

# FY2025 (April 2024 - March 2025) Financial Announcement

April 30, 2025

Agenda:

- Consolidated Financial Summary  
Hiroshi Kawamoto, SVP & GM, Division Officer of Finance Division
- 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 political and economic situation, semiconductor market conditions, intensification of sales competition, safety and product quality management, intellectual property-related matters and impacts from infectious diseases.

- 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 foreign exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.

# FY2025 Consolidated Financial Summary

April 30, 2025

Hiroshi Kawamoto  
SVP & GM, Division Officer of Finance Division



# Financial Summary

(Billion yen)

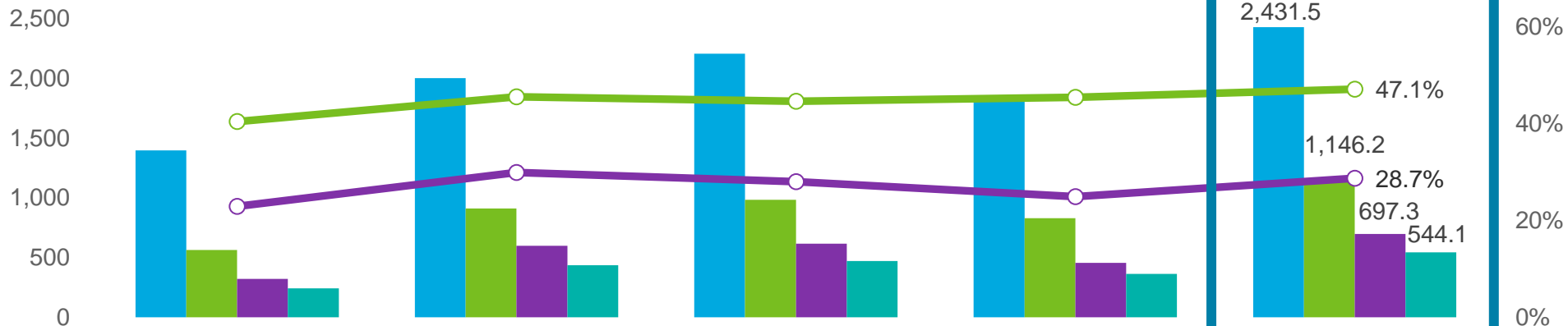
	FY2024	FY2025	FY2025 vs FY2024	(Reference) FY2025 estimates announced on February 6, 2025
<b>Net sales</b>	1,830.5	<b>2,431.5</b>	+32.8%	2,400.0
<b>Gross profit</b>	830.2	<b>1,146.2</b>	+38.1%	1,129.0
Gross profit margin	45.4%	47.1%	+1.7pts	47.0%
<b>SG&amp;A expenses</b>	374.0	<b>448.9</b>	+20.0%	449.0
<b>Operating income</b>	456.2	<b>697.3</b>	+52.8%	680.0
Operating margin	24.9%	28.7%	+3.8pts	28.3%
<b>Income before income taxes</b>	473.4	<b>706.1</b>	+49.1%	691.0
<b>Net income attributable to owners of parent</b>	363.9	<b>544.1</b>	+49.5%	526.0
<b>EPS (Yen)</b>	783.75	<b>1,182.40</b>	+50.9%	1,142.47
<b>R&amp;D expenses</b>	202.8	<b>250.0</b>	+23.2%	254.0
<b>Capital expenditures</b>	121.8	<b>162.1</b>	+33.1%	170.0
<b>Depreciation and amortization</b>	52.3	<b>62.1</b>	+18.7%	63.0

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 foreign exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.

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

# Financial Trend (FY2021~FY2025)

(Billion yen)



From the beginning of FY2022, the Company applies "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29).

Net sales, gross profit, operating profit and net income reached record high

# Financial Summary (Quarterly)

(Billion yen)

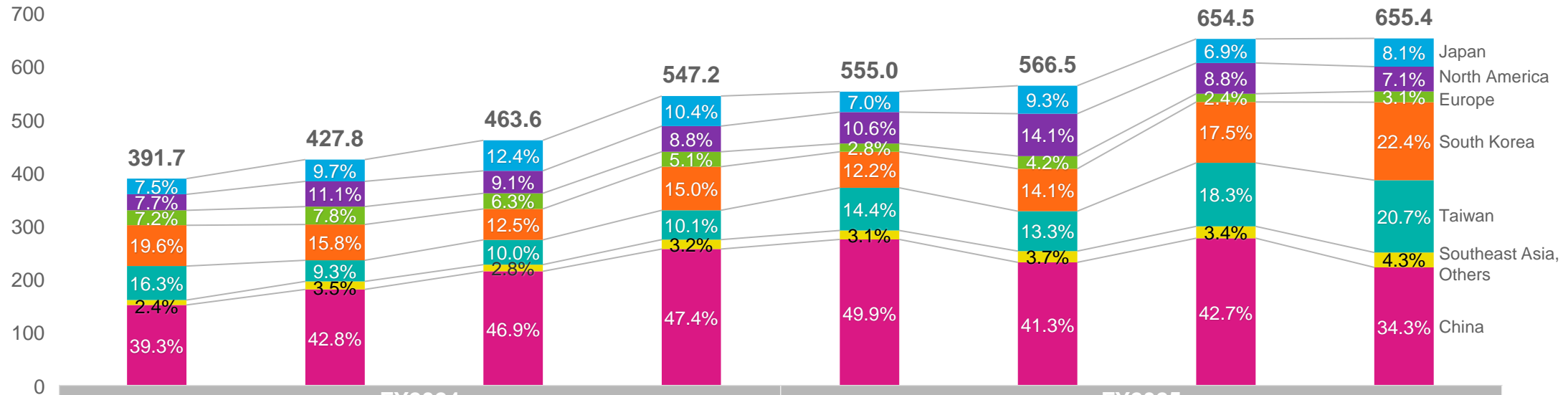
	FY2024	FY2025				vs. Q3 FY2025	vs. Q4 FY2024
	Q4	Q1	Q2	Q3	Q4		
<b>Net sales</b>	547.2	555.0	566.5	654.5	<b>655.4</b>	+0.1%	+19.8%
<b>Gross profit</b>	256.1	264.0	259.9	311.7	<b>310.5</b>	-0.4%	+21.3%
Gross profit margin	46.8%	47.6%	45.9%	47.6%	<b>47.4%</b>	-0.2pts	+0.6pts
<b>SG&amp;A expenses</b>	110.8	98.2	111.7	112.1	<b>126.7</b>	+13.1%	+14.3%
<b>Operating income</b>	145.2	165.7	148.1	199.6	<b>183.7</b>	-7.9%	+26.6%
Operating margin	26.5%	29.9%	26.2%	30.5%	<b>28.0%</b>	-2.5pts	+1.5pts
<b>Income before income taxes</b>	157.8	167.2	153.6	200.1	<b>185.1</b>	-7.5%	+17.3%
<b>Net income attributable to owners of parent</b>	124.9	126.1	117.7	157.2	<b>142.9</b>	-9.1%	+14.4%
R&D expenses	58.4	53.4	62.0	61.8	<b>72.7</b>	+17.7%	+24.5%
Capital expenditures	32.9	23.9	53.3	50.2	<b>34.6</b>	-31.1%	+4.9%
Depreciation and amortization	15.3	13.2	14.5	16.0	<b>18.3</b>	+14.4%	+19.7%

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 foreign exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.

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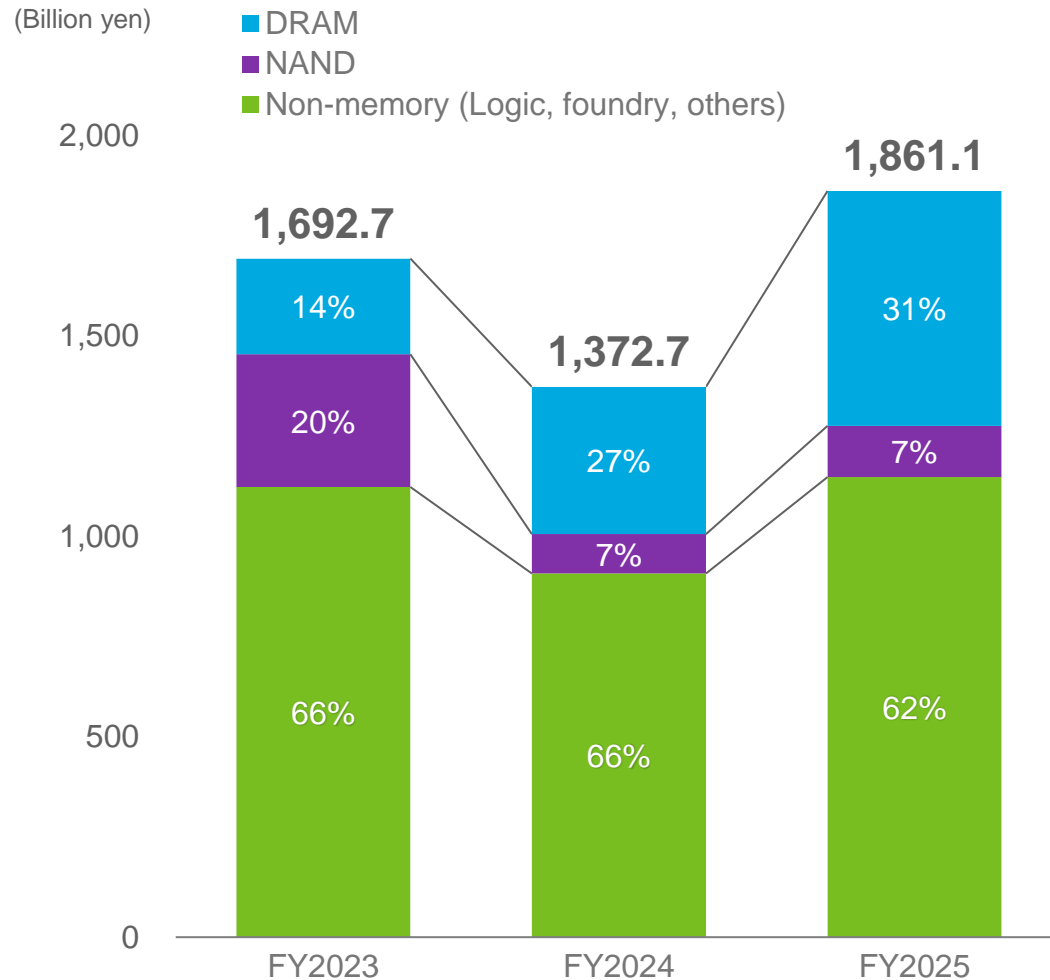
# Composition of Net Sales by Region (Q1 FY2024 - Q4 FY2025)

(Billion yen)



	FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Japan	29.5	41.2	57.4	56.7	38.5	52.6	45.3	53.4
North America	30.1	47.4	42.1	48.3	59.0	79.9	57.7	46.2
Europe	28.1	33.5	29.4	28.1	15.5	23.8	15.7	20.3
South Korea	76.7	67.4	58.2	82.0	67.8	79.5	114.5	147.0
Taiwan	63.9	39.9	46.3	55.2	80.0	75.3	119.3	135.8
Southeast Asia, Others	9.2	15.1	12.7	17.5	17.0	21.2	22.3	27.8
China	153.9	182.9	217.2	259.1	277.0	233.9	279.4	224.6

# SPE New Equipment Sales by Application

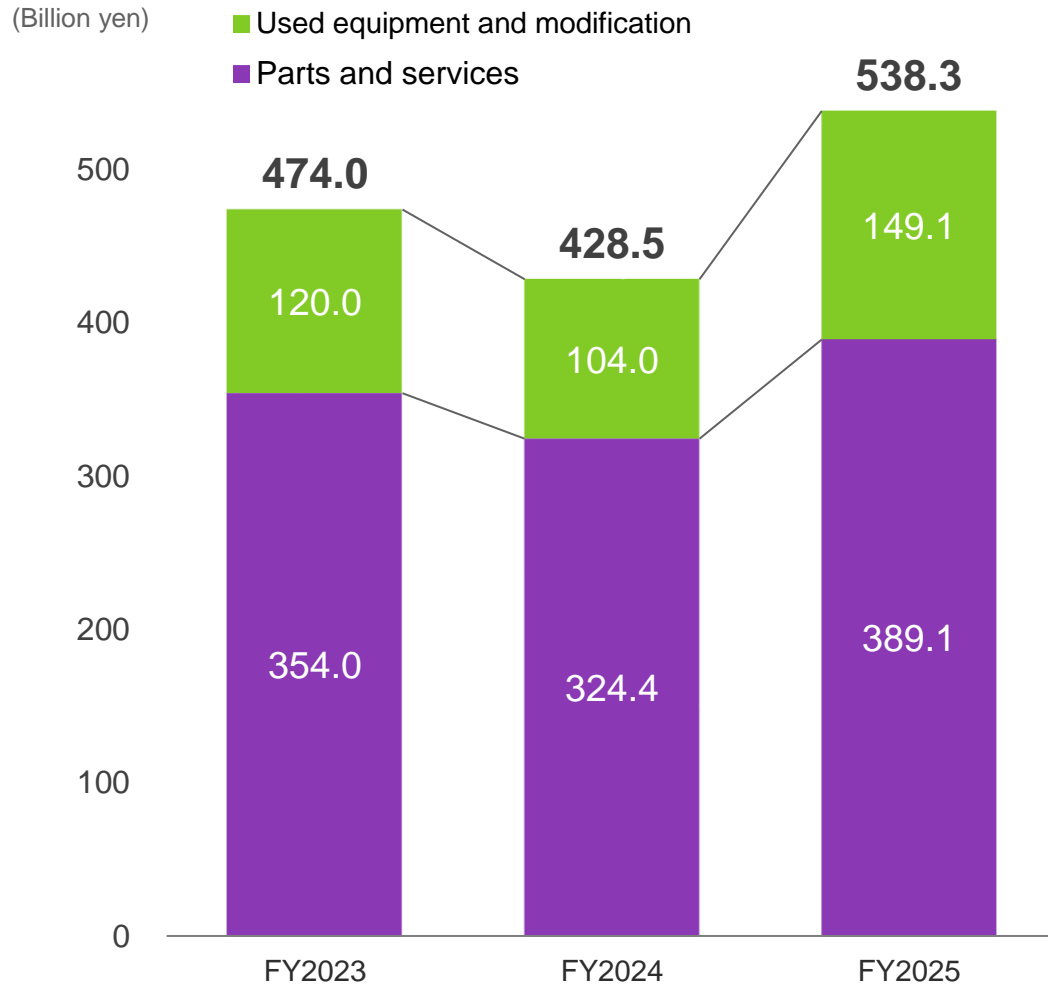


- DRAM: Leading-edge investment (HBM etc.) was a significant contributor for higher sales and a larger composition ratio
- Non-volatile memory: Sales were on an upward trajectory despite the composition ratio remaining unchanged as customer investment eased towards a recovery
- Non-memory: Sales rose significantly on active investment in leading-edge nodes as well as demand for mature nodes

1. SPE: Semiconductor Production Equipment

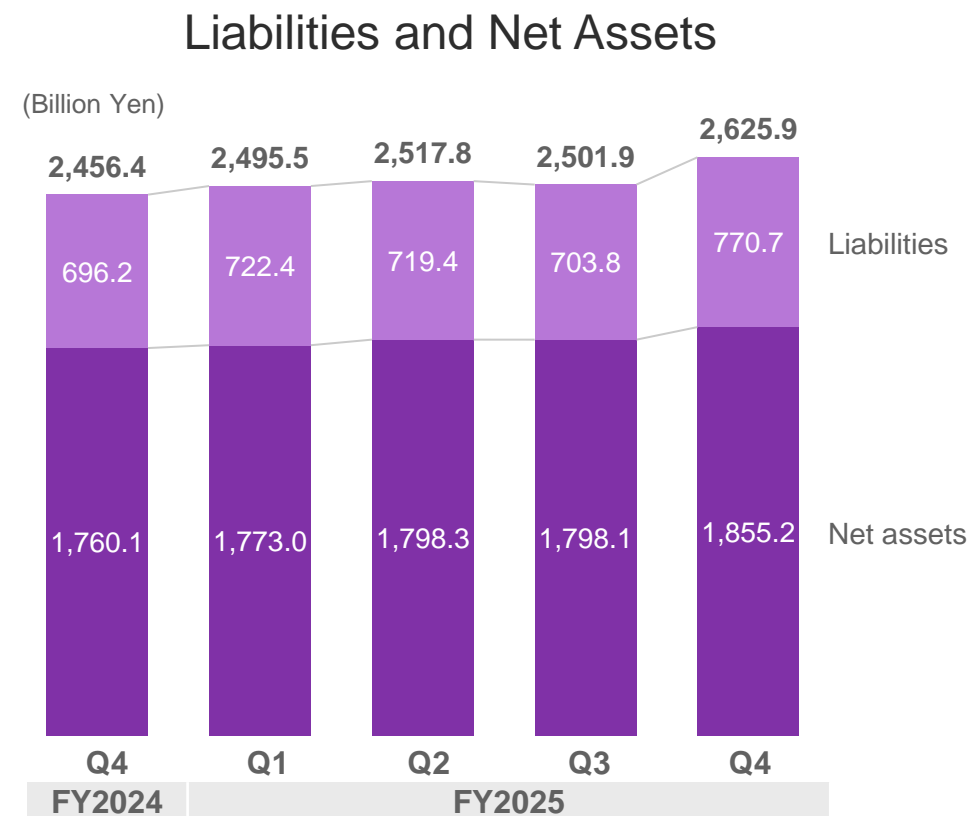
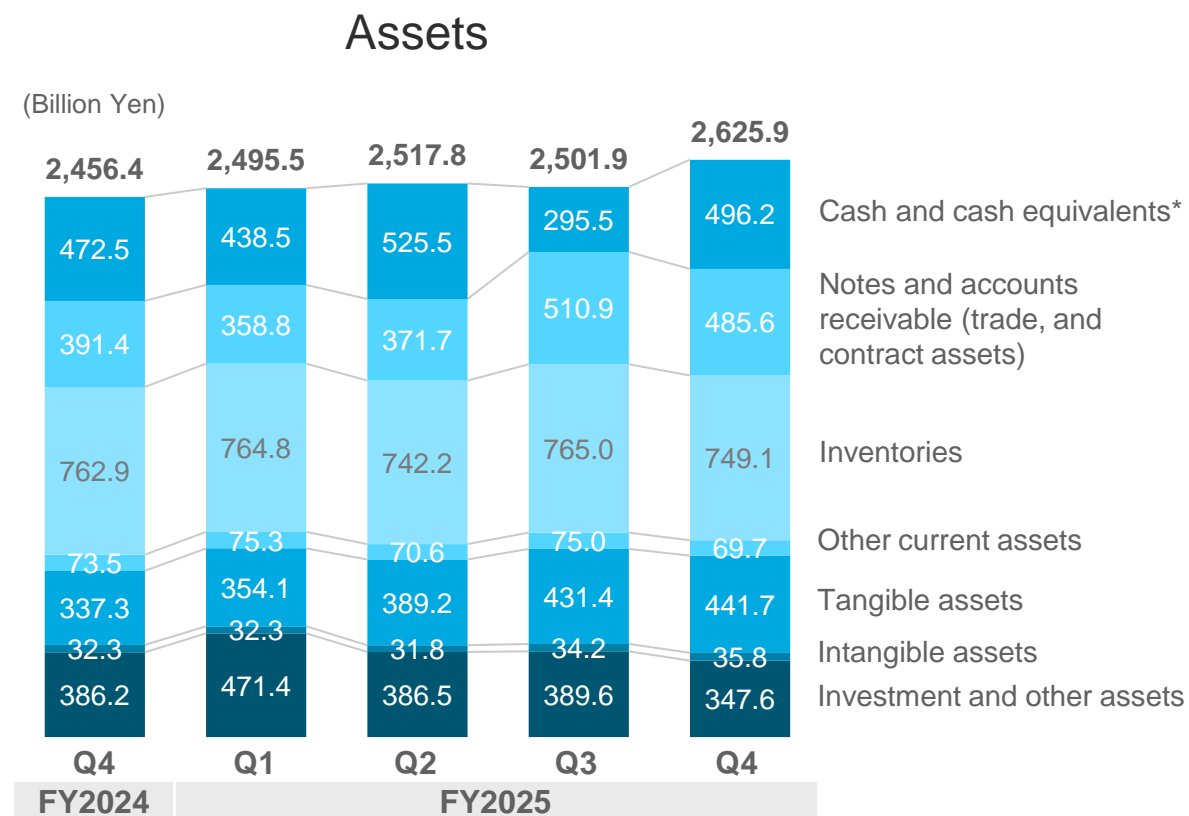
2. Percentages on the graph show the composition ratio of new equipment sales. Field Solutions sales are not included.

# Field Solutions Sales



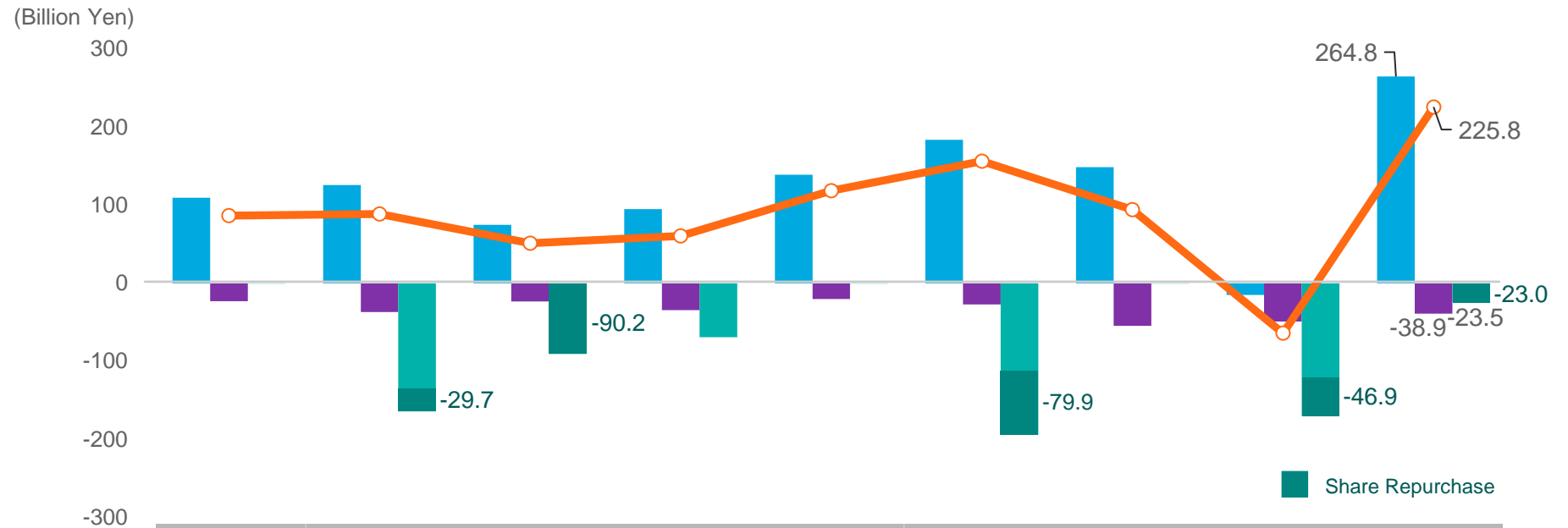
- Field Solutions sales in FY2025 were 538.3B yen, up 25.6% YoY
- Both parts and services and used equipment and modification sales were in good shape along with the recovery of customers' fab utilization rates

# Balance Sheet (Quarterly)



\*Cash and cash equivalents: “Cash and deposits” + “Short-term investments”, etc. (“Securities” in Balance Sheet).

# Cash Flow (Quarterly)



	FY2023	FY2024				FY2025			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<span style="color: blue;">■</span> Cash flow from operating activities	109.6	125.7	74.8	95.0	139.0	183.7	148.6	-15.0	264.8
<span style="color: purple;">■</span> Cash flow from investing activities* <sup>1</sup>	-23.1	-36.8	-23.4	-34.4	-20.3	-27.3	-54.4	-49.0	-38.9
<span style="color: teal;">■</span> Cash flow from financing activities	-0.5	-164.1	-90.8	-69.3	-0.6	-194.4	-0.6	-170.1	-23.5
<span style="color: orange;">○</span> Free cash flow* <sup>2</sup>	86.5	88.8	51.4	60.6	118.7	156.4	94.1	-64.1	225.8
Cash on hand* <sup>3</sup>	473.1	401.0	362.6	352.4	472.5	438.5	525.5	295.5	496.2

\*<sup>1</sup> Cash flow from investing activities excludes changes in time deposits and short-term investments.

\*<sup>2</sup> Free cash flow = "Cash flow from operating activities" + "Cash flow from investing activities" (excluding changes in "Time deposits" and "Short-term investments").

\*<sup>3</sup> Cash on hand includes "Cash and cash equivalents" + "Time deposits and short-term investments" with original maturities of more than three months.

# Business Environment and Financial Estimates

April 30, 2025

Toshiki Kawai  
Representative Director, President & CEO



# FY2025 Business Highlights

- Achieved record highs for both net sales and profit.  
Gross profit exceeded 1 trillion yen for the first time
  - Net sales grew +33%. Sales for DRAM grew significantly by +59% with the adoption of a wide range of equipment for HBM\*1
- Market share expanded by winning PORs\*2 with strategic products
  - **Etch:** DRAM - major monopoly in capacitor etch; NAND - new POR in channel hole etch (cryogenic etch), expansion in slit etch; logic/HBM - adoption in advanced packaging interconnect processes
  - **Wafer bonders:** Significant increase in demand for temporary bonders/debonders for HBM
  - **Probers:** sales rose by leveraging the trend of expanding investments in advanced logic
- Released new products on the expectation that they will support entry into new areas
  - Episode™ 1 single-wafer plasma CVD system; LEXIA™-EX sputtering system; Acrevia™ Gas Cluster Beam system; Ulucus™ LX extreme laser lift off system
- Completed share repurchase of approx. 150 billion yen

\*1 HBM: High Bandwidth Memory

\*2 POR: Process of Record

# Business Environment (WFE Market Outlook as of April 2025)

## ■ **CY2025: Forecasting around \$110B, flat YoY**

- Lull in both automotive and power semiconductor investment, and investment by emerging Chinese manufacturers
- Demand for AI servers is driving investment in leading-edge logic and HBM

## ■ **CY2026: Double-digit growth is expected**

- Expect continued and significant demand for AI servers, as well as an acceleration in investment in 2nm mass production
- Also expect higher semiconductor demand accompanying the increase in on-device AI for PCs and smartphones

Expanding business opportunities for TEL amid progress in technological innovations of both scaling and heterogeneous integration (GAA<sup>\*1</sup>, BSPDN<sup>\*2</sup>, HBM, testing) in order to achieve even higher speed, higher capacity, higher reliability and lower power consumption

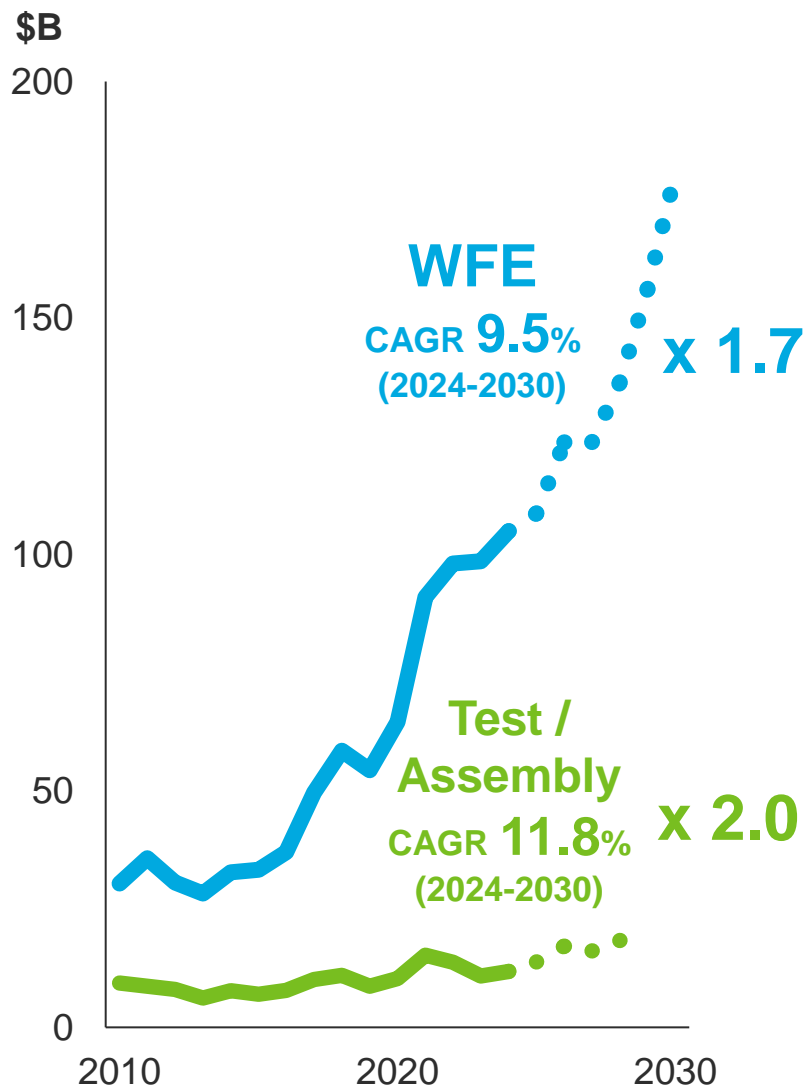
<sup>\*1</sup> GAA (Gate All Around)

: A transistor structure where the channel is surrounded by the gate

<sup>\*2</sup> BSPDN (Backside Power Delivery Network)

: Structures that arrange power delivery networks on the backside of wafer

# Strategic Technologies for Future Growth



Source : TechInsights (April 2025)

Investor Relations / April 30, 2025

Frontend		
<b>Logic : GAA, BSPDN</b> <ul style="list-style-type: none"> <li>EUV Coater/Developer</li> <li>Gas Chemical Etch</li> <li>Conductor Etch</li> <li>PVD Metal Overburden</li> <li>CFET/Inner Spacer Plasma CVD for filling film</li> <li>Double-sided scrubber</li> <li>Backside/bevel cleaning</li> <li>Pattern Shaping</li> <li>Wafer Bonder</li> <li>Laser Tool</li> </ul>	<b>DRAM: 2D &amp; 3D DRAM</b> <ul style="list-style-type: none"> <li>EUV Coater/Developer</li> <li>Capacitor Mold Etch</li> <li>Batch High-k Capacitor deposition</li> <li>PVD Metal Hardmask</li> <li>Supercritical Cleaning</li> <li>Backside/bevel Cleaning</li> <li>Wafer Bonder</li> <li>Laser Tool</li> </ul>	<b>NAND: Beyond 4xx</b> <ul style="list-style-type: none"> <li>Slit Etch</li> <li>Channel Hole Etch (Plug)</li> <li>Batch Mo deposition</li> <li>Batch Cleaning WL Separation</li> <li>Wafer Bonder</li> <li>Laser Tool</li> </ul>
Advanced Packaging		
<b>Logic Packaging</b> <ul style="list-style-type: none"> <li>Interposer, Polyimide &amp; PR Coater/Developer</li> <li>TDV Etch</li> <li>Batch High-k Capacitor depo</li> <li>Wafer Bonder</li> <li>Laser Tool</li> </ul>	<b>HBM Packaging</b> <ul style="list-style-type: none"> <li>Polyimide &amp; PR Coater/Developer</li> <li>Metal Etch for HBM</li> <li>Aerosol Cleaning</li> <li>Temporary Bonder/Debonder</li> </ul>	<b>Advanced Logic / Memory Test</b> <ul style="list-style-type: none"> <li>Prober</li> </ul>

# FY2026 Financial Estimates

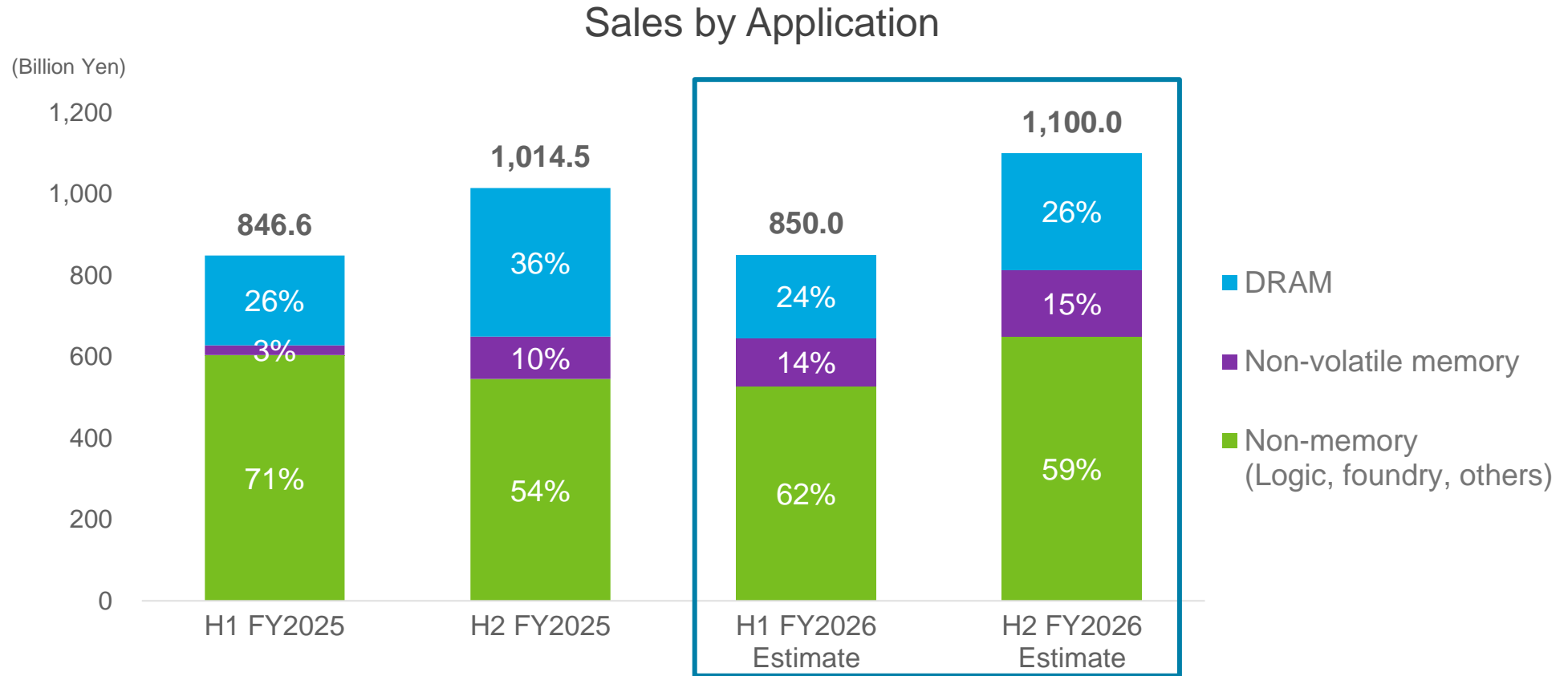
# FY2026 Financial Estimates

(Billion Yen)

	FY2025 (Actual)	FY2026 (Estimates)			
		H1	H2	Full Year	Full Year YoY
<b>Net sales</b>	2,431.5	1,150.0	1,450.0	2,600.0	+6.9%
<b>Gross profit</b>	1,146.2	527.0	701.0	1,228.0	+7.1%
Gross profit margin	47.1%	45.8%	48.3%	47.2%	+0.1pts
<b>SG&amp;A expenses</b>	448.9	239.0	262.0	501.0	+11.6%
R&D	250.0	140.0	160.0	300.0	+20.0%
Other than R&D	198.9	99.0	102.0	201.0	+1.1%
<b>Operating income</b>	697.3	288.0	439.0	727.0	+4.3%
Operating margin	28.7%	25.0%	30.3%	28.0%	-0.7pts
<b>Income before income taxes</b>	706.1	293.0	443.0	736.0	+4.2%
<b>Net income attributable to owners of parent</b>	544.1	224.0	342.0	566.0	+4.0%
<b>Net income per share (Yen)</b>	1,182.40	488.97	-	1,235.51	+53.11

Expect record high revenue and OP again in FY2026  
Plan 300B yen R&D investment to maximize future growth opportunities

# FY2026 SPE New Equipment Sales Forecast



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

Expect customers to begin preparations in H2 FY2026 in anticipation for market growth in CY2026.  
Expect record-high half-year sales in H2 FY2026

# FY2026 R&D Expenses and Capex Plan

## New Development Building

Etch system



Kurokawa-gun, Miyagi Prefecture  
Established in April 2025

## New Development Building

Coater/developer, cleaning system, bonder



Koshi-city, Kumamoto Prefecture  
Completion scheduled for autumn 2025

## Tohoku Production and Logistics Center

Deposition system



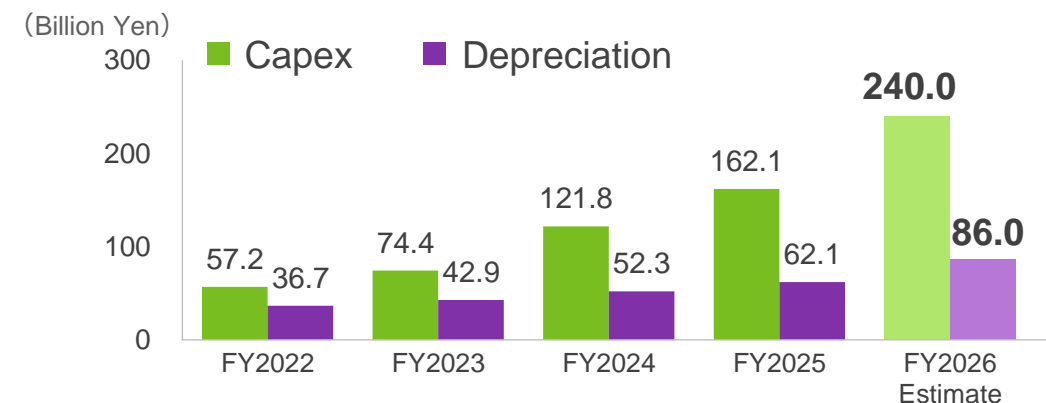
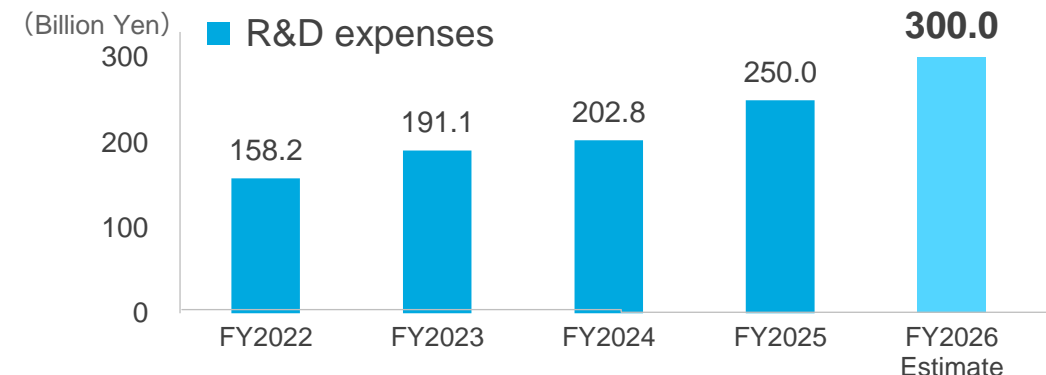
Oshu-city, Iwate Prefecture  
Completion scheduled for autumn 2025

## New Production Building

Etch system



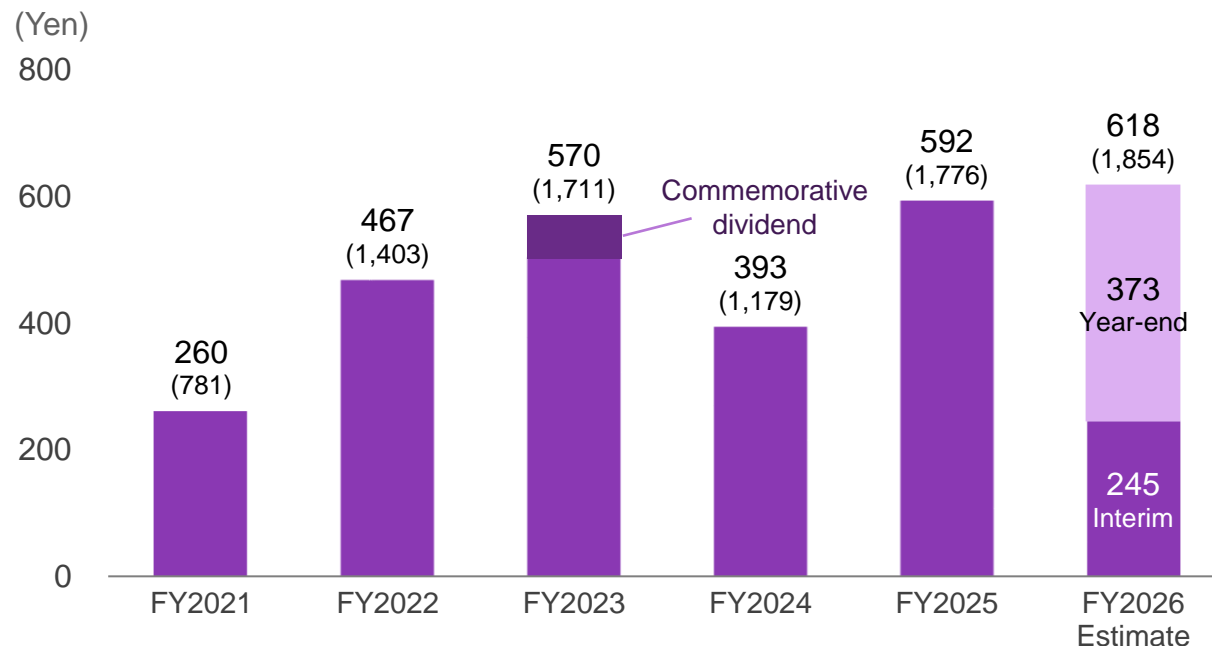
Kurokawa-gun, Miyagi Prefecture  
Completion scheduled for summer 2027



Continue aggressive R&D and capital investments for future growth

# FY2026 Dividend Forecast

## Dividend per Share



- Dividends per share from FY2020 to FY2023 are calculated on the assumption that the stock split was conducted at the beginning of FY2020.
- FY2023 includes the 60<sup>th</sup> 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**

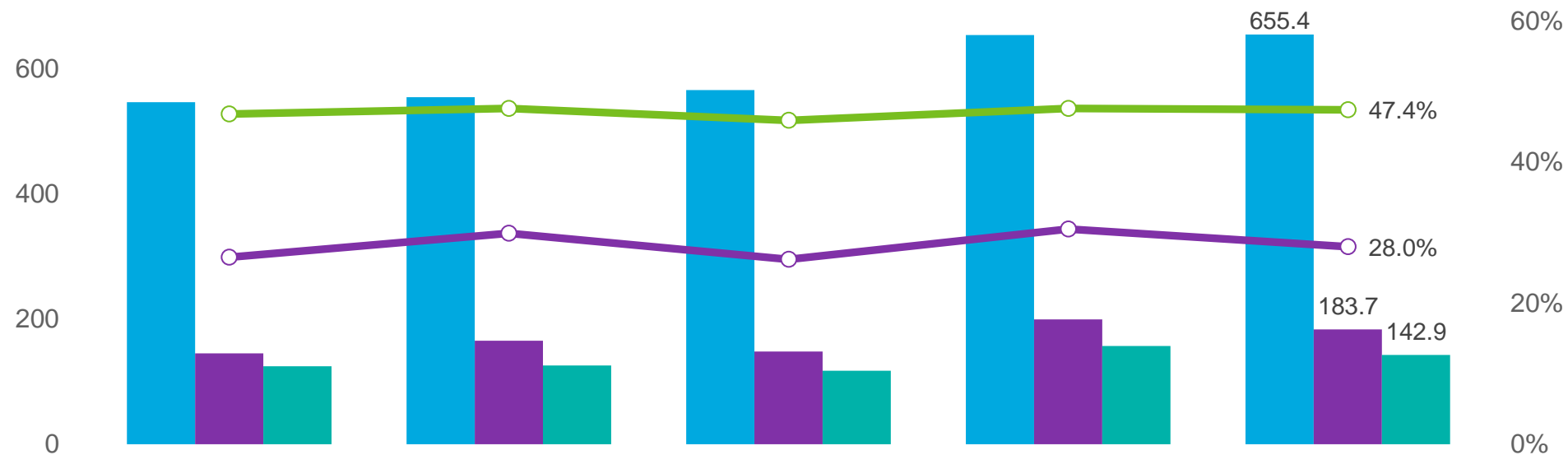
\*Due to the stock split on April 1, 2023, the amount has been changed from 150 yen to 50 yen.

**Implemented a 3-for-1 common stock split on April 1, 2023.  
Full-year dividends are expected to be 618 yen per share**

# Appendix

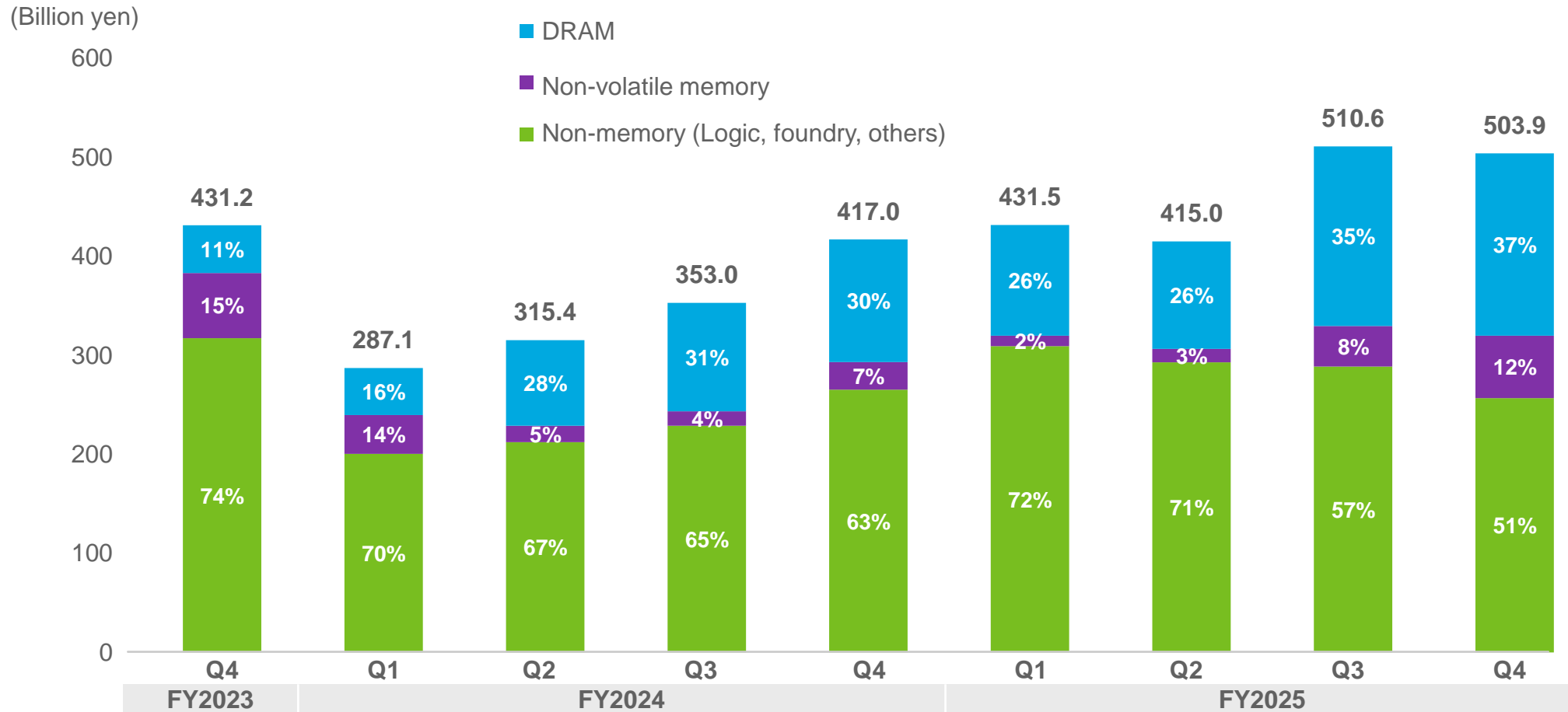
# Financial Performance (Quarterly)

(Billion Yen)



	FY2024	FY2025			
	Q4	Q1	Q2	Q4	Q4
Net sales	547.2	555.0	566.5	654.5	655.4
Operating income	145.2	165.7	148.1	199.6	183.7
Net income attributable to owners of parent	124.9	126.1	117.7	157.2	142.9
Gross profit margin	46.8%	47.6%	45.9%	47.6%	47.4%
Operating margin	26.5%	29.9%	26.2%	30.5%	28.0%

# SPE New Equipment Sales by Application (Quarterly)



1. SPE: Semiconductor Production Equipment

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

# Field Solutions Sales (Quarterly)

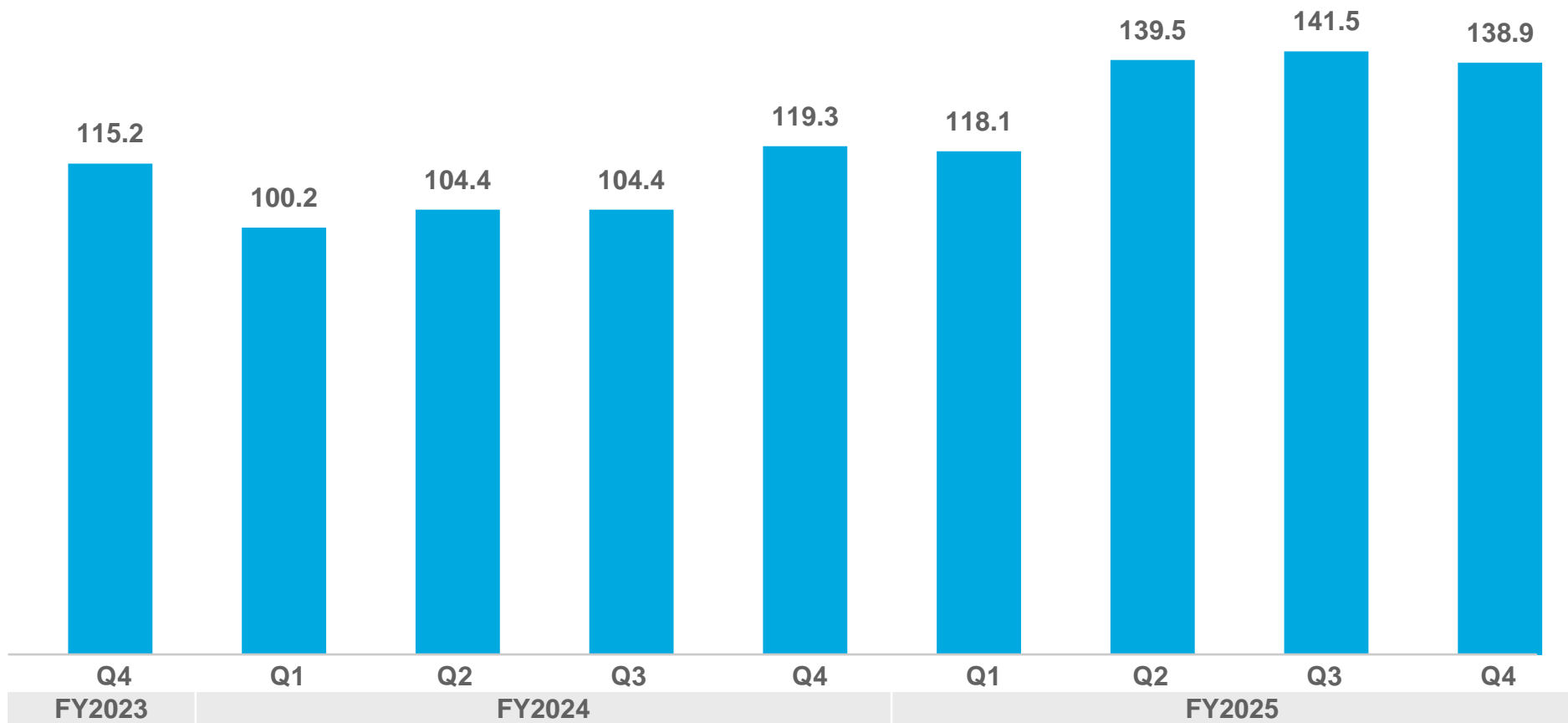
(Billion yen)

150

100

50

0



# SPE New Equipment Sales by Product

(Billion yen)

2,000

1,500

1,000

500

0

1,692.7

1,372.7

1,861.1

FY2023

FY2024

FY2025

26%

34%

22%

12%

5%

30%

32%

21%

12%

3%

27%

35%

19%

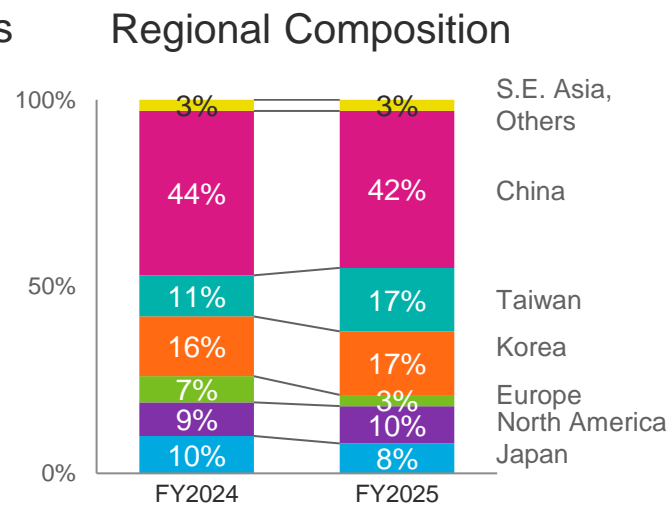
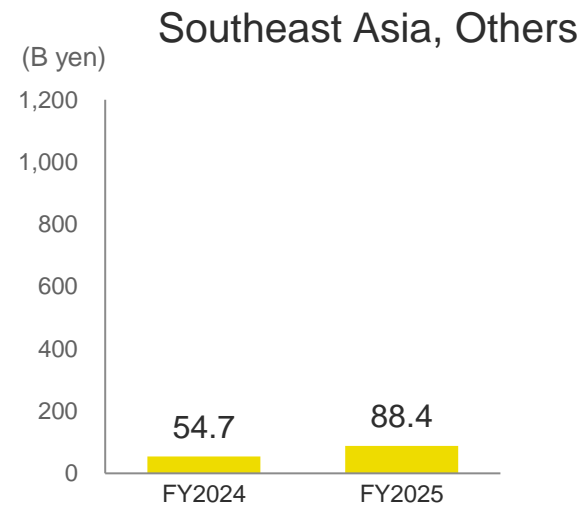
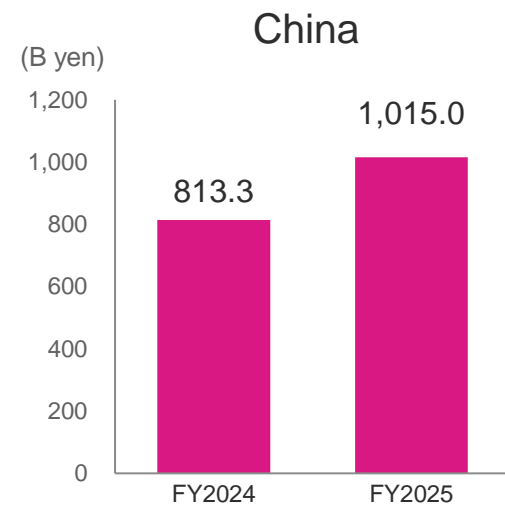
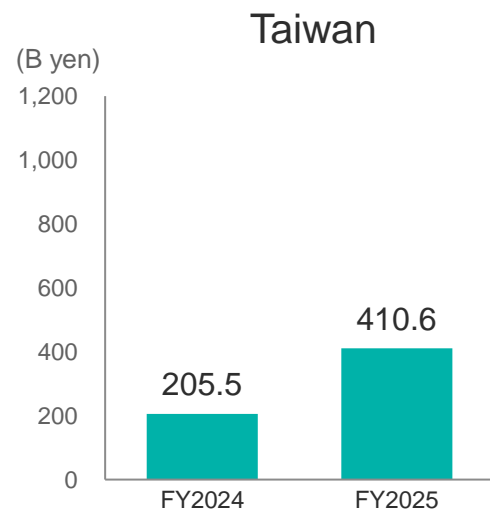
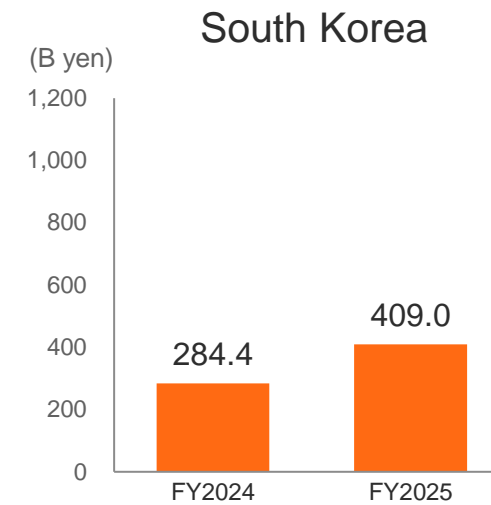
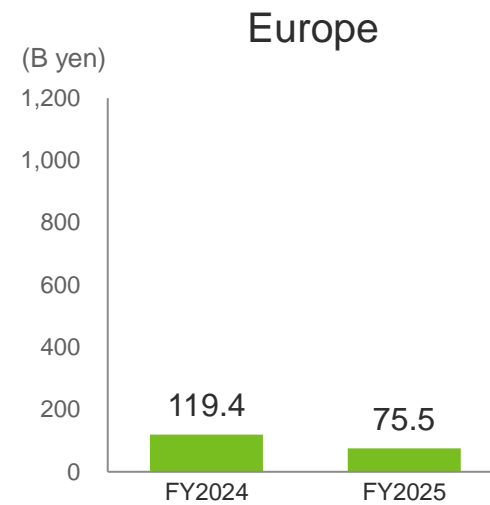
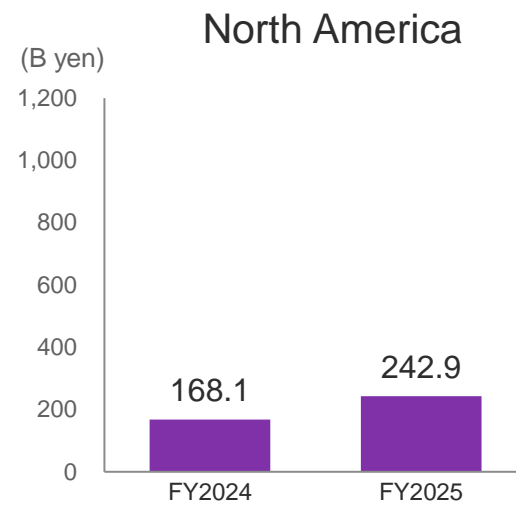
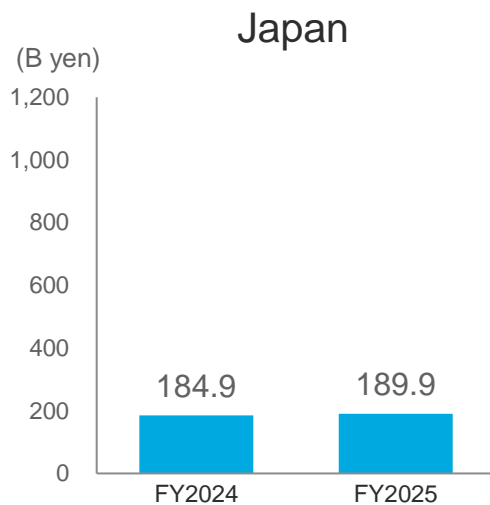
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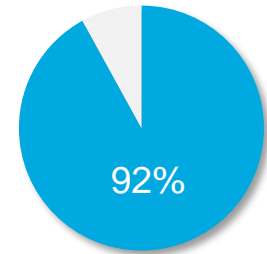
- Coater/developer
- Etch system
- Deposition system
- Cleaning system
- Wafer prober
- Others

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

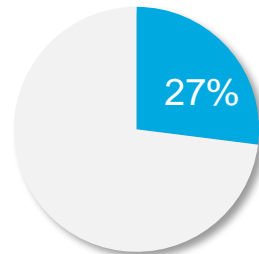
# Sales by Region



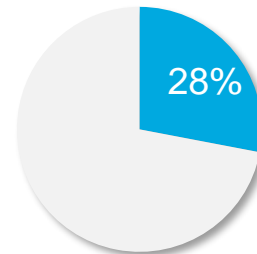
# World Market Share of Major Products (CY2024)



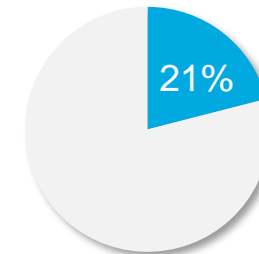
Coater/Developer



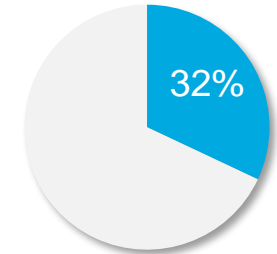
Dry Etch System



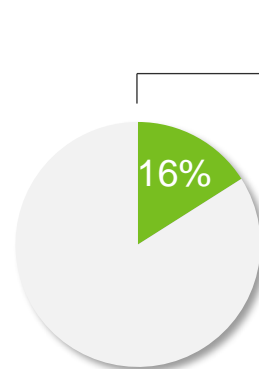
Deposition System



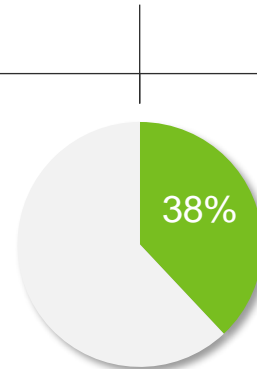
Cleaning System



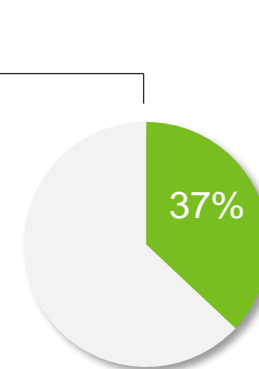
Wafer Bonder



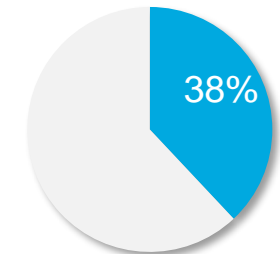
ALD



CVD



Oxidation/Diffusion



Wafer Prober

## Source

SPE (excluding Wafer Prober) : Gartner®, Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2024, Bob Johnson and Menglin Cao, 21 April 2025, Revenue from Shipments basis. Chart created by TEL based on Gartner research. Gartner research. Calculations performed by TEL.

Coater/Developer: Photoresist Processing (Track), Dry Etch System: Dry Etch, Deposition System: Tube CVD + Atomic Layer Deposition Tools + Oxidation/Diffusion Furnaces + Nontube LPCVD, ALD: Atomic Layer Deposition Tools, CVD: Tube CVD + Nontube LPCVD, Oxidation/Diffusion: Oxidation/diffusion Furnaces, Cleaning System: Single Wafer Processors + Wet Stations + Batch Spray Processors + Scrubbers + Other Clean Equipment, Wafer Bonder: Wafer Bonder.

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## Source

SPE (Wafer Prober) : Auto Probers, TechInsights Inc., April 2025

Charts/graphics created by Tokyo Electron based on : TechInsights Inc.



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