



Summary of Consolidated Financial Results for the Year Ended March 31, 2026 (Japanese GAAP)

April 30, 2026

Name of Listed Company: Tokyo Electron Limited Stock Exchange Listing: Tokyo
 Security Code: 8035
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 Scheduled start date of dividends payment: June 2, 2026
 Preparation of supplementary materials for the financial results: Yes
 Earnings release conference: Yes (for institutional investors and analysts)

Note: Amounts are rounded down to the nearest million yen.

1. Consolidated Financial Results for the Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results

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

	Year ended			
	March 31, 2025		March 31, 2026	
		%		%
Net sales (Millions of yen)	2,431,568	32.8	2,443,533	0.5
Operating income (Millions of yen)	697,319	52.8	624,936	(10.4)
Ordinary income (Millions of yen)	707,727	52.8	630,338	(10.9)
Net income attributable to owners of parent (Millions of yen)	544,133	49.5	574,454	5.6
Net income per share of common stock (Yen):				
Basic	1,182.40		1,254.57	
Diluted	1,179.08		1,250.88	
Return on equity (%)	30.3		29.6	
Ordinary income to total assets (%)	27.8		23.0	
Operating income to net sales (%)	28.7		25.6	
Comprehensive income:	Year ended March 31, 2026:	624,335 million yen, 31.1%	Year ended March 31, 2025:	476,095 million yen, (0.5)%
Profit (loss) on equity method:	Year ended March 31, 2026:	2,691 million yen	Year ended March 31, 2025:	3,001 million yen

(2) Consolidated Financial Position

	As of	
	March 31, 2025	March 31, 2026
Total assets (Millions of yen)	2,625,981	2,860,997
Total net assets (Millions of yen)	1,855,209	2,069,996
Equity ratio (%)	70.1	71.5
Net assets per share (Yen)	4,016.34	4,498.85
Equity:	2,046,298 million yen (as of March 31, 2026)	1,839,929 million yen (as of March 31, 2025)

(3) Consolidated Cash Flows

	Year ended	
	March 31, 2025	March 31, 2026
Cash flows from operating activities	582,174	539,732
Cash flows from investing activities	(169,609)	(96,492)
Cash flows from financing activities	(388,836)	(425,359)
Cash and cash equivalents at end of period	485,072	505,414

2. Dividends

	Year ended		Year ending
	March 31, 2025	March 31, 2026	March 31, 2027 (Forecast)
1Q-end dividends per share (Yen)	-	-	-
2Q-end dividends per share (Yen)	265.00	264.00	361.00
3Q-end dividends per share (Yen)	-	-	-
Year-end dividends per share (Yen)	327.00	364.00	-
Annual dividends per share (Yen)	592.00	628.00	-
Total dividends (Millions of yen)	272,763	287,405	
Payout ratio (%)	50.1	50.1	-
Dividend on equity (%)	15.2	14.8	

Note1: The year-end dividend for the year ended March 31, 2026 shown above is a forecast. The year-end dividend for the next fiscal year ending March 31, 2027 is undecided at present and is scheduled to be disclosed together with the full-year consolidated financial forecasts at the time of the financial results announcement for the second quarter ending September 30, 2026. Please refer to "1. Business Results (5) Basic Policy on Profit Allocation and Payment of Dividends for the Current and Next Fiscal Years" on page 6 for further information.

3. Financial Forecasts for the First Half of the Fiscal Year Ending March 31, 2027 (April 1, 2026 to September 30, 2026)

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

	Six months ending	
	September 30, 2026	
		%
Net sales (Millions of yen)	1,570,000	33.1
Operating income (Millions of yen)	431,000	42.2
Ordinary income (Millions of yen)	437,000	42.4
Net income attributable to owners of parent (Millions of yen)	328,000	35.7
Net income per share (Yen)	721.12	

The full-year financial forecasts are scheduled to be disclosed at the time of the financial results announcement for the second quarter ending September 30, 2026. Please refer to "1. Business Results (4) Future Forecast" on page 5.

Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates and restatements

1. Changes in accounting policies along with changes in accounting standards: None
2. Other changes of accounting policies besides the number 1 above: None
3. Changes in accounting estimates: None
4. Restatements: None

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

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

As of March 31, 2026:	471,632,733 shares
As of March 31, 2025:	471,632,733 shares

2. Number of shares of treasury stock

As of March 31, 2026:	16,783,041 shares
As of March 31, 2025:	13,522,282 shares

3. Average number of shares outstanding

Year ended March 31, 2026:	457,888,732 shares
Year ended March 31, 2025:	460,192,900 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". (1,308,766 shares as of March 31, 2026, 1,383,155 shares as of March 31, 2025)

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, 2026 (April 1, 2025 to March 31, 2026)**(1) Operating Results**

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

	Year ended			
	March 31, 2025		March 31, 2026	
		%		%
Net sales (Millions of yen)	2,204,074	35.6	2,211,510	0.3
Operating income (Millions of yen)	506,227	26.0	453,897	(10.3)
Ordinary income (Millions of yen)	550,239	24.7	503,065	(8.6)
Net income (Millions of yen)	424,829	24.9	477,099	12.3
Net income per share of common stock (Yen):				
Basic	923.15		1,041.96	
Diluted	920.56		1,038.89	

(2) Financial Position

	As of	
	March 31, 2025	March 31, 2026
Total assets (Millions of yen)	1,875,544	2,023,763
Total net assets (Millions of yen)	1,188,274	1,274,630
Equity ratio (%)	62.5	61.8
Net assets per share (Yen)	2,560.51	2,750.21
Equity:	1,250,932 million yen (as of March 31, 2026)	
	1,172,994 million yen (as of March 31, 2025)	

* 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. Business Results (4) Future Forecast" on page 5.

The Company plans to hold an online conference for institutional investors and analysts on April 30, 2026.

Supplementary materials to be used at the conference will be posted on the Company's website on the same day.

(URL: <https://www.tel.com/ir/library/report/>)

1. Business Results

(1) Overview of Operating Results

(i) Business Environment during the Fiscal Year Ended March 31, 2026

With respect to the global economy in the current consolidated fiscal year, despite the need to monitor future macroeconomic trends closely as signs of inflation were seen in Europe and the United States toward the end of the fiscal year against a backdrop of higher energy prices associated with escalating geopolitical tensions in the Middle East, the economy overall remained strong.

In the electronics industry, in which the Tokyo Electron (TEL) Group operates, increased demand for AI servers used in data centers drove growth in the overall semiconductor market.

Under the circumstances, in the semiconductor production equipment market, while capital investment in China showed signs of leveling off compared with the same period of the previous fiscal year, capital investment in semiconductors used for generative AI applications increased significantly.

Against the backdrop of the transition to a data-driven society accompanied by the advancement of information and communication technology, the evolution of AI to enhance productivity and create new value, and efforts towards a decarbonized society, the role of semiconductors and their technological innovation are becoming increasingly important. Consequently, the semiconductor production equipment market is expected to grow even further in the medium- to long-term.

The TEL Group has a single segment of "Semiconductor Production Equipment" and therefore information by segment has been omitted.

(ii) Overview of Profit and Loss during the Fiscal Year Ended March 31, 2026

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

Net sales for the fiscal year increased by 0.5% from the previous fiscal year to 2,443,533 million yen. Domestic net sales increased by 26.0% from the previous year to 239,427 million yen, while overseas net sales decreased by 1.7% to 2,204,106 million yen to account for 90.2% of net sales.

Cost of sales increased by 3.9% to 1,335,652 million yen and gross profit decreased by 3.4% to 1,107,880 million yen. As a result, the gross profit margin decreased by 1.8 points to 45.3%.

Selling, general and administrative (SG&A) expenses increased by 7.6% to 482,944 million yen, while the ratio to consolidated net sales increased by 1.3 points to 19.7%.

As a result, operating income decreased by 10.4% to 624,936 million yen and operating profit ratio decreased by 3.1 points to 25.6%. After netting of non-operating income of 10,758 million yen and non-operating expenses of 5,356 million yen, ordinary income decreased by 10.9% to 630,338 million yen.

Income before income taxes was 748,180 million yen (year-on-year increase of 6.0%) and net income attributable to owners of parent was 574,454 million yen (year-on-year increase of 5.6%).

As a result, net income per share was 1,254.57 yen compared to net income per share of 1182.40 yen in the previous fiscal year.

(2) Overview of Financial Conditions

Current assets at the end of the current fiscal year were 1,835,466 million yen, an increase of 34,710 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 40,271 million yen in notes and accounts receivable - trade, and contract assets, an increase of 35,011 million yen in cash and deposits, and a decrease of 36,008 million yen in inventories.

Property, plant and equipment increased by 147,628 million yen from the end of the previous fiscal year to 589,335 million yen.

Intangible assets increased by 1,681 million yen from the end of the previous fiscal year to 37,531 million yen.

Investments and other assets increased by 50,995 million yen from the end of the previous fiscal year to 398,664 million yen.

As a result, total assets increased by 235,016 million yen from the end of the previous fiscal year to 2,860,997 million

yen.

Current liabilities increased by 1,317 million yen from the end of the previous fiscal year to 679,242 million yen. This was largely due to an increase of 19,807 million yen in notes and accounts payable - trade, an increase of 14,098 million yen in advances received, a decrease of 26,020 million yen in prepaid consumption tax, and a decrease of 16,883 million yen in provision for employees' bonuses.

Non-current liabilities increased by 18,912 million yen from the end of the previous fiscal year to 111,758 million yen. Net assets increased by 214,786 million yen from the end of the previous fiscal year to 2,069,996 million yen. This was largely due to an increase of 574,454 million yen resulting from recording net income attributable to owners of parent, a decrease resulting from the payment of 271,618 million yen in year-end dividends for the previous fiscal year and interim dividends for the current fiscal year, a decrease resulting from the purchase of treasury stock of 150,010 million yen, and an increase of 25,744 million yen in foreign currency translation adjustments. As a result, the equity ratio was 71.5%.

(3) Overview of Cash Flows

Cash and cash equivalents at the end of the current fiscal year increased by 20,342 million yen compared to the end of the previous fiscal year, to 505,414 million yen. The combined balance including 836 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 506,250 million yen, an increase of 10,011 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 539,732 million yen, a decrease of 42,442 million yen compared to the same period of the previous fiscal year. The major positive factors were income before income taxes of 748,180 million yen, and depreciation and amortization of 80,982 million yen. The major negative factors were income tax payments of 178,372 million yen, and a gain on sale of investment securities of 115,494 million yen.

Cash flows from investing activities were negative 96,492 million yen compared to negative 169,609 million yen in the same period of the previous fiscal year. This was largely due to payments for the purchase of property, plant and equipment of 208,984 million yen, and proceeds from sales of investment securities of 117,387 million yen.

Cash flows from financing activities were negative 425,359 million yen compared to negative 388,836 million yen in the same period of the previous fiscal year. This was largely due to payments of 271,618 million yen in dividends, and payments of 150,010 million yen for the purchase of treasury stock.

(4) Future Forecast

Against the backdrop of the transition to a data society accompanied by the advancement of information and communication technology, the evolution of AI to enhance productivity and create new value, and efforts toward realizing a decarbonized society, the technological innovation of semiconductors is becoming increasingly important, and the semiconductor production equipment market is expected to grow even further in the medium- to long-term.

Meanwhile, the semiconductor industry has experienced rapid growth in recent years, and short-term changes in both supply-demand balance and semiconductor market prices have become increasingly volatile. Accordingly, the semiconductor production equipment market in which the TEL Group operates is greatly affected by investment trends of major semiconductor manufacturers and others, and the impact on the TEL Group's business results has been increasing.

In consideration of the many variable factors affecting the outlook for full-year consolidated financial forecasts, the Company has determined that it is appropriate to change the disclosure period for the financial forecasts for the following fiscal year, which are disclosed at the time of the financial results announcement after the end of the consolidated fiscal year, to the first half only.

The consolidated financial forecasts for the first half of the fiscal year ending March 31, 2027 are as follows. The full-year consolidated financial forecasts are scheduled to be disclosed at the time of the financial results announcement for the second quarter ending September 30, 2026.

Consolidated Financial Forecasts

(Billions of yen, Y/Y change)

First Half of the Fiscal Year Ending March 31, 2027	First Half	
Net Sales	1,570.0	33.1%
Operating Income	431.0	42.2%
Ordinary Income	437.0	42.4%
Net Income Attributable to Owners of Parent	328.0	35.7%

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**(i) Basic Policy on Profit Allocation**

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 50 yen. Besides, TEL will review our dividend policy if TEL does not generate net income for two consecutive fiscal years.
- TEL will flexibly consider share buybacks.

(ii) Revision to the Dividend Forecast for the Fiscal Year Under Review

In accordance with the financial results for the fiscal year ended March 31, 2026, announced today, and due to an increase in profit compared to the full-year consolidated financial forecasts announced on February 6, 2026, we would like to amend the annual dividends forecast from 601 yen per share as announced on the same day, to 628 yen per share (Interim dividends : 264 yen, Year-end dividends : 364 yen) in line with the aforementioned dividend policy. The year-end dividend is scheduled to be formally decided at the Board of Directors' meeting to be held on May 12, 2026.

(Yen)	Dividends per Share		
	Interim (2Q-End)	Year-End	Total
Previous Forecast	—	337.00	601.00
Revised Forecast	—	364.00	628.00
Results for the Year Ended March 31, 2026	264.00	—	—
Results for the Year Ended March 31, 2025	265.00	327.00	592.00

(iii) Dividends Forecast for the Next Fiscal Year

The interim dividend for the next fiscal year (the year ending March 31, 2027) is forecasted to be 361 yen per share, in accordance with the above consolidated financial forecasts for net income attributable to owners of parent for the

first half of the next fiscal year. The year-end dividend for the next fiscal year is undecided at present and is scheduled to be disclosed together with the full-year consolidated financial forecasts at the time of the financial results announcement for the second quarter ending September 30, 2026.

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, 2025	As of March 31, 2026
ASSETS		
Current assets		
Cash and deposits	416,240	451,252
Notes and accounts receivable - trade, and contract assets	485,626	525,898
Securities	79,998	54,998
Merchandise and finished goods	291,523	286,052
Work in process	190,021	210,570
Raw materials and supplies	267,580	216,494
Other	69,924	90,389
Allowance for doubtful accounts	(160)	(189)
Total current assets	<u>1,800,756</u>	<u>1,835,466</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	300,882	468,429
Accumulated depreciation	(147,565)	(167,156)
Buildings and structures, net	<u>153,316</u>	<u>301,272</u>
Machinery, equipment and vehicles	274,379	321,247
Accumulated depreciation	(197,829)	(229,787)
Machinery, equipment and vehicles, net	<u>76,550</u>	<u>91,459</u>
Land	47,853	61,115
Construction in progress	137,010	101,476
Other	81,227	97,388
Accumulated depreciation	(54,251)	(63,377)
Other, net	<u>26,975</u>	<u>34,011</u>
Total property, plant and equipment	<u>441,706</u>	<u>589,335</u>
Intangible assets		
Other	35,850	37,531
Total intangible assets	<u>35,850</u>	<u>37,531</u>
Investments and other assets		
Investment securities	200,013	225,453
Deferred tax assets	69,561	64,934
Net defined benefit assets	31,578	43,331
Other	47,916	66,309
Allowance for doubtful accounts	(1,402)	(1,364)
Total investments and other assets	<u>347,668</u>	<u>398,664</u>
Total non-current assets	<u>825,225</u>	<u>1,025,530</u>
Total assets	<u>2,625,981</u>	<u>2,860,997</u>

Consolidated Balance Sheets

	(Millions of yen)	
	As of	As of
	March 31, 2025	March 31, 2026
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	108,036	127,844
Income taxes payable	109,446	108,992
Advances received	256,392	270,491
Provision for warranty expenses	40,381	40,527
Provision for employees' bonuses	55,218	38,335
Other	108,450	93,052
Total current liabilities	677,925	679,242
Non-current liabilities		
Net defined benefit liabilities	56,473	55,642
Other	36,373	56,115
Total non-current liabilities	92,846	111,758
Total liabilities	770,771	791,001
NET ASSETS		
Shareholders' equity		
Common stock	54,961	54,961
Capital surplus	78,011	78,011
Retained earnings	1,783,881	2,083,371
Treasury stock	(277,658)	(420,660)
Total shareholders' equity	1,639,195	1,795,683
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	129,574	147,962
Net deferred gains (losses) on hedging instruments	37	(17)
Foreign currency translation adjustments	60,801	86,546
Remeasurements of defined benefit plans	10,319	16,123
Total accumulated other comprehensive income (loss)	200,733	250,614
Share subscription rights	15,280	23,697
Total net assets	1,855,209	2,069,996
Total liabilities and net assets	2,625,981	2,860,997

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Net sales	2,431,568	2,443,533
Cost of sales	1,285,280	1,335,652
Gross profit	1,146,287	1,107,880
Selling, general and administrative expenses		
Salaries and allowances	50,969	55,915
Research and development expenses	250,017	277,866
Other	147,981	149,162
Total selling, general and administrative expenses	448,967	482,944
Operating income	697,319	624,936
Non-operating income		
Interest income	2,193	1,992
Dividend income	1,386	1,456
Share of profit of associates accounted for using the equity method	3,001	2,691
Subsidy income	2,583	1,424
Other	3,462	3,194
Total non-operating income	12,627	10,758
Non-operating expenses		
Foreign exchange losses	929	4,553
Other	1,289	802
Total non-operating expenses	2,219	5,356
Ordinary income	707,727	630,338
Extraordinary income		
Gain on sales of investment securities	-	115,494
Other	31	5,231
Total extraordinary income	31	120,726
Extraordinary loss		
Loss on disposal and sales of non-current assets	1,197	1,233
Impairment loss	447	931
Provision for loss on litigation	-	719
Total extraordinary loss	1,645	2,884
Income before income taxes	706,114	748,180
Income taxes - current	172,376	176,507
Income taxes - deferred	(10,395)	(2,781)
Total income taxes	161,980	173,726
Net income	544,133	574,454
Net income attributable to owners of parent	544,133	574,454

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Year ended	Year ended
	March 31, 2025	March 31, 2026
Net income	544,133	574,454
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(55,326)	18,384
Foreign currency translation adjustments	(11,474)	25,563
Remeasurements of defined benefit plans	(1,405)	5,739
Share of other comprehensive income of associates accounted for using the equity method	168	193
Total other comprehensive income (loss)	(68,038)	49,881
Comprehensive income	476,095	624,335
Comprehensive income attributable to:		
Owners of parent	476,095	624,335

Consolidated Statements of Changes in Net Assets

Year ended March 31, 2025

(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	1,480,306	(135,215)	1,478,063
Changes during period					
Cash dividends			(236,276)		(236,276)
Net income attributable to owners of parent			544,133		544,133
Purchase of treasury stock				(150,008)	(150,008)
Disposal of treasury stock			(4,282)	7,565	3,283
Net changes in items other than shareholders' equity					
Total changes during period	-	-	303,574	(142,442)	161,132
Balance at end of period	54,961	78,011	1,783,881	(277,658)	1,639,195

	Accumulated other comprehensive income					Share subscription rights	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	184,934	42	72,275	11,519	268,771	13,345	1,760,180
Changes during period							
Cash dividends							(236,276)
Net income attributable to owners of parent							544,133
Purchase of treasury stock							(150,008)
Disposal of treasury stock							3,283
Net changes in items other than shareholders' equity	(55,359)	(4)	(11,473)	(1,200)	(68,038)	1,934	(66,103)
Total changes during period	(55,359)	(4)	(11,473)	(1,200)	(68,038)	1,934	95,028
Balance at end of period	129,574	37	60,801	10,319	200,733	15,280	1,855,209

Consolidated Statements of Changes in Net Assets

Year ended March 31, 2026

(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	1,783,881	(277,658)	1,639,195
Changes during period					
Cash dividends			(271,618)		(271,618)
Net income attributable to owners of parent			574,454		574,454
Purchase of treasury stock				(150,010)	(150,010)
Disposal of treasury stock			(3,346)	7,007	3,661
Net changes in items other than shareholders' equity					
Total changes during period	-	-	299,489	(143,002)	156,487
Balance at end of period	54,961	78,011	2,083,371	(420,660)	1,795,683

	Accumulated other comprehensive income					Share subscription rights	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedging instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Balance at beginning of period	129,574	37	60,801	10,319	200,733	15,280	1,855,209
Changes during period							
Cash dividends							(271,618)
Net income attributable to owners of parent							574,454
Purchase of treasury stock							(150,010)
Disposal of treasury stock							3,661
Net changes in items other than shareholders' equity	18,387	(54)	25,744	5,804	49,881	8,417	58,299
Total changes during period	18,387	(54)	25,744	5,804	49,881	8,417	214,786
Balance at end of period	147,962	(17)	86,546	16,123	250,614	23,697	2,069,996

Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Cash flows from operating activities		
Income before income taxes	706,114	748,180
Depreciation and amortization	62,148	80,982
Amortization of goodwill	117	363
Increase (decrease) in provision for employees' bonuses	11,784	(17,769)
Increase (decrease) in provision for warranty expenses	6,869	(61)
Interest and dividend income	(3,580)	(3,448)
Loss (gain) on sale of investment securities	(1,046)	(115,494)
Decrease (increase) in notes and accounts receivable - trade, and contract assets	(97,519)	(29,900)
Decrease (increase) in inventories	8,485	47,957
Increase (decrease) in notes and accounts payable - trade	19,512	14,351
Decrease (increase) in prepaid consumption tax	2,675	(7,594)
Increase (decrease) in accrued consumption tax	27,100	(26,066)
Increase (decrease) in advances received	(32,512)	11,426
Other, net	10,365	11,105
Subtotal	720,516	714,029
Interest and dividends received	4,472	4,075
Income taxes refund (paid)	(142,814)	(178,372)
Net cash provided by operating activities	582,174	539,732
Cash flows from investing activities		
Payment into time deposits	(767)	(809)
Proceeds from withdrawal of time deposits	756	800
Purchase of short-term investments	(30,000)	(10,000)
Proceeds from redemption of short-term investments	30,167	20,000
Purchase of property, plant and equipment	(158,374)	(208,984)
Purchase of intangible assets	(9,665)	(10,457)
Proceeds from sales of investment securities	1,712	117,387
Other, net	(3,438)	(4,429)
Net cash used in investing activities	(169,609)	(96,492)
Cash flows from financing activities		
Purchase of treasury stock	(150,008)	(150,010)
Dividends paid	(236,276)	(271,618)
Other, net	(2,551)	(3,730)
Net cash used in financing activities	(388,836)	(425,359)
Effect of exchange rate changes on cash and cash equivalents	(264)	2,461
Net increase (decrease) in cash and cash equivalents	23,463	20,342
Cash and cash equivalents at beginning of period	461,608	485,072
Cash and cash equivalents at end of period	485,072	505,414

Notes

Going concern: None

Changes in accounting policies, changes in accounting estimates and restatements: None

Segment information

This section has been omitted since TEL Group has a single segment of semiconductor production equipment.

Per share information

	Year ended March 31, 2026
Net assets per share (Yen)	4,498.85
Net income per share (Yen)	1,254.57
Fully diluted net income per share (Yen)	1,250.88

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)	574,454
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)	574,454
Average number of common stock (Thousands of share)	457,888
Fully diluted net income per share (Yen)	
Adjustments to net income attributable to owners of parent (Millions of yen)	-
Increase in common stock (Thousands of share)	1,350
[Share subscription rights (Thousands of share)]	[1,350]
Details of dilutive shares, not included in the computation of fully diluted net income per share as there is no dilutive 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" 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 1,308 thousand shares as of the end of the current 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 1,334 thousand shares in the current fiscal year.

Significant subsequent event

Cancellation of treasury stock

At the Board of Directors meeting held on March 27, 2026, the Company resolved to cancel treasury stock under the provisions of Article 178 of the Companies Act, as follows.

- | | |
|--------------------------------------|--|
| 1. Type of shares: | Shares of common stock |
| 2. Total number of shares cancelled: | 3.6 million shares
(Equivalent to 0.76% of issued shares before the cancellation) |
| 3. Date of cancellation: | April 30, 2026 |