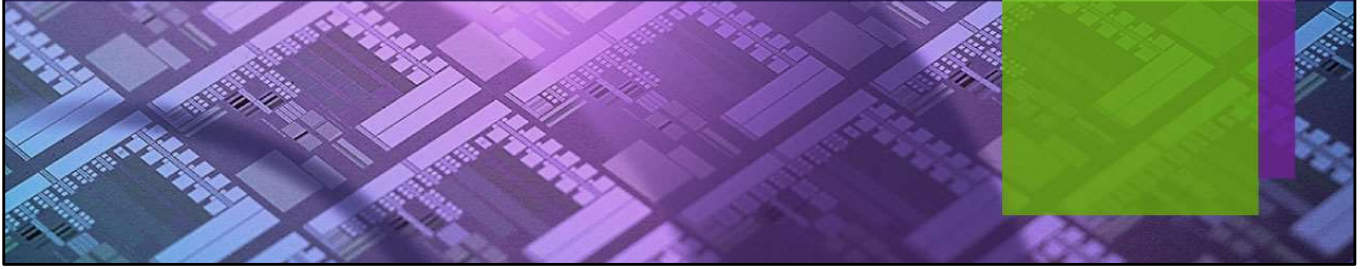


Q1 FY2025 (April – June 2024) Financial Announcement

August 8, 2024

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 the political and economic situation, semiconductor market conditions, intensification of sales competition, safety and product quality management, intellectual property-related matters and impacts from COVID-19.

- Processing of numbers

For the amount listed, because fractions are rounded down, there may be 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.

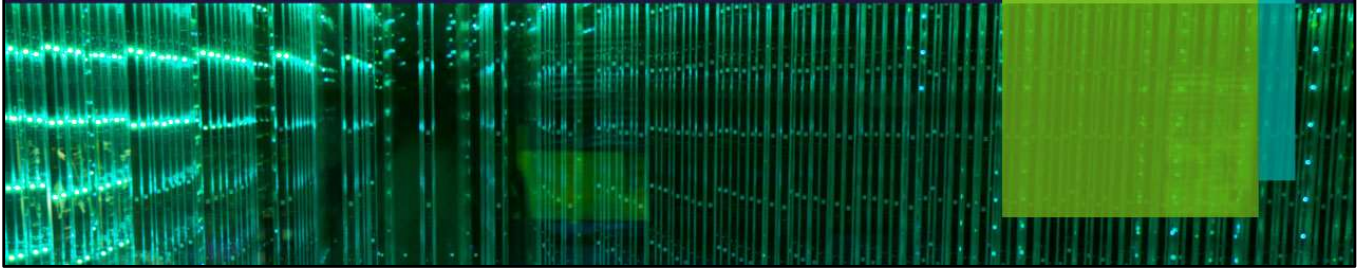
- Foreign exchange risk

In principle, export sales of Tokyo Electron's products is denominated in Japanese yen. Although some sales and expenses are denominated in foreign currencies, the impact of exchange rate fluctuations on profits is negligible unless extreme fluctuations occur.

Q1 FY2025 Consolidated Financial Summary

August 8, 2024

Hiroshi Kawamoto
SVP & GM, Division Officer of Finance Division



Good afternoon. I am Hiroshi Kawamoto from the Finance Division. I would like to present the consolidated financial summary of the first quarter of the fiscal year ending March 2025.

Financial Summary (Quarterly)

(Billion yen)

	FY2024				FY2025	vs. Q4 FY2024	vs. Q1 FY2024
	Q1	Q2	Q3	Q4	Q1		
Net sales	391.7	427.8	463.6	547.2	555.0	+1.4%	+41.7%
Gross profit	162.3	189.7	222.1	256.1	264.0	+3.1%	+62.7%
Gross profit margin	41.4%	44.3%	47.9%	46.8%	47.6%	+0.8pts	+6.2pts
SG&A expenses	79.8	93.5	89.6	110.8	98.2	-11.4%	+23.0%
Operating income	82.4	96.1	132.4	145.2	165.7	+14.1%	+101.1%
Operating margin	21.0%	22.5%	28.6%	26.5%	29.9%	+3.4pts	+8.9pts
Income before income taxes	83.0	98.1	134.4	157.8	167.2	+5.9%	+101.5%
Net income attributable to owners of parent	64.3	73.1	101.5	124.9	126.1	+1.0%	+96.2%
R&D expenses	43.6	51.0	49.7	58.4	53.4	-8.5%	+22.4%
Capital expenditures	39.3	17.6	31.8	32.9	23.9	-27.2%	-39.1%
Depreciation and amortization	10.6	12.5	13.8	15.3	13.2	-14.0%	+24.5%

1. In principle, export sales of Tokyo Electron's products is denominated in Japanese yen. Although some sales and expenses are denominated in foreign currencies, the impact of exchange rate fluctuations on profits is negligible unless extreme fluctuations occur.

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

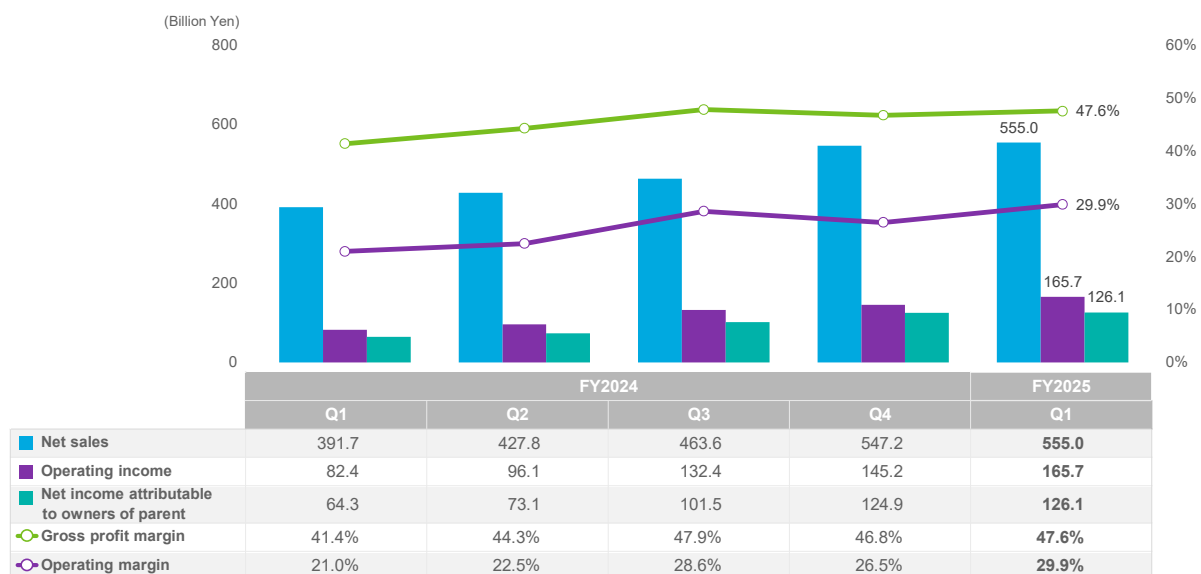
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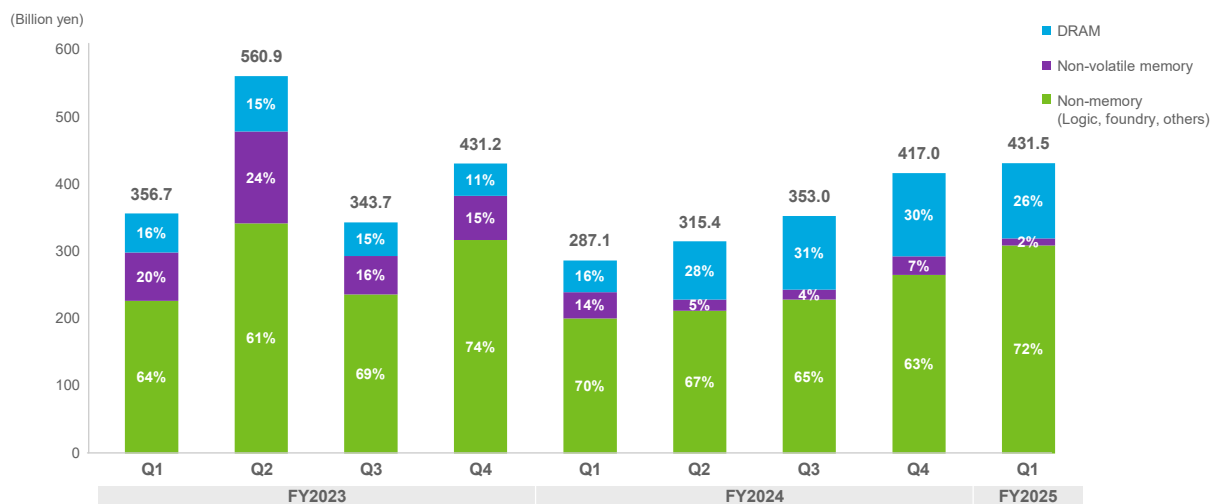
This slide shows the quarterly financial summary. I will mainly refer to the figures in the blue box. In the first quarter, we generated net sales of 555.0 billion yen, a 1.4% increase from the previous quarter. Gross profit was 264.0 billion yen, a 3.1% increase from the previous quarter. Gross profit margin was 47.6%, a 0.8 percentage point increase due to the improvement of product mix and absence of one-off factors such as inventory processing. Operating income was 165.7 billion yen, a 14.1% increase from the previous quarter. Operating margin was 29.9%, a 3.4 percentage point increase from the previous quarter due to the increase of gross profit margin and the decline of SG&A-to-sales ratio including R&D expenses as I said earlier. Income before income taxes increased by 5.9% to 167.2 billion yen. Net income attributable to owners of parent was 126.1 billion yen, a 1.0% increase from the previous quarter.

Financial Performance (Quarterly)



This is a graphic representation of the financial summary shown on the previous page on a chronological basis. You can see that both net sales and profit margins are gradually improving.

SPE New Equipment Sales by Application (Quarterly)



*1 SPE: Semiconductor production equipment

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

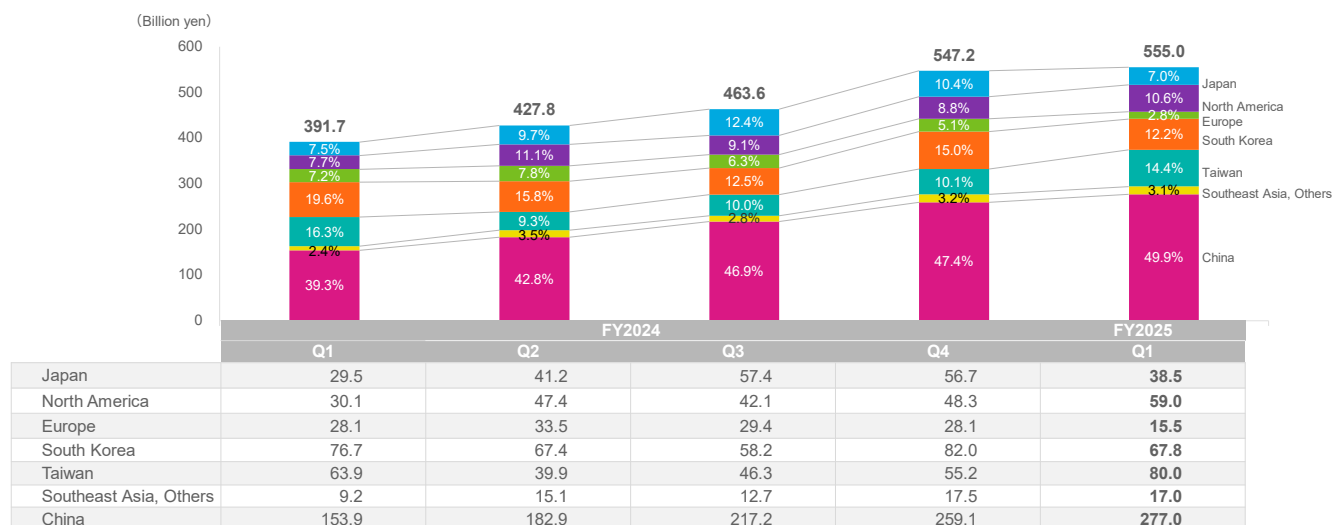
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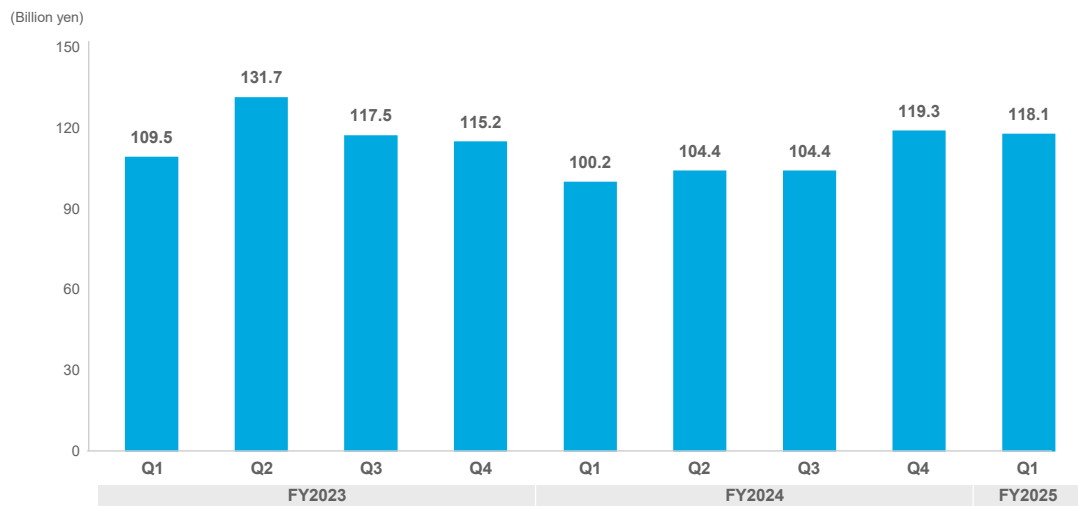
This shows SPE new equipment sales by application. In the first quarter, from the bottom right of this chart, sales to non-memory customers accounted for 72%, non-volatile memory accounted for 2%, and DRAM accounted for 26%. Compared with the previous quarter, net sales and the proportion of DRAM and non-volatile memory declined while those of non-memory rose.

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



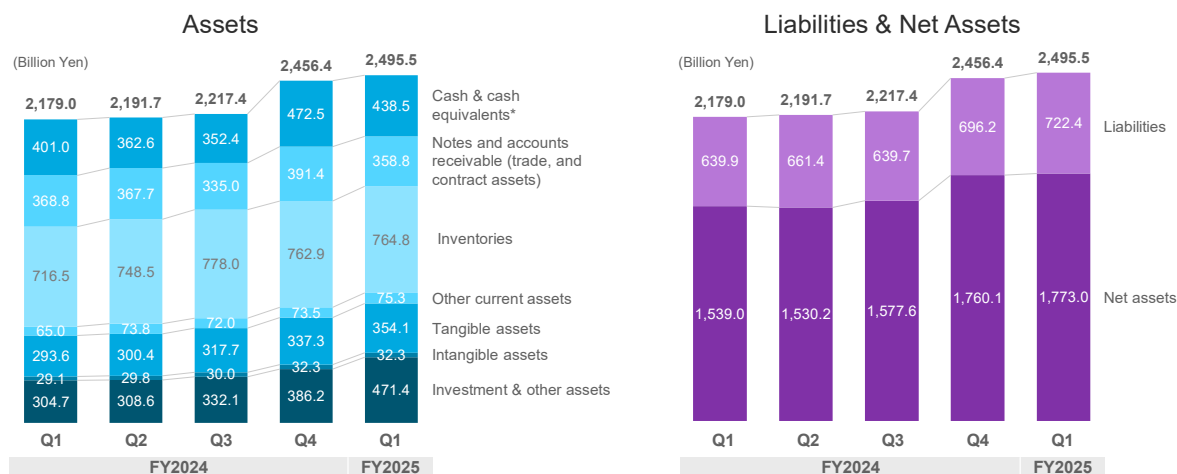
This slide shows net sales by region. As for the composition of net sales in the first quarter, as I described in the previous slide of sales composition by application, non-memory sales rose mainly. Regarding composition, the sales proportion for Taiwan rose in particular, with North America and China growing from the previous quarter.

Field Solutions Sales (Quarterly)



This slide shows Field Solutions sales. In the first quarter, field solution sales were 118.1 billion yen, declining by 1.2 billion yen. Mainly, used equipment and modification sales decreased, while sales of parts and services rose along with an improvement of the utilization rate in the customers' fabs.

Balance Sheet (Quarterly)

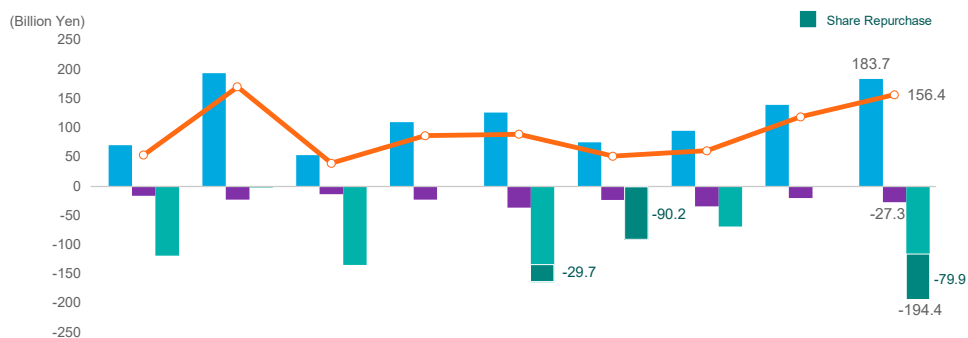


*Cash and cash equivalents: "Cash and deposits" + "Short-term investments", etc. ("Securities" in Balance Sheet).

This slide shows the balance sheet. Total assets were 2.4955 trillion yen. Cash and cash equivalents were 438.5 billion yen, declining by 34.0 billion yen from the previous quarter due to payment of dividends to the shareholders, tax payments and share repurchase. Notes and accounts receivable were 358.8 billion yen, declining by 32.5 billion yen quarter over quarter. Inventories were 764.8 billion yen. Investment and other assets amounted to 471.4 billion yen, growing by 85.2 billion yen from the previous quarter because of such factors as the increased market value of shares we own.

For the liabilities and net assets shown on the right-hand side, liabilities were 722.4 billion yen, increasing by 26.1 billion yen. Net assets were 1.773 trillion yen, increasing by 12.8 billion yen from the previous quarter. This change is primarily attributed to the combination of net sales increase as well as asset decrease due to dividend payment to the shareholders, and share repurchase. The equity ratio was 70.3%.

Cash Flow (Quarterly)



	FY2023				FY2024				FY2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Cash flow from operating activities	69.9	193.4	53.2	109.6	125.7	74.8	95.0	139.0	183.7
Cash flow from investing activities* ¹	-16.6	-23.1	-13.8	-23.1	-36.8	-23.4	-34.4	-20.3	-27.3
Cash flow from financing activities	-119.1	-2.1	-134.6	-0.5	-164.1	-90.8	-69.3	-0.6	-194.4
Free cash flow** ²	53.3	170.2	39.3	86.5	88.8	51.4	60.6	118.7	156.4
Cash on hand** ³	314.6	484.6	387.4	473.1	401.0	362.6	352.4	472.5	438.5

*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.

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This slide shows the cash flow. The cash flow from operating activities in the first quarter was 183.7 billion yen. The cash outflow from investing activities was 27.3 billion yen. The cash outflow from financing activities was 194.4 billion yen due to the share repurchase of 79.9 billion yen. The free cash flow was 156.4 billion yen.

Status of Share Repurchase

- Completed Share Repurchase by June 30, 2024
 - Total number of shares acquired 2,317,000 shares
 - Total cost of acquisition 79,998,958,000 yen

- Reference (Resolutions of the Board of Directors' meeting held on May 10, 2024)
 - Type of shares to be acquired Shares of common stock
 - Total number of shares to be acquired Up to 3.5 million shares
(Equivalent to 0.8% of outstanding shares
excluding treasury stock)
 - Total cost of acquisition Up to 80 billion yen
 - Period of acquisition From May 13, 2024 to July 31, 2024

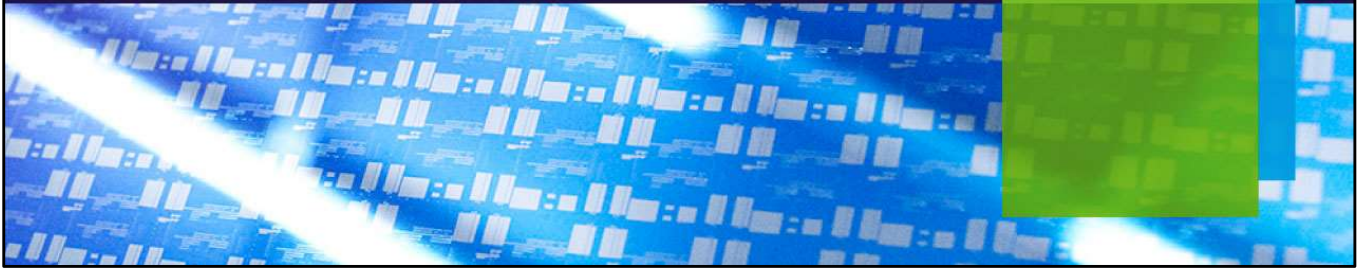
Finally, I will present updates about the share repurchase. The share repurchase, based on the resolution of the Board of Directors meeting on May 10, was completed by June 30, 2024. The total number of shares purchased from May to the end of June 2024 amounted to 2,317,000 shares. Total cost of share repurchase was 79.9 billion yen. This concludes my presentation on the consolidated financial summary of the first quarter of fiscal year ending March 2025.



Business Environment and Financial Estimates

August 8, 2024

Toshiki Kawai
Representative Director, President & CEO



I am Toshiki Kawai. I will present on the “Business Environment and Financial Estimates”.

Business Environment (WFE Market Outlook as of August 2024)

■ CY2024: Estimating just over \$100B

- Expecting to strong investment in AI servers and steady recovery in the fab utilization rate for PC/smartphone chips
 - DRAM investment to recover on higher demand for DDR5, HBM*¹, etc.
 - Growing needs in advanced logic/foundry, including front-end equipment, packaging, testing, etc.

■ CY2025: Double-digit growth expected

- Recovery in demand amid strong growth of AI servers and rising number of PCs/smartphones with AI
 - In addition to further expansion of DRAM, NAND investment will resume as inventory adjustment progress
 - Advanced logic/foundry, offsetting a lull in investment for mature nodes

→ Expanding business opportunities for TEL amid progress in technological innovations (GAA*², Backside PDN*³, HBM, wafer probers for testing in 3D-Integration) for high capacity, ultra-high speed, and low power consumption

*1 HBM (High Bandwidth Memory)

*2 GAA (Gate All Around)

*3 Backside PDN (Power Delivery Network)

: A transistor structure where the channel is surrounded by the gate

: Structures that arrange power delivery networks on the backside of silicon wafer

Let me start with the business environment. CY2024 WFE market is growing in general, although some customers are changing their investment plans. At present, strong investment for AI servers continues, and the utilization rate for PC and smartphone applications is steadily recovering. Along with this trend, growing demand for DDR5 and HBM accelerates WFE spending for DRAM. In the advanced logic/foundry, there is rapidly-growing need for advanced packaging and testing as well as for front-end equipment.

In CY2025, in addition to the strong growth of AI servers, AI content in PCs and smartphones is expected to rise. Following the recovery of investment for DRAM, investment for NAND is also expected to resume as inventory adjustments proceed. A further recovery of WFE spending in the advanced logic/foundry is expected to offset a lull in investment for mature nodes. We expect that these factors will drive double-digit growth in CY2025 WFE market. Leading-edge semiconductor technologies are essential for AI applications.

Toward the realization of semiconductor devices featuring large capacity, ultrahigh speed and low power consumption, technology innovation is moving forward. Along with the technology evolution including GAA, backside PDN and HBM, TEL's business opportunities will further expand.

FY2025 Q1 Business Progress

- Both net sales and profit exceeded initial plan
 - Net sales ¥555.0B, operating profit ¥165.7B, operating profit margin 29.9%
- Made good progress in acquiring PORs* through strategic products
 - Acquired development PORs including conductor etching for DRAM and cleaning equipment for advanced logic
 - Progressing in development and evaluation toward volume production for NAND cryogenic etch and bonders, etc.
- Increase in inquiries for advanced packaging and testing
 - Received a wide range of inquiries (coater/developer, etcher, batch deposition, bonder, prober, etc.)
- Released new products to contributing to innovation in semiconductor technology
 - Single-wafer deposition system “Episode™ Series”: Responds to the needs to advance device scaling, 3D structures and for a greater variety of deposition material
 - Gas cluster beam system “Acrevia™”: Features low-damage, ultra-fine line width processing and shape correction, which reduces the cost of EUV patterning processes
- Completed approx. ¥80B share buyback

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* POR: Process of Record : Certification of the adoption of equipment in customers' semiconductor production processes

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This shows business progress in the first quarter of fiscal year ending March 2025. Regarding financial performance, as Mr. Kawamoto presented earlier, both net sales and profit exceeded our guidance. We succeeded in winning PORs for our high value-added strategic products. We won development PORs in conductor etching for DRAM and cleaning systems for advanced logic. Also, for cryogenic etching which is one of our strategic products, and bonders which are expected to grow even more, we are steadily proceeding with development and evaluation for their introduction into high-volume manufacturing lines. Addressing the rapidly-growing needs for advanced packaging and testing, we are receiving a wide range of inquiries for coater/developers, etching, batch film deposition, bonders, probers among others.

At SEMICON West in July, we released new products featuring leading-edge technologies. The single-wafer film deposition system “Episode™ Series” deploys a broad product portfolio to fulfill such needs as device scaling, 3D integration, and diversification of deposition materials. “Episode™ 1” effectively lowers contact resistance of metal interconnects in advanced logic. “Episode™ 2” is composed of two models, namely duo matched reactor (DMR) and quad matched reactor (QMR), to deposit high-quality films with high throughput. The gas cluster beam system “Acrevia™” contributes to cost reduction in the EUV patterning process, as it features low-damage ultra-fine line width formation and profile correction. We have already started delivering these systems to multiple customers for their evaluation, and expect that they will contribute to the achievement of FY2027 sales and profit goals set in the Mid-term Management Plan.

In this quarter, we completed share repurchase of about 80 billion yen that we announced in May.

FY2025 Financial Estimates

Next, I will present the financial estimates for FY2025.

FY2025 Financial Estimates

(Billion Yen)

	FY2024 (Actual)	FY2025 (Estimates)				
		H1	H2	Full Year	Full Year Adjustments	Full Year YoY
Net sales	1,830.5	1,100.0	1,200.0	2,300.0	+100.0	+25.6%
Gross profit	830.2	504.0	568.0	1,072.0	+50.0	+29.1%
<i>Gross profit margin</i>	45.4%	45.8%	47.3%	46.6%	+0.1pts	+1.2pts
SG&A expenses	374.0	216.0	229.0	445.0	+5.0	+19.0%
R&D	202.8	121.0	132.0	253.0	+3.0	+24.8%
Other than R&D	171.1	95.0	97.0	192.0	+2.0	+12.2%
Operating income	456.2	288.0	339.0	627.0	+45.0	+37.4%
<i>Operating margin</i>	24.9%	26.2%	28.3%	27.3%	+0.8pts	+2.4pts
Income before income taxes	473.4	290.0	340.0	630.0	+46.0	+33.1%
Net income attributable to owners of parent	363.9	218.0	260.0	478.0	+33.0	+31.3%
Net income per share (Yen)	783.75	472.61	-	1,036.94	+75.75	+253.19

Made upward revisions to estimates based on Q1 results and latest market trend.
Expect record-high net sales, GP, GPM, OP, NP, and EPS in FY2025

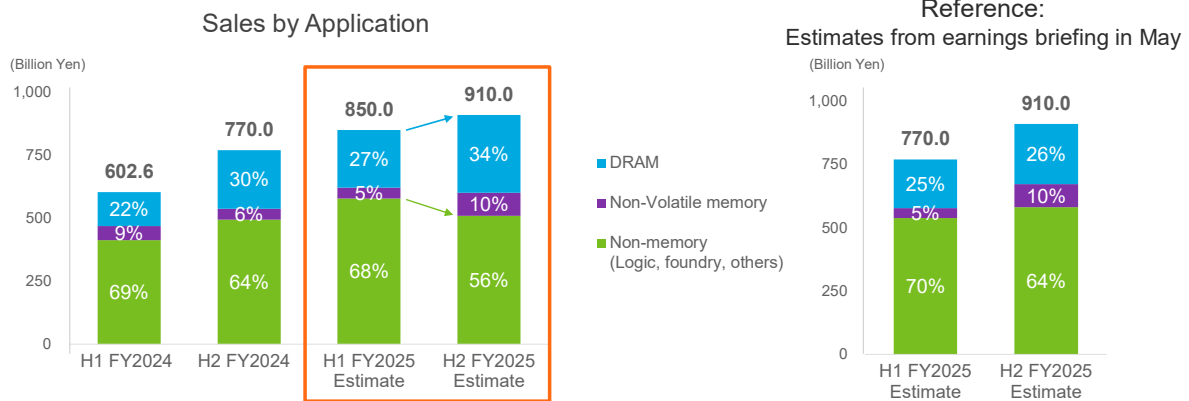
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As I presented earlier, driven by the strong demand for AI-related devices, the WFE market is currently in recovery. Toward CY2025, full-fledged WFE spending is expected to start for advanced memory and advanced logic. We have revised the financial estimates upward by reflecting the first quarter results and latest market trend. FY2025 full-year financial estimates are 2.3 trillion yen for net sales, 1.072 trillion yen for gross profit, 627 billion yen for operating income, and 478 billion yen for net income attributable to owners of parent. In order to capture future growth opportunities as much as possible, we plan to invest 253 billion yen in R&D this fiscal year. Net sales, gross profit, gross profit margin, operating income, net income and EPS are expected to hit record highs.

FY2025 SPE New Equipment Sales Forecast



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

Updated proportion of sales in logic and memory based on recent market trend

This slide shows the SPE new equipment sales forecast in FY2025. As shown here, sales are recovering after bottoming out in the first half of FY2024. Reflecting the latest market trend, we have revised the proportion of memory and logic sales.

FY2025 R&D Expenses and Capex Plan

New Development Building
Deposition system, etch system, corporate R&D



Nirasaki-city, Yamanashi Prefecture
Established in July 2023

New Development Building
Coater/developer, cleaning system, bonder



Koshi-city, Kumamoto Prefecture
Completion scheduled for summer 2025

Tohoku Production and Logistics Center
Deposition system

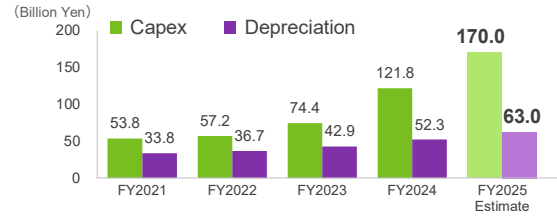
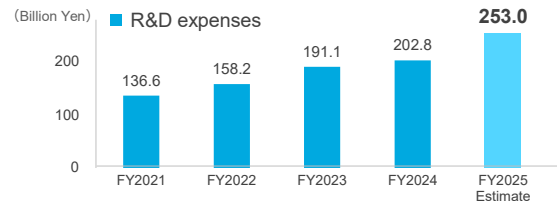


Oshu-city, Iwate Prefecture
Completion scheduled for autumn 2025

New Development Building
Etch system



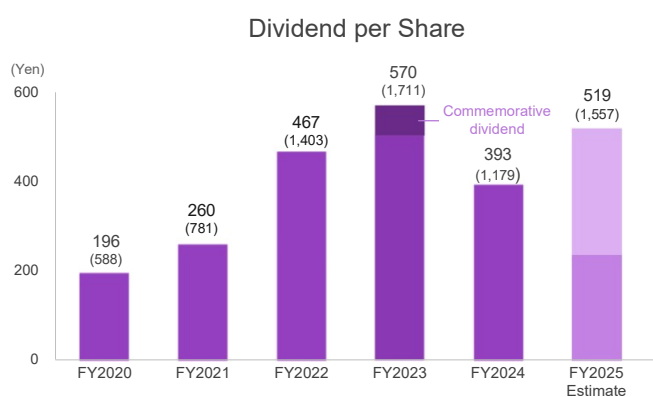
Kurokawa-gun, Miyagi Prefecture
Completion scheduled for spring 2025



Continue aggressive R&D and capital investments for future growth

This shows our plan for R&D expenses and capex. In FY2025, as presented before, we expect R&D expenses of 253 billion yen, capex of 170 billion yen, and depreciation of 63 billion yen, all of which are expected to hit record highs.

FY2025 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.

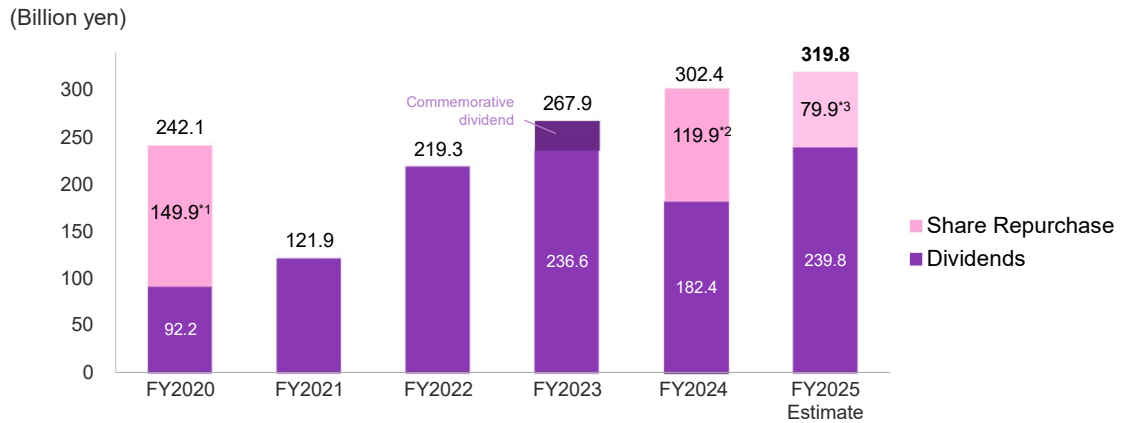
Implemented a 3-for-1 common stock split on April 1, 2023.
Full-year dividends are expected to be 519 yen per share

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This slide shows the dividend forecast. Based on the revision of FY2025 financial estimates, the full-year dividend per share is expected to be 519 yen.

Total Return Amount



*1 https://www.tel.com/news/ir/2020/20200106_001.html

*2 https://www.tel.com/news/ir/2023/de4nhu0000000045-att/20231002_001_e.pdf

*3 https://www.tel.com/news/ir/2024/tnq6pk000000009m-att/20240701_001_e.pdf

Combined with share buyback, total return amount is expected to be record high

This is my last slide, showing total return amount over the past few years. The total return amount in this fiscal year, combining the dividend per share and share repurchase that I presented earlier, is expected to be 319.8 billion yen, hitting a record high.

This concludes my presentation. Thank you very much for listening.

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TOKYO ELECTRON

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