

Tokyo Electron Device Limited
Statement of Income
 Years ended March 31, 2004 and 2003

	Thousands of		
	Millions of Yen		U.S.dollars
	2004	2003	2004
Net Sales	¥ 85,738	¥ 78,812	\$ 811,605
Cost of sales	74,361	68,423	703,909
Gross profit	11,377	10,389	107,696
Selling, general and administrative expenses	8,195	7,391	77,575
Operating income	3,182	2,998	30,121
Other income(expenses)			
Interest expenses	(120)	(162)	(1,136)
Asset finance costs	(90)	(69)	(852)
Foreign currency gain or loss	(38)	(187)	(360)
Share issue expenses	(4)	(26)	(38)
Prior-period adjustment of allowance for doubtful accounts	22	1	208
Devaluation of golf memberships	-	(2)	-
Other, net	19	27	181
Income before income taxes	2,971	2,580	28,124
Provision for income taxes			
Current	1,771	1,473	16,764
Deferred	(481)	(317)	(4,553)
Net income	1,681	1,424	15,913
Per share of common stock:	Yen	Yen	U.S.dollars
Net income - actual	¥ 35,992	¥ 84,950	\$ 341
Net income - adjusted	¥ 35,992	¥ 42,475	\$ 341
Cash dividends - actual	¥ 9,050	¥ 13,000	\$ 86
Cash dividends - adjusted	¥ 9,050	¥ 6,500	\$ 86

Note: Dollar amounts have been translated, for convenience only, at the rate of ¥105.64 to U.S.\$1.00.

Per share amounts prior to the six months ended September 2003 have been restated to reflect a 2 for 1 stock split.

Tokyo Electron Device Limited
Balance Sheet
 March 31,2004 and 2003(unaudited)

Assets	Thousands of		
	Millions of Yen		U.S. dollars
	2004	2003	2004
Current assets:			
Cash and time deposits	¥ 639	¥ 483	\$ 6,049
Trade notes and accounts receivable	20,450	19,895	193,582
Allowance for doubtful accounts	(6)	(28)	(57)
Inventories	12,555	11,004	118,847
Consumption Tax Receivable	392	446	3,711
Deferred tax assets	428	208	4,051
Prepaid expenses and other current assets	45	55	426
Total current assets	34,503	32,063	326,609
Intangible and other assets:			
Software	363	563	3,436
Investment of affiliate	21	-	199
Long-term deposit	1,007	1,156	9,532
Intangible and other assets	78	88	739
Deferred tax assets	1,105	844	10,460
Total investments and other assets	2,574	2,651	24,366
Property,plant and equipment:			
Buildings	279	256	2,641
Machinery and equipment	509	414	4,818
Total property,plant and equipment	788	670	7,459
Less:accumulated depreciation	441	343	4,174
Net property,plant and equipment	347	327	3,285
Total assets	37,424	35,041	354,260

Note:Dollar amounts have been translated,for convenience only,at the rate of ¥105.64 to U.S.\$1.00.

Liabilities and	Thousands of		
	Millions of Yen		U.S. dollars
Shareholders' Equity	2004	2003	2004
Current liabilities:			
Short-term bank loans	¥ 3,000	¥ 4,500	\$ 28,398
Trade notes and accounts payable:	9,020	6,924	85,384
Accrued income taxes	1,036	1,008	9,807
Allowance for employees' bonuses	352	255	3,332
Other current liabilities	161	146	1,525
Total current liabilities	13,569	12,833	128,446
Long-term debt, less current portion	8,000	8,000	75,729
Allowance for retirement and severance benefits	2,859	2,425	27,064
Allowance for retirement and severance benefits for directors	70	50	663
Other non-current liabilities	151	129	1,428
Total liabilities	24,649	23,437	233,330
Shareholders' equity:			
Common stock, no par value			
Authorized : 128,000 shares at March 31, 2004			
64,000 shares at March 31, 2003			
Issued : 46,000 shares at March 31, 2004			
23,000 shares at March 31, 2003	2,496	2,496	23,627
Capital surplus	2,055	2,055	19,453
Retained earnings	8,224	7,053	77,850
Total shareholders' equity	12,775	11,604	120,930
Total liabilities and shareholders' equity	37,424	35,041	354,260

Tokyo Electron Device Limited
Statement of Cash Flows
Years ended March 31, 2004 and 2003

	Millions of Yen		Thousands of U.S.dollars
	2004	2003	2004
Cash flow from operating activities:			
Income before income taxes	¥ 2,971	¥ 2,580	\$ 28,124
Depreciation and amortization	385	493	3,644
Increase in allowance for retirement and severance benefits	454	299	4,298
Increase in allowance for employees' bonuses	96	95	909
Interest expenses	120	162	1,136
Loss on disposal of fixed assets	3	2	28
Increase(decrease) in trade notes and accounts receivable	(551)	474	(5,216)
Increase in inventories	(1,551)	(1,364)	(14,682)
Increase in accounts payable	1,664	1,195	15,752
Decrease in deposit for guarantee	180	-	1,704
Others	490	(694)	4,638
Subtotal	4,261	3,242	40,335
Receipts from interest and dividends	1	1	9
Interest paid	(120)	(161)	(1,136)
Income taxes paid	(1,742)	(996)	(16,489)
Net cash provided by(used in)operating activities	2,400	2,086	22,719
Cash flow from investing activities:			
Payment for purchase of property,plant and equipment	(102)	(135)	(966)
Payment for acquisition of intangible assets	(94)	(176)	(890)
Payment for investment of affiliate	(20)	-	(189)
Others	(27)	36	(256)
Net cash used in investing activities	(243)	(275)	(2,301)
Cash flow from financing activities:			
Decrease in short-term borrowings	(1,500)	(5,180)	(14,199)
Proceeds from long-term debt	-	3,000	-
Repayment of long-term debt	-	(3,000)	-
Proceeds from equity financing	-	3,724	-
Payment for stock-issuing expense	(4)	-	(38)
Dividends paid	(495)	(150)	(4,686)
Net cash used in financing activities	(1,999)	(1,606)	(18,923)
Effect of exchange rate changes on cash and cash equivalents	(2)	9	(19)
Net increase in cash and cash equivalents	156	214	1,476
Cash and cash equivalents at beginning of year	483	269	4,572
Cash and cash equivalents at end of year	639	483	6,048

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