

Financial Review

Operating Results

With respect to the global economy in fiscal 2024, raw material and energy prices that had soared since the advent of the COVID-19 pandemic began to fall during the previous fiscal year. As a result, the inflation rate had fallen to around 2% by the end of the current fiscal year, which is the medium- to long-term target of central banks in major countries. Furthermore, although the increase in policy interest rates, mainly in Europe and the United States, has eased slightly, the yen's depreciation continues.

In the electronics industry, where the Tokyo Electron Group operates, semiconductor manufacturers began to reduce production from the second half of the previous consolidated fiscal year as demand for end products such as PCs and smartphones had peaked. As a result, inventory adjustments have progressed, and the supply-demand balance for semiconductors has gradually improved during fiscal 2024.

Under these circumstances, capital investment in semiconductor production equipment, which was entering an adjustment phase, showed signs of bottoming out. Although capital investment for memory and cutting-edge logic/foundry semiconductors was still generally restrained, there was an increase in inquiries about advanced package equipment for generative AI applications. Additionally, capital investment in China, which aims to improve their semiconductor self-sufficiency rate, for the mature generations of semiconductors used for IoT, automotive, and industrial applications, continued their strong growth trend from the previous fiscal year. Considering the transition to a data-driven society, stemming from the expansion of information and communication technology, and efforts toward realizing a decarbonized society, the role of semiconductors in supporting electronic devices and the importance of their technological innovation is increasing. Therefore, further growth is expected in the semiconductor production equipment market in the medium- to long-term.

The consolidated business results for fiscal 2024 under review are as follows.

Net sales for the fiscal 2024 decreased 17.1% from the previous

fiscal year to 1,830.5 billion yen. Domestic net sales decreased 22.9% from the previous year to 184.9 billion yen, while overseas net sales decreased 16.4% to 1,645.5 billion yen to account for 89.9% of net sales.

Cost of sales decreased 18.3% to 1,000.2 billion yen and gross profit decreased 15.7% to 830.2 billion yen. As a result, the gross profit margin increased 0.8 points to 45.4%.

Selling, General and Administrative (SG&A) expenses increased 2.0% to 374.0 billion yen, while the ratio to consolidated net sales increased 3.9 points to 20.5%.

As a result, operating income decreased 26.1% to 456.2 billion yen and operating margin decreased 3.1 points to 24.9%.

Income before income taxes was 473.4 billion (year-on-year decrease of 24.2%) and net income attributable to owners of parent was 363.9 billion yen (year-on-year decrease of 22.8%).

As a result, net income per share was 783.75 yen compared to net income per share of 1,007.82 yen in the previous fiscal year.

From fiscal 2024 information by segment has been omitted, with the change of our reportable segments to a single segment of "Semiconductor Production Equipment."

Financial Conditions

The financial conditions at the end of fiscal 2024 under review are as follows.

Current assets at the end of fiscal 2024 were 1,700.4 billion yen, a decrease of 40.5 billion yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 87.8 billion yen in prepaid consumption tax, a decrease of 73.4 billion yen in notes and accounts receivable - trade, and contract assets, and an increase of 110.7 billion yen in inventories.

Property, plant and equipment increased by 78.2 billion yen from the end of the previous fiscal year, to 337.3 billion yen.

Investments and other assets increased by 107.0 billion yen from the end of the previous fiscal year, to 418.6 billion yen.

As a result, total assets increased by 144.8 billion yen from the end of the previous fiscal year, to 2,456.4 billion yen.

Current liabilities decreased by 17.9 billion yen from the end of the previous fiscal year, to 611.8 billion yen. This was largely due to a decrease of 23.9 billion yen in trade notes and accounts payable, and an increase of 8.8 billion yen in income taxes payable.

Long-term liabilities increased by 2.2 billion yen from the end of the previous fiscal year, to 84.3 billion yen.

Net assets increased by 160.6 billion yen from the end of the previous fiscal year, to 1,760.1 billion yen. This was largely due to an increase of 363.9 billion yen resulting from recording net income attributable to owners of parent and a decrease resulting from the payment of 202.4 billion yen in year-end dividends for the previous fiscal year and interim dividends for fiscal 2024. As a result, the equity ratio was 71.1%.

Overview of Consolidated Cash Flows

Cash and cash equivalents at the end of fiscal 2024 decreased by 10.8 billion yen compared to the end of the previous fiscal year, to 461.6 billion yen. The combined balance including 10.9 billion yen in time deposits and short-term investments with maturities of more than three months that are not included in cash and cash equivalents was 472.5 billion yen, a decrease of 0.5 billion yen from the end of the previous fiscal year. The overall situation regarding cash flows for fiscal 2024 was as described below.

Cash flows from operating activities were positive 434.7 billion yen, an increase of 8.4 billion yen compared to the end of the previous fiscal year. The major positive factors were 473.4 billion yen in income before income taxes, an 88.0 billion yen decrease in prepaid consumption tax, and an 84.8 billion yen decrease in trade accounts receivable, and contract assets. The major negative factors were 118.9 billion yen in payment of income taxes, and a 97.7 billion yen increase in inventories.

Cash flows from investing activities were negative 125.1 billion yen compared to negative 41.7 billion yen in the same period of the previous fiscal year. This was largely due to the payment

of 116.9 billion yen for the purchase of property, plant and equipment.

Cash flows from financing activities were negative 325.0 billion yen compared to negative 256.5 billion yen in the same period of the previous fiscal year. This was largely due to the payment of 202.4 billion yen in dividends, and the payment of 120.0 billion yen for the purchase of treasury stock.

Production, Orders and Sales Results

We conduct production activities while flexibly responding to market changes. As our production trends are similar to those of our sales, we omit description of these results. We also do not indicate order results because they are not necessarily an appropriate indicator for projecting medium- to long-term corporate performance, with short-term orders tending to fluctuate significantly according to customers' investment trends.

Sales results by major customer and their ratio to total sales results are as shown below.

Fiscal 2023 (Fiscal year ended March 31, 2023)

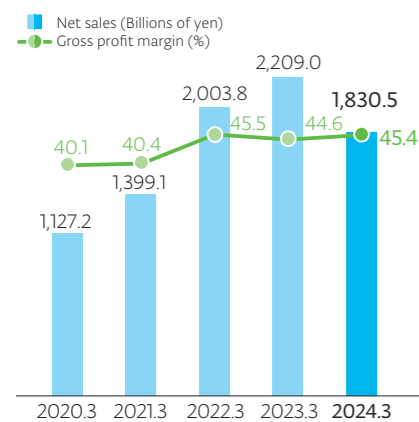
Name of Customer	Sales (Millions of yen)	Ratio (%)
Intel Corporation	357,636	16.2
Taiwan Semiconductor Manufacturing Company Ltd.	320,427	14.5
Samsung Electronics Co., Ltd.	275,916	12.5

Fiscal 2024 (Fiscal year ended March 31, 2024)

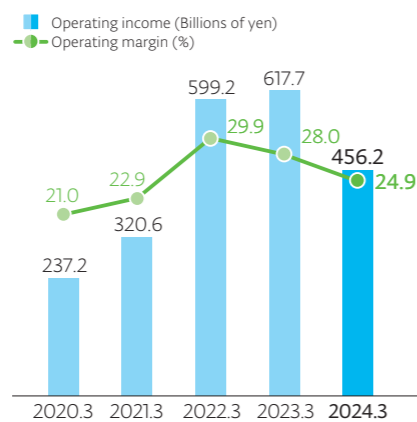
Name of Customer	Sales (Millions of yen)	Ratio (%)
Samsung Electronics Co., Ltd.	237,441	13.0

Note: The amounts include sales to the customer and its subsidiaries

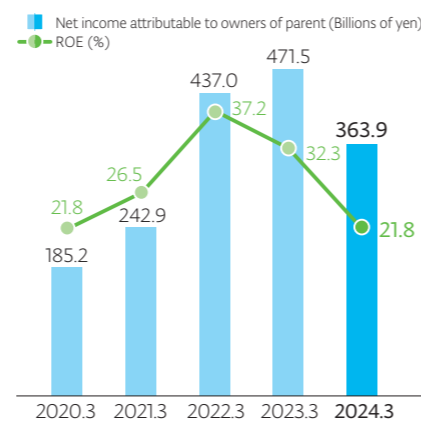
Net Sales and Gross Profit Margin



Operating Income and Operating Margin



Net Income Attributable to Owners of Parent and ROE



Financial Conditions

	2020.3	2021.3	2022.3	2023.3	2024.3
Total current assets	¥962,484	¥1,015,696	¥1,408,703	¥1,740,959	¥1,700,451
Net property, plant and equipment	175,580	196,967	223,078	259,088	337,366
Total investments and other assets	140,431	212,699	262,676	311,545	418,644
Total assets	1,278,495	1,425,364	1,894,457	2,311,594	2,456,462
Total current liabilities	382,578	327,661	468,578	629,893	611,899
Total liabilities	448,802	400,801	547,408	712,069	696,282
Total net assets	829,692	1,024,562	1,347,048	1,599,524	1,760,180

Cash Flows

	2020.3	2021.3	2022.3	2023.3	2024.3
Cash flows from operating activities	¥253,117	¥145,888	¥283,387	¥426,270	¥434,720
Cash flows from investing activities	15,951	(18,274)	(55,632)	(41,756)	(125,148)
Cash flows from financing activities	(250,374)	(114,525)	(167,256)	(256,534)	(325,012)
Cash and cash equivalents at end of year	247,959	265,993	335,648	472,471	461,608

Management Discussion and Analysis of State of Operating Results

Regarding our operating results for fiscal 2024, consolidated net sales decreased 17.1% from the previous fiscal year to 1,830.5 billion yen, and operating income decreased 26.1% from the previous fiscal year to 456.2 billion yen. The decrease in both sales and income was mainly attributed to the fact that, with a surge in demand for end products such as PCs and smartphones in the pandemic, semiconductor manufacturers made active capital investments in semiconductor production equipment in a concentrated short period of time, which resulted in a slack in supply and demand, leading to adjustment of investments and production control taking place during the period from the latter half of fiscal 2023 through the first half of fiscal 2024. However, owing to accelerated capital investment by customers on the local Chinese market for improving their semiconductor self-sufficiency, in addition to successful progress on inventory adjustment by semiconductor manufacturers and advent of generative AI and other new applications, the semiconductor production equipment market bottomed out, and in the second half of fiscal 2024, it has started to recover.

The operating margin was 24.9%, a decrease of 3.1 points from the previous fiscal year. This was mainly due to a rise in R&D investment aimed at increasing our market share in the market recovery period from the next fiscal year onwards despite a decrease in net sales for the fiscal 2024. Total R&D expenses increased by 11.6 billion yen (year-on-year growth of 6.1%) from the previous fiscal year to a record-high of 202.8 billion yen to achieve the financial model targeted under the current Medium-term Management Plan as well as to achieve further growth in the future. Gross profit margin was 45.4%, a year-on-year increase of 0.8 points, owing to optimization of prices by introducing products with high added value, even with the soaring cost of components and raw materials due to inflation.

Net income attributable to owners of parent – which is operating income with non-operating income and expenses and extraordinary profit and loss reflected less tax expenses – was 363.9 billion yen, and its ratio against net sales was 19.9%, a decrease of 1.4 points from the previous fiscal year. Extraordinary or infrequent profit of 10.8 billion yen posted in fiscal 2024 was mainly from the sale of fixed assets (land and buildings) in Austin, Texas in the United States. As a result, net income per share was 783.75 yen.

With regard to objective indicators to assess the achievement status of management policy, management strategy and management goals, the Group uses net sales, operating margin and return on equity (ROE) as indicators for the financial model of the Medium-term Management Plan.

Management Discussion and Analysis of State of Financial Conditions and Cash Flows, and Information Related to Sources of Capital and Fluidity of Funds

Regarding our financial conditions, total assets stood at 2,456.4 billion yen at the end of fiscal 2024, an increase of 144.8 billion yen from the end of the previous fiscal year. This was mainly due to the increase in inventories, property, plant and equipment, and investment securities included in investments and other assets. Cash and cash equivalents at the end of fiscal 2024 decreased by 10.8 billion yen compared to the end of fiscal 2023, to 461.6 billion yen.

Current assets at the end of the current fiscal year were 1,700.4 billion yen, a decrease of 40.5 billion yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 87.8 billion yen in prepaid consumption tax, a decrease of 73.4 billion yen in notes and accounts receivable - trade, and contract assets, and an increase of 110.7 billion yen in inventories. Inventories reached 762.9 billion yen, an increase of 110.7 billion yen from the end of the previous fiscal year, in consideration

of market recovery, costs and supply chain sustainability in the following fiscal year(s) as well as a result of implementing measures such as leveling of procurement. Tangible fixed assets reached 337.3 billion yen, an increase of 78.2 billion yen from the end of the previous fiscal year. The increase mainly reflects the acquisition of equipment and metrology tools necessary for R&D of leading-edge technology and the establishment and renovation of various business sites to strengthen operations in Japan, Korea and Taiwan, as well as the completion of a new development building in Nirasaki City, Yamanashi Prefecture and new buildings now under construction including development buildings in Koshi City, Kumamoto Prefecture and Taiwa Town, Miyagi Prefecture and a logistics center in Oshu City, Iwate Prefecture. Investment securities increased 112.1 billion yen year-on-year to 277.7 billion yen due to the higher market prices of strategically-held listed shares. In addition, the turnover period for total assets* increased from 347 days in the previous fiscal year to 475 days.

Current liabilities decreased by 17.9 billion yen from the end of the previous fiscal year, to 611.8 billion yen. This was largely due to a decrease of 23.9 billion yen in trade notes and accounts payable resulting from a decreased volume of raw material purchases. Fixed liabilities increased by 2.2 billion yen from the end of the previous fiscal year, to 84.3 billion yen.

Net assets increased by 160.6 billion yen from the end of the previous fiscal year, to 1,760.1 billion yen. This was largely due to an increase of 363.9 billion yen resulting from recording net income attributable to owners of parent, an increase of 114.3 billion yen in accumulated other comprehensive income due to the increase in foreign currency translation adjustments resulting from exchange rate fluctuations as well as valuation of investment securities, a decrease resulting from the payment of 202.4 billion yen in year-end dividends for the previous fiscal year and interim dividends for fiscal 2024, and purchases of treasury stocks of 120.0 billion yen. As a result, the equity ratio was 71.1%.

Regarding cash flows, the balance of cash and cash equivalents including deposits and short-term investments with

original maturities of more than three months was 472.5 billion, a decrease of 0.5 billion yen from the end of the previous fiscal year. As mentioned above, this was largely attributable to the payment of dividends based on our shareholder return policy of a 50% dividend payout ratio, the payment for purchases of treasury stocks as well as implementing procurement strategies and growth investments in anticipation of market recovery to occur in the following fiscal year(s), despite operating margin staying at a high level, 24.9%, and net income attributable to owners of parent reaching 363.9 billion yen.

Cash flows from operating activities were positive 434.7 billion yen, an increase of 8.4 billion yen compared to the end of the previous fiscal year. The major positive factors were 473.4 billion yen in income before income taxes, a 88.0 billion yen decrease in prepaid consumption tax, and a 84.8 billion yen decrease in trade accounts receivable, and contract assets. The major negative factors were 118.9 billion yen in payment of income taxes, and a 97.7 billion yen increase in inventories.

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In fiscal 2024, together with the incorporation of strategic measures such as leveling of procurement, the level of inventories surpassed the record high of the previous fiscal year, and necessary working capital increased. Against this background, we continued growth investments, such as investment in R&D to create innovative technologies with high added value that meet growing technological demands and differentiate us from competitors, and collaboration with suppliers in consideration of production technology innovations and reduction of environmental impact. At the same time, we returned 322.4 billion yen to our shareholders through purchases of treasury stocks and payment of dividends based on our shareholder return policy of a 50% dividend payout ratio. These were all covered using cash on hand obtained through business operations. We will continue to maintain a solid financial foundation built up by a high profit margin, and at the same time, undertake growth investments for the future and proactive efforts to return profits to shareholders.

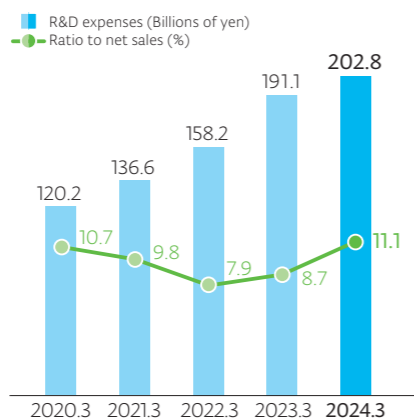
Return on equity (ROE), one of our management indicators, was 21.8%.

* Turnover period for total assets = Average total assets at the beginning and end of fiscal 2024 / Net sales for fiscal 2024 × 365

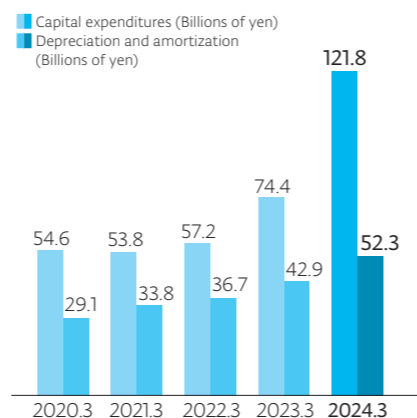
Selling, General and Administrative Expenses and Ratio to Net Sales



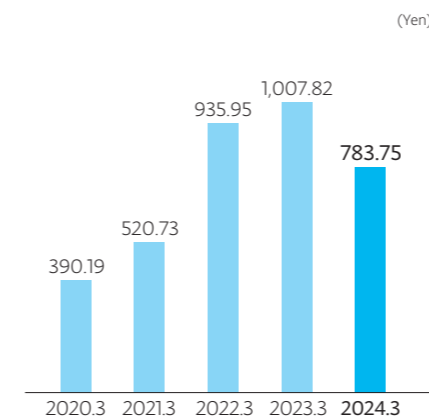
R&D Expenses and Ratio to Net Sales



Capital Expenditures and Depreciation and Amortization



Net Income per Share



Notes: The Company implemented a 3-for-1 common stock split on April 1, 2023. Net income per share is calculated on the assumption that stock split was implemented at the beginning of fiscal 2020.

For the details of financial data, please refer to the "Consolidated Financial Statements" on the Company's website.
www.tel.com/ir/library/consolidated-financial-statements/

Consolidated Eleven-year Summary

Tokyo Electron Limited and Subsidiaries
From fiscal 2014 to fiscal 2024

The amounts in this summary in millions and thousands of yen; thousands of U.S. dollars; and thousands of shares as of and for the years ended March 31, 2016 and prior are rounded to the nearest unit. Such amounts as of and for the years ended March 31, 2017 and onward are truncated at the nearest unit. Accordingly, totals for the years ended March 31, 2017 and onward do not necessarily agree with the sum of the corresponding individual amounts.

	(Thousands of U.S. dollars)				(Millions of yen)								
	2024.3	2024.3	2023.3	2022.3 ⁶	2021.3	2020.3	2019.3 ⁵	2018.3	2017.3	2016.3	2015.3	2014.3	
Net sales ¹	\$ 12,089,870	¥ 1,830,527	¥ 2,209,025	¥ 2,003,805	¥ 1,399,102	¥ 1,127,286	¥ 1,278,240	¥ 1,130,728	¥ 799,719	¥ 663,949	¥ 613,125	¥ 612,170	
Semiconductor production equipment	—	—	2,155,206	1,943,843	1,315,200	1,060,997	1,166,781	1,055,234	749,893	613,033	576,242	478,842	
FPD production equipment	—	—	53,674	59,830	83,772	66,092	111,261	75,068	49,387	44,687	32,710	28,317	
PV production equipment	—	—	—	—	—	—	—	—	—	—	3,618	3,806	
Electronic components and computer networks	—	—	—	—	—	—	—	—	—	—	—	100,726	
Other	—	—	144	131	129	197	197	425	438	6,229	555	479	
Operating income	3,013,430	456,263	617,723	599,271	320,685	237,292	310,571	281,172	155,697	116,789	88,113	32,205	
Income (loss) before income taxes	3,126,868	473,439	624,856	596,698	317,038	244,626	321,508	275,242	149,116	106,467	86,828	(11,756)	
Net income (loss) attributable to owners of parent	2,403,828	363,963	471,584	437,076	242,941	185,206	248,228	204,371	115,208	77,892	71,888	(19,409)	
Comprehensive income (loss)	3,158,846	478,281	501,421	486,183	305,801	187,084	242,696	206,152	119,998	60,984	80,295	(10,889)	
Domestic sales	1,221,734	184,982	239,937	230,368	197,566	161,812	208,796	148,760	101,122	121,808	95,046	161,631	
Overseas sales	10,868,136	1,645,544	1,969,088	1,773,437	1,201,535	965,474	1,069,443	981,967	698,597	542,141	518,079	450,539	
Depreciation and amortization ²	345,682	52,339	42,927	36,727	33,843	29,107	24,323	20,619	17,872	19,257	20,878	24,888	
Capital expenditures ³	804,709	121,841	74,432	57,288	53,868	54,666	49,754	45,603	20,697	13,341	13,184	12,799	
R&D expenses	1,339,893	202,873	191,196	158,256	136,648	120,268	113,980	97,103	83,800	76,287	71,350	78,664	
Total assets	16,223,915	2,456,462	2,311,594	1,894,457	1,425,364	1,278,495	1,257,627	1,202,796	957,447	793,368	876,154	828,592	
Total net assets	11,625,259	1,760,180	1,599,524	1,347,048	1,024,562	829,692	888,117	771,509	645,999	564,239	641,163	590,614	
Number of employees		17,702	17,204	15,634	14,479	13,837	12,742	11,946	11,241	10,629	10,844	12,304	
	(U.S. dollars)											(Yen)	
Net income (loss) per share of common stock:													
Basic ⁷	\$ 5.18	¥ 783.75	¥ 1,007.82	¥ 935.95	¥ 520.73	¥ 390.19	¥ 504.53	¥ 415.16	¥ 234.09	¥ 153.70	¥ 133.69	(¥ 36.10)	
Diluted ^{4,7}	5.16	781.20	1,003.86	931.30	517.76	388.01	502.41	413.74	233.45	153.33	133.38	—	
Net assets per share of common stock ⁷	24.92	3,773.11	3,389.68	2,857.48	2,170.73	1,755.99	1,790.59	1,558.16	1,306.50	1,142.79	1,189.08	1,075.31	
Cash dividends per share of common stock ⁷	2.60	393.00	1,711.00	1,403.00	781.00	588.00	758.00	624.00	352.00	237.00	143.00	50.00	
Number of shares outstanding (thousands) ⁷		471,632	157,210	157,210	157,210	157,210	165,210	165,210	165,210	165,211	180,611	180,611	
Number of shareholders		48,167	51,723	34,258	29,547	30,348	50,843	35,186	21,937	24,664	20,829	30,563	
												(%)	
ROE		21.8	32.3	37.2	26.5	21.8	30.1	29.0	19.1	13.0	11.8	(3.3)	
Operating margin		24.9	28.0	29.9	22.9	21.0	24.3	24.9	19.5	17.6	14.4	5.3	
Equity ratio		71.1	68.7	70.5	71.1	64.1	70.0	63.8	67.2	70.9	73.0	69.8	
Total asset turnover (times)		0.77	1.05	1.21	1.03	0.89	1.04	1.05	0.91	0.80	0.72	0.76	
	(U.S. dollars)											(Thousands of yen)	
Net sales per employee	\$ 682,966	¥ 103,407	¥ 128,401	¥ 128,169	¥ 96,629	¥ 81,468	¥ 100,317	¥ 94,653	¥ 71,143	¥ 62,466	¥ 56,540	¥ 49,754	

¹ From fiscal 2015, Electronic components and computer networks were excluded because Tokyo Electron Device Limited, a former consolidated subsidiary, became an equity method affiliate. Photovoltaic panel (PV) production equipment has been included in Other from fiscal 2016. FPD production equipment has been included in Other from fiscal 2024.

² Depreciation and amortization does not include amortization and loss on impairment of goodwill.

³ Capital expenditures only represent the gross increase in property, plant and equipment.

⁴ Dilution is not assumed for the year ended March 31, 2014.

⁵ From fiscal 2019, the Company applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Statement No. 28, revised on February 16, 2018) released by the ASBJ.

⁶ From fiscal 2022, the Company applies "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020). Each number from the period ended March 31, 2022 includes the effects of the new standards.

⁷ The Company implemented a 3-for-1 common stock split on April 1, 2023. Net income (loss) per share of common stock - basic, net income per share of common stock - diluted and net assets per share of common stock are calculated on the assumption that stock split was implemented at the beginning of fiscal 2014. Dividends per share and the number of shares outstanding for the fiscal years ended March 31, 2014, through March 31, 2023, represent the amount of dividends and number of shares before the stock split.

Sustainability Data

Environment

Tokyo Electron Limited and Subsidiaries
From fiscal 2020 to fiscal 2024

● denotes data in the "Tokyo Electron Sustainability Data 2024" with third-party assurance.
www.tel.com/sustainability/data/index.html
* Totals may not match due to rounding.

Greenhouse Gas Emissions

	2020.3	2021.3	2022.3	2023.3	2024.3
Scope 1 emissions (kt-CO₂)	28	29	16	22	21
Japan, energy-derived ¹	10	10	10	10	10
Overseas, energy-derived ¹	2	2	2	2	2
Non-energy-derived greenhouse gas emissions total ² (kt-CO ₂ e)	16	17	4	10	9
Non-energy-derived greenhouse gas emissions (kt-CO₂e) (Japan)	16	17	4	10	9
Japan – HFCs	0.2	0.1	0.7	3.4	2.3
Japan – PFCs	10.6	13.2	1.3	5.6	4.8
Japan – SF ₆	5.0	3.1	1.4	1.2	1.1
Japan – Other	0.4	0.6	0.4	0.2	0.4
Non-energy-derived greenhouse gas emissions (kt-CO₂e) (Overseas)	—	—	0.1	0.0	0.0
Overseas – HFCs	—	—	0.0	0.0	0.0
Overseas – PFCs	—	—	0.0	0.0	0.0
Overseas – SF ₆	—	—	0.0	0.0	0.0
Overseas – Other	—	—	0.1	0.0	0.0
Scope 2 emissions (Market standard) (kt-CO₂)	144	157	74	20	22
Japan	118	128	55	0	0 ⁴
Overseas	26	29	19	20	22
Scope 2 emissions (Location standard) (kt-CO₂)	156	169	168	180	192
Japan	129	138	136	144	155
Overseas	26	31	33	36	37
Scope 3 emissions (kt-CO₂)	7,910	9,386	13,238	14,335	11,829
Category 1 Purchased goods and services	1,796	2,395	3,332	4,053	3,239
Category 2 Capital goods	164	162	172	224	366
Category 3 Fuel- and energy-related activities	23	25	27	29 ⁶	31
Category 4 Upstream transportation and distribution	9	9	15	19	12
Category 5 Waste generated in operations	2	2	3	3	3
Category 6 Business travel	2	1	4	14	27
Category 7 Employee commuting	12	11	12	14	15
Category 9 Downstream transportation and distribution	90	80	121	120	65
Category 11 Use of sold products	5,808	6,696	9,548 ⁶	9,854	8,068
Category 12 End-of-life treatment of sold products	3	3	4	5	4
Scope 1, 2 (Market standard) emissions total	171	186	90	42	43
Scope 1, 2 (Market standard), 3 emissions total	8,081	9,572	13,328	14,377	11,872

¹ Scope 1: Direct GHG emissions from use of fuel and gas we owned or controlled. Calculation method: Emissions = Σ (fuel consumed × CO₂ emission factor). Emission factor based on Japan's Act on Promotion of Global Warming Countermeasures.
² Scope 1: Non-energy-derived CO₂ and greenhouse gases other than CO₂. Calculation method: Emissions = Σ (consumption × emission per unit consumption – amount recovered and properly treated) × global warming factor. Global warming factor is based on Japan's Act on Promotion of Global Warming Countermeasures. From fiscal year 2022, the value for the amount recovered and properly treated have been reviewed to match actual conditions.
³ Scope 2: Indirect GHG emissions from use of electricity we purchased. Calculation method: Emissions = Σ (purchased electricity × CO₂ emission factor). Adjusted emission factors for the electrical power providers concerned based on Japan's Act on Promotion of Global Warming. Countermeasures were used as the emission factor for Japan.
 Emission factors based on values from the Emissions Factors 2019 edition published by the International Energy Agency (IEA) were used as the emission factor for overseas electricity consumption.
⁴ Figure after Non-fossil Certificate Equivalent Amount Deduction. Scope 2 emissions prior to Non-fossil Certificate Equivalent Amount Deduction is 8 kt-CO₂; Non-fossil Certificate Equivalent Amount is 8 kt-CO₂.
⁵ Scope 3: Emissions from corporate value chains (excluding scope 1 and 2 emissions), such as product transportation, employee business travel and major outsourced production processes. The entire scope is divided into 15 categories, of which calculations were made for categories 1, 2, 3, 4, 5, 6, 7, 9, 11 and 12. Calculations for categories 8, 10, 13, 14 and 15 were not made as they are either not included in our activities or have already been included in other categories.
⁶ Revised figures

Water-Related Data

	2020.3	2021.3	2022.3	2023.3	2024.3
Water intake (thousand m³)	1,305	1,397	1,417	1,495	1,542
Japan	1,098	1,183	1,204	1,255	1,293
Groundwater	390	430	440	402	373
Tap water	411	450	479	520	569
Industrial water	297	303	285	333	350
Overseas	207	214	213	240	249
Water consumption (thousand m³)	227	202	223	223	221
Japan	198	177	195	193	196
Overseas	29	25	28	30	24
Water discharge (thousand m³)	1,078	1,195	1,194	1,272	1,321
Japan	900	1,006	1,009	1,062	1,096
Overseas	178	189	185	210	225

Energy Consumption/Generation

	2020.3	2021.3	2022.3	2023.3	2024.3
Consumption metric (sales) (kL/billion yen)	0.75	0.68	0.50	0.48	0.56
Consumption (crude oil equivalent) (kL)¹	85,074	94,746	100,265	106,637	102,260
Japan ²	70,642	78,126	82,703	87,137	82,999
Overseas	14,432	16,620	17,562	19,499	19,261
Consumption (MWh)	320,193	357,744	380,127	404,964	435,514
Japan ³	267,872	297,435	316,017	333,572	353,428
Overseas	52,321	60,309	64,110	71,392	82,086
Consumption (crude oil equivalent) (kL)¹	3,565	3,820	3,796	3,898	3,800
Japan	2,611	2,728	2,738	2,776	2,850
Overseas	954	1,092	1,058	1,122	951
Consumption (crude oil equivalent) (kL)¹	1,624	1,667	1,625	1,526	1,747
Japan	1,603	1,651	1,612	1,513	1,735
Overseas	21	16	13	13	12
Purchase (MWh)	3,334	4,980	227,523	365,876	393,383
Japan	0	0	197,137	330,791	353,428
Overseas	3,334	4,980	30,386	35,085	39,955
Power generation (MWh)	3,804	4,068	3,890	4,110	3,901
Japan	3,804	4,068	3,890	4,110	3,901
Overseas	0	0	0	0	0
Amount of self-consumption through onsite solar power generation system (MWh)	2,579	2,783	2,695	2,780	2,837
Japan	2,579	2,783	2,695	2,780	2,837
Overseas	0	0	0	0	0
Power sales (MWh)⁴	1,225	1,285	1,195	1,330	1,063
Japan	1,225	1,285	1,195	1,330	1,063
Overseas	0	0	0	0	0
Electricity use rate (%)	2	2	60	91	90
Japan	1	1	63	100	100
Overseas	6	8	47	49	49

¹ Calculated using the conversion factors for fuel, gas and electricity in relation to the Act on Rationalizing Use of Energy and Shifting to Non-fossil Energy.
² The revisions to the Act on Rationalizing Use of Energy and Shifting to Non-fossil Energy (came into force April 1, 2023) led to changes to the conversion coefficient from fiscal year 2024, so energy usage includes self-consumption through onsite solar power generation system.
³ For fiscal year 2024 and prior, electricity usage includes self-consumption through onsite solar power generation system.
⁴ Heat and steam not sold

Environmental Impact of Logistics

	2020.3	2021.3	2022.3	2023.3	2024.3
Emissions (kt-CO₂)	99	89	136	139	76
Japan	9	9	15	19	12
Overseas	90	80	121	120	64
Proportion of marine transportation (international) (%)	31.9	34.3	33.2	39.0	42.1
Reduction in amount of wooden packaging materials used (t) Japan	—	—	—	2,000	1,915

Amount of Waste Generated

		2020.3	2021.3	2022.3	2023.3	2024.3
Waste	Amount generated (t)	13,989	14,997	14,459	18,249	19,714
	Japan	12,973	13,705	12,921	17,047	18,527
	Overseas	1,016	1,292	1,538	1,202	1,187
Recycling	Recycled amount (t)	13,748	14,814	14,189	17,978	19,480
	Japan	12,831	13,587	12,789	16,912	18,376
	Overseas	917	1,227	1,400	1,066	1,103
Incinerated and landfill disposal	Amount of waste (t)	241	183	270	271	234
	Japan	142	118	132	135	151
	Overseas	99	65	138	136	84
Dangerous/Hazardous waste	Amount generated (t)	6,228	7,227	5,231	5,634	7,743
	Japan (Specially controlled industrial waste)	5,911	6,718	4,705	5,239	7,448
	Overseas (Dangerous/Hazardous waste per country)	317	509	526	395	296
Dangerous/Hazardous waste recycling	Recycled amount (t)	6,228	7,226	5,193	5,596	7,703
	Japan	5,911	6,718	4,705	5,239	7,448
	Overseas	317	508	488	357	256
Dangerous/Hazardous waste incinerated/landfill disposal	Amount of waste (t)	0	1	38	38	40
	Japan	0	0	0	0	0
	Overseas	0	1	38	38	40

Chemical Substances Consumption/Emissions (Japan)

		2020.3	2021.3	2022.3	2023.3	2024.3
PRTR Class I designated chemical substances ¹	Volume handled (t)	121	144	119	104	61
	Ferric chloride	98	106	85	76	—
	Hydrogen fluoride and its water-soluble salts	12	24	22	16	47
	Methylnaphthalene	10	13	11	10	11
	Tetramethylammonium hydroxide	—	—	—	—	2
	VOCs ²	0.1	0.1	0.1	0.1	0.2
	Other	1	1	1	1	1
	Amount transported (waste amount) (t)	111	131	108	94	48
	Amount transported (sewerage) (t)	0	0	0	0	2
	Consumption (t)	10	13	11	10	11
NOx	Emissions (t)	11.9	13.0	13.1	12.7	12.9
SOx	Emissions (t)	4.0	4.9	4.8	4.5	4.6

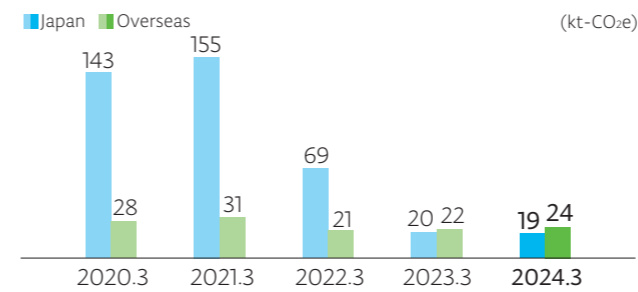
¹ Some substances have been added and others eliminated from the scope in accordance with the revision to target substances for the fiscal year ended March 2024.
² VOCs: Volatile Organic Compounds

Other

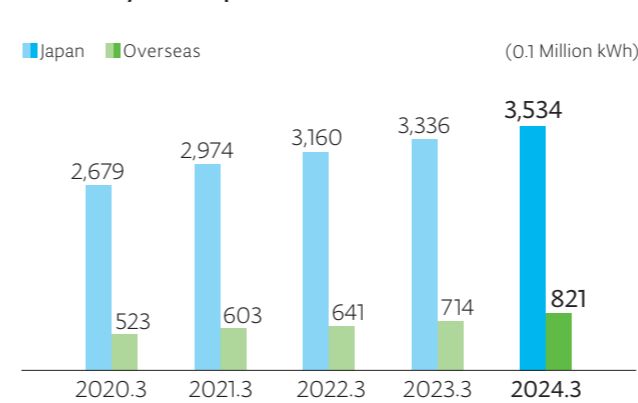
		2020.3	2021.3	2022.3	2023.3	2024.3
ISO 14001	Number of certified offices	9	11	11	11	11
	Japan	5	5	5	5	5
	Overseas	4	6	6	6	6
Environmental investments	Environmental investment effects (millions of yen)	82	32	30	31	16
	Environmental investment effects (t-CO ₂)	1,043	455	973	799	334
Biodiversity	Number of ecosystem tours*	18	18	16	22	20
	Number of ecosystem tour participants*	368	52	87	138	289
Environmental laws and regulations	Number of breaches of environmental laws and regulations	0	0	0	0	0
	Amount of fines for breaches of laws and regulations	0	0	0	0	0
Total product shipment (t)*		31,184	28,862	41,352	48,922	35,769
Copier paper*	Use (t) (Japan)	132	38	32	138	88

* Scope: Japan

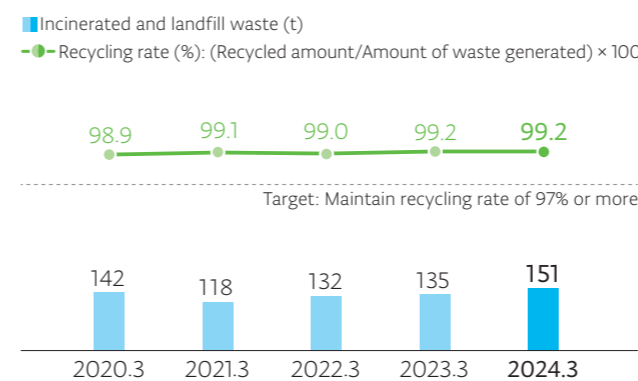
Scope 1 Emissions and Scope 2 Emissions (Market standard)



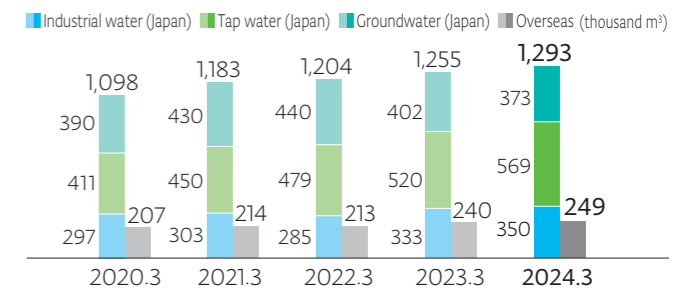
Electricity Consumption



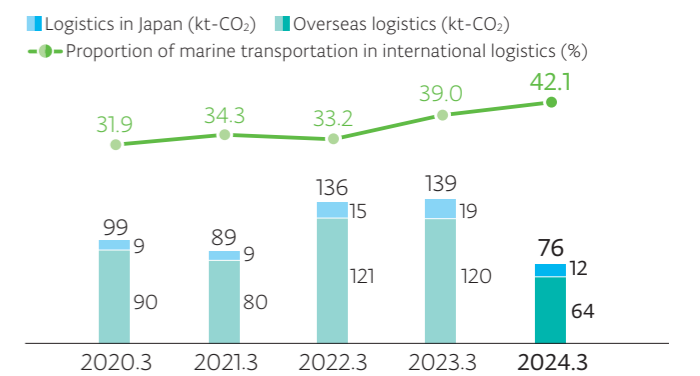
Recycling Rate/Generation of Incinerated and Landfill Waste in Japan



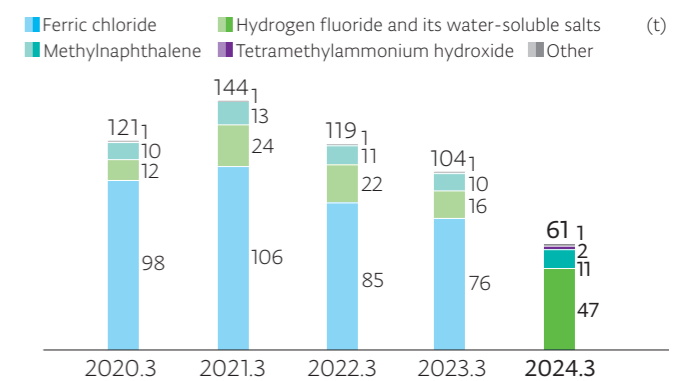
Water Consumption



CO₂ Emissions from Logistics and the Proportion of Marine Transportation



Volume of PRTR Class I Designated Chemical Substances Handled in Japan



Social

Tokyo Electron Limited and Subsidiaries
From fiscal 2020 to fiscal 2024

* ● denotes data in the "Tokyo Electron Sustainability Data 2024" with third-party assurance. www.tel.com/sustainability/data/index.html

Composition of Employees (Entire Group)

	2020.3	2021.3	2022.3	2023.3	2024.3	
Number of regular employees	13,542	14,022	15,140	16,605	17,071	
Regular employees (Region)	Japan	7,806	7,921	8,234	8,796	9,150
	Rest of Asia	3,494	3,796	4,328	4,819	4,854
	Europe and Middle East	528	509	578	669	708
	North America	1,714	1,796	2,000	2,321	2,359

Composition of Employees (Japan)		2020.3	2021.3	2022.3	2023.3	2024.3
Employees (Employment type)	Number of employees	8,100	8,296	8,661	9,325	9,746
	Regular employees	7,806	7,921	8,234	8,796	9,150
	Men	6,681	6,722	6,944	7,429	7,716
	Women	1,125	1,199	1,290	1,367	1,434
	Non-regular employees	294	375	427	529	596
	Men	263	348	403	490	553
	Women	31	27	24	39	43

Recruitment/Employment (Japan)		2020.3	2021.3	2022.3	2023.3	2024.3
New graduates hired	Number hired	281	253	209	231	353
	Under 30 yrs. old	280	252	208	231	351
	Men	233	207	177	193	304
	Women	47	45	31	38	47
	30-49 yrs. old	1	1	1	0	2
	Men	1	1	0	0	2
	Women	0	0	1	0	0
	50 yrs. old and over	0	0	0	0	0
	Men	0	0	0	0	0
	Women	0	0	0	0	0
	Percentage of women	16.7	17.8	15.3	16.5	13.3
Career-track recruits	Number hired	150	191	400	580	271
	Under 30 yrs. old	42	56	131	209	89
	Men	35	49	96	185	72
	Women	7	7	35	24	17
	30-49 yrs. old	96	123	250	355	172
	Men	82	92	202	306	141
	Women	14	31	48	49	31
	50 yrs. old and over	12	12	19	16	10
	Men	10	11	17	13	8
	Women	2	1	2	3	2
	Percentage of women	15.3	20.4	21.3	13.1	18.5
Employees with disabilities	Percentage hired (TEL)	2.06	2.43	2.32	2.03	2.18
	Percentage hired (Group in Japan)	2.01	2.30	2.37	2.27	2.34
Reemployment system	Number of users	242	313	389	475	545
	Men	235	305	376	451	510
	Women	7	8	13	24	35
Percentage of regular employees who received regular performance and career evaluations		100.0	100.0	100.0	100.0	100.0

Female managers (Entire Group)		2020.3	2021.3	2022.3	2023.3	2024.3
Female Managers ^{1,2}	Number of people	—	—	163	182	221
	Percentage	—	—	5.5	5.7	6.3
	Number of people (senior directors and above ³)	—	—	10	16	20
	Percentage (senior directors and above ³)	—	—	2.2	3.3	3.7

¹ Percentage of female managers, calculation method: (Number of female managers/Number of managers) × 100 (The number of managers includes experts (from fiscal 2022) and employees reemployed after retirement (from fiscal 2024).) ² As of March 31 ³ Employees of a certain level or position based on the global human resources system.

Female managers (Japan)		2020.3	2021.3	2022.3	2023.3	2024.3
Female managers ^{1,2}	Number of people	23	26	46	51	67
	Percentage	2.0	2.2	2.6	2.7	3.1

¹ Percentage of female managers, calculation method: (Number of female managers/Number of managers) × 100 (The number of managers includes experts (from fiscal 2022) and employees reemployed after retirement (from fiscal 2024).) ² As of March 31

Employee retention (Japan)		2020.3	2021.3	2022.3	2023.3	2024.3
Employee retention	Retention after three years of joining TEL [*]	93.8	94.1	94.7	92.7	93.1
	Men	94.6	94.8	95.0	93.2	93.6
	Women	88.6	89.3	93.5	90.6	90.9
	Average service years	17 yrs. 2 mos.	17 yrs. 4 mos.	17 yrs. 2 mos.	16 yrs. 8 mos.	16 yrs. 6 mos.
	Men	17 yrs. 5 mos.	17 yrs. 7 mos.	17 yrs. 6 mos.	16 yrs. 10 mos.	16 yrs. 8 mos.
	Women	15 yrs. 11 mos.	15 yrs. 10 mos.	15 yrs. 8 mos.	15 yrs. 7 mos.	15 yrs. 7 mos.

^{*} Average in recent five years

Employee turnover (Entire Group)		2020.3	2021.3	2022.3	2023.3	2024.3
Turnover [*]	Employee turnover	—	—	589	599	415
	Men	—	—	507	509	351
	Women	—	—	82	90	64
	Turnover percentage	—	—	4.2	3.9	2.5

^{*} Turnover due to personal circumstances.

Employee turnover (Japan)		2020.3	2021.3	2022.3	2023.3	2024.3
Turnover [*]	Employee turnover	82	87	87	98	113
	Men	54	75	69	81	93
	Women	28	12	18	17	20
	Turnover percentage	1.0	1.0	1.0	1.1	1.2

^{*} Turnover due to personal circumstances.

Work-life Balance (Japan)		2020.3	2021.3	2022.3	2023.3	2024.3
Annual paid leave	Take-up rate ¹	72.6	62.5	64.6	70.0	80.6
	Number of those who took leave	901	688	512	1,731	630
Refreshment leave	Men	773	610	435	1,485	547
	Women	128	78	77	246	83
Paternity leave	Number of those who took leave	184	148	137	149	169
	Number of those who took leave	46	41	70	96	153
	Men	12	16	36	57	122
	Women (percentage who took leave)	34 (97.1)	25 (92.6)	34 (97.1)	39 (97.5)	31 (100)
Childcare leave	Number of those who returned to work after leave	48	54	60	76	155
	Men	8	15	32	43	120
	Women	40	39	28	33	35
	Percentage reinstated	94.1	96.4	95.2	98.7	100.0
	Retention rate	93.3	95.0	90.0	97.9	91.2
Shorter working hour system	Number of those who used	149	132	110	105	103
	Men	11	9	7	10	10
	Women	138	123	103	95	93
Leave to care for sick / injured child	Number of those who took leave	625	510	547	599	661
	Men	428	353	373	424	513
	Women	197	157	174	175	148
Childcare support leave	Number of those who took leave	125	86	80	98	113
	Men	26	29	23	33	45
	Women	99	57	57	65	68
Extended nursing care leave	Number of those who took leave	2	2	1	4	6
	Men	2	0	0	4	5
	Women	0	2	1	0	1
Short nursing care leave	Number of those who took leave	95	110	87	85	100
	Men	56	69	57	53	54
	Women	39	41	30	32	46
Shorter working hour system for nursing care	Number of those who used	2	0	4	0	1
	Men	1	0	2	0	1
	Women	1	0	2	0	0
Spousal transfer leave system	Number of those who used	—	—	—	—	3

¹ Take-up rate of annual paid leave calculation method: (Days of paid leave taken by employees²) / (Days of paid leave provided to employees²) × 100

² Incl. non-regular employees

Products/Innovation		2020.3	2021.3	2022.3	2023.3	2024.3
Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services		0	0	0	0	0
Active issued patents (Region/Country) ¹	Number of active issued patents	18,137	18,692	19,572	21,645	23,249
	Japan	5,348	5,484	5,703	6,307	6,715
	U.S.	4,606	4,822	4,988	5,360	5,603
	Europe	191	206	167	— ²	— ²
	Korea	3,223	3,363	3,731	4,683	5,111
	Taiwan	2,948	2,925	3,014	3,120	3,326
	China	1,821	1,892	1,969	2,175	2,494

¹ Figures for fiscal 2020 to fiscal 2022 are based on our database; figures for fiscal 2023 are based on LexisNexis® PatentSight® database.

² Europe is not included in the scope.

	2018.12	2019.12	2020.12	2021.12	2022.12
Global patent application rate ¹	79.8	74.3	74.6	80.1 ²	79.9 ²

¹ Percentage applied for in countries other than Japan of the number of inventions leading to patents in each calendar year.
² Added international applications filed under the Patent Cooperation Treaty (PCT) to applications filed in other countries.

		2019.12	2020.12	2021.12	2022.12	2023.12
Patent application success rate*	Japan	83.1	84.9	79.8	74.5	81.8
	U.S.	85.5	87.3	83.9	81.5	80.7

* Percentage of patent applications that have been allowed among those that have completed examination each calendar year.

Customer	2020.3	2021.3	2022.3	2023.3	2024.3
Percentage of respondents who selected "Very Satisfied" or "Satisfied" in the customer satisfaction survey	93.3	96.7	100.0	100.0	100.0

Safety	2020.3	2021.3	2022.3	2023.3	2024.3
Percentage of employees who received training on basic safety	100	100	100	100	100
Percentage of employees who received training on advanced safety	100	100	100	100	100
Lost time incident rate (LTIR)	0.51	0.63	0.66	0.83	0.31
Number of workplace injuries per 200,000 work hours (TCIR)	0.23	0.27	0.30	0.33	0.15

Procurement	2020.3	2021.3	2022.3	2023.3	2024.3
Percentage of new important suppliers screened using social criteria	100	100	100	100	100
Rate of improvement after supply chain sustainability assessment	35.8	23.1	31.5	30.5	29.2
Rate of improvement after supply chain BCP assessment	16.0	20.3	24.4	22.2	20.4
Number of identified RMAP conformant smelters (rate of identification)	261 (100)	236 (100)	243 (100)	234 (100)	238 (100)

Governance	2020.3	2021.3	2022.3	2023.3	2024.3
Total number of critical incidents notified to the Board of Directors	0	0	0	0	0
Total number of incidents subject to legal action on the basis of anti-competitive conduct, anti-trust activity or monopolistic practices where the governance body's involvement was revealed	0	0	0	0	0
Number of executive officers who received training on anti-corruption ¹	0	15	20	28	0
Total number (percentage) of directors who provided instructions on the body's policies and procedures in relation to anti-corruption ¹	11 (100)	11 (100)	12 (100)	6 (100)	6 (100)
Total number (percentage) of directors who received training on anti-corruption ¹	11 (100)	0 (0)	0 (0)	3 (50)	0 (0)
Payment to industry groups, etc. (thousand yen) ²	29,927	32,036	56,374	73,313	82,263
Payment to politically affiliated organizations (yen)	0	0	0	0	0
Average tenure of directors	4.84	6.09	6.58	5.16	6.16
Average rate of attendance for Board meetings	99.39	98.96	99.50	98.62	99.09

¹ Scope: Japan ² Industry groups were reviewed from fiscal year 2022.

Compliance	2020.3	2021.3	2022.3	2023.3	2024.3
Education on TEL's Code of Ethics/pledge rate ¹	—	98.8	91.6	96.1	94.9 ²
Percentage of employees who have consented to the information security agreement	100.0	99.4	99.9	100.0	99.3
Significant fines and non-monetary sanctions for non-compliance with laws and regulations in the social and economic area	0	0	0	0	0
Number of cases that lead to disciplinary action due to compliance infractions ^{1,3}	—	—	—	—	59
Bribery/Corruption	—	—	—	—	0
Competition Act/Anti-Monopoly Act	—	—	—	—	0
Money laundering/Insider trading	—	—	—	—	0
Information security/Intellectual property/Personal information	—	—	—	—	3
Conflicts of interest	—	—	—	—	0
Harassment	—	—	—	—	22
Other (Violations of service obligations)	—	—	—	—	34

¹ Scope: Entire Group ² Period is from March to May 2024. ³ Includes violations of the Tokyo Electron Group Code of Ethics, company regulations, etc.

Social Contribution	2020.3	2021.3	2022.3	2023.3	2024.3
Spending on social contribution (million yen)*	250	244	170	301	533
Cash donations breakdown					
Charity donations (providing donations/relief supplies to charity organizations)	4	13	15	9	7
Community investment (charitable expenses for long-term cause for community)	68	62	75	40	76
Commercial initiatives (charitable expenses with anticipated effects on business growth)	28	25	10	51	17

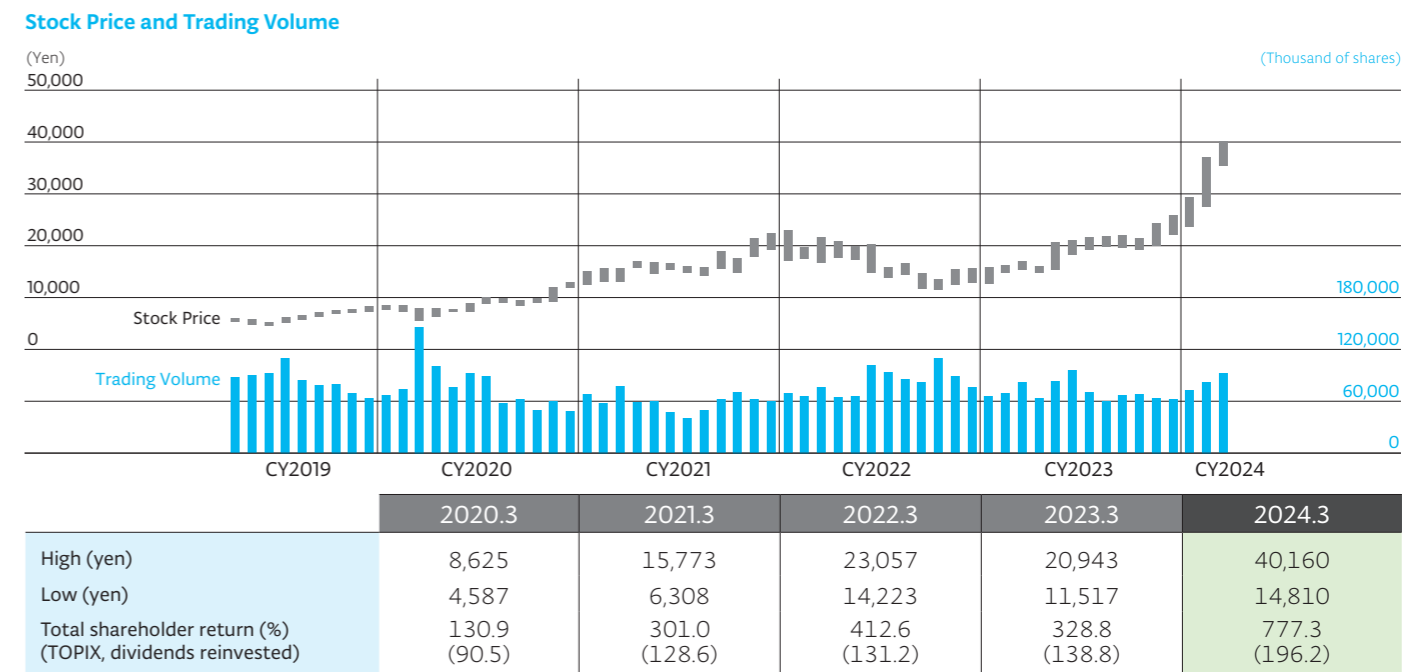
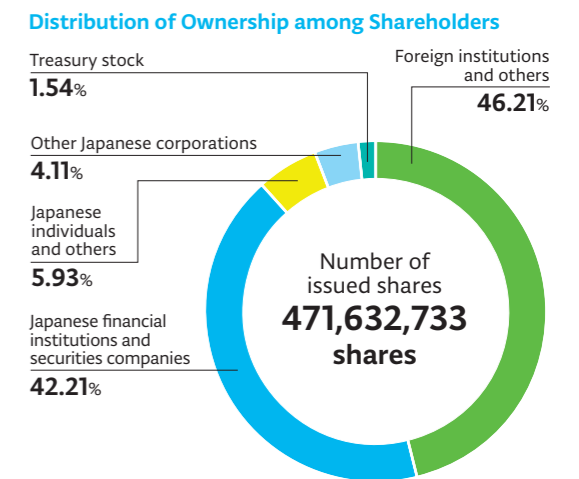
* Spending on social contribution activities excluding disaster relief contributions.

Stock Information (As of March 31, 2024)

Corporate Name and Head Office	Tokyo Electron Limited Akasaka Biz Tower 3-1 Akasaka 5-chome, Minato-ku, Tokyo 107-6325, Japan	Common Stock Listed on	Tokyo Stock Exchange Prime Market (Stock code: 8035)
Established	November 11, 1963	Independent Auditor	KPMG AZSA LLC
Annual General Shareholders' Meeting	June	Administrator of Shareholders' Register	Sumitomo Mitsui Trust Bank, Limited 4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Common Stock	Stock trading unit: 100 shares Authorized: 900,000,000 shares Issued: 471,632,733 shares Number of shareholders: 48,167	Direct mail and inquiries to:	Sumitomo Mitsui Trust Bank, Limited 8-4 Izumi 2-chome, Suginami-ku, Tokyo, 168-0063, Japan Tel (toll free): 0120-782-031 (available only in Japan)
		Website	www.tel.com

Major Shareholders	Number of shares held (thousand)	Voting share ratio (%)
The Master Trust Bank of Japan, Ltd.(trust account)	117,029	25.20
Custody Bank of Japan, Ltd.(trust account)	48,367	10.41
JP MORGAN CHASE BANK 385632	15,743	3.39
TBS HOLDINGS, INC.	15,112	3.25
STATE STREET BANK WEST CLIENT – TREATY 505234	9,778	2.10
SSBTC CLIENT OMNIBUS ACCOUNT	8,374	1.80
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	7,291	1.57
GOVERNMENT OF NORWAY	7,288	1.56
JP MORGAN CHASE BANK 385781	6,196	1.33
JPMorgan Securities Japan Co., Ltd.	4,706	1.01

Note: Shares of less than one thousand have been rounded down in the "Number of shares held."



Note: The Company implemented a 3-for-1 common stock split on April 1, 2023. Stock price is calculated on the assumption that stock split was implemented at the beginning of fiscal 2020.