



Summary of Consolidated Financial Results for the First Quarter Ended June 30, 2024 (Japanese GAAP)

August 8, 2024

Name of Listed Company: Tokyo Electron Limited Stock Exchange Listing: Tokyo
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Scheduled start date of dividends payment: -
 Preparation of supplementary materials for the financial results: Yes
 Earnings release conference: Yes (for investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Cumulative)

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

	Three months ended	
	June 30, 2023	June 30, 2024
	%	%
Net sales (Millions of yen)	391,746 (17.3)	555,071 41.7
Operating income (Millions of yen)	82,433 (29.9)	165,733 101.1
Ordinary income (Millions of yen)	83,046 (29.4)	167,398 101.6
Net income attributable to owners of parent (Millions of yen)	64,312 (27.0)	126,189 96.2
Net income per share of common stock (Yen):		
Basic	137.46	273.22
Diluted	136.99	272.39
Comprehensive income:	Three months ended June 30, 2024:	201,454 million yen, 102.7%
	Three months ended June 30, 2023:	99,364 million yen, 18.9%

(2) Consolidated Financial Position

	As of	
	March 31, 2024	June 30, 2024
Total assets (Millions of yen)	2,456,462	2,495,541
Total net assets (Millions of yen)	1,760,180	1,773,061
Equity ratio (%)	71.1	70.3
Equity:	1,754,662 million yen (as of June 30, 2024)	
	1,746,835 million yen (as of March 31, 2024)	

2. Dividends

	Year ended	Year ending
	March 31, 2024	March 31, 2025 (Forecast)
1Q-end dividends per share (Yen)	-	-
2Q-end dividends per share (Yen)	148.00	237.00
3Q-end dividends per share (Yen)	-	-
Year-end dividends per share (Yen)	245.00	282.00
Annual dividends per share (Yen)	393.00	519.00

Note: Revision to the dividends forecast most recently announced: Yes

3. Financial Forecasts for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

Note: Percentages for year ending March 31, 2025 indicate changes from the previous fiscal year, and those for six months ending September 30, 2024 indicate changes from the same period of the previous fiscal year.

	Six months ending		Year ending	
	September 30, 2024		March 31, 2025	
	(Cumulative)			
		%		%
Net sales (Millions of yen)	1,100,000	34.2	2,300,000	25.6
Operating income (Millions of yen)	288,000	61.3	627,000	37.4
Ordinary income (Millions of yen)	290,000	60.0	630,000	36.0
Net income attributable to owners of parent (Millions of yen)	218,000	58.6	478,000	31.3
Net income per share (Yen)	472.61		1,036.94	

Note: Revision to the financial forecasts most recently announced: Yes

Notes

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

(2) Adoption of special accounting methods for preparation of quarterly financial statements: Yes
Please refer to "Notes" on page 10 for further information.

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

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

Please refer to "Notes" on page 10 for further information.

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

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

As of June 30, 2024:	471,632,733 shares
As of March 31, 2024:	471,632,733 shares
2. Number of shares of treasury stock

As of June 30, 2024:	10,954,747 shares
As of March 31, 2024:	8,663,247 shares
3. Average number of shares outstanding (Cumulative quarterly period)

Three months ended June 30, 2024:	461,854,886 shares
Three months ended June 30, 2023:	467,872,195 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". (1,386,407 shares as of June 30, 2024, 1,386,407 shares as of March 31, 2024)

In addition, these Company's shares are included in the treasury stock which is deducted in calculating the average number of shares.

* Status of external auditor's quarterly review procedures for attached quarterly consolidated financial statements: None

* 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. Qualitative Information on Financial Results for the Current Quarter (4) Description of Financial Estimates Information such as Consolidated Financial Forecasts" on page 5.

The Company plans to hold an online conference for investors and analysts on August 8, 2024. Supplementary materials to be used at the conference will be posted on the Company's website.

1. Qualitative Information on Financial Results for the Current Quarter

(1) Description of Operating Results

With respect to the global economy in the first quarter of the current fiscal year, while concerns about geopolitical risks persist, the economies of Europe and the United States showed signs of stability with the inflation rate at around 2%. Furthermore, as for foreign exchange, the yen's depreciation continued due to the gap in policy interest rates between Japan and both Europe and the United States.

In the electronics industry, where the Tokyo Electron (TEL) Group operates, new electronic devices incorporating generative AI have been introduced and new markets are beginning to emerge. Additionally, while PC and smartphone markets have begun showing signs of recovery, semiconductor manufacturers continued to make production adjustments. As a result, there have been progress in inventory adjustments for semiconductors, and the supply and demand imbalance for semiconductors has improved steadily.

Under these circumstances, capital investment in semiconductor production equipment in the first quarter of the current fiscal year continued the strong growth trends from the previous fiscal year, primarily due to investments in mature generation of semiconductors in China meant to improve self-sufficiency rates in semiconductors and advanced packages for AI applications. Furthermore, the capital investment for memory and cutting-edge logic/foundry semiconductors has been generally restrained. However, against the backdrop of the transition to a data society accompanied by the expansion of information and communication technology and efforts toward a decarbonized society, the role of semiconductors in supporting electronic devices and their technological innovation are becoming increasingly important, and the semiconductor production equipment market is expected to grow further in the medium- to long-term.

As a result, the consolidated financial results (cumulative) for the first quarter of the current fiscal year were net sales of 555,071 million yen (year-on-year growth of 41.7%), operating income of 165,733 million yen (year-on-year growth of 101.1%), ordinary income of 167,398 million yen (year-on-year growth of 101.6%), and net income attributable to owners of parent of 126,189 million yen (year-on-year growth of 96.2%).

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

(2) Description of Financial Conditions

Current assets at the end of the first quarter of the current fiscal year were 1,637,642 million yen, a decrease of 62,809 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 49,022 million yen in cash and deposits, and a decrease of 32,535 million yen in notes and accounts receivable - trade, and contract assets.

Property, plant and equipment increased by 16,746 million yen from the end of the previous fiscal year, to 354,113 million yen.

Intangible assets decreased by 69 million yen from the end of the previous fiscal year, to 32,314 million yen.

Investments and other assets increased by 85,211 million yen from the end of the previous fiscal year, to 471,471 million yen.

As a result, total assets increased by 39,078 million yen from the end of the previous fiscal year, to 2,495,541 million yen.

Current liabilities increased by 1,761 million yen from the end of the previous fiscal year, to 613,660 million yen. This was largely due to an increase of 47,414 million yen in customer advances, and a decrease of 34,145 million yen in income taxes payable.

Long-term liabilities increased by 24,436 million yen from the end of the previous fiscal year, to 108,819 million yen.

Net assets increased by 12,881 million yen from the end of the previous fiscal year, to 1,773,061 million yen. This was largely due to an increase of 126,189 million yen resulting from recording net income attributable to owners of parent, an increase of 59,082 million yen in net unrealized gains on investment securities, an increase of 17,111 million yen in foreign currency translation adjustments, a decrease resulting from the payment of 113,767 million yen in year-end

dividends for the previous fiscal year, and a decrease resulting from the purchase of treasury stock of 79,998 million yen. As a result, the equity ratio was 70.3%.

(3) Description of Cash Flows

Cash and cash equivalents at the end of the first quarter of the current fiscal year decreased by 44,061 million yen compared to the end of the previous fiscal year, to 417,547 million yen. The combined balance including 20,991 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 438,539 million yen, a decrease of 34,009 million yen from the end of the previous fiscal year. The overall situation regarding cash flows during the first quarter of the current fiscal year was as described below.

Cash flows from operating activities were positive 183,778 million yen, an increase of 58,047 million yen compared to the same period of the previous fiscal year. The major positive factors were 167,248 million yen in income before income taxes, a 45,731 million yen increase in customer advances, and a 37,985 million yen decrease in notes and accounts receivable - trade, and contract assets, and the major negative factor was a 75,015 million yen in payment of income taxes.

Cash flows from investing activities were negative 37,330 million yen compared to negative 36,942 million yen in the same period of the previous fiscal year. This was largely due to the payment of 25,335 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities were negative 194,433 million yen compared to negative 164,172 million yen in the same period of the previous fiscal year. This was largely due to the payment of 113,767 million yen in dividends, and the payment of 79,998 million yen for the purchase of treasury stock.

Quarterly Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities	125,731	183,778
Income before income taxes	83,014	167,248
Depreciation and amortization	10,604	13,203
Net decrease (increase) in notes and accounts receivable - trade, and contract assets	103,763	37,985
Decrease (increase) in inventories	(55,411)	5,260
Increase (decrease) in trade notes and accounts payable	(27,124)	(7,259)
Other, net	10,886	(32,660)
Cash flows from investing activities	(36,942)	(37,330)
Decrease (increase) in time deposits and short-term investments	(83)	(10,004)
Other (Purchase of long-term assets, and others)	(36,859)	(27,325)
Cash flows from financing activities	(164,172)	(194,433)
Purchase of treasury stock	(29,796)	(79,998)
Other (Dividends paid, and others)	(134,376)	(114,434)
Effect of exchange rate changes on cash and cash equivalents	3,186	3,923
Net increase (decrease) in cash and cash equivalents	(72,197)	(44,061)
Cash and cash equivalents at beginning of period	472,471	461,608
Cash and cash equivalents at end of period	400,274	417,547
Cash and cash equivalents, time deposits and short-term investments with maturities of more than three months	401,029	438,539

(4) Description of Financial Estimates Information such as Consolidated Financial Forecasts

Based on the most recent trends in capital investments by our customers and the most recent trends in financial results, we would like to amend the consolidated financial forecasts for the first half of the current fiscal year and full year announced on May 10, 2024, as follows.

Consolidated Financial Forecasts (Cumulative) for the First Half of the Year Ending March 31, 2025

(Billions of yen)

	Revised forecast		Previous forecast (May 10, 2024)
Net Sales	1,100.0	34.2%	1,000.0
Operating Income	288.0	61.3%	243.0
Ordinary Income	290.0	60.0%	244.0
Net Income Attributable to Owners of Parent	218.0	58.6%	185.0

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

Consolidated Financial Forecasts for the Year Ending March 31, 2025

(Billions of yen)

	Revised forecast		Previous forecast (May 10, 2024)
Net Sales	2,300.0	25.6%	2,200.0
Operating Income	627.0	37.4%	582.0
Ordinary Income	630.0	36.0%	584.0
Net Income Attributable to Owners of Parent	478.0	31.3%	445.0

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

Note: The financial forecasts and estimates stated in this Summary of Consolidated Financial Results 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 described in this Summary of Consolidated Financial Results.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
ASSETS		
Current assets		
Cash and deposits	462,383	413,361
Notes and accounts receivable - trade, and contract assets	391,423	358,888
Securities	10,165	25,177
Merchandise and finished goods	284,451	297,325
Work in process	173,929	185,579
Raw materials and supplies	304,576	281,952
Others	73,876	75,691
Allowance for doubtful accounts	(353)	(332)
Total current assets	1,700,451	1,637,642
Long-term assets		
Property, plant and equipment	337,366	354,113
Intangible assets		
Others	32,383	32,314
Total intangible assets	32,383	32,314
Investments and other assets		
Investment securities	277,706	363,145
Others	109,963	109,774
Allowance for doubtful accounts	(1,409)	(1,447)
Total investments and other assets	386,260	471,471
Total long-term assets	756,011	857,899
Total assets	2,456,462	2,495,541

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
LIABILITIES		
Current liabilities		
Trade notes and accounts payable	92,359	88,215
Income taxes payable	80,009	45,864
Customer advances	289,905	337,319
Accrued warranty expenses	33,524	35,532
Other allowances	45,798	19,062
Others	70,301	87,666
Total current liabilities	611,899	613,660
Long-term liabilities		
Other allowances	3,044	2,990
Net defined benefit liabilities	56,139	57,224
Others	25,199	48,604
Total long-term liabilities	84,383	108,819
Total liabilities	696,282	722,479
NET ASSETS		
Shareholders' equity		
Common stock	54,961	54,961
Capital surplus	78,011	78,011
Retained earnings	1,480,306	1,492,404
Treasury stock, at cost	(135,215)	(214,750)
Total shareholders' equity	1,478,063	1,410,626
Accumulated other comprehensive income		
Net unrealized gains (losses) on investment securities	184,934	244,016
Net deferred gains (losses) on hedging instruments	42	67
Foreign currency translation adjustments	72,275	89,387
Accumulated remeasurements of defined benefit plans	11,519	10,564
Total accumulated other comprehensive income (loss)	268,771	344,036
Share subscription rights	13,345	18,399
Total net assets	1,760,180	1,773,061
Total liabilities and net assets	2,456,462	2,495,541

Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	391,746	555,071
Cost of sales	229,432	291,049
Gross profit	162,313	264,022
Selling, general and administrative expenses		
Research and development expenses	43,639	53,436
Others	36,240	44,852
Total selling, general and administrative expenses	79,880	98,288
Operating income	82,433	165,733
Non-operating income		
Dividend income	1,126	1,344
Share of profit of associates accounted for using the equity method	739	843
Others	1,439	1,481
Total non-operating income	3,304	3,669
Non-operating expenses		
Foreign exchange loss	2,454	1,651
Others	237	352
Total non-operating expenses	2,691	2,004
Ordinary income	83,046	167,398
Unusual or infrequent profit		
Gain on sales of long-term assets	1	14
Total unusual or infrequent profit	1	14
Unusual or infrequent loss		
Loss on disposal and sales of long-term assets	33	164
Total unusual or infrequent loss	33	164
Income before income taxes	83,014	167,248
Income taxes	18,701	41,059
Net income	64,312	126,189
Net income attributable to owners of parent	64,312	126,189

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net income	64,312	126,189
Other comprehensive income (loss)		
Net unrealized gains (losses) on investment securities	16,801	59,097
Foreign currency translation adjustments	18,557	16,972
Remeasurements of defined benefit plans	(485)	(948)
Share of other comprehensive income of associates accounted for using the equity method	178	143
Total other comprehensive income (loss)	35,051	75,264
Comprehensive income	99,364	201,454
(Breakdown)		
Comprehensive income attributable to owners of parent	99,364	201,454

Notes

Going concern: None

Significant changes in Shareholders' Equity: Yes

The Company executed the purchase of treasury stock based on the resolution of its Board of Directors dated May 10, 2024. Mainly due to this purchase, the amount of treasury stock increased by 79,534 million yen for the three months ended June 30, 2024, and resulted in 214,750 million yen as of June 30, 2024.

Significant changes in the scope of consolidation during the period: None

Adoption of special accounting methods for preparation of quarterly financial statements: Yes

The Company and part of its consolidated subsidiaries calculate tax expenses by reasonably estimating the annual effective tax rate on income before income taxes after the application of tax effect accounting for the fiscal year, and applying this rate to income before income taxes for the current quarter under review.

Changes in accounting policies, changes in accounting estimates and restatements: Yes

Changes in accounting policies

Accounting Standard for Current Income Taxes

The Company applies "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc from the beginning of the first quarter of the current fiscal year.

The amendment of classification of income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of "Accounting Standard for Current Income Taxes" and the proviso of paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). There is no effect by this change on the quarterly consolidated financial statements.

Regarding the amendment related to the revision of the treatment on the consolidated financial statements for profits and losses on the sale of shares of subsidiaries and affiliates between consolidated companies that are deferred for tax purposes, the Company applies "Guidance on Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of the current fiscal year. This change has been applied retrospectively and the quarterly consolidated financial statements and the consolidated financial statements for the previous quarter and fiscal year are after the retrospective application. There is no effect by this change on the quarterly consolidated financial statements and the consolidated financial statements for the previous quarter and fiscal year.

Quarterly consolidated statements of cash flows

Quarterly consolidated statements of cash flows are not prepared for the three months ended June 30, 2024. "Depreciation and amortization" (including amortization of intangible assets other than goodwill) and "Amortization of goodwill" for the three months ended June 30, 2023 and 2024 are as follows:

	(Millions of yen)	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation and amortization	10,604	13,203
Amortization of goodwill	18	18

Segment information

The description of this section has been omitted as TEL Group has a single segment of semiconductor production equipment.