



Securities code: 2760  
TOKYO ELECTRON DEVICE LIMITED

## IR activities for individual investors

We take part in IR fairs and company briefings for individual investors.

We have launched a section of our website dedicated to individual investors, aiming to disclose our business details, financial results, and other information. (<http://www.teldevice.co.jp/ir>)



TSE IR Festa 2011  
(March 11, 2011 at Tokyo International Forum)



A conference organized by Takara Printing  
(January 31, 2011 at Shinjuku Meiji Yasuda Life Hall)

## Special support for the Rescue Robot Contest

We offer special support for the Rescue Robot Contest as part of our corporate social responsibility (CSR) initiative, supporting its philosophy of learning technologies, communicating with people, and creating a society that is resistant to disaster.

Rescue Robot Contest (<http://rescue-robot-contest.org>)



## Contact



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# INVESTORS GUIDE To Our Investors 2011



TOKYO ELECTRON DEVICE

# Tokyo Electron Device Limited is a trading company that specializes in semiconductors and IT devices.

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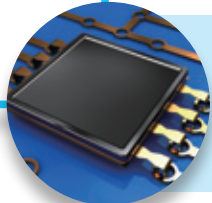
- Electronic Components Business
- Computer Networks Business

### Topics Business Focus

Development Business/Global Business/Frontier Business

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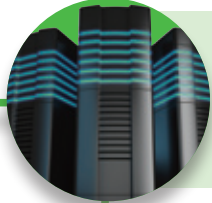


## Electronic Components Business

**FY2011 Sales 91,315 million yen**

**A lineup centered on high-value-added semiconductors**







## Computer Networks Business

**Proposing IT environments tailored to customer needs**


Product sales



Systems construction



Maintenance and support



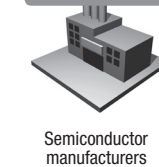
Sales Share by segment

80%

Semiconductors are used in a broad array of areas.



Main suppliers



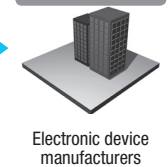
Semiconductor manufacturers

TED



Trading company (semiconductors)

Main customers



Electronic device manufacturers

Strong in advanced technical support



Sales Share by segment

20%

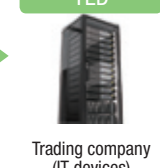
Answering needs for cloud Computing

Main suppliers



Overseas IT device manufacturers

TED



Trading company (IT devices)

Main customers



Businesses, governmental offices and universities

## Business Focus

Development Business  
**inrevium**



## Global Business



## Frontier Business

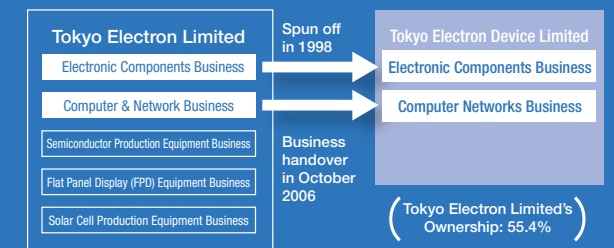
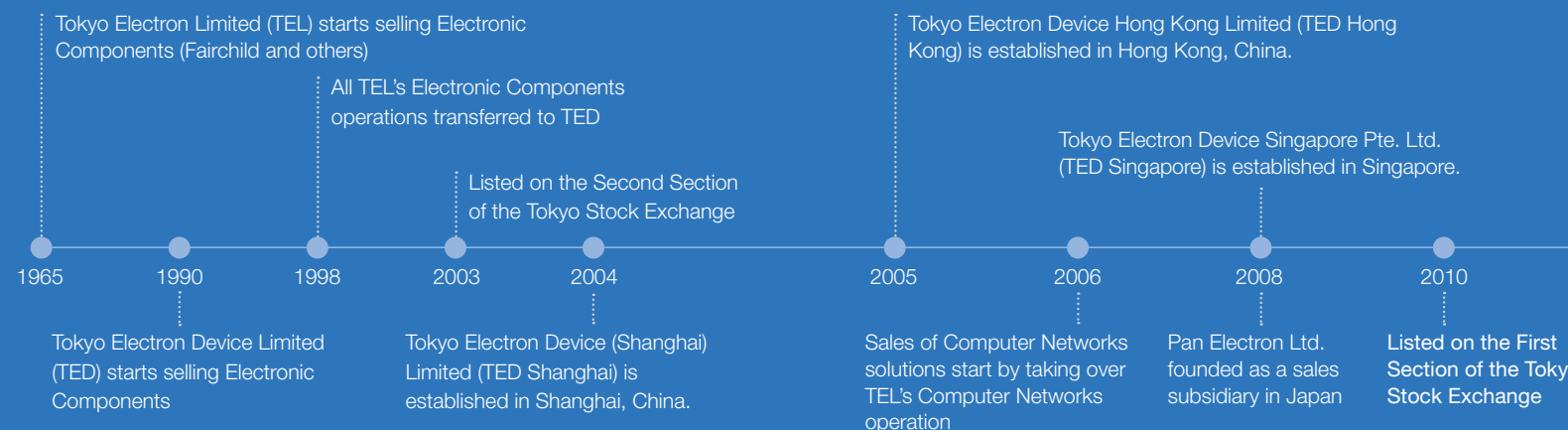


P9-10



**We listed our shares on the First Section of the Tokyo Stock Exchange on December 24, 2010.**

Tokyo Electron Device Limited (TED) is a trading company with 45 years of history and experience in procuring cutting-edge semiconductors and computer and network devices from within Japan and beyond, and in offering them together with advanced technical support and quality assurance based on its original verification systems.



### Note on forward-looking statements

This Investors Guide was prepared on July 1, 2011. 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.



## Message from the President



**Noriyuki Kuga**  
Senior Executive Vice President  
& Representative Director

**Yasuyuki Kuriki**  
President &  
Representative Director (right)

We extend our deepest sympathies to those affected by the Great East Japan Earthquake, and our sincerest wish for the earliest possible recovery.

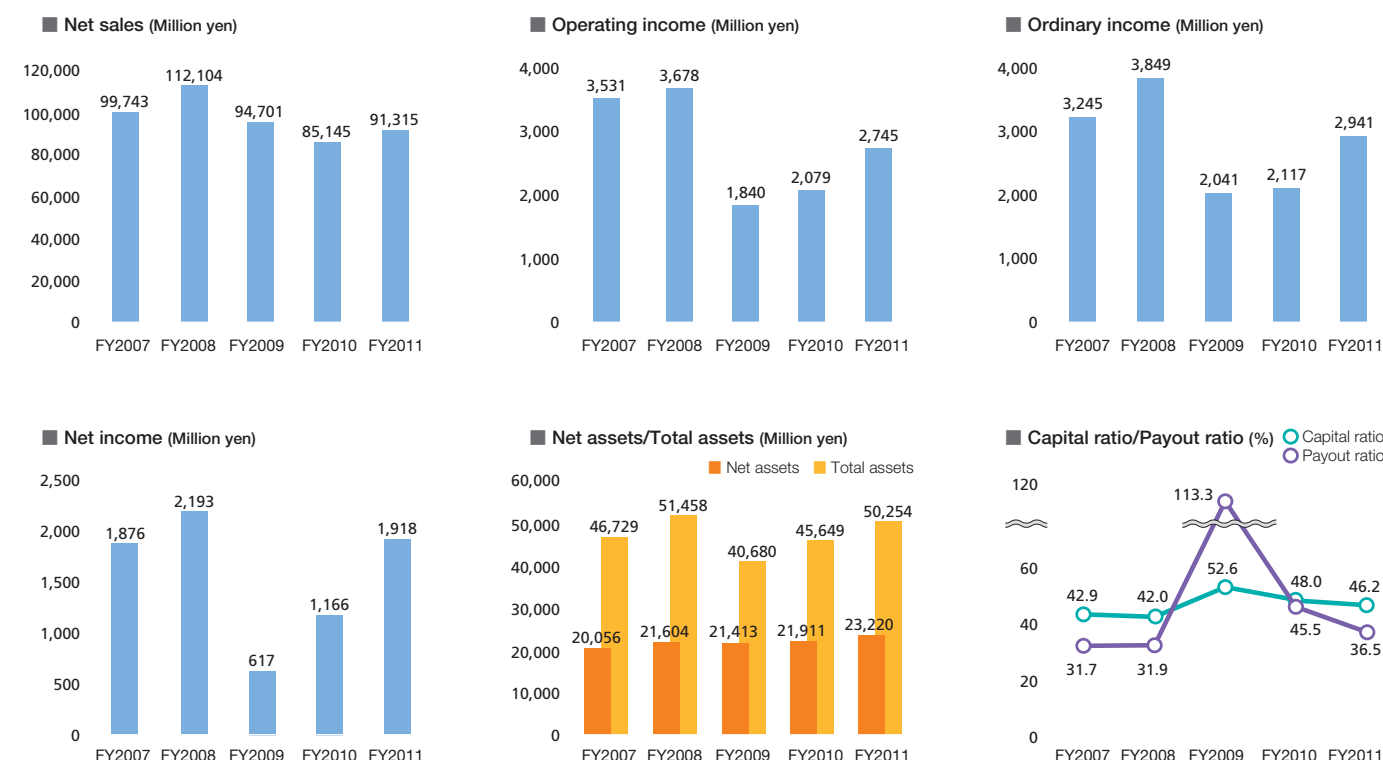
We listed our shares on the First Section of the Tokyo Stock Exchange on December 24, 2010, and we take this opportunity to express our gratitude for your support, without which this milestone could not have been achieved.

During the fiscal year ended March 31, 2011, the Japanese economy experienced a moderate recovery following the effects of economic stimulus measures and a turnaround in overseas economies. However, the future is uncertain, given the ongoing deflation, the continued rise in the Japanese currency, and the severity of job market.

The electronics industry that involves our Group experienced brisk demand in the first half but a decline in semiconductor product demand in the second half after the partial discontinuation of the economic stimulus package and a halt in replacement demand for consumer products. The smartphone market continues to grow and demand for industrial devices remains healthy. On the other hand, demand for consumer spending products is partly sluggish. The recovery in IT investment has been delayed. This reflects a cautious attitude among domestic businesses given the business climate.

In this environment, we attained net sales of 91,315 million yen (up 7.2% year on year), operating income of 2,745 million yen (up 32.0% year on year), ordinary income of 2,941 million yen (up 38.9% year on year), and net income of 1,918 million yen (up 64.5% year on year) for the fiscal year ended March 2011.

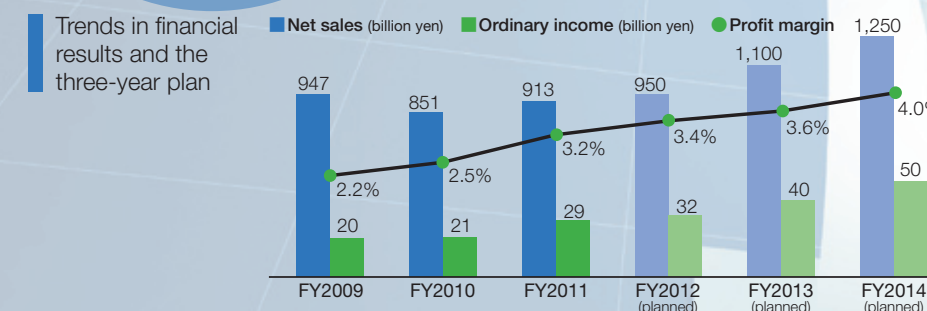
## Consolidated Financial Highlights



## Three-Year Plan

On June 15, 2011, we announced a three-year plan.

Our Group's three-year plans are based on the rolling approach. The recently announced three-year plan is the result of an update made after reviews of the plan announced last year.



### Electronic Components Business

#### Stable growth drivers

#### Sales strategy

- 1 Step up community-based sales operations
- 2 Bolster sales activities targeted at customers of industrial devices

#### Frontier business drivers

#### Product strategy

- 1 Introduce and launch new products
- 2 Step up efforts to develop and sell products with our own brand of inrevium

#### Global business expansion

- 1 Increase sales efforts targeted at local businesses outside Japan
- 2 Expand sales of our own brand products from overseas customers

### Computer Networks Business

#### Profit drivers

#### Sales strategy

- 1 Strengthen direct sales to major end users
- 2 Move forward with the business for embedded devices

#### Product strategy

- 1 Discover and introduce new value-added products compatible with demand growth for cloud computing and data centers

### Frontier Business

#### Frontier business drivers

#### Promotion of frontier businesses

- 1 Increase marketing efforts
- 2 Enrich the lineup of environmental and energy-saving products
- 3 Use the e-trade system as a sales promotion tool for new products

## Dividend Policy

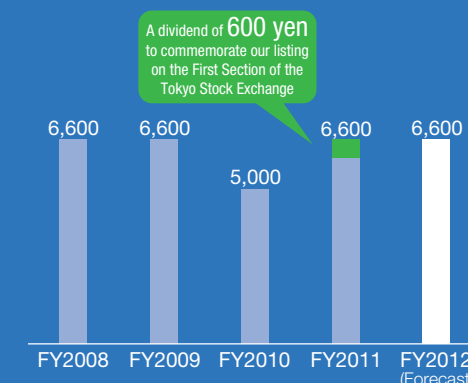
To mark of the listing of our shares on the First Section of the Tokyo Stock Exchange on December 24, 2010, we have decided to pay a year-end dividend of 3,600 yen per share, inclusive of a commemorative dividend of 600 yen. This means that our annual dividend for the fiscal year ended March 2011, including the interim dividend of 3,000 yen per share, totals 6,600 yen per share.

We define our focus on shareholders as one of our priority managerial issues. Our principle is to make an appropriate distribution of profits that reflects our financial results, on the basis of continuity and stability in dividend payment.

We have set the payout level for the foreseeable future at about 35% of consolidated net income.

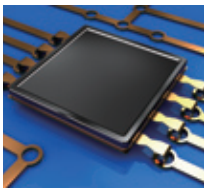
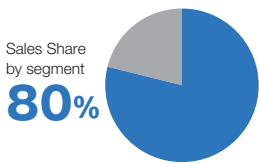
Under this basic policy, we are planning to pay an annual dividend of 6,600 yen per share for the fiscal year ending March 2012, comprising an interim dividend of 3,300 yen and a year-end dividend of 3,300 yen.

## Dividend per share (yen)



A dividend of 600 yen to commemorate our listing on the First Section of the Tokyo Stock Exchange

Introduction of Business



Electronic Components Business

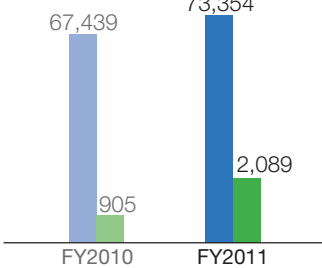
Our core business, with a focus on developing our own brand products and expanding overseas, in addition to procuring and selling cutting-edge semiconductors



Electronic Components Business

■ Net sales ■ Ordinary income

(Million yen)



Financial results for the fiscal year ended March 2011

Since the start of 2011, demand has been persistently weak for semiconductor products for digital home appliances, including flat-screen televisions and peripherals as well as other consumer appliances. In contrast, demand related to industrial equipment, including medical equipment, semiconductor production equipment, and factory automation equipment, has been brisk. As high-value-added products requiring technical support, analog ICs and custom ICs achieved solid sales growth. This segment earned net sales of 73,354 million yen (up 8.8% year on year) and ordinary income of 2,089 million yen (up 130.6% year on year).

Feature 1 Procuring from leading overseas semiconductor manufacturers

**XILINX**

Location: California, USA  
Products: FPGA/CPLD (Custom ICs)

**LINEAR TECHNOLOGY**

Location: California, USA  
Products: Analog ICs

**TEXAS INSTRUMENTS**

Location: Texas, USA  
Products: DSPs, logic ICs, etc.

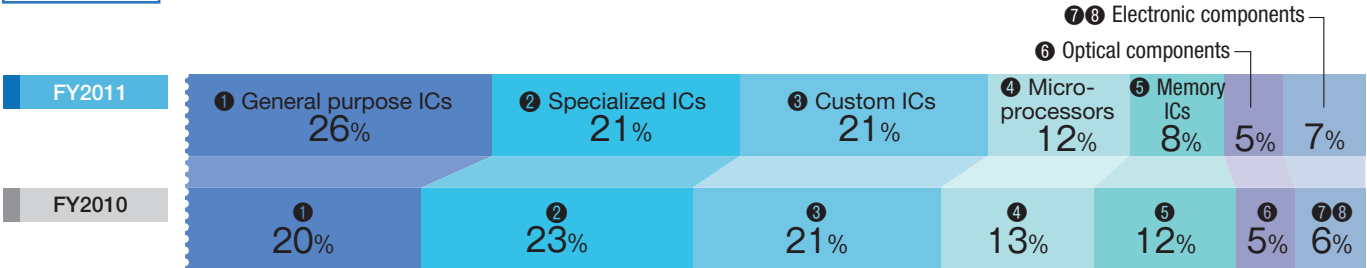
**freescale semiconductor**

Location: Texas, USA  
Products: Microprocessors

**AVAGO TECHNOLOGIES**

Location: California, USA  
Products: Optical components

Feature 2 A lineup centered on high-value-added semiconductors



**1 General purpose ICs**  
ICs used for various purposes  
Main Products and Suppliers  
Analog ICs (Linear Technology)  
Logic ICs (Texas Instruments)  
Main Applications  
Car navigation systems, factory automation equipment, office automation equipment, digital home appliances, and mobile phone base stations

**2 Specialized ICs**  
ICs made for specific applications  
Main Products and Suppliers  
ICs for image correction (Pixelworks)  
ICs for image compression (ViXS Systems)  
ICs for communication (Zarlink Semiconductor)  
ICs for security **inrevium**  
Main Applications  
LCD projectors, digital televisions, DVD systems, mobile phone base stations, and security camera systems

**3 Custom ICs**  
ICs made to customer specifications  
Main Products and Suppliers  
PLD<sup>\*1</sup> (Xilinx)  
ASIC<sup>\*2</sup> (Fujitsu Semiconductor)  
Main Applications  
Medical equipment, factory automation equipment, digital home appliances, and printers

**4 Microprocessors**  
ICs having operation and control functions that make them the brains of computers  
Main Products and Suppliers  
Microprocessors (Freescale Semiconductor)  
DSP (Texas Instruments)  
Main Applications  
Mobile phone base stations, printers, medical equipment, and car navigation systems

**5 Memory ICs**  
ICs used exclusively for memory  
Main Products and Suppliers  
Flash memories<sup>\*3</sup> (Fujitsu Electronics)  
SRAM (IDT)  
Main Applications  
Digital home appliances, mobile phones, communication equipment, and factory automation equipment

**6 Optical components**  
Electronic components that convert electricity into light for use  
Main Products and Suppliers  
LED<sup>\*4</sup>, Photo couplers<sup>\*5</sup> (Avago Technologies)  
Main Applications  
Mobile phones, in-vehicle equipment, and factory automation equipment

**7 Electronic components elements**  
Components having single functions such as amplification and rectification  
Main Products and Suppliers  
Discrete components (ON Semiconductor)  
Main Applications  
Personal computers and factory automation equipment

**8 Electronic components, etc**  
Boards and Power supplies  
Main Products and Suppliers  
Evaluation boards  
**inrevium**  
Power supplies (Cosel)  
Main Applications  
Digital home appliances, medical equipment, factory automation equipment, and communications equipment

**Terminology**  
\*1 [PLD] Custom ICs consisting of programmable logic elements that can be developed more quickly than ASIC  
\*2 [ASIC] Custom ICs expected to offer high performance that take a long time to develop  
\*3 [Flash memories] A medium that stores data electrically even when power is switched off  
\*4 [LED] A diode that glows when an electric current passes through which is used in lamps and indicators  
\*5 [Photo couplers] Elements that convert electric signals into light for transmission. They have an advantage of electrical insulation.

Action Policies for the Fiscal Year Ending March 2012

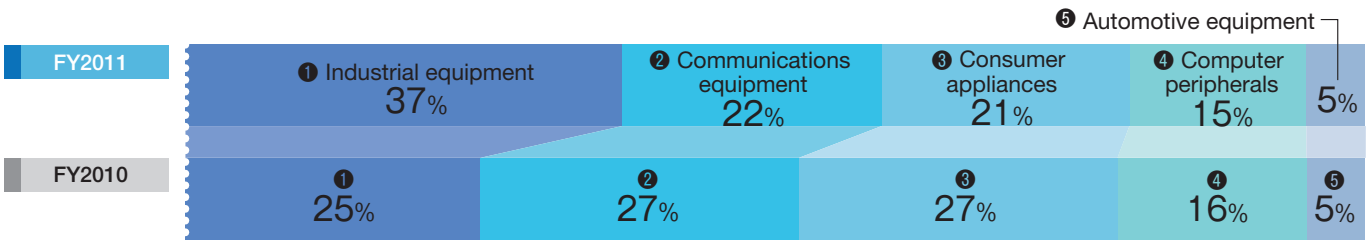
1 Acquiring commercial rights and introducing new products

We will strive to acquire commercial rights for customers and find new suppliers to boost sales through synergy with new products.

2 Further stepping up customer-oriented sales operations

We will allocate more human resources to sales locations and station technical support engineers (FAEs) at these locations to enhance customer-oriented sales operations.

Feature 3 Selling a broad array of products mainly from leading electronics manufacturers



**1 Industrial equipment**

Main applications  
Medical equipment, broad-casting equipment, semiconductor testing devices, robots, measuring equipment

Main customers  
Hitachi  
Oki  
Panasonic  
Toshiba

**2 Communications equipment**

Main applications  
Mobile phones, routers, transmission equipment and mobile phone base stations

Main customers  
Fujitsu  
Hitachi  
NEC  
Panasonic

**3 Consumer appliances**

Main applications  
Digital cameras, flat-screen TVs and AV equipment

Main customers  
Hitachi  
Panasonic  
Sharp  
Sony  
Toshiba

**4 Computer peripherals**

Main applications  
Multifunctional printers, projectors, PCs, and peripheral devices

Main customers  
Fuji Xerox  
NEC  
Panasonic  
Toshiba

**5 Automotive equipment**

Main applications  
Car navigation systems and car audio equipment

Main customers  
Aisin  
Panasonic

\*Major customers are indicated by their respective group names in abbreviated forms without titles and arranged in order of Japanese syllabary.

Our strength

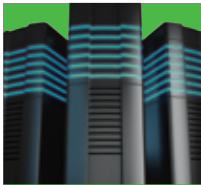


Offering advanced technical support

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.

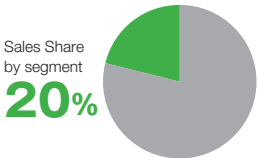


Introduction of Business



Computer Networks Business

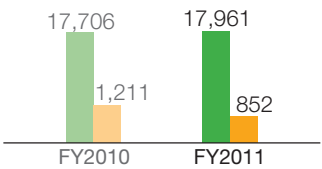
Principally involved in procuring and selling IT equipment while also conducting systems development and offering maintenance support.



Computer Networks Business

■ Net sales ■ Ordinary income

(Million yen)



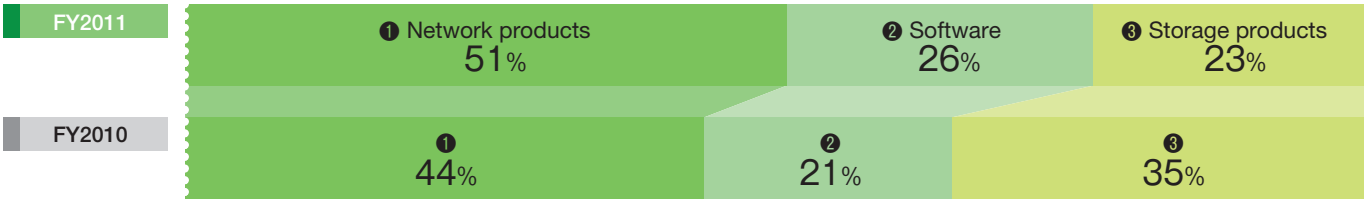
Financial results for the fiscal year ended March 2011

Because of a delay in recovery of IT investment demand, product sales on computer and network equipment were sluggish while software for embedded devices achieved strong sales and the maintenance service business remained bullish. In this segment, net sales were 17,961 million yen (up 1.4% year on year) whereas ordinary income was 852 million yen (down 29.6% year on year), the result of an increase in selling, general, and administrative expenses.

Feature 1 Handling products from manufacturers with cutting-edge technologies in the IT field

 <b>Location:</b> Washington, USA <b>Products:</b> Network appliances	 <b>Location:</b> California, USA <b>Products:</b> LAN switches	 <b>Location:</b> Washington, USA <b>Products:</b> Software for embedded devices	 <b>Location:</b> California, USA <b>Products:</b> Storage area network switches	 <b>Location:</b> California, USA <b>Products:</b> Storage area network adapters
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Feature 2 A lineup centered on high-specialty products



1 Network products

Distribution of Internet connection loads and security enhancement

Main suppliers

F5 Networks  
Extreme Networks  
Thales and others



2 Software

Databases for controlling operating systems and data for embedded devices

Main suppliers

Microsoft Japan  
Oracle and others



3 Storage products

Realization of large-volume data storage and cost cutting with integration technologies

Main suppliers

Brocade Communications Systems  
EMC  
Emulex and others



Action Policies for the Fiscal Year Ending March 2012

1 Concentrating on a select range of products

We will introduce new technologies and state-of-the-art products in line with the trend towards cloud computing, while refining the range of products we handle to boost overall profitability.

2 Increasing direct sales efforts

We will continue to step up direct sales efforts to end user customers and attempt to expand the maintenance business.

3 Expanding products for embedded devices

We will seek to expand sales of software for embedded devices.

Feature 3 Supporting IT environments tailored to customer needs

<p>Product sales</p>	<p>Systems construction</p>	<p>Maintenance and support</p>
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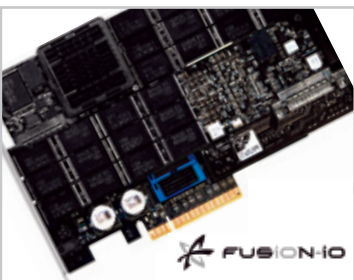
Focal Point

Introducing products that respond to cloud needs



Focusing on direct sales of data warehouse engines

A data warehouse (DWH) engine called “Greenplum Database,” which achieves high-speed processing of large volumes of data, has been attracting attention. The Greenplum Database is a next-generation DWH solution that increases data processing capacity at low cost to deal with data growth following the introduction of operational systems in the corporate sector. We offer verification services in anticipation of its introduction as well as introduction assistance services such as performance evaluation and system sizing.



The Fusion-io ioDrive – an ultra-high speed semiconductor storage solution

The ioDrive is a mainstay product of Fusion-io, Inc. of the United States. It is a storage product with NAND flash memory implemented on PCI-express cards to provide performance and reliability comparable with large-scale SAN storage. This is a revolutionary product equipped with the functions of increasing the speed of system performance. It helps reduce costs while saving annual power consumption. It gives users a high-speed storage environment without requiring the construction of large, complicated storage infrastructure. It also draws attention as a storage system for large-scale Web services and extensive databases.

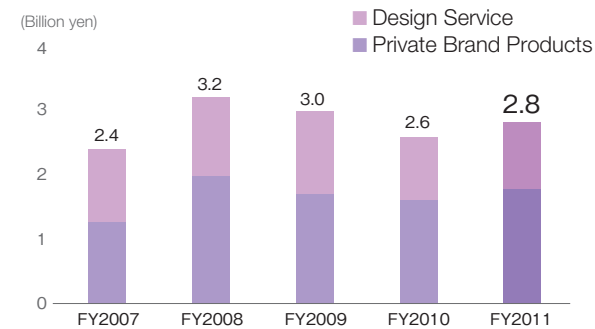


## Development Business

**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.

Acting like a manufacturer to develop our own brand products by capitalizing on our experience in technical support, cultivated through our semiconductor business

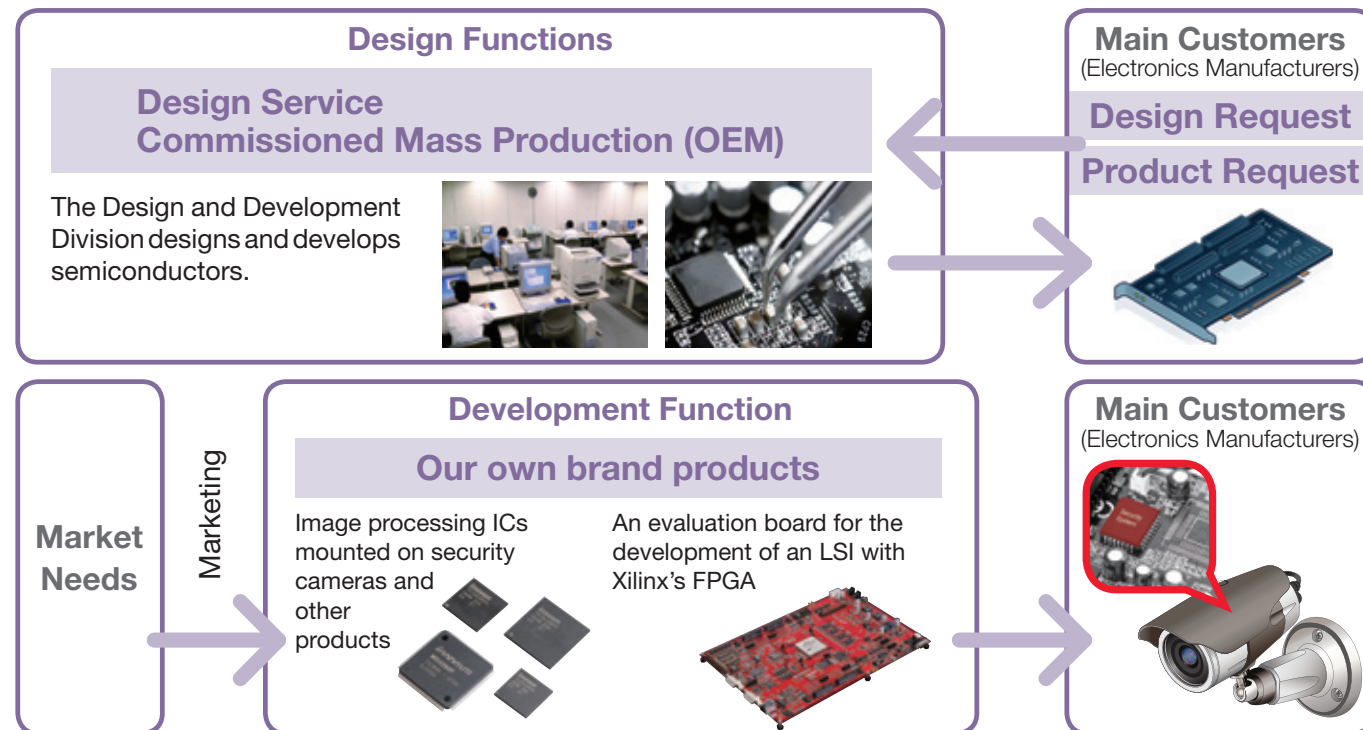


### Action Policy for the Fiscal Year Ending March 2012

**Constantly building up design and development capabilities**  
(Planning and sales expansion of our own brand products)

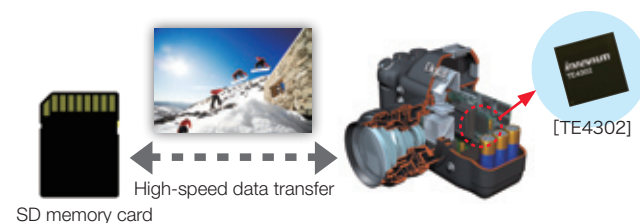
Expecting improvement in our design and development capacity from the reorganization of technical functions, we aim to plan and expand sales of our own brand products.

## Development Business Structure



## Examples of the development of our own brand products

**Example 1** An IC supporting the latest standard for high-speed data transfer between SD memory cards and cameras essential to high-speed continuous shooting in digital cameras



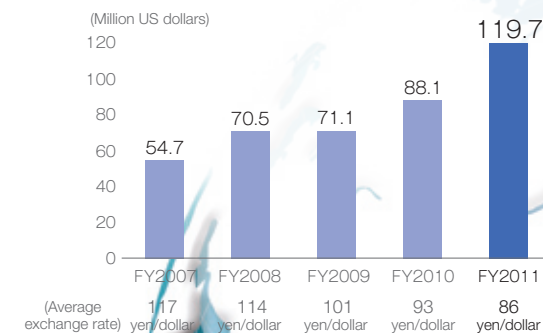
**Example 2** A development kit containing the hardware and software necessary to design of LCD and PDP televisions and other display products



## Global Business

Selling semiconductors to fast-growing Asia

### Consolidated overseas subsidiaries' sales



### Action Policies for the Fiscal Year Ending March 2012

- 1 Changing and improving the structure to designate TED Hong Kong as principal office that controls all Asian locations
- 2 Sending one of our officers as president of TED Hong Kong
- 3 Cultivating the market of local businesses for sales promotion

## Global Business Bases



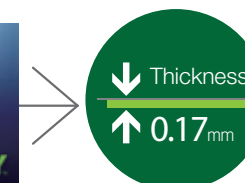
## Frontier Business

Attempting to offer a new lineup of products centered on the environment and energy conservation

### Action Policies for the Fiscal Year Ending March 2012

- 1 Renaming the Green Product Promotion Department the Frontier Business Promotion Department to introduce a broader range of products
- 2 Using the e-trade system as a tool for promoting the sale of new products

## An ultra-thin, long-life, lithium battery from Infinite Power Solutions, Inc.



### Features

Space saving	An ultra-thin, film-forming technology to achieve a thickness of 0.17 mm
Clean energy	Free from hazardous substances and from ignitability
Long life	Dischargeable and rechargeable up to 10,000 times and maintaining an electrical charge for 10 years



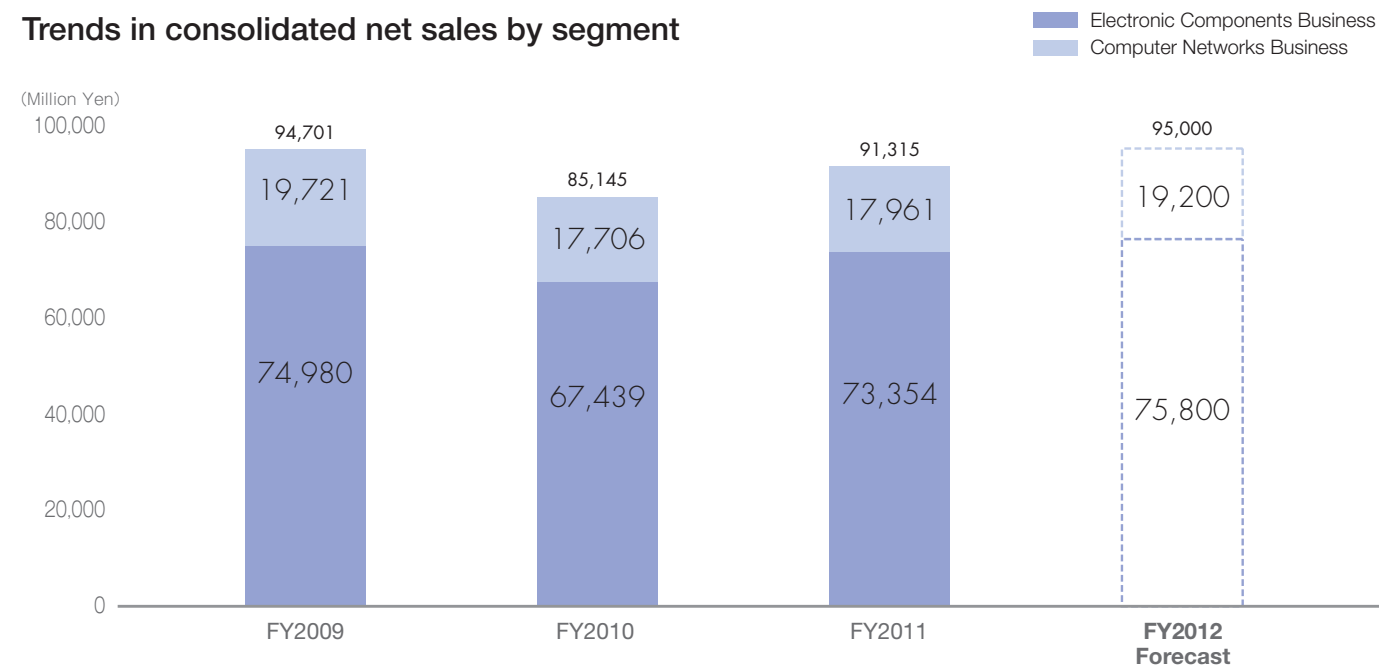
## Outlook for the Term Ending March 2012

The Japanese economy was managing a slow recovery until the Great East Japan Earthquake in March 2011, which is expected to have a considerable adverse impact on economic activities. The outlook for the Japanese economy is now uncertain.

Looking at the prospects for our Group for the fiscal year ending March 2012, it is likely that despite the negative repercussions of the earthquake, healthy demand for industrial equipment and the acquisition of new commercial rights will contribute to the Electronic Components Business. In the Computer Networks Business, we anticipate that it will take time until demand rebounds after the quake. However, we will strive to expand our business in anticipation of a rise in use of data centers, while focusing our energy on direct sales to businesses and government offices.

In light of the above factors, we forecast our consolidated results for the fiscal year ending March 2012 as follows: Net sales of 95,000 million yen (up 4.0% year on year), operating income of 3,370 million yen (up 22.7% year on year), ordinary income of 3,250 million yen (up 10.5% year on year), and net income of 1,950 million yen (up 1.7% year on year).

## Trends in consolidated net sales by segment

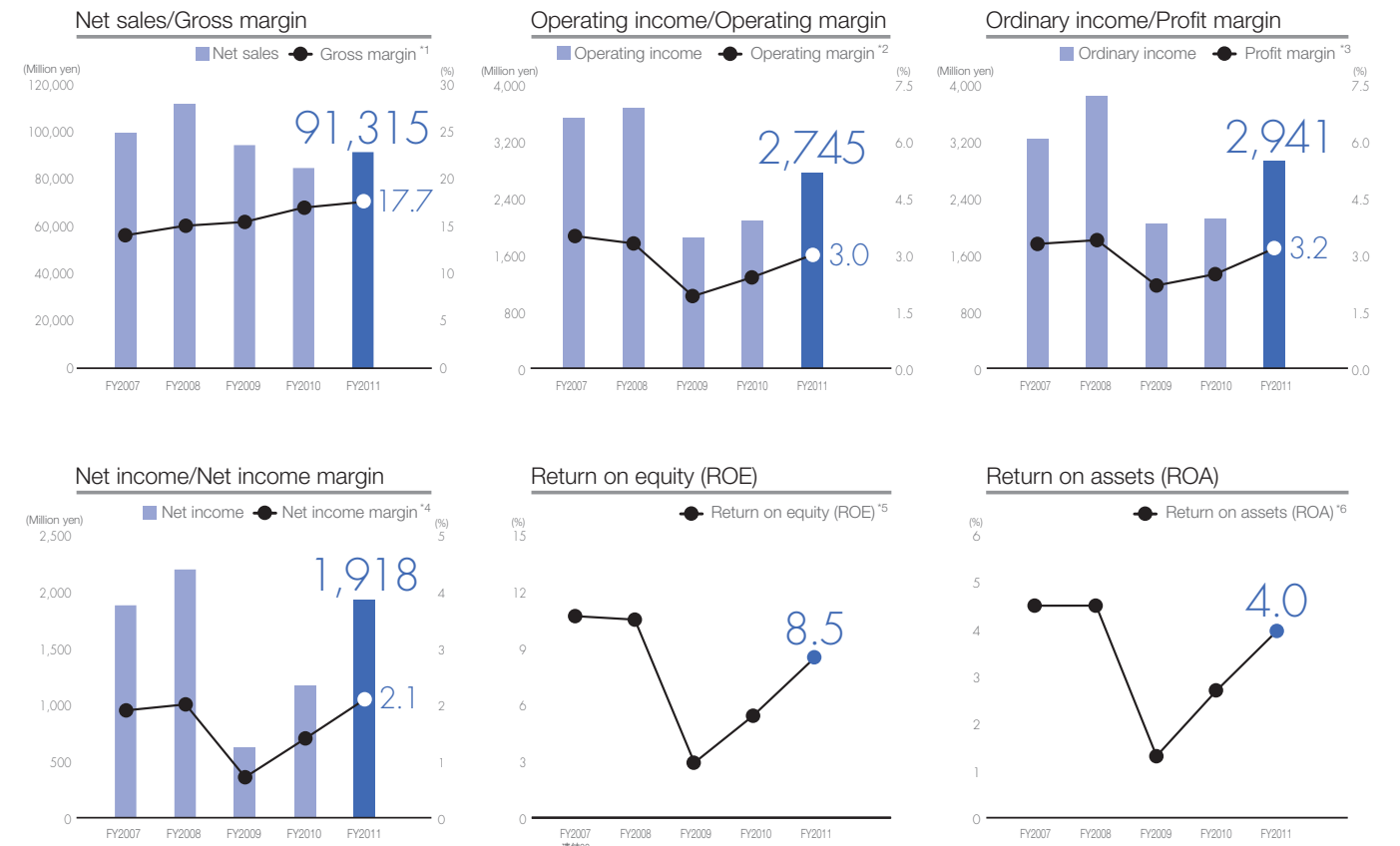


## Forecast consolidated performances for the year ending March 2012

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)
1st half	44,000 (3.4%)	1,145 (0.5%)	1,100 (11.8%)	630 (26.9%)
Full year	95,000 4.0%	3,370 22.7%	3,250 10.5%	1,950 1.7%

Note: Percentage figures represent year-on-year changes.

## Profitability



	FY2007	FY2008	FY2009	FY2010	FY2011
Net sales (Million yen)	99,743	112,104	94,701	85,145	91,315
Gross margin (%) <sup>*1</sup>	14.1	15.1	15.5	17.0	17.7
Operating income (Million yen)	3,531	3,678	1,840	2,079	2,745
Operating margin (%) <sup>*2</sup>	3.5	3.3	1.9	2.4	3.0
Ordinary income (Million yen)	3,245	3,849	2,041	2,117	2,941
Profit margin (%) <sup>*3</sup>	3.3	3.4	2.2	2.5	3.2
Net income (Million yen)	1,876	2,193	617	1,166	1,918
Net income margin (%) <sup>*4</sup>	1.9	2.0	0.7	1.4	2.1
Return on equity (ROE: %) <sup>*5</sup>	10.7	10.5	2.9	5.4	8.5
Return on assets (ROA: %) <sup>*6</sup>	4.5	4.5	1.3	2.7	4.0

\*1. Gross margin = Gross operating profit / Net sales

\*2. Operating margin = Operating income / Net sales

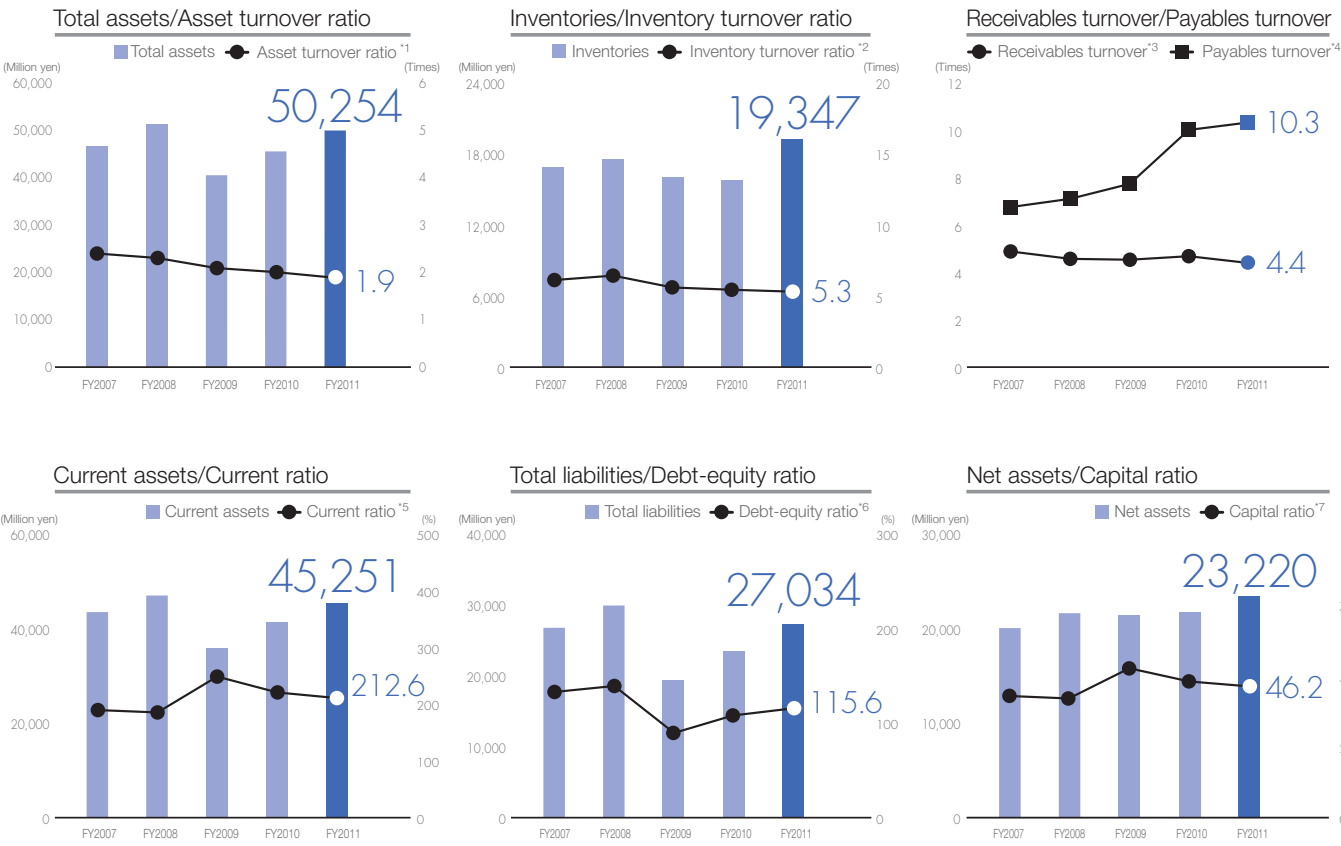
\*3. Profit margin = Ordinary income / Net sales

\*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

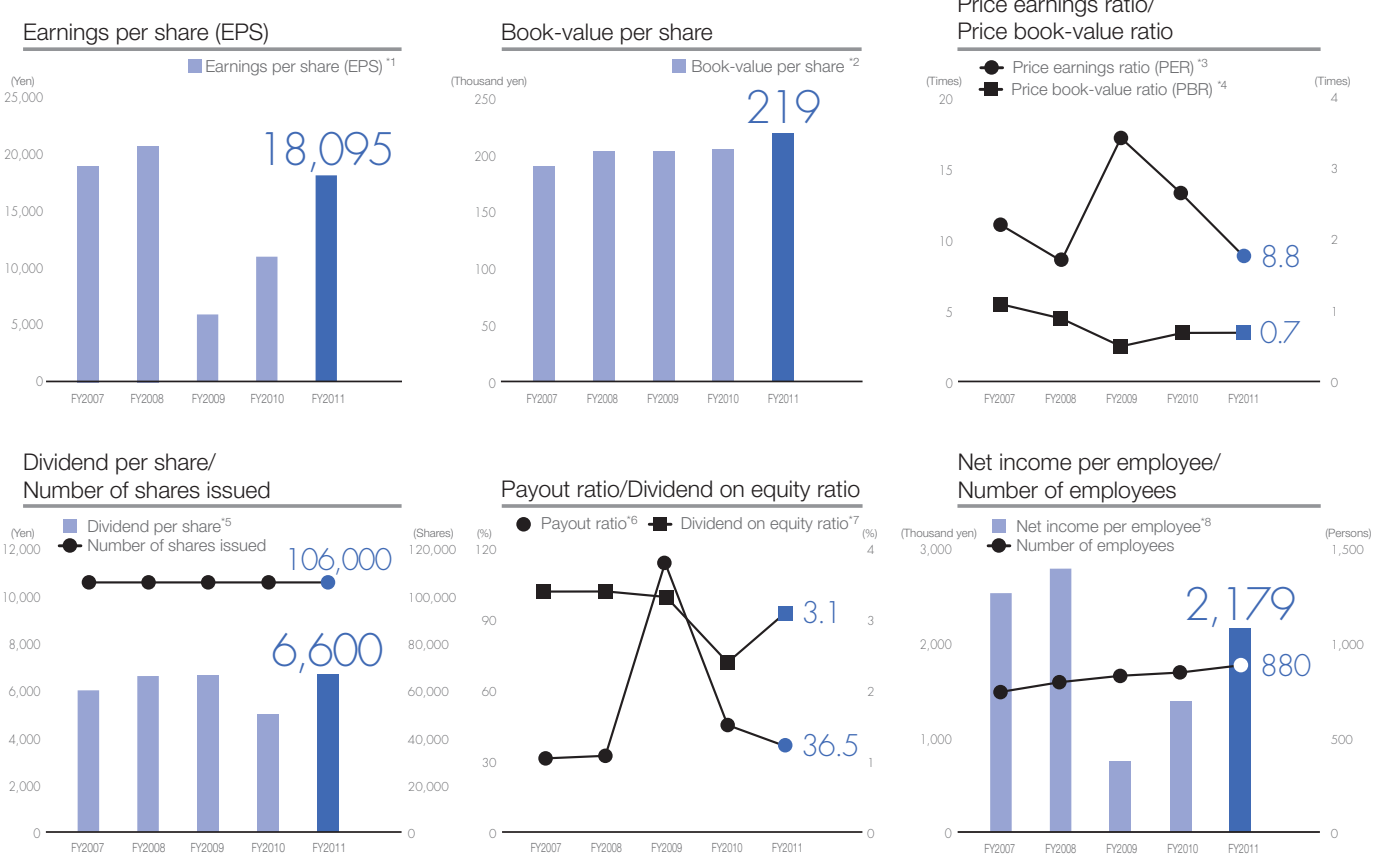
Efficiency, Safety



	FY2007	FY2008	FY2009	FY2010	FY2011
Total assets (Million yen)	46,729	51,458	40,680	45,649	50,254
Asset turnover ratio (Times) <sup>*1</sup>	2.4	2.3	2.1	2.0	1.9
Inventories (Million yen)	16,888	17,649	15,879	15,636	19,347
Inventory turnover ratio (Times) <sup>*2</sup>	6.1	6.5	5.6	5.4	5.3
Receivables turnover (Times) <sup>*3</sup>	4.9	4.6	4.6	4.7	4.4
Payables turnover (Times) <sup>*4</sup>	6.8	7.1	7.8	10.1	10.3
Current assets (Million yen)	43,387	47,005	35,854	41,136	45,251
Current ratio (%) <sup>*5</sup>	191.0	183.7	247.6	221.9	212.6
Total liabilities (Million yen)	26,673	29,853	19,266	23,737	27,034
Debt-equity ratio (%) <sup>*6</sup>	133.0	138.3	89.6	107.7	115.6
Net assets (Million yen)	20,056	21,604	21,413	21,911	23,220
Capital ratio (%) <sup>*7</sup>	42.9	42.0	52.6	48.0	46.2

<sup>\*1</sup>. Asset turnover ratio = Net sales / Average total assets at the beginning and end of the term  
<sup>\*2</sup>. Inventory turnover ratio = Net sales / Average inventories at the beginning and end of the term  
<sup>\*3</sup>. Receivables turnover = Net sales / Average notes and accounts receivable at the beginning and end of the term  
<sup>\*4</sup>. Payables turnover = Cost of sales / Average accounts payable at the beginning and end of the term  
<sup>\*5</sup>. Current ratio = Current assets / Current liabilities  
<sup>\*6</sup>. Debt-equity ratio = Liabilities / Shareholders' equity  
<sup>\*7</sup>. Capital ratio =Net assets/ Total assets

Financial Data



	FY2007	FY2008	FY2009	FY2010	FY2011
Earnings per share (EPS: Yen) <sup>*1</sup>	18,957	20,689	5,824	11,000	18,095
Book-value per share (Thousand yen) <sup>*2</sup>	189	203	202	206	219
Price earnings ratio (PER: Times) <sup>*3</sup>	11.1	8.5	17.2	13.4	8.8
Price book-value ratio (PBR: Times) <sup>*4</sup>	1.1	0.9	0.5	0.7	0.7
Dividend per share (Yen) <sup>*5</sup>	6,000	6,600	6,600	5,000	6,600
Number of shares issued (Shares)	106,000	106,000	106,000	106,000	106,000
Payout ratio (%) <sup>*6</sup>	31.7	31.9	113.3	45.5	36.5
Dividend on equity ratio (%) <sup>*7</sup>	3.4	3.4	3.3	2.4	3.1
Net income per employee (Thousand yen) <sup>*8</sup>	2,539	2,783	748	1,381	2,179
Number of employees (Persons)	739	788	825	844	880

<sup>\*1</sup>. Earnings per share (EPS) = Net income / Average number of shares issued in the term  
<sup>\*2</sup>. Book-value per share = Net assets at the end of the term / Number of shares issued at the end of the term  
<sup>\*3</sup>. Price earnings ratio (PER) = Share price at the end of the term / Net income per share  
<sup>\*4</sup>. Price book-value ratio (PBR) = Share price at the end of the term / Net assets per share  
<sup>\*5</sup>. Dividend per share = Paid interim dividend and year-end dividend / Number of shares issued  
<sup>\*6</sup>. Payout ratio = Paid interim dividend and year-end dividend / Net income  
<sup>\*7</sup>. Dividend on equity ratio = Total dividend / Average of net assets at the beginning and end of the term  
<sup>\*8</sup>. Net income per employee = Net income / Number of employees at the end of the term



Consolidated Financial Statements

Balance Sheet

(Thousand yen)		
Assets	FY 2010 (as of March 31, 2010)	FY 2011 (as of March 31, 2011)
<b>Current assets</b>	<b>41,136,668</b>	<b>45,251,175</b>
Cash and deposits	1,621,262	1,373,240
Notes and accounts receivable	20,890,706	21,025,318
Merchandise and finished goods	15,508,551	19,247,439
Goods in process	128,158	99,889
Deferred tax assets	941,475	838,845
Consumption tax receivable	943,823	1,320,522
Others	1,104,692	1,496,996
Allowance for doubtful accounts	(2,002)	(151,076)
<b>Fixed assets</b>	<b>4,512,349</b>	<b>5,003,664</b>
Property, plant and equipment	1,121,766	1,469,616
Buildings and structures, net	773,858	1,036,805
Machinery and equipment, net	329,354	409,707
Leased assets, net	18,553	15,783
Construction in progress	—	7,321
Intangible fixed assets	464,922	390,339
Investments and other assets	2,925,660	3,143,707
Investment securities	18,000	18,000
Deferred tax assets	1,791,118	2,005,159
Others	1,630,786	1,132,325
Allowance for doubtful accounts	(514,244)	(11,776)
<b>Total assets</b>	<b>45,649,018</b>	<b>50,254,839</b>

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

1 Assets

Total assets stood at 50,254 million yen, up 4,605 million yen from the end of the fiscal year ended March 2010. This is principally because of an increase in merchandise and products.

Liabilities

(Thousand yen)		
Liabilities	FY 2010 (as of March 31, 2010)	FY 2011 (as of March 31, 2011)
<b>Liabilities</b>	<b>18,538,665</b>	<b>21,280,981</b>
Accounts payable-trade	7,255,698	7,360,850
Short-term borrowing	5,105,824	7,996,405
Accounts payable-non-trade	1,441,405	1,391,122
Income taxes payable	1,132,170	463,167
Advances received	2,153,103	2,523,846
Allowance for bonuses	856,855	1,052,640
Allowance for officers' bonuses	26,158	42,150
Others	567,449	450,799
<b>Long-term liabilities</b>	<b>5,198,928</b>	<b>5,753,127</b>
Provision for retirement and severance benefits for employees	4,715,170	5,141,885
Provision for retirement and severance benefits for directors	102,523	128,698
Others	381,234	482,543
<b>Total liabilities</b>	<b>23,737,593</b>	<b>27,034,108</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>	<b>22,044,207</b>	<b>23,379,348</b>
Capital stock	2,495,750	2,495,750
Capital surplus	5,645,240	5,645,240
Retained earnings	13,903,216	15,238,358
<b>Accumulated other comprehensive income</b>	<b>(132,781)</b>	<b>(158,618)</b>
Deferred hedge gains or losses	(67,167)	(29,659)
Foreign exchange adjustment	(65,614)	(128,959)
<b>Total net assets</b>	<b>21,911,425</b>	<b>23,220,730</b>
<b>Total liabilities and net assets</b>	<b>45,649,018</b>	<b>50,254,839</b>

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

2 Liabilities

Total liabilities stood at 27,034 million yen, up 3,296 million yen from the end of the fiscal year ended March 2010. This principally represents an increase in short-term borrowing.

3 Net assets

Total net assets amounted to 23,220 million yen, up 1,309 million yen from the end of the fiscal year ended March 2010.

Statement of Income

(Thousand yen)		
Statement of Income	FY 2010 From April 1, 2009 to March 31, 2010	FY 2011 From April 1, 2010 to March 31, 2011
<b>Net sales</b>	<b>85,145,487</b>	<b>91,315,782</b>
<b>Cost of sales</b>	<b>70,671,609</b>	<b>75,147,488</b>
<b>Gross profit</b>	<b>14,473,878</b>	<b>16,168,294</b>
<b>Selling, general and administrative expenses</b>	<b>12,394,288</b>	<b>13,422,585</b>
Salaries and allowances	4,596,268	4,855,631
Provision for employees' bonuses	820,895	1,008,615
Provision for directors' bonuses	26,158	42,150
Transfer from retirement allowance reserve	844,067	786,090
Provision for doubtful accounts	—	149,073
Others	6,106,898	6,581,024
<b>Operating income</b>	<b>2,079,589</b>	<b>2,745,708</b>
<b>Non-operating revenues</b>	<b>121,845</b>	<b>272,418</b>
Interest income	171	174
Dividends income	251	300
Foreign currency gain	68,874	235,796
Revenue from seminars held	1,949	2,963
Insurance dividends	22,324	24,407
Income from consumption tax redemption	14,235	—
Others	14,038	8,775
<b>Non-operating expenses</b>	<b>84,187</b>	<b>76,257</b>
Interest expenses	32,642	33,789
Asset finance costs	44,902	32,695
Guarantee commission	—	9,772
Others	6,642	—
<b>Ordinary income</b>	<b>2,117,246</b>	<b>2,941,868</b>
<b>Extraordinary income</b>	<b>—</b>	<b>119,574</b>
Gain on sale of fixed assets	—	31
Gain on sale of investment securities	—	70,850
Reversal of allowance for doubtful accounts	—	48,693
<b>Extraordinary losses</b>	<b>90,177</b>	<b>154,051</b>
Loss from disposal of fixed assets	26,736	41,085
Provision of allowance for doubtful receivables of golf club membership	3,970	—
Loss on valuation of investments in securities	59,219	—
Loss on valuation of golf club membership	251	7,622
Loss on adjustment for changes in accounting standard for asset retirement obligations	—	42,694
Loss on cancellation of leasehold contracts	—	32,144
Loss on disaster	—	30,502
<b>Income before income taxes</b>	<b>2,027,069</b>	<b>2,907,391</b>
Income, residential and enterprise taxes	1,451,796	1,126,591
Corporate tax adjustment	(590,817)	(137,340)
<b>Income before minority interests</b>	<b>—</b>	<b>1,918,141</b>
<b>Net income</b>	<b>1,166,091</b>	<b>1,918,141</b>

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

Statement of Cash Flows

(Thousand yen)		
Account	FY 2010 From April 1, 2009 to March 31, 2010	FY 2011 From April 1, 2010 to March 31, 2011
<b>4 Cash flow from operating activities</b>	<b>(225,792)</b>	<b>(1,877,465)</b>
<b>5 Cash flow from investing activities</b>	<b>(100,143)</b>	<b>(676,854)</b>
<b>6 Cash flow from financing activities</b>	<b>703,537</b>	<b>2,321,472</b>
Effect of exchange rate changes on cash and cash equivalents	(1,941)	(15,175)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>375,660</b>	<b>(248,022)</b>
Cash and cash equivalents at beginning of year	1,245,602	1,621,262
<b>Cash and cash equivalents at end of year</b>	<b>1,621,262</b>	<b>1,373,240</b>

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

4 Cash flow from operating activities

Net cash used of 1,877 million yen (compared to an outflow of 225 million yen in the same period a year earlier) for operating activities arose chiefly from factors such as an increase in inventories and income taxes paid, offsetting cash-positive factors such as a rise in accounts payable.

5 Cash flow from investing activities

Net cash used of 676 million yen (compared to an outflow of 100 million yen in the same period a year earlier) for investing activities arose mainly from deposits and the payment for equipment and construction work following the relocation of the distribution center and the Osaka Branch Office, as well as from the acquisition of semiconductor integrated circuit masks.

6 Cash flow from financing activities

Net cash generated of 2,321 million yen (compared to an inflow of 703 million yen in the same period a year earlier) from financial activities resulted from an increase in short-term borrowings, which offset dividends paid.

Corporate Profile (As of March 31, 2011)

Company Name: TOKYO ELECTRON DEVICE LIMITED  
Established: March 3, 1986  
Capital: ¥2,495.75 million  
Employees: 880 (consolidated)



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

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.

Officers (As of June 15, 2011)

Corporate Director		Vice Presidents	
Chairman of the Board	Toshiaki Sunagawa	Yasuyuki Kuriki	
President & Representative Director	Yasuyuki Kuriki	Noriyuki Kuga	
Senior Executive Vice President & Representative Director	Noriyuki Kuga	Tsutomu Kimura	
Corporate Director	Tsutomu Kimura	Katsuyuki Amano	
Corporate Director	Katsuyuki Amano	Atsushi Tokushige	
Corporate Director	Atsushi Tokushige	Hiroaki Shishikura	
Corporate Director	Tetsuro Higashi	Masayuki Ohsaki	
Corporate Director	Takashi Nakamura	Kohshi Yahata	
Corporate Director	Yoshifumi Iwata	Shuji Kuroda	
		Hideki Hayashi	
		Toshiyuki Ishizaki	
		Yasuo Hatsumi	
		Akihiro Kamikogawa	

**Corporate Auditor**

Standing Corporate Auditor	Masunori Asano
Standing Corporate Auditor	Hiroshi Takei
Corporate Auditor	Kenichiro Hayashida
Corporate Auditor	Masaaki Kawakatsu

Notes: 1. Yoshifumi Iwata is an external director.  
2. Kenichiro Hayashida and Masaaki Kawakatsu are external statutory auditors.

Office Network (As of July 1, 2011)

**Domestic Locations**

Headquarters

Yokohama Sales Departments 1 to 5

Omiya Branch Office

Nagoya Branch Office

Osaka Branch Office

Sendai Sales Office

Atsugi Sales Office

Nagaoka Sales Office

Mishima Sales Office

Kyoto Sales Office

Hiroshima Sales Office

Koriyama Satellite Office of the Omiya Branch Office (Koriyama City, Fukushima)

Sales Group 4 of the Omiya Branch Office (Utsunomiya City, Tochigi)

Shinjuku Office

Nagoya Office

Osaka Office

Tsukuba Sales Office

Engineering Center (Yokohama City)

Mito Sales Office

Tachikawa Sales Office

Matsumoto Sales Office

Hamamatsu Sales Office

Himeji Sales Office

Fukuoka Sales Office

Office of the Omiya Branch Office (Koriyama City, Fukushima)

**Overseas Locations**

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, 2011)

Shares of the Company	
Number of authorized shares	256,000 shares
Number of issued shares	106,000 shares
Number of shareholders	5,285 shareholders

Shareholders	Number of shares held	Shareholding ratio
Tokyo Electron Limited	58,753	55.4
Tokyo Electron Device Employee Shareholder Association	4,355	4.1
NORTHERN TRUST CO AVFC RE NORTHERN TRUST GUERNSEY NON TREATY CLIENTS	794	0.7
Japan Trustee Services Bank, Ltd. (Trust Account)	733	0.7
Kosaku Iyama	382	0.4

