

Q2 FY2026 (July - September 2025) Financial Announcement

October 31, 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.

Q2 FY2026 Consolidated Financial Summary

October 31, 2025

Hiroshi Kawamoto
SVP & GM, Division Officer of Finance Division



Good afternoon. I am Kawamoto of Finance Division. I would like to present the consolidated financial summary of the second quarter of the fiscal year ending March 2026.

Financial Summary (Quarterly)

(Billion yen)

	FY2025			FY2026		vs.	vs.
	Q2	Q3	Q4	Q1	Q2	Q1 FY2026	Q2 FY2025
Net sales	566.5	654.5	655.4	549.5	630.0	+14.6%	+11.2%
Gross profit	259.9	311.7	310.5	253.9	284.8	+12.2%	+9.6%
Gross profit margin	45.9%	47.6%	47.4%	46.2%	45.2%	-1.0pts	-0.7pts
SG&A expenses	111.7	112.1	126.7	109.2	126.4	+15.7%	+13.1%
Operating income	148.1	199.6	183.7	144.6	158.4	+9.5%	+6.9%
Operating margin	26.2%	30.5%	28.0%	26.3%	25.1%	-1.2pts	-1.1pts
Income before income taxes	153.6	200.1	185.1	151.9	161.0	+6.0%	+4.8%
Net income attributable to owners of parent	117.7	157.2	142.9	117.8	123.8	+5.1%	+5.2%
R&D expenses	62.0	61.8	72.7	62.1	72.6	+17.0%	+17.1%
Capital expenditures	53.3	50.2	34.6	52.8	91.2	+72.7%	+71.1%
Depreciation and amortization	14.5	16.0	18.3	17.1	19.1	+11.4%	+31.8%

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.

3. FY202x refers to the financial year ending in March 202x.

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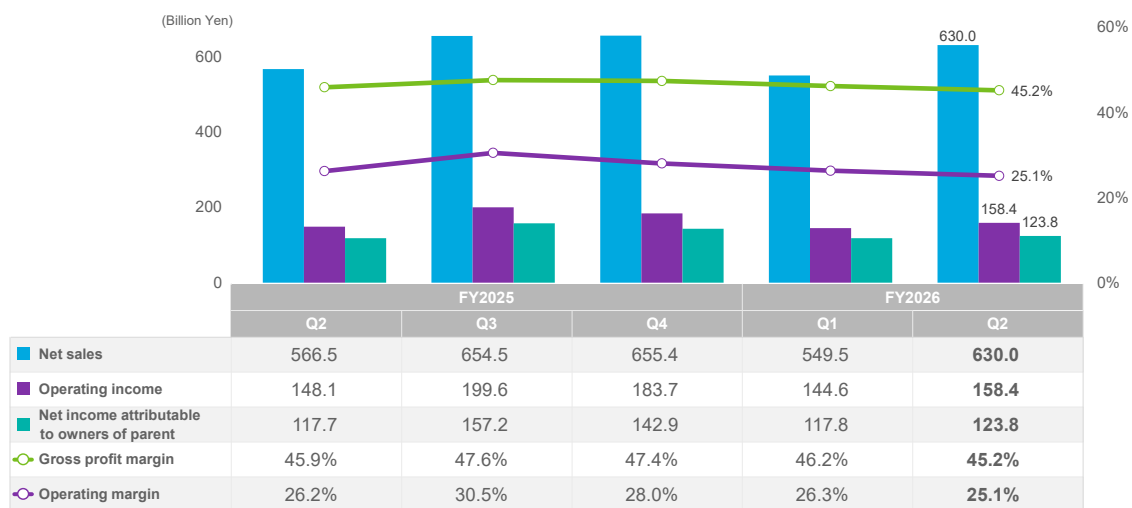


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This slide shows the quarterly financial summary. I will mainly refer to the figures in the blue box.

In the second quarter, we generated net sales of 630.0 billion yen, which is in line with our guidance, 14.6% increase quarter over quarter. Gross profit was 284.8 billion yen, 12.2% increase from the previous quarter. Gross profit margin was 45.2%, 1.0 percentage point drop QoQ, due to the increased ratio of fixed costs. Operating income was 158.4 billion yen, 9.5% increase from the previous quarter. Operating profit margin was 25.1%, declined by 1.2 percentage points QoQ, mainly due to the impacts of increased development expenses. Income before income taxes increased by 6.0% to 161.0 billion yen. Net income attributable to owners of parent was 123.8 billion yen, 5.1% increase quarter over quarter. Capital expenditures in the second quarter were 91.2 billion yen, consisting mainly of the payment made at the start of construction of the production building at Tokyo Electron Miyagi and the development building of Tokyo Electron Kyushu.

Financial Performance (Quarterly)



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This is a graphic representation of the financial summary shown on the previous page on the chronological basis, for your reference.

Financial Summary (Semiannual)

(Billion yen)

	FY2025		FY2026	vs. H2 FY2025	vs. H1 FY2025	Reference: H1 FY2026 Estimate (As of July 31)
	H1	H2	H1			
Net sales	1,121.6	1,309.9	1,179.6	-9.9%	+5.2%	1,150.0
Gross profit	523.9	622.3	538.8	-13.4%	+2.8%	527.0
Gross profit margin	46.7%	47.5%	45.7%	-1.8pts	-1.0pts	45.8%
SG&A expenses	210.0	238.9	235.7	-1.3%	+12.2%	239.0
Operating income	313.9	383.4	303.1	-20.9%	-3.4%	288.0
Operating margin	28.0%	29.3%	25.7%	-3.6pts	-2.3pts	25.0%
Income before income taxes	320.8	385.2	312.9	-18.8%	-2.5%	293.0
Net income attributable to owners of parent	243.9	300.2	241.6	-19.5%	-0.9%	224.0
R&D expenses	115.4	134.5	134.8	+0.2%	+16.7%	140.0
Capital expenditures	77.3	84.8	144.0	+69.8%	+86.4%	-
Depreciation and amortization	27.7	34.4	36.2	+5.3%	+30.9%	-

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.

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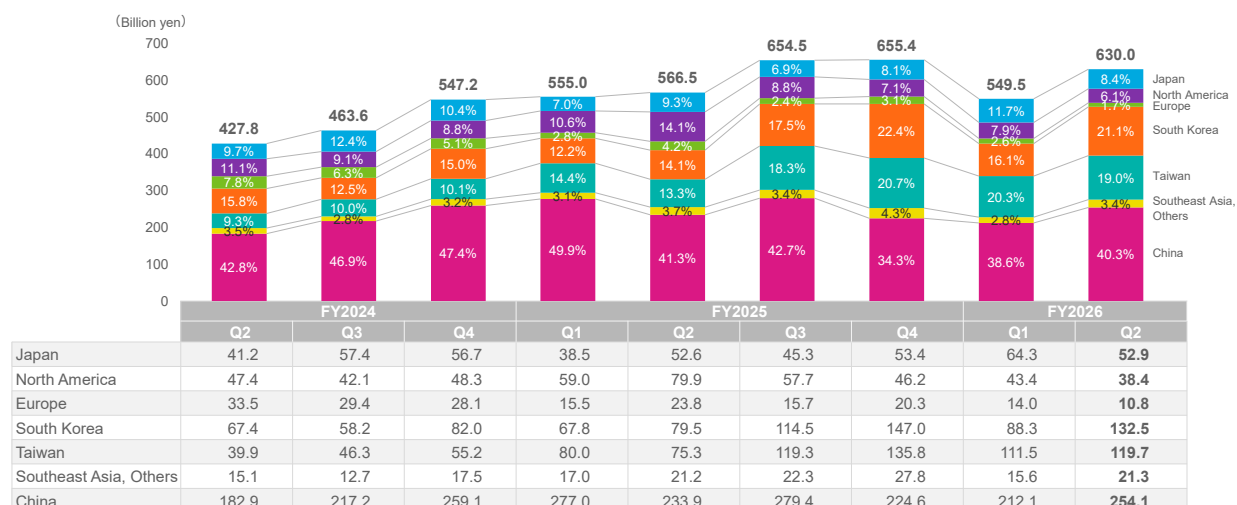


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This shows the financial summary on the semi-annual basis. The figures in the blue box are the financial results in the first half of this fiscal year.

The far-right column shows the financial estimates for the first half of this fiscal year we announced on July 31. As you can see, in most places, our results exceeded our guidance.

Composition of Net Sales by Region (Quarterly)



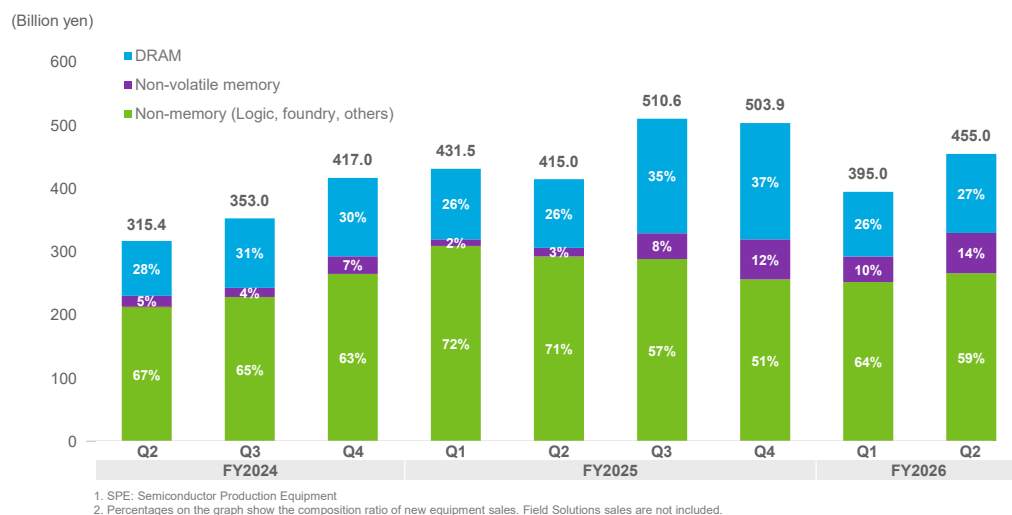
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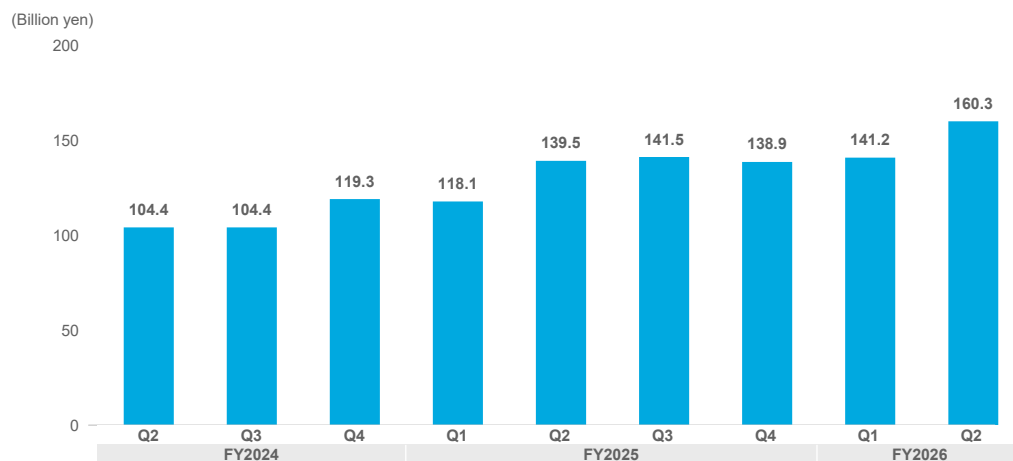
This slide shows net sales by region. As for the composition in the second quarter, proportion of Korea rose by 5 percentage points quarter over quarter to 21.1%. Proportion of sales in China was 40.3% in the second quarter, reflecting the trend of pulling-forward from the second half of this fiscal year.

SPE New Equipment Sales by Application (Quarterly)



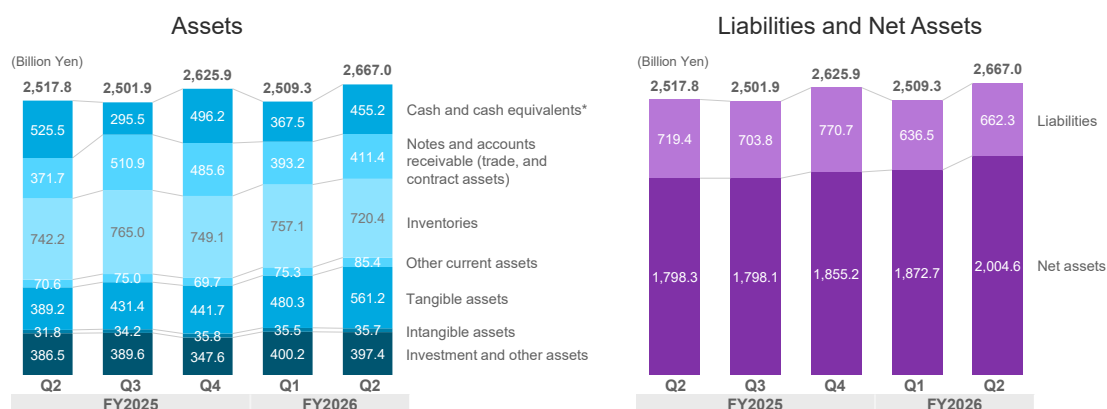
This shows SPE new equipment sales by application. In the second quarter, from the bottom of this chart, sales to non-memory customers accounted for 59%, non-volatile memory accounted for 14%, and DRAM accounted for 27%. In the first half of this fiscal year, the composition of SPE new equipment sales by application was mostly in line with our estimates.

Field Solutions Sales (Quarterly)



This slide shows the Field Solutions sales. In the second quarter, field solution sales were 160.3 billion yen. Thanks to high utilization rate of the customers' fabs, in Q2, sales of services were strong, and modifications increased as well. As a result, field solution sales grew by 19.1 billion yen quarter over quarter.

Balance Sheet (Quarterly)



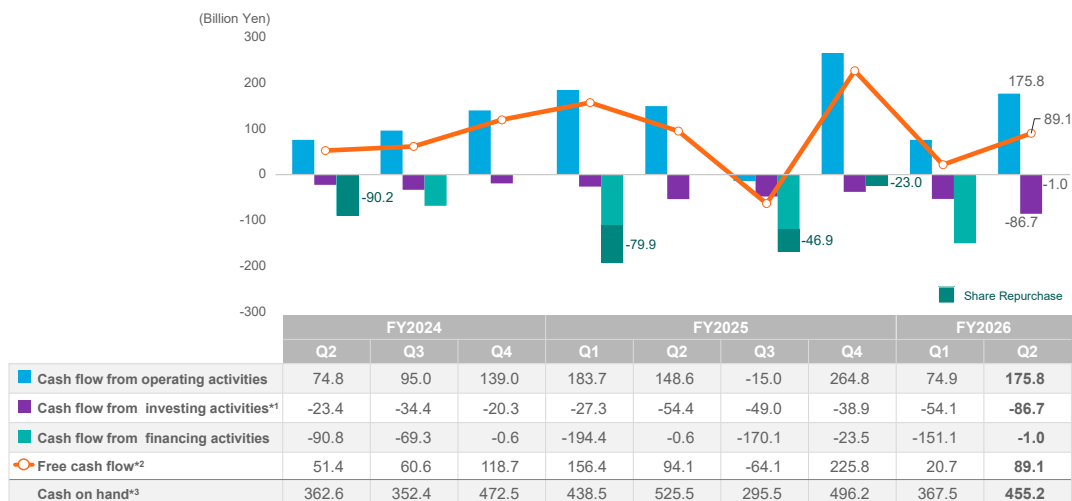
*Cash and cash equivalents: "Cash and deposits" + "Short-term investments", etc. ("Securities" in Balance Sheet).

This slide shows the balance sheet. Total assets were 2 trillion 667.0 billion yen. Cash and cash equivalents were 455.2 billion yen, increasing by 87.7 billion yen from the previous quarter. Notes and accounts receivable were 411.4 billion yen, increasing by 18.1 billion yen quarter over quarter. Inventories were 720.4 billion yen, declining by 36.6 billion yen from the previous quarter, partly because of drop in inventory at the factories. Tangible assets were 561.2 billion yen, increasing by 80.9 billion yen from the previous quarter, primarily due to the capital expenditures that I mentioned earlier.

For the liabilities and net assets shown on the right-hand side, liabilities were 662.3 billion yen, increasing by 25.8 billion yen from the previous quarter. Net assets were 2 trillion 4.6 billion yen, rising by 131.8 billion yen quarter over quarter.

The equity ratio was 74.4%.

Cash Flow (Quarterly)



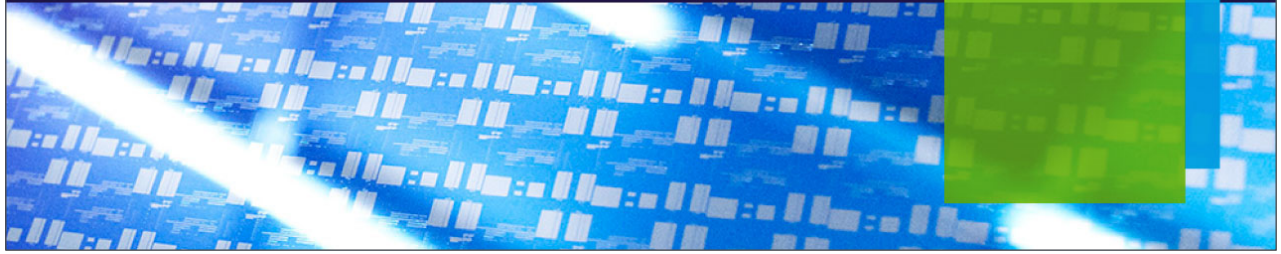
This slide shows the cash flow. The cash inflow from operating activities in the second quarter was 175.8 billion yen. The cash outflow from investing activities was 86.7 billion yen, mainly due to acquisition of fixed assets. The cash outflow from financing activities was 1 billion yen. Free cash flow was plus 89.1 billion yen.

This concludes my presentation. Thank you very much

Business Environment and Financial Estimates

October 31, 2025

Toshiki Kawai
Representative Director, President & CEO



This is Kawai. Thank you very much for joining us today. I will present
“Business environment and financial estimates”.

Market Environment (WFE Market Outlook as of October, 2025)

- CY2025 Forecast: Approx. \$115B - No changes
 - Investments are primarily being driven by leading-edge logic and DRAM for AI applications
 - NAND is showing signs of recovery, investment in mature nodes remains subdued
- Looking ahead, expecting continued expansion in investments for leading-edge semiconductors, fueled by strong demand for AI servers
 - DRAM: Investment surging for both HBM and general-purpose DRAM. Double-digit growth is anticipated to continue in the following years
 - NAND: Rising SSD-demand boosts utilization and drives investment growth
 - Logic/foundry: Investment in leading-edge nodes accelerates, with progress in advanced packaging
 - Mature nodes: WFE spending is expected to remain roughly flat at current levels

Demand for high-value-added equipment expected to grow from next year

Let me start with the business environment. CY2025 WFE market is expected to be 115 billion dollars in size, as projected in July. Investment in the mature nodes is soft in general, while investment in NAND is now picking up after being soft over the past few years. In particular, advanced logic and DRAM for AI applications are driving investments. The era of AI sure is here! The strong AI server demand and the technology innovation of semiconductors essential for AI servers will act as powerful drivers to continually lead a dramatic growth of investment for leading-edge semiconductors. For DRAM, investments not only for HBM but also for commodity DRAM are growing sharply. Double-digit growth is expected to continue next year and beyond. For NAND, along with the growing demand of SSD for datacenter, namely enterprise SSD, utilization rate is improving at the customer fabs. For logic, along with device scaling to 2 nm and 1.4 nm, further investment growth is expected in the future. The needs for advanced packaging and testing are growing day by day. They become more and more important. For mature nodes, investment is expected to continue at the current level. Driven by these factors, CY2026 WFE market size is expected to hit a record high. We expect expansion of demand for high-value-added cutting-edge equipment in coming years.

Growing Opportunities: Scaling x Heterogeneous Integration

Etch	>500 B yen	• DRAM Etchers for Interconnect: Growth driven by increased investment in HBM with more interconnect layers Cumulative sales over 500 billion yen expected by 2030
Bonder Laser	>500 B yen	• 3D Integration Equipment including Bonders: Rapid expansion across all applications Cumulative sales over 500 billion yen expected by 2030
Prober	CAGR >15%	• Probers for AI/HPC: Driven by longer test times and more process steps, projecting CAGR over 15% (CY2025-CY2030)
Die Prober PECVD	SAM +10%	• Die Probers: Development and evaluation agreed with customers Creating 10-15% of the prober market SAM • PECVD for Gap Fill: SAM estimated to be approx. 10% of PECVD market Evaluations progressing with multiple customers

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In the growing semiconductor production equipment market, Tokyo Electron has established an advantage to strategically capitalize on diversified business opportunities, as we offer not only frontend process tools for device scaling and stacking, but also 3D heterogeneous integration tools and testers. There is a consensus that, in 2030, the semiconductor market will reach 1 trillion dollars in size. Among various technology innovations toward 2030, Tokyo Electron has a lot of business opportunities.

For example, for etching, due to growing investment in HBM featuring numerous interconnect layers, we expect the sales of 500 billion yen in total for DRAM interconnect process by year 2030.

For bonder and other 3D integration tools, we generated sales of about 30 billion yen in the previous FY2025. From now on, however, drastic expansion is expected in applications of advanced logic, DRAM and NAND, and accordingly, we expect to generate sales of more than 500 billion yen by 2030.

Tester demand is growing more than expected. Looking back Tokyo Electron's history, there was a time when prober business made up a bulk of our sales. The current tester momentum is just like at that time. In the case of advanced probers for AI/HPC, where Tokyo Electron has high market share, along with increase of test time and test process, and as well as introduction of new method such as die prober, high growth rate of CAGR more than 15% is expected between 2025 and 2030.

We are also focusing our efforts on penetration to new business areas and SAM creation. For die probers whose market size is expected to account for 10 to 15% of the total prober market, we have achieved an agreement with customers to initiate evaluation for development.

For logic of future generations, single-wafer PECVD is expected to boost business opportunities for void-free gap fill. The market size of PECVD is currently about 1 trillion yen. The gap fill business is expected to grow to about 10% of this market. Tokyo Electron has succeeded to develop damage-free

gap fill deposition technology, and has started evaluation with various customers to expand the applications of this technology.

There are more projects going on very well. For low-resistance metal film deposition, evaluation is going smoothly at multiple DRAM and NAND customers. And we have won POR from one customer. For cleaning equipment, we are making good progress in SPM vapor cleaning and system to clean both sides of wafer simultaneously, which lead to our market share enhancement. For etching, in addition to business growth of DRAM capacitor for which we are in a dominant POR position, customers will start investment in mass production of NAND with 400 layers at the end of next year. Accordingly, our cryogenic etching system will be deployed into high-volume manufacturing lines.

Driven by the market growth and our share increase, growth potential is expanding significantly. We will actively promote customer engagement activities and forward-looking R&D activities and strive to continually enhance our corporate value.

Financial Estimates for FY2026

	FY2025 (Actual)	FY2026					(Billion Yen)	
		H1 (Actual)	H2 (Updated)	Full Year (Updated)	vs FY2025	Adjustments*	Reference: FY2026 (Estimate as of July 31)	
							H2	Full Year
Net sales	2,431.5	1,179.6	1,200.3	2,380.0	-2.1%	30.0	1,200.0	2,350.0
Gross profit	1,146.2	538.8	540.1	1,079.0	-5.9%	13.0	539.0	1,066.0
Gross profit margin	47.1%	45.7%	45.0%	45.3%	-1.8pts	-0.1 pts	44.9%	45.4%
SG&A expenses	448.9	235.7	257.2	493.0	+9.8%	-3.0	257.0	496.0
R&D	250.0	134.8	155.1	290.0	+16.0%	-5.0	155.0	295.0
Other than R&D	198.9	100.9	102.1	203.0	+2.1%	2.0	102.0	201.0
Operating income	697.3	303.1	282.8	586.0	-16.0%	16.0	282.0	570.0
Operating margin	28.7%	25.7%	23.6%	24.6%	-4.1pts	0.4pts	23.5%	24.3%
Income before income taxes	706.1	312.9	322.0	635.0	-10.1%	56.0	286.0	579.0
Net income attributable to owners of parent	544.1	241.6	246.3	488.0	-10.3%	44.0	220.0	444.0
Net income per share (Yen)	1,182.40	527.31	-	1,064.77	-117.63	95.65	-	969.12

* Changes from the figures announced on July 31, 2025

Full-year outlook revised based on H1 results.

Reflected extraordinary income from sales of strategic shareholdings

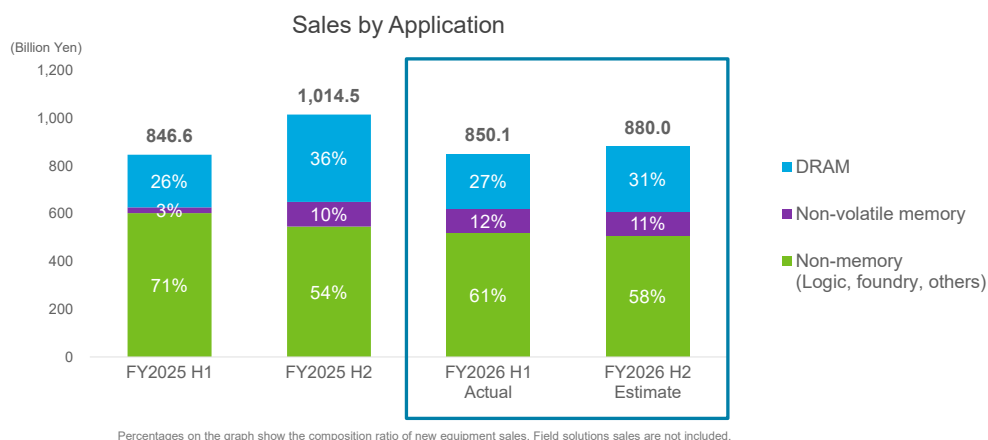
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Next, I will present the financial estimates. Reflecting the results of the first half of this fiscal year, we have revised the financial estimates. For full-year FY2026, we expect net sales of 2 trillion 380 billion yen, gross profit margin of 45.3%, and operating profit margin of 24.6%. In the ongoing third quarter, we sold some of shares we own and recorded extraordinary income. Taking these factors into account, we have revised FY2026 net income upward by 44 billion yen to 488 billion yen.

FY2026 SPE New Equipment Sales Forecast



Updated application mix based on latest outlook

This slide shows FY2026 SPE new equipment sales forecast. The SPE new equipment sales in the second half of this fiscal year remained unchanged from three months ago, expected to grow slightly from the first half to 880 billion yen. The breakdown by application is shown on the slide.

FY2026 R&D Expenses and Capex Plan

Development Building No. 3
Etch system



Kurokawa-gun, Miyagi Prefecture
Completed in April 2025

Process Development Building
Coater/developer, cleaning system



Koshi-city, Kumamoto Prefecture
Completed in October 2025

Tohoku Production and Logistics Center
Deposition system

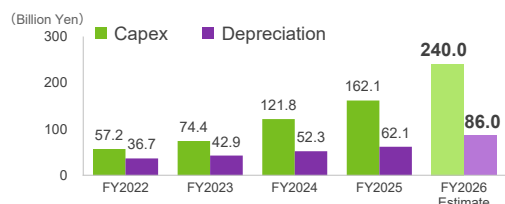
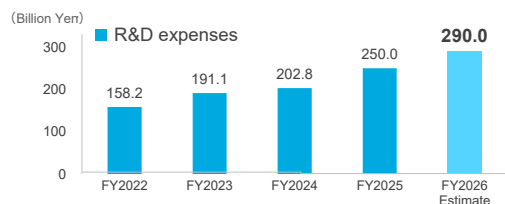


Oshu-city, Iwate Prefecture
Completion scheduled for autumn 2025

Miyagi Innovative Production Center
Etch system



Kurokawa-gun, Miyagi Prefecture
Completion scheduled for summer 2027

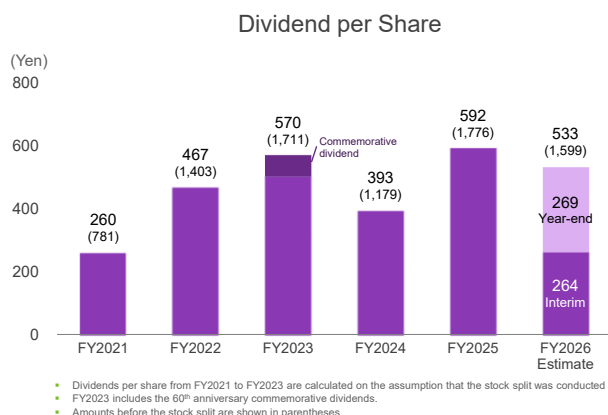


**Semiconductors for AI servers drive technology innovation, fueling expanding demand.
R&D and capital investments to proceed as scheduled**

This shows our plan for R&D expenses and capex. In this fiscal year, following completion of the Miyagi new development building in April, construction of a new development building in Kumamoto was completed in this month, in October. A production and logistics center in Iwate is also planned to be completed next month. In Miyagi, we also started construction of a new production building in June, which adopts next-generation smart production concept.

R&D expenses in FY2026 are slightly revised to 290 billion yen. The plan for capex and depreciation remains unchanged, expected to be 240 billion yen and 86 billion yen, respectively.

FY2026 Dividend Forecast



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.

Full-year dividends are expected to be 533 yen per share

This is my last slide showing the dividend forecast. Reflecting the revised financial estimates and selling of some shares we own, the full-year dividend per share is expected to 533 yen in this fiscal year. While taking account of balance between status of cash on hand and capital efficiency during this fiscal year, we will flexibly consider possibility of share repurchase.

This concludes my presentation. Thank you very much for your kind attention.

