TOKYO ELECTRON

Q1 FY2027 (April - June 2026) Financial Announcement

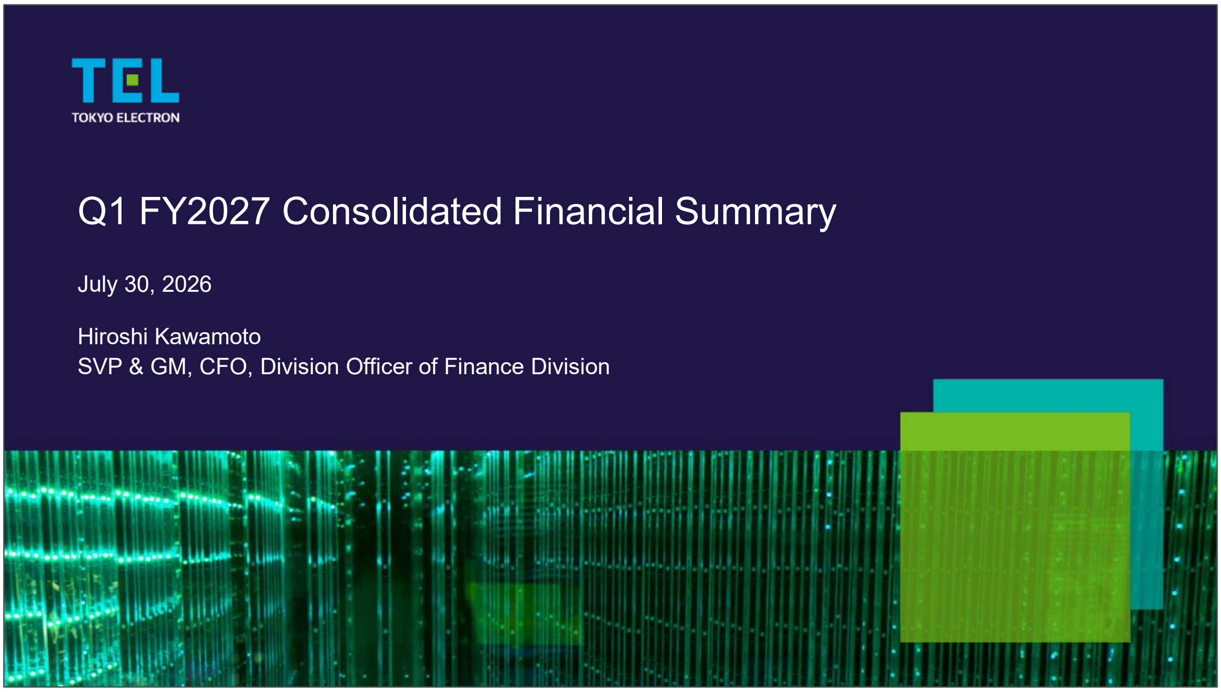
July 30, 2026

Agenda:

- Consolidated Financial Summary
  Hiroshi Kawamoto, SVP & GM, CFO, 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 Tokyo Electron'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 situations, 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.



Good afternoon. I am Kawamoto of Finance Division. I would like to present the consolidated financial summary of the first quarter of the fiscal year ending March 2027.

Financial Summary (Quarterly)

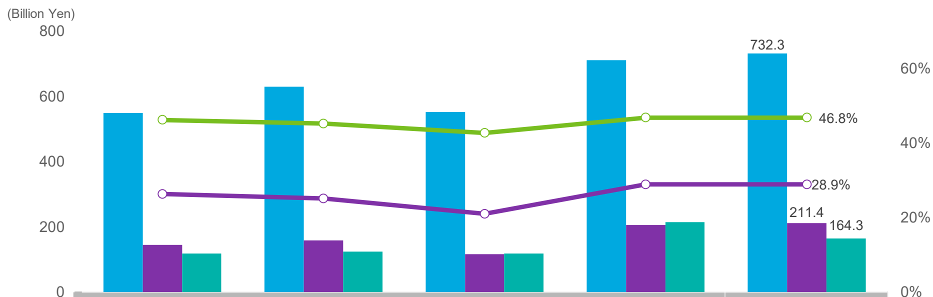
(Billion yen)

	FY2026				FY2027	vs. FY2026 Q4	vs. FY2026 Q1
	Q1	Q2	Q3	Q4	Q1		
Net sales	549.5	630.0	552.0	711.8	**732.3**	+2.9%	+33.3%
Gross profit	253.9	284.8	235.8	333.1	**342.7**	+2.9%	+34.9%
Gross profit margin	46.2%	45.2%	42.7%	46.8%	**46.8%**	±0.0pts	+0.6pts
SG&A expenses	109.2	126.4	119.6	127.5	**131.3**	+2.9%	+20.2%
Operating income	144.6	158.4	116.1	205.6	**211.4**	+2.8%	+46.1%
Operating margin	26.3%	25.1%	21.0%	28.9%	**28.9%**	±0.0pts	+2.6pts
Income before income taxes	151.9	161.0	153.3	281.8	**215.4**	-23.5%	+41.8%
Net income attributable to owners of parent	117.8	123.8	118.5	214.2	**164.3**	-23.3%	+39.5%
R&D expenses	62.1	72.6	66.2	76.7	72.0	-6.2%	+15.9%
Capital expenditures	52.8	91.2	30.3	41.6	39.9	-4.1%	-24.4%
Depreciation and amortization	17.1	19.1	21.1	23.5	22.5	-4.4%	+31.2%

1. In principle, export sales of Tokyo Electron's products are 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. FY20xx refers to the financial year ending in March 20xx.

This slide shows the quarterly financial summary. I will mainly refer to the figures in the blue box.
In the first quarter, we generated net sales of 732.3 billion yen, 2.9% increase quarter over quarter, reflecting our customers' positive attitude toward investment.
Accordingly, gross profit was 342.7 billion yen, 2.9% rise from the previous quarter. Both net sales and gross profit hit record high. Gross profit margin was 46.8%, remaining almost flat from the previous quarter.
Operating income was 211.4 billion yen, increasing by 2.8% sequentially. Operating profit margin was 28.9%, almost unchanged from the previous quarter.
Net income attributable to owners of parent dropped by 23.3% from the previous quarter to 164.3 billion yen. This is because, in the previous quarter, extraordinary income by selling strategic shareholdings was included.

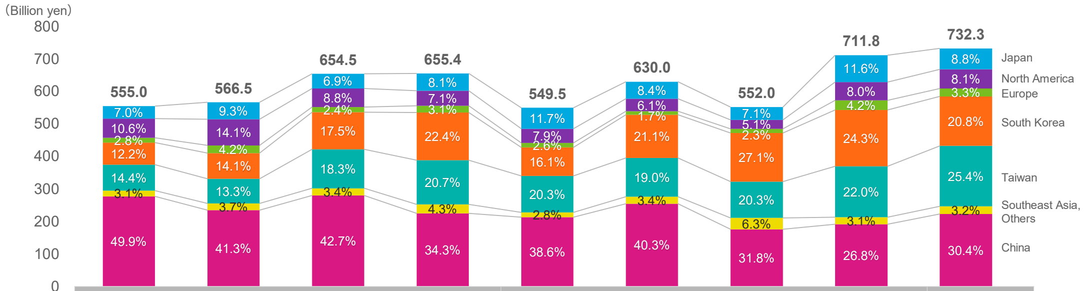
Financial Performance (Quarterly)



	FY2026				FY2027
	Q1	Q2	Q3	Q4	Q1
Net sales	549.5	630.0	552.0	711.8	**732.3**
Gross profit	144.6	158.4	116.1	205.6	**211.4**
Operating profit	117.8	123.8	118.5	214.2	**164.3**
Net income attributable to owners of parent	46.2%	45.2%	42.7%	46.8%	**46.8%**
Gross profit margin	26.3%	25.1%	21.0%	28.9%	**28.9%**

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

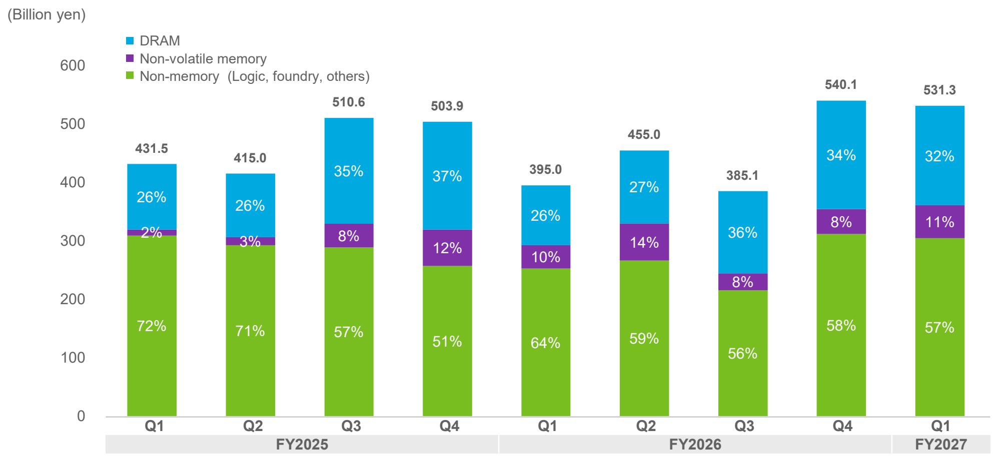
Composition of Net Sales by Region (Quarterly)



	FY2025				FY2026				FY2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Japan	38.5	52.6	45.3	53.4	64.3	52.9	39.3	82.8	**64.6**
North America	59.0	79.9	57.7	46.2	43.4	38.4	27.8	56.7	**59.0**
Europe	15.5	23.8	15.7	20.3	14.0	10.8	12.7	29.7	**24.2**
South Korea	67.8	79.5	114.5	147.0	88.3	132.5	149.7	173.1	**152.4**
Taiwan	80.0	75.3	119.3	135.8	111.5	119.7	111.9	156.5	**186.1**
Southeast Asia, Others	17.0	21.2	22.3	27.8	15.6	21.3	34.8	22.1	**22.9**
China	277.0	233.9	279.4	224.6	212.1	254.1	175.5	190.7	**222.9**

This slide shows net sales by region.
Sales in Taiwan increased by 18.9% sequentially, and its proportion went up to 25.4%.
Proportion of sales in China was 30.4%, 3.6-percentage-point increase quarter over quarter.
On the FY2027 full-year basis, proportion of sales in China is expected to be the low 30s% level.

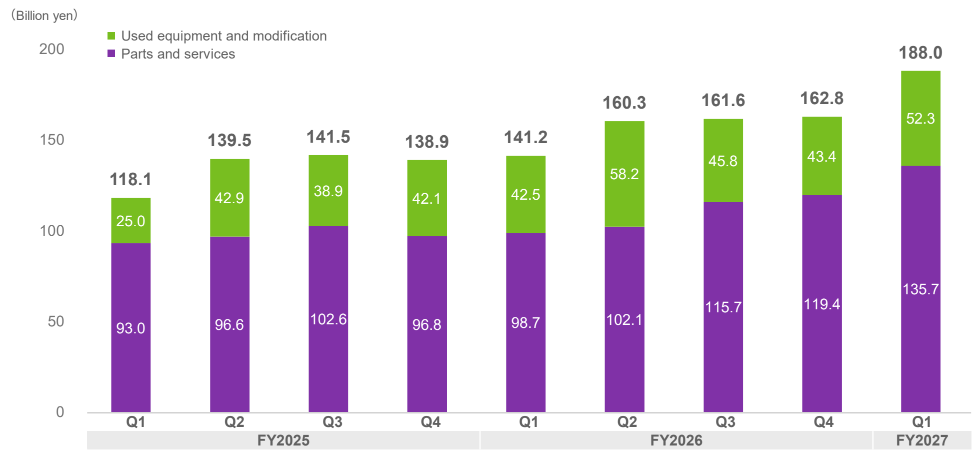
SPE New Equipment Sales by Application (Quarterly)



1. SPE: Semiconductor Production Equipment
2. Percentages on the graph show the composition ratio of new equipment sales. Field Solutions sales are not included.

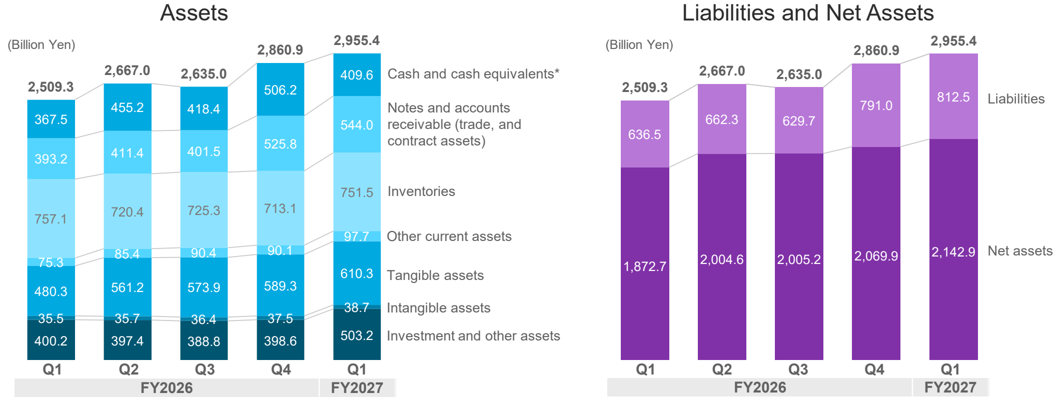
This shows SPE new equipment sales by application.
In the first quarter, from the top of this chart, sales to DRAM customers accounted for 32%, non-volatile memory accounted for 11%, and non-memory accounted for 57%.
SPE new equipment sales were strong just as in the previous quarter. In particular, sales to non-volatile memory customers increased by 32% quarter over quarter.

Field Solutions Sales (Quarterly)



This slide shows the Field Solutions sales.
In the first quarter, field solution sales increased by 15.5% sequentially to 188.0 billion yen. Customers' fab utilization remains at a high level, and parts and services sales grew by 13.7% from the previous quarter. Used equipment and modifications, including modifications for productivity enhancement, showed a particularly high growth rate of 20.5% from the previous quarter.

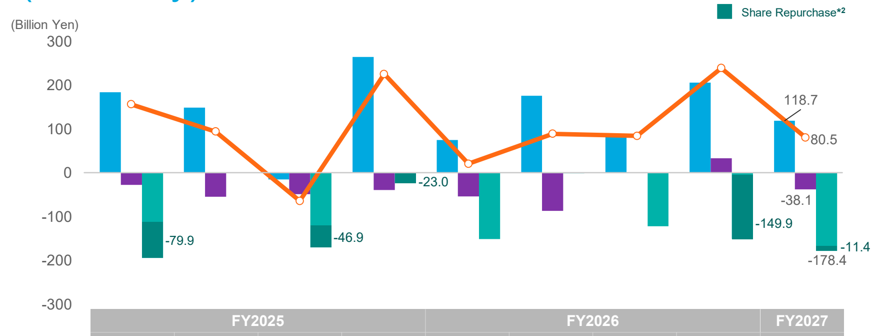
Balance Sheet (Quarterly)



*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 955.4 billion yen. Cash and cash equivalents were 409.6 billion yen, decreasing by 96.6 billion yen from the previous quarter, mainly due to dividend payment to our shareholders and tax payment. Notes and accounts receivable were 544.0 billion yen, increasing by 18.1 billion yen quarter over quarter. Inventories were 751.5 billion yen, increasing by 38.4 billion yen from the previous quarter. Although inventories increased, inventory turnover showed improvement. Tangible assets were 610.3 billion yen, increasing by 21.0 billion yen from the previous quarter.
For the liabilities and net assets shown on the right-hand side, liabilities were 812.5 billion yen, increasing by 21.5 billion yen quarter over quarter.
Net assets were 2 trillion 142.9 billion yen, rising by 72.9 billion yen sequentially.

Cash Flow (Quarterly)



	FY2025				FY2026				FY2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Cash flow from operating activities	183.7	148.6	-15.0	264.8	74.9	175.8	83.1	205.7	**118.7**
Cash flow from investing activities*1	-27.3	-54.4	-49.0	-38.9	-54.1	-86.7	1.2	33.2	**-38.1**
Cash flow from financing activities	-194.4	-0.6	-170.1	-23.5	-151.1	-1.0	-122.3	-150.8	**-178.4**
Free cash flow*3	156.4	94.1	-64.1	225.8	20.7	89.1	84.3	239.0	**80.5**
Cash on hand*4	438.5	525.5	295.5	496.2	367.5	455.2	418.4	506.2	**409.6**

*1 Cash flow from investing activities excludes changes in time deposits and short-term investments.
*2 The amount for share repurchase excludes the cost incurred to purchase odd-lot shares.
*3 Free cash flow = "Cash flow from operating activities" + "Cash flow from investing activities" (excluding changes in "Time deposits" and "Short-term investments").
*4 Cash on hand includes "Cash and cash equivalents" + "Time deposits and short-term investments" with original maturities of more than three months.

This slide shows the cash flow.
The cash inflow from operating activities in the first quarter was 118.7 billion yen.
The cash outflow from investing activities was 38.1 billion yen.
The cash outflow from financing activities was 178.4 billion yen primarily due to dividend payment.
Free cash flow was plus 80.5 billion yen.

This concludes my presentation. Thank you very much.

TOKYO ELECTRON

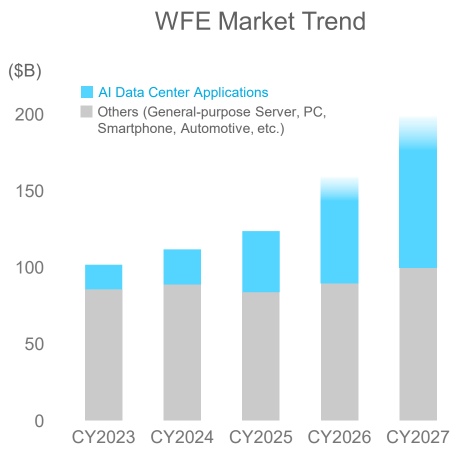
Business Environment and Financial Estimates

July 30, 2026

Toshiki Kawai
Representative Director, President & CEO

This is Kawai. I will present “Business Environment and Financial Estimates”.

Business Environment (WFE Market Outlook as of July 2026)



WFE Market Outlook

- CY2026: $150B+
- CY2027: $190B+
- Demand for general-purpose memory /CPU is increasing as well as for GPU/HBM
- Investment plans for leading-edge chips are accelerating

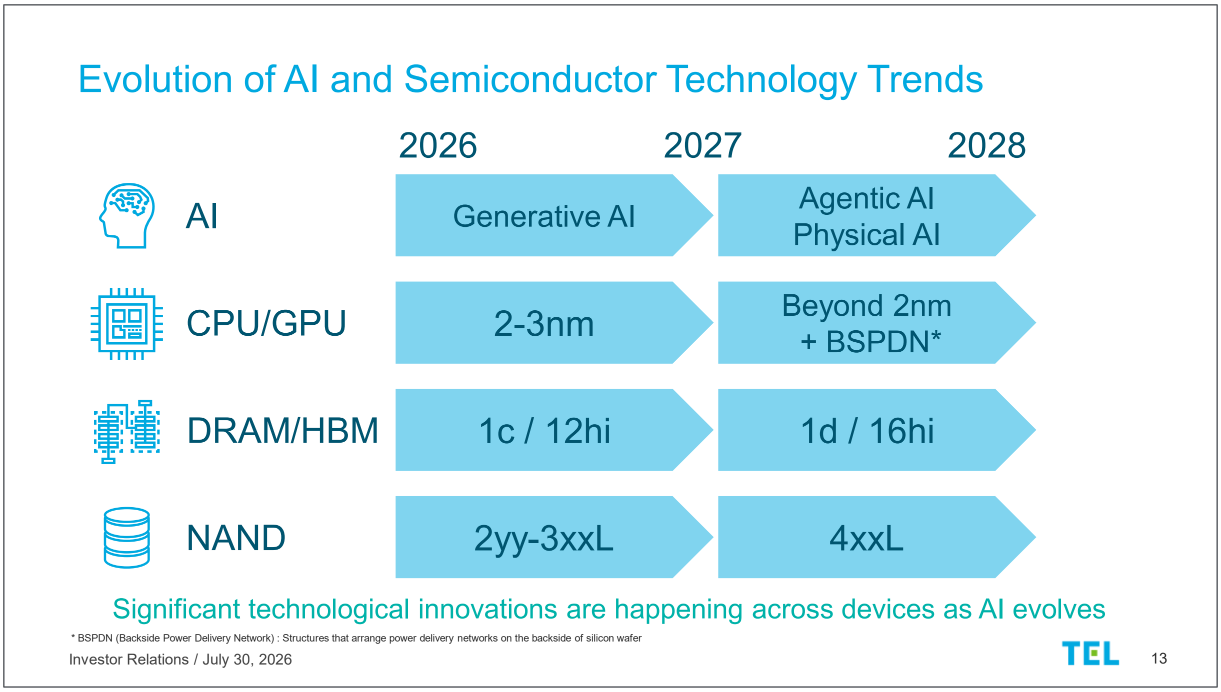
WFE for AI data centers are growing to exceed 50% of total

With our strong position in advanced areas, our opportunities are expanding even further

Let me start with the business environment.

WFE market outlook has been updated from the April projection to 150 billion dollars or more in CY2026 and 190 billion dollars or more in CY2027. In both years, we expect 20% or more year-over-year growth.

As shown in the diagram, sales for AI data center applications drive the WFE market. In five years from CY2023, which is the inaugural year of AI, through CY2027, sales to AI data center are expected to grow by five times or more. AI data centers need a broad range of devices, not only GPU and HBM but also DDR, CPU and 3DNAND, and investment plans for advanced devices are accelerating.



This slide shows AI evolution and semiconductor technology trend.
AI is evolving from current generative AI to full-fledged implementation of agentic AI and physical AI.
For CPU and GPU, device scaling keeps going further from the current mainstream node of 3nm while backside PDN will be adopted to enhance power efficiency.
DRAM is evolving from the 1c node to 1d node. For HBM, the number of stacked DRAMs will increase from 12 to 16.
NAND will be evolving to 300 layers and further to 400 layers.
These drastic technology innovations will be realized just within two years to come.
Conventionally, the fab space limitation was regarded as a bottleneck. To overcome this challenge, quite a few large-scale fabs to manufacture leading-edge semiconductors are now being constructed.

Status of Financial Targets for Medium-term Management Plan

Financial Targets (~March 2027)		
Net Sales	≥ 3 trillion yen	On Track
OPM	≥ 35%	In Progress
ROE	≥ 30%	On Track

While achieving our operating profit margin target remains challenging, steady progress to date is putting operating profit of 1 trillion yen within reach

This slide shows our Medium-term Management Plan that we published back in 2022. We are working to achieve the goals, for net sales of 3 trillion yen or more, operating profit margin of 35% or more, and ROE of 30% or more, by the end of this fiscal year.
For net sales, as our outlook for the first half of this fiscal year exceeds 1.6 trillion yen and we receive stronger inquires in the second half, we are getting more confident to achieve 3 trillion yen or more. Also for ROE, we can expect 30% or more because of net income increase and capital efficiency improvement.
Meanwhile, our business environment is changing more significantly than before.
Export controls triggered by US-China trade conflict, tariffs, geopolitical impacts such as the Middle East conflicts and the prolonged Russia-Ukraine war, globally-spread inflation and exchange rate fluctuation, and changes in customers investment plans…..these emerging developments were not expected when we set up the Medium-term Management Plan.
These changes in our business environment make it challenging to achieve the goal of operating profit margin. For operating income, however, we are getting closer to achieve 1 trillion yen through our steady ongoing efforts.

Initiatives to Improve Profitability

1. Develop next-generation systems with higher added value
2. Drive productivity gains through system upgrades
3. Roll out AI- and robotics-enabled service + Epsira
4. Enhance startup efficiency and reduce startup lead times
5. Pricing optimization

We will strengthen our ability to generate earnings while remaining agile to market changes

In order to achieve the goals of the Medium-term Management Plan and pursue higher levels, it is critical to explore and enhance earning power and cope with changes in the market appropriately.
We will launch high-value-added new models and upgrades in a timely manner.
At the same time, we will enhance services by leveraging AI and robotics so that we can contribute to improvement of yield and equipment uptime ratio in our customers' fabs.
"Epsira™" that we announced in December 2025 is our digital infrastructure to raise field productivity. As we announced expansion of collaboration with NVIDIA this month, we are going to promote development of solutions for agentic AI and robotics.
As there are many plans for construction of large-scale fabs, in order to address scarcity of resources, it becomes critical to improve efficiency and reduce time of equipment start-up activities.
We are exploring ways to further speed up equipment start-up activities, even from the equipment design phase, including introduction of automation.
In addition, we will optimize pricing to address soaring costs triggered by recent inflation.
By working on these initiatives, we aim to strive to drastically improve profit margin and achieve gross profit margin of 50% or more within around two years to come.

FY2027 Update: Progress and Business Opportunities Ahead

Business Progress (FY2027 Sales Growth Drivers)		
Coater/ Developer	Sales Growth 50%+ YoY	▪ Newly released CLEAN TRACK™ LITHIUS Pro DICE™ ramping steadily ▪ **POR*1 advancing across multiple process steps in leading-edge logic/DRAM**
Etch	Sales Growth 25%+ YoY	▪ **Full-year sales of 1T yen** is within reach with accelerated investment in leading-edge logic/memory ▪ Evaluations progressing with new model for DRAM HARC etch
Advanced Packaging	Sales Growth **70%+** YoY	▪ In particular, our probers hold an overwhelming position in high-end logic. Expect to **significantly exceed 100B yen for full year.** Evaluations of new model progressing well

*1 POR (Process of Record): Certification of the adoption of equipment in customers' semiconductor production processes

Future Business Opportunities (Highlights)	
From POR to High Volume Manufacturing	▪ Cryogenic etch ▪ Low-resistivity metal deposition ▪ Hybrid bonding
Cumulative Sales through 2030	▪ DRAM interconnect etch: **1T yen** ▪ Bonding-related equipment: 500B yen
New Entrants/ SAM Expansion	▪ Single wafer PECVD for gap fill: 10% of PECVD market ▪ Device prober: 10-15% of prober market. **Released Prexa™ SDP***2

*2 SDP: Singulated Device Prober

This slide shows our progress and business opportunities identified through the initiatives I described.

Let me start with the business progress in FY2027.
As I presented in the previous financial announcement, coater/developer, etching and advanced packaging are driving our sales growth in this fiscal year. For coater/developer, our new product LITHIUS™ Pro DICE™ has been successfully adopted by customers, and we won PORs in multiple processes of advanced logic and DRAM.
A full-year sales of etch systems of 1 trillion yen are coming within our reach. Regarding HARC etch for advanced DRAM, we are moving ahead steadily to win PORs of new models.
For advanced packaging, prober sales show an outstanding growth and the full-year sales are likely to go significantly beyond 100 billion yen. Evaluation of a new model equipped with more-sophisticated heat absorption technology is progressing well.

Next, I will talk about future business opportunities.
These highlights include what I presented in the previous financial announcements. For etch system, cryogenic etch system for NAND with 400 layers will start to be deployed in customers' mass production lines from CY2027. We have won POR for our new low-resistance metal deposition system, which is expected to make contribution to our sales in a new application area. For bonder/laser-related systems, as we have both leading-edge frontend process technologies and bonding technologies internally, we will contribute to address challenges in critical bonding process of various devices.
With regard to etch system for DRAM interconnect process where we are strong at, along with rapid increase of DRAM investment, our 5 year cumulative sales to FY2030, are getting closer to 1 trillion yen, significantly exceeding our original guidance of 500 billion yen.
We launched Prexa™ SDP, a device prober for advanced logic, in April. We are going to fulfill high level of customer expectations in advancing test processes.

Financial Estimates for H1 FY2027

(Billion Yen)

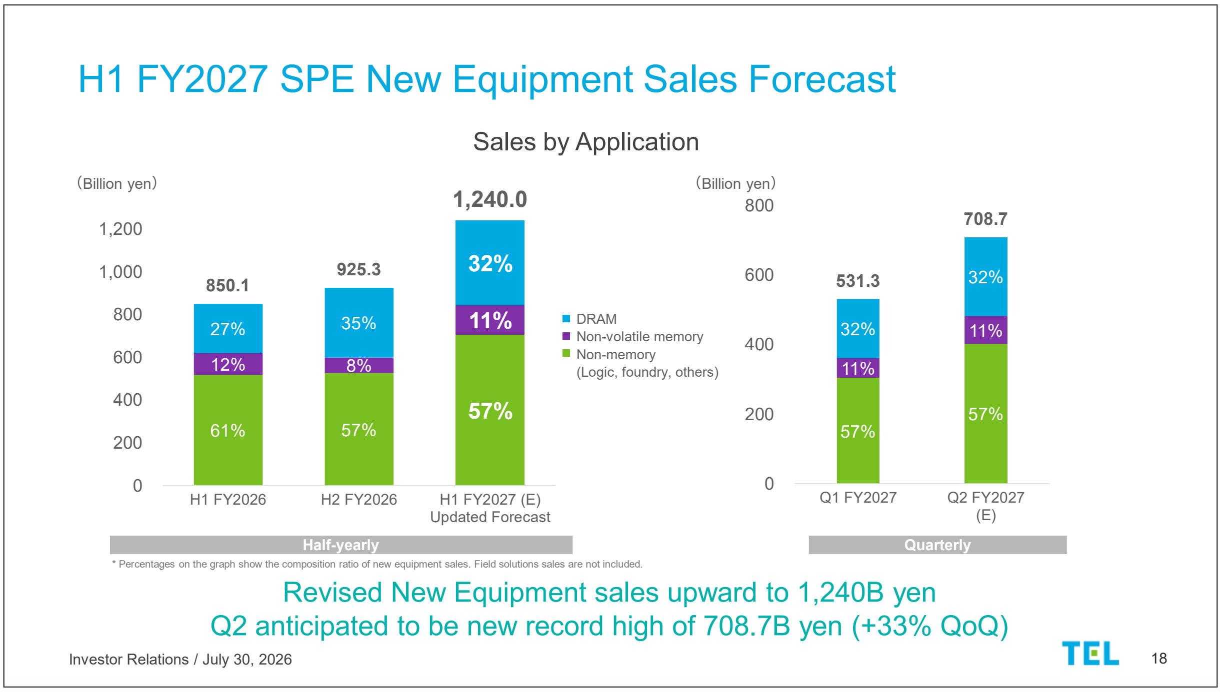
	FY2026 (Actual) H1	FY2026 (Actual) H2	FY2026 (Actual) Full Year	FY2027 (Updated Forecast) H1	FY2027 (Forecast as of 4/30) H1
Net sales	1,179.6	1,263.8	2,443.5	**1,620.0**	1,570.0
Gross profit	538.8	569.0	1,107.8	**748.0**	715.0
Gross profit margin	45.7%	45.0%	45.3%	**46.2%**	45.5%
SG&A expenses	235.7	247.2	482.9	**290.0**	284.0
R&D	134.8	143.0	277.8	**160.0**	160.0
Other than R&D	100.8	104.1	205.0	**130.0**	124.0
Operating income	303.1	321.7	624.9	**458.0**	431.0
Operating margin	25.7%	25.5%	25.6%	**28.3%**	27.5%
Income before income taxes	312.9	435.1	748.1	**464.0**	437.0
Net income attributable to owners of parent	241.6	332.8	574.4	**349.0**	328.0
Net income per share (Yen)	527.31		1,254.57	**767.51**	721.12

- H1 FY2027:
  Revised net sales upward to 1,620B yen due to customers' robust investment in leading-edge applications
- H2 FY2027:
  Demand is expected to gain momentum further, raising expectations for a significantly better performance in H2
  - Closely monitoring the impact of the Middle East and supply chain developments

Next, I will present the financial estimates.
With a backdrop of strong demand for AI servers, currently, we are receiving pull-in request for delivery and additional orders from our customers.

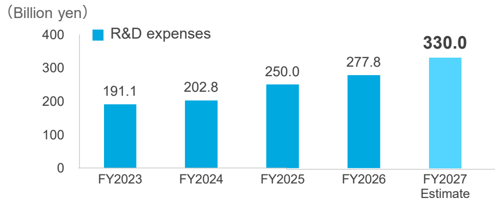
Reflecting our financial results of the first quarter and recent market dynamics, we have made upward revision to the financial estimate for the first half of this fiscal year. We expect net sales of 1 trillion 620 billion yen, gross profit of 748 billion yen and operating income of 458 billion yen, all of which are our half-year record.

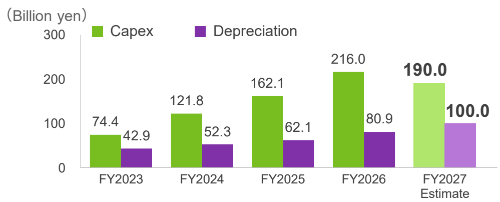
For the second half of FY2027, we expect another wave of acceleration in demand growth. Shipment will increase furthermore, especially for memory and advanced logic applications, and we expect powerful growth momentum, stronger than that in the first half of this fiscal year.
For impacts of geopolitical context such as Middle East situation and supply chain status, there are not any issues to be noted but we will closely monitor the situation and take appropriate actions.



This slide shows FY2027 SPE New Equipment sales forecast.
The New Equipment sales in the first half of this fiscal year are expected to grow by 45% year-over-year to 1 trillion 240 billion yen. The breakdown by application is shown on this slide.
Driven by the AI server demand, sales of our systems for high-end devices are expected to increase. The New Equipment sales in the second quarter are expected to hit quarterly record, topping 700 billion yen.

FY2027 R&D Expenses and Capex Plan





Kurokawa-gun, Miyagi Prefecture/ Completion scheduled for summer 2027

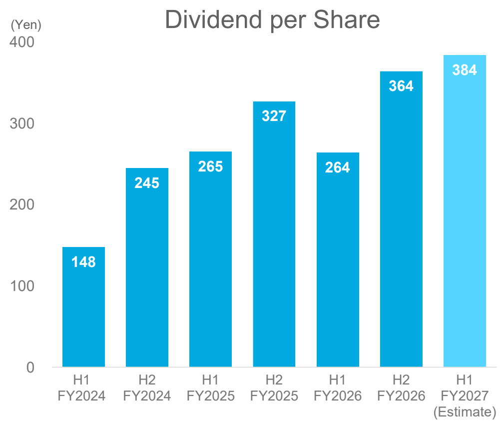
Goal of the Smart Production Concept

Labor Productivity	Space Efficiency
4x	3x
Production Leadtime	**Production Capacity**
1/3	3x

Continue strengthening competitiveness with a focus on R&D investment
Leveraging this solid infrastructure to steadily capture future gains

This slide shows our plan for R&D expenses and capex. There are no changes here.
In FY2027, we plan full-year R&D expenses of 330 billion yen. We will actively promote R&D to enhance the foundation of our technology competitive edge and support semiconductor technology innovation.
For capex, we plan to spend 190 billion yen on the full year basis. Capex is mainly composed of acquisition of machinery for the development buildings whose construction was completed in the previous fiscal year as well as construction of the new Miyagi Innovative Production Center to be completed next summer as a smart fab.
We will utilize the robust infrastructure shown on this slide and capitalize on future business opportunities to maximize our corporate value.

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

Dividend per share for H1 FY2027 (interim dividend) is updated to 384 yen

Next, I will present the dividend forecast.
Following the upward revision of FY2027 first-half financial estimate, FY2027 interim dividend is expected to be 384 yen per share. This also is expected to be record high.

Acquisition of Treasury Stock

Implementing share repurchase of up to 150B yen

- Resolution of the Board of Directors' meeting held on May 29, 2026
  - Type of shares to be acquired: Shares of common stock
  - Total number of shares to be repurchased: Up to 7.5 million shares*
    (Equivalent to 1.6% of outstanding shares excluding treasury stock)
  - Total purchase amount for share repurchase: Up to 150 billion yen*
  - Period of repurchase: From June 1, 2026 to March 31, 2027

* Depending on market environment and other factors, it is possible that a share repurchase of only a portion of the above, will be carried out.

- Status of Share Repurchase as of June 30, 2026
  - Total number of shares repurchased: 207,100 shares
  - Total purchase amount for share repurchase: 11,474,246,000 yen

TEL will continue to manage our balance sheet appropriately, considering our ability to generate cash, necessary cash on hand and growth investment capital

The share repurchase is proceeding as shown here, in line with the program of up to 150 billion yen decided in the Board of Directors meeting on May 29, 2026.
We will continue to conduct appropriate balance sheet management.

Stock Split

■ Purpose	By implementing the stock split to lower the minimum investment, we intend to make shares more affordable for investors, with a view to expanding the investor base
■ Split Method	Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of Wednesday, September 30, 2026, will be split into 5 shares
■ Schedule	Date of public notice of record date: September 15, 2026 (Tuesday) Record date: September 30, 2026 (Wednesday) Effective date: October 1, 2026 (Thursday)
■ Dividends	As the effective date of the stock split is October 1, 2026, the interim dividends for the fiscal year ending March 2027, to all shareholders with a record date of September 30, 2026, will be implemented based on the number of shares issued prior to the stock split

As for the stock split we announced together with the share repurchase, we will split each share of common stock into five shares with the record date of September 30, 2026. By lowering the minimum investment, we will make our shares more affordable for investors to expand the investor-base.

Introducing Our New Organizational Structure

- Corporate Officers

Toshiki Kawai[*1] President & CEO	Hiroshi Ishida[*1] Senior Executive Vice President & COO
Shinichi Hayashi[*1 *2] Development and Production	Keiichi Akiyama Product Business
Shingo Tada [*2] Customer Strategy, Global Customer Engineering	Tatsuya Aso[*2] Global Business Platform
Kazuhiro Doh [*2] Corporate Strategy & Planning	

*1 Concurrently serves as TEL Corporate Director
*2 New Representative

- CxO under the New Organization (Highlights)


Toshiki Kawai, CEO


Hiroshi Ishida, COO


Hiroshi Kawamoto, CFO

Finally, I will present the new management structure commencing July 1, 2026.
Toward sustainable growth and corporate value enhancement of Tokyo Electron, we have established the structure ensuring to promote our growth strategy.
The seven Corporate Officers shown here are going to swiftly work on business management as the top execution team.
We have newly established COO to power up both of the two wheels, namely strategy development and its implementation. CEO is responsible for developing Medium-term Management Plan and further-ahead growth strategies and raising corporate value. COO is responsible for overseeing business operations and executions based on the strategies to ensure their implementation.
In addition, we will clearly define a person in charge of execution for each function and business domain, such as CFO in charge of finance, to enhance velocity and effectiveness of management execution.

I would deeply appreciate your continued support. This concludes my presentation. Thank you very much.

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