August 8, 2022

Agenda:

- Consolidated Financial Summary
  Hiroshi Kawamoto, Vice President & General Manager, Finance Unit
- Business Environment and Financial Estimates
  Toshiki Kawai, Representative Director, President & CEO
Forward Looking Statements

- **Disclaimer regarding forward-looking statements**
  Forward-looking statements with respect to TEL’s business plan, prospects and other such information are based on information available at the time of publication. Actual performance and results may differ significantly from the business plan described here due to changes in various external and internal factors, including the economic situation, semiconductor/FPD market conditions, intensification of sales competition, safety and product quality management, intellectual property-related risks, and impacts from COVID-19.

- **Processing of numbers**
  For the amount listed, because fractions are rounded down, there may be the cases where the total for certain account titles does not correspond to the sum of the respective figures for account titles. Percentages are calculated using full amounts, before rounding.

- **Foreign exchange risk**
  In principle, export sales of Tokyo Electron’s mainstay semiconductor and FPD production equipment are denominated in yen. Although some sales and expenses are denominated in foreign currencies, the impact of exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.
### Financial Summary

(Billion Yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2022</th>
<th>FY2023</th>
<th>vs. Q4 FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>Net sales</td>
<td>452.0</td>
<td>480.4</td>
<td>506.4</td>
</tr>
<tr>
<td>SPE</td>
<td>437.9</td>
<td>467.8</td>
<td>488.8</td>
</tr>
<tr>
<td>FPD</td>
<td>14.0</td>
<td>12.5</td>
<td>17.6</td>
</tr>
<tr>
<td>Gross profit</td>
<td>210.9</td>
<td>211.9</td>
<td>233.0</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>46.7%</td>
<td>44.1%</td>
<td>46.0%</td>
</tr>
<tr>
<td>SG&amp;A expenses</td>
<td>69.1</td>
<td>79.0</td>
<td>76.9</td>
</tr>
<tr>
<td>Operating income</td>
<td>141.7</td>
<td>132.8</td>
<td>156.0</td>
</tr>
<tr>
<td>Operating margin</td>
<td>31.4%</td>
<td>27.7%</td>
<td>30.8%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>138.0</td>
<td>135.0</td>
<td>155.5</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>100.3</td>
<td>99.8</td>
<td>110.0</td>
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<tr>
<td>R&amp;D expenses</td>
<td>34.3</td>
<td>41.1</td>
<td>38.5</td>
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<tr>
<td>Capital expenditures</td>
<td>10.6</td>
<td>14.5</td>
<td>17.4</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7.9</td>
<td>8.8</td>
<td>9.6</td>
</tr>
</tbody>
</table>

1. In principle, export sales of Tokyo Electron’s mainstay semiconductor and FPD production equipment are denominated in yen. Although some sales and expenses are denominated in foreign currencies, the impact of exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.
2. Profit ratios are calculated using full amounts, before rounding.
Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY'22</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1 FY'23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>452.0</td>
<td>480.4</td>
<td>506.4</td>
<td>564.8</td>
<td>473.6</td>
</tr>
<tr>
<td>Operating income</td>
<td>141.7</td>
<td>132.8</td>
<td>156.0</td>
<td>168.5</td>
<td>117.5</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>100.3</td>
<td>99.8</td>
<td>110.0</td>
<td>126.8</td>
<td>88.0</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>46.7%</td>
<td>44.1%</td>
<td>46.0%</td>
<td>45.3%</td>
<td>42.3%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>31.4%</td>
<td>27.7%</td>
<td>30.8%</td>
<td>29.8%</td>
<td>24.8%</td>
</tr>
</tbody>
</table>
Segment Information

1. Segment income is based on income before income taxes.
2. R&D expenses such as fundamental research and element research, etc. and other general and administrative expenses are not included in the above reportable segments.
3. Composition of net sales figures is based on the sales to customers.
# SPE Division: Sales by Region

## Sales by Region (Billion Yen)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY'21 Q1</th>
<th>FY'21 Q2</th>
<th>FY'21 Q3</th>
<th>FY'21 Q4</th>
<th>FY'22 Q1</th>
<th>FY'22 Q2</th>
<th>FY'22 Q3</th>
<th>FY'22 Q4</th>
<th>FY'23 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>49.1</td>
<td>56.8</td>
<td>36.1</td>
<td>53.6</td>
<td>54.8</td>
<td>53.9</td>
<td>63.1</td>
<td>56.9</td>
<td>42.0</td>
</tr>
<tr>
<td>North America</td>
<td>42.3</td>
<td>44.0</td>
<td>34.5</td>
<td>31.2</td>
<td>43.9</td>
<td>61.8</td>
<td>76.8</td>
<td>85.3</td>
<td>67.3</td>
</tr>
<tr>
<td>Europe</td>
<td>15.7</td>
<td>16.3</td>
<td>12.7</td>
<td>18.6</td>
<td>13.4</td>
<td>20.3</td>
<td>17.0</td>
<td>57.1</td>
<td>56.5</td>
</tr>
<tr>
<td>South Korea</td>
<td>67.0</td>
<td>72.1</td>
<td>39.3</td>
<td>101.4</td>
<td>95.3</td>
<td>93.5</td>
<td>93.0</td>
<td>95.9</td>
<td>85.1</td>
</tr>
<tr>
<td>Taiwan</td>
<td>50.9</td>
<td>53.9</td>
<td>52.5</td>
<td>88.2</td>
<td>62.8</td>
<td>102.5</td>
<td>87.4</td>
<td>106.3</td>
<td>96.8</td>
</tr>
<tr>
<td>China</td>
<td>73.9</td>
<td>79.1</td>
<td>70.5</td>
<td>102.2</td>
<td>153.6</td>
<td>108.8</td>
<td>132.2</td>
<td>118.8</td>
<td>94.0</td>
</tr>
<tr>
<td>S. E. Asia, Others</td>
<td>4.6</td>
<td>9.2</td>
<td>18.4</td>
<td>20.0</td>
<td>13.8</td>
<td>26.7</td>
<td>18.9</td>
<td>28.7</td>
<td>22.0</td>
</tr>
</tbody>
</table>

## New Revenue Recognition
SPE Division: New Equipment Sales by Application

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

(Billion Yen)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY'21</th>
<th>Q1</th>
<th>FY'22</th>
<th>Q1</th>
<th>FY'23</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPE Sales</td>
<td>81.8</td>
<td>81.7</td>
<td>93.5</td>
<td>103.2</td>
<td>120.5</td>
<td>124.0</td>
</tr>
<tr>
<td>FPD Sales</td>
<td>1.8</td>
<td>2.6</td>
<td>2.8</td>
<td>2.8</td>
<td>2.3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

New revenue recognition
Balance Sheet

Assets

(Billion Yen)

Q1 FY'22 | Q2 | Q3 | Q4 | Q1 FY'23
--- | --- | --- | --- | ---
1,450.8 | 1,634.0 | 1,724.3 | 1,894.4 | 1,846.9
341.7 | 420.4 | 423.9 | 371.2 | 314.6
254.0 | 301.3 | 280.4 | 433.9 | 426.1
386.9 | 394.1 | 440.1 | 573.8 | 557.2
40.0 | 67.5 | 98.5 | 129.6 | 62.0
200.4 | 205.9 | 215.4 | 223.0 | 238.3
18.5 | 19.7 | 20.6 | 22.5 | 24.6
209.1 | 224.7 | 245.1 | 240.1 | 223.9

Cash & cash equivalents*
Notes and accounts receivable - trade, and contract assets
Inventories
Other current assets
Tangible assets
Intangible assets
Investment & other assets

*(Billion Yen)

Liabilities & Net Assets

Q1 FY'22 | Q2 | Q3 | Q4 | Q1 FY'23
--- | --- | --- | --- | ---
1,450.8 | 1,634.0 | 1,724.3 | 1,894.4 | 1,846.9
378.8 | 448.1 | 507.2 | 547.4 | 532.0
1,072.0 | 1,185.8 | 1,217.1 | 1,347.0 | 1,314.8

Liabilities
Net assets

* Cash and cash equivalents: Cash and deposits + Short-term investments, etc. (Securities in B/S).
### Cash Flow

#### Cash flow from operating activities
- Q1 FY'21: 52.7
- Q2 FY'21: 53.1
- Q3 FY'21: -18.6
- Q4 FY'21: 58.6
- Q1 FY'22: 111.2
- Q2 FY'22: 94.6
- Q3 FY'22: 114.6
- Q4 FY'22: -37.1
- Q1 FY'23: 69.9

#### Cash flow from investing activities*1
- Q1 FY'21: -15.1
- Q2 FY'21: -12.8
- Q3 FY'21: -16.0
- Q4 FY'21: -19.1
- Q1 FY'22: -15.7
- Q2 FY'22: -15.5
- Q3 FY'22: -13.5
- Q4 FY'22: -20.7
- Q1 FY'23: -16.6

#### Cash flow from financing activities
- Q1 FY'21: -53.5
- Q2 FY'21: -4.4
- Q3 FY'21: -56.4
- Q4 FY'21: -0.1
- Q1 FY'22: -65.9
- Q2 FY'22: -0.2
- Q3 FY'22: -100.7
- Q4 FY'22: -0.2
- Q1 FY'23: -119.1

#### Free cash flow*2
- Q1 FY'21: 37.6
- Q2 FY'21: 40.2
- Q3 FY'21: -34.7
- Q4 FY'21: 39.4
- Q1 FY'22: 95.5
- Q2 FY'22: 79.0
- Q3 FY'22: 101.0
- Q4 FY'22: -57.9
- Q1 FY'23: 53.3

#### Cash on hand*3
- Q1 FY'21: 322.6
- Q2 FY'21: 358.9
- Q3 FY'21: 269.0
- Q4 FY'21: 311.5
- Q1 FY'22: 341.7
- Q2 FY'22: 420.4
- Q3 FY'22: 423.9
- Q4 FY'22: 371.2
- Q1 FY'23: 314.6

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*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.
Business Environment and Financial Estimates

August 8, 2022

Toshiki Kawai
Representative Director, President & CEO
CY2022 Business Environment (Outlook as of August 2022)

- **WFE**\(^1\) market

  - Expect to grow 5 to 15% YoY.

  Revised our view of the market for CY2022 in light of concerns over macroeconomic slowdown, impact from components shortages and logistics disruptions, and significant currency fluctuations.

  No change to expected the medium- to long-term market growth driven by ongoing digital shift in society

- **FPD production equipment market (TFT array process)**\(^2\)

  - Expect to increase slightly.

  Increased investment accompanying adoption of new applications in automotive, etc., and new technologies for mobile. The transition from LCD to OLED progressing from small panels, expected to expand to large panels.

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*1 WFE (Wafer fab equipment): The semiconductor production process is divided into front-end production, in which circuits are formed on wafers and inspected, and back-end production, in which wafers are cut into chips, assembled and inspected again. Wafer fab equipment refers to the production equipment used in front-end production and in wafer-level packaging production.

*2 TFT array process: The processes of manufacturing the substrates with the electric circuit functions that drive displays
CY2022 WFE Market by Application

- Logic/Foundry: 10 to 20% increase YoY
  - Drive WFE market with continued proactive investment on expanded applications accompanying advances in ICT*
  - Progress in technology development including GAA/Nanosheet, Backside PDN

- DRAM: Approx. 5% decrease YoY
  - Changed view in light of short-term adjustment phase for PC and smartphones
  - Expansion of DDR5 on release of high-speed CPU for servers, progress in scaling

- Non-volatile memory: Approx. 10% increase YoY
  - Continued firm investment driven by progressing adoption of SSDs and rising memory contents
  - Progress in 200-layer level scaling toward low cost and large capacity

* ICT: Information and communication technology
FY2023 Q1 Business Progress

- Announced the new Medium-term Management Plan (~FY2027).
  Aiming to raise short-, medium-, and long-term profit and enhance continuous corporate value
  - New financial targets: Net sales $\geq$ 3 trillion yen, OP margin $\geq$ 35%, ROE $\geq$ 30%
  - New vision: “A company filled with dreams and vitality that contributes to technological innovation in semiconductors”
  - New medium-term environmental targets: Reducing greenhouse gas emissions to net zero (Scope1, 2 = by 2040, Scope3 = by 2050)
  - Aggressive investment on R&D: Planning to invest more than 1 trillion yen over 5 years.

- Steady progress in acquiring POR* driven by strategic products

*POR (Process of record): Certification of the adoption of equipment in customers’ semiconductor production processes
FY2023 Financial Estimates
<table>
<thead>
<tr>
<th></th>
<th>FY2022 (Actual)</th>
<th>FY2023 (Estimate)</th>
<th>Full Year</th>
<th>Full Year YoY change</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>H1</td>
<td>H2</td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>2,003.8</td>
<td>1,100.0</td>
<td>1,250.0</td>
<td>2,350.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+17.3%</td>
</tr>
<tr>
<td>SPE</td>
<td>1,943.8</td>
<td>1,070.0</td>
<td>1,225.0</td>
<td>2,295.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+18.1%</td>
</tr>
<tr>
<td>FPD</td>
<td>59.8</td>
<td>30.0</td>
<td>25.0</td>
<td>55.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-8.1%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>911.8</td>
<td>495.0</td>
<td>580.0</td>
<td>1,075.0</td>
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<tr>
<td>Gross profit margin</td>
<td>45.5%</td>
<td>45.0%</td>
<td>46.4%</td>
<td>45.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+17.9% +0.2pts</td>
</tr>
<tr>
<td>SG&amp;A expenses</td>
<td>312.5</td>
<td>176.0</td>
<td>183.0</td>
<td>359.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+14.9%</td>
</tr>
<tr>
<td>Operating income</td>
<td>599.2</td>
<td>319.0</td>
<td>397.0</td>
<td>716.0</td>
</tr>
<tr>
<td>Operating margin</td>
<td>29.9%</td>
<td>29.0%</td>
<td>31.8%</td>
<td>30.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+19.5% +0.6pts</td>
</tr>
<tr>
<td>Income before income</td>
<td>596.6</td>
<td>319.0</td>
<td>397.0</td>
<td>716.0</td>
</tr>
<tr>
<td>taxes</td>
<td></td>
<td></td>
<td></td>
<td>+20.0%</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>437.0</td>
<td>234.0</td>
<td>289.0</td>
<td>523.0</td>
</tr>
<tr>
<td>Net income per share (Yen)</td>
<td>2,807.84</td>
<td>1,502.29</td>
<td>-</td>
<td>3,357.63</td>
</tr>
</tbody>
</table>

Financial estimate unchanged. Continuing to closely monitor the market environment.
FY2023 SPE Division New Equipment Sales Forecast

Sales by application

No change in half-year estimates despite the shift in shipment timing for some equipment

Percentages on the graph show the composition ratio of new equipment sales. Field solutions sales are not included.
FY2023 R&D Expenses, Capex Plan

- **R&D Expenses ¥190.0B**
  - Continue investing based on focus areas and sustainable growth

- **Capex ¥75.0B**
  - Actively invest in advanced technologies R&D and to meet increasing production

- **Depreciation ¥46.0B**

Accelerate investment in R&D and capex in view of growing market and diversification of new technology needs

**New development building**
- Coater/Developers, Surface preparation systems
  - Koshi-city, Kumamoto Prefecture: approx. ¥30.0B construction cost (Completion scheduled for fall 2024)

- Etch systems
  - Taiwa-cho, Miyagi Prefecture: approx. ¥47.0B construction cost (Completion scheduled for spring 2025)
FY2023 Dividend Forecast

Expect to pay annual DPS of 1,678 yen

Dividend per share

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend (Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY'18</td>
<td>624</td>
</tr>
<tr>
<td>FY'19</td>
<td>758</td>
</tr>
<tr>
<td>FY'20</td>
<td>588</td>
</tr>
<tr>
<td>FY'21</td>
<td>781</td>
</tr>
<tr>
<td>FY'22</td>
<td>1,403</td>
</tr>
<tr>
<td>FY'23(E)</td>
<td>1,678</td>
</tr>
</tbody>
</table>

Dividend payout ratio: 50%
Annual DPS of not less than 150 yen
We will review our dividend policy if the company does not generate net income for two consecutive fiscal years

We will flexibly consider share buybacks