



Summary of Consolidated Financial Results for the Third Quarter Ended December 31, 2024 (Japanese GAAP)

February 6, 2025

Name of Listed Company: Tokyo Electron Limited
 Security Code: 8035
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 Telephone: +81-3-5561-7000
 Stock Exchange Listing: Tokyo
 Scheduled start date of dividends payment: -
 Preparation of supplementary materials for the financial results: Yes
 Earnings release conference: Yes (for investors and analysts)

Note: Amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (Cumulative)

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Nine months ended			
	December 31, 2023	December 31, 2024		
			%	%
Net sales (Millions of yen)	1,283,234	1,776,166	(22.3)	38.4
Operating income (Millions of yen)	311,038	513,521	(33.1)	65.1
Ordinary income (Millions of yen)	315,964	521,391	(32.8)	65.0
Net income attributable to owners of parent (Millions of yen)	239,024	401,167	(32.3)	67.8
Net income per share of common stock (Yen):				
Basic	514.17	870.41		
Diluted	512.46	867.91		
Comprehensive income:				
Nine months ended December 31, 2024:	395,959 million yen,	33.9%		
Nine months ended December 31, 2023:	295,722 million yen,	(12.1)%		

(2) Consolidated Financial Position

	As of	
	March 31, 2024	December 31, 2024
Total assets (Millions of yen)	2,456,462	2,501,932
Total net assets (Millions of yen)	1,760,180	1,798,126
Equity ratio (%)	71.1	71.2
Equity:		
1,782,407 million yen (as of December 31, 2024)		
1,746,835 million yen (as of March 31, 2024)		

2. Dividends

	Year ended	Year ending
	March 31, 2024	March 31, 2025
1Q-end dividends per share (Yen)	-	-
2Q-end dividends per share (Yen)	148.00	265.00
3Q-end dividends per share (Yen)	-	-
Year-end dividends per share (Yen)	245.00	306.00 (Forecast)
Annual dividends per share (Yen)	393.00	571.00 (Forecast)

Note: Revision to the dividends forecast most recently announced: None

3. Consolidated Financial Forecasts for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

Note: Percentages for the year ending March 31, 2025 indicate changes from the previous fiscal year.

	Year ending March 31, 2025	
		%
Net sales (Millions of yen)	2,400,000	31.1
Operating income (Millions of yen)	680,000	49.0
Ordinary income (Millions of yen)	692,000	49.4
Net income attributable to owners of parent (Millions of yen)	526,000	44.5
Net income per share (Yen)	1,142.47	

Note: Revision to the financial forecasts most recently announced: None

Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of special accounting methods for preparation of quarterly financial statements: Yes
Please refer to "Notes" on page 10 for further information.

(3) Changes in accounting policies, changes in accounting estimates and restatements

1. Changes in accounting policies along with changes in accounting standards: Yes
2. Other changes of accounting policies besides the number 1 above: None
3. Changes in accounting estimates: None
4. Restatements: None

Please refer to "Notes" on page 10 for further information.

(4) Number of shares issued and outstanding (common stock)

1. Number of shares issued and outstanding (including treasury stock)

As of December 31, 2024:	471,632,733 shares
As of March 31, 2024:	471,632,733 shares
2. Number of shares of treasury stock

As of December 31, 2024:	12,690,321 shares
As of March 31, 2024:	8,663,247 shares
3. Average number of shares outstanding (Cumulative)

Nine months ended December 31, 2024:	460,893,161 shares
Nine months ended December 31, 2023:	464,873,921 shares

Note: The number of shares of treasury stock includes the Company's shares held by "Executive compensation Board Incentive Plan (BIP) trust" and "share-delivering Employee Stock Ownership Plan (ESOP) trust". (1,383,155 shares as of December 31, 2024, 1,386,407 shares as of March 31, 2024)

In addition, these Company's shares are included in the treasury stock which is deducted in calculating the average number of shares.

* Status of external auditor's review procedures for attached financial statements: None

* Explanation of the appropriate use of financial forecast:

The financial forecasts and estimates in this Summary of Consolidated Financial Results are based on information available to the Company at the time of report issuance and certain assumptions judged to be reasonable by the Company, and therefore are not guarantees of future performance. Consequently, actual results may differ substantially from those described in this Summary of Consolidated Financial Results. Please refer to "1. Business Results (4) Description of Financial Estimates Information such as Consolidated Financial Forecasts" on page 5.

The Company plans to hold an online conference for investors and analysts on February 6, 2025.

Supplementary materials to be used at the conference will be posted on the Company's website.

1. Business Results

(1) Overview of Operating Results

With respect to the global economy during the first three quarters of the current fiscal year, 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 during the first three quarters of the current fiscal year, 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 same period last year.

Against the backdrop of the transition to a data society accompanied by the expansion of information and communication technology and efforts toward realizing a decarbonized society, the role of semiconductors in supporting electronic devices and their technological innovation are becoming increasingly important, and the semiconductor production equipment market is expected to grow further in the medium- to long-terms.

As a result, the consolidated financial results (cumulative) for the third quarter of the current fiscal year were net sales of 1,776,166 million yen (year-on-year growth of 38.4%), operating income of 513,521 million yen (year-on-year growth of 65.1%), ordinary income of 521,391 million yen (year-on-year growth of 65.0%), and net income attributable to owners of parent of 401,167 million yen (year-on-year growth of 67.8%).

The TEL Group has a single segment of "Semiconductor Production Equipment" and therefore information by segment has been omitted.

(2) Overview of Financial Conditions

Current assets at the end of the third quarter of the current fiscal year were 1,646,509 million yen, a decrease of 53,942 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 186,853 million yen in cash and deposits, an increase of 119,495 million yen in notes and accounts receivable - trade, and contract assets, and an increase of 9,834 million yen in securities.

Property, plant and equipment increased by 94,115 million yen from the end of the previous fiscal year, to 431,481 million yen.

Intangible assets increased by 1,884 million yen from the end of the previous fiscal year, to 34,268 million yen.

Investments and other assets increased by 3,412 million yen from the end of the previous fiscal year, to 389,673 million yen.

As a result, total assets increased by 45,469 million yen from the end of the previous fiscal year, to 2,501,932 million yen.

Current liabilities decreased by 2,314 million yen from the end of the previous fiscal year, to 609,584 million yen. This was largely due to a decrease of 32,646 million yen in customer advances, and an increase of 22,293 million yen in trade notes and accounts payable.

Long-term liabilities increased by 9,839 million yen from the end of the previous fiscal year, to 94,222 million yen.

Net assets increased by 37,945 million yen from the end of the previous fiscal year, to 1,798,126 million yen. This was largely due to an increase of 401,167 million yen resulting from recording net income attributable to owners of parent, a decrease resulting from the payment of 236,276 million yen in year-end dividends for the previous fiscal year and interim dividends for the current fiscal year, and a decrease resulting from the purchase of treasury stock of 126,956 million yen. As a result, the equity ratio was 71.2%.

(3) Overview of Cash Flows

Cash and cash equivalents at the end of the third quarter of the current fiscal year decreased by 176,881 million yen

compared to the end of the previous fiscal year, to 284,726 million yen. The combined balance including 10,802 million yen in time deposits and short-term investments with maturities of more than three months that are not included in cash and cash equivalents was 295,529 million yen, a decrease of 177,018 million yen from the end of the previous fiscal year. The overall situation regarding cash flows during the third quarter of the current fiscal year was as described below.

Cash flows from operating activities were positive 317,367 million yen, an increase of 21,697 million yen compared to the same period of the previous fiscal year. The major positive factors were 520,961 million yen in income before income taxes, and a 43,776 million yen in depreciation and amortization. The major negative factors were 142,937 million yen in payment of income taxes, and a 116,580 million yen increase in notes and accounts receivable - trade, and contract assets.

Cash flows from investing activities were negative 130,674 million yen compared to negative 104,804 million yen in the same period of the previous fiscal year. This was largely due to the payment of 126,035 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities were negative 365,276 million yen compared to negative 324,358 million yen in the same period of the previous fiscal year. This was largely due to the payment of 236,276 million yen in dividends, and the payment of 126,956 million yen for the purchase of treasury stock.

Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities	295,669	317,367
Income before income taxes	315,579	520,961
Depreciation and amortization	36,990	43,776
Net decrease (increase) in notes and accounts receivable - trade, and contract assets	137,069	(116,580)
Decrease (increase) in inventories	(118,456)	377
Increase (decrease) in trade notes and accounts payable	(35,694)	21,998
Other, net	(39,819)	(153,166)
Cash flows from investing activities	(104,804)	(130,674)
Decrease (increase) in time deposits and short-term investments	(10,088)	156
Other (Purchase of long-term assets, and others)	(94,715)	(130,830)
Cash flows from financing activities	(324,358)	(365,276)
Purchase of treasury stock	(120,028)	(126,956)
Other (Dividends paid, and others)	(204,330)	(238,320)
Effect of exchange rate changes on cash and cash equivalents	2,508	1,702
Net increase (decrease) in cash and cash equivalents	(130,985)	(176,881)
Cash and cash equivalents at beginning of period	472,471	461,608
Cash and cash equivalents at end of period	341,486	284,726

Cash and cash equivalents, time deposits and short-term investments with maturities of more than three months	352,403	295,529
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(4) Description of Financial Estimates Information such as Consolidated Financial Forecasts

There are no changes in the consolidated financial forecast for the fiscal year ending March 31, 2025 from the forecasts released at the time of the previous announcement on November 12, 2024.

Note: The financial forecasts and estimates stated in this Summary of Consolidated Financial Results are based on certain assumptions judged to be reasonable by the Company in light of information currently available concerning economic conditions in Japan and overseas, fluctuations in foreign exchange rates, and other factors that may have an impact on performance. The Company does not promise that the forecasts or estimates will be accurate.

They are therefore susceptible to the impact of many uncertainties, including market conditions, competition, the launching of new products (and their success or failure), and global conditions in the semiconductor related industry. Consequently, actual sales and profits may differ substantially from the projections described in this Summary of Consolidated Financial Results.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
ASSETS		
Current assets		
Cash and deposits	462,383	275,529
Notes and accounts receivable - trade, and contract assets	391,423	510,918
Securities	10,165	20,000
Merchandise and finished goods	284,451	291,824
Work in process	173,929	201,371
Raw materials and supplies	304,576	271,831
Others	73,876	75,256
Allowance for doubtful accounts	(353)	(222)
Total current assets	1,700,451	1,646,509
Long-term assets		
Property, plant and equipment	337,366	431,481
Intangible assets		
Others	32,383	34,268
Total intangible assets	32,383	34,268
Investments and other assets		
Investment securities	277,706	265,524
Others	109,963	125,583
Allowance for doubtful accounts	(1,409)	(1,434)
Total investments and other assets	386,260	389,673
Total long-term assets	756,011	855,423
Total assets	2,456,462	2,501,932

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	92,359	114,653
Income taxes payable	80,009	62,377
Customer advances	289,905	257,258
Accrued warranty expenses	33,524	38,260
Accrued employees' bonuses	43,727	29,459
Other allowances	2,070	2,180
Others	70,301	105,394
Total current liabilities	611,899	609,584
Long-term liabilities		
Other allowances	3,044	3,002
Net defined benefit liabilities	56,139	58,947
Others	25,199	32,271
Total long-term liabilities	84,383	94,222
Total liabilities	696,282	703,806
NET ASSETS		
Shareholders' equity		
Common stock	54,961	54,961
Capital surplus	78,011	78,011
Retained earnings	1,480,306	1,641,469
Treasury stock, at cost	(135,215)	(255,597)
Total shareholders' equity	1,478,063	1,518,843
Accumulated other comprehensive income		
Net unrealized gains (losses) on investment securities	184,934	176,348
Net deferred gains (losses) on hedging instruments	42	(40)
Foreign currency translation adjustments	72,275	78,482
Accumulated remeasurements of defined benefit plans	11,519	8,772
Total accumulated other comprehensive income (loss)	268,771	263,563
Share subscription rights	13,345	15,718
Total net assets	1,760,180	1,798,126
Total liabilities and net assets	2,456,462	2,501,932

Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	1,283,234	1,776,166
Cost of sales	709,080	940,456
Gross profit	574,153	835,709
Selling, general and administrative expenses		
Research and development expenses	144,468	177,298
Others	118,646	144,889
Total selling, general and administrative expenses	263,115	322,188
Operating income	311,038	513,521
Non-operating income		
Others	8,648	9,805
Total non-operating income	8,648	9,805
Non-operating expenses		
Foreign exchange loss	2,811	1,060
Others	910	875
Total non-operating expenses	3,722	1,935
Ordinary income	315,964	521,391
Unusual or infrequent profit		
Gain on sales of long-term assets	10	19
Total unusual or infrequent profit	10	19
Unusual or infrequent loss		
Loss on disposal and sales of long-term assets	395	449
Total unusual or infrequent loss	395	449
Income before income taxes	315,579	520,961
Income taxes	76,555	119,794
Net income	239,024	401,167
Net income attributable to owners of parent	239,024	401,167

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net income	239,024	401,167
Other comprehensive income (loss)		
Net unrealized gains (losses) on investment securities	40,312	(8,557)
Foreign currency translation adjustments	16,353	6,096
Remeasurements of defined benefit plans	(258)	(2,727)
Share of other comprehensive income of associates accounted for using the equity method	291	(19)
Total other comprehensive income (loss)	56,698	(5,207)
Comprehensive income	295,722	395,959
(Breakdown)		
Comprehensive income attributable to owners of parent	295,722	395,959

Notes

Going concern: None

Significant changes in Shareholders' Equity: Yes

The Company executed the purchase of treasury stock based on the resolution of its Board of Directors dated May 10, 2024 and November 12, 2024. Mainly due to this purchase, the amount of treasury stock increased by 120,382 million yen for the nine months ended December 31, 2024, and resulted in 255,597 million yen as of December 31, 2024.

Significant changes in the scope of consolidation during the period: None

Adoption of special accounting methods for preparation of quarterly financial statements: Yes

The Company and part of its consolidated subsidiaries calculate tax expenses by reasonably estimating the annual effective tax rate on income before income taxes after the application of tax effect accounting for the fiscal year, and applying this rate to income before income taxes for the current quarter under review.

Changes in accounting policies, changes in accounting estimates and restatements: Yes

Changes in accounting policies

Accounting Standard for Current Income Taxes

The Company applies "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc from the beginning of the first quarter of the current fiscal year.

The amendment of classification of income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of "Accounting Standard for Current Income Taxes" and the proviso of paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). There is no effect by this change on the quarterly consolidated financial statements.

Regarding the amendment related to the revision of the treatment on the consolidated financial statements for profits and losses on the sale of shares of subsidiaries and affiliates between consolidated companies that are deferred for tax purposes, the Company applies "Guidance on Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of the current fiscal year. This change has been applied retrospectively and the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year are after the retrospective application. There is no effect by this change on the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year.

Quarterly consolidated statements of cash flows

Quarterly consolidated statements of cash flows are not prepared for the nine months ended December 31, 2024. "Depreciation and amortization" (including amortization of intangible assets other than goodwill) and "Amortization of goodwill" for the nine months ended December 31, 2023 and 2024 are as follows:

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation and amortization	36,990	43,776
Amortization of goodwill	54	85

Segment information

The description of this section has been omitted as TEL Group has a single segment of semiconductor production equipment.