

ISIN	JP3571400005
SEDOL	6895675

May 28, 2009

NOTICE OF FISCAL YEAR 2009 (the 46th FY) ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Our Shareholders:

We are pleased to announce that the 46th Annual General Meeting of Shareholders (the "AGM") of Tokyo Electron Limited ("TEL") will be held on Friday, June 19, 2009, at 10:00 a.m. Japan standard time, at the Hotel Okura Tokyo, located at 2-10-4 Toranomon, Minato-ku, Tokyo.

Shareholders will also be asked to vote upon the following Agenda:

- 1: Partial Amendments to the Articles of Incorporation**
- 2: Election of Thirteen Corporate Directors**
- 3: Election of Two Statutory Auditors**
- 4: Payment of Bonuses to Corporate Directors for the 46th Fiscal Year**

As part of our ongoing effort to improve the quality of communications with our foreign investors and to increase the participation of those investors at the AGM, **Tokyo Electron Limited** has appointed IR Japan, Inc. as our Global Information Agent in connection with the shareholder meeting. We realize that many shareholders do not vote at Japanese Shareholders Meeting due to the volume of meetings and timing concerns. Therefore, we attach special importance to your vote, and hope that you will continue to distinguish yourselves from many institutions, who, unfortunately, do not participate.

Should you have any questions, please contact IR Japan, Inc.'s New York Branch at (1) -646-495-5059 or Tokyo Head Quarters at (81) -3-3796-1185, or bne@irjapan.co.jp. The English language proxy material is available on Tokyo Electron's website at "<http://www.tel.com/eng>", for your reference and convenience.

IT IS IMPORTANT THAT YOU PARTICIPATE AT THE 2009 AGM, REGARDLESS OF THE NUMBER OF SHARES YOU OWN. IF YOU ARE UNABLE TO ATTEND THE AGM, PLEASE CONTACT YOUR BROKER OR CUSTODIAN WITH YOUR VOTING INSTRUCTIONS AS SOON AS POSSIBLE.

**NOTE: A shareholder is entitled to vote per unit of shares, with each unit consisting of one hundred (100) shares.*

Sincerely,

Tetsuro Higashi
Chairman & CEO
Tokyo Electron Limited

This is a summary translation of a notice in Japanese language circulated to Japanese shareholders and provided for the convenience of foreign shareholders. The Japanese version is the official, legal document. Please vote by voting form or Internet websites etc. until 5:30 p.m. on June 18, 2009 (Japan standard time).

Information Relating to Annual General Meeting of Shareholders

Proposal and information

Items to be reported:

1. **Report on the business report, the consolidated financial statements for FY2009 (46th FY; from April 1, 2008 to March 31, 2009), and the reports of Accounting Auditors and the Board of Statutory Auditors on the results of audits for consolidated financial statements.**
2. **Report on the financial statements for FY2009 (46th FY; from April 1, 2008 to March 31, 2009).**

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for Amendments

1) With the enforcement of the “Act for Partial Amendments to the Act Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Trades of Stocks and Other Securities” (Act No.88 of 2004) on January 5, 2009, all stocks of the listed companies were simultaneously transferred to the book-entry transfer system for stocks (the electronic share certificate system). Consequently, the Company proposes necessary changes in Articles 7, 8, 9, 11 and 12, to delete provisions established upon existence of share certificates and to make necessary amendments to other provisions, as well as renumbering the corresponding articles as needed.

(2) Following the transfer to the book-entry transfer system for stocks, the Company shall prepare and keep the register of lost share certificates until one (1) year has elapsed from the day following January 5, 2009, when the transfer thereof and the electronic share certificate system of the Company take effect. In line with the stipulation, supplementary provisions shall be newly established as transitional measures (Supplemental Provisions: Articles one (1) and two (2) of the Proposed Amendments).

(3) For the purpose of convening the meetings of the Board of Directors and the Board of Auditors flexibly, the Company proposes amendments to the Articles 22 and 30 in accordance with the provisions of the “Companies Act”.

2. Details of Amendments

The details of the amendments are as follows.

(Proposed amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER II SHARES</p> <p>Article 6 (Total Number of Authorized Shares) (Omitted)</p> <p>Article 7 (Issue of Share Certificates) <u>The Company shall issue certificates representing its issued shares.</u></p>	<p style="text-align: center;">CHAPTER II SHARES</p> <p>Article 6 (Total Number of Authorized Shares) (Same as at present)</p> <p>(Deleted)</p>



Article 8 (Number of Shares Constituting One Unit and Non-issuance of Share Certificates for Shares Constituting Less than One Unit)

(Omitted)

2. Notwithstanding the provisions of the preceding article, the Company shall not issue share certificates representing shares less than one unit unless otherwise provided in the share handling regulations.

Article 9 (Denominations of Share Certificates)

The denominations of share certificates to be issued by the Company shall be governed by the share handling regulations as prescribed by the Board of Directors.

Article 10 (Share Handling Regulations)

(Omitted)

Article 11 (Transfer Agent)

(Omitted)

2. (Omitted)
3. Preparation and maintenance of the register of shareholders and the register of real shareholders of the Company (hereinafter referred to as "the register of shareholders, etc."), the register of new share warrants, and the register of lost share certificates of the Company and other procedures concerning the register of shareholders, the register of new share warrants, and the register of lost share certificates shall be entrusted to the transfer agent, and the Company shall not handle these matters.

Article 7 (Number of Shares Constituting One Unit)

(Same as at present)

(Paragraph 2, Deleted)

(Deleted)

Article 8 (Share Handling Regulations)

(Same as at present)

Article 9 (Transfer Agent)

(Same as at present)

2. (Same as at present)
3. Preparation and maintenance of the register of shareholders and the register of new share warrants of the Company and other procedures concerning the register of shareholders and the register of new share warrants shall be entrusted to the transfer agent, and the Company shall not handle these matters.

Article 12 (Record Date)

The Company shall deem that shareholders (hereinafter including real shareholders) listed or recorded in the register of shareholders, etc., as of the last day of each business year are entitled to exercise their rights at the Ordinary General Meeting of Shareholders of that business year.

2. Unless otherwise provided by these Articles of Incorporation, whenever necessary, by giving public notice in advance, the Board of Directors shall resolve that shareholders or registered share pledgees listed or recorded in the register of shareholders, etc., as of the close of the specific date are shareholders or registered share pledgees able to exercise their rights.

**CHAPTER III GENERAL MEETING OF
SHAREHOLDERS****Article 13 – Article 17**

(Omitted)

**CHAPTER IV DIRECTORS AND BOARD OF
DIRECTORS****Article 18 – Article 21**

(Omitted)

Article 10 (Record Date)

The Company shall deem that shareholders listed or recorded in the register of shareholders, as of the last day of each business year are entitled to exercise their rights at the Ordinary General Meeting of Shareholders of that business year.

2. Unless otherwise provided by these Articles of Incorporation, whenever necessary, by giving public notice in advance, the Board of Directors shall resolve that shareholders or registered share pledgees listed or recorded in the register of shareholders, as of the close of the specific date are shareholders or registered share pledgees able to exercise their rights.

**CHAPTER III GENERAL MEETING OF
SHAREHOLDERS****Article 11 – Article 15**

(Same as at present)

**CHAPTER IV DIRECTORS AND BOARD OF
DIRECTORS****Article 16 – Article 19**

(Same as at present)

Article 22 (Convening of the Meeting of the Board of Directors and Chairman thereof)

Unless otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened by the director of the Company designated by the Board of Directors in advance, who shall serve as chairman thereof. In the event that the designated director is unable to act as chairman, another director shall act in his place in accordance with the order of priority predetermined by the Board of Directors. Notice of the meeting of the Board of Directors shall be dispatched seven (7) days prior to the date set for such meeting, provided, however, that the said period may be shortened in case of urgent necessity.

2. (Omitted)

Article 23 – Article 25

(Omitted)

CHAPTER V AUDITORS AND BOARD OF AUDITORS**Article 26 – Article 29**

(Omitted).

Article 30 (Convening of the Meeting of the Board of Auditors)

The Meeting of the Board of Auditors shall be convened by each Auditor. Notice of the Meeting of the Board of Auditors shall be dispatched seven (7) days prior to the date set for such Meeting. Provided, however, that the said period may be shortened in case of urgent necessity.

Article 20 (Convening of the Meeting of the Board of Directors and Chairman thereof)

Unless otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened by the director of the Company designated by the Board of Directors in advance, who shall serve as chairman thereof. In the event that the designated director is unable to act as chairman, another director shall act in his place in accordance with the order of priority predetermined by the Board of Directors. Notice of the meeting of the Board of Directors shall be dispatched no later than seven (7) days prior to the date set for such meeting, provided, however, that the said period may be shortened in case of urgent necessity.

2. (Same as at present)

Article 21 – Article 23

(Same as at present)

CHAPTER V AUDITORS AND BOARD OF AUDITORS**Article 24 – Article 27**

(Same as at present)

Article 28 (Convening of the Meeting of the Board of Auditors)

The Meeting of the Board of Auditors shall be convened by each Auditor. Notice of the Meeting of the Board of Auditors shall be dispatched no later than seven (7) days prior to the date set for such Meeting. Provided, however, that the said period may be shortened in case of urgent necessity.

<p>2. (Omitted)</p> <p>Article 31 – Article 33 (Omitted)</p> <p>CHAPTER VI ACCOUNTING AUDITORS</p> <p>Article 34 – Article 35 (Omitted)</p> <p>CHAPTER VII ACCOUNTS</p> <p>Article 36 – Article 39 (Omitted)</p> <p><u>(Newly established)</u></p> <p><u>(Newly established)</u></p> <p><u>(Newly established)</u></p>	<p>2. (Same as at present)</p> <p>Article 29 – Article 31 (Same as at present)</p> <p>CHAPTER VI ACCOUNTING AUDITORS</p> <p>Article 32 – Article 33 (Same as at present)</p> <p>CHAPTER VII ACCOUNTS</p> <p>Article 34 – Article 37 (Same as at present)</p> <p><u>SUPPLEMENTARY PROVISIONS</u></p> <p><u>Article 1</u> <u>Preparation and maintenance of the register of lost share certificates of the Company and other procedures concerning the register of lost share certificates shall be entrusted to the transfer agent, and the Company shall not handle these matters.</u></p> <p><u>Article 2</u> <u>The provisions of the preceding Article and this Article shall be effective until January 5, 2010, and shall be deleted with the passage of the same day.</u></p>
---	---

Proposal 2: Election of Thirteen Corporate Directors

At the conclusion of the Annual General Meeting of Shareholders, the term of office for all 14 Corporate Directors will expire. Therefore, we ask you to agree to elect 13 Corporate Directors (including two outside directors).

The candidates for Corporate Directors are as follows.

No.	Name (Date of birth)	Brief Personal History (Position in the Company and Representatives in other legal entities)	Number of the Company's shares owned by Candidate
1	Tetsuro Higashi (August 28, 1949)	<p><u>April 1977</u> Joined Tokyo Electron Limited</p> <p><u>December 1990</u> Corporate Director, Tokyo Electron Limited</p> <p><u>April 1994</u> Senior Vice President, Tokyo Electron Limited</p> <p><u>June 1996</u> President & CEO, Tokyo Electron Limited</p> <p><u>June 2003</u> Chairman of the Board, Tokyo Electron Limited</p> <p><u>January 2005</u> Chairman & CEO, Tokyo Electron Limited (Present Position)</p> <p>(Position in the Company) Corporate Director, Chairman & CEO (Representatives in other legal entities) Chairman, Tokyo Electron U.S. Holdings, Inc. Chairman, Semiconductor Equipment Association of Japan</p>	35,028
2	Tetsuo Tsuneishi (November 24, 1952)	<p><u>April 1976</u> Joined Tokyo Electron Limited</p> <p><u>June 1992</u> Corporate Director, Tokyo Electron Limited</p> <p><u>June 1996</u> Corporate Officer, Executive Vice President, Tokyo Electron Limited</p> <p><u>June 2003</u> Vice Chairman of the Board, Tokyo Electron Limited (Present Position)</p> <p>(Position in the Company) Corporate Director, Vice Chairman of the Board (Representatives in other legal entities) Chairman, Tokyo Electron (Shanghai) Limited Chairman, Tokyo Electron (Shanghai) Logistic Center Limited</p>	6,358



World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

No.	Name (Date of birth)	Brief Personal History (Position in the Company and Representatives in other legal entities)	Number of the Company's shares owned by Candidate
3	Kiyoshi Sato (April 2, 1956)	<p><u>April 1979</u> Joined Tokyo Electron Limited</p> <p><u>December 2001</u> Vice President & General Manager, Clean Track Business Unit, Tokyo Electron Limited</p> <p><u>April 2003</u> Senior Executive Officer, President Office, Tokyo Electron Limited</p> <p><u>June 2003</u> President & CEO, Tokyo Electron Limited</p> <p><u>January 2005</u> President & COO, Tokyo Electron Limited</p> <p><u>April 2009</u> Vice Chairman of the Board, Tokyo Electron Limited (Present Position)</p> <p>(Position in the Company) Corporate Director, Vice Chairman of the Board</p>	3,000
4	Hiroshi Takenaka (February 5, 1961)	<p><u>April 1984</u> Joined Tokyo Electron Limited</p> <p><u>April 2002</u> General Manager, Single Wafer Deposition Business Unit, Tokyo Electron Limited</p> <p><u>April 2003</u> Vice President & General Manager, Tokyo Electron Limited</p> <p><u>April 2005</u> Vice President & General Manager, Thermal Processing Systems Business Unit, Tokyo Electron Limited</p> <p><u>April 2006</u> Vice President & Deputy General Manager, SPE-3 Division, Tokyo Electron Limited</p> <p><u>June 2007</u> Corporate Director, Tokyo Electron Limited</p> <p><u>April 2009</u> President, Tokyo Electron Limited (Present Position)</p> <p>(Position in the Company) Corporate Director , President</p> <p>(Representatives in other legal entities) Chairman, Tokyo Electron America, Inc. Chairman, Tokyo Electron Europe Limited</p>	2,300



World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

No.	Name (Date of birth)	Brief Personal History (Position in the Company and Representatives in other legal entities)	Number of the Company's shares owned by Candidate
5	Mamoru Hara (August 14, 1946)	<p><u>April 1970</u> Joined Tokyo Electron Limited</p> <p><u>December 1989</u> Corporate Director, Tokyo Electron Limited</p> <p><u>April 1996</u> Executive Vice President, Tokyo Electron Tohoku Limited</p> <p><u>June 1996</u> Retired Corporate Director, Tokyo Electron Limited</p> <p><u>March 1999</u> President & Representative Director, Tokyo Electron EE Limited</p> <p><u>July 2001</u> Chairman & Representative Director, Tokyo Electron Device Limited</p> <p><u>February 2002</u> President & Representative Director, Tokyo Electron AT Limited</p> <p><u>June 2002</u> Corporate Director, Tokyo Electron Limited (Present Position)</p> <p>(Position in the Company) Corporate Director, Internal Control</p>	6,000
6	Masao Kubodera (June 21, 1949)	<p><u>January 1979</u> Joined Tokyo Electron Limited</p> <p><u>April 1994</u> Corporate Director, TEL Engineering Limited</p> <p><u>July 1995</u> Senior Vice President, Tokyo Electron Yamanashi Limited</p> <p><u>April 1998</u> President & Representative Director, Tokyo Electron Miyagi Limited</p> <p><u>April 2001</u> Executive Vice President, Tokyo Electron AT Limited</p> <p><u>April 2003</u> Chairman & Representative Director, Tokyo Electron AT Limited</p> <p><u>June 2004</u> Corporate Director, Tokyo Electron Limited (Present Position)</p> <p><u>June 2007</u> Chairman of the board, Tokyo Electron AT Limited (Present Position)</p> <p>(Position in the Company) Corporate Director, Technology & Development</p>	2,552



World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

No.	Name (Date of birth)	Brief Personal History (Position in the Company and Representatives in other legal entities)	Number of the Company's shares owned by Candidate
7	Haruo Iwatsu (March 20, 1950)	<u>November 1984</u> Joined Tokyo Electron Limited <u>April 1993</u> Corporate Director, Tokyo Electron Kyushu Limited <u>April 1998</u> Senior Vice President, Tokyo Electron Kyushu Limited <u>January 2000</u> Vice President & General Manager, Cleaning Systems Business Unit, Tokyo Electron Limited <u>April 2003</u> President & Representative Director, Tokyo Electron Kyushu Limited <u>June 2005</u> Corporate Director, Tokyo Electron Limited <u>October 2006</u> Chairman of the Board, Tokyo Electron Kyushu Limited (Present Position) <u>June 2007</u> Executive Vice President, Tokyo Electron Limited <u>April 2009</u> Corporate Director, Tokyo Electron Limited (Present Position) (Position in the Company) Corporate Director	4,700



World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

No.	Name (Date of birth)	Brief Personal History (Position in the Company and Representatives in other legal entities)	Number of the Company's shares owned by Candidate
8	Hirofumi Kitayama (March 28, 1954)	<p><u>December 1983</u> Joined TEL-Thermco Engineering Co., Ltd.</p> <p><u>July 1995</u> Corporate Director, Tokyo Electron Tohoku Limited</p> <p><u>March 1999</u> Corporate Director, Tokyo Electron Yamanashi Limited</p> <p><u>April 2003</u> Senior Vice President, Tokyo Electron AT Limited</p> <p><u>February 2005</u> President & Representative Director, Tokyo Electron AT Limited</p> <p><u>April 2006</u> President & Representative Director, Tokyo Electron Tohoku Limited</p> <p>Vice President & General Manager, Tokyo Electron Limited</p> <p><u>June 2007</u> Corporate Director, Tokyo Electron Limited (Present Position)</p> <p><u>October 2008</u> Chairman & Representative Director, Tokyo Electron Tohoku Limited (Present Position)</p> <p><u>April 2009</u> Executive Vice President, Tokyo Electron Limited (Present Position)</p> <p>Chairman & Representative Director, Tokyo Electron PS Limited (Present Position)</p> <p>(Position in the Company) Corporate Director , Executive Vice President</p> <p>(Representatives in other legal entities) Chairman & Representative Director, Tokyo Electron Tohoku Limited Chairman & Representative Director, Tokyo Electron PS Limited Chairman, Tokyo Electron Korea Solution Limited Chairman, Tokyo Electron Taiwan Limited</p>	2,600



World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

No.	Name (Date of birth)	Brief Personal History (Position in the Company and Representatives in other legal entities)	Number of the Company's shares owned by Candidate
9	Kenji Washino (June 7, 1961)	<p><u>April 1984</u> Joined Tokyo Electron Limited</p> <p><u>April 2003</u> Vice President & General Manager, Cleaning Systems Business Unit, Tokyo Electron Limited</p> <p><u>April 2005</u> Vice President & General Manager, Single Wafer Deposition Business Unit, Tokyo Electron Limited</p> <p><u>April 2006</u> Vice President & Deputy General Manager, SPE-2 Division, Tokyo Electron Limited</p> <p><u>June 2007</u> Corporate Director, Tokyo Electron Limited (Present Position)</p> <p><u>April 2009</u> Executive Vice President, Tokyo Electron Limited (Present Position)</p> <p>(Position in the Company) Corporate Director , Executive Vice President</p> <p>(Representatives in other legal entities) Chairman, Tokyo Electron Massachusetts, LLC Chairman, TEL Venture Capital, Inc. Chairman, TEL Epion Inc.</p>	2,000
10	Hikaru Ito (August 30, 1961)	<p><u>April 1984</u> Joined Tokyo Electron Limited</p> <p><u>April 2003</u> Vice President & General Manager, Clean Track Business Unit, Tokyo Electron Limited</p> <p><u>April 2006</u> Vice President & Deputy General Manager, SPE-1 Division, Tokyo Electron Limited</p> <p><u>June 2007</u> Corporate Director, Tokyo Electron Limited (Present Position)</p> <p><u>April 2009</u> Executive Vice President, Tokyo Electron Limited (Present Position)</p> <p>(Position in the Company) Corporate Director , Executive Vice President</p> <p>(Representatives in other legal entities) Chairman, Timbre Technologies, Inc.</p>	2,100



World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

No.	Name (Date of birth)	Brief Personal History (Position in the Company and Representatives in other legal entities)	Number of the Company's shares owned by Candidate
11	* Takashi Nakamura (October 6, 1954)	<u>April, 1979</u> Joined Tokyo Electron Limited <u>October, 1992</u> Director, SPE Planning & Administration Dept. <u>October, 1995</u> Director, General Affairs Dept., Tokyo Electron Limited <u>October, 1997</u> Corporate Director, Tokyo Electron Yamanashi Limited <u>April, 2001</u> Corporate Senior Staff, Tokyo Electron Limited <u>April, 2003</u> President & Representative Director, Tokyo Electron Logistics Limited <u>October, 2003</u> President & Representative Director, Tokyo Electron BP Limited <u>October, 2004</u> Executive Vice President, Tokyo Electron Kyushu Limited <u>April, 2008</u> Executive Vice President, Tokyo Electron AT Limited <u>April, 2009</u> Senior Vice President & General Manager, Corporate Administration Division, Tokyo Electron Limited (Present Position)	1,300
12	[Outside Director] Hiroshi Inoue (January 5, 1940)	<u>April 1963</u> Joined Tokyo Broadcasting System, Inc. <u>June 1993</u> Corporate Director, Tokyo Broadcasting System, Inc. <u>June 1996</u> Managing Director, Tokyo Broadcasting System, Inc. <u>June 1997</u> Senior Managing Director, Tokyo Broadcasting System, Inc. <u>June 2001</u> Executive Vice President, Tokyo Broadcasting System, Inc. <u>June 2002</u> President, Tokyo Broadcasting System, Inc. <u>June 2006</u> Corporate Director, Tokyo Electron Limited (Present Position) <u>April 2009</u> Chairman, Tokyo Broadcasting System Holdings, Inc. (Present Position) (Position in the Company) Corporate Director (Representatives in other legal entities) Chairman, Tokyo Broadcasting System Holdings, Inc. Chairman, Tokyo Broadcasting System Television, Inc.	0

World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

No.	Name (Date of birth)	Brief Personal History (Position in the Company and Representatives in other legal entities)	Number of the Company's shares owned by Candidate
13	[Outside Director] Masahiro Sakane (January 7, 1941)	<u>April 1963</u> Joined Komatsu Limited <u>June 1989</u> Corporate Director, Komatsu Limited <u>June 1994</u> Managing Director, Komatsu Limited <u>June 1997</u> Executive Managing Director, Komatsu Limited <u>June 1999</u> Executive Vice President, Komatsu Limited <u>June 2001</u> President, Komatsu Limited <u>June 2003</u> President and Chief Executive Officer, Komatsu Limited <u>June 2007</u> Chairman of the Board, Komatsu Limited (Present Position) <u>June 2008</u> Corporate Director, Tokyo Electron Limited (Present Position) (Position in the Company) Corporate Director (Representatives in other legal entities) Chairman of the Board, Komatsu Limited	0

Notes

1. The candidates have no special interests in the Company.
2. Asterisk(*) indicates candidate for newly-appointed Corporate Director.
3. The candidates for outside directors are described below.
 - (1) Hiroshi Inoue and Masahiro Sakane are candidates for outside directors.
 - (2) Hiroshi Inoue is representative director and chairman of Tokyo Broadcasting System Holdings, Inc., has extensive experience and knowledge as a corporate manager. Mr. Inoue is a candidate for outside director so he can utilize his experience and knowledge to provide advice concerning the Company's overall management from the perspective of objectively ensuring the effectiveness of decision-making by the Board of Directors. Mr. Inoue has been an outside director of the Company since June 2006.
 - (3) Masahiro Sakane, representative director and Chairman of the Board at Komatsu Ltd., has a wealth of experience and knowledge as a corporate manager. Mr. Sakane is a candidate for outside director so that his experience and knowledge can be utilized to provide advice for the Company's overall management, from the perspective of objectively ensuring the effectiveness of decision-making by the Board of Directors.
 - (4) Hiroshi Inoue took office as representative director and President of Tokyo Broadcasting System, Inc. (TBS) in June 2002 and as representative director and chairman of Tokyo Broadcasting System Holdings, Inc. in April 2009. TBS received a strong warning from the Ministry of Internal Affairs and Communications (MIC) concerning the content of certain programming broadcast in 2006. TBS investigated the causes of this problem and has taken measures to prevent a recurrence. Also, it was discovered in November 2004 that TBS had owned shares of TV-U Fukushima, Inc. since 2002 in the name of a subsidiary that were in excess of the upper limit to equity investment stipulated in

World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

the Principle of Excluding Multiple Ownership of the Media specified in the MIC Ordinance. Corrective measures were completed by January 2005.

(5) Masahiro Sakane took office as representative director and President of Komatsu Ltd. in June 2001 and as representative director and chairman of the board, Komatsu Ltd. in June 2007. In July 2005, Komatsu repurchased its own shares before the dissolution of the business operations of its overseas subsidiary was publicly announced, failing to recognize that the dissolution fell into the category of "important facts" (i.e., facts that affect investment decisions by investors) stipulated under the Securities and Exchange Law (current Financial Instruments and Exchange Law). The repurchase was said to correspond to trading and other activities prohibited under the Securities and Exchange Law. Komatsu paid a fine to the Financial Services Agency in April 2007 in accordance with the recommendation of the Securities and Exchange Surveillance Commission and implemented measures to prevent the recurrence of similar incidents.

In February 2005, it was found that Komatsu engaged in inappropriate acts for 41 of the rail/road vehicles sold between February 1994 and September 2003, including the acquisition of car inspection certificates based on the declaration of inaccurately low vehicle weights. The acquisition of car inspection certificates for 12 of the 41 vehicles during the period from March 2001 to March 2003 was said to be a violation of the Road Trucking Vehicle Law. The manufacturer was punished with a fine for this violation in April 2006 and subsequently took measures to prevent the recurrence of similar incidents.

(6) At the 43rd General Meeting of Shareholders held on June 23, 2006, the Company revised its Articles of Incorporation to include a provision concerning the conclusion of liability limiting contracts with outside directors. In accordance with its Articles of Incorporation, the Company has concluded liability-limiting contracts specified by Article 423, Paragraph 1 of the Companies Act with Hiroshi Inoue and Masahiro Sakane. The liability limitation under these agreements is the maximum amount specified in Article 425, Paragraph 1 of the Companies Act, provided that the outside directors perform their duties in good faith without gross negligence.

Proposal 3: Election of Two Statutory Auditors

With regard to the statutory auditors, Takeo Tanaka will resign at the conclusion of the Annual General Meeting of Shareholders, and the term of office of Togo Tajika will expire at the conclusion of the Annual General Meeting of Shareholders. Therefore, we ask you to agree to elect two Statutory Auditors.

The Company recommends the election of Yuichi Honda as the successor to Takeo Tanaka, and the term of office of Yuichi Honda will be the same as his predecessor's remaining term of office as stipulated in the Company's Articles of Incorporation.

The candidates for Statutory Auditors are as follows.

No.	Name (Date of birth)	Brief Personal History (Position in the Company and Representatives in other legal entities)	Number of the Company's shares owned by Candidate
1	* Yuichi Honda (August 22, 1947)	<u>July 1986</u> Joined Tokyo Electron Limited <u>June 1994</u> Corporate Director, Tokyo Electron Limited <u>April 1998</u> Corporate Senior Staff, Tokyo Electron Limited <u>June 1998</u> Retired Corporate Director, Tokyo Electron Limited <u>March 2002</u> Corporate Director, Tokyo Electron Europe Limited <u>June 2005</u> Corporate Director, Tokyo Electron Limited (Present Position)	10,000
2	[Outside Auditor] Togo Tajika (October 1, 1944)	<u>April 1967</u> Joined Tokyo Broadcasting System, Inc. <u>July 1987</u> Director of Bureau, Moscow, Tokyo Broadcasting System, Inc. <u>April 1988</u> Director of Bureau, Washington, Tokyo Broadcasting System, Inc. <u>October 1990</u> Director, Executive Secretary Dept., Tokyo Broadcasting System, Inc. <u>June 1995</u> Director, Media Planning Dept., Tokyo Broadcasting System, Inc. <u>September 1996</u> Director, Public Relations Dept., Tokyo Broadcasting System, Inc. <u>May 2000</u> Director of Media International Bureau, Tokyo Broadcasting System, Inc. President, Tokyo Broadcasting International, Inc. <u>October 2004</u> Managing Director, F&F, Inc. <u>June 2005</u> Statutory Auditor, Tokyo Electron Limited (Present Position)	0

World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

Notes

1. The candidates have no special interests in the Company.
2. The Board of Auditors has consented to this proposal.
3. Asterisk(*) indicates candidate for newly-appointed Statutory Auditor.
4. The candidates for outside auditor are described below.
 - (1) Togo Tajika is candidate for outside auditor.
 - (2) Togo Tajika has a global perspective gained from overseas assignments with a different company; and during his tenure as statutory auditor at the Company he has fully utilized his knowledge to perform audits from an objective standpoint. As full-time statutory auditor, he dedicated himself to performing his work of auditing of the TEL Group; and he expressed valuable opinions at the Board of Directors Meeting and at other important in-house meetings, such as the management committee, meetings with the Internal Audit Department, and meetings of group company executives. In addition, he actively worked to put in place a proper auditing mechanism for the TEL Group. The Company reached the decision that Togo Tajika is qualified to continue his work as an outside statutory auditor based on a comprehensive evaluation that took into consideration his experience and knowledge, his track record as the Company's statutory auditor, and other factors—and from the viewpoint of ensuring that appropriate objective audits are performed.
 - (3) Togo Tajika has been an outside auditor of the Company since June 2005.
 - (4) At the 43rd Annual General Meeting of Shareholders held on June 23, 2006, the Company revised its Articles of Incorporation to include a provision concerning the conclusion of liability limiting contracts with outside auditors. In accordance with its Articles of Incorporation, the Company has concluded liability-limiting contracts specified by Article 423, Paragraph 1 of the Companies Act with Togo Tajika. The liability limitation under these agreements is the maximum amount specified in Article 425, Paragraph 1 of the Companies Act, provided that the outside directors perform their duties in good faith without gross negligence.

Proposal 4: Payment of Bonuses to Corporate Directors for the 46th Fiscal Year

In light of the financial results for the 46th fiscal year, the shareholders are requested to approve a total payment of 20.2 million yen (of which 750 thousand is for outside directors) to be paid to the 14 Corporate Directors (including three outside directors) in office as of the end of the 46th fiscal year for their contributions and efforts in accordance.

The TEL Group's executive compensation system is as described on page 37 in the section entitled, "Policies Concerning Decisions Relating to Methods of Calculating Executive Compensation" Under this system, a maximum of 3% of consolidated net income for the current fiscal year is expended for performance-linked compensation (annual bonuses). Performance-linked compensation consists of bonuses in cash and stock-based compensation, with the rate of the former to the latter at 2:1. During the 46th fiscal year, however, although the TEL Group managed to remain in the black for the entire year, despite the rapid deterioration of the business environment, it saw both its revenue and profits decline substantially. Taking this into account, the TEL Group decided not to provide stock-based compensation as part of performance-linked compensation (annual bonuses) for the year and to reduce bonuses in cash to a maximum of 1% of its consolidated net income for the current fiscal year (75 million yen). Following this decision, the upper limit to total performance-linked compensation for the 46th fiscal year after the reduction is now one-third of what the compensation would have been based on the original TEL Group's executive compensation system.

Corporate Directors' bonuses for which the Company seeks shareholder approval through this proposal correspond to the portion of bonuses paid in cash to group executives (75 million yen).

Business Report

(From April 1, 2008 to March 31, 2009)

1. Current Status of the TEL Group

(1) Business Developments and Results

General Overview

During the fiscal year under review, the effects of the recession triggered by the financial crisis in the United States have spread to Europe and Asia, leading to a global economic downturn.

The electronics industry, in which the Company conducts business, is experiencing decline in demand for electronic devices such as PCs, mobile phones, and digital home appliances as a result of the economic downturn. Demand and prices are also falling in semiconductor markets, and semiconductor manufacturers are delaying and freezing investment in facilities.

It is under these harsh economic conditions, the Company's financial results were down sharply from the previous fiscal year as a result of the substantial impact from the deterioration of the business environment including a marked drop in sales in the semiconductor production equipment business sector. However, the Company managed to maintain profitability over the entire fiscal year due to efforts to reinforce fixed cost reductions and improve profits and losses from the outset of last year.

Consolidated net sales were 508,082 million yen (down 43.9% compared to the previous fiscal year), and operating income was 14,710 million yen (down 91.3%) and ordinary income was 20,555 million yen (down 88.1%), and net income for the current fiscal year was 7,543 million yen (down 92.9%).

By division

(1) Industrial electronic equipment business

Consolidated net sales for this segment during the fiscal year decreased by 47.9% compared to the previous fiscal year, to 413,874 million yen.

(a) Semiconductor production equipment

The global fall in semiconductor demand forced semiconductor manufacturers to curtail production and postpone and limit capital investment. As a result of these factors, consolidated net sales in this segment tumbled to 325,383 million yen, down 55.2% compared to the previous fiscal year. Also, semiconductor manufacturers adjusted inventories, and there were gradual signs that the market had bottomed out including a start of a recovery in semiconductor prices towards the end of the fiscal year, but capital investment has yet to recover and harsh conditions are ongoing.

(b) FPD/PV (Flat Panel Display/Photovoltaic Cell) production equipment

Sales in this segment were primarily of production equipment for the large liquid crystal display (LCD) manufacturing lines of panel manufacturers, and consolidated net sales were 88,107 million yen, up 29.5% from the previous fiscal year. The situation concerning orders, however, is serious, with panel manufacturers curtailing production and limiting capital investment. In the PV production equipment area, the Company continued product development and worked to build business foundations including the conclusion in February 2009 of a representative agreement for the Asia Oceania region with Oerlikon Solar, a Swiss manufacturer of PV production equipment.

(2) Electronic Components and Computer Networks Business

Sales of custom ICs for mobile phone base stations and memory ICs for PCs were relatively strong in the first half, but the market rapidly turned downward in the second half, and as a result, sales in the semiconductors and electronic devices segment were sluggish overall. This segment was also subject to the effects of product adjustments in various areas including consumer and industrial equipment.

In the computer systems segment, the trend towards limiting capital investment increased because of poor corporate performance and uncertainty concerning the future economic developments, and it appeared that companies continued putting off new investment in IT.

World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

As a result of these developments, consolidated net sales from external customers in this segment during the fiscal year under review were down 15.3% from the previous fiscal year to 94,207 million yen.

(2) Capital Investment and Procurement of Funds

During the current fiscal year, taking into consideration the rapid deterioration of the business environment, the TEL Group limited its capital investments to projects indispensable to future growth. As a result, the value of tangible fixed assets acquired during the year, centering on machinery and systems used for research and development, was 18,107 million yen. All of these acquisitions were covered by the Group's own funds, requiring no procurement of new funds.

(3) Management Tasks

The TEL Group is currently facing a serious global recession, and the condition of the markets in which it is active is severe. As such, it will make extensive efforts to substantially reduce costs and reinforce profit structures. In doing so, it is crucial that the TEL Group maintains the ability to develop highly competitive products in cutting-edge technology fields so that it can achieve continuous growth and high profitability in the future. The TEL Group will advance intensive R&D investment in high-growth areas and work to rapidly market products in order to achieve growth that greatly exceeds that of the market during the coming economic recovery. It will work to rapidly expand the photovoltaic cell production equipment segment, which the TEL Group entered last year, and develop it into a core group business. With respect to reinforcing manufacturing capabilities, the TEL Group will intensively reduce manufacturing costs by emphasizing internal production, changing materials and components, and other measures, in addition to focusing on the ongoing improvement of quality and the reduction of manufacturing lead times. With respect to human resources, which are the source of growth, the TEL Group will reallocate personnel in a way that best responds to changes in the business environment while implementing extensive skill enhancement programs and taking other measures to further develop human resources and lead to future advances.

Considering environmental responses to be a high-priority management issue, the Company conducts internal activities to reduce environmental impact while saving energy and decreasing the amount of restricted chemicals needed when the Semiconductor and FPD production equipment that it sells is used. In addition to reducing the environmental impact of its existing businesses and products, the TEL Group believes that contributing to the solving of global environmental issues through the development of the newly established Photovoltaic cell production equipment business is one of its most important group missions.

With respect to finances, although the Company has adequate shareholders' equity and cash on hand, given the current severe financial conditions, it will continue to streamline inventories, reduce manufacturing lead times as well as maintaining and enhancing profitability, among other measures, in order to maximize cash flows and build an even stronger financial structure.

With regard to compliance, corporate ethics and risk management, areas that have been implemented thoroughly for many years, the Company will take necessary measures based on the basic policy for internal controls adopted by the resolution of the Board of Directors, including appointing an executive officer in charge of compliance and internal control and the establishing of the Risk Management & Internal Control Department in April 2009.

In the future as well, the TEL Group will strive to raise its corporate value through profit-oriented operations by placing the highest priority on customers, enhancing product and technology development capabilities, and invigorating its workforce. The continued support and understanding of shareholders will be greatly appreciated.

(4) Changes in the business performance and property

(i) Changes in the business performance and assets of the TEL Group

Items	FY2006 (43rd FY; from April 1, 2005 to March 31, 2006)	FY2007 (44th FY; From April 1, 2006 to March 31, 2007)	FY2008 (45th FY; From April 1, 2007 to March 31, 2008)	FY2009 (46th FY; current fiscal year) (From April 1, 2008 to March 31, 2009)
Net sales (million yen)	673,686	851,975	906,091	508,082
Operating income (million yen)	75,703	143,978	168,498	14,710
Ordinary income (million yen)	75,951	143,940	172,713	20,555
Net income (million yen)	48,005	91,262	106,271	7,543
Net income per share (yen)	267.61	511.27	594.01	42.15
Total assets (million yen)	663,242	770,513	792,817	668,998
Net assets (million yen)	376,900	469,810	545,244	529,265

(ii) Changes in the business performance and assets of TEL

Items	FY2006 (43rd FY; from April 1, 2005 to March 31, 2006)	FY2007 (44th FY; From April 1, 2006 to March 31, 2007)	FY2008 (45th FY; From April 1, 2007 to March 31, 2008)	FY2009 (46th FY; current fiscal year) (From April 1, 2008 to March 31, 2009)
Net sales (million yen)	572,019	720,163	767,505	389,458
Operating income (million yen)	37,861	71,045	86,233	8,405
Ordinary income (million yen)	44,836	76,664	95,926	14,979
Net income (million yen)	29,256	51,699	51,471	9,922
Net income per share (yen)	163.02	289.63	287.71	55.45
Total assets (million yen)	543,082	594,933	598,762	486,594
Net assets (million yen)	285,357	327,715	354,607	349,048

Notes

1. The Company has applied Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5) and the Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8) starting in the 44th fiscal year.

World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

2. In the 43rd fiscal year, the scope of the digital home appliance market expanded even further, and PCs and mobile phones started to rapidly penetrate emerging economies such as the BRIC countries, which are new markets. The market for the semiconductors and FPDs used in these devices was generally strong and as a result we experienced higher income.
3. During the 44th fiscal year, as demand for digital home appliances continued to grow, and mobile phones and PCs maintained strong sales, as exemplified by their spread and expanded use in emerging economies, the TEL Group actively worked to sell high-function, state-of-the-art technologies and products. As a result, the Group posted the highest-ever sales, operating income, operating income margin, and net income.
4. During the 45th fiscal year, capital investment in the semiconductor industry continued to active because of the expansion of the market for digital home appliances and for mobile and information devices, which utilize semiconductors. With this as the backdrop, the TEL Group has been striving to launch and increase the sales of highly functional products featuring cutting-edge technologies. These efforts have resulted in new records for both revenue and profit margin.
5. The business performance and property of TEL and its group for FY2009 (46th FY; current fiscal year) are described in (1) "Business Developments and Results."



World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

(5) Major business of the TEL Group (As of March 31, 2009)

The major business of the TEL Group include the manufacture and sale of Semiconductor, FPD and PV(Photovoltaic Cell) production equipment using electronic technology, as well as the purchase and sales of Electronic components and Computer networks. Major product items handled by each division are as follows:

Division		Major products
Industrial electronic equipment	Semiconductor production equipment	Thermal Processing system, Coater/Developer, Plasma Etch system, Cleaning system, Single Wafer Deposition system, Wafer Prober, various types of measuring equipment
	FPD/PV production equipment	FPD Coater/Developer, FPD Plasma Etching/Ashing system PV Deposition system
Electronic Components and Computer Networks		semiconductor products, board computer products, general electronic components, computer network products, software

(6) Employees at TEL and in the TEL Group (As of March 31, 2009)

(i) Number of employees in the TEL Group

Number of Employees	Year-on-year change
10,459	-29

(ii) Number of employees at TEL

Number of employees	Year-on-year change	Average age	Average length of service in years
1,012	+93	38.8	12.8

(Note) Figures do not include 639 employees transferred to other companies on loan and 19 employees on leave of absence.



World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

(7) Major subsidiaries (As of March 31, 2009)

Company	Capital fund	Investment ratio (Indirect investment ratio)	Main business
Tokyo Electron AT Ltd.	4,000 million yen	(%) 100.00	Manufacture of Semiconductor and FPD production equipment, etc.
Tokyo Electron Kyushu Ltd.	2,000 million yen	100.00	Manufacture of Semiconductor and FPD production equipment
Tokyo Electron Tohoku Ltd.	1,000 million yen	100.00	Manufacture of Semiconductor production equipment
Tokyo Electron TS Ltd.	100 million yen	100.00	Manufacture of Semiconductor production equipment
Tokyo Electron Technology Development Institute, Inc.	100 million yen	100.00	Development and manufacture of Semiconductor production equipment, etc.
Tokyo Electron FE Ltd.	100 million yen	100.00	Maintenance services for Semiconductor and FPD production equipment
Tokyo Electron PS Ltd.	100 million yen	100.00	Modification, repair and relocation of Semiconductor production equipment and FPD production equipment
Tokyo Electron PV Ltd.	50 million yen	51.00	Development of Photovoltaic cell production equipment
Tokyo Electron Device Ltd.	2,495 million yen	55.42	Sales of electronic components and computer networks
Tokyo Electron U.S. Holdings, Inc.	10 U.S. dollars	100.00	Holding company for six subsidiaries in the U.S.
Tokyo Electron America, Inc.	10 U.S. dollars	0.00 (100.00)	Sales of and maintenance services for Semiconductor production equipment
Tokyo Electron Europe Ltd.	17 million euros	100.00	Sales of and maintenance services for Semiconductor production equipment
Tokyo Electron Korea Ltd.	3,000 million won	100.00	Sales of and maintenance services for Semiconductor and FPD production equipment
Tokyo Electron Taiwan Ltd.	200 million NT dollars	96.00 (98.00)	Sales of and maintenance services for Semiconductor and FPD production equipment
Tokyo Electron (Shanghai) Ltd.	6,000 thousand U.S. dollars	100.00	Sales of and maintenance services for Semiconductor and FPD production equipment



World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

(Note)

1. New company listed below was established during the current fiscal year.

Company	Date of establishment	Capital fund	Investment ratio(%) (Indirect investment ratio)	Main business
Tokyo Electron India Private Ltd.	June 2008	18 million Indian rupees	90.00 (100.00)	Sales of and maintenance services for Semiconductor and FPD production equipment

2. The liquidation of Tokyo Electron Ireland Ltd. was completed on November 6, 2008.

(8) Major company reorganization

There is no relevant item.

(9) Major lenders (As of March 31, 2009)

There is no relevant item.

(10) Major offices of the TEL Group (As of March 31, 2009)

(i) Tokyo Electron Ltd.

Name	Location
World Headquarters	Minato-ku, Tokyo
Fuchu Technology Center	Fuchu City, Tokyo
Osaka Branch Office	Osaka City, Osaka
Kansai Technology Center	Amagasaki City, Hyogo
Kyushu Branch Office	Koshi City, Kumamoto
Yamanashi Regional Office (Fujii) (Hosaka)	Nirasaki City, Yamanashi Nirasaki City, Yamanashi
Sendai Regional Office	Sendai City, Miyagi

World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

(ii) Subsidiaries

Name	Location
Tokyo Electron AT Ltd. Miyagi Plant Yamanashi Plant (Fujii) (Hosaka) Kansai Technology Center	Matsushima-machi, Miyagi-gun, Miyagi Nirasaki City, Yamanashi Nirasaki City, Yamanashi Amagasaki City, Hyogo
Tokyo Electron Kyushu Ltd. Koshi Plant Saga Plant Ozu Plant	Koshi City, Kumamoto Tosu City, Saga Ozu-machi, Kikuchi-gun, Kumamoto
Tokyo Electron Tohoku Ltd.	Oshu City, Iwate
Tokyo Electron TS Ltd.	Nirasaki City, Yamanashi
Tokyo Electron Technology Development Institute, Inc.	Sendai City, Miyagi
Tokyo Electron FE Ltd.	Fuchu City, Tokyo
Tokyo Electron PS Ltd.	Fuchu City, Tokyo
Tokyo Electron PV Ltd.	Nirasaki City, Yamanashi
Tokyo Electron Device Ltd.	Yokohama City, Kanagawa
Tokyo Electron U.S. Holdings, Inc.	Austin, Texas, U.S.A.
Tokyo Electron America, Inc.	Austin, Texas, U.S.A.
Tokyo Electron Europe Ltd.	Crawley, West Sussex, U.K.
Tokyo Electron Korea Ltd.	Suwon-City, Gyeonggi-Do, Korea
Tokyo Electron Taiwan Ltd.	Hsin-chu City, Taiwan
Tokyo Electron (Shanghai) Ltd.	Shanghai, China

(11) Other important matters related to the present situation for the TEL Group

During the current fiscal year, the TEL Group provided an allowance for doubtful accounts (7,360 million yen) and reported the amount an unusual or infrequent loss. This was due to bankruptcies of major business partners that resulted primarily from the downturn in the global semiconductor market. The partners in question are currently engaged in the legal process for bankruptcy.

World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

2. TEL shares (As of March 31, 2009)

(i) Total number of shares authorized to be issued	300,000,000
(ii) Total number of issued shares	180,610,911
(iii) Number of shareholders	42,509
(iv) Major shareholders	

Shareholder	Equity investment in TEL by shareholder	
	Number of shares held (thousands of shares)	Investment ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	22,509	12.46
Japan Trustee Services Bank, Ltd. (trust account)	14,755	8.16
Tokyo Broadcasting System, Inc.	8,727	4.83
Japan Trustee Services Bank, Ltd. (trust account 4G)	6,926	3.83
State Street Bank And Trust Company 505225	3,760	2.08
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000	1.66
Trust & Custody Services Bank, Ltd. (trust account)	2,986	1.65
BBH for VIP Contrafund Info Tech Sub	2,937	1.62
JPMorgan Securities Japan Co., Ltd.	2,810	1.55
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus	2,544	1.40
US Pension		

- (Notes)
- Any fractional sum of less than 1,000 shares is disregarded when the number of shares owned is indicated.
 - The investment ratio is indicated by discarding all numbers after the second decimal place.
 - In accordance with the system for "Disclosing the Status of Holding a Large Amount of Share Certificates, etc." under the Securities and Exchange Law, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and four of its affiliated companies submitted a report of change dated March 31, 2008 to inform that they held 13,004 thousand shares in the Company as of March 24, 2008. Similarly, Fidelity Investments Japan Ltd. and one of its affiliated company submitted a report of change dated April 7, 2009 to inform that they held 11,928 thousand shares in the Company as of March 31, 2009. Capital Guardian Trust Company and four of its affiliated companies submitted a report of change dated July 7, 2008 to inform that they held 8,885 thousand shares in the Company as of June 30, 2008. Barclays Global Investors Japan Ltd. and four of its affiliated companies submitted a report of change dated April 21, 2008 to inform that they held 8,199 thousand shares in the Company as of April 14, 2008. Deutsche Bank Aktiengesellschaft, London and three of its affiliated companies submitted a report of change dated April 22, 2008 to inform that they held 6,809 thousand shares in the Company as of April 15, 2008. Nomura Securities Co., Ltd. and two of its affiliated companies submitted a report of change dated April 22, 2008 to inform that they held 6,765 thousand shares in the Company as of April 15. But the table above does not include the portion of shares that the Company cannot confirm that it practically holds as of March 31, 2009.

3. Matters concerning Share Subscription Rights

(i) Status of share subscription rights as of the end of the fiscal year

	1st share subscription rights	2nd share subscription rights
Allocation date	July 3, 2002	August 8, 2003
Allocation number of share subscription rights	4,950 units	9,783 units
Balance at end of fiscal year	3,920 units	6,078 units
Ownership by Corporate Directors of the Company (excluding outside directors)	363 units (11 persons)	538 units (9 persons)
Ownership by outside directors of the Company	-	-
Ownership by Statutory Auditors of the Company	100 units (2 persons)	55 units (2 persons)
Total number and type of shares to be issued or transferred by exercise of Share Subscription Rights	Common stock of the Company 392,000 shares	Common stock of the Company 607,800 shares
Amount paid for the exercise of Share Subscription Rights	8,807 yen per share	6,794 yen per share
Exercise period of Share Subscription Rights	From August 1, 2004 to June 30, 2010	From August 1, 2005 to June 30, 2011

	3rd share subscription rights	4th share subscription rights
Allocation date	August 9, 2004	August 8, 2005
Allocation number of share subscription rights	7,997 units	852 units
Balance at end of fiscal year	3,935 units	420 units
Ownership by Corporate Directors of the Company (excluding outside directors)	590 units (8 persons)	116 units (6 persons)
Ownership by outside directors of the Company	-	-
Ownership by Statutory Auditors of the Company	40 units (1 person)	24units (4 persons)
Total number and type of shares to be issued or transferred by exercise of Share Subscription Rights	Common stock of the Company 393,500 shares	Common stock of the Company 42,000 shares
Amount paid for the exercise of Share Subscription Rights	5,884 yen per share	1 yen per share
Exercise period of Share Subscription Rights	From August 1, 2006 to June 29, 2012	From August 1, 2008 to June 30, 2025 However, the period during which taxpayers in the United States can exercise their share subscription rights is limited to August 1, 2008.



World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

	5th share subscription rights	6th share subscription rights
Allocation date	August 8, 2005	June 24, 2006
Allocation number of share subscription rights	920 units	669 units
Balance at end of fiscal year	743 units	641 units
Ownership by Corporate Directors of the Company (excluding outside directors)	-	162 units (11 persons)
Ownership by outside directors of the Company	-	-
Ownership by Statutory Auditors of the Company	-	11 units (1 person)
Total number and type of shares to be issued or transferred by exercise of Share Subscription Rights	Common stock of the Company 74,300 shares	Common stock of the Company 64,100 shares
Amount paid for the exercise of Share Subscription Rights	6,468 yen per share	1 yen per share
Exercise period of Share Subscription Rights	From August 1, 2007 to June 28, 2013	From July 1, 2009 to May 29, 2026 However, the period during which taxpayers in the United States can exercise their share subscription rights is limited to July 1, 2009.

	7th share subscription rights	8th share subscription rights
Allocation date	June 23, 2007	June 21, 2008
Allocation number of share subscription rights	1,004 units	1,779 units
Balance at end of fiscal year	996 units	1,779 units
Ownership by Corporate Directors of the Company (excluding outside directors)	321 units (11 persons)	539 units (11 persons)
Ownership by outside directors of the Company	-	-
Ownership by Statutory Auditors of the Company	-	-
Total number and type of shares to be issued or transferred by exercise of Share Subscription Rights	Common stock of the Company 99,600 shares	Common stock of the Company 177,900 shares
Amount paid for the exercise of Share Subscription Rights	1 yen per share	1 yen per share
Exercise period of Share Subscription Rights	From July 1, 2010 to May 31, 2027 However, the period during which taxpayers in the United States can exercise their share subscription rights is limited to July 1, 2010.	From July 1, 2011 to May 31, 2028 However, the period during which taxpayers in the United States can exercise their share subscription rights is limited to July 1, 2011



World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

(ii) The status of share subscription rights granted to Company employees as of the end of the fiscal year

	8th share subscription rights
Allocation date	June 21, 2008
Allocation number of share subscription rights	1,779 units
number of share subscription rights allocated to employees of the Company	423 units(15 persons)
number of share subscription rights allocated to executives and employees of subsidiaries	817 units(68 persons)
Total number and type of shares to be issued or transferred by exercise of Share Subscription Rights	Common stock of the Company 177,900 shares
Amount paid for the exercise of Share Subscription Rights	1 yen per share
Exercise period of Share Subscription Rights	From July 1,2011 to May 31,2028 However, the period during which taxpayers in the United States can exercise their share subscription rights is limited to July 1, 2011

4. Matters concerning TEL's directors and other officers

(i) Condition of Corporate Directors and Statutory Auditors (As of March 31, 2009)

Position in the Company	Name	Responsibilities, major occupations, representatives in other legal entities
Chairman & CEO	Tetsuro Higashi	Chairman & CEO, Tokyo Electron U.S. Holdings, Inc. Chairman & CEO, Tokyo Electron America, Inc. Chairman, Semiconductor Equipment Association of Japan
Vice Chairman of the Board	Tetsuo Tsuneishi	Chairman, Tokyo Electron (Shanghai) Ltd. Chairman, Tokyo Electron (Shanghai) Logistic Center Ltd.
President & COO	Kiyoshi Sato	Chairman, Tokyo Electron Europe Ltd.
Executive Vice President	Haruo Iwatsu	Chairman of the Board, Tokyo Electron Kyushu Ltd.
Corporate Director	Mamoru Hara	Internal Control
Corporate Director	Masao Kubodera	Technology & Development Chairman of the Board, Tokyo Electron AT Ltd.
Corporate Director	Yuichi Honda	Finance & Accounting, Business Ethics
Corporate Director	Hirofumi Kitayama	Senior Vice President Chairman & Representative Director, Tokyo Electron Tohoku Ltd.
Corporate Director	Hiroshi Takenaka	Senior Vice President Chairman, Tokyo Electron Korea Solution Ltd.
Corporate Director	Kenji Washino	Senior Vice President Chairman & CEO, TEL Venture Capital, Inc.
Corporate Director	Hikaru Ito	Senior Vice President Chairman & CEO, Timbre Technologies, Inc.
Corporate Director	Hiroshi Inoue	President, Tokyo Broadcasting System, Inc. President, Tokyo Broadcasting System Television, Inc.
Corporate Director	Yasuhiro Tsunemi	
Corporate Director	Masahiro Sakane	Chairman of the Board, Komatsu Ltd.
Statutory Auditor	Takeo Tanaka	
Statutory Auditor	Mitsutaka Yoshida	
Statutory Auditor	Togo Tajika	
Statutory Auditor	Hiroshi Maeda	Attorney-at-Law

World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

Members of the Compensation Committee:

Yuichi Honda, Hiroshi Takenaka, Hikaru Ito, Yasuhiro Tsunemi

Members of the Nomination Committee:

Tetsuo Tsuneishi, Haruo Iwatsu, Hirofumi Kitayama, Kenji Washino

Notes

1. Corporate Directors Hiroshi Inoue, Yasuhiro Tsunemi and Masahiro Sakane are outside directors.
2. Statutory Auditors Togo Tajika and Hiroshi Maeda are outside statutory auditors.
3. Statutory Auditor Takeo Tanaka has experience as director in the Company's finance and accounting departments and has extensive knowledge concerning finance and accounting matters.
4. On April 1, 2009, new responsibilities, major occupations, representatives in other legal entities were assigned as follows:

Position in the Company	Name	Responsibilities, major occupations, representatives in other legal entities
Chairman & CEO	Tetsuro Higashi	Chairman, Tokyo Electron U.S. Holdings, Inc. Chairman, Semiconductor Equipment Association of Japan
Vice Chairman of the Board	Tetsuo Tsuneishi	Chairman, Tokyo Electron (Shanghai) Ltd. Chairman, Tokyo Electron (Shanghai) Logistic Center Ltd.
Vice Chairman of the Board	Kiyoshi Sato	
President	Hiroshi Takenaka	Chairman, Tokyo Electron America, Inc. Chairman, Tokyo Electron Europe Ltd.
Corporate Director	Mamoru Hara	Internal Control
Corporate Director	Masao Kubodera	Technology & Development Chairman of the Board, Tokyo Electron AT Ltd.
Corporate Director	Yuichi Honda	Finance & Accounting, Business Ethics
Corporate Director	Haruo Iwatsu	Chairman of the Board, Tokyo Electron Kyushu Ltd.
Corporate Director	Hirofumi Kitayama	Executive Vice President Chairman & Representative Director, Tokyo Electron Tohoku Ltd. Chairman & Representative Director, Tokyo Electron PS Ltd. Chairman, Tokyo Electron Korea Solution Ltd. Chairman, Tokyo Electron Taiwan Ltd.
Corporate Director	Kenji Washino	Executive Vice President Chairman, Tokyo Electron Massachusetts, LLC Chairman, TEL Venture Capital, Inc. Chairman, TEL Epion Inc.

World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

Position in the Company	Name	Responsibilities, major occupations, representatives in other legal entities
Corporate Director	Hikaru Ito	Executive Vice President Chairman, Timbre Technologies, Inc.
Corporate Director	Hiroshi Inoue	Chairman, Tokyo Broadcasting System Holdings, Inc. Chairman, Tokyo Broadcasting System Television, Inc.
Corporate Director	Yasuhiro Tsunemi	
Corporate Director	Masahiro Sakane	Chairman of the Board, Komatsu Ltd.
Statutory Auditor	Takeo Tanaka	
Statutory Auditor	Mitsutaka Yoshida	
Statutory Auditor	Togo Tajika	
Statutory Auditor	Hiroshi Maeda	Attorney-at-Law

(ii) Condition of Executive officers (As of March 31, 2009)

Name	Position & Responsibilities
Tetsuro Higashi	Chairman & CEO
Tetsuo Tsuneishi	Vice Chairman of the Board IR, Legal and Intellectual Property, Customer Relation
Kiyoshi Sato	President & COO
Haruo Iwatsu	Executive Vice President General Manager, Development & Manufacturing Division, IT
Hirofumi Kitayama	Senior Vice President, Deputy General Manager, Development & Manufacturing Division (Manufacturing)
Hiroshi Takenaka	Senior Vice President, General Manager, SPE-2 Division
Kenji Washino	Senior Vice President, General Manager, SPE Business Strategy Division
Hikaru Ito	Senior Vice President, General Manager, SPE-1 Division
Mitsuru Onozato	Senior Vice President, General Manager, FPD/PVE Division
Hiroki Takebuchi	Senior Vice President, General Manager, Corporate Strategic Planning Dept., Human Resources Development Center President, Tokyo Electron India Private Ltd.
Masami Akimoto	Senior Vice President, Deputy General Manager, Development & Manufacturing Division (Development) President & Representative Director, Tokyo Electron Kyushu Ltd. Chairman & CEO, TEL Technology Center, America, LLC
Takashi Ito	Senior Vice President, General Manager, PVE BU



World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

Name	Position & Responsibilities
Yoshiteru Harada	VP & General Manager, Corporate Administration Division
Yoshikazu Nunokawa	VP & Deputy General Manager, Corporate Administration Division (HR, Finance)
Toshihiko Nishigaki	VP & General Manager, Clean Track BU
Hideyuki Tsutsumi	VP & General Manager, Etching Systems BU
Masaaki Hata	VP & General Manager, Surface Preparation Systems BU
Seisu Ikeda(Yoh)	VP & General Manager, Thermal Processing Systems BU
Takeshi Okubo	VP & General Manager, Single Wafer Deposition BU
Shunro Nagasawa	VP & General Manager, Test Systems BU
Jinzaburo Sakamoto	VP & General Manager, Post Sales BU President & Representative Director, Tokyo Electron PS Ltd.
Kiyoshi Sunohara	VP & General Manager, Marketing
Yoshinori Inoue	VP & General Manager, MEMS
Chiaki Yamaguchi	VP & General Manager, Sales & Services Division, Sales and Services, Asia Vice Chairman, Tokyo Electron (Shanghai) Ltd. Vice Chairman, Tokyo Electron (Shanghai) Logistic Center Ltd.
Hirofumi Murakami	VP & Deputy General Manager, Sales & Services Division (Services) President & Representative Director, Tokyo Electron FE Ltd.
Yasuyuki Kuriki	VP & General Manager, Sales & Services, Korea President, Tokyo Electron Korea Ltd.
Tsuguhiko Matsuura	VP & General Manager, FPD BU
Shigetoshi Hosaka	VP & General Manager, Corporate Development

(Notes) 1. BU stands for “business unit”



2. On April 1, 2009, new position and responsibilities were assigned as follows:

Name	Position & Responsibilities
Tetsuro Higashi	Chairman & CEO
Tetsuo Tsuneishi	Vice Chairman of the Board Assistant to Chairman & President, SPE IR/ Legal and Intellectual Property/ Strategic Alliance
Kiyoshi Sato	Vice Chairman of the Board Assistant to Chairman & President, FPD/PVE
Hiroshi Takenaka	President
Hirofumi Kitayama	Executive Vice President, General Manager, Manufacturing Division (Quality)
Kenji Washino	Executive Vice President, General Manager, SPE Business Strategy Division
Hikaru Ito	Executive Vice President, General Manager, SPE Division
Mitsuru Onozato	Executive Vice President, General Manager, FPD/PVE Division
Hiroki Takebuchi	Senior Vice President, General Manager, Corporate Strategy/Human Resources President, Tokyo Electron India Private Ltd.
Masami Akimoto	Senior Vice President, General Manager, Development Division President & Representative Director, Tokyo Electron Kyushu Ltd. Chairman, TEL Technology Center, America, LLC
Takashi Ito	Senior Vice President, General Manager, PVE BU
Takashi Nakamura	Senior Vice President, General Manager, Corporate Administration Division, Compliance/Internal Control
Yoshikazu Nunokawa	VP & General Manager, Finance/Export and Logistics Control
Yutaka Nanasawa	VP & General Manager, General Manager, HR/General Affairs/Accounting
Tetsuro Hori	VP & General Manager, Legal/Intellectual Property
Toshihiko Nishigaki	VP & General Manager, Clean Track BU
Hideyuki Tsutsumi	VP & General Manager, Etching Systems BU
Masaaki Hata	VP & General Manager, Surface Preparation Systems BU
Seisu Ikeda(Yoh)	VP & General Manager, Thermal Processing Systems BU
Takeshi Okubo	VP & General Manager, Single Wafer Deposition BU
Chiaki Yamaguchi	VP & General Manager, Sales & Services Division Vice Chairman, Tokyo Electron (Shanghai) Ltd. Vice Chairman, Tokyo Electron (Shanghai) Logistic Center Ltd.



World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

Name	Position & Responsibilities
Hirofumi Murakami	VP & Deputy General Manager, Sales & Services Division (Services) President & Representative Director, Tokyo Electron FE Ltd.
Yasuyuki Kuriki	VP & General Manager, Sales & Services, Korea President, Tokyo Electron Korea Ltd.
Shunro Nagasawa	VP & General Manager, Sales & Services, Asia
Tsuguhiko Matsuura	VP & General Manager, FPD BU
Shigetoshi Hosaka	VP & General Manager, Corporate Development

*BU stands for "business unit"

(iii) Amount of Compensation Summary to Corporate Directors and Statutory Auditors

	Fixed Compensation: Monthly Salary	Compensation linked to business performance		(Reference) Number of stock options for stock linked compensation approved by resolution at the 45th Annual General Meeting of Shareholders held on June 20, 2008
	Amount paid during FY2009 (Note 3)	Annual Bonus (Note 4)	Stock options for stock linked compensation (Note 5)	
	(million yen)	(million yen)	(million yen)	(unit)
Total amount of Corporate Director compensation (14 persons)	483	20	192	539
Portion of outside directors compensation (3 persons)	16	0.7	-	-
Total amount of Statutory Auditor compensation (4 persons)	106	-	-	-
Portion of outside Auditors compensation (2 persons, including one full-time auditor)	34	-	-	-

Notes

1. It was resolved at the 44th Annual General Meeting of Shareholders held on June 22, 2007 that the maximum amount of Corporate Director fixed compensation for a fiscal year should be 560 million yen (including 20 million yen for outside directors). The Company does not pay a salary to Corporate Directors as employees in addition to their Corporate Director compensation.
2. It was resolved at the 43rd Annual General Meeting of Shareholders held on June 23, 2006 that the maximum amount of Statutory Auditor fixed compensation for a fiscal year should be 10 million yen per month (120 million yen annually)
3. Amounts indicated are amounts paid from April 2008 to March 2009.
4. The proposed amount of bonuses for Corporate Directors, which will be brought before the 46th Annual General Meeting of Shareholders held on June 19, 2009, is indicated.
5. The amount of expenses incurred during the current fiscal year by the 6th share subscription rights issued to Corporate Directors (stock-based compensation type of stock options) in accordance with a resolution of the 43rd Annual General Meeting of Shareholders and the 7th share subscription rights issued to Corporate Directors (stock-based compensation type of stock options) in accordance with a resolution of the 44th Annual Meeting of Shareholders and the 8th share subscription rights issued to Corporate Directors (stock-based compensation type of stock options) in accordance with a resolution of the 45th Annual Meeting of Shareholders, is indicated. Specifically, in accordance with the Accounting Standard for Stock Options (ASBJ Statement No. 8), the fair market value is distributed to the fiscal years during the period from the date the options are granted up to the date the options are exercised, based on calculations by a third party agency fair market value of the stock option .

World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

(Reference)

Individual Compensation of Representative Directors

	Fixed Compensation: Monthly Salary	Compensation linked to business performance	(Reference) Number of stock options for stock linked compensation approved by resolution at the 45th Annual General Meeting of Shareholders held on June 20, 2008
	Amount paid during FY2009 (Note 2)	Amount paid during FY2009 (Note 3)	
	(million yen)	(million yen)	(unit)
Tetsuro Higashi Chairman & CEO	72	120	102
Kiyoshi Sato President & COO	66	110	94

Notes

1. A Compensation Committee has been established within the Board of Directors to set the compensation of the Chairman & CEO and the President & COO.
2. Amounts paid from April 2008 to March 2009 are indicated.
3. Amounts of bonuses paid pursuant to a resolution adopted at the 45th Annual General Meeting of Shareholders held on June 20, 2008 are indicated.
4. The level of performance-linked bonuses paid to corporate directors during the 46th fiscal year will be brought before the 46th Annual General Meeting of Shareholders to be held on June 19, 2009. In terms of these bonuses, three million yen will be paid to Tetsuro Higashi, Chairman & CEO, while two million yen will be paid Kiyoshi Sato, President & COO.

(iv) Policies Concerning Decisions Relating to Methods of Calculating Executive Compensation

The Company has adopted the following executive compensation program with the intention of linking compensation more closely to financial results and shareholder value, enhancing management transparency, and raising corporate competitiveness.

Corporate Director compensation consists of a fixed monthly salary and performance-linked compensation. Statutory Auditor compensation consists of a fixed monthly salary only. Payment of retirement allowances, which constituted a significant portion of fixed compensation, was abolished in the 43rd fiscal year, and payment of retirement benefits calculated according to the length of service through the 42nd fiscal year was approved at the 42nd Annual General Meeting of Shareholders held on June 24, 2005.

The performance-linked compensation system, which consists of annual bonuses, is more closely linked to financial results by clearly tying it to consolidated net income. Persons subject to the system are Corporate Directors and executive officers of the Company and its subsidiaries. The total compensation that is linked to business performance is limited to 3% of consolidated net income. A major portion of annual bonuses is paid in cash. To provide incentives for higher share prices resulting from better business performance and to have executives share with shareholders the risks of share price fluctuations, a portion of compensation will be non-monetary (stock-based compensation), with the ratio of cash bonuses to stock-based compensation of approximately 2:1 (stock-based compensation is not paid to outside directors).

Introducing and implementing stock options as stock-based compensation that can be directly exchanged for shares and restricted stocks in the United States and other countries is problematic under current law, and therefore, we will grant stock options with a set strike price of one yen per share and set a three-year limit on the exercise of options, which will have the same effect.

During the current fiscal year, although the TEL Group managed to remain in the black for the entire year, despite the harsh business environment, it saw both its revenue and profits decline substantially. Taking this into account, the TEL Group decided that only a maximum of 1% of its consolidated net income for the current fiscal year will be expended for cash-based performance-linked compensation (annual bonuses) for its corporate directors, and not to provide any stock-based compensation.

World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

(v) Matters concerning Outside Directors and Outside Auditors

a. Outside directors also serving as executive directors of other companies (As of March 31, 2009)

Position in the Company	Name	Company where other post is held and details of other post
Outside Director	Hiroshi Inoue	President, Tokyo Broadcasting System, Inc. President, Tokyo Broadcasting System Television, Inc.
Outside Director	Masahiro Sakane	Chairman of the Board, Komatsu Ltd.

Notes

1. Tokyo Broadcasting System, Inc., Tokyo Broadcasting System Television, Inc. and Komatsu Ltd. does not engage in any significant business with the Company.

b. Outside Directors and Outside Auditors also serving as outside directors, outside Auditors of other companies (As of March 31, 2009)

Position in the Company	Name	Company where other post is held and details of other post
Outside Director	Hiroshi Inoue	Outside Director, Mainichi Newspapers Co., Ltd. Outside Director, Mainichi Broadcasting System, Inc. Outside Auditor, RKB Mainichi Broadcasting Corporation Outside Director, ATV Aomori Television Broadcasting Co. Outside Director, Iwate BroadCasting, Inc. Outside Director, Minaminihon Broadcasting Co., Ltd. Outside Director, Video Research Ltd.
Outside Director	Masahiro Sakane	Outside Director, Nomura Holdings, Inc. Outside Director, Nomura Securities Co., Ltd.
Outside Auditor	Hiroshi Maeda	Outside Auditor, Footwork Express Co., Ltd. Outside Auditor, AsMediX Co.,Ltd. Outside Auditor, Ridgeway Capital Partners Ltd. Outside Auditor, Kokusai Kogyo Holdings Co. Ltd. Outside Auditor, E-cubic Co., Ltd.

c. Main activities during the current fiscal year

The Board of Directors met a total of 11 times during the current fiscal year. Outside director Hiroshi Inoue attended 10 meetings, outside director Yasuhiro Tsunemi attended 11 meetings, and Outside director Masahiro Sakane attended 7 of the 9 meetings held following his appointment on June 20, 2008. Outside Statutory Auditor Togo Tajika attended 11 meetings, and outside Statutory Auditor Hiroshi Maeda attended 9 meetings. In addition, the Board of Statutory Auditors met a total of 6 times during the current fiscal year. Outside Statutory Auditors Togo Tajika attended 6 meetings, and outside Statutory Auditor Hiroshi Maeda attended 6 meetings. Each person made necessary statements for discussion on resolutions as appropriate based on their professional perspectives.

d. Overview of liability-limiting agreements

The Company revised its Articles of Incorporation at the 43rd Annual General Meeting of Shareholders held on June 23, 2006 to include a provision concerning the conclusion of liability limiting contracts with outside directors and auditors. In accordance with its Articles of Incorporation, the Company has concluded liability-limiting contracts specified by Article 423, Paragraph 1 of the Companies Act with its outside directors and statutory auditors. The limitation of liability under these agreements is the maximum amount specified in Article 425, Paragraph 1 of the Companies Act, provided that the individuals in question perform their duties in good faith and without gross negligence.

World Headquarters
 3-1 Akasaka 5-chome, Minato-ku
 Tokyo 107-6325, Japan
 Tel.+81-3-5561-7000

5. Condition of accounting auditors

(1) Name of accounting auditors

KPMG Azsa & Company

(2) Amount of Compensation Paid to Accounting Auditors

(million yen)

i	Amount of compensation to be paid by the Company for audit services pursuant to Article 2, Paragraph 1 of the Certified Public Accountants Law	167
ii	Total monetary compensation and other benefits to be paid to accounting auditors by the Company and its subsidiaries	277

Notes

1. The audit agreement concluded by the Company and its accounting auditors does not distinguish between compensation to be paid for audits pursuant to the Companies Act, and that pursuant to the Financial Instruments and Exchange Law and these amounts cannot practically be separated, and as a result the amount indicated in (i) above is the total of these two amounts.

2. The Company entrusts “advisory services for correspondence to Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements(PITF No. 18)” and “advisory services for internal control assessments and other activities related to financial reports” to its accounts auditors and pays the auditors for their services. These are non-audit services other than services as provided for in Article 2, Paragraph 1 of the Certified Public Accountants Law.

3. Of the Company’s main subsidiaries, the following subsidiaries undergo audits by certified public accountants or audit companies other than the Company’s accounting auditors.

Tokyo Electron U.S. Holdings, Inc.
 Tokyo Electron Europe Limited
 Tokyo Electron Korea Limited
 Tokyo Electron Taiwan Limited
 Tokyo Electron (Shanghai) Limited

(3) Policy Concerning Decisions to Discharge or to Not Reappoint the Accounting Auditors

If any of the circumstances set forth in Article 340, Paragraph 1 of the Companies Act apply to the accounting auditors, the Board of Statutory Auditors may discharge the accounting auditors with the unanimous consent of all Statutory Auditors. In addition, if it is determined that it would be difficult for the accounting auditors to perform proper audits, the Board of Directors may, with the consent of or upon request from the Board of Auditors, submit to the General Meeting of Shareholders the resolution to discharge or not to reappoint the accounting auditors.

World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

6. Corporate Structures and Policies

(1) Structures for Ensuring the Proper Performance of Business

In accordance with the Article 362, Paragraph 5 of the Companies Act, the Company decided, at the meeting of its Board of Directors held on May 12, 2006, to adopt a basic policy for systems to ensure appropriate operations. In the current fiscal year, the Company resolved to revise part of the policy at the meeting of its Board of Directors held on April 25, 2008, as described below. The purpose of the revision was to confirm the Company's basic stance of having no relations with antisocial movements and establishing internal control systems related to financial reports in accordance with the Financial Instruments and Exchange Law.

Fundamental Policies concerning Internal Controls within the Tokyo Electron Group

1. Systems to ensure that actions by directors and employees in the performance of their duties comply with applicable laws and the Articles of Incorporation
 - (1) TEL Group directors and employees are required to act in compliance with applicable laws and the Articles of Incorporation and with a high sense of ethics.
 - (2) TEL Group directors and employees shall consider regulations concerning compliance structures, including Code of Ethics and Compliance Regulations, to guide their standard of conduct and shall put such standards into practice.
 - (3) The Chief Business Ethics Director shall have as his mission ensuring compliance with corporate ethics and shall report periodically to the Board of Directors on the Ethics Committee and activities to ensure legal compliance.
 - (4) The Internal Audit Dept., which shall be under the direct authority of the president & COO, shall perform internal audits of actions taken in the performance of their duties. Such audits shall include checking on the existence of compliance violations.
 - (5) The statutory auditors shall perform audits of the actions of directors in the performance of their duties, and if any action that violates an applicable law or the Articles of Incorporation, or potential violation, is discovered, the statutory auditors shall take necessary measures that include the provision of advice or reports to the directors.
 - (6) An internal reporting system ("hotline") shall be operated and maintained as a measure for employees to directly provide information on any conduct that seems questionable with regard to legality. Confidentiality shall be maintained upon the request of the employee making a report, and it will be guaranteed that the employee will not be subject to any disadvantage.
 - (7) We will establish a system to ensure the appropriateness and reliability of the Group's financial reporting, while periodically enhancing it and evaluating the effectiveness of its operations.
 - (8) Based on our corporate stance of avoiding all contact with antisocial movements that might threaten the order and security of civil society, we categorically refuse all unreasonable demands and other forms of solicitation from such organizations.
2. Structures for the preservation and management of information relating to actions taken by directors in the performance of their duties
 - (1) Information relating to actions taken by directors in the performance of their duties shall be recorded in writing or via electronic media and shall be preserved in accordance with the Document Management Regulations.
 - (2) Documents, etc. relating to actions taken by directors in the performance of their duties shall be maintained in a format that can be viewed immediately.

World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

3. Regulations concerning management of the risk of loss and other structures
 - (1) Risk Management Regulations shall be formulated, the types of risks that should be managed shall be identified, and risk management systems clarified.
 - (2) The department responsible for each risk specified in the above regulations shall be determined, group-wide risks shall be managed, and risk management structures shall be described in detail and implemented properly.
 - (3) Efforts to develop preparedness for risks related to such events as earthquakes, in order to ensure the continuity of business, shall be continually promoted.
 - (4) The responsible directors shall report periodically to the Board of Directors concerning the status of major risks and measures taken to counter them.

4. Structures to ensure the efficient performance of the duties of directors
 - (1) The Board of Directors shall determine key items of the company's management including management policies and matters specified by law and shall oversee the status of their implementation.
 - (2) The company shall take measures to have outside (independent) directors join the Board to objectively ensure efficient decision-making by the Board of Directors.
 - (3) The Board of Directors shall by resolution of the Board have representative directors, executive directors, and executive officers carry out their respective duties.

5. Structures to ensure the appropriateness of operations by the corporate group consisting of TEL and its subsidiaries
 - (1) Various regulations applicable to the entire group shall be prepared as necessary to ensure the proper and efficient performance of business activities as a corporate group.
 - (2) The statutory auditors shall establish a structure for cooperation with the statutory auditors of other group companies to facilitate the effective and proper performance of supervision and audits of the TEL Group as a whole.
 - (3) The Internal Audit Dept. shall perform audits of the appropriateness of the activities of the corporate group.

6. Matters relating to employees when the assignment of employees is necessary to assist in the performance of the statutory auditors' duties and matters relating to the independence of such employees from directors
 - (1) When the statutory auditors request the assignment of employees to assist them in the performance of their duties, employees shall be assigned to the statutory auditors.
 - (2) Employees assigned to the statutory auditors shall perform work duties in accordance with instructions from the statutory auditors.
 - (3) To ensure the independence of the employees specified above, matters relating to personnel administration, such as appointment and dismissal, transfers, and performance evaluations, shall require the consent of a full-time statutory auditor.

7. Structures for reports by directors and employees to the statutory auditors and for other reports to the statutory auditors
 - (1) If a director or employee discovers any facts in violation of applicable laws or any matter that will have a material impact on TEL and the TEL Group, the director or employee must immediately report to the statutory auditors.
 - (2) Each statutory auditors shall attend key meetings and shall review significant documents submitted for approval, and when necessary request reports from directors, responsible executive officers, and other departments.
 - (3) The Board of Auditors shall receive reports from the Internal Audit Dept. concerning the results of internal audits.

World Headquarters
3-1 Akasaka 5-chome, Minato-ku
Tokyo 107-6325, Japan
Tel.+81-3-5561-7000

8. Other structures to ensure the effective implementation of audits by the statutory auditors
- (1) A forum for the periodic exchange of ideas and opinions among the statutory auditors and representative directors shall be created with the objective of creating effective internal controls.
 - (2) The Board of Auditors shall share information with the accounting auditors and the Internal Audit Dept. with the objective of creating effective internal controls.
 - (3) The company shall take measures to have outside (independent) auditors join the Board of Auditors to objectively ensure the appropriateness of audits.
 - (4) The Board of Auditors may when necessary use the company's funds for legal, accounting and other professionals to form independent opinions when performing audits.

(2) Policy concerning decisions regarding the distribution of surplus earnings

The Company's dividend policy is to link dividends to business results and revenues on a continuous basis. Our basic policy for returning surplus earnings to shareholders is to maintain a payout ratio of 20% based on consolidated net income. A portion of income is retained and used effectively for research and development, capital investment, and the development of overseas business to ensure the expansion of our business in the future.

During the current fiscal year, the Company paid an interim dividend of 20 yen per share, taking into consideration consolidated financial results for the first half of the year and the policy mentioned above. Despite suffering a loss during the second half of the year due to the deterioration of the business environment, the Company will pay a four yen per share year-end dividend to shareholders to meet their expectations by continuing stable dividend payments. This will bring the annual dividend for the current fiscal year (including the interim dividend) to 24 yen per share.

Consolidated Balance Sheet

(Millions of yen)

ASSETS	As of March 31, 2008	As of March 31, 2009
Current assets		
Cash and deposit	67,540	51,156
Trade notes and accounts receivable	224,170	119,687
Securities	136,022	159,001
Merchandise and finished goods	-	88,416
Work in process	-	29,306
Raw materials and supplies	-	16,518
Inventories	161,151	-
Defferd income taxes	24,140	11,480
Others	27,271	30,139
Allowance for doubtful accounts	(62)	(20)
Total current assets	640,233	505,687
Long-term assets		
Tangible fixed assets		
Buildings and structures	119,577	121,568
Accumulated depreciation	(67,279)	(71,308)
Buildings and structures, net	52,297	50,259
Machinery and carriers	69,818	72,586
Accumulated depreciation	(51,388)	(54,999)
Machinery and carriers, net	18,429	17,587
Tools, furniture and fixtures	29,917	-
Accumulated depreciation	(21,467)	-
Tools, furniture and fixtures, net	8,449	-
Land	20,729	20,678
Construction in progress	4,199	4,708
Others	-	31,886
Accumulated depreciation	-	(25,213)
Others, net	-	6,672
Total tangible fixed assets	104,105	99,906
Intangible fixed assets		
Others	13,253	10,760
Total intangible fixed assets	13,253	10,760
Investments and other assets		
Investment securities	8,837	9,131
Deferred income taxes	14,846	31,939
Others	11,843	19,118
Allowance for doubtful accounts	(301)	(7,545)
Total investments and other assets	35,224	52,644
Total long-term assets	152,584	163,311
Total assets	792,817	668,998

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	55,332	24,393
Income taxes payable	28,239	-
Accrued employees' bonuses	12,726	4,965
Accrued warranty expenses	9,815	6,115
Others	92,706	53,798
Total current liabilities	<u>198,820</u>	<u>89,272</u>
Long-term liabilities		
Accrued pension and severance costs	43,704	47,046
Others	5,047	3,413
Total long-term liabilities	<u>48,752</u>	<u>50,460</u>
Total liabilities	<u>247,572</u>	<u>139,732</u>
NET ASSETS		
Shareholders' equity		
Common stock	54,961	54,961
Capital surplus	78,392	78,114
Retained earnings	410,866	404,435
Treasury stock	(11,369)	(11,111)
Total shareholders' equity	<u>532,850</u>	<u>526,398</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,172	(842)
Deferred gains or losses on hedges	460	66
Translation adjustments	(529)	(7,235)
Total valuation and translation adjustments	<u>2,102</u>	<u>(8,011)</u>
Subscription rights to shares	483	1,148
Minority interests	9,807	9,729
Total net assets	<u>545,244</u>	<u>529,265</u>
Total liabilities and net assets	<u>792,817</u>	<u>668,998</u>

Consolidated Statement of Income

	(Millions of yen)	
	Year ended March 31, 2008	Year ended March 31, 2009
Net sales	906,091	508,082
Cost of sales	594,794	370,673
Gross profit	311,297	137,408
Selling, general & administrative expenses		
Salaries and allowances	20,044	19,042
Provision for accrued bonuses	3,411	1,269
Provision for retirement allowances	1,990	1,998
Other personal expenses	11,647	7,044
Depreciation and amortization	5,355	5,872
Research and development expenses	66,072	60,987
Others	34,277	26,481
Total selling, general & administrative expenses	142,799	122,697
Operating income	168,498	14,710
Non-operating income		
Interest income	1,416	1,707
Revenue from development grants	2,170	2,700
Others	1,544	2,400
Total non-operating income	5,131	6,809
Non-operating expenses		
Interest expenses	343	175
Lease expenses of fixed assets	240	266
Loss on sale of trade notes and accounts receivable	167	132
Others	164	389
Total non-operating expenses	916	964
Ordinary income	172,713	20,555
Unusual or infrequent profit		
Gain on sale of fixed assets	2,364	67
Gain on reversal of subscription rights to shares	466	-
Others	188	18
Total unusual or infrequent profit	3,020	85
Unusual or infrequent loss		
Provision of allowance for doubtful accounts	-	7,360
Loss on retirement or sale of fixed assets	884	352
Loss on impairment	808	-
Loss on revaluation of investment securities	-	2,432
Office relocation expenses	729	212
Amortization of goodwill	4,072	-
Others	18	646
Total unusual or infrequent loss	6,513	11,004
Income before income taxes	169,219	9,636
Provision for income taxes and enterprise taxes	56,568	4,552
Deferred income taxes	5,373	(2,762)
Total income taxes	61,942	1,790
Minority interests	1,005	303
Net income	106,271	7,543

Consolidated Statements of Changes in Net Assets

46

	(Millions of yen)	
	Year ended March 31, 2008	Year ended March 31, 2009
Shareholders' equity		
Common stock		
Balance at beginning of period	54,961	54,961
Balance at end of period	<u>54,961</u>	<u>54,961</u>
Capital surplus		
Balance at beginning of period	78,346	78,392
Disposal of treasury stock	45	(278)
Balance at end of period	<u>78,392</u>	<u>78,114</u>
Retained earnings		
Balance at beginning of period	328,026	410,866
Changes in accounting treatment by subsidiaries outside Japan	-	(551)
Cash dividends	(23,431)	(13,420)
Net income	106,271	7,543
Effect of changes in scope of consolidation	-	(2)
Balance at end of period	<u>410,866</u>	<u>404,435</u>
Treasury stock		
Balance at beginning of period	(12,167)	(11,369)
Purchase of treasury stock	(40)	(38)
Disposal of treasury stock	838	296
Balance at end of period	<u>(11,369)</u>	<u>(11,111)</u>
Total shareholders' equity		
Balance at beginning of period	449,166	532,850
Changes in accounting treatment by subsidiaries outside Japan	-	(551)
Cash dividends	(23,431)	(13,420)
Net income	106,271	7,543
Purchase of treasury stock	(40)	(38)
Disposal of treasury stock	884	17
Effects of changes in scope of consolidation	-	(2)
Balance at end of period	<u>532,850</u>	<u>526,398</u>

Consolidated Statements of Changes in Net Assets

47

	(Millions of yen)	
	Year ended March 31, 2008	Year ended March 31, 2009
Valuation and Translation Adjustments		
Valuation difference on available-for-sale securities		
Balance at beginning of period	5,853	2,172
Net change	(3,680)	(3,014)
Balance at end of period	<u>2,172</u>	<u>(842)</u>
Deferred gains or losses on hedges		
Balance at beginning of period	(177)	460
Net change	637	(393)
Balance at end of period	<u>460</u>	<u>66</u>
Translation adjustments		
Balance at beginning of period	5,332	(529)
Net change	(5,862)	(6,705)
Balance at end of period	<u>(529)</u>	<u>(7,235)</u>
Total Valuation and Translation Adjustments		
Balance at beginning of period	11,008	2,102
Net change	(8,905)	(10,114)
Balance at end of period	<u>2,102</u>	<u>(8,011)</u>
Subscription rights to shares		
Balance at beginning of period	584	483
Net change	(100)	664
Balance at end of period	<u>483</u>	<u>1,148</u>
Minority interests		
Balance at beginning of period	9,051	9,807
Net change	756	(78)
Balance at end of period	<u>9,807</u>	<u>9,729</u>
Total net assets		
Balance at beginning of period	469,810	545,244
Changes in accounting treatment by subsidiaries outside Japan	-	(551)
Cash dividends	(23,431)	(13,420)
Net income	106,271	7,543
Purchase of treasury stock	(40)	(38)
Disposal of treasury stock	884	17
Effects of changes in scope of consolidation	-	(2)
Net change except shareholders' equity	(8,249)	(9,527)
Balance at end of period	<u>545,244</u>	<u>529,265</u>

Consolidated Cash Flow

48

	(Millions of yen)	
	Year ended March 31, 2008	Year ended March 31, 2009
Cash flow from operating activities		
Income before income taxes	169,219	9,636
Depreciation and amortization	21,413	23,068
Loss on impairment	808	-
Amortization of goodwill	5,672	-
Increase in accrued pension and severance costs (decrease)	3,754	3,426
Decrease in prepaid pension expenses (increase)	(4,035)	-
Increase in accrued employees' bonuses (decrease)	(1,404)	(7,761)
Increase in accrued warranty expenses (decrease)	(4,322)	(3,345)
Interest and dividend revenue	(1,491)	(1,805)
Interest expenses	343	175
Foreign currency translation loss (gain)	694	103
Loss on sale of fixed assets (gain)	(2,332)	-
Loss on disposal of fixed assets	852	350
Loss on revaluation of investment securities (gain)	-	2,432
Office relocation expenses	729	212
Gain on reversal of subscription rights to shares	(466)	-
Decrease in trade notes and accounts receivable (increase)	2,473	102,412
Decrease in inventories (increase)	28,342	21,282
Increase in accounts payable (decrease)	(27,373)	(29,942)
Decrease in prepaid consumption tax (increase)	(1,446)	4,509
Increase in customer advances (decrease)	2,130	5,321
Others	(3,924)	(9,756)
Subtotal	189,637	120,319
Receipts from interest and dividends	1,372	1,749
Interest paid	(348)	(201)
Income taxes paid	(73,721)	(40,836)
Net cash generated by operating activities	116,939	81,030
Cash flow from investing activities		
Payment into time deposits	(44,070)	(353,803)
Proceeds from time deposits	34,000	219,429
Payment for purchase of tangible fixed assets	(19,338)	(17,227)
Proceeds from sale of tangible fixed assets	4,270	655
Payment for purchase of intangible fixed assets	(4,041)	(1,182)
Payment for purchase of investment securities	-	(7,815)
Others	(1,006)	(677)
Net cash used in investing activities	(30,186)	(160,621)
Cash flow from financing activities		
Net increase in short-term borrowings (decrease)	4,351	(2,262)
Repayment of long-term borrowings	(3,000)	-
Redemption of straight bonds	(5,500)	(30,000)
Net decrease in treasury stock (increase)	843	(20)
Dividends paid	(23,431)	(13,420)
Others	(297)	(311)
Net cash generated by financing activities	(27,033)	(46,015)
Effect of exchange rate changes on cash and cash equivalents	(617)	(2,068)
Net increase in cash and cash equivalents (decrease)	59,103	(127,676)
Cash and cash equivalents at beginning of period	134,389	193,492
Cash and cash equivalents from newly consolidated subsidiaries	-	67
Cash and cash equivalents at end of period	193,492	65,883