

■ Consolidated Balance Sheets

Consolidated Balance Sheets

Tokyo Electron Limited and Subsidiaries
As of March 31, 2020 and 2019

| ASSETS | Millions of yen | | Thousands of U.S. dollars |
|--|-------------------|-------------------|------------------------------|
| | 2020 | 2019 | 2020 |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 247,959 | ¥ 232,634 | \$ 2,278,408 |
| Short-term investments | 90,447 | 160,000 | 831,087 |
| Trade notes and accounts receivable | 150,134 | 146,971 | 1,379,532 |
| Allowance for doubtful accounts | (105) | (84) | (968) |
| Inventories | 392,064 | 354,219 | 3,602,544 |
| Prepaid consumption tax | 69,034 | 49,617 | 634,332 |
| Other current assets | 12,949 | 39,538 | 118,986 |
| Total current assets | 962,484 | 982,897 | 8,843,923 |
| Property, plant and equipment: | | | |
| Land | 26,298 | 26,849 | 241,649 |
| Buildings | 179,379 | 169,682 | 1,648,251 |
| Machinery and equipment | 173,505 | 153,711 | 1,594,282 |
| Construction in progress | 29,413 | 19,643 | 270,273 |
| Other property, plant and equipment | 4,139 | 118 | 38,032 |
| Total property, plant and equipment | 412,736 | 370,005 | 3,792,489 |
| Less: Accumulated depreciation | 237,156 | 219,936 | 2,179,147 |
| Net property, plant and equipment | 175,580 | 150,069 | 1,613,342 |
| Investments and other assets: | | | |
| Investment securities | 38,374 | 27,853 | 352,611 |
| Deferred tax assets | 64,729 | 63,925 | 594,780 |
| Net defined benefit assets | 5,837 | 3,065 | 53,637 |
| Intangible assets | 10,921 | 9,054 | 100,357 |
| Other assets | 21,980 | 22,189 | 201,971 |
| Allowance for doubtful accounts | (1,413) | (1,426) | (12,986) |
| Total investments and other assets | 140,431 | 124,661 | 1,290,371 |
| Total assets | ¥1,278,495 | ¥1,257,627 | \$11,747,636 |

| LIABILITIES AND NET ASSETS | Millions of yen | | Thousands of U.S. dollars |
|---|-------------------|-------------------|------------------------------|
| | 2020 | 2019 | 2020 |
| Current liabilities: | | | |
| Trade notes and accounts payable | ¥ 95,938 | ¥ 75,448 | \$ 881,543 |
| Income taxes payable | 52,654 | 57,671 | 483,826 |
| Customer advances | 135,326 | 77,247 | 1,243,462 |
| Accrued employees' bonuses | 29,139 | 33,139 | 267,749 |
| Accrued warranty expenses | 14,534 | 14,097 | 133,549 |
| Other current liabilities | 54,986 | 47,277 | 505,248 |
| Total current liabilities | 382,578 | 304,882 | 3,515,380 |
| Non-current liabilities: | | | |
| Net defined benefit liabilities | 60,745 | 60,975 | 558,168 |
| Other liabilities | 5,478 | 3,652 | 50,341 |
| Total non-current liabilities | 66,224 | 64,628 | 608,509 |
| Total liabilities | 448,802 | 369,510 | 4,123,889 |
| Net assets: | | | |
| Shareholders' equity | | | |
| Common stock | 54,961 | 54,961 | 505,018 |
| Authorized: 300,000,000 shares Issued: 157,210,911 and 165,210,911 shares as of March 31, 2020 and 2019, respectively | | | |
| Capital surplus | 78,011 | 78,011 | 716,815 |
| Retained earnings | 702,990 | 748,827 | 6,459,531 |
| Treasury stock, at cost 1,685,556 and 1,252,517 shares as of March 31, 2020 and 2019, respectively | (29,310) | (11,821) | (269,326) |
| Accumulated other comprehensive income | | | |
| Net unrealized gains on investment securities | 20,126 | 13,024 | 184,939 |
| Net deferred losses on hedging instruments | (52) | (34) | (485) |
| Foreign currency translation adjustments | (4,111) | 4,366 | (37,783) |
| Accumulated remeasurements of defined benefit plans | (3,313) | (6,585) | (30,444) |
| Share subscription rights | 10,391 | 7,368 | 95,482 |
| Total net assets | 829,692 | 888,117 | 7,623,747 |
| Total liabilities and net assets | ¥1,278,495 | ¥1,257,627 | \$11,747,636 |

See accompanying Notes to Consolidated Financial Statements.

■ Consolidated Statements of Income ■ Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2020 and 2019

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|------------|------------------------------|
| | 2020 | 2019 | 2020 |
| Net sales | ¥1,127,286 | ¥1,278,240 | \$10,358,232 |
| Cost of sales | 675,344 | 752,057 | 6,205,500 |
| Gross profit | 451,941 | 526,183 | 4,152,732 |
| Selling, general and administrative expenses | 214,649 | 215,612 | 1,972,334 |
| Operating income | 237,292 | 310,571 | 2,180,397 |
| Other income (expenses): | | | |
| Interest and dividend income | 1,920 | 2,573 | 17,646 |
| Foreign exchange gain, net | 2,539 | 3,623 | 23,333 |
| Revenue from grants | 1,330 | 833 | 12,228 |
| Gain on sales of property, plant and equipment | 34 | 101 | 317 |
| Gain on change in equity | 136 | — | 1,257 |
| Gain on sales of investment securities | — | 768 | — |
| Commission for purchases of treasury stock | (174) | — | (1,599) |
| Additional payment of customs duty | (173) | — | (1,594) |
| Maintenance and operation costs of closed facilities | — | (57) | — |
| Loss on sales and disposal of property, plant and equipment | (483) | (967) | (4,442) |
| Other, net | 2,203 | 4,060 | 20,243 |
| Income before income taxes | 244,626 | 321,508 | 2,247,788 |
| Income taxes: | | | |
| Current | 65,177 | 72,478 | 598,892 |
| Deferred | (5,757) | 801 | (52,904) |
| Net income | 185,206 | 248,228 | 1,701,799 |
| Net income attributable to owners of parent | ¥ 185,206 | ¥ 248,228 | \$ 1,701,799 |
| | | | |
| | Yen | | U.S. dollars |
| Per share of common stock: | | | |
| Net income — basic | ¥1,170.57 | ¥1,513.58 | \$10.76 |
| Net income — diluted | 1,164.02 | 1,507.22 | 10.70 |
| Net assets | 5,267.96 | 5,371.78 | 48.41 |
| Cash dividends | 588.00 | 758.00 | 5.40 |

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2020 and 2019

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|----------|------------------------------|
| | 2020 | 2019 | 2020 |
| Net income | ¥185,206 | ¥248,228 | \$1,701,799 |
| Other comprehensive income (loss): | | | |
| Net unrealized gains (losses) on investment securities | 7,099 | (4,102) | 65,238 |
| Net deferred gains (losses) on hedging instruments | 6 | (272) | 63 |
| Foreign currency translation adjustments | (8,461) | (1,170) | (77,752) |
| Remeasurements of defined benefit plans | 3,278 | (106) | 30,127 |
| Share of other comprehensive income of associates accounted for using the equity method | (45) | 119 | (419) |
| Total other comprehensive income (loss) | 1,878 | (5,531) | 17,256 |
| Comprehensive income | 187,084 | 242,696 | 1,719,056 |
| Total comprehensive income attributable to: | | | |
| Owners of parent | 187,084 | 242,696 | 1,719,056 |

See accompanying Notes to Consolidated Financial Statements.

■ Consolidated Statements of Changes in Net Assets ■ Consolidated Statements of Cash Flows

Consolidated Statements of Changes in Net Assets

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2020 and 2019

| | Millions of yen | | | | | | | | | | |
|---|----------------------|-----------------|-------------------|----------------|---|--|--|---|---------------------------|-----------|------------------|
| | Shareholders' equity | | | | Accumulated other comprehensive income | | | | | | Total net assets |
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Net unrealized gains on investment securities | Net deferred gains (losses) on hedging instruments | Foreign currency translation adjustments | Accumulated remeasurements of defined benefit plans | Share subscription rights | | |
| Balance as of March 31, 2018 | ¥54,961 | ¥78,011 | ¥625,390 | ¥ (7,518) | ¥17,134 | ¥278 | ¥ 5,507 | ¥(6,618) | ¥ 4,363 | ¥771,509 | |
| Cash dividends | — | — | (124,754) | — | — | — | — | — | — | (124,754) | |
| Net income attributable to owners of parent | — | — | 248,228 | — | — | — | — | — | — | 248,228 | |
| Repurchase of treasury stock | — | — | — | (5,004) | — | — | — | — | — | (5,004) | |
| Disposal of treasury stock | — | — | (36) | 701 | — | — | — | — | — | 664 | |
| Net changes except for shareholders' equity | — | — | — | — | (4,109) | (313) | (1,141) | 33 | 3,005 | (2,526) | |
| Balance as of March 31, 2019 | ¥54,961 | ¥78,011 | ¥748,827 | ¥ (11,821) | ¥13,024 | ¥ (34) | ¥4,366 | ¥(6,585) | ¥ 7,368 | ¥888,117 | |
| Cash dividends | — | — | (95,513) | — | — | — | — | — | — | (95,513) | |
| Net income attributable to owners of parent | — | — | 185,206 | — | — | — | — | — | — | 185,206 | |
| Repurchase of treasury stock | — | — | — | (154,096) | — | — | — | — | — | (154,096) | |
| Disposal of treasury stock | — | — | (1,616) | 2,684 | — | — | — | — | — | 1,067 | |
| Cancellation of treasury stock | — | — | (133,922) | 133,922 | — | — | — | — | — | — | |
| Others | — | — | 10 | — | — | — | — | — | — | 10 | |
| Net changes except for shareholders' equity | — | — | — | — | 7,102 | (17) | (8,478) | 3,271 | 3,022 | 4,900 | |
| Balance as of March 31, 2020 | ¥54,961 | ¥78,011 | ¥702,990 | ¥ (29,310) | ¥20,126 | ¥ (52) | ¥(4,111) | ¥(3,313) | ¥10,391 | ¥829,692 | |

| | Thousands of U.S. dollars | | | | | | | | | | |
|---|---------------------------|-----------------|-------------------|----------------|---|--|--|---|---------------------------|-------------|------------------|
| | Shareholders' equity | | | | Accumulated other comprehensive income | | | | | | Total net assets |
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Net unrealized gains on investment securities | Net deferred gains (losses) on hedging instruments | Foreign currency translation adjustments | Accumulated remeasurements of defined benefit plans | Share subscription rights | | |
| Balance as of March 31, 2019 | \$505,018 | \$716,815 | \$6,880,707 | \$ (108,627) | \$119,675 | \$(320) | \$ 40,120 | \$(60,507) | \$67,708 | \$8,160,592 | |
| Cash dividends | — | — | (877,643) | — | — | — | — | — | — | (877,643) | |
| Net income attributable to owners of parent | — | — | 1,701,799 | — | — | — | — | — | — | 1,701,799 | |
| Repurchase of treasury stock | — | — | — | (1,415,935) | — | — | — | — | — | (1,415,935) | |
| Disposal of treasury stock | — | — | (14,857) | 24,666 | — | — | — | — | — | 9,809 | |
| Cancellation of treasury stock | — | — | (1,230,569) | 1,230,569 | — | — | — | — | — | — | |
| Others | — | — | 94 | — | — | — | — | — | — | 94 | |
| Net changes except for shareholders' equity | — | — | — | — | 65,263 | (165) | (77,903) | 30,062 | 27,773 | 45,030 | |
| Balance as of March 31, 2020 | \$505,018 | \$716,815 | \$6,459,531 | \$ (269,326) | \$184,939 | \$(485) | \$(37,783) | \$(30,444) | \$95,482 | \$7,623,747 | |

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2020 and 2019

| | Millions of yen | | Thousands of U.S. dollars |
|---|------------------|------------------|---------------------------|
| | 2020 | 2019 | 2020 |
| Cash flows from operating activities: | | | |
| Income before income taxes | ¥244,626 | ¥321,508 | \$2,247,788 |
| Depreciation and amortization | 29,107 | 24,323 | 267,459 |
| Amortization of goodwill | 196 | 354 | 1,806 |
| Decrease in accrued employees' bonuses | (3,802) | (1,165) | (34,940) |
| Increase in accrued warranty expenses | 480 | 2,968 | 4,411 |
| Interest and dividend income | (1,920) | (2,573) | (17,646) |
| Decrease (increase) in trade notes and accounts receivable | (5,370) | 10,541 | (49,345) |
| Increase in inventories | (44,065) | (14,765) | (404,903) |
| Increase (decrease) in trade notes and accounts payable | 22,337 | (31,752) | 205,248 |
| Decrease (increase) in prepaid consumption tax | (19,508) | 6,818 | (179,257) |
| Increase (decrease) in accrued consumption tax | 6,140 | (2,845) | 56,426 |
| Increase (decrease) in customer advances | 58,630 | (22,077) | 538,731 |
| Other, net | 5,828 | (1,569) | 53,553 |
| Subtotal | 292,679 | 289,766 | 2,689,331 |
| Receipts from interest and dividends | 2,326 | 2,738 | 21,378 |
| Income taxes paid | (41,888) | (102,932) | (384,901) |
| Net cash provided by operating activities | 253,117 | 189,572 | 2,325,808 |
| Cash flows from investing activities: | | | |
| Payment for purchases of short-term investments | (100,449) | (209,500) | (922,998) |
| Proceeds from maturities of short-term investments | 170,000 | 165,500 | 1,562,069 |
| Payment for purchases of property, plant and equipment | (49,369) | (46,517) | (453,637) |
| Payment for acquisition of intangible assets | (3,383) | (1,563) | (31,092) |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation | — | 10,754 | — |
| Other, net | (845) | (2,707) | (7,771) |
| Net cash provided by (used in) investing activities | 15,951 | (84,033) | 146,568 |
| Cash flows from financing activities: | | | |
| Payment for purchases of treasury stock | (154,096) | (5,004) | (1,415,935) |
| Dividends paid | (95,513) | (124,754) | (877,643) |
| Other, net | (764) | (3) | (7,023) |
| Net cash used in financing activities | (250,374) | (129,761) | (2,300,602) |
| Effect of exchange rate changes on cash and cash equivalents | (3,369) | (1,020) | (30,964) |
| Net increase (decrease) in cash and cash equivalents | 15,324 | (25,243) | 140,810 |
| Cash and cash equivalents at beginning of year | 232,634 | 257,877 | 2,137,598 |
| Cash and cash equivalents at end of year | ¥247,959 | ¥232,634 | \$2,278,408 |

See accompanying Notes to Consolidated Financial Statements.