

Tokyo Electron Device Limited  
**Consolidated Statement of Income**  
For the six months ended September 30,2006

	Millions of		Thousands of	
	Yen		U.S.dollars	
	<b>2006</b>	2005	<b>2006</b>	
<b>Net Sales</b>	¥ <b>45,625</b>	¥ 42,622	<b>\$ 386,980</b>	
Cost of sales	<b>39,724</b>	37,043	<b>336,929</b>	
<b>Gross profit</b>	<b>5,901</b>	5,579	<b>50,051</b>	
Selling,general and administrative expenses	<b>4,351</b>	4,141	<b>36,904</b>	
<b>Operating income</b>	<b>1,550</b>	1,438	<b>13,147</b>	
<b>Other income(expenses)</b>				
Interest expenses	<b>(40)</b>	(45)	<b>(339)</b>	
Asset finance costs	<b>(89)</b>	(48)	<b>(755)</b>	
Foreign currency gain or loss	<b>(29)</b>	(144)	<b>(246)</b>	
Prior-period adjustment of allowance for doubtful accounts	<b>3</b>	2	<b>25</b>	
Other,net	<b>27</b>	16	<b>229</b>	
<b>Income before income taxes</b>	<b>1,422</b>	1,219	<b>12,061</b>	
Provision for income taxes				
Current	<b>581</b>	502	<b>4,928</b>	
<b>Net income</b>	<b>841</b>	717	<b>7,133</b>	
<b>Per share of common stock:</b>	Yen	Yen	U.S.dollars	
Net income - actual	¥ <b>9,147</b>	¥ 7,790	<b>\$ 78</b>	
Cash dividends paid - actual	¥ <b>3,000</b>	¥ 3,000	<b>\$ 23</b>	

Notes:1 U.S.dollar amounts are translated from yen,for convenience only,at the rate of ¥117.90 to U.S.\$1.00.

Tokyo Electron Device Limited  
**Consolidated Balance Sheet**  
As of September 30,2006

<b>Assets</b>	Millions of		Thousands of	
	Yen		U.S. dollars	
	2006	2005	2006	
<b>Current assets:</b>				
Cash and time deposits	¥ 793	¥ 1,110	\$ 6,726	
Accounts receivable - Trade	17,478	22,699	148,244	
Accounts receivable - Other	36	22	305	
Allowance for doubtful accounts	(5)	(11)	(42)	
Inventories	16,407	12,458	139,160	
Consumption Tax Receivable	308	259	2,612	
Deferred tax assets	297	286	2,519	
Prepaid expenses and other current assets	87	139	737	
Total current assets	<b>35,401</b>	36,962	<b>300,263</b>	
<b>Intangible and other assets:</b>				
Software	139	195	1,179	
Long-term deposit	236	198	2,002	
Intangible and other assets	91	94	773	
Deferred tax assets	1,155	1,119	9,796	
Total investments and other assets	<b>1,621</b>	1,606	<b>13,749</b>	
<b>Property,plant and equipment:</b>				
Buildings	739	732	6,268	
Machinery and equipment	699	631	5,930	
Total property,plant and equipment	<b>1,438</b>	1,363	<b>12,197</b>	
Less:accumulated depreciation	739	619	6,269	
Net property,plant and equipment	<b>699</b>	744	<b>5,929</b>	
<b>Total assets</b>	<b>37,721</b>	39,312	<b>319,941</b>	

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<b>Liabilities and Shareholders' Equity</b>	Millions of Yen		Thousands of U.S. dollars	
	<b>2006</b>	2005	<b>2006</b>	
<b>Current liabilities:</b>				
Short-term bank loans	¥ 2,479	¥ 85	\$ 21,026	
Current portion of long term-loan	-	5,000	-	
Accounts payable - Trade	11,178	11,773	94,809	
Accounts payable - Others	1,025	766	8,694	
Accrued income taxes	607	540	5,148	
Allowance for employees' bonuses	532	367	4,512	
Other current liabilities	276	263	2,342	
Total current liabilities	16,097	18,794	136,531	
<b>Long-term debt,less current portion</b>	<b>3,000</b>	3,000	<b>25,445</b>	
<b>Allowance for retirement and severance benefits</b>	<b>2,611</b>	2,622	<b>22,146</b>	
<b>Allowance for retirement and severance benefits for directors</b>	<b>101</b>	85	<b>857</b>	
<b>Other non-current liabilities</b>	<b>221</b>	196	<b>1,875</b>	
Total long-term liabilities	5,933	5,903	50,323	
<b>Shareholders' equity:</b>				
Common stock,no par value Authorized : 256,000 shares at September 30,2006 Issued : 92,000 shares at September 30,2006	2,496	2,496	21,170	
Capital surplus	2,055	2,055	17,430	
Retained earnings	11,154	10,061	94,606	
Foreign currency translation adjustments & other	(14)	3	(119)	
Total shareholders' equity	15,691	14,615	133,087	
<b>Total liabilities and shareholders' equity</b>	<b>37,721</b>	39,312	<b>319,941</b>	

Tokyo Electron Device Limited  
**Consolidated Statement of Cash Flows**  
For the six months ended September 30,2006

	Millions of Yen		Thousands of U.S.dollars
	2006	2005	2006
<b>Cash flow from operating activities:</b>			
Income before income taxes	¥ 1,423	¥ 1,219	\$ 12,070
Depreciation and amortization	116	126	984
Increase in allowance for retirement and severance benefits	(47)	(53)	(399)
Increase(decrease) in allowance for employees' bonuses	55	(64)	466
Interest expenses	40	45	339
Increase(decrease) in trade notes and accounts receivable	(437)	(1,447)	(3,707)
Increase(decrease) in inventories	(575)	(1,794)	(4,877)
Increase(decrease) in accounts payable	(1,099)	3,142	(9,321)
Others	723	(232)	6,133
Subtotal	199	942	1,688
Receipts from interest and dividends	1	0	8
Interest paid	(39)	(45)	(331)
Income taxes paid	(547)	(385)	(4,639)
<b>Net cash provided by(used by)operating activities</b>	<b>(386)</b>	512	<b>(3,274)</b>
<b>Cash flow from investing activities:</b>			
Payment for purchase of property,plant and equipment	(59)	(144)	(500)
Payment for acquisition of intangible assets	(17)	(12)	(144)
Others	(34)	19	(288)
Net cash used in investing activities	(110)	(137)	(932)
<b>Cash flow from financing activities:</b>			
Increase(decrease) in short-term borrowings	766	82	6,497
Dividends paid	(276)	(276)	(2,341)
<b>Net cash provided by financing activities</b>	<b>490</b>	(194)	<b>4,156</b>
Effect of exchange rate changes on cash and cash equivalents	0	2	0
<b>Net increase(decrease)in cash and cash equivalents</b>	<b>(6)</b>	183	<b>(50)</b>
Cash and cash equivalents at beginning of year	799	927	6,777
<b>Cash and cash equivalents at end of year</b>	<b>793</b>	1,110	<b>6,727</b>

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