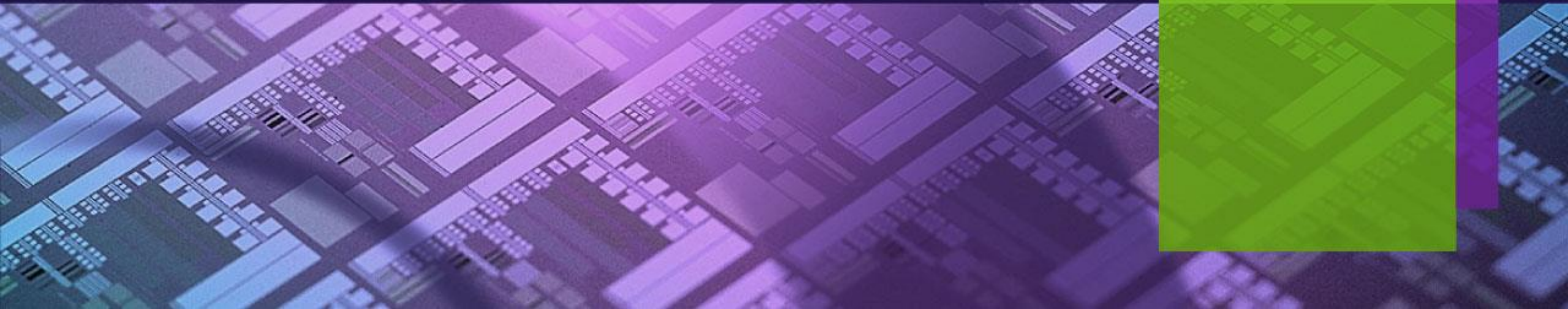
FY2025 (April 2024 - March 2025) Financial Announcement

April 30, 2025

Agenda:

- Consolidated Financial Summary
  Hiroshi Kawamoto, SVP & GM, Division Officer of Finance Division
- 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 political and economic situation, semiconductor market conditions, intensification of sales competition, safety and product quality management, intellectual property-related matters and impacts from infectious diseases.

- 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 products is denominated in yen. Although some sales and expenses are denominated in foreign currencies, the impact of foreign exchange rate fluctuations on profits is negligible, unless extreme fluctuations occur.

FY2025 Consolidated Financial Summary

April 30, 2025

Hiroshi Kawamoto
SVP & GM, Division Officer of Finance Division

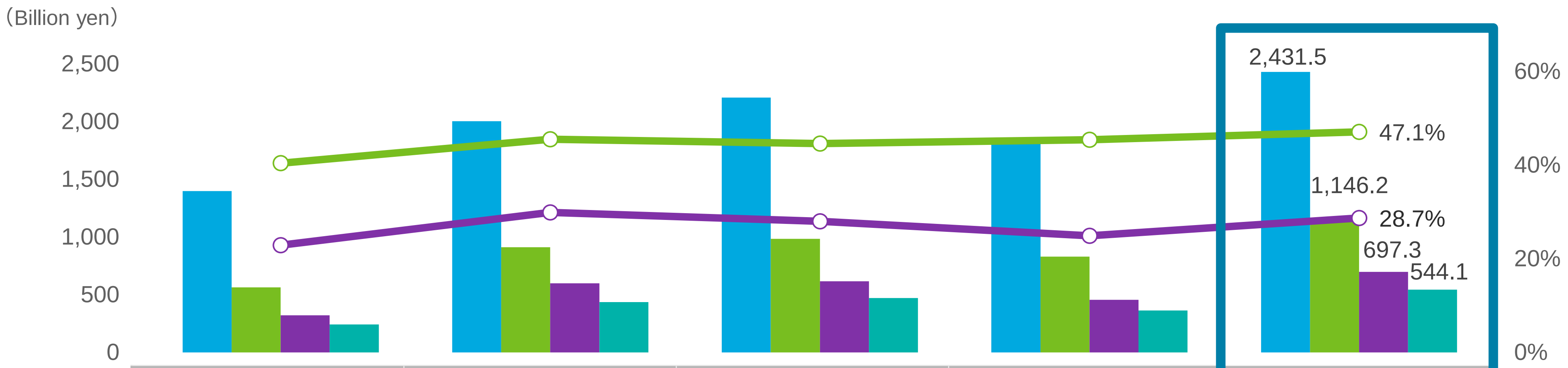
Financial Summary

(Billion yen)

	FY2024	FY2025	FY2025 vs FY2024	(Reference) FY2025 estimates announced on February 6, 2025
Net sales	1,830.5	**2,431.5**	+32.8%	2,400.0
Gross profit	830.2	**1,146.2**	+38.1%	1,129.0
Gross profit margin	45.4%	**47.1%**	+1.7pts	47.0%
SG&A expenses	374.0	**448.9**	+20.0%	449.0
Operating income	456.2	**697.3**	+52.8%	680.0
Operating margin	24.9%	**28.7%**	+3.8pts	28.3%
Income before income taxes	473.4	**706.1**	+49.1%	691.0
Net income attributable to owners of parent	363.9	**544.1**	+49.5%	526.0
EPS (Yen)	783.75	**1,182.40**	+50.9%	1,142.47
R&D expenses	202.8	**250.0**	+23.2%	254.0
Capital expenditures	121.8	**162.1**	+33.1%	170.0
Depreciation and amortization	52.3	**62.1**	+18.7%	63.0

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

Financial Trend (FY2021~FY2025)



	FY2021	FY2022	FY2023	FY2024	FY2025
🟦 **Net sales**	1,399.1	2,003.8	2,209.0	1,830.5	**2,431.5**
🟩 **Gross profit**	564.9	911.8	984.4	830.2	**1,146.2**
🟪 **Operating profit**	320.6	599.2	617.7	456.2	**697.3**
■ **Net income attributable to owners of parent**	242.9	437.0	471.5	363.9	**544.1**
○ **Gross profit margin**	40.4%	45.5%	44.6%	45.4%	**47.1%**
○ **Operating margin**	22.9%	29.9%	28.0%	24.9%	**28.7%**
ROE	26.5%	37.2%	32.3%	21.8%	**30.3%**

From the beginning of FY2022, the Company applies “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29).

Net sales, gross profit, operating profit and net income reached record high

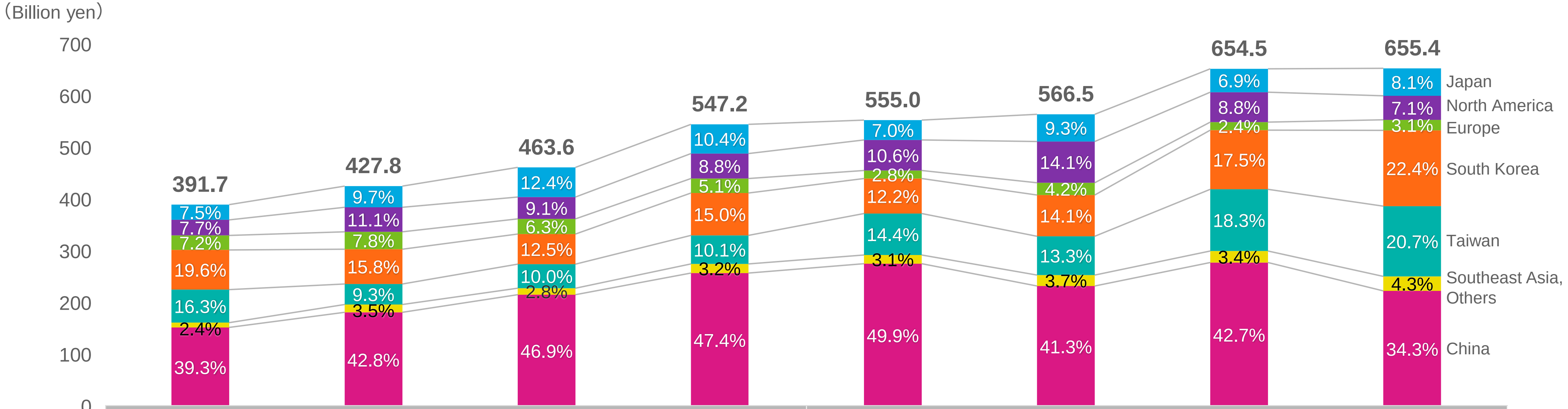
Financial Summary (Quarterly)

(Billion yen)

	FY2024	FY2025				vs. Q3 FY2025	vs. Q4 FY2024
	Q4	Q1	Q2	Q3	Q4		
Net sales	547.2	555.0	566.5	654.5	**655.4**	+0.1%	+19.8%
Gross profit	256.1	264.0	259.9	311.7	**310.5**	-0.4%	+21.3%
Gross profit margin	46.8%	47.6%	45.9%	47.6%	**47.4%**	-0.2pts	+0.6pts
SG&A expenses	110.8	98.2	111.7	112.1	**126.7**	+13.1%	+14.3%
Operating income	145.2	165.7	148.1	199.6	**183.7**	-7.9%	+26.6%
Operating margin	26.5%	29.9%	26.2%	30.5%	**28.0%**	-2.5pts	+1.5pts
Income before income taxes	157.8	167.2	153.6	200.1	**185.1**	-7.5%	+17.3%
Net income attributable to owners of parent	124.9	126.1	117.7	157.2	**142.9**	-9.1%	+14.4%
R&D expenses	58.4	53.4	62.0	61.8	**72.7**	+17.7%	+24.5%
Capital expenditures	32.9	23.9	53.3	50.2	**34.6**	-31.1%	+4.9%
Depreciation and amortization	15.3	13.2	14.5	16.0	**18.3**	+14.4%	+19.7%

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

Composition of Net Sales by Region (Q1 FY2024 - Q4 FY2025)



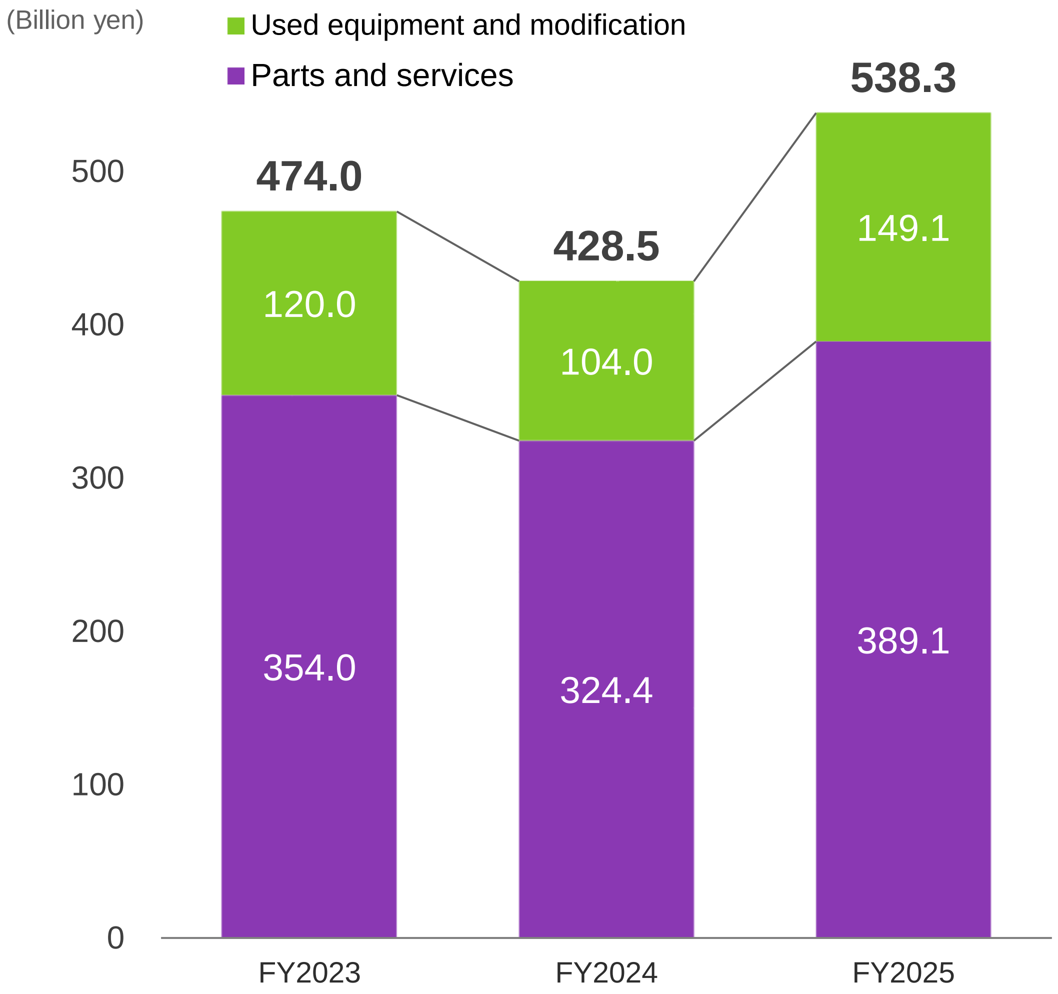
	FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Japan	29.5	41.2	57.4	56.7	38.5	52.6	45.3	**53.4**
North America	30.1	47.4	42.1	48.3	59.0	79.9	57.7	**46.2**
Europe	28.1	33.5	29.4	28.1	15.5	23.8	15.7	**20.3**
South Korea	76.7	67.4	58.2	82.0	67.8	79.5	114.5	**147.0**
Taiwan	63.9	39.9	46.3	55.2	80.0	75.3	119.3	**135.8**
Southeast Asia, Others	9.2	15.1	12.7	17.5	17.0	21.2	22.3	**27.8**
China	153.9	182.9	217.2	259.1	277.0	233.9	279.4	**224.6**

SPE New Equipment Sales by Application

- DRAM: Leading-edge investment (HBM etc.) was a significant contributor for higher sales and a larger composition ratio
- Non-volatile memory: Sales were on an upward trajectory despite the composition ratio remaining unchanged as customer investment eased towards a recovery
- Non-memory: Sales rose significantly on active investment in leading-edge nodes as well as demand for mature nodes

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

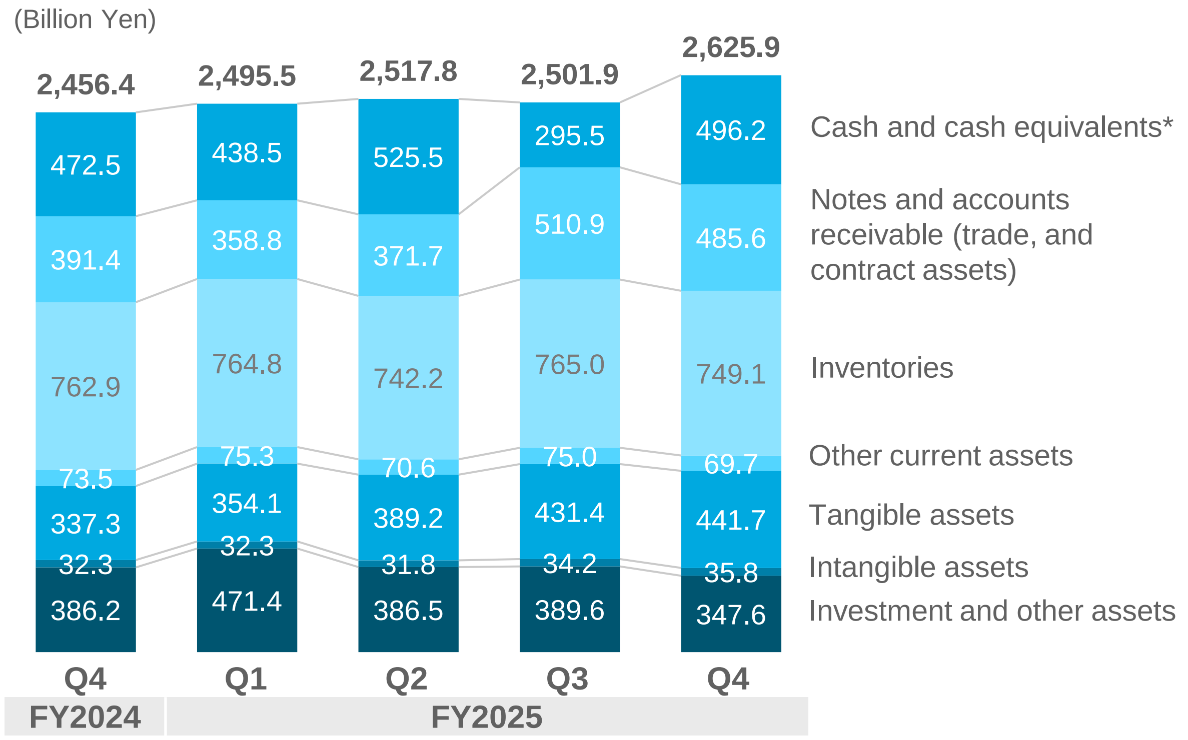
Field Solutions Sales



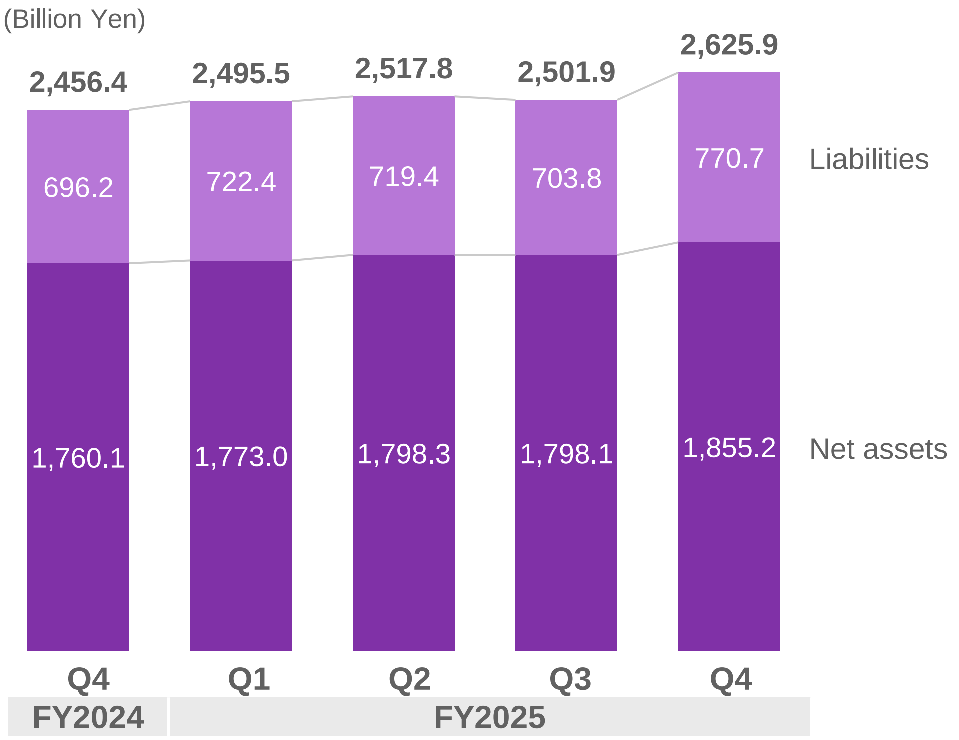
- Field Solutions sales in FY2025 were 538.3B yen, up 25.6% YoY
- Both parts and services and used equipment and modification sales were in good shape along with the recovery of customers’ fab utilization rates

Balance Sheet (Quarterly)

Assets

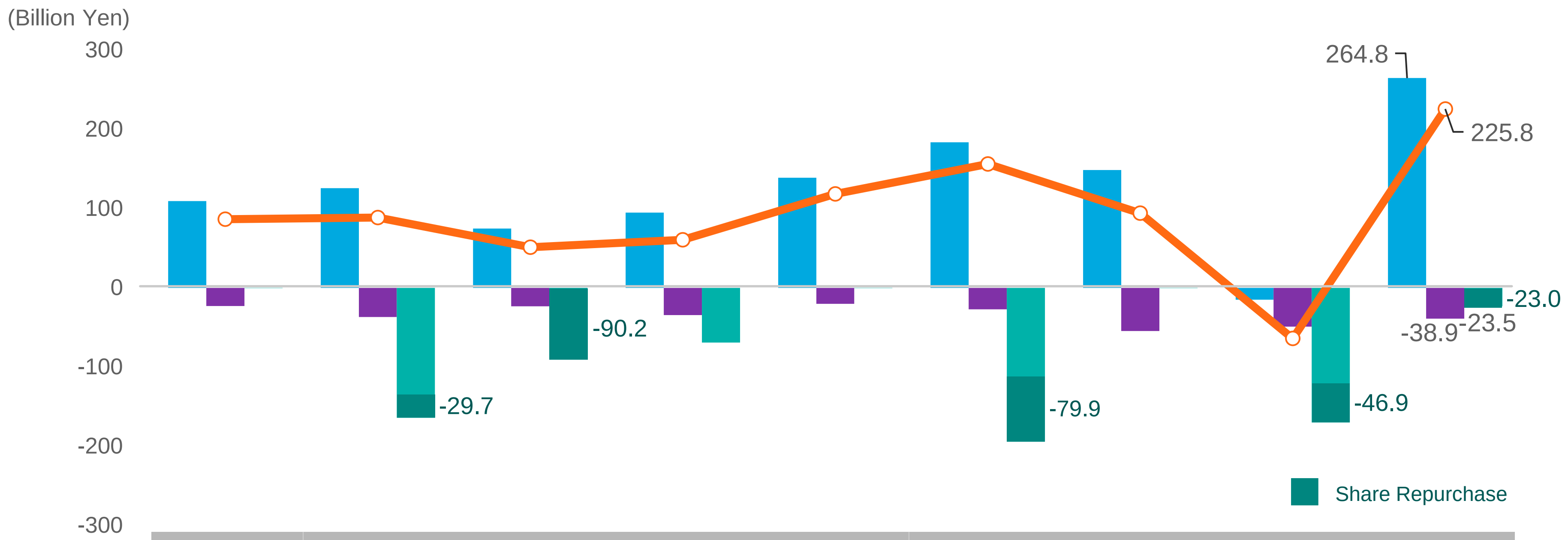


Liabilities and Net Assets



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

Cash Flow (Quarterly)



	FY2023	FY2024				FY2025			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
🟦 **Cash flow from operating activities**	109.6	125.7	74.8	95.0	139.0	183.7	148.6	**-15.0**	**264.8**
🟪 **Cash flow from investing activities***1	-23.1	-36.8	-23.4	-34.4	-20.3	-27.3	-54.4	**-49.0**	**-38.9**
🟩 **Cash flow from financing activities**	-0.5	-164.1	-90.8	-69.3	-0.6	-194.4	-0.6	**-170.1**	**-23.5**
○ **Free cash flow***2	86.5	88.8	51.4	60.6	118.7	156.4	94.1	**-64.1**	**225.8**
Cash on hand*3	473.1	401.0	362.6	352.4	472.5	438.5	525.5	**295.5**	**496.2**

*1 Cash flow from investing activities excludes changes in time deposits and short-term investments.

*2 Free cash flow = “Cash flow from operating activities” + “Cash flow from investing activities” (excluding changes in “Time deposits” and “Short-term investments”).

*3 Cash on hand includes “Cash and cash equivalents” + “Time deposits and short-term investments” with original maturities of more than three months.

Business Environment and Financial Estimates

April 30, 2025

Toshiki Kawai
Representative Director, President & CEO

FY2025 Business Highlights

- Achieved record highs for both net sales and profit.
  Gross profit exceeded 1 trillion yen for the first time
  - Net sales grew +33%. Sales for DRAM grew significantly by +59% with the adoption of a wide range of equipment for HBM*[1]
- Market share expanded by winning PORs*[2] with strategic products
  - **Etch**: DRAM - major monopoly in capacitor etch; NAND - new POR in channel hole etch (cryogenic etch), expansion in slit etch; logic/HBM - adoption in advanced packaging interconnect processes
  - **Wafer bonders**: Significant increase in demand for temporary bonders/debonders for HBM
  - **Probers**: sales rose by leveraging the trend of expanding investments in advanced logic
- Released new products on the expectation that they will support entry into new areas
  - Episode™ 1 single-wafer plasma CVD system; LEXIA™-EX sputtering system;
    Acrevia™ Gas Cluster Beam system; Ulucus™ LX extreme laser lift off system
- Completed share repurchase of approx. 150 billion yen

*1 HBM: High Bandwidth Memory
*2 POR: Process of Record

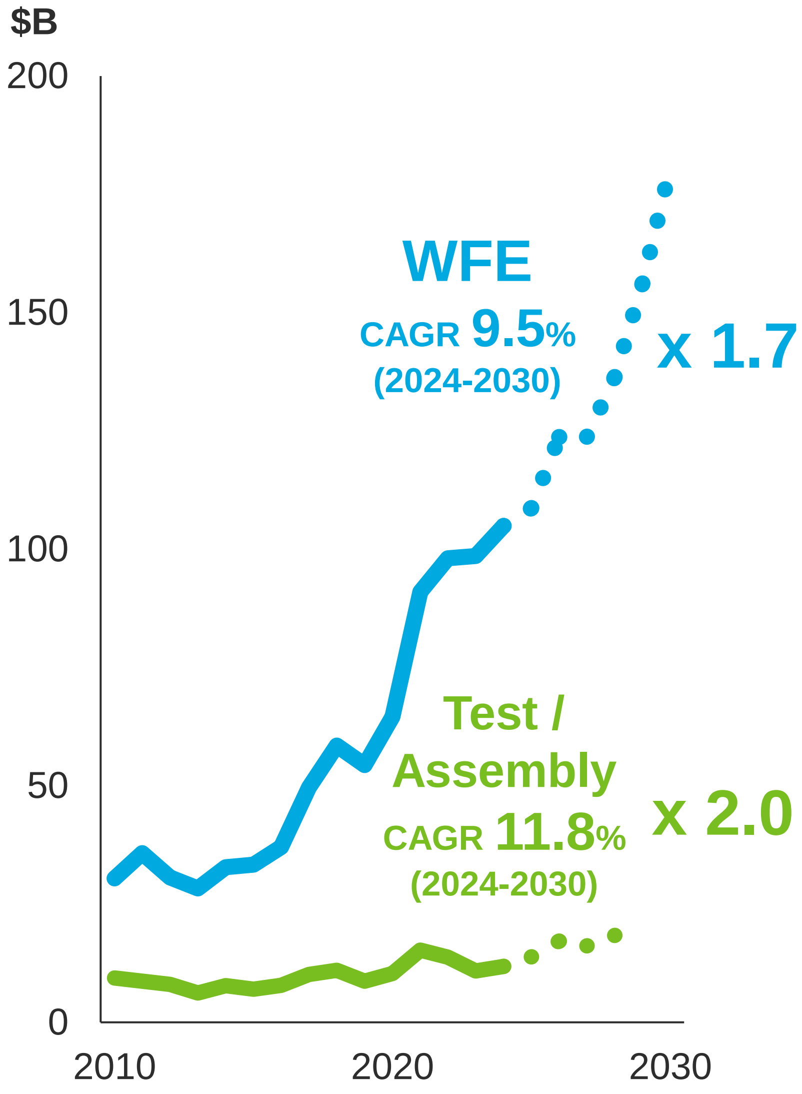
Business Environment (WFE Market Outlook as of April 2025)

- **CY2025: Forecasting around $110B, flat YoY**
  - Lull in both automotive and power semiconductor investment, and investment by emerging Chinese manufacturers
  - Demand for AI servers is driving investment in leading-edge logic and HBM
- **CY2026: Double-digit growth is expected**
  - Expect continued and significant demand for AI servers, as well as an acceleration in investment in 2nm mass production
  - Also expect higher semiconductor demand accompanying the increase in on-device AI for PCs and smartphones

Expanding business opportunities for TEL amid progress in technological innovations of both scaling and heterogeneous integration (GAA[*1], BSPDN[*2], HBM, testing) in order to achieve even higher speed, higher capacity, higher reliability and lower power consumption

*1 GAA (Gate All Around)	: A transistor structure where the channel is surrounded by the gate
*2 BSPDN (Backside Power Delivery Network)	: Structures that arrange power delivery networks on the backside of wafer

Strategic Technologies for Future Growth



Source : TechInsights (April 2025)

Frontend

Logic : GAA, BSPDN

- EUV Coater/Developer
- Gas Chemical Etch
- Conductor Etch
- PVD Metal Overburden
- CFET/Inner Spacer Plasma CVD for filling film
- Double-sided scrubber
- Backside/bevel cleaning
- Pattern Shaping
- Wafer Bonder
- Laser Tool

DRAM: 2D & 3D DRAM

- EUV Coater/Developer
- Capacitor Mold Etch
- Batch High-k Capacitor deposition
- PVD Metal Hardmask
- Supercritical Cleaning
- Backside/bevel Cleaning
- Wafer Bonder
- Laser Tool

NAND: Beyond 4xx

- Slit Etch
- Channel Hole Etch (Plug)
- Batch Mo deposition
- Batch Cleaning WL Separation
- Wafer Bonder
- Laser Tool

Advanced Packaging

Logic Packaging

- Interposer, Polyimide & PR Coater/Developer
- TDV Etch
- Batch High-k Capacitor depo
- Wafer Bonder
- Laser Tool

HBM Packaging

- Polyimide & PR Coater/Developer
- Metal Etch for HBM
- Aerosol Cleaning
- Temporary Bonder/Debonder

Advanced Logic / Memory Test

- Prober

FY2026 Financial Estimates

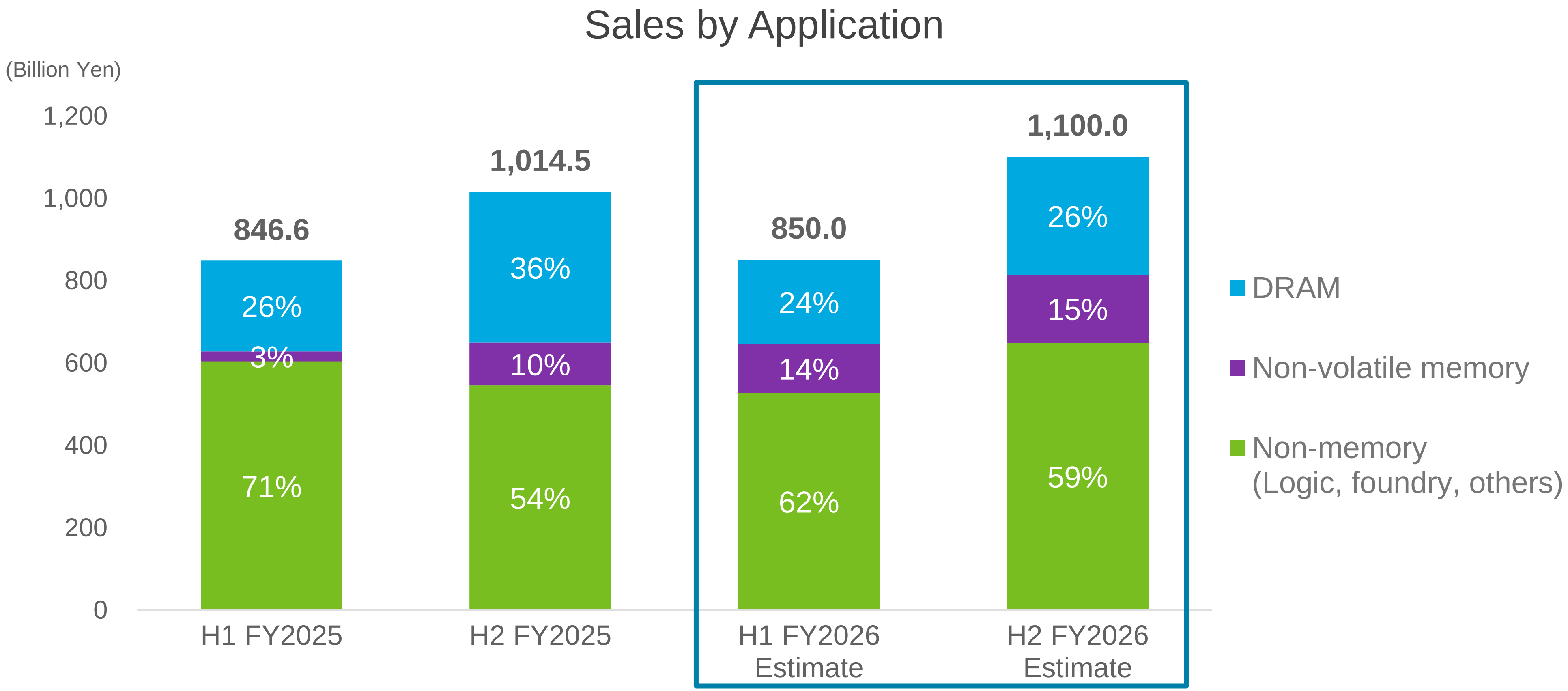
FY2026 Financial Estimates

(Billion Yen)

	FY2025 (Actual)	FY2026 (Estimates)			
		H1	H2	Full Year	Full Year YoY
Net sales	2,431.5	1,150.0	1,450.0	2,600.0	+6.9%
Gross profit	1,146.2	527.0	701.0	1,228.0	+7.1%
Gross profit margin	47.1%	45.8%	48.3%	47.2%	+0.1pts
SG&A expenses	448.9	239.0	262.0	501.0	+11.6%
R&D	250.0	140.0	160.0	300.0	+20.0%
Other than R&D	198.9	99.0	102.0	201.0	+1.1%
Operating income	697.3	288.0	439.0	727.0	+4.3%
Operating margin	28.7%	25.0%	30.3%	28.0%	-0.7pts
Income before income taxes	706.1	293.0	443.0	736.0	+4.2%
Net income attributable to owners of parent	544.1	224.0	342.0	566.0	+4.0%
Net income per share (Yen)	1,182.40	488.97	-	1,235.51	+53.11

Expect record high revenue and OP again in FY2026
Plan 300B yen R&D investment to maximize future growth opportunities

FY2026 SPE New Equipment Sales Forecast



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

Expect customers to begin preparations in H2 FY2026 in anticipation for market growth in CY2026.
Expect record-high half-year sales in H2 FY2026

FY2026 R&D Expenses and Capex Plan

New Development Building

Etch system

Kurokawa-gun, Miyagi Prefecture

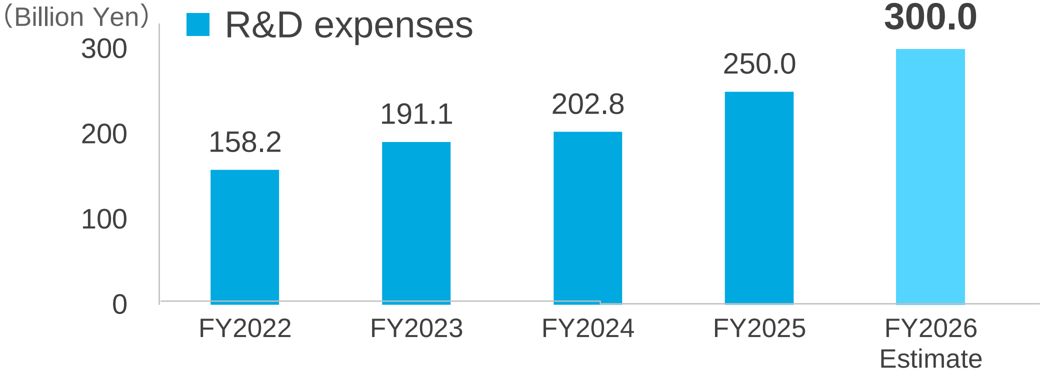
Established in April 2025

New Development Building

Coater/developer, cleaning system, bonder

Koshi-city, Kumamoto Prefecture

Completion scheduled for autumn 2025



Tohoku Production and Logistics Center

Deposition system

Oshu-city, Iwate Prefecture

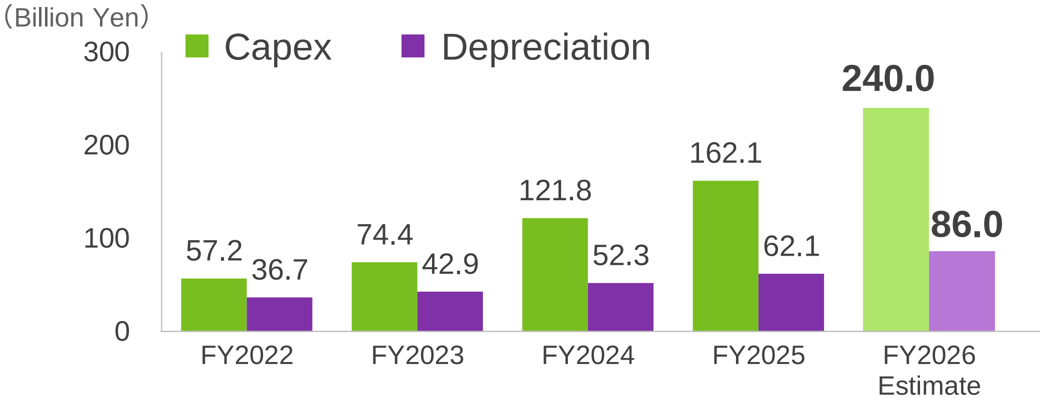
Completion scheduled for autumn 2025

New Production Building

Etch system

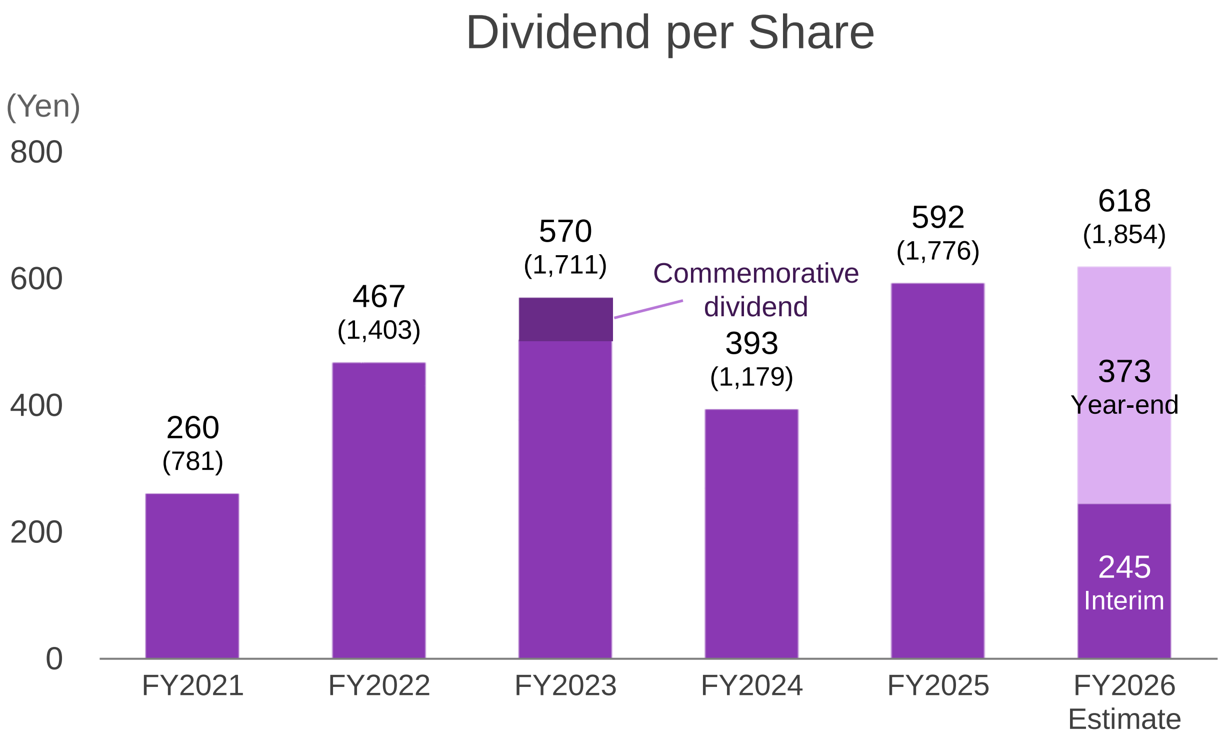
Kurokawa-gun, Miyagi Prefecture

Completion scheduled for summer 2027



Continue aggressive R&D and capital investments for future growth

FY2026 Dividend Forecast



- Dividends per share from FY2020 to FY2023 are calculated on the assumption that the stock split was conducted at the beginning of FY2020.
- FY2023 includes the 60th anniversary commemorative dividends.
- Amounts before the stock split are shown in parentheses.

TEL shareholder return policy

Dividend payout ratio: 50%

Annual DPS of not less than 50 yen*

We will review our dividend policy if the company does not generate net income for two consecutive fiscal years

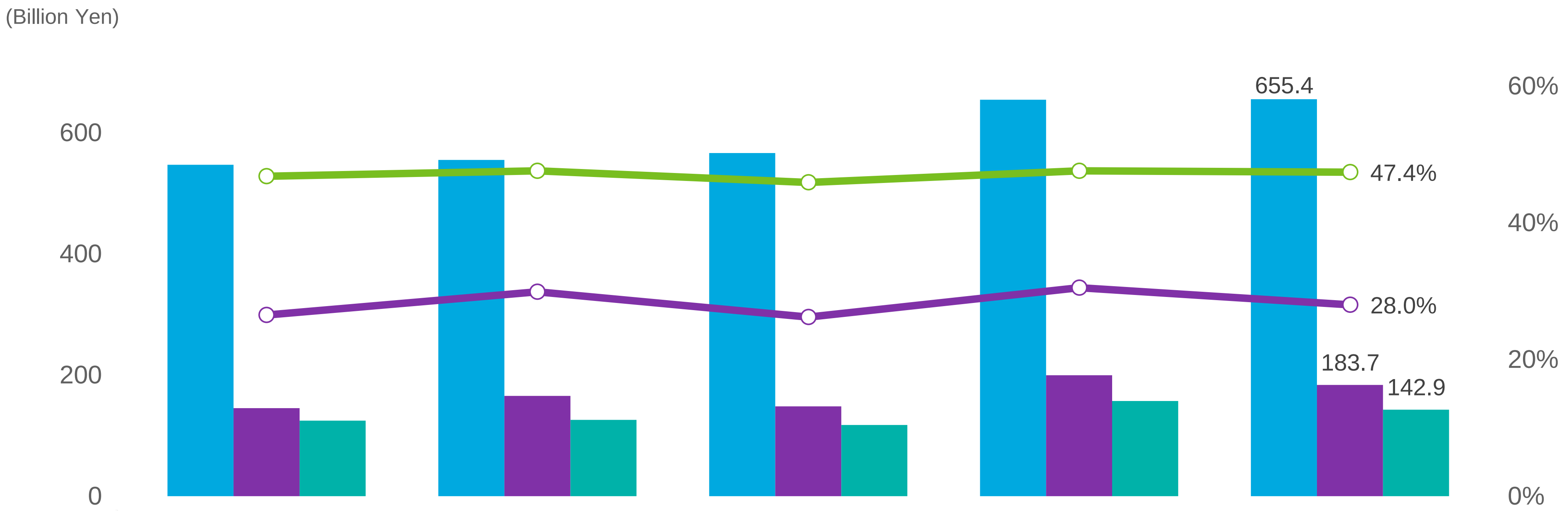
We will flexibly consider share buybacks

*Due to the stock split on April 1, 2023, the amount has been changed from 150 yen to 50 yen.

Implemented a 3-for-1 common stock split on April 1, 2023.
Full-year dividends are expected to be 618 yen per share

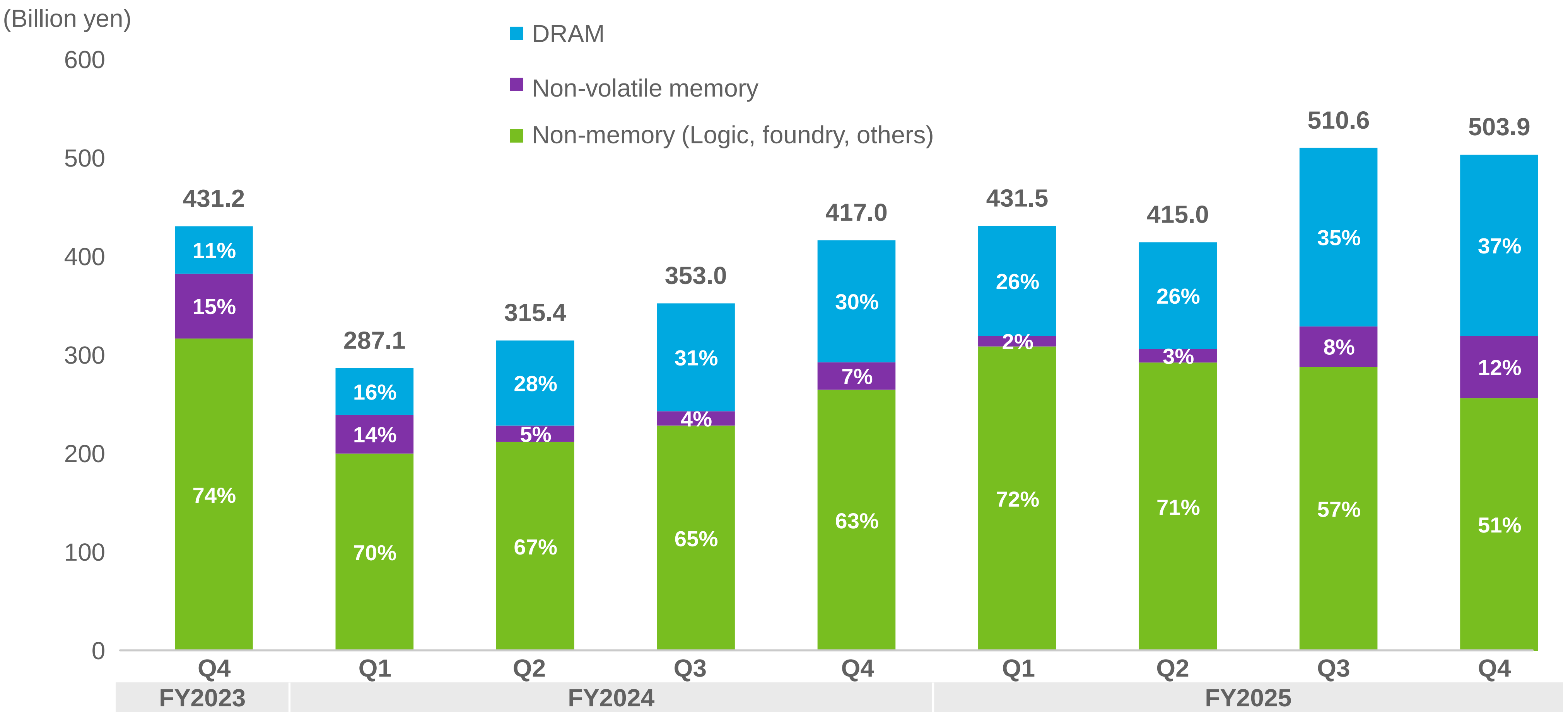
Appendix

Financial Performance (Quarterly)



	FY2024	FY2025			
	Q4	Q1	Q2	Q4	Q4
🟦 **Net sales**	547.2	555.0	566.5	**654.5**	**655.4**
🟪 **Operating income**	145.2	165.7	148.1	**199.6**	**183.7**
🟩 **Net income attributable to owners of parent**	124.9	126.1	117.7	**157.2**	**142.9**
○ **Gross profit margin**	46.8%	47.6%	45.9%	**47.6%**	**47.4%**
○ **Operating margin**	26.5%	29.9%	26.2%	**30.5%**	**28.0%**

SPE New Equipment Sales by Application (Quarterly)



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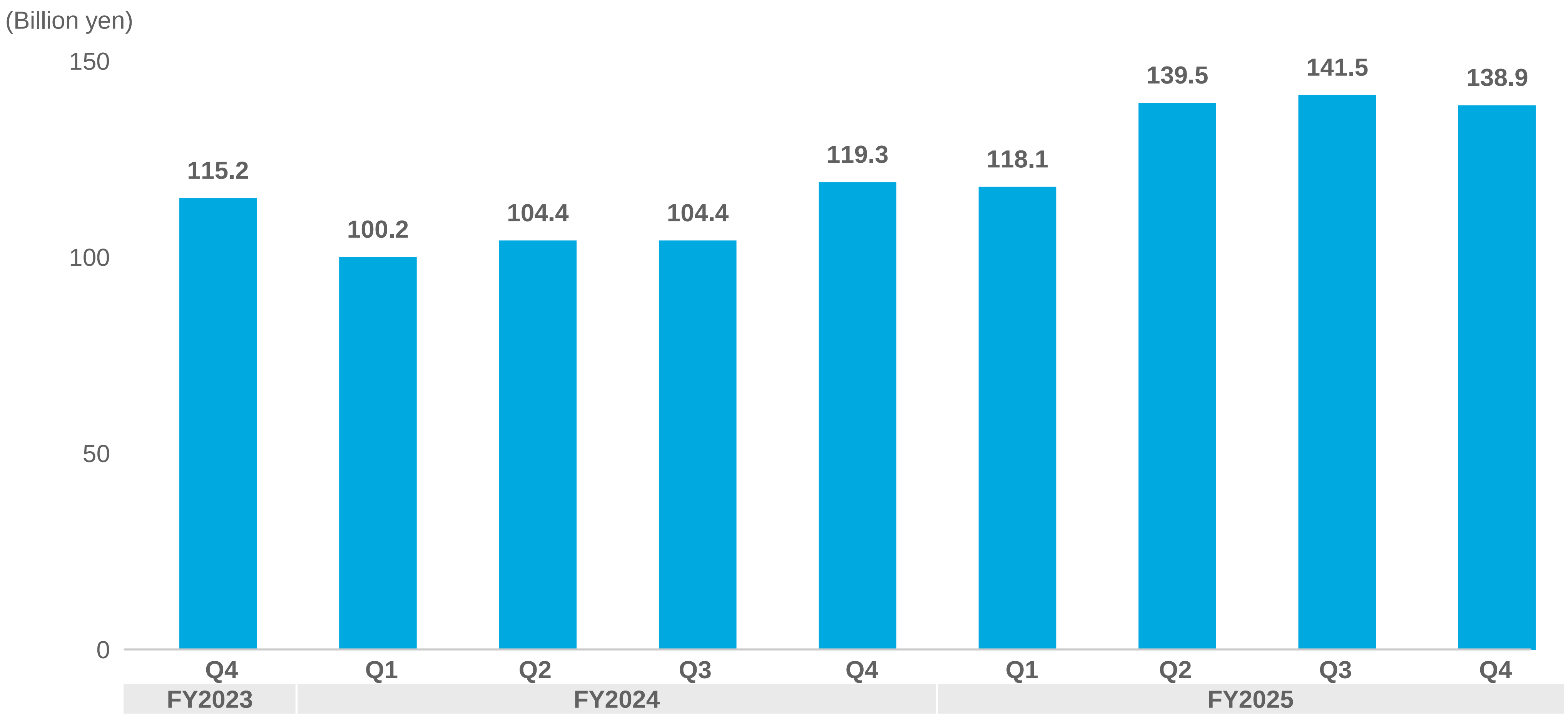
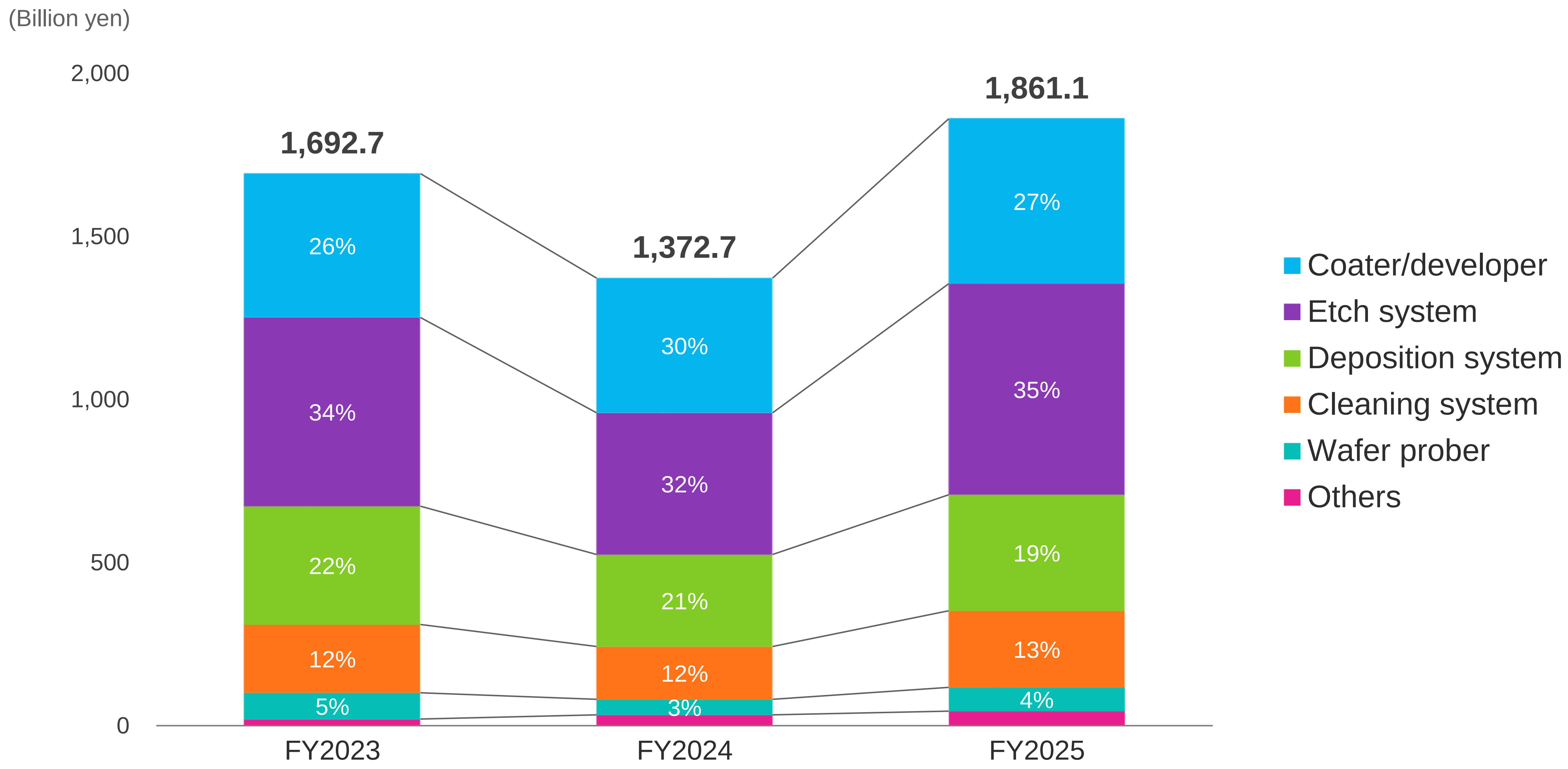
2. Percentages on the graph show the composition ratio of new equipment sales. Field Solutions sales are not included.

Field Solutions Sales (Quarterly)



TEL

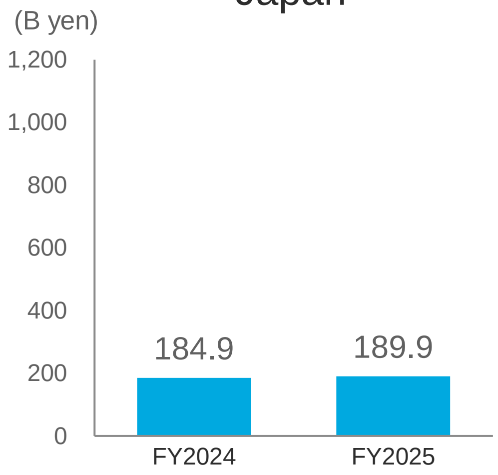
SPE New Equipment Sales by Product



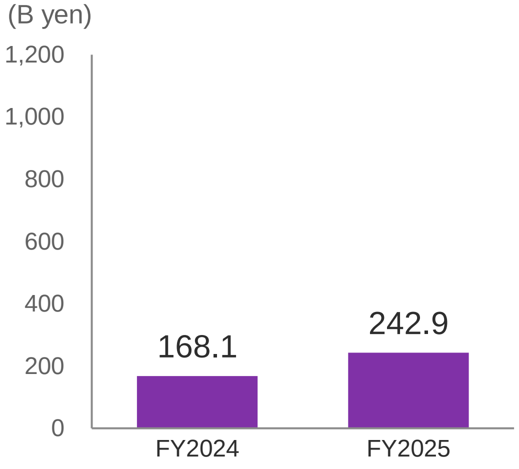
Percentages on the graph show the composition ratio of new equipment sales. Field Solutions sales are not included.

Sales by Region

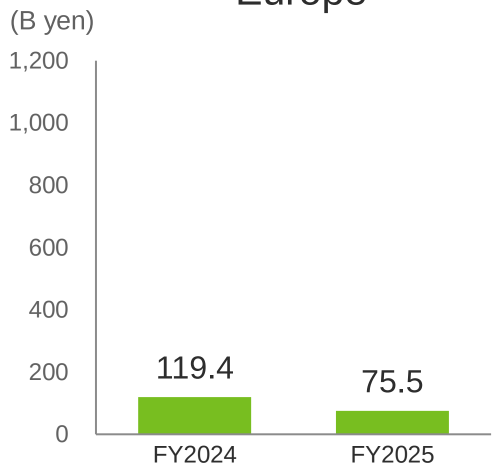
Japan



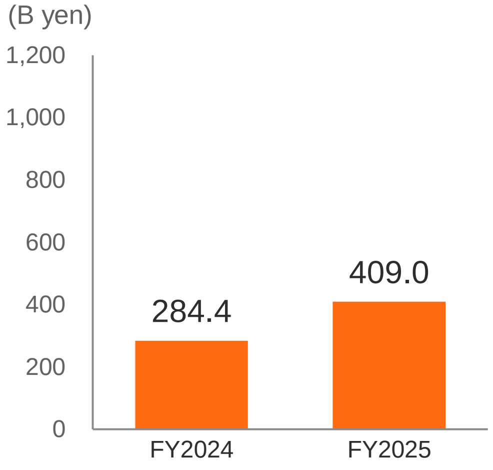
North America



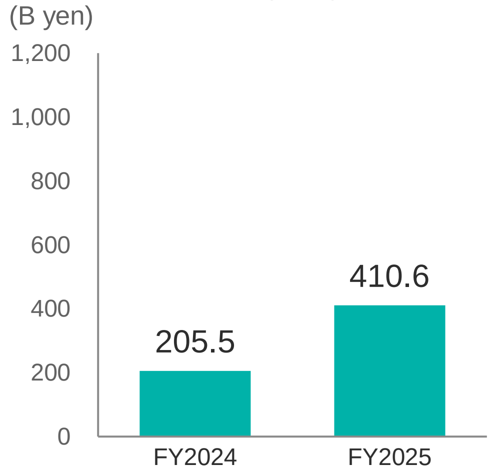
Europe



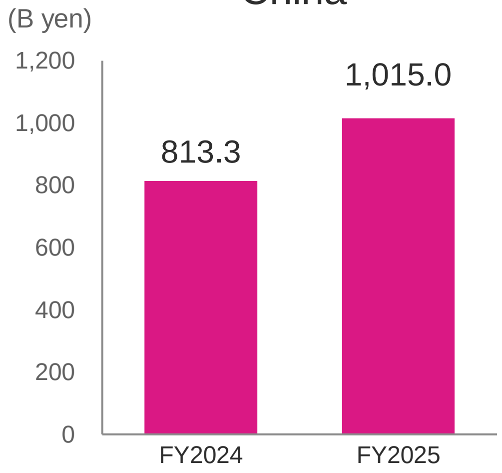
South Korea



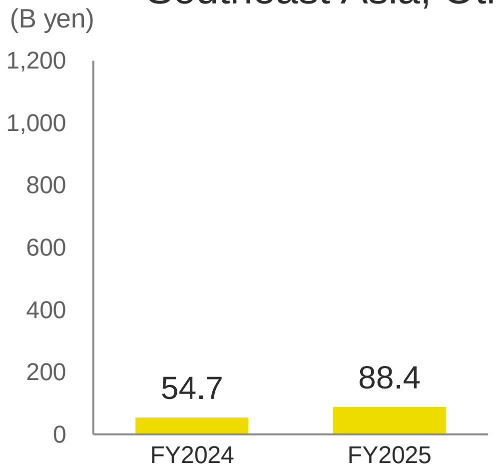
Taiwan



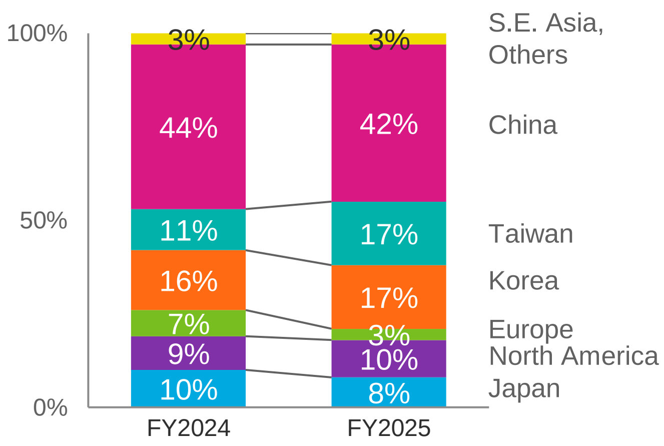
China



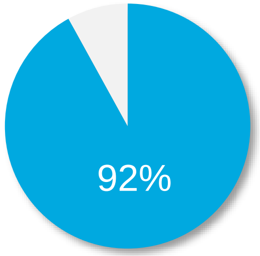
Southeast Asia, Others



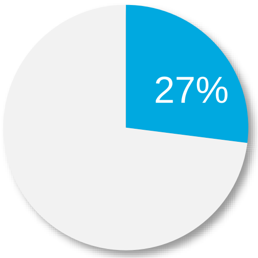
Regional Composition



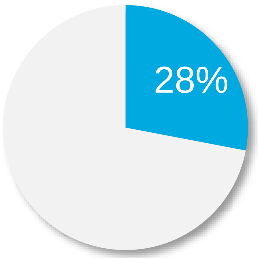
World Market Share of Major Products（CY2024）



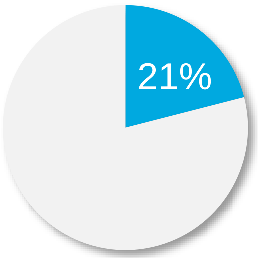
Coater/Developer



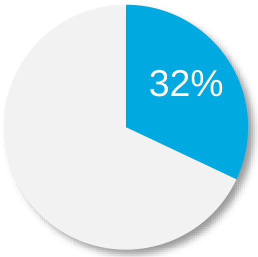
Dry Etch System



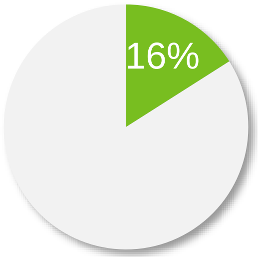
Deposition System



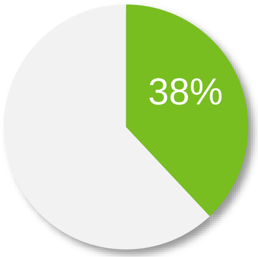
Cleaning System



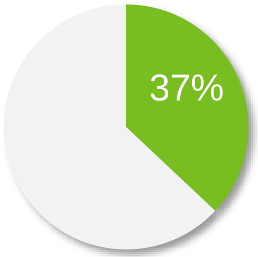
Wafer Bonder



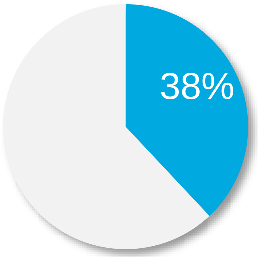
ALD



CVD



Oxidation/Diffusion



Wafer Prober

Source
SPE (excluding Wafer Prober) : Gartner®, Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2024, Bob Johnson and Menglin Cao, 21 April 2025, Revenue from Shipments basis. Chart created by TEL based on Gartner research. Gartner research. Calculations performed by TEL.
Coater/Developer: Photoresist Processing (Track), Dry Etch System: Dry Etch, Deposition System: Tube CVD + Atomic Layer Deposition Tools + Oxidation/Diffusion Furnaces + Nontube LPCVD, ALD: Atomic Layer Deposition Tools, CVD: Tube CVD + Nontube LPCVD, Oxidation/Diffusion: Oxidation/diffusion Furnaces, Cleaning System: Single Wafer Processors + Wet Stations + Batch Spray Processors + Scrubbers + Other Clean Equipment, Wafer Bonder: Wafer Bonder.
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Source
SPE (Wafer Prober) : Auto Probers,
TechInsights Inc., April 2025
Charts/graphics created by Tokyo Electron based on :
TechInsights Inc.

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