TOKYO ELECTRON

INTEGRATED REPORT 2025

Technology
Enabling
Life

TEL

Editorial Policy

Issuance of an Integrated Report

Tokyo Electron issues an integrated report for the purpose of reporting our medium- to long-term profit expansion and continuous corporate value enhancement. We are committed to accurately comprehending all of our stakeholders' demands and disclosing information in a timely and transparent manner, and we aim for even more enriching content.

Key Points for the Integrated Report 2025

POINT 1 Includes messages by each officer, such as the Corporate Officer and Division Officer, in addition to messages by the CEO and Division Officer of the Finance Division and explains business strategies and superiority

POINT 2 Clearly relays corporate governance initiatives by including messages from the Chairman of the Board of Directors and newly appointed members and the contents of roundtable with outside officers

POINT 3 Reviews important value chain themes and systematically organizes the value creation story by including initiatives that align with them

Scope	This report and related data cover the entire Tokyo Electron Group (26 consolidated companies), with the exception of some domestic (Japan-exclusive) content.
Reference Guidelines	● IFRS Foundation: Integrated Reporting Framework, IFRS S1 and S2, SASB Standards ● Ministry of Economy, Trade and Industry: Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation ● Global Reporting Initiative (GRI): GRI Standards ● Ministry of the Environment, Government of Japan: Environmental Reporting Guideline 2018 ● Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
Issued Date	September 2025
Period Covered	Fiscal 2025 (April 1, 2024 to March 31, 2025), some content also covers fiscal 2026
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Main Company-related Information Disclosures

Consolidated Financial Statements www.tel.com/ir/library/consolidated-financial-statements/	Medium-term Management Plan www.tel.com/ir/policy/mplan/	Data Book www.tel.com/ir/library/fb/
Integrated Report **www.tel.com/ir/library/ar/**		
Sustainability Website www.tel.com/sustainability/index.html	Corporate Governance Guidelines and Report www.tel.com/about/cg/index.html	Corporate Profile www.tel.com/files/about/library/pv8va20000001ffv-att/corporate_guide_e.pdf

Contents

Chapter 1 About Tokyo Electron

Chapter 2 Value Creation Story

Chapter 3 Value Creation by the Value Chain

Chapter 4 Toward Further Growth

Data Section

CEO's Message

Toshiki Kawai
Representative Director,
President & CEO

I would like to start by thanking all our stakeholders for their constant support. Since 1963, the year that Tokyo Electron was founded, we have achieved growth by contributing to the development of the semiconductor industry through our pioneering and innovative technologies, while quickly responding to changes in the business environment. We owe what our company is today entirely to the support of our stakeholders. We are endeavoring to expand medium- to long-term profit and to continuously enhance our corporate value by putting into practice our Corporate Philosophy of "We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support."

Business Environment in Which We Operate

As shown by a dramatic increase in the utilization of artificial intelligence (AI) with the recent arrival of generative AI, the relationships between digital technologies and our daily lives and every industry are now closer than ever. As a result, the role of semiconductors and related technological innovation are becoming increasingly important. While the semiconductor device market has grown to approximately US$630 billion[1] as of 2024, it is forecast to reach approximately US$1 trillion[2] by around 2030.

On the other hand, it is expected that the many different AI-based applications arriving going forward will not only require higher data processing capabilities but will also increase power consumption, raising concerns about a growing burden on the environment. For this reason, innovative technologies are needed to not only achieve higher speeds, larger capacity and superior reliability in semiconductors, but lower power consumption as well. New high-value-added equipment and technical services will be essential for technological innovation in semiconductors, so the semiconductor production equipment market in which we operate is also expected to grow considerably going forward.

1 Source: World Semiconductor Trade Statistics (WSTS)
2 Estimated by Tokyo Electron

Our Vision and Medium-term Management Plan

We have established a Vision: "A company filled with dreams and vitality that contributes to technological innovation in semiconductors," which is based on the CSV (Creating Shared Value)[3] approach. To build a strong and resilient society in which economic activities do not stop under any circumstances, we have defined our own CSV as TSV (TEL's Shared Value), through which we strive to create social and economic value. Leveraging our expertise as a semiconductor production equipment manufacturer, we will contribute to technological innovation in semiconductors that will support digitalization and decarbonization for preservation of the global environment.

As part of our Medium-term Management Plan for realizing our Vision, we have set fiscal 2027 financial targets for an operating margin of 35% or more and ROE of 30% or more, with net sales of 3 trillion yen or more. Despite risks that need our attention, including geopolitical trends such as friction and tariffs between the U.S. and China, the Russia-Ukraine war, and conflicts in the Middle East, and global inflation, the importance of semiconductors for the future will remain unchanged. We therefore aim to achieve our Medium-term Management Plan by providing new high-value-added products and technical services in the areas of semiconductor scaling and advanced packaging. These efforts will center on a broad product lineup leveraging our track record as the industry's largest installed base (cumulative total of more than 96,000 units[4]) with the industry's largest number of patents (approximately 25,000 patents[4]).

We have also established, and are currently implementing, a growth investment plan to refine our strengths and maximize future growth opportunities. We plan to spend 1.5 trillion yen or more on R&D investment and 700 billion yen or more on capital expenditures while recruiting 10,000 employees globally, over five years from fiscal 2025.

3 The CSV approach aims to create social and economic value, enhance corporate value, and realize sustainable growth by leveraging company expertise to address social challenges.
4 As of the end of March 2025

Human Resource-related Initiatives

We believe that "our corporate growth is enabled by people, and our employees both create and fulfill company values." Based on this belief, we practice motivation-oriented management to increase employee motivation and engagement with the company so that they can fully exercise their capabilities, centered on the following five points.

About Tokyo Electron

CEO's Message

The Five Points and Main Activities for Motivation-oriented Management

1 Awareness that our company and work contributes to the development of industry and society

- TEL's Shared Value: Contribution to technological innovation in semiconductors that will support digitalization and decarbonization for preservation of the global environment

2 Dreams and expectations of the Company's future

- Group-wide pursuit of world-class profit margins based on the Medium-term Management Plan

3 Opportunities to take on challenges

- Implementation of growth investments, including proactive R&D Investment based on world-class profits

4 Fair evaluations that recognize employee efforts and globally competitive rewards

- Adoption of a performance-linked compensation system based on world-class operating income

5 Workplace with an open atmosphere and positive communication

- Regular communication between employees and senior management, including through employee meetings and roundtable discussions

In addition, we are working to secure a diverse workforce in line with our "ONE TEL, DIFFERENT TOGETHER™" slogan while keeping 3G (Global, Gender, Generation) in mind, while also improving work-life balance, implementing measures to create career paths for employees, and enhancing educational programs.

As a leading company in this industry, we are actively engaged in the education of students, researchers, and others responsible for the future of the semiconductor industry, which we consider to be our mission. We will contribute to the sustainable development of the semiconductor industry by helping to develop the next generation of semiconductor talent. We will do this by supporting various industry-academia collaborations, including by participating in the U.S.-Japan University Partnership for Workforce Advancement and Research & Development in Semiconductors (UPWARDS).

Environment-related Initiatives

With the importance of preserving the global environment grows even more in society, we are working to reduce environmental impact, and above all achieve decarbonization, in all of our business activities to contribute toward realization of a sustainable society. We have therefore set ourselves the goal of net zero greenhouse gas emissions by 2040. As part of this initiative, we are targeting a rate of 100% renewable energy usage at all of our plants and offices. We achieved this target in Japan during fiscal 2023, while our global usage is currently at 89% (fiscal 2025).

In addition to our own emissions, we are also working with our customers and partner companies to reduce environmental impacts across the entire product lifecycle[5]. As part of this, we are implementing the E-COMPASS[6] initiative, which focuses on the environment, to achieve technological innovation in semiconductors, and reduce their environmental impact throughout the entire supply chain.

5 Product lifecycle: The value chain from product planning, development, and design, through procurement, manufacturing, logistics, customer use, maintenance and service, to disposal
6 E-COMPASS: Environmental Co-Creation by Material, Process and Subcomponent Solutions

Governance-related Initiatives

We aim to achieve short-term and medium- to long-term profit expansion and continuous corporate value enhancement, so we apply a basic management policy that we call "double-offensive governance." The first "offensive" refers to an aggressive style of business activities. We consider profit to be an important measure of value in our products and services, so we always pursue a world-class operating margin and ROE by providing the Best Products with innovative technology, and the Best Technical Service with high added value. We have defined 14 material issues, that we work on with priority, as key items in conducting our aggressive style of business activities.

The second "offensive" refers to an aggressive style of building a management foundation. Fundamental to all corporate activities is the strengthening and enhancement of safety, quality, legal compliance, engagement with employees and other stakeholders, and security, and we aim to make them our own strengths. We have identified 16 risks that we may face when conducting business, including four newly added in fiscal 2025, and we are conducting appropriate risk management not only to minimize their impacts but also to turn them into business opportunities.

Through this "double-offensive governance," we aim to contribute to technological innovation in semiconductors while becoming the truly excellent global company that the world needs.

Aiming to Become a Company That Is Cherished and Trusted by All Stakeholders

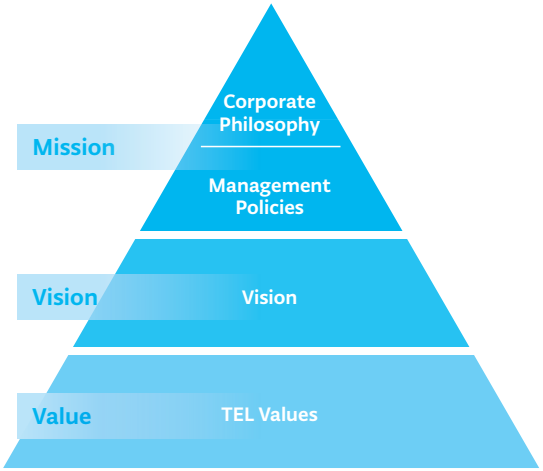
In terms of a prosperous future made possible by semiconductors and their ongoing evolution, we have now entered a new growth phase in the semiconductor production equipment market that supports them. To achieve our goal of becoming number one globally, we will continue to take on challenges and evolve, create high-value-added technologies that the world has never seen and only we can, and provide them to society. We will also strive to become a company that is cherished and deeply trusted by all stakeholders, and that continues to be a company filled with dreams and vitality.

We look forward to your continued support and patronage.

Representative Director,
President & CEO

Corporate Principles System

The Corporate Principles system at Tokyo Electron summarizes the basis of our management style throughout our growth from the time since our founding in 1963 to the present day. From a medium- to long-term perspective, it expresses our mission as a company and the values and behaviors necessary to fulfill our goals, and consists of our Mission, Vision and Value.



Mission

Corporate Philosophy The purpose of our existence and mission in society

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

People. Technology. Commitment.™

Management Policies The logic that underscores general rules of management

Profit is Essential
The TEL Group aims to contribute to the development of society and industry and to the enhancement of corporate value while continually pursuing profit.

Scope of Business
The TEL Group leads markets by providing high-quality products in leading-edge technology fields with a focus on electronics.

Growth Philosophy
We will tirelessly take on the challenges of technological innovation to achieve continuous growth through business expansion and market creation.

Quality and Service
The TEL Group strives to understand the true needs to achieve customer satisfaction and secure customer trust while continuously improving quality and service.

Employees
The TEL Group's employees both create and fulfill company values, performing their work with creativity, a sense of responsibility, and a commitment to teamwork.

Organizations
The TEL Group builds optimal organizations that maximize corporate value in which all employees can realize their full potential.

Safety, Health, and the Environment
The TEL Group gives the highest consideration to the safety and health of every person connected with our business activities as well as to the global environment.

Social Responsibility
Feeling a strong sense of corporate social responsibility, we strive to gain the esteem of society and to be a company where our employees are proud to work.

Vision

Vision Medium- to long-term business aspirations based on our Corporate Philosophy and Management Policies

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.

Value

TEL Values Attitudes, codes of conduct, and values to be observed by each employee

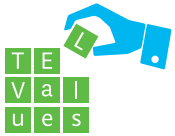
Pride We take pride in providing high-value products and services.

Challenge We accept the challenge of going beyond what others are doing in pursuing our goal of becoming number one globally.

Ownership We will keep ownership in mind as we think things through, and engage in thorough implementation in order to achieve our goals.

Teamwork We respect each other's individuality and we place a high priority on teamwork.

Awareness We must have awareness and accept responsibility for our behavior as respectful members of society.



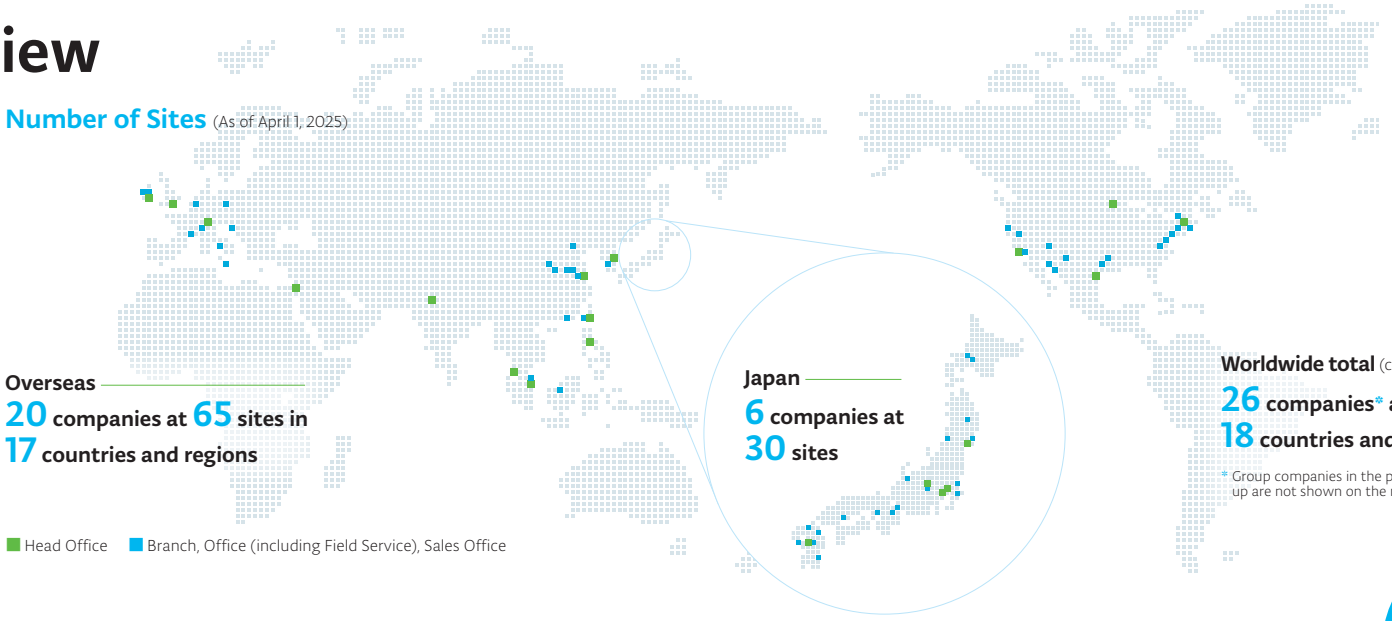
We have established the TEL Values as a foundation for our operations, and we will continue to develop them accordingly in the future.

"TEL Values" on our website www.tel.com/sustainability/management-foundation/human-resource/#values

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 through our business.

Number of Sites (As of April 1, 2025)



History

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

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

1968
TEL-Thermco Engineering Co., Ltd. began domestic production of diffusion furnaces

1978
Tokyo Electron Laboratories, Inc. renamed Tokyo Electron Ltd.

1980
Listed on the Second Section of the Tokyo Stock Exchange

1984
Listed on the First Section of the Tokyo Stock Exchange

1986
Export of semiconductor production equipment begins

1990s
Enhanced the Group structure in Japan by, for example, establishing service and manufacturing companies, and set up overseas subsidiaries throughout the world to globalize operations

1990
Tokyo Electron (TEL) marks a major move into development and marketing of FPD production equipment

1994
Started direct sales and support systems overseas

1999
Category of industry on the Tokyo Stock Exchange First Section changed from "Wholesale Trade" to "Electric Appliances"

2006
"TEL Values" formulated as code of conduct

2007
Established "TEL UNIVERSITY" to strengthen human resource development

2015
Establishment of Tokyo Electron Corporate Governance Guidelines

Re-emergence as the New TEL (Vision, Medium-term Management Plan formulated and new Corporate Logo created)

2021
Began publishing integrated reports

2022
Listed on the Prime Market of the Tokyo Stock Exchange

JPX PRIME TOKYO

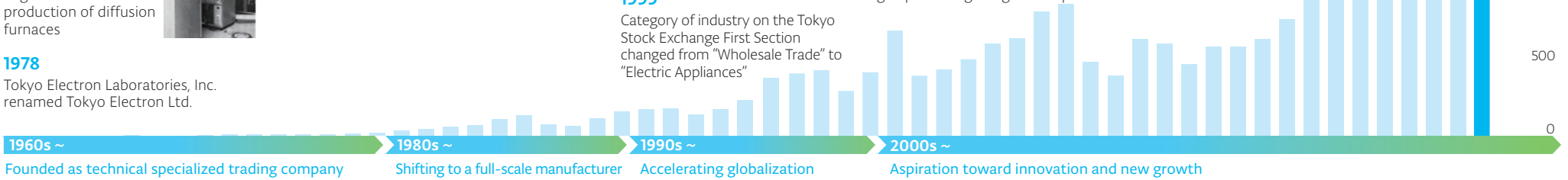
Formulated the new Vision and Medium-term Management Plan

"Technology Enabling Life" formulated as corporate message

Technology Enabling Life

2023
60th anniversary of the foundation

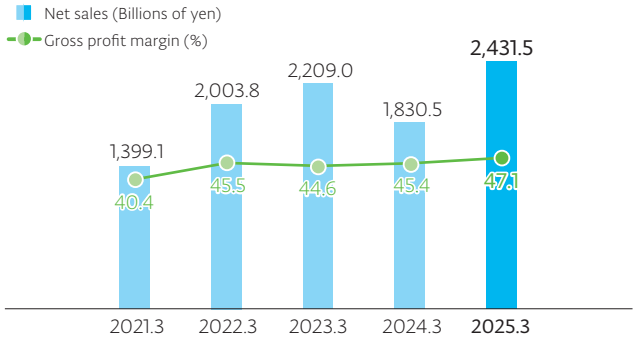
Net Sales
2,431.5 billion yen
Fiscal 2025



Highlights of Key Indicators for Continuous Corporate Value Enhancement

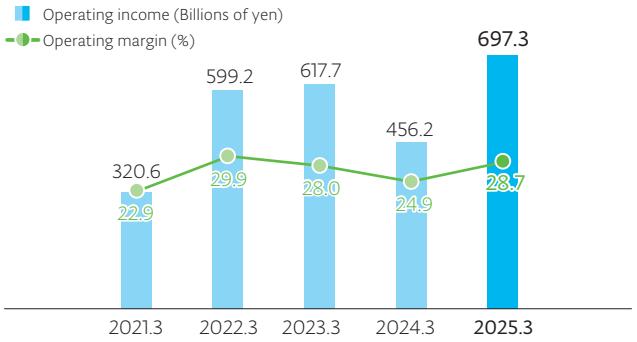
At Tokyo Electron, policies and various judgments are made for our business activities by clarifying, monitoring and analyzing management indicators, which are important for medium- to long-term profit expansion and continuous corporate value enhancement.

Net Sales and Gross Profit Margin



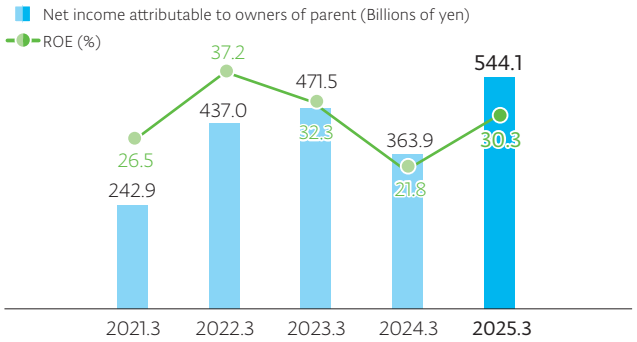
Achieved a new net sales record, backed by active capital investment in the logic/foundry and DRAM. Rising sales ratios for products with high profit margins contributed to higher gross profit margins.

Operating Income and Operating Margin



While we proactively invested in R&D aimed at future growth, we also achieved a record gross profit margin, which contributed to our operating profit margin improvement.

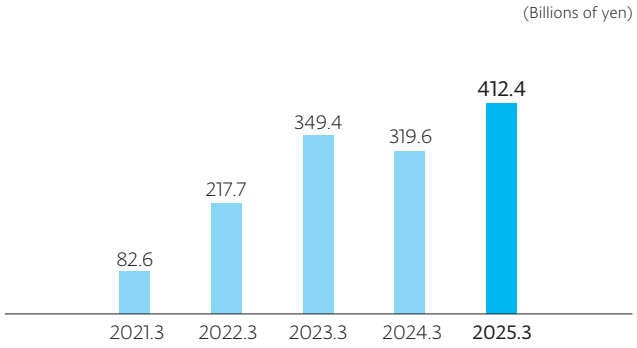
Net Income Attributable to Owners of Parent and ROE[1]



Achieved our Medium-term Management Plan target of ROE 30% or more through profit margin improvements and balance sheet management.

1 ROE = Net income attributable to owners of parent/Average total equity × 100

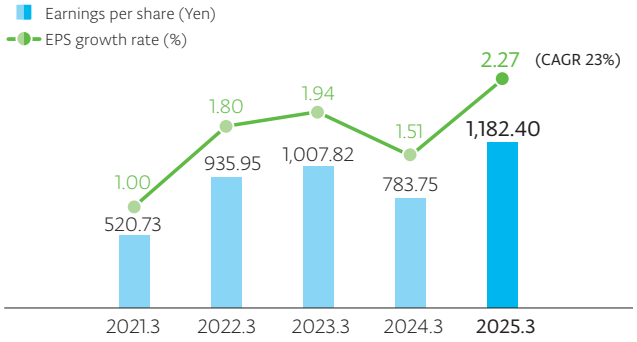
Free Cash Flow[2]



Achieved record high free cash flow through the successful balancing of high levels of cash generation from business activities and investments focused on future growth.

2 Free cash flow = Cash flows from operating activities + Cash flows from investing activities (excluding changes in time deposits and short-term investments)

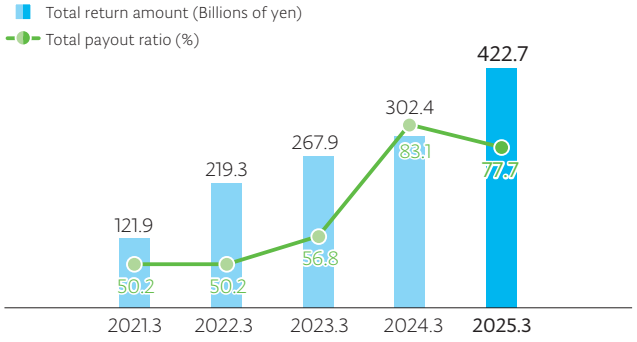
Earnings per Share (EPS)[3] and EPS Growth Rate[4]



Earnings per share is steadily growing, and the compound annual growth rate (CAGR) was 23%.

3 Figures reflect the stock split implemented on April 1, 2023.
4 EPS growth rates for each period are indicated in multiples with fiscal 2021 as the reference year.

Total Return Amount and Total Payout Ratio



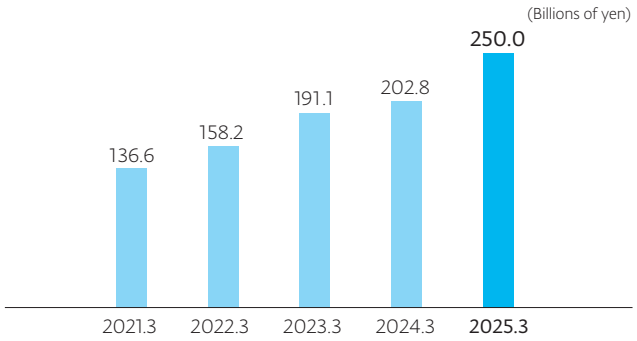
The total shareholder returns surpassed 400 billion yen as a result of the payment of dividends based on our shareholder return policy of a payout ratio of 50%[5], and by conducting share repurchases[6] twice in fiscal 2025.

5 However, ensure the amount of annual dividend per share is not less than 50 yen, and consider reviewing the dividend policy if net income is not generated for two consecutive fiscal years.
6 Share repurchase: Will be considered flexibly.

About Tokyo Electron

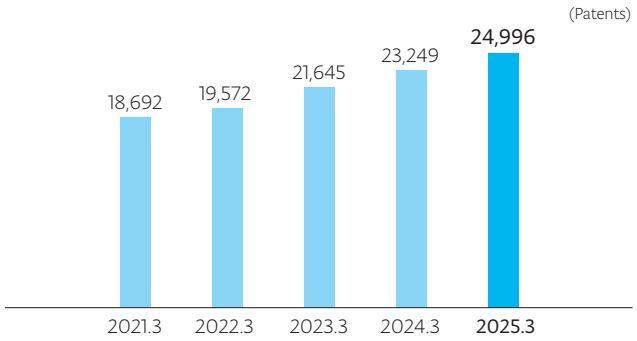
Highlights of Key Indicators for Continuous Corporate Value Enhancement

R&D Expenses



We made an R&D investment of 250.0 billion yen in fiscal 2025, a 23.2% year-on-year increase and made steady progress toward achieving the target of 1 trillion yen or more set out in the Medium-term Management Plan. As further growth investments, we are investing over 1.5 trillion yen in R&D over the five years from fiscal 2025.

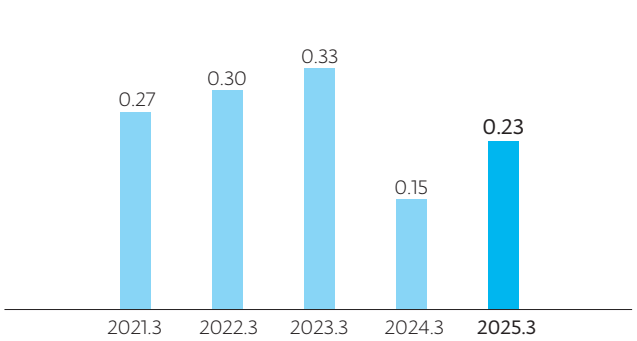
Patents Owned[1]



In terms of number of patents owned, we are No. 1 in the semiconductor production equipment industry with 24,996 patents owned as of the end of March 2025. We built a competitive intellectual property portfolio in terms of both quantity and quality, maintaining a competitive advantage in the intellectual property field on a global level.

1 Figures for fiscal 2021 to fiscal 2022 are based on our database; figures for fiscal 2023 and beyond are based on LexisNexis® PatentSight+ database.

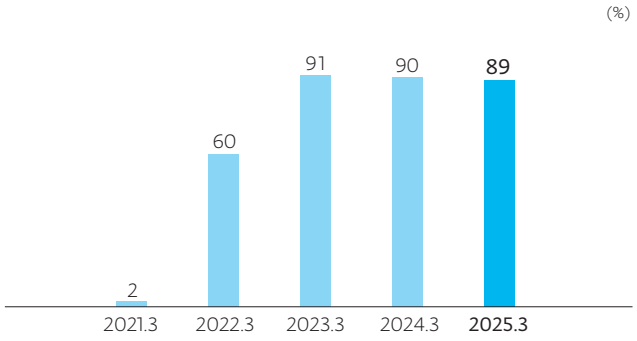
Workplace Incidents per 200,000 Work Hours (TCIR[2])



In fiscal 2025, through enhancement of safety training and continuous efforts toward safe design of equipment, we achieved a TCIR of 0.23, an industry-leading position in the semiconductor production equipment industry. With "Safety First" as our slogan, we are pushing ahead with various activities towards achieving the target in our Medium-term Management Plan of less than 0.10.

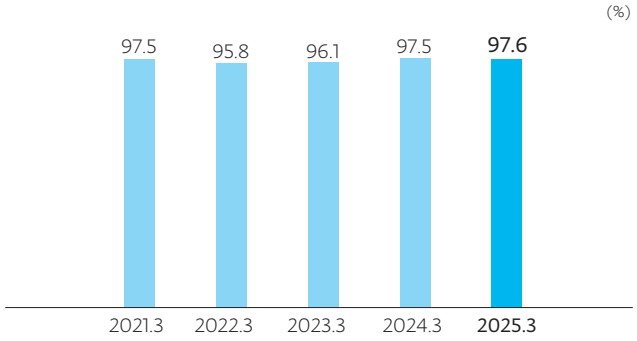
2 TCIR: Total Case Incident Rate

Renewable Energy Usage at Plants and Offices



Our renewable energy usage was 89% on a global basis as of fiscal 2025 (100% for Japan). We aim to reach 100% on a global basis by fiscal 2031 by promoting the introduction of renewable energy throughout Asia.

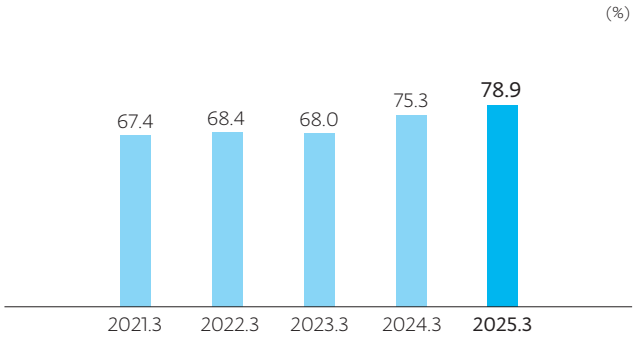
Employee Retention Rates[3]



Our employee retention rate stayed high at 97.6% on a global basis in fiscal 2025. Recognizing that our employees both create and fulfill company values, we continued to effectively develop initiatives aimed at further improving employee engagement.

3 Calculated using data on turnover rate

Annual Paid Leave Utilization Rate

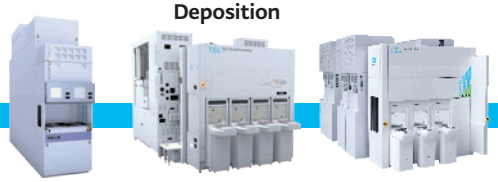


The annual paid leave utilization rate was 78.9% on a global basis in fiscal 2025. Utilization rates are reported periodically to managers and we are promoting the creation of working environments that make it easy for individuals to utilize leave such as by making adjustments to work allocation.

Semiconductor Manufacturing Process and Our Main Products

Wafer Process (Front-end) Assembly and Test Process (Back-end)

Deposition



Thermal Processing System
TELINDY PLUS™

Atomic Layer Deposition System
NT333™

Single Wafer Deposition System
Episode™ 1

Lithography (Photoresist coating, Development)

Coater/Developer
CLEAN TRACK™
LITHIUS Pro™ Z

Etching

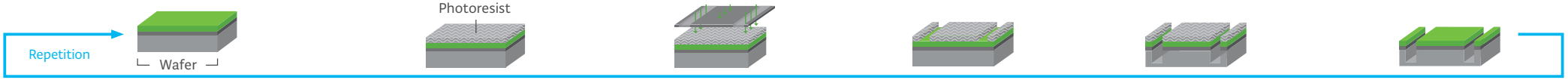
Plasma Etch System
Tactras™

Plasma Etch System
Episode™ UL

Gas Chemical Etch System
Certas LEAGA™

Cleaning

Single Wafer Cleaning System
CELLESTA™ - i



Film Deposition

Thin films such as silicon dioxide, silicon nitride, metal and others are deposited by thermal oxidation, CVD[1] and/or ALD[2] on the wafer surface.

1 CVD: Chemical Vapor Deposition
2 ALD: Atomic Layer Deposition

Photoresist[3] Coating

While the wafer is rotated at a high speed, a thin layer of photoresist is coated uniformly on its surface.

3 Photoresist: A light-sensitive material that changes its properties when exposed to ultraviolet (UV) light.

Exposure

To transfer the integrated circuit pattern onto a wafer, equipment called stepper irradiates UV light on the photoresist layer through a patterned photomask aligned over the wafer.

Development

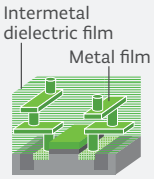
Developing exposed photoresist leaves a particular pattern on a wafer according to the reticle (photomask) being used.

Etching

A plasma etch system or plasma-less gas chemical etch system etches the dielectric silicon dioxide, silicon nitride, silicon, or other material, guided by the pattern created using lithography, to form the required patterns.

Ashing/Cleaning

In a post-etch process, the residual photoresist is removed, and the wafer is soaked into chemical solvents to remove particles and impurities on the wafer.



Completed Transistor and Wiring

Bonding

Wafer Bonding System
Synapse™ Si

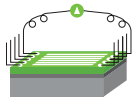
Wafer Edge Trimming System/ Extreme Laser Lift Off System
Ulucus™ L / Ulucus™ LX

In some cases, multiple wafers with transistors and wires are bonded to each other to create a single integrated circuit.

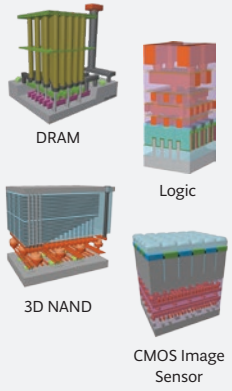
Wafer Probe Testing

Wafer Prober
Prexa™

Multi-Cell Test System
Cellcia™



Each IC is tested to find any imperfect chip.



Completed Integrated Circuit

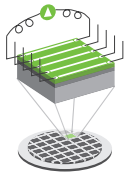
Wafer Bonding/ Debonding

Wafer Bonding System/ Wafer Debonding System
Synapse™ V / Synapse™ Z Plus

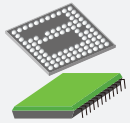
After fabricating redistribution layers and bonding pads (bumps), a support substrate may be temporarily bonded to the device wafer to thin the back surface, and is then removed by a debonding system.

Inspection

Wafer/Dicing Frame Prober
WDF™ 12DP+



Each diced chip is examined to determine whether it can be assembled into the package.



The chips are attached to package substrates or lead frames, and are sealed with ceramic or plastic.

Completed Semiconductor Packaging

Characteristics of Semiconductor Production Equipment Business

In recent years, the transition to a data-driven society using AI is accelerating, making semiconductors crucial to the foundation that supports society, and the semiconductor market is forecast to reach approximately US$1 trillion by around 2030. With the continuous expansion of digital technology usage across a wide array of fields, technological innovation in semiconductors is advancing even further, significantly increasing the importance of semiconductor production equipment.

Under such circumstances, it is vital for semiconductor production equipment manufacturers to utilize specialized expertise in a variety of fields, including electronics, mechanics, process and software and develop equipment with the world's highest performance to continuously expand business. This requires comprehending the needs of customers early on based on a solid relationship of mutual trust and engaging in R&D with a medium- to long-term perspective. In addition, we must advance co-creation with academia and consortiums engaged in creating leading-edge technologies and carry out R&D at a global level. Recruitment and fostering of excellent human resources, expansion of capital investment and building a solid management and financial foundation are essential to perform these activities consistently and effectively.

There is also a need for high-value-added technical services that support the stable operation and high productivity of semiconductor production equipment. To achieve high productivity while reducing environmental impact, there has been a proactive push toward digital transformation (DX), such as the use of AI.

In addition to these aspects, it is crucial to strengthen partnerships within the entire supply chain such as parts and materials supply, equipment assembly and adjustment, customs clearance and logistics.

Going forward, semiconductor production equipment manufacturers may be increasingly expected to contribute to the development of high-performance, low-power semiconductors and to provide manufacturing technologies that combine high productivity with reduced environmental impact.

Technological innovations in semiconductors driving the growth of the production equipment market

Requirements of semiconductor production equipment manufacturers

- Specialized expertise in a variety of fields, including electronics, mechanics, process and software
- Development of equipment with highest performance that realizes technological innovations
- Solid relationship of mutual trust with customers
- Recruitment and fostering of excellent human resources
- R&D with a medium- to long-term perspective and solid management and financial foundations to support it
- Provision of high-value-added technical services
- Building of sustainable supply chains
- Measures to reduce environmental impact

Material Issues

By practicing our Corporate Philosophy through the realization of our Vision, we aim to expand medium- to long-term profit and to continuously enhance our corporate value; to that end, we have identified key items that should be worked on with priority as our material issues, and these are reviewed each year. Additionally, we are working continuously to create new value through the value chain of our business activities anchored around material issues.

Key items to be worked on with priority (material issues)

- **Practice of our Corporate Philosophy through the realization of our Vision**
- **Medium- to long-term profit expansion and continuous corporate value enhancement**

Material Issues Identification Process

Analyze Environment and Determine Issues

We analyze the status of social issues and the SDGs, business environments, the results of engagement with stakeholders[1], and key risks in our business activities[2] to determine issues that could become our material issues.

Social Issues

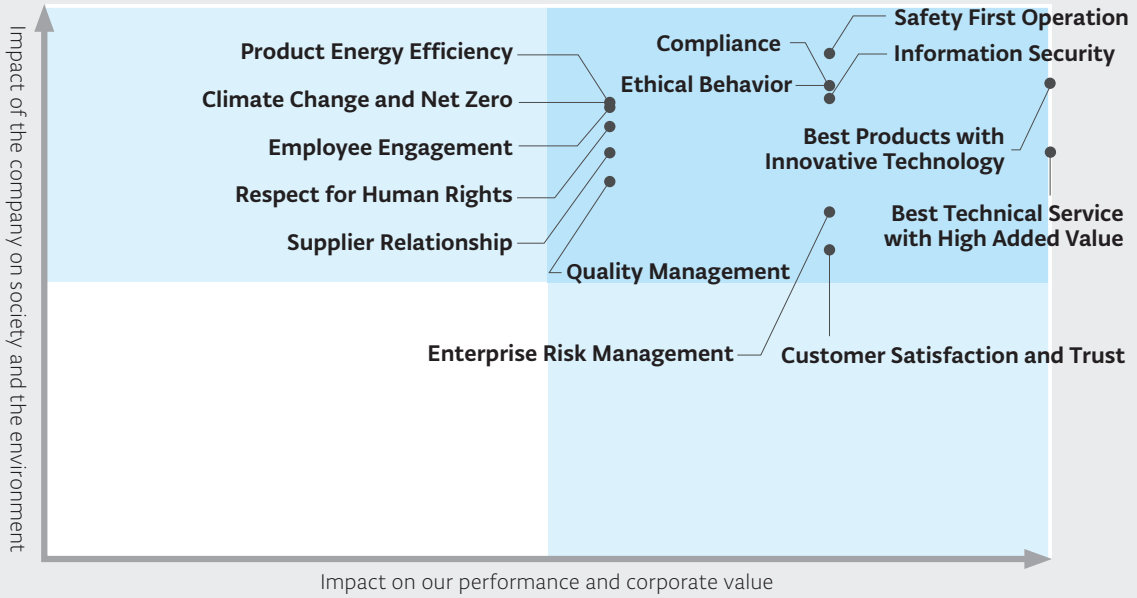
- Climate change, human rights issues, poverty, educational inequality, interstate conflicts and geopolitical confrontations, migrant and refugee issues, supply chain management, technology and ethics, cybersecurity, inflation, etc.

Business Environment

- Further expansion of semiconductors and semiconductor production equipment markets due to the rapid transition to a data-driven society centered on AI development, initiatives for the preservation of the global environment, human rights initiatives, further strengthening of corporate governance, etc.

Prioritizing/Mapping

Determined issues are prioritized, then evaluated and mapped on two axes: "Impact of the company on society and the environment," taking into account stakeholder impact and interest, and "Impact on our performance and corporate value," focusing on continuously enhancing corporate value.



Identifying Material Issues

We identified key items as material issues following discussions and decisions by the Corporate Officers Meeting, participated in by the CEO, and a report to and approval of the Board of Directors.
In addition, we confirmed the material issues' relation to key indicators for continuous corporate value enhancement[3] and the 16 major risk items, as well as the SDGs to be addressed.
Furthermore, we organized the relation between the value chain and material issues.

We obtain the advice of a third party specialist regarding consideration of the process by which we identify material issues.

1 Stakeholder Engagement P. 23
2 Risk Management P. 71-72
3 Key Indicators for Continuous Corporate Value Enhancement P. 19-20

Material Issues

Identified Material Issues

Material Issues	Impact on Our Company	Impact on Society	SDGs to Be Addressed
Climate Change and Net Zero	Reduce the environmental impact of business activities, products and services to achieve net zero emissions	Create new opportunities by reducing climate change risks	7, 13
Product Energy Efficiency	Achieve both the environmental performance and process performance of products	Preserve the global environment by providing environmentally friendly products	12, 13
Best Products with Innovative Technology	Establish superiority by creating high-value-added products with innovative technology	Promote innovation and development of society through the evolution of semiconductors	9, 13
Best Technical Service with High Added Value	Expand business opportunities by providing advanced field solutions that solve customer issues	Improve semiconductor device yield and productivity, and maximize equipment utilization rates	9, 12
Customer Satisfaction and Trust	Pursue customer satisfaction and build relationships of absolute trust as a sole strategic partner	Drive new innovations and further revitalize industry by providing added value	8, 17
Supplier Relationship	Carry out activities such as development, improvement and quality improvement through collaboration	Maintain soundness and strengthen competitiveness throughout the supply chain	9, 17
Respect for Human Rights	Reduce human rights risks and respect individual dignity in business activities	Solve social issues such as discrimination, inequality, and those related to labor and safety	10, 16

Material Issues	Impact on Our Company	Impact on Society	SDGs to Be Addressed
Employee Engagement	Create a workplace environment where individuals can maximize their abilities and work actively	Promote economic growth by building relationships of mutual trust with stakeholders	8
Safety First Operation	Achieve sustainable operations by putting safety first	Establish safety as a social foundation	12
Quality Management	Pursue management efficiency through quality-focused operations	Strengthen productivity and competitiveness through quality improvement	12
Compliance	Comply with laws, regulations, industry codes of conduct, etc. as the basis for corporate reliability and sustainable growth	Improve soundness of society by realizing social responsibility	16
Ethical Behavior	Strive to be a company with a strong sense of corporate social responsibility where our employees can take pride in their work and feel happy	Form a fair and orderly society	16
Information Security	Balance data utilization and information security by promptly tackling cyberattacks, information leaks, etc.	Ensure information security without sacrificing convenience	9
Enterprise Risk Management	Aim for sustainable growth by appropriately responding to business risks and their impacts	Sustainably develop the economy and society by eliminating and reducing risks	8, 9

The Driving Forces of Growth and Strengths behind Our Company

From its founding, we have treasured the trust and reliability of our stakeholders, which serves as the foundation for our unique business model. We have also developed three key driving forces of growth: "abundant technological capabilities cultivated as an industry leader," "absolute trust from customers based on our reliable technical services" and "challenging spirit of our employees, who are capable of flexibly and rapidly adapting to changes in the environment." We aim for further growth by maximizing the strengths created by these driving forces in our business activities.

The Driving Forces of Growth behind Our Company

Driving Force 1

Abundant technological capabilities cultivated as an industry leader

We generate innovative and diverse technologies through in-house development and joint development with our customers and collaboration with world-leading consortiums through proactive investment in R&D

Driving Force 2

Absolute trust from customers based on our reliable technical services

Striving to further improve customer satisfaction by providing high quality and highly efficient service, we will be the sole strategic partner for our customers

Driving Force 3

Challenging spirit of our employees, who are capable of flexibly and rapidly adapting to changes in the environment

Based on the idea that "our corporate growth is enabled by people, and our employees both create and fulfill company values," we promote management that emphasizes employee motivation, and realize a company filled with dreams and vitality

Strengths

Having Advanced Products for the Four Key Processes

The manufacturer with advanced products for the four key processes necessary for semiconductor scaling: deposition, coater/developer, etch and cleaning

100%

100% share[1] of coater/developer for EUV[2] lithography, which are necessary for semiconductor evolution

1 Tokyo Electron's estimate
2 EUV: Extreme Ultraviolet. A semiconductor industry term for an exposure technology that uses a specific wavelength of 13.5 nm.

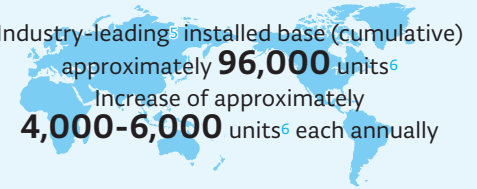
No.1/No.2

Our product lines are strongly positioned in their respective segments, all of which having achieved first or second place in market share[3]

3 Tokyo Electron's estimate
4 Our product lines in respective segments: Diffusion furnace includes thermal processing, batch deposition includes ALD (Atomic Layer Deposition) and CVD (Chemical Vapor Deposition), metal deposition includes single wafer deposition, and cleaning includes single wafer cleaning and batch cleaning.

No.1

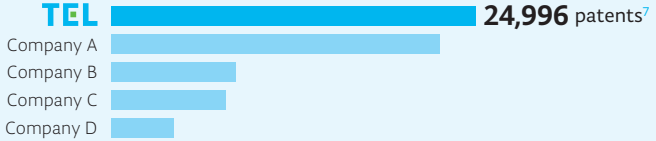
Based on relationships of absolute trust with customers, technical service and marketing developed taking advantage of the highest number of installations in the industry[5]



5 Tokyo Electron's estimate
6 As of the end of March 2025

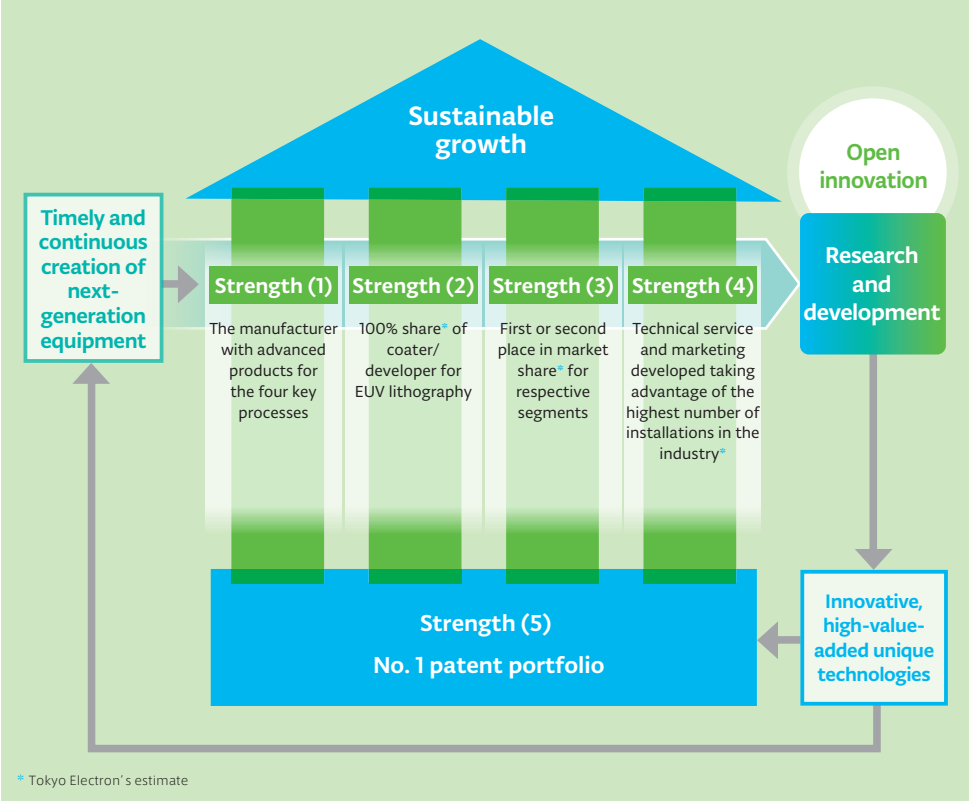
No.1

Globally No. 1 patents owned in the semiconductor production equipment industry



7 As of the end of March 2025
The figure is based on LexisNexis® PatentSight+ database.

Intellectual Property and Intangible Assets



Positioning and Initiatives of Intellectual Property and Intangible Assets

It is crucial that we strengthen R&D to achieve sustainable growth in the semiconductor industry where growth is driven by technological innovation. The source of the superior competitiveness of our products lies in our pursuit of R&D utilizing our four strengths (Diagram (1) to (4)). In addition, we produce innovative and high-value-added unique technology by actively engaging in collaborations (open innovation) with domestic and international customers, consortiums and academia, and incorporating diverse knowledge and technologies in our R&D. This enables the timely and continuous creation of next-generation equipment, which is the lifeline of our company, and the strategic construction of our patent portfolio (Diagram (5)), which is our fifth strength.

The number of inventions that we created in 2024 was 1,331 in Japan and 296 overseas, and our global patent application rate has been approximately 75% for 6 consecutive years. The allowance rate[1] of the filed patents was 77% in Japan and 86% in the United States, and in terms of the number of patents owned, we have maintained our No. 1 ranking in the semiconductor production equipment industry, with 24,996 patents owned as of March 31, 2025. Our patent portfolio has also been rated highly for aspects such as impact on other companies and improved technological value. We have continuously been selected in the Clarivate Top 100 Global Innovators 2025 and the LexisNexis Innovation Momentum 2025: The Global Top 100. Such a competitive patent portfolio contributes to the differentiation of our products and the building of unshakable relations of trust with our customers. In addition, by supporting our four strengths, it serves a vital role as the foundation for improving medium- to long-term corporate value, driving our sustainable growth.

Top 100 Global Innovator 2025
Clarivate

Furthermore, we have set up an inventor prize program[2] to promote intellectual property creation activities by our inventors who drive the competitive advantage of our intellectual portfolio. By recognizing inventors at various stages, from those who have made their first patent application after entering the company to those who are exceptional and exemplary inventors, we aim to continuously improve the competitiveness of our products while passing on the spirit of invention to young inventors and promoting intellectual property creation activities.

1 Figures calculated in 2024

2 "Inventor Prize Program" on our website www.tel.com/rd/intellectualproperty/index.html

Intellectual Property Governance System

We are strengthening our intellectual property portfolio, that accurately reflects technological innovation and market needs, through collaboration between the intellectual property department at the head office with those stationed in major domestic and overseas development sites, as well as with R&D departments and business departments. Also, Intellectual property activities and intellectual property risks are regularly reported at the Board of Directors meetings and Corporate Officers Meetings. We strive for an even stronger intellectual property governance system through collaboration with management.

Medium-term Management Plan

Amid the dizzyingly fast technological innovation of the electronics industry, Tokyo Electron, as the leading company in semiconductor production equipment, is expanding its business based on our Corporate Philosophy: "We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support." In fiscal 2023, we formulated a new Vision aimed at further growth to become "A company filled with dreams and vitality that contributes to technological innovation in semiconductors," announced our Medium-term Management Plan and implement various initiatives toward its achievement.

Financial Targets

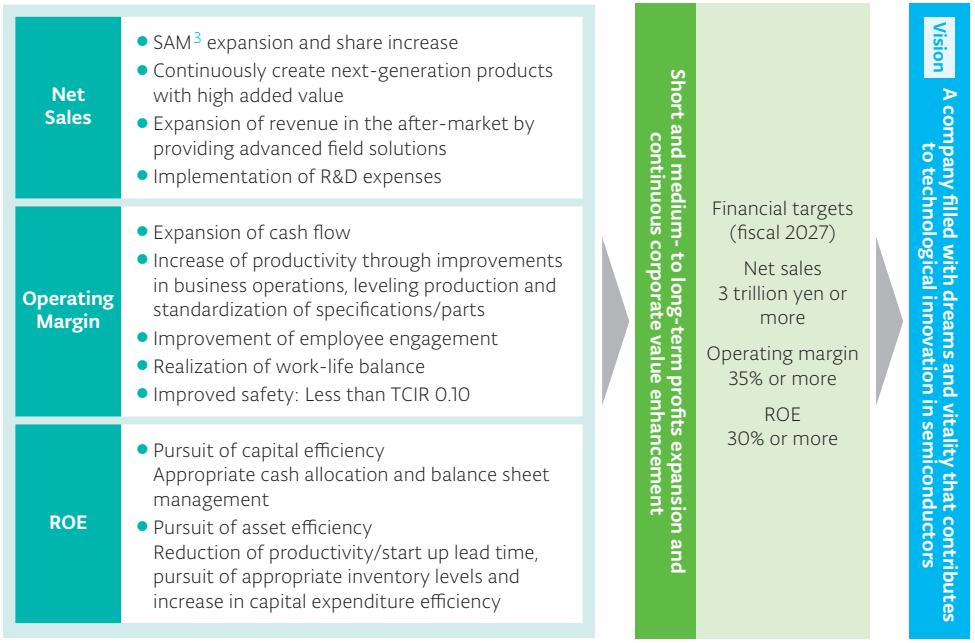
This Medium-term Management Plan sets financial targets of net sales of 3 trillion yen or more, an operating margin of 35% or more, and ROE of 30% or more by fiscal 2027, to further improve our world-class operating margin and ROE. Amid the expectation of further increasing demands for semiconductors and significant future growth in the semiconductor production equipment market, we will advance various initiatives throughout the value chain, always strive for the Best Products, Best Technical Service and aim to achieve medium- to long-term profit expansion and continuous corporate value enhancement.

	Fiscal 2025 Performance	Financial Targets (Target Year: Fiscal 2027)
Net Sales	2,431.5 billion yen	3 trillion yen or more
Operating Margin	28.7%	35% or more
ROE	30.3%	30% or more

Main Initiatives[1]

- Expand our business in the fields of our expertise, using our accumulated technology, in areas where we can leverage our management know-how
- Introduce next-generation products with high added value required in the future by our customers into the market as early as possible while providing superior technological services
- Proactively invest in R&D
- We will work to sell parts, offer upgrades and modifications and improve the utilization rate based on approximately 96,000 units[2] we have installed to date, and endeavor to resolve issues such as yield enhancement for the devices that our customers produce. We will also aim to expand revenue in the after-market by providing such advanced field solutions. In addition, in preparation to support future cumulative installed equipment of over 100,000 units, we will also focus on developing highly efficient and high-value-added service through such means as remote maintenance services and predictive maintenance utilizing device operating data and AI
- We will implement environmentally focused E-COMPASS initiatives and carry out activities for achieving technological innovation in semiconductors and reduce their environmental impact throughout the entire supply chain. We have set a target of net zero greenhouse gas emissions by fiscal 2041 and we are promoting efforts to reduce environmental impacts through collaborations not only within our own Group but also with customers and partners

1 In addition to these initiatives, with the aim of further profit generation and increased corporate value, we are planning growth investments and investments in human resources over five years from fiscal 2025.
R&D investment: 1.5 trillion yen or more, Capital expenditures: 700 billion yen or more, Recruitment: Cumulative total of 10,000 people globally
2 As of the end of March 2025



3 SAM: Served Available Market

Medium-term Management Plan | Message from the Division Officer, Finance Division

Tokyo Electron will implement the following strategies and measures to realize its Vision and achieve its financial targets, while also contributing to the enhancement of corporate and shareholder value through engagement with capital markets.

Hiroshi Kawamoto
Senior Vice President &
General Manager
Division Officer, Finance Division

1 Growth Strategy

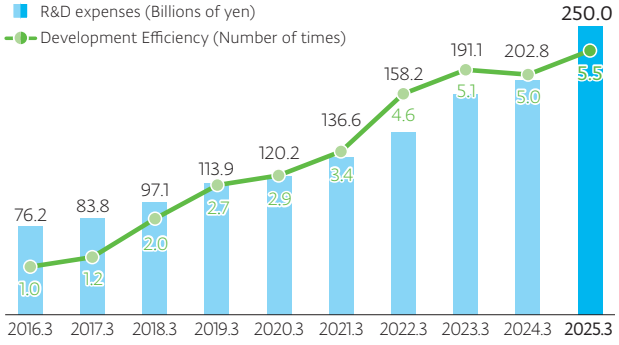
- Set medium-term financial targets for net sales of 3 trillion yen or more, an operating margin of 35% or more, and ROE of 30% or more by fiscal 2027
- Pursue high capital efficiency, including improving ROE, by further enhancing asset efficiency and striving to expand cash flow
- Utilize the cash we have generated for growth investments and investment in human resources to generate technological innovation in semiconductors that supports the sustainable development of society

In fiscal 2025, we reached a record high of 2,431.5 billion yen in net sales and 697.3 billion yen in operating income, and we achieved our target ROE of 30% or more. In order to achieve further growth, we are also implementing the following initiatives in our five-year plan starting fiscal 2025.

- Proactive R&D investment worth 1.5 trillion yen or more
- Capital expenditures of 700 billion yen or more to expand R&D and production capacity and improve productivity
- Recruitment of a cumulative total of 10,000 people globally

At the same time, we recognize the importance of further increasing efficiency as we carry out future-oriented growth investment. Through diverse collaborations with customers and outside parties, we are striving to accurately assess technical trends and customer needs and to reflect them in our research and development activities. We are also intensifying our operational improvement activities that leverage digital technologies. The figure at right shows our development efficiency, which is being consistently maintained at levels surpassing our competitors. We will continue to take efficiency into consideration as we aim to create "number one," "only one" products with high added value and to improve our operational efficiency.

R&D Expenses and Development Efficiency*



* Aggregated by dividing the total operating income in the last 5 years by the total of R&D expenses from the last 6 to 10 years

2 Financial Strategy

- Stabilize management by securing working capital for anticipated business expansion
- Maintain a solid financial position
- Pursue appropriate cash allocation and balance sheet management

We have achieved considerable growth over the years as a leading company in the semiconductor production equipment industry. We will continue to effectively utilize our cash for our next growth investments and pursue further business expansion in areas of high growth potential as we work to enhance our medium- to long-term corporate value. To realize our medium-term financial targets, we will implement appropriate financial strategies.

In fiscal 2025, we generated 832.1 billion yen in operating cash flow before deducting R&D investments. We invested roughly half of this in growth and allocated the other half for shareholder returns. We will continue to allocate cash in a balanced manner to achieve sustainable corporate growth while providing greater shareholder value.

3 Capital Policy

- Accurately understanding our own corporate value and evaluating stock prices and market capitalization
- Achieving an optimal capital structure with awareness of capital cost and capital profitability
- Executing continuous and aggressive returns to shareholders based on the expansion of cash flow

4 Shareholder Return Policy

- Follow a performance-linked model for dividends to shareholders and aim for a consolidated payout ratio of 50% of the net income attributable to owners of parent*
- Apply a flexible policy for share repurchases, taking into account the current cash position, funds for medium- to long-term growth investments, stock price levels and total return conditions

* However, ensure the amount of annual dividend per share is not less than 50 yen, and consider reviewing the dividend policy if net income is not generated for two consecutive fiscal years.

In fiscal 2025, our total return to shareholders (dividends and share repurchases) reached a record high of 422.7 billion yen. Our total return ratio was 78%, representing a high level of returns.

We will enhance shareholder value through shareholder returns by achieving medium-term financial targets, a high level of dividends and flexible share repurchases.

Value Creation Story

Medium-term Management Plan

Frontend Process Business Division

Hiroshi Ishida

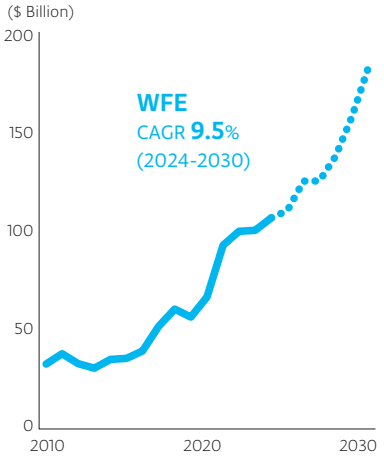
Corporate Officer
Senior Vice President & General Manager
Division Officer, Frontend Process Business Division

The semiconductor market is forecast to reach approximately US$1 trillion by around 2030, and this growth will be driven by AI. The leading-edge devices, state-of-the-art packages and tests and methods used to ensure performance for AI semiconductors are growing more diverse, but semiconductor performance improvements and scaling continue to be important. We are a major player in the frontend manufacturing processes that are the key to semiconductor performance improvement and scaling, and we are actively engaging in technological development to further strengthen our position. Looking at individual segments, fields such as etching and deposition are expected to see growth surpassing the growth rates of WFE[1], and our frontend process business has acquired numerous development PORs[2]. We will continue to aim for medium- and long-term growth that outperforms WFE, and we will make major contributions to the growth of the semiconductor market by actively investing in technological development.

Business Opportunities

As AI advances, the growth rate of etching TAM[3] is expected to rise further in the fields of advanced logic and DRAM, where growth is expected. In the field of film deposition, as well, high growth is expected for advanced logic. As the market expands, driven by the growing range of applications for AI-oriented devices, each device is expected to offer even higher performance and further scaling, thereby creating higher added value. Responding to these varied technological inflection points will provide our own company with significant growth opportunities. Furthermore, to develop our business in the US$1 trillion market, dealing with issues related to the structure of the industry, such as human resource shortages and achieving net zero emissions, will also produce greater growth opportunities.

Semiconductor Production Equipment Market

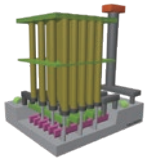


Source : TechInsights (April 2025)

Business Strategies

In advanced logic, we are working on precision control for film deposition and etch, high selectivity gas chemical etch, new materials such as ruthenium and new structure such as air gap. Furthermore, to balance performance and cost for lithography, we are evaluating high-NA EUV, combination with multi-patterning, the adoption of MOR[4], as well as anisotropic etch for optimizing the number of EUV applications. For DRAM, we are meeting demand for high aspect ratio etch and highly difficult capacitor film deposition to secure the capacitance necessary for 2D scaling. We are also enhancing our technological development of film deposition, etch, and gas chemical etch adapt to new structures such as 4F² vertical channel transistor and changes in 3D structures. For NAND, to further increase multi-layering, we will strengthen our development of cryogenic etch for deep holes and trenches, along with applying next-generation transition metal materials to word lines and lowering resistivity in channel silicon. Through the extensive technological development we are conducting, which plays an extremely important role in improving performance and scaling, we will make major contributions to the evolution of semiconductors and we will expand the range of fields in which we do business by supplying new products, thereby achieving growth that surpasses WFE levels. Moreover, we will also strengthen our "Digital & Green" initiatives which achieve both digitalization and decarbonization for preservation of the global environment.


Advanced logic: CFET[5]


DRAM


NAND

1 WFE: Wafer Fab Equipment. The semiconductor production process is divided into frontend production, in which circuits are formed on wafers and inspected, and backend production, in which wafers are cut into chips, assembled and inspected again. WFE refers to the production equipment used in frontend production and in wafer-level packaging production.
2 POR: Process of Record
3 TAM: Total Available Market
4 MOR: Metal Oxide Resist
5 CFET: Complementary Field Effect Transistor

Our Competitive Advantages in the Frontend Process Business

- Powerful development system for achieving the etch and film deposition that are the keys to higher performance and scaling
- Supporting EUV through coater/developer and optimization technologies
- Leveraging of advanced products for the four key processes in patterning to provide overall optimized solutions

Value Creation Story

Medium-term Management Plan

Backend Process Business Division

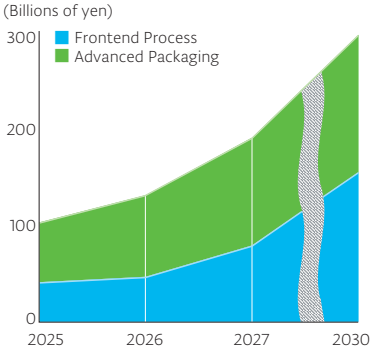
Keiichi Akiyama
Corporate Officer
Senior Vice President & General Manager
Division Officer, Backend Process Business Division

In addition to Moore's Law, which has driven the increase of transistor counts in HPC[1] and AI-oriented devices, in recent years attention has been drawn by advanced packaging technologies in which multiple chips are implemented in 2D and 3D directions to achieve an increase of transistor counts. To further improve device performance, semiconductor manufacturing processes are accelerating their introduction of technologies for directly bonding semiconductors to each other. Expectations are high for further technological innovation that will serve as a critical technological inflection point for next-generation device manufacturing. Our strengths lie in the fact that our frontend processes, with their proven track record, can be leveraged by the technologies that are essential for bonding. In addition, we have constructed our development and evaluation centers near our customers to provide rapid development and support, and we are striving to further enhance engagement. We will continue to accelerate our evaluation with customers' devices and to promote initiatives aimed at mass production.

Business Opportunities

We expect the scale of the bonding process equipment market, in which we have entered, to achieve high growth, with a compound annual growth rate (CAGR) of 24% between 2025 and 2030. In 2030, we also anticipate the market scale will reach 300.0 billion yen[2]. The use of bonding technology in all leading-edge device frontend processes is expected to grow, such as in logic semiconductors, backside wiring structures called Backside PDN[3], and CFET (next-generation transistors). Bonding technology development is advancing for next-generation DRAM. Mass production using bonding technologies is already underway for 3DIC and the stack memory, such as HBM[4] in the advanced packaging processes.

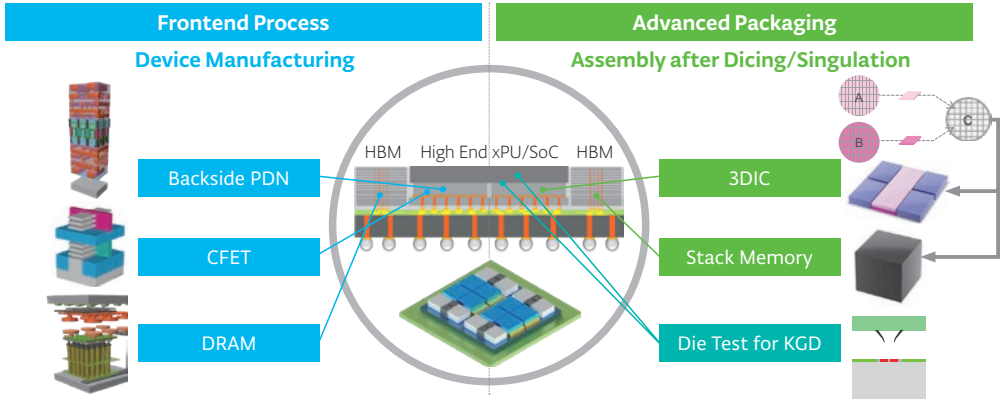
Scale of the Bonding Process Equipment Market



(Estimated by Tokyo Electron/TAM)

Business Strategies

In order to maximize our share of the bonding market, we have developed the wafer bonding system "Synapse™ Si", the laser edge trimming system "Ulucus™ L", and the extreme laser lift off system "Ulucus™ LX." In addition to these, we are also developing advanced packing products for implementing multiple chips (Die to Wafer). We will take advantage of numerous business opportunities in the future by proposing processes that are essential and effective, and doing so in a timely manner. Improving yield after assembly is a challenge of advanced packages (Die to Wafer). It is important to reach almost 0% defects for individualized chips called KGD[5], and through development and evaluation using the heat absorptions technologies of our latest wafer prober "Prexa™", we will approach that level. Bonding systems are process devices that fuse process technologies such as plasma control and cleaning technology with mechanical alignment technologies. By using the advanced technologies and know-how we have developed through our frontend process businesses of deposition, coater/developer, etch, and cleaning, we will continue to carry out efficient product development.



1 HPC: High Performance Computing
2 Estimated by Tokyo Electron
3 Backside PDN: Backside Power Delivery Network
4 HBM: High Bandwidth Memory
5 KGD: Known Good Die. Semiconductor chips with guaranteed quality, including reliability

Our Competitive Advantages in the Backend Process Business

- Broad range of innovative products for the bonding market, which is expected to see major growth
- Technologies and know-how from our frontend business can be leveraged in fast, effective development
- Yield improvement approach through fusion of bonding and testing technologies

Medium-term Management Plan

Key Indicators for Continuous Corporate Value Enhancement

The Medium-term Management Plan clearly defines financial and sustainability metrics as "key indicators for continuous corporate value enhancement" and confirms the main material issues related to such key indicators. At quarterly review meetings attended by the CEO, we regularly check progress and action plans, and various activities are carried out under the responsible persons for each indicator.

"Sustainability goals and results" on our website www.tel.com/sustainability/goals-and-results/index.html

○: Proceeding well △: Need to accelerate to achieve the goal

Target Area		Objective	Target Year	Fiscal 2025 Performance	Progress Evaluation	Related Main Material Issues
Finance		● Net Sales: 3 trillion yen or more	Fiscal 2027	● 2,431.5 billion yen	○	
		● Operating Margin: 35% or more	Fiscal 2027	● 28.7%	○	
		● ROE: 30% or more	Fiscal 2027	● 30.3%	○	
Research and Development		● Continuously create high value-added next-generation products by implementing R&D expenses of more than 1 trillion yen over five years	Fiscal 2027	● R&D expenses 250.0 billion yen (Cumulative 644.0 billion yen from fiscal 2023)	○	
Environment	Plants and Offices	● Reduce total CO_2 emissions by 85% (compared to fiscal 2019)	Fiscal 2031	● 73% reduction	○	
		● A rate of 100% renewable energy usage	Fiscal 2031	● 89%	○	
		● Reduce energy consumption (per-unit basis) by 1% from the previous fiscal year at each plant and office	Every fiscal year	● Achieved goal at 6 out of 11 plants or offices	△	
		● Maintain water consumption (per-unit basis) at each plant and office at individual base year levels	Every fiscal year	● Achieved 10 out of 13 goals	○	
	Logistics	● Reduce CO_2 emissions of total logistics (own delivery) by 30% by further implementing modal shift and joint delivery	Fiscal 2027	● 22.4% reduction	○	
		● Reduce the usage ratio of wood packaging for products to 50% or less (packaging of semiconductor production equipment)* * Change of goals starting in fiscal 2026: "Reduce the usage ratio of wood packaging for products to 40% or less (packaging of semiconductor production equipment) (by fiscal 2027)"	Fiscal 2025	● 65.3% over the fiscal year (fourth quarter 56.3%)	○	
	Products	● Reduce per-wafer CO_2 emissions by 55%* (compared to fiscal 2022) * Including reductions resulting from customers' introduction of renewable energy	Fiscal 2031	● 21% reduction	○	
Employees	Engagement	● Engagement survey score: Continuously improve (increase score compared to the previous survey) or achieve a score higher than the average of other companies in each region	Every survey	● Score increase: 19 points (globally overall, from fiscal 2016 to fiscal 2025) ● Situation in each region: Above the average of other companies in 5 out of 7 sites	○	
		● Employee retention rates* Japan: 99% Overseas: Higher than the industry average * Excluding retirement at the mandatory retirement age and so on	Every fiscal year	● Japan: 99.1% ● Overseas: Higher than the industry average (97.6%)	○	
	Careers	● We have created an environment where every employee can create value for the Company's growth and for society with the support of supervisors and others by challenging themselves to do what they want while imagining their own futures (career paths) and growing*. * Additional goal from fiscal 2026: "Ratio of annual online learning users Global: 60%"	Fiscal 2027	● Make careers visible, introduce a structure for independent skill acquisition (encyclopedia of jobs, training programs etc.) ● Engagement survey score "Career opportunities" Japan: +3 points in comparison to previous survey Global: +1 point in comparison to previous survey ● Ratio of increase of online learning users in relation to career (annual) Global: +24 points (56%)	○	

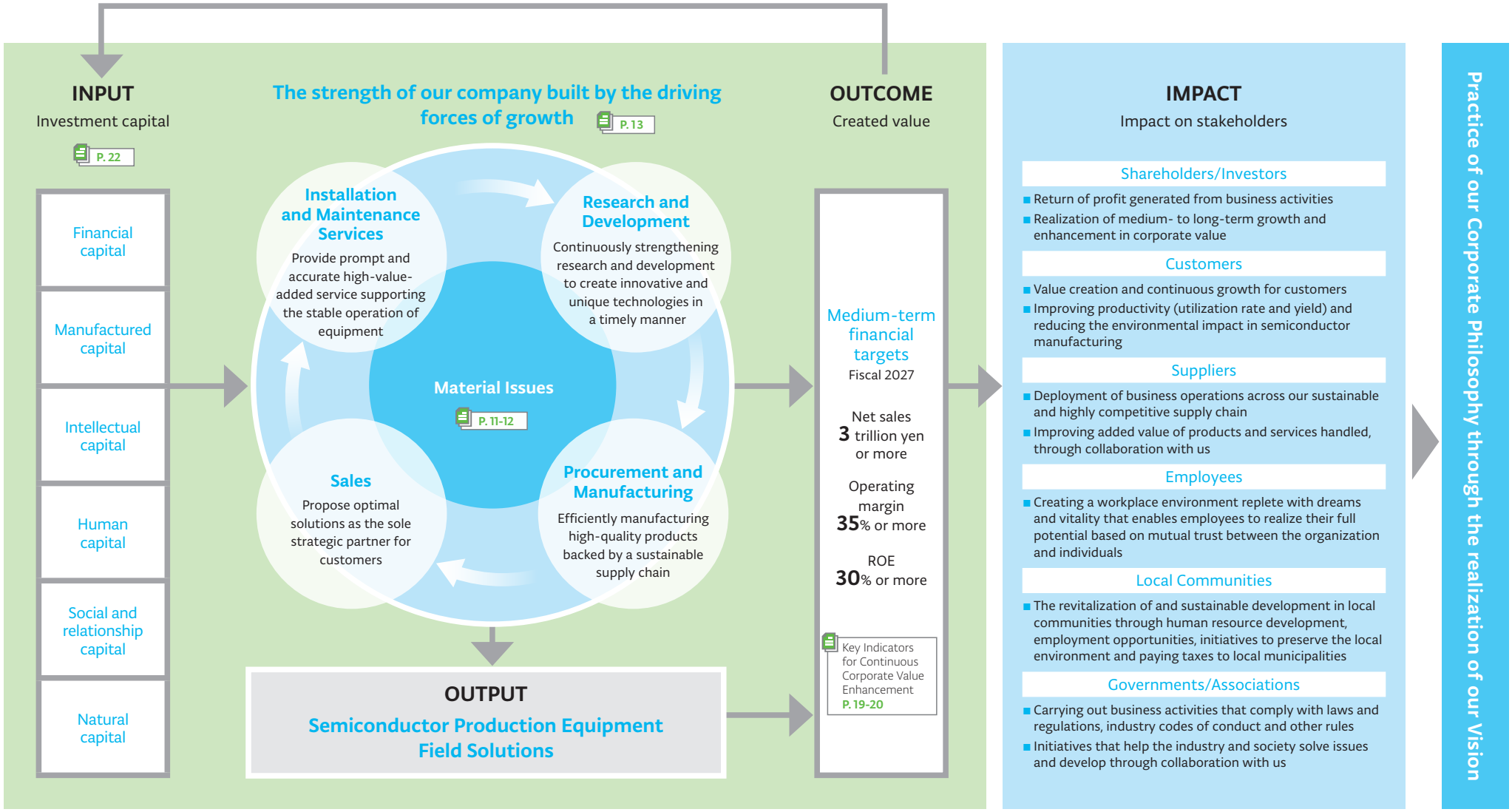
Medium-term Management Plan

○: Proceeding well △: Need to accelerate to achieve the goal

Target Area	Objective	Target Year	Fiscal 2025 Performance	Progress Evaluation	Related Main Material Issues
Employees: Work-life Balance	● Annual paid leave utilization rate Japan: (1) 80% / (2) 90% Overseas: Equal to or better than the previous fiscal year's results * Additional goal from fiscal 2026: "Male childcare leave utilization rate Japan: 85% (by fiscal 2030)"	Japan: (1) Fiscal 2027 / (2) Fiscal 2031 Overseas: Every fiscal year	● Japan: 78.9% ● Overseas: 78.9% (previous fiscal year's result: 69.0%)	○	
Employees: DE&I	● Ratio of female managers Japan: 5% Global: 8%* * Targets do not apply to Tokyo Electron U.S. regions.	Fiscal 2027	● Japan: 3.3% ● Global: 6.4%	△	
Supply Chain Management	● Supply chain sustainability assessment implementation rate Material suppliers: Covering at least 85% of our procurement spend Logistics suppliers: 100% of customs-related operators Staffing suppliers: 100% of employment agencies and contracting companies (internal contractors) ● Implementation of improvement activities in response to assessment results	Every fiscal year	● Assessment implementation rate: Due to revisions of the questionnaire and reconsiderations on the implementation period, the assessment was not conducted in fiscal 2025 (Conducted in May 2025) ● Improvement activities: Based on assessment results, request improvement actions from suppliers identified as high priority for improvement, promote engagement and check progress	○	
Supply Chain Management	● Supply chain BCP assessment implementation rate Material suppliers: Covering at least 85% of our procurement spend ● Implementation of improvement activities in response to assessment results	Every fiscal year	● Assessment implementation rate: Material suppliers: Achieved 85% or more of our procurement spend ● Improvement activities: Based on assessment results, identify issues, and develop and implement a remediation plan	○	
Safety	● TCIR* Less than 0.10 (Globally No. 1 in the industry) * TCIR: Total Case Incident Rate. The number of workplace incidents per 200,000 work hours.	Fiscal 2027	● TCIR 0.23	△	
Corporate Governance	● We are working at all times to establish an optimal and highly effective Board of Directors and an aggressive management execution system, and by continuously addressing issues based on evaluations of the effectiveness of the Board of Directors and input from institutional investors and other stakeholders, we will achieve solid corporate governance for enhancing corporate value over the medium to long term and sustainable growth.	Every fiscal year	1. Seeking a Board of Directors with high effectiveness ● Continue the Audit & Supervisory Board System Realize a ratio of majority outside directors (4 out of 7 people) Maintain contact with outside director candidates at the Nomination Committee ● Off-site meeting: 2 times (August and March) ● At every Board of Directors meeting, in principle, the CEO explains important matters concerning business execution ● CEO mission: Shared with members of the Board of Directors ● Closed session on evaluation of representative directors: 2 times 2. Operating rhythm supporting the execution of business ● Corporate Officers Meeting: 21 times ● CSS meeting: 2 times ● Quarterly review meeting: 4 times	○	
Risk Management	● We are building and further improving a highly effective risk management system that supports a strong management foundation. ● We are enhancing risk management and compliance based on the slogan "Safety, Quality and Compliance. Our top priority. It's our pride."	Every fiscal year	● Add the four items, Finance, M&A, IT & Operations and Business Locations to our major risks, clarify the owner for all 16 risk items and promote a global risk management system ● To reinforce the capability to respond across the entire Group to product compliance risks (prohibited substances, export regulations etc.), in December 2024, we began conducting information exchange meetings (Product Compliance Regular Meetings) with headquarters and manufacturing sites in Japan	○	

Value Creation Model

Utilizing the capital we hold to the maximum capacity (INPUT) while leveraging our strengths, we implement the value chain of our business activities anchored around material issues. We offer the value created (OUTCOME) from this process to our stakeholders. By practicing our Corporate Philosophy through the realization of our Vision, we aim to expand medium- to long-term profit and to continuously enhance our corporate value.



Value Creation Model

Capital	INPUT (investment capital) Fiscal 2025	OUTCOME (created value) Fiscal 2025
Financial capital	● Net assets **1,855.2** billion yen ● Equity ratio **70.1**% ● Total assets **2,625.9** billion yen	● Net sales **2,431.5** billion yen ● Operating margin **28.7**% ● Net income **544.1** billion yen ● ROE **30.3**% ● Total annual dividend **272.7** billion yen (dividend payout ratio: 50.1%)
Manufactured capital	● Manufacturing sites **9** total (6 in Japan and 3 overseas) ● Manufacturing-related capital investment, such as new plant buildings and manufacturing equipment ● Component standardization and leveling production ● Many years of know-how and proven performance in manufacturing operations ● Manufacturing core system	● Cumulative number of equipment installations Approximately **96,000** units (annual shipment volume of approximately 4,000-6,000 units) ● High-quality and superior-reliability products incorporating leading-edge technologies ● Safety-first operation: TCIR **0.23** ● Reduction of production lead times
Intellectual capital	● R&D sites **16** total (8 in Japan and 8 overseas) ● R&D investment **250.0** billion yen ● A high level of expertise in numerous areas, and the ability to fuse this knowledge together to create new products ● Broad-ranging knowledge and integrated technological capabilities in semiconductor manufacturing processes ● Customer requests and technology trends ● Equipment-related data accumulated through digital technology and knowledge management	● Innovative, high-value-added unique technologies ● Product lineup with No. **1** or No. **2** market share ● Optimal solutions for semiconductor manufacturing ● Number of patents owned **24,996** ● High-quality and highly efficient service
Human capital	● Number of employees **19,573** ● Proportion of engineers **68.7**% ● Human resources possessing knowledge in a variety of specialized fields ● Personnel able to perform globally ● Human resource development through TEL UNIVERSITY	● Retention rate[1] **97.6**% ● Improvement in desire for growth and demonstration of the challenge spirit in employees, who both create and fulfill company values ● Building of relationships of trust with stakeholders by employees with a high level of engagement ● Ratio of female managers[2] **6.4**% 1 Calculated using data on turnover rate 2 Include individual contributors and employees reemployed after retirement
Social and relationship capital	● Relationship of mutual trust with customers built through many years of performance records ● Strong partnerships with our suppliers ● Foundation for business activities in local communities ● Collaboration with other companies in the industry through industry associations	● Percentage of respondents who selected "Very Satisfied" or "Satisfied" in the Customer Satisfaction Survey[3] **100**% ● Creating employment opportunities in and paying taxes to local municipalities and nations where we carry out business activities ● Number of TEL FOR GOOD[4] programs **287** 3 For each question, average score is calculated for all customers who responded 4 The brand name for Tokyo Electron's social contribution activities
Natural capital	● Energy consumption **537,978** MWh ● Water consumption **1,587,000** m^3	● Own CO_2 emissions **73**% reduction (compared to fiscal 2019, reduction of 127 kilotons due to the introduction of renewable energy, etc.) ● CO_2 emissions from product use (per wafer) **21**% reduction (compared to fiscal 2022) ● Waste material recycling rate **99.2**%

Stakeholder Engagement

We actively create opportunities for dialogue and hold mutual communication with our stakeholders to allow us to accurately comprehend their demands and expectations as we deploy our business activities. We strive to build a solid relationship of mutual trust with all the stakeholders surrounding our company by working steadily to fulfill our roles and responsibilities in society.

Stakeholders	Relationship with Stakeholders	Value Provided to Stakeholders	Main Engagement Opportunities
Shareholders/ Investors	● Shareholders and investors provide our company's capital, while expressing their opinions, demands and expectations of our company from the shareholder/investor perspective through constructive dialogue and through exercising their voting rights at the Shareholders' Meeting ● We share our management vision and growth scenario with shareholders and investors, and incorporate the opinions and demands we hear from them into our management in an effort to enhance our corporate value	● Return of profit generated from business activities ● Enhanced corporate value through the realization of our medium- to long-term growth	● Earnings release conference, Medium-term Management Plan briefing, IR Day ● IR conference, IR road show*, individual IR interview ● Shareholders' Meeting ● Investor event (CEO appearance) held in conjunction with major domestic and international exhibitions related to semiconductors and technology * IR road show: IR activities presented directly to shareholders and investors
Customers	● Customers purchase the semiconductor production equipment we provide and also utilize services necessary for maintaining that equipment ● We not only provide products, services and solutions but also create technology roadmaps spanning multiple generations and carry out joint technology development with customers	● Best Products with innovative technology ● Best Technical Service with high added value ● Environmentally friendly products and services with a focus on safety and quality ● Solutions that satisfy a variety of application needs	● Technology conference ● Joint development ● Customer Satisfaction Survey
Suppliers	● Suppliers supply the materials and human resources necessary for our company's business administration, and also perform customs clearance, logistics operations and other operational services ● In addition to purchasing these materials and operational services, we cooperate with our suppliers on the further development and improvement of these aspects and enhancement of their quality. We build a sustainable supply chain that takes into account labor, the environment, health and safety, ethics and the like	● Promotion of social issue initiatives and further improving added value of products and services through collaboration with our company ● Business opportunities in the semiconductor production equipment markets ● Maintaining soundness and strengthening competitiveness throughout the entire supply chain	● Production update briefing ● TEL Partners' Day/TEL E-COMPASS Day ● Sustainability Assessment ● STQA* audit * STQA: Supplier Total Quality Assessment
Employees	● Our employees contribute to enhancing our corporate value by demonstrating their individual capabilities and pursuing personal growth through making use of opportunities for education ● We promote the improvement of employee engagement under management that emphasizes employee motivation	● A workplace environment replete with dreams and vitality that respects diversity and enables employees to realize their full potential based on mutual trust between the organization and individuals ● Opportunities for career development and skill improvement ● Fair performance review and remuneration commensurate with results	● Employee meeting ● Global engagement survey ● Training and workshops
Local Communities	● Local communities are striving to offer more value by working to foster local industry and educate human resources ● We contribute to the development of the local communities where we operate through employment opportunities, initiatives to preserve the local environment and paying taxes to local municipalities	● Human resources development and employment opportunities ● Promotion of environmental preservation in communities ● Financial contributions through tax payments	● TEL FOR GOOD (Social contribution activities) ● Tours of plants and offices ● Environmental debriefing
Governments/ Associations	● Governments and associations not only require companies to comply with laws, regulations, industry codes of conduct and other rules, but also aim to work in partnership with companies to bring about development at the industrywide, national and community level ● While carrying out our business activities in compliance with such laws, regulations, industry codes of conduct and the like in the countries and communities where we operate, we contribute to social development and the resolution of societal issues by accurately grasping social needs	● Solutions that help the industry and society solve issues and develop ● Business activities that comply with laws, regulations, industry codes of conduct and other rules	● Cooperation with government and administrative agencies ● Collaboration with global initiatives and NGOs etc. ● Industry group activities

Value Creation by the Value Chain

Initiatives in the Value Chain

Leveraging our unique characteristics, we have built a superior business model and continually create new value by the value chain of our business activities anchored around material issues.

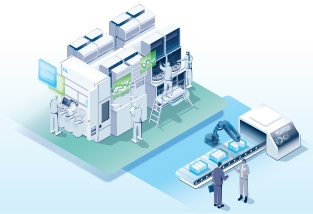
Research and Development

Continuously strengthening research and development to create innovative and unique technologies in a timely manner

- Best Products with Innovative Technology
- Product Energy Efficiency
- Customer Satisfaction and Trust
- Supplier Relationship

Procurement and Manufacturing

Efficiently manufacturing high-quality products backed by a sustainable supply chain



- Safety First Operation
- Quality Management
- Supplier Relationship
- Climate Change and Net Zero

Sales

Propose optimal solutions as the sole strategic partner for customers

- Best Products with Innovative Technology
- Best Technical Service with High Added Value
- Product Energy Efficiency
- Customer Satisfaction and Trust

Installation and Maintenance Services

Provide prompt and accurate high-value-added service supporting the stable operation of equipment

- Safety First Operation
- Quality Management
- Best Technical Service with High Added Value
- Customer Satisfaction and Trust

Related Main Material Issues

- Respect for Human Rights
- Employee Engagement
- Compliance
- Ethical Behavior
- Information Security
- Enterprise Risk Management

Sustainability Initiatives in the Value Chain P. 41-74

Initiatives in the Value Chain

Research and Development

Message

Sumie Segawa
Vice President & General Manager
Division Officer,
Corporate Innovation Division

The timely development of high-value-added technologies and products and their entry into the market is sought in the semiconductor industry, in which the speed of technological innovation is rapid. We promote the Shift Left approach, investing resources such as technology, personnel and expenses into the early stages of product development. By actively investing in development, we are advancing the creation of innovative technology.
In addition, we are strengthening development for the creation of future product added value and new businesses while promoting DX, which is crucial in improving the efficiency of everyday development activities. The recruitment and fostering of human resources with various specialties is important when balancing considerations for the environment with the advancement of manufacturing technology based on the value of "Digital & Green." In the semiconductor industry, which is expected to grow even further in the future, competition for the recruitment of excellent human resources has already begun. We will aim for even more growth through the integration of human resources with various specialties in addition to the personnel who have supported the industry up until now.

Initiatives in the Value Chain | Research and Development

Key Themes for Medium- to Long-term Value Creation

Timely development of high-value-added technologies and products through promotion of Shift Left

Further pursuing development efficiency and strengthening human resource development

Management Resources to Be Invested

Intellectual capital

R&D investment

Over five years, beginning in fiscal 2025

more than **1.5** trillion yen

Intellectual capital

R&D sites

16

(8 in Japan and 8 overseas)

Human capital

Human resources possessing knowledge in a variety of specialized fields

related to semiconductor production equipment

Differentiation Points

- **Strategic Research and Development**
- **Development Efficiency**
- **Collaboration System**
- **Intellectual Property**

Value Created

Innovative, high-value-added **unique technologies** that contribute to leading-edge semiconductor production

Equipment highly advantageous such as in higher throughput, a higher utilization rate and smaller space requirements

Environmental performance contributing to the achievement of net zero

Related Main Risks

- Risk 2 **Research and Development**
- Risk 9 **Intellectual Property Rights**
- Risk 11 **Human Resources**
- Risk 14 **M&A**

Risk Management P. 71-72

Initiatives in the Value Chain | Research and Development

Key Theme Timely development of high-value-added technologies and products through promotion of Shift Left

Key Theme Further pursuing development efficiency and strengthening human resource development

Strengthening Research and Development Capabilities

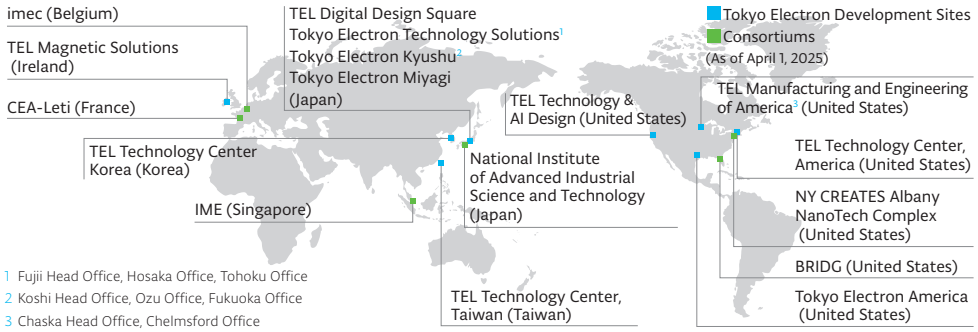
We are focusing on the promotion of Shift Left that strengthens R&D to bring high-value-added next-generation products into the market in a timely manner. Shift Left is an initiative that enables the understanding of customers' potential needs at an early stage and the prompt delivery of mass-produced prototypes by collecting resources in the early stages of product development processes. Close collaboration with customers in leading-edge technological development contributes to ensuring the competitive advantage of products and rapidly bringing technological innovation to the market.

Furthermore, through the promotion of DX that looks to the future, we promote development to create innovative products while aiming for more efficient R&D through data analysis using AI and the automation of processes. Simultaneously, we are also expanding programs for the recruitment and fostering of DX human resources.

In addition, R&D sites, business divisions and the Corporate Innovation Division unite to advance R&D, and we are strengthening global open innovation and collaboration between industry and academia to develop advanced technology and to create new values in the future.

Through such initiatives, we respond to changes in the global business environment and the demands of society and strive to ensure high quality products and product security that meet the expectations of our customers. We aim for continued growth as a company while contributing to balancing the digitalization and preservation of the global environment while supporting the evolution of the semiconductor industry.

R&D sites



1 Fujii Head Office, Hosaka Office, Tohoku Office
2 Koshi Head Office, Ozu Office, Fukuoka Office
3 Chaska Head Office, Chelmsford Office

Establishing a Competitive Advantage through a Strategic Approach

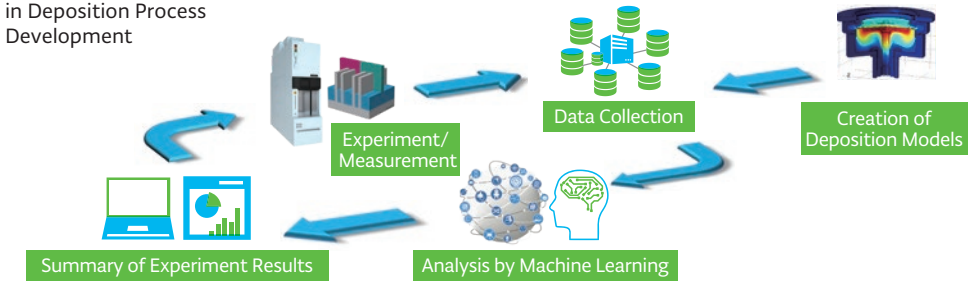
Kazuhide Hasebe
Vice President & General Manager
Technology Officer,
Tokyo Electron
Technology Solutions Ltd.

Tokyo Electron Technology Solutions actively promotes a Shift Left approach which looks to ten years into the future based on a semiconductor device roadmap. As competition intensifies in the semiconductor market, it is crucial to discover and resolve issues promptly and to create differentiated process models. To do this, we have established our material screening center and are rapidly evaluating the materials' features by utilizing leading edge technology. Furthermore, we promote the advancement of simulation technology and the introduction of materials informatics and are advancing the automation of material selection and design by efficiently analyzing expansive amounts of data. Through this, we have been able to dramatically improve development speed and provide high value-added products.

We are striving for more value-added creations through the promotion of DX. We are improving operational efficiency by systemizing the expansive data from everyday experiments and designs and utilizing technology such as machine learning for analysis and optimization. By improving such operational efficiency, we contribute to sustainable growth and promote the fostering of more creative human resources.

We will consistently respond to changes in the market and aim for the realization of innovation that supports next-generation technology while firmly establishing our competitive advantage in the future semiconductor market through such strategic approaches.

Data Analysis and Optimization in Deposition Process Development



Initiatives in the Value Chain | Research and Development

Key Theme Timely development of high-value-added technologies and products through promotion of Shift Left
Key Theme Further pursuing development efficiency and strengthening human resource development

For the Practical Application of Shift Left Development

Kosuke Yoshihara
Vice President & General Manager
Technology Officer,
Tokyo Electron Kyushu Ltd.

When developing solutions that respond to the potential needs of customers, we are mindful of management that is conscious of proposing collaborative development with customers from the initial stages of development ahead of other companies. However, this is not easy in practice.

Because the technology is not sufficiently mature in the initial stages of development, there are times where it is difficult to decide on introducing technologies to customers or proposing collaborative development. In such situations, we believe it is advantageous to set up the development environment as swiftly as possible and gather data. Even for new technologies without prior records, if there is enough data to support its validity, it becomes possible to make appropriate decisions that will in turn bring about a virtuous cycle in the flow of development.

The global semiconductor market size is forecast to reach approximately US$1 trillion by around 2030, and Tokyo Electron Kyushu is predicted to face a variety of technological issues during that process. In light of such market trends, we are constructing a new development building to be completed in October of 2025. We will strive to collect useful data so that we can rapidly propose unique solutions to the market in such a new environment.

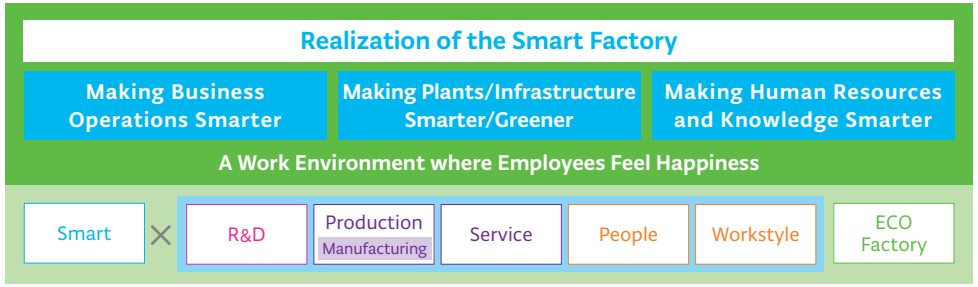
Tokyo Electron Kyushu New Development Building

For the Realization of the Smart Factory

Kunihiko Hinata
Vice President & General Manager
Technology Officer,
Tokyo Electron Miyagi Ltd.

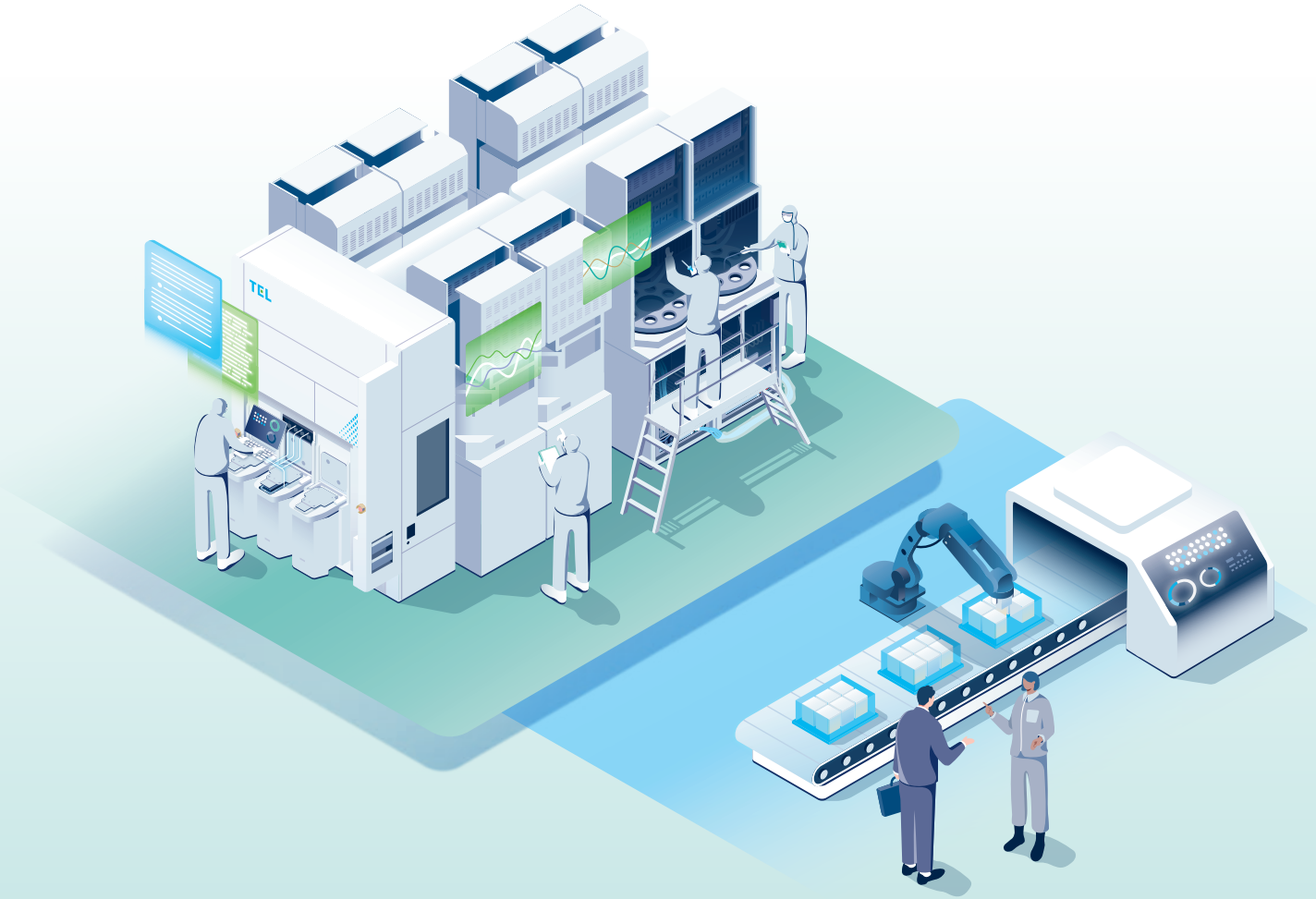
Tokyo Electron Miyagi, which is the manufacturing and development site for etch systems, has put forth Smart Factory Concepts since 2022, and is advancing 'smarter' initiatives such as (1) making business operations smarter, (2) making plants and infrastructure smarter and greener and (3) making human resources and knowledge smarter. These are increasingly crucial elements when providing high-value-added technologies and products to customers in a timely manner. We are putting various measures in place for the realization of Smart R&D particularly in terms of development. For example, analyzing and utilizing internal data collected through DX creates an environment where inexperienced engineers can learn from the knowledge and experience of expert engineers at any time, enabling timely feedback on the development of new products. Furthermore, in the Development Building No. 3 completed in April 2025, we are automating operations that engineers had repeatedly performed using digital technology so that employees can focus on work with high added value. With such promotion of DX, we are advancing the efficiency of development as a whole as well as Shift Left and are striving for shorter development times and improvements in the quality of development.

While the Smart Factory Concept is still developing, we believe that realizing such initiatives steadily and surely and facilitating a working environment where each employee can work with ease and sense better QOL (Quality of Life) and growth will then lead to the creation of high-value-added technologies and products.



Initiatives in the Value Chain

Procurement and Manufacturing



Message

Shinichi Hayashi
Senior Vice President & General Manager
Division Officer,
Corporate Production Division

To safely and promptly provide customers with high quality products with superior reliability that make full use of leading-edge technology, we constantly pursue production innovation and strive for environmentally friendly and sustainable production capabilities. Furthermore, we are adopting Smart Manufacturing that incorporates digital and automated technologies to further improve productivity and are strengthening our partnerships with suppliers and building sustainable supply chains to realize stable component procurement that can handle a variety of risks. We are aiming to establish world-class manufacturing operations and become a sole partner for customers.

Initiatives in the Value Chain | Procurement and Manufacturing

Key Themes for Medium- to Long-term Value Creation

Co-creation of value through solid relationships of mutual trust with suppliers

World-class manufacturing operations through the realization of Smart Manufacturing concepts

Management Resources to Be Invested

Manufactured capital/Human capital

Many years of know-how (people and products)
in semiconductor production equipment business

Manufactured capital

Manufacturing core systems
that make full use of the latest digital technologies

Social and relationship capital

Solid cooperative working relationships
with suppliers

Differentiation Points

- Quality and Reliability
- Sustainable Procurement Activities
- Pursuit for Efficient Productivity
- Initiatives to Achieve Net Zero

Value Created

High-quality and superior-reliability products
incorporating leading-edge technologies

Shortening of production lead times
through stable and efficient manufacturing operations

Contributions to the preservation of the global environment

Related Main Risks

- Risk 4 **Procurement, Production and Supply**
- Risk 5 **Safety**
- Risk 6 **Quality**
- Risk 7 **Environmental Issues**

Risk Management P. 71-72

Initiatives in the Value Chain | Procurement and Manufacturing

Key Theme

Co-creation of value through solid relationships of mutual trust with suppliers

Sustainable Procurement Strategies

In the semiconductor production equipment business, supply chain management is becoming increasingly important. In such circumstances, promoting strategic sustainable procurement activities is vital for our aim of even further growth.

The Corporate Production Division is building a joint management system for manufacturing sites and is involved in the resolution of a variety of supply chain issues.

- Making the supply chain visible for stable procurement, legal compliance and understanding risk components
- Strengthening supplementary parts systems between manufacturing sites and optimization of procurement processes and parts inventories

In addition, we are working to align sales plans with production, procurement and inventory plans by sharing short and medium- to long-term order forecasts between sales and manufacturing divisions to ensure reductions in shortages at the start of manufacturing as well as both production and start-up process leveling.

We are conducting sustainable procurement activities through these initiatives while aiming for further improvements in safety, product quality and efficiency.

Communication with Our Suppliers

We believe that strong partnerships with our suppliers are vital for building sustainable supply chains and create a variety of communication opportunities.

Name	Frequency	Organizer	Target Companies	Main Contents
TEL Partners' Day	Annually	Corporate Production Division	Partner companies	Management policy, technological trends, procurement policies etc.
Production update briefing	Twice annually	Each manufacturing site	Main suppliers	Production plans, sustainability initiatives
NEW TEL Supplier Summit	Irregular	Corporate Production Division	Important suppliers concerned with core technologies	Discussions on technological situations, Environmental initiatives

Starting in 2025, the "TEL Supplier Summit" has been held as a place to build partnerships specializing in core technologies with the aim of strengthening the supply chain even further and advancing technological developments with our suppliers. We also affirm the intent of the "Council on Promoting Partnership Building for Cultivating the Future" pursued by the Cabinet Office, the Ministry of Economy, Trade and Industry and the Small and Medium Enterprise Agency and announced the "Declaration of Partnership Building." We will continue to strive to improve added value in the supply chain and build sustainable supply chains by promoting cooperation and mutual prosperity with our suppliers.

Initiatives to Reduce Environmental Impact

We are actively pursuing E-COMPASS activities for achieving net zero by fiscal 2041 and are implementing various measures across our plants and offices, logistics and supply chains.

At each plant and office, we continue making energy usage visible, promoting energy efficiency measures and purchasing renewable energy (electricity). In logistics, we are promoting modal shifts and actively selecting packaging materials that reduce environmental impact.

In fiscal 2025, we held local briefings concerning net zero to further strengthen our cooperation with suppliers. Government officials also spoke at the briefings, and we shared related information to make net zero activities feel more familiar.

Initiatives in the Value Chain | Procurement and Manufacturing

Key Theme

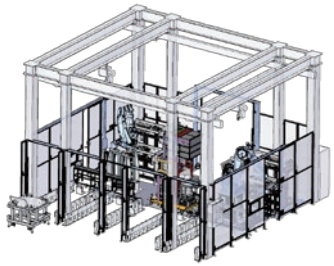
World-class manufacturing operations through the realization of Smart Manufacturing concepts

World-class Manufacturing Operations

Production Innovation through Smart Manufacturing

We constantly strive to innovate in production and improve product quality and profitability at manufacturing sites. We engage in the development of world-class manufacturing operations through the use of our knowledge and the data we have accumulated over many years.

At Tokyo Electron Miyagi, we are conducting verifications for the building of efficient manufacturing lines in preparation for the completion of the new production building in the summer of 2027. Specifically, we make full use of digital technologies and automated technologies, and building Smart Manufacturing Lines when implementing Manufacturing Process Architecture[1] to further strengthen our ability to respond to customer needs and increase our competitiveness in the market to consistently manufacture high quality products with consistent quality. Furthermore, building Smart Product Architecture[2] in the manufacturing process and the administrative and indirect support processes enables the planning of an operational flow that reduces the lead time from development to mass production. In this way, we aim to save labor and automate routine operations for dramatic improvements in productivity.



Automation of docking process for each module

1 Manufacturing Process Architecture: Standardization and efficiency in the manufacturing process
2 Smart Product Architecture: Operation streamlining in related divisions other than manufacturing processes, such as production capacity management, production planning, customer specification design and procurement

Initiatives to One-touch Start-up

With the aim of shortening the start-up period for equipment at customers' sites and ensuring safety and quality, we are promoting continued improvement activities to realize "One-touch Start-up." By simplifying installation and utility connection work and developing measurement and control technologies, we strive to improve the quality of work, and reduce accidents caused by human-error and prevent operational mistakes in addition to shortening the start-up period. Furthermore, we are working on the research and development of technology for the automation of processing performance tuning after the start-up of the equipment to promptly deliver high-quality equipment to customers.

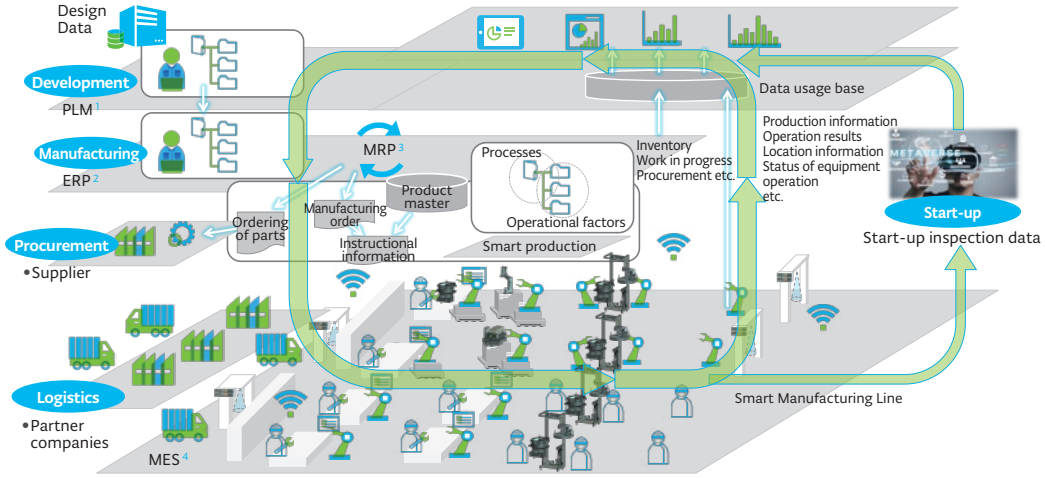
For engineers responsible for the actual start-up of the equipment, we are aiming for further quality improvement in the installation and start-up through the use of 3D models of the equipment and the implementation of global training programs utilizing VR technology.

Training scene utilizing 3D model of the equipment

Initiatives for the Implementation of Smart Technology (Data Solutions)

We strive to build superior production capabilities that enable optimal decision-making and immediate action through the cooperation and digitization of all production-related data in real time for efficient production at each manufacturing site. By expanding the sensing functions of the manufacturing sites and using that data, we aim to manufacture high quality equipment by realizing appropriate and flexible production plans and the operation of efficient manufacturing lines.

Innovative Production Capabilities by Digital Transformation



1 PLM: Product Lifecycle Management
2 ERP: Enterprise Resource Planning
3 MRP: Material Resource Planning
4 MES: Manufacturing Execution System

Initiatives in the Value Chain

Sales

Message

Shingo Tada
Senior Vice President & General Manager
Division Officer,
Account Sales Division

In our semiconductor manufacturing processes, we aim to leverage our diverse product portfolio and seek to increase mutual profits by providing the Best Products and Best Technical Service, not just for single processes but comprehensively, to address our customers' issues. To this end, we will always listen carefully to our customers and be responsive, growing together with them over the long term and building a better future together.

Message

Fumihiko Kaminaga
Senior Vice President & General Manager
Division Officer,
Global Sales Division

We aim to build strong relationships of mutual trust with our customers, becoming their sole strategic partner. Our Account Sales Division and Global Sales Division coordinate closely with our business units, overseas subsidiaries, development and manufacturing divisions, service divisions, and other units to enhance our customer responsiveness. Through timely proposals based on customers' medium- and long-term roadmaps, we will contribute to the creation of greater value for customers.

Initiatives in the Value Chain | Sales

Key Themes for Medium- to Long-term Value Creation

Increasing mutual profits by providing the Best Products, Best Technical Service

Improving our responsiveness to customers and customer satisfaction

Management Resources to Be Invested

Intellectual capital

A global sales and service system

in which the Account Sales Division, the Global Sales Division, business units and overseas subsidiaries coordinate with one another

Intellectual capital

Broad-ranging knowledge and comprehensive technological capabilities

born from our diverse product lineup

Social and relationship capital

Mutual trust with customers

built through many years of performance records

Differentiation Points

- Co-creation with Customers
- Global Operations
- Optimal Solutions
- Unique Customer Satisfaction Survey

Value Created

High-value-added products

incorporating innovative technologies through concurrent evaluation of technologies anticipating four generations and beyond in the future

Products and solutions

responding to a variety of applications

Sole strategic partner

through close collaboration throughout the entire Group

Related Main Risks

- Risk 1 **Market Fluctuations**
- Risk 3 **Geopolitics**
- Risk 10 **Information Security**
- Risk 16 **Business Locations**

Risk Management P. 71-72

Initiatives in the Value Chain | Sales

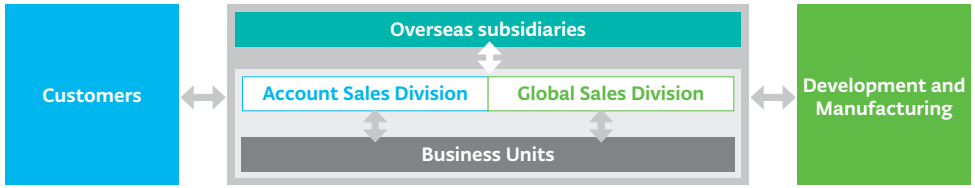
Key Theme

Increasing mutual profits by providing the Best Products, Best Technical Service

Development of Global Operations

We established the Account Sales Division and the Global Sales Division, and strive to swiftly offer the technology, services and solutions sought by our customers to be the sole strategic partner for our customers. In the Account Sales Division, the needs for next-generation leading-edge technologies in memory, logic devices, foundry and other fields are shared by major semiconductor manufacturers, who are our traditional customers, and the information from this is used for the R&D of new technologies. The Global Sales Division responds to the needs of domestic and overseas customers that handle products for the rapidly growing Chinese market and the industrial IoT market.

These two divisions work closely with the Frontend and Backend Process Business Divisions' business units, development and manufacturing divisions, service divisions and overseas subsidiaries to conduct comprehensive sales activities. They strive to communicate with everyone from customer senior management to worksite engineers, to further strengthen our responsiveness to our customers and to develop global operations as ONE TEL.



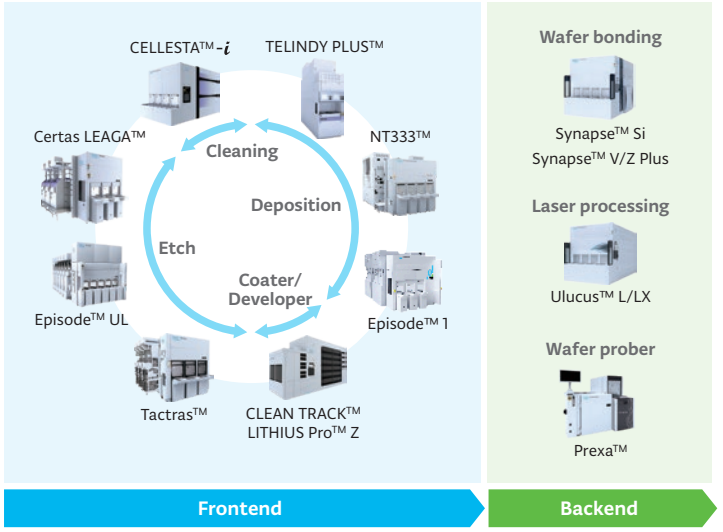
Proposing Customer Solutions Leveraging a Wide Range of Product Lineup

We are expanding the wide range of our product lineup, including equipment for the four key processes of deposition, coater/developer, etch and cleaning in the frontend process, as well as equipment for testing and bonding/debonding processes in the backend process. By leveraging this product lineup in our proposal activities, we will solve customers' issues and contribute to the manufacturing of highly competitive semiconductors.

In the frontend process, we are undertaking the development of equipment with innovative and extreme processing performance, centered on (1) deposition systems that can handle new materials and structure while utilizing batch, semi-batch and single-wafer characteristics and allow optimal film thickness and film quality control, (2) coater/developers for leading-edge EUV lithography, (3) etch systems that achieve precision processing of fine structure and processing of deep holes and trenches with high selectivity, and (4) cleaning systems that remove particles and residues—which are causes of lower yields—without causing the collapse of fine patterns. Possessing equipment with four key processes allows us to propose solutions for issues faced by customers from a variety of approaches, including process integration based on an understanding of upstream and downstream processes.

In the backend process, we also possess wafer probers used in wafer testing and bonding/debonding systems that realizes 3D packaging. In the future, there will be a demand for further improvements in the performance of semiconductors as well as scaling technology using cutting-edge nodes to improve the performance in generative AI services and expand the application range. To achieve this higher performance, the introduction of advanced packaging technology called Chiplet is accelerating, which combines individualized semiconductors. To meet these demands, we will proactively provide solutions for bonding processes necessary for both next-generation scaling technology and packaging technology, and introduce KGD* testing equipment, essential for Chiplet.

* KGD: Known Good Die.
Semiconductor chips with guaranteed quality, including reliability



Initiatives in the Value Chain | Sales

Key Theme

Improving our responsiveness to customers and customer satisfaction

Expansion into the Diversified Semiconductor Market

In recent years, the semiconductor has been diversifying to meet the needs of various applications, such as the spread of virtual space due to digital technology, EVs and the autonomous driving level of automobiles as well as IoT and devices for communication represented by generative AI, which is driven by digital transformation (DX) and green transformation (GX). We define the diversified semiconductor market as MAGIC (Metaverse, Autonomous mobility, Green energy, IoT & Information, Communications) market, and are strengthening our business by leveraging our leading-edge technologies and experience based on our extensive installation record.

Each business unit within our company has continuously suggested functional revisions with a focus on customers in the 300 mm wafer equipment mature (legacy) node market until now. And, to meet further demands, we established the DSS (Diverse Systems and Solutions) BU and strive to continuously enhance corporate value by efficiently allocating management resources to the MAGIC market, which is expected to grow at a high rate in the future. For example, we are providing optimal equipment groups in anticipation of the shift to 200 mm SiC[1] power device production lines and engaging in technological development for AR glasses[2] and Si Photonics[3].

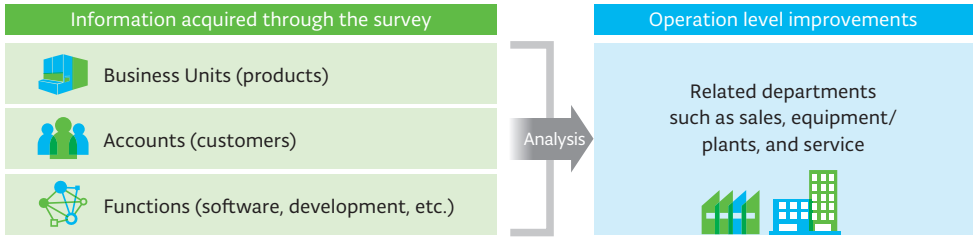
Additionally, to respond to the diverse needs of our customers considering the use of existing equipment, we suggest options for increasing the productivity of existing equipment and are expanding reengineered equipment that extend the lifecycles of equipment.

1 SiC: a compound semiconductor material consisting of silicon (Si) and carbon (C)
2 AR glasses: Eyeglass-style wearable devices that overlay virtual information on top of the real world
3 Si Photonics: Technology used to integrate optical devices such as optical waveguides, optical modulators, and optical receivers on a silicon substrate

Initiatives for Improvement of Customer Satisfaction

We are working to build solid relationships of mutual trust with customers by enhancing customer satisfaction, which we have valued highly since our founding. We co-create future technology roadmaps with the semiconductor manufacturers that are our customers to promote the concurrent evaluation of technologies four generations into the future and beyond and accelerate the technological development of Shift Left. This allows us to offer highly competitive products that help improve customers' productivity by improving the yield rate of devices and maximizing equipment utilization rate. Furthermore, at customer sites around the world, we are continuously implementing customer-oriented initiatives such as assigning our company engineers to quickly install equipment to operate at maximum performance, proposing solutions to any specific technical issue and providing feedback on next-generation equipment.

In addition to these activities, we conduct our own Customer Satisfaction Survey* every year. In the fiscal 2025 survey, we received responses from approximately 1,800 customers (response rate: 82.4%). We analyzed this information and used it in our PDCA cycle to make improvements at the actual operation level.



Our activities were highly evaluated and we received best awards consecutively from many of our customers in fiscal 2025. We will continue to provide the Best Products with innovative technology and Best Technical Service with high added value and strive to further improve customer satisfaction.

* "Customer Satisfaction" on our website www.tel.com/sustainability/customer/satisfaction/index.html

Initiatives in the Value Chain

Installation and Maintenance Services

Message

Soichiro Kori
Vice President & General Manager
Division Officer,
Global Customer Engineering Division

In a market that is expected to continue to expand, our company provides safe and high-quality Best Technical Service with high added value for new equipment with leading-edge technology and the largest number of installed base in the industry. Therefore, currently, we are continuously involved in such things as global safety activities, the effective use of human resources and improvements in business operations through DX tools. Furthermore, we aim for the acquisition of absolute trust by accurately understanding customers' needs and providing swift solutions while utilizing data analysis systems and knowledge management tools. In addition, we strive for customer satisfaction and further enhancement in corporate value by providing Best Technical Service, which contributes to stable operations of equipment from a variety of generations that are compatible with diverse applications, as well as improvements in production in addition to leading-edge equipment.

Initiatives in the Value Chain | Installation and Maintenance Services

Key Themes for Medium- to Long-term Value Creation

Reinforcing human resources development and the succession and evolution of the Tokyo Electron identity

Enhance customer satisfaction by providing Best Technical Service with high added value

Management Resources to Be Invested

Intellectual capital

Service support infrastructure

at **95** sites located in **18** countries and regions of the world

Intellectual capital

Service database and remote support system

that utilizes digital technologies, knowledge management etc.

Human capital

Global Customer Engineering Division

Operation with a total of approximately **6,300** people

Differentiation Points

- Field Engineer
- Installed Base
- Efficiency through DX
- Equipment Life Cycle

Value Created

Comprehensive services
resulting from global expansion that include everything from equipment installation to maintenance

Contribution toward the long-term steady operation of equipment
across a variety of generations

Services with high technical capabilities
contributing to improving customers' productivity

Related Main Risks

- Risk 5 **Safety**
- Risk 6 **Quality**
- Risk 11 **Human Resources**
- Risk 16 **Business Locations**

Risk Management P. 71-72

Initiatives in the Value Chain | Installation and Maintenance Services

Key Theme

Reinforcing human resources development and the succession and evolution of the Tokyo Electron identity

Strengthen Customer Responsiveness of Field Engineers

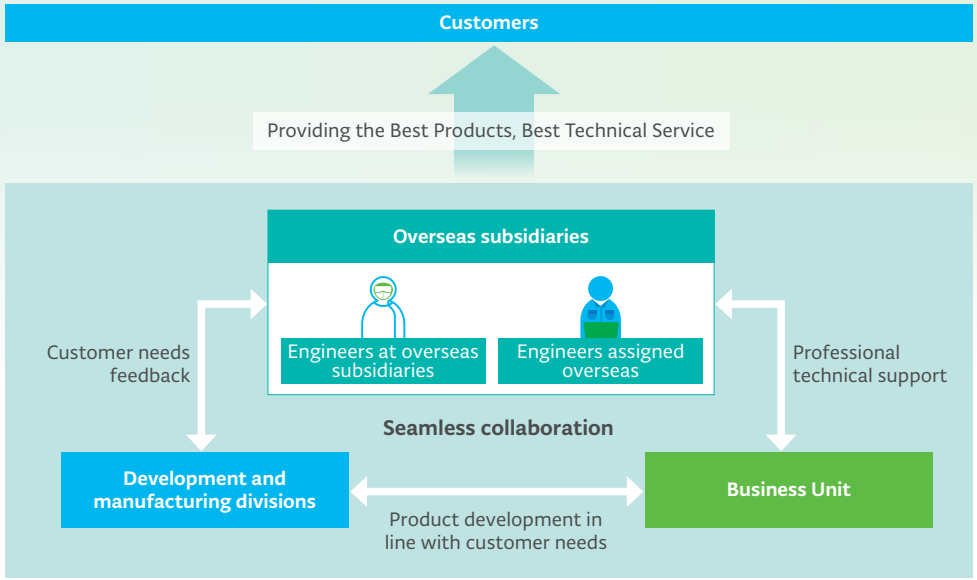
With an outlook to further expand the scale of our business, it is extremely important to increase field engineers, develop people that can promptly play an active role as well as effectively improve the skills of existing field engineers.

Our company establishes a Group-wide common skills management system that meets the standards of Semiconductor Equipment and Materials International (SEMI) and plans to continuously upgrade skills based on the detailed goals established every year. The system helps us to improve the quality of the services we provide to customers, by enabling the optimized deployment of human resources that utilize information about engineers' skills which have been managed in this manner.

Furthermore, we are expanding our program to reassign engineers who had undergone training at manufacturing sites in Japan for a fixed period to the field after their return to their companies, as part of our education for expert engineers for overseas subsidiaries. In this program, engineers strive not only to deepen their knowledge of equipment technology but also to further improve communication with development and manufacturing divisions and business units. They strive to provide high quality services to customers through support in solving technological issues and problems in response to demands from engineers stationed at their respective overseas subsidiaries, in addition to receiving training during the program. This enables engineers to consistently understand customers' situations appropriately and in a timely manner and their further contributions upon return from Japan as site leaders is anticipated.

To make this expert engineer training program easier to take, we develop and operate short-term programs that subdivide the content and focus on specific skills and knowledge. By taking various programs based on needs, engineers can share the skills and knowledge they acquired after they return from Japan with each subsidiary, and we strive to raise the overall skill level of subsidiaries in this manner.

Going forward, we will further expand the on-site leaders' skill up program to quickly resolve our customers' issues.



Creation of New Value through Sharing Knowledge and Experience

Our company began an initiative where employees with rich work experience in installation and maintenance service reflect on their own careers and publish their learning and insights on the internal intranet. This initiative serves as a reference for junior and mid-level employees when laying out their own career paths and future visions, and as an opportunity to aim for new challenges and skill paths for career advancement. We aim to pass on our company's DNA, such as a customer-oriented approach, openness, and teamwork, to our junior and mid-level employees, and to create new value while adapting to the changing times.

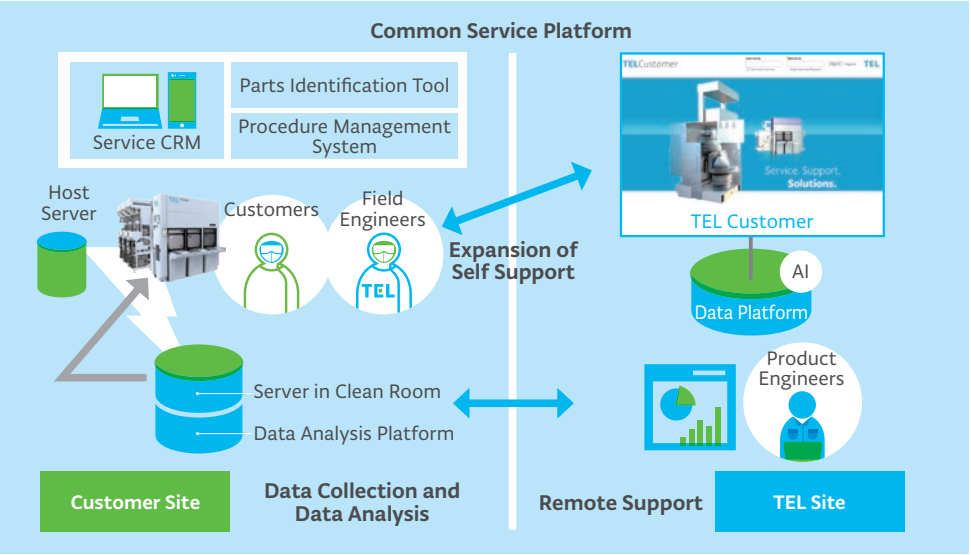
Initiatives in the Value Chain | Installation and Maintenance Services

Key Theme

Enhance customer satisfaction by providing Best Technical Service with high added value

Provision of Best Technical Service with High Added Value

In recent years, factors demanded by customers include high level support technology to deal with manufacturing processes that realize scaling and multi-layering of semiconductor devices, further improvements in productivity and reductions in environmental impact. To provide Best Technical Service with high added value that respond to these needs, in addition to developing field engineers, we promote the development and introduction of systems that incorporate digital and information and communication technology that support engineers' field work as well as tools to raise work efficiency.



By accumulating large amounts of operation history, such as equipment support in everyday activities in Service CRM, which centrally manages globally, as well as creating equipment records and building troubleshooting search tools as knowledge management activities, onsite field engineers use these tools to provide prompt and high-quality services to our customers.

We are also developing a system that centrally manages operation procedures used by field engineers onsite and that improves the efficiency of procedure creation, quality, and searchability of operation procedures, and are rolling them out globally. In addition, we strive to resolve our customers' various issues through the use of remote support tools that connect the server installed in the customer's clean room to our system, which makes remote operational support possible.

Our company provides several contractual services for the stable operation of equipment, such as services in which our field engineers are stationed at customers' manufacturing sites to maintain their equipment, as well as a comprehensive contractual service (TEL Service Advantage Premium) in which we offer pay-as-you-go or flat-rate maintenance services, supply maintenance/consumable parts and repairs in an integrated manner. Furthermore, to shorten issue resolution time and stabilize process performance, we aggregate and analyze data output from equipment, predict the timing of failure of major parts and suggest replacements in advance so that we can help improve our customers' equipment utilization rates.

Further Initiatives for the Improvement of On-site Safety[1]

The rate of workplace incidents per 200,000 work hours (TCIR[2]) was 0.23, realizing an industry-leading safety environment in the semiconductor production equipment industry. In addition to analyzing incidents that did occur, we analyze close calls (dangerous cases that had the potential of becoming incidents) reported by our field engineers and strive to improve on-site safety activities by sharing this information with the safety promotion department of our subsidiaries. At newly constructed semiconductor plants around the world, we establish and maintain safe working environments by having local safety officers and safety officers dispatched from Japan visit sites together. Furthermore, we promote the development of tools that utilize digital technology such as VR technology and video on-demand delivery systems for effective and efficient safety training for field engineers.

1 Safety P. 67-68
2 TCIR: Total Case Incident Rate

Sustainability Initiatives in the Value Chain

Our approach to sustainability initiatives is to practice our Corporate Philosophy through realizing our Vision. We promote our sustainability initiatives by organizing our efforts into the following four frameworks: Governance, Strategy, Risk Management, and Metrics and Targets.

Main Initiatives in the Four Frameworks

Governance

- The Corporate Sustainability Management Department has been established under the Corporate Strategy Division at the head office, reporting directly to the CEO, to promote sustainability initiatives across the entire Group
- Sustainability Global Committee is held twice a year and the sustainability managers in charge of overall sustainability in domestic Group companies as well as overseas subsidiaries participate, sharing initiatives that align across the entire Group and discussing the promotion of global projects
- Sustainability Committee, chaired by the executive officer in charge of sustainability, is held twice a year. Division Officers and presidents of domestic Group companies and overseas subsidiaries attend the meetings to set short-, medium- to long-term sustainability goals, manage progress, formulate sustainability-related policies and discuss individual themes. Decisions on important matters related to enhancing corporate value are made at Corporate Officers Meeting, the highest decision-making body on the executive side
- Group-wide sustainability initiatives are reported to the Board of Directors as appropriate, and the Board of Directors supervises these initiatives

Strategy

- Expand medium- to long-term profit and to continuously enhance our corporate value through the fusion of social and economic value of business activities based on the concept of TSV (TEL's Shared Value), which is the same as CSV, to solve social issues leveraging our unique corporate resources and expertise
- Identify key topics to be addressed with priority as material issues* and develop the value chain through business activities anchored around material issues while leveraging the strengths built by the driving forces of growth behind our company
- While implementing a range of sustainability initiatives through business activities, contribute to solving issues in industry and society by providing the Best Products with innovative technology, and the Best Technical Service with high added value

* Material Issues P. 11-12

Risk Management*

- Respond appropriately and promptly to a diverse range of risks related to semiconductors, including geopolitics and market changes, and develop a risk management structure for achieving sustainable growth
- Establish the Corporate Project & Risk Management Office (CPRO) in the Corporate Strategy Division to promote more effective activities, and carry out enterprise risk management
- In addition to minimizing the impact of risks, that may be faced when conducting business, by giving them full consideration from a future perspective, also view them as business opportunities and appropriately address them
- Comprehensively identify various risks in our business activities based on their degree of impact on the Group and likelihood, identify 16 major risk items, and appoint risk owners for each. Focus on items that are particular issues in meetings of the CEO and Division Officers, confirm the status of related initiatives and discuss improvement measures

* Risk Management P. 71-72

Metrics and Targets

- Set key indicators for continuous corporate value enhancement[1] in our Medium-term Management Plan and annual sustainability goals[2]
- Regularly review the results and status of the achievement of key indicators and annual goals, as well as future initiatives, at the review meetings attended by the CEO
- Continuously conduct activities to achieve each indicator and goal under the persons responsible for each indicator and goal

1 Key Indicators for Continuous Corporate Value Enhancement P. 19-20
2 "Sustainability goals and results" on our website www.tel.com/sustainability/goals-and-results/index.html

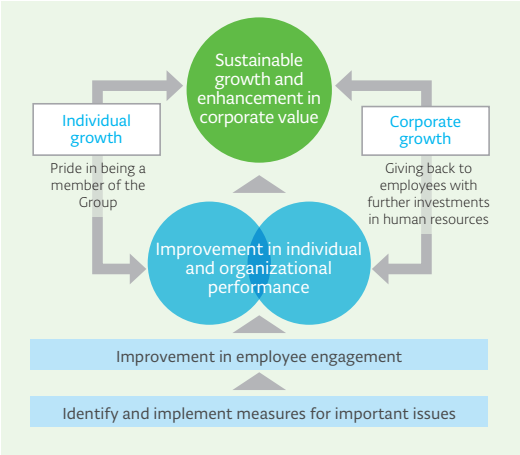
Sustainability Initiatives in the Value Chain

Human Resources

Our Corporate Growth Is Enabled by People, and Our Employees Both Create and Fulfill Company Values

We believe that our corporate growth is enabled by people, and our employees both create and fulfill company values. Based on this approach, we are implementing human resource management where each employee is motivated and can utilize their abilities to the fullest.

Maintaining high engagement and rewarding environments that encourage employees to take on challenges while feeling safe supports improvements in individual and organizational performance, and those results lead to improvements in our business growth and company value. We aim to build a virtuous cycle for the creation of new value by further increasing employee motivation through the pride of being a part of the Group and giving back to them through investments in human resources.

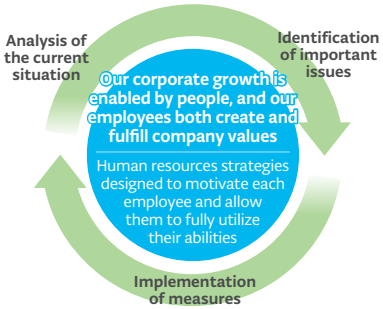


Employee Engagement

We conduct engagement surveys regularly to improve employee engagement, which is crucial for sustainable growth and to maximize employee performance. Based on survey results, we rotate the cycle of analysis of the current situation, identification of important issues, implementation of measures and engage in creating environments where employees can work with enthusiasm while utilizing their individual abilities to the fullest.

Until now, we had been working to provide more opportunities for direct dialogue between management and employees about the state of the company and the future through continuous messages from management via announcements and all hands meetings. This allows us to develop human resources strategies so that the company and employees can continue to grow together while respecting employees' motivation. Our engagement survey score therefore has improved continuously since fiscal 2016, increasing by 19 points by fiscal 2025.

Going forward, based on the results of the analyses, we will focus on "further expanding recruitment and engagement opportunities for human resources," "improving the work environment to increase productivity" and "strengthening collaborations between organizations."



Recruitment

In addition to the increase in demand for semiconductors, we are planning a large-scale staff increase that aims to hire 10,000 people globally in the five years from fiscal 2025 to adapt to the advancements in manufacturing equipment that supports performance improvement and stable production. To realize this plan, it is crucial that we recruit excellent personnel specializing in semiconductors who are sought after by companies and research institutions from around the world. Building initiatives that promote fostering next-generation human resources through collaboration between industry, academia and government not just limited to recruitment competition is needed. As such an initiative for the future, we participate in UPWARDS*, a partnership between Japanese and American universities, and promote the fostering of human resources in the field of semiconductor technology as well as research development. Furthermore, we provide an array of learning opportunities by holding seminars at numerous semiconductor related organizations, including the Japanese Society for Artificial Intelligence, Semiconductor Equipment Association of Japan (SEAJ) and the Fukuoka Semiconductor Reskilling Center, in addition to academia such as universities and technical colleges. Through such initiatives, while contributing to the development of researchers and personnel who will support future innovations in semiconductor technology, we aim to build the foundation for people with diverse perspectives to lead the industry.

* UPWARDS: U.S.-Japan University Partnership for Workforce Advancement and Research & Development in Semiconductors.

UPWARDS P. 45

Human Resources Development and Career

Our company is engaged in the development of human resources that can play an active role on the global stage amid rapidly changing business environments. To maximize the performance of each employee, we increase company-wide innovative capabilities by establishing a systematic human resource development system and drawing out the potential abilities of our employees with diverse backgrounds. Furthermore, we are striving to sustain motivation by establishing systems that support employees' self-directed career development and personal fulfillment, providing an environment where employees can proactively set their own goals and grow.

Sustainability Initiatives in the Value Chain

TEL UNIVERSITY

Established in 2007, TEL UNIVERSITY is our company's internal educational institution which fosters a culture of learning and provides opportunities for self-growth.

TEL UNIVERSITY

TEL Principles of Human Resource Development

1. Self-motivation and a sense of responsibility are the basic requirements for developing the talents of employees.
2. The workplace supports employee development.
3. The company provides employees with opportunities and incentives to learn and offers the necessary platform or framework.

Overview of TEL UNIVERSITY

	New Graduates, Junior Employees	Mid-level Employees	Managerial Employees, Individual Contributors (ICs), and Officers	Top Management
Level-based Programs	Introductory programs (new graduates, mid-career recruits)			
	On-the-job-training (OJT) programs (new graduates, mid-career recruits)			
	Junior employee programs	Mid-level employee programs	Manager programs	
			Leader programs	
Goal-based Programs	Technical programs (seminars, workshops)			
	Business skills			
	Global communication			
	Career support			
	Compulsory web-based training			

New Career Design

In 2024, we launched the following initiatives to support employees in clarifying their future vision for themselves and designing a career plan to realize it.

- **Design Your Career**

Employees set their career direction by referring to the careers of supervisors and colleagues with extensive practical experience. They deepen their understanding by asking career-related questions through generative AI and mentors, and they can identify the necessary steps (e.g., workplaces they should experience) to realize their future vision through job-related information.

- **Planning Your Skill Path**

Employees consult with supervisors and determine the skills necessary to "Visualize Your Ideal Future Self." Optimal learning content and mentors are recommended based on the skills that employees determine. Putting the knowledge acquired into practice enables employees to efficiently obtain skills.

Support for Career Development

- **Leader Programs**

We are focusing on identifying the next generation of leaders early on and providing systematic development to enhance medium- to long-term corporate value. The next generation of potential future leaders is given opportunities to build networks with other companies and develop broader perspectives through participation in external training. Management also considers and reviews the systematic assignment of these potential leaders to ensure consistent development support. Additionally, we provide level-based training for various duties with the goal of improving the skills of the participants in a practical manner while working to promote human resource development cycles at our business sites.

- **Individual Contributors**

We operate the TCL (Technical Career Ladder) as a career path for employees with highly specialized technical skills. The TCL is composed of chief engineers and technical experts and enhances awareness both inside and outside of the company while also reinforcing collaboration between departments and promoting the use of knowledge concerning highly specialized areas of expertise. Through this, employees can utilize their specialist knowledge and strengths.

Onboarding Reinforcement

- **New Graduates and Junior Employee Programs**

We offer training programs that aim to promote growth and shared values by providing basic knowledge and skills concerning such things as understanding our corporate principles and business etiquette required as members of society. The programs are conducted in stages from the first to third year after entering the company and provide career development through mandatory training and practice.

This program works to instill the value of being a member of the Group while promoting sustainable self-growth.

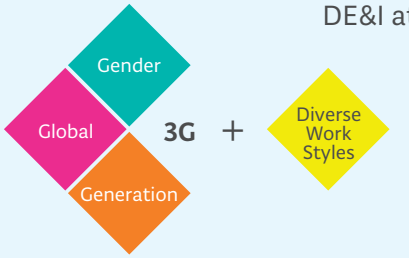
Sustainability Initiatives in the Value Chain

Mid-Career Recruit Programs

In fiscal 2025, we renewed the onboarding program for mid-career hires in which 230 people from all domestic sites participated. The "Welcome to TEL Meeting!" is a part of the training and employees can learn about the company's history, corporate culture and principles while deepening their understanding of our products and technology. We also provide opportunities to foster a sense of community across departments through group work and discussion. This process enables employees to deepen their understanding of our company and sets up an environment where they can contribute to work as immediate assets.

Diversity, Equity and Inclusion (DE&I)

With the strong commitment of management, we actively promote DE&I as an important initiative that leads to the continuous generation of innovation and enhanced corporate value. Based on the idea that "ONE TEL, DIFFERENT TOGETHER™", we have taken on nationality, gender and generation as major themes and our promotion of DE&I is centered around the concept of 3G (Global, Gender, Generation). On the other hand, in addition to visible kinds of diversity such as the 3Gs, there are many forms of diversity that are less visible, such as personality, ways of thinking, work habits and values. Given this backdrop, we understand that DE&I is not something special, but instead, it is important to foster a culture of mutual trust by understanding the diversity inherent in everyone, and to accept each person's individuality and values, and we are taking various measures to promote this.



DE&I at Tokyo Electron

TEL's engagement in DE&I consists of four focus areas, including the 3Gs (encompassing Global, Gender, and Generation aspects) and Diverse Work Styles.
We are establishing a work environment where every employee can play active roles regardless of nationality, gender, age, or disability, so they can grow as creative sources of innovation.

Diversity, Equity and Inclusion Week (DE&I Week)

In fiscal 2025, we held our second DE&I Week, during which a total of 35 events were held globally. With the theme of "Accelerating action in the 3Gs," the aim was for participants to feel the importance of building actual inclusive environments rather than simply understanding inclusion. By participating in these events, employees were able to experience our DE&I "ONE TEL, DIFFERENT TOGETHER™" slogan.

Examples of actual programs are, serving food from the countries in which local subsidiaries are located in the cafeteria of each company and panel discussions with foreign employees, which work to promote understanding from a global perspective. A training session on "Inclusive communication" was also held to promote considerate communication with people whose mother language is not Japanese or English. In regard to gender, events such as a conference for women engineers, workshops on childcare leave for men and movies and talks on LGBTQ+ themes were held. Furthermore, from the perspective of generation, a talk titled "40 years of the semiconductor industry: what has driven the industry?" was held, which served as an opportunity to deepen understanding about growth and diversity in the industry. We promote DE&I throughout the entire Group to enhance each employees' interest and understanding of DE&I through participation in such diverse events.

TEL DE&I WEEK 2025
ONE TEL, DIFFERENT TOGETHER

Workshop on Childcare Leave for Male Employees

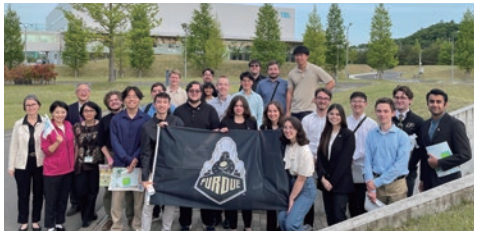
Our Group holds workshops on childcare leave for male employees several times a year. In addition to explanations about the system by the Human Resources Department, these workshops include sharing experiences by employees who actually took the leave, as well as Q&A sessions. The workshops draw a lot of interest every time, with many participants being not only employees considering taking childcare leave but also those who want to plan their life design for the future or learn how to support colleagues and subordinates raising children. Such initiatives foster a culture of mutual respect where employees understand the positions of others, and lead to higher rates of employees who take childcare leave.

Value Creation by the Value Chain

Sustainability Initiatives in the Value Chain

UPWARDS

UPWARDS is a semiconductor collaboration project between Japan and the U.S. that involves five Japanese and six American universities, the supporting companies, Micron Technology and Tokyo Electron. The aim is to create a hub for human resource development and reinforce research and development in the field of semiconductors over the five-year period from 2023 to 2028. This initiative does not limit itself to financial support for the future, but provides multi-faceted support such as curriculum and organization support in universities and provides summer camps and internships for students. We continue our activities consistently to bring about positive influences on the semiconductor industry using new approaches through collaborations between industry and academia, and between Japan and the U.S.



Work-life Balance

Leave System

We believe that employees are high productivity when they can properly manage their work hours and take leave. Accordingly, we are working to eliminate long working hours, and to both enhance our leave systems and encourage employees to make use of them. We have set a medium-term target of ensuring that our employees take 80% or more of the paid leave available to them (Japan). To achieve this, we educate employees on how to take leave in a systematic manner, regularly monitor leave usage, and promote management practices that support improved leave utilization rates. In fiscal 2025, the rate of employees taking advantage of paid leave was 78.9%, almost achieving our medium-term target.

We also operate a unique "refreshment leave system" in different countries around the world, depending on the prevailing circumstances. This system aims to provide both mental and physical refreshment for employees, and so boost their motivation to work. In Japan, employees who have worked at the company for 10 years or more are granted special, supplementary paid leave of between two weeks and one month for every five years of continuous service. In fiscal 2025, 819 employees in Japan and 890 employees overseas took advantage of refreshment paid leave. Starting in fiscal 2026, we will expand the system's applicable range to include employees with over five years and 30 years of work with the company. Furthermore, we are also focusing on establishing various other flexible leave systems for different life events, including childcare leave, leave to care for a sick or injured child[1], childcare support leave[2] and paid leave to provide nursing care. Employees are permitted to extend childcare leave until the day the child reaches three years of age; employees are now also eligible for the reduced working-hours program for childcare until the child graduates from elementary school.

1 Leave to care for a sick or injured child: Employees are granted five days of paid leave per year until the child enters elementary school.
2 Childcare support leave: Employees are granted five days of unpaid leave per year until the child enters junior high school.

Health and Productivity Management

For our company to continue to grow, it is important that every employee leads a fulfilling life and maximizes their performance. For these reasons, we strive to create a healthy and safe work environment and our approaches were summarized and made public in the "Declaration of Health[1]." We built an effective health management system under the direction of executives in charge of human resources by assigning occupational health physicians and public health nurses in each plant and office. As for specific initiatives, in addition to conducting various medical checkups in accordance with laws and regulations and offering face-to-face consultations by designated occupational health physicians for employees who work long hours, we also offer counseling opportunities supported by external industrial counselors for those who request them. Furthermore, we organize regular line-care[2] seminars aimed at management, and where necessary, hold liaison meetings with the health officers and health professionals at each Group company in Japan, reinforcing the support system concerning health.

Based on the collaborative health[3] concept, in cooperation with the Tokyo Electron Health Insurance Society, we are actively expanding data health[4] initiatives, which utilize the examination data from medical checkups and provide employees with health guidance and promote effective prevention and health promotion according to their individual circumstances.

Going forward, from the perspective of well-being, we will promote the provision of an environment that is mindful of health so that employees can actively engage in their responsibilities with a sense of purpose and work with enthusiasm.

1 Declaration of Health: Promoting various initiatives in response to health issues from the perspectives of eating, resting, walking and talking
2 Line-care: Measures for mental health, in which managers are mindful of and care for the mental health of their subordinates and team members
3 Collaborative health: Situation where a company actively operates with an insurer, such as a health insurance society, to effectively and efficiently promote the health of its employees and their families
4 Data health: Refers to a more effective and efficient health care program that is implemented in line with the health status of insured persons, by utilizing and analyzing the health and medical information held electronically by the medical insurer

Sustainability Initiatives in the Value Chain

Human Rights

Approach to Human Rights

We recognize corporate social responsibility and believe that it is important for us to conduct ourselves with a strong sense of integrity. We recognize the importance of human rights and the responsibility of businesses to respect human rights. We take pride in our work to uphold human rights since our founding as reflected in the spirit of "the Corporate Philosophy" and "the Management Policies" of the Group. We endeavor to incorporate the concept of respect for human rights into every aspect of our business activities, and strive for the creation of a corporate culture that enables each person to realize his or her full potential and freely enjoy their livelihoods. We also give the highest consideration to the health and safety of every person and respect his or her dignity. For us, respecting human rights means a significant undertaking not only to fulfill our responsibility for eliminating adverse impacts on people caused through our business activities, but also those who support our business activities, and contribute to the realization of a sustainable dream-inspiring society.

Human Rights Policy and Promotion Framework

We formulated Tokyo Electron Group Human Rights Policy[1], referring to the United Nations' Guiding Principles on Business and Human Rights and the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work referred to therein, the Ten Principles of the United Nations Global Compact and the RBA Code of Conduct[2]. Our Human Rights Policy specifies five focus areas of human rights. We thoroughly familiarize our executives and employees with the Policy and we demand that our suppliers also conduct their business activities in line with our Policy. In addition, we engage in active dialogue with all of our stakeholders, such as shareholders, investors and suppliers, striving to meet the demands and expectations of society.

Human Rights of Most Importance

- Freedom, Equality & Non-Discrimination
- Freely Chosen Employment
- Product Safety & Workplace Health and Safety
- Freedom of Association
- Appropriate Working Hours & Breaks/ Holidays/Vacations

Human rights issues and initiatives are shared and activities are promoted at the Sustainability Global Committee attended by the sustainability managers and led by our Corporate Sustainability Management Department. Important issues concerning the improvement of corporate value are deliberated by the Sustainability Committee and approved at the Corporate Officers Meeting attended by the CEO. The executive officers in charge of sustainability report on the status of important human rights-related issues, the results of initiatives and the like to the Board of Directors, and the Board supervises these efforts.

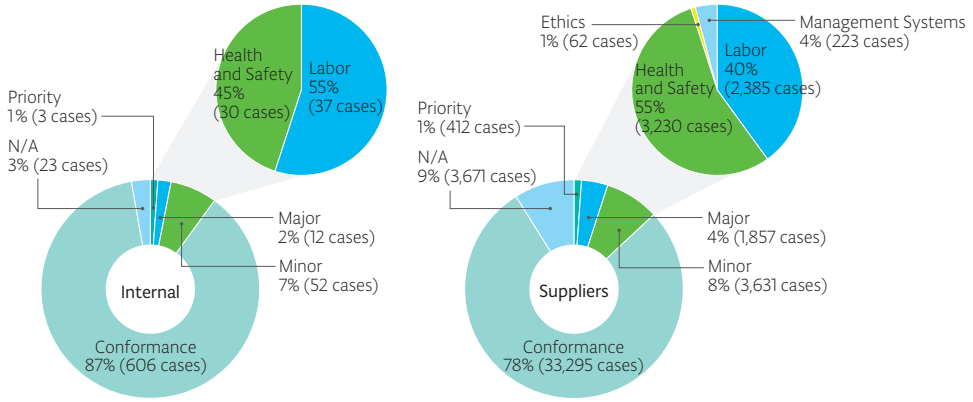
1 "Tokyo Electron Group Human Rights Policy" on our website www.tel.com/sustainability/management-foundation/human-rights/index.html

2 RBA Code of Conduct: A set of standards established by the Responsible Business Alliance (RBA) for supply chains in the electronics industry, to ensure that labor environments are safe, that workers are treated with respect and dignity, and that companies take responsibility for the environmental impacts of manufacturing processes and procurement.

Human Rights Due Diligence

Every year, we identity and evaluate the adverse effects on human rights (human rights risks) by our headquarters, Group companies and suppliers, based on the United Nations' Guiding Principles on Business and Human Rights. Accordingly, we implement initiatives to prevent and reduce the identified adverse effects and actively conduct human rights due diligence that track and evaluate the effectiveness of those initiatives.

Study Results for Fiscal 2025



Our classifications and definitions of conformance as well as human rights risks based on RBA auditing standards are as follows.

Priority:	Issues considered particularly serious, which are at significant risk and require immediate priority remediation
Major:	High-urgency issues which are at significant risk and require immediate remediation
Minor:	Minor issues and risks recognized in each area which require remediation
Conformance:	No issues were recognized in each area and requirements are being met
N/A:	Indicates that the respondent answered that "the question is not applicable."

Sustainability Initiatives in the Value Chain

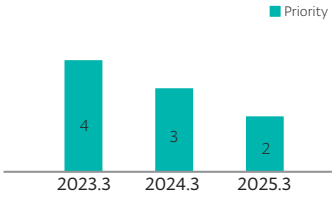
High Priority Human Rights Risks, Corrective Actions, and Status of Improvements (Fiscal 2025 and Fiscal 2024 Comparison)

1 ✔: Has issues —: No issues
2 Improvements Status ○: Significant improvements made △: Measures for improvement required

Human Rights Risks	Main Issues	Internal[1]	Suppliers[1]	Corrective Actions		Improvements Status[2]
Labor						
Policies and procedures ● Forced labor/bonded labor ● Child labor ● Pay reduction as disciplinary sanction ● Religious practices ● Freedom of association	● Policies and procedures are insufficiently defined ● Programs for measuring effectiveness have not been implemented ● Policies and procedures are not available in languages that can be understood by foreign laborers ● Employees are not made sufficiently aware of policies or procedures	—	✔	Suppliers	● Disseminate the Tokyo Electron Group Human Rights Policy ● Formulate policies and procedures and translate them into multiple languages	△
Working hours	● Excessive working hours	✔	✔	Internal	● Thorough internal awareness of working hours ● Improvements in working hours management system ● Regularly monitoring to call for attention and confirm effectiveness	○
				Suppliers	● Weekly working hours management	
Health and Safety						
Evacuation drills	● Less than 100% of employees take part ● Drills are not performed after sunset	✔	✔	Internal/ Suppliers	● Formulation and implementation of procedures ● Conduct drills and follow up with people who do not participate in them ● Plan and conduct drills after sunset	△
First aid	● First aid procedures have not been defined ● There aren't enough first aid personnel	—	✔	Suppliers	● Formulation and implementation of procedures ● Assign an appropriate number of first aid personnel	△
Management Systems						
Grievance mechanism	● Grievance mechanisms are not available in languages that can be understood by foreign laborers ● Employees are not made sufficiently aware of the grievance mechanisms	—	✔	Suppliers	● Multilingual support ● Thorough internal awareness of grievance mechanisms and their operations	△

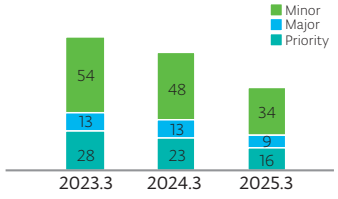
"Human Rights Due Diligence" on our website www.tel.com/sustainability/management-foundation/human-rights/index.html#dd

Working Hours Internal 12 companies



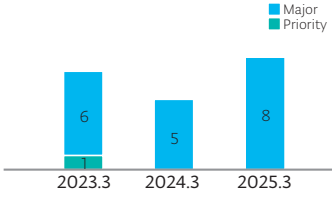
For Japan, improve working hours management system, for overseas, continue improvements by implementing a new working hours management system

Working Hours Suppliers 704 companies



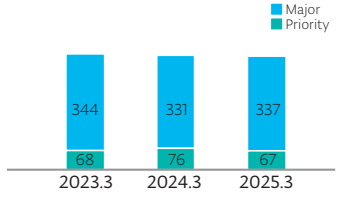
Improvements by changing the operations of working hours management and continuously conducting activities that foster awareness. Continue with improvement activities so that working hours fall within standards

Evacuation Drills Internal 12 companies



Provide sufficient follow up with non-participants and provide further corrective measures by ensuring the implementation of drills after sunset

Evacuation Drills Suppliers 704 companies



Reinforce corrective initiatives such as conducting drills after sunset, improving frequency and demanding participation by non-participants

Addressing Grievances

For human rights initiatives in companies, it is important to ensure access to remedies for those affected by human rights violations. We have instilled a highly reliable grievance mechanism that ensures complete confidentiality, anonymity and prohibition of retribution and unfavorable treatment.

By facing the feedback from our employees and suppliers seriously, and by formulating and operating a system that can quickly and appropriately deal with those issues, we are working on our grievance mechanism that specializes in human rights to establish itself to provide access to relief.

Sustainability Initiatives in the Value Chain

Environment

E-COMPASS

As a leading company in the semiconductor production equipment, we are rolling out the E-COMPASS (Environmental Co-Creation by Material, Process and Subcomponent Solutions) environment-focused initiative. Through E-COMPASS, we will work together with our customers and partner companies to promote semiconductor technological innovation and reduce the environmental impact of semiconductors through our business activities, centering on the three perspectives of semiconductors, production equipment, and business activities. We will supply products and services with technological and social value through our entire supply chain, led by E-COMPASS, and will link this to sustainable growth.

Scope 1, 2 & 3 Achieve Net Zero by Fiscal 2041

Scope 1, 2: CO_2 emissions from energy use such as electricity in business activities
Scope 3: CO_2 emissions from the use and disposal of sold equipment, material purchases and logistics, etc.

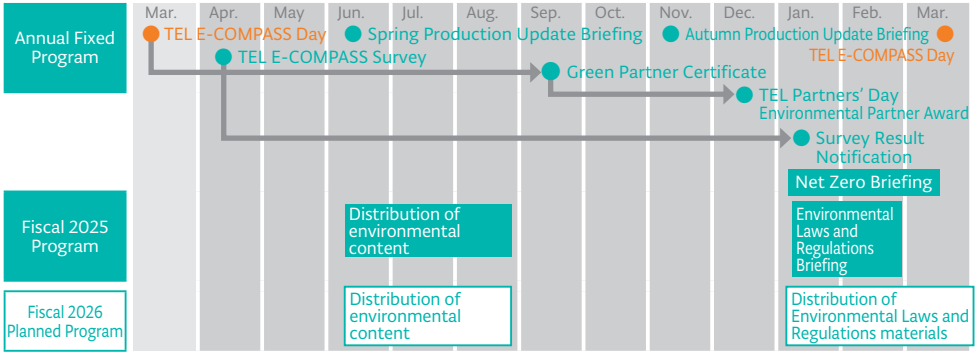
E-COMPASS
Environmental Co-Creation by Material, Process and Subcomponent Solutions

Semiconductors	Production equipment	Business activity
Pursuing higher device performance and lower power consumption	Achieving both high process & environmental performance	Reduction of CO_2 and equivalent emissions in all business activities

Initiatives with Suppliers*

We believe we must accelerate our efforts even more to preserve the global environment and the data-driven society, which will be a growing reality in the years ahead. Four years have passed since we began our E-COMPASS activities and awareness about this initiative among many of our suppliers has increased. We are also making steady progress in each of our E-COMPASS projects and are achieving favorable results such as increasing the number of companies that have declared net zero. Leveraging these results, we will publicize our annual schedules and hold various events effectively to reinforce our collaborations with our suppliers even further.

* "E-COMPASS" on our website www.tel.com/sustainability/management-foundation/environment/index.html#compass



TEL E-COMPASS Day 2025

"TEL E-COMPASS Day 2025," a briefing session with all our suppliers, was held in March 2025 using an online and in-person hybrid approach and was attended by 745 suppliers. At this briefing session, we shared information about the progress we have made in our E-COMPASS activities and our net zero efforts, and also provided detailed explanations on environmentally-focused training materials, support plans and selection standards for environmental partners and green partners, and more. In addition, we engaged in lively exchanges of information with approximately 100 of our suppliers who attended the briefing session.

Measures to Reinforce Partnerships

To reinforce our partnerships, we are engaging in measures to understand environmental activities for each supplier and to offer partner certifications according to the details of those activities.

Sharing Information with Suppliers

We offer information we gather about the environment and share the activity details based on that information with all our suppliers.

Achieving net zero by fiscal 2041 will require cooperation in reducing emissions by our customers' and suppliers' production lines in addition to reductions in CO_2 emissions within the Group. We have begun engaging in discussions with some of our suppliers and fleshing out measures to achieve these goals. We are also assigning persons in charge of net zero initiatives at each of our manufacturing sites and developing our internal systems. Going forward, we will work proactively to preserve the global environment across the entire supply chain through our partnerships with customers and suppliers.

Sustainability Initiatives in the Value Chain

Environmental Management System

As environmental measures are growing even more crucial, we have established a Technology Vision & Environment Strategy Department in our headquarters, headed by GMs in charge of the environment. This department oversees multiple councils to promote efforts to address medium- to long-term environmental issues throughout the Group. We also report on the progress of these initiatives to management, including the CEO, through the framework of councils set out in the table below.

In accordance with the ISO 14001 certification that the entire Group (mainly our manufacturing subsidiaries) obtained in March 2017, we have identified environmental impact assessments and useful environmental aspects within this standard, and are executing a standardized group format for environmental management programs and internal audit checklists. To ensure compliance with the environmental laws and regulations of various countries, which undergo frequent revisions, we are making efforts to gather information regarding PFAS*-related regulations at earlier stages and taking a proactive stance towards compliance. We were once again free from environmental incidents, violations and legal proceedings in fiscal 2025.

* PFAS: Per and Poly Fluoroalkyl Substances. This is the collective term for perfluoroalkyl and polyfluoroalkyl compounds, a subset of organic fluorine compounds.

Main Councils

Conference Name	Main Participants	Function	Meeting Frequency
Council for the Regular Reporting of Environmental Activities	CEO, corporate officers, GMs in charge of the environment	Report on matters discussed at the Global Environment Council and the TEL Corporate Environment Council and review items for approval	Quarterly
Manufacturing Companies Presidents' Council*	Manufacturing companies' presidents, GMs in charge of the environment, etc.	Monitor and supervise progress related to environmental issues	Quarterly
TEL Corporate Environment Council	The GMs in charge of the environment and vice presidents of department, etc.	The promotion of environmental activities across the entire Group, set Group-wide goals	Appropriately
Global Environment Council	Appointed members by the executives at headquarters and the Group companies	Set individual goals related to environmental issues, monitor progress, work to achieve our goals	Twice annually

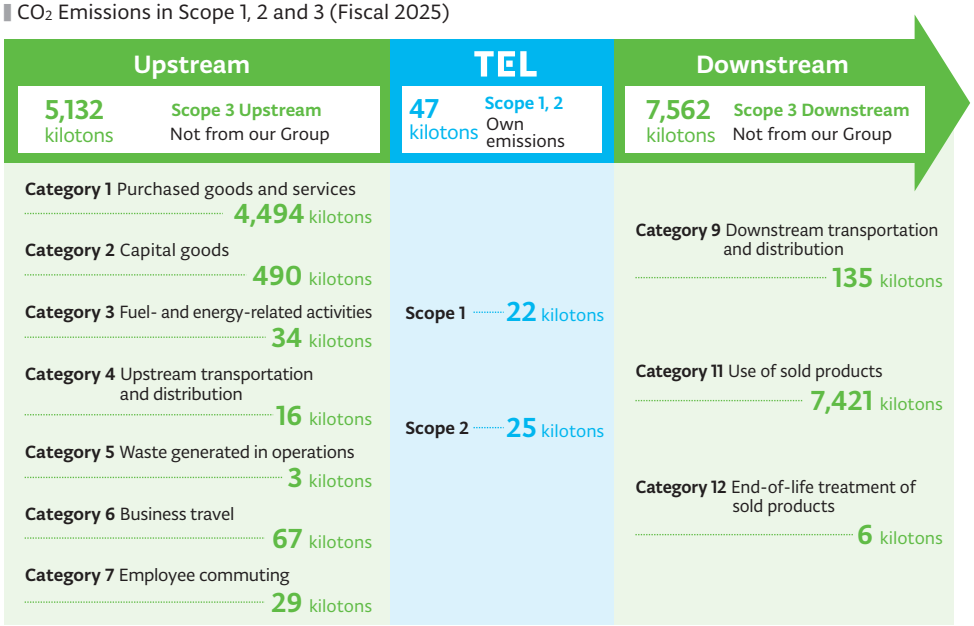
* At the Manufacturing Companies Presidents' Council, information is shared on business affairs and issues regarding environment, safety, quality, supply chain management, etc.

CO_2 Emissions across the Value Chain

Based on our environmental slogan "Technology for Eco Life," we aim to resolve environmental problems through leading-edge technology and reliable services, understand the environmental impact generated throughout our entire value chain and promote business activities to reduce that impact.

Our total CO_2 emissions of Scope 1 and Scope 2 is 47 kilotons, while Scope 3 as the sum of upstream and downstream activities accounts for a total of 12,694 kilotons, 99.6% of the total. Of this, CO_2 emissions when using products stand at 7,421 kilotons, about 60% of the total. This is why we consider the development of products with low CO_2 emissions during operation to be important.

CO_2 Emissions in Scope 1, 2 and 3 (Fiscal 2025)



Scope 1: Direct greenhouse gas (GHG) emissions from use of fuel and gas we owned or controlled
Scope 2: Indirect GHG emissions from use of electricity, steam and heat we purchased
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. Scope 3 is divided into upstream activities, which include emissions associated with purchased or procured products and services, and downstream activities, which include emissions associated with sold products and services

Value Creation by the Value Chain

Sustainability Initiatives in the Value Chain

In October 2023, we received SBT* certification, recognizing that the greenhouse gas reduction targets set for fiscal 2031 were based on scientifically evidence. Furthermore, net zero targets to reduce greenhouse gas emissions across the whole value chain, including Scope 1, 2 and 3 set for fiscal 2041, also received SBT certification in January 2025. As a result, we received SBT certification for each of our near-term and long-term targets.

* SBT: Science Based Targets. SBTs are targets that are set by companies for 5 to 10 years in the future and that match the standards required by the Paris Agreement.

Targets recognized as SBTs

- Reducing absolute Scope 1 and 2 GHG emissions 70% by fiscal 2031, using fiscal 2019 as a baseline
- Increasing active annual sourcing of renewable electricity from 2% in fiscal2019 to 100% by fiscal 2031
- Reducing Scope 3 GHG emissions from the use of sold products by 55% per wafer processed by fiscal 2031, using fiscal 2022 as a baseline
- Achieve net zero in greenhouse gas emissions in Scope 1, 2 and 3 by fiscal 2041

Environmental Goals and Progress

○: Proceeding well △: Need to accelerate to achieve the goal

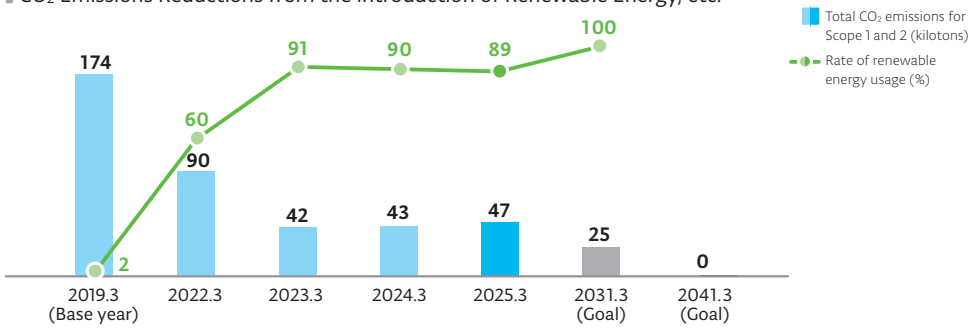
Item	Scope	Target	Target Year	Fiscal 2025 Results	Evaluation
Plants and offices	Total CO_2 emissions	85% reduction[1]	Fiscal 2031	73% reduction	○
	Renewable energy (electricity)	100%	Fiscal 2031	89%	○
	Energy consumption (per-unit basis)	1% year-on-year reduction	Maintain each year	Achieved by 6 out of 11 plants and offices	△
	Water consumption (per-unit basis)	Maintain base year level	Maintain each year	Achieved 10 out of 13 targets	○
Products	CO_2 emissions per wafer[2]	55% reduction	Fiscal 2031	21% reduction	○
Logistics	CO_2 emissions	30% reduction	Fiscal 2027	22.4% reduction	○
	Switch from wooden crates to STW[3]	50%	Fiscal 2025	34.7% over full year period (43.7% in fourth quarter)	○

1 Because the fiscal 2031 goal of a 70% reduction was achieved in fiscal 2024, a new goal was set for fiscal 2025
2 Including reductions resulting from customers' introduction of renewable energy
3 STW: Strong Triple Wall. Reinforced cardboard made up of three layers.

Initiatives Concerning Own Emissions (Scope 1 and 2)

We aim to reduce total CO_2 emissions from plants and offices by 85% (compared to fiscal 2019 levels) and use renewable energy for 100% of our power by fiscal 2031. By fiscal 2041, we plan to achieve net zero. The ratio of renewable energy used in all companies in fiscal 2025 was 89%. We are working to achieve 100% usage in the Asia region, and have reduced total CO_2 emissions from our plants and offices by 73% compared to the base year, assisted by energy-saving activities. Going forward, we will continue to further strengthen our initiatives to reduce CO_2 emissions.

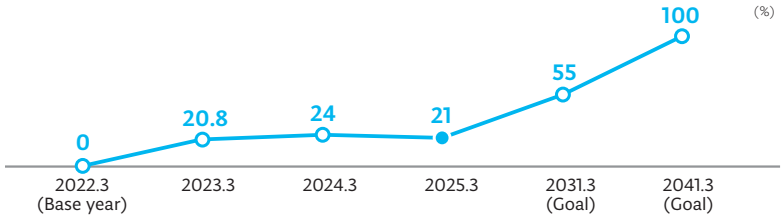
CO_2 Emissions Reductions from the Introduction of Renewable Energy, etc.



Initiatives Concerning Emissions Not from Our Group (Scope 3)

We aim to reduce CO_2 emissions per wafer (including reductions resulting from customers' introduction of renewable energy) by 55% compared to fiscal 2022 levels by fiscal 2031. By fiscal 2041, we plan to achieve net zero. As of fiscal 2025, we have reduced CO_2 emissions per wafer by 21% compared to the base year through the development and adoption of energy-saving auxiliary equipment.

Reduction Rates in CO_2 Emissions Related to Products



Value Creation by the Value Chain

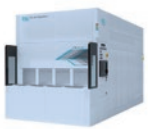
Sustainability Initiatives in the Value Chain

Logistics Initiatives

We are proactively promoting the adoption of STW and bringing about modal shifts in transportation. STW is lightweight, which is expected to reduce CO_2 emissions from transportation. It is also recyclable and has a lower environmental impact than wood. For these reasons, in fiscal 2025 we aimed to have a switchover rate of 50% or above from wooded crates to STW, resulting in 34.7% annually and 43.7% in the fourth quarter.
Going forward, we will focus on standardizing STW packaging and promoting its use with customers. We will work towards an increased goal of a 60% or above switchover rate by fiscal 2027. In addition, we greatly increased usage of ferries, such as switching over approximately 5,000 deliveries from trucks to ferries between Osaka and Fukuoka in fiscal 2025. Such modal shifts and joint deliveries resulted in a reduction in CO_2 emissions from logistics by 22.4%, a four-point improvement since fiscal 2024. Also, Tokyo Electron Miyagi and Tokyo Electron Kyushu are continuing to promote modal shifts to rail in the shipment of parts. The usage of EV trucks was reinforced in fiscal 2025, to 500 trucks used annually.

Initiatives for Product Development

We are working proactively on the development of products with reduced environmental impact. Our new product, Ulucus™ LX, which was launched in December 2024, can reduce the amount of deionized water used by over 90% compared to conventional back grinding and edge trimming processes. Also, LEXIA™-EX achieves a 20% increase in throughput, 40% reduction in carbon footprint and 14% reduction in CO_2 emissions compared to conventional equipment.


Ulucus™ LX


LEXIA™-EX

Biodiversity and Forest Conservation

In fiscal 2023, we formulated commitments to biodiversity and forest conservation. In fiscal 2024, in affirmation of the philosophy of the Taskforce on Nature-related Financial Disclosures (TNFD), we joined the TNFD Forum, which supports the TNFD's efforts. Furthermore, based on our fundamental understanding of the TNFD as a whole and the LEAP approach[1] advocated by the TNFD, we identified high priority areas and organized information about their status. We also conducted interviews with suppliers to confirm the status of their TNFD support and their awareness regarding it.

In order to become more nature-positive[2], we are investigating the impact that our business activities have on nature and the risks posed to our business by the loss of nature, and we are striving to disclose information appropriately. We will collaborate with our stakeholders in initiatives related to natural capital and biodiversity across our entire value chain.

1 LEAP approach: Locate, Evaluate, Assess and Prepare approach

"Biodiversity and Forest Conservation (TNFD)" on our website www.tel.com/sustainability/management-foundation/environment/index.html#tnfd

2 Nature-positive: Stopping and reversing harm to biodiversity in order to put nature back on a recovery course

Initiatives to Reduce Waste

To reduce waste, we are striving to curb the amount of waste we generate and to recycle waste. In addition to using an electronic manifest system[1] to properly manage waste, we are confirming statistical data regarding waste and performing on-site equipment confirmation to assess waste production trends and their causes. We are identifying buildings, processes and equipment which generate particularly large amounts of waste and implementing measures to reduce the waste they generate. These measures include separating waste and adding new processes. Specifically, to raise recycling rates and cut the amount of waste, we strictly separate waste, prevent resources wastage, optimization of parts inventories, use reusable boxes for deliveries, reuse cushioning material and contracting with waste operators capable of performing recycling. Through these efforts we are reducing the amount of waste that is sent to landfills or incinerated without recovering energy. We are also renovating our waste storage sites to increase their capacity while reducing the frequency of collection. Through this, we are striving to not only cut waste processing costs but also to reduce environmental impact.

Through these efforts, in fiscal 2025 we produced 222 tons of waste to be incinerated without recovering energy or buried in a landfill and achieved a recycling rate[2] of 99.2%. This marked the 19th consecutive year, starting in fiscal 2007, that we have met our target of a recycling rate of 97% or above. We also maintained a high recycling rate at our overseas plants and offices of 94.8%.

1 Electronic manifest system: A system in which, instead of using printed manifests to manage industrial waste, the flow of industrial waste products is managed through a communications network that connects information processing centers, waste generating enterprises, waste collection enterprises and waste disposal enterprises

2 Recycling rate: (Recycled amount/Amount of waste generated) × 100

Recycling rate
99.2%
(Global)

Sustainability Initiatives in the Value Chain

Initiatives Related to Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Based on the recommendations offered by the TCFD, we are conducting deliberations and taking various measures based on the four frameworks of Governance, Strategy, Risk Management and Metrics and Targets relating to the risks and opportunities that climate change presents to our overall business.

Anticipated Risks and Opportunities of Climate Change Impact and Our Response

Timeline: Short-term = five years or less; medium-term = fiscal 2031; long-term = fiscal 2051
Scope: The entire Group as well as the entire value chain including upstream and downstream

Matters considered: Current and emerging regulations related to existing and new businesses, technical risks, legal risks, litigation risks, market risks and acute and chronic physical risks

Type (Scenario)	Risk or Opportunity Items	Timeline of Manifestation	Anticipated Risks or Opportunities	Impact on Tokyo Electron	Impact Evaluation[1]	Our Response
Transition Risks (1.5°C scenario)	• Cost increases pertaining to transition to low-carbon	Short- to medium-term	• It has been projected that the following levels of carbon tax[2] will be levied: Fiscal 2041: Approx. 30,750 yen/t-CO_2 • Reinforcing goals and measures for reduction in carbon emissions in each country • Soaring electricity/fuel costs • Soaring green power and renewable energy certificate unit prices	• Assuming that our greenhouse gas (GHG) emissions and renewable energy usage levels remained at the levels of fiscal 2025, the carbon tax burden would rise as follows: Fiscal 2041: Increase of 1.4 billion yen/year • Increased transportation costs • Increased procurement costs	Low	• Putting our initiatives to achieve our medium-term environmental goals based on SBT certification goals (promotion of energy preservation and promotion of renewable energy implementation) into practice • Through our initiatives to reduce carbon taxes, our estimated carbon tax increase for fiscal 2041 is a 5.4 billion yen reduction based on fiscal 2025 calculations • Installation of self-consumption solar power generation equipment in new building at Tokyo Electron Taiwan • Promotion of modal shifts, such as introduction of EV trucks, joint shipping and transition to delivery by rail and sea
	• Customer and market demands changing to a transition to low carbon	Short- to long-term	• Poorer evaluations among customers, investors, job seekers, nongovernmental organizations (NGOs) and local communities • Uncertainty in environmental measure developments • Delayed implementation of renewable energy	• Increased reputational risks • Increased costs of capital investment/ R&D expenses • Decreased net sales • Legal proceedings and fines if regulations are violated	Low ~ High	• Achieving certification for SBT net zero goals • Develop activities to achieve medium- to long-term environmental goals through E-COMPASS activities • Respond appropriately and promptly to environmental laws and regulations revised in each country • Implementing risk management utilizing the TCFD framework and our support for its recommendations • Promote disclosure of information on the above activities through integrated reports, our websites, etc.
Physical Risks (4°C scenario)	• Abnormal weather such as floods, landslides, disasters, storm/ flood damage (storms, typhoons)	Short- to medium-term	• Impacts on us, our customers and suppliers (supply chain disruptions, production/shipping delays, operation stoppages and other factors)	• Increased procurement costs • Decreased net sales • Increased insurance premiums	High	• Update and implement our business continuity plans (BCP) based on our business continuity management (BCM) framework • Implementation of risk response through suppliers' BCP assessments • Set out standards for a company-wide response to storm/flood damage (storms, typhoons etc.). Implement online training for all employees and enter into disaster insurance • Maintain a database of suppliers' production sites to promptly identify impacted suppliers and quickly collaborate in recovery efforts
	• Higher temperatures	Medium- to long-term	• Increased usage of air conditioning and chillers in clean rooms and others with rising temperatures	• Increased energy costs	Low	• Develop activities to achieve medium- to long-term environmental goals through E-COMPASS activities in the supply chain • Globally promote the latest research and development such as dealing with climate change in the supply chain, responding to environmental regulations and innovations in environmental technology to continually offer the Best Products with innovative technology in a timely manner
Opportunities (Common)	• Improved operational efficiency relating to the environment	Short- to medium-term	• Higher productivity	• Reduced energy costs	High	• Make a call for submissions on examples of internal initiatives related to the environment and recognize excellence with the Sustainability Award • Aim to achieve medium- to long-term environmental goals through E-COMPASS activities to promote responses to climate change and adapt to environmental regulations in the supply chain and through environmental technological innovation • Conduct leading-edge research and development on a global level and continually offer the Best Products with innovative technology in a timely manner
	• Generation of added value to products and services through technological innovation	Medium- to long-term	• Promote innovation toward development of low-GHG products and services and develop equipment and technologies that contribute toward the manufacture of lower power consumption devices	• Increased net sales • Improved reputation	Middle ~ High	

See below for the Initiatives Related to Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
"TCFD" on our website www.tel.com/sustainability/management-foundation/environment/index.html#tcfd

1 Impact evaluation: Sets out the findings of evaluations of the impact of risks or opportunities within Tokyo Electron.
2 Carbon tax: We referred to the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario for the increase in tax associated with GHG emissions. 1 U.S. dollar was converted as 150 yen.

Sustainability Initiatives in the Value Chain

Supply Chain Management

Principles and System of Supply Chain Management

To build a supply chain that is sound and sustainable, we have formulated a procurement policy based on the laws, regulations and social norms of each country, as well as the RBA Code of Conduct, and together with its suppliers, is implementing activities based on this policy.

We work to build relationships of trust with our suppliers, including materials suppliers that handle parts and raw materials, staffing suppliers that provide services and logistics suppliers that handle physical distribution operations, who support our business as partners. Through ongoing communication with our suppliers, we identify issues in the supply chain from a variety of perspectives, such as labor, health and safety, the environment and ethics. These issues are shared among the relevant departments which then work on improvement measures, under the supervision of the CEO. We will continue to strive to create value across the supply chain by working with our suppliers to deploy our operations in compliance with global standards.

"Principles and System of Supply Chain Management" on our website
www.tel.com/sustainability/management-foundation/supply-chain-management/index.html

Initiatives in the Supply Chain

Sustainability Operations

We are progressively undergoing RBA audits at our major manufacturing sites in Japan and overseas, and in fiscal 2025, Tokyo Electron Kyushu headquarters have received the highest-rated platinum status. Additionally, our company has conducted a sustainability assessment for suppliers in areas such as labor, health and safety, the environment and ethics in accordance with RBA auditing standards. We hold briefings for our suppliers where we explain our most recent assessment results and points that need to be corrected and also request that the corrections be made so that we can improve. To ensure that all people in our supply chain can work of their own free will, we have expressly stipulated our zero-tolerance policy for forced labor and bonded labor, and have communicated this to our major suppliers. Going forward, we will work together with suppliers to further ensure compliance with the RBA Code of Conduct.

"Sustainability Operations" on our website
www.tel.com/sustainability/management-foundation/supply-chain-management/index.html#sustainability

Responsible Sourcing of Minerals

We conduct responsible mineral sourcing surveys as we see taking action against conflict minerals obtained through fraudulent methods, which lead to human rights violations and poor working conditions, as our corporate social responsibility. In fiscal 2025, we conducted our 11th annual survey, adding cobalt to the 3TG (tantalum, tin, tungsten and gold) target minerals. We were able to identify 298 smelters conformant with RMAP, one of the standards used for determining that minerals are not connected with conflict. In addition, no sourced materials were found to contain 3TG or cobalt obtained sourced illicit methods.

We have shared the results of the survey with our suppliers, and we are conducting due diligence activities while improving the accuracy of the survey and requesting a switchover to certified smelters.

"Responsible Sourcing of Minerals" on our website
www.tel.com/sustainability/management-foundation/supply-chain-management/index.html#minerals

Procurement BCP

As part of our business continuity plans, we collaborate with suppliers on ongoing disaster preparation. To appropriately grasp the increasingly complex supply chain, we enhance the supply chain visibility by leveraging IT systems. In addition, we conduct BCP assessments on our suppliers and analyze their responses to provide them with feedback to promote improvements in areas of concern. In fiscal 2025, we analyzed the impact of earthquakes and tsunamis on the supply chain assuming a Nankai Trough Earthquake and we ask our suppliers to implement and enhance disaster prevention and mitigation measures accordingly.

"Procurement BCP" on our website
www.tel.com/sustainability/management-foundation/supply-chain-management/index.html#bcp

Sustainability Initiatives in the Value Chain

Continuous Improvement of Business Operations and Creation of New Values

Promotion for Digital Transformation (DX) and Reinforcement of the Organizational System

We began DX activities related to product and business process re-engineering in January 2021 to enhance and optimize our operations concerning important material issues. We are introducing a new enterprise system across the Group with the aim of using global integrated information and the improvement of business efficiency, and we have completed the implementation of this system at our headquarters and in some of our manufacturing sites and overseas subsidiaries. Furthermore, we have successfully completed a project involving several hundred cases across the entire Group and have entered a new phase where all employees are engaged in promoting business process re-engineering through DX activities.

In our products, we will solve high-level challenges by continuously applying the processes of (1) Recognition (sensing and monitoring), (2) Analysis and prediction, (3) Control and (4) Learning and evolution (autonomous). We will apply these processes in various contexts, from development to mass production, all with the goal of enhancing customer value. In addition to this, we are implementing over 30 initiatives across the entire Group and will continue to advance these initiatives while flexibly responding to changes in the market environment and management strategies.

In our business process re-engineering efforts, we aim to enhance capital efficiency across all operations and promote DX activities involving all employees. In the future, promoting DX in business process re-engineering, along with productivity enhancements, will be essential to outperform a market expected to continue growing. While striving for efficiency through these efforts and transitioning to a new business model, we will contribute to the sustainable enhancement of our corporate value while achieving both increased profits and a better work-life balance for our employees.

We have also established the Business Process Design Strategy Division as one of our key organizational units while integrating and reorganizing our IT departments in headquarters and across the entire Group. This initiative aims to create a system that quickly and seamlessly aligns the business and IT department to further advance DX. Through this effort, we strengthen our global governance and enhance the effectiveness of our DX promotion framework.

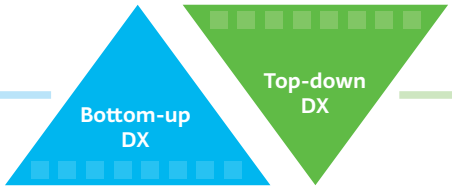
Effective Strategies for Driving Business Process Re-engineering through DX

Our DX initiative is crucial as it seeks to sustainably enhance corporate value while also increasing profits and enhancing work-life balance by enabling all our employees to engage in data-driven business practices. The Business Process Design Strategy Division is formulating a new mission, vision, and values to promote DX and is accelerating initiatives based on specific goals.

Mission (Roles)	Through our DX activities in business process re-engineering involving all employees, we aim to contribute to the sustained growth of TEL's corporate value by achieving both increased profits and a better work-life balance
Vision (Desired Vision)	Being an organization that identifies essential issues and takes optimal steps for the future of TEL

Our DX activities in business process re-engineering encompass both top-down and bottom-up approaches. Top-down DX involves identifying key improvements from a management perspective and addressing them collaboratively across the entire Group, treating each case as a project. On the other hand, field-led bottom-up DX engages in business process re-engineering through cooperation across the company while leveraging digital technology. By advancing initiatives with both top-down and bottom-up DX, we aim to proactively and sustainably achieve business process re-engineering through DX at both the management level and in the field.

An approach that is field-led and leverages digital technology, engaging in business process re-engineering through company-wide cooperation.



An approach that identifies the key improvements from a management perspective and implements company-wide solutions.

Sustainability Initiatives in the Value Chain

In these initiatives, it is essential for everyone from management to field employees, to continue embodying the TEL Values, which represent both the principles we aim to pass on to the future and our code of conduct. Amid such a backdrop, the Business Process Design Strategy Division serves as a key driver in advancing our business process re-engineering by leading efforts to build an ecosystem. These efforts include developing a roadmap and plans that align with management goals, creating an environment that leverages digital technologies such as generative AI, civic development and human resources development, and implementing change management to cultivate a DX culture.

Building an Ecosystem that Supports Sustainable Growth

Strategy
- Formulate a mission, vision and values for DX promotion
- Formulate a roadmap and plans that align with management goals etc.

Realization
- DX activities portfolio related to business process re-engineering and program management
- Promotion of major company-wide theme projects etc.

Foundation
- Build an organizational system that promotes company-wide DX activities
- Preparing an environment to utilize digital technology etc.

Collaboration
- Collaboration with company-wide DX activities
- Promotion of bottom-up DX measures etc.

Communication
- Communicate DX promotion initiatives within and outside the company
- Change management to cultivate the DX culture etc.

Specific Initiatives

Up to now, the focus has been on local optimization of business process re-engineering based on siloed systems and data usage specific to each site and division. However, we are currently identifying issues from the perspective of factors such as increased man-hours and investment efficiency, and are striving to achieve Group-wide and integrated business process re-engineering. Specifically, we are promoting DX in business process re-engineering throughout the Group, with data-driven management and business process re-engineering as the two pillars. Additionally, we are accelerating initiatives aimed at creating synergy through mutual collaboration.

In data-driven management, we are building quick and accurate decision-making processes by creating a data platform for the entire Group and setting KPIs based on roles and functions.

In business process re-engineering, we aim to realize optimal business processes that leverage data technology while efficiently supplying the necessary data for data-driven management and identifying business issues based on visible data.

Two Pillars for Business Design Strategies

Data-driven Management		Business Process Re-Engineering
		
Objectives	• Contribution to management decision making • Earlier understanding of the actual situation (and prediction) • Responsiveness to change and improved flexibility	Objectives • Shift to high value-added business • Higher productivity
Issues	• Balancing convenience and management of data usage • Data collection and collaboration	Issues • Lack of clarity in business management aligned with objectives • Individualized optimization

Optimization of output

Interaction

Easier input

Sustainability Initiatives in the Value Chain

Corporate Governance

Hybrid Governance Structures

We have enhanced the independence of the Board of Directors and strengthened its supervisory function by having outside directors make up the majority of the board, while ensuring an auditing function by the Audit & Supervisory Board, which is independent of the Board of Directors. We have also established a Nomination Committee and a Compensation Committee, both of which are chaired by outside directors, and in which outside directors make up the majority of each. Furthermore, we have also introduced a Corporate Officer system, and through the appropriate delegation of authority, we are working to establish a strong execution system with quick decision-making and agile business execution. In this way, we have established an effective, hybrid type of governance system that utilizes the advantages of the Audit & Supervisory Board system and also incorporates elements of the Company with Three Committees.

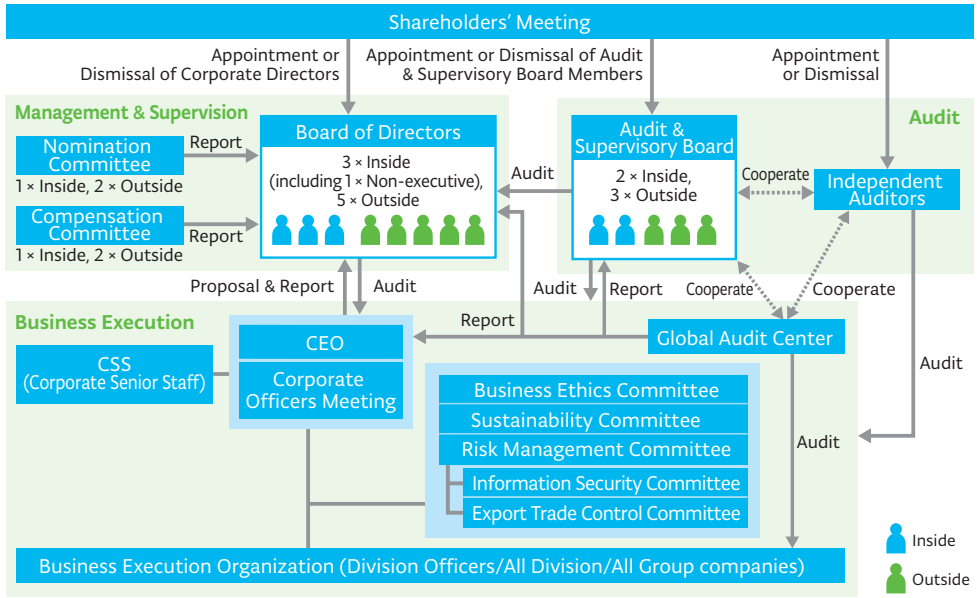
Changes in Corporate Governance

■ Systems ■ Nomination/Compensation Committees ■ Evaluation of the Effectiveness of the Board of Directors

CY	Outside Directors (Ratio)	
1998	One	■ Compensation Committee Established
		■ Stock Option System Introduced
1999		■ Disclosure of Compensation of Individual Representative Directors
2000		■ Nomination Committee Established
2002	Two	■ Term of Office of Corporate Directors Changed from Two Years to One Year
2003		■ Executive Officer System Introduced
2016		■ Self-evaluations Began
2017		
2018	Three	■ Medium-term Incentive System Introduced
2019		■ Chairperson of Compensation Committee: Outside Director
		■ Involvement of Third-party Organizations Began
2020		■ Stock-based Compensation System for Outside Directors Introduced
2021	Four (33%)	■ Chairperson of Nomination Committee: Outside Director
		■ Shareholding Guidelines, Clawback Policies Introduced
2022	Three (50%)	■ Corporate Officer System Introduced
		■ Outside Directors Made up the Majority in the Nomination Committee and Compensation Committee
2023		
2024	Four (57%)	
2025	Five (63%)	■ Director Compensation System Revised P. 58

See below for the corporate governance framework
"Corporate Governance" on our website www.tel.com/about/cg/

Corporate Governance Framework



Committees on the Executive Side		
Business Ethics Committee	Promote and oversee corporate ethics and compliance to ensure compliance with the Code of Ethics (review of systems, promotion of education and awareness-raising activities and confirmation of the use of the internal reporting system)	Twice annually
Sustainability Committee	Considers and formulates sustainability-related policies; sets and manages sustainability goals; implements company-wide projects (the environment, human rights, RBA)	
Risk Management Committee	Performs and shares information on company-wide risk management; establishes systems and mechanisms to investigate and counter risk scenarios for individual risk items in collaboration with risk owners	
Information Security Committee	Spreads awareness of information security strategies and policies; shares the current status of information security plans, etc.	
Export Trade Control Committee	Promotes export compliance activities	Annually

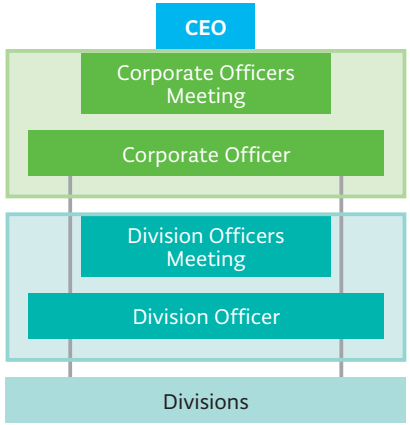
Sustainability Initiatives in the Value Chain

Corporate Officers and Division Officers

We introduced our unique Corporate Officer system in June 2022 to further strengthen governance and implement quick decision-making and agile business execution. Corporate Officers are the highest-level officers on the executive side within the Group and are responsible for the management of the entire Group, taking the same perspective as the CEO. Corporate Officers also contribute to the promotion of proactive management by attending Board of Directors meetings and swiftly and appropriately implementing the content discussed at these meetings into business execution.

We have also established the Corporate Officers Meeting as the highest decision-making body on the executive side. Not only the Corporate Officers but aslo inside directors and inside Audit & Supervisory Board members also participate in such meetings. The meetings contribute to the realization of more agile business execution by quickly deliberating and making decisions on key matters on the executive side. (Fiscal 2025: Held 21 times)

Furthermore, effective July 2024, we have renamed the position of division general manager (the head of each division) to Division Officer. Division Officers are responsible for the global operations of their respective divisions and are in charge of developing and executing effective strategies and promoting "offense × offense governance," including risk management. At Division Officers Meetings, discussions are held on important themes in each division, as well as transformation and future evolution. The CEO also participates in these meetings. (Fiscal 2025: Held 7 times)



Corporate Officer's Message

Seisu Ikeda
Corporate Officer
Executive Vice President & General Manager

As the highest decision-making body on the executive side, the Corporate Officers Meeting (COM) has been able to make effective executive decisions with swift deliberation, even as the number of responsibilities delegated by the Board of Directors increases. In fiscal 2025, to further enhance the agility of the COM, we introduced the Division Officer system, thereby creating an environment in which the Corporate Officers (COs) can engage in discussions even more from the same perspective as the CEO. Of course, since the contents discussed within the COM are also shared with the Board of Directors meetings, we believe that the Board of Directors' supervisory function over business execution is also being fulfilled.

Looking ahead, to enhance our corporate value over the medium to long term, the COM will engage in high-level discussions on numerous themes from the same perspective as the CEO, and work to communicate growth strategies—aligned with market expectations—in a timely manner.

Division Officer's Message

Tatsuya Aso
Vice President & General Manager
Division Officer, Global Business Platform Division

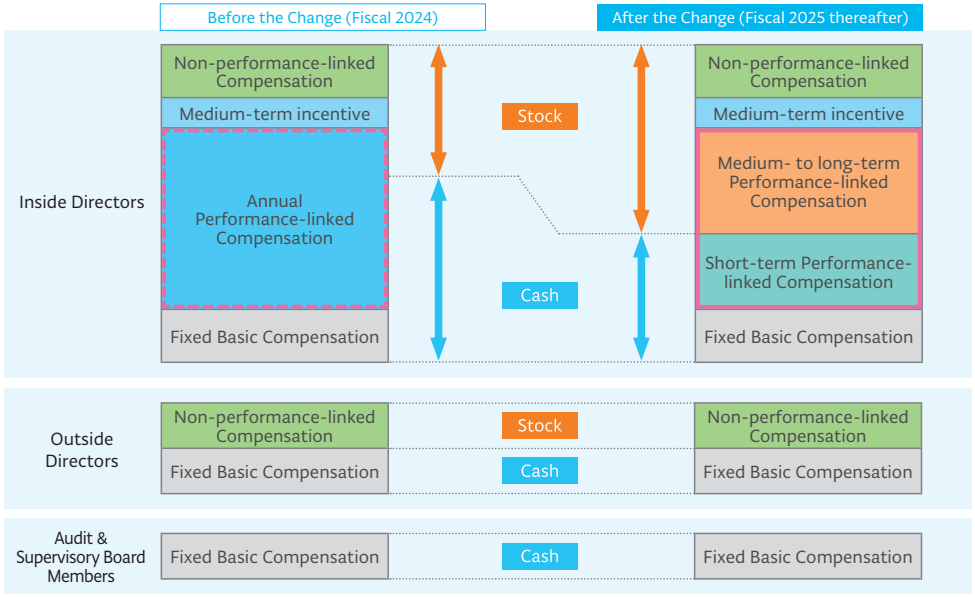
Whereas the COs make decisions on management execution from a company-wide perspective, we Division Officers (DOs) are responsible for executing the day-to-day operations of each division and function. In doing so, we embody and promote Tokyo Electron's basic stance of "offense × offense governance." Our monthly Division Officers Meeting is establishing itself as a forum for free and broad-minded discussion. Not only do we discuss initiatives towards achieving the Medium-term Management Plan, but each DO also brings forward themes related to Tokyo Electron's medium- to long-term transformation and evolution for becoming number one in the world. Moreover, as members of Corporate Senior Staff (CSS), each DO collaborates with the top management of local subsidiaries in addressing the Group's management challenges.

Sustainability Initiatives in the Value Chain

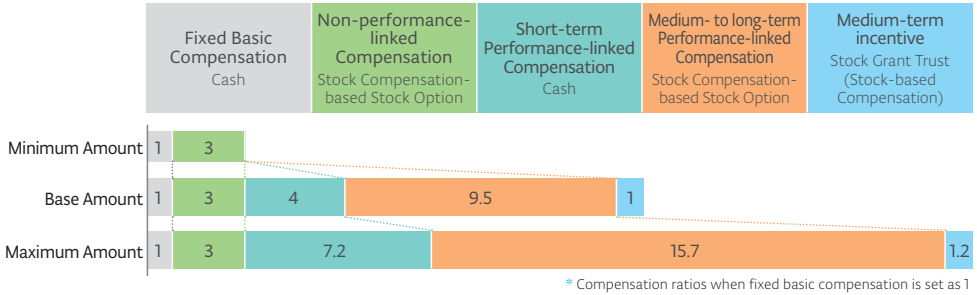
Director Compensation System

From fiscal 2025, to further strengthen the link with improving corporate value and performance over the medium to long term, the previous annual performance-linked compensation for inside directors was replaced with short-term performance-linked compensation (cash compensation) and medium- to long-term performance-linked compensation (stock-based compensation). The proportion of stock-based compensation has consequently increased, resulting in a compensation system that is more focused on medium- to long-term growth.

Overview of the Director Compensation System



(Reference) Composition of Compensation (Compensation Structure for the CEO in Fiscal 2025)



* Compensation ratios when fixed basic compensation is set as 1

Short-term Performance-linked Compensation (Cash)

- Linked to annual performance
- Calculation method for the payout amount (figure on right)

Base Amount (Set according to the scope of responsibility, etc.) × Mainly Financial Performance Evaluation (0–150%) × Non-financial Performance Evaluation (±20%) = Payment Amount (0–180%)

[Mainly Financial Performance Evaluation]
Evaluated based on metrics such as the consolidated operating margin, which is a key indicator in achieving world-class goals

[Non-financial Performance Evaluation]
Evaluated based on individually set missions (evaluation items). These missions include content related to sustainability for sustainable growth and medium- to long-term corporate value improvement, as well as initiatives towards short- and medium-term management strategy goals.

Medium- to long-term Performance-linked Compensation (Stock Compensation-based Stock Option)

- Performance evaluation period: 3 years
  Proportion of shares becoming exercisable is determined based on performance evaluation at the end of the evaluation period

The number of options granted based on base amount (Set according to the scope of responsibility, etc.) × Quantitative Evaluation (0–150%) × Qualitative Evaluation (±10%) = The number of shares that become exercisable (0–165%)

- Formula of calculating the number of shares that become exercisable (figure above)

[Quantitative evaluation]
Relative TSR (Total Shareholder Return) compared to the Philadelphia Semiconductor Index, comparison of consolidated operating margin and consolidated operating margin growth ratio with competitor companies

[Qualitative evaluation]
Initiatives towards long-term corporate value improvement are evaluated by the Compensation Committee

Medium-term incentive (Stock Grant Trust)

- The number of our shares granted fluctuates between 0% and 50% to 120% based on the achievement rate of performance targets in the final fiscal year of the target period (three fiscal years)
- Formula of calculating the share delivery points
  Consolidated operating margin and consolidated ROE are adopted as performance indicators

(Reference points (set according to the scope of responsibilities, etc.) × 70% × Consolidated operating margin attainment factor) + (Reference points (set according to the scope of responsibilities, etc.) × 30% × Consolidated ROE attainment factor) = Share delivery points

Non-performance-linked compensation (inside directors: stock-based compensation stock options, outside directors: stock grant trust)

- Inside directors

[Stock compensation-based stock option]
The payout amount is determined according to the scope of responsibilities, etc., and a three-year vesting period is established

- Outside directors

[Stock grant trust]
The amount paid is set at around 50% to 60% of the fixed basic compensation. Our shares shall be delivered after the expiration of the applicable period (three fiscal years)

Sustainability Initiatives in the Value Chain

Succession Plan

Our Nomination Committee Activity Guidelines define the required qualities and qualifications of the CEO and corporate directors (figure on right), and the criteria that serve as starting points for considering the appointment/dismissal of the CEO.

Regarding the development of CEO successors, we have formed a pool of candidates for the next generation of management personnel in accordance with the TEL Succession Plan, and we are working on the development of successor candidates under the supervision of the CEO, and in accordance with the Group's management mission. Attended by the representative director, members of the Nomination Committee and the executive officer in charge of human resources, the Top Management Review Meeting works in coordination with the Nomination Committee and Board of Directors to promote specific successor candidates, development plans and implementation of those plans. It is our policy that, while the CEO is involved in promoting human resources development at the levels that could yield successor candidates, the CEO is not involved in the actual process of nominating specific candidates from the pool of successor candidates.

Qualities and qualifications required of the CEO

- Capability to be the driving force of the Group as a whole
- Strong leadership with the ability to execute
- High level of management ability

Qualities and qualifications required of corporate directors

- Judgment and qualities that contribute to an increase in corporate value in the short-, medium- to long-term
- Skills, character, dignity, and insight appropriate for corporate directors
- Fairness, personal integrity, personality
- Ethical views appropriate to a global company
- Sensitivity to and understanding ability of risk

Message from the Nomination Committee Chairperson

Michio Sasaki
Outside Director
Nomination Committee Chairperson
Compensation Committee Chairperson

Under our Corporate Philosophy: "We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support," we are striving to become a world-class, highly profitable company. In this context, formulating a CEO succession plan is a crucial challenge, and as Chairperson of the Nomination Committee, I feel a heavy responsibility in addressing this challenge. Successor candidates are selected in close collaboration with the CEO, corporate directors, Corporate Officers, members of the Nomination Committee, the executive officer in charge of human resources and other relevant people, and the Nomination Committee engages in discussion with the goal of ensuring that succession to CEO occurs with the most suitable person at the most appropriate time, taking into account the roles and periods of experience they should gain for their development. Recognizing the importance of continuously developing the next generation of management personnel, we are further strengthening our initiatives. This includes formulating development plans at the Top Management Review Meeting, implementing executive training programs at TEL UNIVERSITY and the recent introduction of external assessments.

Succession Plan Framework

Value Creation by the Value Chain

Sustainability Initiatives in the Value Chain

Evaluation of the Effectiveness of the Board of Directors

To further enhance our governance and the effectiveness of the Board of Directors, we have conducted annual evaluations of the effectiveness of the Board since fiscal 2016 and have disclosed summaries of the results. In light of the analysis by external experts based on questionnaires and individual interviews reflecting on the activities during fiscal 2025, we conducted a self-evaluation following extensive discussion at meetings of the Board of Directors and at meetings for the exchange of opinions between outside directors and outside Audit & Supervisory Board members.

"Summary of Results of Evaluation of the Effectiveness of Tokyo Electron's Board of Directors" on our website www.tel.com/news/ir/2025/g6bf1200000000dy-att/20250530_001_e.pdf

Issues and Responses in Fiscal 2024

Issues	State of Responses
Role and function of the Board of Directors ● Working backward from the future outlook for sustainable growth, the medium- to long-term perspective for the Company will be shared at the Board of Directors meetings and off-site meetings, and the functions and roles that the Board of Directors should play, and the state of its governance system will continually be discussed. ● From the perspective of increasing the Company's corporate value, the Board of Directors' agenda will continue to be set appropriately, while working to align its perspective on medium- to long-term growth strategies and further enhance strategy discussions.	● The desired vision for the Board of Directors and the Corporate Officers Meeting, the roles of the Board of Directors and the executive side, etc. were discussed at an off-site meeting held in March 2025. ● In principle, the business environment and medium- to long-term strategic direction were reported by the CEO each time at Board of Directors meetings, and discussions were held. ● At off-site meetings (twice a year), medium- to long-term technological trends, development strategy, analysis of competitors, etc. were reported by the executive side, and discussions were held. ● The standards for submitting agenda items to Board of Directors meetings and Corporate Officers meetings were reviewed for the purpose of further advancing the delegation of authority from the Board of Directors to the executive side (brought into effect in May 2025).
Further strengthening of operational systems and acceleration of succession planning ● The existing system of Corporate Officers that also serve as division managers will be revised and a Division Officer system will be newly introduced. As a result, the system will be that Corporate Officers who share the same perspective as the CEO will focus on higher-level management issues, while Division Officers, who are composed mainly of next-generation management personnel, will supervise business execution in each division.	● Decision making and strategies for key management issues were discussed through Corporate Officers meetings (held 21 times during fiscal 2025). ● A Division Officer system was introduced, and the key topics and transformation and evolution for the future of each division were discussed through Division Officers meetings between the Division Officers, who supervise those divisions, and the CEO (held seven times during fiscal 2025). ● External assessment of next-generation senior management human resources was conducted.

Overview of Fiscal 2025 Evaluation Results and Future Initiatives

Overview of Evaluation Results

● The Board of Directors, including the Nomination Committee and the Compensation Committee, is functioning effectively and appropriately fulfilling its roles and responsibilities, while maintaining a high level of overall effectiveness
● Based on the results of the external experts' analysis and evaluation, discussions at the Board of Directors will continue on the functions and roles that it should play in light of the Company's desired vision for sustainable growth, and on the executive side, the necessity to further strengthen its management and execution functions has been recognized.

Future Initiatives

(Role and function of the Board of Directors)
● The Company will ensure that the supervisory and executive sides align with each other on the Board of Directors' role and what it should aim for so as to match on the Company's growth and future.
● Ongoing discussions on the Company's governance system, including its organizational structure, will be further deepened.

(Operational systems)
● Initiatives for executive succession planning will be accelerated.
● The Corporate Officer system will be reviewed, and how the operational system should be in the future will be considered.

Fiscal 2025 Main Topics for the Board of Directors and Off-site Meetings

CEO	● Reports on status of business execution by CEO (each meeting) ● Sharing of CEO missions
Medium- to Long-term Growth Strategies	● Market environments over the medium to long term and our growth plans ● Medium-term Management Plan and beyond growth strategies ● Analysis of competitors ● Product development strategy ● Financial strategies, capital policy, human resource strategies ● Expansion and reinforcement of development and production facilities in Japan and overseas ● India strategy
Sustainability	● Compliance with new international disclosure standards ● Initiatives for environment and net zero ● Human rights and supply chain management ● Intellectual property activities
Risk/ Compliance	● Risk management ● Global risks (geopolitics, talent war, etc.) ● U.S. trade policy, and export control compliance ● Legal affairs and compliance ● Information security
Corporate Governance	● Director Compensation System revised ● Reports on internal audits ● Status of investment targets and cross-shareholdings ● Status of IR activities ● Status of the activities of the Nomination Committee and Compensation Committee ● Status of progress of successor development plan ● Board of Directors Regulations revised ● Confirmation of progress on issues in evaluation of the effectiveness of the Board of Directors ● Closed session on evaluation of representative directors

Sustainability Initiatives in the Value Chain

Corporate Directors, Audit & Supervisory Board Members and Corporate Officers (As of July 1, 2025)

Corporate Directors

Toshiki Kawai
Representative Director
President & CEO
Corporate Officer

Sadao Sasaki
Representative Director
Senior Executive Vice President
Corporate Officer
Chairman & Representative Director, Tokyo Electron Technology Solutions Ltd.

Kazushi Tahara
Corporate Director
Chairman of the Board of Directors

Michio Sasaki
Outside Director
Director and Chairman, SHIFT Inc.

Sachiko Ichikawa
Outside Director
Partner, Tanabe & Partners
Outside Director, OLYMPUS CORPORATION
Outside Director, Azbil Corporation
Director, The Board Director Training Institute of Japan

Joseph A. Kraft Jr.
Outside Director
CEO, Rorschach Advisory Inc.
Outside Director, Sony Group Corporation

Yukari Suzuki
Outside Director
Outside Director, SECOM CO., LTD.

Yukihiro Shinohara
Outside Director

Audit & Supervisory Board Members

Yutaka Nanasawa
Audit & Supervisory Board Member

Tsuguhiko Matsuura
Audit & Supervisory Board Member

Ryota Miura
Outside Audit & Supervisory Board Member
Partner, Miura & Partners Legal Profession Corporation
Outside Director, Eisai Co., Ltd.

Yutaka Endo
Outside Audit & Supervisory Board Member

Ayako Makino
Outside Audit & Supervisory Board Member
Representative, Makino Certified Public Accounting Office
Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc.

Corporate Officers

Tatsuya Nagakubo

Seisu Ikeda

Yoshinobu Mitano

Takeshi Okubo

Keiichi Akiyama

Hiroshi Ishida

Sustainability Initiatives in the Value Chain

Skills Matrix

We will realize medium- to long-term profit expansion and continuous corporate value enhancement through each corporate director and Audit & Supervisory Board member, who have demonstrated their skills in Global Business, Governance, Sustainability, and others listed below as determined by the Nomination Committee and the Board of Directors.

	Name			Expected Skills					
				Corporate Management	Semiconductor Markets	Manufacturing/ Development	Sales/ Marketing	Finance, Accounting/ Engagement with Capital Markets	Legal Affairs/Risk Management
Corporate Directors	Toshiki Kawai	Reappointed		●	●	●	●		
	Sadao Sasaki	Reappointed		●	●	●	●		
	Kazushi Tahara	Newly appointed		●	●	●	●		
	Michio Sasaki	Reappointed	Outside	●		●	●		
	Sachiko Ichikawa	Reappointed	Outside					●	●
	Joseph A. Kraft Jr.	Reappointed	Outside					●	●
	Yukari Suzuki	Reappointed	Outside	●			●		
	Yukihiro Shinohara	Newly appointed	Outside	●		●			●
Audit & Supervisory Board Members	Yutaka Nanasawa				●			●	
	Tsuguhiko Matsuura	Newly appointed		●	●	●	●		
	Ryota Miura		Outside						●
	Yutaka Endo		Outside	●				●	
	Ayako Makino	Newly appointed	Outside					●	●
				8	5	6	6	5	5

Definition of Expected Skills and Reasons for Nomination

Corporate Management	Experience of corporate management (experience serving as a representative director or chairman/president) is necessary to fulfill the supervisory function of the Board of Directors and achieve "offense × offense" governance.
Semiconductor Markets	Knowledge of the semiconductor markets is necessary to further promote aggressive management in the semiconductor production equipment industry which is characterized by rapid technological innovation and dynamically changing market.
Manufacturing/ Development	Knowledge/experience in manufacturing and development at TEL and other manufacturers are necessary to strengthen research and development capabilities based on technological trends and customer needs, and to establish environmentally considerate and efficient manufacturing operations.
Sales/Marketing	Knowledge/experience in sales and marketing at TEL and other manufacturers are necessary to be the sole strategic partner for our customers and contribute to further value creation through proposing optimal solutions.
Finance, Accounting/ Engagement with Capital Markets	Knowledge in financial accounting and M&A, or knowledge/experience in engagement with capital markets are necessary to formulate and execute growth and financial strategies, improve capital efficiency, and further enhance shareholder value through shareholder returns.
Legal Affairs/Risk Management	Knowledge of legal affairs, compliance, and risk management is necessary to appropriately respond to increasingly complex and diverse risks throughout the Group as opportunities for business growth.

Message from the Chairman of the Board of Directors

Kazushi Tahara
Newly appointed Corporate Director
(Chairman of the Board of Directors)

Tokyo Electron's vision is to be "a company filled with dreams and vitality that contributes to technological innovation in semiconductors."

We aim for medium- to long-term profit expansion and continuous corporate value enhancement by pursuing technological innovation in semiconductors and utilizing our expertise to continuously create high-value-added, leading-edge equipment and technical services. To realize this Vision, the Board of Directors has continuously worked to establish and strengthen our corporate governance structure. This has been done to ensure fair and transparent management and to anticipate and respond to various evolving global risks from a medium- to long-term perspective.

In fiscal 2023, we introduced the Corporate Officer system to further promote offensive management on a global basis and to achieve short-, medium- and long-term profit expansion and continuous corporate value enhancement. The Board of Directors has appropriately proceeded to delegate authority to the Corporate Officers Meeting (the highest decision-making body on the executive side), thereby enabling the Board to focus more on its supervisory function. Then in fiscal 2025, we introduced the Division Officer system. Under this new framework, corporate officers are able to focus more on higher-level management issues, while Division Officers—composed mainly of the next generation of management personnel—are tasked with supervising business execution. Additionally, to further enhance our governance and the effectiveness of the Board of Directors, we have conducted annual evaluations of the effectiveness of the Board since fiscal 2016, deepened discussions on the desired vision of our Board and operational systems, and implemented initiatives for improvement as appropriate.

In fiscal 2025, we achieved our highest-ever net sales and operating income since Tokyo Electron was founded. In our Medium-term Management Plan, we have set targets of net sales of 3 trillion yen or more, an operating margin of 35% or more, and ROE of 30% or more by fiscal 2027. One of our strengths is our open and flat corporate culture. Even within the Board of Directors, we place great value on preserving this positive culture. As we work toward achieving the Medium-term Management Plan, we will continue to engage in dynamic discussions, make the best possible decisions in a timely manner, and operate an effective Board of Directors that meets the expectations of the capital market, drives sustainable growth and enhances medium- to long-term corporate value.

Sustainability Initiatives in the Value Chain

Messages from Newly Appointed Executives

Yukihiro Shinohara

Newly appointed Outside Director

Tokyo Electron is a global company leading the semiconductor industry, and I am honored to be a member of its Board of Directors. I identify with the Company's Corporate Principles and have always had a high regard for its technological excellence and spirit of innovation. Throughout my career, I have been committed to valuing customers and building businesses through technology. In conducting B2B business, I believe that sound growth hinges on how quickly we can make and execute proposals that shape society and contribute to our customers. These are uncertain times, but at the same time, they are an opportunity for transformation and growth. As a corporate director, I hope to support each and every one of our global team so they can take on challenges confidently and through open communication.

In line with our Corporate Philosophy—to "strive to contribute to the development of a dream-inspiring society"—I will fulfill my responsibilities to enhance corporate value and contribute to all our stakeholders.

Tsuguhiko Matsuura

Newly appointed Audit & Supervisory Board Member

In my view, one of Tokyo Electron's sources of growth is its pursuit of challenges and its ability to transform itself. When I joined the Company approximately 40 years ago, it still retained the unmistakable atmosphere of a technology-focused trading company from its founding days. From a trading company to a manufacturer, and through global expansion, Tokyo Electron continues to grow through innovation to this day. The social environment surrounding us and the norms expected of us are also changing significantly, so our approach to governance and compliance must also constantly transform. As a member of the Audit & Supervisory Board, I fully recognize the weight of this responsibility. Drawing on my experience in managing business departments within the Company and local subsidiaries overseas, I will strive to live up to the trust of our shareholders and all other stakeholders.

Ayako Makino

Newly appointed Outside Audit & Supervisory Board Member

I am honored to be appointed as an outside Audit & Supervisory Board member of Tokyo Electron, a global leader in the field of semiconductor production equipment, pursuing technological innovation in semiconductor technology that supports the sustainable development of society. While demand for semiconductors is rapidly increasing with the spread of AI and IoT, U.S. tariff policy may affect Japanese semiconductor production equipment manufacturers, and I believe management decisions will require even greater caution going forward.

As a certified public accountant, I have spent approximately 30 years at a major auditing firm supporting the sound growth and sustainable management of companies. I have also served as Audit Committee Chair within the firm and its group, where I dedicated myself to strengthening corporate governance and enforcing thorough risk management. Drawing on my past experience, I will contribute to enhancing corporate value and building trust with all stakeholders in my role as an Audit & Supervisory Board member. While ensuring fairness and transparency, I will fulfill my role in further enhancing corporate governance and supporting sustainable growth.

Sustainability Initiatives in the Value Chain

Roundtable with Outside Officers

At Tokyo Electron, corporate governance is regarded as important for realizing sustainable growth and enhancing corporate value. Five outside officers discussed their impressions of the Board of Directors, our governance in pursuit of earning power, and the challenges we face in becoming a truly excellent global company.

Please share your impressions of the Board of Directors from your positions as outside officers.

Suzuki The table used for Board of Directors meetings is a round table where each person is equidistant. I think this layout embodies the Board's approach. Board meetings have a feeling of openness, and all attendees engage in a frank and constructive sharing of opinions. You can feel how open the lines of communication are throughout the organization. This environment is extremely effective in fostering greater sharing of management issues and improving the quality of decision-making. I look forward to it becoming even more diverse in the future as we develop and promote people with a wider range of perspectives across the lines of gender and nationality.

Endo I feel the same way about the open lines of communication Ms. Suzuki mentioned. One example of that is that corporate officers other than representative directors, who do not have voting rights, also attend Board meetings. Because of this, the latest information from the executive side of the Company, and its recognition of issues, are shared directly with outside officers, which makes rapid and accurate decision-making possible. Furthermore, reporting on the status of business by the CEO is always based on the very latest information, and care is taken to prevent any information gaps between corporate officers and outside officers. The Board of Directors' operating structure is therefore capable of appropriate decision-making, which is deserving of recognition and appreciation. We are seeing rising uncertainty as a result of geopolitical risks and economic policies, and I hope that the Board will deal with changes in the external environment firmly and soundly and will further enrich its discussions aimed at achieving sustainable growth.

Kraft I think Tokyo Electron is really sincere in its approach to governance. In particular, our corporate officers, who are highly knowledgeable about on-site operations, provide explanations and opinions backed by actual operations. They serve as invaluable information sources that increase the precision of decision-making by outside officers. With respect to the changes in the external environment that Mr. Endo touched upon, I hope the Board of Directors will be able to focus on more substantial discussions on the macro-level business environment and the Company's medium- to long-term direction, such as dealing with technologies that could be game changers as well as transforming business models and implementing M&A strategies with an eye toward those game-changing technologies. I believe that engaging in deeper discussions from medium- to long-term perspectives, based on the changing international situation, will contribute to the sustainable growth of the Company.

Miura It feels clear to me that Tokyo Electron is continuously improving and evolving the functions of the Board of Directors based on our evaluations of the Board's effectiveness. You can see this stance in the establishment of the Corporate Officers Meeting, the delegation of authority to the executive side of the Company, new initiatives for using the time freed up by this delegation for deeper discussions of strategies and plans and the enrichment of Off-site Meetings. The Board is one in which participants are equal. The management team and the outside officers are all on the same level, and the meetings are not tense or strained. Instead, everyone engages in frank, constructive debate, which is one of the key features of the Board. As Mr. Endo and Mr. Kraft said, I hope that the Board will not limit itself to the evolution of its system but also engage in more diverse discussions by actively taking on matters that are seldom raised when using an

Sustainability Initiatives in the Value Chain

approach focused on on-site operations, such as medium- to long-term management strategies or the international situation.

Ichikawa To add to what everyone else has said, I am now in my fifth year as an outside officer, and I feel that Tokyo Electron's Board of Directors is based on a tightly designed framework, and special note should be made of the attention paid to explaining proposals in advance and to the decision-making process. The explanations provided by the executive management are consistent, and the stability of the Board and the consistency within the Company are deserving of recognition. What is more, three new outside officers have been appointed with expertise in global business, finance, geopolitics and diversity. I see this as a great stride in strengthening our governance as a company in the semiconductor industry, which is marked by dramatic change. I hope that their addition will help create even more solid governance by bringing more diverse expertise to the Board and promoting lively discussions.

What are your views on our governance in pursuit of earning power?

Miura Tokyo Electron's Board of Directors has firmly established governance with a focus on earning power, and it maintains a consistent stance with respect to profits. It employs a process in which management sets clear business targets and the Board follows up by verifying the achievement of these targets. In particular, the CEO continuously communicates the Company's approach to achieving healthy profit generation by using sales growth to secure appropriate profit margins, instead of simply relying on cost reductions. This approach has become firmly rooted throughout the Group, and I believe these efforts are also deserving of recognition. There are also discussions in Board meetings about the importance of securing the top line. I do not feel like governance is functioning merely as a brake for business operations, but instead that it is functioning as a system that enables management to step on the gas to achieve growth while taking appropriate risks. The Company has grown thanks to its high level of commitment to business results each fiscal year and its implementation strengths, supported by the characteristics of the semiconductor industry and the expansion of the semiconductor market. To continue to prepare for uncertainty, such as sudden changes in the business environment, I believe we must further deepen our discussions regarding our medium- to long-term growth strategies and latent risks.

Endo As Mr. Miura said, I think it is important to discuss things from a medium- to long-term perspective with an eye toward future sustainable growth. For example, with regard to strengthening capabilities in the short, medium and long terms, where quantitative evaluation is difficult, the free creativity and spirit of challenge of young engineers and researchers, in particular, are the sources of innovation. That is why it is important to connect them to sustainable competitiveness and profit growth. To accomplish this, I believe that it is absolutely vital that we continuously foster a corporate culture that encourages engineers as they take on new challenges. Furthermore, for our business environment, which is marked by growing uncertainty, I feel that in addition to the linear growth forecasts of the past, we must also formulate multifaceted scenarios that incorporate unexpected technological innovation and geopolitical risks. Rebuilding strategies with new perspectives, instead of clinging to our experiences with success in the past, are the key to advancing Tokyo Electron to the next stage.

Suzuki Mr. Endo mentioned fostering a corporate culture earlier. I think Tokyo Electron needs to deliberate a medium- to long-term approach, including revising the Company's organization structure and its human resource strategies. The Company is based in Japan, whose working-age population is shrinking dramatically. From the perspectives of diversity, I think that trying to match the growth of the semiconductor market using a conventional organization expansion approach would present structural difficulties. While the current homogenous nature of our organization creates a sense of unity, I feel that measures must be taken to enable the participation of diverse human resources. If we are going to continuously innovate, we will need to attract skilled people from around the world, promote diversity at every level and respect different cultures and values. It will be essential for us to foster a flexible culture that can turn these cultures and values into our organization's strengths.

Kraft As Mr. Endo touched on before, I think it is extremely important to make predictions that include unexpected risks from a variety of angles. For example, there is expectation to reinforce our M&A strategies, human resource strategies and other medium- to long-term strategies from a macro perspective. As for dealing with risks, I feel that going beyond just risk management that deals with problems when they occur to risk assessment before the problems occur in the first place will help us build a stronger structure. It is very reassuring to know that we are focused on day-to-day KPIs and that we practice management with its feet firmly on the ground, and that is an area where I believe the Board of Directors is worthy of recognition. Based on that foundation, for us to further improve our corporate value, I believe that the Board can engage in more in-depth discussions of medium- to long-term strategies and investment with risk assessment in mind.

Ichikawa As others have said, when we look at our earning power, we should not just look at recent business results. Instead, our evaluations should also include future

Sustainability Initiatives in the Value Chain

growth potential. From a governance perspective, I think that in addition to this, we need to keep asking whether or not our sources of competitive advantage are sustainable or not. Our management team has demonstrated a clear and powerful commitment to financial performance, and I see it as standing out from other Japanese companies for its pursuit of earning power. I feel this powerful driving force is the foundation that supports our competitive advantage within the semiconductor industry, which has such fierce competition. I look forward to this approach being the motivating force that further enhances our ability to implement our strategies.

What challenges do you think we face in becoming a truly excellent global company?

Suzuki Tokyo Electron already generates a large percentage of its sales overseas. We enjoy broad-ranging support around the world, which is a point worthy or recognition. I think that the first step in achieving our future growth is sharing an internal vision of being a truly excellent global company. To attract skilled people from around the world, we need to put our strengths and appeal into words and perform branding. I believe this will contribute to the enhancement of our corporate value. To fully communicate our appeal, we need to verbalize the reasons that our employees find such reward in their work and our environments, which enable engineers to actively thrive. We have to communicate these with the outside world. Hiring diverse personnel and enhancing corporate branding take time, so I see these as vital issues that we should tackle immediately as we maintain and improve our long-term competitiveness in the face of global competition.

Ichikawa Ms. Suzuki mentioned organizational diversity and enhancement of brand power that are hard to express numerically. I recognize these as fundamental challenges that must be tackled for Tokyo Electron to make a further leap as a global company. Different people have different aims, which is why it is vital to put them into words and share the same direction throughout the Tokyo Electron Group so that we can take the Company to the next level. Our competitors based in Europe and the United States surpass us in speed and implementation strengths in everything from issue recognition to execution. I think the key to our future growth will be to use the strengths we have as a company based in Japan while establishing global operations that also leverage the strengths of our overseas sites.

Kraft In verbalizing what it means to be a truly excellent global company, I think it is invaluable to look back at the features of a quality company, such as those indicated in "*In Search of Excellence*" by Tom Peters and Robert H. Waterman Jr., and for the Board of Directors to reconfirm where we are now and what our vision is for the future. I also want us to turn our attention to new initiatives and ideas for spurring innovation by applying game-changing creativity that can overturn conventional industry wisdom. For example, consider the bold concept of establishing an educational institution in concert with other companies, where people can systematically learn about semiconductors. That might not be feasible, but it might be worthwhile to attempt it, because if we succeeded it would expand our social influence and reinforce our future human resource base. Putting ideas like this on the Board's agenda contributes, I believe, to respecting diverse opinions and fostering a corporate culture that supports taking on new challenges. What is more, being highly attuned to geopolitical risks and having the flexibility to reflect them in our medium- to long-term growth strategies will create a foundation that supports our sustainable growth.

Endo If we are to establish a position as a top industry player at the global level, we need to have the ability to accurately and quickly gather and understand information about changes in the global environment and maintain a solid financial foundation that can withstand unexpected economic situations. By discussing our medium- to long-term vision and direction in Board of Directors meetings to achieve a shared understanding, as Mr. Kraft pointed out earlier, we can see the hiring of overseas personnel and changes in the international situation, such as a potential crisis in Taiwan, as something that affects us. To cultivate a greater sensitivity to future geopolitical risks, I think we need to not only learn from past cases but also envision future changes from a variety of angles. We need advanced intelligence functions capable of envisioning different scenarios. I think another of our priorities must be securing a strong financial constitution that enables us to absorb unexpected economic shocks and continue making necessary investments.

Miura As others have pointed out, in the increasingly competitive semiconductor industry, to create strategies that will enable us to surpass our competitors, we cannot just come up with ideas along the same trajectory as what we have done in the past. Instead, we have to engage in multifaceted, flexible discussions and develop noncontinuous growth strategies that take geopolitical risks into consideration. In that sense, as well, I hope we can bring in the wide-ranging experience and expert knowledge of our newly appointed outside officers as we increase the effectiveness of the Board of Directors and provide powerful support for Tokyo Electron's sustainable growth. In aiming to be a truly excellent global company, it is vital that we use not only quantitative indicators but also strategic thinking that includes our social raison d'être and cultural diversity. I am convinced that the Board will come to play an even more important role in promoting these efforts.

Sustainability Initiatives in the Value Chain

Engagement with Capital Markets

Our management actively engages in IR (Investor Relations) and SR (Shareholder Relations) activities to contribute to our sustainable growth and increase corporate value over the medium to long term.

In terms of IR activities, the CEO and executives in charge present at quarterly earnings release conferences, the Medium-term Management Plan briefings and IR Day to share our business strategies and growth story with stakeholders and institutional investors. We have also established the IR Department to deepen discussions with our investors. In fiscal 2024, we established the IR branch in New York, which increased opportunities for face-to-face dialogue with investors in North America, and we are working to increase awareness of our company and Japan's semiconductor production equipment industry.

Furthermore, the interests of our investors in fiscal 2025 were, in addition to market trends and business performance overviews, leading-edge technology, competitiveness and geopolitical impact.

As a part of our SR activities, company executives play a central role in constructive dialogue with our major investors and proxy advisory firms. In addition to explaining the Shareholders' Meeting agenda in advance, we engage in repeated dialogue throughout the year on a wide range of topics, such as initiatives for sustainability, which include corporate governance, the environment, human rights and DE&I, and we work to deepen mutual understanding while making our efforts lead to greater disclosure. Opinions gathered from this dialogue are regularly reported to management and the Board of Directors.

Main Activities

Engagement with Capital Markets[1]	IR Activities	● Individual meetings for institutional investors: 912 times in total (166 times with investors in Japan, 417 times with investors from overseas, 218 securities company conferences, 8 domestic IR road shows[2], 55 overseas IR road shows, 48 times elsewhere[3]) ● Tours of plants and facilities 11 times (of which, 2 tours of overseas research laboratories)
	SR Activities	● Individual meetings for institutional investors: 25 times
Provision of Information	Financial Announcement Medium-term Management Plan Announcements IR Day	● Broadcasting using simultaneous interpretation ● Broadcasting of archives from announcements/conferences within one business day; disclosure of Q&A within two business days
	Shareholders' Meeting	● Posting of convocation notices on the website and dispatch of convocation notices at an early stage ● Disclosure of presentation and Q&A material
Disclosure of Materials	IR-related	● Consolidated Financial Statements, Integrated Report, Data Book (each once per year) ● Quarterly Report, Earnings Release, Financial Announcement Materials, Investors' Guide (each 4 times/year)

1 Fiscal 2025 2 Road show: IR activities presented directly to shareholders and investors 3 SEMICON West, SEMICON Japan, etc.

Safety

Approach to Safety

Our Management Policies, which view safety as our first priority, have been clarified in writing. As a company that fulfills our social responsibilities, we provide equipment that satisfies high safety standards, and while striving to build a relationship of trust with our customers, everyone in the Group, from top management to field representatives, gives safety the highest priority when carrying out all kinds of operations such as development, manufacturing, logistics, installation and maintenance under the "Safety First" slogan. Based on this approach, we actively and continuously improve safety as we aim for the medium- to long-term growth of the company.

Revision of the Safety Policy[1]

We revised our Safety Policy in fiscal 2025 to further clarify the responsibilities of management and employees.

In this revision, we stipulated that management will be aware of the opinions of those on the field in a timely and accurate manner, and employees will prioritize safety in their actions so that we can work toward relationships of mutual trust and favorable forms of communication.

Furthermore, we clarified our commitment to continuous improvement using the management system based on OHSMS[2]. We undergo RBA audits to confirm the safety of our labor environment while steadily working on acquiring ISO 45001[3] certification.

1 "Safety Policy" on our website www.tel.com/sustainability/management-foundation/safety/

2 OHSMS: Occupational Health and Safety Management System. A management system to improve the overall level of safety and occupational health

3 ISO 45001: An international occupational health and safety management standard. Tokyo Electron Korea, Tokyo Electron Taiwan and Tokyo Electron Europe have acquired certification.

Sustainability Initiatives in the Value Chain

Safety Training

To help increase employees' awareness concerning safety and to create a safe workplace, we developed two main training programs (safety foundation training and safety technical training) to be used worldwide, with target employees required to undergo this training.

The aim of safety foundation training is for all employees to learn the basics of safety to enable them to carry out operations safely.

Safety technical training is a highly specialized program for engineers who work on production lines and in cleanrooms and is provided continuously while the contents are updated each year. In addition, we provide training on safety rules, laws and regulations in various countries for visiting employees and those who will be transferred overseas, minimizing risks globally and improving safety awareness.

Product Safety Design

Taking the entire product life cycle into consideration, we carry out product risk assessments as early as possible in the development phase. We implement inherently safe design[1] to reduce the risks posed to humans by incorporating the assessment results in the design. In addition, we conduct global surveys of increasingly strict laws and regulations and ensure compliance checks through third-party conformity assessment bodies to ensure conformity with international safety standards and SEMI Standards[2] on the product we ship. Furthermore, we build relationships of trust with our customers by complying with appropriately to the laws and regulations of each country and region in which we deliver our product and by providing high-quality and safe equipment.

1 Inherently safe design: A design concept that eliminates the cause of the machine's harm to humans through the safety design of the machine
2 SEMI Standards: SEMI Standards are regulations formed by SEMI, an international industry body which serves manufacturers of semiconductor production equipment, flat panel display production equipment, materials and the like, to unify all of these international industrial standards.

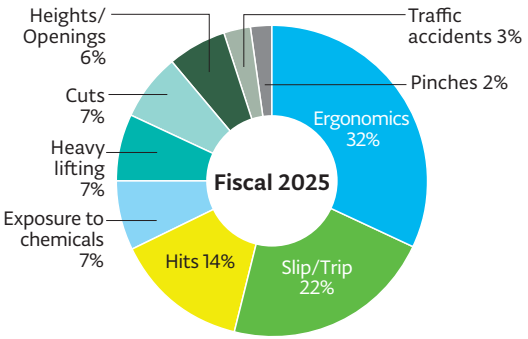
Responding to Incidents

In the event of an incident, we quickly share information with all the people in the Group involved in safety, including management, by operating the TEL Incident Reporting System (TIRS*). Each department takes the lead in confirming the implementation status of incident responses and recurrence prevention measures, and the results are reported to meetings attended by management and shared with all employees through the Safety and Health Committee and other means.

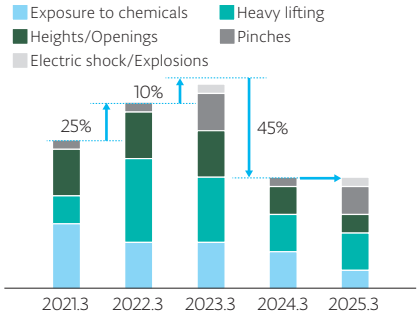
We also define workplace injuries that have the possibility of causing severe physical impact, such as injuries from heights and openings, accidents resulting from heavy lifting, exposure to chemicals and contact with machinery in operation, as significant control injuries. We conduct thorough analyses and implement measures for such incidents. In fiscal 2026, we are also working to eradicate significant control injuries through Stop Work retraining and strengthening onsite inspections.

* TIRS: TEL Incident Reporting System. System that makes the first report within 24 hours of the incident and shares with all relevant parties

Percentages of Injury Type



Ratio of Increases and Decreases in Significant Control Injuries



Activity Results and New Initiatives

Our TCIR[1] maintained 0.23 in fiscal 2025, which is top class among the major manufacturing industry. On the other hand, we are implementing measures that utilize VR in addition to traditional hands-on training to further promote the prevention of incidents. We are also focusing on new initiatives such as special training[2] for engineers who deal with manufacturing and service, in addition to spreading awareness on correct Stop Work knowledge.

1 TCIR: Total Case Incident Rate. The number of workplace incidents per 200,000 work hours
2 Special Training: Written tests are implemented instead of multiple-choice tests to better accurately determine the level of understanding of the material learned and are graded by AI.

Sustainability Initiatives in the Value Chain

Quality

Efforts for Quality Improvement

In order for each employee to correctly understand and practice quality assurance activities, it is important to clearly define the goals to be achieved, and to create an environment and foster a culture in which those goals are widely understood. Upon clarification of the ideal form of quality assurance, we established "Our Approach to Quality" and "Quality Policy*" and set quality indicators to be achieved. Based on such policies and approaches, we are working toward sharing goals and establishing awareness by continuously communicating the importance of quality to our employees. Furthermore, we regularly review regulations and basic education on quality as appropriate and consistently implement the most current materials. Also, by visualizing quality information, we have set up a system in which employees constantly acknowledge their own roles and goals, and can implement proactive quality activities in their everyday work. Through this, we are conducting the prevention of product quality issues. Additionally, we work toward continuous business growth by having employees thoroughly confirm each other's quality in various situations and engage in the continuous improvement of business processes. Through these initiatives, we are able to provide high quality products and services that exceed customer expectations.

* "Quality Policy" on our website www.tel.com/sustainability/productivity/value-chain/index.html

Approach to Quality

We define our approach to quality as follows.

The Tokyo Electron Group seeks to provide the highest-quality products and services. This pursuit of quality begins at development and continues through all manufacturing, installation, maintenance, sales and support processes. Our employees must work to deliver quality products, quality services and innovative solutions that enable customer success.

We have established rules based on our company-wide Quality Policy, which are systematically organized as the TEL Manual (TM) and the TEL Guidelines (TG) for each major business category, such as development, design, manufacturing, and service. These rules are shared with, and applied to, the entire Group, including manufacturing sites, and our suppliers.

As compliance with common rules becomes the foundation for quality assurance of products and services, our corporate quality division regularly confirms the level of understanding of, and compliance with, the operational rules in our manufacturing and service sites. Additionally, we are working with our suppliers on enhancing our quality improvement system by having each manufacturing site implement regular quality inspections for our suppliers.

Furthermore, each manufacturing site has established a quality management system based on the TM and the TG and has attained ISO 9001:2015, the international standard for quality management systems. Furthermore, we are striving for continuous improvement in our quality management system by efficiently operating the PDCA cycle through repeated internal audits and third-party organization audits. The Quality Assurance Division in each Group company sets quality goals every year based on the results of the previous year, and regularly reviews the progress of achievement of those goals. Specifically, we monitor the number of non-conforming products delivered from suppliers and track monthly progress of defect rates using KPIs to evaluate the status of reductions based on the number of defective parts delivered in the previous fiscal year.

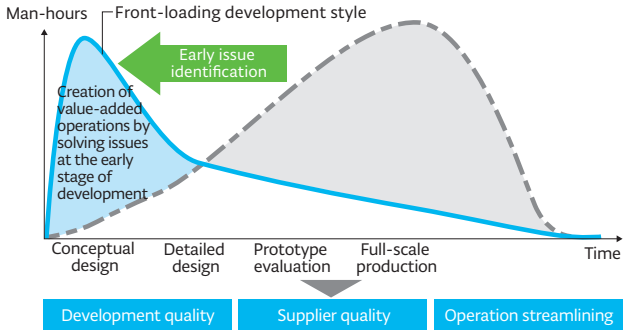
In addition, through self-process assurance[1], we conduct strict quality risk management and development/design inspections and thoroughly pre-validate customer operations through simulations. Through these initiatives, we work to improve the accuracy of each process and reduce the reworking costs[2], and we promote "Shift Left" (front-loading)[3], which enables employees to focus on high-value-added work in the upstream processes. Specifically, shifting to a design process that centralizes and shares risks from a design process that identifies risks according to each development and design project, leads to the prevention of failing to identify risks. We are also improving our ability to respond to innovative development by identifying newly anticipated risks based on examples of past issues and establishing frameworks in which those risks are reflected in business processes.

1 Self-process assurance: Comprehensive measures that prevent non-conformance in each process and prevent such products from passing through to subsequent processes

2 Reworking costs: Costs incurred by going up the chain of processes and reworking when there is non-conformance

3 "Quality" on our website www.tel.com/sustainability/productivity/value-chain/index.html#shift_left

Shift Left (Front-loading) Initiatives



Sustainability Initiatives in the Value Chain

Compliance

Approach to Compliance

As an industry leader, we regard business ethics and compliance as important values. Compliance—like safety and quality—is the basis for corporate reliability and sustainable growth. It requires a strong sense of ethics and integrity in individual and organizational behavior, in addition to compliance with laws and regulations. Along with strengthening systems for raising awareness about compliance and changing behavior to prevent compliance violations, we continue implementing effective programs. These efforts will drive the further enhancement of our corporate value.

Compliance System

In order to effectively promote compliance programs that are expected of a global company, we have appointed a Chief Compliance Officer (CCO) and established a dedicated Compliance Department at our headquarters. We have also appointed Regional Compliance Heads at key overseas sites and have established a framework for direct reporting to the CCO and Compliance Department, through which we strengthen our overall global compliance system.

Compliance Initiatives

Business Ethics and Compliance

To more effectively instill and promote business ethics and compliance, we have formulated the Tokyo Electron Group Code of Ethics as a code of conduct for all executives and employees and established the Business Ethics Committee. We held the Business Ethics Committee in February 2025, where each Group company shared their progress toward the fiscal 2025 according to their three-year plan. We discussed the current status and continuous improvement on effective business ethics and compliance programs.

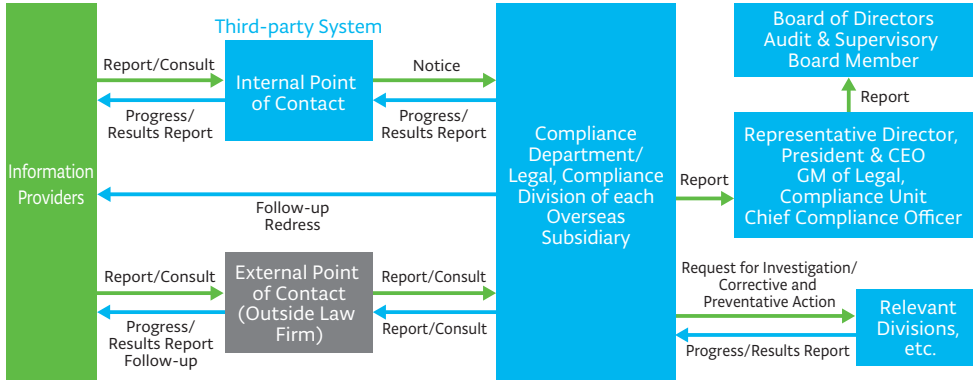
Initiatives for Anti-bribery and Corruption and for Competition Laws

We have established the Basic Policy on the Prevention of Bribery and Corruption and the Guidelines for Gift, Hospitality and Entertainment in the area of anti-bribery and corruption, and the Basic Policy on Competition Law Compliance and Guidelines in the area of competition laws as Group-wide policies and guidelines. With the expansion of the market in India, in March 2025, we conducted activities to foster awareness by publishing the Handbook for Employees going to India on business to enable executives and employees to respond appropriately to bribery risks.

Internal Reporting System

We have established an internal reporting system that allows employees to safely and securely raise concerns and seek redress outside the chain of command, and to report and consult any behavior that is, or may be, in violation of laws, regulations, or business ethics. This system ensures complete confidentiality, anonymity and the prohibition of retribution and unfavorable treatment. An internal leniency system has also been introduced, whereby any disciplinary action may be reduced or exempted in the event that an employee involved in a compliance violation has made a report or sought advice on their own volition. This encourages employees to proactively provide information and leads to problem-solving at earlier stages.

Global Response to Internal Reports



Sustainability Initiatives in the Value Chain

As part of this internal reporting system, we have been operating the Tokyo Electron Group Ethics & Compliance Hotline – global internal point of contact that uses a third-party system and is also accessible to our suppliers and retirees – as well as an external point of contact that allows direct consultation with an outside law firm. The internal point of contact can be accessed via phone or a dedicated website 24 hours a day, 365 days a year, and accommodates all languages used by employees.

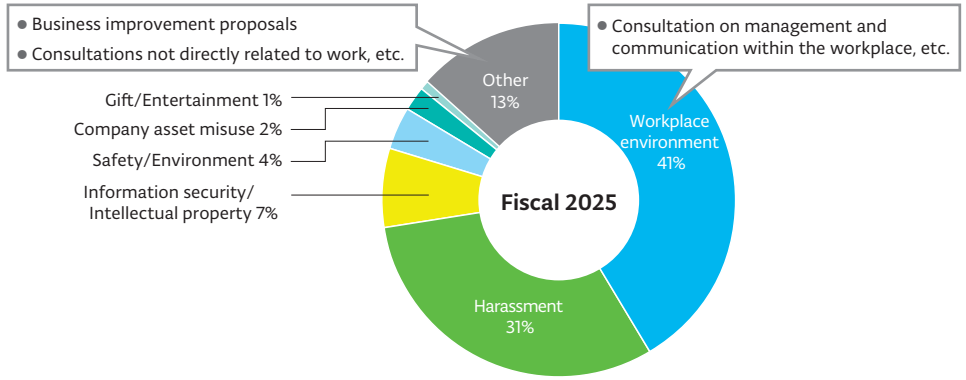
Reports and consultations received via these points of contact are handled with sincerity, and investigations are undertaken in accordance with internal regulations. If a compliance violation is found, disciplinary actions in accordance with the Rules of Employment, corrective measures such as improvements to the workplace environment and preventive measures are implemented as necessary.

In fiscal 2025, a total of 181 reports and consultations were received via the internal reporting system, of which 27* were recognized as compliance violations. Main reports were related to the work environment, including harassment. We therefore continue to conduct regular training programs for our employees with the goal of preventing harassment, and we provide thorough follow-up with those concerned or involved. We are also working on establishing awareness regarding compliance, including the prevention of harassment. The CCO provides continuous compliance training for managers, which serves as opportunities to reexamine the importance of establishing an open work environment.

There were no reports or cases of violations of laws/regulations in our operations that could have had a serious impact on our business or on local communities.

* There were no cases filed or prosecuted by the authorities

Breakdown of Report/Consultation Contents*



* Percentages may not add up to 100 because they have been rounded.

Risk Management

Approach to Risk Management

Our Group has built a risk management system to respond effectively and promptly to various risks, such as geopolitical and market changes in the semiconductor industry, and to ensure sustainable growth. We believe that it is crucial not only to make sufficient considerations in anticipation of the future and to minimize the impact of potential risks that may arise during business operations, but also to view these risks as potential business opportunities and address them in a manner that earns the trust of society.

Risk Management System and Implementation

We established the Corporate Project & Risk Management Office (CPRO) in the Corporate Strategy Division at the head office to promote more effective risk management in the Group as a whole. We are actively working toward advancing enterprise risk management[1].

To address major risks in our business activities, we have implemented the following PDCA cycle.

1. The CPRO and the departments responsible each field, together to comprehensively identify various risks in our business activities, such as related to compliance, human resources and labor, and business continuity, based on their degree of impact on the Group and likelihood, identify 16 major risk items[2], and appoint risk owners for each.
2. The 16 major identified risk items are reported on and discussed at the Risk Management Committee, which includes each risk owner.
3. Recognizing that responding to risks directly presents opportunities for improving business performance, quarterly review meetings involving the CEO, the Corporate Officer and each division officer are held to review the progress of efforts on issues that are particularly problematic among the 16 major risk items and discuss improvement measures.

The Group's risk management activities are regularly reported to the Board of Directors, which oversees various initiatives implemented by each risk owner.

Value Creation by the Value Chain

Sustainability Initiatives in the Value Chain

Additionally, we are also continuing to focus on the revision and operational improvement of our BCP for all Group companies, and we regularly conduct BCP drills and disaster drills to foster the practical ability to ensure the continuation of business operations in the event of an emergency.

Furthermore, we are actively promoting DX in our risk management activities and have introduced a dashboard that utilizes digital technology. This allows us to visualize the assessment of risks and response measures across the entire Group as well as to conduct global, cross-sectional information sharing between each owner and each responsible department.

Going forward, with the aim of continuing to practice autonomous and highly effective risk management, each owner will take the lead in implementing activities across the entire Group to further strengthen risk management for the 16 major risk items.

1 Enterprise risk management: Group-wide systems and processes related to risk management activities
2 See below for the 16 major risk items and initiatives dealing with risk

"Risk Management" on our website www.tel.com/sustainability/management-foundation/risk-management/index.html

16 Major Risk Items

Item	Main Potential Risks
1 Market Fluctuations	A rapid contraction of the semiconductor market could lead to overproduction or an increase in excess inventory. Lost sales opportunities due to the inability to handle sharp increases in demand
2 Research and Development	Decline in the competitiveness of products due to delays in the launch of new products or the mismatch of such products with customer needs
3 Geopolitics	Geopolitical tensions and regional conflicts, and the national security or industrial policies of countries and regions, can lead to supply chain disruptions or deterioration of the macroeconomic environment, restricting the Company's ability to operate business
4 Procurement, Production and Supply	Increased demand that exceeds suppliers' capacities, delays in component procurement stemming from changes in laws and regulations and a shrinking working population, strains on domestic or international logistics and interruptions in production due to natural disasters can lead to delays in the supply of products to customers
5 Safety	Safety problems with the Company's products or liability for damages and decline in public trust due to serious accidents resulting in workplace injuries
6 Quality	Liability for damages and increased costs for countermeasures due to product defects and decline in the credibility of the Group's brand
7 Environmental Issues	The inability to respond appropriately to each country's climate change policies, environmental laws and regulations can lead to additional related costs, reduced product competitiveness and diminished public confidence, as well as fines and liability for damages
8 Laws and Regulations	Violations of the laws and regulations of the countries and regions where the Company operates could lead to interruptions or restrictions on business activities, diminished public confidence and fines and liability for damages
9 Intellectual Property Rights	Decline in product competitiveness from the inability to obtain exclusive rights to proprietary technology as well as restrictions on the production and sale of products and liability for damages due to infringements of the intellectual property rights of third parties
10 Information Security	Data breaches from cyberattacks or internal fraud against the Company or suppliers can lead to loss of technological superiority, interruptions of operations, diminished public confidence and liability for damages
11 Human Resources	The inability to recruit and retain necessary human resources on an ongoing basis or the inability to create an environment where people with diverse values and expertise can play an active role could lead to diminished product development capability or customer support quality
12 Pandemics, Natural Disasters etc.	Impact on business operations caused by travel restrictions between countries due to large scale infectious diseases, natural disasters or terrorism around the world or in particular regions that threaten the safety of executives, employees or their families
13 Finance	Impact on business performance due to sharp exchange rate fluctuations stemming from international situations or interest rates fluctuations. Also, additional taxes due to differences in interpretation from the authorities of each country concerning tax laws in each country or region
14 M&A	Inability to realize the intended results due to insufficient due diligence of acquisition target companies and their business or PMI (post-merger integration). Additionally, the impact on competitiveness stemming from competitors purchasing potential targets first
15 IT & Operations	Impact of large-scale failures in enterprise systems on business and the lack of capability in growth areas and new regulations due to delayed digitalization efforts and operational process innovations
16 Business Locations	Inefficiencies in the development of new locations and in the strengthening and control of existing locations due to delays in the deliberations and plans for global location strategies despite increases in new business around the world

Sustainability Initiatives in the Value Chain

Information Security

An environment where data can be used safely and securely is crucial for the continuous and steady development of the operations of the Company. For this reason, we view the assurance of information security as an important managerial issue, and continuously reinforce the protection of information about our customers and suppliers as well as confidential information on leading-edge technology. In addition, we strive to strengthen information security to ensure the stable operation of the entire supply chain.

Main Activities

Information Security Systems

Information security strategies for the entire Group are developed at the TEL Group Information Security Committee, chaired by our executive officer. In addition, we are building a Group-wide system dealing with security measures based on the shared understanding and collaboration with the Information Security Committees of each company.

Responding to Security Threats

Specialized security engineers monitor threats, such as cyberattacks or internal fraud 24 hours a day, 365 days a year. We have a rapid response system where information is shared swiftly among relevant divisions in the event of an incident.

Information Security Management

To protect information assets from various threats, we have established global security policies and are gradually progressing toward ISO/IEC 27001[1] certification while striving for continuous improvements based on PDCA cycles. In addition, we are working on improving security awareness and literacy by conducting continuous information security training for all employees.

Security at Manufacturing Sites and in Products

We are strengthening security at our manufacturing sites to ensure the safe and stable operation of our manufacturing systems. Furthermore, we are also implementing security measures, not only in our products, but also in our manufacturing processes and field support so that our customers can use our products and services with assurance.

Supply Chain Security

To protect the entire supply chain from information security threats, we regularly conduct information security assessments on our suppliers. We are working on the continuous enhancement of security measures by making improvements with our suppliers on identified issues.

External Activities and Strengthening of Information Security Human Resources

We are contributing to the improvement of information security levels in the semiconductor industry and in society as a whole through external security activities such as initiatives for the standardization of security in SMCC[2]. We are also actively engaged in the recruitment and development of human resources that support information security.

1 ISO/IEC27001: International standard for Information Security Management Systems
2 SMCC: Semiconductor Manufacturing Cybersecurity Consortium. A consortium that deliberates on strengthening cybersecurity within SEMI, an international semiconductor industry association

Sustainability Initiatives in the Value Chain

Evaluation from Third-party Institutions

Dow Jones Best-in-Class Asia Pacific Index

From 2016 (ongoing)

MSCI Selection Indexes Constituents 2025

From 2017 (ongoing)

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

From 2017 (ongoing)

FTSE4Good

From 2003 (ongoing)

FTSE Blossom Japan

From 2017 (ongoing)

Rated MORNINGSTAR | SUSTAINALYTICS

From 2019 (ongoing)

Our sustainability initiatives have allowed us to continue to be selected as a constituent stock under leading global ESG indices such as the Dow Jones Best-in-Class Asia Pacific Index (formerly Dow Jones Sustainability Indices), the FTSE4Good Index Series[1], the FTSE Blossom Japan Index[1], the MSCI Selection Indexes[1] (formerly MSCI ESG Leaders Indexes), the MSCI Japan ESG Select Leaders Index[1], and the ISS ESG Corporate Rating. Furthermore, continuing from the previous year, we were again evaluated as a Low Risk company in Sustainalytics' ESG Risk Ratings[2].

The Tokyo Electron Integrated Report 2024 was selected again as an "Excellent Integrated Report" by the Government Pension Investment Fund (GPIF)'s external asset managers entrusted with domestic equity investment for the fourth consecutive year.

1 Guidelines for logo usage: "Third-party Recognition" on our website www.tel.com/sustainability/review.html

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Participation in Global Initiatives

We actively participate in a variety of global initiatives and practice sustainability in our business activities.

WE SUPPORT UN GLOBAL COMPACT

We signed onto the United Nations Global Compact (UNGC) in 2013 and are working to contribute to the realization of sound globalization and a sustainable society in accordance with its Ten Principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption.

Responsible Business Alliance Affiliate Member

We joined the Responsible Business Alliance (RBA) in 2015, and we work together with suppliers to ensure compliance with the RBA Code of Conduct comprised of "labor," "environment," "health and safety," "ethics" and "management systems."

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In 2020, we expressed our approval of the recommendations offered by the Task Force on Climate-related Financial Disclosures (TCFD)[1] and are conducting disclosures based on the framework of governance, strategy, risk management and metrics and targets relating to the risks and opportunities that climate change presents to our overall business.

TNFD Forum Member

We concur with the vision of the Taskforce on Nature-related Financial Disclosures (TNFD), which appropriately evaluates risks and opportunities related to natural capital and biodiversity, and joined the TNFD Forum in 2023.

semi

We joined the global industry association, SEMI[2] which aims for the global development of the semiconductor industry, in 1978 as a member company, and engage in the promotion of the establishment and standardization of international guidelines as well as the promotion of sustainability.

1 Initiatives Related to Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) P. 52

2 SEMI: Semiconductor Equipment and Materials International

Chapter 4 Toward Further Growth

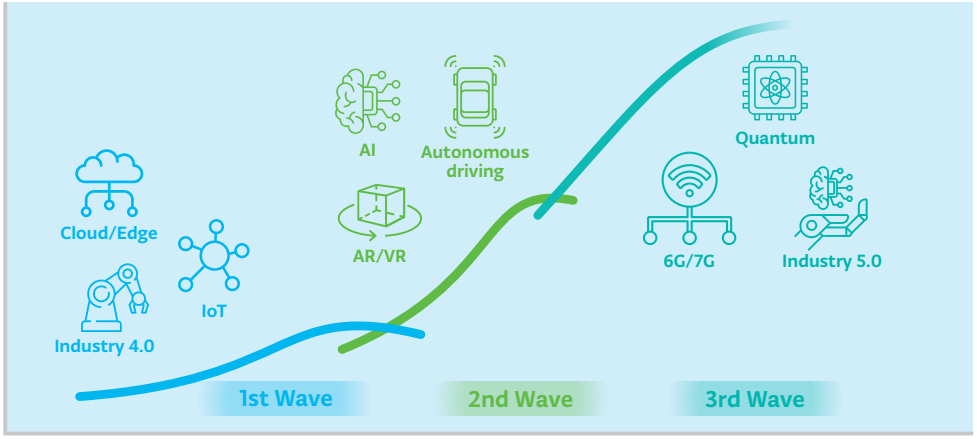
Medium- to Long-term Outlook

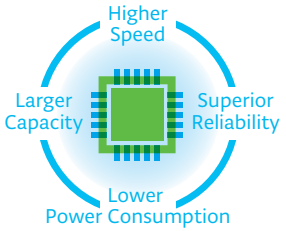
Evolution of Technology and Future of Semiconductors

In recent years, the information and communication technology industry has been driven by the evolution of electronic devices and network infrastructure, while internet services and platform businesses utilizing IoT and Cloud/Edge computing have grown rapidly as the "1st Wave." Now, with the shift to the era of artificial intelligence (AI), which utilizes the vast amount of data accumulated through such services and data generated daily, we are entering the "2nd Wave," which is driven technologically by applications that require advanced computing, such as the practical application of generative AI, AR/VR and autonomous driving. As a result, the demand for semiconductors is increasing and the semiconductor market is forecast to reach approximately US$1 trillion by around 2030.

Computing demands will continue to expand in the future, and the sophistication of the communication infrastructure needed to process such large amounts of data will also accelerate. Quantum computing, the practical application of 6G/7G communication and Industry 5.0, which utilizes self-learning AI robots, will create the next "3rd Wave" of technological innovation. Along with growth in the semiconductor market, related industries including manufacturing equipment, are also expected to show strong growth.

Semiconductor Market Outlook

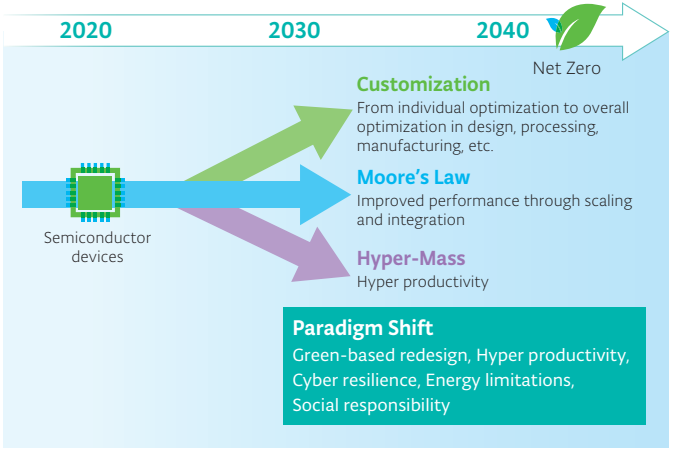




While the semiconductor industry holds significant growth potential, there is an issue of the increase in electric power consumption in computing. If power consumption continues to grow exponentially at the current pace, the demand may exceed the supply, causing power shortages worldwide in the near future. In addition, increases in power consumption will also lead to more greenhouse gas emissions, leading to concerns about the impact on global environmental preservation. For the sustainable development of a digital society, lower power consumption of semiconductors is essential in addition to higher semiconductor speed, larger capacity and superior reliability.

It is thought that semiconductors, which support the lives of people, are expected to evolve in more diverse ways, going forward. The performance of semiconductors has improved through scaling and integration, but the demand for further performance improvement for the realization of computer technology that can process vast amounts of data at higher speeds and with lower power consumption is increasing. In addition, with the diversification of applications and services, it is necessary to optimize semiconductor design, manufacturing technology and the entire system according to the application. Furthermore, because larger capacity data traffic and their processing and analysis require an enormous number of semiconductors, it is necessary to reduce the cost of semiconductors through economies of scale in order to realize a world in which everyone can enjoy the benefits of computer technology.

Various paradigm shifts in the market are expected to happen in the medium term. The key to value creation in the future for semiconductor production equipment manufacturers will be to solve the technological and cost challenges of scaling and integration, to quickly propose the best solutions to meet the diverse needs of customers and to provide manufacturing methods that achieve extremely high productivity and optimize environmental impact.

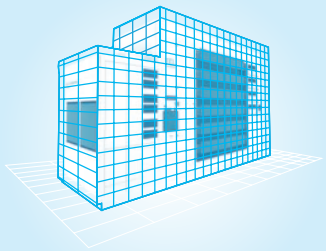


Medium- to Long-term Outlook

Development of Semiconductor Production Equipment

Toward the US$1 trillion sized era and beyond in the semiconductor market, semiconductor manufacturing needs to solve issues such as cost and time for development and production in addition to advanced technology for device structures and integration. Furthermore, with the expansion of semiconductor manufacturing locations, there will be a need to strengthen global technical support systems after equipment installation. In such a situation, it is considered important for an equipment manufacturer to provide solutions based on digital transformation (DX) that makes full use of AI and digital technology.

A key in equipment development in the future will be virtualization technology in cyber space that integrates various simulations. Currently, verification using real prototypes is common practice, requiring a lot of resources and labor, however, prototypes utilizing virtualization technology allow optimal design to be completed quicker with less effort. Remote operations are an effective approach to increasing the efficiency of semiconductor production equipment installation and maintenance. By using AR glass to accurately understanding the state of the equipment and performing repairs, adjustments and the changing of parts using on-site robots, it becomes possible to provide timely and appropriate support regardless of location or time.



Prototypes Utilizing Virtualization Technology

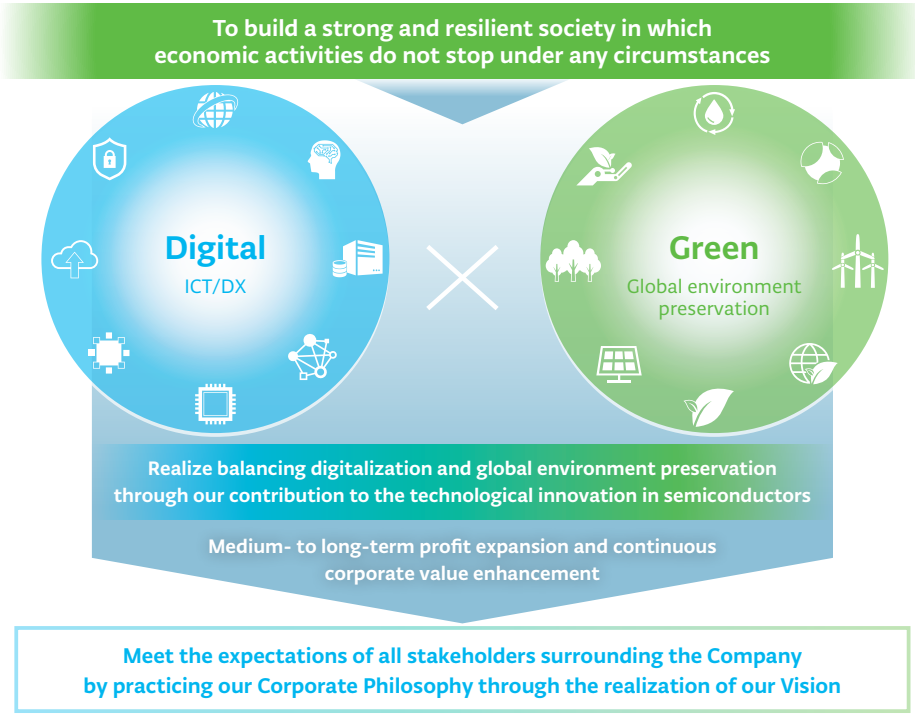
Remote Operation

Aiming to Be a Company Filled with Dreams and Vitality

The world continues to push firmly ahead with implementing information and communication technology (ICT) as well as taking action to realize decarbonization in order to build a strong and resilient society in which economic activities do not stop under any circumstances.

Utilizing our expertise as a semiconductor production equipment manufacturer and all management resources including employees who create and fulfill company values, Tokyo Electron continues to create high-value-added leading-edge equipment and technical services. And to surely assume our roles and responsibilities in society, we will help realize a balance between digitalization and global environment preservation through our contribution to technological innovation in semiconductors.

We will continue to work hard to expand medium- to long-term profit and to continuously enhance our corporate value, leading to the practice of our Corporate Philosophy through the realization of our Vision, and will meet the expectations of all stakeholders surrounding the Company.



Financial Review

Trends in the Global Economy and Market

With respect to the global economy in fiscal 2025, despite the concerns about increasing geopolitical risks, inflation in Europe and the United States remained around 2% and overall economic conditions were strong, especially in the United States, where the economy continues to grow.

In the electronics industry, where the Tokyo Electron (TEL) Group operates, there was sluggish demand for end products such as computers and smartphones. However, the spread of generative AI led to growing demand for AI servers for data centers, driving overall growth in the semiconductor market.

Under these circumstances, in the semiconductor production equipment market in fiscal 2025, capital investment in memory and advanced packages for generative AI applications grew significantly, while capital investment in mature generation of semiconductors in China continued. Capital investment in cutting-edge generation logic/foundry semiconductors also exceeded that of the previous fiscal year.

Against the backdrop of the transition to a data-driven society accompanied by the advancement of information and communication technology, the evolution of AI to enhance productivity and create new value, and efforts toward realizing a decarbonized society, the role of semiconductors and their technological innovation are becoming increasingly important, and the semiconductor production equipment market is expected to grow even further in the medium to long term.

Management Discussion and Analysis of State of Operating Results

Regarding our operating results for fiscal 2025, net sales increased 32.8% from the previous fiscal year to 2,431.5 billion yen, and operating income increased 52.8% from the previous fiscal year to 697.3 billion yen, marking an increase in both sales and income. In the semiconductor production equipment market, market growth was fueled by capital investments for high-bandwidth memory driven by expanding demand for AI servers, as well as capital investment in logic/foundry for leading-edge nodes anticipating demand for high-performance PCs and smartphones. These trends supported strong sales of our high-value-added products. Additionally, continued capital investment in mature nodes aimed at improving self-sufficiency in China also contributed to the increase in both sales and income.

Under these circumstances, our gross profit margin reached a record high of 47.1%, an increase of 1.7 points from the previous fiscal year. While making proactive R&D investments for future growth, the high gross profit margin enabled us to achieve an operating margin of 28.7%, an increase of 3.8 points from the previous fiscal year. Total R&D expenses increased by 47.1 billion yen (23.2%) from the previous fiscal year, reaching 250.0 billion yen.

Net income attributable to owners of parent increased 49.5% from the previous fiscal year to 544.1 billion yen, and its ratio against net sales was 22.4%, an increase of 2.5 points from the previous fiscal year. As a result, net income per share was 1,182.40 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 2,625.9 billion yen at the end of fiscal 2025, an increase of 169.5 billion yen from the end of the previous fiscal year. This was mainly due to the increase in accounts receivable and tangible fixed assets. Cash and cash equivalents at the end of fiscal 2025 increased by 23.4 billion yen compared to the end of the previous fiscal year, to 485.0 billion yen.

Current assets at the end of fiscal 2025 were 1,800.7 billion yen, an increase of 100.3 billion yen compared to the end of the previous fiscal year. This was mainly due to an increase of 94.2 billion yen in notes and accounts receivable - trade, and contract assets by increasing net sales along with customer's investment recovery. Inventories decreased by 13.8 billion yen to 749.1 billion yen with efforts to maintain proper level of inventory volume.

Fixed assets increased by 69.2 billion yen from the end of the previous fiscal year, reaching 825.2 billion yen. Tangible fixed assets reached 441.7 billion yen, an increase of 104.3 billion yen from the end of the previous fiscal year. This was primarily due to the progress of construction projects at various business sites - such as development buildings in Koshi-shi, Kumamoto and Taiwa-cho, Miyagi - and the acquisition of machinery and equipment necessary for advanced technology R&D. Investments and other assets decreased by 38.5 billion yen from the end of the previous fiscal year to 347.6 billion yen, due in part to the lower market prices of investment securities.

Current liabilities increased by 66.0 billion yen from the end of the previous fiscal year to 677.9 billion yen. This was largely due to an increase of 29.4 billion yen in income taxes payable and an increase of 27.0 billion yen in consumption taxes payable.

Fixed liabilities increased by 8.4 billion yen from the end of the previous fiscal year to 92.8 billion yen.

Financial Review

Net assets increased by 95.0 billion yen from the end of the previous fiscal year to 1,855.2 billion yen. This was largely due to an increase resulting from recording 544.1 billion yen in net income attributable to owners of parent, a decrease resulting from the payment of 236.2 billion yen in year-end dividends for the previous fiscal year and interim dividends for fiscal 2025 and share repurchases of 150.0 billion yen, and lower net unrealized gains on available-for sale securities of 55.3 billion yen. As a result, the equity ratio was 70.1%.

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 496.2 billion, an increase of 23.6 billion yen from the end of the previous fiscal year.

Cash flows from operating activities were positive 582.1 billion yen, an increase of 147.4 billion yen compared to the end of the previous fiscal year. The major positive factors were 706.1 billion yen in income before income taxes and 62.1 billion yen in depreciation and amortization. The major negative factors were 142.8 billion yen in payment of income taxes, and a 97.5 billion yen increase in notes and accounts receivable - trade, and contract assets.

Cash flows from investing activities were negative 169.6 billion yen compared to negative 125.1 billion yen in the same period of the previous fiscal year. This was largely due to the payment of 158.3 billion yen for the purchase of property, plant and equipment.

Cash flows from financing activities were negative 388.8 billion yen compared to negative 325.0 billion yen in the same period of the previous fiscal year. This was largely due to the payment of 236.2 billion yen in dividends, and the payment of 150.0 billion yen for the share repurchases.

In fiscal 2025, while generating a high level of cash through operating activities, we continued R&D and capital investments to create innovative and high-value-added technologies that differentiate us from competitors with a view to future growth. At the same time, we returned 386.2 billion yen to our shareholders through conducting share repurchases twice in fiscal 2025 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.

In addition, return on equity (ROE), one of our management indicators, was 30.3% exceeding 30% which is the target of the Medium-term Management Plan with a decrease of the turnover period for total assets* from 475 days in the previous fiscal year to 381 days and achieving profitability improvements.

* Turnover period for total assets = Average total assets at the beginning and end of fiscal 2025 / Net sales for fiscal 2025 × 365

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 2024 (Fiscal year ended March 31, 2024)

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

Fiscal 2025 (Fiscal year ended March 31, 2025)

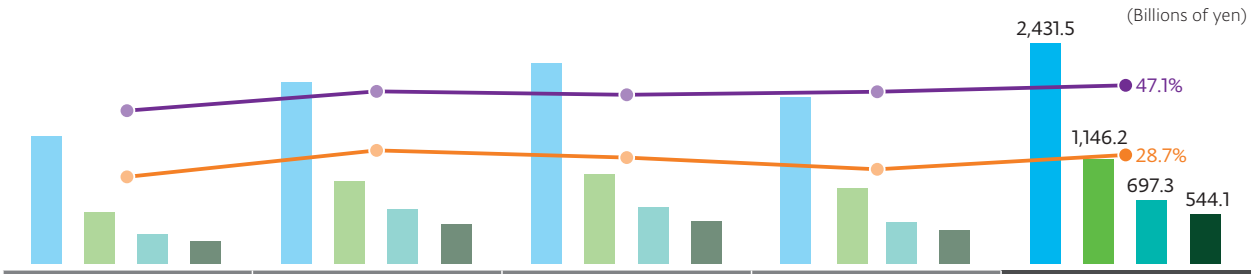
Name of Customer	Sales (Millions of yen)	Ratio (%)
Samsung Electronics Co., Ltd.	286,800	11.8
Taiwan Semiconductor Manufacturing Company Ltd.	280,618	11.5

* The amounts include sales to the customer and its subsidiaries.

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/

Financial Review

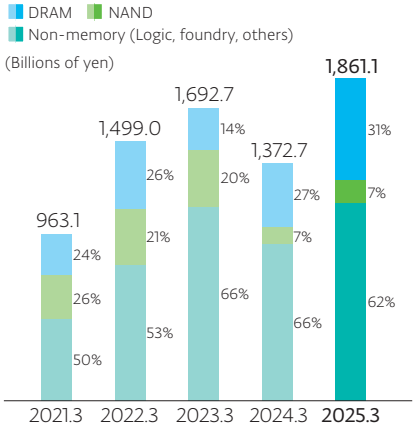
Financial Trend



	2021.3	2022.3*	2023.3	2024.3	2025.3
Net sales	1,399.1	2,003.8	2,209.0	1,830.5	2,431.5
Gross profit	564.9	911.8	984.4	830.2	1,146.2
Operating income	320.6	599.2	617.7	456.2	697.3
Net income attributable to owners of parent	242.9	437.0	471.5	363.9	544.1
Gross profit margin	40.4%	45.5%	44.6%	45.4%	47.1%
Operating margin	22.9%	29.9%	28.0%	24.9%	28.7%
ROE	26.5%	37.2%	32.3%	21.8%	30.3%

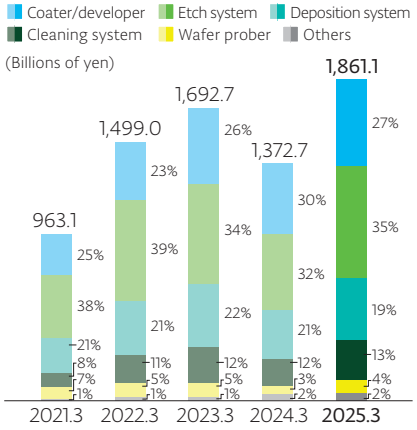
* From fiscal 2022, the Company applies "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020).

SPE[1] New Equipment Sales by Application[2]



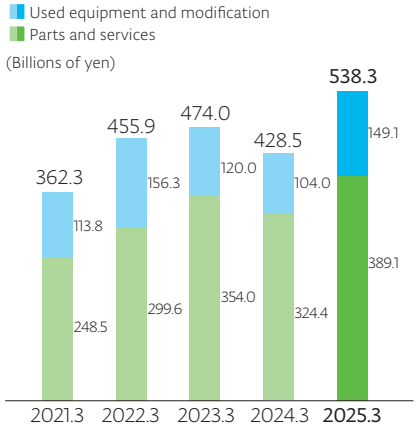
1 SPE: Semiconductor Production Equipment
2 Percentages on the graph show the composition ratio of new equipment sales. Field Solutions sales are not included.

SPE New Equipment Sales by Product*

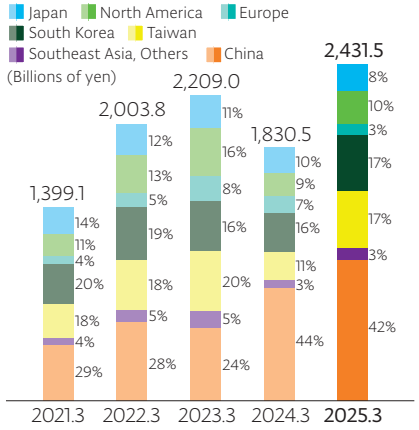


* Percentages on the graph show the composition ratio of new equipment sales. Field Solutions sales are not included.

Field Solutions Sales

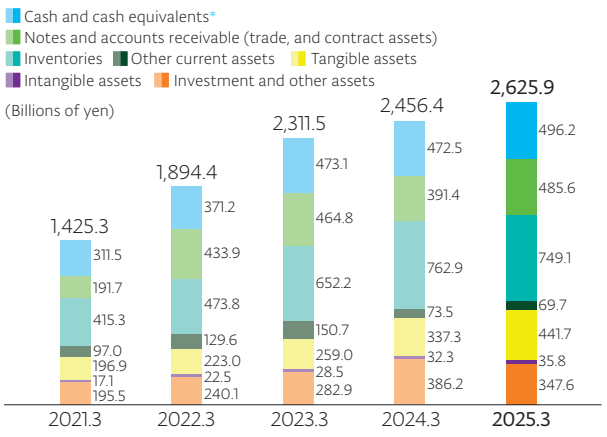


Composition of Net Sales by Region



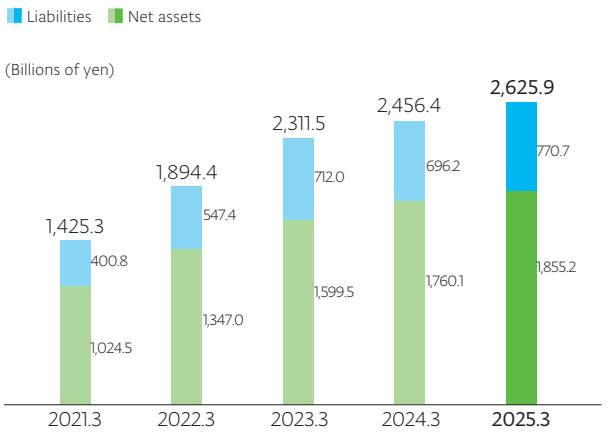
Financial Review

Balance Sheet Assets

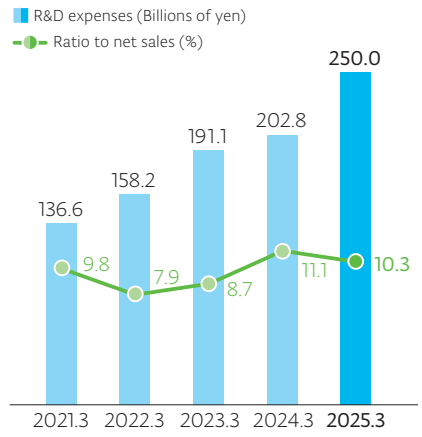


* Cash and cash equivalents: "Cash and deposits" + "Short-term investments", etc. ("Securities" in Balance Sheet)

Balance Sheet Liabilities/Net Assets

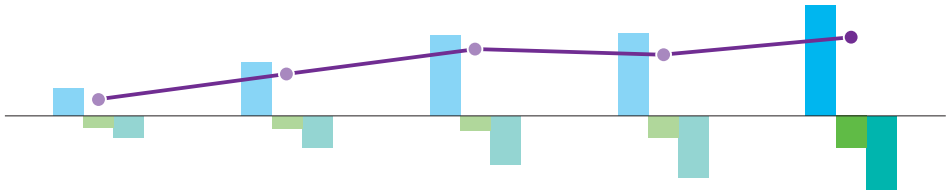


R&D Expenses and Ratio to Net Sales



Cash Flows

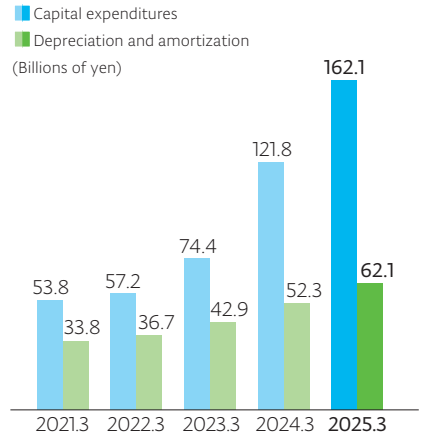
(Billions of yen)



	2021.3	2022.3	2023.3	2024.3	2025.3
Cash flows from operating activities	145.8	283.3	426.2	434.7	**582.1**
Cash flows from investing activities[1]	(63.2)	(65.6)	(76.7)	(115.0)	**(169.7)**
Cash flows from financing activities	(114.5)	(167.2)	(256.5)	(325.0)	**(388.8)**
Free cash flow[2]	82.6	217.7	349.4	319.6	**412.4**
Cash on hand[3]	311.5	371.2	473.1	472.5	**496.2**

1 Cash flow from investing activities excludes changes in time deposits and short-term investments.
2 Free cash flow = "Cash flow from operating activities" + "Cash flow from investing activities" (excluding changes in "Time deposits" and "Short-term investments")
3 Cash on hand includes "Cash and cash equivalents" + "Time deposits and short-term investments" with original maturities of more than three months.

Capital Expenditures and Depreciation and Amortization



Consolidated Eleven-year Summary

Tokyo Electron Limited and Subsidiaries
From fiscal 2015 to fiscal 2025

The amounts in this summary in millions and thousands of yen; 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.

(Millions of yen)

	2025.3	2024.3	2023.3	2022.3[5]	2021.3	2020.3	2019.3[4]	2018.3	2017.3	2016.3	2015.3
Net sales[1]	¥2,431,568	¥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
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
FPD production equipment	—	—	53,674	59,830	83,772	66,092	111,261	75,068	49,387	44,687	32,710
PV production equipment	—	—	—	—	—	—	—	—	—	—	3,618
Electronic components and computer networks	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	144	131	129	197	197	425	438	6,229	555
Operating income	697,319	456,263	617,723	599,271	320,685	237,292	310,571	281,172	155,697	116,789	88,113
Income (loss) before income taxes	706,114	473,439	624,856	596,698	317,038	244,626	321,508	275,242	149,116	106,467	86,828
Net income (loss) attributable to owners of parent	544,133	363,963	471,584	437,076	242,941	185,206	248,228	204,371	115,208	77,892	71,888
Comprehensive income (loss)	476,095	478,281	501,421	486,183	305,801	187,084	242,696	206,152	119,998	60,984	80,295
Domestic sales	189,979	184,982	239,937	230,368	197,566	161,812	208,796	148,760	101,122	121,808	95,046
Overseas sales	2,241,588	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
Depreciation and amortization[2]	62,148	52,339	42,927	36,727	33,843	29,107	24,323	20,619	17,872	19,257	20,878
Capital expenditures[3]	162,171	121,841	74,432	57,288	53,868	54,666	49,754	45,603	20,697	13,341	13,184
R&D expenses	250,017	202,873	191,196	158,256	136,648	120,268	113,980	97,103	83,800	76,287	71,350
Total assets	2,625,981	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
Total net assets	1,855,209	1,760,180	1,599,524	1,347,048	1,024,562	829,692	888,117	771,509	645,999	564,239	641,163
Number of employees	19,573	17,702	17,204	15,634	14,479	13,837	12,742	11,946	11,241	10,629	10,844

Consolidated Eleven-year Summary

	2025.3	2024.3	2023.3	2022.3[5]	2021.3	2020.3	2019.3[4]	2018.3	2017.3	2016.3	2015.3
											(Yen)
Net income (loss) per share of common stock											
Basic[6]	**¥1,182.40**	¥ 783.75	¥ 1,007.82	¥ 935.95	¥ 520.73	¥ 390.19	¥ 504.53	¥ 415.16	¥ 234.09	¥ 153.70	¥ 133.69
Diluted[6]	**1,179.08**	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[6]	**4,016.34**	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
Cash dividends per share of common stock[6]	**592.00**	393.00	1,711.00	1,403.00	781.00	588.00	758.00	624.00	352.00	237.00	143.00
Number of shares outstanding (thousands)[6]	**471,632**	471,632	157,210	157,210	157,210	157,210	165,210	165,210	165,210	165,211	180,611
Number of shareholders	**83,023**	48,167	51,723	34,258	29,547	30,348	50,843	35,186	21,937	24,664	20,829
											(%)
ROE	**30.3**	21.8	32.3	37.2	26.5	21.8	30.1	29.0	19.1	13.0	11.8
Operating margin	**28.7**	24.9	28.0	29.9	22.9	21.0	24.3	24.9	19.5	17.6	14.4
Equity ratio	**70.1**	71.1	68.7	70.5	71.1	64.1	70.0	63.8	67.2	70.9	73.0
Total asset turnover (times)	**0.96**	0.77	1.05	1.21	1.03	0.89	1.04	1.05	0.91	0.80	0.72
											(Thousands of yen)
Net sales per employee	**¥124,230**	¥ 103,407	¥ 128,401	¥ 128,169	¥ 96,629	¥ 81,468	¥ 100,317	¥ 94,653	¥ 71,143	¥ 62,466	¥ 56,540

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 was included in it has been included in Other from fiscal 2016.

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 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.

5 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.

6 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 2015. In addition, from fiscal 2015 to fiscal 2023, dividends per share of common stock and number of shares outstanding present the actual amount of dividends and number of shares prior to the stock split.

Sustainability Data | Environment

The scope of calculation for environmental data is the Tokyo Electron Group (26 consolidated companies), and the calculating period is fiscal year 2025 (April 1, 2024 to March 31, 2025).
Japan: Tokyo Electron Ltd., Tokyo Electron Technology Solutions Ltd., Tokyo Electron Kyushu Ltd., Tokyo Electron Miyagi Ltd., Tokyo Electron FE Ltd. and Tokyo Electron BP Ltd.
Overseas: 20 consolidated subsidiaries (including Tokyo Electron America, Inc., Tokyo Electron Europe Ltd., Tokyo Electron Korea Ltd., Tokyo Electron Taiwan Ltd., Tokyo Electron (Shanghai) Ltd. and Tokyo Electron Singapore Pte. Ltd.)

* ● denotes data in the "Sustainability Data 2025" with third-party assurance. * Totals may not match due to rounding.

Greenhouse Gas Emissions[1]

		2021.3	2022.3	2023.3	2024.3	2025.3	
Scope 1 emissions	Scope 1 emissions (kt-CO_2)	29	16	22	21	22	
	Japan, energy-derived[2]	10	10	10	10	11	●
	Overseas, energy-derived[2]	2	2	2	2	2	
	Non-energy-derived greenhouse gas emissions total[3] (kt-CO_2e)	17	4	10	9	9	
	Non-energy-derived greenhouse gas emissions (kt-CO_2e) (Japan)	17	4	10	9	9	
	Japan – HFCs	0.1	0.7	3.4	2.3	1.9	
	Japan – PFCs	13.2	1.3	5.6	4.8	4.4	
	Japan – SF_6	3.1	1.4	1.2	1.1	1.6	
	Japan – Other	0.6	0.4	0.2	0.4	0.8	
	Non-energy-derived greenhouse gas emissions (kt-CO_2e) (Overseas)	—	0.1	0.0	0.0	0.1	
	Overseas – HFCs	—	0.0	0.0	0.0	0.0	
	Overseas – PFCs	—	0.0	0.0	0.0	0.0	
	Overseas – SF_6	—	0.0	0.0	0.0	0.0	
	Overseas – Other	—	0.1	0.0	0.0	0.0	
Scope 2[4] emissions	Scope 2 emissions (Market based) (kt-CO_2)	157	74	20	22	25	
	Japan	128	55	0	0	0[5]	●
	Overseas	29	19	20	22	25	
	Scope 2 emissions (Location based) (kt-CO_2)	169	168	180	192	200	
	Japan	138	136	144	155	158	
	Overseas	31	33	36	37	42	
Scope 3[6] emissions	Scope 3 emissions (kt-CO_2)	9,386	13,251	14,335	11,829	12,694	
	Category 1 Purchased goods and services	2,395	3,332	4,053	3,239	4,494	
	Category 2 Capital goods	162	172	224	366	490	
	Category 3 Fuel- and energy-related activities	25	27	29	31	34	
	Category 4 Upstream transportation and distribution	9	15	19	12	16	
	Category 5 Waste generated in operations	2	2	3	3	3	
	Category 6 Business travel	1	7	14	27	67	
	Category 7 Employee commuting	11	21	14	15	29	
	Category 9 Downstream transportation and distribution	80	121	120	65	135	
	Category 11 Use of sold products	6,696	9,548	9,854	8,068	7,421	
	Category 12 End-of-life treatment of sold products	3	5	5	4	6	
Scope 1, 2 (Market based) emissions total	Scope 1, 2 (Market standard) emissions (kt-CO_2)	186	90	42	43	47	
Scope 1, 2 (Market based), 3 emissions total	Scope 1, 2 (Market standard) emissions , 3 emissions (kt-CO_2)	9,572	13,341[7]	14,377	11,872	12,741	

1 GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.
2 Scope 1: Direct GHG emissions from use of fuel and gas we owned or controlled. Calculation method: Emissions = Σ (fuel consumed × CO_2 emission factor). Emission factor based on Japan's Act on Promotion of Global Warming Countermeasures.
3 Scope 1: Non-energy-derived CO_2 and greenhouse gases other than CO_2. 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 2022, the value for the amount recovered and properly treated has been reviewed to match actual conditions.
4 Scope 2: Indirect GHG emissions from use of electricity we purchased. Calculation method: Emissions = Σ (purchased electricity × CO_2 emission factor). Base 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 2023 edition published by the International Energy Agency (IEA) were used as the emission factor for overseas electricity consumption.
5 Figure after Non-fossil Certificate Equivalent Amount Deduction. Scope 2 emissions prior to Non-fossil Certificate Equivalent Amount Deduction is 10 kt-CO_2; Non-fossil Certificate Equivalent Amount is 10 kt-CO_2.
6 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. Revised past figures. 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.
7 Revised figures.

Water-Related Data

		2021.3	2022.3	2023.3	2024.3	2025.3	
Water	Water intake (thousand m³)	1,397	1,417	1,495	1,542	1,587	
	Japan	1,183	1,204	1,255	1,293	1,288	●
	Groundwater	430	440	402	373	394	
	Tap water	450	479	520	569	579	
	Industrial water	303	285	333	350	315	
	Overseas	214	213	240	249	298	
	Water consumption (thousand m³)	202	223	223	221	398	
	Japan	177	195	193	196	362	
	Overseas	25	28	30	24	36	
	Water discharge (thousand m³)	1,195	1,194	1,272	1,321	1,188	
	Japan	1,006	1,009	1,062	1,096	926	
	Overseas	189	185	210	225	262	

Energy Consumption/Generation

		2021.3	2022.3	2023.3	2024.3	2025.3	
Energy	Consumption metric (MWh[1]) (sales) (MWh/billion yen)	2.99	2.19	2.10	2.71	2.21	
	Consumption (MWh[1])	417,779	439,465	464,234	496,107	537,978	
	Japan	344,582	362,852	379,750	402,788	428,436	●
	Overseas	73,196	76,613	84,484	93,319	109,542	
Electricity	Consumption (MWh)	357,744	380,127	404,964	435,514	471,956	
	Japan	297,435	316,017	333,572	353,428	376,974	●
	Overseas	60,309	64,110	71,392	82,086	94,982	
Gas (city gas, LPG)	Consumption (MWh[1])	41,129	40,870	41,968	40,787	42,801	
	Japan	29,371	29,479	29,888	30,682	33,053	●
	Overseas	11,757	11,391	12,080	10,105	9,748	
Fuel (heavy oil A, diesel oil, kerosene, gasoline)	Consumption (MWh[1])	17,948	17,496	16,430	18,808	18,538	
	Japan	17,776	17,356	16,290	18,678	18,409	●
	Overseas	172	140	140	130	129	
Purchase of steam[2]	Consumption (MWh)	958	972	872	998	4,683	
	Japan	0	0	0	0	0	
	Overseas	958	972	872	998	4,683	
Renewable energy (electricity)	Purchase (MWh)	4,980	227,523	365,876	393,383	419,512	
	Japan	0	197,137	330,791	353,428	376,974	
	Overseas	4,980	30,386	35,085	39,955	42,538	
Solar power generation system	Power generation (MWh)	4,068	3,890	4,110	3,901	3,820	
	Japan	4,068	3,890	4,110	3,901	3,802	
	Overseas	0	0	0	0	18	
Amount of self-consumption through onsite solar power generation system	Amount of self-consumption (MWh)	2,783	2,695	2,780	2,837	2,677	
	Japan	2,783	2,695	2,780	2,837	2,659	
	Overseas	0	0	0	0	18	
Power sales	Power sales (MWh)[3]	1,285	1,195	1,330	1,063	1,143	
	Japan	1,285	1,195	1,330	1,063	1,143	
	Overseas	0	0	0	0	0	

1 Changed to MWh notation
2 Added steam purchases overseas
3 Heat and steam not sold

Renewable energy (electricity) use rate	Electricity use rate (%)	2	60	91	90	89
	Japan	1	63	100	100	100
	Overseas	8	47	49	49	45

Environmental Impact of Logistics

		2021.3	2022.3	2023.3	2024.3	2025.3
CO_2	Emissions (kt-CO_2)	89	136	139	76	151
	Japan	9	15	19	12	16
	Overseas	80	121	120	64	135
Proportion of marine transportation (international) (%)		34.3	33.2	39.0	42.1	50.1
Use of reinforced cardboard	Reduction in amount of wooden packaging materials used (t) Japan	—	—	2,000	1,915	3,581

Amount of Waste Generated

		2021.3	2022.3	2023.3	2024.3	2025.3
Waste	Amount generated (t)	14,997	14,459	18,249	19,714	26,618
	Japan	13,705	12,921	17,047	18,527	25,310
	Overseas	1,292	1,538	1,202	1,187	1,308
Recycling	Recycled amount (t)	14,814	14,189	17,978	19,480	26,396
	Japan	13,587	12,789	16,912	18,376	25,157
	Overseas	1,227	1,400	1,066	1,103	1,239
Incinerated and landfill waste	Amount of waste (t)	183	270	271	234	222
	Japan	118	132	135	151	153
	Overseas	65	138	136	84	69
Dangerous/Hazardous waste	Amount generated (t)	7,227	5,231	5,634	7,743	10,664
	Japan (Specially controlled industrial waste)	6,718	4,705	5,239	7,448	10,371
	Overseas (Dangerous/Hazardous waste per country)	509	526	395	296	293
Dangerous/Hazardous waste recycling	Recycled amount (t)	7,226	5,193	5,596	7,703	10,644
	Japan	6,718	4,705	5,239	7,448	10,370
	Overseas	508	488	357	256	273
Dangerous/Hazardous waste Incinerated/landfill waste*	Amount of waste (t)	1	38	38	40	21
	Japan	0	0	0	0	0
	Overseas	1	38	38	40	20

* In fiscal 2025, 2 tons were incinerated, and 19 tons were disposed of in landfills after being detoxified.

Chemical Substances Consumption/Emissions (Japan)

		2021.3	2022.3	2023.3	2024.3	2025.3
PRTR Class I designated chemical substances[1]	Volume handled (t)	144	119	104	61	62
	Ferric chloride	106	85	76	—	—
	Hydrogen fluoride and its water-soluble salts	24	22	16	47	49
	Methylnaphthalene	13	11	10	11	10
	Tetramethylammonium hydroxide	—	—	—	2	1
	VOCs[2]	0.1	0.1	0.1	0.2	0.2
	Other	1	1	1	1	1
	Amount transported (waste amount) (t)	131	108	94	48	50
	Amount transported (sewerage) (t)	0	0	0	2	2
	Consumption (t)	13	11	10	11	10
NOx	Emissions (t)	13.0	13.1	12.7	12.9	14.8
SOx	Emissions (t)	4.9	4.8	4.5	4.6	4.5

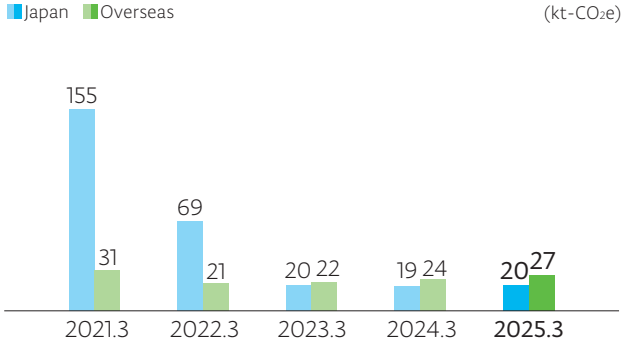
1 Some substances have been added and others eliminated from the scope in accordance with the revision to target substances for fiscal 2024.
2 VOCs: Volatile Organic Compounds

Other

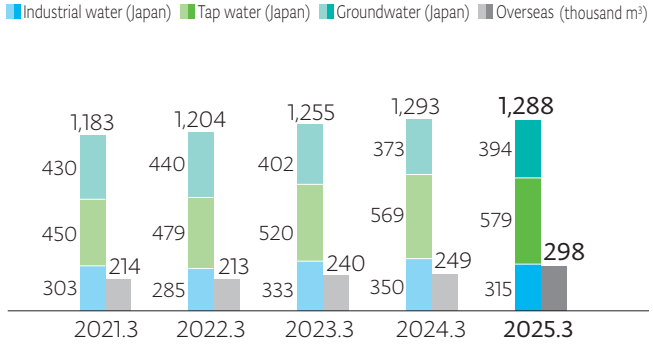
* Scope: Japan

		2021.3	2022.3	2023.3	2024.3	2025.3
ISO 14001	Number of certified plants and offices	11	11	11	11	11
	Japan	5	5	5	5	5
	Overseas	6	6	6	6	6
Environmental investments	Environmental investment effects (millions of yen)	32	30	31	16	9
	Environmental investment effects (t-CO_2)	455	973	799	334	170
Biodiversity	Number of ecosystem tours*	18	16	22	20	19
	Number of ecosystem tour participants*	52	87	138	289	378
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)*		28,862	41,352	48,922	35,769	46,946
Copier paper*	Use (t)	38	32	138	88	59

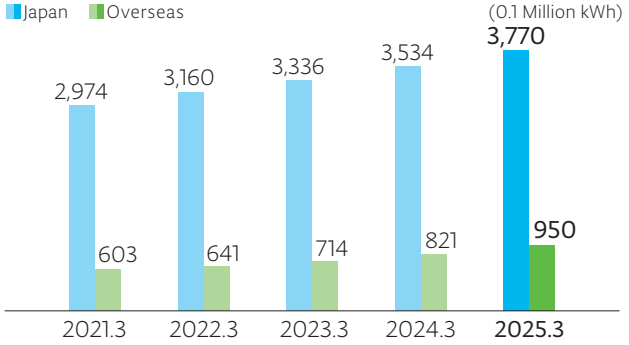
Scope 1 Emissions and Scope 2 Emissions (Market based)



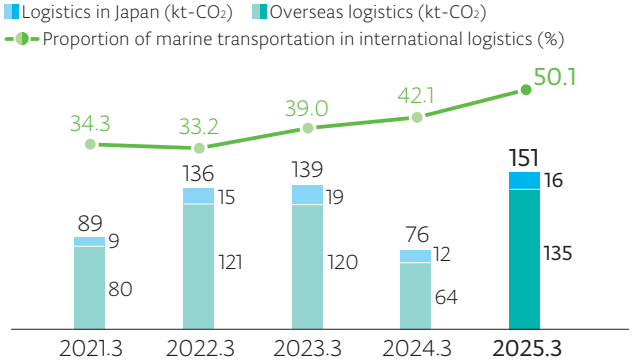
Water Consumption



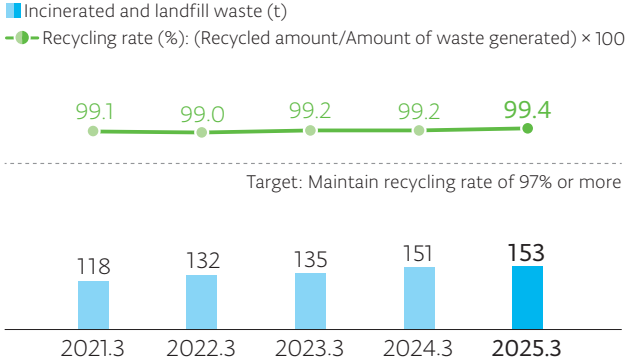
Electricity Consumption



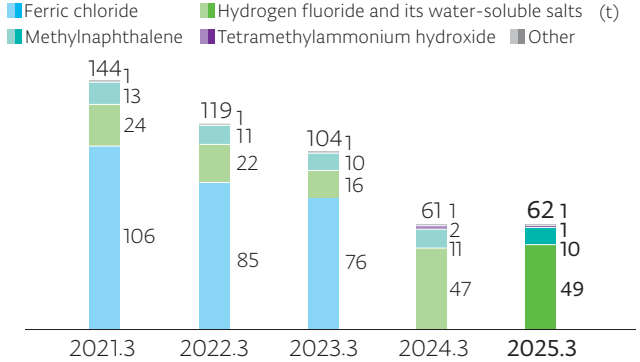
CO_2 Emissions from Logistics and the Proportion of Marine Transportation



Recycling Rate/Generation of Incinerated and Landfill Waste in Japan



Volume of PRTR Class I Designated Chemical Substances Handled in Japan



Sustainability Data | Social

The scope of calculation for social data is the Tokyo Electron Group (26 consolidated companies), and the calculating period is fiscal year 2025 (April 1, 2024 to March 31, 2025).
Japan: Tokyo Electron Ltd., Tokyo Electron Technology Solutions Ltd., Tokyo Electron Kyushu Ltd., Tokyo Electron Miyagi Ltd., Tokyo Electron FE Ltd. and Tokyo Electron BP Ltd.
Overseas: 20 consolidated subsidiaries (including Tokyo Electron America, Inc., Tokyo Electron Europe Ltd., Tokyo Electron Korea Ltd., Tokyo Electron Taiwan Ltd., Tokyo Electron (Shanghai) Ltd. and Tokyo Electron Singapore Pte. Ltd.)

* ● denotes data in the "Sustainability Data 2025" with third-party assurance. * Totals may not match due to rounding.

Number of Employees (Entire Group)

		2021.3	2022.3	2023.3	2024.3	2025.3
Regular employees (Region)	Number of regular employees	14,022	15,140	16,605	17,071	18,893
	Japan	7,921	8,234	8,796	9,150	9,847
	Rest of Asia	3,796	4,328	4,819	4,854	5,640
	Europe and Middle East	509	578	669	708	739
	North America	1,796	2,000	2,321	2,359	2,667

Composition of Employees (Japan)

		2021.3	2022.3	2023.3	2024.3	2025.3
Employees (Employment type)	Number of employees	8,296	8,661	9,325	9,746	10,488
	Regular employees	7,921	8,234	8,796	9,150	9,847
	Men	6,722	6,944	7,429	7,716	8,279
	Women	1,199	1,290	1,367	1,434	1,568
	Non-regular employees	375	427	529	596	641
	Men	348	403	490	553	591
	Women	27	24	39	43	50

Recruitment/Employment (Japan)

		2021.3	2022.3	2023.3	2024.3	2025.3
New graduates hired	Number hired	253	209	231	353	404
	Under 30 yrs. old	252	208	231	351	403
	Men	207	177	193	304	320
	Women	45	31	38	47	83
	30–49 yrs. old	1	1	0	2	1
	Men	1	0	0	2	1
	Women	0	1	0	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	17.8	15.3	16.5	13.3	20.5

Career-track recruits	Number hired	191	400	580	271	627
	Under 30 yrs. old	56	131	209	89	193
	Men	49	96	185	72	159
	Women	7	35	24	17	34
	30–49 yrs. old	123	250	355	172	409
	Men	92	202	306	141	339
	Women	31	48	49	31	70
	50 yrs. old and over	12	19	16	10	25
	Men	11	17	13	8	23
	Women	1	2	3	2	2
	Percentage of women	20.4	21.3	13.1	18.5	16.9
Employees with disabilities	Percentage hired (TEL)	2.43	2.32	2.03	2.18	2.44
	Percentage hired (Group in Japan)	2.30	2.37	2.27	2.34	2.46
Reemployment system	Number of users	313	389	475	545	586
	Men	305	376	451	510	545
	Women	8	13	24	35	41
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)

		2021.3	2022.3	2023.3	2024.3	2025.3
Female managers[1, 2]	Number of people	—	163	182	221	253
	Percentage	—	5.5	5.7	6.3	6.4
	Number of people (senior directors and above [3])	—	10	16	20	21
	Percentage (senior directors and above [3])	—	2.2	3.3	3.7	3.5

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)

		2021.3	2022.3	2023.3	2024.3	2025.3
Female managers[1, 2]	Number of people	26	46	51	67	77
	Percentage	2.2	2.6	2.7	3.1	3.3

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)

		2021.3	2022.3	2023.3	2024.3	2025.3
Employee retention	Retention rate after three years of joining TEL*	94.1	94.7	92.7	93.1	94.6
	Men	94.8	95.0	93.2	93.6	95.0
	Women	89.3	93.5	90.6	90.9	92.1
	Average service years	17 yrs. 4 mos.	17 yrs. 2 mos.	16 yrs. 8 mos.	16 yrs. 6 mos.	15 yrs. 10 mos.
	Men	17 yrs. 7 mos.	17 yrs. 6 mos.	16 yrs. 10 mos.	16 yrs. 8 mos.	16 yrs. 0 mos.
	Women	15 yrs. 10 mos.	15 yrs. 8 mos.	15 yrs. 7 mos.	15 yrs. 7 mos.	14 yrs. 11 mos.

* Average in recent five years

Employee Turnover (Entire Group)

		2021.3	2022.3	2023.3	2024.3	2025.3
Turnover[1]	Employee turnover	—	589	599	415	431[2]
	Men	—	507	509	351	347
	Women	—	82	90	64	83
	Turnover rate	—	4.2	3.9	2.5	2.4

1 Turnover due to personal circumstances
2 Including those who did not declare their gender

Employee Turnover (Japan)

		2021.3	2022.3	2023.3	2024.3	2025.3
Turnover*	Employee turnover	87	87	98	113	95
	Men	75	69	81	93	76
	Women	12	18	17	20	19
	Turnover rate	1.0	1.0	1.1	1.2	0.9

* Turnover due to personal circumstances

Work-life Balance (Japan)

		2021.3	2022.3	2023.3	2024.3	2025.3
Annual paid leave	Take-up rate[1]	62.5	64.6	70.0	80.6	78.9
Refreshment leave	Number of those who took leave	688	512	1,731	630	819
	Men	610	435	1,485	547	697
	Women	78	77	246	83	122
Paternity leave	Number of those who took leave	148	137	149	169	161
Childcare leave	Number of those who took leave	41	70	96	153	213
	Men	16	36	57	122	167
	Women (percentage who took leave)	25 (92.6)	34 (97.1)	39 (97.5)	31 (100)	46 (97.9)
	Number of those who returned to work after leave	54	60	76	155	173
	Men	15	32	43	120	150
	Women	39	28	33	35	23
	Percentage reinstated	96.4	95.2	98.7	100.0	99.4
	Retention rate	95.0	90.0	97.9	91.2	96.7
Shorter working hour system	Number of those who used	132	110	105	103	90
	Men	9	7	10	10	14
	Women	123	103	95	93	76
Leave to care for sick / injured child	Number of those who took leave	510	547	599	661	695
	Men	353	373	424	513	555
	Women	157	174	175	148	140
Childcare support leave	Number of those who took leave	86	80	98	113	121
	Men	29	23	33	45	77
	Women	57	57	65	68	44
Extended nursing care leave	Number of those who took leave	2	1	4	6	3
	Men	0	0	4	5	2
	Women	2	1	0	1	1
Short nursing care leave	Number of those who took leave	110	87	85	100	134
	Men	69	57	53	54	81
	Women	41	30	32	46	53
Shorter working hour system for nursing care	Number of those who used	0	4	0	1	2
	Men	0	2	0	1	2
	Women	0	2	0	0	0
Spousal transfer leave system	Number of those who used	—	—	—	3	7

1 Take-up rate of annual paid leave calculation method: (Days of paid leave taken by employees[2]) / (Days of paid leave provided to employees[2]) × 100

2 Incl. non-regular employees

Products/Innovation

		2021.3	2022.3	2023.3	2024.3	2025.3
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	18,692	19,572	21,645	23,249	24,996
	Japan	5,484	5,703	6,307	6,715	7,069
	U.S.	4,822	4,988	5,360	5,603	5,803
	Europe	206	167	—[2]	—[2]	—[2]
	Korea	3,363	3,731	4,683	5,111	5,717
	Taiwan	2,925	3,014	3,120	3,326	3,541
	China	1,892	1,969	2,175	2,494	2,866

1 Figures for fiscal 2021 to fiscal 2022 are based on our database; figures for fiscal 2023 onwards are based on LexisNexis® PatentSight+ database.
2 Europe is not included in the scope.

	2019.12	2020.12	2021.12	2022.12	2023.12
Global patent application rate[1]	74.3	74.6	80.1[2]	79.9[2]	77.3[2]

		2020.12	2021.12	2022.12	2023.12	2024.12
Patent application success rate*	Japan	84.9	79.8	74.5	81.8	77.9
	U.S.	87.3	83.9	81.5	80.7	86.1

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.

* Percentage approved of those for which screening was completed each calendar year.

Customer

	2021.3	2022.3	2023.3	2024.3	2025.3
Percentage of respondents who selected "Very Satisfied" or "Satisfied" in the customer satisfaction survey	96.7	100.0	100.0	100.0	100.0

Safety

	2021.3	2022.3	2023.3	2024.3	2025.3
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 per 1,000,000 work hours (LTIR)	0.63	0.66	0.83	0.31	0.32
Number of workplace injuries per 200,000 work hours (TCIR*)	0.27	0.30	0.33	0.15	0.23

* TCIR: Total Case Incident Rate

Procurement

	2021.3	2022.3	2023.3	2024.3	2025.3
Percentage of new important suppliers screened using social criteria	100	100	100	100	100
Rate of improvement after supply chain sustainability assessment	23.1	31.5	30.5	29.2	—[1]
Rate of improvement after supply chain BCP assessment	20.3	24.4	22.2	20.4	19.3
Number of identified RMAP conformant smelters (rate of identification)	236 (100)	243 (100)	234 (100)	238 (100)	298 (99)[2]

1 Comparison not possible due to revision of questionnaire
2 Cobalt added to the 3TG (tantalum, tin, tungsten and gold) target minerals from the fiscal 2025 survey.

Governance

	2021.3	2022.3	2023.3	2024.3	2025.3
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, antitrust 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]	15	20	28	0	26
Total number (percentage) of corporate directors who provided instructions on the body's policies and procedures in relation to anti-corruption[1]	11 (100)	12 (100)	6 (100)	6 (100)	7 (100)
Total number (percentage) of corporate directors who received training on anti-corruption[1]	0 (0)	0 (0)	3 (50)	0 (0)	3 (42.8)
Payment to industry groups, etc. (thousand yen)[2]	32,036	56,374	73,313	82,263	86,099
Payment to politically affiliated organizations (yen)	0	0	0	0	0
Average tenure of corporate directors	6.09	6.58	5.16	6.16	5.57
Average rate of attendance for Board of Directors	98.96	99.50	98.62	99.09	99.15

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

Compliance

	2021.3	2022.3	2023.3	2024.3	2025.3
Education on TEL's Code of Ethics/pledge rate[1]	98.8	91.6	96.1	94.9[2]	96.7
Percentage of employees who have consented to the information security agreement	99.4	99.9	100.0	99.3	100.0
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	43
Bribery/Corruption	—	—	—	0	0
Competition Act/Anti-Monopoly Act	—	—	—	0	0
Money laundering/Insider trading	—	—	—	0	0
Information security/Intellectual property	—	—	—	3	1
Personal information	—	—	—	—	0
Conflicts of interest	—	—	—	0	0
Harassment	—	—	—	22	12
Other (Violations of service obligations)	—	—	—	34	30

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

		2021.3	2022.3	2023.3	2024.3	2025.3
Spending on social contribution (million yen)[1]		244	170	301	533	601
Cash donations breakdown	Charity donations (providing donations/relief supplies to charity organizations)	13	15	9	7	9
	Community investment (charitable expenses for long-term cause for community)	62	75	40	33[2]	35
	Commercial initiatives (charitable expenses with anticipated effects on business growth)	25	10	51	61[2]	56

1 Spending on social contribution activities excluding disaster relief contributions
2 Review of cash donations breakdown implemented in the fiscal 2025

Stock Information (As of March 31, 2025)

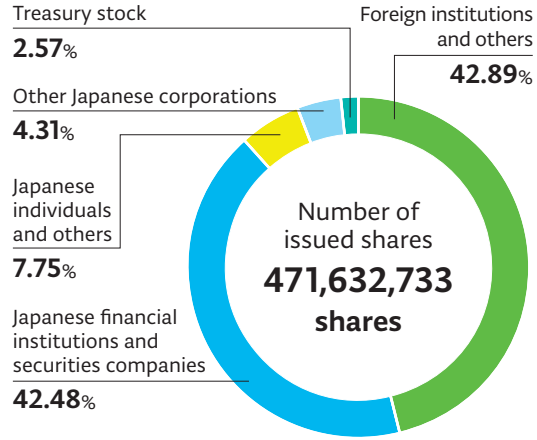
Corporate Name and Head Office	Tokyo Electron Limited Akasaka Biz Tower 3-1 Akasaka 5-chome, Minato-ku, Tokyo 107-6325, Japan
Established	November 11, 1963
Annual General Shareholders' Meeting	June
Common Stock	Stock trading unit 100 shares Authorized 900,000,000 shares Issued 471,632,733 shares Number of shareholders 83,023
Common Stock Listed on	Tokyo Stock Exchange Prime Market (Stock code: 8035)
Independent Auditor	KPMG AZSA LLC
Administrator of Shareholders' Register	Sumitomo Mitsui Trust Bank, Limited 4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
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

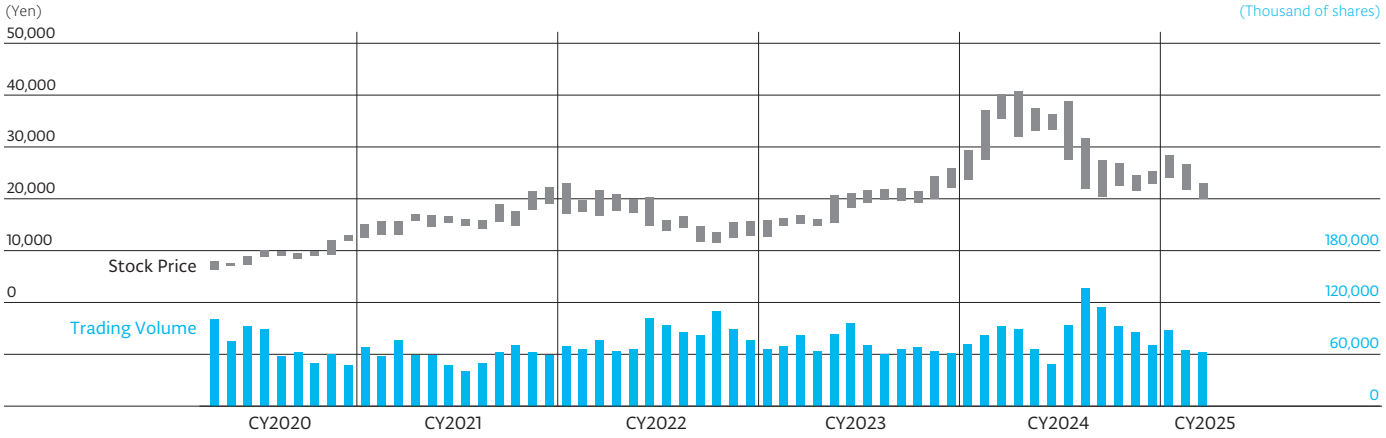
Shareholders	Number of shares held (thousand)	Voting share ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	115,962	25.23
Custody Bank of Japan, Ltd. (trust account)	47,496	10.33
TBS HOLDINGS, INC.	15,112	3.28
JP MORGAN CHASE BANK 385632	12,987	2.82
STATE STREET BANK WEST CLIENT - TREATY 505234	9,397	2.04
STATE STREET BANK AND TRUST COMPANY 505001	9,257	2.01
GOVERNMENT OF NORWAY	6,640	1.44
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	6,466	1.40
JP MORGAN CHASE BANK 385781	6,377	1.38
JPMorgan Securities Japan Co., Ltd.	5,688	1.23

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

Distribution of Ownership among Shareholders



Stock Price and Trading Volume



	2021.3	2022.3	2023.3	2024.3	2025.3
High (yen)	15,773	23,057	20,943	40,160	40,860
Low (yen)	6,308	14,223	11,517	14,810	20,100
Total shareholder return (%) (TOPIX, dividends reinvested)	233.7 (142.1)	321.5 (145.0)	255.5 (153.4)	608.1 (216.8)	330.0 (213.4)

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 2021.

TOKYO ELECTRON LIMITED

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Tokyo Electron's Logo

Tokyo Electron's logo was created as a symbol for our next stage of growth, based on our Corporate Philosophy and Vision in 2015. This simple design represents our reliability and the engaging presence we bring to a competitive industry. The green square at the center of the logo signifies the core of innovation supporting development in the industry; the translucent blue expresses our leading-edge advanced technology. We strive to contribute to the development of a dream-inspiring society through our leading-edge technologies and reliable service and support.

Cover Image

This cover image demonstrates the 1st Wave (IoT, Cloud/Edge computing, Industry 4.0), 2nd Wave (AI, AR/VR, autonomous driving), and 3rd Wave (quantum computing, 6G/7G, Industry 5.0) leading the growth of the semiconductor industry, with a focus on our equipment. By providing the Best Products and Best Technical Service, we will contribute to technological innovation in semiconductors and the actualization of a dream-inspiring society.

PR3 63-0271