

Briefing on Financial Estimates of FY2021 (April 2020 – March 2021)

June 18, 2020

Agenda:

- 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, 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.

- Exchange risk

In principle, export sales of Tokyo Electron's mainstay semiconductor and FPD production equipment are denominated in yen. While some settlements are denominated in dollars, exchange risk is hedged as forward exchange contracts are made individually at the time of booking. Accordingly, the effect of exchange rates on profits is negligible.

FPD: Flat panel display

We want to offer our sympathies to everyone who has been affected by the COVID-19 pandemic.

We also want to express our sincere thanks to the medical professionals and everyone else who are working hard to overcome this trying situation and enable a return to normal life as soon as possible.

A handwritten signature in black ink, appearing to read 'Toshiki Kawai', written in a cursive style.

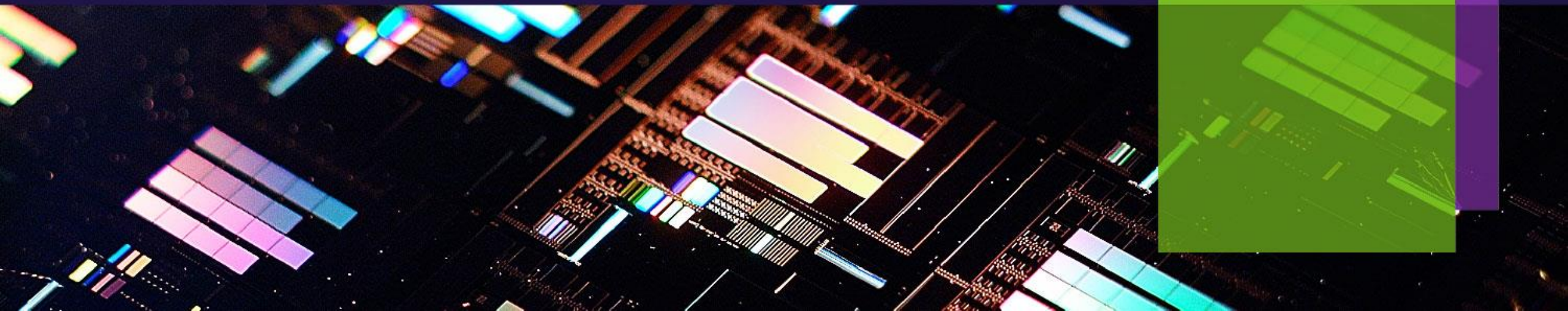
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Representative Director, President & CEO



Business Environment and Financial Estimates

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Business Environment (Outlook as of June 2020)

▶ WFE*¹ capex

Expecting CY2020 investment to increase approx. 10% YoY

While the macro economy needs to be watched closely, there is strong demand for equipment at present

The WFE market is forecast to reach a record size

▶ FPD production equipment capex for TFT array process*²

Continuing investment in large panels for TVs and a recovery in investment in OLED for mobile applications

Expecting approx. 15% YoY growth in CY2020

*1 WFE (Wafer fab equipment): The semiconductor production process is divided into front-end production, in which circuits are formed on wafers and inspected, and back-end production, in which wafers are cut into chips, assembled and inspected again. Wafer fab equipment refers to the production equipment used in front-end production and in wafer-level packaging production.

*2 TFT array process: The processes of manufacturing the substrates with the electric circuit functions that drive displays

CY'20 WFE Market and Business Opportunities by Application

- Logic/Foundry: Expecting high level in-line with last year
 - Market environment: Firm demand for both leading-edge and matured technologies
 - Opportunities: Business expansion in more complex patterning processes
- DRAM: Approx. 15-20% increase YoY
 - Market environment: Approx. 80% of capex for 1Ynm generation and beyond
 - Opportunities: Adoption of new technologies that accommodate scaling
- Non-volatile memory: Approx. 50% increase YoY
 - Market environment: Accelerating investment for expanding production capacity. 9X/12X generations to comprise over 80% of capex
 - Opportunities: Differentiation through high value-added etch and clean

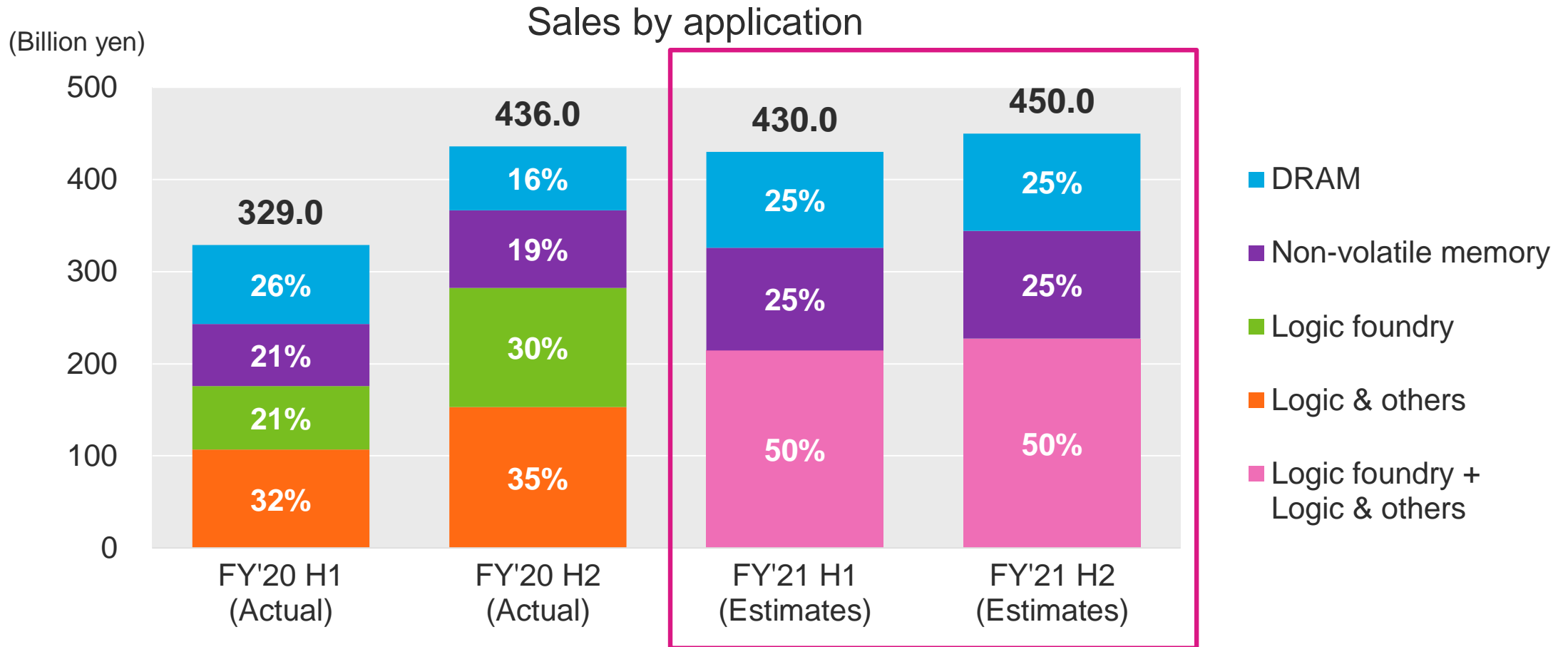
FY2021 Financial Estimates

(Billion yen)

	FY2020 (Actual)	FY2021 (Estimates)			
		H1	H2	Full year	Full year YoY change
Net sales	1,127.2	620.0	660.0	1,280.0	+13.5%
SPE	1,060.9	585.0	615.0	1,200.0	+13.1%
FPD	66.0	35.0	45.0	80.0	+21.0%
Gross profit	451.9	248.0	272.0	520.0	+67.9
Gross profit margin	40.1%	40.0%	41.2%	40.6%	+0.5pts
SG&A expenses	214.6	121.0	124.0	245.0	+30.3
Operating income	237.2	127.0	148.0	275.0	+37.6
Operating margin	21.0%	20.5%	22.4%	21.5%	+0.5pts
Income before income taxes	244.6	127.0	148.0	275.0	+30.3
Net income attributable to owners of parent	185.2	95.0	110.0	205.0	+19.7
Net income per share (Yen)	1,170.57	610.83	-	1,318.11	+147.54

Aim for higher net sales and income while continuing growth investment

FY2021 SPE Division New Equipment Sales Forecast

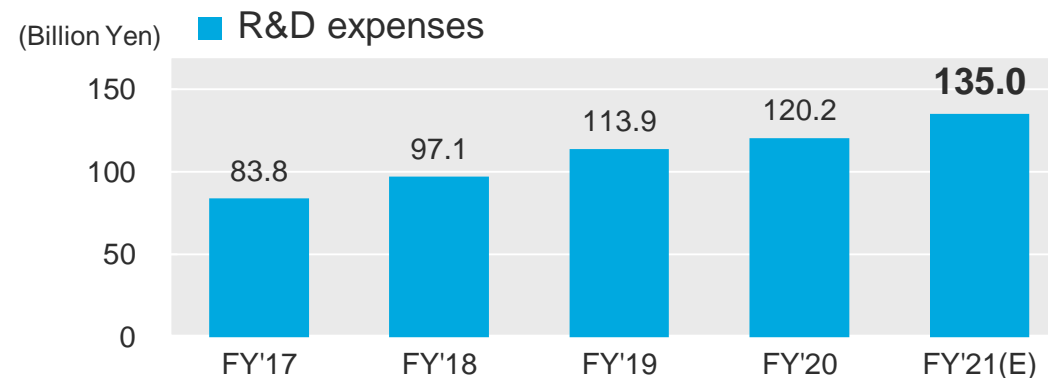


Increase in sales accompanying recovery in memory investment

Percentages on the graph show the composition ratio of new equipment sales. Field solutions sales are not included. Figures for FY2021 are rough estimates.

FY2021 R&D Expenses, Capex Plan

- R&D Expenses ¥135.0B
 - Continue investing based on focus areas and sustainable growth
- Capex ¥56.0B
 - Actively invest in advanced technologies R&D and to meet increasing production
- Depreciation ¥38.0B



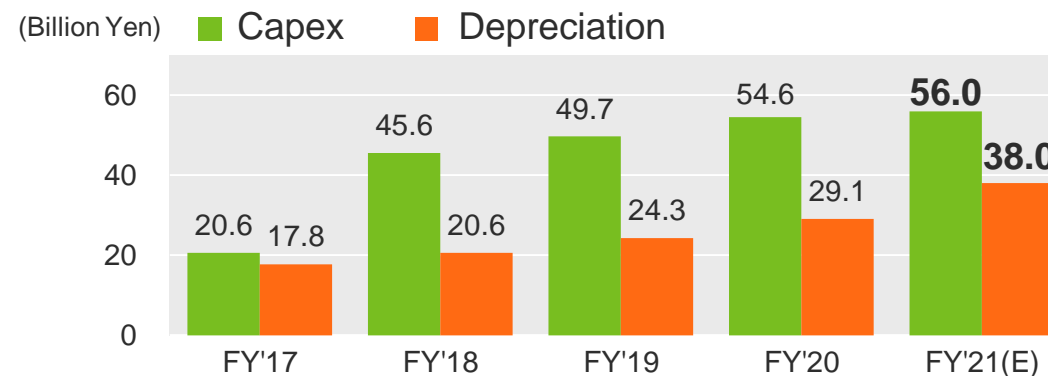
New production buildings
(deposition systems, gas chemical etch systems, test systems)



Nirasaki City, Yamanashi Prefecture:
approx. ¥13.0B construction cost
(Scheduled to begin operation in August 2020)

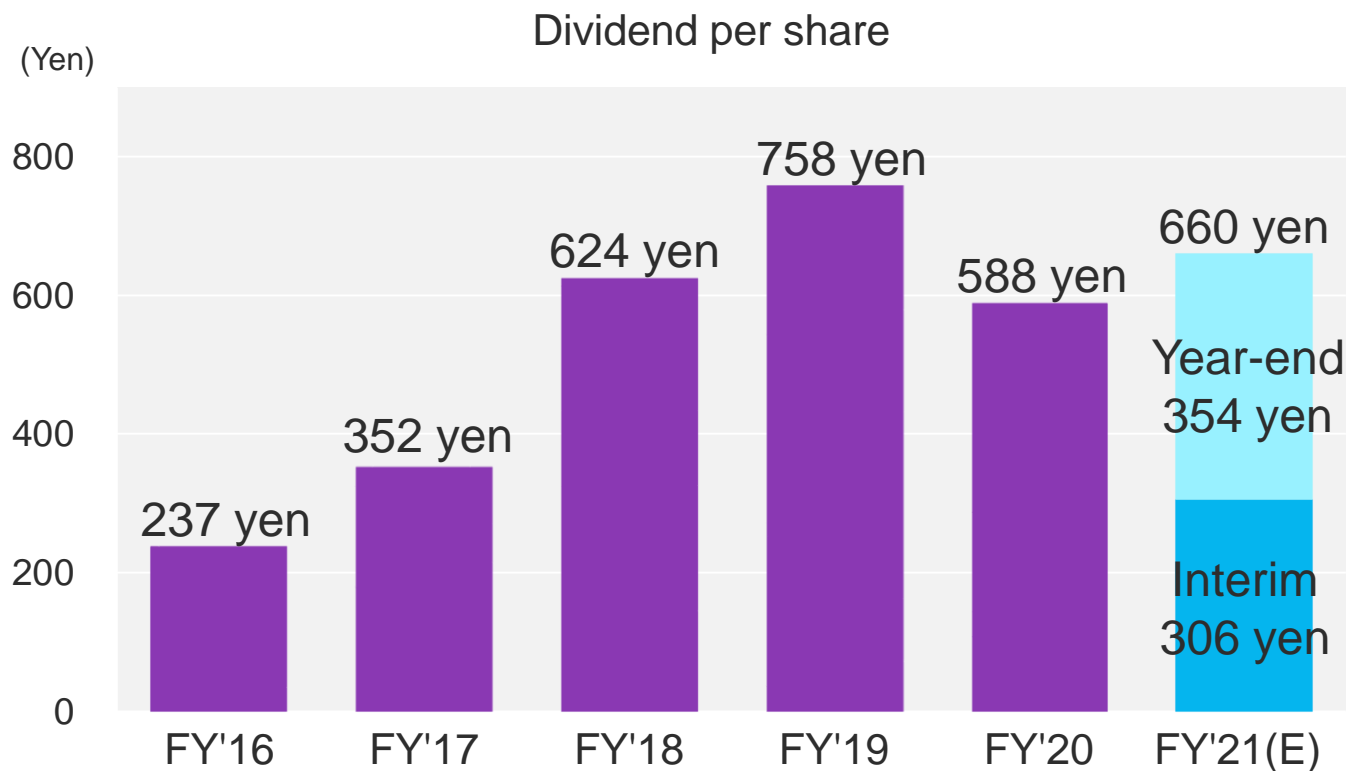


Oshu City, Iwate Prefecture:
approx. ¥13.0B construction cost
(Scheduled to begin operation in July 2020)



Expect to make record R&D investment
to maximize capture of future growth potential

FY2021 Dividend Forecast



TEL shareholder return policy

Dividend payout ratio: 50%

Annual DPS of not less than 150 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

Expect to pay DPS of 660 yen, in-line with 50% dividend payout ratio

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