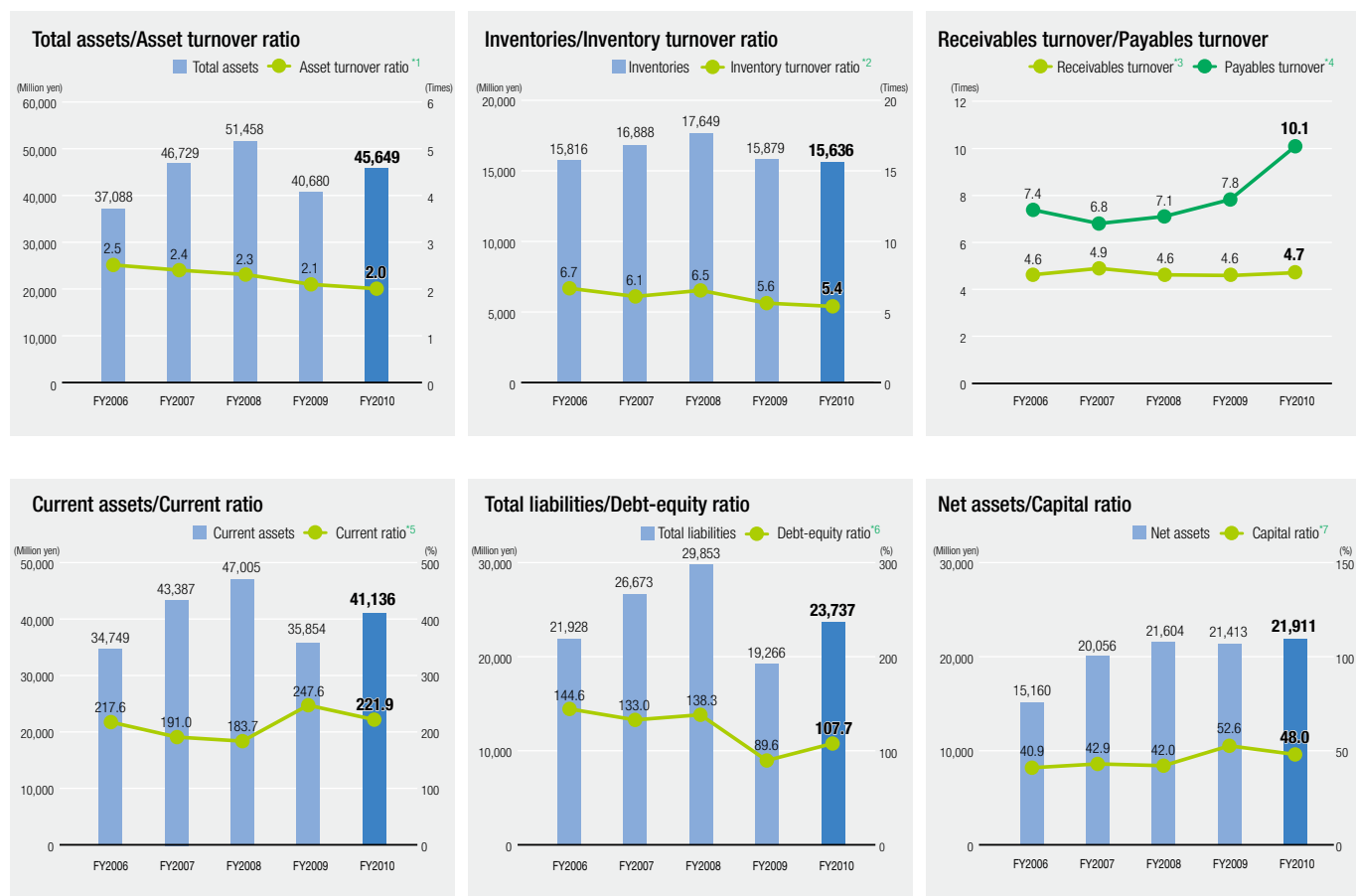
^{*3}. Profit margin = Ordinary income / Net sales

^{*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



	FY2006	FY2007	FY2008	FY2009	FY2010
Total assets (Million yen)	37,088	46,729	51,458	40,680	45,649
Asset turnover ratio (Times) ^{*1}	2.5	2.4	2.3	2.1	2.0
Inventories (Million yen)	15,816	16,888	17,649	15,879	15,636
Inventory turnover ratio (Times) ^{*2}	6.7	6.1	6.5	5.6	5.4
Receivables turnover (Times) ^{*3}	4.6	4.9	4.6	4.6	4.7
Payables turnover (Times) ^{*4}	7.4	6.8	7.1	7.8	10.1
Current assets (Million yen)	34,749	43,387	47,005	35,854	41,136
Current ratio (%) ^{*5}	217.6	191.0	183.7	247.6	221.9
Total liabilities (Million yen)	21,928	26,673	29,853	19,266	23,737
Debt-equity ratio (%) ^{*6}	144.6	133.0	138.3	89.6	107.7
Net assets (Million yen)	15,160	20,056	21,604	21,413	21,911
Capital ratio (%) ^{*7}	40.9	42.9	42.0	52.6	48.0

^{*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

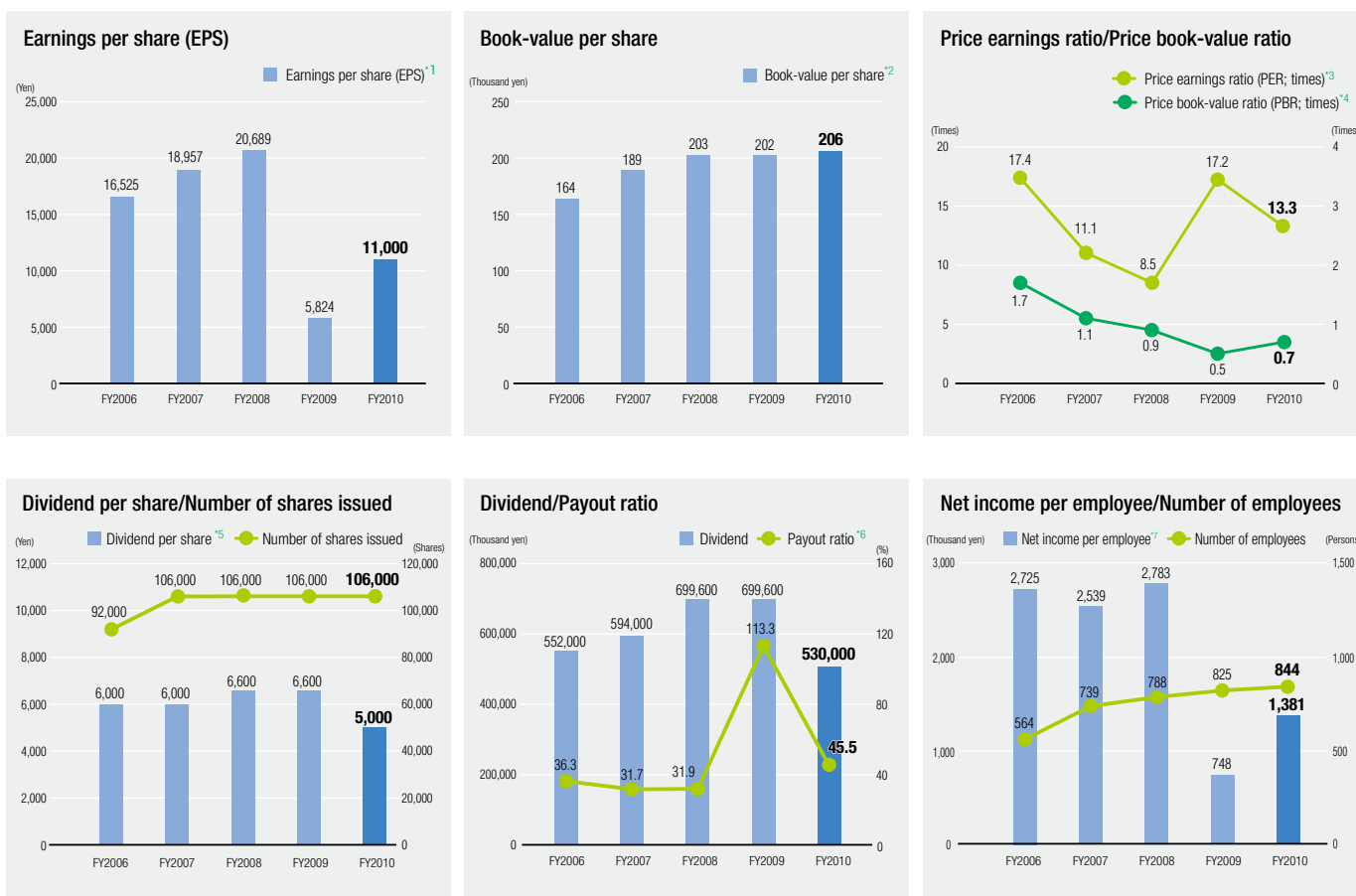
^{*4}. Payables turnover = Cost of sales / Average accounts payable at the beginning and end of the term

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

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

^{*7}. Capital ratio = Net assets / Total assets

Financial Data



	FY2006	FY2007	FY2008	FY2009	FY2010
Earnings per share (EPS: Thousand yen)*1	16,525	18,957	20,689	5,824	11,000
Book-value per share (Thousand yen)*2	164	189	203	202	206
Price earnings ratio (PER: times)*3	17.4	11.1	8.5	17.2	13.3
Price book-value ratio (PBR: times)*4	1.7	1.1	0.9	0.5	0.7
Dividend per share (Yen)*5	6,000	6,000	6,600	6,600	5,000
Number of shares issued (Shares)	92,000	106,000	106,000	106,000	106,000
Dividend (Thousand yen)	552,000	594,000	699,600	699,600	530,000
Payout ratio (%)*6	36.3	31.7	31.9	113.3	45.5
Net income per employee (Thousand yen)*7	2,725	2,539	2,783	748	1,381
Number of employees (Persons)	564	739	788	825	844

*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, 2010)

Company Name: TOKYO ELECTRON DEVICE LIMITED
 Established: March 3, 1986
 Capital: ¥2,495.75 million
 Employees: 844 (consolidated)



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

Officers (As of June 16, 2010)

Corporate Director

Chairman & Representative Director Toshiaki Sunagawa
 President & Representative Director Yasuyuki Kuriki
 Corporate Director Noriyuki Kuga
 Corporate Director Tsutomu Kimura
 Corporate Director Katsuyuki Amano
 Corporate Director Atsushi Tokushige
 Corporate Director Tetsuro Higashi
 Corporate Director Takashi Nakamura
 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
 Yasuyuki Kuriki
 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 April 1, 2010)

Headquarters
 Headquarters Sales Department
 Kitakanto Branch Office (Saitama City)
 Osaka Branch Office
 Nagoya Branch Office

Sendai Sales Office
 Tachikawa Sales Office
 Matsumoto Sales Office
 Hamamatsu Sales Office
 Himeji Sales Office
 Fukuoka Sales Office
 No. 4 Sales Group, Kitakanto Branch Office (Utsunomiya)
 Headquarters No. 2 Sales Department, No. 5 Group (Atsugi)

Mito Sales Office
 Nagaoka Sales Office
 Mishima Sales Office
 Kyoto Sales Office
 Hiroshima Sales Office

Shinjuku Office
 Nagoya Office
 Osaka Office
 Tsukuba Satellite

Engineering Center (Yokohama City)

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, 2010)

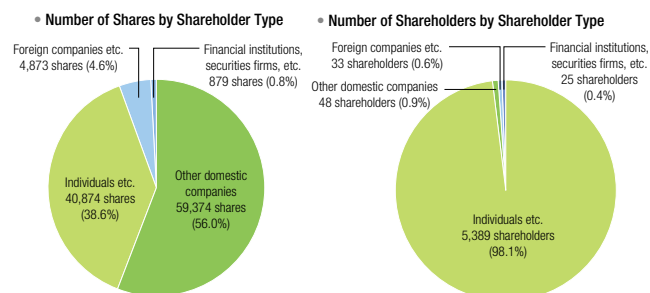
Shares of the Company

- Number of authorized shares 256,000 shares
- Number of issued shares 106,000 shares
- Number of shareholders 5,459 shareholders

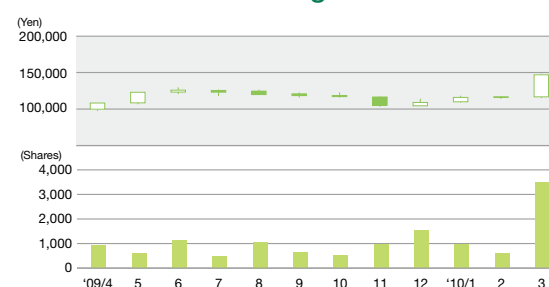
Major Shareholders

Shareholders	Number of shares held	Shareholding ratio
	Shares	%
Tokyo Electron Limited	58,753	55.4
Tokyo Electron Device Employee Shareholder Association	4,212	4.0
UBS AG London Account IPB Segregated Client Account	1,659	1.6
Goldman Sachs International	1,121	1.0
Northern Trust Company AVFC RE Northern Trust Guernsey non Treaty Clients	1,078	1.0

Distribution of Shares



Stock Price and Trading Volume



IR activities for individual investors

Tokyo Electron Device participates in IR fairs organized by newspaper and securities companies and briefing sessions for individual investors.



TSE IR Festa 2010
(March 5, 2010: Prism Hall, Tokyo Dome City)



Nomura IR Listed Companies Research Seminar
(March 25, 2010: Nihonbashi headquarters of Nomura Securities)

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



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