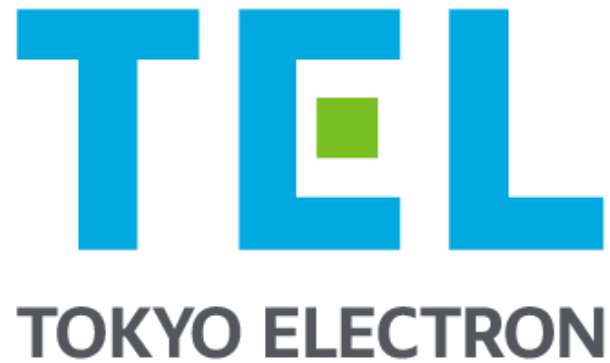


The 60th Annual General Meeting of Shareholders



June 20, 2023

FY2023 Financial Report

(FY2023 : April 1, 2022 – March 31, 2023)

Consolidated Statement of Income

(Billion yen)

	FY2022 (%)		FY2023 (%)		Variance
Net sales	2,003.8	100.0	2,209.0	100.0	+205.2
Gross profit	911.8	45.5	984.4	44.6	+72.5
Operating income	599.2	29.9	617.7	28.0	+18.4
Ordinary income	601.7	30.0	625.1	28.3	+23.4
Income before income taxes	596.6	29.8	624.8	28.3	+28.1
Net income attributable to owners of parent	437.0	21.8	471.5	21.3	+34.5

Record highs in sales and all profit categories
Achieved sales and profit growth for three consecutive fiscal years

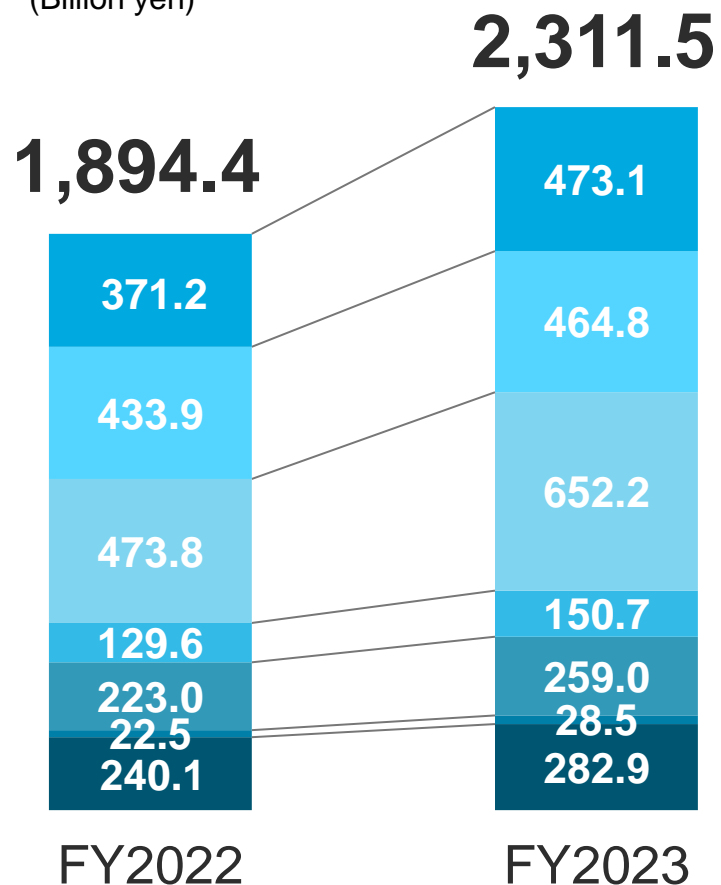
FY2023 Business Performance Background

- **Accelerating shift toward data-driven society**
- **Growing importance of semiconductors as a growth driver for all industries**
- **Smooth progression of our business activities in focus areas**
 - ✓ Increased adoption of high value-added leading-edge equipment
- **Ongoing R&D investment (A record high of 191.1 billion yen)**

Consolidated Balance Sheet

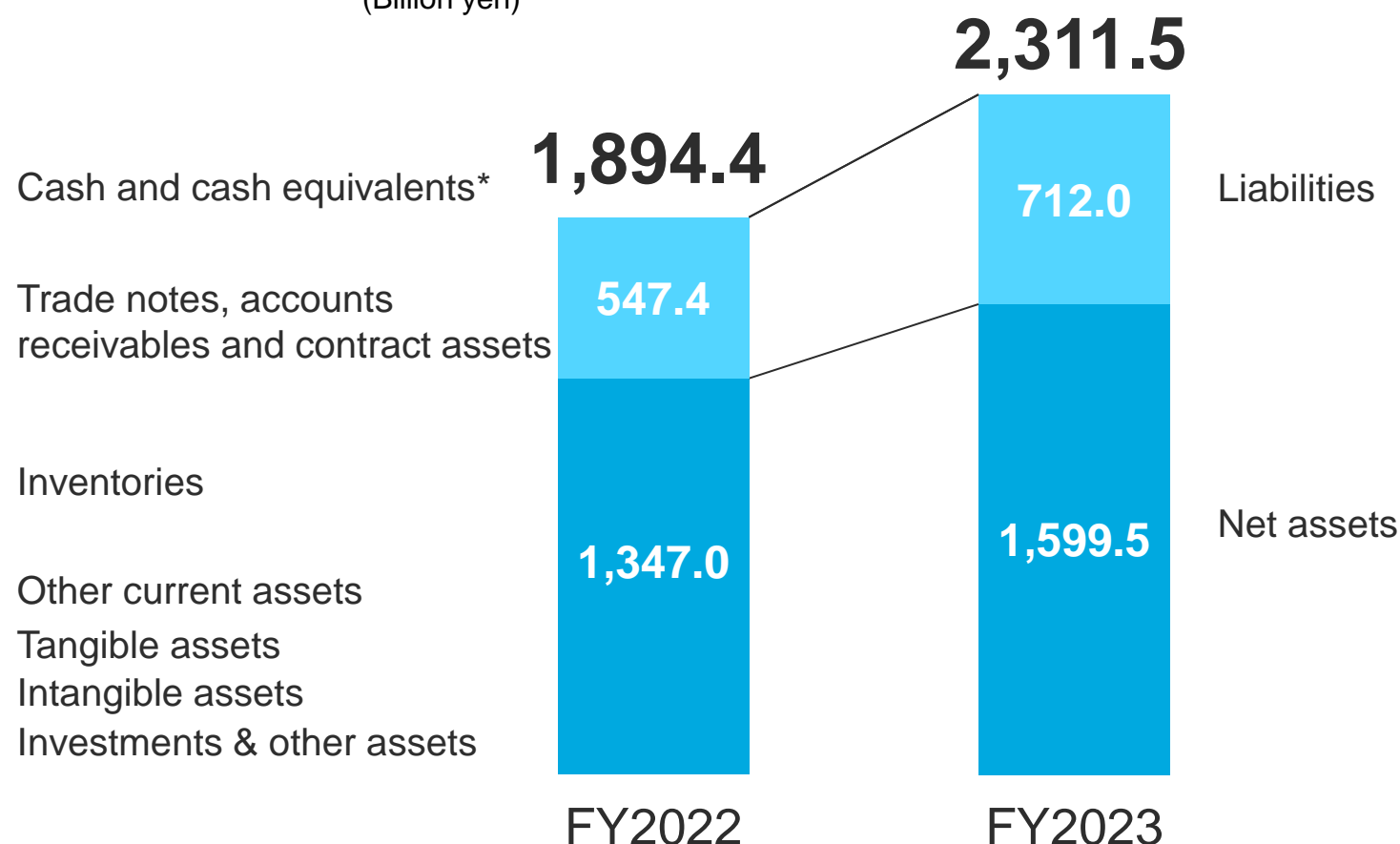
Assets

(Billion yen)



Liabilities & Net Assets

(Billion yen)



*Includes time deposits + short-term investments (indicated as securities on the balance sheet)

Non-consolidated Financial Statement

■ Statement of Income

(Billion yen)

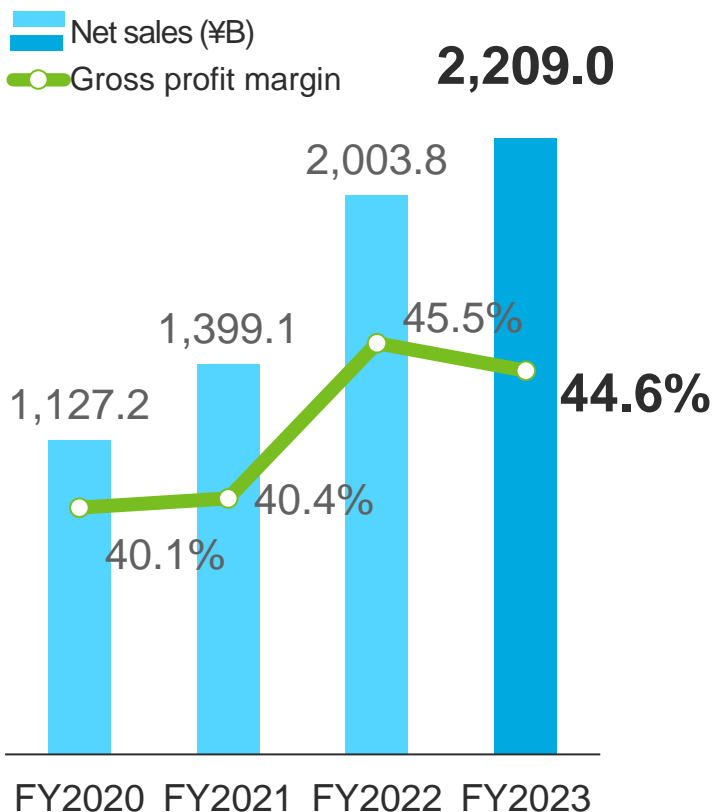
	FY2022		FY2023		Variance
		(%)		(%)	
Net sales	1,842.5	100.0	2,020.5	100.0	+177.9
Operating income	306.6	16.6	379.9	18.8	+73.3
Ordinary income	452.1	24.5	585.7	29.0	+133.5
Income before income taxes	452.2	24.5	585.4	29.0	+133.2
Net income	358.0	19.4	484.5	24.0	+126.4

■ Balance Sheet

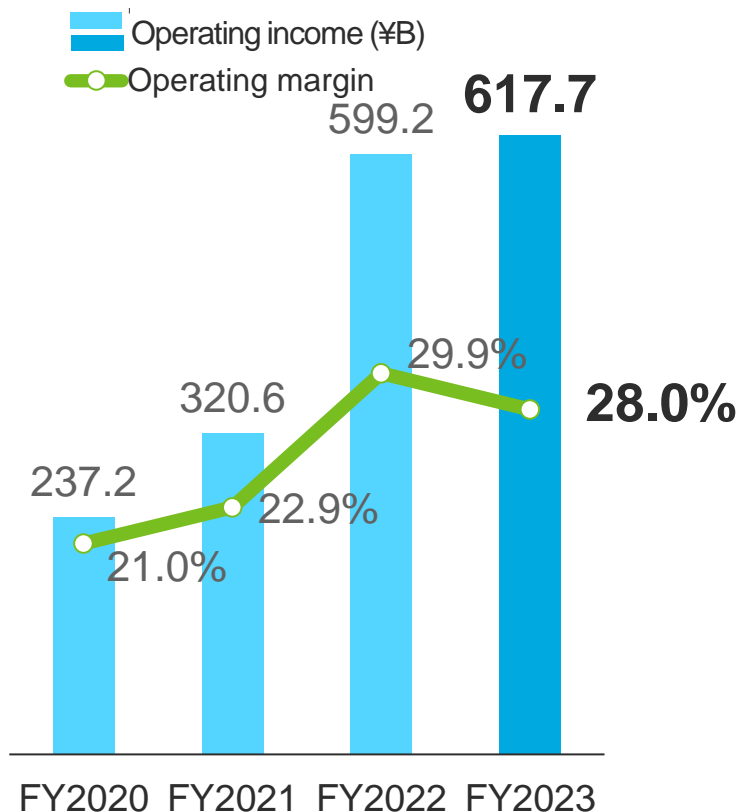
	FY2022		FY2023		Variance
		(%)		(%)	
Total assets	1,439.5	100.0	1,728.0	100.0	+288.4
Total liabilities	589.2	40.9	628.0	36.3	+38.7
Total net assets	850.3	59.1	1,099.9	63.7	+249.6
Total liabilities & net assets	1,439.5	100.0	1,728.0	100.0	+288.4

Four-year Performance

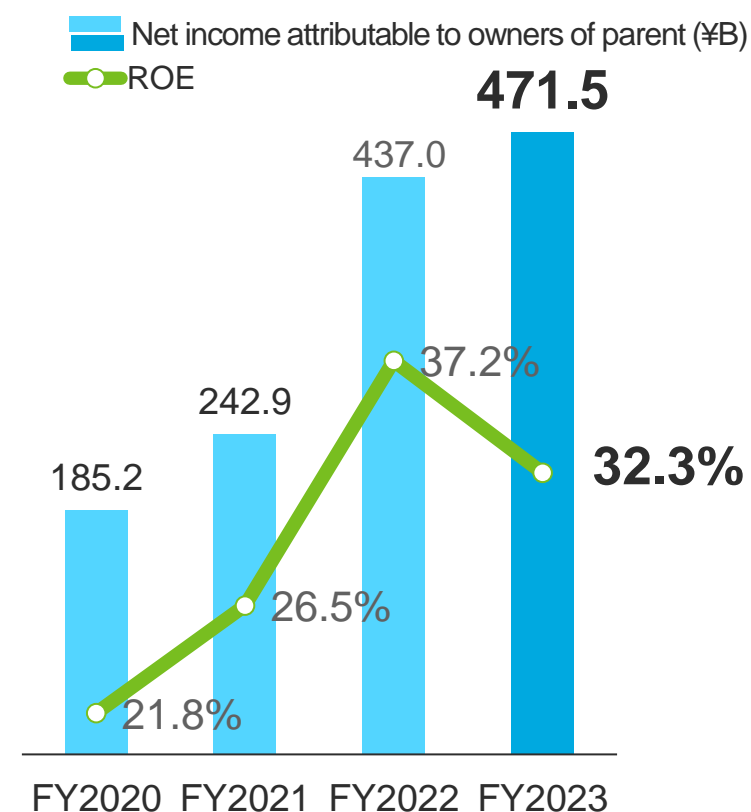
Net sales and gross profit margin



Operating income and operating margin



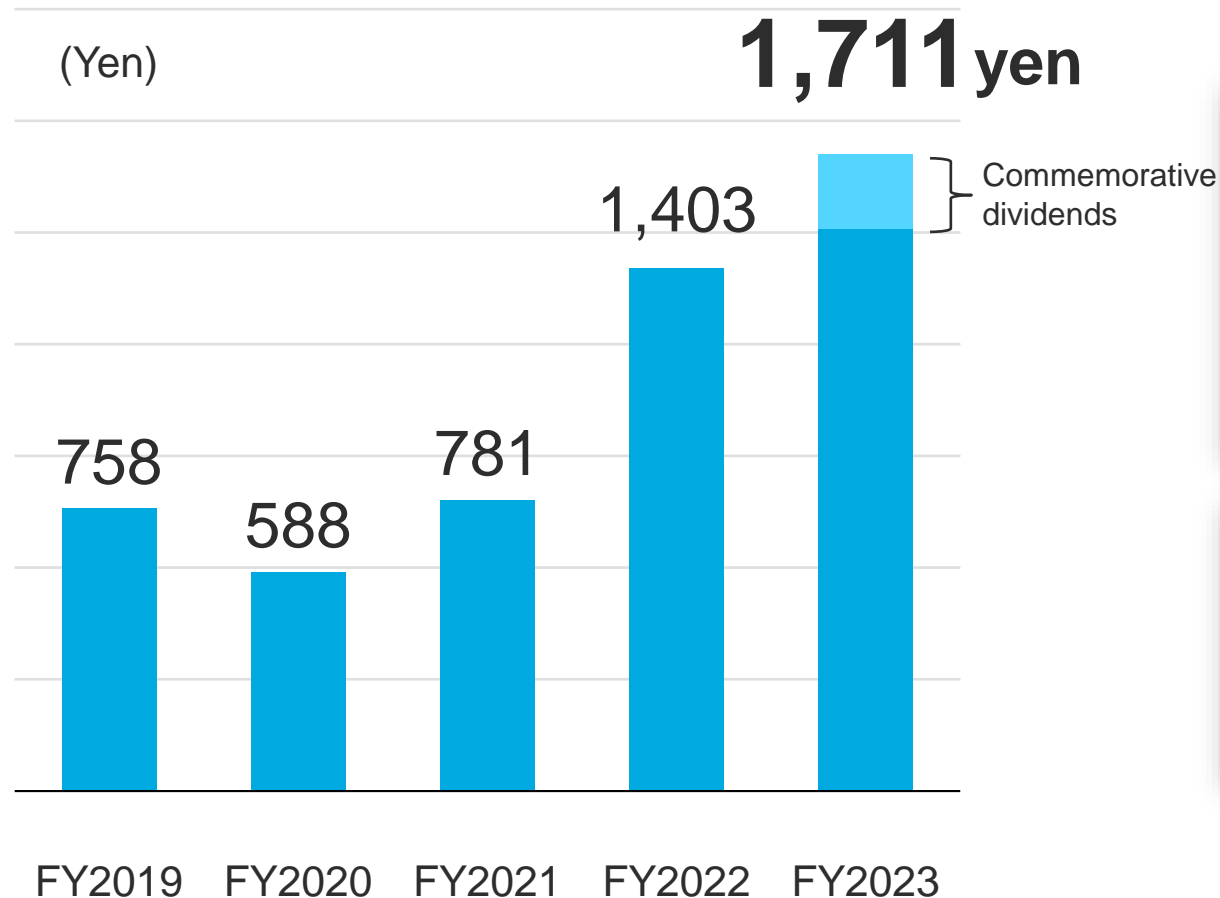
Net income attributable to owners of parent and ROE



Achieved record highs in sales, operating income and net income in FY2023

FY2023 Dividend

【Annual dividend per share】



Interim	Year-end	Annual dividend
857 yen	854 yen Includes commemorative 200 yen	1,711 yen

Total dividend	Payout ratio
267.9 billion yen	56.6%

FY2024 Financial Estimates

(FY2024 : April 1, 2023 – March 31, 2024)

Current Business Environment

- **Macroeconomic Concerns**
(Trends in inflation, policy rates, utility costs, etc.)
- **A pause in PC/Smartphone demand**
- **Inventory adjustment of semiconductors, especially memory**

This year's semiconductor production equipment market is expected to decrease for the first time in four years

Outlook for Future Business Environment

- **Semiconductor equipment market will gradually recover and grow strongly from CY2024**

<Main Drivers>

**Data center investment, Recovery in PC/smartphone demand,
Spread of EVs and autonomous driving, Utilization of
generative AI**

FY2024 Consolidated Financial Estimate

(Billion yen)

	1 st half	2 nd half	Full year
Net sales	790.0	910.0	1,700.0
Operating income	161.0 20.4%	232.0 25.5%	393.0 23.1%
Ordinary income	162.0	233.0	395.0
Income before income taxes	162.0	233.0	395.0
Net income attributable to owners of parent	120.0	180.0	300.0

**Market is in adjustment phase, but TEL will continue to invest in growth
Planning record high R&D investment of 200 billion yen**

Aiming for Medium- to Long-term Profit and Continuous Corporate Value Enhancement

1. Business Environment
2. The Medium-term Management Plan
3. Aiming for Further Corporate Value Enhancement
4. Returns to Shareholders

1. Business Environment

Emergence and Evolution of New Technology

Generative AI



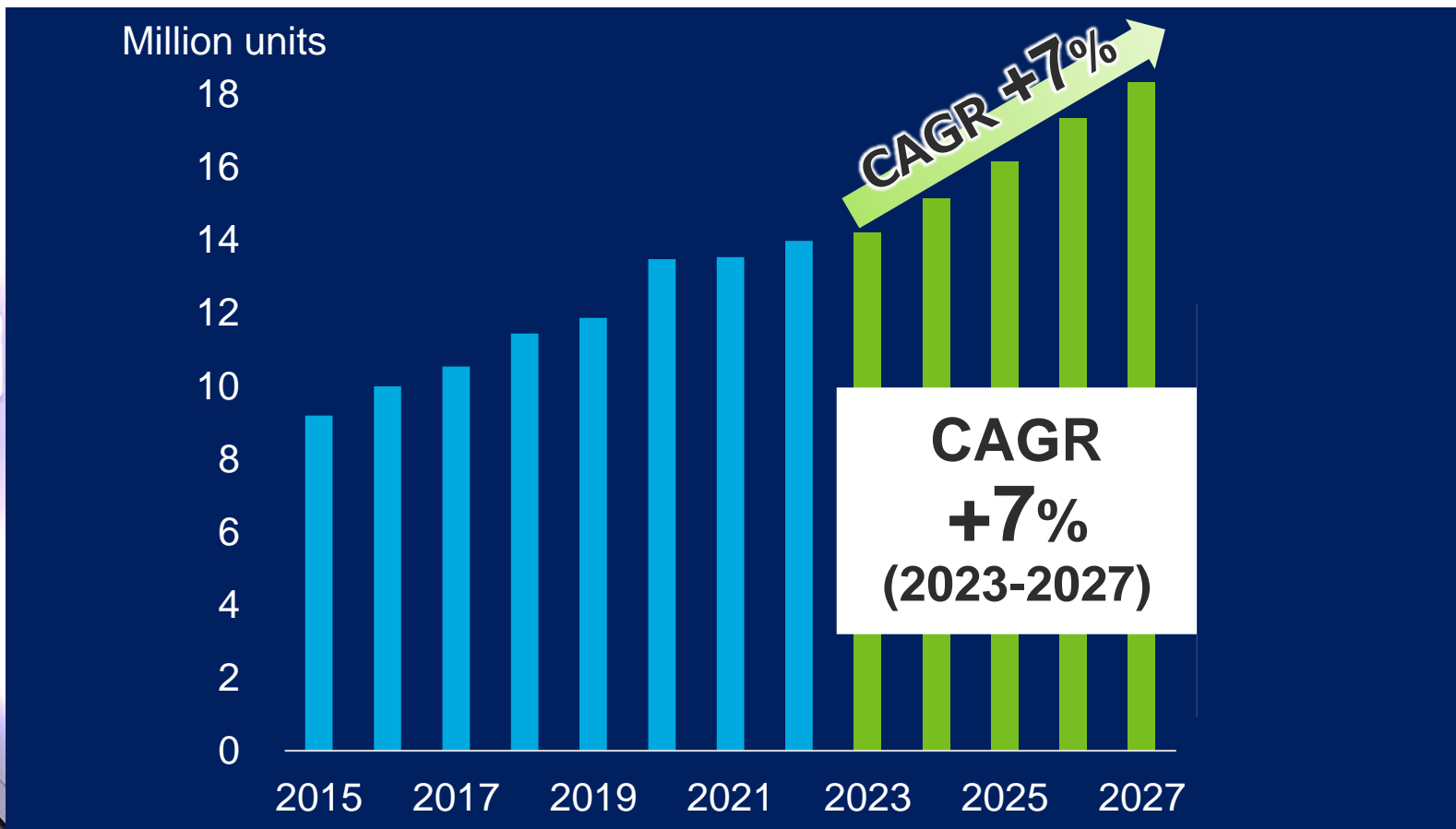
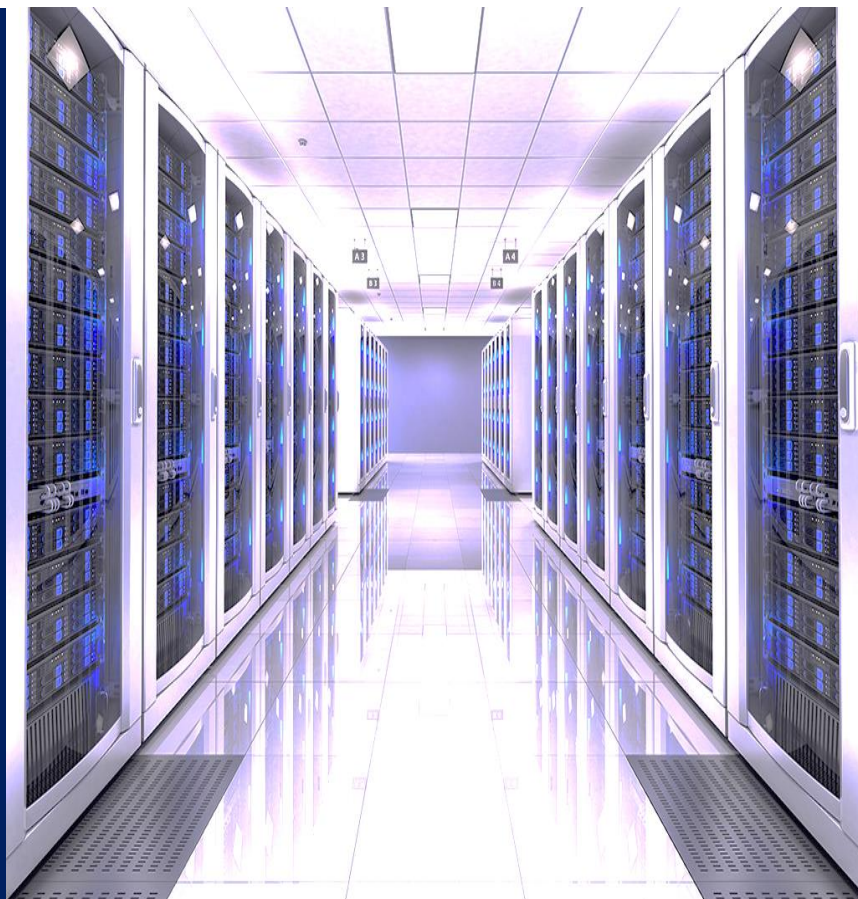
Metaverse



Autonomous Driving



New Applications Drive Server Demand



Source : Omdia

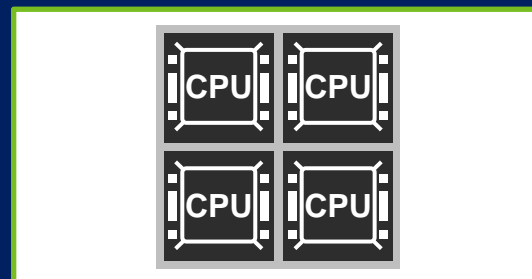
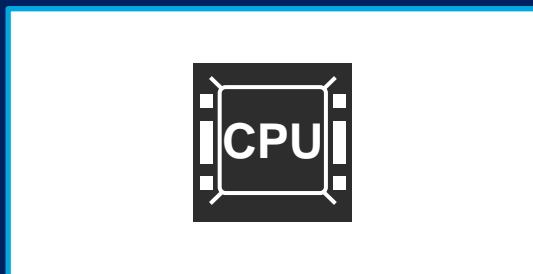
Server market moves into further growth phase

Evolution of Server Semiconductors

2017~

2023~

Device Images



Number of chips

1 chip



4 chips

Total device size

Approx. 700mm²



Approx. 1,600mm²

Approx. **2.3** times

DRAM

DDR4



DDR5

Approx. **1.1** times

3D NAND

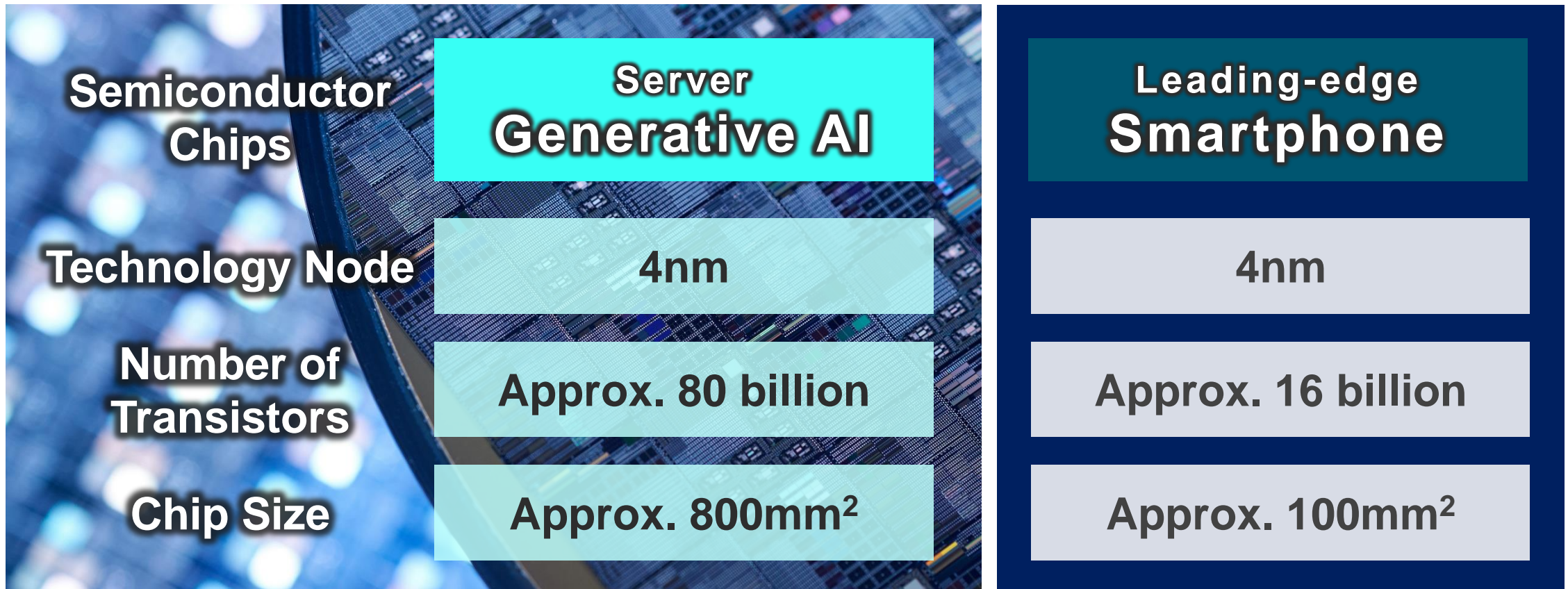
64 layers



200 layers or more

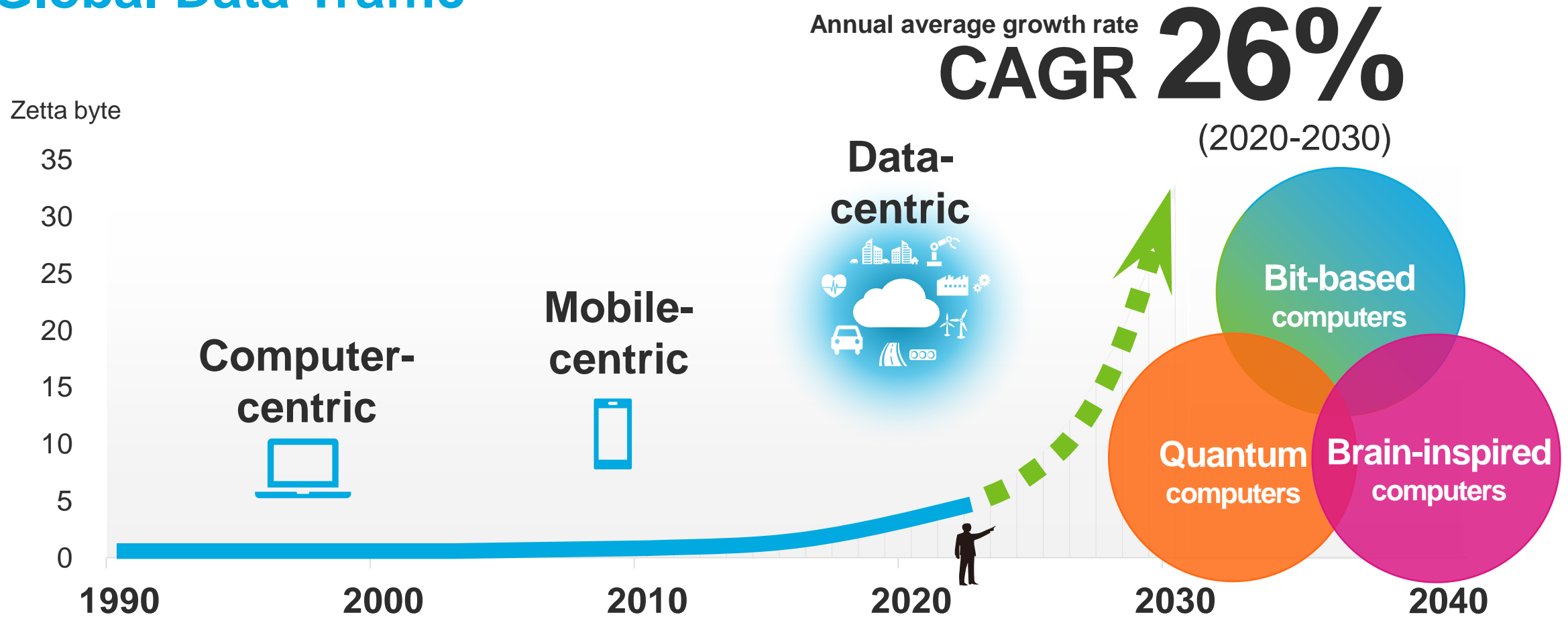
Advanced Semiconductors Essential for Generative AI

Source : Omdia



As a new growth driver for the semiconductor market

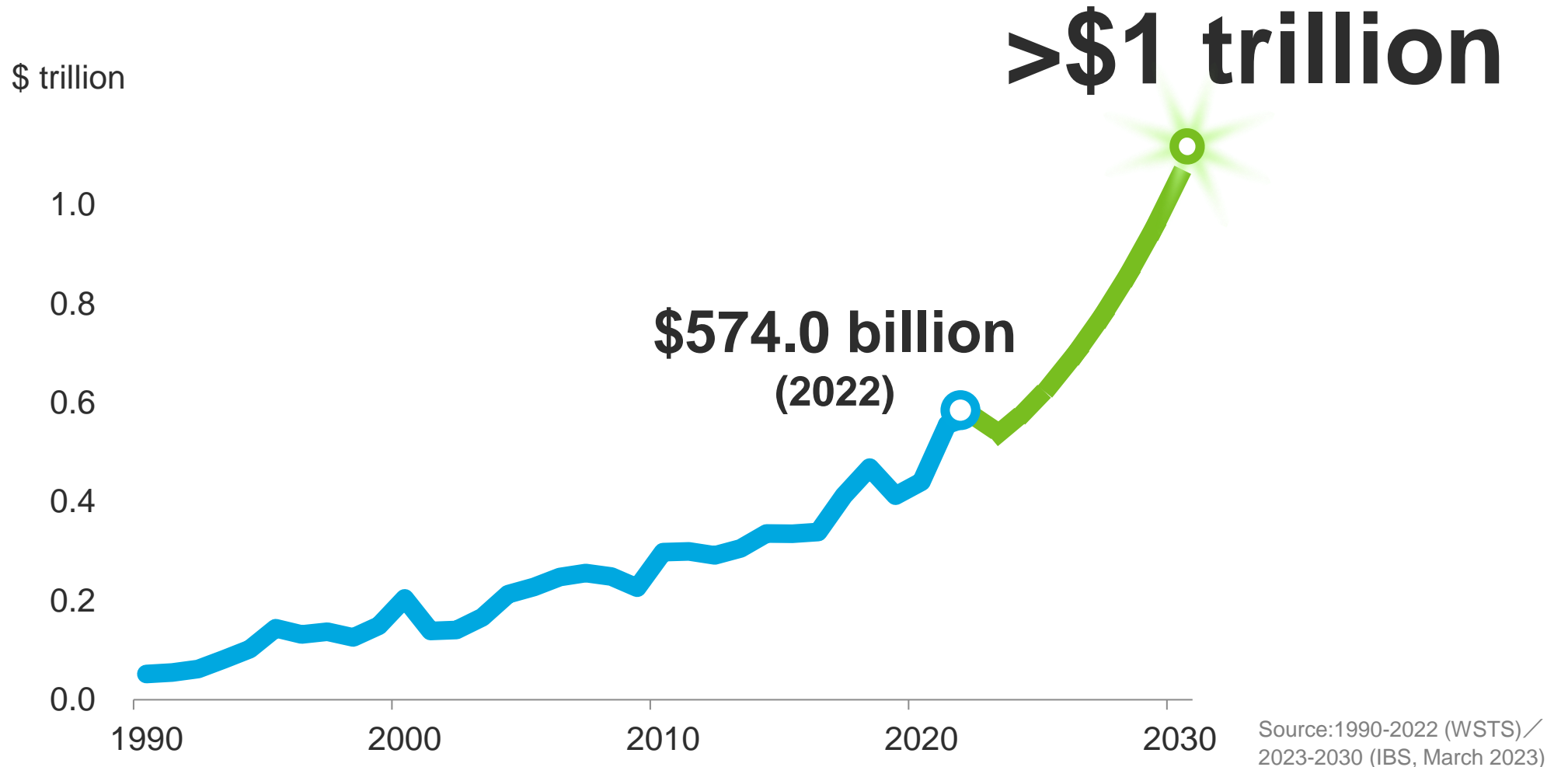
Global Data Traffic



Source: Omdia (1990-2030),
TEL estimation (2030-2040)

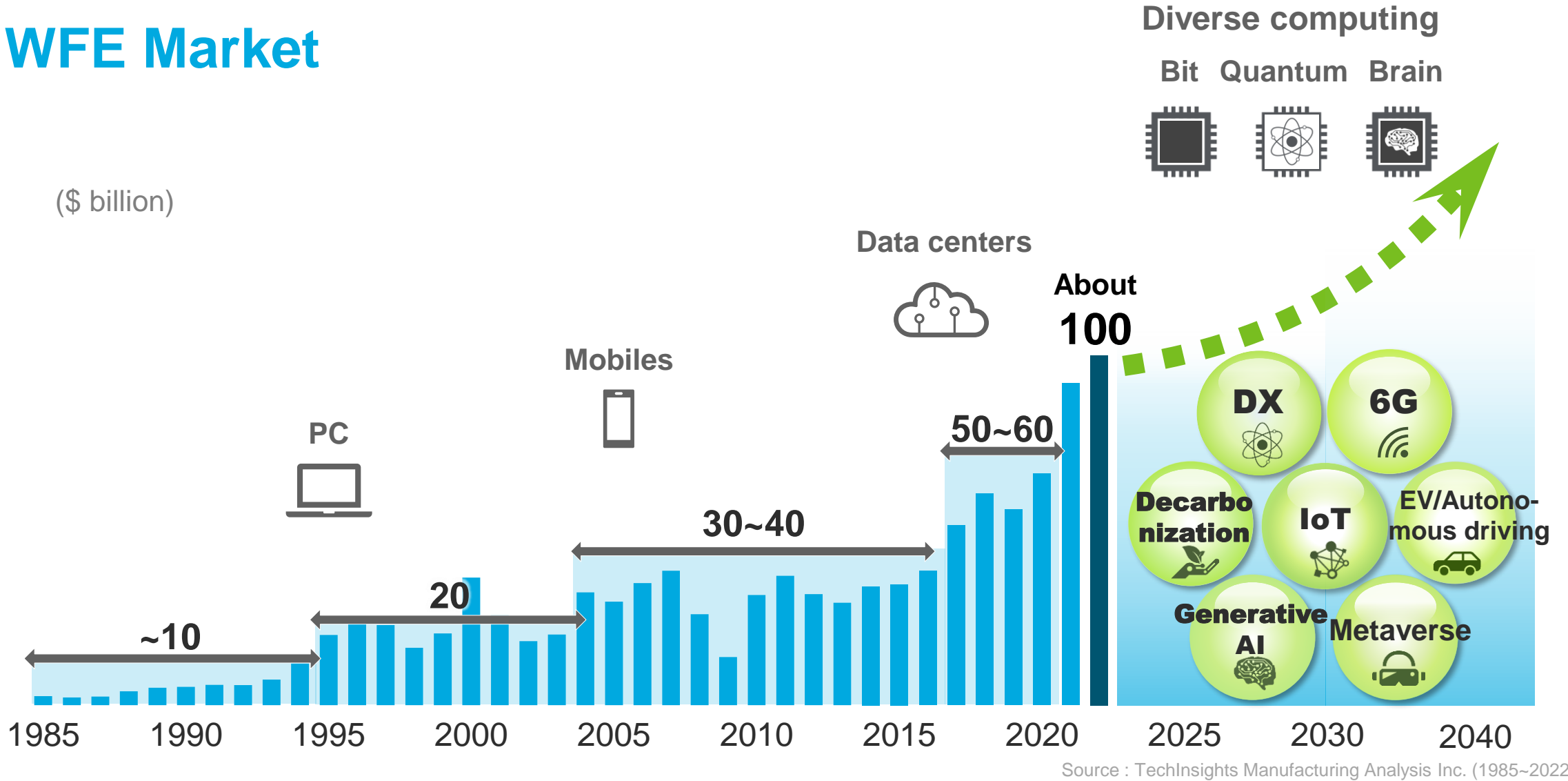
The digitization of society has only just begun
Computing has evolved into the true big data era

Outlook for the Semiconductor Market



Growing to more than double by 2030

WFE Market



Various technologies that support both digitalization and decarbonization will drive further growth in the semiconductor manufacturing equipment market.

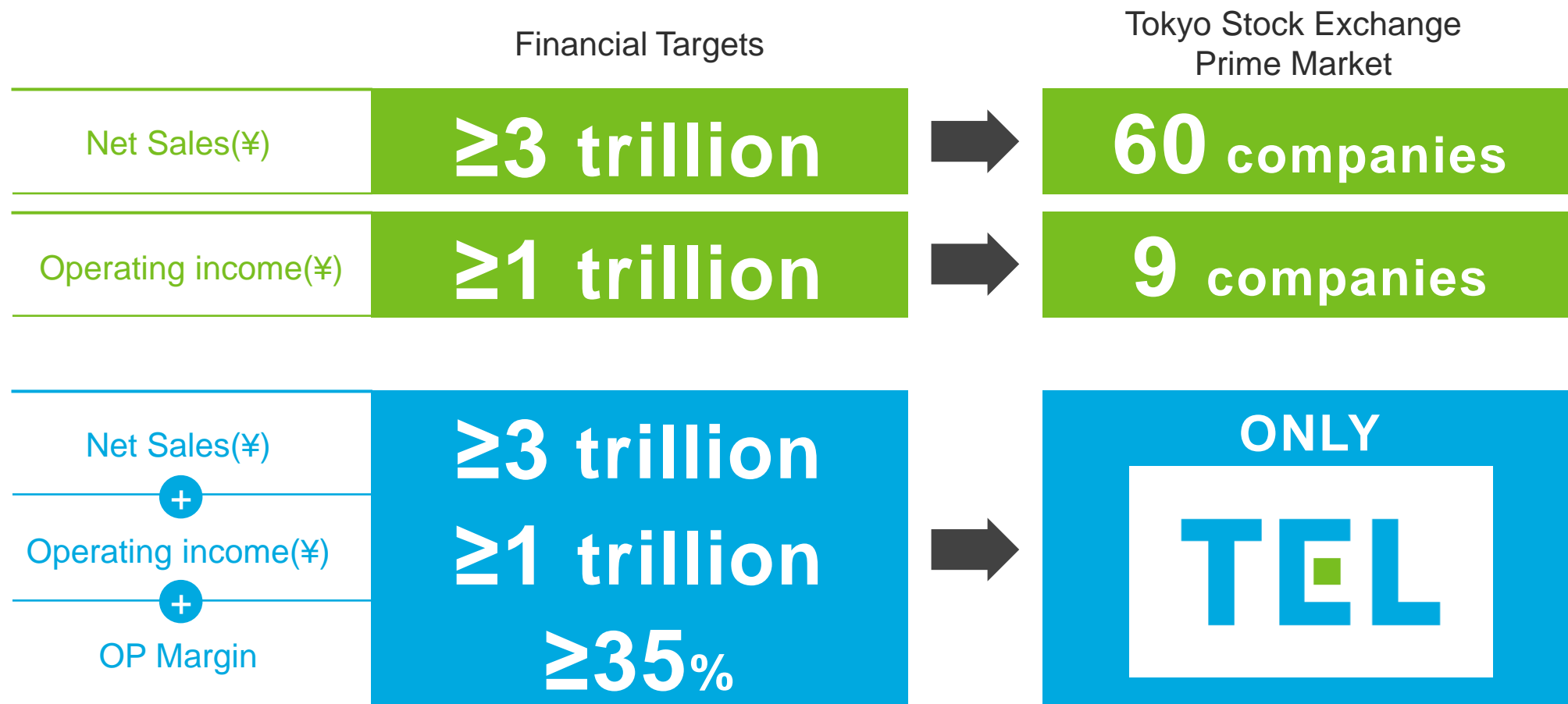
2. The Medium-term Management Plan

The New Medium-term Management Plan : Financial Targets (Announced in June 2022)

Financial Targets (by FY2027)	
Net sales	≥ 3 trillion yen
OP margin	≥ 35%
ROE	≥ 30%

Become the Only One in the TSE Prime Market

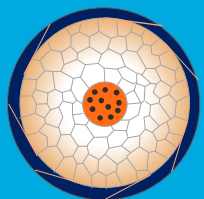
As of June 16, 2023



Astonishing Microscopic Level of Semiconductors

1/20,000

**Diameter
of human hair**



0.1 mm

Smoke particles



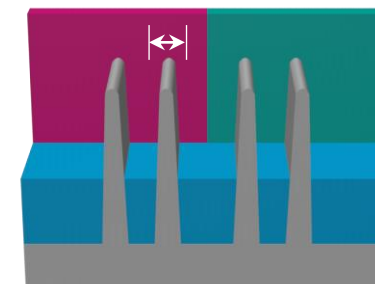
100 nanometer

Viruses



14 nanometer

**The processing dimensions of
leading-edge semiconductors**



Approx. 5 nanometer

1 nanometer = 1/1,000,000,000 meter

Semiconductor processing technology is moving into the ultimate area

Taking Advantage of TEL's Strengths

**Only
One**



Deposition



Coater/developer



Etching



Cleaning

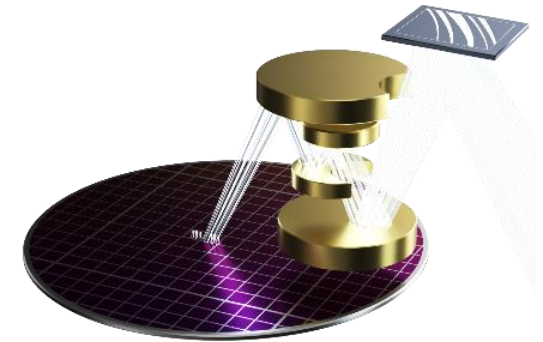
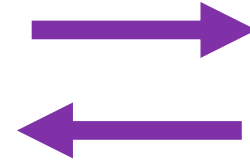
Have products in 4 sequential processes

Taking Advantage of TEL's Strengths

100%



Coater/developer



EUV lithography

100% share of coater/developer for EUV lithography

EUV: Extreme Ultraviolet

Taking Advantage of TEL's Strengths

Major products and market position*

#1



Coater/
developer

#2



Cleaning

#2



Plasma
etching

#1



Gas
chemical
etching

#1



Diffusion
furnace

#1



Batch
deposition

#2



Metal
deposition

#2



Prober

*TEL estimate

Products with the world's No.1 or No.2 market share

Number of Registered Patents Maintained by Equipment Manufacturers (as of Mar. 2023)

0 5,000 10,000 15,000 20,000 25,000

TEL



Approx. 22,000

Company A



Approx. 18,000

Company B



Approx. 7,000

Company C



Approx. 7,000

Company D



Approx. 4,000

■ Japan ■ US ■ Korea ■ Taiwan ■ China



According to TEL survey

High Evaluation of TEL's Intellectual Property by External Agencies

- Clarivate (formerly Thomson Reuters)

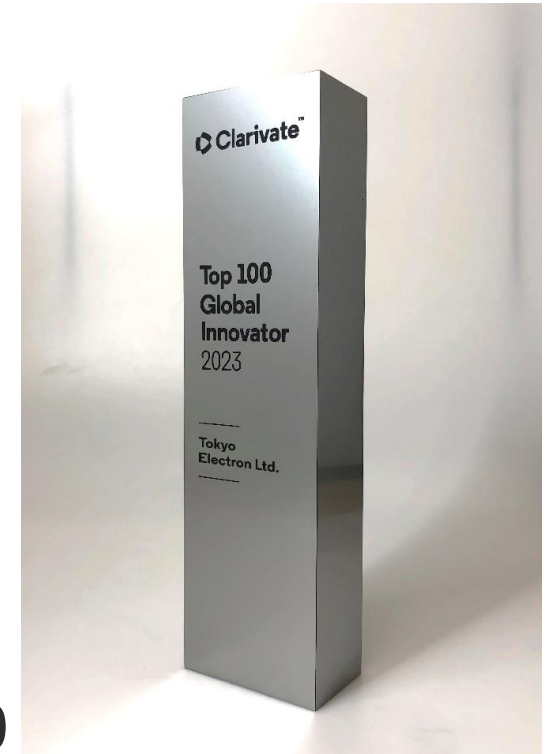
Top 100 Global Innovator 2023

- LexisNexis

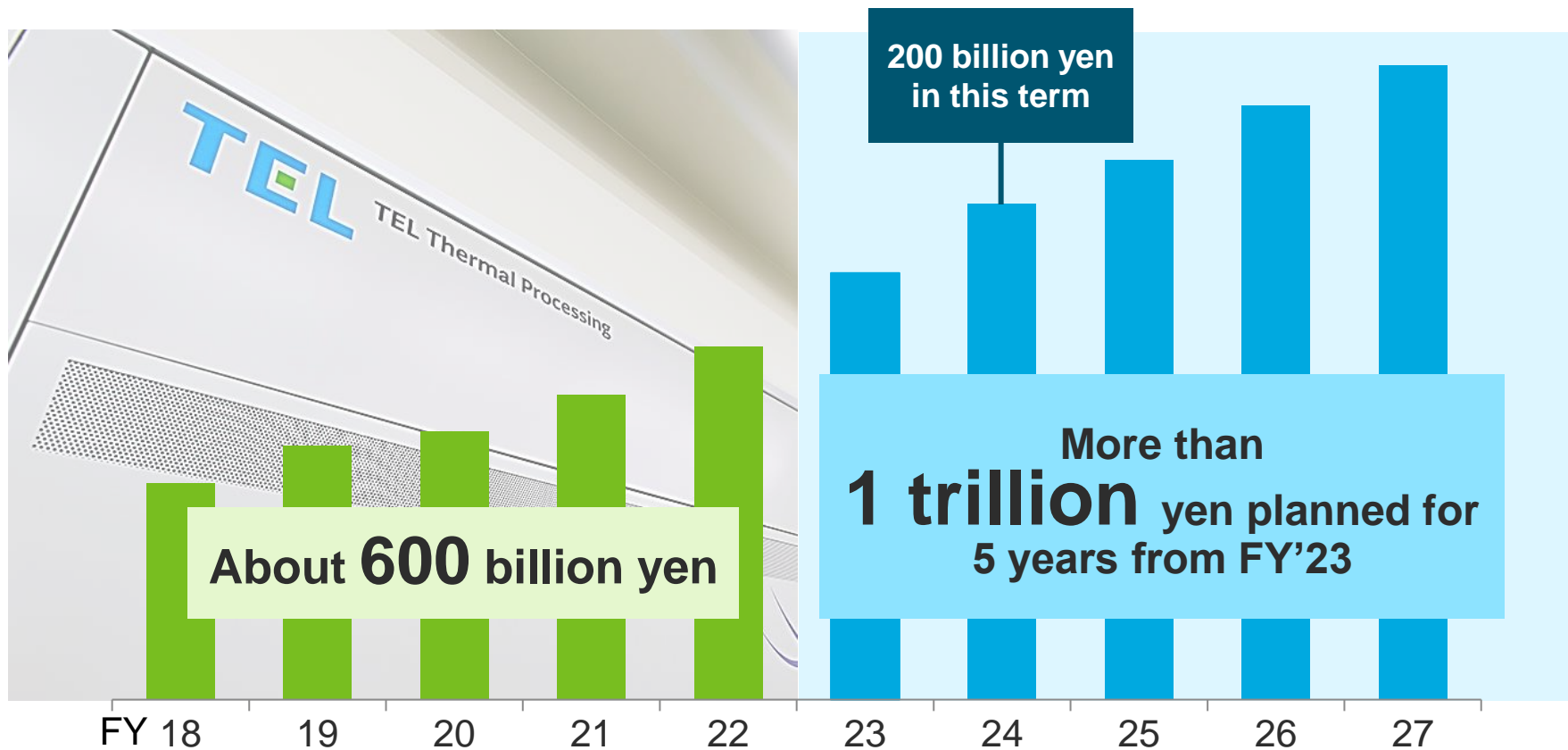
Innovation Momentum 2023 The Global Top 100

- Patent Result

Ranked first for the third consecutive year in patent asset size ranking in the semiconductor production equipment industry



R&D Investment



Continue to invest on R&D to create high value-added next-generation products

Capital Expenditure

New development building in Yamanashi

Completion scheduled for summer 2023



**Nirasaki-city,
Yamanashi Prefecture**

New development building in Miyagi

Completion scheduled for spring 2025



**Taiwa-town,
Miyagi Prefecture**

New development building in Kumamoto

Completion scheduled for summer 2025



**Koshi-city,
Kumamoto Prefecture**

Production and Logistics Center in Tohoku

Completion scheduled for autumn 2025



**Oshu-city,
Iwate Prefecture**

**Expecting record high in capex of 124 billion yen this year
and more than 400 billion yen by FY2027**



Metaverse

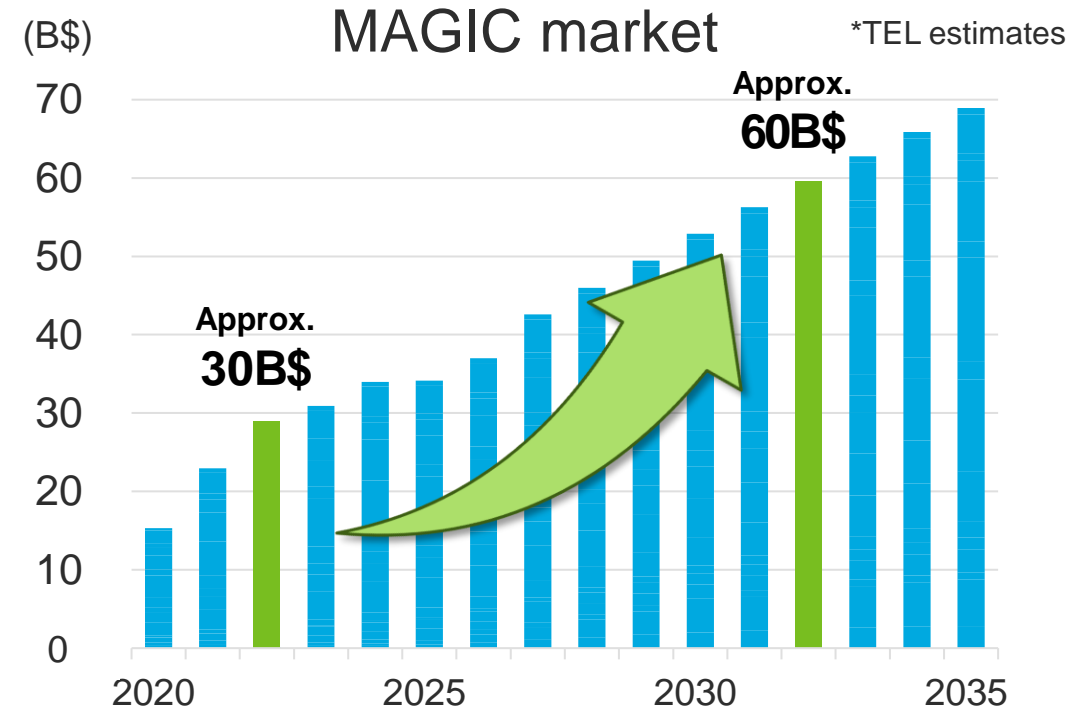
Autonomous
mobility

Green
energy

IoT &
Information

Communic-
ations

- **Growing to more than double in 10 years**
 - ✓ Products with the world's No.1 or No.2 market share
 - ✓ World's largest installed base (Approx. 88,000 units)
 - ✓ Pursuit of environmental performance and safety performance
- **MAGIC market sales**
 - ✓ FY2023 : Approx. 500 billion yen



Every leading-edge semiconductor in the world passes through our equipment

**Profit is an important measure of value in
our products and services**

Further improving strengths

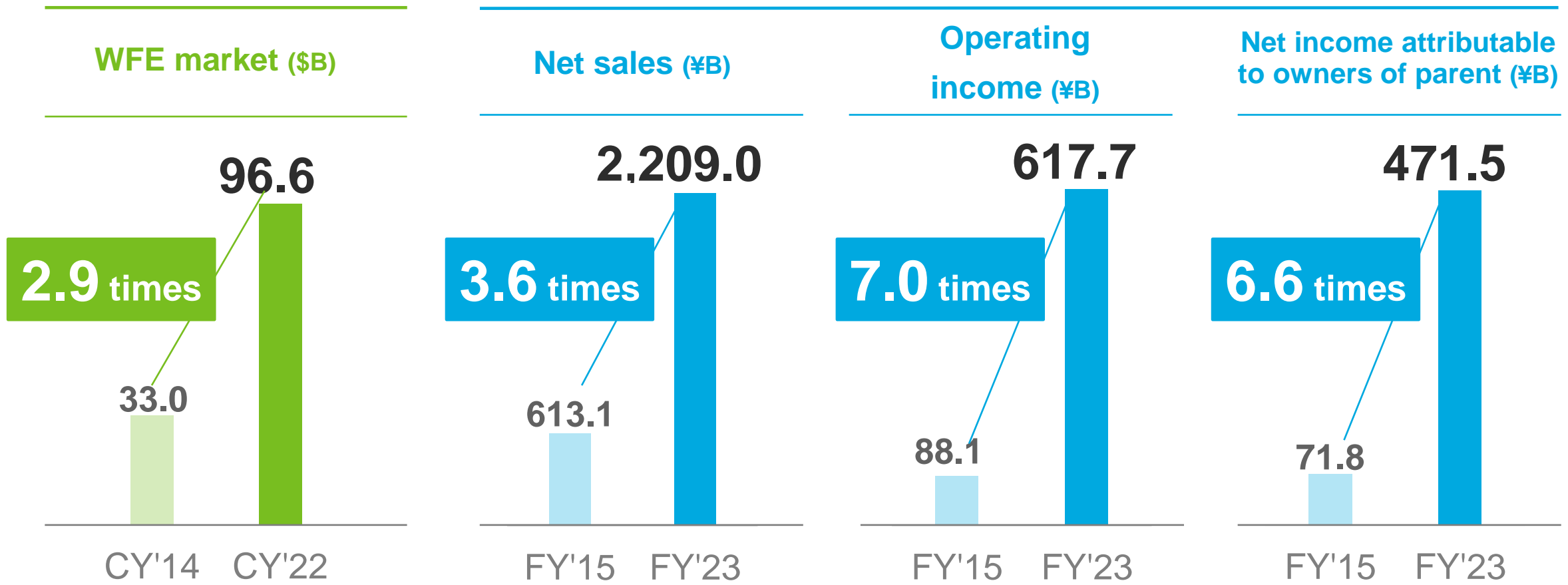
3. Aiming for Further Corporate Value Enhancement

Celebrating our 60th Year

TEL

60[↑]
years

History of New TEL Growth (Comparison of FY2015 vs FY2022 Actual)



Source : TechInsights Manufacturing Analysis Inc. (VLSI)

Significantly outperformed market growth

TEL Market Cap. (Jan. 2014 ~ Jun. 2023)



Aiming for achievement of Medium-term Management Plan and further corporate value enhancement

New Vision

A company filled with dreams and vitality that contributes to technological innovation in semiconductors

Tokyo Electron pursues technological innovation in semiconductors that supports the sustainable development of the world.

We aim for medium- to long-term profit expansion and continuous corporate value enhancement by utilizing our expertise to continuously create high value-added leading-edge equipment and technical services.

Our corporate growth is enabled by people, and our employees both create and fulfill company values. We work to realize this vision through engagement with our stakeholders.



Corporate Message

Technology Enabling Life

CSV (Creating Shared Value)

This concept is to create social and economic value by leveraging corporate expertise to solve social issues, thereby enhancing corporate value and achieving sustainable growth.



TSV

TEL's Shared Value

Contributing to technological innovation in
semiconductors

Approaches to Sustainability

E-COMPASS

Environmental Co-Creation by Material, Process and Subcomponent Solutions

Semiconductors	Production equipment	Business activities
<p>Pursuing higher device performance and lower power consumption</p> 	<p>Achieving both high process performance and environmental performance of the equipment</p> 	<p>Reduction of CO₂ emissions in all business activities</p> 

Promoting technological innovation of semiconductors and reducing environmental impact throughout the supply chain

Aiming for Sustainable Development of the World

Net Zero



for Greenhouse Gas Emissions

In our Supply Chain

Scope 1 & 2 (Own emissions) by 2040

Scope 3 (Outside our group) by 2050

*Scope 1 & 2 : Emissions from the use of energy such as electricity in business activities

**Scope 3 : Emissions from the use and disposal of sold equipment, purchase of materials, distribution, etc.

4. Returns to Shareholders

Basic Approach for Shareholder Returns

Continuously create high value-added leading-edge equipment and technical services



Aiming for short-, medium- and long-term profits at the same time, and continuous and further corporate value enhancement



Appropriate returns to shareholders

Dividend Policy

Dividend payout ratio: 50%

Annual DPS (dividend per share) of no less than 50 yen

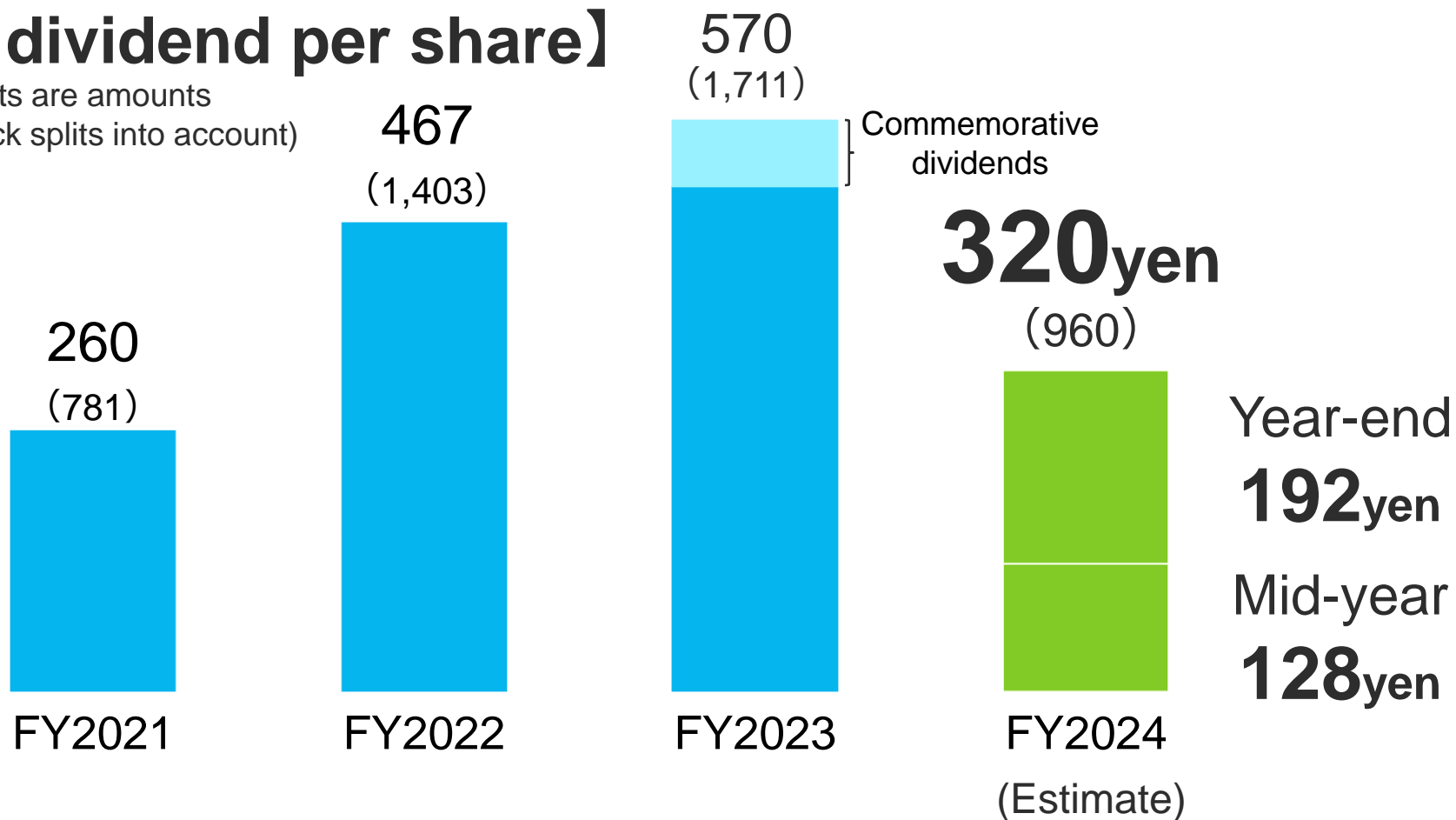
Review dividend policy if the company does not generate net income for two consecutive fiscal years.

FY2024 Dividend Forecast

【Annual dividend per share】

(Figures in brackets are amounts without taking stock splits into account)

(Yen)



Planning 320 yen as dividend per share

Total Return Amount

(Billion yen)

300

250

200

150

100

50

0

FY2021

FY2022

FY2023

FY2024 (E)

121.9

219.3

236.6

267.9

31.3

Commemorative dividends

270.3

120.0

150.3

Amount of purchased treasury stock

Paid dividends

**We will continue striving to
further increase shareholder value
and meet the expectations of
all stakeholders**



Semiconductors = Future

The background features a dark blue gradient with several light blue arrows pointing upwards and to the right, suggesting growth. A semi-transparent horizontal bar is positioned across the middle of the slide, containing the main title. In the lower right background, there is a faint bar chart with several vertical bars of varying heights.

Further Growth Phase



Corporate growth is about **People**

The background of the slide is a close-up, high-angle view of a microchip or integrated circuit. The chip's surface is covered in a complex grid of small, rectangular components and intricate circuitry. The color palette is a gradient of purples and blues, with the top-left corner being a lighter, more vibrant purple and the bottom-right corner being a darker, more muted blue. The overall effect is one of advanced technology and precision engineering.

**Create technologies that
the world has never seen**



**Continue to take on
challenges and evolve**



Aim to Be Global No.1



Technology Enabling Life

