

Tokyo Electron Device Limited  
**Consolidated Statement of Income**  
Years ended March 31,2006

	Millions of    Thousands of	
	Yen	U.S.dollars
	<b>2006</b>	<b>2006</b>
<b>Net Sales</b>	<b>¥ 88,290</b>	<b>\$ 751,596</b>
Cost of sales	<u>76,774</u>	<u>653,562</u>
<b>Gross profit</b>	<b>11,516</b>	<b>98,034</b>
Selling,general and administrative expenses	<u>8,416</u>	<u>71,644</u>
<b>Operating income</b>	<b>3,100</b>	<b>26,390</b>
<b>Other income(expenses)</b>		
Interest and dividend income	6	51
Interest expenses	(101)	(860)
Asset finance costs	(117)	(996)
Foreign currency gain or loss	(292)	(2,486)
Prior-period adjustment of allowance for doubtful accounts	4	34
Other,net	<u>33</u>	<u>281</u>
<b>Income before income taxes</b>	<b>2,633</b>	<b>22,414</b>
Provision for income taxes		
Current	1,132	9,637
Deferred	(36)	(307)
<b>Net income</b>	<u><b>1,537</b></u>	<u><b>13,084</b></u>
<b>Per share of common stock:</b>		
	Yen	U.S.dollars
Net income - basic	<b>¥ 16,526</b>	<b>\$ 141</b>
Cash dividends paid - actual	<u><b>¥ 6,000</b></u>	<u><b>\$ 51</b></u>

Notes:1 U.S.dollar amounts are translated from yen,for convenience only,at the rate of ¥117.47 to U.S.\$1.00.

2 This is the first year to disclose consolidated financial statements,so it is not compared with the same term last year.

Tokyo Electron Device Limited  
**Consolidated Balance Sheet**  
 March 31,2006

<b>Assets</b>	Millions of	Thousands of
	Yen	U.S. dollars
	<b>2006</b>	<b>2006</b>
<b>Current assets:</b>		
Cash and time deposits	¥ 799	\$ 6,802
Accounts receivable - Trade	17,018	144,871
Accounts receivable - Other	71	604
Allowance for doubtful accounts	(8)	(68)
Inventories	15,817	134,647
Consumption Tax Receivable	685	5,831
Deferred tax assets	283	2,409
Prepaid expenses and other current assets	85	724
Total current assets	<b>34,750</b>	<b>295,820</b>
<b>Intangible and other assets:</b>		
Software	164	1,396
Long-term deposit	203	1,728
Intangible and other assets	94	801
Deferred tax assets	1,155	9,832
Total investments and other assets	<b>1,616</b>	<b>13,757</b>
<b>Property,plant and equipment:</b>		
Buildings	732	6,231
Machinery and equipment	664	5,653
Total property,plant and equipment	<b>1,396</b>	<b>11,884</b>
Less:accumulated depreciation	673	5,729
Net property,plant and equipment	<b>723</b>	<b>6,155</b>
<b>Total assets</b>	<b>37,089</b>	<b>315,732</b>

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<b>Liabilities and Shareholders' Equity</b>	Millions of	Thousands of
	Yen	U.S. dollars
	<b>2006</b>	<b>2006</b>
<b>Current liabilities:</b>		
Short-term bank loans	¥ 1,698	\$ 14,455
Accounts payable - Trade	12,254	104,316
Accounts payable - Others	862	7,338
Accrued income taxes	551	4,691
Allowance for employees' bonuses	477	4,061
Other current liabilities	131	1,115
Total current liabilities	15,973	135,976
<b>Long-term debt,less current portion</b>	<b>3,000</b>	<b>25,538</b>
<b>Allowance for retirement and severance benefits</b>	<b>2,659</b>	<b>22,636</b>
<b>Allowance for retirement and severance benefits for directors</b>	<b>96</b>	<b>817</b>
<b>Other non-current liabilities</b>	<b>201</b>	<b>1,711</b>
Total long-term liabilities	5,956	50,702
<b>Shareholders' equity:</b>		
Common stock,no par value Authorized : 256,000 shares at March 31,2006 Issued : 92,000 shares at March 31,2006	2,496	21,248
Capital surplus	2,055	17,494
Retained earnings	10,605	90,278
Foreign currency translation adjustments	4	34
Total shareholders' equity	15,160	129,054
<b>Total liabilities and shareholders' equity</b>	<b>37,089</b>	<b>315,732</b>

Tokyo Electron Device Limited  
**Consolidated Statement of Cash**  
Years ended March 31, 2006

	Millions of Yen	Thousands of U.S.dollars
	<b>2006</b>	<b>2006</b>
<b>Cash flow from operating activities:</b>		
Income before income taxes	¥ 2,633	\$ 22,414
Depreciation and amortization	258	2,196
Increase in allowance for retirement and severance benefits	(4)	(34)
Increase(decrease) in allowance for employees' bonuses	46	392
Interest expenses	101	860
Increase(decrease) in trade notes and accounts receivable	4,215	35,882
Increase(decrease) in inventories	(5,152)	(43,858)
Increase(decrease) in accounts payable	3,645	31,029
Others	(695)	(5,917)
Subtotal	5,047	42,964
Receipts from interest and dividends	6	51
Interest paid	(101)	(860)
Income taxes paid	(1,021)	(8,691)
<b>Net cash provided by(used by)operating activities</b>	<b>3,931</b>	<b>33,464</b>
<b>Cash flow from investing activities:</b>		
Payment for purchase of property,plant and equipment	(178)	(1,515)
Payment for acquisition of intangible assets	(37)	(315)
Others	15	128
Net cash used in investing activities	(200)	(1,702)
<b>Cash flow from financing activities:</b>		
Increase(decrease) in short-term borrowings	1,684	14,336
Repayment of long-term debt	(5,000)	(42,564)
Dividends paid	(552)	(4,699)
<b>Net cash provided by financing activities</b>	<b>(3,868)</b>	<b>(32,927)</b>
Effect of exchange rate changes on cash and cash equivalents	9	77
<b>Net increase(decrease)in cash and cash equivalents</b>	<b>(128)</b>	<b>(1,088)</b>
Cash and cash equivalents at beginning of year	927	7,891
<b>Cash and cash equivalents at end of year</b>	<b>799</b>	<b>6,803</b>

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