A compounded annual growth rate of 26%: Omdia's projection for 2020-2030

reach 10 times its current level in 10 years time. With investment processing capabilities and other factors, and is forecast to 26%* due to the spread of various applications, improved data

a focus on memory. But demand will gradually recover, and is adjustment, due to concerns of continued inflation, geopolitical

technological demands for semiconductors with larger capacity,

semiconductors have become indispensable, with persistent

the Internet led to the connection of billions of devices, as we

uses for semiconductors expanded to computers, televisions and then to mobile phones, and the emergence of

Until now, we have strived to create strong next-generation

products and to provide the Best Technical Service, specializing

our Corporate Philosophy of "We strive to contribute to the

In addition, we endeavor to implement appropriate balance

smartphones, the spread of EVs and autonomous driving and the

and be worth US$1 trillion in 2030. Along with the advancement of technology through further scaling and higher multi-layering of semiconductors

in logic, DRAM, NAND and so on, the semiconductor production equipment market, in which we operate, is also expected to expand

Wafer Fab Equipment Market

TSV Aimed at Sustainable Corporate Value Enhancement

With the 60th anniversary of Tokyo Electron approaching, last year we formulated a new Vision to become "a company filled with dreams and vitality that contributes to technological innovation in semiconductors." This new Vision is based on the idea of CSV (Creating Shared Value). The concept behind CSV is that, by using their unique resources and expertise to resolve social issues, companies can realize sustainable growth through the creation of social and economic value. The world is aiming for the coexistence of digitalization and decarbonization for preservation of the global environment. In order to build a strong and resilient society in which economic activities do not stop under any circumstances, and technological innovation in semiconductors is essential for this. We are expanding our business activities based on our TSV (TEL's Shared Value), our CSV, aiming for sustainable corporate value enhancement by leveraging the expertise we have cultivated as an industry leader, to drive semiconductor technological innovation.

As we implement TSV, in our Medium-term Management Plan we set fiscal 2027 financial targets aimed at further growth—an operating margin of 35% or more and ROE of 30% or more with dreams and vitality that contributes to technological innovation in semiconductors and to reduce environmental impact across the entire supply chain, mainly from the following three perspectives.

Pursuing higher performance and lower power consumption in semiconductors

Achieving both the process performance and environmental performance of equipment.

Reduction of CO2 emissions in all business activities

We have set net zero, the reduction of greenhouse gas actual emissions, as a long-term environmental goal and are implementing and accelerating our E-COMPASS initiatives to be able to realize net zero for Scope 1 and 2 emissions1 by 2040, and for Scope 3 emissions2 by 2050.

1 Scope 1 and 2: Emissions from the use of energy such as electricity in our own business activities

2 Dreams and expectations of the Company’s future

To achieve net sales of 3 trillion yen or more, operating margin of 35% or more, and ROE of 30% or more

opportunities to take on challenges

1 trillion yen or more in R&D investment over five years

Fair evaluations that recognize employee efforts and globally competitive rewards

Performance-linked compensation

Workplace with an open atmosphere and positive communication

Convening employee meetings and round-table discussions with employees globally

As one pillar of our management, we are also focusing on initiatives for diversity, equity and inclusion, in an effort to enhance 3G diversity (encompassing Global, Gender and Generation aspects).

Going forward, with the expectation of expanding applications for semiconductors in society and development of further innovation, it is important to nurture the students, researchers and other human resources who will lead future technological innovation. We are continuing efforts to boost human resource development in the semiconductor industry through the promotion of a program of industry-academia-government collaboration that includes collaboration with universities in Japan and abroad.

Aiming to Be a Company Filled with Dreams and Vitality

We look towards a prosperous future made possible by semiconductors, their ongoing evolution and the significant expansion of the semiconductor production equipment market that supports this. Tokyo Electron will make even greater contributions to the technological innovation in semiconductors, as the industry leader. As we mark the 60th anniversary of our company’s founding, we will continue tackling challenges for further growth and evolving, while valuing trust and reliability. We will aim to be “a company filled with dreams and vitality” so as to be cherished and deeply trusted by all stakeholders and so that our employees can fully exercise their motivation and capabilities.

We look forward to your continued support and patronage.

Representative Director, President & CEO

Toshiki Kawai
Corporate Principles System

Tokyo Electron has repeatedly revolutionized technology in a rapidly changing industry, continuing to grow together with the times. In 2013 we refined our Management Policies, which was established at the time of our founding as our starting point, and also newly defined the purpose of our existence on our Mission, Vision and Value, from a medium- to long-term perspective.

In 2022, we set forth a new Vision toward further future growth and re-defined our Corporate Principles system, which consists of a Mission, Vision and Value, from a medium- to long-term perspective.

We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support.

A company filled with dreams and vitality that contributes to technological innovation in semiconductors

Tokyo Electron pursues technological innovation in semiconductors that supports the sustainable development of the world.

We aim for medium- to long-term profit expansion and continuous corporate value enhancement by utilizing our expertise to continuously create high value-added leading-edge equipment and technical services.

Our corporate growth is enabled by people, and our employees both create and fulfill company values. We work to realize this Vision through engagement with our stakeholders.
**Company Overview**

Tokyo Electron operates worldwide as a leading company in semiconductor production equipment industry. By providing the Best Products, Best Technical Service, we are aiming for medium- to long-term profit expansion and continuous corporate value enhancement. We are also practicing our Corporate Philosophy by contributing to the development of a sustainable society.

**History**

1960s - Transition of Typical Applications of Semiconductor Manufacturing

1963: Tokyo Electron Laboratories, Inc. established with capital from Tokyo Broadcasting System.

1964: Tokyo Electron Laboratories acquires operating and selling rights for diffusion furnaces manufactured by Thermco Products Corp. (U.S.) and begins sales.


1969: Export of semiconductor production equipment begins.

1970s - Mainframe Computer

1978: Tokyo Electron Laboratories, Inc. establishes Tokyo Electron Ltd.

1979: Listed on the Second Section of the Tokyo Stock Exchange.

1980s - Single Chip Microprocessor


1984: Listed on the First Section of the Tokyo Stock Exchange.

1985: Enhanced the Group structure in Japan by, for example, establishing service and support system up overseas subsidiaries throughout the world to globalize operations.

1986: Export of semiconductor production equipment begins.

2000s - Mobile Phone

2003: Published integrated reports.

2006: Established "TEL UNIVERSITY" to strengthen human resource development.

2007: Enhanced "TEL Values" formulated as code of conduct.

2010s - Digital Home Electronics


2016: Enhanced the Group structure in Japan by, for example, establishing service and support systems overseas.

2019: Formulation of the Medium-term Management Plan to further enhance corporate value.

2020s - Digital × Green

2021: Completed the new "TEL UNIVERSITY" to strengthen human resource development.

2023: Completed "TEL Values" formulated as code of conduct.

**Semiconductor Manufacturing Process and Our Main Products**

- **Deposition**
  - Thermal Processing
  - ALD
  - Atomic Layer Deposition

- **Etching**
  - Plasma Etch
  - Wafer Probe
  - Wafer Dicing

- **Cleaning**
  - Etching
  - ABC Circuit
  - Wafer Bonding/Debonding

**Number of Employees by Region (Consolidated)**

- **Japan** 711 (4.1%)
- **North America** 2,209 (13.5%)
- **Europe** 121.6 (7.3%)
- **Asia** 527.4 (32.9%)
- **Taiwan** 432.6 (19.6%)
- **South Korea** 358.7 (16.2%)
- **Other** 4,847 (28.2%)

**Sales by Region (Consolidated)**

- **Southeast Asia, and Others** 121.6 (5.2%)
- **China** 572.4 (23.9%)
- **Europe** 184.2 (8.3%)
- **Japan** 239.9 (10.6%)
- **North America** 344.3 (15.6%)
- **Taiwan** 432.6 (19.6%)
- **South Korea** 358.7 (16.2%)
- **Other** 4,847 (28.2%)

**Number of Sites**

- **Japan** 6 companies at 27 sites
- **Overseas** 20 companies at 56 sites in 17 countries and regions
- **Worldwide total** 26 companies at 83 sites in 18 countries and regions (consolidated)

As of April 1, 2023, 239.9 billion yen (fiscal 2023)

**Number of Employees**

- **Japan** 711 (4.1%)
- **North America** 2,209 (13.5%)
- **Europe** 121.6 (7.3%)
- **Asia** 527.4 (32.9%)
- **Taiwan** 432.6 (19.6%)
- **South Korea** 358.7 (16.2%)
- **Other** 4,847 (28.2%)
A 3-for-1 stock split was conducted on April 1, 2023.

Net Income per Share
\[ \text{ROE} = \frac{\text{Net income attributable to owners of parent}}{\text{Average total equity}} \times 100 \]

Free cash flow = Cash flows from operating activities + Cash flows from investing activities

Operating Income and Operating Margin
- Operating income (Billions of yen)
- Operating margin (%)

R&D Expenses
- (Billions of yen)

Patents Owned
- (Patents)

Employee Retention Rates (Japan)
- (%)

Workplace Incidents per 200,000 Work Hours (TCIR*)
- (%)

Installation of Renewable Energy at Plants and Offices
- (%)

Highlights of Key Indicators for Continuous Corporate Value Enhancement

At Tokyo Electron, policy decisions and various judgments are made for our business activities by clarifying management indicators, which are important for medium- to long-term profit expansion and continuous corporate value enhancement, as well as conducting monitoring and analysis.

Net Sales and Gross Profit Margin
- Net sales (Billions of yen)
- Gross profit margin (%)

Operating Income and Operating Margin
- Operating income (Billions of yen)
- Operating margin (%)

R&D Expenses
- (Billions of yen)

Patents Owned
- (Patents)

Employee Retention Rates (Japan)
- (%)

Workplace Incidents per 200,000 Work Hours (TCIR*)
- (%)

Net Income per Share
- (Years)

Cash Dividends per Share
- (Years)

Net Income attributable to Owners of Parent and ROE
- Net income attributable to owners of parent (Billions of yen)
- ROE (%)