
January 29, 2016

Agenda:

- 3Q FY2016 Consolidated Financial Summary
  Tetsuro Hori, Corporate Director, Senior Vice President & General Manager
- Business Environment & New TEL Corporate Vision
  Toshiki Kawai, Representative Director, President & CEO
3Q FY2016 Consolidated Financial Summary

3Q FY2016: October 1, 2015 - December 31, 2015
FY2016: April 1, 2015 - March 31, 2016

January 29, 2016
Tetsuro Hori
Corporate Director, Senior Vice President & General Manager
FY2016 3Q Highlights

- Sustained gross profit margin and operating margin at high level for 5 consecutive quarters

- Q3 SPE orders up 30% QoQ. Foundry and 3D-NAND investment increased as expected

- Completed repurchase of 15.4m shares, all cancelled as of Jan 20
### Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th></th>
<th></th>
<th>FY16</th>
<th>FY15</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>155.7</td>
<td>185.1</td>
<td>158.7</td>
<td>499.7</td>
<td>431.2</td>
<td>+15.9%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>65.7</td>
<td>70.3</td>
<td>62.0</td>
<td>198.0</td>
<td>165.0</td>
<td>+20.0%</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>42.2%</td>
<td>38.0%</td>
<td>39.1%</td>
<td>39.6%</td>
<td>38.3%</td>
<td>+1.3pts</td>
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<td>SG&amp;A expenses</td>
<td>35.4</td>
<td>39.3</td>
<td>36.5</td>
<td>111.3</td>
<td>112.8</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Operating income</td>
<td>30.2</td>
<td>30.9</td>
<td>25.5</td>
<td>86.7</td>
<td>52.1</td>
<td>+66.2%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>19.4%</td>
<td>16.7%</td>
<td>16.1%</td>
<td>17.4%</td>
<td>12.1%</td>
<td>+5.3pts</td>
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<tr>
<td>Income before income taxes</td>
<td>29.0</td>
<td>28.4</td>
<td>25.1</td>
<td>82.6</td>
<td>53.8</td>
<td>+53.5%</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>19.4</td>
<td>21.8</td>
<td>17.8</td>
<td>59.2</td>
<td>37.4</td>
<td>+58.1%</td>
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<tr>
<td>R&amp;D expenses</td>
<td>17.5</td>
<td>20.0</td>
<td>18.3</td>
<td>55.9</td>
<td>51.7</td>
<td>+8.0%</td>
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<tr>
<td>Capital expenditures</td>
<td>2.1</td>
<td>2.6</td>
<td>2.8</td>
<td>7.6</td>
<td>9.9</td>
<td>-22.7%</td>
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<tr>
<td>Depreciation and amortization</td>
<td>4.6</td>
<td>4.7</td>
<td>4.9</td>
<td>14.2</td>
<td>15.1</td>
<td>-6.0%</td>
</tr>
</tbody>
</table>

1. In principle, export sales of Tokyo Electron’s mainstay semiconductor and FPD production equipment are denominated in yen. While some settlements are denominated in dollars, exchange risk is hedged as forward exchange contracts are made individually at the time of booking.
2. Profit ratios are calculated using full amounts, before rounding.
### Financial Performance

#### Income Statement

<table>
<thead>
<tr>
<th>Period</th>
<th>3Q FY14</th>
<th>4Q FY14</th>
<th>1Q FY15</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q FY16</th>
<th>1Q FY16</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>138.4</td>
<td>219.2</td>
<td>151.3</td>
<td>142.9</td>
<td>137.0</td>
<td>181.8</td>
<td>155.7</td>
<td>185.1</td>
<td>158.7</td>
</tr>
<tr>
<td>Operating income</td>
<td>9.0</td>
<td>24.9</td>
<td>17.0</td>
<td>13.0</td>
<td>22.0</td>
<td>35.9</td>
<td>30.2</td>
<td>30.9</td>
<td>25.5</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>-38.0</td>
<td>16.2</td>
<td>11.8</td>
<td>8.1</td>
<td>17.4</td>
<td>34.4</td>
<td>19.4</td>
<td>21.8</td>
<td>17.8</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>36.4%</td>
<td>32.6%</td>
<td>36.6%</td>
<td>36.4%</td>
<td>42.1%</td>
<td>42.7%</td>
<td>42.2%</td>
<td>38.0%</td>
<td>39.1%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>6.6%</td>
<td>11.4%</td>
<td>11.3%</td>
<td>9.1%</td>
<td>16.1%</td>
<td>19.8%</td>
<td>19.4%</td>
<td>16.7%</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

#### Graph

- **Net sales**
- **Operating income**
- **Net income attributable to owners of parent**
- **Gross profit margin**
- **Operating margin**

(Billion Yen)
1. Segment income is based on income before income taxes.
2. R&D expenses such as fundamental research and element research are not included in above reportable segments.
3. As of 1Q FY2016, the PV production equipment business was no longer material as stipulated in the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information. Therefore, it has been excluded from segmental reporting.
4. In composition of net sales figures, the PV production equipment business is included in Others.
SPE Sales by Region

Japan Sales by Region:
- 3Q FY15: 19.0 Billion Yen
- 4Q FY15: 29.1 Billion Yen
- 1Q FY16: 25.0 Billion Yen
- 2Q FY16: 37.8 Billion Yen
- 3Q FY16: 27.0 Billion Yen

U.S. Sales by Region:
- 3Q FY15: 32.0 Billion Yen
- 4Q FY15: 35.6 Billion Yen
- 1Q FY16: 30.7 Billion Yen
- 2Q FY16: 29.4 Billion Yen
- 3Q FY16: 23.4 Billion Yen

Europe Sales by Region:
- 3Q FY15: 19.0 Billion Yen
- 4Q FY15: 14.9 Billion Yen
- 1Q FY16: 17.0 Billion Yen
- 2Q FY16: 9.6 Billion Yen
- 3Q FY16: 14.8 Billion Yen

Korea Sales by Region:
- 3Q FY15: 18.1 Billion Yen
- 4Q FY15: 42.1 Billion Yen
- 1Q FY16: 28.1 Billion Yen
- 2Q FY16: 25.2 Billion Yen
- 3Q FY16: 15.2 Billion Yen

Taiwan Sales by Region:
- 3Q FY15: 28.5 Billion Yen
- 4Q FY15: 34.0 Billion Yen
- 1Q FY16: 23.1 Billion Yen
- 2Q FY16: 43.3 Billion Yen

China Sales by Region:
- 3Q FY15: 6.3 Billion Yen
- 4Q FY15: 12.4 Billion Yen
- 1Q FY16: 14.0 Billion Yen
- 2Q FY16: 17.0 Billion Yen
- 3Q FY16: 17.2 Billion Yen

S.E. Asia, Others Sales by Region:
- 3Q FY15: 8.7 Billion Yen
- 4Q FY15: 3.3 Billion Yen
- 1Q FY16: 2.1 Billion Yen
- 2Q FY16: 4.5 Billion Yen
- 3Q FY16: 5.3 Billion Yen

Region Composition:
- Japan: 28.5%
- U.S.: 43.3%
- Europe: 17.0%
- Korea: 10.0%
- Taiwan: 3.3%
- China: 5.3%
- S.E. Asia, Others: 2.1%

CORP IR / January 29, 2016
Balance Sheet

Assets

<table>
<thead>
<tr>
<th>(Billion Yen)</th>
<th>3Q FY15</th>
<th>4Q</th>
<th>1Q FY16</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>831.5</td>
<td>285.3</td>
<td>317.6</td>
<td>298.9</td>
<td>260.7</td>
<td>233.8</td>
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<tr>
<td>106.5</td>
<td>110.8</td>
<td>97.9</td>
<td>110.2</td>
<td>102.8</td>
<td></td>
</tr>
<tr>
<td>166.9</td>
<td>175.5</td>
<td>194.8</td>
<td>180.7</td>
<td>183.9</td>
<td></td>
</tr>
<tr>
<td>59.5</td>
<td>66.7</td>
<td>48.5</td>
<td>54.0</td>
<td>59.2</td>
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<tr>
<td>111.7</td>
<td>106.8</td>
<td>105.3</td>
<td>101.8</td>
<td>100.3</td>
<td></td>
</tr>
<tr>
<td>72.1</td>
<td>70.8</td>
<td>69.1</td>
<td>65.4</td>
<td>67.7</td>
<td></td>
</tr>
</tbody>
</table>

Cash & cash equivalents*

Trade notes, accounts receivables

Inventories

Other current assets

Tangible assets

Intangible assets

Investment & other assets

Liabilities & Net Assets

<table>
<thead>
<tr>
<th>(Billion Yen)</th>
<th>3Q FY15</th>
<th>4Q</th>
<th>1Q FY16</th>
<th>2Q</th>
<th>3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>831.5</td>
<td>218.4</td>
<td>234.9</td>
<td>214.5</td>
<td>218.6</td>
<td>210.9</td>
</tr>
<tr>
<td>613.1</td>
<td>641.1</td>
<td>627.3</td>
<td>576.0</td>
<td>557.7</td>
<td></td>
</tr>
</tbody>
</table>

Liabilities

Net assets

*Cash and cash equivalents: Cash and deposits + Short-term investments, etc. (Securities in B/S).
Inventory Turnover and Accounts Receivable Turnover

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Sales (Billion Yen)</th>
<th>Inventory Turnover (Days)</th>
<th>Accounts Receivable Turnover (Days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q FY14</td>
<td>132</td>
<td>150</td>
<td>100</td>
</tr>
<tr>
<td>4Q FY15</td>
<td>100</td>
<td>125</td>
<td>95</td>
</tr>
<tr>
<td>1Q FY15</td>
<td>95</td>
<td>100</td>
<td>77</td>
</tr>
<tr>
<td>2Q FY15</td>
<td>77</td>
<td>80</td>
<td>54</td>
</tr>
<tr>
<td>3Q FY15</td>
<td>54</td>
<td>60</td>
<td>57</td>
</tr>
<tr>
<td>4Q FY15</td>
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<td>1Q FY16</td>
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<td>2Q FY16</td>
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</tr>
<tr>
<td>3Q FY16</td>
<td>55</td>
<td>55</td>
<td>55</td>
</tr>
</tbody>
</table>

Turnover days = Inventory or accounts receivable at the end of each quarter / last 12 months sales x 365
Cash Flow

### 3Q FY14

#### Cash flow from operating activities
-11.8

#### Cash flow from investing activities
-1.8

#### Cash flow from financing activities
-0.8

#### Free cash flow
-13.7

### 4Q FY15

#### Cash flow from operating activities
56.5

#### Cash flow from investing activities
-2.3

#### Cash flow from financing activities
-0.4

#### Free cash flow
54.1

### 1Q FY16

#### Cash flow from operating activities
16.4

#### Cash flow from investing activities
-1.2

#### Cash flow from financing activities
-4.6

#### Free cash flow
15.2

### 2Q

#### Cash flow from operating activities
26.8

#### Cash flow from investing activities
-2.7

#### Cash flow from financing activities
-1.8

#### Free cash flow
24.1

### 3Q

#### Cash flow from operating activities
31.7

#### Cash flow from investing activities
-2.6

#### Cash flow from financing activities
-5.4

#### Free cash flow
30.7

### 1Q FY16

#### Cash flow from operating activities
17.3

#### Cash flow from investing activities
-0.9

#### Cash flow from financing activities
-6.2

#### Free cash flow
15.3

### 2Q

#### Cash flow from operating activities
30.1

#### Cash flow from investing activities
-2.0

#### Cash flow from financing activities
-36.3

#### Free cash flow
28.8

### 3Q

#### Cash flow from operating activities
13.8

#### Cash flow from investing activities
-12.1

#### Cash flow from financing activities
-64.6

#### Free cash flow
11.1

#### Cash on hand
212.5

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*Cash flow from investing activities excludes changes in deposits with periods to maturity of over 3 months.

**Free cash flow = cash flow from operating activities + cash flow from investing activities excluding changes in deposits with periods to maturity of over 3 months.

***Cash on hand includes the total of cash + deposits with periods to maturity of over 3 months.
Share Repurchase and Cancellation Completed

Cancellation of 15.4m shares completed (Jan 20, 2016)
(Representing 8.53% of pre-cancellation outstanding shares)

Outstanding shares after cancellation: 165,210,911 shares
Business Environment & New TEL Corporate Vision

January 29, 2016

Toshiki Kawai
Representative Director, President & CEO
Business Environment

► SPE Capex

CY2016 WFE capex expected to be similar level to CY2015

- Memory: DRAM investment past its peak, 3D-NAND investment to expand
- Foundry/Logic: Overall demand expected to be in line with CY2015 as start of cutting-edge node investment offsets slowing smartphone and PC demand

► FPD Capex

CY2016 demand for FPD production equipment expected to be firm, similar level to CY2015, mainly driven by capex for small/medium panels for mobile devices

(Outlook as of January 2016)

The semiconductor production process can be divided into two sequential sub-processes referred to as front-end (wafer fabrication) and back-end (assembly and test) production. WFE (wafer fabrication equipment) is used in the front-end production process.
As of the April-June 2015 quarter, the PVE business was no longer material as stipulated in the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information. Therefore, it has been excluded from segmental reporting.
Composition of SPE Orders by Application: Equipment Only

<table>
<thead>
<tr>
<th>13/10-12</th>
<th>14/1-3</th>
<th>4-6</th>
<th>7-9</th>
<th>10-12</th>
<th>15/1-3</th>
<th>4-6</th>
<th>7-9</th>
<th>10-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logic &amp; others (MPU, AP, Others)</td>
<td>Logic Foundry</td>
<td>Flash memory</td>
<td>DRAM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
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<td>36</td>
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<td>27</td>
</tr>
<tr>
<td>0%</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>80%</td>
<td>100%</td>
<td>13/10-12</td>
<td>14/1-3</td>
<td>4-6</td>
</tr>
</tbody>
</table>

Legend:
- Logic & others (MPU, AP, Others)
- Logic Foundry
- Flash memory
- DRAM
SPE Orders by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>13/10-12</th>
<th>14/1-3</th>
<th>4-6</th>
<th>7-9</th>
<th>10-12</th>
<th>15/1-3</th>
<th>4-6</th>
<th>7-9</th>
<th>10-12</th>
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<tbody>
<tr>
<td>Japan</td>
<td>18.4</td>
<td>19.8</td>
<td>20.4</td>
<td>24.9</td>
<td>24.0</td>
<td>40.8</td>
<td>29.0</td>
<td>29.0</td>
<td>20.4</td>
</tr>
<tr>
<td>U.S.</td>
<td>35.3</td>
<td>38.9</td>
<td>35.1</td>
<td>34.7</td>
<td>39.5</td>
<td>30.7</td>
<td>23.9</td>
<td>22.6</td>
<td>26.1</td>
</tr>
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<td>Europe</td>
<td>7.2</td>
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<td>12.7</td>
<td>8.9</td>
<td>9.4</td>
<td>7.9</td>
</tr>
<tr>
<td>Korea</td>
<td>20.5</td>
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<td>17.3</td>
<td>22.1</td>
<td>40.8</td>
<td>35.1</td>
<td>14.8</td>
<td>9.3</td>
<td>35.5</td>
</tr>
<tr>
<td>Taiwan</td>
<td>34.6</td>
<td>41.8</td>
<td>37.0</td>
<td>30.5</td>
<td>34.5</td>
<td>41.3</td>
<td>48.3</td>
<td>37.8</td>
<td>34.6</td>
</tr>
<tr>
<td>China</td>
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<td>4.8</td>
<td>4.7</td>
<td>4.5</td>
<td>14.2</td>
<td>14.2</td>
<td>25.7</td>
<td>10.4</td>
<td>26.9</td>
</tr>
<tr>
<td>S.E. Asia, Others</td>
<td>2.2</td>
<td>2.2</td>
<td>7.5</td>
<td>6.4</td>
<td>3.2</td>
<td>4.5</td>
<td>5.6</td>
<td>3.7</td>
<td>7.5</td>
</tr>
</tbody>
</table>
As of the April-June 2015 quarter, the PVE business was no longer material as stipulated in the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information. Therefore, it has been excluded from segmental reporting.
FY2016 Financial Estimates (Announced on October 27, 2015)

- Full-year operating profit of over 100.0 billion yen and OPM of 16% expected due to further increases in profitability

<table>
<thead>
<tr>
<th>FY2015 (Actual)</th>
<th>FY2016 (Estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st half</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td>Net Sales</td>
<td>613.1</td>
</tr>
<tr>
<td>SPE</td>
<td>576.2</td>
</tr>
<tr>
<td>FPD</td>
<td>32.7</td>
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<tr>
<td>Operating income</td>
<td>88.1</td>
</tr>
<tr>
<td>Lower line: OP margin</td>
<td>14.4%</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>86.8</td>
</tr>
<tr>
<td>Net income attributable to owners of parent</td>
<td>71.8</td>
</tr>
</tbody>
</table>

(Billion Yen)
New TEL Corporate Vision
The IoT Future

Potential economic impact of IoT in 2025

Up to $11.1tn
(2015: $900bn)

Connected devices in 2020
50bn
(2014: 14.2 bn)

IP Traffic
CAGR 23%
(2014-2019)

2019 semiconductor market
$388bn
(2014: $340bn)

2019 WFE market
$39bn
(2014: $32bn)

Source: CISCO, McKinsey & Company,
W.W. semiconductor market: Gartner, Semiconductor Forecast Database Worldwide 4Q15 Update
W.W.WFE market: Gartner, Forecast Semiconductor Wafer-Level Manufacturing Equipment Worldwide 4Q15 Update
Evolution of semiconductors involves new, extensive technologies.
Semiconductor Manufacturing Process Nodes for IoT

Wafer Consumption by Nodes

Manufacturing process nodes going multi-generational

Source: IHS, Semiconductor Silicon Demand Forecast Tool - Q4 2015
Basic Strategy

Develop leading-edge technologies
+ Upgrade legacy technologies
  (Improve productivity, energy saving)

Respond to multi-generation shift
Technology Inflection Points Create Business Opportunities

As Technology Advances, New Opportunities Arise

Expanding our Competitive Strengths to Maximize Growth Opportunities

I am pleased to have assumed the position of representative director, senior executive vice president and CEO in June 2015. I would like to thank our shareholders and other stakeholders for their support and confidence.

The Internet of things, which connects not only conventional PCs and mobile devices, but also various other objects, is swiftly upon us. According to Cisco Systems, a U.S.-based network equipment manufacturing company, the number of devices connected to the Internet is expected to grow from 14.5 billion in 2014 to 50 billion in 2020, and almost all of these devices will be expected to grow at an average of 25% per year from 2014 to 2016. Technological innovation in semiconductors has an important part to play in this growth of new uses, as the existing production equipment technologies that support such innovation.

The semiconductor industry is now seeing a light at the end of the most important inflection point in its history. Until now, semiconductor firms have developed through organic growth. However, through innovation, we are accelerating the pace of technological development and meeting the needs to overcome by various technologies. To break through these barriers, we have set our technology roadmaps, and have been conducting research and development with respect to substrate technology. By developing products suited for these new technologies, Tokyo Electron intends to maintain its market share in every area of the product category in 2014. We regard technological inflection points as an unparalleled opportunity for business expansion.

Going forward, under a new organizational structure, we will focus on our mobility semiconductor equipment business and the panel display by our production equipment businesses to further enhance product competitiveness. In fact, we are currently pioneering our region and account management structures to construct an organization system that can be better responsive to customer needs by quickly reacting to established solutions.

Under a new executive framework designed to maximize Tokyo Electron's strengths, we are pursuing world-class product competitiveness and profitability and thus seeking to enhance corporate value.

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(From TEL Annual Report 2015 )
New TEL Vision

A real global company generating high added-value and profits to Semiconductor and FPD industries through innovative technologies and groundbreaking proactive solutions with integrated diverse technologies.
Goals

1. Reward shareholder support for TEL’s growth potential
   Further enhance shareholder value, sustain new shareholder return policy
2. Support fulfilling lives for employees and their families
   Make compensation system more closely matched to role and contribution
3. Contribute to industry and society

Pursue profits

Raise corporate value
TEL’s innovative technology and industry leading solutions
New TEL Medium-term Direction

1. Best in Class = “strong business platform”
2. Best Fit in New Market = “responding to diversity”

GOAL

Current 2018~20 ~2025

New TEL as No.1

Best in Class
Best Fit in New Market
### Operating margin

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<tbody>
<tr>
<td>Profit Margin</td>
<td>4%</td>
<td>14.4%</td>
<td>18%</td>
<td>15%</td>
<td>24%</td>
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</tbody>
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### ROE

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<tbody>
<tr>
<td>ROE</td>
<td>9%</td>
<td>11.8%</td>
<td>18%</td>
<td>13%</td>
<td>18%</td>
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## Medium-term Plan Financial Model

<table>
<thead>
<tr>
<th>Wafer Fab Equipment Market size</th>
<th>$30B</th>
<th>$37B</th>
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</thead>
<tbody>
<tr>
<td>Sales</td>
<td>¥720.0B</td>
<td>¥900.0B</td>
</tr>
<tr>
<td>Operating margin</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>ROE</td>
<td>15%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Aiming for global-level profitability
New TEL: Enhance TEL in Three Key Areas

- Enhance customer support
- Enhance profitability generation
- Enhance product competitiveness
New Executive Team (Effective January 1, 2016)

Representative Director, President & CEO
T.Kawai

Representative Director, Senior Executive V.P.
Development & Production
H.Kitayama

Business Div.
GM
T.Kawai
Deputy GM
H.Tsutsumi
BUGMs

Development & Production Div.
GM
S.Sasaki
Deputy GM
M.Akimoto
Deputy GM
G.Chung

Global Field Div.
GM
H.Ito
Deputy GM
K.Washino

Corp. Admin. Div.
GM
T.Hori
Deputy GM
T.Nagakubo
Corporate Governance
Proactive governance to achieve sustainable growth

- TEL uses the Audit & Supervisory Board governance system and has achieved effective governance based on the supervision of management by the Audit & Supervisory Board
  - The Board of Directors’ role is to make major operational decisions and supervise their execution

- Nomination Committee and Compensation Committee are in place to ensure fair, effective, and transparent management
- The Corporate Senior Staff formulates and advances company strategy
Approach to Key Issues

- **Stronger linkage between performance appraisal, rewards and medium-term plan**
  (Supplementary Principle 4-2-1, 4-3-1 of “Japan’s Corporate Governance Code”)
  - TEL has ensured a degree of linkage of rewards to medium-term performance, but will consider a compensation system that provides stronger linkage to the Medium-term Management Plan
  - TEL believes it is important to provide greater incentives linked to sustainable growth and will therefore consider personnel evaluation methods that are more directly linked to progress on the Medium-term Management Plan

- **Board of Director effectiveness disclosure**
  (Supplementary Principle 4-11-3)
  - TEL will debate concerning the effectiveness of the Board of Directors from this fiscal year onward and intends to compile its own analysis and evaluation and disclose a summary of the results
Disclaimer regarding forward-looking statement
Forecast of TEL’s performance and future prospects and other sort of information published are made based on information available at the time of publication. Actual performance and results may differ significantly from the forecast described here due to changes in various external and internal factors, including the economic situation, semiconductor/FPD/PV market conditions, intensification of sales competition, safety and product quality management, and intellectual property-related risks.

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.

Exchange Risk
In principle, export sales of Tokyo Electron’s mainstay semiconductor and FPD/PV panel production equipment are denominated in yen. While some settlements are denominated in dollars, exchange risk is hedged as forward exchange contracts are made individually at the time of booking. Accordingly, the effect of exchange rates on profits is negligible.

FPD/PV: Flat panel display/Photovoltaic