TOKYO ELECTRON

Q2 FY2027 (July - September 2026) Financial Announcement

October 30, 2026

Agenda:

- Consolidated Financial Summary
  Hiroshi Kawamoto, SVP & GM, CFO
- 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 rate fluctuations:
  In principle, export sales of Tokyo Electron's products are denominated in yen, although some sales and expenses are denominated in foreign currencies. Significant fluctuations in foreign exchange rates due to factors such as economic conditions in individual countries and regions, international developments, and changes in interest rates may affect the business performance of the Tokyo Electron Group.

TOKYO ELECTRON

Q2 FY2027 Consolidated Financial Summary

October 30, 2026

Hiroshi Kawamoto
SVP & GM, CFO

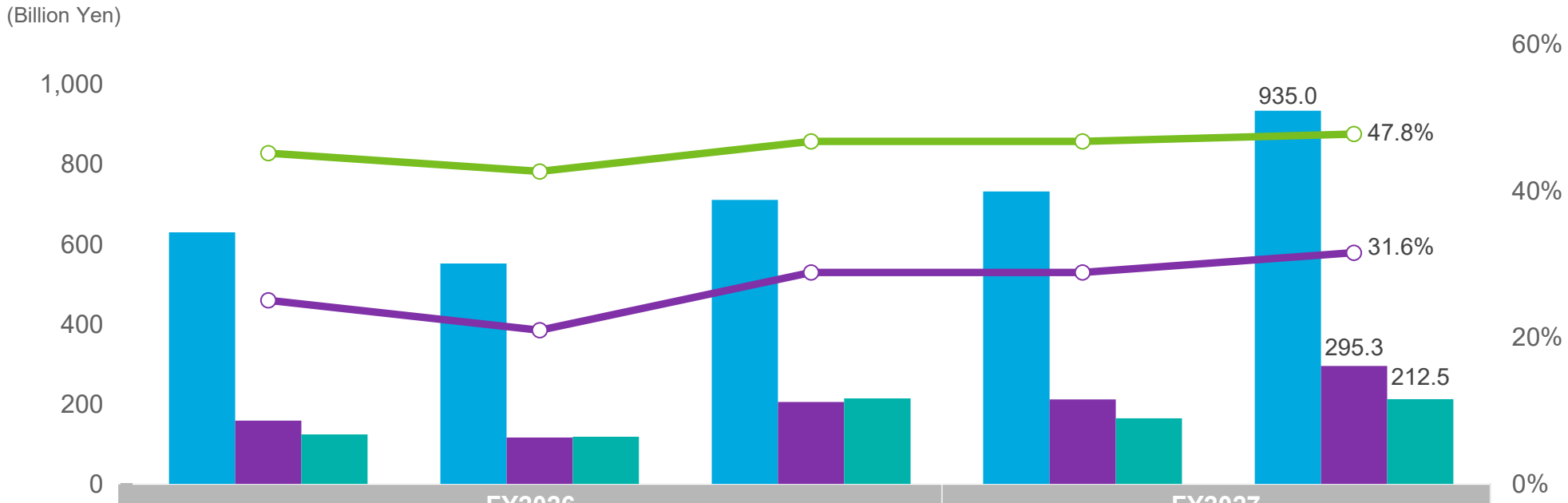
Financial Summary (Quarterly)

(Billion yen)

	FY2026			FY2027		vs. Q1 FY2027	vs. Q2 FY2026
	Q2	Q3	Q4	Q1	Q2		
Net sales	630.0	552.0	711.8	732.3	**935.0**	+27.7%	+48.4%
Gross profit	284.8	235.8	333.1	342.7	**447.3**	+30.5%	+57.0%
Gross profit margin	45.2%	42.7%	46.8%	46.8%	**47.8%**	+1.0pts	+2.6pts
SG&A expenses	126.4	119.6	127.5	131.3	**152.0**	+15.8%	+20.2%
Operating income	158.4	116.1	205.6	211.4	**295.3**	+39.7%	+86.4%
Operating margin	25.1%	21.0%	28.9%	28.9%	**31.6%**	+2.7pts	+6.5pts
Income before income taxes	161.0	153.3	281.8	215.4	**292.2**	+35.6%	+81.5%
Net income attributable to owners of parent	123.8	118.5	214.2	164.3	**212.5**	+29.4%	+71.7%
R&D expenses	72.6	66.2	76.7	72.0	**85.2**	+18.4%	+17.3%
Capital expenditures	91.2	30.3	41.6	39.9	**32.3**	-18.9%	-64.5%
Depreciation and amortization	19.1	21.1	23.5	22.5	**24.3**	+8.3%	+27.5%

1. Profit ratios are calculated using full amounts, before rounding.
2. FY202x refers to the financial year ending in March 202x.

Financial Performance (Quarterly)



	FY2026			FY2027	
	Q2	Q3	Q4	Q1	Q2
Net sales	630.0	552.0	711.8	732.3	935.0
Operating income	158.4	116.1	205.6	211.4	295.3
Net income attributable to owners of parent	123.8	118.5	214.2	164.3	212.5
Gross profit margin	45.2%	42.7%	46.8%	46.8%	47.8%
Operating profit margin	25.1%	21.0%	28.9%	28.9%	31.6%

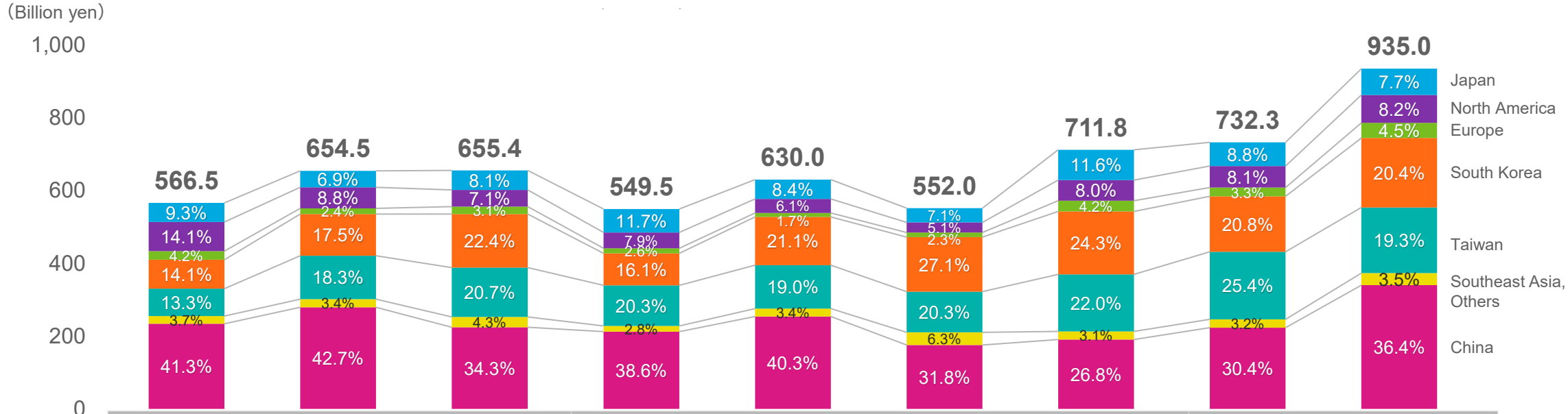
Financial Summary (Semiannual)

(Billion yen)

	FY2026		FY2027	vs. H2 FY2026	vs. H1 FY2026	H1 FY2027 Estimate (As of July 30)
	H1	H2	H1			
Net sales	1,179.6	1,263.8	**1,667.4**	+31.9%	+41.3%	1,620.0
Gross profit	538.8	569.0	**790.1**	+38.9%	+46.6%	748.0
Gross profit margin	45.7%	45.0%	**47.4%**	+2.4pts	+1.7pts	46.2%
SG&A expenses	235.7	247.2	**283.3**	+14.6%	+20.2%	290.0
Operating income	303.1	321.7	**506.7**	+57.5%	+67.2%	458.0
Operating margin	25.7%	25.5%	**30.4%**	+4.9pts	+4.7pts	28.3%
Income before income taxes	312.9	435.1	**507.7**	+16.7%	+62.2%	464.0
Net income attributable to owners of parent	241.6	332.8	**376.9**	+13.3%	+56.0%	349.0
R&D expenses	134.8	143.0	**157.3**	+10.0%	+16.7%	160.0
Capital expenditures	144.0	71.9	**72.3**	+0.5%	-49.8%	-
Depreciation and amortization	36.2	44.7	**46.8**	+4.9%	+29.2%	-

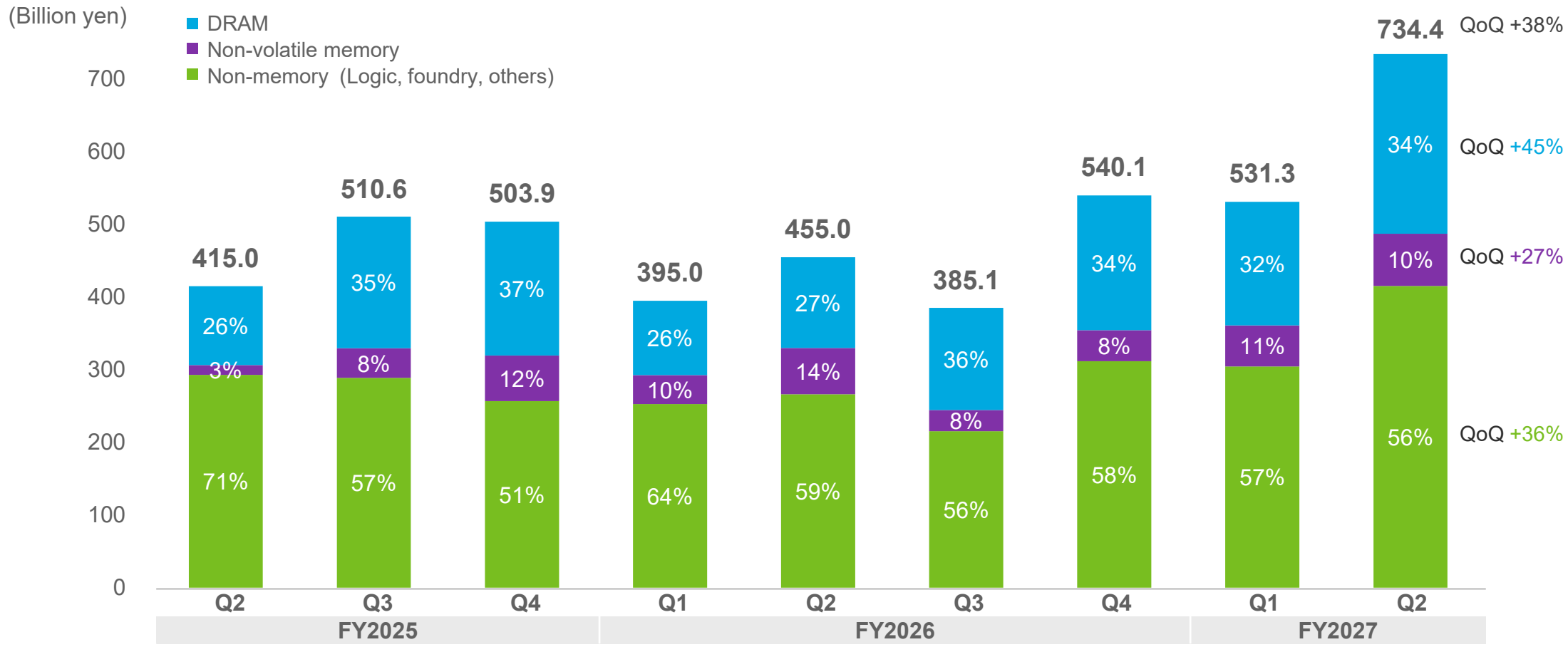
1. Profit ratios are calculated using full amounts, before rounding.

Composition of Net Sales by Region (Quarterly)



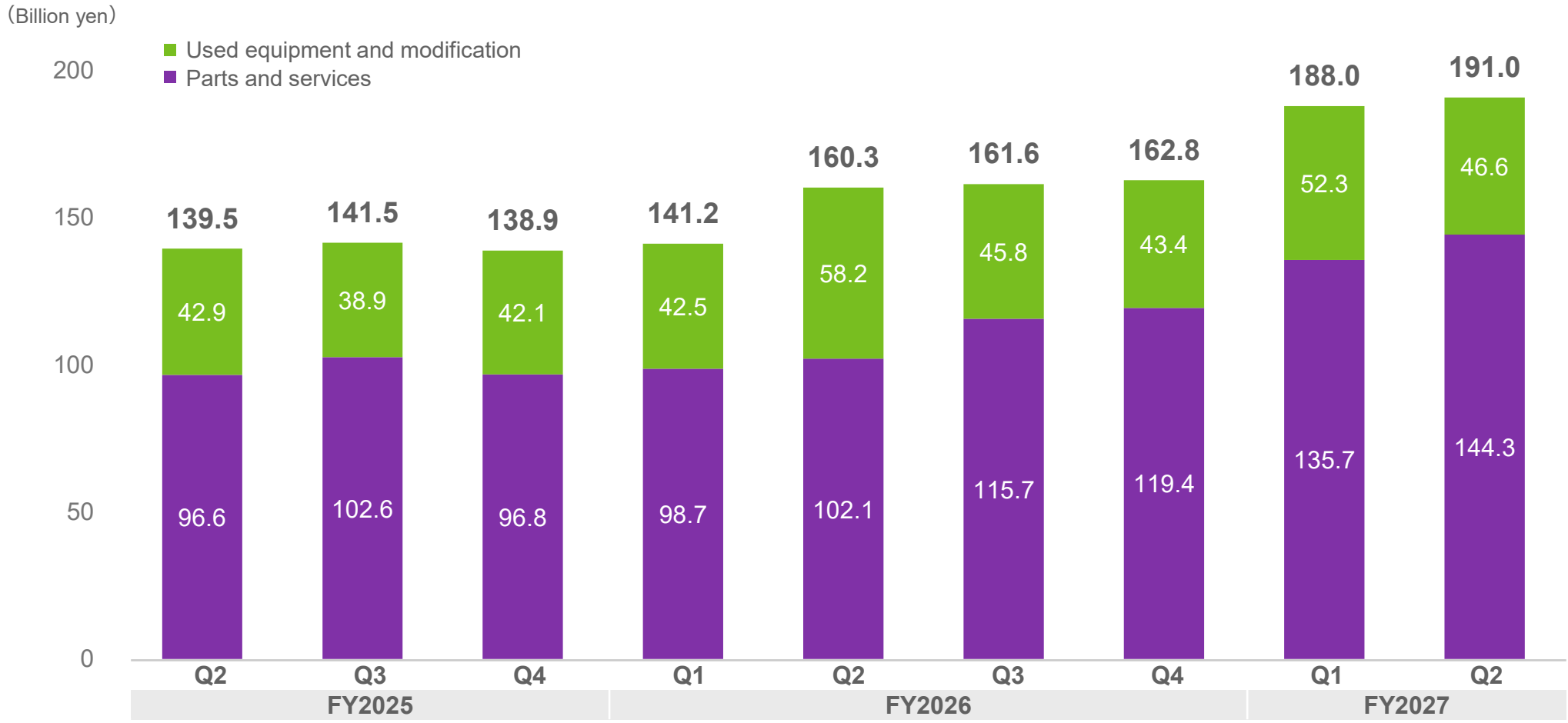
	FY2025			FY2026				FY2027	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Japan	52.6	45.3	53.4	64.3	52.9	39.3	82.8	64.6	**72.2**
North America	79.9	57.7	46.2	43.4	38.4	27.8	56.7	59.0	**76.6**
Europe	23.8	15.7	20.3	14.0	10.8	12.7	29.7	24.2	**41.7**
South Korea	79.5	114.5	147.0	88.3	132.5	149.7	173.1	152.4	**190.7**
Taiwan	75.3	119.3	135.8	111.5	119.7	111.9	156.5	186.1	**180.4**
Southeast Asia, Others	21.2	22.3	27.8	15.6	21.3	34.8	22.1	22.9	**33.2**
China	233.9	279.4	224.6	212.1	254.1	175.5	190.7	222.9	**339.9**

SPE New Equipment Sales by Application (Quarterly)

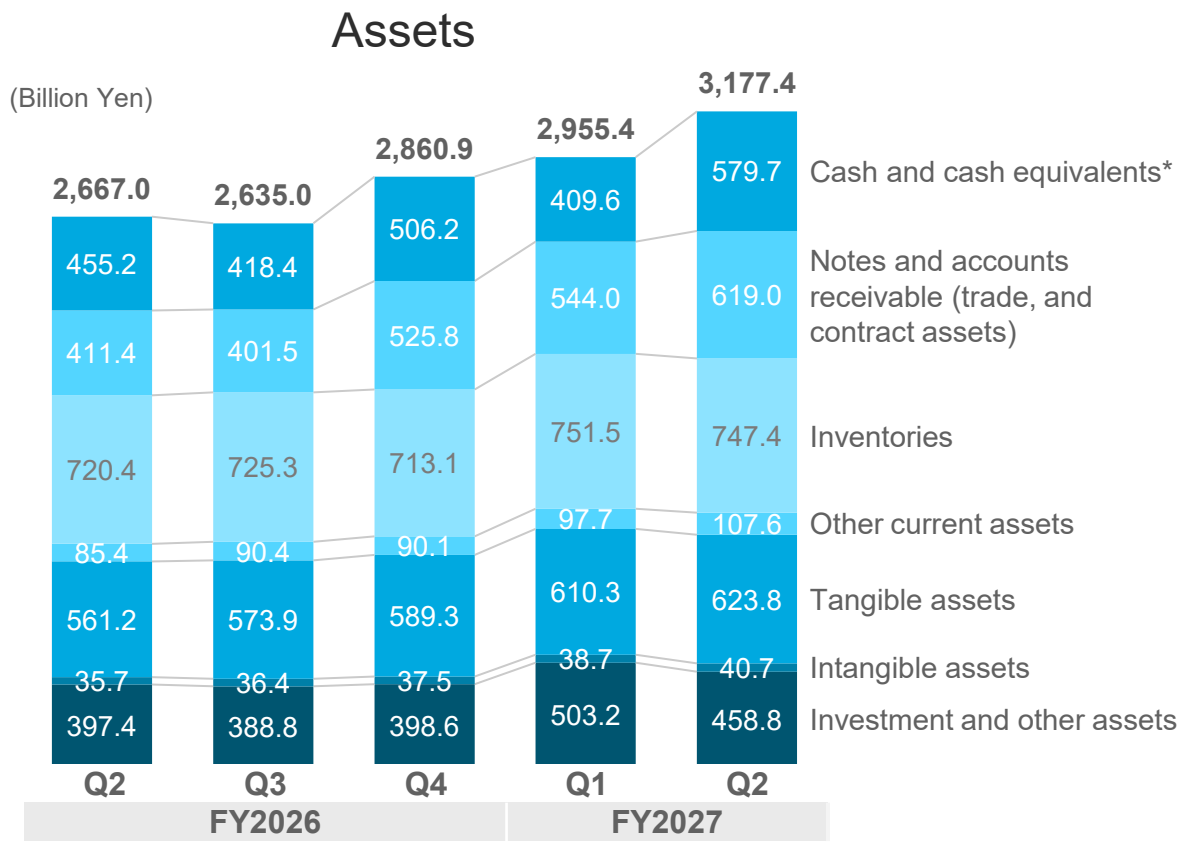


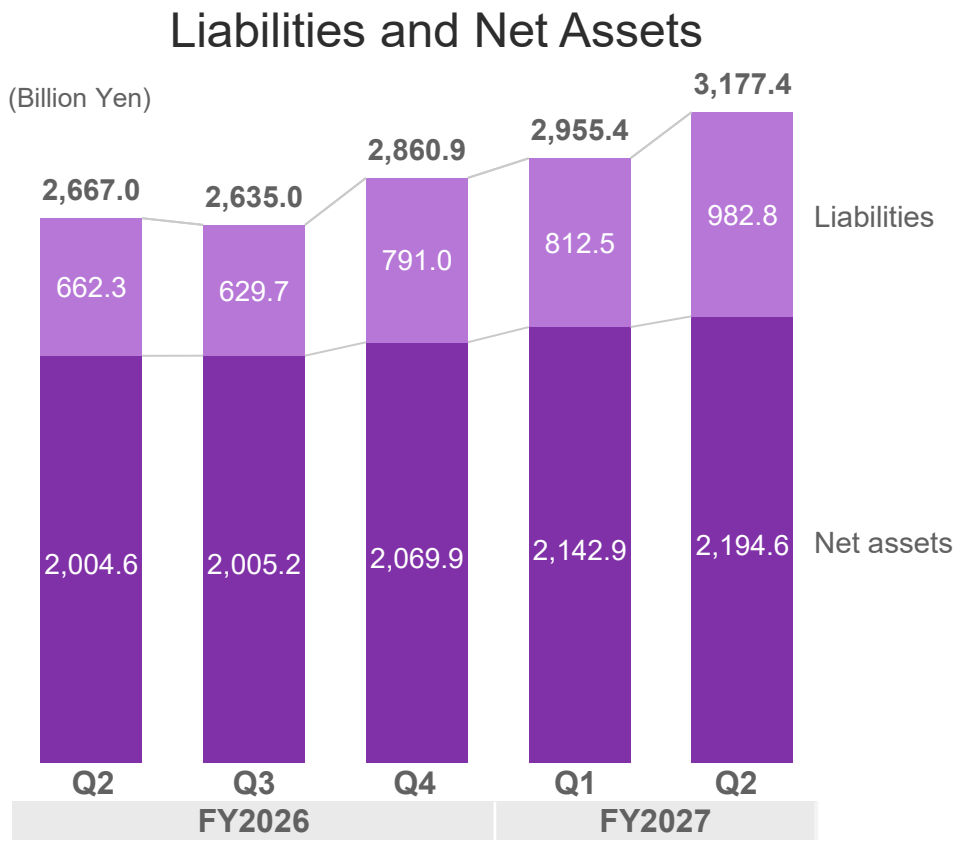
1. SPE: Semiconductor Production Equipment
2. Percentages on the graph show the composition ratio of new equipment sales. Field Solutions sales are not included.

Field Solutions Sales (Quarterly)



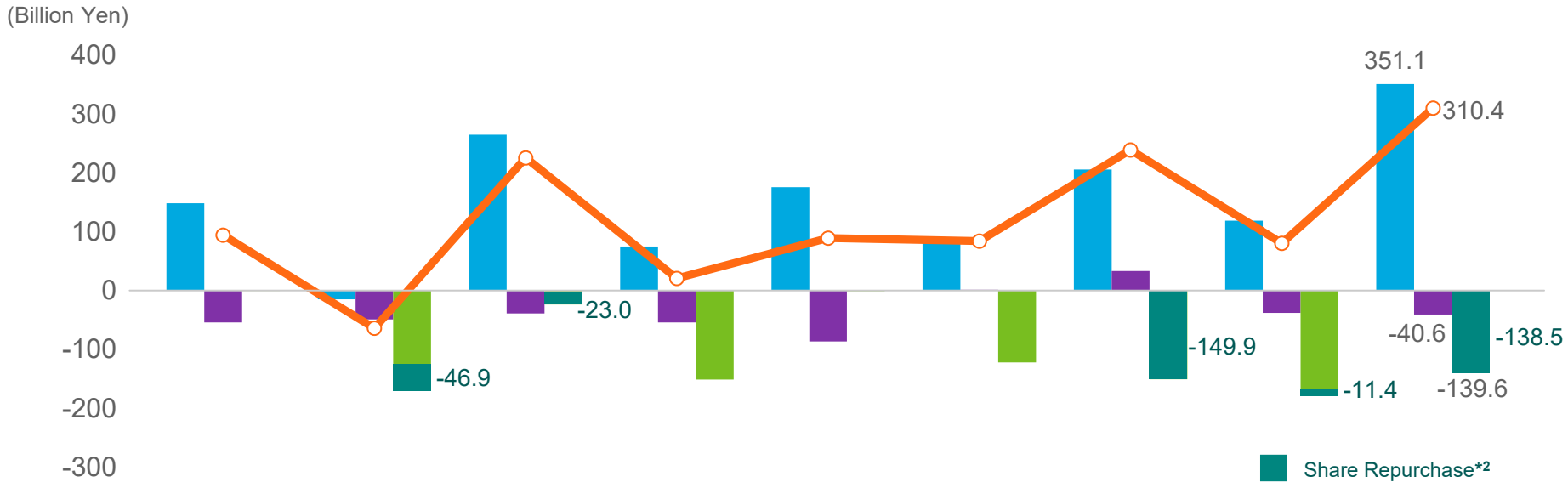
Balance Sheet (Quarterly)





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

Cash Flow (Quarterly)



	FY2025			FY2026				FY2027	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Cash flow from operating activities	148.6	-15.0	264.8	74.9	175.8	83.1	205.7	118.7	**351.1**
Cash flow from investing activities*1	-54.4	-49.0	-38.9	-54.1	-86.7	1.2	33.2	-38.1	**-40.6**
Cash flow from financing activities	-0.6	-170.1	-23.5	-151.1	-1.0	-122.3	-150.8	-178.4	**-139.6**
Free cash flow*3	94.1	-64.1	225.8	20.7	89.1	84.3	239.0	80.5	**310.4**
Cash on hand*4	525.5	295.5	496.2	367.5	455.2	418.4	506.2	409.6	**579.7**

*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.

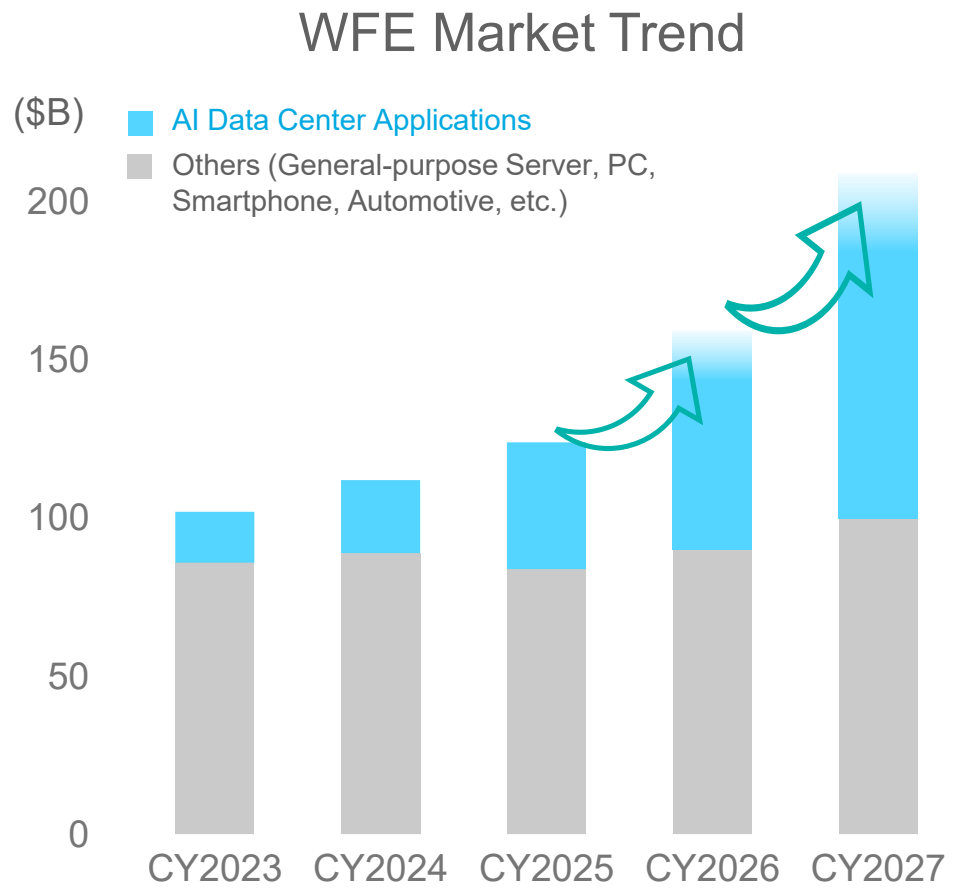
TOKYO ELECTRON

Business Environment and Financial Estimates

October 30, 2026

Toshiki Kawai
Representative Director, President & CEO

Business Environment (WFE Market Outlook as of October 2026)



WFE Market Outlook

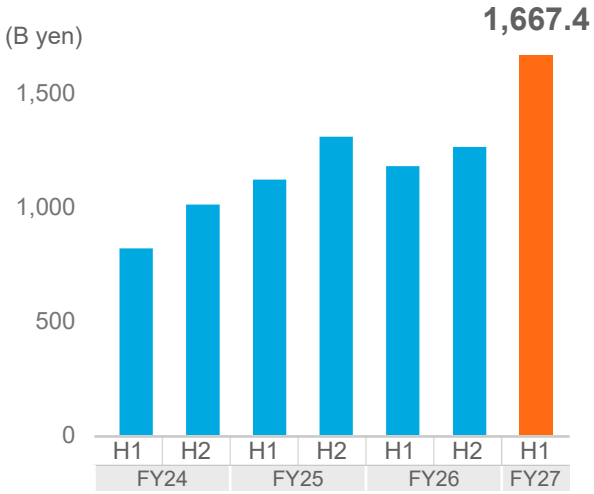
- CY2026: Approx. $160B
- CY2027: $210B+
- Adoption of generative and agentic AI **accelerating demand for leading-edge chips**
  - **GPU/HBM:** Addressing increasing compute and data volumes
  - **CPU:** Growing demand for preprocessing, data delivery to GPUs and peripheral control
  - **DRAM:** Growing capacity needs for temporary data storage around CPUs/GPUs
  - **NAND:** More storage per server for AI models and large-scale data

Rising token volumes and compute complexity driving chip demand across AI infrastructure

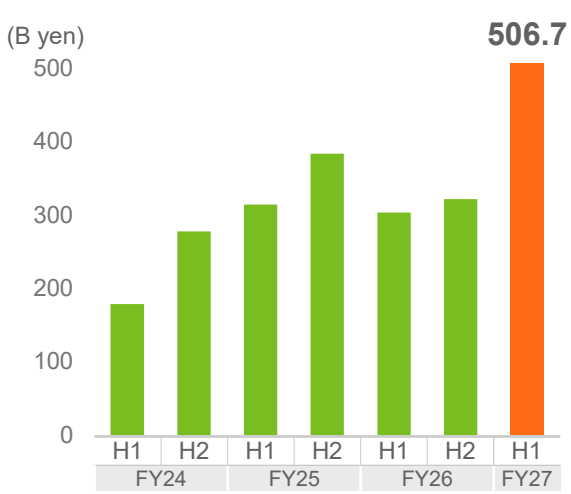
FY2027 Business Overview

- Record-high half-year performance driven by strong demand

Net Sales
1.6 trillion yen



Operating Income
506.7 billion yen



- Coater/Developer & Cleaning Systems BU:
  - Quick recovery from the Kumamoto earthquake impact; H1 sales up over +50% vs. H2 FY2026

FY2027 H1 Business & Product Progress

Etch	**DRAM capacitor mask etch (conductor etch):** 1 POR*[1] secured for the mask etch process in advanced generations, broad adoption in capacitor mold etch (dielectric etch) for current node **NAND channel hole etch (dielectric etch):** Steady progress in orders for cryogenic etch for volume production
Deposition	**Contact metal deposition (single-wafer CVD):** Development POR secured for a new process in leading-edge logic **Deep trench capacitor high-k deposition (batch ALD):** Growing demand for advanced packaging; over 200 units expected to ship in both FY2027 and FY2028
Prober	**No.1 market share in leading-edge logic:** Record-high **shipments** expected (approx. **+60% YoY**) capturing growing test demand **Volume production ramping for integrated optical/electrical testing of PICs***[2]

1 POR: Process of Record
2 PIC: Photonic Integrated Circuit

Financial Estimates for FY2027

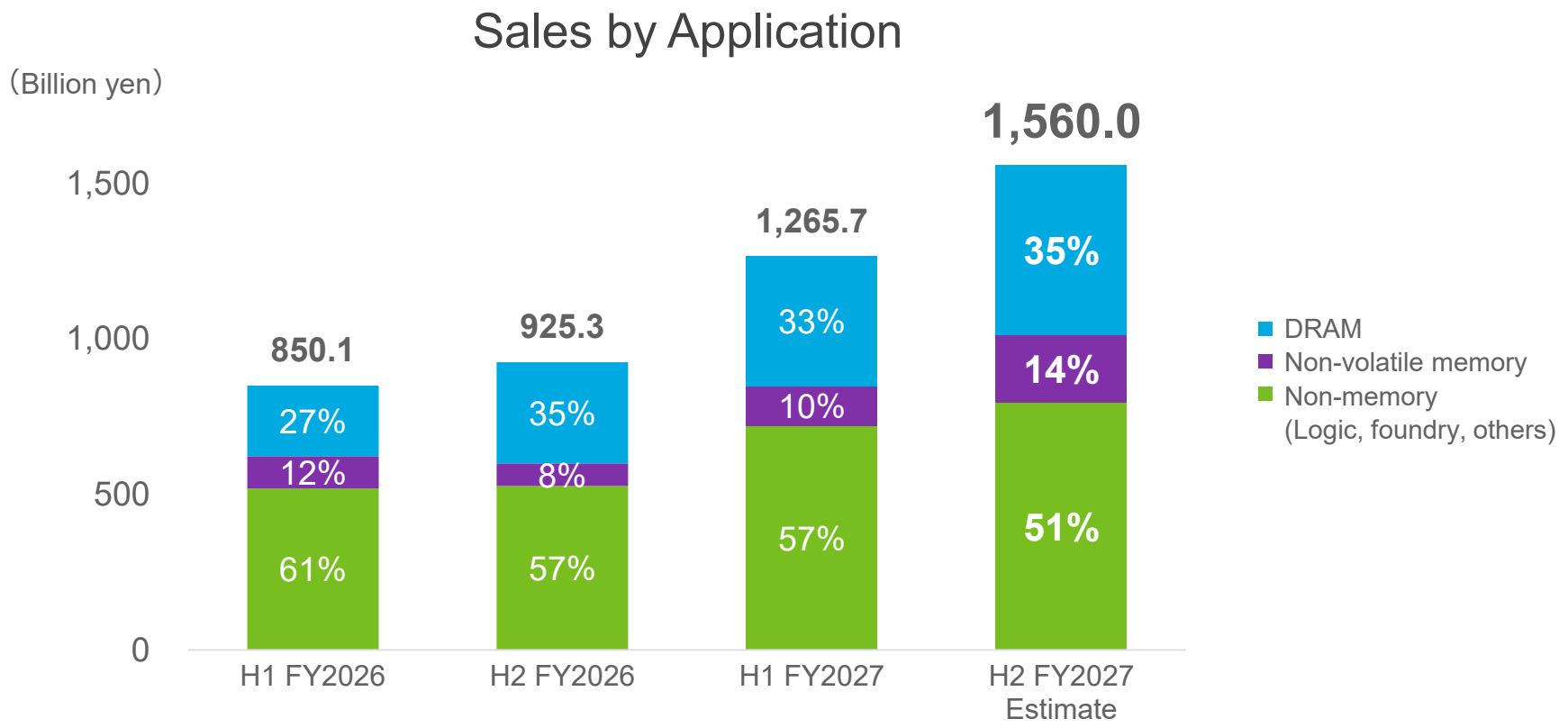
(Billion Yen)

	FY2026 (Actual)	FY2027			
		H1 (Actual)	H2 (Estimates)	Full Year (Estimates)	vs FY2026
Net sales	2,443.5	1,667.4	2,032.5	**3,700.0**	+51.4%
Gross profit	1,107.8	790.1	981.8	**1,772.0**	+59.9%
Gross profit margin	45.3%	47.4%	48.3%	**47.9%**	+2.6pts
SG&A expenses	482.9	283.3	319.6	**603.0**	+24.9%
R&D	277.8	157.3	177.6	**335.0**	+20.6%
Other than R&D	205.0	125.9	142.0	**268.0**	+30.7%
Operating income	624.9	506.7	662.2	**1,169.0**	+87.1%
Operating margin	25.6%	30.4%	32.6%	**31.6%**	+6.0pts
Income before income taxes	748.1	507.7	664.2	**1,172.0**	+56.6%
Net income attributable to owners of parent	574.4	376.9	488.0	**865.0**	+50.6%
Net income per share (Yen)	250.91	166.13		**381.69**	+130.78

- Tokyo Electron implemented a 5-for-1 common stock split on October 1, 2026.
- Net income per share is presented on the assumption that the stock split had been implemented at the beginning of FY2026.

Record-high sales, profits for full-year FY2027

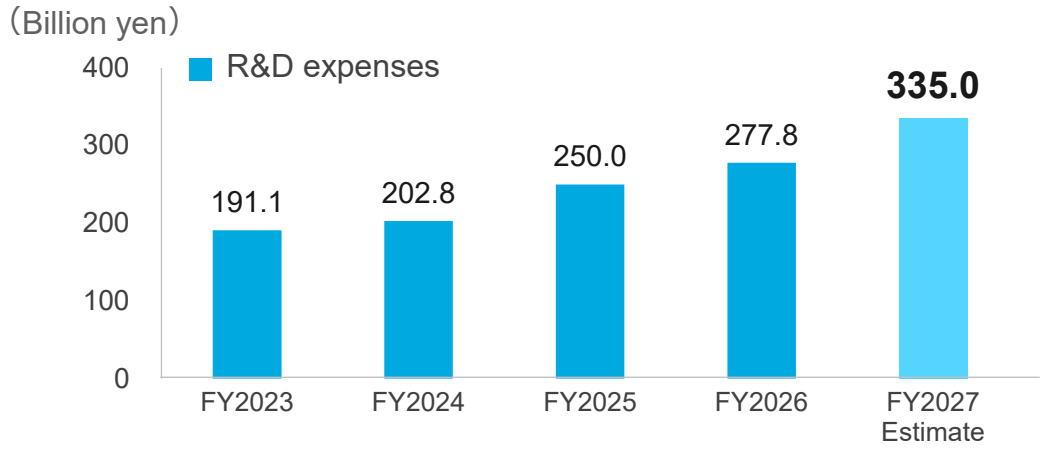
FY2027 SPE New Equipment Sales Forecast

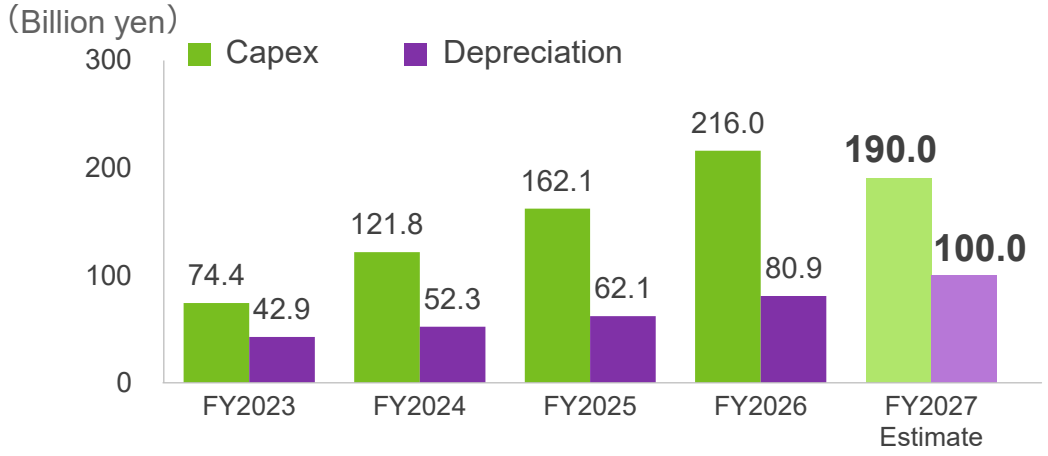


* Percentages on the graph show the composition ratio of new equipment sales. Field solutions sales are not included.

H2 SPE New Equipment sales forecast at 1 trillion 560.0 billion yen
Full-year FY2027 SPE New Equipment sales forecast to grow +59% YoY

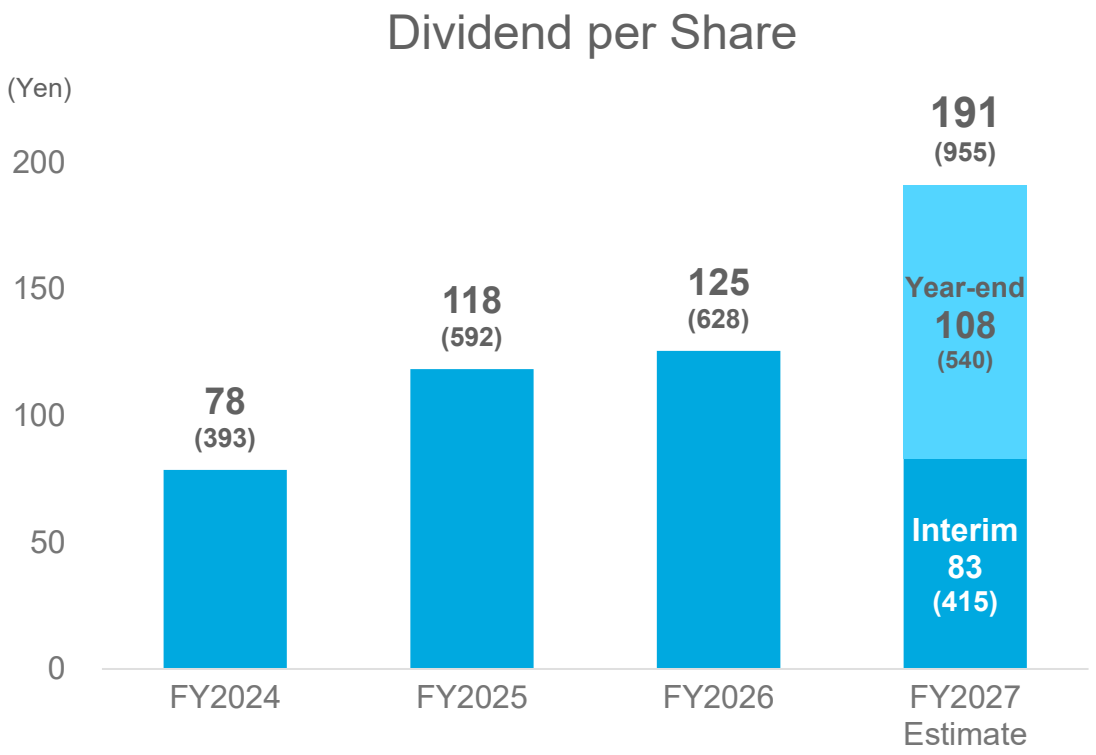
FY2027 R&D Expenses and Capex Plan





Taiwa-cho, Kurokawa-gun, Miyagi Prefecture
Completion scheduled for summer 2027

FY2027 Dividend Forecast



TEL shareholder return policy

Dividend payout ratio: 50%

Annual DPS of not less than 10 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 October 1, 2026, the amount has been changed from 50 yen to 10 yen.

- Tokyo Electron implemented a 5-for-1 common stock split on October 1, 2026.
- Dividends per share from FY2024 to FY2026, and interim dividend of FY2027 are presented on the assumption that the stock split had been implemented at the beginning of FY2024.
- Amounts without taking the stock split into account are shown in parentheses.

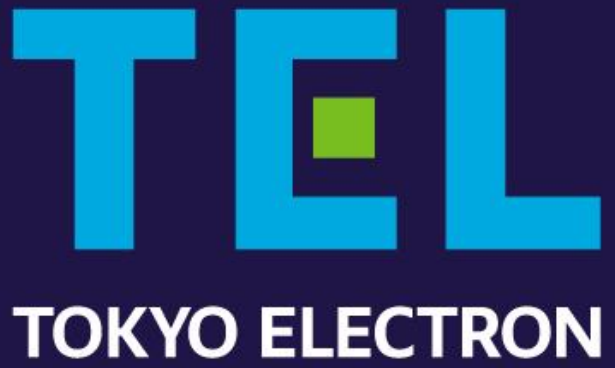
Full-year dividend estimated at a record-high 191 yen per share

Regarding Share Repurchase

Established share repurchase facility of up to 150B yen

■ Type of shares to be repurchased	Shares of common stock
■ Total number of shares to be acquired	Up to 25 million shares (Equivalent to 1.1% of outstanding shares excluding treasury stock)
■ Total purchase amount for share repurchase	Up to 150 billion yen
■ Period of repurchase	From November 1, 2026 to March 31, 2027

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