

Tokyo Electron Device Limited  
**Statement of Income**  
 Years ended March 31, 2005 and 2004

	Thousands of		
	Millions of Yen		U.S.dollars
	2005	2004	2005
<b>Net Sales</b>	¥ 88,080	¥ 85,738	\$ 820,188
Cost of sales	76,414	74,361	711,556
<b>Gross profit</b>	11,666	11,377	108,632
Selling, general and administrative expenses	8,559	8,195	79,700
<b>Operating income</b>	3,107	3,182	28,932
<b>Other income(expenses)</b>			
Interest expenses	(99)	(120)	(922)
Asset finance costs	(111)	(90)	(1,034)
Foreign currency gain or loss	(89)	(38)	(829)
Share issue expenses	(6)	(4)	(56)
Prior-period adjustment of allowance for doubtful accounts	2	22	19
Gain on exemption from pension obligation of the governmental program	473	-	4,405
Other, net	(1)	19	(9)
<b>Income before income taxes</b>	3,276	2,971	30,506
Provision for income taxes			
Current	1,227	1,771	11,426
Deferred	132	(481)	1,229
<b>Net income</b>	1,917	1,681	17,851
<b>Per share of common stock:</b>	Yen	Yen	U.S.dollars
Net income - actual	¥ 20,597	¥ 35,992	\$ 341
Net income - adjusted(Notes 2)	¥ 20,597	¥ 17,996	\$ 192
Cash dividends paid - actual	¥ 5,500	¥ 9,050	\$ 51
Cash dividends paid - adjusted(Notes 2)	¥ 5,500	¥ 4,525	\$ 51

Notes:1 U.S.dollar amounts are translated from yen, for convenience only, at the rate of ¥107.39 to U.S.\$1.00.

2 On September 15, 2004, we have instituted 2-for-1 stock splits. Per share data has been restated to give retroactive effect to these stock splits.

Tokyo Electron Device Limited  
**Balance Sheet**  
 March 31, 2005 and 2004

<b>Assets</b>	Thousands of		
	Millions of Yen		U.S. dollars
	2005	2004	2005
<b>Current assets:</b>			
Cash and time deposits	¥ 879	¥ 639	\$ 8,185
Trade notes and accounts receivable	21,218	20,450	197,579
Allowance for doubtful accounts	(13)	(6)	(121)
Inventories	10,650	12,555	99,171
Consumption Tax Receivable	366	392	3,408
Deferred tax assets	282	428	2,626
Prepaid expenses and other current assets	129	45	1,202
Total current assets	33,511	34,503	312,050
<b>Intangible and other assets:</b>			
Software	238	363	2,216
Stock of subsidiaries	46	-	428
Investment of affiliate	21	21	196
Long-term deposit	195	1,007	1,816
Intangible and other assets	93	78	866
Deferred tax assets	1,119	1,105	10,420
Total investments and other assets	1,712	2,574	15,942
<b>Property, plant and equipment:</b>			
Buildings	727	279	6,770
Machinery and equipment	598	509	5,568
Total property, plant and equipment	1,325	788	12,338
Less: accumulated depreciation	560	441	5,215
Net property, plant and equipment	765	347	7,123
<b>Total assets</b>	<b>35,988</b>	<b>37,424</b>	<b>335,115</b>

Notes: 1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥107.39 to U.S.\$1.00.

Liabilities and Shareholders' Equity	Thousands of		
	Millions of Yen		U.S. dollars
	2005	2004	2005
<b>Current liabilities:</b>			
Short-term bank loan	¥ -	¥ 3,000	\$ -
Current portion of Long-term debt	5,000	-	46,559
Trade notes and accounts payable:	9,789	9,020	91,154
Accrued income taxes	398	1,036	3,706
Allowance for employees' bonuses	432	352	4,023
Other current liabilities	205	161	1,909
Total current liabilities	15,824	13,569	147,351
Long-term debt, less current portion	3,000	8,000	27,936
Allowance for retirement and severance benefits	2,665	2,859	24,816
Allowance for retirement and severance benefits for directors	95	70	885
Other non-current liabilities	188	151	1,750
Total liabilities	21,772	24,649	202,738
<b>Shareholders' equity:</b>			
Common stock, no par value			
Authorized : 256,000 shares at March 31, 2005			
128,000 shares at March 31, 2004			
Issued : 92,000 shares at March 31, 2005			
46,000 shares at March 31, 2004	2,496	2,496	23,242
Capital surplus	2,055	2,055	19,136
Retained earnings	9,665	8,224	89,999
Total shareholders' equity	14,216	12,775	132,377
<b>Total liabilities and shareholders' equity</b>	<b>35,988</b>	<b>37,424</b>	<b>335,115</b>

Tokyo Electron Device Limited  
**Statement of Cash Flows**  
Years ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S.dollars
	2005	2004	2005
<b>Cash flow from operating activities:</b>			
Income before income taxes	¥ 3,276	¥ 2,971	\$ 30,506
Depreciation and amortization	290	385	2,700
Increase in allowance for retirement and severance benefits	278	454	2,589
Increase in allowance for employees' bonuses	80	96	745
Interest expenses	99	120	922
Loss on disposal of fixed assets	18	3	168
Gain on exemption from pension obligation of the governmental program	(473)	-	(4,405)
Increase(decrease) in trade notes and accounts receivable	(777)	(551)	(7,235)
Increase in inventories	1,905	(1,551)	17,739
Increase in accounts payable	973	1,664	9,060
Decrease in deposit for guarantee	829	180	7,720
Others	(199)	490	(1,853)
Subtotal	6,299	4,261	58,656
Receipts from interest and dividends	0	1	0
Interest paid	(99)	(120)	(922)
Income taxes paid	(1,909)	(1,742)	(17,776)
<b>Net cash provided by(used in)operating activities</b>	<b>4,291</b>	<b>2,400</b>	<b>39,957</b>
<b>Cash flow from investing activities:</b>			
Payment for purchase of property, plant and equipment	(479)	(102)	(4,460)
Payment for acquisition of intangible assets	(33)	(94)	(307)
Payment for investment of subsidiary and affiliate	(46)	(20)	(428)
Others	(36)	(27)	(335)
<b>Net cash used in investing activities</b>	<b>(594)</b>	<b>(243)</b>	<b>(5,530)</b>
<b>Cash flow from financing activities:</b>			
Decrease in short-term borrowings	(3,000)	(1,500)	(27,936)
Payment for stock-issuing expense	(6)	(4)	(56)
Dividends paid	(451)	(495)	(4,200)
<b>Net cash used in financing activities</b>	<b>(3,457)</b>	<b>(1,999)</b>	<b>(32,192)</b>
Effect of exchange rate changes on cash and cash equivalents	0	(2)	0
<b>Net increase in cash and cash equivalents</b>	<b>240</b>	<b>156</b>	<b>2,236</b>
Cash and cash equivalents at beginning of year	639	483	5,950
<b>Cash and cash equivalents at end of year</b>	<b>879</b>	<b>639</b>	<b>8,186</b>

Notes:1 U.S.dollar amounts are translated from yen, for convenience only, at the rate of ¥107.39 to U.S.\$1.00.