

## CONSOLIDATED STATEMENTS OF INCOME

Tokyo Electron Limited and Subsidiaries  
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
<b>Net sales</b> .....	<b>¥ 906,092</b>	¥ 851,975	<b>\$9,043,737</b>
Cost of sales.....	<b>594,794</b>	579,326	<b>5,936,660</b>
<b>Gross profit</b> .....	<b>311,298</b>	272,649	<b>3,107,077</b>
Selling, general and administrative expenses.....	<b>142,800</b>	128,670	<b>1,425,292</b>
<b>Operating income</b> .....	<b>168,498</b>	143,979	<b>1,681,785</b>
<b>Other income (expenses):</b>			
Interest and dividend income .....	<b>1,491</b>	910	<b>14,882</b>
Interest expenses.....	<b>(343)</b>	(421)	<b>(3,424)</b>
Revenue from development grants.....	<b>2,170</b>	2,640	<b>21,659</b>
Foreign exchange losses.....	<b>(28)</b>	(3,373)	<b>(279)</b>
Gain on sale of property, plant and equipment .....	<b>2,365</b>	417	<b>23,605</b>
Gain on sale of investment securities.....	<b>135</b>	1,225	<b>1,347</b>
Gain on sale of shares of consolidated subsidiary .....	<b>—</b>	528	<b>—</b>
Gain on reversal of forfeited warrants .....	<b>467</b>	526	<b>4,661</b>
Loss on disposal of property, plant and equipment .....	<b>(885)</b>	(834)	<b>(8,833)</b>
Loss on impairment of property, plant and equipment .....	<b>(808)</b>	—	<b>(8,065)</b>
Loss on impairment of goodwill.....	<b>(4,072)</b>	—	<b>(40,643)</b>
Equity in loss of affiliated company.....	<b>—</b>	(1,442)	<b>—</b>
Other, net.....	<b>230</b>	259	<b>2,296</b>
<b>Income before income taxes</b> .....	<b>169,220</b>	144,414	<b>1,688,991</b>
Income taxes:			
Current .....	<b>56,569</b>	60,132	<b>564,617</b>
Deferred.....	<b>5,374</b>	(7,535)	<b>53,638</b>
Minority interests .....	<b>1,006</b>	554	<b>10,041</b>
<b>Net income</b> .....	<b>¥ 106,271</b>	¥ 91,263	<b>\$1,060,695</b>
<b>Per share of common stock:</b>			
		Yen	U.S. dollars
Net income — basic .....	<b>¥ 594.01</b>	¥ 511.27	<b>\$ 5.93</b>
Net income — diluted .....	<b>592.71</b>	509.84	<b>5.92</b>
Net assets .....	<b>2,989.70</b>	2,573.72	<b>29.84</b>
Cash dividends .....	<b>125.00</b>	103.00	<b>1.25</b>

See accompanying Notes to Consolidated Financial Statements.