

March 26, 2014

Name of the Company: Tokyo Electron Limited
 Name of the Representative: Tetsuro Higashi
 Chairman, President & CEO
 (Representative Director)
 (Code No.8035; The First Section of the Tokyo Stock Exchange)
 Person to contact: Yuki Maejima
 Director of General Affairs Dept.
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Announcement on Changes to Subsidiary

Tokyo Electron Limited (TEL) announces the decision to sell a portion of its shares in its consolidated subsidiary Tokyo Electron Device Limited (TED) as below. As a result, expectations are that the status of TED will change from a consolidated subsidiary to an equity method affiliate.

1. Reasons for change

In the midst of a rapidly changing business landscape for the Tokyo Electron Group, the group has spent considerable effort investigating future growth strategies for both TEL and TED as we look to develop our businesses going forward. As a result, TEL has decided to sell a portion of its shares in TED in order to improve the value of both our enterprises. This will enable us to plan for a greater concentration of management resources in our core equipment business, and for TED to actively drive its development business and overseas expansion in addition to existing sales of electronic components and computer network related products while becoming even more independent and building its own growth strategies for the future.

2. Method of change

TEL holds 5,875,300 ordinary shares in TED, but effective today as announced by TED in its “Notification of sale of shares, and of changes to the parent and other related companies, (Note1)” TEL plans to sell 2,120,000 of its shares in TED through an underwritten offering. Also effective on the same day, TED announced a share repurchase (to a maximum total of 636,000 shares, to a maximum total value of JPY 1,070,000,000) in its “Notification of decision regarding matters concerning share repurchase (repurchase of own shares based on provisions of the Articles of Corporation in accordance with Article 459, Paragraph 1 of the Companies Act), (Note1)” where TEL would sell down a portion of its shares in TED, which if actioned would reduce the above-mentioned number of shares on offer.

Note1: The document is only used in Japanese.

3. Overview of subsidiary to be changed (Tokyo Electron Device Limited)

(1)	Company Name	Tokyo Electron Device Limited
(2)	Address	1-4, Kinko-cho, Kanagawa-ku, Yokohama City, Kanagawa, Japan
(3)	Representative Director	Yasuyuki Kuriki, President, Representative Director
(4)	Business Operation	Electronic Components, Computer Network
(5)	Capital Stock	JPY 2,495,750 thousand (as of December 31, 2013)
(6)	Established	March 3, 1986
(7)	Major Shareholders and Shareholding Ratio (as of September 30, 2013)	Tokyo Electron Limited 55.42%
		Tokyo Electron Device Employee Shareholding Association 4.71%
		Japan Trustee Services Bank, Ltd. (Trust Account) 0.51%
		The Master Trust Bank of Japan, Ltd. (Trust Account) 0.39%

Note: This document serves as a press release for the purpose of making public announcements related to changes to TEL's subsidiary. It has not been produced for the purpose of soliciting investment in any sale of TED shares.

(Translation)

	Nomura International Plc London Security Lending (Standing agent: Nomura Securities Co., Ltd.)		0.36%	
	Akira Nakagawara		0.36%	
	Kosaku Iyama		0.36%	
	Japan Trustee Services Bank, Ltd. (Trust Account 6)		0.32%	
	Japan Trustee Services Bank, Ltd. (Trust Account 3)		0.30%	
	Japan Trustee Services Bank, Ltd. (Trust Account 2)		0.26%	
	Japan Trustee Services Bank, Ltd. (Trust Account 5)		0.26%	
(8)	Relationship between Tokyo Electron Limited and Tokyo Electron Device Limited	Capital Relationship	As of December 31, 2013, TEL holds 5,875,300 ordinary shares in TED.	
		Personnel Relationship	One TEL director also acts as a director for TED.	
		Business Relationship	TEL orders some business services from, and is involved in land lease and other dealings with, TED.	
(9) Operating Results and Financial Status for the Latest 3 Years				
Fiscal Year		Ended March 2011	Ended March 2012	Ended March 2013
Consolidated Net Assets		23,220,730	23,381,990	23,544,570
Consolidated Total Assets		50,254,839	46,391,108	47,557,009
Consolidated Net Assets per Share		219,063.50	220,584.82	222,118.59
Consolidated Sales Amount		91,315,782	86,300,226	85,477,675
Consolidated Operating Income		2,745,708	2,011,488	1,790,428
Consolidated Ordinary Income		2,941,868	2,332,997	1,292,896
Consolidated Net Income		1,918,141	960,823	658,636
Consolidated Net Income per Share		18,095.67	9,064.37	6,213.55
Dividend per Share		6,600.00	6,600.00	6,600.00

Note: 1. Numbers are in thousands of Japanese Yen; however, for Consolidated Net Assets per Share, Consolidated Net Income per Share and Dividend per Share, numbers are in Japanese Yen.

2. With the effective date of October 1, 2013, 100-for-1 ordinary share split was conducted.

4. Voting rights (number of shares held) and proportion of voting rights of all shareholders before and after change

	Status	Number of voting rights (number of shares held)	Proportion of voting rights of all shareholders
Before change (as of March 26, 2014)	Consolidated subsidiary	58,753 (5,875,300 shares)	55.42%
After change	Equity method affiliate	37,553 (3,755,300 shares)	37.68%

Note: 1. As per “2. Method of change” above, TEL plans to sell 2,120,000 of its shares in TED through an underwritten offering.

2. The proportion of voting rights of all shareholders before the change was calculated on the basis of 106,000 voting rights of all shareholders as of September 30, 2013.

3. The proportion of voting rights of all shareholders after the change was calculated on the basis of 99,640 voting rights of all shareholders, being the result of reducing initial voting rights by 6,360 votes assuming 636,000 shares acquired through a maximum share repurchase by TED as per “2. Method of change” above.

4. The proportion of voting rights of all shareholders was truncated to two decimal places.

5. With respect to the underwritten offering as detailed in “2. Method of change” above, exercise of the Green Shoe Option may further reduce the number of voting rights (number of shares held) by a maximum of 2,226 (222,600 shares) after the change.

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(Translation)

5. Planned change date

Delivery date of shares in TED relating to the sale of the shares (six business days after the determination date for sales price and other matters relating to the sale of shares in TED, and also any of the days from April 15 through April 18, 2014)

6. Future outlook

TEL is reviewing any effect the change will have on TEL's business performance for the fiscal year ending March 2015, and will promptly announce any disclosure matters if they arise.

(For reference)

Consolidated financial forecast for the year ending March 31, 2014 (April 1, 2013 - March 31, 2014)

(Published on December 18, 2013)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Consolidated financial forecast for the year ending March 31, 2014	605,000	30,000	33,000	Δ22,000	Δ122.78
Results for the year ended March 31, 2013	497,299	12,548	16,696	6,076	33.91

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