



## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Japanese GAAP)

May 12, 2022

Name of Listed Company: Tokyo Electron Limited Stock Exchange Listing: Tokyo  
 Security Code: 8035  
 URL: <https://www.tel.com>  
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 Scheduled start date of dividends payment: May 31, 2022  
 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 Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

#### (1) Consolidated Operating Results

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

	Year ended			
	March 31, 2021		March 31, 2022	
		%		%
Net sales (Millions of yen)	1,399,102	24.1	2,003,805	43.2
Operating income (Millions of yen)	320,685	35.1	599,271	86.9
Ordinary income (Millions of yen)	322,103	31.5	601,724	86.8
Net income attributable to owners of parent (Millions of yen)	242,941	31.2	437,076	79.9
Net income per share of common stock (Yen):				
Basic	1,562.20		2,807.84	
Diluted	1,553.29		2,793.89	
Return on equity (%)	26.5		37.2	
Ordinary income to total assets (%)	23.8		36.4	
Operating income to net sales (%)	22.9		29.9	
Comprehensive income:	Year ended March 31, 2022: 486,183 million yen, 59.0%			
	Year ended March 31, 2021: 305,801 million yen, 63.5%			
Profit (loss) on equity method:	Year ended March 31, 2022: 1,721 million yen			
	Year ended March 31, 2021: 1,110 million yen			

Note: From the beginning of this fiscal year, the Company applies "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020). Each number for the period ended March 31, 2022 includes the effects of the new standards. Percentages of changes are based on consolidated financial results without the effects of the new standards of the same period of the previous fiscal year.

#### (2) Consolidated Financial Position

	As of	
	March 31, 2021	March 31, 2022
Total assets (Millions of yen)	1,425,364	1,894,457
Total net assets (Millions of yen)	1,024,562	1,347,048
Equity ratio (%)	71.1	70.5
Net assets per share (Yen)	6,512.18	8,572.45
Equity:	1,335,152 million yen (as of March 31, 2022)	
	1,012,977 million yen (as of March 31, 2021)	

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

#### (3) Consolidated Cash Flows

	Year ended	
	March 31, 2021	March 31, 2022
Cash flows from operating activities	145,888	283,387
Cash flows from investing activities	(18,274)	(55,632)
Cash flows from financing activities	(114,525)	(167,256)
Cash and cash equivalents at end of period	265,993	335,648

## 2. Dividends

	Year ended		Year ending
	March 31, 2021	March 31, 2022	March 31, 2023 (Forecast)
1Q-end dividends per share (Yen)	-	-	-
2Q-end dividends per share (Yen)	360.00	643.00	751.00
3Q-end dividends per share (Yen)	-	-	-
Year-end dividends per share (Yen)	421.00	760.00	927.00
Annual dividends per share (Yen)	781.00	1,403.00	1,678.00
Total dividends (Millions of yen)	121,937	219,339	
Payout ratio (%)	50.0	50.0	50.0
Dividend on equity (%)	13.3	18.6	

## 3. Financial Forecasts for the Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

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

	Year ending			
	September 30, 2022		March 31, 2023	
		%		%
Net sales (Millions of yen)	1,100,000	18.0	2,350,000	17.3
Operating income (Millions of yen)	319,000	16.1	716,000	19.5
Ordinary income (Millions of yen)	319,000	14.8	716,000	19.0
Net income attributable to owners of parent (Millions of yen)	234,000	16.9	523,000	19.7
Net income per share (Yen)	1,502.41		3,357.96	

### Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries associated with changes in scope of consolidation): None

(2) 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 16 for further information.

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

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

As of March 31, 2022: 157,210,911 shares

As of March 31, 2021: 157,210,911 shares

2. Number of shares of treasury stock

As of March 31, 2022: 1,461,581 shares

As of March 31, 2021: 1,659,611 shares

3. Average number of shares outstanding

Year ended March 31, 2022: 155,662,742 shares

Year ended March 31, 2021: 155,511,991 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". (610,529 shares as of March 31, 2022, 615,237 shares as of March 31, 2021)

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

**(Reference) Non-consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)****(1) Operating results**

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

	Year ended			
	March 31, 2021		March 31, 2022	
		%		%
Net sales (Millions of yen)	1,292,883	25.6	1,842,535	42.5
Operating income (Millions of yen)	164,015	61.2	306,639	87.0
Ordinary income (Millions of yen)	260,109	24.0	452,182	73.8
Net income (Millions of yen)	211,449	19.1	358,065	69.3
Net income per share of common stock (Yen):				
Basic	1,359.70		2,300.27	
Diluted	1,351.94		2,288.84	

Note: From the beginning of this fiscal year, the Company applies "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020). Each number for the period ended March 31, 2022 includes the effects of the new standards. Percentages of changes are based on non-consolidated financial results without the effects of the new standards of the same period of the previous fiscal year.

**(2) Financial position**

	As of	
	March 31, 2021	March 31, 2022
Total assets (Millions of yen)	1,034,506	1,439,595
Total net assets (Millions of yen)	625,913	850,303
Equity ratio (%)	59.4	58.2
Net assets per share (Yen)	3,949.36	5,383.05

Equity: 838,407 million yen (as of March 31, 2022)  
614,327 million yen (as of March 31, 2021)

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

**\* Status of implementation of audit procedures**

This Summary of Consolidated Financial Results is outside the scope of external auditor's audit procedures under the Financial Instruments and Exchange Act.

**\* 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. Overview of Operating Results and Consolidated Financial Conditions (4) "Future Forecast" on page 7. The Company plans to hold an online conference for investors and analysts on May 12, 2022. Supplementary materials to be used at the conference will be posted on the Company's website.

## 1. Overview of Operating Results and Consolidated Financial Conditions

From the beginning of this fiscal year, the Company applies “Accounting Standards for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020). Comparisons between the same period in the previous year in the explanation of operating results and cash flows and comparisons between the end of the previous fiscal year in the explanation of financial positions are made using figures from the consolidated results of the previous fiscal year prior to the application of the change in accounting standards.

For details, please refer to “Notes” on page 16 for further information.

### (1) Overview of Operating Results

#### (i) Business Environment during the Fiscal Year Ended March 31, 2022

During the fiscal year under review, despite the effects of the COVID-19 pandemic and heightened geopolitical risks, a gradual recovery in the global economy has been observed.

In the electronics industry, where the Tokyo Electron (TEL) Group operates, further growth in semiconductor production equipment market is expected due to the growing importance of semiconductors, driven by the transition to a data society due to the expansion of communications technologies and efforts toward realizing a decarbonized society.

#### (ii) Overview of Profit and Loss during the Fiscal Year Ended March 31, 2022

In this environment, the consolidated business results for the fiscal year under review are as follows.

Net sales for the fiscal year increased 43.2% from the previous fiscal year to 2,003,805 million yen. Domestic net sales increased 16.6% from the previous year to 230,368 million yen, while overseas net sales increased 47.6% to 1,773,437 million yen to account for 88.5% of net sales.

Cost of sales increased 30.9% to 1,091,983 million yen and gross profit increased 61.4% to 911,822 million yen. As a result, the gross profit margin expanded by 5.1 points to 45.5%.

Selling, general and administrative (SG&A) expenses increased 28.0% to 312,551 million yen, while the ratio to consolidated net sales declined by 1.9 points to 15.6%.

As a result, operating income increased 86.9% to 599,271 million yen and operating profit ratio increased 7.0 points to 29.9%. After netting of non-operating income of 5,980 million yen and non-operating expenses of 3,527 million yen, ordinary income increased 86.8% to 601,724 million yen.

Income before income taxes was 596,698 million yen (year-on-year growth of 88.2%) and net income attributable to owners of parent was 437,076 million yen (year-on-year growth of 79.9%).

As a result, net income per share was 2,807.84 yen compared to net income per share of 1,562.20 yen in the previous fiscal year.

**(iii) Overview of Operations by Business Segment during the Fiscal Year Ended March 31, 2022**

The overview of each business segment is as described below.

**Semiconductor Production Equipment**

Capital investment in semiconductors for logic/foundry has been robust in a wide range of areas, from cutting-edge to mature generations of semiconductors, driven by the digitalization of society. Furthermore, as the quantity of data being handled continues to increase on an annual basis, capital investments in both DRAM and NAND flash memory continue to see high levels of investment. Consequently, net sales to external customers in this segment during the fiscal year under review were 1,943,843 million yen (year-on-year growth of 47.8%).

**Flat Panel Display (FPD) Production Equipment**

As capital investment for large-sized LCD panels for televisions has run its course, the overall manufacturing equipment market for FPD TFT arrays has slowed. Meanwhile, capital investments in small and medium-sized OLED panels continue in conjunction with displays installed in end products being converted from LCD panels to OLED panels. Consequently, net sales to external customers in this segment during the fiscal year under review were 59,830 million yen (year-on-year decrease of 28.6%).

**Other**

Net sales to external customers in this segment during the fiscal year under review totaled 131 million yen (year-on-year growth of 1.4%).

**(For reference)****Consolidated Operating Results**

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022						
				First			Second	Full Year
		1Q	2Q	Half	3Q	4Q	Half	
Net Sales	1,399,102	452,049	480,464	932,514	506,474	564,817	1,071,291	2,003,805
Semiconductor Production Equipment	1,315,200	437,924	467,838	905,763	488,802	549,278	1,038,080	1,943,843
Japan	195,821	54,861	53,965	108,827	63,147	56,927	120,075	228,902
North America	152,057	43,911	61,897	105,808	76,893	85,363	162,257	268,065
Europe	63,502	13,411	20,309	33,721	17,062	57,170	74,232	107,954
South Korea	279,938	95,304	93,507	188,812	93,040	95,914	188,955	377,767
Taiwan	245,637	62,853	102,548	165,401	87,494	106,330	193,824	359,225
China	325,844	153,684	108,825	262,509	132,217	118,803	251,020	513,529
Southeast Asia, and Others	52,397	13,897	26,785	40,683	18,946	28,768	47,714	88,398
FPD Production Equipment	83,772	14,090	12,592	26,682	17,640	15,507	33,147	59,830
Others	129	35	32	68	32	31	63	131
Operating Income	320,685	141,791	132,855	274,647	156,044	168,579	324,623	599,271
Ordinary Income	322,103	142,630	135,131	277,762	155,618	168,344	323,962	601,724
Net Income Attributable to Owners of Parent	242,941	100,363	99,856	200,219	110,026	126,830	236,856	437,076

Note: Intersegment sales or transfers are eliminated.

**(2) Overview of Consolidated Financial Conditions**

Current assets at the end of the current fiscal year were 1,408,703 million yen, an increase of 393,006 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 242,247 million yen in notes and accounts receivable-trade, and contract assets, an increase of 87,735 million yen in cash and deposits, and an increase of 58,500 million yen in inventories.

Tangible fixed assets increased by 26,110 million yen from the end of the previous fiscal year, to 223,078 million yen. Intangible fixed assets increased by 5,376 million yen from the end of the previous fiscal year, to 22,540 million yen. Investments and other assets increased by 44,599 million yen from the end of the previous fiscal year, to 240,135 million yen.

As a result, total assets increased by 469,093 million yen from the end of the previous fiscal year, to 1,894,457 million yen.

Current liabilities increased by 140,917 million yen from the end of the previous fiscal year, to 468,578 million yen. This was largely due to an increase of 57,920 million yen in income taxes payable, an increase of 30,301 million yen in trade notes and accounts payable, and an increase of 20,832 million yen in customer advances.

Long-term liabilities increased by 5,689 million yen from the end of the previous fiscal year, to 78,829 million yen.

Net assets increased by 322,485 million yen from the end of the previous fiscal year, to 1,347,048 million yen. This was largely due to an increase of 437,076 million yen resulting from recording net income attributable to owners of parent, a decrease resulting from the payment of 166,252 million yen in year-end dividends for the previous fiscal year and interim dividends for the current fiscal year, and an increase of 27,367 million yen in net unrealized gains on investment securities. As a result, the equity ratio was 70.5%.

**(3) Overview of Consolidated Cash Flows**

Cash and cash equivalents at the end of the current fiscal year increased by 69,655 million yen compared to the end of the previous fiscal year, to 335,648 million yen. The combined balance including 35,626 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 371,274 million yen, an increase of 59,721 million yen from the end of the previous fiscal year. The overall situation regarding cash flows for the fiscal year was as described below.

Cash flows from operating activities were positive 283,387 million yen, an increase of 137,499 million yen from the previous fiscal year. The major positive factors were 596,698 million yen in income before income taxes, a 36,727 million yen in depreciation and amortization, and a 32,031 million yen increase in customer advances. The major negative factors were 195,543 million yen increase in notes and accounts receivable-trade, and contract assets, a 106,098 million yen in income taxes paid, and a 100,309 million yen increase in inventories.

Cash flows from investing activities were negative 55,632 million yen compared to negative 18,274 million yen in the same period of the previous fiscal year. This was largely due to the payment of 56,153 million yen for the purchase of fixed assets.

Cash flows from financing activities were negative 167,256 million yen compared to negative 114,525 million yen in the same period of the previous fiscal year. This was largely due to the payment of 166,252 million yen in dividends.

**(4) Future forecast**

Although it will be necessary to continue to monitor the impact of COVID-19 and geopolitical risks etc., the semiconductor production equipment market is expected further growth with the growing importance of semiconductors, driven by the transition to a data society due to the expansion of communications technologies and efforts toward realizing a decarbonized society. Based on the current business and economic environment, the consolidated financial forecasts for next fiscal year (the year ending March 31, 2023) are expected to see an increase in revenue and earnings as set out below.

**Consolidated Forecast**

(Billions of yen, Y/Y change)

Year ending March 31, 2023	Interim		Full Year	
Net Sales	1,100.0	18.0%	2,350.0	17.3%
Semiconductor Production Equipment	1,070.0	18.1%	2,295.0	18.1%
FPD Production Equipment	30.0	12.4%	55.0	(8.1)%
Operating Income	319.0	16.1%	716.0	19.5%
Ordinary Income	319.0	14.8%	716.0	19.0%
Net Income Attributable to Owners of Parent	234.0	16.9%	523.0	19.7%

Note: Intersegment sales or transfers are eliminated.

Note: The financial forecasts and estimates stated in this announcement 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 stated in this announcement.

**(5) Basic Policy on Profit Allocation and Payment of Dividends for the Current and Next Fiscal Years**

TEL utilizes capital reserves to raise corporate value through earnings growth and provide returns directly to shareholders by concentrating investment in high-growth areas and linking dividend payments to business performance. Basic policy concerning shareholder return is as follows.

**Shareholder Return Policy**

- Our dividend policy is to link dividend payments to business performance on an ongoing basis and a payout ratio is around 50% based on net income attributable to owners of parent, with the conditions that an annual dividend per share is not less than 150 yen.

Note: A dividend policy review is required if TEL does not generate net income for two consecutive fiscal years.

- TEL will flexibly consider share buybacks.

The year-end dividend for the current fiscal year (the year ended March 31, 2022) is scheduled to be 760 yen per share. The dividend for the full year will be 1,403 yen per share, which includes the interim dividend of 643 yen per share.

Dividends are forecasted for the next fiscal year (the year ending March 31, 2023) to be 1,678 yen per share for the entire year which consists of an interim dividend of 751 yen and year-end dividend of 927 yen, in accordance with the above consolidated forecast for net income attributable to owners of parent for the next fiscal year pursuant to the stated dividend policy.

	Dividend per share		
	2Q-end	Year-end	Total
Current fiscal year (ended March 31, 2022)	643 yen	760 yen	1,403 yen
Next fiscal year (ending March 31, 2023)	751 yen	927 yen	1,678 yen

## 2. Basic philosophy on the selection of accounting standards

The consolidated financial statements of TEL group have been prepared in conformity with accounting principles generally accepted in Japan. In regard to the application of IFRS, we will pay close attention to domestic and international implementation adoption trends and respond accordingly.



## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	186,538	274,274
Trade notes and accounts receivable	191,700	-
Notes and accounts receivable - trade, and contract assets	-	433,948
Securities	125,014	97,000
Merchandise and finished goods	269,772	183,512
Work in process	80,742	144,330
Raw materials and supplies	64,828	146,002
Prepaid consumption tax	82,704	110,494
Others	14,493	19,301
Allowance for doubtful accounts	(99)	(160)
Total current assets	1,015,696	1,408,703
<b>Long-term assets</b>		
Tangible fixed assets		
Buildings and structures	208,475	233,553
Accumulated depreciation	(113,679)	(121,288)
Buildings and structures, net	94,795	112,264
Machinery and carriers	159,634	181,306
Accumulated depreciation	(119,554)	(136,173)
Machinery and carriers, net	40,080	45,132
Land	26,929	31,052
Construction in progress	22,391	20,095
Others	44,350	51,777
Accumulated depreciation	(31,579)	(37,244)
Others, net	12,770	14,532
Total tangible fixed assets	196,967	223,078
Intangible fixed assets		
Others	17,163	22,540
Total intangible fixed assets	17,163	22,540
Investments and other assets		
Investment securities	105,065	144,972
Deferred tax assets	53,128	45,654
Net defined benefit assets	12,021	16,186
Others	26,728	34,621
Allowance for doubtful accounts	(1,407)	(1,298)
Total investments and other assets	195,536	240,135
Total long-term assets	409,667	485,754
<b>Total assets</b>	1,425,364	1,894,457

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	90,606	120,908
Income taxes payable	49,272	107,193
Customer advances	81,722	102,555
Accrued employees' bonuses	34,254	44,871
Accrued warranty expenses	14,415	26,568
Others	57,389	66,482
Total current liabilities	327,661	468,578
<b>Long-term liabilities</b>		
Net defined benefit liabilities	62,137	62,533
Others	11,002	16,296
Total long-term liabilities	73,140	78,829
<b>Total liabilities</b>	400,801	547,408
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Common stock	54,961	54,961
Capital surplus	78,011	78,011
Retained earnings	835,240	1,104,983
Treasury stock, at cost	(30,744)	(27,418)
Total shareholders' equity	937,468	1,210,537
<b>Accumulated other comprehensive income</b>		
Net unrealized gains (losses) on investment securities	66,124	93,492
Net deferred gains (losses) on hedging instruments	(79)	(52)
Foreign currency translation adjustments	10,441	30,640
Accumulated remeasurements of defined benefit plans	(978)	535
Total accumulated other comprehensive income (loss)	75,508	124,615
<b>Share subscription rights</b>	11,585	11,895
<b>Total net assets</b>	1,024,562	1,347,048
<b>Total liabilities and net assets</b>	1,425,364	1,894,457

## Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
<b>Net sales</b>	1,399,102	2,003,805
Cost of sales	834,157	1,091,983
<b>Gross profit</b>	564,945	911,822
Selling, general & administrative expenses		
Research and development expenses	136,648	158,256
Others	107,610	154,295
Total selling, general and administrative expenses	244,259	312,551
<b>Operating income</b>	320,685	599,271
Non-operating income		
Interest income	521	616
Dividend income	778	959
Share of profit of associates accounted for using the equity method	1,110	1,721
Others	3,082	2,683
Total non-operating income	5,492	5,980
Non-operating expenses		
Foreign exchange loss	3,147	2,447
Others	926	1,080
Total non-operating expenses	4,074	3,527
<b>Ordinary income</b>	322,103	601,724
Unusual or infrequent profit		
Gain on sales of fixed assets	24	71
Total unusual or infrequent profit	24	71
Unusual or infrequent loss		
Additional payment of value-added tax	-	4,577
Provision for loss on liquidation of subsidiaries and associates	3,327	-
Others	1,763	520
Total unusual or infrequent loss	5,090	5,097
<b>Income before income taxes</b>	317,038	596,698
Provision for income taxes and enterprise taxes	82,568	162,708
Deferred income taxes	(8,471)	(3,086)
Total income taxes	74,096	159,622
<b>Net income</b>	242,941	437,076
<b>Net income attributable to owners of parent</b>	242,941	437,076

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
<b>Net income</b>	242,941	437,076
<b>Other comprehensive income (loss)</b>		
Net unrealized gains (losses) on investment securities	45,982	27,374
Net deferred gains (losses) on hedging instruments	32	-
Foreign currency translation adjustments	14,536	20,066
Remeasurements of defined benefit plans	2,266	1,594
Share of other comprehensive income of associates accounted for using the equity method	41	70
Total other comprehensive income (loss)	62,860	49,107
<b>Comprehensive income</b>	305,801	486,183
<b>(Breakdown)</b>		
Comprehensive income attributable to owners of parent	305,801	486,183

## Consolidated Statements of Changes in Net Assets

Year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	54,961	78,011	702,990	(29,310)	806,652
Cumulative effects of changes in accounting policies					-
Restated balance	54,961	78,011	702,990	(29,310)	806,652
Changes of items during the period					
Cash dividends			(109,542)		(109,542)
Net income attributable to owners of parent			242,941		242,941
Purchase of treasury stock				(4,339)	(4,339)
Disposal of treasury stock			(1,149)	2,906	1,757
Net changes except for shareholders' equity					
Total changes of items during the period	-	-	132,249	(1,433)	130,816
Balance at end of period	54,961	78,011	835,240	(30,744)	937,468

	Accumulated other comprehensive income					Share subscription rights	Total net assets
	Net unrealized gains (losses) on investment securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	20,126	(52)	(4,111)	(3,313)	12,648	10,391	829,692
Cumulative effects of changes in accounting policies							-
Restated balance	20,126	(52)	(4,111)	(3,313)	12,648	10,391	829,692
Changes of items during the period							
Cash dividends							(109,542)
Net income attributable to owners of parent							242,941
Purchase of treasury stock							(4,339)
Disposal of treasury stock							1,757
Net changes except for shareholders' equity	45,998	(26)	14,553	2,335	62,860	1,194	64,054
Total changes of items during the period	45,998	(26)	14,553	2,335	62,860	1,194	194,870
Balance at end of period	66,124	(79)	10,441	(978)	75,508	11,585	1,024,562

## Consolidated Statements of Changes in Net Assets

Year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	54,961	78,011	835,240	(30,744)	937,468
Cumulative effects of changes in accounting policies			(753)		(753)
Restated balance	54,961	78,011	834,486	(30,744)	936,714
Changes of items during the period					
Cash dividends			(166,252)		(166,252)
Net income attributable to owners of parent			437,076		437,076
Purchase of treasury stock				(15)	(15)
Disposal of treasury stock			(327)	3,341	3,014
Net changes except for shareholders' equity					
Total changes of items during the period	-	-	270,496	3,325	273,822
Balance at end of period	54,961	78,011	1,104,983	(27,418)	1,210,537

	Accumulated other comprehensive income					Share subscription rights	Total net assets
	Net unrealized gains (losses) on investment securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	66,124	(79)	10,441	(978)	75,508	11,585	1,024,562
Cumulative effects of changes in accounting policies							(753)
Restated balance	66,124	(79)	10,441	(978)	75,508	11,585	1,023,809
Changes of items during the period							
Cash dividends							(166,252)
Net income attributable to owners of parent							437,076
Purchase of treasury stock							(15)
Disposal of treasury stock							3,014
Net changes except for shareholders' equity	27,367	26	20,199	1,513	49,107	310	49,417
Total changes of items during the period	27,367	26	20,199	1,513	49,107	310	323,239
Balance at end of period	93,492	(52)	30,640	535	124,615	11,895	1,347,048

## Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Income before income taxes	317,038	596,698
Depreciation and amortization	33,843	36,727
Amortization of goodwill	199	206
Increase (decrease) in accrued employees' bonuses	4,612	9,540
Increase (decrease) in accrued warranty expenses	(176)	9,614
Provision for loss on liquidation of subsidiaries and associates	3,327	-
Decrease (increase) in trade notes and accounts receivable	(37,736)	-
Decrease (increase) in notes and accounts receivable - trade, and contract assets	-	(195,543)
Decrease (increase) in inventories	(17,226)	(100,309)
Increase (decrease) in trade notes and accounts payable	(8,255)	18,892
Decrease (increase) in prepaid consumption tax	(13,549)	(27,675)
Increase (decrease) in customer advances	(54,851)	32,031
Others	4,766	7,070
Subtotal	231,990	387,252
Receipts from interest and dividends	1,669	2,232
Income taxes paid or refund (paid)	(87,772)	(106,098)
Net cash provided by operating activities	145,888	283,387
<b>Cash flows from investing activities</b>		
Payment for purchase of short-term investments	(45,000)	(35,000)
Proceeds from redemption of short-term investments	80,000	45,014
Payment for purchase of fixed assets	(53,806)	(56,153)
Payment for acquisition of intangible assets	(7,124)	(8,950)
Others	7,656	(542)
Net cash used in investing activities	(18,274)	(55,632)
<b>Cash flows from financing activities</b>		
Payment for purchase of treasury stock	(4,339)	(15)
Dividends paid	(109,542)	(166,252)
Others	(643)	(988)
Net cash used in financing activities	(114,525)	(167,256)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	4,946	9,156
<b>Net increase (decrease) in cash and cash equivalents</b>	18,033	69,655
<b>Cash and cash equivalents at beginning of period</b>	247,959	265,993
<b>Cash and cash equivalents at end of period</b>	265,993	335,648

## Notes

**Going concern: None**

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

Changes in accounting policies

(i) Accounting Standard for Revenue Recognition

From the beginning of this fiscal year, the Company applies "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and recognizes revenue with the amounts expected to be received in exchange for the promised goods or services as the control of such goods or services are transferred to customers.

Regarding sales of semiconductor and FPD (Flat Panel Display) production equipment, goods and set-up services to be transferred were previously identified as a single performance obligation and revenue was recorded at the time of the confirmation of set-up in principle. Going forward, performance obligations related to goods and set-up services to be transferred for equipment are separately identified and revenue is recognized when each performance obligation is satisfied, which is when equipment is delivered to customers and services related to setting up equipment are completed.

In addition, in case over a certain quantity of equipment is transacted with a same customer, that could include special price transactions corresponding to such as purchase quantities. For those transactions with special prices, although revenue was previously recognized based on each order price, on the ground that sales prices of whole transactions fluctuate by such as future purchase quantity, the accounting method is changed to estimate those special prices as variable consideration and include it in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The application of such changes in accounting policies follows the transitional treatment prescribed in the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of this fiscal year, was added to or subtracted from the beginning balance of retained earnings of this fiscal year.

In addition, "Trade notes and accounts receivable" presented under "Current assets" in the consolidated balance sheet for the previous fiscal year was included in "Notes and accounts receivable - trade, and contract assets" from this fiscal year. In accordance with the transitional treatment prescribed in the paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation.

As a result, in comparison with the method prior to the application of Accounting Standard for Revenue Recognition, the consolidated balance sheets of this fiscal year changed, and this was mainly due to an increase of 176,527 million yen in notes and accounts receivable - trade, and contract assets, an increase of 16,906 million yen in work in process, a decrease of 135,496 million yen in merchandise and finished goods, and a decrease of 47,472 million yen in customer advances. In the consolidated statements of income of this fiscal year, net sales increased by 195,058 million yen, cost of sales increased by 88,084 million yen, and each of operating income, ordinary income and income before income taxes increased by 106,974 million yen, accordingly.

The consolidated statements of cash flows of this fiscal year also changed, and this was mainly due to an increase of 106,974 million yen in income before income taxes, an increase of 69,043 million yen in decrease (increase) in inventories, a decrease of 139,564 million yen in decrease (increase) in notes and accounts receivable - trade, and contract assets, and a decrease of 35,234 million yen in increase (decrease) in customer advances.

Due to the reflection of the cumulative effect in net assets at the beginning of this fiscal year, the beginning balance of retained earnings in the consolidated statements of changes in net assets of this fiscal year decreased by 753 million yen.

In addition, the effect on per share information of this fiscal year is described in "Per share information".

(ii) Accounting Standard for Fair Value Measurement

From the beginning of this fiscal year, the Company applies "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019). In accordance with the transitional treatment prescribed in the paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), new accounting policies prescribed by the Accounting Standard for Fair Value Measurement is adopted prospectively.

There is no effect by this change on the consolidated financial statements.



## Segment information

### (i) General information about reportable segments

A reportable segment is a component or an aggregated component of TEL Group. For each of the components, discrete financial information is available and the operating result is regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance.

The operation of TEL Group consists of segments by products and services based on business units (BUs), and TEL Group identifies as a reportable segment, "semiconductor production equipment (SPE)" and "flat panel display (FPD) production equipment". Products of the SPE segment consist of coater/developers, etch systems, deposition systems, cleaning systems used in wafer processing, wafer probers used in the wafer testing process and other semiconductor production equipment, such as wafer bonders/debonders. The SPE segment principally develops, manufactures, and sells such products, and provides services on them.

Products of the FPD production equipment segment consist of coater/developers, etch/ash systems used in the manufacture of flat panel displays and inkjet printing systems used in the manufacture of OLED displays. The FPD production equipment segment principally develops, manufactures, and sells such products, and provides services on them.

### (ii) Means to measure net sales and profit or loss in each reportable segment

The method used to account for each reportable segment is similar to those applied to prepare consolidated financial statements. Intersegment revenues or transfers are based on prevailing market prices.

As described in "Changes in accounting policies (i) Accounting Standard for Revenue Recognition", the Company changed accounting treatment for revenue recognition by adopting the Accounting Standard for Revenue Recognition from the beginning of this fiscal year, and accordingly changed the methods relevant to measuring profits or losses of business segments in the same manner.

As a result, in comparison with the previous method, net sales of the semiconductor production equipment segment and the FPD production equipment segment of this fiscal year increased by 188,757 million yen and 6,301 million yen, respectively.

In addition, segment profit of the semiconductor production equipment segment and the FPD production equipment segment increased by 105,410 million yen and 1,563 million yen, respectively.

### (iii) Net sales and profit or loss in reportable segments

Year ended March 31, 2022

(Millions of yen)

	Reportable Segments		Others *1	Total	Adjustments *2	Consolidated *3
	Semiconductor Production Equipment	FPD Production Equipment				
Sales						
Sales to external customers	1,943,843	59,830	131	2,003,805	-	2,003,805
Intersegment sales or transfers	-	-	28,000	28,000	(28,000)	-
Net sales	1,943,843	59,830	28,132	2,031,806	(28,000)	2,003,805
Segment profit (loss)	667,437	3,874	698	672,010	(75,312)	596,698

#### Notes:

\*1. "Others" includes all other operating segments which are not included in the reportable segments, including group-wide logistic services, facility maintenance and insurance.

\*2. "Adjustments" for segment profit (loss) totaling (75,312) million yen mainly consists of research and development costs of (23,075) million yen pertaining to the fundamental research and element research of TEL, additional payment of value-added tax of (4,577) million yen, and other general and administrative costs that do not belong to reportable segments.

\*3. Segment profit (loss) is adjusted against income before income taxes in Consolidated Statements of Income.

(iv) Impairment loss on fixed assets in reportable segments

None

(v) Amortization and balance of goodwill in reportable segments

As of and for the year ended March 31, 2022

(Millions of yen)

	Semiconductor Production Equipment	FPD Production Equipment	Total Reportable Segment
Amortization	206	-	206
Balance at end of the period	531	-	531

(vi) Income related to negative goodwill in reportable segments

None

**Per share information**

	Year ended March 31, 2022
Net assets per share (Yen)	8,572.45
Net income per share (Yen)	2,807.84
Fully diluted net income per share (Yen)	2,793.89

## Notes:

1. Net income per share and fully diluted net income per share are calculated based on the following elements.

Net income per share (Yen)	
Net income attributable to owners of parent (Millions of yen)	437,076
Net income not pertaining to owners of common stock (Millions of yen)	-
Net income attributable to owners of parent pertaining to common stock (Millions of yen)	437,076
The average number of common stock (Thousands of share)	155,662
Fully diluted net income per share (Yen)	
The adjustments to net income attributable to owners of parent (Millions of yen)	-
Increase in common stock (Thousands of share)	777
[Share subscription rights (Thousands of share)]	[777]
Details of dilutive shares, not included in the computation of fully diluted net income per share as there is no dilution effect.	-

2. The shares of the Company held by "Executive compensation Board Incentive Plan (BIP) trust" and "share-delivering Employee Stock Ownership Plan (ESOP) trust", which are recorded in "Treasury stock, at cost" under shareholders' equity, are included in the treasury stock which is deducted from the number of shares issued and outstanding as of the end of the period when calculating net assets per share. The shares held by the trusts are also included in the treasury stock which is deducted from the number of shares used to calculate the average number of shares outstanding in the period when calculating net income per share and fully diluted net income per share.

The number of treasury shares deducted in the calculation of net assets per share was 610 thousand shares as of the end of this fiscal year, and the average number of treasury shares deducted in the calculation of net income per share and fully diluted net income per share was 612 thousand shares in this fiscal year.

3. As described in "Changes in accounting policies (i) Accounting Standard for Revenue Recognition", the Company changed accounting treatment for revenue recognition by adopting the Accounting Standard for Revenue Recognition from the beginning of this fiscal year, and follows the transitional treatment prescribed in the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition. As a result, net assets per share of this fiscal year increased by 471.69 yen, net income per share increased by 476.79 yen, and fully diluted net income per share increased by 474.42 yen.

**Significant subsequent event**

None