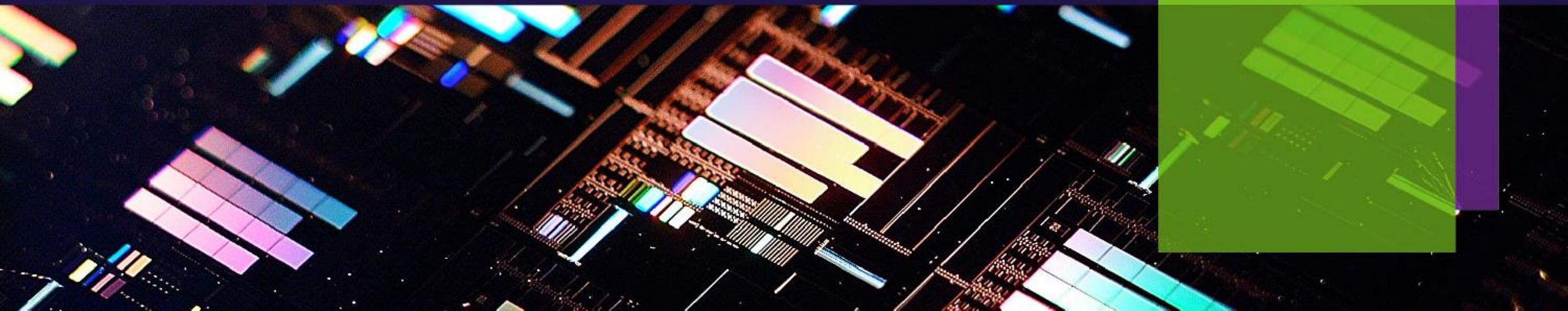


Q1 FY2024 (April - June 2023) Financial Announcement

August 10, 2023

Agenda:

- Q1 FY2024 Consolidated Financial Summary
Hiroshi Kawamoto, Senior Vice President & General Manager, Finance Unit
- Business Environment and Financial Estimates
Toshiki Kawai, Representative Director, President & CEO



Forward Looking Statements

- Disclaimer regarding forward-looking statements

Forward-looking statements with respect to TEL's business plan, prospects and other such information are based on information available at the time of publication. Actual performance and results may differ significantly from the business plan described here due to changes in various external and internal factors, including the economic situation, geopolitical risk, semiconductor/FPD* market conditions, intensification of sales competition, safety and product quality management, intellectual property-related risks and impacts from COVID-19.

- Processing of numbers

For the amount listed, because fractions are rounded down, there may be the cases where the total for certain account titles does not correspond to the sum of the respective figures for account titles. Percentages are calculated using full amounts, before rounding.

- Foreign exchange risk

In principle, export sales of Tokyo Electron's products is denominated in yen. Although some sales and expenses are denominated in foreign currencies, the impact of exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.

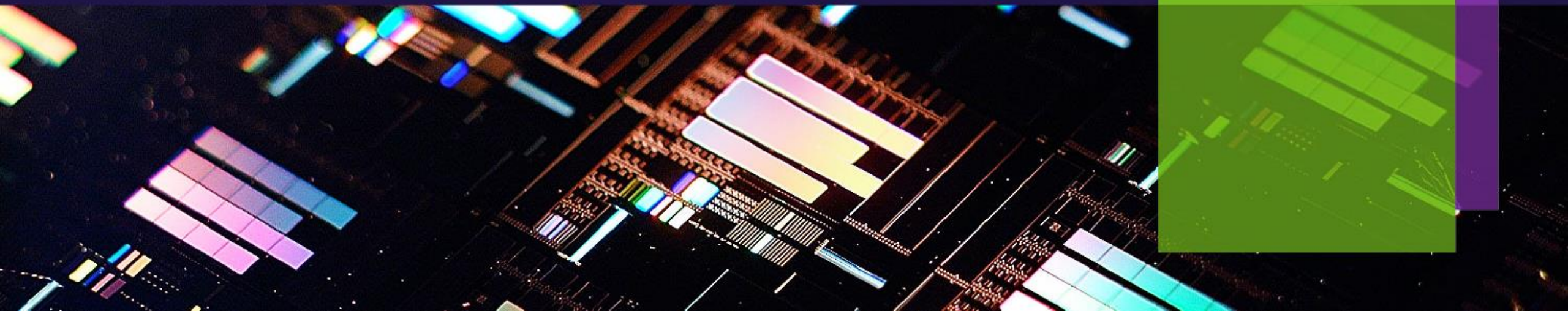
* FPD: Flat panel display



Q1 FY2024 Consolidated Financial Summary

August 10, 2023

Hiroshi Kawamoto
Senior Vice President & General Manager, Finance Unit



Financial Summary

(Billion Yen)

	FY2023				FY2024	QoQ	YoY
	Q1	Q2	Q3	Q4	Q1	vs. Q4 FY2023	vs. Q1 FY2023
Net sales	473.6	709.2	467.8	558.2	391.7	-29.8%	-17.3%
Gross profit Gross profit margin	200.5 42.3%	328.2 46.3%	203.9 43.6%	251.6 45.1%	162.3 41.4%	-35.5% -3.7pts	-19.1% -0.9pts
SG&A expenses	83.0	95.6	89.1	98.9	79.8	-19.2%	-3.8%
Operating income Operating margin	117.5 24.8%	232.6 32.8%	114.7 24.5%	152.7 27.4%	82.4 21.0%	-46.0% -6.4pts	-29.9% -3.8pts
Income before income taxes	117.6	235.2	116.3	155.6	83.0	-46.7%	-29.4%
Net income attributable to owners of parent	88.0	179.2	85.5	118.6	64.3	-45.8%	-27.0%
R&D expenses	42.1	49.1	46.1	53.7	43.6	-18.8%	3.6%
Capital expenditures	18.0	17.3	12.5	26.3	39.3	49.2%	117.7%
Depreciation and amortization	9.7	9.8	11.2	12.0	10.6	-12.0%	9.0%

1. In principle, export sales of Tokyo Electron's products is denominated in yen. Although some sales and expenses are denominated in foreign currencies, the impact of exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.

2. Profit ratios are calculated using full amounts, before rounding.

Financial Performance (Quarterly)

(Billion Yen)

800

600

400

200

0

60%

50%

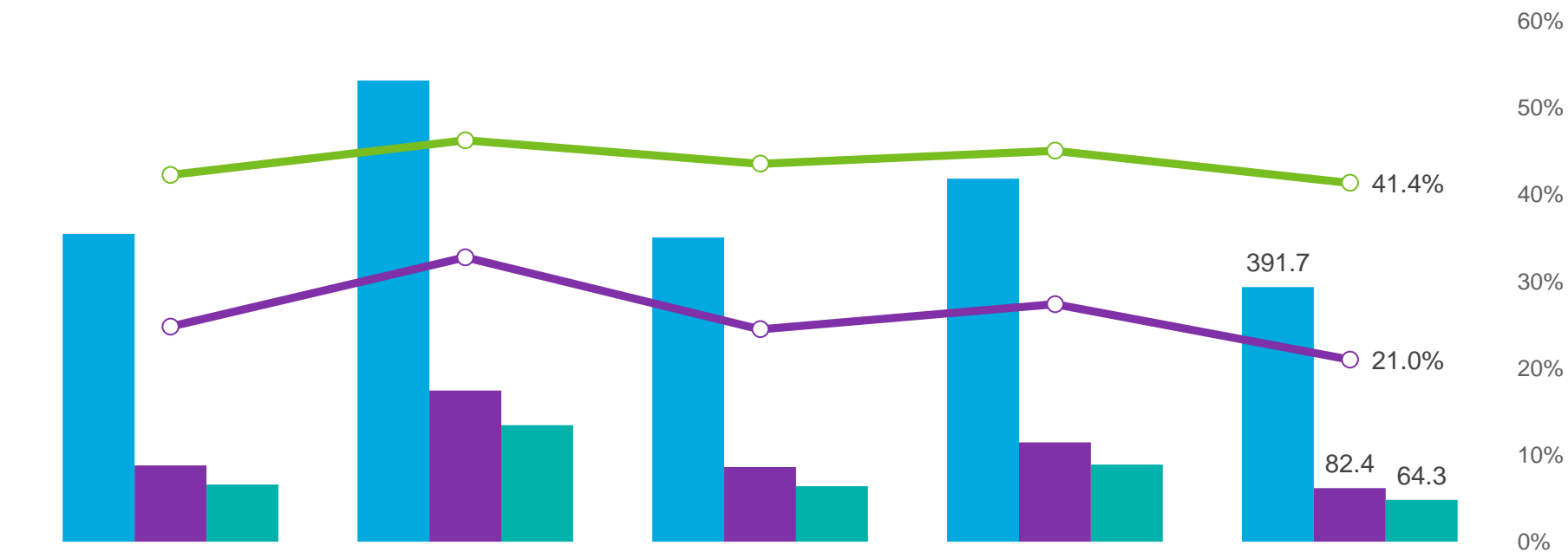
40%

30%

20%

10%

0%



FY2023

FY2024

Q1

Q2

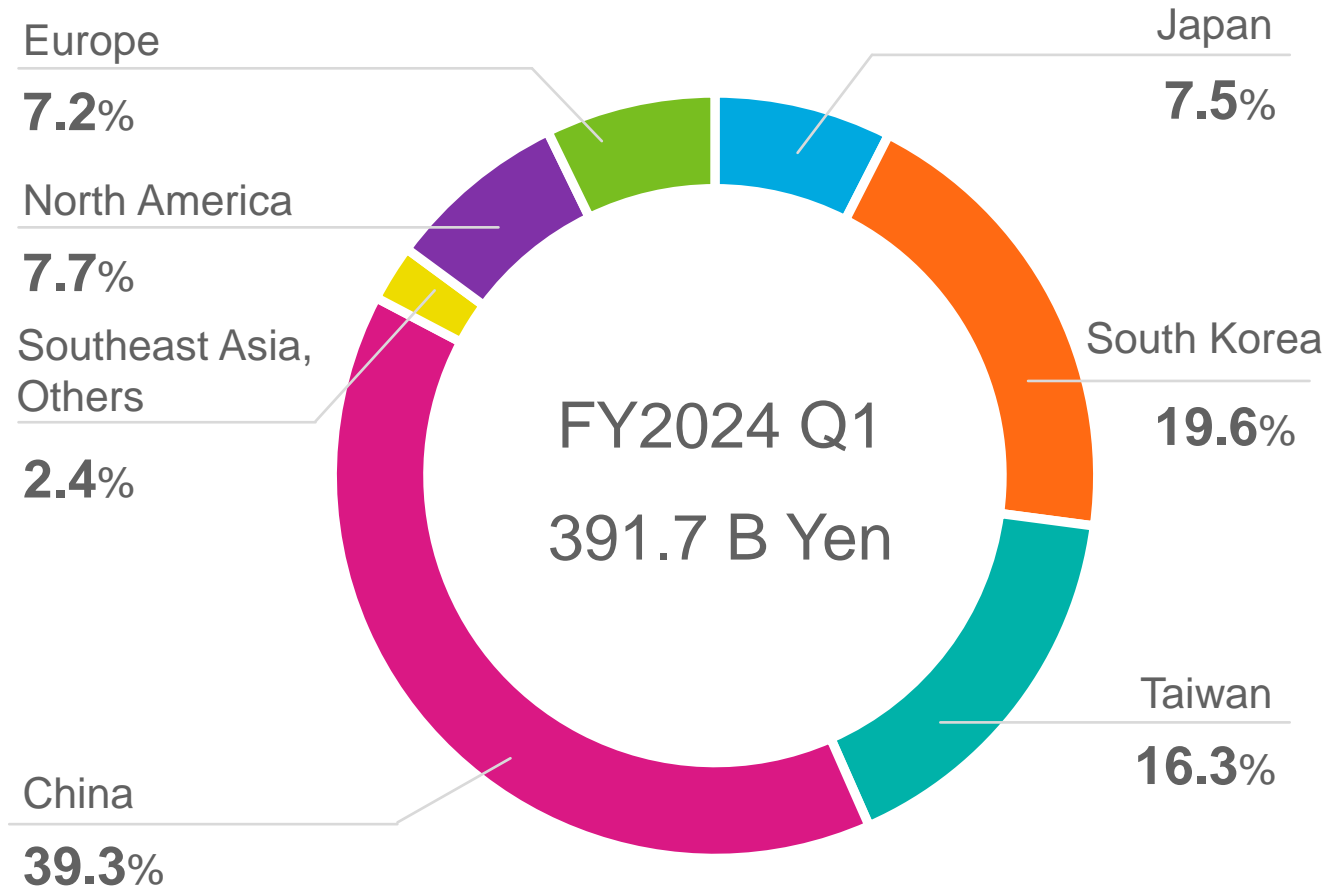
Q3

Q4

Q1

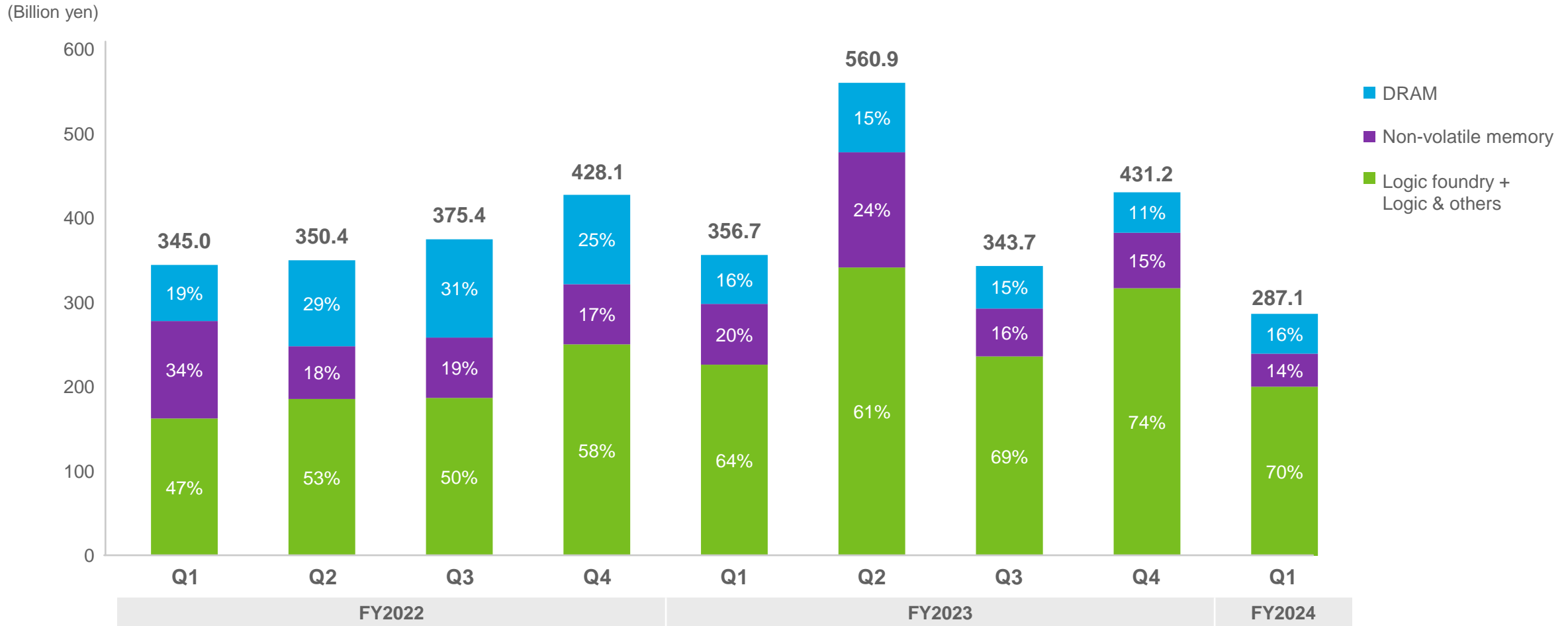
	Q1	Q2	Q3	Q4	Q1
■ Net sales	473.6	709.2	467.8	558.2	391.7
■ Operating income	117.5	232.6	114.7	152.7	82.4
■ Net income attributable to owners of parent	88.0	179.2	85.5	118.6	64.3
○ Gross profit margin	42.3%	46.3%	43.6%	45.1%	41.4%
○ Operating margin	24.8%	32.8%	24.5%	27.4%	21.0%

Composition of Net Sales by Region (FY2024 Q1)



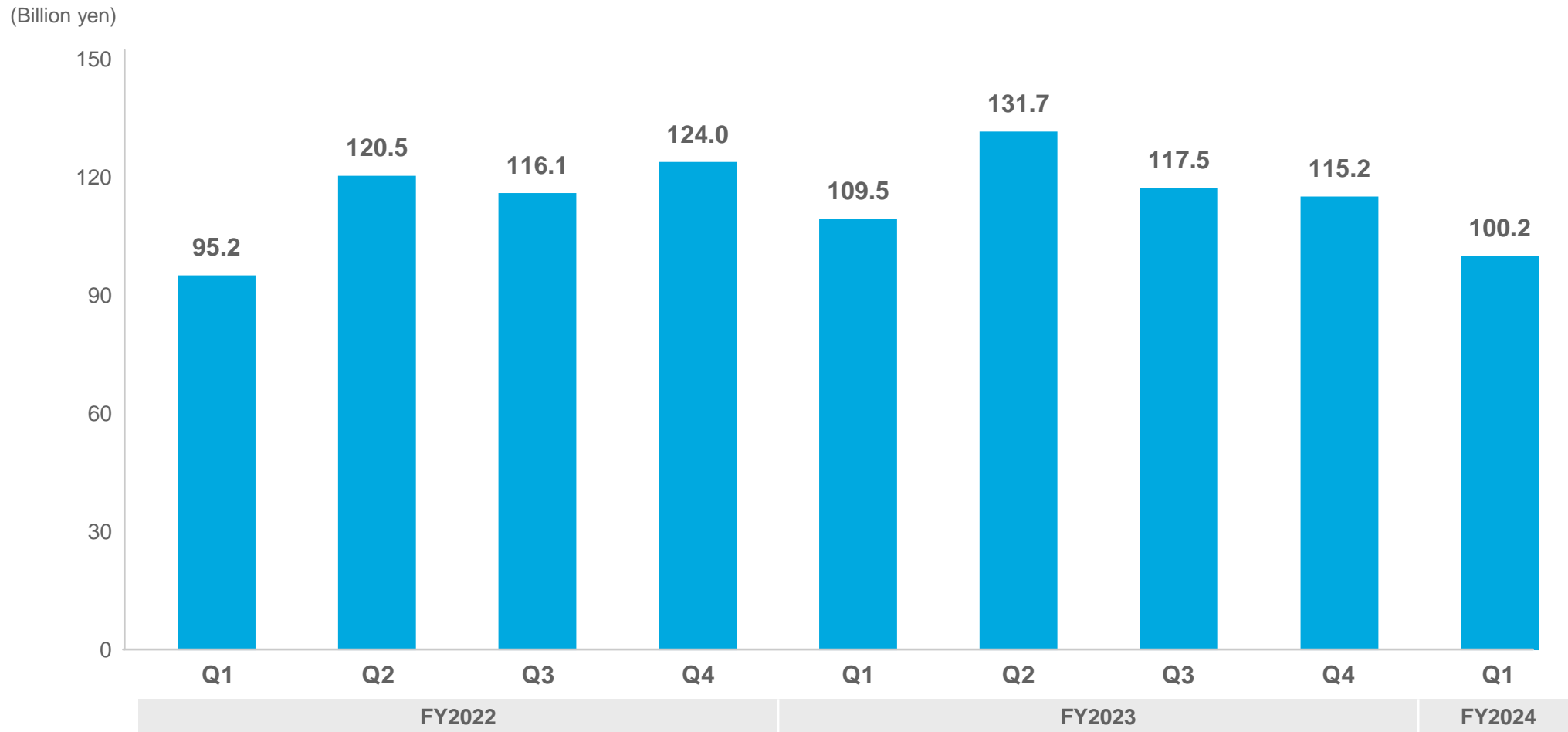
*FPD sales are included from FY2024

SPE New Equipment Sales by Application (Quarterly)



*Percentages on the graph show the composition ratio of new equipment sales. Field Solutions sales are not included.

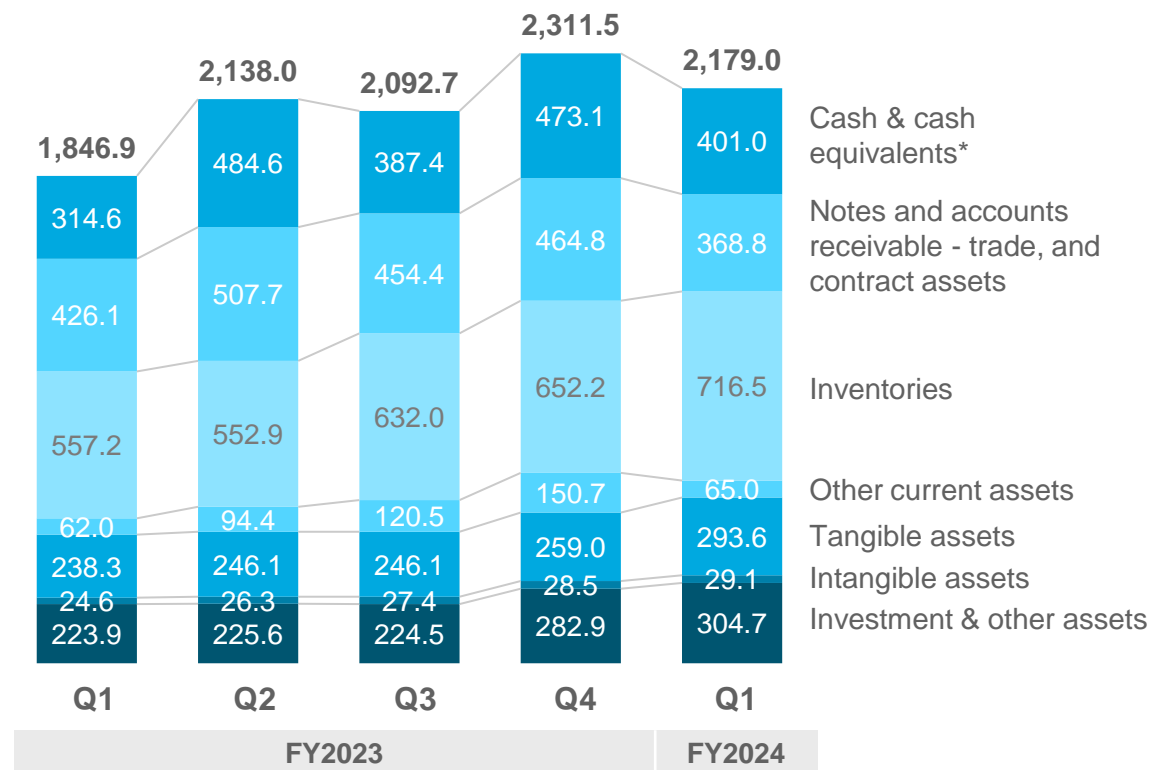
Field Solutions Sales (Quarterly)



Balance Sheet (Quarterly)

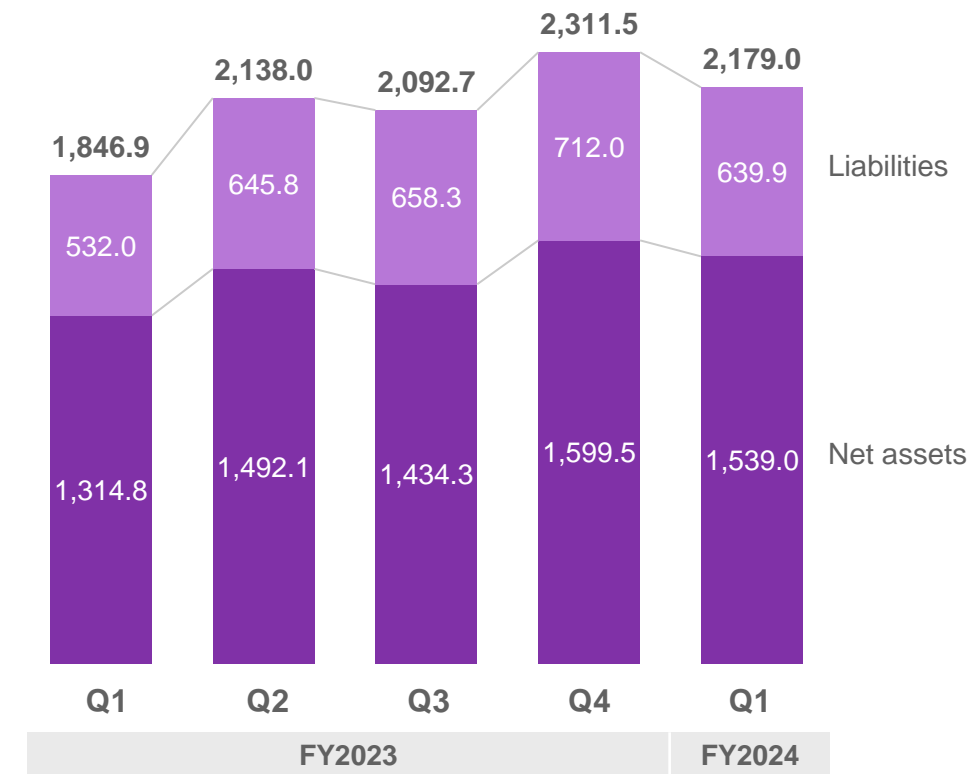
Assets

(Billion Yen)



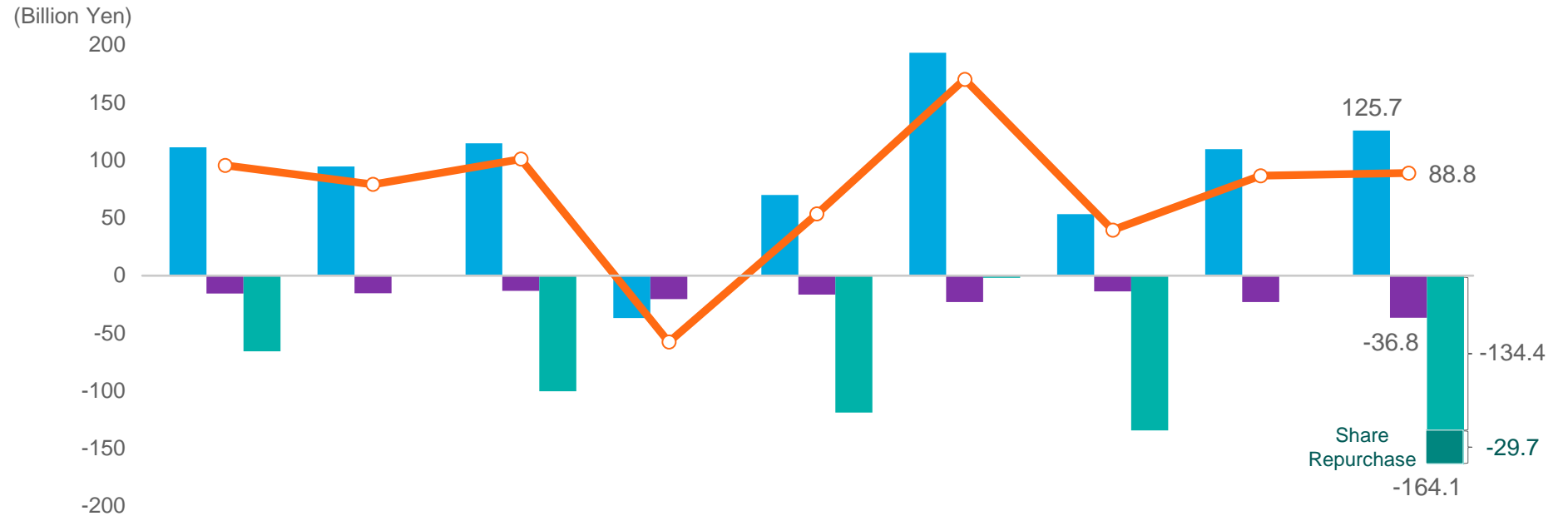
Liabilities & Net Assets

(Billion Yen)



*Cash and cash equivalents: Cash and deposits + Short-term investments, etc. (Securities in B/S).

Cash Flow (Quarterly)



	FY2022				FY2023				FY2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
■ Cash flow from operating activities	111.2	94.6	114.6	-37.1	69.9	193.4	53.2	109.6	125.7
■ Cash flow from investing activities*1	-15.7	-15.5	-13.5	-20.7	-16.6	-23.1	-13.8	-23.1	-36.8
■ Cash flow from financing activities	-65.9	-0.2	-100.7	-0.2	-119.1	-2.1	-134.6	-0.5	-164.1
○ Free cash flow*2	95.5	79.0	101.0	-57.9	53.3	170.2	39.3	86.5	88.8
Cash on hand*3	341.7	420.4	423.9	371.2	314.6	484.6	387.4	473.1	401.0

*1 Cash flow from investing activities excludes changes in time deposits and short-term investments.

*2 Free cash flow = cash flow from operating activities + cash flow from investing activities (excluding changes in time deposits and short-term investments).

*3 Cash on hand includes cash and cash equivalents + time deposits and short-term investments with original maturities of more than three months.

Status of Share Repurchase

- As of July 31, 2023

- Total number of shares acquired 3,069,200 shares
- Total cost of acquisition 60,998,033,503 yen

- Reference

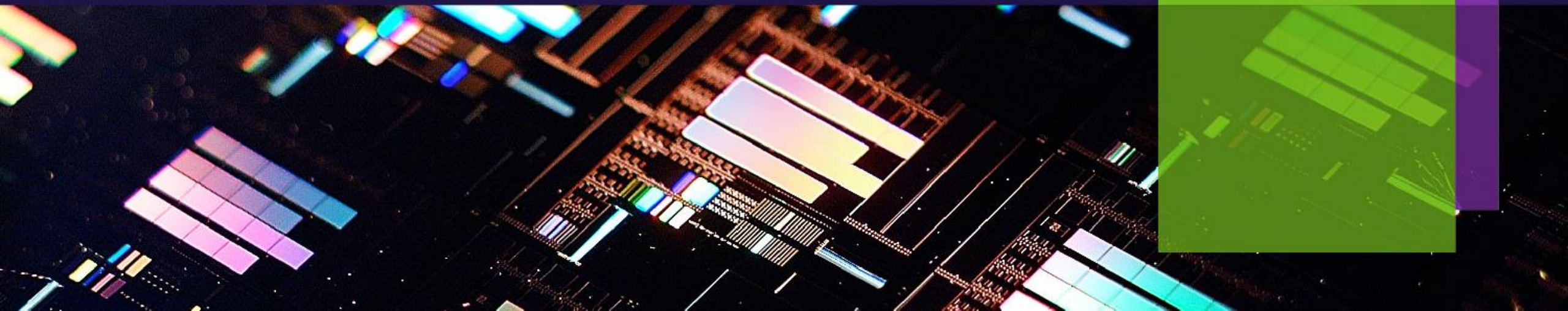
- Type of shares to be acquired Shares of common stock
- Total number of shares to be acquired Up to 10 million shares
(Equivalent to 2.1% of outstanding shares excluding treasury stock)
- Total cost of acquisition Up to 120 billion yen
- Period of acquisition From June 1, 2023 to December 31, 2023



Business Environment and Financial Estimates

August 10, 2023

Toshiki Kawai
Representative Director, President & CEO



Business Environment (WFE Market Outlook as of August 2023)

■ CY2023:

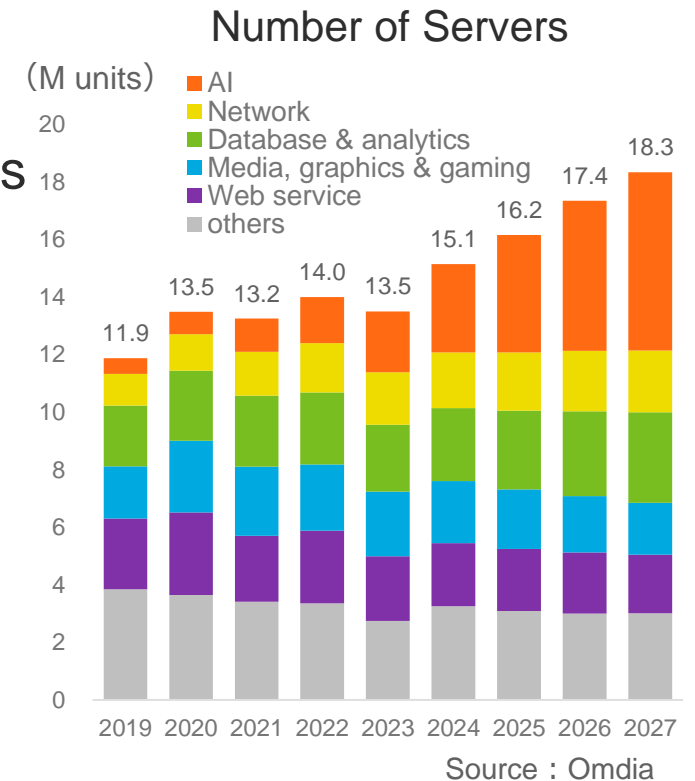
Full year forecast unchanged at around \$70-75B

- Signs of delayed investment in leading-edge logic/foundry, but investment by Chinese customers accelerating in mature nodes

■ CY2024/CY2025:

Market heading for 2-year cumulative scale of \$200B

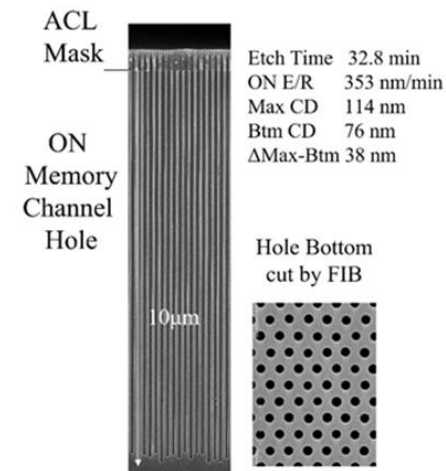
- Servers show strong mid- to long-term growth (CAGR 2023-2027: +8%)
- Drivers of recovery for PCs and smartphones demands:
 - Easing inflation
 - Replacement of products purchased during COVID-19
 - Corporate IT investment
 - Demand for PCs expected to increase, driven by the end of OS support
 - New functions for new applications



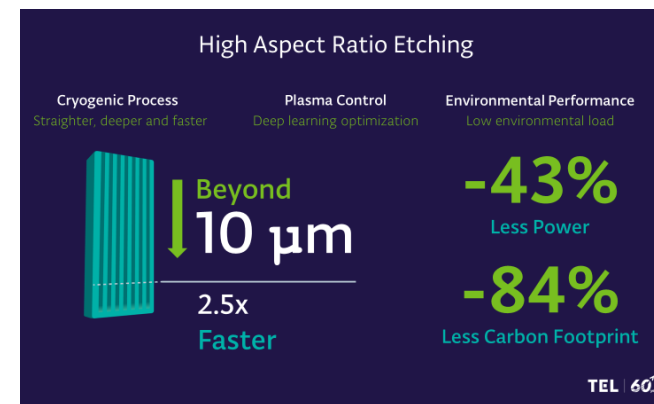
Q1 FY2024 Business Progress

- Net sales and profit both tracking to plan
 - Net sales 391.7B yen, Operating income 82.4B yen, Net income 64.3B yen
- Steady progress on key themes of Medium-term Management Plan
 - Announced new etching technology for 400-layer level 3D NAND Channel Hole application
 - Achieved significant increase in dielectric etching rate at cryogenic temperature
 - Reduces global warming potential by 84% compared to previous method
 - Adoption of wafer bonding technology has accelerated
 - Significant increase in inquiries for DRAM HBM*
 - Development and evaluation also progressing in 3D NAND and leading-edge logic

*HBM: High Bandwidth Memory



Source: The Japan Society of Applied Physics



Source: TEL

FY2024 Financial Estimates

FY2024 Financial Estimates

(Billion yen)

	FY2023 (Actual)	FY2024 (Estimate)			
		H1	H2	Full Year	Full Year YoY
Net sales	2,209.0	790.0	910.0	1,700.0	-23.0%
Gross profit	984.4	333.0	408.0	741.0	-24.7%
Gross profit margin	44.6%	42.2%	44.8%	43.6%	-1.0pts
SG&A expenses	366.6	172.0	176.0	348.0	-5.1%
R&D	191.1	95.0	105.0	200.0	+4.7%
Other than R&D	175.4	77.0	71.0	148.0	-15.7%
Operating income	617.7	161.0	232.0	393.0	-36.4%
Operating margin	28.0%	20.4%	25.5%	23.1%	-4.9pts
Income before income taxes	624.8	162.0	233.0	395.0	-36.8%
Net income attributable to owners of parent	471.5	120.0	180.0	300.0	-36.4%
Net income per share (Yen)	1,007.82	256.21	-	640.53	-367.29

The Company implemented a 3-for-1 common stock split on April 1, 2023.

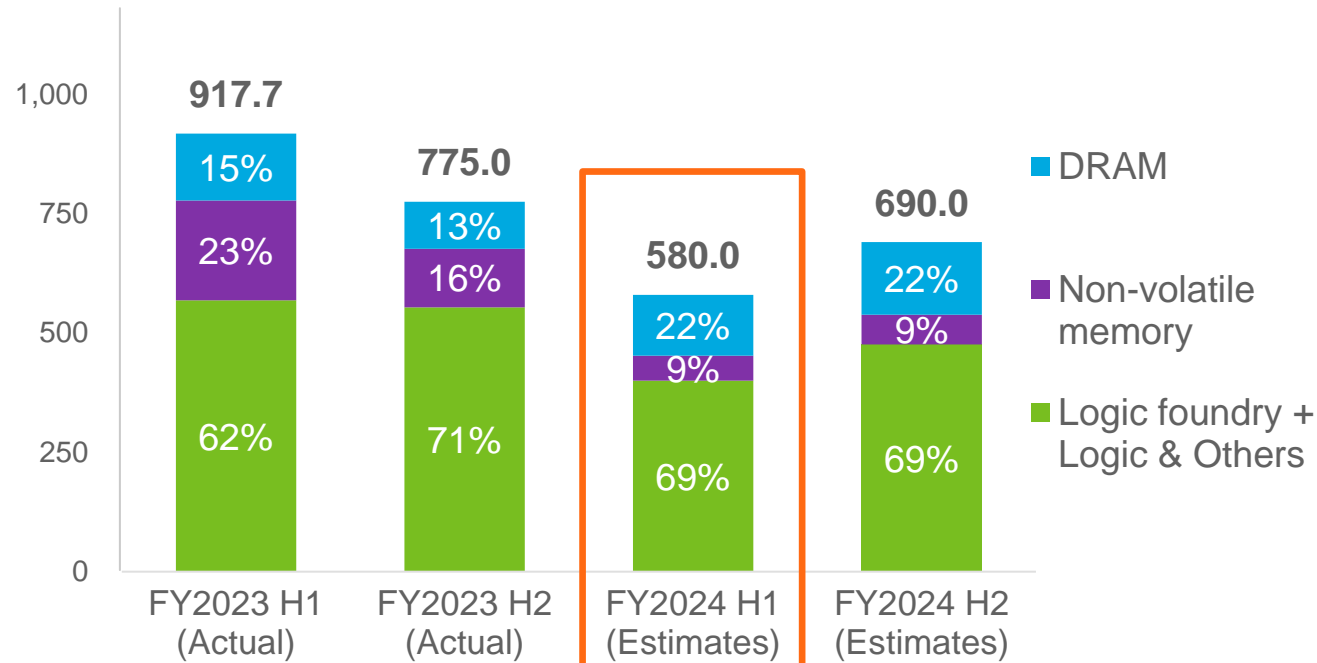
Net incomes per share are calculated on the assumption that stock split was implemented at the beginning of FY2023.

No changes in estimates. Forecasting a record high 200B yen in R&D expenses despite a 5% YoY decrease in SG&A expenses overall

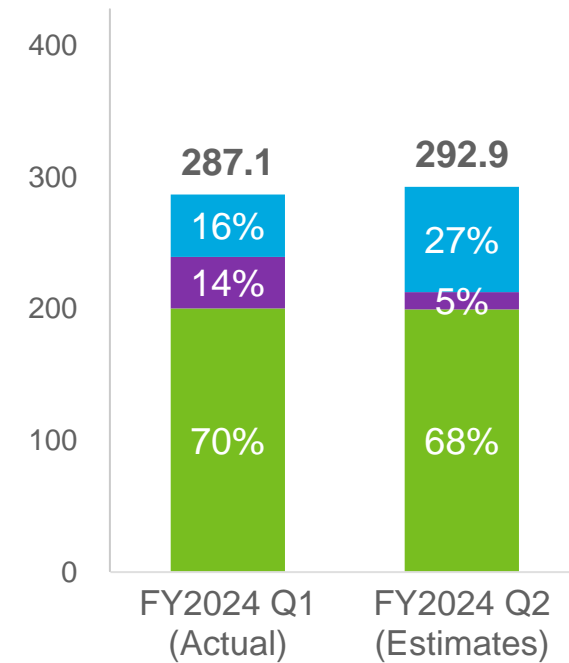
FY2024 SPE New Equipment Sales Forecast

Sales by Application

(Billion Yen)



(Billion Yen)



Percentages on the graph show the composition ratio of new equipment sales. Field solutions sales are not included.

No major changes in estimates

FY2024 R&D Expenses and Capex Plan

New Development Building

Deposition system, etch system, corporate R&D



Nirasaki-city, Yamanashi Prefecture
Established in July 2023

Tohoku Production and Logistics Center

Deposition system



Oshu-city, Iwate Prefecture
Completion scheduled for autumn 2025

New Development Building

Coater/Developer, Surface preparation systems



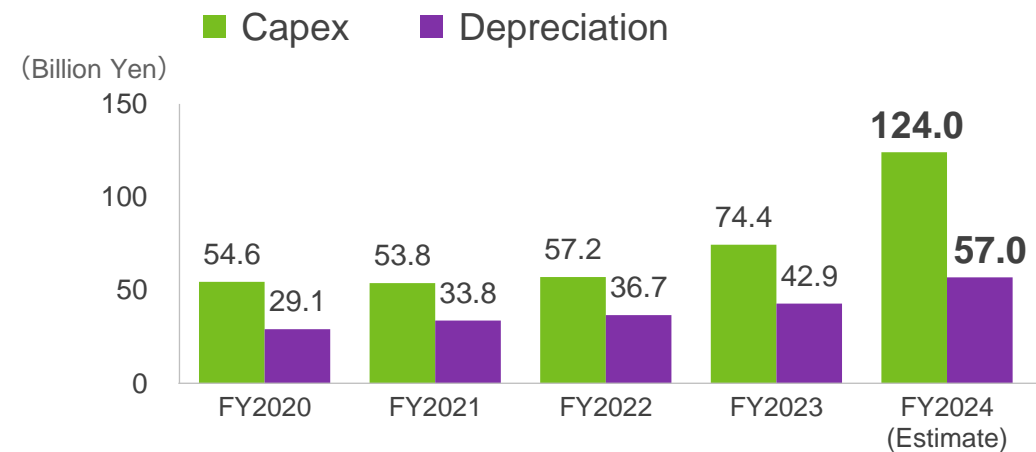
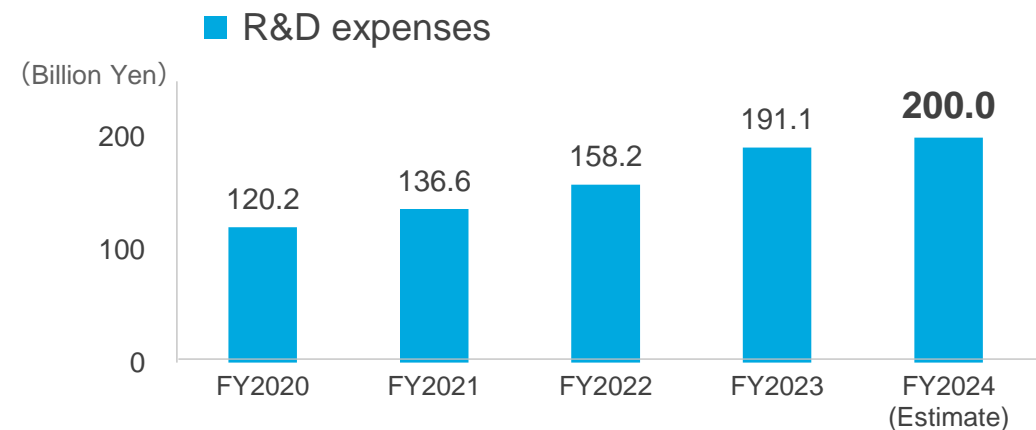
Koshi-city, Kumamoto Prefecture
Completion scheduled for summer 2025

New Development Building

Etch systems



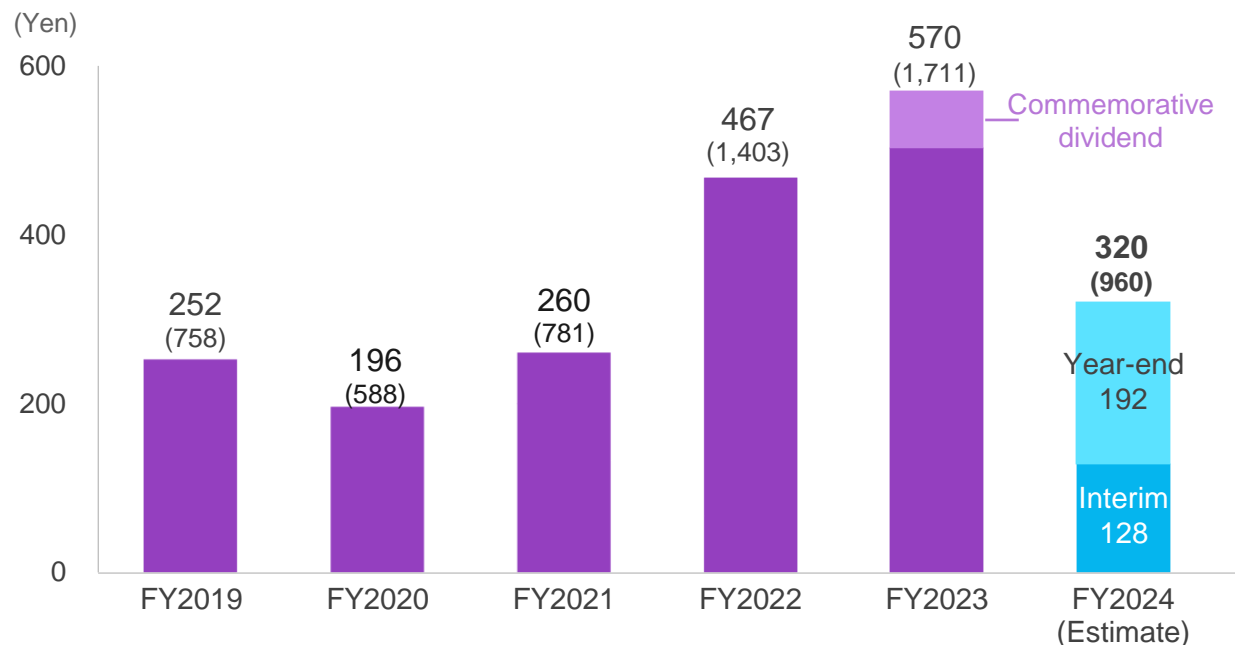
Kurokawa-gun, Miyagi Prefecture
Completion scheduled for spring 2025



Continue aggressive R&D and capital investment for sustainable growth

FY2024 Dividend Forecast

Dividend per Share



- Dividends per share from FY2019 to FY2023 are calculated on the assumption that the stock split was conducted at the beginning of FY2019.
- FY2023 includes the 60th anniversary commemorative dividends.
- Amounts before the stock split are shown in parentheses.

TEL shareholder return policy

Dividend payout ratio: 50%

Annual DPS of not less than 50 yen*

We will review our dividend policy if the company does not generate net income for two consecutive fiscal years

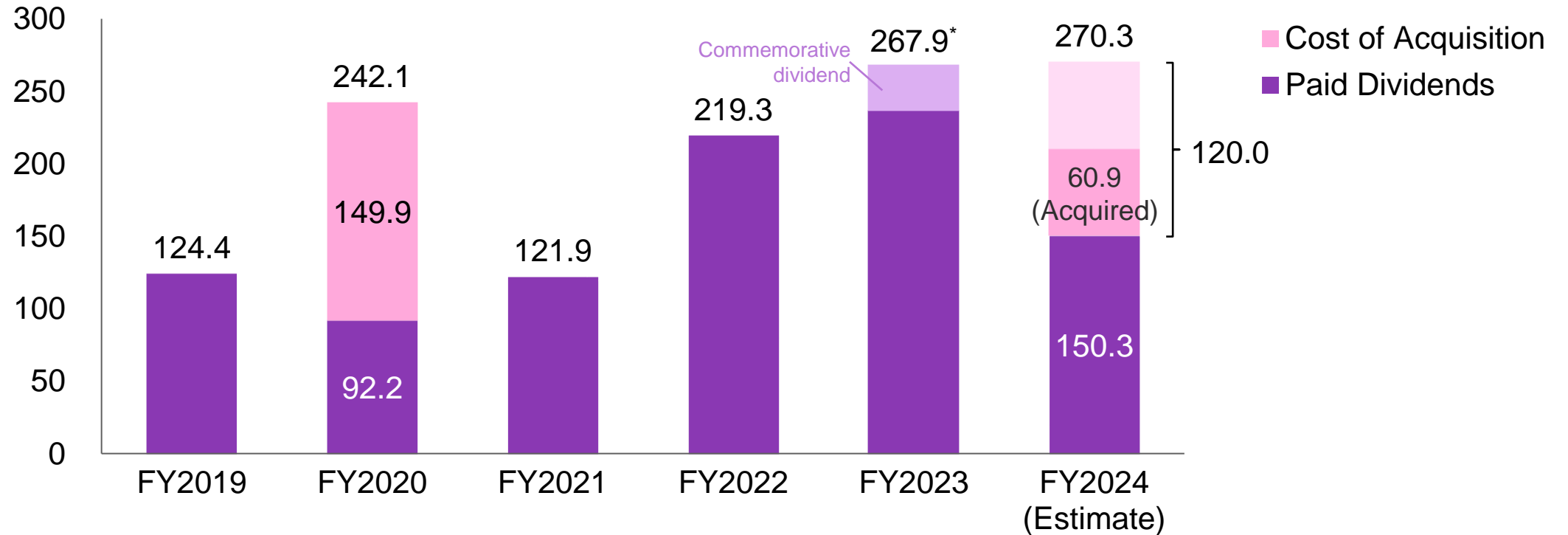
We will flexibly consider share buybacks

*Due to the stock split on April 1, 2023, the amount has been changed from 150 yen to 50 yen.

**Implemented a 3-for-1 common stock split on April 1, 2023.
Full-year dividends are expected to be 320 yen per share.**

Total Return Amount

(Billion yen)



*FY2023 dividend payment of 267.9B yen includes commemorative dividend (31.3B yen).

3,069,200 shares worth of about 60.9B yen was acquired as of July 31

TEL | 60[↑] years