

Q2 FY2026 (July - September 2025) Financial Announcement

October 31, 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.

Q2 FY2026 Consolidated Financial Summary

October 31, 2025

Hiroshi Kawamoto
SVP & GM, Division Officer of Finance Division



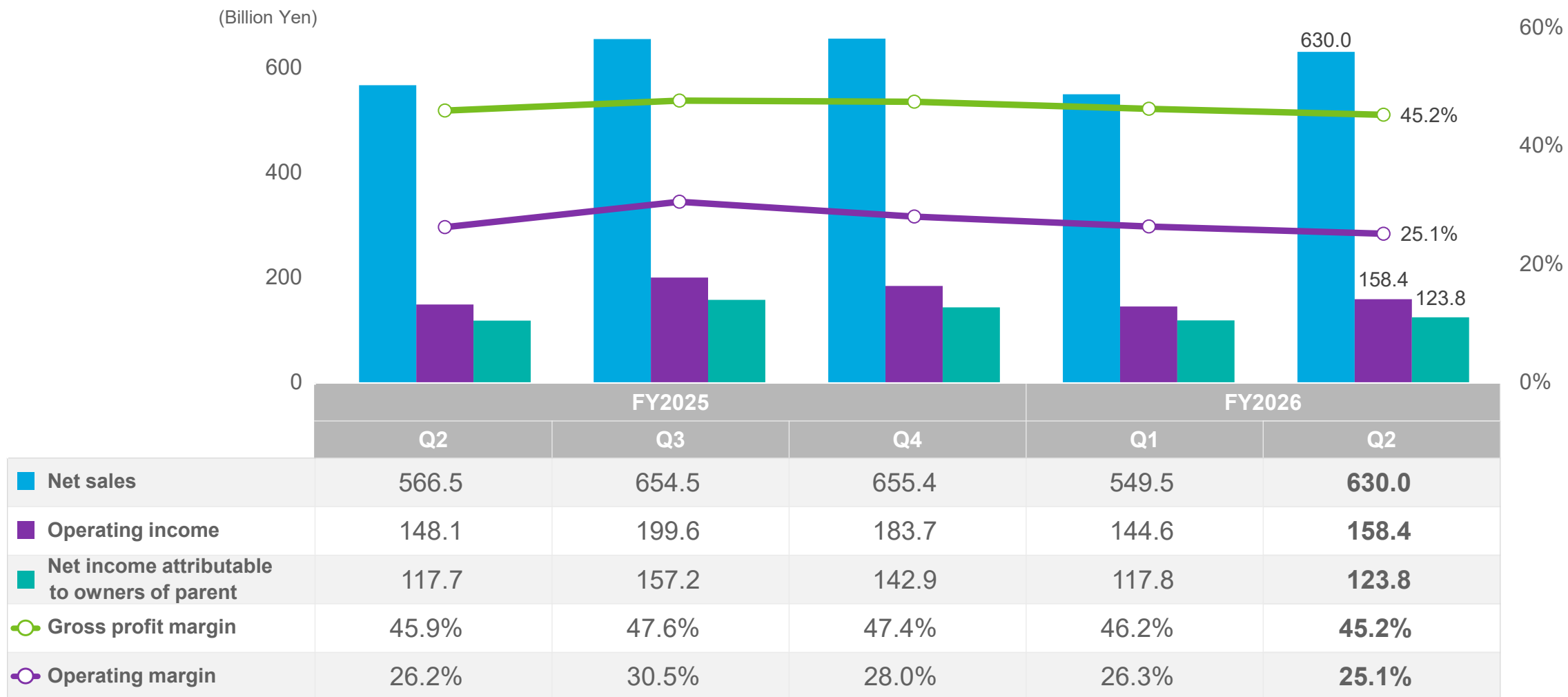
Financial Summary (Quarterly)

(Billion yen)

	FY2025			FY2026		vs.	vs.
	Q2	Q3	Q4	Q1	Q2	Q1 FY2026	Q2 FY2025
Net sales	566.5	654.5	655.4	549.5	630.0	+14.6%	+11.2%
Gross profit	259.9	311.7	310.5	253.9	284.8	+12.2%	+9.6%
Gross profit margin	45.9%	47.6%	47.4%	46.2%	45.2%	-1.0pts	-0.7pts
SG&A expenses	111.7	112.1	126.7	109.2	126.4	+15.7%	+13.1%
Operating income	148.1	199.6	183.7	144.6	158.4	+9.5%	+6.9%
Operating margin	26.2%	30.5%	28.0%	26.3%	25.1%	-1.2pts	-1.1pts
Income before income taxes	153.6	200.1	185.1	151.9	161.0	+6.0%	+4.8%
Net income attributable to owners of parent	117.7	157.2	142.9	117.8	123.8	+5.1%	+5.2%
R&D expenses	62.0	61.8	72.7	62.1	72.6	+17.0%	+17.1%
Capital expenditures	53.3	50.2	34.6	52.8	91.2	+72.7%	+71.1%
Depreciation and amortization	14.5	16.0	18.3	17.1	19.1	+11.4%	+31.8%

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.
3. FY202x refers to the financial year ending in March 202x.

Financial Performance (Quarterly)



Financial Summary (Semiannual)

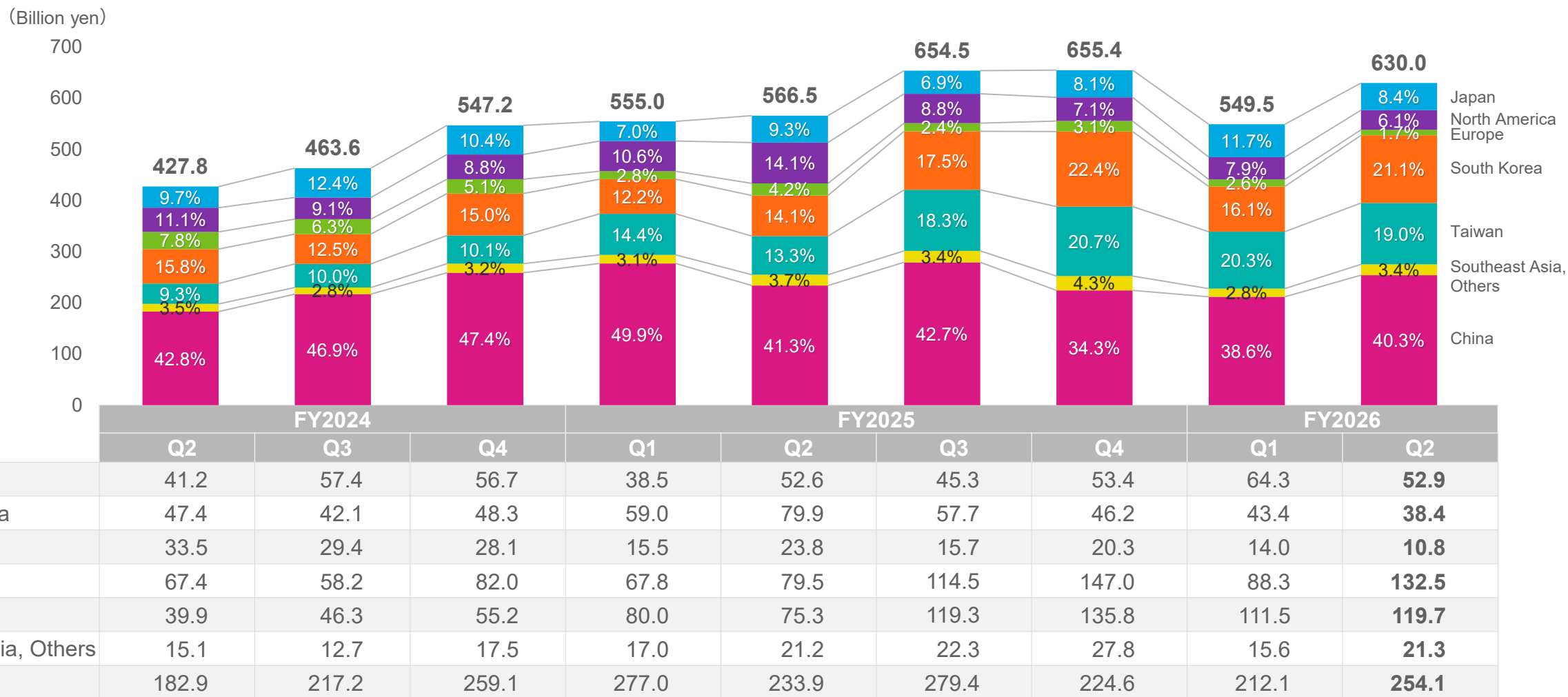
(Billion yen)

	FY2025		FY2026	vs. H2 FY2025	vs. H1 FY2025	Reference: H1 FY2026 Estimate (As of July 31)
	H1	H2	H1			
Net sales	1,121.6	1,309.9	1,179.6	-9.9%	+5.2%	1,150.0
Gross profit	523.9	622.3	538.8	-13.4%	+2.8%	527.0
Gross profit margin	46.7%	47.5%	45.7%	-1.8pts	-1.0pts	45.8%
SG&A expenses	210.0	238.9	235.7	-1.3%	+12.2%	239.0
Operating income	313.9	383.4	303.1	-20.9%	-3.4%	288.0
Operating margin	28.0%	29.3%	25.7%	-3.6pts	-2.3pts	25.0%
Income before income taxes	320.8	385.2	312.9	-18.8%	-2.5%	293.0
Net income attributable to owners of parent	243.9	300.2	241.6	-19.5%	-0.9%	224.0
R&D expenses	115.4	134.5	134.8	+0.2%	+16.7%	140.0
Capital expenditures	77.3	84.8	144.0	+69.8%	+86.4%	-
Depreciation and amortization	27.7	34.4	36.2	+5.3%	+30.9%	-

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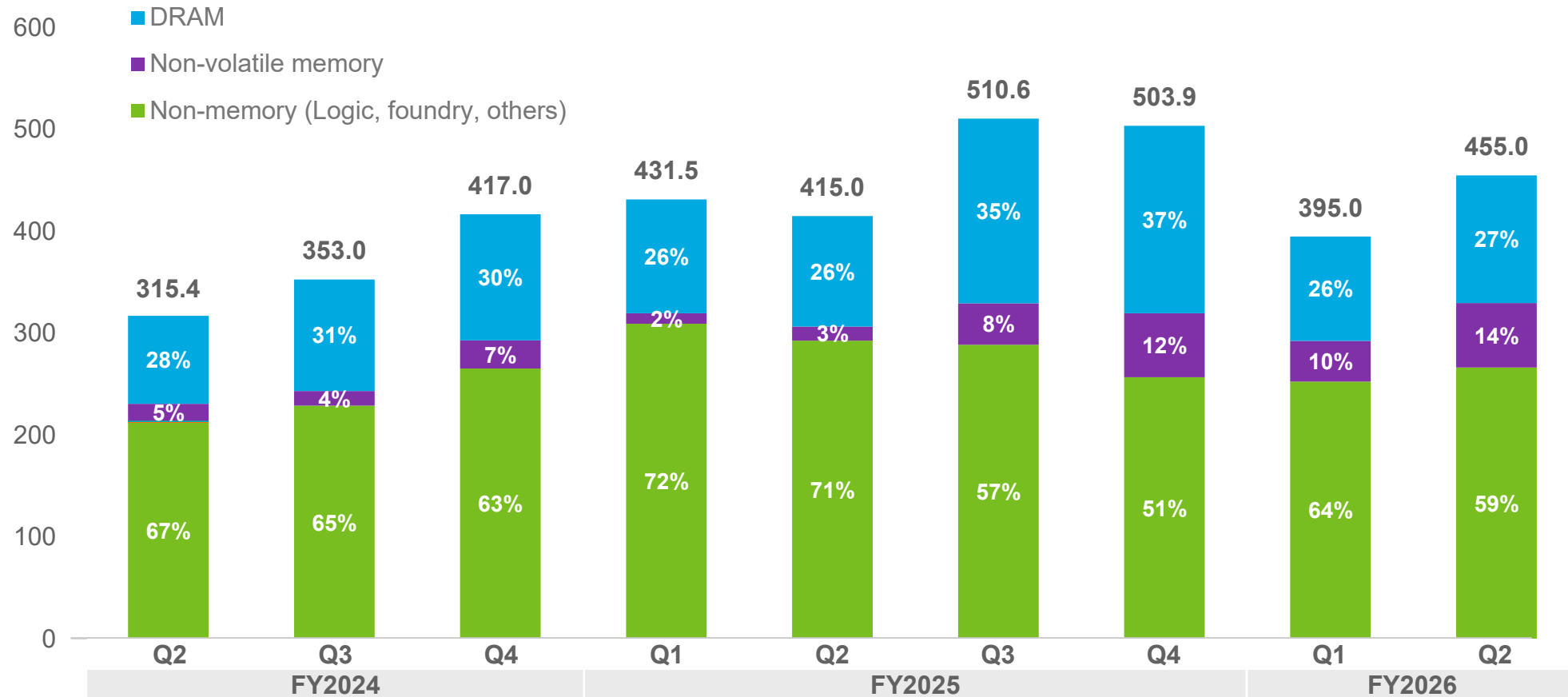
2. Profit ratios are calculated using full amounts, before rounding.

Composition of Net Sales by Region (Quarterly)



SPE New Equipment Sales by Application (Quarterly)

(Billion yen)



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 (Quarterly)

(Billion yen)

200

150

100

50

0

104.4

104.4

119.3

118.1

139.5

141.5

138.9

141.2

160.3

Q2

Q3

Q4

Q1

Q2

Q3

Q4

Q1

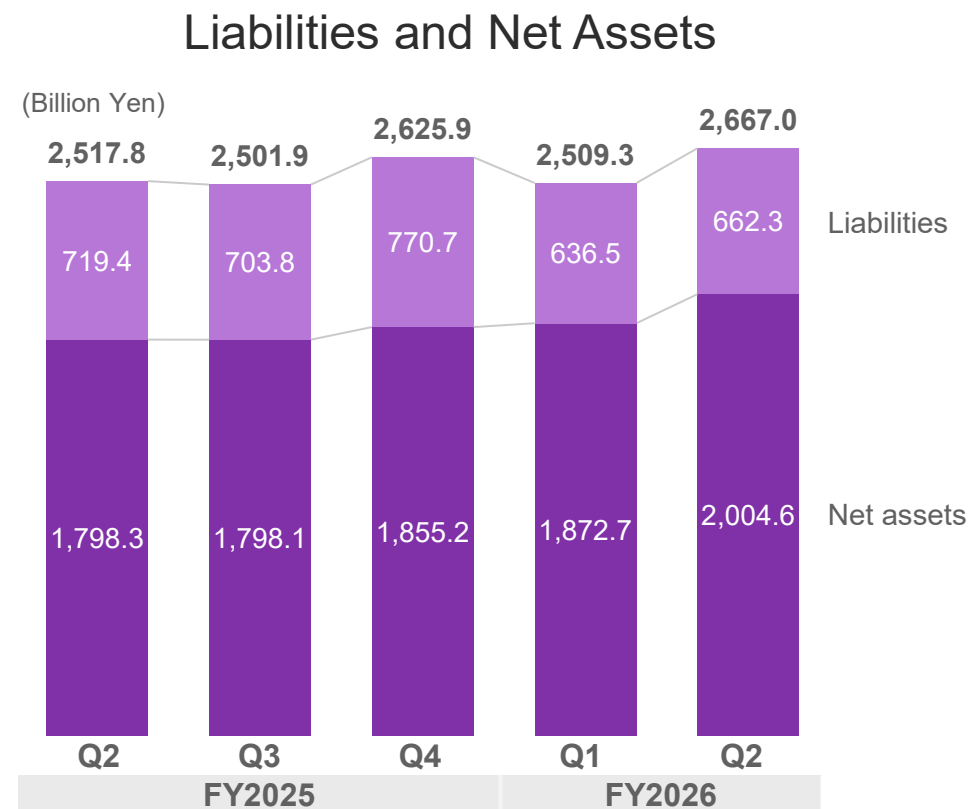
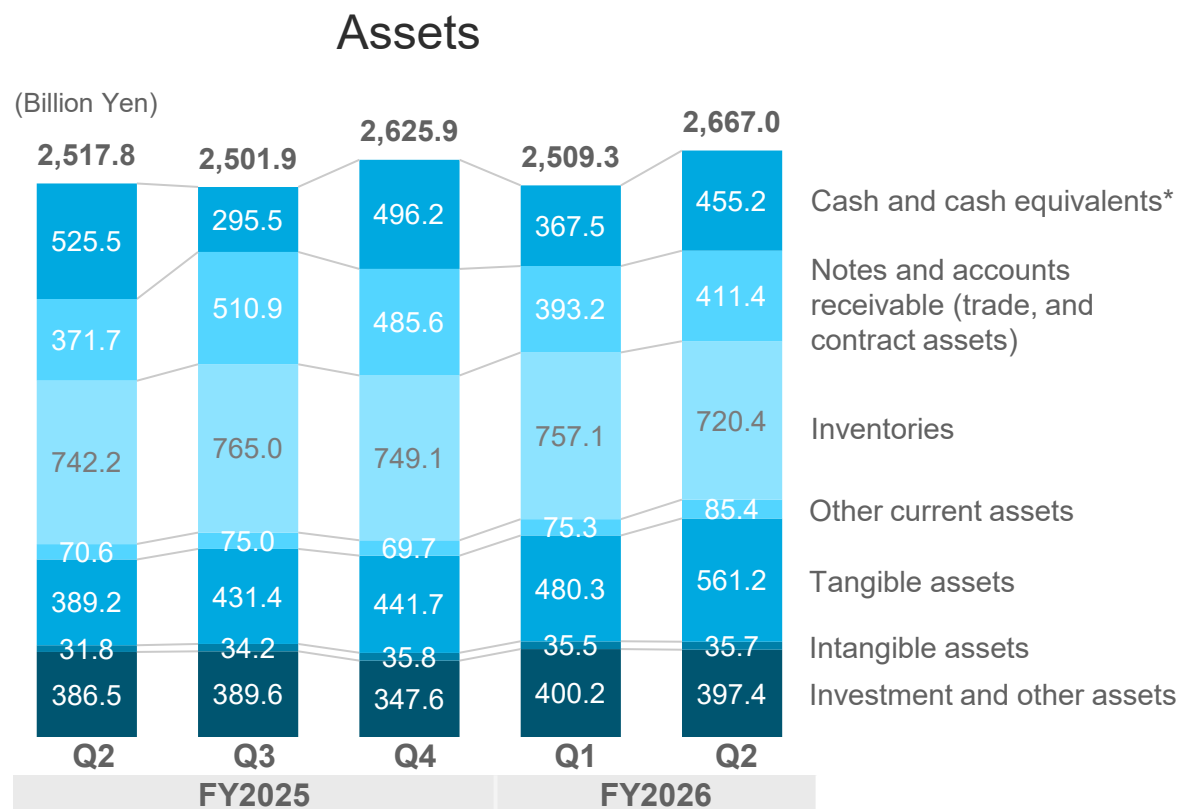
Q2

FY2024

FY2025

FY2026

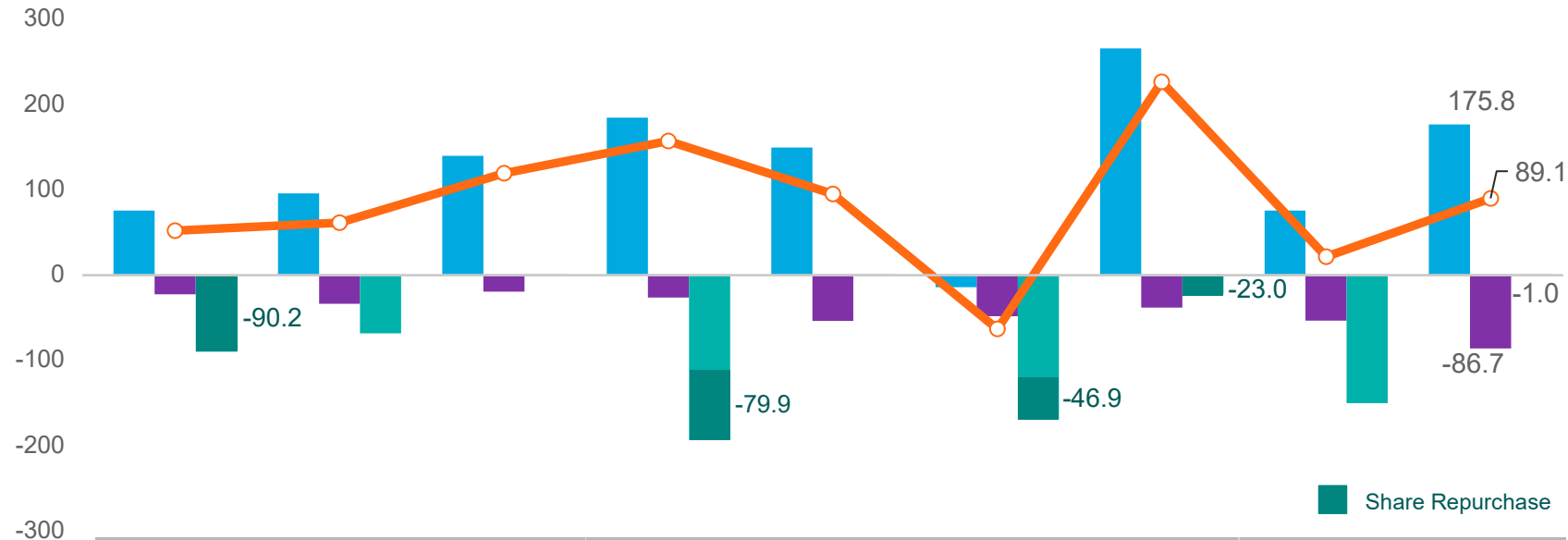
Balance Sheet (Quarterly)



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

Cash Flow (Quarterly)

(Billion Yen)



	FY2024			FY2025				FY2026	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
■ Cash flow from operating activities	74.8	95.0	139.0	183.7	148.6	-15.0	264.8	74.9	175.8
■ Cash flow from investing activities*1	-23.4	-34.4	-20.3	-27.3	-54.4	-49.0	-38.9	-54.1	-86.7
■ Cash flow from financing activities	-90.8	-69.3	-0.6	-194.4	-0.6	-170.1	-23.5	-151.1	-1.0
○ Free cash flow*2	51.4	60.6	118.7	156.4	94.1	-64.1	225.8	20.7	89.1
Cash on hand*3	362.6	352.4	472.5	438.5	525.5	295.5	496.2	367.5	455.2

*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

October 31, 2025

Toshiki Kawai
Representative Director, President & CEO



Market Environment (WFE Market Outlook as of October, 2025)

- CY2025 Forecast: Approx. \$115B - No changes
 - Investments are primarily being driven by leading-edge logic and DRAM for AI applications
 - NAND is showing signs of recovery, investment in mature nodes remains subdued
- Looking ahead, expecting continued expansion in investments for leading-edge semiconductors, fueled by strong demand for AI servers
 - DRAM: Investment surging for both HBM and general-purpose DRAM. Double-digit growth is anticipated to continue in the following years
 - NAND: Rising SSD-demand boosts utilization and drives investment growth
 - Logic/foundry: Investment in leading-edge nodes accelerates, with progress in advanced packaging
 - Mature nodes: WFE spending is expected to remain roughly flat at current levels

Demand for high-value-added equipment expected to grow from next year

Growing Opportunities: Scaling x Heterogeneous Integration

Etch

>500 B yen

- DRAM Etchers for Interconnect:
Growth driven by increased investment in HBM with more interconnect layers
Cumulative sales over 500 billion yen expected by 2030

Bonder Laser

>500 B yen

- 3D Integration Equipment including Bonders:
Rapid expansion across all applications
Cumulative sales over 500 billion yen expected by 2030

Prober

**CAGR
>15%**

- Probers for AI/HPC:
Driven by longer test times and more process steps, projecting CAGR over 15% (CY2025-CY2030)

Die Prober PECVD

**SAM
+10%**

- Die Probers:
Development and evaluation agreed with customers
Creating 10-15% of the prober market SAM
- PECVD for Gap Fill:
SAM estimated to be approx. 10% of PECVD market
Evaluations progressing with multiple customers



Financial Estimates for FY2026

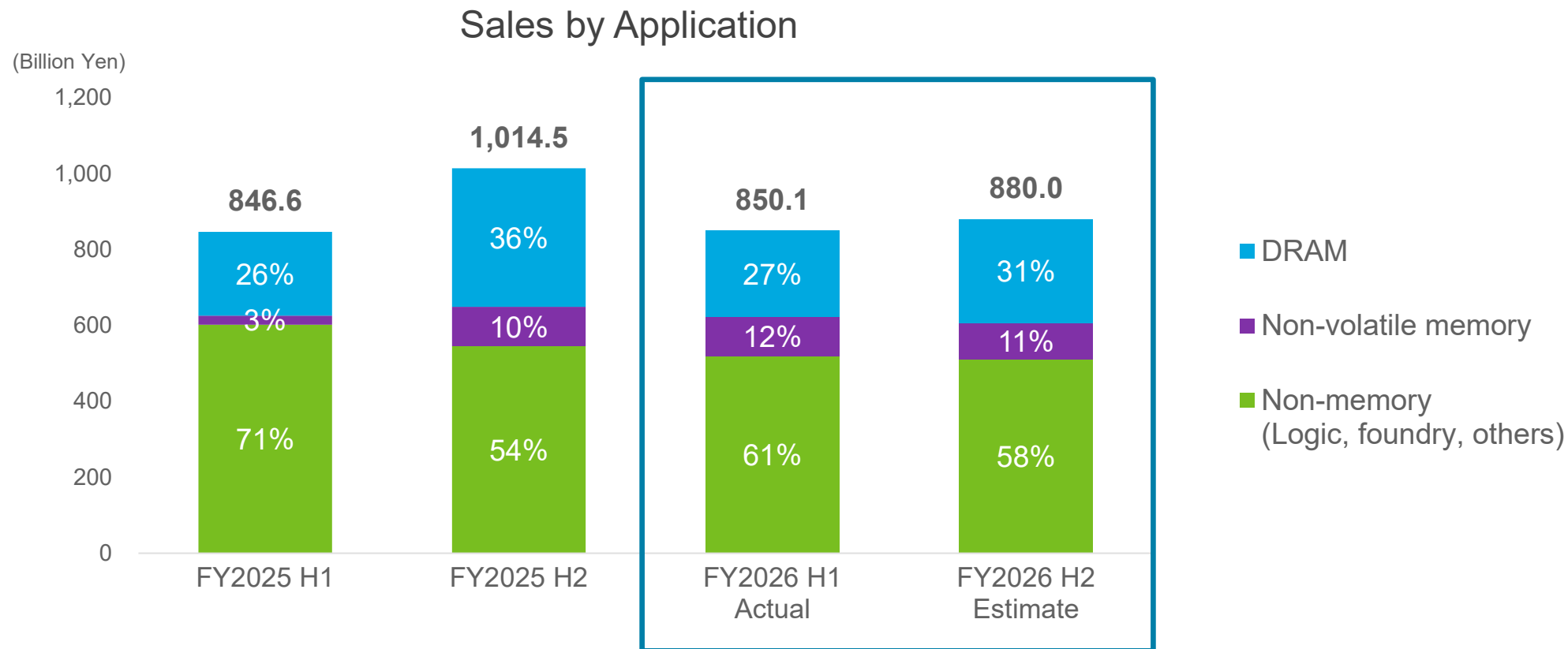
(Billion Yen)

	FY2025 (Actual)	FY2026					Reference: FY2026 (Estimate as of July 31)	
		H1 (Actual)	H2 (Updated)	Full Year (Updated)	vs FY2025	Adjustments*	H2	Full Year
Net sales	2,431.5	1,179.6	1,200.3	2,380.0	-2.1%	30.0	1,200.0	2,350.0
Gross profit	1,146.2	538.8	540.1	1,079.0	-5.9%	13.0	539.0	1,066.0
Gross profit margin	47.1%	45.7%	45.0%	45.3%	-1.8pts	-0.1 pts	44.9%	45.4%
SG&A expenses	448.9	235.7	257.2	493.0	+9.8%	-3.0	257.0	496.0
R&D	250.0	134.8	155.1	290.0	+16.0%	-5.0	155.0	295.0
Other than R&D	198.9	100.9	102.1	203.0	+2.1%	2.0	102.0	201.0
Operating income	697.3	303.1	282.8	586.0	-16.0%	16.0	282.0	570.0
Operating margin	28.7%	25.7%	23.6%	24.6%	-4.1pts	0.4pts	23.5%	24.3%
Income before income taxes	706.1	312.9	322.0	635.0	-10.1%	56.0	286.0	579.0
Net income attributable to owners of parent	544.1	241.6	246.3	488.0	-10.3%	44.0	220.0	444.0
Net income per share (Yen)	1,182.40	527.31	-	1,064.77	-117.63	95.65	-	969.12

* Changes from the figures announced on July 31, 2025

Full-year outlook revised based on H1 results.
Reflected extraordinary income from sales of strategic shareholdings

FY2026 SPE New Equipment Sales Forecast



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

Updated application mix based on latest outlook

FY2026 R&D Expenses and Capex Plan

Development Building No. 3
Etch system



Kurokawa-gun, Miyagi Prefecture
Completed in April 2025

Process Development Building
Coater/developer, cleaning system



Koshi-city, Kumamoto Prefecture
Completed in October 2025

Tohoku Production and Logistics Center
Deposition system

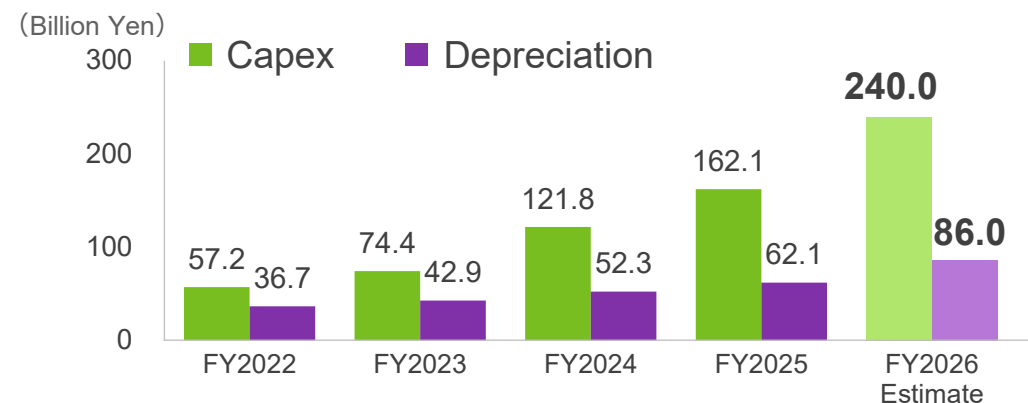
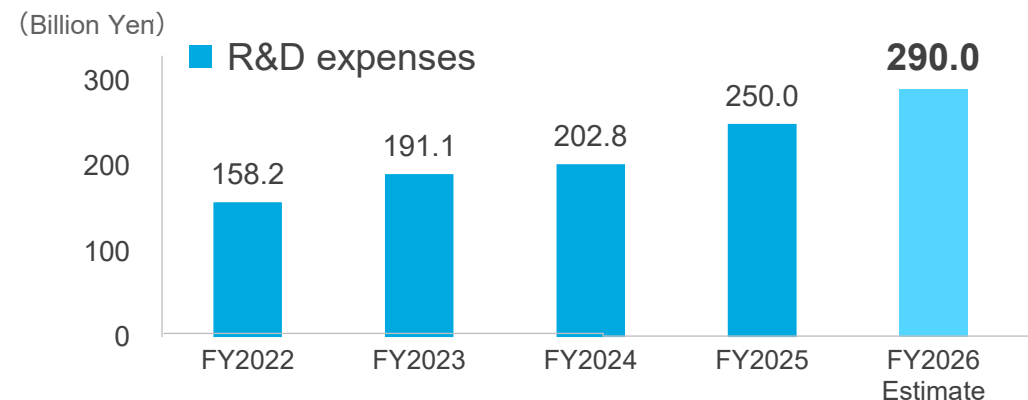


Oshu-city, Iwate Prefecture
Completion scheduled for autumn 2025

Miyagi Innovative Production Center
Etch system



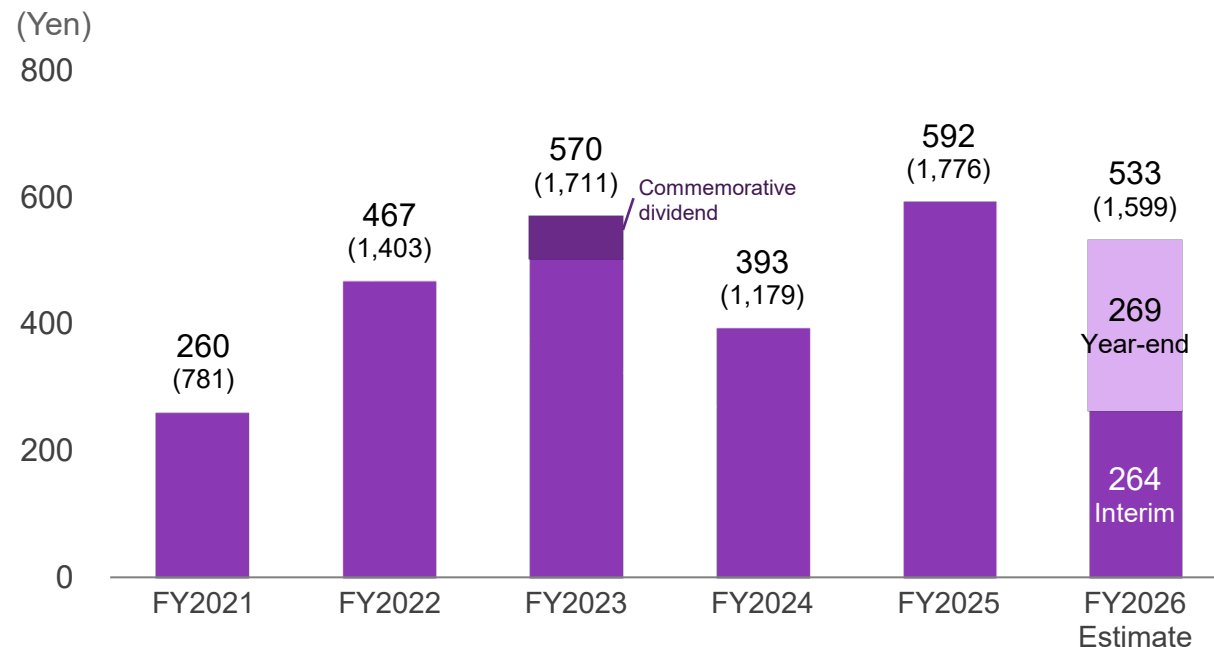
Kurokawa-gun, Miyagi Prefecture
Completion scheduled for summer 2027



Semiconductors for AI servers drive technology innovation, fueling expanding demand.
R&D and capital investments to proceed as scheduled

FY2026 Dividend Forecast

Dividend per Share



- Dividends per share from FY2021 to FY2023 are calculated on the assumption that the stock split was conducted at the beginning of FY2021.
- 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.

Full-year dividends are expected to be 533 yen per share



TOKYO ELECTRON